

## Union Budget 2021-22 full details

### Important points of Budget 2021-22

1. This Union Budget presents broad aggregates of the budget for easy understanding. This document shows receipts and expenditure as well as the Fiscal Deficit (FD), Revenue Deficit (RD), Effective Revenue Deficit (ERD) and the Primary Deficit (PD) of the Government of India. It gives an illustrative account of sources of receipts and their expenditure through graphs and info-graphics. In addition, the document contains the resources transferred to States and UTs with the the legislature.
2. The document also contains extracts of allocations for programme and schemes and giving insights on sources of deficit financing and composition of important budgetary variables.
3. Fiscal Deficit is the difference between the Revenue Receipts plus Non-Debt Capital Receipts (NDCR) and the total expenditure. FD is reflective of the total borrowing requirement of Government. Revenue Deficit refers to the excess of revenue expenditure over revenue receipts. Effective Revenue Deficit is the difference between Revenue Deficit and Grants for Creation of Capital Assets. Primary Deficit is measured as Fiscal Deficit less interest payments.
4. Budget 2021-22 reflects the firm commitment of the Government to boost economic growth by investing in infrastructure development. This is substantiated by an an increase in capital expenditure by 34.5% (₹1,42,151 crore) over BE 2020-21.
5. In RE 2020-21, the total expenditure has been estimated at ₹34,50,305 crore and is more than Provisional Actual (2019-20) by ₹7,63,975 crore.
6. The total resources being transferred to the States including the devolution of State's share, Grants/ Loans and releases under Centrally Sponsored Schemes etc in BE 2021-22 is ₹13,88,502 crore, which shows an increase of ₹74,565 crores over RE (2020-21). Actuals for 2019-20 are provisional

For in-depth analysis download the PDF from the link Given Below:

[https://byjusexamprep.com/liveData/f/2021/2/budget\\_at\\_a\\_glance\\_48.pdf](https://byjusexamprep.com/liveData/f/2021/2/budget_at_a_glance_48.pdf)

What is 'Union budget'?

- The Union Budget, referred to as the Annual Financial Statement in Article 112 of the Constitution of India, is the annual budget of the Republic of India, presented before the beginning of each financial year by the Finance Minister of India in Parliament.
- It is the statement of the government's finances for the financial year, where the government makes estimates of revenue and expenses for the upcoming fiscal year that runs from April 1 to March 31.
- The word 'budget' has its origin in the French word Bougette, which means leather briefcase.
- From 2017-18, the government merged the Railway Budget with the Union Budget.

### Who makes the Budget?

- The budget is made through a consultative process involving the ministry of finance, NITI Aayog and other ministries.
- Finance ministry issues guidelines for spending, based on which ministries present their demands.
- The Budget division of the Department of Economic Affairs in the finance ministry is the nodal body responsible for producing the Budget.

### How is the budget made?

- The budget division issues a circular to all union ministries, states, UTs, autonomous bodies, departments and the defence forces for preparing the estimates for the next in the year.
- After ministries & departments send in their demands, extensive consultations are held between Union ministries and the Department of Expenditure of the finance ministry.
- At the same time, the Department of Economic Affairs and the Department of Revenue meet stakeholders such as farmers, businessmen, FIs, economists and civil society groups to take their views.
- Once the pre-Budget meetings are over, a final call on the tax proposals is taken by the finance minister. The proposals are discussed with the PM before the Budget is frozen.
- The finance ministry collects information about receipts and expenditure from various departments to prepare the revised estimates for the budget.

- The government also holds pre-budget consultations with stakeholders such as state representatives, bankers, agriculturists, economists and trade unions to understand their demands, which includes tax incentives and fiscal support.

### Budget printing & presentation

- The finance minister and other officials participate in 'halwa ceremony', which marks the process of printing documents for the Budget.
- The Finance Minister presents the budget in the Lok Sabha outlining key estimates and proposals.
- The budget is tabled in the Parliament after the minister's speech.

### Union budget 2021-22

Finance Minister Nirmala Sitharaman today presented the Union Budget for 2021-22 in Parliament for the third time. Here are the key numbers to watch out for in the Budget for 2021-22, which is widely expected to be an 'economic vaccine' for the pandemic-battered economy.

#### KEY HIGHLIGHTS OF UNION BUDGET 2021-22

Presenting the **first-ever digital Union Budget**, Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman stated that **India's fight against COVID-19 continues into 2021** and that this moment in history, when the political, economic, and strategic relations in the post-COVID world are changing, is the **dawn of a new era – one in which India is well-poised to truly be the land of promise and hope.**

The key highlights of the Union Budget 2021-22 are as follows:

#### 6 pillars of the Union Budget 2021-22:

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

#### Health and Wellbeing

- Rs. 2,23,846 crore outlay for *Health and Wellbeing* in BE 2021-22 as against Rs. 94,452 crore in BE 2020-21 – an increase of 137%
- Focus on strengthening three areas: **Preventive, Curative, and Wellbeing**
- Steps being taken for improving health and wellbeing:
  - **Vaccines**
    - Rs. 35,000 crores for COVID-19 vaccine in BE 2021-22
    - The **Made-in-India Pneumococcal Vaccine** to be rolled out across the country, from present 5 states – to avert 50,000 child deaths annually
  - **Health Systems**
    - Rs. 64,180 crore outlay over 6 years for **PM AatmaNirbhar Swasth Bharat Yojana** – a new centrally sponsored scheme to be launched, in addition to NHM
    - Main interventions under PM AatmaNirbhar Swasth Bharat Yojana:
      - **National Institution for One Health**
      - 17,788 rural and 11,024 urban Health and Wellness Centers
      - **4 regional National Institutes for Virology**
      - 15 Health Emergency Operation Centers and **2 mobile hospitals**
      - **Integrated public health labs** in all districts and 3382 block public health units in 11 states
      - **Critical care hospital blocks** in 602 districts and **12 central institutions**
      - Strengthening of the **National Centre for Disease Control (NCDC)**, its 5 regional branches and 20 metropolitan health surveillance units
      - Expansion of the **Integrated Health Information Portal** to all States/UTs to connect all public health labs
      - **17 new Public Health Units** and strengthening of 33 existing Public Health Units
      - **Regional Research Platform** for the WHO South-East Asia Region
      - 9 Bio-Safety Level III laboratories
  - **Nutrition**
    - **Mission Poshan 2.0** to be launched:
      - To strengthen nutritional content, delivery, outreach, and outcome
      - Merging the Supplementary Nutrition Programme and the Poshan Abhiyan

- Intensified strategy to be adopted to improve nutritional outcomes across 112 Aspirational Districts
- **Universal Coverage of Water Supply**
  - Rs. 2,87,000 crore over 5 years for Jal Jeevan Mission (Urban) - to be launched with an aim to provide:
    - **2.86 crore household tap connections**
    - Universal water supply in all 4,378 Urban Local Bodies
    - Liquid waste management in 500 AMRUT cities
- **Swachh Bharat, Swasth Bharat**
  - Rs. 1,41,678 crore over 5 years for Urban Swachh Bharat Mission 2.0
  - Main interventions under Swachh Bharat Mission (Urban) 2.0:
    - Complete faecal sludge management and wastewater treatment
    - Source segregation of garbage
    - Reduction in single-use plastic
    - Reduction in air pollution by effectively managing waste from construction-and-demolition activities
    - Bio-remediation of all legacy dumpsites
- **Clean Air**
  - Rs. 2,217 crores to tackle air pollution, for 42 urban centres with a million-plus population
- **Scrapping Policy**
  - **Voluntary vehicle scrapping policy to phase out old and unfit vehicles**
    - Fitness tests in automated fitness centres:
      - After 20 years in case of personal vehicles
      - After 15 years in case of commercial vehicles

### Physical and Financial Capital and Infrastructure

- **Production Linked Incentive scheme (PLI)**
  - Rs. 1.97 lakh crore in the next 5 years for PLI schemes in 13 Sectors

- To create and nurture **manufacturing global champions** for an **AatmaNirbhar Bharat**
- To help manufacturing companies become an integral part of **global supply chains**, possess core competence and **cutting-edge technology**
- To bring **scale and size** in key sectors
- To provide **jobs to the youth**
- **Textiles**
- **Mega Investment Textiles Parks (MITRA)** scheme, in addition to PLI:
  - **7 Textile Parks** to be established over 3 years
  - Textile industry to become **globally competitive**, attract **large investments** and **boost employment generation & exports**
- **Infrastructure**
- **National Infrastructure Pipeline (NIP)** expanded to 7,400 projects:
  - Around 217 projects worth **Rs. 1.10 lakh crore** completed
  - Measures in three thrust areas to increase funding for NIP:
    1. Creation of institutional structures
    2. Big thrust on monetizing assets
    3. Enhancing the share of capital expenditure
- **Creation of institutional structures: Infrastructure Financing**
- **Rs. 20,000 crores** to set up and capitalise a **Development Financial Institution(DFI)** – to act as a provider, enabler and catalyst for infrastructure financing
- **Rs. 5 lakh crore** lending portfolio to be created under the proposed DFI in 3 years
- **Debt Financing** by Foreign Portfolio Investors to be enabled by amending InvITs' and REITs' legislations
- **Big thrust on monetizing assets**

- **National Monetization Pipeline** to be launched
- Important asset monetization measures:
  1. 5 operational toll roads worth **Rs. 5,000 crore** being transferred to the **NHAIInvIT**
  2. Transmission assets worth **Rs. 7,000 crore** to be transferred to the **PGCILInvIT**
  3. **Dedicated Freight Corridor** assets to be monetized by Railways, for operations and maintenance, after commissioning
  4. Next lot of **Airports** to be monetized for operations and management concession
  5. Other core infrastructure assets to be rolled out under the Asset Monetization Programme:
    - **Oil and Gas Pipelines** of GAIL, IOCL and HPCL
    - **AAI Airports** in Tier II and III cities
    - Other **Railway Infrastructure Assets**
    - **Warehousing Assets** of CPSEs such as Central Warehousing Corporation and NAFED
    - **Sports Stadiums**
- **Sharp Increase in Capital Budget**
- **Rs. 5.54 lakh crore** capital expenditure in BE 2021-22 – a sharp increase of **34.5%** over **Rs. 4.12 lakh crore** allocated in BE 2020-21 :
- Over **Rs. 2 lakh crore** to States and Autonomous Bodies for their Capital Expenditure.
- Over **Rs. 44,000 crore** for the Department of Economic Affairs to provide for projects/programmes/departments exhibiting good progress on Capital Expenditure
- **Roads and Highways Infrastructure**
- **Rs. 1,18,101 lakh crore**, highest ever outlay, for Ministry of Road Transport and Highways – of which **Rs. 1,08,230 crore** is for capital
- Under the **Rs. 5.35 lakh crore Bharatmala Pariyojana**, more than **13,000 km** length of roads worth **Rs. 3.3 lakh crore** awarded for construction:
  - **3,800 km** have already been constructed
  - Another **8,500 km** to be awarded for construction by March 2022



- Additional 11,000 km of national highway corridors to be completed by March 2022
- Economic corridors being planned:
  - Rs. 1.03 lakh crore outlay for 3,500 km of NHS in Tamil Nadu
  - Rs. 65,000 crore investment for 1,100 km of NHS in Kerala
  - Rs. 25,000 crores for 675 km of NHS in West Bengal
  - Over Rs. 34,000 crore to be allocated for 1300 km of NHS to be undertaken in the next 3 years in Assam, in addition to Rs. 19,000 crore works of NHs currently in progress in the State
- Flagship Corridors/Expressways:
  - Delhi-Mumbai Expressway – Remaining 260 km to be awarded before 31.3.2021
  - Bengaluru-Chennai Expressway – 278 km to be initiated in the current FY; construction to begin in 2021-22
  - Kanpur-Lucknow Expressway – 63 km expressway providing an alternate route to NH 27 to be initiated in 2021-22
  - Delhi-Dehradun economic corridor – 210 km to be initiated in the current FY; construction to begin in 2021-22
  - Raipur-Vishakhapatnam – 464 km passing through Chhattisgarh, Odisha and North Andhra Pradesh, to be awarded in the current year; construction to start in 2021-22
  - Chennai-Salem corridor – 277 km expressway to be awarded and construction to start in 2021-22
  - Amritsar-Jamnagar – Construction to commence in 2021-22
  - Delhi-Katra – Construction will commence in 2021-22
- Advanced Traffic management system in all-new 4 and 6-lane highways:
  - Speed radars
  - Variable message signboards
  - GPS enabled recovery vans will be installed
- Railway Infrastructure
  - Rs. 1,10,055 crore for Railways of which Rs. 1,07,100 crore is for capital expenditure



- **National Rail Plan for India (2030):** to create a 'future-ready' Railway system by 2030
- **100% electrification** of Broad-Gauge routes to be completed by December 2023
- Broad Gauge Route Kilometers (RKM) electrification to reach 46,000 RKM, i.e. 72% by end of 2021
- Western Dedicated Freight Corridor (DFC) and Eastern DFC to be commissioned by June 2022, to bring down the logistic costs – enabling **Make in India strategy**
- Additional initiatives proposed:
  - The Sonnagar-Gomoh Section (263.7 km) of Eastern DFC to be taken up in PPP mode in 2021-22
  - **Future dedicated freight corridor projects –**
    - East Coast corridor from Kharagpur to Vijayawada
    - East-West Corridor from Bhusaval to Kharagpur to Dankuni
    - The north-South corridor from Itarsi to Vijayawada
  - Measures for **passenger convenience and safety:**
    - Aesthetically designed **Vista Dome LHB coach on tourist routes** for better travel
    - High-density network and highly utilized network routes to have an **indigenously developed automatic train protection system**, eliminating train collision due to human error

## 1. Urban Infrastructure

- Raising the share of public transport in urban areas by the **expansion of the metro rail network** and augmentation of city bus service
- **Rs. 18,000 crores** for a new scheme, to augment public bus transport:
  - Innovative **PPP models** to run more than **20,000 buses**
  - To boost the automobile sector, provide a a fillip to economic growth, create employment opportunities for our youth
- A total of 702 km of the the conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities
- '**MetroLite**' and '**MetroNeo**' technologies to provide metro rail systems at a a much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities.

- Central counterpart funding to:
  1. Kochi Metro Railway Phase-II of 11.5 km at a cost of Rs. 1957.05 crore
  2. Chennai Metro Railway Phase -II of 118.9 km at a cost of Rs. 63,246 crore
  3. Bengaluru Metro Railway Project Phase 2A and 2B of 58.19 km at a cost of Rs. 14,788 crore
  4. Nagpur Metro Rail Project Phase-II and Nashik Metro at a cost of Rs. 5,976 crore and Rs. 2,092 crore respectively.

### Power Infrastructure

139 Giga Watts of installed capacity and **1.41 lakh circuit km** of transmission lines added, and additional **2.8 crore households** connected in past 6 years

- Consumers to have alternatives to choose the Distribution Company for enhancing competitiveness
- **Rs. 3,05,984 crore** over 5 years for a revamped, reforms-based and result-linked new **power distribution sector scheme**
- A comprehensive **National Hydrogen Energy Mission 2021-22** to be launched.

### Ports, Shipping, Waterways

- **Rs. 2,000 crores** worth 7 projects to be offered in **PPP-mode** in FY21-22 for the operation of **major ports**
- Indian shipping companies to get **Rs. 1624 crore** worth subsidy support over 5 years in global tenders of Ministries and CPSEs
- To **double the recycling capacity** of around 4.5 Million Light Displacement Tonne (LDT) by 2024; to generate an **additional 1.5 lakh jobs**

### Petroleum & Natural Gas

- Extension of **Ujjwala Scheme** to cover **1 crore more beneficiaries**
- To add **100 more districts** to the City Gas Distribution network in next 3 years
- A **new gas pipeline project** in J&K
- An independent **Gas Transport System Operator** to be set up for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis

### Financial Capital

- A single **Securities Markets Code** to be evolved
- Support for development of a **world-class Fin-Tech hub at the GIFT-IFSC**
- A new permanent institutional framework to help in the development of the the Bond market by purchasing investment-grade debt securities both in stressed and normal times
- Setting up a system of **Regulated Gold Exchanges**: SEBI to be notified as a regulator and Warehousing Development and Regulatory Authority to be strengthened
- To develop an **investor charter** as a right of all financial investors
- **Capital infusion** of Rs. 1,000 crore to Solar Energy Corporation of India and Rs. 1,500 crore to Indian Renewable Energy Development Agency

#### Increasing FDI in Insurance Sector

- To increase the permissible **FDI limit from 49% to 74%** and allow foreign ownership and control with safeguards

#### Stressed Asset Resolution

- Asset Reconstruction Company Limited and Asset Management Company to be set up

#### Recapitalization of PSBs

- **Rs. 20,000 crores** in 2021-22 to further consolidate the financial capacity of PSBs

#### Deposit Insurance

- **Amendments to the DICGC Act, 1961**, to help depositors get an easy and time-bound access to their deposits to the extent of the deposit insurance cover
- Minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (**SARFAESI**) Act, 2002 proposed to be reduced from **Rs. 50 lakh to Rs. 20 lakh** for NBFCs with a minimum asset size of Rs. 100 crore

#### Company Matters

- To decriminalize the **Limited Liability Partnership (LLP) Act, 2008**

- **Easing Compliance requirement of Small companies** by revising their definition under Companies Act, 2013 by increasing their thresholds for Paid-up capital from “not exceeding Rs. 50 Lakh” to “not exceeding Rs. 2 Crore” and turnover from “not exceeding Rs. 2 Crore” to “not exceeding Rs. 20 Cr”.
- **Promoting start-ups and innovators by incentivizing the incorporation of One Person Companies (OPCs):**
  - Allowing their growth without any restrictions on paid-up capital and turnover
  - Allowing their conversion into any other type of company at any time,
  - Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and
  - Allowing Non-Resident Indians (NRIs) to incorporate OPCs in India.
- To ensure **faster resolution of cases** by:
  - **Strengthening the NCLT framework**
  - Implementation of the **e-Courts** system
  - Introduction of **alternate methods of debt resolution** and special framework for MSMEs
- Launch of data analytics, artificial intelligence, machine learning-driven **MCA21 Version 3.0** in 2021-22

### Disinvestment and Strategic Sale

- **Rs. 1,75,000 crore** estimated receipts from disinvestment in BE 2020-21
- **Strategic disinvestment** of BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam limited etc. to be completed in 2021-22.
- Other than IDBI Bank, two Public Sector Banks and one General Insurance company to be privatized
- **IPO of LIC** in 2021-22
- **New policy for Strategic Disinvestment** approved; CPSEs except in four strategic areas to be privatized
- NITI Aayog to work out on the next list of CPSEs to be taken up for strategic disinvestment
- Incentivizing States for disinvestment of their Public Sector Companies, using central funds

- **Special Purpose Vehicle** in the form of a company to monetize idle land
- Introducing a revised mechanism for ensuring **timely closure of sick or loss-making CPSEs**

### Government Financial Reforms

- **Treasury Single Account (TSA) System** for Autonomous Bodies to be extended for universal application
- **Separate Administrative Structure** to streamline the 'Ease of Doing Business' for Cooperatives

### Inclusive Development for Aspirational India

#### Agriculture

- Ensured **MSP** at **minimum 1.5** times the cost of production across all commodities.
- With the steady increase in the procurement, payment to farmers increased as under:

(in Rs. crore)

	2013-14	2019-20	2020-21
Wheat	Rs. 33,874	Rs. 62,802	Rs. 75,060
Rice	Rs. 63,928	Rs. 1,41,930	Rs. 172,752
Pulses	Rs. 236	Rs. 8,285	Rs. 10,530

- **SWAMITVA Scheme** to be extended to all States/UTs, 1.80 lakh property-owners in 1,241 villages have already been provided cards
- **Agricultural credit target** enhanced to **Rs. 16.5 lakh crore** in FY22 - animal husbandry, dairy, and fisheries to be the focus areas
- **Rural Infrastructure Development Fund** to be enhanced to **Rs. 40,000 crore** from Rs. 30,000 crore
- To **double the Micro Irrigation Fund** to **Rs. 10,000 crore**
- '**Operation Green Scheme**' to be extended to **22 perishable products**, to boost value addition in agriculture and allied products

- Around **1.68 crore farmers** registered and **Rs. 1.14 lakh crore** of trade value carried out through **e-NAMs**; **1,000 more mandis** to be integrated with e-NAM to bring transparency and competitiveness.
- APMCs to get access to the **Agriculture Infrastructure Funds** for augmenting infrastructure facilities

### Fisheries

- Investments to develop modern fishing harbours and fish landing centres – both marine and inland
- **5 major fishing harbours** – Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat to be developed as hubs of economic activity
- **Multipurpose Seaweed Park** in Tamil Nadu to promote seaweed cultivation

### Migrant Workers and Labourers

- **One Nation One Ration Card** scheme for beneficiaries to claim rations anywhere in the country - **migrant workers** to benefit the most
- Scheme implementation so far covered 86% of beneficiaries across 32 States and UTs
- Remaining 4 states to be integrated in the next few months
- **Portal to collect information** on the unorganized labour force, migrant workers especially, to help formulate schemes for them
- Implementation of **4 labour codes** underway
- Social security benefits for gig and platform workers too
- minimum wages and coverage under the Employees State Insurance Corporation applicable for all categories of workers
- Women workers allowed in all categories, including night-shifts with adequate protection
- Compliance burden on employers reduced with a single registration and licensing, and online returns

### Financial Inclusion

- Under **Stand Up India Scheme** for SCs, STs and women,
- Margin money requirement reduced to 15%
- To also include loans for allied agricultural activities

- Rs. 15,700 crore budget allocation to MSME Sector, more than double of this year's BE

## Reinvigorating Human Capital

### School Education

- 15,000 schools to be strengthened by implementing all NEP components. Shall act as exemplar schools in their regions for mentoring others
- 100 new Sainik Schools to be set up in partnership with NGOs/private schools/states

### Higher Education

- Legislation to be introduced to set up **the the Higher Education Commission of India** as an umbrella body with 4 separate vehicles for standard-setting, accreditation, regulation, and funding
- Creation of formal umbrella structure to cover all Govt. colleges, universities, research institutions in a city for greater synergy.
- Glue grant to implement the same across 9 cities
- **Central University** to come up in **Leh** for accessibility of higher education in Ladakh

### Scheduled Castes and Scheduled Tribes Welfare

- 750 Eklavya model residential schools in tribal areas:
  - The unit cost of each school to be increased to **Rs. 38 crore**
  - For hilly and difficult areas, to **Rs. 48 crore**
  - Focus on the creation of robust infrastructure facilities for tribal students
- Revamped **Post Matric Scholarship Scheme** for the welfare of SCs
- **Rs. 35,219 crores** enhanced Central Assistance for 6 years till 2025-2026
- **4 crore** SC students to benefit

### Skilling

- The proposed amendment to the **Apprenticeship Act** to enhance opportunities for youth
- **Rs. 3000 crores** for realignment of existing **National Apprenticeship Training Scheme (NATS)** towards a post-education apprenticeship, training of graduates and diploma holders in Engineering
- Initiatives for partnership with other countries in skilling to be taken forward, similar to partnership:
- With **UAE** to benchmark skill qualifications, assessment, certification, and deployment of certified workforce
- With **Japan** for a collaborative **Training Inter Training Programme (TITP)** to transfer of skills, technique and knowledge

### Innovation and R&D

- Modalities of national **Research Foundation** announced in July 2019 –
  - **Rs. 50,000 crore** outlay over 5 years
  - To strengthen the overall research ecosystem with a focus on national-priority thrust areas
- **Rs. 1,500 crores** for proposed scheme to promote digital modes of payment
- **National Language Translation Mission (NTLM)** to make governance-and-policy related knowledge available in major Indian languages
- **PSLV-CS51** to be launched by **New Space India Limited (NSIL)** carrying **Brazil's Amazonia Satellite** and some Indian satellites
- As part of the **Gaganyaan** mission activities:
  - **4 Indian astronauts** being trained on Generic Space Flight aspects, in **Russia**
  - **The first unmanned launch** is slated for **December 2021**
- **Rs. 4,000 crores** over five years for **Deep Ocean Mission** survey exploration and conservation of deep-sea biodiversity

### Minimum Government, Maximum Governance

- Measures being undertaken to bring reforms in Tribunals to ensure speedy justice



- National Commission for Allied Healthcare Professionals already introduced to ensure transparent and efficient regulation of the 56 allied healthcare professions
- The National Nursing and Midwifery Commission Bill introduced for the same in the nursing profession
- Proposed Conciliation Mechanism with a a mandate for quick resolution of contractual disputes with CPSEs
- Rs. 3,768 crores allocated for the first digital census in the history of India
- Rs.300 crore grant to the Government of Goa for the diamond jubilee celebrations of the state's liberation from Portuguese
- Rs.1,000 crores for the welfare of Tea workers especially women and their children in Assam and West Bengal through a special scheme

### Fiscal Position

Item	Original BE 2020-21	RE 2020-21	BE 2021-22
Expenditure	₹30.42 lakh crore	₹34.50 lakh crore	₹34.83 lakh crore
Capital Expenditure	₹4.12 lakh crore	₹4.39 lakh crore	₹5.5 lakh crore
Fiscal Deficit (as % of GDP)	-	9.5%	6.8%

- RE for Expenditure is Rs. 34.50 lakh crore as against original BE expenditure of Rs. 30.42 lakh crore
- Quality of expenditure has been maintained as Capital Expenditure estimated as per RE is Rs. 4.39 lakh crore in 2020-2021 as against Rs. 4.12 lakh crore in BE 2020-21
- Estimates of Rs. 34.83 lakh crore BE for expenditure in 2021-2022 including Rs. 5.5 lakh crore as capital expenditure, an increase of 34.5% to give a required push to the the economy
- The fiscal deficit in BE 2021-2022 is estimated to be 6.8% of GDP. The fiscal deficit in RE 2020-21 is pegged at 9.5% of GDP - funded through Government borrowings, multilateral borrowings, Small Saving Funds and short term borrowings

- - Gross borrowing from the market for the next year to be around 12 lakh crore.
  - Plan to continue on the path of fiscal consolidation, achieving a fiscal deficit level **below 4.5% of GDP by 2025-2026** with a fairly steady decline over the period
  - It will be achieved by increasing the buoyancy of tax revenue through improved compliance, and secondly, by increased receipts from monetisation of assets, including Public Sector Enterprises and land
  - Deviation Statement under Sections 4(5) and 7(3) (b) of the FRBM Act tabled necessitated by this year's unforeseen and unprecedented circumstances
  - Amendment to FRBM Act proposed to achieve targeted Fiscal Deficit levels
- The Contingency Fund of India is to be augmented from 500 crores to Rs. 30,000 crore through Finance Bill

#### Net borrowing of the States:

- Net borrowing for the states allowed at 4% of GSDP for the year 2021-2022 as per the recommendation of 15<sup>th</sup> FC
  - Part of this earmarked for incremental capital expenditure
  - Additional borrowing ceiling of 0.5% of GSDP will be provided subject to conditions
- States expected to reach a fiscal deficit of 3% of GSDP by 2023-24, as recommended by the 15<sup>th</sup> Finance Commission

#### Fifteenth Finance Commission:

- The final report covering 2021-26 was submitted to the President, retaining vertical shares of states at 41%
- Funds to UTs of Jammu and Kashmir and Ladakh would be provided by Centre
- On the Commission's recommendation, Rs. 1,18,452 crore have been provided as Revenue Deficit Grant to 17 states in 2021-22, as against Rs. 74,340 crore to 14 states in 2020-21

#### Tax Proposals

The vision of a transparent, efficient tax system to promote investments and employment in the country with **minimum burden on taxpayers**

### Direct Taxes

#### Achievements:

- **Corporate tax rate** slashed to make it among the lowest in the world
- The burden of taxation on **small taxpayers** eased by increasing rebates
- Return filers almost **doubled to 6.48 crore** in 2020 from **3.31 crore** in 2014
- **Faceless Assessment and Faceless Appeal** introduced

#### Relief to Senior Citizens:

- **Exemption from filing tax returns** for senior citizens over 75 years of age and having only pension and interest income; tax to be deducted by paying bank

#### Reducing Disputes, Simplifying Settlement:

- The **time limit for re-opening cases** reduced to **3 years** from 6 years
- **Serious tax evasion cases**, with evidence of concealment of income of Rs. 50 lakh or more in a year, to be re-opened only up to 10 years, with approval of the Principal Chief Commissioner
- **Dispute Resolution Committee** to be set up for taxpayers with taxable income up to Rs. 50 lakh and disputed income up to Rs. 10 lakh
- **National Faceless Income Tax Appellate Tribunal Centre** to be established
- Over **1 lakh taxpayers** opted to settle tax disputes of over Rs. 85,000 crore through **Vivad Se Vishwas Scheme** until 30<sup>th</sup> January 2021

#### Relaxation to NRIs:

- Rules to be notified for removing hardships faced by NRIs regarding their foreign retirement accounts

#### Incentivising Digital Economy:

- **Limit of turnover for tax audit** increased to Rs. 10 crores from Rs. 5 crores for entities carrying out 95% transactions digitally

### Relief for Dividend:

- Dividend payment to REIT/ InvIT exempt from TDS
- Advance tax liability on dividend income only after declaration/ payment of dividend
- Deduction of tax on dividend income at lower treaty rate for Foreign Portfolio Investors

### Attracting Foreign Investment for Infrastructure:

- **Infrastructure Debt Funds** made eligible to raise funds by issuing **Zero-Coupon Bonds**
- Relaxation of some conditions relating to prohibition on private funding, restriction on commercial activities, and direct investment

### Supporting 'Housing for All':

- Additional deduction of interest, up to Rs. 1.5 lakh, for a loan taken to buy an affordable house extended for loans taken till March 2022
- **Tax holiday** for Affordable Housing projects extended till **March 2022**
- Tax exemption allowed for notified Affordable Rental Housing Projects

### Tax incentives to IFSC in GIFT City:

- **Tax holiday for capital gains** from incomes of aircraft leasing companies
- Tax exemptions for aircraft lease rentals paid to foreign lessors
- Tax incentive for relocating foreign funds in the IFSC
- Tax exemption to investment division of foreign banks located in IFSC

### Ease of Filing Taxes:

- Details of capital gains from listed securities, dividend income, interest from banks, etc. to be pre-filled in returns

### Relief to Small Trusts:

- Exemption limit of annual receipt revised from ₹1 crore to ₹5 crores for small charitable trusts running schools and hospitals

### Labour Welfare:

- Late deposit of employee's contribution by the employer not to be allowed as a deduction to the employer
- Eligibility for tax holiday claim for start-ups extended by one more year
- **Capital gains exemption** for investment in start-ups extended till **31<sup>st</sup> March 2022**

### Indirect Taxes

#### GST:

- Measures were taken to date:
- Nil return through SMS
- A quarterly return and monthly payment for small taxpayers
- **Electronic invoice system**
- The validated input tax statement
- **Pre-filled editable GST return**
- Staggering of returns filing
- Enhancement of capacity of GSTN system
- Use of **deep analytics and AI to identify tax evaders**

#### Custom Duty Rationalization:

- **Twin objectives:** Promoting domestic manufacturing and helping India get onto the global value chain and export better
- **80 outdated exemptions** already eliminated
- Revised, distortion-free customs duty structure to be put in place from 1<sup>st</sup> October 2021 by **reviewing more than 400 old exemptions**
- **New customs duty exemptions** to have validity up to the 31<sup>st</sup> March following two years from its issue date

#### Electronic and Mobile Phone Industry:

- Some exemptions on parts of chargers and sub-parts of mobiles withdrawn
- Duty on some parts of mobiles revised to 2.5% from 'nil' rate

#### Iron and Steel:

- Customs duty reduced uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy, and stainless steels
- Duty on steel scrap exempted up to 31<sup>st</sup> March 2022
- Anti-Dumping Duty (ADD) and Counter-Veiling Duty (CVD) revoked on certain steel products
- Duty on copper scrap reduced from 5% to 2.5%

#### Textiles:

- Basic Customs Duty (BCD) on caprolactam, nylon chips and nylon fibre & yarn reduced to 5%

#### Chemicals:

- Calibrated customs duty rates on chemicals to encourage domestic value addition and to remove inversions
- Duty on Naptha reduced to 2.5%

#### Gold and Silver:

- Customs duty on gold and silver to be rationalized

#### Renewable Energy:

- Phased manufacturing plan for solar cells and solar panels to be notified
- Duty on solar invertors raised from 5% to 20%, and on solar lanterns from 5% to 15% to encourage domestic production

#### Capital Equipment:

- Tunnel boring machine to now attracting a customs duty of 7.5%, and its parts a duty of 2.5%
- Duty on certain auto parts increased to a general rate of 15%

#### MSME Products:

- Duty on steel screws and plastic builder wares increased to 15%
- Prawn feed to attract customs duty of 15% from earlier rate of 5%

- Exemption on import of duty-free items rationalized to incentivize exporters of garments, leather, and handicraft items
- Exemption on imports of certain kind of leathers withdrawn
- Customs duty on finished synthetic gemstones raised to encourage domestic processing

#### Agriculture Products:

- Customs duty on cotton increased from nil to 10% and on raw silk and silk yarn from 10% to 15%.
- Withdrawal of end-use based concession on denatured ethyl alcohol
- Agriculture Infrastructure and Development Cess (AIDC) on a small number of items

#### Rationalization of Procedures and Easing of Compliance:

- **Turant** Customs initiative, a *Faceless, Paperless, and Contactless Customs* measures
- The new procedure for administration of Rules of Origin

#### Achievements and Milestones during the COVID-19 pandemic

##### Pradhan Mantri Garib Kalyan Yojana (PMGKY):

- - Valued at Rs. 2.76 lakh crore
  - Free food grain to 80 crore people
  - Free cooking gas for 8 crore families
  - Direct cash to over 40 crore farmers, women, the elderly, the poor and the needy
- **AatmaNirbhar Bharat package (ANB 1.0):**
  - Estimated at Rs. 23 lakh crore - more than 10% of GDP
- PMGKY, three ANB packages (ANB 1.0, 2.0, and 3.0), and announcements made later were like 5 **mini-budgets** in themselves
- Rs. 27.1 lakh crore worth of financial impact of all three ANB packages including RBI's measures - amounting to **more than 13% of GDP**
- **Structural reforms:**
  - **One Nation One Ration Card**
  - **Agriculture and Labour Reforms**

- Redefinition of MSMEs
- The commercialisation of the Mineral Sector
- Privatisation of Public Sector Undertakings
- Production Linked Incentive Schemes
- **Status of India's fight against COVID-19:**
  - **2 Made-in-India vaccines** – medically safeguarding citizens of India and those of 100-plus countries against COVID-19
  - **2 or more new vaccines expected soon**
  - **The lowest death rate per million and the lowest active cases**

### 2021 - Year of milestones for Indian history

- 75th year of India's independence
- 60 years of Goa's accession to India
- 50 years of the 1971 India-Pakistan War
- Year of the 8th Census of Independent India
- India's turn at the BRICS Presidency
- Year for Chandrayaan-3 Mission
- Haridwar MahaKumbh

### Vision for AatmaNirbhar Bharat

- **AatmaNirbharta** – not a new idea – ancient India was self-reliant and a business epicentre of the world
- **AtmaNirbhar Bharat** – an expression of 130 crore Indians who have full confidence in their capabilities and skills
- Strengthening the **Sankalp** of:
  - Nation First
  - Doubling Farmer's Income
  - Strong Infrastructure
  - Healthy India
  - Good Governance
  - Opportunities for Youth
  - Education for All
  - Women Empowerment
  - Inclusive Development



- 13 promises made in the Union Budget 2015-16 and resonating with the vision of AatmaNirbharta, to materialise during the AmrutMahotsav of 2022 - on the 75th year of our independence

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