

Highlights of the Union Budget for 2019-20

DIRECT TAX

- * Increasing surcharge on income over 20 mln rupees/year
- * Faceless tax scrutiny case selection to be on random basis
- * Propose 2% TDS on 10 mln rupee/yr cash withdrawal from banks
- * Propose to take slew of measures to boost digital payments
- * Launching automated, faceless assessment of tax
- * To make pre-filled tax return forms available
- * To make Aadhaar, PAN interchangeable to file tax returns
- * Tax proposals aim to stimulate growth, housing
- * Direct tax mop up 11.37 trln rupees FY19 vs 6.38 trln FY14
- * Seeing double-digit growth in direct tax revenue annually
- * Corporate tax now 25% for cos with 4 bln rupees/yr revenue
- * Corporate tax cut to cover 99.3% of all cos

INDIRECT TAX

- * To raise road, infra cess on petrol, diesel by 1 rupee/ltr
- * To up special additional excise on diesel by 1 rupee/ltr
- * To up special additional excise on petrol by 1 rupee/ltr
- * Proposing certain amendments to Customs Act
- * Raising customs duty on precious metals to 12.5%
- * Raising customs duty on gold
- * Customs duty being exempted on some parts of e-vehicles
- * 5% customs duty being imposed on imported books
- * To implement fully-automated GST refund module
- * GST led to lower rates on almost all commodities
- * Tax deduction of 150,000 rupees on e-vehicle loan interest
- * Extra 150,000-rupee tax deduction on some small home loans
- * RBI, banks to absorb merchant discount rate at small shops
- * No merchant discount rate on e-transaction at small shops

10 POINTS OF VISION

- * Building social infrastructure among 10 points of vision
- * Building pollution-free environment among 10 points of vision
- * Digital India in every sector among 10 points of vision
- * Make in India with stress on MSME in 10 points of vision
- * Water management, clean rivers among 10 points of vision
- * Export of food grain in 10 points of vision
- * Ayushman Bharat, clean India among 10 points of vision
- * Space programmes, safety of citizen in 10 points of vision

GROWTH, INFLATION

- * Well within capacity to reach \$5-trln economy in few years
- * India to become \$3-trln economy in FY20
- * India now 6th largest economy vs 11th five years ago

REFORMS

- * Need to continue undertaking structural reforms
- * Need to continue structural reforms to reach \$5-trln aim
- * Need to invest in job creation in MSMEs
- * Need to invest heavily in digital India, job creation
- * \$5-trln economy target is imminently achievable
- * "Gone are the days of policy paralysis"
- * Wish to propose many initiatives to kick-start growth
- * Reforms needed in power tariffs
- * To soon announce policy package for power tariffs
- * Model tenancy law to soon be finalised
- * Propose several reform measures for rental housing
- * PPP to fast develop track, rolling stock, freight svcs
- * To have blueprint for water grids, gas grids, airways
- * Examining performance of UDAY scheme
- * One nation, one grid to ensure power connectivity
- * 2 more terminals at Sahibganj, Haldia to be functional soon
- * Movement of cargo in river Ganga to rise 4 times in 4 yrs

FINANCIAL SECTOR, MARKETS

- * STT to be limited to gap between settlement, strike price
- * Propose some leeway in Securities Transactions Tax
- * Propose to implement steps to make tax compliance easier
- * Bad loan tax norms for most NBFCs at par with banks
- * Need for greater parity in tax treatment of NBFCs vs banks
- * CBDT to make provisions for pending assessment of startups
- * Start-ups not to face scrutiny in terms of share premium
- * Taking steps to resolve angel tax issue for startups
- * To start scheme for foreign cos in advanced technology sector
- * To start scheme to invite foreign cos in sunrise sectors
- * To give PSU banks 700 bln rupees capital
- * Banks' NPAs reduced by more than 1 trln rupees last year
- * Domestic credit growth risen to 13.8%
- * To let all NBFC to participate in trade receivable platform
- * Propose to return regulation over housing fin cos to RBI
- * Propose more power to RBI over NBFCs in Finance Bill
- * One-time, six-month guarantee to PSU banks to buy some NBFC loans
- * Fundamentally sound NBFCs should get funding from banks, MFs
- * To undertake steps to improve governance in PSU banks
- * Provision coverage ratio of banks highest in 7 years
- * Six PSU banks enabled to come out of prompt corrective action
- * To start raising part of borrowing from external market in FX
- * To boost retail participation in CPSE ETFs
- * India's sovereign external debt to GDP ratio less than 5%
- * To offer ETF participation via ELSS-like system
- * Setting divestment target of 1.05 trln rupees for FY20
- * Govt to reinstate process of Air India divestment
- * Onshore insurers' net owned funds need cut to 10 bln rupees
- * Strategic divestment of PSUs to remain a priority
- * Mulling below 51% stake in PSUs on case-to-case basis

- * To raise cap on foreign shareholding in some PSUs
- * Steps to separate NPS Trust from PFRDA
- * Financial gains from cleaning banking sector now visible
- * FDI inflows remain robust despite global headwinds
- * Important to increase retail invest in T-bills
- * Propose to create platform for listing social enterprises
- * To work with regulators for AA bonds as collateral for repo
- * Asked SEBI to mull hiking minimum public shareholding to 35%
- * Propose to rationalise existing KYC norms for FPIs
- * India needs 20-trln-rupee estimated investment every year
- * To put in place action plan to deepen long-term bond mkt
- * Action plan to deepen market for long-term bonds
- * Invest driven growth requires access to low-cost capital
- * To create payment platform for MSMEs
- * Large infrastructure can be built on land owned by CPSEs
- * To allow FPIs to subscribe to listed debt papers of REITs
- * Propose to merge NRI, FPI investment scheme routes
- * To mull hiking FDI limit in media, insurance, animation cos
- * Contemplating an annual global investors meet in India
- * Propose 100% FDI in insurance intermediaries
- * To examine suggestions to further open up FDI in aviation
- * FDI flows rose 6% to \$64.37 bln in FY19
- * Propose to make India a more attractive FDI destination
- * To take steps for RBI, SEBI depositories' inter-operability
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- * To allow FPI invest in listed debt securities of InvITs
- * Will take steps to meet 25% public holding in listed PSUs
- * Need to encourage continued growth of startups

INFRASTRUCTURE, INDUSTRY

- * To invest 100 trln rupees in infrastructure over next 5 years
- * To set up panel on long-term funding for infrastructure
- * Need to invest heavily in infrastructure
- * Rail infra may need investment of 50 trln rupees 2018-2030
- * 2nd stage of Bharatmala to help develop state roads
- * To incentivise advanced vehicle battery manufacturing
- * Need to develop inland waterways for cargo movement
- * To comprehensively restructure national highway programme
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- * 210 km of new metro lines operationalised in 2019
- * Launching national common mobility card
- * To leverage engineering skill for project maintenance work
- * Public infra, affordable housing to be taken up in FY20

- * To aid cluster-based development of traditional industries
- * To use more PPP mode for metro rail network
- * Railways to be encouraged to use SPVs for suburban projects
- * To use USOF, PPP mode for speeding up BharatNet
- * To deal with tax issues of start-ups later in speech
- * To start TV programme exclusively for startups

FARM SECTOR

- * Every rural family to have gas, power connectivity by 2022
- * All rural families to have electricity connection by 2022
- * Govt keeps Antyodaya at core of all its policies
- * Villages, poor, farmers at centre of every govt plan
- * Gaon, garib, kisan at centre of every govt plan
- * To invest widely in agriculture infrastructure
- * Bamboo, khadi, honey to be focus for cluster development
- * To invest 802.5 bln rupees to upgrade rural roads in 5 years
- * To upgrade 125,000 km of rural roads in 5 years
- * 30,000 km roads under PM Sadak Yojana built with green technology
- * All-weather roads provided to 97% of habitation
- * To have robust framework for fisheries mgmt network
- * 19.5 mln homes to be given till 2022 in PM rural house plan
- * 15 mln homes completed under PM rural house plan
- * APMCs shouldn't hamper farmers from getting fair price
- * Zero-budget farming to be promoted
- * Hope to form 10,000 farmer producer organisations
- * Aiming oilseed self sufficiency, to help cut import bill
- * Ease of doing business, living should apply to farmers too
- * To create infrastructure for cattle feed manufacturing
- * Will support private companies to add value for farm producers
- * Zero-budget farming can help double farmers' income

SOCIAL SECTOR, EDUCATION

- * See rapid urbanisation as an opportunity, not challenge
- * Constructed 96 mln toilets since Oct 2, 2014
- * To expand Swachh Bharat plan to undertake solid waste mgmt
- * India to be open-defecation-free by Oct 2
- * Over 95% cities have become open-defecation free
- * Identified 1,592 blocks for Jal Shakti Abhiyan
- * To use CAMPA funds for Jal Shakti plan
- * Aim water connection to every household by 2024
- * To set up national research foundation to assimilate all grants
- * To bring new national education policy
- * Will bring in new national educational policy
- * 3 mln workers joined govt pension plan so far
- * Banks to provide assistance under Stand-Up India scheme
- * Stand-Up India scheme to continue till 2025
- * Expect less labour disputes as laws get streamlined
- * Propose to develop 17 iconic tourism sites
- * Propose digital repository for tribal heritage
- * Propose to revamp India Development Assistance Scheme
- * Opened 5 new embassies in Africa FY19, to open 4 more

- * Propose to launch mission to integrate traditional artisans

MISCELLANEOUS

- * Election 2019 mandate was full of hope for new India
- * Voters stamped their approval on a performing government
- * People of India voted for national security, economic growth
- * Have set the ball rolling for new India
- * Govt provided fiscal discipline during 2014-2019
- * Average food security amount almost doubled during 2014-19
- * Our last-mile delivery stood out, reached everywhere
- * Will further simplify procedure, reduce red tape
- * Mega programmes initiated in 1st term will continue
- * We don't look down upon legitimate profit-earning
- * To take step for virtuous cycle of domestic, foreign investment
- * Time right for India to enter aircraft financing, leasing
- * Launched co to tap ISRO's capabilities commercially