

FINANCE

2023
BUDGET
REPORT





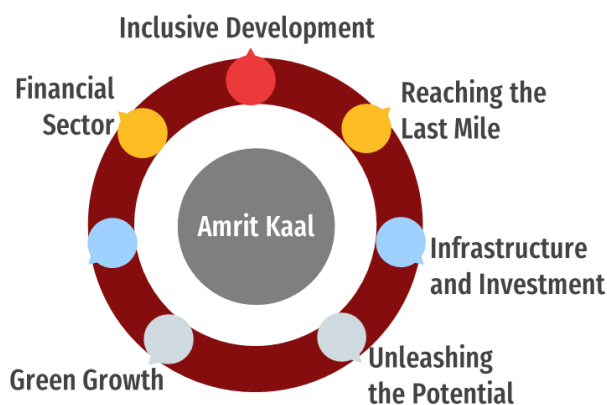
BUDGET OVERVIEW

The current government's final full budget before the next general election in 2024 continued its persistent effort in supporting business friendly, infrastructure focused and revenue augmenting initiatives. It reiterates and gives another push forward to PM Modi's promise to turn the country into a developed nation by the 100th year of independence in 2047.

Factors that have steered and guided the announcements in the latest Union Budget can be listed as below:

- The recovery from the COVID pandemic is complete. The structural changes in the economy carried out in the last few years are now showing results. Revival in private investment and bank credit growth is expected to restore momentum to the economy and mitigate the consequences of a slowing world economy.
- It focuses on driving growth. Effective capital expenditure sees a significant jump to INR 13.7 lakh Cr. – 4.5% of the GDP and the highest jump in the last two decades. Spending on roads, railways, and waterways is where government can facilitate private investment to complement its efforts and reduce logistic bottlenecks.
- India's commitment towards the fight against climate change is sighted multiple times through the focus on Green Growth.
- Inclusive growth is reflected in plans for economic empowerment of women and integrating traditional artisans and craftspeople with the MSME value chain.
- The series of state elections through the current year will culminate in the national elections in April/May 2024. While there is no obvious sense of populism – very normal for a party seeking a third term; in the Union Budget with its focus on development of agricultural, education, healthcare, jobs, urban infrastructure and with sops for the middle class, women and senior citizens hopes to cater to most of its constituency.

The Budget adopts the following seven priorities. They complement each other and act as the '*Saptarishi*' (equivalent to the constellation Ursa Major or the Great Bear) guiding us through the '*Amrit Kaal*' (Amrit Kaal' describes the hope for a better future, where India would be self-reliant and fulfil all of its humanitarian obligations. India's vision for the '*Amrit Kaal*' includes a technology-driven and knowledge-based economy, with strong public finances and a robust financial sector)



This Union Budget clearly continues with the government's economic strategy of previous years. It focuses on growth through capacity building with efficient capital expenditure. MSMEs have received considerable attention in this budget through various initiatives – ease in compliance, credit guarantee, skilled manpower and tax concessions.

India has dovetailed the fight against climate change into its growth strategy. The focus on green growth helps India on its path to achieve its climate commitments. The investment in expanding the digital ecosystem for skilling with the launch of a unified Skill India Digital platform addresses the governments need to tap into young voters and correct the mismatch between available skills and jobs at hand. An initiative on international skilling centres fits into its strategy of including international mobility of talent and mutual recognition of certification in all FTA negotiations.

The Budget also nudges taxpayers to move to the new tax regime, a regime which looks to do away with varied exemptions and rebates.

MAJOR ANNOUNCEMENTS

Seven priorities of the budget *'Saptarishi'* are inclusive development, reaching the last mile, infrastructure, and investment, unleashing the potential, green growth, youth power and financial sector. The vision for the *Amrit Kaal* includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector. To achieve this, *Jan Bhagidari* through *Sabka Saath* will be essential.



AGRICULTURE

- Agriculture Accelerator Fund for agri-startups in rural areas
- Atmanirbhar Clean Plant Program with 2,200 Cr. outlay
- Agri credit increased to 20 lakh Cr.



HEALTH

- Sickle Cell Anaemia mission
- Joint public and private research via select ICMR labs
- Programme to promote research in pharmaceuticals



EDUCATION

- District institutes of Education & Training for Teachers' Training
- National Digi Library for Children & Adolescents
- 740 Eklavya Model Residential Schools for tribal students



SKILL DEVELOPMENT

- Pradhan Mantri Kaushal Vikas Yojna 4.0
- 30 Skill India International Centres
- Unified Skill India Digital platform



INCLUSIVE DEVELOPMENT

- Aspirational Districts & Blocks Programme covering 500 blocks
- 15,000 Cr. for Pradhan Mantri PVTG Development Mission



URBAN DEVELOPMENT

- Urban Infra Development Fund for tier 2 & 3 cities
- Cities will be incentivized to improve their credit worthiness for municipal bonds



INFRASTRUCTURE

- 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived
- Expert committee will review Harmonized Master List of Infra



TRANSPORT

- Capital outlay of 2.40 lakh Cr. provided for Railways
- Promotion of coastal shipping as the energy efficient and lower cost mode



MSME

- Vivad se Vishwas I for less stringent contract execution
- 9,000 Cr for revamped credit-guarantee scheme to MSMEs



TOURISM

- At least 50 destinations will be selected and developed.
- States will be encouraged to set up a Unity Mall



DIGITAL INITIATIVES

- Phase-3 of e-courts with outlay of 7000 Cr.
- Entity DigiLocker for MSMEs, large businesses & trusts
- 100 labs for applications using 5G services



ENERGY

- 35,000 Cr priority investment towards energy transition
- Viability gap funding for 4,000 MWH Battery Storage Systems
- Green Hydrogen Mission



SUSTAINABILITY

- PM PRANAM for promoting alternate fertilizers
- 500 Waste to Wealth plants under GOBARdhan
- 10,000 Bio-input Resource Centre



CAPACITY BUILDING

- iGOT *Karmayogi* platform for capacity building of civil servants
- 3 Centres of Excellence for Artificial Intelligence
- National Data Governance Policy



TAXATION

- Reformed tax regime under direct taxes
- Basic custom duties on all goods reduced from 21% to 13% except agri & textiles

KEY ANNOUNCEMENTS

GIFT IFSC

- Delegating powers under SEZ act to IFSCA
- Single window IT system for registration & approval
- Recognizing offshore derivative instruments
- Permitting acquisition financing of foreign banks

GREEN GROWTH

- Green Credit Programme to incentivize sustainable & responsible actions
- MISHTI initiative for mangrove plantations
- Vehicle replacement policy
- Green Hydrogen Mission with outlay of 19,700 Cr.

GLOBAL HUB - MILLETS

- Setting-up of global hub for millets – *'Shree Anna'*
- Centre of Excellence at Indian Institute of Millet Research, Hyderabad
- Sharing best practices, research & technologies at international levels

CAPITAL INVESTMENTS

- Steep increase in capital investment outlay by 33% to 10 lakh Cr.
- Continuation of 50-year interest free loan to state governments
- Harmonized master list of infrastructure for investments



MINISTRY ALLOCATIONS

The government proposes to spend INR 45,03,097 Cr. in FY 2023-24 which is an increase of 8% over the revised estimate of FY 2022-23. The 'Effective Capital Expenditure' of the Centre is budgeted at INR 13.7 lakh Cr., which will be 4.5% of GDP.





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ENERGY

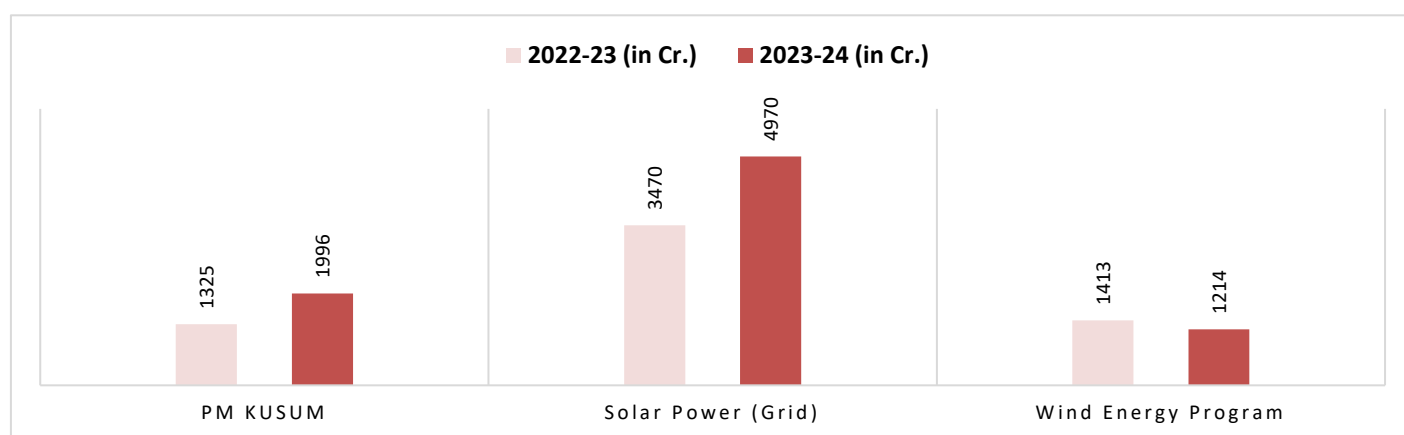
Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of New and Renewable Energy (MNRE)	7,033	10,222	+45
Ministry of Power (MoP)	13,107	20,671	+58

KEY ANNOUNCEMENTS

- Steep increase in total outlay for solar energy from INR 186 Cr. (FY 2022-23) to INR 362 Cr. (FY 2023-24). The allocation towards solar power (off-grid) will service installation of solar streetlights and power packs, and distribution of solar study lamps.
- Outlay for Green Energy Corridor has been doubled from INR 250 Cr. (FY 2022-23) to INR 500 Cr. (FY 2023-24).
- Total expenditure on autonomous bodies including National institutes of Wind, Solar and Bio Energy increased from INR 45 Cr. (FY 2022-23) to INR 54 Cr. (FY 2023-24). This will go towards research and development in these sectors.
- To steer the economy on the sustainable development path, Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding. The objective is to develop a financially viable grid-scale, long duration energy storage system and to enable deployment of renewable energy and energy storage services.
- Under the Scheme for Promoting Energy Efficiency activities, MoP will provide INR 104 Cr. to Bureau of Energy Efficiency for such initiatives in demand side management in agriculture, SMEs and large industries, capacity building of DISCOMS.

FLAGSHIP SCHEMES

- The new National Green Hydrogen Mission received an outlay of INR 297 Cr. taking the total outlay to INR 19,700 Cr. Annual production of 5 MMT is targeted under this Mission by 2030 to facilitate transition of the economy to low carbon intensity and to reduce dependence on fossil fuel imports.
- The National Bioenergy Program that was notified by MNRE in November 2022 has received an outlay of INR 382 Cr. It will comprise the following sub-schemes: waste to energy, biomass, and biogas programs.



COMMENTS

India has been consistently advocating for green growth and leading by example with its ambitious Nationally Determined Contributions and Net-Zero by 2070 targets. This Union Budget will catalyse energy transition with its focus on green energy including major new programs on bioenergy, hydrogen, battery energy storage systems and policies for efficient use of energy across various sectors of the economy. The budgetary allocations also reflect the government's continuing focus on solar power: India's advantage within the umbrella of renewable energy. The Union Budget 2023-24 is a growth-oriented one which includes innovative policies, sufficient allocations, and support from the government in terms of viability gap funding.



ENVIRONMENT & SUSTAINABILITY

Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease
(% over RE)

Ministry of Environment, Forests and Climate Change (MoEFCC)

2,478

3,079

+24

Department of Science and Technology (DST)

4,905

7,931

+62



KEY ANNOUNCEMENTS

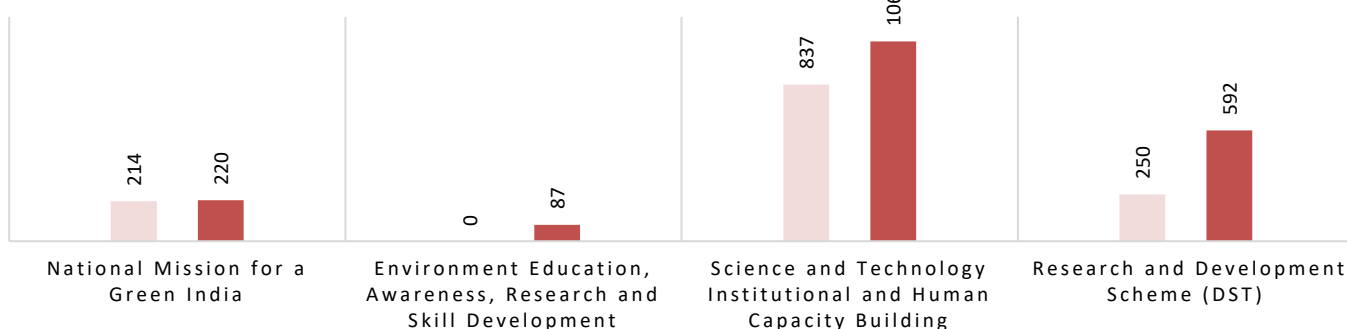
- Green credit program will be notified under the Environment Protection Act, 1986 to incentivize environmentally sustainable and responsible actions by companies.
- An initiative MISHTI (Mangrove Initiative for Shoreline Habitats & Tangible Incomes) will be taken up for mangrove plantations along the coastline.
- The Government plans to promote conservation values through Amrit Dharohar scheme to encourage the optimal use of wetlands, enhance biodiversity, carbon stock, and eco-tourism opportunities.
- The government plans to open three Centers of Excellence for Artificial Intelligence which will conduct interdisciplinary research and develop applications for agriculture, health, and smart cities.
- A Central Data Processing Centre will be launched to facilitate faster responses to companies under the Companies Act, 2013.



FLAGSHIP SCHEMES

- The new Environment Education, Awareness, Research and Skill Development, received an outlay of INR 87 Cr.
- Outlay for the National Mission for a Green India: To increase forest cover and to protect the existing forest land saw a nominal increase of 3%.
- The National Research Foundation received an outlay of INR 2,000 Cr.

2022-23 (in Cr.) 2023-24 (in Cr.)



COMMENTS

Following India's COP27 commitments and the prime minister's vision for Lifestyle for Environment (LiFE), to spur a movement of environmentally conscious lifestyle, India is well placed to move towards the *Panchamrit* goals and net-zero carbon emission by 2070. The inclusion of green growth, which encompasses green fuel, green energy, green farming, green mobility, green buildings, and green equipment, and policies for efficient use of energy across various economic sectors, is encouraging.

All central sector schemes run by DST have seen a significant increase in their allocations. As the government has realised its success with certain digital platforms and the potential they bring, this Union Budget invests heavily in the department.



PETROLEUM, COAL & MINES

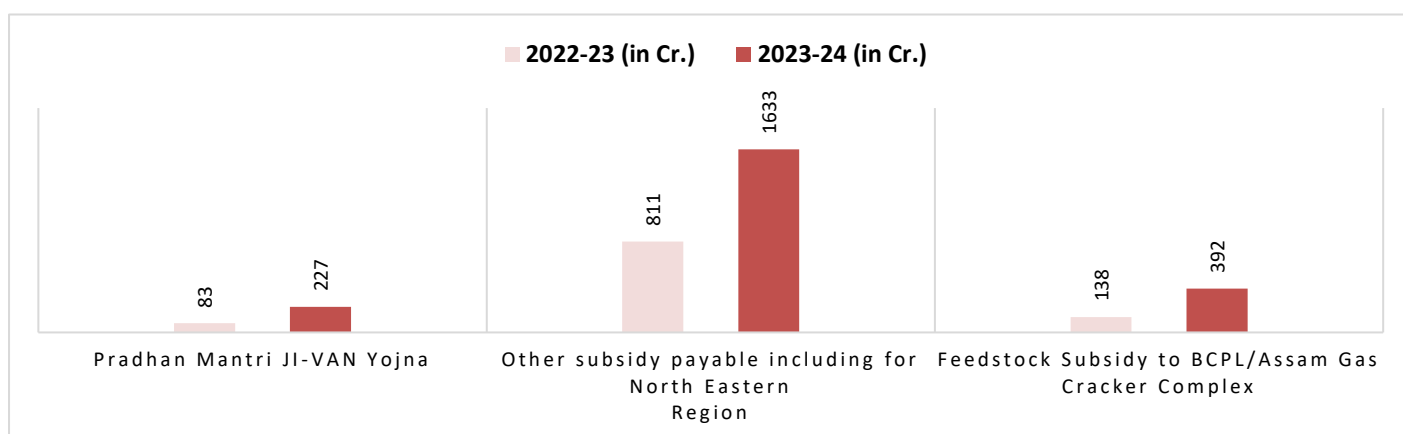
Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Petroleum & Natural Gas	33,884	41,008	+21
Ministry of Coal	118	192	+63
Ministry of Mines	1,690	1,912	+13

KEY ANNOUNCEMENTS

- 100 critical transport infrastructure projects, for last and first mile connectivity for various sectors including coal have been identified and will receive priority investment worth INR 75,000 Cr., including INR 15,000 Cr. from private sources.
- An exemption on basic duty on ethyl alcohol is proposed which will support Ethanol blending program and facilitate government's endeavor for energy transition.
- All cities and towns to be enabled for 100% mechanical desludging of septic tanks and sewers, to transition from manhole to machine-hole mode with enhanced focus on scientific management of dry and wet waste.
- An exemption on Basic Customs Duty on raw materials has been proposed for the manufacture of CRGO Steel, ferrous scrap, and nickel cathode.
- A concessional Basic Customs Duty of 2.5% has been retained to ensure availability of raw materials for secondary copper producers in the MSME sector.

FLAGSHIP SCHEMES

- The *Pradhan Mantri JI-VAN Yojna* provides financial support for setting up of Integrated Bioethanol projects based on lignocellulosic biomass and other renewable feedstock, and its outlay has increased by 173%.



COMMENTS

The Union Budget provides a push for the energy transition agenda and net-zero ambitions of the current government. The government has made significant allocation of INR 35,000 Cr. towards this goal. There is a focus on the ethanol blending program through a significant increase in the allocation for the *JI-VAN yojana*. The introduction and increased usage plans of research and technology at various levels is a welcome step as it can potentially assist in reducing the heavy imports in this sector.

STEEL & HEAVY INDUSTRIES



Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease (%
over RE)

Ministry of Steel	58	70	+22
Ministry of Heavy Industries	3,220	6,172	+92

KEY ANNOUNCEMENTS

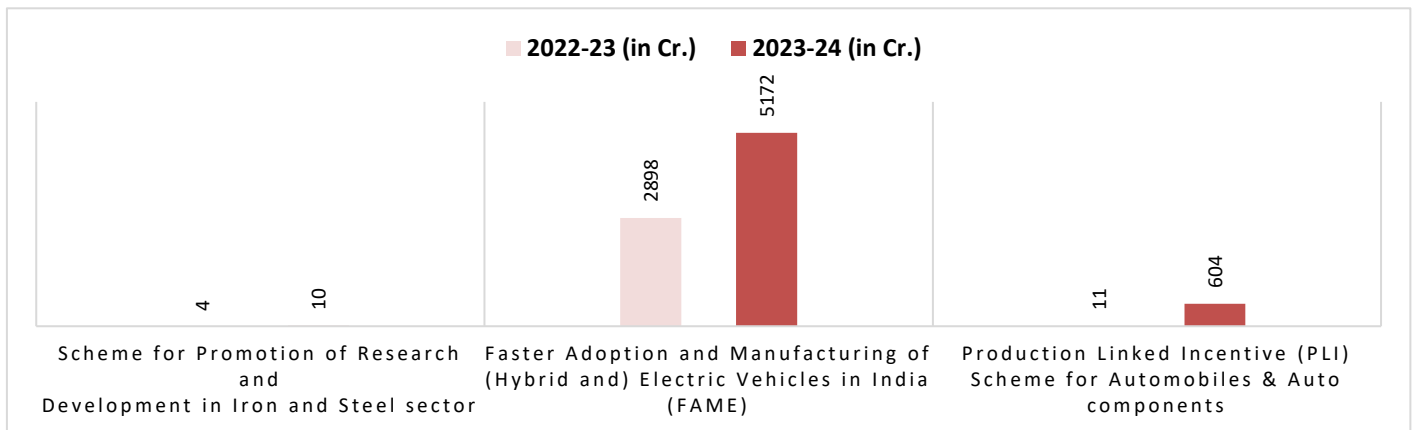
- Exemption from Basic Custom Duty on raw materials for the steel sector, specifically for the manufacture of CRGO Steel, ferrous scrap and nickel cathode is extended.
- 100 critical transport infrastructure projects, for last and first mile connectivity for various sectors including steel have been identified and will receive priority investment worth INR 75,000 Cr., including INR 15,000 Cr. from private sources.
- Customs Duty exemption extended to capital goods and machinery required for manufacturing of lithium-ion cells for electric vehicles.
- Custom Duty Concession on lithium-ion battery extended.



FLAGSHIP SCHEMES

- The Scheme for Promotion of Research and Development in the Iron and Steel Sector has seen a significant increase in its outlay.
- The funding for FAME II Scheme has been doubled. As of now, this scheme is set to expire in 2024.
- Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components has been increased substantially. However, the PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage has only seen a marginal increase of INR 10 lakh.

SCHEMES' ANALYSIS



COMMENTS

The steel sector is expected to benefit from various proposals made in the Union Budget. The domestic demand for steel will be higher due to the massive capex outlay including that announced for Indian Railways, for new airports and additional infrastructure. Improved connectivity and road infrastructure is set to provide the steel industry with efficient logistics solutions.

Green growth has been made one of the 7 major priorities under the Union Budget. There are various pro-EV initiatives such as the exemption of custom duties capital good required for manufacturing of Li-ion cells. Further, proposals related to scrapping of old vehicles which supplement the increase in demand.

AGRICULTURE & FERTILIZERS



Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease (%)
over RE

Department of Agriculture and Farmers Welfare

1,10,255

1,15,532

+5

Department of Fertilizers

2,25,262

1,75,148

-22

KEY ANNOUNCEMENTS

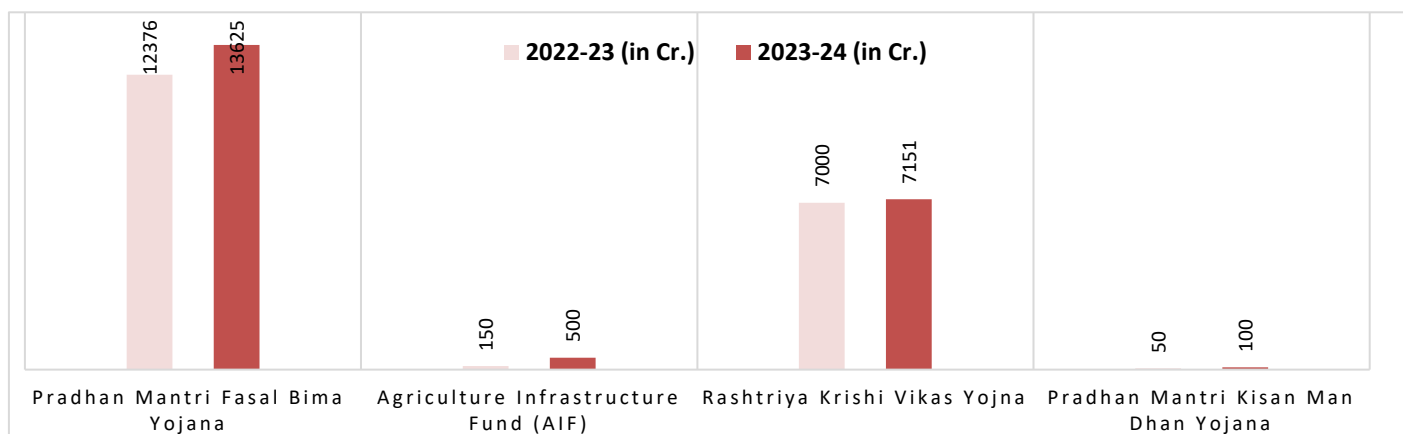
- Agriculture's digital public infrastructure to be built as an open source, open standard, and interoperable public good.
- Agriculture Accelerator Fund to be set-up to encourage agree-startups by young entrepreneurs in rural areas.
- Atmanirbhar Clean Plant Program to boost availability of disease-free, quality planting material for high value horticultural crops at an outlay of INR 2,200 Cr.
- Indian Institute of Millet Research, Hyderabad, declared as the Centre of Excellence for sharing best practices, research at the international level.
- INR 2,00,000 Cr. allocated to *PM Garib Kalyan Ann Yojana*.
- The PM Program for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" (PRANAM) is launched to encourage the States and Union Territories to promote the use of alternate fertilizers and balanced use of chemical fertilizers.
- 10,000 *Bhartiya Prakriti Kheti Bio-Input Resource Centers* are proposed to create a micro fertilizer and pesticides manufacturing network at a national level.
- There is a 9% increase in the Direct Benefit Transfer for fertilizer subsidy payment projects for ensuring adequate availability of fertilizers to the farmers.



FLAGSHIP SCHEMES

- The new sub-scheme under PM Matsya Sampada Yojana for fisheries received an outlay of INR 6,000 Cr.
- The new National Mission on Natural Farming received an outlay of INR 459 Cr.
- Allocation of INR 800 Cr. for distribution of pulses to State/Union Territories under various welfare schemes.
- Overall, there is a decrease in the fertilizer subsidy with 15% decrease in the Urea Subsidy Scheme and 38% in Nutrient based subsidy.

SCHEMES' ANALYSIS



COMMENTS

Primary focus has been given to providing digital public infrastructure for agriculture, providing financial support and cooperation to farmers, and setting up the Agri Accelerator Fund to uplift the farmer community and promote entrepreneurship. The agriculture credit target has been increased and an additional focus has been directed towards animal husbandry, dairy and fisheries. The foremost emphasis is given to natural farming, improving food security through the popularisation of millets. *PM Matsya Sampada Yojana* is expected to enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.

With PRANAM, the union government intends to promote the use of alternate fertilizers which has ultimately resulted in a decrease in the nutrient-based subsidy allocation.

HEALTH



Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease (%
over RE)

Department of Health and Family Welfare

76,370

86,175

+13

Ministry of AYUSH

2,846

3,648

+28

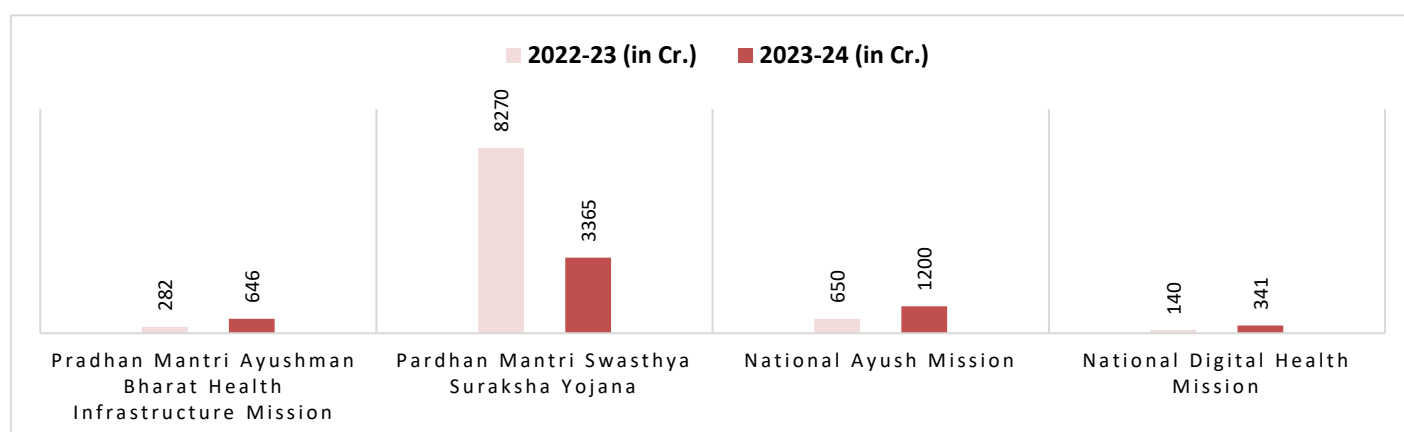
KEY ANNOUNCEMENTS

- A mission to eliminate sickle cell anemia by 2047 has been launched. It will involve universal screening of 7 crore people aged 0 to 40 years in affected tribal areas, awareness creation and counselling through collaborative efforts of union ministries and state governments.
- Facilities in select Indian Council of Medical Research labs will be made available for research by public, private medical college faculties and private sector research and development teams.
- 157 new nursing colleges will be established in the core locations of 157 existing medical colleges opened in 2014.
- Leading industry players will collaborate to perform interdisciplinary research, create cutting edge apps, and find scalable solutions to issues in the fields of health, sustainable cities and agriculture.
- 3 Centres of Excellence of Artificial Intelligence to be set up in top educational institutes where leading industry players will collaborate to engage in interdisciplinary research, create cutting edge applications and scalable problem solutions in the field of health, agriculture and sustainable systems.

FLAGSHIP SCHEMES

- The outlay for National Health Mission is almost unchanged.
- The outlay for Establishment of National Centre for Disease Control Branches and Inter-sectoral Coordination of Zoonotic Diseases including Antimicrobial Resistance has increased by 6%.
- Under the National AIDS and STD Control Program, the outlay for Blood Transfusion Service has increased by about 7%.
- INR 2 Cr. has been allocated for National/State Blood Transfusion Council.

SCHEMES' ANALYSIS



COMMENTS

The increased emphasis on healthcare research is well received as it will enable the country to future proof health systems against new and unknown diseases. Access to ICMR labs and other research and development facilities, encouragement of private sector investment, multi-disciplinary training for research and development of high quality medical devices and other similar initiatives all bode well for the overall universal access and quality of healthcare in India. The establishment of centres of excellence for artificial intelligence in sectors like health will ensure that the country begins developing technology based solutions domestically. This is probably going to have a big impact on diagnostics, cutting down on turnaround time and generally lowering the cost of providing predictive and precision healthcare.



PHARMACEUTICALS

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Pharmaceuticals (DoP)	2,269	3,160	+39
Department of Biotechnology (DBT)	2,193	2,684	+22

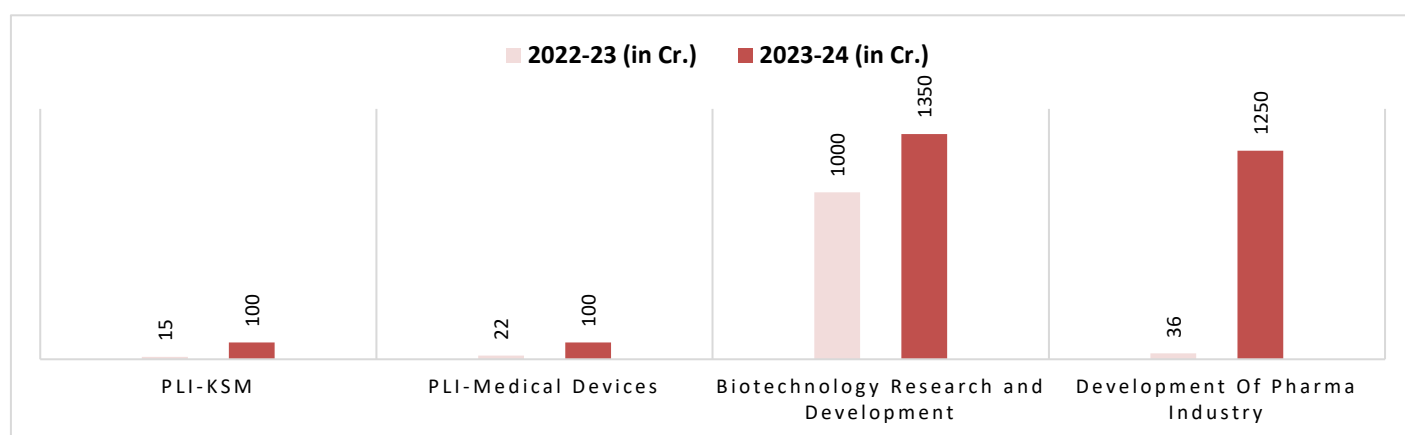
KEY ANNOUNCEMENTS

- A new program to promote research and innovation in pharmaceuticals will be launched through centers of excellence. The industry is also encouraged to invest in research and development in specific priority areas.
- 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. This is in line with the government's other budgetary commitments to upskill and educate the aspiring class.
- 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.

FLAGSHIP SCHEMES

- The outlay for the Industrial and Entrepreneurship Development scheme has seen an increase of 20%.
- The Production Linked Incentive (PLI) Scheme for KSM's and API's has been raised by 584% and the PLI scheme for Domestic Manufacturing of Medical Devices has been increased by 364%.
- The overall outlay for the Development of Pharmaceutical Industry has been substantially hiked.

SCHEMES' ANALYSIS



COMMENTS

From a miniscule budgetary allocation in FY 2022-23 to the proposed INR 1,250 Cr. in FY 2023-24 for the Development of Pharmaceutical Industry, the government seems to want to court foreign and domestic private investment in the sector. The governments desires to utilise the comfortable position India enjoys in the global pharmaceutical market to eventually dominate the sector worldwide.

The government has infused more money into the Biotechnology Research and Development scheme and the Biotechnology Industry Research Assistance Council, giving us an insight into the fact that innovation and research are the priorities for the government.



EDUCATION & SKILL DEVELOPMENT

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Education, Department of School Education	59,053	68,805	+16
Ministry of Education, Department of Higher Education	40,828	44,095	+8
Ministry of Skill Development and Entrepreneurship	1,902	3,517	+85



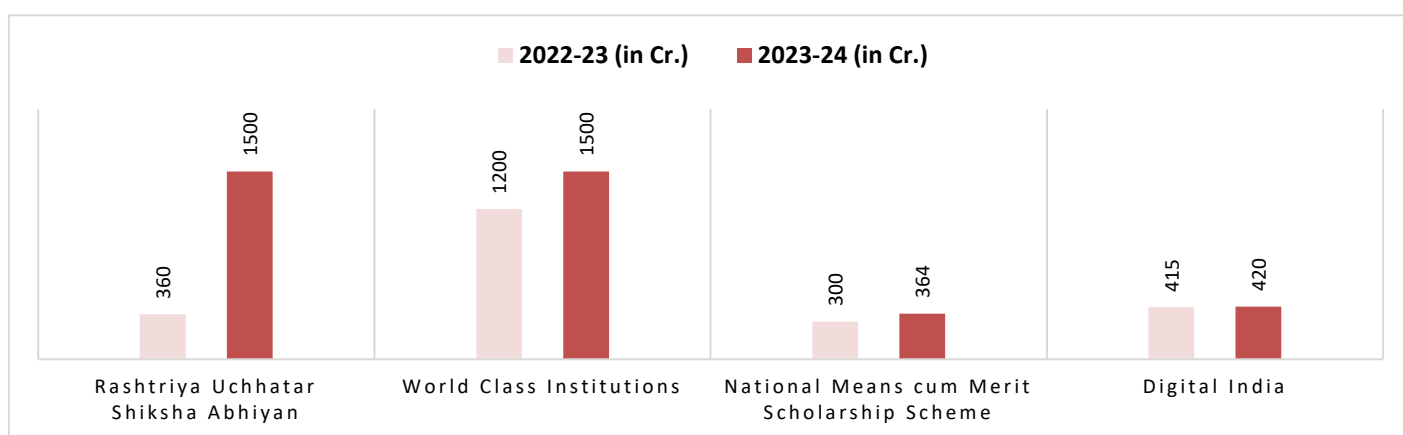
KEY ANNOUNCEMENTS

- District Institutes of Education and Training to be developed for teachers.
- A National Digital Library for Children and Adolescents to be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility.
- States to set up physical libraries at panchayat and ward levels.
- Three centres of excellence for Artificial Intelligence to be set-up in top educational institutions to realise the vision of "Make AI in India".
- Securities and Exchange Board of India to be empowered to develop and regulate norms for National Institute of Securities Markets education and to recognize award of degrees, diplomas and certificates.
- *Pradhan Mantri Kausal Vikas Yojana (PMKVY) 4.0* will be launched to skill lakhs of youth within the next 3 years. On job training, industry partnership and alignment of courses with needs of industry will be emphasised.



FLAGSHIP SCHEMES

- *Samagra Shiksha*, an overarching program which subsumes three schemes: *Sarva Shiksha Abhiyan*, *Rashtriya Madhyamik Shiksha Abhiyan* and *Teacher Education*, saw a 16% increase in its budget allocation, receiving INR 37,453 Cr. for FY 2023-24.
- The PM POSHAN (*Pradhan Mantri Poshan Shakti Nirman*) scheme, which succeeded the Mid-Day Meal Scheme in 2021, received an allocation of INR 11,600 Cr., a 10% decrease from FY 2022-23.



COMMENTS

The Ministry of Education received its highest ever budget allocation till date. With the pandemic crippling the usual mediums of education, a revamp was expected in this sector. The education budget emphasises on the strengthening of digital infrastructure and deeper proliferation of the same, especially in rural areas. Other agendas include increasing literacy among children in an organic manner and building an ecosystem that equips youth with the right skills for the job market.

The Ministry of Skill Development and Entrepreneurship saw a staggering increase of 85% in its budget allocation for FY 2023-24. Underlining the importance of aligning the youth of the country with the fast-evolving industrial world, the fourth phase of PMKVY was launched with a focus on technical and digital upskilling. The plan to set up 30 Skill India International Centres will promote India's objectives of international mobility of talent.



SOCIAL WELFARE

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Social Justice and Empowerment	12,676	14,072	+11
Ministry of Rural Development	1,81,122	1,57,545	-13

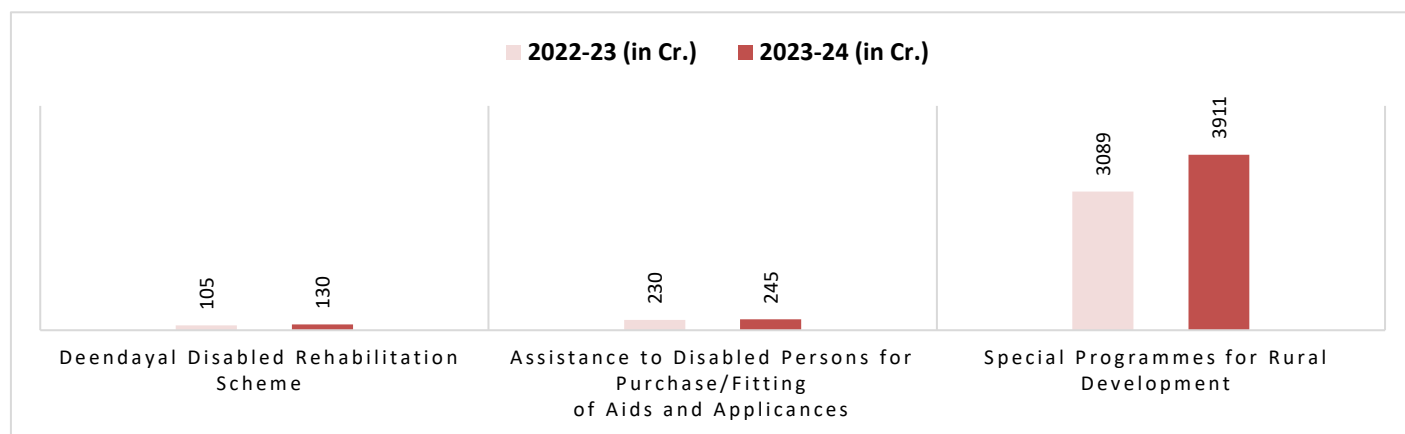
KEY ANNOUNCEMENTS

- Centre to recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students over the next three years.
- INR 15,000 Cr. for implementation of Pradhan Mantri PVTG Development Mission over the next three years under the Development Action Plan for the Scheduled Tribes.
- The Mahatma Gandhi National Rural Employment Guarantee Program saw an allocation of INR 60,000 Cr. which is 33% lesser than the RE of FY 2022-23.

FLAGSHIP SCHEMES

- Management Support to Rural Development Programs and Strengthening of District Planning Process – INR 113 Cr.
- Indira Gandhi National Disability Pension Scheme (IGNDPS) – INR 290 Cr.
- National Rural Livelihood Mission - NRLM-EAP Component – INR 3272 Cr.
- Scholarship for Students with Disabilities – INR 155 Cr.
- Scheme for implementation of Persons with Disability Act – INR 150 Cr.

SCHEMES' ANALYSIS



COMMENTS

The Union Budget allocation for Deendayal Disabled Rehabilitation Scheme implemented through Voluntary Organisations is for projects for rehabilitation of persons with disabilities through education, training and other allied activities has significantly increased by 24%.

National Social Assistance Programme gets a boost in the budget; some of the major features under this programme include the Annapurna Scheme, under which 10 kg of food grains per month are provided free of cost to those senior citizens who, though eligible under IGNOAPS, are not receiving pension under IGNOAPS, and, a social assistance programme for poor households - for the aged, widows, disabled and in the case of death of the breadwinner, thereby aiming at ensuring minimum national standards in addition to the benefits that the States are providing or might provide in future.

WOMEN AND CHILD DEVELOPMENT



Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease (%
over RE)

Ministry of Women and Child Development (MoWCD)

23,913

25,449

+6

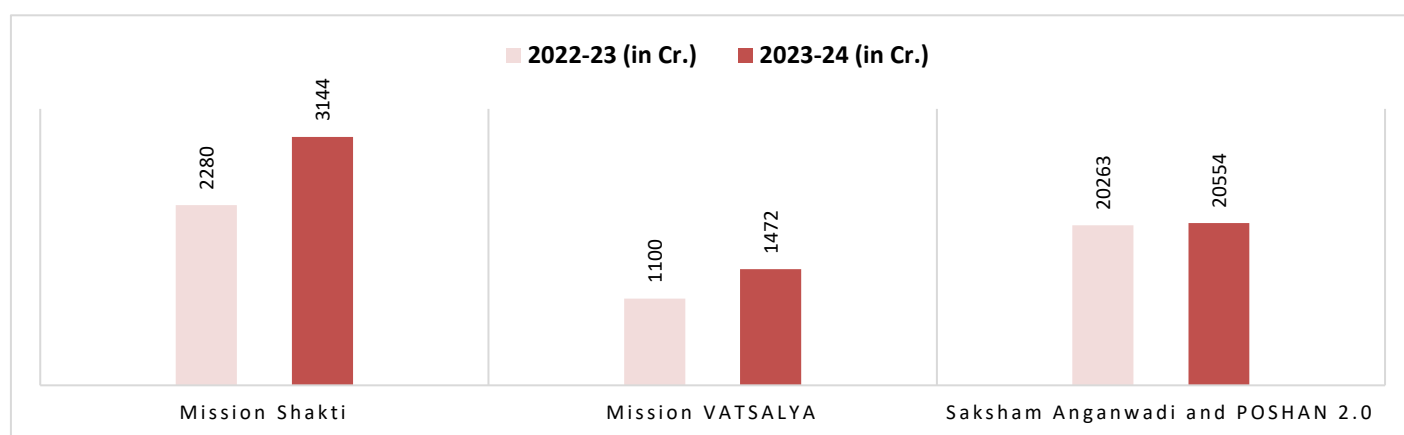
KEY ANNOUNCEMENTS

- The finance minister recognized the success of the creation of around 81 lakh Self Help Groups under the government-led flagship schemes enabling rural women to reach the next stage of economic empowerment.
- The government launched a new one-time small savings scheme for women - *Mahila Sammaan Bachat Patra*. It will be made available for a two-year period up to March 2025. This will offer a deposit facility of up to INR 2,00,000 with an interest rate of 7.5% with partial withdrawal allowed.
- PM *Vishwakarma KAushal Samman*, a package of assistance for traditional artisans and craftspeople communities, including women, has been conceptualized under a new scheme. This would enable them to improve the quality, scale, and reach of their products, integrating them with the MSME value chain.

FLAGSHIP SCHEMES

- The government revamped the 3 flagship schemes of the Ministry of Women & Child Development.
- 69% increase in budget allocation to SAMBAL scheme on safety of women (*Beti Bachao, Beti Padhao*, One Stop Centres, *Nari Adalat*, etc).
- 33% increase in budget allocation to *SAMARTHYA* scheme focusing on women empowerment (*Shakti Sadan, Shakti Niwas, Palna, Pradhan Mantri Matru Vandana Yojana, National Hub of Empowerment* etc).

SCHEMES' ANALYSIS



COMMENTS

Aligned with the government's commitment to inclusive women-led development, the Budget 2023 focused on taking steps to empower women economically. Overall, there has been a marginal increase in the budget of the MoWCD, with an average increase of about 30–40% in the budget allocation under the three flagship schemes. The Finance Minister laid out the government's vision for enabling women in the next stage of economic empowerment through various schemes supporting their participation in agricultural and MSME value chains, accessible raw materials, and capacity building on quality, branding, and marketing of products. The new scheme is a welcome step for ensuring the financial welfare and stability of women, allowing them to take risks, enter the workforce, and contribute to India's economy.

LABOUR & EMPLOYMENT



Ministry/ Department

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease (%
over RE)

Ministry of Labour & Employment

16,118

13,222

-18

Ministry of Micro, Small and Medium Enterprises (MSME)

15,629

22,138

+42

KEY ANNOUNCEMENTS

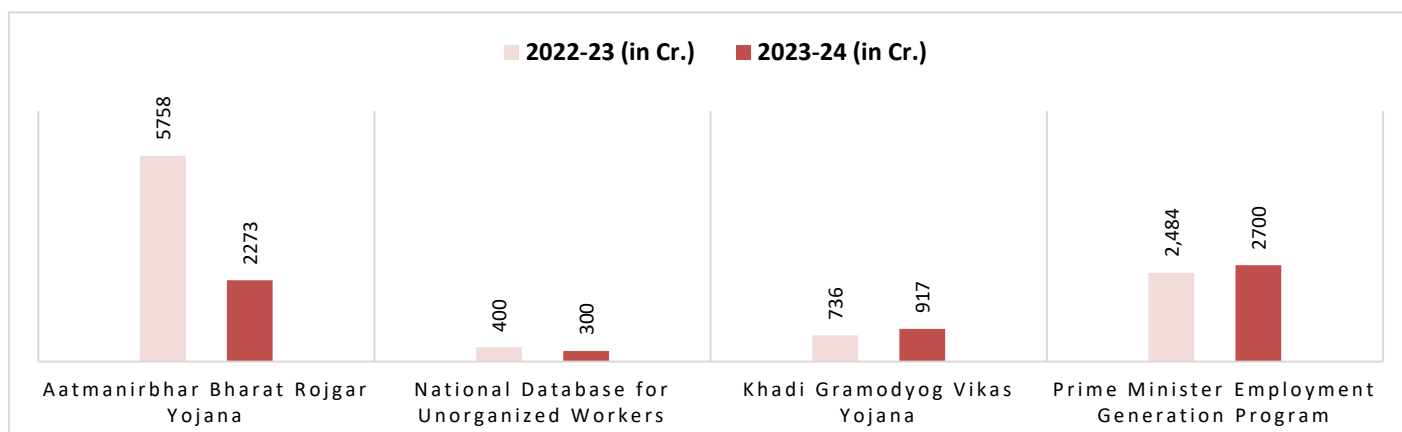
- Credit Guarantee Scheme for MSMEs will be extended with an infusion of INR 9,000 Cr.
- 95% of the forfeited amount relating to bid or performance security will be returned to MSMEs under *Vivad se Vishwas* scheme, in cases where the MSME's failed to execute contracts during Covid period.
- A unified Skill India Digital platform to be launched for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes.
- Deduction for expenditure incurred on payments made to MSMEs to be allowed only when payment is made in order to support MSMEs in timely receipt of payments.
- Entity DigiLocker to be setup for use by MSMEs, large business and charitable trusts to store and share documents online securely.



FLAGSHIP SCHEMES

- The outlay for the National Child Labour Project has been reduced to INR 20 Cr. in FY 2023-24 from INR 30 Cr. in FY 2022-23.
- The outlay for *Pradhan Mantri Shram Yogi Maandhan* remains unchanged.
- The Guarantee Emergency Credit Line facility to eligible MSME borrowers has been increased by 26%.
- The Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) has seen a significant increase in allocation, amounting to an increase of 81%.

SCHEMES' ANALYSIS



COMMENTS

The economy has become a lot more formalised as reflected in the Employees' Provident Fund Organisation membership more than doubling to INR 27 Cr. The government has proposed to spend a record INR 22,138 Cr. on allocations aimed at MSME in the budget, giving a boost to the employment in the country. The revamped credit guarantee scheme is expected to enable additional collateral free guaranteed credit of INR 2,00,000 Cr. and reduce cost of credit by 1%. The outlay of Emergency Credit Linked Guarantee Scheme has been increased in the hope that it would offset the impact of the pandemic on the units through robust credit disbursements.



TRANSPORT & URBAN DEVELOPMENT

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Road, Transport and Highways (MoRTH)	2,17,026	2,70,435	+20
Ministry of Housing and Urban Affairs (MoHUA)	74,546	76,432	+3
Ministry of Ports, Shipping and Waterways	2,248	2,729	+21

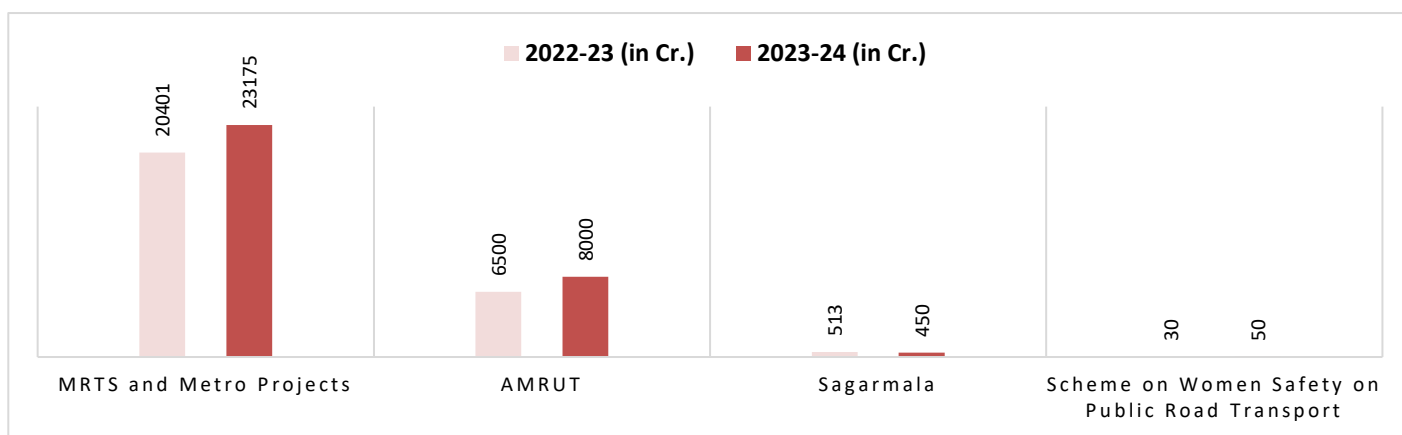
KEY ANNOUNCEMENTS

- 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. They will be taken up on priority with investment of INR 75,000 Cr., including INR 15,000 Cr. from private sources.
- The government will set up an INR 10,000 Cr. per year Urban Infrastructure Development Fund through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- The allocation for *Pradhan Mantri Awas Yojana* has been increased by 66% for both Rural and Urban Development.
- As part of the Green Growth initiative, coastal shipping will be promoted as an energy efficient and lower cost mode of transport for both passengers and freight, through public private partnership (PPP) mode with viability gap funding.

FLAGSHIP SCHEMES

- Bharatmala Pariyojana:** envisages development of approximately 26,000 km length of economic corridors, along with development of ring roads/bypasses and elevated corridors.
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT):** Aims to ensure supply of water and sewage connections and maintaining public amenities.
- Sagarmala:** An initiative to enhance the performance of India's logistics sector through port-led development.

SCHEMES' ANALYSIS



COMMENTS

The Ministry of Road Transport and Highways of India is constructing expressways under the Modi government's ambitious PM *Gati Shakti* Master Plan. The Union Budget has envisioned an expansion of 25,000 km in the highways network in FY 2023-24. Outlay for PM *Awas Yojana* is being enhanced by 66% to over INR 79,000 Cr. There is also an encouragement to states and cities to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow' - this is an initiative to increase efficiency for the use of land resources, provide adequate resources for urban infrastructure, bring in transit-oriented development, enhance availability and affordability of urban land, and increase opportunities for all. The government is also looking to harness India's coastline and navigable waterways to boost logistics competitiveness.



TOURISM & CULTURE

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Ministry of Tourism	1,343	2,400	+79%
Ministry of Culture	3,363	3,400	+1%

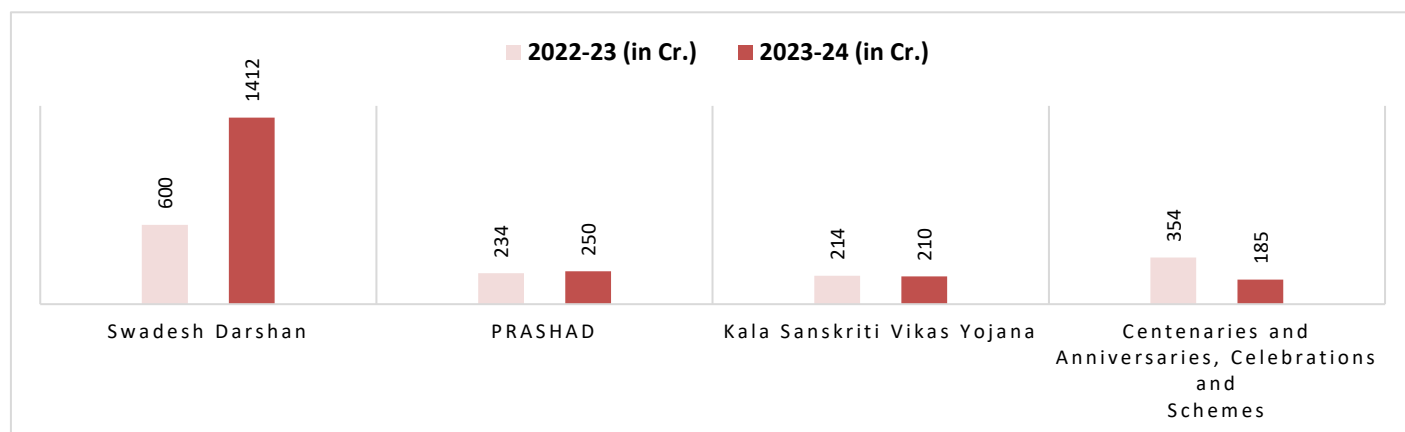
KEY ANNOUNCEMENTS

- The government will take up promotion of tourism on mission mode, with active participation of states, convergence of government programs, and public-private partnerships.
- At least 50 destinations will be selected through challenge mode. These will be developed as complete packages for domestic and foreign tourists, with a focus on enhancing physical connectivity, virtual connectivity, tourist guides, food standards, and tourists' security.
- To enhance tourist experience, an app will be launched in which all relevant aspects of tourist destinations would be made available.
- Sector specific skilling and entrepreneurship development will be done in tandem to strengthen domestic tourism and achieve the objectives of the *Dekho Apna Desh* initiative.
- To encourage tourism in the border villages, tourism infrastructure and amenities will be facilitated under the Vibrant Villages program.
- States will be encouraged to set up a Unity Mall in their state capital (or tourism center or financial capital) for promotion and sale of ODOP (one district, one product), GI, and other handicraft products.

FLAGSHIP SCHEMES

- *Swadesh Darshan*: Aims to develop theme-based tourist circuits (currently 13) to enrich tourist experience and enhance employment opportunities.
- Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive (PRASHAD): Aims to identify and develop pilgrimage and heritage tourist destinations.
- Safe Tourist Destination for Women: Aims to provide women friendly environment in and around tourist destinations.
- *Kala Sanskriti Vikas Yojna*: Umbrella scheme for the promotion of art and culture.

SCHEMES' ANALYSIS



COMMENTS

The finance minister identified tourism as one of the four opportunities that can be 'transformative' during *Amrit Kaal*. After the sharp decline in tourist activity during the COVID-19 pandemic, the government is looking to revive domestic and inbound tourism. It aims to tap into the sector's potential to create jobs and entrepreneurship opportunities, especially for the youth. There appears to be a strong focus on boosting hospitality standards and creating carrying capacity in rural areas, as reflected by the sharp rise in the Swadesh Darshan allocation. Promoting inbound tourism also appears to be a priority.



COMMERCE

Ministry/ Department	FY 22-23 (RE) (INR Cr.)	FY 23-24 (BE) (INR Cr.)	Increase/ Decrease (% over RE)
Department of Commerce	6,456	5,254	-19
Department of Promotion of Industry and Internal Trade	6,725	8,201	+22

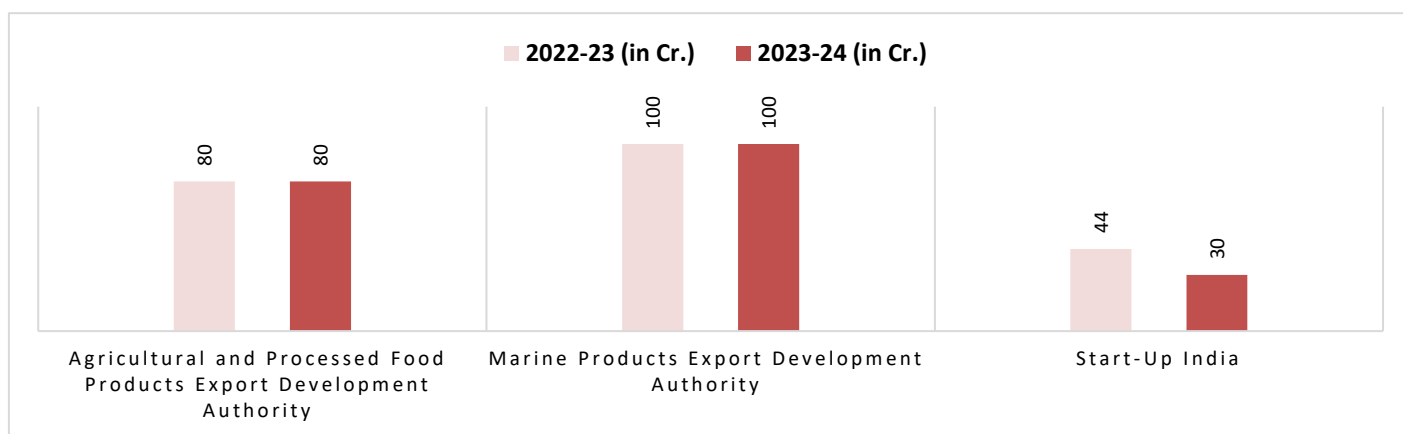
KEY ANNOUNCEMENTS

- Amendments are made in section 10 and section 122 of the CGST Act to enable unregistered suppliers and composition taxpayers to make intra-state supply of goods through ECommerce Operators (ECOs).
- The allocation for the Trade Infrastructure for Export Scheme remains consistent with INR 71 Cr.
- With respect to the Export Promotion Scheme, there is a 25% increase in the budget allocation for its Market Access Initiative. Further, the Centre for Research on International Trade is allocated INR 41 Cr.
- As a part of the Make in India, there is a 32% decrease in the funds allocated for start-ups, however, to incentivise them, the date of incorporation for income tax benefits has been extended from March 31, 2023 to March 31, 2024.
- The *Jan Vishwas* Bill has been introduced to amend 42 Central Acts along with decriminalizing 34,000 legal provisions. Further, 39,000 compliances have been reduced for the ease of doing business.

FLAGSHIP SCHEMES

- The Make in India scheme has been allocated INR 2,180 Cr; an increase of around 36% over RE of FY 2022-23.
- Marine Products Export Development Authority (MPEDA): To promote the marine products industry with special reference to exports from the country. The fund allocation for APEDA is consistent with INR 100 Cr.
- Agricultural and Processed Food Products Export Development Authority (APEDA) is given a budget allocation of INR 80 Cr. with no change from previous year.

SCHEMES' ANALYSIS



COMMENTS

India's focus on consistently improving the country's business environment and implementing innovative measures to boost manufacturing and investments in the country presents game-changing opportunities for domestic businesses, multinational companies, and the government. The Make in India campaigns is one such important scheme which has seen a 36% increase in budgetary allocation.



DIGITAL ECONOMY

Ministry/ Department/ Major Programs

FY 22-23 (RE)
(INR Cr.)

FY 23-24 (BE)
(INR Cr.)

Increase/ Decrease
(% over RE)

Ministry of Electronics & Information Technology

11,720

16,549

+41

Department of Telecommunications

81,821

97,579

+19

KEY ANNOUNCEMENTS

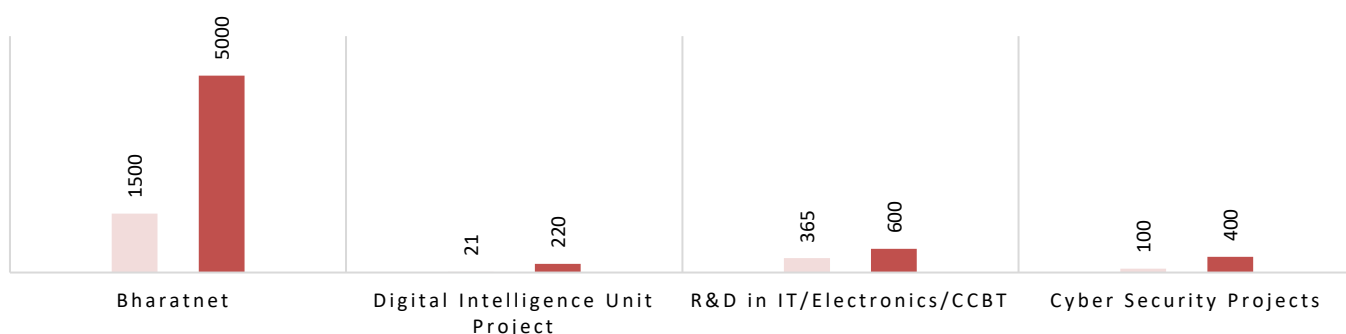
- National Data Governance Policy will be announced for ensuring non-personal data and anonymized data from both government and private entities are safely accessible by research and innovation eco-system.
- To further deepen domestic value addition in the manufacture of mobile phones, it is proposed to provide relief in customs duty on import of certain parts and inputs like camera lens and continue the concessional duty on lithium-ion cells for batteries for another year. Further, it is proposed to reduce the basic customs duty on parts of open cells of TV panels to 2.5%.
- For realizing the vision of "Make AI in India and Make AI work for India", three centres of excellence for AI will be set up in top educational institutions. Leading industry players can partner in conducting interdisciplinary research, develop cutting-edge applications and scalable problem solutions in the areas of agriculture, health, and sustainable cities.
- 100 labs for developing applications using 5G services will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential. The labs will cover, among others, applications such as smart classrooms, precision farming, intelligent transport systems, and health care applications.



FLAGSHIP SCHEMES

- The expenditure on Digital India Program has been reduced from INR 7,604 Cr. to INR 4,795 Cr.
- The expenditure on Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has increased from INR 200 Cr to INR 3,000 Cr.
- Capital expenditure for Telecom Computer Emergency Response Team (T-Cert) has increased from INR 111 Cr. to INR 351 Cr.
- Production linked incentive scheme which includes large-scale electronic manufacturing and IT hardware has been allocated INR 4,645 Cr.

2022-23 (in Cr.) 2023-24 (in Cr.)



COMMENTS

The Government's focus is on technology-led governance through re-architecting and diversifying innovation and technology ecosystem to take forward India's Techade goal. The budget further reinforces four pillars of the technology sector i.e., domestic manufacturing, leveraging emerging technology, building last-mile digital connectivity, and creating a data-driven economy. The upcoming laws and policies such as the Telecom Bill, Digital Personal Data Protection Bill, Digital India Bill, and National Data Governance Framework will be important to ensure the seamless integration of the pillars. It is evident from the budget that digitization and building digital public Infrastructure across sectors will be a priority for the government in the next financial year, which is also the focus of the Indian G20 Presidency.



KEY ANNOUNCEMENTS & IMPACT

Ease of Doing Digital Business (EoDB): The government has taken many initiatives for enhancing EoDB, in this budget. Notable developments include reducing more than 39,000 compliances, decriminalizing more than 3,400 legal provisions, and introducing the *Jan Vishwas* Bill to amend 42 Central Acts. Separately the government will also be focussing on:

- Simplifying Know Your Customer (KYC) process by adopting a 'risk-based' instead of 'one size fits all' approach, which is in sync the needs of Digital India.
- Devising a one stop solution for identity and address updation using the DigiLocker service, and Aadhaar as a foundational identity; introducing a legal mandate to use PAN of businesses as a common identifier for all digital systems of specified government agencies; and
- Setting-up a system of 'Unified Filing Process' for removing the need for separate submission of same information to different government agencies.

Impact: Collectively, such measures will improve the business environment of the country, thereby providing impetus to the private sector (including start-ups and MSMEs) and increasing foreign investors' confidence, which will unleash the potential of the Indian economy.

Financial Sector Regulations: Public consultation, as necessary and feasible, will be brought to the process of regulation-making and issuing subsidiary directions. Financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and regulated entities.

Impact: The pitch for a review of the regulations by financial sector regulators in consultation with stakeholders is motivated towards improving the ease of doing business in India. Simplification and reduction of compliances and their costs will attract domestic and global investments, thereby improving India's rising rank on the Ease of Doing Business from the current rank of 63rd in Doing Business 2020: World Bank Report.

Digitalization Efforts for Ease of Doing Business in GIFT IFSC: To enhance business activities in GIFT IFSC single window IT system for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI will be set up.

Impact: The proposed single window IT system for registration and approval will help in attracting the capital from foreign land and help boost the India's growth trajectory by bringing further ease, convenience, and timeliness to the transactions performed by the businesses at GIFT IFSC.



EASE OF DOING BUSINESS



KEY ANNOUNCEMENTS & IMPACT

Data Embassies in GIFT IFSC: For countries looking for digital continuity solutions, Data Embassies will be set up in GIFT IFSC.

Impact: This initiative will create an approach of securing data by leveraging diplomatic agreements and will ensure a country's digital continuity with respect to critical databases. This will additionally help in building trust by offering robust infrastructure that can safeguard nation's data from physical as well as cyber threats.

Improving Governance and Investor Protection in Banking Sector: To improve bank governance and enhance investors' protection, certain amendments to the Banking Regulation Act, 1949, the Companies Act, 2013 and the Reserve Bank of India Act, 1934 are proposed.

Impact: This will facilitate the FinTech start-ups which are diversifying and expanding to NBFCs, under the process of obtaining licenses for banking and other financial services, thus enhancing the safety and compatibility of the products with the choice and requirements of today's dynamic consumers. The move is also expected to bring ease of doing business in the banking and financial sector of the Indian economy.

Central Data Processing Centre: A Central Processing Centre will be set up for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act, 2013.

Impact: The proposed Central Processing Data Centre will help in enhancing the speed and turnaround time of responses to the companies which will file forms, returns and requests with the Registrar of Companies and other relevant associated organizations under the Companies Act. The proposed centralized handling of various forms under the Companies Act will further enhance upon ease of doing business in the Indian region, thus attracting foreign investors, and setting up of businesses in the Indian State.

An Integrated IT Portal for Reclaiming of Shares and Dividends: For investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority with ease, an integrated IT portal will be established.

Impact: The said portal will bring ease in doing business, thus facilitating the investors and organizations to reduce the compliance burden which currently takes a lot of time and effort in processing, after tracking down the information.



EASE OF DOING BUSINESS



KEY ANNOUNCEMENTS & IMPACT

Common IT Return Form: Roll out of a next-generation Common IT Return Form for taxpayer convenience and strengthening of the grievance redressal mechanism.

Impact: It is expected to bring improvement in the ease and convenience supplementing the constant endeavour of the Income Tax Department to improve taxpayers' services by making compliance easy and smooth. Additionally, the government's plan to strengthen the grievance redressal mechanism will aid the move.

Facilitate e-Commerce for Micro Enterprises: Amendments are being made in section 10 and section 122 of the CGST Act, 2017 to enable unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions.

Impact: The proposed amendments to CGST Act in order to enable unregistered suppliers and composition taxpayers to make intra-state supply of goods through e-commerce operators is another step to enhance ease of doing business, thus facilitating the MSMEs in efficiently procuring the requisites and in offering improved products and services to the consumers which will in turn boost their businesses.



KEY ANNOUNCEMENTS & IMPACT

PM Vishwakarma KAushal Samman (PM VIKAS): A new scheme 'PM Vishwakarma KAushal Samman' has been launched for traditional artisans and craftspeople. The component of this scheme includes financial support, access to advanced skill training, knowledge of modern digital & efficient green technologies, brand promotion, linkage with local and global markets, digital payments and social security.

Impact: The technology industry, including the e-commerce sector, has the potential to be the enabler for the PM VIKAS scheme by assisting the artisan community in improving the quality, scale and reach of their products and helping them integrate with the existing MSME value chain. Industry engagement in the scheme can be across sectors such as skilling, digital transformation, exports, market access and knowledge sharing of new techniques and efficient green technologies.

Presumptive Taxation Limit for MSMEs: As part of the measures to support small businesses/micro enterprises, presumptive taxation limit has been enhanced for MSMEs with turnover of up to INR 2 Cr.. The limit has now been increased to INR 3 Cr., provided their cash receipts are no more than 5% of total receipts.

Impact: This can be seen as part of efforts by the government to further enhance participation of MSMEs into the digital payments ecosystem. The beneficiaries of the scheme are not required to maintain their books of account and get their accounts audited, thus doing away from tedious tax filing exercises. This would reduce compliance burden and bring more MSMEs to the formal sector.

Tax Benefits to Startups: An extension of the date of incorporation for income tax benefits to start-ups from March 31, 2023, to March 31, 2024, has been proposed. Also, the benefit of carry forward of losses on change of shareholding of startups from seven years of incorporation to ten years has been announced.

Impact: The measure to extend tax holiday for startups is to further promote the startup ecosystem as India is ranked the third largest ecosystem for start-ups globally.

TDS Rates on Online Gaming: The minimum TDS threshold of INR 10,000 for online gaming has been removed, effective April 1, 2023. On winnings from online gaming, TDS is applicable in accordance with current income tax legislation. Additionally, while filing an income tax return, winnings must be declared under "Income from other sources" (ITR). The TDS will now be applicable only on net winning amount at the time of withdrawal from the game wallet and the option to set off losses has also been given.

Impact: The budget recognises the difference between gambling and online gaming which is a welcome step. More clarity would however be required on the computation of net winnings to assess the actual impact on the industry.

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FINANCE

ANNEXURE





KEY ANNOUNCEMENTS & IMPACT

Agritech Sector: Continuing its reform to build a digital ecosystem for agriculture, Government in the Budget 2023 has announced the following:

- Digital Public Infrastructure (DPI) for Agriculture – building of an open source, open standard and inter operable public good.
- Database of Primary Agricultural Credit Societies (PACS)- A national cooperative database of PACS is being prepared for country-wide mapping of cooperative societies.

Impact: The announcement for agriculture sector solidifies India's focus on fostering emerging digital public infrastructure to drive development gains at population scale. It will bring in next gen of digital revolution which shall enhance efficiency and build equitable access to the world's larger farmer and consumer base. Such focus on the sector along with accelerator fund, as a whole, shall provide an opportunity to bring in value added innovation services by the industry especially agri-tech startups and innovators. Additionally, it shall also provide opportunities to private sector to enhance engagements aimed at building capacities and application for harnessing the 'power of digital for agriculture'. It is expected to see an increase in adoption of technologies in the sector across center and states for cloud, AI, emerging tech, GIS, data exchanges, cyber security etc.

Health Tech: The budget provides an opportunity to private sector R&D teams for encouraging collaborative research and innovation.

Impact: Private sector capabilities will have the opportunity to partner with government for leveraging emerging technologies like AI, ML, blockchain, AR/VR, IOT, remote sensing, telemedicine solutions, skilling etc. driving research and innovation.

Education: Teacher training It is being re-envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and ICT implementation.

Impact: Technology companies focussing on digital learning solutions will have an opportunity to showcase their capabilities and increase adoption of their solutions across centre and state agencies.

National Digital Library for Children and Adolescents: This will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. Additionally, 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.

Impact: With the continued thrust post National Digital Library of India (NDLI), this initiative will create business opportunity for technology organizations to offer their products and solutions for developing the platforms, digitizing content and management.



KEY ANNOUNCEMENTS & IMPACT

Aspirational Districts and Blocks Programme: With resounding success of the Aspirational Districts Programme, the government has recently launched the Aspirational Blocks Programme covering 500 blocks.

Impact: Aspirational districts leveraged technologies in areas like health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure. With the micro focus now on blocks, technology platforms can explore building localized solutions aimed at improving various socio-economic indicators.

Bharat Shared Repository of Inscriptions (Bharat SHRI): Bharat SHRI will be set up in a digital epigraphy museum, tasked with digitization of one lakh ancient inscriptions in the first stage.

Impact: Thrust on public private partnerships will create business opportunity for technology providers to offer their products and solutions for developing the digital epigraphy museum, digitizing content etc through leveraging emerging technology.

Sustainable Cities of Tomorrow: States and cities will be encouraged to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow'. This means efficient use of land resources, adequate resources for urban infrastructure, transit-oriented development, enhanced availability and affordability of urban land, and opportunities for all.

Impact: Participation of the private sector was instrumental in the success of the previous initiatives: 'Smart Cities Initiative' and the 'Atal Mission for Rejuvenation and Urban Transformation'. World Economic Forum (WEF) and the National Institute of Urban Affairs (NIUA) had signed a Memorandum of Understanding (MoU) to jointly design a 'Sustainable Cities India program', which involved setting up a digital platform – a 'Toolbox of Solutions'. Role of technology-based solutions is likely to be a key aspect of urban planning reforms, leading to new business opportunities.

E-Courts: For efficient administration of justice, Phase-3 of the E-Courts project will be launched with an outlay of INR 7,000 Cr..

Impact: The Phase-I and Phase-II of the E-Courts project launched in 2007 and 2015 respectively, witness digitization of courts record, video-conferencing solutions, workflow automation tools etc. With continued focus and budget, technology businesses across migration to the cloud (tested and partly implemented already), big data mining and processing through block chain technology and artificial intelligence will witness business opportunities.



KEY ANNOUNCEMENTS & IMPACT

Fintech Services:

- To enable more Fintech innovative services, the scope of documents available in DigiLocker for individuals will be expanded.
- An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts. This will be towards storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.

Impact: The increase in convenience and confidence amongst consumers by this, will encourage more innovative services in the fintech space, while also attracting more investments, and newer players providing fintech services. By setting up an Entity DigiLocker for MSMEs, large business and charitable trusts, fits well with the government's endeavor of digitizing MSMEs, which will provide much needed impetus to the growth engines of the country. Technology provides with focus on MSME's will have the opportunity build increase adoption and onboarding MSMEs for developing relevant tech enabled solutions.

Skilling:

- The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform for:
 1. Enabling demand-based formal skilling,
 2. Linking with employers including MSMEs, and
 3. Facilitating access to entrepreneurship schemes.
- 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. To skill youth for international opportunities, 30 Skill India International Centres will be set up across different States.
- Skill India has been allocated a fund of INR 2,278 Cr.

Impact: 'Skilling, 'Reskilling' and 'Upskilling' is high on the government agenda to build the future workforce for India@100. With the above announcement, targeting skilling youth across Industry 4.0 and outreach through the Skill India Digital platform will build enormous opportunities for the digital economy sector. Further, it will create opportunities for the technology sector to offer tech-based solutions, build a future-ready workforce, and boost research and innovation.



DIGITAL TRANSFORMATION



KEY ANNOUNCEMENTS & IMPACT

National Financial Information Registry: A national financial information registry will be set up to serve as the central repository of financial and ancillary information. This will facilitate the efficient flow of credit, promote financial inclusion, and foster financial stability. A new legislative framework will govern this credit public infrastructure, and it will be designed in consultation with the RBI.

Impact: This will prove to be a key asset for fintech firms and data-led credit disbursement companies as it will help improve internal modalities. It will also be a game-changer for MSMEs and startups struggling to access credit due to poor accessibility, collateral requirements, and high interest rates as a central repository will provide insightful data points on the challenges faced by small businesses and the pitfalls in the system. Moreover, it will help design a credit market more suited to the current market needs, thereby improving the financial inclusion and growth of the country.

Fiscal Support to Digital Payments: Digital payments continues to find wide acceptance. In 2022, they show an increase of 76% in transactions and 91% in value. Fiscal support for this digital public infrastructure will continue in FY 2023-24.

Impact: The move shows the government's intention of furthering the agenda of digital financial inclusion and making India a cashless economy. This will help in achieving the government's vision of making India a tech-driven digital economy.

FINANCE

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