

# APPOLO STUDY CENTRE

## ECONOMICS CURRENT AFFAIRS

### Tangedco

The Tamil Nadu Generation and Distribution Corporation (Tangedco) has created huge liabilities for the long term and a complete restructuring cannot be postponed, the White Paper released by Finance Minister Palanivel Thiaga Rajan said.

The outstanding debt of Tangedco as on March 31, 2021 is ₹ 1,24,974.49 crore. Including loans from the State government, the debt stands at ₹ 1,34,119.94 crore, according to the report.

The losses of Tangedco are caused by both high costs and low recoveries. There has been a sustained increase in costs over the last 10 years, it added.

“In the case of domestic consumers, on an average Tangedco recovers ₹ 2.23 per unit. Domestic tariff subsidy is on an average ₹ 1.09 per unit as against the total cost of supply of ₹ 9.06 per unit leaving a large under recovery gap of ₹ 5.74 per unit. With 32,639 million units of electricity supplied to the domestic sector, the total loss on account of domestic supply is ₹ 18,735 crore in the year 2020-21, the report added.

### Bharatmala Pariyojana 2015

The Ministry of Road Transport and Highways had taken up detailed review of NHs network with a view to develop the road connectivity to Border areas, development of Coastal roads including road connectivity for Non-Major ports, improvement in the efficiency of National Corridors, development of Economic Corridors, Inter Corridors and

Feeder Routes along with integration with Sagarmala, etc., under “Bharatmala Pariyojana”.

Under this proposal, the Ministry has identified stretches for development of about 26,200 km length of Economic Corridors, 8,000 km of Inter Corridors, 7,500 km of Feeder Routes, 5,300 km Border and International connectivity roads, 4,100 km Coastal and Port connectivity roads, 1,900 km Expressways, National Corridor Efficiency improvement by development of ring roads around 28 cities, decongestion of about 125 choke points and 66 congestion points, development of 35 nos. of Multimodal Logistics Parks.

### **Sagarmala Programme 2015**

Components of Sagarmala Programme are:

- Port Modernization & New Port Development:
- Port Connectivity Enhancement:
- Port-linked Industrialization:
- Coastal Community Development
- Coastal Shipping & Inland Waterways Transport

### **National Solar Mission (NSM)**

Harnessing solar energy is one the major component of India's renewable energy strategy. Most parts of India receive abundant solar radiation and the country has an estimated solar energy potential of about 750 GW solar power.

In January 2010, the NSM was launched with the objective of establishing India as a global leader in solar energy, by creating the policy\* conditions for solar technology diffusion across the country as quickly as possible.

The initial target of NSM was to install 20 GW solar power by 2022. This was upscaled to 100 GW in early 2015. Numerous facilitative programmes and schemes under the Mission have driven the grid connec-

ted solar power installed capacity from 25 MW in the year 2010-11 to about 36-32 GW as on 31st October, 2020. An additional 58-31 GW solar power capacity is currently under installation/ tendering process.

## PLI scheme

The Government introduced a Production Linked Incentive (PLI) scheme for the manufacturing of large-scale electronics, in April 2020. In November 2020, the PLI scheme was extended to 10 other sectors

Apart from cutting down on imports, the PLI scheme also looks to capture the growing demand in the domestic market.

Production-Linked Incentive (PLI) Scheme			
Priority	Sectors	Implementing Ministry/Department	Approved financial outlay over a five-year period
1.	Advance Chemistry Cell (ACC) Battery	NITI Aayog and Department of Heavy Industries	Rs 18,100 crore
2.	Electronic/Technology Products	Ministry of Electronics and Information Technology	Rs 5,000 crore
3.	Automobiles and Auto Components	Department of Heavy Industries	Rs 57,042 crore
4.	Pharmaceuticals drugs	Department of Pharmaceuticals	Rs 15,000 crore
5.	Telecom & Networking Products	Department of Telecom	Rs 12,195 crore
6.	Textile Products: MMF segment and technical textiles	Ministry of Textiles	Rs 10,683 crore
7.	Food Products	Ministry of Food Processing Industries	Rs 10,900 crore
8.	High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	Rs 4,500 crore
9.	White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	Rs 6,238 crore
10.	Speciality Steel	Ministry of Steel	Rs 6,322 crore
<b>Total</b>			<b>Rs 145,980 crore</b>

## What is the production linked incentive scheme?

In order to boost domestic manufacturing and cut down on import bills, the central government in March this year introduced a scheme that aims to give companies incentives on incremental sales from products manufactured in domestic units. Apart from inviting foreign companies to set shop in India, the scheme also aims to encourage local companies to set up or expand existing manufacturing units.

So far, the scheme has been rolled out for mobile and allied equipment as well as pharmaceutical ingredients and medical devices manufacturing. These sectors are labour intensive and are likely, and the

hope is that they would create new jobs for the ballooning employable workforce of India.

### **Why is the production linked scheme needed?**

According to experts, the idea of PLI is important as the government cannot continue making investments in these capital intensive sectors as they need longer times for start giving the returns. Instead, what it can do is to invite global companies with adequate capital to set up capacities in India.

The kind of ramping up of manufacturing that we need requires across the board initiatives, but the government can't spread itself too thin. Electronics and pharmaceuticals themselves are large sectors, so, at this point, if the government can focus on labour intensive sectors like garments and leather, it would be really helpful," Biswajit Dhar, trade expert and professor at [JawaharLal Nehru](#) University's Centre for Economic Studies and Planning, sai

### **Nine Missions of national importance**

The Prime Minister's Science, Technology and Innovation Advisory Council (PMSTIAC) has launched Nine Missions of national importance, including those on artificial intelligence, quantum computing, electric vehicles and deep ocean exploration.

#### **The New Missions**

1. National Language Translation
2. Quantum Frontier
3. Artificial Intelligence
4. National Biodiversity
5. Electric Vehicles
6. Bioscience for Human Health
7. Waste to Wealth
8. Deep Ocean Exploration
9. Accelerating Growth for New India's Innovation

### **'Makkalai Thedi Maruthuvam'**

Tamil Nadu Chief Minister MK Stalin launched the 'Makkalai Thedi Maruthuvam' (healthcare at your doorstep), a first-of-its-kind initiative, at Samanapalli village in Krishnagiri.

The scheme aims to tackle non-communicable diseases in the state and ensure that health services are delivered at the doorsteps of beneficiaries.

Speaking at the event, Chief Minister MK Stalin said, "This project will benefit people who are above 45 years and in vulnerable categories with blood pressure and diabetes who will get healthcare facilities at their doorsteps. Through this, congenital disorders and jaundice will be identified earlier. Apart from this, dialysis and psychotherapy will be provided at doorsteps and medicines will be given to people identified with diabetes and other issues."

Stalin added, "Funds were allotted for this project and it was launched to achieve the vision for the next ten years to provide healthcare for all."

This has been implemented in eight districts in the first phase namely Krishnagiri, Madurai, Coimbatore, Salem, Thanjavur, Trichy, Tirunelveli and Chennai and it will be extended to other districts later. Similarly, one crore people in 30 lakh families in the state will get benefits by the end of this year."

### **Pradhan Mantri Ujjwala Yojana Launched : May 1, 2016.**

**Main Objective :** To distribute free LPG connections to the women belonging to 5 crore BPL families across the country. The target was later revised to 8 crore LPG connections by March 2020.

Salient Features of Ujjwala scheme are following:

- Cabinet Committee on Economic Affairs (CCEA) approved ₹ 8000 crore for the next 3 years.
- Pradhan Mantri Ujjwala Yojana will provide 5 crore LPG connections to BPL families, with the financial support of ₹1600.
- Connections have been issued on the name of women beneficiaries.

- WHO hailed PMUY as decisive intervention to facilitate the switch to clean household energy use, thereby addressing the problems associated with Indoor Household pollution)

### **Modi launches Ujjwala 2.0 scheme**

PM says gas connection will provide biggest relief to lakhs of migrant worker families in the country

Prime Minister Narendra Modi on Tuesday launched the second phase of the Ujjwala gas connection scheme for the poor, and said that it would provide the biggest relief to lakhs of migrant worker families in the country.

Under Ujjwala 2.0 (Pradhan Mantri Ujjwala Yojana), migrant workers would no longer have to struggle to get address proof documents to get the gas connections, Mr. Modi said.

### **National Policy on Biofuels-2018**

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has approved National Policy on Biofuels-2018.

#### **Salient Features:**

1. The Policy categorises biofuels as 'Basic Biofuels' viz.
  - First Generation (1G) bioethanol bio-diesel and 'Advanced Biofuels'
  - Second Generation (2G) ethanol, Municipal Solid Waste (MSW) to drop-in fuels,
  - Third Generation (3G) biofuels, bio-CNG etc. to enable extension of appropriate financial and fiscal incentives under each category.
2. The Policy expands the scope of raw material for ethanol production by allowing use of Sugarcane Juice, Sugar containing materials like Sugar Beet, Sweet Sorghum, Starch containing materials like Corn, Cassava, Damaged food grains like wheat, broken rice, Rotten Potatoes, unfit for human consumption for ethanol production.

3. Farmers are at a risk of not getting appropriate price for their produce during the surplus production phase. Taking this into account, the Policy allows use of surplus food grains for production of ethanol for blending with petrol with the approval of National Biofuel Coordination Committee.
4. With a thrust on Advanced Biofuels, the Policy indicates a viability gap funding scheme for 2G ethanol Bio refineries of ₹5000 crore in 6 years in addition to additional tax incentives, higher purchase price as compared to 1G biofuels.
5. The Policy encourages setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, Used Cooking Oil, short gestation crops.

### **Initiatives to Promote MSME Sector**

The United Nations (UN) designated 27th June as Micro, Small and Medium-sized Enterprises Day through a resolution passed in the UN General Assembly in April 2017.

Prime Minister's Employment Generation programme (PMEGP): It is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI): It aims to properly organize the artisans and the traditional industries into clusters and thus provide financial assistance to make them competitive in today's market scenario.

A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE): The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation in the agro-based industry.

Interest Subvention Scheme for Incremental Credit to MSMEs: It was introduced by the Reserve Bank of India wherein relief is provided upto 2% of interest to all the legal MSMEs on their outstanding



fresh/incremental term loan/working capital during the period of its validity.

**Credit Guarantee Scheme for Micro and Small Enterprises:** Launched to facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.

**Micro and Small Enterprises Cluster Development Programme (MSE-CDP):** It aims to enhance the productivity and competitiveness as well as capacity building of MSEs.

**Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS):** CLCS aims at facilitating technology upgradation of Micro and Small Enterprises (MSEs) by providing 15% capital subsidy for purchase of plant & machinery.

**CHAMPIONS portal:** It aims to assist Indian MSMEs march into the big league as National and Global CHAMPIONS by solving their grievances and encouraging, supporting, helping and hand holding them.

**MSME Samadhan:** It enables them to directly register their cases about delayed payments by Central Ministries/Departments/CPSEs/State Governments.

**Udyam Registrations Portal:** This new portal assists the government in aggregating the data on the number of MSMEs in the country.

**MSME SAMBANDH:** It is a Public Procurement Portal. It was launched to monitor the implementation of the Public Procurement from MSEs by Central Public Sector Enterprises.

### **Jal Shakti Abhiyan for Water Conservation**

Union Jal Shakti Minister, Shri Gajendra Singh Shekhawat on July 1, 2019 announced the commencement of the Jal Shakti Abhiyan – a campaign for water conservation and water security.

The campaign will run through citizens participation during the monsoon season, from 1st July, 2019 to 15th September, 2019. An additional Phase 2 will be run from 1st October, 2019 to 30th November, 2019 for States receiving the North East retreating monsoons. The focus of the campaign will be on water stressed districts and blocks.



### **Action Plan**

- The Jal Shakti Abhiyan is a collaborative effort of various Ministries of the Government of India and State Governments, being coordinated by the DDWS.
- Teams of officers from the central government will visit and work with district administration in 1592 water stressed blocks in 256 districts, to ensure five important water conservation interventions.
- These will be water conservation and rainwater harvesting, renovation of traditional and other water bodies/tanks, reuse, bore well recharge structures, watershed development and intensive afforestation.

**Jal Jeevan Mission**, is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India.

The programme will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, rain water harvesting.

### **National Digital Health Mission**

With the aim to create an ecosystem for providing better healthcare services in the country, Prime Minister Narendra Modi announced the National Digital Health Mission (NDHM) on August 15, 2020, the 74th Independence Day of India.

### **Highlights :**

The current digital infrastructure of the country that identifies and connects people while simplifying their day-to-day life through digital means includes Aadhaar Unique Identity (UID), JAM trinity (Jan Dhan-Aadhaar-Mobile) and Unified Payments Interface (UPI).

The primary institutions responsible for governing and implementing the mission include Ministry of Health and Family Welfare (MoHFW), Ministry of Electronics and Information Technology (MeitY) and National Health Authority (NHA).

NDHM will implement the following digital systems across the country

**Health ID :** Implementation of a Unique Health ID (UHID) just like an Aadhaar ID to identify and authenticate an individual based on past health records.

**Digi Doctor :** A repository of doctors with individual details like name, institution, qualification, specialization and years of experience among other necessary details.

**Health Facility Register (HFR):** A repository of Health Facilities across the country. HFR will be centrally maintained and facilitate standardised data exchange of private and public health facilities in India. Health facilities will also be allowed to update their profiles periodically.

**Personal Health Records (PHR) :** A PHR is an electronic record of an individual which would contain health-related information of that individual.

**Electronic Medical Records (EMR) :** An app that contains medical and treatment history of a patient. EMR is envisaged to be a web-based system that would contain comprehensive health related information of a patient at a facility.

## PM-WANI

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval on December 9, 2020 for the proposal of DoT for setting up Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) to provide public Wi-Fi service through Public Data Offices (PDOs) spread across length and breadth of the country to accelerate proliferation of Broadband Internet services through Public Wi-Fi network in the country.

There shall be no license fee for providing Broadband Internet through these public Wi-Fi networks.

The proposal will promote the growth of Public Wi-Fi Networks in the country and, in turn, will help in proliferation of Broadband Internet, enhancement of income and employment and empowerment of people.

- This Public Wi-Fi Access Network Interface will be known as PM-WANI.

### **Objectives of PM -WANI**

- While no registration would be required for PDOs, PDOAs and App Providers will get themselves registered with DoT through online registration portal (SARALSANCHAR) of DoT, without paying any registration fee. Registration shall be granted within 7 days of the application.
- This is expected to be more business friendly and in line with efforts for ease of doing business.
- COVID-19 pandemic has necessitated delivery of stable and high speed Broadband Internet (data) services to an increasingly large number of subscribers in the country including areas which do not have 4G mobile coverage. This can be achieved by deployment of Public Wi-Fi.
- Further, the proliferation of public Wi-Fi will not only create employment but also enhance disposable incomes in the hands of small and medium entrepreneurs and boost the GDP of the country.
- Proliferation of Broadband Services through public Wi-Fi is a step towards digital India and consequential benefit thereon.

### **New Telecom Policy 2012 Provides Nationwide Free Roaming**

The Govt, of India has approved a National Telecom Policy 2012, which will replace more than a 12 years old telecom regulations.

### **Highlights of New National Telecom Policy 2012**

- One Nation-One License to mean removal of Roaming Charges on Mobile phone service.
- Full Mobile Number Portability and work towards One Nation—Free Roaming.

- Efforts Towards 'Right to Broadband'.
- Affordable and reliable Broadband on demand by 2015 and to achieve 175 million broadband connections by the year 2017 and 600 million by the year 2020.
- Mission is to have special coverage of Remote, Rural areas across India.
- Protect consumer interest by promoting informed consent, transparency and accountability in quality of service, tariff, usage etc.
- Convergence of services will cover voice, data, video, Internet, VAS.
- De-link licenses issuances and spectrum allocations.
- Spectrum to be made available at market valuations.
- Seek TRAI recommendation on license framework.

**The Public Private Partnership (PPP)** Vertical is actively working towards deepening the reach of public-private partnerships as the preferred mode for implementation of infrastructure projects. It seeks to create timebound world-class infrastructure and attract private-sector and institutional capital in infrastructure.

S. No.	Project Appraised	No. of Projects	Total Cost (Rs. In Crores)
1	Roads	69	63,279
2	Ports	12	3,359
3	Eco Tourism	10	2,232
4	Silos	1	401
5	Petroleum Reserves	4	27,728
6	Ropeway	1	996
7	Telecom	9	29,199

8	Railway Stations	6	7,600
9	Railway Passenger Trains	12	30,099
10	Metro	1	7,420
	<b>Total</b>	<b>125</b>	<b>1,72,314</b>

## **Agricultural Reforms and Farmers Agitation : An Analysis**

### **1. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 :**

- I. The law allows intra-state and inter-state trade of farmers' produce beyond Agricultural Produce Market Committee APMC markets. State governments will not levy any market fee.
- II. Farmers can trade at any place outside 'mandis'
- III. Produce can be traded electronically in specified trade area.

### **2. The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020:**

1. This law creates a framework for contract farming through an agreement between a farmer and a buyer prior to the production or rearing of any farm produce.
2. Minimum period of an agreement will be one crop season, or one production cycle of livestock; maximum is five years, unless production cycle is more than five years.

### **3. The Essential Commodities (Amendment) Act, 2020:**

1. Allows Centre to regulate supply of certain food items under extraordinary circumstances (such as war and famine). Stock limits may be imposed on agricultural produce only if there is a steep price rise.
2. In normal circumstance there be no stock limit for the storage of farm produces.

## Existing Situation

There are 23 commodities for which MSPs are announced, but in actual practice only wheat and rice enjoy MSPs in any meaningful manner, and that too only in 6-7 states.

Punjab is the biggest gainer as its 95-98 per cent of market arrivals (marketable surplus) of wheat and paddy are procured at MSP by state agencies on behalf of the Food Corporation of India (FCI).

## Farmers' Perception

Farmers have a fear that the new Acts will divert procurement agencies to other platforms, away from APMC markets.

There is also a lurking suspicion that these Acts are the first step towards the withdrawal of MSP and that contract farming will reduce their bargaining power with corporates.

This is the shroud of fear that Ties the mind of the average "these laws will rob farmers of APMC markets, MSP, and they even lose their lands to big corporate houses through contract fanning. These fears, genuine or imaginary, have been blown out of proportion.

## Government Clarification

The government has clarified its contentions in the following way :

1. Farmers can trade their produce even outside mandis
2. Contract with price listed
3. No market fee
4. Farmers benefit from government priority
5. Acts passed with long discussion.

At the same time, about 1,000 mandis have been integrated into the e-NAM (National Agriculture Market), the pan-India electronic trading portal which networks existing mandis and enables better price discovery for farmers. It is important to introduce budgetary provisions and financial incentives and disincentives to protect small and marginal farmers and their interests. The art of policymaking is to balance the interest of producers and consumers within reasonable financial resources.

The Swaminathan Commission (2006) had stressed the need for liberalisation of agricultural marketing and regularisation of contract farming.

### **Covid-19: RBI Governor announces measures to tackle 2nd wave, promises more steps**

#### **Term liquidity of Rs 50,000 crore for emergency healthcare services**

The first measures announced by Shaktikanta Das was 'Term Liquidity Facility' of Rs 50,000 crore to ease access to emergency health services. The RBI has also proposed "On-tap liquidity" of Rs 50,000 crore with tenor up to three years at repo rate, said the RBI governor.

"Under the scheme, banks can provide fresh lending support to a wide range of entities including vaccine manufacturers, importers and suppliers of vaccines and priority medical devices, hospitals and dispensaries, pathology labs, manufacturers and suppliers of oxygen and ventilators, importers of Covid-related drugs, logistics firms and also patients for treatment," RBI governor said.

#### **SLTRO FOR SFBs**

The second measure relates to special long-term repo operations (SLTRO) for small finance banks (SFBs), which primarily lend to micro, unorganised and small industries. "It has been decided to conduct special 3-year long-term repo operations (3-year SLTRO) of Rs 10,000 crore at repo rate for SFBs," Das said.

The facility will help them with fresh lending of up to Rs 10 lakh per borrowers and it will be available till October 31, 2021.

#### **Priority lending by SFBs to MFIs**

The RBI also added that SFBs lending to micro-finance institutions (MFIs) will be classified as priority sector lending. The classification has been proposed in view of the fresh challenges brought on by the pandemic and to address the liquidity problems faced by smaller MFIs.



Simply put, SFBs are now being permitted to lend to smaller MFIs with asset size of up to Rs 500 crore and this is likely to help individual borrowers on priority. This facility will be available up to March 31, 2022.

### **Credit to 'unbanked' MSME entrepreneurs**

The RBI has also proposed an extension of a measure for incentivising the flow of credit to MSMEs borrowers.

### **Resolution 2.0 for individuals, small businesses**

Shaktikanta Das said that the resurgence of the Covid-19 pandemic in India has hurt vulnerable category borrowers including individuals, small businesses and MSMEs.

The RBI has allowed borrowers (individuals, small businesses and MSMEs) with aggregate exposure of up to Rs 25 crore -- who have not availed restructuring under earlier frameworks and classified as 'Standard' on March 31, 2021 -- shall be eligible to be considered under Resolution 2.0 framework.

### **Rationalisation of KYC compliance requirements**

The RBI has also rationalised certain compliance requirements in view of the Covid-19 second wave. These include

- 1) The scope of video KYC known as V-CIP (video-based customer identification process)
- 2) Conversion of limited KYC accounts opened on the basis of Aadhaar e-KYC authentication in non-face-to-face mode to fully KYC compliant accounts
- 3) Enabling the use of KYC Identifier of Centralised KYC Registry (CKYCR) for V-CIP and submission of electronic documents (including identity documents issued through DigiLocker) as identify proof

- 4) Introduction of more customer-friendly options, including the use of digital channels for the purpose of periodic updation of KYC details of customers.

### **Relaxation in overdraft facility for state governments**

The RBI has also announced certain relaxation with regard to availment of overdraft facility by states.

"The maximum number of days of OD in a quarter is being increased from 36 to 50 days and the number of consecutive days of OD from 14 to 21 days. This facility will be available up to September 30, 2021," the RBI governor said.

### **'PM-CARES for Children' Scheme**

- ✓ Prime Minister Narendra Modi on May 29, 2021 announced 'PM-CARES for Children' scheme to support children who have lost their parents due to Covid-19.

All children who have lost both parents or surviving parent or legal guardian/adoptive parents due to Covid - 19 will be supported under 'PM-CARES for Children' scheme.

#### **1. Fixed Deposit in the name of the Child:**

- ✓ PM CARES will contribute through a specially designed scheme to create a corpus of ₹ 10 lakh for each child when he or she reaches 18 years of age.

#### **2. School Education : For children under 10 years :**

- ✓ The child will be given admission in the nearest Kendriya Vidyalaya or in a private school as a day scholar.
- ✓ If the child is admitted in a private school, the fees as per the RTE norms will be given from the PM CARES.
- ✓ PM-CARES will also pay for expenditure on uniform, text books and notebooks.

#### **3. School Education for children between 11-18 years:**

- ✓ The child will be given admission in any Central Government residential school such as Sainik School, Navodaya Vidya-laya etc.

- ✓ In case the child is to be continued under the care of Guardian I grandparents I extended family, then he or she will be given admission in the nearest Kendriya Vidyalaya or in a private school as a day scholar.
- ✓ If the child is admitted in a private school, the fees as per the RTE norms will be given from the PM CARES.
- ✓ PM CARES will also pay for expenditure on uniform, text books and notebooks.

#### **4. Support for Higher Education:**

- ✓ The child will be assisted in obtaining education loan for Professional courses/Higher Education in India as per the existing Education Loan norms. The interest on this loan will be paid by the PM CARES.

#### **5. Health Insurance:**

- ✓ All children will be enrolled as a beneficiary under Ayushman Bharat Scheme (PM-JAY) with a health insurance cover of ₹ 5 lakh.
- ✓ The premium amount for these children till the age of 18 years will be paid by PM CARES.

### **Government Economic Support Measures**

#### **The provisions**

The overall economic support package by the eminent of India in response to the Covid-19 pandemic came in the form of two key sets of announcements.

1. The initial package of ₹ 1.7 trillion was announced on March 27, three days into the first lockdown. Including another ₹ 0.078 trillion of foregone revenues due to tax concessions applicable since (March 22 and ₹ 0.15 trillion for the health sector announced by the Prime Minister, the total amount of this first package came to ₹ 1.93 trillion.
2. The second package came almost a month and a half later in five tranches announced over five successive days, from May 13

through May 17. The total amount of this package, named as Aatma-Nirbhar Bharat, was declared to be ₹20.97 trillion, but this amount included the first package (of ₹1.93 trillion) as well as liquidity infusion measures by the Reserve Bank of India to the tune of ₹8.02 trillion.

Thus, one could think of the overall package of ₹20.97 trillion as consisting of three main parts: (i) Package 1 to the tune of ₹1.93 trillion, (ii) Package 2 to the tune of ₹11.03 trillion, and (iii) RBI's liquidity injection of ₹8.02 trillion.

Each of the three parts had multiple elements. Package 1 included the following provisions.

1. ₹500 per month, for 3 months, to an estimated 200 million women Jan Dhan account holders;
2. An additional 5kg of wheat or rice per person and 1 kg of pulses per PDS household, for 3 months, to those with PDS ration cards;
3. Enhanced daily wages, from ₹182 to ₹202, to those working on MNREGA public works;
4. A cash transfer of ₹2000 to an estimated 87 million farmers under the PM Kisan scheme;
5. Free Liquefied Petroleum Gas cylinders for an estimated 86 million Ujjwala scheme beneficiaries for 3 months;
6. An ex gratia payment of ₹1000 to poor senior citizens, widows and disabled persons;
7. Medical insurance of ₹5 million for Covid - 19 health workers;
8. Collateral-free loan of up to ₹2 million for female self-help groups;
9. Tax concessions including lower interest on delayed tax payment and reduction in withholding tax rate;
10. ₹0.15 trillion for the health sector.

**The main components of Package 2 included the following.**

1. Collateral-free loans to Micro, Small and Medium-Scale Enterprises (MSMEs) up to ₹3 trillion and an equity infusion of ₹ 0.5 trillion, with an additional ₹ 0.20 trillion in loans to stressed MSMEs;
2. ₹ 0.9 trillion for power distribution companies, ₹ 0.3 trillion of "special liquidity" for non-banking financial institutions (NBFCs) and Micro-Finance Institutions (MFIs) and a ₹ 0.45 trillion, partial credit guarantee scheme for NBFCs, housing finance companies (HFCs), and MFIs with low credit rating
3. Liquidity relief through reduction in Tax Deduct at Source (TDS) and Tax Collected at Source: valued at ₹ 0.5 trillion, and "expedited" income tax refunds of ₹ 0.18 trillion;
4. Concessional credit of ₹ 2 trillion for 25m fishermen and animal husbandry farmers PM - Kisan;
5. Additional emergency working capital of ₹0.3 trillion for farmers through the National Bank for Agriculture and Rural Development.
6. Extension of the Credit Linked Subsidy Scheme for the housing sector and middle income group amounting to ₹ 0.7 trillion;
7. A special credit facility for street vendors, amounting to ₹0.05 trillion;
8. Employees Provident Fund support for businesses and workers, amounting to ₹0.025 trillion;
9. Foodgrains for non-ration card holders (5 kg of wheat/rice per person and 1 kg chick - pea per family) for 2 months, intended to cover 80 million migrants, amounting to ₹ 0.035 trillion; and allowance for the use of PDS ration cards anywhere in the country under the One Ration One Card scheme by March 2021 (with unclear financial implications);
10. An additional ₹ 0.4 trillion to be allocated to NREG A

employment, over and above the earlier budget estimate of ₹0.61 trillion for fiscal 2021;


11. Creation of funds for development of agricultural infrastructure projects at the farm gate (₹ 1 trillion), animal husbandry infrastructure (₹ 0.15 trillion), development of marine and inland fisheries (₹0.2 trillion), infrastructure development for evacuation of coal (₹0.5 trillion), and social infrastructure (0.081 trillion);
12. Promotion of Affordable Rental Housing Complexes for migrant workers and the urban poor (with unclear financial implications).

**Finally, the liquidity injection measures by the RBI included the following;**

1. Reduction in the Cash Reserve Ratio (CRR) resulting in liquidity support of ₹1.37 trillion;
2. Increased banks' limits for borrowing under the Marginal Standing Facility (MSF) allowing banks to avail additional ₹1.37 trillion of liquidity at reduced MSF rate;
3. Targeted Long Term Repo Operations totaling ₹1.5 trillion planned for investment in investment grade bonds, commercial paper, non-convertible debentures including those of NBFCs and MFIs;
4. Special Liquidity Facility (SLF) of ₹0.5 trillion for mutual funds to provide liquidity support;
5. Special refinance facilities worth ₹0.5 trillion for National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and Sm Housing Bank (NHB) at policy repo rate.
6. A moratorium of three months on payment of installments and interest on work facilities for all types of loans.

**Inclusive growth  
White paper report**

**State of finances** | Key highlights of the White Paper released by Finance Minister Palanivel Thiaga Rajan



**Stark statistics:** Finance Minister Palanivel Thiaga Rajan, accompanied by Finance Secretary S. Krishnan, releasing the White Paper on Monday. ■ R. RAGU

- Tangedco's average cost of supply works out to ₹9.06 per unit and average realisation ₹6.70 per unit in 2020-21, resulting in a loss of ₹2.36 per unit
- The operational cost of the Chennai Metropolitan Water Supply and Sewerage Board is about ₹36.58 per kilo litre, while the cost of recovery is ₹14.08 per kilo litre
- The accumulated debt of power and transport PSUs is ₹1.99 lakh crore, as of March 31, 2021
- The accumulated losses of two water sector boards amount to ₹5,282.57 crore, as of March 31, 2021
- Since 2013-14, Tamil Nadu has had a revenue deficit every year
- Current levels of fiscal deficit are unsustainable
- The share of revenue deficit in fiscal deficit has exceeded 50% since 2017-18
- The total visible debt outstanding of over ₹5 lakh crore, estimated as of March 31, 2022, puts a burden of ₹70,000 on every citizen of Tamil Nadu
- Including the operating loss of the State Transport Corporations and the Electricity Department, interest payments etc., the debt per citizen works out to ₹1.10 lakh
- The average cost per km incurred by all State Transport Undertakings works out to ₹96.75, with a loss of ₹59.15 per km operated

Current problems can be fixed, but a business-as-usual approach cannot continue

There is an opportunity for once-in-a-generation reforms

Mr. Thiaga Rajan said the fiscal deficit was primarily due to high revenue deficits, with the State borrowing more and more to pay for salaries and interest on its past loans than on productive capital expenditure. "The current levels of fiscal deficit are unsustainable because the share of revenue deficit in fiscal deficit exceeds 50% or more since 2017-18," he said.

The State's estimated total debt outstanding would be ₹ 5,70,189 crore as on March 31, 2022. "As per statistics, there are 2,16,24,238 families in Tamil Nadu. Based on that, the public debt burden on each family is ₹ 2,63,976. This debt excludes the loans taken by undertakings like electricity board, transport undertakings and metro water," he said.

### PSUs bog down finances

The White Paper showed that the accumulated debt of the power sector and the transport sector alone was ₹ 1.99 lakh crore, while the accumulated losses of the two water sector boards – the Tamil Nadu Water Supply and Drainage Board and Chennai Metropolitan Water Supply and Sewerage Board – were ₹ 5,282.57 crore as on March 31, 2021.



The overall guarantees provided by the government of Tamil Nadu in 2006-07, which was ₹ 3,960.09 crore, had ballooned to ₹ 53,697 crore in 2014-15, mainly owing to large increases in guarantees to the power sector, which started declining after Ujjwal DISCOM Assurance Yojana (UDAY) was implemented.

However, the guarantees have risen again owing to the adverse financial situation in 2020-21 in the power and transport sectors and stand at ₹ 91,818.44 crore. Of this, ₹ 82,916.90 crore was due to the power sector.

The guarantee for the transport sector, which was ₹ 4.25 crore in 2018-19, stands at ₹ 4,642.72 crore at the end of 2020-21. These guarantees represent a large contingent liability for the government, he said.

The State's Own Tax Revenues (SOTR), which accounted for close to 70% of Total Revenue Receipts (TRR) until 2013-14, have declined and is 62.82% in 2020-21. "SOTR, as a proportion of the Gross State Domestic Product (GSDP), has been declining each year, and was just 5.46% in 2020-21. This is a source of grave concern," the Minister said.

The white paper highlighted the state's fall from a revenue surplus of Rs.1,760 crore in 2012-13 to a deficit of Rs.61,320 crore (or 3.16% of Gross State Domestic Product (GSDP) in 2020-21.

As per the white paper, Tamil Nadu's agricultural sector registered growth in the past 15 years, even though employment in the sector reduced by 10% – from 54% to 44% between 1981 and 2010.

Between 2006-2007 and 2010-2011, agriculture sector grew at 4.07% per annum, whereas in the next five years it grew at 5.24% and in the last five years, the growth rate increased to 5.86%.

Services sector, on the other hand, has been steadily declining from growth in the period from 2006--11 to 7.44% in 2011-16 and further to 6.03% in the period 2016-20

The sharpest decline in the annual growth rate was in the industrial sector.

The average annual growth rate in the industrial sector dropped from 10.30% in 2006-11 to 5.49% in the period 2011-16 before accelerating to 8.17% in the next five years.

Property owners, large consumers of water and electricity as well as those planning to buy high-end automobiles should get ready to pay more to help the state manage its debt burden, as per the minister.

The rising revenue deficit-driven fiscal deficits are funded mainly by borrowing, which sharply increased the total (visible) debt outstanding of Tamil Nadu to a little more than Rs 5.70 lakh crore on March 31, 2022

This amounts to around Rs 70,000 on every citizen of the state and nearly Rs 2.64 lakh on every family living in Tamil Nadu.

The finance minister added that as a percentage of GSDP, the revenue deficit has increased from 0.18% in 2013-14 to 1.95% in 2019-20 to 3.16% in 2020-21, more than the permissible fiscal deficit.

The state lost Rs.2,577.29 crore of Central grants recommended by the 14th finance commission for the financial years 2017-18, 2018-19 and 2019-20 due to the delay in conducting local body polls

On every unit of power consumption, Tangedco loses Rs. 2.36 per unit, as per the Minister

The average cost per kilometre incurred by all State Transport Undertakings works out to Rs. 96.75, with a loss of Rs.59.15 per km operated

The operational cost of Chennai Metropolitan Water Supply and Sewerage Board is about Rs. 36.58 per kilo litre, while cost of recovery is only Rs. 14.08 per kilo litre

The Union Government's levies on petrol have gone up substantially in the past seven years since 2014 from Rs.10.39 in May 2014 to Rs. 32.90 per litre by May 2021, which is not shareable with the state

In 2019-20, Tamil Nadu had the third highest guarantees outstanding among all states, behind Telangana and Andhra Pradesh

Tamil Nadu has 6.124% share of the population of the country, but only 4.079% share in the total tax revenue of the country, which is a proportion of 66.607%. This is the third-lowest proportion after Haryana and Maharashtra

## White Paper wants property tax collection enhanced This will increase the self-reliance of urban local bodies

### A low-down on ULBs

A look at the White Paper's key findings on urban local bodies (ULBs)

The State has **664** ULBs

**15** Municipal corporations

**121** Municipalities

**528** Town panchayats

Over **50%** of the State's population live in urban areas

As of March 31, 2021, all the ULBs had **89,53,969** property tax assessments with an annual demand of **₹2,565,05 crore**

T.N. is ranked among the States that provide the highest level of fiscal autonomy to local bodies

During 2019-20, grants and assistance to the tune of **₹7,112 crore** were given to ULBs, accounting for **45.34%** of the total contribution to all types of local bodies, rural and urban

Despite substantial devolution of resources, all the local bodies have not been paying for the electricity and water they availed from the respective utilities. They owe **₹1,259.2 crore** to the Tamil Nadu Generation and Distribution Corporation and **₹484.1 crore** to the Tamil Nadu Water Supply and Drainage Board

Tamil Nadu's property tax collection as a percentage of GSDP is significantly lower than that of Maharashtra and Andhra Pradesh

The White Paper, presented by Finance Minister Palanivel Thiaga Rajan on Monday, described as "critical" the task of enhancing property tax collection by urban local bodies.

**Digital India** was envisaged as an umbrella scheme that covered many aspects of making India a digital-first society. The initial outlay was ₹ 100,000 crore in ongoing schemes and ₹13,000 crore in new schemes. The progress of Digital India is as under:

### Broadband Connectivity

- 156,000 of the target of 250,000 village panchayats have been connected with broadband.
- Cabinet has approved public private partnership mode for the roll-out of BharatNet project for broadband services in villages.
- PM Modi has set a target of connecting 600,000 villages via broadband by May 2023.

### **Universal Access to Mobile Connectivity**

- Reliance Jio's entry in 2016 helped drive the adoption of digital content and services by rationalising mobile data costs.
- Total Internet subscribers in India in January-June 2020 were 749-07 million.

### **Public Internet Access**

- Aim to set up 250,000 common service centres, or one CSC in each gram panchayat.
- Over 400,000 CSCs operational.

### **e-Governance**

- DigiLocker : 66-37 million registered users, 4-32 billion issued authentic documents.
- Pandemic sped up digital services use.
- UMANG app (aggregates major govt services): 1,219 central & state govt services, 1,679-1 million department transactions, 253 departments integrated.

### **Electronics Manufacturing**

- India imported electronic components of Rs 1-15 trillion in FY20, 37% came from China.
- India's PLI schemes, launched last year, aim to cut some of this.

### **IT for Jobs**

- India BPO Promotion Scheme has generated direct jobs for more than 40,000 people residing in tier II and III cities.
- 38% of these are women.
- India IT industry added 138,000 people in FY21.

### **Direct Transfer (Digital Transactions)**

- Under PM KISAN Samman Nidhi ₹ 1-35 lakh crore has been deposited directly into the bank accounts of more than 10 crore farmers.

- Around ₹17 lakh crore has been transferred to the bank accounts of beneficiaries under various schemes.

### **Innovative Initiatives**

- One Nation One Ration Card
- One Nation One MSP DIKSHA
- E-NAM
- E-Snajeevani solution for telemedicine
- DigiBunai
- Aarogya Setu
- COWIN App

### **PM Launches ₹ 20,050 Crore PMMSY to Raise Fisheries Exports, Farmers' Income**

Prime Minister Narendra Modi on September 10, 2020 launched the ₹ 20,050 crore - Pradhan Mantri Matsya Sampada Yojana (PMMSY) in 21 states, including Bihar, that will help double fisheries exports, create more employment opportunities and boost income of farmers. Under this scheme many facilities have been inaugurated in Patna, Purnia, Sitamarhi, Madhe-pura, Kishanganj and Samastipur of Bihar.

- With an estimated investment of ₹ 20,050 crore, the PMMSY will be implemented from 2020 - 21 to 2024 - 25 as part of the Aatma-nirbhar Bharat package. It aims at enhancing fish production by an additional 70 lakh tonnes and increasing fisheries export earnings to ₹ 1 lakh crore by 2024 - 25.
- The PMMSY will ensure new infrastructure, modern equipment and access to new markets to fish producers and improve avenues for increasing income apart from farming. Fisheries exports are expected to double in the next four to five years, he added.
- PMMSY was announced in Union Budget 2020-21.
- PMMSY was also a part of Atma - nirbhar Bharat Abhiyan launched by the PM Modi on May 12, 2020.

## **AIM - Sirius Innovation Programme 3-0':**

Atal Innovation Mission (AIM) and Sirius, Russia, on November 7, 2020 launched 'AIM-Sirius Innovation Programme 3-0'- a 14-day virtual programme for Indian and Russian schoolchildren.

- The first Indo-Russian bilateral youth innovation initiative, the AIM-Sirius programme seeks to develop technological solutions (both web- and mobile-based) for the two countries.
- Over a two-week programme, from 7-21 November, 2020, 48 students and 16 educators and mentors has created 8 virtual products and mobile applications addressing global challenges – across a range of areas such as culture, distance education, applied cognitive science, health and well-being, sports, fitness, and games training, chemistry, artificial intelligence, and digital financial assets – in the wake of the covid-19 pandemic.
- Innovations developed by the student teams will leverage 21st-century technologies such as app development, artificial intelligence, blockchain, machine learning, data analytics and visualization, UI/UX, virtual reality, augmented reality, gamification, 3D design, and rapid prototyping, among others. AIM and Sirius' mentors from the industry and academia will work closely with the teams.
- 2020's cohort comprises the best Russian students from the Sirius Centre and the best Indian students and ATL in-charges from the top 150 teams of the 2019 ATL Marathon.
- In 2019 an Indian delegation of 25 students and 5 teachers visited the Sirius Centre, Russia, for a 7-day research-based programme. The teams created 8 different innovations in the areas of remote earth sensing, biological and genetic research, clean energy, data analytics and frontier technologies, and drones and robotics, which were then presented to Russian President Vladimir Putin on 5 December, 2019.

## **Atmanirbhar Bharat Rozgar Yojana**

- Finance Minister Nirmala Sitha-raman on November 12, 2020 announced a new job creation scheme by giving subsidy to those establishments that make new hires. The subsidy would be to

cover for retirement fund contributions by employ-ees as well as employers for two years.

- Employees contribution (12 per cent of wages) and employer's contribution (12 per cent of wages) totalling 24 per cent of wages would be given to establishments for two years.
- Under the Atmanirbhar Bharat Rozgar Yojana, every Employees' Provident Fund Organisation (EPFO) registered establishment taking new employees would get this subsidy.
- The scheme will cover any new employee joining employment in EPFO-registered establishment on monthly wages less than f 15,000.
- It would also cover EPF members drawing monthly wages of less than ₹15,000, who made an exit ' from employment during Covid-19 pandemic from March 1, 2020 and is employed on or after October 1, 2020.
- The scheme would cover establishments registered with EPFO if they add new employees compared to the reference base of employees as in September 2020.
- The condition would be adding a minimum of two new employees for establishments with up to 50 employees. Those establishments with more than 50 employees, would have to give a minimum of five new jobs.
- The scheme would be operational till June 30, 2021. )

### **PM Aatma Nirbhar Swasth Bharat Yojana :**

The Finance Minister announced that a new centrally sponsored scheme, PM Aatma Nirbhar Swasth Bharat Yojana, will be launched with an outlay of about ? 64,180 crore over 6 years. This will develop capacities of primary, secondary, and tertiary care Health Systems, strengthen existing national institutions, and create new institutions, to cater to detection and cure of new and emerging diseases. This will be in addition to the National Health Mission.



**The main interventions under the scheme are:**

1. Support for 17,788 rural and 11,024 urban Health and Wellness Centers
2. Setting up integrated public health labs in all districts and 3382 block public health units in 11 states;
3. Establishing critical care hospital blocks in 602 districts and 12 central institutions;
4. Strengthening of the National Centre for Disease Control (NCDC), its 5 regional branches and 20 metropolitan health surveillance units.
5. Expansion of the Integrated Health Information Portal to all States /UTs to connect all public health labs;
6. Operationalisation of 17 new Public Health Units and strengthening of 33 existing Public Health Units at Points of Entry, that is at 32 Airports, 11 Seaports and 7 land crossings;
7. Setting up of 15 Health Emergency Operation Centers and 2 mobile hospitals; and
8. Setting up of a national institution for One Health, a Regional Research Platform for WHO South East Asia Region, 9 Bio-Safety Level III laboratories and 4 regional National Institutes for Virology.

**Vaccines :** Provision of ₹ 35,000 crore made for Covid-19 vaccine in BE 2021-22. The Pneumococcal Vaccine, a Made in India product, presently limited to only 5 states, will be rolled out across the country aimed at averting 50,000 child deaths annually.

**Nutrition :**

To strengthen nutritional content, delivery, outreach, and outcome, Government will merge the Supplementary Nutrition Programme and the Poshan Abhiyan and launch the Mission Poshan 2-0. Government will adopt an intensified strategy to improve nutritional outcomes across 112 Aspirational Districts.

## **Physical and Financial Capital and Infrastructure Aatma Nirbhar Bharat-Production Linked Incentive Scheme**

Finance Minister said that for a US\$ 5 trillion economy, India's manufacturing sector has to grow in double digits on a sustained basis. India's manufacturing companies need to become an integral part of global supply chains, possess core competence and cutting-edge technology. To achieve all of the above, PLI schemes to create manufacturing global champions for an Atmanirbhar Bharat have been announced for 13 sectors. For this, the government has committed nearly ₹1-97 lakh crore in the next 5 years starting FY 2021-22. This initiative will help bring scale and size in key sectors, create and nurture global champions and provide jobs to our youth.

**Textiles :** Similarly, to enable the textile industry to become globally competitive, attract large investments and boost employment generation, a scheme of Megs Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme. This will create world class infrastructure with plug and play facilities to enable create global champions in exports. 7 Textile Parks will be established over 3 years.

**Infrastructure :** The National Infrastructure Pipeline (NIP) which the Finance Minister announced in December 2019 is the first-of-its-kind, whole-of-government exercise ever undertaken. The NIP was launched with 6835 projects; the project pipeline has now expanded to 7,400 projects. Around 217 projects worth ₹1-10 lakh crore under some key infrastructure Ministries have been completed.

**Infrastructure financing - Development Financial Institution (DFI) :** Dwelling on the infrastructure sector, Smt Sitharaman said that infrastructure needs long term debt financing. A professionally managed Development Financial Institution is necessary to act as a provider, enabler and catalyst for infrastructure financing. Accordingly, a Bill to set up a Development Financing Institutions (DFI) will be introduced. Government has provided a sum of ₹ 20,000 crore to capitalise this institution and the ambition is to have a lending portfolio of at least ₹5 lakh crore for this DFI in three years' time.

Asset Monetisation: Monetizing operating public infrastructure assets is a very important financing option for new infrastructure construction. A "National Monetization Pipeline" of potential Brownfield infrastructure

assets will be launched. An Asset Monetization dash-board will also be created for tracking the progress and to provide visibility to investors. Some important measures in the direction of monetisation are :

1. National Highways Authority of India and PGCIL each have sponsored one InvIT that will attract international and domestic institutional investors. Five operational roads with an estimated enterprise value of ₹ 5,000 crore are being transferred to the NHAI InvIT. Similarly, transmission assets of a value of ₹7,000 crore will be transferred to the PGCIL InvIT.
2. Railways will monetize Dedicated Freight Corridor assets for operations and maintenance, after commissioning.
3. The next lot of Airports will be monetised for operations and management concession.
4. Other core infrastructure as that will be rolled out under Asset Monetization Program are :
  - (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.

### **Roads and Highways Infrastructure :**

Finance Minister announced that more than 13,000 km length of roads, at a cost of ₹3-3 lakh crore, has already been awarded under the ₹5-35 lakh crore Bharatmala Pariyojana project of which 3,800 kms have been constructed. By March 2022, Government would be awarding another 8,500 kms and complete an additional 11,000 kms of national highway corridors. To further augment road infrastructure, more economic corridors are also being planned. She also provided an enhanced outlay of ₹1,18,101 lakh crore for Ministry of Road Transport and Highways, of which of ₹1,08,230 crore is for capital, the highest ever.

### **Railway Infrastructure :**

Indian Railways have prepared a National Rail Plan for India-2030. The Plan is to create a 'future ready' Railway system by 2030. Bringing down the logistic costs for our industry is at the core of our strategy to enable 'Make in India'. It is expected that Western Dedicated Freight Corridor (DFC) and Eastern DFC will be commissioned by June 2022.

For Passenger convenience and safety the following measures are proposed :

1. Introduction of aesthetically designed Vista Dome LHB coach on tourist routes to give a better travel experience to passengers.
2. The safety measures undertaken in the past few years have borne results. To further strengthen this effort, 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.
3. Budget also provided a record sum of ₹1,10,055 crore, for Railways of which ₹1,07,100 crore is for capital expenditure.

**Urban Infrastructure :** Government will work towards raising the share of public transport in urban areas through expansion of metro rail network and augmentation of city bus service. A new scheme will be launched at a cost of ₹18,000 crore to support augmentation of public bus transport services.

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. Two new technologies i.e., 'MetroLite' and 'MetroNeo' will be deployed to provide metro rail systems at much lesser cost with same experience, convenience and safety in Tier-2 cities and peripheral areas of Tier-1 cities.

**Power Infrastructure :** The past 6 years have seen a number of reforms and achievements in the power sector with the addition of 139 Giga Watts of installed capacity, connecting an additional 2-8 crore households and addition of 1.41 lakh circuit km of transmission lines.

Expressing a serious concern over the viability of Distribution Companies, the Finance Minister proposed to launch a revamped reforms-based result-linked power distribution sector scheme with an outlay of ₹ 3,05,984 crore over 5 years. The scheme will provide assistance to DISCOMS for Infrastructure creation including prepaid smart metering and feeder separation, upgradation of systems, etc., tied to financial improvements.

### **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. For the purpose the budget proposes to offer more than ₹ 2,000 crore by Major Ports on Public Private Partnership mode in FY21-22.

A scheme to promote flagging of merchant ships in India will be launched by providing subsidy support to Indian shipping companies in global tenders floated by Ministries and Central Public Sector Enterprises. An amount of ₹ 1624 crore will be provided over 5 years. This initiative will enable greater training and employment opportunities for Indian seafarers besides enhancing Indian companies share in global shipping.

**Petroleum & Natural Gas :** The government has kept fuel supplies running across the country without interruption during the COVID-19 lockdown period. Taking note of the crucial nature of this sector in people's lives, following key initiatives are being announced:

1. Ujjwala Scheme which has benefited 8 crore households will be extended to cover 1 crore more beneficiaries.
2. Government will add 100 more districts in next 3 years to the City Gas Distribution network.
3. A gas pipeline project will be taken up in Union Territory of Jammu & Kashmir.

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 Capital**—The Finance Minister proposed 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. The Government would support the development of a world class Fin-Tech hub at the GIFT-IFSC.

**Increasing FDI in Insurance Sector** : The Finance Minister proposed to amend the Insurance Act, 1938 to increase the permissible FDI limit from 49% to 74% and allow foreign ownership and control with safeguards. Under the new structure, the majority of Directors on the Board and key management persons would be resident Indians, with at least 50% of Directors being Independent Directors, and specified percentage of profits being retained as general reserve.

**Disinvestment and Strategic Sale** : In spite of COVID-19, Government has kept working towards strategic disinvestment. The Finance Minister said a number of transactions namely BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEM, Pawan Hans, Neela-challspat Nigam limited among others would be completed in 2021-22. Other than IDBI Bank, Government proposes to take up the privatization of two Public Sector Banks and one General Insurance company in the year 2021-22.

In 2021-22, Government would also bring the IPO of LIC for which the requisite amendments will be made this Session itself. \ I 3.

**Inclusive Development for Aspirational India** : Under the pillar of Inclusive Development for Aspirational India, the Finance Minister announced to cover Agriculture and Allied sectors, farmers' welfare and rural India, migrant workers and labour, and financial inclusion.

**Agriculture**— Dwelling on agriculture, the Finance Minister said that the Government was committed to the welfare of farmers. The MSP regime has undergone a sea change to assure price that is at least 1-5 times the cost of production across all commodities. The procurement has also continued to increase at a steady, pace. This has resulted in increase in payment to farmers' substantially.

- In case of wheat, the total amount paid to farmers in 2013-2014 was ? 33,874 crore. In 2019-2020 it was ₹ 62,802 crore, and even better, in

2020-2021, this amount, paid to farmers, was ₹ 75,060 crore. The number of wheat growing farmers that were benefited increased in 2020-21 to 43-36 lakh as compared to 35-57 lakh in 2019-20.

- For paddy, the amount paid in 2013-14 was ₹ 63,928 crore. In 2019-2020, this increased to ₹ 1,41,930 crore. Even better, in 2020-2021, this is further estimated to increase to ₹ 172,752 crore. The farmers benefited increased from 1-24 crore in 2019-20 to 1-54 crore in 2020-21.
- In the same vein, in case of pulses, the amount paid in 2013-2014 was ₹ 236 crore. In 2019-20 it increased to ₹ 8,285 crore. Now, in 2020-2021, it is at ₹ 10,530 crore, a more than 40 times increase from 2013-14.
- The receipts to cotton farmers have seen a stupendous increase from ₹ 90 crore in 2013-14 to ₹ 25,974 crore (as on 27th January, 2021).
- Early this year, Honourable Prime Minister had launched SVAMITVA Scheme. Under this, a record of rights is being given to property owners in villages. Up till now, about 1-80 lakh property-owners in 1,2417 villages have been provided cards and the Finance Minister proposed during FY 2021-22 to extend this to cover all states/ UTs.
- To provide adequate credit to our farmers, Government has enhanced the agricultural credit target to ₹ 16-5 lakh crore in FY22. Similarly, the allocation to the Rural Infrastructure Development Fund (RIDF) increased from ₹ 30,000 crore to ₹ 40,000 crore. The Micro Irrigation Fund, with a corpus of ₹ 5,000 crore which has been created under NABARD will be doubled.
- In an important announcement to boost value addition in agriculture and allied products and "their exports, the scope of 'Operation Green Scheme' that is presently applicable to tomatoes, onions, and potatoes, will be enlarged to include 22 perishable products (Top to Total).
- Around 1-68 crore farmers are registered and ₹ 1.14 lakh crore of trade value has been carried out through e-NAMs. Keeping in view the transparency and competitiveness that e-NAM has brought into the agricultural market, 1,000 more mandis will be integrated with e-



NAM. The Agriculture Infrastructure Funds would be made available to APMCs for augmenting their infrastructure facilities.

**Fisheries :** Finance Minister proposed substantial investments in the development of modern fishing harbours and fish landing centres. To start with, 5 major fishing harbours : Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat - will be developed as hubs of economic activity.

### **Migrant Workers and Labourers:**

Government has launched the One Nation One Ration Card scheme through which beneficiaries can claim their rations anywhere in the country. One Nation One Ration Card plan is under implementation by 32 states and UTs, reaching about 69 crore beneficiaries - that's a total of 86% beneficiaries covered. The remaining 4 states and UTs will be integrated in the next few months.

**Financial Inclusion :** To further facilitate credit flow under the scheme of Stand Up India for SCs, STs, and women, the Finance Minister proposed to reduce the margin money requirement from 25% to 15%, and to also include loans for activities allied to agriculture. Moreover, a number of steps were taken to support the MSME sector and in this Budget, Government has provided ₹15,700 crore to this sector-more than double of this year's BE.

### **Reinvigorating Human**

**Capital :** The Finance Minister said that the National Education Policy (NEP) announced recently has had good reception, while adding that more than 15,000 schools will be qualitatively strengthened to include all components of the National Education Policy. The Finance Minister announced that 100 new Sainik Schools will be set up in partnership with NGOs/private schools /states. The Finance Minister also proposed to set up a Higher Education Commission of India, as an umbrella body having 4 separate vehicles for standard setting, accreditation, regulation, and funding. For accessible higher education in Ladakh, Government proposed to set up a Central University in Leh.

### **Scheduled Castes and Scheduled Tribes Welfare :**

Government has set a target of establishing 750 Eklavya model residential schools in tribal areas with increase in unit cost of each such school from ₹ 20 crore to ₹38 crore, and for hilly and difficult areas, to ₹

48 crore. Similarly, under the revamped Post Matric Scholarship Scheme for the welfare of Scheduled Castes, the Central Assistance was enhanced and allocated ₹35,219 crore for 6 years till 2025-2026, to benefit 4 crore SC students.

**Skilling :** An initiative is underway, in partnership with the United Arab Emirates (UAE), to benchmark skill qualifications, assessment, and certification, accompanied by the deployment of certified workforce. The Government also has a collaborative Training Inter Training Programme (TITP) between India and Japan to facilitate transfer of Japanese industrial and vocational skills, technique, and knowledge and the same would be taken forward with many more countries.

**Innovation and R&D :** The Finance Minister said that in her Budget Speech of July 2019, She had announced the National Research Foundation and added that the NRF outlay will be of ₹50,000 crore, over 5 years. It will ensure that the overall research ecosystem of the country is strengthened with focus on identified national-priority thrust areas.

Government will undertake a new initiative - National Language Translation Mission (NTLM). This will enable the wealth of governance-and-policy related knowledge on the Internet being made available in major Indian languages.

The New Space India Limited (NSIL), a PSU under the Department of Space will execute the PSLV-CS51 launch, carrying the Amazonia Satellite from Brazil, along with a few smaller Indian satellites.

As part of the Gaganyaan mission activities, four Indian astronauts are being trained on Generic Space Flight aspects, in Russia. The first unmanned launch is slated for December 2021.

**Boost to digital payments :** There has been a manifold increase in digital payments in the recent past and there was a need to take steps to carry forward this momentum. ₹1,500 crore has been proposed for a scheme that will provide financial incentive to promote digital modes of payment and further boost digital transactions.

**Deep Ocean Mission :** To better understand the realm of Oceans it has been proposed in the budget to launch a Deep Ocean Mission with a budget outlay of more than ₹4,000 crores, over five years. This Mission

will cover deep ocean survey exploration and projects for the conservation of deep sea biodiversity.

**Minimum Government, Maximum Governance :** Dwelling on the last of the six pillars of the Budget, the Finance Minister proposed to take a number of steps to bring reforms in

Tribunals in the last few years for speedy delivery of justice and proposes to take further measures to rationalise the functioning of Tribunals. Government has introduced the National Commission for Allied Healthcare Professionals Bill in Parliament, with a view to ensuring transparent and efficient regulation of the 56 allied healthcare professions. The forthcoming Census will be the first digital census in the history of India and for this monumental and milestone-marking task, ₹3,768 crore have been allocated in the year 2021-2022.

**Fiscal Development :** On Fiscal position, The Finance Minister underlined that the pandemic's impact on the economy resulted in a weak revenue inflow. Once the health situation stabilised, and the lockdown was being slowly lifted, Government spending was ramped up so as to revive domestic demand. As a result, against an original BE expenditure of ₹ 30-42 lakh crore for 2020-21, RE estimates are ₹ 34-50 lakh crore and quality of expenditure was maintained. The capital expenditure, estimated in RE is ₹ 4-39 lakh crore in 2020-21 as against ₹ 4-12 lakh crore in BE 2020-21.

The Finance Minister said fiscal deficit in RE 2020-21 is pegged at 9-5% of GDP and it has been funded through Government borrowings, multilateral borrowings, Small Saving Funds and short term borrowings. The Finance Minister added that the Government would need another ₹ 80,000 crore for which it would be approaching the markets in these 2 months. The fiscal deficit in BE 2021-22 is estimated to be 6-8% of GDP. The gross borrowing from the market for the next year would be around 12 lakh crore.

The Finance Minister announced that the Government plans to continue the path of fiscal consolidation, and intends to reach a fiscal deficit level below 4-5% of GDP by 2025-2026 with a fairly steady decline over the period.

In accordance with the views of the 15th Finance Commission, Government is allowing a normal ceiling of net borrowing for the states at 4% of GSDP for the year 2021-22. The FRBM Act mandates fiscal deficit of 3% of GDP to be achieved by 31st March, 2020-21. The effect of this year's unforeseen and unprecedented circumstances has necessitated the submission of a deviation statement under Sections 4 (5) and 7 (3) (b) of the FRBM Act which the Finance Minister laid on the Table of the House as part of the FRBM Documents.

On 9th December, 2020, the 15th-Finance Commission submitted its final report, covering the period 2021- 26 to the Rashtrapati ji. The Government has laid the Commission's report, along with the explanatory memorandum retaining the vertical shares of the states at 41%. On the Commission's recommendation, the Budget provided ? 1,18,452 crore as revenue deficit grant to 17 states in 2021-22J

