



A STUDY ON COMPARISON OF UNION BUDGET OF INDIA 2022-2023

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Abstract:

Budgets can be made for a person, a group of people, a business, a government, or just about anything differently that makes and spends plutocrat. In this paper, an attempt has been made to analyze the Indian Government's expenditure on various developmental activities and to compare the Indian government's budgetary expenditure and revenues with the previous year. This study compares the 2021-2022 and 2022-2023 union budget of India. The study founded that some measures introduced in the Budget would make for good news to India's investors, companies and the common man, while some of them can be seen as coming pain points for these sections. Finally the study concludes that union budget 2022-2023 made no change to the living income duty structure, leaving the common man and some other sections dissatisfied.

Key Words: Budget, Union, Business, Expenditure, Revenue, Government, Comparison, Etc.,

Introduction:

A budget is an estimation of profit and charges over a specified unborn period of time and is generally collected and re-evaluated on a periodic base. Budgets can be made for a person, a group of people, a business, a government, or just about anything differently that makes and spends plutocrat. To manage your yearly charges, prepare for life's changeable events, and be suitable to go big- ticket particulars without going into debt, budgeting is important. Keeping track of how important you earn and spend does not have to be donkeywork, does not bear you to be good at calculation, and does not mean you cannot buy the effects you want. It just means that you will know where your plutocrat goes, you will have lesser control over your finances. Any political party which forms government at the Centre has certain social, political and profitable liabilities. In countries with deep artistic, religious and profitable diversity similar as India, it's extremely important for the government to allocate coffers wisely. Colorful factors similar as uplifting depressed sections of the society, easing fiscal addition, mollifying indigenous difference, upgrading defence capabilities, furnishing proper educational installations, and much further need to be concentrated on. Thus, a well- planned budget is of utmost significance for any government to insure profitable stability and growth.

Proper Resource Pool Allocation:

When it comes to budgeting, relating areas of weakness helps the government to allocate coffers in a useful and sustainable manner. This is one of the most abecedarian objects behind framing a government budget. It's important for the government to insure that finances reach where it's needed the most. Thus using once data to identify sections of the society in need of profitable weal programs and enforcing those programs helps the government demonstrate effective governance and enforcing those programs helps the government demonstrate effective governance and achieve profitable stability in the country.

Icing Profitable Growth:

A budget allows the government to regulate the duty of levies in colorful sectors. Investment and expenditure are some of the most prominent factors contributing to the growth of a nation's frugality. The government can encourage people to emphasize more on savings and investments by furnishing duty rebates and subventions.

Growth of Business and Trading:

Businesses and enterprises look forward to the government budget as coffers being allocated to colorful sectors are revealed. The government can encourage business possessors to revise their programs consequent and contribute to the country's profitable substance.

Mitigating Profitable Peak:

Profitable difference and inequality is an imminent trouble to any country's frugality. The government can address these kinds of pitfalls by introducing public and profitable weal programs for the depressed sections of the society through the budget.

Administering Operation of PSUs:

Diligence operating in the public sector contribute immensely to the country's frugality by furnishing employment to a lot of people and generating earnings. A budget helps the government concentrate meetly on companies in the public sector by introducing programs to prop their growth.

Research Methodology:

Abusaleh Shariff, Prabir, Ghosh and S.K. Mondal (2002) had analysed the trend in public expenditure on social sector and Poverty Relief Programmes, during the period 1990-91 to 1999-2000. In their study, on inter Governmental adaptation factor had been reckoned by them, by dividing the added total numbers of the centre and those of the countries. The study had revealed that a considerable proportion of the expenditure had increased over a period of time. They had considered the central and the state acclimated combined expenditures for their study. A major development plant in their study is that the large finances that had been allocated for employment generation had been diverted to the colorful pastoral road construction programmes. This redistribution might have had serious counteraccusations for employment generation.

Hugh Gravelle and Luigi Sincilani (2008) in their composition “Ramsey Waits Allocating Public Health Service coffers” point out that when there's allowing the optimal allocation of a public health care budget across treatments must take account of the way in which care is allotted within treatments since this will affect their borderline value. The optimal waiting time is advanced for treatments with demands more elastic to staying time, advanced costs, lower charges, lower borderline weal loss from staying by treated cases and lower borderline weal losses from under consumption of care.

Sharanjit S. Dhillon and Afay Sehgal (2008) had studied the patterns of expenditure on education at the state situations and had also analysed the performance of the countries in educational development on the base of the registration pointers. A large number of the countries have accorded a low precedence to the educational sector in their budgets, which had redounded in an adverse effect on the profitable progress of the country. No doubt, utmost of the countries had shifted their focus towards abecedarian education, but this hadn't been reflected in their performance in terms of educational attainments. The need of the hour is that both the centre as well as countries should play a major part in furnishing quality education to all, fastening their attention on furnishing an adding access to the socially and economically depressed groups, which is necessary for making education a tool for perfecting social and profitable well bein

Tripathy K. K (2010) had stated that the Budget of 2010-11 had tried to lay important stress on the common man and on pastoral India, and for taking way for consolidating the sweats taken by the Government on pastoral development, promoting employment, food security, education, health and casing. Some of the important budget adverts concerning social and physical structure in the pastoral areas had also been analysed by the author. The budget had laid its focus on social sector and on pastoral development enterprise. The emphasis of the budget was on the social sector and had aimed at icing the inclusive growth

Objectives of the Study:

- The overall objective of the study is to analyze the Indian Government’s expenditure on various developmental activities.
- To compare the Indian government’s budgetary expenditure and revenues with the previous year.

Limitations of the Study:

- The study is restricted to the selected period and hence the result of the study cannot be generalized.
- The statistical methods used to analyze the data have their own limitation.
- All the limitations of secondary data are applicable to this study.

Research Methodology:

A. Research Design: This study is Descriptive and Analytical in nature and hence Descriptive Research Design has been used.

B. Period of the Study: This study compares the 2021-2022 and 2022-2023 Union budget of India.

C. Type of Data and Data Collection: The data collected for the study belongs to secondary data. The data relating to union budget were collected from government records, books and journals.

D. Framework of Analysis: The following statistical tools have been used in this article for analysing the performance of Coir industries in India.

- Annual Growth Rate
- Trend Analysis

Analysis and Interpretation:

Table 1: Comparing the Union budget

| | Actuals 2020-21 | Budgeted 2021-22 | Revised 2021-22 | Budgeted 2022-23 | % change (RE 2021-22 to BE 2022-23) |
|--------------------------|--------------------|---------------------|--------------------|---------------------|---|
| Revenue Expenditure | 30,83,519 | 29,29,000 | 31,67,289 | 31,94,663 | 0.90% |
| Capital Expenditure | 4,26,317 | 5,54,236 | 6,02,711 | 7,50,246 | 24.50% |
| Capital Outlay | 3,15,826 | 5,13,862 | 5,47,457 | 6,10,189 | 11.50% |
| Loans and Advances | 1,10,491 | 40,374 | 55,255 | 1,40,057 | 153.50% |
| Total Expenditure | 35,09,836 | 34,83,236 | 37,70,000 | 39,44,909 | 4.60% |
| Revenue Receipts | 16,33,920 | 17,88,424 | 20,78,936 | 22,04,422 | 6.00% |

| | | | | | |
|--|------------------|------------------|------------------|------------------|--------------|
| Capital Receipts | 57,625 | 1,88,000 | 99,975 | 79,291 | -20.70% |
| Recoveries of Loans | 19,729 | 13,000 | 21,975 | 14,291 | -35.00% |
| Other receipts (including disinvestments) | 37,897 | 1,75,000 | 78,000 | 65,000 | |
| Total Receipts (excluding borrowings) | 16,91,545 | 19,76,424 | 21,78,911 | 22,83,713 | 4.80% |
| Revenue Deficit | 14,49,599 | 11,40,576 | 10,88,352 | 9,90,241 | -9.00% |
| % of GDP | 7.30% | 5.10% | 4.70% | 3.80% | |
| Fiscal Deficit | 18,18,291 | 15,06,812 | 15,91,089 | 16,61,196 | 4.40% |
| % of GDP | 9.20% | 6.80% | 6.90% | 6.40% | |
| Primary Deficit | 11,38,422 | 6,97,111 | 7,77,298 | 7,20,545 | -7.30% |
| % of GDP | 5.80% | 3.10% | 3.30% | 2.80% | |

Sources: Union Budget 2022-23; PRS.

- From the above table shows that the government is estimated to spend Rs 39,44,909 crore during 2022-23 in total expenditure. Comparing to the revised estimate budget 2021-2022 has an increase of 4.6% in 2022-2023 budget. In 2021-2022 the revenue expenditure is estimated to be Rs 31,94,663 crore (0.9% increase) and capital expenditure is estimated to be Rs 7,50,246 crore (24.5% increase), out of total expenditure. The capital expenditure increased because of substantial increase in loans and advances to state governments. In 2022-2023 loans and advances by the central government are estimated to be Rs 1,40,057 and it has been increased by 153% over the revised estimates for 2021-22.
- In 2022-2023 budget the Government receipts (excluding borrowings) are estimated to be Rs 22,83,713 crore, and an increase of 4.8% over the revised estimates of 2021-22. In 2022-2023 gap between these receipts and the expenditure will be plugged by borrowings, budgeted to be Rs 16,61,196 crore and it was an increase of 4.4% over the revised estimate of 2021-22.
- In 2022-2023 budget the central government will transfer Rs 16,11,781 crore to states and union territories. This is a marginal increase of 0.5% even compare to the revised estimates of 2021-22. In 2022-2023 budget transfer to states comprises of devolution of Rs 8,16,649 crore out of the divisible pool of central taxes, Rs 7,95,132 crore in the form of grants and loans.
- In 2022-2023 the revenue deficit is targeted at 3.8% of GDP, and fiscal deficit is targeted at 6.4% of GDP. When compare to the 2022-2023 budget target for primary deficit (which is fiscal deficit excluding interest payments) in 2021-22 is 2.8% of GDP. In 2022-2023 nominal GDP is estimated to grow at a rate of 11.1%.

Table 2: Comparison of Central Government Receipts (Rs Crore)

| | Actuals 2020-21 | Budgeted 2021-22 | Revised 2021-22 | Budgeted 2022-23 | % change (RE 2021-22 to BE 2022-23) |
|---|--------------------|---------------------|--------------------|---------------------|---|
| Gross Tax Revenue | 20,27,104 | 22,17,059 | 25,16,059 | 27,57,820 | 9.60% |
| Corporation Tax | 4,57,719 | 5,47,000 | 6,35,000 | 7,20,000 | 13.40% |
| Taxes on Income | 4,87,144 | 5,61,000 | 6,15,000 | 7,00,000 | 13.80% |
| Goods and Services Tax | 5,48,778 | 6,30,000 | 6,75,000 | 7,80,000 | 15.60% |
| Customs | 1,34,750 | 1,36,000 | 1,89,000 | 2,13,000 | 12.70% |
| Union Excise Duties | 3,91,749 | 3,35,000 | 3,94,000 | 3,35,000 | -15.00% |
| Service Tax | 1,615 | 1,000 | 1,000 | 2,000 | 100.00% |
| A. Centre's Net Tax Revenue | 14,26,287 | 15,45,397 | 17,65,145 | 19,34,771 | 9.60% |
| Devolution to States | 5,94,997 | 6,65,563 | 7,44,785 | 8,16,649 | 9.60% |
| B. Non Tax Revenue | 2,07,633 | 2,43,028 | 3,13,791 | 2,69,651 | -14.10% |
| Interest Receipts | 17,113 | 11,541 | 20,894 | 18,000 | -13.90% |
| Dividend and Profits | 96,877 | 1,03,538 | 1,47,353 | 1,13,948 | -22.70% |
| Other Non-Tax Revenue | 93,641 | 1,27,948 | 1,45,544 | 1,37,703 | -5.40% |
| C. Capital Receipts (excl. borrowings) | 57,626 | 1,88,000 | 99,975 | 79,291 | -20.70% |
| Disinvestment | 37,897 | 1,75,000 | 78,000 | 65,000 | -16.70% |
| Receipts (without borrowings) (A+B+C) | 16,91,546 | 19,76,425 | 21,78,911 | 22,83,713 | 4.80% |
| Borrowings | 18,18,291 | 15,06,812 | 15,91,089 | 16,61,196 | 4.40% |
| Total Receipts (including borrowings) | 35,09,836 | 34,83,236 | 37,70,000 | 39,44,909 | 4.60% |

Sources: Union Budget 2022-23; PRS.

- In 2022-23, receipts (excluding borrowings) are estimated to be Rs 22,83,713 crore and it is an increase of 4.8% over the revised estimates of 2021-22.
- The estimated nominal GDP growth of 11.1% in 2022-23 is higher than the gross tax revenue is budgeted to increase by 9.6% over the revised estimates of 2021-22. This is mainly on account of a 15% decrease in excise duties and other taxes are estimated to rise faster than nominal GDP. In 2022-23 net tax revenue of the central government (excluding states' share in taxes) is estimated to be Rs 19,34,771 crore
- In 2022-23, devolution to states from centre's tax revenue is estimated to be Rs 8,16,649 crore. In 2021-22, the devolution to states increased by Rs 79,222 crore from an estimate of Rs 6,65,563 crore at the budgeted stage to Rs 7,44,785 crore at the revised stage.
- In 2022-2023 the non-tax revenue is expected to be Rs 2,69,651 crore and 14.1% lower than the revised estimate of 2021-22.
- Over the revised estimates of 2021-22, the capital receipts (without borrowings) are budgeted to decrease by 20.7% in 2022-2023. In 2022-2023, disinvestments are expected to be Rs 65,000 crore, as compared to Rs 78,000 crore as per the revised estimates of 2021-22.

Table 3: Comparison of central government expenditure (Rs crore)

| | Actuals 2020-21 | Budgeted 2021-22 | Revised 2021-22 | Budgeted 2022-23 | % change (RE 2021- 22 to BE 2022-23) |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|---|
| Central Expenditure | 27,49,541 | 26,72,604 | 29,17,249 | 30,06,111 | 3.00% |
| Establishment Expenditure of Centre | 5,94,449 | 6,09,014 | 7,00,541 | 6,92,214 | -1.20% |
| Central Sector Schemes | 13,56,817 | 10,51,703 | 11,95,078 | 11,81,085 | -1.20% |
| Other expenditure | 7,98,274 | 10,11,887 | 10,21,631 | 11,32,813 | 10.90% |
| Grants for CSS and other transfers | 7,60,295 | 8,10,632 | 8,52,751 | 9,38,797 | 10.10% |
| Centrally Sponsored Schemes (CSS) | 3,83,976 | 3,81,305 | 4,15,351 | 4,42,781 | 6.60% |
| Finance Commission Grants | 1,84,063 | 2,20,843 | 2,11,065 | 1,92,108 | -9.00% |
| Rural Local Bodies | 60,750 | 44,901 | 42,623 | 46,513 | 9.10% |
| Urban Local Bodies | 26,710 | 22,114 | 14,614 | 22,908 | 56.80% |
| Grants-in-aid | 22,262 | 35,376 | 35,376 | 36,486 | 3.10% |
| Post Devolution Revenue Deficit Grants | 74,340 | 1,18,452 | 1,18,452 | 86,201 | -27.20% |
| Other grants | 1,92,257 | 2,08,484 | 2,26,334 | 3,03,908 | 34.30% |
| Total Expenditure | 35,09,836 | 34,83,236 | 37,70,000 | 39,44,909 | 4.60% |

Sources: Union Budget 2022-23; PRS.

- In 2022-23 total expenditure is expected to be Rs 39,44,909 crore, which is an increase of 4.6% over than the revised estimate of 2021-22. Out of total expenditure, Rs 11,81,084 crore is proposed to be spent on central sector schemes and Rs 4,42,781 crore is proposed to be spent on centrally sponsored schemes in 2021-2022.
- In 2022-2023 budget government has estimated to spend Rs 2,07,132 crore on pension which is 4.1% higher than the revised estimate of 2021-22. In 2022-2023, expenditure on interest payment is estimated to be Rs 9,40,65 crore, which is 23.8% of the government's expenditure 2021-2022.

Table 4: Comparison of Ministry-wise expenditure (Rs crore)

| | Actuals 2020-21 | Budgeted 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 | 4.40% |
| Consumer Affairs, Food and Public Distribution | 5,66,797 | 2,56,948 | 3,04,454 | 2,17,684 | -28.50% |
| Road Transport and Highways | 99,159 | 1,18,101 | 1,31,149 | 1,99,108 | 51.80% |
| Home Affairs | 1,44,258 | 1,66,547 | 1,73,083 | 1,85,776 | 7.30% |
| Railways | 1,12,159 | 1,10,055 | 1,20,056 | 1,40,367 | 16.90% |
| Rural Development | 1,97,593 | 1,33,690 | 1,55,043 | 1,38,204 | -10.90% |
| Agriculture and Farmers' Welfare | 1,15,827 | 1,31,531 | 1,26,808 | 1,32,514 | 4.50% |
| Chemicals and Fertilisers | 1,29,510 | 80,715 | 1,41,735 | 1,07,715 | -24.00% |
| Communications | 60,903 | 75,265 | 54,517 | 1,05,407 | 93.30% |
| Education | 84,219 | 93,224 | 88,002 | 1,04,278 | 18.50% |

| | | | | | |
|---------------------------|------------------|------------------|------------------|------------------|--------------|
| Health and Family Welfare | 80,694 | 73,932 | 86,001 | 86,201 | 0.20% |
| Jal Shakti | 23,199 | 69,053 | 69,046 | 86,189 | 24.80% |
| Housing and Urban Affairs | 46,701 | 54,581 | 73,850 | 76,549 | 3.70% |
| Other Ministries | 13,63,136 | 16,41,398 | 17,43,372 | 18,39,751 | 5.50% |
| Total Expenditure | 35,09,836 | 34,83,236 | 37,70,000 | 39,44,909 | 4.60% |

Sources: Union Budget 2022-23; PRS.

- In 2022-2023 ministries with the 13 highest allocations account for 53% of the estimated total expenditure and the Ministry of Defense has the highest allocation in 2022-23, at Rs 5,25,166 crore. In 2022 -2023 Allocation to the Ministry of Communications is estimated to increase by Rs 50,890 crore (93%) over the revised estimate of 2021-22.
- BSNL is the mainly on account of capital infusion of Rs 44,720 crore .In 2022-2023 the allocation to the Ministry of Road Transport and Highways is estimated to increase by Rs 67,959 crore (52%) over the revised estimate of 2021-22. This is In 2022-2023 increase in investment in National Highway Authority of India (Rs 1,34,015 crore as compared to Rs 65,060 crore in2021-22.
- In 2021-22, transfer to states as support for COVID-19 vaccines was Rs 39,000 crore, higher than the budget estimate ofRs 35,000 crore. Allocation for 2022-23 is Rs 5,000 crore.
- In 2022-2023 the allocation towards the Ministries of Consumer Affairs, Food and Public Distribution, and Chemicals and Fertilisers has decreased mainly on account of a reduction in food subsidy and fertilizer subsidy, respectively.

Conclusion:

The union budget 2022-2023 made no change to the living income duty structure, leaving the common man and some other sections dissatisfied. There, still, was way that could turn out to be a major boost for the frugality as a whole, going forward. Some measures introduced in the Budget would make for good news to India's investors, companies and the common man, while some of them can be seen as coming pain points for these sections. Then is a round-up this fiscal time, cargo on long- term capital earnings (LTCG) will be limited at 15 per cent, a rule that will be applicable to all means. Until now, it applied only to listed equity shares and units of equity- acquainted fund. This basically brings duty on trade of unrecorded shares on a par with trade of listed shares. The unfair news for crypto investors is that any income from transfer of virtual digital asset will be taxed at 30 from now on. This will include gifting too. No deduction will be allowed while calculating income except cost of accession. Investors also can not set off losses from any other income. Taxpayers will now be given 3 times from the end of the applicable financial to modernize duty return and pay fresh duty, if any. Also, extension will be available if they miss the deadline for filing delinquent or revised returns. Also non-taxable is payment entered by kin of Covid dead. This will, still, be subject to the aggregate limit of Rs 10 lakh for that entered from sources other than employer. State government staff is now eligible for deduction of employer donation to NPS up to 14 of payment. This rule will bring them on par with central government workers. As for pain points, streamlined returns will now come with payment of redundant duty of over to 50 of one's liability, which is likely to be a solicitude for some.

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