



**DWARAKA DOSS GOVERDHAN DOSS VAISHNAV COLLEGE
(AUTONOMOUS)**

College with Potential for Excellence
Linguistic Minority Institution
Arumbakkam, Chennai -106.

ECON WORLD - NEWS LETTER

SAMPRADHAA

SPECIAL EDITION ON THE UNION BUDGET 2021-2022

**POST GRADUATE AND RESEARCH DEPARTMENT OF ECONOMICS
DEPARTMENT OF ECONOMICS AND BUSINESS ECONOMICS (SHIFT-II)**





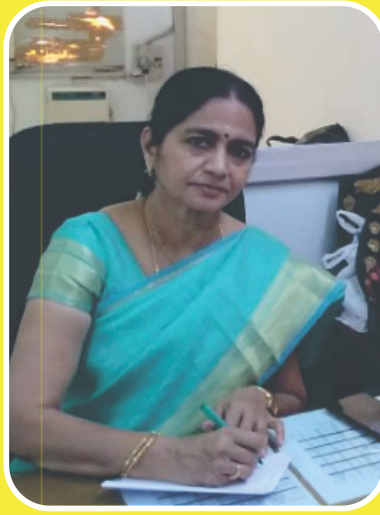
Message From The Secretary

Warm greetings. The publication of newsletters to acquaint in the stake holders on issues related to them is a worthy exercise. I am extremely happy and pleased with the release of sampradhaa, the special budget edition of the newsletter ECON WORLD of the PG and research department of economics and business economics. The year 2020 was a year filled with uncertainty, pessimism and return of hopes. Amidst this mixed aura, THE UNION BUDGET 2021 - 2022 was an eagerly awaited one. The efforts of the economics department to erudit the readers on the budget and its appraisal through sampradhaa is laudable. Congratulations and best wishes.



Message From The Principal

It gives me immense pleasure to release Sampradhaa the special edition of the newsletter of the PG and Research department of the economics and business economics. Sampradhaa assumes special significance as the thread of thought used to stitch its pages is the Union Budget 2021-2022. The budget is an important document of the government which impacts economic activities in some form or the other. It is imperative that the academic community get themselves aware of this vital document of the government. The initiative of the economics department on the budget through Sampradhaa, the newsletter is commendable. Wishing them success in all their endeavours.

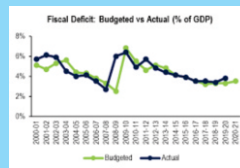


From The Editor's Desk

Budget - The most common word used by the common man. Each year the Nation awaits the budget with awe and yes, after the release of the union budget here both-voices and noises. But this year? The most awaited financial document was expected to bring light and hope. As the world skies were darkened by the pandemic clouds, bringing the world to stand still, we the off springs of this great nation vowed to rescue the rest of the world along with us. But we aren't encountering a sweet task. With the rate of growth taking steep dip of - 25% we need to sprint along with our global family just to remain in the same place.

Actions speak louder than words. Yes, we have laid our path to revive. The stage is set for holistic development from health to infrastructure, from defence to disinvestment. The world is listening and obeying India's orders, "LET'S FIGHT IT OUT TOGETHER - LET'S MARCH TOWARDS A NEW BHAVYHSYA (FUTURA) - LET'S RIDE TOGETHER". With amazing applause for the distribution of free vaccines on one side of our nation is also bothered by creepy protest and disturbances. The post graduate and research department of economics (shift I) and the department of economics and business economics (shift II) of this great institution have always realised the role of an in economics in the society "TO ILLUMINATE" has always been our motto. In line with this realisation I take immense pleasure in facilitating the release of the special edition of our newsletter SAMPRADHAA. The purpose of this special edition is to educate the people about the key aspects of the budget and its highlights in a simple way. The understanding of the budget by the faculty and students (non humanities) have also been recorded and published. Let us contribute in our smallest ways in repairing and rebuilding the economy. Looking forward to publish more such editions in the future.

Dr.T. S. Prema
Editor - in - chief

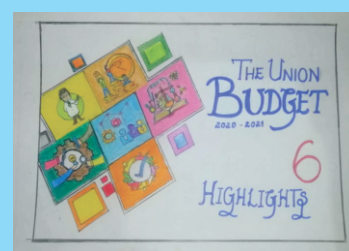


SAMPRADHAA

SPECIAL EDITION ON THE UNION BUDGET 2021-2022



**A BUDGET IS –
TELLING YOUR MONEY
WHERE TO GO
INSTEAD OF WONDERING
WHERE IT WENT**



PERCEPTION

The Union Budget has gained greater significance in the current scenario of the pandemic and the resultant economic recession. Health and well-being have been duly prioritised. While there is criticism that the increase in specific outlay for health is not substantial, Swasth scheme for holistic strengthening of the healthcare framework and the weightage given for water and sanitation to improve overall well-being are positive aspects. The other big push for infrastructure has immense potential to spur economic activity. In an effort to allay some concerns about the farm bills, MSP purchases and enhancement of mandis have been emphasised. As a bold move towards transparency, food subsidy-related off-budgetary resources have been restructured to bring them under the budget expenditure itself, despite the consequence of raising the fiscal deficit figures. Whether the effect of changes in import duties become beneficial for MSMEs needs to be closely monitored. With regard to environmental conservation, the vehicle scrapping policy and the expansion of public transport have to be implemented in an effective way that also boosts the Electric Vehicle Sector. It is a matter of concern that direct initiatives to revive the struggling tourism and hospitality industry are lacking. In the case of the highly speculated COVID cess, its conspicuous absence is a relief for the common citizen. This ultimately reminds us of the question about the source of funds, for which the government's answers include the controversial strategy of disinvestment. The nature of its outcome depends on the execution process followed by the level of regulation of the private sector. We have to wait and watch how the proposed public expenditure, especially the capital expenditure, fares in propelling the economy to recovery and growth.

-AISHWARYA

[II-BA ECONOMICS(Shift - I)]

BUDGET HIGHLIGHTS

The Union Budget 2021-22 was presented by the Honourable Finance Minister Smt. Nirmala Sitaraman on 1st February, 2021.

❖ Budget lays focus on six pillars for reviving the economy:



- Health & well-being
- Physical and financial capital
- Infrastructure
- Reinvigorating human capital
- Innovation and R & D
- Minimum government & maximum governance

- **Healthcare:** The Union Finance Minister proposed doubling the healthcare by spending upto Rs 2.2 lakh crores. Out of this, an amount of Rs. 35,000 crores has been allocated for developing COVID-19 vaccines.



- **Agriculture:** The government increased the target for agricultural credit to Rs.16.5 lakh crores to ensure the availability of higher credit to farmers and for animal husbandry, dairying and fisheries sectors. The allocation for rural infrastructure development fund is proposed to be increased to Rs. 40,000 crores by 2021-

- **Automobiles:** The government introduced a new voluntary vehicle scrappage policy to replace old vehicles in order to boost demand for newer and less polluting vehicles. The basic customs duty rate of certain auto components is increased from 10 per cent to 15 per cent.



- **Defence:** The Finance Minister allocated a sum of Rs. 1,35,060 crores of capital expenditure and Rs. 2,12,027 crores of revenue expenditure for the defence sector. In Budget 2021, there is an increase of 18.75 per cent in capital defence expenditure over the last year's budget.

BUDGET HIGHLIGHTS



- **Infrastructure:** The government increased the capital expenditure for 2021-22 by 34.5 percent, upto Rs.5.5 lakh crores to push growth through infrastructure creation. Budget 2021 allocated Rs.1.1 lakh crores for Indian Railways. The government also proposed setting up the development financial institution with an allocation of Rs.20,000 crores for funding infrastructure projects.

- **Real Estate:** The Finance Minister introduced a tax holiday for notified affordable rental housing projects. The affordable housing projects have been approved up to March 31, 2022, which was earlier March 31, 2021, and is eligible for a tax



- **Technology:** The government announced an allocation of Rs. 1,500 crores to promote digital payments. The government also announced zero-rating benefits in case of supplies made to SEZ units.

- **Finance:** The Finance Minister announced an increase in Foreign Direct Investment (FDI) limit in the insurance sector from 49 per cent to 74 per cent with an additional control and safeguard. The compliance burden will be reduced for citizens aged 75 years and above.



- **Banking:** The government allocated a sum of Rs 20,000 crores for Public Sector Banks (PSBs) in 2021-22 to meet regulatory norms.

- **Startups:** The government increased the turnover threshold for tax audit of accounts from Rs.5 crores to Rs.10 crores, where 95 percent of receipts and payments are executed through digital modes. The eligibility period for incorporating an eligible start-up has been extended by one more year, subject to other conditions. A startup incorporated on or before 1 April 2022 can now claim income tax holiday.

EXPRESSIONS THOU SAYS SO.....



Shows India's confidence and vision of self-reliance.

-NARENDRA MODI, PM



Budget results in movement of cash into capitalists friends.

-RAHUL GANDHI



Well-structured and interesting.

-EDAPPADI PALANISAMY, CM



The budget is an illusionary lollipop.

-M.K.STALIN



Great impetus to research and development.

-RAM GOPAL [IIT Delhi]



Sitaraman scores well. The high fiscal deficit, boost to infrastructure, new spending on healthcare are welcome (though she could have done more for the environment).

-KOUSHIK BASU, Professor of Economics, Cornell University and former chief economist of World Bank

IN-HOUSE SURVEY - WE OPINED



FACULTY CORNER

A survey was conducted among the teaching faculty across all disciplines of DG Vaishnav college and 48 responses were received. The participants belonged to the age group of 27 – 55. 57 percent of the participants were females. Maximum awareness regarding the budget was derived from electronic media followed by social media on the net. Interestingly, 77 percent of the respondents have watched the line presentation of the budget and 86 percent also followed the budget highlights. 53 percent of the respondents have also discussed the proceedings of the budget with their peers and 80 percent of respondents have discussed it with their family members.

STUDENTS CORNER

A survey was conducted among the science students of DG Vaishnav college to gauge the cognisance on the budget, for which 560 responses were received. The respondents belonged to the age group of 17 – 22. Maximum respondents were received from the Physics department followed by the students of Maths department. Only 33 percent of the students watched the budget live while 61 percent watched the highlights. 42 percent of the students have discussed their opinion on the budget with their peers while 66 percent have had discussions with their family members.

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