

## A raft of concessions amid consolidation: On Budget 2023-24

While **promoting inclusive development**, and focusing on **fiscal consolidation**, the Budget gives more to the **affluent** than to the poor

If budget making is a complex task, **interpreting** the Union Budget can be **hazardous** given the amount of **fine print** that one has to **pore over**. Finance Minister Nirmala Sitharaman's **fifth Budget**, and the current Bharatiya Janata Party-led government's final **full-fledged** one before next year's general election, **ticks all the right boxes on the face of it**. Inclusive development that **ensures prosperity** for all, especially the youth, women, farmers, Other Backward Classes, Scheduled Castes and Scheduled Tribes, a focus on infrastructure and investment that serves as a **multiplier** for growth and employment, policies to enable green or environmentally **sustainable** growth, the **rationalisation of direct taxes**, including a raft of concessions to the middle and salaried classes, and pensioners, and, most importantly, doing all this while **staying the course** on fiscal consolidation. **Terming** it the "first Budget in Amrit Kaal", Ms. Sitharaman **sounded** the poll **bugle** by **emphasising** the **ruling dispensation's** achievements since 2014, when Prime Minister Narendra Modi first assumed office. **Per capita income**, she said, had more than doubled to ₹1.97 lakh **as a result of** the economy's growth to being the world's fifth-largest and the government's efforts to ensure a better quality of living for all. She also **cited** an increase in **formalisation of the economy** and the **widespread adoption** of digital technologies, especially in the payments **sphere**, as other significant achievements.

**With an eye on 'India at 100'**, **the Budget proposals**, Ms. Sitharaman said, **were** aimed at **actualising** a "technology-driven and knowledge-based economy with strong public finances, and a **robust** financial sector". Emphasising that the economic **agenda** for achieving this **vision would**, among other things, require a focus on giving a strong **impetus** to growth and job creation, the Minister **laid out** her Budget proposals that were **heavy on** this government's **trademark acronyms** describing the various schemes, but relatively **light on** details. **PM VIKAS** or Pradhan Mantri Vishwakarma Kaushal Samman, **for instance, would** for the first time offer traditional artisans and craftspeople, or Vishwakarmas, a package of **assistance** aimed at helping them improve the quality, scale and reach of their products, she said. **Specifics**, including a financial **outlay** and the likely mechanics of implementation, **were**, however, not **spelt out**. Similarly, a '**Mangrove Initiative for Shoreline Habitats & Tangible Incomes**' or '**MISHTI**', aimed at **undertaking** mangrove plantation along the **coastline** and on **salt pan lands** **leaves** the funding to a "**convergence** between **MGNREGS** and a **compensatory afforestation fund**". With the rural sector's **mainstay** employment guarantee scheme, one that was introduced during the Congress-led United Progressive Alliance government's **term**, itself increasingly being **starved** of budgetary support, it is hard to **fathom** how **the new initiative** to protect and regenerate the **ecologically** sensitive mangroves **will** be funded. The decrease in outlay comes at a time when the rural economy is still to regain **vigour** from the **ravages** of the pandemic, the **fallout** on incomes from the **uneven** distribution of last year's monsoon rainfall, and the relatively greater impact of high food **inflation** on **hinterland** households.

At a broader level, the **Budget estimate** for expenditure on rural development in 2023-24 **is pegged** at ₹2.38 lakh crore, a **marginal** 0.1 percentage point increase when measured as a proportion of overall expenditure at 5.3%, compared with the 5.2% in the previous Budget Estimate. When viewed against the revised estimate, the outlay is a good 0.6 percentage point lower. Food **subsidy** too has been sharply **pared**: at ₹1.97 lakh crore, it is almost 5% lower than the 2022-23 Budget estimate and a steep 31% down from the revised estimate. **To be sure**, the government's **resolve** to stay the course on fiscal consolidation, especially after the COVID-19 pandemic **had led it to** spend more even as revenue receipts **dipped** amid the **unprecedented** economic **contraction**, left Ms. Sitharaman with little **leeway** on the expenditure **front** once she had decided that the government would concentrate its resources on increased public outlays on infrastructure and investment. **Capital expenditure** has been **allocated** ₹10 lakh crore, a 33% jump from this fiscal's Budget estimate. If one adds the almost ₹3.7 lakh crore **set aside** for **grants-in-aid** to States for the creation of capital assets, the Minister's **laudable intent** to apply the force multiplier of government capital spending as the primary **lever** to **spur** economic activity **becomes** clearly **evident**. With global demand **uncertain** this year **on account of** the **slowdown** in the developed **economies**, as the Economic Survey **pertinently pointed out**, India's domestic market will necessarily have to serve as the economy's **bulwark**. Ms. Sitharaman has also attempted to **woo** the middle class with a raft of changes in personal income tax that would, in combination with **tweaks** to **customs duties**, in total **cost** the government ₹ 37,000 crore in **foregone** direct tax revenue. Some of these changes are aimed at leaving more money in the hands of the salaried and pensioners, cash that the Budget planners hope would **find its way** back either as savings or increased spending on **vital** consumption. The biggest **beneficiaries** of the income-tax changes though **are** likely to be those in the highest income **bracket**, where **the effective rate** has been cut by 3.74 percentage points **reinforcing** a **perception** that this government **bats** for the affluent. **[Practice]**

- **Slowdown** (noun) – A decline in economic activity. मंदी
- **Developed Economies** (noun) – Developed countries
- **Pertinently** (adverb) – aptly, appropriately, suitably, opportunely, fittingly प्रासंगिक रूप से
- **Point out** (phrasal verb) – indicate, mention, note, highlight, emphasize इशारा करना
- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

## Vocabulary

1. **Raft** (noun) – a large number of something; a lot
2. **Concession** (noun) – allowance, discount, rebate रियायत
3. **Amid** (preposition) – in the middle of के बीच
4. **Promote** (verb) – encourage, advance, support, foster, boost बढ़ावा देना
5. **Inclusive development** (noun) – economic growth that creates employment opportunities and helps in reducing poverty.
6. **Fiscal consolidation** (noun) – set of policies to reduce government deficits and debt accumulation.
7. **The Affluent** (noun) – wealthy people धनी/अमीर लोग
8. **Interpret** (verb) – understand, construe, take to mean, take, read व्याख्या करना
9. **Hazardous** (adjective) – risky; dangerous, perilous, harmful खतरनाक
10. **Given** (preposition) – considering, taking into account, bearing in mind देखते हुए
11. **Fine print** (noun) – (In a contract or agreement) important details printed in very small letters.
12. **Pore over** (phrasal verb) – to look at and study something carefully
13. **Full-fledged** (adjective) – Complete, developed, mature, full-size पूर्ण
14. **Tick all the right boxes** (phrase) – To satisfy or fulfill everything that is necessary or desired
15. **On the face of it** (phrase) – apparently, seemingly, evidently, outwardly, it seems प्रत्यक्ष रूप से
16. **Ensure** (verb) – make sure, make certain, see to it सुनिश्चित करना
17. **Prosperity** (noun) – The condition of prospering; having good fortune समृद्धि
18. **Multiplier** (noun) – the factor by which the return deriving from an expenditure exceeds the expenditure itself.
19. **Sustainable** (adjective) – supportable, tenable, viable, enduring, maintainable. टिकाऊ
20. **Rationalization of direct tax** (noun) – It means changes made in the tax slabs of personal income tax to pay it.
21. **Stay the course** (phrase) – to continue doing something until it is finished or until you achieve something you have planned to do कायम रहना
22. **Term** (verb) – describe, call, label, designate बताना/ कहना

23. **Sound** (verb) – to make something such as a musical instrument produce a sound  
बजाना
24. **Bugle** (noun) – a musical instrument like a small trumpet, used in the army for giving signals बिगुल
25. **Emphasize** (verb) – highlight, underline, accentuate, underscore ज़ोर देना
26. **Ruling** (adjective) – governing, in charge, leading, dominant, controlling सत्तारूढ़
27. **Dispensation** (noun) – Government, political party, system व्यवस्था/ सरकार
28. **Per capita income** (noun) – it measures the average income earned per person in a given area in a specified year. प्रति व्यक्ति आय
29. **As a result of** (phrase) – because of something के कारण/ के परिणामस्वरूप
30. **Cite** (verb) – refer to, make reference to, mention, allude to हवाला देना
31. **Formalization of the economy** (noun) – Formalisation of the economy means bringing companies under the regulatory regime of government and subject to laws related to manufacturing and income tax.
32. **Widespread** (adjective) – extensive, prevalent, general, common, pervasive व्यापक रूप से
33. **Adoption** (noun) – Acceptance, implementation, espousal, acquiring अपनाना
34. **Sphere** (noun) – a particular area of activity, work क्षेत्र
35. **With an eye on** (phrase) – Focused on a particular thing or area
36. **Actualize** (verb) – to make something actual or real साकार करना
37. **Robust** (adjective) – strong, vigorous, sturdy, tough, powerful मज़बूत
38. **Agenda** (noun) – a plan of things to be done, or problems to be addressed
39. **Vision** (noun) – imagination, forethought, prediction, apparition, visualization दृष्टि
40. **Impetus** (noun) – motivation, stimulus, incitement, incentive प्रोत्साहन
41. **Lay out** (phrasal verb) – Explain, present, describe पेश करना
42. **Be heavy on something** (phrase) – to use a lot of something
43. **Trademark** (noun) – a distinctive characteristic
44. **Acronym** (noun) – a kind of abbreviation संक्षिप्त शब्द
45. **Be light on** (phrasal verb) – be rather short of. हल्का होना

46. **For instance** (phrase) – For example, as, such as उदाहरण के लिए
47. **Assistance** (noun) – help, support, backing, succor, encouragement सहायता
48. **Outlay** (noun) – expenditure, spending, expense, cost, disbursement व्यय / खर्च
49. **Spell out** (phrasal verb) – Explain something in detail. स्पष्ट करना, समझाना
50. **MISHTI** (noun) – it is an acronym: Mangrove Initiative for Shoreline Habitats & Tangible Incomes; aim of the scheme is to take up mangrove plantations along the coastline.
51. **Undertake** (verb) – begin, start, embark on, venture on आरंभ करना
52. **Coastline** (noun) – Shoreline, coast, shore समुद्र तट
53. **Salt pan lands** (noun) – a naturally forming expanse covered with salt and other minerals.
54. **Leave something to** (phrase) – to give someone the responsibility for dealing with something
55. **Convergence** (noun) – The act or fact of coming together: merging, coming together संमिलन/ समाहित
56. **MGNREGS** (noun) –The MGNREGA was initiated with the objective of “enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work”
57. **Compensatory** (adjective) – reducing or offsetting the unpleasant or unwelcome effects of something. प्रतिपूरक, क्षतिपूरक,
58. **Afforestation** (noun) – the action of planting trees on an area of land in order to make a forest वनरोपण
59. **Mainstay** (adjective) – Backbone, support, prop, spine, pillar, strength मुख्याधार
60. **Term** (noun) – period of time, time, length of time, spell अवधि, काल
61. **Starved** (of) (adjective) – to not have enough of something that is needed का अभाव होना
62. **Fathom** (verb) – understand, comprehend, grasp, figure out समझना, जानना
63. **Ecologically** (adverb) – in a way that relates to ecology or the environment पारिस्थितिकी
64. **Vigour** (noun) – energy, activity, liveliness, life, spryness जोश, बल
65. **Ravage** (noun) – Consequence, destruction, after-effect, havoc, damage विनाश, बरबादी

66. **Fallout** (noun) – the unpleasant results or effects of an action or event प्रभाव
67. **Uneven** (adjective) – irregular, unequal, rough, jagged, lopsided असमान
68. **Inflation** (noun) – A general and progressive increase in prices मुद्रा स्फीति
69. **Hinterland** (noun) – A remote and undeveloped area आंतरिक इलाके
70. **Budget estimate** (noun) – forecast of the capital needed for the project activities or a program बजट अनुमान
71. **Peg** (verb) – to fix or keep something at a certain level एक विशेष स्तर पर स्थिर बनाए रखना
72. **Marginal** (adjective) – slight, small, minimal, negligible, insignificant मामूली
73. **Subsidy** (noun) – A subsidy is a benefit given to an individual, business, or institution, usually by the government. अनुवृत्ति/सहायिकी
74. **Pare** (verb) – reduce, diminish, decrease, cut, cut back थोडा थोडा कम करना
75. **To be sure** (phrase) – Certainly, ensure, make sure निश्चित रूप से
76. **Resolve** (noun) – Determination, resolution, purpose, दृढ़ निश्चय, संकल्प
77. **Lead** (to) (verb) – cause, give rise to, result in, bring about वजह बनना
78. **Dip** (verb) – Fall, decline, drop, slump, downturn, plunge गिरना
79. **Unprecedented** (adjective) – Never having happened or existed in the past अभूतपूर्व
80. **Contraction** (noun) – Reduction, Shrinkage, Tightening संकुचन
81. **Leeway** (noun) – freedom, scope, room to manoeuvre, latitude, elbow room, छूट, स्वतंत्रता
82. **Front** (noun) – a particular area of activity मोर्चा
83. **Capital expenditure** (noun) – the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc
84. **Allocate** (verb) – Assign, allot, distribute, earmark, hand out आबंटन करना
85. **Set aside** (phrasal verb) – Reserve, save, keep back, lay by रखना
86. **Grants-in-aids** (noun) – money coming from a central government for a specific project. सरकार से प्राप्त अनुदान
87. **Laudable** (adjective) – Creditable, praiseworthy, worthy, admirable, commendable, impressive प्रशंसनीय

88. **Intent** (noun) – intention or purpose  
इरादा
89. **Lever** (noun) – something you use to try to persuade someone to do what you want or to get the result you want प्रभाव उत्पन्न करने का साधन
90. **Spur** (verb) – to encourage an activity or development or make it happen faster प्रोत्साहित करना/बढ़ावा देना
91. **Evident** (adjective) – obvious, apparent, noticeable, conspicuous, perceptible स्पष्ट
92. **Uncertain** (adjective) – unsure, vague, doubtful, undecided, unclear अनिश्चित
93. **On account of** (phrase) – because of, due to, by virtue of के कारण
94. **Bulwark** (noun) – Safeguard, Protection, Defense, Buttress सुरक्षा, हिफाजती बांध
95. **Woo** (verb) – Persuade, encourage, entice, pursue लुभाना
96. **Tweak** (noun) – adjustment, modification, alteration, change परिवर्तन
97. **Custom duty** (noun) – a tax imposed on imports and exports of goods सीमा शुल्क
98. **Cost** (verb) – to need you to pay a particular amount of money in order for you to buy or do something खर्च करना
99. **Foregone** (adjective) – sacrificed, waived, relinquished, declined, give up छोड़ दिया गया
100. **Find its way somewhere** (phrase) – to look for and find where one needs to go in order to get somewhere
101. **Vital** (adjective) – Absolutely necessary; essential, crucial, key महत्वपूर्ण
102. **Beneficiary** (noun) –Recipient, receiver लाभार्थी
103. **Bracket** (noun) – group, class, category
104. **Effective rate** (noun) – an actual rate after everything has been considered, rather than a rate that is planned, offered, etc.
105. **Reinforce** (verb) – strengthen, enhance, fortify, increase, bolster मजबूत करना
106. **Perception** (noun) – View, opinion, picture, assessment, insight धारणा
107. **Bat (for)** (verb) – Take the side of, support, defend; to support someone when the person needs help समर्थन करना

## Practice Exercise

1. **What is the main concern which is pointed out by the speaker about 'MISHTI'?** [Editorial]
  - A. MGNREGS itself increasingly being starved of budgetary support then How MISHTI will be funded.
  - B. The main motive of rolling out of MISHTI is to woo voters.
  - C. Protecting and regenerating ecologically sensitive mangroves will be difficult considering the administrative stumbling block.
  - D. None of the above
2. **Which of the following are the reasons behind the dipping of incomes of the hinterland households?**
  - (i) The MGNREGS is not being funded sufficiently by the government to pay the salaries of workers.
  - (ii) Uneven distribution of Last year's monsoon rainfall
  - (iii) The relatively greater impact of high food inflation.
  - (iv) Reduction of food subsidies results in significant impact on hinterland households income as major beneficiaries are from rural area.
    - A. (i), (ii)
    - B. (ii), (iii)
    - C. (i), (iii), (iv)
    - D. (i), (ii), (iii)
3. **Which of the following statement is/are not correct with respect to 'PM VIKAS' scheme?**
  - A. The main beneficiaries of the schemes are traditional artisans and craftspeople, or Vishwakarmas
  - B. The Objective of this scheme is to improve the quality, scale and reach of their products.
  - C. The onus of the implementation is on state government but the scheme funded by the Central government to make it financial sustainable.
  - D. All are correct.
4. **Why Finance Minister Nirmala Sitharaman concentrated more on infrastructure and investment in the current budget?**
  - A. Because India is approaching from socialist economy towards capitalist economy.
  - B. Because Ms. Nirmala Sitharaman is having a leeway on the expenditure front.
  - C. Because of the increase in formalisation of the economy and the widespread adoption of digital technologies
  - D. Because it helps in bolstering growth and employment
5. **Why speaker stated that the Budget gives more to the affluent than to the poor?**
  - A. Because the fund allocation to MGNREGS funds has been considerably pared.



- B. Because the two Initiatives i.e. MISTHI & P.M VIKAS is not clearly spelt out how this initiative will be funded so the poor section of the society will be benefited from this scheme.
- C. Because the biggest beneficiaries of the income-tax changes though are likely to be those in the highest income bracket.
- D. All of the above
6. **What do you understand from the term 'Foregone direct tax revenue'?**
- A. It refers to successive reduction of direct tax revenue as compared to pre-pandemic period due to the significant number of tax payers fall into the exemption limit.
- B. The fewer receipts of tax revenue due to tax rationalization as compared to what the government is collecting through the current tax structure.
- C. The Evasion of tax by the tax payers because of the significant rise in layoff.
- D. Only B & C
7. **Why speaker stated that India's domestic market will necessarily have to serve as the economy's bulwark?**
- A. Because of revenue receipts dipped amid the unprecedented economic contraction
- B. Because of the uncertainty in the global demand due to the slowdown in the developed economies.
- C. Because of the finance minister set aside ₹3.7 lakh crore for grants-in-aid to States for the creation of capital assets
- D. Because the government is concentrated its resources on increased public outlays on infrastructure and investment

**Direction (Q8 – Q9): Select the best express synonym of the highlight words**

8. If budget making is a complex task, interpreting the Union Budget can be hazardous given the amount of fine print that one has to pore over.
- A. Perilous
- B. Tilt
- C. Onus
- D. Stablisation
9. Emphasising that the economic agenda for achieving this vision would, among other things, require a focus on giving a strong impetus to growth and job creation.
- A. Heartbreak
- B. Immune
- C. Stimulus
- D. Defeat

10. **Idiom & Phrase**

Finance Minister Nirmala Sitharaman's fifth Budget, and the current Bharatiya Janata Party-led government's final full-fledged one before next year's general election, ticks all the right boxes on the face of it

- A. To satisfy or fulfill everything that is necessary or desired
- B. to reach or come to a place, condition, or situation that was not planned or expected
- C. to fail to include something or someone
- D. To refuse to change your plans or ideas, especially when someone is trying to persuade you to do so

## Answers

1. A 2. B 3. C 4. D 5. C 6. B 7. B 8. A 9. C 10. A

## Explanations

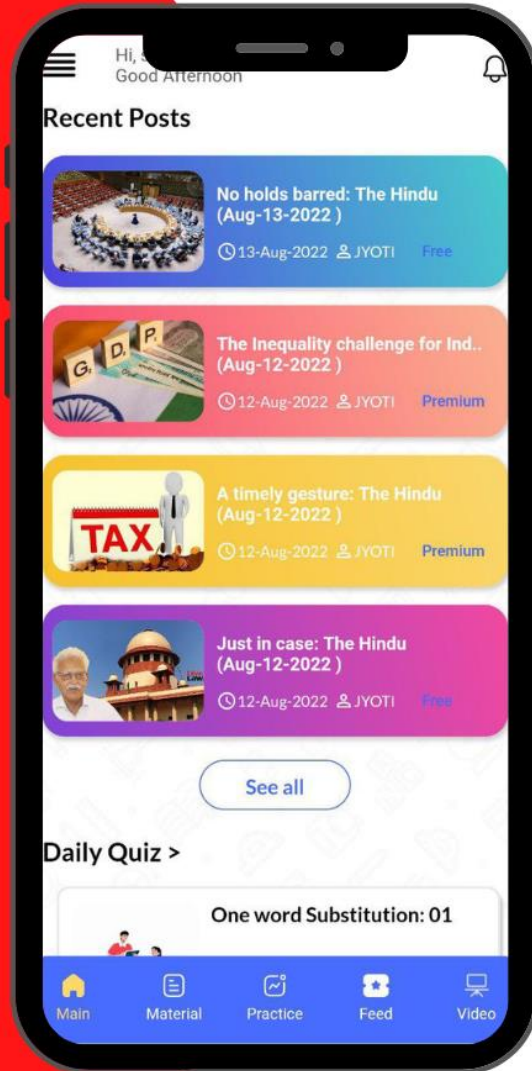
(Detailed explanation of **Q1 to Q7** will be available on the "[English Madhyam Youtube Channel](#)")

8. **Hazardous** (adjective) – risky; dangerous, perilous, harmful खतरनाक

- **Tilt** (verb) – incline or bend from a vertical position झुकना
- **Onus** (noun) – responsibility, liability, obligation, duty, charge कर्तव्य/ जिम्मेदारी
- **Stabilisation** (noun) – the process of becoming or being made unlikely to change, fail, or decline. स्थिरीकरण

9. **Impetus** (noun) – motivation, stimulus, incitement, incentive प्रोत्साहन

- **Heartbreak** (noun) – overwhelming distress बड़ा शोक
- **Immune** (to) (adjective) – not affected by something; exempt, absolved मुक्त होना/ बचा हुआ
- **Defeat** (noun) – the act of losing or not being successful (किसी से) हार, पराजय



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