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

+US$58.4 m provided for ‘World Class Institutions’ for FY 2019-20

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

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

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>Policy</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>Boost to agro-rural industries through cluster based SFURTI scheme</td>
<td>Special focus on development of <strong>bamboo</strong>, <strong>honey</strong> and <strong>khadi clusters</strong></td>
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<tr>
<td>100 new clusters to be set up to enable <strong>50,000</strong> artisans during 2019-20</td>
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<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>
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<td>1,592 critical and over exploited blocks identified under Jal Shakti Abhiyan</td>
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### 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