

## **Highlights of Union Budget 2021-22**

Health emerged as the topmost priority of the Narendra Modi government in the Union Budget 2021-22 as Union Finance Minister Nirmala Sitharaman presented her third consecutive on Monday.

Sitharaman spelt out the six pillars on which she rested the Budget 2021:

- Health and Well-Being
- Physical and Financial capital and infrastructure
- Inclusive Development for Aspirational India
- Reinvigorating Human Capital
- Innovation and R&D
- Minimum government Maximum governance

Sitharaman spoke about the challenges posed by the Covid-19 pandemic to India's economy in the current fiscal. She, however, applauded the Narendra Modi government for meeting the challenges. She said, "Within 48 hours of declaring a lockdown, Prime Minister Narendra Modi announced the Pradhan Mantri Garib Kalyan Yojana valued at Rs 2.76 lakh crore."

Nirmala Sitharaman identified eight areas of focus for the Union Budget 2021-22 as the "Sankalp of NATION FIRST".

- Doubling farmers' income
- Strong Infrastructure
- Healthy India
- Good Governance
- Opportunities for Youth
- Education for All
- Women Empowerment, and
- Inclusive Development et. al.

### **Health Sector**

The outlay for health increased to Rs 2,23,846 crore, an increase of 137 per cent relative to the previous year's Budget. She said under the PM Atmanirbhar Swasthya Yojana, investment on health infrastructure in Budget 2021 has increased substantially.

Sitharaman said three areas — preventive health, curative health and well-being — will be strengthened. Integrated public health labs will be set up in all districts of the country. Critical care hospital blocks would be established in 202 districts.

## **SALEM INSTITUTE OF BANKING, TIUCHENGODE, 9944384842**

A National Institution for One Health will be set up. Under this would come up nine bio-safety laboratories. She announced the Swachh Bharat Swasth Bharat programme with a capital of Rs 1.9 lakh crore.

ain interventions under PM Aatmanirbhar Swasth Bharat Yojana also include support for health and wellness centres and strengthening of NCDC (National Centre for Disease Control).

The pneumococcal vaccine that is currently limited to only five states will be rolled out across the country, Sitharaman said adding, "It will avert more than 50,000 child deaths annually". She announced Rs 35,000 crore for Covid-19 vaccine in the next fiscal.

To check pollution and its impact on health, Sitharaman announced as part of the government's scrapping policy, to phase out old and unfit vehicles — after 20 years in case of personal vehicles, 15 years in case of commercial vehicles.

Commenting on the Union Budget, economy watcher Diwakar Vijayasathy, the founder of DVS Advisors LLP, said, "As expected health has been given a prominent platform and was the first pillar of the budget speech and has increased in the allocation of around 138% is definitely a welcome move."

### **Taxes**

The government has proposed an agriculture cess of Rs 2.5 per litre on petrol and Rs 4 per litre on diesel. It will be known as the Agriculture Infrastructure and Development Cess (AIDC). This works in sync with the reduction in the basic excise duty (BED) and Special Additional Excise Duty (SAED) rates to keep the current petrol and diesel prices remain unchanged so that consumer does not bear any additional burden.

Simplified, unbranded petrol and diesel will now attract basic excise duty of Rs 1.4, and Rs 1.8 per litre respectively. The SAED on unbranded petrol and diesel will be Rs 11 and Rs 8 per litre on petrol and diesel respectively. Corresponding changes have also been made for branded petrol and diesel.

Sitharaman offered relief to senior citizens above 75 years, who have only rent income and pension. They are now exempt from filing their Income Tax Returns.

No change was proposed for general income taxpayers. Their tax slab structure remains the same.

A change was, however, made in the assessment process. Currently, an assessment can be re-opened up to six years and in serious tax fraud cases for up to 10 years. "As a result, taxpayers have to remain under uncertainty for a long time," Sitharaman said.

She proposed to reduce this time-limit for re-opening of assessment to three years. In serious tax evasion cases too, only where there is evidence of concealment of income of `Rs 50 lakh or more in a year, can the assessment be re-opened up to 10 years. This reopening can be done only after the approval of the principal chief commissioner, the highest level of the Income Tax Department.

The proposal, Vijayasarathy said, would go long way in boosting investors' confidence and ensuring tax certainty. In continuing with the reforms, now ITAT appeals have also been made faceless.

### **Farmers**

Presenting the Union Budget 2021-22 in the backdrop of aggressive farmers' protest over the three farm bills passed in the Monsoon Session last year, Sitharaman emphasised that the Modi government paid more attention to the well-being of the farmers than the previous governments. She said the amount paid to farmers in 2013-14 in the case of wheat was Rs 33,874 crore which increased to Rs 62,822 crore in 2019-20 and to Rs 75,050 crore in 2020-21.

In the case of pulses, Sitharaman said the increase in the amount paid to the farmers increased 40 times in 2020-21 over 2013-14 — from Rs 236 crore to Rs 10530 crore.

She referred to **Swamitva Scheme** saying 1.8 lakh property owners were provided cards under the Modi government. Sitharaman announced that the agriculture infrastructure fund would now be available to mandis. This came as a bit to assure the protesting farmers that the government was not inching towards doing away with the existing MSP-Mandi system.

Sitharaman announced that the top-5 fishing hubs in the country would be developed as the hubs for economic activities for the all-round development of the coastal areas. She also proposed to set up a multi-purpose seaweed park in Tamil Nadu and encourage seaweed farming in coastal areas for greater employment generation.

### **Infrastructure and Industry**

Nirmala Sitharaman spoke about strengthening the manufacturing sector saying the Indian companies need to become the core of the global supply chain for an Atmanirbhar Bharat. The government had announced a Rs 1.97 lakh crore allocation for this in 2020 to be spent over the next five years. She said this would be further strengthened.

For textile, Sitharaman said it is important to make the sector globally competitive. A mega textile investment park will be established. A scheme of Mega Investment Textile Parks will be launched to create world-class infra in the

textile sector, with plug-and-play facilities, to create global export champions. Seven textile parks to be set up for over three years.

In the infrastructure sector, the National Infrastructure Pipeline, announced in December 2019 with 6,835 projects has been expanded to 7,400 projects Rs 102 lakh crore fund. To give further thrust to National Infrastructure Pipeline, three concrete actions will be taken:

- Creating institutional structures
- Monetizing assets
- Increasing share of capital expenditure in central and state budgets

Development Financial Institution will be set up with a capital of Rs 75,000 crore. A new bill will be introduced for the same. It will be a professionally managed body to provide, enable and catalyze infra financing with a capital of Rs 20,000 crore. She said the aim of the institution is to have a lending portfolio of at least Rs 5 lakh crore in three years.

### **Disinvestment**

Disinvestment has been among the core focus areas of the Modi government but with little success. Sitharaman said asset monetisation is a very important financing option for the government. A national monetisation pipeline will be launched, and an asset monetisation dashboard will be created for monitoring the progress.

Besides the IDBI, two more PSBs will be disinvested. Initial Public Offer (IPO) of the LIC of India will be issued during the next fiscal year.

She said disinvestment policy of the government is ready for strategic and non-strategic areas. Non-core assets such as surplus land with ministries and of the Public Sector Enterprises PSEs will be sold through a Special Purpose Vehicle (SPV) in the form of a company.

The estimated target for disinvestment in 2021-22 is 1.75 lakh crore. In 2020-21, the target was of Rs 2.1 lakh core but less than 20,000 crore could be generated primarily due to the coronavirus pandemic that crippled the global economy.

### **Transport**

Nirmala Sitharaman said the railways would monetise freight corridor. "Indian Railways have prepared a National Rail Plan for India — 2030. The Plan is to create a 'future-ready' Railway system by 2030," she said.

For road construction, she said, "More than 13,000 km length of roads, at a cost of `3.3 lakh crores, has already been awarded under the `5.35 lakh crores

Bharatmala Pariyojana project of which 3,800 kms have been constructed. By March 2022, we would be awarding another 8,500 kms and complete an additional 11,000 kms of national highway corridors.”

Poll-bound states of West Bengal, Tamil Nadu, Kerala and Assam found special mention in her Union Budget speech. The states got highway construction allocations of Rs 25,000 crore, 1.03 lakh crore (investment proposal), Rs 65,000 crore (investment proposal) and Rs 19,000 crore respectively.

### **Urban Areas**

A new scheme will be launched at a cost of `18,000 crores to support augmentation of public bus transport services.

Jal Jeevan Mission Urban will be launched with an outlay Rs 2.87 lakh crore over five years.

The government aims, Sitharamna said, to provide universal water supply in all 4,378 urban local bodies, with 2.86 crore household tap connections and liquid waste management in 500 AMRUT cities.

### **Power**

Sitharaman said there is a need to provide choice to consumers through competition. “We have added 139 Giga Watts of installed capacity, connected an additional 2.8 crore households and added 1.41 lakh circuit km of transmission lines,” she said.

“The distribution companies across the country are monopolies, either government or private. There is a need to provide choice to consumers by promoting competition. A framework will be put in place to give consumers alternatives to choose from among more than one distribution companies,” Sitharaman said.

A Hydrogen Energy Mission for 2022 for generating hydrogen energy will be launched.