

Highlights of India's Interim Union Budget 2019-20

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Highlights of Interim Union Budget 2019-20

Dear readers,

This PDF is a complete docket of important highlights of Interim Union Budget 2019-20 presented by Finance Minister Piyush Goyal on February 01, 2019. This file is important and relevant for all competitive exams like Banking, Insurance and other Govt. Exams.

Interim Union Budget 2019-20

Interim Budget 2019-20 was presented in Parliament on 01 February 2019, by the Union Minister for Finance, Corporate Affairs, Railways & Coal, Shri Piyush Goyal.

About Interim budget:

- An interim budget is a temporary financial document that helps a business or public agency get through a period that's shorter than a typical budget cycle, which is normally one year.
- An Interim Budget gives the complete financial statement, very similar to a full Budget.
- Just like the regular budget, estimates are presented for the whole year in the Interim Budget.

Economy & Finance

1. Fiscal deficit pegged at 3.4 per cent in the Interim Budget.

- The fiscal deficit has been brought down to **3.4 per cent** as the revised estimates show.
- Capital expenditure is pegged at **3.36,292 lakh crore**.
- Expenditure is expected to rise by **13%** from revised estimate 2018-19 to budget estimate 2019-20.

2. Current account deficit to be contained to **2.5 per cent**

3. In the last five years, nearly 34 crore Jan Dhan bank accounts were opened.

4. India is today the 6th largest economy in the world.

5. Tax Benefits

- Individual taxpayers having taxable annual income up to Rs.5 lakhs will not be required to pay any income tax.

Note:

- The government has proposed a tax rebate on the income up to Rs 5 lakh, meaning that taxpayers earning up to Rs 5 lakh will be exempted from paying taxes but will have to file returns without fail to claim the same.
- The existing income tax rates to continue.

6. For salaried persons - Standard tax deduction for salaried persons raised from Rs 40,000 to Rs 50,000.

7. TDS threshold on interest **on bank and post office deposits** raised from Rs 10,000 to Rs 40,000

8. TDS threshold on **rental income** raised from **Rs 1.8 lakh to Rs 2.4 lakh**.

- The benefit of roll over on capital gains will be increased to investment on two residential houses. This benefit can be availed only once in a lifetime.

9. Deduction of savings under section 80C was increased from Rs 1 lakh to Rs 1.5 lakh.

10. In all the total expenditure is to increase from Rs. **24,57,235 crore in 2018-19** Revenue Expenditure (RE) to Rs. 27,84,200 crore in 2019-20 Budget Expenditure (BE).

11. A rise of Rs. 3,26,965 crore or approximately 13.30%. This reflects a high increase considering low inflation.

12. Threshold limit for presumptive taxation of business was raised from Rs. 1 crore to Rs. 2 crore.

13. The FRBM Act prescribes that the Debt to GDP ratio of the Government of India should be brought down to 40% by 2024-25."

14. Mudra Yojana -

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- The **16.53 crore loans** have been disbursed under Mudra Yojana, he says and adds that Rs 7.23 lakh crore have been disbursed through the scheme.

15. IT returns processing in just 24 hours.

16. **Bank of India, Bank of Maharashtra and Oriental Bank of Commerce** have been allowed to exit from the Prompt Corrective Action (PCA) framework fully.

Note:

- The Reserve Bank of India (RBI) removed three state-owned banks from its weak-bank watch list, a move that will lift lending restrictions on them.
- "It has been decided that Bank of India (BOI) and Bank of Maharashtra (BoM) which meet the regulatory norms including Capital Conservation Buffer (CCB) and have Net NPAs (non-performing assets) of less than 6 per cent as per third quarter results, are taken out of the PCA (prompt corrective action) framework subject to certain conditions and continuous monitoring," the RBI said in a statement.

17. Minimum 14% revenue of GST to states by Central Govt.

- The State revenues are improving with guaranteed **14% annual revenue** increase for the first five years.

18. GST registered SME units will get 2% interest rebate on incremental loan of Rs. 1 Crore.

19. Exemptions from GST for small businesses has been doubled from Rs. 20 lakh to Rs. 40 lakh.

20. Small service providers with turnover upto Rs. 50 lakhs can now opt for composition scheme and pay GST at 6% instead of 18%.

21. **Gratuity limit increased from Rs. 10 lakhs to 20 lakh rupees.**

- The government increased the gratuity limit from Rs 10 lakh to Rs 20 lakh.

Railways

22. The Railways gets **Rs. 64587 crores** in this Budget.

23. **Vande Bharat Express** (Train 18) will provide speed, service and safety and will give a boost to Make in India.

24. All unmanned level crossings on broad gauge have been eliminated.

25. The Railways' overall capital expenditure programme is of Rs. 1,58,658 crore.

26. The Operating Ratio is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and further to 95% in 2019-20 (BE).

Infrastructure

27. India is the fastest highway developer in the whole world, 27 kms of highways built each day, projects stuck for decades completed: Goyal

Scheme

28. **Govt announces Pradhan Mantri Kisan Samman Nidhi scheme for farmers**

- Objective of the scheme - To help farmers with small landholdings. There are 12.56 crore marginal and small farmers having less than 2 hectares (5 acre) holdings.
- Budget Outlay - The total outlay will be **Rs 75,000 crore**.
- **Income support** – This scheme offers direct income support of **Rs 6,000 per year**.

Key points:

- **2 per cent interest subvention to farmers** pursuing animal husbandry and fisheries.
- All farmers severely affected by severe natural calamities will get **2% interest subvention who avail loan through Kisan Credit Card** and additional **3% interest subvention** upon timely repayment of crop loans.
- The payments will be made in three instalments.
- This will save them from falling into a debt trap and help in procuring seeds and fertilisers.

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Note:

- The budget scheme is a modification of the Rythu Bandhu scheme of Telangana government, which provides assistance on per-acre basis (Rs 8,000 per acre per year) without any holding size limit.

29. Mega Pension Yojana - Pradhan Mantri Shram Yogi Mandhan announced

Key points

- A sum of **Rs. 500 crore** has been allocated for the Scheme.
- Under the scheme 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**.
- This move will benefit **10 crore workers** in unorganised sector, may become the **world's biggest pension scheme** for unorganised sector in five years.
- The scheme will also be implemented from the current year.

30. MGNREGA - Rs 60,000 crore set aside for MGNREGA

31. Pradhan Mantri Gram Sadak Yojana - Rs 19,000 crore allocated for Pradhan Mantri Gram Sadak Yojana.

32. 1.53 crore houses constructed in last five years under Pradhan Mantri Awas Yojana

33. PM Ujjwala Yojana scheme: Six crore free LPG connections distributed so far

- To ensure cleaner fuel and health assurance, **six crore free LPG connections** distributed far under the PM Ujjwala Yojana scheme: FM Piyush Goyal

34. One Rank One Pension (OROP) Scheme –

- Rs. 35000 crore have been disbursed under OROP Scheme.

35. Allocation for Integrated Child Development Scheme (ICDS) is being increased from Rs.23,357 crore in RE 2018-19 to Rs.27,584 crore in BE 2019-20.

Health Sector

36. Ayushman Bharat scheme

- Healthcare has seen a massive scale-up. 10 lakh people treated under Ayushman Bharat.
- The scheme resulted in Rs 3000 cr savings for households.
- Have announced 14 new AIIMS from 2014: Piyush Goyal

37. 14 out of 21 AIIMS were set up under this government. The 22nd AIIMS will come up in Haryana.

Agriculture & Farmers

38. Rashtriya Kamdhenu Aayog will be set up

Objective: To upscale sustainable genetic upgradation of cow resources and to enhance production and productivity of cows has also been announced.

- The Aayog will also look after effective implementation of laws and welfare schemes for cow.
- India is the second largest dairy producing nation in the world.

39. Rashtriya Gokul Mission - 750 crores allocated under this mission.

- Conservation of indigenous breeds and their development to improve their genetic makeup, enhancing the milk productivity and distribution of disease free high genetic breed.

Defence

40. The first time the centre has increased the Defence Budget to over Rs. 3 lakh crore.

- The Defence Budget earmarked in the last fiscal was Rs. **2,95,511 crore**.

Organised Sector

41. Employee Provident Fund (EPFO) limit enhanced from Rs 2.5 lakh to Rs 6 lakh

- To ensure safety to the family of a salaried person, the government has increased the Employee Provident Fund (EPF) from **Rs 2.5 lakh to Rs 6 lakh in case of demise of the employee.**

42. EPFO membership has gone up by 2 crore in five years indicating formalisation of the economy.

Key points

- In last five years, all classes of workers saw a 42 per cent increase in wages which is highest so far, he adds.
- The ESI cover limit has been increased to Rs. 21,000.
- The minimum pension was also increased to Rs. 1000.

Miscellaneous

43. A new Board will be created for nomadic and semi-nomadic community.

44. Anti-camcord regulations will be introduced in the **Indian Cinematograph Act** to prevent piracy and contact theft of Bollywood films.

45. To promote entertainment industry, single window clearance for Indian filmmakers will be introduced.

46. India's installed solar capacity has grown 10 times in last five years.

47. Record allocation of funds at Rs 58,166 crore for North Eastern Areas.

48. The Department of Industrial Policy and Promotion will now be renamed as the Department for Promotion of Industries and Internal Trade.

49. The Government will make 1 lakh villages into Digital Villages over next five years.

50. 10-point vision for 2030 in his Interim Budget.

- (i) A next-gen infrastructure
- (ii) A Digital India
- (iii) A pollution free India that drives on electric vehicles.
- (iv) Expanding rural industrialisation
- (v) Clean Rivers with safe drinking water
- (vi) Developing the coastline and harnessing the blue economy
- (vii) Placing an Indian astronaut in place
- (viii) Making India self-sufficient in food, exporting food and organic farming
- (ix) Healthy India, a distress-free healthcare and comprehensive wellness system
- (x) Maximum Governance

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