BUDGET MADE EASY: 19-20

Budget for New India

Direct Taxes (Income Tax)

- 25% Tax Rate for companies with annual turnover up to Rs. 400 crores.
- Aadhaar and PAN to be interchangeably used.
- Electronic Tax Assessment to be introduced.
- Interest deduction up to ₹3.5 lakh for purchase of an affordable house.
- TDS of 2% on cash withdrawal exceeding ₹1 crore in a year from a bank account to promote less cash economy.
- Effective tax rate for individuals having taxable income above ₹2 crore has been increased.
- No charges or MDR on specified digital mode of payments. These modes are to be compulsorily provided by large businesses.
- Deduction of Rs.1.5 lakhs on interest paid on loans for E-vehicles.
- No Change in income tax slabs proposed (Tax rebate to individual's having taxable income up to Rs.5 Lakhs).
- No Change in standard deduction to Salaried individuals (Rs.50,000)
- No change in Chapter VI-A deduction (Rs.2,00,000)

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Budget for New India

Indirect Taxes(GST & Customs)

- Customs duty exemption on certain e-vehicle parts.
- GST rate on e-vehicles reduced to 5%(Earlier 12%).
- 5% Basic Custom Duty imposed on imported books.
- Raise in Customs duty on gold and other precious metals.(10% to 12%)
- Levy of Customs duty on certain electronic items now manufactured in India.
- Withdraw of Customs duty exemption on cashew kernels, PVC, tiles, auto parts, marble slabs, optical fibre cable, CCTV camera etc.

Start-up Promotion

- Exclusive TV channel for startups. (Covers Legal, Operations, funding etc.)
- Capital gains from sale of residential house exempted, if invested in start-ups before FY21.
- “Angel tax‟ issue resolved.
- Funds raised by start-ups to not require scrutiny from Income Tax Department.
- No scrutiny of valuation of shares issued to Category-II Alternative Investment Funds.
- Relaxation of conditions for carry forward and set off of losses.

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Budget for New India

Others

- Aadhaar Cards to NRI's based on passport within 180 days.
- New series of Rs.1,2,5,10 and 20 coins to be introduced
- Pension to shop keepers & retailers having turnover up to 1.5 crores.
- Ease in FDI norms in aviation, space, media, animation, insurance intermediary sectors.
- 2% interest subvention (on fresh or incremental loans) to all GST-registered MSMEs, under the Interest Subvention Scheme for MSMEs
- Payment platform for MSMEs to be created to enable filing of bills and payment thereof, to eliminate delays in government payments.
- SEBI to consider raising the threshold for minimum public shareholding in the listed companies from 25% to 35%.
- Know Your Customer (KYC) norms for Foreign Portfolio Investors to be made more investor friendly.
- STT restricted only to the difference between settlement and strike price for option trading.
- Setup of National Research Foundation(NRF) to boost up R&D.
- Multiple labor laws & regulations to be downsized to 4 Labor Codes.
- 100 lakh Crores investment in Infrastructure development over next 5 years through PPP model.

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