

# UPDATES ON INTERIM BUDGET 2024



The Hon'ble Finance Minister, Mrs. Nirmala Sitharaman, has announced the Interim Budget today for record Sixth time before the Lok Sabha. Essentially, Interim Budget, or Vote-on-Account budget, is a short-term financial plan to fund Central Government spending until elections are held and a new Government assumes power.

In anticipation of today's Interim Budget, the Power Sector, particularly, Renewable and New Energy sectors were hopeful that Mrs. Sitharaman's Budget will focus on the development and strengthening of these sectors. Particularly, it was anticipated that the Government will ease access to financing for green energy initiatives in her interim Budget.



India aims to achieve 50 percent cumulative installed power generation capacity from non-fossil fuel sources by 2030. In particular, India aims to build 140 gigawatts (GW) of wind capacity by 2030 which is part of its wider goal to install 500 GW of renewables by the end of 2030.

In order to facilitate Government's aspirations on renewable energy, Mrs. Sitharaman made policy announcements regarding Rooftop solarization and '*Muft Bijli*', i.e., Pradhan Mantri Suryodaya Yojna. The key takeaways from her speech are as follows: -

1. As per the announcement, Rooftop Solarisation will give 1 crore households 300 units of free electricity per month and savings of Rs. 15,000-18,000 are expected for households annually through free energy and sale of excess generation to the Discoms.
2. The Government will introduce Viability Gap Funding for harnessing shore-wind energy potential as the Government aims to achieve production of 1 GW wind energy.
3. Coal Gassification and Liquifaction capacity of 100 metric tons will be set up by 2030.
4. Blending of compressed biogas in compressed natural gas for transport and piped natural gas for domestic purposes will be mandated in a phased manner.
5. The Government will expand and strengthen the E-Vehicle sector through greater manufacturing and charging infrastructure.

The Interim Budget tabled by Mrs. Sitharaman comes as a bright ray of hope for the Renewable and New Energy sectors in India in as much as the installations of Rooftop Solar Panels will not only help to cater the goal of '*Muft Bijli*' (upto 300 units per month) but will also lead to savings of Rs. 15,000 to 18,000 in the process. Further, the

introduction of the Viability Gap Funding for harnessing shore-wind energy potential to achieve production of 1 GW wind energy will act as a catalyst for the growth of the Wind Energy Sector in India. The budget further aims to develop the infrastructure and production of E-vehicles including the booming business of the EV Charging Stations.

The same comes as an aftermath to the announcements made by the Hon'ble Prime Minister Shri Narendra Modi regarding Pradhan Mantri Suryodaya Yojna earlier on January 22, 2024.