




### Interim Union Budget 2019 - 20 Complete Highlights

**1. Interim Union Budget 2019-20** - Finance Minister Piyush Goyal presented Interim Union Budget 2019-20 in Lok Sabha. He was appointed ad hoc Finance Minister as Mr. Arun Jaitley was unavailable due to ongoing health issues. Major Highlights Include -

#### 1. Key Economic Metrics -

1. Budget Size is INR 27,84,200 Crores (14 % )

#### 2. Deficits -

1. **Revenue Deficit** (Called राजस्व घाटा in Hindi, Revenue deficit occurs when net revenue generated by government are less than projected net income) -

1. Revenue Deficit is aimed to be kept 2.2 % of GDP in 2019-20, same as that in 2018-19.

2. **Fiscal Deficit** (Called राजकोषीय घाटा in Hindi, It is Difference between Government's Revenue and Expenditure) -

1. Fiscal Deficit is aimed to be at 3.4% of GDP in 2019-20. It was revised to 3.4 % of GDP in 2018-19, from earlier target of 3.3 % of GDP.

2. Target of 3% of fiscal deficit to be achieved by 2020-21.

3. **Primary Deficit** (Called प्राथमिक घाटा in Hindi, It is a Part of Fiscal Deficit and is obtained by deducting Interest Payments from Fiscal Deficit) -

1. Primary Deficit is targeted to be kept .2 % of GDP in 2019-20. It was .2 % of GDP in 2018-19, as against estimate of .2 %.

4. **CAD (Current Account Deficit)** is expected to be 2.5 % of GDP.

1. Current Account deficit is a condition in when imports are more than exports in value. Its difference in value of Imports and exports.

5. Inflation has come down to 4.6% over last five years. It was 2.19% in December 2018.

#### 3. Rupee Earned by Government -

1. Corporation-Tax - 21 %
2. Goods and Service Tax - 21 %
3. Borrowings & Other Liabilities - 18 %
4. Income-Tax - 17 %
5. Non-Tax Revenue - 8 %
6. Union Excise Duties - 7 %
7. Customs - 4 %
8. Non-Debt Capital Receipts - 3 %

#### 4. Rupee Spent by Government -

1. States' share of taxes & duties - 23 %
2. Interest Payments - 18 %
3. Central Sector Scheme - 12 %
4. Centrally Sponsored Scheme - 9 %
5. Subsidies - 9 %
6. Defence - 8 %
7. Other Expenditure - 8 %
8. Finance Commission & Other Transfers - 8 %
9. Pensions - 5 %

#### 5. Debt-to-GDP ratio -

1. Government accepted recommendations of N.K. Singh Committee on fiscal discipline to reduce debt-to-GDP ratio to 40% by 2024-25 from 50.1% in 2017-18.
2. Government aims to reduce its to 48.8% in 2018-19, 46.7% in 2019-20 and 44.6% in 2020-21, while fiscal deficit as a percentage of GDP is targeted to be reduced to 3.3%, 3.1% and 3%, respectively during this.

#### 6. Tax Receipts -

1. Direct Tax Receipts are targeted to be 6.6 % of GDP, compared to 6.4 % of GDP in 2018-19 (actual value revised from 6.1 % targeted in budget 2018-19). In 2019-20, Direct Taxes are expected to be 13.8 Lakh Crores (7.6 lakh Crore (Corporate Income Tax) + 6.2 Lakh Crore (Personal Income Tax)).
  1. Tax collections nearly doubled in five years- from Rs. 6.38 Lakh crore in 2013-14 to almost Rs. 12 lakh crore this year.
  2. 80% growth in tax base- from 3.79 crore to 6.85 crore in 5 years.
2. Indirect Tax Receipts are targeted to be 5.5 % of GDP, compared to 5.5 % of GDP in 2018-19 (actual value revised from 6.0 % prediction in budget 2018-19).
  1. Government assumed GST collections will be INR 7.612 Lakh Crore in 2019-20 (610000 (CGST) + 50000 (IGST) + 101200 (GST Compensation Cess)).

#### 7. 2019-20 Budget in Numbers -

Metric Name	2019-20 Budget Estimate (in Crores)
Revenue Receipts (A)	19,77,693
Capital Receipts (B)	8,06,507
Total Revenue	27,84,200 (A+B)
Total Expenditure	27,84,200
Revenue Deficit	4,70,214 (2.2 % of GDP)
Effective Revenue Deficit (Introduced in 2011-12, It Excludes Government grants given by Central Govt to state governments /UTs /other bodies from Revenue expenditure, as they create durable assets for nation in future).	2,69,474 (1.3 % of GDP)
Fiscal Deficit	7,03,999 (3.4 % of GDP)
Primary Deficit	38,938 (.2 % of GDP)

#### 2. Disinvestment -

1. Government increased disinvestment target in 2019-20 to 90000 Crores, as against 80000 crores in 2018-19.

#### 3. Market Borrowings -

1. Government will borrow Rs 4.48 trillion from the market in 2019-20, marginally higher than 4.47 trillion estimated for FY 2018.19. According to Revised Estimate, net borrowing for 2018-19 was raised to Rs 4.47 trillion as against Budget Estimate of 4.07 trillion.
2. Budget 2019-20 depicts gross borrowing would be 7.1 trillion for 2019-20, higher than Rs 5.71 lakh crore estimated in 2018-19.

#### 4. Subsidies -

1. Subsidies on Food, fertiliser and petroleum have been pegged higher by 13 % to Rs 2.97 lakh crore for 2019-20.
  1. Food Subsidy -> 1.84 Lakh Crores
  2. Fertilizer Subsidy -> .75 Lakh Crores
  3. Petroleum Subsidy -> .38 Lakh Crores

#### 5. Taxation -

1. Income upto Rs. 5 lakh exempted from Income Tax, bringing over Rs. 23,000 crore tax relief to 3 crore middle class taxpayers. Tax slabs for those with income over Rs 5 lakh remain unchanged.
2. Individuals with gross income up to 6.5 lakh rupees will not need to pay any tax if they make investments in provident funds and prescribed equities.
3. Gratuity limit increased from 10 lakh to 30 lakh rupees.
4. Standard Deduction to be raised to Rs. 50,000 from Rs. 40,000
5. TDS threshold to be raised from Rs. 10,000 to Rs. 40,000 on interest earned on bank/post office deposits
6. GST - Businesses with under 5 crore annual turnover, comprising over 90% of GST payers, will be allowed to file quarterly returns.

7. Housing and real estate sector to get boost -

1. TDS threshold for deduction of tax on rent to be increased from Rs. 1,80,000 to Rs. 2,40,000.
2. Benefit of rollover of capital gains increased from investment in one residential house to two residential houses for capital gains up to Rs. 2 crore.
3. Tax benefits for affordable housing extended till 31st March, 2020 under Section 80-IBA of Income Tax Act.

**6. Farmers' Welfare**

1. Under New **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)** Yojana, 12 crore small and marginal farmers to be provided with assured yearly income of Rs. 6000 per annum under PM-KISAN, with Outlay of Rs. 75,000 crore for FY 2019-20 with additional Rs. 20,000 crore in RE 2018-19. Farmers having up to 2 hectare of lands will get Rs 6,000 per year in three equal instalments. The scheme will be effective from December 1, 2018.
2. Outlay for Rashtriya Gokul mission increased to Rs 750 crore. Setting up of "Rashtriya Kamdhenu Aayog" 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.
3. Rashtriya Kamdhenu Ayog to be setup for sustainable genetic up-gradation of Cow resources.
4. New separate Department of Fisheries for welfare of 1.5 crore fishermen.
5. 2% interest subvention to Farmers for Animal husbandry and Fisheries activities, additional 3% in case of timely repayment.
6. Interest subvention of 2% during disaster will now be provided for the entire period of rescheduling of loan.

**7. Labour**

1. New **Pradhan Mantri Shram Yogi Maandhan** scheme will ensure fixed monthly pension to 10 crore unorganized sector workers. INR 3000 per month after 60 years of age with an affordable contribution of only Rs 100 / 55 per month.
  1. An unorganised sector worker joining pension yojana at age of 29 years will have to contribute Rs. 100 per month till age of 60 years. A worker joining at 18 years age, will have to contribute 55 per month only.

**8. Health** · 22nd AIIMS to be setup in Haryana.

**9. Vulnerable Sections -**

1. A new committee under NITI Ayog to identify all the remaining De-notified nomadic and semi-Nomadic tribes.
2. New Welfare development Board under Ministry of social justice and empowerment for development and welfare of De-notified nomadic and semi nomadic tribes.

**10. Key Allocations -**

1. Substantial increase in allocation for the Scheduled Castes and Scheduled Tribes - Allocation for SCs increased by 35.6% to Rs. 76,801 crores and Allocation for STs increased by 28% to Rs. 50,086 crores.
2. Allocation to North East States increased by 21% to Rs. 58,166 crores.
3. Defence budget to be 3.05 Lakh Crores, crossing 3 Lakh Crore mark for first time ever.
4. Railways -
  1. Overall capital expenditure programme to be of Rs. 1,58,658 crores, highest ever-
  2. Operating Ratio expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and to 95% in 2019- 20 (BE).
  3. Capital support of Rs.64,587 crore proposed in 2019-20 (BE) from the budget.

**11. MSME and Traders**

1. 2% interest subvention on an incremental loan of Rs 1 crore for GST registered SMEs.
2. Atleast 3% of the 25% sourcing for Government undertakings will be from women owned SMEs
3. DIPP renamed to Department for Promotion of Industries and Internal trade.
4. Requirement of sourcing from SMEs by Government enterprises has been increased to 25% with 3% reserved for women-owned SMEs.

**12. Misc -**

1. National Artificial Intelligence Portal will be developed soon as a part of the National Programme on 'Artificial Intelligence'.

**13. Budgetary Allocations of Prominent Centrally Sponsored Schemes and Welfare Programmes (In Crores) -**

1. Welfare Programmes -
  1. SC - 76,801 (35.6 % 📈)
  2. ST - 50,086 (28 % 📈)
  3. North Eastern Areas - 58,166 (21 % 📈)

## 2. Allocations for Centrally Sponsored Schemes -

1. Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA) - 60000 Crores (9 % )
2. Prime Minister Gram Sadak Yojana - 19000 crores (22 % )
3. Integrated Child Development Services - 27584 Crores (18 % )
4. National Social Assistance Program - 9200 (9 % )
5. Pradhan Mantri Awaas Yojana - 25853 Crores (6 % )
6. Pradhan Mantri Krishi Sinchai Yojna - 9516 Crores (1 % )
7. Green Revolution - 12612 Crores (9 % )
8. White Revolution - 2140 Crores (4 % )
9. Blue Revolution - 560 Crores (12 % )
10. Modernisation of Police Forces - 3378 Crores (7 % )
11. National Rural Drinking Water Mission - 8201 Crores (17 % )
12. Swachh Bharat Mission - 12750 Crores (29 % )
13. National Health Mission - 32251 Crores (5 % )
14. National Education Mission - 38572 Crores (18 % )
15. Mid-day Meal - 11000 Crores (5 % )
16. National Livelihood Mission - Ajeevika - 9524 Crores (57 % )
17. Jobs and Skill Development - 7511 Crores (48 % )
18. Urban Rejuvenation Mission: AMRUT and Smart Cities Mission - 13900 Crores (14 % )
19. Border Area Development Programme - 825 Crores (7 % )
20. Shyama Prasad Mukherjee Rurban Mission - 800 Crores (33 % )
21. Pradhan Mantri Swasthya Suraksha Yojana - 4000 Crores (4.5 % )
22. Integrated Power Development Scheme - 5280 Crores (7 % )
23. Deen Dayal Upadhyaya Gram Jyoti Yojna - 4066 Crores (7 % )
24. National Ganga Plan and Ghat Works - 750 Crores (68 % )
25. Integrated Development of Tourist Circuits around specific themes (Swadesh Darshan) & PRASAD - 1106 Crores (*No Change*)
26. Prime Minister Employment Generation Programme (PMEGP) - 2327 Crores (29 % )
27. For More, see **Allocations for Centrally sponsored schemes in Interim Budget 2019-20**

