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Interim Budget 2019: Infrastructure and Economy

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Interim budget 2019 has following proposal for Economy and Infrastructure.

Infrastructure

- **Defense Sector**

- The allocation for Defence in this year's interim budget has increased **to Rs. 3.18 lakh crore.**
- There is a hike in defense budget considering the mega defense tenders are in the pipe as **part of military modernization.**
- The defense budget of India will be crossing Rs.3,00,000 crore for the first time in 2019-20.

- **Textile Sector**

- Two major schemes implemented by the Ministry of Textiles — **the Amended Technology Upgradation Fund Scheme and the Remission of State Levies** — have seen lower allocation for 2019-20. Allocation for the textiles sector in the Interim Budget has been reduced by over ₹1,000 crore.
- **Amended Technology Upgradation Fund Scheme**
 - The Technology Upgradation Fund Scheme was introduced by the Government in 1999 to facilitate new and appropriate technology for making the textile industry globally competitive and to reduce the capital cost for the textile industry.
 - In 2015, the government approved "Amended Technology Upgradation Fund Scheme (ATUFS)" for technology upgradation of the textiles industry.

- **Railways**

- In the interim budget 2019, Railways has been allocated ₹1.5 lakh crore for the year 2019-20, This is the highest-ever allocation for the Indian Railways.
- **Vande Bharat Express (Previously known as Train-18)**
The government has introduced Vande Bharat Express which is the first indigenously developed and manufactured semi high-speed train.

- **Micro Small And Medium Enterprises (MSME)**

- Interim budget has proposed that **GST-Registered SME units will get 2% interest rebate on the incremental loan of Rs. 1 crore.** MSME sector will get a major boost from this proposal.
- The budget has also proposed extending the government eMarketplace (GeM) platform to MSME's to support domestic services and trade. This will benefit MSMEs that are based in rural areas.

Economy

• Direct Taxes

- Interim budget has proposed that Individual taxpayers having taxable annual income up to Rs.5 lakhs will not be required to pay any income tax.
- The government also released data on taxpayers and tax revenue stating that the tax collections has increased significantly from Rs 6.38 lakh crore in 2013-14 to almost Rs 12 lakh crore this year.
- The number of returns filed has also increased from 3.79 crores to 6.85 showing 80% growth in the tax base
- **Reasons for widening tax base are**
 - the **demonetization**
 - increase in the use of **digital technology** for information collection
 - the movement towards **digital assessment** and a decrease in the number of cases being picked up for scrutiny
 - and the **ease of getting the refund**, majorly by small and medium taxpayers.

• Growth and Foreign Direct Investment

- Due to Goods and Services Tax (GST) and other tax reforms, there is a potential for high growth in the future. The GST reforms have resulted in an increased tax base, higher collections, and ease of trade.
- The finance minister has said that the country is poised to become a USD 5-trillion economy in the next five years and aspires to become a USD 10-trillion economy in the next 8 years thereafter.
- India attracted as much as \$239 billion of Foreign Direct Investment (FDI) during the last 5 years.
- The GST collection has fallen short of the budget target by Rs. 1 lakh crore for 2018-19.
- There is also a highest ever allocation of Rs 58,166 crore for North Eastern Areas, single window clearance for Indian filmmakers at par with foreigners and higher budgetary allocations for Education, Health, Infrastructure.

Vision of India For 2030

1. To build social as well as physical infrastructure and to provide ease of living

2. To create digital India, digitize government processes with leaders from youth
3. Making India pollution free by leading transport revolution with electric vehicles and focus on renewables
4. Expanding rural industrialization using modern digital technologies
5. Clean rivers, safe drinking water to all Indians and use of micro-irrigation
6. Besides scaling up of Sagarmala, coastline and ocean waters powering India's development and growth
7. Aim for India's space programme becoming the launch pad of satellites for the world.
8. Making India self-sufficient in food, exporting to the world to meet their food needs
9. A healthy India via Ayushman Bharat with women having equal rights and concern for their safety and empowerment
10. Transforming India into a "minimum government maximum governance" nation with proactive and responsible bureaucracy.