

Gist of

# KURUKSHETRA

VOL.01

March 2021



## Budget for Rural India 2021-22

**Accelerating Investment,  
Job Creation and  
Income Growth**

**Healthy People  
Healthy Nation**

Towards Realisation  
of a **Five Trillion  
Dollar Economy**

Boosting the **Education Sector**

**Aatmanirbhar Women**

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04

Ranks in  
Top 10

09

Ranks in  
Top 20

13

Ranks in  
Top 50

22

Ranks in  
Top 100



**RANK 03**

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**RANK 06**

Vishakha Yadav



**RANK 08**

Abhishek Saraf



**RANK 10**

Sanjita Mohapatra



**RANK 11**

Nupur Goel



**RANK 12**

Ajay Jain



**RANK 14**

Anmol Jain



**RANK 16**

Gunjan Singh



**RANK 19**

Shresta Anupam



**RANK 23**

Nidhi Bansal



**RANK 24**

Abhishek Jain



**RANK 30**

Pari Bishnoi



**RANK 34**

Apurv Chauhan



**RANK 52**

Om Kant Thakur



**RANK 56**

Pankaj



**RANK 66**

Saurav Pandey



**RANK 69**

Navneet Mittal



**RANK 81**

Anil Kumar  
Rathore



**RANK 84**

Jivani Kartik  
Nagjibhai



**RANK 85**

Shubhank Mishra



**RANK 96**

Hardik Aggarwal



**RANK 98**

Y Megha Swaroop

# INCREDIBLE RESULTS

## CSE 2018 Results

11 Ranks in Top 50

28 Ranks in Top 100

183 Ranks in the Final List



Rank 11  
Puja Priyadarshni



Rank 16  
Dhodmise Trupti Ankush



Rank 21  
Rahul Jain



Rank 24  
Anuraj Jain

## CSE 2017

5 Ranks  
in top 50

34 Ranks  
in top 100

236 Ranks  
in the final list



Rank 3  
Sachin Gupta



Rank 6  
Koya Sree Harsha



Rank 8  
Anubhav Singh



Rank 9  
Soumya Sharma



Rank 10  
Abhishek Surana

## CSE 2016

8 Ranks  
in top 50

18 Ranks  
in top 100

215 Ranks  
in the final list



Rank 2  
Anmol Sher  
Singh Bedi



Rank 5  
Abhilash Mishra



Rank 12  
Tejaswi Rana



Rank 30  
Prabhash Kumar



Rank 32  
Avdesh Meena

## CSE 2015

5 Ranks  
in top 50

14 Ranks  
in top 100

162 Ranks  
in the final list



Rank 20  
Vipin Garg



Rank 24  
Khumanthem  
Diana Devi



Rank 25  
Chandra Mohan  
Garg



Rank 27  
Pulkit Garg



Rank 47  
Anshul Agarwal

## CSE 2014

6 Ranks  
in top 50

12 Ranks  
in top 100

83 Ranks  
in the final list



Rank 4  
Vandana Rao



Rank 5  
Suharsha Bhagat



Rank 16  
Ananya Das



Rank 23  
Anil Dhameliya



Rank 28  
Kushaal Yadav



Rank 39  
Vivekanand T.S

## CSE 2013

5 Ranks  
in top 50

62 Ranks  
in the final list



Rank 9  
Divyanshu Jha



Rank 12  
Neha Jain



Rank 23  
Prabhav Joshi



Rank 40  
Gaurang Rathi



Rank 46  
Udit Singh



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**Team BYJU'S**

## Gist of Kurukshetra March 2021 Issue: Budget for Rural India 2021-22

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## Chapter 1: Accelerating Investment, Job Creation and Income Growth

### Economic shock of the pandemic:

- The global pandemic led to a strict lockdown, affecting all the sectors of the economy, and disrupting global as well as domestic supply chains. Indian economy suffered GDP contraction as a result of the economic impact of the pandemic.
- The [Union Budget of 2021-22](#) was presented in extraordinary circumstances to revive the economy, accelerate growth and generate employment in the backdrop of the economic impact of the pandemic.
- This was a budget intended to revive and stimulate investment, growth, and job creation.

### Commitment towards agricultural sector and rural areas:

- Notably, when the whole economy contracted by 7.2 percent, the gross value added in the agriculture sector grew by 3.4 percent.
- The Budget 2021-22 has reiterated the government's commitment to the agriculture sector. The central government has been focussing on reforms and stimulus packages to improve the value chain system and also boost price discovery and income for the farmers. The government has been seeking to stimulate investment and diversification in the agricultural sector.
- The focus of the agriculture budget was on developing the existing infrastructure and spurring the investments and credit in the allied sector.
- The budget sent a strong signal on the central government's commitment towards the upliftment of rural India.

### Important provisions in the Union Budget related to agricultural sector:

#### **Incentivising Investment:**

- The Agriculture Infrastructure Fund (AIF) announced by the government in May 2020 with a total corpus of Rs. one lakh crore is a step in the right direction. It will mobilise medium - long term debt finance facilities for investment in viable projects for post-harvest management. The Scheme is already available for entrepreneurs, [farmer producer organisations](#) (FPOs), cooperative societies and start-ups. The budget speech made an important announcement that even APMC market yards would be able to utilise this fund to upgrade their marketing infrastructure.
  - Development of infrastructure, especially at the farmgate and post-harvest stage minimises wastages and shortages. The post-harvest losses and wastages, due to lack of proper infrastructure facilities, accrues to 15-20 percent. It will also help increase value realisation for farmers.
- There has been a 33 percent increase in the budgeted amount under the Rural Infrastructure Development Fund (RIDF) of Rs. 10, 000 crore. There are 37 areas where the RIDF funds can be deployed, including not just agriculture infrastructure, but also social sector infrastructure such as public health institutions, sanitation, solid waste management amongst others.
  - The enhanced expenditures on rural infrastructure are not just likely to benefit farmers in several ways but will also benefit the rural population at large.
- The availability of credit is an important contributing factor to production and productivity. The target for agriculture credit has been increased by Rs. 1 lakh crores to stand at Rs. 16 lakh crores for 2021-22. The

rise in credit take-off is expected to be met by increased demand from allied sectors such as animal husbandry and fisheries, thus in the process helping promote diversification of farm incomes as well.

### **Improving price discovery for farmers:**

- An expansion of e-NAM has also been announced under the current budget. Since its launch, 1000 mandis have already been connected to e-NAM, providing the benefit of transparent price discovery to 1.68 crore farmers through electronic trading. Now, another 1000 mandis will be connected to [e-NAM](#), furthering competitiveness and transparency in the pricing of farm produce, benefiting farmers.

### **Sustainability in water usage:**

- To further the adoption of more efficient irrigation systems, the Micro Irrigation Fund created under [NABARD](#) has now been doubled. More efficient irrigation systems promote sustainability and conserve water and are critical to the long-term health of not just the agriculture sector but the whole of India.

### **Expenditure on Major Subsidies:**

- The Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), the [Pradhan Mantri Fasal Bima Yojana](#) (Crop Insurance Scheme), the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), and the Interest Subvention Scheme (Interest Subsidy for Short Term Credit to Farmers) are the most critical government schemes in agriculture. These schemes have received a large share of the budgeted amount reserved for the agricultural sector.

### **Increased transparency with respect to subsidies:**

- The budget also deserves applause for bringing greater transparency in reporting expenditures, especially for the food and fertiliser sector.
- The outstanding dues of food subsidy were previously not reflected in the budget and were accounted as borrowings of the [Food Corporation of India](#). These borrowings had accumulated over time and had crossed Rs. 3 lakh crore and thus had become unmanageably large.
  - The Economic Survey of 2021-22 has also addressed the issue of the rising bill of food subsidy in the country. It is difficult to bring down the economic cost of food due to food security commitments.
- The massive subsidisation of fertiliser is also creating several distortions, one in terms of the huge cost to the exchequer and the other is imbalanced used of fertilisers. The biased use of urea fertiliser due to the large amount of subsidy has resulted in inefficiency in the optimal usage ratio of NPK fertilisers. This imbalance has also reduced the crop response ratio.
- This year all the borrowings of FCI have been cleared and the budget reflected the true picture of food subsidy.

### *Recommendations:*

- As suggested by the Economic Survey, the burgeoning food subsidy could be controlled by a revision of the central issue price (CIP), which has remained unchanged since the introduction of NFSA 2013.
  - The central issue price is the price at which the government makes available foodgrains for beneficiaries of the [National Food Security Act, 2013](#) and other welfare schemes to the states from the central pool.

- The rising fertilizer subsidy could be controlled by bringing urea under the nutrient-based subsidy scheme and introducing direct cash transfer on per hectare basis for urea and complex fertilisers.

### **Reiterated Commitment to MSP:**

- The government through the Budget has also reiterated their commitment to the minimum support price (MSP) and the public procurement system.
- The number of farmers benefited increased from 35.57 lakh in 2019-20 to 43.36 lakh in 2020-21 in the case of wheat and from 1.24 crores in 2019-20 to 1.54 crores in 2020-21 for rice. This has resulted in an assured income of Rs 21 lakh crores to wheat and rice growers in 2019-20. The minimum support price (MSP) regime assures a reasonable price across all 23 commodities. The MSP regime has been the backbone of the agriculture sector since the 1960s.
- It is expected that this will put rest to the large misconception in the country about the dissolution of government-owned APMC markets.

### **Other Major Announcements:**

- The Operation Green Scheme was launched to strengthen production clusters, FPOs, connecting them to terminal markets, invest in post-harvest infrastructure to reduce losses and increase food processing capabilities. Initially, the scheme covered tomatoes, onions and potatoes. Now, the scheme has been extended to cover 22 perishable commodities, which will further support diversification at the farm level.
- Substantial investment opportunities were highlighted to enhance the Blue Economy, specifically in modern fishing harbours and fish landing centres. Five major fishing harbours will be developed as hubs of economic activity; Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat. The [Pradhan Mantri Matsya Sampada Yojana \(PMMSY\)](#) with the allocation of Rs. 1000 crore, accounts for more than 80 percent of the overall allocation to the fisheries department.
- Another major announcement was the extension of the Survey of Villages and Mapping with improvised Technology in Village Areas (SVAMITVA) scheme to the whole country. The scheme will help map rural residential land ownership and create non-disputable records. The scheme has now been extended to all states and UTs. This will benefit farmers by providing them with non-disputable records of land ownership, facilitating access to bank credit and the inherent security of owning records of ownership; thus, reducing land disputes and litigation.
- There has also been an introduction of an agriculture infra and development cess. The cess is expected to generate an additional amount of Rs. 30,000 crore and will be levied on items including gold, silver, alcoholic beverages, coal, and cotton, and basic customs duty will be reduced by an equal amount. Additionally, the cess will be levied on petrol and diesel at the rate of Rs. 2.5 and Rs.4 per litre respectively, with equivalent cuts in excise duty funds for targeted investments in agriculture infrastructure.
- With record levels of capital expenditures for road transport and railways, this better connectivity will impact farmers as well. Terminal markets will come closer, facilitating market access.

### **Conclusion:**

- The Budget 2021-22 has reiterated the government's commitment to the agriculture sector. Following the path-breaking reforms announced in 2020, this Budget has built on those reforms.



## Chapter 2: Healthy People Healthy Nation

### **Introduction:**

- It is well known that investing in health makes sound economic sense. It saves lives, enhances wellness and happiness, raises productivity and generates jobs.
- Historically, India has spent a very low quantum of public finance on health. In fact, public expenditure on health has been disproportionately lower even when compared to countries that have similar levels of tax revenues.
  - Only 30 percent of the total health spending has been derived from public sources, with around 70 percent being private expenditure. Globally, on the other hand, public spending constitutes 60.1 percent, on average, of the total expenditure on health.
- As a percentage of GDP, Government health spending in India has stagnated at around 1 percent over the last two decades. Government (Centre and State) expenditure on health as a percentage of GDP has increased from 1.2 in 2014-15 to 1.8 (2020-21 BE).
  - National Health Accounts data for 2015-16 notes that the share of the Union Government as a percentage of the Total Government Health Expenditure was 35.6 percent while that of State Governments was 64.4 percent.
- This year's Union Budget was presented amidst unprecedented circumstances with the COVID-19 pandemic having severely impacted lives and livelihoods across the globe.

### **Important provisions in the Union Budget related to the health sector:**

#### **Enhanced allocation:**

- The allocation for health and well-being in the Union Budget 2021-22 has been enhanced from Rs. 94,452 Crore (2020-21 BE) to Rs. 2,23,846 Crore, marking an increase of 137 percent.

#### **Both short and long term measures:**

- Budget 2021-22 announcements must be viewed in the context of various AatmaNirbhar Bharat Abhiyaan packages announced by the Government of India, as part of which multiple short-term and longer-term measures are being taken for strengthening the health sector.
  - The COVID Suraksha Mission (financial outlay Rs 900 Crore) was also launched for boosting indigenous vaccine testing and development. Thus far, India has been approached by at least 92 countries for the COVID-19 vaccine.
  - [Production Linked Incentive \(PLI\) schemes](#) have been announced for promoting domestic manufacturing of Key Starting Materials, Drug Intermediaries (DIs) and APIs to boost domestic manufacturing of 53 bulk drugs. Further, the schemes for the promotion of bulk drug parks and medical device parks have been announced for reducing the cost of indigenous manufacturing.

#### **PM AatmaNirbhar Swasth Bharat Yojana:**

- The PM AatmaNirbhar Swasth Bharat Yojana (PMANSBY) was announced in Budget 2021 with a financial outlay of Rs. 64,180 Crore over a period of six years. The scheme aims to strengthen the health system at every level - primary, secondary and tertiary. This would involve capital expenditure in Tier 2 and Tier 3 cities as well as rural areas.

- The scheme aims to strengthen disease surveillance so that the country can be better prepared for disease outbreaks in the future through the setting up of regional National Institutes for Virology, 15 health emergency operation centres, 2 mobile hospitals and a National Institution for One Health.
- All public health laboratories will also be connected through the expanded integrated Health Information Portal. Strengthening of the National Centre for Disease Control is also planned.
- To expand the coverage of comprehensive primary health care, 17788 and 11024 Health and Wellness Centers (HWCs) will be set up in rural and urban areas respectively.

### **Ayushman Bharat - Health and Wellness Centres:**

- At the core of any universal coverage system is the provision of primary care in an equitable and timely manner. Primary care is often the first point of contact with the health system. The majority of illnesses can be tackled at the primary care level before they advance to more complicated, challenging to treat and expensive diseases.
- The key pillar of [Ayushman Bharat](#) is to build a system that provides comprehensive primary health services to people on the foundation of 150,000 Health and Wellness Centres in a phased manner between 2018 and 2022. These Centres will provide services related to reproductive and child health, communicable diseases, non-communicable diseases. Drugs and diagnostics are provided free of cost at these Centres.

### **Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY):**

- Nearly 600 Lakh people in India fall below the poverty line due to catastrophic health expenditures.
- The PM-JAY scheme aims to provide approximately 10.74 Crore of the poorest and most vulnerable families with an annual health cover of Rs 5 Lakh for hospitalisation-related expenses.
- Presently, 33 States/UTs are implementing PM-JAY. Till February 2021, over 13.73 Crore e-cards had been issued under the scheme. The scheme has empanelled over 24,269 hospitals thus far, around 50 percent of which are in the private sector.
- PM-JAY has had a positive impact on health outcomes even within a short span of time since its launch. In States which have implemented the scheme, the proportion of households with health insurance increased by 54 percent, compared to a 10 percent fall in the penetration of health insurance for States which did not implement PM-JAY.
- By consolidating multiple health insurance schemes under PM-JAY, the government has taken a major step towards 'One Nation One Scheme' i.e., ultimately ensuring that all citizens can access a common package of secondary and tertiary health services regardless of the State in which they reside.

### **AYUSH:**

- AYUSH has not received due recognition since independence. Over the last few years, the Government has made concerted efforts to formally mainstream AYUSH and revitalise local traditions under the [National Health Mission](#). NHP, 2017 has also recommended the mainstreaming of AYUSH.
- Given that India is facing a double burden of disease (some estimates suggest that 1 in 4 Indians could die due to a non-communicable disease by the age of 70 years), in recent years, Ayurveda and Yoga have evolved as integral components of a holistic wellness system.
- The COVID-19 pandemic has further catalyzed a shift towards preventive health and well-being. Ayurveda and [Yoga](#) have a crucial role to play in stress reduction as well as the prevention and management of chronic diseases.
- After Swachh Bharat, there is a need to make Swasth Bharat a Jan Andolan, through awareness about right nutrition, lifestyle and Yoga.

- The allocation to the Ministry of AYUSH has been increased by 40 percent

### **Nutrition, Drinking Water, Sanitation and Clean Air:**

- In addition to several initiatives in the health sector, Budget 2021-22 has also focused on various programmes that directly or indirectly influence outcomes in health such as nutrition, drinking water, sanitation and clean air.

#### *Nutrition:*

- There is a serious problem of under-nutrition, stunting, wasting and anaemia in India. POSHAN Abhiyan was launched in 2018 to provide an appropriate governance structure reflecting the many overlapping factors that affect the nutritional status of an individual or household. In Union Budget 2021-22, Mission Poshan 2.0 has been launched for strengthening the nutritional content, delivery, outreach, and outcome of various programmes by merging the Supplementary Nutrition Programme and the Poshan Abhiyaan.
- The Central Government is implementing several programmes in nutrition which include the POSHAN Abhiyaan, Integrated Child Development Services, Anemia Mukh Bharat and [Pradhan Mantri Matru Vandana Yojana](#).

#### *Drinking water and sanitation:*

- An adequate quantity of safe drinking water is essential for health, as is access to sanitation facilities with appropriate sewage disposal. Coupled with good hygiene practices, these two elements play a crucial role in reducing morbidity and mortality.
- Water quality is problematic in many areas due to an excessively high content of fluoride, arsenic and iron. The issue of viral and bacteriological contamination also exists. The absence of adequate sewage disposal results in contamination of water sources. As a result of overexploitation, groundwater quality has deteriorated considerably posing significant dangers to the health of people, especially in rural areas.
- Water-borne ailments continue to be among the leading causes of illness and child deaths in India. The World Bank estimates that 21 percent of communicable ailments are water-borne. Diarrhoea is among the biggest killers of children under the age of 5, in addition to neonatal complications, pneumonia and sepsis. Metal contamination is also a serious issue.
- A sum of about Rs. 2,87,000 Crore has been allocated over 5 years for the Jal Jeevan Mission (Urban). At least 2.86 crore household tap connections will be provided under this Mission. Universal water supply will be ensured in all 4,378 Urban Local Bodies alongside liquid waste management in 500 AMRUT cities.
- 1,41,678 Crore has been allocated over 5 years for the Urban Swachh Bharat Mission which will include complete faecal sludge management and wastewater treatment; source segregation of garbage; reduction in single-use plastic; bioremediation of all legacy dumpsites as well as managing waste from construction and demolition activities.

#### *Clean air:*

- The budget has made a provision to the tune of Rs. 2,217 Crore for tackling air pollution in 42 urban centres with a million-plus population.

### **Conclusion:**

- It is important to note that while the Union Budget is an important instrument, a large part of the action, both in terms of increased spending on the health sector as well as quality implementation at scale, lies in States.
- Thus, if the NHP, 2017 goals of increased spending on health as well as improved outcomes are to be achieved, the Centre and States will need to work in tandem.

## Chapter 3: Towards Realisation of a Five Trillion Dollar Economy

### **Introduction:**

- The Indian economy has set an ambitious target of transforming itself into a five trillion US\$ economy by 2024-25.
- Considering the large geographic size, demographic strength and robust economic fundamentals, the country is well placed to aspire for this target.

### **Impact of the pandemic:**

- The country's progress towards achieving this ambition received a setback by the onset of the COVID-19 pandemic challenges.
- An already slowing global economy got a further blow by the global pandemic in 2020. The pandemic and its consequent stringent lockdowns inhibited economic growth. Recession, which implies a fall in production/a slump in economic activity, accelerated unemployment and plummeting trade.

### **Way forward:**

- There is the need to adopt a multi-pronged approach to realize India's arduous but attainable objective of becoming a US\$ 5 trillion economy.
- The need of the hour is to follow a two-pronged approach:
  - Mitigate the impact of the consequences of the pandemic
  - Ensure accelerated growth

### **Addressing immediate challenges:**

#### *Halting the Slow Down:*

- Though the rate of growth of GNI has been slowing down since 2017-18, 2020-21 witnessed an unprecedented contraction of 7.9 percent.
- An expansionary fiscal policy is required to counter the recession.
- Both liquidity injections and fiscal stimuli are being used to steer the economy back on the growth trajectory.
  - Throughout 2020, the Government of India (GoI) provided stimuli to the economy, in the form of [AatmaNirbhar Bharat](#) packages. These packages, together with the measures taken by the Reserve Bank of India (RBI), amounted to Rs. 27.1 lakh crores, i.e. around 13 percent of the GDP.



- From 9.5 percent of GDP in 2020-21, the fiscal deficit is projected to become 6.8 percent in 2021-22 and further to 4.5 percent in 2025-26, for which the Budget envisages fiscal consolidation.

### **Ensuring accelerated growth:**

- The challenge lies in not only reversing the deceleration into acceleration, but also ensuring that the rate of growth is higher than before and high enough to achieve the target of US\$ five trillion.
- Some of the cornerstones of achieving a higher rate of growth are – facilitating agriculture, bolstering infrastructure, boosting trade and investment, guaranteeing employment and ensuring health.

### *Structural reforms:*

- The structural reforms in the past year have extended across various sectors, including new acts for agriculture, a new definition for MSMEs, enactment of [labour codes](#), reforms in the power and mineral sectors, facilitating the ease of doing business, etc.

### *Facilitating Agriculture:*

- Advance estimates published in [Economic Survey 2020-21](#) indicate that this is the only sector that will record positive growth of 0.9 percent in 2020-21.
- Some announcements for agriculture include enhancing agricultural credit target; raising the allocation for the Rural Infrastructure Development Fund from Rs. 30,000 crores to Rs. 40,000 crores; doubling of the corpus of the Micro Irrigation Fund to Rs. 10,000 crore; enlarging the scope of Operation Green Scheme to include 22 perishable products; enlarging the coverage of e-NAM by another 1,000 mandis; making Agriculture Infrastructure Fund available for APMCs; developing five major fishing hubs for economic activity; setting up of an Agriculture Infrastructure and Development Cess; and establishing a multi-purpose seaweed park.

### *Bolstering Infrastructure:*

- Physical and financial infrastructure provides the requisite framework for development of all sectors, besides providing employment.
- The Budget has announced Rs 1.97 lakh crore for Production Linked Incentive schemes for 13 sectors, earmarked Rs. 20,000 crore for capitalising the Development Financial Institution for infrastructure financing, proposed to make access to Infrastructure Investment Trusts and Real Estate Investment Trusts easier and launched a National Monetisation Pipeline of brownfield infrastructure assets and Mega Investment Textiles Parks.
- For the road sector, the Budget has announced plans for economic corridors, launching of a new scheme on a PPP mode for public buses and a [vehicle scrapping policy](#) to phase out old and unfit vehicles.
- National Rail Plan has been prepared to bring a future ready railway system by 2030.
- An announcement has been made to deploy two new technologies for metro rail.
- For the shipping sector, the Budget announced the launch of a scheme to promote merchant shipping in India.
- In the power sector, important measures include the scheme to provide assistance to DISCOMS for infrastructure creation, including pre-paid smart metering and feeder separation, up-gradation of systems, etc. The Budget announced a revamped reforms-based result-linked power distribution sector scheme with an outlay of Rs. 3,05,984 crore over 5 years.

- The Budget has announced adding 100 more districts to the City Gas Distribution network, a gas pipeline project for Jammu and Kashmir and an independent Gas Transport System Operator.
- An outlay of Rs 1,500 crores has been proposed to provide financial incentive to promote digital modes of payment.

#### *Boosting trade:*

- The revival and the recovery of economic parameters hinge greatly on the performance of the external sector, given that supply chains have become more globally integrated than ever before. Disruptions in the chains, coupled with shrinking purchasing power, due to the pandemic and lockdowns, have resulted in India's trade with the rest of the world in April-December, 2020 being around 23 percent lower than the corresponding period in 2019.
- The components of trade registered a decline: 16 percent lower exports and 28 percent lower imports during April-December, 2020. The trade balance continued to be in deficit, although the gap reduced.
- The new Trade Policy 2021-26 is to be implemented from 1st April 2021. A district-led export growth is in line with the announcement of last year's Budget wherein the focus was on encouraging each district to tap its potential for exporting a product, thereby reaping economies of scale, along with honing specialization.
- Budget 2021-22 has endeavoured to rationalize the customs duties, striking a difficult, yet necessary balance between the welfare of the domestic producers and domestic users. Agriculture infrastructure and development cess has been proposed on certain items including urea, apples, crude soya bean and sunflower oil, crude palm oil, kabulichana and peas. The proposed cess is expected to help in providing the much-needed improvement in agriculture infrastructure.

#### *Facilitating investment:*

- There was a dip of 60 percent in April-June, 2020 quarter, compared to April-June, 2019, with the foreign direct investment (FDI) reducing to US\$ 6.6 billion in the first quarter of 2020-21.
- To facilitate ease of investing in India, the Budget has revised the cap on FDI in the insurance sector from 49 percent to 74 percent, which is expected to enhance FDI into the sector, lead to greater insurance penetration and facilitate individual policy-holders to access health care.

#### *Health First:*

- Unlike recent earlier crises faced by the Indian economy, i.e. foreign exchange reserve crisis of 1991 and global economic crisis of 2008, the trigger of the current economic crisis is a health crisis.
- The health crisis has adversely affected both the financial and real sectors. This divulges the linkages between public health and economic well-being of the nation. Accordingly, the remedial approach will need to entail availability, accessibility and affordability of vaccines, need for augmented health care infrastructure and preparedness for dealing with new and unknown diseases.

#### *Harnessing Inherent Strength:*

- To be able to harness the available [demographic dividend](#) India will have to focus on providing an enabling socio-economic or extra-economic environment by focusing on nutrition, education at all levels and skilling.
- More than 15,000 schools are proposed to be qualitatively strengthened; 100 new Sainik Schools; and 750 Eklavya schools in tribal areas are to be set up.

- A Central University is proposed in Leh and nine cities are going to get various research institutions, universities, and colleges supported by the Government of India.
- The Post Matric Scholarship Scheme, for the welfare of Scheduled Castes, would be revamped.
- The Budget has announced an outlay of Rs. 50,000 crore for the National Research Foundation over five years.
- The Budget has proposed to realign the existing scheme of National Apprenticeship Training Scheme for providing post-education apprenticeship, training of graduates and diploma holders in engineering.

#### *Guaranteeing employment:*

- The doubling of the outlay for MSMEs, which has created 11.10 crore jobs in the country, may prove to be a game-changer in ensuring more employment avenues for the people seeking employment.
- The recycling of ships have a high employment potential and the Budget announcement of doubling the recycling capacity of around 4.5 million Light Displacement Tonne (LDT) by 2024, is expected to generate an additional 1.5 lakh jobs.
- For migrant workers in particular, the Budget made important announcements, viz. universal coverage under 'One Nation One Ration card' plan; launching a portal to collect relevant information; extending social security benefits to [gig and platform workers](#); minimum wages to apply to all categories of workers; women to be allowed to work in all categories and also in night-shifts with adequate protection; and reducing compliance burden on employers.
- Reducing the margin capital requirement for loans for agricultural allied activities via the Stand-up India scheme from 25 percent to 15 percent for SCs, STs and women will address credit bottlenecks.
- The Budget has proposed to extend the eligibility for claiming tax holiday for start-ups and capital gains exemption for investment in start-ups till 31st March 2022. This will help incentivize startups which can play a significant role in generating employment in the Indian economy.

#### **Conclusion:**

- The task of achieving a US\$ 5 trillion economy is daunting. The impairment has been so deep and vast that recovery and revival cannot be expected in the short run. However, the resilience of the economy is evident, especially from the revival in FDI and trade.
- The RBI has projected a growth of 10.5 percent in 2021-22. The International Monetary Fund too has projected India's growth in 2021 to be 11.5 percent, after recording a dismal-8 percent in 2020.
- Timely and effective implementation of the Budget announcements will have a multiplier effect across different sectors of the economy.

## Chapter 4: Boosting the Education Sector

#### **Introduction:**

- The purpose of the education system is to develop good human beings capable of rational thought and action, possessing compassion and empathy, courage and resilience, scientific temper and creative imagination, with sound ethical moorings and values. Quality education can play a catalytic role in developing an equitable, just and open-minded society, which is full of opportunities for each individual.
- Various surveys have pointed towards the falling standards of education despite achieving universal access at the elementary level.

- The [National Education Policy 2020 \(NEP 2020\)](#) has envisioned a substantial transformation in the entire education system at all stages right from Early Childhood Care and Education (ECCE) to higher education.

### **Major provisions related to the educational sector in budget 2021:**

- The Budget 2021 touches upon the core foundation of school education and paves the way to achieve the objectives of NEP 2020.
- The budget announcements for school education can be categorized into core themes of Access to Quality Education, Teachers, Technology, Innovative Pedagogies, Equity and Inclusivity, Transformation of Assessment, and Reinforcement to Adult Education.

### **Access to Quality Education:**

- 15000 exemplar schools will be qualitatively strengthened to include all components of the National Education Policy. These schools will provide a safe and stimulating learning environment where a wide range of learning experiences will be offered, with good physical infrastructure and access to appropriate resources conducive for learning. The focus of these schools would be on the holistic development of learners.
- 100 New Sainik Schools will be set up in partnership with NGO/State/Private Schools and 750 Eklavya model residential schools will be set up in tribal areas.

### **Teachers:**

- Given the pivotal role played by teachers in shaping the future generation of the country, they are expected to update their knowledge base and use technology wherever possible.
- Budget 2021 lays a lot of emphasis on the capacity building of teachers. It has been mentioned that 56 lakh school teachers will be trained through the National Initiative for School Heads and Teachers for Holistic Advancement (NISHTHA).
- NISHTHA was launched by the Department of School Education and Literacy, Government of India, as a National Mission to improve learning outcomes at the elementary level through an Integrated Teacher Training programme in 2019.
- In order to equip teachers in this rapidly changing era, it has been decided to formulate National Professional Standards for Teachers (NPST).
  - As of today, we only have minimum qualifications for the appointment of teachers that are prescribed by the NCTE. However, NPST will be a much more comprehensive set of norms encompassing the expectations of all participants.
- Further, a National Mission for Mentoring, with a large pool of outstanding senior/retired faculty who would be willing to provide short and long-term mentoring/professional support to university/college teachers, as envisaged in NEP 2020 has also been announced.

### **Technology:**

- NEP 2020 puts a lot of emphasis on increased use of technology at all levels including improving teaching-learning, evaluation processes, supporting teacher preparation and professional development, enhancing educational access, and streamlining educational planning, management, and administration including processes related to admissions, attendance, assessments, etc.
- It has been envisaged to set up a National Digital Education Architecture (NDEAR) as education ecosystem architecture for the development of digital infrastructure.



### Equity and Inclusivity:

- The National Education Policy highlights the importance of Sustainable Development Goal 4 adopted by India in 2015, which seeks to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" by 2030.
- It has been announced in Budget 2021 that Indian Sign Language (ISL) will be standardized so that quality content is available to such children.
- Post Matric Scholarship Scheme for the welfare of Scheduled Castes has been revamped and central assistance has also been enhanced in this regard.

### Innovative Pedagogies:

- With various scientific and technological advances, such as the rise of big data, machine learning, and [artificial intelligence](#), the entire education system is required to showcase its capabilities in integrating technology in the teaching-learning process, also at the same time adapting and equipping learners to think critically and solve problems in a creative and innovative manner.

### Transformation in Assessment:

- The very high level of marks being obtained in school board exams is a symptom of an education system, which relies almost totally on rote learning, under which students are not encouraged to think. Therefore, the need was felt to transform the pattern of assessment to ensure competency-based learning, a whole-child approach, and awareness about the diverse and multilingual needs of students and to carry out assessments accordingly.
- NEP 2020 recommends that the aim of the assessment is to shift from one that is summative and primarily tests rote memorization skills to one that is more regular and formative, is more competency-based, promotes learning and development for our students, and tests higher-order skills, such as analysis, critical thinking, and conceptual clarity.
- In this regard, it is deemed necessary to redesign Board exams to encourage holistic development; and to make Board exams 'easier', in the sense that they will test primarily core capacities/competencies.
- Budget 2021 advocates reforms in the CBSE board examination. Accordingly, CBSE has started modifying the design of its question papers by adding questions that are context/case-based.
- Further, a Holistic Progress Card (HPC) for students, as announced in Budget and envisioned in NEP 2020, is a paradigm shift from the traditional way of assessment. The progress card will be a holistic, 360-degree, multidimensional report that reflects in great detail the progress as well as the uniqueness of each learner in the cognitive, affective, and psychomotor domains.
- The primary purpose of assessments will indeed be for learning; it will help the teacher and student, and the entire schooling system, continuously revise teaching-learning processes to optimise learning and development for all students. This will be the underlying principle for assessment at all levels of education.

### Reinforcement to Adult Education:

- The Sustainable Development Goal 4.6 of the United Nations mandates that "By 2030 ensure that all youth and adults, both men and women, achieve literacy and numeracy".
- The importance of adult literacy is also emphasized in NEP 2020 which states that the opportunity to attain foundational literacy, obtain an education, and pursue a livelihood must be viewed as basic rights of every citizen.

- Worldwide data on nations indicate extremely high correlations between literacy rates and per capita GDP.
- Budget 2021 announces increased access to resources, and the introduction of online modules covering the entire gamut of adult education. Technological leverage, community participation, and access to quality content will be crucial in achieving the goal of adult literacy by 2030.

### **Conclusion:**

- The splendid vision of NEP-2020 requires a plethora of reforms at all levels and the active involvement of all stakeholders.

## **Chapter 5: AatmaNirbhar Women**

### **Introduction:**

- The role of women outside the home has become an important aspect of the social and economic life of the country and this will become even more significant in this new decade.
- The limited access to healthcare, education and funds act as a barrier to realizing their dreams.

### **Budget provisions related to women:**

- One of the main focus areas in this year's Budget has been Women Empowerment and Inclusive Development among others.

### **Women and the Health Sector:**

#### *AatmaNirbhar Swastha Bharat Yojana:*

- One of the biggest announcements in the Budget that has the power to impact women, skilled and semi-skilled, rural and urban, as participants or beneficiaries, is the AatmaNirbhar Swastha Bharat Yojana.
- With the overarching goal to boost health infrastructure over the next six years with an outlay of about Rs. 64,180 crore, it will develop capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new institutions. The main interventions under the scheme include support for 17,788 rural and 11,024 urban health and wellness.
- Presently, women constitute almost half of the qualified health workforce in the country, as doctors, nurses, ASHA workers midwives, anganwadi workers, etc., performing a critical role in healthcare services. If the scheme is gender-responsive in its outreach as well as implementation and monitoring, it can impact the lives of Indian women in meaningful ways.

### **Social Sector Schemes Benefitting Women:**

#### *Mission Poshan 2.0 Scheme:*

- To strengthen nutritional content, delivery, outreach, and outcome, the budget proposes the merger of the Supplementary Nutrition Programme and the [Poshan Abhiyaan](#) to launch Mission Poshan 2.0.

- Poshan 2.0 scheme is an umbrella scheme covering the Integrated Child Development Services (ICDS), Anganwadi Services, Poshan Abhiyaan, and Scheme for Adolescent Girls and the National Creche Scheme.
- The launch of Mission Poshan 2.0 is expected to aid food and nutrition security, especially for migrants. These missions aim to improve nutritional outcomes, especially for women and girls who are most often the last and get least to eat, given the prevalent socio-cultural norms and practices.

### **Mission Shakti:**

- Mission Shakti (mission for protection and empowerment of women) has the following components: SAMBHAL (One Stop Centre, Mahila Police Volunteer, Women's Helpline/Swadhar/Ujjawala, Widow, Homes, etc.) and SAMARTHYA (Beti Bachao Beti Padhao, Creche, Pradhan Mantri Matru Vandana Yojana, Gender Budgeting, Research, Skilling, Training, etc.)

### **Pradhan Mantri Ujjwala Yojana:**

- Pradhan Mantri Ujjwala Yojana (PMUY) scheme was launched to distribute five crore LPG connections to women of Below Poverty Line families to promote a smoke-free rural India.
- The target was later revised to provide a free gas connection to eight crore women by March 2020. Now, the finance minister aims to bring one crore more women under this scheme.

### **Jal Jeevan Mission (Urban):**

- The Jal Jeevan Mission (Urban) aims at universal water supply in all 4,378 Urban Local Bodies with 2.86 crores household tap connections, as well as liquid waste management in 500 AMRUT cities.
- The universal coverage of water supply is expected to reduce women's drudgery and time spent on household labour and care work.

### **Fillip to Women Labour Force Participation:**

#### *Low LFPR of women in India*

- According to Census 2011, there are 149.8 million women workers in India, out of which 121.8 million are in rural areas and 20 million in urban areas. Yet, when it comes to seeking employment, women constitute only 18.6 percent of the population working or looking for work, whereas, in the case of men, the number goes up to 55.6 percent as of 2018-19.
- While female labour force participation (FLFP) has never been very high due to social practices, it has been falling in recent years. It stood at 24.5 percent in 2018-19 for women aged 15 years and above (after declining sharply from 31.2 percent in 2011-12), and is well below the global average of 45 percent.
- Women have been continuously dropping out of the labour force and increasingly attending to domestic duties, even when education levels have shown much improvement and the economy has been growing at a steady rate.
- The COVID-19 pandemic has only worsened the situation with huge job losses in sectors such as education, domestic work, tourism, restaurants, where women find employment in large numbers.
- A major disparity is the gender gap in terms of paid and unpaid work. Again, women have had to face an increase in household chores, reduced health and nutrition outcomes and reduced economic opportunities.

- While both men and women were hit by the economic crisis, men have found it easier to find employment again. According to a study by the Centre for Science and Environment, only 16 percent of women in December 2019 still retained their jobs during and after the lockdown.
- In the aftermath of the COVID-19 pandemic, the government has taken initiatives for creating jobs at local levels through Pradhan Mantri Garib Kalyan Yojana (PMGKY), AatmaNirbhar Bharat and Pradhan Mantri Garib Kalyan Rozgar Abhiyan (PMGKRA). Under PMGKRA, the government has taken various initiatives to boost rural infrastructure and rural economy to provide local employment opportunities particularly to the migrant workers including women who have returned.
- The Government has also launched [PM SVANidhi Scheme](#) to facilitate collateral-free working capital loan up to Rs.10,000 of one-year tenure, to approximately 50 lakh street vendors including women, to resume their businesses.

### **Opportunities in Gig Economy:**

- Over the years, more women have been migrating to urban areas for employment. Young women, equipped with newly acquired skills relevant in the job market and higher aspirational levels are overcoming traditional gender norms to seek out work in the big cities.
- Women are seeking and finding more opportunities in urban areas, particularly the gig economy which includes digital platforms offering on-demand services, besides the informal sector which includes work settings such as freelancing, direct selling, beauty parlours and the like. The gig economy, especially digital platforms, is a game-changer. The flexible working norms make it easy for women to balance their traditional roles with work, though remuneration may not be that fulfilling.
- As much as 50 percent of the gig economy labour forces are women, and these jobs being part of the new economy, the gender pay gap is also narrower.

### *Setting up Portal for Gig Economy Workers:*

- Budget announcement to launch a portal that will collect relevant information on gig, building, and construction-workers among others is a welcome move. This will help formulate health, housing, skill, insurance, credit, and food schemes for migrant workers.
- The implementation of the four labour codes will help extend the social security benefits to gig and platform workers and help ensure that minimum wages will be applicable to all categories of workers, and they will all be covered by the Employees State Insurance Corporation.
- The extension of social security benefits to the gig and platform economy is a path-breaking initiative that has the potential to provide flexi-work opportunities to millions of women.
- Reducing the wage gap, providing adequate skills, access to digital assets, digital literacy and digital platforms are key drivers for the participation of women in the labour force in India and for their subsequent economic empowerment.

### **Allowing Women to Work Across Sectors and in Night Shifts:**

- The Budget proposal to let women work in all sectors and also in night shifts, can boost gender diversity in workplaces and see increased participation of women in sectors such as manufacturing and engineering.
- This announcement would encourage companies to create workplace policies with proper safeguards that are gender-inclusive by structure and design.
- The parity in access to workplace opportunities will not only help raise women's labour force participation in the country, but will also have a larger socio-economic impact with more women becoming contributors to the economy.



### **Textile and Tea Industries:**

- Two sectors that have a large women workforce are the textile industry and the tea industry.
- Some of the major announcements in the Budget this year was the setting up of seven Mega Investment Textiles Parks (MITRAs) and Production Linked Incentive (PLI) Scheme in the Budget, so as to enable the textile industry to become globally competitive and attract large investments.
- With respect to the tea industry, the announcement of Rs. 1,000 crore for the welfare of tea workers, especially women and their children in Assam and West Bengal is a welcome step given that women constitute close to 60 percent of tea pluckers in the industry.

### **Skilling and Training Imperatives:**

- The Finance Minister proposed to amend the Apprenticeship Act and realign the National Apprenticeship Training Scheme for a post-education apprenticeship, training of graduates and diploma holders in engineering. This will help create talent that is employable and equipped with the right set of skills relevant to the industry.
- The agreement with countries like United Arab Emirates (UAE) and Japan will help enhance skilling initiatives.

### **Encouraging Entrepreneurs:**

- The startup sector has emerged as a powerful growth engine for the country, contributing significantly to the digital, innovation and employment revolution taking place in the country.
- To further facilitate credit flow under the scheme of [Stand Up India](#) for SCs, STs, and women, the Budget has proposed to reduce the margin money requirement from 25 percent to 15 percent, and to also include loans for activities allied to agriculture.
- In order to incentivize startups in the country, the Budget has proposed to extend the eligibility for claiming tax holiday for startups as well as capital gains exemption for investment in startups by one more year — till 31st March 2022.

### **Conclusion:**

- The proposed Budget initiatives and investments across sectors and schemes have the potential to re-orient the lives of millions of women, make nutrition and healthcare more accessible even as their job prospects brighten through relevant skill training, new employment opportunities and access to cheaper credit, ultimately making them self-reliant and financially independent.
- The Budget proposals across sectors and schemes throw up new opportunities for women to take their rightful place in the economic revival story.

## **Chapter 6: Infrastructure Development**

### **Significance of infrastructure development:**

- Infrastructure development is crucial with strong forward and backward linkages, particularly with the core sectors of the economy, such as steel, cement and other building materials.

- Infrastructure development directly or indirectly impacts 270 different industries. An upswing in infrastructure has strong implications for other sectors as well, especially the financial and housing sectors.

### **Related provisions in the Union Budget:**

- One of the six pillars of the Union Budget 2021-22 was physical and financial capital and infrastructure creation.
- The formulation of the Budget has been done during the COVID-19 pandemic and the unprecedented hardships faced by the countrymen has steered the focus of the Government to create new jobs by building core infrastructure, monetize assets and aid the process of urbanization.
- The big push for infrastructure development is planned to be funded by a sharp increase in capital expenditure. Rs. 5.54 lakh crores are being injected as a physical stimulus to support demand and aid economic recovery thereby giving a Big Push to infrastructure which in turn will lead to multiplier effects.

### **Physical infrastructure and asset creation:**

- The Budget 2021-22 is a landmark in history for its clear insights and bold steps for rebuilding and reviving the Indian economy through a big push to infrastructure and asset creation.
- The following key initiatives have been announced in the Budget 2021-22:

#### *Roads and Highways Infrastructure:*

- More than 13,000 km length of roads, at a cost of Rs. 3.3 lakh crores, has already been awarded under the Bharatmala Pariyojana project.
- By March 2022, another 8,500 km will be awarded and an additional 11,000 km of national highway corridors will be completed.
- To further augment road infrastructure, more economic corridors are also being planned.

#### *Railway Infrastructure:*

- Indian Railways has prepared a [National Rail Plan](#) for India – 2030. The Plan is to create a ‘future ready’ railway system by 2030.
- Western Dedicated Freight Corridor (DFC) and Eastern DFC will be commissioned by June 2022. Future dedicated freight corridor projects are to be undertaken.
- Broad Gauge Route Kilometers (RKM) electrified is expected to reach 46,000 RKM and 100 percent electrification of Broad-Gauge routes will be completed by December 2023.
- A record sum of Rs.1,10,055crores, for Railways is allocated of which Rs.1,07,100 crores is for capital expenditure.

#### *Urban Infrastructure:*

### **Urbanization in India**

- India is witnessing rapid urbanization. According to Census 2011, India’s urban population was 37.7 crore, which is projected to grow to about 60 crore by 2030. According to the [United Nations](#), more than 40 percent of the country’s population is expected to reside in urban areas by 2030.

- Urbanization is an important determinant of national economic growth and poverty reduction. It is imperative that housing, transport, water and sanitation be accorded priority.
- The share of public transport in urban areas is to be increased through the expansion of the metro rail network and the augmentation of city bus service.
  - A new scheme will be launched to support the augmentation of public bus transport services. The scheme will facilitate the deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses. The scheme will boost the automobile sector, provide a fillip to economic growth, create employment opportunities for our youth and enhance ease of mobility for urban residents.
  - Two new technologies i.e., 'MetroLite' and 'MetroNeo' will be deployed to provide metro rail systems at much lesser cost with the same experience, convenience and safety in Tier-2 cities and peripheral areas of Tier-1 cities.
- The Budget 2021-22 has sought to improve the living conditions in urban areas. The [Jal Jeevan Mission](#) (Urban), will be launched to provide universal water supply in all 4,378 Urban Local Bodies with 2.86 crores household tap connections, as well as liquid waste management in 500 AMRUT cities. The focus is on complete faecal sludge management and wastewater treatment, source segregation of garbage, reduction in single-use plastic, reduction in air pollution by effectively managing waste from construction and demolition activities and bio-remediation of all legacy dump sites.

#### *Rural infrastructure:*

- Spending on rural infrastructure development has increased by 34 percent to 40,000 crores and a micro-irrigation corpus of Rs.10,000 crores is a welcome measure to help increase farm income.
- The Government expects to collect about Rs.30,000 crore from the new levy of Agriculture Infrastructure and Development Cess.

#### *Power Infrastructure:*

- The past six years have seen a number of reforms and achievements in the power sector. India has added 139 Giga Watts of installed capacity, connected an additional 2.8 crores households and added 1.41 lakh circuit km of transmission lines.
- Given the fact that the viability of Distribution Companies is a serious concern, a revamped reforms-based result-linked power distribution sector scheme has been launched with an outlay of Rs.3,05,984 crores over 5 years. The scheme will provide assistance to DISCOMS for infrastructure creation including pre-paid smart metering and feeder separation, up-gradation of systems, etc., tied to financial improvements.
- The government has announced plans to launch a comprehensive [National Hydrogen Energy Mission](#). Budget 2021-22 proposes to launch a Hydrogen Energy Mission in 2021-22 for generating hydrogen from green power sources.

#### *Ports, Shipping, Waterways:*

- Major ports will be moving from managing their operational services on their own to a model where a private partner will manage it for them.
- A scheme to promote the flagging of merchant ships in India will be launched by providing subsidy support to Indian shipping companies in global tenders floated by Ministries and CPSEs.
- India has enacted the Recycling of Ships Act, 2019 and acceded to the Hong Kong International Convention. Around 90 ship recycling yards at Alang in Gujarat have already achieved HKC-compliant certificates. Efforts will be made to bring more ships to India from Europe and Japan. The recycling

capacity of around 4.5 Million Light Displacement Tonne (LDT) will be doubled by 2024. This is expected to generate an additional 1.5 lakh jobs for our youth.

#### *Petroleum and Natural Gas:*

- Ujjwala Scheme which has benefited eight crores households will be extended to cover one crore more beneficiaries.
- 100 more districts will be added in the next three years to the City Gas Distribution network.
- An independent Gas Transport System Operator will be set up for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis.

#### **Financial aspects:**

##### *Augmenting Financial Infrastructure:*

- Budget 2021-22 proposes to consolidate the provisions of SEBI Act, 1992, Depositories Act 1996, Securities Contracts (Regulation) Act, 1956 and Government Securities Act, 2007 into a rationalized single Securities Markets Code.
- There is also a proposal to create a permanent institutional framework. The proposed body would purchase investment-grade debt securities both in stressed and normal times and help in the development of the bond market.

##### *Development Financial Institution:*

- Infrastructure creation needs long term debt financing. A professionally managed Development Financial Institution is necessary to act as a provider, enabler and catalyst for infrastructure financing and Rs. 20,000 crores have been provided to capitalize the setting up of a Development Financial Institution (DFI).

##### *InVITS and REITs:*

- Debt Financing of InVITs and REITs by Foreign Portfolio Investors is to commence soon by making suitable amendments in the relevant legislations. This will further ease access of finance to InVITs and REITs thus augmenting funds for infrastructures and real estate sectors.
- Dividend payment to REIT/InvIT has also been exempted from TDS.

##### *Incentives to affordable housing sector:*

- Affordable housing projects can avail a tax holiday for one more year – till 31st March 2022. The additional deduction of 1.5 lakh shall therefore be available for loans taken up till 31st March 2022, for the purchase of an affordable house. Such measures will help incentivize home buyers and real estate developers.

##### *National Monetization pipeline:*

- Monetizing operating public infrastructure assets is a very important financing option for new infrastructure construction. A “National Monetization Pipeline” of potential brownfield infrastructure assets has been announced in the Budget 2021-22.



- Some important measures in the direction of monetization are:
  - [National Highways Authority of India](#) and PGCIL each have sponsored one InvIT that will attract international and domestic institutional investors.
  - Railways will monetize Dedicated Freight Corridor assets for operations and maintenance, after commissioning.
  - The next lot of airports will be monetized for operations and management concession.
  - Core infrastructure assets will be rolled out under the Asset Monetization Programme.

#### *Stressed Asset Resolution by setting up a new structure:*

- An Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to [Alternate Investment Funds](#) and other potential investors for eventual value realization.

#### *Recapitalization of PSBs:*

- To further consolidate the financial capacity of PSBs, a further recapitalization of Rs.20,000 crores is proposed in 2021-22.

#### *Deposit Insurance:*

- There has been an increase in the Deposit Insurance cover from Rs. 1 lakh to Rs. 5 lakhs for bank customers.
- Amendments in the DICGC Act, 1961 is proposed to streamline the provisions, so that if a bank is temporarily unable to fulfil its obligations, the depositors of such a bank can get easy and time-bound access to their deposits to the extent of the deposit insurance cover.
- For NBFCs with a minimum asset size of Rs.100 crores, the minimum loan size eligible for debt recovery under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest ([SARFAESI](#)) Act, 2002 is proposed to be reduced from the existing level of Rs. 50 lakhs to Rs.20 lakhs.

#### **Recommendations:**

- Environmental, social and governance (ESG) concerns would have to be taken into account into infrastructure projects as institutional investors look at these factors before committing investments.
- ESG integration would help align infrastructure development with India's Paris Accord obligations.

## **Chapter 7: Inclusive Marksmanship with Rural Prosperity**

#### **Inclusive development:**

- Among the many other areas of focus of the budget 2021-22, inclusive development is of prime interest. The soul of the budget proposal revolves around six pillars. Pillar-III of the budget proposal on 'Inclusive Development for Aspirational India' covers a lot on rural development, agriculture, and inclusiveness.
- The budget 2021-22 focuses largely on inclusive development to bring more inclusivity in all the spheres of socio-economic activities.
- The government has proposed and allocated fund for various initiatives for inclusive development.

### **Rural prosperity for inclusive development:**

- The socio-fiscal attainments of the Indian economy certainly depend upon how the rural economy performs and progresses. In India, more than 65 percent of the total population lives in villages and therefore rural development itself signifies its importance in all kinds of public policymaking.
- Rural development can be used as an index for appraising the economic development of our country.

### **Initiatives for Rural Development:**

#### **Rural infrastructure:**

- To foster rural prosperity, special emphasis has been given to rural infrastructure development. The government has allocated Rs. 40,000 crores for the Rural Infrastructure Development Fund.

#### **Provisioning for Agriculture:**

- The well-being of rural India very much rests on agriculture and its development. The agriculture sector has got the top priority in the recent budget wherein the government has undertaken various measures to boost the agriculture sector.
- The MSP regime has undergone a record change. MSP is assured at least 1.5 times the cost of production across all the commodities and also procurement process has been enhanced.
- There is the provision for an annual supplement of income to the farmers, to be done directly through [PM-Kisan](#).
- Crop Insurance Scheme and interest subsidy to farmers availing short-term credit got funding support in the current budget.

#### **Provisioning for Agricultural Credit:**

- Agricultural credit has been increased to Rs.16.5 lakh crores in the current budget.
- The provision of agricultural credit has increased by more than four times in the last decade considering the importance of agriculture in contributing to rural employment, farmers' well-being and especially to support farmers in doubling their incomes.

#### **Provisioning for Agriculture Marketing:**

- National Agriculture Market (e-NAM) is playing a crucial role in augmenting agricultural marketing. Trade value worth of Rs. 1.14 lakh crores has been already carried out. More than 1.68 crore farmers are already registered and getting benefits from it. It has been decided to integrate 1,000 more mandis with e-NAM.
- In addition, agricultural infrastructure fund would be made available to [APMCs](#) to strengthen their infrastructure facilities.
- The government has enacted a number of laws to free the farmers from the clutches of the middlemen so that they get the real value of their yields.

#### **Irrigation:**

- Provision of irrigation facilities is crucial to heighten agriculture productivity and to ensure a better standard of living for the farmers. Over the years, expansion of micro-irrigation projects through [Pradhan](#)

[Manthri Krishi Sinchayee Yojana](#), a corpus of Rs. 5,000 crores fund has been created under NABARD for micro-irrigation purposes.

### **Energy sovereignty:**

- The launch of PM-KUSUM by means of ‘energy sovereignty’ scheme removed the farmer’s dependence on conventional sources of energy and linked pump sets to solar energy. To strengthen it, the government has made a funding provision of Rs. 776 crores in this budget.

### **Funding for ongoing schemes:**

- Ongoing schemes like MGNREGS, National Rural Drinking Water Mission, Swachh Bharat Mission Gramin, Pradhan Mantri Gram Sadak Yojana, Rashtriya Gram Swaraj Abhiyan and Deen Dayal Upadhyaya Gram Jyoti Yojana have received substantial allocations.

### **Initiatives for Inclusiveness:**

- As a part of financial inclusion, the government has decided to ease the credit flow under the scheme of ‘Stand Up India’ for SCs, STs, and women. It is proposed to reduce the margin money requirement from 25 percent to 15 percent, and also to include loans for the activities allied to agriculture.
- Considering the role of MSMEs in the Indian economy which is contributing 32 percent in GVA and employing around 11 million people, this sector has got a budget provision of Rs. 15,700 crores which is more than double the previous budget provision.
- In addition, the budget has made a provision of Rs. 1,000 crores for the welfare of tea workers especially for women and their children in Assam and West Bengal.
- There are proposals to establish 750 Eklavya model residential schools in the tribal areas. For the welfare of scheduled castes, Post Matric Scholarship Scheme got bigger funding support. This central assistance will benefit around 4 crores SC students.
- The National Social Assistance Program got a higher budget outlay in comparison to the previous year budget provisioning. The Pradhan Mantri Swasthya Suraksha Yojana and Rashtriya Swasthya Bima Yojana cover the health insurance as a part of an inclusive initiative.

### **Conclusion**

- Overall the budget focuses on inclusive development and presents a fiscal agenda focusing on holistic development.
- From rural prosperity perspectives, the budget emphasizes agriculture and allied activities; especially on farmers’ welfare, rural infrastructure, the welfare of migrant labourers, and financial inclusion.
- The focus of the budget 2021-22 towards inclusive development and farmers’ welfare is a much welcome step.

## **Chapter 8: Boosting Agri Sector Through Investment in Infrastructure and Processing**

### **Significance of the agricultural sector:**

- The agriculture and allied sector play a critical role in rural livelihood, employment and national food security.
- The sector provides the largest source of livelihoods in India. It is estimated that around 55-60 percent of its rural households depend primarily on agriculture for their livelihood. According to Agriculture Census (2015-16), there are 14.5 crore farmer families in the country.
- Economic Survey-2020-21 has stated that about 54.6 percent of the total workforce in the country is still engaged in agricultural and allied sector activities (Census 2011).
- The sector accounts for approximately 17.8 percent of the country's Gross Value Added (GVA) for the year 2019-20 (at current prices).
  - The share of agriculture and allied sectors in GVA of the country has declined from 18.2 percent in 2014-15 to 17.8 percent in 2019-20. The share of livestock in the country's GDP has increased from 4.4 percent to 5.1 percent between 2014-15 to 2018-19.

### **Impact of the pandemic on the agricultural sector:**

- The agricultural activities were adversely impacted during the lockdown announced last year to curb the spread of COVID-19.
  - Notably, the Economic Survey (2020-21) stated that the agriculture and allied sectors were the sole bright spot amid the slide in performance of other sectors, clocking a growth rate of 3.4 percent at constant prices in 2020-21.
  - The growth in GVA of agriculture and allied sectors has been fluctuating over time. The agriculture and allied sector also got a boost because of adequate rainfall received during South-Western monsoon months.
- The national lockdown announced in March 2020 coincided with the commencement of the harvesting season for the Rabi or winter crops creating further adversity for the sector.
- The migration of agricultural labour or workforce to their native places during the lockdown created a shortage of farm labour.

### **Government initiatives:**

#### **AatmaNirbhar Bharat initiative:**

- For giving a boost to the agriculture and allied sector, the government had announced a series of measures under AatmaNirbhar Bharat initiatives in May 2020.
- The agriculture sector got a boost through various measures on credit, market reforms and food processing.
- The focus was on creating requisite infrastructure for processing and cold chains in the agriculture and allied sectors including animal husbandry, dairying and fisheries as these sectors are witnessing steady growth over the last decade.

### **Budget announcements:**

- Under the broader theme of 'Inclusive Development for Aspirational India' the budget announced several measures which covered agriculture and allied sectors and farmers' welfare.
- The important measures include the following:
  - Boost to Agricultural Credit
  - Infrastructure Development Fund
  - Enhancement in the corpus of the Micro Irrigation Fund



- Boost to Value Addition and Exports through Expansion of Operation Green. Under Operation Greens Scheme, there is a provision of 50 percent subsidy on transport and storage of notified fruits and vegetables if prices of such fruits or vegetables are below the trigger price. Now, the transportation subsidy would also be available under Kisan Rail Scheme in a very simplified way. Farmers can transport any notified fruits and vegetable crops through Kisan Rails.
- Agriculture Infrastructure Fund for APMCS
- 1000 more mandis to be integrated into e-NAM
- Development of Five Fishing Harbours
- Promotion of Seaweed Farming - Seaweed farming is an emerging sector with the potential to transform the lives of coastal communities. The budget proposal includes setting up a Multipurpose Seaweed Park in Tamil Nadu.
- Extension of SWAMITVA scheme to the whole country.

### **Conclusion:**

- Measures announced in the union budget (2021-22) give a thrust on increasing investment in agriculture and allied sector, infrastructure development and promotion of value addition or processing for ensuring higher farmers' income.
  - With such a major thrust on infrastructure creation in agriculture and allied sector which had shown resilience to face challenges posed by COVID-19 pandemic, the agriculture sector is expected to witness robust growth in the coming years. Agriculture and allied sector growth has linkages with overall economic development.
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