1/2/2023

GIST OF UNION BUDGET

Tried to extract, Union Budget in 9 pages. Its crisp, short and to the point

CA. SUMAT SINGHAL
SINGHAL.SUMAT@GMAIL.COM

As per our endeavor, we try to simply the complex things for our fellow citizens so on request of readers here we try to simplify the budget presented by our FM on 01.02.2023.
Entire section is divided into three parts:
Part A: Key Provisions of Finance bill specially relating to Direct Tax
Part B: Fiscal Position
Part C: Priorities and Key focus areas of Government. So lets begin.

Part A

1. **Rates of income-tax**

OLD Regime: No Change
New Tax Regime: With effect from assessment year 2024-25 (PY 2023-24) followings will be Slabs under new tax rates:

` 0-3 lakh	Nil
` 3-6 lakh	5 per cent
` 6-9 lakh	10 per cent
` 9-12 lakh	15 per cent
` 12-15 lakh	20 per cent
Above ` 15 lakh	30 per cent

There is no change in slab under old Tax regime. Now new income tax regime will be as the default tax regime.
However, taxpayer will continue to have the option to avail the benefit of the old tax regime as per their choice.

New Tax Regime
(Previous Tax slab applicable till AY 2023-24)

` 0-2.50 lakh	Nil
` 2.50-5.00 lakh	5 per cent
` 5.00-7.50 lakh	10 per cent
` 7.50-10 lakh	15 per cent
` 10-12.50 lakh	20 per cent
` 12.50 to 15 lakh	25 per cent
Above 15	30 Percent

Old Tax Rate Old Regime

` 0-2.50 lakh	Nil
` 2.50-5.00 lakh	5 per cent
` 5.00-10.00 lakh	20 per cent
` above 10 lakh	30 per cent

2. **Section 87A rebate**: Currently Income upto Rs. 5.00 lakh does not attract any tax now income upto Rs. 7.00 lakh will not attract any tax. If income goes beyond 7 lakh above slap shall be applicable.

3. **Earlier- Surcharge** applicable under new tax regime - 37% of Income tax if total income > Rs.5 crore.
   Now- 25% of Income tax if total income > Rs.2 crore. No change in surcharge is proposed for those who opt to be under the old regime.

4. **Encashment** of earned leave up to 10 months of average salary, at the time of retirement in case of an employee (other than an employee of the Central Government or State Government), is

exempt under sub-clause (ii) of clause (10AA) of section 10 of the Income-tax Act ("the Act") to the ` 25 lakh from earlier Rs. 3 lakhs.

5. **Standard deduction** of ` 50,000 to salaried individual, and deduction from family pension up to ` 15,000, is currently allowed only under the old regime. It is proposed to allow these two deductions under the new regime also.

6. **New co-operatives** that commence manufacturing activities till 31.3.2024 shall get the benefit of a lower tax rate of 15 per cent, as is presently available to new manufacturing companies.

7. **Promoting timely payments to Micro and Small Enterprises**

   Thus, deduction for payments to MSME would be allowed only when actually paid. It will be allowed on accrual basis only if the payment is within the time mandated under the Micro, Small and Medium Enterprises Development Act.

8. **Increasing threshold limit for Co-operatives to withdraw cash without TDS**

   It is proposed to enable co-operatives to withdraw cash up to ` 3 crore in a year without being subjected to TDS on such withdrawal.

9. **Extension of date of incorporation for eligible start up for exemption**

   Certain start-ups are eligible for some tax benefit if they are incorporated before 1st April, 2023. The period of incorporation of such eligible start-ups is proposed to be extended by one year to before 1st April, 2024.

10. **Increasing threshold limits for presumptive taxation schemes (Tax Audit)**

    In order to ease compliance and to promote non-cash transactions, it is proposed to increase the threshold limits for presumptive scheme of taxation for eligible businesses from ` 2 crore to ` 3 crore and for specified professions from ` 50 lakh to ` 75 lakh. The increased limit will apply only in case the amount or aggregate of the amounts received during the year, in cash, does not exceed five per cent of the total gross receipts/turnover.

11. For **online games**, it is proposed to provide for TDS and taxability on net winnings at the time of withdrawal or at the end of the financial year. Moreover, TDS would be without the threshold of ` 10,000.

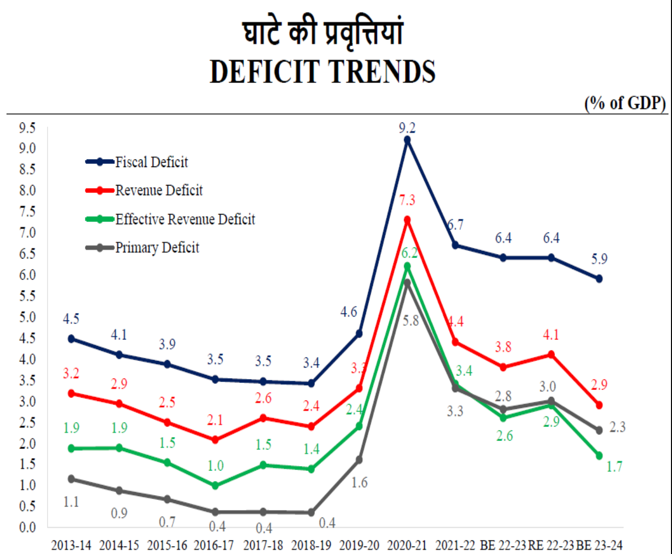
12. For **lottery, crossword puzzles** games, etc threshold limit ` 10,000 for TDS shall continue but shall apply to aggregate winnings during a financial year.

13. **Tax on capital gains** can be avoided by investing proceeds of such gains in residential property. This is proposed to be capped at ` 10 crore.

PART B: FISCAL POSITION

बजट का सार Budget at a Glance			
		(In ₹ crores)	
		2023-2024	
		Budget	
		Estimates	
Revenue Receipts		2632281	
Capital Receipts		1870816	
Recovery of Loans	23000		
Other Receipts	61000		Disinvestment
Borrowings and Other Liabilities	1786816		
Total Receipts	-	**4503097**	
Revenue Expenditure		3502136	
Interest Payments	1079971		Interest on Loan
Grants in Aid for creation of capital assets	369988		
On Capital Account		1000961	
Effective Capital Expenditure	**1370949**		
Total Payments	-	**4503097**	
Fiscal Deficit		1786816	5.90% of GDP
So GDP Size is		302 lakhs Crores	

Sources of Financial Fiscal Deficit	(In ₹ crores)
Market Borrowings	1230911
Securities against Small Savings	471317
State Provident Funds	20000
Other Receipts (Internal Debts and Public Account)	54258
External Debt	22118
Draw Down of Cash Balance	-11787
Debt Receipts	**1786816**



 By CA. Sumat Singhal

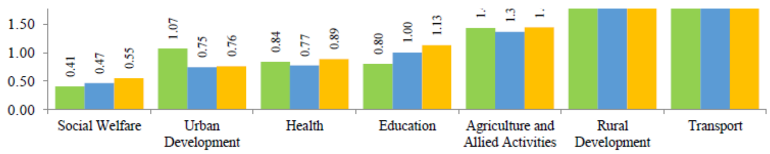
सरकार का प्रभावी पूंजीगत व्यय
Effective Capital Expenditure of Government

(₹ करोड़) (In ₹ crore)

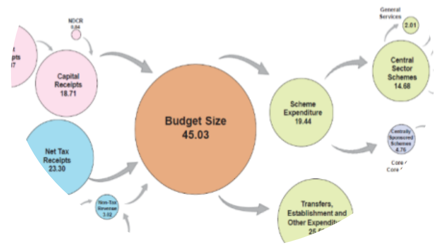
		2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates
पूंजीगत व्यय	Capital Expenditure	592874	750246	728274	1000961
पूंजी परिसंपत्तियों के सृजन हेतु सहायता अनुदान	Grants in Aid for creation of capital assets[1]	242646	317643	325588	369988
जोड़	**Total**	**835520**	**1067889**	**1053862**	**1370949**

[1] पूंजी परिसम्पतियों के सृजन हेतु अनुदानों के प्रावधानों में मांग आधारित/हकदारी आधारित/मनरेगा स्कीम के तहत आबंटन भी शामिल है जो मांग पर आधारित विविध होगी।

[1] Provisions of Grants for creations of capital assets also includes allocations under Demand driven/entitlement based scheme MGNREGS, which would vary based on demand.



बजट की रूपरेखा
BUDGET PROFILE



प्रमुख मदों का व्यय Expenditure of Major Items

(₹ करोड़) (In ₹ crore)

		2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates
पेंशन	Pension	198946	207132	244780	234359
रक्षा	Defence	366546	385370	409500	432720
सब्सिडी -	Subsidy -				
उर्वरक	Fertiliser	153758	105222	225220	175100
खाद्य	Food	288969	206831	287194	197350
पेट्रोलियम	Petroleum	3423	5813	9171	2257
कृषि एवं सम्बद्ध कार्यकलाप (पीएम-किसान को छोड़कर)	Agriculture and Allied Activities (Excluding PM-KISAN)	76492	83521	76279	84214
पीएम-किसान*	PM-KISAN*	66825	68000	60000	60000
वाणिज्य और उद्योग	Commerce and Industry	47068	53116	37540	48169
पूर्वोत्तर का विकास	Development of North East	2653	2800	2755	5892
शिक्षा	Education	80352	104278	99881	112899
ऊर्जा	Energy	53696	49220	70936	94915
विदेश	External Affairs	14146	17250	16973	18050
वित्त	Finance	57364	21354	17908	13574

PART C: PRIORITIES AND KEY FOCUS AREAS OF GOVERNMENT

VISION FOR AMRIT KAAL – AN EMPOWERED AND INCLUSIVE ECONOMY

7 Priorities of the Government ("Saptarishi')

1) Inclusive Development
2) Reaching the Last Mile
3) Infrastructure and Investment
4) Unleashing the Potential
5) Green Growth
6) Youth Power
7) Financial Sector

1) INCLUSIVE DEVELOPMENT

(i) Agriculture & Cooperatives

Digital Public Infrastructure for Agriculture	• Improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence.
Agriculture Accelerator Fund	• To encourage agri-startups by young entrepreneurs in rural areas.
Global Hub for Millets: *'Shree Anna'*	• *popularizing Millets*

(ii) **Health, Education and Skilling**

Medical & Nursing Colleges	• One hundred and fifty-seven new nursing colleges will be established
Sickle Cell Anaemia Elimination Mission	• A Mission to eliminate Sickle Cell Anaemia by 2047 will be launched
Teachers' Training	• District Institutes of Education and Training will be developed as vibrant institutes of excellence

2. **Priority 2: Reaching the Last Mile**

Pradhan Mantri PVTG Development Mission	• An amount of ` 15,000 crore will be made available to implement the Mission in the next three years under the Development Action Plan for the Scheduled Tribes.
PM Awas Yojana	• The outlay for PM Awas Yojana is being enhanced by 66 per cent to over ` 79,000 crore.
Support for poor prisoners	• For poor persons who are in prisons and unable to afford the penalty or the bail amount, required financial support will be provided

3. **Priority 3: Infrastructure & Investment**

Capital Investment as driver of growth and jobs	• Capital investment outlay is being increased steeply for the third year in a row by 33 per cent to ` 10 lakh crore, which would be 3.3 per cent of GDP
Enhancing opportunities for private investment in Infrastructure	• The newly established Infrastructure Finance Secretariat will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure and power, which are predominantly dependent on public resources.
Support forHarmonized Master List of Infrastructurer	• will be reviewed by an expert committee for recommending the classification and financing framework suitable for *Amrit Kaal*.

Railways	• A capital outlay of ` 2.40 lakh crore has been provided for the Railway
Logistics	• Ports, coal, steel, fertilizer, and food grains sectors will be taken up on priority with investment of ` 75,000 crore, including ` 15,000 crore from private sources.
Making Cities ready for Municipal Bonds	• cities will be incentivized to improve their credit worthiness for municipal bonds.

Urban Infrastructure Development Fund

Like the RIDF, an Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall. This will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF

Priority 4: Unleashing the Potential

Mission Karmayogi

- **Centres of Excellence for Artificial Intelligence**

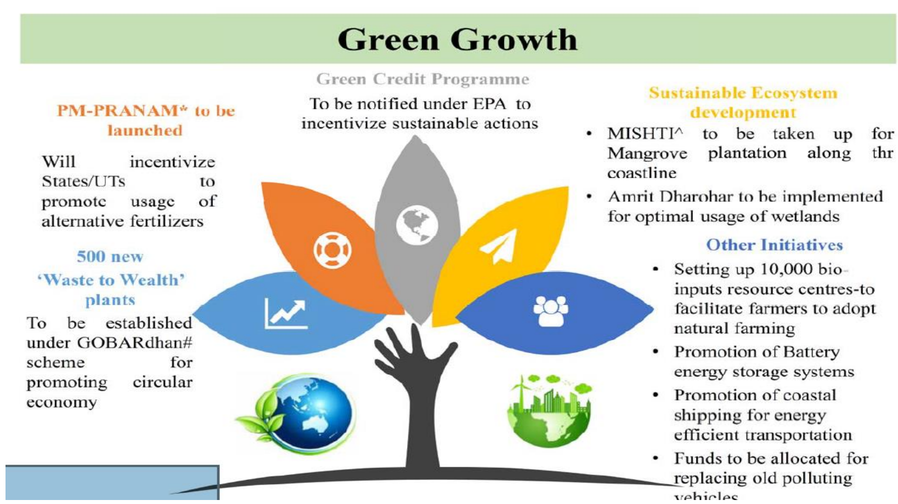
National Data Governance Policy

- **Simplification of Know Your Customer (KYC) process**

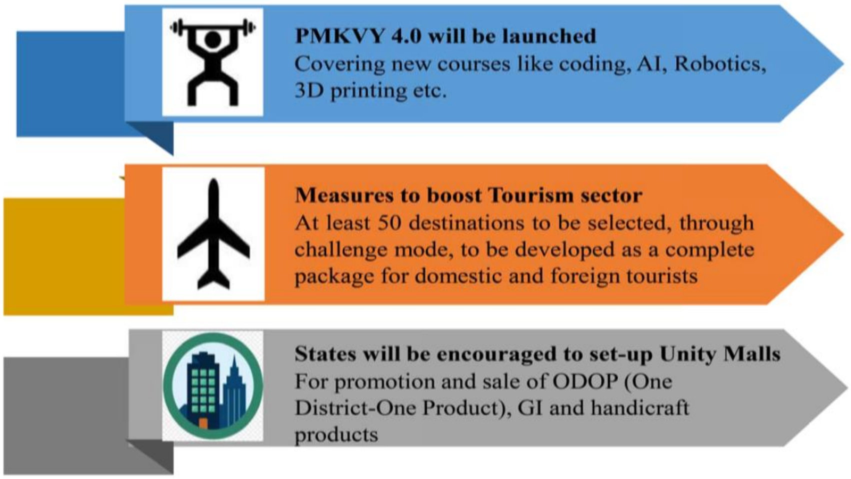
One stop solution for identity and address updating

Priority 5: Green Growth

Green Hydrogen Mission- The recently launched National Green Hydrogen Mission, with an outlay of ` 19,700 crores, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports, and make the country assume technology and market leadership in this sunrise sector. Our target is to reach an annual production of 5 MMT by 2030.



Priority 6: Youth Power



Priority 7: Financial Sector

(a) National Financial Information Registry

A national financial information registry will be set up to serve as the central repository of financial and ancillary information. This will facilitate efficient flow of credit, promote financial inclusion, and foster financial stability. A new legislative framework will govern this credit public infrastructure, and it will be designed in consultation with the RBI.

(b) Financial Sector Regulations

To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and regulated entities. Time limits to decide the applications under various regulations will also be laid down.

(c) **GIFT IFSC**

Delegating powers under the SEZ Act to IFSCA to avoid dual regulation

(d) **Improving Governance and Investor Protection in Banking Sector**

To improve bank governance and enhance investors' protection, certain amendments to the Banking Regulation Act, the Banking Companies Act and the Reserve Bank of India Act are proposed.

(d) Credit Guarantee for MSMEs

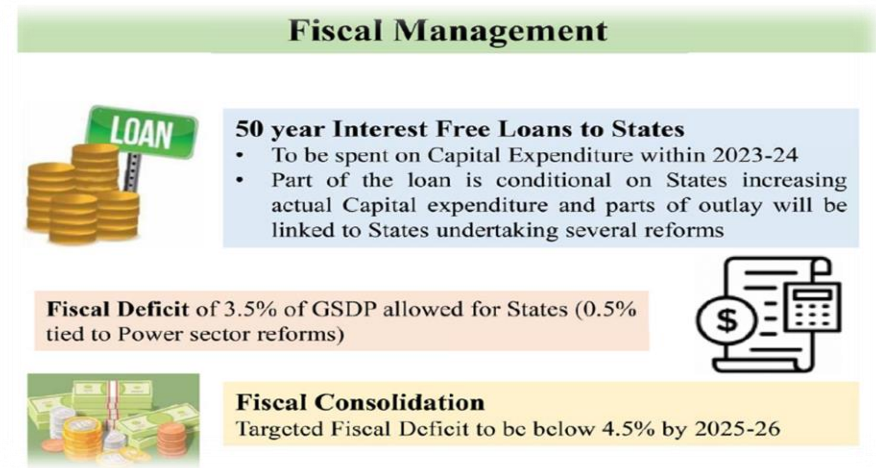
The cost of the credit will be reduced by about 1 per cent.

(e) Azadi Ka Amrit Mahotsav Mahila Samman Bachat Patra

A one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for a two-year period up to March 2025. This will offer deposit facility upto ` 2 lakh in the name of women or girls for a tenor of 2 years at fixed interest rate of 7.5 per cent with partial withdrawal option.

(f) Senior Citizens

The maximum deposit limit for Senior Citizen Savings Scheme will be enhanced from ` 15 lakh to ` 30 lakh.



Disclaimer: This is for academic and education purpose only. Although utmost care has been taken while compiling things but to error is human. Refer full budget for any reference.

****