Jyoti Nivas College Autonomous

Post Graduate Centre

Presents

BUDGET 20-21

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Budget 2020-21

1.1 Direct Taxation (Income Tax)

- The government has proposed a new income tax regime under Section 115BAC that comprises a significant change in the tax slabs rates. Taxpayers have been provided with an option whether they want to pay taxes according to the new regime or if they want to continue paying taxes according to the existing regime. However, a few taxpayers may not be able to switch back to the existing tax slab once they opt to follow the new one.
- Under section 194J- fees for technical services, TDS has been reduced to 2% from 10%.
- Tax audit threshold has been increased from Rs 1 crore to Rs 5 crore provided turnover/ gross receipts in cash does not exceed 5% during the previous year. Also, payment made in the P.Y in cash does not exceed 5%. For such taxpayers, the due date for tax audit has been extended to the 31st of October from the 30th of September.
- Under Section 80EEA, the additional deduction of Rs.1.5 lakh for interest paid on home loans will now be allowed for the loans sanctioned till the 31st of March 2021.
- DDT has been discontinued. Instead, the recipients of the dividend will have to pay tax at their applicable rate.
- In the case of start-up's, employees possessing Employee Stock Option Plans (ESOPs) may defer paying taxes up to five years from the time of exercise, till the time they leave the start-ups, or until they sell their shares, whichever is earlier.
- Eligible start-ups with a turnover of up to Rs 25 crore is permitted to deduct 100% of its profits for three continuous assessment years of seven years if the overall turnover is under Rs 25 crore. This limit is now increased to Rs 100 crore. Furthermore, the eligibility period to deduct is increased to 10 years from 7 years.

- Section 194: Dividend paid by Indian companies, to a shareholder, who is resident in India, TDS @ 10% if the dividend amount exceeds 5000 during the FY.
- Section 194K: Dividend paid by MF to a resident TDS 10% will be deducted only if the dividend amount exceeds 5000 during the FY
- Section 194: Dividend on shares paid by company exceeding Rs 5000 will be subject to TDS @ 10%
- Section 194-O: Any payment made by e-commerce operator to the participant, the operator will have to deduct 1% TDS only if the annual amount paid or credited exceeds Rs 5 lakh.
- Section 206AA: in relation to 194O has been amended to 5% instead of 20% in case of not furnishing the PAN.
- Change in residential status: (Section 6)

1. An individual, being a citizen of India, shall be deemed to be resident in India in any previous year, if he is not liable to tax in any other country.
2. An individual being a citizen of India, or a person of Indian origin who, being outside India, comes on a visit to India in any previous year and is in India for 120 days or more, shall be resident in India.
3. A person is said to be "not ordinarily resident" in India in any previous year, if such person is

    - ✓ an individual who has been a non-resident in India in seven out of the ten previous years preceding that year;

or

    - ✓ a Hindu undivided family whose manager has been a non-resident in India in seven out of the ten previous years preceding that year.

- Section 234G (insertion of new section) relating to payment of fee of Rs 200 per day for default in furnishing statement or certificate under section 35 by research association, university, college, company or any other institution.
- Section 43CA, if value adopted for the purpose of stamp duty does not exceed 110% of the actual consideration received, then consideration so received shall be deemed to be the full value of the consideration for computing profits and gains on transfer of such asset other than capital assets. Before the amendment it was 105% instead of 110%.
- Section 50C, in case of transfer of capital asset being land or building or both, if value adopted for the purpose of stamp duty does not exceed 110% of the actual consideration received, then consideration so received shall be deemed to be the full value of consideration for computing capital gains on transfer of such capital assets. Before the amendment it was 105% instead of 110%.

1.2 Indirect Taxation (GST, Customs)

- The person involved/benefited out of fake ITC shall also be liable for a penalty of 100% of the tax involved.
- Composition scheme restricted to taxpayers making the inter-state supply of service, supplies not leviable to GST and supplies through e-commerce operator where TCS is deductible.
- The date of the debit note will be standalone considered for availing input tax credit, delinked from the date of deductible. The retrospective effect has been given for transition provisions from 01st July 2017, to nullify the decision of Gujarat High Court in case of Siddhartha Enterprises.
- Powers provided to notify the form of TDS certificate and late fee (200 per day, maximum of 5,000) for non-issuance of TDS certificate has been waived off.
- A provision inserted for cancellation of voluntary GST registration for distinct persons.

- Power to condone the delay in applying for revocation of cancellation has been provided to the additional commissioner and commissioner for a period of 30 days of Refund due to Inverted tax prevalent for tobacco products is barred with a retrospective effect from 1st July 2017.
- Applicability of 6% CGST rate (total of 12% IGST rate) for the supply of pulley, wheels and products used in Agri machinery between 1st July 2017 to 31st December 2018.
- Ladakh has been included in the definition of Union Territory. J&K will have its appellate tribunal.
- The law has been amended to extend the imprisonment to the person 'who causes to commit' and 'person retaining the benefit'. Earlier the punishment is restricted to the person committed. This punishment is restricted to the person fraudulently availing ITC without an eligible invoice. Accordingly, these offences will be cognizable and non-boilable.
- Supply of fishmeal provided a retrospective GST exemption from 1st July 2017 to 30th September 2019.
- Provision to issue the removal of difficulty order by CBIC extended from earlier three-year limit to five years W.E.F 1st July 2017.
- Order for determining expense in special audit will not require the Board's approval.
- Provision to extend the time limit to return the inputs and capital goods from job worker.
- Powers provided to notify the time and manner of issuing an invoice for a specific category of supplies or services.
- The entry in Schedule II to the CGST Act on 'Transfer of business assets' will now exclude transactions done without consideration from it.

1.3 MSMEs

Steps proposed by the government for the MSMEs:

- Amendments will be made to Factor Regulation Act, 2011.
- Amendments to be made to enable NBFCs to extend invoice financing to MSMEs.
- Provision of subordinated debt for MSMEs by Banks which is guaranteed by Credit Guarantee Trust. The debt will count as quasi-equity.
- App-based financing loans will be introduced for MSMEs App-based invoice financing loans product to be launched, to obviate the problem of delayed payments and cash flow mismatches for MSMEs.

1.4 Public sector banks (PSBs):

- Robust mechanism is in place to monitor and ensure health of all scheduled commercial banks and depositors' money is absolutely safe.

1.5 Agriculture

- The government aims to double farmers' income by 2022
- Help 15 lakh farmers solarize their grid-connected pump sets
- "KisanRail" and "KrishiUdaan" for seamless transport of perishable farm goods
- Increasing coverage of artificial insemination to 70%
- Raise fishery exports to Rs 1 lakh crore by 2024-25

1.6 Education

- About 150 higher educational institutions will start apprenticeship embedded courses
- Special bridge courses to improve skill sets of those seeking employment abroad
- Ind-SAT to be conducted in Africa and Asia under study in India program
- Allocation of Rs 99,300 crore for the educational sector in 2020-21

- Allocation of Rs 3,000 crore for skill development

1.7 Financial sector

- Deposit Insurance Coverage to increase from Rs 1 lakh to Rs 5 lakh per depositor
- Eligibility limit for NBFCs for debt recovery under SARFAESI Act proposed to be reduced to asset size of Rs 100 crore or loan size of Rs 50 lakh
- Separation of NPS Trust for government employees from PFRDAI
- Proposal to sell balance holding of government in IDBI Bank

1.8 Water, Wellness, and Sanitation Goals

- More than 20, 000 empaneled hospitals under PM Jan Arogya Yojana
- "TB Harega Desh Jeetega" campaign launched to end TB by 2025
- Expansion of Jan Aushadhi Kendra Scheme to all districts by 2024
- Focus on liquid and greywater management along with waste management

2.0 How has the Budget 2020-21 helpful towards Doubling Farmer's Income?

Union Budget 2020-21 could not inspire confidence in the government's plan of doubling farmers' income by 2022. It increased allocation to the agriculture department by a mere 2.9 per cent over the previous budget. Worse, it seems the department will not be able to spend that previous allocation.

Finance minister Nirmala Sitharaman allocated Rs 1,34,399.77 crore to the Department of Agriculture, Cooperation and Farmers Welfare on February 1, 2020. Of the Rs 1,30,485.21 crore allocated in 2019-20, the Union government may be able to spend only Rs 101,904 crore, according to revised estimates.

The largest chunk — Rs75,000 crores — of the farm budget for 2020-21 went to Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), the scheme for providing cash support to farmers. It was allocated the same in Budget 2019-2020, but revised estimates peg spending at only Rs 5,4370.15 crore.

In its interim budget before the general election, on February 1, 2019, the Narendra Modi government announced PM-Kisan, under which the central government would provide

Rs 6,000 per year to small and marginal farmers in three equated instalments.

Investigation in October 2019 found that only 25 per cent farmers in the country received all three instalments in the first year of the scheme. The scheme was designed in a way that all farmers could not receive all three instalments.

2.1 16-point action plan

Sitharaman announced a 16-point action plan for doubling farm income on February 1. It included measures to provide farmers access to faraway markets by running trains (Kisan Rail) and flights (Krishi Udaan) and providing relief to farmers from water shortage. But these announcements too have received poor response from farmer leaders and experts.

“This 16-point action plan is not going to cover more than 10 per cent farmers of the country,” said Rakesh Tikait, president of Bhartiya Kisan Union, terming budget disappointing. “This budget also reduces the subsidy on chemical fertilisers, which is going to impact productivity as well as income of farmers.

Ravindra Pastor, co-founder and CEO of E-FASAL, a Bhopal-based Agribusiness that provides electronics farming solution to farmers, said most of the 16 points are already covered in different schemes under different names and, therefore, the announcements would not bring any change in the agriculture sector.

Experts said influx of money into the rural economy in a big way could have revived the rural economy. “The government should think about providing an income of Rs18, 000 per month to farmers to counter the agrarian distress,” said Devinder Sharma, a Chandigarh-based agriculture and trade policy analyst. “The government has missed another chance to revive the agrarian sector,” said Ramandeep Singh Mann, a Delhi-based farmer activist.

However, International consultancy Price water house Coopers said the 16-point plan was a positive development. “Systematic coverage of agriculture sector through the 16-point agenda reflects a definite intention to bring fundamental development in agriculture and allied sectors. Covering allied sector and important thematic areas can surely work towards aspirational agenda of the government," Ajay Kakra, leader, food and agriculture, PwC India.

The budget for agriculture insurance schemes was increased from to Rs15, 695 crores from Rs 13,640 crore (revised estimate for 2019-20). The budget for Rainfed Area Development and Climate Change was reduced to Rs 202 crore from Rs 250 crore. The budget for agriculture research and education was marginally increased to Rs 8,362 crore from Rs 8,078.76 crore.

The Union government could increase fund allocation to schemes floated for improving farmers' incomes, besides those meant to address the issues of irrigation networks, women and tenant farmers in the Union Budget 2020-21.

- One such scheme would be the Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), announced by then-Union Minister for Finance, Piyush Goyal in the interim Budget 2019-20.
- It was a master stroke by the incumbent Bharatiya Janata Party government on the eve of the 2019 Lok Sabha elections.
- According to government think-tank Niti Ayog, the real income of Indian farmers had grown by just 0.44 per cent between 2011 and 2015. This minimal real income growth came to zero in 2017 and 2018.
- Consequently, the government announced PM-Kisan, a direct income support scheme with a total allocation of 75,000 crores. Under it, every farmer would get Rs 6,000 per year in three instalments.
- "The incomes of India's farmers have been frozen since 2000," agriculture and trade policy analyst Devinder Sharma told *DTE.*
- "While the government had taken an admirable step by providing direct income support to farmers, it was too meagre to bring any change on the ground. The government should think of providing Rs 18,000 per year to every farmer.

- Sharma’s expectation is based on the fact that farmers’ produce has been subsidised for the last 20 years, and has resulted in huge losses for them.
- Indian farmers have suffered losses to the tune of Rs 45 lakh crore between 2000-01 and 2016-17 due to denial of proper remuneration for their produce, according to a joint study by the Organisation for Economic Cooperation and Development and the Indian Council for Research on International Economic Relations.
- In other words, farmers suffered losses of Rs 2.65 lakh crore a year, mostly due to low prices, trade restrictions and huge gaps in marketing policies, including shortfall in assured procurement.
- “This denial of farmers’ income forced them to depend on institutional farm credit or money lenders, that in turn caused a spate of farmer suicides.
- The half-hearted approach of subsequent governments has not brought much change on the ground. Even under PM-Kisan, more than 50 per cent farmers did not receive all three instalments of the scheme.
- No wonder, farmers’ suicides have continued. In 2018, the National Crime Records Bureau (NCRB) recorded 103,349 such suicides across India.
- Ramandeep Singh Mann, a farmer activist, pointed to the fact that in its first term, the Narendra Modi government had promised to double farmers’ income by 2022. However, in order to achieve this, the required increase in farmers’ real income should be 10.4 per cent, with the base year of 2015-16, according to the Dalwai Committee Report.
- “It is impossible for the government to achieve this target in the current scenario unless it takes some radical steps to ensure guaranteed income of farmers.
- There are other expectations too. With the country’s economy growing at around 5 per cent, the agriculture sector has taken a beating in the year 2019-20.
- “There is a need to promote farmer produce companies in the face of declining land size of farmers’ holdings, mostly in eastern India.

- He also hoped the government would channel more money into irrigation networks as more than 52 per cent of India's agricultural areas are still rain-fed.
- Kavitha Kuruganti, of farmers' organisation Makaam, said the government must make policies for women and tenant farmers.
- Recently, Makaam organised a two-day conclave that flagged the issue of women and tenant farmers. According to NCRB, the total number of farmer suicides in India between 1995 and 2018 was 353,802. About 86 per cent of these (303,597) were men and the rest (50,188) were women.

3.0 How has the Budget 2020-2021 helpful towards Health and Wellness for All?

- Union Finance Minister Nirmala Sitharaman on Saturday announced an outlay of about ₹69,000 crores for the health sector in the 2020-2021 Budget with ₹6,400 crore earmarked for the Centre's flagship health insurance scheme, Prime Minister Jan Arogya Yojana (PMJAY).
- The Ministry of Health and Family Welfare gets ₹65,011.8 crores up from ₹62,659.12 crores in 2019-20. The Ministry of AYUSH has been allocated ₹2,122.08 crores while there is an allocation of ₹2,100 crores to the Department of Health Research.
- Ms. Sitharaman said there are now more than 20,000 empaneled hospitals under the PMJAY.
- "We need more in Tier-2 and Tier-3 cities for poorer people under this PMJAY scheme. It is proposed to set up Viability Gap funding window for setting up hospitals in the PPP (private-public-partnership) mode. In the first phase, those aspirational districts will be covered, where presently there are no Ayushman empaneled hospitals.
- This would also provide large scale employment opportunities to youth. Proceeds from taxes on medical devices would be used to support this vital health infrastructure.

- The Finance Minister also announced expansion of the Jan Aushadhi Kendra Scheme to all districts, offering 2,000 medicines and 300 surgical by 2024. The government, in order to boost domestic industry and to generate resources for health services, has proposed a nominal health cess of 5% on imports of specified medical equipment. Also, Mission Indradhanush has been expanded to cover 12 such diseases, including five new vaccines.
- The government has proposed setting up of medical colleges in existing district hospitals under the Public Private Partnership (PPP) mode to address the shortage of qualified doctors.
- “This would also provide large scale employment opportunities to youth. Proceeds from taxes on medical devices would be used to support this vital health infrastructure.
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- The government has proposed setting up of medical colleges in existing district hospitals under the Public Private Partnership (PPP) mode to address the shortage of qualified doctors.
- The Finance Minister said the government will encourage large hospitals with sufficient capacity to offer resident doctors’ diploma and fellow of National Board (DNB/FNB) courses under the National Board of Examination.
- Speaking on the budget the Union Health Minister Dr. Harsh Vardhan said: “Budget estimates for the Department for Health and Family Welfare show an appreciable increase of 3.75%, while there has been a 10% hike in the allocation for the Department for Health Research. This indicates the strong focus of the

government on the health sector. The Budget has positioned health as a prime mover in the journey of development and growth of the country.

- “Stating that the focus in Budget 2020 is on medical infrastructure, human resources in the health sector, and holistic health and wellness the Minister said: “As part of strengthening the medical infrastructure, the government will support creation of hospitals in those aspirational districts, particularly in the two and three tier cities, which do not have empaneled hospitals under Ayushman Bharat PMJAY.’’

- “In addition, 6500 projects under National Infrastructure Pipeline (NIP) include projects of healthcare for all. Also, to address the shortage of qualified doctors (specialist and general practitioners), it is proposed to attach a Medical College with existing District Hospitals in PPP mode. Those States that fully allow the facilities of the hospital to the medical college and wish to provide land at a concession would be able to receive viability gap funding from the Centre.

- The total allocation of Rs 69,000 crore for the health sector in Union Budget 2020-21 was about 10 per cent higher from the year ago — negligible, considering consumer price index inflation was 7.5 per cent in December 2019.

- “More than half the increase will go in offsetting inflation.

3.1 What will the government achieve?

- We are in no way close to achieving the target of allocating 2.5 per cent of our gross domestic product to health, envisaged by the Planning Commission in 2011,” Asokan KV, secretary of India Medical Association (IMA).

- National Rural Health Mission (NRHM), the biggest component of the health budget, was allocated Rs 27,039 crore — the same as the previous budget and, in fact, less than the 2019-20 revised estimate of Rs27,833.6 crore. Several reports, including one submitted to 15th Finance Commission in January 2020 by an expert group set up by the commission in 2019, sought more funds for primary healthcare, which caters to the rural population. A host of health schemes are bundled under NRHM.

- While presenting her second Union Budget in Parliament on February 1, 2020, finance minister Nirmala Sitharaman did not announce any increase in allocation to Pradhan Mantri Jan Arogya Yojana — Ayushman Bharat (PMJAY-AB), the central government's flagship scheme. It was Rs 6,400 crore for 2019-20, and remains so for 2020-21 as well. In fact, revised estimates were halved to Rs 3,200 crores last year.

- Ayushman Bharat is an umbrella healthcare scheme that provides Rs 5 lakh insurance cover to eligible families. It also aims to create 1.5 lakh health and wellness centers by 2022. Until now, less than one-fourth such centers have been built. Budget under this head has not increased from last year's Rs 250 crore. With only two years left to meet the target, experts wonder how the government aims to achieve the target.

- A policy brief paper of National Health Authority (NHA), the apex body responsible for implementing Ayushman Bharat, lays bare the fault lines in the budget utilization, especially among the poor states.

- "States with high poverty head counts have low claim volumes. Bihar, Madhya Pradesh and Uttar Pradesh have high poverty and low utilization. Better off Kerala has the highest number of claims in India," the paper read. The poverty level in Nagaland is low, but the claims are high. Gujarat, with relatively low poverty, has by far the highest spending per beneficiary.

- During her speech, Sitharaman said there are many aspirational districts which do not have a single hospital empaneled under the scheme of insurance coverage. There are 115 aspirational districts in India which have poor socioeconomic indicators in comparison to others. Tapping these districts will be a priority.

- "It is proposed to set up viability gap funding window for setting up hospitals in the public-private partnership mode. In the first phase, those aspirational districts will be covered, where presently there are no Ayushman empaneled hospitals.

- Another NHA policy brief states private hospitals are not keen to enroll under this scheme in aspirational districts. “Nine states have no private hospital empaneled in any aspirational district. For key tertiary care services, the share of hospitals empaneled to provide services in aspirational districts is less than half the share in other districts,” the paper stated.
- The paper clearly states that the interest of private hospitals was lower in aspirational districts than in non-aspirational districts. “Private hospitals account for a larger share of admissions in non-aspirational districts in all states except Maharashtra and Uttarakhand. However, the average claim size is significantly small in aspirational districts in all states except Jharkhand.”

4.0 The Budget 2020-21 is helpful towards MSME’S?

The Union Budget 2020-21 has earmarked an all-time high allocation of Rs 7,572.20 crore for the Ministry of Micro, Small and Medium Enterprises while announcing a string of initiatives for the sector including raising the turnover threshold for audit of their accounts to Rs 5 crore and a scheme to provide subordinate debt to MSME entrepreneurs.

The flagship employment generation scheme of the ministry, Prime Minister Employment Generation Program, has got an all-time high allocation of Rs 2,500 crore for generating self-employment opportunities through establishment of micro-enterprises in non-farm sector by helping traditional artisans and rural/urban unemployed youth.

"Currently, only businesses having a turnover of more than Rs 1 crore are required to get their books of accounts audited by an accountant. In order to reduce compliance burden on small retailers, traders, shopkeepers who comprise the MSME sector, I propose to raise by five times the turnover threshold for audit from the existing Rs 1 crore to 5 crore," Finance Minister Nirmala Sitharaman said while presenting the Budget in Parliament on Saturday.

A scheme of Rs 1,000 crore was also announced to extend hand holding support to mid-sized companies in selected sectors such as pharmaceuticals, auto components and others for technology upgradations, R&D, business strategy, among others, to make them export competitive.

Besides, Rs 805 crore has been allocated under Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) to improve competitiveness of MSMEs through various interventions aimed at upgrading technology.

1) The Finance Minister started with the accomplishments of GST and how it had led to significant benefits to MSME by way of enhanced threshold and composition limits. Sitharaman said the effective tax incidence on almost every commodity came down substantially. Through several rate reductions, an annual benefit of Rs one lakh crore has been extended to consumers. It amounts to 10% reduction in overall tax incidence. An average household now saves about 4% on its monthly spends on account of red.

2) Sitharaman added that during this phase of maturing, GST did face certain challenges. This was natural as transition was daunting. GST Council has been proactive in resolving issues during transition. In the last two years the Government has added more than 60 lakh new taxpayers, a total of about 40 crore returns were filed, 800 crore invoices were uploaded, and 105 crore e-way bills were generated. A simplified new return system is being introduced from April 1, 2020.

3) She said the Government e-Marketplace (Gem) is moving ahead for creating a Unified Procurement System in the country for providing a single platform for procurement of goods, services and works. Stating that it offers a great opportunity for Medium, Small and micro Enterprises (MSMEs), she stated that 3.24 lakh vendors are already on this platform and is proposed to take its turnover to Rs 3 lakh crore.

4) A National Logistics Policy will be released soon and it will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive.

5) The Government will make necessary amendments to the Factor Regulation Act 2011. This will enable NBFCs to extend invoice financing to the MSMEs through Trends, thereby enhancing their economic and financial sustainability.

6) Working capital credit remains a major issue for the MSMEs. Sitharaman proposed to introduce a scheme to provide subordinate debt for entrepreneurs of MSMEs. This subordinate debt will be provided by banks, would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE). The corpus of the CGTMSE would accordingly be augmented by the government.

7) More than five lakh MSMEs have benefitted from restructuring of debt permitted by RBI in the last year. The restructuring window was to end on March 31, 2020. Government has asked RBI to consider extending this window till March 31, 2021.

8) An app-based invoice financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs.

9) Currently, businesses having turnover of more than Rs one crore are required to get their books of accounts audited by an accountant. In order to reduce the compliance burden on small retailers, traders, shopkeepers who comprise the MSME sector, Sitharaman proposes to raise by five times the turnover threshold for audit from the existing Rs 1 crore to Rs 5 crore. However, this increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash.

10) Labor intensive sectors in MSME are critical for employment generation. Cheap and low-quality imports are an impediment to their growth. Keeping in view the need of this sector, customs duty is being raised on items like footwear and furniture.

The most significant dip has come for the Credit Support Program — its earlier share was Rs. 597 crores, and this time it is allocated only Rs. 100 crores – a cut of 83.25%. Similarly, the allocation to the much useful scheme for MSMEs – Interest Subvention Scheme for Incremental Credit to MSMEs – has been cut from Rs. 350 crores to Rs. 200 crores – a 42.86% drop compared to the previous figure. It meant the total allocation in the PMEGP and Other Credit Support Schemes, has this time been curtailed from Rs. 3274.14 crore last year to Rs. 2800 crore — registering a drop of 14.48%. Further, Marketing Assistance Scheme (MAS), a scheme used extensively by MSMEs witnessed a dip from its earlier figure of Rs. 10.03 crore to Rs. 0.04 crore. Likewise, the International Cooperation Scheme, a scheme by the MSME Ministry to facilitate MSMEs to become internationally competitive, saw a reduction in its outlay this time. The scheme's earlier figure of Rs. 30 crores have now been reduced to Rs. 20 crores.

Under the 'Entrepreneurship and Skill Development' section in this year's budgetary allocations shows that the FM has juggled with the allocations. For example, the MSME Fund that in 2019-2020 stood at 100 crores, now sees a 50% reduction. However, the allocation for Fund of Funds has gone up from Rs. 100 crores to Rs. 200 crores. This has pushed up the total allocation for 'Entrepreneurship and Skill Development' from Rs. 479.91 crore to Rs. 556.47 crore. Further, the total outlay to 'Technology Upgradation and Quality Certification schemes' has been reduced from its earlier figure of Rs. 755.78 crore to the new figure of Rs. 683.91 crore. Further, the much crucial scheme for rural entrepreneurs, ASPIRE whose previous share stood at Rs. 50 crores, has been slashed by Rs. 30 crores. Another scheme useful to MSMEs, i.e. Credit Linked Capital Subsidy and Technology Upgradation Scheme has been reduced to Rs. 653.91 from the previous figure of Rs. 705.78 crore. With much emphasis on MSME segment in this budget, the government is aiming to boost the economy, through economic empowerment of citizens in the new decade.

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