

# INTERIM BUDGET OF INDIA 2019-20

**Raju and Prasad Chartered Accountants**

# Budget 20<sup>19</sup><sub>20</sub>



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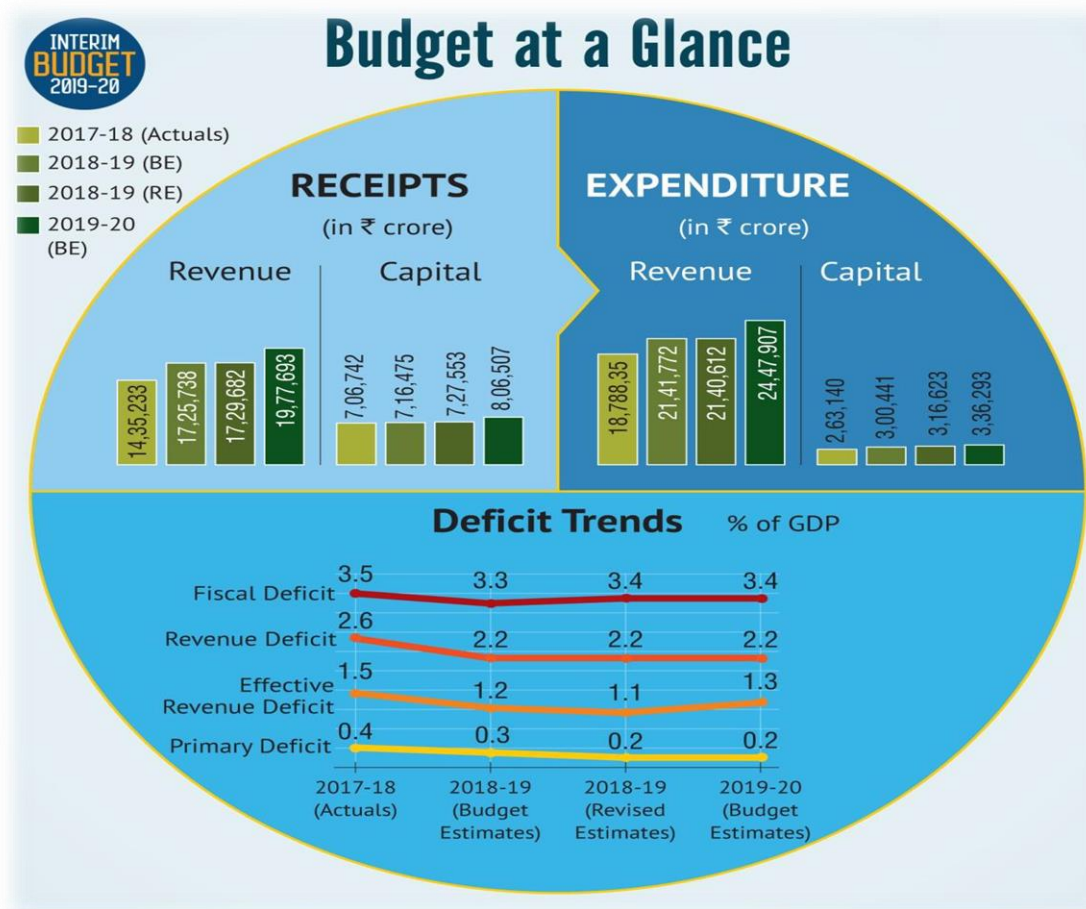
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## Part-A- Economy

The gist of Union Budget proposals presented by Ministry of Finance in the Parliament today are given below:



### FISCAL MANAGEMENT

- ▲ Fiscal deficit pegged at **3.4%** of GDP for 2019-20.
- ▲ Target of 3% of fiscal deficit to be achieved by 2020-21.
- ▲ Fiscal deficit brought down to **3.4% in 2018-19 RE** from almost 6% seven years ago.
- ▲ Total expenditure increased by over **13% to Rs.27,84,200 crore** in 2019-20.

## Highlights of Interim Budget 2019-20

- ⬆ Capital Expenditure for 2019-20 BE estimated at **Rs. 3,36,292 crore**.
- ⬆ Centrally Sponsored Schemes (CSS) allocation increased to **Rs. 3,27,679 crore** in BE 2019-20.
- ⬆ Substantial increase in allocation for the Scheduled Castes and Scheduled Tribes -
  - Allocation for SCs increased by 35.6% - from Rs. 56,619 crore in BE 2018-19 to Rs. 76,801 crore in BE for 2019-20.
  - Allocation for the STs increased by 28% - from 39,135 crore in BE 2018-19 to Rs. 50,086 crore in 2019-20 BE.

## INFLATION

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- ⬆ Average Inflation has come down to **4.6%** over last five years.
- ⬆ Inflation in December 2018 was down to **2.19%**.

## AGRICULTURE AND RURAL ECONOMY

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- ⬆ 12 crore small and marginal farmers to be provided with assured yearly income of **Rs. 6000** per annum under **PM-KISAN**.
- ⬆ Outlay of Rs. 75,000 crore for FY 2019-20 with additional Rs. 20,000 crore in RE 2018-19.
- ⬆ Outlay for Rashtriya Gokul mission increased to Rs 750 crore.





## Highlights of Interim Budget 2019-20

- **Rashtriya Kamdhenu Ayog** to be setup for sustainable genetic up-gradation of the Cow resources.
- **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.
- Interest subvention of 2% during disaster will be provided for the entire period of rescheduling of loan.
- Assured MSP of minimum 50% to all **22 crops**.
- **Rs 60,000 crore** has been allocated for Mahatma Gandhi National Rural Employment Guarantee Act (**MGNREGA**) in the Budget Estimate of 2019-20.
- A sum of Rs. 500 crores allocated for new scheme – “**Pradhan Mantri Shram-Yogi Maandhan**”.
- Welfare Development Board to frame special strategies for the benefit of the hard-to-reach De-notified, Nomadic and Semi-Nomadic communities will be set up under the Ministry of Social Justice and Empowerment.

## INFRASTRUCTURE

- Pradhan Mantri Gram Sadak Yojana (PMGSY) is being allocated Rs.19,000 crore in BE 2019-20 as against Rs.15,500 crore in RE 2018-19.

## HEALTH

- Setting up of a new - the 22nd **AIIMS in Haryana**.

## RAILWAYS

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- Capital support of **Rs.64,587 crore** proposed in 2019-20 (BE) from the budget.
- Operating Ratio expected to improve from 98.4% in 2017-18. to 96.2% in 2018-19 (RE) and to 95% in 2019- 20 (BE).
- Vande Bharat Express**, an indigenously developed semi high-speed train, to be launched



## LABOUR

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- 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.

## ENTERTAINMENT INDUSTRY

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- Indian filmmakers to get access to Single window clearance as well for ease of shooting films.
- Regulatory provisions to rely more on self-declaration.



## Highlights of Interim Budget 2019-20

- To introduce **anti-camcording** provisions in the Cinematograph Act to control piracy.

### MSME

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- 2% interest subvention on an incremental loan of Rs 1 crore for **GST registered SMEs**.
- At least 3% of the 25% sourcing for the Government undertakings will be from **women owned SMEs**.
- The Department of Industrial Policy and Promotion will now be renamed as the Department for Promotion of Industries and Internal Trade.



### OTHERS

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- Country's **Defence Budget** will be of over **Rs.3 lakh crore**.
- **New National Artificial Intelligence portal** to support National Program on Artificial Intelligence.
- Allocation for Integrated Child Development Scheme (ICDS) is being increased from Rs.23,357 crore in RE 2018-19 to Rs.27,584 crore in BE 2019-20.
- 25 per cent of sourcing for government projects will be from the MSMEs, of which three per cent will be from women entrepreneurs.
- National Education Mission allocation increased by about 20% to Rs. 38,572 crore in BE 2019-20.

# PART B — Tax Proposals

## DIRECT TAXES

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- ▲ **18%** growth in Direct Tax Collections in 2017-18.
- ▲ Increase in tax base by **1.06 crore people** filing income tax returns for the first time in FY 2017-18.
- ▲ Full tax rebate for Individual taxpayers with taxable income up to **Rs.5,00,000**.
- ▲ Increase in Standard Deduction for salaried employees from **Rs.40,000 to Rs.50,000**.
- ▲ Increase in the TDS threshold on interest earned on bank/post office deposits from **Rs.10,000 to Rs.40,000**.
- ▲ Increase in the TDS threshold on rent from **Rs.1,80,000 to Rs.2,40,000**.
- ▲ **No taxability on deemed basis** under the head "house property" even if an assessee has two self-occupied houses
- ▲ Section 54 benefit will be available in respect of 2 houses.
- ▲ Benefits under Section 80-IBA of the Income Tax Act extended till 31-03-2020.
- ▲ I-T processing of returns to be done in 24 hours.



## INDIRECT TAXES

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- ▲ Average monthly tax collection in the current year is Rs. 97,100 crore per month as compared to Rs. 89,700 crore per month in the first year.

