

UNION BUDGET 2020-21



Summary
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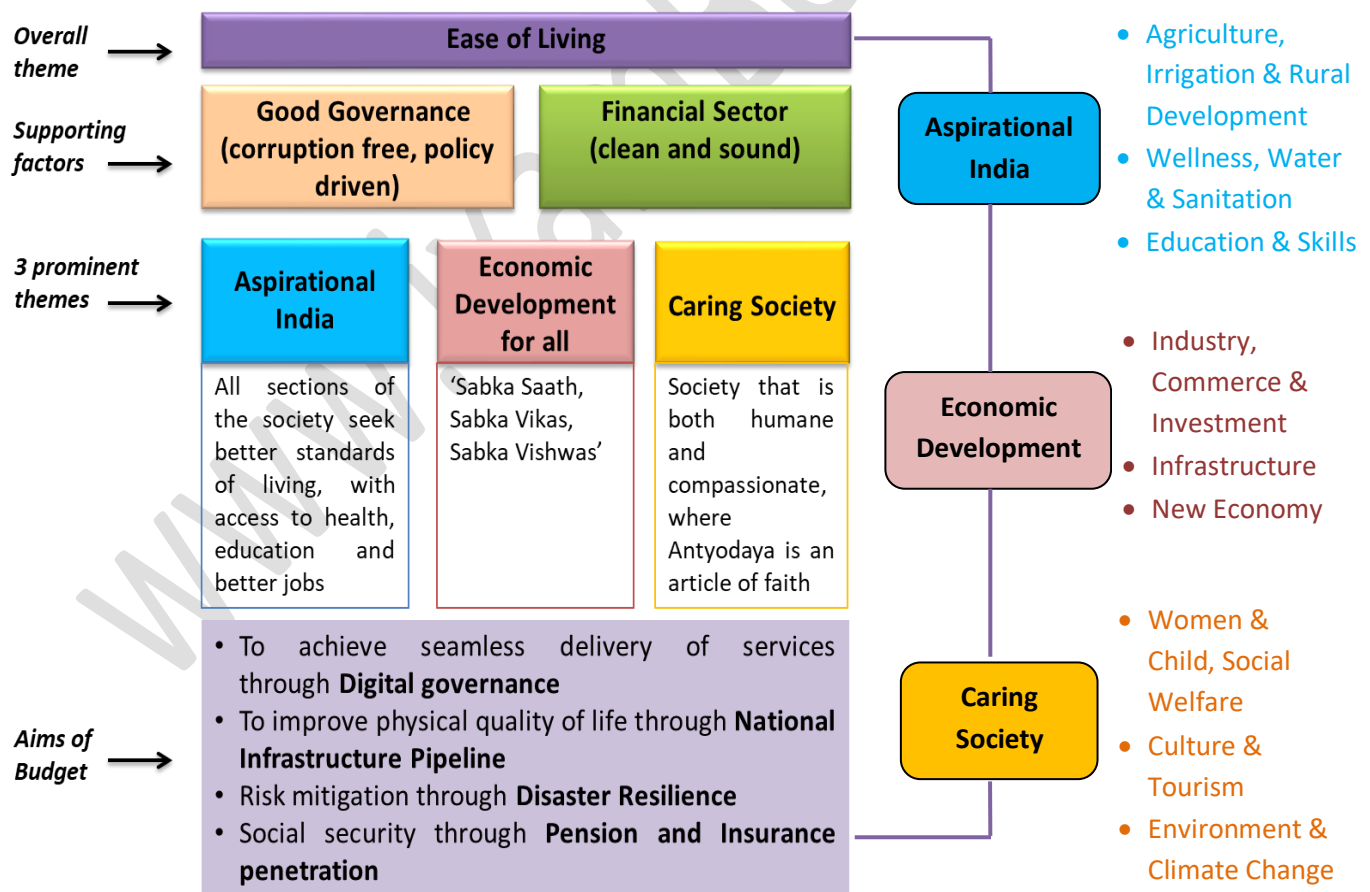


Introduction

- Union Budget 2020-21 is the second budget of the current NDA government that was elected in May 2019. The first budget was presented in July 2019.
- The budget is **prepared by Department of Economic Affairs** under Ministry of Finance. The budget was **presented by Finance Minister** – Ms. Nirmala Sitharaman on February 01, 2020.
- It contains **budget information of 3 financial years**:
 - i. Budget estimates i.e. estimated receipt and expenditure for FY 2020-21 (for the coming year)
 - ii. Revised estimates of receipt and expenditure for FY 2019-20 (since the FY has not ended yet)
 - iii. Actual receipt and expenditure of FY 2018-19 (*these are provisional as of now*)

Theme of the Budget

The Union Budget has been structured on the overall theme of **“Ease of Living.”**



I. Aspirational India

a. Agriculture, Irrigation and Rural Development

Farmers and rural poor continue to be the key focus of the Government and continue to work towards **doubling farmers' income by 2022**.

<u>Achievements</u>	<u>Budgetary Allocations and target</u>
<ul style="list-style-type: none"> • 6.11 crore farmers insured under PM Fasal Bima Yojana • Deen Dayal Antyodaya Yojana - half a crore households are mobilized with 58 lakh SHGs for alleviation of poverty 	<ul style="list-style-type: none"> • Rs.2.83 lakh crore for Agriculture, Irrigation, Rural development (RD) and allied activities <ul style="list-style-type: none"> ○ Rs.1.60 lakh crore for Agri, Irrigation & allied ○ Rs 1.23 lakh crore for RD and Panchayati Raj • Agriculture credit target for the year 2020-21 set at Rs.15 lakh crore from Rs.12 lakh crore • PM-KISAN beneficiaries to be covered under KCC

Action Points for 2021

- i. **Krishi Udan scheme** (by Ministry of Civil Aviation) to boost agricultural exports in – international and domestic routes and also to improve value of agri-products in North-east and tribal districts
- ii. **'Kisan Rail'** to be set up through PPP by Indian Railways with refrigerated coaches capability to carry perishables and milk.
- iii. Comprehensive measures for **100 water stressed districts**
- iv. PM KUSUM
 - a. Provide **20 lakh farmers** for setting up stand-alone solar pumps
 - b. Provide another **15 lakh farmers** to solarise their grid-connected pump sets
 - c. enable farmers to set up solar power generation capacity on their barren lands
- v. Setting up of **efficient warehouses** at the block/taluk level
- vi. **Village storage scheme** proposed to be run by women SHGs (**Dhaanya Lakshmi**)
- vii. In Horticulture sector, focus on **"one product one district"** for better marketing and export
- viii. **Livestock** related:
 - a. **Foot and Mouth disease**, brucellosis in cattle and also peste des petits ruminants (PPR) in sheep and goat to be **eliminated by 2025**
 - b. Coverage of **artificial insemination** to be increased from the present 30% **to 70%**
 - c. MNREGS to be used to develop fodder farms
 - d. **Doubling milk processing capacity to 108 million MT by 2025** from 53.5 mn MT
- ix. **Blue Economy** related
 - a. Raising of **fish production to 200 lakh tonnes by 2022-23**
 - b. Youth to be involved in fishery extension through **3477 Sagar Mitras** and 500 Fish Farmer Producer Organisations.
 - c. **Fishery exports** to be raised to **Rs.1 lakh crore by 2024-25**
 - d. Growing of algae, sea-weed and cage culture to be promoted
- x. **Jaivik Kheti** Portal – online national organic products market to be strengthened
- xi. Government to focus on **Zero Budget Natural farming** (integrated farming systems in rain-fed areas; multi-tier cropping, bee-keeping, solar pumps)
- xii. e-NAM to be integrated with financing of negotiable warehousing receipts
- xiii. NABARD Re-finance Scheme to be further expanded
- xiv. Encourage State governments to implement model laws (issued by Central Govt.)
- xv. Balanced use of all kinds of fertilizers - traditional organic and innovative fertilizers

Box 1: Learn along

- **PM Fasal Bima Yojana**
It is the crop insurance scheme launched by Govt. in Feb 2016. It provides insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests & diseases. **In 2020-21 budget, Govt has allocated Rs.15,695 crore for this scheme.**
- **Deen Dayal Antyodaya Yojana**
It is a Government of India poverty alleviation scheme aimed at organizing rural poor into Self Help Groups (SHGs) to generate self-employment by providing credit facility and other assistance. It replaced NRLM – Aajeevika.
- **KCC Scheme**
The Kisan Credit Card (KCC) scheme was **introduced in 1998** for issue of Kisan Credit Cards by Indian banks **to farmers** on the basis of their holdings so that farmers may **use them to readily purchase agriculture inputs** such as seeds, fertilizers, pesticides etc. and draw cash **for their production needs. During the last 2 budgets, it was made applicable and useful for fisheries farmers as well along with Interest subvention.**
- **PM-KISAN scheme**
Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a Central Sector scheme with 100% funding from Government of India. Under this scheme, all farmers with prerequisite conditions, will get Rs.6,000 per year as minimum income support in 3 equal instalments. **In 2020-21 budget, Govt has allocated Rs.75,000 crore for this scheme.**
- **PM KUSUM**
Pradhan Mantri **Kisan Urja Suraksha evem Utthan Mahabhiyan** (PM KUSUM) Scheme was launched by Ministry of New and Renewable Energy (MNRE) for farmers for installation of solar pumps and grid connected solar and other renewable power plants in the country. The scheme aims to add **solar and other renewable capacity of 25,750 MW by 2022** with total central financial support of Rs.34,422 Crore. In 2020-21 budget, govt. has allocated Rs.700 crore.
- **e-NAM**
Electronic- National Agricultural Market is a pan-India electronic trading portal of agricultural products. It aims to link all Agricultural Produce Market Committee (APMC) mandis for better price realization for farmers. APMC mandis are established by state governments where farmers can directly sell their products to consumers by eliminating the middlemen.
- **MGNREGS**
Mahatma Gandhi National Rural Employment Guarantee Scheme. It provides 100 days of unskilled work for every rural household. **In 2020-21 budget, Govt. has allocated Rs.61,500 crore for this scheme.**

b. Wellness, Water and Sanitation

Segment	Details
Wellness	<p>Rs.69,000 crore allocated for overall Healthcare sector</p> <ul style="list-style-type: none"> • PM Jan Arogya Yojana (PMJAY) <ul style="list-style-type: none"> ○ Budget allocation = Rs.6400 crore ○ >20,000 hospitals already empanelled ○ Viability Gap Funding window proposed for setting up hospitals in the PPP mode ○ In 1st phase, cover Aspirational Districts with no Ayushman empanelled hospitals ○ Use Machine Learning & AI to target diseases with appropriately designed preventive regime • Jan Aushadhi Kendra Scheme to offer 2000 medicines and 300 surgicals in all districts by 2024 • TB Harega Desh Jeetega campaign launched - commitment to end Tuberculosis by 2025.
Water	<p>Jal Jeevan Mission</p> <ul style="list-style-type: none"> • Rs.3.60 lakh crore approved • Rs.11,500 crore for the year 2020-21 • Augmenting local water sources, recharging existing sources, promoting water harvesting and de-salination. • Cities with million-plus population to be encouraged to achieve the objective during the current year itself
Sanitation	<p>Swachh Bharat Mission</p> <ul style="list-style-type: none"> • Rs.12,300 crore allocation for in 2020-21 • Commitment to ODF-Plus in order to sustain ODF (open defecation free) behavior • Emphasis on liquid and grey water management • Focus also on Solid-waste collection, source segregation, and processing

c. Education and Skills

<u>Education sector</u>	<u>Skill Development</u>
<ul style="list-style-type: none"> • Budget allocation for 2020-21 = Rs.99,300 crore • National Police University and National Forensic Science University to be set up • Degree level full-fledged online education program by Top-100 institutions in the National Institutional Ranking Framework (NIRF) • Ind-SAT exam proposed for Asian and African countries as a part of Study in India program 	<ul style="list-style-type: none"> • Budget allocation for 2020-21 = Rs.3000 crore • Up to 1-year internship to fresh engineers to be provided by Urban Local Bodies • attach a medical college to an existing district hospital in PPP mode • Special bridge courses to be designed by Ministries of Health, and Skill Development • 150 higher educational institutions to start apprenticeship embedded degree/diploma courses by March 2021

II. Economic Development

a. Industry, Commerce and Investment

Key points	National Technical Textiles Mission	NIRVIK Scheme	Other proposals
<ul style="list-style-type: none"> • Allocation for 2020-21 = Rs.27,300 crore • Five new smart cities to be developed • Turnover of GeM targeted = Rs.3 lakh crore • All Ministries to issue quality standard orders as per PM's vision of "Zero Defect-Zero Effect" manufacturing 	<ul style="list-style-type: none"> • To position India as a global leader in Technical Textiles • implementation period of 4 years from 2020-21 to 2023-24. • Estimated outlay of Rs.1480 crore 	<ul style="list-style-type: none"> • to be launched to achieve higher export credit disbursement • features - higher insurance cover, reduced premium for small exporters, simplified claim settlements • allocated Rs.95 crore for 2020-21 for this scheme 	<ul style="list-style-type: none"> • Investment Clearance Cell - for facilitation and support • Scheme to encourage manufacture of mobile phones, electronic equipment and semi-conductor packaging • Scheme for Revision of duties and taxes on exported products

Box 2: Learn Along

- **GeM**
Government e-Marketplace (GeM) is a one stop portal to facilitate online procurement of common use Goods & Services required by various Government Departments / Organizations / PSUs. Directorate General of Supplies and Disposal (DGS&D) with technical support of National eGovernance Division (Ministry of Electronics and Information Technology) has developed GeM portal for procurement of both Products & Services. The portal was launched on 9th August 2016 by the Commerce & Industry Minister.
- **Zero Defect-Zero Effect (ZED)**
It was the slogan given by PM to achieve high quality manufacturing (i.e. zero defect) that is also green (i.e. zero adverse effects on environment). The scope of the model spans across all sectors of manufacturing and service industry with a special focus on MSME sector

b. Infrastructure

- Rs.100 lakh crore to be invested on infrastructure **over the next 5 years**
- National Infrastructure Pipeline:
 - **Rs.103 lakh crore worth projects**; launched on 31st December 2019.
 - More than 6500 projects across sectors, to be classified as per their size and stage of development.
- Rs.22,000 crore - equity support to Infrastructure Finance Companies such as IIFCL and a subsidiary of NIIF
- A **National Logistics Policy** to be released soon

Transport (Allocation = Rs.1.7 lakh crore in 2020-21)			
<p style="text-align: center;">Highways</p> <ul style="list-style-type: none"> • Accelerated development of highways (2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads, 2000 Km of strategic highways) • By 2023 – complete Delhi-Mumbai Expressway and two other packages • Commence - Chennai-Bengaluru Expressway • By 2024 - monetise at least 12 lots of highway bundles of over 6000 Km. 	<p style="text-align: center;">Indian Railways</p> <ul style="list-style-type: none"> • Set up large solar power capacity on lands owned by railways along rail tracks • Four station re-development projects and operation of 150 passenger trains through PPP • More Tejas type trains to connect iconic tourist destinations • High speed train between Mumbai and Ahmedabad • 148 km long Bengaluru Suburban transport project at a cost of Rs.18600 crore - Central Government = 20% of equity and facilitate external assistance up to 60% of the project cost. 	<p style="text-align: center;">Power</p> <ul style="list-style-type: none"> • Allocation = Rs.22,000 crore in 2020-21 • Expansion of national gas grid from the present 16200 km to 27000 km 	
<p style="text-align: center;">Ports & Waterways</p> <ul style="list-style-type: none"> • Corporatize and list at least one major port • Economic activity along river banks - Arth Ganga concept 	<p style="text-align: center;">Airports</p> <ul style="list-style-type: none"> • Udaan Scheme – develop 100 more airports by 2024 • Air fleet number – double to 1200 by 2024 (from present 600) 	<p style="text-align: center;">Electricity</p> <ul style="list-style-type: none"> • Promote ‘Smart metering’ • More measures to reform DISCOMs 	

c. New Economy

- Fibre to the Home (FTTH) connections through Bharatnet to link 100,000 gram panchayats this year.
- **Rs.6000 crore** proposed for **Bharatnet programme in 2020-21**
- **Rs.8000 crore** proposed **over five years for National Mission on Quantum Technologies and Applications**
- Knowledge Translation Clusters to be set up
- Mapping of India’s genetic landscape- Two new national level Science Schemes
- A seed fund to support ideation and development of early stage Start-ups.

III. Caring Society

Women & Child, Social Welfare	Environment & Climate Change	Culture & Tourism
<ul style="list-style-type: none"> • Rs. 35,600 crore for nutrition-related programmes • Rs.28, 600 crore for women specific programs • Issue about age of a girl entering motherhood - a task force to present its recommendations in six months' time • No manual cleaning of sewer systems or septic tanks • Rs 85,000 crore for welfare of SC & OBC • Rs 53,000 crore for welfare of ST • Rs 9,500 crore for senior citizens and Divyang 	<ul style="list-style-type: none"> • Rs 4,400 crore for environment and climate change • Advise utilities to close the running of old thermal power plants with carbon emission above pre-set norms • PM launched Coalition for Disaster Resilient Infrastructure (CDRI). Second such international initiative after International Solar Alliance. 	<ul style="list-style-type: none"> • Rs 2,500 crore for tourism promotion • Rs.3150 for Ministry of Culture • Indian Institute of Heritage and Conservation under Ministry of Culture proposed; with the status of a deemed University. • 5 archaeological sites <i>Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh, Shivsagar (Assam), Dholavira (Gujarat), Adichanallur (Tamil Nadu);</i> to be developed with on-site museums. • Museum on Numismatics and Trade - in Old Mint building in Kolkata • Tribal Museum in Ranchi to be set up • Maritime museum to be set up at Lothal

Governance

- Clean, corruption-free, policy driven, good in intent and most importantly trusting in faith
- **Taxpayer Charter** - fairness and efficiency in tax administration
- **Contract Act** to be strengthened
- **National Recruitment Agency (NRA)** for conducting a computer-based online Common Eligibility Test for recruitment to Non-Gazetted posts in Government and Public sector banks
- **New National Policy on Official Statistics** to promote use of latest technologies including AI. Also lay down a road-map towards modernised data collection, integrated information portal and timely dissemination of information.
- **Rs.100 crore** allocated to begin preparations for **G20 presidency** (India to host in 2022)
- Development of North East region - Improved flow of funds using online portal by the Government
- **Rs.30,577 crore** for development of Union Territories of **J & K and Ladakh**

Financial Sector

Related to Banks

- Infused capital of Rs.350,000 in banks in FY19
- Amending Banking Regulation Act to strengthen Cooperative Banks
- **Deposit Insurance Coverage increased to Rs. 5 lakh** from Rs.1 lakh per depositor (covered by Deposit Insurance and Credit Guarantee Corporation)

Related to NBFCs

- eligibility limit for debt recovery under SARFAESI reduced (**Rs. 500 crore to Rs 100 crore asset size; Rs 1 crore to Rs 50 lakh loan size**)
- Amend Factor Regulation Act 2011 to enable NBFCs to extend invoice financing to the MSMEs through TReDS
- New mechanism for Partial Credit Guarantee scheme for the NBFCs

Related to MSMEs

- New scheme to provide subordinate debt for entrepreneurs of MSMEs by the banks (will be treated as quasi-equity and will be guaranteed by CGTMSE)
- Window for **MSME's debt restructuring by RBI** - extended till **March 31, 2021**
- An app-based invoice financing loans product for MSMEs to be launched
- **Rs 1000 crore scheme** anchored by EXIM Bank together with SIDBI for export promotion of MSMEs

Related to PFRDA and Pensions

- Facilitate separation of NPS trust for government employees from PFRDAI
- Establishment of a Pension Trust by the employees other than Government
- Auto-enrolment in Universal Pension coverage

Related to Debt markets

- **FPI limit in corporate bonds** increased to **15%** from 9% of its outstanding stock
- Scope of credit default swaps to expand
- a new Debt-ETF consisting primarily of Government Securities

Investments/divestments

- An International Bullion exchange(s) to be set up
- **Divest part of holding in LIC** by way of Initial Public Offer
- Government to **sell its balance holding in IDBI Bank** through the stock exchange
- **Rs.6950 crore for recapitalisation of Insurance companies** (National Insurance, Oriental Insurance and United India Insurance)
- **Rs.1000 crore equity infusion in NABARD**

Box 3: Learn Along

- **CGTMSE** - Credit Guarantee Trust for Medium and Small Entrepreneurs is a government initiative by Ministry of MSME and SIDBI. It provides a guarantee to lending institutions up to a certain limit for all lending done by them to the MSME sector.
- **TReDS** - Trade Receivables Discounting System is an institutional mechanism for facilitating the financing of trade receivables of MSMEs from corporate and other buyers

Budget at a glance – Budget Estimates 2020-21

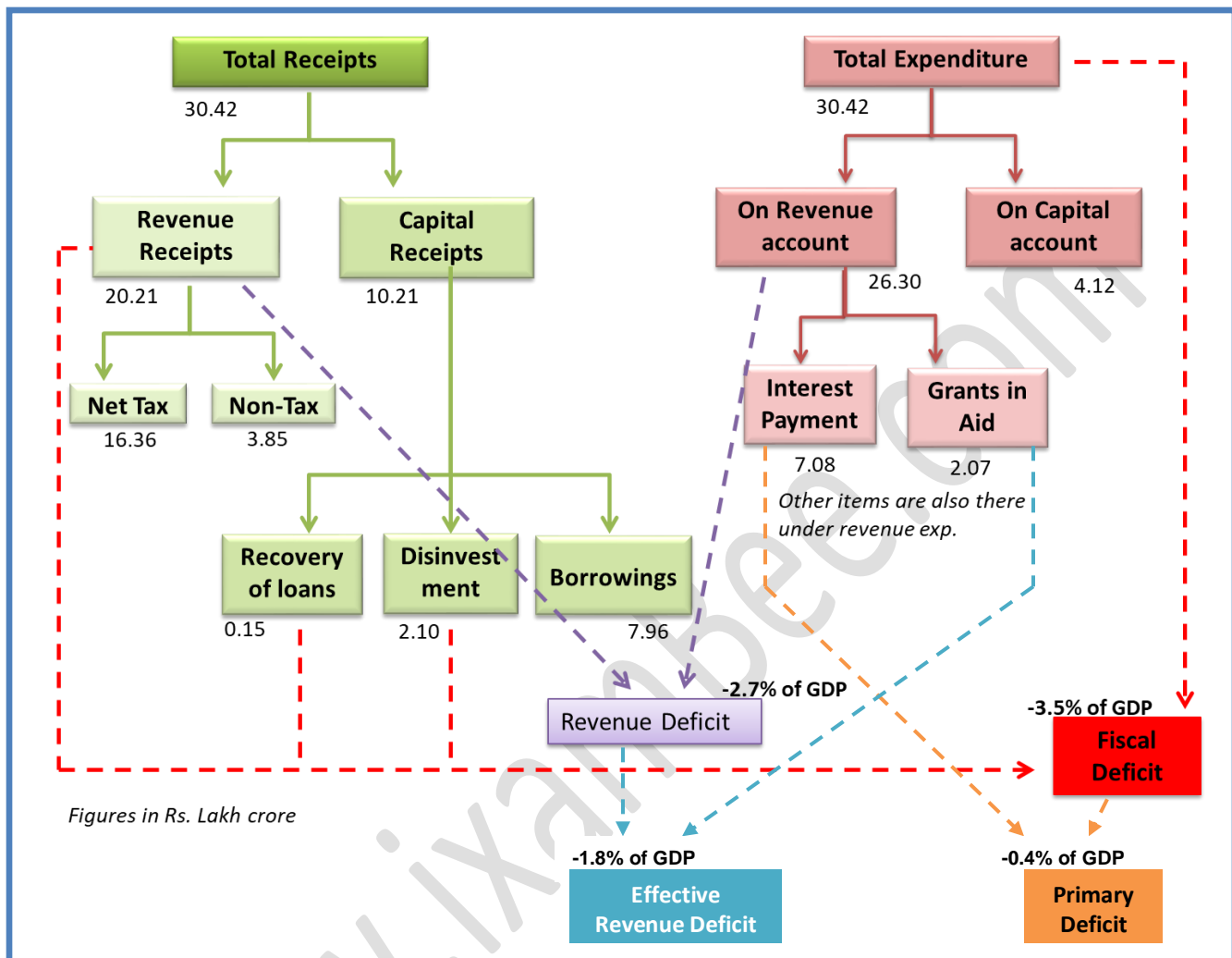


Figure 1: Budget Estimates 2020-2021

Box 4: Learn Along

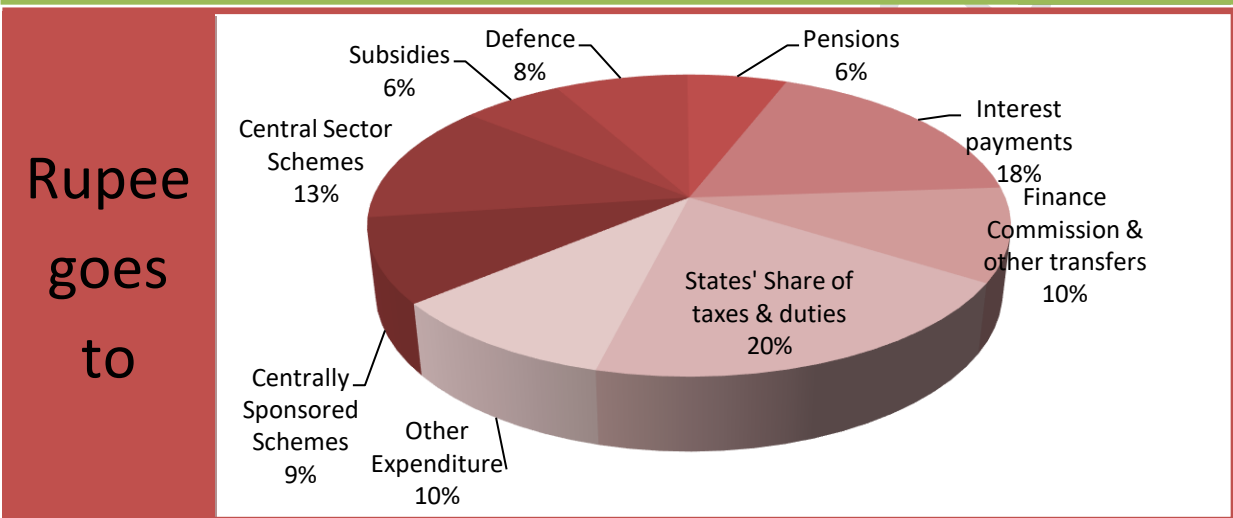
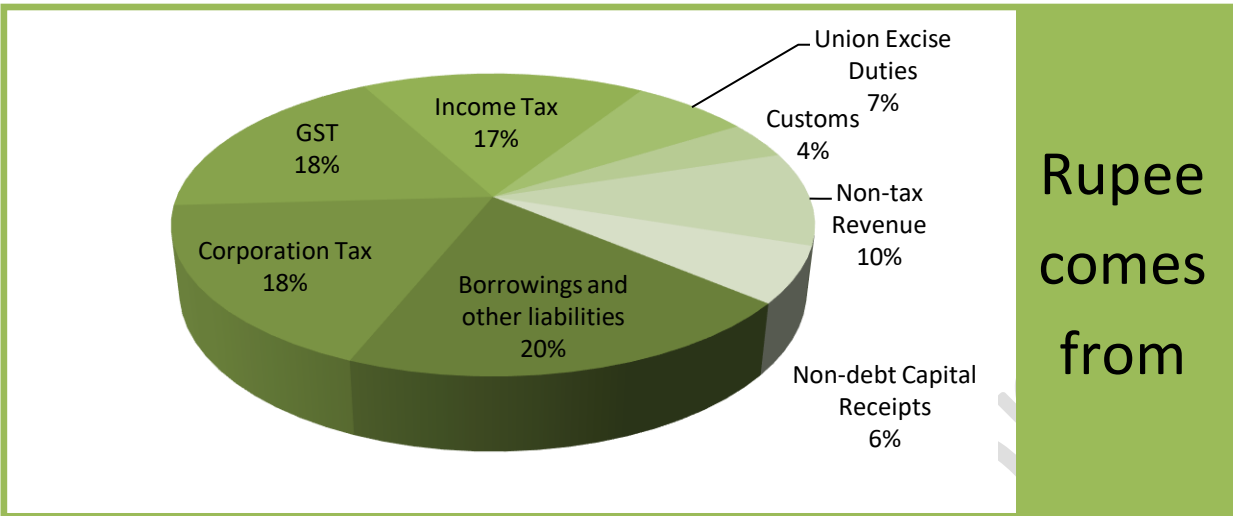
- **Fiscal Deficit** is the difference between the Revenue Receipts plus Non-debt Capital Receipts (like receipts from disinvestment and recovery of loans) and the total expenditure. **Fiscal Deficit is reflective of the total borrowing requirements of Government**
- **Revenue Deficit** refers to the excess of revenue expenditure over revenue receipts. It shows government's shortfall over current receipt and current expenditure.
- **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. It tells us how much Government's borrowing is going towards meeting expenses other than interest payment (*interest payment is the single largest revenue expenditure of Central Government*).

Key financial data in Budget

- **GDP for BE 2020-21 has been projected at Rs.224.89 lakh crore**, a 10% nominal growth over GDP of Rs.204.42 lakh crore for 2019-2020 RE.
- **Real GDP** is expected to **grow by 6-6.5%** in 2020-21.
- The disinvestment target for 2019-2020 (RE) has been substantially revised down to Rs.65,000 crore from Rs.1.05 lakh crore as per budget estimates.
- The **disinvestment target for 2020-21** has been estimated at a whopping **Rs.2.10 lakh crore**.

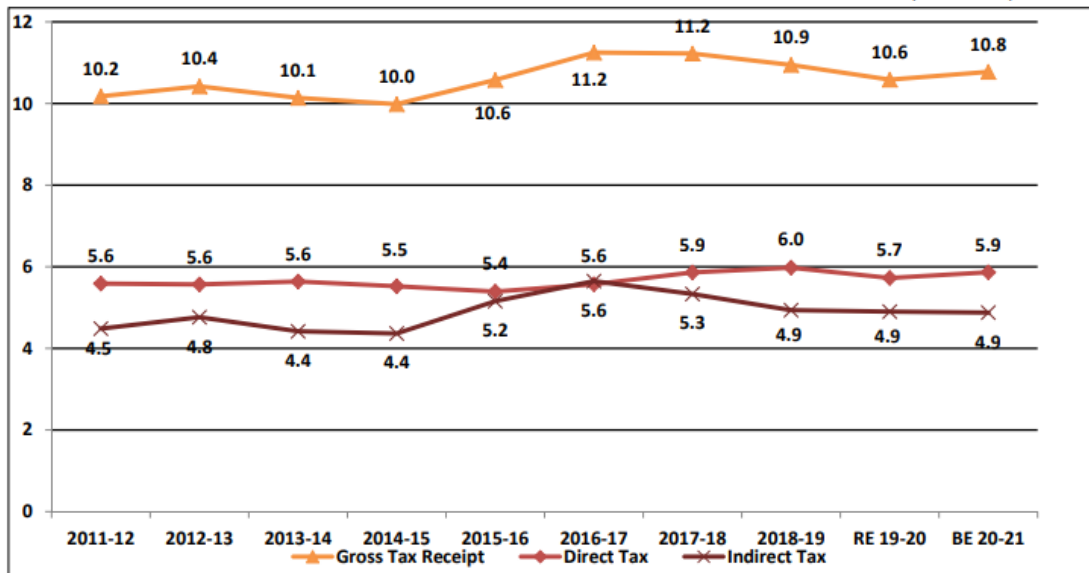
In Rs. crore

	2018-2019 Actuals	2019- 2020 Budget Estimates (BE)	2019-2020 Revised Estimates (RE)	% change in RE over BE for 2019-20	2020- 2021 Budget Estimates	% Y-o-Y
1. Revenue Receipts	15,52,916	19,62,761	18,50,100	-6	20,20,926	9
2. Tax Revenue (Net to Centre)	13,17,211	16,49,582	15,04,587	-9	16,35,909	9
3. Non Tax Revenue	2,35,705	3,13,179	3,45,513	10	3,85,017	11
4. Capital Receipts	7,62,197	8,23,588	8,48,450	3	10,21,304	20
5. Recovery of Loans	18,052	14,828	16,604	12	14,967	-10
6. Other Receipts	94,727	1,05,000	65,000	-38	2,10,000	223
7. Borrowings and Other Liabilities	6,49,418	7,03,760	7,66,846	9	7,96,337	4
8. Total Receipts (1+4)	23,15,113	27,86,349	26,98,551	-3	30,42,230	13
9. Total Expenditure (10+13)	23,15,113	27,86,349	26,98,552	-3	30,42,230	13
10. On Revenue Account	20,07,399	24,47,780	23,49,645	-4	26,30,145	12
of which						
11. Interest Payments	5,82,648	6,60,471	6,25,105	-5	7,08,203	13
12. Grants in Aid for creation of capital assests	1,91,781	2,07,333	1,91,737	-8	2,06,500	8
13. On Capital Account	3,07,714	3,38,569	3,48,907	3	4,12,085	18
14. Revenue Deficit (10-1)	4,54,483	4,85,089	4,99,545	3	6,09,219	22
As % of GDP	-2.4	-2.3	-2.4	4	-2.7	13
15. Effective Revenue Deficit (14- 12)	2,62,702	2,77,686	3,07,808	11	4,02,719	31
As % of GDP	-1.4	-1.3	-1.5		-1.8	
16. Fiscal Deficit [9-(1+5+6)]	6,49,418	7,03,760	7,66,848	9	7,96,337	4
As % of GDP	-3.4	-3.3	-3.8		-3.5	
17. Primary Deficit (16-11)	66,770	43,289	1,41,743	227	88,134	-38
As % of GDP	-0.4	-0.2	-0.7		-0.4	



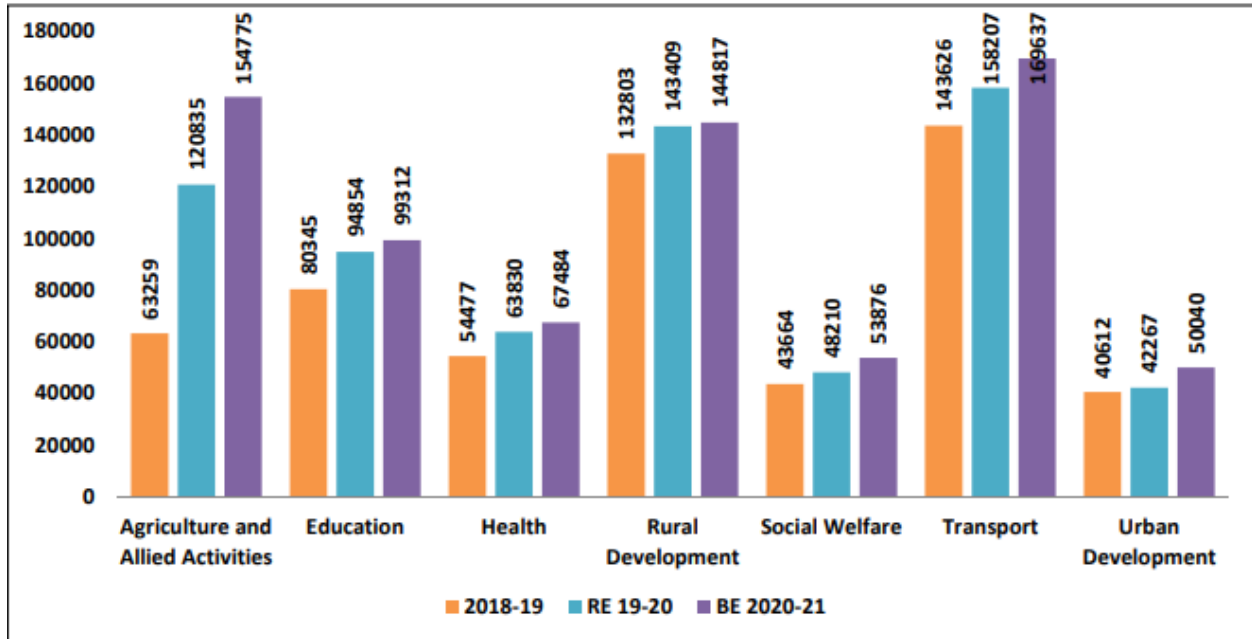
TREND IN TAX RECEIPTS

(% of GDP)



Source: indiabudget.gov.in

Major Expenditure items in the Budget



Source: indiabudget.gov.in

CENTRAL GOVT EXPENDITURE

Budget Estimates for 2020-21 (in ₹ crore)

Heads		Heads	
Pension	2,10,682	Interest	7,08,203
Defence	3,23,053	IT and Telecom	59,349
Major Subsidies	2,27,794	Planning and Statistics	6,094
Agriculture and Allied Activities	1,54,775	Rural Development	1,44,817
Commerce & Industry	27,227	Scientific Departments	30023
Development of North East	3,049	Social Welfare	53,876
Education	99,312	Tax Administration	1,52,962
Energy	42,725	Transfer to States	2,00,447
External Affairs	17,347	Transport	1,69,637
Finance	41,829	Union Territories	52,864
Health	67,484	Urban Development	50,040
Home Affairs	1,14,387	Others	84,256
		Grand Total	30,42,230

Source: pib.gov.in

Ministry-wise budgeted expenditure

Ministry	Budgeted expenditure for 2020-21		Remarks
	In Rs. Crore	as % of total budgeted expenditure	
Ministry of Finance	11,68,937	38.42%	
Ministry of Defence	4,71,378	15.49%	Inclusive of pensions of Rs.1.34 Lakh crore
Ministry of Home Affairs	1,67,250	5.50%	
Ministry of Agriculture and Farmers welfare	1,42,762	4.69%	
Ministry of Consumer Affairs, Food and Public Distribution	1,24,535	4.09%	
Ministry of Rural Development	1,22,398	4.02%	
Ministry of Human Resource Development	99,312	3.26%	
Ministry of Road Transport and Highways	91,823	3.02%	
Ministry of Railways	72,216	2.37%	
Ministry of Health and Family Welfare	67,112	2.21%	
Ministry of Housing and Urban affairs	50,040	1.64%	
Ministry of Jal Shakti	30,478	1.00%	
Ministry of Women and Child Development	30,007	0.99%	
Ministry of Science and Technology	14,473	0.48%	
Department of Space	13,479	0.44%	
Ministry of Commerce and Industry	12,825	0.42%	
Ministry of Labour and Employment	12,065	0.40%	
Ministry of Social Justice and Empowerment	11,429	0.38%	
Ministry of Micro, Small and Medium Enterprises	7,572	0.25%	
Ministry of Tribal Affairs	7,411	0.24%	
Ministry of Electronics and Information Technology	6,899	0.23%	
Ministry of New and Renewable Energy	5,753	0.19%	
Ministry of Minority Affairs	5,029	0.17%	
Ministry of Fisheries, Animal Husbandry and Dairying	4,114	0.14%	
Ministry of Textiles	3,515	0.12%	
Ministry of Environment, Forests and Climate Change	3,100	0.10%	
Ministry of Development of North Eastern Region	3,049	0.10%	
Ministry of Skill Development and Entrepreneurship	3,002	0.10%	
Ministry of Youth Affairs and Sports	2,827	0.09%	
Ministry of Law and Justice	2,779	0.09%	
Ministry of Food Processing Industries	1,233	0.04%	
Ministry of Panchayati Raj	900.94	0.03%	
Total budgeted expenditure for 19-20	30,42,230	100%	

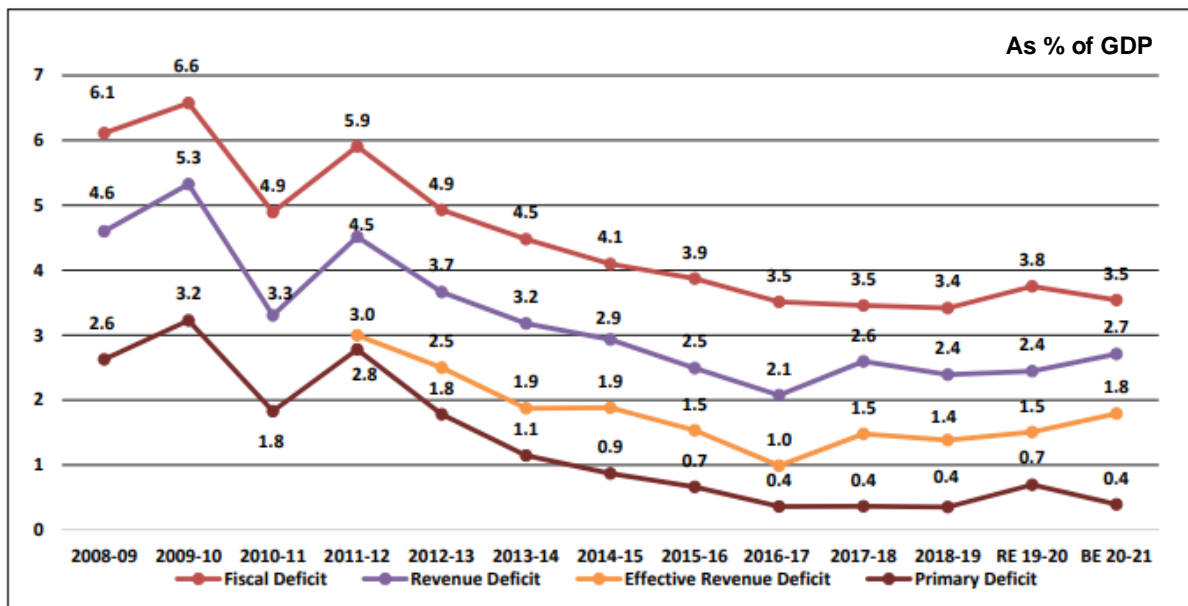
Major Schemes - budgeted expenditure

Scheme Name	Brief	2020-21 BE	2019-20 RE	% change
Agriculture, Irrigation and Allied activities				
PM KISA	Rs.6000 income support to farmers	75,000	54,370	38%
PM Fasal Bima Yojana	Crop Insurance Scheme	15,695	13,641	15%
Interest Subsidy for Short Term Credit to Farmers	Under the scheme, interest subvention is provided to NABARD, RRBs, Cooperative Banks, PSBs and scheduled Private Sector Banks for providing Short Term Credit to farmers at subsidized rate of interest	21,175	17,863	19%
Green Revolution	Various schemes to improve agriculture productivity	13,320	9,965	34%
White Revolution	Scheme to increase milk production	1,805	1,799	0%
Blue Revolution	Schemes for productivity in aqua-culture, especially fish production	570	455	25%
Market Intervention Scheme and Price Support Scheme (MIS-PSS)	NAFED, Central Warehousing Corporation, National Consumer Cooperative Federation of India, Small Farmers Agro Business Consortium as Central agencies to undertake procurement of Oilseed and Pulses under price support scheme to provide remunerative prices to farmers	2,000	2,010	0%
Prime Minister Krishi Sichi Yojna	per drop more crop - provide end to end solutions in irrigation supply chain	11,127	7,896	41%
Rural Development				
Mahatma Gandhi National Rural Employment Guarantee (MGNREGA)	min. 100 days of employment	61,500	71,002	-13%
Pradhan Mantri Gram Sadak Yojna (PMGSY)	connecting all habitations with all-weather road	19,500	14,070	39%
Prime Minister Saubhagya Yojna	LPG connection to rural poor women	1,118	3,724	-70%
Swachh Bharat Mission (Urban+rural)	sanitation facilities to make India ODF	12,294	9,638	28%
Prime Minister Awas Yojna (PMAY)	Housing for All by 2022	27,500	25,328	9%
National Livelihood Mission (Aajeevika)	renamed Deendayal Antodaya Yojna	10,005	9,774	2%
Jal Jeevan Mission (JJM)	flagship programme which aims at providing Functional Household Tap Connection (FHTC) to every rural household by 2024.	11,500	10,001	15%
Kisan Urja Suraksha evam Utthaan Mahabhiyan(KUSUM)	for installation of solar pumps and grid connected solar	700		
Health Education, Social Welfare				
PMJAY - Ayushman Bharat	Provides cash less and paper less benefit cover of Rs.5 lakh per annum per family on floater basis in the impanelled hospitals across India	6,429	3,314	94%

Scheme Name	Brief	2020-21 BE	2019-20 RE	% change
National Health Mission	transfer to States to address healthcare needs of population in rural & urban regions	34,115	34,290	-1%
Pardhan Mantri Swasthya Suraksha Yojana	correcting regional imbalances in the availability of affordable/reliable tertiary healthcare services; setting up of 6 AIIMS like institutions	6,020	4,733	27%
National Education Mission		39,161	37,672	4%
National Social Assistance Program	Centrally Sponsored Scheme (CSS) that provides financial assistance to elderly, widows and persons with disabilities etc	9,197	9,200	0%
Infrastructure				
AMRUT & Smart cities Mission	Urban Rejuvenation Mission - development of 100 Smart Cities	13,750	9,842	40%
FAME - India	Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India	693	500	39%
Metro Projects	The provisions are for equity, loans and Pass Through Assistance to various Metro Projects	17,482	17,612	-1%
National Ganga Plan and Ghat Works	Provision is for implementing schemes/projects for the river Ganga and its tributaries	800	353	127%
Infrastructure Development and Capacity Building		802	471	70%
Road Works		48,759	45,887	6%
National Highways Authority of India (NHA)		42,500	36,691	16%
Others				
Swadesh Darshan	Integrated Development of Tourist Circuits around specific themes	1,200	566	112%
Eklavya Model Residential School (EMRS)	Scheme for model residential school for Indian tribals across India	1,313	16	8106%
Khelo India	youth games held annually at national level for under-17 years school students and under-21 college students	890	578	54%
Budgetary Support to Schemes of Ministry of Railways		72,216	69,967	3%
NIRVIK Yojana	export support for MSMEs	95		
PM Mudra Yojana	Loan up to Rs.10 lakh for MSMEs	500	500	0%
Pradhan Mantri Kisan Sampada Yojna	flagship program in food processing Industry	1,081	889	22%

Deficit Trends

- The **Fiscal deficit** of 3.8% estimated in RE 2019-20 and **3.5% for BE 2020-21**
- Deviation of 0.5%, consistent with Section 4(3) of FRBM Act; (Section 4 (2) of the FRBM Act provides for a trigger mechanism for a deviation from the estimated fiscal deficit on account of structural reforms in the economy with unanticipated fiscal implications.)
- **Market borrowings:** Net market borrowings:
 - Rs.4.99 lakh crore for 2019-20 and
 - **Rs.5.36 lakh crore for 2020-21**
- **The Central Government debt reduced to 48.7% of GDP (March 2019)** from 52.2% in March 2014.



Source: indiabudget.gov.in

Tax Proposals

Direct Taxes

New income tax Regime (optional)

- Tax Slabs

Income (Rs. Lakh)	<5	5-7.5	7.5-10	10-12.5	12.5-15	>15
Tax Rate	0%	10%	15%	20%	25%	30%
- Above tax slab applicable if **exemptions and deductions are given up** (like standard deduction, investments under 80C, etc.)
- Simplified pre-filled income tax return
- Residency test** for individuals reduced to **120 days** from 182 days in a fiscal year
- Revenue loss** to Govt. under new regime = **Rs.40,000 crore**
- Additional deduction up to Rs.1.5 lakhs for **interest paid on loans taken for an affordable house** extended till 31st March, 2021.

Related to Start-ups

- Turnover criteria** for eligible start-ups to qualify for **tax holiday increased to Rs.100 crore** (from Rs.25 crore)
- Deferred taxation** on exercise of **ESOP**
- Flexibility provided to eligible start-ups to **claim tax holiday for 3 consecutive years out of 10 years** from incorporation (from exiting 7 years)

Corporate tax

- Tax rate of **15% for new domestic companies in manufacturing and power sector**
- Option to cooperative societies** to be taxed at 22% + 10% surcharge and 4% cess with no exemption/deductions
- Cooperative societies exempted from Alternate Minimum Tax (AMT) just like Companies are exempted from the Minimum Alternate Tax (MAT)
- Date of approval of affordable housing projects for availing tax holiday on profits earned by developers extended till 31st March, 2021
- In case of **MSMEs**, the **turnover threshold for audit increased to Rs.5 crore** from Rs.1 crore for businesses carrying out less than 5% business transactions in cash.

Dividend Distribution Tax (DDT)**Tax concession for sovereign wealth Funds****Tax Facilitation Measures**

<p style="text-align: center;"><u>GST</u></p> <ul style="list-style-type: none"> • Simplified GST return shall be implemented from 1st April, 2020. • Refund process to be fully automated. • Aadhaar based verification of taxpayers being introduced • Dynamic QR-code capturing GST parameters proposed 	<p style="text-align: center;"><u>Customs Duties</u></p> <ul style="list-style-type: none"> • Raised on footwear to 35% from 25% • Raised on furniture goods to 25% from 20% • Reduced on imports of news print and light-weight coated paper to 5% from 10% • 5% health cess to be imposed on the imports of medical devices, except those exempt 	Indirect Taxes
<p style="text-align: center;"><u>Trade Policy Measures</u></p> <ul style="list-style-type: none"> • Customs Act being amended to enable proper checks of imports under FTAs • Proposal to review Rules of Origin for sensitive items, in order to arrest undue claims under FTA 	<p style="text-align: center;"><u>Others</u></p> <ul style="list-style-type: none"> • Excise duty to be raised on Cigarettes and other tobacco products (excluding <i>bidis</i>) • Anti-dumping duty on PTA abolished to benefit the textile sector. 	

Box 5: Learn Along

- **MAT vs. AMT**
Companies pay corporation tax on their profit. But many companies use several tax concessions and exemption to pay negligible or no tax despite having good profit. On such companies, a Minimum Alternative Tax (MAT) is charged under Income Tax Act, 1961. When a similar tax is applied on an individual instead of a company to counter negligible tax payment despite having high income, it is called Alternative Minimum Tax (AMT).

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