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Title : Presented a statement of the estimated receipts and expenditure of the Government of India for the year 2020-21.

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UNION BUDGET, 2020-21*

माननीय अध्यक्ष: मैं इस नए दशक के पहले आम बजट में आप सभी का अभिनन्दन करता हूँ, स्वागत करता हूँ।

श्रीमती निर्मला सीतारमण जी, वर्ष 2020-21 के लिए भारत सरकार की अनुमानित प्राप्तियों और व्यय का विवरण प्रस्तुत करेंगी।

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Sir, I rise, with your permission, to present a Statement* of the estimated receipts and expenditure of the Government of India for the year 2020-2021.

I rise to present the Budget for the year 2020-2021.

Sir, in May, 2019, Prime Minister Modi received a massive mandate to form the Government again. With renewed vigour, under his leadership, we commit ourselves to serve the people of India, with all humility and dedication.

People of India have unequivocally given their *jan-aadesh* for not just political stability and also reposed faith in our economic policies.

This is the Budget to boost their incomes and enhance their purchasing power. Only through higher growth, we can achieve that and

have our youth gainfully and meaningfully employed. Let our businesses be innovative, healthy and solvent with use of technology.

For today's youth born at the turn of the century, for every member of Scheduled Castes and Scheduled Tribes who seeks a better life, for every woman wishing to stand up and get counted, for every individual from the minority sections of our society – this Budget aims to give and have your aspirations and hopes addressed.

We wish to open up vistas for a vibrant and dynamic economy with a gentle breeze of new technology. This vibrant India shall be a caring society which shall attend to its weak, the old and the vulnerables among its citizens.

During 2014-19, our government brought in a paradigm shift in governance. This shift was characterised by a twin focus: fundamental structural reform and inclusive growth.

Fundamentals of the economy are strong and that has ensured macroeconomic stability. Inflation has been well contained. Banks saw a thorough cleaning up of accumulated loans of the past decade and then they were recapitalized. Companies were provided an exit through the IBC. Several steps on the formalisation of the economy were taken up.

Of the structural reforms, the Goods and Services Tax (GST) has been the most historic in our country. Its chief architect is not with us today. I pay homage to the visionary leader late Shri Arun Jaitley ji. At the time of roll out of GST, he had said and I quote:

“It will be an India where the Centre and States will work harmoniously towards the common goal of shared prosperity. The unanimity of the Constitutional amendment and the

consensus of the GST Council highlights that India can rise above narrow politics for the nation's interest. With the GST, neither the state nor the Centre loses its sovereignty. In contrast, they will pool their sovereignty on decisions on indirect taxes.”

True to this vision for the historic structural reform, the Goods and Services Tax has been gradually maturing into a tax that has integrated the country economically. It has consolidated numerous taxes and cesses to one tax and facilitated formalization of the economy. It has resulted in the efficiency gains in logistic and transport sectors. The turnaround time for trucks has witnessed a substantial reduction to the tune of twenty per cent due to abolition of check posts in GST. The dreaded Inspector-Raj has also vanished.

It has also led to significant benefits to MSME by way of enhanced threshold and composition limits. The effective tax incidence on almost every commodity came down substantially. Through several rate reductions, an annual benefit of one lakh crore rupees has been extended to consumers. It amounts to ten per cent reduction in overall tax incidence. An average household now saves about four per cent of its monthly spends on account of reduced GST rates.

During this phase of maturing, GST did face certain challenges. This was natural as transition was daunting. GST Council has been proactive in resolving issues during the transition. In the last two years, we have added more than sixty lakh new taxpayers, a total of about forty crore returns were filed, eight hundred crore invoices were uploaded, and 105 crore e-way bills were generated. There has been extensive

engagement with stakeholders. A simplified new return system is being introduced from April 1, 2020.

A former Prime Minister had once voiced a concern that the fruits of the welfare schemes were not reaching the intended citizens – the common and deserving citizen was only receiving 15 paise of every rupee sent to him. Guided by “Sabka Saath, Sabka Vikas, Sabka Vishwas”, our Government and our Prime Minister added manifold speed and scaled up the implementation of schemes and programmes that directly benefitted the poor and the disadvantaged. I wish to list out only a few as examples: (a) welfare schemes with Direct Benefit Transfer (DBT) embedded in them; (b) sanitation and water as provision of basic needs and as a measure of preventive healthcare; (c) healthcare, through Ayushman Bharat; (d) clean energy through Ujjwala and solar power; (e) financial inclusion, credit support, insurance protection to vulnerable sections and pension scheme; (f) digital penetration with broadband and UPI; and finally, (g) Affordable Housing for all through PMAY, the Prime Minister Awas Yojana.

The milestones achieved are unprecedented, globally recognised and benchmarked against international indices.

This strategy changed the established order of a few individuals cornering most of the benefits and was appreciated by the people. This had immensely positive outcomes. We have moved on from a growth rate of just over 4 per cent in 1950s to 6 per cent in 1980s and 1990s. However, during 2014-19 we clocked a growth of 7.4 per cent on average with inflation, averaging around 4.5 per cent itself. It is worthwhile to note that inflation was close to 9 per cent in the last two decades of the last millennium and ranged 10.5 per cent during 2009-14.

Between 2006-16, India was able to raise—I repeat that line—Between 2006-16, India was able to raise 271 million people out of poverty, which we all should be proud of.

We are now the fifth largest economy of the world. India's foreign direct investment got elevated to the level of US \$ 284 billion during 2014-19 from US \$ 190 billion that came in during the years 2009-14. The Central Government debt that has been the bane of our economy got reduced, in March 2019 to 48.7 per cent of GDP from a level of 52.2 per cent in March 2014. Just between 2014 and 2019, I recall this figure. The Central Government's debt in March 2019 has come down to 48.7 per cent of the GDP from a level of 52.2 per cent in March, 2014.

With this backdrop, our Government shall work towards taking the country forward so that we can leapfrog to the next level of health, prosperity and well-being. We shall strive to bring ease of living to every citizen.

I am mindful of presenting this budget in the backdrop of two cross-cutting developments:

- (a) Proliferation of technologies, specially analytics, machine learning, robotics, bio-informatics and Artificial Intelligence; and also
- (b) The number of people in the productive age group i.e. 15-65 years of age in India, being at its highest.

So, these are the two cross-cutting streams in the backdrop while we are talking about the Budget today.

This combination is special to contemporary India. Across the world, if there is a shrinking of globalisation, equally, there is a debate on the efficacy of monetary policy too. The efforts we have made in the last five years and the energy, enthusiasm and the innovation of our youth are the ignition required to push forward. The Indian spirit of entrepreneurship which weathered several storms over the centuries inspire and motivate us. We recognise the need to support and further energise this spirit.

This budget is woven around three prominent themes:

One: **Aspirational India** in which all sections of the society seek better standards of living, with access to health, education and better jobs.

Two: **Economic development** for all, indicated in the Prime Minister's exhortation of "Sabka Saath, Sabka Vikas, Sabka Vishwas". This would entail reforms across swathes of the economy. Simultaneously, it would mean yielding more space for the private sector. Together, they would ensure higher productivity and greater efficiency.

AND

Three: Ours shall be a **Caring Society** that is both humane and compassionate. Antyodaya is an article of faith.

So, I repeat, this Budget is woven around three prominent themes: Aspirational India, Economic Development and a Caring Society.

The digital revolution which has placed India in a unique leadership position globally will see the next wave. We shall aim:

- To achieve seamless delivery of services through **Digital governance**
- To improve physical quality of life through **National Infrastructure Pipeline**
 - Risk mitigation through **Disaster Resilience**
 - Social security through **Pension and Insurance penetration.**

Each one of these initiatives and their components would be benchmarked to international standards and the indices would be announced soon.

Before, I move to elaborate on each of the three themes, I wish to recite a small verse in Kashmiri:

Saun Watan Gulzar Shalamaar Hyur

Dal Manz Pholvun Pamposh Hyuv

Navjavan-an-hund, Vushun Khumaar Hyuv

Myon Watan, Chyon Watan

Saun Watan, Nundbony Watan

I will read this in Hindi, not as a poem, but for the meaning -
“हमारा वतन, खिलते हुए शालीमार बाग़ जैसे। हमारा वतन, खिलते हुए शालीमार बाग़ जैसे। हमारा वतन, डल लेक में खिलते हुए कमल जैसा। नव-जवानों के गर्म खून जैसा। मेरा वतन-तेरा वतन। हमारा वतन, दुनिया का सबसे प्यारा वतन।”

Everything that we do here, everything that we speak through the Budget and everything that this Government does, with the guidance and leadership of the Prime Minister, is for this ‘*pyara watan*’. This poem, I

must mention, is a poem written by Pandit Dinanath Koul who is a Sahitya Akademi awardee.

Hon. Speaker, Sir, I now move to the first of my themes, which is the aspirational India.

Aspirational India

I shall cover programmes and plans related to: (1) Agriculture Irrigation and Rural development (2) Wellness, Water and Sanitation and (3) Education and Skills.

Agriculture, Irrigation and Rural Development

Our Government is committed to the goal of doubling farmers' incomes by 2022. We have provided energy sovereignty through KUSUM and input sovereignty through Paramparagat Krishi Vikas Yojana. We have provided resilience for 6.11 crore farmers insured under PM Fasal Bima Yojana. Focus on cultivation of pulses, expansion of micro-irrigation through Krishi Sinchai Yojana, have raised the self-reliance of the country. 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.

Prosperity to farmers can be ensured by making farming competitive. For this, farm markets need to be liberalised. Distortions in farm and livestock markets need to be removed. Purchase of farm produce, logistics and agri-services need copious investments. Substantial support and hand-holding of farm-based activities such as livestock, apiary, and fisheries need to be provided for. Farmers desire

integrated solutions covering storage, financing, processing and marketing.

Adopting sustainable cropping patterns and bringing in more technology are integral to our plan. All this and more can be achieved through working with and in cooperation with the States.

The following 16 action points indicate our focus:

We propose to encourage those State governments who undertake implementation of following model laws already passed and issued by the Central Government:

1. Model Agricultural Land Leasing Act, 2016
2. Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017;, and
3. Model Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018.

So, we would like the State Government to consider favourably three model agriculture-related laws.

Water stress related issues are now a serious concern across the country. Our government is proposing comprehensive measures for one hundred water stressed districts.

In the Budget speech of July 2019, I had stated that *Annadata* can be *Urjadata* also. The PM-KUSUM removed farmers' dependence on diesel and kerosene and linked pump sets to solar energy. Now, I

propose to expand this 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 and barren lands and to sell it to grid would be operationalised.

Hon. Speaker, Sir, this is a major step forward in which we are saying that farmers, if they have fallow or barren lands, now will be helped to set up solar power generation units so that they can then sell the solar power which is being generated to the grid and through the grid, having given the solar power from their barren lands, they will be able to make a living out of their barren lands also.

Our Government shall encourage balanced use of all kinds of fertilisers, including the traditional organic and other innovative fertilisers. This is a necessary step to change the prevailing incentive regime which encourages excessive use of chemical fertilisers. So, this is an important point. I would like to repeat it. This is a necessary step to change the prevailing incentive regime which encourages excessive use of chemical fertilisers.

Hon. Speaker, Sir, in Tamil Nadu, there was a very wise and old woman Saint Poet who lived more than 3,000 years ago. She had used every letter of the Tamil alphabet to teach children moral stories, not stories, but moral lines. Each line was only three-worded ones. They were very simple ones. They are called Athichoodi, written by Avvaiyar.

Whilst talking about effective use of land, taking care of your land, removing weeds and making sure you tend to it properly, she had just used three words in a little sentence, which says it all. That is

exactly what our Prime Minister is aiming to achieve so that the farm lands are used with proper manure, not excessive manure, and limited water to grow their grains.

Bhoomi Thiruthi Unn is the line from Athichoodi which was said by a woman Saint Poet called Avvaiyar. Bhoomi Thiruthi Unn means first tend your land, take care that you are not excessively leaving it and then trying to take a crop out of it.

Fifth of the 16 points is this. India has an estimated capacity of 162 million metric tonnes of agri-warehousing, cold storage, reefer van facilities and so on. 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.

Our Government will provide viability gap funding for setting up such efficient warehouses in the block or taluk level. This can be achieved where States can facilitate with land and are on PPP mode.

Food Corporation of India and Central Warehousing Corporation shall undertake such warehouse building on their own land too.

Sixth action point is this. 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 can avail of MUDRA or NABARD assistance and regain their position as *Dhanya Lakshmi*. We have heard of *Dhana Lakshmi* often. Many of us are familiar with *Dhanya Lakshmi*. I am sure many of us do recall the days when women in the villages were the ones who kept the seeds for the entire village and they would distribute seeds as and when a farmer required it.

So, we would like to restore women SHG groups to play that role at the village level as ‘Dhaanya Lakshmi’ being assisted by Mudra and being assisted by NABARD.

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 so that perishable goods can be transported quickly and easily within the country and benefit will accrue to the farmers.

Not just trains, 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.

Sir, this is a very important point. Horticulture sector with its current produce of 311 million MT exceeds production of food grains. Horticulture exceeds the 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” so that a high focus is given at the district level for products in horticulture to really gain that momentum.

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. Sir, I had mentioned in my July Budget about Zero Budget Natural Farming. That shall also be included in our activities. The portal on “jaivikkheti” – online national organic products market will also be strengthened.

Sir, the next point is that Financing on Negotiable Warehousing Receipts (e-NWR) has already crossed more than Rs.6000 crore. This will be integrated with National Agriculture Market(e-NAM).

The next point is that 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 availability target for the year 2020-21 has been set at Rs.15 lakh crore. All eligible beneficiaries of PM-KISAN will be covered under the Kisan Credit Card (KCC) scheme.

Our Government intends to eliminate Foot and Mouth disease, brucellosis in cattle and also, what is called PPR which is a French expression. I am sorry for those who know French. I am trying to pronounce it, *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, we shall facilitate doubling of milk processing capacity from 53.5 million Metric Tons to 108 million Metric Tons by 2025.

Blue Economy : Our 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 2022-2023, I propose raising fish production to 200 lakh tonnes. Growing of algae, sea-weed and cage Culture will also be promoted.

Sir, this coming point is very important. Our Government will involve youth in fishery extension work through 3,477 Sagar Mitras and

500 Fish Farmer Producer Organisations. We hope that the rural youth, particularly, those who are in the coastal areas and inland fishing areas will work as Sagar Mitras and also form 500 Fish Farmer Producer Organisation. You know that we already have a Farmer Producer Organisation (FPO). Now, we are expanding it to cover Fish Farmer Producer Organisations.

Under Deen Dayal Antyodaya Yojana for alleviation of poverty, 58 lakh SHGs have been mobilised. We shall further expand on SHGs in this regard too.

Now, for the fund allocation for the 16 different steps that I have announced, they are being stated under two broad categories :

For the sector comprising of Agriculture and allied activities, Irrigation and Rural Development an allocation of about Rs. 2.83 lakh crore has been made for the year 2020-2021. It is divided among other things for Agriculture, Irrigation and allied activities – Rs. 1.60 lakh crore; and for Rural Development and Panchayati Raj – Rs. 1.23 lakh crore. So, both put together, it is about Rs. 2.83 lakh crore.

Wellness, water and sanitation is the second under Aspirational India. I said that my three themes are Aspirational India, Economic Development and Caring Society. Under each, I state three, which contain specific programmes.

As regards Aspirational India, I have already mentioned about the Rural Development and so on. Now, I talk about wellness, water and sanitation.

We have a holistic vision of healthcare that translates into wellness for citizens. Mission Indradhanush has been expanded to cover 12 such diseases, including five new vaccines. FIT India movement is a vital part of fight against non-communicable diseases coming out of life style issues. A very focused safe water (Jal Jeevan Mission) and comprehensive sanitation program (Swachh Bharat Mission) have been launched to support the health vision. That would reduce the disease burden on the poor.

Presently, under PM Jan Arogya Yojana (PMJAY), there are more than 20,000 empanelled hospitals, which help in Ayushman Bharat. We need more such hospitals to be empanelled in Tier-2 and Tier-3 cities for poor people in these areas to benefit from them.

It is, therefore, proposed to set up a Viability Gap funding window for setting up hospitals in PPP mode. In the first phase, those Aspirational Districts will be covered. We know that there are 112 of them. So, those Aspirational Districts -- from 112 that we have -- where presently there are no Ayushman empanelled hospitals will be given priority. So, from 112 Aspirational Districts, those which do not have an empanelled hospital for Ayushman treatments will be given the first priority so that in Tier-2 and Tier-3 we have more such hospitals.

This would also provide large scale employment opportunities to youth. Proceeds from taxes on medical devices – this is very interesting it has a bearing on what I would be saying during Taxation, the Part B - would be used to support this vital health infrastructure which will get built in the aspirational districts.

Using machine learning and artificial Intelligence (AI), in the Ayushman Bharat scheme, health authorities and the medical fraternity can target disease with an appropriately designed preventive regime.

“TB Harega Desh Jeetega” campaign has been launched. I propose to strengthen this campaign to realise our commitment to end Tuberculosis by 2025.

I propose to expand also the Jan Aushadhi Kendra Scheme to all districts offering 2,000 medicines and 300 surgicals by 2024.

I have provided for the health sector about Rs.69,000 crores that is inclusive of Rs.6,400 crores for Prime Minister Jan Arogya Yojana (PMJAY)

Our Government is committed to ODF Plus – we know that ODF is already launched successfully covered and reached saturation - in order to sustain ODF behaviour – because it has a lot of impact; if behaviour patterns do not remain consistent it can have a negative bearing - and to ensure that no one is left behind. Now, more needs to be done towards liquid and grey water management. Focus would also be on solid waste collection, source segregation and processing.

Total allocation for Swachh Bharat Mission is about Rs.12,300 crore in 2020-21.

Aiming to provide piped water supply to all households, Prime Minister announced from the Red Fort the **Jal Jeevan Mission**. Our Government has approved Rs.3.60 lakh crore for this Mission. This scheme also places emphasis on augmenting local water sources, recharging existing sources and will promote water harvesting and de-

salination. Cities with over a million population will be encouraged to meeting this objective during the current year itself.

During the year 2020-21, this scheme would be provided a budget exclusively of Rs.11,500 crore.

1. Education and Skills

The third and the final item under **Aspirational India is Education and Skills.**

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.**

It is felt that our education system needs greater inflow of finance to attract talented teachers, innovate and build better labs. Therefore, steps would be taken to enable sourcing External Commercial Borrowings and FDI so as to be able to deliver higher quality education.

Students in the general stream – as opposed to those in services of science or technology stream - (vis-à-vis services or technology stream) need their employability improved. About 150 higher educational institutions will start apprenticeship embedded degree/diploma courses by March 2021.

The Government proposes to start a programme whereby urban local bodies across the country would provide internship opportunities to fresh engineers for a period up to one year. Sir, local bodies, as you know, do undertake a lot of public work programmes and their

manpower is also limited but yet young engineers who are ready to serve for the purpose of learning how it is to work with the Government are also going around seeking opportunities. So, here we have created an opportunity by saying urban local bodies should now give opportunity for fresh engineers so that they can help them plan better and in turn also learn as an intern under the local bodies. So, this is for a period of one year that we have opened up.

In order to provide quality education to students of deprived sections of the society as well as those who do not have access to higher education, it is proposed to start a degree level full-fledged online education programme. This shall be offered only by institutions which are ranked within top 100 in the National Institutional Ranking framework. Initially, only a few such institutions would be asked to offer such programmes.

India should also be a preferred destination for higher education. Hence, under its “Study in India” programme, an Ind-SAT Exam is proposed to be held in Asian and African countries. It shall be used for benchmarking foreign candidates who receive scholarships for studying in Indian higher education centres.

A National Police University and a National Forensic Science University are being proposed in the domain of policing science, forensic science, cyber-forensics etc.

There is a shortage of qualified medical doctors, both general practitioners as well as specialists. In order to meet this requirement;

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 from the Centre. Details of the scheme would be worked out. So, we aim to have at the district level the hospitals which are being extended for medical college training and also for producing more doctors, Viability Gap Funding will also be extended.

The National Board of Examination imparts PG medical qualifications: Diploma and Fellow of National Board (DNB/FNB). The Government will, therefore, encourage large hospitals with sufficient capacity to offer resident doctors DNB/FNB courses under the National Board of Examinations.

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. I propose that special bridge courses be designed by the Ministries of Health and 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.

Our Government proposes to provide about Rs. 99,300 crore for education sector in 2020-2021 and about Rs. 3,000 crore for skill development.

Economic Development

Industry, Commerce and Investment

Sir, I move to the second theme ‘Economic Development’ – ‘Aspirational India, Economic Development and Caring Society’. I am now talking on Economic Development and in Economic Development, industry, commerce and investment are the ones which come first.

As an introduction, I would like to say the most important thing here. The guilds of Saraswati-Sindhu civilization, and the Harappan seals are remarkable. Saraswati-Sindhu civilisation is of 4000 BCE. The seals in particular belong to 3300 BCE. Words from the Indus Script, which are all hieroglyphs, have been deciphered. There are interesting words which we need to know when we are talking about commerce and industry. Commerce and trade related words show how India for millennia has been a continuing civilisation with rich skills in metallurgy, trading and so on. ‘Sreni’ is a word found in Harappan seals which means ‘guild’. ‘Sethi’ is a word found in Harappan seals which means ‘wholesale merchant’. Sethi was a wholesale merchant in the Saraswati-Sindhu civilisation. ‘Poddar’ is an ‘assayer’ of metal into treasury. ...(*Interruptions*) Also, India is a continuing maritime power in terms of commerce and industry. Usage of words ‘Takara Kolimi’ shows that blacksmithery, iron and tin smithery existed at that time. So, India’s commerce, India’s industry, India’s trade in such materials which were all unique to India have existed and continue to exist over millennia. So, entrepreneurship has always been the strength of India. That is the point I wanted to explain. I am sure many Members already know it and, therefore, they are a bit restless.

Entrepreneurship has always been the strength of India. Even today, young men and women have given up greener pastures elsewhere to contribute to India’s growth. They are risk-taking and come up with disruptive solutions to festering challenges. Equally, established old

industries are resetting themselves in a changing global and domestic situation. We recognise the knowledge, skills and risk-taking capacities and capabilities of our youth. He is no longer the job seeker. He is creator of jobs. Now we wish to create more opportunities and remove road-blocks from his path.

I propose to set 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.

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.

India needs to manufacture Networked products. That will make it a part of global value chains. This in turn gets more investment and generates more employment for our youth.

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. Here, I propose a scheme focussed on encouraging manufacture of mobile phones, electronic equipment and semi-conductor packaging. The details will be announced later.

With suitable modifications, this scheme can be adapted for manufacture of medical devices too.

India imports significant quantity of technical textiles worth US\$ 16 billion every year. To reverse this trend and to position India as a global leader in Technical Textiles, a National Technical Textiles Mission is proposed with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of Rs.1,480 crore.

Hon. Speaker, Sir, from the Red Fort, our Prime Minister spoke about quality and standards when he spoke of “Zero Defect-Zero Effect” manufacturing. In September last year, I 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.

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.*

It is the vision of the Prime Minister that each District should develop as an export hub. Efforts of the Centre and State Governments

are being synergised and institutional mechanisms are being created in order that every District becomes an export hub.

Government e-Marketplace (GeM) is moving ahead for creating a Unified Procurement System in the country for providing a single platform for procurement of goods, services and works. It offers a great opportunity for Medium, Small and micro Enterprises (MSMEs). 3.24 lakh vendors are already on this platform. It is proposed to take its turnover to Rs.3 lakh crores.

I propose to provide about Rs.27,300 crore for development and promotion of Industry and Commerce for the year 2020-21.

Under the theme “Economic Development”, the second focus is on Infrastructure. It is a very important point.

Infrastructure

Hon. Speaker, Sir, in his Independence Day speech 2019, Prime Minister had highlighted that **Rs.100 lakh crore** would be invested on infrastructure over the next 5 years. As a follow up measure, I had launched the National Infrastructure Pipeline on 31st December 2019 of Rs.103 lakh crore. It consists of more than 6,500 projects across sectors and are classified as per their size and stage of development.

These new projects will include housing, safe drinking water, access to clean and affordable energy, healthcare for all, world-class educational institutes, modern railway stations, airports, bus terminals, metro and railway transportation, logistics and warehousing, irrigation projects, etc. The National Infrastructure Pipeline envisions improving the ease of living for each individual citizen in the country. It will also

bring in generic and sectoral reforms in development, operation and maintenance of these infrastructure projects.

12.00 hrs

A huge employment opportunity exists for India's youth in construction, operation and maintenance of infrastructure. National Skill Development Agency will give special thrust to infrastructure-focused skills and their development opportunities.

I propose to set up a project preparation facility for infrastructure projects. This programme would actively involve young engineers, management graduates and economists from our Universities.

It is also proposed to 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.

A National Logistics Policy will be released soon. Among other things, 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.

Accelerated development of highways will be undertaken. This will include development of 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways.

Delhi-Mumbai Expressway and two other packages would be completed by 2023. Chennai-Bengaluru Expressway would also be

started.

FASTag mechanism encourages us towards greater commercialisation of our highways so that NHAI can raise more resources. I propose to monetise at least **twelve lots of highway bundles** of over 6000 Km before 2024.

In carrying out its duty, the Indian Railways performs a service to the nation.

- (a) Within 100 days of assumption of this government, it has commissioned 550 wi-fi facilities in as many stations.
- (b) Eliminated unmanned crossings
- (c) Aims to achieve electrification of 27000 Km of tracks.

This will call for optimisation of costs. Railways has small operating surplus. About Indian Railways, there are five measures, among others, that I wish to highlight:

- Setting up a large solar power capacity alongside the rail tracks, on the land owned by the railways. A proposal is under consideration.
- Four station re-development projects and operation of 150 passenger trains would be done through PPP mode. The process of inviting private participation is underway. ...(Interruptions)
- More Tejas type trains will connect iconic tourist destinations.
- High speed train between Mumbai to Ahmedabad would be actively pursued.
- 148 km long Bengaluru Suburban transport project at a cost of Rs. 18600 crore, would have fares on metro model. Central

Government would provide 20% of equity and facilitate external assistance up to 60% of the project cost.

Our sea-ports need to be more efficient. Technology has to be used to improve performance. A governance framework keeping with global benchmarks needs to be put in place.

This government would consider corporatizing at least one major port and subsequently its listing on the stock exchanges....
(Interruptions)

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.

Hon. Speaker, Sir, developing waterways has its impact on the ecosystem on both the banks of the river. Our Prime Minister has conceptualised “Arth Ganga”. Plans are afoot to energise economic activity along the river banks.

Air traffic has been growing rapidly in the country as compared to global average. One hundred more airports would be developed by 2024 to support the Udaan scheme. It is expected that the air fleet number shall go up from the present 600 to 1,200 during this time itself.

I propose to provide Rs. 1.70 lakh crore for transport infrastructure in 2020-21.

Sir, taking electricity to every household has been a major achievement of this Government. However, the distribution sector, particularly the DISCOMS are under financial stress. The Ministry

intends to promote “smart” metering. I would urge all the States and Union Territories to replace conventional energy meters by prepaid smart meters in the next three years. Also, this would give consumers the freedom to choose the supplier and the rate as per their requirements. Sir, making electricity reach to all people is a very important step. The prepaid smart meters would give consumers the freedom to choose the supplier and also the rate as per their requirements.

Further measure to reform DISCOMs would be taken.

I propose to provide Rs.22,000 crore to power and renewable energy sector in the year 2020-21.

Sir, now I come to the oil and natural gas. In the upstream sector of oil and gas, the Open Acreage Licensing Policy (OALP) is a success having awarded 1,37,000 sq. km. for exploration to private sector and to the CPSEs. City gas distribution rights are also awarded.

Further, it is proposed to expand the national gas grid from the present 16,200 km., at the moment it is 16,200 km. only, to 27,000 km, and

To deepen the gas markets in India, further reforms will be undertaken to facilitate transparent price discovery and also ease of transactions.

New Economy

I will now talk about the new economy. 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 all 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 like never before.

It is now a cliché – “data is the new oil” and it is true that Analytics, Fintech and Internet of Things (IoT) are changing the way we deal with our lives. To take advantage of this, I propose:

To bring out soon a policy to enable private sector to build Data Centre parks throughout the country. Building Data Centre parks throughout the country will enable our firms to skilfully incorporate data in every step of their value chains.

Our vision is that 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 1,00,000 Gram Panchayats this year itself. This year itself, 1,00,000 Gram Panchayats will be connected to the optical fibre under the FTTH Programme.

It is proposed, therefore, to provide Rs.6,000 crore to Bharatnet programme in 2020-21.

We need to expand the base for knowledge-driven enterprises. Intellectual property creation and protection will play an important role. Several measures are proposed in this regard, which will benefit the Start-ups.

A digital platform would be promoted that would facilitate seamless application and capture of IPRs. Also, in an Institute of Excellence, a Centre would be established that would work on the complexity and innovation in the field of Intellectual Property.

Hon. Speaker, Sir, Knowledge Translation Clusters would be set up across different technology sectors including new and emerging sectors.

For designing, fabrication and validation of proof of concept, and further scaling up Technology Clusters, harbouring such test beds and small-scale manufacturing facilities would be established.

Mapping of India's genetic landscape is critical for next generation medicine, agriculture and for bio-diversity management. To support this development, we will initiate two new national-level Science Schemes, to create a comprehensive database.

The government proposes to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups.

Quantum technology is opening up new frontiers in computing, communications, cyber security with widespread 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 Rs. 8000 crore over a period of five years for the National Mission on Quantum Technologies and Applications. India would probably be the third biggest and a pioneering nation if we are able to break into this quantum technology related to computing and other applications.

Sir, I come to the third theme, that is, the last theme in my Part-A, after which, of course, I will speak about other things.

Caring Society

In our third theme, we focus on Women & Child, Social Welfare; Culture and Tourism and also on Environment and Climate Change.

Women & Child, Social Welfare

I am pleased to inform the House that “Beti Bachao Beti Padhao” has yielded tremendous results. Gross enrolment ...(*Interruptions*) Sir, if you hear the data ...(*Interruptions*) I think, it is important not to politicise issues related to women. “Beti Bachao Beti Padhao” has yielded tremendous results. Gross enrolment ratio of girls across all levels of education is now higher than boys. At elementary level, it is 94.32 per cent as against 89.28 per cent for boys. At Secondary level, it is 81.32 per cent as compared to 78 per cent for boys. At higher secondary level, girls have achieved a level of 59.70 per cent as compared to only 57.54 per cent for boys. So, under “Beti Bachao Beti Padhao”, girls are actually benefitting from the scheme. ... (*Interruptions*)

Health of mother and child are closely co-related. Nutrition is the critical component of health. To improve the nutritional status of children (0-6 years), adolescent girls, pregnant women and lactating mothers, our Prime Minister launched a “Poshan Abhiyan” in 2017-18. ...(*Interruptions*). More than six lakh anganwadi workers are equipped with smart phones to upload the nutritional status of more than 10 crore

households. Hon. Speaker, Sir, for the benefit of those who may not have heard this line, I would like to repeat it as it is very important. To improve the nutritional status of children in zero to six years of age, adolescent girls, pregnant women and lactating mothers, our Prime Minister launched a “Poshan Abhiyan” in 2017-18. More than six lakh anganwadi workers are equipped with smart phones to upload the nutritional status of more than 10 crore households. The scale of these developments is unprecedented.

Women’s age of marriage was increased from fifteen years to eighteen years in 1978, by amending erstwhile Sharda Act of 1929. As India progresses further, opportunities open up for women to pursue higher education and careers. There are imperatives of lowering MMR (Maternal Mortality Rate) as well as improvement of nutrition levels. Entire issue about age of a girl entering motherhood needs to be seen in this light. I propose to appoint a task force that will present its recommendations in six months’ time.

I propose to provide Rs.35600 crore for nutrition-related programmes for the financial year 2020-21.

In continuing with our government’s commitment to the welfare of women, this budget provides for about Rs.28,600 crore for programs that are specific to women.

Our government is determined that there shall be no manual cleaning of sewer systems or septic tanks. Suitable technologies for such tasks have been identified by the Ministry of Housing and Urban Affairs. The Ministry is working with urban local bodies for the adoption of these technologies. We will now take this to its logical conclusion through legislative and institutional changes. Financial

support for wider acceptance of such technologies will be provided. ...

(Interruptions)

माननीय अध्यक्ष : मैं सभी माननीय सदस्यों से आग्रह करूंगा कि आपको बजट पर बोलने के लिए पर्याप्त समय और पर्याप्त अवसर दूंगा, उस समय आप बोलिए। दादा, विशेष रूप से आपको बोलने के लिए परमिशन दूंगा।

...(व्यवधान)

SHRIMATI NIRMALA SITHARAMAN: Thank you, Mr. Speaker, Sir. We will now take this to its logical conclusion through legislative and institutional changes. Financial support for wider acceptance of such technologies will be provided.

In furthering this government's commitment towards the welfare of Scheduled Castes and Other Backward classes, I propose a budget provision of about Rs.85,000 crore for 2020-21. I repeat, towards the welfare of Scheduled Castes and Other Backward classes, I propose a budget provision of about Rs.85,000 crore for 2020-21.

In furthering development and welfare of Scheduled tribes, I provide in the Budget for the year 2020-21 an amount of about Rs. 53,700 crore. I repeat for Scheduled tribes, I provide in the Budget for the year 2020-21 an amount of about Rs. 53,700 crore.

This Government is mindful of the concerns of senior citizens and Divyang. Accordingly, an enhanced allocation of about Rs. 9,500 crore is being provided for 2020-21.

Culture & Tourism

Our government proposes to establish an Indian Institute of Heritage and Conservation under Ministry of Culture; it shall have the

status of a deemed University to start with. 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 and therefore, it also has a negative impact on tourism.

Five archaeological sites would be developed as iconic sites with onsite Museums. ...(*Interruptions*). They are: Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh) Shivsagar (Assam), Dholavira (Gujarat) and Adichanallur (Tamil Nadu). I repeat it. Five archaeological sites would be developed as iconic sites with onsite Museums. ...(*Interruptions*). They are: Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh) Shivsagar (Assam), Dholavira (Gujarat) and Adichanallur (Tamil Nadu). ... (*Interruptions*)

Our Prime Minister in January 2020 announced re-curation of the Indian Museum in Kolkata, which is the oldest in the country.

In the historic Old Mint building Kolkata, a museum on Numismatics and Trade will also be located. Four more museums from across the country shall be taken up for renovation and re-curation, so that a world class experience can be offered to our visitors. Our government shall also support setting up of a Tribal Museum in Ranchi (Jharkhand).

I spoke about the Saraswati-Sindhu civilization. A maritime museum would be set up at Lothal - the Harappan age maritime site near Ahmedabad, by Ministry of Shipping.

I propose to provide Rs. 3,150 crore for Ministry of Culture for the year 2020-21.

India has moved up from rank 65 in 2014 to 34 in 2019 in the Travel & Tourism Competitive Index (World Economic Forum Index). 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. From Rs. 7.75 lakh crores, it has gone up to Rs. 1.88 lakh crores.

Growth of tourism directly relates to growth and employment. States have a critical role to play. I expect 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 from the Centre in 2020-21.

For purpose of tourism promotion, I propose to allocate Rs. 2,500 crore for 2020-21.

Environment & Climate Change

In September 2019, the Prime Minister has launched the Coalition for Disaster Resilient Infrastructure (CDRI) with its Secretariat in Delhi. As the Members would recall, this global partnership is the second such international initiative after the launch of International Solar Alliance in 2015. This Global Partnership will help in addressing a number of Sustainable Development Goals (SDGs), as also the aims of Sendai framework. 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 our country. Its implementation effectively

begins from 1st January, 2021. Our commitments as action will be executed in various sectors. Hon. Speaker Sir, I interrupt here only to say that this is a very important point because a lot of our commitments which have been given in the Paris Climate Change Conference on “best effort” basis will start kicking in from 1st January, 2021. Our commitments as action will be executed in various sectors by the Departments/Ministries concerned through the normal budgeting process. They will do it through the normal budgeting process.

There are, however, yet thermal power plants that are old and their carbon emission levels are very high.

For such power plants, we propose that utilities running them would be advised to close them, if their emission is above the pre-set norms. The land so vacated can be put to alternative uses.

In large cities having population above one million, clean air is a matter of concern. I am sure that a lot of our Members will be keen to know about what steps are being taken for cities and clean air. The Government proposes to encourage such States that are formulating and implementing plans for ensuring cleaner air in cities above one million. Parameters for the incentives would be notified by the Ministry of Environments, Forests and Climate Change. Allocation for this purpose is Rs.4400 crore for 2020-2021.

Sir, there is something before I move to talking about governance because the three themes that I put before the Members is coming to a close. I fall back on the wise words of Thiruvalluvar. It is very important. We have heard several words of wisdom from Thiruvalluvar. Thiruvalluvar has spoken about what a good country is,

what a good country is actually got to be like and what makes up for jewels of a good country. I will first read it in Tamil and then I will give you the meaning.

*“Piniyinmai Selvam Vilaivinpam Emam
Aniyenpa Naattiv Vaindhu”*

Thiruvalluvar says that there are five jewels for a good country. The first is “*Piniyinmai*” meaning the country will have to be without epidemics or major illnesses. The second, he says, is wealth. It should be wealthy. It should have wealth. “*Vilaichal*” means that from the fields, it should have good crop. It should have “*Inbam*”. It should have happiness. It also should have “*Emam*” which is security and safety of the country. ...*(Interruptions)* Sir, the five jewels, are *Piniyinmai, Selvam, Vilaivinpam, Emam and Inbam*. Prime Minister, Shri Modi’s Ayushman Bharat, that is, Health For All, is *Piniyinmai*. As regards Selvam, wealth creators will be respected in this country. On *Villaichal*, under PM-KISAN, farmers are having a good crop, doubling of income, use of fertilisers and proper growth lead to surplus in horticulture, surplus in *tilhan* and surplus probably also in *dalhan* now. So, the Prime Minister’s Programmes on health, on creating and giving respect for wealth creators and improving agricultural output and bringing happiness to people through ease of living and above all, the fifth is ‘*Emam*’, that is, this country’s national security. You have enough proof to say that national security is the top priority of this Government. ...
(Interruptions)

माननीय अध्यक्ष: आपको तो खुश होना चाहिए, क्योंकि तमिल में पढ़ा है।

SHRIMATI NIRMALA SITHARAMAN: That is right, Sir. So, Thiruvalluvar had identified five jewels for a good country, and those five jewels are the ones which the hon. Prime Minister, Modi, is now addressing through his Programmes. For health – Ayushman Bharat, for wealth creators – a respectable and honourable climate, good crops, happiness through ease of living, and national security. ...(*Interruptions*)

So, now, with all that said, the bouquet of flowers, which I would like to give every citizen with trust and faith had a set of flowers under Aspirational India, had a set of flowers under environment, economy and also commerce and industry. ...(*Interruptions*) The third set of flowers was under the Caring India, the caring society that we want to have. Now, this bouquet of flowers is held by two hands – governance, and the other, financial institutions. Sir, I speak about governance, which is very important. Good governance is what is going to be giving faith to the people.

Governance

Hon. Speaker, Sir, all the while I have explained the colour and composition of the bouquet of flowers – schemes and programmes. They were grouped under Aspirational India, Economic Development and Caring India. Now I speak about the two hands that will hold them. One such hand is Governance – clean, corruption-free, policy driven and good in intent and most importantly trusting in faith. ...(*Interruptions*)

Hon. Speaker Sir, trusting every citizen, I repeat, trusting every citizen, the aspirational youth, the hard-working women, the risk-taking entrepreneur, the ever hopeful and untiring farmer or the wise and old senior citizen – many among them are taxpayers. Others may not be

taxpayers today. Our Prime Minister has laid before us Ease of Living as a goal to be achieved on behalf of all citizens. An important aspect of both ease of living and ease of doing business is fairness and efficiency of tax administration. This is important, hon. Speaker. ...*(Interruptions)* This is important, Sir. Money being allocated to various programmes is finance of this country. ...*(Interruptions)* This is very important, Sir. Businesses should have the confidence that things are being fair regarding efficiency of the tax administration. We wish to enshrine in the statutes a “taxpayer charter” through this budget. A taxpayer’s charter is getting institutionalised into the statutes. It is going to be enshrined as a part of our laws. That is building trust. A taxpayer’s charter will be a part of our statutes. Our Government would like to reassure taxpayers that we remain committed to taking measures so that our citizens are free from harassment of any kind. We mean it, and we are willing to put it in the law. ...*(Interruptions)* Tax harassment cannot be tolerated when we are talking about citizens and wealth collectors.

Sir, this is important. There has been a debate about building into statutes, criminal liability for acts that are civil in nature. Hence, for Companies Act, certain amendments are proposed to be made that will correct this. Similarly, other laws would also be examined, where such provisions exist and attempts would be made to correct them also.

The Government intends to introduce major reforms in recruitment to Non-Gazetted posts in governments and public sector banks. At present, candidates have to appear for multiple examinations conducted by multiple agencies at different points of time, for similar posts. This places enormous burden on time, effort and cost of young people. To mitigate their hardship so faced, it is proposed to set up a

National Recruitment Agency (NRA) as an independent, professional, specialist organisation for conduct of a computer-based online Common Eligibility Test for recruitment to Non-Gazetted posts. A test-centre in every district, particularly in the Aspirational Districts would be set up.

For speedy disposal of commercial and other disputes, Government has constituted various Tribunals and specialised bodies. It is proposed to evolve a robust mechanism for appointment including direct recruitment to these bodies to attract best talents and professional experts.

A stable and predictable business environment is a key objective of this government. There is also a strong argument for ensuring that contracts are honoured. India has a sound framework related to Contracts Act. We shall deliberate upon strengthening it.

There is a growing need for the Indian Statistical system to meet the challenges of real time monitoring of our increasingly complex economy. Data must have strong credibility. The proposed new National Policy on Official Statistics would use latest technology including Artificial Intelligence. It would lay down a road-map towards modernised data collection, integrated information portal and timely dissemination of information thus collected.

I am happy to inform that India will host G 20 presidency in the year 2022, that is, the year of 75th anniversary of independence of Indian Nation. During this presidency, India would be able to drive considerably the global economic and development agenda. For this historic occasion, I allocate a sum of Rs. 100 crore to begin the preparations.

North Eastern region has a very high priority in Government's Developmental agenda. Government is ensuring smooth access to financial assistance from multilateral and bilateral funding agencies to help introduce innovative and global best practices. Central Government has effectively used an online portal to reduce gestation period of online. This has improved the flow of funds to the northeast region.

The Government is fully committed to supporting the all-round development of the newly formed Union Territories of Jammu and Kashmir and the Union Territory of Ladakh. Accordingly, an amount of Rs. 30,757 crore has been provided for the Financial Year 2020-21. An amount of Rs. 5,958 crore has been provided for the Union Territory of Ladakh. So, that was one hand which is governance. Now, I come to the other, which is the Financial Sector.

Financial Sector

If Governance was described as one of the pair of hands holding the bouquet consisting of Aspirational India, Economic Development and Caring India, the other is the Financial Sector. A clean, reliable and robust financial sector is critical to the economy. In our efforts to achieve the USD 5 trillion economy, the financial architecture should keep evolving and move from strength to strength.

We had earlier approved consolidation of 10 banks into four. In the last few years, the Government of India has infused about Rs. 3,50,000 crore by way of capital into Public Sector Banks for both regulatory and growth purposes. Governance reforms would be carried out in these banks, so that they become more competitive.

A few among them will be encouraged to approach capital market to raise additional capital.

I wish to inform this august House that robust mechanism is in place to monitor the health of all Scheduled Commercial Banks and that depositors' money is absolutely safe. I wish to underline this point, Sir, that this august House should know that robust mechanism is in place to monitor the health of all Scheduled Commercial Banks and that depositors' money is absolutely safe.

Further, the Deposit Insurance and Credit Guarantee Corporation (DICGC) has been permitted to increase Deposit Insurance Coverage for a depositor, which is now standing at Rs. 1 lakh to Rs. 5 lakh per depositor.

Sir, the insurance cover for a depositor is at Rs. 1 lakh now. Now, we are raising it to Rs. 5 lakh for each depositor.

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.

The limit for NBFCs to be eligible for debt recovery under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002 is proposed to be reduced from Rs. 500 crore to asset size of Rs. 100 crore only or loan size from existing Rs. 1 crore to Rs. 50 lakh.

Therefore, we feel that many of the small NBFCs, which can come for debt recovery, would be far easily done for smaller companies.

In the last few years, the Government has taken concrete steps to bring our banking system to be robust. However, there is a need for greater private capital. Accordingly, it is proposed to sell the balance holding of Government of India's IDBI Bank to private, retail and institutional investors through the stock exchange.

There is a need to take further steps to bring in transparency and greater professionalism in Public Sector Banks. The Government will take appropriate measures towards this end.

To help easy mobility while in jobs, we wish to infuse into the Universal Pension coverage with auto enrolment; also, we wish to place such mechanisms which can enable inter-operability and provide safeguards for the accumulated corpus.

Regulating role of PFRDAI, which is the Pension Regulatory Body, requires strengthening. 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 from the Government. I am confident that this will motivate citizens to plan for their old age.

Sir, this Section, which I will now speak, will relate to the MSMEs.

MSMEs are vital to keep the wheels of economy moving. They also create job, innovate and are risk takers. Several measures for the MSMEs have been taken in the past few years. There are more steps proposed in this budget also.

I propose to make necessary amendments 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.

Working capital credit remains a major issue for the MSMEs. 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.

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. One more year, so that whoever wants, they can go and approach.

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.

Many mid-size companies are successful domestically but not in export markets. For selected sectors such as pharmaceuticals, auto components and others, we propose to extend handholding support – for technology upgradations, R&D, business strategy and so on. 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.

Financial Markets

I would like to give a few of the major steps and initiatives being taken by the Government for the financial markets.

Last year, in the budget speech, I had mentioned about deepening the bond market. To achieve the aspirational growth rate, we would require flow of capital in our financial system. A lot of work has been done on this in consultation with the RBI.

Hon'ble Speaker, Sir, I am pleased to inform this House of the developments:

Certain specified categories of Government securities would be opened fully for non-resident investors, apart from being available to domestic investors as well.

The limit for FPI in corporate bonds, currently at 9% of outstanding stock, will be increased to 15% of the outstanding stock of corporate bonds.

To improve investors' confidence and to expand the scope of credit default swaps, we propose to formulate a legislation, to be placed soon before the House, for laying down a mechanism for netting of financial contracts.

The Debt-based Exchange Traded Fund (ETF) recently floated by the Government was a big success. Government proposes to expand this

by floating a new Debt-ETF consisting primarily of Government securities.

This will give retail investors access to Government securities as much as giving an attractive investment for pension funds and long-term investors.

To address the liquidity constraints of the NBFCs/HFCs – this was very much talked about between July and December last year, in 2019 – the liquidity constraints was very frequently mentioned to us – so, to address the liquidity constraints of the NBFCs and the 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.

Infrastructure Financing

Government's commitment for investment in infrastructure was reiterated when Rs. 103 lakh crore National Infrastructure Pipeline projects were announced. I would also like to inform that about 22,000 crore of rupees has already been provided, as support for Infrastructure Pipeline. On 31st December, 2019, hon. Members would recall a National Pipeline consisting of more than 6500 projects were announced. Rs. 22,000 crore has already been provided as support for Infrastructure Pipeline. This would cater for equity support to Infrastructure Finance Companies such as the IIFCL and a subsidiary which is of NIIF. So, two institutions, - IIFCL and the subsidiary of NIIF take it. They would leverage it, as permissible, to create financing pipeline of more than Rs. 1,00,000 crore. This would create a major

source of long-term debt financing for infrastructure projects and fulfil a long-awaited requirement.

Sir, the IFSC, GIFT city has the potential to become a centre of international finance as well as a centre for high end data processing.

GIFT IFSC has an approved Free Trade zone for housing vaults. It already has 19 insurance entities, 40 banking entities. It has also provided for setting up of precious metals, testing laboratories for them and refining facilities also. With the approval of the regulator, GIFT City would now set up an International Bullion exchange in GIFT-IFSC as an additional option for trade by global market participants. This will enable India to enhance its position worldwide, create jobs in India and will lead to better price discovery of gold.

In the recent years, there has been a surge in trading volumes of Indian rupee in the offshore financial centres. The Government and the RBI has taken various measures to permit Rupee derivatives to be traded in the International Financial Services Centre at GIFT city, Gujarat.

Sir, just a quick word on Disinvestment.

1. Disinvestment

Listing of companies on stock exchange brings discipline and it disciplines a company and provides access to financial markets and unlocks its value. It also gives opportunity for retail investors to participate in the wealth so created. The government now proposes to sell a part of its holding in the LIC by way of Initial Public Offer (IPO).

Fiscal Management

The Fifteenth Finance Commission has given its first report pertaining to Financial Year 2020-21. In the spirit of co-operative federalism, I am pleased to announce that we have, in substantial measure, accepted the recommendations of the Commission. The commission would submit its final report to the President during the latter part of the year, for five years beginning 2021-22.

It is decided to transfer to the GST Compensation Fund balances due out of collection of the years 2016-17 and 2017-18, in two instalments. Hereinafter, transfers to the fund would be limited only to collection by way of GST compensation cess.

A fundamental overhaul of Centrally Sponsored Schemes and Central Sector Schemes is necessary, so that we can align them with emerging social and economic needs of tomorrow, and to ensure that scarce public resources are spent optimally.

Recently, there has been a debate over transparency and credibility of the projected fiscal numbers. Let me assure the House that the procedure adopted is compliant with the FRBM Act. This is also consistent with the practices hitherto followed.

However, for greater clarity, I have enumerated those Central Government debts that are not part of the market borrowing and are used to fund the expenditure at the annexes. I would like to repeat this line. ...(*Interruptions*) For greater clarity, I have enumerated those Central Government debts that are not part of the market borrowing and are used to fund the expenditure at the annexes. Servicing of interest and repayment of these debts as hitherto, are done out of Consolidated Fund of India.

Now, I come to some numbers. Revised Estimates of Expenditure for the financial year 2019-20 are at a level of Rs.26.99 lakh crore and the receipts are estimated at Rs.19.32 lakh crore. We have estimated nominal growth of GDP for the year 2020-21, on the basis of trends available at 10 per cent. ... (*Interruptions*)

श्री कल्याण बनर्जी (श्रीरामपुर): महोदय, यह सबसे बड़ा जोक है।... (व्यवधान) यह 10 परसेंट वाला जोक सुनाया है।....(व्यवधान) यह दशक का सबसे बड़ा जोक है।...(व्यवधान)

SHRIMATI NIRMALA SITHARAMAN: Sir, let me finish. ... (*Interruptions*) Accordingly, receipts for the year 2020-21 are estimated at Rs.22.46 lakh crore and, keeping in mind the commitment of the Government towards various schemes and the need for improvement in quality of life, level of expenditure has been kept at Rs.30.42 lakh crore.

Sir, during the year Government has unfailingly worked towards keeping up capital expenditure. Actually, there is substantial enhancement. All the flagship schemes of the Government have been fully provided for. Details may be seen at the annexes to the printed copy of my speech.

Every Budget must appropriately address the issue of fiscal deficit. ... (*Interruptions*)

प्रो. सौगत राय (दमदम): सर, यह हमारा पनिशमेंट है।...(व्यवधान)

SHRIMATI NIRMALA SITHARAMAN: Recently, the Government has undertaken very significant tax reforms for boosting investments. However, expected tax buoyancy will take time.

We estimate a fiscal deficit of 3.8 per cent in RE 2019-20 and 3.5 per cent for BE 2020-21. This estimation is consistent with the Government's abiding commitment to macroeconomic stability. It comprises of,

- (a) 3.3 per cent for the year 2019-20, and 3 per cent for the 2020-21 Budget Estimate; and
- (b) Section 4(2) of the FRBM Act provides for a trigger mechanism for a deviation from the estimated fiscal deficit on account of structural reforms in the economy with unanticipated fiscal implications. Therefore, I have taken a deviation of 0.5 per cent consistent with Section 4(3) of the FRBM Act, both for RE 2019-20 and BE 2020-21.

13.00 hrs

Accordingly, the return path is being laid before the parliament as a part of Medium Term Fiscal Policy cum Strategy Statement. This fiscal path commits us to the path of fiscal consolidation without compromising the needs of investment out of public funds.

Accordingly, net market borrowings for the year 2019-20 would be Rs.4.99 lakh crore and for the year 2020-21, it would be Rs.5.36 lakh crore.

A good part of the borrowings for the financial year 2020-21 would go towards Capital expenditure of the Government that has been scaled up by more than 21%. As, I had previously mentioned another about Rs.22,000 crore have been allocated for equity to fund certain specified infrastructure finance companies, who would leverage it manifold and provide much needed long-term finance to Infrastructure sector. **That should spur growth impulses in the economy.**

Sir, I would, now, move to Part B of my speech.

PART B

Direct Tax

Hon. Speaker, Sir, our Government has spearheaded radical fiscal measures to ensure that India's economy continues to tread the path of high growth. These are times when countries are competing with each other like never before to become the most attractive destination for doing business. Therefore, to make sure that India stays globally competitive and a favoured destination for investment, we took a bold historic decision of reducing the corporate tax rate for new companies in the manufacturing sector to an unprecedented level of 15%. Similarly, for the existing companies, the rate has also been brought down to just 22%, which is the lowest in the world now. This will enable companies to expand their businesses and make fresh investments in the coming future. Though we will have loss of substantial revenue due to these measures in the short-run, I am certain that our economy will reap huge returns on this score in due course.

Sir, one quick verse from Raghuvamsa written by Kalidasa -

प्रजानामेवभूत्यर्थसताभ्योबलिमग्रहीत्।

सहस्रगुणमुत्स्रष्टुमादत्तेलहरसंरलविः॥

Surya, the Sun, collects vapour from little drops of water. So does the King. They give back copiously. They collect this from the people only for their wellbeing. [Verse 18, Sarga 1 Raghuvamsa by Kalidasa]

So, the collection of taxes or the vapor from the water drops are only small trickles. But they all go back to the people, manifold. So, the

purpose of taxation and also the way in which it is done has been voiced even then. And, this in Raghuvamsa refers to the *purvja* or the elders belonging to Ikshvaku Dynasty, grandfather of Ayodhyapati Rama, Dilipa, the King.

In continuation of the reform measures already taken so far, the tax proposals in this budget will introduce further reforms to stimulate growth, simplify tax structure, bring ease of compliance, and reduce litigations.

Personal Income Tax and Simplification of Taxation

- In the interim Budget of 2019, our Government exempted individuals having income up to Rs. 5 Lakh from paying any income tax. Presently, an individual pays 20% on income between Rs. 5 Lakh and Rs. 10 Lakh and 30% on income above Rs. 10 Lakh. Further, currently the Income Tax Act is riddled with various exemptions and deductions which make compliance by the taxpayer and administration of the Income Tax Act by the tax authorities a burdensome process. It is almost impossible for a taxpayer to comply with the Income-tax law without taking help from professionals.
- In order to provide significant relief to the individual taxpayers and to simplify the Income-tax law, I propose to bring a new and simplified personal income tax regime wherein income tax rates will be significantly reduced for the individual taxpayers who forgo certain deductions and exemptions.
- Under the new regime, an individual shall be required to pay tax at the reduced rate of 10% for income between Rs. 5 Lakh and Rs. 7.

5 Lakh against the current rate of 20%. So, in the new regime, which is devoid of exemptions, 20% comes down to 10%.

- For income between Rs. 7.5 Lakh and Rs. 10 Lakh, he or she will pay at the reduced rate of 15% against the current rate of 20%.
- Similarly, for the income between Rs. 10 Lakh and Rs. 12.5 Lakh, the taxpayer will pay at the reduced rate of 20% against the current rate of 30%.
- The income between Rs. 12.5 Lakh and Rs. 15 Lakh will be taxed at the reduced rate of 25% against the existing rate of 30%. Incomes above Rs. 15 lakh will be continued to be taxed at the rate of 30%, but there will be no exemptions at all.
- Those earning up to Rs. 5 lakh shall not pay any tax either in the old regime or in the new regime.
- The proposed tax structure will provide significant relief to taxpayers and more so to those in the middle class. I just want to read out very clearly.

Taxable Income Slab (Rs.)	Existing Tax Rates	New Tax Rates
0-2.5 Lakh	Exempt	Exempt
2.5-5 Lakh	5%	5%
5-7.5 Lakh	20%	10%
7.5-10 Lakh	20%	15%
10-12.5 Lakh	30%	20%
12.5-15 Lakh	30%	25%
Above 15 Lakh	30%	30%

- In the new tax regime, substantial tax benefit will accrue to a taxpayer depending upon exemptions and deductions claimed by him. For example, a person earning Rs. 15 lakh in a year and not availing any deductions whatsoever will pay only Rs. 1,95,000 as compared to Rs. 2,73,000 in the old regime. Thus, his tax burden shall be reduced by Rs. 78,000 in the new regime. He would still be a gainer in the new regime even if he was taking deduction of Rs. 1.5 Lakh under various sections of Chapter- VI-A of the Income Tax Act under the old regime.
- The new tax regime shall be optional for the taxpayers. So, there is no compulsion. Those who want to be in the old regime can continue to be in the old regime, in the old rates, in the old sets of exemptions and deductions. But those who wish to come into the new are welcome to come into the new. An individual who is currently availing more deductions and exemptions under the Income Tax Act may choose to avail them and continue to pay the tax in the old regime.
- The new personal income tax rates will entail estimated revenue foregone of Rs. 40,000 crore per year. We have also initiated measures to pre-fill Income Tax Returns so that an individual who opts for the new regime would need no assistance from an expert to file his return and pay income tax.
- I will have to put this observation here. In order to simplify income tax system, I have reviewed all the exemptions and deductions which got incorporated in the income tax legislation over the past several decades. In fact, I have that list with me. It was surprising to know that currently more than 100 exemptions and deductions of

different nature are provided in the Income Tax Act. No wonder the Code is like this. I mean the book. I have removed around 70 of them in the new simplified regime. We will review and rationalise the remaining exemptions and deductions in the coming years with a view to further simplifying the tax system and lowering tax rates.

Dividend Distribution Tax

- Currently, companies are required to pay Dividend Distribution Tax on the dividend paid to its shareholders at the rate of 15 per cent plus applicable surcharge and cess in addition to the tax payable by the company on its profits. It has been argued that the system of levying the DDT results in increase in tax burden for investors and especially those who are liable to pay tax less than the rate of DDT if the dividend income is included in their income.
- Further, non-availability of credit of DDT to most of the foreign investors in their home country results in reduction of rate of return on equity capital for them. In order to increase the attractiveness of Indian equity market and to provide relief to a large class of investors, I propose to remove the DDT and adopt the classical system of dividend taxation under which companies would not be required to pay DDT. The dividend shall be taxed only in the hands of the recipients at their applicable rates.
- Further, in order to remove the cascading effect, I also propose to allow deductions for the dividend received by the holding companies from its subsidiary. The removal of DDT will lead to estimated annual revenue foregone of Rs. 25,000 crore. This is another bold move which will further make India an attractive destination for investment.

Concessional tax rate for Electricity generation companies

- In order to give boost to the manufacturing sector, new provisions were introduced in September, 2019 offering a concessional corporate tax rate of 15 per cent to the newly incorporated domestic companies in the manufacturing sector which start manufacturing by 31st March 2023. This is about the corporate tax cut which happened in September, 2019.
- In order to attract investment in power sector, I propose to extend the concessional corporate tax rate cut down to 15% to new domestic companies engaged in the generation of electricity as well so that corporate rate which came down to 15 per cent for the new manufacturing companies will now be available even for power generation companies too.

Tax concession for foreign investments

- In order to incentivise the investment by Foreign Sovereign Wealth Fund of foreign governments in the priority sectors, I propose to grant 100% tax exemption to their interest, dividend and capital gains income in respect of investment made in infrastructure and other notified sectors before 31st March, 2024 with a minimum lock-in period of 3 years.
- Hon. Speaker Sir, in order to make available foreign funds at a lower cost, I propose to extend the period of concessional withholding rate of 5% under section 194LC for interest payment to non-residents in respect of moneys borrowed and bonds issued up to 30th June, 2023.
- I also propose to extend the period up to 30th June, 2023 for lower rate of withholding of 5% under section 194LD for interest payment

to Foreign Portfolio Investors (FPIs) and Qualified Foreign Investors (QFIs) in respect of bonds issued by Indian companies and government securities.

- I further propose to extend the concessional rate of withholding of 5% under section 194LD to the interest payment made on the Municipal Bonds.
- In order to incentivise listing of bonds at IFSC exchange, I propose to further reduce the withholding rate from 5% to 4% on interest payment on the bonds listed on its exchange.

Start-ups

Start-ups have emerged as engines of growth for our economy. Over the past year, our Government has taken several measures to hand-hold them and support their growth.

During their formative years, Start-ups generally use Employee Stock Option Plan (ESOP) to attract and retain highly talented employees. ESOP is a significant component of compensation for these employees. Currently, ESOPs are taxable as perquisites at the time of exercise. This leads to cash-flow problem for the employees who do not sell the shares immediately and continue to hold the same for the long term. In order to give a boost to the start-up ecosystem, I propose to ease the burden of taxation on the employees by deferring the tax payment by five years or till they leave the company or when they sell their shares, whichever is the earliest.

- Further, an eligible Start-up having turnover up to Rs.25 crores is allowed deduction of 100% of its the profits for three consecutive assessment years out of seven years if the total turnover does not exceed Rs.25 crore. In order to extend this benefit to larger start-ups

also, I propose to increase the turnover limit from existing Rs.25 crore to Rs.100 crores. Moreover, considering the fact that in the initial years, a start-up may not have adequate profit to avail this deduction, I propose to extend the period of eligibility for claim of deduction from the existing years to 10 years.

Concessional tax rate for Co-operatives

Sir, the corporate rate cut in September has led to a lot of co-operatives asking for level-playing field.

- Co-operative societies play an extremely important role in our economy in facilitating access to credit, procurement of inputs and marketing of products to their members. These cooperatives are currently taxed at a rate of 30 per cent with surcharge and cess. As a major concession and in order to bring parity between the co-operative societies and corporates, I propose to provide an option to the cooperative societies to be taxed at 22 per cent plus 10 per cent surcharge and 4 per cent cess with no exemption or deductions. Further, I also propose to exempt these co-operative societies from Alternative Minimum Tax (AMT) just like companies under the new tax regime are exempted from the Minimum Alternate Tax (MAT). MAT for corporates were removed. Similarly, now, AMT for the co-operatives is also being removed.

Medium, Small and Micro Enterprises (MSME)

- 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, I propose to raise by five-times the turnover threshold for audit from the existing Rs. 1

crore to Rs. 5 crore. So, up to Rs. 5 crore, there would not be a requirement for auditing of their accounts. Further, in order to boost less cash economy, I propose that the increased limit shall apply only to those businesses, which carry out less than 5 per cent of their business transactions in cash. So, we wish to move to greater digitization.

Affordable housing

- For realisation of the goal of 'Housing for All' and affordable housing, in the last budget I had announced an additional deduction of up to one lakh fifty thousand rupees for interest paid on loans taken for purchase of an affordable house. The deduction was allowed on housing loans sanctioned on or before 31st March, 2020. In order to ensure that more persons avail this benefit and to further incentivise the affordable housing, I propose to extend the date of loan sanction for availing this additional deduction by one more year.
- Further, in order to boost the supply of affordable houses in the country, a tax holiday is provided on the profits earned by developers of affordable housing projects approved by 31st March, 2020. In order to promote the affordable housing projects, I propose to extend the date of approval of affordable housing projects for availing the tax holiday by one more year. I would again like to state that I propose to extend the date of approval of affordable housing projects for availing the tax holiday by one more year.

Concession to real estate transactions

- Currently, 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 the circle rate by more than 5 percent, the difference is counted as income both in the hands of the purchaser and the seller. In order to minimize hardship in the real estate transaction and provide relief to the sector, I propose to increase the limit from 5 per cent to 10 per cent.

Charity institutions

- Acknowledging the important role played by the charitable institutions in the society, the income of these institutions is fully exempt from taxation. Further, donation made to these institutions are also allowed as deduction in computing taxable income of the donor.
- Currently, a taxpayer is required to fill the complete details of the donee in the income tax return for availing deduction.
- In order to ease the process of claiming deduction for donation, it is proposed to pre-fill the donee's information in taxpayer's return on the basis of information of donations furnished by the donee. This would result in hassle-free claim of deduction for the donation made by the taxpayer.
- Further, in order to claim the tax exemption, the charity institutions have to be registered with the Income Tax Department. In the past, the process of the registration was completely manual and scattered all over the country.
- In order to simplify the compliance for the new and existing charity institutions, I propose to make the process of registration completely electronic under which a unique registration number (URN) shall

be issued to all new and existing charity institutions. Further, to facilitate the registration of the new charity institution which is yet to start their charitable activities, I propose to allow them provisional registration for three years.

Faceless appeals

Our Government is committed to bringing in transformational changes so that maximum governance is provided with minimum government. In order to impart greater efficiency, transparency and accountability to the assessment process, a new faceless assessment scheme has already been introduced. Currently, most of the functions of the Income Tax Department starting from the filing of return, processing of returns, issuance of refunds and assessment are performed in the electronic mode without any human interface. In order to take the reforms initiated by the Department to the next level and to eliminate human interface, I propose to amend the Income Tax Act so as to enable Faceless appeal on the lines of Faceless assessment. So, faceless assessment was done; now faceless appeals will also be possible.

No Dispute but only Trust Scheme – ‘Vivad Se Vishwas’ Scheme. If I can say it in English – No Dispute but Trust Scheme.

- Sir, in the past our Government has taken several measures to reduce tax litigations. In the last budget, *Sabka Vishwas Scheme* was brought in to reduce litigation in indirect taxes. It resulted in settling over 1,89,000 cases. Currently, there are 4,83,000 direct tax cases pending in various appellate forums i.e. Commissioner (Appeals), Income Tax Appellate Tribunal

(ITAT), High Court and Supreme Court and so on. This year, I propose to bring a scheme similar to the indirect tax *Sabka Vishwas* scheme for reducing litigations even in the direct taxes.

- 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. But even, they can come in. The scheme will remain open till 30th June, 2020. So, the first thing is, on the 30th March, 2020 where you just pay the disputed tax amount, no penalty, no interest. In case, you do not do it before that, you move over to the 30th June, 2020, where you pay some additional amount.
- Taxpayers in whose cases appeals are pending at any level can benefit from this scheme.
- I hope that taxpayers will make use of this opportunity to get relief from vexatious litigation process.

Losses of merged banks

- As a part of consolidation of the financial sector, our Government has brought out schemes for merger and amalgamation of public sector banks. In order to ensure that the amalgamated entities are able to take the benefit of unabsorbed losses and depreciation of the amalgamating entities, I propose to make necessary amendments to the provisions of the Income Tax Act.

Taxpayer's Charter

- Any tax system requires trust between taxpayers and the administration. This will be possible only when taxpayer's rights are clearly enumerated. Towards this end, and with the objective of enhancing the efficiency of the delivery system of the Income Tax Department, I propose to amend the provisions of the Income Tax Act to mandate the Central Board of Direct Taxes (CBDT) to adopt a Taxpayers' Charter. The details of the contents of the charter shall be notified soon.

Instant PAN through Aadhaar

- In the last Budget, I had introduced the interchangeability of PAN and Aadhaar for which necessary rules were already notified. In order to further ease the process of allotment of PAN, soon we will launch a system under which PAN shall be instantly allotted online on the basis of Aadhaar without any requirement for filling up of a detailed application form.

Our Government brought in the GST as a historic reform of the indirect taxes in 2017. We also took a path-breaking step of simplifying and rationalising corporate tax in September, 2019. More importantly, we offered a rate of corporate tax which perhaps is the lowest in the world. Continuing on this path, we have now put the personal income tax at its lowest ever rate and totally removed DDT at the company's hands. Further, the direct taxes are now the lowest, simplest, and smoothest. Direct tax on the Start-ups also has seen many reformatory steps in quick succession. Even ease of compliance is seeing

unprecedented changes. Last but not the least, personal interface with tax administration is at the minimum ever.

2. **Indirect Tax**

As I mentioned earlier in Part A of my speech, reforms are continuing in GST. A simplified return shall be implemented from the 1st April, 2020. This is under pilot run. It will make return filing simple with features like SMS based filing for nil return, return pre-filing, improved input tax credit flow and overall simplification.

Refund process has been simplified and has been made fully automated with no human interface.

Electronic invoice is another innovation wherein critical information shall be captured electronically in a centralized system. It will be implemented in a phased manner starting from this month itself on optional basis. It will facilitate compliance and return filing.

Several measures have been taken for improving compliance that has been a worry for many of the States, Sir. Aadhaar based verification of taxpayers is being introduced. This will help in weeding out dummy or non-existent units. Dynamic QR-code is proposed for consumer invoices. GST parameters will be captured when payment for purchases is made through the QR-code. A system of cash reward is envisaged to incentivise customers to seek invoice. Deep data analytics and AI tools are being used for crackdown on GST input tax credit, refund, and other frauds and to identify all those who are trying to game the system. 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. Significant policy level changes

have also been made. GST rate structure is also being deliberated upon so as to address issues like inverted duty structure.

On Customs side, a number of measures have been taken for ease of doing business. India's quantum leap in the Trading Across Border parameter of Ease of Doing Business rankings by the World Bank is a testimony to these efforts. India's rank on this parameter improved from 146 to 80 in 2018 and further to 68 in 2019. Measures have also been taken for providing a level playing field to our domestic manufacturers, particularly the MSME sector and for securing our borders.

It has been observed that 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 checks. In this context, suitable provisions are being incorporated in the Customs Act. In the coming months we shall review Rules of Origin requirements, particularly for certain sensitive items, so as to ensure that FTAs are aligned to the conscious direction of our policy.

We are also strengthening provisions relating to safeguard duties which are applied when surge in imports causes serious injury to domestic industry. Amended provisions shall enable regulating such surge in imports in a systematic way. The provisions for checking dumping of goods and imports of subsidized goods are also being strengthened for ensuring a level playing field for domestic industry. These changes are in line with the international best practices.

Exemptions from customs duty have been given in public interest from time to time. However, a number of these have outlived their utility or have become outdated. On review, certain such exemptions are being withdrawn. Remaining customs duty exemptions shall be

comprehensively reviewed by September, 2020 for taking a view on their relevance. I propose to crowd source suggestions for such reviews. Suggestions would also be invited in respect of the Customs laws and procedures for aligning them with the needs of changing times and ease of doing business.

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.

Our policy of Make in India has started giving dividends. ... *(Interruptions)* India is now making world class goods and exporting such products. We have made considerable progress in medical equipment too. Till few years back we were dependent on imports for medical equipment. Now, not only we are manufacturing medical equipment but also exporting them in large quantities. This sector deserves further fillip. Government has also been committed to provide health services to all. Ayushman Bharat has made it possible. To achieve the twin objectives of giving impetus to the domestic industry and also to generate resource for health services, I propose to 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. ...*(Interruptions)*

There are only two more pages. ...*(Interruptions)* The proceeds from this cess shall be used for creating infrastructure...*(Interruptions)*.

Sir, I think, I will lay the rest of the pages. Please consider it as read. Thank you.

माननीय अध्यक्ष : माननीय सदस्य, कृपया आप सभी अपने-अपने स्थानों पर बैठें। श्रीमती निर्मला सीतारमण जी, आप स्टेटमेंट सभा पटल पर रखें।

***SHRIMATI NIRMALA SITHARAMAN:** Under Make in India initiative, well laid out customs duty rates were pre-announced for items like mobile phones, electric vehicles and their components. This has ensured gradual increase in domestic value addition capacity in India. Customs duty rates are being revised on electric vehicles, and parts of mobiles as part of such carefully conceived Phased Manufacturing Plans.

In other changes, customs duty is being reduced on certain inputs and raw materials while it is being revised upward on certain goods which are being made domestically. In the previous budget, basic custom duty of 10% was imposed on the news print and lightweight coated paper. However, since then I have received several references that this levy has put additional burden on print media at a time when it is going through a difficult phase. I, therefore, propose to reduce basic customs duty on imports of news print and light-weight coated paper from 10% to 5%.

Chemicals are crucial feed stocks for downstream users. PTA, for example, is a critical input for textile fibres and yarns. Its easy availability at competitive prices is desirable to unlock immense potential in textile sector which is a significant employment generator. Therefore, in the larger public interest, anti-dumping duty on PTA is being abolished.

As a revenue measure, I propose to raise excise duty, by way of National Calamity Contingent Duty on Cigarettes and other tobacco products. However, no change is being made in the duty rates of bidis.

Finally, continuing the tax reform is an ongoing challenge and we propose to pursue them with full vigour.

Details of my budget proposals relating to direct and indirect taxes are in the Annexure to my speech.

Mr. Speaker Sir, with these words I commend the Budget to this august House.*