

UNION BUDGET 2022 FULL ANALYSIS

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You will find thousands of write up on budget, but this write up could be understood by any one from class 12th student to professional degree holder. First have a look on the basic numbers and remember these.



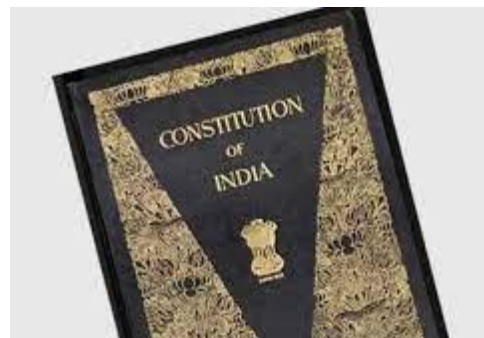
Rs in Cr		
	2021-22	2022-23
	Revised Est	Budget Est
Revenue Receipts	20,78,936	22,04,422
Capital Receipts	16,91,064	17,40,487
Total Receipts	37,70,000	39,44,909
Revenue Expenditure	31,67,289	31,94,663
On Capital Account	6,02,711	7,50,246
Total Expenditure	37,70,000	39,44,909
Borrowings & Other Liabilities/Fiscal Deficits	15,91,089	16,61,196
Fiscal Deficit % (in terms of GDP)	6.9	6.4
Value of GDP (Rs in Lakhs Cr)	231	260

CONSTITUTIONAL PROVISIONS RELATED TO BUDGET?

According to Article 266 of the Constitution, Parliamentary approval is required to draw money from the Consolidated Fund of India.

The term 'Budget' is not mentioned in the constitution. The constitution refer it as 'Annual Financial Statement'.

Besides, Article 114 (3) of the Constitution stipulates that no amount can be withdrawn from the Consolidated Fund without the enactment of a law (i.e. Appropriation bill).



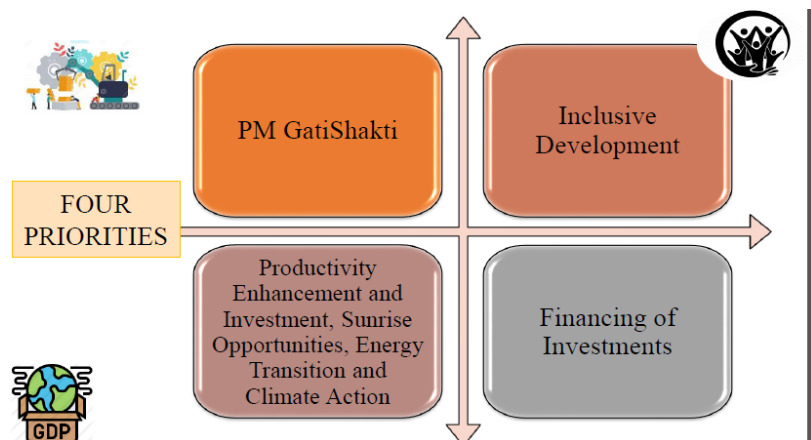
WHO PREPARES BUDGET?

The Budget Division of the Department of Economic Affairs in the Finance Ministry is the nodal body responsible for preparing the Budget.

Key Theme of this year Budget- Complement macro-economic level growth with a focus on microeconomic level all inclusive welfare.

Marking *AzadiKaAmritMahotsav* this year entering into **AmritKaal**, the 25-year-long leadup to India@100 budget has been prepared keeping long term vision of 25 years.

Govt has set 4 priorities under this Amritkaal period-



1. PM GatiShakti

Focus will be on seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.

Road Transport

PM GatiShakti Master Plan for Expressways will be formulated in 2022-23 to facilitate faster movement of people and goods. The National Highways network will be expanded by 25,000 km in 2022-23. Rs. 20,000 crore will be mobilized through innovative ways of financing to complement the public resources.

Railways

Integration of Postal and Railways Network for parcel movement.

One Station One Product

400 new generation Vande Bharat Trains

Contracts for 8 ropeway projects for a length of 60 km will be awarded in 2022-23.



2. Inclusive Development

Agriculture

Chemical-free Natural Farming will be promoted throughout the country, with a focus on farmers' lands in 5-km wide corridors along river Ganga, at the first stage.

Use of 'Kisan Drones' will be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients.

Implementation of Ken Betwa Link Project benefitting 9.1 lakh hectare farm land, providing drinking water to 62 lakh people and generating 130MW power

MSME



Emergency Credit Line Guarantee Scheme (ECLGS) has already provided additional credit to more than 130 lakh MSMEs. ECLGS will be extended up to March 2023 and its guarantee cover will be expanded by Rs. 50,000 crore to total cover of Rs. 5 lakh crore, with the additional amount being earmarked exclusively for the hospitality and related enterprises.

Raising and Accelerating MSME Performance (RAMP) programme with outlay of ₹ 6,000 crore over 5 years will be rolled out.

Skill Development & Universalization of Quality 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

HarGhar, Nal Se Jal

Allocation of Rs 60,000 crore has been made with an aim to cover 3.8 crore households in 2022-23.

Housing for All

In 2022-23 80 lakh houses will be completed for the identified eligible beneficiaries of PM AwasYojana, both rural and urban. Rs. 48,000 crore is allocated for this purpose.

Digital Banking

It is proposed to set up 75 Digital Banking Units (DBUs) in 75 districts of the country by Scheduled Commercial Banks.

3. Productivity Enhancement & Investment

Ease of Doing Business 2.0 & Ease of Living

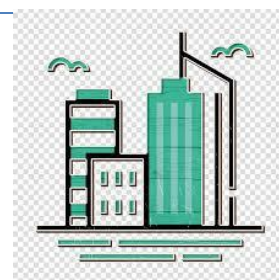
In recent years, over 25,000 compliances were reduced and 1486 Union laws were repealed.

For the *AmritKaal*, the next phase of Ease of Doing Business EODB 2.0 and Ease of Living, will be launched.

e-Passport

The issuance of e-Passports using embedded chip and futuristic technology will be rolled out in 2022-23 to enhance convenience for the citizens in their overseas travel.

Land Records Management



The adoption or linkage with National Generic Document Registration System (NGDRS) with the 'One-Nation One-Registration Software' will be promoted as an option for uniform process for registration and 'anywhere registration' of deeds & documents.

Insolvency and Bankruptcy Code

Necessary amendments in the Code will be carried out to enhance the efficacy of the resolution process and facilitate cross border insolvency resolution.

Accelerated Corporate Exit

Now the Centre for Processing Accelerated Corporate Exit (C-PACE) with process re-engineering, will be established to facilitate and speed up the voluntary winding-up of these companies from the currently required 2 years to less than 6 months.

Telecom Sector

Required spectrum auctions will be conducted in 2022 to facilitate rollout of 5G mobile services within 2022-23 by private telecom providers.

Sunrise Opportunities

Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems have immense potential to assist sustainable development at scale and modernize the country.

Energy Transition and Climate Action

The risks of climate change are the strongest negative externalities that affect India and other countries. This strategy opens up huge employment opportunities and will take the country on a sustainable development path. This budget proposes several near-term and long-term actions accordingly.

Solar Power

To facilitate domestic manufacturing for the ambitious goal of 280 GW of installed solar capacity by 2030, an additional allocation of Rs. 19,500 crore for Production Linked Incentive for manufacture of high efficiency modules, with priority to fully integrated manufacturing units from polysilicon to solar PV modules, will be made.

4. Financing of Investments

Capital investment holds the key to speedy and sustained economic revival and consolidation through its multiplier effect. Capital investment also helps in creating employment opportunities, inducing enhanced demand for manufactured inputs from large industries and MSMEs, services from professionals, and help farmers through better agri-infrastructure.

Considering the above imperative, the outlay for capital expenditure in the Union Budget is once again being stepped up sharply by 35.4 per cent from Rs. 5.54 lakh crore in the current year to Rs. 7.50 lakh crore in 2022-23. This has increased to more than 2.2 times the expenditure of 2019-20. This outlay in 2022-23 will be 2.9 per cent of GDP.

Green Bonds

As a part of the government's overall market borrowings in 2022-23, sovereign Green Bonds will be issued for mobilizing resources for green infrastructure. The proceeds will be deployed in public sector projects which help in reducing the carbon intensity of the economy.

Infrastructure Status

Data Centres and Energy Storage Systems including dense charging infrastructure and grid-scale battery systems will be included in the harmonized list of infrastructure. This will facilitate credit availability for digital infrastructure and clean energy storage.

Digital Rupee

Introduction of Central Bank Digital Currency (CBDC) will give a big boost to digital economy. Digital currency will also lead to a more efficient and cheaper currency management system. It is, therefore, proposed to introduce Digital Rupee, using blockchain and other technologies, to be issued by the Reserve Bank of India starting 2022-23.



Financial Assistance to States for Capital Investment

For 2022-23, the allocation is Rs. 1 lakh crore to assist the states in catalysing overall investments in the economy. These fifty-year interest free loans are over and above the normal borrowings allowed to the states.

This allocation will be used for PM GatiShakti related and other productive capital investment of the states.

The revised Fiscal Deficit in the current year is estimated at 6.9 per cent of GDP. The Fiscal Deficit in 2022-23 is estimated at 6.4 per cent of GDP, which is consistent with the broad path of fiscal consolidation announced by me last year to reach a fiscal deficit level below 4.5 per cent by 2025-26.

