

## EVERYDAY CURRENT AFFAIRS—FEBRUARY 2, 2022

### BUDGET SPECIAL

- On February 1, Finance Minister Nirmala Sitharaman - presented the Union Budget for 2022-23 and tabled the Finance Bill 2022 to the Parliament

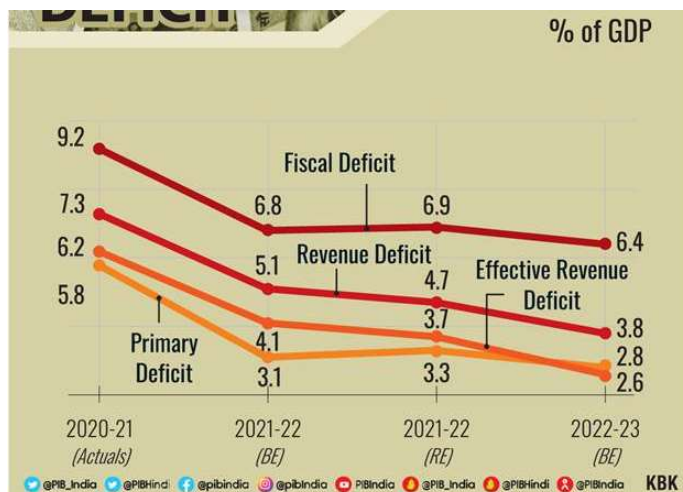


- ✓ The Union Budget focused on 4 pillars of development – PM Gati Shakti, investment financing, productivity enhancement, energy transition and climate action
- ✓ During her speech, the FM announced laying the foundation for “Amrit Kaal”, a new term for the 25-year period in the run-up to India at 100. For the Amrit Kaal, the next phase of Ease of Doing Business 2.0 and Ease of Living will be launched
- ✓ The Indian economy is estimated to expand 9.2% in the fiscal year that ends in March, following a contraction of 7.3% in the previous fiscal year.
- ✓ The budget pegged the government’s fiscal deficit for the financial year at 6.4% of gross domestic product
- ✓ The outlay for capital expenditure is being stepped up by 35.4% from Rs 5.54 lakh crore to Rs 7.50 lakh crore

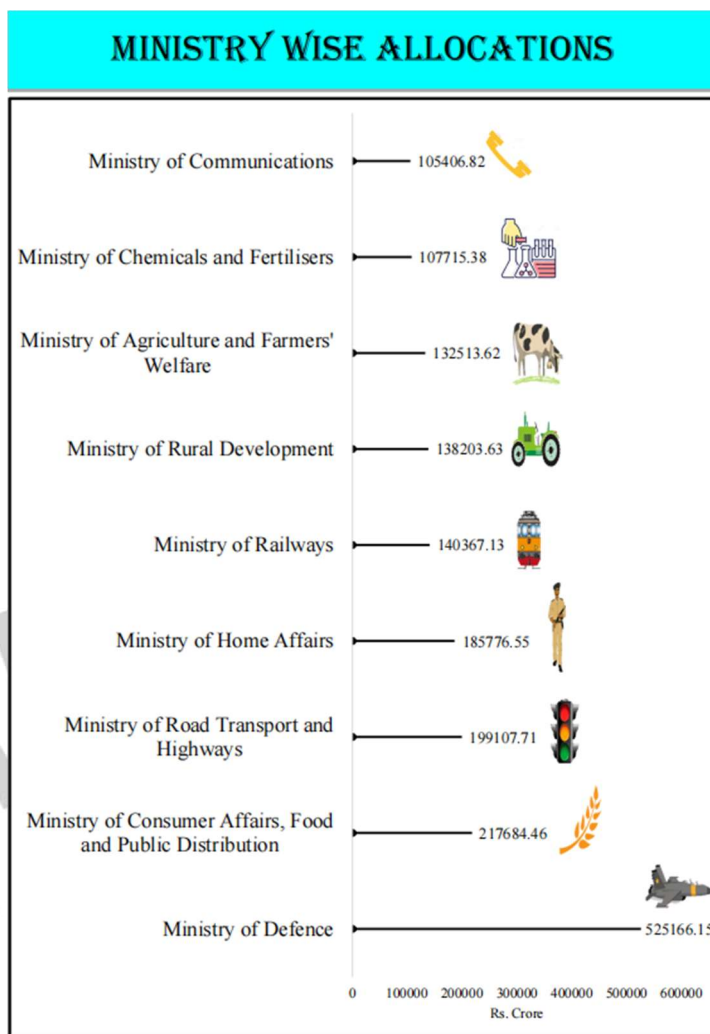
- ✓ The Budget estimates the effective capital expenditure of the Central government at Rs 10.68 lakh crore in 2022-23, making up about 4.1% of the GDP.



- ✓ The gross GST collections for the month of January 2022 are Rs 1,40,986 crore — the highest since the inception of the tax in 2017.
- ✓ The total expenditure in FY22 stands at Rs 39.45 lakh crore and total receipts without borrowing at Rs 22.84 lakh crore.
- ✓ Fiscal deficit in FY22 was at 6.9% of the GDP as against 6.8% projected in the Budget estimates, while fiscal deficit for FY23 is projected at 6.4%



- ✓ In a major push for digital currency, the FM stated that a digital currency will be introduced by RBI using blockchain technology starting 2022-23.
- ✓ Further, the FM introduced a new crypto tax under which income generated from the transfer of any virtual digital asset shall be taxed at the rate of 30% and announced 1% TDS on transfer of virtual digital assets
- ✓ Also, gifts in virtual digital assets would be taxed in the hands of the recipient



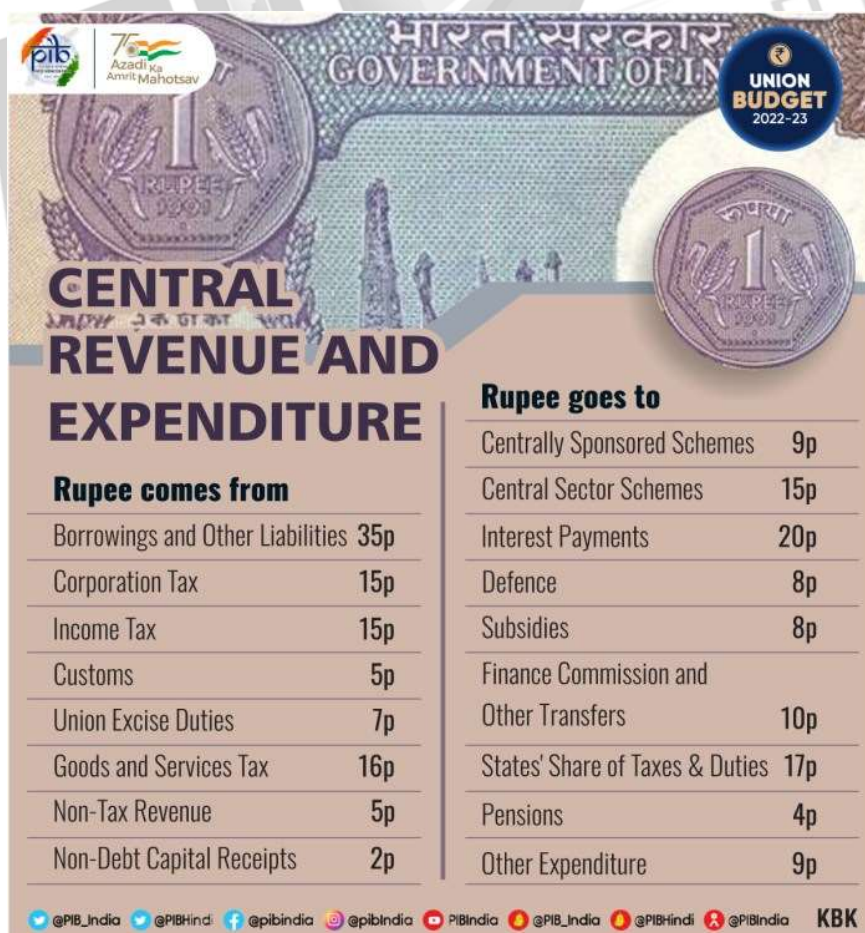
- ✓ While presenting her fourth Union Budget, the FM gave her shortest Budget speech of just 90 minutes this year
- ✓ In 2019, she presented her maiden budget for the fiscal year 2019-2020 and broke the record for the longest ever budget address for two hours and 17 minutes.
- ✓ The next year, she broke her own record when she spoke for two hours and 42 minutes while presenting the budget for the year 2020-21
- ✓ In 2021, her budget speech was 100 minutes long.
- ✓ Before Nirmala Sitharaman, Jaswant Singh held the longest-budget-speech record, when he presented the budget for 2 hours and 15 minutes in 2003



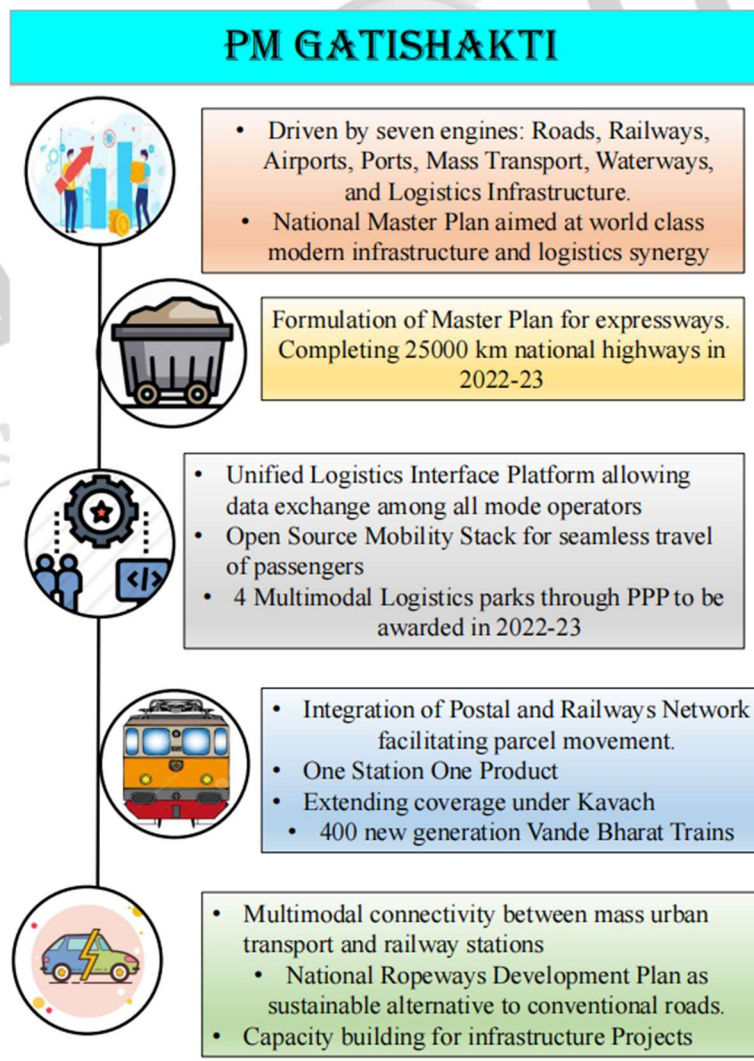
- ✓ Meanwhile, the shortest budget speech in the history of independent India was delivered by Hirubhai M Patel in 1977, when he delivered an Interim Budget address of only 800 words.
- ✓ In terms of word spoken, Manmohan Singh delivered the longest budget speech in 1991 under the PV Narasimha Rao government with 18,650 words

### **Highlights of the Union Budget 2022-23**

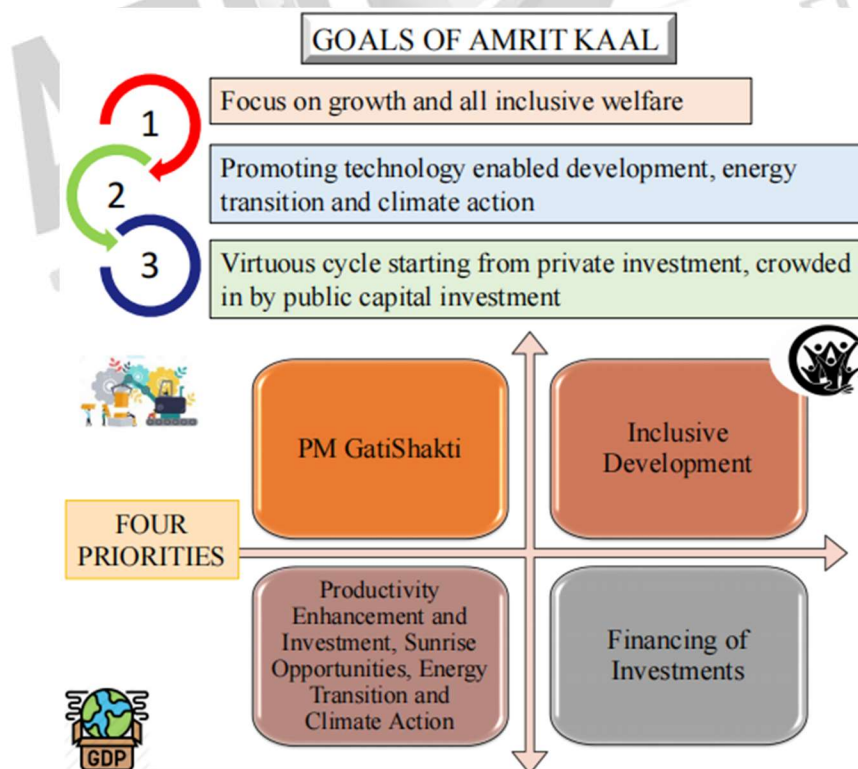
- ✓ The FM did not announce any new changes in tax slabs for the personal income tax category, but announced that taxpayers can now update I-T returns within two years.
  - ✓ The earlier window for revising returns was only till three months before the end of the assessment year
  - ✓ The extension also available if they miss deadline for filing belated or revised returns and updated returns to be accompanied with payment of additional tax equal to 25-50% of differential tax and interest
- ✓ Tax for cooperative societies has been reduced to 15% to provide a level playing field between cooperatives and corporate, while surcharge on cooperatives reduced to 7%
- ✓ Surcharge on long-term capital gains from sale of any capital asset (other than listed securities) capped at 15% from earlier up to 37%.



- ✓ A national tele-mental health program will be launched for mental health counseling which will include a network of 23 tele-mental health centres of excellence. NIMHANS will be the nodal centre for it and International Institute of Information Technology-Bangalore (IIITB) will provide technology support.
- ✓ An open platform for the National Digital Health Ecosystem will be rolled out under the Ayushman Bharat Digital Mission, which will have digital registries of health providers and facilities, unique health identity, consent framework and universal access to health facilities
  - ✓ The government has already launched Ayushman Bharat Digital Health Mission and started creating health IDs for citizens, which will be linked to mobile and Aadhaar numbers to maintain personal health records that can be shared with consent.
- ✓ A Digital University will be established to provide access to students across the country for world-class quality universal education with personalised learning experience at their doorsteps
- ✓ Five institutions will be recognised as centres of excellence on urban planning



- ✓ The National Highway network will be expanded by 25,000 kms in 2022-23 and PM Gati Shakti masterplan will be framed to encompass the seven key sectors - roads, railways, airports, ports, mass transport, waterways and logistics - for economic transformation, seamless multimodal connectivity and logistics efficiency
  - ✓ Under the PM Gati Shakti master plan, 100 cargo terminals and 400 new generation Vande Bharat trains with better efficiency will be brought out in the next three years.
  - ✓ The Gati Shakti - National Master Plan for Multimodal Connectivity was launched by Prime Minister Narendra Modi in October 2021.
  - ✓ Gati Shakti -- a digital platform -- aims to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.
- ✓ The government also enhanced the budgetary allocation for road transport and highways by 52% to Rs 1.99 lakh crore
- ✓ Railways to focus on 'One station, one product' to help supply chain of local products
- ✓ The Emergency Credit Linked Guarantee Scheme (ECLGS) will be extended till March 2023 and its guarantee cover will be expanded by Rs 50,000 crore to a total cover of Rs 5 lakh crore



- ✓ The implementation of the Ken-Betwa river link project worth Rs 44,605 crore in the water-starved Bundelkhand region of Madhya Pradesh and Uttar Pradesh will be taken up and detailed project reports for five other links (Damanganga-Pinjal,



Par-Tapi-Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery) having been finalised

#### Universalisation of Quality Education

One class One TV channel programme to be expanded to 200 TV channels

Virtual labs and skilling e-labs to promote critical thinking skills and stimulated learning environment

A Digital University will be established with world class quality universal education

High quality e-content will be delivered through Digital Teachers

#### Skill Development

Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to promote online training

Startups will be promoted to facilitate Drone Shakti for Drone-As-A-Service

- ✓ For skilling, upskilling and reskilling of youth, Digital DESH-stack e-portal will be launched. DESH stands for “Digital Ecosystem for Skilling and Livelihood”.
- ✓ 'One Class One TV Channel' programme of PM eVIDYA will be expanded from 12 to 200 TV Channels to provide supplementary education in regional languages for classes 1-12
- ✓ The FM proposed 75 skilling e-labs for a simulated learning environment in 2022-2023 to promote critical thinking skills and give space to creativity.
- ✓ Allowing world-class foreign universities and institutions in GIFT City (Gujarat International Finance Tec-City) to offer courses in Financial Management, Science, Technology, FinTech, Mathematics and Engineering.
- ✓ Prime Minister's development initiatives for the North East to be implemented with the help of PM Gati Shakti infrastructure to enable livelihood activities for youth and women



National Digital Health Ecosystem will be rolled out



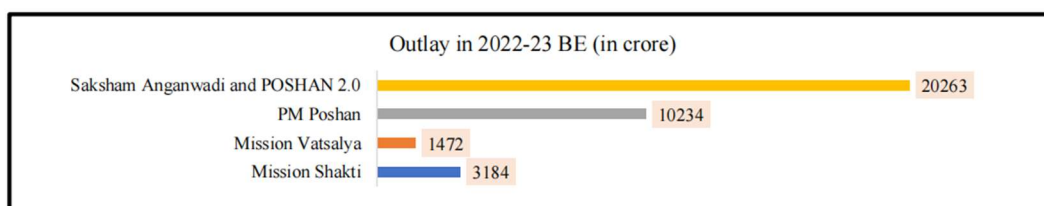
National Tele Mental Health Programme will be launched for quality counselling



Integrated architecture: Mission Shakti, Mission Vatsalya, Saksham Anganwadi, and Poshan 2.0 to be launched

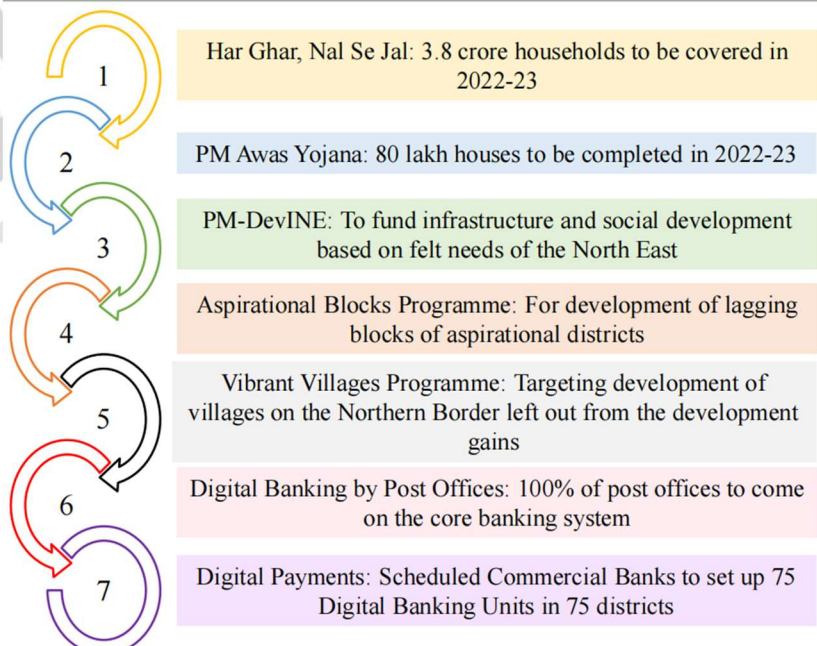


Two lakh Anganwadis to be upgraded to Saksham Anganwadis



- ✓ The government aims to set up 75 digital banking units in 75 districts of the country
- ✓ In 2022-23, 80 lakh houses will be completed for identified beneficiaries of PM Awas Yojana
- ✓ With 1486 union laws repealed, Ease of Doing Business 2.0 will be launched.
- ✓ States will be encouraged to adopt Unique Land Parcel Identification Number (ULPIN) to facilitate IT-based management of records and a facility for transliteration of land records across any of the Schedule VIII languages will be rolled out. ULPIN is a 14-digit identification number that is issued to every plot of land in the country.
- ✓ 'One Nation, One Registration' will be established for anywhere registration to facilitate ease of living & doing business
- ✓ e-Passports will be rolled out with an embedded chip and use futuristic technology in 2022-23 for convenience in overseas travel. The personal particulars of the applicants would be digitally signed and stored in the chip, which would be embedded in the passport booklet
- ✓ A battery swapping policy to be brought out and interoperability standards will be formed. The swapping facility will allow riders to exchange a worn-out battery with a fully charged one for a fee

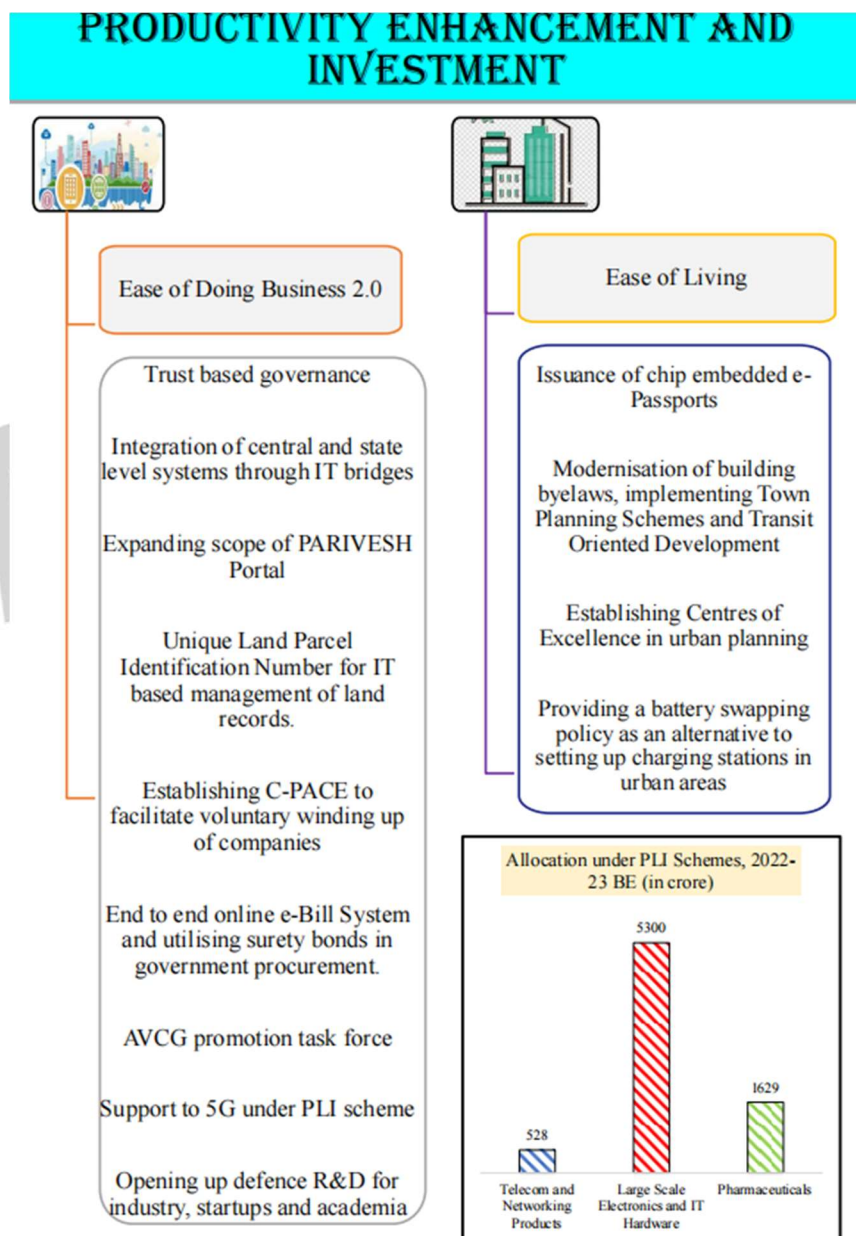
### ALL INCLUSIVE WELFARE FOCUS



- ✓ An end-to-end e-Bill facility will be launched for all government procurements
- ✓ The Defence Ministry gets 13.31% of the total outlay of Rs 39.45 lakh crore.
- ✓ The Ministry of Defence has been allocated a total budget of Rs 5.25 lakh crore, which includes an amount of Rs 1.19 lakh crore for pension
- ✓ Defence R&D to be opened up to startups, academia and private industry players
- ✓ As many as 68% of R&D budget in Defence earmarked for Make In India products



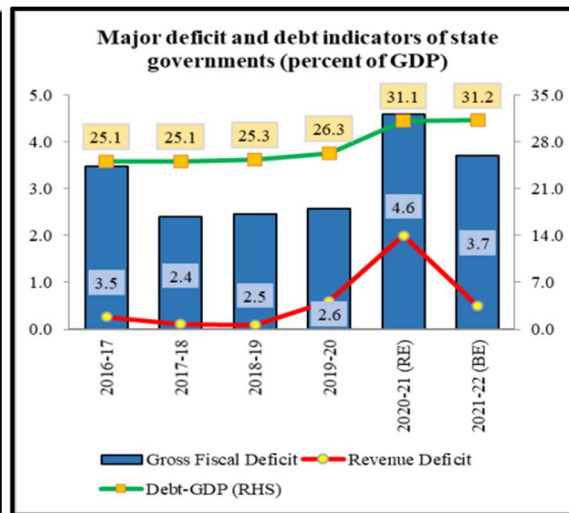
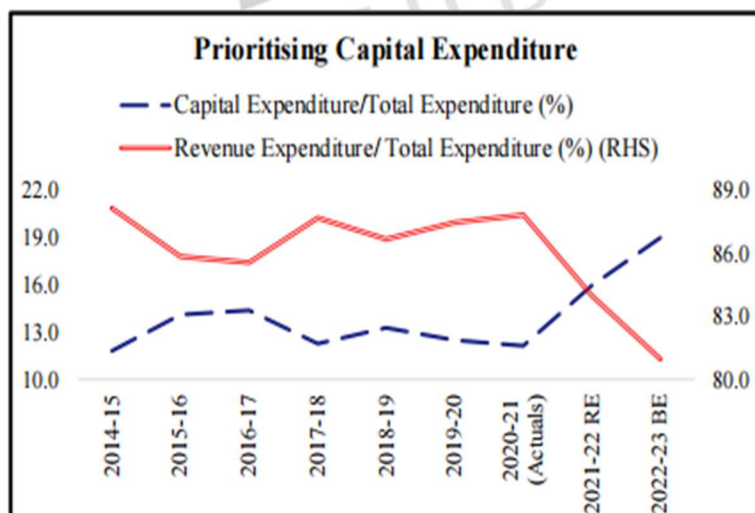
- ✓ The 5G spectrum auction in 2022 to roll out 5G services across India, while the laying of optical fibre in villages will be completed by 2025
- ✓ Roll-out of a design-led PLI scheme for 5G technologies in fiscal 2022-23
- ✓ Allocation of a massive Rs 44,720 crore to the struggling state-owned BSNL to be spent on 4G spectrum, technology upgrade and restructuring
- ✓ For the first time, India to launch sovereign green bonds for mobilising resources for green infrastructure. Green bonds are similar to any borrowing except that end-use of the proceeds is dedicated to projects that contribute to climate mitigation or adaptation. The bonds are to be introduced in the public sector projects. The money collected by selling these bonds is invested in projects that have positive impact on the environment.



- ✓ Tax deduction limit to be reduced for central government employees from 18% to 15% in their contribution to NPAs, while State government employees' tax

deduction limit has been increased from 10% to 14%. The proposed change aims to bring state government employees at par with the central government employees

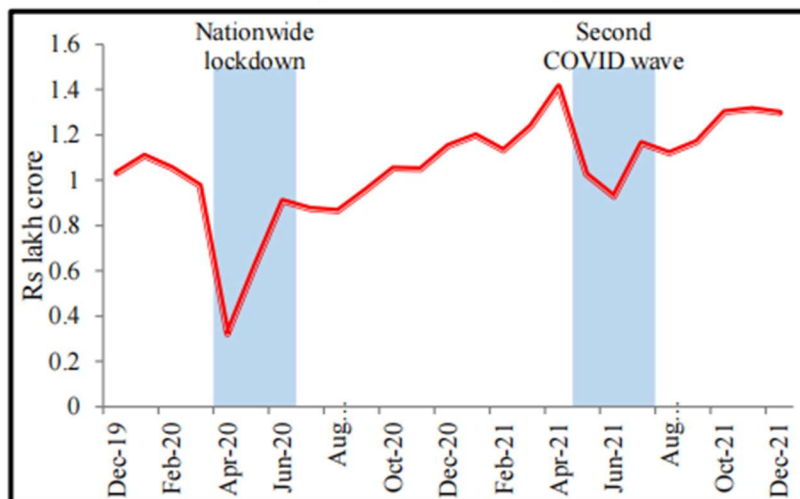
- ✓ Allocation of an additional Rs 19,500 (\$2.62 billion) for an expanded PLI (performance-linked incentive) scheme to promote domestic manufacturing of high-efficiency solar modules, compulsory biomass burning at coal power plants, and making energy audit of commercial buildings mandatory
  - ✓ The additional PLI allocation is expected to help set up of 30-35GW of solar module capacity and 25-30GW of cell capacity by 2024 as the country targets a 280GW solar capacity by 2030.
- ✓ The Budget proposal of mandatory 5-7% co-firing of biomass pellets in coal power plants will reduce emissions and could curb stubble burning, saving an estimated 38 million tonne of CO2 emission a year
- ✓ Disinvestment receipts pegged at Rs 65,000 crore next year, while the estimates for the current year were reduced to Rs 78,000 crore from Rs 1.75 lakh crore
- ✓ In order to reduce indirect cost for suppliers and work contractors, the use of surety bonds as a substitute for bank guarantees will be made acceptable in government procurements.
- ✓ In the Budget, Parvatmala scheme and National Ropeways Development Programme have been announced for hilly states including Himachal Pradesh, Uttarakhand, Jammu and Kashmir and the North East region of the country
  - ✓ The project, under PPP mode, will be taken as a preferred ecologically sustainable alternative to conventional roads in difficult hilly areas.
  - ✓ The aim is to improve connectivity and convenience for commuters, besides promoting tourism.



- ✓ For 2022-23, allocation of Rs 1 lakh crore is announced to assist the states in catalyzing overall investments in economy
  - ✓ These 50-year interest-free loans are over and above the normal borrowings allowed to states.

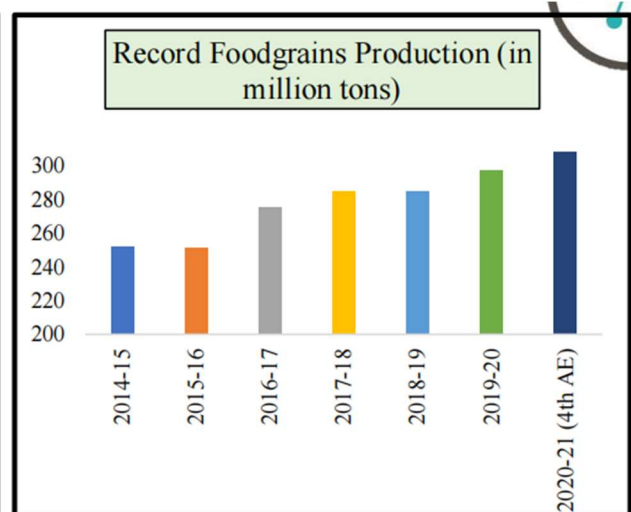
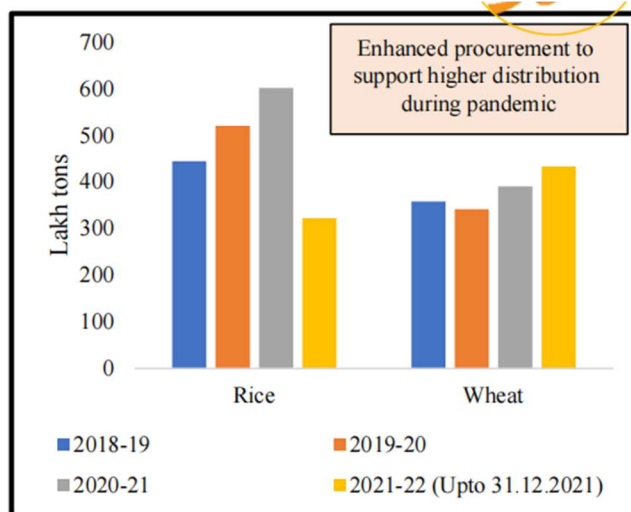
- ✓ This money will be used for PM Gati Shakti-related and other productive capital investments of states
- ✓ State borrowing has been increased by 0.5% & linked to power sector reforms
- ✓ The Productivity Linked Incentive in 14 sectors for achieving the vision of AtmaNirbhar Bharat has the potential to create 60 lakh new jobs, and an additional production of Rs 30 lakh crore during next 5 years.
- ✓ Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme will be revamped with required infusion of funds.
  - ✓ This will facilitate additional credit of Rs 2 lakh crore for Micro and Small Enterprises and expand employment opportunities.
- ✓ A large number of commonly used items, including headphones, earphones, loudspeakers, smart meters, umbrellas, unblended petrol and diesel (to become costlier by ₹2/litre starting October) X-ray machines, parts of electronic toys, imitation jewellery, solar cells and solar modules will become more expensive due to a hike in customs duties on imported parts
- ✓ However, clothes, steel scrap, imported cut and polished diamonds, gemstones, frozen mussels, frozen squids, asafoetida, cocoa beans, methyl alcohol and acetic acid will become cheaper as a result of rationalisation in customs duties.
- ✓ Allocation of Rs 48,000 crore for completion of 80 lakh houses under the Pradhan Mantri Awas Yojana (PMAY) and faster approvals for affordable housing in urban areas
- ✓ However, the government has not extended the popular 'Credit Linked Subsidy Scheme' (CLSS) which is set to lapse on March 31

**Buoyant GST collections during 2021-22**  
(Rs lakh crore)



- ✓ Under the scheme, the government gives interest subvention at the rate of 6% on a housing loan of Rs 6 lakh to homebuyers with yearly income less than Rs 6 lakh.

- ✓ The Pradhan Mantri Awas Yojana-Urban (PMAY-U) was launched in 2015 and PMAY-Gramin in 2016 to address housing shortages among the EWS/ LIG and MIG category, including slum-dwellers
  - ✓ These schemes envision a complete house to eligible urban and rural households by 2022 with all basic amenities like tap water and sanitation, and electricity to all rural households.
- ✓ 1% TDS will apply on a non-agriculture immovable property of over Rs 50 lakh on the basis of sale price or the stamp duty value, whichever is higher, after an amendment in the Income-Tax Act
- ✓ The Centre proposes to spend Rs 41,011 crore towards medical and public health in 2022-23, while this expense was Rs 74,820 in the current financial year.
- ✓ The FM pledged Rs 5,000 crore as support to states for Covid vaccination this year, which is Rs 33,000 crore lesser than the 2021-22 allocation
- ✓ Full integration of post offices into core banking, thereby ensuring all the amenities of banking like ATMs, internet banking, online transfers to other banks available for post office accounts too
- ✓ Introduction of a new tax benefit/ deduction for the parent/guardian of a disabled person under Section 80DD of the income tax act
- ✓ Focus on connecting mass urban transport corridors with the railway network and on promoting urban public transport based on clean technologies.
- ✓ Extension of the concessional tax regime for newly set up manufacturing companies by one year to March 2024. These companies will pay a tax rate of 17.16% (which includes surcharge of 10% and cess of 4%).
- ✓ A new section 79A is proposed to be introduced in the I-T Act to prevent the misusing of the provision of setting off losses on any undisclosed income detected during search/survey operations
- ✓ The use of 'Kisan Drones' will be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients





- ✓ Since 2023 is the International Year of Millets, the Centre has proposed post-harvest value addition, enhancing domestic consumption, and branding of millet products nationally and internationally
- ✓ Chemical-free natural farming would be given a boost starting with a five-kilometre wide corridor along the banks of the river Ganga
- ✓ Zero Fossil Fuel policy to be introduced
- ✓ Special Economic Zones Act to be replaced with a new legislation to enable states to become partners in 'Development of Enterprise and Service Hubs'
- ✓ Scheme for oil seeds to be launched to increase domestic oil production and reduce imports
- ✓ The budget for MGNREGA has remained fixed without any change at Rs 73,000 crore, which was the initial allocation for 2021-22
- ✓ One Nation One Ration Card plan, which allows migrant beneficiaries to claim rations anywhere in the country, will be integrated fully as remaining states come on board in the next few months. At present, the scheme is being implemented by 32 states and UTs and has reached around 69 crore beneficiaries, accounting for about 86% of the scheme's target
- ✓ The FM announced the launch of a portal to collect information on gig, building, and construction workers, which in turn will help formulate the Centre's policies on health, housing, skill, insurance, credit, and food schemes for migrant workers
- ✓ With the implementation of the four labour codes expected in the next fiscal, the FM said minimum wages and coverage under the Employees State Insurance Corporation would be extended to all category of workers.
- ✓ The existing National Apprenticeship Promotion Scheme will be realigned to provide post-education apprenticeship, and training of graduates and diploma holders in engineering.
- ✓ As many as Rs 2,000 crore has been allocated for the flagship Eklavya Model Residential School programme for students in tribal-dominated districts
- ✓ The Jan Jatiya Vikas Mission, which is aimed at stepping up collection and marketing of forest produce and value addition to tribal products, has been allocated Rs 499 crore.
- ✓ The country's biggest school education scheme, Samagra Shiksha Abhiyan, has been allocated Rs 37,383 crore, an increase of more than Rs 6,000 crore
- ✓ Khelo India, the government's flagship programme based on the Gujarat model of 'Khel Mahakumbh', has emerged as the biggest beneficiary in the category of sports. Khelo India's budget has substantially been increased by Rs 316.29 crore to Rs 974 crore, an increase of 32.5% from the previous allocation of Rs 657.71 crore.

