


STUDENTS' ECONOMIC FORUM

A monthly publication from South Indian Bank

To kindle interest in economic affairs...
To empower the student community...

 www.southindianbank.com
Student's Corner

 ho2099@sib.co.in

KEY HIGHLIGHTS OF THE

UNION BUDGET 2022-23

MARCH 2022 | THEME 363



**OPEN YOUR
ACCOUNT
DIGITALLY
ANYWHERE**

SIB introduces
Video KYC Account Opening.
Banking Simplified

Aadhaar + PAN Card + Video Call
to open your SIB Video KYC Account



T&C apply

The "SIB Students' Economic forum" is designed to kindle interest in the minds of younger generation. We highlight one theme in every monthly publication. Topic of discussion for this month is **"Key Highlights of the Union Budget 2022-23"**.

Union Finance Minister Nirmala Sitharaman presented the Union Budget 2022 on February 1. The Budget goals for FY2022-23 aim to further India's aspirations in Amrit Kaal, as it moves towards its 100th year post independence.

- 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
- The Union Budget for FY 2022-23 this year aims to strengthen the infrastructure with its focus on four priorities of:
- PM GatiShakti
 - Inclusive Development
 - Productivity Enhancement & Investment, Sunrise opportunities, Energy Transition, and Climate Action
 - Financing of investments

The key highlights of the budget are as follows:

Expenditure and Deficit & other Key Numbers

- Proposed fiscal deficit of 4.5% of GDP by 2025/26
- Projected fiscal deficit of 6.4% of GDP in 2022/23
- Revised fiscal deficit for 2021/22 at 6.9% of GDP
- 50-year interest free loans over and above normal borrowing allowed for states
- Scheme for financial assistance to states for capital investment outlay to be Rs 1 lakh crore for 2022/23
- Public issue of Life Insurance Corporation expected shortly
- Receipt from disinvestment proceeds in next financial year pegged at Rs 65,000 crore, lower than the current year's mobilisation of Rs 78,000 crore.

Economy

- Capex target expanded by 35.4 per cent — from Rs 5.54 lakh crore to Rs 7.50 lakh crore. FY23 effective capex seen at Rs 10.7 lakh crore
- ECLGS will be extended upto March 2023 and its guarantee cover will be expanded by Rs 50,000 crore to total cover of Rs 5 lakh crore.
- Productivity-linked incentive schemes in 14 sectors have received excellent response; received investment intentions worth Rs 30 lakh crore
- In 2022-23, states will be allowed fiscal deficit of up to 4 pc of GSDP

Taxes

- Govt to provide one-time window to correct omissions in ITRs filed, updated returns to be filed within 2 years
- Any cess or surcharge on income not allowed as business expenditure
- 1 per cent TDS on transfer of virtual assets above a threshold, gifts to be taxed
- Surcharge on long-term capital gains capped at 15 per cent
- The government will tax income from digital asset transfers at 30%
- No deduction allowed while computing income except cost of acquisition
- Gift of cryptocurrencies to be taxed at receiver's end
- A new provision to allow taxpayers to file an updated return
- Updated return can be filed within 2 years from the end of the relevant assessment year.
- Alternate Minimum Tax for cooperative societies to be cut to 15%
- Proposal will reduce surcharge on cooperative societies to 7%, for those whose income is between Rs 1 crore and Rs 10 crore
- Tax deduction limit increased to 14% on employers' contribution to NPS account of state govt. employees

Finance & Inclusion

- Rs 1 lakh crore financial assistance to states to be provided in 2022-23 to catalyze investments
- Measures will be taken to step up private capital in infra sector
- Block chain-based Digital Rupee to be rolled out by 2023
- 100% of 1.5 lakh post offices will come on the core banking system, enabling financial inclusion and access to accounts through net banking, mobile banking, ATMs, and also provide online transfer of funds between post office accounts and bank accounts
- IBC amendments to enhance efficiency of resolution process
- Facilitate cross-border insolvency resolution
- 75 digital banks in 75 districts will be set up by scheduled commercial banks to encourage digital payments
- The use of surety bonds as a substitute for bank guarantee will be made acceptable in government procurements
- International arbitration centre will be set up in GIFT city to provide faster dispute resolution
- World-class university to be allowed in GIFT IFSC free from domestic regulation
- Payment of annuity and lump sum amount to the differently abled dependent during the lifetime of parents/guardians, i.e., on parents/ guardians attaining the age of sixty years

MSMEs & Startups

- Rolling out of RAMP program: Raising and Accelerating MSME Performance with an outlay of Rs 6,000 crore over 5 years
- Udyam, e-Shram, NCS and ASEEM portals will be interlinked and their scope will be widened.
- Revamping CGTMSE with additional credit of 2 lakh crore.
- A fund with blended capital raised under co-investment model facilitated through NABARD to finance startups in agriculture & rural enterprises for farm produce value chain
- Startups will promote for Drone Shakti
- PE/VC invested Rs 5.5 lakh crore in startup, expert committee will be set up to suggest measures to help attract investment
- Existing tax benefits for startups, which were offered redemption of taxes for 3 consecutive years, to be extended by 1 more year

Agri. sector

- Govt to pay Rs 2.37 lakh crore direct payment to 1.63 crore farmers for procurement of wheat and paddy under MSP operations
- 2022-23 has been announced as International Year of Millets
- A rationalised scheme to increase domestic oilseed production will be brought in to cut down imports
- Kisan Drones for crop assessment, land records, spraying of insecticides expected to drive a wave of technology in agri sector
- Ken Betwa river linking project worth Rs 44,605 crore announced to benefit 9.1 lakh hectare farm land
- Draft DPRs for 5 river links have been finalised
- Finance startups to be incentivized to aid rural enterprises
- Natural farming will be promoted along Ganga river corridor
- Govt will promote chemical-free natural farming throughout the country to boost sustainable agricultural productivity and income of farmers
- A fund under co-investment model will be facilitated through NABARD to finance startups for agriculture and rural enterprise relevant for farm produce value chain
- A completely paperless, e-bill system will be launched by ministries for procurement
- Financial support will be provided to farmers to take up agro-forestry

Infra & manufacturing

- DESH-Stack e-portal to be launched to promote digital infra
- Four multi-modal national parks contracts will be awarded in FY23
- PM Gatishakti masterplan for expressways will be formulated in next financial year
- 100 PM Gati Shakti terminals to be set up in next three years
- Focus on public investment to modernize infrastructure over the medium term, leveraging tech platform of Gati Shakti via a multi-modal approach
- Concessional corporate tax rate of 15% would be available for 1 more year till March 2024 for newly incorporated manufacturing companies

Telecom

- Spectrum auction will be conducted in 2022 for the rollout of 5G
- Scheme for design led manufacturing to be launched for 5G ecosystem as part of PLI scheme to enable affordable broadband and mobile communication in rural and remote areas
- 5 pc of USO Fund to be provided for R&D and technology upgradation
- Contracts for laying optical fibre in villages to be awarded under BharatNet project under PPP in 2022-23
- Data centre and energy storage system to be given infrastructure status; move to provide easy financing
- To award contracts to lay optical fibre in rural areas, completion in 2025

Electric Vehicles

- Battery swapping policy to allow EV charging stations for automobiles will be framed
- Private sector will be encouraged to create sustainable and innovative business models for battery and energy as a service, improving the efficiency in the EV ecosystem

Duties on Industry

- Import duty on certain chemicals being/to be cut
- Customs duty exemption on steel scrap will be extended for another year for MSMEs
- Will revoke customs duty on stainless steel, flat products, high steel bars
- Beginning October 2022, unblended fuel to get additional duty of Rs 2/litre
- Import duty on cut and polished diamonds and gemstones to be cut 5 per cent and on sawn diamond to nil
- Customs duty concessions to be given to certain consumer electronic devices to promote manufacturing across wearables, hearables and specific mobile phone components

Transportation including Railways

- 400 new generation Vande Bharat trains to be manufactured in next 3 years
- 2,000 km of rail network to be brought under indigenous technology KAWACH for safety and capacity augmentation
- Railway Ministry to be allocated Rs 140367 crore - Rs 20,311 crore more than the revised figures of the previous fiscal
- National highways network to be expanded by 25,000km in 2022-23
- Highways expansion to cost Rs 20,000 crore in 2022-23
- One product one railway station will be popularized

Ease of Business & Living

- 75,000 compliances have been eliminated and 1,486 union laws repealed to make it easier for businesses
- India to launch the next phase of Ease of Doing Business EODB 2.0 and Ease of Living.
- Voluntary exit for corporates to be cut down to 6 months from 2 years
- Special Economic Zones Act to be replaced with new legislation

Education & Skilling

- States to be encouraged to revise syllabi of agricultural universities to meet needs of natural, zero-budget & organic farming, modern-day agriculture
- 'One class, one TV channel' program of PM eVIDYA will be expanded from 12 to 200 TV channels
- This will enable all states to provide supplementary education in regional languages for classes 1 to 12
- Digital university to be set up to provide education; to be built on hub and spoke model
- 1-Class-1-TV Channel to be implemented to provide supplementary education to children to make up for loss of formal education due to Covid
- To launch National Skill Qualification Framework (NSQF) to cater to dynamic industry needs

Jobs

- ECLGS extended till March 2023, 60 lakh jobs eyed in next 5 years
- Digital ecosystem for skilling and livelihood to be launched.
- API based skill credentials, payment layers to find relevant jobs and opportunities

Defence

- Govt. committed to reduce import and promote self-reliance in defence sector
- Defense R&D will be opened up for industry, startups and academia with 25% of defense R&D budget
- Private industry will be encouraged to take up the design and development of military

- platforms and equipment in collaboration with DRDO and other organizations through SPV model
- 68% of capital procurement budget in defence will be earmarked for domestic industry in 2022-23 (up from the 58% last fiscal)

Housing & Urban Planning

- Rs 48,000 crore is allotted for PM Awas Yojana
- In 2022-23, 80 lakh houses will be completed for identified beneficiaries of PM Awas Yojana
- Rs 60,000 Crs. allocated to provide tap water connection to 3.8 crore households in 2022-23
- A high-level committee for urban planners and economists to be formed for recommendations on urban capacity building, planning implementation, and governance
- 5 existing academic institutions for urban planning to be designated as Centre for Excellence with endowment fund of Rs 250 cr
- Modern building by-laws will be introduced
- A high-level panel to be set up for urban planning
- Govt. to promote use of public transport in urban areas
- Proposal to reduce Minimum Alternative Tax to 15% for co-op societies, at par with corporate

Healthcare

- An open platform for the national digital health ecosystem will be rolled out
- It will consist of digital registries of health providers and health facilities, unique health identity and universal access to health facilities
- 95 per cent of 112 aspirational districts have made significant progress in health, infra
- For mental health counselling, a National Tele Mental Health Program will be launched

Travel

- ePassports will be rolled out in 2022-23 for convenience in overseas travel

Energy Transition & Climate Action

- Additional allocation of Rs. 19,500 crore for Production Linked Incentive for manufacture of high efficiency solar modules to meet the goal of 280 GW of installed solar power by 2030.
- Sovereign green bonds to be launched to fund green infra, to be part of government's borrowing programme in FY23, Proceeds to be deployed in public sector projects
- Five to seven per cent biomass pellets to be co-fired in thermal power plants:
- CO2 savings of 38 MMT annually
- Four pilot projects to be set up for coal gasification and conversion of coal into chemicals for the industry
- Financial support to farmers belonging to Scheduled Castes and Scheduled Tribes, who want to take up agro-forestry

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

Source: Press Information Bureau, Economic Times, The Hindu



Toll Free (India): 1800-102-9408, 1800-425-1809 (BSNL),
Email: customercare@sib.co.in, CIN: L65191KL1929PLC001017

www.southindianbank.com | [f /thesouthindianbank](https://www.facebook.com/southindianbank)

Extraordinary times Extra fast loan



SIB Mirror+

**AVAIL GOLD
OVERDRAFT
DIGITALLY**

T&C apply

SIB **SUPERFAST** **GOLD LOAN**

You don't have to sell your favourite gold jewellery, when you can pledge it. With South Indian Bank's Superfast Gold Loan, you get the money to meet your different needs, really fast. It is a gold loan tailor-made for the uncertain times we are living in. Go ahead, encash your dreams with SIB Superfast Gold Loan.



**Easy
processing**



**Tenure up to
12 months**



**Attractive
interest rate**



Wear masks in public spaces. Follow social distancing.

INTERNATIONAL ONLINE MONEY TRANSFER THROUGH INTERNET BANKING



Foreign Outward
Remittance through



Features

Transaction limit:

Resident SB

Daily limit - USD 10000
Financial year - USD 25000

NRE SB

Daily limit - USD 25000
Financial year - USD 100000



Rate for conversion:

TT selling rate available at that point of time

Available currencies:

USD, EUR, GBP, CAD, JPY, AED,
CHF, AUD, SAR, SGD & other 100+
currencies



Timings window:

24x7 for US dollar remittances
10 AM to 3 PM (IST) for other
currencies

Purpose of remittance:

Active NRE SB with valid VISA expiry dates — Repatriation from NRE account (S0014)

Auto mailer of SWIFT copy will be sent to the registered email ID of the remitter on completion of transaction.

T&C apply