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TNPSC

**UNION BUDGET
2022-2023**

Z186+

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INTRODUCTION:

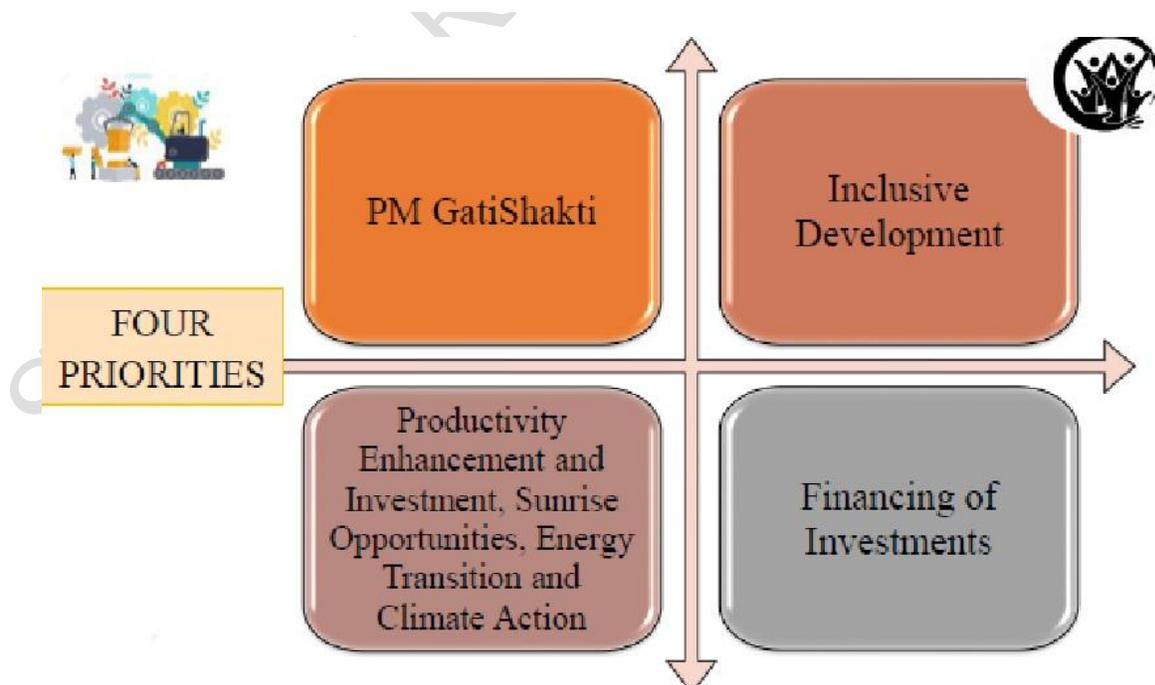
- ✚ **Article 112** of the constitution explains that the union budget is the statement of the estimated receipts and expenditure of the government.
- ✚ It is also known as **“Annual Financial Statement”**
- ✚ It is presented every year in the month of February generally by the Union Finance Minister.
- ✚ The Budget keeps the account of the finances of the government for the fiscal year **(from 1st April to 31st March)**
- ✚ The **first budget of India** was presented on 18th February 1860 by Scotsman James Wilson.
- ✚ The **first Union Budget of Independent India** was presented by RK Shanmukham Chetty on 26th November 1947
- ✚ In Sep 21 2016, the railway budget was merged with the Union Budget that began in 1924 under the British.
- ✚ In Feb 1 2017, Arun Jaitley presented the first combined Union Budget
- ✚ **Bibek Debroy committee** recommendation to go for merger of railways budget with general budget

- ✚ On 1st February 2021, Finance Minister Nirmala Sitharaman presented the **first paperless budget**.
- ✚ 2022-23 Union budget is the 7th Budget after the merger of Railway Budget
- ✚ **Nodal Body for preparing the Budget:**
 - ✓ Dept of Economic Affairs, Ministry of Finance
- ✚ **The Union Budget is classified into:**
 - ✓ Revenue budget
 - ✓ Capital Budget

Budget 2022-23 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



M GATISHAKTI:

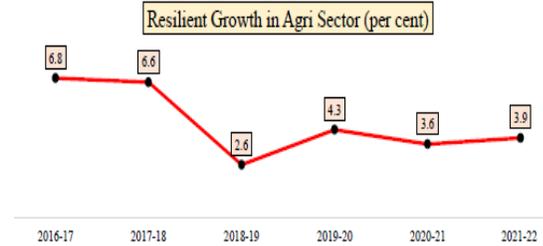
- ✓ **Driven by seven engines:** Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure
- ✓ National Master Plan aimed at world class modern infrastructure and logistics synergy

INFRASTRUCTURE:

ROADWAYS		<ul style="list-style-type: none"> ✓ Formulation of Master Plan for expressways ✓ Completing 25000 km national highways in 2022-23
MULTIMODAL PARK	LOGISTICS	<ul style="list-style-type: none"> ✓ 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
RAILWAYS		<ul style="list-style-type: none"> ✓ Integration of Postal and Railways Network facilitating parcel movement. ✓ One Station One Product ✓ Extending coverage under Kavach ✓ 400 new generation Vande Bharat Trains
ROPEWAYS & MASS URBAN TRANSPORT		<ul style="list-style-type: none"> ✓ Multimodal connectivity between mass urban transport and railway stations ✓ National Ropeways Development Plan as sustainable alternative to conventional roads. ✓ Capacity building for infrastructure Projects

INCLUSIVE DEVELOPMENT:

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

RIVER LINKING PROJECTS

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

EDUCATION

- ✓ Universalisation of Quality Education
- ✓ One class One TV channel programme of PM eVIDYA 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

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 counseling
- ✓ Integrated architecture: Mission Shakti, Mission Vatsalya, Saksham Anganwadi, and Poshan 2.0 to be launched
- ✓ Two lakh Anganwadis to be upgraded to Saksham Anganwadis

ALL INCLUSIVE WELFARE FOCUS

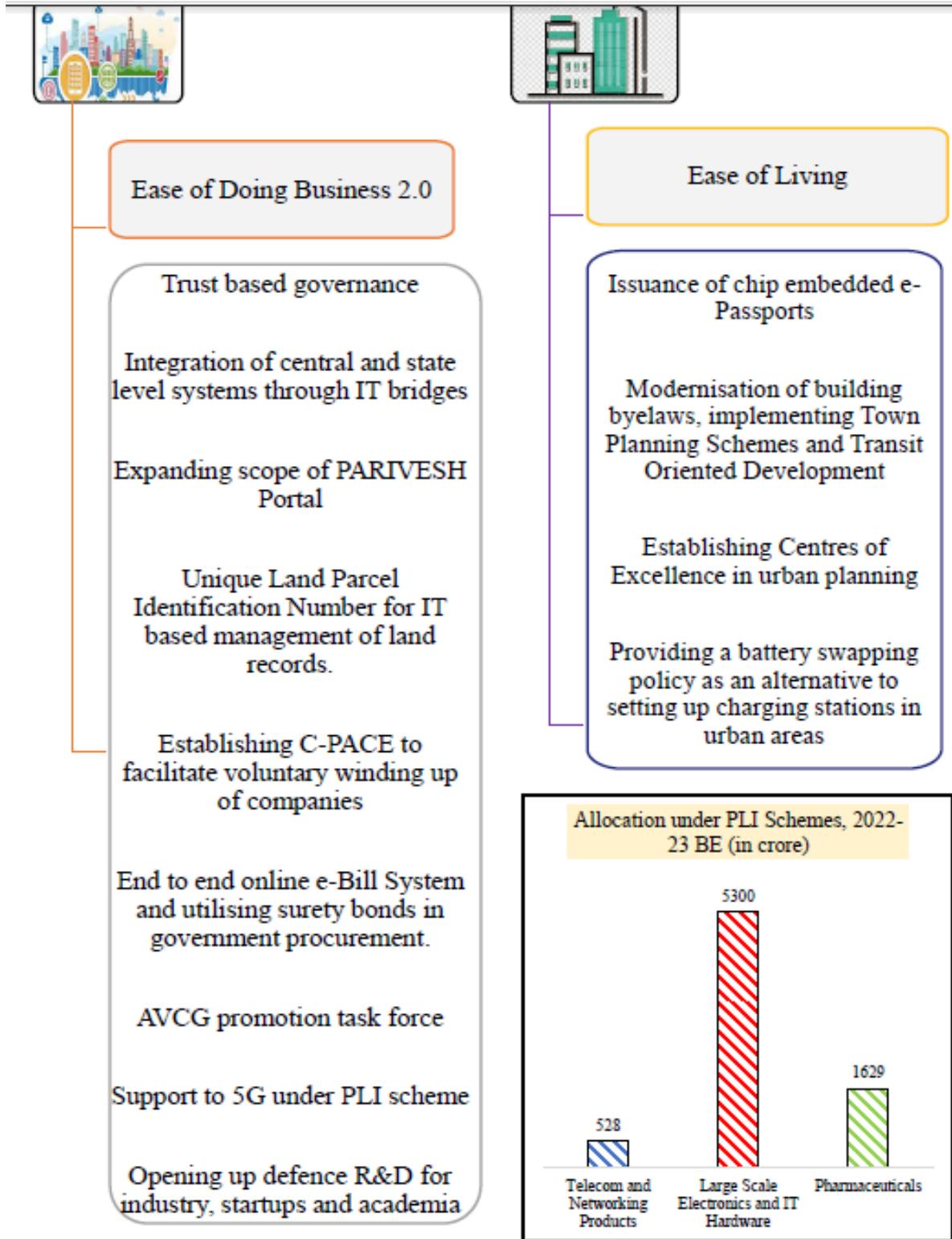
- ✓ Har Ghar, Nal Se Jal: 3.8 crore households to be covered in 2022-23
- ✓ PM Awas Yojana: 80 lakh houses to be completed in 2022-23

- ✓ PM-DevINE: To fund infrastructure and social development based on felt needs of the North East
- ✓ Aspirational Blocks Programme: For development of lagging blocks of aspirational districts
- ✓ Vibrant Villages Programme: Targeting development of villages on the Northern Border left out from the development gains
- ✓ Digital Banking by Post Offices: 100% of post offices to come on the core banking system
- ✓ Digital Payments: Scheduled Commercial Banks to set up 75 Digital Banking Units in 75 districts

MSME

- ✓ Interlinking various portals (Udyam, e-shram, NCS and ASEEM Portals)
- ✓ Extending Emergency Credit Linked Guarantee Scheme (ECLGS) with focus on hospitality and related enterprises
- ✓ Revamping Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)
- ✓ Raising and Accelerating MSME Performance (RAMP) programme will be rolled out

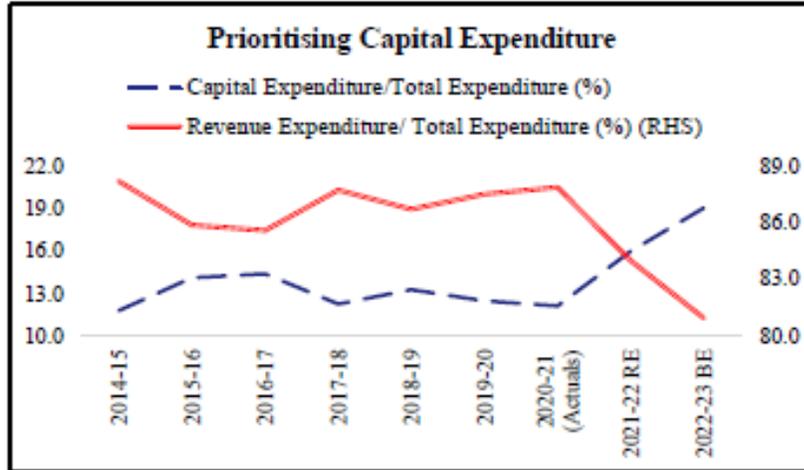
PRODUCTIVITY ENHANCEMENT AND INVESTMENT:



FINANCING OF INVESTMENT

Public investment to continue to pump prime private investment and demand in 2022-23

Introduction of Digital Rupee by RBI starting 2022-23



Infrastructure status for Data Centres and Energy Storage Systems

Measures to aid investment by Venture Capital and Private Equity Investment



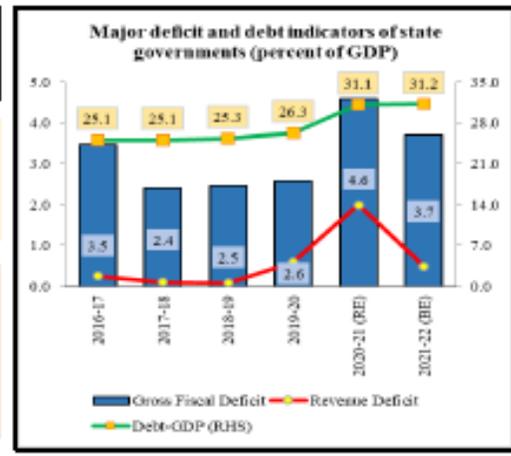
Green Bonds to mobilise resources for green infrastructure

Blended Finance for sunrise sectors



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



TAX PROPOSALS ₹

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

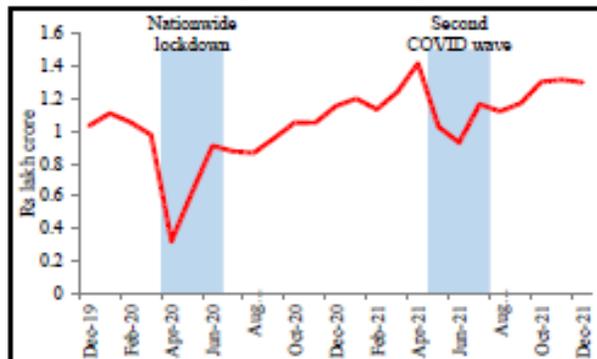
- Tax relief to persons with disability
- Reducing Alternate Minimum Tax Rate and Surcharge for Cooperatives.

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

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

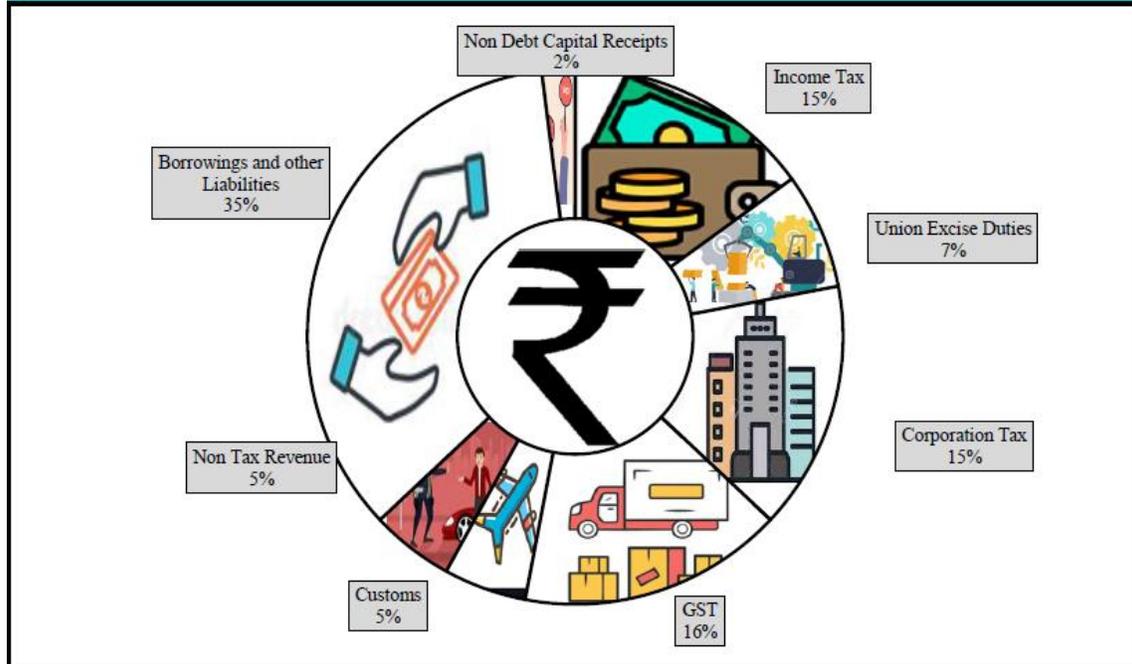


Any Surcharge or Cess on Income and Profits not allowable as business expenditure

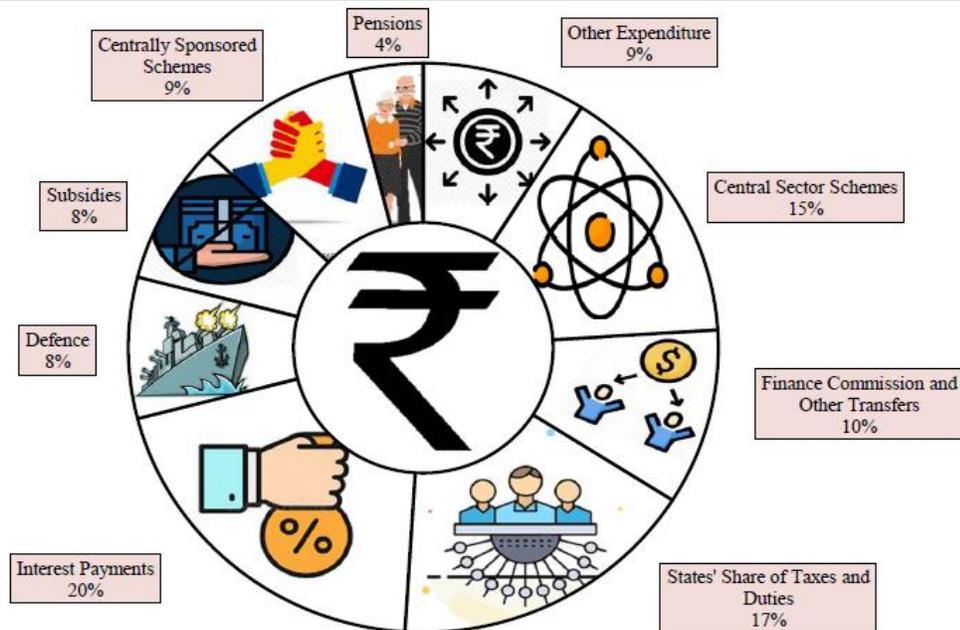
- Customs administration to be fully IT driven in SEZs
- Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%
- Review of customs exemptions and tariff simplification
- Customs duty rates are being calibrated to provide a graded rate structure 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



SECTOR SPECIFIC PROPOSALS

Sectors	Proposals
Electronics	Customs duty rates to be calibrated to provide a graded rate structure to facilitate domestic manufacturing of wearable devices, hearable devices and electronic smart meters.
Gems and Jewellery	<ul style="list-style-type: none"> ✓ Customs duty on cut and polished diamonds and gemstones being reduced to 5% ✓ A simplified regulatory framework to be implemented by June this year
MSME	<ul style="list-style-type: none"> ✓ Rationalisation of exemptions on implements and tools for agri sector manufactured in India. ✓ Extension of customs duty exemption to steel scrap. ✓ Certain Anti-dumping and Countervailing Duty (CVD) on stainless steel and coated steel flat products, bars of alloy steel and high-speed steel are being revoked.
Exports	Duty being reduced on certain inputs required for shrimp aquaculture.
Tariff measure to encourage blending of fuel	Unblended fuel to attract an additional differential excise duty of Rs 2/ litre from the 1st of October 2022- to encourage blending of fuel

SCHEMES

Emergency Credit Line Guarantee Scheme (ECLGS)

- ✓ ECLGS aims to provide 100% guaranteed coverage to the banks, NBFCs and other lenders in order to enable them to extend emergency credit to businesses/MSMEs hit by the Covid-19 pandemic and struggling to meet their working capital requirements.

Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)

- ✓ CGTMSE scheme was launched to make available collateral-free credit to the micro and small enterprise sector.

PM eVIDYA

- ✓ It was launched to facilitate multimode access to digital/online teaching-learning contents of various types among students & teachers.

Ayushman Bharat Digital Mission

- ✓ It will consist of digital registries of health providers and health facilities, unique health Identity, consent framework, and universal access to health facilities.

Mission Shakti

- ✓ Mission Shakti (Mission for Protection and Empowerment for Women) encompasses - SAMBAL. (One Stop Centre, Mahila Palice Volunteer Women's Helpline/Swadhar/Ujjawala/Widaw Homes etc.)

Saksham Anganwadi & Poshan 2.0

- ✓ It encompasses - Umbrella ICDS - Anganwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls, National Creche Scheme

Mission VATSALYA

- ✓ It encompasses-Child Protection Services and Child Welfare Services.

PM Awas Yojana

- ✓ It is targeted at promoting accessibility and affordability of housing for all.

National Pension Scheme (NPS)

- ✓ It is a voluntary retirement savings scheme laid out to allow the subscribers to make defined contribution towards planned savings thereby securing the future in the form of Pension.
- ✓ It was first notified for all government employee joining service from Jan 1, 2004 and was later extended to all Indian citizens on a voluntary basis from May 2009.

Scheme for Financial Assistance to States for Capital Investment

- ✓ Announced last year, under the Scheme, financial assistance is provided to the State Governments in the form of 50-year interest free loan.

INITIATIVES:

Udyam Registration

- ✓ It is essentially a self-declaration portal for entrepreneurs to register their enterprises with only the Aadhaar number. Moreover, the portal automatically pulls PAN and GST-linked details on investment in the business.

e-shram

- ✓ It is a centralized database of unorganized workers seeded with Aadhaar. An eShram Card will be issued to workers who successfully register for the e-Shram Portal

National Career Service Project (NCS) portal

- ✓ It is ICT based portal to connect the opportunities with the aspirations of youth and facilitate registration of job seekers, job providers, skill providers, career counsellors, etc.

ASEEM portals

- ✓ Aatamanirbhar Skilled Employee-Employer Mapping (ASEEM) Portal provides a platform that matches supply of skilled workforce with the market demand, thereby facilitating better Livelihood opportunities for youth including migrants and availability of ready skilled manpower to employers.

National Skill Qualification Framework (NSQF)

- ✓ NSQF is a nationally integrated education and competency-based framework that enables persons to acquire desired competency levels.

Capacity Building Commission (CBC)

- ✓ Constituted on 1 April 2021, by the Government of India, the CBC has been mandated to drive standardisation and harmonisation across the Indian civil services landscape.

National Infrastructure Pipeline (NIP)

- ✓ The NIP 2019-2025, is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure to citizens and improving their quality of life.

PARIYESH

- ✓ PARIVESH (Pro Active Responsive facilitation by Interactive and Virtuous Environmental Single Window Hub) is a web portal for online submission and monitoring of the proposals seeking Environment, Forest, Wildlife and CRZ Clearances from Central, State and district level authorities.

National Generic Document Registration System

- ✓ It is a common, generic and configurable application developed for registration departments across the country.
- ✓ It is initiated by Department of Land Resources, Ministry of Rural Development.

Special Economic Zones (SEZs)

- ✓ It is an area in a country that is subject to different economic regulations than other regions within the same country.

ECONOMIC CONCEPTS

Cofiring biomass

- ✓ Biomass co-firing stands for adding biomass as a partial substitute fuel in high efficiency coal boilers.
- ✓ It is an option to convert biomass to electricity, in an efficient and clean way, and to simultaneously reduce GHG emissions of the power plant.

Circular Economy

- ✓ It is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.
- ✓ In this way, the life cycle of products is extended.

Capital expenditure

- ✓ Capital expenditure is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc.

- ✓ It also includes the expenditure Incurred on acquiring fixed assets like land and Investment by government that gives profits or dividend in future.

Effective Capital Expenditure

- ✓ It includes Central govt's Capital expenditure taken together with the provision made for creation of capital assets through Grants-in-Aid to States.

FINANCIAL INSTITUTIONS AND CONCEPTS

GIFT-IFSC

- ✓ Gujarat International Finance Tec-City Co. Ltd (GIFT) is India's first International Financial Services Centres (IFSC).
- ✓ IFSC provides services to customers outside jurisdiction of domestic economy, dealing with flows of finance, financial products and services across borders.

Green Bonds

- ✓ A green bond is a fixed-income Instrument designed specifically to support specific climate-related or environmental projects.

Blended funds

- ✓ Also known as hybrid funds, it consists of Investments from many asset classes, such as stocks, bonds, and gold.

Venture capital

- ✓ Venture capital is a form of private equity and a type of financing that Investors provide to start-up companies and small businesses that are believed to have long-term growth potential.
- ✓ Venture capital generally comes from well – off investors, investment banks, and any other financial institutions.

Virtual Digital Assets (VDA)

- ✓ VDA is any information or code or number or token (not being Indian currency or foreign currency). generated through cryptographic means or otherwise providing a digital representation of value changed with or without consideration, with the promise or representation of having

inherent value or functions as a store of value of a unit of account including its use in any financial transaction or investment, but not limited to investment scheme, and can be transferred, stored or traded electronically.

- ✓ It basically means cryptocurrencies, DeFi (decentralised finance) and non-fungible tokens (NFTs).

TAXATION AND DUTIES

Cess

- ✓ It is a form of tax levied by the government on tax with specific purpose till the government gets enough money for that purpose.
- ✓ For example, the government Levies an education cess to generate additional revenue for funding primary, secondary, and higher education.

Anti - dumping

- ✓ It is a protectionist tariff that a domestic government imposes on foreign Imports that it believes are priced below fair market value.

Countervailing Duty (CVD)

- ✓ It is a specific form of duty that the government imposes in order to protect domestic producers by countering the negative impact of Import subsidies.