



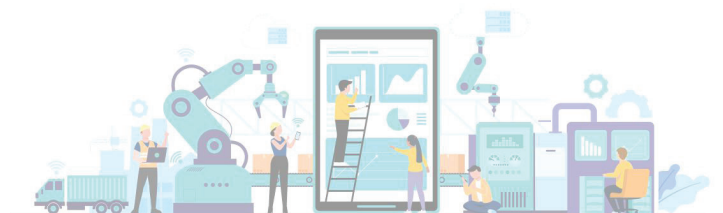
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BY ASIT C. MEHTA INVESTMENT INTERMEDIATES LTD



# 2023-24 UNION BUDGET REVIEW



# Union Budget 2023-24 Review

Finance Minister Nirmala Sitharaman today presented the Union Budget 2023 by calling it "the first budget of Amrit Kaal." She laid down seven areas of focus: Inclusive development, Reaching last mile, Infrastructure and investment, Unleashing the potential, Green growth, Youth power and financial sector. The budget emphasis on revival of rural growth & demand, overall infrastructure developments, higher capital investments, extending tax rebates for individuals and fiscal prudence. Overall, the budget is healthier for the economy since it places greater importance on capital spending, which will create jobs and support infrastructure development.

## Budget Estimates (INR Cr)

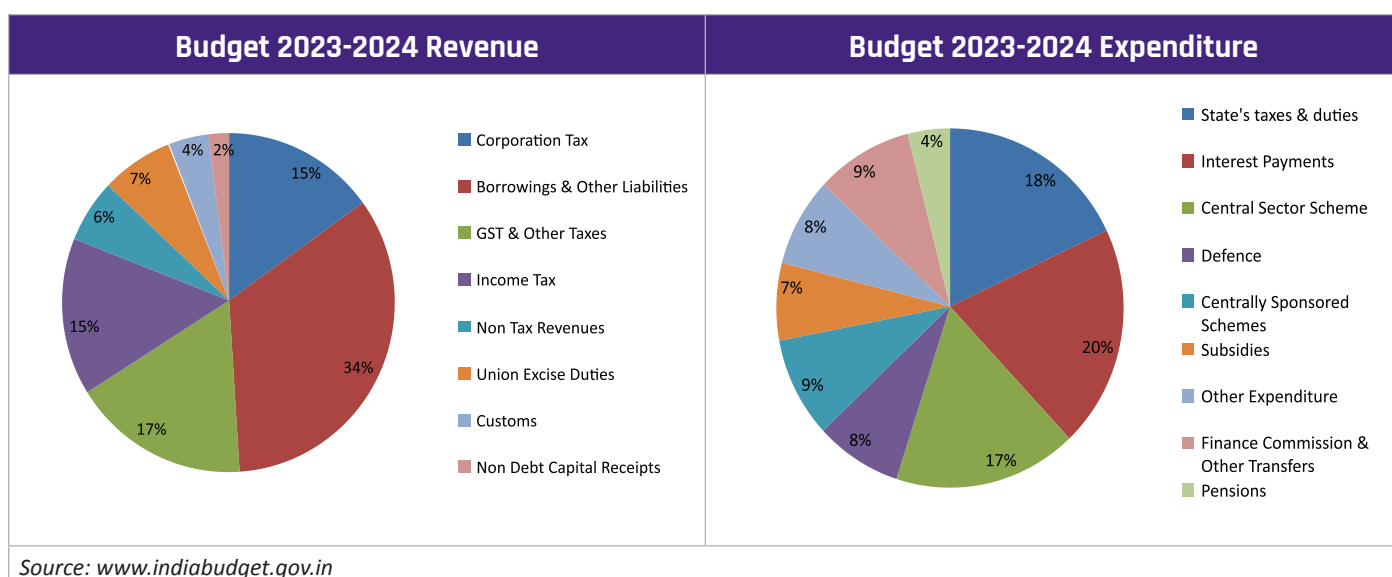
| Particulars                      | BE 2022-2023   | RE 2022-2023   | BE 2023-2024   |
|----------------------------------|----------------|----------------|----------------|
| Revenue Receipts                 | 2204422        | 2348413        | 2632281        |
| Capital Receipts                 | 79291          | 83500          | 84000          |
| <b>Total Receipts</b>            | <b>2283713</b> | <b>2431913</b> | <b>2716281</b> |
| Revenue Expenditure              | 3194663        | 3458959        | 3502136        |
| Capital Expenditure              | 750246         | 728274         | 1000961        |
| <b>Total Expenditure</b>         | <b>3944909</b> | <b>4187233</b> | <b>4503097</b> |
| <b>Fiscal Deficit</b>            | <b>1661196</b> | <b>1755320</b> | <b>1786816</b> |
| <b>Fiscal Deficit (% of GDP)</b> | <b>6.4</b>     | <b>6.4</b>     | <b>5.9</b>     |

Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in)

## Major Sector Expenditure (INR Cr)

| Sectors                         | BE 2022-2023 | RE 2022-2023 | BE 2023-2024 |
|---------------------------------|--------------|--------------|--------------|
| Agriculture & Allied Activities | 151521       | 136279       | 144214       |
| Education                       | 104278       | 99881        | 112899       |
| Health                          | 86606        | 77351        | 88956        |
| Rural Development               | 206293       | 243317       | 238204       |
| Social Welfare                  | 51780        | 46502        | 55080        |
| Transport                       | 351851       | 390496       | 517034       |
| Urban development               | 76549        | 74546        | 76432        |

Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in)



## Sector Highlights of Union Budget 2023-24

### Agriculture

- Agriculture Accelerator Fund to be created to focus on agriculture-related startups.
- Atmanirbhar Clean Plant Programme to promote high-value horticultural products, with an outlay of Rs 2,200 crore.
- Targeted investment of Rs 6,000 crore in pre-existing Pradhan Mantri Matsya Sampada Yojana for fishermen's welfare.
- The agricultural credit target will be increased to Rs 20 lakh crore with a focus on animal husbandry, dairy and fisheries.
- 10,000 bio input resource centres to be set up to encourage natural farming. One crore farmers to be facilitated over next three years.

**Positive for Britannia, Godrej Agrovet and Tata Consumers Products, Dabur, Marico and other dairy products and agriculture related stocks.**

### Infrastructure

- 100 transport infrastructure projects identified for end-to-end connectivity for ports, coal, steel and fertilizer sectors .
- 50 additional airports, heliports, water aerodromes, and advanced landing zones to be revitalised.
- All cities and towns will be enabled for 100% mechanical desludging of septic tanks and sewers to transition from manhole to machine hole mode.
- Three centres of excellence in artificial intelligence to be set up in existing engineering universities.
- Urban Infrastructure Development Fund to be established through priority sector lending shortfall, to be managed by National Housing bank, to be used by public agencies to create urban infra in tier-2 and tier-3 cities.

**Positive for Larsen and Toubro, Ultratech Cement, ACC Ltd, Ambuja Cements, KNR Construction, Ashoka Buildcon and Sadbhav Engineering.**

### Railways

- It's the highest ever capital allocation for Railways and is nearly nine times over FY14 allocations with an outlay of Rs 2.4 lakh crore provided for railways in FY24.

**Positive for RVNL, Siemens, Titagarh Wagons, KEC Interational, Ircon.**

### Energy

- 500 new waste-to-wealth plants under Gobardhan Scheme.
- Rs 35,000 crore for energy transition and net-zero objective, including for energy security.
- Green credit programme for encouraging behavioural change in companies and local bodies.

**Positive for Borosil renewables, Tata Power.**

### Health

- 157 new nursing colleges to be established.
- Joint Public and Private Medical Research to be encouraged via select ICMR Labs.
- New programme to promote research in Pharmaceuticals to be launched

**Positive for medical equipment manufacturing companies.**

### Education

- 30 Skill India international centres across states to train youth for international opportunities.
- National Digital Library (NDL) to be set up for children and adolescents.
- Revamped teacher's training via District Institutes of Education and Training (DIET)].

### Financial Sector

- Setting up of national Financial Information registry to enable efficient lending, promote financial inclusion and enhance financial stability.
- Setting up of Central Data Processing Centre for faster handling of administrative work under the companies act.
- Benefits for senior citizens enhanced maximum deposit limit for savings scheme from Rs.15 lakh to Rs. 30 lakh.

**Positive for all housing finance companies and banks.**

## Other Key announcement

- Increased capital investment outlay by 33.4% to 10 lakh crore.
- Credit Guarantee for MSMEs in which the revamped scheme will take effect from April 2023 with infusion of Rs 9,000 crore in the corpus. This will lead to an additional Rs 2 lakh crore under the credit guarantee scheme. The cost of raising funds for MSMEs will come down.
- The FM has also proposed certain amendments in the banking Acts, RBI Acts to improve governance in the banking sector and enhance investors' protection.
- Increase in duties on gold and silver items.
- Tax holiday for startups extended to 10 years.
- The government will support setting up of battery storage capacity of 4,000 MWH in India with viability gap funding. The aim is to touch green hydrogen production of 5 million tonnes by 2030.
- Tax on cigarettes revised upwards by 16%.
- For countries looking for digital continuity solutions, Government encourages setting up data embassies in the IFSC Gift City.
- 100 labs to be set up for 5G solutions across engineering colleges.

## Direct Tax

- New tax regime to become the default tax regime. However, citizens can opt for the old tax regime.
- Tax relief to all individual tax payers in new tax regime by giving income tax rebate from 5 lakh to 7 lakh.
- Highest surcharge rate on income above 5 Crore to be reduced from 37% to 25% under new regime.
- Extending benefits of standard deduction to new tax regime for salaried class and pensioners.
- Increasing tax exemption limit to 25 lakh on leave encashment on retirement for non-government salaried employees.

## Indirect Tax

Simplification in Indirect Taxes to deliver higher exports, higher domestic manufacturing, more value addition in the economy and Green Energy & Mobility.

| Particulars  | Benefits  | Stock in Focus   |
|--|---|--|
| Custom Duty exemption for import of capital goods to Manufacturing Li- ion battery     | For Green Mobility                              | Amara Raja Batteries, Exide batteries.   |
| Custom Duty exemption for import of Mobile Cameras                                     | Deepening Value Addition                        |  |
| Custom Duty exemption for import of Denatured ethyl alcohol.                           | For chemical industry                           | Gujarat Flourochemicals, Navin Flourine, SRF Ltd. And other speciality chemicals stocks. |
| Custom duty is being reduced on key inputs for domestic manufacture of shrimp feed.    | More marine exports                             |  |
| Custom duty is being reduced on Seeds for manufacturing lab grown diamonds.            | Export promotion                                |  |
| Continuing concessional basic custom duty on copper scrap.                             | Augmenting raw material availability for MSMEs. |  |
| Custom duty is increased on compounded rubber, to bring it at par with natural rubber. | To curb duty circumvention.                     |  |

Source: [indiabudget.nic.in](http://indiabudget.nic.in), ACMIIL Research

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