FICCI

UNION BUDGET

2020-21 | Analysis Report

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Part A: Macro Overview

Macro Overview

The Union Budget 2020-21 was announced amid high expectations and especially so when the economy is going through testing times. The Hon'ble Finance Minister has treaded the tight rope successfully, maintaining a balance between the various commitments of the government.

With limited levers in hand, the announcements made display that the government has the right pulse of what needs to be done on ground to further strengthen foundation of our economy. With Ease of Living as a common thread woven around the three key themes – Aspirational India, Economic Development and Caring Society - the budget lays out the roadmap for future.

The emphasis on agriculture sector, MSMEs, entrepreneurship, infrastructure etc is well placed and does infuse optimism. Going forward, with a determined focus towards implementation, we are hopeful that the economy would soon get back on the recovery course.

The advance estimate of 5.0% GDP growth for FY 20 put out earlier this year is a cause for some unease – the growth is 2.0-2.5% below potential. The Economic Survey 2019-20 tabled a day prior to the budget estimates growth to rebound to 6.0-6.5% in 2020-21 on back of implementation of reforms. FICCI in its recently released Economic Outlook Survey had put across a growth estimate of 5.5% for the same year.

We appreciate the government's decision towards relaxing the fiscal gap for the year 2020-21, which we hope will be used to boost rural demand and infrastructure investments. FICCI had been suggesting to the government to be open to a fiscal expansion given the present growth considerations. Also, the revision in income tax slabs should give some push to the subdued consumption activity.

However, we were hoping for a raised corpus for MGNREGA as this would have put more income directly in the hands of farmers'. Also, the government could have considered front-loading the payments under PM-KISAN in the coming year. These could have been be a major sentiment booster. Pushing consumption is really critical and our ground level surveys indicate weak demand as one of the main constraining factors for businesses.

Furthermore, the emphasis on wealth creation is well taken. We were also encouraged by the pro-business and anti-crony tone put out in the Economic Survey and the importance given to the role of industry in meeting the USD 5 trillion.

The industry is going through a difficult period with persistent stress on account of both global and domestic factors. We hail the emphasis on the need to focus on manufacture of networked products, electronics, medical devices and technical textiles. These are low hanging fruits for India and hold immense potential towards job creation. In fact, FICCI in its suggestions to the government had recommended focus on these sectors. However, we were looking for a mention of the New Industrial Policy.

Entrepreneurship is the back bone of New India and the intent of the government to remove any roadblocks and create more opportunities for entrepreneurs is well received. The proposal to set up an Investment Clearance Cell to provide 'end-to-end' facilitation and pre-investment advisory services will be of great support to the new start-ups.

Ease of Living Bouquet

Theme	Sector	Announcements
Aspirational India	Agriculture, Irrigation and Rural Development	• Detailed Sixteen Action Points agenda announced
	Wellness, Water and Sanitation	• Viability gap funding proposed for setting up hospitals in PPP mode • Expansion of Jan Aushadhi Kendra Scheme to all districts by 2024
	Education and Skills	• Apprenticeship embedded courses in 150 higher education institutes • Special bridge courses for those seeking employment abroad
Economic Development	Industry, Commerce & Investment	• Schemes to promote manufacturing in technical textiles, electronics • Setting up of an investment clearance cell for end to end
	Infrastructure	• National Logistics Policy to be launched soon • 103 lakh crore National Infrastructure Pipeline projects announced
	New Economy	• Knowledge Translation Clusters for emerging technology sectors • National Mission on Quantum Technologies and applications
Caring Society	Women, Child and Social Welfare	• A taskforce to suggest on lowering MMR, improving nutrition levels • More than 6 lakh anganwadi workers equipped with smart phones
	Culture and Tourism	• 5 archaeological sites to be developed as iconic sites • Establish Indian Institute of Heritage and conservation
	Environment and Climate Change	• Encouraging states for taking steps to provide cleaner air • Coalition for Disaster Resilient Infrastructure launched in Sep 2019

Source: Union Budget 2020-21

Also, the stress laid on New Economy – one which is based on innovations and disruptive technologies like 3D printing, quantum computing highlights the clear vision of the government for the future.

Micro, Small and Medium Enterprises (MSMEs) are an indispensable component of India's industrial ecosystem and we have been appreciative of the keen interest displayed by the government towards addressing the concerns of this sector. However, financing still remains a source of major worry for MSMEs.

The announcements pertaining to providing subordinate debt for entrepreneurs of MSMEs, the extension of debt restructuring window by a year and launch of an app based invoice financing loan products should give a much required support to the sector. In addition, the announcement to extend handholding support for MSMEs of selected sectors to improve their outreach to external markets is well thought of.

FICCI lauds the focus of the government on infrastructure sector. Investments in the sector can have a huge multiplier effect and as the infrastructure projects gets going, demand for steel, cement, power, commercial vehicles, capital goods will all go up. The Government has already formed a committee that has identified infrastructure projects of Rs 100 trillion over the next 5 years (Rs 20 trillion/ year) – which is a great move and now with the Budget laying emphasis on the financing aspect – we hope to see momentum picking up.

However, we feel that though NIIF is a good example of a development finance institution for the infrastructure sector, the country needs to have similar structure for financing the mid-sized companies in India. Such a DFI can raise money from Sovereign Wealth Funds and other long-term institutional investors globally.

We are also happy to note the proposal to set up a project preparation facility for infrastructure projects which could actively involve young engineers, management graduates from Universities.

Going ahead, we will look forward to the announcement of the National Logistics Policy. The logistics cost in India remains quite high and addressing this is the need of hour if we want to see India as a part of global value chains.

Key asks from FICCI which were met in the Union Budget 2020-21
1. Encouragement to State Governments that implement model laws laid by the Central Government
2. Promotion of balanced use of fertilisers
3. Setting up of more warehouses with support from Viability Gap Funding
4. Integration of financing of negotiable warehousing receipts with E-NAM
5. Viability Gap Funding for district hospitals for Ayushman Bharat
6. Leveraging of External Commercial Borrowing and Foreign Direct Investment for education sector
7. Setting up of an Investment Clearance Cell that will provide “end to end” facilitation and support
8. New export credit scheme for higher insurance coverage at lower premium for exporters
9. Iconic tourist destinations to be lined through railways
10. New Policy to set up data centres across India
11. States to be incentivised for taking steps for providing cleaner air
12. Deposit Insurance Coverage increased from Rs. 1 lakh to Rs. 5 lakh
14. Leveraging FinTechs for financing MSMEs. An app-based invoice financing loans product to be launched
15. Abolition of Dividend distribution tax
16. Enhanced Partial Credit Guarantee scheme for NBFCs for improving liquidity flow to NBFCs
17. Incentive period extended for additional Rs. 1.5 lakh tax benefit for interest paid on affordable housing loans. Date for sanctioning such loans extended to 31st March, 2021
18. Invoking FRBM deviation Clause

The agriculture sector remains one of the most import constituents of the country’s economic milieu and has been one of the key focus areas for the NDA government. Several announcements have been undertaken in the recent past to change the face of Indian agriculture by empowering the farmers. The vision of doubling farmers’ income by 2022 is among the most lauded endeavours of the government and found emphasis in Union Budget 2020-21 as well. The Budget offered support to the sector through a detailed 16 point action agenda with stress on removing any distortions.

In fact, the proposals pertaining to encouraging States to follow model laws already issued by the Centre, ensuring balanced use of all kind of fertilizers and putting in place a framework for developing Blue Economy all find consonance with the key asks from FICCI for this critical sector.

Skills and knowledge are the driving forces of not only for economic growth but a rounded social development. With India being among countries with the youngest population – also recognised as a cross cutting theme in the Budget; it is important that our youth is imparted an education that not only prepares them to obtain access to gainful employment but also allows them to achieve their aspirations. The New Education Policy is long awaited and we look forward to its announcement soon.

Also, the proposal to develop a degree level online education programme for those from the deprived sections is a good suggestion and will ensure access to quality education to all.

Keeping in mind the shortage of skilled and qualified doctors, nurses and other specialists, the proposal to attach a medical college to an existing district hospital is a welcome announcement. In fact, this had also been recommended by FICCI and we look forward to the details of this scheme.

The focus of the government on improving the quality of life of people at ground level is once again reflected in announcements pertaining to women and child care and preserving the environment.

At a time when the economy is slowing and the fiscal situation is under pressure, FICCI feels the government has done a good job.

Fiscal Management

Fiscal prudence has been one of the key mandates for the current government, however with brewing challenges on domestic and global front a slippage in fiscal deficit was very much anticipated. The fiscal deficit to GDP ratio for 2019-20 with the revised estimates announced in the Union Budget FY21 stood at 3.8% - 0.5% higher than the budgeted ratio of 3.3% in Union Budget FY20.

The fiscal deficit for 2020-21 is estimated at Rs 7.96 lakh crore and the deficit ratio has been pegged at 3.5% - as against the FRBM rollover target of 3.0% announced in the last budget.

Fiscal Indicators – Rolling Targets as Percentage of GDP

	Revised	Budget	Projections	
	2019-20	2020-21	2021-22	2022-23
Fiscal Deficit	3.8	3.5	3.3	3.1
Revenue Deficit	2.4	2.7	2.3	1.9
Primary Deficit	0.7	0.4	0.2	0
Gross Tax Revenue	10.6	10.8	10.7	10.7
Non-tax Revenue	1.7	1.7	1.5	1.5
Central Government debt	50.3	50.1	48.0	45.5
Of which Liabilities on account of EBR	0.7	0.8	0.9	0.9

Source: Union Budget 2020-21

The government has utilised the trigger mechanism for a deviation from the estimated fiscal deficit on account of structural reforms in the economy with unanticipated fiscal implications.

We appreciate that the government has recognized the need for an overhaul of Centrally Sponsored and Central Sector Schemes to ensure optimal utilization of scarce resources and are hopeful that with the slated reforms in taxation and pick-up in growth, tax buoyancy will return soon.

The fiscal deficit target is expected to be achieved in the medium term and the deficit ratio is likely to decrease to 3.1% in 2022-23.

Revenue Side

➔ In the fiscal year 2019-20, total receipts were budgeted to grow by 13.4%, however the revised estimates put across a lower growth rate of 9.8%. The deterioration in total receipts during the year 2019-20 can be attributed to dismal tax revenue collections amid an environment of slower economic growth. The net tax revenue collections noted a dismal growth of 1.4% in 2019-20 as per the revised estimates, vis-à-vis 11.4% growth anticipated in the budget.

➔ Direct income tax collections witnessed moderation, with corporate tax collections showing a significant decline in the revised estimates for 2019-20 – a decrease by Rs 1.55 lakh crore from BE level. The revised numbers for 2019-20 for corporate tax collections reported 9.0% contraction vis-a-vis the budgeted growth of 14.2%. Also, the target collections for personal income tax collection noted moderation in 2019-20.

➔ The growth in overall revenue receipts has been supported by non-tax revenue collections in 2019-20. The latter reported a much higher growth of 40.9% in the 2019-20 revised estimates, as against a budgeted growth of 27.7%. This was primarily on back of the transfer of surplus by the Reserve Bank of India (RBI) in August 2019.

➔ In the fiscal year 2020-21, the total receipts are budgeted to increase 12.7%. The tax revenues and non-tax revenues are budgeted to increase by 8.7% and 11.4% respectively during the year. On tax front, buoyancy is indicated with respect to all major direct and indirect tax heads.

Abstract of Receipts (in Rs crore)

	Actual 2018-19	Budget 2019-20	Revised 2019-20	Budget 2020-21	2019-20 BE over 2018-19 RE (%)	2019-20 RE over 2018-19 RE (%)	2020-21 BE over 2019-20 RE (%)
Revenue Receipts	**1552916**	**1962761**	**1850101**	**2020926**	**13.5**	**7.0**	**9.2**
Tax Revenue	1317211	1649582	1504587	1635909	11.1	1.4	8.7
Gross Tax Revenue	2080465	2461195	2163423	2423020	9.5	-3.8	12.0
Corporation Tax	663572	766000	610500	681000	14.2	-9.0	11.5
Tax on Income	473003	569000	559500	638000	7.6	5.8	14.0
Customs	117813	155904	125000	138000	19.9	-3.9	10.4
Union Excise Duty	231982	300000	248012	267000	15.6	-4.5	7.7
Goods & Services Tax	581560	663343	612327	690500	3.0	-4.9	12.8
Centre's Net Tax Revenue	1317211	1649582	1504587	1635909	11.1	1.4	8.7
Non -Tax Revenue	235704	313179	345513	385017	27.7	40.9	11.4
Interest receipts	12145	13711	11027	11042	13.8	-8.5	0.1
Dividends and Profits	113420	163528	199893	155395	37.1	67.6	-22.3
Other Non-Tax Revenue	107187	132784	131525	215465	20.0	18.9	63.8
Receipts of Union Territories	1889	2149	2094	2303	3.5	0.9	10.0
Capital Receipts	**763518**	**772529**	**848450**	**1074306**	**12.6**	**23.6**	**26.6**
Debt*	650739	652702	766846	849340	10.0	29.3	10.8
Non -debt	112779	119828	81605	224967	28.6	-12.4	175.7
Recoveries of loans and advances	18052	14828	16605	14967	12.7	26.2	-9.9
Disinvestment Receipts	94727	105000	65000	210000	31.3	-18.8	223.1
Total Receipts	**2315113**	**2786349**	**2698552**	**3042230**	**13.4**	**9.8**	**12.7**

Source: Union Budget 2020-21
*The receipts are net of payment

➔ The Goods and Services Tax (GST) collections have fallen short of expectations – which is in sync with the trend depicted in monthly numbers. The government has downwardly revised collections from GST to Rs 6.1 lakh crore for 2019-20 (RE). As for 2020-21, the government has budgeted Rs. 6.9 lakh crore revenue from GST – an increase of about 13.0%. However, it will have to be seen if the target is actually achieved. The full benefit of Goods and Services Tax revenues is expected to take some more time.

➔ The Budget 2020-21 was equally bullish on government's non-tax revenues. It has budgeted for a rise of 11.4% to Rs 3.85 trillion. This is mainly driven by 64% surge in receipts under the head "Other non-tax revenues'. From 1.3 trillion in FY20 RE, receipts under this category are targeted to increase to Rs 2.15 trillion. This is largely due to a sharp increase in the government's revenues from communication services to Rs 1.33 trillion in FY21, up from Rs 59,000 crore in FY20. This bonanza comes from the recent Supreme Court verdict mandating telecom companies to transfer pending dues on account of adjusted gross revenues to the Centre.

➔ Within Non- Tax revenue, there is however a drop in receipt from dividends and profits from central public-sector undertakings and the RBI as it cannot rely on higher transfer from the central bank after having already received the extra money from the RBI in FY20. Dividends and profits show a 22% decline in FY21 BE.

➔ The disinvestment receipts are targeted at Rs. 2.1 lakh crore for fiscal year 2020-21. This is more than three times higher than the revised estimate of Rs 65,000 crore for 2019-20. It is critical that the government fully utilises this resource to garner higher revenues in an environment of slower economic growth and dwindling tax collections.

➔ The government has prepared a plan to fully privatize Air India and is inviting bids once again for a successful sale this time around. While this is encouraging, more such disinvestments are the need of the hour. The proposal to sell a part of government holding in LIC by way of Initial Public Offer (IPO) is a very positive move. The funds garnered from sale of public sector enterprises must be diverted towards enhancing and undertaking more capital expenditure.

➔ In fact, FICCI had suggested that Government can perhaps look at setting up a separate ministry for disinvestment with an independent minister in charge. A dedicated ministry may be able to better coordinate across departments and ministries for implementation of the disinvestment roadmap. In fact, Economic Survey has also recommended setting up a separate professional entity – an investment holding company like *Temasek* for Disinvestments.

Expenditure Side

➔ The revised numbers for 2019-20 indicate some compression in total expenditure – which was broadly expected and has been on the revenue account. Revenue expenditure reported a much lower growth of 9.8% according to the RE numbers as against the estimated growth of 14.3% in 2019-20 budget estimates. The capital expenditure, on the other hand, reported an improved growth of 10.2% as per the RE numbers, against the budgeted growth of 6.9%.

➔ For the year 2020-21, total expenditure is budgeted at Rs 30.42 lakh crore - an increase by 12.7%. Within total expenditure, capital expenditure (18.1%) is budgeted to grow at a higher rate than revenue expenditure (11.9%) as per 2020-21 budget estimates. The increase in budgeted capital expenditure for 2020-21 will be led by higher provisions made under Road Transport, Railways & for infrastructure projects in pipeline, capital infusion in BSNL/MTNL for 4G spectrum and increased expenditure under public health.

Summary of Expenditure (Rs crore)

	Actual 2018-19	**Budget 2019-20**	**Revised 2019-20**	**Budget 2020-21**	**2019-20 BE over 2018-19 RE (%)**	**2019-20 RE over 2018-19 RE (%)**	**2020-21 BE over 2019-20 RE (%)**
Total Expenditure	**2315113**	**2786349**	**2698552**	**3042230**	13.4	9.8	12.7
On Revenue Account	2007399	2447780	2349645	2630145	14.3	9.8	11.9
Interest Payments	582648	660471	625105	708203	12.4	6.4	13.3
Grants in Aid for creation of capital assets	191781	207333	191737	206500	3.5	-4.3	7.7
On Capital Account	307714	338569	348907	412085	6.9	10.2	18.1

Source: Union Budget 2020-21

➔ Major subsidies in 2020-21 are expected to amount to Rs 2.27 lakh crore - an increase of 0.2% over the previous year. While food and petroleum subsidies is budgeted to increase by about 6.3% and 6.1% respectively over the revised estimates for FY20, the outgo on fertilizer subsidy reports a decline by (-)10.9%. One of primary reasons for the decrease in subsidies is use of NSSF for funding the food subsidy requirements of the FCI. As a percentage of GDP, subsidies are expected to come down to 1.1 per cent in RE 2019-20 and 1.0 percent in BE 2020-21, compared to 1.4 per cent budgeted in 2019-20.

Trends in Subsidies (Rs crore)

	Actual 2018-19	Budget 2019-20	Revised 2019-20	Budget 2020-21	2019-20 BE over 2018-19 RE (%)	2019-20 RE over 2018-19 RE (%)	2020-21 BE over 2019-20 RE (%)
Major Subsidies	196769	301694	227255	227794	13.3	-14.6	0.2
Fertiliser Subsidy	70605	79996	79998	71309	14.1	14.1	-10.9
Food Subsidy	101327	184220	108688	115570	7.5	-36.6	6.3
Petroleum Subsidy	24837	37478	38569	40915	50.9	55.3	6.1
Total - Subsidies	222954	338154	263557	262109	13.2	-11.8	-0.5

Source: Union Budget 2020-21

➔ FICCI would like to reiterate that schemes and projects which have attracted allocation over the years without much utilization be reviewed periodically. Necessary action to curtail such expenditure must be expedited so that the funds can be diverted towards more productive use. Simultaneously, additional measures must be taken to economise subsidies and plug leakages. Direct benefit transfer and income transfer scheme of the government are benefitting the targeted set of people. More such steps should be taken to curtail wasteful expenditure and ensure targeted delivery of schemes.

Part B: Taxation

Key Tax Announcements in Union Budget 2019-20

Direct Tax Budget Proposals

1. Dividend Distribution Tax removed and classical system of dividend taxation adopted

   The abolition of dividend distribution tax at the company level will increase the surplus in the hands of the corporates and dividends received in the hands of the shareholders. Abolition of DDT is expected to make India an attractive investment particularly for foreign investors.

2. Introduction of Simplified and New Income Tax Regime as an option to the old regime

Income Bracket (lakh)	Below 5	5-7.5	7.5-10	10-12.5	12.5-15	Above 15
Tax Rate (per cent)	Exempt	10	15	20	25	30

   The impact would be different for each individual. To assess, the overall implication of the proposed regime would need detail examination.

3. Concessional corporate tax rate of 15 per cent to new domestic companies in manufacturing and power sector.

   The above proposal is in line with the FICCI recommendation. This move would indeed provide boost to the much-needed investments in the power sector.

4. Tax benefits to Start-ups by way of

   (a) Deduction of 100 per cent of their profits are enhanced by increasing turnover limit from 25 crores to 100 crores and period of eligibility from 7 years to 10 years (Eligible to take benefits for three consecutive years out of 10 years from incorporation instead of earlier block of seven years)

   The above proposal is line with the FICCI recommendation and is a welcome move and will provide support to a larger number of start-ups entities in their nascent and growth stage.

   (b) Deferral of taxation of ESOP perquisite in the hands of employees granted by eligible start-ups. Currently, taxable at the time of exercise of ESOPs and now proposed to be taxable at the earliest of (a) five years (b) sale of shares (c) ceasing to be in employment.
   The above is a positive move; however, expansion of the proposal to the employees of entities other than start-ups also; would have been a welcome change.

5. Extension of time limits pertaining to the tax benefits for affordable housing

   (a) Extension of time limit for approval of affordable housing project for availing deduction under section 80-IBA of the Income Tax Act extended to March 31, 2021 from March 31, 2020.

   (b) Extension of time limit for sanctioning of loan for affordable housing for availing additional deduction for interest paid on housing loans under section 80EEA of the Income Tax Act. Loan sanction date to be extended to March 2021 from March 2020.

   The extension of time limit for approval by the competent authority and for sanctioning of loan for affordable housing by one year is a welcome change; however; extension by atleast two years would have provided a real boost to the demand and supply for such houses.

6. Key Proposals relating to dispute resolution

   (a) Introduction of Direct Tax dispute resolution scheme 'Vivad se Vishwas' similar to Sabka Vishwas Scheme in order to reduce litigation

      - Taxes to be paid by 31 March 2020 or 30 June 2020 (with additional payment);
      - Waiver of interest/penalty;
      - Details to be announced separately

   (b) Faceless appeal process to be introduced

   (c) Proposes amendment to Income Tax Act for mandating CBDT to adopt taxpayers charter; CBDT to notify contents of the charter

   (d) Amendments proposed to curtail ITAT powers to grant stay

   The steps like introduction of settlement scheme by payment of taxes and waiver of interest and penalty and proposal to insert Taxpayer's Charter in the Income Tax Act are steps in the right direction to reduce litigation and ensure fairness and efficiency in the working of our tax administration.

7. Tax concession for sovereign wealth fund of foreign governments and other foreign investments.

   The move to provide 100% exemption to sovereign wealth funds in infrastructure and other notified sectors under specified conditions will provide the much-needed push to the relevant sectors.

8. New Section 194-O proposed to provide for a new levy of TDS at 1% e-commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.

   The above will add much compliance burden on the e-commerce operators.

   Further, TDS rate for TDS on fees for technical services (other than professional services) under section 194J to be reduced to 2% from 10%

9. Concessional tax rate for cooperatives proposed

   The above is in line with the FICCI recommendation; however, FICCI had also recommended extension of the concessional regime to firms and LLPs.

Key Indirect Tax Announcements

Following amendments are proposed to Customs Act,1962 and Customs Tariff Act, 1975

1. Health cess to be imposed on imports of medical equipment given these are made significantly in India. However, said Health Cess shall not be imposed on medical devices which are exempt from BCD. Further, inputs/parts used in the manufacture of medical devices will also be exempt from Health Cess.

   The industry in India is still very nascent. While it is good to promote the industry, the quality of the products should be ensured.

2. Section 11 is being amended to empower Central Government to prevent injury to the economy of the country by the uncontrolled import or export of “any other goods”.

3. New Chapter VAA “Administration of Rules of Origin Under Trade Agreement” and a new section 28DA “Procedure regarding claim of preferential rate of duty” inserted to provide enabling provision for administering preferential tax treatment regime under Trade Agreements. Pending verification, preferential benefit shall be suspended and goods shall be cleared only on furnishing security equal to differential duty.

4. Section 51A of the Customs Act is being amended to insert new section 51B i.e. Ledger for duty credit, so as to provide for creation of an Electronic Duty Credit Ledger in the customs system. This will enable duty credit in lieu of duty remission to be given in respect of exports or other such benefit in electronic form for its usage, transfer etc.

5. BCD exemption (given vide Notification No. 50/2017- Customs dated June 30, 2017) withdrawn on goods which include the following:

Sr. No.	**S. No. of Notification No 50/2017-Customs**	**Description**
1	5	Tuna bait
2	7	Goods upto an aggregate of ten thousand metric tonnes of total imports of Milk and cream, in powder, granules or other solid form in a financial year. [040210, 04022100]
3	7A	Whey, concentrated, evaporated or condensed, liquid or semi-solid [0404 10 10]
4	7B	Other Whey [0404 90 00]
5	8	Butter Ghee, Butter Oil [0405]
6	9	Other cheese [0406 90 00]
7	10	Pancreas (Products of animal origin, not elsewhere specified) [Chapter 5]
8	18	Bulbs or tubers, other live plants [0601 or 0602

Rate of duty increased on following goods:-

S.No.	**Tariff rate changes for Basic Customs Duty (effective from February 02, 2020) [Clause 115 of Finance Bill, 2020]**	**Rate of Duty**	
	Commodity	**From**	**To**
1	Food processing walnuts, shelled	30%	100%
2	Chemical products and preparations of the chemical or allied industries not elsewhere specified	10%	17.5%
3	Footwear	25%	35%
4	Household Items	10%	20%
5	Household Appliances	10%	20%
6	Precious Stones and Metals - Gold used in the manufacture of semiconductor devices or light emitting diodes	10%	12.5%
7	Machinery - Rotary tillers/weeder, Motors like Single Phase AC motors, Stepper motors, Wiper Motors etc	7.5%	10%
8	Other Electronic Goods	15%	20%
9	Automobile and Automobile Parts	10%	15%
10	Completely Built Units (CBUs) of commercial vehicles (other than electric vehicles) *(w.e.f. 01.04.2020)*	30%	40%

11	Completely Built Units (CBUs) of commercial electric vehicles *(w.e.f. 01.04.2020)*	25%	40%
12	Semi Knocked Down (SKD) forms of electric passenger Vehicles *(w.e.f. 01.04.2020)*	15%	30%
13	Semi Knocked Down (SKD) forms of electric vehicles- Bus, Trucks and Two wheelers *(w.e.f. 01.04.2020)*	15%	25%
14	Completely Knocked Down (CKD) forms of electric vehicles - Passenger vehicles, Three wheelers, Two wheelers, Bus and Trucks *(w.e.f. 01.04.2020)*	10%	15%
15	Furniture Goods	20%	25%
16	Exemption from import duty for specified military equipment, when imported by Defense PSUs and other PSUs for defence forces	20%	25%
17	PCBA of Cellular mobile phones *(w.e.f 1.04.2020)*	10%	20%

Rate of duty decreased on goods which include the following:

S.No.	Other proposals involving changes in Basic Customs Duty Rates in Respective Notifications	Rate of duty	
		From	To
1	Pure-bred breeding horses	30%	Nil
2	Fuels, chemicals and plastics	10%	Nil
3	Paper Industry – News print and Uncoated paper if the importer, at the time of import is an establishment registered with the Registrar of Newspapers, India (RNI)	10%	5%
4	Sports goods - List of items allowed duty free import up to 3% of FOB value of sports goods exported in the preceding financial year is amended to include Willow	Applicable Rate	Nil
5	Exemption from import duty for specified military equipment, when imported by Defense PSUs and other PSUs for defence forces.	As applicable	Nil

Excise:

- NCCD on cigarettes and other tobacco products increased with immediate effect based on length

GST

6. Simplified GST return shall be implemented from 1st April 2020. Refund process to be fully automated
7. Electronic invoice shall be implemented in a phased manner starting from January on optional basis.
8. A system of cash reward is envisaged to incentivise customers to seek invoice
9. Deep data analytics and AI tools are being used for crackdown on GST input tax credit, refund, and other frauds and to identify fraudulent assesses.
10. Invoice and input tax credit matching is being done wherein returns having mismatch more than 10 percent or above a threshold are identified and pursued.
11. Provisions relating to safeguard duties are strengthened. Provisions for checking dumping of goods and imports of subsidized goods are also being strengthened for ensuring a level playing field for domestic industry.
12. Custom duty exemptions to be comprehensively reviewed by September, 2020 for taking a view on their relevance.

Customs laws and procedures to be aligned after due consultation to align them with the needs of changing times and ease of doing business.

Part C- Sectoral Analysis

Agriculture and Allied Activities

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry of Agriculture & Farmers Welfare				
Dept. of Agriculture Cooperation & Farmers Welfare	46076.19	101904.00	134399.77	31.88
Dept. of Animal Husbandry & Dairying	3170.80	2790.00	3289.13	17.88
Department of Fisheries	-	700.00	825.00	17.85
Dept. of Agriculture Research & Education	7544.25	7846.17	8362.58	6.58
Total Outlay	56791.24	113240.17	146876.48	29.70
Outlays for key sectoral schemes				
Major Central Sector Scheme				
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	1241.13	54370.15	75000.00	37.94
Pradhan Mantri Fasal Bima Yojana	11937.02	13640.85	15695.00	15.05
Interest Subsidy for short term credit to farmers	11495.66	17863.43	21175.00	18.53
Market intervention scheme and price support scheme (MIS- PSS)	1400.00	2010.20	2000.00	-0.50
Pradhan Mantri Annadata AAY Sanrakshan Yojana (PM -AASHA)	4721.12	321.00	500.00	55.76
Promotion of Agricultural Mechanization for In Situ Management of Crop Residues	584.33	594.29	600.00	0.960
Distribution of Pulses to State / Union Territories for Welfare Schemes	-	370.00	800.00	116.21
Pradhan Mantri Kisan Man Dhan Yojana	-	200.00	220.00	10
Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)	-	-	500.00	-
Core Scheme				
Green Revolution	11757.63	9964.90	13319.77	33.66
White Revolution	2422.32	1798.93	1805.00	0.33
Blue Revolution	485.16	455.25	570.00	25.20
Pradhan Mantri Krishi Sinchai Yojana	8143.06	7895.72	11126.51	40.91

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Promotion of Model Acts • Model Agricultural Land Leasing Act, 2016 • Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017 • Model Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018	• Much needed initiative. So far states have not been enthusiastic about adoption of these Acts. However, it remains to be seen what incentives will be put in place to get states on board.
2	Comprehensive Measures for **100 water stressed districts**: Water stress related issues are now a serious concern across the country. Government is proposing comprehensive measures for one hundred water stressed districts.	• Intent is good and focused. However, results will depend on budget outlays and details of comprehensive plan.
3	The PM-KUSUM scheme removed farmers' dependence on diesel and kerosene and linked pump sets to solar energy. Now, they proposed to expand the scheme to provide **20 lakh farmers for setting up stand-alone solar pumps; further we shall also help another 15 lakh farmers solarise their grid-connected pump sets.** In addition, a scheme to enable farmers to set up solar power generation capacity on their fallow/**barren lands and to sell it to the grid would be operationalized.**	• Positive move. Will reduce use of grid power and carbon footprint. Would be good if solar power generation is combined with micro grid distribution.
4	Balance Use of Fertilizer: Government will encourage balanced use of all kinds of fertilizers including the traditional organic and other innovative fertilizers.	• Focus on balanced use of fertilizers is important for long term sustainability in agriculture. It is a positive move. Possibly Govt will seek to rationalize fertilizer subsidy too.
5	Krishi Rail: To build a seamless national cold supply chain for perishables, inclusive of milk, meat and fish, the Indian Railways will set up a "Kisan Rail" – through PPP arrangements. There shall be refrigerated coaches in Express and Freight trains as well.	• Positive announcement. Will help control wastages and preserve quality through improvement across the value chain.
6	Integrated farming systems in rainfed areas shall be expanded. Multi-tier cropping, bee-keeping, solar pumps, solar energy production in non-cropping season will be added. **Zero-Budget Natural Farming** (mentioned in July 2019 budget) shall also be included. The portal on "jaivikkheti" – online national **organic products market will also be strengthened.**	• This will help in reducing cost of production. However, marketing infrastructure should be included in the scheme, particularly for organic produce.

7	**Agri Warehousing** India has an estimated capacity of 162 million MT of agri-warehousing, cold storage, reefer van facilities etc. **NABARD will undertake an exercise to map and geo-tag them.** In addition, we propose creating **warehousing, in line with Warehouse Development and Regulatory Authority (WDRA) norms**. government will provide Viability Gap Funding for setting up such efficient warehouses at the block/taluk level. This can be achieved, where States can facilitate with land and are on a PPP mode. Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) shall undertake such warehouse building on their land too. Financing on Negotiable Warehousing Receipts (e-NWR) has crossed more than` 6000crore. This will be integrated with e-NAM.	• Creation of digital map of warehousing infrastructure and agri storage by Nabard is a welcome step. This report can help in achieving focused support to development of modern storage infrastructure in the regions where shortage is clearly identified. • Focus on negotiable warehouse receipt is a welcome step .However, it requires a deeper deliberation amongst various stakeholders and regulators in addressing certain issues inherent in the WDRA regulation pertaining to grievance redressal, high transaction costs and nature of negotiability contained in the receipt.
8	Krishi Udaan will be launched by the Ministry of Civil Aviation on international and national routes. This will immensely help improve value realisation especially in North-East and tribal districts	• This will be certainly useful to boost production and develop market for agriculture produce in North eastern states.
9	Horticulture sector with its current produce of 311million MT exceeds production of food grains. For better marketing and export, we propose supporting States which, adopting a cluster basis, will focus on "one product one district".	• A shift from lower to higher value commodities such as horticulture offers an important avenue to enhance income. Announcement on "one product one district" is a welcome step and will lead to development of specific brands for horticulture produce – which can be later utilised to cater demands from international market.
10	**Village storage scheme:** As a backward linkage, a Village Storage scheme is proposed to be run by the SHGs. This will provide farmers a good holding capacity and reduce their logistics cost. Women, SHGs shall regain their position as "Dhaanya Lakshmi".	• This is a positive announcement, However, details are awaited. Development of community warehouses and village level storage infrastructure can certainly bring better price for farmers and will enable more storage by farmers at village level.
11	**Kisan Credit Scheme:** Non-Banking Finance Companies (NBFCs)and cooperatives are active in the agriculture credit space. The NABARD re-finance scheme will be further expanded. Agriculture credit target for the year 2020-21 has been set at ` 15 lakh crore. All eligible beneficiaries of PM-KISAN will be covered under the KCC scheme.	• This is a positive announcement. This will certainly attract more formal finance in agriculture.
12	Government intends to eliminate Foot and Mouth disease, brucellosis in cattle and also peste des petits ruminants (PPR) in sheep and goat by 2025. Coverage of artificial insemination shall be increased from the present 30% to 70%. MNREGS would be dovetailed to develop fodder farms. Further, they shall facilitate	• Demand side factors are highly favourable for diversification towards Livestock. Announcement to eliminate Foot and Mouth disease, brucellosis in cattle and also peste des petits ruminants (PPR) in sheep and goat will

	doubling of milk processing capacity from 53.5 million MT to 108 million MT by 2025.	certainly aid in improved livestock health and will boost livestock products exports.
13	Blue Economy: Government proposes to put in place a framework for development, management and conservation of marine fishery resources. Youth in coastal areas benefit through fish processing and marketing. By 2022-23, they proposed to raise fish production to 200 lakh tonnes. Growing of algae, sea-weed and cage Culture will also be promoted. They will involve youth in fishery extension through 3477 Sagar Mitras and 500 Fish Farmer Producer Organisations. Fishery exports to be raised by` 1 lakh crore by 2024-25.	• Positive move. Increase in fish production will help in tapping the vast potential of export of fish products. Development of fisheries sector will add additional income to the farmer's pocket. • Integration of FPOs in fisheries sector is a welcome step.

Overall Assessment of Budget for Sector's Growth and Development

Announcements on Agriculture, signal Government's intent to push reforms firmly. Linking central assistance to adopt specific reform measures like Model Agricultural Land Leasing Act, APLM and contract farming legislation by states provides concrete framework to open up the Agriculture sector. The focus on expansion of warehousing capacity is a much-needed initiative as agriculture production is seasonal and geography specific, but consumption is round the year. Creation of storage infrastructure at village level will enable farmers to store their produce after harvest and will help prevent distress sale. Announcement in regard to mapping and geo tagging of agri warehousing, cold storage, reefer van facilities by NABARD will help in creation of digital map of present availability status of agri storage in the country. This digital map can help in achieving focused support to development of modern agri storage infrastructure in the regions where shortage is clearly identified.

Focus on negotiable warehouse receipt is a positive step. However, it requires a deeper deliberation amongst various stakeholders and regulators in addressing certain issues inherent in the WDRA regulation, pertaining to grievance redressal, high transaction costs and nature of negotiability contained in the receipt.

Demand side factors are highly favourable for diversification towards Livestock and Horticulture. Announcement to eliminate Foot and Mouth disease and brucellosis in cattle is a welcome step. It will certainly aid in improved livestock health and will boost export of livestock products. A shift from lower to higher value commodities such as horticulture and fisheries would provide assured supplemental income to farmer families. Announcement on "one product one district" in regard to horticulture produce is a welcome step. Secondly, setting up Kisan Rail is a positive announcement and will certainly lead to control wastages and preserve quality of perishables.

Incentivising use of solar pumps and helping 15 lakh farmers solarize their grid connected pump set is a positive step. Nevertheless, one of the major concerns for the nation is availability of water for agricultural usages. The available water will become gradually more difficult as water tables decline. In a country where agriculture accounts for more than eighty percent of water withdrawals, focus on sustainable water use management in agriculture is imperative. Announcement of comprehensive measures for 100 water stressed districts is a welcome step. However, results will depend on details of comprehensive plan.

Art & Culture

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	3042.35	2547.00	3149.86	23%
Outlays for key sectoral schemes	778.23	426.92	578.32	35%
Scheme A Kala Sanskriti Vikas Yojana	229.74	174.61	209.79	20%
Scheme B Centenaries and Anniversaries, Celebrations and Schemes	110.00	104.00	160.35	53%
Scheme C etc. Development of Museums	286.79	126.4	180.90	43%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Proposal to establish Indian Institute of Heritage and Conservation	Acquisition of knowledge in disciplines such as museology and archaeology are essential for collecting and analysing scientific evidence of such findings and for dissemination through high quality museums. Currently lack of trained man-power is a handicap for both these disciplines.
2	5 archaeological sites to be developed as iconic sites on-site Museums - Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh), Shivsagar (Assam), Dholavira (Gujarat) and Adichanallur (Tamil Nadu).	This will help in tourism and economy.
3	A museum on Numismatics and Trade to be established.	Will help in research and academics.
4	Tribal Museum in Ranchi.	It will help in developing the non-central areas of culture and in turn help in culture-tourism.

Overall Assessment of Budget for Sector's Growth and Development

The schemes and initiatives in the budget are welcoming however there are no significant announcements made to rejuvenize the cultural ecosystem of India. Also the overall budget for this sector is significantly low.

Automobiles & Electric Vehicles

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	1035.02	1308.61	1489.98	13.85%
Outlays for key sectoral schemes				
National Automotive Testing and Research and Development Infrastructure Project (NATRIP)	400.00	259.23	300.00	15.72%
Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India - (FAME - India).	145.00	500.00	692.94	38.58%
Development Council for Automobile and Allied Industries	14.92	8.80	15.00	70.45%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Government has increased Basic Custom Duty on electric vehicles in commercial and passenger segment for CBUs, SKD, CKD.	This will help in promoting manufacturing in country and also in checking imports of electric vehicles which India is now going to adopt in a major way
2	The government had earlier formulated a Partial Credit Guarantee scheme for the NBFCs which is further supported by devising a mechanism. Government will offer support by guaranteeing securities so floated.	NBFCs are the major source of finance for auto loans. Credit guarantee for NBFCs will further ease liquidity for auto sector.

Overall Assessment of Budget for Sector's Growth and Development

Automotive sector is going through challenging times with falling demand and transition to electric mobility solutions. The increased basic custom duty will provide a level field for domestic manufacturers of EVs. The government should consider extending the FAME – II benefit to electric bicycles which will address the issues of pollution and traffic congestion and bring green mobility to the masses. Abolishing custom duty on imports of lithium-ion battery cells, will make EVs more affordable to the common man. At the same time, custom duty on other EV components could be increased towards a Make in India push for global leadership in EV sector. Last year, the EV industry has witnessed considerable growth and to continue on the same trajectory, we expect continued support from the government. Formulating a Partial Credit Guarantee scheme for NBFCs as announced in the budget would improve liquidity and uptake of commercial vehicle loans.

Blue Economy

Budget Outlay for Sector (Rupees Crore)

Ministries that assign Blue Economy Initiatives with delineation (In Crores)

Blue Economy (BE) Budget Allocation	**2017-18 Budget**	**2018-19 Budget**	**2019-20 Budget**	**2020-2021 Budget**
BE Allocation for **Fisheries** including Blue Revolution within the then Ministry of Agriculture for 2017-18 and 2018-19.	Total BE allocation: 718.72 *Breakup of allocation:* Blue Revolution 400.73 Fisheries Institute 139.40 Fisheries Eco. Services 140.09 Costal Aquaculture Authority 4.00 National Fisheries Development Board 9.00 Replacement for Fishing Vessels 0.10 Capital Outlay on Fisheries 25.40	Total BE allocation: 900.83 *Breakup of allocation:* Blue Revolution 642.61 Fisheries Eco. Services 137.51 Fisheries Institute 94.84 Capital Outlay on Fisheries 15.87 Coastal Aquaculture Authority 4.00 National Fisheries Development Board 5.00 Replacement for Fishing Vessels 1.00	Total BE allocation: 804.75 Breakup of allocation not required for 2019-20 as the **Department of Fisheries** was created separately by GOI.	Total BE allocation: 825 Breakup of allocation not required for 2020-21 as the **Department of Fisheries** was created separately by GOI last year.
BE Allocation within the **Ministry of Earth Sciences**	Total BE allocation: 1185.2 *Breakup of allocation:* Oceanographic Research 576.60 Ocean Services, Technology, Observations, Resources Modelling and Science (O-STORMS) 336.00	Total BE allocation: 1462 *Breakup of allocation:* Oceanographic Research 716.00 Ocean Services, Technology, Observations, Resources Modelling and Science (O-STORMS) 399.00 National Institute of Ocean Technology (NIOT) 32.00	Total BE allocation: 1422 *Breakup of allocation:* Oceanographic Research 703.00 Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 30.00 Ocean services, Modelling, Application,	Total BE allocation: 1659.6 *Breakup of allocation:* Oceanographic Research 812.80 Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 35.00 Ocean services, Modelling, Application,

	Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 50.41 Indian National Centre for Ocean Information Services (INCOIS) 30.05 National Institute of Ocean Technology (NIOT) 29.40 National Centre for Antarctic and Ocean Research (NCAOR) 19.74 Capital Outlay on Oceanographic Research 16.00 Polar Science and Cryosphere (PACER) 127.00	Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 30.00 Indian National Centre for Ocean Information Services (INCOIS) 25.00 National Centre for Antarctic and Ocean Research (NCAOR) 20.00 Capital Outlay on Oceanographic Research 15.00 Polar Science and Cryosphere (PACER) 225.00	Resources and Technology (O-SMART) 483.00 Indian National Centre for Ocean Information Services (INCOIS) 28.00 National Institute of Ocean Technology (NIOT) 35.00 National Centre for Polar and Ocean Research, Goa (NCPOR) 25.00 Capital Outlay on Oceanographic Research 18.00 Polar Science and Cryosphere (PACER) 120.00	Resources and Technology (O-SMART) 567.00 Indian National Centre for Ocean Information Services (INCOIS) 26.50 National Institute of Ocean Technology (NIOT) 51.51 National Centre for Polar and Ocean Research, Goa (NCPOR) 24.79 Capital Outlay on Oceanographic Research 17.00 Polar Science and Cryosphere (PACER) 125.00

BE Allocation under the **Ministry of Environment, Forests and Climate Change**	<u>Total BE allocation: 728.69</u> *Breakup of allocation:* Conservation of Natural Resources and Ecosystems including Conservation of Aquatic Ecosystems, Corals, Mangroves and Biodiversity Conservation 108.21 National River Conservation Programme (CSS) 173.50 National Coastal Management Programme 446.98	<u>Total BE allocation: 419</u> *Breakup of allocation:* Conservation of Natural Resources and Ecosystems including Conservation of Aquatic Ecosystems, Corals, Mangroves and Biodiversity Conservation 80.50 National River Conservation Programme (CSS) 173.50 National Coastal Management Programme 165.00	<u>Total BE allocation: 181</u> *Breakup of allocation:* Conservation of Natural Resources and Ecosystems including Conservation of Aquatic Ecosystems, Corals, Mangroves and Biodiversity Conservation 86.00 National River Conservation Programme (CSS) 1220 Crs. Allocated under the Ministry of Jal Shakti given below. In previous budgets, it was allocated under Ministry of Environment National Coastal Management Programme 95	<u>Total BE allocation: 186</u> *Breakup of allocation:* Conservation of Natural Resources and Ecosystems including Conservation of Aquatic Ecosystems 83.00 National River Conservation Programme (CSS) 1220 Crs. Allocated under the Ministry of Jal Shakti given below. In previous budgets, it was allocated under Ministry of Environment National Coastal Management Programme 103
BE Allocation under the **Ministry of Water Resources, River Development and Ganga Rejuvenation** for 2017-18 and 2018-19 Budgets For 2019-20 budget, this has been converted	<u>Total BE Allocation: 6887</u> Breakup of allocation not required for 2017-18 not required as entire ministry allocation is cited above and is part of Blue Economy.	<u>Total BE Allocation: 8860</u> Breakup of allocation not required for 2018-19 not required as entire ministry allocation is cited above and is part of Blue Economy.	<u>Total BE Allocation: 8245</u> Breakup of allocation Includes budget allocated to Dept of Water Resources, River Development and Ganga Rejuvenation within the newly formed Ministry of Jal Sakhti. The budget allocated	<u>Total BE Allocation:</u> 8960 Breakup of allocation Includes budget allocated to Dept of Water Resources, River Development and Ganga Rejuvenation within the newly formed Ministry of Jal Sakhti. The budget allocated

to Department under **Ministry of Jal Shakti**			to Department of Drinking Water and Sanitation within Jal Shakti Ministry is not included in the total mentioned above as that's not part of Blue Economy.	to Department of Drinking Water and Sanitation within Jal Shakti Ministry is not included in the total mentioned above as that's not part of Blue Economy.
BE Allocation under the **Ministry of Shipping**	Total BE Allocation: 7382.42 Breakup of allocation not required for 2017-18 not required as entire ministry allocation is cited above and is part of Blue Economy.	Total BE Allocation: 6960.93 Breakup of allocation not required for 2018-19 not required as entire ministry allocation is cited above and is part of Blue Economy.	Total BE Allocation: 7680.35 Breakup of allocation not required for 2019-20 not required as entire ministry allocation is cited above and is part of Blue Economy.	Total BE Allocation: 5514.83 Breakup of allocation not required for 2020-2021 not required as entire ministry allocation is cited above and is part of Blue Economy.
Total	16,902.03	18,602.76	18,333.1	17145.43
Total Budget Allocation for Blue Economy for 2017-18, 2018-19, 2019-20 and 2020-21 financial years	53,837.89 Crores (2017-18, 2018-19, 2019-20) 70,983.32 (2017-18, 2018-19, 2019-20, 2020-21)			

Ministries that subsume noticeable component of Blue Economy Initiatives without delineation

S.No	Ministry	Total Budget Allocation in 2019-20 (In Crores)[i]	FICCI Budget Recommendations for 2020-21	Total Budget Allocation in 2020-21 (In Crores)
1	Ministry of Tourism	2189.22	GOI needs to specifically delineate funds for Cruise Tourism, Beach Tourism, Coastal and Marine Tourism separate to that of Land Tourism Initiatives. FICCI proposes a 5% of additional budget be assigned	2499.83

			for Blue Economy Initiatives within Tourism Ministry.	
2	Ministry of Mines	1675.55	GOI needs to specifically delineate funds for offshore and deep-sea mining. FICCI proposes a 5% of additional budget be assigned for Blue Economy Initiatives within Mines Ministry.	1701.40
3	Ministry of Science and Technology	13056.24	GOI needs to specifically delineate funds for Marine Biotechnology and other initiatives pertaining to Blue Economy within S & T Ministry. FICCI proposes a 5% of additional budget be assigned for Blue Economy Initiatives within S & T Ministry. So far 2580.34 Crs. Has been assigned for Dept of Biotechnology without clearcut delineation for Marine Biotechnology	14,473.29 So far 2786.76 Crs. has been assigned for Dept of Biotechnology without clearcut delineation for Marine Biotechnology
4	Ministry of New and Renewable Energy	5254,83	GOI needs to specifically delineate funds for Offshore Wind, solar, tidal energy as well as other new forms of marine renewable energy. FICCI proposes a 5% of additional budget to be allocated for Blue Economy Initiatives within the Ministry of New and Renewable Energy	5753

Ministries with potential to contribute to Blue Economy Ecosystem for India

S.No	Ministry	Total Budget Allocation in 2019-20 (In Crores)[ii]	FICCI Budget Recommendations for 2020-21	Total Budget Allocation in 2020-21 (In Crores)[iii]
1	Ministry of Commerce and Industry	11893.83	GOI needs to specifically delineate funds for promotion of Marine Commerce.	12,824.87

			FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within Commerce Ministry.	
2	Ministry of Electronics and Information Technology	6654.00	GOI needs to specifically delineate funds for Marine ICT activities. FICCI proposes a 2% additional budget be assigned for Blue Economy Initiatives within this Ministry.	6899.03
3	Ministry of Human Resource Development	94853.64	GOI needs to specifically delineate funds for Marine Education and Research to create a Blue Workforce for India’s Blue Economy. FICCI proposes a 2% additional budget be assigned for Blue Economy Initiatives within this Ministry.	99311.52
4	Ministry of Food Processing	1196.60	GOI needs to specifically delineate funds for food security initiatives pertaining to fisheries, aquaculture and mariculture. FICCI proposes a 2% additional budget be assigned for Blue Economy Initiatives within this Ministry	1232.94
5	Ministry of Labour and Employment	11184.090	GOI needs to specifically delineate funds for creating blue jobs relevant to Blue Economy sectors.	12065.49

			FICCI proposes a 2% additional budget be assigned for Blue Economy Initiatives within this Ministry	
6	Ministry of MSMEs	7011.29	GOI needs to specifically delineate funds for nurturing MSMEs relevant to Blue Economy sectors. FICCI proposes a 2% of budget allocated be assigned for Blue Economy Initiatives within this Ministry	7572.20
7	Ministry of Petroleum and Natural Gas	42901.49	GOI needs to specifically delineate funds for offshore extraction of oil and gas in deep-sea and other extreme locations. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	42901
8	Ministry of Skill Development and Entrepreneurship	2989.21	GOI needs to specifically delineate funds for development of technical skills and promote entrepreneurship within Blue Economy Sectors. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	3002.21
9	Ministry of Women and Child Development	29164.90	GOI needs to specifically delineate funds for providing initiatives to improve	30007.10

			the participation of women workforce in Blue Economy Sectors. At present, Women's role within Blue Economy is not endorsed by GOI. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	
10	Ministry of Social Justice and Empowerment	10089.90	GOI needs to specifically delineate funds for providing initiatives to improve inclusive participation of minorities, SC/ST's and persons with disabilities within Blue Economy Sectors. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	11428.96
11	Ministry of Planning	583.40	GOI needs to specifically delineate funds for preparing a national strategy for implementing India's vision for Blue Economy. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	650
12	Ministry of Statistics and Programme Implementation	5231	GOI needs to specifically delineate funds for devising national accounting framework so as to capture the	5444

			contribution of Blue Economy to India's GDP. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	
13	Ministry of Youth Affairs and Sports	2216.92	GOI needs to specifically delineate funds for encouraging water sports amongst youngsters in India as well as ensure the participation of youth in India by creating exposure on Blue Economy so as to ensure their participation in blue workforce as well contribute to India's future development of Blue Economy. FICCI proposes a 2% additional budget allocated be assigned for Blue Economy Initiatives within this Ministry	2826.92

	Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 50.41 Indian National Centre for Ocean Information Services (INCOIS) 30.05 National Institute of Ocean Technology (NIOT) 29.40 National Centre for Antarctic and Ocean Research (NCAOR) 19.74 Capital Outlay on Oceanographic Research 16.00 Polar Science and Cryosphere (PACER) 127.00	Oceanographic Survey (ORV and FORV) and Marine Living Resources (MLR) 30.00 Indian National Centre for Ocean Information Services (INCOIS) 25.00 National Centre for Antarctic and Ocean Research (NCAOR) 20.00 Capital Outlay on Oceanographic Research 15.00 Polar Science and Cryosphere (PACER) 225.00	Resources and Technology (O-SMART) 483.00 Indian National Centre for Ocean Information Services (INCOIS) 28.00 National Institute of Ocean Technology (NIOT) 35.00 National Centre for Polar and Ocean Research, Goa (NCPOR) 25.00 Capital Outlay on Oceanographic Research 18.00 Polar Science and Cryosphere (PACER) 120.00	Resources and Technology (O-SMART) 567.00 Indian National Centre for Ocean Information Services (INCOIS) 26.50 National Institute of Ocean Technology (NIOT) 51.51 National Centre for Polar and Ocean Research, Goa (NCPOR) 24.79 Capital Outlay on Oceanographic Research 17.00 Polar Science and Cryosphere (PACER) 125.00

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Blue Economy: GOI has proposed to put in place a framework for development, management and conservation of marine fishery resources.	FICCI welcomes the announcement on one of the Blue Economy Sectors ie. Fisheries to create a framework for harnessing the potential of fisheries ecosystem in India
2	Youth in coastal areas benefit through fish processing and marketing. By 2022-23, GOI has proposed raising fish production to 200 lakh	FICCI welcomes the announcement on one of the Blue Economy Sectors ie. Fisheries where GOI has set

	tonnes. Growing of algae, sea-weed and cage Culture will also be promoted. GOI will involve youth in fishery extension through 3477 Sagar Mitras and 500 Fish Farmer Producer Organisations. GOI intends to raise fishery exports to 1 lakh crore by 2024-25.	timebound targets for increasing production, exports, focus on capacity building and skill development in this Blue Sector.
3	Growth of tourism directly relates to growth and employment. States have a critical role to play. GOI expects the State governments 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. For purpose of tourism promotion, GOI has allocated 2,500 crore for 2020-21.	FICCI welcomes the announcement on one of the Blue Economy Sectors ie. Tourism. Delineation of how much funds will be allocated to Coastal, Marine and Cruise Tourism is unclear as this forms the Blue component of this sector.
4	Inland Waterways received a boost in the last five years. The Jal Vikas Marg on National Waterway-1 will be completed. Further, the 890 Km Dhubri- Sadiya connectivity will be done by 2022. Developing waterways has its impact on the eco- system on both the banks of the river. GOI has conceptualised “Arth Ganga”. Plans are afoot to energise economic activity along river banks.	FICCI welcomes announcements made on promotion of Inland waterways schemes. According to FICCI, the Blue Economy encompasses a wide range of economic activities pertaining to sustainable development of resources and assets in the oceans, related rivers, water bodies and coastal regions – in a manner that ensures equity, inclusion, innovation and modern technology.
5	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. Dialogues have been held with State Education Ministries, Members of Parliament and other stake-holders about Education policy. Over 2 lakh suggestions were also received. The New Education Policy will be announced soon.	FICCI welcomes announcements made on new educational policy. Hope Marine education and research are delineated funds separately as its important to create blue workforce to promote blue growth in India
6	GOI proposes to provide about 22,000 crore to power and renewable energy sector in 2020-21	GOI needs to specifically delineate funds for Offshore Wind, solar, tidal energy as well as other new forms of marine renewable energy. FICCI proposes a 5% of additional budget to be allocated for Blue Economy Initiatives within the Ministry of New and Renewable Energy as mentioned above in table 2

Overall Assessment of Budget for Sector’s Growth and Development

To complement and support the vision of Government of India as well as to identify an industry vision, FICCI established a Taskforce on Blue Economy in 2016 and Core Group of Experts in 2018. FICCI has published two reports on Blue Economy and has tabled a pre-budget memo to the GOI requesting for a Blue Economy Budget similar to that of the Gender Budget which details all funds allocated for all Blue Economy sectoral ministries. Since Blue Economy covers more than 10 sectors as identified by FICCI, mention was made only for Fisheries in the context of Blue Economy. We hope GOI will review FICCI’s recent report on Blue Economy launched in 2020.

- Marine Fishing
- Marine Biotechnology
- Offshore and Deep-Sea Mining
- Marine Tourism and Leisure
- Shipping, Port and Maritime Logistics
- Marine Construction
- Marine Renewable Energy
- Marine Manufacturing
- Marine Commerce and ICT
- Marine Education and Research

Financial Services

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Department of Financial Services	16088.57	83884.00	29075.02	-65%
Investment in Public Enterprises-				
• National Bank for Agriculture and Rural Development	2000.00	1500.00	1000.00	-33%
• Recapitalization of Public Sector Banks	106000.0	65443.00	0.02	NA
• Export Import Bank of India	500.00	1500.00	1300.00	-13%
• Recapitalization of Regional Rural Banks	108.00	705.00	200.01	-72%
• India Infrastructure Finance Company Limited	100.00	5800.00	10000.00	72%
Outlays for key sectoral schemes related to DFS				
Interest Subsidy for Short Term Credit to Farmers	11495.66	17863.43	21175.00	19%
Crop Insurance Scheme	11937.02	13640.85	15695.00	15%
Promotion of Digital Payment	770.29	480.00	220.00	-54%
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	1241.13	54370.15	75000.00	38%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Increase in Deposit Insurance Coverage for a depositor from `one lakh to `five lakh.	Increasing Deposit Insurance Coverage will increase the confidence of customers in the banking institutions. It will also boost consumer savings and deposits of the banks.
2	The government will take appropriate measures to bring in transparency and greater professionalism in Public Sector Banks.	The frauds at Punjab National Bank and Punjab and Maharashtra Cooperative Bank (PMC) have reflected weak risk management tools and inadequate governance mechanism in the banking system. This has shaken the confidence of customers in the banking institutions. Transparency and

		greater professionalism in Public Sector Banks will lead to profitability of PSBs.
3	Amendments to the Factor Regulation Act 2011.	Enabling NBFCs to extend invoice financing to the MSMEs through TReDS will give boost to MSME financing.
4	An app-based invoice financing loans product will be launched.	This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs. Fintechs will be able to leverage technology and reach out to MSMEs that are remotely located.
5	Turnover threshold for audit increasing from the existing ` 1 crore to ` 5 crore	Increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash. This would boost digital payments and digital economy.
6	Aadhaar based verification of taxpayers is being introduced and Dynamic QR-code is proposed for consumer invoices.	GST parameters will be captured when payment for purchases is made through the QR-code. This would be help Fintechs design & provide flow based lending solutions especially for MSMEs
7	Scheme to provide subordinate debt for entrepreneurs of MSMEs.	This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE). This would also enhance financing options for MSMEs.
8	Tax benefits to Start-ups by way of deduction of 100 per cent of their profits are enhanced by increasing turnover limit and period of eligibility	India has emerged as top destination for fintech funding. The mature fintechs will benefit from it and would boost emerging Fintechs in accessing funding as well as scale up.
9	The government proposes to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups.	A vast majority of start-ups in India are Fintechs. This would be lead to emergence of more Fintechs and greater impetus on digital financial inclusion.
10	Relaxation of taxes levied on employee stock ownership plans (ESOPs) for start-ups.	Deferring the tax payment by five years or till they leave the company or when they sell their shares, whichever is earliest would lead to talent attraction & management in case of fintechs.

Overall Assessment of Budget for Sector’s Growth and Development

The Union Budget for the year 2020 - 21 is progressive for the financial services sector and touches upon all the key segments i.e. the banks, NBFCs, Infrastructure finance, MSME and Fintechs.

The Finance Minister announced that consolidation of 10 banks into four is underway. Further, Government of India has infused about` 3,50,000 crore by way of capital into Public Sector Banks for regulatory and growth purposes and few among them will be encouraged to approach capital market to raise additional capital. FM also announced selling government's stake in IDBI bank to private investors.

FM further stated that Governance reforms would be carried out in these banks, so that they become more competitive. Government also intends to introduce major reforms in recruitment to Non-Gazetted posts in governments and public sector banks. Also to strengthen the Cooperative Banks, amendments to the Banking Regulation Act are proposed for increasing professionalism, enabling access to capital and improving governance and oversight for sound banking through the RBI.

Increasing Deposit Insurance Coverage will increase the confidence of customers in the banking institutions. It will also boost consumer savings and deposits of the banks. However, it will also lead to increase in deposit premiums for banks.

MSMES financing has got a major boost in this budget. Measures such as enabling NBFCs to extend invoice financing to the MSMEs through TReDS platform, launching an app-based invoice financing loans product and provision of subordinate debt by banks to MSMEs are very encouraging. Fintechs can take benefit of this growth stimulus and SME focused initiatives.

Fintechs will also get a further fillip from the budget. Announcement like tax benefits to Start-ups, early life funding by government and relaxation of taxes levied on employee stock ownership plans (ESOPs) for start-ups will strengthen India as top destination for fintech.

Capital Goods

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	1035.02	1308.61	1489.98	13.85
Outlays for key sectoral schemes	330.46	236.50	173.31	(26.71)
Enhancement of Competitiveness in the Indian Capital Goods Sector	110.46	102.30	173.11	69.21

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
	Exemption from Basic Custom Duty on goods specified for construction of roads specified in list 14 and 15 vis-à-vis notification 50/2017 like surface dressing equipment (self-propelled), fully automatic, hydraulically operated, pre-cast segment moulds, drilling jumbos, Loaders, Excavators, Shortcrete machine and 3 stage crushers etc. are being withdrawn and now will be levied standard rate.	Withdrawal of basic custom duty will reduce import dependence and encourage domestic manufacturing.
	Basic Custom Duty on Pressure Vessel, HS Code:84198910 is increased from 7.5% to 10%	Increased custom duty will reduce import dependence. However, this will not address fully the issue of inverted duty structure where raw materials for Pressure Vessels are imported at higher duties and pressure vessels are imported at zero duty under India-Korea FTA.
	Investment of Rs. 100 Lakh Crore for National Infrastructure Pipeline Projects like: • Railway projects • New and Renovated Railway stations, • construction, operation and maintenance of rail infrastructure • Electrification of 27000 km of railway tracks • More High-speed trains like Tejas. • Bengaluru suburban transport project • Station Redevelopment through PPP Model	FICCI Report Identifies Manufacturing Opportunities worth Rs. 28,000 crore per annum and 7 lakh new jobs in Railways for the Capital Goods Sector. National Infrastructure pipeline projects majorly consists of Railway projects which will increase the infrastructural demand for capital goods sector.

	Quality Control Order to be introduced relevant to all sectors	This will ensure standardized capital goods to be manufactured by domestic industries and the imports of same standard products.
	NIRVIK (Niryat Rin Vikas Yojana) scheme to provide enhanced insurance cover and reduce premium for small exporters.	The announcement of scheme will boost the exports of various products by easing credit availability for MSME exporters.
	Announcement of scheme for Reversion of duties and taxes on exported products	Reversion of duties and taxes on exported products will make exports of capital goods competitive.

Overall Assessment of Budget for Sector's Growth and Development

There have not been many sector specific announcements for capital goods in the budget. However, many announcements related to infrastructure were made that will have indirect impact on capital goods. Big announcements for infrastructure development and investment like National Infrastructure Pipeline Projects, electrification of railway tracks, accelerated highway bundles and new airport infrastructure will indirectly boost the demand for capital goods. This will give the opportunity for Indian Railways to utilize their domestic capacities to full potential and generate large scale employment.

Withdrawal of exemptions of basic custom duty on certain capital goods item and duty reversions for exporters will provide level-playing field for domestic industry and encourage exports respectively.

Capital Markets

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Ministry of Corporate Affairs	591.5	576	727.62	- 20.83%
Outlays for key sectoral schemes: Corporate Data Management & Data Mining Schemes	5.49	12.95	11.5	12.6%
Other Central Sector Expenditure: Insolvency & Bankruptcy Board of India (IBBI)	20.7	21.5	44.6	- 51.8%
Competition Commission of India (CCI)	153.05	55.49	66	-15.92%
Indian Institute of Corporate Affairs (IICA)	5.7	3.75	-	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Abolition of Dividend Distribution Tax**	The abolition of dividend distribution tax at the company level will increase the surplus in the hands of the corporates and dividends received in the hands of the shareholders. Abolition of DDT is expected to make India an attractive investment particularly for foreign investors.
2	**Steps to deepen Corporate Bond Market** - A legislation would be drafted for laying down a mechanism for netting of financial contracts. - Certain specified categories of Government securities would be opened fully for non-resident investors, other than domestic investors. - Limit for FPI in corporate bonds to be increased from the current level of 9% to	Such steps would go a long way to create a vibrant bond market and can play a crucial role in achieving India's goal of becoming USD 5 tn economy. In particular, the new debt-based Exchange Traded Fund will give retail investors access to government securities other than providing an attractive investment option for pension funds and long-term investors.

	15% of the outstanding stock of corporate bonds. - Proposal to float a Debt-ETF consisting primarily of government securities.	
3	**Tax concession for foreign investments** - Extension of period of concessional withholding rate of 5% up to 30th June 2023 for interest payment to: • non-residents in respect of moneys borrowed and bonds issued • Foreign Portfolio Investors and Qualified Foreign Investors in respect of bonds issued by Indian companies and government securities. - Extension of concessional rate of withholding of 5% to the interest payment made on the Municipal Bonds - Reduction in the withholding rate from 5% to 4% on interest payment on the bonds listed on the IFSC exchange.	These steps will incentivise investment and increase the inflow of foreign capital, thereby providing a boost to the economy.
4	**Tax concession for sovereign wealth funds** 100% tax exemption to interest, dividend and capital gains income in respect of investment made by the Sovereign Wealth Fund of foreign governments in infrastructure and other notified sectors before 31st March 2024 and with a minimum lock-in period of 3 years.	This is a very significant positive announcement which will provide an impetus to the infrastructure investments in India while also providing the much-needed long term finance.
5	**Setting up of an International Bullion exchange in GIFT-IFSC**	This is a positive move which would create an additional option for trade by global market participants. It will lead to better price discovery of gold.
6	**Proposed listing of LIC through IPO route**	This will draw huge investments into the markets – both foreign as well as domestic and this and other disinvestments of public sector enterprises would help increase the depth of Indian capital market.
7	**ESOP tax relaxation for start ups** Payment of tax on ESOPs held by employees in start-ups deferred by 5 years, or until employees leave the company, or when they sell their shares, whichever is earlier	ESOPs serve as an important compensation tool for employees and for startups as they help reduce attrition rates and retain talent.

		This proposal will give a boost to the start-up ecosystem while easing the burden of taxation on the employees.
8	**Public sector banks to approach capital market**	Apart from deepening the capital market in India, this step will help offer alternate sources to banks to raise additional capital and reduce dependency on the Government for capital infusion.
9	**Removal of criminal liability for acts of civil nature** There is a proposal to review all statutes which impose criminal liability for acts that are civil in nature such that they can be rationalized and corrective action may be taken. This will on the lines of decriminalization of several provisions under the Companies Act, 2013.	This is a forward-looking initiative of the Government which will significantly enhance ease of doing business apart from increasing India's image as an attractive investment destination.
10	**Measures to improve governance** - Adoption of Taxpayer's Charter as part of the statute - Introduction of governance reforms to make public sector banks more competitive - Focus on seamless delivery of services through Digital Governance - Setting up of an Investment Clearance Cell that will work through a portal to provide end to end facilitation and support, including pre-investment advisory, information related to land banks and facilitate clearances at Centre and State level.	These good governance measures would significantly contribute in achieving the Government's objective of Ease of Living while instilling a great degree of faith and trust between the corporate sector and the administration.

Overall Assessment of Budget for Sector's Growth and Development

The budget for the year includes proposals for strengthening the capital market. The most significant announcement has been on development of corporate bond market by expanding the scope of credit default swaps. A vibrant bond market would serve as an alternative platform for raising debt finance and reducing dependence on the banking system. A debt-Exchange Traded Fund consisting primarily of Government securities is also proposed that would give retail investors access to government securities other than providing an attractive investment option for pension funds and long-term investors. The ambitious disinvestment target of the Government for the year would also help increase the depth of the equity market by increasing more retail participation.

Demands such as removal of long-term capital gains and tax on buy-back, introduction of tax benefit for retail participation in debt; introduction of debt linked Savings Scheme, encouraging domestic institutional participation in derivative markets - have not been met in the current budget. These would have further augmented both retail and institutional participation in the capital market.

Chemicals & Petrochemicals

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019- 20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	339.87	370.18	218.34	-41%
Establishment Expenditure of the Centre				
1. Secretariat	18	18.08	19.99	11%
Central Sector Schemes/Projects				
2. Assam Gas Cracker Project	200	200	0.01	-100%
3. Chemical Promotion and Development Scheme	2.22	3	3.5	17%
4. Promotion of Petrochemicals	19.17	31.65	53.79	70%
Other Central Sector Expenditure	221.39	234.65	57.3	-76%
5. Assistance related to Bhopal Gas Leak Disaster	20.98	27.95	31.8	14%
Autonomous Bodies				
6. Central Institute of Plastic Engineering and Technology	72	81.5	98.25	21%
7. Institute of Pesticides Formulation Technology (IPFT)	7.5	8	11	38%
Economic Services				
1. Industries	321.87	330.1	192.62	-42%
2. Secretariat-Economic Services	18	18.08	19.99	11%
Others				
4. North Eastern Areas	0	22	5.73	-74%

Key Budget Announcements and Implications

S.No.	Budget Announcement	Likely Implication
1.	To encourage balanced use of all kinds of fertilizers including the traditional organic and other innovative fertilizers. This is a necessary step to change the prevailing incentive regime, which encourages **excessive use of chemical fertilizers**.	This is likely to boost the use of organic fertilizers if government provides subsidy for the same .
2	Imports under **Free Trade Agreements** (FTAs) are on the rise. Undue claims of FTA benefits have posed threat to domestic industry. Such imports require stringent	This will ensure level playing field for domestic industry and support Make in India Initiative

	checks. In this context, **suitable provisions are being incorporated in the Customs Act**.	
3	Strengthening provisions relating to safeguard duties which are applied when surge in imports causes serious injury to domestic industry.	Amended provisions will enable to keep a strong check on dumping of goods and thus ensuring a level playing field for domestic industry.

Overall Assessment of Budget for Sector's Growth and Development

- Substantially increasing investment and opportunities in Agriculture, Manufacturing and allied sectors will indirectly boost the investment in the Chemicals & Petrochemical sector.
- The promotion of petrochemicals under the central scheme of the government has increased.
- The government has provided substantial support to the autonomous bodies.

Civil Aviation

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	**2019- 20 RE**	**2020-21 BE**	**% change (FY21 over FY20)**
Overall for the Sector / Ministry	***9599***	**3700**	**3797.71**	**2.64 %**
Outlays for key sectoral schemes				
A. Establishment Expenditure of the Centre				
Secretariat	39.4	51.03	43.36	-15.03 %
Directorate General of Civil Aviation	172.65	222.47	193.34	-13.09%
Bureau of Civil Aviation Security	27.61	56.35	49.3	-12.5%
Airports Economic Regulatory Authority	10.6	...	...	0%
Commissioner for Railway Safety	12.16	14.45	14.46	0.07%
Actual Recoveries	-1.2	...	...	0%
Total-Establishment Expenditure of the Centre	**261.22**	**344.3**	**300.46**	**-12.73 %**
B. Central Sector Schemes/Projects				
Turnaround Plan of Air India Ltd.	3975	0.01	0.01	0%
Regional Connectivity Scheme	403.99	451.51	465.17	3.03 %
Purchase of two new aircraft for Special Extra Section Flight operations.	3549.5	272.35	810.23	197.50 %
Air India Asset Holding Limited (SPV)	1300	2600	2205	-15.19 %

Mobile Air Dispensary and Air Ambulance	...	...	0.01	
Purchase of Electric Operated Golf Carts for Senior Citizens at AAI Airports.				
1. Purchase of Electric Operated Golf Carts for Senior Citizens at AAI Airports.	0.98	...	...	
Total-Central Sector Schemes/Projects	9229.47	3323.88	3480.42	**4.7 %**
C. Other Central Sector Expenditure				
1. Autonomous Bodies				
Indira Gandhi Rashtriya Udaan Academy and National Aviation University	**35**	17.8	7.33	-58.82 %
Airports Economic Regulatory Authority	...	14	9.48	-32.28%
Total-Autonomous Bodies	**35**	**31.8**	**16.81**	**-47.13%**
2. Public Sector Undertakings				
Airports Authority of India	73.31	**0.01**	0.01	0%
Total- Other Central Sector Expenditure	73.31	**0.02**	0.02	**0%**

Key Budget Announcements and Implications

S.No.	Budget Announcement	Likely Implication
1	**Krishi Udaan scheme** will be launched by the Ministry of Civil Aviation on international and national routes. This will immensely help to improve value realization especially in North-East and tribal districts.	Enhancement of regional connectivity, as well as facilitating the exports of agricultural goods; further boosting the economy.
2	Air traffic has been growing rapidly in the country as compared to global average**. 100 more airports** would be developed by 2024 to support Udaan scheme. It is expected that the air fleet number shall go up from the present 600 to 1200 during this time.	Increase in number of airports may reduce air traffic and thus reduce the cost of flying. This will increase the number of people travelling by air. The scheme will result in enhancement of infrastructure facilities of the country.

Overall Assessment of Budget for Sector's Growth and Development

- Overall, the Union Budget of 2020-21 is an expansionary one that seeks to boost consumption. In terms of civil aviation, the government has increased the allocation for the regional connectivity scheme, UDAN, by 3% over the last budget. It is a welcome step.
- The overall Central schemes for the sector have increased as compared to the last year.
- However, we hope the allocation for the civil aviation sector will be corrected in the full-year budget. India will continue to see double-digit growth in domestic air passenger traffic and could become the world's third-largest air passenger market within the next decade after China and the US.

Defence

Budget Outlay for Sector (Rupees Crore)

	2017-18 Actual	2018-19 RE	2019-20 RE	2020 – 2021 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	276574	285423	316296	323053	**2.1362**
Capital Outlay on Defence Services	90438.40	93982.13	110394.31	113734	3.0252
Army	27148.26	26813.71	29666.9	32392.38	9.1869
Navy	20118.58	20890.87	26156.43	26688.28	2.0333
Air Force	34917.6	35770.17	44869.14	43281.91	-3.5374
Technology Development - Assistance for prototype development under make procedure					
Projects of the Army	N/A	2 (127.29 BE)	Nil (50 BE)	**70**	
Projects of the Air Force	N/A	N/A (14.55 BE)	78 (44.55 BE)	**Nil**	

Key Budget Announcements and Implications

	Budget Announcement	Implication
1	Investment Clearance Cell to be set up to provide end to end facilitation services, including free investment advisory, information related to land banks. It will work through a portal	Will facilitate entry of MSME into sector
2	Scheme for electronics manufacturing and semi-conductor packaging	Will further incentivise electronics industry. Filip to semiconductor will help develop industry. Both sectors have several applications in defence
3	National Technical Textiles Mission with an outlay of ₹1,480 crore over 4 years to cut down imports.	Will encourage development of indigenous Technical Textiles, which have many defence applications
4	A new scheme, NIRVIK will be launched. Reversion of duties and taxes on exported products to be launched this year.	Policy to encourage exports. Is in line with government's target of achieving annual target of 35,000 cr in defence exports.

Overall Assessment of Budget for Sector's Growth and Development

- A ~2% YoY increase of overall defence budget (compared to about 7% YoY for the previous year), with a 3% YoY increase for capital outlay (compared to 10% increase YoY for the previous) is discouraging for the defence industry.
- Given the urgent need to modernize the armed forces in the background of an already tight budget for previous procurement payments, new acquisitions will be affected.
- Meanwhile, development on Defence Corridors is still slow, and RE of the Technology Development Funds under 'Projects of the Army' was NIL for last year and BE for 'Projects of the Air Force' is NIL this year, further dampening industry spirit.
- Certain announcements on improving Ease of Doing Business and encouraging Startups. While they were not specific to the Defence sector, the industry at large may benefit from the new announcements. Their impact can only be ascertained after their implementation.

Drones

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Ministry of Electronics & Information Technology				
Digital India Programme - Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters)	727.35	690	980	42%
Research & Development in IT/Electronics/CCBT	179	435	762.99	75%

Key Budget Announcements and Implications

The new economy is based on innovations that disrupt established business models. Artificial intelligence, Internet-of-Things (IoT), 3D printing, drones, DNA data storage, quantum computing, etc., are re-writing the world economic order. India has already embraced new paradigms such as the sharing economy with aggregator platforms displacing conventional businesses. Government has harnessed new technologies to enable direct benefit transfers and financial inclusion on a scale never imagined before.

	Budget Announcement	Likely Implication
1	The Government proposed a scheme focussing on encouraging manufacture of mobile phones, electronic equipment and semi-conductor packaging. Details would be announced later.	Electronics manufacturing industry is very competitive and India has shown its cost advantages. The potential of this industry in job creation is immense. India needs to boost domestic manufacturing and attract large investments in the electronics value chain. The proposed scheme could boost manufacturing of Drones in India.
2	To achieve higher export credit disbursement, a new scheme, NIRVIK is being launched, which provides for higher insurance coverage, reduction in premium for small exporters and simplified procedure for claim settlements.	The proposed scheme could support export of Drones and help India to become Drone capital of the world.
3.	Knowledge Translation Clusters would be set up across different technology sectors including new and emerging areas. For designing, fabrication and validation of proof of concept, and further scaling up	This would support start-ups in Drone industry

	Technology Clusters, harbouring such test beds and small scale manufacturing facilities would be established.	

Overall Assessment of Budget for Sector's Growth and Development

The Indian Drone sector hold tremendous opportunities and if unleashed has the potential to transform many of the sectors and could contribute significantly to India's GDP, due to multiplier effect.

- In 2020-21, there is an increase of 42% in budgetary allocation for Promotion of Electronics and IT Hardware Manufacturing in India. The Government has been taking several initiatives on continuous basis for promotion of electronics manufacturing in the country to provide an enabling environment for the industry to compete globally. Electronics manufacturing is one of the important pillars of Digital India Programme and target to achieve net zero imports is a striking demonstration of intent. The demand for electronics hardware is expected to rise rapidly and India has the potential to become an electronics hardware manufacturing hub and contribute significantly to the GDP, employment opportunities and exports.
- There is an increase in budget estimates for R&D in IT & electronics by 75% over the last revised estimates. Proliferation and absorption of emerging technology by supporting R&D is one of the important objectives of Digital India program apart from creating essential R&D infrastructure and scientific & technical human capital. The outcome of these endeavours is expected to increase the start-up base in the country, enhance the IP portfolio, development of indigenous technology and know-how and its transfer to Indian companies for manufacturing.

Education

Budget Outlay for School Education Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	**48440.57**	**56536.63**	**59845**	**5.8%**
Outlays for key sectoral schemes				
National Award to Teachers	0.75	1.34	1.50	11.94
National Means cum Merit Scholarship Scheme	319.17	335.20	373.00	11.27
National Scheme for Incentive to Girl Child for Secondary Education	164.58	87.67	110.00	25.47
Operation Digital Board (ODB)	-	-	25	New Scheme
Pradhan Mantri Innovative Learning Programme (DHRUV)	-	-	10	New Scheme
Kendriya Vidyalaya Sangathan (KVS)	5006.75	6006.46	5516.50	(8.15)
Navodaya Vidyalaya Samiti (NVS)	3213.00	3388.00	3300.00	(2.59)
National Council of Educational Research and Training (NCERT)	283.54	277.38	300	8.15
National Education Mission (Samagra Shiksha, Sarva Shkhsa Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, Teachers Training and Adult Education)	29436.90	36292.30	38860.50	7.07
National Programme of Mid Day Meal in Schools	9514.34	9912.21	11000.00	10.97

Budget Outlay for Higher Education Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	**31904.27**	**38317.01**	**39466.52**	**2.9%**
Outlays for key sectoral schemes				

National Initiative on Sports and Wellness	-	1	5	400%
World Class Institutions	400	325	500	53.8%
Special Scholarship Scheme for J&K	-	-	225	225%
Scholarships for College and University Students	306	381 (budgeted was 356)	141	(62%)
Digital India e-learning	579	541	444	(17.9%)
MOOCS	130	130	75	(42%)
NMEICT	113	132	85	(35.6%)
Research & Innovation	205	339	307	(9.4%)
IMPRESS	3.75	37.5	-	
SPARC	30	112	40	(64.2%)
Start up Initiative in HEIs	82	45.47	100	19.9%
National Initiative for design innovation	21.62	20.50	35	70.7%
Unnat Bharat Abhiyan	13.83	17.85	32.4	83.9%
Pandit Madan Mohan Malviya National Mission on Teachers and Teaching	102.68	130	50	(61.5%)
NIRF	0.45	3.59	2	(44.2%)
Study in India	20	32	65	103%
Planning Administration and Global Engagement	62.75	68.48	102.7	49.9%
EQUIP	-	0.01	1413	The increase is due to the fact that EQUIP program is being rolled out this year
Champion Services Sector Schemes – Internationalization of Higher Education	-	50.2	102	103%
RUSA	1392	1380	300	(78%)

Key Budget Announcements for School Education and Implications

	Budget Announcement	Likely Implication
1	Steps to be taken to enable sourcing External Commercial Borrowings and FDI so as to deliver higher quality education	• This is a good move forward. Institutions with high credit ratings should be allowed to borrow from foreign markets which supposedly will bring down the cost of borrowing. However, there is a need to have more clarity in terms of the prerequisites required for the borrowing.

		• It shall attract long term capital and credible foreign players. Further, it shall allow existing schools to re-capitalise and expand. • As recommended by FICCI, this will have a favourable impact on the cost structure of the institutions. There is also a need to allow charitable trust and societies running educational institutions to invest in a **wider asset class** such as equity, alternative investment funds, investment trusts in addition to the currently permissible instruments such as debt, debt related instruments. • Also there is a need to permit adoption of Prop-Co & Op-Co model for schools & HEIs to leverage the real estate to raise low-cost long-term capital through REIT's & InVIT's
2	150 higher educational institutions (HEIs) to start apprenticeship embedded degree/diploma courses by March 2021. Besides, internship opportunities to be provided to fresh engineers for a period up to one year in urban local bodies across the country	• This is a much-needed step aimed to enhance the employability skill sets of the graduates by providing them on the shop floor experience and making them effectively productive right from day one.
3	A degree level online education programme to be offered by institutions which are ranked within top 100 in the National Institutional Ranking framework (NIRF).	• FICCI has been recommending that technology is a great leveller and can play a huge role in addressing the issue of access to quality education (especially for the rural and less privileged group). • This will help to improve Gross Enrolment ratio (GER). However, the territorial jurisdiction currently imposed by UGC on 'Deemed to be universities' should be resolved. • In addition to this, Institutions categorized as Category –I or II (under UGC Graded Autonomy Regulation 2018) should also be allowed to access foreign markets where demand for Indian education, especially among Indian Diaspora is high. This would be in line with the Study in India.
4	Under "Study in India" (SII) programme, conduct SAT like examination (with name Ind-SAT) for benchmarking Asian and African countries.	• It is a good scheme that will help in getting quality foreign students from the targeted countries of Asia and Africa under SII program. It will also help to develop a national standard for all the host Indian institutions and contribute in creating a rich diversity of talent pool in Indian universities.

5	National Police University and a National Forensic Science University are being proposed in the domain of policing science, forensic science, cyber-forensics etc	• Against the backdrop of rapid increase of various kinds of crimes, there is a rising need of cyber security and forensic science experts. This is a good move forward.
6	Attachment of Medical colleges with Districts hospitals on PPP mode and run special bridge courses for medical staff	• This will help promote the much need quality medical education in the country taking it to tier 2 and tier 3 cities.
7	A digital platform to promote IPR and a Centre to be created at an Institute of Excellence (IoE) to work on the complexity of IPR.	• This is a positive move. However, policy pertaining to Intellectual Property Rights (IPR) should be clearly defined in terms of the proportion of price of invention accruing to the academic institution, the innovator and the industry
8	INR 8000 crores to be allocated over a period of five years for the "National Mission on Quantum Technologies and Applications". Also Knowledge Translation Clusters to be set up across different technology sectors including new and emerging areas.	• This is welcome move especially in a scenario of technology-led disruptions of Industry 4.0, where skills and expertise requirements are ever-changing. • FICCI has been recommending to allocate a fund of **Rs. 2500 Cr** to develop Centre of Excellence (CoEs) for Industry 4.0 related technologies in the country. • With the onset of Industry 4.0, skill redundancy has increased. FICCI EY report of Future of Jobs states that 37 % of the work force by 2022 would require radically changed skill sets.
9	Proposal to establish an Indian Institute of Heritage and Conservation (with the Deemed to be universities status) and aTribal Museum in Ranchi.	• At the backdrop of exponential technologies, there is a growing thrust on developing traditional clusters which will create a rural entrepreneurship and employment opportunity. This is a welcome move by the government. Such institution can act as "Mentor Agencies" for the traditional clusters.

Overall Assessment of Budget for Sector's Growth and Development

There has been an incremental increase in the budget allocation for school education sector by 5.85% and higher education sector by 2.9%. Though it lays emphasis on teacher empowerment and skills development, however higher-level skills required for future jobs should be integrated with an agile Higher Education framework. We look forward to the new National Education Policy being implemented, the draft of which has suggested several futuristic and transformational measures.

Electronics & Mobile Manufacturing

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	6357.42	5839.46	6899	18
Key sectoral schemes				
Standardization, testing and Quality Certification (STQC)	107.47	120	125	4
Promotion of Electronics and IT HW Manufacturing (MSIPS, EDF and Manufacturing Clusters)	727.35	690	980	42

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A scheme focused on encouraging manufacturing of mobile phones, electronic equipment and semi-conductor packaging. Details to be announced later.	To help India to integrate in the Global Value Chain of electronics, reduce dependence on imports and encourage exports
2	With suitable modifications, the above scheme to be adapted for manufacture of medical devices too	Would reduce dependence on imports and help in integrating with the global value chain of Medical devices
3	Basic custom duties have been increased on number on components used in mobile phones from 10 to 20% and from NIL to 10%.	To encourage value addition of the mobile value chain in the country and reduce dependence on imports. This includes items like Populated PCBs whose import was more than US $ 2 billion in 2018-19 and other parts like display assembly, vibrator motor etc whose imports were over US $ 6.5 billion in 2018-19
4	Changes in personal income tax for individuals	Benefit on income tax front to stimulate demand for electronics and consumer durable goods

Overall Assessment of Budget for Sector's Growth and Development

The budget has provided clear direction for integration of Indian electronics industry with the Global Value Chain (GVC) and also to reduce dependence on overall electronics imports that are to the tune of US $ 55 billion today. Electronics manufacturing in India is competitive, and we have cost advantages and potential to be the export destination for these products. Policies and schemes announced in the budget will provide boost to manufacturing in the country and also help in immense job creation. Announcements will also help in attracting large investments in the electronics value chain.

Environment

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	2585.57	2657.94	3100	16.6% (Positive)
Outlays for key sectoral schemes				
Scheme A **(Pollution Abatement)**	19.72	10	10	0% (No Change)
Scheme B **(Hazardous Substances Management (HSM))**	12.96	4.25	12	182.4% (Positive)
Scheme C **(Control of Pollution)**	4.95	445	460	3.4% (Positive)
Scheme D **(Climate Change Action Plan)**	33.17	15	40	166.7% (Positive)
Scheme E **(National Adaptation Fund)**	109.78	40	80	100% (Positive)

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A corpus of Rs 4,400 Crore allocated for clean air incentives in cities with over 1 million people for the FY 2020-21. Old thermal plants to be closed-down if the plant fails to comply with the set emission norms.	These measures would significantly contribute towards combating air pollution.
2	The reference of the launch of the Coalition for Disaster Resilient Infrastructure (CDRI) by the Prime Minister in the month of September 2019 was given. This global partnership is the second such international initiative BY India after the launch of International Solar Alliance in 2015. This Global Partnership will help in addressing number of Sustainable Development Goals (SDGs). India's NDC commitments under Paris Agreement as action will be executed in various sectors by the Departments/Ministries concerned through the normal budgeting process.	It will enhance climate change adaptation with a focus on disaster resilient infrastructure. India submitted its Nationally Determined Contribution, under the Paris Agreement in 2015 on a "best effort" basis, keeping in mind the development imperative of the country. Its implementation effectively begins on 1st January 2021.
3	Initiated two new national level Science Schemes for mapping India's genetic landscape for various purposes including biodiversity management.	This will help in the creation of a comprehensive database and resource management.
4	The budget also focused on encouraging balanced use of all kinds of fertilizers including	This will discourage the excessive use of chemical fertilisers and will lead to changed

	the traditional, organic and other innovative fertilizers.	focus towards composting and use of organic fertilizers.

Overall Assessment of Budget for Sector's Growth and Development

- The Union Budget for the FY 2020-21 identifies Environment and Climate Change as one of the themes under '***Caring Society***'.
- **A comparison with previous year's budget has been shown above.** There is emphasis on measures to combat air pollution through various budgetary allocations and regulatory guidelines.
- Reference of PM's launch of Global Coalition for Disaster Resilient Infrastructure which aims to promote resilience of new and existing infrastructure systems to climate and disaster risks was given. This global coalition will strengthen the activities for achieving the SDGs and the Climate Change adaptation strategies for climate resilient infrastructure. India is at very good position in terms of achieving the NDC targets committed under Paris Agreement keeping the development imperative in mind. India's commitments as action will be executed in various sectors by the Departments/Ministries concerned through the normal budgeting process.

External Trade

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	6146.09	7219.32	6219.32	(-) 13.87%
Outlays for key sectoral schemes				
Interest Equalisation Scheme	2600.00	2868.00	2300.00	(-) 19.80%
Investment in ECGC (Export Credit Guarantee Corporation)	500.00	800.00	650.00	(-) 18.75%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	NIRVIK scheme to provide higher insurance coverage, reduction in premium for small exporters and simplified procedure for claim settlements.	It will ease the lending process and enhance the availability of credit to exporters.
2	National Logistics Policy (to be announced soon).	Proposed National Logistics Policy will address several infrastructure deficiencies and supply-side constraints, that are now adversely impacting exports.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2020-2021 has made announcement for the new export credit insurance scheme `NIRVIK'. The implementation of this scheme will provide enhanced insurance coverage, simplified procedure for claim settlements and affordable and accessible credit to small exporters.

The issuance of quality standard orders by the nodal ministries will ensure better quality products to the Indian consumers by enabling traders to meet technical standards. It will also help exports from India, besides playing a critical role in restricting non-essential imports into the Country.

The review of "Rules of Origin" requirements in Customs is a welcome step, which will support in reducing the possibility of circumvention.

FICCI looks forward to the launch of "Reversion of duties and taxes on exported products" which will provide refund to exporters for duties and taxes which are not refunded/exempted under any other existing mechanism (such as Electricity duties, VAT on petroleum goods).

Financial Services

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Department of Financial Services	16088.57	83884.00	29075.02	-65%
Investment in Public Enterprises-				
• National Bank for Agriculture and Rural Development	2000.00	1500.00	1000.00	-33%
• Recapitalization of Public Sector Banks	106000.0	65443.00	0.02	NA
• Export Import Bank of India	500.00	1500.00	1300.00	-13%
• Recapitalization of Regional Rural Banks	108.00	705.00	200.01	-72%
• India Infrastructure Finance Company Limited	100.00	5800.00	10000.00	72%
Outlays for key sectoral schemes related to DFS				
Interest Subsidy for Short Term Credit to Farmers	11495.66	17863.43	21175.00	19%
Crop Insurance Scheme	11937.02	13640.85	15695.00	15%
Promotion of Digital Payment	770.29	480.00	220.00	-54%
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	1241.13	54370.15	75000.00	38%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Increase in Deposit Insurance Coverage for a depositor from one lakh to five lakhs.	This revision in coverage was essential, especially in India, as it provides a wider insurance coverage to the hard-earned money of people, including that of senior citizens or retired people who mostly keep fixed deposits for earning interest income. This step will increase the confidence of customers in the banking institutions and also boost consumer savings and deposits of the banks.

2	The government will take appropriate measures to bring in transparency and greater professionalism in Public Sector Banks.	Transparency and greater professionalism in Public Sector Banks will lead to greater efficiency in PSBs and bring improvement in service delivery and profitability.
3	An app-based invoice financing loans product will be launched.	This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs. Fintechs will be able to leverage technology and reach out to MSMEs that are remotely located.
4	Turnover threshold for conducting audit increased from the existing Rs. 1 crore to Rs. 5 crores for MSMEs.	This will reduce the compliance burden on small retailers, traders and shopkeepers mainly comprising the MSME sector. Increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash. This would boost digital payments and digital economy.
5	Measures for improving compliance: - Introduction of Aadhaar based verification of taxpayers - Proposal of Dynamic QR-code for consumer invoices - Proposal of a system of cash reward for incentivizing customers to seek invoice	GST parameters will be captured when payment for purchases is made through the QR-code. This would be help Fintechs design & provide flow based lending solutions especially for MSMEs.
6	Introduction of scheme to provide subordinate debt for MSME entrepreneurs	This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE). This would also enhance financing options for MSMEs.
7	More than five lakh MSMEs have benefitted from restructuring of debt permitted by RBI in the last year. The restructuring window was to end on March 31, 2020. Government has asked RBI to consider extending this window till March 31, 2021.	This will immensely benefit the MSME sector.
8	Proposal to extend handholding support for technology upgradations, R&D, business strategy etc. for select sectors. To this end, a scheme of 1000 crores will be anchored by EXIM Bank together with SIDBI. Both these institutions would contribute 50 crores each which would be achieved towards equity and technical assistance. Debt	This proposal for mid-size companies in select sectors will help in their growth not just domestically but also globally.

	funding of 900 crores from banks would be made available.	
9	Benefit of deduction of 100% profits extended to larger start-ups by increasing the turnover limit from existing 25 crores to 100 crores. The period of eligibility for claiming the deduction also increased from 7 to 10 years.	India has emerged as the top destination for fintech funding. The proposal will not just benefit mature fintechs; but would also boost emerging Fintechs in accessing funding as well as scale up.
10	Proposal to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups.	A vast majority of start-ups in India are Fintechs. This would lead to emergence of more Fintechs and greater impetus on digital financial inclusion.
11	Necessary amendments would be carried out in Pension Fund Regulatory Development Authority of India Act that will also facilitate separation of NPS trust for government employees from PFRDAI. This would also enable establishment of a Pension Trust by the employees other than Government.	This will provide more room for PFRDA towards executing its regulating role. This will also lead to dedicated management of NPS.
12	Proposal to further expand the NABARD re-finance scheme. Agriculture credit target for the year 2020-21 has been set at 15 lakh crore.	This bodes well for the NBFC sector as this will lead to expansion of the agriculture loan portfolio of companies.
13	Proposal to reduce the limit for NBFCs to be eligible for debt recovery under SARFAESI Act from Rs. 500 crores to asset size of Rs. 100 crores and loan size from existing Rs 1 crore to Rs 50 lakh.	This is a very welcome step and will help in accelerating growth of the NBFC sector. NBFCs will now be able to enforce the security interest for lower ticket size loans now. This would enhance their ability to recover smaller loans and would help in improving their liquidity situation.
14	To address the liquidity constraints of the NBFCs/HFCs, post the Union budget 2019-20, the Government formulated a Partial Credit Guarantee scheme for the NBFCs. To further this support of providing liquidity, a mechanism would be devised. Government will offer support by guaranteeing securities so floated.	This will further help in easing the liquidity condition of the NBFCs and will improve the overall health of the sector.
15	Amendments to the Factor Regulation Act 2011 to allow NBFCs to participate on TReDS platform.	This will enable NBFCs to extend invoice financing to the MSMEs through TReDS, thereby enhancing their economic and financial sustainability.

Overall Assessment of Budget for Sector’s Growth and Development

The Union Budget for the year 2020 - 21 is progressive for the financial services sector and touches upon all the key segments i.e. the banks, NBFCs, infrastructure finance, insurance, MSME and fintechs.

The Finance Minister mentioned that the Government of India has infused about 3,50,000 crores by way of capital into Public Sector Banks for regulatory and growth purposes and few among them will be encouraged to approach capital market to raise additional capital. FM also announced selling government's stake in IDBI bank to private investors through stock exchanges.

The governance reforms proposed in these banks would make them more competitive. Government also intends to introduce major reforms in recruitment to Non-Gazetted posts in governments and public sector banks. Also, to strengthen the Cooperative Banks, amendments to the Banking Regulation Act are proposed for increasing professionalism, enabling access to capital and improving governance and oversight for sound banking through the RBI.

MSME financing has got a major boost in this budget. Measures such as enabling NBFCs to extend invoice financing to the MSMEs through TReDS platform, launching an app-based invoice financing loans product and provision of subordinate debt by banks to MSMEs are very encouraging. Fintechs can take benefit of this growth stimulus and SME focused initiatives.

Fintechs will also get a further fillip from the budget. Announcement like tax benefits to Start-ups, early life funding by the Government and relaxation of taxes levied on employee stock ownership plans (ESOPs) for start-ups will strengthen India as top destination for fintech.

The budget has addressed only some of the suggestions offered by the NBFC industry. While limited measures have been announced to ease the liquidity position of the NBFCs industry hopes that the Government addresses the issues faced by the sector in due course of time.

For the insurance sector, while there have been a few initiatives taken by the government in the present budget, including the decision to raise funds through floating IPO of LIC, most of the suggestions made by the industry has remained unaddressed. To promote the purchase of life insurance policies and hence to increase its insurance penetration level in the country, there is a request to consider enhancement in the limit of deduction for life insurance premium by creating a separate limit for deductibility of life insurance premium to the extent of Rs. 200,000 along with an overall enhancement in the investment limit under section 80C of the Act to at least Rs. 300,000. There was no mention of this provision in the budget. On the other hand, the new Income Tax slabs as announced by the government that can be availed without any tax exemption can prove to be detrimental for the life insurance sector as this could lead to an overall decline in the sale of life insurance policies in the country.

FMCG, Retail, Internal Trade & E Commerce

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Government is committed to double farmer's income by 2022**	This admirable objective is not only prospective to improve the wellbeing of farmers but can also be a great trigger to boost Agri-based manufacturing growth in rural India. This will help increase purchasing power of farmers and give boost to FMCG demand.
2	**A total of Rs. 27,300 crores allocated to industry and commerce**	This step is a major boost towards the Government's Stand-up India, campaign and will greatly garner the scope of start-ups in digital and online space. Start-ups hugely depends upon the new innovative modules and machine learning tools, infusion of fresh capital allocation from the Government is likely uplift the moral and sentiments start-up ecosystem of the country and will significantly add on the number of start-ups operational in the country.
3	**Funding to Warehousing sector provisioned in the budget**	An attired warehousing space significantly cuts down costs of operations and procedure and brings time efficiencies. The e commerce sector has been time and again vouching for the need of upright warehouses to maximize product delivery experience.
4	**Government to launch a policy to build Data centre parks for the private sector**	The retail industry has always been one of the most important drivers of technological advancement. This step is imperative when it comes to retail & e-commerce environment. Increased Uptime, Scalability - ability to respond to high data traffic will pointedly be improved for the retail industry because of Data center parks to be set up.
5	**Tax payment by employees will be deferred on ESOPs from start-ups**	Start-ups generally use ESOPs to attract and retain highly talented employees. The move is likely to propose easing of tax payments for start-ups with a view to promote growth of budding entrepreneurs.
6	**National Logistics Policy**	The profitability of retail is directly affected by the efficiency of the logistics function in organisations to maximise fulfilment of demand and avoid any back orders or stock outs. These include interventions in logistics, inventory and suppliers' performance. The announcement is likely to boost the retail trade ecosystem and make the MSME's of the country more competitive.
7	**Focus on solid waste management**	Government has been planning to scale up Swachh Bharat Mission to a new level through sustainable solid waste management in every area. FMCG, Retail & Internal trade & E Commerce companies would be able to support the cause in a vast manner as they have already been engaging in several pilot projects on the ground and in rural areas of the country.

Overall Assessment of Budget for Sector's Growth and Development

The Budget 2020 continues to rightly focus on start-ups and digital sector. The planned investment in these two critical sectors will not only create jobs but also give impetus to demand generation and economic growth.

The continued focus on ease of doing business, as highlighted by Hon'ble Finance Minister Smt. Nirmala Sitharaman augurs very well for the industry. Tax payment by employees to be deferred on ESOPs, allocation of Rs. 27,300 crores to industry and commerce, commitment to double farmer's income by 2022 etc. will bring significant boost to the national economy.

India is a domestic consumption driven growth story and therefore the support & encouragement to the retail trade will surely further drive consumption, which in turn will help job creation.

Adherence to fiscal discipline, with emphasis on growth, development and simplifying taxation and digital impetus norms are key aspects of the budget.

Food Processing

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	716.70	1042.79	1232.94	18.14
Outlays for key sectoral schemes	591.63	889.43	1081.41	21.58
Scheme A: Pradhan Mantri Kisan Sampata Yojna	591.63	889.43	1081.41	21.58

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Dairy-** The Milk processing capacity to be doubled from 53.5 MT to 108 MT by 2025	This will lead to ripple effect across the dairy value chain and will further facilitate more investment and productivity. It will also help in meeting the growing demand of milk and value-added dairy products in the country.
2	**Fisheries –** Govt. plan to expand fish production capacity to 2 lakh tons by 2022-23. A Framework to be set up for development, management and conservation of marine fishery resources. Fishery export to be raised to 1 lakh crore by 2024-25	Announcement for Fisheries sector will create new opportunities for farmers. It will help India in further exploring growing international market for sea foods both in terms of frozen sea food & in processed form. Apart from increasing jobs at the grass root level, it will immensely benefit youth entrepreneurs who are willing to expand operations in availing various food processing related schemes and increasing their income.
3	**Development of Cold Chain & logistics infrastructure:** The Govt propose to build up seamless national cold supply chain for perishables via 'Kisan Rail' and it will be inclusive of milk, meat and fish. Further, FCI and Warehousing Corporation of India to build warehousing facility on their land.	If implemented efficiently this will have very positive impact on food processing sector, as will ensure availability of quality raw material to FBO's. Also, this will help in addressing the biggest problem of food wastage across the value chain. Further, created warehousing facility will help in managing price fluctuations of commodity in peak season by making timely interventions.
4	**Organic Sector:** With an objective to promote Organic food market the Govt. has continued its focus on **Zero**-Budget Natural Farming. A portal on "jaivik kheti" – online national organic products market will also be strengthened.	The online portal will provide a new face and recognition to organic food businesses across the country. This will create a platform for them to showcase products and increase trade in the growing organic sector.
5	**Export Incentives:** In order to achieve higher credit disbursement, the Govt. plans to launch 'NIRVIK', which will provide higher insurance coverage, reduction in premium for small	This shall facilitate ease of doing business and is likely to benefit large number of food processing companies who are exporting globally and are largely classified as SME's & MSME's.

	exporters and simplified procedure for claim settlements	
6	**Startups:**	
	• The Govt. proposes to defer the tax incidence on ESOPs of employees working in startups by five years or till they leave the company or when they sell their shares, whichever is earliest.	It is a good step as it paid heed to concerns of Start Ups and rolled out the reforms like 5 year tax holiday for ESOP, Tax exemption for startups with turnover less than 100 crore for 10 years, establishing seed fund etc. are the welcome step that will spur the startup activity.
	• To set up an Investment Clearance Cell which will provide "end to end" facilitation and support, including pre-investment advisory, information related to land banks and facilitate clearances at Centre and State level.	Govt. provision of funding and setting up an organised platform for the startups is a much-needed move because financial capital often becomes an impediment for growth and sustainability.

Overall Assessment of Budget for Sector's Growth and Development

In the budget 2020, there are no direct incentives for the food processing sector mentioned. However, the sector is likely to get benefited through schemes and incentives provided in other sectors like Agriculture and allied activities, economic development by facilitating exports, MSME etc.

The year to year increase in budget allocation for the ministry is also a positive for the growth of food processing sector especially increase of 21.58% in 'Pradhan Mantri Kisan Sampada Scheme' as it will further help in building infrastructure and boosting investment in the food processing sector.

The incentives provided for the growth of agro-processing sector with focus on expanding capacity of milk processing & as well as fishery sector will certainly have ripple effect across the value chain.

Further, the Government focus on building cold supply chain and warehousing infrastructure will help in creating availability of raw material for the FBO's and it is also likely to help in minimizing food wastages at ground level. It will further facilitate more value creation and strong backward and forward linkages leading to efficient use of resources, maximising productivity & creating opportunities for exporting to the world.

Also, by promoting balanced use of all kinds of fertilizers and strengthening the organic food market is a positive incentive towards providing the better produce to the population and to improve the health of the Indian agriculture land. This step is going to help food processing industry in times to come since it will help FBO's to procure right quality raw material from the farmers / FPO's.

A much-needed push on part of rationalizing of GST for all food products between 0 to 12% is a long pending demand of the food processing industry which did not find any mention in the budget this year as well.

However, the major challenge from the Food Processing sector perspective remains the effective implementation of Plastics Waste Management Rules & approach likely to be considered by the government on its Front of Pack Labelling Regulations.

Geospatial Technologies

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector	-	-	-	-
Outlays for key sectoral schemes	-	-	-	-
Ministry of Science and Technology (Department of Science and Technology)				
Innovation, Technology Development and Deployment	772.60	811.87	1050.65	29.41%
Ministry of Rural Development- Department of Land Resources				
Land Records Modernization Programme	68.10	50.00	238.65	377.30%
Ministry of Mines				
Geological Survey of India Activities	72.84	80.70	108.30	34.20%
Department of Space				
Space Applications	795.54	786.63	712.20	-9.46%
Ministry of Home Affairs				
Urban Development	199.27	189.80	171.07	-9.87%
Ministry of Jal Shakti				
National Ganga Plan	637.50	353.40	800.00	126.37%
National Hydrology Project	79.22	150.00	200.00	33.33%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	India has an estimated capacity of 162 million MT of agri-warehousing, cold storage, reefer van facilities etc. NABARD will undertake an exercise to **map and geo-tag** them. In addition, we propose creating warehousing, in line with Warehouse Development and	Mapping & geo-tagging has been proved as an effective way of monitoring and managing the assets remotely. This announcement would lead to business opportunities for GPS device (sensor/ receiver) manufactures and suppliers, and

	Regulatory Authority (WDRA) norms. Our government will provide Viability Gap Funding for setting up such efficient warehouses at the block/taluk level. This can be achieved, where States can facilitate with land and are on a PPP mode. Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) shall undertake such warehouse building on their land too.	corporates who provide mapping & navigation related services & solutions.
2	There is a case for maximising the benefits of three separately developing economic activities: (1) the upcoming economic corridors; (2) revitalisation of manufacturing activities; and (3) Technology and the demands of aspirational classes. We have to benefit from their convergence. Hence, it is proposed to develop **five new smart cities** in collaboration with States in PPP mode. Such sites would be chosen that offer the best choices in terms of aforementioned principles.	Smart city projects have been providing business to the companies into GIS services, satellite imagery-based solutions, surveying and mapping. Like existing Smart City projects, proposed five new smart cities would also be beneficial for geospatial industry.
3	Policy to enable private sector to build Data Centre parks throughout the country to be brought by the government. It will enable our firms to skilfully incorporate data in every step of their value chains.	Data (geospatial data) has an integral part of geospatial services & solutions. This would provide flip to analytics announcement would affect the sector in the way similar its impact on IT/ITes companies.

Overall Assessment of Budget for Sector's Growth and Development

Government has put Infrastructure as the second focus under the theme 'Economic Development' in this budget. Investment worth INR 100 lakh crore (National Infrastructure Pipeline) is expected to fuel infrastructure development over the next 5 years. Geospatial, as one of the technology enablers for infrastructure projects could witness an enormous growth.

Healthcare

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY20-21 BE over FY19-20 RE)
Overall for Health (including Health and Family Welfare, Health Research and AYUSH)	56,235.81	66,466.12	69,233.88	4.16%
Outlays for key sectoral schemes / departments				
Department of Health and Family Welfare	52,953.95	62,659.12	65,011.8	3.75%
Department of Health Research	1,727.88	1,950	2,100	7.69%
Ministry of AYUSH	1,553.98	1,857	2,122.08	14.27%
National Health Mission (NHM)	31,044.89	33,789.6	33,400	-1.15%
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	1,997.92	3,200#	6,400	100%
Ayushman Bharat – Health and Wellness Centres (HWC) **within NHM funding*	1,191.54	1,600.01	1,600	0%
Pardhan Mantri Swasthya Suraksha Yojana (PMSSY)	3,796.51	4,733.4	6,420	35.63%
Human Resources and Medical Education **within NHM funding*	4,213.7	4,500	4,686	4.13%
National Programme for prevention and control of Cancer, Diabetes, Cardio-vascular Disease and Stroke (NPCDCS) **within NHM funding*	98.18	160	175	9.38%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
	Specific to Healthcare sector	
1.	INR 69000 crore to the healthcare sector including 6400cr for AB-PMJAY; (additional 12,300 crore allocated to Swachh Bharat)	There is a **7% increase** from 2019-20 BE of 64,500 Crore. However, this may not be sufficient for the rising healthcare demand in the country. According to the Economic Survey 2019-20, the government (Centre and States) spent about 3.24 lakh crore on

		healthcare in the past year. In order to reach 2.5% of GDP by 2025, as envisaged in the National Health Policy 2017, the government needs to spend additional 70,000 crores per annum.
2.	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.	**Investment support** to the healthcare sector is the need of the hour since nearly 60% of hospitals and 80% of doctors in India are located in urban areas, serving only 28% of the population. We need to develop substantial healthcare infrastructure outside the metro cities for effective implementation of the Ayushman Bharat programme. FICCI has been advocating for VGF for expansion of health infrastructure in tier II and III cities. This step will not only help to **make healthcare accessible and affordable to the citizens** but will also provide a large number of **employment opportunities** in the aspirational districts.
3.	Using **machine learning and AI**, in the Ayushman Bharat scheme, health authorities and the medical fraternity can target disease with an appropriately designed **Preventive regime**	Exponential technologies are the future of healthcare and this step would certainly help in improving primary healthcare- which forms the backbone of any healthcare system
4.	Expand **Jan Aushadhi Kendra Scheme to all districts** offering 2000 medicines and 300 surgicals by 2024.	Further expansion of the Jan Aushadhi Kendras in all districts will help achieve the vision of affordable and accessible healthcare for all. However, the government needs to be wary of the counterproductivity of price capping and increased use of generic drugs in the system.
5.	Reinforcing commitment to **End TB by 2025** with "*TB Harega Desh Jeetega*" campaign	This is a **commendable step** as India accounts for maximum number (27%) of TB cases in the world. It is crucial to eliminate TB to reduce the disease burden of the country, and hence the healthcare expenses incurred.
6.	It is proposed to **attach a medical college to an existing district hospital in PPP mode**. Those states that fully allow the facilities of the hospital to the medical college and wish to provide land at a concession, would be able to **receive Viability Gap Funding**. Details of the scheme would be worked out. - Government will **encourage large hospitals** with sufficient capacity to **offer resident doctors DNB/FNB courses** under the National Board of Examinations.	PPP for medical college and district hospitals is indeed a welcome step but we need to ensure the **quality of care** provided under such partnerships Engaging large hospitals for resident doctor programme is a good step, however, the hospitals should be provided incentives to impart such trainings as this will require more professors and doctors, which is a limitation today.

		FICCI had recommended that the government should also **expand the deduction under Section 80JJAA** to healthcare organizations to provide 100% deduction on stipend to professionals undergoing DNB and short-term PG Certificate Courses at private hospitals
7.	There exists a huge demand for teachers, nurses, para-medical staff and care-givers abroad. However, their skill sets, many a time, do not match the employer's standards and therefore need to be improved. Hence, **special bridge courses** to be designed by the Ministries of Health, Skill Development together with professional bodies to bring in equivalence. Language requirements of various countries need also to be included. All these should be achieved through special training packages.	This will help us build a healthcare workforce for the world and improve employability of Indian professionals in the health sector. FICCI has been also emphasising on the importance of strengthening the cadre of allied healthcare professionals to meet the country's healthcare demands in a resource constraint setting. It is imperative to extend incentives to healthcare providers like weighted deduction of 150% of expenses incurred on skill development project, u/s 35CCD of the Income Tax Act, for apprentice training of healthcare professionals.
	Medical Devices	
	India needs to boost domestic manufacturing and attract large investments in the electronics value chain. A scheme focussed on **encouraging manufacture** of mobile phones, electronic equipment and semi-conductor packaging will be announced. With suitable modifications, this scheme can be adapted for manufacture of **medical devices** too.	It is a welcome move and would need further consideration of incentives like interest subsidy for MSMEs, concession on power tariffs, seed capital and minimum or zero duty on raw materials, among others. Industry would be happy to engage with government in the development of the same.
	To achieve the twin objectives of giving impetus to the domestic industry and also to generate resource for health services, government will impose a nominal **health cess**, by way of a duty of customs, **on the imports of medical equipment** keeping in view that these goods are now being made significantly in India. The proceed from this cess shall be **used for creating infrastructure for health services in the aspirational districts**.	At 5% cess, the absolute amount on a \$4-4.5 Bn import, ~\$200-250 Mn will be generated to for healthcare infrastructure creation. However, introduction of the cess should be considered upon further analysis of its implications on 1) rise cost of care to the patient, especially when out-of-pocket expenditure on health is 58.7% 2) impact on access to medical devices that are not manufactured in the country. This should be done in a phased manner, starting with those devices that are manufactured in India in sufficient quality and quantity
	General announcements that will impact Health Industry	
	Set up an **Investment Clearance Cell** that will provide "end to end" facilitation and support, including pre-	Currently, number of clearances and permissions required from the government to invest in healthcare is a major deterrent for investors. An

	investment advisory, information related to land banks and facilitate clearances at Centre and State level	Investment Clearance Cell will boost FDI inflow, further expansion of existing players and entrepreneurship in the sector, which has also been proven effective in various state government healthcare projects and other sectors.
	National Infrastructure Pipeline launched on 31st December 2019 of ` 103 lakh crore, consists of more than 6500 projects across sectors including 'healthcare for all'.	According to the Economic Survey 19-20, under National Infrastructure Pipeline 2020-2025 of the 103 lakh crore, healthcare projects worth 1.68 lakh crore have been mapped. Given the timebound approach and the rising healthcare demands, significant number of these projects should be commissioned in PPP mode.
	Industry to adhere to all **necessary, mandatory technical standards** and their effective enforcement. All Ministries, during the course of this year, would be issuing quality standard orders	This is an important step towards standardisation. Of around 79,000 hospitals operating in India, merely 1% of the hospitals are NABH accredited, similarly less than 1% of diagnostic labs are NABL accredited. This should also be supported with incentives like 100% deduction on expenditure incurred for securing accreditation.
	Enable private sector to build **Data Centre parks** throughout the country. It will enable our firms to skillfully incorporate data in every step of their value chains	This will help in implementation of the National Health Stack through National Digital Health Blueprint.
	All "public institutions" at Gram Panchayat level such as Anganwadis, health and wellness centres, government schools, PDS outlets, post offices and police stations will be provided with **digital connectivity**. So, Fibre to the Home (FTTH) connections through Bharatnet will link 100,000 gram panchayats this year.	Expansion of digital connectivity will strengthen access to primary care for the last mile, through tech-enabled solutions like tele-medicine, tele-radiology, point of care diagnostics etc.

Overall Assessment of Budget for Sector's Growth and Development

The government has taken some taken significant measures in its union budget 2020 to lay focus on holistic health and wellness of its citizens. Extension of Mission Indradhanush to cover new diseases and vaccines, the Fit India movement and programme to end TB by 2025 will help tackle the rise in the prevalence of communicable diseases, non-communicable diseases and new epidemics. Better allocation for air, water and sanitation will also help address wider determinants of Health. Creation of a comprehensive database mapping India's genetic landscape will help predict how our population will adapt and react to changing disease patterns.

However, the allocation of INR 69,000 crore, which is only a 7% increase from 2019-20 BE, may still not be enough for the government to achieve its vision of 2.5% of GDP for the health sector by 2025. It is estimated that the government should start spending additional 70,000 crores per annum on health.

Investment support proposed by the government for setting up hospitals in PPP mode in 112 aspirational districts is a need of the hour, given the massive shortfall of hospital beds in the country.

The government has provided sufficient importance to skill development in the country. Attaching medical colleges to a district hospitals in PPP mode as well as encouraging private hospitals to provide resident training under DNB is a welcome step. The private sector should however be provided with some incentives to encourage them to invest in skill development.

Setting up of investment clearance centres and the focus on infrastructure development will help in increasing investments towards development of hospitals, primary health centres etc. Start-up friendly policies will encourage more entrepreneurs come up with innovative healthcare models.

As for the health cess on import of medical equipment that shall be channelised for creating infrastructure for health services in the aspirational districts, however this needs to be further examined in terms of its impact on cost to the patient and access to medical equipment that are not manufactured in the country at present.

AYUSH

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	1553.98	1857.00	2122.08	14.2
Outlays for key sectoral schemes	457.27	500.60	705.00	0.41
Scheme A	901.47	1162.75	1170.58	0.6
Scheme B	1102.01	1346.12	1402.08	4.1

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Goal of **doubling farmers' incomes by 2022** -energy sovereignty through KUSUM and input sovereignty through Paramparagat Krishi Vikas Yojana. -PM Fasal Bima Yojana. Focus on cultivation of pulses, expansion of micro-irrigation through Krishi Sinchai Yojana -Provision of any annual supplement of the income to the farmer, directly is done through PM-KISAN. Connectivity through PMGSY, financial inclusion have helped raise farm incomes.	**Positive**
2	MSMEs Working capital credit remains a major issue for the MSMEs. It is proposed to introduce a scheme to	**Positive**

	provide subordinate debt for entrepreneurs of MSMEs. This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE). The corpus of the CGTMSE would accordingly be augmented by the government.	

Overall Assessment of Budget for Sector's Growth and Development

Various policies have been introduced which will directly and indirectly benefit the sector. MSME boost will support the majority of entrepreneurs in the sector, who fall in the category of SME's. Champion services sector allocation will provide a much-needed impetus to AYUSH Wellness sector and improve medical tourism. Agricultural benefits to the farmers will help improve farmers' income and bring a competitive advantage to cultivators of herbal plants and herbal raw materials. This will in turn benefit the industry with improved quality of raw material.

Medical Value Travel

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	One hundred more airports would be developed by 2024 to support Udaan scheme. It is expected that the air fleet number shall go up from the present 600 to 1200 during this time. Rs. 1.70 lakh crore is allocated for transport Infrastructure in 2020-21.	All these announcements will have a positive impact on the sector.
2	Fibre to the Home (FTTH) connections through Bharatnet will link 100,000 gram panchayats this year. An outlay of Rs. 6000 crore is proposed to Bharatnet programme in 2020-21.	
3	Knowledge Translation Clusters would be set up across different technology sectors including new and emerging areas.	
4	Quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications. It is expected that lots of commercial	

	applications would emerge from theoretical constructs which are developing in this area. It is proposed to provide an outlay of ` 8000 crore over a period five years for the National Mission on Quantum Technologies and Applications.	
5	Exchange of teachers, nurses, para-medical staff and care-givers abroad -special bridge courses be designed by the Ministries of Health, Skill Development together with professional bodies to bring in equivalence. Language requirements of various countries need also to be included. All these should be achieved through special training packages. Government proposes to provide about Rs.99,300 crore for education sector in 2020-21 and about Rs. 3,000 crores for skill development.	

Overall Assessment of Budget for Sector's Growth and Development

Significant positive steps have been undertaken by the government in the area of infrastructure development, technology development and sustainable skill development for exchange of paramedics and nurses. Setting up of new and bringing in improvement in existing Airports will bring better connectivity to foreign patients. Also, development of technology such as fibre optics and quantum, will help aid development of telemedicine in the MVT sector. Further, the development of skill program to train doctors, paramedics and nurses to practice abroad will help build collaboration with partner nations and bring sustainable development of the sector. Thus, the policy changes will lead to a significant positive outcome on the sectors growth, in the medium and long-term.

Homeland Security

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Ministry of Home Affairs on Policing	91,693.07	1,03,202.23	1,05,244.34	1.98%
Outlays for key sectoral schemes				
Ministry of Home Affairs				
Capital Expenditure by Central Armed Police Forces (CAPFs)	1,163.81	1,482.11	1,472.59	-0.6%
National Intelligence Grid (NATGRID)	23.41	43.77	52.17	19.2%
Capital Expenditure by Delhi Police	200.11	217.33	222.63	2.4%
Capital expenditure by Central Police Organizations	12.67	45.89	33.49	-27.0%
Capital Expenditure on Criminology and Forensic Science	5.86	25.54	15.41	-39.7%
Expenditure on BSF Air Wing, Aircrafts, River Boats and Helibase	187.49	131.61	149.30	13.4%
a) Capital Outlay	147.24	91.70	112.66	23.0%
b) MRO	40.25	39.91	36.64	-8.2%
Capital Outlay on Border Infrastructure and Management	1,806.35	1,881.38	1,788.37	-4.9%
Modernization of Police Forces	3,260.13	4,155.01	3,161.91	-23.9%
Scheme for Safety of Women - National Emergency Response System and Cyber Crime Prevention against Women and Children, Safe City Project and Miscellaneous Schemes	848.66	851.75	855.23	0.4%
Indian Cyber Security Co-ordination Center	-	46.75	79.80	70.7%
Ministry of Electronics & Information Technology				
Cyber Security Projects(NCC & Others)	107.48	102	170	66.7%
Cyber Security(CERT-In), NCCC & Data Governance	29.90	35	140	91.4%
Ministry of Civil Aviation				
Capital Outlay on Bureau of Civil Aviation Security	0.02	10	7.09	-29.1%
Ministry of Defence (Civil)				
Capital Outlay on Coast Guard Organisation	2260.49	2600	2500	3.8%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A National Police University and a National Forensic Science University are being proposed in the domain of policing science, forensic science, cyber-forensics etc.	This will help in providing skilled manpower who could undertake security related roles in private sector.
2	Public institutions at Gram Panchayat level including police stations will be provided with digital connectivity. So, Fibre to the Home (FTTH) connections through Bharatnet will link 100,000 gram panchayats this year.	This open opportunities for various Homeland Security companies to provide solutions to LEAs at Police Station level.
3	It is proposed to provide an outlay of ₹ 8000 crore over a period five years for the National Mission on Quantum Technologies and Applications.	Quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications. It is expected that lots of commercial applications would emerge from theoretical constructs which are developing in this area.
4	A National Technical Textiles Mission is proposed with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of ₹ 1480 crore.	India imports significant quantity of technical textiles worth US$ 16 billion every year. This could reverse this trend and position India as a global 14 leader in Technical Textiles such as body armour etc.
5	The Government proposed a scheme focussing on encouraging manufacture of mobile phones, electronic equipment and semi-conductor packaging. Details would be announced later.	Electronics manufacturing industry is very competitive and India has shown its cost advantages. The potential of this industry in job creation is immense. India needs to boost domestic manufacturing and attract large investments in the electronics value chain. The proposed scheme could boost manufacturing of Homeland Security products as well.

Overall Assessment of Budget for Sector's Growth and Development

Business opportunities for Industry in FY 2020-21 in Homeland Security sector are as follows:

- Central Armed Police Forces will spend Rs 1472.59 crores for procurement of Machinery & Equipment and Motor Vehicles

- The Ministry of Home Affairs has allotted ₹ 52.17 crores for National Intelligence Grid, which aims to link databases as an input in combating terrorism. It intends to create a facility to improve capability to counter internal security threats.

- Delhi Police has made a provision of ₹ 222.63 crores for developing traffic and communication network in NCR Mega Cities and model traffic system, upgradation or expansion of communication infrastructure, upgradation of training, induction of latest technology and installation of traffic signals, etc.

- Capital expenditure on Central Police Organizations such as Narcotics Control Bureau, Bureau of Immigration, National Crime Records Bureau, Tear Smoke Unit, National Investigation Agency and Directorate of Coordination for Inter State Police Wireless Scheme, is likely to decline by 27% in 2020-21.

- MHA will be spending ₹ 15.41 crores for the modernization of Central Forensic Science Laboratories with emphasis on human resources development and Research and Development Schemes, establishment of Regional Forensic Laboratories and DNA Centres.

- Border Security Force has been allocated ₹ 149.30 crores for the procurement and maintenance of aircrafts, water boats and helicopters for the use of Central Armed Police Forces.

- For Smart Border Management projects, the Ministry of Home Affairs has allocated ₹ 1,788.37 crores.

- Policing is a State subject. However, the Centre has allocated Rs 3,161.91 crores for modernization of police forces in 2020-21, which is 23.9 % lower as compared to last year revised estimates.

- The MHA will be spending ₹ 855.23 crores for various scheme for safety of women including National Emergency Response System and Cyber Crime Prevention against Women and Children, Safe City Project and Miscellaneous Schemes.

- The Ministry of Electronics & Information Technology will be spending ₹ 170 crores on Cyber Security Projects such as National Cyber Coordination Centre.

- The expenditure on CERT-In, the Indian Computer Emergency Response Team that performs emergency cybersecurity functions and releases annual reports of security incidents, is pegged at ₹ 140 crores.

- The Bureau of Civil Aviation Security has allocated ₹ 7.09 crores for procurement of Security Equipment, IT Equipment, Radiological Detection Equipment etc.

- In 2020-21, the Indian Coast Guard will be making capital expenditure of ₹ 2,500 crores.

Information Technology and Telecommunication

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Ministry (MeitY)	6251.94	5839.46	6899.03	18.14
Overall for the Ministry (DoT)	20606.48	23350.49	66431.69	184.49
Outlays for key sectoral schemes				
Optical Fiber Cable based network for Defense Services (DoT)	1927	4725	5000	5.82
Compensation to Service Providers for creation and augmentation of telecom infrastructure (DoT) - BharatNet	4788	3000	8000	166.66
Promotion of Digital payment	770.29	480	220	(54.16)
Promotion of IT/ITeS Industries	64.77	90	170	88.88
Cyber Security Projects (NCCC & Others)	107.48	102	170	66.66

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Government will soon roll out policy to enable private sector to build data centre parks throughout the country.	The Indian data centre market has a lot of potential due to many favourable reasons, including, highest data consumption, cloud computing, expansion of IoT ecosystem, and digital inclusion. As the government is addressing the gap between demand and supply, major companies will enter the market to offer cost effective and efficient solutions to a fast-growing digital ecosystem of India. More data centre will provide new ways to improve security, speed, and capacity of Indian digital infrastructure. This will further support the rise in digitization with sectors like fintech, eCommerce, OTT players, etc., which is further fuelled by the use of social media, Government reforms and so on.
2	The Government Announced Rs. 6,000 crores for BharatNet to digitize 1 lakh Gram.	Expansion of BharatNet to 1 Lakh Gram Panchayat will act as a massive step towards the socio-economic development of Rural India. Government’s vision to digitalise all the public institutions at Gram Panchayat level will foster a new level of growth and development powered by digital inclusion. This will provide new opportunities for rural India like educational opportunities, increase job growth, new tools for farmers, increase economic options etc.

3	Rs 8,000 Crore Allocated for National Mission on Quantum Technology	Finance Minister Nirmala Sitharaman allocated Rs 8,000 crore over a period of 5 years for setting up a National Mission on Quantum technology and its application. This seeks to propel India among the world leaders in quantum computing and its related applications. India as a result is expected to become the third largest country to make such an effort. A quantum computer can solve complex problems that would otherwise take billions of years for today's computers to solve. This has massive implications for research in health care, energy, environmental systems, smart materials and more.
4	App-Based Invoicing Platform for MSMEs to Ease Compliance	Over the recent years the number of merchants accepting digital payments modes has increased to over 10 million. And with this announcement several MSMEs and merchants will further be able to do invoicing via digital platforms. This will be a huge step towards expanding digital inclusion specially in MSME ecosystem, providing them with additional benefits of digital payments and digital economy.
5	Leveraging Artificial Intelligence and Machine Learning in Healthcare Sector	The government of India's vision to leverage emerging technologies like artificial intelligence and machine learning in healthcare sectors and initiatives like Aayushman Bharat is expected to be a great-steps towards digital expansion of the healthcare sector of India. Integrating AI and ML into the healthcare ecosystem allows for a multitude of benefits, including automating tasks and analysing big patient data sets to deliver better healthcare faster and at a lower cost.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget of India for the year 2020 - 21, is a balanced document which talks about the economic growth, industrial development and social wellbeing with special focus on leveraging emerging technologies like Artificial Intelligence and Machine Learning. The Government of India has well recognized the ICT as an enabler for transparency, inclusiveness and efficiency across sectors. There is clear growth in the budgetary allocation of schemes like: optical fiber cable-based network, which focuses on expending the digital infrastructure of India. The digitized invoice financing is a crucial move and introduction of technologies like blockchain, AI and ML at the backend, can reduce load of compliance for MSMEs. Quantum technologies are offering a lot of commercial applications. Outlay of Rs. 8000 crores over a period of five years for the national mission of quantum technologies and applications therefore is a welcome move. India will be the third-biggest and pioneering nation if we are able to break into quantum and other computing technologies. Under the BharatNet programme, the government is aiming to connect more than 250,000 gram panchayats or village blocks with optic fiber network across India. This mission plans to provide high-speed broadband across all the rural regions, approximately 142,000 villages across India by 2022. The Government has also given emphasis on data ecosystem of India and need for more data centers. The budget proposes a policy to enable setting up of data center parks across the country. It will skilfully incorporate data in every step of the data chain. A push for new technologies is certainly the need of the hour and government's focus on leveraging the same is appreciated.

Media & Entertainment

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	4,000	4,065	4,375	7.63
Outlays for key sectoral schemes				
Broadcasting Infrastructure Network Development	656.78	235.4	370.00	57.17
Development Communication and Dissemination of Filmic Content	46.16	63.39	115.50	81.34
National Centre of Excellence for Animation, Gaming and Special Effects	0	0.02	0	-100
Champion Services Sector Schemes	0	0.50	30.00	2900
Supporting Community Radio Movement in India	1.26	3.80	4.50	18.42

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Reduction of basic customs duty on imports of news print and light-weight coated paper from 10% to 5%.	This will lead to a positive impact on the growth and profitability of print media as the industry imports paper for newspapers heavily. Newsprint is a major input for print media to print newspapers and periodicals. This would prevent closing down of print media companies and layoffs in the industry impacting overall employment in the economy positively.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2020-21 has provided major relief to the print media sector which has recorded negative growth for the first time in the year 2019-20 with rising input cost and declining circulation. The Print media sector got a major setback last year when custom duty on news print was increased to 10 per cent. Till then, print media was growing in India against the declining trend in the industry experienced worldwide. This increase in customs duty affected the cost of printing newspapers and periodicals very badly. After that the major demand for the industry was to do away with this custom duty as most of the requirements of news prints in India are imported. This was raised several times to the Minister of I&B at various FICCI round table meetings. Hence, reduction of custom duty on news prints and light weight coated paper to 5 per cent is a welcome move to support the Print Media which was growing in India before last year. Increase in customs duty hit the input cost which impacted with deceleration in the industry.

As far as total outlay to this sector is concerned, it is 7.6 per cent above the RE of 2019-20. The total outlay on the BE 2020-21 is same as the outlay in BE 2019-20 i.e. INR 4375 Crores. This could have been increased if the ministry is aiming to establish National Centre of Excellence in AVGC (Animation, Visual Effects, Gaming, and Comics) sector. There is no outlay in this head in the Budget Estimate of 2020-21.

There is major increase in Champion Sector Scheme in budget outlay 2020-12 which is 29 times increase over the revised estimate of 2019-20 which is a welcome move to support the film industry which is one of the champion sectors to increase services export from India.

Micro Small and Medium Enterprises

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	6509.47	7011.29	7572.2	8.00
Outlays for key sectoral schemes	6462.82	6953.4	7515.35	8.08
Khadi Grant (KG)	660.52	370.51	383.6	3.53
Village Industries (VI) Grant	56.81	...	...	...
Khadi, VI and Coir (S and T)	1.68	...	...	...
Khadi Reform Development Package (ADB Assistance)	146.03	...	...	...
Market Promotion and Development Assistance	164	103.33	...	-
Scheme for Fund for Regeneration of Traditional Industries (SFURTI)	86.03	185	464.85	151.27
Coir Vikas Yojana	75.93	73.5	103.87	41.31
Coir Udyami Yojana	6	2	...	
Loans to Khadi Village and Coir Industries	0.57	0.2	0.7	250
Solar Charkha Mission	2.5	46.07	100	117.06
Khadi Vikas Yojana	...	366.46	370	0.96
Gramodyog Vikas Yojana	...	82.92	102.92	24.12
ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship)	219.34	10	30	200
Credit Linked Capital Subsidy and Technology Upgradation Scheme	1007.09	805.58	653.91	-18.82
Prime Minister Employment Generation Programme (PMEGP)	2118.8	2464.44	2500	1.44

Interest Subsidy Eligibility Certificate	30.89	...	...	...
Credit Support Programme	744.95	555.16	100	-81.98
Performance and Credit Rating Scheme	8.07	0.04	...	
Interest Subvention Scheme for Incremental Credit to MSMEs	275	350	200	-42.85
Procurement and Marketing Support Scheme	8.56	87.6	54.59	-37.68
Marketing Assistance Scheme (MAS)	3.31	0.04	0.04	0
International Cooperation Scheme	4.8	7	20	185.71
Mahatma Gandhi Institute for Rural Industrialisation	8.88	10	11	10
Promotional Services Institutions and Programme	156.07	314.92	258.92	-17.78
Information, Education and Communication	...	6.3	6.55	3.96
Assistance to Training Institutions	22.27	30	30	0
Rajiv Gandhi Udyami Mitra Yojana	0.19	...	...	
MSME Fund	...	0.01	50	499900
Fund of Funds	...	100	200	100
Infrastructure Development and Capacity Building	308.62	470.76	801.7	70.299
Establishment of New Technology Centres	...	135.11	200	48.02
Infrastructure Development and Capacity Building-EAP Component	257.43	250	400	60

Construction of Office Accommodation-Capital Outlay on Public Works	6.66	26	58.3	124.23
Database Research Evaluation and Other Office Support Programme	3.97	18.88	27.25	44.33
Survey, Studies and Policy Research	0.28	1.57	1.26	-19.74
National Schedule Caste/Schedule Tribe Hub Centre	77.57	80	150	87.5
Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) - States			151.44	
Procurement and Marketing Support Scheme (PMS)-States			29	
Promotional Services Institutions and Programme-States			55.45	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	More than five lakh MSMEs have benefitted from restructuring of debt permitted by RBI in the last year. The restructuring window was to end on March 31, 2020. Government has asked RBI to consider extending this window till March 31, 2021.	This step will benefit thousands of MSMEs who are still struggling to get their loans restructured. The extended limit will give breathing relief especially in current economic situation.
2	It is proposed to introduce a scheme to provide subordinate debt for entrepreneurs of MSMEs. This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE). The corpus of the CGTMSE would accordingly be augmented by the government.	Working capital credit remains a major issue for the MSMEs and this step will certainly support MSMEs in availing funds.

3	An app-based invoice financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs.	Amalgamation of Technology for developing such product will have a wide reach out. However, more details are required as similar solutions such as TReDS and Factoring are already available in the market.
4	Many mid-size companies are successful domestically but not in export markets. For selected sectors such as pharmaceuticals, auto components and others, It is proposed to extend handholding support – for technology upgradations, R&D, business strategy etc. A scheme of Rs. 1000 crore will be anchored by EXIM Bank together with SIDBI. Both these institutions would contribute Rs. 50 crore each. This Rs. 100 crore would be achieved towards equity and technical assistance. Debt funding of Rs. 900 crore from banks would be made available.	As many MSMEs have the potential to grow in the international market, however due to lack of knowledge and resources are only able to cater to the domestic market. This move will help in building their capacity and enhance their quality as per the international standard. This also gels with the Union MSME Minister's vision of increasing the MSME exports to 60% from 49%.
5	To achieve higher export credit disbursement, a new scheme, NIRVIK is being launched, which provides for higher insurance coverage, reduction in premium for small exporters and simplified procedure for claim settlements. It is 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. *This Scheme for Reversion of duties and taxes on exported products will be launched this year.*	IN the past MSME exports have been struggling to get their refunds which subsequently hampers their working capital. This scheme will help in making the whole process transparent, convenient with more benefits which was not applicable earlier. The effective detailing & implementation of the scheme will be the key to its success.
6	Each district will have to be developed as an export hub.	One of the pre-budget suggestions of FICCI was to open Export Facilitation Center which will promote exports of products and services from MSME sector. The announcement of Export Hub at each district will enhance the capability of MSMEs and it will also promote the specific products of each district globally.
7	A scheme focused on encouraging manufacture of mobile phones, electronic equipment and semi-conductor packaging. Details would be announced later. With suitable modifications, this scheme can be adapted for manufacture of medical devices too.	This scheme will boost the electronics sector which will attract domestic manufacturers including MSMEs. The scheme will further reduce imports of electronic products including medical devices.
8	Currently, businesses having turnover of more than one crore rupees are required to get their books of accounts audited by an accountant. In order to reduce the compliance burden on small retailers, traders, shopkeepers who comprise the MSME sector, it is proposed to raise by five times the turnover threshold for audit from the existing	This will reduce the compliance burden of MSMEs.

	Rs. 1 crore to Rs. 5 crore. Further, 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.	
9	All Ministries, during the course of this year, would be issuing quality standard orders for all necessary, mandatory technical standards and their effective enforcement.	Though it is important to bring quality standard in each industry that may promote standardization in terms of quality and price. This may help MSMEs in getting into the Supply Chain of large companies/MNCs. However, this should not be another financial burden but its implementation should be such that MSMEs are provided with full support in terms of hand holding, mentoring and as well as financially.
10	Undue claims of FTA benefits have posed threat to domestic industry. Such imports require stringent checks. In this context, suitable provisions are being incorporated in the Customs Act. In the coming months Rules of Origin requirements, particularly for certain sensitive items shall be reviewed, so as ensure that FTAs are aligned to the conscious direction of Government policy for providing a level playing field to domestic manufacturers, particularly the MSME sector and for securing borders.	Imports under Free Trade Agreements (FTAs) are on the rise which hampers domestic industry including MSMEs. Such imports severely impact the viability of domestic industry. Changes in Customs Act keeping the benefit of domestic industry will certainly bring sustainability and level playing field for MSMEs.
11	Labour intensive sectors in MSME are critical for employment generation. Cheap and low-quality imports are an impediment to their growth. Special attention has been taken to put measured restraint on import of those items which are being produced by our MSMEs with better quality. Keeping in view the need of this sector, customs duty is being raised on items like footwear and furniture.	Such raise in Customs Duty will support domestic industry including MSMEs. It will also create employment opportunities in the country which is a major challenge in the current scenario.
12	Necessary amendments are proposed to the Factor Regulation Act 2011. This will enable NBFCs to extend invoice financing to the MSMEs through TReDS, thereby enhancing their economic and financial sustainability.	This step will enable MSMEs to have more options of invoice financing at the TReDS platform and it will also further enhance the scope of raising funds by MSMEs through TReDS platform.
13	A National Logistics Policy will be released soon. *Inter alia*; it will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive.	This policy will drive economic growth and trade competitiveness of the country through a truly integrated, seamless, efficient, reliable and cost-effective logistics network, leveraging best in class technology, processes and skilled manpower. It will help in Improving first mile and last mile connectivity to expand market access of MSMEs.

14	Under the proposed *'Vivad Se Vishwas'* scheme, 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.	This is a good initiative by the Government which will provide an opportunity to MSMEs to settle their cases without any penalty.
15	As a backward linkage, a Village Storage scheme is proposed to be run by the SHGs. This will provide farmers a good holding capacity and reduce their logistics cost. Women, SHGs shall regain their position as "Dhaanya Lakshmi".	This will create livelihood opportunities for women of Tribal Areas.
16	Indian Railways will set up Kisan Rail through PPP arrangement, for transportation of perishable goods including agri produce Krishi Udaan to be launched by Civil Aviation Ministry to transport agri-products to national as well international destinations	This dedicated mode of transportation of agri and perishable products will help in reducing the wastage and increase the income of farmers of tribal areas.
17	Budget provision of Rs 85,000 crore in 2020-21 for welfare of SC and other backward classes For development and welfare of STs Rs 53,700 crore allocated.	The allocated budget will help in bringing inclusive development. The allocated budget is not reflecting in the respective Ministry and possibly the allocated funds are consolidated amount sanctioned to multiple ministries under SC/ST development.
18	Tribal tourism: Setting up a tribal museum in Ranchi, Jharkhand.	This will help in preserving and showcasing Tribal Culture, Heritage of Jharkhand. It will also create interest among the new generation and domestic & foreign tourists

Overall Assessment of Budget for Sector's Growth and Development

There is around 8% increase in overall budget allocated for Ministry of MSME from last year. The budget has something for MSMEs to look up to. The major concerns of MSMEs are Financing, Sustainability, Markets and Compliances. In budget, these aspects have been covered by the Hon'ble Finance Minister.

With respect to financing, announcement of extending the restructuring of MSME loans window till March 31, 2021 will give breather to thousands of MSMEs. The other announcements related to financing made were the scheme to provide subordinate debt for entrepreneurs of MSMEs; development of an app-based invoice financing loans product and amendment to the Factor Regulation Act 2011 for enabling NBFCs to provide invoice financing under TReDS platform. These steps will certainly help MSMEs in availing funds and improve their financial resources.

The government has made an effort to increase the exports from MSMEs by announcing steps such as establishing export hub in each district; extending handholding support – for technology upgradations, R&D, business strategy etc through infusion of funds of Rs. 1000 Cr. by Exim Bank and SIDBI and proposing NIRVIK scheme to help small exporters. FICCI has been advocating to establish

Export Facilitation Centers to promote exports from MSMEs and export hubs at each district will support MSMEs and promote the products of each district.

Government has also taken steps to provide support to the domestic industry especially MSMEs whose business have been impacted due to cheaper imports. Amendments in Customs Act and increased customs duty on products such as Footwears and Furnitures will help MSMEs to have a level playing field and to compete in the global market. Further, a scheme focused on encouraging manufacture of mobile phones, electronic equipment and semi-conductor packaging was announced. This will help MSMEs to explore business opportunities in these fields.

Ministries coming out with quality standard orders for all necessary, mandatory technical standards and their effective enforcement and upcoming National Logistics Policy will improve competitiveness of MSMEs.

The Hon'ble Finance Minister has also announced some relaxation in compliance and regulations to help MSMEs. Increasing threshold limit of turnover for compulsory audit from 1 Cr. to 5 Cr. and increasing the timeline for "Vivad se Vishwas" for settling Tax cases without any penalty are commendable steps for MSMEs.

Besides MSMEs, marginalized communities like SC/ST has also been given emphasis in the budget. The allocation of Rs. 85,000 Cr. and 53,700 Cr. are allocated to SC & OBC and ST welfare respectively. A tribal museum in Ranchi has also been announced which will help in preserving and showcasing tribal culture.

Outlay Analysis:
There is around 8% increase in overall budget allocated for Ministry of MSME from last year and similarly there is more than 8% increase allocated for schemes of the Ministry which signifies that Govt is keen to reach out to more MSMEs and provide support to them.

The budget allocation depicts that the Ministry has decided to give impetus to development of rural industries, entrepreneurship amongst marginalized community including SC/ST, increasing exports from MSMEs and promotion of MSMEs through states.

There is a significant rise in allocation of budget in schemes such as Scheme for Fund for Regeneration of Traditional Industries (SFURTI) (increase by 151.27%); Loans to Khadi Village and Coir Industries (increase by 250%); Solar Charkha Mission (increase by 117.06%); National Schedule Caste/Schedule Tribe Hub Centre (increase by 87.5%);

there was a almost 500% increase in the allocation of budget in International Cooperation Scheme (Rs. 30 Cr.) last year. However, the same was revised to only 7 Cr. Now this year the allocation has been increased to 20 Cr. from 7 Cr. which is an increase by 185.71%. If the same is compared with the last years budget estimate, it has decreased by 33.33%.

Similarly, under the ASPIRE Scheme, the budget allocated was reduced by more than 77% last year from Rs. 224 Cr. to Rs. 50 Cr. Further it was revised to 10 Cr. This year again it has increased by 200 % from 10 Cr. to 30 Cr. If compared with last year's budget, it is still decreased by 40%.

It is noted that allocation of budget for Interest Subvention Scheme for Incremental Credit to MSMEs has been decreased by 42.85% which shows decline in the uptake of the scheme.

It is also visible that the Central Government is collaborating with State Governments for the development of MSME. Three schemes namely Credit Linked Capital Subsidy and Technology Upgradation Scheme, Procurement and Marketing Support Scheme and Promotional Services Institutions and Programme which have solely been at the disposal of Central Government but now a part of the funding of above schemes have been allocated separately for States.

Mines & Metals

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	Ministry of Steel = 154.54 Ministry of Mines = 1306.39	Ministry of Steel = 196.08 Ministry of Mines = 1528.22	Ministry of Steel = 100 (Budget reduced for Upgradation of Ispat General Hospital Rourkela to a Super Specialty Hospital) Ministry of Mines = 1701.40 (Budget Allocated to Indian Bureau of Mines & Geological Survey of India)	Ministry of Steel = 49% Decrease Ministry of Mines = 11.33% Increase
Outlays for key sectoral schemes	Scheme for Promotion of Research & Development in Iron and Steel sector = 15.00	Scheme for Promotion of Research & Development in Iron and Steel sector = 15.00	Scheme for Promotion of Research & Development in Iron and Steel sector = 15.00	0%
Scheme A	NA	NA	NA	NA
Scheme B	NA	NA	NA	NA
Scheme C etc.	NA	NA	NA	NA

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Rules of origin under Free Trade Agreements to be reviewed	This will help in providing a level playing field to domestic industry, vis-à-vis the undue claims of FTA benefits
2	Rs.103 lakh crore to be invested on infrastructure over the next 5 years and Four station re-development	This will augment indirect demand for metals, cement & minerals

Oil & Gas

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	32370.80	42901.49	42901.00	0.0
Outlays for key sectoral schemes	32282.02	42780.31	42802.44	0.0
Scheme A-LPG Subsidy	20268.38	34085.86	37256.21	9.3
Scheme B- Kerosene Subsidy	4568.57	4483.00	3659	-18.4

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Expansion of National Gas Grid to 27,000 KM from 16,200 KM currently.	• The proposal to deepen the gas market by adding another 10800 km grid network is encouraging and is likely to attract investments in the long run. • It will give an impetus to the Prime Minister's vision of increasing the share of natural gas in the energy basket and transition to a gas based economy. • Expanding the gas grid network will also have a spin off effects on other infrastructure projects as well.
2	Reforms will be undertaken to facilitate transparent price discovery and ease of transactions.	• It shows a positive intent on the part of the government to facilitate better price discovery of domestically produced natural gas. However, more information/ data w.r.t. to the changes/ reforms in the policy would have given a clearer picture and boost to the domestic market.

Overall Assessment of Budget for Sector's Growth and Development

- The budget for 2020-21 tabled in Parliament lacked any major new announcement for the oil and gas sector.
- Budget could have reduced Cess on domestic production. Cess reduction would have made small and difficult fields economical, attract more investments and stem decline in oil production.
- Removal of service tax on royalty could have also been considered as 'Royalty' is a tax in nature and not "Supply of any goods/services". Hence, Service tax should not be applicable on Royalty amount on domestic production of Crude Oil and Natural Gas.

Pharmaceuticals

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	523.46	562.33	333.58	-41
Outlays for key sectoral schemes				
Jan Aushadhi Scheme	42.5	35.51	50	40.8
Development of Pharmaceutical Industry	2.81	3.49	42.05	1104.9

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Pharma MSMEs – handholding for Technology Upgradation, R&D and Business Strategy - Provision of Rs.1000 Cr. through EXIM Bank and SIDBI - Debt funding of `900 crore from banks would be made available	Till now the DoP scheme PTUAS has only a provision of Rs.144 Cr. It is definitely a welcome step to help the SMEs to move up from Schedule M to WHO GMP
2	"Zero Defect-Zero Effect" manufacturing. In September last year, government had called for a time-bound adoption by industry of all necessary, mandatory technical standards and their effective enforcement. All Ministries, during the course of this year, would be issuing quality standard orders.	Quality is of prime importance for Pharma industry and we look forward to the said quality standard orders

Overall Assessment of Budget for Sector's Growth and Development

Allocation of INR 69,000 crore for 2020-21 to the health sector with a stress to expand Pradhan Mantri-Ayushman Bharat Scheme (PMABY) as the world's largest government-funded health assurance scheme to more aspirational districts is an encouraging step. However, the budget had nothing to offer to Pharma sector specifically. The pharma industry was hoping for a restoration of 200% weighted deduction of R&D. This would have helped boosting R&D and innovation in the country.

Proposal to expand Jan Aushadhi Kendra Scheme to all districts offering 2000 medicines and 300 surgicals by 2024 is something to watch out for enhanced role of pharma industry.

The idea of a digital platform to facilitate seamless application, capture of IPRs and Knowledge Translation Clusters is welcome. Government's initiative for mapping of India's genetic landscape for next generation medicine is encouraging.

Power & Renewable Energy

Budget Outlay for Power (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	15575.84	15874.82	15874.82	No Change
Outlays for key sectoral schemes				
Conservation and Energy Efficiency	26.50	110	109.99	0.01% (Negative)
Deen Dayal Upadhyaya Gram Jyoti Yojna	6549.80	4066	4500	10.67% (Positive)
Integrated Power Development Scheme	3896.70	5662.73	5300	6.41% (Negative)
Strengthening of Power Systems	2802.19	1860.02	1843	0.92% (Negative)
Power System Development Fund	544	574.17	574.16	No Change

Budget Outlay for Renewable Energy (Rupees Crore)

	2018-19 Actual	2019-20 BE	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	4224.62	5254.83	3891.74	5753.00	47.82%
Outlays for key sectoral schemes					
Wind Power	951.6	920.0	1026.0	1302.36	26.93%
Solar Power (off-grid and on-grid)	2524.63	3004.90	2280.51	2515.79	10.32%
Green Energy Corridors	500.0	500.0	52.61	300.00	470.2%
Small Hydro	137.67	190.90	94.14	102.00	8.3%
Bio Power	10.18	75.0	10.71	128.0	1095.1%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Taking electricity to every household has been a major achievement. However, the distribution sector, particularly the DISCOMS are under financial stress. The Ministry intends to promote “smart” metering. Centre has proposed all the States and Union Territories to replace conventional energy meters by prepaid	• Revival of DISCOMs is a key challenge for the Government for making the sector sustainable. DISCOMs already under huge debt needs support through credible schemes for bringing in efficiency improvements. • The proposal of the government to bring in suitable schemes for distribution sector reforms and replacement of conventional

	smart meters in the next 3 years. Also, this would give consumers the freedom to choose the supplier and rate as per their requirements. Further measure to reform DISCOMs would be taken. Government has proposed an outlay of Rs 22,000 crore for power and renewable energy sector for 2020-21	meters by smart/prepaid meters will enhance efficiency of Discom and help boost the financial viability of the sector. • Further, steps such as giving option to consumers to choose electricity suppliers will help to bring much needed competition in the power sector and help in providing affordable and reliable tariffs to all the consumers. • This step will enable to lower electricity theft, reduce AT&C losses of discoms. This in turn will lead to improvement of financial conditions of discoms, ultimately leading to **better payment cycle for renewable energy generators**
2	Old Thermal Power Plants with high emission above the norms given by MoEFCC would be shut down. The asset so vacated can be put to alternative use.	• As part of country's Nationally Determined Contribution (NDC), the emissions intensity of India's GDP is targeted to decline by 33 to 35 percent by 2030 compared with 2005. Also, there is a target of generating 40 per cent of power from non-fossil sources by 2030. • Closure of old power plants is an important step towards achievement of the Nationally Determined Contribution (NDC) signed under the Paris agreement and also towards achievement of new Emission Norms notified by Ministry of Environment, Forest and Climate Change (MoEFCC), due for compliance by December 2022.
3	In order to attract investments in power sector, Government has proposed to extend the concessional corporate tax rate of 15% to new domestic companies engaged in the generation of electricity, as the prevailing rule benefits all manufacturing companies.	• To boost power generation capacity, Government has extended the new corporate tax regime for new manufacturing plants to new power generation companies. • This move will Incentivise the power sector and make its operations viable. This will also be a big push for the corporate sector to invest in greenfield power projects to meet the growing energy needs of India. • The concessional tax rate of 15% will help boost the investor sentiment to **invest more in renewable energy, given the 175 GW RE targets by 2022** and 450 GW by 2030
4	Proposal to expand the PM-KUSUM scheme to provide 20 lakh farmers for setting up stand-alone solar pumps; Further, another 15 lakh farmer will be helped to solarise their grid-connected pump sets A scheme to enable farmers to set up solar power generation capacity on their fallow/barren lands and to sell it to the grid would be operationalized.	• The proposals will help in reducing the fossil fuel dependence of farmers, reducing their fuel bills and help in curbing emissions • This proposal will **provide additional source of income to farmers while help in greening the grid**.

	Solar energy production in non-cropping season will be added	
5	Proposal to set up a large solar power capacity alongside the rail tracks, on the land owned by the railways.	• Land acquisition is a major challenge for renewable energy projects. This move by the GoI will help in **overcoming land acquisition challenges for renewable energy projects** and also generate additional revenue for the Railways

Overall Assessment of Budget for Sector's Growth and Development

The announcements made during the Budget 2020-21 are progressive in nature and will help to modernize the power sector, bring in efficiencies and providing energy access to all.

The proposal to promote the implementation of smart metering is a forward-looking measure and will help in the reduction of Aggregate Technical & Commercial Losses. However, there are various challenges in the implementation such as financing issues, technological complexities etc.

The announcement of the Government to extend the new corporate tax regime (@15%) for new manufacturing plants to new power generation companies will help bring in fresh investments towards development of greenfield projects. This is an important step towards fulfilling the growing energy needs of the country as the country is set to grow at double digit rate of growth during the next decade to achieve the Honourable Prime Minister Shri Narendra Modi's vision of making India a 5 Trillion economy by 2024-25.

Government's plans to close the older in-efficient power plants will help curb emission levels and promote efficient technologies thus helping country abide by the NDCs. This will help towards compliance of the new emission norms by the Thermal Power Plants.

The FY21 budget for renewable energy provides a substantial push to solar pumps with a new outlay of INR1000 crores under the KUSUM scheme. Wind power and solar power get increased outlays, given the 2022 renewable energy targets will be majorly from these two sources of energy. However, the budget outlay of INR300 crores for green energy corridors is lower than the actual INR500 crores incurred during 2018-19.

In order to incentivize the investment by the Sovereign Wealth Funds of foreign governments in the priority sectors such as renewable energy, a proposal in the budget has been made to grant 100% tax exemption to their interest, dividend and capital gains income in respect of investments made before 31st March, 2024.

Publishing

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector				
Outlays for key sectoral schemes				
Department of Higher Education				
Digital India e-learning				
• *National Mission in Education Through ICT*	113.04	132.00	85.00	-35.61%
• *e-shodh Sindhu*	199.57	242.00	242.00	0.00%
Ministry of Culture				
• Libraries & Archives	94.59	84.28	103.51	22.33%
• National Mission for preservation of Manuscript	8.87	3.41	6.30	84.75%
Department of Empowerment of Persons with Disabilities				
Support to Establishment/ Modernization/ Capacity augmentation of Braille Presses	4.68	3.60	------	------
Ministry of Tribal Affairs				
Vanbandhu Kalyan Yojana (Tribal Festival, Research, information and Mass Education)	23.35	24.00	24.00	0.00%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	The Government will bring in a **New National Education Policy** to transform India's higher education system to one of the global best education systems. The new Policy proposes major changes in both school and higher education among others, better Governance systems and brings greater focus on research and innovation.	This will encourage publishers to produce the highest quality learning material to match up the global standards.
2.	Govt. will start a programme, **'Study in India'**, that will focus on bringing foreign students to study in our higher educational institutions.	This will provide business opportunity for private publishers in educational book segment.
3.	Govt. proposed to **start degree level full-fledged online education programme** only by institutions who are ranked within top 100 in the National Institutional Ranking framework.	This will provide opportunities for publishers to develop online education content.
4.	A **National Police University** and a **National Forensic Science University** are being	This will help publishers in identifying the topics around which the content should be created in the coming future.

	proposed in the domain of policing science, forensic science, cyber-forensics etc.	
5.	Government proposes to establish an **Indian Institute of Heritage and Conservation under Ministry of Culture**. Various courses in disciplines such as museology and archaeology will be encouraged through this institute	This will encourage publishers in developing content related to Museology and archaeology.

Overall Assessment of Budget for Sector's Growth and Development

Business opportunities for Industry in FY 2020-21 in Publishing sector are as follows:

- **National Mission in Education Through ICT:** The National Mission on Education through Information and Communication Technology (NMEICT) has been envisaged to leverage the potential of ICT, in teaching and learning process for the benefit of all the learners in Higher Education Institutions It plans to focus on appropriate pedagogy for e-learning, providing facility of performing experiments through virtual laboratories, on-line testing and certification, on-line availability of teachers to guide and mentor learners and Direct to Home TV channels etc.

- **e-shodh Sindhu**: This scheme will provide funding for subscription of electronic resources in the country through the Department of Higher Education. It will provide journals to universities, colleges and institutes of national importance and other institutes.

- **Vanbandhu Kalyan Yojana:** Under this head of the scheme, grants are given for Publication of books, relating to issues concerning tribals, organizing tribal festivals, undertaking research/evaluation project and conducting seminar/workshops.

Real Estate Sector and Urban Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	40611.87	42266.72	50039.90	18.39%
Outlays for key sectoral schemes				
North Eastern Regional Urban Development Project (NERUDP)	368.74	371.00	150.00	-59.57%
Pradhan Mantri Awas Yojna (PMAY)	6134.62	6853.26	8000.00	16.73%
Urban Rejuvenation Mission - 500 Cities	6182.83	6392.00	7300.00	14.21%
Smart Cities Mission	5902.10	3450.00	6450.00	**86.96%**
Swachh Bharat Mission (SBM) - Urban	2461.61	1300.00	2300.00	**76.92%**

Housing (Real Estate)- Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Extension of deadline for availing interest deduction benefit of Rs 1.5 lakh on home loan for affordable housing extended by 1 more year to 31st March 2021	This will incentivize homebuyers who are looking to purchase an affordable apartment and hence aims at boosting the housing demand.
2	To promote the affordable housing projects, the date of approval of affordable housing projects for availing tax holiday has been extended by one more year (31st March 2021).	This will boost the supply of affordable houses in the country.
3	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. The limit has been increased from 5% to 10%.	It is a welcome move as, in several parts of the country the circle rate has not been aligned to market prices. This will minimize hardship in real estate transaction and provide relief to the sector.
4	Government to bring out a policy to enable private sector to build Data Centre parks throughout the country.	More than residential segment directly, the government focused on alternate sections of real estate such as data centers, hospitals, warehousing etc. to promote diversified real estate developments. It will enable our firms to skillfully incorporate data in every step of their value chains.

Overall Assessment of Budget for Housing Sector (Real Estate) Growth and Development

	Budget Announcement	Likely Implication
1	The total allocation for Swachh Bharat Mission is Rs 12,300 crore in 2020-21	This will further support the overall Mission in both Rural & Urban areas which aims to clean the streets & infrastructure of Urban & Rural area in India.
2	Government proposes to start programme for Urban Local Bodies to provide opportunities for internship to young engineers	The scheme will help in skill development and creation of pool of trained manpower who can be easily employed by urban local bodies going forward.
3	Five new smart cities to be developed in collaboration with states via PPP	Announcement of development of five new cities will surely give impetus to the smart cities mission, however, the real impact can be assessed only when the sites for development of the cities are identified.
4	Ministry of Housing working with Urban Local Bodies to eliminate manual cleaning of sewers	The demand was long pending, and this will bring an end to the inhuman methods of manual scavenging and sewage cleaning.
5	Government proposes to encourage and incentivize states that are formulating plans for ensuring clean air. Rs 4400 crore allocated to support states with population of 1 million and above	Rising pollution levels in urban areas are a matter of grave concern. The outlay will help in reducing the air pollution levels in the cities having population of more than 1 million. The allocation is based on the focus of the state government to reduce the pollution levels in the urban areas.

Overall Assessment of Budget for Housing Sector (Real Estate) Growth and Development

For the real estate sector, the Budget has touched only a few aspects related to tax benefits of affordable housing. Development of 5 New Smart Cities is a welcome move. Also, announcement on Warehousing & Data Centre Parks can give shove to commercial real estate development.

However, several real estate sector's long-standing demands like granting of the industry status, one-time role over, tax on unsold inventory, tax to individual investor for notional income on second or third home, offset of loan interest from income, developer subvention, RERA as single body for customer grievances have not been considered. After witnessing the slew of supportive initiatives last year, we had high expectations from the first budget of the decade to be able to bring the real estate sector back on the path of sustainable growth.

Rural Economy

Key Budget Announcements and Implications

Budget Announcement	Likely Implication
PM KUSUM to cover 20 lakh farmers for setting up standalone Solar power in barren and fallow lands and 15 lakh for grid connected pumps	Twin income drivers for small farmers (a) new income line by bringing barren and fallow land to produce energy (b) arrest income decline by increasing irrigated coverage. This measure is in line with Government's focus on renewables. The Government needs to bring additional measures to ensure Grid connection with Discoms which hasn't taken off.
Under Deen Dayal Antyodaya Yojana for alleviation of poverty, 58 lakh SHGs have been mobilised. We shall further expand on SHG mobilisation	SHGs have emerged as the critical lastmile link for delivery of development, the continued focus of Government will ensure universalisation and build an institutional mechanism for ensuring better targeting, bringing socio-economic women empowerment and give impetus for livelihoods.
As a backward linkage, a Village Storage Scheme is proposed to be run by the SHGs. This will provide farmers a good holding capacity and reduce their logistics cost.	This creates the missing infrastructure to fully leverage other measures announced like Kisan Rail, Udan and e-warehousing. Capacity augmentation of SHGs to manage village storage and link with GrAM will be crticial to make this success. Acknowledging inability of farmers to hold their produce and create mechanism for connecting with moden market mechanisms is welcome

Science & Technology

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	12204.68	12875.5	14364.26	11.56%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	National Mission on Quantum Technologies allocated Rs 8,000 crore and Application over 5 years	• This is a welcome step as it is expected to make India the third largest in Quantum Technologies. This investment will boost R&D in sectors such as health care, energy, environmental systems, smart materials and many more. • As a result of this significant number of commercial applications are expected to emerge from theoretical constructs developing in this area.
2	For selected sectors such as pharmaceuticals, auto components and others, it is proposed to extend handholding support – for technology upgradations, R&D, business strategy etc. A scheme of Rs 1000 crore will be anchored by EXIM Bank together with SIDBI.	• This will encourage R&D led manufacturing in the MSME sector leading to the development/use of new effective technologies and manufacturing processes that reduce cost of production and enhance global competitiveness.
3	Enable Private Sector to build Data Centre Parks throughout the country. Across the country Digital platform for capturing IPRs through COEs to be set up	• Enable Indian firms to skilfully incorporate data in every step of their value chain. • Lead to attracting FDI in the country and spur employment generation • Enable information sharing across cross-functional sectors and organisations
4	Fibre to the Home (FTTH) connections through Bharatnet will link 100,000 gram panchayats this year with a proposed budget outlay of Rs 6000 crore under the Bharatnet programme in 2020-21.	• All public institutions at Gram Panchayat level such as aanganwadis, Government schools, post offices will be able to get digital connectivity.
5	Knowledge Technology Clusters, with test beds and small scale manufacturing facilities for designing, fabrication and validation of proof of concept to be established.	• This would help and assist SMEs/MSMEs to undertake R&D through collaborations where they will have an access to such clusters for design, fabrication and technology upgradation. This will give a big boost to the MSMEs.

Overall Assessment of Budget for Sector’s Growth and Development

The budget emphasized on the proliferation of technologies, specially analytics, machine learning, robotics, bio-informatics and Artificial Intelligence. One of the key announcements of the budget was

Rs. 8,000 crore outlay for national mission on quantum technology. This would provide huge impetus to the Indian science and technology sector taking India on the path of becoming the third largest nation in the field of quantum technology.

The budget however should have focused on much sought after benefits in the form of research tax credits which can be used to offset future tax liability (similar to those given in developed economies). A weighted deduction of 200% under section 35(2AB) of the Act be should have been continued to promote research and development in the manufacturing space and make India a manufacturing hub.

The budget didn’t mention about the extended tax benefits to units engaged in the business of R&D or contract manufacturing to provide impetus to R&D in India. The budget didn’t mention any provisions which would enable to carry forward of R&D benefits separately, provision of weighted deduction in respect of expenses incurred outside the R&D facility, no mention of weighted deduction for R&D expenditure to be extended to service sector as well.

Skill Development

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	2618.98	2531.04	3002.21	18.61
Outlays for key sectoral schemes				
Development of Skills	2042.24	2046.22	1590.50	(22.28)
Promotion of Apprenticeship	--	50.98	73.02	43.23
Apprenticeship and Training	440.71	--	--	NA
Strengthening of Infrastructure for Institutional Training	--	92.28	86.00	(6.80)
Development of Entrepreneurship	20.34	25.06	39.01	55.66
Scheme of Polytechnic	44.46	--	--	NA
National Skill Development Agency	15.00	--	--	NA
Support to Regulatory Institutions	--	16.60	20.00	20.48
Skill Acquisition and Knowledge Awareness for Livelihood Promotion	--	--	500	100
Skill Strengthening for Industrial Value Enhancements	--	--	400	100
Strengthening of Skill Institutions	--	15.86	17.50	10.34

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Special bridge courses to be designed by the Ministries of Health, Skill Development together with professional bodies to bring in equivalence.	This move is the need of the hour and timely implementation is key to achieve the expected outcome. Some states in our country have educational programs for school drop outs to bring them to main stream and these programs are also known as bridge education programs. FICCI's report on 'Implementation of Apprenticeship in India' clearly highlighted that short-term bridge courses will not only enhance employability prospects but will

		also help in shifting labour from informal to formal sector.
2	Rs 8000 crore allocated over a period five years for the National Mission on Quantum Technologies and Applications	This move is the need of the hour and timely implementation is key to achieve the expected outcome. The Government has been focusing on promoting digital economy. However, Cyber Security is going to be a big challenging area to meet the vision of turning the country into a digital nation. Major thrust on Quantum technology will open up new frontiers in Computing, Communications and Cyber Security with widespread applications. It will also create substantial number of employment in the sector. The move will also create a cohesive ecosystem of R&D, Skilling & Training in new-age technologies. Further, as per FICCI recommendation minimum or Rs 1250 Cr must be allocated over 5 years for the ITIs and Polytechnics.
3	- Promotion of Apprenticeship - 150 higher educational institutions will start apprenticeship embedded degree/diploma courses by March 2021.	The main objective of National Apprenticeship Promotion Scheme is to promote apprenticeship training and to increase the engagement of apprentices from Rs 2.3 lakh during August 2016 to Rs 50 lakh cumulatively by year 2020. However, considering the huge target to be met a budget of Rs 73.02 Cr doesn’t look sufficient. FICCI report on Apprenticeship had suggested to link apprenticeship with BVOC and Diploma to ensure that students are finishing the apprentice program with a recognized certification with industry acceptability. The Government announcement on embedded degree/diploma courses is a welcome move. Linking higher education to apprenticeship to provide vertical and horizontal mobility is also critical to make it aspirational for our youth.
4	Strengthening of Infrastructure for Institutional Training	This scheme aims to improve the performance, relevance and efficiency of skill development/vocational training programs provided through Industrial Training Institutes (ITIs) and Polytechnics, and to increase capacity of State Governments/Union Territories to support these institutes and also to upgrade the infrastructural facility of the Government in accordance with the latest technological advancements duly paving the way for emerging sectors/occupational areas so as to make the youths tech-savvy and industry ready. However, the budgetary allocation of Rs 86 Cr is not sufficient to support this vision.

5	Development of Skills Pradhan Mantri Kaushal Vikas Yojana (PMKVY) to train one crore persons (75 lakh fresh training and 25 lakh RPL) during 2016-2020 across the sectors in the country. (ii) Implementation of National Policy for Skill Development to articulate skilling framework at scale and speed while ensuring high quality outcomes, (iii) Implementation of National Skill Development Mission to converge, coordinate, implement and monitor skilling activities on a pan-India basis (iv) Execution of Common Norms for all Skill Development programmes across Central Ministries/Departments and (v) Jan Shiskhan Sansthan support to NGO in skilling.	Government's broad vision is futuristic in nature. It will help in effectively engaging with clusters and scaling up rural skilling & training activities. Budget allocation of Rs 1590 crore is a welcome move, although it is 22.28% less than the previous budget.
6	Skill Strengthening for Industrial Value Enhancements (STRIVE)	It will help improving the performance of ITIs, increase the capacities of state governments to support them, improve teaching and learning and broaden Apprenticeship Training. Budget allocation of Rs 400 Cr is a welcome move. The Government should further consider increasing the allocation.

7	Development of Entrepreneurship	Creation of a favourable ecosystem for entrepreneurship development through entrepreneurship education and training, advocacy, easy access to various components of entrepreneurship ecosystem including mentor network, credit, incubator & accelerator, information platform and research is a welcome move. There are evident job losses in formal sector due to impact of exponential technologies. Entrepreneurship has proven to create sustained employment opportunities; it is key to India's economic development. From about 70,000 new firms created in 2014, the number has grown to 124,000 new firms in 2018-19. More than 6 lacs employment opportunities were created between 2016 till March 2019. Further, good physical and human infrastructure could pave way for more semi-urban start-ups too. The Government has launched various schemes needed to further scale up the effective implementation. Present budget could have allocated more funds to boost the ecosystem.
8	Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP)	The objective of the World Bank assisted project is to strengthen the institutional mechanisms at both national and state level, building a pool of quality trainers and assessors, creating convergence among all skill training activities at the state level, providing access to skill training opportunities to the disadvantaged section, capacity creation through setting up of a competitive Skills Fund and supplement the Make in India initiative by catering to the skill requirements in relevant manufacturing sector. Government has allocated a total budget of Rs 500 Cr for the SANKALP. It is a welcome step.

Overall Assessment of Budget for Sector's Growth and Development

Overall, this is a balanced budget, which outlines a roadmap for India to kick-start the revival of economy, and also recognizes importance of developing future ready human capital. A clear focus on affordable housing and rural sector boost will further enhance India's chances of attracting more FDIs. New thrust on developing an ecosystem of industry ready workforce will help in 'gainful employment'. Budget presents a balanced approach to promote modern as well traditional skills.

Start Up & Innovation

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	19.01	57.84	50	-12.28
Outlays for key sectoral schemes: **Fund of Funds for Start-ups**		431.30	1054.97	144.60

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Setting up an Investment Clearance Cell that will provide "end to end" facilitation and support, including pre-investment advisory, information related to land banks and facilitate clearances at Centre and State level. It will work through a portal.	• Expedited grant of licenses • Better, informed decisions on part of the investor • Promote ease of doing business for start-ups • Reduce red-tapeism in the system
2	Tax on ESOPs to be deferred to five years or when employees sell their shares or when they leave the company, whichever is earliest.	• Attracting and retaining highly qualified, experienced talent not only from India but from across the world. • Will avoid double taxation on ESOPs • ESOPS can increasingly be used by start-ups as a way of rewarding employees
3	Eligible start-ups with turnover of Rs. 25 Crores allowed deduction of 100% of profits for three consecutive years of 7 years. Turnover limit for eligible start-ups for claiming tax exemption increased from INR 25 cr to INR 100 cr & the period for availing tax increased from 7 to 10 years.	• Enabling re-investment of profits into the start-up • Boost business acceleration and growth with reduced tax burden
4.	Rs. 8,000 crore outlay for national mission on quantum technology	• Provide India a competitive advantage in the emerging field of quantum technologies • Attract investment from global companies who have an interest in quantum technologies • Enable India on the path of become the third largest and pioneering nation in the field of quantum technology
5.	No need for audit for MSMEs with turnover upto INR 5 crores	• Reduced burden of compliance on a start-up • Improved cost and time efficiency

6.	Direct all infrastructure agencies of the government to involve youth-power in start-ups. They will help in rolling out value added services in quality public infrastructure for citizens.	• Provide Government e- Marketplace to start-ups boosting the investment in the start-up sector • Provide new avenues of partnership between the Government and Start-ups for providing affordable service delivery at the last mile
7.	Digital platform to facilitate seamless application and capture of IPRs. Establishing a Centre of Excellence, that would work on the complexity and innovation in the field of Intellectual Property.	• Promote and Incentivise Innovation and Technology • Simplified and expedited filing of IPR • Enhance India's global competitiveness • Improve India's rank in International IP Index
8.	The government proposes to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups.	• Encourage youth to take on the path of entrepreneurship as this will provide the much needed risk capital at the conception stage

Overall Assessment of Budget for Sector's Growth and Development

Overall, positive measures introduced by the Finance Minister in the 2020-21 budget, for the Indian startup ecosystem. The budget focused on the entire spectrum of a startup, right from ideation to growth stage companies. The ideation fund announced for early stage startups will provide the much needed risk capital for the young entrepreneurs of the country, easing of taxation on ESOPS will allow startups to leverage ESOPs more effectively and help attract and retain the much-needed high-quality talent.

The increasing importance of startups as a contributor the economic growth was well acknowledged in the budget with a bouquet of incentives being announced to foster the entrepreneurial growth in the country.

Sports & Youth Affairs

Budget Outlay for Sector (Rupees Crore)

		2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
		Total	Total	Total	Total
		1723.01	**2216.92**	**2776.92**	**2826.92**
CENTRE'S EXPENDITURE					
Establishment Expenditure of the Centre					
1	Secretariat	28.26	33.00	33.00	34.00
Central Sector Schemes/Projects					
2	National Service Scheme	126.19	160.00	166.55	172.00
	Total-Rashtriya Yuva Sashaktikaran Karyakaram	**89.25**	**138.00**	**168.95**	**186.50**
	Encouragement and Awards to Sportspersons				
	Total-Encouragement and Awards to Sportspersons	**312.31**	**411.00**	**496.00**	**372.00**
	Total-Khelo India -	**500.81**	**601.00**	**724.00**	**1015.42**
Total-Central Sector Schemes/Projects		**1028.56**	**1310.00**	**1555.50**	**1745.92**
Other Central Sector Expenditure					
Autonomous Bodies					
	Nehru Yuva Kendra Sangathan	287.40	256.92	363.18	300.00
	Rajiv Gandhi National Institute of Youth Development	19.84	s30.00	46.24	35.00
	Sports Authority of India	395.00	450.00	615.00	500.00
	Laxmi Bai National Institute of Physical Education	45.00	50.00	50.00	55.00
	Other Autonomous Bodies	42.83	86.00	113.00	155.00
	North Eastern Areas	...	181.64	198.44	234.93
	Capital Outlay on North Eastern Areas	...	25.01	35.01	45.01

Key Budget Announcements and Implications

There is an increase of 50 cr in the annual budget this year. It is 2826.92 cr from 2776.92 (RE) 2019-2020. Although the increase is insignificant, there are lot of pending liabilities which are concluded. There are reductions under certain heads, but they are largely re-appropriations with operational expenses consolidated under Khelo India. The government itself is likely to dispense certain responsibilities directly and hence the allocation has been accordingly reorganised.
Rationalising duties on sports and fitness equipment, tax benefits for investing in sports infra, sports sciences and academies, creation and maintenance of sports infra and training facilities for grassroots (panchayat level), fitness and sports zones as part of smart city designs and special funds or subsidies for organising local level as well as international sporting events have not found place in budget and their inclusion would have given much boost to the sporting sector.

Textiles

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	6661.47	4831.48	3514.79	(-) 27%
Outlays for key sectoral schemes				
Technology Mission on Technical Textile	-	.01	.01	0%
Amended Technology Upgradation Fund Scheme (ATUFS)	615.68	494.37	761.90	54.11%
Scheme for Integrated Textile Parks (SITP)	20.29	40.00	80.00	100%
Workers' Hostel	0.06	1.00	5.00	400%
Integrated Scheme for Skill Development	18.39	100.50	150.00	49.25%
North East Textiles Promotion Scheme	65.71	126.01	135.60	7.6%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	The budget allocation of Rs 762 crores for Amended Technology Upgradation Fund Scheme (ATUFS)	Allocation needs to be higher as this is a flagship scheme for promoting investments.
2	The National Technical Textiles Mission has been announced at an estimated outlay of Rs 1480 crore	We are happy to see that National Technical Textiles mission has been launched and adequate allocation has been made for it. This would ensure enough investment in Technical Textiles required to boost indigenous manufacturing and reducing our import dependence.
3	Abolition of Anti-Dumping Duty on Purified Terephthalic Acid (PTA)	This announcement will provide the much-needed thrust to the entire man-made fibre based value chain as PTA is the basic raw material for manmade textiles value chain.
4	Allocation for worker hostel scheme at Rs 5 crore	FICCI had suggested the draft scheme on Worker Housing Scheme for Garment Units in Cities to Government. The current allocation of Rs 5 crore of course not adequate but will be a good start for formulating the scheme which will require much higher allocation as we progress.
5	Scheme for Reversion of duties and taxes on exported products	This will help in making our textiles and apparel exports competitive

6	NER Textiles Promotion Scheme	This would help in promotion of Textiles industry in North East region and development and modernisation of the industry in the region.
7	Integrated Scheme for Skill Development	Continuous training and skill upgradation is needed for skill development of workers in the textiles sector which will be supported through this scheme.

Overall Assessment of Budget for Sector's Growth and Development

- FICCI had submitted a list of following duties/charges and GST to be covered apart from existing duties and taxes under the Scheme of Reversion of duties and taxes on exported products that are not refunded currently:
  a) Electricity duty
  b) Excise Duty and Road Tax by Central Govt + VAT by State Govt on diesel as fuel
  c) VAT on industrial gas supply as fuel
  d) GST on Motor Vehicles - for Insurance, Servicing, Repairs and Maintenance (Corporate Vehicles)
  e) Staff Welfare - GST on Food and beverages, Outdoor Catering, Rent-a-cab, Health Insurance, Life Insurance etc
  f) GST on immovable properties like on factory building, internal roads etc
  g) Stamp Duty on land purchase and GST on its brokerage
  h) Stamping and loan franking charges on bank loans

  We are happy to see that some of the above duties such as electricity duties and VAT on fuel used for transportation will be covered under Scheme for Reversion of duties and taxes on exported products to be launched this year.
- The biggest announcement for the textiles sector was National Technical Textiles mission with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of ₹ 1480 crore which will provide the much-needed thrust to the technical textiles segment. The government recently notified 207 HS Codes for technical textiles and mandated usage of certain items in various application areas. Such steps would help in boosting employment, manufacturing and domestic usage of technical textiles in the country.
- Purified Terephthalic Acid (PTA), is a critical input for textile fibres and yarns. The anti-dumping duty on PTA has been abolished. Its easy availability at competitive prices is desirable to unlock immense potential in the textile sector which is a significant employment generator. This would boost growth of manmade fibre (MMF) industry and the entire textiles value chain.
- There is huge backlog under the ATUFS scheme. ATUF money is still not fully released and pending leading to increase in working capital of the textile mills. Though not adequate, we hope that the allocated fund of Rs 762 crores would be helpful in sustaining investments.

Transport Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Ministry of Railway	**54912.67**	**69967.37**	**72215.63**	**3.213297856**
Outlays for key sectoral schemes				
Rolling Stocks	4572.04	9068.97	5786.97	-36.18933572
Electrification Projects	-5.79	1.00	1.00	0
Signaling and Telecom	1538.43	1374.82	1650.00	20.01571115
New lines Construction	5647.58	7881.60	12000.00	52.25334957
Ministry of Roads Transport and Highways	**77301.29**	**83015.97**	**91823.22**	**10.60910328**
Outlays for key sectoral schemes				
National Highways Authority of India	39287.27	36691.00	42500.00	15.83222044
Roads and Bridges	37824.99	45897.39	48777.45	6.274997336
Road Transport and Safety	166.37	273.00	379.00	38.82783883
Ministry of Shipping	**1813.22**	**1523.40**	**1800.00**	**18.15675**
Outlays for key sectoral schemes				
Development of Ports	279.38	206.64	143.50	-30.55555556
Sagarmala	360.09	380.86	297.00	-22.01858951
Shipping and Ship Building	29.12	42.43	151.00	255.8802734
Inland Water Transport	870.64	542.92	678.30	24.93553378

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
	Infrastructure	
1	An allocation of INR 1.7 lakh crores for transport infrastructure in 2020-21.	The provision of Rs 1.7 lakh crore for transport infrastructure is a good move as it will help improve logistics ecosystem, cut costs and improve competitiveness. This comes over and above Rs 103 lakh

		crore National Infrastructure Pipeline announced few weeks ago.
2	Govt proposes 100% tax concession to sovereign wealth funds on investment in infra projects	Given the low interest rates prevailing in the developed markets SWFs looking for stable returns and long-term commitment will find Indian infra sector attractive.
	Roads and Highways sector:	
1	Government has proposed monetizing 12 lots of highway bundles of over 6,000km before 2024	The Toll-Operate-Transfer (TOT) of 12 bundles before 2024 will generate global interest. Bundles should be created keeping in mind global interest.
2	Delhi-Mumbai expressway and two other projects will be completed by 2023. Also, work on Chennai-Bengaluru expressway will be commenced	Industry welcomes the announcement of construction of the Mumbai-Delhi and other such expressways in the next 3 years.
3	The government to set up 9,000 km economic corridors and 2,000 kms of strategic highways. Additionally, it will construct 2,500 access control highways and 2000 coastal and port roads.	Globally, rapid growth has happened around corridors. The plan to set up 9000 km of economic corridors is a welcome step.
	RAILWAYS SECTOR	
1	Indian Railways will set up Kisan Rail through PPP model so that perishable goods can be transported quickly.	Kisan rail under PPP mode will help generate rural incomes by enabling faster transport of agricultural goods at competitive rate.
2	Large solar power capacity for Indian Railways, alongside the rail track on the land owned by the Railways.	This is a brand-new idea. The thrust on enhancing solar power capacity will provide immense opportunities to the industry
3	4 stations to be redeveloped and operation of 150 passenger trains under PPP model.	The budget has clear focus on building sustainable infrastructure and PPP mode for running the trains and engagement of the private sector for station redevelopment will go a long way in modernisation as well as enhancing customer and passenger experience.
4	Centre to provide 20 percent equity to the Bengaluru suburban transportation and facilitate external assistance up to 60% of the project cost. The project cost will be approximately INR 18,600 crore.	The momentum of infrastructure investment has been retained for railways.
	PORTS AND SHIPPING SECTOR	
1	A governance framework for ports will be set up. It will also look at one major port and its listing on the stock exchanges	Governance framework for ports needs to take care of connectivity facilitation.
2	Jal Marg Vikas Nigam Project on NW1 will be completed. Additionally, 890 km Sadiya Dhubri stretch of Brahamputra River connectivity will be done by 2022	The industry welcomes the decision. Tonnage tax breaks and soft financing would be essential to kickstart the process.

Overall Assessment of Budget for Sector’s Growth and Development

The outlay of 1.7 lakh crore for infrastructure sector will provide the much-needed boost to investments in the infrastructure sector. This comes over and above Rs 103 lakh crore National Infrastructure Pipeline announced earlier. The government has also substantially increased the capital expenditure by 21% which will trigger the infrastructure spending. This coupled with the resolve to establish a firm framework for contract management will accelerate development in the sector.

A slew of measures announced to boost storage infrastructure at district level through centre-state partnership and private sector participation will have a cascading effect on Transport infra, real estate and supply chain. The budget extended viable gap funding for setting up storage infrastructure and adoption of PPP model for Kisan Rail and Krishi Udaan for carrying refrigerated and perishable goods. These measures will improve the organized supply chain by enabling faster transport of perishable food products at competitive rates, modernizing the transport infrastructure and augment the real estate activities.

The proposed engagement of the private sector involvement for station redevelopment and passenger train operations will go a long way in enhancing customer and passenger experience.

Emphasizing on the governance framework for will foster connectivity facilitation., Further, the government’s push towards adoption of technology is an opportune step for improving the operational efficiencies of ports.

For the transport infrastructure sector, the budget 2020 is inclusive with a good thrust to roads, railways, suburban transportation and shipping sector.

Tourism

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	2090.62	1416.00	2499.83	76.5%
Outlays for key sectoral schemes				
Scheme A (Establishment Expenditure of the Centre)	115.11	125.00	124.62	- 0.3%
Scheme B (Tourism infrastructure)	1321.36	784.61	1655.21	52.5%
Scheme C (promotion and Publicity)	542.34	412.39	590	30.1%
Scheme D (Training and Skill Development)	111.81	94.00	130.00	27.69%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	Five archaeological sites to be developed to iconic sites with museums. The sites identified for the initiative are Raki Garhi in Haryana, Hastinapur in Uttar Pradesh, ShivSagar in Assam, Dholavira in Gujarat, and Adichanaluru in Tamil Nadu.	This will boost the number of Foreign tourist arrivals in India and increase the Domestic Tourism as well.
2.	A tribal museum will be set up in Ranchi, Jharkhand	Good step on preserving & showcasing the world the culture and heritage of various tribes of India
3.	A maritime museum would be set up at Lothal- the Harrapan age maritime site near Ahmedabad, by Ministry of Shipping.	This will be generate new tourist interest in marine archaeology
4.	100 new airports by 2024 to support the UDAAN scheme.	This will help to boost last mile connectivity and boost tourism in the destination
5.	Government to introduce more Tejas type trains to connect iconic tourism destinations in the country.	This will boost the domestic and foreign tourist movement to these destinations.

6.	State governments to develop a roadmap for certain identified destinations and formulate financial plans during 2020-21 against which specified grants will be made available to the States in 2020-21.	This will ensure a systematic development of tourism destinations

Overall Assessment of Budget for Sector's Growth and Development

India has moved up from rank 65 in 2014 to 34 in 2019 in the Travel & Tourism Competitive Index (World Economic Forum). Foreign exchange earnings grew 7.4% to Rs. 1.88 lakh crores for the period January to November 2019 from Rs. 1.75 lakh crores.

The announcement to add 100 new airports by 2024 under the UDAAN scheme and introducing Tejas type trains to iconic sites will boost Tourism activity in these destinations.

Tourism Infrastructure will have to develop at a faster rate to accommodate the increase in tourist arrivals. **Infrastructure status must be given to hotels and resorts.** There should be ease of land acquisition in the PPP model between Government & Private Players to develop Tourism Infrastructure, smoothen the last mile connectivity and ensure quality accommodation across categories and facilities or amenities for tourists.

Water & Sanitation

Budget Outlay for Sector (Rupees Crore)

	2018-19 Actual	2019-20 RE	2020-21 BE	% change (FY21 over FY20)
Overall for the Sector / Ministry	7422.08	7518.21	8960.39	19.2% (Positive)
Outlays for key sectoral schemes				
Scheme A - National River Conservation Programme	1620.00	1200.02	840.01	30% (Negative)
Scheme B - Namani Gange	687.50	353.42	800.01	126.4% (Positive)
Scheme C - River basin Management	176.33	161.55	200.00	23.8% (Positive)
Scheme D - Water Resources Management	568.60	636.19	775.00	21.8% (Positive)
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	5484.15	10000.66	11500.00	14.99

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	2020-2021 budget highlighted Water as one of three components of Aspirational India. The Government has proposed **INR 3.6 lakh crore** under **Jal Jeevan Mission (JJM),** towards piped water supply to households, which seeks to provide Functional Household Tap Connection (FHTC) to every rural household by 2024. INR 11,500 crore under JJM has been proposed for the year 2020-21 and all the cities with million-plus population to be encouraged to achieve the objective during the current year itself. The following measures has been proposed for this mission. • Augmenting local water sources • Recharging existing sources • Promoting water harvesting • Desalination	This will ensure India’s water security and provide access to safe and adequate drinking water to all Indians. The rise in budget allocation for Jal Jeevan Mission (JJM) indicates the priority focus on water in the government’s development agenda.
2	The Government has proposed comprehensive measures for 100 water-stressed districts for FY 2020-21.	Strategic focus on water-stressed districts will largely impact the urban and rural economy positively.

3	The Government has proposed INR 12, 300 crore allocation for Swachh Bharat Mission in 2020-21. The following measures has been proposed for this mission. • Commitment to ODF-Plus in order to sustain ODF behaviour. • Emphasis on liquid and grey water management. • Focus also on Solid-waste collection, source segregation, and processing	The measures will significantly contribute towards the end treatment of solid waste and wastewater and will also provide opportunity for entrepreneurs and private sector engagement in this sector.

Overall Assessment of Budget for Sector's Growth and Development

- The Union Budget for FY 2020-2021 highlighted Water as one of three components of ***Aspirational India.***

- The measures will significantly focus on providing safe and accessible drinking water to all Indians. Water harvesting measures that included groundwater recharging and augmenting water resources will ensure India's water security.