

Highlights of Union Budget 20-21

Union Budget:

The Union Budget of India also referred to as the Annual Financial Statement in the Article 112 of the Constitution of India, is the annual budget of the Republic of India. The Government presents it on the first day of February so that it could be materialized before the beginning of new financial year in April.

Union Finance Minister Nirmala Sitharaman presented her second and 90th Union Budget of India for 2020-2021 in the Lok Sabha. The Finance Minister unveiled a series of far-reaching reforms, aimed at energizing the Indian economy through a combination of short-term, medium-term, and long term measures. The government has taken some measures towards reaching the target of a \$5 trillion economy by the end of 2022.

The Budget introduced several new schemes besides allocating new funds for the already running Government schemes such as PM-Kisan, Ayushman Bharat, Swachh Bharat Mission, and others. The Union Budget 2020-2021 aims to boost incomes and enhance purchasing power.

The Union Budget has been structured on the overall theme of Ease of Living. The three prominent themes around which the budget has been woven are Aspirational India, Economic Development and Caring Society.

1. Aspirational India:

Under this theme, Union Budget 2020-21 with an allocation of Rs. 4,82,401 cr focused on the aspects of:-

- a. Agriculture, Irrigation, and Rural Development
- b. Wellness, Water, and Sanitation Development and
- c. Education and Skills Development

So that all sections of the society could seek better standards of living, with access to health, education and better jobs.

2. Economic development:

Under this theme, economic development for all i.e. – is ensuring SabkaSaath, SabkaVikas, SabkaVishwas”. Union Budget 2020-21 allocated a sum of Rs 2,37,604 cr for:-

- a. Industry, Commerce and Investment
- b. Infrastructure
- c. New economy — led by startups and the tech ecosystem.

3. Caring Society:

Under this theme, the main focus was on creating a caring society which is both humane and compassionate a sum of Rs 62,626 cr was allocated.

- a. Women & child
- b. Social Welfare
- c. Culture and Tourism.
- d. Environment and Climate Change

The above themes are held together by Corruption free as well as policy-driven good governance and clean and sound financial sector.

The Key Budget Highlights are:-

INCOME TAX:

The income tax rates have been revised.

5% tax for income between Rs 2.5-5 lakh

10% tax for income between Rs 5-7.5 lakh
as against 20%

15% tax for income between Rs 7.5-10 lakh
as against 20%

20% tax for income between Rs 10-12.5 lakh
as against 30%

25% tax for income between Rs 12.5-15 lakh
as against 30%

30% tax for income above Rs 15 lakh

The Finance Minister said that the income tax rates would be significantly reduced for those who forego reliefs, exemptions.

HEALTHCARE

Rs 690 billion will be spent toward healthcare spending

TRANSPORT

100 more airports are planned by 2024.

Over 6,000 km of highways in 12 lots will be monetized by 2024.

One major airport will be privatized.

High-speed train between Mumbai and Ahmadabad will be actively pursued.

16-POINT ACTION PLAN FOR FARMERS

According to the Finance Minister, the government is committed to doubling farmers' income by 2022. She proposed to allocate Rs 2.83 lakh crore for agriculture and rural sectors such as irrigation.

MANUFACTURING

Those schemes that encourage manufacturing of mobile phones, electronic equipment and semiconductor packaging will be introduced

Private sector to build Data Centre Parks throughout the country will be encouraged.

80 billion rupees over five years to be provided for quantum technologies and applications andd

Milk processing capacity to be doubled by 2025.

BANKING/INSURANCE

Insurance cover for bank depositors to be raised to Rs 5 lakh from Rs 1 lakh

INFRASTRUCTURE

5 new smart cities in public-private partnership mode.

Delhi-Mumbai Expressway to be completed by 2023.

100 more airports to be developed by 2024.

Finance Minister Nirmala Sitharaman said that the estimated nominal GDP growth rate for 2020-21 is 10 per cent. She further added that wealth creators would be respected in this country and tax harassment would not be tolerated.