



High Lights of Interim Union Budget 2019-20

Direct Tax Proposals

- No change in Income tax rates and Income exemption limits.
- Full tax rebate to Individual taxpayers with Income up to INR 500,000/- i.e. No tax will be levied if annual taxable income is up to INR. 5,00,000/-
- Salaried persons & Pension earners will be eligible for Higher Standard deduction of INR. 50,000/- instead of INR. 40,000/-
- Levy of Income Tax will be exempt on notional rent on a Second Self occupied house.
- TDS threshold on Interest earned on bank/post office deposits is being raised from INR. 10,000/- to INR. 40,000/-
- TDS threshold on rental income earned is being raised from INR. 1,80,000/- to INR. 2,40,000/-
- Benefit of rollover of capital gains under section 54 of the Income Tax Act will be increased from investment in one residential house to two residential houses for a tax payer having capital gains up to INR. 2 crore. This benefit can be availed once in a life time.
- With an intent to provide affordable housing, benefits under Section 80-IBA of the Income Tax Act is being extended for one more year, i.e. to the housing projects approved till 31st March, 2020.
- For real estate sector period of exemption from levy of tax on notional rent on unsold inventories is being extended from 1 year to 2 years from end of the year in which project is completed.
- The ceiling limit of payment of Gratuity increased from INR. 10 Lakhs to INR. 20 Lakhs

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- All tax assessments including verifications to be done electronically without any human intervention within next 2 years
 - Income tax returns to be processed in 24 hours with simultaneous issuance of Income tax Refund

Goods and Service Tax (GST) Proposals

- Exemption Limit from Registration under GST increased from INR 20 lakhs to INR 40 Lakhs
- Increase in the limit of annual turnover from INR 1 crore to INR 1.5 crore for availing composition scheme for goods
- Small Service providers with a turnover of up to INR 50 Lakhs can opt for Composition Scheme and pay GST @ 6% instead of 18%
- Person opting for Composition scheme may have to file only one annual return but payment of taxes will remain quarterly along with simple declaration .
- Proposal for business with an annual turnover of less than INR 5 crores (which comprise of 90% of GST payers) be allowed to file quarterly GST returns.
- Proposal made to GST council for reducing GST rates for home buyers.
- For promoting Entertainment Industries, Single Window Clearance for ease of shooting films, available only to foreigners, is now available to Indian filmmakers as well.

Other Proposals

- Proposal to introduce reforms in levy and collection of Stamp duty on Financial Security transactions, whereby Stamp duty would be levied on one instrument relating to one transaction and get collected at one place through the Stock Exchanges. The duty so collected will be shared with the State based on the domicile of the buying client.
- Proposal for Amendment to Prevention of Money Laundering Act, 2002 wherein the finance bill seeks to extend the time limit of 90 days for which the attachment of property involved in money laundering, shall remain valid during the period of investigation to 365 days and also to provide that in computing the period of 365 days, the period during which the investigation is stayed by any court shall be excluded.

Other announcement and allocations

- Fiscal deficit pegged at 3.4% of GDP for 2019-20
- Target of less than 3.1% of fiscal deficit to be achieved by 2020-21
- Total expenditure rises from INR 24,57,235 crore in 2018-19 to INR 27,84,200 crore in 2019-20 .
 - Capital Expenditure for 2019-20 is estimated to be INR 3,36,292 crore.
 - Proposal to Increase in allocation to
 - Centrally Sponsored Schemes (CSS)
 - National Education Mission.
 - Child Development Scheme (ICDS)
 - To Scheduled Caste & Scheduled Tribes
- Focus to be increased on Debt consolidation.
- The Fugitive Economic Offenders Act, 2018 to help confiscate and dispose off the assets of economic offenders who escape the jurisdiction of the laws in India.

- Poor and Backward classes

- SC/ST/other backward classes now ensured 10% reservation in educational institutions and Government services. 25% additional seats in educational institutions to meet the requirement of 10% reservation
- INR 60,000 crores are being allocated for MGNREGA in BE 2019-20. Additional amount would be provided if required.
- Pradhan Mantri Gram Sadak Yojana (PMGSY) is being allocated INR 19,000 crore in BE 2019-20 as against INR 15,500 crore in RE 2018-19.
- Setting up of new 22nd AIIMS in Haryana.

Farmer's, Animal husbandary and fisheries

- Assured minimum support price (MSP) of all 22 crops at minimum 50% more than the cost.
- Launch of “Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)” to provide direct income support at the rate of INR 6,000 per year to vulnerable landholding farmer families, having cultivable land up to 2 hectares.
- Will provide farmers Soil Health Cards, quality seeds, irrigation scheme and Neem Coated Urea to remove shortage of fertilizers.
- To create a separate Department of Fisheries.
- The benefit of 2% interest subvention to the farmers and an additional 3% interest subvention for timely repayment of loan.

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- Benefit of interest subvention of 2% and prompt repayment incentive of 3% for the entire period of reschedulement of loans to all farmers affected by Severe natural calamities.

Labour and Workers Dignity

- In New Pension Scheme (NPS) the contribution of Government is increased to 14% from earlier 10%, keeping the contribution of the employee at 10%.
- Maximum ceiling of the bonus given to the labourers has been increased from INR 3,500 per month to INR 7,000 per month and the maximum ceiling of the pay has been increased from INR 10,000 per month to INR 21,000 per month.
- The ceiling of ESI's eligibility cover has been increased from INR 15,000 per month to INR 21,000 per month.
- Minimum pension for every labourer has been fixed at INR 1,000 per month.
- In the event of death of a labourer during service, the amount to be paid by EPFO has been enhanced from INR 2.5 lakhs to INR 6 lakhs.
- To launch a mega pension yojana namely 'Pradhan Mantri Shram-Yogi Maandhan' for the unorganised sector workers with monthly income upto INR 15,000 to provide an assured monthly pension of INR 3,000 from the age of 60 years.
- To set up a Welfare Development Board under the Ministry of Social Justice and Empowerment specifically for De-notified, Nomadic and Semi-Nomadic communities.

Women's development to women led development

- By provision of free LPG connections under the Ujjwala Yojana

Empowering Youth to fulfil their potential

- A National Artificial Intelligence portal to be developed.

Empowering MSMEs and Traders

- A scheme of sanctioning loans upto INR 1 crore in 59 minutes has been launched.
- GST registered SME units will get 2% interest rebate on incremental loan of INR 1 Crore.
- The requirement of sourcing from SMEs by Government enterprises has been increased to 25%.

Strengthening Defence and National Security

- Our Defence Budget to cross INR 3,00,000 crore for the first time in 2019-20.

Infrastructure development

- To introduce container cargo movement to the North East by improving the navigation capacity of the Brahmaputra river.
- Introduction of the first indigenously developed and manufactured semi high-speed "Vande Bharat Express"
- Allocation for the North Eastern Areas is being proposed to be increased by 21% to INR 58,166 crore in 2019-20.

Digital India Revolution

- To make 1 lakh villages into Digital Villages over next five years.

Entertainment

- Single window clearance (earlier available only to foreigners) now to be available to Indian film makers
- Provisions to control menace of piracy.

Customs and Trading Across Border Reforms

- Introduction of single point approval for importing duty free capital goods and inputs for manufacture and exporters.
- To introduce full and comprehensive digitalization of export/import transactions and leveraging RFID technology to improve export logistics.

Vision for 2030

India is poised to become a Five Trillion Dollar Economy in the next 5 years and aspire to become a Ten Trillion Dollar Economy in the next 8 years thereafter.

Layout to achieve the vision by 2030.

1. To build physical as well as social infrastructure.
2. To create a Digital India reaching every sector and every corner of the country.
3. Making India a pollution free nation with green Mother Earth and blue skies.

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4. Expanding rural industrialisation using modern digital technologies to generate massive employment.
 5. Clean Rivers, with safe drinking water to all Indians, sustaining and nourishing life and efficient use of water in irrigation using micro-irrigation techniques.
 6. Scaling up of Sagarmala, Coastline and our Ocean waters.
 7. Promoting Space programmes , India becoming the launch-pad of satellites for the World and placing an Indian astronaut into space by 2022.
 8. Making India self-sufficient in food, exporting to the world to meet their food needs and producing food in the most organic way.
 9. A healthy India through Ayushman Bharat.
 10. Converting India to Minimum Government Maximum Governance nation.

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