



**Shri Vishnu Engineering College for Women (Autonomous): Bhimavaram**

**Department of Management Studies**

### **MUSTER SESSION OF UNION BUDGET-2019**

The students of MBA had a muster session of the Union Budget-2019 at the MBA Seminar Hall. The students witnessed the live presentation of the budget by the finance minister.

Post budget presentation an muster session was organized by the department where the HOD Dr. G. Subbaraju briefed the students on the various highlights of the budget and their possible impact on the Indian Economy. The students were also asked to prepare their own analysis of the budget and present it in the class.

As finance minister Piyush Goyal presents the National Democratic Alliance's (NDA) sixth and final budget, an interim one, all eyes are on two key areas — income tax and farm package — in the pre-election season. Standing in as finance minister as Arun Jaitley is on medical leave, this is Goyal's first budget speech, though it is the second time that he is holding interim charge of the finance ministry.

This is the last Interim Budget of the NDA government led by Prime Minister Narendra Modi before the Lok Sabha elections due by May. With the Lok Sabha election just months away, the government kept the budget focussed on immediate relief such as easing income tax rules, favourable loan terms for small businesses, farm loan waiver and even direct cash transfers to farmers who are under debt. The government said it will send Rs. 6,000 to small farmers directly into their bank accounts in a scheme that will be funded 100 per cent by the centre.

The programme will cost Rs. 75,000 crore. Piyush Goyal's turn to reveal the contents of the Union Budget briefcase in the crucial national election year came after Finance Minister Arun Jaitley had to go on leave and fly to the US for treatment. Yesterday, the government said its estimate of Gross Domestic Product (GDP) growth for fiscal 2018 was 7.2 per cent, significantly higher than 6.7 per cent earlier.

#### **Here are the highlights from the speech:**

\* Income up to Rs 5 lakh to get full tax rebate, says Piyush Goyal while reading out tax proposals.

\*Individuals with gross income up to Rs 6.5 lakh will not need to pay any tax if they make investments in provident funds and prescribed equities.

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

\*TDS slab on interest on bank, post office deposits raised to Rs 40,000.

- \*Standard deduction raised from Rs 40,000 to Rs 50,000
- \*Tax exemption announced for notional rent on second house.
- \* Within two years all scrutiny of tax returns will be done electronically, without any interface between the officer and the taxpayer. Computer will anonymise the link.
- \*Minister announces a pension scheme called Pradhan Mantri Shram Yogi Mandhan, to provide assured monthly pension of Rs 3000 per month, with the contribution of Rs 100 per month, for workers in unorganized sector after 60 years of age.
- \*GST on homebuyers must come down. Government has set up a Group of Ministers to bring down this burden. Government will act on the proposals they submit.
- \*On schemes for farmers, Minister says , “to provide assured income support for small and marginal farmers, Pradhan Mantri Kisan Samman Nidhi scheme has been approved. This initiative will benefit 12 crore small and marginal farmers, at an estimated cost of Rs. 75,000 crore.
- \*For the welfare of farmers and for doubling their income, historic decision was taken to increase MSP by 1.5 times the production cost for all 22 crops, the minister says
- \* For securing our borders and maintaining preparedness, defence Budget crosses Rs 3 lakh crore mark in FY20.
- \*We have already disbursed Rs 35,000 crore for our soldiers under ‘One Rank One Pension’, substantial hike in military service pay has been announced, minister says.
- \*Rs 1 crore loan can be obtained under 59 minutes, says Goyal.
- \*Gratuity limit increased from 10 lakh to 30 lakh rupees, says minister Piyush Goyal.
- \*In sops for the Indian film industry, Finance minister proposes single window clearance for ease of shooting films. A facility so far available only to foreign film makers. anti-camcording provision to also to be introduced to Cinematography Act to fight piracy.
- \*Fiscal deficit has been brought down, There’s a massive surge in foreign direct investment, minister says .
- \*Government plans one lakh digital villages, says Finance Minister Piyush Goyal.
- \* The Finance Minister announces higher allocation for MNREGA for rural job creation.
- \*75% of woman beneficiaries under Pradhan Mantri Mudra Yojana, 26 weeks of maternity leave and the Pradhan Mantri Matritva Yojana, are all empowering women in the country.

## **Sector Wise Analysis of The Budget:**

### **Taxes changes :**

- No income tax for income up to Rs 6.5 lakh (Rs 5 lakh + Rs 1.5 lakh under 80C of the Income Tax Act)
- Full tax rebate for income up to Rs 5 lakh per annum
- No tax on notional rent on second self-occupied house
- Capital Gains exemption under Section 54 to be available on two house properties
- Tax benefit of Rs 18,500 crore given to three crore middle-class tax payers
- Standard deduction raised to Rs 50,000 from Rs 40,000
- TDS limit hiked from Rs 10,000 to Rs 40,000 on post-office savings
- Group of Ministers looking at ways to ease GST burden on homebuyers

### **Economy**

- FY20 fiscal deficit target set at 3.4 percent
- Expenditure target for FY20 set at Rs 27.84 lakh crore
- Capital expenditure for FY20 set at Rs 3.36 lakh crore
- FY19 fiscal deficit pegged at 3.4 percent of GDP; current account deficit at 2.5 percent of GDP
- FY20 gilt repayment pegged at Rs 2.36 lakh crore

### **Agriculture**

- Farmers with less than two hectares to be offered Rs 6,000 per year as direct transfer under PM Kisan Samman Nidhi. The benefit will be transferred directly into the bank account of beneficiary farmers in three instalments of Rs 2,000 each. Around 12 crore farmers to benefit from the scheme. This scheme will cost the government around Rs 75,000 crore
- Mahatma Gandhi National Rural Employment Guarantee program's allocation increased by Rs 5,000 crore to Rs 60,000 crore for FY20
- Farmers struck by natural calamities will now receive 2-5 percent interest subvention under insurance scheme
- Two percent interest subsidy to be given to farmers involved in animal husbandry activities via kisan credit card scheme. An additional three percent subsidy will be paid on timely payment of loans
- Government announces setting up of Rashtriya Kamdhenu Aayog to enhance productivity of cows

### **Rural infrastructure**

- Pradhan Mantra Gram Sadak Yojana allocation set at Rs 19,000 crore, the same as FY19

### **Fishermen**

- Separate Department of Fisheries created, two percent interest subvention for those in fisheries
- To provide Rs 750 crore in FY19 to support animal husbandry and fishing

## **Workers**

- Monthly pension of Rs 3,000 for workers in the unorganised sector to be paid out after retirement. Pension scheme to benefit 10 crore workers in the unorganised sector. Those who join at 18 years of age will have to contribute a mere Rs 55 per month. The government will contribute equal matching share in the pension account. This scheme will cost the government Rs 500 crore

- Employees' State Insurance eligibility cover limit has been raised to Rs 21,000 per month from Rs 15,000 per month

- Gratuity limit increased from Rs 10 lakh to Rs 30 lakh

- Workers who suffer grievous injuries will now receive Rs 6 lakh from Rs 2.5 lakh through Employee Provident Fund Organisation (EPFO)

## **Education**

- Rs 38,572 crore allocated for the National Education Mission

## **Medical**

- Another All India Institutes of Medical Sciences to be set up in Haryana

## **Society**

- Rs 76,800 crore allocated for welfare of Scheduled Castes (SCs) and Scheduled Tribes (STs)

- Centre to implement special strategy for uplift of nomadic tribes

## **Filmmakers**

- Single window clearance for film-makers. Anti-camcording provision to be introduced to Cinematography Act to combat film piracy

## **Railways**

- Railway capital expenditure raised to Rs 64,586 crore in FY20 from Rs 53,060 crore in FY19

## **Defence**

- Defence budget for FY20 raised to Rs 3 lakh crore