

Union Budget Highlights 2022-23

1. Telecom

The Finance Minister has announced the auction of 5G spectrum in 2022. With this, India will join other countries around the world which have begun rolling of 5G services. However, there are several issues that would need to be considered, foremost amongst which is the price of spectrum. There have been repeated demands to reconsider the pricing of spectrum, lowering the base price. Questions have been raised whether private players have the financial muscle to place exorbitant bids.

- 5G will be launched in 2022 only
- DLI Scheme will be launched for 5G equipments
- Bharatnet: Optical Fibres in all villages by 2025 under PPP Model

2. Defence:

- 68 % of the defence procurement budget will be earmarked for acquisitions from Domestic players
- Defence R&D sector to be opened up for private players and Startups with 25% of the Defence R&D budget has been earmarked for private players including academia. This will be regulated through a monitoring body.
- Government will invest and regulate the testing & certification of defence equipments.

3. Battery Swapping Policy:

A battery swapping policy will be brought out and interoperability standards will be formulated for the electric vehicles sector. Private sector will be encouraged to develop efficient solutions.

The battery swapping policy to mitigate concerns over space crunch for expanding EV infrastructure. Make EVs more viable and lower range anxiety for buyers

4. Solar Energy:

Budget proposes Rs 19,500 crore for PLI for manufacturing high-efficiency solar modules. The Budget proposes to allocate additional Rs 19,500 crore for PLI for manufacturing high-efficiency solar modules with priority on fully integrating manufacturing of various components. This is a step in direction of achieving 280 GW of installed solar capacity by 2030.

5. MSME's:

Govt to roll out five-year programme to accelerate MSME performance. Emergency Credit Line Guarantee Scheme (ECLGS) to be extended till March 2023 and guarantee cover will be raised by Rs 50,000 crore to Rs 5 lakh crore. This scheme provided collateral free loans to stressed MSMEs. Impact: Extension to help services sector,

especially the hospitality and contact intensive activities, hit by Covid-19. Separately, the government will roll out a five-year programme to accelerate MSME performance. Bring in rating mechanism for MSMEs.

6. Infrastructure Push:

- Highway expansion by 25,000 km
- Rs 60,000 crore on Nal se Jal scheme
- Five river link projects across various states
- Rs 48,000 crore on PM housing scheme
- North East infrastructure development

7. Direct Tax:

- Corporate surcharge to be reduced from 12% to 7%
- Income from virtual digital assets to be taxed at 30%
- Tax deduction limit to be increased from 10% to 14% for Centre, state govt employees
- Taxpayers can now update I-T returns within 2 years
- New manufacturing domestic cos under section 115BAB – last date for commencement of production increased by one more year to 31.3.2024
- Scheme of taxation of Virtual digital transaction asset- any income to be taxed at 30% with no deduction except cost of acquisition. Loss cannot be set off against any other income. TDS at 1%.
- Gift to be taxed in the hands of recipient.
- Reduce AMT for cooperatives at 18% to 15%. Company's pay at 15%. Reduce surcharge from 12% to 7% for incomes above 1 crores.
- Parent or guardian can take benefit of annuity amount paid for differently abler persons or dependents till 16 years.
- Incentives for start ups. In view of Covid, eligible start up period increased by 1 year to 31.3.2023.

8. Education:

- Supplementary teaching for students – program of e vidya extended to 400 TV channels- to be provided in regional languages
- High quality e content to be developed thru internet mobiles digital tools
- A digital university to be established with world class education in regional languages.
- A national tele mental health program to be launched. National digital health register to be rolled out.
- Audio visual aids for anganwadis.
- 2 lacs anganwadis to be upgraded as Saksham.
- 600 crore Jal jeevan mission.

9. Health Sector:

- **National Digital Health Ecosystem:** “An open platform for the National Digital Health Ecosystem will be rolled out. It will consist of digital registries of health providers and health facilities, unique health identity and universal access to health facilities,”
- **National Tele Mental Health program:** “The pandemic has accentuated mental health problems in people of all ages. To better the access to quality mental health counseling and care services, a 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 IIT Bangalore providing technology support.

10. Custom Duty Announcements:

- Proposed phase out and apply moderate tariffs on duty exempted capital goods.
- More than 350 exemptions will be phased out gradually on imports under Project Import scheme.
- Custom duty rates rationalised for hearing aids, mobile cameras, to promote domestic manufacturing.
- Custom duty on cut and polished diamond reduced to 5%. Customs duty on 400 rs per kg on import of imitation jewellery. Duty exemption on steel scrap extended.
- Anti dumping duty on bars of steel been revoked.

11. Export Promotion

- SEZ Act will be revamped to increase participation of states and accelerate export growth.

12. NORTH- EASTERN STATES:

- Rs. 1500 crores for the north east
- Increase quality in backward districts
- Aspirational Distt to be connected to focus on lagging areas. .

13. Miscellaneous

- E-Passports will be rolled out in 2022-23 with E-chip inside.
- For urban capacity building, modernization of building by laws, town planning schemes and transit oriented development will be implemented.
- Centres of Excellence will be established with an outlay of 250 crore for urban sector development.
- 'One Nation, One Registration' will be established for anywhere registration to facilitate ease of living & doing business.
- Digital Rupee to be rolled out by 2023

- Sovereign green bonds to be issued and proceeds to be deployed in reducing carbon emissions.
- 400 new vande bharat trains to be introduced.
- One nation one registration, regarding all Deeds and agreements where Stamp Duty is payable.
- Rs. 48000 crores allocated for housing schemes under PM Awaas Yojana.
- Rs. 1.50 lacs Post offices to be upgraded to core banking via net banking mobile banking. 75 digital banking units soon.