



## ECONOMICS - PART 4

# BUDGET 2019-2020

## Disinvestments

## Disinvestments

- Strategic disinvestment of select Central Public Sector Enterprises will continue to be a priority
- Strategic disinvestment of Air India will be reinitiated
- Target for disinvestment for 2019-2020 is set to ₹ 1 lakh 5 thousand crore

## Disinvestment beyond 51% in PSUs

- At present in Disinvestments of non-financial PSUs maintaining Government stake not below 51%
- Planning to go below 51% to an appropriate level on case to case basis
- In order to improve the capital flows into the Indian Economy, it is important to align domestic corporate systems and practices with global ones.
- Retail participation in CPSEs will be encouraged
- Holding of less than 51% will create investment space
- Process of strategic disinvestment of Air India would be restarted

## Ownership of PSUs

- For bringing better public ownership of the PSUs and also bring greater commercial and market orientation of the listed PSUs, the Government will take all necessary steps to meet public shareholding norms of 25% for all listed PSUs and raise the foreign shareholding limits to maximum permissible sector limits for all PSU companies which are part of Emerging Market Index.

## ETFs

- ETFs have proved to be an important investment opportunity for retail investors and has turned out to be a good instrument for Government of India's divestment option in ETFs on the lines of Equity Link Savings Scheme (ELSS)
- This will also encourage long term investment in CPSEs.

Rural Development  
Grameen Bharat



## Gaon Garib aur Kisan

- Mahatma Gandhi said, 'The soul of India lives in its villages'
- This year India is making the 150<sup>th</sup> birth anniversary of Mahatma Gandhi.
- Antyodaya Scheme will be at core of all efforts
- Ujjwala Yojana and Saubhagya Yojana projects have transformed the lives of every rural family dramatically improving ease of their living.
- More than 7 crore LPG connections provided
- All villages and almost 100% households across the country have been provided with electricity.
- By 2022 every single rural family will have electricity and clean cooking facility

## Pradhan Mantri Awas Yojana-Gramin

- PMAY-G aims to achieve the objective of 'Housing for All' by 2022.
- A total of 1.54 crore rural homes have been completed in the last five years
- In the second phase of PMAY-G during 2019-2021-22, 1.95 crore houses are proposed to be provided to the eligible beneficiaries
- These houses are also being provided with amenities like toilets, electricity and LPG connections.
- With the use of technology, the DBT platform and technology inputs, average number of days for completion of houses has reduced from 314 days in 2015-16 to 114 days in 2017-18.

## Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- Fishing and Fishermen communities are closely aligned with farming and are crucial to rural India.
- Through PMMSY the department of fisheries will establish a robust fisheries management framework.
- This will address critical gaps in the value chain, including infrastructure, modernization, traceability, production, productivity, post-harvest management, and quality control.

## Pradhan Mantri Gram Sadak Yojana (PMGSY)

- Universal connectivity of eligible habitations targets advanced from 2022 to 2019
- All weather connectivity provided to over 90% of such habitations
- Road construction has been 130 to 135 km/day during last 1000 days
- 30,000km of PMGSY roads have been built using Green technology, waste Plastic and Cold Mix technology, thereby reducing carbon footprint
- PMGSY-III is envisaged to upgrade 1,25,000 km of road length over next five years, with an estimated cost of Rs. 80,250 crore

## Scheme of Fund for Upgradation and regeneration of Traditional Industries (SFURTI)

- SFURTI aims to set up more Common Facility Centres to facilitate cluster based development to make the traditional industries more productive, profitable and capable for generating sustained employment opportunities.
- The focused sectors are Bamboo, Honey and Khadi clusters
- The SFURTI envisions setting up 100 new clusters during 2019-20
- New clusters should enable 50,000 artisans to join the economic value chain.

## Scheme of Fund for Upgradation and regeneration of Traditional Industries (SFURTI)

- Further, to improve the technology of such industries, the scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) has been consolidated for setting up of Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs)
- The scheme contemplates to set up 80 livelihood Business Incubators (LBIs) and 20 Technology Business Incubators (TBIs) in 2019-20
- This will help to develop 75,000 skilled entrepreneurs in agro-rural industry sector

## Annadata as Urjadata

- Private entrepreneurship is being encouraged in driving value-addition to farmers' produce from the field and for those from allied activities, like Bamboo and timber from the hedges and for generating renewable energy
- Annadata can also be Urjadata.
- Dairying through cooperatives shall also be encouraged by creating infrastructure for cattle feed manufacturing, milk procurement, processing & marketing.
- Now India is self-sufficient in pulses.
- Next aim is to become self-sufficient in production of oilseeds.

## Rural India

- Aim is to form 10,000 new Farmer Producer Organizations, to ensure economies of scale for farmers over next five years.
- Zero Budget Farming: to be adopted. In few states it is already practiced
- Ease of doing business and ease of living both should apply to farmers too.
- Farmers should be benefitted from e-NAM
- APMC Act should not hamper farmers from getting a fair price for their produce.
- Aim is to help in doubling our farmers' income in time for our 75<sup>th</sup> year of Independence.



## Pradhan Mantri Gramin Digital Saksharta Abhiyan

- Under the project over 2 crore rural Indians have so far been made digitally literate.
- To bridge rural-urban divide, Bharat-Net is targeting internet connectivity in local bodies in every Panchayat in the country.
- This will be speeded up with assistance from Universal Service Obligation Fund and under a PPP arrangement

## Water Security

- Water security and providing access to safe and adequate drinking water to all is the priority and the aim
- Jal Shakti Mantralaya constituted by integrating the Ministry of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation.
- Aim: Har Ghar Jal (piped water supply) to all rural households by 2024 under the 'Jal Jeevan Mission'.
- The mission will focus on integrated demand and supply management including creation of local infrastructure for source sustainability like rainwater harvesting, groundwater recharge and management of household wastewater for reuse in agriculture.

## Water Security

- 1592 Blocks have have been identified which are critical and over exploited, spread across 256 District for the Jal Shakti Abhiyan.
- Funds will be provided from other projects like Compensatory Afforestation Fund Management and Planning Authority (CAMPA) for this purpose.

# Women Empowerment

## Naari Tu Narayani

- Government believes that, we can make progress with greater women's participation
- In rural economy the role of women is very significant
- A broad-based Committee with Government and private stakeholders will be constituted for Gender analysis of the budget
- Recent election witnessed the large turnout for voting was at par with men
- Record 78 MPs are women

## Naari Tu Narayani

- The Government has supported and encouraged women entrepreneurship through various schemes such as MUDRA, Stand UP India and the SHG movement.
- The Women SHG interest subvention programme will be expanded to all districts.
- For every verified women SHG member having a Jan Dhan Bank Account, an overdraft of ₹ 5000/- shall be allowed
- One women in every SHG will also be made eligible for a loan up to ₹ 1 lakh under MUDRA Scheme.

## Custom Duty

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- Custom Duty on gold and other precious metals from 10% to 12.5%
- Import of defence equipment that are not being manufactured in India are being exempted from basic custom duty.
- In order to provide domestic industry a level playing field basic custom duty is increased on items such as
  - Cashew kernels - PVC - Vinyl flooring - Tiles - Metal fittings.
  - auto parts - synthetic rubber. - marble slabs - Optical fiber cable. -CCTV camera, IP Camera, Digital and network video recorders etc



## Custom Duty

- Exemption withdrawn: Palm stearin fatty oils, papers
- 5% custom duty is being imposed on imported books
- To promote domestic manufacturing custom duty is reduced on certain raw materials and capital goods like naphtha, wool fibers, inputs for manufacture of artificial kidney and disposable sterilized dialyser and fuel for nuclear power plants
- Custom duty reduced on certain parts of electric vehicles
- Custom duty is also being exempted on capital goods required for manufacture of specified electronic goods

## Custom duty

- To restrict bogus entities resorting to unfair practices to avail undue concessions and export incentives provisions are incorporated in the Customs Act for enhanced penalty and prosecution for such offences.
- Further, misuse of duty free scrips and drawback facility involving more than fifty lakh rupees will be a cognizable and non-bailable offence.

- Thank You