

India's Finance Minister, Nirmala Sitharaman, presented the interim budget last week, marking nearly a decade of Prime Minister Narendra Modi's governance. Instead of offering freebies in the run-up to the upcoming national polls, Sitharaman highlighted the government's achievements, providing a comprehensive overview of the changing dynamics in the Indian economy.

In a strategic move, Sitharaman reduced the food subsidy by 3.3 percent to 2.12 trillion rupees (\$25.5bn) for 2025, compared to 2.05 trillion rupees (\$24.6bn) in the current fiscal year. The fertiliser subsidy also saw a reduction, while capital expenditure was maintained at 1.3 trillion rupees (\$15.6bn).

By managing expenditures effectively, Sitharaman announced a fiscal deficit of 5.1 percent for the year ending March 2025, surpassing market expectations that hovered around 5.3 to 5.4 percent. Suman Bannerjee, Chief Investment Officer at Hedonova, a global hedge fund, expressed surprise, stating, "This was lower than we had expected."

The diminished subsidies reflect India's shift "away from agriculture towards manufacturing," according to Bannerjee. Despite earlier initiatives of providing free food supplies to the poorest, Sitharaman highlighted achievements, including a 50 percent increase in average real income, lifting over 250 million people from poverty, and elevating the economy to the world's fifth-largest from the tenth position in the past decade.

However, these statistics were contested by the opposition Congress party, attributing economic challenges to the impact of COVID-19 and the government's GST (goods and services tax). Manickam Tagore, a Congress member of parliament, emphasized concerns about the growing demand for the country's Food for Work program, indicating distress among the poorest.

Sitharaman attributed the lower fiscal deficit to a resurgence in private investment. While not yet broad-based, increased government investment in sectors such as steel, cement, renewables, and infrastructure has spurred growth. Improved tax collection, including an expanded luxury tax, might have contributed to reducing the fiscal deficit.

Despite expectations of robust economic growth, concerns linger about India's urban-centric focus. The budget includes measures to uplift the rural economy, with schemes for rural housing, free food for the poor, and support for aquaculture. Initiatives to boost women's skill-building and entrepreneurship were also announced, addressing the gender gap in the workforce.

The finance minister unveiled a household rooftop solar energy scheme and initiatives for electric vehicles and wind power projects, aligning with India's goal of achieving net-zero emissions by 2070.

Sitharaman set the tone for the upcoming elections, displaying confidence in careful spending after recent electoral victories. Prime Minister Modi hailed the budget as hitting a "sweet spot" by promoting capital expenditure while maintaining fiscal discipline.

India's Interim Budget for 2024, presented by Finance Minister Smt Nirmala Sitharaman, outlines the government's expenditure plans for the first half of the upcoming fiscal year. This summary provides an overview of key highlights across various sectors, offering insights for the public and investors.

## Welfare

**Multi-Dimensional Poverty:\*\*** The government's 'Sabka Saath' initiative has helped 25 Cr people escape multi-dimensional poverty.

**Direct Benefit Transfer:\*\*** Utilizing PM-Jan Dhan accounts, the government has transferred 34 Lakh Cr, resulting in savings of 2.7 Lakh Cr.

**PM-SVANidhi:\*\*** Extended credit assistance to 78 Lakh street vendors, with 2.3 Lakh receiving credit for the third time.

PM-JANMAN Yojana:\*\* Targeting vulnerable tribal groups, previously excluded from development efforts.

PM-Vishwakarma Yojana:\*\* Provides comprehensive support to artisans and craftspeople engaged in 18 trades.

PM-KISAN SAMMAN Yojana:\*\* Offers direct financial assistance to 11.8 Cr farmers annually, with crop insurance under PM Fasal Bima Yojana for 4 Cr farmers.

Electronic National Agriculture Market:\*\* Integrating 1361 mandis, serving 1.8 Cr farmers with a trading volume of INR 3 Lakh Cr.

### Empowering Youth

National Education Policy 2020:\*\* Initiates transformative reforms with PM Schools for Rising India (PM SHRI).

Skill India Mission:\*\* Trains 1.4 Cr youth, upskilling and reskilling 54 Lakh, establishing 3000 new ITIs.

Institutions of Higher Learning:\*\* Sets up 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS, and 390 universities.

PM Mudra Yojana:\*\* Sanctions 43 Cr loans totaling 22.5 Lakh Cr for entrepreneurial youth aspirations.

### Women Empowerment

Mudra Yojana Loans for Women:\*\* Extends 30 Cr loans to women entrepreneurs.

Female Enrolment:\*\* Sees a 28% increase in higher education and 43% enrolment in STEM courses.

### Geopolitics

India-Middle East-Europe Economic Corridor:\*\* A strategic and economic game-changer.

### Vision for Viksit Bharat

Prosperous Bharat:\*\* Envisions harmony with nature, modern infrastructure, and opportunities for all citizens.

### Strategy for 'Amrit Kaal'

Economic Policies:\*\* Aimed at fostering inclusive and sustainable development, improving productivity, and facilitating growth.

'Reform, Perform, and Transform':\*\* Guiding principle for next-generation reforms and consensus-building.

### Aspirational Districts Programme

Faster Development:\*\* Government ready to assist states in developing aspirational districts and blocks.

### Development of the East

Eastern Region Focus:\*\* Government prioritizes making the eastern region a powerful driver of India's growth.

## PM Awas Yojana (Grameen)

Housing Expansion:\*\* Aims to achieve three crore houses, with two crore more planned for the next five years.

## Rooftop Solarization and Muft Bijli

Solarization Scheme:\*\* Enables one crore households to obtain 300 units of free electricity monthly, promoting savings and employment.

## Housing for Middle Class

Homeownership Scheme:\*\* Government to launch a scheme to help the middle class buy or build their own houses.

## Health

Medical College Expansion:\*\* Plans to set up more medical colleges using existing hospital infrastructure.

Vaccination for Girls:\*\* Encourages vaccination for girls aged 9 to 14 for cervical cancer prevention.

Maternal and Child Care:\*\* Unifies various schemes for improved nutrition delivery and early childhood care.

Ayushman Bharat:\*\* Extends healthcare cover to all ASHA workers, Anganwadi Workers, and Helpers.

## Agriculture and Food Processing

Value Addition:\*\* Efforts to enhance value addition in the agricultural sector and boost farmers' income.

Kisan Sampada Yojana:\*\* Benefits 38 Lakh farmers and generates 10 Lakh employment.

Formalisation of Micro Food Processing Enterprises Yojana:\*\* Assists 2.4 Lakh SHGs and 60,000 individuals.

Post-Harvest Activities:\*\* Promotes private and public investment in post-harvest activities, including storage, processing, and marketing.

Nano DAP Application:\*\* Expands application on various crops in all agro-climatic zones.

## Research and Innovation

Research Corpus:\*\* Establishes a corpus of INR 1 Lakh Cr for long-term financing of research and innovation.

Deep-Tech Technologies:\*\* Launches a scheme for strengthening deep-tech technologies for defense purposes.

## Infrastructure

Budget Outlay Increase:\*\* The outlay for the next year increased by 11.1% to INR 11,11,111 Cr, constituting 3.4% of the GDP.

## Railways

Economic Railway Corridors:\*\* Implements three major corridors under PM Gati Shakti for multi-modal connectivity.

Vande Bharat Standard:\*\* Converts 40,000 rail bogies to Vande Bharat standards for safety and passenger comfort.

#### Aviation

Airport Expansion:\*\* Number of airports doubled to 149, with continued development of new airports.

#### Green Energy

Net-Zero Commitment:\*\* Implements measures for offshore wind energy, coal gasification, and phased mandatory blending of Compressed Biogas (CBG).

#### Electric Vehicle

E-Vehicle Ecosystem:\*\* Expands and strengthens the e-vehicle ecosystem, encouraging e-buses for public transport.

#### Bio-manufacturing and Bio-foundry

New Scheme Launch:\*\* Introduces a scheme for bio-manufacturing and bio-foundry for environment-friendly alternatives.

#### Blue Economy 2.0

Climate Resilient Measures:\*\* Launches a scheme for restoration and adaptation measures in Blue Economy 2.0.

#### Tourism

Tourist Centre Development:\*\* Encourages states to comprehensively develop iconic tourist centers, with a focus on island projects.

#### Promoting Investments

FDI Inflow:\*\* Records \$596 Bn FDI inflow during 2014-23, marking a golden era.

Bilateral Investment Treaties:\*\* Negotiates treaties to encourage sustained foreign investment.

#### Reforms in the States for 'Viksit Bharat'

Interest-Free Loan:\*\* Proposes INR 75,000 Cr as a fifty-year interest-free loan to support milestone-linked reforms by State Governments.

#### Societal Changes

High-Powered Committee:\*\* Forms a committee to address challenges arising from population growth and demographic changes.

For the full budget speech, refer to [this link]([https://www.indiabudget.gov.in/doc/Budget\\_Speech.pdf](https://www.indiabudget.gov.in/doc/Budget_Speech.pdf)).

Jeevan Mission has the third highest allocation in 2024-25 at Rs 70,163 crore, a marginal increase of 0.2% over the revised estimate of 2023-24.

- The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is allocated Rs 60,000 crore, the same as the revised estimate for 2023-24.

- The National Health Mission is allocated Rs 38,183 crore, a 12.7% increase over the revised estimate of 2023-24.
- The National Education Mission is allocated Rs 37,500 crore, an 11.9% increase over the revised estimate of 2023-24.
- The Modified Interest Subvention Scheme is allocated Rs 22,600 crore, a significant increase of 22.2% over the revised estimate of 2023-24.
- The Saksham Anganwadi and POSHAN 2.0 scheme is allocated Rs 21,200 crore, a slight decrease of 1.5% from the revised estimate of 2023-24.
- The National Livelihood Mission-Ajeevika is allocated Rs 15,047 crore, a 2.7% increase over the revised estimate of 2023-24.
- The Pradhan Mantri Fasal Bima Yojana is allocated Rs 14,600 crore, a slight decrease of 2.7% from the revised estimate of 2023-24.
- The Reform Linked Distribution Scheme is allocated Rs 14,500 crore, a substantial increase of 39.4% over the revised estimate of 2023-24.
- The PM POSHAN scheme is allocated Rs 12,467 crore, a significant increase of 24.7% over the revised estimate of 2023-24.
- The Swachh Bharat Mission is allocated Rs 12,192 crore, a considerable increase of 27.7% over the revised estimate of 2023-24.
- The Pradhan Mantri Gram Sadak Yojana is allocated Rs 12,000 crore, a notable decrease of 29.4% from the revised estimate of 2023-24.
- The Pradhan Mantri Krishi Sinchai Yojana is allocated Rs 11,391 crore, a substantial increase of 29.7% over the revised estimate of 2023-24.

These allocations indicate the government's priorities in key areas such as rural development, health, education, and agriculture. It's noteworthy that some schemes have seen significant increases, while others have faced reductions, reflecting the government's strategic focus and resource allocation decisions.