

Interim Budget 2019-20 Highlights

The interim Budget, also known as a vote on account, will seek the Parliament's nod for meeting the expenditure for the first six months of new fiscal 2019-20. A full-fledged Budget will be presented in Parliament once the new Central government is formed after the general elections, due in March-April.

Tax announcements:

- **No tax till Rs 5 lakh income for individuals tax payers**
- Standard deduction increased to Rs 50,000 from Rs 40,000 for salaried class
- **Individuals with gross income up to 6.5 lakh rupees will not need to pay any tax if they make investments in provident funds and prescribed equities**
- **TDS threshold for home rent increased from Rs 1.8 lakh to 2.4 lakh**
- **Interest income up to Rs 40,000 in post offices and banks made tax free**
- **Capital gains tax exemptions under Section 54 to be available to Rs 2 crore.** Capital gains exemption to be available on 2 house properties.
- Income tax relief on **notional rent from unsold houses extended to 2 years from 1 year**
- **Income Tax returns to be processed within 24 hours and returns will be paid immediately.**
- Within nearly two years, almost all assessment and verification of IT returns will be done electronically by an anonymised tax system without any intervention by officials.
- **Group of Ministers to suggest ways to reduce GST for house buyers**
- Direct tax collections increased from Rs 6.38 lakh crore in 2013-14 to almost Rs 12 lakh crore; The tax base is up from Rs 3.79 crore to 6.85 crore
- **Gratuity limit increased for workers to 30 lakh rupees.**
- **Businesses with less than Rs. 5 crore annual turnover**, comprising over 90% of GST payers, will be allowed to return quarterly returns.
- **Two per cent interest subvention on loan of 1 crore for GST registered MSME units.**
- **Direct tax collections from 6.38 lakh crore rupees in 2013-14 to almost 12 lakh crore rupees; tax base up from Rs 3.79 crore to Rs 6.85 crore.** 99.54% returns have been accepted without any scrutiny. In January 2019, GST collections has crossed 1 lakh crore rupees.

Other key announcements:

- **Rs 6,000 per year pension for farmers**
- **Rs 3,000 per year pension for unorganised sector workers**
- Interest subvention for farm loan takers
- **Businesses with less than Rs 5 crore annual turnover**, comprising over 90% of GST payers, will be allowed to return quarterly returns
- A single window clearance for filmmakers
- Indian Customs to fully digitised Exim transactions and leveraging RFID for logistic. **Govt abolishes duties on 36 capital goods**

Nine priority areas: To build next-gen infrastructure - physical as well as social;

- (1) To build a Digital India that reaches every citizen;
- (2) Clean and Green India;
- (3) Expanding rural industrialization using modern industrial technologies;
- (4) Clean Rivers - with safe drinking water to all Indians;
- (5) Oceans and coastlines;
- (6) India becoming Launchpad of the world;
- (7) Self-sufficiency in food and improving agricultural productivity with emphasis on organic food;
- (8) Healthy India;

(9) Minimum Government Maximum Governance, with proactive, responsible and friendly bureaucracy

Schemes and others

- Single window clearance for filmmaking to be made available to Indian filmmakers, ***anit-camcording provision to be introduced to Cinematography Act to combat film privacy.***
- Allocation for **North Eastern region proposed to be increased to Rs 58,166 crore in this year a rise of over 21% from the previous year.**
- Increased allocation for **Rashtriya Gokul Mission to 750 crore in current year.**
- **Two per cent interest subvention to farmers pursuing animal husbandry and fisheries.**
- **Committee under NITI Aayog to be set up to identify and denotify nomadic and semi-nomadic communities;** Welfare Development Board to be set up under Ministry of Social Justice and Empowerment for welfare of these hard-to-reach communities and for tailored strategic interventions.

Pradhan Mantri Shram Yogi Mandhan

- Mega Pension Yojana, namely **Pradhan Mantri Shram Yogi Mandhan, to provide assured monthly pension of 3000 rupees per month, with contribution of 100 rupees per month,** for workers in unorganised sector after 60 years of age.
- "(This) will benefit 10 crore workers in unorganized sector, may become the world's biggest pension scheme for unorganized sector in five years," Goyal said.

Pradhan Mantri Kisan Samman Nidhi Scheme

- Under Pradhan Mantri Kisan Samman Nidhi, 6000 rupees per year for each farmer, in three installments, to be transferred directly to farmers' bank accounts, for farmers with less than 2 hectares land holding.
- This initiative is likely to benefit 12 crore small and marginal farmers, at an estimated cost of Rs 75,000 crore.

Other announcements

- 2% interest subvention to farmers who pursue animal husbandry, fisheries jobs through Kisaan credit cards
- **Kamdhenu scheme for animal husbandry.**
- Govt to build 1 lakh digital villages
- For the welfare of farmers and for doubling their income, historic decision was taken to increase MSP by 1.5 times the production cost for all 22 crops
- **Rs 60,000 crore allocated for MNREGA this year**
- **Rs 19,000 allocated for construction of rural roads under Gram Sadak yojana**
- For securing our borders, govt increases defence budget to over Rs 3 lakh crore. Govt will provide additional funds for Defence, if needed.

The 4R approach has been implemented to ensure clean banking -

1. Recognition
2. Resolution
3. Recapitalisation
4. Reforms

Fiscal deficit has been brought down to 3.4%; CAD (current account deficit) likely to be 2.5% of GDP this year.