



Dow Jones  
S&P  
NASDAQ FTSE  
NIKKEI IBEX  
FTSE ASX  
DAX  
CAC SHANGHAI  
-0.38 % SENSEX  
+0.20 % MOEX3  
-0.34 %  
-1.57 % TSX



# UNION BUDGET 2022-23

## KEY TAKEAWAYS

UNION BUDGET



FEBRUARY 3, 2022



**BUDGET**



**BUSINESS**



**GROWTH**

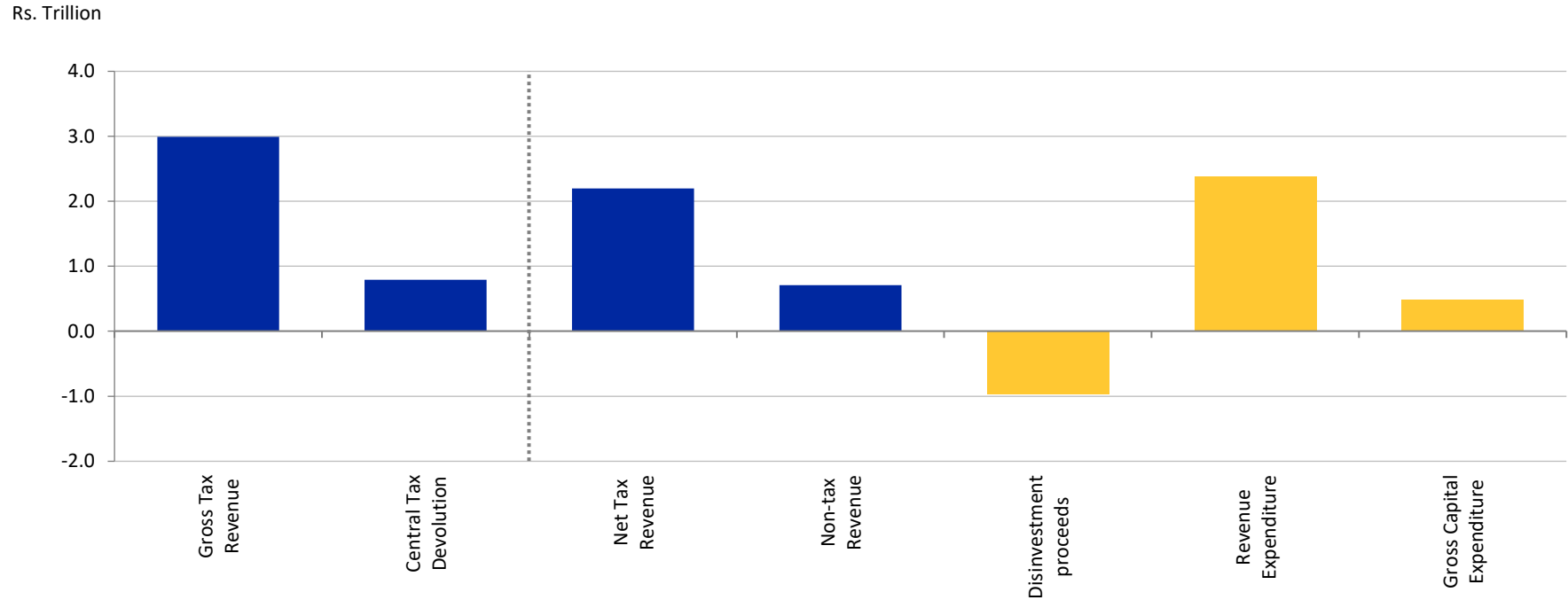


# Union Budget FY2023

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# Fiscal deficit widened by Rs. 0.8 trillion in FY2022 RE relative to BE

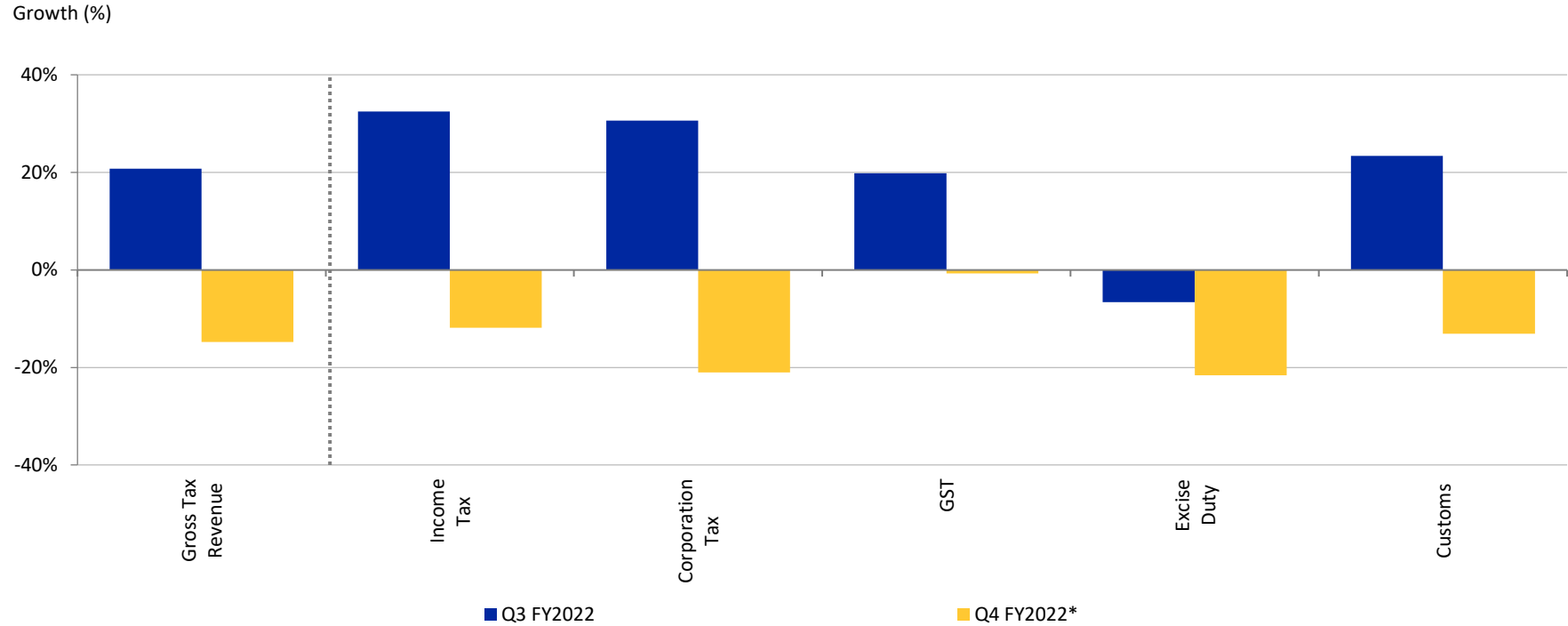
EXHIBIT: Variation in FY2022 RE, relative to FY2022 BE in Key Fiscal Metrics



Source: Gol Budget Documents; CGA; Ministry of Finance, Gol; ICRA Research

# Implicit contraction in taxes for Q4 FY2022 suggests modest upside

EXHIBIT: GoI's Gross Tax Revenues in Q3 FY2022 and Implicit trend for Q4 FY2022\*



\*Implicit trend for Q4 FY2022 is based on FY2022 RE; **Source:** GoI Budget Documents; CGA; Ministry of Finance, GoI; ICRA Research

# AGILE thrust to capital formation with a 25-year vision

Government followed up on its Agile approach on encouraging investments, laid down in the economic survey



Priorities



**PM Gati Shakti**

Investments in core economic sectoral engines



**Inclusive development**

Development projects in agriculture, digitalization in education, banking and healthcare, extension of benefits to MSME, water and housing



**Productivity enhancement  
Climate actions**

Ease of doing business, ease of living, Reiterated its commitment to COP26 goals - PLI allocation for solar module, incentives across EV ecosystem, introduction of green bonds



**Financing of investments**

Thematic funds, Green bonds, Infrastructure status to green initiatives for ease in funding, ease in getting venture capital and private equity funding

## Priority to Infrastructure investments and impetus on green initiatives

Prioritised

- 25% increase in capital outlay
- Improving PPP structures
- Urban rejuvenation capacity building
- Reform in public procurement & timely payments
- Support to states for public works & power sector reforms.

Infrastructure investments

Inclusive development

- Extension of ECLGS scheme for MSME
- Rs. 2.37 trillion allotted for wheat/paddy procurement at MSP
- PM Awaas Yojana
- Tap water access
- Urban planning initiatives
- Investments in start-ups
- Raised the local procurement for Defense outlay to 68% (from 58%)

Initiatives taken

More impetus

- Green investments and jobs
- Sovereign green bonds for funding public sector green projects
- Pilot projects on coal gasification
- Additional PLI allocation of Rs195 bn for solar PV manufacturing
- Battery-swapping policy to promote EVs

Green initiatives

Capital spending

- Execution risk being shifted to states.
- Given the challenge posed by rising interest rates, early kick-off of Central and state Government capex is essential to cement India's growth recovery in FY2023.

Risks



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**Thank You!**