

Budget 2024-2025

Speech of **Nirmala Sitharaman** *Minister of Finance*

July 23, 2024

Hon'ble Speaker,

I present the Budget for 2024-25.

Introduction

1. The people of India have reposed their faith in the government led by the Hon'ble Prime Minister Shri Narendra Modi and re-elected it for a historic third term under his leadership. We are grateful for their support, faith and trust in our policies. We are determined to ensure that all Indians, regardless of religion, caste, gender and age, make substantial progress in realising their life goals and aspirations.

Global Context

2. The global economy, while performing better than expected, is still in the grip of policy uncertainties. Elevated asset prices, political uncertainties and shipping disruptions continue to pose significant downside risks for growth and upside risks to inflation.

3. In this context, India's economic growth continues to be the shining exception and will remain so in the years ahead. India's inflation continues to be low, stable and moving towards the 4 per cent target. Core inflation (non-food, non-fuel) currently is 3.1 per cent. Steps are being taken to ensure supplies of perishable goods reach market adequately.

Interim Budget

4. As mentioned in the interim budget, we need to focus on 4 major castes, namely 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata' (Farmer). For Annadata, we announced higher Minimum Support Prices a month ago for all major crops, delivering on the promise of at least a 50 per cent margin over costs. Pradhan Mantri Garib Kalyan Anna Yojana was extended for five years, benefitting more than 80 crore people.

5. Administrative actions for approval and implementation of various schemes announced in the interim budget are well underway. The required allocations have been made.

Budget Theme

6. Turning attention to the full year and beyond, in this budget, we particularly focus on employment, skilling, MSMEs, and the middle class. I am happy to announce the Prime Minister's package of 5 schemes and initiatives to facilitate employment, skilling and other opportunities for 4.1 crore youth over a 5-year period with a central outlay of ₹ 2 lakh crore. I will speak about them shortly, while more details may be seen in the annexure. This year, I have made a provision of ₹ 1.48 lakh crore for education, employment and skilling.

Budget Priorities

7. The people have given a unique opportunity to our government to take the country on the path of strong development and all-round prosperity. In the interim budget, we promised to present a detailed roadmap for our pursuit of '*Viksit Bharat*'. In line with the strategy set out in the interim budget, this budget envisages sustained efforts on the following 9 priorities for generating ample opportunities for all.

- 1) Productivity and resilience in Agriculture
- 2) Employment & Skilling
- 3) Inclusive Human Resource Development and Social Justice
- 4) Manufacturing & Services
- 5) Urban Development
- 6) Energy Security
- 7) Infrastructure

8) Innovation, Research & Development and

9) Next Generation Reforms

8. Subsequent budgets will build on these, and add more priorities and actions. A more detailed formulation will be carried out as part of the 'economic policy framework' about which I will speak later in this speech.

9. This budget details some of the specific actions to be initiated in the current year towards fulfilment of these priorities with potential for transformative changes. The budget also covers some of the previously made announcements with an intent to strengthen them and step up their implementation for expediting our journey towards the goal of Viksit Bharat.

Priority 1: Productivity and resilience in Agriculture

Transforming agriculture research

10. Our government will undertake a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties. Funding will be provided in challenge mode, including to the private sector. Domain experts both from the government and outside will oversee the conduct of such research.

Release of new varieties

11. New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.

Natural Farming

12. In the next two years, 1 crore farmers across the country will be initiated into natural farming supported by certification and branding. Implementation will be through scientific institutions and willing gram panchayats. 10,000 need-based bio-input resource centres will be established.

Missions for pulses and oilseeds

13. For achieving self-sufficiency in pulses and oilseeds, we will strengthen their production, storage and marketing. As announced in the interim budget, a strategy is being put in place to achieve '*atmanirbharta*' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower.

Vegetable production & Supply Chains

14. Large scale clusters for vegetable production will be developed closer to major consumption centres. We will promote Farmer-Producer Organizations, cooperatives and start-ups for vegetable supply chains including for collection, storage, and marketing.

Digital Public Infrastructure for Agriculture

15. Buoyed by the success of the pilot project, our government, in partnership with the states, will facilitate the implementation of the Digital Public Infrastructure (DPI) in agriculture for coverage of farmers and their lands in 3 years. During this year, digital crop survey for Kharif using the DPI will be taken up in 400 districts. The details of 6 crore farmers and their lands will be brought into the farmer and land registries. Further, the issuance of Jan Samarth based Kisan Credit Cards will be enabled in 5 states.

Shrimp Production & Export

16. Financial support for setting up a network of Nucleus Breeding Centres for Shrimp Broodstocks will be provided. Financing for shrimp farming, processing and export will be facilitated through NABARD.

National Cooperation Policy

17. Our government will bring out a National Cooperation Policy for systematic, orderly and all-round development of the cooperative sector. Fast-tracking growth of rural economy and generation of employment opportunities on a large scale will be the policy goal.

18. This year, I have made a provision of ₹ 1.52 lakh crore for agriculture and allied sector.

Priority 2: Employment & Skilling

Employment Linked Incentive

19. Our government will implement following 3 schemes for 'Employment Linked Incentive', as part of the Prime Minister's package. These will be based on enrolment in the EPFO, and focus on recognition of first-time employees, and support to employees and employers.

Scheme A: First Timers

20. This scheme will provide one-month wage to all persons newly entering the workforce in all formal sectors. The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to ₹ 15,000. The eligibility limit will be a salary of ₹ 1 lakh per month. The scheme is expected to benefit 210 lakh youth.

Scheme B: Job Creation in manufacturing

21. This scheme will incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees. An incentive will be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment, and their employers.

Scheme C: Support to employers

22. This employer-focussed scheme will cover additional employment in all sectors. All additional employment within a salary of ₹ 1 lakh per month will be counted. The government will reimburse to employers up to ₹ 3,000 per month for 2 years towards their EPFO contribution for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

Participation of women in the workforce

23. We will facilitate higher participation of women in the workforce through setting up of working women hostels in collaboration with industry, and establishing creches. In addition, the partnership will seek to organize women-specific skilling programmes, and promotion of market access for women SHG enterprises.

Skilling programme

24. I am happy to announce a new centrally sponsored scheme, as the 4th scheme under the Prime Minister's package, for skilling in collaboration with state governments and Industry. 20 lakh youth will be skilled over a 5-year period. 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation. Course content and design will be

aligned to the skill needs of industry, and new courses will be introduced for emerging needs.

Skilling Loans

25. The Model Skill Loan Scheme will be revised to facilitate loans up to ₹ 7.5 lakh with a guarantee from a government promoted Fund. This measure is expected to help 25,000 students every year.

Education Loans

26. For helping our youth who have not been eligible for any benefit under government schemes and policies, I am happy to announce a financial support for loans upto ₹ 10 lakh for higher education in domestic institutions. E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 per cent of the loan amount.

Priority 3: Inclusive Human Resource Development and Social Justice

Saturation approach

27. Our government is committed to all-round, all-pervasive and all-inclusive development of people, particularly, farmers, youth, women and poor. For achieving social justice comprehensively, the saturation approach of covering all eligible people through various programmes including those for education and health will be adopted to empower them by improving their capabilities.

28. Implementation of schemes meant for supporting economic activities by craftsmen, artisans, self-help groups, scheduled caste, schedule tribe and women entrepreneurs, and street vendors, such as PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India will be stepped up.

Purvodaya

29. The states in the Eastern part of the country are rich in endowments and have strong cultural traditions. We will formulate a plan, Purvodaya, for the all-round development of the eastern region of the country covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh. This will cover