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Union Budget 2020 Economic indicators



6 to 6.5%

Budgeted GDP for FY21

GDP at 5% for FY20

CAD narrowed from

2.1 to 1.5%

H1 FY19 H1 FY2

Contraction of CAD attributable primarily to weaker imports



Monetary policy at



5.15% with an accommodative stance

Net FDI inflows for Apr-Nov 2019 at

\$24.4bn

Against \$21.2bn in Apr-Nov 2018

Revised fiscal deficit estimate for FY21at



3.5%

Against earlier estimate

Inflation pressures continue Increase by

4.1%

in Apr–Dec 2019



INR expected to be under pressure at

70.41

in Apr-Dec 2019

Average monthly exchange rate stood at 69.92 in Apr-Dec 2018

Exports continue to show weakness

Fall by

2%



in Apr-Dec 2019

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Union Budget 2020 Top 10 highlights



The Dividend Distribution Tax on companies replaced by taxation in the hands of shareholders—allowing lower tax treaty rates on dividends to apply for foreign investors



Extension of the sunset date to 30 June 2023 for concessional

rate of tax withholding (i.e., 5 percent) under sections 194LC and 194LD; this will augment debt investments

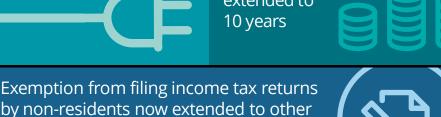
New power generation businesses to be eligible for a reduced corporate tax rate of 15 percent leading to tax certainty and growth impetus to the sector



categories of income i.e., royalties and

To continue building a robust start-up ecosystem, eligible turnover threshold for profitlinked tax deduction quadrupled to INR 1 billion (INR 100 crores); eligibility also







Tax dispute resolution introduced for settlement of tax disputes to help de-clog the legacy litigation

fee for technical services

Taxpayer Charter to be codified in the domestic tax law to provide statutory rights to taxpayers regarding the conduct of the tax administration



Procedures for administration of Rules of Origin under Free Trade Agreements introduced to prevent abuse





Health cess of 5 percent to be levied on specified imports of medical domestic manufacturing



Lower personal income tax rates for individual taxpayers who forgo certain tax deductions/exemptions; expected to relieve taxpayers in the lower income bracket