



सत्यमेव जयते

Economic Diplomacy Division  
Ministry of External Affairs

# UNION Budget

2023-24



# Budget 2023: A Vision for Amrit Kaal

**Economic growth, job creation and cutting fiscal deficit** are the focus areas of the Budget as outlined by the Union finance minister **Nirmala Sitharaman** in Parliament on February 1, 2023

Building a **technology-driven** and **knowledge-based economy** with strong public finances and a **robust financial sector**.

Slew of measures to enhance the **ease of doing business**.

**National data governance policy** to unleash innovation and research by startups.



# Key Highlights of Budget 2023

Economy to grow at **7%** in the current year

Capital investment outlay increased by **33%** to **INR 10 lakh crore (~USD 136 billion)**, **3.3%** of GDP

Fiscal deficit estimated to be **5.9%** of GDP in 2023-24. It will reach **4.5%** by 2025-26

Real GDP to grow at **7%** in FY 2022-23

Exports to grow at **12.5%** in FY 2023

Outlay for PM Awas Yojana enhanced by **66%** to over **INR 79,000 crore (~USD 10.6 billion)**

Highest ever capital outlay of **INR 2.40 lakh crore (~USD 32.8 billion)** provided for railways



# Seven Priorities of Budget 2023

Budget 2023 is based on 7 priorities or 'Saptarishis'

1. **Inclusive development**
2. **Reaching the last mile**
3. **Infrastructure and investment**
4. **Unleashing the potential**
5. **Green Growth**
6. **Youth Power**
7. **Financial Sector**

## SAPTARISHI 7 PRIORITIES OF BUDGET 2023-2024



## Priority 1:

# Inclusive Development

The Government's philosophy of **Sabka Saath Sabka Vikas** with a special focus on women, youth, scheduled castes, and scheduled tribes.

## Agriculture and Cooperation

Building a **digital public infrastructure** for agriculture as open source, open standard, and interoperable public good, to drive inclusive and farmer-focused solutions, including crop planning and health information, better access to farm inputs, credit, insurance, crop estimation, market intelligence, and agri-tech industry and startup growth.

## Agriculture Accelerator Fund

Setting up an **Agriculture Accelerator Fund** to support young entrepreneurs in rural areas and foster agri-startups, promoting innovative and affordable solutions for farmers' challenges, and incorporating modern technologies to enhance agricultural practices, boost productivity, and increase profitability

## Health, Education, & Skilling

Launching a program to **advance** research and innovation in pharmaceuticals through centers of excellence.

## Priority 2:

# Reaching the Last Mile

## Aspirational Blocks Programme

It will cover **500 blocks** launched for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.

## PM Awas Yojana

The outlay for PM Awas Yojana is being enhanced by **66% to over INR 79,000 crore (~USD 10.6 billion)**

## Pradhan Mantri PVTG Development Mission

**INR 15,000 crore (~USD 2 billion)** for implementation of the mission over the next three years under the Development Action Plan for the Scheduled Tribes.

Establish **New Infrastructure Finance Secretariat** to enhance opportunities for private investment in infrastructure.

Recruitment of **38,800 teachers** and support staff for the **740 Eklavya Model Residential Schools**, serving **3.5 lakh (0.35 million)** tribal students.

## Priority 3:

# Infrastructure & Investment

## Capital Investment Outlay

Capital investment outlay has increased steeply by **33% to INR 10 lakh crore (~USD 136 billion)** or **3.3%** of the GDP

## Railway Sector

A capital outlay of **INR 2.40 lakh crore (~ USD 32.8 billion)** has been provided for the Railways - the highest ever

## Improved Connectivity

**Fifty** additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity

## Improved first & last mile connectivity

About **100 crucial transport projects** for last-mile and first-mile connectivity for various sectors (ports, coal, steel, fertilizer, and food grains) have been prioritized for investment of **INR 75,000 crore (~USD 10.2 billion)**, with **INR 15,000 crore (~USD 2 billion)** from private sources

## Urban Infrastructure Development Fund

The UIDF will fund urban infrastructure in Tier 2 and Tier 3 cities. The government will allocate **INR 10,000 crore (~USD 1.35 billion)** annually for public agencies for this.

## Priority 4:

# Unleashing the Potential

## Ease of Doing Business

Reducing over **39,000 compliances** and decriminalizing over **3,400** legal provisions to improve ease of doing business

Bringing out a **National Data Governance Policy** to facilitate innovation and research by startups and academia through access to anonymized data

## Making AI in India

Establishing **3 centers of excellence** in top educational institutions for AI

Setting up **100 labs** for 5G application development in engineering institutions, unlocking new opportunities, business models, and employment potential.

## Simplified KYC

The KYC process will be **simplified** and **more personalized** instead of a "one size fits all" approach.

A new solution for updating the identity and address of citizens will be established using **DigiLocker** and **Aadhaar** framework.

## Tourism

Promotion of tourism will be taken up on **mission mode** with active participation of states, convergence of government programmes, and public-private-partnerships



## Priority 5:

# Green Growth

### Transition to a Green Economy

Moving towards "**panchamrit**" and **net-zero carbon emissions by 2070** to drive green industrial and economic transition

Allocating **INR 35,000 crore (~USD 4.7 billion)** for priority capital investments in energy transition and net-zero objectives, and energy security

**10,000 bio-input resource centres** to be set up, creating a national-level distributed micro-fertiliser and pesticide manufacturing network

### Green Credit Programme

Incentivizes environmentally sustainable and responsive actions by companies, individuals and local bodies

### Green Mobility

Supporting Battery Energy Storage Systems with **4,000 MWH capacity** and Viability Gap Funding to promote sustainable development

Extended customs duty exemption for the import of capital goods and machinery needed to produce lithium-ion cells for EVs. The concessional duty on lithium-ion cells for batteries will continue for another year.

### Green Hydrogen Mission

The National Green Hydrogen Mission, launched with a budget of **INR 19,700 crore (~USD 2.64 billion)**, will aid in the transition to low-carbon intensity, reduce dependence on fossil fuels, and attain technology and market leadership in the sunrise sector

## Priority 6:

# Youth Power

## Skill India

Launching a **unified Skill India Digital Platform** to enable demand-based formal skilling, connect with employers including MSMEs, and provide access to entrepreneurship schemes.

**iGOT Karmayogi**, an integrated online training platform, launched to provide continuous learning opportunities for government employees to upgrade their skills and facilitate people-centric approach

Establishing **30 Skill India International Centers** across different states.

## National Education Policy

Formulating the National Education Policy with a **focus on skilling** and adopting economic policies to drive job creation at scale and support business opportunities

Upgrading the **Pradhan Mantri Kaushal Vikas Yojana 4.0** to cover new-age courses for Industry 4.0 such as coding, AI, robotics, mechatronics, IoT, 3D printing, drones, and soft skills

## National Apprenticeship Promotion Scheme

Stipend support to **47 lakh (4.7 million)** youth in three years, Direct Benefit Transfer under a the scheme will be rolled out.

## Priority 7:

# Financial Sector

## Credit Guarantee Scheme for MSMEs

The revamped Credit Guarantee for MSMEs scheme will take effect from 1st April 2023 through infusion of **INR 9,000 crore (~USD 1.21 billion)** in the corpus.

## National Financial Information Registry

This will be set up to facilitate efficient flow of credit, promote financial inclusion, and foster financial stability

## Central Processing Centre

This will aid in providing a faster response to companies through centralized handling of various forms filed with field offices under the Companies Act

## Fiscal Management

The entire **fifty-year loan** to states has to be spent on capital expenditure within 2023-24

Initiatives to promote business activities in **GIFT IFSC**

Allocating funds to **scrap** old Central Govt. vehicles and supporting state governments to **replace** old vehicles and ambulances.

The Revised Estimate of the total receipts other than borrowings is **INR 24.3 lakh crore (~USD 328 billion)**, of which the net tax receipts are **INR 20.9 lakh crore (~USD 282 billion)**.

The Revised Estimate of the total expenditure is **INR 41.9 lakh crore (~USD 564 billion)**, of which capital expenditure is about **INR 7.3 lakh crore (~ USD 99 billion)**.

# Benefits to MSMEs and Start-ups

The budget's indirect tax proposals aim to **simplify the tax structure** and reduce compliance burden through fewer tax rates and improved tax administration.

## Custom Duty

The number of basic customs duty rates for goods, excluding textiles and agriculture has been **reduced from 21 to 13**.

**Excise duty exemption** on compressed biogas contained in GST-paid items

## Aiding MSMEs and Startups

**Supporting MSMEs** by allowing deduction for payments made to them only when payment is received, promoting timely receipt of payments.

Extend date of incorporation for startups to receive income tax benefits to **March 31st, 2024**.

Increase carry forward of losses for start-ups on change of shareholding from 7 years to **10 years**.

# Budget Estimates for 2023-24

The total receipts other than borrowings is estimated at **INR 27.2 lakh crore (~USD 368 billion)** and the total expenditure is estimated at **INR 45 lakh crore (~USD 607 billion)**.

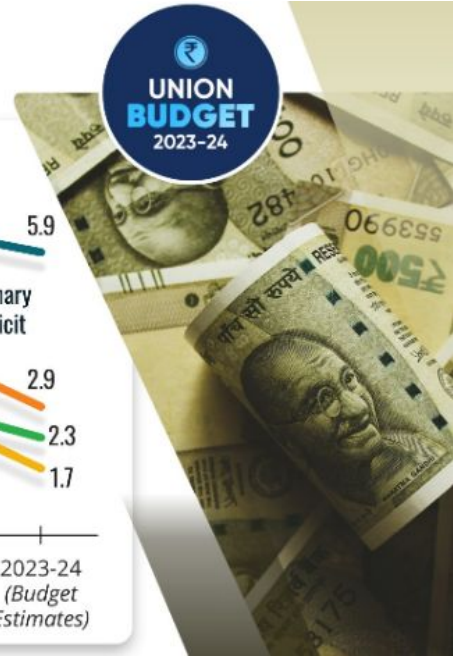
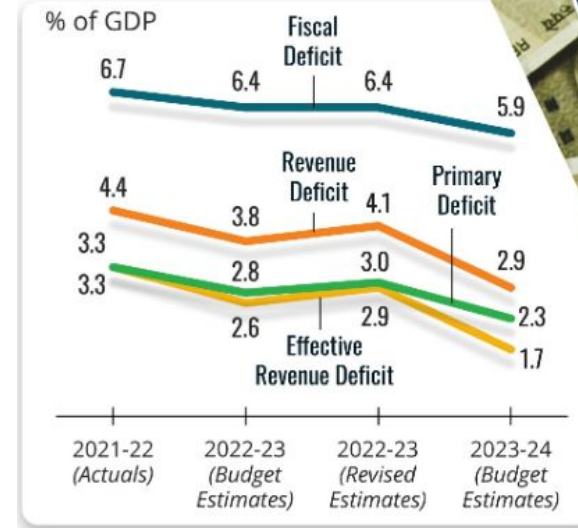
The net tax receipts are estimated at **INR 23.3 lakh crore (~USD 312 billion)**.

The fiscal deficit is estimated to be **5.9% of GDP**.

To finance the fiscal deficit in 2023-24, the net market borrowings from dated securities are estimated at **INR 11.8 lakh crore (~USD 158 billion)**.

The gross market borrowings are estimated at **INR 15.4 lakh crore (~USD 207 billion)**

## Trends in Deficit



# Thank You



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