

Deepak Gupta, Dy Director, Chemexcil

From: Circulars <circulards@chemexcil.net>
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To: deepak.gupta@chemexcil.gov.in
Subject: INTERIM BUDGET 2019-20 Highlights & Provisions For Exports/ Logistics Area

CHEMEXCIL

Basic Chemicals, Cosmetics & Dyes Export Promotion Council

(Set-up by Ministry of Commerce and Industry, Govt of India)

Jhansi Castle 4th Fl., 7 Cooperage Road, Mumbai - 400 001 .India.

Tel : +91 22 22021288 / * Fax : +91 22 22026684

* E-mail : info@chemexcil.gov.in Web : <https://chemexcil.in>

EPC/LIC/BUDGET/2019-20

1st Feb 2019

ALL THE MEMBERS OF THE COUNCIL

INTERIM BUDGET 2019-20

Highlights & Provisions For Exports/ Logistics Area

Dear Members,

As you are aware, Hon'ble Minister of Finance **Shri Piyush Goyal** has presented the **Interim Budget 2019-2020 on 1st Feb 2019.**

The budget 2019-20 lays focus on ***benefits for middle class, farmers and unorganised workers, no tax on income up to Rs 5 lakh income, farmer income support scheme of Rs 6,000 per year, interest subvention scheme for farm loan takers and new pension scheme for unorganised sector workers along with higher allocation for rural schemes rural schemes like MNREGA and village roads.***

The key economic indicators as per budget statement

- Fiscal deficit seen at 3.4 percent in FY 19 and Current account deficit at 2.5% of the GDP
- India is poised to become a \$5 trillion economy in next 5 years, \$10-trillion economy in the next eight years
- Average Inflation in December 2018 was 2.1%.
- Rs 3 lakh crore recovered through Insolvency and Bankruptcy Code. Govt expects banks on the central bank's Prompt Corrective Action list to be removed soon.
- GST has been continuously reduced, resulting in relief of 80,000 crore rupees to consumers.
- Department of Industrial Policy and Promotion (DIPP), which will now be renamed as the Department for Promotion of Industries and Internal Trade.

Gist of provisions in Interim Budget 2019-20 from exports/ Logistics perspective

Though there are **no chemical sector specific taxation proposals**, the announcements related to Exports/ logistics/Ports are as follows:

1. Customs and Trading Across Border Reforms

- *To promote the “Make in India” initiative, rationalization of customs duties and procedures. Government has abolished duties on 36 capital goods. A revised system of importing duty-free capital goods and inputs for manufacture and export has been introduced, along with introduction of single point of approval under section 65 of the Customs Act.*
- *Indian Customs is introducing full and comprehensive digitalization of export/import*

- *The flagship programme of **Sagarmala** along the coastal areas of the country will develop ports for faster handling of **import and export cargo**. For the first time, container freight movement has started on inland waterways from Kolkata to Varanasi. Government will introduce container cargo movement to the North East as well, by improving the navigation capacity of the Brahmaputra river.*
- *India's **import dependence** on crude oil and natural gas has been a source of big concern to our Government. A high level Inter-Ministerial Committee, has made several specific recommendations, including transforming the system of bidding for exploration, changing from revenue sharing to exploration programme for Category II and III basins. The Government is in the process of implementing these recommendations.*

2. GST Reform for benefit to consumers and businesses

- Businesses with less than Rs 5 crore annual turnover, comprising over 90% of GST payers, will be allowed to return quarterly returns

You are requested to take note of the above provisions based on Interim budget 2019-20 documents available on relevant website. CBIC Notifications related to any of the provision shall be updated to you in due course. The original budget documents/ notifications are available for download using below link-

<https://www.indiabudget.gov.in/>

We also look forward to your feed-back on the provisions of the Interim Budget 2019-20. The same can be mailed to us on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You,

Yours faithfully,

S.G Bharadi
Executive Director
CHEMEXCIL