Expectations from the Union Budget 2024-25

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1. Abstract:

With the Budget session approaching its presentation day, the expectations of all the sectors are starting to spurt. The paper presents a precise analysis of the economy of the country with respect to the international situation to accordingly understand India's economic position. The various sectors such as manufacturing, agriculture, real estate and health have been critically analysed to understand how well they have performed up till now with the given resources. The recommendations have been made after understanding the shortcomings of each sector and have been categorised under the ambit of economic growth, fiscal policy, social welfare initiatives and sustainable environment measures. The paper aims to dive into the economic situation of the country and its expectations for the Union Budget 2024-25.

2. Introduction:

Nirmala Sitharaman being consequently selected for the third time as the Finance Minister is set to present the Union Budget 2024-25 on 23rd July 2024. The Union Budget is expected to fill the areas that haven't been in the interim budget. A competitive win for the NDA in the recent general election would set the tone for the upcoming budget which is expected to not only consist of certain populist measures but would also draw attention towards time longing issues such as unemployment, agricultural reforms etc.

The government's vision of a "Viksit Bharat" being its top-notch priority brings forth its commitment towards India's future in nurturing aspirations and focusing on comprehensive development and progress. In the midst of conflicts, wars and economic slowdowns around the world, the growth of the Indian economy has been significant. The economic growth should take place both at the macro as well as at the micro level for the holistic development of the country to envision the idea of a "Viksit Bharat". Hence, the third term of the government led by a coalition will be crucial in maintaining the consistent growth and development of the country.

3. Review of Previous Budget:

The previous interim budget was devoid of introducing a number of welfare schemes due to the model code of conduct [MCC] that was in place before the general elections. The government had estimated to spend Rs 47,65,768 crore in 2024-25, which is 6% higher than the revised estimate for 2023-24. The focus mantra for the interim budget being 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' and the whole national approach of "Sabka Prayas" achieving the goal of "Amrit Kaal-2047", focused on the upliftment of four classes, that is, 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata'(Farmer). The MCC's presence had restricted the populist schemes but developments in schemes like PM Awas Yojna took place with the aim of inclusion of 2 crore houses in the next 5 years, rooftop solarization of 1 crore household etc.

Looking at the strides in Infrastructural development, the capital expenditure outlay had been increased by 11.1%, accounting for 3.4% of the GDP. The railway sector also were benefitted from the economic corridors programmes and increased inclusion of the Vande Bharat trains. The Ayushman Bharat scheme had also been announced to the ASHA and the Anganwadi workers to make it more inclusive. Noteworthy has been a reduction of around 7% in the fund allocation compared to the previous budget to the Education Ministry, which could lead to inadequate resources for the sector which is evolving under programmes like that of New Education Policy.

4. Economic Context:

The various economic factors of a country's economy become very necessary to analyse so as to formulate a budget like that of a vast country like India. India being amongst the fastest-growing economies of the world has to keep pace with various internal economic factors like inflation, fiscal deficit etc. This analysis ensures that targeted measures are implemented well to foster economic stability and growth.

A. Current Economic Condition of India:

According to the estimates released by the National Statistical Office [NSO] India is expected to grow at a rate of 8.2% per annum amid the global economic slowdown, mainly due to strong domestic demand for consumption and investment, along with the Government's continued emphasis on capital expenditure.[1] However, inflation has been a matter of concern for the government which is at around 5.08% for FY 2024 mainly due to rising fuel prices, increasing demand and other global activities. The Reserve Bank of India had kept the repo rates unchanged at 6.05% but it can consider making use of contractionary monetary policy to keep inflation under control and maintain a steady economic growth. The government also looks forward to lowering its fiscal deficits and leading the country's growth through fiscal consolidation. However, the fiscal deficit has improved to 5.08%, and the government has aimed to lower it to 4.5% by 2025-26 to achieve its goal of being the third-largest economy by 2027.[2] The Union Budget of 2024-25 would look forward to addressing various other gaps as well such as

[1] NSO data on projected growth of India
[2] India's Fiscal Deficit

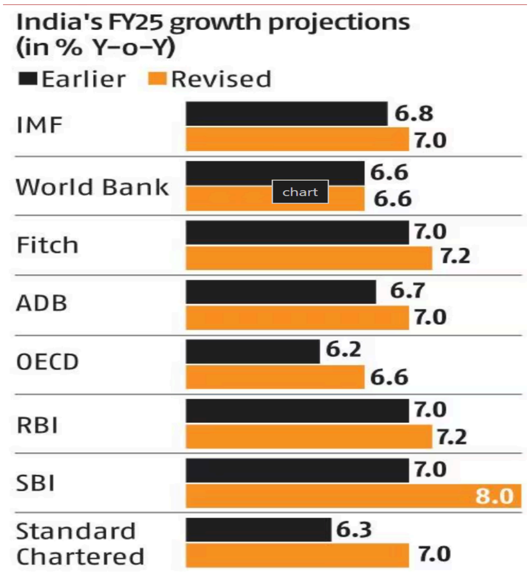
per-capita income disparity which shows the real face of the economy by increasing the employment opportunities in the country through generation of skilled labour and rural development.

In the midst of rising fuel prices due to the Russia-Ukraine conflict and the conflicting interests in the Middle Eastern countries, India has shifted its focus to the creation of green renewable energy as an alternative to fuel which has also been reflected in the interim budget. The upcoming budget is also expected to have an emphasis on the renewable energy sector.

The rising rate of economic growth in India showcases the growing aspiration and demand of the country which needs to be backed up by treating various microeconomic irregularities in the country that could hamper these aspirations. Unemployment is such an irregularity that requires utmost attention, the lack of skilled labour in a largely populated country is the major contributor to the problem. Another such area of irregularity remains in the agricultural sector which contributes only 17% to the GDP with it being the profession of more than 47% of the people of the country.[3] Hence, such disparities in the economy should be addressed to maintain consistent growth.

B. Key Indicators: (GDP, Fiscal consolidation, Inflation):

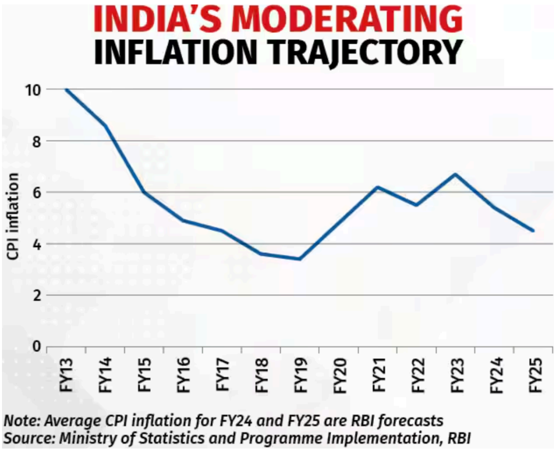
This chart illustrates India's projected economic growth rate by various financial Institutions, highlighting the continuous and resilient growth of the economy.



India's GDP Growth

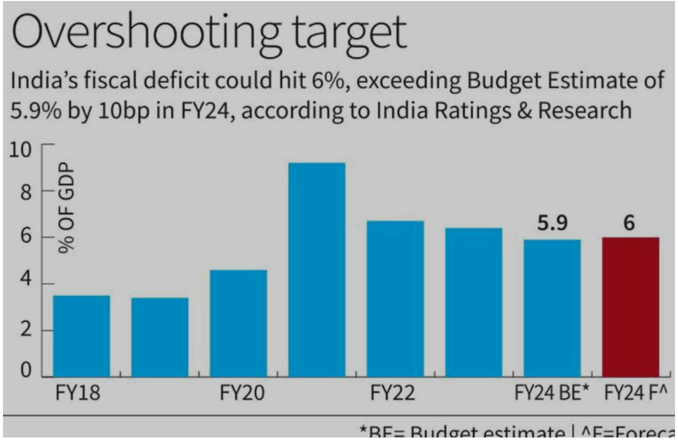
[3] India's Agricultural Efficiency

The inflation rate of the country has been coming down over the years and currently stands at around 5.08%, and the government has aimed at getting it down within the range of 4%-5% by FY 25.



India's Inflation Rate

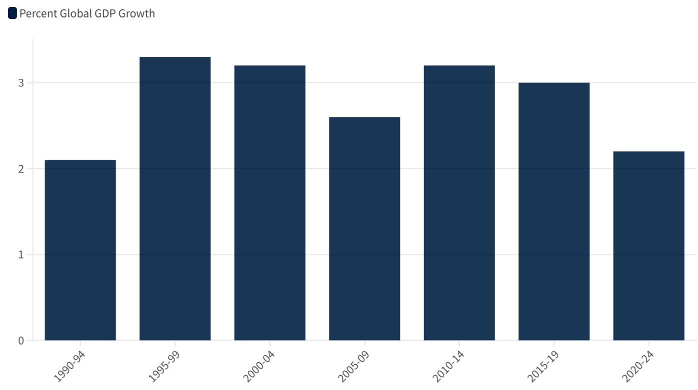
India's fiscal deficit has made it to 5.9% which is the achievement of the government towards fiscal consolidation, it is expected to hit the 6% mark, hence the government should maintain its current efforts in achieving fiscal consolidation.



India's Fiscal Deficit Rate

C. **Global Economic Trends:**

Figure 2: Global Growth



Global Growth

The global economic slowdown is being observed in several countries that are facing some serious inflation and economic crises, only a few countries like India are maintaining decent growth amid this slowdown. The global growth is expected to slow to 2.4% in 2024 for the third continuous year of deceleration, reflecting lagged and ongoing effects of tight monetary policies to rein in decades-high, restrictive credit conditions and anaemic global trade and investments.

The conflict between Russia-Ukraine had already put a lot of inflationary pressure due to supply chain disruption and rising oil prices and this has been even worse with the war in the Middle Eastern countries. Additionally, rising trade tensions between major powers, such as the US and China, pose a threat to global trade flows, impacting economic recovery. India, caught in the middle, faces challenges in managing complex trade relationships with these major players.

Therefore, taking into consideration the dynamic situation India is in, relying on self-sufficiency popularly known as "Atmanirbharta" will be the key to maintaining stable economic growth. Hence, the Union Budget 2024-25 should be aimed towards addressing the internal issues of its economy and reflecting the idea of self-sufficiency to adapt to the circumstances and strengthen the growth prospects of India.

5. Sector Wise Analysis:

A. Manufacturing Sector:

The manufacturing sector which contributes to around 17% of the GDP is very much pivotal for the growth and development of the country. Its journey towards self-reliance, reducing the share of the agricultural sector by creating more employment in this sector to make the economy efficient is also very crucial. The "Make in India" initiative which was based on the idea of reducing dependency on Chinese products amid the geopolitical tension, has also to be propelled with the efficiency in the manufacturing sector.

I. **Skill Gap:** The labour requirement in India can be effectively classified into as skilled and unskilled labour. Unemployment being an issue in the country can also be seen in the presence of an unskilled labour force that is not able to find its place in various manufacturing industries that demand skilled labour. The nation's workers, whose skill level is directly linked to the industry's productivity and innovation capabilities, are the heart of this robust industrial fabric. A well-trained and highly skilled workforce is crucial for accelerating India's progress toward becoming the leading hub of global manufacturing in the traditional manufacturing landscape. According to the economic survey of India 2024, only 51.25% of the youth graduating from college are employable, which implies that about one in two aren't readily employable due to their lack of skills.[4]

   India's current requirement is to create more awareness about programs like that of Skill India, Pradhan Mantri Kaushal Vikas Yojana (PMKVY), and UDAAN and accordingly ensure proper implementation of the same. Bridging the skill gap within the manufacturing industry requires industry partnerships and entrepreneurship programs. By fostering active collaborations between manufacturing companies and skill training institutions, we can ensure that the traditional workforce is equipped with the necessary skills to meet both current and future market demands. The role of the FDI in this respect also becomes important, China's initiative of "Administrative Measure for the Approval and Management of For-profit Foreign- Investment Vocational Skills Training" has been pivotal in this aspect which focuses on permitting foreign investors to independently invest in for-profit vocational training services companies within the administrative jurisdiction.[5]

II. **Regulatory Complexities:** The various regulatory complexities in the country hinder the growth of the manufacturing industries and demotivate those who want to invest in India. The Companies Act, Labour Laws, compliance with the GST regulations etc that are in existence create complexities because of the company's inability to fulfil all the guidelines which results in hefty penalties and lack of clarity. Adequate training, awareness, simplification of laws, and good coordination between the government and the companies can ensure the easing of the present complexities of the manufacturing industry and boost efficiency.

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[4] Skill Gap in India
[5] China's Vocational Training Industry

III. **Investment in R&D:** Investment in Research and Development becomes very crucial for the manufacturing industry in creating scope for innovation which ultimately contributes to the growth and efficiency within the manufacturing industry. It is also observed that the countries that prioritise investments in R&D experience economic expansion in the sector. For, India, embracing a robust R&D ecosystem transcends being a mere choice; it represents a strategic imperative aimed at securing a prosperous future. Presently, India's R&D expenditure hovers around 0.7% of its GDP placing it behind more formidable economies like China and the United States, which invest 2.64% and 3.40% respectively into R&D initiatives. Hence, to keep pace with the world and to assimilate the potential of the country as the manufacturing hub of the country, it becomes necessary to boost R&D investments.

B. Agricultural Sector:

The agricultural sector is a profession for more than 47% population of India but it only contributes to 17% of the economy of the country, this shows the level of inefficiency in the sector which requires immediate attention. The various problems that the sector faces on a year-on-year basis include a shortage in credit supply, and the stagnant use of traditional methods over technology which is mainly motivated by a lack of available capital, climate change etc. Hence, the betterment of the agricultural sector which caters to the 47% population of the country in terms of profession, needs urgent attention in this respect.

I. **Lack of access to Credit & Finance:** The access to credit to the farmers in the due process of agriculture plays a crucial role in modernisation and enables the farmers to reap economies of scale. This ultimately helps them to rely on various modern technologies in their farming technique. As far as India is concerned, farmers have been mainly relying on the informal sector for borrowing and the high rates of transactions have been the cause of exploitation to them. The various schemes of the government have been implemented such as the Pradhan Mantri Kissan Sannidhi Yojna which made direct bank transfers [DBT] to the marginalised farmers. But certain loopholes in the same like that of exclusion of landless farmers, increase opportunity costs of critical (human) resources, and operational risks and hence they eventually shoot up operating expenses and strain the fiscal health of concerned states etc. The involvement of the private sector in credit facilitation to the farmers can transform the dynamics of agriculture.

II. **Inadequate Storage Infrastructure:** The country with 46% of the population professing agriculture ranks 2 in terms of its agricultural production in the world and is a lead runner in certain essential crops of the country. But the problem lies in keeping the produced crops sustained for consumption in longer terms, due to inadequacy and incapable storage facility of the crops in the country. India still has food crop wastage to the tune of 92000 crore per annum while the investment to correct this remains around 89000 crore. Due to the unavailability of food, around 190 million Indians remain undernourished while many wasted edible foods make their way to landfills. To address the issue, the government came up with schemes such as Pradhan Mantri Sampaday Yojna which envisions a direct link between the farmers and retail outlets. Along with this, the creation of 1000 warehouses through the MUDRA loans that would not only help in zero wastage but also would provide employment opportunities. Hence, proper connectivity and cold chain facilities must be structured to mitigate crop loss and enhance the growth of the sector.

III. **Technology and R&D:** The inclusion of technology and especially increased investment in Research & Development can amplify the growth of the sector. Indian Council of Agricultural Research (ICAR) is one such example that has offered scope for better and sustainable use of natural resources including soil and water, higher profit and employment besides contributing towards household food and nutritional security through its research and development. The Krishi Vigyan Kendras (KVKs) is another such initiative that has trained 43.39 lakh farmers on new technologies including resource conservation technologies. Along with this, the government on part of technology had announced the Digital Public Infrastructure[DPI] as an open source for farmers for relevant help concerning credit facilitation, weather forecast etc. The various drone facilities have also been introduced by the government as technological advancement in agriculture. The problem with these programs lies in proper implementation, raising awareness and facilitating funds for the programs, for which the private sector can be taken into consideration to reap the best out of introduced initiatives.

C. Real Estate Sector:

The real estate sector has been significantly contributing to the growth & development and GDP of the country through various channels. The Indian economy boasts $477 billion through this sector, currently contributing approximately 7.3% to the GDP which is expected to increase to 13%. The government schemes in this sector are mainly Pradhan Mantri Awas Yojna which facilitates home loan interest intending to expand the width of the real estate sector.

I. **Hike in Production Cost:** The real estate sector majorly depends upon the construction materials cost and a hike in the same causes ultimately the prices for the buyers to rise and would impact government initiatives like that of "Housing for All". The recent hike in cement prices has sparked widespread concerns within the real estate sector. It has posed a significant challenge for future market dynamics, affecting both the cost structure for developers and the pricing landscape for consumers. The government can consider in this aspect to provide some leverages to the developers under the Special Window for Affordable and Mid-Income Housing [SWAMIH] investment fund to make housing reasonable.

II. **Unavailability of Land:** The unavailability of land has affected the growth of the real estate sector to a greater extent, and developers and buyers have to face the wrath of high production and buying costs respectively. According to data from the National Housing Bank, residential property prices in India have risen by an average of 10-12% per annum over the past decade, outpacing income growth and inflation. One of the possible solutions to the same could be converting the non-agricultural land into real estate sites which is mostly possible in the rural areas. As far as urban areas like Mumbai, possibly in certain government areas that are under the navy, such as the unproductive constructions like malls can be reconstructed for real estate projects to accommodate more housing at affordable rates. Hence, the government would be expected to devise policies accordingly to take into consideration this issue of land unavailability for real estate projects.

D. Health Sector:

The Indian healthcare sector in terms of revenue, as well as employment, has become more significantly visible in the recent decade, especially after the COVID-19 pandemic, the government made a renewed focus towards the growing market demand for healthcare services and products. The Indian healthcare industry reached over $370 billion in 2022 and is expected to reach over $610 billion by 2026.[6] This increase in market size is due to growing demand for specialized and higher quality healthcare facilities.

I. **Lack of Access to Healthcare:** The roots of the lack of access to healthcare lie in the infrastructural shortcomings, especially in the rural areas which don't have proper access to healthcare services. This is because 80% of experts reside in metropolitan regions and it is noticed that 70% of the population lacks access to such care. Rural residents have only 13% access to primary health centres, 33% to subcenters, and 9.6% to hospitals. Schemes such as the National Rural Health Mission [NHRM] are in action which caters to the health needs of the rural population. The ASHA workers are also one such initiative that plays a crucial role in rural health management. The government needs to address the infrastructural concerns as well as the lack of trained personnel to ensure proper implementation of these programs.

II. **Affordability of healthcare:** The improvements in the health sector of India have nevertheless boosted technology and innovation but the prices for the services have also inflated. Additionally, the pharmaceutical industry is also experiencing such kind of increase in prices in its drug production. As a result, India has recorded one of the highest medical inflation rates in Asia, reaching up to 14%. At an individual level, the impact of the same on the life of a common man has been drastic since it becomes difficult to pay out-of-pocket expenses, especially in unforeseen situations. There have been schemes like the "Ayushman Bharat" which intends to provide free medical services to people and has to date served around 55 crore beneficiaries. However, the need is to expand the scope of inclusion to accommodate more bunch of the population as well as other medical services such as lab testing etc to make it a holistic program that caters to the needs of the people.

[6] India's Health Sector

6. Key Areas of Focus of the Union Budget 24-25:

The anticipated priorities for the Union Budget 2025-25 suggest a keen focus on stimulating economic growth, refining fiscal policies, and advancing social welfare, potentially accompanied by a heightened emphasis on environmental sustainability for a comprehensive development strategy.

A. Economic Growth & Development:

India, today caters to around 17.76% of the world population, economically $3.4 trillion to the global economy, and a well-planned budget is something that is required to accelerate the economic growth and development of the country. Taking into consideration the ideals of "Viksit Bharat 2047", the government must focus on certain areas of improvement that could boost the aspirations of the country in achieving its end goals.

Recommendations:

I. Prioritising the MSME Sector

The MSME sector forms a very crucial sector for the growth and development of the economy with a contribution of around 30% to the GDP and is responsible for 40% of the exports that take place in the country. The sector is also responsible for employing a good number of people who contribute to the productivity of the country. However, there are certain challenges that the MSMEs face due to which it's not able to achieve their full potential. The inability in proper access of credit facility remains a main hurdle causing a credit gap of $530 billion. It would be recommended to bring to place a dedicated banking policy for easy credit access and speedy disbursement, along with increasing funding for MSME loans and credit guarantees.

Next, it would be also necessary for the government to initiate an export capacity development problem which would provide an opportunity to the industries of this sector to participate in international exhibition programmes. This would play a vital role in helping the MSMEs expand their trade and products internationally. The proper fund allocation of around Rs 5000 cr should be done for export capacity development, promotion and marketing to the Ministry of MSME. Another area of improvement is in the proper categorisation of the MSMEs with respect to the market size of the industry to ensure every industry can get the benefit accordingly.

II. Agriculture:

The agriculture sector is a widely pursued job but the disparity in the ratio of the population professing the work and its contribution to the GDP showcases the inefficiency of the sector. Hence the need to bring efficiency in the sector is felt.

Digital Agricultural Technologies

Digitalisation in the field of agriculture makes it very lucrative to keep track of various practices of agriculture and would help in reducing the burden of labour as well. The most vital benefit of using digital technology is to predict weather conditions and accordingly make their farming decision. The "Kissan Drone Yatra" initiative by the government was one such initiative that aimed to make use of technology for farming activities and bring efficiency to work. But the problem lay with the lack of awareness about the same hence under the "Digital India " itself, the awareness program for the digitalisation of agriculture should be prioritised.

Increase in the Outlay of Rashtriya Krishi Vikas Yojana (RKVY)

The Rashtriya Krishi Vikas Yojana was introduced to provide support to the agricultural sector in achieving 4% annual agriculture growth. The main objective of Rashtriya Krishi Vikas Yojana is to develop farming as the main source of economic activity by risk mitigation, strengthening the efforts of the farmers along with promoting agri-business entrepreneurship through the creation of agri-infrastructure. The union government should increase the outlay for the Rashtriya Krishi Vikas Yojana (RKVY) for FY25 by about 10% to ₹8,308.3 crore in the upcoming budget. Hence, this would help in focusing more on sustainable and innovative farming methods to increase yield and align with raising farmers' incomes.

III. Infrastructure:

The government has been very aspirational in its infrastructural projects in various aspects such as roadways. The construction market is expected to reach US$ 1.42 trillion by 2027, expanding at a CAGR of 17.26% during the 2022-2027 forecast period and it will be crucial in helping the country achieve the goal of having a $5 trillion economy by the end of 2025.

Cement Industry

The cement industry is very vital in infrastructural growth due to its utility in the due process of construction and hence with the growth of infrastructure in the country, there is an increasing demand for the cement industry. It is recommended to create a designated cement corridor to link the manufacturer with the construction company all over the country through an efficient railway, and road network, that would help amplify the development process. It is also recommended for the government to strengthen the proposed Carbon Credit Trading Scheme which is aimed at reducing emission intensity, since the industry is amongst the selected sectors for carbon trading implementation in India. Lastly, it is also recommended to consider the problems of the industry concerning GST rates, the current 28% can be brought down to 18% to stimulate the industry.

IV. Startup and Entrepreneurship Development:

The start-up ecosystem in India is seeing its highest growth this decade with over 1.28 lakh start-ups in April 2024 and is currently the third-largest startup ecosystem in the world. The start-up up and entrepreneurship development contributes immensely to the growth of the country and is expected to contribute $1 trillion to the economy by the end of the year 2030.[7] to boost financial support for startups. In order to ensure this continuous growth the government can consider providing financial support to the startups, by providing tax incentives, tax holidays, and streamlining regulatory processes. The entrepreneurs are also looking forward to the government to provide infrastructure to provide basic facilities for the start-up sector. Hence, the government should take initiatives to fund such startups which can help them cut down their operational costs on an initial basis and would ultimately help them in unlocking their true potential.

V. Amplifying Digitalisation Infrastructure:

The government has been optimistic in its efforts towards digitalisation through various initiatives such as "Digital India". The Unified Payment Interface [UPI] has been commendable work in moving towards digital payments. The government aims towards achieving a $1 trillion digital economy by 2027-28, for which expanding the digital infrastructure in the country is of utmost importance. To achieve the set goal, it is required to increase the set allocation for extending the optical fibre connectivity to all the villages by 2025 to make the country digitally connected. Nevertheless, agriculture being the core profession of the country, requires attention to including various digital technology practices to boost their

[7] Startup's Growth in India

productivity. The investment in R&D would make it lucrative to realise the greater aspects of the possible inclusion of technology in agriculture.

Addressing Digital Security Concerns

The expansion of the digital infrastructure also brings in the threat of fraud and scams. The various government initiatives like The Cyber Fraud Mitigation Centre, and Chakshu are in place to address such frauds and scams. Hence, proper implementation of the existing policies and gradual increase in allocation with the Public-Private Partnership can play a significant role in addressing the concerns arising out of digitalisation.

VI. **Weighted Deductions for R&D Expenditure:**

Research and Developemnt are essential aspects of innovation and technical progress and its necessary for the constant cycle of innovation for an economy to thrive. The investment in R&D is hence becoming crucial for a country to compete globally. India currently invests 0.6-0.7% of its GDP in R&D which is comparatively low to other developed nations that contribute around 2% of their GDP. India, to fulfil its idea of a "Viksit Bharat" needs to focus on R&D by increasing the expenditure to 1% of the GDP. It can incentivise the private sector for the same who spend more of their expenditure on R&D. This can be achieved by Expenditure-based tax incentives which will ultimately result in more investment in R&D by private sector players. Introducing policy changes by making it mandatory for the companies to regulate 50% of CSR spending on R&D, would also help in accelerating the sector. Next, the Anushandan National Research Foundation [ANRF] should adopt a mission-based approach to R&D which will help in yielding more results as compared to the traditional approach.

VII. **Extension of the PLI Schemes:**

The Production Linked Incentive[PLI] schemes are crucial for revitalizing manufacturing and strengthening the supply chains which ultimately also leads to an increase in employment and economic growth. Small-scale enterprises face unique challenges, including limited access to capital, technology and competition from big players and hence a dedicated PLI scheme for SMEs is crucial. It is also of great importance for the scheme to mandate a portion of incentives for skill training and capacity building to enhance SMEs' competitiveness. The sector is home to various labour-intensive items such as toys, footwear, leather, electronic components, handicrafts etc and expanding the scheme to these areas could attract investments, enhance export efficiency and position Indian companies as globally competitive entities.

B. Fiscal Policy & Taxation:

The upcoming full budget 2024-25 will be a crucial one being a post-election budget wherein the previous government wasn't able to secure a majority of its own and had to rely on the coalition, the effect of which might also be showcased in the budget consisting of certain populist measures and programs. Nevertheless, the aim of the the government will be that of fiscal consolidation by reducing the fiscal deficit and at the same time taking up possible measures concerning taxation, GST which could boost ensure consistent economic growth and appease the people.

Recommendations:

I. Relief in Income Tax Slabs:

The budget being a post-election one and given the political dilemma of the current government, the expectations of taxation relief can made. The tax relief would benefit the salaried population by mitigating the impacts of inflation and the surge in interest rates. Initiatives to incentivise the population to invest in equity markets should be done which would ultimately result in increased disposable income for the individuals. The revision of income tax slabs is a widely anticipated measure that the government should consider which could result in a more equitable and progressive tax system. Additionally, the Government could introduce a progressive tax structure, where those earning between Rs. 3.5 lakhs and 6.5 lakhs incur a 5% tax on their total taxable income. The subsequent slabs would impose taxes at rates of 10%, 15%, 20%, and 30% for income brackets of Rs. 7 lakhs to 9.5 lakhs, Rs. 9.5 lakhs to 13 lakhs, Rs. 13 lakhs to Rs. 16 lakhs, and Rs. 16 lakhs and above, respectively. This progressive taxation approach ensures a fair distribution of the tax burden, aligning with principles of equity and social justice.

II. Rationalisation of GST Rates:

The Union Budget 2024-25 should consider rationalising the GST slab rates for incentivising the various sectors of growth prospects and encouraging foreign investments in the country which can boost the country's economic growth. A three-tier structure should be taken into consideration to simplify the procedure of GST. A better way to go about it will be to keep the 5% rate for the essential commodities, merge the 12% and 18% into a 15% bracket, and finally have a third bracket for sin and luxury goods, perhaps 40% or something lower. This approach makes the taxation procedure straightforward and simpler to follow.

III. Exemptions in the Insurance Sector

Universal health coverage is a cornerstone in bridging economic disparities and providing financial protection to the vulnerable population of the country and hence implementation of a universal health scheme is the need of the time. It is imperative to focus on enhancing the awareness, affordability and accessibility of insurance products and hence addressing critical areas such as tax reforms, reducing GST on health insurance and increasing the section 80D tax exemption limit will significantly bolster the financial security of the citizens of the country. This would not only make health insurance premiums more affordable but also encourage wider participation, thereby reducing out-of-pocket expenses for individuals.

C. Social Welfare and Inclusive Growth:

The 2024-25 Union Budget should prioritise the social welfare and inclusive growth of the country. The inclusivity in the country must be first looked with respect to strengthening the health facilities of the country and expanding the reach of the same to the remotest area. The growth of the educational sector should be prioritised by the proper implementation of the reforms and the introduction of technologies in the teaching process. It is also of great importance to take into consideration the inclusion of the disabled class of people in the due process of budgeting to ensure their development. With 2024, being the year of the Olympics, it becomes also very crucial to allocate funds and efforts to the Sporting Ministry to ensure representation of potential sportsmen/sportswomen at the international level representing the country. Hence a holistic budget should together take ahead all such sectors for the social welfare and inclusive growth of the country.

Recommendations:

I. Augmenting the Health Sector:

The importance of the health sector has been increasing a constant rate ever since the Covid era and to maintain this development along with filling certain loopholes in the sector becomes necessary for every citizen to reap the benefits of the same. It would be of great importance to raise the public health expenditure above 2.5% of the country's gross domestic product to cater to the growing population and to ensure expanding facilities in smaller cities and advancing digital services. The upcoming budget should look forward to eas the compliance burdens, promoting innovation in medical technology, rationalising the GST and reviewing the health cess on medtech products to ensure affordability.

The Ayushman Bharat Yojana has been in talks for the health insurance coverage to be increased from ₹5 lakhs to ₹10 lakhs per family but it also needs restructuring to include various other beneficiaries. Additionally, encouraging the private sector to establish tertiary care hospitals in tier-III towns and open exclusive PG colleges to address infrastructure shortages promoting the indigenisation of high-tech medical equipment and advancing and strengthening PPP. Last but not least, granting "national priority" status to the healthcare sector can be considered for it to be allocated more funds for improving its efficiency.

II. Educational Reforms:

The Educational sector should be one of the sectors that should be prioritised in the upcoming 2024-25 budget by increasing the budgetary allocation from 3% to 6% to enhance the quality of education and opportunities the sector provides. India requires better academic standards in higher education, enhanced research spending, and greater ease of conducting research. The Budget 2024-25 offers an opportunity to reorient India's attention to improved implementation of the New Education Policy to support education, skilling and research & development. The increase in the allocation would open pathways for improved and advanced education facilities which is necessary for India's high-tech manufacturing ambitions such as that of AI to semi-conductors.

Next, it would be also crucial to allocate funds for the integration of Bal Vatikas and Anganvadis with primary school teacher training and supporting universities in transitioning to multi-disciplinary education Research Universities to further strengthen the education system.

III. Disability Inclusion

In the upcoming budget, it should be also necessary to include the disabled section of society to ensure substantial financial support to address the needs of the disabled to ensure their development. The WHO reported that about 53% of the disabled were unable to afford healthcare costs, it showed that the lack of appropriate disability-oriented services is a significant barrier to healthcare access. Additionally, in the hospital industry, India lacks 24 lakh beds to reach the need for 3 beds per 1000 people, which shows the considerable gap in demand of beds and the ones available.[8] Hence, improvement in the accessible infrastructure, including community hospitals, primary health centres, district hospitals etc is essential for the inclusivity of this section of society. The increased allocation to the disabled section would increase the funding for the schemes for the implementation of the Rights of Persons with Disabilities Act, Department of Empowerment of Persons with Disabilities which is essential for the effective enforcement of disability rights and ensuring compliance with legislative mandates for accessibility and inclusion. Lastly, a 5 per cent allocation across the necessary ministries can also be considered to be embarked for the disabled.

IV. Maintaining consistency for the growth of the Sporting Sector

The year 2024 is the year of the Olympics to commence and hence in the Indian context, some initiatives are expected in the Union Budget. The government aspires to place India amongst the world's top five sporting nations by 2047 which is visioned to be the year of "Amrit Kaal". The aspirations are guided by various initiatives of the government, such as Khelo India Rising Talent Identification [KIRTI] oriented at talent identification throughout the country, hence increase in funding for such schemes becomes necessary for fulfilling the vision of becoming a sporting nation.

V. Inclusive Economic Development Measures

The government in the upcoming Union Budget should take into consideration the various inclusive economic development measures to treat the population of the country which is deprived of certain necessities, employment, safety etc. A higher allocation in schemes such as that of NREGA should be done with a mandatory provision of upskilling the beneficiaries, PM Garib Kalyan Anna Yojna etc would play a crucial role in eradicating multidimensional poverty and providing basic necessities to the people.

Taking into consideration rural development in the budget is a very important task that the government should take into consideration. The government should plan to increase the state subsidies on rural housing in the upcoming federal budget by 50% from the previous year to more than $6.5 billion. This increase in allocation could provide broader initiatives to boost spending on rural infrastructure including village roads and job programmes to help millions of young people stuck in the agriculture sector amid limited manufacturing jobs.

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[8] Hospital Beds Availability

D. Environmental Sustainability:

The upcoming budget would and should have a huge stake in various Environmental sustainability programs to cater the energy needs of the country and achieve net zero carbon emissions by 2070. Incentivising the EV sector is very crucial to making a move towards electrifying the automobile industry which is affordable for the environment and economy. The various Green Energy projects also would contribute towards the agenda of achieving net zero carbon but also would bring cost efficiency and make India self-reliant in this aspect.

Recommendations:

I. Incentivising the EV Sector

The EV sector is the way ahead with the future of the automobile industry and replacing petrol and diesel vehicles, hence a special focus in this segment is required which also contributes towards environmental sustainability. The implementation of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles [FAME] III should be considered by the government towards further incentivising the buyers to opt for EV vehicles. At the production point of view, funds should be allocated for the charging infrastructure and incentives for localising the components of the EVs to create a conducive environment for electric vehicles. The measures adopted by certain states should be considered, such that of Uttar Pradesh wherein, the Electric & Hybrid cars are being registered free of cost, such similar incentives can be implemented all over India as well for better adoption. Lastly, a well-designed budgetary blueprint for EV manufacturing and adoption would be of utmost need to achieve the goal of accounting for EVs for 30% of the total car sales by 2030.

II. Green Energy Projects

The union budget 2024-25 should take into account the Green Energy Projects as it targets 500GW of installed electricity capacity from non-fossil fuel sources by 2030. The support for standalone battery energy storage or pumped hydro storage projects should be provided to increase the dependency and efficiency on the renewable energy sector.

The government should also enable single-window clearance for such projects, eliminating the need for approval from multiple government departments. Additionally, a reduction of the GST rates for the sector to 5% would thereby lower the cost structure for green energy projects and increase the affordability and attractiveness of renewable energy investments, promoting faster adoption across the country.

The government should also enhance low-interest loans and financing schemes to aid solar power developers and EPC contractors. It is also recommended to accelerate grid integration, with a focus on enhancing substations and transmission line capacities; enhancement of manufacturing capacity for critical equipment like transformers, and inverters, and capital subsidies and tax breaks to reduce the cost of setting up manufacturing facilities in India.

7. Impact of 24-25 Budget:

With the BJP falling short of a full majority in this general election, it had to rely on its coalition parties to form the government, since the coalition has been formed with alliance partners supporting socialist economic policies, it can be expected that the BJP will increase the spending on welfare schemes and subsidies. However, the track record of the government can't be ignored and hence it can be expected to have a mixed approach that combines populist measures with continued reform initiatives and developmental projects.

The middle class of the country, often referred to as the backbone of the economy, is likely to see some relief in taxation, maybe not that significant since it needs to be balanced out with populist measures. Certain other measures for the middle class could include enhanced deductions for home loans, standard deductions etc which not only boost consumer spending but also drive growth in sectors like retail, real estate and consumer goods. The infrastructure sector stands to gain significantly if the government prioritizes capital expenditure. Next, the rising importance of green energy would be the next top priority of the government with a significant focus on EVs and green infrastructure. With respect to India's ambitions to achieve a $2 trillion export target by 2030, strategic road maps are essential. At a macroeconomic level, the government would be aspirational in maintaining consistency in its ambitions and endeavours and would look forward towards fiscal consolidation, the current decline of the fiscal deficit is expected to decrease more for the growth of the country. Nevertheless, the election results gave a pushback to the growing aspirations of the government but it would be of considerable importance to the government to take ahead the developmental agendas of the country and achieve and fulfil the vision of a "Viksir Bharat" by 2047.

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