

# UNION BUDGET 2024





# Key Numbers of Union Budget 2024



Total Expenditure

**Rs.48.21 lakh crore**

Revenue Expenditure

**Rs.37.09 lakh crore**

Capital Expenditure

**Rs.11.11 lakh crore**



Estimated gross tax collections

**Rs.25.83 lakh crore**



Non-tax revenue for the next financial year

**Rs.5.45 lakh crore**



Estimated gross market borrowing

**Rs.14.01 lakh crore**



Estimated net market borrowing

**Rs.11.63 lakh crore**



Fiscal deficit target for FY25 to

**4.9%**



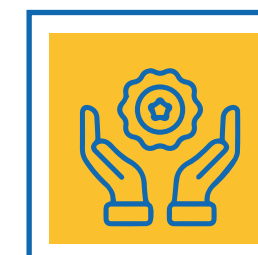
Expected fiscal deficit in FY25-26

**4.5%**



Salaried employee in new tax regime will save

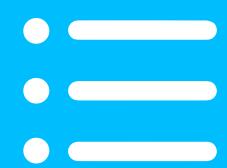
**Upto Rs.17,500**



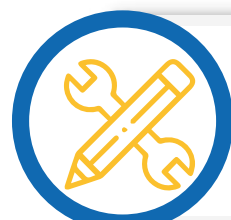
Allocation in schemes benefitting women & girls

**More than Rs.3 lakh Crore**





# Key Highlights of the Union Budget 2024



Key focus on employment, skilling, MSME and middle class. An allocation of Rs.1.48 lakh crore for education, employment and skill development was announced.



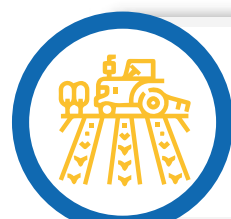
9 Priorities of the budget: Agriculture, Employment and Skilling, Human Resource Development, Manufacturing, MSMEs, Urban Development, Energy Security, Infrastructure, Innovation



Andhra Pradesh Reorganization Act: Special financial support through multilateral development agencies of Rs. 15,000 crore in the current financial year.



Infra boost for Bihar: Rs 26,000 crore package to support the development of road connectivity projects



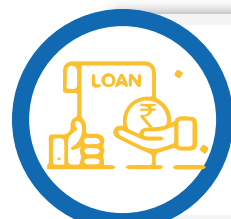
Rs 1.52 trillion allocated for agriculture and allied sectors. New 109 high-yielding and climate-resilient varieties of 32 field and cultivation crops will be released for farmers.



Rs 3 trillion allocation announced for women-centric schemes.



Pradhan Mantri Garib Kalyan Anna Yojana: Extended till 2029. The government allotted Rs. 2,05,250 crore



Mudra loan limit increased from Rs 10 lakh to Rs 20 lakh for those who successfully repaid loans under the TARUN category



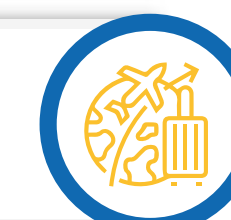
Three new employment-linked schemes proposed with Rs 2 trillion allocation for job creation over five years.



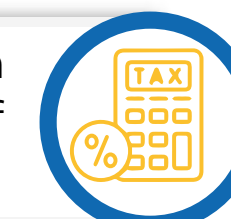
Investment of Rs. 10 lakh crore under the PM Awas Yojana-Urban 2.0. Three crore additional houses in rural and urban areas.



Over Rs. 11 lakh crore capital expenditure allocated on infrastructure (3.4 per cent of GDP)



Tourism in focus: ~ Rs 2,450 crores earmarked, 44.7 per cent more allotted from previous allocation



New tax structure revised, saving taxpayers Rs 17,500. Standard deduction for salaried employees from Rs.50,000 to Rs.75,000. Deduction of expenditure by employers towards NPS increased to 14 per cent



LTCG exemption limit increased to Rs. 1.25 lakh |STCG Increased to 20% | LTCG Increased to 12.5% |-Security Transaction Tax On F&O Increased To 0.02% & 0.1%



Income received on buy back of shares in the hands of recipient to be taxed. No indexation benefit on real estate sale



Customs duty: Fully exempted on three additional cancer medicines; reduced on mobile devices and accessories; reduced 6 percent on gold and silver; increased on plastic products





# Four Key Focus Areas of Union Budget 2024

**Poor**



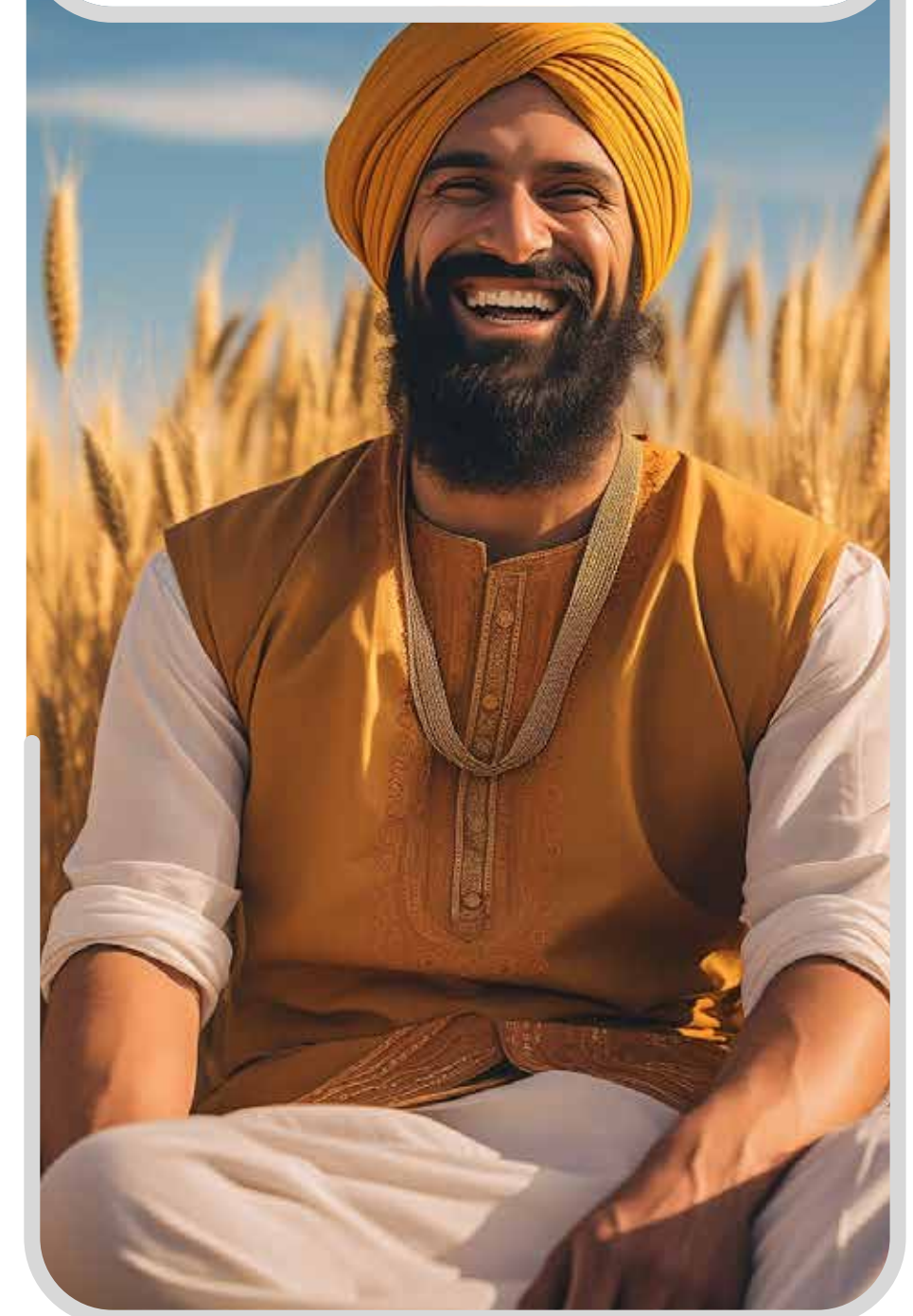
**Women**



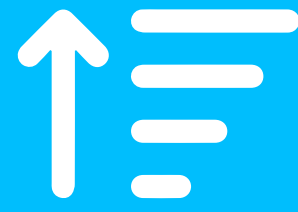
**Young**



**Farmers**







# 9 Priorities of Union Budget 2024

Productivity and  
resilience in  
agriculture



Inclusive human  
resources and social  
justice



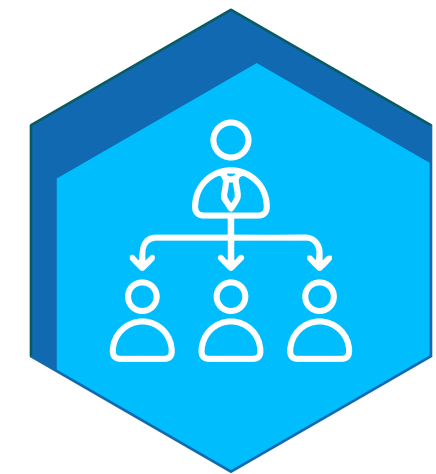
Urban  
development



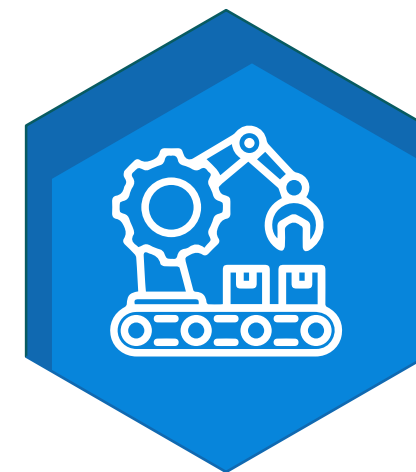
Infrastructure



Next generation  
reforms



Employment and  
skilling



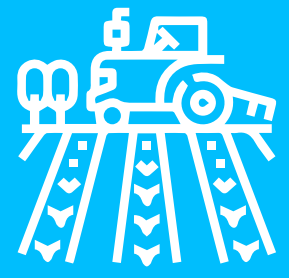
Manufacturing and  
services



Energy security

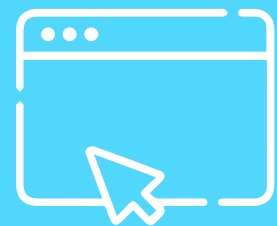


Innovation, research  
and development



# Priority 1 Productivity and Resilience in Agriculture

(A total of Rs.1.52 lakh crore to be allotted for agriculture & allied industries)

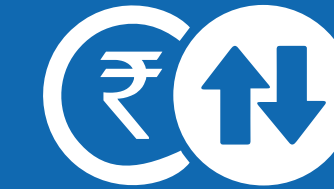


Centre will work with States to promote **digital public infrastructure for agriculture**



## Natural Farming Initiative:

1 crore farmers to adopt natural farming over the next 2 years



## Higher Minimum Support Prices:

Announced for all major crops | Ensures at least a 50% profit margin over the cost



## New high yielding seeds to be launched:

The Indian Government to release new 109 high yielding, climate resilient seeds for 32 field and horticulture crops



## PM Garib Kalyan Anna Yojana:

Extended for 5 years | Benefits over 80 crore people



# Priority 2 Employment and Skilling



Schemes under the PM's package will focus on enrolment in the EPFO, targeting first-time employees.



First-time employees to receive one month's wage upon entering the workforce in all formal sectors.



A direct benefit transfer (DBT) of up to Rs 15,000 will be provided in three installments for first time employees (The salary eligibility limit is Rs 1 lakh per month, benefiting 2.1 lakh youths.)



MUDRA Loans: Limit increased from Rs.10 lakh to Rs.20 lakh.



Industrial Training Institutes: 1,000 institutes will be upgraded.



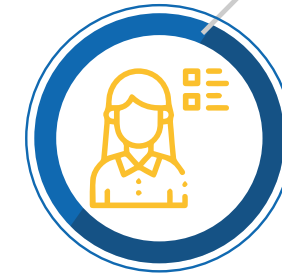
Skilling Loans: Revised loan scheme to help 25,000 students annually, offering loans up to Rs.7.5 lakh.



Education Loans: Financial support of up to Rs.10 lakh for domestic institutions.



E-Vouchers: Annual e-vouchers with 3% subvention for 1 lakh students.



Women-Specific Skilling Programs: New scheme to skill 20 lakh youth in 5 years, upgrading 1,000 industry training institutes, aligned with industry needs.



Support for Higher Education Loans: Financial support for loans up to Rs. 10 lakh.



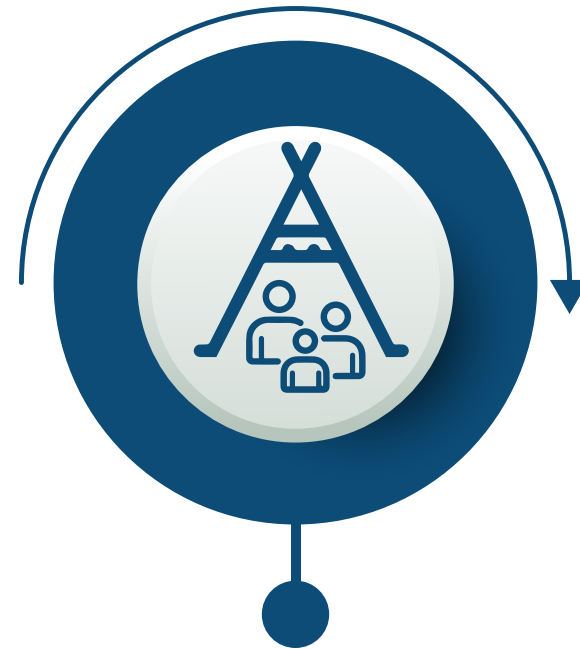
Women's Economic Development: Rs.3 lakh crore scheme to enhance women's roles in the economy.



Increasing Women's Workforce Participation: Setting up hostels and partnerships for women-specific skilling programs.



# Priority 3 Inclusive Human Resource Development and Social Justice



More than 1000 branches of India Post Payments Bank to be set up in North East



Recognising Andhra Pradesh's need for capital, Rs.50,000 Crore will be arranged through multilateral arrangement



More coverage for Tribal families in FY25 budget. Cover 63,000 villages with 5 crore people

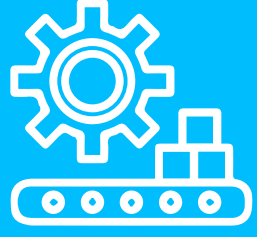


Allocation of more than Rs.3 lakh crore for schemes benefitting women and girls



Industrial route in Gaya to be financed by government





## Priority 4 Manufacturing & Services



Job creation in the manufacturing sector will be incentivized through a scheme linked to the employment of first-time employees.



Credit guarantee scheme for MSMEs in manufacturing to be introduced



A separate guarantee fund will provide Rs 100 crore to MSMEs



A critical mineral will be mission set up for the recycling of critical minerals and their overseas acquisitions.



# Priority 5 Urban Development



Government to promote sewage treatment and solid waste management for 100 large cities



Scheme to support development of 100 weekly haat of street food hubs in select cities



Land related reforms in urban and rural areas will cover land administration, planning and management



PM Awas Yojana-Urban 2.0 to fulfill housing needs of 1 crore people - with an investment of Rs.10 lakh crores



Urban land record will be digitised with GIS mapping





# Priority 6 Energy Security



## Surya Ghar Muft Bijli Yojana

Launches rooftop solar plants providing free electricity up to 300 units/month to 1 crore households.



## Policy document

Policy document on energy transition pathways to be released, focusing on energy security, employment, and sustainability.



## Nuclear Energy

Partnership with private entities to set up Bharat small reactors.



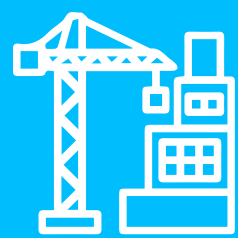
## Advanced Ultra Super Critical Power Plants

NTPC and BHEL JV to set up an 800 MW plant using AUSE technology.

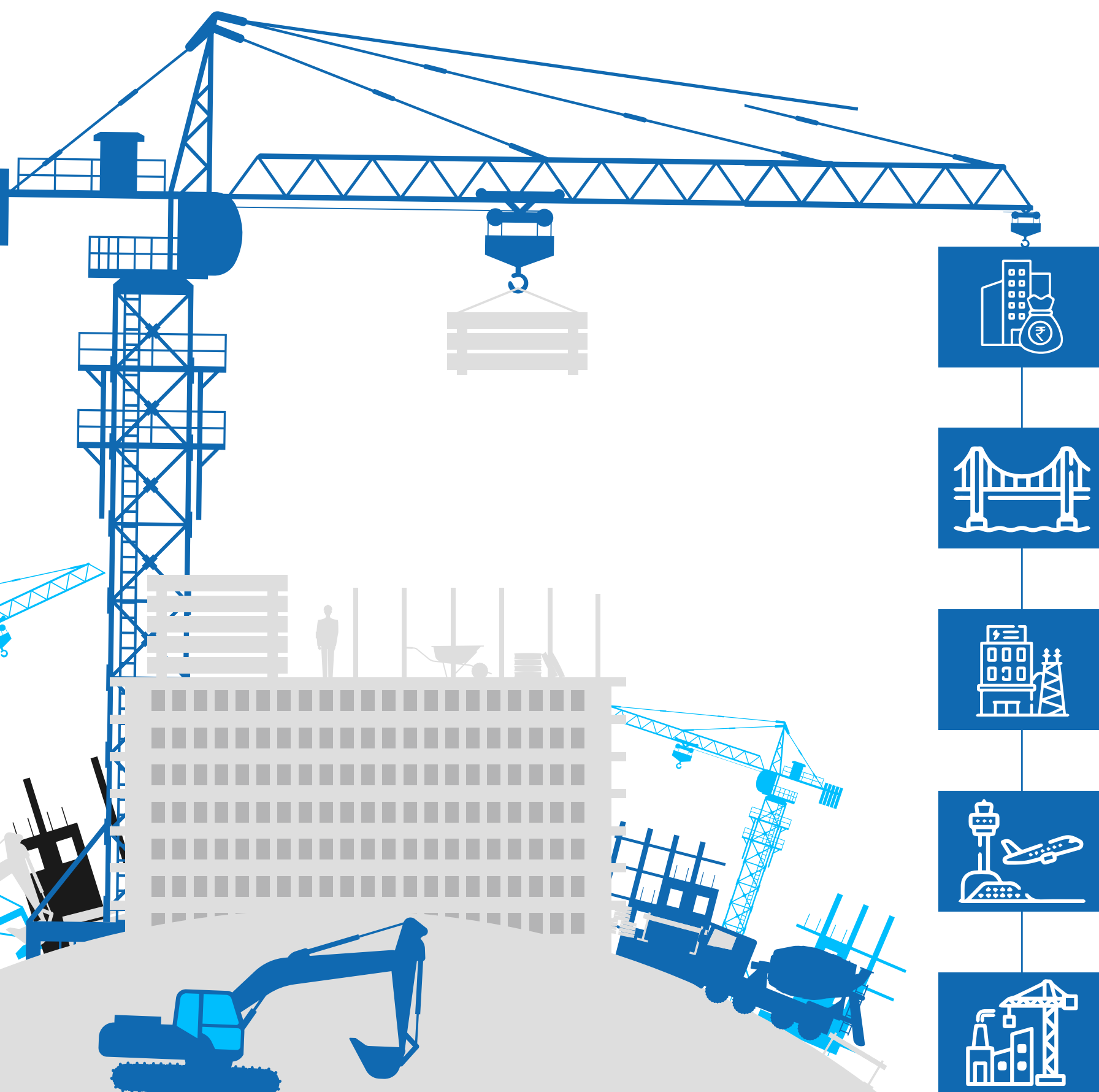


## Investment-grade energy

Investment-grade energy audits for traditional MSMEs, including glass and ceramic industries.



# Priority 7 Infrastructure



This year, over **Rs.11 lakh crore capital expenditure** allocated on infrastructure, 3.4 per cent of GDP



Construction of a **two-lane bridge over the Ganga and the development of highways**, allocating Rs.26,000 crore for the projects



**Power Projects:** 2400 MW **power plant Pirpainti** at a cost of Rs.21,400 crore



**New airports, medical colleges and sports institutions in Bihar** will be constructed



**Industrial node at Gaya on Amritsar Kolkata Industrial Corridor** to be developed





# Priority 8 Innovation, Research & Development

## Anusandhan National Research Fund



Operationalizing fund for basic research and prototype development.



## Private Sector Research Mechanism

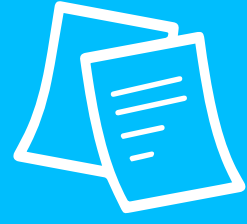


Setting up a mechanism to boost private sector-driven research and innovation with a financing pool of Rs.1 lakh crore.

## Space Economy Expansion



Venture capital fund of Rs.1,000 crore to expand the space economy by 5 times in the next 10 years.



## Priority 9 Next Generation Reforms



Bhu-Aadhaar, a Unique Land Parcel Identification Number for all lands.



New Pension Scheme (NPS) that protects the common citizen and maintains fiscal prudence.



PS Vatsalya: A plan for contribution by parents and guardians for minors.



Simplified FDIs and promote opportunities for using Indian Rupee as a currency for overseas investments.



Land records in urban areas will be digitized with GIS mapping.



Digitization of cadastral maps, Establishment of land registry, Linkages to the farmers' registries, and Survey of map sub-divisions as per current ownership.





# Significant Initiatives to Boost Tourism

(~ Rs.2,450 crores earmarked for the sector, a 44.7 percent increase from the previously revised allocation)



Proposed **construction of the Vishnupath temple in Gaya and the Mahabodhi temple in Bodhgaya**, modelled after the Kashi Vishwanath corridor



Efforts to **preserve Rajgir's hot springs and developing Nalanda**, alongside **support for Odisha's temples**, scenic landscapes, and pristine beaches



**Amritsar Kolkata Industrial Corridor** with development of an **industrial node at Gaya**



**Social and infrastructure funds** announced for **Andhra Pradesh**, with a backward region grant for three districts



**Rs.26,000 crore for roads and expressways** in Bihar



Funds allocated for **temple development in Bihar and Odisha**



**Essential infrastructure such as water, power, railways and roads** in Kopporthy node on the Vishakhapatnam-Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor



Infrastructure status for the tourism sector would facilitate **access to cheaper loans** and improve **ease of business operations**






# Taxation: Direct

Salaried employee in new tax regime will save up to Rs.17,500 in income tax

## Changes In New Income Tax Regime Slab

Income	Rate
Rs.0-3 lakh	NIL
Rs.3-7 lakh	5%
Rs.7-10 lakh	10%
Rs.10-12 lakh	15%
Rs.12-15 lakh	20%
Above Rs.15 lakh	30%



- Standard deduction for salaried employees increased from Rs.50,000 to Rs.75,000.
- Standard Deduction of Family pension for pensioners enhanced from Rs.15,000 to Rs 25,000.
- Deduction of expenditure by employers towards NPS to be increased from 10 to 14 per cent of the employee's salary.





# Taxation: Direct

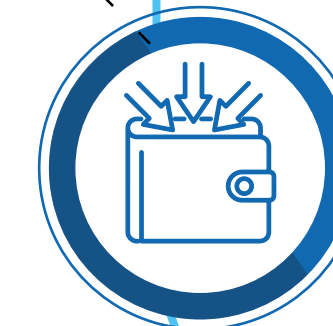
## Impact on capital market

Long-term capital gain exemption limit will be increased to Rs.1.25 lakh from existing Rs.1 lakh



Security Transaction Tax On F&O Increased To 0.02% & 0.1%

LTCG Increased to 12.5% from 10%



Income received on buy back of shares in the hands of recipient to be taxed

STCG Increased to 20% from 15%



Indexation removed for real estate, gold and other unlisted assets



# Taxation for Mutual Fund Investors



Listed Assets:	Holding period for STCG:	New STCG	Holding period for LTCG:	New LTCG
Equity Mutual Funds	Less than 12 months	20%	More than 12 months	12.50%
Debt & Non-Equity Mutual Funds	N/A	Slab rate	N/A	Slab rate
REITs/InVITs	Less than 12 months	20%	More than 12 months	12.50%
Equity FoFs*	Less than 12 months	20%	More than 12 months	12.50%
Gold/Silver ETFs	Less than 12 months	20%	More than 12 months	12.50%
Overseas FoFs	Less than 24 months	Slab rate	More than 24 months	12.50%
Gold Funds	Less than 12 months	Slab rate	More than 12 months	12.50%

**Annual LTCG exempt amount hiked from Rs.1 lakh to Rs.1.25 lakh for equity mutual funds.**



All changes effective for assets sold after 23rd July 2024

Source: Union Budget 2024

Mutual Fund investments are subject to market risk, read all scheme related documents carefully.



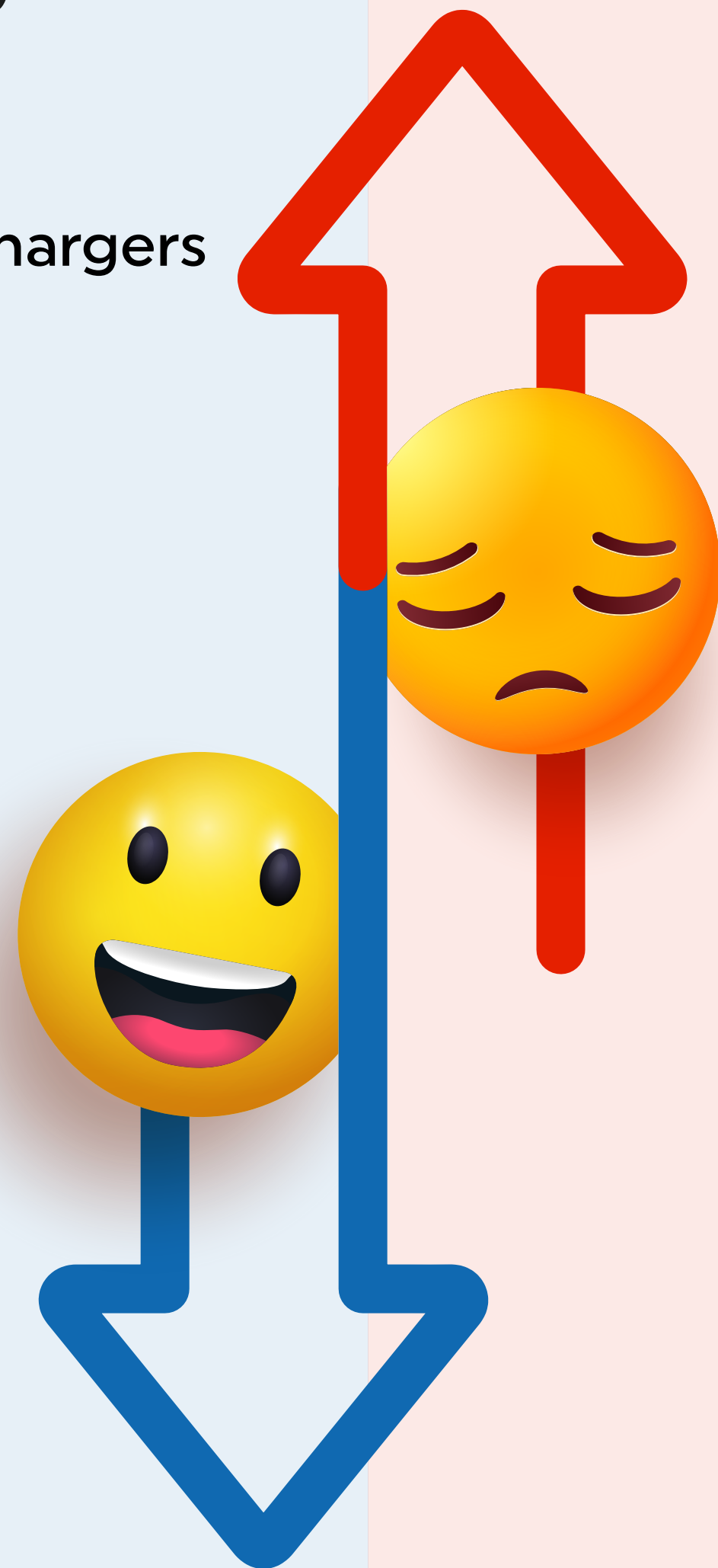


# Taxation: Indirect

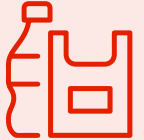


## Impact of change in custom duty

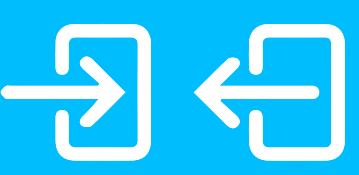
### Here's what has gotten cheaper

-  Mobile phones, parts, batteries & chargers
-  Solar sets
-  Precious metals
-  Clothes
-  Shoes
-  Cancer medicines
-  X-ray equipment
-  Electric cars
-  Copper goods
-  Leather goods
-  Fish and fish products
-  25 essential minerals
-  Lithium battery



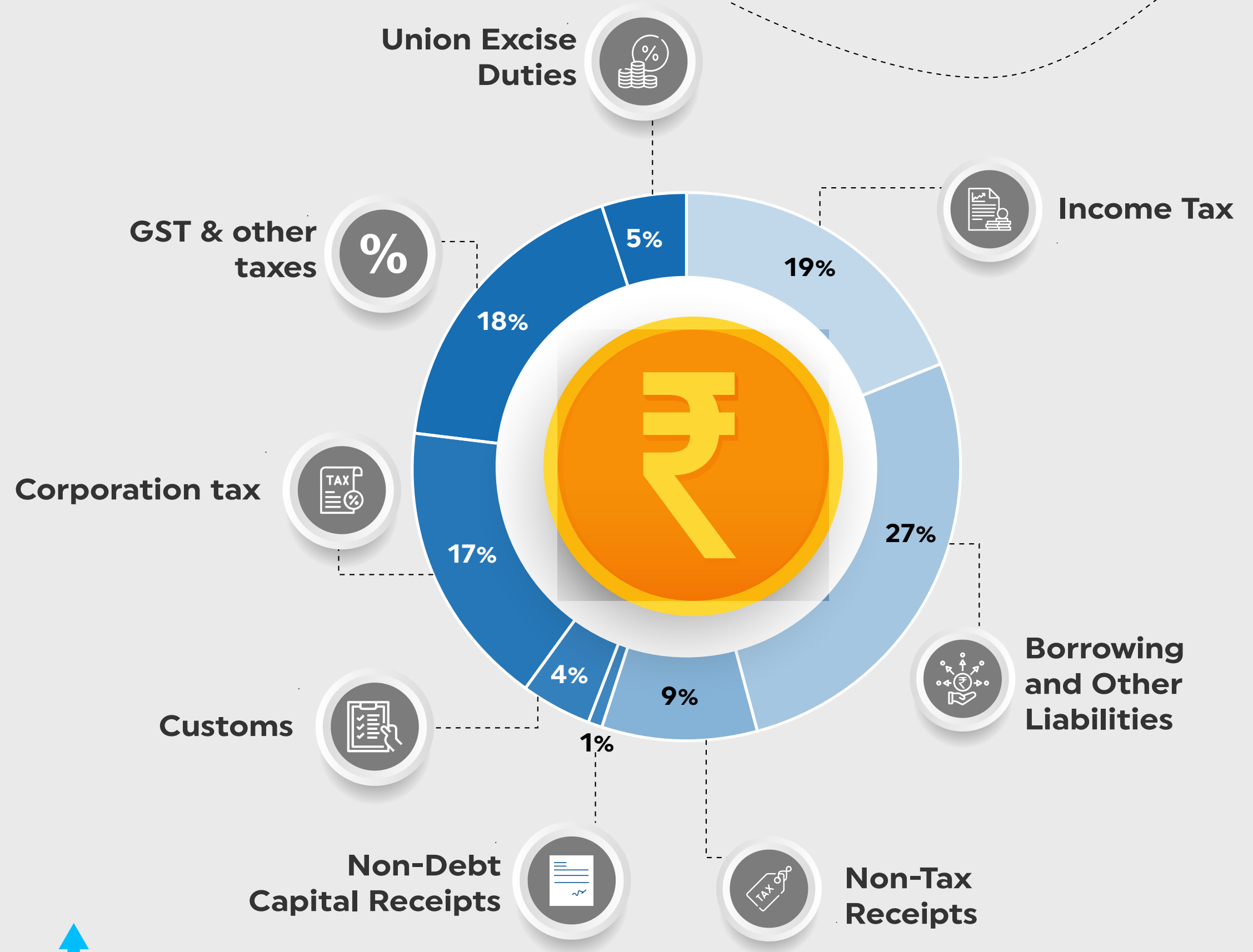
### Here's what has gotten costlier

-  Plastic goods
-  Ammonium Nitrate
-  Telecom equipment

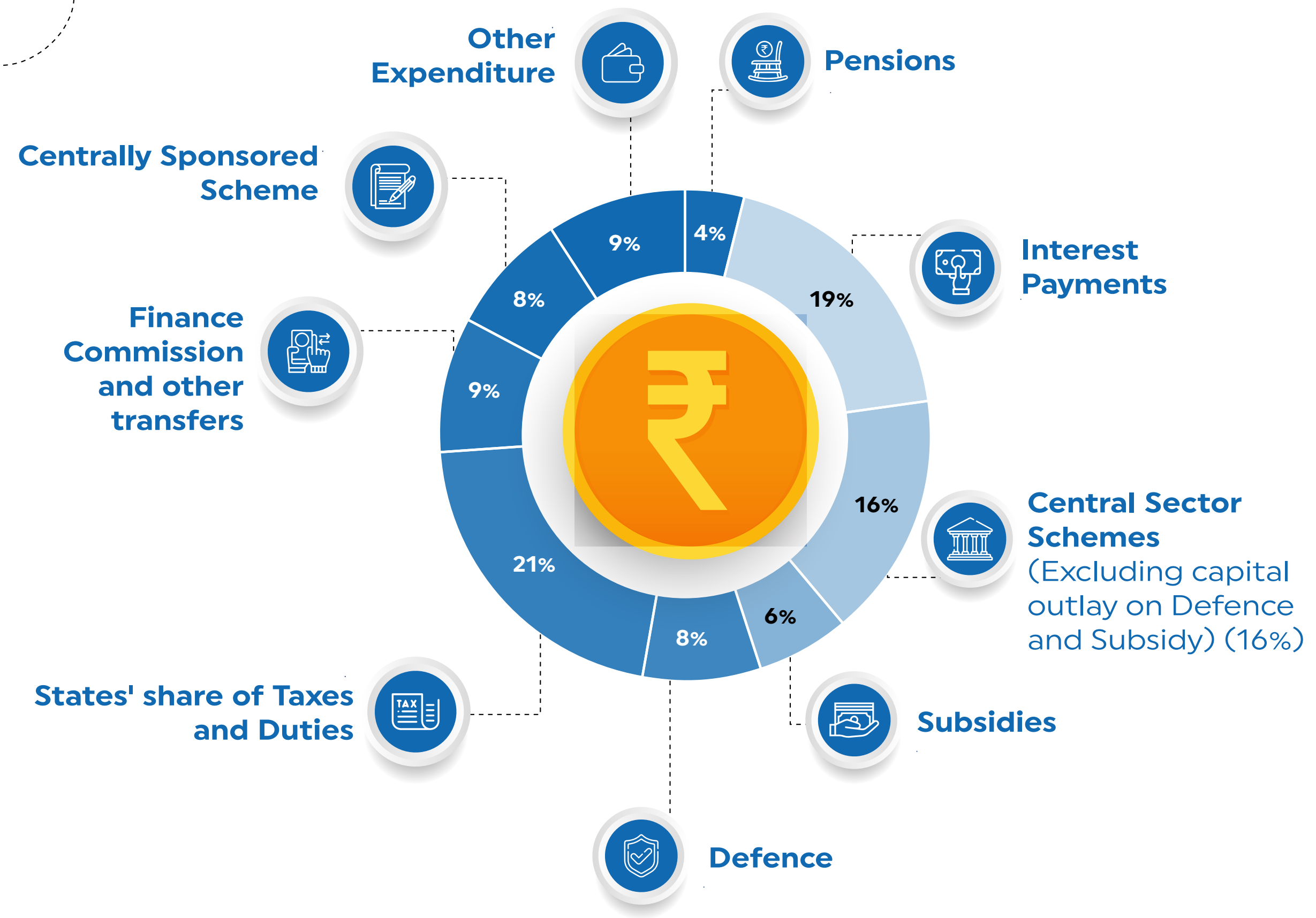


# What goes in goes out

## Rupee comes from



## Rupee goes to







# Market Outlook: Debt

The fiscal stance of 2024- 25 budget is two-fold, (i) to provide positive stimulus to economic growth, and (ii) to make the domestic economy resilient to global headwinds.



The fiscal deficit for the current financial year is projected at 4.9% of GDP compared to 5.1% target in the interim budget. The Gross borrowing and net borrowing is Rs.14.01 and 11.63 Lakh Crores, which is lower by Rs.12,000 Crores only. The expected reduction of dated securities of Rs.60,000 Crores due to lower fiscal deficit has not materialized due to reduction of T-bill issuances. The government is reducing the Net T-Bill issuance by Rs.50,000 Crores



As per the medium Term Fiscal consolidated road map, the net debt of central government is expected to be 57% of GDP. The finance minister has assured the total debt to GDP ratio will be on a declining trends in coming years. The government is targeting a fiscal deficit of 4.5% or lower in the next financial year. The government is not giving further roadmap, due to global uncertainty and the government wants to retain the fiscal flexibility to respond to these events.



This is a long term positive as capital expenditure has been retained at Rs.11.11 Lakhs and revenue expenditure has been marginal increased. The revenue receipt is targeted to grow at 10.8 against nominal GDP growth of 10.5, which is conservative. We may have a pleasant surprise, with borrowing lower than what is targeted. The ten year yields may trade in the band of 6.90 to 7 percent in the coming months



# Market Outlook: Equity



We expect the equity markets to become more balanced as the **growth in cyclical sectors** (defence, manufacturing, capital goods, power) that have done well over the last 12-24 months get supplemented by the **potential recovery in consumption** as result of the budget provisions.



Higher capital gains could also result in **market valuations consolidating at current levels with rotation** towards a more balanced sectoral performance.



Given Budget's par allocation to various sectors, **thematic movements could subside leading to a bottom up stock selection** becoming more important.





# House views on Union Budget 2024

**Budget** has surprised positively on fiscal consolidation, negatively on capital gains and at par on (i) the focus on **Infrastructure spending** and (ii) supporting Rural/Agriculture economy.

While the budgeted spending on **infrastructure, Rural and Agriculture** has remained same as interim budget, it maintains a **fine balance** between improving efficiency in Agriculture, supporting Rural economy and keeping the focus intact on **Infrastructure** spending given limited time left in the current fiscal year.

The focus on **Employment generation** in the formal sector (**specially Manufacturing**) and farm prosperity are key positives for raising the long term growth potential of the economy.



Focus on **Roads, Railways and Defence** to continue although **there is no material increase from the interim budget** despite higher budgeted revenues.

Reinforced focus on **Affordable Housing , Urban Infrastructure and the MSME** ecosystem will be positive for long-term growth.

Next generation reforms on factors of production (**land, labour, capital, entrepreneurship**), focus on **Renewable Energy** and comprehensive review of **IT Act** can be looked forward to.



# Disclaimer

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**MUTUAL**  
**FUND**

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