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IS INDIA BRACED FOR
PHISHING ATTACKS
OF THE MODERN AGE?

Key ESG takeaways in Union Budget: 22-23

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INTRODUCTION

With the view to emerge at the top with respect to its ESG commitment, the nation has over the last year made substantial efforts focused on implementing robust strategies and initiatives that align with the agenda to achieve sustainable growth. Moving forward, on 1st February, 2022 the Union Budget 2022 – 2023 was presented before the Lok Sabha by the Hon'ble Finance Minister, Nirmala Sitharaman. As a continuous effort from last year, the Budget 2022 – 2023 is expected to accelerate sustainable growth, promote digital economy and implement energy transition and climate action.

RECAP OF BUDGET 2021 – 2022 & ESG INITIATIVES

Drawing a parallel to last year's budget, during her speech at the Union Budget 2021-22, the Finance Minister encouraged the ESG propaganda by highlighting 6 pillars of the budget, which projected a framework of global acceptance, making India a liberal and attractive nation for trade and global supply chains passing through. The 6 pillars announced at Budget 2021 – 22 included –

2. Physical & Financial Capital and Infrastructure
3. Inclusive Development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and R&D
6. Minimum Government & Maximum Governance

The underlying objective behind last year's budget was to create a space where India emerges as one of the fastest growing nations in the world to integrating a strong ESG framework across industries while being in alignment with the 17 UN Sustainable Development Goals.

BUDGET 2022 – 2023: OVERVIEW

The Budget 2022 – 2023 was set in motion with the nation celebrating Azadi Ka Amrit Mahotsav and entering Amrit Kaal which reflects the government's aim to achieve the vision India@100 by achieving specified milestones during the Amrit Kaal. PM Narendra Modi first used the word "Amrit Kaal" in 2021, at the 75th Independence Day celebrations, when he unveiled a unique 25-year blueprint for the country.

1. Health & well-being



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- Focus on growth and all inclusive welfare

- Promoting technology enabled development, energy transition and climate action

- Virtuous cycle starting from private investment, crowded in by public capital investment

Below are the Four main elements in the Budget which have many great ESG Takeaways:

1. PM GATISHAKTI

A game-changing strategy for long-term economic growth and development, the approach is led by modern infrastructure development which includes roads, trains, airports, ports, mass transportation, waterways, and logistics. Deemed as the seven growth engines, these elements are projected to work in sync to propel the economy ahead. Additionally, complementing responsibilities of energy transmission, IT communication, bulk water and sewerage, and social infrastructure are also expected to support these engines. The strategy further involves actions like clean energy and Sabka Prayas, which

promise huge job and entrepreneurial opportunities for all, particularly the youth. Some of the key elements under this strategy include –

- 1.1. Complete 25,000 km national highways in 2022 – 2023;

- 1.2. Provide multimodal connectivity between urban transport and railway stations;

- 1.3. Develop national ropeways development plans;

- 1.4. Popularize ‘one station-one product’ concept to help local businesses and supply chains.

2. INCLUSIVE DEVELOPMENT

Recognizing the importance of Nari Shakti as the herald of an optimistic future and for women-led development, the Ministry of Women & Child Development launched the following three initiatives, namely Mission Shakti, Mission Vatsalya, Saksham Anganwadi, and Poshan 2.0, to provide women and children integrated benefits. Saksham Anganwadis constitute the new generation of anganwadis that have

sufficient infrastructure and audio-visual aids powered by renewable energy and provide a better environment for early childhood development. Under the project, two lakh anganwadis are expected to be modernized. Some of the key elements under this strategy include –

- 1.1. To make a significant Rs. 2.37 lakh crore direct payment to 1.63 crore farmers for procurement of wheat and paddy;

- 1.2. Promote post-harvest value addition, consumption and branding of millets production;

- 1.3. Implement the Ken Betwa Link Project which is expected to benefit 9.1 lakh hectare farm land;

- 1.4. Integrate the Raising and Accelerating MSME performance (RAMP) programme with outlay of Rs 6000 Crore to be rolled out;

- 1.5. Establish an open platform for National Digital Health Ecosystem to be rolled out.

- 1.6. According to the new tax advantage, if a disabled person’s parent or guardian purchases a savings life insurance policy with the disabled person as the beneficiary, the parent or guardian is eligible for a deduction from gross income before tax, subject to certain requirements.

- 1.7. Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to promote online training

- 1.8. ‘One Nation, One Registration’ will be established for anywhere registration

to facilitate ease of living and doing business.

3. PRODUCTIVITY ENHANCEMENT & INVESTMENT, SUNRISE OPPORTUNITIES, ENERGY TRANSITION, AND CLIMATE ACTION

The Amrit Kaal will be the focus of the next phase of Ease of Doing Business 2.0 (EODB 2.0) and Ease of Living. The government would follow the goal of 'trust-based governance' to improve the productive efficiency of capital and human resources. This new phase will be guided by the states' active participation, the digitization of manual procedures and interventions, integration of central and state-level systems via IT bridges, single-point access to all citizen-centric services, and the uniformity and elimination of overlapping compliances. Some of the key elements under this strategy include –

a. Allocation of Rs. 19,500 crores for Production Linked Incentive for manufacture of high efficiency solar modules to meet the goal of 280 GW of installed solar power by 2030;

b. Five to seven per cent biomass pellets to be co-fired in thermal power plants:

- CO2 savings of 38 MMT annually,
- Extra income to farmers and job opportunities to locals,
- Help avoid stubble burning in agriculture fields

c. Set up four pilot projects for coal gasification and conversion of coal into chemicals for the industry;

d. Government contribution to be provided for R&D in Sunrise Opportunities like Artificial Intelligence, Geospatial

Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems.


e. Battery Swapping Policy: The FM announced setting electric vehicle (EV) sharing stations during her presentation. Private sector will be encouraged to create sustainable and innovative business models for battery and energy as a service, improving the efficiency in the EV ecosystem.

4. FINANCING OF INVESTMENTS

In the face of current uncertainties, the outlay for capital expenditure in this budget has been significantly stepped up by over 35.4 per cent from INR 5.54 lakh crore in the current year to INR 7.50 lakh crore in 2022-23. This announcement reflects the government's aim of accelerating the virtuous cycle of investments and growth especially in the context of the coronavirus pandemic. Furthermore, the government plans to issue Sovereign Green Bonds for mobilizing essential resources for green infrastructure. Some of the other tenets in the budget on Financial incentives related to ESG components are:

a. In 2022-23, allowing States a fiscal deficit of 4% of GSDP, of which 0.5% will be tied to power sector reforms;

b. Allocation of Rs. 1 lakh crore in 2022-23 to assist the states in catalysing overall investments in the economy: fifty-year interest free loans, over and above normal borrowings.

c. R&D Incentives for Start-ups: In view of the pandemic, FM proposed to extend the period of incorporation of eligible start-ups by one more year up to 31-3-2023 for providing tax incentives. 



Sonal Verma leads the ESG Practice in the firm as a Partner and Global Leader – Markets & Strategy. With his crossroad working with business & laws – he brings advice & technology for effective change management in the journey of ESG. Sonal is well acclaimed for his work in regulatory & compliance programs over the last decade. He had in the past worked with 1800 plus clients in India and 61 other countries globally. He has worked with the top 3 unicorns and many Fortune 500 companies. His clients have been across different industries, viz. Automotive and OEMs, Pharma and Life Sciences, Manufacturing, Chemical Industry, BFSI, Infrastructure and Utilities (including stateowned PSUs), e-Commerce and Fintech Companies, Diversified Conglomerates etc.



Fauzia Khan is an Associate with the firm working in the ESG domain. With the emerging change in the business landscape and awareness around sustainability, she contributes her expertise to help clients understand and adapt responsible and sustainable strategies with respect to compliance and ethics in the ESG realm.