

**SECTORAL
BUDGET
IMPACT**

Agriculture Sector

Budget Proposals

- Announced the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), a structured income support for farmers.
- Incentive of 3% interest rebate for prompt loan repayment for all farmers.
- Proposed to create a separate Department of Fisheries.

Impact

PM-KISAN will support to the small and marginal farmers. Under PM-KISAN programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of Rs 6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal installments of ₹ 2,000 each. It will also enable farmers to earn a respectable living.

Separate department may help focus more on fisheries as at present it is clubbed along with animal husbandry and dairy under Agriculture Ministry. It will help in quicker decisions at administrative level for fisheries and seafood being an export-oriented industry will definitely benefit.

Automobiles

Budget Proposals

- There are 10 dimensions to be focused till 2030 and the third dimension is electric vehicles and clean energy where the government will focus in the coming year.
- India is on track of becoming the automobile manufacturing hub of the world.

Impact

Focus on Electric Vehicles will make India a pollution free nation and will also help in saving more fuel. Also, consumption of crude may decrease due to high number of electric vehicles.

Capital goods and Electronics

Budget Proposals

- Government has abolished duties on 36 capital goods.
- A revised system of importing duty free capital goods and inputs for manufacture and export has been introduced, along with introduction of single point of approval under section 65 of the Customs Act.

Impact

Abolition of duties on 36 capital goods will promote export of goods and improve exports logistics.

In order to promote 'Make in India' initiative government has introduced revised system of importing duty free capital goods and inputs for manufacture and export.

Defence

Budget Proposals

- Proposed to implement One Rank One Pension (OROP) scheme for soldiers.
- Announced substantial hike in the Military Service Pay (MSP) of all service personnel and special allowances given to Naval and Air Force personnel deployed in high risk duties.
- Announced an increase in defence budget to over Rs 3 lakh crore in 2019-20. Additional funds would be provided, if necessary.

Impact

Announcement of higher defence budget would help to secure the country's borders and maintain defence preparedness. It will also strengthen defence and national security.

Entertainment

Budget Proposals

- The Single window clearance for ease of shooting films, now available only to foreigners, will also be made available to Indian filmmakers.
- Regulatory provisions will now rely more on self-declarations.
- The government will introduce anti-camcording provisions in the Cinematograph Act.

Impact

The Single window clearance will provide a major boost for the film industry as it will reduce costs and encourage Indian film makers to shoot in India instead of opting for foreign locales.

Introduction of anti-camcording provisions will help to control the menace of piracy.

Education

Budget Proposals

- Allocation for National Education Mission is being increased from Rs 32,334 crore in RE 2018-19 to Rs 38,572 crore in BE 2019-20.
- In 2018-19, Budget Education was 56,619 crore made for welfare of SCs and STs, increased to 62,474 crore in RE 2018-19 has been further increased to 76,800 crore in BE 2019-20.
- Government build a quality, science oriented educational system with

Impact

Allocation in National Education Mission will take care of a number of schemes under it including Saakshar Bharat programme, Directorate of Adult Education, National Literacy Mission Authority and Sarva Shiksha Abhiyan.

Efforts taken to bring full representation for economically weak backward classes, by giving them reservation in education and jobs.

Fertilizers

Budget Proposals

- Announced the 'PM Kisaan Samman Nidhi' scheme for farmers who own up to 2 acres of land. They will be given Rs 500 a month, or Rs 6000 a year, in three equal installments.

Impact

Announcement of PM Kisaan Samman Nidhi' scheme will boost fertilizer as well as farmer income. That apart, it will help to alleviate the burdens faced by farmers.

Food Processing

Budget Proposals

- The government will focus on food processing, preservation, packaging and maintenance of the cold chain.

Impact

The government focus on food processing will make India self-sufficient in food. Also help in exporting to the world to meet their food needs and producing food in the most organic way.

FMCG

Budget Proposals

- Finance Minister has announced No Tax on income upto Rs 5 lakh per year.

Impact

Tax exemption will bring more money in the hands of the consumers and this will increase their purchasing power. It will provide a big push to growth in the FMCG sector.

Healthcare

Budget Proposals

- 22 AIIMS to be setup in Haryana
- Government launched the world's largest healthcare programme, Ayushman Bharat, to provide medical treatment to nearly 50 crore people.

Impact

Close to 10 lakh patients have benefited for medical treatment which would have cost them Rs 3,000 crore through free treatment made available under the Ayushman Bharat scheme.

Lakhs of poor and middle class people are also benefiting from reduction in the prices of essential medicines, cardiac stents and knee implants, and availability of medicines at affordable prices through Pradhan Mantri Jan Aushadhi Kendras.

Infrastructure

Budget Proposals

- To increase infrastructure expenditure for the North Eastern Areas by 21% to Rs 58,166 crore in 2019-20 budget estimates (BE) over 2018-19 BE.
- To build physical as well as social infrastructure for a ten trillion dollar economy which comprise next generation infrastructure of roads, railways, seaports, airports, urban transport, gas and electric transmission and inland waterways

Impact

Increase in infrastructure expenditure will result into infrastructure development.

Focus on building physical & social infra will provide ease of living.

Insurance

Budget Proposals

- Government will focus on Ayushman Bharat Scheme.
- Proposal to remove tax threshold on gross income up to Rs 6.5 lakh.

Impact

Government's focus on Ayushman Bharat Scheme will boost health insurance penetration and health-care infrastructure.

Proposal to remove tax threshold can give an impetus to life insurance industry as insurance is an important tax saving tool.

MSMEs

Budget Proposals

- Businesses with less than Rs 5 crore annual turnover comprising over 90% of GST payers will be allowed to file quarterly return.
- 2% interest subvention for MSMEs with Rs 1 crore loan
- The requirement of sourcing from SMEs by Government enterprises has been increased to 25%. Of this, the material to the extent of at least 3% will be sourced from women owned SMEs.

Impact

Filing quarterly return will save costs as well as time of small players.

2% Interest subvention will help to micro, small and medium enterprises for expanding business.

Real Estate

Budget Proposals

- Exempt levy of income tax on notional rent on a second self-occupied house.
- Threshold limit for TDS on rental income increased to Rs 2.4 lakh from Rs 1.8 lakh currently.
- Benefit of rollover of capital gains under section 54 of the Income Tax Act increased from investment in one residential house to two residential houses for a tax payer having capital gains up to Rs 2 crore. This benefit can be availed once in a life time.
- Proposed to extend the period of exemption from levy of tax on notional rent, on unsold inventories, from 1 year to 2 years, from the end of the year in which the project is completed.
- The benefits under Section 80-IBA of the Income Tax Act is being extended for one more year, i.e. to the housing projects approved till 31st March, 2020.

Impact

Tax exemption on notional rent on second self-occupied house will provide relief to the middle class who having to maintain families at two locations on account of their job, children's education, care of parents etc.

Relaxation on tax front will give impetus to the real estate sector and will also make more homes available under affordable housing.

Transportation (Roads, Highways and ports)

Budget Proposals

- Rs 19,000 crore allocated for Pradhan Mantri Gram Sadak Yojana (PMGSY) in BE 2019-20 as against Rs 15,500 crore in RE 2018-19.
- To introduce container cargo movement to the North East.
- To improve the navigation capacity of the Brahmaputra river.

Impact

Rs 19,000 crore allocation under PMGSY will boost development of roads in rural and backward areas and provide all-weather road connectivity to unconnected villages in India.

Focus on Cargo movement will enable faster handling of import and export cargo.

Railways

Budget Proposals

- Capital support from the budget for railways is proposed at Rs 64,587 crore in 2019-20 (BE). The Railways' overall capital expenditure programme is of Rs 1,58,658 crore.
- The Operating Ratio is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and further to 95% in 2019-20 (BE).
- Introduction of the first indigenously developed and manufactured semi high-speed 'Vande Bharat Express'

Impact

Capital support from the budget for railways will help to attain transformative achievements and will also help to put railways flagging revenues back on track.

'Vande Bharat Express' will give the Indian passengers world class experience with speed, service and safety. This major leap in wholly developed technology by engineers will give an impetus to the Make in India programme and create jobs.

Technology

Budget Proposals

- To launch a National Programme on 'Artificial Intelligence (AI)'.
- To establish the National Centre on Artificial Intelligence as a hub along with Centres of Excellence.
- To develop a National Artificial Intelligence portal.
- To make 1 lakh villages into Digital Villages over next five years.

Impact

Focus on Artificial Intelligence will promote the use of technology and digitization and will significantly increase the adoption of digital platforms across the country.

Plan of Digital Villages will create digital infrastructure in the villages, including connectivity to convert the villages into Digital Villages.