

UNION BUDGET 2022-23



#MINISTER OF FINANCE PRESENTED UNION BUDGET PART-1

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:

Blueprint of Amrit Kaal: Four Priorities:

- **PM GatiShakti**
- **Inclusive Development**
- **Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, and Climate Action**
- **Financing of Investments**

BLUE PRINT OF AMRIT KAAL: FOUR PRIORITIES

#1. PM GATI SHAKTI

- PM GatiShakti National Master Plan for Multi-Modal Connectivity, **launched in October 2021**, is an initiative **aimed at coordinated planning and execution of infrastructure projects**. The objective is **to bring down logistics costs**.
- **GatiShakti is a digital platform** bringing development projects of 16 ministries, including railways and roadways, together for integrated planning and implementation.
- When launched, the **GatiShakti scheme subsumed the Rs 110 lakh crore National Infrastructure Pipeline** announced in 2019.

Focus Area for Budget 2022-23:

- Its scope will **encompass the seven engines** (Roads, Railways, Airports, Ports, Mass Transport, Waterways and Logistics Infrastructure).
- It will also include the **infrastructure developed by the state governments** as per the GatiShakti Master Plan.
- The touchstone of the Master Plan will be **world-class modern infrastructure and logistics synergy** among different modes of movement – both of people and goods – and location of projects.

What are the Major Proposals for PM GatiShakti?

- **Road Transport:** PM GatiShakti Master Plan for **Expressways will be formulated in 2022-23** to facilitate faster movement of people and goods.
- **National Highways network** to be expanded by 25,000 km in 2022-23. **Rs. 20,000 crore** to be mobilized for the expansion.
- **Railways:**
- Railways will **develop new products and efficient logistics services** for **small farmers and Small and Medium Enterprises**, besides taking the lead in integration of **Postal and Railways networks** to provide seamless solutions for movement of parcels.

- **'One Station-One Product'** concept to help local businesses & supply chains.
- As a part of **Atmanirbhar Bharat**, **2,000 km of network** will be brought under **Kavach**, the **indigenous world-class technology** for safety and capacity augmentation in 2022-23.

#2. Inclusive Development

- In this section we will discuss the **'Inclusive Development' Pillar of the Budget 2022-23**.
- What is New for Agriculture & Food Processing?
- **Agriculture: Rs. 2.37 lakh crore direct payment to 1.63 crore farmers** for procurement of wheat and paddy.
- **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.
- **2023** has been announced as the **International Year of Millets**. Support will be provided.
- A **comprehensive scheme to increase domestic production of oilseeds** will be implemented.
- For delivery of digital and hi-tech services to farmers, a scheme in **Public Private Partnership (PPP)** mode will be launched.
- **NABARD** to facilitate funds with **blended capital to finance startups for agriculture & rural enterprise**.
- **'Kisan Drones'** for crop assessment, digitization of land records, spraying of insecticides and nutrients.
- **Ken Betwa project:** 1400 crore outlay for implementation of the **Ken - Betwa link project**. 9.08 lakh hectares of farmers' lands to receive irrigation benefits by Ken-Betwa link project.
- Draft DPRs (Detailed Project Reports) of five river links, namely **Damanganga-Pinjal, Par-Tapi-Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery** have been finalised.

What about the Education & Health Sector?

- **Education:** 'One class-One TV channel' programme of **PM eVIDYA** to be expanded to 200 TV channels.
- **Virtual labs and skilling e-labs** to be set up to promote critical thinking skills and simulated learning environment.
- High-quality e-content will be developed for delivery through **Digital Teachers**.
- **Digital University** for world-class quality universal education with personalised learning experience to be established.
- **Health:** An open platform for the **National Digital Health Ecosystem** to be rolled out. **National Tele Mental Health Programme** for quality mental health counselling and care services to be launched.
- A network of 23 tele-mental health centres of excellence will be set up, with **NIMHANS** being the nodal centre and International Institute of Information Technology-Bangalore (IIITB) providing technology support.
- Two lakh anganwadis to be upgraded to Saksham Anganwadis.

What is there for Upgrading Basic Amenities?

- **Har Ghar, Nal Se Jal:** Rs. 60,000 crore allocated to cover 3.8 crore households in 2022-23 under **Har Ghar, Nal se Jal**.
- **Housing for All:** Rs. 48,000 crore allocated for completion of 80 lakh houses in 2022-23 under **PM Awas Yojana**.
- **Prime Minister's Development Initiative for North East Region (PMDevINE):** New scheme PM-DevINE launched to fund infrastructure and social development projects in the North-East.
- An initial allocation of Rs. 1,500 crore was made to enable livelihood activities for youth and women under the scheme.

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.
- **Vibrant Villages Programme:** Vibrant Villages Programme for development of Border villages with sparse population, limited connectivity and infrastructure on the northern border.
- **Digital Rupee:** Introduction of Digital Rupee by the Reserve Bank of India starting 2022-23.

#UNION FINANCE MINISTER TABLED ECONOMIC SURVEY 2021-22

- Union Finance Minister Nirmala Sitharaman tabled the Economic Survey 2021-22 and the Statistical Appendix in the Lok Sabha on January 31, 2022.
- **The Economic Survey 2022 projects India's GDP to grow at 8-8.5% in the Fiscal Year 2022-23.** The GDP growth for the ongoing financial year 2021-22 has been estimated to be 9.2 percent.
- The Economic Survey 2022 was presented by Principal Economic Adviser Sanjeev Sanyal and new Chief Economic Advisor (CEA) Dr V Anantha Nageswaran during a press briefing.



- The central theme of this year's Economic Survey is the **"Agile approach"**.
- This year's survey uses various examples to highlight the **use of satellite and geospatial data** to reflect the infrastructural growth in the country.

What is the Economic Survey?

- The Economic Survey of India is an **annual document released by the Ministry of Finance**.
- It **contains the most authoritative and updated source of data on India's economy**.
- It is a report that the government presents on the state of the economy in the past one year, the key challenges it anticipates, and their possible solutions.
- It is **prepared by the Economics Division of the Department of Economic Affairs (DEA)** under the guidance of the Chief Economic Advisor.
- It is usually presented a day before the Union **Budget** is presented in the **Parliament**.
- The **first Economic Survey in India was presented in the year 1950-51**. Up to 1964, it was presented along with the Union Budget. From 1964 onwards, it has been delinked from the Budget.
- What are the Key Points of the Economic Survey 2021-22?

Economic Survey 2022 Highlights

- Economic Survey 2021-22 details the state of different sectors of the Indian economy and the reforms that need to be undertaken to accelerate growth in all the sectors.
- According to Economic Survey 2022, the economy is estimated to have grown by 9.2 percent in FY 2021-22 after a contraction of 7.3 percent in the previous year.
- **There has been a revival in economic activities to pre-pandemic levels in the year 2021-22**. He said that even though the health cost of the second COVID wave was much more severe, the economic cost of it was much milder.
- As per Economic Survey 2021-22, all macro indicators point towards the fact that the Indian economy is well placed to face challenges backed by the revival in industrial growth.

Sector-wise Impact

- **Agriculture Sector:** According to Principal Economic Advisor Sanjeev Sanyal, Agriculture sector was least affected by lockdowns of various kinds. The Agriculture sector grew by 3.6 percent in fiscal year 2020-21 and again by 3.9 percent in fiscal year 2021-22.
- **Industrial Sector:** The Industrial sector though did go through a contraction but now it is about 4.1% percent above pre-pandemic levels. The industrial sector including mining and construction industry is estimated to have grown by 11.8 per cent in fiscal year 2021-22. The growth in the sector had contracted by 7 per cent in 2020- 21.
- **Services Sector:** The growth in the services sector, which has been the worst-hit sector by the COVID-19 pandemic, is just a little short of where it was during pre-pandemic times, as per the Principal Economic Advisor.
- **Inflation:** The inflation during fiscal year 2021-22 reflected the disruptions caused by the lockdown and disruptions in the supply chain, explained Sanyal. He added saying that since restrictions were lifted this year, the Consumer Price Index (CPI) has come back into the tolerance band and has remained at 5.6 percent.

Increased Inflation:

- The Survey notes that **supply chain disruptions and slow economic growth have contributed to an increase in inflation**. The withdrawal of stimulus in developed economies in the upcoming fiscal (2022-23) is likely to affect capital flows into the country.
- The surge in energy, food, non-food commodities, and input prices, supply constraints, disruption of global supply chains, and rising freight costs across the globe stoked global inflation during the year (2021-22).
- Stimulus spending in developed economies and pent up demand during the pandemic could lead to **“imported inflation”** (Inflation due to increases in the prices of import) in India.

State of the Economy (GDP Growth):

- The Indian economy is **estimated to grow by 9.2% in real terms in 2021-22** (as per **first advance estimates**) subsequent to a **contraction of 7.3% in 2020-21**.
- The **Gross Domestic Product (GDP)** projected to **grow by 8-8.5% in real terms in 2022-23**.
- Projection comparable with **World Bank** and **Asian Development Bank**’s latest forecasts of real GDP growth of 8.7% and 7.5% respectively for 2022-23.
- According to the **International Monetary Fund’s latest World Economic Outlook** projections, India’s real GDP is projected to grow at 9% in 2021-22 and 2022-23 and at 7.1% in 2023-2024, which would **make India the fastest growing major economy in the world for all 3 years**.

Sustainable Development and Climate Change:

- India’s overall score on the **NITI Aayog Sustainable Development Goals (SDG) India Index and Dashboard improved to 66** in 2020-21 from 60 in 2019-20 and 57 in 2018-19.
- **India has the tenth largest forest area in the world**. In 2020, India ranked third globally in increasing its forest area during 2010 to 2020.
- In 2020, the forests covered 24% of India’s total geographical area, accounting for 2% of the world’s total forest area.
- In August 2021, the **Plastic Waste Management Amendment Rules, 2021**, was notified which is aimed at phasing out single use plastic by 2022.
- Draft regulation on **Extended Producer Responsibility** for plastic packaging was notified.
- The Prime Minister, as a part of the national statement delivered at the **26th Conference of Parties (COP 26)** in Glasgow in November 2021, announced **ambitious targets to be achieved by 2030** to enable further reduction in emissions.

Social Infrastructure:

- **Expenditure on social services** (health, education and others) by Centre and States as a proportion of GDP increased from 6.2% in 2014-15 to 8.6% in 2021-22 (BE)
- As per the **National Family Health Survey-5**:
- **Total Fertility Rate (TFR)** came down to 2 in 2019-21 from 2.2 in 2015-16.
- **Infant Mortality Rate (IMR)**, under-five mortality rate and institutional births have improved in 2019-21 over year 2015-16.
- Under **Jal Jeevan Mission (JJM)**, 83 districts have become **‘Har Ghar Jal’** districts.

- Increased allotment of funds to **Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS)** to provide buffer for unorganised labour in rural areas during the pandemic.
- In addition to the **National Health Mission**, Union Budget 2021-22, announced **Ayushman Bharat Health Infrastructure Mission**, a new **Centrally Sponsored Scheme** to develop capacities of primary, secondary and tertiary Health Care Systems, strengthen existing national institutions, and create new institutions to cater to detection and cure of new and emerging diseases.
- India is **among the few countries producing Covid vaccines**. The country started with two made in India Covid vaccines. In line with India's vision of **Atmanirbhar Bharat**, India's **first domestic Covid -19 vaccine, Whole Virion Inactivated Coronavirus Vaccine (COVAXIN)**, was developed and manufactured by Bharat Biotech International Limited in collaboration with National Institute of Virology of Indian Council of Medical Research (ICMR).
- The **progress of vaccination should be seen not just as a health response indicator, but also as a buffer against economic disruptions** caused by repeated pandemic waves.

The image shows the YouTube channel page for 'Success Mantra Digital'. At the top, there's a search bar with 'success mantra digital' entered. Below the search bar is a banner image of a group of people standing in front of a backdrop that says 'ACADEMIA - 2018'. The channel's profile picture is a yellow circle with the text 'SUCCESS MANTRA DIGITAL'. The channel name is 'Success Mantra Digital - Leading Institute in Test Preparation'. There's a 'SUBSCRIBED' button and a notification bell icon. Below the channel name are tabs for HOME, VIDEOS, PLAYLISTS, COMMUNITY, CHANNELS, and ABOUT. The 'VIDEOS' tab is selected. Under the 'VIDEOS' tab, there's a 'PLAY ALL' button and a 'SORT BY' dropdown menu. A grid of video thumbnails is displayed, including 'AILET 2021 Paper Analysis', 'NCHM JEE 2021 Exam Analysis (English Section)', 'Why You Should Join The Legal Profession', and 'NCHM JEE 2021 Exam Analysis'. Each video thumbnail shows a person speaking and includes the video title, duration, view count, and upload time.

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