

Budget 2024-25:

Expectations and Key Announcements

19-July-2024



Fiscal Deficit Target

- **Fiscal Deficit:** The fiscal deficit target for FY25 is expected to remain at 5.1% of GDP, consistent with the interim budget.

Housing Development

- **PM Awas Yojana Grameen:** The government plans to build an additional 20 million houses over the next five years under the PM Awas Yojana Grameen, as announced in the interim budget.

Production Linked Incentive (PLI) Scheme

- **New PLI Scheme:** A new INR 40,000-crore Production Linked Incentive (PLI) scheme is anticipated, focusing on electronics sub-assemblies and components.

Capital Expenditure

- **Capital Expenditure Plan:** The government is likely to continue its capital expenditure plan of INR 11.11 lakh crore for FY25, as announced in the interim budget.

RBI Dividend Utilization

- **RBI Dividend:** The recorded RBI dividend of INR 2.11 lakh crore may be used for welfare measures aimed at revitalizing the rural economy, with increased spending on government programs such as PM Kisan and PM Awas Yojana Grameen.

Infrastructure and Development

- **Capital Expenditure Focus:** The focus will likely remain on the existing capital expenditure agenda, including infrastructure, railways, defense, and renewable/clean energy, aligned with the government's vision of 'Viksit Bharat' by 2047.

Economic Growth

- **Nominal GDP Growth:** Nominal GDP is projected to grow by 11% to 12% in FY25.

Income Tax Exemption

- **Income Tax Changes:** The government may increase the income tax exemption limit to INR 5 lakh from the current INR 3 lakh under the new tax regime in the budget.

Note: These expectation pointers highlight the government's plans and priorities for the upcoming fiscal year, aiming to drive economic growth, infrastructure development, and welfare measures to achieve the vision of "Viksit Bharat" by 2047.