



BUDGET 2021-22





- **First Indian Budget → By James Wilson (1860) - 18 Feb.**
- **Budget 1948-49 → R.K. Shanmukham Chetty [Independent India]**
→ No tax, only review
- **Budget 1950-51 → John Mathai [Republic India]**
- **Budget 1951-52 → C.D. Deshmukh [R.B.I. Governor]**
- **Budget → 1955-56 [Hindi-Budget with English]**
- **Budget 1958-59 → PT. Nehru [P.M.]**
- **Budget 1970-71 → Indira Gandhi [P.M.]**
- **Budget 1987-88 → Rajiv Gandhi [P.M.]**



Financial Year = 1 April - 31 March

1. Dream Budget 1997-98 [P. Chidambaram] [Tax Rates Cut]
 2. Millenium Budget - 2000 [Yashwant Sinha] [I.T. Sector]
 3. Black Budget : 1973-74 [Fiscal Deficit - 550 cr]
- Morarji Desai presented Budget = 10 times
 - Pranab Mukherjee, first *Rajya Sabha* member to hold financial Portfolio.

Note:- Gift tax in Union Budget → 1958-59 (Pt. Nehru)

Note:- G.S.T. made its debut in the Budget Speech of P. Chidambaram on Feb. - 28, 2006.



- **Objective of Budget** →
 1. Reallocation of Resources.
 2. Reducing Inequality in income and wealth.
 3. Economic Stability.
 4. Economic Growth.
 5. Reducing Regional disparities.



- **Budget 2021-22 [34.83 lakh Crore]**
- " Budget" originates from the French word "bougette" which means leather bag".
- Nirmala Sitharaman "The first full time female finance minister presented the budget.



Comes From

- 36% Borrowings and other liabilities
- 15% G.S.T.
- 14% Income Tax
- 13% Corporate Tax
- 8% Excise duty
- 6% Non-Tax Revenue

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Goes to

- **20% Interest Payment**
- **16% Tax and duties [share of states]**
- **13% Central-sector**
- **10% Finance commission on [Art. 280]**
- **10% others**
- **9% Central - sponsored schemes**
- **9% Subsidy [Food-subsidy: Maximum]**
- **8% Defence**
- **5% Pension**



Deficit/घाटे:

1.	Fiscal Deficit =	2020-21 [9.6%] GDP 3.5% target	2021-22 [6.8%] GDP {2025-26 4.5% GDP}
2.	Revenue =	1455989 cr	1140516 cr
3.	Effective = revenue deficit	1225613 cr	921464 cr
4.	Primary Deficit =	1155755 cr	69711 cr

- Size = Fiscal deficit > Revenue deficit > E. Re.D. > Primary deficit

Income [receipts]

Net Tax Receipts
15.45

Capital Receipts
16.95

Non-Tax Receipts
2.43

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[Total = 34.83] Lakh Crore

Expenditure

Scheme Expenditure

Central sector Scheme (10.52)
Subsidies = 3.7
↓
(100% fund by C-govt)

Central Sponsored scheme (3.81)
↓
(C-govt + S-govt)

Transfer,

Interest payment = 8.1
Transfer to states = 4.29
Salary = 2.59
Pension = 1.89
Others = 3.63



Sector	Change
1. Defense	+0.87%
2. Subsidy	-43.70% [Food, Covid, Fertilizer, petroleum, interest]
3. Agriculture 6000/years]	+ 2.07% [but maximum under PM Kisan
4. Education	+ 9.41% [very less amount]
5. Rural infra development	- 10.19%
6. Urban development	+17.02%
7. Transport	+ 6.88%

Deficits { Lakh CR, % of G.D.P.}

Fiscal Deficit	Target	RE	2021-22
	3.5%	9.5%	6.8%
Revenue deficit	2.7%	7.5%	5.1%
Effective Rev. deficit	1.8%	6.3%	4.1%
Primary deficit	0.4%	5.9%	3.1%

3.5% GDP



2017-18

3.4% of GDP



2018-19

4.6% of GDP



2019-20

Strong Army →

- 1. USA**
- 2. Russia**
- 3. China**
- 4. India**
- 5. Japan**

According to firepower report



Capital Expenditure →

2021 -22 [5.54 Lakh Crore]

2020-21 [4.39 Lakh crore]

2019-20 [3.36 lakh crore]

2018-19 [3.8 lakh crore]

F.D.I. in Insurance → 74% from 49%

" Almost all sectors were adversely impacted by the Pandemic especially tourism, transport, hospitality and MSME sectors."



Some key points of Union Budget 2021-22 :-

2021 is the year of many important milestones for our history-

- 1. It is the 75th year of independence.**
- 2. 60 years of Goa's accession to India. (Portuguese) (300Cr.)**
- 3. 50 years of the 1971 India's Pak war. [Bangladesh]**
- 4. 8th Census of Independent India. (10 years)**
- 5. It will also be India's turn at the BRICS Presidency**
- 6. Maha Kumbh [Haridwar], Chandrayan-3 Mission.**



TAXES

- This year finance minister has avoided giving any income tax relief. (No change in direct tax System)
- For Senior Citizen who only have pension and interest income (Age 75+) ⇒ No need to file their income tax returns.
- Deduced the time- limit for re-opening of assessment to 3 years from 6 years [traders]
- National faceless income tax appellate tribunal centre will be setup.
- Exemption from audit for those who carry out 95% of their transactions digitally with income more than 10 Cr. [No need to audit]



- Dividend Tax – Exempt From TDS

Imp.

- Government has proposed how much farm cess (कृषि, कृषक) of on Petrol and diesel → `2.5/litre, `4/Diesel
- Agri -Infra cess on alcoholic beverages

→ 100% cess [100 ⇒ 1 unit
Tax=10

110

Now cess = 10% of tax = 10

= 110 + 10

120/-



Pillars of the budget - 2021-22

- Innovation and R &D
- Minimum government and maximum governance
- Inclusive development for aspirational India
- Health and well-being
- Physical and financial capital and infrastructure
- Reinvigating human capital

Health Well-being

1. Fund allocation with an increase of 137%
2. 35,000 cr has been allocated for Covid-19 vaccine
3. Centrally sponsored scheme PM Atma Nirbhar Swasth Bharat Yojana, will be launched with an out lay of about 64,180 crores over 6 years.



This will be in addition to the national Health mission".

4. Supplementary Nutrition Programme and Poshan Abhiyan to be merged to launched the "Mission Poshan 2.0".
5. Jal Jeevan Mission [Urban] {Next 5 years}
6. Urban Swach Bharat Mission 2.0 [Next five years]

2. **Infrastructure**

- Capital expenditure = 5.54 Lakh crores [34.5%↑]
- Production Linked Incentive Scheme (PLI)
 - For 13 years
 - For next 5 years.
- 7 Mega investment textiles Parks [MITRA] in next years.



- **Development financial institution (DFI) will be setup with sum of 20,000 crores to capitalise the institution [Provides long term loan.....]**
- **[DFI = Fund Infrastructure Projects]**
- **[Tamil Nadu, Kerala, West Bengal, Assam]**
- **Election Time.**



National Rail Plan for India 2030

[Broad Gauge to be electrified by - Dec.- 2030]

- **Metro lite and metro Neo [Metro service]**
- **Comprehensive National Hydrogen Energy Mission to be launched.**
- **1000 crore for Solar Energy Corporation of India**
- **7 Port-projects [PPP mode]**



3. Financial Capital

- 1. F.D.I. in Insurance to be hiked from the existing 49% to 74%**
- 2. Bad Bank will be setup [N.P.A.] (Asset Reconstruction companies)**
- 3. Revision of definition of small companies under company Act- 2013 [Good for investment]**
 - **Paid-up capital form So lakh to 2 cr**
 - **Turnover form 2 cr to 20 crore.**



- IPO of LIC [Disinvestment] will be carried out in 2021-22.
(Two PSU)s and one insurance company will be considered for disinvestment with target of 175000 Cr)

Imp.

- From investors prospective, investor charter is going to be introduced for investor protection.
- Which body as the regulator for gold exchange = SEBI

3. **Development of aspirational districts**

- Agriculture and allied sector
- Former's welfare and Rural India
- Migrant workers and labours
- Financial Inclusion.



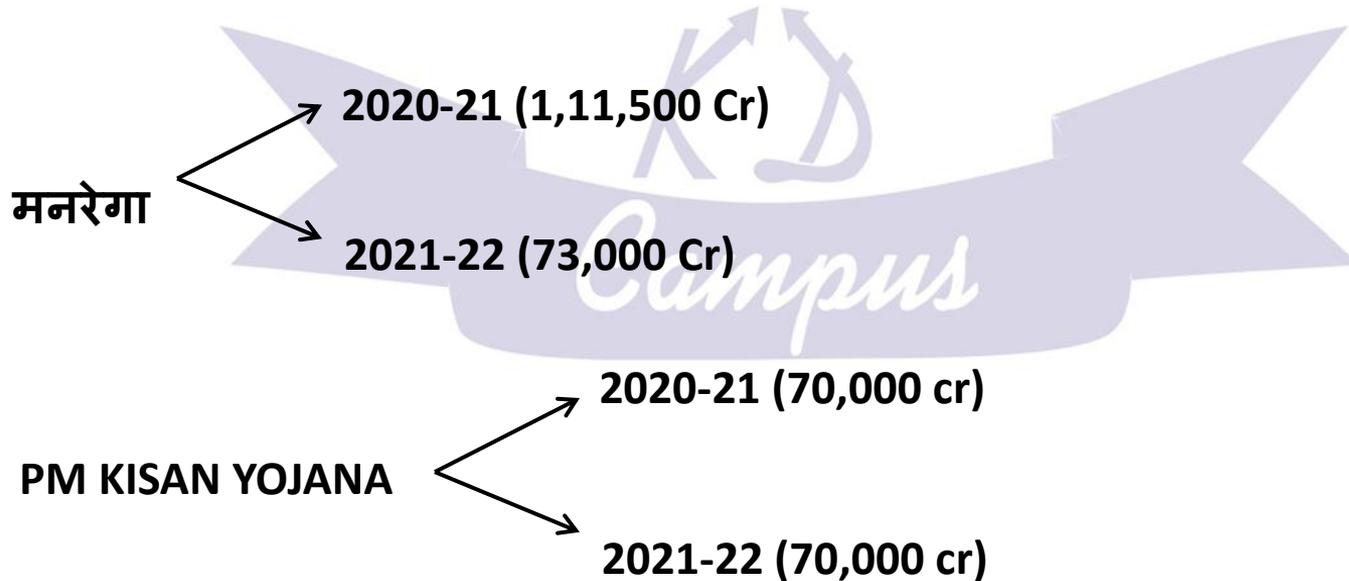
- MSP regime has assured that is at least 1.5 times the cost of production across all commodities.
- Under SWAMITYA Scheme
- One Nation One Ration Card
- For stand up India scheme → Margin money
Now only 15% [was 25%]

4. **Human Capital**

- 100 Sainik School new will be set-up
- Central University in leh proposed
- National Education Policy
- Higher Education commission of India will be setup as promised in 2019.

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- 750 Eklavya Model residential schools in tribal areas
[cost per school now 20 cr to 38 cr] [48 cr per school in hilly and difficult area]





METRO PROJECT

- 2020-21 (6,484 Cr)
- 2021-22 (18,998 Cr)

जल जीवन मिशन

- 2020-21 (10,000 Cr)
- 2021-22 (50,011 Cr)

Note:- 2021-22 में सरकार विनिवेश के जरिये 1.75 लाख करोड़ रुपये की कमाई करना चाहती सरकार



Note:- 31 देश की सीमाओं को सुरक्षित करने के लिए रक्षा बजट में 19% बढ़ोत्तरी

Note:- 31 मार्च, 2020 तक स्टार्टअप पर कोई टैक्स नहीं

Note:- Home loan पर सरकार की छूट - 2022 तक रहेगी।

Note:- Capital expenditure = 34.5% ↑

Note:- Global Innovation index = 48th Rank [India]

Note:- सेवा क्षेत्र (Service Sector) की विकास दर

- 2017-18 → 6.9%
- 2018-19 → 7.7%
- 2019-20 → 5.5%
- 2020-21 → 8.8% (Negative)



Agriculture

- **Agricultural Credit Target enhanced to ₹16.5 lakh Crore.**
- **Focus will be on ensuring increased credit flow to animal husbandry, Dairy fisheries sectors.**
- **Agriculture infra and development cess (AIDC)**
- **Scope of operation Greens [TOP] Scheme to be extended from tomatoes, onions and potatoes to 22.**



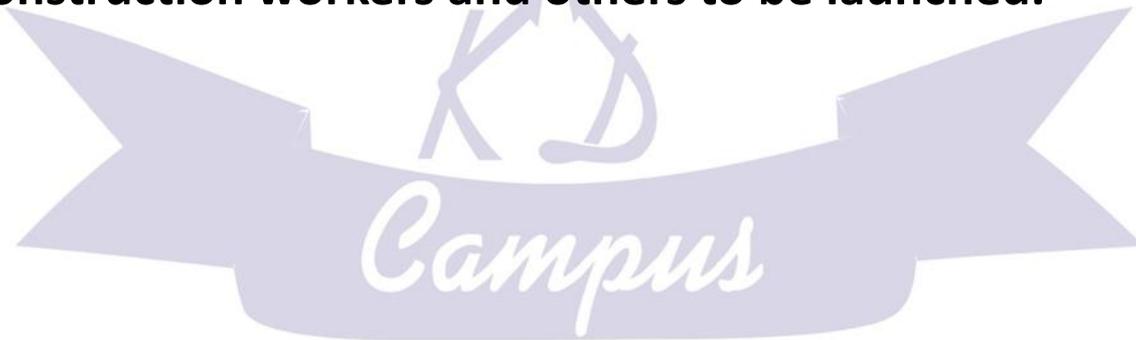
Crops

- Rural Infra development fund to be enhanced from ₹30,000 crore to ₹40,000 crore
- ₹5000 crore micro irrigation fund to be augmented by another ₹500 Cr [Total 10,000 Cr]
- Increase in custom duty on cotton and silk to help farmers
- 1000 more Mandis to be integrated with national Agri-market (e-Nam)



PM- Kisan more than 50% in PM Kisan

- 1. Portal that will collect relevant information on Gig workers, building and construction workers and others to be launched.**





MCQ'S

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- **Who presented the first Indian Budget?**
 - (a) James Wilson
 - (b) John Mathai
 - (c) C.D. Deshmukh
 - (d) Indira Gandhi

Ans. (a) James Wilson



- **The Annual Financial Statement is given under which Article?**
- (a) Article 112
- (b) Article 202
- (c) Both (a) & (b)
- (d) None of the above

Ans. (a) Article 112

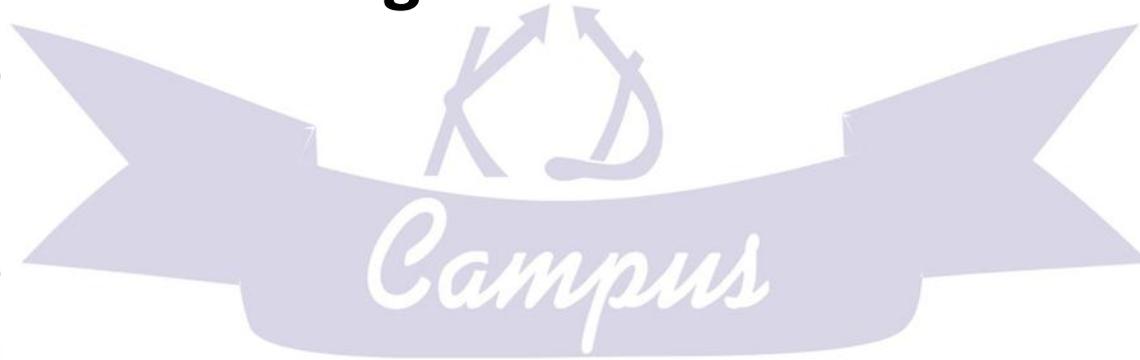
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• In which year , Railway Budget was integrated with General Budget?

- (a) 2016
- (b) 2017
- (c) 2018
- (d) 2019

Ans. (a) 2016





- **Who became the first Rajya Sabha member to hold financial portfolio?**
- (a) **Indira Gandhi**
- (b) **Rajiv Gandhi**
- (c) **Pranab Mukherjee**
- (d) **Yashwant Sinha**

Ans. (c) Pranab Mukherjee



- **Who has presented the budget for 10 times?**
- (a) P. Chidambaram**
- (b) Morarji Desai**
- (c) C.D. Deshmukh**
- (d) John Mathai**

Ans. (b) Morarji Desai



• Which budget was presented by first female Prime Minister of India?

(a) Budget 1958-59

(b) Budget 1970-71

(c) Budget 1987-88

(d) Budget 1950-51

Ans. (b) Budget 1970-71

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• According to Global Firepower Report, which country has the strongest army?

- (a) USA
- (b) Russia
- (c) China
- (d) India

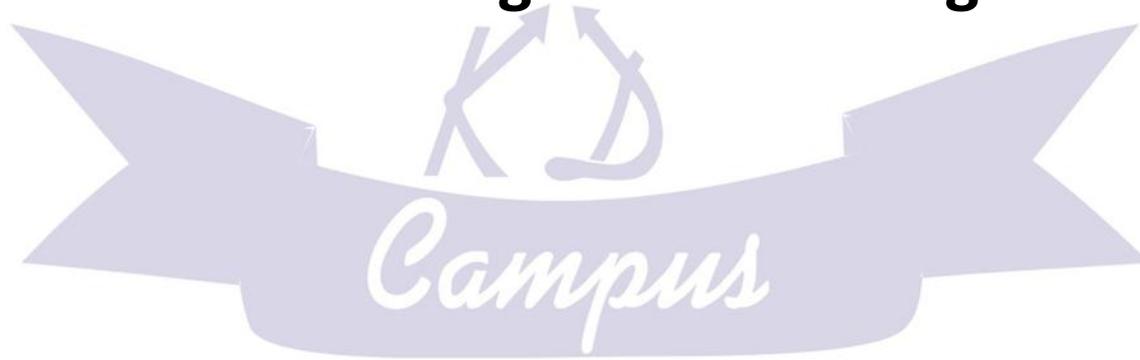
Ans. (a) USA

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• How many Mega Investment Textile Parks (MITRA) are to be built according to Union Budget 2021-22?

- (a) 3
- (b) 4
- (c) 6
- (d) 7

Ans. (d) 7



• How many Port Projects are to be launched according to the Union Budget 2021-22?

(a) 3

(b) 5

(c) 7

(d) 9

Ans. (c) 7



• Which body acts as the regulator for gold exchange?

- (a) WEF
- (b) SEBI
- (c) ADB
- (d) None

Ans. (b) SEBI





• According to Union Budget 2021-22, how many Sainik schools are to be built in India?

- (a) 80
- (b) 70
- (c) 65
- (d) 100

Ans. (d) 100



• What is the rank of India In Global Innovation Index 2020?

(a) 34

(b) 48

(c) 53

(d) 43

Ans. (b) 48





- According to budget 2021-22, FDI limit has been increased from 49% to how much in Insurance sector?

(बजट 2021-22 के अनुसार, एफडीआई सीमा को 49% से बढ़ाकर बीमा क्षेत्र में कितना कर दिया गया है?)

- (a) 50%
- (b) 65%
- (c) 74%
- (d) 76%

Ans. Ans. (c) 74%



THANKYOU

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