

Union Budget 2022-23

The Union Budget seeks to complement macro-economic level growth with a focus on micro-economic level all inclusive welfare. The Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman tabled the Union Budget 2022-23 in Parliament on February 1, 2022.

The key highlights of the budget are as follows:

PART A

- India's economic growth estimated at 9.2% to be the highest among all large economies.
- 60 lakh new jobs to be created under the productivity linked incentive scheme in 14 sectors.
- PLI Schemes have the potential to create an additional production of ₹30 lakh crore.
- The budget provides impetus for growth along four priorities:
 - PM GatiShakti
 - Inclusive Development
 - Productivity Enhancement & Investment, Sunrise opportunities, Energy Transition, and Climate Action.
 - Financing of investments
- **PM GatiShakti**
 - The seven engines that drive PM GatiShakti are Roads, Railways, Airports, Ports, Mass Transport, Waterways and Logistics Infrastructure.
 - PM GatiShakti National Master Plan
 - The scope of PM GatiShakti National Master Plan will encompass the seven engines for economic transformation, seamless multimodal connectivity and logistics efficiency.
 - The projects pertaining to these 7 engines in the National Infrastructure Pipeline will be aligned with PM GatiShakti framework.
- **Road Transport**
 - National Highways Network to be expanded by 25000 Km in 2022-23.
 - ₹20000 Crore to be mobilized for National Highways Network expansion.
- **Multimodal Logistics Parks**
 - Contracts to be awarded through PPP mode in 2022-23 for implementation of Multimodal Logistics Parks at four locations.
- **Railways**
 - One Station One Product concept to help local businesses & supply chains.
 - 2000 Km of railway network to be brought under Kavach, the indigenous world class technology and capacity augmentation in 2022-23.
 - 400 new generation Vande Bharat Trains to be manufactured during the next three years.
 - 100 PM GatiShakti Cargo terminals for multimodal logistics to be developed during the next three years.
- **Parvatmala**
 - National Ropeways Development Program, Parvatmala to be taken up on PPP mode.
 - Contracts to be awarded in 2022-23 for 8 ropeway projects of 60 Km length.

- **Inclusive Development**

- Agriculture

- ₹2.37 lakh crore direct payment to 1.63 crore farmers for procurement of wheat and paddy.
- Chemical free Natural farming to be promoted throughout the country. Initial focus is on farmer's lands in 5 Km wide corridors along river Ganga.
- NABARD to facilitate fund with blended capital to finance startups for agriculture & rural enterprise.
- 'Kisan Drones' for crop assessment, digitization of land records, spraying of insecticides and nutrients.

- Ken Betwa project

- 1400 crore outlay for implementation of the Ken - Betwa link project.
- 9.08 lakh hectares of farmers' lands to receive irrigation benefits by Ken-Betwa link project.

- MSME

- Udyam, e-shram, NCS and ASEEM portals to be interlinked.
- 130 lakh MSMEs provided additional credit under Emergency Credit Linked Guarantee Scheme (ECLGS)
- ECLGS to be extended up to March 2023.
- Guarantee cover under ECLGS to be expanded by ₹50000 Crore to total cover of ₹5 Lakh Crore.
- ₹2 lakh Crore additional credit for Micro and Small Enterprises to be

facilitated under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE).

- Raising and Accelerating MSME performance (RAMP) programme with outlay of ₹6000 Crore to be rolled out.

- Skill Development

- Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to empower citizens to skill, reskill or upskill through on-line training.
- Startups will be promoted to facilitate 'Drone Shakti' and for Drone-As-A-Service (DrAAS).

- Education

- 'One class-One TV channel' programme of PM eVIDYA to be expanded to 200 TV channels.
- Virtual labs and skilling e-labs to be set up to promote critical thinking skills and simulated learning environment.
- High-quality e-content will be developed for delivery through Digital Teachers.
- Digital University for world-class quality universal education with personalised learning experience to be established.

- **Health**

- An open platform for National Digital Health Ecosystem to be rolled out.
- 'National Tele Mental Health Programme' for quality mental health counselling and care services to be launched.

- A network of 23 tele-mental health centres of excellence will be set up, with NIMHANS being the nodal centre and International Institute of Information Technology-Bangalore (IIITB) providing technology support.
- **Saksham Anganwadi**
 - Integrated benefits to women and children through Mission Shakti, Mission Vatsalya, Saksham Anganwadi and Poshan 2.0.
 - Two lakh anganwadis to be upgraded to Saksham Anganwadis.
- **Har Ghar, Nal Se Jal**
 - ₹60,000 crore allocated to cover 3.8 crore households in 2022-23 under Har Ghar, Nal se Jal.
- **Housing for All**
 - ₹48,000 crore allocated for completion of 80 lakh houses in 2022-23 under PM Awas Yojana.
- **Prime Minister's Development Initiative for North-East Region (PM-DevINE)**
 - New scheme PM-DevINE launched to fund infrastructure and social development projects in the North-East.
 - An initial allocation of ₹1,500 crore made to enable livelihood activities for youth and women under the scheme.
- **Vibrant Villages Programme**
 - Vibrant Villages Programme for development of Border villages with sparse population, limited connectivity and infrastructure on the northern border.
- **Banking**
 - 100% of 1.5 lakh post offices to come on the core banking system.
- Scheduled Commercial Banks to set up 75 Digital Banking Units (DBUs) in 75 districts.
- **e-Passport**
 - e-Passports with embedded chip and futuristic technology to be rolled out.
- **Urban Planning**
 - Modernization of building byelaws, Town Planning Schemes (TPS), and Transit Oriented Development (TOD) will be implemented.
 - Battery swapping policy to be brought out for setting up charging stations at scale in urban areas.
- **Land Records Management**
 - Unique Land Parcel Identification Number for IT-based management of land records.
- **Accelerated Corporate Exit**
 - Centre for Processing Accelerated Corporate Exit (C-PACE) to be established for speedy winding-up of companies.
- **AVGC Promotion Task Force**
 - An animation, visual effects, gaming, and comic (AVGC) promotion task force to be set-up to realize the potential of this sector.
- **Telecom Sector**
 - Scheme for design-led manufacturing to be launched to build a strong ecosystem for 5G as part of the Production Linked Incentive Scheme.
- **Export Promotion**
 - Special Economic Zones Act to be

replaced with a new legislation to enable States to become partners in 'Development of Enterprise and Service Hubs'.

- **AtmaNirbharta in Defence:**

- 68% of capital procurement budget earmarked for domestic industry in 2022-23, up from 58% in 2021-22.
 - Defence R&D to be opened up for industry, startups and academia with 25% of defence R&D budget earmarked.
 - Independent nodal umbrella body to be set up for meeting testing and certification requirements.

- **Sunrise Opportunities**

- Government contribution to be provided for R&D in Sunrise Opportunities like Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its ecosystem, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems.

- **Energy Transition and Climate Action:**

- Additional allocation of ₹19,500 crore for Production Linked Incentive for manufacture of high efficiency solar modules to meet the goal of 280 GW of installed solar power by 2030.
- Five to seven percent biomass pellets to be co-fired in thermal power plants:
 - CO₂ savings of 38 MMT annually,
 - Extra income to farmers and job opportunities to locals,
 - Help avoid stubble burning in agriculture fields.

- Four pilot projects to be set up for coal gasification and conversion of coal into chemicals for the industry
- Financial support to farmers belonging to Scheduled Castes and Scheduled Tribes, who want to take up agro-forestry.

- **Public Capital Investment:**

- Public investment to continue to pump-prime private investment and demand in 2022-23.
- Outlay for capital expenditure stepped up sharply by 35.4% to ₹7.50 lakh crore in 2022-23 from ₹5.54 lakh crore in the current year.
- Outlay in 2022-23 to be 2.9% of GDP.

- **'Effective Capital Expenditure' of Central Government estimated at ₹10.68 lakh crore in 2022-23, which is about 4.1% of GDP.**

- **GIFT-IFSC**

- World-class foreign universities and institutions to be allowed in the GIFT City.
- An International Arbitration Centre to be set up for timely settlement of disputes under international jurisprudence.

- **Mobilising Resources**

- **Data Centres and Energy Storage Systems to be given infrastructure status.**

- Venture Capital and Private Equity invested more than ₹5.5 lakh crore last year facilitating one of the largest start-up and growth ecosystem. Measures to be taken to help scale up this investment.

- **Blended funds to be promoted for sunrise sectors.**

- **Sovereign Green Bonds to be issued for**

mobilizing resources for green infrastructure.

- **Digital Rupee**
 - Introduction of Digital Rupee by the Reserve Bank of India starting 2022-23.
- **Providing Greater Fiscal Space to States**
 - Enhanced outlay for 'Scheme for Financial Assistance to States for Capital Investment':
 - From ₹10,000 crore in Budget Estimates to ₹15,000 crore in Revised Estimates for current year
 - Allocation of ₹1 lakh crore in 2022-23 to assist the states in catalysing overall investments in the economy: fifty-year interest free loans, over and above normal borrowings
- **In 2022-23, States will be allowed a fiscal deficit of 4% of GSDP, of which 0.5% will be tied to power sector reforms**
- **Fiscal Management**
 - Budget Estimates 2021-22: ₹34.83 lakh crore
 - Revised Estimates 2021-22: ₹37.70 lakh crore
 - Total expenditure in 2022-23 estimated at ₹39.45 lakh crore
 - Total receipts other than borrowings in 2022-23 estimated at ₹22.84 lakh crore
 - Fiscal deficit in current year: 6.9% of GDP (against 6.8% in Budget Estimates)
 - Fiscal deficit in 2022-23 estimated at 6.4% of GDP

PART B

DIRECT TAXES

- **To take forward the policy of stable and predictable tax regime:**
 - Vision to establish a trustworthy tax regime.
 - To further simplify tax system and reduce litigation.
- **Introducing new 'Updated return'**
 - Provision to file an Updated Return on payment of additional tax.
 - Will enable the assessee to declare income missed out earlier.
 - Can be filed within two years from the end of the relevant assessment year.
- **Cooperative societies**
 - Alternate Minimum Tax paid by cooperatives brought down from 18.5% to 15 per cent.
 - To provide a level playing field between cooperative societies and companies.
 - Surcharge on cooperative societies reduced from 12% to 7% for those having total income of more than Rs 1 crore and up to Rs 10 crores.
- **Tax relief to persons with disability**
 - Payment of annuity and lump sum amount from insurance scheme to be allowed to differently abled dependent during the lifetime of parents/guardians, i.e., on parents/ guardian attaining the age of 60 years.
- **Parity in National Pension Scheme Contribution**
 - Tax deduction limit increased from 10% to 14% on employer's contribution to the

- NPS account of State Government employees.
 - Brings them at par with central government employees.
 - Would help in enhancing social security benefits.
- **Incentives for Start-ups**
 - Period of incorporation extended by one year, up to 31.03.2023 for eligible start-ups to avail tax benefit.
 - Previously the period of incorporation valid up to 31.03.2022.
- **Incentives under concessional tax regime**
 - Last date for commencement of manufacturing or production under section 115BAB extended by one year i.e. from 31st March, 2023 to 31st March, 2024.
- **Scheme for taxation of virtual digital assets**
 - Specific tax regime for virtual digital assets introduced.
 - Any income from transfer of any virtual digital asset to be taxed at the rate of 30 per cent.
 - No deduction in respect of any expenditure or allowance to be allowed while computing such income except cost of acquisition.
 - Loss from transfer of virtual digital asset cannot be set off against any other income.
 - To capture the transaction details, TDS to be provided on payment made in relation to transfer of virtual digital asset at the rate of 1% of such consideration above a monetary threshold.
- Gift of virtual digital asset also to be taxed in the hands of the recipient.
- **Litigation Management**
 - In cases where question of law is identical to the one pending in High Court or Supreme Court, the filing of appeal by the department shall be deferred till such question of law is decided by the court.
 - To greatly help in reducing repeated litigation between taxpayers and the department.
- **Tax incentives to IFSC**
 - Subject to specified conditions, the following to be exempt from tax
 - Income of a non-resident from offshore derivative instruments.
 - Income from over the counter derivatives issued by an offshore banking unit.
 - Income from royalty and interest on account of lease of ship.
 - Income received from portfolio management services in IFSC.
- **Rationalization of Surcharge**
 - Surcharge on AOPs (consortium formed to execute a contract) capped at 15 per cent.
 - Done to reduce the disparity in surcharge between individual companies and AOPs.
 - Surcharge on long term capital gains arising on transfer of any type of assets capped at 15 per cent.
 - To give a boost to the start up community.
- **Health and Education Cess**
- **Any surcharge or cess on income and**

profits not allowable as business expenditure.

- **Deterrence against tax-evasion**
 - No set off, of any loss to be allowed against undisclosed income detected during search and survey operations.
- **Rationalizing TDS Provisions**
 - Benefits passed on to agents as business promotion strategy taxable in hands of agents.
 - Tax deduction provided to person giving benefits, if the aggregate value of such benefits exceeds ₹20,000 during the financial year.

INDIRECT TAXES

- **Remarkable progress in GST**
 - GST revenues are buoyant despite the pandemic - Taxpayers deserve applause for this growth.
- **Special Economic Zones**
 - Customs Administration of SEZs to be fully IT driven and function on the Customs National Portal - shall be implemented by 30th September 2022.
- **Customs Reforms and duty rate changes**
 - Faceless Customs has been fully established. During Covid-19 pandemic, Customs formations have done exceptional frontline work against all odds displaying agility and purpose.
- **Project imports and capital goods**
 - Gradually phasing out of the concessional rates in capital goods and project imports; and applying a moderate tariff of 7.5% - conducive to the growth of domestic sector and 'Make in India'.

- Certain exemptions for advanced machineries that are not manufactured within the country shall continue.

- A few exemptions introduced on inputs, like specialised castings, ball screw and linear motion guide - to encourage domestic manufacturing of capital goods.

- **Review of customs exemptions and tariff simplification**

- More than 350 exemption entries proposed to be gradually phased out, like exemption on certain agricultural produce, chemicals, fabrics, medical devices, & drugs and medicines for which sufficient domestic capacity exists.

- Simplifying the Customs rate and tariff structure particularly for sectors like chemicals, textiles and metals and minimise disputes; Removal of exemption on items which are or can be manufactured in India and providing concessional duties on raw material that go into manufacturing of intermediate products - in line with the objective of 'Make in India' and 'Atmanirbhar Bharat'.

Sector specific proposals

- **Electronics**
 - Customs duty rates to be calibrated to provide a graded rate structure - to facilitate domestic manufacturing of wearable devices, hearable devices and electronic smart mete²
 - Duty concessions to parts of transformer of mobile phone chargers and camera lens of mobile camera module and certain other items - To enable domestic

manufacturing of high growth electronic items.

- **Gems and Jewellery**

- Customs duty on cut and polished diamonds and gemstones being reduced to 5%; Nil customs duty to simply sawn diamond - To give a boost to the Gems and Jewellery sector
- A simplified regulatory framework to be implemented by June this year - To facilitate export of jewellery through e-commerce.
- Customs duty of at least ₹400 per Kg to be paid on imitation jewellery import - To disincentivise import of undervalued imitation jewellery.

- **Chemicals**

- Customs duty on certain critical chemicals namely methanol, acetic acid and heavy feed stocks for petroleum refining being reduced; Duty is being raised on sodium cyanide for which adequate domestic capacity exists - This will help in enhancing domestic value addition.

- **MSME**

- Customs duty on umbrellas being raised to 20 per cent. Exemption to parts of umbrellas being withdrawn.

- Exemption being rationalised on implements and tools for agri-sector which are manufactured in India

- Customs duty exemption given to steel scrap last year extended for another year to provide relief to MSME secondary steel producers

- Certain Anti- dumping and CVD on stainless steel and coated steel flat products, bars of alloy steel and high-speed steel are being revoked - to tackle prevailing high prices of metal in larger public interest.

- **Exports**

- To incentivise exports, exemptions being provided on items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes.

- Duty being reduced on certain inputs required for shrimp aquaculture - to promote its exports.

- **Tariff measure to encourage blending of fuel**

- Unblended fuel to attract an additional differential excise duty of ₹2/ litre from the 1st of October 2022 - to encourage blending of fuel.

Economic Survey 2021-22

The Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman presented the Economic Survey 2021-22 in Parliament on January 31, 2022. The highlights of the Economic Survey are as follows:

State of the Economy:

- Indian economy estimated to grow by 9.2% in real terms in 2021-22 (as per first advanced estimates) subsequent to a contraction of 7.3% in 2020-21.
- GDP projected to grow by 8- 8.5% in real terms in 2022-23.
- The year ahead poised for a pickup in private sector investment with the financial system in good position to provide support for economy's revival.
- Projection comparable with World Bank and Asian Development Bank's latest forecasts of real GDP growth of 8.7% and 7.5% respectively for 2022-23.
- As per IMF's latest World Economic Outlook projections, India's real GDP projected to grow at 9% in 2021-22 and 2022-23 and at 7.1% in 2023-2024, which would make India the fastest growing major economy in the world for all 3 years.
- Agriculture and allied sectors expected to grow by 3.9 percent; industry by 11.8% and services sector by 8.2% in 2021-22.
- On demand side, consumption estimated to grow by 7.0 percent, Gross Fixed Capital Formation (GFCF) by 15 percent, exports by 16.5% and imports by 29.4% in 2021-22.
- Macroeconomic stability indicators suggest that the Indian Economy is well placed to take on the challenges of 2022-23.
- Combination of high foreign exchange reserves, sustained foreign direct investment,

and rising export earnings will provide adequate buffer against possible global liquidity tapering in 2022-23.

- Economic impact of "second wave" was much smaller than that during the full lockdown phase in 2020-21, though health impact was more severe.
- Government of India's unique response comprised of safety-nets to cushion the impact on vulnerable sections of society and the business sector, significant increase in capital expenditure to spur growth and supply side reforms for a sustained long-term expansion.
- Government's flexible and multi-layered response is partly based on an "Agile" framework that uses feedback-loops, and the use of eighty High Frequency Indicators (HFIs) in an environment of extreme uncertainty.

Fiscal Developments:

- The revenue receipts from the Central Government (April to November, 2021) have gone up by 67.2% (YoY) as against an expected growth of 9.6% in the 2021-22 Budget Estimates (over 2020-21 Provisional Actuals).
- Gross Tax Revenue registers a growth of over 50% during April to November, 2021 in YoY terms. This performance is strong compared to pre-pandemic levels of 2019-2020 also.
- During April-November 2021, Capex has grown by 13.5% (YoY) with focus on infrastructure-intensive sectors.

- Sustained revenue collection and a targeted expenditure policy has contained the fiscal deficit for April to November, 2021 at 46.2% of BE.
- With the enhanced borrowings on account of COVID-19, the Central Government debt has gone up from 49.1% of GDP in 2019-20 to 59.3% of GDP in 2020-21, but is expected to follow a declining trajectory with the recovery of the economy.

External Sectors:

- India's merchandise exports and imports rebounded strongly and surpassed pre-COVID levels during the current financial year.
- There was significant pickup in net services with both receipts and payments crossing the pre-pandemic levels, despite weak tourism revenues.
- Net capital flows were higher at US\$ 65.6 billion in the first half of 2021-22, on account of continued inflow of foreign investment, revival in net external commercial borrowings, higher banking capital and additional special drawing rights (SDR) allocation.
- India's external debt rose to US \$ 593.1 billion at end-September 2021, from US \$ 556.8 billion a year earlier, reflecting additional SDR allocation by IMF, coupled with higher commercial borrowings.
- Foreign Exchange Reserves crossed US\$ 600 billion in the first half of 2021-22 and touched US \$ 633.6 billion as of December 31, 2021.
- As of end-November 2021, India was the fourth largest forex reserves holder in the world after China, Japan and Switzerland.

Monetary Management and Financial Intermediation:

- The liquidity in the system remained in surplus.
 - Repo rate was maintained at 4% in 2021-22.
 - RBI undertook various measures such as G-Sec Acquisition Programme and Special Long-Term Repo Operations to provide further liquidity.
- The economic shock of the pandemic has been weathered well by the commercial banking system:
 - YoY Bank credit growth accelerated gradually in 2021-22 from 5.3% in April 2021 to 9.2% as on 31st December 2021.
 - The Gross Non-Performing Advances ratio of Scheduled Commercial Banks (SCBs) declined from 11.2% at the end of 2017-18 to 6.9% at the end of September, 2021.
 - Net Non-Performing Advances ratio declined from 6% to 2.2% during the same period.
 - Capital to risk-weighted asset ratio of SCBs continued to increase from 13% in 2013-14 to 16.54% at the end of September 2021.
 - The Return on Assets and Return on Equity for Public Sector Banks continued to be positive for the period ending September 2021.
- Exceptional year for the capital markets:
 - ₹89,066 crore was raised via 75 Initial Public Offering (IPO) issues in April-November 2021, which is much higher than in any year in the last decade.

- Sensex and Nifty scaled up to touch peak at 61,766 and 18,477 on October 18, 2021.
- Among major emerging market economies, Indian markets outperformed peers in April-December 2021.

Prices and Inflation:

- The average headline CPI-Combined inflation moderated to 5.2% in 2021-22 (April-December) from 6.6% in the corresponding period of 2020-21.
 - The decline in retail inflation was led by easing of food inflation.
 - Food inflation averaged at a low of 2.9% in 2021-22 (April to December) as against 9.1% in the corresponding period last year.
 - Effective supply-side management kept prices of most essential commodities under control during the year.
 - Proactive measures were taken to contain the price rise in pulses and edible oils.
 - Reduction in central excise and subsequent cuts in Value Added Tax by most States helped ease petrol and diesel prices.
- Wholesale inflation based on Wholesale Price Index (WPI) rose to 12.5% during 2021-22 (April to December).
 - This has been attributed to:
 - Low base in the previous year,
 - Pick-up in economic activity,
 - Sharp increase in international prices of crude oil and other imported inputs, and
 - High freight costs.

- Divergence between CPI-C and WPI Inflation:

- The divergence peaked to 9.6 percentage points in May 2020.
- However, this year there was a reversal in divergence with retail inflation falling below wholesale inflation by 8.0 percentage points in December 2021.
- This divergence can be explained by factors such as:
 - Variations due to base effect,
 - Difference in scope and coverage of the two indices,
 - Price collections,
 - Items covered,
 - Difference in commodity weights, and
 - WPI being more sensitive to cost-push inflation led by imported inputs.
- With the gradual waning of base effect in WPI, the divergence in CPI-C and WPI is also expected to narrow down.

Sustainable Development and Climate Change:

- India's overall score on the NITI Aayog SDG India Index and Dashboard improved to 66 in 2020-21 from 60 in 2019-20 and 57 in 2018-19.
- Number of Front Runners (scoring 65-99) increased to 22 States and UTs in 2020-21 from 10 in 2019-20.
- In North East India, 64 districts were Front Runners and 39 districts were Performers in the NITI Aayog North-Eastern Region District SDG Index 2021-22.
- India has the tenth largest forest area in the world.

- In 2020, India ranked third globally in increasing its forest area during 2010 to 2020.
- In 2020, the forests covered 24% of India's total geographical, accounting for 2% of the world's total forest area.
- In August 2021, the Plastic Waste Management Amendment Rules, 2021, was notified which is aimed at phasing out single use plastic by 2022.
- Draft regulation on Extended Producer Responsibility for plastic packaging was notified.
- The Compliance status of Grossly Polluting Industries (GPIs) located in the Ganga main stem and its tributaries improved from 39% in 2017 to 81% in 2020.
- The consequent reduction in effluent discharge has been from 349.13 millions of litres per day (MLD) in 2017 to 280.20 MLD in 2020.
- The Prime Minister, as a part of the national statement delivered at the 26th Conference of Parties (COP 26) in Glasgow in November 2021, announced ambitious targets to be achieved by 2030 to enable further reduction in emissions.
- The need to start the one-word movement 'LIFE' (Lifestyle for Environment) urging mindful and deliberate utilization instead of mindless and destructive consumption was underlined.

Agriculture and Food Management:

- The Agriculture sector experienced buoyant growth in past two years, accounting for a sizeable 18.8% (2021-22) in Gross Value Added (GVA) of the country registering a growth of 3.6% in 2020-21 and 3.9% in 2021-22.
- Minimum Support Price (MSP) policy is being used to promote crop diversification.
- Net receipts from crop production have increased by 22.6% in the latest Situation Assessment Survey (SAS) compared to SAS Report of 2014.
- Allied sectors including animal husbandry, dairying and fisheries are steadily emerging to be high growth sectors and major drivers of overall growth in agriculture sector.
- The Livestock sector has grown at a CAGR of 8.15% over the last five years ending 2019-20. It has been a stable source of income across groups of agricultural households accounting for about 15% of their average monthly income.
- Government facilitates food processing through various measures of infrastructure development, subsidized transportation and support for formalization of micro food enterprises.
- India runs one of the largest food management programmes in the world.
- Government has further extended the coverage of food security network through schemes like PM Gareeb Kalyan Yojana (PMGKY).

Industry and Infrastructure:

- Index of Industrial Production (IIP) grew at 17.4% (YoY) during April-November 2021 as compared to (-)15.3% in April-November 2020.
- Capital expenditure for the Indian railways has increased to ₹155,181 crores in 2020-21 from an average annual of ₹45,980 crores during 2009-14 and it has been budgeted to further increase to

- ₹215,058 crores in 2021-22 - a five times increase in comparison to the 2014 level.
- Extent of road construction per day increased substantially in 2020-21 to 36.5 Kms per day from 28 Kms per day in 2019-20 - a rise of 30.4 percent.
 - Net profit to sales ratio of large corporates reached an all-time high of 10.6% in in July-September quarter of 2021-22 despite the pandemic (RBI Study).
 - Introduction of Production Linked Incentive (PLI) scheme, major boost provided to infrastructure-both physical as well as digital, along with measures to reduce transaction costs and improve ease of doing business, would support the pace of recovery.
- Services:**
- GVA of services crossed pre-pandemic level in July-September quarter of 2021-22; however, GVA of contact intensive sectors like trade, transport, etc. still remain below pre-pandemic level.
 - Overall service Sector GVA is expected to grow by 8.2% in 2021-22.
 - During April-December 2021, rail freight crossed its pre-pandemic level while air freight and port traffic almost reached their pre-pandemic levels, domestic air and rail passenger traffic are increasing gradually - shows impact of second wave was much more muted as compared to during first wave.
 - During the first half of 2021-22, service sector received over US\$ 16.7 billion FDI - accounting for almost 54% of total FDI inflows into India.
 - IT-BPM services revenue reached US\$ 194 billion in 2020-21, adding 1.38 lakh employees during the same period.
 - Major government reforms include, removing telecom regulations in IT-BPO sector and opening up of space sector to private players.
 - Services exports surpassed pre-pandemic level in January-March quarter of 2020-21 and grew by 21.6% in the first half of 2021-22 - strengthened by global demand for software and IT services exports.
 - India has become 3rd largest start-up ecosystem in the world after US and China. Number of new recognized start-ups increased to over 14000 in 2021-22 from 733 in 2016-17.
 - 44 Indian start-ups have achieved unicorn status in 2021 taking overall tally of unicorns to 83, most of which are in services sector.
- Social Infrastructure and Employment:**
- 157.94 crore doses of COVID-19 vaccines administered as on 16th January 2022; 91.39 crore first dose and 66.05 crore second dose.
 - With revival of economy, employment indicators bounced back to pre-pandemic levels during last quarter of 2020-21.
 - As per the quarterly Periodic Labour Force Survey (PFLS) data up to March 2021, employment in urban sector affected by pandemic has recovered almost to the pre-pandemic level.
 - According to Employees Provident Fund Organisation (EPFO) data, formalization of jobs continued during second COVID wave; adverse impact of COVID on formalization

of jobs much lower than during the first COVID wave.

- Expenditure on social services (health, education and others) by Centre and States as a proportion of GDP increased from 6.2 % in 2014-15 to 8.6% in 2021-22 (BE)
- As per the National Family Health Survey-5:
 - Total Fertility Rate (TFR) came down to 2 in 2019-21 from 2.2 in 2015-16
 - Infant Mortality Rate (IMR), under-five mortality rate and institutional births have improved in 2019-21 over year 2015-16
- Under Jal Jeevan Mission (JJM), 83 districts have become 'Har Ghar Jal' districts.
- Increased allotment of funds to Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) to provide buffer for unorganized labour in rural areas during the pandemic.