Union Finance Minister Nirmala Sitharaman has presented the Union Budget 2023 heralded as the first budget in Amrit Kaal. Amrit Kaal – signifies an auspicious time during which new work can be started. It was first used in 2021 during India's 75th anniversary when PM Modi laid down the roadmap for the 25-year-long leadup to India@100. The Union Budget 2023-24 has been heralded as a pro-people and pro-market Budget. The Union Budget outlined the government's plans and policies for the upcoming financial year. It endeavoured to build on the foundation laid in the previous Budget.

The budget emphasized a boost for technology, green growth, infrastructure, and macro-economic stability & facilitating ample tax opportunities for citizens, especially youth with a strong impetus to job creation.

Highlights of the Indian Union Budget 2023-24 include:

1) Revised Direct Tax Regime:

It has introduced much awaited revised tax slab. The Union Budget has introduced a slew of changes in the income tax slabs in the new tax regime. India's salaried class had been waiting for a direct tax regime that is simple and easy to comply.

As per the rebates, an individual need not pay any income tax for compensation up to Rs 7 lakh p.a. in the new tax regime.

2) Surcharge Relief to HNIs:

The surcharge levied as part of income tax for High Net-Worth Individuals with income over Rs.5 crore was previously as high 37%. Now as per the new tax regime, the surcharge is now reduced to 25% which will reduce the effective tax rate to 39% down from 42.74%.

3) Focusing on Infrastructure Development:

There has been a big jump in capex at Rs 10 lakh crore, 33% higher than the budget estimate of Rs 7.5 lakh crore for 2022-23.

The government has allocated Rs. 1.10 lakh crore for infrastructure development, including the development of roads, railways, airports, ports, and highways.

As pointed out by the Finance Minister, Investments in Infrastructure and productive capacity have a large multiplier impact on growth and employment which will help create job opportunities and stimulate the economy.

Additionally, the government has proposed to set up new medical colleges and hospitals to provide better healthcare facilities to the people.

To boost urban infra development, Govt plans to spend Rs 10,000 crore per year. The Government has increased spending to enhance affordable housing through the PM Awas Yojna (estimated spending enhanced by 66% to over 79000 crore)

To further improve regional air connectivity, Government plans to revive 50 additional airports, helipads, water aero drones and advanced landing grounds.

4) Boosting Agriculture and Rural Economy:

The government has given an agri push in this budget announcing various initiatives to

support farmers and rural areas.

The Union Budget 2023-24 has allocated Rs. 2.83 lakh crore for agriculture and rural development, with a focus on increasing farmers' income and creating employment opportunities in rural areas. Centre will spend Rs 2 lakh cr on free food grains for all priority households under PM scheme. The Government through the budget has proposed to set up a new agency to provide credit and other support services to farmers, and a new scheme to provide insurance coverage for farmers. These initiatives are expected to improve the livelihood of farmers and increase food production in the country.

5) Empowering Women:

The budget has allocated Rs. 28,600 crores for various women-centric schemes and programs, including the Pradhan Mantri Mahila Shakti Kendra and the Beti Bachao Beti Padhao initiative.

6) Encouraging Entrepreneurship:

The government has proposed various measures to encourage entrepreneurship, including tax incentives for start-ups and increased access to financing. To facilitate ease of doing business, the government has declared PAN as a common identifier for all digital systems of Government agencies.

7) Boosting Healthcare:

The budget has allocated Rs. 64,180 crores for healthcare, with a focus on increasing the availability of affordable healthcare facilities, especially in rural areas. The government has the mission to eliminate sickle cell anaemia by 2047.

8) Promoting Digitalization:

The budget has allocated Rs. 3,000 crores for promoting digitalization, with a focus on increasing access to digital infrastructure and services. The budget aims to promote digital transactions and boost the country's digital infrastructure. The government has proposed to set up a new institution to provide digital infrastructure and services, and to increase the use of digital payments by providing incentives to merchants.

9) Improving Education:

The government has allocated Rs. 93,224 crores for education, with a focus on improving the quality of education and increasing access to education for all. The Government has plans to set up a National Digital Library for children and adolescents for facilitating the availability of quality books across geographies, languages and genres and levels.

10) Green Growth:

The Union Budget focuses on a 'green growth' strategy, it prioritizes the adoption of green fuel, energy, and building practices to reduce carbon intensity and create new green job opportunities.

Overall, the Union Budget 2023 presents a comprehensive approach to strengthening the country's economy and promoting growth. The budget's emphasis on agriculture, rural development, women empowerment, entrepreneurship, infrastructure, healthcare, and education is commendable. The budget has received a positive response from economists and industry experts, who believe that the initiatives proposed in the budget will help to revitalize the economy and create job opportunities and have a positive impact on the country's growth and development.

Source: Quantum MF