

Budget 2023 - Roadmap to Mission India@100



By **VERENDRA KALRA**

Budget 2023 is the last full budget to be presented before the national elections in 2024. Amidst wide expectations of being a populist one in a pre-election year, Budget 2023 instead ticked just the right boxes by balancing outlays for infrastructure and capex with measures to boost consumption.

The first budget in India's Amrit Kaal envisions a technology-driven and knowledge-based economy with strong public finances, and a robust financial sector. The economic agenda for achieving this vision focuses on three things: first, facilitating ample opportunities for citizens, especially the youth, to fulfill their aspirations; second, providing strong impetus to growth and job creation; and third, strengthening macro-economic stability.

Budget 2023 adopts seven priorities calling them 'Saptarishis' as the guiding factors.

Inclusive Development has been sought to be pushed through measures like building of digital public infrastructure for agriculture, setting up an Agriculture Accelerator Fund to encourage agri startups by young entrepreneurs in rural areas,

increase of agriculture credit target to Rs 20 lakh crore, schemes for computerisation of 63,000 Primary Agricultural Credit Societies (PACS) and a National Digital Library for children and adolescents facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility.

Second on the list of priorities set out by the FM, is Reaching the Last Mile. To achieve this, recruitment of 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students is proposed in the next three years. The outlay for PM Awas Yojana is being enhanced by 66%.

With a strong focus on Infrastructure and Investment, capital investment outlay is being increased steeply for the third year in a row by 33% to Rs 10 lakh crore, which would be 3.3% of GDP. This will be almost three times the outlay in 2019-20. A capital outlay of Rs 2.40 lakh crore has been provided for the Railways, which is about 9 times the outlay made in 2013-14. One hundred critical transport infrastructure projects, for last and first mile connectivity of ports, coal, steel, fertiliser and food grains sectors have been identified. They will be taken up on priority with investment of Rs 75,000 crore, including Rs 15,000 crore from private sources.

Measures to Unleash the Potential include push through schemes like Mission Karmayogi, by implementing capacity-building plans for civil servants through integrated online training platform, iGOTKarmayogi. For realising the vision of "Make AI in India and Make AI work for India", three centres of excellence for Artificial Intelligence will be set-up in top educational institutions.

Ease of doing business gets sustained attention through multiple initiatives riding on technology such as one stop solution for identity and address updating for regulators and regulated entities using DigiLocker service and Aadhaar as foundational identity, PAN as Common Business Identifier, Unified Filing Process for obviating the need for separate submission of same information to different government agencies.

MSME sector gets the enhanced

working capital access through schemes Vivad se Vishwas - I & II, wherein return of 95% of the forfeited amount is being allowed relating to bid or performance security by government and government undertakings in cases of failure by MSMEs to execute contracts during Covid. To further support MSMEs in timely receipt of payments, there is a welcome proposal to allow deduction under Income Tax Act for expenditure incurred on payments made to them only when payment is actually made are welcome measures to boost the MSME sector.

Green Growth continues to be a central pillar of India's overall development trajectory. The Budget speech outlined several new priorities, like the recently launched National Green Hydrogen Mission, with an outlay of Rs 19,700 crores to facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports. This Budget provides Rs 35,000 crore for priority capital investments towards energy transition and net zero objectives.

Youth Power or the 'Amrit Peedhi' to be empowered by schemes like Pradhan Mantri Kaushal Vikas Yojana 4.0 to skill lakhs of youth within the next three years. The scheme covers new age courses for industry like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills. To skill youth for international opportunities, 30 Skill India International Centers to be set up across different States.

Impetus to digital ecosystem for skilling is expanded with the launch of a unified Skill India Digital platform for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes.

The Financial Sector, which has been identified as the seventh on the list of priorities, is given considerable attention in the Budget with measures like Credit Guarantee for MSMEs. To simplify, ease and reduce cost of compliance, financial sector regulators are to carry out a comprehensive review of existing regulations along with other measures for improving Governance and Investor Protection in Banking Sector, capacity Building in Securities Market and a Central Data Processing Centre while also introducing a one-time new small savings

scheme for women and enhancement of the maximum deposit limit for Senior Citizen Savings Scheme.

On the direct tax front, under personal income tax, middle class gets tax relief through increase in the rebate limit (for taxpayers in the new regime), will NIL tax up to Rs 7 lakh of income. Individuals with an income of Rs 15 lakh will be required to pay only Rs 1.5 lakh or 10% of his or her income, a reduction of 20% from the existing liability. The highest surcharge rate has been brought down from 37% to 25% in the new tax regime. All these measures are aimed at moving in the long term towards a tax regime with minimal deductions and exemptions.

In continuation are extensions of income tax benefits to start-ups by another one year and benefits of carry forward of losses on change of shareholding from seven years of incorporation to ten years.

Indirect tax proposals aim to promote exports, boost domestic manufacturing, enhance domestic value addition, encourage green energy and mobility. Custom duty rates have been brought down from 21 to 13. There is no tinkering of rates under GST.

With fiscal deficit estimated to be 5.9% of GDP in FY 24, India is well on the path of fiscal consolidation and current year's economic growth estimated at 7% which is notably the highest among all the major economies. This is despite the massive slowdown globally caused by Covid-19 and a war.

Continuity, Consistency and Certainty have been the hallmark of all the budgets presented by the present government. In the backdrop of the elections in 2024, this is just the right time for all political parties to come together in a bi-partisan manner and consensually approach the economic agenda, so as to build incrementally upon all what has been achieved in the past and take Mission India@100 forward to its tryst with destiny.

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