

## Budget Viewing Session 2019-20

Friday, 1<sup>st</sup> February, 2019 at PHD House, New Delhi

The Economic Affairs Committee of PHD Chamber of Commerce & Industry organized the Budget Viewing session 2019-20 on Friday, 1<sup>st</sup> February 2019 at PHD House, New Delhi. The session was addressed by Mr Ajay Shankar, Former Secretary, DIPP, Government of India and Dr C S C Shekhar, Professor of Agriculture, Institute of Economic Growth, University of Delhi. Mr. Rajeev Talwar, President, PHD Chamber, Mr. DK Aggarwal, Senior Vice President, PHD Chamber, Mr. Sanjay Aggarwal, Vice President, PHD Chamber, Mr Anil Khaitan, Immediate Former President, PHD Chamber, Mr Gopal Jiwrajka, Former President, PHD Chamber, Mr Sharad Jaipuria, Former President, PHD Chamber, Ms Sushma Berlia, Former President, PHD Chamber, Mr Anil Chopra, Chairman, Direct Taxes Committee, PHD Chamber and Dr Mahesh Y Reddy, Secretary General, PHD Chamber were also present at the event.

### Glimpse of the Budget Viewing Session 2019-20



From left to right: Dr S P Sharma, Chief Economist, PHD Research Bureau, Mr Anil Khaitan, Immediate Former President, PHD Chamber, Mr Sanjay Aggarwal, Vice President, PHD Chamber, Mr DK Aggarwal, Sr. Vice President, PHD Chamber, Mr Rajeev Talwar, President, PHD Chamber, Mr Ajay Shankar, Former Secretary, DIPP Government of India, Dr C S C Shekhar, Professor of Agriculture, Institute of Economic Growth, University of Delhi, Ms Sushma Berlia, Former President, PHD Chamber, Mr Gopal Jiwrajka, Former President, PHD Chamber, Mr Sharad Jaipuria, Former President, PHD Chamber



From left to right: Mr Anil Khaitan, Immediate Former President, PHD Chamber, Mr Sanjay Aggarwal, Vice President, PHD Chamber, Mr DK Aggarwal, Sr. Vice President, PHD Chamber, Mr Rajeev Talwar, President, PHD Chamber, Mr Ajay Shankar, Former Secretary, DIPP Government of India, Dr C S C Shekhar, Professor of Agriculture, Institute of Economic Growth, University of Delhi, Ms Sushma Berlia, Former President PHD Chamber, Mr Gopal Jiwrajka, Former President, PHD Chamber, Mr Sharad Jaipuria, Former President, PHD Chamber



**Mr Rajeev Talwar, President, PHD Chamber** in his welcome remarks said that he looks forward to a dynamic, inclusive and pragmatic budget. He said that the government has launched various reform measures and economy needs further bold measures to boost the investment environment and to trigger demand growth to the next level.

**Mr DK Aggarwal, Senior Vice President, PHD Chamber** said that he expects the budget to announce significant reforms in all the sectors of the economy along with meeting the fiscal target. He said that recent reforms in capital market are highly appreciable and the market reforms should continue further to facilitate ease of doing business.

**Mr Sanjay Aggarwal, Vice President, PHD Chamber**, said that the last five budgets of the present Government have focused on each and every segment of the economy and the intent of the Government has been to do welfare for every citizen of India. He mentioned that he look forward to continuation of the dynamic reforms in the forthcoming budget also.

**Ms Sushma Berlia, Former President, PHD Chamber** expressed her expectations about the Interim Budget 2019-20. She expected that government focus areas in the interim budget 2019-20 would be direct taxes. She also expected that the government would be focusing on health sector, social sector. She added that she expected that the main focus of budget 2019-20 would be around farmers and agriculture sector.

**Mr Sharad Jaipuria, Former President, PHD Chamber** highlighted his expectation from the budget 2019-20 before its release that budget could focus on rural sector as the government has given major impetus to development of the rural sector in the past. He added that the government would also focus on creating employment for the growing population in the country.

**Mr Gopal Jivarajka, Former President, PHD Chamber** expressed that GDP growth in India was coming majorly from the services sector. He stressed that the country also needs large job creation. He said that for jobs to grow it is important for agriculture and manufacturing sector to grow. He added that there is a need for a shift in the GDP growth towards capital creation.

**Mr Ajay Shankar, Former Secretary, DIPP Government of India** said that GST reforms were settling down in the economy. He said that the right approach is to learn from China as India needs to see what works for its

economy without any prior commitment. He suggested that there is a need is to get the right approach to check how to get rid of poverty, create job and bridge gap between India and China. He highlighted that India would have to grow by 9-10% and sustain its growth rate and create jobs. He added that there is a need to create manufacturing zones.

### **Budget Viewing Session 2019-20**

Hon'ble Interim Finance Minister Mr Piyush Goyal made significant announcements in the Interim Budget 2019-20. Remarkable announcements such as 12 crore small and marginal farmers to be provided with assured yearly income of Rs. 6000 per annum under PM-KISAN; Outlay for Rashtriya Gokul mission increased to Rs 750 crore; New separate Department of Fisheries for welfare of 1.5 crore fishermen; 2% interest subvention to Farmers for Animal husbandry and Fisheries activities; additional 3% in case of timely repayment; and allocation of Rs. 60,000 crore to MGNREGA were made for the agriculture sector. The direct tax proposals included income upto Rs. 5 lakh exempted from Income Tax; more than Rs. 23,000 crore tax relief to 3 crore middle class taxpayers; standard Deduction to be raised to Rs. 50,000 from Rs. 40,000; TDS threshold to be raised from Rs. 10,000 to Rs. 40,000 on interest earned on bank/post office deposits and tax exempted on notional rent on a second self-occupied house.

For the poor and backward classes, 25% additional seats in educational institutions to meet the 10% reservation for the poor; targeted expenditure to bridge urban-rural divide & to improve quality of life in villages were announced. The allocation for defence budget has been increased to Rs. 3 lakh crore in the Interim Budget. In the Railways, capital support of Rs.64,587 crore proposed in 2019-20 (BE) from the budget and overall capital expenditure programme to be of Rs. 1,58,658 crore. For the entertainment industry, Indian filmmakers to get access to Single window clearance as well for ease of shooting films; anti-camcording provisions in the Cinematograph Act to control piracy was introduced.

In the real estate sector, TDS threshold for deduction of tax on rent to be increased from Rs. 1,80,000 to Rs. 2,40,000; benefit of rollover of capital gains increased from investment in one residential house to two residential houses for capital gains up to Rs. 2 crore were announced in the Budget. For the labour, Pradhan Mantri Shram Yogi Maandhan scheme to ensure fixed monthly pension to 10 crore unorganized sector workers, Rs 3000 per month after 60 years of age with an affordable contribution of only Rs 100/55 per month were announced. For the development of North-east, allocation to be increased by 21% to Rs. 58,166 crore in 2019-20 BE over 2018-19 BE. The Hon'ble Finance Minister announced to make 1 lakh villages into Digital Villages over next five years.

The budget has pegged fiscal deficit at 3.4% of GDP for 2019-20. Further, the target of 3% of fiscal deficit to be achieved by 2020-21. The total expenditure increased by over 13% to Rs.27,84,200 crore in 2019-20 BE. Capital Expenditure for 2019-20 BE estimated at Rs. 3,36,292 crore.

Shri Piyush Goyal also elaborated the ten dimensional vision of the government for the next decade which includes Digital India, Pollution-free India, Rural Industrialization, Cleaning of the rivers, self sufficiency in food, vision of a healthy society among others are inspiring and promising in building confidence of the people, among others.

**After, the viewing of the Budget Session, the post budget session was organized wherein the speakers gave their views on the Budget.**

**Dr CSC Sekhar, Professor of Agriculture, Institute of Economic Growth, University of Delhi** expressed that the budget was balanced across all sectors and would have a positive effect on the economy. He opined that the direct transfer of Rs 6000/- p.a. to farmers is appreciable. He further suggested that there should be some provisions for agricultural labourers also. He mentioned that fisheries sector was neglected in so many years and therefore formation of separate department and increased allocation is an important step taken by the government. He emphasized that the direct tax proposals would increase disposable income of consumers, increase consumer demand and boost the economy.

**Mr Anil Chopra, Chairman, Direct Taxes Committee, PHD Chamber** said that due credit has been given to tax payers in the budget. He appreciated the government's announcement regarding rationalization of direct tax, increased compliance, online scrutiny, instant rebates, among others. He opined that the benefit of rollover of capital gains from investment in two residential houses for a tax payer having capital gains up to Rs. 2 crore is a good move.

**Mr Anil Khaitan, Immediate Former President, PHD Chamber**, expressed that the 10 year vision provided by the government in the budget will give right direction to the economy. He also appreciated the government's announcement regarding unorganised sector workers. He further emphasized that interest subvention to the farmers pursuing the activities of animal husbandry and fisheries and a separate department for fisheries is a very good move. He further mentioned that the budget was all-round and holistic and supported the motto of Hon'ble Prime Minister - 'Sabka Sath, Sabka Vikas.'

**Mr Rajeev Talwar, President, PHD Chamber** expressed that the budget has focused upon almost all sections of the economy, such as rural, defence, middle and salaried class, among others. According to him, this budget may be called green budget for people and green budget for the government. He praised the government for increase in outlay for education, benefits to middle class population in form of tax exemption, exemption of income tax on notional rent from one to two houses, benefits for unorganized sector senior citizen, among others. He appreciated the government's move regarding rollover of capital gains from investment in two residential houses. He said that this step would keep the prices of property down and thereby increase investment by young generation in the housing sector.

**Mr DK Aggarwal, Senior Vice President, PHD Chamber** said that all should welcome the budget wholeheartedly. According to him the budget would please middle class, farmers, workers, real estate players, senior citizens, among others. He appreciated the announcement of tax exemption on notional rent on second house and full tax exemption on income upto Rs 5 lakh. He highlighted that direct transfer of Rs 6000 per annum to farmers would help relieve farmers' distress as this would directly go into their bank account. He further mentioned that pension of Rs 3000 per month would bring major benefits to workers in the unorganized sector.

**Mr Sanjay Aggarwal, Vice President, PHD Chamber**, welcomed the ten point vision of the government for the next ten years and said that budget was path breaking. He emphasized on the importance of digital India and appreciated the government's announcement for making 1 lakh villages into Digital Villages over next five years. He mentioned that the railway accidents have been kept under check through significant capital expenditure on railways, which is appreciable. He emphasized that the direct transfer to farmers is a welcoming move.

The discussion was followed by an interactive Question and Answer Session. The session was attended by more than 250 delegates from diverse fields.

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Regards,

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