

Mr. Vipin Malik,  
(Chairman, Infomerics Ratings)

Dr. Manoranjan Sharma  
(Chief Economist)

Ms. Priyansha Pushkar  
(Officer - Economic Analysis)

## IMPACT OF UNION BUDGET FY25 ON INFRASTRUCTURE

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On 23<sup>rd</sup> July 2024, the Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, presented the Union Budget 2024-25 in the Parliament. An allocation of ₹ 11,11,111 crore for capital expenditure, which is 3.4 per cent of GDP, has been made during the interim budget. In the interim budget, 4 major sects of society were prioritized, namely 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Anna data' (Farmer).

### Youth (Yuva)

- Prime Minister's package (3 schemes, A, B and C) - central outlay of ₹ 2 lakh crore.
- Scheme A – DBT of 1 month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to ₹ 15,000.
- Scheme B – Job creation
- Scheme C - Support to employers - reimburse up to ₹ 3,000 pm for 2 years towards their EPFO contribution
- A provision of ₹ 1.48 lakh crore for education, employment and skilling.



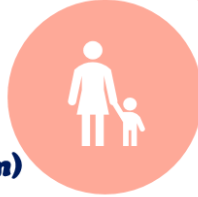
### Poor (Garib)

- PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India will be stepped up.
- Purvodaya scheme.
- PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹ 10 lakh crore. The central assistance of ₹ 2.2 lakh crore in the next 5 years.



### Women (Mahilayen)

- Setting up of working women hostels and daycares.
- Budget allocation of more than ₹ 3 lakh crore for Women-specific skilling and development program.
- Encouraged lowering duties for properties purchased by women



### Farmers (Annadata)

- Higher MSP (50% over margin over cost)
- PMGKAY extended (5 years)
- New 109 high-yielding and climate-resilient varieties of 32 field.
- 10,000 need-based bio-input resource centers.
- Digital Public Infrastructure (DPI) for better survey.
- Jan Samarth based Kisan Credit Cards will be enabled in 5 states.
- Support to Polavaram Irrigation Project (Andhra Pradesh).



In July, the key priorities included, 1.) Productivity and Resilience in Agriculture, 2.) Employment & Skilling, 3.) Inclusive Human Resource Development and Social Justice, 4.) Manufacturing & Services, 5.) Urban Development, 6.) Energy Security, 7.) Infrastructure, 8.) Innovation, Research & Development, and 9.) Next Generation Reforms. Among these, significant announcements have been made in relation to the 7<sup>th</sup> priority, i.e., the infrastructure sector.

# Union Budget FY25: 9 Priorities



The finance minister underlined that significant investment the Central Government has made over the years in building and improving infrastructure has had a strong multiplier effect on the economy. Government will endeavor to maintain strong fiscal support for infrastructure over the next 5 years, in conjunction with imperatives of other priorities and fiscal consolidation. Announcements related to infrastructure made during the budget speech:

**Health** Medical colleges, vaccination drive for cervical cancer, Saksham Anganwadi, Poshan 2.0, extended Ayushman Bharat scheme, and U-WIN platform for mission Indradhanush.

**Energy** PM Surya Ghar Muft Bijli Yojana to install rooftop solar plants, charging stations for electric vehicles, harnessing offshore wind energy, Coal gasification, liquefaction capacity, blending of CBG in CNG for transport and PNG, and e-buses.

**Roadways** Phase IV of PMGSY for all-weather connectivity to 25,000 rural habitations; Accelerated Irrigation Benefit Programme in Bihar like Kosi-Mechi intra-state link estimated cost of which will be around ₹ 11,500 crore.

**Railways** 3 major economic railway corridor programs will be implemented. 1.) energy, mineral and cement corridors, 2.) port connectivity corridors, and 3.) high traffic density corridors. 40000 normal rail bogies will be converted to the Vande Bharat coaches.

**Aviation** To reduce downtime for aircraft & promote domestic aviation the period for export of goods imported for repairs is extended from 6 months to 1 year. Also, the time limit for re-import of goods for repairs under warranty is also extended from 3 to 5 years. The tax structure is also simplifying to foster growth in MRO sector.

**Education** This year, ₹1.48 lakh crore has been allocated for education, employment, and skilling. A financial support for loans up to ₹10 lakh for higher education in domestic institutions. E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 per cent of the loan amount.

**MSME** The limit of Mudra loans will be enhanced to ₹ 20 lakh from the current ₹ 10 lakh under 'Tarun category'. A self-financing guarantee fund - ₹100 crore. 100 food quality and safety testing labs with NABL accreditation will also be facilitated.