

The first budget of Amrit Kaal is the budget to transform India into a developed nation. The budget aims for the overall development of farmers and all sections of society, from poor and middle class to women and youth. Despite the adverse circumstances borne out of the pandemic, a budget of Rs. 45 lakh crore was presented.

### Key Highlights

- All sectors, including Defence, Home, Railways, Road, Healthcare, Education, Agriculture, Industry, and Cooperatives have received adequate attention in this budget.
- Sufficient provisions have been made to expand infrastructure in the country, augment basic facilities, strengthen the poor, women, Scheduled Castes and Scheduled Tribes, provide employment to the youth and march ahead in the field of technology.
- Small farmers will benefit substantially from the budget as emphasis has been laid on promoting the agriculture sector by linking it with modern practices.
- The credit target for animal husbandry, dairy and fisheries has been increased to 20 lakh crore.
- The total budgetary allocation of the Ministry of Agriculture and Farmers Welfare is Rs. 1.25 lakh crore this time, which will undoubtedly prove to be a milestone with infrastructure growth in rural India.
- A digital agriculture mission has been initiated. To promote this mission, the fund allocated in this budget is Rs. 450 crores, a substantial increase of Rs. 70 crore from last years allocation.
- Digital infrastructure for agriculture will be created to promote the agro-tech industry and start-up and develop farmer-centric solutions.
- Natural farming is being transformed as a mass movement in the country and to promote it, Rs. 459 crore has been allocated in this budget. The government will encourage and help one crore farmers to adopt natural farming in the next three years and for this, 10,000 Bio-Input Resource Centers will be set up at the national level.
- Rs. 23000 crore has been allocated to enable farmers to continue availing benefits through Kisan Credit Card (KCC).
- In agriculture allied sectors, the new sub-scheme of Pradhan Mantri Matsya Sampada Yojna will be initiated with a targeted investment of Rs. 6 thousand crores, so that the fish farmers, fish sellers and related micro and small scale industries become more efficient.
- New FPOs are being formed across the country. A budget provision of Rs. 955 crore has been kept for formation of new FPOs this year.
- Food and nutritional security is one of the top priorities of the govt. for which the budget provision has been increased to Rs. 1623 crore.
- Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) budget provision of Rs. 60 thousand crores has been made.
- The agriculture accelerator fund will be set up to encourage agri-startups by young entrepreneurs. For this a provision of RS. 500 crore is allocated over the next five years.
- Indian Millets Research Institute, Hyderabad will be promoted as a Centre of Excellence to make the country a global hub for 'Shri Anna'. Millets will be now known as Shri Anna.
- The budget provision for horticulture is increased from Rs. 1100 crore to Rs. 1800 crore.

- Aatma Nirbhar Clean Plant Program will be launched to boost the availability of disease-free, quality planting material for high value horticulture crops at an outlay of Rs. 2,200 crores.
- Under the GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme, 500 new 'waste to wealth' plants will be established to promote a circular economy at a total investment of Rs. 10,000 crore.
- The budget provision of Rs. 5000 crore has been made for Bhadra Project to provide sustainable micro irrigation and fill up surface drinking water tanks.
- Basic facilities are being provided in villages through an extremely beneficial Agriculture Infra fund of Rs. 1,00,000 crore and ever-increasing coverage of Pradhan Mantri Fasal Bima Yojna is comforting for the farmers.
- With the motto of "Sahakar Se Samridhi" the government wants to promote cooperative based economic development model which will significantly increase the farmer's income.

### Conclusion

With the all-round measures being taken to make Indian agriculture more advanced and farmers prosperous and the mantra of Jai Jawan -Jai Kisan-Jai Vigyan-Jai Anusandhan, golden chapters will certainly be written from the Amrit Mahotsav to Amrit Kaal of the country's independence.

### DEVELOPMENT DIRECTIONS IN BUDGET

The Economic Survey 2022-23 while predicting a nominal Gross Domestic Product(GDP) of 11 percent in the FY 2023-24, the Survey highlighted India's underlying economic resilience in the post-COVID regime and its capability to recoup, renew and re-energise the drivers of growth. It underscored the importance of agriculture and rural development in achieving the objective of inclusive growth. The Indian agriculture sector has been growing at an average annual growth rate of 4.6 percent during the last six years.

### Re- Focusing priority Areas

- Inclusive development.
- Connecting targeted clients and reaching the last mile.
- Boosting infrastructure and investment.
- Bringing in innovation, technology for unleashing the latent productive potential.
- Meeting climate change effects by developing and focusing green growth-led strategic action.
- Identifying and consolidating the power of youth and enhancing their participation in the economic growth.
- Strengthening financial sector for effective financial inclusion.

### A Review of Budget Allocations

- Rural employment initiatives, crop husbandry, including farming and the raising of livestock, poultry and other activities, food storage and warehousing and housing got higher allocations.
- Such increased resource allocations aimed at stimulating economic growth alongside job creation, income and wealth generation and enhancement of overall consumption demand in rural India.
- Priority has been accorded to Skill Development and Entrepreneurship (SDE); followed by Rural Development; Agriculture Research and Education (ARE); Animal Husbandry and Dairying (AHD); Micro, Small and Medium Enterprises (MSME); Women and Child Development (WCD) and Agriculture and Farmers Welfare (AFW).
- The budget has prioritized agriculture, skill creation, dairy and fishery development and MSMEs.

- The RD schemes witnessed a reduction of 13.02 percent resource allocation in 23-24 over 22-23(RE). This indicates the presence of excess resource absorption capacity of department of RD and the related scope and flexibility to apportion resources for other emerging areas of farm and non-farm sectors in rural areas.
- Provisions of rural housing (PMAY) to the economically downtrodden, fishery activities (blue revolution), Water and Sanitation (Jal Jeevan Mission) have got incremental budgetary allocations in 23-24 against that of 22-23.

### Rural Employment Programmes

- The budget considered the absorption capacity of implementing states/UTs and allocated Rs. 60,000 crore to MGNREGA and Rs.14,129 crore to National Rural Livelihood Mission, the two existing wage and self-employment programmes towards building quality and productive community assets and enterprises.
- MGNREGA and NLM, however witnessed 17.8 and 0.8 percent reduction, respectively in their allocation against the BE of 2022-23.
- There is an urgent need to raise a professional cadre of quality experts at the community level who would ensure and guide from time to time outcome-based public works planning and monitoring under MGNREGA.
- This step would also ensure the objectives of,
  - Ensuring livelihood security through creation of permanent and durable community assets
  - Bringing in appropriate convergence benefits in consultation with partner departments like agriculture, rural, Panchayati Raj, forestry, fishery, dairy etc.
  - Expansion of irrigation potential through MGNREGA works.
- The budget announced revamping of credit guarantee scheme of Micro, Small, Medium Enterprises through additional equity infusion of Rs. 9,000 crore to enable disbursements of collateral-free guaranteed credit of Rs. 2 lakh crore.
- The new and innovative rural enterprises scheduled to be established and facilitated under NLM during 23-24 will-
  - Ensure financial inclusion of SHGs and farmers.
  - Increase household income.
  - Assure training, placements to the millions of rural youths.
  - Facilitate farm logistics at community level.

### Livelihood and Employment Through Agri-development

- Reducing water stress by comprehensive water planning.
- Promoting natural and organic farming practices.
- Ensuring balanced use of fertilizers.
- Strengthening operation green initiatives through promotion and nurturing of Farmer Producer Organisations (FPOs), cooperatives and other rural collectives in agriculture, dairy and fisheries.
- Establishing and enhancing agri-logistic facilities like agri-warehousing, cold storage, reefer vans.
- Mapping and geo tagging existing agri-logistics and ensuring viability funding for setting up such infrastructure at taluka level through public-private partnership.
- Enhancing holding capacity and reducing logistics cost of farmers through construction and operation of community led village storages.

- Connecting unconnected areas, building and sustaining a national cold supply chain.
- Integrating e-negotiable warehousing receipts with e-NAM.
- Developing fodder farms through MGNREGA.
- Developing, promoting and making profitable fisheries sector through collectivized effort.
- Doubling mil processing capacity by ensuring creation of primary dairy cooperatives in each panchayat/ village.
- Successfully utilizing enhanced farm credit target of Rs. 20 lakh crore.

### Digital Infrastructure Push

- Budget 2022-23 has announced a special approach and a renewed and precision focus for the setting up and utilization of digital infrastructure for small enterprises as well as small and marginal farmers and weaker sections aiming at sustainable productivity growth.
- The initiative conforms to the priority of inclusive development. It has tremendous potential to enable relevant, timely and adequate information services for crop planning and crop health, improved and enhanced access to farm input services viz. credit, insurance flow to client stakeholders, support for crop estimation, quick and effective damage assessment, market intelligence flow and promotion of agri-tech industry and start-ups in rural areas.
- The infrastructural push will incentivize banks and financial institutions in rolling out end to end digital solutions using relevant activity-specific data analytic models in rural areas.
- The budget also envisages to set up an agriculture accelerator fund to encourage agri start-ups. It will give rise to innovation and provision of affordable and location specific issue based solutions to the problems faced by country's farmers.
- A cluster-based and value-chain approach through Public Private Partnership (PPP) has been planned to ensure collaborative efforts between farmers, state and industry for supply of input and extension services and effective market linkages with a view to enhance the productivity of cotton crops and increase the income of cotton growers.

### Encouraging Nutri-Cereals

- The budget acknowledges the potential of millets- jawar, ragi, bajra, kuttu, ramdana, kangni, cheena etc. having health and nutritional benefits and vows to make India a global hub for millets.
- The promotion of millet production and consumption will largely benefit India's small and marginal farmers and would encourage them to re-engineer their farming systems and practices and food production, consumption and distribution eco system.
- To ensure the vision of health, there's a need to take immediate actions on-
  - Identification, preservation, sharing and multiplication of quality seeds of millets by the help of the community seed cooperatives.
  - Creation of incremental and specialized seed cooperatives or seed collectives right at the village level.
  - Setting up small scale seed processing, manufacturing, packaging units.
  - Strengthening and expanding seed distribution network etc.

### Reposing Faith in Cooperatives

- The budget vowed to ensure creation of grain storage capacity in each Panchayat through Primary agriculture Credit Societies (PACS).

- This will help farmers to arrest distress sales, store their produce locally at affordable costs and realize remunerative prices through sale at a later period.
- The budget also desired to facilitate setting up multi-purpose cooperative societies, primary fisheries and dairy cooperatives in uncovered panchayats / villages in next five years.
- Registration of three new Multi-State Cooperatives in the areas of Quality Seed Production , organic Farming and Exports will go a long way in addressing issues of availability of quality seeds at the hands of farmers, promotion of natural and organic farm practices amongst stakeholders and profitable disposal of marketable surplus and thereby, in reviving the extant cooperative model of economic growth.
- Special concessions and exemptions to the cooperatives like lowering tax rate @15 percent for new manufacturing cooperatives, provisioning settlement of old tax claims of cooperative sugar mills, increasing threshold limit for primary cooperative credit society for cash withdrawal, enhancing applicable limits for Tax Deduction at Source on annual cash withdrawal etc. will encourage more business growth through cooperatives.

### Conclusion

The budget through its multi-disciplinarian and multi-dimensional approach is expected to strengthen the village entrepreneurship development approach aimed at creating a catalytic local entrepreneurial ecosystem and encouraging the rural unemployed youth to take up local enterprises on their own. It would help improve rural livelihoods and income by converging rural development efforts with agri-infrastructure.

### **EFFICIENT AND INCLUSIVE HEALTHCARE ECOSYSTEM**

The budget has provisioned a total of Rs. 89,155 crore for the Ministry of Health and Family Welfare, it is a huge increment of about 20 percent over 2021-22 budget. It shows the government is committed to building an efficient, affordable, accessible, inclusive and modern healthcare system in the country.

#### Focus on Skilled Professionals

- The budget underlines the government's priority for building a vast pool of skilled medical and healthcare professionals to meet the rising demand which requires sizable investments in the education sector, mainly for medical, pharma, nursing education.
- The budget includes a provision for creation of 157 new nursing schools located alongside medical colleges.
- Launching specialized courses to produce skilled workers for future medical technologies is a positive step as the healthcare sector has huge scope for professionals with varying degrees of skills.
- There is also need to have a strategy and plan for upgrading the current workforce and expanding the healthcare workforce.

#### Innovation And Research

- Of the total allocation of Rs. 89,155 crore, an amount of Rs 86,175 crore have been assigned to the Department of Health and Family Welfare, and Rs 2,980 crore have been allotted to the Department of Health Research.
- The budgetary allocation for Indian Council of Medical Research under the Department of Health Research has gone up by 7.4 percent to Rs. 2,360 crore out of the total allocation of Rs. 2980 crore.
- Additionally the initiative to make select ICMR labs available for research is expected to promote collaborative research and innovation.

- A new program was announced to support pharmaceutical research and innovation, and encouraged industry players to invest in R&D in the priority areas.

#### **Citizen Access to Healthcare**

- Patient and citizen access to healthcare industry has increased significantly across the country.
- This year the budget allocation for National Health Mission has gone up with an allocation of Rs. 29,085 crore compared to the previous year's allocation of RS. 28,974 crore.
- The allocation for Ayushman Bharat-Pradhan Mantri Jan Aaroya Yojna has increased by 12 percent to Rs. 7,200 crore, highlighting the government's focus on expanding health coverage to over 400 million people who are currently not covered by any insurance scheme.

#### **Mission to Eliminate Sickle Cell Disease**

- Launched to eradicate Sickle cell anemia by 2047.
- This will involving raising awareness, conducting universal screening of 7 million people in the range of 0 to 40 years in areas with high tribal population, and offering counselling through collaborative research.
- The Sickle Cell Disease (SCD) is a chronic single gene disorder causing a debilitating systemic syndrome characterised by chronic anaemia, acute painful episodes, organ infarction and chronic organ damage and by a significant reduction in life expectancy.
- The ministry has released technical operation guidelines for prevention and control of hemoglobinopathies in 2016 which includes sickle cell anemia.
- Tribals under the age of 40 will receive a card indicating their sickle cell anemia status.

#### **Other Focus Areas**

- The budget allocation for AYUSH ministry has seen a 28 percent increase, resulting in an allocation of Rs. 3,647 crore compared to the previous year's Rs. 2,845 crore.
- Rs. 6835 crores have been set aside for establishing 22 new All India Institutes of Medical Sciences.

#### **Conclusion**

The budget allocation for health care sectors take into account critical areas such as research and development, skill building, promotion, infrastructure and preventive healthcare. The budget announcements are comprehensive and forward-looking, giving the sector its well-deserved attention.

### **BOOSTING AGRICULTURE AND RURAL DEVELOPMENT**

The Ministry of Rural Development has been assigned the responsibility to promote welfare activities in rural India. The ministry has two departments:

- i. Department of Rural Development (DoRD)- Implements government schemes targeted at employment generation, poverty alleviation, infrastructure development and provision of basic services in rural area.
- ii. Department of Land Resources (DoLR)- Implements two key schemes:
  - a) Integrated watershed development component of Pradhan Mantri Krishi Sinchayee Yojana
  - b) Digital India Land Records Modernisation Programme (DILRMP)

### Allocation to Ministry of Rural Development in Union Budget 2023-24

- The Ministry of Rural Development has been provided the seventh highest allocation across all ministries in the Union Budget for financial year 2023-24.
- Its allocation up surged from Rs. 61,864 crore in 2013-2014 to Rs. 1,59,964 crore in 2023-24.
- The budgeted expenditure of the Department of Land Resource came down by 3.98 percent during the last decade despite witnessing a sharp rise of 92 percent in 2023-24 over the previous year.

### Major Schemes Under The Department of Rural Development

- The budget allocation to all centrally sponsored schemes for rural development went up from Rs. 1, 08,175 crore to Rs. 1, 57,545 crore witnessing a growth rate of 7.84 percent per annum.
- But it declined due to unusually high expenditure on MGNREGA during the COVID-19 pandemic period.

### Mahatma Gandhi National Rural Employment Guarantee Scheme

- Under this scheme during the year 2022-23, assets worth Rs. 7.10 crore were created through generation of 253.11 crore person days benefitting 5.82 crore households up to February 10, 2023.
- In 2023-24 budget, the allocation for the MGNREGA has been slashed nearly by 33 percent.
- The fall in the allocation could be attributed to lower demands of works under MGNREGA due to strong agricultural growth and a swift recovery from COVID-19 induced slowdown, resulting in better employment opportunities in rural areas.
- In 2023-24, MGNREGA scheme accounted for nearly 38 percent of total expenditure on all centrally sponsored schemes of rural development. It is followed in descending order by Pradhan Mantri Awas Yojna-Gramin (35%), Pradhan Mantri Gramin Sadak Yojna (12%) and National Rural Livelihood Mission (9%).

### Pradhan Mantri Awas Yojana-Gramin

- PMAY-G has been provided the second highest allocation in the Union Budget 2023-24.
- The funds allocated to this scheme (Rs. 54,487 crore) comprise nearly 35 percent of the budgeted expenditure on all centrally sponsored schemes.
- A total of 2.83 crore houses have been sanctioned and 2.14 crore has been completed by February 10, 2023 under the scheme.

### Pradhan Mantri Gram Sadak Yojana

- PMGSY is the third most momentous centrally sponsored scheme of rural development.
- The scheme has been allocated Rs. 19,000 crore in 2023-24, accounting nearly 12 percent of the total budget of Department of Rural Development.

### National Rural Livelihoods Mission

- Among various centrally sponsored schemes, DAY-NRLM witnessed the second highest growth rate (17.21%) during last seven years.
- The budget allocation to this mission increased from Rs. 4,327 crore in 2017-18 to Rs. 14,129 crore in 2023-24.

### National Social Assistance Programme

- The major schemes under this programme include Indira Gandhi National Old Age Pension Scheme, Indira Gandhi Widow Pension Scheme, Indira Gandhi National Disability Pension Scheme, National Family Benefit Scheme and Annapurna scheme.



- In 2022-23, the programme was allocated Rs. 9,652 crore, which is nearly 18.40 percent increase over the expenditure of previous year.

#### Shyama Prasad Mukherjee Rurban Mission

- Launched on 21<sup>st</sup> February 2016, SPMRM is a unique programme, designed to deliver catalytic interventions to rural areas, on the threshold of growth.
- The mission has target to create 300 Rurban clusters with the matic economic growth points across the country.

#### Allocation to the Department of Land Resource

- The Department of Land Resources created under the Ministry of Rural Development implements two key schemes:
  - Integrated Watershed Development Component of Pradhan Mantri Krishi Sinchayee Yojana (WDC-PMKSY)
  - Digital India Land Records Modernisation Programme (DILRMP).
- In 2023-24, the Department was allocated Rs. 2,419 crore, which is 92% higher over the revised expenditure estimates of previous year.

#### Allocation to the Ministry of Agriculture and Farmers Welfare

- The Ministry has two departments:
  - The Department of Agriculture Cooperation and Farmer's Welfare, which implements policies and programmes related to the agriculture, horticulture, and animal husbandry.
  - The Department of Agriculture Research and Education, which coordinates and promotes agricultural research and education.
- The budget allocation to the Ministry of Agriculture and Farmers Welfare went up from Rs. 26,071 crore in 2013-14 to Rs 1, 25,036 crore in 2023-24.
- Budget allocation to the Department of Agriculture Research and Education went up comparatively at a lower rate of 6.70 per cent per annum during the period under reference.

#### Income Support To Farmers

- Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana was launched to augment the income of farmers with land holding up to 2 hectares subject to certain inclusions.
- In the Union Budget 2023-24, an amount of Rs. 60,000 crore was allocated to PM-KISAN, which is 11.76% lower as compared to budgetary estimates(BE) of 68,000 crore made for the financial year 2022-23.
- The reduction in the PM-KISAN budget is due to a fall in the number of eligible beneficiaries.
- An Agriculture Accelerator Fund will be set up to encourage agri-startups by young entrepreneurs in rural areas.
- Other announcements:
  - To build digital infrastructure for providing information services to farmers.
  - Increase in agricredit to Rs. 20 trillion, with focus on animal husbandry, dairy and fisheries.
  - Global hub for millets (Shree Anna).
  - Cooperatives based development for agriculture.

#### Initiatives and Way Forward

- To attract unemployed educated youth to agriculture, agribusiness and agri-preneurship, impetus on creating a scientific temper and fostering innovative spirit is the need of the hour.



- Public expenditure on social infrastructure is also needed to be prioritized to promote sustainable and inclusive growth.
- It is imperative to improve educational standards, skilling the rural youth, empowering women, providing affordable health care to all and enhance job opportunities in a big way.
- Above all, uplifting of socially and economically backward sections of the society is of paramount significance for bridging the widening gap between the haves and have nots.
- A joint effort on the part of the government, private sector and self-help groups supported by the public at large will play a pivotal role in boosting economic activities and ultimately improving the quality of life of rural people.

### Conclusion

In the Union budget 2023-24, liberal funds have been provided for generating income and employment in rural areas through increased public expenditure on the schemes and programmes formulated for this purpose. The government's initiatives towards more inclusive growth, social protection and gender responsive development will certainly pave the way for the journey of the country to become the third largest economy in the world by 2027.

### MSME SECTOR ON GROWTH TRAJECTORY

The recent Economic Survey 2022-23 presented a detailed picture on the performance and contribution of Micro, Small and Medium Enterprises (MSME) sector to the national economy during last 2-3 years. Its contribution to overall Gross Value Added (GVA) increased from 29.3% in 2018 to 30.5 percent in 2019-20.

### MSME During Pandemic Era and Beyond

- The MSME sector- with a total of just over 63 million enterprises, contributing to over 110 million jobs and almost a third of India's GDP and about half of India's manufacturing output and exports- has been severely impacted by the COVID-19 pandemic led lockdown.
- These units witnessed varying degrees of disruptions in supply chain, decrease in product demand, decrease in labour supply, loss of revenue, inadequate access to credit and in worst case scenario closure of unit.
- A series of schemes and programmes were also announced during the pandemic times both by state and central governments focusing on MSME.
- The Aatma Nirbhar Bharat package include the modification of definition of MSMEs; the provision of Rs. 20,000 crore subordinate debt for stressed MSMEs; Rs. 50,000 crore equity infusion through self-reliant India fund; waiving of the global tender requirement for procurement of up to Rs. 200 crore; launching of the Udyam portal for MSME registration, a paperless, zero-cost registration portal that is based on self-declaration and only requires Aadhaar.
- The creation of digital identities such as Aadhaar, registration of unorganized workers on the e-shram portal, street vendors on SVANidhi, taxpaying firms on GSTN and MSMEs on the Udayam portal has played significant role in the inclusion of these groups under the formal economic net.
- In order to digitally empower MSME sector, many IT-enabled portals and dashboards were created such as MSME 'Samadhaan', MSME idea portal, Udyamimitra etc. provide multiple services including registration, easy access of financial and non-financial service needs, provisioning skilled workers, grievances related to delayed payments and so on.

- The MSMEs have also benefitted from access to digital platforms for their marketing needs and easy payments.
- On boarding GSTN as a financial information provider to reduce the compliance burden on MSMEs, enhance their access to finance and working capital and equip them with skills, knowledge and attitude to grow their business responsibly.
- GeM has taken a host of steps to onboard products of self-help groups (SHGs), tribal communities, artisans, weavers and MSMEs.
- One District-One Product (ODOP) initiative has been facilitating the onboarding of sellers of identified products on e-Commerce platforms to provide greater visibility for small businesses from the rural sector.

#### Key Provisions Under The Current Year Budget 2023-24

- The budget made a provision of infusing Rs. 9,000 crore in the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprise (CGTMSE), effective April 1, 2023, which will enable additional collateral free credit of Rs. 2 lakh crore to MSMEs with a reduction of the cost of credit by 1 percent.
- A National Financial Information registry will be set up to serve as the central repository of financial and ancillary information and enable an efficient flow of credit.
- The limit for presumption taxation increased for micro enterprises with a turnover of up to Rs. 2 crore to Rs. 3 crore and for certain professionals with a turnover of up to Rs. 50 lakh to Rs. 75 lakh.
- The government and the government undertakings will return 95 percent of the forfeited amount related to bid or performance security in case of failure of MSMEs to execute contract during the COVID-19 period in order to provide relief to MSMEs.
- It was proposed to extend the date of incorporation for income tax benefits to start-ups from March 31, 2023 to March 31, 2024 and also to provide the benefit of carry forward of losses on the change of shareholding of start-ups from seven years of incorporation to ten years.
- The National Logistics Policy (NLP) aiming to bring down the logistics cost from 13-14 percent to 8 percent of GDP will encourage more MSMEs to use tech powered logistics services.
- The five year rollout of the Rs. 6,000 crore World bank assisted Raising and Accelerating MSME performance (RAMP) programme was announced in the budget to help the MSME sector become more resilient, competitive and efficient.
- Four portals viz. Udyam, e-Shram (creating national database of unorganized workers), National career services (NCS- catering to employment related services like job search, job matching, career counselling etc.) and Atma-nirbhar Skilled Employee-Employer Mapping (ASEEM – matching supply of skilled workforce with the market demand) will be interlinked.
- A special package for artisans and craftsmen under PM Vishwa Karma Kaushal Samman was announced to integrate them with MSME value chain and enable them to improve quality, scale and reach their products.
- The setting up of the Entity DigiLocker for MSMEs will allow storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and business entities.
- The GOBARDhan (Galvanizing Organic Bio-Agro Resource Dhan) scheme will help-
  - Villages manage their cattle waste, agriculture waste and in the long run, all organic waste safely.
  - Communities turn their cattle and organic waste into wealth by utilizing decentralized system.
  - Convert organic waste into biogas and fertilizer for regular use.

- Encourage rural entrepreneurship employment and income generation.
- A new scheme called *Mahila Samman Saving Certificate* was announced in the current budget. Under this, one time small saving deposit facility for the women and girls will be for a period of two years with rate of interest 7.5 percent. The deposit can be made in the name of a women or girl child. The scheme will have partial withdrawal facility as well. Maximum deposit amount is kept at Rs. 2 lakh.
- The current budget has provided much needed support to this sector, including setting up a massive decentralized storage capacity so that farmers can store their products and realize remunerative prices by selling at an appropriate time.
- To promote growth of new cooperative manufacturing societies, the budget has announced a concessional income tax rate of 15 per cent for cooperatives that begin manufacturing before March 31, 2024.
- The budget has also increased to Rs. 2 lakh per member the limit of cash deposits to and loans in cash by primary agricultural cooperative societies (PACs) and primary cooperative agriculture and rural development banks.
- Cooperative societies have been given a higher limit of Rs. 3 crore for tax deducted at source on cash withdrawal.
- Attempts also being made for cooperatives to register in GeM portal, enabling them to purchase from more than 40 lakh sellers.

### Way Forward

Attempts should be made that the budgetary provisions are duly executed. A strong and robust MSME sector is required for India to move to the 5 trillion dollar economy mark and join the developed nations club.

## INCLUSIVE DEVELOPMENT IN EDUCATION

The new reality of the twenty first century has altered the objectives and standards of education everywhere. A quality education for every child is essential to sustainable development because it gives them the skills to reach their full potential and contribute to their country's and their own socio-economic advancement as productive citizens. The NEP 2020 promotes youth skill acquisition and all around development in a welcoming open, and multilingual environment.

### School Education Scenario

- Access to school is now considered as a non-negotiable part of a child's right to education.
- In 2021-22, the Gross Access Ratio (GAR) of schooling facility at primary level is 97.49 percent habitations, 97.01 percent at upper primary level, and 95.48 percent at the secondary level.
- **Increase in Enrolment and Basic Facilities:** As per Unified District Information System for Education (UDISE +) and economic survey, a total of 26.5 crore children were enrolled in schools. GER of girls is higher or equal in all stages of school education. Total Enrolment of Children with Special Needs (CWSN) in the year 2021-22, stands at 22.67 lakh as compared to 21.9 lakh in FY21, which is an increase of 3.3 percent.

### Children With Special Needs (CWSN) Enrolment

- A significant part of increasing student enrolment and retention in schools is played by programmes like Samagra Shiksha, the RTE act, improvements to school infrastructure and facilities, residential hostel buildings, teacher availability, regular teacher training, free textbooks, uniforms for children, Kasturba Gandhi Balika Vidhyalaya and the PM POSHAN scheme.

- Most govt. schools now have basic facilities, i.e. toilets (for boys and girls), drinking water, and hand-washing stations.
- The Samagra Shiksha scheme and Swachh Bharat Mission have played a crucial role in providing the necessary resources and developing these assets in schools by giving drinking water and sanitation a high priority.
- The govt. provides funding for the construction of smart classrooms and ICT labs in schools as part of the Samagra Shiksha Scheme.

#### Initiatives Taken in Previous Year

- **PM Schools for Rising India (PM SHRI):** These schools will have state-of-art facilities, demonstrate how the NEP is being implemented and eventually become models for the other institutions of learning in the area. These schools will include inclusive and accessible modern infrastructure, such as labs, smart classrooms, libraries, sports equipments and art rooms etc.
- **The National Curriculum Framework (NCF) For Foundational Stage:** The NCF places “play” at the center of the conceptual, practical and transactional approaches to curriculum organization, pedagogy and content organization and the whole experience of the child at the center of these practices.
- **PRASHAST:** A mobile app for disability screening, it covers 21 impairments, including the benchmark impairments listed in 2016 Rights of Persons with Disabilities Act. It will assist in identifying the issues at the school level and provide a school-wise report that can be shared with the appropriate parties to start the certification process in accordance with the Samagra Shiksha requirements.
- **The National Credit Framework (NCrF):** It incorporates the National Higher Education Qualification Framework (NHEQF), National Skills Qualification Framework (NSQF) and National School Education Qualification Framework, is an umbrella framework for skilling, re-skilling, up-skilling, accreditation, and evaluation. It takes the NEP’s vision for credit earning into account(NSEQF).

#### Budget 2023-24: An Analysis

- The budget gave an excellent impetus to skill development, education and technology.
- It has provided significant allocation for education and aims to promote an equitable and inclusive education system across India.
- For the first time, the allocation for education had crossed Rs. 1 lakh crore in last year’s budget.

#### Thrust Areas of the Budget Announcements

The areas which have been announced in the budget clearly put the thrust on inclusive growth and development taking education to all sections of the society. The major announcements of the budget are:

- **School Education:** Education sector is now focusing on learning recovery and budget has provided priority areas to be emphasized upon.
  - i. Re-Envisioning ‘Teachers’ Training: In order to improve primary education and facilitate devolution of education to the district level, District Institutes of Education and training (DIETs) were envisioned. New pedagogy, curricular change, ongoing professional development, dipstick surveys and the use of ICT would reimagine “Teachers Training”.
  - ii. National Digital Library For Children And Adolescents: A national digital library for schools will be developed with works by reputable Indian and international authors to enable all school students to read and learn with books even when they do not have physical access to libraries and to have a wider range and larger selection of books in regional languages. States will be urged to establish physical libraries at the ward and

panchayat levels as well as to provide the necessary infrastructure to access the National Digital Library's resources.

- **Higher Education:**

- Centres of Excellence for Artificial Intelligence:** Three Artificial Intelligence Centres will be built in the prestigious educational institutions to make the vision of "Make AI in India" and "Make AI work for India" a reality. As a result, an efficient AI ecosystem will be stimulated and skilled workers will be nurtured.
- Lab Grown Diamonds (LGDs):** One of the IITs will get equipment and seeds from LGDs for a period of five years for research and development.
- 5G services:** To actualize a new variety of options, business models, and employment potential, 100 laboratories for developing apps using 5G services will be set up in HEIs. 5G technology-related applications will boost employment, start-ups and enterprises as well as encourage young engineers' innovation and entrepreneurship.
- National Data Governance Policy:** To unleash Innovation and research by startups and academia, a National Data Governance Policy will be brought out.
- Multidisciplinary courses in medical devices and programmes to promote research in pharmaceuticals, with both industry and government funding will further strengthen the 'Jai Anusandhan' motto.

### Conclusion

Union Budget 2023-24 is a step to augment and further the efforts to achieve the objectives of NEP 2020. It will enable significant infrastructure improvements and educational technology developments. This would raise the standard of instruction and learning and provide new opportunities for opportunities for teachers, students and researchers.

### BUDGET FOR YOUTH OF AMRIT KAAL

As India targets and projects itself towards becoming a 'knowledge economy', it focuses on advancing skills relevant to the emerging economic environment. The government's mission has dual objectives of economic growth and inclusive development.

### Opportunity

- Globally, between 2021 and 2052, India will account for the most significant proportion of working age population.
- The growing working-age population presents a massive opportunity for the country as it strives to grow into a \$5 trillion economy.
- To capitalize this demographic dividend, the government is focusing on skilling, up skilling and re-skilling and enabling job generation.
- It needs a well thought-out strategy to provide a new set of skills through vocational training to absorb this additional workforce and sustain economic growth effectually. It is necessary to also build a robust infrastructure of Institutes and academicians for the same.

### Empowering the Youth through Education and Skilling

- The government has formulated the new National Education Policy (NEP 2020), focused on upskilling, adopted economic policies that accelerate job creation at scale and supported business opportunities to empower the country's youth and support the 'Amrit Peedhi' to realize their dreams.

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0 was announced aimed at skilling lakhs of youth within the next three years in the new age courses for industry such as robotics, coding, drones and other soft skills.
- The budget focuses on improving education quality, strengthening teacher competencies, developing robust infrastructure and increasing access to affordable internet services.
- The Atal Tinkering Labs (ATL) initiatives by Atal Innovation Mission (AIM), NITI Aayog provides makerspace access to 21<sup>st</sup> century technological equipment like 3D printers, microcontrollers, electronics, drones etc.
- Annual Telecommunications and 5G unleashed a wave of demand and new usecases including cloud computing, robots, and the Internet of Things (IoT). The new skilling initiatives will be beneficial to close the country's growing demand-supply gap in the technical talent workforce.
- 30 Skill India International Centres will be set up across different states to prepare youth for international opportunities.
- The launch of a unified Skill India Digital platform for enabling demand based formal skilling, linking with employers and facilitating access to entrepreneurship schemes.
- Direct Benefit Transfer under a pan India National Apprenticeship Promotion Scheme would be rolled out to provide stipend support to 47 lakh youth in 3 years.

### Enabling the Backbone of the Economy

The Minister of Finance announced four significant steps to support MSMEs during this fiscal year-

1. **Credit Guarantee for MSMEs**- The revamped scheme will take effect from 1<sup>st</sup> April 2023 through the infusion of Rs. 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of Rs. 2 lakh crore. Further the cost of the credit will be reduced by 1 percent
2. **Tax Benefits**- The Union Budget 2023 raised the limits of tax payers of less than 5 percent cash receipts to Rs. 3 crore and Rs. 75 lakhs respectively. Deduction of expenses incurred on payments only when the payment is made to the MSMEs is also proposed. MSME suppliers unable to execute contracts during the COVID-19 pandemic will receive 95 percent of the amounts forfeited from the government under the 'Vivad se Vishwas' scheme.
3. **Digital Infrastructure**- Entity Digi Locker will be installed for MSMEs apart from the major commercial and philanthropic organisations to securely store and share documents online, whenever required, with various regulators, banks, authorities and other business entities. The new concept of Pradhan Mantri Vishwakarma Kaushal Samman (PM-VIKAS) scheme will enable artisans to improve the quality and accessibility of their products while integrating them into the value chain of micro, small and medium enterprises.
4. **Agriculture Accelerator Fund**- It will be set up to encourage agricultural startups by young entrepreneurs in rural areas. The fund aims to provide innovative and cost-effective solutions to challenges faced by farmers.

### Implementation Strategy

For India to emerge as world's talent hub for digital skills, the following strategies are to be adopted:

- **Identifying Areas of National Importance**: based on the emerging areas, collaboration with top overseas higher education in teaching-learning and research could be considered a customized format. The next paradigm shift in technology that can be exponentially spur growth and development in the following domain areas:
  - i. Artificial Intelligence and Machine learning.
  - ii. Technologies for Internet of Things and Everything (IoT and IoE), sensors, activators and control.
  - iii. Databanks & data services, Data Analytics.

- iv. Advanced communication systems.
- v. Robotics and autonomous systems.
- vi. Cyber Security and Cyber Security for physical Infrastructure.
- **Implementation of National Education Policy on Priority:** Continuous learning, skill credits, world-class academic institutes, experiential learning, and faculty training must focus on excellence and outcomes.
- **Building Alternate Talent Pools:** India needs to build digital capacity in smaller towns, get more women to join the work, stream with hybrid work norms, and revamp vocational education from industrial training institutes and polytechnics.
- **Incentivizing Skilling:** Schemes should be created that incentivize skilling for corporates, not just for their own needs but across the ecosystem.
- **Exploring Innovative Learning Models:** Invest in building world-class free content that anyone can leverage and align with a credible certification program.
- **Democratizing Training:** Unnecessary entry qualifications and eligibility criteria should be dropped. Let's have no barrier to entry but a quality-controlled exit process.

### Future Roadmap

India needs to attract potential and harness expertise available nationwide, thus fostering research innovation, world-class technology and product development. It must also coordinate and build linkages with research institutes and labs in India and abroad providing a reliable platform for technology-based firms and entrepreneurs to achieve the following objectives:

- i. Knowledge Generation
- ii. Human Resource and Skill Development
- iii. International collaboration
- iv. Bringing back Indian Talent
- v. Building a National Database of skills
- vi. Investment in R&D
- vii. Incentives and Recognition

### Conclusion

Improving incentives, ease of doing science and educational systems will be vital in improving the attraction and retention of Indian Science and Technology. These will be the foundation for the success of any programs or policies for retaining and attracting talent. Creating a robust digital talent ecosystem would further enable us to be future-ready and leverage the opportunities of a digital future.

## TRADE AND INDUSTRY

Budget 2023 assumes greater importance in the wake of the global economic forecast that a world-wide recession is round the corner- accentuated by the Russia-Ukraine war as well as the widespread economic displacement in China owing to a long COVID-19 lockdown. The manner in which the government decisions in the Annual Budget impact the various sectors are given below:

### 1. Government Spending:

- The total size of the government spending in 2023-24 is proposed to be around Rs. 45 lakh crore.



- The size of India's GDP in 2022-23 is Rs. 273 lakh crore, that means the quantum of Government spending is going to be around 16.48 percent of the GDP.
  - The fiscal deficit for 2023-24 has been targeted at just 5.9 percent of the GDP which is lower than the projected 6.4 percent in 2022-23. This means that not only government revenues projected to be higher but the government would also be borrowing less in the next financial year.
  - This would in turn result in more money in the market being available for the industry and businesses at lower interest rates, thereby keeping inflation in check.
  - The capital investment outlay has been increased steeply for the third year in a row by 33 percent to 10 lakh crore which would be 3.3 percent of the GDP.
  - The 'Effective Capital Expenditure' of the centre is budgeted at 13.7 lakh crore, which will be 4.5 percent of the GDP and would help propel the domestic manufacturing as well as employment generation.
2. **Direct Taxation:** In Budget 2023-24, the government has chosen to not only give tax incentives to MSMEs and corporate societies but also lowered the personal tax rate. Both these measures would fuel the domestic growth rate, which has been projected at 6.5 percent for FY 2023-24, which is slightly less than 7 percent in 2022-23.
  3. **Indirect Taxation:** In this budget, the government has proposed to lower import duty on several raw materials which would benefit domestic manufacturers of electric vehicles, seeds for lab grown diamonds etc. Import duty on items such as kitchen chimneys and toys would make such imported items more expensive and give a fillip to their domestic manufacturing.

#### **Impact of Important Budget Announcements on the Specific Segments of Trade And Industry in India**

1. **Green Growth:** Many programmes for green fuel, green energy, green farming, green buildings, green equipment's, and policies for efficient use of energy across various economic sectors are being implemented. The recently launched National Green Hydrogen Mission, with an outlay of Rs. 19,700 crores will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports and make the country assume technology and market leadership in this sunrise sector. To avoid cascading of taxes on blended natural gas, it has been proposed to exempt duty on GST-paid compressed bio gas contained in it, thereby making it more affordable. The budget provides Rs. 35000 crore for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum and natural gas. Also, battery energy storage systems with capacity of 4,000 MWH have been proposed to be supported with 18 Viability gap funding.
2. **Agriculture Credit Target:** It is sought to be enhanced to Rs. 20 lakh crore with the focus on animal husbandry, dairy and fisheries. This would benefit the equipment manufacturers catering to the dairy industry, animal and fish feed industry.
3. **PM Matsya Sampada Yojana:** With targeted investment of 6000 crore proposed to be launched to further enable activities of fisherman, fish vendors and micro and small enterprises, improve value chain efficiencies and expand the market.
4. **Decentralised Storage Capacity:** It will help farmers store their produce and realize remunerative prices though sale at appropriate times.
5. **Programme To Promote Research And Innovation:** in pharmaceuticals is proposed to be taken up through centres of excellence that will encourage the industry to invest in research and development in specific priority areas.

6. **PM Awas Yojana:** Its outlay is being enhanced by 66 percent to over 79,000 crores. This would have a direct bearing on the domestic cement and steel industry as well as brick/concrete block manufacturers.
7. **Capital Spending:** by Ministries/ Departments has a direct bearing on the domestic industry especially after the government's thrust on domestic procurement and enhancement of domestic procurement ceiling to Rs. 200 crore. A capital outlay of 2.40 lakh crore has been provided for the Railways. Jal Shakti Ministry has been allotted more than Rs. 97000 crore. This massive dose of public spending in these key sectors would not only give a boost to steel, cement and Petro-chemicals sector but also PVC and steel pipe, capital goods and yellow goods manufacturers.
8. **Transport Infrastructure Projects:** One hundred critical transport infrastructure projects will be taken up on priority with the investment of 75,000 crore, including 15,000 crore from private sources.
9. **Urban Infrastructure Development Fund:** Proposed to be established through use of priority sector lending shortfall. This will be managed by the National Housing Bank, and will be used by the public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. The plan to have 100 percent mechanical dislodging of septic tanks and sewers in cities of towns would go a long way in boosting manufacturer of mechanical dislodging machines as well as commercial vehicles.
10. **Ease Of Doing Business:** For enhancing this, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. The Jan Vishwas Bill to amend 42 central acts has been introduced.
11. **PM Vishwakarma Kaushal Samman (PM VIKAS):** Aimed at providing the artisans a package of assistance for enabling them to improve the scale, quality and reach of their products and integrating them with the MSME value chain.
12. **Interstate Transmission System:** for evacuation and grid integration of 13GW renewable energy from Ladakh has been proposed to be constructed with investment of 20,700 crore including central support of 8,300 crore. This would not only boost the manufacturing of solar panels but also the steel and transmission cable manufacturing.
13. **West To Wealth Plants:** 500 new 'west to wealth' plants under GOBARdhan scheme to be setup at a total investment of Rs. 10,000 crore would benefit the manufacturing of bio waste plants/equipments.
14. **Auto Sector:** Sought to be boosted not only through the thrust on scrapping of old Government vehicles as well as reduction to 0 percent the customs duty on specified capital goods/ machinery for manufacture of lithium ion cell for use in battery of electrically operated vehicle (EVs).
15. **Phased Manufacturing Programme:** To further deepen domestic value addition in manufacture of mobile phones, it has been 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.
16. **Basic Customs Duty:** is being reduced on acid grade fluorspar from 5 percent to 2.5 percent to make the domestic fluorochemicals industry competitive. To facilitate availability of raw materials for the steel sector, exemption from basic customs duty on raw materials for manufacture of CRGO steel, ferrous scrap and nickel cathode is being continued. Zero import duty of ferrous scrap would benefit the smaller steel mills which use Electric Air Furnace route for steel making.

To sum-up Budget 2023-24 is an important step towards not only boosting the domestic manufacturing and services sector through elevated public spending, especially capital spending but also to incentivize domestic manufacturing and steering the country on the path of green growth, thereby emphasizing the country's commitment to net zero emission by 2070.

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## **VAJIRAM & RAVI**

### **DEVELOPMENT OF TOURISM SECTOR**

To counter the loss due to halt in international tourism due to COVID19 pandemic, MoT-Gol gave more impetus on domestic tourism in 2020 and launched 'Dekho Apna Desh' campaign, with an objective of promoting various tourism destinations of India. In the line of Aatma Nirbhar Bharat, capitalising on the key theme of latest IMF projection i.e. 'resilient domestic demand', it is absolutely pragmatic to promote Domestic Tourism, as it may help in countering this consistently growing trend in Indians (fuelled by social media platforms) to aspire for foreign destinations despite increase in fares and visa delays.

#### **Sectoral Allocation Union-Budget 2023-24**

- The budget allocation for tourism sector was Rs. 2,400 crore.
- Rs. 1412 crore has been allocated for Swadesh Darshan Scheme.
- Rs. 242 crore has been allocated for promotion and branding of tourism.
- The budget speech mentioned 'Tourism' as one of the four opportunities ( other three include, Economic Empowerment of Women, PM Vishwakarma Kaushal Samman i.e. PM VIKAS and green growth) that can create credible transformations in India in the coming days.
- Focus on development of tourism would be on domestic as well as foreign tourists.
- To meet the requirement of trained manpower in the tourism and hospitality sector, an allocation of Rs. 105 crore has been made for training and skill development.
- Rs. 250 crore have been allotted for the PRASHAD scheme.
- Allocation of Rs. 229 crore has been done for tourism, infrastructure, and promotion of North-Eastern states.

#### **Hosting G-20 Meet 2023- Showcasing India as a Destination**

India through the summit has an opportunity to showcase its multitude of tourism attractions. This may lead to higher inbound tourist arrivals from the participating countries in future.

#### **50 New Tourist Destination**

These destinations may evolve as alternatives to the existing ones. The mobile app will provide tourist-friendly information like physical and virtual connectivity and details on tourist guides, amongst other guidance. A high standard of street food would also be ensured.

#### **Accessibility and Supportive Infrastructure**

- 'Infrastructure and Investment' is one of the seven priorities (Saptrishi) adopted by the Budget 2023.
- Union Budget mentioned that under the Regional Connectivity scheme (RCS), 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- Like the popular Golden Triangle (Delhi, Agra and Jaipur) tourism circuit, regional connectivity will give boost to dedicated tourism circuits. This will promote local tourism and trigger investment in hospitality projects in the region.
- A capital outlay of Rs. 2.40 lakh crore has been provided for the railways in the Union Budget.

#### **Amrit Dharohar: Facilitating Eco Tourism**

- Government will promote wetland's unique conservation values through the Amrit Dharohar scheme that will be implemented over the next three years to encourage optimal use of wetlands and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.

- MISHTI i.e. 'Mangrove Initiative for Shoreline habitats and Tangible Incomes' initiative will help mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between MGNREGS, CAMPA Fund and other sources.

#### **Unity Mall (Souvenirs in Tourism) and MSME facilitation**

- States will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicrafts, and for providing space for such products of all other states.
- PM VIKAS has been conceptualized for encouraging traditional arts and handicrafts.
- Revamping of credit guarantee scheme for MSMEs has been announced.

#### **Rural (Border) Tourism: Vibrant Village Programme**

Diversifying the basket of rural tourism offerings, under the scheme of Vibrant Village Programme, tourism infrastructure and amenities will be facilitated in border villages.

#### **Cruise Tourism**

Coastal shipping will be promoted as the energy efficient and lower cost mode of transport, both for passengers and freight, through PPP mode with the viability gap funding. This will aid the development of cruise tourism in India.

#### **Associated Sector Allocations**

- The budgetary allocation to Ministry of Culture stood at Rs.3399.65 crore.
- Under the allotment Rs. 1102.83 crore has been allocated to the ASI for protection, preservation and conservation of centrally protected monuments/ sites.
- To improve the financial and socio-economic status and support veteran artists, financial assistance under the Kala Sanskriti Vikas Yojana launched by the Cultural Ministry has been enhanced, showing and increase from Rs. 4000 to 6000 per month.

#### **Conclusion**

All the government initiatives including the budget, should make travel more experiential which is exactly what travel enthusiasts are looking for. Government projects, executed properly can make the tourists experience more wholesome and seamless.