

Sir/Madam,

Union Budget 2023-24: Hike in Infra & Railways Investments will Boost Construction Activities

Finance Minister today presented the Union Budget 2023-24 in the Parliament. Some of Key highlights includes:

Another year of big jump in Capital Investment (37.4% Rise) - Driver of Growth & Jobs

To ramp the virtuous cycle of Investment and job creation the budget took lead again by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to whopping Rs.10 lakh crore over Rs. 7.28 lakh crore in RE 2022-23- that's 3.3% of GDP. Enhanced capex for Rs 10 lakh crore has been allocated for infrastructure developments.

Booster for Railways: Capital outlay of Rs 2.40 lakh crore will be provided for railways; 9x over FY14, the highest-ever allocation since 2013-14.

The infographic features logos for Pib, Azadi Ka Amrit Mahotsav, and G20 at the top. The main title is 'INVESTMENT IN INFRASTRUCTURE AND PRODUCTIVE CAPACITY'. A central graphic shows 'UNION BUDGET 2023-24' with a background of construction silhouettes. Below this, the text 'GROWTH AND EMPLOYMENT MULTIPLIER' is followed by four key points, each with a hand icon: 1) Increase in capital investment outlay by 33.4% to ₹10 lakh crore; 2) Infrastructure Finance Secretariat to assist stakeholders for more private investment in infrastructure; 3) Urban Infrastructure in Tier 2 and 3 cities via establishment of UIDF*; 4) Continuation of 50-year interest free loan to State Governments. A footnote defines UIDF as Urban Infrastructure Development Fund. The bottom of the infographic displays social media handles for Pib India and Pib Hindi across various platforms.

INVESTMENT IN INFRASTRUCTURE AND PRODUCTIVE CAPACITY

UNION BUDGET 2023-24

GROWTH AND EMPLOYMENT MULTIPLIER

- Increase in capital investment outlay by 33.4% to ₹10 lakh crore
- Infrastructure Finance Secretariat to assist stakeholders for more private investment in infrastructure
- Urban Infrastructure in Tier 2 and 3 cities via establishment of UIDF*
- Continuation of 50-year interest free loan to State Governments

*UIDF: Urban Infrastructure Development Fund

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The key infrastructure and strategic Ministries such as Road Transport and Highways, Railways, Defence, etc. will lead in driving the capital expenditure in FY 2023-24.

Pradhan Mantri Awas Yojana: The allocation to PM Awas Yojana was also enhanced by 66% to ₹79,000 crore.

INFRASTRUCTURE FINANCE SECRETARIAT: After the subdued period of the pandemic, private investments are growing again. To attract private investment in sectors predominantly dependent on public resources, Finance Minister said that the **newly-established Infrastructure Finance Secretariat will assist all stakeholders for more private investment in infrastructure sectors like railways, roads, urban infrastructure and power.**

INTEREST-FREE LOAN TO STATES CONTINUED: To spur investment in infrastructure and to incentivize States for complementary policy actions, the Finance Minister proposed to continue the 50-year interest free loan to State Governments for one more year – with the outlay in this regard being enhanced significantly to ₹ 1.3 lakh crore. This represents an increase of 30 per cent over BE 2022-23 allocation and accounts to nearly 0.4 per cent of GDP of FY 2023-24.

Regional Air Connectivity: 50 additional airports, helipads, water aero drones, advanced landing grounds will be revamped to improve regional air connectivity.

Pushing for transport infra projects: 50 additional airports, heliports, water aerodromes, and advanced landing zones to be revitalised. 100 critical transport infra projects for steel, ports, fertiliser, coal, foodgrain sectors have been identified with an investment of Rs75,000 crore including Rs 15,000 crore from private sources.

Pradhan Mantri Kaushal Vikas Yojana 4.0: The government will launch Pradhan Mantri Kaushal Vikas Yojana 4.0. In order to skill the youth for international opportunities, 30 Skill India International Centres will be set up across different States

Revamped credit guarantee scheme for MSMEs: Revamped credit guarantee scheme will take effect from April 1, 2023, through the infusion of Rs 9,000 crore in the corpus. This will enable additional collateral-free credit of Rs 2 lakh crore to MSMEs.

The infographic features logos for PIB, Azadi Ka Amrit Mahotsav, and G20 at the top. The main title is 'UNLEASHING THE POTENTIAL' with the subtitle 'TOWARDS A TRANSPARENT AND ACCOUNTABLE ADMINISTRATION'. A circular badge on the right says 'UNION BUDGET 2023-24'. The background shows a man working on a laptop and a statue. At the bottom, there are social media handles for PIB India.

- Phase 3 of E-Courts to be launched for efficient administration of justice
- Vivad se Vishwas I for less stringent contract execution for MSMEs
- Vivad se Vishwas II for easier settlement of contractual disputes of Govt and Govt undertakings
- 'Input Based' to 'Result Based' Financing for better allocation of scarce resources
- Entity Digi Locker to be setup for businesses for secure online storing and sharing of documents

Sitharaman Lists 7 priorities for Budget, which act as Sapt Rishis in the Amrit Kaal - Inclusive development, infrastructure and investment, unleashing potential, green growth, youth power, financial sector. Reaching the last mile.

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



Agri Sector: The target for agricultural credit has been set at Rs 20 lakh crore for 2023-24. Overall bank credit surged in 2022, with latest RBI data showing non-food bank credit was up 15.3% in December, up from 9.4% a year ago. However, credit to agriculture and allied activities was up 11.5% in December, down from 14.2% a year ago

Green growth would be one of the priorities of the budget. Implementing many programmes for green growth across various economic sectors which will help reduce carbon intensity and create green jobs.

Economy to grow at 7% in the current year. This is the highest among major economies. India is on the right track despite time of challenges

Key takeaways on tax regime: New tax regime a default regime; will have option to choose old regime - No tax for income up to Rs 3 lakh/year - Will cut personal income tax slabs to 5 From 6 - Tax Exemption up to Rs 7 lakh/year is under new tax regime - To remove minimum Threshold of Rs 10,000 on TDS - Exempt tax on income of boards for housing, other activities - Reduce highest surcharge rate to 25% from 37% in new tax regime

FM Budget Speechis attached for your kind perusal please.

This is for your kind perusal please.

With kind regards,

(Shiv Rawat)
Deputy Director