



# INDIA ECONOMIC NEWS

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Indian Minister for Finance & Corporate Affairs, Nirmala Sitharaman presented the Union Budget 2021-22 ([Watch Speech](#))

## Budget Edition of the Newsletter

3 February 2021

Dear Friends and Colleagues,

We hope that this newsletter finds you and your families safe and healthy.

This is a special edition of the newsletter. Indian Minister for Finance & Corporate Affairs, Nirmala Sitharaman presented the Union Budget 2021-22 in Parliament on 1 February 2021. The budget proposals span the objectives of doubling farmer's income, promoting strong infrastructure, promoting a healthy India, promoting good governance, providing opportunities for youth, education for All, women empowerment, and inclusive Development among other objectives.

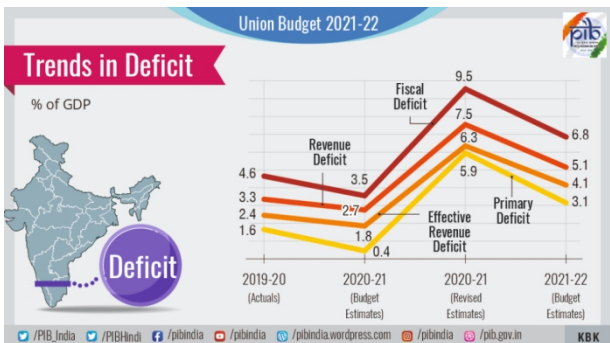
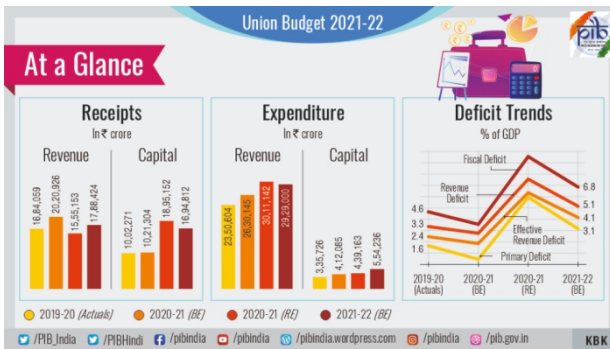
The next page has some key features of the Budget with links on where more information can be obtained. A comprehensive presentation is attached from the Economic Diplomacy Division of the Ministry of External Affairs, India on the Union Budget 2021-2022.

In case any specific information is required please feel free to reach the Commercial Team at the Embassy.

**Best wishes,**  
**Mrinalini Kaur Sapra, First Secretary (Economic & Commercial)**  
**Embassy of India [[trade.thehague@mea.gov.in](mailto:trade.thehague@mea.gov.in)]**

## Union Budget -2021-22

- The Union Minister for Finance & Corporate Affairs, Nirmala Sitharaman presented the Union Budget 2021-22 in Parliament on 1 February 2021. Complete written Speech of the Minister can be accessed [here](#). Please also find attached key highlights of the Union Budget in the presentation attached.
- The Budget proposals for 2021-22 rest on 6 pillars.
  - Health and Well-being
  - Physical & Financial Capital, and Infrastructure
  - Inclusive Development for Aspirational India
  - Reinvigorating Human Capital
  - Innovation and R&D
  - Minimum Government and Maximum Governance



## UNION BUDGET 2021

### Key Announcements for India's Urban Infrastructure

- A new scheme of **INR 18,000 Cr** to be launched to support augmentation of **public bus transport services**
- Two new technologies - '**MetroLite**' and '**MetroNeo**' - to be deployed to provide metro rail systems at much lesser cost
- Central counterpart funding for the upcoming phases of **Metro Railway in Kochi, Chennai, Bengaluru, Nashik and Nagpur**

## BUDGET 2021

#AatmanirbharBharatKaBudget

### PROMOTING DIGITAL PAYMENTS

**DIGITAL INFRASTRUCTURE**

- To boost digital payments, **Rs 1500 crore** has been earmarked for a financial incentive scheme, to promote digital payments
- Government to set-up faceless dispute resolution mechanism for small taxpayers.
- Government to reduce the time allowed to re-open tax investigation to 3 years vs. 6 years

## BUDGET 2021

#AatmanirbharBharatKaBudget

### ENCOURAGING R&D AND INNOVATION

**TECHNOLOGY**

- National Research Foundation with an outlay of **Rs 50,000 crore** over 5 years to strengthen overall research ecosystem
- **Rs 1,500 crore** financial incentives to promote digital modes of payment
- National Language Translation Mission will be set up to further boost our regional languages.
- Deep Ocean Mission with a budget outlay of more than **Rs 4,000 crore** over five years to be launched for exploration and conservation
- First unmanned space launch slated for December 2021 as part of the Gaganyaan mission

## UNION BUDGET 2021

### Key Announcements for MSMEs of New India

- **INR 15,700 Cr** allocated to the MSME sector, double of this year's budget
- **Review** of more than 400 old **customs duty exemptions**
- **Rationalising exemptions on import** of duty-free items as an incentive to exporters
- Increase the limit for **tax audit from INR 5 Cr to INR 10 Cr** to further reduce compliance burden
- Set up a **Conciliation Mechanism** for quick resolution of contractual disputes