Analysis of Union Budget 2023-24: India@100 enduring Transparency, Accountability and Sustainability

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Abstract

The Indian Economy is on a Growth Path and India@100 is clearly visible from the Union Budget. Budget will add wings to the economic growth and development post Covid-19 with the digital revolution in agriculture, healthcare, education, employment, MSMEs, banking, post offices, and all spheres of Government functioning. Budget announcements focus on Macro-economic growth and micro-economic Inclusive welfare towards the Bharat of tomorrow. It will induce employment, financial development and ease inflationary pressures. The Budget lays down Vision for India @ 100 with jobs, growth and productivity with inclusive development and total prosperity of Indians and give nav jeevan to erstwhile Hindustan adding Wings to the baby elephant through the Digital India.

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Keywords: Budget; Economy; Growth; Digital; MSME; Farmers; Banking; Post Office; Healthcare; Development; Government; Education; India

The Finance Minister has presented a wonderful Budget with a difference. It is in continuation of the reform process through budgets presented in the past laying down the foundation and a clear path for India@100 Amrit Kaal. The finance minister has rightly identified objectives, assigned priorities, recognised constraints, the technological innovations in the world economy, the needs of Indians and the Indian Industry incorporating the mission and vision of the prime minister given at his various addresses in AIR (Mann ki Baat) etc. A budget is usually a financial plan for a defined period, often one year. It may also include planned volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows. Companies, governments, families, and other organizations

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use it to express strategic plans of activities or events in measurable terms giving a direction for the Future (Agarwal, 1998; see Annexure I). At the outset it appears to be a well-planned document beyond enlisting expenditures and revenues, announcing various schemes taking into consideration the budget expectation outlined in various newspapers, TV debates and memorandums received by Finance Minister and a well-defined roadmap for India’s tomorrow (Agarwal and Agarwal, 2023).

The budget comes through the challenging times of a Global Recession with Global Growth likely to fall to 2.9% but rise in 2024 to 3.1%; the Ukraine-Russia war; 40 year high inflations in USA, UK and the Euro zone; tightening monetary policy stance by the aggressive US Fed policy and other central banks coupled with 225 basis point increase by RBI, slowdown in China and recoveries from Covid. This continue to guide the fiscal dimensions and challenges of the present government. India also takes up the leadership role in G20 which will stage its ability to lead the world with its vision of “Vasudhaiva Kutumbakam” and given its commitments for environment with Panch Pran and Lifestyle Environment. Despite all these complex global challenges, the budget has laid a foundation, a road map for the economy to cater to the needs and aspirations of Millennials and the Generation Z in India@100. Given the GDP Growth of 7% in 2022-23 with controlled inflation at 6.8% and Fiscal Deficit at 6.4%, India has moved to a higher plane amongst top 5 world economies in every sphere of its activity and amongst top 3 world economies on PPP basis having GDP of over US$ 10 Trillion. This budget would enhance the global competitiveness and ensure a sound sustainable future for India and the Indian Industry on account of inducing Transparency, Accountability and Sustainability through Digital Influx in all spheres of public and private lives and livelihood. The Budget 2023-24 will act as a propeller that boasts the Budget 2022-23 which added Wings to India not only to move at fast track but fly high meeting the challenges of poverty, unemployment and real effective growth improving the standard of living in light of minimum government and maximum governance.

India is poised to contribute 15% to the Global Growth as per IMF, with a current year growth of 7% the Indian Economy has become the 5th Largest economy in the world. It is in a bright spot. RBI projects a GDP growth of 6.4% for the financial year 2023-24 with Q1 at 7.8%, Q2 at 6.2%, Q3 at 6% & Q4 at 5.8%. The advance estimates indicate that Agriculture and Allied activities grew at 3.5% in 2022-23, Industry at 4.1% in 2022-23 and services at 9.1%. The Forex balances are at a comfortable level of US$ 563 billion. Inflation continues to be difficulty territory of WPI estimated at 11.5% (April-December 2022) and CPI at 6.8% (April-December 2022). The policies that build on the basic amenities of physical and digital infrastructure which includes the PM Gati Shakti Master Plan, National Monetisation Pipeline with ₹9 lakh potential investment, UPI with 782 crore transactions (December 2022), National logistics policy, Capacity of ports to be doubled, 5G, 75 digital banking units announced.

In an aim to strengthen the employment prospects to pre-pandemic level activities the government undertook the largest vaccination program of COVID that protected lives and livelihoods of the billions of people specially the poor and vulnerable while ensuring food and medicines throughout the pandemic.

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period to deal with the pandemic. The strengths of the economy lie with the farmers, women, MSME that support the economy and Atmanirbhar Abiyan I, II and III that through different PM Garib Kalyan Yojana, direct benefit transfer and credit enabled schemes supported the three groups. Further the economy observed a credit growth to MSME at 30.5% (January-November 2022), increase in capex by 63.4% in first eight months of FY 2023. The challenge of maintaining balance between economic growth and inflation fostering employment was seen as backdrop together with the target attempted to present the full budget prior to the 2024 elections. Much had to be handled by the Finance Minister, who this time constantly through her endeavours has innovated and developed frameworks to support growth, meet pressing needs, lay future vision for the economy and provide social safeguards to the poor, under-privileged and vulnerable groups.

With a lot of expectations on the plate, the Union Budget 2023-24 unfolded various aspects that discover the potential of the economy. The budget aimed at laying the foundations for India@100 with the vision of prosperous and inclusive India that meets the expectation of all citizens and regions together especially the youth, women, farmers, OBC, SC, ST and other poor and vulnerable groups.

Budget 2023 is growth oriented; employment generating; infrastructure boasting; inclusive on development through *atmanirbharta*, transparency and digitalisation; repealing laws towards ease of doing business; bringing dynamism in tax structure with portfolio approach, reorienting tax slabs, reducing surcharges to individuals, corporates and associations providing more liquidity in the hands of the middle class which comprises of over 65% of India population while targeting to control evasion or avoidance of taxes. The re-mention of RBI issuing Digital Currency in 2023-24 having test run initiated in November 2022 (see Agarwal, Agarwal, Agarwal, 2016, 2017, 2018, 2020) will help India increase productive efficiency and global competitiveness of the economy, while containing inflation in medium term, facilitating ease of doing business and ease of living in tune with the latest technological developments taking the economy to a higher platform. The budget proposals would directly benefit India, its youth, women, farmers, scheduled castes, scheduled tribes, senior citizens, BPL families, MSMEs, “have nots”, and those suffering from the ill effects of pandemic corona. The meaning money has changed from Cash to Digital currency (CBDC). The ease with which one can transfer money 24X7 with a click of the button from anywhere at low cost and affordable means has empowered the common man. Financial Inclusion through schemes like Pradhan Mantri Jan Dhan Yojana; Aayushman Bharat; Pradhan Mantri Jeeven Bima Yojana; Pradhan Mantri Suraksha Bima Yojana; Pradhan Mantri Mudra Yojana; Stand Up India; Crop Insurance; Emergency Credit Guarantee Scheme and others with AADHAR as it’s back bone provides security and authenticity enabling the poorest of the poor (including BPL Families and those below the poverty line), women, farmers, youth, senior citizens and the MSMEs to seek social security and credit from the financial system appreciated for its robustness and resilience globally by institutions like the World Bank, IMF, OECD, ADB, BIS and others.
It is applauded that the work of the government in the social segment that reached the target of 11.7 crore household toilets under Swachh Bharat Mission; 9.6 crore LPG connections under Ujjawala; 220 crore Covid vaccination of 102 crore persons; 47.8 crore PM Jan Dhan bank accounts; Insurance cover for 44.6 crore persons under PM Suraksha Bima and PM Jeevan Jyoti Yojana, and Cash transfer of Rs. 2.2 lakh crore to over 11.4 crore farmers under PM Kisan Samman Nidhi.

I. Priorities in Union Budget 2023-24: Transformation, Employment & Jobs

PM Nirmala Sitaraman in her budget identified its priorities facilitating ample opportunities for citizens, especially the youth; providing strong impetus to growth and job creation; and strengthening macro-economic stability. The Budget adopts the following seven priorities called the “Saptarishi” to guide India through Amrit Kaal. These are (a) Inclusive Development; (b) Reaching the Last Mile; (c) Infrastructure and Investment; (d) Unleashing the Potential; (e) Green Growth; (f) Youth Power; (g) Financial Sector.

1.1 Support for Farmers in Budget

The previous budgets provided for development of physical infrastructure for farmers. This time budget lays emphasis on technology driven infrastructure aiming at using technology to improve the state of agriculture through digital public infrastructure aiming at providing farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for growth of agri-tech industry and start-ups. The budget also provides for Accelerator fund for the development of agri-start ups providing solutions to agricultural problems. The budget also provides for cluster based approach through PPP model for enhanced productivity of extra long staple cotton. It also provides for Atmanirbhar Clean Plant Program to enhance high value horticulture plant with ₹ 2,200 crore outlay which would further give boost to farmers’ incomes. India has made efforts in getting recognition as the largest producer of Millets and continues to put in more focus on the health benefits of millet within and outside India supporting a large number of farmers who grow Millets. Subsidiary incomes are also supported for the farmer through the credit support placed at ₹ 20 lakh crores with focus on animal husbandry, dairy and fisheries. The budget further supports cooperatives for prosperity among farmers through modernisation of agriculture cooperative by initiating computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of ₹ 2,516 crore. To further support stability in prices and economic rent to the produce the government also undertakes setting up of massive decentralised storage capacity. The budget also provides for ₹ 5,300 crore for Upper Bhadra Project in Karnataka drought driven region to provide sustainable micro irrigation and filling up of surface tanks for drinking water.

The PM Programme for “Restoration, Awareness, Nourishment and Amelioration of Mother Earth” will incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers which will protect the soil of the farmers and their livelihoods. The budget offers support to 1 crore farmers to adopt natural farming for next 3 years. For this, 10,000 Bio-Input Resource Centres are to be set-up, creating a national-level
distributed micro-fertilizer and pesticide manufacturing network. This will enhance the productive capacity of the land and in real terms the farmers welfare and standard of living.

The government has given due importance to Agriculture in the last 6 years. Budget 2022 induces inclusive development of Agriculture (see Agarwal, 2008, 2017, 2018a, 2018b) with Digitalization of Farmers via mKisan of 8.93 crore farm families and Land Records; Drone Facility for produce assessment and pesticides spray; ₹ 1,400 Crore in Ken-Betwa River linking irrigation projects; financial support to SC/ST farmers for Agro-forestry; NABARD financing for Agri and Rural Startups; Vibrant Village Program for Northern Border and ₹ 2.67 lack crore direct payments to 1.63 crore farmers at MSP. Other key developments for Rural India is being done via skill development; universalization of quality Education 1 Channel 1 Class; Digital University; Ayushman Bharat Digital Mission Tele-Mental Health programme; Har gharNal se Jal and Housing for all. The PM’s Development Initiative for North East Region; Aspirational Blocks Programme; Vibrant Villages Programme; Anytime-Anywhere Post Office Banking (Agarwal, 2010, 2013, 2018, 2021); Digital Banking (75 Units in 75 Districts); Digital Rupee (Agarwal, Agarwal, Agarwal and Agarwal, 2016 2017, 2018, 2020) and the Fintech innovations will not only upscale standard of living, improve livelihood, generate employment, reduce income disparity and build a homogeneous Hindustan through financial development and inclusion for all – Sabka Saat Sabka Vikas.

1.2 Social Infrastructure : Healthcare, Education and Skilling

To support healthcare services in the economy the budget supports 157 new nursing colleges with 157 existing medical colleges giving boost to employment in healthcare and paramedical services. Focus is placed on research and innovation through ICMR labs and other research innovation programs in pharmaceutical through centres of excellence. Also, support for multidisciplinary courses for medical devices to support the need of manpower requirements for the health care industry. Post Covid-19, healthcare has been a key area of concern for the Government and allocation of funds and resources have been rising in-accordance. The budget sets up National Digital Library for children and adolescents. This is further supported with physical infrastructure at the panchayat level with resources made available for National Digital library for the children in rural India. An Initiative to make knowledge reach the doorsteps of the rural India. Further, making National Book Trust and other make non circular titles available in regional and English language would enhance the scope of reach of young children to education. There is special emphasis in Skilling India to induce growth and prosperity through the last mile citizen.

1.3 Support to Poor, Vulnerable and underprivileged Groups

The PM Vishwakarma Kaushal Samman is to provide traditional artisans and craftspeople, who work with their hands using tools and enable them to improve the quality, scale and reach of their products, integrating them with the MSME value chain with directly contribute to the poor, SC, ST, OBCs, women and people belonging to the weaker sections. Mission to eliminate Sickle Cell Anaemia by 2047 is identified to create awareness, universal screening of 7 crore people in the age group of 0-40 years in affected
tribal areas. A scheme specifically for the benefit of the tribal region, particularly vulnerable tribal groups (PVTGs), Pradhan Mantri PVTG Development Mission that provides for habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities is launched with an outlay of ₹15,000 crore for next three years to be spent in development action plan. The government shall also recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.

In order to support the cause of shelter on each head the outlay of PM Awas Yojana is enhanced by 66 per cent to over ₹79,000 crore. Financial support is also provided to the poor prisoners by the government in this budget. The budget also provides for 100 per cent mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode. To promote living of the poor and improve logistics the budget provides for promotion of Coastal shipping. Tourism to be taken in mission mode will also help the contact intensive industry that has suffered a lot in the pandemic. A holistic approach is visible in the Budget placed by the government before the parliament.

1.4 Support for MSME

The overall policy of the government has been to strengthen the ecosystem for MSME which was initiated with the reduction in corporate taxes. Further, strength to the ecosystem has been provided with Skill India programs, digitalisation, financial inclusion, GST and payment banks which have enabled small pocket payments at ease. The GeM portal and TRade has also enabled MSME access to PSU sector for selling the products where 3% of the purchase is mandatory from women entrepreneurs. There has been a constant credit support to the MSME through the Mundra yojana and financing to the SHGs. Non recognition of NPA and moratorium provided during Covid period further supported the MSME framework. To be able to compete with big players and sell their products competitively in the market the e-commerce industry and aggregators have played an essential role. Further, the traders have also been recognised as MSMEs which provides them the support of the MSME ecosystem. The dynamics of marketing, distribution and sale of products together with consumerism have changed the platform of MSME support. There is a continuous need to bring them to a competitive level that productively is efficient in technology, manpower and capital support jobs in India. Along the lines the government has recognised the need to support the poor, marginalised, underprivileged and backward groups involved in activities that support the cultural diversity and tradition of India through PM Vishwakarma Kaushal Samman (PM VIKAS) scheme that aims at integrating traditional artisans and craftspeople, who work with their hands using tools with the MSME value chain. The components of the scheme will include not only financial support but also access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security. This will greatly benefit the SC, ST, OBCs, women and people belonging to the weaker sections.
The budget has also provided for relief for MSMEs who could not perform their contracts during COVID and had their money forfeited. Under the *Vivad se Vishwas* scheme where MSME could not execute the contracts during COVID, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.

An Entity Digilocker facility has also been provided in the budget for the MSME to share their documents securely online with authorities, regulators, banks and other business entities. This will provide easy and potential access to the various channels supporting the MSME. The digital Ecosystem of skilling shall also be expanded to with the launch of Skill India Digital platform which would be digitally linked with the MSME employers. Enabling them to see access to skilled labour force which is a key input for all the MSME.

The credit guarantee scheme for MSME has been revamped with effect from 1 April 2023 with an infusion of ₹9000 crore in the corpus will enable additional collateral-free guaranteed credit of ₹2 lakh crore. In addition, the cost of the credit will be reduced by about 1 per cent.

The basic customs duty of 2.5% is being continued on copper scrap to help the secondary copper producers which are mainly MSME.

The benefit of presumptive taxation limit has been enhanced for Microenterprises from ₹2 crore to ₹3 crore and certain professionals from a turnover from ₹50 lakhs to ₹75 lakhs to tax payers whose cash receipts are no more than 5%. Further to support the timely receipts of payments for MSME any expenditure made to them shall only be allowed as deduction only after the payment is actually made to them.

1.5 Opportunities for Women in Budget

Counting on the success of Deendayal Antyodaya Yojana National Rural Livelihood Mission, the 81 lakh Self Help Groups (SHGs) are to be formulated in large producers to be further supported with supply of raw materials and for better design, quality, branding and marketing of their products to establish them as Unicorns in coming years.

1.6 Opportunities for Youth in Budget

The investments by the government or the private players add to the productive capacity of the economy which ensures the multiplier effect creates higher incomes, consumption and growth in the economy with new opportunities for the youth. The government has provided for capital investment outlay to be increased steeply for the third year in a row by 33 per cent to ₹10 lakh crore, which would be 3.3 per cent of GDP. The effective capital expenditure of the government is at ₹13.7 lakhs and about 4.5% of GDP.

Mission Karamyogi to support the upskilling of the government employees and protect employments. To support employment and private investment through Make in India and Vocal for Local and Atmanirbhar Abhiyan the government has reduced 39,000 compliances and more than 3,400 legal provisions have been decriminalized. Also the Jan Vishwas Bill to amend 42 Central Acts. To support the potential of the start ups, the government shall bring the national data governance policy.
One hundred labs for developing applications using 5G services will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential. To encourage indigenous production of Lab Grown Diamonds seeds and machines and to reduce import dependency the budget provides for a research and development grant to one of IITs for five years.

The budget provides for Pradhan Mantri Kaushal Vikas Yojana 4.0 to be launched to skill lakhs of youth within the next three years. On-job training, industry partnership, and alignment of courses with needs of industry as it covers new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills. To skill youth for international opportunities, 30 Skill India International Centres will be set up across different States. The Skill India Digital platform will provide for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes. The budget also provides for stipend support to 47 lakh youth in 3 years through the National Apprenticeship Promotion Scheme. “Swadeshi Darshan Scheme” is also launched to promote circuit based tourism & develop domestic tourism.

1.7 Support to Tradition and Ancient Scriptures

Vishwas in one culture gets established with the acceptance and knowledge on one’s culture, tradition and ancient scriptures for which the Budget provides for the establishment of “Bharat Shared Repository of Inscriptions”-a digital epigraphy museum, with digitization of 1 lakh ancient inscriptions.

1.8 Cooperative Federalism

The government supports cooperative federalism by supporting the states with 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of ₹1.3 lakh crore. Support is also provided to states to engage in building sustainable cities of tomorrow. The budget has encouraged States to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other States.

1.9 Infrastructure Spend

Highest capital outlay of ₹2.4 crore is provided to support Railways. 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been provided with an investment of ₹75,000 crores. Fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity. Urban infrastructure fund to be established to support infrastructure requirements of the tier II and III cities.

1.10 Governance Support to Transparency & Accountability

KYC to adopt the risk based system instead of one size fits approach (Agarwal and Agarwal, 2004). Digilocker services with Aadhar shall be used for documentation and provide for the requirement of government procedures. PAN card details shall be used as the main identifier for all business entities. To avoid repetition of data submissions to regulators and
other government agencies, there would be unified filing process adopted. For efficient administration of justice, Phase-3 of the E-Courts project will be launched with an outlay of ₹7,000 crore

1.11 Climate Support

₹19,700 crore outlay for National Green Hydrogen Mission to reach a target of an annual production of 5 MMT by 2030. A outlay of ₹35,000 crore for energy transition. Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding. Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh will be constructed with investment of ₹20,700 crore. Green Credit Programme launched for supporting green initiative by stakeholders of the economy. The budget provides for 500 new "waste to wealth" plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme for circular economy with an investment of ₹10,000 crore. The budget supports "Mangrove Initiative for Shoreline Habitats & Tangible Incomes", MISHTI, will be taken up for mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between MGNREGS, CAMPA Fund and other sources to mitigate the effects of climate along the coastlines. The budget also provides for Amrit Dharohar, a scheme that will be implemented over the next three years to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities. Budget has also been provided for scrapping old vehicles and ambulance.

II. The Financial Sector and Social Welfare

The Government has in the long drawn process of reforms strengthened the ability of the last mile advantage through resilient financial system. It was much needed that post pandemic recoveries are supported by the government to ensure that the poorest of the poor receives the benefits of the continued economic growth pegged at 7%. The setting up of Post Office Banking as core banking (Agarwal, 2010, 2013, 2018, 2021) in 1.5 lakh Post Offices and 75 Digital Banking units (DBUs) in 75 districts by SCBs is empowering the rural consumers with financial liquidity and mobility via JAM Trinity. Encouraging Digital Payments ecosystem that is economical and friendly will ensure formalization of the economy and industry. Digitalisation for India@100 will help generate wealth, bring ease of doing business, improve livelihood though enhanced employment, double farmer income through DBT at MSP and induce efficiency in currency markets. This process will help increase multi-fold the productive capacity of the economy and general employment at large scale at all levels.

The budget aims at providing the means to strengthen to grow the social safety net through the scheme announced. The Mahila Samman Bachat Patra is an attempt to secure the small savings of women who through means still keep their money in gullaks or household effects where they save. Many women in the country today find no means or instruments dedicated to their effort of small savings which help them and their family in difficult times. The attempt to reach the millions of women specially the less privileged is most innovative and effective structure of defining financial systems as means and ways of reducing Gender gap in various financially available systems. More savers as women would also potentially secure the
financial system as women savings are often used only in dire needs. This would improve the saving rate in the financial system and also make women at the grassroots level, who are especially poor, incentivised to be part and parcel of the economic development and prosperity through interest earning.

Another key feature that touches the common man, poor and vulnerable groups and senior citizens whose only resources for other incomes are their savings is Monthly Income Schemes (MIS) and for Senior Citizens is the increase in the saving limits keeping in view the progress we have made in our economic development and present needs of people. To give people an ability to seek other resources of incomes and take advantage of the growing corporate world, it is welcome step to recognise that people’s participation can be increased in the capital markets through the education fostered under the umbrella of SEBI. The more people are educated about the capital markets, they can make it another source of income for themselves by participating at affordable means. This would further ensure that the corporates can also raise money through deep capital markets as retail participation would improve. Also education would ensure that speculation is converted into investments which garner support to the economic development. The launching of Digital University, One-Class-One-TV channel under PM e-vidya 200 TV channels will supplement equitable right to education in national and regional languages for classes 1-12; setting up of 750 virtual labs in science and mathematics along with 75 skilling e-labs for simulate learning environment; development of high quality e-content in all spoken languages for delivery via internet, mobile, TV, radio will equip teachers with digital tools of teaching and facilitating better equitable learning outcomes throughout the country for all irrespective of income or status.

NPAs continue to be a challenge especially with its legacy baggage of world financial crisis of 2007-08 and the post pandemic effect. The Insolvency and Bankruptcy Act (IBA) provided for the strengthening creditors right has enabled the banking system to exert their rights and protect the money of the depositors. Yet the constant challenge for most bankers is inability to communicate any defaults or delimit any individual or company which has default credit history. The veil of the corporates protect and hide many borrowers in terms of their capacity and ability to borrow. The budget provides for meeting this dire need for a National Financial Information Registry to serve as the central repository of financial and ancillary information. This would strengthen the financial system and its intermediaries by making borrowers more accountable for their borrowings. The ability to serve the institutions in terms of the public data would continue to be challenged by privacy issues and cyberattacks. The system protects the creditor but can at the same time make the borrower vulnerable to financial whales who look for opportunities to acquire assets at any defaults. A framework for M&As or recoveries that protect the borrowers would further be needed with borrower redressal mechanism that protect and supports borrowing process given the PM moto is AtmaNirbhar Bharat.

A business-friendly environment and ecosystem is reflective in the provisions of the Budget for FinTech along with other technology groups and Banks. To make India a financial hub for international transaction and promote international business, trade there has been several initiatives taken in GIFT IFSC. The bilateral trade talks; free trade agreements; alliance in

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QUAD; neutral and peace initiatives in the Russia-Ukraine war; G20 Presidency and Internationalisation / Digitalization of Rupee has all put India in a position to become a leader that recognises UN-ESGs, continuous growth needs for its people and sustainable development contributions to world economy. The Budget proposals for the GIFT IFSC is essential step in the direction to strengthen trade and open economy frameworks. Data Embassies would further strengthen the process of Transparency and Accountability. The directions of the government from being a regulator with Draconian laws has shifted to being a facilitator of businesses to ensure that they job friendly, growth orientated and enhancing ability of the country’s potential of demographic dividends towards GDP growth. The GEM Market framework and Central Depository Processing Centre is also quick operational response mechanisms developed by government to ensure ease of doing business for companies.

The Agriculture Credit; Green Credit; Unity Mall and the Productive Linked Investment Scheme in 14 Sectors with Solar and other schemes in Sunrise Opportunities; Energy Transition and Climate Action; Green Clearances; e-Passports; Urban Planning and Development support to States; Clean and Sustainable Mobility; Battery Swapping Policy; Land Records Management; IBC, accelerated corporate exit, modernising Government procurement; payment of 75 per cent of government running bills mandatorily within 10 days; setting up of ways to improve AVGC sectors with a view to generate employment and build domestic capacity; rolling out of 5G Mobile services for proliferation in rural areas access to e-services communication facilities will foster Job Creation and eco-friendly growth in all sections of society.

The Budget make progressive leap into financial sector through its reforms ensuring social security for poor, women, farmers, senior citizens and MSMEs given the capital investment outlay being increased steeply for 3rd year in a row by 33% to ₹ 10 lakh Crore (3.3% of GDP) with effective capital expenditure being budgeted at ₹ 13.7 lakh crore (4.5% of GDP). Financial intermediation are strong engine for growth with capital expenditure increase by ₹ 7.3 Lakh crores shall give impetus to the economy to sustain itself as the fastest growing economy inducing jobs and social security for poor and vulnerable. The borrowing of the government shall be from small saving which will give avenue for the small saver usually the poor a safe investment alternative.

III. Fiscal Prudence and the Tax Framework

3.1 Indirect Taxes

The budget provides for relief in customs duty on import of certain parts and inputs of mobile phones to deepen the markets like camera lens and continue the concessional duty on lithium-ion cells for batteries for another year. Further, to benefit television production the budget provides for reduction in the basic customs duty on parts of open cells of TV panels to 2.5 per cent. To encourage the manufacturing of electric kitchen chimneys the basic customs duty on electric kitchen chimney is being increased from 7.5 per cent to 15 per cent and that on heat coils for these is proposed to be reduced from 20 per cent to 15 per cent. Denatured ethyl alcohol is used in chemical industry is exempt basic customs duty on it. Basic customs duty was also reduced on acid grade fluorspar from 5 per cent to 2.5 per cent to make the domestic fluorochemicals
industry competitive. Further, the basic customs duty on crude glycerin for use in manufacture of epichlorohydrin was also reduced from 7.5 per cent to 2.5 per cent. Basic Custom duty was also reduced for seeds used for Lab Grown diamonds. Custom duties on drone and bars of gold and platinum were increased. Basic customs duty is also being reduced on acid grade fluorspar from 5 per cent to 2.5 per cent to make the domestic fluorochemicals industry competitive. Further, the basic customs duty on crude glycerin for use in manufacture of epichlorohydrin is proposed to be reduced from 7.5 per cent to 2.5 per cent. To facilitate availability of raw materials for the steel sector, exemption from Basic Customs Duty on raw materials for manufacture of CRGO Steel, ferrous scrap and nickel cathode is being continued. The basic customs duty rate on compounded rubber is being increased from 10 per cent to 25 per cent or ₹ 30/kg whichever is lower, at par with that on natural rubber other than latex, to curb circumvention of duty. National Calamity contingent Duty was increase in specified cigarettes.

3.2 Direct Taxes

The Budget provided for further rationalisation of the income taxes with new slabs and rates under the new scheme. The new scheme was also made the default scheme for the income filers. An attempt is made boost the consumption in the economy as the exemption limit is enhanced from ₹ 2,50,000 to ₹ 3,00,000/- which would result in relief to the common man (see Table I). Further the tax brackets as follows provide for no income tax provision up to ₹ 7 lakhs where the rebate shall be provided for using the new tax scheme following the Portfolio Approach (Agarwal 1988).

<table>
<thead>
<tr>
<th>Tax Slabs</th>
<th>NIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ 0-3 lakh</td>
<td>5 per cent</td>
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<tr>
<td>₹ 3-6 lakh</td>
<td>10 per cent</td>
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<tr>
<td>₹ 6-9 lakh</td>
<td>15 per cent</td>
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<tr>
<td>₹ 9-12 lakh</td>
<td>20 per cent</td>
</tr>
<tr>
<td>₹ 12-15 lakh</td>
<td>30 per cent</td>
</tr>
<tr>
<td>Above ₹ 15 lakh</td>
<td></td>
</tr>
</tbody>
</table>

Source: Union Budget 2023-24

The requisite impetus in terms of demand led growth can be provided through the new tax scheme that does not define or direct expenditures or saving and provides for rationalised taxes for person with higher expenditure burden. It aims at correcting the bias that was earlier in favour of the rich or savers to the poor and expenditure driven persons leading the economy to a more resource efficient mechanism as financial inclusion and digitalisation has itself provided for social protection measures for the economy. The budget with fiscal deficit target of 5.9% of GDP aims at achieving the fiscal consolidation targets soon. It keeps the government in line with the priorities of economic growth, inclusiveness, generating employment, demand driven and consumption oriented eco system. The budget unlike the expectation of being a election budget has maintained strong impetus on improving governance through transparency and accountability and ensuring the benefit to the poorest of poor, vulnerable groups, farmers, women, youth, underprivileged and socially excluded. The budget is for the common man and fulfils his expectations from the present government.
3.3 Fiscal Prudence

Fiscal consolidation is always a matter of serious debate, a prescription of international agencies like IMF, ADB and most economists. A fiscal deficit of 4 to 4.5% is recommended by fiscal policy makers, primarily with a view to maintain financial prudence and with a view to control wasteful expenditure of the Government. Accordingly in this budget also it is mentioned that an attempt would be made to keep the fiscal deficit 4.5% by 2025-26. The fiscal deficit estimate for 2022-23 at 6.4% of GDP is well justified to meet the health care, employment and livelihood needs of the common man. In the present situation of resurgence where industry is on path of revival and relief is to be provided to those who suffered from corona pandemic, hence big developmental investment is to be made besides taking care of grants-in-aid and finances of states with additional ₹1 lakh crore 50 years interest free credit speaks volumes to take India forward involving states in the journey of growth.

The Fiscal consolidation and tap on fiscal deficit is often strongly preached ignoring the role of high leverage facilitates faster economic growth provided it is used for investment in productive capital assets (Agarwal and Agarwal, 2022). A country gains tremendously when ROI (both social benefits and private benefits) from a project are higher than the cost of such funds invests in various projects (capital assets). Restricting fiscal deficit to a low level say at about 4% is against the interest of nation as it will throttle growth and equitable development as has been taught at IIF for last 37 years (Agarwal, 1969,1988). For developing economy own funds are never adequate for development and building up productive assets of the economy. Fixing low deficit targets also indicates restricting the government in its spending capabilities to induce growth, investment for India@100 and jobs for youth. The Foreign Exchange Reserves for India to US$ 563 Billion (excluding more than US$ 50 billion as loans to neighbouring countries) with over US$ 7 billion FDI being received monthly is clearly is an indication of India being one of the Most Favoured Nations for Investment Globally despite effect of Covid-19 & US increased interest rates helps India have a leverage on Fiscal Spending for long term growth projects. The Budget 2023-24 has used innovative methods of financing of various projects using PPP mode which will all add to the growth and help build the productive capacity of the economy and jobs. According to us the budget is a growth oriented with a target growth of 8 - 8.5%. It is budget of common man and middle class with a moto of “Sabka Saath Sabka Vikas”.

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Annexure I

1st time in History of India "Budget Time Change from Evening to Forenoon breaking British Legacy" by Prof. Dr. J. D. Agarwal thought an article published in Economic Times on May 26th, 1998. This was brought in effect by Shri Yashwant Sinha (the then Finance Minister of India in 1999)