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

Recovery of **US$58.4* bn** in last four years due to Insolvency and Bankruptcy Code, among others

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

Focus on empowering India’s space programmes; India has undertaken **+110 space missions**
Policies for inclusive economic growth

- Pradhan Mantri Karam Yogi Maandhan - Pension benefits for retail traders, small shopkeepers
- Reform, Perform, Transform agenda: GST, IBC, RERA, among other policies transforming lives
- Scheme of faceless electronic tax assessment - Aadhaar and PAN to become interchangeable
- 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

+US$58.4* 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

<table>
<thead>
<tr>
<th>Changes in customs duties to promote investment under <strong>Make in India</strong></th>
<th>Interest subvention scheme for MSMEs: <strong>US$51.1</strong> m allocated for 2019-20</th>
<th>Social stock exchange for listing social enterprises, voluntary organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-verification to resolve tax issues relating to fundraising from investors</td>
<td><strong>FAME Phase-2</strong> commenced; Customs duty relief on some e-vehicle parts</td>
<td>Income tax deduction of interest on loans for e-vehicle purchase</td>
</tr>
</tbody>
</table>
FDI regulations eased to drive investment

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

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

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

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

<table>
<thead>
<tr>
<th>Boost to agro-rural industries through cluster based <strong>SFURTI scheme</strong></th>
<th>Special focus on development of <strong>bamboo, honey and khadi clusters</strong></th>
<th>100 new clusters to be set up to enable <strong>50,000</strong> artisans during 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Business Incubators to enable <strong>75,000</strong> entrepreneurs under ASPIRE</td>
<td>Pradhan Mantri Matsya Sampada Yojana to strengthen <strong>fisheries sector</strong></td>
<td><strong>1,592</strong> critical and over exploited blocks identified under Jal Shakti Abhiyan</td>
</tr>
</tbody>
</table>
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