UNION BUDGET

2022-23 | ANALYSIS REPORT

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Part A: Macro Overview

Macro Overview

Building on the budget of last year, the Union Budget 2022-23, is another step forward towards the vision of creating an Atmanirbhar Bharat and reflects a consistency in government's approach. The government remains steady on the course of laying a solid economic and social foundation for the country as we celebrate the Amrit Mahotsav this year and move ahead towards a future ready India of 2047.

Today's announcements are reform oriented keeping an eye on actualising India's potential. The four pronged focus on PM Gati Shakti; Inclusive Development; Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, and Climate Action; and Financing of Investments is well placed.

Goals of Amrit Kaal: Four Priorities

Gati Shakti	**Inclusive Development**	**Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action**	**Financing of Investments**

The Budget has been announced amid the ongoing third wave of the pandemic led by the Omicron variant. Despite the unprecedented infectivity rate, what has come as respite this time around is the limited burden seen on heath care infrastructure. Uncertainty continues to remain on fore especially for those in the informal sector.

Nonetheless, throughout the challenging course of last two years the government has kept the focus on three R's – relief, recovery, and reforms. Given that we feel a little more emphasis on the aspects of - relief and recovery – in the Union Budget could have allowed for some immediate relief.

While widening the social security net has been a vital part of government's policy strategy, the support offered through Pradhan Mantri Garib Kalyan Yojana, direct money transfer to BPL families, old, widows and disabled, MGNERGA as a part of the Covid relief strategy has been laudable.

However, we feel that an extension of these relief measures could have prompted further respite to those for whom earning a livelihood is a daily challenge.

Nonetheless, the relief offered to MSMEs was much required. The sector has suffered significantly in the pandemic and each subsequent wave has only added to the uncertainty. We are happy to note the revamping of Credit Guarantee Trust for Micro and Small Enterprises Scheme, extension of Emergency Credit Line Guarantee Scheme and the announcement of One Station One Product -which will provide a further impetus to growth of the sector in India. Also, the announcement of Raising and Accelerating MSME Performance Scheme with an outlay of Rs 6000 crore will help MSMEs mitigate the impact of the pandemic to a greater extent.

Further, an additional amount under the Emergency Credit Line Guarantee Scheme has been earmarked exclusively for the hospitality and related enterprises (especially those under micro and small enterprise). The assistance offered is a welcome move as hospitality being a contact intensive sector has been hit adversely over the past two years.

The recurring waves of the pandemic, persisting supply side constraints, rising commodity prices/surging global inflation continue to undermine the possibility of a solid recovery.

The Economic Survey 2021-22 released yesterday projected a growth between 8.0-8.5% for the year 2022-23 with a set of underlining assumptions around how the pandemic pans out during the year, monsoons and oil prices. Given that significant uncertainty remains on fore, these assumptions are likely to have a downside bias. We remain at a critical juncture and a sustainable recovery would require continued policy support.

A combination of tepid growth in domestic consumer demand and low-capacity utilisation levels has already adversely impacted investments in India. In fact, weak consumer demand has been one of the key concerns for the Indian industry. The demand pulse did note an uptick, backed by wider vaccination coverage and the festive season. However, there is a need to sustain this upward momentum and enable quicker return to pre-pandemic levels and sequentially improve thereafter.

The private sector capex cycle will catch momentum once the demand in economy improves, leading to higher capacity utilisation. We need to move to a virtuous cycle of growth where sustained demand leads to higher consumption, the consequent higher capacity utilisation leads to capital investments which in turn leads to job creation and more demand.

Higher outlay for MGNREGA, relief to the urban poor through Urban Employment Guarantee, some tax relief to individuals could have given a lift to consumption.

The manufacturing sector is a critical growth enabler for India with the potential to generate significant employment opportunities. It has been government’s endeavour since its first term to position India as a global manufacturing hub. The vision of Make in India has translated into various policy measures towards ease of doing business, production linked incentive scheme etc. These highlight government’s commitment.

We are further encouraged to note the announcement of Production Linked Incentive for manufacture of high efficiency solar modules; the extension of last date for commencement of manufacturing production under section 115BAB by one year; focus on defence indigenization, the replacement of Special Economic Zones Act with a new legislation and the launch of Ease of Doing Business 2.0.

In fact regarding the latter, the Budget mentions an integration of the central and state-level systems through IT bridges – which we particularly look forward to. This can be a game changer for the members of business community. Also, the emphasis in the budget on ‘trust based governance’ is rightly placed and is something FICCI has always reiterated.

So far, the economy is being driven by the engines of exports and government spending, and private consumption and investments continue to remain muted. There is a need to keep the fire up for all the four engines of growth if we need to move to an 8.0% plus growth trajectory on a sustainable basis.

The boldness displayed in the Union Budget 2022-23, with a much higher outlay announced towards capital expenditure is directionally correct. Higher investments in the core sectors by the government will not only crowd in private investments but will also create demand across industries. This will have a multiplier effect on the economy.

Building a sound infrastructure base has been the primary focus for the government. In fact, the Gati Shakti National Master Plan for Multi-modal Connectivity proclaims a new chapter in the history of the sector. We laud the PM GatiShakti Master Plan for Expressways with an allocation of Rs 20,000 crore, award of Multi Modal Logistic parks at four locations, development of 100 PM Gati Shakti Cargo Terminals and expansion of new generation Vande Bharat trains & Kavach network.

Furthermore, digital technologies have been the key tool which has helped us manoeuvre through the tsunami of the Covid-19 pandemic. In fact, the quick adjustment to the new normal would have been impossible without access to digitization means. In line with the rapidly changing times, the government's emphasis on digitization across sectors has been noteworthy. Be it the announcement of a Digital University, or National Digital Health Ecosystem, or use of digital means for universalization of quality education, Kisan Drones or setting up of Digital Banking Units – digitization is set to carry the next leap of transformation across sectors.

The budget also focused squarely on the issue of sustainability. Following the Prime Minister's announcement of making India net-zero by 2070, we are happy to see several measures being announced to enable this transition. With a huge thrust on renewables, initiatives like a battery swapping policy and issuance of sovereign green bonds the budget takes us a step forward towards decarbonising the economy.

Nevertheless, we feel that a clearly spelled out long term strategy for R&D and innovation could have been timely as this can be game changer for the country giving us a strong competitive edge. India still has a lot of ground to cover on this front. We should have a laser like focus in developing a niche in few technology intensive sectors like biotechnology/ green technology/ semiconductors/ pharmaceuticals.

Key asks from FICCI which were met in the Union Budget 2022 -23
Extension of the concessional tax rate period for new manufacturing units by one more year i.e. from 31st March, 2023 to 31st March, 2024
Introduction of surety bonds in place of bank guarantees
Setting up of digital banks
Introduction of a central bank digital currency
Promoting indigenisation of India's defence imports
Extension of Emergency Credit Line Guarantee Scheme
Revamp of Credit Guarantee Trust for Micro and Small Enterprises Scheme
Ease of Doing Business 2.0

Fiscal Management

The revised estimate for fiscal deficit for the year 2021-22 has been reported at Rs 15,91, 089 crore - up from the budgeted estimate of Rs 15, 06, 812 crore put out last year - the resultant deficit to GDP ratio has been reported at 6.9%, marking a marginal slippage from the budgeted figure of 6.8%.

Fiscal Indicators (as % of GDP)

	Actual	**Budget**	**Revised**	**Budget**
	2020-21	**2021-22**	**2021-22**	**2022-23**
Fiscal Deficit	9.2	6.8	6.9	6.4
Revenue Deficit	7.3	5.1	4.7	3.8
Primary Deficit	5.8	3.1	3.3	2.8

Source: Union Budget 2022-23

The fiscal deficit for the year 2022-23 has been budgeted at Rs 16, 61, 196 crore - marking an increase of 4.4% from 2021-22 RE and pegging the deficit to GDP ratio at 6.4%.

It is encouraging that the government has undertaken a realistic view of the fiscal consolidation which is in sync with the economic realities. The government intends to reach a fiscal deficit level below 4.5% of GDP by 2025-2026 – which was as indicated in the Union Budget statement announced last year. Nurturing growth which is still nascent remains important.

Revenue Side

Abstract of Receipts (in Rs crore)

	Actual 2020-21	**Budget 2021-22**	**Revised 2021-22**	**Budget 2022-23**	**2021-22 BE over 2020-21 RE (%)**	**2021-22 RE over 2020-21 RE (%)**	**2022-23 BE over 2021-22 RE (%)**
Revenue Receipts	1633920	**1788424**	**2078936**	**2204422**	**15.0**	**33.7**	**6.0**
Tax Revenue (Net)	1426287	1545397	1765145	1934771	14.9	31.3	9.6
Gross Tax Revenue	2027104	**2217059**	**2516059**	**2757820**	**16.7**	**32.4**	**9.6**
CorporationTax	457719	547000	635000	720000	22.6	42.4	13.4
Tax on Income	487144	561000	615000	700000	22.2	34.0	13.8
Customs	134750	136000	189000	213000	21.4	68.8	12.7
Union Excise Duty	391749	335000	394000	335000	-7.2	9.1	-15.0
Goods & Services Tax	548778	630000	675000	780000	22.3	31.0	15.6
Non -Tax Revenue	207633	243028	313791	269651	15.4	49.0	-14.1
Interest receipts	17113	11541	20894	18000	-17.6	49.2	-13.9
Dividends and Profits	96877	103538	147353	113948	7.2	52.6	-22.7
Other Non-Tax Revenue	90292	124671	141668	134276	27.2	44.5	-5.2
Receipts of Union Territories	1598	2531	2531	2807	21.6	21.6	10.9
Capital Receipts	**1883105**	**1623428**	**1516877**	**1739735**	**-15.1**	**-20.7**	**14.7**
Debt*	1825479	1435428	1416902	1660444	-23.1	-24.1	17.2
Non -debt	57626	188000	99975	79291	304.3	115.0	-20.7
Recoveries of loans and advances	19729	13000	21975	14291	-10.3	51.6	-35.0
Disinvestment Receipts	37897	175000	78000	65000	446.9	143.8	-16.7
Total Receipts	**3517025**	**3411853**	**3595813**	**3944157**	**-1.6**	**3.7**	**9.7**

*The receipts are net of payment.
Source: Union Budget 2022-23

➔ As per the revised estimates for 2021-22, a significant increase has been witnessed in the revenue kitty – which was largely anticipated. Businesses across sectors witnessed quicker recovery post the second wave of the pandemic. While the economy has been struck with the third wave of the pandemic in the month of January, the incoming data on record high GST collections of about Rs. 1,40,986 crores during the month is heartening and displays resilience despite impositions of restrictions in various parts of the country.

➔ Revenue receipts, which form a major chunk of total receipts, increased by a whopping 33.7% in 2021-22 as per the revised estimates - with both tax and non-tax revenue collections witnessing a substantial rise.

➔ Growth in net tax revenue collections has more than doubled to 31.3% as per the 2021-22 revised estimates, vis-à-vis 14.9% growth anticipated in the budget estimates. All major tax heads – both direct and indirect - have surpassed the budgeted targets considerably on the back of quicker revival in economic activity.

➔ Factors including improved profitability of the corporates, greater formalization of the economy and improved compliance due to tax policy and administration reforms may have attributed to higher collections on direct tax side. While on the indirect taxes, the custom collections were robust on account of rise in imports of goods and services; excise collections, on the other hand, have been modest on account of change in government's policy towards lower duties on petroleum and diesel.

➔ Non-tax revenue collections also surged - reporting a growth of 49% in 2021-22 as per the revised estimates which is more three times the budgeted growth of 15.4% - driven by higher dividends and profits.

➔ For the fiscal year 2022-23, some moderation is in sight on the revenue side. The revenue receipts are budgeted to rise by 6.0% in 2022-23. The net tax revenue collections are budgeted to increase by 9.6% in 2022-23 - buoyancy is indicated with respect to all major tax heads except on union excise duty (which is budgeted to fall by 15% in 2022-23).

➔ The disinvestment receipts were targeted at Rs. 1.75 lakh crore for fiscal year 2021-22 on the back of a strong pipeline of assets. However, subsequent pandemic waves have derailed and delayed the process of privatisation yet again. As per revised estimates for 2021-22, only about 45% of the budgeted disinvestment target has been met. According to the revised estimates for the year 2021-22 the proceeds from disinvestments amounted to Rs 78,000 crore only (vis-à-vis the budget Rs 1,75,000 crore). Given the slow pace in disinvestments over the last two years, the disinvestment target for 2022-23 has been significantly reduced to Rs 65,000 crore.

➔ The recently introduced New Public Sector Enterprise Policy and Asset Monetisation Strategy by the Government reasserts its commitment towards privatization. These should be taken forward in letter and spirit.

Expenditure Side

Summary of Expenditure

	Actual	Budget	Revised	Budget	2021-22 BE over 2020-21 RE (%)	2021-22 RE over 2020-21 RE (%)	2022-23 BE over 2021-22 RE (%)
	2020-21	2021-22	2021-22	2022-23			
Total Expenditure	**3509836**	**3483236**	**3770000**	**3944909**	**1.0**	**9.3**	**4.6**
On Revenue Account	3083519	2929000	3167289	3194663	-2.7	5.2	0.9
Interest Payments	679869	809701	813791	940651	16.9	17.4	15.6
Grants in Aid for creation of capital assets	230865	219112	237685	317643	-4.9	3.2	33.6
On Capital Account	426317	554236	602711	750246	26.2	37.2	24.5

Source: Union Budget 2022-23

➔ The revised numbers for 2021-22 indicate a significant expansion in total expenditure numbers. Total expenditure expanded by 9.3% according to available revised estimates for the year 2021-22 as against the budgeted growth of 1.0%. While Revenue expenditure reported a higher growth of 5.2% according to the revised estimates as against the estimated growth of (-) 2.7% in the budget 2021-22; the Capital expenditure, on the other hand, reported a growth of 37.2% as per the revised estimates, against the budgeted growth of 26.2% for 2021-22.

➔ With regard to subsidies, expenditure on key subsidies – food/fertilizer/petroleum - increased from the budgeted amount of Rs 3, 36, 439 crore to Rs 4,33,108 crore as per the revised estimate of 2021-22. This increase in the major subsidy bill can be attributed to the extension of free food grain scheme PMGKAY and additional outgo on fertiliser subsidy to protect farmers and the farm sector from adverse impact of price rise in fertiliser sector. Further, as the budget estimates of 2022-23, the subsidy bill for these three key items has been pegged at Rs 3,17,866 crore – which is about 1.2% of GDP.

Major Subsidies

	Actual	Budget	Revised	Budget	2021-22 BE over 2020-21 RE (%)	2021-22 RE over 2020-21 RE (%)	2022-23 BE over 2021-22 RE (%)
	2020-21	2021-22	2021-22	2022-23			
Major Subsidies	707707	336439	433108	317866	-43.5	-27.3	-26.6
Fertiliser Subsidy	127922	79530	140122	105222	-40.6	4.6	-24.9
Food Subsidy	541330	242836	286469	206831	-42.5	-32.2	-27.8
Petroleum Subsidy	38455	14073	6517	5813	-64.0	-83.3	-10.8
Total – Subsidies	758165	369899	487872	355639	-43.0	-24.8	-27.1

Source: Union Budget 2022-23

➔ The Government's focus in the Union Budget 2022-23 has been on undertaking higher amount of expenditure allocations towards investments to promote growth and employment.

➔ For the year 2022-23, the total expenditure has been budgeted at Rs 39.4 lakh crore which is about 4.6% higher than the revised estimate of 2021-22. The budget displays a clear focus on restructuring of expenditure to favor robust increase in capital expenditure – which is set to receive 24.5% higher allocation at Rs 7.5 lakh crore vis-à-vis the revised estimate of Rs 6.02 lakh crore for 2021-22. Capital expenditure is pegged at 19% of overall spending next fiscal year compared to 15.9% last year.

➔ Revenue expenditure is budgeted Rs 31.9 lakh crore for 2022-23, reporting a flat growth of 0.9%. It would account for 81% of total spend in 2022-23 compared with 84% last year.

➔ The increase in total expenditure in the year 2022-23 comes on back of higher transfers under Samagra Shiksha, Pradhan Mantri Awas Yojna-Urban, Pradhan Mantri Gram Sadak Yojna, higher requirements for Railway Capital works, higher investment in National Highways Authority of India, and higher allocations towards Guarantee Emergency Credit Line facility to eligible MSME borrowers.

Part B: Taxation

Key Tax Announcements in Union Budget 2022-23

As announced by the Hon'ble Finance Minister, the thrust of the proposals in the Union Budget 2022-23 is to continue with Government's declared policy of stable, predictable, and trustworthy tax regime. The proposals are intended to simplify the tax system, promote voluntary compliance by taxpayers, and reduce litigation.

A. **Brief synopsis of the direct tax proposals are as below**:-

1. **No changes in the income tax rates and slab have been proposed by the government in the Union Budget 2022-23**

2. **Surcharge on long term capital gains on transfer of any asset capped at 15% as against current surcharge rate of 25% / 37%.**

   The above proposal is welcome and is intended to boost investments**.**

3. **Rationalization of provisions of the Act to promote the growth of co-operative societies – Reduction in Alternate Minimum Tax Rate and Surcharge for Cooperatives**

   In the case of co-operative societies, the rate of tax will continue to be the same as those specified for financial year 2021-22. However, the rate of surcharge of has been reduced to 7% of income-tax in case the total income of a co-operative society exceeds one crore rupees but does not exceed ten crore rupees.

   Also, MAT rate for co-operative societies has been proposed to be reduced from 18.5% to 15% to provide a level playing field for co-operative societies and companies. The intent of the above proposals is to help in enhancing the income of cooperative societies and its members who are mostly from rural and farming communities.

   The above proposal is welcome, however, reduction in rate of tax on LLPs to provide level playing field with companies was also expected.

4. **Promotion of Voluntary Tax Compliance and Reducing Litigation** – Finance Bill, 2022 has proposed to introduce a new provision in section 139 of the Income Tax Act for filing an updated return of income by any person, whether he has filed a return previously for the relevant assessment year, or not. It is proposed that an amount equal to twenty five percent or fifty percent as additional tax on the tax and interest due on the additional income furnished would be required to be paid.

   The proposal for updated return over a period longer than that is provided in the existing provisions of Income-tax Act would on the one hand bring use of huge data with the IT Department to a logical conclusion resulting in additional revenue realization and on the other hand, it will facilitate ease of compliance to the taxpayer in a litigation free environment. **It is an affirmative step in the direction of voluntary tax compliance.**

- *Additional tax payable* shall be computed as under:

Where updated return is furnished	Additional tax
within a period of 1 year from end of relevant AY	(25% + surcharge + cess) of aggregate of original tax and interest payable
Between the period of 1 - 2 year from end of relevant AY	(50% + surcharge + cess) of aggregate of original tax and interest payable

Updated return can be filed even in a scenario where no original return was furnished earlier. New provision cannot be availed in specified circumstances like search, survey, assessment is pending/ completed for relevant AY, PMLA, etc. Assessment to be completed within nine months from the end of the FY in which updated return was furnished.

5. **Introduction of Litigation management system to avoid repetitive appeals involving identical issues**. Revenue shall defer from filing appeals against an assessee until the substantial question of law is decided by the jurisdictional High Court or the Supreme Court.

   This above proposal will significantly help in reducing the repeated litigation between taxpayers and the department. **It is however important that the proposal is implemented in right spirit to reap the benefits intended from the introduction of this proposal.**

6. **The date for availing concessional tax regime under section 115BAB of the Income Tax Act for new manufacturing companies has been proposed to be extended by one year i.e. from March 31, 2023 to March 31, 2024**.

   The above is in line with the recommendation made by FICCI as there was difficulty in commencement of manufacturing operations by March 31, 2023, due to disruption caused by COVID-19 pandemic. The extension of period by one year would provide companies additional time to commence the operations and avail the concessional tax rate benefit.

7. **Parity between employees of State and Central government – Increase in tax deduction limit on employer's contribution to NPS account of state government employees**

   Under the existing provisions of the Income Tax Act, any contribution by the Central Government or any other employer to the account referred to in section 80CCD of the Act (NPS account), is currently allowed as a deduction to the assesses in the computation of his total income, if it does not exceed 14% of his salary where such contribution is made by the Central Government. This limit is presently 10% of his salary where such contribution is made by any other employer. The State Governments were given an option to raise the contribution to 14% w.e.f 01.04.2019 on their own volition, based on their own internal approvals and notifications, without seeking the approval of the Pension Fund Regulatory and Development Authority.

   To ensure that the State Government employees also get full deduction of the enhanced contribution by the State Government, the Bill has proposed to increase the limit of deduction under section 80CCD of the Act from the existing ten per cent to fourteen per cent in respect of contribution made by the State Government to the account of its employee.

The above proposal is welcome, however, the extension of tax deduction limit on employer's contribution to NPS account to employees across all sectors (not only state government employees) would have played a key role in generation of employment and channelising savings into the system.

8. **Extending period of incorporation of eligible start-ups for providing tax incentives**

   Eligible start-ups established before March 31, 2022 had been provided a tax incentive for three consecutive years out of ten years from incorporation. Due to COVID pandemic there have been delays in setting up of such units. In order to factor in such delays and promote such eligible start-ups, Finance Bill, 2022 has proposed to amend the provisions of section 80-IAC of the Act to extend the period of incorporation of eligible start-ups to 31st March, 2023.

   The above proposal is welcome and would encourage incorporation of more start-ups in the country.

9. **Scheme for taxation of virtual digital assets**

   Virtual digital assets have gained tremendous popularity in recent times and the volumes of trading in such digital assets has increased substantially. Further, a market is emerging where payment for the transfer of a virtual digital asset can be made through another such asset. Accordingly, a new scheme to provide for taxation of such virtual digital assets has been proposed in the Bill.

   The proposals regarding specific tax regime for virtual digital assets is provided as below:-

- No deduction in respect of any expenditure or allowance shall be allowed while computing such income except cost of acquisition. Further, loss from transfer of virtual digital asset cannot be set off against any other income.
- Further, in order to capture the transaction details, it has been proposed to provide for TDS on payment made in relation to transfer of virtual digital asset at the rate of 1 per cent of such consideration above a monetary threshold.
- Gift of virtual digital asset is also proposed to be taxed in the hands of the recipient

10. **Tax Incentives to International Financial Services Centre (IFSC)**

    The Bill has proposed to provide that income of a non-resident from offshore derivative instruments, or over the counter derivatives issued by an offshore banking unit, income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC shall be exempt from tax, subject to specified conditions.

11. **Withdrawal of concessional rate of taxation on dividend income under section 115BBD**

    The Bill has proposed to do away with concessional rate of tax on dividend received from foreign companies. Currently, dividend received by an Indian company from a foreign company wherein it held atleast 26% equity stake has been taxable at a concessional rate of 15%. With the abolition of DDT regime by Finance Act 2020, dividend received by an Indian company from a domestic company became taxable at the corporate tax rate applicable to the Indian company.

    The amendment has been proposed to create a level playing field, with effect from Apr 1, 2023.

    The above proposal will adversely impact outbound investments.

12. Tax relief to persons with disability

The existing provision of section 80DD, inter alia, provide for a deduction to an individual or HUF, who is a resident in India, in respect of (a) expenditure for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or (b) amount paid to LIC or any other insurer or administrator or specified company in respect of a scheme for the maintenance of a disabled dependant.

It is proposed to allow the deduction under the said section also during the lifetime, i.e., upon attaining age of sixty years or more of the individual or the member of the HUF in whose name subscription to the scheme has been made and where payment or deposit has been discontinued. Further, it is proposed that the provisions of sub-section (3) shall not apply to the amount received by the dependant, before his death, by way of annuity or lump sum by application of the condition referred to in the proposed amendment.

13. Amendment in the provisions of section 263 of the Act

Section 263 of the Act contains the provision for revision of order which is erroneous in so far as it is prejudicial to the interests of revenue. An order under section 263 of the Act can be passed within two years from the end of the financial year in which the order sought to be revised was passed.

The Bill proposes to grant revisionary powers under Sec 263 of the Income Tax to Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or Commissioner (who is assigned the jurisdiction of transfer pricing) qua transfer pricing orders passed by the TPO under section 92CA; If the PCIT/ CIT considers that any order passed by the TPO, working under his jurisdiction is erroneous in so far as it is prejudicial to the interests of Revenue, he may pass an order directing revision of the order of TPO; The amendment has the effect of overturning a recent ruling reported in JCB India Ltd; Consequential changes under Sec 153 also proposed to provide time to give effect to revisions to order of TPO; The amendments will take effect from April 1, 2022.

14. Rationalization of Surcharge for AOPs

In the globalized business world, there are several works contracts whose terms and conditions mandatorily require formation of a consortium. The members in the consortium are generally companies. In such cases, the income of these AOPs has to suffer a graded surcharge upto 37 per cent, which is a lot more than the surcharge on the individual companies. Accordingly, the Bill has proposed to cap the Surcharge of these AOP's at 15 per cent. Further, the long-term capital gains on listed equity shares, units etc. are liable to maximum surcharge of 15 per cent, while the other long term capital gains are subjected to a graded surcharge which goes up to 37 per cent. The Bill has proposed to cap the surcharge on long term capital gains arising on transfer of any type of assets at 15 per cent.

This step will give a boost to the start-up community and along with my 25 proposal on extending tax benefits to manufacturing companies and start-ups re affirms our commitment to Atma Nirbhar Bharat.

The above clarification is welcome and was much needed. This is in line with FICCI recommendation.

15. Relief from Taxation – Amount received for medical treatment or on account of death from Covid – 19 (effective retrospectively from April 1, 2020 and onwards)

- **Amounts received by an individual from any person towards medical expenses <u>actually incurred</u> on account illness related to Covid-19 to not be considered as income of such person**

- **Amounts received by family member of a deceased person on account of Covid related illness to not be considered as income of such person**
- If received from employer of deceased (no monetary limit)
- If received from other persons – upto INR 1 mn (provided received within 12 months from date of death).

The above proposal is welcome and was much needed in current challenging circumstances.

16. Succession and business re-organization

Tax proceedings made on the predecessor entity during the 'pendency' of business reorganization (merger and demerger) shall be deemed to have been made on the successor entity

– Pendency' means the period between the date of filing of application with NCLT and receipt of NCLT order by the tax authorities

– Intended to get over legal precedents which held such proceedings on the predecessor as null and void

In cases where the Business reorganisation is effective from an earlier date, enabling provision introduced to facilitate the successor entity to file modified return of income within six months from the date of NCLT order.

17. Other key Changes

Disallowance under section 14A of the Act

- Expenditure incurred in relation to exempt income to be disallowed even in absence of any exempt income earned/received during the year

Conversion of interest into debentures/shares

- Conversion of interest payable on loans from banks/ financial institutions, etc. into debenture or any other instrument by which liability to pay is deferred to a future date, shall not be deemed to have been actually paid for the purpose of section 43B**.**

Others

- Timeline for notification of faceless assessment scheme for transfer pricing assessments and Dispute Resolution Panel extended from March 31, 2022 to March 31, 2024

Procedural and Other Changes

- Higher TDS/ TCS in case of non-filing of ROI
- Exclusion provided for TDS provisions pertaining to:

– Transfer of immovable property

– Payment of rent to individuals or HUF

– Payment of certain sums by an individual or HUF

- Higher TDS/ TCS applicable to taxpayers who have not filed ROI for preceding financial year (reduced from two years) and the time limit for filing such return has lapsed.

B. **Indirect Tax Announcements**

1. Customs administration to be fully IT driven in SEZs.
2. Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%.
3. Review of customs exemptions and tariff simplification.
4. Customs duty rates are being calibrated to provide a graded rate structure to facilitate domestic electronics manufacturing.
5. Rationalisation of exemptions on implements and tools for agri sector manufactured in India.
6. Extension of customs duty exemption to steel scrap.
7. Reduction of duty on certain inputs required for shrimp aquaculture.
8. Unblended fuel shall attract additional differential excise duty.

Goods and Services Tax ('GST')

1. Amendment related to eligibility to take credit under section 16 - Input tax Credit available to the extent not restricted u/s. 38 (Auto-populated statement in Annexure 2B) to include the following

a. Details of inward supplies in respect of which credit of input tax may be available to the recipient

b. Details of supplies in respect of which credit cannot be availed by the recipient for supplies by a supplier

i. Within such period of taking registration as may be prescribed

ii. Who has defaulted in payment of tax for a prescribed period

iii. GSTR-1 liability exceeds the amount of tax paid by him in GSTR-3B (by a prescribed limit)

iv. Who (during such period as may be prescribed) has availed excess credit

v. Who has defaulted in discharging tax liability in accordance with the provisions of Section 49(12) – provides for maximum output liability which can be paid through credit

vi. Such other class of suppliers as may be prescribed

The flow of seamless input tax credit in the supply chain has been the thrust behind GST architecture. The above proposal raises serious implementation challenges in the hands of the recipient and denial of credit without any default of recipient is unfair and unwarranted.

2. Extension of time limit:

a. Time limit for taking credit extended until 30th November of the following financial year : Practically would mean returns for the month of October (either filed by 20th or delayed until 30th)

b. Time limit for issuance of credit note and amendment in outward return extended to 30th November of the following financial year

3. Outward supply returns and its communication to the recipient will be subject to such conditions and restrictions as may be prescribed.

4. Provisions relating to matching of credit (Section 42/43 – which were not yet not notified), now omitted.

5. Substantive provisions proposed to be introduced for restricting filing of outward returns (GSTR-1), if the same not filed for any previous tax period. GSTR 3B also cannot be filed if GSTR-1 not filed.

6. Section 41 (which earlier provided for provisional credit) proposed to be amended to provide that

a. Credit can be availed on a self-assessment basis (subject to conditions and restrictions as may be prescribed)

b. If tax has not been paid by the supplier shall be reversed with applicable interest – credit can be re-availed once tax paid

i. Section 50 proposed to be amended to provide for payment of interest only “where input tax credit has been wrongly availed and utilised”

7. Section 49 (12) - Enabling provisions introduced in GST laws to limit the amount of input tax credit that can be used to pay output tax liability (as may be prescribed).

8. Cash cannot be transferred if there is unpaid liability.

Part C- Sectoral Analysis

Agriculture and Food Processing

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (FY22 over FY21)
Overall, for the Sector / Ministry				
Dept. of Agriculture Cooperation & Farmers Welfare	108272.83	118294.24	124000.00	4.82
Dept. of Animal Husbandry & Dairying	2463.54	2713.75	3918.84	44.40
Department of Fisheries	882.63	1407.29	2118.47	50.53
Dept. of Agriculture Research & Education	7553.77	8513.62	8513.62	0
Total Outlay	127857.86	130928.9	138550.93	5.82
Outlays for key sectoral schemes				
Major Central Sector Scheme				
Pradhan Mantri Fasal Bima Yojana	14161.48	15989.39	15500.00	-3.06
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	60989.90	67500.00	68000.00	0.74
Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)	240.83	250.00	500.00	100
Agriculture Infrastructure Fund (AIF)	21.87	200.00	500.00	150
Core Scheme				
Blue Revolution	710.00	1210.00	1891.00	56.28
Pradhan Mantri Krishi Sinchai Yojana	2562.16	2000	-	-
Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM-FME)	394.41	399.00	900.00	125.56

Key Budget Announcements and Implications

	Budget Announcement	Likely Implications
	Agriculture	
1	Support to millet products in the form of post-harvest value addition, enhancing domestic consumption and branding of millet products nationally and internationally.	This positive move would help small and marginal farmers, majorly in rainfed regions. Research and critical infrastructure provided under this scheme will ensure growth of integrated value chains.
2	To reduce dependence on import of oilseeds, a rationalised and comprehensive scheme to increase domestic production of oilseeds will be implemented.	The country is highly dependent on imported edible oil ($ 10 bn per year) and raising domestic production is key to stabilize prices and ensure availability. Incentivizing domestic processing capacity and addressing tariffs would be important or balancing needs of consumers, farmers and industry.
3	Launch of scheme in PPP mode for delivery of digital and hi-tech services to farmers with involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri-value chain.	Agri-tech sector has developed several solutions to reach the farmer at lower cost and higher efficiency. Leveraging the dynamic domestic agritech sector and engaging the private sector for delivering the necessary services to farmers will be important.

4	Use of 'Kisan Drones' will be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients.	Positive move to bring transparency and efficiency in key farm interventions; regulatory framework should be put in place for ease of introduction and use of drones. Government support is also required to develop trained cadre of drone operators and assessment staff to boost employment in rural India
5	States will be encouraged to revise syllabi of agricultural universities to meet the needs of natural, zero-budget and organic farming, modern-day agriculture, value addition and management.	This will strengthen Agri educational system and skill sets of students. Focus should also be to create new capacity in high growth sub sectors such as dairy, livestock, horticulture and fisheries and promote crop diversification.
6	A fund with blended capital, raised under the co-investment model, will be facilitated through NABARD. This is to finance startups for agriculture & rural enterprise, relevant for farm produce value chain. The activities for these startups will include, inter alia, support for FPOs, machinery for farmers on rental basis at farm level, and technology including IT-based support.	Adoption of market-oriented approach by NABARD to judge investment opportunities; collaboration with private funds and companies having experience in this area will be important. Important to attract private venture capital in addition to Government funds.
7	Implementation of the Ken-Betwa Link Project, at an estimated cost of ` 44,605 crore will be taken up. This is aimed at providing irrigation benefits to 9.08 lakh hectare of farmers' lands, drinking water supply for 62 lakh people, 103 MW of Hydro, and 27 MW of solar power.	This is an on-going initiative and success of Ken-Betwa project will determine how other projects will fare. Its encouraging to see that Government of India is supporting this with funding for early completion. Also the project will help irrigate upto 9.08 hectares of farm land.
8	For farmers to adopt suitable varieties of fruits and vegetables, and to use appropriate production and harvesting techniques, Government will provide a comprehensive package with participation of state governments.	Will promote crop diversification. Extensive support in horticulture at State level and Government's assistance will help both in area expansion as well as productivity enhancement. It is also important to include post-harvest infrastructure to reduce high losses in F&V and promote integrated value chains in this sector
9	Duty is being reduced on certain inputs required for shrimp aquaculture so as to promote its exports.	After a difficult export market in the last two years of the pandemic, this is a welcome move to boost the sector.
10	Exemption rationalised on implements and tools for agri-sector which are manufactured in India.	This is a positive step.
	Food Processing	
11	PM GatiShakti – Integration of postal and railways network facilitating goods movement to reduce the transportation time and ease overall transportation process.	PM GatiShakti scheme will strengthen the overall food supply chain and reduce the food wastage/spoilage occurs due to delay in transportation.

12	Millet products- post harvest value addition, consumption and branding of millet products will be promoted.	Millets are a powerhouse of nutrients and offer innumerable health benefits. In addition to being consumed as a flour, millets can also enhance the nutritional value of conventional food products through innovative product offerings such as Millet based Noodles/ Biscuits. However, this market is still very nascent and there are various challenges that the industry encounters both from a consumer preference and commercial standpoint. Promoting step toward millet products would help to reduce the overall challenges in Millet based product market.
13	Tariff of 7.5%- Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%	Concessional rate on capital goods and project imports of Food industries will reduce and tariff of 7.5% will be applicable.

Overall Assessment of Budget for Sector's Growth and Development

Key areas such as crop diversification and promotion of domestic oilseeds production are breakthrough budget announcements with long term benefits. Focus on rural infrastructure will also help agricultural logistics and digital connect. The new focus on agritech, drones and digital technology is an indication that Government is keen to encourage accelerated use of modern technology to transform the sector. Support to State Agriculture Universities is a major step with long term positive implications.

FICCI thanks Government of India for agreeing to our recommendation of providing support to rental requirements of small and marginal farmers.

It was also announced that 1208 lakh metric tonnes of wheat and paddy would be procured from 163 lakh farmers, and payment of Rs 2.37 lakh crore towards MSP value will be directly credited to their accounts. This is a positive signal regarding continuity of MSP regime. Involvement of private sector would build efficiency in MSP procurement. Spread of MSP procurement to non-traditional areas in eastern India will also be critical.

Government has also proposed to promote chemical-free natural farming throughout the country, with a focus on farmers' lands in 5-km wide corridors along river Ganga, at the first stage. Efforts to educate farmers and giving them assistance to shift to the new system of cultivation are key including compensating them for any reduction in production and income.

While no direct incentives for the food processing sector were provided in the budget, the sector would get benefited through schemes and incentives provided in other sectors like Agriculture and allied activities, economic development by facilitating startups, MSME etc.

Capital Goods

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall outlay for the Capital Goods Sector / Ministry	866.90	1181	3306.00	180%
Outlays for key sectoral schemes				
Enhancement of Competitiveness in the Indian Capital Goods Sector	54.22	29.00	200.00	589.65%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Duty exemptions given on capital goods have been revoked for sectors like power, fertilizer, textiles, leather, footwear, food processing and fertilizers.** **Moderate tariff of 7.5 per cent will be gradually applied on capital goods imported for these sectors**	Duty Exemptions in some cases, were extended in these sectors for over three decades. These exemptions have hindered the growth of the domestic capital goods sector. Application of moderate tariff would provide a level playing field for domestic manufacturers. This would create employment opportunities domestically and would result in increased economic activity.
2	**Project Import duty concessions have been revoked in following segments:** **Coal Mining Projects, Power Generation, Transmission or Distribution Projects, Railway and Metro projects- *Moderate tariff of 7.5 per cent will be gradually applied***	A large amount of capital goods are imported under Project Goods scheme at concessional duty rate. For the growth of domestic industry and the aim of doubling the domestic production of capital goods by 2025, import duty concessions have been proving a hinderance to our local manufacturers. For the success of 'Make in India' initiative, reasonable tariffs that are conducive to the growth of domestic industry without significantly impacting the cost of essential imports should be applicable. Hence the announcement would boost 'Aatmanirbhar Bharat' initiative.
3	**Basic Custom Duty on Linear Motion Guides (tariff item 8477 90 00) and Ball Screws (tariff item 8483 40 00) for use in the manufacture of plastic processing machineries (tariff items 8477 10 00, 8477 20 00, 8477 30 00) is being decreased from 7.5% to 5%**	Reduction of tariffs on inputs or intermediary items would boost domestic manufacturing of final plastic machinery products. This will lower down the cost of manufacturing.
4	**<u>Boost to capital goods sector through PM GatiShakti Initiative:</u>** • **The National Highways network will be expanded by 25,000 km in 2022-23.** • **Four hundred new-generation Vande Bharat Trains with better energy efficiency and passenger**	With the overall announcement of PM Gatishakti initiative, capital goods sector will have a positive impact in terms of production, capacity utilization and building domestic manufacturing capacity. Boost to Infrastructure sector will help heavy equipment companies to deploy their resources fully after the slowdown of pandemic.

	riding experience will be developed and manufactured during the next three years • **One hundred PM GatiShakti Cargo Terminals for multimodal logistics facilities will be developed during the next three years** • **Design of metro systems, including civil structures, will be re-oriented and standardized**	Manufacturing of new generation trains and development of cargo terminals will benefit the capital goods sector in entirety. This will also generate huge employment opportunities.
6	**<u>Increased Capital Expenditure & Financial Assistance to States for Capital Investment</u>- Capital expenditure in the Union Budget is stepped up sharply by 35.4 per cent from Rs 5.54 lakh crore in the current year to Rs 7.50 lakh crore in 2022-23. This has increased to more than 2.2 times the expenditure of 2019-20. This outlay in 2022-23 will be 2.9 per cent of GDP.**	Infusing money in the economy in terms of capital expenditure will also help the sector to boost domestic manufacturing. This multiplier effect works through expansion of capital goods and ancillary industries in capital goods sector.
7	**End-to-end online e-Bill System will be launched for use by all central ministries for their procurements**	This will improve working capital for the capital goods sector. Digital payments for procurement will reduce the delays in payments and enhance transparency in public procurement system. It will be completely paperless. The system will enable the suppliers and contractors to submit the digitally signed bills online. This will also help in claiming and tracking the status online.

Overall Assessment of Budget for Sector's Growth and Development

The budget announcement for rationalization of custom exemptions and tariff concessions would act as a catalyst to domestic production for capital goods sector. The removal of these exemptions would provide a level-playing field to our domestic manufacturers and would create ample amount of employment opportunities. This will help curb imports of products, thereby providing opportunities for domestic industry to produce at its maximum capacity. Concessional duties provided on inputs that go into manufacturing of capital goods will also provide push to the production domestically and help in achieving the objective of 'Make in India' and 'Atmanirbhar Bharat'. Seven engines of PM GatiShakti Yojna will play a huge role in giving boost to capital goods sector. Public Investments in Gati Shakti National Master plan, National infrastructure pipeline, National highway network, National Town-planning schemes will have a multiplier effect on economy, give a boost to production, and employment opportunities in the sector. E-bill system fsor all public procurements by central ministries will reduce the delays in claims and overcome working capital difficulties.

Capital Markets

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**Disinvestment** - Completion of strategic transfer of ownership of Air India - Strategic partner for Neelanchal Ispat Nigam Limited selected - LIC IPO expected shortly The Government has set a divestment target of Rs. 65,000 crores in FY23.	The proposed disinvestment would draw huge investors– both foreign as well as domestic. The increase in market depth would make Indian capital market more robust.
2.	**Tax regime for virtual digital assets** - Income from transfer of any virtual digital asset to be taxed @ 30%. - No deduction in respect of any expenditure shall be allowed while computing such income except cost of acquisition. - Loss from transfer of virtual digital asset cannot be set off against any other income. - TDS @ 1% to be applicable on payment made in relation to transfer of virtual digital above a monetary threshold. - Gift of virtual digital asset to be taxed in the hands of the recipient.	Clarity on this new asset class is welcome. The way forward with respect to digital assets would be determined in due course.
3.	**Development of GIFT-IFSC** - International Arbitration Centre to be set up - World class foreign university to be allowed to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics free from domestic regulations, except those by IFSCA - Services for global capital for sustainable and climate finance in the country will be facilitated - Income of a non-resident from offshore derivative instruments, or over the counter derivatives issued by an offshore banking unit, income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC shall be exempt from tax, subject to specified conditions.	The setting up of an International Arbitration Centre is a positive step that will help in timely settlement of disputes and improve ease of doing business, thereby boosting investor confidence and attracting more investments to GIFT City. Tax exemptions would promote various business activities such as ship leasing and financing, offshore fund management and offshore banking activities in GIFT IFSC. The setting up of world-class universities without any domestic regulation will facilitate human resource development in the financial services space. All the measures put together would prevent export of India's business to other countries, further facilitating IFSC's potential to develop into a dominant gateway for global capital inflows and outflows. This would ultimately meet India's development needs by meeting the key objectives of boosting job creation and providing market access to India's growing financial services sector.

4.	**Boosting PE/VC ecosystem to attract more investments** An expert committee will be set up to examine and suggest appropriate measures for promoting Venture Capital and Private Equity investments.	Significant amounts have been invested through this route in the Indian start-up ecosystem. Additional measures would deepen fund availability for entrepreneurs.
5.	**Thematic funds for blended finance** For encouraging important sunrise sectors such as Climate Action, Deep-Tech, Digital Economy, Pharma and Agri-Tech, the government will promote thematic funds for blended finance with Government's share being limited to 20% and the funds being managed by private fund managers.	These funds would boost investment in these sectors and increase availability of capital, fostering entrepreneurship.
6.	**Infrastructure Financing and role of private capital** - The Government has allocated Rs 5,003 crore to the National Investment and Infrastructure Fund (NIIF), which is the same amount allocated last year - Measures to be taken to step up private capital in infrastructure sector. - National Bank for Financing Infrastructure and Development (NaBFID) has become operational	Private participation is required alongside public investment to meet infrastructure needs of the economy. One of the requirements is increasing financial viability via innovative ways of financing. An enabling environment would attract investments from sovereign wealth funds and other long-term institutional investors, boosting inflow of foreign capital. NaBFID would help achieve the National Infrastructure Pipeline (NIP) targets by providing long term funds for infrastructure projects.

Overall Assessment of Budget for Sector's Growth and Development

Government's recognition of the role of private capital in financing the growth ecosystem of the country is welcome. The proposal to review the extant framework for venture capital and private equity funds would go a long way in increasing investments through this route and foster a spirt of entrepreneurship in the country. The ambitious disinvestment target of the Government for the year would also help increase the depth of the equity market by increasing more retail participation.

In a bid to enhance the ease of doing business in GIFT-IFSC, the Government's proposal to set up an International Arbitration Centre is a forward-looking initiative. This will significantly boost investor confidence. Setting up of world class universities without any domestic regulation and tax exemption for several business activities are hugely positive announcements that will further develop the GIFT-IFSC and contribute to the economic growth at the same time.

Chemicals & Petrochemicals

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	292.83	209	209	
Establishment Expenditure of the Centre				
1. Secretariat	17.43	19.73	21.35	8.21%
Central Sector Schemes/Projects				
3. Chemical Promotion and Development Scheme	2.59	3.6	3	-17%
4. Promotion of Petrochemicals	23.06	51.13	48.5	-5%
Other Central Sector Expenditure	175.54	132.37	134.82	2%
8. Transfer to States	73.7	2.17	1.33	-39%
Others				
North Eastern Areas	0	5.47	5.15	
Central Institute of Plastic Engineering and Technology	96.3	102.34	100.24	
Institute of Pesticides Formulation Technology (IPFT)	4.5	5.5	5.5	
Scheme of Petro	22.85	45.56	42.85	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**Customs duty on certain critical chemicals namely methanol, acetic acid and heavy feed stocks for petroleum refining are being reduced, while duty is being raised on sodium cyanide for which adequate domestic capacity exists.**	Removal of exemption on items that are or can be manufactured in India and providing concessional duties on the raw material that go into the manufacturing of intermediate products will go a step forward in achieving our objective of 'Make in India' and 'Atmanirbhar Bharat'. **Impact:** Positive The Basic Customs Duties on Methanol and Acetic Acid have been reduced by 2.5%. These two Chemicals are important raw materials for the Chemical industry and India is heavily dependent on imports. The reduction in BCD will make Indian manufacturers competitive especially in Acetyls Value Chain. **Change in BCD:** ● Methanol from 5% to 2.5% ● Acetic Acid from 7.5% to 5%
2	**4 pilot projects for coal gasification and conversion of coal into chemicals required for industry will be set up to evolve technical and financial viability**	This will help in transition to carbon neutral economy

Overall Assessment of Budget for Sector's Growth and Development

- Review of customs exemptions and tariff simplification: The comprehensive review will simplify the Customs rate and tariff structure particularly for sectors like chemicals and minimize disputes. Removal of exemption on items which are or can be manufactured in India and providing concessional duties on raw material that go into manufacturing of intermediate products will go a step forward in achieving our objective of 'Make in India' and 'Atmanirbhar Bharat'.

- Four pilot projects for coal gasification and conversion of coal into chemicals required for industry will be set up to evolve technical and financial viability. This will have a positive impact

- This is a step taken in relation to the Government's earlier commitment to achieve 100 million tonnes (MT) coal gasification by 2030. Coal gasification will help to harness the nation's reserves for maximum utilization while heading on the path towards energy sustainability. Syn Gas produced from coal gasification can be utilized for the generation of power, producing Synthetic Natural Gas (SNG), energy fuel (methanol and ethanol), production of urea for fertilizers and production of chemicals such as Acetic Acid, Methyl Acetate, Acetic Anhydride, DME, Ethylene and Propylene, Oxo chemicals and Poly Olefins.

Civil Aviation

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	Change (FY23 over FY22
Overall for the Sector / Ministry	4088.57	72652	10667	-86
Outlays for key sectoral schemes				
A. Establishment Expenditure of the Centre	329.38	538.35	589.02	9.40%
B. Central Sector Schemes/Projects	3693.58	3391.31	9899.95	192%
C. Other Central Sector Expenditure	65.61	68722.34	178.03	-99.70%
Allocation Under the Object Head Grants for Creation of Capital Assets				
Allocation for North-Eastern Areas		93.99	128.77	37%
Budget Provision Under 'GRANTS-IN-AID-SALARIES'				
Airport Economic Regulatory Authority	4.48	6	5	-16.60%
National Aviation University	1.55	2	2	
1. Autonomous Bodies				
National Aviation University		7.33	8.01	9.27%
Airports Economic Regulatory Authority		24	20	-16.60%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**The reduction of Import duty in Helicopter sector from 10% to 2.5%**	Both civil & military helicopters will be benefitted. It will help tourism, mining, corporate travel, air ambulance, homeland security and air charter, etc.

Other Key Announcements

1. Air India Asset Holding Limited (AIAHL) under M/o Civil Aviation was permitted to raise EBRs by issuing Govt. Fully Serviced Bonds of upto Rs 7,000 crore in FY 2019-20 to refinance AIs debt transferred to AIAHL.

2. One hundred PM GatiShakti Cargo Terminals for multimodal logistics facilities will be developed during the next three years.

3. Import duty on ATF oil has been reduced from 10% to 5%.

4. Use of 'Kisan Drones' will be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients.

Corporate Laws

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	652.58	659.75	733.02	- 11.1 %
Outlays for Central Sector Schemes/Projects	4.59	5.46	6.18	-13.18 %
Other Central Sector Expenditure: Insolvency & Bankruptcy Board of India (IBBI)	26.58	28	58.02	-107.21 %
Competition Commission of India (CCI)	47.64	46	46	No change

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Launch of next phase of ease of doing business (EODB 2.0) and Ease of Living** - Over 25,000 compliances have been reduced and 1486 Union laws have been repealed. - Focus on digitisation of manual processes and interventions, integration of the central and state-level systems through IT bridges, a single point access for all citizen-centric services, standardization and removal of overlapping compliances. - Crowdsourcing of suggestions and ground level assessment of the impact with active involvement of citizens and businesses will be encouraged. - Government will follow the idea of 'trust-based governance'.	These governance measures would significantly contribute in achieving the Government's avowed objective of Ease of Living while instilling a great degree of faith and trust between the corporate sector and the administration, thereby promoting entrepreneurship in the country.
2	**Amendments in the Insolvency and Bankruptcy Code, 2016** Amendments will be carried out in IBC to enhance efficiency of resolution process and facilitate cross-border insolvency resolution.	Cross border insolvency resolution framework would be a welcome step for foreign creditors, wherein the insolvency proceedings against the corporate debtor in a foreign jurisdiction would be recognized under IBC and vice versa. Indian creditors and investors lending or investing aboard will also benefit from a clearly defined resolution mechanism. Based on the MCA Circular dated 23.12.2021, the proposed amendments include a framework for enabling swift admission process, streamlining avoidable transactions and wrongful trading, timely approval of resolution plans, ease in approval

		process for voluntary liquidation of companies and Code of Conduct for the CoC. These measures would facilitate investments in distressed assets and will also ensure optimal value realization of those assets.
3	**Speedy corporate exit** The Centre for Processing Accelerated Corporate Exit (C-PACE) to be established to facilitate and speed up the voluntary winding-up of these companies from the current 2 years to less than 6 months.	This is a welcome move and the proposal to speed up the exit process would ensure release of resources for more efficient purposes – one of the important pillars of economic freedom.

Overall Assessment of Budget for Sector's Growth and Development

FICCI applauds Government's proposal to introduce the next set of Ease of Doing Business and Ease of Living reforms in India. A comprehensive review of all statutes by the Government over the last couple of years has led to reduction of over 25,000 compliances, repeal of 1486 Union laws and decriminalisation of administrative offences. In doing so, the Government has demonstrated its commitment for promoting ease of doing business for domestic and global investors.

The exercise has further enhanced India's image as an attractive investment destination, which would only get strengthened further with adoption of a trust-based approach towards compliance. Creation of an environment of transparency and fairness would also give fillip to entrepreneurship.

The proposed amendments to the IBC framework are also welcome developments. The modifications to the corporate insolvency resolution process under IBC would make the resolution framework more robust, enabling effective resolution of stressed assets. Emphasis on cross border insolvency resolution and setting up of C-PACE for providing speedy exit to companies are hugely positive proposals.

Defence

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Capital Outlay on Defence Services	134304.92	138850.90	152369.61	9.74%
Army	26285.43	25377.09	32015.26	26.16%
Navy	41666.76	46021.54	47590.99	3.41%
Air Force	58137.53	51830.93	55586.65	7.25%
Technology Development - Assistance for prototype development under Make procedure				
Projects of the Army	35.50	NIL	100	N/A
Projects of the Air Force	70.42	1383.84	1264.90	-8.59%
Investment in Public Enterprises		1643	1310	-20.27%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Budget for FY 2022-23 has earmarked an increased share of Capital Procurement Budget for procurement from indigenous industry to 68% from 58%.	Higher allocation for domestic capital acquisition will provide impetus to manufacturing base.
2	Defence R&D will be opened up for industry, startups and academia with 25 per cent of defence R&D budget earmarked.	Focus on R&D allows headroom to private sector to innovate on product offerings and mitigates risks related to inhouse development over ToT and build to print/Build to Spec model

Overall Assessment of Budget for Sector's Growth and Development

- There has been significant 9.74% increase in Capital Budget Allocation for the Year 2022-23 over R.E 2021-22 as compared to 0.41% increase last year.
- Decision to earmark 25 per cent of defence R&D budget for industry, startups and academia has been received positively by the industry.

Drones

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**The Productivity Linked Incentive in 14 sectors for achieving the vision of AtmaNirbhar Bharat has received excellent response, with potential to create 60 lakh new jobs, and an additional production of INR 30 lakh crore during next 5 years.**	PLI Scheme will give a fillip to manufacturing of drones and related components systems & sub-systems in India. The total cumulative manufacturing potential of drones is estimated to reach INR 32,640 Cr by 2025 and 1,80,000 Cr by 2030.
2.	**Use of 'Kisan Drones' will be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients.**	This will enable drone manufactures and agri services & solution providers to help farmers with applications like crop monitoring, assessment, health analyses and then spraying of insecticides and nutrients. This will not only help farmers with ease in agriculture / farming but also support planned and precision farming with systematic data analyses.
3.	**Startups will be promoted to facilitate 'Drone Shakti' through varied applications and for Drone-As-A-Service (DrAAS). In select ITIs, in all states, the required courses for skilling, will be started.**	A number of drone Startups in India are keen to provide sector / utility specific solutions and services using drone as carrier. DrAAS will encourage startups in coming up with innovative IT solutions and help skilling young minds.
4.	**Land Records Management: Efficient use of land resources is a strong imperative. States will be encouraged to adopt Unique Land Parcel Identification Number to facilitate IT-based management of records. The facility for transliteration of land records across any of the Schedule VIII languages will also be rolled out.**	Drone is the key technology to collect accurate digital land parcel data across India. SWAMITVA scheme has been leveraging drone-based mapping to generate digital land titles. Transliteration of land records into Indian languages will help a larger population to be benefitted with it and increase demand for drone and drone-based applications.
5.	**Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems have immense potential to assist sustainable development at scale and modernize the country. They provide employment opportunities for youth, and make Indian industry more efficient and competitive.** **Supportive policies, light-touch regulations, facilitative actions to build domestic capacities, and promotion of research & development will guide the government's approach. For R&D in these sunrise opportunities, in addition to efforts of collaboration among academia, industry and public institutions, government contribution will be provided.**	Drones is one the emerging sectors which could translate its potential to generate employment, skilled workforce and IP with supportive policies and initiatives. This will help in leading towards making India a drone manufacturing hub.

6.	**Venture Capital and Private Equity Investment: Venture Capital and Private Equity invested more than INR 5.5 lakh crore last year facilitating one of the largest start-up and growth ecosystem. Scaling up this investment requires a holistic examination of regulatory and other frictions. An expert committee will be set up to examine and suggest appropriate measures.** **Government backed Funds NIIF and SIDBI Fund of Funds have provided scale capital creating a multiplier effect. For encouraging important sunrise sectors such as Climate Action, Deep-Tech, Digital Economy, Pharma and Agri-Tech, the government will promote thematic funds for blended finance with the government share being limited to 20 per cent and the funds being managed by private fund managers.**	Drone industry largely comprises of startups and small & medium size companies which look for investment to innovate, enhance manufacturing capacity to meet demand. Easy funding mechanism will help them grow faster.

Overall Assessment of Budget for Sector's Growth and Development

Drone sector is quite encouraged with various initiatives and schemes announcements in Union Budget 2022-23 which intends to enhance drone adoption, R&D, support startups and indigenized manufacturing.

Govt support and encouragement for drone manufacturing and usage will also help some of the key beneficiary sectors like agriculture, healthcare, defence, homeland security, mining, transport, logistics, tourism, entertainment etc. to grow and provide better services to stakeholders.

Growth of the sector will also generate skilled and highly skilled employment and intellectual property for the country in addition to support economy and development.

Education

Budget Outlay for School Education Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	51841.64	51969.95	63449.37	22.08%
Outlays for key sectoral schemes				
National Award to Teachers	0.68	1.00	5.00	400%
National Means cum Merit Scholarship Scheme	321.11	284.20	350.00	23.15%
Pradhan Mantri Innovative Learning Programme (DHRUV)	--	1.00	3.26	226%
Kendriya Vidyalaya Sangathan (KVS)	6436.00	6800.00	7650.00	12.5%
Navodaya Vidyalaya Samiti (NVS)	3478.387	3740.00	4115.00	10%
National Council of Educational Research and Training (NCERT)	388.42	452.00	510.00	12.8%
National Education Mission (Samagra Shiksha, Teachers Training and Adult Education)	27923.22	30002.75	37510.36	25%
Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)			10233.75	Earlier the same budget was allotted under Mid Day Meal Program
ASPIRE (Accelerating State Education Program to Improve Results)			600.00	A new program added
Exemplar			1800.00	A new scheme
Strengthening Teaching-Learning and Results for States (STARS)	91.77	340.00	550.00	61.76%

Budget Outlay for Higher Education Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector	32377.76	36031.57	40828.35	13.3%
Outlays for key sectoral schemes				
World Class Institutions	1016.3	1200	1700	41.6%
Scholarships for College and University Students	166.1	207.32	252.85	21.9%
Digital India e-learning (including NMeICT, MOOCS, NAD, ABC, PM e-Vidya)	279.5	367.5	421.01	14.5%
Research and Innovation (Including SPARC, IMPRINT, IMPRESS, STARS, MERITE)	213.87	144.41	218.66	51.4%
Program for Apprenticeship Training	175	150	500	233%
Study In India	19.59	25	25	0%

Champion Services - Education services-Internationalization of Higher Education	87.21	160	200	25%
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	165.2	793.2	2042.95	157.55%
Grants to Central Universities	8367.59	8837.76	9420	6.5%
Support to Indian Institutes of Technology (IITs)	6680.58	8344.84	8495	1.79%
Support of Indian Institutes of Management (IIMs)	465.22	651	653.92	0.44%
Support to NITs and IIEST	3252.45	3699.37	4364	17.9%
Support to IISERs	992.96	1121	1379.53	23%
Support to Institutes of Information Technology (IIITs)	339.18	407.52	542.52	33.1%

Key Budget Announcements for School Education and Implications

	Budget Announcement	Likely Implication
1	**'One class-one TV channel' programme 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 1-12.**	• Will bridge digital divide and minimise learning loss • Broadcasting learning content in regional languages will maximise learning outcomes especially in areas where there is high drop-out rates
2	**In vocational courses, to promote crucial critical thinking skills, to give space for creativity, 750 virtual labs in science and mathematics, and 75 skilling e-labs for simulated learning environment, will be set-up in 2022-23.**	• Provide remote-access to simulation-based Labs in various disciplines of STEM Education and allow them to learn at their own pace • Will enthuse students to conduct experiments in an immersive and safe environment and foster scientific temperament and critical thinking skills • This will provide an alternative for learning opportunities at educational institutions that lack resources/laboratories for practical lessons • This creates an opportunity to provide complete Learning Management System around Virtual Labs where the students/ teachers can avail various tools for learning, including additional web-resources, video-lectures, animated demonstrations and self-evaluation
3	**High-quality e-content in all spoken languages will be developed for delivery via internet, mobile phones, TV and radio through Digital Teachers** **A competitive mechanism for development of quality e-content by the teachers will be set-up to empower and equip them with digital tools of teaching and facilitate better learning outcomes**	• Build resilient mechanism for education delivery in an era of hybrid learning • Content in regional languages will result in better learning outcomes in students • Build teachers' capacity and competency to create new innovative learning experiences for students using digital tools
4	**Saksham Anganwadis are a new generation anganwadis that have better**	• Provide a conducive environment for early childhood care and education

	infrastructure and audiovisual aids, powered by clean energy and providing improved environment for early child development. Two lakh anganwadis will be upgraded under the Scheme	• Create an opportunity to design and put in place a meaningful activity-based ECCE framework that caters to the child's social, emotional, cognitive and physical needs, which in turn provides a solid foundation for lifelong learning and well-being

Key Budget Announcements for Higher Education and Implications

	Budget Announcement	Likely Implication
1	**A Digital University to be established to provide access to students across the country for world-class quality universal education with personalised learning experience at their doorsteps. This will be made available in different Indian languages and ICT formats. The University will be built on a networked hub-spoke model, with the hub building cutting edge ICT expertise. The best public universities and institutions in the country will collaborate as a network of hub-spokes**	This is a good step forward and much required towards achieving universal personalized learning. However, it will defy the spirit of universal learning if private universities/HEIs are not made part of the Hub and spoke network. It is important that government allows the top quality private HEIs be part of the process.
2	**World-class foreign universities and institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics free from domestic regulations, except those by IFSCA to facilitate availability of high-end human resources for financial services and technology**	This is a welcome move towards promoting internationalization and would enable Indian universities/ HEIs to upgrade their courses too. However, the government must also come up the legislative framework for allowing foreign universities in India as highlighted in NEP 2020.
3	**For developing India specific knowledge in urban planning and design, and to deliver certified training in these areas, up to five existing academic institutions in different regions will be designated as centres of excellence. These centres will be provided endowment funds of ` 250 crore each. In addition, AICTE will take the lead to improve syllabi, quality and access of urban planning courses in other institutions.**	Smart cities through urban planning and development is one of the focus areas of the government and an imperative for 21st century living. Making Universities/HEIs as Centres of Excellence (CoE) to promote this is indeed a welcome move. However, govt should ensure that private universities are also made part of the CoEs
4	**Supportive policies, light-touch regulations, facilitative actions to build domestic capacities, and promotion of research & development will guide the government's approach. For R&D in these sunrise opportunities, in addition to efforts of collaboration among academia, industry and public institutions, government contribution will be provided.**	Government support through public research grants for promoting R & D will certainly instil the much need conviction and excitement within academic institutions and industry. It is being assumed that these grants will be based on competitive merit and open to both public and private institutions.
5	**Defence R&D will be opened up for industry, startups and academia with 25 per cent of defence R&D budget earmarked.**	Engaging academic institutions in developing products for the Defence sector through R & D will go a long way in ensuring true "Atmanirbharta" (self-reliance). Leading private universities should also be eligible to participate in this initiative.

Overall Assessment of Budget for Sector's Growth and Development

School Education

The BE for School Education for FY2022-23 is Rs 63449.37 crores (increase of 22% from the RE of Rs 51969.95 crores of FY 2021-22). We welcome a substantial increase in budgets for several of the centrally sponsored schemes that aim at providing universal access to quality education. Substantial budgets have been allocated for creating centers of excellence and building capacities of teachers through the newly added schemes – Exemplar and ASPIRE. Further the decision to expand the PM e-VIDYA scheme to 200 TV channels and to also develop high quality e-content in all spoken languages will benefit the students of grades I to XII who suffered learning loss due to the closure of schools during the Covid-19 pandemic.

Higher Education

The BE for Higher Education for FY2022-23 is Rs 40,828 crores (increase of 13% from the RE of INR 36031 crores of FY 2021-22). The combined outlay for Central universities, IITs, IIITs, IISERs, NITs and IIMs constitute (61%) of the total sectoral budget .However, this year's budget has not seen the allocation of funds for the National Research Foundation (NRF) that was announced last year based on NEP 2020.

It is unequivocally felt amongst stakeholders that it is time to leapfrog and augment research ecosystem in the country at an accelerated pace. A quantum increase in research funds through NRF (as announced in last years' budget) is the need of the hour. Internationalization of higher education is another critical area which needs utmost attention. Modest fund allocation of INR 25 cores for 'Study in India' and INR 200 crores for Champion services sectors would not serve much purpose and hence needs to be substantially increased.

The government, in its given constraint, should look at prioritizing its funds allocation and distribute it more optimally under various significant schemes and initiatives. As highlighted above, the routine increase of fund allocation to Central institutions (which is quite substantial in most of the cases) needs to be looked into and a significant amount of funds should be allocated for various schemes under NEP implementation.

An increase of 233% (Rs 500 crores) to promote Apprenticeship in a welcome step that will not only facilitate employability but also lead to developing an ecosystem of entrepreneurship in the country going forward.

Electronics

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall outlay for the Sector / Ministry	5396.30	9581.25	14300	49.25%
Outlays for key sectoral schemes				
PLI for Large Scale Electronics and IT Hardware	-	-	5300	-
Promotion of Electronics and IT HW Manufacturing (MSIPS, EDF and Manufacturing Clusters)	478.62	20s14	2403	19.32%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**A scheme for design-led manufacturing will be launched to build a strong ecosystem for 5G as part of the Production Linked Incentive Scheme.**	This will enable self-reliance for the 5G infrastructure in the country and help in building a robust supply chain
2	**Allocation of additsional Rs 19,500 crore for Production Linked Incentive for manufacture of high efficiency solar modules**	It will help in achieving the ambitious goal of domestic manufacturing of 280 GW of installed solar capacity by 2030 and also develop ancillary industry
3	**Incentives for newly incorporated manufacturing entities under concessional tax regime (15%) under section 115BAB of IT Act**	To establish a globally competitive business environment for certain domestic companies, a concessional tax regime of 15 per cent tax was introduced for newly incorporated domestic manufacturing companies. The deadline for the same has been extended from 31st March, 2023 to 31st March, 2024, by one year
4	**BCD rate on camera lens for use in manufacture of camera module of cellular mobile phone (tariff item 3920 99 99/ 9002 11 00) is being decreased from 15%/ 10% to 2.5% by amending S. No. 6B of notification No. 57/2017**	It will help the domestic manufacturers of mobile phones and cameras lower their Bill of Material (BOM) and hence bring more competitiveness to them.
5	**Notification No.11/2022-Customs has been issued which prescribes a Phased Manufacturing Program (PMP) for wrist wearable devices (commonly known as smart watches), falling under tariff item 8517 62 90, and its inputs/ parts / sub-parts.** **Also, with effect from 1st April 2022, the BCD rates on hearable devices and inputs/ parts/ subparts thereof, will be governed as per the phased manufacturing program (PMP)**	PMP to help developing domestic manufacturing capacity for wearable and hearable and develop supply chain of electronics in the country. This Will reduce import dependence.

6	**With effect from 1st April 2022, the BCD rates on Smart Meters and inputs/ parts/ subparts thereof, will be governed as per the phased manufacturing program (PMP)**	PMP will help developing domestic manufacturing capacity for these products whose demand is also on the rise in the country. This will reduce import dependence.

Overall Assessment of Budget for Sector's Growth and Development

The budget has provided overall thrust to encourage domestic manufacturing of electronics by introducing PMP for several areas namely hearables, wearables and Smart Meters. Coupled with the Production Linked Incentive (PLI) Schemes of electronics and other schemes to promote clusters and R&D, this will help in developing component supply chain and increase value addition in the country. It will further reduce our dependence on imports.

Electric Vehicles

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	866.90	1181.00	3306.00	179.93%
Outlays for key sectoral schemes				
Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India - (FAME - India)	318.35	800.00	2908.28	263.54%
Development Council for Automobile and Allied Industries	13.51	22.00	28.62	27.27%
Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components	-	3.50	3.00	-14.29%
Production Linked Incentive (PLI) Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage	-	0.50	3.00	500%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Battery Swapping Policy and inter-operability standards**	This was a key demand of FICCI EV Committee This will immensely benefit two/three-wheeler EV segments and push their demand by making it cheaper to adopt these vehicles. It will be a major boost for adoption of EVs. In Battery Swapping, a fully charged lithium-ion battery replaces a depleted one at a swapping station in a few minutes which reduces the time to charge electric vehicles. There are many benefits of this model for 2/3 wheelers especially as battery is one of the major cost components for EV.
2	**Special mobility zones with zero fossil-fuel policy and EV**	This will promote a shift to use of EV vehicles in private and public transport space in urban areas.
3	**Allocation for FAME Scheme has been increased to 263.54%**	This is a major boost for stimulating demand and expanding consumption of Vehicles across the country.
5	**A concessional tax regime of 15 per cent tax for newly incorporated domestic manufacturing companies to extend the last date for commencement of manufacturing or production under section 115BAB by one year i.e. from 31st March, 2023 to 31st March, 2024.**	This will enable new companies comping up in this upcoming technologies to provide more and more efficient solutions

Overall Assessment of Budget for Sector's Growth and Development

EV industry was affected due to Covid in the last two year. However, due to timely interventions by the Government like PLI schemes and announcements made for the EVs, budget 2022 has provided confidence to the industry. The budget provides a special focus on encouraging electric mobility in the country by announcing several initiatives.

The range anxiety problem and constraints of space for charging stations at scale which are few of the hindrances in a mass-level switch from internal combustion engine-based vehicles to electric vehicles is being addressed by introducing measures like battery swapping policy which FICCI has been suggesting to the government in the past. The private sector will be encouraged to develop sustainable and innovative business models for 'Battery or Energy as a Service'. This will improve efficiency in the EV ecosystem.

To promote a shift to use of public transport in urban areas government plans to come up with special mobility zones with zero fossil-fuel policy. The announcement also focused on encouraging the private sector to create sustainable and innovative business models for battery and energy as a service for improving the efficiency of the EV ecosystem. Electric vehicles are the future, and government policies are playing a great role in ramping up adoption of EVs in India.

Environment & Climate Change

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (FY22 over FY21)
Overall for the Sector / Ministry	1966.92	2520.00	3030.00	20.2%
Outlays for key sectoral schemes				
Scheme A **(Pollution Abatement)**	5.45	0	0	No allocation
Scheme B **(Hazardous Substances Management (HSM))**	3.30	6.00	4.50	25%
sScheme C **(Control of Pollution)**	267.41	390	460	17.9%
Scheme D **(Climate Change Action Plan)**	20.40	30.00	30.00	0% (No change)
Scheme E **(National Adaptation Fund)**	43.08	60.00	60.00	0% (No change)

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Green Clearances** **A single window portal, PARIVESH, for all green clearances was launched in 2018. It has been instrumental in reducing the time required for approvals significantly. The scope of this portal will now be expanded, to provide information to the applicants. Based on location of units, information about specific approvals will be provided. It will enable application for all four approvals through a single form and tracking of the process through Centralized Processing Centre-Green (CPC-Green).**	These measures would significantly contribute towards ease of compliance.
2	**PM Gatishakti focuses on seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure and powered by Clean Energy**	Development of transport infrastructure projects powered by clean energy will lead to low-carbon and sustainable development and aid in reducing emissions from the sector.
3	**The data exchange among all mode operators will be brought on Unified Logistics Interface Platform (ULIP), designed for Application Programming Interface (API). This will provide for efficient movement of goods through different modes, reducing logistics cost and time, assisting just-in-time inventory management, and in eliminating tedious documentation.**	FICCI through its Roadmap for development of Low Carbon & Sustainable Mobility in India has been advocating for a National Single Window for all logistics modes, which enables a seamless data flow between various stakeholders through a common interface, and enables them to determine the combination of modes and routes that make the most cost-effective and efficient transportation path for their goods.
4	**Promote a shift to use of public transport in urban areas. This will be complemented by**	FICCI has been advocating extending incentives to public transport and limit usage of private vehicles

	clean tech and governance solutions, special mobility zones with zero fossil-fuel policy, and EV vehicles.	to ensure lesser emissions and cleaner air in large cities.
5	**Battery Swapping Policy** **A battery swapping policy will be brought out and inter-operability standards will be formulated. The private sector will be encouraged to develop sustainable and innovative business models for 'Battery or Energy as a Service'. This will improve efficiency in the EV eco-system.**	The policy will provide a boost to the sunrise electric vehicles sector and increase penetration of electric vehicles. The policy will be key to the development of sustainable mobility ecosystem in the country. This will help in resource management and efficient waste management.
6	**Sovereign Green Bonds will be issued for mobilising investments in public sector projects that reduce carbon intensity of economy in FY23.** **The government will promote thematic funds for blended finance for important sunrise sectors such as Climate Action with the government share being limited to 20 per cent and the funds being managed by private fund managers.**	This measure will start creation of a virtuous cycle of low carbon infrastructure projects in the country in alignment with the country's sustainable development goals as well as towards country's path to net zero emissions by 2070. Such measures will also enable creation of jobs in these sectors.
7	**Circular Economy** **The Circular Economy transition is expected to help in productivity enhancement as well as creating large opportunities for new businesses and jobs. The action plans for ten sectors such as electronic waste, end-of-life vehicles, used oil waste, and toxic & hazardous industrial waste are ready. The focus now will be on addressing important cross cutting issues of infrastructure, reverse logistics, technology upgradation and integration with informal sector. This will be supported by active public policies covering regulations, extended producers' responsibilities framework and innovation facilitation.**	This will encourage waste management and will lead to changed focus towards sustainable consumption and production.
8	**Transition to Carbon Neutral Economy** • **Five to seven per cent biomass pellets will be co-fired in thermal power plants resulting in CO2 savings of 38 MMT annually. This will also provide extra income to farmers and job opportunities to locals and help avoid stubble burning in agriculture fields.** • **The policies and required legislative changes to promote agro forestry and private forestry will be brought in. In**	This will provide extra income to farmers and job opportunities to locals and will also combat the problem of air pollution.

	addition, financial support will be provided to farmers belonging to Scheduled Castes and Scheduled Tribes, who want to take up agro forestry.	
9	**Tariff measure to encourage blending of fuel** **Blending of fuel is a priority of this Government. To encourage the efforts for blending of fuel, unblended fuel shall attract an additional differential excise duty of ` 2/ litre from the 1st day of October 2022.**	This measure will help improve the air quality by reducing evaporative emissions in the atmosphere.

Overall Assessment of Budget for Sector's Growth and Development

- Making Energy Transition and Climate Action as a priority focus is a welcome step. Government's strong intent to align growth and investment with sustainable development is outlined by measures to combat pollution through various budgetary allocations and regulatory guidelines.
- The measures related to clean and sustainable mobility had been part of the recommendations made by FICCI as part of "India Roadmap on Low Carbon and Sustainable Mobility (Decarbonisation of Indian Transport Sector)."
- Further, extending measures such as including energy storage in harmonized list of infrastructure will enable easier and cheaper access to finance to energy storage system developers. This step will increase the viability of energy storage systems and would increase the number of installations in the country.
- The announcement of Sovereign Green Bonds (SGBs) as well as providing blended finance for sectors such as Climate Action will create further interest for sustainable finance products. Although the SGBs will be used for investments in low-carbon public sector projects only, it will be a useful case study for financial institutions in private sector which are looking at sustainable finance products for low-carbon and green projects.

External Trade & Logistics

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry - **Department of Commerce**	3155.97	7421.00	6073.00	(-)18.16%
Outlays for key sectoral schemes				
Interest Equalisation Scheme	1667.00	3151.15	2621.50	(-)16.81%
Investment in ECGC (Export Credit Guarantee Corporation)	390	760.00	400.00	(-)47.37%
Champion Service Sector Scheme on Transportation and Logistics	--	--	0.01	
Overall for the Sector / Ministry – **Ministry of Finance**	7380.12	74938.49	41138.67	(-)45.10%
Remission of Duties and Taxes on Exported Products (RoDTEP)		12454.00	13699.40	10%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**PM GatiShakti National Master Plan** **The 25,000 km of new highways, 100 new cargo terminals and commissioning of expressways as part of the PM GatiShakti master plan** **The first-ever outlay of Rs 20,000 crore for the master plan has been allocated in this budget**	It will provide a boost to multi-modal connectivity and help reduce the cost of logistics
2	**The focus on public-private partnerships for development of multimodal logistics parks**	It will help to build modern infrastructure

Overall Assessment of Budget for Sector's Growth and Development

Overall, this is a balanced budget with focus on ease of doing business, push on large capital expenditures to develop world class infrastructure, push towards a digital economy, and encourage job creation and entrepreneurial opportunities for all. This will further strengthen the investment sentiment, attract more foreign investments into the country, and keep the growth engine running in both the short and long term.

Financial Services

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Department of Financial Services (Gross)	48939.16	82305.87	7174.77	
Investment in Public Enterprises-				
• National Bank for Agriculture and Rural Development	1000.00	2000.00	500	-75%
• Recapitalization of Public Sector Banks	20000.00	15000.00	0.01	NA
• Export Import Bank of India	1300.00	750	1500.00	100%
• Recapitalization of Regional Rural Bank	200.00	4084.00	1361.00	-67%
Outlays for key sectoral schemes related to DFS				
Interest Subsidy for Short Term Credit to Farmers	17789.72	18142.30	--	NA
Crop Insurance Scheme	14161.48	15989.39	15500.00	-3%
Promotion of Digital payment	523.48	1500.00	200.00	-87%
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	60989.90	67500.00	68000.00	1%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Reserve Bank of India will use block-chain and other technology to bring out a digital currency in the coming financial year 2022-23.**	The launch of digital Rupee, central bank digital currency (cbdc) in India has huge implications for finance overall and underscores India's pre-eminence in digitised finance. It is likely to contribute to a more resilient, innovative, and competitive payment system for households, businesses and the economy at large.
2	**ECLGS will be extended up to March 2023 and its guarantee cover will be expanded by Rs 50,000 crore to total cover of Rs 5 lakh crore, with the**	Extension of the ECLGS for another year will help improve competitiveness and create an enabling business environment for MSMEs and would benefit lending to the MSME sector.

	additional amount being earmarked exclusively for the hospitality and related enterprises.	
3	**Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme will be revamped with required infusion of funds**	This will facilitate additional credit of Rs 2 lakh crore for Micro and Small Enterprises and expand employment opportunities.
4	**100 per cent of 1.5 lakh post offices will come on the core banking system**	Post office account holders will now be able to access their accounts using digital channels and transfer funds between post office accounts and bank accounts. This will be helpful, especially for farmers and senior citizens in rural areas, enabling interoperability and financial inclusion
5	**Scheduled Commercial Banks to set up 75 Digital Banking Units in 75 districts**	Government is continuously encouraging digital banking and fintech sectors. Digital channels help in proliferation of banking services at low cost. Opening of digital banks would also encourage uptake of digital banking products.
6	**Necessary amendments in the Insolvency and Bankruptcy Code (IBC) will be carried out to enhance the efficacy of the resolution process and facilitate cross border insolvency resolution.**	IBC has significantly changed the insolvency landscape over the past few years and improved recovery rates for lenders. Further changes to the code will make IBC more effective. It will be beneficial for the banks and NBFCs.
7	**The financial support for digital payment ecosystem announced in the previous Budget will continue in 2022-23.**	Digital payments have grown significantly in India. This will encourage further adoption of digital payments. There will also be a focus to promote use of payment platforms that are economical and user friendly.
8	**World-class foreign universities and institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics.**	This will facilitate availability of high-end human resources for financial services and technology.

Overall Assessment of Budget for Sector’s Growth and Development

The Union Budget for the year 2022-23 is progressive for the financial services sector and touches upon all the key segments i.e. the banks, NBFCs and fintechs. There is a strong impetus of digital banking, digital payments and financial inclusion.

The finance minister announced that Digital Rupee, Central Bank Digital Currency (CBDC) using blockchain and other technologies, will be issued by the Reserve Bank of India starting 2022-23. This will give a big boost to the Digital finance and digital economy. Digital currency will also lead to a more efficient and cheaper currency management system. It is likely to contribute to a more robust, innovative, and inexpensive payment system for households, businesses and the economy at large.

The announcement to set up 75 Digital Banking Units in 75 districts by Scheduled Commercial Banks is another attempt by the government to promote digital banking. This is a welcome step. Setting up of digital banks would help banks reach customers in cost effective manner. The announcement to onboard 100 per cent of 1.5 lakh post offices on the core banking system will now allow post office account holders to access their accounts using digital channels and transfer funds between post office accounts and bank accounts. This will be helpful, especially for farmers and senior citizens in rural areas, enabling interoperability and financial inclusion.

India has emerged as top destination for fintech funding. Allowing World-class foreign universities and institutions in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics will boost skill in areas such as AI, Insurtech and enhance human capital for fintech industry.

There has been a manifold increase in digital payments in the recent past. The financial support for digital payment ecosystem announced in the previous Budget will continue in 2022-23. The continuation of budgetary support would further boost adoption of digital payments and enable transition of India to the less cash society.

FICCI had sought extension of ECLGS by a year and the announcement in the budget to extend the scheme till March 2023 is a welcome step and it will help improve competitiveness and create an enabling business environment for MSMEs and would benefit lending to the MSME sector. The announcement of the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme will be revamped with required infusion of funds will facilitate additional credit of ` 2 lakh crore for Micro and Small Enterprises.

The announcement to carry out necessary amendments in the Insolvency and Bankruptcy Code (IBC) to enhance the efficacy of the resolution process is progressive. While the IBC has significantly changed the insolvency landscape over the past few years and improved recovery rates for lenders. There were a few lacunae causing delays. Changes to the code will make IBC more effective. It will be beneficial for the lenders.

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Existing tax benefits** for **start-ups** which were offered redemption of taxes for 3 consecutive years, to be extended by 1 more year till **Mar 2023**	It will help start-ups in maintaining the cash flow and hence incubate growth.
2	**One Nation, One Registration'** to be established for anywhere registration- facilitate ease of living & doing business.	It will help in ease of doing business
3	**Open platform for the National Digital Health Ecosystem** will be rolled out	It will enable health ecosystem and create avenues for business
4	**Data exchange** among **all-mode operators** to be brought on **Unified Logistics Interface Platform** (ULIP)	It will enhance supply chain efficiencies
5	**Increasing Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs**	It will help in mitigating the adverse impact of the pandemic for financially stressed MSMEs
6	**75 Digital Banking Units (DBUs) in 75 districts & Post Offices inclusion in core banking system**	Benefits of digital banking will reach every corner of the country and will also strengthen the payments infrastructure

Furniture

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**The policies and required legislative changes to promote agro forestry and private forestry will be brought in. In addition, financial support will be provided to farmers belonging to Scheduled Castes and Scheduled Tribes, who want to take up agro-forestry.**	There is limited availability of certified raw material in the furniture sector in India. Production of locally produced solid wood must be a precondition to enhance availability of timber to the industries. Policies and Legislative changes to promote agro forestry and private forestry will give a great boost to furniture sector. FICCI Furniture committee had shared recommendations with DPIIT on the importance of certified forest wood and agro forestry. FICCI had also recommended incentivizing farmers to adopt scientific management of plantations by adopting appropriate certification system.
2	**To incentivise exports, exemptions are being provided on items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes that may be needed by bonafide exporters of handicrafts, textiles and leather garments, leather footwear and other goods**	Cost of production will come down, will provide a boost to exporters

Gems and Jewellery

Budget Outlay for Sector (Rupees Crore)

	Budget Announcement	Likely Implications
1.	**Customs duty on Polished diamond and polished gemstones decreased from 7.5% to 5%**	This shall reduce the cost of business for the sector and will help exports and trade. India, a global leader in Diamond Processing, is not just a Hub for processing roughs, but also caters to varied forms of re processing of diamonds and diamond jewellery.
2.	**Nil duty on Sawn diamonds**	This is a positive decision and will help India to further strengthen its position as diamond service hub.
3.	**SEZ Act will be replaced with new legislation for the development of enterprise and hubs. It will cover the existing industrial enclaves and enhance the competitiveness of exports.**	Replacing the Special Economic Zone (SEZ) Act with new legislation would enable states to become partners in development of enterprise and service hubs and is a crucial and well-timed move. This will cover all the large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports. Reforms in customs administration of SEZs, making it fully IT driven and function on the Customs National Portal will considerably boost the ease of doing business by SEZs.
4.	**To facilitate export of jewellery through e-commerce simplified regulations will be in place by June 2022**	Facilitating export of jewellery through e-commerce will give easy access to local manufacturers to the global market and boost the Indian jewellery ecosystem
5.	**Custom duty on imitation jewellery at least 400 Rs/kg or 20% whichever is higher**	This will disincentivise the import of undervalued imitation jewellery.
6.	**ECGLS Scheme Extended upto March 2023 & overall outlay increased by Rs 50,000 crores**	Increase in ECGLS will help the rural economy and provide the requisite working capital relief by mitigating the adverse impact of the pandemic to the financially stressed MSMEs.
7.	**Surety bonds to be accepted in place of Bank guarantee**	This shall help the gold importers and in simplifying duty free gold availability especially to the SME exporters of gold jewellery and revive the export of plain gold jewellery.

Geospatial Technologies

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (FY22 over FY21)
Ministry of Science & Technology (Department of Science & Technology)				
Innovation, Technology Development and Deployment	629.93	700.63	812.52	15.98%
Ministry of Rural Development – Department of Land Resources				
Land Records Modernization Programme	225.14	250.00	239.25	-4.3%
Ministry of Mines				
Geological Survey of India Activities	420.34	513.87	492.56	-4.15%
Department of Space				
Space Applications	1170.42	1322.24	1482.80	12.15%
Ministry of Jal Shakti				
National Hydrology Project	134.44	412.00	800.00	94.17%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**A new scheme, Prime Minister's Development Initiative for North-East, PM-DevINE, will be implemented through the North-Eastern Council. It will fund infrastructure, in the spirit of PM GatiShakti, and social development projects based on felt needs of the North-East. This will enable livelihood activities for youth and women, filling the gaps in various sectors. It will not be a substitute for existing central or state schemes. While the central ministries may also pose their candidate projects, priority will be given to those posed by the states. An initial allocation of INR 1,500 crore will be made.**	There are enormous opportunities of development in Northeast region of India and geospatial could help with mapping social and infrastructure development with respect to demography in these states and planning developmental activities.
2.	**Vibrant Villages Programme: Border villages with sparse population, limited connectivity and infrastructure often get left out from the development gains. Such villages on the northern border will be covered under the new Vibrant Villages Programme. The activities will include construction of village infrastructure, housing, tourist centres, road connectivity, provisioning of decentralized renewable energy, direct to home access for Doordarshan and educational channels, and support for livelihood generation.**	Bharatnet is the backbone for ensuring digital connect with villages. Vibrant village programme would provide more opportunities for geospatial industry to increase its reach and usage in rural parts of the country.
3.	**Efficient use of land resources is a strong imperative. States will be encouraged to adopt Unique Land**	Digitalization of land records is one of the aeras which has been largely benefitted

	Parcel Identification Number to facilitate IT-based management of records. The facility for transliteration of land records across any of the Schedule VIII languages will also be rolled out.	with the power of geospatial technology. Transliteration of land records into Indian languages will help tech to penetrate further and increase adoption.
4.	**Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems have immense potential to assist sustainable development at scale and modernize the country. They provide employment opportunities for youth, and make Indian industry more efficient and competitive.** **Supportive policies, light-touch regulations, facilitative actions to build domestic capacities, and promotion of research & development will guide the government's approach. For R&D in these sunrise opportunities, in addition to efforts of collaboration among academia, industry and public institutions, government contribution will be provided.**	Geospatial tech is one the enabling technology which could translate its potential to generate employment, skilled workforce and IP with supportive policies and initiatives.

Overall Assessment of Budget for Sector's Growth and Development

Geospatial industry has lot of opportunities in various announcements of the Union Budget 2022-23. It has applications in various schemes announced in the budget including highways, railways, multi-model transport system, PM Gati Shakti mission, Urban planning, etc.

Each of these announcements will create opportunities for geospatial industry and grow the market bringing us closer to the goal of Rs. 1 lakh crore geospatial economy by 2030.

Healthcare

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (FY22 over FY21)
D/o Health & Family Welfare All Centrally Sponsored schemes	**77,569**	**82,920**	**83,000**	**0.10**
National Health Mission	37,080	34,447	37,000	7.41
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	2,680	3,199	6,412.00	100.44
Pardhan Mantri Swasthya Suraksha Yojana	6,839	7,400	10,000.00	35.14
National Digital Health Mission	30	75	200.00	166.67
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)		315	978.87	210.75
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)- to States		**585**	**4,176.00**	**613.85**
D/o Health Research	**3,124**	**3,080**	**3,200**	**3.90**
M/o AYUSH	**2,126**	**2,664**	**3,050**	**14.49**
TOTAL	**82,819**	**89,249**	**93,426**	**4.68**

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Ayushman Bharat Digital Mission** 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, consent framework, and universal access to health facilities.	This will help boost telemedicine, improve accessibility of healthcare in remote areas. Help enhance convenience for patients, since their medical records can be accessed with ease from anywhere. Security aspect needs to be taken care of.
2	**National Tele Mental Health Programme** The pandemic has accentuated mental health problems in people of all ages. To better the access to quality mental health counselling and care services, a 'National Tele Mental Health Programme' will be launched. This will include a network of 23 tele-mental health centres of excellence, with NIMHANS being the nodal centre and International Institute of Information Technology-Bangalore (IIITB) providing technology support.	This is a much needed step, since the pandemic has taken its toll on the mental health of people. Will encourage more people seek medical help for mental health issues and will help overall well- being of individuals.

3	**Aspirational Blocks Programme** Our vision to improve the quality of life of citizens in the most backward districts of the country through Aspirational Districts Programme has been translated into reality in a short span of time. 95 per cent of those 112 districts have made significant progress in key sectors such as health, nutrition, financial inclusion and basic infrastructure. They have surpassed the state average values. However, in those districts, some blocks continue to lag. In 2022-23, the programme will focus on such blocks in those districts**.**	Health has to be an important parameter as well as focus for all Aspirational Districts and especially the lagging Blocks.
4	**Tax relief to persons with disability** The parent or guardian of a differently abled person can take an insurance scheme for such person. The present law provides for deduction to the parent or guardian only if the lump sum payment or annuity is available to the differently abled person on the death of the subscriber i.e. parent or guardian. There could be situations where differently abled dependants may need payment of annuity or lump sum amount even during the lifetime of their parents/guardians. Thus allow the 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.	This is a positive step towards inclusion of persons with disability, and it will help provide relief to the parents/guardians in distress
4	**Customs exemptions** on certain medical devices and drugs and medicines for which sufficient domestic capacity exists	This will help domestic manufacturers and increase ease of doing business.
5	**Sunrise Opportunities** Inclusion of Artificial Intelligence, Genomics and Pharmaceuticals in Sunrise sectors, Green Energy, and Clean Mobility Systems have immense potential to assist sustainable development at scale and modernize the country. They provide employment opportunities for youth, and make Indian industry more efficient and competitive.	These are important developments as the enhanced focus on AI and Genomics will help us make our healthcare more personalized with transformation towards outcome-based care. Pharma is a crucial component of the health ecosystem and it is important to focus on the R&D and investment in the sector.

Overall Assessment of Budget for Sector's Growth and Development

Healthcare industry which has been battling COVID-19 pandemic since last 2 years was expecting more investment on public health. However, the very fact that Government has focused on digital healthcare shows that finally healthcare sector is being considered as the prerequisite to ensure economic well-being of the country.

India's growth is estimated to be at 9.27 percent and healthcare will play a major role in the boost. Economic Survey indicates Health spending has significantly increased to 2.1% of GDP. But this includes spending on Water, Sanitation and Nutrition as well. It is important to view the outlay purely for healthcare delivery schemes and initiatives, which have not seen any increase from last year's expenditure.

Given that Budget this year has focused on infrastructure and capita expenditure, the budget for Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)- under central and state heads, is a welcome move. This would help provide the much-needed specific focus on health infrastructure development in cities beyond metro, bringing in a long-term development of the sector. However, it is important to note that Healthcare Delivery organisations have a long gestation period and would need financial support for operational expenses like medical staff, equipment etc. in the initial years.

The decision to start an open platform for the National Digital Health Ecosystem is a welcome move. This is in line with the overall digitization of the economy, especially when coupled with enabling 5G services across the country.

The healthcare providers heartily welcome the Government's focus on mental health issues as this has set an alarm across age groups post the COVID pandemic. The announcement of launching the national tele mental health program which will include a network of 23 telemedicine mental health centers of excellence is a much appreciated move by the government.

Continued emphasis on maternal and child health programs including Saksham Anganwadi and Poshan 2.0, wherein 2 lakh anganwadis will be upgraded towards betterment of child health are welcome steps. Investments for skilling, upskilling, reskilling of youth through Digital Ecosystem for Skilling and Livelihood – the DESH-Stack eportal will go a long way in training and capacity building, but needs a better focus on healthcare skilling.

PM Gatishakti investments in infrastructure, logistics, energy and IT will likely be a boost to manufacturing in India and help reduce the manufacturing productivity deficit vs. neighbouring competitors. Tax incentives for start-ups and extension of tax benefits for the newly incorporated domestic manufacturing companies by an additional year. Fiscal solvency of the ecosystem in the near term: Extension of Emergency Credit Line Guarantee Scheme (ECLGS) until 2023 will provide additional funding to the MSMEs/small businesses as the healthcare (including the medical devices sector) recovers from COVID.

Government's commitment on Organic farming will lead to quality medicinal plant cultivation and standard raw material for AYUSH (traditional medicine) industry, which focuses on holistic health and wellness.

It was expected that the government will look at increasing the public healthcare expenditure above 2.5 per cent of the GDP. Overall, the proposals made in the Budget 22-23, should have made quality healthcare accessible and affordable. The government should have focused more on primary healthcare investment and given the sector 'National Priority' status, as was done for the IT sector. Incentives for research as well as training and upskilling of workforce were needed along with focus on preventive care to tackle the growing burden of NCDs. Most of the industry demands have been unmet in this Budget.

Medical value travel has taken a major hit due to the pandemic. Policy support to encourage and facilitate medical value travel to India, and its development as an organised sector was important.

Information Technology and Telecommunication

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% Change (BE FY23 over RE FY22)
Overall, for the Ministry (MeitY)	5396.30	9581.25	14300.00	49.24%
Overall, for the Ministry (DoT)	42310.20	35550.21	84586.80	137.93%
Outlays for key sectoral schemes				
Compensation to Service Providers for creation and augmentation of telecom infrastructure (DoT)	7200.00	8300.00	9000.00	8.4%
Optical Fiber Cable based network for Defense Services (DoT)	4000.00	5200.00	1961.00	-62.28%
Promotion of Innovation and Incubation of Future Technologies for Telecom Sector	1.07	9.00	3.50	-61.11%
Digital India Program	3030.54	6388.00	10676.18	67.12%
Promotion of Digital payment	523.48	1500.00	200.00	-86.66%
Promotion of IT/ITeS Industries	98.55	100.00	100.00	No Change
Cyber Security Projects (NCCC & Others)	79.99	339.00	300.00	-11.50%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Overarching focus on transition to digital and use of technology across sectors and for provision of e-services to the masses:** • **Launch of Digital ecosystem for skilling and livelihood** • **An open platform for the National Digital Health Ecosystem will be rolled out** • **Delivery of hi-tech services for farmers to be launched**	The launch of the Digital ecosystem for skilling and livelihood is a welcome step as this will further enhance the skilling, reskilling, and upskilling landscape of Indian citizens through online training. Further, the launch of an open platform for the National Digital Health Ecosystem will further expand ICT adoption in the healthcare sector by providing unique health identity and universal access to health facilities. Additionally, the use of Kisan drones will promote efficient crop assessment, digitisation of land records, spraying of insecticides and nutrients.
2	**Bharat net project contracts for optical fibre networks will be handed out under the PPP model** • **Contracts for laying optical fibre in villages to be awarded under BharatNet project under PPP in 2022-23**	Allocation of 5% of annual collection under USO Fund will enable affordable broadband and mobile service and proliferation in rural India, further expanding the reach of Digital India. This will enable villages to have the same access to e-services, communication facilities, and digital resources as urban areas. Furthermore, fibrisation will provide high-speed digital connectivity of the internet in rural areas at a very affordable price.

	• **5% of the USO Fund will be used for villages**	
3	**5G spectrum auction will be completed in FY23. Scheme for design-led manufacturing to be launched for 5G ecosystem as part of PLI scheme**	Further, the launch of a design-led manufacturing scheme for the 5G ecosystem as part of the PLI scheme will enable affordable broadband and mobile communication in rural and remote areas and promote R&D and the commercialisation of technology and solutions.
4	**Setting up of Digital university with a focus on ICT using a hub and spoke model and launch of 'one class, one TV channel' program of PM eVIDYA will be expanded from 12 to 200 TV channels.**	Digital skilling and expansion of language technologies will enable all states to provide supplementary education in regional languages for classes 1 to 12, breaking the language barrier and strengthening the Indic-Internet space in India, and also reduce the digital divide.
5	**Government to introduce digital Rupee using blockchain and other technologies**	Digital currency will lead to a more efficient and cheaper currency management system, which can act as a foundation of the 1 trillion USD digital economy of India.
6	**An online bill system will be launched, which will be used by all central ministries**	The launch of an online bill system which will leverage new technologies will further reduce the delay in payment and help in reducing financial and physical efforts required for money management.

Media & Entertainment

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	3376.62	3764.69	3980.77	5.74%
Outlays for key sectoral schemes				
Broadcasting Infrastructure Network Development	176.46	175	315	80%
Development Communication and Information Dissemination	100.39	188	184	-2.13%
Development Communication and Dissemination of Filmic Content	54.52	84.50	127.16	50.49%
Champion Services Sector Schemes	-	-	-	-
Supporting Community Radio Movement in India	1.97	2.50	3.84	53.60%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**An AVGC promotion task force with all stakeholders will be set-up to recommend ways to realize employment potential and build capacity for serving domestic and global market demand.**	Setting up of a task force for the promotion of Indian AVGC sector will definitely bring in a great focus on positioning Indian AVGC sector for services exports, co-productions, growth of Indigenous intellectual property and its consumption patterns within India and overseas. The Indian AVGC - XR sector is expected to have a major share of the media and entertainment industry. The horizon & use cases of AVGC - XR verticals have expanded beyond its day to day defined utility in Architecture, Life Science, Legal, Education, Industrial, Urban Planning, Sports, Digital universe, Metaverse etc apart from media & entertainment.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2022-23 has provided a boost to the (Animation, Visual Effects, Gaming, and Comics – Multiple Reality) AVGC-XR Sector. The budget announcement of the formation of a Task Force for AVGC Promotion has come at the most appropriate time. The Indian AVGC - XR sector is expected to have a major share of the media and entertainment industry, thus, this is a welcome step. FICCI has been spearheading the efforts in this regard. FICCI had recommended to the government to establish an AVGC-XR Promotion Council to increase employment in the sector and serve domestic and global markets. FICCI has also been active in the multi-stakeholder deliberations for the establishment of the National Centre of Excellence (NCoE) in the AVGC sector.

As far as total outlay to this sector is concerned, it is 5.74 per cent above the RE of 2021-22. The total outlay on the BE 2022-23 INR 3980.77 Crores which is less than the BE of 2021-22. This could have been increased if the ministry is intending to work towards establishing NCoE in the AVGC sector. There is no outlay in this head in the Budget Estimate of 2022-23. The outlay for the Champion Services

Sector Scheme is again INR 0 like FY 2021-22. In the BE 2020-21, the outlay was INR 30 Crore which was a welcome move to support the film industry as one of the champions sectors to increase services export from India.

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	5455.27	15699.65	21422	36.4%
Outlays for key sectoral schemes	5352.19	15640.4	21357.85	36.5%
Scheme for Fund for Regeneration of Traditional Industries (SFURTI)	349.12	406.02	334.00	-17.7%
Coir Vikas Yojana	80.69	80.00	80.00	
Solar Charkha Mission	--	5.04	5.04	
Khadi Grant (KG)	222.17	375.25	375.25	
Khadi Vikas Yojana	178.11	305.13	305.13	
Gramodyog Vikas Yojana	37.35	60.88	68.61	12.69%
ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship)	13.26	10.00	20.00	100%
Credit Linked Capital Subsidy and Technology Upgradation Scheme	1120.11	170.25	--	-100%
Prime Minister Employment Generation Programme (PMEGP)	1905.80	2950.00	2500.00	-15.25%
Credit Support Programme	--	0.08	0.08	
Interest Subvention Scheme for Incremental Credit to MSMEs	350.00	0.04	0.04	
Distressed Assets Fund	--	1.00	100.00	-
Guarantee Emergency Credit Line (GECL)facility to eligible MSME borrowers	--	10000.00	15000.00	50%
Procurement and Marketing Support Scheme	12.67	18.00	24.96	38.6%
International Cooperation Scheme	1.80	10.00	13.00	30%
Mahatma Gandhi Institute for Rural Industrialization	6.19	10.41	10.41	
Promotional Services Institutions and Programme	130.30	140.74	182.82	29.9%
Information, Education and Communication	3.79	4.50	6.76	50.2%
Assistance to Training Institutions	24.00	50.00	32.00	-36%
MSME Fund	--	--	--	
Fund of Funds	--	350.00	486.00	38.8%
Infrastructure Development and Capacity Building	395.77	307.63	588.03	91.1%
A. Micro and Small Enterprises Cluster Development Programme (MSE-CDP)			262.00	--
B. Tool Rooms & Technical Institutions			235.00	--
C. Promotion of MSME in NER & Sikkim			50.00	--

D. Infrastructure Support to TCs/TSs/DIs and Capital Outlay on Public Works (Construction of Office Accommodation)			41.03	--
Establishment of New Technology Centres	48.58	43.10	80.00	85.6%
Infrastructure Development and Capacity Building- EAP Component	327.10	205.00	--	-100%
"Technology Centre Systems Programme (TCSP) EAP"	--	--	205.00	
Construction of Office Accommodation- Capital Outlay on Public Works	23.63	14.20	--	-100%
Raising and Accelerating MSME Performance -RAMP	--	0.03	723.00	-
Database Research Evaluation and Other Office Support Programme	1.38	0.10	2.00	1900%
Survey, Studies and Policy Research	0.37	3.00	5.00	66.7%
National Schedule Caste/Schedule Tribe Hub Centre	120.00	120	150.00	25%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**'One Station-One Product' concept will be popularized to help local businesses & supply chains.**	The announcement seems interesting however, more details are required to understand the concept.
2	**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.**	Railways can play an important role in connecting SMEs to the value chain by providing logistics support at competitive cost. It will be interesting to learn more about Railway's products in this regard. Besides, tie-up with postal network can enable timely delivery of products facilitating e-commerce for MSMEs.
3	**CGTMSE scheme will be revamped with required infusion of funds. This will facilitate additional credit of Rs. 2 lakh crore for Micro and Small Enterprises and expand employment opportunities.**	CGTMSE scheme plays key role in providing collateral free funds to MSEs. With revamped version, the scheme's uptake should be increased provided if the scheme is revamped keeping the demand from the industry such as guarantee fee, coverage, extended limit etc. in view. Besides, provision of Rs. 2 Lakh crore will benefit more MSEs of the country.
4	**The ECLGS will be extended up to March 2023 and its guarantee cover will be expanded by Rs. 50,000 crores to total cover of Rs. 5 lakh crores, with the additional amount being earmarked exclusively for the hospitality and related enterprises.**	ECLGS has been a critical lifeline for MSEs and the extension will certainly help more MSEs. Additional outlay will support MSEs in hospitality & related sectors that has been adversely affected by the pandemic.

5	**Raising and Accelerating MSME Performance (RAMP) programme with outlay of Rs. 6,000 crore over 5 years will be rolled out.**	The scheme will help MSMEs to overcome the impact of Covid and will support various interventions in COVID Resilience and Recovery initiatives for MSMEs of the Government. This will help the MSME sector become more resilient, competitive and efficient.
6	**Udyam, e-Shram, NCS and ASEEM portals will be interlinked. Their scope will be widened. They will now perform as portals with live, organic databases, providing G2C, B2C and B2B services. These services will relate to credit facilitation, skilling, and recruitment with an aim to further formalise the economy and enhance entrepreneurial opportunities for all.**	This will help MSMEs to meet the requirements of skilled, semi-skilled & non-skilled workforce. The integration will enhance the convenience of MSMEs in terms of skill development of the employees etc. More details are required to understand the proposed widened scope of the portals.
7	**To enhance transparency and to reduce delays in payments, a completely paperless, end-to-end online e-Bill System will be launched for use by all central ministries for their procurements.**	It is a welcome step, and this step will address the delayed payment issue in public procurement for MSMEs and will bring further transparency.
8	**To reduce indirect cost for suppliers and work-contractors, the use of surety bonds as a substitute for bank guarantee will be made acceptable in government procurements. IRDAI has given the framework for issue of surety bonds by insurance companies.**	The step will provide an alternate option to MSMEs to meet the requirement of guarantee in public procurement. However, it is hoped that the cost of surety bonds will be competitive.
9	**To provide a level playing field between co-operative societies and companies, it is proposed to reduce Alternate Minimum Tax rate for the cooperative societies also to fifteen per cent and reduce the surcharge on co-operative societies from present 12 per cent to 7 per cent for those having total income of more than Rs. 1 crore and up to Rs. 10 crores.**	As of November 30, 2021, more than 5600 MSMEs have registered on Udyam Portal as Cooperatives and both steps will benefit these MSMEs especially micro enterprises in increasing their income.
10	**Extension of the last date under concessional tax regime for commencement of manufacturing or production of a new domestic company under section 115BAB by one year i.e. from 31st March, 2023 to 31st March, 2024.**	This will help eligible newly formed manufacturing MSMEs to sustain and become globally competitive
11	**Review of customs exemptions and tariff simplification**	The step will encourage domestic MSMEs functional in the areas such as electronics, gems & jewellery, chemicals, umbrella, steel etc.
12	**Exemptions are being provided to encourage exports of items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes that may be needed by bonafide exporters of handicrafts, textiles and leather garments, leather footwear and other goods.**	This step will definitely help increasing exports from MSMEs using the announced products as inputs.

Overall Assessment of Budget for Sector's Growth and Development

This budget has addressed some of the issues of MSMEs and positive announcements have been made by the finance minister for the sector.

To begin with, the overall budget for the Ministry of MSME has been increased by more than 36% (Rs. 21422 Crore) compared to last year.

An announcement related to the ECLGS scheme is a welcome step. The extension of the scheme till March 2023 along with an additional provision of Rs. 50,000 Cr. for hospitality & related MSEs, will support more MSMEs in terms of the guaranteed loan to meet their financial requirements. The total outlay of the scheme has now reached Rs. 5 Lakh Crore.

Revamping of CGTMSE will prove to be a key step in the direction of providing collateral-free loans to MSEs. Additional provision of Rs. 2 Lakh Crore under this scheme will increase the number of beneficiaries MSEs in the country. Here it is noteworthy that the revamp should be done keeping the demand of industry such as reduction in guaranteed fees, enhanced coverage, increased loan limit etc. in view.

The announcement of the Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crore over 5 years will help MSMEs to overcome the impact of Covid and will support various interventions in COVID Resilience and Recovery initiatives for MSMEs of the Government. This will help the MSME sector become more resilient, competitive, and efficient.

Reduction in Alternate Minimum Tax and Surcharge for Cooperatives will also help MSMEs that are cooperatives in increasing their income. Announcements made for export promotion will support many MSMEs using the items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes as input material. Similarly, rationalization of customs duty and tariff simplification will encourage domestic MSMEs functional in the areas such as electronics, gems & jewellery, chemicals, umbrella, steel etc.

Announcements made related to the One Station One Product through Railways will encourage and promote rural industries and local products. Railways can play an important role in connecting MSMEs to the value chain by providing logistics support at a competitive cost. However, it will be interesting to learn more about Railway's new products in this regard. The proposed tie-up between postal service & railways can enable timely delivery of products facilitating e-commerce for MSMEs. Interlinking Udyam, e-Shram, NCS and ASEEM portals will help MSMEs to meet the requirements of skilled, semi-skilled & non-skilled workforce.

Outlay Analysis:
The overall budget outlay of the Ministry of MSME has increased by more than 36% when compared with the last year's budget. The outlay of various schemes has been more or less similar when compared to the last year. However, the announcement of the Raising and Accelerating MSME Performance (RAMP) programme with an outlay of Rs. 6,000 crores over 5 years are important and Rs. 723 Crore has been sanctioned for this scheme in this year's budget.

For the ECLGS scheme, Rs. 15,000 Crore has been budgeted which is 50% more than last year and for ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship) scheme, the outlay has been increased by 100% which shows that the Ministry is committed to promoting rural industries and entrepreneurship.

Interestingly, Credit Linked Capital Subsidy and Technology Upgradation Scheme has not been extended and no budget has been sanctioned under this scheme. Similarly, Interest Subvention Scheme which is key support for MSMEs has also not been extended and only 0.04 Cr. has been allocated which is similar to last year's revised BE.

There is a reduction of more than 15% in the Prime Minister Employment Generation Programme (PMEGP). Distressed Assets Fund budget has been increased significantly and Rs. 100 Cr. is allocated compared to the last year's Rs. 1 Cr.

The procurement and Marketing Support Scheme and International Cooperation Scheme have witnessed an increase of 38.67% and 30% respectively compared to the last year. And it shows the Ministry's interest in supporting MSMEs in marketing. Similarly, the outlay of the Fund of Funds scheme has been increased by almost 39% by the Ministry.

The Ministry is focusing upon infrastructure development for MSME facilitation and increased the budget for Infrastructure Development and Capacity Building by more than 91%. The total budget of Rs. 588.03 Crore has been allocated which is further bifurcated in Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Tool Rooms & Technical Institutions, Promotion of MSME in NER & Sikkim and Infrastructure Support to TCs/TSs/DIs and Capital Outlay on Public Works (Construction of Office Accommodation).

Under the National Schedule Caste/Schedule Tribe Hub Centre, the Ministry has increased the budget by 25% which shows the Ministry's intention towards the development of entrepreneurship amongst marginalized communities. The budget for the Establishment of New Technology Centres has also been increased to Rs. 80 crore which is an increase of more than 85%.

Mines & Metals

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Ministry	Ministry of Steel - 74.31 Ministry of Mines – 1,347.87	Ministry of Steel - 43.00 Ministry of Mines – 1,480.00	Ministry of Steel - 47.00 Ministry of Mines – 1,508.00	Ministry of Steel – 9.3% Increase (Secretariat Expenses) Ministry of Mines - 1.89% Increase Increased funds to boost in exploration activities
Outlays for key sectoral schemes	Scheme for Promotion of Research and Development in Iron and Steel sector - 0.54	Scheme for Promotion of Research and Development in Iron and Steel sector - 4.81	Scheme for Promotion of Research and Development in Iron and Steel sector - 4.49	6.6% Decrease Due to low spending, the overall budget allocation for 2022-23 has been decreased by 6.6%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Anti-dumping or countervailing duty is being permanently revoked, on imports of the following:** **a. Straight Length Bars and Rods of alloy-steel, originating in or exported from People's Republic of China, imposed vide notification No. 54/2018-Cus (ADD) dated 18.10.2018;** **b. High Speed Steel of Non-Cobalt Grade, originating in or exported from Brazil, People's Republic of China and Germany, imposed vide notification No. 38/2019-Cus (ADD) dated 25.09.2019;** **c. Flat rolled product of steel, plated or coated with alloy of Aluminum or Zinc, originating in or exported from People's Republic of China, Vietnam and Korea RP, imposed vide notification No. 16/2020-Cus (ADD) dated 23.06.2020** **d. Countervailing duty is being permanently revoked on imports of Certain Hot Rolled and Cold Rolled Stainless Steel Flat Products, originating in or exported from People's Republic of China, imposed vide notification No. 1/2017-Cus (CVD) dated 07.09.2017.**	These proposals would lead to increase in imports from these countries, impacting the domestic industry. However, user industry will have a positive impact.
3	**Iron and steel scrap, including stainless steel scrap [Exemption hitherto available till 31.3.2022 is being extended up to 31.03.2023]**	The proposal would help in enhancing iron & steel scrap availability in the country till sufficient scrap is generated domestically

Overall Assessment of Budget for Sector's Growth and Development

The announcements made under the PM GatiShakti National Master Plan with an aim to boost Multimodal connectivity will significantly increase demand for metals & cement in the country and in turn, for minerals too. Also, this would further enhance logistics infrastructure for the sector, while increasing cost competitiveness.

The Housing for All initiative & budget announcements made therein, 80 lakh houses will be completed for the identified eligible beneficiaries of PM Awas Yojana, with a budgetary allocation of Rs. 48,000 crores. This will give a boost to demand for metals & cement in the country and in turn, minerals.

The announcements made to further strengthen PARIVESH, the single window portal would enhance ease of doing business in mining, metals & cement sector in the country.

As per the announcements aligned with Vision for India@100, urban development & urbanization would get a significant push. This will significantly increase demand for metals & cement in the country and in turn, minerals.

Online Gaming and E-Sports

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**AVGC Taskforce to be set up to carve the way ahead for the Gaming Industry**	This is a welcome move by the government to promote AVGC (Animation, Visual Effects, Gaming, and Comics) by setting up task force to seek recommendation to create the way forward. As we know, India presently commands around 10% of the global AVGC market and has the potential to reach 20-25% by 2027. This taskforce will facilitate employment for the youth, build domestic capacity to serve the Indian markets and also meet global demand.
2.	**5G auctions to happen in 2022 leading to innovations in the Gaming sector**	A very encouraging timeline for the gaming sector set by Hon'ble FM on the 5G spectrum auctions in 2022 to enable the launch of services within FY 22-23. Advent of 5G in India will drive the momentum in the gaming industry even further and enhance gaming experiences due to factors like higher data speeds, lower latency, and technologies like Virtual Reality and Augmented Reality.
3.	**Facilitating partnership with states in SEZs to ensure greater alignment with key industries – Gaming focused SEZs to encourage infrastructure and talent pool development**	Replacing the Special Economic Zone (SEZ) Act with new legislation that would enable states to become partners in becoming development hubs is a crucial and well-timed move. For the gaming industry, such partnership with states on SEZs would help strengthen the supply base of animation and production studios and encourage development of the existing animation and gaming capacity. It will also lend focus on evolving a concept of infrastructure sharing as well as making available a talent pool in India, for our country to grow as hub for the global gaming ecosystem.
4.	**Incorporation of cryptocurrency in the tax net**	The government has brought crypto and NFTs under the tax net by proposing to tax virtual assets at 30%.
5.	**Launching Digital Rupee – Spur in Micro-transactions**	The introduction of the Central Bank Digital Currency (CBDC) using blockchain technology will spur micro-transactions and could be the solution for the low in-app purchases that the Indian gaming market currently witnesses. The announcements on virtual assets and CBDC signal the progressive mindset of the government and is a huge confidence booster for welcoming innovations in the disruptive space of the metaverse and Web3.0.

Pharmaceuticals

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall outlay for the Sector / Ministry	456.01	823.11	2244.15	172.6%
Outlays for key sectoral schemes				
Dev of Pharma Industry (API-CF)		15	30	100%
Dev of Pharma Industry (PTUAS)		0.01	62	
PLI Scheme- Bulk Drug		36.24	900	2383%
PLI for KSM		2.79	390	138%
NIPERs		22	45	104.5%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**National Digital Health Ecosystem**: “An open platform for the National Digital Health Ecosystem will be rolled out	Will help boost telemedicine, improve accessibility of healthcare in remote areas. Help enhance convenience for patients, since their medical records can be accessed with ease from anywhere. Security aspect needs to be taken care of.
2	**National Tele Mental Health program** will be launched. This will include a network of 23 tele mental health centres of excellence with Nimhans being the nodal centre and IIIT Bangalore providing technology support	This astounding step taken will not only help in creating the long due mental health awareness in our country but will also promote a healthier mental life in India.
3	**The parent or guardian of a differently abled person can take an insurance scheme for such person**. There could be situations where differently abled dependants may need payment of annuity or lump sum amount even during the lifetime of their parents/guardians thus allow the 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.	This is a positive step

Overall Assessment of Budget for Sector’s Growth and Development

The Budget announcement reflects the intention of the government to introduce and strengthen digitization in India. The government in its last Union budget had placed health and well-being as the first of its six pillars, and with India into its third year into the Covid-19 pandemic that focus has reflected in this year's Union Budget as well. The increased investment towards Health Infrastructure and focus on a holistic approach to health is seen as a testimony of the commitment to building stronger health systems in the country. We also appreciate the announcement of PLI schemes to create manufacturing global champions under AtmaNirbhar Bharat.

However, the Budget does not hold very much promise to other essential service in the healthcare sector, including the Pharmaceutical and medical device industry. It was expected that the government will look at increasing the public healthcare expenditure above 2.5 per cent of the GDP. It was expected to have some incentives for Pharma R&D in the Budget as public investment is very low in this critical area of research and innovation, which are key for spurring exponential economic growth. The finance minister has assured the government's support for R&D expenditure in sunrise areas such as drones, AI, genomics, space and clean energy etc, we look forward to similar support for Pharma. Overall, the proposals made in the Budget 22-23, should make quality healthcare accessible and affordable.

Power & Coal

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	10581.92	15322	16074.74	4.91%
Outlays for key sectoral schemes				
Conservation and Energy Efficiency	5.02	40	60	50.00%
Strengthening of Power Systems	815.74	3321.57	2975.73	-10.41%
Power System Development Fund	821.42	574.16	604.48	5.28%
Reform Linked Distribution Scheme	-	1000	7565.59	656.56%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Energy Transition** The Budget for 2022-23 aims to set the tone for the next 25 years. PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, Sunrise Opportunities, Energy Transition and Climate Action, Financing of Investments will be the four priority areas.	The Indian energy sector is currently in a state of transition and witnessing a rapid change in generation and consumption patterns. This opens up huge employment opportunities and will take the country on a sustainable development path. The impetus on Energy Transition will help facilitate Clean Energy Transition in the country and also promote sustainable development, to provide energy security.
2	**Phase out the concessional rates in capital goods and project imports gradually** It was mentioned in the Budget that Project import duty concessions have deprived the local producers of a level playing field in areas like coal mining projects, power generation, transmission or distribution projects, railway and metro projects. Reasonable tariffs are conducive to the growth of domestic industry and 'Make in India' without significantly impacting the cost of essential imports. Accordingly, it is proposed to phase out the concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5 per cent. Certain exemptions for advanced machineries that are not manufactured within the country shall continue.	• Phasing out the concessional rates in capital goods and project imports gradually and applying a moderate tariff of 7.5 per cent in coal mining projects, power generation, transmission or distribution projects will give a boost to the domestic manufacturing and the local players operating in the segment.
3	**Pilot projects for coal gasification and conversion of coal**	This will help reduce the carbon emissions, lead to savings in transportation cost of coal and make coal sustainable in the long term, to meet the country's increasing energy needs.

	Four pilot projects for coal gasification and conversion of coal into chemicals required for the industry will be set up for technical and financial viability.	
4	**Allowing fiscal deficit of 4% of GSDP to States, of which 0.5% will be tied to power sector reforms** In 2022-23, in accordance with the recommendations of the 15th Finance Commission, the states will be allowed a fiscal deficit of 4 per cent of GSDP of which 0.5 per cent will be tied to power sector reforms, for which the conditions have already been communicated in 2021-22.	This will help towards achieving the agenda of reform measures as set by the Government, especially in the distribution sector.
5	**Expanding Energy Efficiency and savings measures in building sector** It was mentioned in the Budget that saving energy is an important aspect of energy management. Hence, energy efficiency and savings measures will be promoted. This will be done in large commercial buildings through the Energy Service Company (ESCO) business model. It will facilitate capacity building and awareness for energy audits, performance contracts, and common measurement & verification protocol.	Expanding Energy Efficiency and savings measures in building sector and further expansion of the ESCO model which has been so far successful in the country, will result in increase in productivity, significantly reduce greenhouse gas emissions, and thermal pollution.

Overall Assessment of Budget for Sector's Growth and Development

The announcements made during the Budget 2022-23 are progressive in nature and will help transform the power sector, bring in efficiencies and providing energy access to all.

The budget outlay of ₹ 7565 Crores for Reform Linked Distribution Scheme will help in improving the financial viability of the sector, lead to reduction in Aggregate Technical and Commercial Losses (AT&C) through efficiency measures and implementation of smart meters.

Phasing out the concessional rates in capital goods and project imports gradually and applying a moderate tariff of 7.5 per cent in coal mining projects, power generation, transmission or distribution projects will give a boost to the domestic manufacturing and the local players operating in the segment.s

Further, the announcement by the Government for four pilot projects for coal gasification and conversion of coal into chemicals will help reduce the carbon emissions, lead to savings in transportation cost of coal and make coal sustainable in the long term, to meet the country's increasing energy needs.

Publishing

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% Change (FY23 over FY22)
Department of Higher Education				
Digital India e-learning				
• *National Mission in Education Through ICT*	36.66	83.71	400.00	377.84%
• *PM e-Vidya*	-----	0.01	0.01	-
Ministry of Culture				
• Libraries & Archives	75.59	98.24	103.46	5.31%
Ministry of Tribal Affairs				
Tribal Research Information, Education, Communication and Events (TRI-ECE)	-----	------	15.00	-----

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**States will be encouraged to revise syllabi of agricultural universities to meet the needs of natural, zero-budget, and organic farming, modern-day agriculture, value addition and management.**	This will allow publishers to develop revise syllabi for the agricultural universities.
2	**'One class-one TV channel' programme 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 1-12.**	This will provide publishers an opportunity to create educational content for classes 1-12 in regional languages.
3	**High-quality e-content in all spoken languages will be developed for delivery via internet, mobile phones, TV and radio through Digital Teachers.**	This will encourage publishers to produce the highest quality e-learning material to match up the global standards.
4	**A Digital University will be established to provide access to students across the country for world-class quality universal education with personalised learning experience at their doorsteps. This will be made available in different Indian languages and ICT formats. The University will be built on a networked hub-spoke model, with the hub building cutting edge ICT expertise. The best public universities and institutions in the country will collaborate as a network of hub-spokes.**	This will provide business opportunity for private publishers in educational segment to create content for the digital universities
5	**For developing India specific knowledge in urban planning and design, and to deliver certified training in these areas, up to five existing academic institutions in different regions will be designated as centres of excellence. AICTE will take the lead to improve syllabi, quality, and access of urban planning courses in other institutions.**	This will help the publishers to grow their business through development of improved and qualitative urban planning courses
6	**An AVGC promotion task force with all stakeholders will be set-up to recommend ways to realize this and build domestic capacity for serving our markets and the global demand.**	This will be a huge opportunity for the graphic and comic publishers.

7	**World-class foreign universities and institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics free from domestic regulations, except those by IFSCA to facilitate availability of high-end human resources for financial services and technology.**	This will help publishers in identifying the topics around which the content should be created in the coming future.

Overall Assessment of Budget for Sector's Growth and Development

Business opportunities for Industry in FY 2022-23 in Publishing sector are as follows:

- The budget has presented new opportunities for the publishing industry as the demand for new content creation is likely to increase in form of both physical books and digital content.
- Publishers have scope for identifying varied topics to produce relevant content in urban planning, AVGC etc.
- The industry could also explore content creation in regional languages.

Real Estate & Urban Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	46700.96	73850.26	76549.46	3.65%
Outlays for key sectoral schemes				
MRTS and Metro Projects	8997.87	23480	23875	1.68%
Pradhan Mantri Awas Yojna (PMAY)	20990.7	27000	28000	3.70%
National Livelihood Mission - Ajeevika	816.61	795	900	13.21%
Urban Rejuvenation Mission - 500 Cities	6448.35	7300	7300	0.00%
Smart Cities Mission	3305.26	6600	6800	3.03%
AMRUT and Smart Cities Mission	9753.61	13900	14100	1.44%
Swachh Bharat Mission (SBM) - Urban	994.9	2000	2300	15.00%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
	Urban Infrastructure	
1	**High-level committee for urban planning**	The committee's recommendations on urban capacity building, planning implementation, and governance will pave the way forward for creation of many more centres for economic growth.
2	**India to launch sovereign green bonds**	Sovereign green bonds will be part of government's borrowing programme in FY23. Proceeds will be deployed in public sector projects, aiming to reduce carbon intensity of the economy. This will provide direction to sustainable green funding in real estate projects of public sector.
3	**5 Centres of Excellence will be established with an outlay of Rs 250 crore for urban sector development.**	These centres of excellence will focus on modernization of building by-laws, town planning schemes and transit-oriented development to bring about greater urban capacity building.
	Real Estate	
4	- **Rs 48, 000 crore is allotted for PM Awas Yojana (PMAY)** - **Rs 60,000 crore allocated for providing access to tap water to 3.8 crore households**	This allocation will have a greater social impact as it aims to provide 80 lakh houses for identified beneficiaries of PMAY.

5	**Infrastructure status for Data Centres and Energy Storage Systems**	This is expected to provide access to cheaper and long-term institutional funds which will promote investments in the sector.
6	**Land record digitalization programme**	This will facilitate transparent and litigation free land transfers. This step is expected to provide a big boost for the warehousing and logistics industry and will also bring much needed transparency and improved governance.
7	**Special Economic Zones Act proposed to be replaced with a new legislation with States becoming partners**	Optimum utilisation of available infrastructure will enhance competitiveness of exports.
8	**World-class foreign universities to be set up in GIFT City**	This will boost the real estate and infrastructure requirement in the city, including student housing while also generating significant employment.
9	**Adoption or linkage with National Generic Document Registration System (NGDRS) with the 'One-Nation One-Registration Software'**	A uniform process for registration and 'anywhere registration' of deeds & documents will greatly improve the ease of doing business.

Overall Assessment of Budget for Sector's Growth and Development

'Consistency, Continuity & Stability' are the leading mantras of the 2022-23 Budget. The Budget is well-balanced, growth and capital expenditure oriented and is aimed at increasing people's opportunities. The focus and impetus on job creation and urban development will spur growth of the Indian economy.

The PMAY scheme has delivered 53. 42 lakh households till date. The budget provides a much-needed push to create newer and affordable inventories for home buyers. Government's intervention to expedite all land and construction related approvals will further promote affordable housing for middle class and economically weaker sections in urban areas.

The new policy on SEZs will make States partake in 'Development of Enterprise and Service Hubs' and enable domestic companies to utilize the SEZ infrastructure and also enable unit by unit de notification.

One of the key agendas of Budget 2022, was the idea for systematic urban development by consorting between the central and state governments. It is a pertinent step to address the housing issue in the urban areas with state-centre coordination. From a Logistics and infrastructure standpoint, allocation of Rs 25,000 Cr for the expansion of national highways will ensure a collective development across regions for logistics, housing, and allied sectors. The launch of 'Desh stack e-portal' unified logistics interface platform is a right step to promote digital infrastructure.

Renewable Energy

Budget Outlay for Sector (Rupees Crore)

Overall, for the Sector / Ministry	2020-21 Actual	2021-22 RE	2022-23 BE	% Change (BE FY23 over RE FY22)
	2643.30	7681.80	6900.68	- 10.16
Outlays for key sectoral schemes				
PM KUSUM	-	150 + 540.26 = 690.26	1715	148.45%
Solar Power (Grid & Off- Grid)	1049.85+ 149.43 = 1199.28	2475.26+ 210 = 2685.26	3304.03+61.50 = 3365.53	25.33%
Wind Power	1059.35	1100	1050	-4.54%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Additional allocation of Rs 19,500 crores PLI for high efficiency of polysilicon modules** Government announced the additional allocation of Rs 19,500 crore for Production Linked Incentive (PLI) for manufacturing of high-efficiency solar module for polysilicon to boost solar capacity in India. The announcement is in line with India's plans to boost solar capacity to 280 GW by 2030.	To make the domestic supply chain competitive, scale is critical and unless 10-15 GW of new domestic solar manufacturing capacity is created the objectives of true self-reliance wouldn't be achieved. An additional PLI announced by the Government will help in supporting new integrated high efficiency domestic manufacturing solar capacity, improve availability of solar modules, thus ensuring timely project deliveries while creating incremental employment.
2	**Five to seven percent of biomass pellets will be co-fired in thermal power plants** Government announced that five to seven percent of biomass pellets will be co-fired in thermal power plants, resulting in carbon dioxide savings of 38 MMT annually and the energy efficiency and savings measures will be promoted among businesses.	Paddy stalks and straw were being burnt off in open air during the winter season to prepare the ground for planting. This process caused severe spikes in air pollution which often leads to a thick blanket of smog. The announcement of burning biomass pellets in thermal power plants will help in reducing pollution. The biomass industry will also be benefited with a ready market to sell their produce.
3	**Green bonds for green infrastructure** Government announced that green bonds' will be used for 'green infrastructure'. These bonds will be used for climate change and environmental focused projects	Green bonds will give a boost to funding of climate resilience and other environmentally focused projects. Since the green bonds are issued for projects earmarked as 'green', its credentials have the potential to attract a larger pool of investors globally and garnering positive impact on sustainable development goals. This will also help Government in accelerating electricity grid and associated energy infrastructure upgrades.
4	**Battery Swapping policy – interoperability standards to be formulated**	Battery swapping allows consumers to replace their depleted batteries with fully charged ones at dedicated stations. This reduces the effective

	Government would launch a battery swapping policy to allow setting up of charging stations at scale.	charging time for EVs to just a couple of minutes, making it comparable to fueling conventional vehicles. The announcement of battery swapping policy will help enable the EV industry to set up the process of developing a battery swapping network in the country. This will also help in offtake of Renewable Energy.
5	**Energy savings and energy efficiency** Government announced that energy saving and efficiency will be promoted in large commercial buildings.	This will help in cutting down energy consumption and will promote efficient use of energy in commercial areas. This will also help in demand side management of energy.
6	**Vibrant Villages programme – Decentralized renewable energy** Government announced that it will boost village infrastructure including provisioning of decentralized renewable energy for the villages	This will help in connecting the villages to robust and continuous electricity supply.
7	**Ken Betwa project and Other River Linking Projects – including solar and hydro power** Implementation of the Ken-Betwa Link Project, at an estimated cost of ` 44,605 crore will be taken up. This is aimed at providing irrigation benefits to 9.08 lakh hectare of farmers' lands, drinking water supply for 62 lakh people, 103 MW of Hydro, and 27 MW of solar power. Allocations of ` 4,300 crore in RE 2021-22 and ` 1,400 crore in 2022-23 have been made for this project.	The Ken-Betwa Link Project (KBLP) is the River interlinking project that aims to transfer surplus water from the Ken river in MP to Betwa in UP to irrigate the drought-prone Bundelkhand region. This project will help the rural areas of MP and UP in the country in a sustainable manner and also will encourage implementation for other such projects in the country.
8	**Grid scale battery storage systems** Data Centres and Energy Storage Systems including dense charging infrastructure and grid-scale battery systems will be included in the harmonized list of infrastructure.	This will facilitate credit availability for digital infrastructure and clean energy storage.
9	**Tariff measure to encourage blending of fuel** Blending of fuel is a priority of this Government. To encourage the efforts for blending of fuel, unblended fuel shall attract an additional differential excise duty of ` 2/ litre from the 1st day of October 2022	Mixing ethanol (biofuel) from with petrol produces less emissions from vehicles than if the same vehicle is running on just petrol. Further, blended fuel increases octane rating which, in turn, helps in maintenance of the vehicle. This announcement will benefit by lesser consumption of unblended fuel which India currently imports. The reduction in dependence of fossil fuels being imported could help reduce import bill.

Overall Assessment of Budget for Sector's Growth and Development

Identification of Energy transition and climate action as a priority area, will help the renewable energy industry.

The announcement to infuse an additional allocation of 19500 crores PLI for high efficiency of polysilicon modules will help the domestic solar supply chain remain competitive vis-à-vis imports.

The announcement of battery swapping policy will help accelerate the growth of EV industry in India, further the development of energy storage technology and allow renewable energy industry to partner commercial and industrial customers in their decarbonisation journey, standardize battery specifications and improve EV adoption in the country. It will also enhance grid stability as the share of RE in the energy mix increases and also aid in financing of energy storage projects.

Skill Development

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% Change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	2,625.41	2,785.23	2,999.00	7.13
Outlays for key sectoral schemes				
Pradhan Mantri Kaushal Vikas Yojana				
Development of Skills	168.15	1,600.00	1,643.00	2.62
Promotion of Apprenticeship & National Apprenticeship Promotion Scheme	107.64	150.00	170.00	13.00
Development of Entrepreneurship	11.80	50.00	50.00	No increase
Strengthening of Infrastructure for Institutional Training	110.97	150.00	110.00	(36.36)
Strengthening of Skill Institutions	7.01	12.00	20.00	40.00
Support to Regulatory Institutions	11.00	18.00	20.24	11.07
Skill Acquisition and Knowledge Awareness for Livelihood Promotion	151.95	193.47	300.00	35.51
Skill Strengthening for Industrial Value Enhancements	304.11	280.00	300.00	6.67

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Udyam, e-Shram, NCS and ASEEM portals will be interlinked. Their scope will be widened. They will now perform as portals with live, organic databases, providing G2C, B2C and B2B services. These services will relate to credit facilitation, skilling, and recruitment to formalize the economy further and enhance entrepreneurial opportunities for all.**	Adding these portals' scope as an interface for G2C, B2C and B2B services like credit facilitation, skilling, and recruitment shall enhance the formalization in the sector and provide entrepreneurial opportunities.
2	**Skilling programmes and partnerships with the industry will be reoriented to promote continuous skilling avenues, sustainability, and employability. The National Skill Qualification Framework (NSQF) will be aligned with dynamic industry needs.**	It is a welcome step. The pandemic has accelerated the adoption of Technology. Constant innovation, technological advancements, and changing work environments have created new skill-set requirements in various sectors. Modern technologies are transforming existing businesses because new job roles are emerging, and various job roles are becoming obsolete, creating demand for 21st-century skills.

		The National Skill Qualification Framework (NSQF) was developed before pandemic, and it is an opportune time to upgrade it as per industry's requirement. The youth will also get opportunities to skill themselves in Industry 4.0 relevant skills and find the right employment opportunities.
3	**Digital Ecosystem for Skilling and Livelihood – the DESH-Stack e-portal – will be launched. This aims to empower citizens to skill, reskill or upskill through online training. It will also provide API-based trusted skill credentials, payment and discovery layers to find relevant jobs and entrepreneurial opportunities.**	In the post covid world the inclusion of digital skills in all aspects of life has become the differentiator and growth driver. This announcement will support many people to adapt and leverage the technological infrastructure to skill, reskill or upskill themselves and to gain a sustainable livelihood. The need of the hour and timely implementation is key to achieving the expected outcome.
4	**Startups will be promoted to facilitate 'Drone Shakti' through varied applications and for Drone-As-A-Service (DrAAS). In select ITIs, the required courses for skilling will be started in all states.**	The government has taken a futuristic step to enhance the outreach of drone technology to the masses. The 'Drone Shakti' announcement shows the government's vision to promote the emerging technologies for the country's development. Since the application of drones is multi-sectoral, the initiative will provide a fillip to the ecosystem and encourage learners towards new career pathways.

Overall Assessment of Budget for Sector's Growth and Development

Budget 2022-23 is futuristic and progressive as it highlights the need for skilling across sectors like infrastructure, MSME, agriculture, future technologies, and others. Interlinking existing online portals from skill development, employment and entrepreneurship domain (Udyam, e-Shram, NCS and ASEEM) shall help organize the sector and provide more realistic data for formulating policies in the future.

The disruption caused due to COVID-19 and fast-changing Technology has outdated many curriculums and qualification packs. To ensure the supply of a skilled workforce, we need to regularly track the industry's demands and incorporate them in our training. The National Skill Qualification Framework (NSQF) has been providing standards for short-term and long-term skill courses, and it needs to be aligned with the dynamic industry. In this regard, the proposed addition of training on DRONE applications in different sectors at ITIs is a welcome move.

Space

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	9474.41	12642.00	13700.00	8.37%
Space Technology	6557.24	9015.20	10534.50	16.85%
Space Applications	1170.42	1322.24	1482.80	12.14%
Space Sciences	187.25	211.80	206.11	-2.69%
INSAT Satellite Systems	763.70	389.68	418.59	7.42%

Overall Assessment of Budget for Sector's Growth and Development

- Significant 8.37% increase in Capital Budget Allocation for the Year 2022-23 over R.E 2021-22 as compared to 0.13% increase last year.
- Government has designated Space as a sunrise opportunity sector, and the increased allocation towards Space Technology and Space Applications is indicative of the thrust given to the sector.

Textiles

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	3109.45	11449.32	12382.14	8.15%
Outlays for key sectoral schemes				
Procurement of Cotton by Cotton Corporation under Price Support Scheme	662.71	8439.88	9243.09	9.5%
Amended Technology Upgradation Fund Scheme(ATUFS)	556.38	650	650	0%
Scheme for Integrated Textile Parks (SITP))	79.91	55	-	-
Production Linked Incentive (PLI) Scheme for Textiles	-	0.50	15	2900%
National Technical Textiles Mission	-	60	100	66.66%
Textile Cluster Development Scheme	-	-	133.83	-
PM - MITRA	-	0.50	15	2900%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Exemptions on items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes**	This will incentivise the bonafide exporters of handicrafts and textiles, and make them more competitive in global market.
2	**Incentives for newly incorporated manufacturing entities under concessional tax regime**	This will help establish a globally competitive business environment for certain domestic companies, a concessional tax regime of 15 per cent tax was introduced for newly incorporated domestic manufacturing companies. It is being extended from 31st March, 2023 to 31st March, 2024 under section 115BAB by one year
3	**Focus on PLI and National Technical Textiles Mission**	Budget also provides clear direction in terms of focus of the Government on technical textiles and incentivising industry under the PLI

Overall Assessment of Budget for Sector's Growth and Development

Setting-up of National Technical Textiles Mission, PLI scheme, Textile Parks and skill development would help the sector to grow and also achieve higher share in global market. With the Technical Textiles mission, one can see lot of traction in the sector and combined with the PLI scheme, the sector is poised to grow in years to come.

Transport Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% Change (BE FY23 over RE FY22)
Ministry of Railway	112159.32	120056.12	140367.13	16.92%
Outlays for key sectoral schemes				
Rolling Stocks	839.04	11181.11	7977.84	-28.65%
Electrification Projects	1.21	-	-	-
Signalling and Telecom	6.05	2332.4	2500	7.19%
New lines Construction	1058.04	18344.53	25243	37.61%
Ministry of Roads Transport and Highways	99159.09	131149.07	199107.71	51.82%
Outlays for key sectoral schemes/ projects				
National Highways Authority of India	46062	65060	134015	105.99%
Roads and Bridges	53111.98	65706.92	64573.48	-1.72%
Road Transport and Safety	230.5	228.5	356	55.80%
Ministry of Shipping	1387.7	1585.37	1709.5	7.83%
Outlays for key sectoral schemes				
Development of Ports	118.19	1	1	0.00%
Sagarmala	246.86	393.68	412.79	4.85%
Shipping and Ship Building	150.15	101	112	10.89%
Inland Water Transport	531.12	96.5	96.5	0.00%

Key Budget Announcements and Implications

Budget Announcement	Likely Implication
Roads and Highways	
PM GatiShakti National Master Plan for expressways will be formulated in FY23	Significant focus on capex augmentation in core infra-assets will help to accelerate the integration of the country's hinterland
The National Highway network will be expanded by 25,000 kms in FY 23.	Industry welcomes the addition of new national highway network. The 15% increase in new national highway network will prove to be transformational for the overall growth and development of the roads and highway sector.
4 multi-modal national parks contracts will be awarded in FY23	The creation of Logistics Hubs and Parks is a great step forward for seamless and speedy movement of resources of raw material, finished goods and labour.
Battery-swapping policy to be brought out with interoperability standards to boost EV ecosystem	This will help in developing requisite charging station ecosystem and is positive for the domestic EV space. This will surely boost the electrification of transport at mass scale.
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	In addition to clean air, it will also create sustainable and innovative business models for battery and energy as a service, thereby giving rise to employment opportunities.
8 Ropeways projects will be awarded in FY23. National Ropeways Development Programme to be taken up in PPP mode with the aim to improve connectivity, besides promoting Tourism.	Ropeways is a sustainable and cost-effective way for movement of people and goods, especially in difficult terrains. A welcome initiative.
Railways	
100 cargo terminals in 3 years	This will significantly help in strengthening the multi modal logistics and will help in modal shift to rail and inland waterways from current dependence on road network.
400 new-generation Vande Bharat trains will be developed and manufactured in next 3 years under PM GatiShakti National Master Plan.	Focus on Vande Bharat trains will help in improving the operating ratio of Railways. Passengers will also have a choice between air travel and rail travel for distances up sto 500 kms
2,000 kms to be brought under Kavach, the indigenous world-class technology for safety and capacity augmentation by FY23.	This will prove to be a great leap for modernising travel experience and enhancing safety.
'1 station, 1 product' concept will be popularised to help local businesses	This will promote supply chain of a localised product using the railways and making each railway station a promotional hub and showcase destination for a local product.

Overall Assessment of Budget for Sector's Growth and Development

Infrastructure is one of the key pillars of economic growth. This budget is holistic and growth-oriented with large outlays for infrastructure. The plan to develop infrastructure is centred on seven growth pillars - PM GatiShakti, Inclusive Development, Productivity, Sunrise Opportunities, Energy Transition, Climate Action and Financing of investments, laying down the plan for next 25 years.

Proposals such as 35% enhancement in capital outlay, addition of 25,000 kms in Highways, 2,000 kms of Railways network, 400 new Vande Bharat Trains and 100 new GatiShakti Cargo Terminals and multimodal logistic parks will immensely support the Atma Nirbhar initiative.

One of the pivotal take-away was the announcement on acceptance of Surety Bonds for government procurements, a recommendation made by FICCI in December 2021.

Overall, a progressive budget aiming at demand creation, enhancement of employment opportunities, improved user experience, modernized infrastructure for New Age digital & green India.

Tourism

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	1096.82	969.00	2400	147.7%
Outlays for key sectoral schemes				
Tourism Infrastructure	776.68	597.23	1750.34	193%
Promotion and Publicity	141.96	149.00	416.00	179.2%
Training and Skill development	73.51	100.00	104.00	4%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**ECLGS to be extended upto March 2023, guaranteed cover extended by another Rs 50,000 crore.** • **Total cover under scheme is now Rs 5 lakh crore.** • **Additional amount of Rs 50,000 crore has been earmarked for hospitality sector and related MSME services**	This will provide a much-needed breathing space to the hospitality sectors and related MSME services to survive.
2	**National Ropeways Development Programme to be taken up in PPP mode with the aim to improve connectivity, besides promoting Tourism**	The ropeways will provide a convenient mode of transport which is sustainable and boost tourism.
3	**e-Passports using embedded chips will be rolled out in 2022-23 for convenience in overseas travel.**	This will ease overseas travel by making the process faster and is another step towards ease of living
4	**Draft Detailed Project Reports (DPRs) have been finalised (Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery, Damanganga-Pinjal and Par-Tapi-Narmada). Union government will provide support for the implementation of the project after a consensus is obtained by the beneficiary states.**	This will provide an opportunity to develop river tourism
5	**Gati Shakti plan** **Railways under the Gati Shakti plan: 400 new generation Vande Bharat trains will be developed and manufactured in next 3 years** **National highways to be expanded by 25,000 km in 2022-23 under the Prime Minister's Gati Shakti National Master Plan for Multi-modal Connectivity.**	Increased connectivity will boost Tourism to various destinations

Overall Assessment of Budget for Sector’s Growth and Development

The announcement to extend ECLGS to March 2023 and the additional guarantee cover of Rs 50,000 crore to the hospitality sector and other MSME related services is a much-needed relief to the hospitality industry to survive. The commitment to execute major river-interlinking projects (Daman Ganga Pinjar, Par Tapi Narmada, Krishna Godavari, Krishna Pennar and Pennar Cauvery) provides an immense potential to develop river tourism. The move towards e-Passports will ensure ease of travel and smooth immigration processes. Increased connectivity through 400 new generation Vande Bharat trains and expansion of 25,000 km of the National Highways in 2022-23 will connect various destinations and contribute to the growth of tourism.

Water

Budget Outlay for Sector (Rupees Crore)

	2020-21 Actual	2021-22 RE	2022-23 BE	% change (BE FY23 over RE FY22)
Overall for the Sector / Ministry	7232.09	18008.7	18967.88	5%
Outlays for key sectoral schemes				
Scheme A - National River Conservation Plan	800.00	500.00	-	
Scheme B - Namani Gange	600.00	1400.00	-	
Scheme C – Namami Gange II	-	-	2800	
Scheme D - River basin Management	147.76	177.30	97.00	-45%
Scheme E - Water Resources Management	453.36	782.50	2112.88	170%
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	9475.81	10905.50	49757.75	356%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Har Ghar, Nal Se Jal** Current coverage of Har Ghar, Nal Se Jal is 8.7 crores. Of this 5.5 crore households were provided tap water in last 2 years itself. Allocation of ` 60,000 crore has been made with an aim to cover 3.8 crore households in 2022-23.	This will ensure India’s water security and provide access to safe and adequate drinking water to all Indians, particularly in rural India.

Overall Assessment of Budget for Sector’s Growth and Development

The Union Budget FY 2022-2023 has set aside big funding to improve access to clean water. The budget outlay for Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission has been drastically increased from INR 10905 crores in 2021-22 to INR 49757 crores in 2022-23. These measures will significantly focus on providing safe and accessible drinking water to all Indians, particularly in rural India.s