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INDIA'S G20 SHERPA, AND
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A Budget for India in the *Amrit Kaal*



ONE OF THE keys to unlock India's growth potential is raising private investment. This year, the finance minister has more than delivered through a transformative Budget. The focus on capital expenditure, sunrise sectors, technology, and green growth will boost our long-term growth potential.

First, the sustained focus on capex must be lauded. A 33% increase in expenditure will take capital expenditure to ₹10 trillion in FY24, compared to ₹7.5 trillion in FY23. The railways will see record capex of ₹2.5 trillion. Furthermore, 100 critical transport infrastructure projects, for both first and last mile connectivity, will be taken up on priority. Regional air connectivity saw a huge boost through 50 additional airports, heliports, water aerodromes, and advance landing grounds. The newly established Urban Infrastructure Development Fund will enable us to build the cities of tomorrow. The credit guarantee scheme for MSMEs has been revamped, with a ₹9,000 crore infusion. This will enable collateral-free guaranteed credit of ₹2 trillion.

Second, by revising tax slabs, the Budget gives a fillip to domestic consumption by putting more money in the hands of people. As domestic consumption rises, so will domestic capacity utilisation, leading to higher investment to meet the additional demand. Skilling has been given a

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stimulus through the launch of Pradhan Mantri Kaushal Vikas Yojana 4.0, the unified Skill India Digital Platform, and providing stipend support to 47 lakh new apprentices. Increased capex and tax reforms have been complemented to ease India's business environment. Using the PAN as a common identifier for businesses, an entity digi-locker, simplified KYC processes, and a unified filing process will reduce the compliance burden. Tourism has also been given due focus, with 50 destinations to be developed as complete packages under challenge mode. States will be encouraged to set up Unity Malls, giving a fillip to one district one product (ODOP), handicrafts, and GI products.

Third, the focus on sunrise sectors of growth and technological transformation is admirable. The setting up of centres of excellence (CoE) for artificial intelligence (AI) will help scale AI-led solutions for India's pressing problems. The announcement of the National Data Governance Policy is also a major one. With access to anonymised data, startups and academics

can build innovative products and conduct cutting-edge research using tools like data analytics. Establishment of 100 5G labs will open new opportunities and businesses. The support to battery energy storage systems is another key initiative. The inter-state transmission system and grid integration of renewable energy from Ladakh will be constructed with a total outlay of ₹20,000 crore. Another key announcement is the establishment of digital public infrastructure for India's agriculture sector. With the newly announced agriculture accelerator fund, agriculture in India will witness a technological transformation.

Fourth, focusing on green growth is a key feature, with ₹35,000 crore being provided for capital investments, furthering our energy transition and net zero aims. The Green Credit Programme will be launched to incentivise environmentally conscious actions by companies, local bodies, and individuals. To promote soil health and agriculture productivity, PM-Pranam has been launched to incentivise states and UTs to promote balanced use of chemical fertilisers and use of alternative fertilisers. Further, a target of 1 crore farmers practicing natural farming has been set.

Finally, maintaining fiscal discipline while delivering on increased capex and tax breaks is the highlight. A glide path has been set with the fiscal deficit set to come down to less than 4.5% of GDP by FY26. With government borrowings moderating, private investment will be further crowded in. With robust public finances, capex, and a consumption push, India is set to enter a virtuous growth cycle. The Budget must be lauded for ensuring growth across the board. It provides a solid foundation as we look to transform India during *Amrit Kaal*.