



Budget 2022-23

For Prelims: Budget and Constitutional Provisions, Initiatives Mentioned in the Budget such as PM GatiShakti, One Station One Product concept, etc., Amrit Kaal, Azadi ka Amrit Mahotsav.

For Mains: Budget and Constitutional Provisions, Key Highlights of Budget 2022.

Why in News?

Recently, the Minister of Finance presented the **Union Budget 2022-23**. With this Budget, India has marked the 75 years of Independence through **Azadi ka Amrit Mahotsav**.

- Apart from this, the budget also lays down a plan for **next 25 years and refers to the same period as Amrit Kaal**.
- It has also announced some **important measures for taxpayers**.

Budget and Constitutional Provisions

- According to **Article 112 of the Indian Constitution**, the Union Budget of a year is referred to as the Annual Financial Statement (AFS).
- It is a statement of the estimated receipts and expenditure of the Government in a Financial Year (which begins on 1st April of the current year and ends on 31st March of the following year).
- Overall, the **Budget contains:**
 - Estimates of revenue and capital receipts,
 - Ways and means to raise the revenue,
 - Estimates of expenditure,
 - Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
 - The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.
- In Parliament, the Budget **goes through six stages:**
 - Presentation of Budget.
 - General discussion.
 - Scrutiny by **Departmental Committees**.
 - Voting on Demands for Grants.
 - Passing an Appropriation Bill.
 - Passing of Finance Bill.
- The Budget Division of the Department of Economic Affairs in the Ministry of Finance is the nodal body responsible for preparing the Budget.
- The first Budget of Independent India was presented in 1947.

What are the Key Highlights of Budget 2022?

- **Growth Rate:** India's economic growth in the current year (2021-22) is estimated to be **9.2% of GDP**, the highest among all large economies.
 - The revised **Fiscal Deficit** in the current year is estimated **at 6.9% of GDP (Gross Domestic Product)** as against 6.8% projected in the Budget Estimates.
 - The Fiscal Deficit in 2022-23 is estimated **at 6.4% of GDP**, which is consistent with the broad path of fiscal consolidation announced last year to reach a fiscal deficit **level below 4.5% by 2025-26**.
- **Amrit Kaal:** India has entered into Amrit Kaal, the **25-year-long leadup to India@100**. During the **Amrit Kaal**, the government aims to attain the following vision:
 - Complementing the **macro-economic level growth** focus with a **micro-economic level all-inclusive welfare focus**.
 - Promoting **digital economy & fintech, technology enabled development, energy transition, and climate action**.
 - Relying on a **virtuous cycle** starting from private investment with public capital investment helping to crowd-in private investment.
- **Blueprint of Amrit Kaal:** Four Priorities:
 - **PM GatiShakti**
 - **Inclusive Development**
 - **Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, and Climate Action**
 - **Financing of Investments**
- **Productivity Linked Incentive:** 60 lakh new jobs to be created under the **productivity linked incentive scheme** in 14 sectors.
- **Other Major Announcements in Budget:**
 - **Railways: One Station One Product concept** to help local businesses & supply chains.
 - **Parvatmala:** It is a **National Ropeways Development Program**, Parvatmala to be taken up on PPP mode.
 - **Kisan Drones:** For crop assessment, digitization of land records, spraying of insecticides and nutrients.
 - **MSME:** Udyam, **e-shram, NCS and ASEEM portals** to be interlinked.
 - **Skill Development: Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal)** will be launched to empower citizens to skill, reskill or upskill through on-line training.
 - **Education: 'One class-One TV channel' programme** of PM eVIDYA to be expanded to 200 TV channels.
 - **Health:** An open platform for the **National Digital Health Ecosystem** to be rolled out.
 - **Saksham Anganwadi (New Generation Anganwadi):** Integrated benefits to women and children through Mission Shakti, Mission Vatsalya, Saksham Anganwadi and Poshan 2.0.
 - **PM-DevINE:** New scheme **Prime Minister's Development Initiative for North-East Region** (PM-DevINE) launched to fund infrastructure and social development projects in the North-East.
 - **Vibrant Villages Programme:** Vibrant Villages Programme for development of Border villages with sparse population, limited connectivity and infrastructure on the northern border.
 - **Sunrise Opportunities:** Government contribution to be provided for R&D in Sunrise Opportunities like Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems.
 - **GIFT-IFSC:** World-class foreign universities and institutions to be allowed in the **GIFT City**.
 - An **International Arbitration Centre** to be set up for timely settlement of disputes under international jurisprudence.
 - **Digital Rupee:** Introduction of Digital Rupee by the Reserve Bank of India starting 2022-23.

TAX PROPOSALS ₹

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.

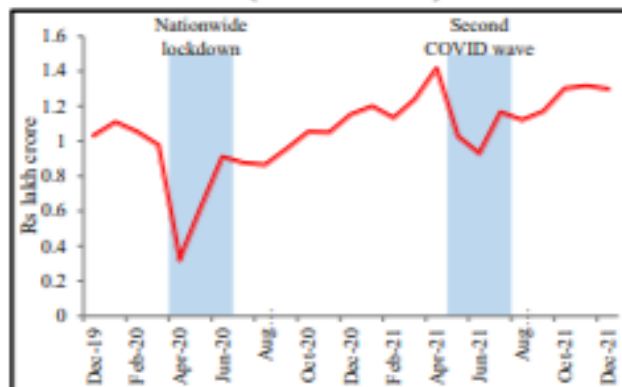
Increasing tax deduction limit on employer's contribution to NPS account of state government employees

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

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

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



- 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



PDF Refernece URL: <https://www.drishtias.com/printpdf/budget-2022-23-3>