

UNION BUDGET

Key Highlights

February 2020

Union Budget 2020-21: Key Highlights

Union Budget 2020-21 is based on three pillars to drive inclusive and equitable growth

- **Aspirational India**
- **Economic Development for all**
- **Caring Society**



Mega **16 point action plan** introduced for farmers, would help boost the rural economy



Insurance cover for bank depositors raised to INR5 lakh from the current INR1 lakh, would alleviate concerns arising from recent Banking defaults

Study in India program would be boosted by introduction of **IND-SAT test** for students from Asia and Africa wishing to pursue higher education in India



In line with the agenda of doubling farmers' income by 2022, funds worth **INR2.83 lakh crore** were allocated towards agriculture and allied sectors



Viability Gap Funding Window proposed for setting up hospitals under Prime Minister Jan Arogya Yojana in PPP mode and Jan Aushadhi Kendra scheme to be expanded to all districts by 2024



Support wealth creators, by making amendments in the Companies Act to **decriminalise civil offences**



Revised income tax rates gives money in the hands of the working class - 10% for income of Rs 5-7.5 lakh against earlier 20%

Abolition of Dividend Distribution Tax

would boost market sentiment and raise India's attractiveness in the global market by easing flow of FDI and pushing investments



Infrastructure financing worth INR103 lakh crore announced through National infrastructure Pipeline



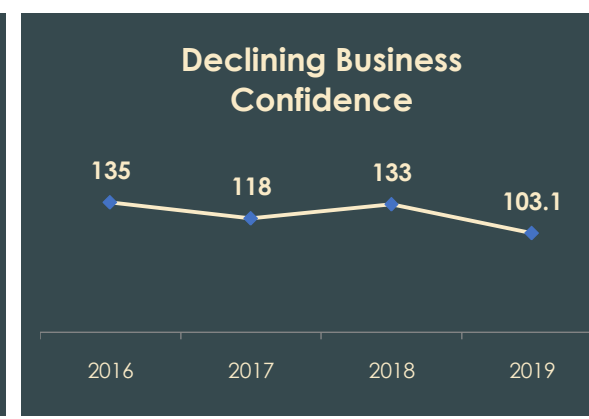
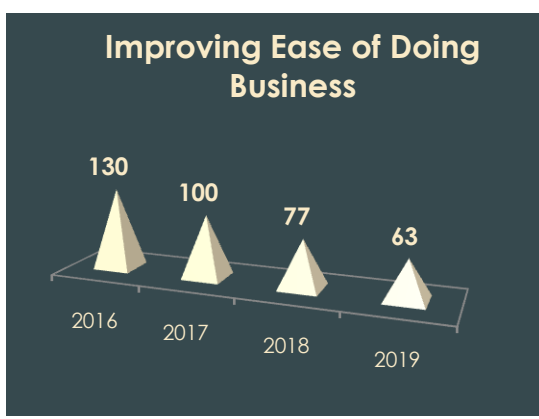
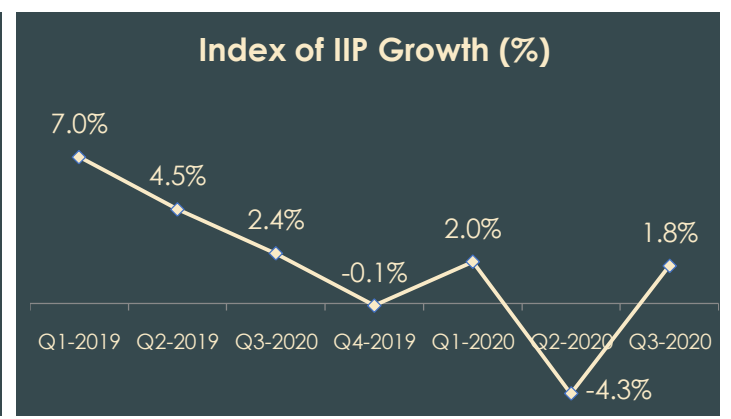
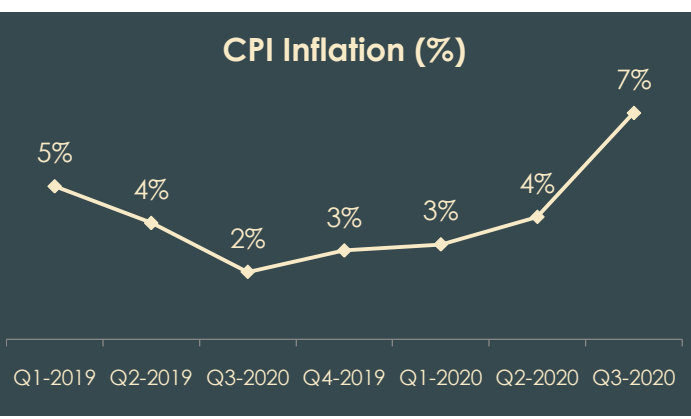
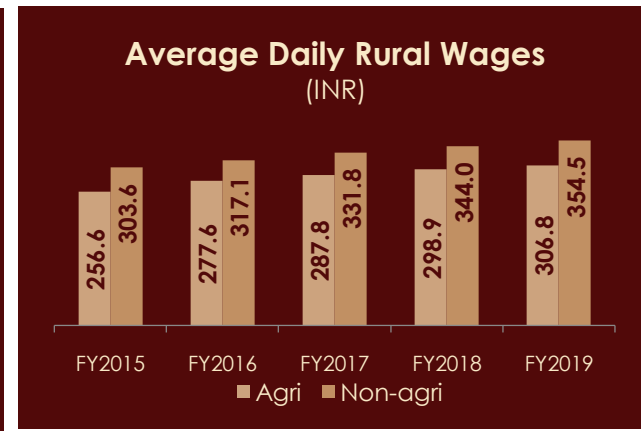
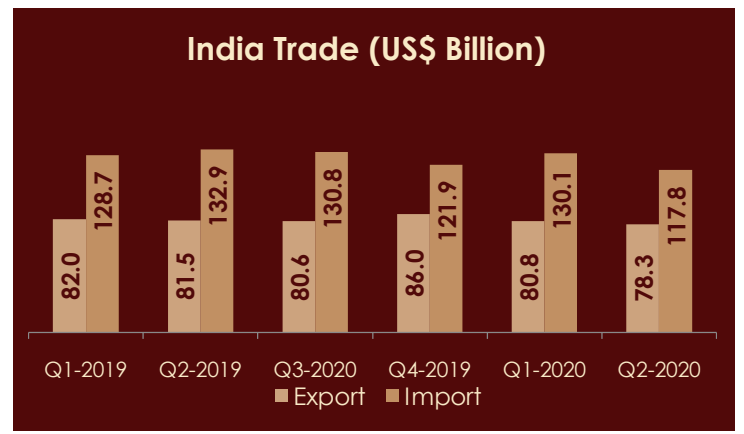
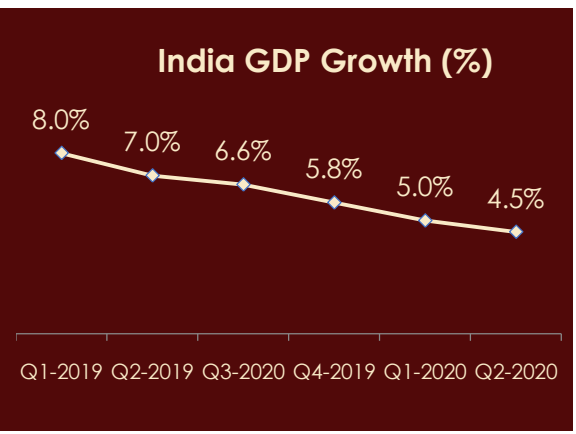
- **National Logistics Policy** to be launched
- Accelerated development of **Highways**
- **100 more airports** to be developed under UDAAN

INR20,000 crores allocated to the **renewable energy** sector



Efforts to replace conventional energy meters by **prepaid smart meters**

Union Budget 2020-21 has to be seen in the context of tough macro economic indicators. The proposals for short term tax benefit will drive consumption and initiative for financing of infrastructure build will help in the long run.



Krishi Rail and Krishi Udaan

The initiatives have been launched to facilitate smooth and fast transport of perishable goods to assist the farmers

Aqua Production

Fish production target of 200 lakh tonnes by 2022-23 and fishery extension through 3477 Sagar Mitras and 500 fish FPOs

Dairy

Doubling capacity of milk processing by 2025

Women SHGs

'Village story scheme' to be run by Women Self Help Groups, to ease farmers' logistic problems



Solar Pumps

PM Kusun scheme would help 20 lakh farmers to set up standalone solar pumps

Fishery Export

Raise fishery exports to INR1 lakh crore by 2024-25

Agri Credit

Agricultural credit target of INR 15 lakh crore for 2020-21

Financial Inclusion

Integration of e-NWR with e-NAM will facilitate greater financial inclusion in agri markets

Agriculture has and will continue to hold key to prosperity for majority of Indians. It is good to see government sticking their neck out on doubling of farmer income. We do believe an incentive mechanism for states to implement the three model act is a good initiative as they will bring a lot of transparency, market orientation and reduce intermediaries in the sector.

Indian Union Budget 2020-21



Concessional tax rate of 15% extended to power generation companies



Conventional energy meters to be replaced by prepaid Smart Meters over the next 3 years



Government plans to expand Gas Grid to 27,000 km from present 16,200 km



Announced INR 20,000 crore for the Renewable Energy Sector

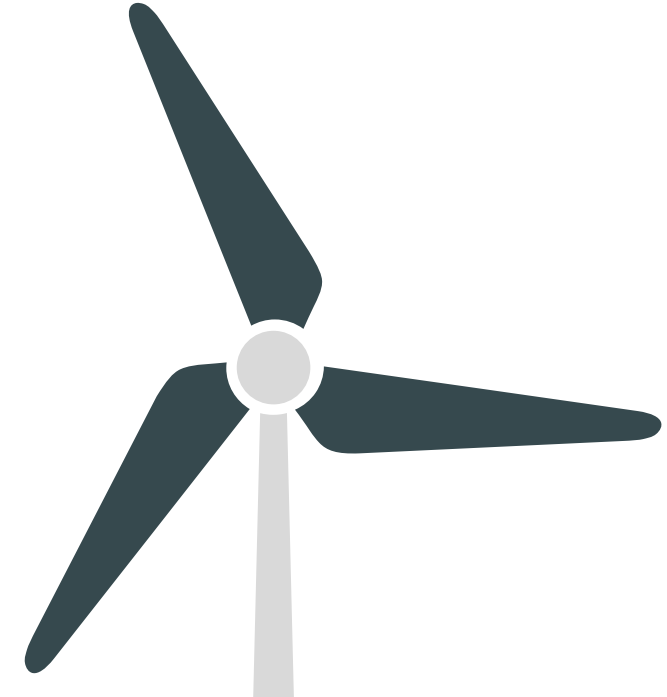


Proposed setting up large Solar Powered capacity along railway tracks



Help 15 lakh farmers solarize their grid connected pump sets. Drive the target of the scheme to add 25,750 MW by 2022

Energy & Natural Resources



The proposal in the Union Budget towards the solarization of agriculture will go a long way towards taking agriculture off grid, and directly improve state finances and generate income for farmers. The initiatives would help reduce reliance of farmers on kerosene and diesel would add to their income by selling excess capacity to the grid. The prepaid smart meters would help reduce the financial woes of DISCOMs across the country by reducing losses, pilferage and increasing revenues of DISCOMs.

Indian Union Budget 2020-21

Infrastructure & Transport

National Infrastructure Pipeline worth INR103 lakh crore, consists of more than 6500 projects across sectors - INR22,000 crore has already been provided as support to Infrastructure Pipeline

Proposed to complete NW 1 and NW2 inland waterways by 2022

Indian Railways aims to achieve electrification of 27,000 km of tracks

Go Green with power from trackside railway solar panel installations

Accelerated development of highways will be undertaken, including development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways.
6000 km of road assets will be monetized

124 more airports to be developed under UDAAN. Air fleet number expected to go up to 1,200 from the current 600

National Logistics Policy to be launched soon
National e-Logistics Portal to be operationalized

Infrastructure investment drives job creation, aids in recovery across sectors, re-fires the economic engine, and enhances attractiveness of India as a preferred destination for global capital pools.

100 lakh crore investment in infrastructure over the next 5 years. This shall include housing projects



Tax holiday on profits earned by developers extended till 31st March, 2021



INR1.5 lakhs additional deduction for interest paid on loans taken for an affordable house extended till 31st March, 2021



Safe harbor of 10% for computation of income in respect of transaction of immovable property where the consideration is less than the circle rate



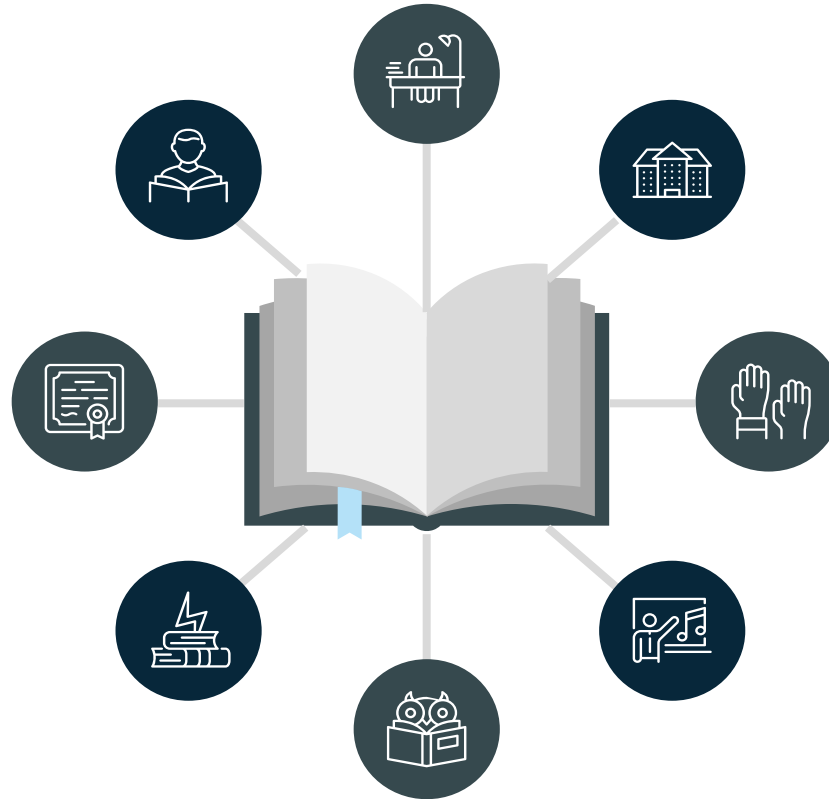
Measures to Encourage Unlisted REITs (Real Estate Investment Trust)



The key focus of the budget in Real Estate is in easing liquidity in the sector

Indian Union Budget 2020-21

- ◆ INR 99,300 crore outlay for Education Sector in 2020-21
- ◆ INR 3,000 crore outlay for skill development
- ◆ A new program whereby urban local bodies across the country would provide internship opportunities to fresh engineers for a period of up to one year
- ◆ Top 100 ranked NIRF institutions to provide online courses



Education

- ◆ 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
- ◆ Ind-SAT to be conducted in Asia and Africa under Study in India programme
- ◆ National Skill Development Agency will give special thrust to infrastructure-focused skill development opportunities

There are several initiatives proposed under the Education and skills sector. Steps like internship by Urban local Bodies is very practical and gives a much-needed boost to the sector, district level intervention is a welcome addition by attaching medical colleges to district level hospitals and similarly finalization of the NEP would also provide a much-needed direction to the sector.

Indian Union Budget 2020-21

- Budget allocation of INR 69,000 crore for the Healthcare Sector
- Anti-TB campaign to be launched to eliminate TB by 2025
- INR 35,600 crore for nutrition-related programmes in 2020-21



Healthcare

- Viability Gap Funding Window proposed for Setting Up Hospitals under Prime Minister Jan Arogya Yojana in PPP Mode
- Health cess on import of medical equipment
- Expansion of Jan Aushadhi Kendras in all districts of the country to provide medicines at affordable rates



Some progressive steps including VGF for PPP in Aspirational Districts and increasing the stock of healthcare workers. We continue to believe, healthcare will truly define the wealth of the nation in the long run and the sector requires support and transformation of the primary, preventive and homecare, healthcare delivery. Leveraging technology and enabling regulation that drives health outcomes are key.

INR 6,000 crore proposed for Bharat net Programme to link 100,000 Gram Panchayats



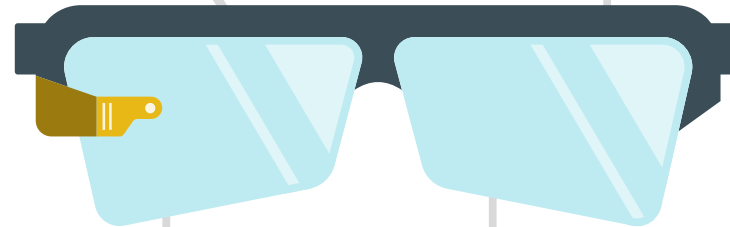
Rs. 8000 crore outlay over five years for National Mission on Quantum Technologies and Applications



Substantial increase in the budget for DOT



Data Centre Parks Policy soon for Private Firms to Leverage the Power of Data



Scheme proposed on focused on encouraging the manufacturing of Mobile Phones, Electric equipment and Semiconductor Packaging.

Schemes proposed would help making India a hub for manufacturing and to promote domestic manufacturing across the entire ESDM value chain, thus reducing reliance on imports. It is also expected to generate employment going forward. This investment of INR 8,000 comes at the right time with India already trailing countries like USA and China on quantum computing. With many Tech giants expected to ramp up their investment on Quantum tech, India could become a favored destination for them, thus propelling growth and job creation.

Indian Union Budget 2020

- ◆ Increased budget allocation for transport infrastructure across national highways, railways, airports and seaports
- ◆ Rs. 3150 crore proposed for Ministry of Culture
- ◆ 5 archaeological sites to be developed as iconic sites with on-site Museums



Tourism

- ◆ Allocation of Rs 2500 crore for tourism promotion
- ◆ Maritime museum to be set up at Lothal, near Ahmedabad
- ◆ A Tribal Museum to be set up in Jharkhand

Development of cultural and heritage tourism is one of the key focus area of the budget

About Primus

- Operating in India is complex. While the private sector has to deal with not only regulatory challenges but also lack of capacity at the ground level, Government – central and state – has to manage macroeconomic dynamism, rapid social change, and citizens' expectations of what government ought to deliver with structures and rules that are outdated
- One needs a knowledgeable, trusted and hands-on team that has helped both private and public sector help drive transformation and growth
- Our blend of experience in private sector, executive and legislative branches at both the state and central levels provides us with the requisite expertise to develop winning strategies for India
- We ensure a customised bouquet of experts, advisors, and partners to suit our client needs

Navigating India, A Complex Opportunity

Central Government

We have worked across central Government including key ministries like Prime Minister's Office, Ministry of Finance, Ministry of Defence, etc.

State Government

We have advised and supported several states including at the highest level like Chief Minister's Offices, Health Ministries, Police, Food & Drug Departments, etc.



Regulators & Authorities

We have worked with agencies both at central and state level including Competition Commission of India, FSSAI, etc.

Partners

In order to address the needs of our clients we work with multiple partners including those in Media, Research and Public Policy like Business World, Institute for Competitiveness, etc.

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