

Budget 2020 – Quick snapshots

Part – A – Budgetary allocation & General updates:

- Government pegs FY21 Fiscal Deficit target at 3.5% of GDP.
- Revises FY20 fiscal deficit target to 3.8 percent from 3.3 percent earlier.
- Central government debt reduced to 48.7% of GDP in 2019.
- New simplified GST returns from April 2020.
- 60 lakhs new taxpayers added via GST introduction.
- FPI Limit in corporate bonds will be raised to 15% from 9%.
- To float new debt ETF primarily comprising of gilts.
- 16 points action plan for agricultural & irrigation sector under aspirational India.
- New Education Policy will be announced soon.
- INR 99,300 cr proposed for education sector.
- ECB and FDI will be opened for education sector.
- Degree level full-fledged online programs to be started.
- National Police University & Forensic University is proposed to be set up.
- Rs 3.6 Lakh Cr Approved For Jal Jeevan Mission.
- Limitation in usage of fertilizer under Zero-budget farming.
- Investment clearance cell to be set up for facilitating investments and to provide advisory at State as well as Centre level.
- Five new smart cities to be developed.
- Move to develop each district as an export hub.
- INR 27,300 cr for promotion of industry & commerce.
- National logistics policy to be released soon.
- Digital refund of duties to exporters.
- Setting up of solar panels on barren railway land.
- More Tejas types trains to be introduced to connect iconic cities.
- Double milk processing capacities to 108 MT by 2025.
- 100 more airports to be developed by 2025 to support UDAN scheme.
- To shut thermal power units if emission levels above permissible limits.
- Proposed states to replace old electric meters to the smart pre-paid electric meters. This will give flexibility to consumer to choose service provider.
- INR 22,000 cr proposed for power & renewal energy sector.
- Private sectors to build data centre parks throughout the country, policy to come soon.

- INR 6,000 cr proposed for 'Bharat Net'.
- Funding for ideation and start-ups.
- INR 28,600 cr funds proposed in the budget towards specific women centric programs.
- Proposed to set up Indian Institute of Heritage & culture as a deemed university.
- Five Archeological sites would be developed as iconic sites with onsite museums.
- Setting up of Tribal Museum in Ranchi, Jharkhand.
- INR 2,500 cr proposed for development of Tourism sector.
- Taxpayer's charter to be a part of statute to build confidence/trust.
- Government will ensure that citizens need not worry about tax harassment.
- India to host G20 presidency in 2022; INR 100 cr allocated for preparation.
- Robust mechanism is in place to monitor health of all scheduled banks.
- Insurance cover for deposits increased from INR 1 lakh to 5 lakh.
- Universal pension coverage with auto enrolment to be introduced (through PFRDI) to every person.
- Non-residents can invest in certain Government securities.
- Liquidity constraints of NBFCs & HFCs will be addressed.
- International Bullion exchange to be setup in GIFT city Gujarat.
- NARVIK scheme to provide high insurance cover for exporters.
- Government will sell part of its holding in LIC via IPO.
- Government to sell stake in IDBI Bank to private investors.

Part-B - Tax Proposals

- Personal income tax - New slab rate (without exemption)
- Income upto 5 lakhs nil tax.

Income Slab	Tax rate
5 - 7.5 lakhs	10%
7.5 - 10 lakhs	15%
10 - 12.5 lakhs	20%
12.5 - 15 lakhs	25%
Above 15 lakhs	30%

- New scheme of individual tax rates is optional.
- Removed 70 existing tax exemptions in new regime and to rationalize further.
- Dividend Distribution Tax abolished.
- Dividend would be taxable in the hands of shareholders as per tax slab.

- Concessional tax rate for electricity/power generation companies.
- 100% tax exemption on sovereign wealth funds' infra investment.
- Revenue foregone on income tax cut at 400 bn rupees/year.
- 100% tax exemption on new investment by foreign funds in infrastructure sector by 2024 with a minimum lock in period of 3 years.
- Deferring tax payment on sale of ESOP for 5 yrs in case of start-ups.
- Hike in excise duty on cigarettes and other tobacco products.
- New power cos to attract 15% corporate tax
- Cooperatives to be taxed at 22% without exemptions.
- Tax audit turnover threshold limit increased from 1 cr to 5 cr.
- Concessional 5% withholding tax has been extended to municipal bonds. Cooperatives are taxed at 30 percent now. Option for Cooperatives to choose a 22 percent tax with 10 percent surcharge and 4 percent cess with no exemptions.
- Complete online registration of charitable institutions.
- Faceless appeals on the line of faceless assessment.
- Scheme to settle old direct tax cases.
- Vivad se Vishwas Scheme introduced - New direct tax dispute settlement scheme.
- Taxpayer's need to pay only disputed amount of tax (no penalty be charged) by March 2020; scheme will be available till June 2020.
- CBDT to adopt Taxpayer's charter.
- PAN shall be instantly allotted on the basis of Aadhar without any filling up of forms.
- Personal interface with tax administrators will be at minimum level.

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