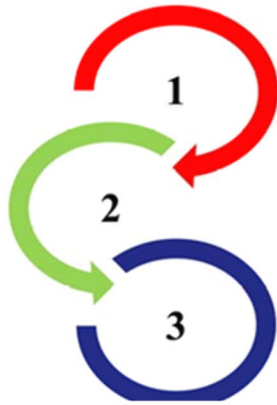


# *Important Historical Facts about the Indian Budget*

- ❖ The Budget was introduced for the first time in India on April 7, 1860, by the British East India Company to the British Crown.
  - ❖ The first budget for India was presented on February 8, 1869, by the Finance Member of the India Council, James Wilson. Wilson was the British economist and founder of the periodical 'The Economist' (1843) and the Chartered Bank (1853) which later merged to form the Standard Chartered Bank.
  - ❖ The first budget of Independent India was presented on November 26, 1947, by the first finance minister, R.K. Shanmukham Chetty.
  - ❖ The first union budget of the Republic of India was presented on February 28, 1950, by the finance minister John Mathai.
  - ❖ First Railway Budget: Based on the recommendations of the British railway economist William Acworth, the railway finances were separated from the general government finances in 1924.
  - ❖ Based on the recommendations of the Committee headed by Shri Bibek Debroy, Member, NITI Aayog, the Government merged the Railway Budget with the Union Budget from budget year 2017-18.
  - ❖ **Financial Year (FY):** In India, the government's financial year (FY) runs from April 1 to March 31 of the following year. The current financial year is from April 1, 2023, to March 31, 2024. This is generally abbreviated as FY 2023-24.
  - ❖ The budget in the Constitution of India is referred to as the "Annual financial statement".
  - ❖ **Constitutional Provisions:** Article 112 of the Constitution of India requires that the President of India shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India for that year, in this Part referred to as the annual financial statement.
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- **Amrit Kaal:** Prime Minister Shri Narendra Modi introduced the concept of Amrit Kaal or 'The Era of Elixir' to the entire nation on India's 75th Independence Day. Amrit Kaal is the Prime Minister's vision 2047 for 'New India'.
  - **The Panch Pran or the 5 fundamentals of Amrit Kaal:** The Panch Pran or the 5 fundamentals of Amrit Kaal include the goal of developing India, elimination of any trace of the colonial mindset, honour and pride in our roots, development of unity, and a sense of duty among citizens.
  - **Budget for 2023-24:** Finance Minister, Smt. Nirmala Sitharaman announced Union Budget for 2023-24, the first budget of Amrit Kaal, as the way forward for an empowered and inclusive economy.
  - The objective is to lay the building blocks for the forthcoming 25 years of the Indian economy and bifurcate principal policies into 7 co-dependent departments- termed as **Saptrishis** or 7 sages.

## Vision for Amrit Kaal



**Opportunities for Citizens with focus on the Youth**

**Growth and Job Creation**

**Strong and Stable Macro-Economic Environment**

**Vision for 'Amrit Kaal':** The Vision for 'Amrit Kaal' articulated in the Budget 2023-24 is centered around:

1. Opportunities for Citizens with focus on youth
2. Growth & Job creation
3. Strong & Stable Macro-Economic Environment

## *Saptarishi-7* priorities



**The Saptarishi or the Seven Priorities:** The seven priorities, termed Saptarishi, adopted in the Budget 2023-24 to guide the country towards 'Amrit Kaal', thus providing a blueprint for an empowered and inclusive economy, are:

1. Inclusive Development
2. Reaching the last mile
3. Infrastructure & Investment
4. Unleashing the potential
5. Green Growth
6. Youth Power
7. Financial Sector

## PRIORITY #1: INCLUSIVE DEVELOPMENT

The 1<sup>st</sup> Saptarishi or the priority is Inclusive Development. This has been further subdivided into three - Agriculture and Cooperatives, Health, and Education and Skill Development.

### Agriculture and Cooperatives

- **Digital Public Infrastructure** – A digital public infrastructure will be built which will help in facilitating better crop planning, and better support to agri-tech startups.
- **Atmanirbhar Bharat Horticulture Clean Plant Program** – To enhance the production of high-value crops a program known as Atmanirbhar Bharat Horticulture Clean Plant Program will be launched.
- **Agriculture Accelerator Fund** – A special Agriculture Accelerator Fund will be created to help facilitate agri-entrepreneurship.
- **“Shree Ann” or Global Millet Hub** – With the support of the Indian Institute of Millet Research, Hyderabad, a Global Millet Hub also known as "Shree Anna" will be established to support millets and related crops.
- **PM Matsya Sampada Yojana** - A new scheme known as PM Matsya Sampada Yojana with a ₹6,000-crore investment goal is to be launched in the fishery sector.

### Health

The Union Budget, 2023–24 has introduced the following initiatives to enhance the healthcare sector:

- **Sickle Cell Anaemia** - Mission to eliminate ‘Sickle Cell Anaemia’ by 2047 from India.
- **Nursing Colleges** - 157 Nursing colleges to be established across India.
- **Pharmaceuticals** – The pharmaceuticals industry to be promoted for research and innovation.

### Education and Skill Development

Proposals to develop education and promote skill development are as follows:

- **National Digital Libraries** - National Digital Libraries will be set up for children to cover up for academic losses during the lockdown period.
- **Improved Teacher Training Programme** - Improved Teacher Training Programme via innovative pedagogy and re-envisioned curriculum through the District Institutes of Education and Training.
- **Libraries at Panchayat Levels** - Encouraging State Governments to develop physical libraries at the ward and panchayat levels.

## PRIORITY #2: REACHING THE LAST MILE

- **Pradhan Mantri PVTG (specifically, Vulnerable Tribal Groups) Development Mission** - A ₹15,000 crore initiative called the Pradhan Mantri PVTG (Partially Vulnerable Tribal Groups) Development Mission will be introduced.
- **PM Awas Yojana** – The budget allocation for the PM Awas Yojana increased by 66% which will now cost over ₹79,000 crore.
- **Bharat Shared Repository of Inscriptions (Bharat SHRI)** - The Bharat Shared Repository of Inscriptions (Bharat SHRI) will be set up to digitize one lakh's ancient inscriptions.
- **Eklavya Model Residential Schools** – To educate about 3.5 lakhs tribal children, the Central government will provide job opportunities for 38,800 teachers and support staff in 740 Eklavya Model Residential Schools for tribal students.

### PRIORITY #3: INFRASTRUCTURE & INVESTMENT

The development of infrastructure boosts the economy. The Government aims to incentivize investments in the infrastructure sector and encourage public and private partnerships, in a way thereby aiding economic growth and employment opportunities.

- **Increase in Capex i.e., capital expenditure** - The amount allocated to capital investments has been increased for the third consecutive year by 33% to ₹10 lakh crores, or 3.3% of GDP.
- **Urban Infrastructure Development Fund (UIDF)** – Establishment of an Urban Infrastructure Development Fund to develop infrastructure in Tier II and Tier III cities.
- **Logistics** – Dedicated investments for 100 vital and critical transport infrastructure projects for last and first-mile connectivity through ports, coal, steel, fertiliser, and food grains sectors has been earmarked.
- **Railway Sector** - Allocation of ₹2.4 lakh crore capital outlay for developing the Railway sector.
- **Regional Air Connectivity** - Fifty more airports, heliports, water aerodromes, and advanced landing grounds will be built.
- **City Municipal Boards** - To prepare for municipal bonds, cities will receive incentives to strengthen their creditworthiness.

### PRIORITY #4: UNLEASHING THE POTENTIAL

The potential of the Indian population and human resources is tremendous. To unleash this potential the Budget 2023-24 outlines various schemes.

- **Jan Vishwas Bill** - To enhance ease of doing business, the Jan Vishwas Bill will be introduced to amend 42 Central Acts which will reduce over 39,000 compliances and decriminalising over 3,400 legal provisions.
- **PM Vishwakarma KAushal Samman (PM VIKAS)** – PM VIKAS scheme will be enhanced to make skillful resources.
- **National Data Governance Policy** - The National Data Governance Policy will be introduced which will enable access to anonymised data to encourage research and innovation by academia and startups.
- **Digi Locker** - Setting up entity Digi Locker for business and charitable institutions to safely and securely store and verify documents.
- **Artificial Intelligence (AI) Centres of Excellence (CoE)** - Three artificial intelligence centres of excellence will be established in prestigious universities to contribute towards interdisciplinary research, scalable solutions to problems in health and agriculture.
- **5G Services** - 100 labs will be set up to create applications utilizing 5G services.

### PRIORITY #5. GREEN GROWTH

For sustainable development, the importance of ecology and environment has been highlighted in the 5<sup>th</sup> priority set up in the Budget 2023-24.

- **GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan)** – Under the GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme, 500 new "waste to wealth plants" will be established across different locations.
- **PM-PRANAM (Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) Yojana** – States and Union Territories will be incentivised to promote alternate fertiliser usage under the PM-PRANAM (Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) Yojana.
- **Launch of Green Credit Programme** – Green Credit Programme to provide incentives for sustainable actions by companies, local bodies, and individuals under the Environmental Protection Act, 1986 (EPA).

- **Establishment of Bio-Input Resource Centers** – 10,000 Bio-Input Resource Centers will be established across different locations under the Bhartiya Prakritik Kheti initiative, which will assist and encourage about one crore farmers in adopting natural farming practices.
- **Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI)** – The Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI) will be implemented to plant mangroves along the shore.
- **Amrit Dharohar Scheme** – The Amrit Dharohar scheme will be launched for optimally and best possible usage of wetlands.
- **Vehicle Scrapping Policy** – To encourage Vehicle Scrapping Policy, financial assistance is set aside to purchase new government automobiles to replace existing ones.
- **Energy Transition** – The Ministry of Petroleum & Natural Gas is providing ₹35,000 crore for priority capital investments towards energy transition, net zero objectives, and energy security.

#### PRIORITY #6: YOUTH POWER

The Budget 2023-24 recognised the potential of youths in nation-building. Through the Budget following objectives related to youth are to be met.

- **Launch of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0** – Enhanced version of PMKVY will be launched which will cover educational courses on subjects like AI, 3D printing, robotics, coding, etc. This will empower the youth to develop skills in alignment with the modern and current needs of the various industries.
- **Skill India Digital Platform** – The Skill India Digital platforms will be expanded to include more youth in the digital ecosystem for skilling.
- **Declaration of the National Apprentice Promotion Scheme** – A pan-India National Apprentice Promotion Scheme has been declared which aims to support over 47 lakh youth over the next three years through direct benefit transfer of stipend.
- **Tourism Enhancement** – Selection of 50 destinations to be converted to tourist spots for domestic as well as foreign individuals. They will have physical and virtual connectivity, security measures, tourist guides, high-quality food, etc. all of which can be availed through an app.
- **Creation of Unity Malls** – Creation of Unity Malls in capital cities or tourism hotspots to sell locally made GI (Geographical Indication) Tagged products, ODOPs (one district, one product), and other handmade goods.

#### PRIORITY #7: FINANCIAL SECTOR

The objective of the 7<sup>th</sup> priority is enhancing the national financial sector.

- **Credit Guarantee Scheme for MSMEs** – The Ministry of MSME to revamp the Credit Guarantee Scheme for MSMEs. The ministry will provide extra collateral-free loans of up to ₹2 lakh crore.
- **Creation of a National Financial Information Registry** – A National Financial Information Registry (NFIR) will be created that will act as a repository for financial data. This repository will help to facilitate financial inclusion, stimulate credit flow, and increase the stability of the country's finances.
- **Setting up of the Central Data Processing Centre** – Setting up of the Central Data Processing Centre to enable better and more efficient processing of files and forms in a centralized way under the Companies Act.
- **Securities Market Capacity Building** – To increase the functionaries' and professionals' capacity in the securities market, the National Institute of Securities Markets will have the authority to establish, regulate, uphold, and enforce norms and standards for education, and SEBI will also be able to recognize the granting of degrees, diplomas, and certificates.

- **Integrated IT Portal** – An integrated IT portal to be established to allow investors to claim unpaid dividends and unclaimed shares from the Investor Education and Protection Fund Authority.
- **Mahila Samman Bachat Patra** – Mahila Samman Bachat Patra was introduced as a one-time small savings scheme for women. It is a deposit facility of up to Rs.2 lakhs for a tenure of 2 years with a fixed interest rate of 7.5%.