Key Features of Budget 2023-2024

February, 2023

MINISTRY OF FINANCE
BUDGET DIVISION
Vision for Amrit Kaal

1. Opportunities for Citizens with focus on the Youth
2. Growth and Job Creation
3. Strong and Stable Macro-Economic Environment

Saptarishi-7 priorities

- Inclusive Development
- Reaching the Last Mile
- Infrastructure and Investment
- Unleashing the Potential
- Amrit Kaal
- Youth Power
- Financial Sector
- Green Growth
Sabka Saath Sabka Vikas - Inclusive Development

Agriculture and Cooperatives

Building Digital Public Infrastructure
Building an accessible, inclusive and informative solution for Farmers

Setting up Agriculture Accelerator Fund
For encouraging innovative start-ups in rural areas

ANB* Horticulture Clean Plant Program to be launched
To boost production of high value horticultural crops

Targeted Funding
₹20 lakh crore agricultural credit targeted at Animal Husbandry, Dairy and Fisheries sector

Making India Global Hub For Millets: ‘Sree Anna’
Support to be given to IIMR^, Hyderabad for promoting research

Setting-up of widely available storage capacity
Will enhance Farmers’ remuneration by enabling sale at appropriate times

More Credit to Agriculture Sector

Record Foodgrain Production

*ANB - Amanirbh Bharat
^IIMR - Indian Institute of Millet Research
**Sabka Saath Sabka Vikas - Inclusive Development**

### Health
- 157 New Nursing Colleges to be established
- Sickled Cell Anaemia elimination Mission to be launched
- New Programme to promote research in Pharmaceuticals to be launched
- Joint Public and Private Medical Research to be encouraged via select ICMR labs

### Education and Skilling
- Revamped Teachers’ training via District Institutes of Education and Training
- National Digital Library to be set up for children and adolescents
- States will be encouraged to set up physical libraries at Panchayat and ward levels
The Big Tent that accommodates all

9 crore drinking water connections to rural houses

Cash transfer of ₹2.2 lakh crore to over 11.4 crore Farmers under PM-KISAN

Insurance cover for 44.6 crore persons under PMSBY* and PMJJY^*

11.7 crore household toilets constructed under SBM

9.6 crore LPG connections under Ujjawala

47.8 crore PM Jan Dhan bank accounts

220 crore Covid vaccinations of 102 crore persons

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*PMSBY: Pradhan Mantri Suraksha Bima Yojana

^PMJJY: Pradhan Mantri Jeevan Jyoti Yojana
Reaching the Last Mile

Pradhan Mantri PVTG* Development Mission to be launched

Financial assistance to be given for sustainable micro irrigation in drought prone regions of Karnataka

More teachers to be recruited for 740 Eklavya Model Residential Schools

Bharat (SHRI)^ to be set up for digitization of ancient inscriptions

Infrastructure and Investment

Incentives to boost Investment in Infrastructure and productive capacity

Multiplier Impact

Rise in growth and employment

Increased capital investment outlay by 33.4% to ₹10 lakh crore

Continuation of 50 year interest free loan to State Governments to incentivize infrastructure investment

Highest ever Capital outlay of ₹2.4 lakh crore for Railways

100 transport infrastructure projects identified for end-to-end connectivity for ports, coal, steel, fertilizer sectors

Creating Urban Infrastructure in Tier 2 and 3 cities via establishment of UIDF**

*PVTG: Particularly Vulnerable Tribal Groups,^SHRI: Shared Repository of Inscriptions,
**UIDF: Urban Infrastructure Development Fund
<table>
<thead>
<tr>
<th>Measures</th>
<th>Expected Outcomes</th>
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<tbody>
<tr>
<td><strong>Make AI in India:</strong> Three specialized AI centres to be set up in educational Institutes</td>
<td>AI based solutions in agriculture, health and sustainable cities</td>
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<td><strong>National Data Governance Policy</strong> to be introduced</td>
<td>Enable access to anonymized data for research by Start-ups and academia</td>
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<td><strong>Vivad se Vishwas I:</strong> Less stringent contract execution for MSMEs</td>
<td>Relief to MSMEs affected during the Covid period</td>
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<td><strong>Vivad se Vishwas II:</strong> Easier and standardized settlement scheme</td>
<td>Faster settlement of contractual disputes of Govt. and Govt. undertakings</td>
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<td>Phase 3 of <strong>E-Courts</strong> to be launched</td>
<td>Effective administration of Justice</td>
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<td><strong>Entity Digi Locker</strong> to be set-up for use by business enterprises and charitable trusts</td>
<td>Facilitating secure online storing and sharing of documents with the business ecosystem</td>
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<td>Setting up of 100 <strong>labs for 5G services</strong> based application development</td>
<td>To tap employment potential and business opportunities</td>
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<td>R&amp;D grant for <strong>Lab Grown Diamonds (LGD)</strong> sector</td>
<td>To reduce import dependency by encouraging domestic production</td>
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</tbody>
</table>
**Green Growth**

PM-PRANAM* to be launched
Will incentivize States/UTs to promote usage of alternative fertilizers

500 new ‘Waste to Wealth’ plants
To be established under GOBARdhan# scheme for promoting circular economy

Green Credit Programme
To be notified under EPA to incentivize sustainable actions

Sustainable Ecosystem development
- MISHTI^ to be taken up for Mangrove plantation along the coastline
- Amrit Dharohar to be implemented for optimal usage of wetlands

Other Initiatives
- Setting up 10,000 bio-inputs resource centres to facilitate farmers to adopt natural farming
- Promotion of Battery energy storage systems
- Promotion of coastal shipping for energy efficient transportation
- Funds to be allocated for replacing old polluting vehicles

**Amrit Peedhi - Youth Power**

PMKVY 4.0 will be launched
Covering new courses like coding, AI, Robotics, 3D printing etc.

Measures to boost Tourism sector
At least 50 destinations to be selected, through challenge mode, to be developed as a complete package for domestic and foreign tourists

States will be encouraged to set-up Unity Malls
For promotion and sale of ODOP (One District-One Product), GI and handicraft products

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*PRANAM: PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth
^MISHTI: Mangrove Initiative for Shoreline Habitats and Tangible Incomes
#GOBARdhan: Galvanizing Organic Bio-Agro resources Dhan
Financial Sector

Setting up of National Financial Information registry
To enable efficient lending, promote financial inclusion and enhance financial stability

Setting up of a Central Data processing Centre
For faster handling of administrative work under the Companies Act

Credit Guarantee scheme for MSMEs
Expanded corpus under a revamped scheme to enable additional collateral free guaranteed credit of ₹2 lakh crore

Mahila Samman Bachat Patra
One-time new small savings scheme for a 2-year period with a deposit facility of up to ₹2 lakh for women

Benefits for Senior Citizens
Enhanced maximum deposit limit for senior citizens savings scheme from ₹15 lakh to ₹30 lakh

Other Initiatives
- Initiatives to promote business activities in GIFT IFSC
- Create more trained professionals in Securities Markets via award of educational certificates

Fiscal Management

50 year Interest Free Loans to States
- To be spent on Capital Expenditure within 2023-24
- Part of the loan is conditional on States increasing actual Capital expenditure and parts of outlay will be linked to States undertaking several reforms

Fiscal Deficit of 3.5% of GSDP allowed for States (0.5% tied to Power sector reforms)

Fiscal Consolidation
Targeted Fiscal Deficit to be below 4.5% by 2025-26
Indian Economy backed by strong macroeconomic fundamentals

Union Government on the path of fiscal consolidation

GST monthly revenue continues to remain around ₹1.5 lakh crore

Increasing Capital Expenditure of Union Government

Asset quality in banks improving with lower NPAs

Sufficient Foreign Exchange Reserves to cover 9 months of Imports

Wholesale prices converging to retail prices
**Tax Proposals**

**Simplification in Indirect Taxes to deliver**

- Higher Exports
- Higher domestic manufacturing
- More value addition in the economy
- Green energy and mobility

**Changes to custom duty on**

- Import of capital goods for Li-ion battery manufacturing
- Import of mobile camera lens
- Denatured ethyl alcohol
- Key inputs for producing shrimp feed
- Seeds for manufacturing lab grown diamonds
- Continuing concessional basic custom duty on copper scrap
- Compounded rubber, to bring it at par with natural rubber

**Benefits**

- For Greener mobility
- Deepening Value Addition
- For chemical industry
- More marine exports
- Export Promotion
- Augmenting raw material availability for MSMEs
- To curb duty circumvention
Direct Tax Proposals

To reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens

- 45% of the returns on tax payers’ portal were processed within 24 hours
- Average processing period reduced from 93 to 16 days in 8 years
- Processed more than 6.5 crore returns this year

Further Simplifying Personal Income Tax

Income limit for rebate of income tax increased from ₹5 lakh to ₹7 lakh in the new regime

<table>
<thead>
<tr>
<th>Income in ₹ Lakh</th>
<th>Tax rate</th>
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<tbody>
<tr>
<td>&gt; ₹15</td>
<td>30%</td>
</tr>
<tr>
<td>₹12-15</td>
<td>20%</td>
</tr>
<tr>
<td>₹9-12</td>
<td>15%</td>
</tr>
<tr>
<td>₹6-9</td>
<td>10%</td>
</tr>
<tr>
<td>₹3-6</td>
<td>5%</td>
</tr>
<tr>
<td>₹0-3</td>
<td>NIL</td>
</tr>
</tbody>
</table>

- Highest surcharge rate on income above ₹5 crore to be reduced from 37% to 25% under new regime
- Extending benefits of standard deduction to new tax regime for salaried class and pensioners
- Increasing tax exemption limit to ₹25 lakh on leave encashment on retirement for non-government salaried employees
Simplifying Tax Benefits for Industry

**MSME**

- Enhanced limits for micro enterprises and professionals to avail benefits of presumptive taxation; 95% of receipts to be non-cash
- Deduction on payments made to MSMEs to be allowed only when payment is actually made

**COOPERATIVES**

- Extending 15% corporate tax benefits to new co-operatives, commencing manufacturing till 31st March, 2024
- Higher limit of ₹2 lakh per member for deposits & loans in cash by PACS and PCARDBs
- Higher limit of ₹3 crore for TDS on cash withdrawal for co-operative societies

**STARTUPS**

- Extension of the date of incorporation by one year for income tax benefits to start-ups
- Benefit of carry forward of losses on change of shareholding of start-ups from seven years of incorporation to ten years.

**RATIONALISATION**

- Income of authorities, boards and commissions set up by statutes of the Union or State to be exempted from income tax in certain sectors
- Extension of period of tax benefits to funds relocating to IFSC, GIFT City till 31st March, 2025
Allocation for Specific Ministries

- Ministry of Defence: ₹ 5.94
- Ministry of Road Transport and Highways: ₹ 2.70
- Ministry of Railways: ₹ 2.41
- Ministry of Consumer Affairs, Food & Public Distribution: ₹ 2.06
- Ministry of Home Affairs: ₹ 1.96
- Ministry of Chemicals and Fertilizers: ₹ 1.78
- Ministry of Rural Development: ₹ 1.60
- Ministry of Agriculture and Farmer's Welfare: ₹ 1.25
- Ministry of Communications: ₹ 1.23
Allocation to Major Schemes (in ₹ crore)

**Development of Pharmaceutical Industry**

- 2022-23(BE): 100
- 2023-24(BE): 1,250

**Jal Jeevan Mission**

- 2022-23(BE): 60,000
- 2023-24(BE): 70,000

**Eklayva Model Residential Schools**

- 2022-23(BE): 2,000
- 2023-24(BE): 5,943

**Pradhan Mantri Awas Yojana**

- 2022-23(BE): 48,000
- 2023-24(BE): 79,590

**Scheme for Faster Adoption and Manufacturing of EV’s (FAME)**

- 2022-23(BE): 2,908
- 2023-24(BE): 5,172

**North East Special Infrastructure Development Scheme**

- 2022-23(BE): 1,419
- 2023-24(BE): 2,491
Receipts and Expenditure (₹Lakh Crore)

Revenue Receipts

- FY22 (Actuals): 21.7
- FY23 (BE): 22.0
- FY23 (RE): 23.5
- FY24 (BE): 26.3

Capital Receipts

- FY22 (Actuals): 16.2
- FY23 (BE): 17.4
- FY23 (RE): 18.4
- FY24 (BE): 18.7

Revenue Expenditure

- FY22 (Actuals): 32.0
- FY23 (BE): 31.9
- FY23 (RE): 34.6
- FY24 (BE): 35.0

Effective Capital Expenditure

- FY22 (Actuals): 8.4
- FY23 (BE): 10.7
- FY23 (RE): 10.5
- FY24 (BE): 13.7
बजट की मुख्य विशेषताएं

2023-2024

फरवरी, 2023

वित्त मंत्रालय
बजट प्रभाग