

NEWSPAPER HIGHLIGHT

Rating agencies are not enthused by the fiscal consolidation road map and the lack of major reform proposals in the Union Budget. Fitch Ratings said that beyond the higher capex drive, the Budget was short on major reform plans and the fiscal deficit target for 2022-23 at 6.4% of the GDP, was higher than the 6.1% it had anticipated. "Deficit targets in the Budget are a bit higher than our forecasts when we affirmed India's 'BBB' / negative sovereign rating in November.

Electoral bonds worth ₹1,213 crore were sold by the State Bank of India (SBI) in January, with most of them (₹784.84 crore) being encashed in the New Delhi branch, pointing towards national parties, while the Mumbai branch sold the most (₹489.6 crore worth), according to a Right to Information reply this week. This comes as campaigning for the Assembly polls in Goa, Manipur, Punjab, Uttar Pradesh and Uttarakhand is in full swing, after being announced on January 8.

Homestays would soon be allowed in the villages around Sultanpur National Park in Gurugram to promote tourism and provide an opportunity to the visitors to catch a glimpse of rural life in Haryana.

Children in the country received the lowest share of allocation in the Budget in 11 years, according to an analysis by the NGO, HAQ Centre for Child Rights. The total allocation for children in Union Budget 2022-23 is ₹92,736.5 crore, against an allocation of ₹85,712.56 crore in the last Budget. Though this is an increase of 8.19% in absolute terms, it is not proportionate to the increase in the total expenditure in the Budget.

With coal stocks running 'critically low', the aluminium industry has sought urgent government intervention to address the precarious situation and earmark at least 2530 coal rakes per day for sustainable industry operations.

Finance Minister Nirmala Sitharaman said the Centre is open to considering States' own priority projects to avail of funds from the ₹1,00,000 crore interest free, 50-year loan, even if they don't strictly fall under the focus areas specified in the latest Union Budget. "We'll

HIGHLIGHTS OF THE UNION BUDGET 2022

1. Finance minister Nirmala Sitharaman on February 1 presented a budget worth Rs 39.45 lakh crore with massive push to infrastructure spending. Note: Know about budget, what it means, related constitutional provisions and presentation stages here.

2. Now, highlights of the 2022 budget: Total spending and Focus: To enhance job creation and boost economic activity. Total government spending will be 4.6 per cent more than the current year and additional support of Rs 1 lakh crore to states has been announced. The total expenditure in 2022-23 is estimated at Rs 39.45 lakh crore, while the total receipts other than borrowings are estimated at Rs 22.84 lakh crore. The outlay for capital expenditure is once again being stepped up sharply by 35.4 per cent from Rs 5.54 lakh crore in the current year to Rs 7.50 lakh crore in 2022-23.

3. Few observations about the State of the economy: The government projects India's economy to grow by 9.2 per cent in the current fiscal year. **India's gross domestic product (GDP) in dollar terms has already crossed \$3 trillion. Fiscal deficit is projected to be higher at 6.9 per cent this fiscal as against 6.8 per cent estimated earlier.** The fiscal deficit of the government for 2022-23 is estimated to be Rs 16,61,196 crore. Soaring inflation levels continue to be a cause of concern for the economy. Foreign exchange reserves stood at \$634.287 billion on January 21, providing a cover equivalent to 13 months of imports projected for 2021-22.

INFRASTRUCTURE DEVELOPMENT

1. PM GatiShakti National Master Plan will encompass the seven engines for economic transformation, seamless multimodal connectivity and logistics efficiency. The seven engines include roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure.

2. All seven engines will pull forward the economy in unison. 400 new Vande Bharat trains will be introduced and the Railways will also develop new products for small farmers and MSMEs. Integration of postal and railways network facilitating parcel movement was announced.

3. **Master plan has been formulated for highways, targets to complete 25,000 km national highways in 2022-23.** Sovereign Green Bonds to be issued for mobilizing resources for green infrastructure. Data Centres and Energy Storage Systems to be given infrastructure status.

AGRICULTURE AND FOOD PROCESSING

1. Budget allocation for the ministry of agriculture and farmers' welfare: Rs 1,32,513 crore for 2022-23 fiscal. 'Kisan Drones' to be promoted for crop assessment, digitisation of land records and spraying of insecticides.

2. **A fund with blended capital raised under the co-investment model through Nabard will be set up to finance startups** and rural enterprises working in agri-space. Zero-budget natural farming:

3. The agriculture universities in the country will be encouraged to include these areas in their syllabus.

EDUCATION AND HEALTHCARE

1. A Digital University would be established to provide access to students across the country for world-class quality universal education. One class one TV channel programme to be expanded to 200 TV channels.

2. Virtual labs and skilling e-labs will be established to promote critical thinking skills and simulated learning environment. The Digital Ecosystem for Skilling and Livelihood – the DESH-Stack e-portal would be launched.

3. The health sector has been allocated Rs 86,200.65 crore in the Union Budget. A National Tele Mental Health Programme will be launched to improve access to quality mental health counselling and care services.

4. An open platform for National Digital Health Ecosystem will

accept any project but more so, if they are all within the broad framework of PM Gati Shakti that seeks to make sure that every project will have optimum utilisation of the context”.

Amendments to the GST law mooted in the Finance Bill could stretch businesses' cash flows and lay the onus on taxpayers to accurately report input tax while filing returns, as the Bill seeks to scrap the provisional input tax credit (ITC) option. The changes proposed in the Central GST Act sections relating to input tax credits aim to restrict such credits unless suppliers have remitted their share of taxes. While the provisional input tax credits are being scrapped, specific restrictions will apply for availing all input tax credits.

The Export Import Bank (EXIM) of India and the Government of Sri Lanka on Wednesday signed a \$500 million Line of Credit agreement aimed at helping Sri Lanka cope with its fuel shortages, amid one of the worst economic meltdowns facing the island nation. New Delhi's support for fuel imports — by Sri Lanka from India — through the Line of Credit, is in response to Colombo's “urgent requirement”, according to a statement from the Indian High Commission in Colombo.

The United States will send a warship and fighter jets to help defend the United Arab Emirates, officials said, after a series of missile attacks by Yemeni rebels left three dead in the wealthy Gulf state.

A People's Liberation Army (PLA) regiment commander who was involved in the June 15, 2020 clash with India in Galwan Valley was chosen by the Chinese government to carry the Winter Olympic torch in Wednesday's torch relay in Beijing.

The annual meeting of the Permanent Indus Commission between India and Pakistan is due, but no schedule has been finalised as of now, India's Indus Commissioner P.K. Saxena said. Mr. Saxena was reacting to a Pakistani media report that a delegation, headed by the Indian Commissioner for Indus Waters, is set to visit Pakistan in March to attend the annual meeting of the Permanent Indus Commission.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers are still waiting for almost ₹3,360 crore in pending wage payments, with the largest pending payments in West Bengal, Uttar Pradesh and Rajasthan, according to the government's reply to a question in the Rajya Sabha.

also be rolled out. For the National Health Mission, the budget allocation increased from Rs 36,576 crore in 2021-22 to Rs 37,000 crore in 2022-23.

TAX PROPOSALS AND BOOST FOR SMSEs

1. Taxpayers have been allowed a one-time window to correct omissions in income tax returns (ITR). They can file the updated returns within 2 years from the assessment year. 30 per cent tax on income from transfer of virtual digital assets has been proposed.
2. One per cent tax deducted at source (TDS) on transfer of virtual assets above a threshold, gifts would be taxed. Government will soon roll out digital rupee based on blockchain technology.
3. Boost for MSMEs: A Raising and Accelerating MSME Performance (RAMP) programme will be rolled out with a Rs 6,000 crore outlay spread over 5 years for MSMEs. The Emergency Credit Line Guarantee Scheme (ECLGS) that provided much needed additional credit to over 1.3 crore MSMEs will be extended till March 2023 with its guarantee cover expanded by Rs 50,000 crore to Rs 5 lakh crore.

PRIME MINISTER'S DEVELOPMENT INITIATIVE FOR NORTH-EAST (PM-DevINE)

1. New scheme PM-DevINE launched to fund infrastructure and social development projects in the North-East.
2. An initial allocation of Rs. 1,500 crore made to enable livelihood activities for youth and women under the scheme.

FIVE RIVER LINKING PROJECTS ANNOUNCED IN UNION BUDGET

1. Union Finance Minister Nirmala Sitharaman has proposed a project to link five rivers in India in her budget speech. The rivers identified for linking are: Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery, Damanganga-Pinjal and Par-Tapi-Narmada.
2. A brief overview of these rivers: **Krishna, the fourth largest river in India, originates in Mahabaleshwar in Maharashtra and flows through Maharashtra, Karnataka, Telangana and Andhra Pradesh. Cauvery originates in Kodagu and flows through Karnataka and Tamil Nadu.** Penna originates in Chikkaballapura and flows through Karnataka, Tamil Nadu and Andhra Pradesh. Godavari which is the third largest river in India originates in Nashik and flows through Maharashtra, Telangana, Andhra Pradesh, Chhattisgarh and Orissa. The Damanganga-Pinjal river linking aims to divert surplus water from the Damanganga basin to provide domestic water for Mumbai city. The Par-Tapi-Narmada project proposes to provide water to drought-prone regions of Kutch and Saurashtra by diverting excess water from seven reservoirs in the Western Ghats in North Maharashtra and south Gujarat.
3. Benefits of interlinking: Enhances water and food security. Proper utilisation of water. Boost to agriculture. Disaster mitigation. Boost to transportation.
4. Issues and Concerns: Interlinking of rivers is a very expensive proposal. It will adversely affect land, forests, biodiversity, rivers and the livelihood of millions of people. Interlinking of rivers will lead to destruction of forests, wetlands and local water bodies, which are major groundwater recharge mechanisms. It causes massive displacement of people. Huge burden on the government to deal with the issue of rehabilitation of displaced people. Due to interlinking of rivers, there will be decrease in the amount of fresh water entering seas and this will cause a serious threat to the marine life.

WHAT IS THE DIGITAL RUPEE

1. Finance Minister Nirmala Sitharaman has announced the launch of the Digital Rupee — a central bank digital currency (CBDC) — 2022-23 onwards. The Reserve Bank of India will launch the CBDC from the upcoming financial year.
2. What is the CBDC or National Digital currency? **A Central Bank Digital Currency (CBDC), or national digital currency, is simply the digital form of a country's fiat currency. Instead of printing paper currency or minting coins, the central bank issues electronic tokens.** This token value is backed by the full faith and credit of the government.
3. Need for CBDC: An official digital currency would reduce the cost of currency management while enabling real-time payments without any inter-bank settlement. India's fairly high currency-to-GDP ratio holds out another benefit of CBDC — to the extent

The government has started the process of comprehensive amendments to criminal laws, Minister for Women and Child Development Smriti Irani told Parliament on Wednesday in response to a question on marital rape, but warned against condemning every man as a rapist and every marriage as a violent one.

large cash usage can be replaced by CBDC, the cost of printing, transporting and storing paper currency can be substantially reduced. The need for inter-bank settlement would disappear as it would be a central bank liability handed over from one person to another.

4.Challenges in rolling out National Digital Currency: Potential cybersecurity threat. Lack of digital literacy of population. Introduction of digital currency also creates various associated challenges in regulation, tracking investment and purchase, taxing individuals, etc. Threat to Privacy: The digital currency must collect certain basic information of an individual so that the person can prove that he's the holder of that digital currency.