

Framework for job creation

The Budget aims not just to get the youth enrolled in factories, but also to create a future-ready workforce



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FINANCE MINISTER NIRMALA Sitharaman's Budget for 2024-25 stands out as a bold and forward-thinking plan, evolving significantly from her earlier Budgets which focused on economic stabilisation and recovery after the pandemic. While her previous Budgets laid the foundation with infrastructure boost, social spending, and ease of doing business, this year's Budget elevates the vision to a comprehensive road map for a Viksit Bharat, emphasising not just growth, but inclusive, sustainable development across various sectors.

At the heart of this Budget is a comprehensive framework for job creation. The comprehensive package, comprising five schemes, aims to benefit 4 crore youth over the next five years. The purpose is not just to get the youth enrolled in factories, but it is also about creating a future-ready workforce with necessary skills and exposure to best-in-class practices.

Micro, small, and medium enterprises (MSMEs), often regarded as the backbone of the Indian economy, are also given due prominence. The credit guarantee scheme for term loans, new credit assessment model, and mechanisms to support credit availability during stress periods are well-thought out and address the needs of MSMEs at various stages of growth.

The government has taken a holistic approach on sustainability, also covering agriculture in this ambit. Rather than increasing the subsidy, it tries to address areas which can have a meaningful long-term impact like research, natural farming, and improvements in supply chain. The Budget also fine-tunes the renewable energy infrastructure, with advanced ultra supercritical power plants, pumped storage, and solar

rooftop scheme.

Recognition of cities as growth hubs through transit-oriented development and creative redevelopment is a forward-thinking move. The PM Awas Yojana Urban 2.0 aims to address the housing needs of millions, ensuring affordable and quality living spaces. Policies to foster efficient rental housing markets will further enhance urban liveability.

Energy security is another crucial area addressed in the Budget. The solar rooftop scheme, development of small and modular nuclear reactors, and indigenous technology for new-age thermal power plants mark a significant step towards a cleaner and more reliable energy future.

Infrastructure investment remains a key focus. The continued substantial allocation for infrastructure spends, programmes to improve rural connectivity, additional support to infrastructure in eastern India, and addressing long-standing issues like flood management highlight a commitment to all-round development.

Despite ambitious spending plans, the Budget maintains a commitment to fiscal prudence. By aiming to reduce the fiscal deficit and implementing comprehensive tax reforms, the government strikes a balance between growth and stability. Simplifying capital gains tax, increasing the thresholds for appeals, reducing the window for reopening of assessments and rationalising goods and services tax are steps that promise to make tax compliance easier for citizens and businesses alike, reducing litigation, and enhancing revenue.

The only surprise was the increase in capital gains tax rates for equities. While the initial reaction was negative, the markets have digested this move taking a more balanced and holistic view.

Overall, FM Sitharaman's seventh Budget is a road map for a brighter, more prosperous India. Every initiative, from job creation to energy security, from MSME support to infrastructure development, is a step towards realising the dream of a developed nation. This Budget listens, learns, and leads, setting the stage for sustainable growth and inclusive development.