

SIPNA

BUSINESS INSIGHT

Quarterly Newsletter
ISSUE, APRIL 2022

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UNION BUDGET - 2022

BUDGET HIGHLIGHTS

- DIGVIJAY TIDKE
- ANKIT SALUNKE
- ANJALI PANDEY

Budget Highlights

- **Expenditure:** The government proposes to spend Rs 39,44,909 crore in 2022-23, which is an increase of 4.6% over the revised estimate of 2021-22. In 2021-22, total expenditure is estimated to be 8.2% higher than budget estimate.
- **Receipts:** The receipts (other than borrowings) in 2022-23 are expected to be to Rs 22,83,713 crore, an increase of 4.8% over revised estimate of 2021-22. In 2021-22, total receipts (other than borrowings) are estimated to be 10.2% higher than the budget estimates.
- **GDP:** The government has estimated a nominal GDP growth rate of 11.1% in 2022-23 (i.e., real growth plus inflation).
- **Deficits:** Revenue deficit in 2022-23 is targeted at 3.8% of GDP, which is lower than the revised estimate of 4.7% in 2021-22. Fiscal deficit in 2022-23 is targeted at 6.4% of GDP, lower than the revised estimate of 6.9% of GDP in 2021-22 (marginally higher than the budget estimate of 6.8% of GDP). Interest expenditure at Rs 9,40,651 crore is estimated to be 43% of revenue receipts.
- **Extra Budgetary Resources (EBR):** After a number of years, the budget has not relied on EBR or loans from National Small Savings Fund.
- **Ministry allocations:** Among the top 13 ministries with the highest allocations, in 2022-23, the highest percentage increase in allocation is observed in the Ministry of Communications (93%), followed by the Ministry of Road Transport and Highways (52%), and the Ministry of Jal Shakti (25%).



Main tax proposals in the Finance Bill

- ADITYA MOHATE
- GAURAV BAIRAGI
- MUSKAN KHATWANI

- Income tax: There is no change in income tax rates for individuals and corporations.
-
- Surcharge on Long Term Capital Gains (LTCG): Currently, the surcharge on LTCG on listed equities and equity mutual funds is capped at 15%. The surcharge on other LTCG is 25% if total income is between Rs 2 crore and Rs 5 crore, and 37% if it is above Rs 5 crore. The budget proposes to cap these at 15%.
-
- Tax on virtual digital assets: Income from the transfer of cryptocurrencies and non-fungible tokens will be taxed at the rate of 30%. Any loss incurred from such transfers cannot be set off against any other income or carried forward to subsequent years.
-
- Updating return of income: Taxpayers will be permitted to file an updated return of income within two years of the assessment year. They will have to pay 25% penalty on tax and interest due if it is filed in the year after the assessment year, and 50% penalty in the second year.
-
- Co-operatives: Alternate minimum tax for co-operatives will be reduced from 18.5% to 15%. Surcharge will be reduced from 12% to 7% for co-operatives whose total income is between one crore and ten crore rupees.
-
- New companies and start-ups: New domestic companies engaged in manufacturing have an option to pay tax at 15% (without claiming any deductions) if they start manufacturing by March 31, 2023. Certain types of start-ups have an option for tax holiday for three out of the first ten years if they incorporate by April 1, 2022. Both these deadlines have been extended by one year.
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- Changes in customs duty: Customs duties on over 500 items have been changed. Many customs exemptions are also being phased out.

Non-tax proposals in the Finance Bill

- The Reserve Bank of India Act, 1934 is being amended to enable RBI to issue its digital currency.

- **Legislative proposals:** The Special Economic Zones Act, 2005 will be replaced with a new legislation that will enable states to become partners in ‘Development of Enterprise and Service Hubs’, covering all existing and new 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:** Emergency Credit Line Guarantee Scheme (ECLGS) will be extended up to March 2023 and its guarantee cover will be expanded by Rs 50,000 crore to total cover of five lakh crore rupees. Credit Guarantee Trust for Micro and Small Enterprises will be revamped to facilitate additional credit of two lakh crore rupees.
- **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. A National Tele Mental Health Programme will be launched to provide access to quality mental health counselling and care services.
- **River linking:** The Ken-Betwa Link Project will be implemented at an estimated cost of Rs 44,605 crore. Five more river linking projects are being implemented.
- **Labour and Employment:** The Digital Ecosystem for Skilling and Livelihood (DESH) Stack e-portal will be launched. The portal will help citizens learn skills, acquire credentials, and assist in finding relevant jobs.
- **Infrastructure:** Projects relating to transport and logistics infrastructure in the National Infrastructure Pipeline will be aligned with PM GatiShakti framework, which was launched last year. The Prime Minister’s Development Initiative for North-East (PM-DevINE) will be implemented through the North-Eastern Council to fund development projects in the North-East region. Also, one lakh crore rupees is being allocated to states for catalysing investments, in the form of 50 year interest free loans.
- **Roadways:** The PM GatiShakti Master Plan for Expressways will be formulated in 2022-23. The National Highways network will be expanded by 25,000 km in 2022-23.
- **Railways:** 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.
- **Telecom:** Spectrum auctions will be conducted to facilitate rollout of 5G mobile services within 2022-23. A scheme for design-led manufacturing will be launched to build an ecosystem for 5G as part of the Production Linked Incentive (PLI) Scheme.
- **Energy and Environment:** A battery swapping policy for electric vehicles will be implemented. Four pilot projects for coal gasification and conversion of coal into chemicals required for the industry will be set-up. Sovereign Green Bonds will be issued in 2022-23 for mobilising resources for green infrastructure.

MINISTRY-WISE EXPENDITURE IN 2022-23 (RS CRORE) • UDAY JOSHI - RANDHIR GAWAI - REETIKA SEWAG

| | ACTUALS 2020-21 | BUDGETE 2021-22 | REVISED 2021-22 | BUDGETED 2022-23 | % CHANGE (RE 2021-22 TO BE 2022-23) |
|--|--------------------|--------------------|--------------------|---------------------|--|
| DEFENCE | 4,85,681 | 4,78,196 | 5,02,884 | 5,25,166 | 4.4% |
| CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION | 5,66,797 | 2,56,948 | 3,04,454 | 2,17,684 | -28.5% |
| ROAD TRANSPORT AND HIGHWAYS | 99,159 | 1,18,101 | 1,31,149 | 1,99,108 | 51.8% |
| HOME AFFAIRS | 1,44,258 | 1,66,547 | 1,73,083 | 1,85,776 | 7.3% |
| RAILWAYS | 1,12,159 | 1,10,055 | 1,20,056 | 1,40,367 | 16.9% |
| RURAL DEVELOPMENT | 1,97,593 | 1,33,690 | 1,55,043 | 1,38,204 | -10.9% |
| AGRICULTURE AND FARMERS' WELFARE | 1,15,827 | 1,31,531 | 1,26,808 | 1,32,514 | 4.5% |
| CHEMICALS AND FERTILISERS | 1,29,510 | 80,715 | 1,41,735 | 1,07,715 | -24.0% |
| COMMUNICATIONS | 60,903 | 75,265 | 54,517 | 1,05,407 | 93.3% |
| EDUCATION | 84,219 | 93,224 | 88,002 | 1,04,278 | 18.5% |
| HEALTH AND FAMILY WELFARE | 80,694 | 73,932 | 86,001 | 86,201 | 0.2% |
| JAL SHAKTI | 23,199 | 69,053 | 69,046 | 86,189 | 24.8% |
| HOUSING AND URBAN AFFAIRS | 46,701 | 54,581 | 73,850 | 76,549 | 3.7% |
| OTHER MINISTRIES | 13,63,136 | 16,41,398 | 17,43,372 | 18,39,75 | 15.5% |
| TOTAL EXPENDITURE | 35,09,836 | 34,83,236 | 37,70,000 | 39,44,909 | 4.6% |

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2022-23; PRS.



EXPENDITURE ON MAJOR SCHEMES

- SAMIKSHA MAKODE
- SHIVANI ALSPURE
- SUPRIYA DISPAYE

| | ACTUALS 2020-21 | BUDGETE 2021-22 | REVISED 2021-22 | BUDGETED 2022-23 | % CHANGE (RE 2021-22 TO BE 2022-23) |
|---|--------------------|--------------------|--------------------|---------------------|--|
| MGNREGS | 1,11,170 | 73,000 | 98,000 | 73,000 | -25.5% |
| PM-KISAN | 60,990 | 65,000 | 67,500 | 68,000 | 0.7% |
| JAL JEEVAN MISSION/NATIONAL RURAL DRINKING WATER MISSION | 10,998 | 50,011 | 45,011 | 60,000 | 33.3% |
| PRADHAN MANTRI AWAS YOJANA | 40,260 | 27,500 | 47,390 | 48,000 | 1.3% |
| NATIONAL EDUCATION MISSION | 28,088 | 34,300 | 30,796 | 39,553 | 28.4% |
| NATIONAL HEALTH MISSION | 37,478 | 37,130 | 34,947 | 37,800 | 8.2% |
| SAKSHAM ANGANWADI AND POSHAN 2.0* | - | 20,105 | 20,000 | 20,263 | 1.3% |
| MODIFIED INTEREST SUBVENTION SCHEME* | - | - | - | 19,500 | - |
| PRADHAN MANTRI GRAM SADAK YOJANA | 13,688 | 15,000 | 14,000 | 19,000 | 35.7% |
| PRADHAN MANTRI FASAL BIMA YOJANA | 14,161 | 16,000 | 15,989 | 15,500 | -3.1% |
| NATIONAL LIVELIHOOD MISSION-AJEEVIKA | 10,025 | 14,473 | 12,505 | 14,236 | 13.8% |
| AMRUT AND SMART CITIES MISSION | 9,754 | 13,750 | 13,900 | 14,100 | 1.4% |
| PRADHAN MANTRI KRISHI SINCHAI YOJANA | 7,877 | 11,588 | 12,706 | 12,954 | 2.0% |
| RASHTRIYA KRISHI VIKAS YOJANA | - | - | - | 10,433 | - |
| PM-POSHAN* | - | - | - | 10,234 | - |

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2022-23; PRS.





VISION OF INSTITUTE

To provide quality professional education and conducive environment to students to emerge as a model proficient institute.

VISION OF DEPARTMENT

To be a prominent management department in the region by imparting quality professional education for creating reputed managers and entrepreneurs.

MISSION OF INSTITUTE

- *To create scholarly and vibrant environment for professional excellence*
- *To contribute to advancement of knowledge in basic and applied areas of engineering and technology.*
- *To be an institute of choice in the region by developing, managing and transferring contemporary technologies.*
- *To build mutually valuable terms with industry, society and alumni.*

MISSION OF DEPARTMENT

- *To deliver quality education towards professional excellence.*
- *To expand the fundamental concepts, analytical and problem-solving competency of students.*
- *To provide contemporary learning environment that emphasizes managerial expertise in communication, teamwork, leadership, employability, and entrepreneurial skills.*
- *To prepare students with positive professional attitude and ethical values with spirit of social commitment.*

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