



2020-21 HIGHLIGHTS

SOME STATIC TAKEAWAYS OF BUDGET :

- The First Union Budget was presented by R. K. Shanmukham Chetty on November 26, 1947.
- Moraji Desai has presented the most number of Budget in the parliament. (10 Times).
- From 2017 the Railway Budget was added to the Union Budget.
- This year the Budget 2020 was presented by Finance Minister Smt. Nirmala Sitharaman.

Three Prominent Themes Of The Budget

1. Aspirational India – better standards of living with access to health, education and better jobs for all sections of the society
2. Economic Development for all – “Sabka Saath , Sabka Vikas , Sabka Vishwas”.
3. Caring Society – both humane and compassionate; Antyodaya as an article of faith

MSMEs

- Steps proposed by the government for the MSMEs:
- Amendments will be made to Factor Regulation Act, 2011.
- Amendments to be made to enable NBFCs to extend invoice financing to MSMEs.
- Provision of subordinated debt for MSMEs by Banks which is guaranteed by Credit Guarantee Trust.
- The debt will count as quasi-equity.
- App-based financing loans will be introduced for MSMEsApp-based invoice financing loans product to be launched, to obviate the problem of delayed payments and cash flow mismatches for MSMEs.

Agriculture

- The government aims to double farmers' income by 2022
- Help 15 lakh farmers solarise their grid-connected pump sets
- “KisanRail” and “KrishiUdaan” for seamless transport of perishable farm goods
- Increasing coverage of artificial insemination to 70%
- Raise fishery exports to Rs 1 lakh crore by 2024-25

Education

- About 150 higher educational institutions will start apprenticeship embedded courses
- Special bridge courses to improve skill sets of those seeking employment abroad
- Ind-SAT to be conducted in Africa and Asia under study in India
- of Rs 99,300 crore for the educational sector in 2020-21
- Allocation of Rs 3,000 crore for skill development

Water, Wellness, and Sanitation Goals

- More than 20, 000 empanelled hospitals under PM Jan Arogya Yojana
- TB Harega Desh Jeetega” campaign launched to end TB by 2025
- Expansion of Jan AushadhiKendra Scheme to all districts by 2024
- Focus on liquid and greywater management along with waste management

Financial sector

- Deposit Insurance Coverage to increase from Rs 1 lakh to Rs 5 lakh per depositor
- Eligibility limit for NBFCs for debt recovery under SARFAESI Act proposed to be reduced to asset size of Rs 100 crore or loan size of Rs 50 lakh
- Separation of NPS Trust for government employees from PFRDAI
- Proposal to sell balance holding of government in IDBI Bank

Public sector banks (PSBs):

- Robust mechanism is in place to monitor and ensure health of all scheduled commercial banks and depositors' money is absolutely safe.

Financial Market

- Deepening Bond Market.
 - Certain specified categories of Government securities to be opened fully for non -resident investors also.
 - FPI limit in corporate bonds increased to 15% from 9% of its outstanding stock.
- New legislation to be formulated for laying down a mechanism for netting of financial contracts.
 - Scope of credit default swaps to expand.

Financial Market

- Debt Based Exchange Traded Fund expanded by a new Debt-ETF consisting primarily of Government Securities.
 - To give attractive access to retail investors, pension funds and long-term investors.
- A Partial Credit Guarantee scheme for the NBFCs formulated post the Union budget 2019-20 to address their liquidity constraints.
 - New mechanism to be devised to further this.

Infrastructure Financing

- Rs.103 lakh crore National Infrastructure Pipeline projects earlier announced.
- Rs 22,000 crore to cater to the equity support to Infrastructure Finance Companies such as IIFCL and a subsidiary of NIIF.
- IFSC, GIFT city: full of potential to become a centre of international finance as well as a centre for high end data processing.
 - An International Bullion exchange(s) to be set up as an additional option for trade by global market participants with the approval of regulator

Disinvestment

- Government to sell a part of its holding in LIC by way of Initial Public Offer (IPO).

Direct Tax Proposals

- **Personal Income Tax:**
 - Significant relief to middle class taxpayers.
 - New and simplified personal income tax regime proposed:

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%

Corporate Tax:

- Tax rate of 15% extended to new electricity generation companies.
- Indian corporate tax rates now amongst the lowest in the world.

Direct Tax Proposals

- New tax system is optional
- One can opt to pay tax based on on the old rate and with old system.
- In case one wishes to adopt to new system, one need to forgo all the deductions available.

Dividend Distribution Tax (DDT):

- Removal of Dividend Distribution tax and introduction TDS on Dividends.
- The TDS of 10% on dividend is to be deducted by Mutual Funds
- TDS provision will not apply on income which is in the nature of capital gains.

THANK
YOU!