February 2, 2023

Budget FY24 balances the dual objectives of fiscal consolidation and CAPEX push

- The Union Budget for FY24 carried forward the government's stance of prioritizing investment-driven economic growth revival while continuing with gradual fiscal consolidation.
- For FY24, the government has set a budget deficit target of 5.9% of GDP, implying a fiscal consolidation of 0.5 percentage points over the FY23 Revised Estimate (RE) in line with our expectations.
- Meanwhile, capital expenditure is projected to rise significantly by ~33% in FY24 over FY23 Budgeted Estimate (BE) and ~37% higher than the FY23 RE.
- In contrast, revenue expenditure is budgeted to rise by a mere ~1.2% over FY23 RE given the rationalization of subsidies and other relief measures. Indeed, the budgeted subsidy bill for FY24 is lower than FY23 RE by 28%.
- The government projects its receipts to grow by 11.7% over FY23 RE. The assumption of a 10.4% growth in tax revenues along with a nominal growth projection of 10.5% brings the tax buoyancy to 1 (from 0.8 in FY23), which is a reasonable assumption in our view.
- Within non-tax revenue, the divestment target has been revised down by 21.5% compared to FY23 BE and seems much more realistic now.
- The central government has planned gross and net borrowings through dated securities of about Rs 15.4 lakh crore and Rs 11.8 lakh crore, respectively in FY24. As such, reliance on market borrowings to finance the deficit will go up to 66% from 63% in FY23 RE.
- Personal income tax structure under the new regime was changed to allow for higher rebates, higher exemptions, and lower tax rates. While this is expected to support private consumption growth, the government is likely to forego revenue of ~ Rs 35k crore annually as a result.
- Keeping in view India’s long-term development objectives, the budget for FY24 focuses on seven key areas of priority which are inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power, and financial sector. Details of announcements under these areas of focus can be found in the annexure.

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Focus on investment-driven economic growth revival while continuing fiscal consolidation

The Union Budget of FY24 has struck a delicate balance between fiscal prudence and support for economic growth – both near-term and medium-term growth. Building on the theme of the previous budget, the latest budget continues to focus on pump-priming the economy through public investment, which is likely to crowd in private investment through a large multiplier effect with favorable effects for medium-term productivity and, in turn, medium- to long-term economic growth prospects.

This development is especially encouraging given the still disappointing pick-up in private investments, owing to a mix of global headwinds and domestic business hesitancy. The budget has sought to balance fiscal prudence while providing a much-needed focus on capital spending to accelerate economic growth and – in our assessment – struck a favorable balance between the two.

Overall, the fiscal deficit is projected to narrow from 6.4% of GDP in FY23 to 5.9% of GDP in FY24. The fiscal space for the same has been created through the rationalization of subsidies and other relief measures. With regards to taxation, the budget also provided some relief to salaried individuals, particularly in the lower income groups. The markets saw some mild volatility before the budget announcement and following it. Both the SENSEX and NIFTY were up by ~ just under 1% before the budget announcement and climbed as much as 2% during the day. However, the Sensex closed the day at 59,708 just 0.3% up from its previous close, while the Nifty declined to 17,616 lower by ~0.3% (February 1). The market's reaction is a testament to the budget being a balanced one without many surprises. The rupee remained remarkably stable and closed at 81.8 against the dollar, just 0.04% weaker from the previous close.

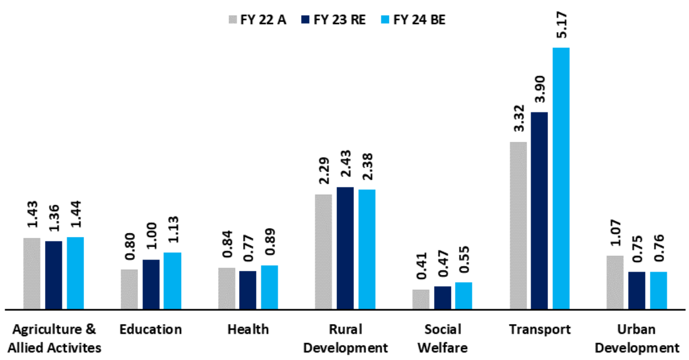
CAPEX budget hiked by 33%; subsidies cut by 28%

The total expenditure of the government in FY23 stood at Rs 41.9 lakh crores, almost Rs 2.4 lakh crore higher than the FY23 BE on account of higher food subsidy (extension of free food grain program (PMGKAY)) and fertilizer subsidy amidst rising commodity prices. For FY24, the government budgeted total expenditure at 14.9% of GDP, which is a growth of 7.5% over FY23 RE. Building on the theme of FY23, the expenditure composition of FY24 continues to reflect the government's focus on investment-led growth to aid the ongoing recovery. The expansion of public infrastructure is expected to crowd in private investments and strengthen employment in the long run via the multiplier effect. Accordingly, the capital expenditure is pegged at a historic high of Rs 10 lakh crores in FY24, noting an increase of 33.4% over FY23 BE and 37.4% over FY23 RE. To put things into perspective, capital expenditure has grown from its pre-pandemic average of 1.7% of GDP to 3.3% of GDP in FY24 (vs 2.7 of GDP in FY23 RE). In line with the government's plan of developing a world-class multimodal transport network, the finance minister announced a massive outlay for railways, increased investment for last mile connectivity and construction of 50 additional airports, heliports etc. Accordingly, the transport sector has seen a 47% increase in budget outlay in FY24 over FY23 BE. Furthermore, to assist the states in catalyzing the overall investments in the economy the government has also extended its 50-year interest-free loan scheme for states for one more year with an enhanced outlay of Rs 1.3 lakh crores (from Rs 15K in FY22 and Rs 1 lakh crore in FY23).

Fiscal Metrics					As % of GDP				%YoY				
INR Lakh Crore	FY22 A	FY23 BE	FY23 RE	FY24 BE	FY22 A	FY23 BE	FY23 RE	FY24 BE	FY22 A	FY23 BE	FY23 RE	FY24 BE over FY23 RE	FY24 BE over FY23 BE
Revenue Receipts	21.70	22.04	23.48	26.32	9.2	8.5	8.6	8.7	32.8	1.6	8.2	12.1	19.4
Net Tax Revenues	18.05	19.35	20.87	23.31	7.6	7.5	7.6	7.7	26.5	7.2	15.6	11.7	20.5
Gross Tax Revenues	27.09	27.58	30.43	33.61	11.4	10.7	11.1	11.1	33.7	1.8	12.3	10.4	21.9
Direct Tax	14.08	14.20	16.50	18.23	6.0	5.5	6.0	6.0	49.0	0.8	17.2	10.5	28.4
Indirect Tax ex GST	5.95	5.50	5.31	5.73	2.5	2.1	1.9	1.9	12.7	-7.6	-10.8	7.8	4.1
Customs	2.00	2.13	2.10	2.33	0.8	0.8	0.8	0.8	48.2	6.6	5.1	11.0	9.4
Union Excise Duty	3.95	3.35	3.20	3.39	1.7	1.3	1.2	1.1	0.7	-15.1	-18.9	5.9	1.2
GST	6.98	7.80	8.54	9.57	3.0	3.0	3.1	3.2	27.2	11.7	22.3	12.0	22.6
Non Tax Revenues	3.65	2.70	2.62	3.02	1.5	1.0	1.0	1.0	75.8	-26.1	-28.3	15.2	11.9
Non Debt Capital Receipts	0.39	0.79	0.84	0.84	0.2	0.3	0.3	0.3	-31.7	101.4	112.1	0.6	5.9
Disinvestments	0.15	0.65	0.50	0.51	0.1	0.3	0.2	0.2	-61.4	344.0	241.6	2.0	-21.5
Total Receipts	**22.09**	**22.84**	**24.32**	**27.16**	**9.3**	**8.9**	**8.9**	**9.0**	30.6	3.4	10.1	11.7	18.9
Total Expenditure	**37.94**	**39.45**	**41.87**	**45.03**	**16.0**	**15.3**	**15.3**	**14.9**	8.1	4.0	10.4	7.5	14.1
Revenue Expenditure	32.01	31.95	34.59	35.02	13.5	12.4	12.7	11.6	3.8	-0.2	8.1	1.2	9.6
Interest Payments	8.05	9.41	9.41	10.80	3.4	3.6	3.4	3.6	18.5	16.8	16.8	14.8	14.8
Capital Expenditure	5.93	7.50	7.28	10.01	2.5	2.9	2.7	3.3	39.1	26.5	22.8	37.4	33.4
Fiscal Deficit	**15.85**	**16.61**	**17.55**	**17.87**	**6.7**	**6.4**	**6.4**	**5.9**					

The government transitions towards more productive spending

Trend of Major Items of Expenditure (Rs Lakh Crores)



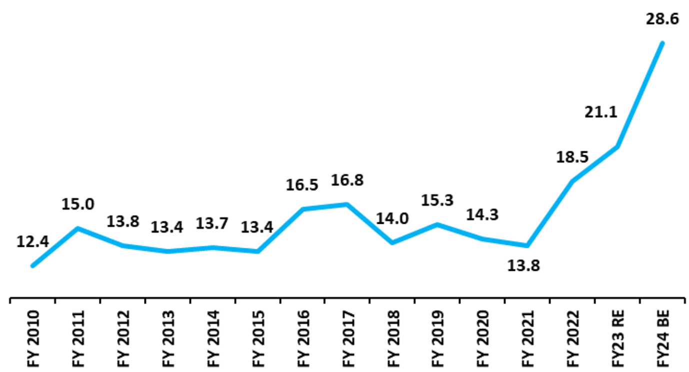
Source: Union budget documents

The government continued to focus on improving the quality of expenditure given a massive increase in CAPEX and a negligible increase in revenue expenditure. Indeed, the revenue expenditure is projected to increase by a mere 1.2% over FY23 RE and 9.6% over FY23 BE. Consequently, the revenue expenditure to GDP ratio declines from 13.5% in FY22 to 11.6% as per FY24 BE, only marginally above its pre-pandemic average (FY 16-20) of 11.1%. A large part of this moderation has been achieved through the rationalization of subsidies as the economy recovers from multiple shocks of the pandemic and the Russia-Ukraine war. Expenditure on major subsidies i.e., Food, Fertilizer, and Petroleum has been rationalized significantly to about Rs 3.74 lakh crore for FY24 (including the extension of free food grain under the National Food Security Act), almost 28% lower than the revised estimates for FY23 which overshot budgeted estimates on account of extension of the free food grain program and higher commodity prices. Additionally, the government has also lowered budget allocation for MNREGA to Rs 60K crore in FY24 from a revised estimate of Rs 89K crore in FY23 despite signs of continued stress in rural jobs markets. Hence, we do not rule out the risk of elevated subsidy levels especially ahead of the election year (the next general elections are likely to be held in May 2024). Meanwhile, the interest expenditure is estimated to increase by 14.8% to Rs 10.8 lakh cores reflective of increased borrowing cost. With that, the capital to revenue expenditure ratio is projected to increase to 28.5%, its highest in almost 19 years. Overall, in our view the budgetary assumptions look reasonable, however, with a general delay in public projects, the implementation of capital expenditure remains a concern.

The total receipts for FY23 RE are estimated at 8.6% of GDP compared to 8.5% of GDP in the budgeted estimate as robust tax collections outweighed the shortfall in disinvestment receipts. As such, the gross tax collection exceeded the budgeted estimates to the tune of Rs 2.8 lakh crores in line with improved tax buoyancy and robust GST collections. Accordingly, the gross tax to GDP ratio is estimated to increase to 11.1% in FY23 RE vs 10.7% in FY23 BE. The government has assumed a similar trend in tax collections for the next year (FY24) with gross tax to GDP pegged at 11.1% of GDP with a growth of 10.4% over FY23 RE (tax buoyancy of 1). In our view, the tax buoyancy of 1 seems like a reasonable assumption. The finance minister in her speech also announced a big change to the personal income tax structure under the new tax regime by changing the slabs, raising the rebate level, and providing incentives to those falling under higher brackets. This is expected to cost a revenue loss of Rs 35K crore per year to the centre and is likely to lead to increased personal consumption. Additional tax benefits for the MSMEs, cooperatives and start-ups were also announced.

Capital-Revenue expenditure ratio jumps to highest in almost 19 years

Capital Expenditure/Revenue Expenditure (%)



Source: Union budget documents

Within indirect taxes, GST collections remained robust in FY23 averaging at 1.5 lakh crores (April – January) compared to the budgeted run rate of 1.3 lakh crores. Accordingly, the GST collections for FY23 are pegged at 9.5% higher than FY23 BE and is further estimated to increase by 12% in FY24 (over FY23 RE). This would imply a monthly run-rate of Rs 1.6 lakh crores which in our view seems achievable. Meanwhile, on the customs and excise duty front, the government has largely kept the estimates flat. As such, custom duty is kept flat at 0.8% of GDP for FY24 and excise duty is lowered to 1.1% of GDP potentially reflecting the slowdown in trade. Non-tax revenues have been pegged higher by 15.2% over FY23 RE given a slightly higher dividend by the RBI and PSUs (although much lower than the BE for FY23).

Lastly, non-debt capital receipts have been budgeted 5.9% higher in FY24 vs FY23 BE, with the disinvestment targets revised downwards by 21.5% to Rs 50K crore. This seems to be a reasonable strategy, given that the government has been unable to achieve its ambitious disinvestment targets

Category	Announcement			
Direct tax				
Personal Income Tax	Rebate limit under the new tax regime has been increased to Rs 7 lakh from Rs 5 lakh previously.			
	Furthermore, tax structure in this regime has been changed as under -			
	Earlier		**Now**	
	Rs 0 - 2.5 lakh	Nil	Rs 0 - 3 lakh	Nil
	Rs 2.5 - 5 lakh	5%	Rs 3 - 6 lakh	5%
	Rs 5 - 7.5 lakh	10%	Rs 6 - 9 lakh	10%
	Rs 7.5 - 10 lakh	15%	Rs 9 - 12 lakh	15%
	Rs 10 - 12.5 lakh	20%	Rs 12 - 15 lakh	20%
	Rs 12.5 - 15 lakh	25%	> Rs 15 lakh	30%
	> Rs 15 lakh	30%		
	Extension of standard deduction benefit of Rs 50K to the new tax regime.			
	Reduction in the highest income surcharge rate (for Rs 5 crore and above) to 25% from 37% previously.			
	Hike in the limit for tax exemption on leave encashment on retirement for non-government salaried employees from Rs 3 lakh to Rs 25 lakh.			
MSMEs and Professionals	Turnover limit for availing benefits under presumptive taxation for MSMEs and professionals has been increased to Rs 3 crore and Rs 75 lakh respectively (from Rs 2 crore and Rs 50 lakh respectively) provided their cash receipts are no more than 5%. Furthermore, to support MSMEs in timely receipts of payments deduction for expenditure on payments made to them will only be allowed when payments are actually made.			
Co-operative sector	New co-operatives that commence manufacturing activities till end-March 2024 will get the benefit of a lower tax rate of 15%, as is presently available to new manufacturing companies.			
	Higher limit of Rs 2 lakh per member for deposits and loans in cash by Primary Agricultural Co-operative Societies and Primary Co-operative Agriculture and Rural Development Banks. Higher limit of 3 crores for TDS on cash withdrawal for cooperative society.			
Start-ups	Extension of date of incorporation from end-March 2023 by one year for start-ups to avail tax benefits. The government also extended the benefit of carry forward of losses on change of shareholding of startups to 10 years of incorporation from 7 years currently.			
Indirect tax				
Green Mobility	Excise duty on GST-paid compressed bio gas is exempt.			
	Customs duty exemption to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles extended.			
Electronics	Relief in customs duty on import of certain parts and inputs like camera lens and continue the concessional duty on lithium-ion cells for batteries extended for another year.			
	Basic customs duty on parts of open cells of TV panels reduced to 2.5% from 5%.			
Electricals	The basic customs duty on electric kitchen chimney increased from 7.5% to 15% and that on heat coils for these is reduced from 20% to 15%.			
Chemicals and Petrochemicals	Denatured ethyl alcohol is exempt from basic customs duty.			
	Reduction in basic customs duty from 5% to 2.5% on acid grade fluorspar.			
	Reduction in basic customs duty on crude glycerin from 7.5% to 2.5%.			
Metals	Exemption from Basic Customs Duty on raw materials for manufacture of CRGO Steel, ferrous scrap and nickel cathode is being continued.			
	Concessional basic customs duty of 2.5% on copper scrap is being continued.			

in the past few years. Even for FY23, the disinvestment proceeds are tracking at ~48% of the budgeted estimates (a large contribution is coming from LIC proceeds). Given the long divestment/strategic sales pipeline (IDBI Bank, Container Corp. of India Ltd., BEML Ltd., Shipping Corp. of India, NMDC Steel Ltd., HLL Lifecare Ltd., etc.) there is likely to be room for a positive surprise going ahead. Overall, the government appears to have set broadly realistic targets on the receipts side for FY24.

Reliance on market borrowing to remain elevated

The net market borrowing is expected to meet 63% of the fiscal deficit requirement of Rs 17.6 lakh crores for FY23 RE. With redemptions of Rs 3.1 lakh crores, the net market borrowings are only marginally lower at Rs 11.1 lakh crores (vs Rs 11.2 lakh crores BE). The increased deficit in absolute terms (~Rs 94K crores) is being financed by higher short-term borrowings and other receipts. For the next fiscal year, gross and net borrowings are budgeted to increase to Rs 15.4 lakh crore and Rs 11.8 lakh crore, given higher redemptions of Rs 3.6 lakh crore. Net borrowings are expected to finance ~66% of the fiscal deficit for FY24 (vs 63% in FY23 RE). The budget has also announced a new small saving scheme and increased the deposit limits of certain current schemes to enhance flows into small savings which may not materialize (with the ongoing increase in rates of other deposit instruments). From the bond market perspective, there was a positive surprise as the market was expecting a much higher number. Consequently, the 10-year benchmark yields declined by ~7 bps to 7.27% at the time of closing (on February 1).

Sources of funding the deficit

INR Lakh Crores	FY 22 A	FY23 BE	FY23 RE	FY24 BE
Fiscal Deficit (A)	**15.85**	**16.61**	**17.55**	**17.87**
Fiscal Deficit (% of GDP)	**6.7**	**6.4**	**6.4**	**5.9**
Sources of Funding	FY 22 A	FY23 BE	FY23 RE	FY24 BE
Net Short Term Borrowings + POLIF + Switches*	1.10	0.40	0.88	0.50
External Finance	0.36	0.19	0.24	0.22
Securities Issued Against Small Savings	5.51	4.25	4.39	4.71
State Provident Fund (Net)	0.10	0.20	0.20	0.20
Other Receipts (Net)	1.70	0.37	0.80	0.54
Drawdown of Cash Balances	0.03	0.01	-0.03	-0.12
Net G-sec Borrowing (B)	7.04	11.19	11.08	11.81
Total Funding of Deficit (C)	15.85	16.61	17.55	17.87
Redemption + Buy Back (D)	2.64	3.76	3.13	3.62
Gross Borrowing (B+D)	**9.68**	**14.95**	**14.21**	**15.43**
Net Borrowing as % of Fiscal Deficit	**44.4**	**67.3**	**63.1**	**66.1**

Source: Union budget documents; Note - *includes issuances of special securities to public sector banks. Gross borrowings (FY22 A) do not include the back-to-back loans given to states for GST compensation.

ANNEXURE: **The budget for FY24 outlines seven key priorities –**

Inclusive Development: Major areas of focus under this head are agriculture and cooperatives and health, education and skilling

- Building of digital public infrastructure for agriculture and set up of an agriculture accelerator fund to provide support for growth of agri-tech industry and start-ups.
- Launch of Atmanirbhar Horticulture Clean Plant Program with an outlay of Rs 2.2K crores.
- To enhance the productivity of extra-long staple cotton, cluster-based and value chain approach through Public Private Partnerships (PPP) to be adopted.
- To make India a global hub for millets, the Indian Institute of Millet Research, Hyderabad will receive support for sharing best practices, research and technology.
- Increase in agriculture credit target to Rs 20 lakh crore with focus on animal husbandry, dairy and fisheries.
- Launch of PM Matsya Sampada Yojana with targeted investment of Rs 6K crore to further enable activities of fishermen, fish vendors, and micro & small enterprises.
- Preparation of a national cooperative database and computerization of primary agriculture credit societies. Plan to set up a decentralized storage facility.
- Setting up of new nursing colleges, expanding research and innovation capabilities and training to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research.
- Improving teachers' training, setting up of a national digital library for children and adolescents and provision of regional and English language titles at existing physical libraries.

Reaching the Last Mile: Areas of focus under this head include improvement in socio-economic conditions of tribal groups, education and housing

- Pradhan Mantri PVTG Development Mission will be launched to improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs)
- Central assistance will be provided to drought prone areas of Karnataka.
- In the next three years, the centre will recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.
- The outlay for PM Awas Yojana is being enhanced by 66 per cent to over Rs 79K crore.

Infrastructure and Investment: Focus on building infrastructure and productive capacity, support to states and improving logistics

- Increase in capital investment outlay by 33% YoY to Rs 10 lakh crore.
- Extension of 50-year interest free loans to state governments by one more year. Part of the loan is conditional on States increasing actual capital expenditure and parts of outlay will be linked to States undertaking specific loans. States will be allowed a fiscal deficit of 3.5% of GSDP of which 0.5% will be tied to power sector reforms.
- Newly established Infrastructure Finance Secretariat will assist all stakeholders for more private investment in infrastructure.
- A capital outlay of Rs 2.4 lakh crore has been provided for the Railways. This highest ever outlay is about 9 times the outlay made in 2013-14.
- One hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. They will be taken up on priority with an investment of Rs 75K crore, including Rs 15,000 crore from private sources. Fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall to create urban infrastructure in Tier 2 and Tier 3 cities with an annual outlay of Rs 10K crore.
- All cities and towns will be enabled for 100 per cent mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode.

Unleashing the Potential: Focus on areas of AI development, data governance, regulation, and redressal. Support for R&D

- Set up of three specialized AI centers.
- For enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized.
- Introduction of a National data governance policy to enable access to anonymized data for research by start-ups and academia.
- The KYC process will be simplified adopting a 'risk-based' instead of 'one size fits all' approach. The financial sector regulators will also be encouraged to have a KYC system fully amenable to meet the needs of Digital India.
- PAN will be used as the common identifier for all digital systems of specified government agencies to bring in Ease of Doing Business.
- Relief to MSMEs through less stringent contract execution and faster settlement of contractual disputes of government and government undertakings.
- Launch of Phase 3 of e-courts with an outlay of Rs 7K crore
- Entity DigiLocker to be setup for use by MSMEs, large business and charitable trusts to store and share documents online securely.

- 100 labs to be setup for 5G services-based application development to realize a new range of opportunities, business models, and employment potential.
- R & D grant for Lab Grown Diamonds (LGD) sector to encourage indigenous production of LGD seeds and machines and to reduce import dependency

Green Growth: Areas of focus are sustainable development with an eye on the country's target to reach net-zero emissions by 2070

- Annual production of 5 MMT under Green Hydrogen Mission to be targeted by 2030 to facilitate transition of the economy to low carbon intensity and to reduce dependence on fossil fuel imports.
- Rs 35K crore for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum & Natural Gas.
- PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" (PM-PRANAM) to be launched to incentivize states/UTs to promote usage of alternative fertilizers.
- Green Credit Programme to be notified under the Environment (Protection) Act to incentivize and mobilize additional resources for environmentally sustainable and responsive actions.
- 10,000 Bio-Input Resource Centres will be set-up, to encourage farmers to adopt natural farming.
- Amrit Dharohar, a scheme will be implemented over the next three years to encourage optimal use of wetlands, and enhance biodiversity, carbon stock, eco-tourism opportunities and income generation for local communities.
- Mangrove Initiative for Shoreline Habitats & Tangible Incomes', MISHTI, to be taken up for mangrove plantation along the coastline and on salt pan lands.
- GOBARDHAN scheme: Set up of 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of Rs 10K crore.
- Replacement of old vehicles of central and state governments

Youth Power: Focus on skill development and tourism

- Pradhan Mantri Kaushal Vikas Yojana 4.0 will be launched covering new courses like AI, robotics, 3D printing, etc.
- To provide stipend support to 47 lakh youth in three years, Direct Benefit Transfer under a pan-India National Apprenticeship Promotion Scheme will be rolled out.
- Sector specific skilling and entrepreneurship development to be dovetailed to achieve the objectives of the 'Dekho Apna Desh' initiative.
- 50 destinations will be developed as a complete package to promote tourism.
- States will be encouraged to set up a Unity Mall for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products.

Financial Sector: Focus on MSME credit, digital infrastructure and providing benefits to women and senior citizens

- Launch of a revamped credit guarantee scheme for MSMEs with additional capital infusion of Rs 9K crores which will have an additional collateral-free guaranteed credit of Rs 2 lakh crore.
- Launch of Mahila Samman Bachat Patra, a one-time small saving scheme for 2-year period with deposit facility of up to Rs 2 lakh at a fixed interest rate of 7.5%.
- Enhancement of limits for senior citizen saving scheme to Rs 30 lakh from Rs 15 lakh and Monthly Income Account Scheme from Rs 4.5 lakh to Rs 9 lakh for single account and from Rs 9 lakh to Rs 15 lakh for joint account.
- A Central Processing Centre will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.
- Setting up of a National Financial Information Registry to enable efficient lending, promote financial inclusion and enhance financial stability.
- To enhance business activities in GIFT IFSC, multiple steps are taken: delegating powers under SEZ Act; setting up a single window for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI; establishing a subsidiary of EXIM bank; recognizing offshore derivatives instruments as valid contracts; amending IFSCA Act for statutory provisions for arbitration, ancillary services; permitting acquisition financing by IFSC Banking Units of foreign banks.

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