

LEX SCRIPTA MAGAZINE OF LAW AND POLICY
ISSN-

VOLUME-1 ISSUE-1
YEAR: 2023

EDITED BY:
LEX SCRIPTA MAGAZINE OF LAW AND
POLICY

All Copyrights are reserved with the Authors. But, however, the Authors have granted to the Journal (Lex Scripta Magazine of Law and Policy), an irrevocable, non-exclusive, royalty-free and transferable license to publish, reproduce, store, transmit, display and distribute it in the Journal or books or in any form and all other media, retrieval systems and other formats now or hereafter known.

No part of this publication may be reproduced, stored, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other non-commercial uses permitted by copyright law.

The Editorial Team of Lex Scripta Magazine of Law and Policy Issues holds the copyright to all articles contributed to this publication. The views expressed in this publication are purely personal opinions of the authors and do not necessarily reflect the views of the Editorial Team of Lex Scripta Magazine of Law and Policy.

[© Lex Scripta Magazine of Law and Policy. Any unauthorized use, circulation or reproduction shall attract suitable action under application law.]

A DETAILED COMPARISON OF UNION BUDGET 2022-2023

**Author: Tanya Shree, B.A.,LL.B(H) 1st Year, Student of Amity University Jharkhand
Ranchi.**

ABSTRACT

Budgeting is a component of managerial accounting, and firms use this process to determine their budgets for long-term objectives and growth. An effective budget for the company will be created through this method for the organisation. According to the article, companies utilise several methods for creating their budgets. Corporations are to higher institutions (Central Management Company and Service Management Company) to generate budgets. The major goal of the budget is to grow the company and reduce the amount of wasted resources and money. The majority of organisations, according to the literature analysis, struggle with their budgeting procedures. Who utilises inaccurate information in the budgeting process, after all. The majority of businesses struggle because they can't effectively use technology in their operations.

Development companies use advanced technology for their budgeting procedures because these systems can collect the precise data that is required for budgeting, easily monitor their company's performance, and analyse results. If the latter are unfavourable, these systems can be used to change a company's budgeting procedures right away. With a bottom-up strategy, authorities are divided among the lower levels and are responsible for creating each department's budget, as opposed to a top-down approach that uses top management to create budgets. Due to the inflation rate, governmental regulations, consumer demands, and organisational goals, the selective article describes how firms employ the conventional budgeting procedure. Because of the COVID 19 problem, as I discussed, the conventional budgeting procedure is preferable for businesses.

Keywords: Budget, Corporation, Inflation Rate, consumer demands.

INTRODUCTION

The Budget was first introduced in India on April 7, 1860 when Scottish economist and politician James Wilson from East India Company presented it to the British Crown. Independent India's first budget was presented on November 26, 1947 by the then Finance Minister R K Shanmukham Chetty.¹

¹ Teqipadmin (March 15, 2023), Budget 2023 Date & Time, Expectations, Income Tax, New Schemes, <https://teqip.in/budget-date-time-expectations.html>

The last budget, was presented by the financial minister of India Smt. Nirmala Sitaraman. In that she mentioned about the 2021-2022, at the time of the pandemic. And the budget of 2023 or we can say that financial statement of India put forwarded by the finance minister Smt. Nirmala Sitaraman on 1st February 2023. The people were so excited as well as impatient to know about the budget and what's new in this. Years budget, how it will look?

Before the presentation of the budget, the survey which is. Financial would be provided in the parliament that is. Totally about every zone performance for. Consideration of demand action.

In the budget session 2023, it will start of in the parliament on date 31st January 2023, our respected president of India, Droupadi Murmu, will be forwarded Lok Sabha and Rajya Sabha joint sitting in the central hall to start the session, at first the financial survey, before the house would be set down. Then for the revered president there will be motion of thanks and the discussion about the budget 2023 will begin . The prime minister of India Mr Narendra Modi, will be answering to the debate grew up during the conversation. And now in the second part the Main focus will be on the demands of grants. The money bill/ and the budget (2023) proceed. On April 6th, the session finished.

HIGHLIGHTS OF BUDGET

Spending: The government's proposed budget for 2022–23 calls for spending Rs 39,44,909 crore, an increase of 4.6% from the previously revised estimate for 2021–22. The total spending for 2021–22 is anticipated to be 8.2% higher than anticipated in the budget.

Receivables: In 2022–23, receipts (other than borrowings) are anticipated to total Rs 22,83,713 crore, up 4.8% from the revised projection for 2021–22. The predicted total receipts (excluding borrowings) for 2021–22 are 10.2% greater than those projected in the budget.

GDP: In 2022–2023, the government forecasts a nominal GDP growth rate of 11.1%. (i.e., real growth plus inflation).

Deficits: The target revenue deficit for 2022–2023 is 3.8% of GDP, which is less than the previously estimated 4.7% for that period. In comparison to the previously estimated 6.9% of GDP in 2021–2022 (which was marginally higher than the budget estimate of 6.8% of GDP), the fiscal deficit for 2022–2023 is expected to be 6.4% of GDP. Estimated interest costs come to Rs 9,40,651 crore, or 43% of revenue.

Extra Budgetary Resources (EBR): The budget has stopped relying on EBR or loans from the National Small Savings Fund after a period of years.

Allocations by ministry: Of the top 13 ministries with the greatest allocations, the Ministry of Communications saw the highest percentage rise in allocation in 2022–2023, followed by the Ministry of Road Transport and Highways (52%), and the Ministry of Jal Shakti (25%).²

TAX PROPOSALS IN THE MAIN FINANCE BILL

Income tax:

Both individual and corporate income tax rates remain unchanged.

Long Term Capital Gains (LTCG) Surcharge:

Now, the LTCG surcharge on listed stocks and equity mutual funds is set at 15%. If the total income is between Rs 2 crore and Rs 5 crore, the surcharge on other LTCG is 25%; if it is above Rs 5 crore, it is 37%. They would be limited by the budget to 15%.

Tax on virtual digital assets:

A 30% tax will be applied to any income derived from the transfer of cryptocurrencies and non-fungible tokens. Any loss resulting from such transactions cannot be carried over to other years or offset against any other income.

Return of income update:

Within two years of the assessment year, taxpayers may submit an updated return of income. If they file it in the year following the assessment year, they must pay a 25% penalty on the tax and interest that is owed, and a 50% penalty in the next year.

Co-ops:

The alternative minimum tax will drop from 18.5% to 15% for co-ops. For cooperatives with a total annual income of between one crore and ten crore rupees, the surcharge will be decreased from 12% to 7%.

New enterprises and start-ups:

New domestic companies engaged in manufacturing have an option to pay tax at 15% (without claiming any deductions) if they commence production by March 31, 2023. There is a tax alternative available for several sorts of startups.

Changes in customs duty:

Customs duties have changed for more than five hundred different items. Many customs exemptions are also being phased out.

² Teqipadmin (March 15, 2023), Budget 2023 Date & Time, Expectations, Income Tax, New Schemes, <https://teqip.in/budget-date-time-expectations.html>

HIGHLIGHTS OF POLICY

Legislative proposals:

In place of the Special Economic Zones Act of 2005, a new law will be introduced that will allow states to collaborate on the "Development of Enterprise and Service Hubs," which will encompass both new and existing industrial enclaves. Legislative changes will also be brought in to promote agro-forestry and private forestry. Amendments will be made in the Insolvency and Bankruptcy Code to facilitate cross border insolvency resolution.

Fiscal Management: Rs 51,971 crore has been budgeted in 2021-22 towards settling the liabilities of Air India.

MSMEs:

The Emergency Credit Line Guarantee Scheme (ECLGS) will now be in effect through March 2023, and its guarantee coverage will increase by Rs 50,000 crore to a total of Rs 5,000 crore. The Credit Guarantee Trust for Micro and Small Enterprises will be updated to enable an extra two lakh crores of rupees in credit.

Health and Nutrition:

Under Ayushman Bharat Digital Mission, an open platform for National Digital Health Ecosystem will be established. It will consist of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities. To give people access to high-quality mental health counselling and care services, a national telemental health programme will be introduced.

River linking: The Ken-Betwa Link Project is expected to cost Rs 44,605 crore to complete. There are currently five more river linking projects in operation.

Labour and Employment: An e-portal for the Digital Ecosystem for Skilling and Livelihood (DESH) will be unveiled. The portal will support citizens in developing their skills, obtaining credentials, and locating relevant employment.

Roadways:

In 2022–2023, the PM Gati Shakti Master Plan for Expressways will be developed. The National Highways network will be expanded by 25,000 km in 2022-23.³

Railways:

³ <https://byjus.com/free-ias-prep/union-budget-2022-23/> (visited on March 3, 2023)

One-station-one-product concept will be implemented to help local businesses and supply chains. 400 new Vande Bharat trains will be developed and manufactured during the next three years. Further, 100 cargo terminals for multimodal logistics facilities will also be developed during the next three years.⁴

Communications:

Facilitate the rollout of 5G mobile services between 2022 and 2023, spectrum auctions will be held. A programme for design-led manufacturing will be introduced as part of the Production Linked Incentive (PLI) Scheme to create an ecosystem for 5G.

BUDGET ASSESSED OF 2022-23 AS COMPARED TO REVISED ASSESSED OF 2021-22

Overall Expenditure:

In 2022–2023, the government is expected to spend Rs 39,44,909 crore. This represents a 4.6% increase over the updated forecast for 2021–2022. Revenue expenditure is anticipated to total Rs 31,94,663 crore (an increase of 0.9%), while capital expenditure is anticipated to total Rs 7,50,246 crore (an increase of 24.5%). The significant increase in loans and advances to state governments is primarily to blame for the rise in capital expenditures. In 2022–23, the central government is expected to loan and advance Rs 1,40,057 crore, a 153% increase over the updated estimates for 2021–22.⁵

Overall Receipts:

Government receipts (excluding of borrowings) are projected to total Rs 22,83,713 crore, up 4.8% from the updated estimates for 2021–22. Borrowings, which are estimated to total Rs 16,61,196 crore, an increase of 4.4% above the revised projection for 2021–22, would be used to close the gap between these receipts and expenditures.

Transfer to states:

In 2022–2023, the federal government will give states and union territories a total of Rs 16,11,781 crore. This is a 0.5% slight increase over the updated predictions for 2021–2022. Devolution of Rs. 8,16,649 crore from the dividend pool of central taxes and grants and loans totalling Rs. 7,95,132 crore make up the transfer to states.

⁴ <https://byjus.com/free-ias-prep/union-budget-2022-23/> (visited on March 3, 2023)

⁵ <https://prsindia.org/budgets/parliament/union-budget-2022-23-analysis#:~:text=Expenditure%3A%20The%20government%20proposes%20to,8.2%25%20higher%20than%20budget%20estimate.> (visited on March 3, 2023)

According to the updated projections, back-to-back loans of Rs 1,59,000 crore will be given to the states in 2021–2022 in place of GST compensation.

Deficits:

In 2022–2023, the revenue deficit is expected to be 3.8% of GDP and the fiscal deficit is expected to be 6.4% of GDP. The primary deficit goal for 2021–22 is 2.8% of GDP, which is the fiscal deficit minus interest payments.⁶

GDP growth estimate:

Nominal GDP growth is projected to increase at a rate of 11.1% in 2022–2023.

EXPECTATIONS OF BUDGET AND NEW SCHEME OF BUDGET 2023

Many look forward to some relief from the escalating costs each year. Before the general elections in 2024, the FM will present the fifth budget. The Department of Economic Affairs will create the budget with assistance from the other departments.

The money will open doors for international producers. Due to increasing demands, the health zone is more likely to receive additional funding. This will help them prepare for the dangerous varieties that are being found. More money will be raised by MGNREGA and others to help the rural population.

The capital expenditure will be used to run the Union administration. In light of the pandemic, the previous budget prioritised recovery. The FY24 budget is more designed to support the growth of the financial and investment banker.

The government anticipates mentioning new plans from the need areas in its annual financial report for 2023–24. The government will take action to include greater development into the current plan.

They are also working to develop new plans for transportation, education, security, taxes, food, and other areas. The funds will be designated for the ministry in order to give the plans life and ensure that the strategy is executed flawlessly. Check out the government website if you want to learn more about the upcoming budget. The budget information will also be broadcast on television.

CONCLUSION

⁶<https://prsindia.org/budgets/parliament/union-budget-2022-23-analysis#:~:text=Expenditure%3A%20The%20government%20proposes%20to,8.2%25%20higher%20than%20budget%20estimate>. (visited on March 3, 2023)

The most significant document a city creates is its budget. It includes the plans for a city's fiscal year's finances, politics, and service delivery. It is an essential instrument for informing the public about public policy. Even though each city generates its annual operating budget in a unique way, all cities engage in a number of similar activities. It is crucial to comprehend the terms and ideas involved in the budget process, regardless of whether your city creates an annual budget that is composed of several sheets of paper stapled together or a 1,000-page document with charts and graphs. Municipal authorities who have been appointed or elected must participate in the difficult process of budget formulation. The procedure combines the efforts of individuals with knowledge and expertise in finance, accounting, policymaking, management, state legislation, and other related fields.