

BUDGET 2019

KEY HIGHLIGHTS



Tax Proposals

1. **No Tax** (Sec 87A rebate increased) upto **Rs.5 Lakhs** income / Rs.6.5 Lakhs including 80C / Rs.8.5 Lakhs including home loan deduction
2. Standard deduction u/s 16 increased to Rs.50,000 from Rs.40,000
3. Sec 54 – Exempt capital gain up to Rs.2 Crores from sale of house property against investment in 2 house properties instead of 1
4. Sec 194I – Limit for TDS on rent increased to Rs.2.40 Lakhs from Rs.1.80 Lakhs p.a.
5. Sec 194A – No TDS on interest income up to Rs.40000 on bank and post office deposits.
6. No tax on notional rent for second self-occupied house property
7. GST rates to be reduced for home buyers



Economic Indicators

1. Fiscal deficit 3.4%; Current Account deficit 2.5%
2. Expenditure target for FY20 set at Rs 27.84 Lakh Crores
3. FDI worth 239 Bn USD last 5 years
4. Rs.3 Lakh Crores recovered through IBC

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Major Announcements

1. Direct transfer of Rs.6,000 to farmers having up to 2 hectare of land every year in 3 equal instalments effective 1st Dec'18 (PMKSN)
2. Pension of Rs.3,000 after retirement at the age of 60 for persons having monthly income up to Rs.15,000 (PMSM)
3. In next 2 years, returns to be assessed in 24 hours and refunds to be processed within same time; anonymous scrutiny through computers without any personal interactions
4. NPS contribution of Govt increased to 14%
5. 2% Interest subvention for farmers pursuing fisheries and animal husbandry & additional 3% on timely re-payment
6. Creation of National Centre of Artificial Intelligence (AI)
7. 1 Lakh Digital Villages in next 5 years
8. Compulsory buying limit for Govt. enterprises from MSME increased from 20% to 25% (of this 3% from women MSMEs)
9. 2% Interest subvention for GST registered MSME