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BUDGET MANTHAN

INTERIM BUDGET 2024 - 25

IMPACT ANALYSIS

Mr. Avinash Gupta
Managing Director & CEO - India
Dun & Bradstreet

The Interim Budget has laid the foundation for promoting India's growth while maintaining fiscal prudence, solidifying India's growing credibility in the global economy. Prioritizing investment and developing the logistics sector remain the key focus areas as India strives to transform into a global manufacturing hub. Budgeting a lower-than-expected fiscal deficit, leading to reduced borrowings by the Central Government, will enable a greater availability of credit for the private sector. The government's intention to orient the regulatory environment, enhance technological prowess, provide skill training and offer timely and sufficient financial support will act as accelerators for the growth of MSMEs. This becomes crucial considering the various challenges encountered by MSMEs, including a 28% rate of loan rejections. By focusing on the development of the logistics sector, including the establishment of three corridors and other off-budget initiatives, India will be better positioned to ascend the ranks in the World Bank's Logistic Performance Index (LPI).

Dr. Arun Singh
Global Chief Economist
Dun & Bradstreet

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in this interim budget. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than-expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower-than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. Despite committing to a lower fiscal deficit, the government has allocated a substantial capital expenditure of ₹11.1 trillion, marking a 50% increase from FY23. The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and substantially reduce logistics costs. According to a Government of India report, India successfully lowered its logistics cost to 7.8-8.9% during FY22, compared with 8.7-9.9% in 2011-12. This aligns with the national logistics policy, aiming to bring down costs from 14% to the global best practices benchmark of 8%. Offering long-term, zero-interest financing to the private sector in sunrise sectors is expected to catalyze significant research advancements. This initiative is particularly noteworthy considering that, in FY21, India allocated 0.64% of its GDP to research and development, with the private sector contributing 36.4%.

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BUDGET AT A GLANCE

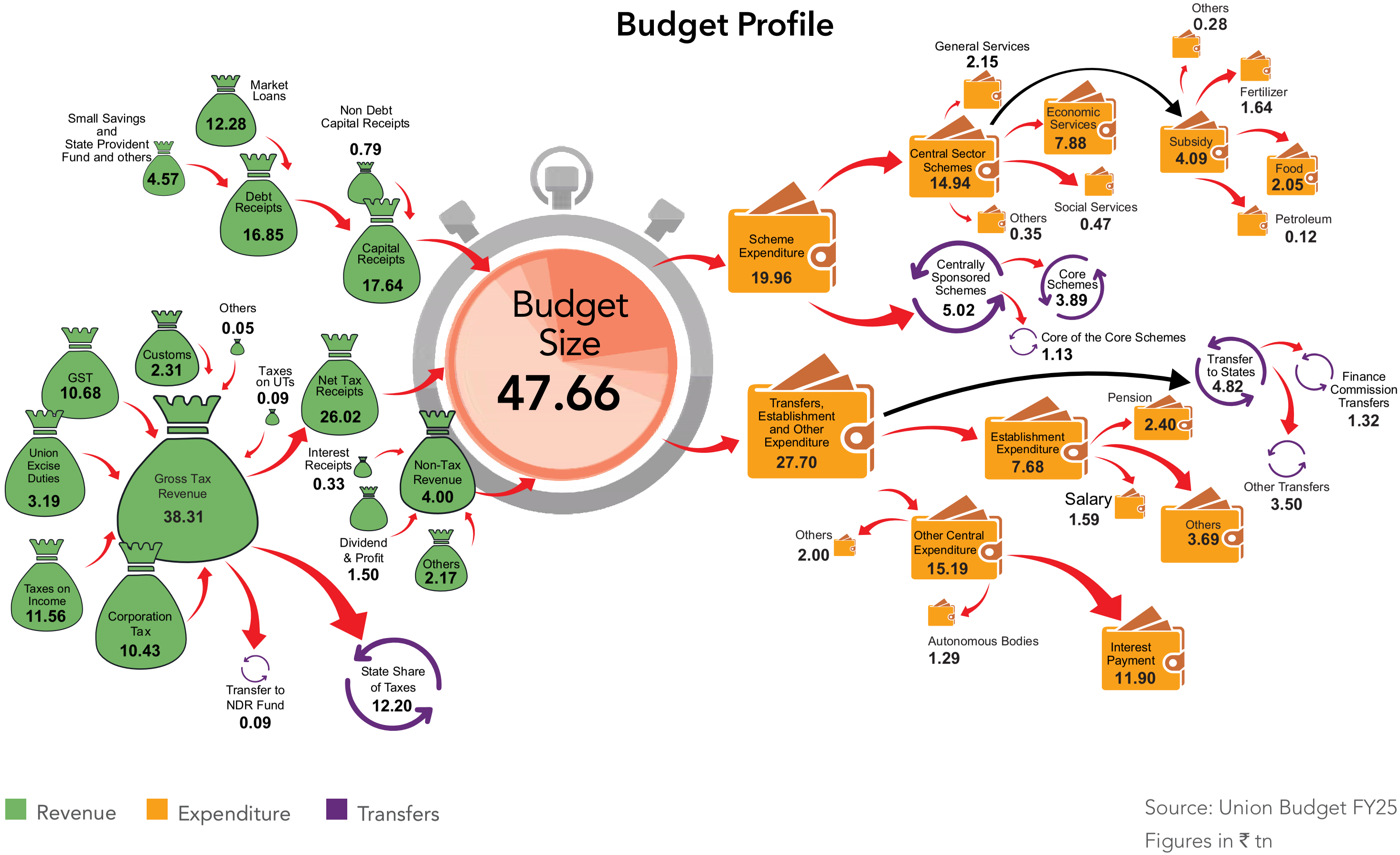
(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates
1) Revenue Receipts	**26,997**	**30,013**
1.1) Tax Revenue (net to centre)	23,239	26,016
1.2) Non-Tax Revenue	3,758	3,997
2) Capital Receipts (2.1+2.2+2.3)	**17,908**	**17,645**
2.1) Recoveries of loans	260	290
2.2) Other receipts	300	500
2.3) Borrowings and other liabilities*	17,348	16,855
3) Total Receipts (1+2)	**44,905**	**47,658**
4) Total Expenditure (4.1+4.4)	**44,905**	**47,658**
4.1) On Revenue Account	35,402	36,547
4.2) Of which, Interest Payments	10,554	11,904
4.3) Grants in Aid for creation of capital assets	3,212	3,856
4.4) On Capital Account	9,502	11,111
Capital expenditure - % share of total	21%	23%
5) Revenue Deficit (4.1-1)	**8,405**	**6,534**
% of GDP	3%	2%
6) Effective Revenue Deficit (5-4.3)	**7,637**	**4,999**
% of GDP	3%	2%
7) Fiscal Deficit {4-(1+2.1+2.2)}	**17,348**	**16,855**
% of GDP	6%	5%
8) Primary Deficit (7-4.2)	**6,793**	**4,951**
% of GDP	2%	2%
GDP	**296,577**	**327,718**

**Includes draw-down of Cash Balance*

(i) Nominal GDP for BE 2024-25 has been projected at Rs 3,27,71,808 crore assuming 10.5 % growth over the estimated Nominal GDP of Rs 2,96,57,745 crore as per the First Advance Estimates of FY 2023-24. Individual items in this document may not sum up to the totals due to rounding off; Figures in parenthesis are as a percentage of GDP

Source: Union Budget FY25

Budget Profile



Source: Union Budget FY25

Figures in ₹ tn

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A MACROECONOMIC PERSPECTIVE

In an environment of complex global economic landscape, India's Interim Budget for FY25 outlines the Government's vision to propel India's advancement and achieve 'Viksit Bharat' by 2047. The budget propels India's quest for inclusive and sustainable development with the theme of 'Sabka Sath, Sabka Vikas and Sabka Prayas'. The Budget does a good balancing act of maintaining fiscal prudence while pushing for higher inclusive growth. Leveraging on recent tax buoyancy, the Government judiciously invests towards infrastructure, housing initiatives, aspirational district programmes and support to MSMEs and sustainability.

The Government remains on track to bring down fiscal deficit to 5.1% in FY25 (BE). The Government achieved a reduced fiscal deficit of 5.8% in FY24 (RE) against estimated 5.9% for FY24 (BE). Continuing with the fiscal prudence on path of fiscal consolidation, fiscal deficit for FY25 (BE) is budgeted at 5.1% with an aim of 4.5% in FY26.

The nominal GDP for FY25 is projected at ₹328 tn at a growth rate of 10.5%. Revenue receipts are expected to grow by 11.2%, primarily driven by a robust 11.9% increase in net tax receipts. Direct tax receipt is budgeted to grow at 13.1%, while growth of indirect tax receipts is expected at 9.4% for FY25 (BE). Subsidies are budgeted to decrease by 7.8% with fertiliser subsidy declining 13.2% and food subsidy declining 3.3%. Interest expenditure is expected to increase by 12.8% on account of higher yield, following RBI's rate hikes to tackle inflation. A moderate expenditure growth of 6.1% with a 3.2% increase in revenue expenditure is budgeted for FY25 (BE). Whereas, capital expenditure is slated for a strong 16.9% growth to ₹11.1 tn, marking a 50% increase in the 2-year period from FY23. The planned outlay on infrastructure is set at 3.4% of GDP, encompassing new railway corridors and improving air-connectivity, internal waterways and urban metro and rail networks, with the objective of improving India's logistics performance by reducing time and costs of freight movement.

A focus on urbanisation is also visible in the planned support for homeownership for sections of the urban middle class. The Pradhan

Mantri Awas Yojna (PMAY) embodies a crucial facet of the budget's vision, witnessing a substantial increase in its outlay from ₹541 bn in FY24 (RE) to ₹807 bn in FY25 (BE). The Government's dedicated pursuit of PMAY-Grameen has led to a near realisation of building 30 mn houses, with the aim of adding 20 mn houses in the next five years.

Extension of the 50-year interest-free loans to states by another year aims to empower states with increased autonomy in devising their roadmap for growth. Development of aspirational districts and blocks would serve two main objectives, firstly to create equitable development across states and secondly to slow the pace of incremental urbanisation pressure on existing infrastructure. This nuanced approach would create more economic opportunities and aid job creation towards balanced and inclusive growth.

Micro, Small and Medium Enterprises (MSMEs) take a centre stage in the budget's vision. The Government lays down a roadmap, emphasising on timely availability of finance, relevant technologies, and targeted skilling and re-skilling. This multifaceted approach, coupled with a regulatory environment geared towards their growth, recognises the pivotal role MSMEs play in driving economic growth, job creation and entrepreneurial dynamism.

In a stable and thriving growth scenario, businesses anticipate robust returns on investment. India is poised to remain the fastest-growing major economy, especially as several advanced economies face worsening growth prospects. With resilient domestic demand, an enabling supply and policy environment, and prudent management of public finances and external debt, India stands as an attractive investment destination.

In summary, the Interim Budget for 2024-2025 provides a roadmap for the nation's journey towards becoming a developed nation by 2047!

SECTORAL IMPACT

Sector	Rating
Micro Small and Medium Enterprise	Marginally Positive
Agriculture	Positive
Social Sector	Positive
Infrastructure	Positive Plus
Services	
Banking, Insurance, Financial Services and Markets	Marginally Positive
Hospitality	Positive
IT-ITeS	Positive
Retail	Neutral
Telecom	Neutral
Media & Entertainment	Neutral
Manufacturing	
Automotive	Positive
Capital and Engineering Goods	Positive
Cement	Positive
Consumer Goods	Neutral
Gems and Jewellery	Neutral
Metals & Mining	Marginally Positive
Oil & Gas and Petrochemicals	Positive
Pharmaceuticals & Healthcare	Positive
Power	Positive
Real Estate and Construction	Positive
Textiles & Garments	Marginally Positive
Personal Budget	Neutral

Ratings:

Positive Plus	Predominantly positive proposals
Positive	Positive proposals
Marginally Positive	Positive proposals but not upto industry expectations
Neutral	Neutral impact of proposals
Marginally Negative	Negative proposals with limited impact
Negative	Negative proposals with significant impact

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Micro Small and Medium Enterprise (MSME)

- Allocation for PM Vishwakarma scheme has been hiked to ₹48.2 bn in FY25 (BE), compared with ₹9.9 bn in FY24 (RE)
- Allocation for Raising and Accelerating MSME Performance – RAMP – has increased by 17% to ₹11.70 bn in FY25 (BE).
- Allocation for the establishment of new technology centres (TCs) is at ₹4.5 bn for FY25 (BE), compared with ₹0.2 bn in FY24 (RE).
- Allocation for Micro and Small Enterprise-Cluster Development Programme (MSE-CDP) has been enhanced from ₹1.8 bn FY24 (RE) to ₹4 bn in FY25 (BE).
- Allocation for the Total Development of Khadi, Village and Coir Industries has increased to ₹14 bn for FY25 (BE), a 55% increase from FY24 (RE).
- Allocation for Scheme for Fund for Regeneration of Traditional Industries (SFURTI) has increased to ₹2.6 bn for FY25 (BE), from ₹25 mn in FY24 (RE).
- Allocation for Prime Minister Employment Generation Programme (PMEGP) has been lowered by 22% to ₹23 bn in FY25 (BE).
- Allocation for the Guarantee Emergency Credit Line (GECL) facility to eligible MSME borrowers has decreased by 27% to ₹102 bn in FY25 (BE), from FY24 (RE).
- Allocation for Credit Support Programme has been decreased substantially from ₹5 bn in FY24 (RE) to ₹4 mn in FY25 (BE).
- Total budgetary allocation for the MSME Sector is unchanged at ₹221 bn for FY25 (BE).
- The Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to increase aquaculture productivity, double exports to ₹1 tn and generate 5.5 mn jobs.
- A proposal to set up five integrated aquaparks has been announced.

- In the pursuit of the 'Amrit Kaal' strategy, the Government has placed policy emphasis on securing timely and sufficient finances, pertinent technologies, and proper training for MSMEs to foster global growth and competitiveness.
- After having affectively elevated almost 10 million women to the status of 'Lakhpati Didi, the government has increased the target for the 'Lakhpati Didi' from 20 mn to 30 mn which will empower millions of women affiliated with the 8.3 million Self-Help Groups (SHGs) in India.
- Specific tax benefits granted to start-ups, investments made by sovereign or pension funds as well as for some IFSC units which were set to expire by March 2024, have been extended by another year to March 2025.

Marginally Positive

The budget allocated to the Ministry of MSMEs for FY25 has remained unchanged from the revised estimates of last year; there has been a thrust to enhance productivity and develop technology, enhanced focus on artisans and crafts-people, as well as on women empowerment, while diverting focus from programmes such as the Employment Generation Programme (PMEGP), Guarantee Emergency Credit Line (GECL) facility and Credit Support Programme.

In line with the Governments' focus on four major groups, i.e., 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata' (Farmer), a significant thrust has been put forth to support the artisans and craftspeople engaged in 18 trades under the PM-Vishwakarma Yojana. Allocation for PM Vishwakarma scheme has been hiked 5-folds to ₹48.2 bn for FY25 (BE).

After having affectively elevated almost 10 million women to the status of 'Lakhpati Didi, the government has increased the target for the 'Lakhpati Didi' from 20 mn to 30 mn which will empower millions of women *affiliated with the 8.3 million Self-Help Groups (SHGs) in India. Such initiatives have the potential to create employment opportunities and empower women. The 17% increase in allocation to the RAMP scheme is expected to drive MSMEs' access to markets, credit and technology, as well as their sustainable development. For MSMEs to grow and scale up, it is imperative they access and develop technological prowess. To this end, the Government has allocated ₹4.5 bn in FY25 (BE) to the Technology Centres (TCs) from ₹0.2 bn in FY24 (RE). These TCs would provide various technology, skilling, incubation, and consultancy services, leading to an enhancement in the competitiveness of MSMEs.*

The Government's intention to orient the regulatory environment, enhance technological prowess, provide skill training, and offer timely and sufficient financial support will act as growth accelerators of MSMEs. This becomes crucial in light of the various challenges encountered by MSMEs, including a 28% rate of loan rejections. The Government's focus on improving the logistic network is also expected to support the sector.

Agriculture

- Allocation to Agriculture and Allied Activities is budgeted at ₹1.47 tn in FY25 (BE).
- Subsidy on fertiliser has been moderately reduced by 13% to ₹1.64 tn and subsidy on food has been reduced by 3% to ₹2.05 tn in FY25 (BE) from FY24 (RE).
- Allocation to Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) remained constant at ₹600 bn in FY25 (BE) from FY24 (RE).
- There has been an allocation of ₹14.44 bn in FY25 (BE), as against ₹11.5 bn in FY24 (RE), to Production-Linked Incentive Scheme in the Food Processing Industry.
- Allocation to Pradhan Mantri Krishi Sinchai Yojna has been increased to ₹88.9 bn in FY25 (BE) from ₹70 bn in FY24 (RE).
- Allocation to PM-Fasal Bima Yojna for FY25 (BE) is at ₹146bn from ₹150 bn in FY24 (RE)
- There has been an allocation of ₹5 bn for FY25 (BE) for Namo Drone Didi scheme, which aims to provide drones to women Self Help Groups.
- The Government aims to promote private and public investment in post-harvest activities, including aggregation, modern storage, efficient supply chains, primary and secondary processing, and marketing and branding.
- The Government aims to promote the application of Nano DAP on various crops and expand in all agro-climatic zones.
- The Government plans to formulate a strategy of "Atmanirbhar Oilseeds Abhiyaan" to achieve self-reliance for oil seeds such as mustard, groundnut, sesame, soybean and sunflower. The strategy will cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition and crop insurance.

- The Government plans to create a comprehensive programme for supporting dairy farmers to improve their productivity. The programme will be in addition to existing schemes such Rashtriya Gokul Mission, National Livestock Mission and Infrastructure Development Funds for dairy processing and animal husbandry.
- The Government plans to step up the implementation of Pradhan Mantri Matsya Sampada Yojana by enhancing aquaculture productivity from 3 tons to 5 tons per hectare. This is expected to double exports to ₹1 tn and help generate 5.5 mn jobs.
- The Government also plans to set up 5 aquaparks.
- To advance climate-resilient initiatives within the framework of Blue Economy 2.0, a comprehensive programme will be introduced. This scheme will focus on implementing restoration and adaptation measures, fostering coastal aquaculture and mariculture and employing an integrated, multi-sectoral approach.
- The budget proposed to provide financial assistance for the procurement of biomass aggregation machinery to support collection.
- To support green growth, the Government has proposed the introduction of a novel bio-manufacturing and bio-foundry scheme. This endeavour aims to offer eco-friendly alternatives, including biodegradable polymers, bioplastics, biopharmaceuticals and bio-agri-inputs.

Positive

The budget has focused on providing value addition to boost farmers income and promote private and public investment in post-harvest activities. The budget emphasizes on achieving 'atmanirbharta' for the oilseed segment, which includes activities related to research, procurement and support services, which will enhance the value realisation for producers of these products. The Government has ensured credit flow and support to sectors such as animal husbandry, *dairy and fisheries, recognising the role of these sectors. The Matsya Sampada scheme will significantly increase production and support export demand, as well as provide employment opportunities. Though the subsidies on fertilisers have been reduced by 13%, the Government promotes the application of Nano-DAP to all agro-climatic zones.*

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Social Sector

Health & Sanitation

- Allocation for the health sector substantially increased by 13.8% to ₹901.71 bn (BE) in FY25 from ₹792.21 bn in FY24 (RE).
- Allocation for Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY) moderately increased by around 10% to ₹75 bn in FY25 (BE) over FY24 (RE).
- Allocation for the National Health Mission increased by around 13% to ₹381.83 bn in FY25 (BE).
- Funds allocated to Swachh Bharat Mission (rural and urban combined) increased by 28% to ₹121.92 bn in FY25 (BE) over FY24 (RE).
- Outlay for National Rural Drinking Water Mission (NRDWM)/Jal Jeevan Mission has been increased marginally to ₹701.63 bn in FY25 (BE) from ₹700 bn in FY24 (RE).
- Allocation for National Ayush Mission (centrally sponsored scheme) increased significantly by 47% to ₹12 bn in FY25 (BE), from ₹8.15 bn in FY24 (RE).
- Allocation for Department of Drinking Water and Sanitation has been marginally increased by 0.5% to ₹773.90 bn in FY25 (BE), from FY24 (RE).
- The Government plans to set up more medical colleges using existing infrastructure.
- The Government has planned to encourage vaccination for girls in the age group of 9 to 14 to prevent cervical cancer.
- The Government is focused on the upgradation of Anganwadi Centres for improvement of nutrition delivery and early childhood care and development.
- A newly designed U-WIN Platform for managing immunization will be launched by the Government.

Education and Skill Development

- Allocation for the Education Sector increased by 14.5% to ₹1.25 tn in FY25 (BE), from ₹1.09 tn in FY24 (RE).
- Allocation for the National Education Mission increased marginally by 0.7% to ₹574.27 bn in FY25 (BE) from FY24 (RE).
- Allocation for the Ministry of Education, Dept. of School Education and Literacy has remained almost unchanged at ₹730 bn in FY25 (BE).
- Allocation for the Ministry of Education, Dept. of Higher Education has decreased to ₹476.19 bn in FY25 (BE) from ₹572.31 bn in FY 24 (RE).
- Allocation for the Ministry of Skill Development and Entrepreneurship increased by around 8% to ₹35.2 bn in FY25 (BE) over FY 24 (RE).

Social Welfare

- The Government stated that it will prioritize the need, aspirations, welfare of four major groups, which are 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata' (Farmer).
- Allocation for social welfare increased by 20% to ₹565.01 bn in FY25 (BE) from ₹467.41 bn in FY24 (RE).
- Allocation for Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGA) remained unchanged at ₹860 bn in FY25 (BE).
- Allocation for National Social Assistance Programme remained almost constant at ₹96.52 bn in FY25 (BE) .
- Allocation for Umbrella Programme for Development of Scheduled Tribes and Scheduled Castes increased to ₹138 bn in FY25 (BE) from ₹100.7 bn in FY24 (RE).
- Allocation for Umbrella Programme for Development of Other Vulnerable Group increased to ₹21.50 bn in FY25 (BE) from ₹19.18 bn in FY 24 (RE).

Women Empowerment

- Allocation for Mission Shakti (Mission for Protection and Empowerment for Women) increased to ₹31.46 bn in FY25 (BE) from ₹23.26 bn in FY24 (RE).
- The initiative of 'Lakhpati didi' scheme has helped nearly 10 mn Women. The target for 'Lakhpati didi' has been enhanced from 20 mn to 30 mn.

Positive

There has been a significant increase in budget allocations and initiatives across various social sector schemes in India for FY25. Notably, the healthcare sector has witnessed a significant boost in funding, particularly towards key programs such as Ayushman Bharat and the National Health Mission, signalling a robust commitment to improving healthcare accessibility and infrastructure. Moreover, the continued support for sanitation initiatives such as the Swachh Bharat Mission and the Rural Drinking Water Mission underscores the government's dedication to promoting public health and hygiene.

In the realm of education and skill development, the higher allocations and establishment of new educational institutions reflect a concerted effort to enhance educational opportunities and workforce capabilities. Initiatives such as the Skill India Mission aim to bridge the gap between skills demand and supply, while also fostering entrepreneurship through targeted financial support. Social welfare programmes receive increased funding, with a focus on marginalised groups such as Scheduled Castes, Scheduled Tribes and other vulnerable communities.

Regarding women empowerment, the data showcases a heightened commitment to gender equality and women's rights through increased allocations and legal reforms. Initiatives such as Mission Shakti aim to empower women economically and socially, while legal reforms such as banning 'Triple Talaq' demonstrate efforts to protect women's rights. Additionally, schemes promoting women's entrepreneurship and *education seek to enhance their socio-economic status and participation in the workforce.*

Overall, the Government has prioritised inclusive growth and development, with investments and initiatives aimed at improving healthcare, education, social welfare and women empowerment.

Infrastructure

Continuing with the recent emphasis on capital spending as a catalyst for economic development and job creation, the forthcoming fiscal year has witnessed an 11.1% increase in the allocation to infrastructure, reaching ₹11.1 tn (3.4% of the GDP).

Roads and Highways

- Allocation for the National Highways Authority of India in FY25 (BE) amounts to ₹1.7 tn.
- The budgetary provision for integrated road projects, encompassing both road development and road transport safety initiatives, is projected to be ₹1.1 tn for FY25 (BE).

Railways

- The planned capital expenditure for Indian Railways stands at ₹2.5 tn for FY25 (BE).
- Allocation for new railway lines has been set at ₹360 bn in FY25 (BE) from ₹340 bn in FY24 (RE).
- Three pivotal railway corridor initiatives, encompassing energy, mineral & cement corridors, port connectivity corridors and high-traffic density corridors, are set to be executed under the PM Gati Shakti programme, fostering multi-modal connectivity, enhancing logistics efficiency and lowering costs.

Urban Infrastructure

- The Metro Rail and NaMo Bharat initiatives have been identified as key ingredients for essential urban transformation. The expansion of these systems in major cities, with a focus on transit-oriented development will help cater to the demands of a growing middle class and India's urbanisation.
- The budgetary allocation for Pradhan Mantri Awas Yojna (PMAY)-Urban stands at ₹262 billion in FY25 (BE).

- The Government has committed to promoting homeownership among sections of the middle and lower class that currently reside in rented accommodations, slums, chawls or unauthorised colonies.
- The Government has proposed to establish a committee aimed at increasing the supply of medical professionals and doctors through additional medical colleges while leveraging the existing hospital infrastructure.
- The Government remains committed to the swift expansion of existing airports and the development of new ones to improve air connectivity.
- The Government is prepared to support states in accelerating the development of aspirational districts and blocks.

Power

- Several initiatives have been put forth to meet the 'net-zero' pledge by 2070. These include viability gap funding for 1 GW initial capacity to harness offshore wind energy, establishing a 100 MT coal gasification and liquefaction capacity by 2030 to reduce import dependence, mandating in a phased manner, the blending of compressed biogas in CNG for transport and PNG for domestic use, and providing financial support for the procurement of biomass aggregation machinery.

Telecom

- Allocation for Bharatnet increased to ₹85 bn for FY25 (BE) from ₹50 bn in FY24 (RE).
- Allocation for Digital Intelligence Unit Project has been set at ₹0.9 bn in FY25 (BE) from ₹0.5 bn in FY24 (RE).

River and Water Infrastructure

- Net allocation for the Ministry of Jal Shakti is ₹210 bn for FY25 (BE)
- Allocation to Interlinking of Rivers increased to ₹35 bn for FY25 (BE), from ₹14 bn in FY24 (RE).

Logistics Infrastructure

- The three identified economic railway corridors, together with dedicated freight corridors, will enable decongestion of railway traffic and boost multi-modal connectivity to improve logistics performance.

Affordable Housing

- In the next five years, an additional 20 mn houses will be undertaken as part of PM Awas Yojana (Grameen) to meet the demand of rural families.
- The outlay for PM Awas Yojana – Rural is being enhanced by 70% to over ₹545 bn in FY25 (BE).

Positive Plus

The proposed fiscal year reflects a highly positive stance with a robust 11.1% increase in infrastructure development allocation, reaching ₹11.1 tn, constituting 3.4% of the GDP. Notably, strategic initiatives for roads and highways, railways, urban infrastructure, power, telecom, river and water infrastructure, financial-technology, digital infrastructure, logistics and affordable housing collectively contribute to economic advancement. The emphasis on expanding metro rail and NaMo Bharat in urban centres and planned expansion of air connectivity align with the burgeoning middle class and rapid urbanisation, providing a catalyst for transformative urban development. The administration's commitment to assisting the middle class in acquiring homes and extending tax benefits to start-ups demonstrates a holistic and positive approach towards inclusive economic growth.

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Banking

- Budgetary allocation for incentive scheme for promotion of Rupay Debit Cards and low-value BHIM UPI Transactions has reduced by 44% to ₹14 bn in FY 25 (BE) from ₹25 bn in FY 24 (RE).
- Allocation for India Post Payments Banks Schemes remained same at ₹2.5 bn (BE) in FY25.

Insurance

- The Government has allocated ₹146 bn for FY25 (BE) for Crop Insurance Scheme, which shows a reduction in the allocation compared with ₹150 bn for FY24 (RE).
- The Government will have a limited recapitalisation of insurance companies.

Financial Services

- The Government has allocated ₹0.5 bn for FY25 (BE) for Credit Guarantee Schemes for Micro Finance Institutions (CGSMFI).
- The Government has emphasised on GIFT IFSC and the unified regulatory authority, International financial services centres authority (IFSCA), as a gateway for global capital and financial services for the economy.
- The Government has extended tax exemption on interests, profits and dividends earned on investments made by units in GIFT city till 31st March 2025.
- Investment in Industrial Finance Corporation of India reduced to ₹0.1 mn in FY25 (BE), from ₹5 bn in FY24 (RE).

Marginally Positive

The Government is committed to prepare the BFSI sector to attain scale, build capacity, gain skills and create a regulatory framework commensurate with the investment needs to drive the next stage of economic growth. The budget lays emphasis on the criticality of the Financial Services Sector and wants the country to make its presence felt in the global landscape; to this end, it has extended tax incentives for interest, profits, and dividends on the investments through sovereign wealth funds and pension funds. While the allocation of funds to ECLGS, CGTMSE and DBUs has diminished, the government has retained its focus on extended credit availability to microfinancing institutions to overcome the impediments of working capital availability to small and medium enterprises.

Hospitality

- The budgetary allocation for the Ministry of Tourism increased by 44.8% to ₹24.5 bn in FY25 (BE) from ₹16.9 bn in FY24 (RE).
- The budgetary allocation for the Ministry of Culture Tourism reduced 6.1% to ₹32.6 bn in FY25 (BE) from ₹34.6 bn in FY24 (RE).
- The Government has raised its allocation for Integrated Development of Tourist Circuits around specific themes under its flagship scheme of Swadesh Darshan at ₹17.50 bn in FY25 (BE) from ₹8.18 bn (RE) in FY24.
- For Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD), the investment has shot up by ₹40 mn, increasing to ₹2.4 bn in FY25 (BE) from ₹2.0 bn (RE) in FY 24.
- Overall outlay assistance to central agencies for tourism infrastructure development has been increased by ₹10 mn to ₹90 mn in FY25 (BE).
- The Government has allocated ₹1.7 mn in FY25 (BE) for tourism capital outlay.

- The Government has planned to convert 40,000 regular train bogies into Vande Bharat coaches, marking a significant stride towards passenger safety and convenience.
- The Government has aimed to tap the potential of domestic tourism with the focus on Lakshadweep, by launching projects for port connectivity, developing tourism infrastructure, and providing amenities that will help generate employment as well.
- States are incentivised for undertaking a holistic development of iconic tourist destinations, promoting their branding and global marketing. A structured framework for rating of these centres on the quality of facilities and services would be used for providing long-term interest-free loans on a matching basis.

Positive

The Government has laid a firm commitment towards harnessing the possibilities of domestic tourism by investing in connectivity and infrastructure and incentivising the states to comprehensively develop renowned tourist spots, enhancing their branding and global visibility. Apart from this, states will be encouraged to take up comprehensive development of iconic tourist branding and marketing them at global scale. A framework for rating the quality of facilities and services is expected to be established. Overall, the budget reflects the government's approach to stimulate economic growth, generate employment opportunities, and improve the overall quality of services for citizens by tapping into the country's extensive tourism potential.

IT and ITeS

- Total budgetary allocation for the Ministry of Electronics and Information Technology increased to ₹214 bn in FY25 (BE) as compared with ₹144 bn in FY24 (RE).
- There is an increase in allocation for Capacity Building and Skill Development from ₹4.5 bn in FY 24 (RE) to ₹5.4 bn in FY 25 (BE).

- There has been an increase in budgetary allocation for the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India to ₹69 bn in FY 25 (BE) from ₹15 bn in FY 24 (RE).
- Allocation for Production-Linked Incentive Scheme for IT hardware increased to ₹62 bn in FY 25 (BE) from ₹46 bn in FY 24 (RE).
- Allocation for Cyber Security Projects will increase to ₹7.6 bn in FY 25 (BE) from ₹4.0 bn in FY 24 (RE).
- Allocation for Promotion of Electronics and IT Hardware Manufacturing has increased to ₹7.5 bn in FY 25 (BE) from ₹7 bn in FY 24 (RE).
- Budgetary allocation for the Department of Telecommunications increased to ₹1.1tn in FY25 (BE) from ₹983 bn in FY24 (RE).
- The Government will launch a new scheme for strengthening deep-tech technologies for defence purposes and expediting 'atmanirbharta'.
- A corpus of ₹1 tn will be established with 50-year interest-free loans to provide long-term financing or refinancing with long tenors and low or nil interest rates to scale research and innovation in sunrise domains.

Positive

The rise in allocation towards the Production-Linked Incentive Scheme for IT Hardware underscores the commitment to fostering technological advancements across various sectors. Aligning the regulatory environment to facilitate the growth of MSMEs stands out as a crucial element of this policy approach. The budget maintains its focus on promoting technologies and fostering innovation, particularly through support for start-ups. The sustained investment in Cyber Security Projects and the additional funds allocated for establishing Semiconductor Labs are positive moves.

Retail

- Three major railway corridors will be set up to improve connectivity and reduce logistic costs.
- Allocation for the Ministry of Textiles increased to ₹43.9 bn in FY25 (BE) from ₹34.4 bn in FY24 (RE).
- The presumptive taxation threshold for retail businesses has been raised from ₹20 mn to ₹30 mn.
- Allocation for National Handicraft Development Programme increased by 32.5% to ₹2 bn in FY25 (BE) from 1.6 bn in FY24 (RE).
- Allocation for National Technical Textiles Mission increased by 123.5% to ₹3.8 bn in FY25 (BE) from ₹1.7 bn in FY24 (RE).
- The outlay for procurement by Cotton Corporation of India (CCI) under price support scheme increased to ₹6 bn in FY25 (BE) from ₹10 mn in FY24 (RE).
- The outlay for textile research and capacity building increased substantially to ₹6.46 bn in FY25 (BE) from ₹3.80 bn in FY24 (RE).
- PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme received an allocation of ₹3.0 bn in FY25 (BE) as against ₹0.5 bn in FY24 (RE).
- Allocation for National Handloom Development Programme increased by 5% to ₹2 bn in FY25 (BE) from ₹1.9 bn in FY24 (RE).
- Allocation for National handicraft Development Programme increased to ₹2.4 bn in FY25 (BE), from ₹1.7 bn in FY24 (RE).

Neutral

There are no specific announcements in the Budget directly related to the Retail Sector. However, we can infer that the announcements related to rural development, infrastructure enhancement, entrepreneurship promotion and financial sector initiatives will have an impact on *consumption levels. This concerted effort is anticipated to indirectly uplift the Retail Sector.*

Telecom

- Total budgetary allocation to the Department of Telecommunications has been increased by 13.7% to ₹1.1 tn in FY25 (BE), from ₹983.6 bn FY24 (RE).
- Allocation for capital infusion in BSNL increased to ₹829.16 bn in FY 25 (BE) from ₹647.87 bn in FY24 (RE).
- Allocation for Bharatnet increased to ₹85 bn for FY25 (BE) from ₹50 bn in FY24 (RE).
- Allocation for the Domestic Industry Incentivization Scheme increased to ₹19.1 bn in FY25 (BE), from ₹5.1 bn in FY24 (RE).
- Allocation of ₹20 bn for FY25 (BE), compared with ₹104 bn in FY24 (BE) though at a similar level of ₹20 bn FY24 (RE) for compensation to service providers for creation and augmentation of telecom infrastructure.
- Decrease in outlay for Telecom Computer Emergency Response Team from ₹2.18 bn in FY24 (RE) to ₹85 mn in FY 25 (BE).

Neutral

There are no significant investment plans announced for the Telecom Sector. The Government has increased its budgetary allocation to the sector by 13.7% as compared with FY24 (RE), but most of it is towards capital infusion to BSNL and payment of principal amount for MTNL bonds.

Media & Entertainment

- The budgetary allocation for the Ministry of Information and Broadcasting declined 2.4% to ₹43.42 bn in FY25 (BE), from ₹44.49 bn in FY24 (RE).

- The budgetary allocation for Bharatnet increased 70% to ₹85 bn in FY25 (BE) from ₹50 bn in FY24 (RE).
- The budgetary allocation for Broadcasting Infrastructure Network Development marginally increased by ₹25mn to ₹5 bn in FY25 (BE), from ₹4.75 bn (RE) in FY24.
- The budgetary allocation for Autonomous Bodies, including Prasar Bharati, Satyajit Ray Film and Television Institute (SRFTI) Kolkata and Press Council of India, has been reduced by ₹1.1 bn to ₹27.38 bn in FY25 (BE), from ₹28.48 bn (RE) in FY24.

Neutral

While the overall budgetary allocation to the Ministry for Media and Entertainment has been lowered, the sector is expected to receive boost from the Government's digitisation efforts. More than 70% increase in investment in Bharatnet is poised to result in an increased availability of content streaming in regional languages across villages. The augmented budget allocation for public welfare schemes will boost funding for outreach and publicity efforts.

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Manufacturing

Automotive

- The Government plans on expanding and strengthening the e-vehicle ecosystem by supporting manufacturing and charging infrastructure.
- Greater adoption of e-buses for public transport networks to be encouraged through payment security mechanisms to assure long-duration gross cost contractors of on-time payment.
- Allocation towards schemes for development of the automobile industry has been increased from ₹53 bn in FY24 (RE) to ₹64 bn in FY25 (BE).
- Allocation to the Scheme for Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME – India) has been reduced from ₹48 bn in FY24 (RE) to ₹27 bn in FY25 (BE).
- Estimated expenditure on the Production-Linked Incentive (PLI) Scheme for Automobiles and Auto Components has been increased substantially to ₹35 bn in FY25 (BE) in the Union Budget from ₹4.8 bn in FY24 (RE).
- Allocation to PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage increased considerably from ₹0.12 bn in FY24 (RE) to ₹2.5 bn in FY25 (BE).
- Investment in Scooter India Limited will be increased from ₹0.8 mn in FY24 (RE) to ₹0.9 mn in FY25 (BE).
- There will be phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport.

Positive

The government's commitment for 'net-zero' by 2070 will drive the growth of the electric vehicle (EV) industry. Focus on expansion and strengthening of the e-vehicle ecosystem by supporting manufacturing *and charging infrastructure, and higher adoption of e-buses for public transport networks are positive steps. The higher allocation towards capital investment and last-mile connectivity would also benefit the commercial vehicles demand. While the budget largely focusses on EVs, huge allocation towards the infrastructure segment will help the commercial vehicle industry.*

Capital and Engineering Goods

- Towards target of net-zero by 2070, a new scheme of bio-manufacturing and bio-foundry will be launched.
- Allocation for enhancing the competitiveness of the Indian Capital Goods Sector is increased to ₹2.5 bn for FY25 (BE) from ₹1.9 bn in FY24 (RE).
- The Government's 'Effective Capital Expenditure' is budgeted at ₹14.9 tn for FY25 (BE), an increase of 17.7%, which will be 4.6% of GDP.
- Allocation for the Production-Linked Incentive Scheme for the Food Processing Industry has been increased to ₹14.4 bn in FY25 (BE) from ₹11.5 bn in FY24 (RE).
- Allocation for the Production-Linked Incentive Scheme for the Automobiles and Parts Industry has been significantly increased by 723% to ₹35 bn in FY25 (BE) from ₹4.8 bn in FY24 (RE).
- Allocation for the Production-Linked Incentive (PLI) Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage has been increased to ₹2.5 bn in FY25 (BE), compared with ₹1.2 bn in FY24 (RE).
- Allocation for the Production-Linked Incentive Scheme (PLI) for White Goods (ACs and LED Lights) has been increased to ₹3 bn in FY25 (BE), compared with ₹0.6 bn in FY24 (RE).
- Allocation for MRTS and Metro Projects in FY25 (BE) is at ₹249 bn from ₹231 bn in FY24 (RE).

- The Government plans to set up coal gasification and liquefaction capacity of 100 MT by 2030, which will help reduce imports of natural gas, methanol and ammonia.
- Viability gap funding will be provided to harness offshore wind energy potential for initial capacity of 1 GW.
- Introduced Rooftop solarisation programme offering capital subsidy.
- 40,000 normal rail bogies will be converted to the Vande Bharat standards to enhance safety, convenience and comfort of passengers.

Positive

The impact on the sector is positive, given the initiatives by the Government to support sectors such as green mobility, urban planning, metro rails, manufacturing and housing. The increase in provision for these incentive schemes can be seen as a measure to boost the sector. Additionally, with focus on net-zero, the Government aims to provide environment friendly alternatives such as biodegradable polymers, bioplastics, biopharmaceuticals, and bio-agri-inputs. Rooftop solarisation programme will also generate demand for the sector in form of supply, installation and maintenance. Similarly, with faster transportation in mind for urban areas, enhanced focus on Metro Rail with increased allocation and NaMo Bharat supporting urban transformation is positive for the sector.

Cement

- Three pivotal railway corridor initiatives, encompassing energy, mineral & cement corridors, port connectivity corridors and high-traffic density corridors, are set to be executed under the PM Gati Shakti programme, fostering multi-modal connectivity, enhancing logistics efficiency and lowering costs.
- The expansion of Metro Rail and NaMo Bharat in large cities will support the needs of the fast-expanding middle class.

- Allocation for MRTS and Metro Projects in FY25 (BE) is at ₹249 bn, compared with ₹231 bn in FY24 (RE).
- Allocation for Pradhan Mantri Gram Sadak Yojna has been reduced 29% in FY25 (BE) to ₹120 bn from ₹170 bn in FY 24 (RE).
- Budget allocation for National Highway Authorisation of India (NHAI) increased by a meagre 0.6% to ₹1.7 tn in FY25 (BE).
- The outlay for PM Awas Yojana (PMAY) has been significantly enhanced by 50% to over ₹807 bn in FY25 (BE).
- PM Awas Yojana (Grameen) is close to achieving its target of three crore houses and will add two crores more houses over the next five years.
- Allocation for Eklavya Model Residential Schools has been increased by 159% to ₹64 bn in FY25 (BE).
- Vibrant village programme has been allocated ₹10.5 bn in FY25 (BE), compared with ₹3 bn in FY24 (RE).

Positive

Although there are no direct announcements for the cement sector in the interim budget, the sector is poised to gain from the various initiatives planned for the infrastructure sector. Thrust on the logistics sector in the form of economic corridors and metro rails, along with increase in target under the PMAY, is expected to boost the sector's growth.

The emphasis on nurturing the tourism sector, coupled with the proposal to extend long-term interest-free loans to states for financing such development on a matching basis, is anticipated to generate demand for the sector.

Consumer Goods

- Allocation for Department of Food and Public Distribution has been cut down by 3.6% to ₹2.13 tn in FY25 (BE), compared with ₹2.21 tn in FY24 (RE).

- Budgetary allocation for Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) is at ₹2.05 tn in FY25 (BE), against food subsidy amount of ₹2.12 tn in FY24 (RE).
- Production-Linked Incentive (PLI) Scheme for White Goods (ACs and LED Lights) has been increased to ₹3 bn in FY25 (BE), compared with ₹0.6 bn in FY24 (RE).

Neutral

The budget had no direct announcement for the Consumer Goods Sector, but there has been a marginal decline in allocation of the Ministry of Consumer Affairs, Food and Public Distribution, on account of easing inflationary pressure on food articles. Some of the green initiatives would boost domestic manufacturing, contributing to higher consumer income amid high GDP growth. The allocation to productivity-linked incentive schemes across the sectors would also support electronic manufacturing and attract large investments to uplift the Make-in-India initiative.

Gems and Jewellery

- Under Establishment of India Centre for Lab Grown Diamond (InCent-LCD) at IIT Madras, Chennai, the Union Budget has lowered the allocation by 59% to ₹39 mn in FY25 (BE), compared with ₹95 mn in FY24 (RE)
- The allocation for National Handicraft Development Programme increased by ₹65 mn in FY 25 to ₹2.36 bn (BE) from ₹1.71 bn (RE) in FY 24.

Neutral

The budget did not introduce any direct initiatives for this sector. Moreover, there has been a reduction in the funds allocated for the establishment of the India Centre for Lab-Grown Diamond (InCent-LCD).

Having said that, this sector is anticipated to derive indirect benefits from other programmes such as the National Handicraft Development Programme and PM-Vishwakarma Yojana, which aim to support artisans and crafts-people. Besides, buoyancy in consumer optimism as India is poised to grow by around 7% in FY25, will also support demand for the sector.

Metals and Mining

- Three pivotal railway corridor initiatives, encompassing energy, mineral & cement corridors, port connectivity corridors and high-traffic density corridors, are set to be executed under the PM Gati Shakti programme, fostering multi-modal connectivity, enhancing logistics efficiency and lowering costs.
- Net allocation for the Ministry of Steel has been increased by 497% to ₹3.3 bn in FY25 (BE).
- Allocation to the National Highways Authority of India for FY25 (BE) remains flat at ₹1.7 tn.
- The allocation for combined Road Works and Road Transport and Safety Works is budgeted at ₹1.1 tn for FY25 (BE).
- The outlay for PM Awas Yojana is enhanced by 50% to over ₹807 bn in FY25 (BE).
- Net Capital expenditure for Indian Railways – Commercial Lines is ₹2.6 tn in FY25 (BE).
- Allocation for Pradhan Mantri Awas Yojna (PMAY)-Urban is ₹261 bn in FY25 (BE).
- The Government plans to continue to expand existing airports and develop new airports in tier 2 and 3 cities.
- Vibrant village programme has been allocated ₹10.5 bn in FY25 (BE), compared with ₹3 bn in FY24 (RE).

- The Government plans to build 20 mn additional houses under the PM Awas Yojna scheme in the next five years, after building nearly 30 mn houses.

Marginally Positive

The budget initiatives outlined for infrastructure and road development and safety would have an indirect positive impact on the sector. Investment in the key infrastructure domains – roads, public transportation, railways & metros, sustainable cities, and urban infrastructure – is anticipated to generate heightened demand for the metals and mining sector.

Oil & Gas and Petrochemicals

- Total budgetary allocation for the Ministry of Petroleum and Natural Gas increased significantly by 101% to ₹297.13 bn in FY25 (BE) from ₹147.57 bn in FY24 (RE).
- Total budgetary allocation for the Ministry of Chemicals and Fertilisers, and Department of Chemicals and Petrochemicals decreased significantly by 75% to ₹1.39 bn (BE) in FY25 from ₹5.72 bn in FY24 (RE).
- The Government is committed to attain 'Net Zero' by 2070 by taking measures such as viability gap funding for harnessing offshore wind energy potential for initial capacity of one giga-watt, coal-gasification and liquefaction of 100 MT by 2030 and phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes, and financial assistance will be provided for the procurement of biomass aggregation machinery.
- The Government has allocated ₹90.94 bn for LPG connection to poor households in FY25 (BE) from ₹85 bn in FY24 (RE).
- The Government has allocated ₹119.25 bn in FY25 (BE) for petroleum subsidy from ₹122.40 bn in FY24 (RE).

- The Government has allocated ₹10 bn to the Indradhanush Gas Grid Limited (IGGL), which is a part of the Northeast Natural Gas Pipeline Grid.
- The budget also allocated ₹150 bn of capital support to oil marketing companies in FY25 (BE), from ₹10 mn in FY24 (RE).
- Allocation towards the scheme that provides financial support for the collection of biomasses increased to ₹1.5 bn FY25 (BE) from ₹80 mn in FY24 (RE).
- Allocation towards the scheme for promotion of flagging of merchant ships in India increased to ₹3.9 bn FY25 (BE) from ₹1.3 bn in FY24 (RE).
- The budget allocated ₹6.3 bn in FY25 (BE), compared with ₹2.3 bn in FY24 (RE), towards the improvement of strategic oil reserves.
- The centre is planning to introduce a new scheme of bio-manufacturing and bio-foundry in line with its vision for greener growth, aimed at providing environment-friendly alternatives such as biodegradable polymers, bioplastics, biopharmaceuticals and bio-agri-inputs.

Positive

The budget highlights increase in budgetary allocations within the energy sector for the fiscal year 2025. Notably, the Ministry of Petroleum and Natural Gas experiences a substantial increase of 101%, reaching ₹297.13 billion, indicating a strong emphasis on energy development and sustainability.

The Government's commitment to achieving 'Net Zero' emissions by 2070 is evident through various measures outlined, including investment in offshore wind energy, coal-gasification, liquefaction projects, and promoting the use of compressed biogas. Furthermore, financial assistance for biomass aggregation machinery underscores efforts towards renewable energy adoption and environmental sustainability.

Allocations for LPG connections to poor households remain a priority, with ₹90.94 billion earmarked for this purpose, ensuring continued support for clean cooking solutions. Additionally, investments in initiatives like the Indradhanush Gas Grid Limited demonstrate the government's focus on expanding infrastructure, particularly in regions like Northeast India, to enhance energy accessibility and distribution. Nonetheless, the Ministry of Chemicals and Fertilisers has witnessed significant decrease of 75% in allocations, signalling a shift in priorities within the sector.

Overall, the budget reflects a strategic approach towards energy transition, with a strong emphasis on renewable sources, clean technologies, and inclusive energy access, aligning with broader sustainability goals and the nation's long-term energy security objectives.

Pharmaceuticals & Healthcare

- Total budgetary allocation for the Ministry of Health and Family Welfare has increased by 13% to ₹876.6 bn in FY25 (BE), compared with ₹776.2 bn in FY24 (RE).
- Allocation for the National Health Mission increased marginally to ₹381.83 bn (BE) in FY25, from ₹338.86 bn (RE) in FY24.
- Allocation for developing healthcare infrastructure, under Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM), increased to ₹75 bn (BE) in FY25 from ₹68.81 bn FY24 (RE).
- The health cover under the Ayushman Bharat scheme is proposed to be extended to all ASHA and Anganwadi workers and helpers.
- Allocation for Pradhan Mantri Swasthya Suraksha Yojana increased significantly to ₹24 bn in FY25 (BE), compared with ₹19 bn in FY24 (RE).
- Allocation for National Aids and STD control Programme increased from ₹24 bn in FY 24 (RE) to ₹29 bn in FY 25 (BE).
- Allocation for the establishment and strengthening of NCDC Branches and Health Initiatives Inter Sectoral coordination for the

preparation and control of Zoonotic Diseases and other neglected tropical diseases surveillance of Viral Hepatitis Anti-Microbial Resistance has increased to ₹0.52 bn in FY25 (BE) from ₹0.27 bn in FY24 (RE).

- Allocation for the development of the pharmaceuticals industry has increased by 390% in FY25 with significant outlay towards the promotion of bulk drug parks and medical device parks.
- Allocation for pharmaceuticals within Production-linked Incentive (PLI) scheme has significantly increased to ₹21.43 bn (BE) in FY25 from ₹16.96 bn (RE) in FY24
- For promoting green growth, the budget has announced the launch of new schemes to provide environment-friendly alternatives such as biopharmaceuticals and bio-agri inputs for the expansion of healthcare cover under Ayushman Bharat.
- The Government has planned to encourage vaccination for girls in the age group of 9 to 14 to prevent cervical cancer.
- The Government has emphasized on upgradation of Anganwadi Centres under "Saksham Anganwadi and Poshan 2.0" for the improvement of nutrition delivery, and early childhood care and development.
- The budget has planned to introduce U-WIN Platform for effective management of immunization drive and intensified efforts undertaken within Mission Indradhanush.
- The budget has proposed to utilise the existing health infrastructure to set up more medical colleges to improve healthcare services and create employment opportunities for youth.

Positive

The budget underscores a significant commitment to bolstering India's healthcare sector in FY25. With a notable increase in budgetary allocations, particularly for the Ministry of Health and Family Welfare, the government *demonstrates its prioritisation for public health. The surge in funding is evident across various fronts, from the marginal rise in the National Health Mission allocation to substantial investments in healthcare infrastructure under initiatives such as the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission. Moreover, targeted allocations towards specific health programs, such as the Pradhan Mantri Swasthya Suraksha Yojana and Medical and Public Health, signify a strategic focus on enhancing healthcare accessibility and quality nationwide.*

Beyond traditional healthcare endeavours, the Government's attention extends to the pharmaceutical industry, as seen in the remarkable increase in allocations for the industry's development and PLI schemes. This forward-looking approach not only strengthens India's healthcare capabilities, but also positions the nation as a leader in pharmaceutical innovation and sustainability.

The initiatives aimed at promoting green growth through the launch of environment-friendly alternatives such as biopharmaceuticals and bio-Agri inputs further reflect a holistic approach to healthcare that considers environmental sustainability.

Moreover, the Government's plans to encourage vaccination for girls, upgrade Anganwadi Centres for improved nutrition delivery and childhood development and implement a new immunization management platform demonstrate proactive measures to address prevalent health challenges and ensure comprehensive healthcare coverage.

Overall, the budget showcases a concerted effort to fortify India's healthcare infrastructure, foster innovation in pharmaceuticals and prioritise preventive healthcare measures, signalling a commitment to improving the well-being of its citizens and advancing the nation's healthcare landscape.

Power

- Allocation for the Ministry of Power increased to ₹205 bn in FY25 (BE) as compared with ₹176 bn in FY24 (RE).
- Allocation for power system development fund has been set at ₹12 bn for FY25 (BE), an increase of 33% from FY24 (RE).
- Allocation for Reformed Linked Distribution scheme has been increased to ₹145 bn in FY25 (BE), from ₹104 bn in FY24 (RE).
- Allocation for Support for Flood Moderation Storage Hydro-electric Projects scheme increased to ₹4.5 bn in FY25 (BE), from ₹1.0 bn in FY24 (RE).
- Allocation for solar power and wind power (grid) has been set at ₹9.3 bn for FY25 (BE).
- Allocated for green energy corridor has been set at ₹6 bn in FY25 (BE), from ₹4.3 bn in FY24 (RE).
- Allocation for National Green Hydrogen Mission has been set at ₹6 bn in FY25 (BE), compared with ₹1 bn in FY24 (RE).
- Allocation for Bio-Energy programmes has been set at ₹3 bn in FY25 (BE).
- To achieve the 'net-zero' commitment by 2070, measures include providing viability gap funding for 1 GW offshore wind energy, establishing a 100 MT coal gasification and liquefaction capacity by 2030, mandating phased blending of compressed biogas in CNG for transport and PNG for domestic use, and offering financial assistance for biomass aggregation machinery procurement.
- Under rooftop solarisation, 10 mn households will save up to 300 units per year.

Positive

Initiatives under PM Gati Shakti for implementing economic and energy corridors are positives for the Power Sector. Augmentation of the Ministry of Power's budgetary allocation to ₹205 bn in FY25 (BE), with a 33%

increase in the power system development fund (₹12 bn), underscores a robust investment in the Power Sector. The strategic initiatives to attain 'net-zero' by 2070 are positive developments towards sustainability.

Real Estate and Construction

- Allocation for the Ministry of Housing and Urban Affairs has been increased 11.9% in FY 25 (BE). In this budget proposal, the allocation is ₹775.2 bn (BE), from ₹692.7 bn in FY 24 (RE).
- The outlay for PM Awas Yojana is being enhanced by 50% to over ₹807 bn in FY25 (BE).
- Allocation for Swachh Bharat Mission (SBM) – Urban increased to ₹50 bn in FY25 (BE), compared with ₹25.5 bn in FY24 (RE).
- NHAI budget remained constant at ₹1.7 tn in FY25 (BE).
- The outlay for Department of Rural Development has been marginally increased by 4.1%, to ₹1.78 tn in FY25 (BE), compared with ₹1.71 tn in FY24 (RE).
- Notably, in line with the capital outlay for Urban Development, allocation for Total-Urban Rejuvenation Mission: AMRUT and Smart Cities Mission has been reduced 21.2%, from ₹132 bn in FY24 to ₹104 bn in FY25.
- The Government has budgeted a 158.9% increase in allocation for the construction of Eklavya Model Residential Schools, from ₹24.71 bn in FY24 to ₹63.99 bn in FY25.
- Vibrant village programme has been allocated ₹10.5 bn in FY25 (BE), compared with ₹3 bn in FY24 (RE).
- PM Awas Yojana (Grameen) is close to achieving its target of three crore houses and will add two crore more houses over the next five years.
- For the middle, lower-middle and lower classes living in rented houses or slums or chawls and unauthorised colonies, the Government has announced the launch a new scheme to enable them to buy or build their own houses.

- As a part of social welfare, more medical colleges have been proposed to be built in upcoming years as a reformation of the health sector.
- The Government plans to continue expanding existing airports and develop new airports in tier 2 and 3 cities.
- The Government has announced to set up 5 integrated aqua parks.

Positive

The Government's recent announcements underscore its ongoing commitment to invigorate the Real Estate and Construction Sector, with potential positive ramifications for the overall economy. A noteworthy stride in this direction is a substantial 50% increase in allocation to ₹807 billion for the PM Awas Yojana, synchronising with the government's vision of "Viksit Bharat" for 2047. This substantial outlay for PMAY-Grameen is geared towards augmenting the availability of affordable housing, thereby propelling inclusive growth in the Real Estate Sector.

Additionally, the substantial allocation to the Vibrant Village programme – encompassing initiatives such as village infrastructure construction, housing projects, establishment of tourist centres, road connectivity enhancement, provision of decentralised renewable energy, direct-to-home access for Doordarshan and educational channels, along with support for livelihood generation – is poised to catalyse sectoral growth in the foreseeable future.

Further, significant capital outlay in infrastructure would have a positive impact; moreover, the development of aquaparks, institutes and railway corridors is anticipated to provide the necessary impetus for the sustained advancement of the sector.

Textiles & Garments

- Allocation for the Ministry of Textiles increased to ₹44 bn in FY25 (BE) from ₹34 bn in FY24 (RE).

- Allocation for National Handicraft Development Programme increased by 32.5% to ₹2.4 bn in FY25 (BE), from 1.6 bn in FY24 (RE).
- Allocation for National Technical Textiles Mission increased by 123.5% to ₹3.8 bn in FY25 (BE), from ₹1.7 bn in FY24 (RE).
- The outlay for procurement by Cotton Corporation of India (CCI) under price support scheme increased to ₹6 bn in FY25 (BE) from ₹10 mn in FY24 (RE).
- The outlay for Textile Research and Capacity Building increased substantially to ₹6.5 bn in FY25 (BE), from ₹3.8 bn in FY24 (RE), with higher allocation towards National Technical Textiles Mission (₹3.8 bn from ₹1.7 bn).
- Allocation for PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme was set at ₹3.0 bn in FY25 (BE) as against ₹0.5 bn in FY24 (RE).
- Allocation for National Handloom Development Programme increased 5% to ₹2 bn in FY25 (BE) from ₹1.9 bn in FY24 (RE).
- Allocation for National Handicraft Development Programme increased to ₹2.4 bn in FY25 (BE), from ₹1.7 bn in FY24 (RE).

Marginally Positive

The Ministry of Textiles received a funding boost, signalling a reinforced focus on sectoral growth. Specific programmes targeting skill development and innovation, such as the National Handicraft Development Program and the National Technical Textiles Mission, have seen increased allocation. Investments in initiatives such as the PM Mega Integrated Textile Region and Apparel scheme underscore efforts to enhance competitiveness and stimulate manufacturing. Overall, the budget reflects a comprehensive strategy to revitalise the textile industry, emphasizing skill development, innovation, and sectoral growth.

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Personal Finance

- There are no changes in the income tax slab rates for both the new and the old income tax regimes.
- A corpus of ₹1 tn with 50-year interest-free loan would be established to provide long-term financing or refinancing with long tenors at low or nil interest rates.
- Healthcare cover under Ayushman Bharat scheme will be extended to all ASHA workers, Anganwadi Workers and Helpers.
- The Government has proposed the feature of withdrawal of disputed outstanding direct tax demand (income tax).
    - Demand of up to ₹25,000 for the period prior to FY10.
    - Tax demand of up to ₹10,000 for FY11-15.

Neutral

Being an interim-budget, expectations on the tax front were muted and government announced no changes in tax rates for direct and indirect taxes, including customs. From the point of view of the welfare, the personal finance has seen some positive announcements. Withdrawal of outstanding direct tax demand for old and small-ticket tax demands would ease regulatory and compliance burden for taxpayers.

EXPENDITURE OF MINISTRIES AND DEPARTMENTS

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Department of Agriculture and Farmers Welfare	1,168	1,175	0.6
Department of Agricultural Research and Education	99	99	0.7
Atomic Energy	268	250	-6.8
Ministry of Ayush	30	37	23.7
Department of Chemicals and Petrochemicals	6	1	-75.7
Department of Fertilisers	1,889	1,642	-13.1
Department of Pharmaceuticals	27	41	51.6
Ministry of Civil Aviation	29	23	-21.3
Ministry of Coal	2	2	1.9
Department of Commerce	61	40	-34.2
Department for Promotion of Industry and Internal Trade	64	64	0.3
Department of Posts	244	254	4.1
Department of Telecommunications	984	1,119	13.7
Department of Consumer Affairs	3	3	-1.8
Department of Food and Public Distribution	2,219	2,130	-4.0
Ministry of Cooperation	7	12	58.2
Ministry of Corporate Affairs	6	7	8.0
Ministry of Culture	35	33	-5.8
Ministry of Defence (Civil)	259	256	-1.3
Defence Services (Revenue)	2,987	2,828	-5.3
Capital Outlay on Defence Services	1,572	1,720	9.4
Defence Pensions	1,421	1,412	-0.6
Ministry of Development of North Eastern Region	59	59	0.1

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Ministry of Earth Sciences	29	25	-12.4
Department of School Education and Literacy	725	730	0.7
Department of Higher Education	572	476	-16.8
Ministry of Electronics and Information Technology	144	214	48.3
Ministry of Environment, Forests and Climate Change	32	33	1.1
Ministry of External Affairs	291	222	-23.9
Department of Economic Affairs	182	836	358.5
Department of Expenditure	5	5	7.5
Department of Financial Services	46	28	-38.3
Department of Public Enterprises	0	0	-18.3
Department of Investment and Public Asset Management (DIPAM)	1	0	-17.1
Department of Revenue	1,470	1,519	3.3
Direct Taxes	100	103	3.1
Indirect Taxes	367	411	11.9
Indian Audit and Accounts Department	60	60	-0.1
Interest Payments	10,554	11,904	12.8
Pensions	747	767	2.7
Transfers to States	2,740	2,868	4.7
Department of Fisheries	17	26	51.9
Department of Animal Husbandry and Dairying	39	45	15.5
Ministry of Food Processing Industries	29	33	13.0
Department of Health and Family Welfare	776	877	12.9
Department of Health Research	29	30	3.8

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Ministry of Heavy Industries	64	67	5.3
Ministry of Home Affairs	51	57	12.0
Cabinet	18	12	-30.7
Police	1,264	1,323	4.7
Andaman and Nicobar Islands	59	59	-1.2
Chandigarh	58	59	0.8
Dadra and Nagar Haveli	59.6	59.6	0.0
and Daman and Diu	25	26	4.4
Ladakh	45	60	32.4
Lakshadweep	16	15	-5.4
Transfers to Delhi	12	12	0.0
Transfers to Jammu and Kashmir	418	373	-10.7
Transfers to Puducherry	34	33	-3.5
Ministry of Housing and Urban Affairs	693	775	11.9
Ministry of Information and Broadcasting	44	43	-2.4
Department of Water Resources, River Development and Ganga Rejuvenation	195	210	7.7
Department of Drinking Water and Sanitation	770	774	0.5
Ministry of Labour and Employment	125	125	0.1
Law and Justice	85	57	-33.4
Election Commission	5	3	-30.9
Supreme Court of India	5	5	-6.1
Ministry of Micro, Small and Medium Enterprises	221	221	0.0
Ministry of Mines	28	19	-31.6
Ministry of Minority Affairs	26	32	22.0
Ministry of New and Renewable Energy	78	129	63.7

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EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Ministry of Panchayati Raj	10	12	20.3
Ministry of Parliamentary Affairs	1	1	1.6
Ministry of Personnel, Public Grievances and Pensions	25	22	-10.4
Central Vigilance Commission	0	1	7.5
Ministry of Petroleum and Natural Gas	148	297	101.3
Ministry of Planning	5	8	62.8
Ministry of Ports, Shipping and Waterways	24	23	-2.1
Ministry of Power	176	205	16.3
Staff, Household and Allowances of the President	1	1	47.6
Lok Sabha	8	9	9.3
Rajya Sabha	4	4	2.9
Secretariat of the Vice-President	0	0	16.6
Union Public Service Commission	4	4	-0.1
Ministry of Railways	2,433	2,554	5.0
Ministry of Road Transport and Highways	2,764	2,780	0.6
Department of Rural Development	1,711	1,776	3.8
Department of Land Resources	19	27	40.5
Department of Science and Technology	49	80	64.1
Department of Biotechnology	16	23	40.1
Department of Scientific and Industrial Research	62	63	1.9
Ministry of Skill Development and Entrepreneurship	33	35	8.0
Department of Social Justice and Empowerment	99	130	31.9

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Department of Empowerment of Persons with Disabilities	12	12	0.0
Department of Space	111	130	17.8
Ministry of Statistics and Programme Implementation	40	55	37.7
Ministry of Steel	1	3	497.0
Ministry of Textiles	34	44	27.6
Ministry of Tourism	17	24	44.8
Ministry of Tribal Affairs	76	130	70.9
Ministry of Women and Child Development	254	261	2.5
Ministry of Youth Affairs and Sports	34	34	1.3
Grand Total	**44,905**	**47,658**	**6.1**
Central Sector Schemes/Projects	14,461.5	14,943.0	3.3
Centrally Sponsored Schemes	4,606.1	5,017.9	8.9
Establishment Expenditure of the Centre	7,817.7	7,682.2	-1.7
Finance Commission Grants	1,404.3	1,323.8	-5.7
Other Central Sector Expenditure	13,293.0	15,188.3	14.3
Other Grants/Loans/Transfers	3,322.1	3,502.6	5.4

Source: Union Budget FY25

OUTLAY ON MAJOR SCHEMES

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Core of the Core Schemes			
Mahatma Gandhi National Rural Employment Guarantee Program	860	860	0.0
National Social Assistance Progam	97	97	0.0
Umbrella Programme for Development of Minorities	6	9	64.5
Umbrella Programme for Development of Other Vulnerable Groups	19	22	12.1
Umbrella Programme for Development of Scheduled Tribes	33	42	29.1
Umbrella Scheme for Development of Schedule Castes	68	96	41.0
Core Schemes			
Pradhan Mantri Awas Yojna (PMAY)	541	807	49.1
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	700	702	0.2
National Health Mission	339	382	12.7
Samagra Shiksha	335	375	11.9
Saksham Anganwadi and POSHAN 2.0 (Umbrella ICDS - Anganwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls)	215	212	-1.5
Pradhan Mantri Gram Sadak Yojna	170	190	11.8
National Livelihood Mission - Ajeevika	147	150	2.7
Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)	100	125	24.7
Pradhan Mantri Krishi Sinchai Yojna	88	114	29.7
Urban Rejuvenation Mission: AMRUT and Smart Cities Mission	132	104	-21.2
Rashtriya Krishi Vikas Yojna	62	76	22.8
Ayushman Bharat- Pradhan Mantri Jan Arogya Yojana (PMJAY)	69	75	9.0
Krishionnati Yojana	64	74	16.8

OUTLAY ON MAJOR SCHEMES (Cont.)

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Change
Swachh Bharat Mission (Gramin)	70	72	2.7
Assistance to States Agencies for Intra-State Movement of Foodgrains and FPS Dealers Margin under NFSA	85	71	-17.1
PM Schools for Rising India (PM SHRI)	28	61	116.1
Swachh Bharat Mission	26	50	96.1
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)	21	41	95.6
Modernisation of Police Forces	28	37	31.1
Interlinking of Rivers	14	35	150.0
Mission Shakti (Mission for Protection and Empowerment for Women)	23	31	35.3
Blue Revolution	15	24	56.8
Mission VATSALYA (Child Protection Services and Child Welfare Services)	13	15	15.7
Strengthening Teaching-Learning and Results for States (STARS)	7	13	78.6
Rashtriya Gram Swaraj Abhiyan(RGSA)	9	11	20.0
Vibrant Villages Programme	3	11	250.0
Infrastructure Facilities for Judiciary	11	10	-5.7
Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM FME)	8	9	10.0
Environment, Forestry and Wildlife	5	7	33.5
National River Conservation Plan - Other Basins	4	6	37.0

Source: Union Budget FY25

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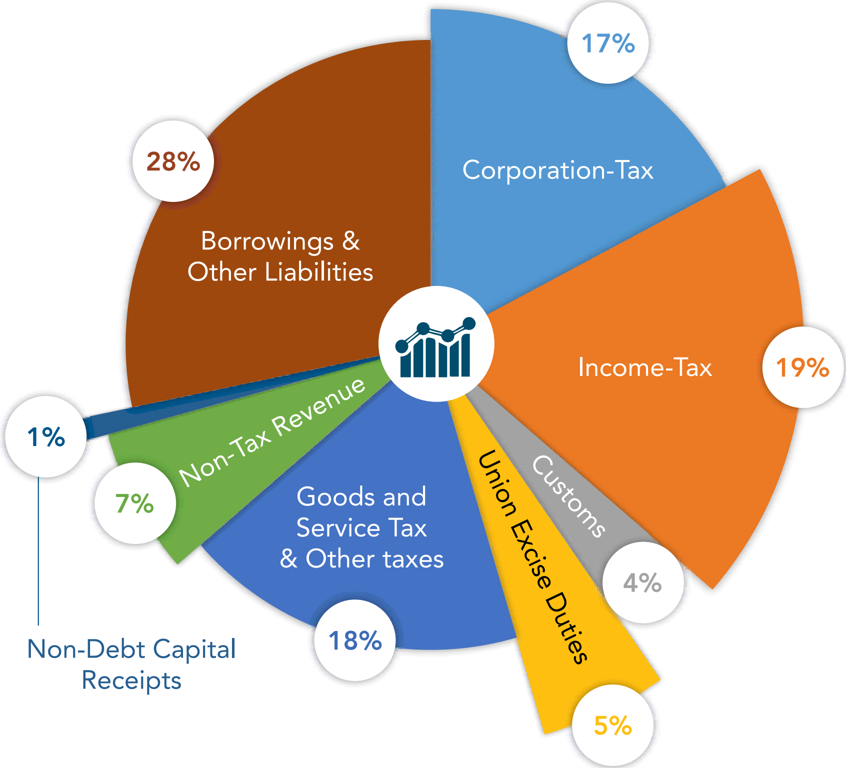
RECEIPTS

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates
A. REVENUE RECEIPTS		
1. Tax Revenue		
Gross Tax Revenue	**34,372**	**38,308**
Corporation Tax	9,227	10,428
Taxes on Income	10,223	11,560
Wealth Tax	-	-
Customs	2,187	2,313
Union Excise Duties	3,036	3,188
Service Tax	5	1
Goods and Services Tax (GST)	9,566	10,677
Taxes on Union Territories	83	94
Other Taxes	45	47
Less - NCCD transferred to the National Calamity Contingency Fund/National Disaster Response Fund	88	94.4
Less - State's share	10,973	12,198
Less - States' share adjustment for prior years in RE	7151	-
1.a Centre's Net Tax Revenue	23,239	26,016
2. Non-Tax Revenue	**3,758**	**3,997**
Interest receipts	318	331
Dividend and Profits	1,544	1,500
External Grants	14	10
Other Non Tax Revenue	1,856	2,126
Receipts of Union Territories	25	29
Total Revenue Receipts (1.a + 2)	**26,997**	**30,013**
3. Capital Receipts		
A. Non-debt Receipts	**560**	**790**
(i) Recoveries of loans and advances@	260	290
(ii) Disinvestment Receipts	300	500
B. Debt Receipts*	**17,614**	**16,819**
Total Capital Receipts (A+B)	**18,174**	**17,609**
Total Receipts (1.a+2+3)	**45,171**	**47,622**
4. Draw-Down of Cash Balance	**-267**	**-35**

Note: * The receipts are net of payment.

Source: Union Budget FY25

Major Items of Revenue - 2024-25 (% of total revenue)



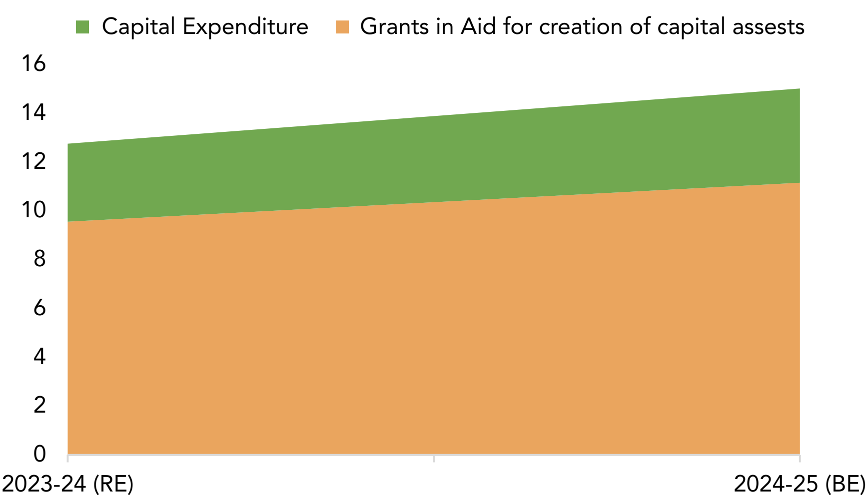
Source: Union Budget FY25

EXPENDITURE

(₹ bn)	2023-24 Revised Estimates	2024-25 Budget Estimates	% Growth
A. Centre's Expenditure			
I. Establishment Expenditure of Centre	7,818	7,682	-1.7
II. Central Sector Schemes/Projects	14,462	14,943	3.3
III. Other Central Sector Expenditure	13,293	15,188	14.3
B. Transfers			
IV. Centrally Sponsored Schemes	4,606	5,018	8.9
V. Finance Commission Grants	1,404	1,324	-5.7
VI. Other Grants/Loans/Transfers	3,322	3,503	5.4
Grand Total	**44,905**	**47,658**	**6.1**

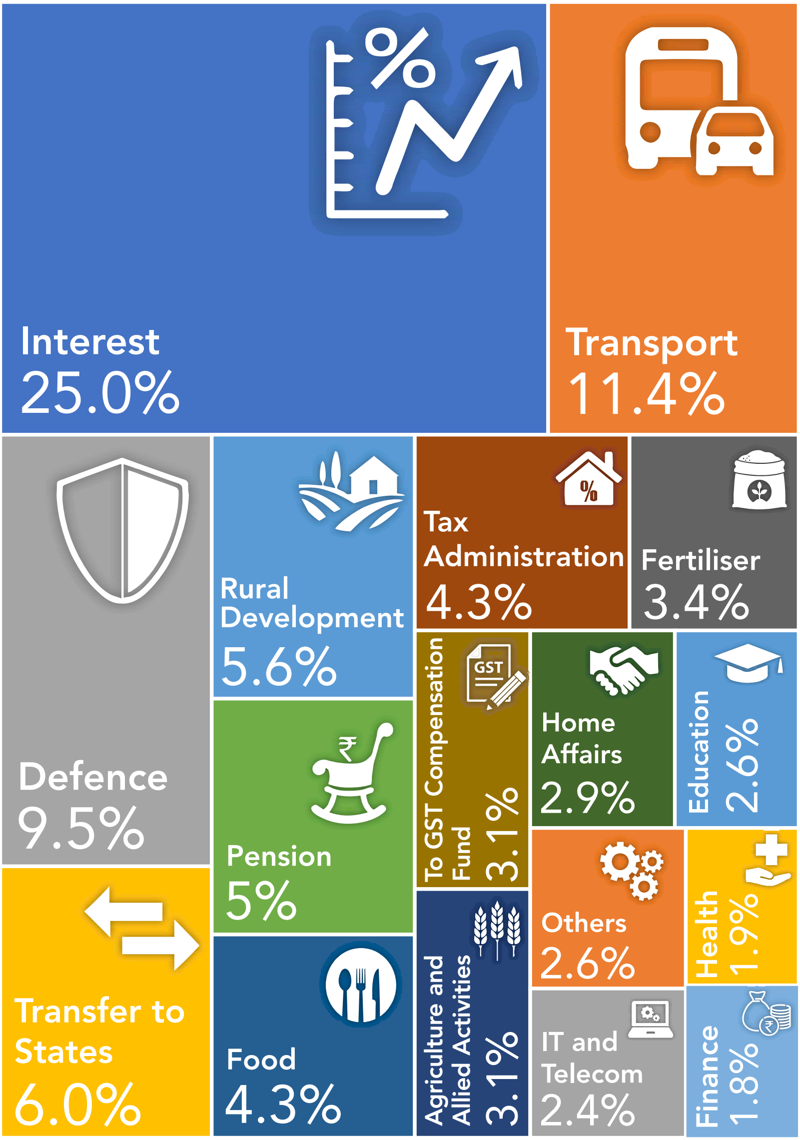
Source: Union Budget FY25

Capital Expenditure of the Government - 2024-25 (in ₹ tn)



Source: Union Budget FY25

Major Items of Expenditure (% of total expenditure)



Source: Union Budget FY25

KEY ECONOMIC INDICATORS
(Absolute Values)

	2021-22	2022-23	2023-24
Gross Domestic Product at factor cost (Rs tn)			
At current market prices	214	247	267[a]
At 2011-12 prices	138	148	158[a]
Output			
Foodgrains (mn tonnes)	316	330	332[b]
Power generation (by utilities) (bn units)	1459	1264	1535[c]
Prices (Average)			
Wholesale Price Index (All commodities)	139	153	151[c]
CPI-Combined (Rural & Urban) (Base 2012)	164	175	184[c]
External Sector (US$ bn)			
Export	683	781	565[c]
Import	766	903	634[c]
Current Account Balance (net)	-38.7	-67	-17[d]
Foreign Direct Investment (net)	39	28	20[d]
Monetary and Finance			
Money Supply (M3) (Rs tn)	205	223	243[e]
Foreign Exchange Reserves (US$ bn)	618	578	616[f]
Exchange rate (Rs/US$) (Average)	74.5	80.4	82.8[g]

Footnotes - a: 1st Advance Estimates; b: 1st Advance Estimates for foodgrains; c: Apr-Dec FY25; d: Q1 and Q2 FY25; e: Dec 2023; f: Upto 19 Jan 2024; g: Apr-Jan FY24

Source: RBI, CSO, Ministry of Commerce, Ministry of Power, Ministry of Agriculture & Farmers Welfare

KEY ECONOMIC INDICATORS
(Percentage Change Over Previous Year)

(%)	2021-22	2022-23	2023-24
Gross Domestic Product at factor cost			
At current market prices	17.9	15.4	8.0[a]
At 2011-12 prices	8.8	7.0	6.9[a]
Sectoral Growth Rates at Constant (2011-12) prices			
Agriculture & allied	9.5	10.7	7[a]
Industry	13.8	1.7	6.7[a]
Services	4.9	4	1.8[a]
Prices (Average)			
Wholesale Price Index (All commodities)	9.41	13	-1.1[c]
CPI-Combined (Rural & Urban)	5.5	6.7	5.5[c]
External Sector			
Export	36.1	14.3	-1.9[c]
Import	48.4	18	-7.2[c]
Foreign Direct Investment (net)	-12.2	-27.5	-31.5[d]
Monetary and Finance			
Money Supply (M3)*	8.8	9.0	11.0[e]
Foreign Exchange Reserves*	6.6	-6.4	7.4[f]
Exchange rate (Rs/US$) (Average)	-0.4	-7.3	-3.4[g]

Footnotes - a: 1st Advance Estimates; c: Apr-Dec FY25; d: Q1 and Q2 FY24; e: Dec 2023; f: Upto 19 Jan, 2024; g: Apr-Jan FY25

Source: RBI, CSO, Ministry of Commerce, Ministry of Power, Ministry of Agriculture & Farmers Welfare

Industry-wise Deployment Of Bank Credit*
(Percentage Change Over Previous Year)

Sector	2021-22*	2022-23*	2023-24#
Industries	10.2	5.6	6.6
Mining & Quarrying (incl. Coal)	17.5	19.3	0.2
Food Processing	12.8	5.1	11.3
Beverage & Tobacco	4.9	28.4	33.6
Textiles	13.0	2.0	14.6
Leather & Leather Products	11.6	0.8	4.4
Wood & Wood Products	16.0	22.2	20.5
Paper & Paper Products	13.0	5.7	6.4
Petroleum, Coal Products & Nuclear Fuels	37.4	37.9	-8.4
Chemicals & Chemical Products	10.7	10.0	5.8
Rubber, Plastic & their Products	37.8	9.5	7.6
Glass & Glassware	9.6	32.9	36.2
Cement & Cement Products	-14.4	18.1	16.7
Basic Metal & Metal Product	-3.0	18.9	17.7
All Engineering	13.8	4.4	9.5
Vehicles, Vehicle Parts & Transport Equipment	13.9	5.3	10.5
Gems & Jewellery	13.6	-3.9	18.0
Construction	2.3	3.9	6.6
Infrastructure	10.1	0.5	2.1
Other Industries	11.6	-4.4	2.5

Footnotes - *: end period data; #: Outstanding as on Nov 2023

Source: RBI

GLOSSARY

Appropriation Bill: This Bill entails the Parliament's approval for withdrawal of money from the Consolidated Fund to pay off expenses. After the Demands for Grants are voted by the Lok Sabha, the Parliament approves this bill. Under Article 114(3) of the Constitution, no amount can be withdrawn from the Consolidated Fund without the enactment of such a law by the Parliament.

Capital Expenditure: It is the expenditure incurred on acquisition of assets like land, buildings, machinery, equipment etc and also loans and advances granted by the Central Government to State and Union territories, Public sector enterprises and other parties. This expenditure is also categorised as plan and non-plan capital expenditure.

Capital Receipts: Capital receipts include loans raised by the Government from public which are called Market Loans, borrowings by the Government from the Reserve Bank of India and other parties through sale of Treasury Bills, loans received from foreign Governments and bodies and recoveries of loans granted by Central Government to State and Union Territory Governments and other parties.

Consolidated Fund: All revenues received by the Government, loans raised by it, and also its receipts from recoveries of loans granted by it, form the Consolidated Fund. All expenditure of the Government is incurred from the Consolidated Fund and no amount can be withdrawn from the Fund without authorisation from the Parliament.

Contingency Fund: It is an imprest from the Consolidated Fund, and may be used by the Government without waiting for an appropriation bill to be passed by the Parliament. If it becomes necessary for the Government to incur expenditure not included in the budget, it can do so from the Contingency Fund.

Customs Duties: Customs duty is a type of indirect tax levied on goods imported into India as well as on goods exported from India.

Effective Revenue Deficit: Effective Revenue Deficit is the difference between revenue deficit and grants for creation of capital assets.

Exceptional Grant: Through the Exceptional Grant the House of People can make provision for an exceptional grant that does not form part of the current service of any financial year.

Excise Duties: Central excise duty is an indirect tax levied on those goods which are manufactured in India and are meant for home consumption.

Extra Budgetary Resources: Extra-budgetary resources are the sum of domestic and foreign loans raised directly by CPSUs. The extra-budgetary resources consist of receipts from the issue of bonds, debentures, external commercial borrowing (ECB), suppliers' credit, deposit receipts and term loans from financial institutions.

Finance Bill: At the time of presentation of the Annual Financial Statement before the Parliament, a Finance Bill is also presented in fulfilment of the requirement of Article 110(1) (a) of the Constitution, detailing the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget. A Finance Bill is a Money Bill as defined in Article 110 of the Constitution.

Fiscal Deficit: The difference between the total expenditure of the Government by way of revenue, capital and loans net of repayments on the one hand and revenue receipts of the Government and capital receipts which are not in the nature of borrowing but which finally accrue to the Government on the other, constitutes fiscal deficit.

Non-Plan Expenditure: It includes expenses that do not form a part of the Government's five year plan. These expenses consist of revenue and capital expenditure on defense, subsidies, interest payments, postal deficit, pensions, police, loans to public sector enterprises, economic services and loans as well as grants to State Governments, Union Territories and foreign Governments.

Non-Tax Revenues: Revenues earned by the Government from sources other than taxes are termed as non-tax revenues. The sources of non-tax revenues may include; dividends and profits received from public sector companies, interest receipts, fines, penalties and fees for various services rendered by the Government.

Plan Expenditure: It consists of both revenue expenditure and capital expenditure of the Centre on the Central Plan and Central Assistance to States and Union Territories. Plan expenditure reflects the Government's investment in enhancing the economy's productive aptitude. It arises out of schemes freshly introduced in an ongoing Five Year Plan (FYP) period.

Plan Outlay: Plan Outlay refers to the amount sanctioned for expenditure on projects, schemes and programmes announced in the Plan. The provision for this amount is made through extra budgetary resources and from provisions in the Demands for Grants. The budgetary support is also reflected as plan expenditure in Government accounts.

Primary Deficit: The amount by which the Government's total expenditure exceeds its total revenue generated, excluding the interest payments on debt. It is primarily the difference between the gross fiscal deficit and gross interest payments.

Public Account: Besides the normal receipts and expenditure of the Government which relate to the Consolidated Fund, certain other transactions enter Government accounts, in respect of which the Government acts more as a banker. For example, transactions relating to provident funds, small savings collections, other deposits, etc. The money thus received is kept in the Public Account and the connected disbursements are also made therefrom.

Public Debt: It refers to the total debt of the central and the State Governments. Public debt can be classified into internal debt (comprising of money borrowed within the country) and external debt (comprising of funds borrowed from non- Indian sources). The net accretion to public debt is the difference in borrowing and repayments during a fiscal year.

Revenue Deficit: Revenue Deficit is the excess of Government's revenue expenditure over revenue receipts.

Revenue Expenditure: It is the expenditure incurred by the Government for running of Government departments and conducting various economic, social and general services, interest payments, subsidies, grants and assistance to State and Union territories etc. This expenditure is also categorised as plan and non-plan revenue expenditure.

Revenue Receipts: It includes revenues garnered by the Government through taxes and other non-tax sources. Other receipts of the Government mainly consist of interest and dividend on investments made by the Government, fees, and other receipts for services rendered by it.

Tax Revenues: It comprises of revenue receipts through taxes and other duties levied by the Government. Tax revenue includes revenue generated through both direct taxes (personal income tax, corporate tax, capital gain tax and wealth tax) and indirect taxes (central excise duty, customs duty, service tax and VAT).

Vote on Account: It means a grant made in advance by the Parliament, in respect of the estimated expenditure for a part of the new financial year, pending the completion of the procedure relating to the voting of the demand for grants and the passing of the Appropriation Act.

Vote of Credit: Through the Vote of Credit the House of People can approve grant for meeting an unexpected demand upon the resources of India when on account of the magnitude or the indefinite character of the service, the demand cannot be stated with the details ordinarily given in an annual financial statement.

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BUDGET MANTHAN

INTERIM BUDGET 2024 - 25

IMPACT ANALYSIS

Dun & Bradstreet Information Services India Pvt Ltd
7th Floor, Godrej BKC, Bandra (East), Mumbai – 400051
Telephone: +91 22 4941 6666; Email: india@dnb.com; URL: www.dnb.co.in

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