

# Students' ECONOMIC FORUM

A monthly publication from South Indian Bank

*To kindle interest in economic affairs...  
To empower the student community...*

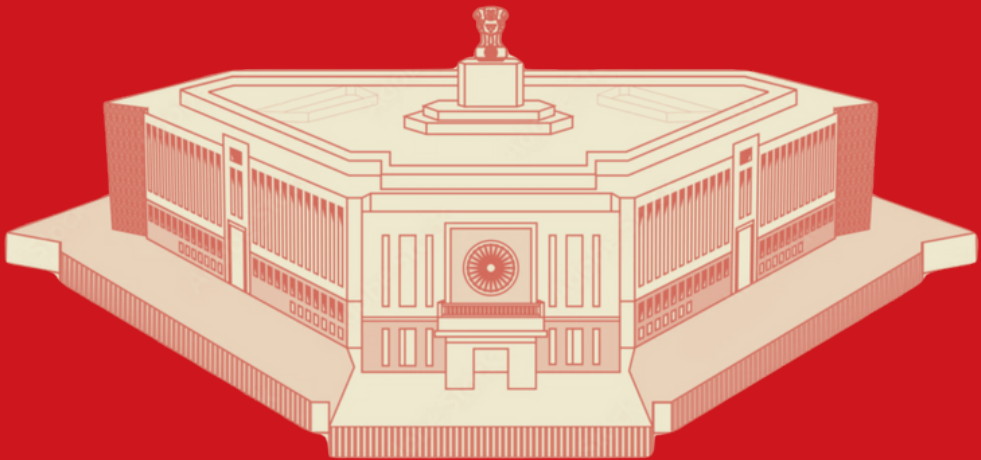


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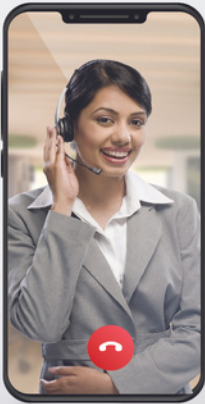


[ho2099@sib.co.in](mailto:ho2099@sib.co.in)

# INTERIM BUDGET 2024-25



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The 'SIB Students' Economic Forum' is designed to kindle interest in the minds of the younger generation. We highlight one theme in every monthly publication. Topics of discussion for this month is "INTERIM BUDGET 2024-25"

### INTERIM BUDGET 2024-25

The Union Minister of Finance and Corporate Affairs Ms. Nirmala Sitharaman presented the Interim Budget 2023-24 in Parliament on 1st February 2024.

#### Key Highlights:

- Direct Benefit Transfer of US\$ 409.8 Billion (Rs 34 lakh crore) has led to savings of US\$ 32.5 Billion (Rs 2.7 lakh crore) for the government.
- Defence outlay is set to be increased by 11.1% to US\$ 133.9 Billion (Rs 11 Lakh crore), which will be 3.4% of GDP.
- The FY25 capex target has been set at US\$ 133.8 (Rs 11.1 lakh crore), marking an 11.1% increase.
- The revised estimate of fiscal deficit for FY24 is 5.8% of GDP.
- Fiscal deficit for FY25 is expected at 5.1% of GDP.
- Minimum support prices for 'Annadata' (farmers) have been increased periodically.
- The PM Garib Kalyan Yojana, a welfare program for the economically disadvantaged, has assisted 25 crore people in achieving freedom from multidimensional poverty over the last 10 years.
- No changes were announced in the tax slabs for individual taxpayers.
- The 'Pradhanmantri Suryodaya Yojana' will empower one crore households with up to 300 units of free monthly electricity through rooftop solarisation. Anticipated savings of US\$ 180–217 (Rs. 15,000–18,000) result from free solar power usage and surplus sales to distribution companies (discoms), fostering economic relief and sustainable energy practices.
- The government plans to set up more medical colleges by utilizing the existing medical infrastructure under various departments.

- A corpus of US\$ 12.1 Billion (Rs 1 lakh crore) will be established with a 50-year interest-free loan provided for tech-savvy youth. It will be for long-term financing or re-financing with low or nil interest rates.

#### INCLUSIVE DEVELOPMENT

##### Garib Kalyan, Desh ka Kalyan:

- Direct Benefit Transfer through PM Jan Dhan Accounts: The direct benefit transfer of US\$ 409.8 Billion (Rs. 34 lakh crore) using PM Jan Dhan accounts has resulted in substantial savings for the government. These savings have been achieved through the prevention of leakages, enabling the allocation of more funds for the welfare of the poor.
- 25 crore people moved out of multidimensional poverty.
- The PM SVANIDHI scheme has extended credit assistance to 78 lakh street vendors, with 2.3 lakh vendors receiving credit for the third time.
- The PM JANMAN Yojana is reaching out to Particularly Vulnerable Tribal Groups.
- The PM Vishwakarma Yojana provides end-to-end support to artisans and craftspeople engaged in 18 trades.

##### Empowering the Youth:

- The National Education Policy 2020 is ushering transformational reforms.
- Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth, and established 3,000 new ITIs.
- Many institutions of higher learning, namely 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMs, and 390 universities, have been set up.
- PM Mudra Yojana has sanctioned 43 crore loans amounting to US\$ 271.2 Billion (Rs. 22.5 lakh crore) for the entrepreneurial aspirations of youth.

- Fund of Funds, Startup India, and Startup Credit Guarantee Schemes are assisting the youth.

### Welfare of Farmers-Annadata:

- Every year under PM Kisan Samman Yojana, direct financial assistance is provided to 11.8 crore farmers, including marginal and small farmers.
- Crop insurance is given to 4 crore farmers under PM Fasal Bima Yojana.
- These initiatives are assisting farmers in producing food for the country and for the world.
- The Electronic National Agricultural Market has integrated 1,361 mandis and is providing services to 1.8 crore farmers with a trading volume of US\$ 36.2 Billion (Rs.3 Lakh Crore).



### Nari Shakti:

- 30 crore MUDRA Yojana loans have been given to woman entrepreneurs.
- Female enrolment in higher education has gone up by 28% in 10 years.
- In Science, Technology, Engineering and Mathematics (STEM) courses, girls and women constitute 43% of enrolment, one of the highest in the world.
- 1 crore women assisted by 83 lakh Self Help Groups (SHGs) to become Lakhpati Didis.



## SECTOR UPDATES

### Agriculture and food processing:

- Pradhan Mantri Kisan Sampada Yojana has benefitted 38 lakh farmers and generated 10 lakh employment.
- Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages.
- For ensuring faster growth of the sector, the government will further promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing, and marketing and branding.
- A strategy will be formulated to achieve 'atmanirbharta' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower.
- Implementation of Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to:
  - Enhance aquaculture productivity from existing 3 to 5 tons per hectare,
  - Double exports to ` 1 lakh crore; and
  - generate 55 lakh employment opportunities in near future.

### Railways:

- Implementation of three major economic railway corridor programs: Energy, mineral, and cement corridors; Port connectivity corridors; and High traffic density corridors.
- Projects identified under PM Gati Shakti for multi-modal connectivity, aiming to enhance logistics efficiency and reduce costs.
- Decongestion of high-traffic corridors to improve passenger train operations, ensuring safety and higher travel speeds. Integration with dedicated freight corridors to accelerate GDP growth and cut down logistic costs.
- Conversion of 40,000 normal rail bogies to Vande Bharat standards for heightened safety, convenience, and passenger comfort.





### Aviation Sector:

- The number of airports has doubled, reaching a total of 149.
- 517 new routes catering to 1.3 crore passengers.
- Indian carriers placed orders for over 1000 new aircraft.

### Green Energy:

Measures proposed to achieve 'net-zero' by 2070:

- Provision of viability gap funding to harness offshore wind energy potential, initially targeting a capacity of one gigawatt.
- Establishment of coal gasification and liquefaction capacity totalling 100 million tonnes by 2030.
- Implementation of a phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transportation and piped natural gas (PNG) for domestic use.
- Offering financial assistance for the procurement of biomass aggregation machinery to facilitate collection, supporting sustainable practices.

### ESTIMATES

#### Revised Estimates 2023-24:

- The Revised Estimate of the total receipts other than borrowings is US\$ 332.2 billion (27.56 lakh crore), of which the tax receipts are US\$ 280.1 billion (23.24 lakh crore). The Revised Estimate of the total expenditure is US\$ 541.2 billion (44.90 lakh crore).

- The revenue receipts at US\$ 361.9 billion (30.03 lakh crore) are expected to be higher than the Budget Estimate, reflecting strong growth momentum and formalization in the economy.
- The Revised Estimate of the fiscal deficit is 5.8 % of GDP, improving on the Budget Estimate, notwithstanding moderation in the nominal growth estimates.

#### Budget Estimates 2024-25

- In 2024-25, the total receipts other than borrowings and the total expenditure are estimated at US\$ 371.2 billion (Rs. 30.80 lakh crore) and US\$ 574.4 billion (Rs. 47.66 lakh crore) respectively. The tax receipts are estimated at US\$ 313.6 billion (Rs. 26.02 lakh crore).
- The scheme of fifty-year interest free loan for capital expenditure to states will be continued this year with total outlay of US\$ 15.7 billion (Rs. 1.3 lakh crore).
- The projected fiscal deficit for the year 2024-25 is estimated to be 5.1 % of the GDP and below 4.5 % for fiscal year 2025-26.
- The gross and net market borrowings through dated securities during 2024-25 are estimated at US\$ 172.4 billion (Rs. 14.13 lakh crore) and US\$ 141.6 billion (Rs. 11.75 lakh crore) respectively.

#### BUDGET AT A GLANCE

- Budget at a Glance presents broad aggregates of the Budget for easy understanding. This document shows receipts and expenditure as well as the Fiscal Deficit (FD), Revenue Deficit (RD), Effective Revenue Deficit (ERD) and the Primary Deficit (PD) of the Government of India. It gives an illustrative account of sources of receipts and their expenditure through graphs and infographics. In addition, the document contains details with respect to the resources transferred to the States and UTs with legislature.
- The document also encompasses extracts of allocations for programme and schemes and giving insights on sources of deficit financing and composition of important budgetary variables.

- Fiscal Deficit (FD) is the adverse fiscal balance which is a difference between the Revenue Receipts Plus Non-Debt Capital Receipts (NDCR) i.e. total of the non-debt receipts and the total expenditure. FD is reflective of the total borrowing requirement of Government. Revenue Deficit (RD) refers to the excess of revenue expenditure over revenue receipts. Effective Revenue Deficit (ERD) is the difference between Revenue Deficit and Grants-in-Aid for Creation of Capital Assets. Primary Deficit is measured as Fiscal Deficit less interest payments. Effective Capital Expenditure (Eff-Capex) refers to the sum of Capital Expenditure and Grants-in-Aid for Creation of Capital Assets. The Budget estimate for ERD is 2,67,801 crore rupees (for complete statistics please see the references given at the bottom of this page).

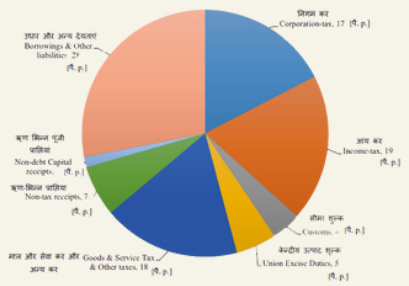
- The receipts and expenditure depicted in this document are net of receipts and recoveries (for complete statistics please see the references given at the bottom of this page).

- In RE 2023-24, the total expenditure has been estimated at `44,90,486 crore and is more than Actuals of FY 2022-23 by `2,97,328 crore. The total capital expenditure in RE 2023-24 is estimated at `9,50,246 crore.

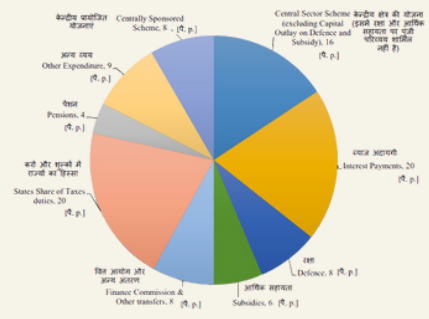
- The total expenditure in BE 2024-25 is estimated at `47,65,768 crore of which total capital expenditure is `11,11,111 crore. Budget 2024-25 reflects continuing strong commitment of the Union Government to boost economic growth by investing in infrastructure development leading to an increase in capital expenditure by 16.9 per cent over RE 2023-24. Effective Capital Expenditure, at `14,96,693 crore in BE 2024-25, shows an increase of 17.7 per cent over RE 2023-24.

- Total resources being transferred to the States including the devolution of State's share, Grants/Loans and releases under Centrally Sponsored Schemes, etc. in BE 2024-25 is `22,22,264 crore, which shows an increase of `4,13,848 crore over Actuals of FY 2022-23.

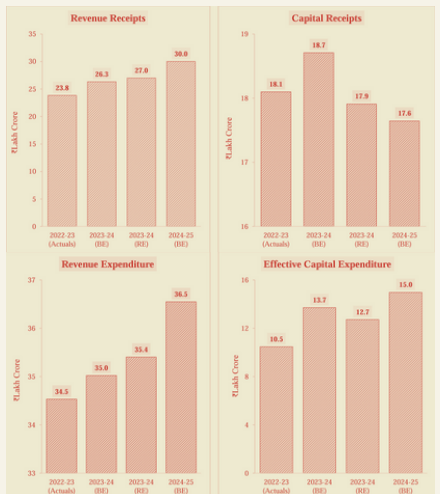
**Rupee comes from:**



**Rupee goes to:**



**Receipts and Expenditure**



**References:**

- <https://www.ibef.org/economy/union-budget-2024-25>
- [https://www.indiabudget.gov.in/doc/Budget\\_a\\_t\\_Glance/bag1.pdf](https://www.indiabudget.gov.in/doc/Budget_a_t_Glance/bag1.pdf)





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