

## #Union Budget 2019: Key Highlights, Takeaways and PDF Download

### Direct Tax

- ▶ The direct tax revenue collection has increased from Rs 6.38 lac crore in FY 2013-14 to Rs 11.37 lac crore in the FY 2018-19 i.e the direct tax collection has witnessed a rise of approx 78%.
- ▶ Corporate income tax rate of 25% has now been made applicable to all companies with an annual turnover of Rs 400 crore (Previously the turnover threshold was Rs 250 crores).
- ▶ Cash withdrawals exceeding Rs 1 crore from one bank account in a financial year shall be charged to TDS @2% .
- ▶ The rate of Surcharge for individuals has been increased by 3% for those having an income between 2-5 crores and by 7% for those having annual total income of Rs 5 crore and above.
- ▶ Petrol and Diesel to attract Rs.1 additional cess.
- ▶ Income tax assessments to be made completely online i.e faceless assessment.
- ▶ Income tax benefit for interest paid upto Rs 1.5 lakhs for loan taken for electric vehicles has been pronounced under section 80EEB.
- ▶ Government waives MDR charges on cashless payment.
- ▶ Relief on STT is proposed. In case of exercise of options, STT is restricted to strike price and settlement price.

### Mandatory furnishing of return of income by certain persons

Earlier, a person is required to furnish return of income only if it exceeds basic exemption limit. Hereafter, a person entering into certain high value transactions is not necessarily required to furnish return of income. In order to ensure that persons who enter into certain high value transactions do furnish their return of income, it is proposed that a person shall be mandatorily required to file his return of income, if during the previous year, he enters into below transactions:

- ▶ Has deposited an amount or aggregate of the amounts exceeding one crore rupees in one or more current account maintained with a banking company or a co-operative bank; or
- ▶ Has incurred expenditure of an amount or aggregate of the amounts exceeding two lakh rupees for himself or any other person for travel to a foreign country; or
- ▶ Has incurred expenditure of an amount or aggregate of the amounts exceeding one lakh rupees towards consumption of electricity; or
- ▶ His total income exceeds the basic exemption limit before providing the benefit of Section 54, 54B, 54D, 54EC, 54F, 54G, 54GA and 54GB.

### Indirect Tax

- ▶ Custom Duty on Gold to increase from 10% to 12.5%.
- ▶ Custom duty is now exempted on e-vehicles and other electronic products.
- ▶ GST Rate on Electric vehicle has been reduced from 12% to 5%.
- ▶ For quick closure of litigations, Legacy dispute Resolution Scheme is introduced.

### Start-up

- ▶ Angel-Tax issue resolved, start-ups and investors filing appropriate information in their returns not subjected to any kind of scrutiny in relation to valuations of share premium.
- ▶ Capital gain on sale of residential house for investment in start-ups is exempt till F.Y. 2020-2021.

### MSME's Welfare Measures

- ▶ Modi 2.0 has introduced Pradhan Mantri Karam Yogi Maandhan Scheme. The features are:
  - (a) To simplify the enrolment process, Aadhar card, details of bank and account and a self declaration is required.
  - (b) Retail traders and shopkeepers having annual turnover of Rs.1.5 crore or less (around 3 crores) will be provided pension benefits.
  - (c) About 30 lakh workers joined the scheme, that provided pension of Rs. 3000 per month to senior citizens (aged 60 years or more) in unorganised and informal sectors.
- ▶ Rs. 350 crores have been allocated for the F.Y. 2019-20 for 2% interest subvention on fresh or incremental loans to all the GST-registered MSME's.

### Inter-changeability of PAN & Aadhaar

- ▶ Every person who is required to furnish or intimate or quote his PAN under the Act, and who, has not been allotted a PAN but possesses the Aadhaar number, may furnish or intimate or quote his Aadhaar number in lieu of PAN.
- ▶ Every person who has been allotted a PAN, and who has linked his Aadhaar number under section 139AA, may furnish or intimate or quote his Aadhaar number in lieu of a PAN.

## Tax Incentive for Affordable Housing

In order to provide an impetus to the 'Housing for all' objective of the Government and to enable the home buyer to have low-cost funds at his disposal, it is proposed to insert a new section 80EEA in the Act so as to provide a deduction in respect of interest up to one lakh fifty thousand rupees on loan taken for residential house property from any financial institution subject to the following conditions:

- ▶ Loan has been sanctioned by a financial institution during the period beginning on the 1st April, 2019 to 31st March 2020.
- ▶ The stamp duty value of house property does not exceed forty-five lakh rupees.
- ▶ Assessee does not own any residential house property on the date of sanction of loan.

## Women Empowerment

- ▶ Women Self Help group interest subvention program has been proposed to be expanded to all the districts.
- ▶ Every woman of SHG allowed to overdraft upto Rs. 3000 having Jan Dhan bank account.
- ▶ Every SHG is eligible for a loan of RS. 1 lakh under MUDRA scheme.

## Aadhaar to NRI

- ▶ Non resident can now get aadhar card if they have Indian passport, without waiting for a period of 180 days.

## Merging of NRI investment route with Foreign investment route

- ▶ The Finance minister pronounced to merge NRI portfolio investment route with Foreign portfolio investment route, aiming at increased investments by NRI in India through the new and seamless procedures.

## Introducing SSE

- ▶ Social Stock Exchange will be established to provide an electronic platform to social and voluntary organisations, enabling them to higher and easier procurement of funds

## Raising the Education and Research Standards

- ▶ NRF - National research foundation to be set up with the aim of undertaking and promoting research in the country.
- ▶ A Complete new educational policies are proposed with the aim to raise the overall standards of higher and schoolevel education
- ▶ The funds to this foundations to be respectively contributed by ministries
- ▶ Study in India to be promoted to bring the foreign students into Indian education system
- ▶ Rs 400 crore allocated towards World Class Institutions in 2019-20. It is more than three times of the last years allocations.
- ▶ NSIL - New Space India Limited has been incorporated to leverage the Indian space capabilities commercially in line with ISRO.

## Taking Steps of Disinvestment

- ▶ It was pronounced to strategically disinvest Rs 1 lakh 5000 crore, also government shareholding of 51% now to include government controlled organisations.

## Gramin India Initiatives

- ▶ Electricity and clean cooking gas to reach each and every rural household by 2022. (Except those unwilling to take the connection)
- ▶ 50,000 artisans to be helped by SFURTI, one amongst the 100 new visions of 2019-20
- ▶ 1.95 crore gramian houses to be given LPG connection, electricity and other basic amenities like toilets by the year 2019-20 to 2021-22. All this to be done under the second phase of PMAY - Gramin
- ▶ Over the next 5 years the government aims to set up 10,000 new Farmer Producer Organisations.

## A Tribute to 150th Gandhi Jayanti

- ▶ GandhiPedia to be launched to promote the Gandhi school of thoughts. It is to be done in line with the Encyclopedia
- ▶ Solid Waste Management in Rural areas now to be covered under Swachh Bharat Mission
- ▶ The government aims to make India ODF - Open Defecation Free by 2nd October 2019
- ▶ Rashtriya Swachhata Kendra also to be inaugurated at Raj Ghat, on 2nd October 2019

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