



2024

₹  
**INTERIM BUDGET  
REPORT**



# BUDGET OVERVIEW –

## *A Placeholder Budget for Continuity*

The Finance Minister presented the interim budget for FY 2024-25, which can be best characterized as an “as-is budget”, adhering to the conventional scope and nature of an election-year vote-on-account. The budget proposals, have been hailed by the Prime Minister as a reflection of “continuity” and “confidence” of the government. With today’s budget presentation, the stage has been set for the Lok Sabha elections as well as for a full budget later in the year which the ruling NDA coalition hopes to win handsomely. The government is focused on a comprehensive ‘GDP’, i.e., ‘Governance, Development and Performance’, and an aggressive FDI strategy to negotiate bilateral investment treaties with our foreign partners, in the spirit of ‘FDI - First Develop India’. While the budget proposals broadly maintain the expenditure levels from the last fiscal; some noteworthy directions, themes, and focus emerge from the presentation.

Firstly, the persistent focus on fiscal prudence and credibility combined with an evident confidence in the prospect of re-election has trumped the need for any major fiscally-onerous welfare scheme. The budget binds itself to a fiscal deficit target of 5.1% for FY 2024-25 which is far more austere than market expectations and will have a positive impact on bond yields and the financial sector. Building on a projected 11.5% increase in Gross Tax Revenues and an anticipated 10.5% nominal output growth, the budget slightly pares down the projected market borrowings as compared to the last fiscal while increasing the total expenditure by about 5%. The FY 2025-26 fiscal deficit target of 4.5% appears far more achievable now for the markets with the promised consolidation path being followed in a third-NDA-government scenario.

Secondly, the aspiration of “Viksit Bharat by 2047” is likely to be the long-term centerpiece of the government’s socio-economic policies over the next few years with the pillars of sustainability, technological innovation and infrastructure supporting the edifice of accelerated growth. Today’s budget has promised a detailed roadmap towards the 2047 milestone along with the full budget in July 2024. The Government aims to empower the four pillars of Viksit Bharat - ‘Garib’ (Poor), ‘Mahilayen’ (Women), ‘Yuva’ (Youth) and ‘Annadata’ (Farmer) with the underlying belief that their growth will drive the country forward. The budget places plans to form a high-powered committee for extensive consideration and recommendations on the challenges arising from fast population growth and demographic changes to further the goal of ‘Viksit Bharat’.

The sustainability transition was reflected in the specific announcements made today like the rooftop solarization scheme (backed by an additional allocation of INR 5000 crores for grid-based solar energy), viability gap funding for off-shore wind energy, mandatory blending of bio-gas in natural gas, increased allocation to National Green Hydrogen Mission, and EV prioritization in mass transport vehicles. The green focus is also apparent in the new scheme announcement regarding “bio-manufacturing and bio-foundry” focused on “biodegradable polymers, bio-plastics, bio-pharmaceuticals and bio-agri-inputs, along with a potential scheme worth INR 100 crore for promotion of organic fertilizers.



# BUDGET OVERVIEW –

## *A Placeholder Budget for Continuity*

Technological innovation emerges as another top priority for the government with announcement of a corpus worth INR 1 lakh crore for provision of long-term credit to research in “sunrise sectors” which builds on last year’s structural initiative of establishing the Anusandhan National Research Foundation. New research schemes have been provided for in the “pharma med-tech”, defence, and agriculture (especially oilseeds) sectors. The innovative Drone Didi scheme for agriculture has been allocated INR 500 crores in the budget along with a provision for a future scheme for capital support to agricultural startups in food value chain. Allocation for incentivization of digital payments by retail consumers has also been expanded over the expenditure in last fiscal year.

The trinity of priorities in this budget is completed by the continued attention to the infrastructure sector. The INR 11.11 lakh crore capital expenditure proposal confirms the strong upward trend in nominal capital expenditure in spite of falling somewhat short of the general expectations. Expenditure levels for roads, railways, and air travel remain stable near past year’s revised estimates. Development of coastal infrastructure with the view of promoting island tourism was another highlight of today’s infrastructure proposals. In an electoral outreach effort to the middle class, the budget has proposed a new housing scheme (potentially under the PM Awas Yojana account but with no specifically earmarked allocation) which will be a major push in this critical infrastructure sub-sector.

Finally, the budget reaffirms the past initiatives of the government and doubles down on some of these specifically. The flagship free ration scheme (PM-Garib Anna Kalyan Yojana) and the renewed LPG subsidy for PM-Ujjwala beneficiaries have received due allocations. On the other hand, with reduced allocations for fertilizer subsidies, the rationalization in both urea and nutrient-based segments is likely to gain speed. The showcase Production Linked Incentive (PLI) schemes have received large allocations as the incentives become due, with a signal on potential expansion of the scheme to manufacturing of Toys and Footwear/Leather Products. The allocation for Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has been nearly doubled to INR 6000 crores and a massive allocation of INR 4800 crores has been made for the PM-Vishwakarma scheme. In the urban sector, a follow-up scheme City Investment to Innovate, Integrate and Sustain 2.0 (CITIIS 2.0) has been indicated in the budget proposals, along with a new National Urban Digital mission (with an allocation of INR 1400 crores).

The restrained nature of this interim budget also reflects in the lack of any major direct and indirect tax proposals, apart from extension of income tax exemptions sunsetting in 2024 up to 2025 for IFSC and start-ups.

On the whole, the budget presented today by the Finance Minister is most notable for the indications as to the potential intent and direction of government policies that can be expected in a post-election NDA-government scenario. In most ways, it’s a placeholder budget which lays the road for continuity. The details of the contours outlined today will be unambiguously apparent only in July 2024.



# MINISTRY ALLOCATIONS



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# ENERGY, ENVIRONMENT & SUSTAINABILITY

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of New and Renewable Energy (MNRE)	7848	12850	64%
Ministry of Power (MoP)	17635	20502	16%
Ministry of Environment, Forests and Climate Change (MoEFCC)	3231	3265	1%

## KEY ANNOUNCEMENTS

- Significant resources are allocated to bolster 'green energy' sector.
- Viability gap funding to be provided for harnessing offshore wind energy potential for initial capacity of one giga-watt.
- 1 crore households to obtain 300 units free electricity every month through rooftop solarization.
- Proposed launch of a new scheme of bio-manufacturing and bio-foundry to promote green growth and environment-friendly alternatives such as biodegradable polymers, bioplastics, biopharmaceuticals, and bio-agri-inputs.



## COMMENTS

The Interim Union Budget 2024 provides substantial focus to India's transition towards a greener future. Several announcements, highlighting 'Green Growth' are aimed at achieving the nation's ambitious 2070 Net Zero targets.

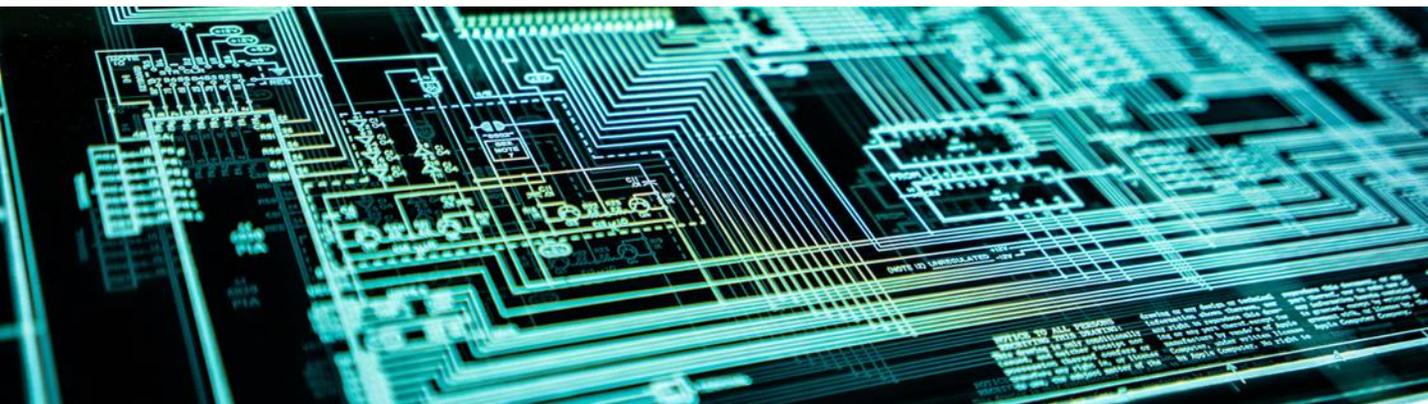
The strategic allocation of resources towards renewable energy – specifically diversification of renewable energy from solar, research and development, supported by the increasing focus on capacity building and increase ease of doing business, aims to allow additional players to enter the market and lay the foundation for a green, sustainable and resilient tomorrow.

# SCIENCE & TECHNOLOGY

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Science and Technology (DST)	4892	8029	64%

## KEY ANNOUNCEMENTS

- The government recognizes the changing geo-political landscape and is conscious of competition for critical minerals and technologies, as well as disruption and fragmentation of supply chains.
- A corpus of INR 1,00,000 crores will be established to provide long-term financing or refinancing with low or nil interest rates, to encourage the private sector to scale up research and innovation significantly in sunrise domains.
- National Quantum Mission has been allocated a budget of INR 477 crores, up from INR 5 crores previously.
- National Mission on Interdisciplinary Cyber Physical Systems has received an increased budget from INR 435 crores to INR 614 crores.
- National Research Foundation (NRF) has also been allotted INR 2,000 crores, up from INR 259 crores previously.
- Furthermore, budgets for Science and Technology Institutional and Human Capacity Building, Research and Development (R&D), and Innovation, Technology Development and Deployment have also been increased.



## COMMENTS

In pursuit of Viksit Bharat, and to transform India to knowledge-based economy, the government has laid emphasis on spurring innovation and R&D in new and emerging technologies. The substantial budget allocated to the National Quantum Mission and the National Mission on Interdisciplinary Cyber Physical Systems is testament to the same. This would promote comprehensive innovation and foster the growth of technology-driven organizations. These missions are in sync with the government's priority to develop local innovation capabilities which can be further leveraged for economic growth, scientific advancements and technological breakthroughs.

# PETROLEUM, COAL & MINES

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Petroleum & Natural Gas	14,757	29,713	101%
Ministry of Coal	189	193	2%
Ministry of Mines	2836	1941	-31%

## KEY ANNOUNCEMENTS

- To achieve 'net-zero' by 2070, following measures are proposed:
  - Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes
  - Coal gasification and liquefaction capacity of 100 MT to be set up
  - Provision of financial assistance for procurement of biomass aggregation machinery
- The Pradhan Mantri JI-VAN Yojna provides financial support for setting up of Integrated Bioethanol projects based on lignocellulosic biomass and other renewable feedstock, and its outlay has decreased by 23%
- The fund allocation under the Global Biofuels Alliance has been significantly reduced by 99%.
- The fund allocation under Geological Survey of India activities for geological mapping and mineral assessment has been reduced by ~28%.



## COMMENTS

The Union Budget provides a push for the energy transition agenda and net-zero ambitions of the current government. Despite the reduction in allocation, there is still focus on Pradhan Mantri JI-VAN Yojna to reduce import dependence and achieve GHG emission targets by progressive substitution of fossil fuels.

To become 'Aatmanirbhar' (self-reliant) in critical, strategic, and fertilizer minerals, funds have been allocated to the Geological Survey of India for mapping and exploration of critical and rare earth minerals.

# STEEL & HEAVY INDUSTRIES

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Steel	55	326	493%
Ministry of Heavy Industries	6,392	6,729	5%

## KEY ANNOUNCEMENTS

- Expand and strengthen e-vehicle ecosystem, support manufacturing and charging infrastructure.
- Encourage greater adoption of e-buses for public transport with payment security mechanism.
- The fund allocation under PLI Scheme for Automobiles and Auto components has been increased substantially by 623%.
- The funding for FAME - India, has been reduced by ~44% owing to its expiry on March 31,2024.
- The Scheme for Promotion of Research and Development in the Iron and Steel Sector has seen an increase in its outlay.



## COMMENTS

The steel sector is expected to benefit from various proposals made in the Union Budget. The domestic demand for steel will be higher due to the capex outlay including that announced for corridor projects under PM Gati Shakti for Indian Railways, airports, metro rail and additional infrastructure.

With the significant increase in allocation for PLI Scheme for Automobiles and Auto components, the government aims to support and increase the production of futuristic vehicle technologies in India. However, the reduction of allocated under FAME-II scheme stems from the reduction in subsidy for electric two-wheelers in 2023 and the Scheme's expiry set for 31st March 2024.

# AGRICULTURE & FERTILIZERS

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Agriculture and Farmers Welfare	116789	117529	0.6%
Department of Fertilizers	188947	164151	-15%
Ministry of Food Processing Industries	2912	3290	13%

## KEY ANNOUNCEMENTS

- The Government will actively promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing and marketing and branding.
- A strategy will be formulated to achieve 'atmanirbharta' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower. This will cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition, and crop insurance.
- Application of Nano DAP on various crops will be expanded in all agro-climatic zones.



## COMMENTS

The government will accelerate efforts for value addition in the agricultural sector and boosting farmer's income. There is a focus on launching new plans and ramping up existing initiatives to build food parks and post-harvest facilities to boost farm incomes. Investments would be made in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing and marketing and branding.

There is also an emphasis on reducing the reliance on the import of cooking oil, for which a distinct strategy will be formulated to achieve atmanirbharta for oil seeds. Further, the government has continued its support to farmers under the crop insurance facility and intends to further strengthen the same. This will ensure penetration and awareness around insurance in rural India thereby providing a boost to the insurance industry.

# HEALTH

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Health and Family Welfare	77,625	87,657	13%
Department of Health Research (DHR)	2,893	3,002	4%
Ministry of AYUSH	3,000	3,712	24%

## KEY ANNOUNCEMENTS

- The newly designed 'U-Win' platform for managing immunization and intensification of Mission Indradhanush will be rolled expeditiously throughout the country.
- The government will encourage the vaccination against cervical cancer of girls in the age group of 9-14 years for the prevention of the disease.
- The health cover under the Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PM-JAY) scheme will be extended to all ASHA and Anganwadi workers and helpers.
- More medical colleges are planned to be set up by utilizing the existing hospital infrastructure under various departments. A committee for this purpose will be set up to examine the issues and make relevant recommendations.
- All maternal and child healthcare schemes will be brought under one comprehensive programme for synergy in implementation.
- Upgradation of Anganwadi centers under Saksham Anganwadi and Poshan 2.0 will be expedited to improve nutrition delivery, early childhood care, and development.
- Health Technology Assessment in India (HTAin) under DHR has been allocated separate funding of INR 10 Cr. for the evaluation, appropriateness, and cost effectiveness of the available and new Health Technologies in India.



## COMMENTS

The government has focused on strengthening the public health ecosystem and improving inclusivity through the expansion of PMJAY to all ASHA, and Anganwadi workers and helpers while simultaneously planning for more medical colleges in India. The emphasis placed on preventive measures with the introduction of U-Win to manage immunization, and vaccination against cervical cancer further highlights the government's intent and focus on improving public health.

Additionally, the separate allocation towards Health Technology Assessments in India showcases how the government aims to facilitate the process of transparent and evidence-informed decision-making in the field of healthcare. This will help decision-making by efficiently utilizing the health budget and providing access to quality healthcare while reducing out-of-pocket expenditure.

# PHARMACEUTICALS

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Pharmaceuticals (DoP)	2,698	4,090	52%
Department of Biotechnology (DBT)	1,607	2,252	40%

## KEY ANNOUNCEMENTS

- The budgetary allocation for the development of the pharmaceutical industry has increased by 392% (as compared to BE 23-24) with the majority of the outlay being allocated for the promotion of bulk drug parks and medical device parks.
- To help promote research and innovation in the pharmaceutical and medical devices industry, the government has allocated INR 75 Cr. for the upcoming year.
- DoP continues to increase their allocations for the Production Linked Incentive (PLI) Schemes with significant increases seen for Pharmaceuticals, Medical Devices and for the Promotion of Domestic Manufacturing of Critical Key Starting Materials/Drug Intermediaries and Active Pharmaceutical Ingredients.
- DBT has increased its budgetary allocation for Biotechnology Research and Development by 120%.



## COMMENTS

The budgetary allocation for DoP and DBT has seen a significant increase with a continued focus on increasing and improving domestic manufacturing in pharmaceuticals and medical devices. The increased allocation for the PLI schemes across the sector highlights the government's intent of strengthening India's position as the pharmacy of the world and improving its resilience to external shocks. From a medical device perspective, the government continues to build India's domestic manufacturing ecosystem to help reduce import dependencies.

The government has continued to invest in research and development through DoP launching the Promotion of Research and innovation in Pharma Med-Tech Scheme while DBT has increased its budgetary allocation for Biotechnology Research and Development by 120%.

# EDUCATION & SKILL DEVELOPMENT

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Education, Department of School Education	72473	73008	0.7%
Ministry of Education, Department of Higher Education	57244	47620	-17%
Ministry of Skill Development and Entrepreneurship	3260	3520	8%

## KEY ANNOUNCEMENTS

- Union govt plans to introduce the Public Examination (Prevention of Unfair Means) Bill, 2024. The Bill aims to curb cases related to paper leaks and organized cheating in public examinations, including the UPSC, SSC, and the Railways; and entrance examinations such as NEET, JEE, and CUET.
- The government plans to set up more medical colleges using the existing hospital infrastructure.



## COMMENTS

India's comprehensive strategy focuses on education and skill enhancement, with Skill India achieving remarkable milestones. Increased women's participation in STEM fields contributes to India's goal of becoming a talent superpower. The emphasis on both traditional and non-traditional skilling avenues is a laudable step towards India's aspirations of becoming a 'Viksit Bharat' by 2047. Public-private partnerships and leveraging industry expertise will be crucial in bridging the skill gap and empowering the 'Amrit Peedhi' for a developed India by 2047. The nation is entering an era where inclusivity and educational empowerment support digital, health, and green developments. Wider opportunities, innovations, and enhanced GOI support in 2024 will empower the tech-savvy youth.

# SOCIAL WELFARE

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Social Justice and Empowerment	9853	13000	35%
Department of Rural Development	171070	177566	3%

## KEY ANNOUNCEMENTS

- With allocation of INR 86,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the budget for the scheme for the financial year 2024-25 has been hiked by INR 26,000 crore.



## COMMENTS

Social justice is an effective and necessary governance model for the government. As the nation navigates through the uncertainties of the present and builds toward the future, the budget reflects a commitment to the welfare and progress of all citizens. There is transparency and assurance in the governance owing to which benefits are received to all the eligible people, regardless of their social standing get access to opportunities.

# WOMEN AND CHILD DEVELOPMENT

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Women and Child Development (MoWCD)	25449	26092	3%

## KEY ANNOUNCEMENTS

- The government has increased the target for *lakhpati didi* from 2 Cr. to 3 Cr.
- Vaccination for girls in age group of 9 to 14 years for prevention of cervical cancer, will be encouraged.
- Various schemes for maternal and childcare will be brought under one comprehensive programme for synergy in implementation.
- Upgradation of anganwadi centres under “Saksham Anganwadi and Poshan 2.0” will be expedited for improved nutrition delivery, early childhood care and development.
- Healthcare cover under Ayushman Bharat scheme will be extended to all ASHA workers, Anganwadi Workers and Helpers.



## COMMENTS

In line with the Government’s emphasis on promoting women-led development and *nari shakti*, there has been an increase in the allocation to the Ministry of Women and Child Development. The Government aims to attain the overall empowerment of women through promoting gender parity on all fronts.

While there is a strong effort to achieve the economic empowerment of women, which can be seen through the focus on increasing the number of *lakhpati didi*’s, the Government also aims to address the healthcare concerns of women and children, through a strategic move to consolidate all maternal and child healthcare schemes under one comprehensive program.

# LABOUR & EMPLOYMENT

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Labour & Employment	12521	12531	0
Ministry of Micro, Small, and Medium Enterprises (MSME)	22137	22137	0

## KEY ANNOUNCEMENTS

- The government is eyeing the holistic development of the MSME sector, and seeks to ensure timely and adequate finances, relevant technologies, optimal regulatory environment, and appropriate training for the Micro, Small and Medium Enterprises (MSMEs) to grow and compete globally.
- Certain tax benefits to start-ups and investments made by sovereign wealth or pension funds as also tax exemption on certain income of some IFSC units have been extended to March 31, 2025.
- Increase in budgets for Entrepreneurship and Skill Development from INR 655 crores to INR 704 crores.
- Increase in budgets for Infrastructure Development Programme from INR 1,586 crores to INR 2,210 crores.
- Increase in budgets for PM *Vishwakarma* rose from INR 990 crores to INR 4824 crores.
- Budgets for Prime Minister Employment Generation Programme (PMEGP) reduced from INR 17,458 crores to INR 12,463 crores.

## COMMENTS

MSMEs has always been a key priority for the government as it is being termed as the growth engine and key pillar of the economy. The government, time and again, emphasized that MSMEs are an important policy priority looking at their global significance. While broadly the budget allocation for the Ministry of MSMEs remains unchanged, impetus can be expected on skilling/ re-skilling/ up-skilling, capacity building for increasing productivity and quality of products, promotion digital transactions etc., especially among artisans and craftsman, with a substantial increase in the budget of PM *Vishwakarma*. Also, an increase on budget for entrepreneurship and skilling schemes, reflects the government's vision of boosting employment through MSMEs in order to enable them to become '*rozgardata*'.

# TRANSPORT & URBAN DEVELOPMENT

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
<b>Ministry of Road, Transport and Highways (MoRTH)</b>	276351	278000	1%
<b>Ministry of Housing and Urban Affairs (MoHUA)</b>	69271	77524	12%
<b>Ministry of Ports, Shipping and Waterways</b>	2395	2346	-2%
<b>Ministry of Civil Aviation</b>	2922	2300	-21%

## KEY ANNOUNCEMENTS

- Urban transformation via Metro rail and NaMo Bharat will be supported in large cities focusing on transit-oriented development.
- Greater adoption of e-buses for public transport networks will be encouraged through payment security mechanisms.
- Building on the massive tripling of the capital expenditure outlay in the past 4 years, the outlay for the next year has been increased by 11.1% to INR 11,11,111 Cr.
- Pradhan Mantri Awas Yojana (Grameen) is close to achieving target of 3 crore houses, additional 2 crore houses targeted for the next 5 years.
- Housing for Middle Class scheme to be launched to promote middle class to buy/build their own houses.

## COMMENTS

The budget reflects a decade-long commitment to transformative infrastructure growth, particularly in the aviation sector, where the doubling of airports to 149 and extensive air connectivity initiatives underscore a strategic push towards accessibility. Notably, the encouragement of e-buses and support for urban transformation projects like Metro rail and NaMo Bharat signal a concerted effort toward sustainable and efficient public transport.

The substantial increase in the capital expenditure outlay and the introduction of the Housing for Middle Class scheme aligns with a broader vision for inclusive development and robust economic growth.



# TOURISM & CULTURE

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Tourism	1692	2450	48%
Ministry of Culture	3460	3261	-6%

## KEY ANNOUNCEMENTS

- The successful organization of G20 meetings in 60 destinations effectively showcased the country's diversity to a global audience, thereby making the country an attractive destination for business and conference tourism.
- Key focus is on spiritual tourism, which aims to offer significant opportunities for local entrepreneurship.
- States will be encouraged to undertake development of iconic tourist centres, branding, and marketing them at global scale, and a framework for rating of the centres based on quality of facilities and services will be established.
- To support these endeavors, long-term interest free loans will be extended to States on a matching basis.
- Projects for port connectivity, tourism infrastructure, and amenities will be taken up in islands, including Lakshadweep.



## COMMENTS

The budget's focus on leveraging the success of G20 meetings aligns with the "National Strategy for Meetings, Incentives, Conferences, and Exhibition (MICE) MICE Industry 2022", indicating a concerted effort to position India as a year-round global hub for MICE Tourism. This approach not only aims at enhancing inbound tourism but also demonstrates alignment with established national frameworks.

Some central schemes relating to development of tourism infrastructure such as Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) have also seen a significant rise in allocations.

The Government's renewed focus in island regions such as Lakshadweep will boost local economy, connectivity, and attractiveness, thereby reflecting a comprehensive vision for India's tourism sector in the upcoming fiscal year.

# DIGITAL ECONOMY

Ministry/ Department	FY 23-24 (RE) (INR Cr.)	FY 24-25 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Electronics & Information Technology	14421	21385	48%
Department of Telecommunications	98359	111877	14%

## KEY ANNOUNCEMENTS

- The government termed Digital Public Infrastructure as a new factor of production in this 21st century and an instrumental part in formalisation of the economy.
- MeitY's Central Sector Schemes/Projects received a significant boost, rising from 10,491.25 to 17,319.51 crore rupees in 2024-2025, marking a substantial 65.06% increase.
- The budgetary allocation for Cyber Security Projects has been substantially increased from INR 400 crores in 2023-24 to INR 759 crores in 2024-25.
- The budget for Production Linked Incentive Scheme (PLI) has also been increased from INR 4,560 crores in 2023-24 to INR 6,200 crores in 2024-25.
- The budget for Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India rose exponentially from INR 1,503 crores to INR 6,903 crores.
- However, Digital India Program experienced a slight 4.81% reduction in budget, showcasing a nuanced approach to budget allocations in the broader digital transformation initiative.
- Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters) witnessed a marginal rise on budget from INR 700 crores to INR 750 crores. Also, to bolster innovation, the budget for R&D in IT/Electronics has been raised from INR 1,000 crores to INR 1,148 crores.
- E-governance has been a major area of focus for the government, and its fund allocation has been increased from INR 588 crores to INR 650 crores.
- The Ministry of Communication's Total-Central Sector Schemes/Projects faced a funding decline from 6678.27 to 4314.43 crore rupees, indicating a decrease of 35.39%.



## COMMENTS

Though there were no major tech-related announcements in the budget, boosting cybersecurity infrastructure has continued to be the intensified emphasis of the government, similarly like the last budget. With increasing digitalization, this is completely in line with the ongoing crucial and urgent need for the government to address the escalating cybersecurity threats. Almost 90% increase in budget allocation for cybersecurity reinstates the government's holistic approach towards securing the cyber space of the country by pursuing multiple initiatives like security policy, compliance and assurance, security, incident-early warning & response, security training, enabling legal framework and collaboration.

# DIGITAL TRANSFORMATION

## KEY ANNOUNCEMENTS

Apart from the ministry-wise budget allocations discussed above, India's digital transformation journey is also defined by the below fund allocations.

- **Infrastructure**
  - Compensation to Service Providers for creation and augmentation of telecom infrastructure remains same at INR 2,000 crores.
  - Signalling and Telecom witnessed a substantial increase in budget from INR 3,581 crores to INR 4,492 crores.
  - Upgradation of Central Forensic Science Laboratories, including setting up of National Forensic Data Centre has been allocated a capital budget of INR 50 crores.
  - The budget for Urban Rejuvenation Mission: Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission was reduced from INR 13,200 crores to INR 10,400 crores.
- **Others**
  - While the budget for Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to merchant) fell from INR 2,485 crores to INR 1,441 crores, the issue of promoting digital transactions and payments remains at the heart of the government's efforts towards making India a digitally empowered society.
  - Phase-III of the e-Courts project was announced in the previous budget, and its fund allocation has increased from INR 825 crores to INR 1,500 crores, signifying the government's commitment on the subject.
  - The IT Modernization Project 2.0 under the Department of Posts has been given a capital outlay of INR 748 crores.
- **Scheme for deep-tech:** Apart from budget allocations, a scheme was also announced in the budget speech, which aims to bolster technological self-reliance, by focussing on deep-tech for defense, aiming at accelerating '*Atmanirbharta*' in technology.





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