

UNION BUDGET 2019 HIGHLIGHTS

- Rs 70000 cr to be provided for recapitalisation of public sector banks.
- Rs 100 lakh cr to be spent on infrastructure in next five years.
- 1.25 lakh kms of road to be laid and upgraded under Pradhan Mantri Gram Sadak Yojana at an estimated cost of Rs 80250 cr.
- Rs 60000 cr allocated for MGNREGA.
- Clean water through piped water connection for each house by 2024.
- Government will change policy of 51% government stake in PSUs, to 51% stake inclusive of stake held by government-controlled entities.
- Significant opening of various sectors for foreign investment route and revamping corporate debt route.
- FPI to be allowed in Insurance Intermediaries.
- Separate social Stock exchange under the ambit of SEBI for raising funds and listing of social enterprises and voluntary organisation working with welfare objective.
- Labour laws to be streamlined and merged into 4 codes with standardized definitions and litigations.
- Pre-GST regime litigations – Legacy dispute regulations scheme to allow quick closure of the litigations.
- Start-ups - valuation scrutiny and identification of investors to stop.
- Start-ups assessments not to happen without prior approval.
- Petrol and diesel to be dearer by more than Rs2 a litre.
- NBFCs - to be at par with banks for bad debts allowance.
- Aadhar card and PAN to be interchangeable for filing IT return.

TAX & ALLIED PROPOSALS

- Buyback tax of 20% extended to listed companies.
- STT on exercise of options lowered. The difference between settlement and strike prices in case of exercise of options to be considered for computation of STT.
- Tax benefit under section 80C for CPSE ETF's.
- Corporate tax rate at 25% for companies having ₹ 400 crore sales turnover from earlier Rs 250cr.
- Investment linked incentives to select sectors under section 35 AD.
- Rs 1.50 lacs additional deduction for interest on loans taken for buying electric vehicles under FAME-II.
- GST rate on electric vehicles lowered from 12% to 5%.

- Custom duty on gold and other precious metals increased to 12.5% from 10%.
- Water ways to be significantly enhanced with Ganga to handle 4 times freight than last year.
- 2% interest subvention for registered MSME under GST regime.
- Surcharge on tax - 2cr. to 5cr income will be increased by 3% and income above 5 cr. by 7%.
- Affordable housing – Tax holiday on profits earned by developers already exist. Further impetus additional deduction of Rs. 1.50 lacs on interest paid for funds borrowed till 31st March 2020 for an affordable house upto Rs. 45 lacs. Effectively Interest deduction on housing loan to go up to ₹ 3.50 lacs.
- Capital gain from sale of residential house - reinvestment in start-up can be made upto 31.3.21.
- 80 LA deduction, exemption of DDT for IFSCs.
- Prefilled tax returns to be made available to assesses having salary, capital gain and other income.
- E scrutiny - faceless scheme to start this year without disclosing the name of Assessing Officer.
- Impetus to Digital payments - TDS of 2% on cash withdrawal exceeding ₹ 1 crore from bank account during the year.
- Merchants having ₹ 50 crore or more sales turnover not to levy charges on credit, debit card driven transactions.