

Budget 2021 Highlights: Health and Wellbeing

Why in News

Recently, the Minister of Finance presented the Union **Budget** 2021-22. This was the **first ever digital Union Budget**.

- It is based on six pillars health and well-being, physical and financial capital and infrastructure, inclusive development for aspirational India, reinvigorating human capital, innovation and R&D, and 'Minimum Government, Maximum Governance'.
- This section deals with the proposals for the Health and Wellbeing Sector.

Budget and Constitutional Provisions

- According to Article 112 of the Indian Constitution, the Union Budget of a year is referred to as the Annual Financial Statement (AFS).
- It is a statement of the estimated receipts and expenditure of the Government in a Financial Year
 (which begins on 1st April of the current year and ends on 31st March of the following year).
- Overall, the Budget contains:
 - Estimates of revenue and capital receipts,
 - Ways and means to raise the revenue,
 - Estimates of expenditure,
 - Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
 - The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.
- In Parliament, the Budget goes through six stages:
 - Presentation of Budget.
 - General discussion.
 - Scrutiny by <u>Departmental Committees</u>.
 - Voting on Demands for Grants.
 - Passing an Appropriation Bill.
 - Passing of Finance Bill.
- The Budget Division of the Department of Economic Affairs in the Ministry of Finance is the nodal body responsible for preparing the Budget.
- The first Budget of Independent India was presented in 1947.

Key Points

in the Union Budget '21-22

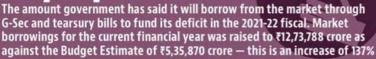
The highlights from finance minister Nirmala Sitharaman's budget that sought to get India back on the road to recovery after the Covid-19 challenge while not taking the foot off the growth accelerator



₹35,000 CT Of this has been set aside for Covid-19 vaccines alone, which can buy over billion doses

BORROWING FROM MARKET

₹**9,67,708**cr



NOMINAL GDP GROWTH

14.4%

Projected rate of growth for India's nominal gross domestic product (GDP) for the next financial year for budget calculations compared to the 15.4% projected by the Economic Survey tabled in Parliament on Friday

The GDP growth projection for the 2021-22 fiscal is among the most important figures and it is the reflection of the speed at which the government expects the economy to recover

FISCAL DEFICIT

6.8%

The proportion of the GDP the government estimates will be the fiscal deficit in FY22

9.5%

The fiscal deficit estimated for FY21, because of the rise in expenditure on account of the Covid-19 pandemic and moderation in revenue during this fiscal year

FDI IN INSURANCE

74%

The government's proposal to increase foreign direct investment (FDI) limit in the insurance sector and allow foreign ownership and control with safeguards. This was earlier capped at 49%

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Experts said this would attract
greater capital inflow from
abroad to help enhance insurance
penetration in the country

AGRICULTURAL CESS ₹30.000cr

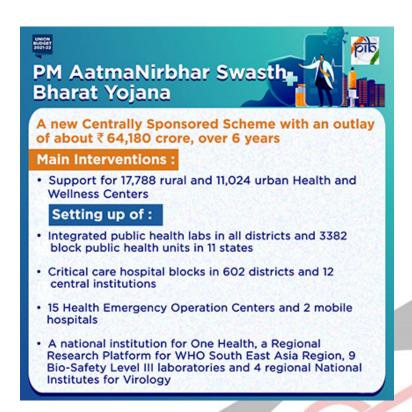
The amount expected to be raised through imposition of Agriculture Infrastructure and Development Cess (AIDC) of ₹2.5 per litre on petrol and ₹4 per litre on diesel.
However, this hike is likely not to add any burden on to the consumer because the 2021-22 Union Budget has also proposed the reduction of basic customs duty on these items

MSMEs SECTOR ₹15,700 cr

The amount that has been set aside by the government for the upcoming financial year for the Micro, Small and Medium Enterprises (MSME) sector.

This is more than double the budget estimated allocation in the financial year 2020-21 — ₹7,572.20 crore. Meanwhile, the revised estimate for FY21 for the second is ₹5,664.22 crore

- Budget Outlay: Outlay for Health and Wellbeing in 2021-22 as against 2020-21 is an increase of 137%.
- Major Steps: Steps being taken for improving health and wellbeing:
 - Vaccines:



- Rs. 35,000 crore for Covid-19 vaccine in Budget Expenditure (BE) 2021-22.
- The Made-in-India <u>Pneumococcal Vaccine</u> to be rolled out across the country.
- Health Systems:
 - PM **AatmaNirbhar Swasth Bharat Yojana** a new centrally sponsored scheme to be launched, in addition to **National Health Mission** (NHM).
- Nutrition:
 - Mission Poshan 2.0 to be launched to improve nutritional outcomes across 112 aspirational districts.
- Universal Coverage of Water Supply:
 - <u>Jal Jeevan Mission</u> (**Urban**) **to be launched** to bring safe water to 2.86 crore households through tap connection.
- Swachch Bharat, Swasth Bharat:
 - Strengthening of Urban Swachh Bharat Mission 2.0.
- Clean Air:
 - Rs. 2,217 crore to tackle air pollution, for 42 urban centers with a million plus population.
- Scrapping Policy:
 - Voluntary vehicle scrapping policy to phase out old and unfit vehicles.

Source:PIB