

# HIGHLIGHTS OF UNION BUDGET

## 2019-20

**DEEPAK KANDPAL**

**FINANCE CONSULTANT**

Email Id – [cadeepakkandpal@gmail.com](mailto:cadeepakkandpal@gmail.com)

Mobile No. - 8750006707



# INTRODUCTION

Finance Minister Piyush Goyal on Friday presented the much awaited Union Budget in Lok Sabha. Piyush Goyal was appointed interim finance minister on January 23 with Arun Jaitley Undergoing treatment in the United States. Here is a look at the main points of the Budget presented by Piyush Goyal.

The Modi Government unveiled an Interim Budget with mega announcements for middle class, rural citizens, farmers and unorganized sector workers. Keeping an eye on Lok Sabha polls, government made a slew of announcements to keep everybody happy with tax sops for salaried class, direct income for farmers and other social sector schemes.

## DIRECTLY FROM PIYUSH GOEL'S EPIGLOTTIS

- We are poised to become a 5 trillion dollar economy in the next five years, we aspire to become a 10 trillion dollar economy in the next eight years.
- The simplification of Direct tax system resulted into increase in tax collections from 6.38 lakh crore rupees in 2013-14 to almost 12 lakh crore rupees this year; 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.
- GST has been continuously reduced, resulting in relief of 80,000 crore rupees to consumers; most items of daily use for poor and middle class are now in the 0% - 5% tax bracket.

- We controlled double digit inflation. Inflation is a hidden and unfair tax; from 10.1% during 2009-14, Inflation in December 2018 was just 2.1%. We have broken the back of back breaking inflation.
- The Finance Minister laid out vision for 10 most important dimensions in 2030, including job creation, physical and social infrastructure building, pollution free nation and clean rivers.
- GST is the undoubtedly the biggest taxation reform implemented since Independence; through tax consolidation, India became one common market; Inter state movements became faster through e-way bills, improving ease of doing business.
- Group of Ministers examining how prospective house buyers can benefit under GST.

- **Within almost two years, almost all assessment and verification of IT Returns will be done electronically by an anonymized tax system without any intervention by tax officials.**
- **Cost of data and voice calls in India is now possibly the lowest in the world, mobile and mobile part manufacturing companies have increased from 2 to 268.**
- **Urgent action needed to increase hydrocarbon production to decrease imports; change in bidding procedure and exploration procedure being implemented.**
- **Committee under NITI Aayog to be set up to identify 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.**
- **It was first time ever that any Union Finance Minister has thanked all taxpayers for their valuable contribution to nation building and for providing a better life to the poor and marginalized sections of society.**

## PERSONAL FINANCE TAKEAWAYS

- Though there is no change in tax slabs of an Individual, the tax relief is given to an Individual assessee having Annual Income up to 5 Lakhs rupees by way of amendment to Sec 87A of The Income Tax Act, 1961. Such assessee shall be entitled to a deduction of an amount equal to 100% of such Income Tax or an amount of INR 12,500/- whichever is less.
- Individuals with gross income up to 6.5 Lakhs rupees will not need to pay any tax if they make investments in Provident Funds and prescribes equities.
- Standard tax deduction for salaried persons raised from 40,000 rupees to 50,000 rupees.

## OTHER IMPORTANT PROPOSALS

- TDS threshold on Rental Income raised from 1.8 lakh to 2.4 lakh rupees.
- Benefit of rollover of capital gain tax to be increased from investment in one residential house to that in two residential houses, for a taxpayer having capital gains up to 2 crore rupees; can be exercised once in a life time.
- Business with less than Rs. 5 crore annual turnover, comprising over 90% of GST Payers, will be allowed to return quarterly returns.
- Allocation for North Eastern region proposed to be increased to increase to Rs. 58,166 crore in this year a rise of over 21% from the previous year.



- Two percent interest subvention to farmers pursuing animal husbandry and fisheries.
- 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 unorganized sector after 60 years of age.

It 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 has been introduced under this 6000 rupees per year for each farmer, in three installments, to be transferred directly to farmer's 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 age of Rs. 75,000 crore.

- The 4R Approach has been implemented to ensure clean banking –
  1. Recognition
  2. Resolution
  3. Re-capitalization
  4. Reforms
  
- Two percent interest subvention on loan of 1 crore for GST registered MSME Units.
  
- Single window clearance for filmmaking to be made available to Indian filmmakers, anti-cam cording provision to be introduced to Cinematography Act to combat film piracy.
  
- Increased allocation for Rashtriya Gokul Mission to 750 Crore in current year.



**DEEPAK KANDPAL**  
**FINANCE CONSULTANT**  
Email Id – [cadeepakandpal@gmail.com](mailto:cadeepakandpal@gmail.com)  
Mobile No. - 8750006707