union Budget 2019-20
Key highlights of Union Budget 2019-20

Fastest growing major economy in the world - 11th largest in 2013-14 to 6th largest in 2019-20

8% annual GDP growth aimed until 2024-25 for US$5* trn economy, to become world's 3rd largest

In 2019-20, Indian is expected to record growth of 7%; Indian Economy grew by 6.8% in 2018-19

Focus on Virtuous Cycle of savings, investment and exports for sustainable growth in economy

78% increase in tax collection over 2013-14 to 2018-19 to US$166.5* bn; expansion of tax base

Note: US$1= ₹68.66*
Key highlights of Union Budget 2019-20

Proposed further recapitalisation of public sector banks (PSBs) with infusion of over US$10.2 bn

GDP growth in the last five fiscals topped 7.5%; In 2018-19, India reported an 8% rise in exports

Focus on empowering India’s space programmes; India has undertaken +110 space missions

Provision of water for all household by 2024; holistic infrastructure development in connectivity

Recovery of US$58.4 bn in last four years due to Insolvency and Bankruptcy Code, among others
Reform, Perform, Transform agenda: GST, IBC, RERA, among other policies transforming lives

Scheme of faceless electronic tax assessment - Aadhaar and PAN to become interchangeable

Pradhan Mantri Karam Yogi Maandhan - Pension benefits for retail traders, small shopkeepers

Plan to strengthen MSMEs through fiscal incentives, liberated labor laws and skill development
**Strong infrastructure for strong economy**

**Bharatmala Pariyojana**
Phase 2 to be launched; State road networks will be developed

**World’s 3rd largest** domestic aviation market; 14.1% rise in passenger traffic in 5 years

**Jal Marg Vikas** Project and **Sagarmala** initiative improving logistics with well-connected waterways

Increasing PPP in railways infrastructure development; **657 km** metro rail now operational

PMAY-U: Houses sanctioned: **8.1 mn**; Construction started: **4.7 mn**; Completed: **2.6 mn**

Credit Guarantee Enhancement Corp to be set up in 2019-20 to boost infra financing
Keen emphasis on HRD development

National Research Foundation to fund, coordinate and promote R&D

Study in India to bring foreign students to higher educational institutions

Measures to prepare youth in AI, IoT, Big Data, 3D Printing, Virtual Reality

+$US58.4 m provided for ‘World Class Institutions’ for FY 2019-20

National Sports Education Board to be developed under Khelo India

Focus on R&D for sustainable urban infrastructure, energy, water usage
Push to raise investment in industries

Changes in customs duties to promote investment under **Make in India**

Interest subvention scheme for MSMEs: **US$51.1 m** allocated for 2019-20

Social stock exchange for listing social enterprises, voluntary organisations

**E-verification** to resolve tax issues relating to fundraising from investors

**FAME Phase-2** commenced; Customs duty relief on some e-vehicle parts

Income tax deduction of interest on loans for e-vehicle purchase
FDI regulations eased to drive investment

100% foreign direct investment (FDI) allowed for Insurance intermediaries

Statutory limit for FPI investment in a company increased to sectoral limit

Local sourcing regulation to be eased for FDI in single brand retail outlets

India attracted US$64.4 bn worth of cumulative FDI during fiscal 2018-19
Tax proposals to maximise growth

Threshold for applicability of lower corporate tax of 25% raised from US$36.5\(^*\) m to US$58.4\(^*\) m

DS of 2% on cash withdrawal crossing US$146,000\(^*\)/year from bank to boost less cash economy

No charges/MDR on set digital payments. These modes must be provided by large businesses

Effective tax rate for individuals having taxable income above US$292,000\(^*\) has been increased

Sabka Vishwas Legacy Dispute Resolution Scheme for quick closure of service tax, excise cases
Policies to support rural development

Boost to agro-rural industries through cluster based SFURTI scheme

Special focus on development of bamboo, honey and khadi clusters

100 new clusters to be set up to enable 50,000 artisans during 2019-20

100 Business Incubators to enable 75,000 entrepreneurs under ASPIRE

Pradhan Mantri Matsya Sampada Yojana to strengthen fisheries sector

1,592 critical and over exploited blocks identified under Jal Shakti Abhiyan
Focus for the coming decade

- Physical and social infrastructure
- Digital India
- Pollution free India
- Make in India
- Water management and clean rivers
- Blue economy
- Space programmes
- Self-sufficiency and export of food grains
- Healthy society
- Team India with Jan Bhagidari
Thank You