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INDIA BUDGET

2023-24



OVERVIEW

Budget for creating a green, digitized, inclusive growth path

India's Union Budget for 2023-24, presented by Finance Minister Nirmala Sitharaman, envisages to embolden the country's green growth agenda powered by a strong digital push.

The budget, which is the last full budget of the current government led by Prime Minister Narendra Modi before the Parliamentary election slated for next year, sets out the vision for next 25 years (Amrit Kaal) signifying opportunities for citizens with focus on youth, growth and job creation along with strong and stable macro-economic environment.

Seven key priorities outlined in the budget are: Inclusive development, Reaching the last mile, Youth Power, Infrastructure and investment, Unleashing the potential, Financial Sector and obviously, Green Growth.

"This year's Budget infuses new energy to India's development trajectory," said Prime Minister Modi.

Finance minister Sitharaman said in her budget speech, "Our vision for the Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector."

The industry called the budget a balanced and progressive one aiming to place India as world's growth engine.

This report capturing the overall framework of the budget also covers major announcements for identified key sectors.



VISION FOR AMRIT KAAL (NEXT 25 YEARS)

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

SAPTARISHI-7 PRIORITIES

AMRIT KAAL





GREEN GROWTH

Budget announces programmes for green fuel, green energy, green farming, green mobility, green buildings and green equipment and policies for efficient use of energy across various economic sectors. The idea is to reduce carbon intensity and create large-scale green jobs.

Announcement	Indication	Opportunities
Energy Transition		
Capital investment of ₹35000 crore proposed towards energy transition and net zero objectives and energy security.	Expect more growth in renewable energy and allied sectors. All efforts of the government and private sector will be on meeting net zero targets and reduction in carbon intensity.	Companies in the renewable energy and green mobility space.
Green Hydrogen Mission		
Target to reach annual production of 5MT green hydrogen by 2030.	Investments in the green hydrogen space will get a boost. The move is also expected to promote R&D and foreign investments in the sector.	Companies who have already planned their investments along with new entrants will keenly watch the progress and implementation of the mission.
Energy Storage Projects		
Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding.	The move is expected to reduce the intermittency of renewable energy projects to provide continuous power. It will boost investments in the sector.	It will boost renewable energy sector companies.

Renewable Energy Evacuation

To create infrastructure for bringing in 13 GW renewable energy from Ladakh with an investment of Rs.20,700 crore including central support of Rs.8,300 crore.

Enhanced investment in the inter-state transmission system for evacuation and grid integration.

Companies in power distribution and renewable energy would keenly watch this announcement.

Green Credit Programme

A Green Credit Programme will be notified under the Environment (Protection) Act.

This model will strengthen the incentivisation framework for green initiatives.

Companies, individuals and local bodies taking green initiatives will benefit.

Vehicle Replacement

Allocate adequate funds to scrap old vehicles of the Central Government. States will also be supported in replacing old vehicles and ambulances.

Replacing old polluting vehicles is an important part of greening economy and reduction in carbon emissions. Expect expeditious transition to EVs as part of this vehicle replacement.

EV and component makers in the auto sector will keenly follow this announcement.

Lithium-Ion Batteries

Customs duty exemption extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.

The move shows the government's seriousness on accelerating green transition. Market share of EV to grow in the overall auto sector.

EV and component makers in the auto sector to gain from the move.

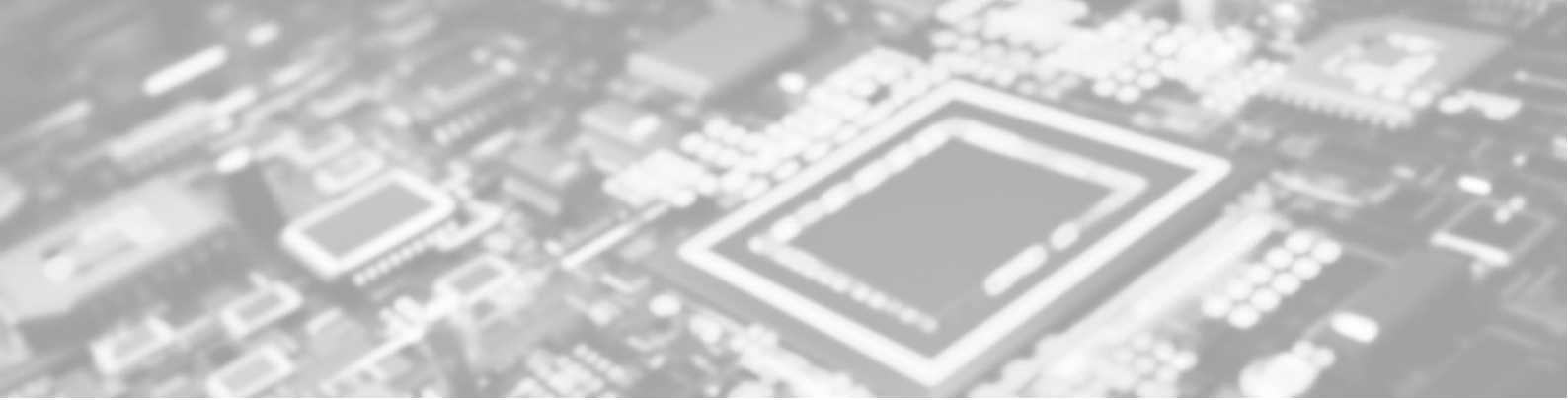
Sustainable Cities of Tomorrow

States and cities to undertake urban planning reforms and actions to transform cities into 'sustainable cities of tomorrow'.

Under its priorities on 'Infrastructure & Investment', government's focus is on efficient use of land resources, adequate resources for urban infrastructure, transit-oriented development, enhanced availability and affordability of urban land and opportunities for all.

Real estate, infrastructure and allied sectors will benefit from the announcement.





TECHNOLOGY

Tech receives a massive boost: Focus on emerging technologies, creating digital infrastructure and enhancing manufacturing capabilities.

Announcement	Indication	Opportunities
<p>Make AI in India and Make AI Work for India</p> <p>3 centres of excellence will be setup in top educational institutions to develop cutting edge applications in the field of agriculture, health and more.</p>	<p>Government's aim is to have a technology-driven and knowledge-based economy with strong public finances and a robust financial sector</p> <p>Indication.</p>	<p>IT and Startups interested in the AI technology advancement, training and skilling in robotics.</p>
<p>National data governance policy</p> <p>Government is working on a national data governance policy to enable access to anonymized data to start-ups in order to boost development.</p>	<p>First step in catalysing the era of Digital Government leading to greater citizen awareness, participation and engagement with open data and improve overall compliance to secure data sharing and privacy policies and standards.</p>	<p>Tech companies, Startups and AI researchers can look at ample opportunities and alignment with the government around this policy.</p>

DigiLocker expansion

DigiLocker will now support more documents and will also be used for storing and sharing documents whenever needed. PAN account number to be used as a common identifier across all Digital Systems.	A one-stop solution for reconciliation & updating of identity and address of individuals maintained by various govt agencies, regulators and regulated entities will be established using DigiLocker service and Aadhaar as foundational identity.	Scope for data storage companies, fintech companies and other entities to partner in building a sound digital ecosystem/ infrastructure.
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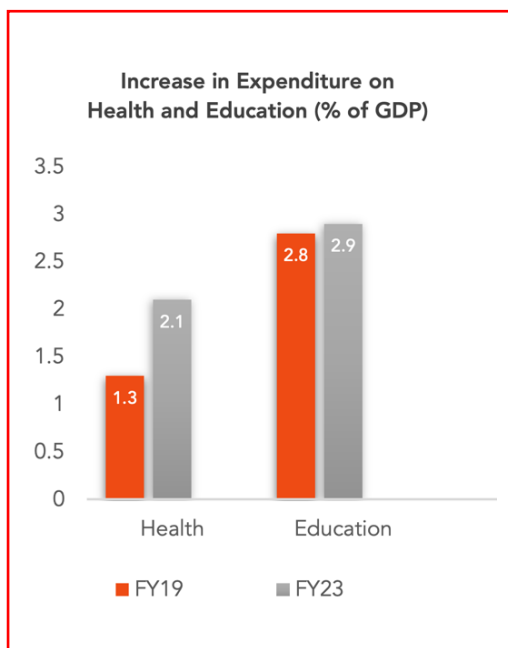
Electronic production in India

Customs duty relief for certain inputs for camera lens, lithium batteries and open cells of TV panels to continue for another year.	Boost domestic manufacturing in India – Make in India.	Opportunities for India businesses including start-ups.
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5G services

100 labs to be set up in engineering institutions to develop applications like smart classrooms, precision farming, smart transport system and health care applications.	To advance the 'Digital India' vision so that emerging technologies can be utilised across sectors in order to channelise the best employment potential and business opportunities.	AI companies, academia and researchers including government agencies to align and use digital technology for expanding businesses and employment.
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EDUCATION



The ministry of education received the highest-ever allocation of ₹1.12 lakh cr. Education Ministry’s Department of School Education and Literacy has been allocated ₹68,804.85 crore, while the Higher Education Department has been allocated ₹44,094.62 crore.

Announcement	Indication	Opportunities
<p>Teachers’ Training</p> <p>Teachers’ training will be re- envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys and ICT implementation. The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.</p>	<p>This move will enable teachers to impart quality education to students and ensure their holistic development.</p>	<p>Opportunity to upskill teachers so that they can impart the latest and holistic curriculum to the upcoming generation, ensuring enhanced skilled student base leading to better employment options.</p>

National Digital Library for Children and Adolescents

1. A National Digital Library for children and adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide infrastructure for accessing the National Digital Library resources.

2. The National Book Trust, Children's Book Trust and other sources will be encouraged to provide and replenish noncurricular titles in regional languages and English to these physical libraries.

3. To inculcate financial literacy, financial sector regulators and organizations will be encouraged to provide age-appropriate reading material to these libraries.

This move will facilitate easier access to quality books and provide a wider and more contextual learning. It will also promote equitable education to all at all levels in an inclusive manner. Increasing digitisation will enable cost-effectiveness.

Will help in building a culture of reading and make up for pandemic-time learning loss. Inclusion of noncurricular titles and regional languages will ensure more equitable access to education.

Promote formative learning and ensure comprehensive learning of the nation's youth.

The government is ensuring this is taken up from the ground level and is also an opportunity for the IT sector and education institutes to partner with the government.

This is an opportunity for NGOs working in literacy to partner with the government in this endeavour.

This is an opportunity to partner with sector-specific institutions/NGO's/ ed-tech firms etc go beyond curriculum-based studies.

Eklavya Model Residential Schools

In the next three years, Centre will recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.

This move will positively impact the nation's literacy rate. By imparting quality education to tribal children, they will be better equipped to enrol in higher education or professional courses by enhancing their competency level. This will enable them to seek and get employment.

More employment for the school and teacher as well as helping the children to reach employability stature. There is also an opportunity for other partners to support the government in this move.

Pradhan Mantri Kaushal Vikas Yojana 4.0

Pradhan Mantri Kaushal Vikas Yojana 4.0 will be launched to skill lakhs of youth within the next three years. On-job training, industry partnership and alignment of courses with needs of industry will be emphasized. The scheme will also cover new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones and soft skills. 30 Skill India International Centres will be set up across different States.

The youth will be better aligned with the needs of the industry with relevant skill development to explore opportunities in India or abroad.

This move will help open doors for additional partners to come in and support the government. There is a scope for professional, edtech institutions and IT firms to support this scheme.





AGRICULTURE & FOOD MANAGEMENT

For the agriculture and food processing sector, keeping in mind inclusive development, *Sabka Saath Sabka Vikas*, the Union Budget has hiked outlays, emphasized on leveraging technology, encouraged Public Private Partnerships and increased farm credits which would have a force multiplier impact on the economy.

The Budget Estimates for Agriculture and Allied Activities for 2023-24 is ₹1,44,214 crore, an increase from the 2022-23 Revised Estimates of ₹1,36,279 crore. The Pradhan Mantri Sampada Yojana under the Ministry of Food Processing Industries has received a major hike from ₹673 crore to ₹923 crore, a move to further encourage the sunrise sector. Though, the outlay for Operation Greens under Sampada has gone down to ₹214 crore. Outlays for several Core Schemes and Central Sector Schemes such as Pradhan Mantri Krishi Sinchai Yojna, Krishionnati Yojana, Computerization of Primary Agriculture Credit Societies, Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM FME) and Production-Linked Incentive Scheme for Food Processing Industry, have received modest to significant increase. The outlay for PM KISAN Scheme remained the same as the Revised Estimates of 2022-23 at ₹60,000 crore.

Announcement	Indication	Opportunities
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Digital Public Infrastructure

<p>Digital public infrastructure for agriculture will be an open source, open standard and interoperable public good.</p>	<p>The platform will be an accessible inclusive and informative solution for farmers through relevant services for crop planning and health, improved access to farm inputs, credit and insurance, help for crop estimation and market intelligence.</p>	<p>The initiative will help decrease pre- and post-harvest losses, increase productivity and produce which will help farmers income realisation and further support the growth of food processing industries, encourage agribusiness and start-ups. Agri-tech businesses can explore opportunities to strengthen the data in the platforms and utilize the available information.</p>
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Agriculture Accelerator Fund

<p>The Fund will aim to bring innovative and affordable solutions for challenges faced by farmers and encourage agri-based Start-Ups by young entrepreneurs in rural areas.</p>	<p>The Fund will help bring in modern technologies to transform agricultural practices, increase productivity and profitability. It will spur growth in the agri-tech ecosystem and address a few critical challenges across the value chain relating to input-output linkages, precision farming, ensuring traceability and quality of production, higher value addition, among others.</p>	<p>The Fund is an opportunity for existing agribusinesses and technology companies to introduce modern practices to upcoming Start-Ups. The fund will promote entrepreneurship and job creation. Further, unlock value in the agribusiness value chain and boost profitability for the farmers and businesses.</p>
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AatmaNirbhar Bharat Horticulture Clean Plant

The program will aim to boost production of high value horticulture crops.

The program will support the production of disease-free, quality planting material for high value horticultural crops at an outlay of ₹2,200 crore.

The horticulture industry is labor intensive and therefore, a small push will increase employment opportunities exponentially. It will be an opportunity for businesses to increase exports. Moreover, this will help limit ad-hoc export restrictions resulting in more growth and will become a promising source of stable income opportunity for farmers.

Global Hub for Millets (Shree Anna)

The government aims to make India the hub for millet production. For this, the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.

India's average yield of millet is 1239 kg/ha, compared to the global average yield of 1229 kg/ha. India is the largest producer and second-largest exporter of Shree Anna in the world. The announcement will encourage agribusiness to adopt Shree Anna which will further boost production and exports for India.

The announcement and research will encourage farmers and agribusinesses to adopt the climate change resistant crop which will in turn ensure stable and continued income. Opportunities for export is also likely to increase.

Storage capacity

The government aims to implement a plan to set up massive, decentralised storage capacity.

A national cooperative database is being prepared for country-wide mapping of cooperative societies to help plan the building of storage capacities. This will help farmers store their produce.

The move will help farmers realize remunerative prices through sale at appropriate times. This would also fill gaps in the logistic chain of agri-business in the rural sector ensure stable supply of produce.

Targeted funding

<p>The agriculture credit target will be increased to ₹20 lakh crore with focus on animal husbandry, dairy and fisheries.</p>	<p>The move will provide higher farm loans at a subsidised rates to the farming community.</p>	<p>Agriculture being one of the largest employers, remains vulnerable to seasonal shocks. The government typically increases the farm credit target every year. This move will provide the needed support to the employees of agriculture and ancillary sector.</p>
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Enhancing productivity of cotton crop

<p>To enhance the productivity of extra-long staple (ELS) cotton, a cluster-based and value chain approach through Public Private Partnerships (PPP) will be adopted.</p>	<p>The announcement will encourage PPPs and increase collaboration between farmers, state and industry for input supplies, extension services and market linkages.</p>	<p>The emphasis to increase cotton crop productivity will be a positive relief for cotton spinning mills in the country and open more opportunities for India's garment exports.</p>
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Promotion of natural farming

<p>10,000 Bhartiya Prakritik Kheti Bio-Input Resource Centres to be set up over the next three years for natural farming.</p>	<p>The initiative will help one (1) crore farmers to adopt natural farming. The Bio-Input Resource Centres will distribute micro-fertilizer and pesticide manufacturing network national-wide. It is estimated that around 2.5 million farmers in India are already practicing regenerative agriculture. In the next 5 years, it is expected to reach 20 lakh hectares-in any form of organic farming, including natural farming, of which 12 lakh hectares are under Bharatiya Prakritik Krishi Paddhati Programme.</p>	<p>The announcement will boost government's natural-chemical free farming plans which will help increase production, sustainability, saving of water use, improvement in soil health and farmland ecosystem. It could be a cost-effective farming practice with scope for raising employment and rural development. Agribusinesses supporting and relying on organic farming will benefit from increased production.</p>
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PM Matsya Sampada Yojana

The government will launch a new sub-scheme of PM Matsya Sampada Yojana with targeted investment of ₹ 6,000 crore to promote fisheries.

The sub-scheme will further enable activities of fishermen, fish vendors and micro & small enterprises, improve value chain efficiencies and expand the market.

The push towards the fisheries sector will be recognized as a powerful income and employment generator as it stimulates growth of a number of subsidiary industries and is a source of cheap and nutritious food, at the same time it is an instrument of livelihood for a large section of economically backward population of the country.





HEALTH

The 2023 -24 budgetary estimate for the Ministry of Health and Family Welfare is Rs. 89,155 Cr. The estimate for Department of Health and Family Welfare is Rs. 86175 Cr. and the estimate for Department of Health Research is Rs. 2980 Cr. This is a 12 per cent increase from the Health sector budget of 2022-23.

This year's budget is focused on health infrastructure, skilling, forging public private partnerships in areas of research by both pharmaceutical as well as medical device sector and using tech aided solutions to eliminate diseases through smart public health management.

Announcement	Indication	Opportunities
<p>Nursing Colleges</p> <p>157 new nursing colleges will be established and collocated with the existing 157 medical college</p> <p>Budget Estimates for Development of Nursing Services – Rs.33.41 Cr.</p>	<p>Specific focus on capacity building for paramedical staff to address the human resources gap in health sector and employment generation.</p> <p>This also aligns with the Heal in India mandate that the government has recently announced.</p>	<p>Medical device sector and global healthcare associations can gain from this focus on capacity building and skilling focus.</p>

New Programme for Pharmaceutical Research

A new programme to promote research and innovation in pharmaceuticals will be taken up through centres of excellence. Private sector encouraged to invest in specific areas.

Greater focus on research in the pharmaceutical sector to boost innovations in the sector and establish it as the Pharmaceutical Hub through knowledge sharing.

Major pharmaceutical companies both Indian and global can expand footprint in India as a preferred partner to the government.

Pharma sector will be incentivised to focus on investments on research and development thereby positioning the country's pharmaceutical industry heft.

Medical Research

Facilities in select ICMR labs will be made available for research by public and private medical college faculty and private sector R&D teams for encouraging collaborative research and innovation.

Budget Estimates for Indian Council of Medical Research - Rs. 2359.58 Cr

Indicates focus on boosting research through state of art research facilities and training opportunities for evidence generation. Also aligned to National Digital Health Mission.

Indicates focus on public private partnership for innovation and positioning India story.

Increased focus on healthcare service delivery and R&D as the allocation increases from 1.4 per cent of GDP in 2022-23 to 2.1 per cent for this fiscal year.

Major pharmaceutical and medical device companies, both Indian and global, can identify areas of collaboration to expand footprint in India especially for positioning their role in ecosystem.

Multidisciplinary courses for medical devices

Dedicated multidisciplinary courses for medical devices will be supported in existing institutions to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research.

Indicates increased focus on skilling human capital with the latest technology and industry standards in medical devices to ensure generation of a skilled workforce and employment generation

Medical device and pharmaceutical sector, as well as global healthcare associations/societies with a focus on collaboration with allied government institutions like Health Sector Skill Council etc.

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Sickle Cell Anaemia Elimination Mission

Mission to eliminate Sickle-Cell Anaemia by 2047 will be established. Awareness creation, universal screening of 7 crore people in the age group of 0-40 years in affected tribal areas, and counselling through collaborative efforts of central ministries and state governments.

The government initiative is an indication of prioritizing the health and welfare of tribal communities and focus on genetic disorders and their prevention.

Focus on quality in healthcare delivery and 'reaching the unreached'.

Social and pharmaceutical sector organisations can contribute to this program.

Centres of Excellence for Artificial Intelligence

3 Centres for excellence of AI will be set up in top educational institutions focusing on health. Leading industry players will partner in conducting interdisciplinary research, develop cutting-edge applications and scalable problem solutions. One of the key focus areas is health.

Indicates key focus on integration and adoption of newer technologies and alignment with National Digital Health Mission.

Indicates avenues for public private partnerships.

Medical device and tech sectors, as well as organisations with mandates such as precision medicine, futureproofing health etc can gain from potential partnerships.

Pradhan Mantri PVTG (Primitive Vulnerable Tribal Group) Programme

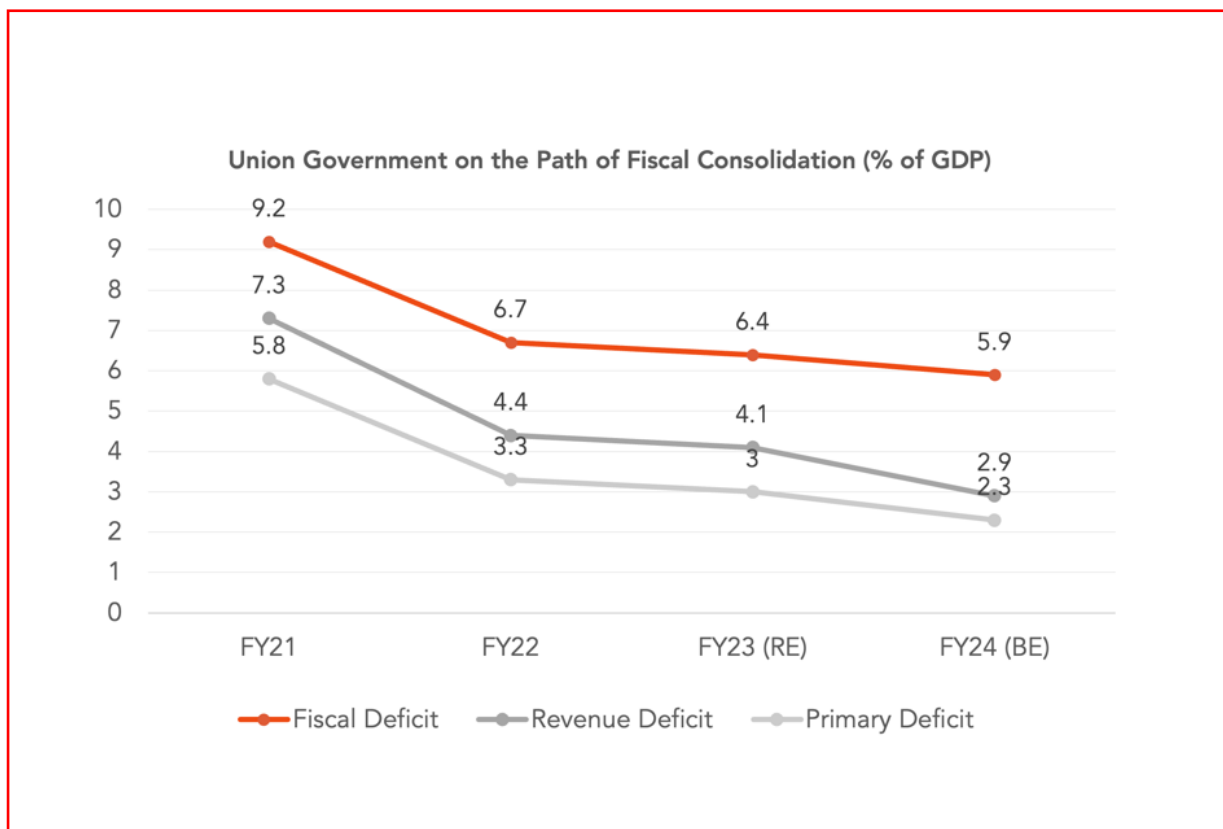
For the development and upliftment of tribal groups	Indicates focus of government on Tier 3 and rural set ups.	Civil society organisations, foundations, incubators working on SDGs. Health, nutrition, agri and related businesses focused on partnering with government for pilots/research.
Budget estimate - Rs.15000 Cr. in next three years.	Indicates focus on enabling equal opportunities for accessing basic necessities by the minority groups.	

Aspirational Districts and Blocks Programme

Government has recently launched the Aspirational Blocks Programme covering 500 blocks for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development and basic infrastructure.	The programme focuses on strengths of each district and focuses on immediate areas of improvement. Indicates overall development of the district and blocks.	Civil society organisations, foundations, incubators working on SDGs. Health, nutrition, agri and related businesses focused on partnering with government for pilots/research.
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FINANCIAL SECTOR

The budget proposals in this key growth area aim to ensure Financial inclusion at scale, better and faster service delivery, ease of access to credit and participation in financial markets.



Announcement	Indication	Opportunities
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Credit Guarantee for MSMEs

Revamped credit guarantee scheme for MSMEs will take effect from 1st April 2023 through infusion of Rs 9,000 crore in the corpus.	Additional collateral-free guaranteed credit of Rs 2 lakh crore. Cost of credit will be reduced by about 1 per cent.	MSMEs get extended window for easy and cheaper credit.
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National Financial Information Registry

National financial information registry will be set up to serve as the central repository of financial and ancillary information.	This will facilitate efficient flow of credit, promote financial inclusion and foster financial stability. New legislative framework will govern this credit public infrastructure; will be designed in consultation with the RBI.	Will help banking and financial sector companies get easy information.
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Financial Sector Regulations

To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations.	This will help in enhancing competitiveness of Indian Industry.	Credit-intensive Manufacturing and Infrastructure sector companies will gain from this exercise along with other sectors.
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GIFT IFSC

<p>Delegating powers under the SEZ Act to IFSCA to avoid dual regulation,</p> <ul style="list-style-type: none">• Setting up a single window IT system for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI, <p>Permitting acquisition financing by IFSC Banking Units of foreign banks,</p> <ul style="list-style-type: none">• Establishing a subsidiary of EXIM Bank for trade re-financing,• Amending IFSCA Act for statutory provisions for arbitration, ancillary services and avoiding dual regulation under SEZ Act and• Recognizing offshore derivative instruments as valid contracts.	<p>Enhancement in business activities in GIFT IFSC.</p>	<p>Entities operating through GIFT IFSC will have significant ease of doing business going ahead.</p>
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Data Embassy

<p>Setting up of Data Embassies in GIFT IFSC.</p>	<p>Countries looking for digital continuity solutions will benefit.</p>	<p>Will allow storage of data in a secured manner to deal with any emergency.</p>
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Improving Governance and Investor Protection in Banking Sector

Amendments to the Banking Regulation Act, the Banking Companies Act and the Reserve Bank of India Act are proposed.

To improve bank governance and enhance investors' protection.

Will benefit investors and investment firms.

Central Data Processing Centre

A Central Processing Centre will be setup for faster response to companies.

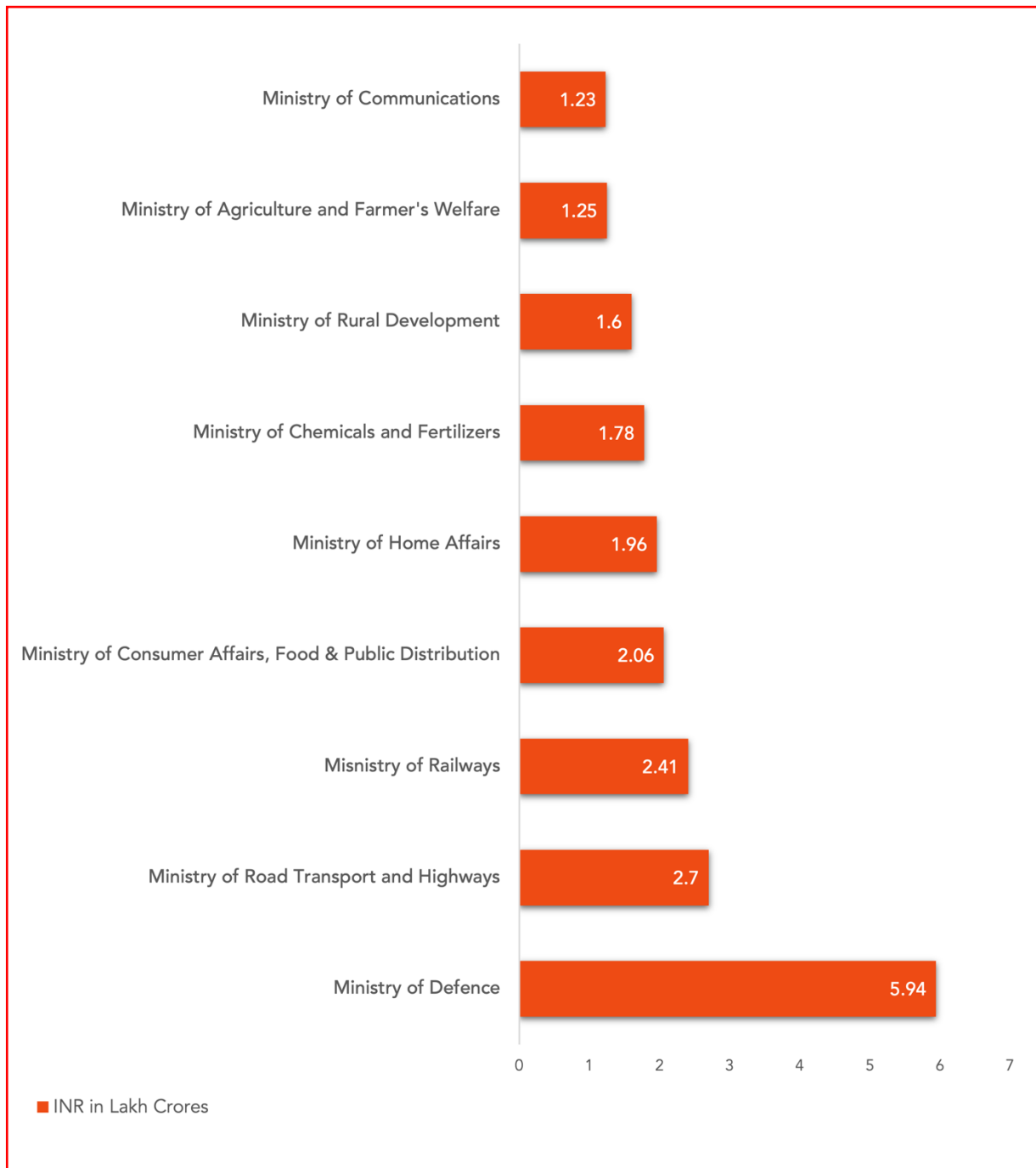
Centralized handling of various forms filed with field offices under the Companies Act.

Enhanced ease of compliance.

Press Information Bureau National Media Centre



ALLOCATION FOR SPECIFIC MINISTRIES



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