

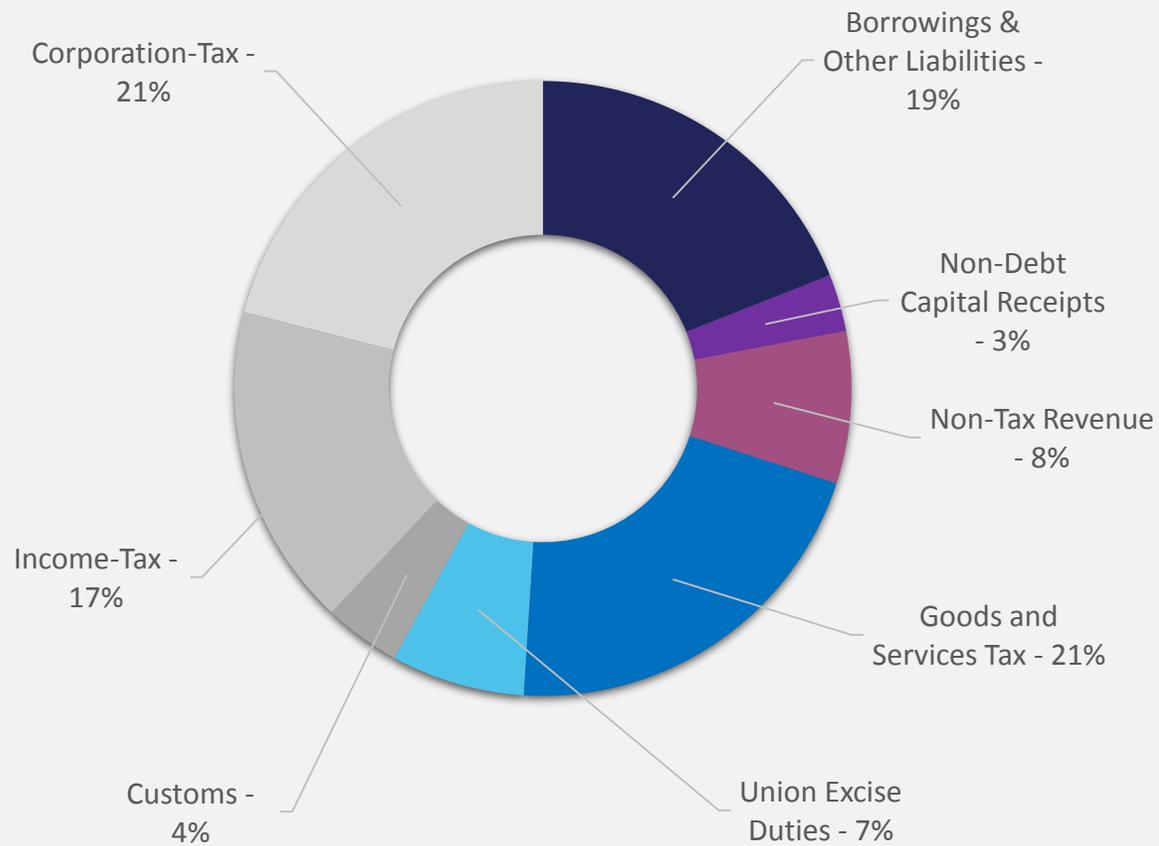
# UNION BUDGET

2019-20

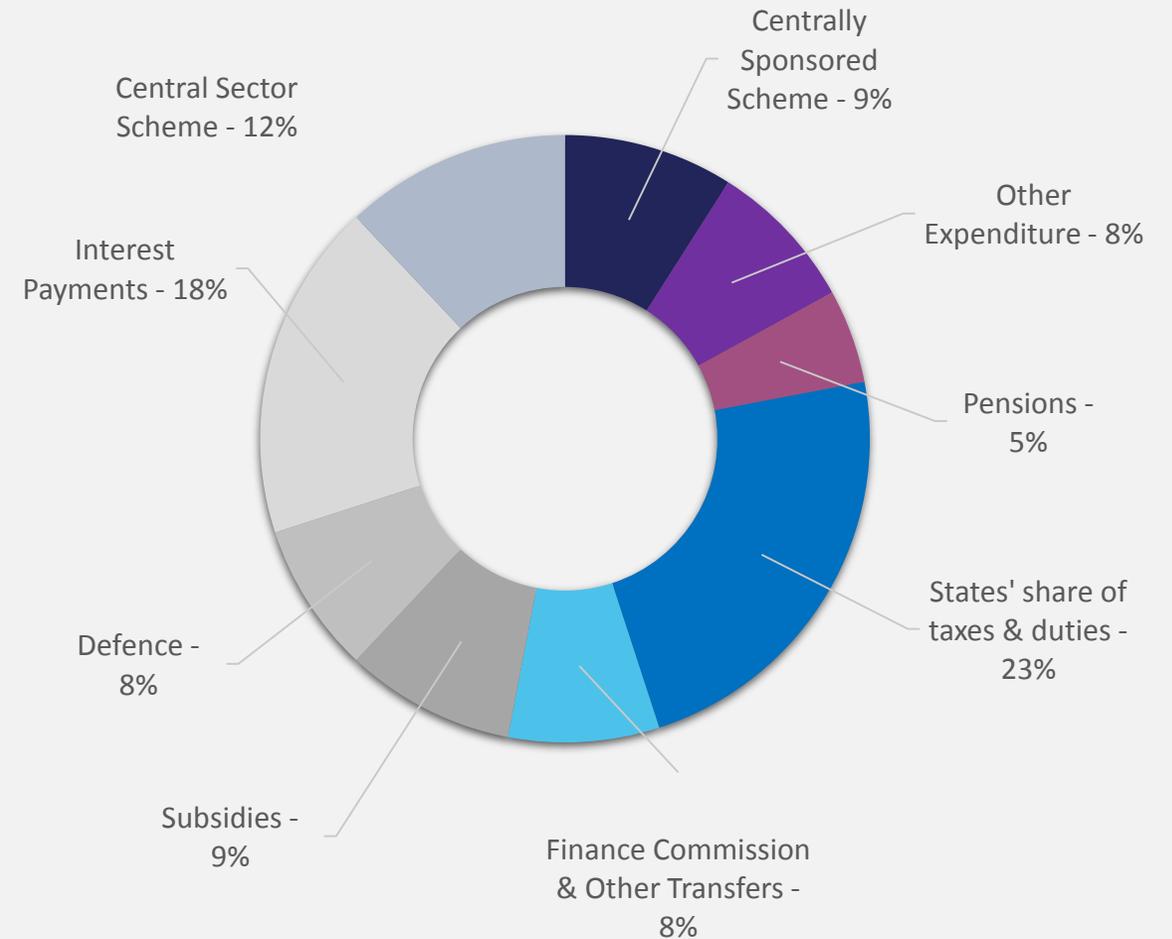
Interim



## Where the rupee comes from?



## Where the rupee goes to?



# Highlights of the Interim Budget

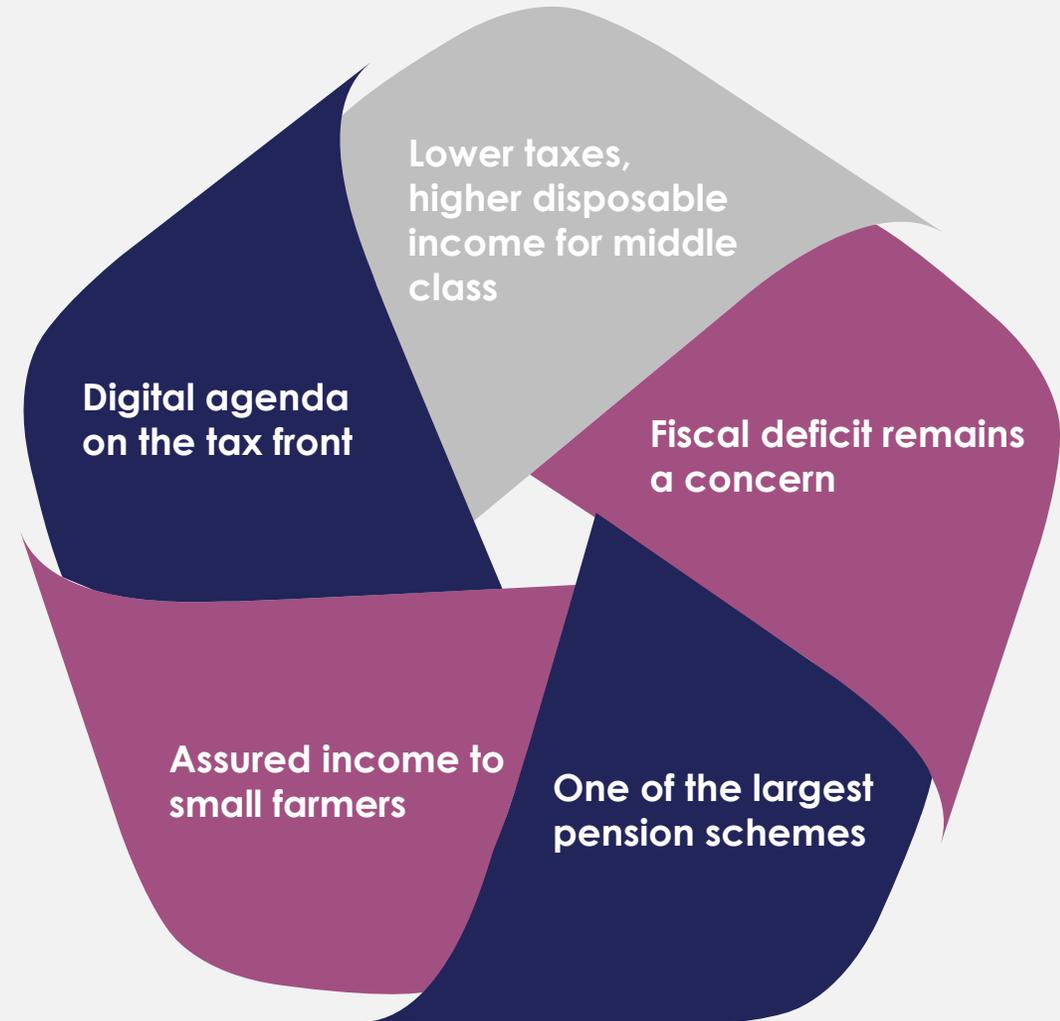
Individuals with taxable annual income of up to Rs. 5 lakh will get full tax rebate and ones with gross income of up to Rs. 6.5 lakh will not need to pay any tax if they make investments in provident funds and prescribed instruments under section 80C

Fiscal deficit pegged at 3.4% of the GDP for FY20 and revised upward to 3.4% for FY19 from the Budgeted target of 3.3%. Fiscal deficit for FY21 estimated at 3%

Pradhan Mantri Shram Yogi Maandhan Yojana announced for organised sector workers with income of up to Rs. 15,000 per month. Beneficiaries will get an assured monthly pension of Rs. 3,000 after retirement

A new scheme PM Kisan Samman Nidhi to give Rs. 6,000 per year to farmers owning up to two hectares

Within the next two years, almost all verification and assessment of returns selected for scrutiny will be done electronically through anonymised back office, manned by tax experts and officials, without any personal interface between taxpayers and tax officers



# What's in the Interim Budget for Indian Taxpayers?



## Rebate

Full tax rebate to individual taxpayers having income of up to Rs. 5 lakh



## Higher Standard Deduction

Salaried individuals can claim a higher standard deduction of up to Rs.50,000 (increased from Rs.40,000)



## No income tax on notional rent

Individuals having unoccupied second home will not be required to pay income tax on such vacant property



## TDS threshold increased

No TDS on interest income up to Rs. 40,000 from savings bank account and post office savings schemes



## TDS Relief

No TDS on rental income of up to Rs.2.40 lakh per annum



## Tax free gratuity doubled

Gratuity up to Rs. 20 lakh will not be taxable (earlier Rs. 10 lakh)



## Enhanced benefit under Sec 54 of Income Tax Act 1961

Benefit of rollover of capital gains increased to two residential houses and capital gains limit enhanced to Rs. 2 crore



*More disposable income in the hand of investor which can be invested wisely for wealth creation*

# How has the Tax Liability Changed?

## FY 2018-19

Particulars	Case 1	Case 2
Total Taxable Income	500,000	500,100
Tax Payable	12,500	12,520
Rs. 0 - ≤ Rs. 2,50,000	0	0
> Rs. 2,50,000 - ≤ Rs. 5,00,000 @ 5%	12,500	12,500
> Rs. 5,00,000 - ≤ Rs. 10,00,000 @ 20%	--	20
> Rs. 10,00,000 @ 30%	--	--
Rebate U/S 87A	Nil	Nil
<b>Tax Payable</b>	<b>12,500</b>	<b>12,520</b>

## Proposed for FY 2019-20

Particulars	Case 1	Case 2
Total Taxable Income	500,000	501,000
Tax Payable	12,500	12,520
Rs. 0 - ≤ Rs. 2,50,000	0	0
> Rs. 2,50,000 - ≤ Rs. 5,00,000 @ 5%	12,500	12,500
> Rs. 5,00,000 - ≤ Rs. 10,00,000 @ 20%	--	20
> Rs. 10,00,000 @ 30%	--	--
Rebate U/S 87A	12,500	Nil
<b>Tax Payable</b>	<b>0</b>	<b>12,520</b>

### Note:

1. In the case of every individual, being a resident in India, who is of the age of below sixty years
2. The Health & Education Cess of 4% is applicable under all the scenarios
3. Tax calculated as per tax slab rates

# Ten Most Important Dimensions for Vision 2030

To become a **Five Trillion Dollar** Economy in the next **five** years and aspire to become a **Ten Trillion Dollar** Economy in the next **eight** years thereafter



To build physical as well as social infrastructure for a ten Trillion Dollar economy and to provide ease of living



To create a Digital India reaching every sector of the economy, every corner of the country and impacting the life of all Indians



To make India pollution-free



To expand rural industrialisation using modern digital technologies to generate massive employment



To have clean Rivers, with safe drinking water for all Indians, sustaining and nourishing life and efficient use of water in irrigation using micro-irrigation techniques



To build capabilities so that our coastline and ocean waters power India's development and growth



To make India the launch-pad of satellites for the World and placing an Indian astronaut into space by 2022



To make India self-sufficient in food, exporting to the world to meet their food needs and producing food in the most organic way



To work towards a distress-free health care and a functional and comprehensive wellness system for all



To have our employees working together with the elected Government, transforming India into a Minimum Government Maximum Governance nation

## Equity

The stock markets are positively impacted by announcements on tax break for middle class salaried individuals and farmers' income boost. This would lead to higher disposable income and will have positive bearing on consumption sectors



## Gold

Higher disposable income in the hands of the middle class salaried individuals is expected to boost the demand of the precious metal



## Debt

Fiscal slippage in FY19, increased gross market borrowing in FY20 and emphasis on off budget borrowing requirement

Soft headline inflation, stable external account dynamics and monetary policy of key central banks across the globe



## Currency

The Indian rupee plunged against the greenback following fiscal slippage which raised tension over foreign fund outflow

**Thank You**

## Contact Details

### MUMBAI

15, Ground Floor, Dosti shoppe Link  
Dosti Acres, Antop Hill,  
Wadala (East)  
Mumbai - 400 037 Maharashtra,  
Ph : 022 -2414 8864.

### GURGAON

1154, 11th Floor Tower B, Spaze  
Techpark, Sohna Road  
Gurgaon - 122001  
Haryana, Ph : 0124-4246036/8  
Fax : 0124-4246037.

### KOLKATA

Malancha, 4A, Elgin Road,  
Kolkata - 700020 West Bengal,  
Ph : 033 - 4003 4585,  
Ph : 033 - 4006 8556  
Fax : 033- 2280 8557.

### COIMBATORE

207, 3rd Floor, Tulsi Complex,  
1334 Thadagam Road, RS Puram,  
Coimbatore - 641 002,  
Tamil Nadu,  
Ph : +91 422 4367 309.

### SILIGURI

Sevoke Road  
Siliguri - 734401  
West Bengal,  
Ph : 0353 -2430 273

### Contact us

[research@alphacapital.in](mailto:research@alphacapital.in)

[contact@alphacapital.in](mailto:contact@alphacapital.in)

## Disclaimer

In the preparation of the material contained in this document, Alpha Capital has used information that is publicly available, including information developed inhouse. Some of the material used in the document may have been obtained from members/persons other than the company and/or its affiliates and which may have been made available to the company and/or to its affiliates. Information gathered and material used in this document is believed to be from reliable sources. The company however does not warrant the accuracy, reasonableness and / or completeness of any information. We have included statements / opinions / recommendations in this document, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. Alpha Capital, the Mutual Fund, The Trust and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner.