

UNION BUDGET 2022

KEY HIGHLIGHTS

Indepth Analysis & Terminologies



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- Why?
- What?



Important Terms

- Revenue.
 - ✓ Tax based revenue
 - ✓ Non tax based revenue
- Expenditure.
 - ✓ Revenue Expenditure
 - ✓ Capital Expenditure
- Deficit.



Important Terms

- **BE (Budget Estimate)** - A budget estimate is an assessment of a company's projected funds or of funds that are required to complete a project. A budget estimate is a preliminary assessment either of funds projected to be available to a company or agency, or of funds required to complete a project.
- **RE (Revised Estimate)** - Revised Estimates are mid-year review of possible expenditure, taking into account the rest of expenditure, New Services and New instrument of Services etc.



Union Budget 2022



- 1st Budget – 1950.
- Chief Economic Advisor – Dr. V Anantha Nageshwaran (Succeeds KV Subramanian)
- Speaker – Om Birla
- Finance Minister – Nirmala Sitharaman.



Union Budget 2022

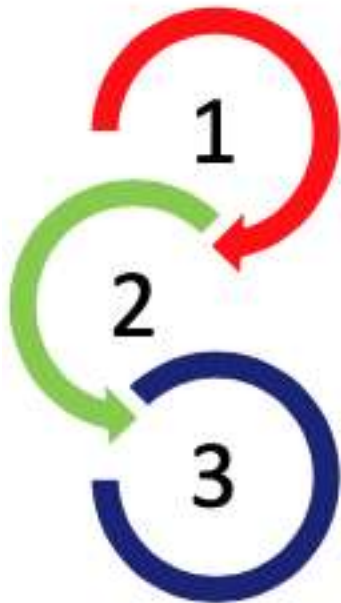


- Union Budget 2022 is the 2nd Digital Budget .
- 1st Woman presented budget Indra Gandhi 1970 – 71 (additional charge FM)
- Nirmala Sitharaman - 1st Full time women Finance Minister.
- Duration of Budget 2022 – 1 hr 30 min.
- Record longest Budget speech 2 hrs 17 minutes in 2019.
(broke her own record in 2020 – 2 hrs 42 min.
- Before Nirmala, Jaswant Singh – 2 hrs 15 min in 2003.
- Shortest Budget speech in history Hirubhai M. Patel 1977 (800 words)



KEY FEATURES

GOALS OF AMRIT KAAL



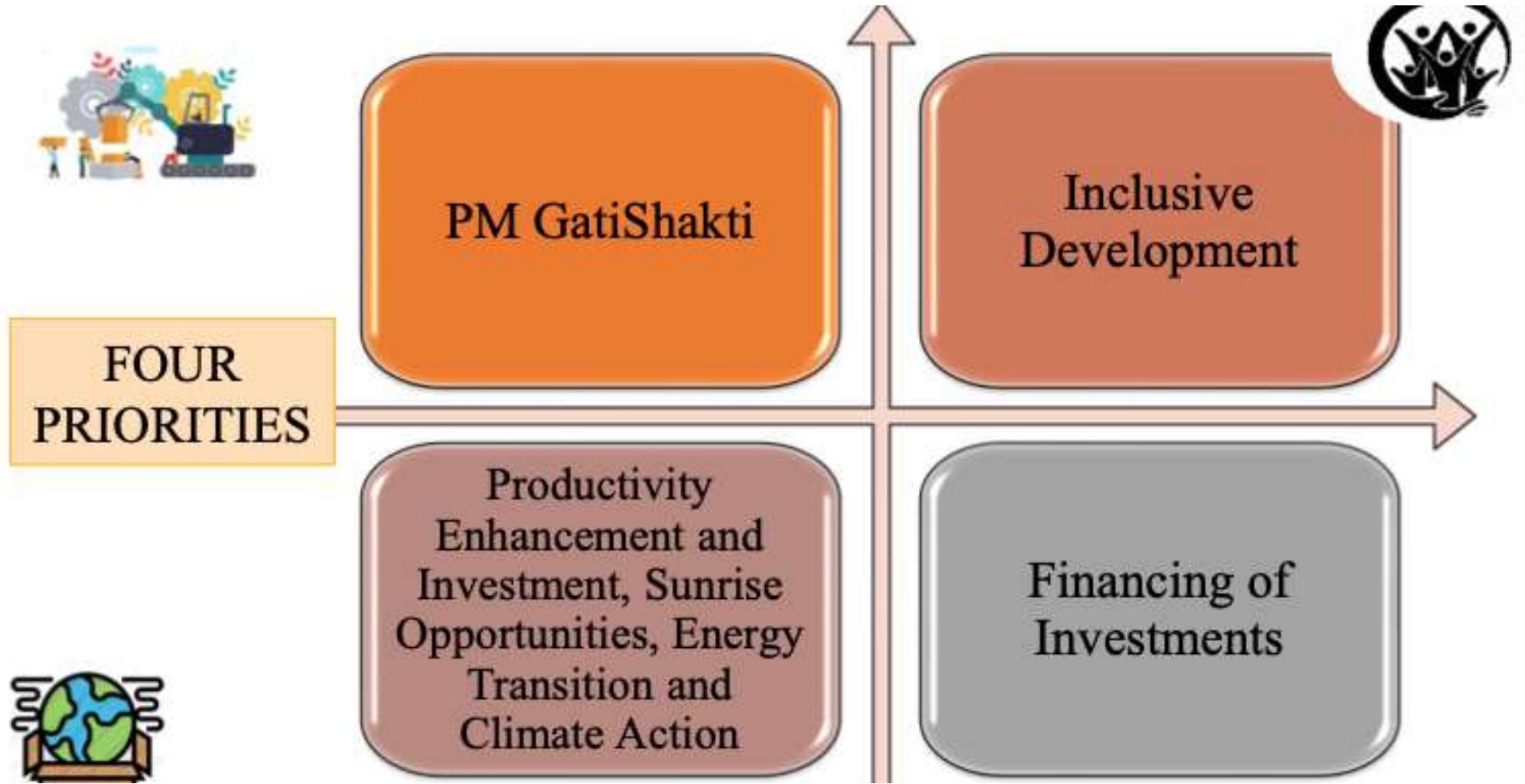
Focus on growth and all inclusive welfare

Promoting technology enabled development, energy transition and climate action

Virtuous cycle starting from private investment, crowded in by public capital investment



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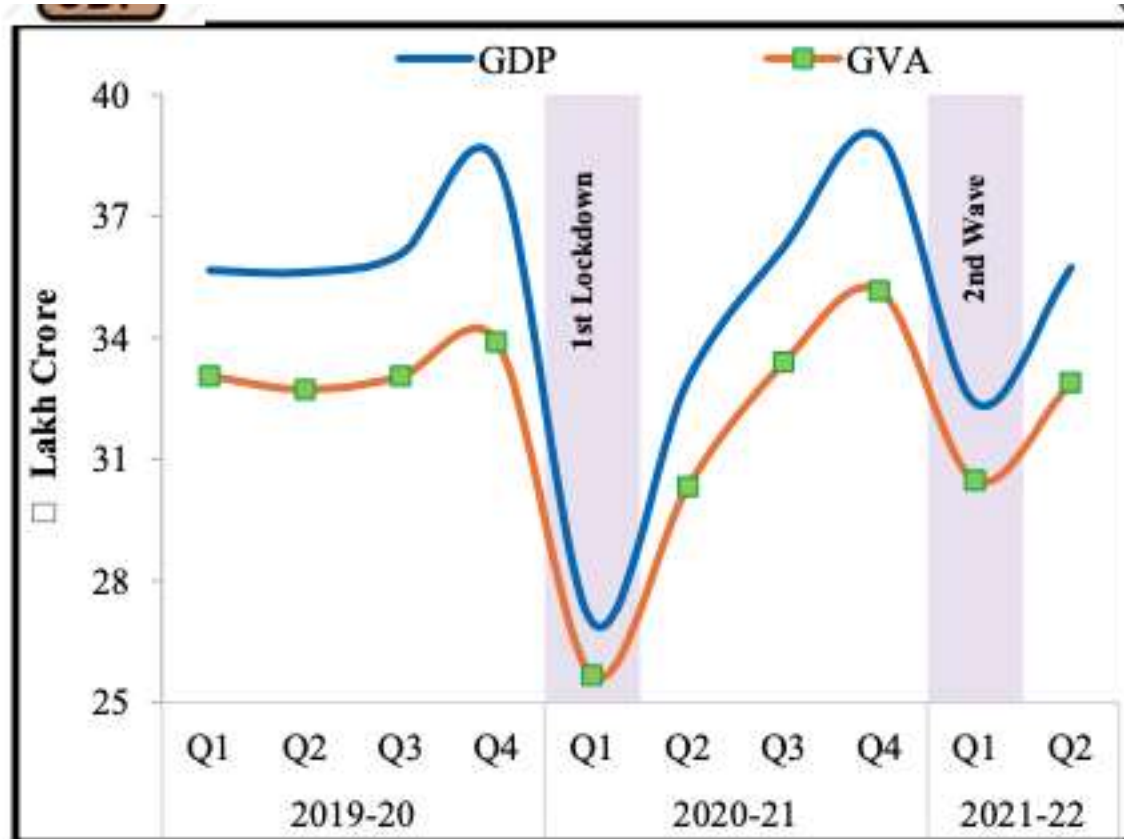


V-Shaped economy:

- In a V-shaped recovery, **an economy that has suffered a sharp economic decline experiences a fast and strong rebound.**
- Such recoveries are generally spurred by a significant shift in economic activity caused by rapid readjustment of consumer demand and business investment spending.



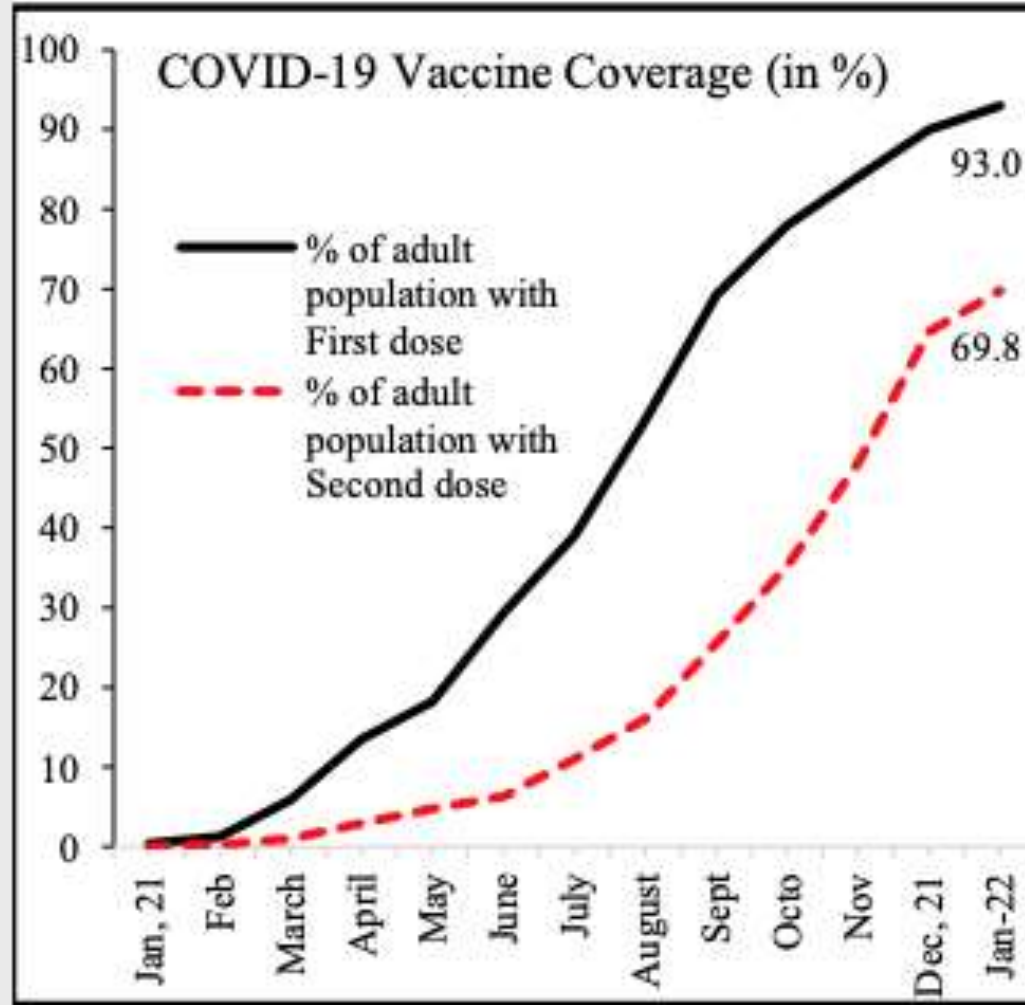
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Recovery of the economy
reflective of country's
resilience



Union Budget 2022



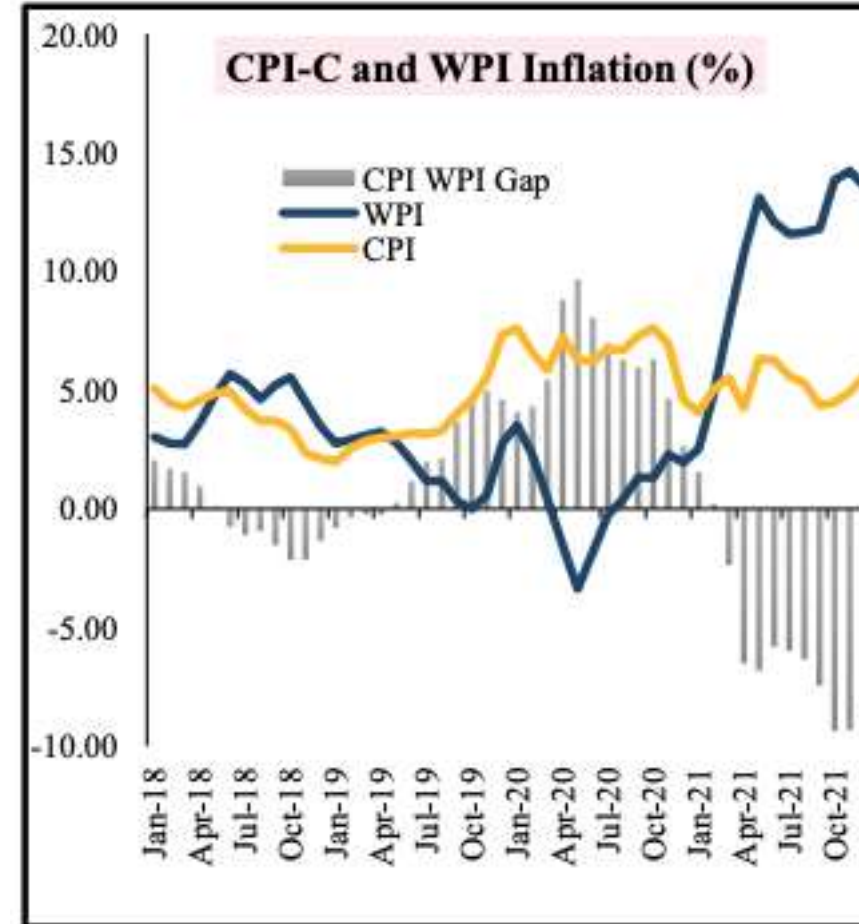
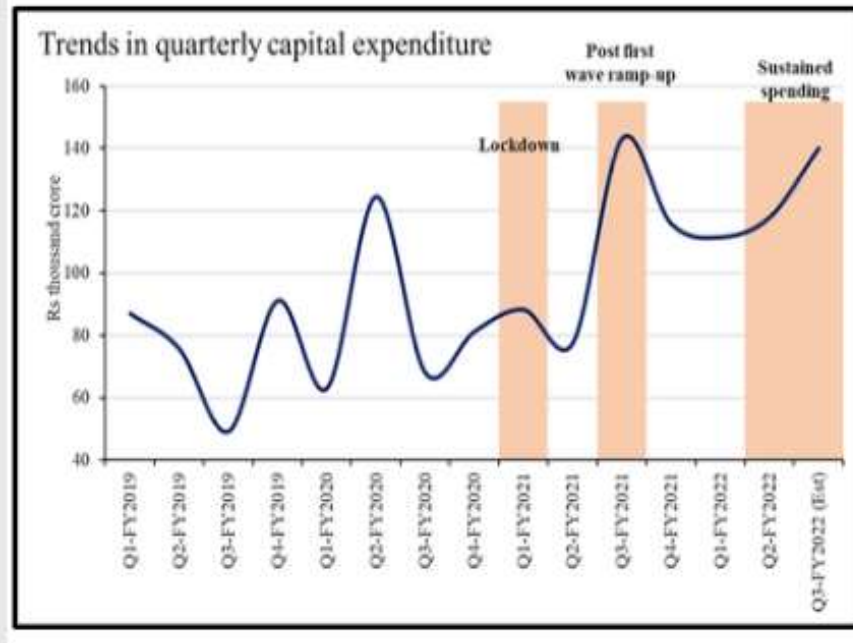
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India's Largest Khadi Tricolour To Be Displayed At Red Fort To Mark 100 Crore COVID-19 Vaccine Doses In The Country



Union Budget 2022



Capital Expenditure

- Capital expenditures (CapEx) **are funds used by a company to acquire, upgrade, and maintain physical assets** such as property, plants, buildings, technology, or equipment. ... This type of financial outlay is made by companies to increase the scope of their operations or add some economic benefit to the operation.



WPI (Wholesale Price Index)

- A wholesale price index (WPI) is an index that measures and tracks the changes in the price of goods in the stages before the retail level. This refers to goods that are sold in bulk and traded between entities or businesses (instead of between consumers).

CPI (Consumer Price Index)

- The Consumer Price Index (CPI) is a measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services



PM GATISHAKTI



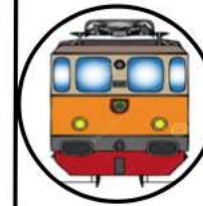
- Driven by seven engines: Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.
- National Master Plan aimed at world class modern infrastructure and logistics synergy



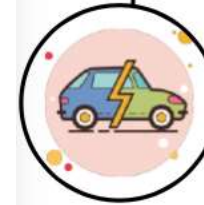
Formulation of Master Plan for expressways.
Completing 25000 km national highways in
2022-23



- Unified Logistics Interface Platform allowing data exchange among all mode operators
- Open Source Mobility Stack for seamless travel of passengers
- 4 Multimodal Logistics parks through PPP to be awarded in 2022-23



- Integration of Postal and Railways Network facilitating parcel movement.
- One Station One Product
- Extending coverage under Kavach
- 400 new generation Vande Bharat Trains



- Multimodal connectivity between mass urban transport and railway stations
 - National Ropeways Development Plan as sustainable alternative to conventional roads.
- Capacity building for infrastructure Projects

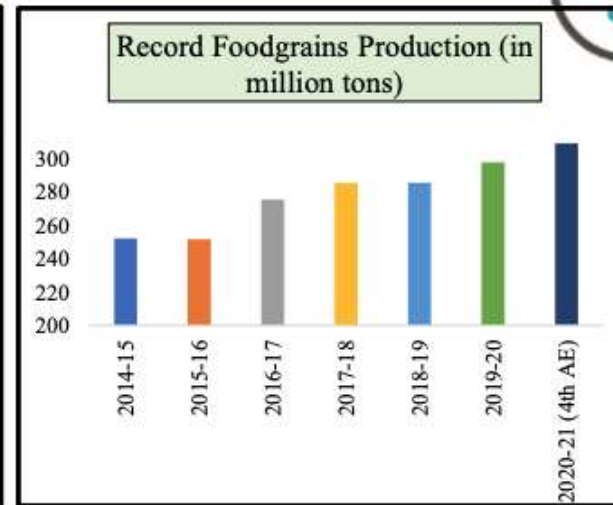
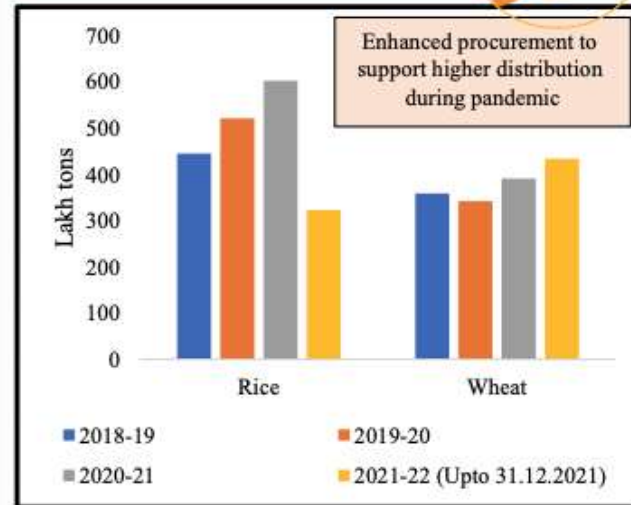
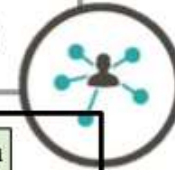


AGRICULTURE AND FOOD PROCESSING

- Promoting chemical free natural farming starting with farmers' lands close to river Ganga
- Promoting post harvest value addition, consumption and branding of millet products

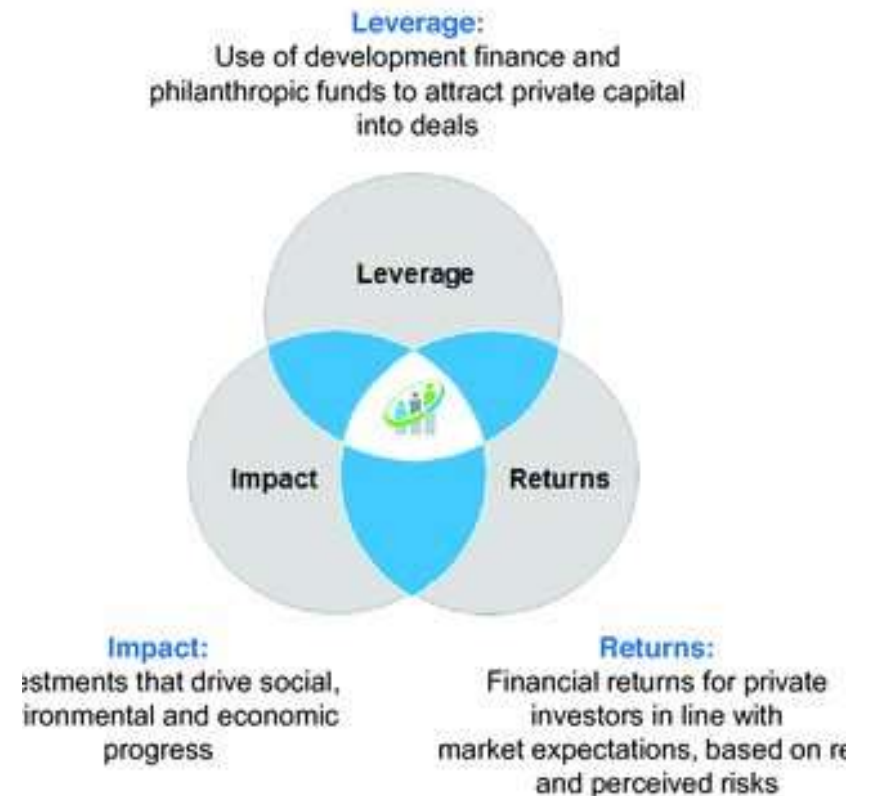


- Delivery of Digital and Hi-Tech services to farmers in PPP mode.
- Use of Kisan Drones to aid farmers.
- Launching fund with blended capital to finance agriculture start ups



Blended Capital

- Blended Capital is the mix of government or non-profit grants, equity investments, and bank loans put into a startup.
- This helps the company scale in ways a grant would not allow and de-risks the investment for the next stage.
- Blended Capital comprises of Government asset, loans and Investment.



Public-private partnership (PPP)

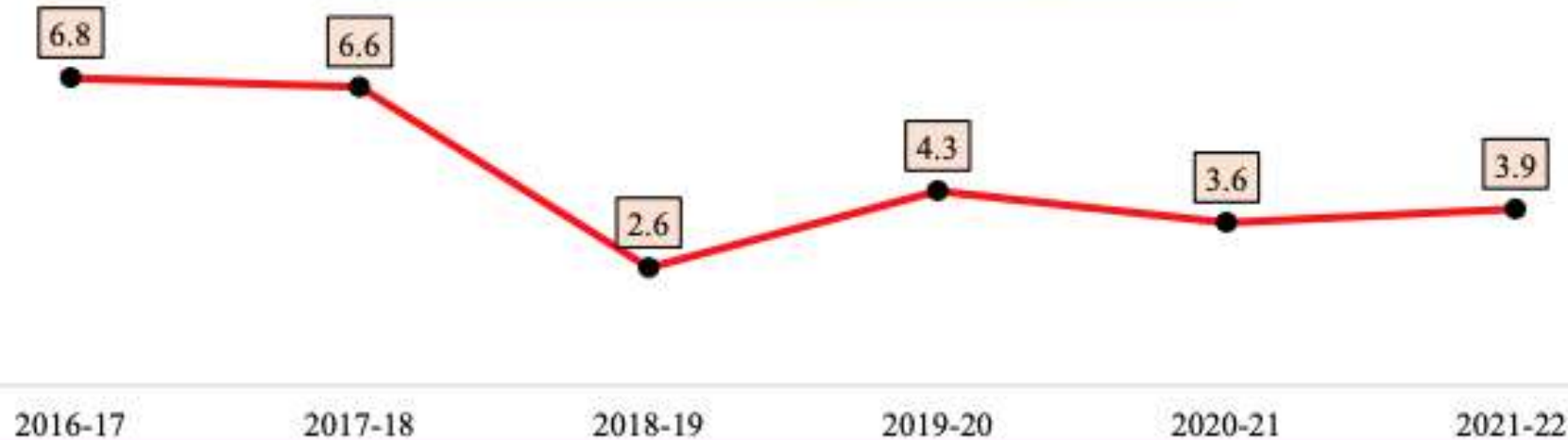
- A Public-private partnership (PPP) is often defined as a long-term contract between a private party and a government agency for providing a public asset or service, in which the private party bears significant risk and management responsibility (World Bank, 2012).

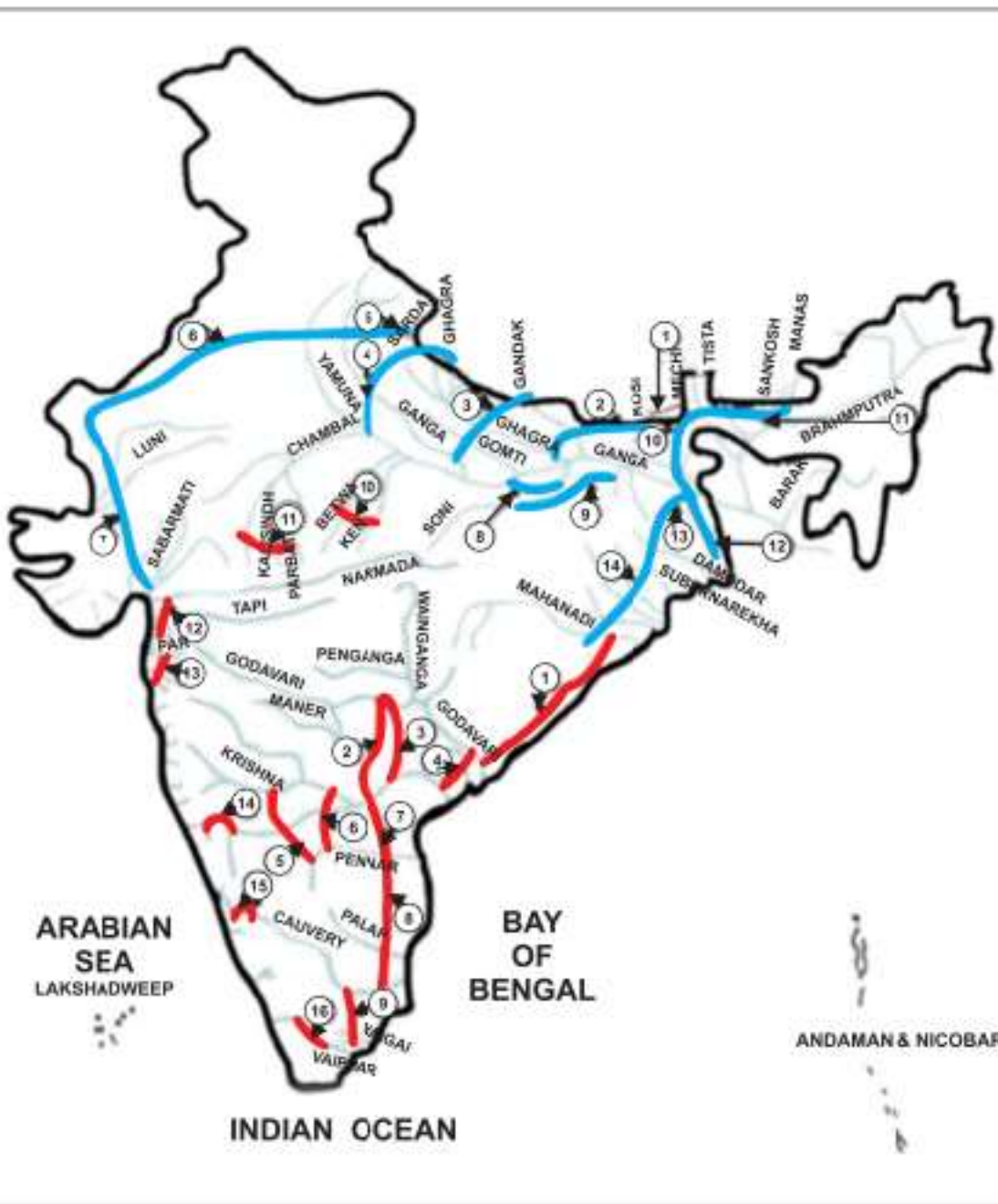


- Implementation of Ken Betwa Link Project benefitting 9.1 lakh hectare farm land, providing drinking water to 62 lakh people and generating 130MW power.
- 5 more such projects under process of implementation.



Resilient Growth in Agri Sector (per cent)





Peninsular Component

1. Mahanadi - Godavari
2. Inchampalli - Nagarjunasagar
3. Inchampalli - Pulichintala
4. Polavaram - Vijayvada
5. Almati - Pennar
6. Srisaillam - Pennar
7. Nagarjunsagar - Somasila
8. Somasila -Grand Anicut
9. Kattalai - Vaigai - Gundar
10. Ken - Betwa
11. Parbati - Kalisindh - Chambal
12. Par - Tapi - Narmada
13. Damançanga - Pinjal
14. Bedti - Varda
15. Netravari - Hemavati
16. Pamba - Achankovil - Vaippar

Himalyan Component

1. Kosi - Mechi
2. Kosi - Ghagra
3. Gandak - Ganga
4. Ghagra - Yamuna
5. Sarda - Yamuna
6. Yamuna - Rajasthan
7. Rajasthan - Sabarmati
8. Chunar - Sone Barrage
9. Sone Dam - Souther Tributaries of Ganga
10. Manas - Sankosh - Tista - Ganga
11. Jogighopa - Tista - Farakka (Alternate)
12. Farakka - Sunderbans
13. Ganga (Farakka) - Damodar - Subernarekha
14. Subernarekha - Mahanadi

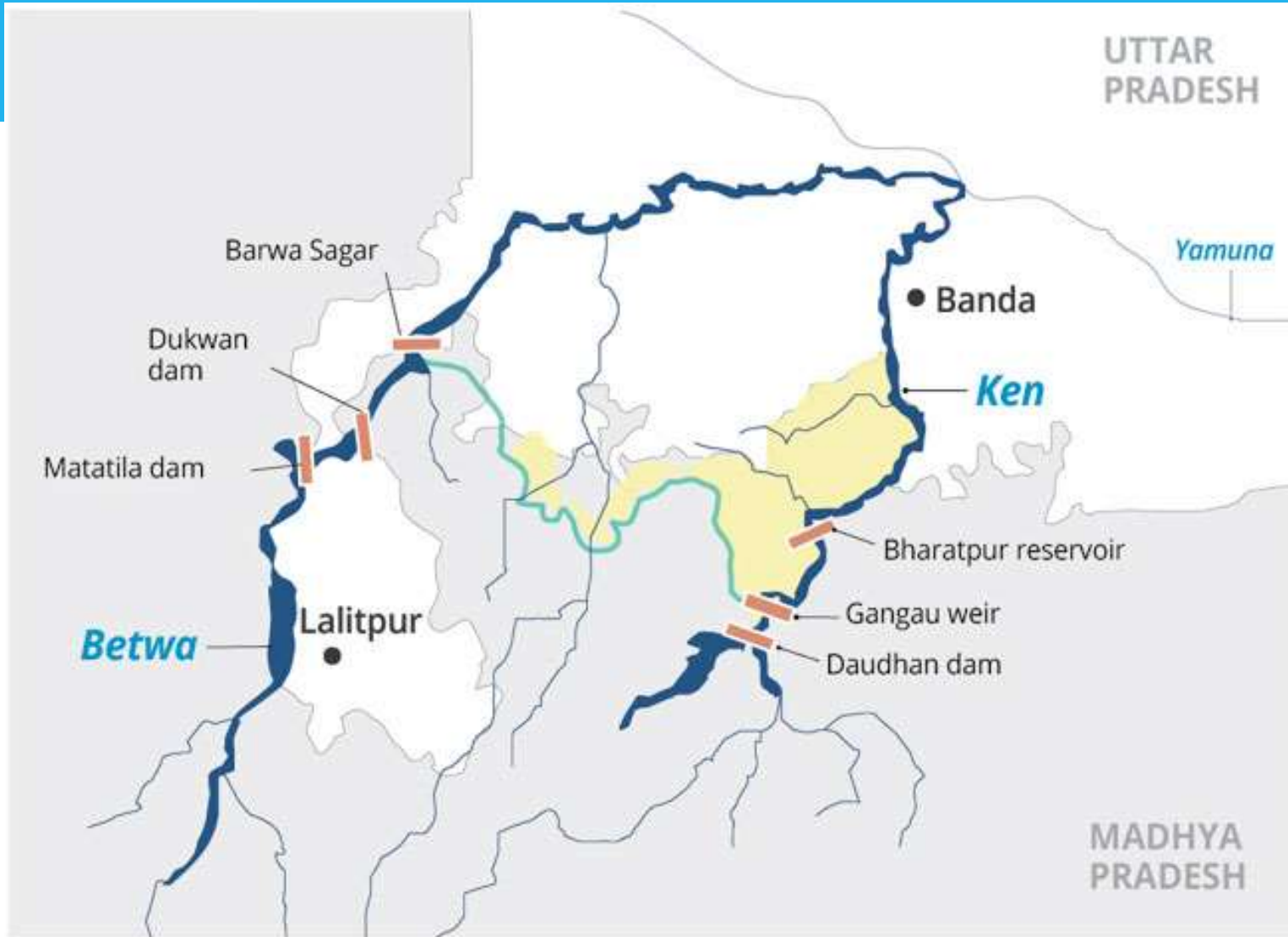
ARABIAN SEA
LAKSHADWEEP

BAY OF BENGAL

INDIAN OCEAN

ANDAMAN & NICOBAR





UTTAR PRADESH

MADHYA PRADESH

● Command area of link ● Ken-Betwa river link canal

₹9000 Crore in 2008



EDUCATION

Universalisation of Quality Education

One class One TV channel programme to be expanded to 200 TV channels

Virtual labs and skilling e-labs to promote critical thinking skills and stimulated learning environment

A Digital University will be established with world class quality universal education

High quality e-content will be delivered through Digital Teachers



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Skill Development

Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to promote online training

Startups will be promoted to facilitate Drone Shakti for Drone-As-A-Service





HEALTH



National Digital Health Ecosystem will be rolled out



National Tele Mental Health Programme will be launched for quality counselling

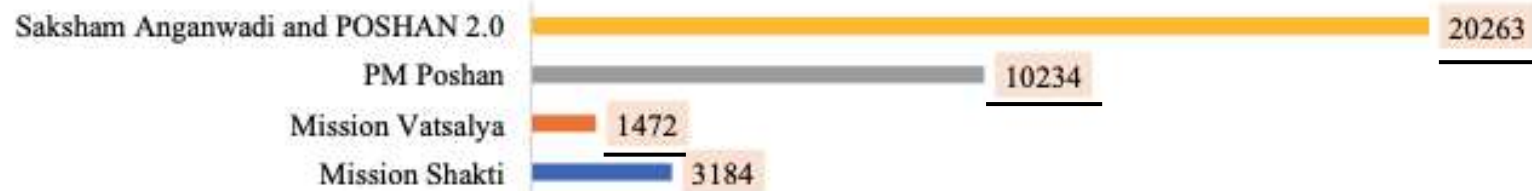


Integrated architecture: **Mission Shakti**, **Mission Vatsalya**, **Saksham Anganwadi**, and **Poshan 2.0** to be launched



Two lakh Anganwadis to be upgraded to Saksham Anganwadis

Outlay in 2022-23 BE (in crore)



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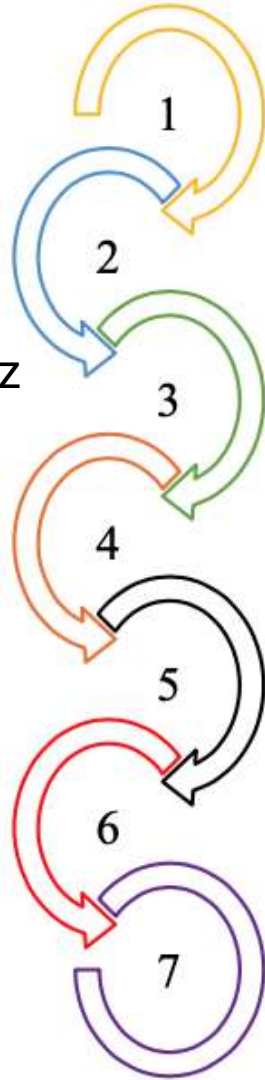
Digital Health Card (DHC):



ALL INCLUSIVE WELFARE FOCUS



Bamboo Link Road -Miz



1 Har Ghar, Nal Se Jal: 3.8 crore households to be covered in 2022-23

Rs.60,000 Cr

2 PM Awas Yojana: 80 lakh houses to be completed in 2022-23

Rs.48,000 Cr

3 PM-DevINE: To fund infrastructure and social development based on felt needs of the North East

Rs.1,500 Cr

4 Aspirational Blocks Programme: For development of lagging blocks of aspirational districts

112 Districts

5 Vibrant Villages Programme: Targeting development of villages on the Northern Border left out from the development gains

Low pop – tour, road, tv dd

6 Digital Banking by Post Offices: 100% of post offices to come on the core banking system

7 Digital Payments: Scheduled Commercial Banks to set up 75 Digital Banking Units in 75 districts

75 Indp

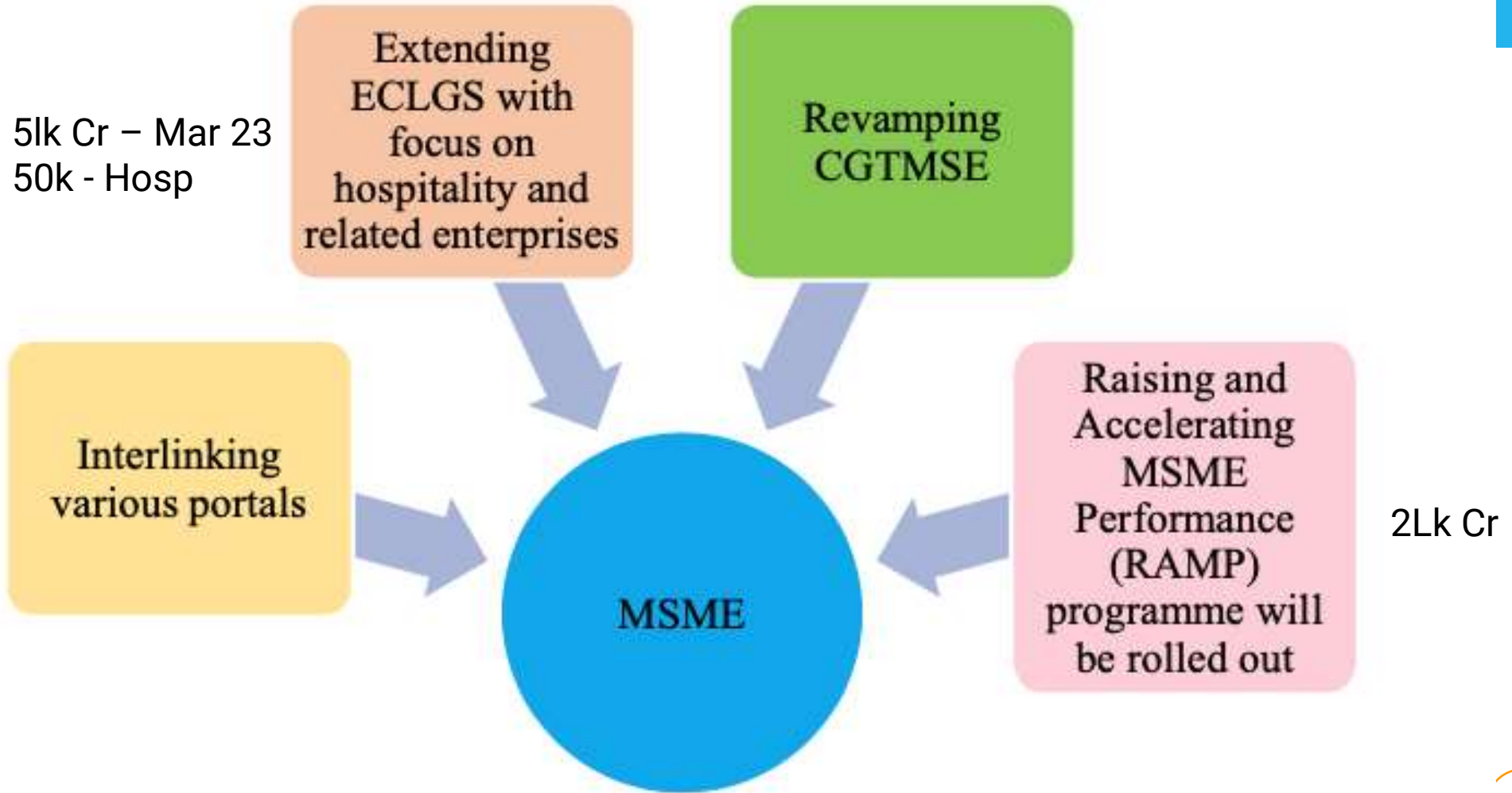


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PM-DevINE - Prime Minister's Development Initiative for North-East





ECLGS - The Emergency Credit Line Guarantee Scheme:

- The Emergency Credit Line Guarantee Scheme was introduced as a part of the Indian Government's COVID-19 financial relief package.
- Under this scheme, financial institutions in India **provide emergency loan facilities to various companies and MSMEs** that have suffered during this pandemic.



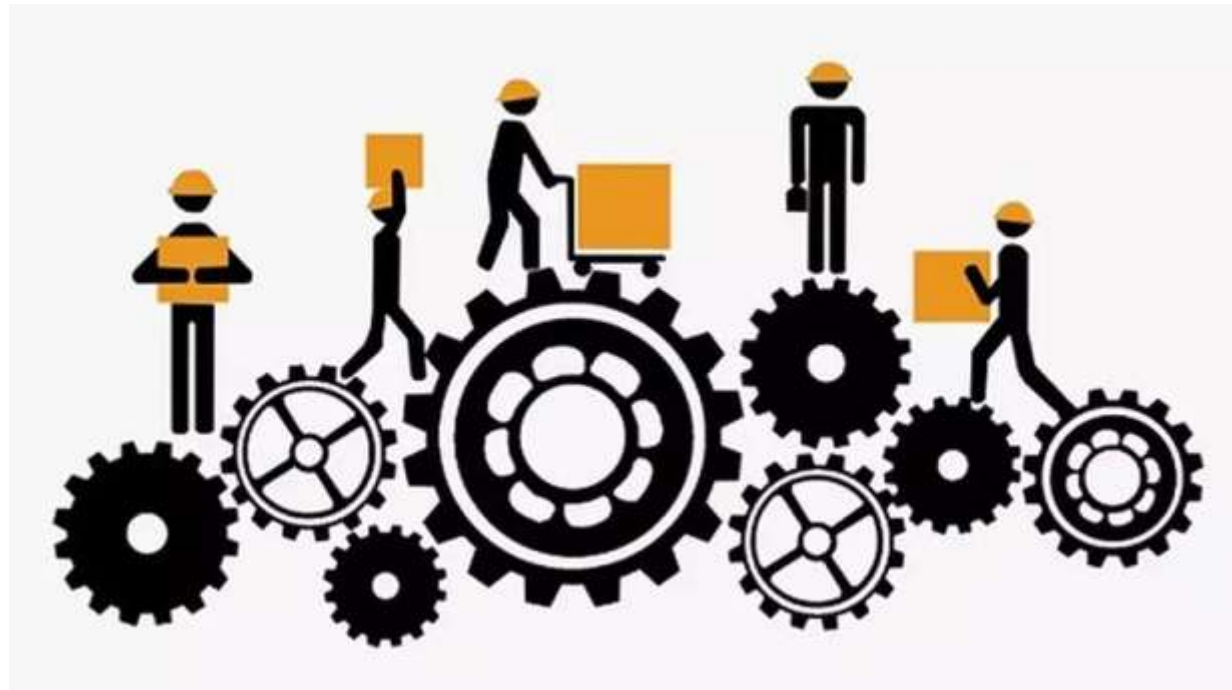
CGTMSE - Credit Guarantee Fund Trust for Micro and Small Enterprises:

- The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) was launched by the Government of India to make available **collateral-free credit to the micro and small enterprise sector**.
- Both the existing and the new enterprises are eligible to be covered under the scheme.



Raising and Accelerating MSME Performance programme (RAMP)

- It aims **to improve the condition of MSMEs in India.**
- The MSMEs were badly affected due to COVID pandemic and lock down. It provides better access to finance to the MSMEs.



PRODUCTIVITY ENHANCEMENT AND INVESTMENT



Ease of Doing Business 2.0

Trust based governance

Integration of central and state level systems through IT bridges

Expanding scope of PARIVESH Portal

Unique Land Parcel Identification Number for IT based management of land records.

Establishing C-PACE to facilitate voluntary winding up of companies

Green Clearance

Centre for Processing Accelerated Corporate Exit (**C-PACE**)

End to end online e-Bill System and utilising surety bonds in government procurement.

AVCG promotion task force

Support to 5G under PLI scheme

Opening up defence R&D for industry, startups and academia



Green Clearance:

- Green E-Clearance is a concept of **giving environmental clearance for industrial project.**
- The Ministry of Environment and Forest (India) has made it mandatory to obtain Environmental Clearances for Construction projects having covered built-up area greater than 20,000m².



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Ease of Living

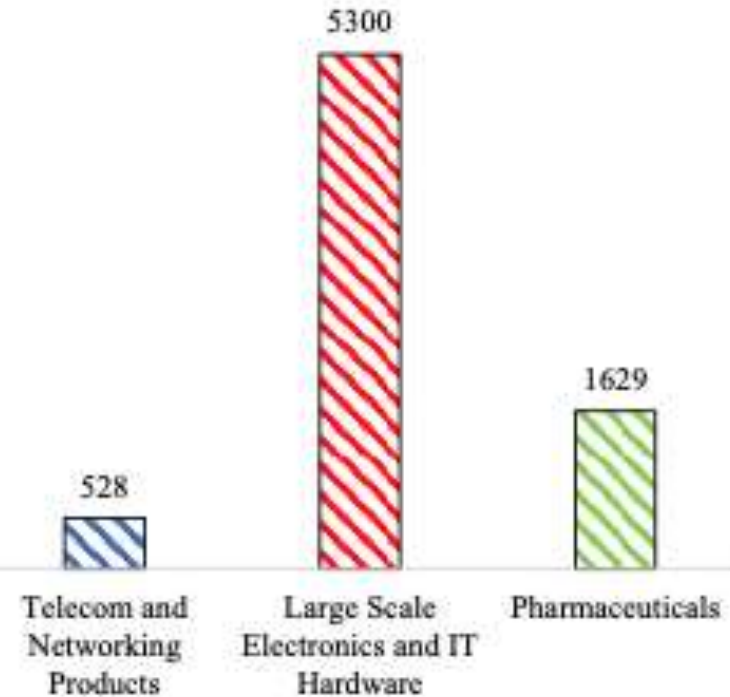
Issuance of chip embedded e-Passports

Modernisation of building byelaws, implementing Town Planning Schemes and Transit Oriented Development

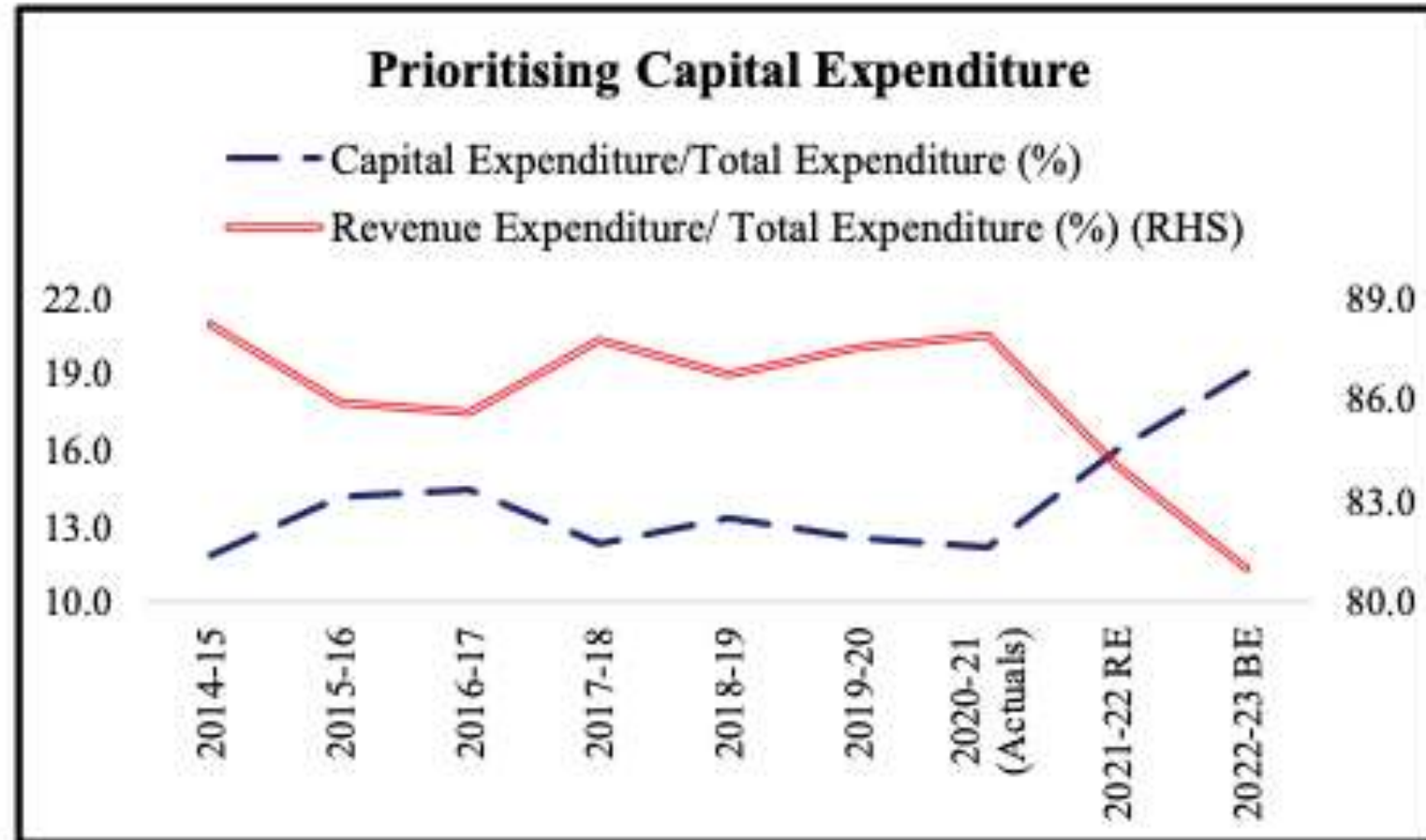
Establishing Centres of Excellence in urban planning

Providing a battery swapping policy as an alternative to setting up charging stations in urban areas

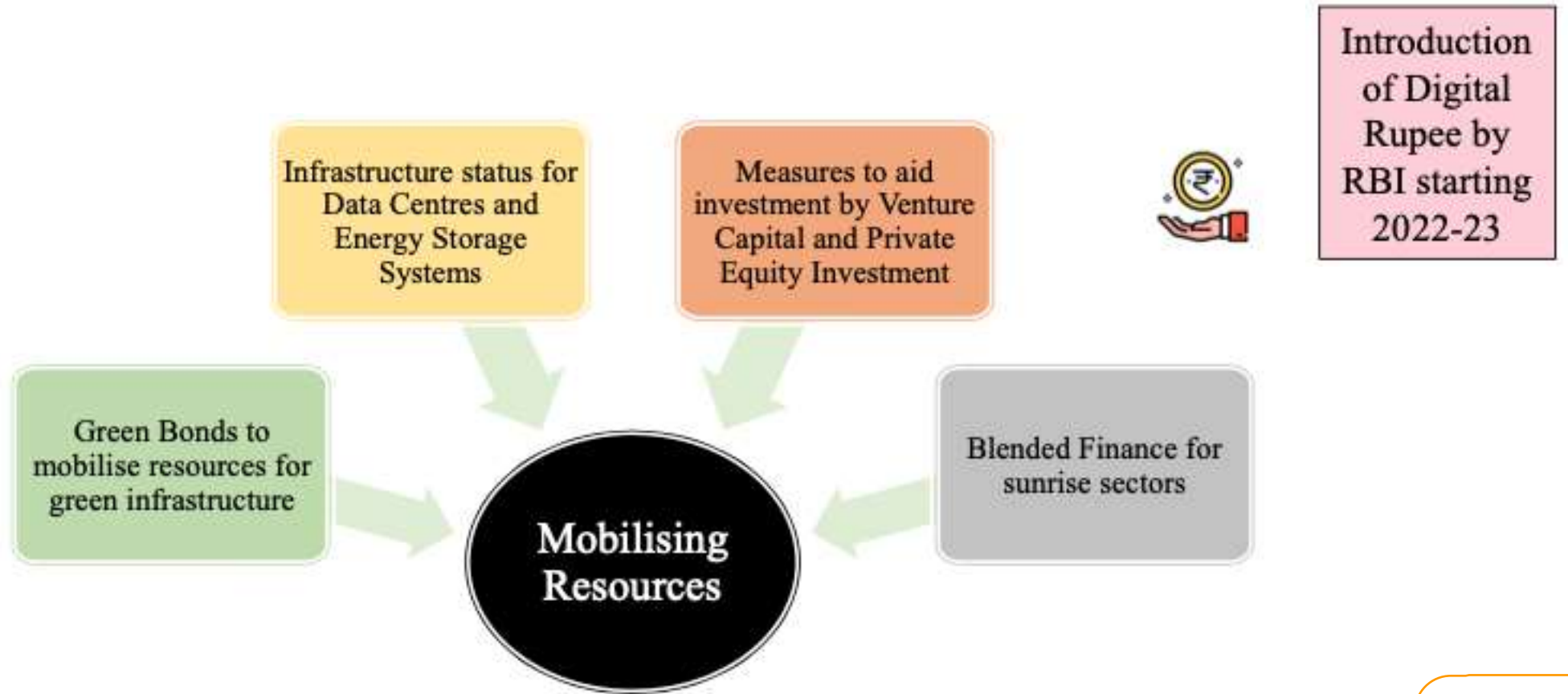
Allocation under PLI Schemes, 2022-23 BE (in crore)



Union Budget 2022



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Green Bonds:

- A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects.
- These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they usually carry the same credit rating as their issuers' other debt obligations.



Venture Capital

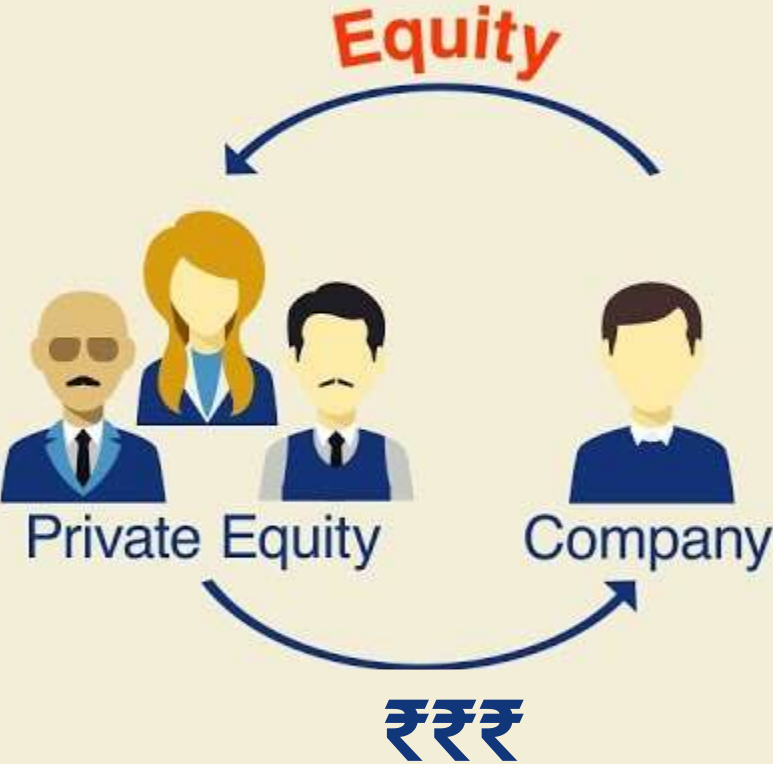
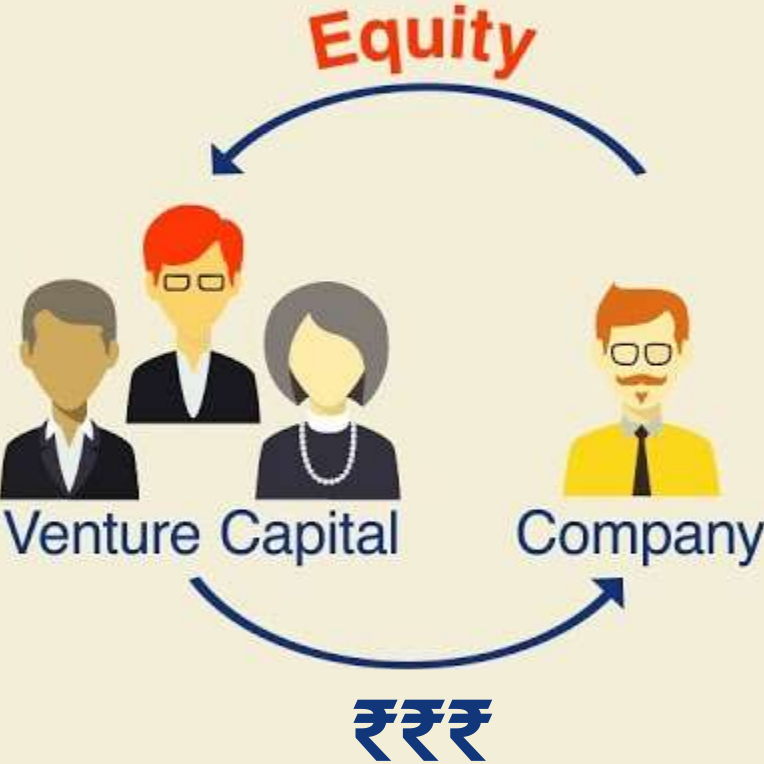
- Venture capital (VC) is a form of private equity financing that is provided by venture capital firms or funds to startups, early-stage, and emerging companies that have been deemed to have high growth potential or which have demonstrated high growth (in terms of number of employees, annual revenue, scale of operations, etc).
- Especially for Startups.

Private Equity Investment

- Private equity (PE) typically refers to investment funds, generally organized as limited partnerships, that buy and restructure companies. More formally, private equity is a type of equity and one of the asset classes consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange.
- Especially for Loss Company.



Venture Capital and Private Equity

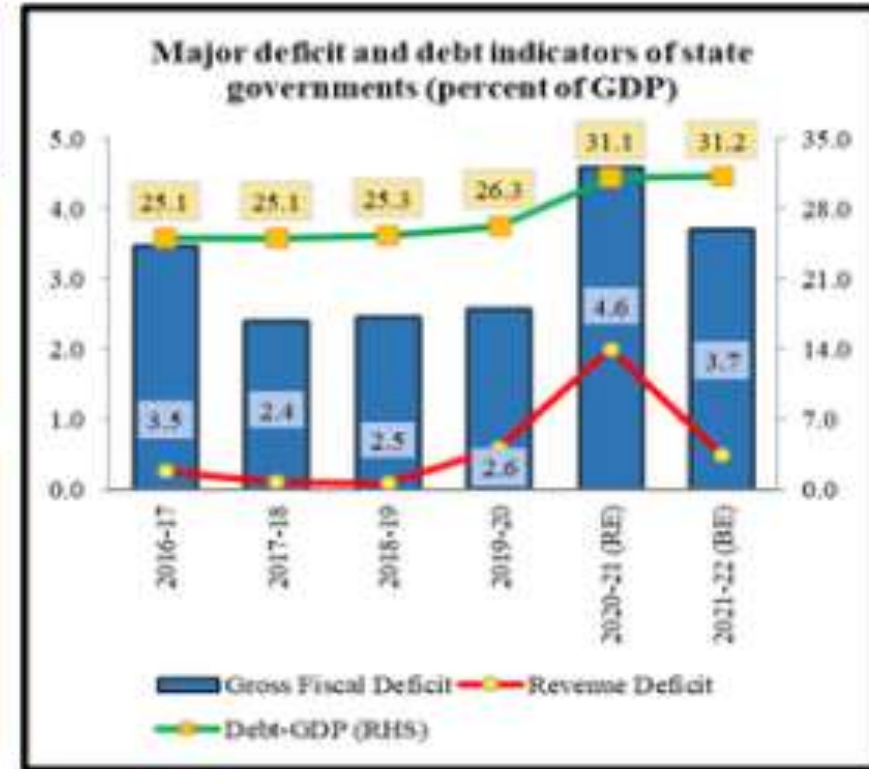


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Providing greater fiscal space to States

- Enhanced outlay to Scheme for Financial Assistance to States for Capital Investment
- For 2022-23 States will be allowed a fiscal deficit of 4% of GSDP of which 0.5% will be tied to power sector reforms



Gross/Net State Domestic Product (GSDP):

- Gross State Domestic Product (GSDP) is defined as a measure, in monetary terms, of **the volume of all goods and services produced** within the boundaries of the State during a given period of time, accounted without duplication.



TAX PROPOSALS ₹



Section – 80dd

18.5% - 15%
12% - 7%

Allowing taxpayers to file Updated Return within 2 years for correcting errors

- Tax relief to persons with disability
- Reducing Alternate Minimum Tax Rate and Surcharge for Cooperatives.

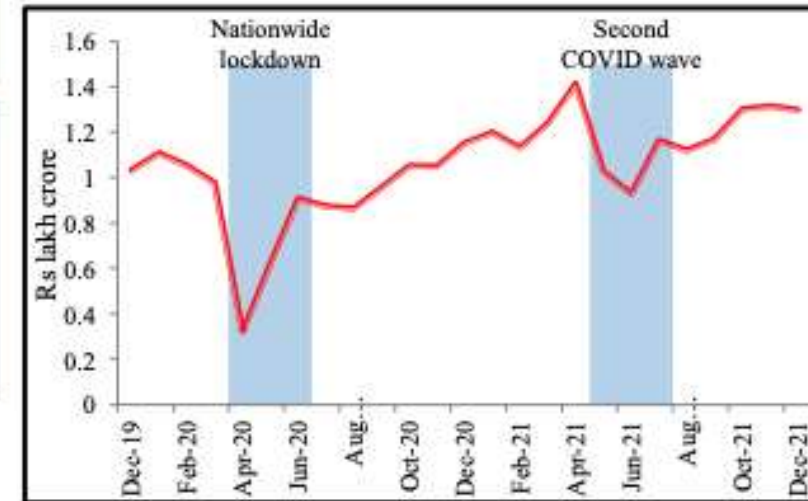
Increasing tax deduction limit on employer's contribution to NPS account of state government employees

10%-14%

Extending period of incorporation of eligible startups for providing tax incentives

- Income from transfer of virtual assets to be taxed at 30%
- Better litigation management to avoid repetitive appeals

Buoyant GST collections during 2021-22 (Rs lakh crore)



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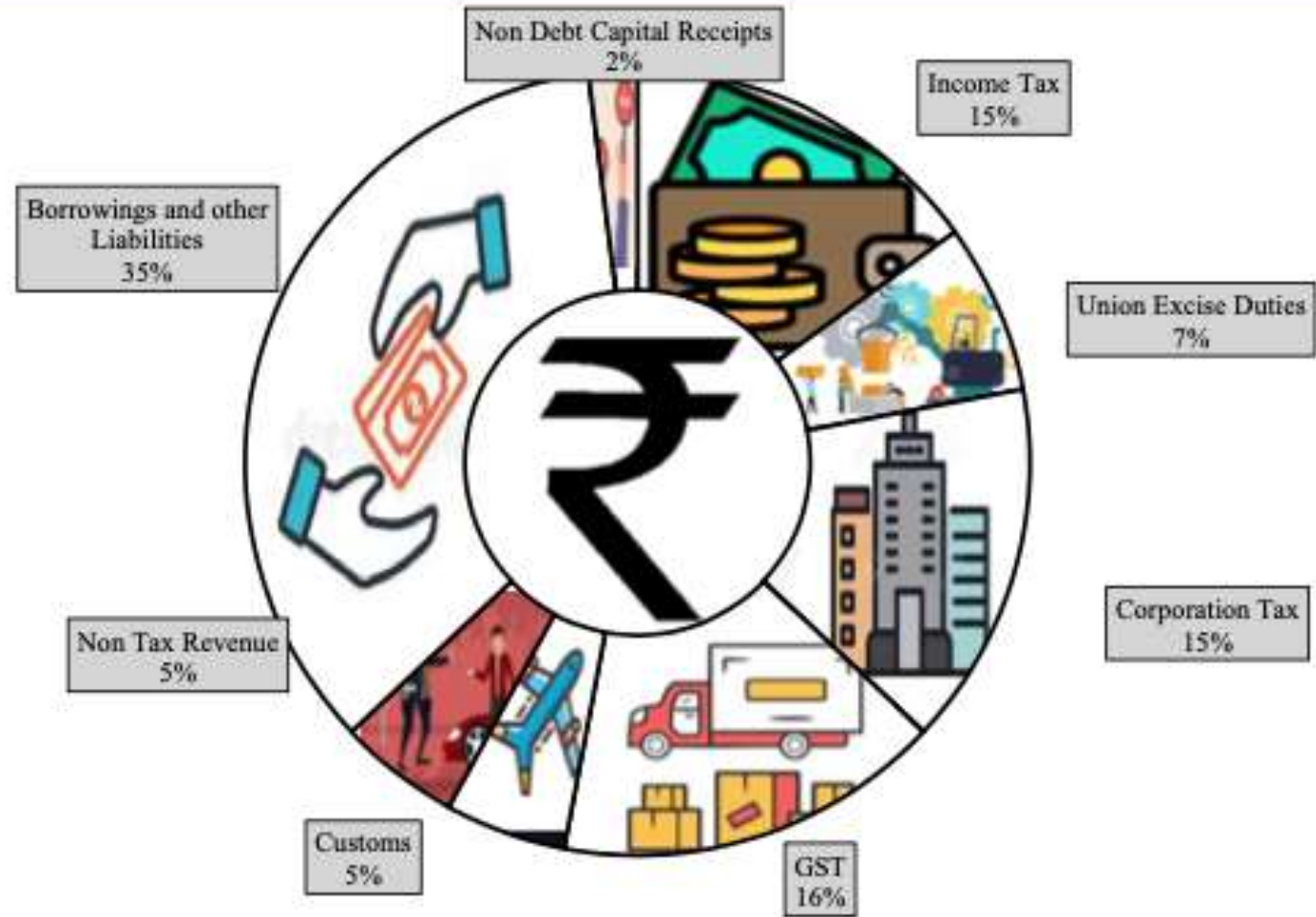


Any
Surcharge or
Cess on
Income and
Profits not
allowable as
business
expenditure

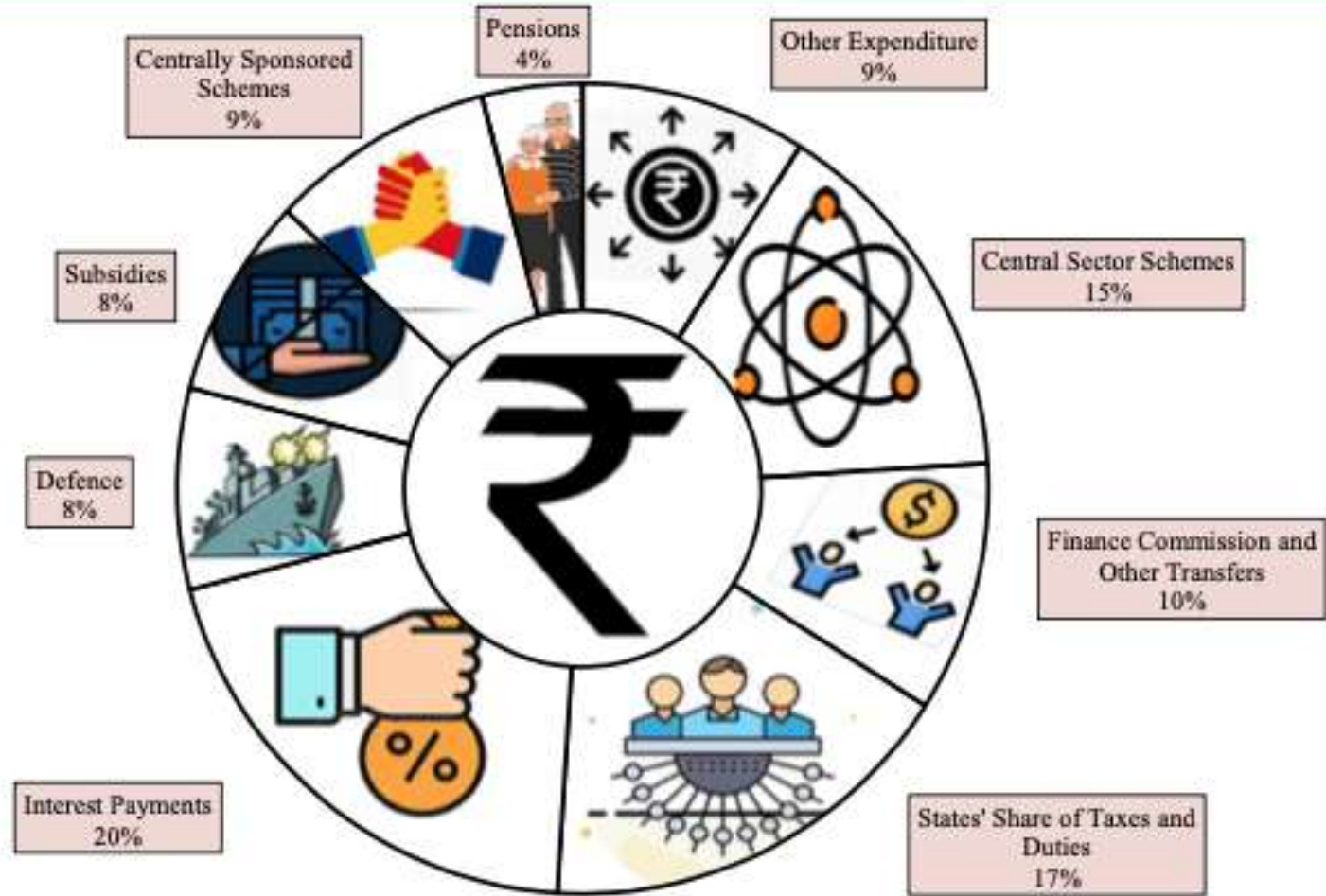
- Customs administration to be fully IT driven in SEZs
- Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%
- Review of customs exemptions and tariff simplification
- Customs duty rates are being calibrated to provide a graded rate structure to facilitate domestic electronics manufacturing
- Rationalisation of exemptions on implements and tools for agri sector manufactured in India
- Extension of customs duty exemption to steel scrap
- Reduction of duty on certain inputs required for shrimp aquaculture
- Unblended fuel shall attract additional differential excise duty



RUPEE COMES FROM



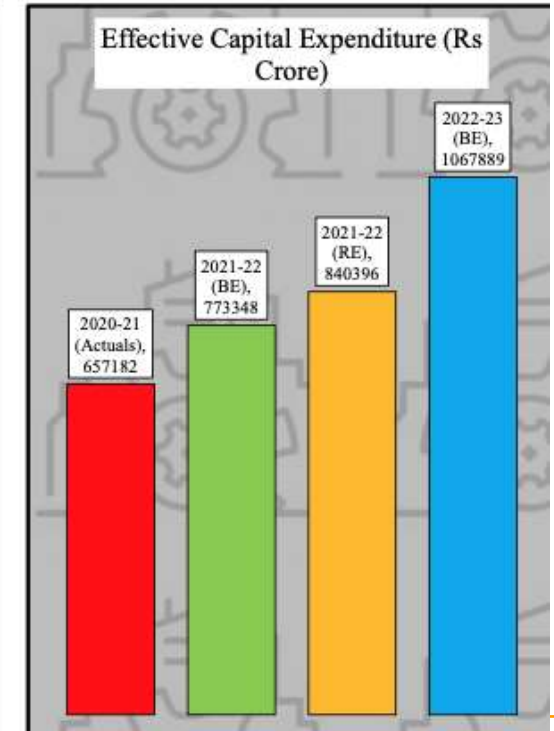
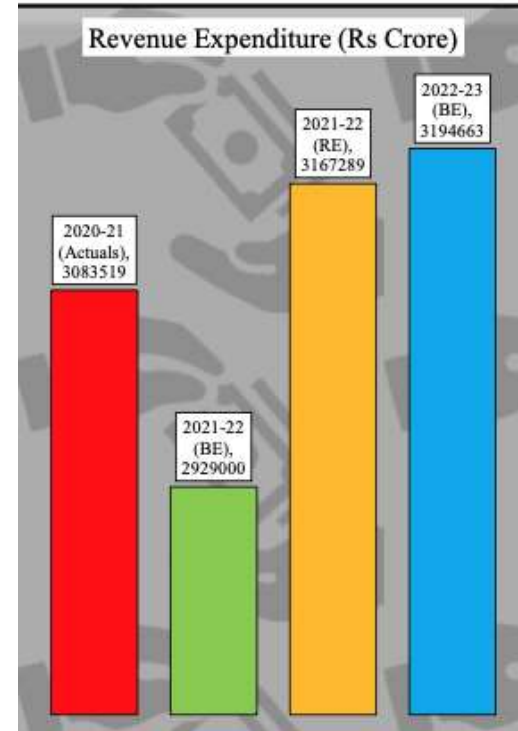
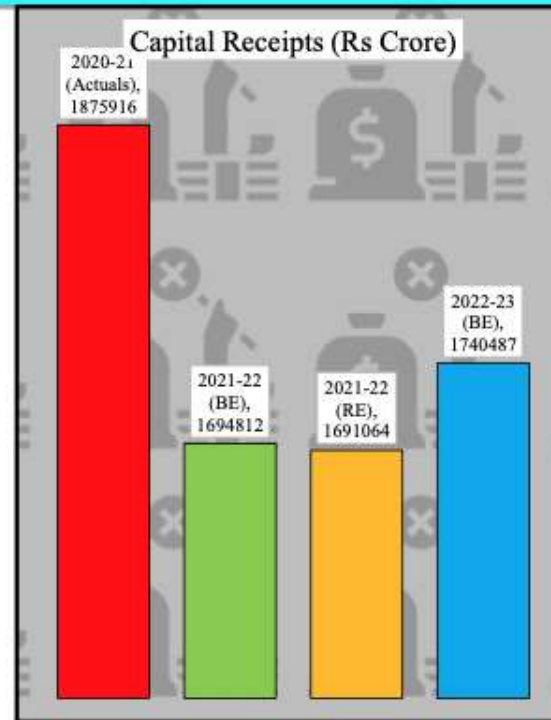
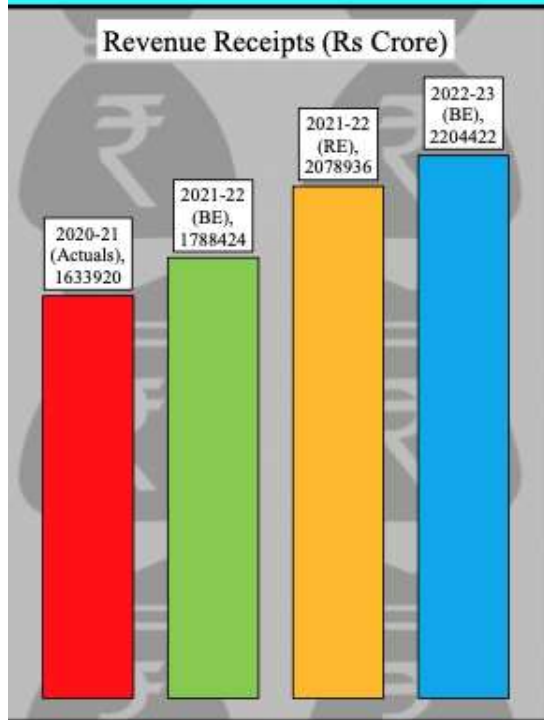
RUPEE GOES TO



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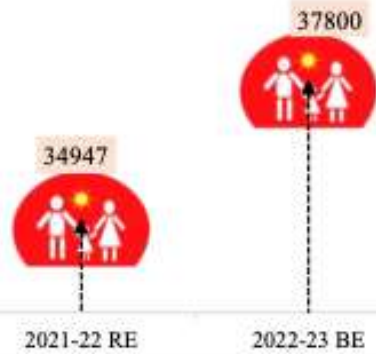
BUDGET AT A GLANCE



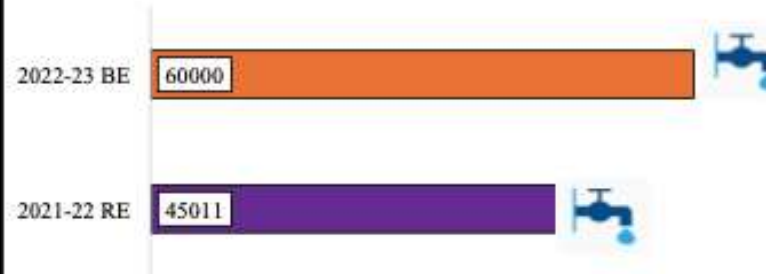
ALLOCATION TO MAJOR SCHEMES



National Health Mission (in crore)



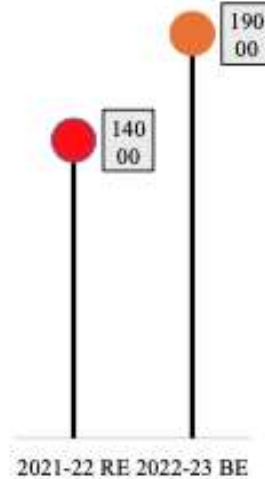
Jal Jeevan Mission (in crore)



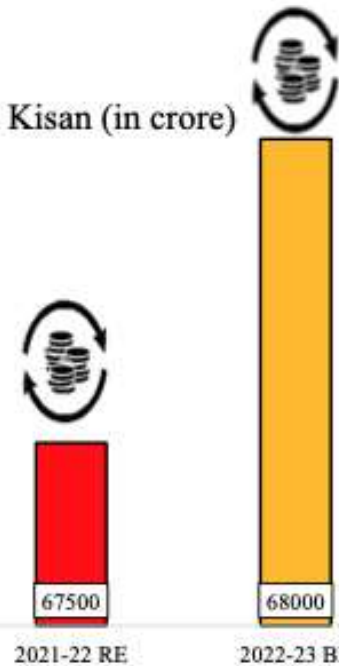
National Education Mission (in crore)



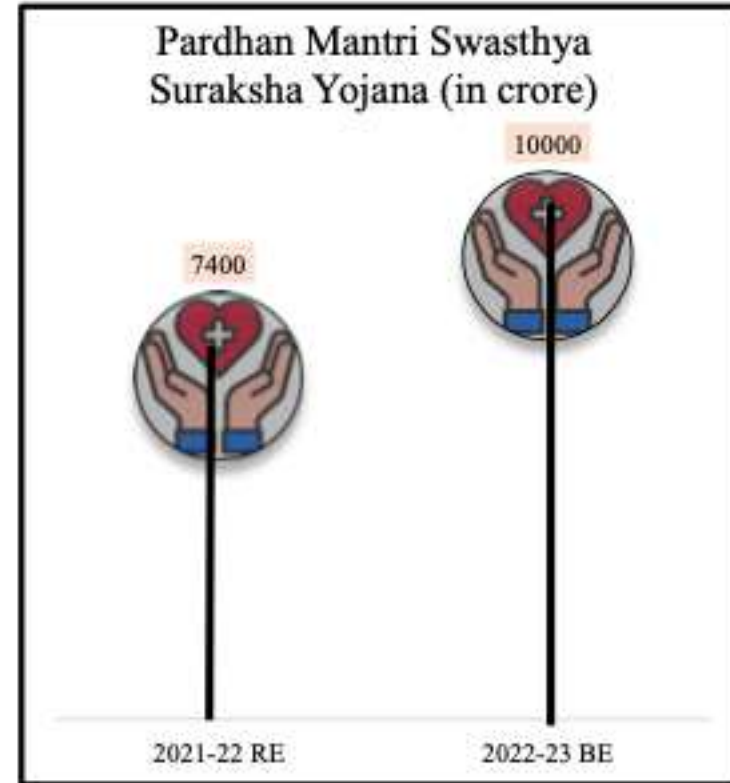
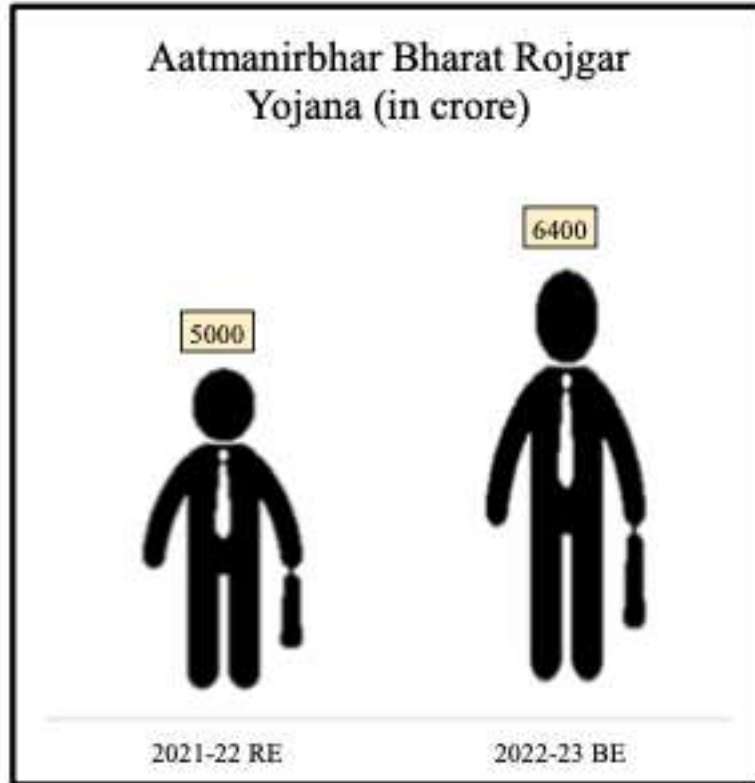
Pradhan Mantri Gram Sadak Yojana (in crore)



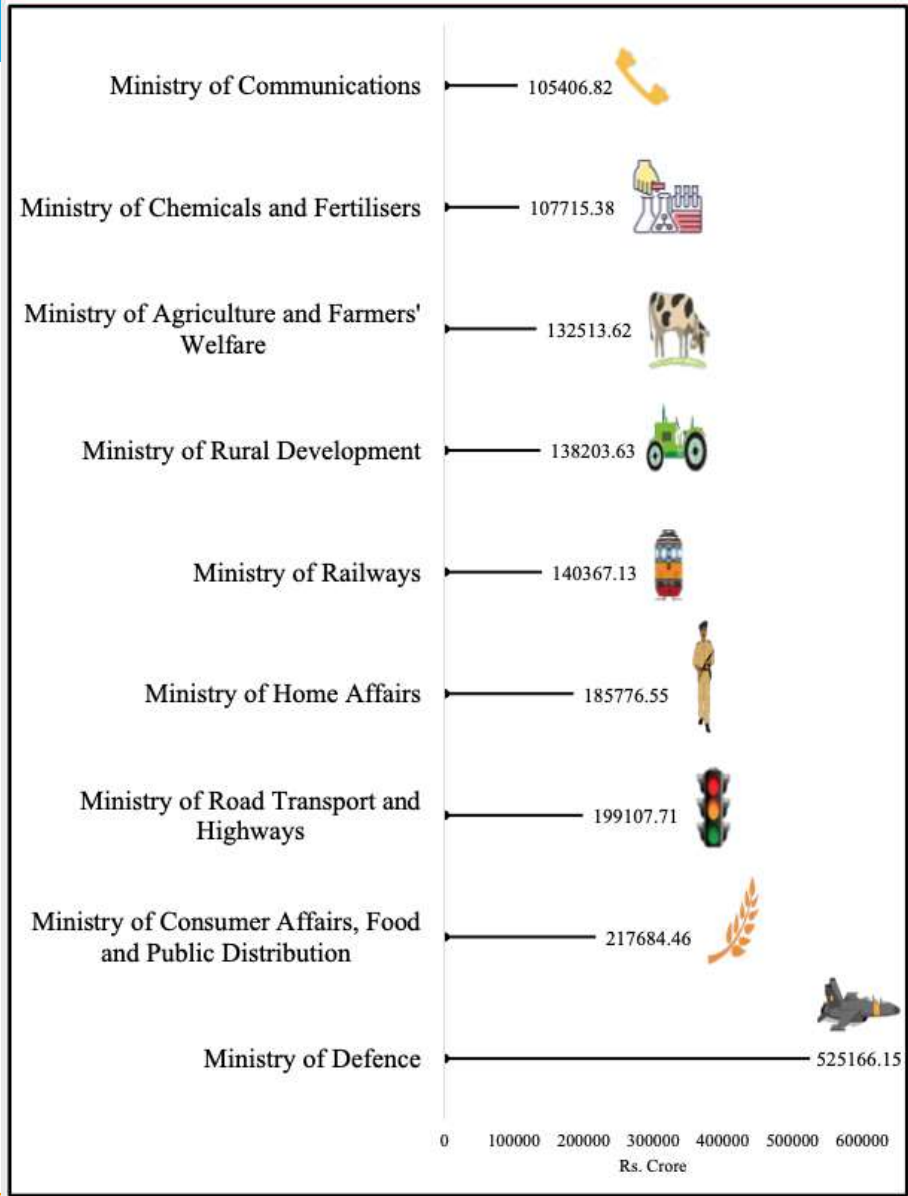
PM Kisan (in crore)



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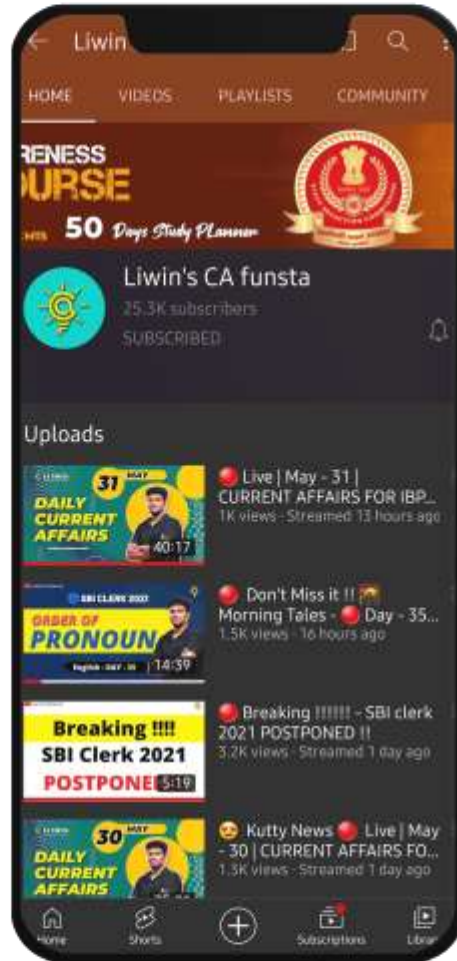
MINISTRY WISE ALLOCATIONS



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