

### Theme and Aim of Budget 2020-21

- Budget this year is woven into **three major themes**; *Aspirational India*, *Economic Development* and *Caring Society*.
- It aims to provide better standards of living through improved access to health and education. It also aims to promote the private sector and ensures we develop a harmonious and caring society.

### Overview:

#### Agriculture & Allied

- The budget highlights **16-action points** which cover almost all aspects of the **agriculture and allied activities sector** and address supply bottlenecks.
- The budget aims to provide support for an **end-to-end value chain** and puts emphasis on warehouse storage and development. Significant attention has been given to the **development of the blue economy**.
- The move to create a **cold supply chain** , and **launching refrigerated coaches** with the help of Indian Railways is a welcome move.

#### Industries

- The Upcoming policy to **enable the private sector to build data center parks** and create a **national mission on quantum technologies** will ensure India is well-placed and geared up for the next industrial revolution.
- It is important to note that while having a large labour force is advantageous, appropriate skilling is crucial for improving productivity. This would be addressed by the **New Education Policy**.
- To further encourage entrepreneurship, the budget has made provisions to provide **tax relief in ESOPS (Employee Stock Ownership Plan)** held by employees in start-ups.
- The government's decision to **set up a seed fund to support start-ups** in their early stages should provide immense boost to building entrepreneurs.
- This budget has **increased certain trade** restrictions to protect our domestic industries for a relatively short period of time **from increasing Chinese imports**. The government could consider moving towards more liberal trade policies that **focus on increasing the competitiveness of domestic industries in the future**.

#### Finance & Banking

- An important step in the financial sector is **opening up of the bond markets to foreign investors** and extending the **investment limit in outstanding corporate bonds by FPIs to 15 %** from the current 9%.
- The govt. also plans to launch a **new Debt-ETF**, comprising primarily of Government securities. The **benchmark 10-year bond** would be a great place to start given its high liquidity.
- MSMEs **contribute nearly 29%** to the country's GDP. Budget provides sufficient financing relief to the sector.
- As the major lenders in this sector, **finances from NBFCs will now be facilitated through the TReDs platform** to facilitate the strained working capital.
- Moreover, in lieu of the on-going struggle faced by NBFCs, the budget **proposed to move their eligibility limit for debt recovery** under SARFAESI Act **to an asset size of Rs. 100 crore or loan size of Rs.. 50 lakh**.

- The government remains committed to improve the functioning of PSUs. The move to **float LIC publicly** will not only bring in additional revenues for the government, but also increase transparency in the functioning of the organisation.
- The government's step to increase the decades old deposit insurance coverage of Rs. 1 lakh is a welcome move.

### Infrastructure

- An important step towards long-term sustainable growth and employment is the government's announcement of the **National Infrastructure Pipeline (NIP)**. The budget provides adequate funding to the tune of Rs. 22,000 crore equity support to infrastructure finance companies which could be leveraged further and create long-term debt finance for projects.
- In order to **ensure transparency and improve the credibility**, it has been decided, through the budget, **for the first time, to report extra budgetary items**, in terms of bonds and loan borrowings.

### Taxation

- The budget also makes an important shift from the past by **encouraging wealth creation**. The move towards **gradually simplifying the corporate and personal tax regimes** is an important step to restore the confidence back in the economy.
- The markets were probably expecting some demand mobilising policies or major personal tax cuts however, once the market realised the long-term structural reforms, it recovered all its losses in the next two days.

### Conclusion

The fine balancing act by the government, using the '**escape clause**' under the **FRBM Act** is a statement enough. Even with the challenging revenue collection scenario, the government continues to commit to adequate expenditure levels while maintaining fiscal prudence.

### Tax Proposals: Benefits to Common Man

- This is the budget to boost people's incomes, to provide more money in their hands, to enhance their purchasing power, to boost consumption and therefore demand. In this endeavour tax policy is critical.
- The distinctive structural changes that the government is bringing in the direct tax domain have made the direct tax system more transparent, more accountable and accessible.

### Indirect Taxes-GST

- Revised Estimate of CGST for current FY 2019-20 is Rs. 5,14,000 crore and the Budget Estimate of CGST for upcoming FY 2020-21 is Rs. 5,80,000 crore.
- A **simplified return currently under pilot run** shall be implemented from 1 April, 2020. It will **make return filing simple** with features like *SMS-based filing for nil return, return pre-filing, improving input tax credit flow and overall simplification*.
- **Refund process has been simplified** and has been made fully automated with no human interface.
- Several measures for improving compliance have been announced. **E-invoice** will be implemented in a phased manner to facilitate compliance and return filing.
- **Aadhar-based verification of taxpayers** is being introduced. **Dynamic QR-code** is proposed for consumer invoices.

- A **system of cash reward** is envisaged to incentivise customers to seek invoice/s. GST rate structure is also being deliberated so as to **address issues like inverted duty structure**.

### Indirect Taxes-Customs

- The **Revised Estimate of Customs Duties** for 2019-20 is Rs. 1,25,00 crore. Budget Estimate for 2020-21 is Rs. 1,38,000 crore.
- To **give boost to domestic industry, import duty** on a number of products such as footwear, furniture, and a number of domestic appliance and items of common use that are locally produced especially by the MSME sector, **are being increased**.
- A concerted effort has been made to **increase domestic value addition** in sectors like mobile phones electric vehicles, battery, etc. through proper phasing of manufacturing activity.
- **A health cess is proposed, by way of custom duty**, on the imports of medical equipment keeping in view that these goods are now being made significantly in India. The proceeds of this cess shall be used for **creating infrastructure for health services** in the identified districts.

### Direct Taxes

- The Indian economy has displayed **high tax buoyancy** with a buoyancy factor greater than 1, i.e., *the rate of growth of direct taxes has been greater than the rate of growth of GDP*.
- Apart from high tax buoyancy, between 2014-15 and 2018-19, **the direct taxes have recorded a growth in collection of 64%**.
- Further between FY 2013-14 to FY 2018-19 the **number of return filers has grown by 91.02%** while the **number of taxpayers has increased by 60.55%**.
- The Budget emphasises on **simplifying the direct tax administration** and making the **proposed Tax Charter the part of the statute**.
- The Income Tax Act states taxpayers' responsibilities. The **taxpayers' Charter would state tax administration's accountabilities towards taxpayers**.
- In Sept' 2019, Govt **slashed corporate tax** making it comparable with countries in South-East Asia.
- In the budget, **Dividend Distribution Tax (DDT) has been proposed to be abolished**. The dividend now shall be taxed only in the hands of the recipients at their applicable tax slab rate.
- It proposes to bring a new and **simplified personal income tax regime** wherein income tax rates will be significantly reduced for the individual taxpayers who forgo certain deductions and exemptions. Such **relief is expected to give an impetus to the demand** at estimated revenue forgone of Rs, 40,000 crore per year.
- The **new tax regime shall be optional** for the taxpayers hence an individual who is currently availing more deductions and exemptions under the act may choose to avail them and continue to pay tax in the old regime.
- There have been consistent efforts on the part of the govt to reduce litigations in taxation earlier through **Sabka Vishwas Scheme** and now **with Vivaad se Vishwas Scheme**.
- The basic purpose of the proposed scheme is to **help business and industry to come out of litigation and concentrate on the wealth creation**. The Scheme gives **complete waiver of interest and penalty** if the Scheme is availed before 31 March, 2020.
- With the objective of enhancing the **efficiency of the delivery system**, the Budget proposes to provide that the **CBDT shall adopt a Taxpayer's Charter** and issue necessary direction for the implementation of the same.

- In order to provide **relief to co-operative societies**, the Budget proposes to **reduce the tax rate for co-operatives** on the lines of corporate tax reduction from 30% to 22%.
- The Budget proposes to **extend the concessional corporate tax rate** of 15% to new domestic companies engaged in the generation of electricity.
- To **incentivize the investment by Sovereign Wealth Fund** of foreign govts in priority sectors, the **Budget proposes to grant 100% tax exemption** to their income for investments made in India.
- In order to enable start-ups to attract talented employees by providing them Employee Stock Option Plan (ESOP), the Budget proposes to **allow deferment of the tax payment by the employee for five years in respect of income relating to ESOP**.
- To further incentivise the start-up ecosystem, the also **proposes to provide tax holiday to the large Start-ups** having turnover up to Rs. 100 crore and also to extend the period of availing the deduction from 7 years to 10 years. The Budget proposes to raise the turnover threshold for compulsory audit from the existing Rs. 1 crore to Rs. crore.

### **Conclusion**

- The new regime beneficial vis a vis the existing one, as it brings in an income tax regime that is only hassle-free and less cumbersome but also lessens the burden of scrutiny & compliance on taxpayers.
- It minimises the paperwork such as receipts maintenance, documentation and burden of proof.

### **Union Budget to Transform Urban Landscape**

The World Urban Prospects, 2018 estimates **urban population in India at 34%** of total population which is likely to be 40% by 2030 and 50% by 2050. The urban share of GDP is projected to be 75% in 2030 an increase from 62-63% in 2009-10 (HPEC,2011).

### **Budgetary support**

- The Budget 2020-21 has allocated a total of Rs. 50,040 crore to the ministry of Housing and Urban Affairs (MoHUA). Over and above this, there is provision of Rs. 10,000 crore as Extra Budgetary Resource (EBR) for housing.

### **Cities as Engines of Economic Growth**

- Budget has set a definite goal i.e. aspiration to take the economy to US\$ 5 trillion level **backed with Aastha (Hope), Vishwas ( trust), and Akanksha (Aspirations)** of 130 crore Indians. To boost infrastructure development, the Government has launched the **National Infrastructure Pipeline (NIP)** for the period 2020-2025.
- It intends to facilitate **supply-side interventions** in infrastructure development to boost GDP growth.
- Out of the projected total infrastructure investment of Rs. 103 lakh crore during the period FY 2020 to 2025, 16% has been earmarked for urban rejuvenation.

### **Urban Infrastructure: Focusing on Connectivity**

- In the Budget 2020-21, a total of Rs. 20,000 crore has been allocated for **total Mass Rapid Transit system (MRTS) and Metro Projects**. Also, construction of 148 km long Bengaluru Suburban Transport project has been proposed for the Railways Ministry.
- Budget earmarks provisions for **Mumbai-Ahmedabad High Speed Rail, Chennai-Bengaluru Expressway, Delhi-Mumbai Expressway** and promotion of economic activities along river banks with waterways.

- Focus has been provided on **digital connectivity through BharatNet program** for the ULBs along with **prepaid smart electricity meters** with options for individual consumer to choose rates and provider/sources (thermal or RE) of electricity.

#### **Promoting Water Conservation: Jan Andolan**

- The Ministry has launched **Jal Shakti Abhiyan** to make water conservation a “Jan Andolan” with **four major thrust areas**: a) **Rain Water Harvesting** B) **Re-use of treated waste water**; c) **Rejuvenation of water bodies** and d) **Plantation**.
- So far, 2.39 lakh Rain Water Harvesting points have been installed, and another 2.22 lakh are under construction.
- The Finance Minister has stressed to **encourage all million plus cities to meet the objectives of Jal Jeevan Mission during the current year itself**.

#### **Smart Cities Mission towards Smarter Urban India**

- As the Smart Cities Mission completes five years of implementation, over 80% of the proposed 5,151 projects are at different stages of implementation.
- Innovative projects like Integrated Command and Control Centers (ICCC), Smart Streets/Roads, Smart Water, Integrated Smart Traffic/Transit Mngement are pioneering efforts being undertaken by indian cities for the very first time.
- This Budget has allocated Rs. 13,750 crore for Smart Cities Mission and AMRUT for 2020-21.

#### **Affordable Housing for All**

- More than 1 crore houses have already been sanctioned; more than 62c lakhs have been grounded for construction and 32 lakhs have been completed/delivered.
- A separate mechanism through creation of **National Urban Housing Funds (NUHF)** has been approved by Union Cabinet to mobilise resources through Extra Budgetary Resouces (EBR) to the tune of Rs. 60,000 crore for funding housing scheme.
- Government has created an **Affordable Housing Fund (AHF)** in the National Housing Bank with an initial corpus of Rs. 10,000 crore using priority sector lending shortfall of banks/financial institutions.
- The Budget 2020-21 has allocated a total of Rs. 8,000 crore in the Budget and provision for extra-budgetary resources (EBR) of Rs. 10,00 crore for PMAY-U.

#### **Poverty alleviation, livelihood and Skill Development**

- The primary target of DAY-NULM is the urban poor, including the urban homeless. Budget 2020-21 DAY-NULM allocation is Rs. 795 crore.
- The Finance Minister has proposed to provide 1 year interships to fresh engineers in all ULBs in order to rnhance the skill of the youth to fulfill the dream of the Prime Minister.

#### **Ease of Living and Ease of Doing Business**

- MoHUA released the **first-ever ‘Ease of living Index’** in 2018 covering 111 cities, and assessment for ‘Ease of Living Index 2019’ is currently in progress.
- As per World Bank’s **Doing Business Report-2020**, India’s rank is Ease of Doing Business is 63, compared to its 2019 ranking of 77.
- Currently, **India ranks 27 in terms of construction permits**, compared to rank of 185 in 2017. This is due to the fact that **Online Buliding Permission System (OBPS)** has been implemented.



- The **Municipal Performance Index**, launched by MoHUA in 2019 aims to build capacity and assess the performance of India's municipal bodies on the **five pillars of governance, technology, services, planning and finance**.

### **Climate Change and Sustainable Urbanisation**

A total of Rs. 4400 crore have been allocated for clean air and climate action in the cities. MoHUA has already initiated the Climate Smart Cities Assessment Framework, a pioneering effort towards building capacity of its 100 smart cities on climate change-adaptation and mitigation practices.

### **Way Forward**

The Government of India is committed to the vision of developing New India where towns and cities would function as fulcrums of economic growth. Promotion of ease of living, responsive governance, clean and sustainable environment, rapid economic growth, and livelihood opportunities for the citizens are pathways identified for a vibrant urban India.

## **Transport Infrastructure In India**

- **National Infrastructure Pipeline (NIP)** has a five-year vision with an investment of Rs. 102.51 trillion.
- Of this, the transport infrastructure investments consist of Rs. 19.64 lakh crore for **roads**, Rs.13.69 lakh crore for **railways sector**, Rs. 1.43 lakh crore for **airports**, Rs.1.01 lakh crore for **ports**, and parts of **urban and housing** (metro, public transport and Electric Vehicles), **rural infrastructure** (rural roads) and **agriculture** (storage infrastructure and refrigerated transportation).
- To ensure that such a funds flow happens, it is important that the policy direction is sustainable, and the use of funds is efficient.

### **A. Roads**

- In the roads sector, the policy thrust is on **increased categorisation of national highways** (from the current 1.3 lakh kms to 2.0 lakh kms), **building expressways**, increased use of electronic tolling and advanced technologies for traffic control.
- The Delhi-Mumbai expressway is getting immediate attention. This sector has experimented with **different forms of PPPs**, including **Build Operate Transfer (BOT)**, **Hybrid Annuity Model (HAM)** and **Toll Operate Transfer (TOT)**, enabling more projects to be undertaken.
- However, the roads sector is **still affected by land acquisition and environmental clearances** causing significant holdups and time overruns.
- Many of the projects have turned into non-performing assets for lending institutions. **Safety**, which is a crucial outcome parameter for the road user, has still not been addressed comprehensively. On the matter of climate impact, the direction seems to be one to getting away from petrol and diesel and moving towards electric vehicles (EVs).

### **B. Rail**

- The idea of **involving private sector participation in passenger trains** is a welcome move. Having such service providers will increase the need for upgradation and accountability of the hard infrastructure sector, which is a good thing.
- The recent **two examples of the Tejas Express** is in a sense a halfway house, since the service provider IRCTC is really a subsidiary of the Indian Railways and was not brought in through a competitive bidding process. The **target of 150 trains is welcome**.

- **Unlocking value from railway stations** by improving customer service and real estate value has been talked about for many years.
- The **merging of cadres** is again a welcome push. In the context of breaking down inter-departmental barriers for over four decades. However, there is **still internal resistance** and the debate is out as to whether all cadres should be merged or an intermediate position would be better, at least initially.
- There are also proposals for **Semi High Speed Rail Corridors**. The **Western and the Eastern DFCs** are under construction with parts of them already operational. The corridors are expected to be fully operational by 2022.
- However, there are **concerns about pricing and track access charges**, and how it can be best leveraged to ramp up traffic on the DFCs. Another concern is the **availability of rolling stock** to utilise the DFC standards. While such rolling stocks would be useful for pure DFC movement, there would be a difficulty for moving on the conventional railway lines.
- The **HSR as a dedicated corridor** is under construction between **Ahmedabad and Mumbai**. This would run the Japanese style bullet trains at a maximum speed of 320 kmph, bringing the best train time between these two cities from six hours to two hours.
- However, the fundamentals of how PPPs would be encouraged, and focus on research and development for indigenous manufacturing of rolling stock are still not clear. These two are critical for continuous modernisation of Indian Railways.

### C. Airport

- In the airports sector, there are **two focus areas**. The first is on **increasing capacity** and services levels in the top 30 airports, primarily through the PPP route.
- The second is on **increasing the number of airports** to about 100 and ensuring that all tier II and many tier III cities have own airports.
- Regarding the increase in airports to serve lower tier cities, the **issue is one of viability**. Attracting PPP's may be difficult in such airports, though with **appropriate viability gap funding/subsidies, it is workable**.

### D. Port

- In the port sector, Sagarmala is a large project-oriented scheme, which is not proceeding quite at the pace.
- **Ports need modernisation** for increasing efficiency and infrastructure for better connectivity. Capacity additions through new locations may not be a need, unless it is for captive purpose.
- Some of the earlier PPPs are not able to do their best due to **restrictive concession agreements**. The restructuring of the regulatory regime needs to be hastened.
- Connectivity issues on the land size, especially by rail, should improve both will the DFCs and the formation of the **Indian Port Rail Corporation Limited (IPRCL)**. IPRCL was formed in 2015 to improve rail port coordination.

### E. Metro

- Based on the demonstrated success of the Delhi Metro Rail Corporation (DMRC), 12 other cities are developing metros as part of public transport infrastructure.

#### Reasons for time overruns:

- Delay in land acquisition
- delay in obtaining forest/environment clearances,
- lack of infrastructure support and linkages, delay in tie-up of project financing,
- delay in finalisation of detailed engineering, change in scope,
- delay in tendering, ordering & equipment supply, law & order problems,
- geological surprises, pre-commissioning teething troubles and contractual issues.

- While PPPs were attempted, the success has not been good, except possibly Hyderabad. This is understandable since the **complexity of government interfaces** in the building and operating a metro would make it very difficult for a private party. **Intermodal seamless connectivity with metro transportation** is yet to be addressed for urban mobility.
- It is important to plan public transport in tier II and tier III cities from a climate impact point of view. Bus corridors, including optimisation over the size of the bus, needs to be properly planned.
- While rural roads are developing, **the opportunities in agri-supply chain** yet to be fully exploited. The focus on **cold chains** including the announcement of the 'Kisan Rail' is a welcome move. Rail based refer movement with multimodal connectivity can enhance the market for each of agricultural products including for exports.

### The Industry Perspective

#### Receipts & Deficits

- The Government of India **proposes to spend** Rs. 30,42,230 crore in 2020-21, which is 12.7% higher than the revised estimated of 2019-20.
- The **receipts** (other than net borrowings) are expected to **increase by 16.3%** to Rs. 22,45,893 crore, **owing to higher estimated revenue from disinvestments**. The Government has assumed a **nominal GDP growth rate of 10%** (i.e. real growth plus inflation) in 2020-21.
- **Revenue deficit** is targeted at **2.7% of GDP** & **Fiscal deficit** is targeted at **3.5% of GDP**. The Government is estimated to breach its budgeted target for fiscal deficit (3.3%) in 2019-20 and the medium term fiscal target of 3% in 2020-21.
- Although, the **deviation of 0.5% is consistent** with Section 4(3) of **Fiscal Responsibility and Budget Management (FRBM) Act**.
- Section 4(2) of the FRBM Act provides for a trigger mechanism for a deviation from the estimated fiscal deficit on account of structural reforms in the economy with unanticipated fiscal implications.

#### Industry:

Measures for improving the ease-of-doing business such as the NIRVIK(Niryat Rin Vikas Yojana) scheme, removal of Dividend Distribution Tax and simplification of the GST regime will boost investors confidence.

#### MSME

- Enabling NBFCs to extend invoice financing to MSMEs through Trade Receivables Discounting System (TReDS) will enhance the opportunities to fuel the Indian economy and widen the acceptability and trust by the Banking financial services and insurance (BFSI) sector.
- The extension of **Government e-Marketplace (GeM)** as a unified procurement channel will bring more vendors onto the platform.
- On the Debt Recovery side for lenders, the allowance to smaller NBFCs to approach the Debt Recovery Tribunal (DRT) for smaller ticket-size loans would be beneficial in lowering NPAs and improving the asset quality.

#### Woven Themes

- The Budget 2020 -21 seeks to strike the right note with the prominent themes of aspiration, economic development, and caring society. These three broad themes are held together by:
  - Corruption free, policy-driven good governance



- Clean and sound financial sector.
- Ease of living.

#### **a) Aspirational India**

- The components of aspirational india are: Agriculture, Irrigation, and Rural Development, Wellness, Water and Sanitation, and Education and Skills.
- Rs. 2.83 lakh crore is allocated for **three components with 16 Action Points**; such as Blue Economy, Kisan Rail, Krishi Udaan for both national and international and international routes, One-Product One-District for better marketing and export in the Horticulture sector, Jaivik Kheti Portal, Zero-Budget Natural Farming, PM-KUSUM to be expanded for 20 lakh farmers for setting up stand-alone solar pumps, another 15 lakh farmers to be helped to solarise their grid-connected pump sets, Village storage Scheme to be run by the SHGs to provide farmers a good holding capacity and to reduce logistics cost, Deen Dayal Antyodaya Yojana.

#### **b) Economic Development for all: "Sabka Sath, Sabka Vikas, Sabka Vishwas"**

- This part includes industry, Commerce and Investment.
- **Investment Clearance Cell** proposed to be set up to provide "end to end" facilitation and support and to work through a portal.
- **National Technical Textiles Mission** to be set up with four-year implementation period from 2010-21 to 2023-24 to position India as a global leader in Technical Textiles.
- New scheme NIRVIK to be launched to achieve higher export credit ditribursement, which provides for higher insurance coverage, reduction in premium for small exporters, simplified procedure for claim settlements turnover of GeM proposed to be taken to Rs. 3 lakh crore.
- A scheme for revision of duties and taxes on exported products to be launches. All Ministries have to issue quality standards orders as per "**Zero Defect-Zero Effect**" manufacturing.
- **Infrastructure Sector-Rs. 100 lakh crore to be invested over the next 5 years.**
  - **National Logistics Policy** to be released soon to clarify roles of the Union Government, State Government and key regulators. A **single window e-logistics market** to be created.
- For the mapping of India's genetic landscape- two new **national level Science Schemes** to be initiated to create a comprehensive database. Early life funding proposed, including a seed fund to support ideation and development of early stage Start-ups.

#### **c) Caring Society**

- The focus of caring society is on-**Women & child, Social Welfare; Culture and Tourism.**

#### **Culture & Tourism**

- An **Indian Institute of Heritage and Conservation** under Ministry of Culture proposed; with the status of a deemed University.
- Five archaeological sites to be developed as iconic sites with on-site Museums: Rakhigarhi (Haryana), Hastinapur(Uttaer Pradesh), Shivsagar (Assam), Dholavira (Gujarat), Adichanallur (Tamil Nadu).
- **Museum on Numismatics and Trade** to be located in the historic Old Mint building in Kolkata.
- Support for setting up a **Tribal Museum in Ranchi** (Jharkhand).
- Maritime museum to be set up at lothal-the Harappan age maritime site near Ahmedabad, by Ministry of Shipping.

**Conclusion]**

- The budget is a step forward towards meeting the aspirations of New India, but one of the most critical parts will be the implementation of the measures announced in the budget to support growth.
- The fiscal path leans heavily on the divestment proceeds targeted over Rs. 2 trillion to achieve the growth rates realistically in the current scenario.
- Any slippage on the underlying assumptions on revenue will impact the actual deficits and the growth ambitions of being a US\$ 5 trillion economy.

**Fiscal Sustainability Framework and Deficit Indicators**

- To achieve fiscal consolidation and prudent fiscal management, the Government of India has enacted FRBMA (Fiscal Responsibility and Budget Management Act-2003).
- The 'hygiene and sustainable' aspect of the budget can be measured through various deficits indicators and their ensuing impacts and incidences on the economy on the basis of macroeconomic outcomes.

**I. Fiscal Deficit: Estimated vs, Actual**

- It indicates the total borrowing obligation to finance its deficit during a particular fiscal year and used to **measure fiscal discipline** and **governs the long-term economic policy** of a country.
- In spite of a lot of pressing need, the budget has kept the targeted **fiscal deficit at 3.5% of GDP**.
- In addition to above, budget has also made **provision for higher capital expenditure**, with a clear indication towards positive outcome through sustainable development.
- However, the government has **embraced 'Escape Clause'** to deviate 0.5% in the set fiscal deficit to accommodate structural complexities and uncertain fiscal changes due to uncertain macroeconomic environment.
- Owing to implementation of FRBMA as a mechanism and policy intervention, the estimated fiscal deficit has decreased till 2008-09, but later did not follow the path of fiscal discipline.

**II. Linkage between Fiscal Deficit and Revenue Deficit**

- Revenue deficit indicates that the **government is unable to meet its current/revenue expenditure** from its current/revenue receipts. So, the government adheres to borrowing (fiscal deficit) to finance the revenue short fall or in meeting the capital expenses.
- Fiscal consolidation can be possible **through revenue augmentation**, without curtailing of the development expenditure.
- **Containing fiscal deficit** at its set target by reducing expenditure **at the cost of socio-economic well-being of the nation**; can never be a welcome step. That's why; the only and the ultimate way to reduce the fiscal deficit is to reduce revenue deficit.

**III. Fiscal Glide and Initiatives**

- The **first phase of fiscal deficit reduction** followed a steady path up to 2008-09, but later fiscal deficit has shot up to 6.8% of GDP in 2009-10 and remained above 4.6% for the next four years due to adoption of expansionary fiscal stimulus package to combat ill effect of global meltdown.
- Further, **Kelkar Committee (2012)** has recommended that the fiscal deficit should be kept at 3% of GDP by 2016-17, by the end of 12<sup>th</sup> plan. However, it was delayed by next two years to house the fiscal and structural challenges like demonetization and global uncertainties.

- Post-budget 2017-18, the Finance Minister set a committee under the **leadership of N. K. Singh** to appraise the FRBM act after a gap of 13 years.
- The **committee recommended** the shifting the focus of budget analysis in terms of **'fiscal deficit'** to **'debt-GDP ratio'** and set the **target to keep the same at 60% by 2023** and **keeping fiscal deficit at 3% for next three years**.
- Further, the government has suggested to have the value of fiscal deficit to be in a 'range' than a 'fixed value'; in order to provide fiscal space to the government to accommodate any global shocks and economic uncertainties.

#### **IV. Fiscal Sustainability and Fiscal Focus**

- Budget has set the fiscal deficit target of 3.5% of GDP, with a plan for augmented capital expenditure.
- Besides, emphasis is given to **rationalizing and scrutinising all kind of revenue expenditure** in tune which the long-term fiscal goals and adhering to quality expenditure. This is where, the beauty of quality and sustainability intersects.
- The current budget provides fiscal space to the policymakers in augmenting agriculture, health, education and infrastructure development. Increase in sharing of fund for capital expenditure symbolizes the fiscal outlook of the current budget.
- Besides, net market borrowing of the government is restricted to Rs. 5.36 lakh crore which indicates the intent of the government to restrict the debt liabilities.

#### **High Fiscal Deficit: Not Advisable**

- Another 'School of Thought' opines that continuous adherence to high fiscal deficit over the set deficit reflects fiscal distress of an economy.
- Based on the historical perspective (2003-04 to 2020-21), fiscal deficit in India will continue to be a concern over the years to come; unless supported by corresponding increase in capital expenditure and rationalization of revenue expenditure.
- The **crowding out effects of private investment** on account of high fiscal deficit should not suppress the benefits of higher capital expenditure. The **debt liabilities (both principal and interest payment) always pose threat to an economy** and hence fiscal consolidation is the main aim to achieve long-term growth.

#### **Way Forward**

- Fiscal deficit can be reduced to its desired level only by **reducing the revenue deficit**, not the capital expenditure. This can be possible through **revenue augmentation and expenditure rationalization**.
- **Efficient management of expenditure** is the key to fiscal consolidation; **centrally sponsored schemes are restructured** for greater synergy and effective implementation by which unnecessary overlapping expenditure can be curbed.

### **Union Budget 2020-21: Safer Deposits, Stronger Cooperative Sector Banks & Major Boost to MSME**

Three most important proposals related with the banking sector, were declared to be implemented. These are:

#### **I. Insurance Cover on Deposits**

- Insurance cover on deposits means how much money will be paid to the depositor if the bank is closed due to some reason or goes bankrupt.

- The **responsibility of providing insurance cover** on deposits is with the **Deposit Insurance and Credit Guarantee Corporation (DICGC)**, which is fully owned subsidiary of the Reserve Bank of India.
- In the beginning, the insurance cover per depositor was Ra. 1500. This amount is now Rs. 5 lakh from 4 February, 2020. For the purpose of insurance cover on deposits, the banks have to pay the premium amount, not the depositors.

## **II. Strong Regulation System for Cooperative Banks**

- The **complex system of rules** is one of the big reasons for the **deterioration of cooperative banks**. Under the federal system, cooperative societies have been kept **under the state list**.
- If these societies act like a bank; they will have to follow the rules and regulations of the Reserve Bank of India.
- To strengthen the Cooperative Bank, amendments to the **Banking Regulation Act are proposed** for increasing professionalism, enabling access to capital and improving governance and oversight for sound banking through the RBI.
- Among Urban and Rural Cooperative Banks, **State Co-operative banks (StCBs) and District Central Cooperative Banks (DCCB)** have to register under the Co-operative Societies Act of the respective States or Multi-State Cooperative Societies Act.
- Banking Law was enforced on Cooperatives societies from 1 March, 1966. Therefore the state level Cooperative Society Registrar or Central Registrar of Cooperative Societies and Reserve Bank of India have **double control over UCB, DCCB and StCB today**.
- The Cooperative banks (Multi-State Cooperative Bank) functioning in various states and UCB will be **brought under the jurisdiction of The Reserve Bank of India**.
- Banking related issues will be under the jurisdiction of The Reserve Bank of India, while the **registrar has been authorized to deal with the administrative issues** of cooperative societies.

## **III. Micro, Small, and Medium Enterprises (MSMEs)**

- The budget proposes to support MSME sector through the banking system and also has the provision of easy loan returns.
- The budget has proposed to introduce a scheme to provide subordinate debt for entrepreneurs of MSMEs. This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE).
- In addition, as **app-based invoice financing loans** product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs.

### **Important proposals associated with banking sector:**

- Insurance cover on deposits is now Rs. 5,00,000 per depositor
- RBI has been provided more powers regarding regulation of cooperative banks
- The time limit of credit restructure extended for MSMEs
- New measures to be announced to enhance professional efficiency in public sector banks
- The government will sell its remaining stake in IDBI Bank

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## **VAJIRAM & RAVI**

### **The Economics of Water and Sanitation**

The most important **differentiating factor** which allowed the SBM to leverage the collective strength of 1.3 crore people was **exactly the political leadership**.

#### **SBM: Recognized By African Nations**

- In January 2020, a **Ministerial Round Table discussion was held in Addis Ababa** on '**Scaling up Sanitation in Africa**'. It was primarily based on the major lessons coming from the implementation of the Swachh Bharat Mission (SBM).
- They unanimously agreed that the biggest bottleneck they faced in replicating the SBM model in their countries was that they were not able to convince their Finance Ministries to invest heavily in sanitation, like Indian has done since 2014.

#### **Economics of Sanitation:**

- UNICEF recently estimated that the investments in sanitation in India are **yielding a 400% return**, with each rural household in an ODF village saving Rs. 50,000 on account of avoided medical spends, time savings and lives saved.
- Meanwhile, moving ahead, the Toilet Board Coalition has estimated that the sanitation infrastructure and services market in India will be worth over \$60 billion by 2021, creating many new jobs, even in the most rural areas of the country.
- It is fairly clear now that investment in sanitation is actually a facilitator of broader economic, health and social gains.

#### **Budget Provisions:**

- The government is committed to ensuring that this success is sustained.
- The finance minister in the budget for 2020-21 has announced about **Rs. 10,000 crore for rural sanitation** to focus on ODF sustainability, biodegradable waste management, faecal sludge management and most importantly plastic waste management for all villages by 2024.
- The govt is committed to delivering its **pipled water supply**. The PM announced the **Jal Jeevan Mission (JJM)** with the goal of ensuring piped water supply for all households of India by 2024.
- Backing its commitment, in the budget for 2020-21, the government has already allocated a central share of Rs. 11,500 crore for the JJM, with an additional provision for extra budgetary resources of Rs. 12,000 crore.
- The biggest impetus to the rural water and sanitation sector is the earmarking of 50% of the Rs. 90,000 crore grant to rural local bodies under the 15<sup>th</sup> Commission for drinking water and sanitation
- This approach will ensure that just like sanitation provision of water supply and its upkeep will also become everyone's business.

### **Indian's Quest for universal Coverage**

- The new vision for health for India rest on four pillars namely - ensuring preventive health, providing affordable healthcare, improving supply of quality health services and effectively implementing government schemes in a mission mode.

#### **A. First Pillar**

- Under the **first pillar of preventive health**, there is special emphasis on yoga, Ayurveda and fitness. To reign in the harmful effects of smoking, the Government of India has gone a to put a **complete ban on e-cigarettes**.



- The Government of India launched an ambitious scheme Ayushman Bharat. It is India's bellwether in its efforts towards **achieving UN Sustainable Development Goal 3.8**, . Universal Health Coverage (UHC).
- Ayushman Bharat through its two components Health and wellness Centres (HWCs) and Pradhan Manti Jan Arogya Yojana (PM-JAY) addresses health holistically covering preventive care.

#### **B. Second Pillar**

- The second pillar of this vision is **affordable healthcare** which is addressed by the second component of Ayushman Bharat scheme—PM-JAY.
- PM-JAY Is the **world's largest publicly -funded health assurance** scheme and provide more than 50 crore poor and vulnerable citizens with a health cover of Rs.5 lakh for cashless secondary and tertiary inpatient care
- **Special pharmacies** have been set up under which 800 critical drugs have been made available at affordable prices. Because of this initiative, the price of cardiac stent has been reduced by 80% and that of knee implants reduced by 50-70%.
- Under **the Pradhan Mantri National Dialysis Programme**, lakhs of people are able to avail free dialysis at district hospital, bringing major for ESRD patient.

#### **C. Third Pillar**

- As the third pillar of this vision, **supply side expansion** focuses on building medical **infrastructure and providing quality medical education**.
- A key reform in this area is the **National Medical Commission act, 2019**. This will transform healthcare in the country by paving the way for the establishment of the country's new regulator of medical education and certification.

#### **D. Fourth Pillar**

- The fourth pillar effective implementation of government health schemes in mission – mode is essential to achieve the above goals.
- The Government of India has also launched **Poshan Abhiyan or National Nutrition Mission** to tackle anaemia and stunting.
- As a signatory to sustainable development goals, other mission mode Interventions include eliminating tuberculosis by 2025 and single use plastic by 2022.

#### **Budget 2020-2021: Demonstration of strong political will towards health**

- The union budget 2020-2021 demonstrates a strong commitment towards health. The increase in the budget allocation for health from Rs 62.398 crore in 2019-2020 to Rs 69.000 crore for 2020-2021 reaffirms this promise.
- This budget gives a **prominent place to citizen's health**. Several schemes have been strengthened giving emphasis to universal immunisation; mission Indradhanush has been expanded to cover 12 related diseases, including five new vaccines. **Fit India movement** is a vital part of fight against diseases resulting from lifestyle issues.
- Reaffirming the Government's promise to **End Tuberculosis by 2025**, the FM proposed to strengthen efforts under the "**TB Harega Desh jeetega**" campaign.
- The budget allocation for both component of Ayushman Bharat has been maintained with HWCs and Rs. 6400 crores.

- Address the supply side constraints, especially in tier-2 and tier -3 cities the FM announced **viability gap funding for setting up hospital** in the smaller cities. In the first phase, priority will be given to **aspirational districts where no empanelled hospital** are current available.
- A **tax on medical devices** has been announced in the budget. This tax will Proceeds from this tax would be used to support this vital health infrastructure.
- Addressing the challenge of strengthening fraud and abuse control and safeguarding security of patient data, the government has proposed a slew of measures like making use of frontier technologies such as Artificial Intelligence and machine Learning.

### **An Analysis of Education Sector Budget**

The Indian education system has witnessed major structural changes in recent years. The focus has shifted from **merely providing access to schools and colleges towards pursuit of quality in education**, in line with the **SDG-4**.

#### **Budget Allocation:**

- The education budget allocation amounts to a total of Rs. 99,311 crore. The current allocation reflects **an increase of 5%** from the previous year.
- There has been significant **emphasis on higher education** which is evident from the increased share of higher education from 34% in 2014-15 to 42% in 2017-18 in the total budgetary outlay of MHRD.

#### **Key Initiatives Proposed Under Union Budget 2020-21**

##### **a. Teacher Education**

- The govt. is already focusing on training all the untrained teachers in the country through various institutions including National Institute of Open Learning (NIOS).
- The govt. is also striving to utilize ICT in teacher training (e.g. Diksha Portal).

##### **b. Equalisation of Opportunities to Access Higher Education**

- The current budget by proposing a degree level full-fledged online education programme will attract youth towards higher education.
- A degree level full-fledged online education programme will help in increasing Gross Enrolment Ratio in higher education.
- These programs can only be offered by institutions ranked within the top 100 in the National Institutional Ranking Framework.

##### **c. Global Higher Education**

- To enhance the inflow of international students, the current budget has proposed to initiate **Ind-SAT** which is to be held in **Asian and African countries under the 'Study in India' programme**.

##### **d. Improved Financing**

- The current budget proposes to introduce sourcing External Commercial Borrowing (ECBs) and FDI so as to be able to deliver higher quality education.

##### **e. Training**

- The current budget has adopted a unique approach by proposing establishment of a National Police University and a National Forensic Science University.

**f. Enhancing and Ensuring Employability**

- The budget has proposed to address the issue of unemployment with the initiative of apprenticeship-embedded degree/diploma courses in about 150 higher education institutions.
- Another important initiative pertains to the **proposed internship program** for engineering students with urban local bodies for a period up to one year. This is expected to bring in transformation in the way urban local bodies work.

**Skills, Employment and Human Resource Development****Budget Allocation**

- The budget states that it has provided Rs. 99,300 crore for education sector in 2020-21 and about Rs. 3,000 crore for skill development.
- However, since skills programme are spread across different ministries, the amount is actually higher.
- The budget also talks about **improving the financial support mechanism for capitalizing on foreign financing wherewithal.**
- The budget has covered all the areas of education and skill development comprehensively – beginning from the reforms required to the ground to the ground level implementation with the help of integrated approach – and the best part is that education and skill development have been made an integral part of the sectoral growth strategies.

**Two New Initiatives in This Budget**

- Focusing on the **need for apprenticeship**, the Budget announced **two new initiatives**. The first was that *150 Higher Education Institutions would start apprenticeship embedded degree/diploma courses by March 2021.*
- **Second**, to increase apprenticeships within the country, it was proposed *to start a programme where urban local bodies across the country would provide internship opportunities to fresh engineers for a period up to one year.*

**Other Schemes**

- To address specific sectoral skills needs, it is proposed to set up a **National Police University, and a National Forensic Science University.**
- In the medical field, it has been proposed to build a Medical College in an existing district hospital in a PPP mode.
- Budget proposed that **special bridge courses** be designed by the Ministries of Health, Skill Development together with professional bodies to bring in equivalence. Another new initiative is the **special thrust to infrastructure-focused** skill development opportunities.
- Supported by the **National Infrastructure Pipeline** covering 6,500 projects, infrastructure development will create a he demand for skilled workforce.
- A special **Nirman Kaushal Vikas Yojana** with an initial outlay of Rs. 50 crore is proposed. The two schemes – **Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP)** and **Skill Strengthening for Industrial Value Enhancement (STRIVE)** are also quite significant.
- This is in addition to the outlay for continuation of the **Pradhan Mantri Kaushal Vikas Yojana Programme.**

## Conclusion

- Developing a robust education and skill development infrastructure based on the emerging needs is central to achieving a higher growth trajectory that leads India to the \$5 trillion economy goal quickly.
- The Budget for 2020-21 has taken significant strides in this direction.

## Action Plan for Prosperity of Farmers

- Agriculture, Irrigation and Rural Development under the broad theme of '**Aspirational India**'. This budget aims to fulfill aspirations of crores of Indian farmers who are at the core of Indian economy and more importantly in national food security.
- This budget proposes integration of farming, storage, financing, processing and marketing.
- The Finance Minister announced a **16-point action plan** with a wide range of activities and measures critical to farmers' welfare.

## Reforms and Resources

- **Model Agricultural Land Leasing Act, 2016** facilitates leasing of land to landless farmers under standard conditions.
- **Model Agricultural produce and Livestock Marketing (Promotion and Facilitation) Act, 2017** strives to **remove barriers of inter-state boundaries** for trade of agricultural produce and livestock.
- **Model Agricultural produce and livestock Contract Farming and Services (Promotion and facilitation) Act, 2018** was enacted with a view to **integrate farmers with bulk purchasers (exporters, agro-industries, etc.) for better price realization**.
- Moving towards resource management, Govt is proposing comprehensive measures for **100 water stressed districts**, so that water so not become a limiting factor in enhancing productivity of crops.
- During 2018-19, it paid **more than Rs. 73,400 crore as subsidy** for different types of chemical fertilizers and **city compost zero-budget natural farming**, that the Government announced in 2019, gets a positive mention in this budget also.

## Farms, Farming and Energy

- In the year 2019, the govt. announced **PM – KUSUM (Kisan Urja Suraksha evam Utthan Mahabhiyan)** to value-add farmers (annadata) as energy providers (urjadata).
- The govt. now proposes to expand the scheme to support 20 lakh farmers for **setting-up stand alone solar pumps**.
- **Integrated Farming systems (IFS)**, that combine crops, livestock and subsidiary enterprise in a more productive productive and sustainable way, have emerged as one of the most effective measure to enhance farmers' income.
- But , most of the IFS models developed so far are inclined towards irrigated conditions. Hence, the Government's announcement to expand **Integrated Farming Systems in rainfed areas is a welcome step**.

## Storage, Transport, and Trade

- India has an **estimated capacity of 162 million metric tonnes** of agri-warehousing, cold-storage, reefer van facilities, etc.
- But for making optimum and efficient use of these facilities, now NABARD will undertake an exercise to **map and geo-tag them**.

- The Government has announced **further creation and expansion of warehousing** facilities by roping in Food Corporation of India, Central warehousing Corporation and other stakeholders.
- To support these warehouses at farm level, a **village storage scheme** is proposed that **will be run by SHGs**.
- In the Budget 2020-21, the Government has announced to build a **seamless national cold supply chain** for perishables (including milk, meat, and fish ) by collaborating with Indian Railways through PPP arrangement .
- A dedicated **Kisan Rail** will be launched and refrigerated coaches in Express and freight trains will also be added.
- **The ministry of Civil Aviation** will launch '**Krishi Udann**' on national and international routes to help improve value realization especially in northeast and far flung tribal districts.
- The budget also proposes to support states which will focus on '**one product, one district**' based on cluster approach .
- To expand the marketing of organic agri-products, the government has also announced strengthening of portal '**Javikkheti**' which is an online national organic product market.

#### **Livestock for Livelihood**

- The livestock sector has grown at a **compound annual growth rate of 7.9%** during last five years. **National Animal Disease Control programme** (NADCP) for eradicating foot and Mouth Disease and Brucellosis in cattle' was launched in 2019.
- Proposal to **increase coverage to Artificial insemination** from the present 30% to 70% will help genetic improvement of breeds for better productivity.
- Using **MNREGS for developing fodder farms** will increase the much desired availability of green fodder in villages.
- **Target of doubling milk processing** capacity from 53.5 million tonnes to 108 million tonnes by 2025 is a welcome move.
- **Blue economy is a sunrise sector** being supported and promoted by the Government.
- **Fisheries sector** is now one of the major contributors of foreign exchange earnings with India being one of the leading seafood exporting nations in the world.
- The **budget proposed to raise fish production** to 200 lakh tonnes (current production nearly 140 lakh tonnes ) by 2022-23 and also committed to **promote cultivation of algae and sea-weed** along with the **novel practice of cage-culture**.
- The Government hopes to raise fishery exports to Rs. 1 lakh core by 2024-25, and proposes to involve youth in fishery extension through 3477 'sager mitras' and 500 Fish Farmers producer Organizations.

#### **Credits and Allocations**

- **Financing on Negotiable warehousing Receipts** is proposed to be **integrated with e-National Agriculture Market (e-NAM)** to bring in more expansion in the interest of farmers.
- The Government is all set to make agriculture credit more accessible and transparent.
- Agriculture credit target for 2020-21 has been set at Rs.15 lakh crore which was Rs. 13.50 lakh crore during the last fiscal.
- The NABARD re-finance scheme will be further expanded and all eligible beneficiaries of PM-KISAN will be covered under kisan credit scheme.



- The Finance Minister proposed to allocate Rs. 1.60 lakh crore for agriculture, irrigation and allied activities for the year 2020-21 whereas Rs. 1.23 lakh crore is allocated for activities under Rural Development and panchayati Raj.

### Conclusion

Through this budget, the Government aims to make farming more competitive and profitable to ensure prosperity of farmers and is on the right path to meet its target of doubling farmers' income by 2022.

## Environment and Forest

### Severity of Pollution

- According to the WHO, **91% of the world's population breathes polluted air** which causes cancers, strokes and heart diseases, stunting children's growth and development.
- The world Bank estimates that **air pollution costs India the equivalent of 8.5% of GDP** a huge drain on resources.

### Indian Steps:

- The Government of India in 2019 launched a **five-year National Clean Air Action Plan (NCAP)** a time bound national-level strategy to achieve 20-30% reduction in concentration of particulate matter by 2024.
- The plan was to focus on 102 non-attainment cities with consistent poor air quality than the national ambient Air Quality Standards.
- Annual budget 2020-21 allocation of MoEFCC is **enhanced by nearly 5%** from the Budget 2019-20 with no change in the outlay to pollution abatement and climate change action plan.
- The Union Finance Minister while delivering budget speech, made several announcements for the environment and climate change.
- The '**Clean Air policy**' has been allocated Rs. 4,400 crore.
- It was announced that **all coal-fired power plants not meeting prescribed standards will be closed down.**

### Analysis

- Experts have lauded the big step up in the allocation of clean air policy but **significant investment is needed for transition to clean fuel.**
- However, this **announcement does need a clear road map** with clarity from MoEFCC in emission reduction. Role of stakeholders, regulatory agencies, local government, etc. needs to be clearly established. Selection of technology and pollution control equipment would need to be vetted by an independent panel of experts.

### Forests In India

- According to **Economic survey 2019-20**, our **forest cover was 24.56% of the total geographical area** of the country.
- The key findings of the **Indian Forest Survey Report (ISFR)**, 2019 are that the **carbon stock in forest has increased** as compared to 2017 but is still far away from our Paris Agreement commitment of 2.05 to 3 billion tons.

#### Innovative ways to increase solar coverage:

**Solar trees** can be grown on fertile farm fields at 10-12 feet height which ensure enough sunlight for photo synthesis of crops below.

If these solar trees can sell surplus power to the grid, solar trees **become their third crop and can immensely augment farmers' income.**

- The objective of the **Green India Mission (GIM)** is to **increase green cover** in India to the extent of **five million hectares** (mha) and **improve the quality of existing green cover** on another 5 mha .
- So far, the afforestation done under the mission was only aimed at increasing tree count without considering the soil and weather conditions.
- **Trees like eucalyptus were planted** which seem to aggravate environmental problems. Planting of unsuitable trees may cause drought, and prevent biodiversity in the regions, points out the **lok sabha Committee on Estimates' 30<sup>th</sup> report**.
- The institutions engaged in regulatory functioning both at the Central Government and States level **lack capability in maintaining environmental regulation** standards in large cities/urban centres.

### **Gender Budgeting and Senior Citizen**

In the Union Budget 2020-21, the Finance Minister (FM) clearly emphasized on this with a three-pronged agenda of “Aspirational India”, “Economic Development”, and “Caring Society” to achieve ease of living for all its citizens.

#### **‘Caring India’ To Take Care Of Mother And Child**

- The Government announced **setting up of a task force** to recommend step to lower maternal mortality rate.
- Categorising women and children under the larger budgetary theme of “Caring India”, the FM announced an allocation of Rs. **35,600 crore for nutrition-related programmes**.
- She said **gross enrolment ratio of girls** across all level of education is **now higher than boys**. At **elementary level**, it is 94.32% as against 89.29% for boys.
- **At secondary level**, it is 81.32% as compared to 78% for boys at higher secondary level and girls have achieved a level of 59.70% as compared to 57.54% for boys.
- The budget allocates over Rs. 30,007 crore for the ministry of Women and Child Development (WCD), an increase of over Rs. 3,822 crore from the current year.
- The Poshan Abhiyan, which aims to bring down stunting of children in the age group of 0-6 years from 38.4% to 25% by 2022, has been a key focus area of the Ministry.
- The allocation for the **Pradhan Mantri Matru Vandana Yojana (PMMVY)**, a maternity benefit programme has been increased.
- The allocation for the **Child Protection Services Programme under the Integrated Child Development Services** has been increased to Rs.1500 crore from Rs.1350 crore. The announcements relating to the “Blue Economy” especially fisheries will also benefit women due to their significant participation in the sector.

#### **Senior Citizens**

- Budget 2020-21 announced **allocation of Rs.9,500 crore for the welfare of senior citizens** and Divyang.
- In the 2019 Union Budget senior Citizens (aged 60 years or above but less than 80 years) income up to Rs. 3 lakh were exempted From tax. For super senior citizens aged 80 years and above , income up to Rs. 5 lakh is exempt From tax.
- Besides, the Finance Minister also allocated Rs. 53,700 crore for the **upliftment of Scheduled Tribes**, and Rs.85,000 crore for the **welfare of Scheduled caste and other backward classes**.

**Key Highlights Of Economic Survey 2019-20****A. Wealth Creation: The Invisible Hand Supported by the Hand of Trust**

- The liberalised sectors grew significantly faster than the closed ones.
- India's aspiration to become a \$5 trillion economy depends critically on:
  - Strengthening the invisible hand of the market.
  - Supporting it with the hand of trust
- Policies must empower transparency and effective enforcement using data and technology.

**B. Creating Jobs and Growth by Specialising in Network Products**

- By integrating "Assemble in India for the world" into Make in India, India can:
  - Raise its export market share to about 3.5% by 2025 and 6 %by 2030.
  - Create 4 crore well-paid jobs by 2025 and 8 crore by 2030
- Exports of network products can provide one-quarter of the increase in value added required for making India a \$5 trillion economy by 2025.

**C. Sustainable Development and Climate Change**

- India hosted COP-14 to UNCCD which adopted the **Delhi declaration: Investing in Land and Unlocking Opportunities**.
- Forest and tree cover:
  - Increasing and has reached 80.73 million hectare.
  - 24.56% of the geographical area of the country.

**D. Agriculture and food Management**

- GVA at Basic prices for 2019-20 from 'Agriculture, forestry and fishing sector is estimated to grow by 2.8%.
- During the last 6 years ending 2017-18, **food processing Industries sector** has been growing at an **Average annual growth rate of around 5.06%**.
- Survey emphasises on sustainability of food security operations by :
  - Addressing the burgeoning food subsidy bill.
  - Revisiting the rates and coverage under NFSA.

**E. Industry and Infrastructure**

- The industrial sector as per (IIP) registered a growth pf 0.6% in 2019-20 (April- November) as compared to 5.0% during 2018-19 (April- November)

**F. Social Infrastructure, Employment and Human Development**

- The expenditure on social services (Health, education and others) by the centre and states as a proportion of GDP **increased from 6.2% in 2014-15 to 7.7% in 2019-20** (BE).
- India's ranking in Human Development index improved to 129 in 2018 form 130 in 2017
- Total formal employment in the economy increased form 8% in 2011-12 to9.98% in 2017-18.
- A **10-years Rural sanitation strategy** (2019-2029) launched to focus on sustaining the sanitation behaviour change and increasing access to solid and liquid waste management .