

BUDGET

2021-2022

1-4/19

WHAT IS BUDGET?

A budget is a financial plan for a defined period, often one year. It may also include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows.



6 PILLARS OF BUDGET PROPOSAL

- **Physical, Financial Capital, and Infrastructure**
- **Inclusive Development for Aspirational India**
- **Reinvigorating Human Capital**
- **Health and Wellbeing**
- **Innovation and R&D**
- **Minimum Government and Maximum Governance**

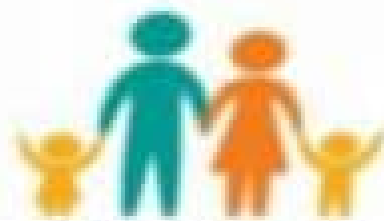


1

Physical, Financial Capital, and Infrastructure

- The Government has committed nearly Rs. 1.97 lac cr. to accelerate Production Linked Incentive (PLI) based manufacturing schemes.
- In order to support lending for infrastructure projects, A Bill to set up a DFI (Development Finance Institution) has been proposed. An initial sum of Rs. 20,000 cr. will be provided as capitalization money.
- The budget also provided a record sum of Rs. 1.10 lac cr. for railways, of which Rs. 1.07 lac cr. is for capital expenditure.
- The Government has estimated Rs. 1.75 lac cr. as receipts from disinvestment. This will be done by the privatization of two PSU along with IDBI Bank and one General Insurance Company in FY 2021-22.
- The Government also announced that the IPO for LIC will be launched this year.

2



**One Nation One
Ration Card Yojana**

- The Government has enhanced the agricultural credit target to Rs. 16.5 lac cr. in FY 2021-22 to provide proper credit to farmers.
- The Rural Infrastructure Development Fund has been increased from Rs. 30,000 cr. to Rs. 40,000 cr.
- The Corpus of Rs. 5,000 cr. of the Micro Irrigation Fund, created under NABARD, will be doubled.
- One Nation One Card has been launched, which will help the beneficiaries to claim their rations anywhere in the country.
- The Finance Minister has proposed to reduce the margin money requirement from 25% to 15% and to also include loans for activities allied to agriculture.
- The Government has provided Rs. 15,700 cr. to the MSME sector.

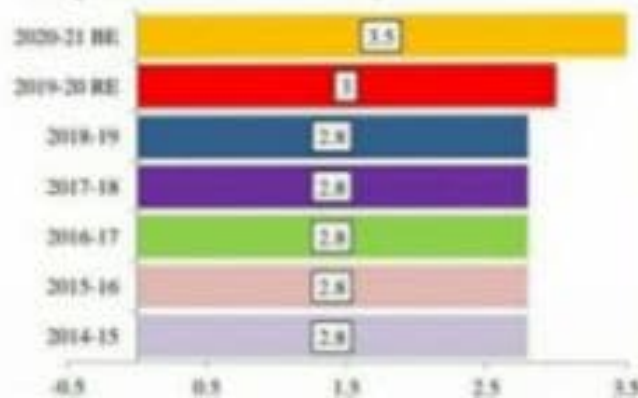
3



Reinvigorating Human Capital

- 1,500 more schools to be strengthened by including all components of the National Education Policy (NEP)
- Post Metric Scholarship Scheme to be revamped for the welfare of SCs.
- 750 Eklavya schools to be established in Tribal Areas.
- 100 new Sainik schools shall be established in partnership with NGOS/ Private schools.

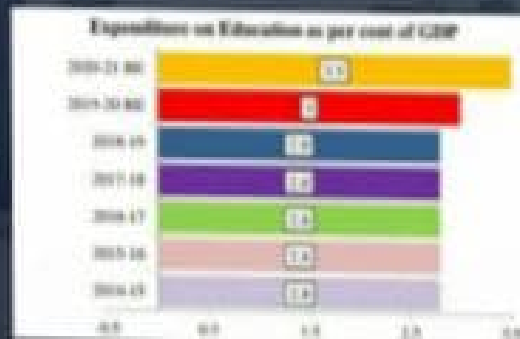
Expenditure on Education as per cent of GDP



4

Health and Wellbeing

- Total budget allocation towards healthcare is Rs. 2.23 lac cr. • Allocation of Rs. 35,000 cr. as additional funds for COVID-19 vaccines.
- Announced Rs. 64,180 cr. for Pradhan Mantri Swasth Bharat Scheme, which shall be used to support Health and Wellness centres, setting up integrated Public Health Labs, establishing critical care hospital blocks, strengthening National Centre for Disease Control (NCDC), and expanding integrated health information portal.
- The National Commission for Allied Healthcare Professionals Bill was introduced. Jal Jeevan Mission will be launched with an outlay of Rs. 2.87 lac cr.
- Urban Swachh Bharat Mission will be implemented with a total financial allocation of Rs 1.41 lac cr. over a period of 5 years.



Innovation and R&D

- Under the Budget, the outlay for National Research Foundation (NRF) will be for Rs. 50,000 Cr. over 5 years to ensure that the research ecosystem is strengthened to focus on national thrust areas.
- National Language Translation Mission (NTLM) is a new initiative that will be undertaken by the Government for enabling policy-related knowledge on the internet, which will be available in major Indian languages.

UNION BUDGET 2021-2022



Mr. Uday Shankar
President, FICCI

While FICCI appreciates the government's decision to set up a National Research Foundation with an allocation of Rs. 50,000 crore, we reiterate the request to bring back weighted deduction of 200% for investments made by private sector towards innovation and R&D.

Minimum Government, Maximum Governance

13-15/19

- The fiscal deficit in Revised Estimate 2020-21 is fixed at 9.5% of GDP, funded through Government borrowings, multilateral borrowings, state borrowings and short-term borrowings.
- The Government would need another Rs. 80,000 cr. more to meet its expenditure requirement.
- The fiscal deficit in Budgeted Estimate 2021-2022 is estimated to be 6.8% of GDP. The gross borrowing from the market for the next year would be around Rs. 12 lac cr.

