

INTERIM BUDGET 2019

Decoded

*This budget was expected to be the affected by election motive but instead of running behind political mileage Government took the high ground and presented a budget that was actually a **progressive budget** for all walks of society and country as well.*

*Full attention has been devoted to schemes/policies related to **Agriculture, Rural** Development, **Youth** Development and **Health** Care. It appears that the input given by the public was duly taken into account in the preparation of the budget.*

CA (Dr.) Dheeraj Sharma
(FCA, PhD, M.Com, NET)



- Maximum amount of tax rebate u/s **87A** increased to **Rs.12,500** from existing Rs.2,500 for the assessee having total income **up to Rs.5 Lac**, instead of existing Rs.3.50 Lac.
- **No relief** would be available in case the total income **exceeds Rs.5 Lac**.
- **Standard Deduction** to salaried assessee raised from Rs.40,000 to **Rs.50,000** per annum or actual salary whichever is lower.
- TDS threshold on interest on bank and post office deposits raised from Rs.10,000 to Rs.40,000.
- Section 23 is amended to allow the taxpayer with an option to claim **NIL** annual value in respect of any two houses, declared as self-occupied, instead of one such house as currently provided.
- Notional rent in respect of unsold inventory (being house property) is not being charged to tax upto **two** years from the end of financial year in which certificate of completion is obtained.
- Taxpayers having long term capital gain upto Rs.2 Cr. arising from transfer of a residential house; shall have one time opportunity, at their option to utilise such amount for purchase or construction of **two** residential houses in India instead of one residential house as currently provided.
- The time limit u/s **80-IBA** is extended from 31st March 2019 to **31st March 2020** to avail deduction of 100 % of profits and gains derived from the business of developing and building housing projects.
- TDS threshold on rental income (**u/s 194I**) raised from Rs.1,80,000 to **Rs.2,40,000**.
- In a relief for common man, most daily-use items are now under 0-5% tax slab under GST.
- **Gratuity** limit increased from 10 Lac to **20 Lac Rupees**.
- Income Tax Returns will be processed in just **24 hours** and within 2 years, Tax assessment will be done electronically.



- A revolutionary scheme of sanctioning loans upto Rs.1 Cr. in 59 minutes has been launched.
- With the commissioning of the Pakyong Airport in Sikkim, the number of operational airports has crossed 100 under 'Udaan Scheme'.
- For 2019-20 Defense Budget is kept for Rs.3,00,000 Cr. with the provision of additional funds, if required.
- GST-registered SME units will get 2% interest rebate on incremental loan of Rs. 1 Cr.
- By improving the navigation capacity of the Brahmaputra river container cargo movement to the North East is introduced.
- World's largest healthcare program, **Ayushman Bharat** is launched to provide medical treatment to nearly 50 Cr. people. People are benefiting from availability of medicines at affordable prices through Pradhan Mantri Jan Aushadhi Kendras.
- Introduction, developed and manufactured semi high-speed "Vande Bharat Express"
- Govt. enterprises are required to source 25% from SMEs. Out of this 25% at least 3% is to be sourced from women owned SMEs.
- The construction of rural roads has been tripled under the **Pradhan Mantri Gram Sadak Yojana**.
- 22nd AIIMS is to be set up in Haryana.
- The Government announced substantial hike in the Military Service Pay (MSP) of all service personnel and special allowances given to Naval and Air Force personnel deployed on high risk duties.

India set a fiscal deficit target of 3.4 percent of gross domestic product (GDP) for 2019/20, higher than a previous estimate, and also said it would breach this year's target, as an interim budget presented on Friday boosted spending for the rural sector.

– **CS Rahul Sharma**
(Chairman, Jaipur Chapter of ICSI)



- 1 Lac villages are to be made Digital Villages over next five years.
- More than 3 Lac **C**ommon **S**ervice **C**enters (CSCs) are expected to employ about 12 Lac people, and are digitally delivering several services to the citizens.
- The **C**ommon **S**ervice **C**enters are expanding their services and also creating digital infrastructure in the villages to convert the villages into Digital Villages.
- Aadhaar is now near universally implemented. This has helped ensure the poor and middle class receive the benefits of Government schemes directly in their bank accounts by eliminating middlemen.
- Budget for Integrated Child Development Scheme is being increased to Rs.27,584 Cr.
- Budget for National Education Mission is being increased from Rs.38,572 Cr.
- In order to take the benefits of Artificial Intelligence and related technologies to the people, a National Programs on '**A**rtificial **I**ntelligence' has been envisaged
- A National Artificial Intelligence portal will also be developed soon.
- 10% reservation in educational institutions and Govt. services for poor. In these institutions, around 25% extra seats (approximately 2 Lac) will be provided.
- A Committee under NITI Aayog and a Welfare Development Board will be set up to complete the task of identifying De-notified, Nomadic and Semi-Nomadic communities not yet formally classified for the purpose of implementing welfare and development programs.
- Single window for approval of Indian film makers.
- 2% interest relief for MSME GST registered person.
- Rs.3,27,679 Cr. proposed to be allocated for Centrally Sponsored Schemes.

Even being the populist one still Govt. presented a budget that was actually a progressive budget for all walks of society. Decisions like interest subvention, MSP, PM Kisan Samman Nidhi, Ayushman Bharat etc. distinguished this budget from earlier ones. These ground-breaking decisions will be great help for millions of families across the country.

- **CA Rajendra Mittal**

(Eminent Professional and Expert of Assurance Services)



- To enhance production and productivity of cows "**Rashtriya Kamdhenu Aayog**" is to be set up to upscale sustainable genetic up gradation of cows.
- With the aim to double the income of farmers, Govt. has fixed the **Minimum Support Price** of all 22 crops at minimum of 50% more than the cost.
- Soil Health Cards, Quality Seeds, Irrigation Scheme and Neem Coated Urea are focused to remove shortage of fertilizers.
- **PM Kisan Samman Nidhi** package for farmers. A sum of Rs.75,000 Cr. has been allocated for the scheme. Each farmer with less than 2 hectares land will receive Rs.6,000 per year in two installments.
- Separate Department of Fisheries is proposed.
- The crop loan to farmers increased to Rs.11.68 Lac Cr..
- 2% interest subvention is proposed to the farmers pursuing animal husbandry and fisheries, who avail loan through Kisan Credit Card. In case of timely repayment of loan, they will also get an additional 3% interest subvention.
- Government has also decided that, where assistance is provided to such farmers from National Disaster Relief Fund (NDRF) will be provided the benefit of interest subvention of 2% and prompt repayment incentive of 3% for the entire period of re-scheduled loans.
- Simplified application form is introduced to bring farmers under Kisan Credit Card fold.
- Farmers who are affected from natural calamities strike & unable to repay their loans will get benefit of interest subvention of 2% only for the first year.
- **Mega Pension Yojana, Pradhan Mantri Shram Mandan** for the unorganized sector workers to provide assured monthly pension of Rs.3,000 after the age of 60 years. More than 10 Cr. people of the unorganized sector will benefit from these schemes. The scheme will be implemented in the current year itself.

This budget is dedicated to lower middle class, small farmers and unemployed persons and mainly focused on defense, health and infrastructure. This budget will fulfill the dreams of common men. In this budget a step is taken for social security like providing a fixed amount to a farmer, and labourer is welcome step taken by Govt.

- **CA Yashpal Yadav (Past Chairman, Rewari Branch of ICAI)**

10 MOST IMPORTANT DIMENSIONS FOR **VISION 2030**

- To build next-generation infrastructure - physical as well as social - for a \$10 trillion economy and to provide **Ease of Living**.
- To build a **Digital India** that reaches every citizen by creating innumerable startups and jobs.
- **Clean and Green India** - an India that drives electric vehicles, with renewable energy, becoming major source of energy.
- To expand **Rural Industrialization** using modern industrial technologies based on Make in India approach.
- **Clean Rivers** with safe drinking water to all Indians, sustaining and nourishing life, using micro-irrigation techniques; long coastline can be pivotal for the economy, using strength of blue economy and *sagar mala*.
- Oceans and coastlines is the sixth dimension of our vision for 2030.
- To become **launch-pad** of the world, placing an Indian astronaut in space by 2022.
- **Self-sufficiency** in food and improving agricultural productivity with emphasis on organic food forms.
- To create a **Healthy India**, with distress-free & comprehensive wellness system for all.
- **Minimum Government Maximum Governance** - a proactive, responsible and friendly bureaucracy.

As the government is more focused in providing Quality education, they have increased the share of Education in the interim budget 2019. All in all, this budget brings in badly needed fresh hopes for the education industry. Approximately 2 Lac additional seats in educational institutes with 10% reservation to poor students is highly appreciable.

- **Dr. Vivek Sharma**
(Professor and Author)

Govt. has made successful attempt to understand, address and simplify the micro level issues of certain section of society viz. Rebate on second self occupied house, capital gain on second house etc. Interest rebate for GST registered MSME is also good thought. Focus on digitization "right from Digitization of villages, direct benefit transfers to tax assessment" is continued to be a priority of this leadership.

Through this budget Govt. has given message of strong attempt, demonstrated intent and ability to set big goals for the country.

- **CA Kamal Kumar Kaushik**
(CEO, Religare Housing Development Finance Corporation)

INCOME TAX SLAB RATES FOR **AY 2020-21**

TAX RATE FOR AN INDIVIDUAL FOR THE A.Y. 2020-21			
Income	Individual (Age less than 60 Years)	Senior Citizen (Age above 60 Years)	Super Senior Citizen (Age above 80 Years)
Up to Rs.2,50,000	Nil	Nil	Nil
Rs. 2,50,000 to Rs. 3,00,000	5%	Nil	Nil
Rs. 3,00,000 to Rs. 5,00,000	5%	5%	Nil
Rs. 5,00,000 to Rs. 10,00,000	20%	20%	20%
Above Rs.10,00,000	30%	30%	30%

* Subject to rebate u/s 87A upto Rs.12,500 for the assessee having total income up to Rs.5 Lac.

TAX RATES FOR CORPORATE ASSESSEE FOR THE A.Y. 2020-21	
Status of Taxpayer	Rates of income-tax
Firms/Local Authority	30%
Domestic Company	30%/25%
Foreign Company	40%
Tax rate is 25% if the turnover or gross receipts of the domestic company in the previous year doesn't exceed Rs. 250 crore.	

RATES OF SURCHARGE			
Particulars	Taxable Income		
	50 Lac to 1 Crore	1 Crore to 10 Crores	Exceeding 10 Crores
Individuals/HUF	10%	15%	15%
Firm/ Local Authority/ Co-operative Society	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company	Nil	2%	5%
Co-operative Societies	Nil	12%	12%

* The health & education cess at the rate of 4% shall be computed on aggregate of Income-Tax and Surcharge.

CHART OF TAX DEDUCTED AT SOURCE FOR **AY 2020-21**

SECTION	NATURE OF INCOME	THRESHOLD LIMIT	RATE OF TDS
192	Salary	as per slab	Average Rate
192A	Payment of accumulated balance due of Employees' Provident Fund	if accumulated balance is more than 50000	10%
193	Interest on securities	10,000	10%
194	Dividend other than of 115-O	2,500	10%
194A	Interest received from Bank	40,000	10%
	Interest received from others	5,000	10%
194B	Income by way of winnings from lotteries, puzzles	10,000	30%
194BB	Income by way of winnings horse race	10,000	30%
194C	Payment to contractors/ Subcontractors	30,000 one time and 75,000 in whole year	Individual & HUF 1% Others 2%
194D	Insurance Commission	15,000	5%
194DA	payment under Life Insurance Policy	100,000	1%
194E	Payment to Non Resident Sports Person	No Limit	20%
194EE	Payment from National Savings Scheme	2,500	10%
194F	Payments on account of repurchase of units by Mutual Fund	No Limit	20%
194G	Commission on sale of lottery tickets	15,000	5%
194H	Payment of Commission or Brokerage	15,000	5%
194-I	Payment of rent for immovable property	240,000 (earlier 180,000)	10%
	For plant and machinery or equipment	240,000 (earlier 180,000)	2%
194 IA	Payment on transfer of certain immovable property other than agricultural land	5,000,000	1%
194 IB	Payment of rent by individual/HUF other than those covered under 44AB	50,000 / month	5%
194J	Fees for professional or technical services	30,000	10%
	Payment made to person engaged only in the business of call centre		2%
194LA	Payment of compensation on acquisition of certain immovable property	250,000	10%
194LB	Income by way of interest from infrastructure debt fund to a non resident or Foreign Company	No Limit	5%
194LC	Income by way of interest from Indian company	No Limit	5%
194LD	Income by way of interest on certain bonds and Government securities	No Limit	5%

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“Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence.”