

Union Budget 2021-22 at a Glance

February 2, 2021

The Union Budget has been divided into two Parts i.e., Part A and Part B, while part A has been further classified into six pillar and part B has been categorized into two sub parts

Six pillars part A of the Budget

The Budget proposals for 2021-22 rest on 6 pillars.

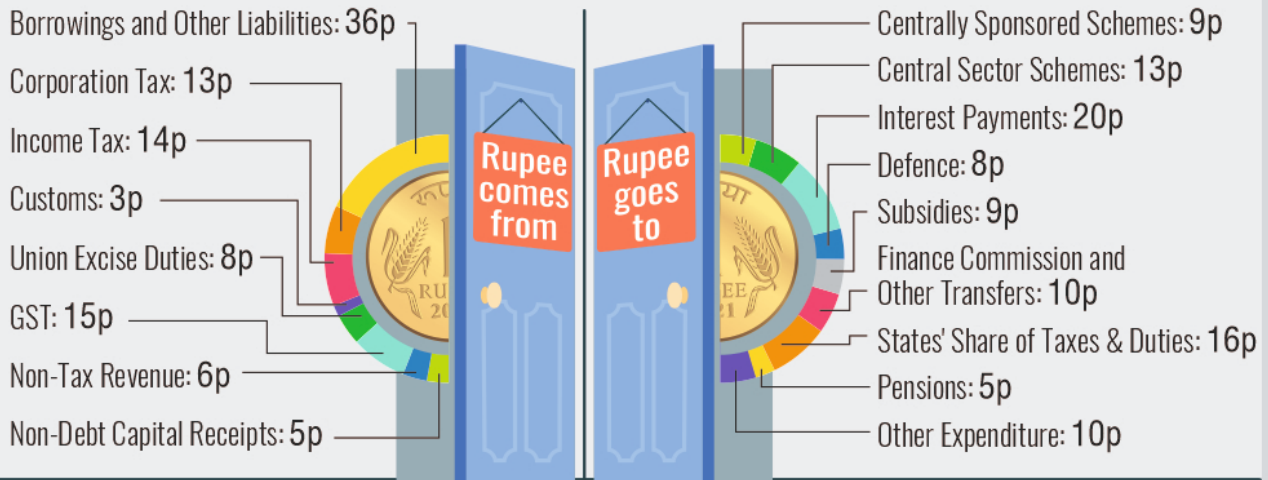
- **Health and Wellbeing**
- **Physical & Financial Capital, and Infrastructure**
- **Inclusive Development for Aspirational India**
- **Reinvigorating Human Capital**
- **Innovation and R&D**
- **Minimum Government and Maximum Governance**

The Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman presented the Union Budget 2021-22 in Parliament which is the first budget of this new decade and also a digital one in the backdrop of unprecedented COVID-19 crisis.

According to the Minister, Budget proposals will strengthen the Sankalp of Nation First, Doubling Farmers Income, Strong Infrastructure, Healthy India, Good Governance, Opportunities for youth, Education for All, Women Empowerment, and Inclusive Development among others.



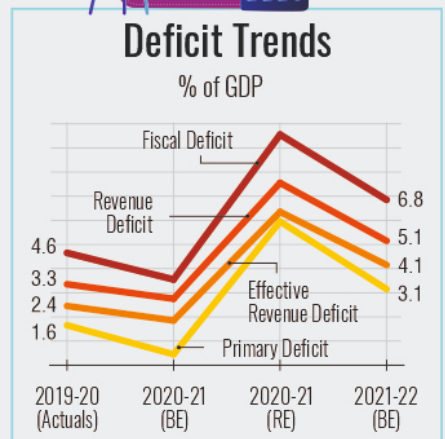
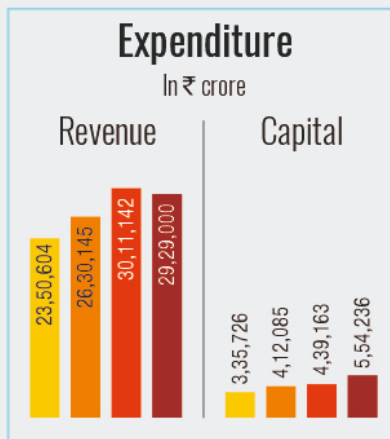
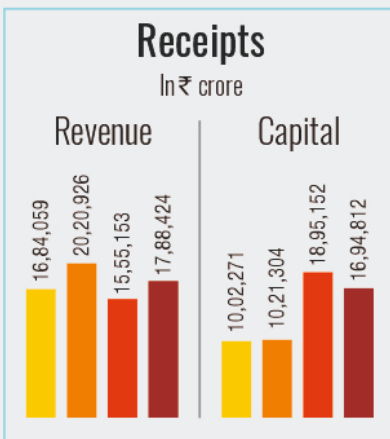
Central Revenue and Expenditure



Additionally, also on the path to fast-implementation are the 13 promises of Budget 2015-16-which were to materialize during the AmrutMahotsav of 2022, on the 75th year of our Independence. They too resonate with this vision of Aatma Nirbharta.

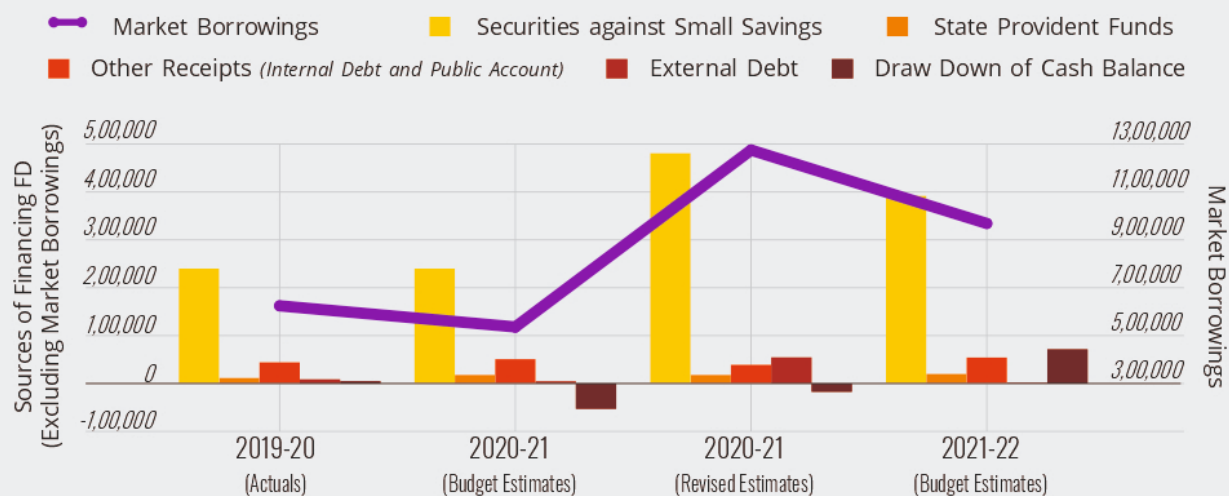


At a Glance



Sources of Deficit Financing

In ₹ crore



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Fiscal Position:

Item	Original BE 2020-21	RE 2020-21	BE 2021-22
Expenditure	30.42 lakh crore	34.50 lakh crore	34.83 lakh crore
Capital Expenditure	4.12 lakh crore	4.39 lakh crore	5.5 lakh crore
Fiscal Deficit (as % of GDP)	—	9.5%	6.8%

- RE for Expenditure is Rs. 34.50 lakh crore as against original BE expenditure of Rs. 30.42 lakh crore
- Quality of expenditure has been maintained as Capital Expenditure estimated as per RE is Rs. 4.39 lakh crore in 2020-2021 as against Rs. 4.12 lakh crore in BE 2020-21
- Estimates of Rs. 34.83 lakh crore BE for expenditure in 2021-2022 including Rs. 5.5 lakh crore as capital expenditure, an increase of 34.5% to give required push

to economy

- The fiscal deficit in BE 2021-2022 is estimated to be 6.8% of GDP. The fiscal deficit in RE 2020-21 is pegged at 9.5% of GDP – funded through Government borrowings, multilateral borrowings, Small Saving Funds and short term borrowings
 - Gross borrowing from the market for the next year to be around 12 lakh crore.
 - Plan to continue on the path of fiscal consolidation, achieving a fiscal deficit level below 4.5% of GDP by 2025-2026 with a fairly steady decline over the period
 - It will be achieved by increasing the buoyancy of tax revenue through improved compliance, and secondly, by increased receipts from monetisation of assets, including Public Sector Enterprises and land
 - Deviation Statement under Sections 4(5) and 7(3) (b) of the FRBM Act tabled necessitated by this year's unforeseen and unprecedented circumstances
 - Amendment to FRBM Act proposed to achieve targeted Fiscal Deficit levels
- The Contingency Fund of India is to be augmented from Rs. 500 crore to Rs. 30,000 crore through Finance Bill

Net borrowing of the States:

- Net borrowing for the states allowed at 4% of GSDP for the year 2021-2022 as per recommendation of 15th FC
 - Part of this earmarked for incremental capital expenditure
 - Additional borrowing ceiling of 0.5% of GSDP will be provided subject to conditions
- States expected to reach a fiscal deficit of 3% of GSDP by 2023-24, as recommended by the 15th Finance Commission

Fifteenth Finance Commission:

- The final report covering 2021-26 was submitted to the President, retaining vertical shares of states at 41%
- Funds to UTs of Jammu and Kashmir and Ladakh would be provided by Centre
- On the Commission's recommendation, Rs. 1,18,452 crore have been provided as Revenue Deficit Grant to 17 states in 2021-22, as against Rs. 74,340 crore to 14 states in 2020-21