

HIGHLIGHTS OF UNION BUDGET PRESENTED BY FM ON 1ST FEBRUARY 2021

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1) Even as a large section of citizens stayed home, milk, vegetable, and fruit-suppliers, health and sanitary workers, truck drivers, railways and public transport workers, bank employees, electricity workers, our *annadatas*, police, firemen, and the armed forces, all had to go about their work as normal, but with the additional anxiety of the virus hanging over them.

2) Today, India has two vaccines available, and has begun medically safeguarding not only her own citizens against COVID-19, but also those of 100 or more countries.

3) Provided Rs.35,000 crores for Covid-19 vaccine in BE 2021-22. Committed to provide further funds if required.

4) **The National Infrastructure Pipeline (NIP)** was launched with 6835 projects; the project pipeline has now expanded to 7,400 projects. Around 217 projects worth Rs.1.10 lakh crores under some key infrastructure Ministries have been completed.

NIP requires require a major increase in funding both from the government and the financial sector

- i) creating the institutional structures;
- ii) a big thrust on monetizing assets, and
- iii) enhancing the share of capital expenditure in central and state budgets

5) Asset Monetisation

A “National Monetization Pipeline” for monetizing operating public infrastructure assets

- i) National Highways Authority of India
- ii) Dedicated Freight Corridors’ assets for operations and maintenance, after commissioning
- iii) Next lot of Airports
- iv) (i) NHAI Operational Toll Roads (ii) Transmission Assets of PGCIL (iii) Oil and Gas Pipelines of GAIL, IOCL and HPCL (iv) AAI Airports in Tier II and III cities, (v) Other Railway Infrastructure Assets (vi) Warehousing Assets of CPSEs such as Central Warehousing Corporation and NAFED among others and (vii) Sports Stadiums.

6) Roads and Highways Infrastructure

- a) Outlay of Rs. 1,18,101 lakh crores for Ministry of Road Transport and Highways, of which Rs. 1,08,230 crores is for capital, the highest ever.
- b) Bharatmala Pariyojana project More than 13,000 km length of roads, at a cost of Rs. 3.3 lakh crores is on progress.

7) Railway Infrastructure

- a) Outlay of Rs. 1,10,055 crores, for Railways of which Rs. 1,07,100 crores is for capital expenditure.
- b) It is expected that Western Dedicated Freight Corridor (DFC) and Eastern DFC will be commissioned by June 2022.
- c) The Sonnagar – Gomoh Section (263.7 km) of Eastern DFC will be taken up in PPP mode in 2021-22. Gomoh-Dankuni section of 274.3 km will also be taken up in short succession.
- d) Future dedicated freight corridor projects
 - i) East Coast corridor from Kharagpur to Vijayawada,
 - ii) East-West Corridor from Bhusaval to Kharagpur to Dankuni and
 - iii) North-South corridor from Itarsi to Vijayawada.
- e) 100% electrification of Broad-Gauge routes will be completed by December, 2023

- f) High density network and highly utilized network routes of Indian railways will be provided with an indigenously developed automatic train protection system that eliminates train collision due to human error.

8) Urban Infrastructure

- a) A new scheme will be launched at a cost of Rs. 18,000 crores to support augmentation of public bus transport services.
- b) The scheme will facilitate deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses.

Metros

- a) A total of 702 km of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities.
- b) Two new technologies i.e., 'MetroLite' and 'MetroNeo' will be deployed to provide metro rail systems at much lesser cost with same experience.
- c) Central counterpart funding will be provided to
 - i) Kochi Metro Railway Phase-II
 - ii) Chennai Metro Railway Phase-II
 - iii) Bengaluru Metro Railway Project Phase 2A and 2B
 - iv) Nagpur Metro Rail Project Phase-II and
 - v) Nashik Metro

9) Increasing FDI in Insurance Sector

Proposed to increase the permissible FDI limit from 49% to 74% in Insurance Companies and allow foreign ownership and control with safeguards.

10) Disinvestment and Strategic Sale

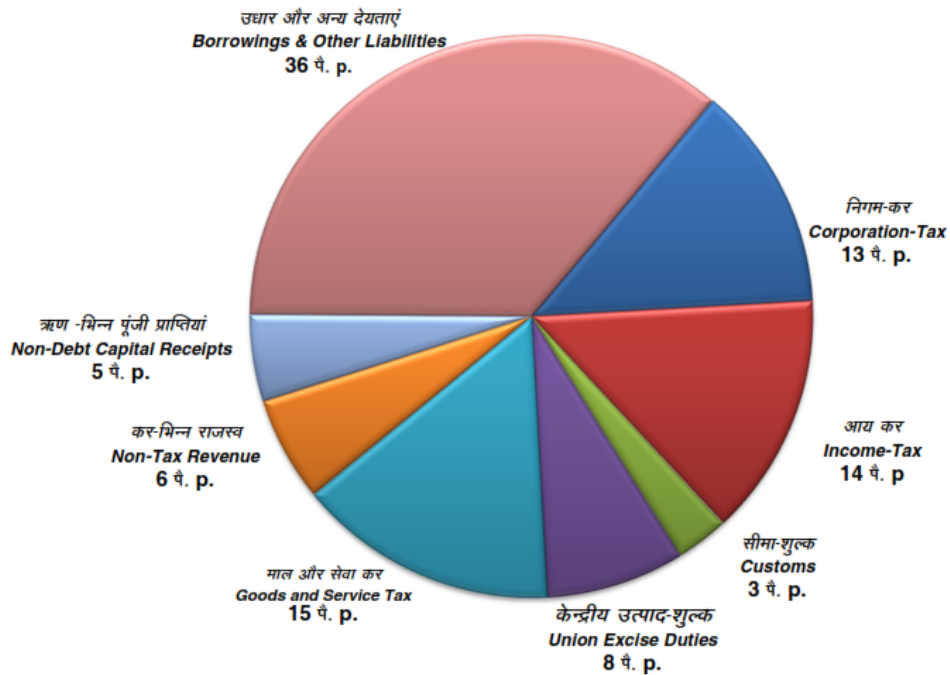
- a) Estimated receipts from disinvestment is Rs. 1,75,000 crores
- b) Disinvestment of BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam limited among others would be completed in 2021-22.
- c) Other than IDBI Bank, proposed to take up the privatization of two Public Sector Banks and one General Insurance company in the year 2021-22.
- d) The policy provides a clear roadmap for disinvestment in all nonstrategic and strategic sectors. Proposed to keep four areas that are strategic where bare minimum CPSEs will be maintained and rest privatized, in the remaining sectors all CPSEs will be privatized.
- e) Incentive package of Central Funds for States to take to disinvestment of their Public Sector Companies.

11) Direct Tax Proposals

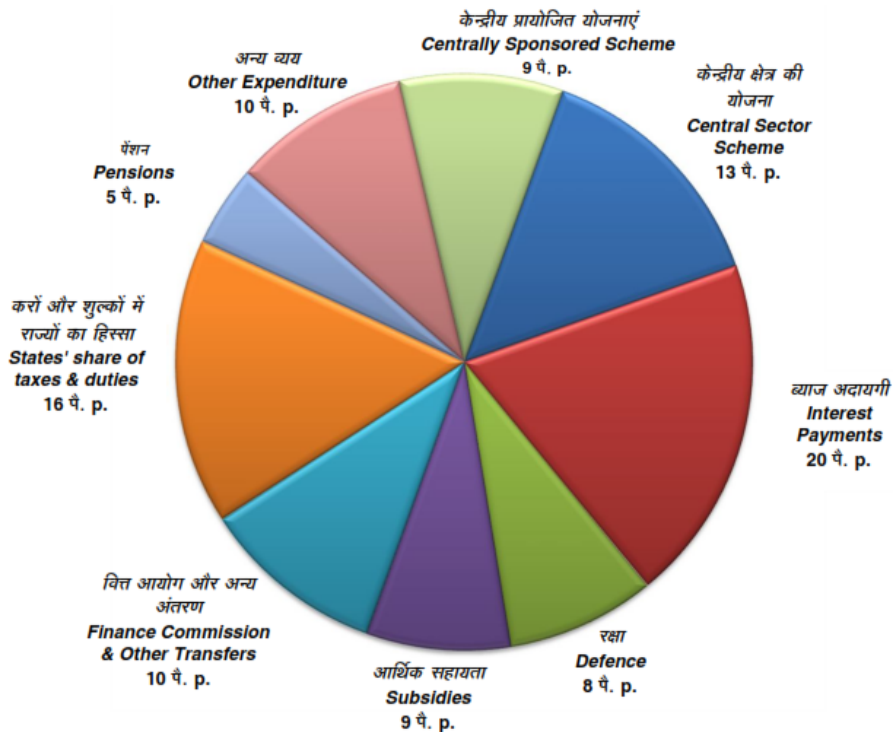
- a) In 2020, the return filers saw a dramatic increase to 6.48 crore from 3.31 crore in 2014.
- b) Senior citizens above 75 years, who only have pension and interest income exemption from filing their income tax returns. The paying bank will deduct the necessary tax on their income.
- c) **Rationalisation of Tax free Income on Provident Funds:** It is proposed to restrict tax exemption for the interest income earned on the employees' contribution to various provident funds to the annual contribution of Rs. 2.5 lakh.
- d) **Exemption for Leave Travel Concession (LTC) cash scheme:** It is proposed to provide tax exemption to the amount given to an employee in lieu of LTC subject to incurring of specified expenditure.
- e) **Agriculture Infrastructure and Development Cess (AIDC)** on a small number of items. However, while applying this cess, we have taken care not to put additional burden on consumers on most items.

- f) An agriculture Infrastructure and Development Cess (AIDC) of Rs.2.5 per litre has been imposed on petrol and Rs. 4 per litre on diesel
- g) Consequent to imposition of Agriculture Infrastructure and Development Cess (AIDC) on petrol and diesel, the Basic excise duty (BED) and Special Additional Excise Duty (SAED) rates have been reduced on them so that overall consumer does not bear any additional burden.

Rupee comes from



Rupee goes to



Note: This highlight covers mainly about infrastructure, road, rail, disinvestment, tax pertains to salaried class