

RM/BB/JK

UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**Rs 35,600 CRORE OUTLAY FOR NUTRITION-RELATED PROGRAMMES FOR
2020-21**

Rs 28,600 CRORE ALLOCATED FOR PROGRAMS SPECIFIC TO WOMEN

**GROSS ENROLMENT RATIO OF GIRLS EXCEEDS THAT OF BOYS ACROSS ALL
LEVELS OF EDUCATION**

**Rs 85,000 CRORE OUTLAY FOR WELFARE OF SCHEDULED CASTES AND OTHER
BACKWARD CLASSES FOR 2020-21**

**Rs 53,700 CRORE ALLOCATED FOR WELFARE OF SCHEDULED TRIBES FOR
2020-21**

**Rs 9500 CRORE OUTLAY FOR WELFARE OF SENIOR CITIZENS AND DIVYANG
FOR 2020-21**

**TASK FORCE TO BE APPOINTED TO EXAMINE ISSUE ABOUT AGE OF GIRL
ENTERING MOTHERHOOD**

New Delhi, 1st February, 2020

Highlighting the importance of nurturing a caring society, the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, unveiled several key proposals with focus on women and child, and on social welfare, in the Union Budget 2020-21 presented in Parliament today.

Women and Child

In her Budget speech in the Lok Sabha, the Finance Minister said, “I am pleased to inform the House that ‘Beti Bachao Beti Padhao’ has yielded tremendous results. Gross enrolment ratio of girls across all levels of education is now higher than boys.” At elementary level, it is 94.32 % as against 89.28 % for boys, Smt. Sitharaman highlighted. Similar trends in gross enrolment ratio were also observed at Secondary and higher secondary levels, she added.

Emphasising on nutrition as a critical component on health, Smt. Sitharaman **proposed to provide Rs 35,600 crore for nutrition-related programmes for the year 2020-21**. She drew attention to the ‘Poshan Abhiyan’ which was launched in 2017-18 to improve the nutritional status of children (0-6 years), adolescent girls, pregnant women and lactating mothers. The Union Minister further said that more than six lakh anganwadi workers had been equipped with smart phones to upload the nutritional status of more than 10 crore households, which was an unprecedented development.

In her Budget speech, Smt. Sitharaman noted that with India’s progress, opportunities were opening up for women to pursue higher education and careers, and the entire issue about age of a girl entering motherhood, therefore, needed to be seen in a new light. **She proposed to appoint a task force for this purpose which would present its recommendations in six months’ time.**

Highlighting the government's continued commitment to the welfare of women, the Finance Minister **proposed an outlay of about Rs 28,600 crore for programs that were specific to women.**

Social Welfare

Addressing the issue of manual scavenging, the Finance Minister said, "Our government is determined that there shall be no manual cleaning of sewer systems or septic tanks. Suitable technologies for such tasks have been identified by the Ministry of Housing and Urban Affairs. The Ministry is working with urban local bodies for the adoption of these technologies." She proposed to take this effort to its logical conclusion through legislative and institutional changes along with provision of financial support for wider acceptance of such technologies.

The Finance Minister **proposed a budget provision of about Rs 85,000 crore for 2020-21 to further the government's commitment towards the welfare of Scheduled Castes and Other Backward Classes.**

In the Budget proposal, Smt. Sitharaman also **provided an allocation of Rs 53,700 crore for the year 2020-21 for further development and welfare of Scheduled Tribes.**

Further, keeping in mind the concerns of **senior citizens and Divyang, the Finance Minister proposed an enhanced allocation of about Rs 9500 crore for 2020-21 in the Union Budget.**

UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

Union Budget 2020-21 allocates Rs.99,300 crore for Education, Rs. 3,000 crore for Skill Development

150 Higher Educational Institutions to start apprenticeship embedded degree/diploma courses by March, 2021

Degree level online education programmes for students of deprived sections of the society

External Commercial Borrowings and FDI to be encouraged for financing education infrastructure

Ind-SAT to be conducted in Asia and Africa under Study in India programme

Special bridge courses for nurses, para medical staff and care givers to enhance their employability abroad

National Police University and National Forensic Science University to be set up

New Delhi, 1st February, 2020

Meeting the needs of Aspirational India in which all the sections of the society seek better standards of living with access to education, health and better jobs is one of the key themes of the Union Budget 2020-21. The Budget lays special emphasis on the employability and quality aspects of education.

Presenting the Budget for the financial year 2020-21 in the Parliament today, the Union Finance and Corporate Affairs Minister, Smt Nirmala Sitharaman said that a total **outlay of Rs.99,300 crore has been earmarked for the education sector in 2020-21 and Rs.3000 crore for Skill Development**. “By 2030, India is set to have the largest working age population in the world. Not only do they need literacy but they need both job and life skills”, the Finance Minister explained.

Smt Nirmala Sitharaman announced that about **150 Higher Educational Institutions will start apprenticeship embedded degree/diploma courses by March 2020-21**. This will help to improve the employability of students in the general stream (vis-a-vis services or technology stream). The government will also start a program whereby urban local bodies across the country would provide internship opportunities to fresh engineers for a period of up to one year. National Skill Development Agency will give special thrust to infrastructure-focused skill development opportunities, the Minister explained.

The Finance Minister, in her speech also said that the New Education Policy will be announced soon. Smt Nirmala Sitharaman stated that steps will be taken to enable sourcing External Commercial Borrowings and FDI to ensure greater inflow of finance to attract talented teachers, innovate and build better labs.

Degree level full-fledged online education programme will be started to provide quality education to students of deprived sections of the society as well as those who do not have

access to higher education. However, these shall be offered only by institutions who are ranked within top 100 in the National Institutional Ranking Framework.

The Finance Minister observed that India should be a preferred destination for higher education. Therefore, under its “**Study in India**” programme, **an Ind-SAT is proposed to be held in Asian and African countries** for benchmarking foreign candidates who receive scholarships for studying in Indian higher education centres.

In order to meet the requirement of qualified medical doctors, **it is proposed to attach a medical college to an existing district hospital in PPP mode**. Viability gap funding will be made available to the States that fully allow the facilities of the hospital to the medical college and provide land at a concession.

The Government will also encourage large hospitals with sufficient capacity to offer resident doctors DNB/FNB courses under the National Board of Examinations. Smt Nirmala Sitharaman stated that a huge demand exists for teachers/nurses/para medical staff and care givers abroad. Therefore special bridge courses may be designed jointly by the Ministries of Health and Skill Development along with professional bodies to match the employer’s standards as well as meet the language requirements of various countries.

A National Police University and a National Forensic Science University have also been proposed in the domain of policing science, forensic science, cyber-forensics etc. in the Budget.



UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
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**DATA CENTRE PARKS POLICY SOON FOR PRIVATE FIRMS TO LEVERAGE THE
POWER OF DATA**

**RS. 6000 CRORE PROPOSED FOR BHARATNET PROGRAMME TO LINK 100,000
GRAM PANCHAYATS**

**KNOWLEDGE TRANSLATION AND TECHNOLOGY CLUSTERS AMONGST
MEASURES TO BOOST START-UPS**

**RS. 8000 CRORE OUTLAY OVER FIVE YEARS FOR NATIONAL MISSION ON
QUANTUM TECHNOLOGIES AND APPLICATIONS**

New Delhi, 1st February 2020

Emphasizing on the disruptive innovations of the 'New Economy' like Artificial Intelligence (AI), the Union Finance and Corporate Affairs Minister, Smt. Nirmala Sitharaman proposed further measures by the Government to take advantage of these new technologies. These were stated in her Union Budget Speech 2020-21, presented in the Parliament today.

The Finance Minister observed that technologies like **AI, Internet-of-Things (IoT), 3D printing, drones, DNA data storage, quantum computing, etc.**, are re-writing the world economic order. She noted that India has already embraced new paradigms such as the sharing economy with aggregator platforms displacing conventional businesses. The Minister added that the Government has also harnessed these new technologies to enable direct benefit transfers and financial inclusion on a scale never imagined before.

Proposals for Leveraging Data

Highlighting the importance of 'data as the new oil', the Minister asserted that Analytics, Fintech and IoT are changing the way we deal with our lives. Smt. Sitharaman proposed the following measures to take advantage of this power of data:

- To soon bring out a policy to enable private sector in building **Data Centre Parks** throughout the country, thus enabling firms to incorporate data in every step of their value chains.
- To link **100,000 gram panchayats** this year with **Fibre to the Home (FTTH) connections** through Bharatnet. This will fulfill the vision of providing digital connectivity to all 'public institutions' like Anganwadis, health and wellness centres, government schools, etc. at Gram Panchayat level. It is proposed to provided **Rs. 6000 crore to Bharatnet programme** in 2020-21, the Minister said.

Proposals for Start-ups

With a view to expand the base for knowledge-driven enterprises, the Finance Minister underscored the importance of intellectual property creation and protection. In this regard, she proposed several measures to benefit Start-ups:

- To promote a digital platform that would facilitate seamless application and capture of IPRs. A Centre is also proposed to be established in an Institute of Eminence for working on innovation in the field of Intellectual Property.
- **Knowledge Translation Clusters** to be set up across different technology sectors including new and emerging areas.
- **Technology Clusters**, with test beds and small scale manufacturing facilities for designing, fabrication and validation of proof of concept to be established.

- **Two National-level Science Schemes** are to be initiated to create a comprehensive database of mapping India's genetic landscape, given its criticality for next generation medicine, agriculture and bio-diversity management.
- It is also proposed to provide early life funding, including a seed fund, to support ideation and development of early stage Start-ups.

Proposals for Quantum Technology

The Finance Minister noted that quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications. She pointed out that a lot of commercial applications are expected to emerge from theoretical constructs developing in this area. Thus, the Minister proposed to provide an **outlay of Rs. 8000 crore over a period of five years** for the National Mission on Quantum Technologies and Applications.



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**FISCAL DEFICIT AT 3.8% IN 2019-20 (RE) AND 3.5% FOR 2020-21(BE); RETURN
PATH COMMITTED TO FISCAL CONSOLIDATION WITHOUT COMPROMISING
ON INVESTMENT**

**PROJECTED FISCAL NUMBERS ARE CREDIBLE, TRANSPARENT AND
COMPLIANT WITH FRBM ACT, ASSURES FINANCE MINISTER**

21% INCREASE IN CAPITAL EXPENDITURE FOR FY 2020-21

**RECOMMENDATION OF XV FINANCE COMMISSION'S FIRST REPORT
ACCEPTED IN SUBSTANTIAL MEASURE: FINANCE MINISTER**

New Delhi, 1st February, 2020

With the clear intent of achieving fiscal targets and affirming the government's commitment towards prudent fiscal management and boosting investments the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman proposed several measures in the Union Budget 2020-21 in Parliament today.

The Finance Minister identified the fiscal deficit for FY 2019-20 at 3.8%(RE) and pegged it at 3.5% (BE) for FY 2020-21 which is consistent with government's abiding commitment to macroeconomic stability as part of Medium Term Fiscal Policy cum Strategy Statement 2020-21. She said, "Section 4(2) of the FRBM Act provides for a trigger mechanism for a deviation from the estimated fiscal deficit on account of structural reforms in the economy with unanticipated fiscal implications. **Therefore, I have taken a deviation of 0.5%, consistent with Section 4(3) of FRBM Act, both for RE 2019-20 and BE 2020-21.**"

The Finance Minister in order to settle the debate over the credibility and transparency of the projected fiscal numbers said **"Let me assure the House that the procedure adopted is compliant with the FRBM Act. This is also consistent with the practices hitherto followed."**

Smt. Sitharaman further added that a fundamental overhaul of Centrally Sponsored Schemes and Central Sector Schemes is necessary to align with emerging social and economic needs and to use scarce public resources optimally.

The Finance Minister **proposed a 21% increase in capital expenditure for the FY 2020-21.** The Budget further announced Rs. 22,000 crore for equity to fund certain specified infrastructure finance companies providing much needed long term finance to the sector. The following table illustrates the estimated figures:

	2019-20 RE (Rs. Lakh Crore)	2020-21 BE(Rs. Lakh Crore)
Receipts	19.32	22.46
Expenditure	26.99	30.42
Net Market Borrowings	4.99	5.36

The budget projects a 10% estimated nominal growth of GDP for 2020-21 on the basis of trends available. The Finance Minister notes “Recently government has undertaken very significant tax reforms for boosting investments. However, expected tax buoyancy will take time.”

Emphasising the importance given to strengthen the spirit of co-operative federalism, Smt. Nirmala Sitharaman announced the acceptance of the 1st report of XV Finance Commission in substantial measure. The Budget proposes to transfer to the GST Compensation Fund balances due out of collection of the years 2016-17 and 2017-18, in two instalments. Hereinafter, transfers to the fund would be limited only to collection by way of GST compensation cess.

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**PRESS INFORMATION BUREAU
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**148 KM LONG BENGALURU SUBURBAN TRANSPORT PROJECT AT A COST OF
RS 18600 CRORE PROPOSED**

**A NATIONAL LOGISTICS POLICY TO CREATE A SINGLE WINDOW E-LOGISTICS
MARKET**

**PROPOSAL TO MONETISE AT LEAST 12 LOTS OF HIGHWAY BUNDLES OF OVER
6000 KM BEFORE 2024**

**PROPOSAL TO SET UP LARGE SOLAR POWER CAPACITY ALONGSIDE RAIL
TRACKS, ON RAILWAY'S LAND**

**FOUR STATION RE-DEVELOPMENT PROJECTS AND OPERATION OF 150
PASSENGER TRAINS THROUGH PPP MODE**

**NATIONAL SKILL DEVELOPMENT AGENCY TO GIVE SPECIAL THRUST TO
INFRASTRUCTURE-FOCUSED SKILL DEVELOPMENT OPPORTUNITIES**

New Delhi, 1st February, 2020

Highlighting Prime Minister's Statement in the Independence Day Speech 2019, that Rs. 100 lakh Crore would be invested on infrastructure over the next 5 years, Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman, while presenting the Union Budget 2020-21 in Parliament today said "As a follow up measure, I had launched the National Infrastructure Pipeline on 31st December 2019 of Rs 103 lakh crore. It consists of more than 6500 projects across sectors and are classified as per their size and stage of development."

The Finance Minister further said, that the **National Skill Development Agency will give special thrust to infrastructure-focused skill development** opportunities and that a huge employment opportunity exists for India's youth in construction, operation and maintenance of infrastructure.

The Union Budget proposed to set up a project preparation facility for infrastructure projects. This programme would actively involve young engineers, management graduates and economists from our Universities.

The Budget also proposed to direct all infrastructure agencies of the government to involve youth-power in start-ups.

The Finance Minister also proposed A National Logistics Policy, to be released soon and this would clarify the roles of the Union Government, State Governments and key regulators and create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive.



Measures for improving roads Infrastructure

While presenting the Union Budget 2020-21, the Finance minister said that Accelerated development of highways will be undertaken. She said “This will include development of 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways. Delhi-Mumbai Expressway and two other packages to be completed by 2023. Chennai-Bengaluru Expressway also be started. It is proposed to monetise at least 12 lots of highway bundles of over 6000 Km before 2024.”

Measures for improving Railways Infrastructure

Enlisting the achievements of Railways within 100 days of assumption of the current government, the Finance minister proposed the following five measures for optimisation of costs

- Setting up a large solar power capacity alongside the rail tracks, on the land owned by the railways
- Four station re-development projects and operation of 150 passenger trains would be done through PPP mode.
- More Tejas type trains will connect iconic tourist destinations.
- High speed train between Mumbai to Ahmedabad would be actively pursued.
- 148 km long Bengaluru Suburban transport project at a cost of Rs 18600 crore, would have fares on metro model. Central Government would provide 20% of equity and facilitate external assistance up to 60% of the project cost.

With an aim to build a seamless national cold supply chain for ‘perishables’, The Minister also proposed that the Indian Railways will set up a “Krishi Rail”- through PPP arrangements. There will be refrigerated coaches in express and Freight trains as well she said.




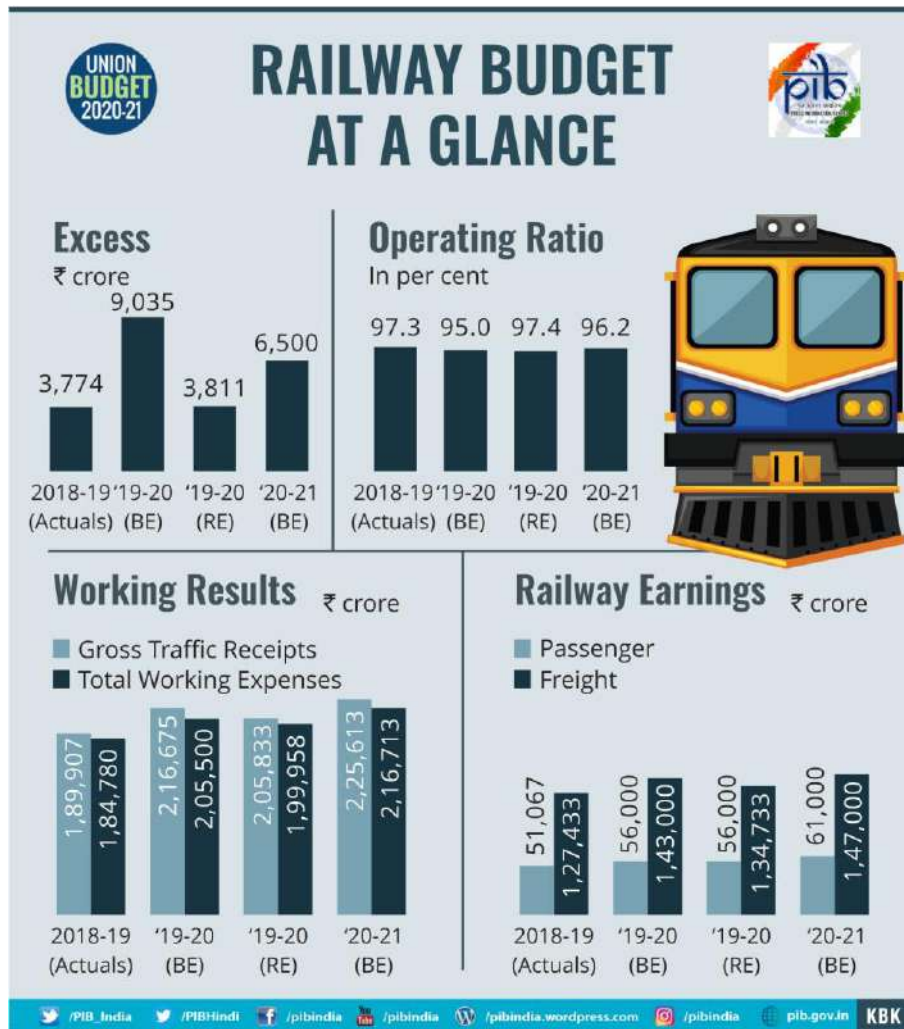
UNION BUDGET 2020-21

Redefining Railways

Five Major Measures

- Setting up a **large solar power capacity** alongside rail tracks
- 150 passenger** trains to be run through PPP mode along with station re-development
- More Tejas type trains to **connect iconic tourist destinations**
- High speed train** between **Mumbai to Ahmedabad** to be actively pursued
- 148 km long Bengaluru suburban** transport project at a cost of **₹18600 crore**





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PRESS INFORMATION BUREAU
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100 MORE AIRPORTS TO BE DEVELOPED BY 2024 TO SUPPORT UDAAN SCHEME

UNION BUDGET PROPOSES Rs. 22000 CRORE FOR POWER AND RENEWABLE
ENERGY SECTOR IN CURRENT FY

**NATIONAL GAS GRID TO BE EXPANDED FROM THE PRESENT 16200 KM TO
27000 KM**

**GOVERNMENT TO CONSIDER CORPORATIZING AT LEAST ONE MAJOR PORT
AND ITS LISTING ON STOCK EXCHANGES**

New Delhi, 1st February, 2020

Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman, while presenting the Union Budget 2020-21, in Parliament today, said that infrastructure was crucial to the theme of “Economic development” and hence the Budget which is dedicated to provide “Ease of Living” to all citizen.

Emphasising need for efficiency of India Sea Ports and use of technology to improve their performance, Smt Nirmala Sitharaman, said “The government would consider corporatizing at least one major port and subsequently its listing on the stock exchanges.”

Speaking about Inland Waterways, the Finance Minister also announced that the “Jal Vikas Marg” on National Waterway-1 will be completed and further the 890 Km Dhubri-Sadiya connectivity will be done by 2022”.

Smt Sitharaman further said that Plans are afoot on “Arth Ganga”- PM’s vision to energise economic activity along the river banks. In order to boost the transport Infrastructure in the country the Union Budget has provided for about Rs 1.70 Lakh Crore.

Impetus to Civil Aviation Sector

The Finance Minister also announced that 100 more airports would be developed by 2024 to support Udaan scheme. She also remarked in her Budget presentation that India’s Air traffic has grown rapidly as compared to global average and the Air fleet number was expected to go up from the present 600 to 1200 during this time.

In the direction of doubling farmers’ income by 2022, among other measures, the Finance Minister also announced launch of “Krishi Udaan” by the Ministry of Civil aviation on International & National routes. This is aimed to help improve value realisation especially in North-East and Tribal districts.

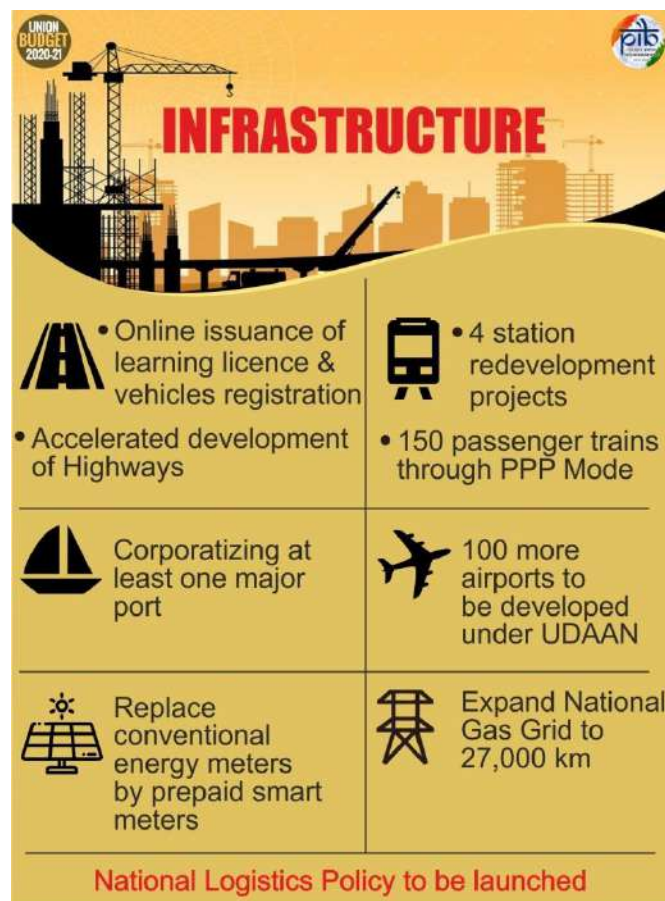
Power and Renewable Energy

The Union Finance Minister, also proposed an allocation of Rs. 22000 crore for Power and Renewable Energy sector in 2020-21. Finance minister urged all States and Union

Territories to replace conventional meters by prepaid “Smart Meters” in the next 3 years and measures to reform DISCOMs.

Further, the Finance Minister proposed in the Budget that national gas grid would be expanded from the present 16200 km to 27000 km with further reforms to be undertaken to facilitate transparent price discovery and ease of transactions.

The Finance Minister also proposed to extend corporate tax rate of 15% to new domestic companies engaged in the generation of electricity.



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UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
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**NEW PERSONAL INCOME TAX REGIME HERALDS SIGNIFICANT RELIEF,
ESPECIALLY FOR MIDDLE CLASS TAXPAYERS**

NEW TAX REGIME TO BE OPTIONAL FOR THE TAXPAYERS

**NEW RATES ENTAIL ESTIMATED REVENUE FORGONE OF Rs 40,000
CRORE PER YEAR**

New Delhi, 1st February, 2020.

In order to provide significant relief to the individual taxpayers and to simplify the Income-Tax law, the Union Budget proposes to bring a new and simplified personal income tax regime wherein income tax rates will be significantly reduced for the individual taxpayers who forgo certain deductions and exemptions. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said, “The new tax regime shall be optional for the tax payers.” She further said that an individual who is currently availing more deductions and exemptions under the Income Tax Act may choose to avail them and continue to pay tax in the old regime.

The New personal Income tax regime proposes the following tax structure:

Taxable Income Slab (Rs.)	Existing tax rates	New tax rates
0-2.5 Lakh	Exempt	Exempt
2.5-5 Lakh	5%	5%
5-7.5 Lakh	20%	10%
7.5-10 Lakh	20%	15%
10-12.5 Lakh	30%	20%
12.5-15 Lakh	30%	25%
Above 15 Lakh	30%	30%

In the new tax regime, substantial tax benefit will accrue to a taxpayer depending upon exemptions and deductions claimed by him. For example, a person earning Rs 15 lakh in a year and not availing any deductions etc. will pay only Rs, 1,95,000 as compared to Rs, 2,73,000 in the old regime. Thus his tax burden shall be reduced by 78,000 in the new regime. He would still

be a gainer in the new regime even if he was taking deduction of Rs 1.5 lakh under various sections of Chapter VI –A of the Income Tax Act under the old regime.

The new tax regime will be optional for the taxpayers. As per the Memorandum explaining the provision in the Finance Bill, the option shall be exercised for every previous year where the individual or the HUF has no business income and in other cases the option once exercised for a previous year shall be valid for that previous year and all subsequent years. The option shall become invalid for a previous year or previous years as the case may be if the individual or HUF fails to satisfy the conditions and other provisions of the Act shall apply.

The new personal income tax rates will entail estimated revenue forgone of Rs 40,000 crore per year. Smt Sitharaman said, “We have also initiated measures to prefill the income tax return so that an individual who opts for the new regime would need no assistance from an expert to file his return and pay income tax.” The Finance Minister said that in order to simplify the income tax system, she has reviewed all the exemptions and deductions incorporated over the past several decades.”

In the Budget, around 70 of the existing exemptions and deductions of different nature (more than 100) have been proposed to be removed. Remaining exemptions and deductions will be reviewed and rationalised in the coming years with a view to further simplifying the tax system and lowering the tax rate.



Taxable Income Slab (Rs.)	Existing Tax Rates	New Tax Rates
0-2.5 Lakh	Exempt	Exempt
2.5-5 Lakh	5%	5%
5-7.5 Lakh	20%	10%
7.5-10 Lakh	20%	15%
10-12.5 Lakh	30%	20%
12.5-15 Lakh	30%	25%
Above 15 Lakh	30%	30%

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**PRESS INFORMATION BUREAU
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**MSMEs TURNOVER THRESHOLD FOR AUDIT INCREASED 5 TIMES TO Rs 5
CRORE**

**INCREASED LIMIT TO APPLY ONLY TO BUSINESSES CARRING OUT LESS THAN
5% OF THEIR BUSINESS TRANSACTIONS IN CASH**

SIGNIFICANT TAX RELIEF TO START-UPS

New Delhi, 1st February, 2020.

In order to reduce the compliance burden on small retailers, traders, shop keepers who comprise the Medium, Small and Micro Enterprise (MSME) sector, the Union Budget proposed to raise by five times the turnover threshold for audit from the existing Rs. 1 crore to Rs. 5 crore. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said that in order to boost less cash economy, the increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash. Currently, businesses having turnover of more than Rs 1 crore are required to get their books of accounts audited by an accountant.

In order to give a boost to the start-up ecosystem, the Union Budget has proposed to ease the burden of taxation on the employees by deferring the tax payment on ESOPs by five years or till they leave the company or when they sell their shares, whichever is earlier.

The Finance Minister said that Start-ups have emerged as engines of growth for Indian economy. Over the past year, the Government has taken several measures to handhold them and support their growth. During their formative years, Start-ups generally use Employee Stock Option Plan (ESOP) to attract and retain highly talented employees. ESOP is a significant component of compensation for these employees. Currently, ESOPs are taxable as perquisites at the time of exercise. This leads to cash-flow problem for the employees who do not sell the shares immediately and continue to hold the same for the long-term.

Further, an eligible Start-up having turnover upto Rs 25 crores is allowed deduction of 100% of its profits for three consecutive assessment years out of seven years if the total turnover does not exceed Rs 25 crores. In order to extend this benefit to larger start-ups, the Budget has proposed to extend the turnover limit from existing Rs 25 crores to Rs 100 crores. Moreover considering the fact that in the initial years, a start-up may not have adequate profit to avail this deduction, the Budget proposes to extend the period of eligibility for claim of deduction from the existing 7 years to 10 years.

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**PRESS INFORMATION BUREAU
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**FINANCE MINISTER PROPOSES WIDE-RANGING FACILITATION MEASURES IN
DIRECT TAX REGIME**

**‘VIVAD SE VISHWAS’ SCHEME PROPOSED TO REDUCE LITIGATIONS IN DIRECT
TAXES; SCHEME TO REMAIN OPEN TILL 30th JUNE, 2020**

**FACELESS APPEALS PROPOSED TO ELIMINATE HUMAN INTERFACE FOR
IMPARTING GREATER TRANSPARENCY IN DISPUTE SETTLEMENT**

CBDT TO ADOPT A TAXPAYERS’ CHARTER; DETAILS TO BE NOTIFIED SOON

**PAN TO BE ALLOTTED ONLINE ON THE BASIS OF AADHAAR WITHOUT ANY
REQUIREMENT OF DETAILED APPLICATION**

New Delhi, 1st February, 2020

The Union Budget has proposed '**Vivad Se Vishwas**' Scheme (*No dispute but trust*) which aims at reducing litigations in the direct taxes payments. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said, "Taxpayers in whose cases appeals are pending at any level can benefit from this scheme."

Under the proposed '**Vivad Se Vishwas**' scheme, the Finance Minister said that a taxpayer would be required to pay only the amount of the disputed taxes and will get complete waiver of interest and penalty provided he pays by 31st March, 2020. Those who avail this scheme after 31st March, 2020 will have to pay some additional amount. The scheme will remain open till 30th June, 2020. Smt Sitharaman said, "I hope that taxpayers will make use of this opportunity to get relief from vexatious litigation process."

The Finance Minister said that there are 4,83,000 direct tax cases pending in various appellate forums i.e. Commissioner (Appeals), ITATs, High Courts and the Supreme Court. Referring to several measures taken to reduce tax litigations, Smt Sitharaman said that in the last Budget, *Sabka Vishwas* Scheme was brought in to reduce litigation in indirect taxes. It resulted in settling over 1,89,000 cases, she said.

Faceless appeals

To impart greater efficiency, transparency and accountability to the assessment process, a new faceless assessment scheme has already been introduced. In order to take the reforms initiated by the Government to next level and to eliminate human interface, the Finance Minister proposed to amend the Income Tax Act so as to enable Faceless appeal on the lines of Faceless assessment.

Instant PAN through Aadhaar

The Finance Minister proposed to launch a system under which PAN shall be instantly allotted online on the basis of Aadhaar without any requirement for filling up of detailed application form. In the last Budget, the interchangeability of PAN and Aadhaar was introduced.

Taxpayer's Charter

With the objective of enhancing the efficiency of the delivery system of the Income Tax Department, the Union Budget proposed to amend the provisions of the Income-tax Act to mandate the Central Board of Direct Taxes (CBDT) to adopt a Taxpayers' Charter. The Finance Minister said, "The details of the contents of the charter shall be notified soon." She emphasized

that any tax system requires trust between taxpayers and the administration. She further said that this will be possible only when taxpayer's rights are clearly enumerated.

Charity institutions

In order to ease the process of claiming deduction for donation to charitable institution, the Union Budget proposed to pre-fill the donee's information in taxpayer's return on the basis of information of donations furnished by the donee. The Finance Minister said that this would result in hassle-free claim of deduction for donations made by the taxpayer. In order to simplify the compliance for the new and existing charity institutions, Smt Sitharaman proposed to make the process of registration completely electronic under which a unique registration number (URN) shall be issued to all new and existing charity institutions. To facilitate the registration of the new charity institution which is yet to start their charitable activities, the Union Budget proposed to allow them provisional registration for three years. Acknowledging the important role played by the charitable institutions in the society, the Finance Minister said that the income of these institutions is fully exempt from taxation and donations made to these institutions is allowed as deduction in computing the taxable income of the donor. Currently, a taxpayer is required to fill the complete details of the donee in the Income Tax return for availing deduction.

Losses of merged banks

In order to ensure that the amalgamated entities are able to take the benefit of unabsorbed losses and depreciation of the amalgamated entities, the Finance Minister proposed to make Necessary amendments in the provisions of the Income-tax Act. As a part of consolidation of the financial sector, the Minister said that the Government has brought out schemes for merger and amalgamation of public sector banks.

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**PRESS INFORMATION BUREAU
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**DDT PROPOSED TO BE REMOVED; TO LEAD TO ESTIMATED ANNUAL
REVENUE FORGONE OF Rs. 25,000 CRORE**

**TAX CONCESSIONS ANNOUNCED FOR SOVEREIGN WEALTH FUNDS OF
FOREIGN GOVERNMENTS, AND OTHER FOREIGN INVESTMENTS IN PRIORITY
SECTORS**

**DEADLINES FOR RELAXATION FOR AFFORDABLE HOUSING EXTENDED BY
ONE YEAR;**

**CONCESSIONAL CORPORATE TAX RATE OF 15% TO EXTEND TO NEW
DOMESTIC COMPANIES ENGAGED IN ELECTRICITY GENERATION**

New Delhi, 1st February, 2020

In order to increase the attractiveness of the Indian Equity Market, to provide relief to a large class of investors and to make India an attractive destination for investment, the Union Budget proposed to remove the Dividend Distribution Tax. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said, “The dividend shall be taxed only in the hands of the recipients at their applicable rates.”

Further, in order to remove the cascading effect, the Finance Minister has proposed to allow deduction for the dividend received by holding company from its subsidiary. The removal of DDT will lead to estimated annual revenue forgone of Rs. 25,000 crore.

Currently, companies are required to pay DDT on the dividend paid to its shareholders at the rate of 15% plus applicable surcharge and cess in addition to the tax payable by the company on its profits, the Minister said. It has been argued, she added, that the system of levying DDT results in increase in tax burden for investors and specially those who are liable to pay tax less than the rate of DDT, if the dividend income is included in their income. Further, non-availability of credit of DDT to most of the foreign investors in their home country results in reduction of rate of return on equity capital for them.

Concessional tax rate for Electricity generation companies

In order to attract investment in power sector, the Union Budget proposes to extend the concessional corporate tax rate of 15% to new domestic companies engaged in the generation of electricity.

To give boost to manufacturing sector, a concessional corporate tax rate of 15% was introduced in September 2019 to the newly incorporated domestic manufacturing sector which start manufacturing by 31st March, 2023.

Tax concession for foreign investments

In order to incentivize the investment by the Sovereign Wealth Fund of foreign Governments in the priority sectors, the Union Budget proposed to grant 100% tax exemption to the interest, dividend and capital gains income in respect of investment made in infrastructure and other notified sectors before 31st March, 2024 and with a minimum lock-in period of 3 years.

In order to make available foreign funds at a lower cost, it has been proposed to extend the period of concessional withholding rate of 5% under section 194LC for interest payment to non-residents in respect of moneys borrowed and bonds issued up to 30th June, 2023. The union Budget also proposed to extend the period up to 30th June, 2023 for lower rate of withholding of 5% under section 194LD for interest payment to Foreign Portfolio Investors (FPIs) and Qualified Foreign Investors (QFIs) in respect of bonds issued by Indian companies and government securities.

The Union Budget further proposed to extend the concessional rate of withholding of 5% under section 194LD to the interest payment made on the Municipal Bonds. The Finance Minister also proposed to further reduce the withholding rate from 5% to 4% on interest payment on the bonds listed on its exchange to incentivize listing of bonds at IFSC exchange.

Concessional tax rate for Cooperatives

As a major concession and in order to bring parity between the cooperative societies and corporates, the Union Budget proposed to provide an option to cooperative societies to be taxed at 22% + 10% surcharge and 4% cess with no exemption/deductions. These cooperatives are currently taxed at a rate of 30% with surcharge and cess.

The Finance Minister also proposed to exempt these cooperative societies from Alternate Minimum Tax (AMT) just like Companies which under the new tax regime are exempted from the Minimum Alternate Tax (MAT).

Affordable housing

For realisation of the goal of 'Housing for All' and affordable housing, an additional deduction of up to one lakh fifty thousand rupees for interest paid on loans taken for purchase of an

affordable house was announced in last year's budget. The deduction was allowed on housing loans sanctioned on or before 31st March, 2020.

In order to ensure that more persons avail this benefit and to further incentivise the affordable housing, the Finance Minister proposed to extend the date of loan sanction, for availing this additional deduction by one more year.

Referring to the tax holiday provided on profits earned by developers of Affordable Housing projects approved by 31st March, 2020, Smt Sitharaman proposed to extend the date of approval of affordable housing projects for availing this tax holiday by one more year.

Concession to real estate transactions

In order to minimize hardship in real estate transaction and provide relief to the sector, the Union Budget proposed to increase the circle rate limit of 5% to 10%. Currently, while taxing income from Capital gains, business profits and other sources in respect of transactions in real estate, if the consideration value is less than circle rate by more than 5 percent, the difference is counted as income both in the hands of the purchaser and seller, while taxing income from capital gains, business profits and other sources in respect of transactions in real estate.

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UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

MAJOR REFORMS PROPOSED IN ADMINISTRATION OF GST REGIME

SIMPLIFIED GST RETURN TO BE IMPLEMENTED FROM 1ST APRIL, 2020

**TO WEED OUT DUMMY OR NON-EXISTENT UNITS AADHAAR BASED
VERIFICATION OF TAXPAYERS TO BE INTRODUCED**

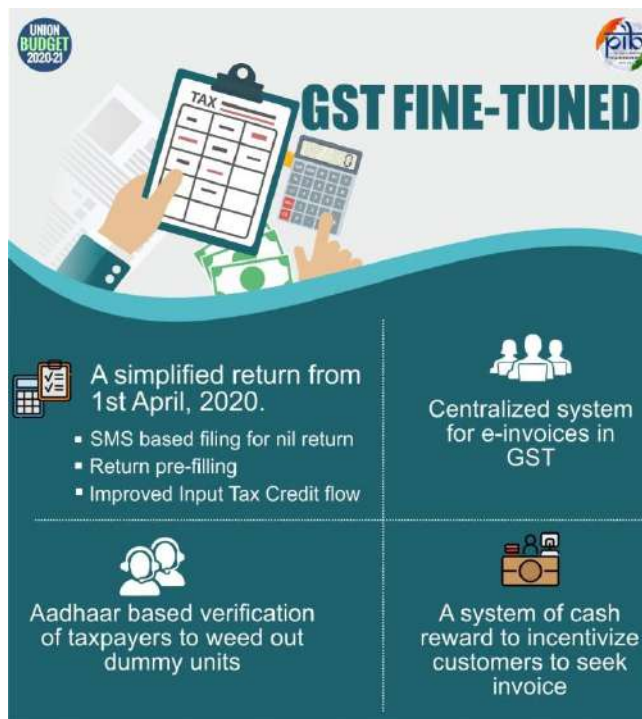
DYNAMIC QR-CODE PROPOSED FOR CONSUMER INVOICES

New Delhi, 1st February, 2020

A simplified GST return will be implemented from the 1st April, 2020. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said that this is under pilot run. It will make return filing simple with features like SMS based filing for nil return, return pre-filing, improved input tax credit flow and overall simplification. The Finance Minister said that the refund process has been simplified and has been made fully automated with no human interface.

Smt Sitharaman said that several measures have been taken for improving compliance and Aadhaar based verification of taxpayers is being introduced. This will help in weeding out dummy or non-existent units, she added. The Union Budget has proposed Dynamic QR-code for consumer invoices. The GST parameters will be captured when payment for purchases is made through the QR-code. A system of cash reward is envisaged to incentivise customers to seek invoice, the Finance Minister said. Invoice and input tax credit matching is being done wherein returns having mismatch of more than 10% or above a threshold are identified and pursued.

Electronic invoice is another innovation wherein critical information shall be captured electronically in a centralized system. It will be implemented in a phased manner starting from this month itself on optional basis. It will facilitate compliance and return filing, the Finance Minister said.



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UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INCREASE IN CUSTOMS DUTY ON FOOTWEAR AND FURNITURE TO PROMOTE
DOMESTIC MSMES**

**5% HEALTH CESS PROPOSED TO GIVE IMPETUS TO THE DOMESTIC MEDICAL
EQUIPMENT INDUSTRY; PROCEEDS TO BE USED FOR CREATING HEALTH
INFRASTRUCTURE IN ASPIRATIONAL DISTRICTS**

**ANTI-DUMPING DUTY ON PTA BEING ABOLISHED IN THE LARGER PUBLIC
INTEREST**

**BASIC CUSTOMS DUTY ON IMPORTS OF NEWS PRINT AND LIGHT-WEIGHT
COATED PAPER PROPOSED TO BE REDUCED FROM 10% TO 5%**

**EXCISE DUTY, BY WAY OF NATIONAL CALAMITY CONTINGENT DUTY ON
CIGARETTES & OTHER TOBACCO PRODUCTS TO BE RAISED; NO CHANGE IN
THE DUTY RATES OF BIDIS**

PROVISIONS RELATING TO SAFEGUARD DUTIES BEING STRENGTHENED

New Delhi, 1st February, 2020

Keeping in view the need of MSME sector, Customs duty is being raised on items like footwear (from 25% to 35% on footwear and from 15% to 20% on parts of footwear) and furniture (from 20% to 25%). While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman said that special attention has been given to put measured restraint on import of those items which are being produced by our MSMEs with better quality. She stressed that labour intensive sectors in MSME are critical for employment generation. Cheap and low quality imports are an impediment to their growth, the Finance Minister said.

To achieve the twin objectives of giving impetus to the domestic medical equipment industry and also to generate resource for health services, the Finance Minister proposed to impose a nominal health cess (at the rate of 5%), by way of a duty of customs, on the imports of medical equipment keeping in view that these goods are now being significantly made in India. The proceeds from this cess shall be used for creating infrastructure for health services in the aspirational districts, Smt Sitharaman said.

In the larger public interest, the Union Budget proposed to abolish anti-dumping duty on PTA (Purified Terephthalic Acid). The Finance Minister said that PTA is critical input for textile fibres and yarns. Its easy availability at competitive prices is desirable to unlock immense potential in the textile sector which is a significant employment generator.

The Union Budget also proposed to reduce basic customs duty on imports of news print and light-weight coated paper from 10% to 5%. The Minister stated that she has received references saying that this levy on these items have put additional burden on print media at a time when it is going through a difficult phase.

The Budget also proposed to raise excise duty, by way of National Calamity Contingent Duty on Cigarettes and other tobacco products. No change is being made in the duty rates of bidis, Smt Sitharman said. The Finance Minister said that Customs duty rates are being revised on electric vehicles, and parts of mobiles as part of such carefully conceived Phased Manufacturing Plans.

The Finance Minister said that Union Budget proposes to incorporate suitable provisions in the Customs Act and added that in the coming months, there will be a review of Rules of Origin requirements, particularly for certain sensitive items so as to ensure that Free Trade Agreements (FTAs) are aligned to the conscious direction of our policy. The Minister added that it has been observed that imports under FTAs are on the rise, undue claims of FTA benefits have posed threat to domestic industry. “Such imports require stringent checks”, Smt Sitharaman said.

The Minister said that we are also strengthening provisions relating to safeguard duties which are applied when surge in imports causes serious injury to domestic industry. The amended provisions shall enable regulating such surge in imports in a systematic way, she said. The Finance Minister said that the provisions for checking dumping of goods and imports of subsidized goods are also being strengthened for ensuring a level playing field for domestic industry. “These changes are in line with international best practices”, she said.

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UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

Rs 69,000 CRORE PROVIDED FOR HEALTH CARE IN UNION BUDGET 2020-21

**VIABILITY GAP FUNDING WINDOW PROPOSED FOR SETTING UP HOSPITALS
UNDER PRIME MINISTER JAN AROGYA YOJANA IN PPP MODE**

**JAN AUSHADHI KENDRA SCHEME TO BE EXPANDED TO ALL DISTRICTS BY
2024**

New Delhi, 1st February, 2020

In order to achieve the holistic vision of health care that translate wellness of the citizen, about **Rs. 69,000 crore have been provided for health care in Union Budget 2020-21. It includes Rs. 6400 crores for Prime Minister Jan Arogya Yojana (PMJAY).**

While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman said, “presently, under PM Jan Arogya Yojana (PMJAY) there are more than 20,000 empanelled hospitals. We need more in Tier-2 and Tier-3 cities for poorer people under this scheme. It is proposed to set up Viability Gap funding window for setting up hospitals in the PPP mode. In the first phase, those Aspirational Districts will be covered, where presently there are no Ayushman empanelled hospitals. This would also provide large scale employment opportunities to youth. Proceeds from taxes on medical devices would be used to support this vital health infrastructure”.

Smt Sitharaman further said that health authorities and the medical fraternity can target disease with an appropriately designed preventive regime using machine learning and AI, in the Ayushman Bharat scheme. She said, “TB Harega Desh Jeetega campaign has been launched. **I propose to strengthen these efforts towards our commitment to end Tuberculosis by 2025**”.

The Minister for Finance and Corporate Affairs also announced to expand Jan Aushadhi Kendra Scheme to all districts offering 2000 medicines and 300 surgicals by 2024.

RM/BB/SB/YK

UNION BUDGET 2020-21

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

GOVERNMENT COMMITTED TO ODF PLUS TO SUSTAIN ODF BEHAVIOUR
BUDGETARY PROVISION OF Rs 12,300 CRORE FOR SWACHH BHARAT MISSION
IN 2020-21

FOCUS ON LIQUID AND GREY WATER MANAGEMENT ALONG WITH WASTE
MANAGEMENT

Rs 3.60 LAKH CRORE APPROVED FOR JAL JEEVAN MISSION

New Delhi, 1st February, 2020

Government is committed to ODF Plus in order to sustain ODF behaviour and to ensure that no one is left behind. While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman said, “now more needs to be done towards liquid and grey water management. Focus would also be on solid waste collection, source segregation and processing. **Total allocation for Swachh Bharat Mission is Rs.12,300 crore in 2020-21**”.

Smt Nirmala Sitharaman said that Rs. 3.60 lakh crore have been approved for Jal Jeevan Mission which is aimed at providing piped water supply to all households. This scheme also places emphasis on augmenting local water sources, recharging existing sources and will promote water harvesting and de-salination, the Minister added. She said that cities with over a million population will be encouraged to meeting this objective during the current year itself. **The Scheme would be provided resources of Rs. 11,500 crore during the year 2020-21.**

RM/BB/SB/YK

UNION BUDGET 2020-21

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**COALITION FOR DISASTER RESILIENT INFRASTRUCTURE WILL ENHANCE
CLIMATE CHANGE ADAPTATION WITH A FOCUS ON DISASTER RESILIENT
INFRASTRUCTURE: FINANCE MINISTER**

**GOVERNMENT INTENDS TO CLOSE OLD THERMAL POWER PLANTS TO
ADDRESS HIGH LEVELS OF CARBON EMISSION**

**STATES TO BE ENCOURAGED TO FORMULATE AND IMPLEMENT PLANS TO
ENSURE CLEANER AIR IN CITIES WITH POPULATION ABOVE ONE MILLION**

**Rs 4400 CRORE EARMARKED FOR CLEAN AIR INITIATIVES TO BE
FORMULATED BY STATES**

New Delhi, 1st February, 2020

Emphasizing the Government's aim to enhance climate change adaptation with a focus on Disaster Resilient Infrastructure, Union Minister for Finance and Corporate Affairs unveiled various proposals in Union Budget 2020-21 related to Environmental sector today.

While presenting the Union Budget 2020-21 in Parliament today, the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman stated that the Coalition for Disaster Resilient Infrastructure (CDRI) with its Secretariat in Delhi was launched in September 2019. She further said that "This Global Partnership will help in addressing a number of Sustainable Development Goals (SDGs) as well as aims of Sendai Framework. It will enhance climate change adaptation with a focus on disaster resilient infrastructure".

The Finance Minister further underlined Government's efforts towards achieving the Nationally Determined Contributions (NDCs) submitted under Paris Agreement, 2015 while keeping Developmental imperatives of a country in mind. She further assured that India's commitments as action will be executed in various sectors by the concerned departments and ministries through normal budgeting process.

Smt. Nirmala Sitharaman highlighted the **issue of high levels of carbon emission by old thermal power plants. The Finance Minister also discussed Government's proposal to close such plants and use the vacated land for alternative purpose.**

The Finance Minister also expressed concern about the lack of availability of clean Air in cities having population above one million. She further elaborated Government's intent to encourage States to formulate and implement plans to ensure cleaner air. **Rs 4400 crores are earmarked for this initiative for period of 2020-21 and the parameters for incentives would be notified by the Ministry of Environment, Forests and Climate Change soon.**

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UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**TOURISM SECTOR PROPOSED TO GET Rs 2,500 CRORE IN
UNION BUDGET 2020-21**

Rs 3,150 CRORE PROPOSED FOR MINISTRY OF CULTURE

INDIAN INSTITUTE OF HERITAGE AND CONSERVATION TO BE ESTABLISHED

8 NEW MUSEUMS PROPOSED, 5 MUSEUMS SET FOR MAJOR OVERHAUL

5 ICONIC SITES TO SEE INFRASTRUCTURE DEVELOPMENT

New Delhi, 1st February 2020

To make India an attractive destination for both international and domestic tourists, the Finance Minister proposed to allocate **Rs 2,500 crores in 2020-21 for the tourism sector.** Besides tourism, Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman also proposed to allocate **Rs 3,150 crore for Ministry of Culture** while presenting the Union Budget 2020-21 in Parliament today.

In order to have well-trained resources in the disciplines of museology and archeology, the Finance Minister **proposed to establish first Indian Institute of Heritage and**

Conservation with the status of a deemed university to operate under the Ministry of Culture. She said, “Acquisition of knowledge in disciplines such as museology and archeology are essential for collecting and analysing scientific evidence of such findings and for dissemination through high quality museums.”

Highlighting improved tourism revenues due to better rank, the Finance Minister said, “India had moved up from rank 65 in 2014 to 34 in 2019 in the Travel & Tourism Competitive Index (World Economic Forum).” Due to this, she continued, “Foreign Exchange earnings grew 7.4% to Rs 1.88 lakh crores for the period January 2019 from Rs 1.75 lakh crores.”

In a major bid to revitalise tourism, Smt. Sitharaman proposed **8 new museums**, which includes building infrastructure around **5 Iconic Sites**, besides proposing **renovation of 5 major museums** across the length and breadth of India.

The Union Finance Minister proposed the following:

- 5 Archeological sites to be **set-up/developed as Iconic Sites** with **on-site Museums** at the following locations:
 - Rakhigarhi (Haryana)
 - Hastinapur (Uttar Pradesh)
 - Shivsagar (Assam)
 - Dholavira (Gujarat)
 - Adichanallur (Tamil Nadu)
- **Maritime Museum to highlight Harappan Age at Lothal, Ahmedabad**, by Ministry of Shipping
- **KOLKATA:**
 - **Indian Museum:** Re-curation of the oldest museum in India as announced by Prime Minister Narendra Modi in January 2020.
 - **Numismatics and Trade Museum** to be located in the historic Old Mint Building
- Support for **setting up Tribal Museum in Ranchi (Jharkhand)**
- **Renovation and re-curation of 4 more museums** across India



Recognising the role of States in the proposed scheme for growth and employment generation, Smt. Sitharaman said, “Growth of tourism directly relates to growth and employment. States have a critical role to play. I expect State Governments expected to develop a roadmap for certain identified destinations and formulate financial plans during 2021 against which specified grants will be made available to the States in 2020-21”.

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UNION BUDGET 2020-21

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**PRESS INFORMATION BUREAU
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**ENTREPRENEURSHIP HAS ALWAYS BEEN THE STRENGTH OF INDIA: SMT.
NIRMALA SITHARAMAN**

**ANNOUNCES SETTING UP OF INVESTMENT CLEARANCE CELL TO PROVIDE
“END-TO-END” FACILITATION AND SUPPORT TO ENTREPRENEURIAL YOUTH**

**PROPOSES DEVELOPING FIVE NEW SMART CITIES IN COLLABORATION WITH
STATES IN PPP MODE**

**ENCOURAGES MANUFACTURE OF MOBILE PHONES, ELECTRONIC
EQUIPMENT AND SEMI-CONDUCTOR PACKAGING**

**PROPOSES LAUNCHING A NATIONAL TECHNICAL TEXTILES MISSION TO
POSITION INDIA AS A GLOBAL LEADER IN TECHNICAL TEXTILES**

**ANNOUNCES A NEW SCHEME NIRVIK TO ACHIEVE HIGHER EXPORT CREDIT
DISBURSEMENT**

**GOVERNMENT E-MARKETPLACE (GEM) TO CREATE A UNIFIED
PROCUREMENT SYSTEM TO PROCURE GOODS, SERVICES AND WORKS**

New Delhi: February 01, 2020

The Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman has said that Entrepreneurship has always been the strength of India and our young men and women have been contributing to India's growth with their entrepreneurial skills. She was presenting the Union Budget 2020-21, in Parliament, here today. We recognise the knowledge, skills and risk-taking capabilities of our youth and they are no longer job seekers but they are job creators, she added.

The Finance Minister proposed setting up of an **Investment Clearance Cell** that will provide "end to end" facilitation and support to create more opportunities to youth and remove road-blocks. She also proposed to develop **five new smart cities** in collaboration with States in PPP mode and such sites would be chosen that offer the best choices in terms of aforementioned principles.

Smt. Nirmala Sitharaman said that electronics manufacturing industry is very competitive and the potential in job creation is immense. She further said that India needs to boost domestic manufacturing and attract large investments in the electronics value chain. She proposed a scheme to encourage **manufacture of mobile phones, electronic equipment and semiconductor packaging**. She also proposed a **National Technical Textiles Mission** with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1480 crore to position India as a global leader in Technical Textiles.

She referred the Prime Minister's call from Red Fort about quality and standards when he spoke of "Zero Defect-Zero Effect" manufacturing. All Ministries, during the course of this year, would be issuing quality standard orders, she added.

The Finance Minister announced **a new scheme NIRVIK to achieve higher export credit disbursement**, which provides for higher insurance coverage, reduction in premium for small exporters and simplified procedure for claim settlements. She further said that by the end of 5th year, this Scheme is expected to support export of around Rs 30 lakh crore. She proposed to

digitally refund to exporters, duties and taxes levied at the Central, State and local levels, such as electricity duties and VAT on fuel used for transportation, which are not getting exempted or refunded under any other existing mechanism.

Smt. Sitharaman said that Government e-Marketplace (GeM) is moving ahead for creating a **Unified Procurement System** in the country for providing a single platform for procurement of goods, services and works. She proposed to take the turnover of GeM to Rs. 3lakh crores. She also proposed to provide Rs. 27300 crore for development and promotion of Industry and Commerce for the year 2020-21.



UNION BUDGET 2020-21

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

A CORRUPTION-FREE, POLICY DRIVEN GOOD GOVERNANCE AND A CLEAN & SOUND FINANCIAL SECTOR TO ENSURE EASE OF LIVING TO ALL CITIZENS

NATIONAL RECRUITMENT AGENCY PROPOSED FOR CONDUCT OF COMPUTER-BASED ONLINE COMMON ELIGIBILITY TEST FOR RECRUITMENT TO NON-GAZETTED POSTS

NEW NATIONAL POLICY ON OFFICIAL STATISTICS TO USE LATEST TECHNOLOGY TO ENABLE REAL TIME MONITORING OF INCREASINGLY COMPLEX ECONOMY

OVER Rs. 30, 000 CRORE PROVIDED FOR ALL-ROUND DEVELOPMENT OF JAMMU & KASHMIR AND LADAKH DURING FY 2020-21

Rs. 100 CRORE ALLOCATED TO BEGIN PREPARATIONS TO HOST G-20 SUMMIT IN 2022

New Delhi, 1st February, 2020

This budget, as per the vision of the Prime Minister, is dedicated to provide Ease of Living to all citizens. This in turn is grouped under three broad themes – Aspirational India, Economic Development and Caring India, said the Union Minister for Finance & Corporate Affairs Smt Nirmala Sitharaman while presenting the Union Budget 2020-21 in Parliament today. According to her, the Ease of Living is supported by two factors, one being corruption-free, policy driven Good Governance and a clean & sound financial sector.

The Finance Minister said that an important aspect of both the Ease of Living and Ease of Doing Business is fairness and efficiency of tax administration. She reassured the taxpayers that the Government is committed to taking measures to protect the citizens from harassment of any kind.

Reforms in Recruitment

Talking about other major Governance reforms in recruitments to Non-Gazetted posts in governments and public sector banks, the Finance Minister proposed to setup a National Recruitment Agency (NRA) as an independent, professional, specialist organization for conduct of a computer based online common eligibility test for recruitment. A test centre in every district, particularly Aspirational districts, would be setup. She further proposed to evolve a robust mechanism for appointment including direct recruitment to various tribunals and specialized bodies constituted for speedy disposal of commercial and other disputes.

Mentioning about laying down a roadmap towards modernized data collection, integrated information portal and timely dissemination of information, the Finance Minister said that there is a growing need for the Indian Statistical System to meet challenges of real time monitoring of our increasingly complex economy. She stressed that Data must have strong credibility and highlighted that the proposed new National Policy on Official Statistics would use latest technology including Artificial Intelligence.

Focus North East

North Eastern region being very high on government's development agenda, smooth access to financial assistance from multilateral and bilateral funding agencies to help introduce innovative

and global best practices is being ensured. The Central government has effectively used an online portal to improve the flow of funds to the North East, the Finance Minister said.

All-round Development of Jammu & Kashmir and Ladakh

Smt Sitharaman stated that the government is fully committed to supporting all-round development of the newly formed UTs of J&K and Ladakh. Accordingly, an amount of Rs 30,757 crore has been provided for the FY 2020-21. An amount of Rs 5,958 crore has been provided for the UT of Ladakh.

G-20 Presidency in 2022

Underscoring India's G-20 presidency in 2022, the Finance Minister noted that India would be able to drive the global economic and development agenda considerably through this opportunity. For this historic occasion, the government proposes to allocate a sum of Rs 100 crore to begin the preparations, she stated.

RM/BB/VM/DKS

UNION BUDGET 2020-21

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

'EASE OF LIVING' - CENTRAL TENET OF UNION BUDGET 2020-21

**BUDGET INTERWOVEN AROUND THEMES OF ASPIRATIONAL INDIA,
ECONOMIC DEVELOPMENT AND A CARING SOCIETY**

BACKDROP OF BUDGET PROVIDED BY PROLIFERATION OF CUTTING EDGE TECHNOLOGIES ALONGWITH HIGHEST EVER COHORT OF PRODUCTIVE AGE POPULATION

AIM TO ACHIEVE SEAMLESS DELIVERY OF SERVICES, IMPROVE PHYSICAL QUALITY OF LIFE, MITIGATE DISASTER RISKS AND BOOST SOCIAL SECURITY

IDEAS OF CORRUPTION FREE & POLICY-DRIVEN GOOD GOVERNANCE AND CLEAN & SOUND FINANCIAL SECTOR PERMEATE BUDGET

GOVERNMENT COMMITS TO SUBSTANTIALLY BOOST INVESTMENT IN AGRICULTURE, INFRASTRUCTURE, SOCIAL SECTOR, EDUCATION AND HEALTH

New Delhi, Feb 1st, 2020

“Our Prime Minister has laid before us Ease of Living as a goal to be achieved on behalf of all citizens”, said the Union Minister for Finance & Corporate Affairs Smt Nirmala Sitharaman while presenting the Union Budget 2020-21 in Parliament today. With this backdrop, our government shall work towards taking the country forward so that we can leapfrog to the next level of health, prosperity and wellbeing, she added.

This budget, with the Central Tenet of Ease of Living for all citizens, is woven around three prominent themes:

- **Aspirational India** in which all sections of the society seek better standards of living, with access to health, education and better jobs. Its components are Agriculture Irrigation and Rural development; Wellness, Water & Sanitation; and Education & Skills.
- **Economic Development** for all, indicated in the Prime Minister’s exhortation of “Sabka Saath, Sabka Vikas, Sabka Vishwas”. This would entail pervasive economic reforms and yielding more space for the private sector to ensure higher productivity and greater efficiency. Three components of which are Industry, Commerce and Investment; Infrastructure; and the New Economy.
- A **Caring Society**, based on Antyodaya, which is both humane and compassionate. Three components of which are Women & Child, Social Welfare; Culture and Tourism and Environment & Climate Change.

These three broad themes are held together by a corruption free, policy-driven good governance and a clean and sound financial sector. The Finance Minister further said that this budget is being presented in the backdrop of two cross-cutting developments namely, proliferation of technologies like Machine Learning, Robotics, AI, Analytics, Bio-Informatics; and the highest ever cohort of productive age population (15-65 years). Consequently, the digital revolution has placed India in a unique leadership position globally. The government aims to:

- Achieve seamless delivery of services through **Digital governance**

- Improve physical quality of life through **National Infrastructure Pipeline**
- Mitigate Risks through **Disaster Resilience**
- Boost Social security through **Pension and Insurance penetration**.

The Finance Minister also said that the Union Budget 2020-21 reflects the Government's firm commitment to substantially boost investment in Agriculture, Infrastructure, Social Sector, Education and Health. This is substantiated by increase in expenditure of Rs 3,43,678 crores over RE (2019-20) while keeping the fiscal deficit at 3.8% of GDP, she added.

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