

# SIPNA

## BUSINESS INSIGHT

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# UNION BUDGET - 2023

## BUDGET HIGHLIGHTS

- DIVYA PALEJA
- SHREYAS DAGWAR
- RANI THAKRE

- **Expenditure:** The government proposes to spend Rs 45,03,097 crore in 2023-24, which is an increase of 7.5% over the revised estimate of 2022-23. In 2022-23, total expenditure is estimated to be 6.1% higher than the budget estimate.
- **Receipts:** The receipts (other than borrowings) in 2023-24 are expected to be to Rs 27,16,281 crore, an increase of 11.7% over revised estimate of 2022-23. In 2022-23, total receipts (other than borrowings) are estimated to be 6.5% higher than the budget estimates.
- **GDP:** The government has estimated a nominal GDP growth rate of 10.5% in 2023-24 (i.e., real growth plus inflation).
- **Deficits:** Revenue deficit in 2023-24 is targeted at 2.9% of GDP, which is lower than the revised estimate of 4.1% in 2022-23. Fiscal deficit in 2023-24 is targeted at 5.9% of GDP, lower than the revised estimate of 6.4% of GDP in 2022-23. While the revised estimate as a percentage of GDP was the same as the budget estimate, in nominal terms, fiscal deficit was higher by Rs 94,123 crore (increase of 5.7%) in 2022-23. Interest expenditure at Rs 10,79,971 crore is estimated to be 41% of revenue receipts.
- **Ministry allocations:** Among the top 13 ministries with the highest allocations, in 2023-24, the highest percentage increase in allocation is observed in the Ministry of Railways (49%), followed by the Ministry of Jal Shakti (31%), and the Ministry of Road Transport and Highways (25%).
- **Presumptive taxation:** The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs 2 crore to Rs 3 crore. The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs 50 lakh to Rs 75 lakh.
- **Co-operative societies:** The income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
- **Life insurance:** Income from investments in life insurance policies will be taxable if premium of Rs 5 lakh has been paid in any year. The amount paid upon the death of the policy holder will continue to be exempt from income tax.
- **Online Games:** Winnings from online games will be subject to 30% tax deductible at source.

# UNION BUDGET - 2023

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- **Startups:** Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023 to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
- **Indirect Taxes:** Customs duty on several items have been changed. On a few items such as gold, platinum, and aeroplanes the amount of cess has been increased with a corresponding decrease in customs duties.
- **CGST:** The CGST Act will be amended such that input tax credit will not be available for goods and services purchased for use in activities related to corporate social responsibility. Changes in tax exemptions: The tax exemption for news agencies set up solely for the collection and distribution of news will be removed.
- **Charitable trusts** are required to apply 85% of their income within the year to avail income tax exemption. From April 2023, if a charitable trust donates to another charitable trust, only 85% of such a donation would be considered as application of income.
- **Presumptive taxation:** The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs 2 crore to Rs 3 crore. The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs 50 lakh to Rs 75 lakh.

**Table 1: Current and proposed tax slabs**

Tax Rate	Current Income Slab	Proposed Income Slab
Nil	Up to Rs 2.5 lakh	Up to Rs 3 lakh
5%	Rs 2.5 lakh to Rs 5 lakh	Rs 3 lakh to Rs 6 lakh
10%	Rs 5 lakh to Rs 7.5 lakh	Rs 6 lakh to Rs 9 lakh
15%	Rs 7.5 lakh to Rs 10 lakh	Rs 9 lakh to Rs 12 lakh
20%	Rs 10 lakh to Rs 12.5 lakh	Rs 12 lakh to Rs 15 lakh
25%	Rs 12.5 lakh to Rs 15 lakh	-
30%	Above Rs 15 lakh	Above Rs 15 lakh

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2023-24; PRS.

# Budget estimates:

- **TAHREEN KAUSER**
- **HARSH SHINDE**
- **SAKSHI MEHARE**

- **Total Expenditure:** The government is estimated to spend Rs 45,03,097 crore in 2023-24. This is an increase of 7.5% over the revised estimate of 2022-23. Out of the total expenditure, revenue expenditure is estimated to be Rs 35,02,136 crore (1.2% increase) and capital expenditure is estimated to be Rs 10,00,961 crore (37.4% increase). The increase in capital expenditure is due to an increase in capital outlay on transport (including railways, roads and bridges, and inland water transport) by Rs 1,28,863 crore (36.1% increase). Expenditure on total capital outlay is estimated to be Rs 8,37,127 crore in 2023-24, an increase of 35% over the revised estimates for 2022-23.
- **Total Receipts:** Government receipts (excluding borrowings) are estimated to be Rs 27,16,281 crore, an increase of 11.7% over the revised estimates of 2022-23. The gap between these receipts and the expenditure will be plugged by borrowings, budgeted to be Rs 17,86,816 crore, an increase of 1.8% over the revised estimate of 2022-23.
- **Transfer to states:** The central government will transfer Rs 18,62,874 crore to states and union territories in 2023-24, an increase of 8.9% over the revised estimates of 2022-23. Transfer to states includes devolution of Rs 10,21,448 crore out of the divisible pool of central taxes, grants worth Rs 6,86,773 crore, and special loans worth Rs 1.3 lakh crore for capital expenditure.
- **Deficits:** Revenue deficit is targeted at 2.9% of GDP, and fiscal deficit is targeted at 5.9% of GDP in 2023-24. The target for primary deficit (which is fiscal deficit excluding interest payments) in 2023-24 is 2.3% of GDP. The revised estimate for the revenue deficit target has increased from the budgeted estimate in 2022-23. The revised fiscal deficit target for 2022-23 has remained the same, despite higher receipts. In 2022-23, the central government's revenue deficit is expected to be 4.1% of GDP against a budget estimate of 3.8% of GDP.
- **GDP growth estimate:** The nominal GDP is estimated to grow at a rate of 10.5% in 2023-24.

# BUDGET AT A GLANCE 2023-24 (RS CRORE)

- RISHIKESH WAGHADE
- ATHARV INGOLE
- NAYAN BUTE

	Actuals 2021-22	Budgeted 2022-23	Revised 2022-23	Budgeted 2023-24	% change (2022-23 RE to 2023-24 BE)
Revenue Expenditure	32,00,926	31,94,663	34,58,959	35,02,136	1.2%
Capital Expenditure	5,92,874	7,50,246	7,28,274	10,00,961	37.4%
of which:					
Capital Outlay	5,34,499	6,10,189	6,20,204	8,37,127	35.0%
Loans and Advances	58,376	1,40,057	1,08,070	1,63,834	51.6%
Total Expenditure	37,93,801	39,44,909	41,87,232	45,03,097	7.5%
Revenue Receipts	2,169,905	22,04,422	23,48,413	26,32,281	12.1%
Capital Receipts	39,375	79,291	83,500	84,000	0.6%
of which:					
Recoveries of Loans	24,737	14,291	23,500	23,000	-2.1%
Other receipts (including disinvestments)	14,638	65,000	60,000	61,000	
Total Receipts (excluding borrowings)	22,09,280	22,83,713	24,31,913	27,16,281	11.7%
Revenue Deficit	10,31,021	9,90,241	11,10,546	8,69,855	-21.7%
% of GDP	4.4%	3.8%	4.1%	2.9%	-29.3%
Fiscal Deficit	15,84,521	16,61,196	17,55,319	17,86,816	1.8%
% of GDP	6.7%	6.4%	6.4%	5.9%	-7.8%
Primary Deficit	7,79,022	7,20,545	8,14,668	7,06,845	-13.2%
% of GDP	3.3%	2.8%	3.0%	2.3%	-23.3%

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2023-24; PRS.

# MINISTRY-WISE EXPENDITURE IN 2023-24 (RS CRORE)

- RITIKA LONDE
- ABHILASHA JAISWAL
- JANHAVI KADAM

	ACTUALS 2020-21	BUDGETE 2021-22	REVISED 2021-22	BUDGETED 2022-23	% CHANGE (RE 2021-22 TO BE 2022-23)
DEFENCE	5,00,681	5,25,166	5,84,791	5,93,538	1.5%
ROAD TRANSPORT AND HIGHWAYS	1,23,551	1,99,108	2,17,027	2,70,435	24.6%
RAILWAYS	1,35,242	1,40,367	1,62,312	2,41,268	48.6%
FOOD AND PUBLIC DISTRIBUTION	3,06,571	2,17,684	2,96,523	2,05,765	-30.6%
HOME AFFAIRS	1,68,791	1,85,777	1,93,912	1,96,035	1.1%
CHEMICALS AND FERTILISERS	1,54,789	1,07,715	2,27,681	1,78,482	-21.6%
RURAL DEVELOPMENT	1,61,643	1,38,204	1,82,382	1,59,964	-12.3%
AGRICULTURE AND FARMERS' WELFARE	1,22,836	1,32,514	1,18,913	1,25,036	5.1%
COMMUNICATIONS	51,545	1,05,407	1,05,478	1,23,393	17.0%
EDUCATION	80,352	1,04,278	99,881	1,12,899	13.0%
JAL SHAKTI	83,467	86,189	74,029	97,278	31.4%
HEALTH AND FAMILY WELFARE	84,470	86,201	79,145	89,155	12.6%
HOUSING AND URBAN AFFAIRS	1,06,840	76,549	74,546	76,432	2.5%
OTHER MINISTRIES	17,13,022	18,39,751	17,70,613	20,33,419	14.8%
TOTAL EXPENDITURE	37,93,801	39,44,909	41,87,232	45,03,097	7.5%

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2023-24; PRS.



# SUBSIDIES IN 2023-24 (RS CRORE)

- SAAKSHI TAALE
- ATHARVA LAVHEKAR
- KHUSHI GUPTA

	ACTUALS 2021-22	BUDGETE 2022-23	REVISED 2022-23	BUDGETED 2023-24	% CHANGE (2022-23 RE TO 2023-24 BE)
FOOD SUBSIDY	2,88,969	2,06,831	2,87,194	1,97,350	-31.3%
FERTILISER SUBSIDY	1,53,758	1,05,222	2,25,220	1,75,100	-22.3%
PETROLEUM SUBSIDY	3,423	5,813	9,171	2,257	-75.4%
OTHER SUBSIDIES	57,758	37,773	40,495	28,377	-29.9%
TOTAL	5,03,907	3,55,639	5,62,080	4,03,084	-28.3%

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2023-24; PRS.

In 2023-24, the total expenditure on subsidies is estimated to be Rs 4,03,084 crore, a decrease of 28.3% from the revised estimate of 2022-23 (Table 6).

**Food subsidy:** Allocation to food subsidy is estimated at Rs 1,97,350 crore in 2023-24, a 31.3% decrease over the revised estimate of 2022-23. A higher level of food subsidy was budgeted in 2021-22 and 2022-23 mainly on account of Pradhan Mantri Garib Kalyan Ann Yojana, which provides for free additional foodgrains to eligible beneficiaries to mitigate the impact of COVID-19. The provision of additional food grains was discontinued in December 2022.

**Fertiliser subsidy:** Expenditure on fertiliser subsidy is estimated at Rs 1,75,100 crore in 2023-24. This is a decrease of Rs 50,120 crore (22.3%) from the revised estimate of 2022-23. Fertiliser subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilisers.

**Other subsidies:** Expenditure on other subsidies includes interest subsidies for various government schemes, subsidies for the price support scheme for agricultural produce, and assistance to ship building research and development, among others. In 2023-24, the expenditure on these other subsidies is estimated to decrease by 30% over the revised estimate of 2022-23.

# SCHEME WISE ALLOCATION IN 2023-24 (RS CRORE)

- NAZAKAT ALI
- PRANJAL SHARMA
- MADHAV SHRIMALI

	ACTUALS 2021-22	BUDGETE 2022-23	REVISED 2022-23	BUDGETED 2023-24	% CHANGE (RE 2022-23 TO BE 2023-24)
PRADHAN MANTRI AWAS YOJANA	90,020	48,000	77,130	79,590	3.2%
JAL JEEVAN MISSION /NATIONAL RURAL DRINKING WATER MISSION	63,126	60,000	55,000	70,000	27.3%
PM-KISAN	66,825	68,000	60,000	60,000	0.0%
MGNREGS	98,468	73,000	89,400	60,000	-32.9%
NATIONAL EDUCATION MISSION	25,305	39,553	32,612	38,953	19.4%
NATIONAL HEALTH MISSION	32,958	37,160	33,708	36,785	9.1%
MODIFIED INTEREST SUBVENTION SCHEME*	-	19,500	22,000	23,000	4.5%
SAKSHAM ANGANWADI AND POSHAN 2.0	18,382	20,263	20,263	20,554	1.4%
PRADHAN MANTRI GRAM SADAK YOJANA	13,992	19,000	19,000	19,000	0.0%
AMRUT AND SMART CITIES MISSION	13,868	14,100	15,300	16,000	4.6%
NATIONAL LIVELIHOOD MISSION-AJEEVIKA	10,177	14,236	13,886	14,129	1.7%
GUARANTEE EMERGENCY CREDIT LINE TO MSME BORROWERS	7,445	15,000	10,500	14,100	34.3%
PRADHAN MANTRI FASAL BIMA YOJANA	13,549	15,500	12,376	13,625	10.1%
SWACHH BHARAT MISSION	5,050	9,492	7,000	12,192	74.2%
REFORM LINKED DISTRIBUTION SCHEME	814	7,566	6,000	12,072	101.2%

SOURCES: EXPENDITURE BUDGET, UNION BUDGET 2023-24; PRS.









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*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

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- *To prepare students with positive professional attitude and ethical values with spirit of social commitment.*

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