Highlights of the Union Budget for 2019-20

DIRECT TAX

* Increasing surcharge on income over 20 mn rupees/year
* Faceless tax scrutiny case selection to be on random basis
* Propose 2% TDS on 10 mn 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 reinitiate 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 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