



Budget 2022 Highlights: Top 10 Takeaways

Finance Minister Nirmala Sitharaman presented her fourth union budget today in Parliament. Her speech began with 'Amrit Kal' - the next 25 years from India at 75 to 100.

She then laid down 4 areas of focus

- ◆ PM Gatishakti
- ◆ Inclusive Development
- ◆ Energy Transition & Climate Action
- ◆ Financing of Investments

The big focus of the finance minister's speech was a big boost to capital expenditure - up 35% for FY23.

"I am conscious of the need to nurture growth through public investment to become sustainable," said Nirmala Sitharaman as she ended the first part of her speech and moved to tax measures.

No substantial changes to direct tax, except a one year extension of the lower 15% corporate tax rate for manufacturing units.

But the finance minister did announce a new provision on crypto tax.

Equity markets remained in decent cheer - with gains of over 1% through the course of the speech. But bonds sold off as yields climbed over 15 basis points on the fiscal deficit and borrowing data.

FY22 fiscal deficit came in at 6.9% of the GDP and FY23 fiscal deficit is projected at 6.4%.

Meanwhile, Bloomberg reported the government will borrow Rs 14.95 lakh crore in FY23, according to one official.

Top 10 Budget Highlights

1. Capital expenditure to be stepped up by 35.4%.

Outlay for capital expenditure to be upped from Rs 4.54 lakh crore earlier to Rs 7.50 lakh crore in 2022-23.

2. PM Gatishakti programme emphasised.

7 engines of growth (roads, railways, airports, ports, mass transport, waterways, logistics infrastructure).

National Highways Network will be expanded by 25,000 km in FY23.

Rs 20,000 crore will be mobilised through innovative ways of financing to compliment the public resources.

3. ECLGS Scheme for MSMEs extended to March 2023 and expanded.

Added cover of Rs 50,000 crore. Total cover now at Rs 5 lakh crore.

4. SEZ Act to be replaced with new legislation.

It will cover all large existing and new industrial enclaves to enhance competitiveness of exports.

5. Crypto tax provision.

Any income from transfer of any virtual digital asset to be taxed at 30%. No deduction on any expenditure or allowance other than cost of acquisition. TDS at 1% above certain monetary threshold.

6. Lower tax on new manufacturing units extended.

15% lower tax rate for manufacturing units extended for one more year till March 2024.

7. Post Office banking boost.

100% of India's 1.5 lakh post offices will be on-boarded on core banking system in 2022.

8. Digital rupee.

India to introduce digital rupee issued by RBI in FY23

9. Schemes on Low Income Housing + Tap Water In Homes sustained.

Current coverage of Har Ghar Nal Se Jal is 8.7 crore of this 5.5 crore households were provided tap water in last two years itself. Allocation of Rs 60,000 crore has been made to this scheme in 2022-23.

Housing projects allotted Rs 48,000 cr for FY23 under PM Housing scheme. Allotted Rs 48,000 cr for FY23 under PM Housing scheme.

10. Atmanirbhar defence manufacturing.

68% of defence procurement budget earmarked for domestic private industry.

Defence R&D to be opened for startups, institutes and academic outlets, 25% of R&D budget allotted towards this.