

# INTERIM BUDGET 2019



Finance Minister Piyush Goyal announced a string of populist measures in his Interim Budget 2019 speech in the Parliament.

## KEY HIGHLIGHTS OF BUDGET SPEECH:

- The Finance Minister thrust upon realizing a "New India" by 2022, the 75th Year of Independence; poised to becoming **\$5 trillion** economy in 5 years
- The reforms led to consistent low inflation rate (**4~5%**), controlled fiscal deficit (**3.4%**), robust FDI investment (**\$239bn**) and increased GDP growth in last 5 years
- The Finance Minister touched upon **key reforms** viz GST, Banking Reforms & Insolvency and Bankruptcy Code, initiatives against corruption and cleanliness (Swachh Bharat), electricity for all, massive scale-up in healthcare
- Farmers owning up to 2 Hectares to get **₹6,000 per year** in 3 instalments as per **PM Kisan Samman Nidhi Scheme**; interest subvention for farmers in various category been constructed under **PM Awas Yojana**
- Pension scheme for unorganised sector workers with monthly income **up to ₹15,000**
- Assured monthly **pension of ₹3,000** after they retire at the age of 60
- Gratuity limit increased from ₹10 lakh to **₹20 lakh**
- Defence budget increased to **₹3 trillion**

## TAX PROPOSALS

- No change in corporate tax rate
- No tax payable only for an individual earning up to **₹5 lakh** per year; Rebate of tax increased to **₹12,500**. No change in tax payable for person having income more than ₹5 lakhs per year
- Standard deduction for the salaried raised to **₹50,000** from ₹40,000
- **Increase in TDS threshold** on Bank and post office deposits (from ₹10,000 to ₹40,000) will provide relief to tax assessee,
- **Increase in TDS threshold** on Rent (from ₹1.8 lakh to ₹2.4 lakh)
- Capital gains exemption on sale of residential house under Sec 54 extended to **2 residential houses** subject to maximum capital gain of ₹2 crores
- **Notional rent** not applicable to assessee on 2nd self-occupied house
- **Deduction u/s 80IBA** for developers of affordable housing scheme has been extended by one year for projects registered uptill March 31, 2020
- The Finance Minister also proposed to process all tax returns within **24 hours** of their filing with refunds being issued immediately

