

**GS SCORE**

**An Institute for Civil Services**



Gist of  
**BUDGET**  
**2021-2022**



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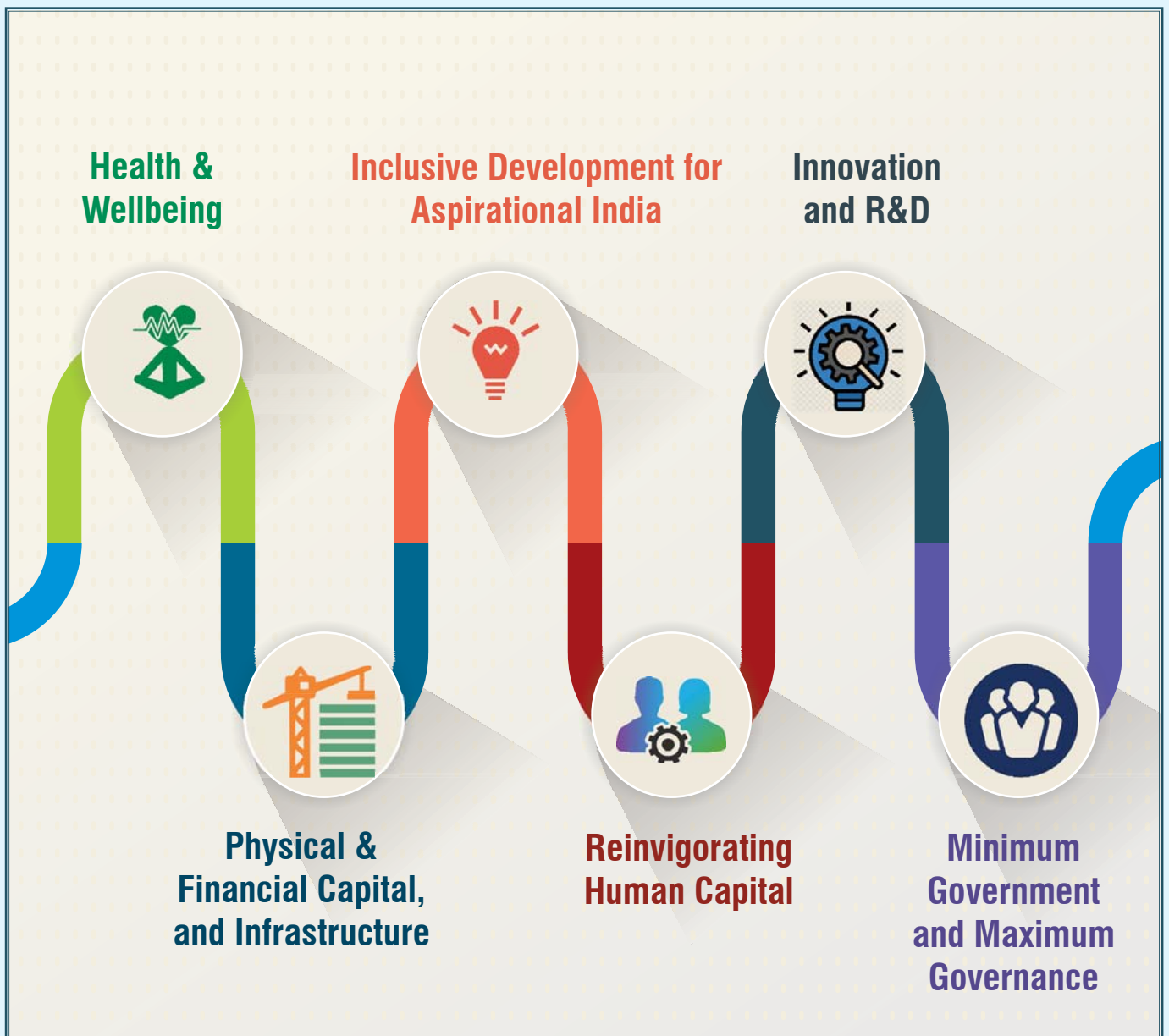
## UNION BUDGET 2021-22

The Ministry of Finance presented the Union Budget 2021-22 in Parliament, which is the first budget of this new decade and also a digital one in the backdrop of unprecedented COVID-19 crisis.

This Budget assumes great significance as it comes amid the novel coronavirus pandemic, which has led to massive economic disruption in India and around the world.

# Major Pillars of the Budget

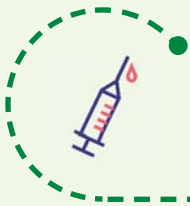
The first-ever paperless budget in a post-COVID India rests on 6 major pillars



**Major Pillars of the Budget # 1**

# Health & Wellbeing

Steps being taken for improving Health & Wellbeing:



## Vaccines

₹ 35,000 crore for COVID-19 vaccine in BE 2021-22



## Health Systems

₹ 64,180 crore outlay over 6 years for **PM Aatma Nirbhar Swasth Bharat Yojana** – a new centrally sponsored scheme to be launched, in addition to NHM.

### PM ATMANIRBHAR SWASTH BHARAT YOJANA

- ▶ PM Atma Nirbhar Swasth Bharat Yojana is a new centrally sponsored scheme.
  - ▶ **Outlay:** of about 64,180 crores over 6 years.
  - ▶ This will be in addition to the National Health Mission.
  - ▶ Main interventions under
- PM Aatma Nirbhar Swasth Bharat Yojana:
- ▶ National Institution for One Health
  - ▶ 17,788 rural and 11,024 urban Health and Wellness Centers
  - ▶ Regional Research Platform for WHO South-East Asia Region

## HEALTHY NUMBERS

The outlay for health saw an **82%** jump over Budget Estimates 2020-21 (in ₹ cr)

	BE 2020-21	BE-2021-22
Health and family welfare	65,011.8	71,268.77
Health research	2,100	2,663
Vaccination	NIL	35,000
Finance Commission grant for health	NIL	13,192
<b>TOTAL</b>	<b>67,111.8</b>	<b>1,22,123.77</b>
<b>%age increase: 81.97%</b>		



## Nutrition

Mission Poshan 2.0 to be launched to strengthen nutritional content, delivery, outreach, and outcome.



## Universal Coverage of Water Supply

The total outlay proposed for the announced Jal Jeevan Mission (Urban) is ₹2,87,000 crore. The mission aims 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

₹ 1,41,678 crore over 5 years for Urban Swachh Bharat Mission 2.0



## Clean Air

₹ 2,217 crore to tackle air pollution, for 42 urban centers with a million-plus population.



## Scrapping Policy

Voluntary vehicle scrapping policy to phase out old and unfit vehicles 1' Fitness tests in automated fitness centres:

After 20 years in case of personal vehicles

After 15 years in case of commercial vehicles

## Major Pillars of the Budget # 2



# Physical & Financial Capital and Infrastructure



## Production Linked Incentive Scheme (PLI)

With an aim to create jobs for youth, ₹1.97 lakh crore has been announced over 5 years starting this FY, for **Production Linked Incentive Schemes** to create manufacturing global champions for an **Atmanirbhar Bharat**. It aims to:

To create and nurture manufacturing global champions for an AtmaNirbhar Bharat

To help manufacturing companies become an integral part of global supply chains, possess core competence and cutting-edge technology.



## Textiles

- **Mega Investment Textiles Parks (MITRA) Scheme**, in addition to PLI
- 7 Textile Parks to be established over 3 years



## Infrastructure

**National Monetization Pipeline** of potential brownfield infrastructure assets to be launched

Scheme at a cost of ₹18,000 crore for augmentation of public bus transport services to be launched

**Comprehensive National Hydrogen Energy Mission** to be launched

Seven port projects worth more than ₹ 2,000 crore to be offered by major ports in PPP Mode

Scheme for promoting flagging of merchant ships in India to be launched

Ship Recycling Capacities of around 4.5 million Light Displacement Tonnage to be doubled by 2024



## Railway Infrastructure

- ₹1,10,055 crore for Railways of which ₹1,07,100 crore is for capital expenditure
- Railways to monetize dedicated freight corridor assets for O&M (Operation and maintenance) Program.
- **100% electrification** of rail broad gauge routes to be completed by December 2023
- **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.



## Roads and Highways Infrastructure

- ₹ 1,18,101 lakh crore, highest ever outlay, for Ministry of Road Transport and Highways – of which ₹1,08,230 crore is for capital



- Under the ₹5.35 lakh crore Bharatmala Pariyojana, more than 13,000 km length of roads worth ₹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



## 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
- **A comprehensive National Hydrogen Energy Mission 2021-22** to be launched



## Petroleum & Natural Gas

- Extention 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.



## 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 development of Bond market by purchasing investment grade debt securities both in stressed and normal times.



## Disinvestment and Strategic Sale

- ₹ 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 Cooperatives.



## Others

- **Development Financial Institution** to be set up, to provide, enable & catalyze infra financing. ₹ 20,000 crore allocated to capitalize this institution
- **Setting up a system of Regulated Gold Exchanges:** SEBI to be notified as a regulator and Warehousing Development and Regulatory Authority to be strengthened
- **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:** ₹20,000 crore 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 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”.

- ◉ **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.

Major Pillars of the Budget # 3

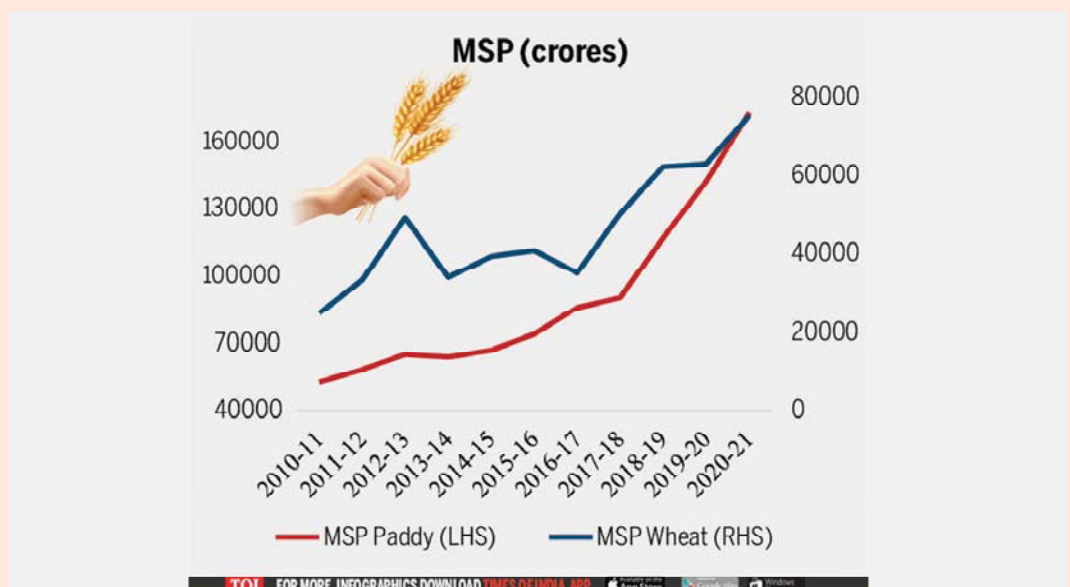


# Inclusive Development for Aspirational India



## Agriculture

- Ensured MSP at minimum 1.5 times the cost of production across all commodities.
- **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 ₹16.5 lakh crore in FY22 – animal husbandry, dairy, and fisheries to be the focus areas
- **Rural Infrastructure Development Fund** to be enhanced to ₹40,000 crore from ₹30,000 crore
- **'Operation Green Scheme'** to be extended to 22 perishable products, to boost value addition in agriculture and allied products.



## SVAMITVA

- SVAMITVA is a Central Sector Scheme of the Ministry of Panchayati Raj, which was launched by the Prime Minister on National Panchayati Raj Day, April 24, 2020.
- The scheme aims to provide the 'record of rights' to village household owners in rural areas and issue Property Cards.

## Rural Infrastructure Development Fund

- The Government of India set up RIDF in 1995-96, for financing ongoing rural infrastructure projects.
- The funds released under RIDF are maintained by the **National Bank for Agriculture and Rural Development (NABARD)**.
- **Objective:** To provide loans to State Governments and State-owned corporations to enable them to complete ongoing rural infrastructure projects.
- These funds are provided on a year-to-year basis by the Government of India.

## Operation Greens

- **Operation Green** Scheme aims to boost value addition of tomatoes, onions and potatoes.
- **Implementing Agency:** The Food Processing Ministry.



## 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.

**'One Nation, One Ration Card'** scheme aims to ensure all beneficiaries, especially migrants get ration (wheat, rice and other food grains) across the nation from any **Public Distribution System (PDS)** shop of their own choice.

- 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 single registration and licensing, and online returns.

## Major Pillars of the Budget # 4



# Reinvigorating Human Capital



## School Education

- 15,000 schools to be strengthened by implementing all NEP components.
- 100 new Sainik Schools to be set up in partnership with NGOs/private schools/states



## Higher Education

- Legislation to be introduced to setup 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.



## Scheduled Castes and Scheduled Tribes Welfare

- 750 Eklavya model residential schools in tribal areas:
  - Unit cost of each school to be increased to 38 crore
  - For hilly and difficult areas, to 48 crore

- Focus on creation of robust infrastructure facilities for tribal students
- Revamped **Post Matric Scholarship Scheme** for welfare of SCs
- ₹35,219 crore enhanced Central Assistance for 6 years till 2025-2026



## Skilling

- Proposed amendment to Apprenticeship Act to enhance opportunities for youth
- ₹3000 crore for realignment of existing **National Apprenticeship Training Scheme (NATS)** towards 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



## Major Pillars of the Budget # 5



# Innovation and R&D

## Modalities of National Research Foundation announced in July 2019:



- ◉ ₹50,000 crore outlay over 5 years
- ◉ To strengthen overall research ecosystem with focus on national-priority thrust areas



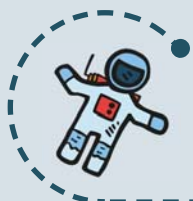
- ◉ ₹1,500 crore for proposed scheme to promote digital modes of payment.



- ◉ **National Language Translation Mission (NTLM)** to make governance-and-policy related knowledge available in major Indian languages

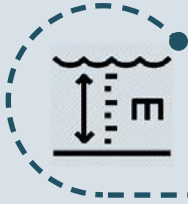


- ◉ **PSLV-CS51** to be launched by **New Space India Limited (NSIL)** carrying Brazil's Amazonia Satellite and some Indian satellites



- ◉ As part of the **Gaganyaan Mission** activities: 4 Indian astronauts being trained on Generic Space Flight aspects, in Russia

- ◉ **First unmanned launch** is slated for December 2021



- ◉ ₹4,000 crore over five years for **Deep Ocean Mission** survey exploration and conservation of deep sea biodiversity.

**Major Pillars of the Budget # 6**

# Minimum Government, Maximum Governance



**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 nursing profession



**Proposed Conciliation Mechanism** with mandate for quick resolution of contractual disputes with CPSEs



**3,768 crore** allocated for first digital census in the history of India



# INDIA'S FISCAL POSITION

- **Fiscal Deficit:** The fiscal deficit in BE 2021-2022 is estimated to be 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 borrowing.

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- **Gross Borrowing:** Gross borrowing from the market for the next year to be around 12 lakh crore.

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- **Net Borrowing for the States:** at 4% of GSDP for the year 2021-2022.

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- **Additional borrowing:** Additional borrowing ceiling of 0.5% of GSDP provided subject to conditions

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- NSSF Loan to FCI for Food Subsidy discontinued

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- Amendment to the FRBM Act to enable deviation from RBI's fiscal deficit mandate of 3% by 2022

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- RE for Expenditure is ₹34.50 lakh crore as against original BE expenditure of ₹30.42 lakh crore.

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- Quality of expenditure has been maintained as Capital Expenditure estimated as per RE is ₹4.39 lakh crore in 2020-2021 as against ₹4.12 lakh crore in BE 2020-21.

Item	Original BE 2020-21	RE 2020-21	BE 2021-22
<b>Expenditure</b>	₹ 30.42 lakh crore	₹ 34.50 lakh crore	₹ 34.83 lakh crore
<b>Capital Expenditure</b>	₹ 4.12 lakh crore	₹ 4.39 lakh crore	₹ 5.5 lakh crore
<b>Fiscal Deficit (as % of GDP)</b>	–	9.5%	8%



# TAX PROPOSALS

# Direct Taxes

- **Relief to Senior Citizens:** Senior citizens who are 75 years of age and above and have pension and interest income are exempted from filing tax returns
- **National Faceless Income Tax Appellate Tribunal Centre** to be set up
- **Dispute Resolution Committee** to be set up
- **Relaxation to NRIs:** NRIs to be exempted from double taxation
- Increase in limit for tax audit of individuals from ₹5 crore to ₹10 crore
- **Infrastructure Debt Funds** eligible to raise funds by issuing tax-efficient Zero-Coupon Bonds. affordable housing projects can avail a tax holiday for one more year – till 31st March, 2022.
- **Relief for Dividend:** Dividend payment to REIT/ InvIT exempt from TDS.
- **Tax exemption** for notified Affordable Rental Housing Projects
- **Tax holiday** for capital gains for aircraft leasing companies, tax exemption for aircraft lease rentals paid to foreign lessors; tax incentive for relocating foreign funds in the Indian Financial System Code (IFSC).
- **Tax exemption** to the investment division of foreign banks located in IFSC
- **Tax exemption** for small charitable trusts running educational institutions and hospitals less than ₹5 crore.
- **Supporting 'Housing for All':** Additional deduction of interest, up to ₹1.5 lakh, for loan taken to buy an affordable house extended for loans taken till March 2022

- Few of the items on which Customs Duty Rates are revised are as follows:
    - Reduced duty on copper scrap from 5% to 2.5%
    - Basic and Special additional excise duty on petrol and high-speed diesel oil (both branded and unbranded) is reduced
    - Increased duty on solar inverters from 5% to 20%
    - Raised duty on solar lanterns from 5% to 15%
    - The basic customs duty on gold and silver reduced.
    - The department will rationalise duty on textile, chemicals and other products
    - The revised rates will be applicable from 2<sup>nd</sup> February 2021 onwards.
- 
- **Agriculture Infrastructure And Development Cess (AIDC)** has been newly imposed on petrol and diesel at ₹2.5 and ₹4 per litre respectively.

## Agriculture Cess



The Budget proposed an

- Agricultural Infrastructure and Development CESS of
  - ₹ 2.5 per litre on petrol
  - ₹ 4 on diesel
- However, prices for petrol and diesel won't change because of reduction in other duties.
- Agricultural cess was also applied on several other goods including a
  - 100% cess on alcohol
  - 2.5% on gold and silver bars
  - 17.5% on crude palm oil
  - 20% on crude soyabean, sunflower oil
  - 35% on apples
  - 40% on peas



- A new initiative called 'Turant Customs' will be introduced for faceless, paperless, and contactless customs measures.

**Turant Customs** is a mega reform for the ease of doing business. It is a faceless assessment programme by the Central Board of Indirect Taxes and Customs (CBIC).

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- **CGST Act was amended for several provisions as follows:**
    - Section 16 amended to allow taxpayers' claim of the input tax credit based on GSTR-2A and GSTR-2B.
    - Section 50 of the CGST Act is being amended to provide for a retrospective charge of interest on net cash liability with effect from the 1st July 2017.
    - Section 35 and 44 amended: Mandatory requirement of furnishing the GST reconciliation report signed by the specified professional is relaxed by allowing the filing of annual return on a self-certification basis.

# WHO ARE IN THE 'WIN-WIN' SITUATION?



## Hospitals



The government has announced to boost healthcare spending by 137% this year, an improvement over the less than 2% of gross domestic product that India has traditionally spent on health annually.

## Real Estate & Construction



The new development finance institution to meet funding requirements for infrastructure projects is going to be beneficial for Real Estate Developers.

## Metal Makers



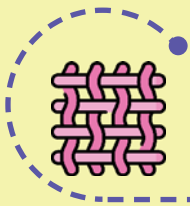
The announcement of an additional 11,000-km of highways and metros, along with rapid rail transport projects for 27 cities and a long-awaited vehicle scrappage policy boosted stocks of metal companies that will cater to added demand for steel and aluminum.

## State-Run Banks



The government announced it was forming an asset management company to take over stressed assets of banks in an effort to clean up one of the world's worst pile of bad loans.

## Textiles



The establishment of seven mega textile parks to be launched in three years could boost the sector, benefiting companies.



# WHO ARE NOT IN THE 'FAVOURABLE' POSITION?

## Bonds



A higher-than-expected \$164-billion borrowing plan for the new fiscal year hit India's sovereign bonds, which slid after the announcement. The government also plans to raise another 800 billion rupees by this fiscal year, on top of its projection of record 13.1 trillion rupees of debt sales.



## Exporters

India raised import tariffs on solar and mobile-phone equipment and auto parts.



## Farmers/Rural India

The farm sector received attention but there were no major announcements that could help address the ongoing unrest on New Delhi's borders, where thousands are protesting for the repeal of new agriculture laws.



## IT Firms

India's biggest services export contributors received little attention in the budget.

# GS SCORE

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## CSE RESULTS

**TOP 100**  
ALL INDIA RANKING  
CSE 2019

3	6	10	11	16	17	21	22	28			
30	33	38	39	42	44	46	53	54	59	66	69
70	72	77	78	80	82	84	86	87	94	97	98

# SUCCESS IS A PRACTICE WE DO!

**TOP 100**  
ALL INDIA RANKING  
CSE 2018

2	3	5	7	27	36	37	40	44	49		
51	52	56	58	62	74	81	89	92	94	98	100

**TOP 100**  
ALL INDIA RANKING  
CSE 2017

3	10	19	31	33	35	40	41	44	45	48		
97	100	54	57	63	64	68	71	75	77	80	83	93

**TOP 100**  
ALL INDIA RANKING  
CSE 2016

5	6	9	15	26	29	43	48	53	59	67
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**TOP 100**  
ALL INDIA RANKING  
CSE 2015

9	13	26	34	39	75	77	78	89	91
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