UNION BUDGET 2019-20
DIFFERENCE BETWEEN VOTE ON ACCOUNT/INTERIM BUDGET AND COMPLETE BUDGET

A VOTE ON ACCOUNT, ALSO KNOWN AS INTERIM BUDGET, ESSENTIALLY MEANS THAT THE GOVERNMENT SEeks the APPROVAL OF PARLIAMENT FOR MEETING EXPENDITURE FOR THE FIRST FOUR MONTHS OF THE FISCAL YEAR (APRIL-MARCH) — PAYING SALARIES, ONGOING PROGRAMMES IN VARIOUS SECTORS ETC — WITH NO CHANGES IN THE TAXATION STRUCTURE, UNTIL A NEW GOVERNMENT TAKES OVER AND PRESENTS A FULL BUDGET THAT IS REVISED FOR THE FULL FISCAL.

THE REASONING IS THAT THERE IS LITTLE TIME TO GET APPROVALS FROM PARLIAMENT FOR VARIOUS GRANTS TO MINISTRIES AND DEPARTMENTS, AND TO DEBATE THESE AS WELL AS ANY PROVISIONS FOR CHANGES IN TAXATION. MORE IMPORTANTLY, THE REASONING IS THAT IT WOULD BE THE PREROGATIVE OF THE NEW GOVERNMENT TO SIGNAL ITS POLICY DIRECTION, WHICH IS OFTEN REFLECTED IN THE BUDGET.

STARTING 1948, WHEN FINANCE MINISTER R K SHANMUKHAM CHETTY PRESENTED A VOTE ON ACCOUNT AND FOLLOWED IT UP WITH INDEPENDENT INDIA’S FIRST REGULAR BUDGET, MOST GOVERNMENTS HAVE FOLLOWED THIS CONVENTION.
Achievements

• India- 6\textsuperscript{th} largest economy in the world
• Average inflation- 4.6%
• Inflation in Dec 2018- 2.19%
• Fiscal deficit – 3.4% 2018-19 revised estimates
• Current account deficit – 2.5% estimated this year
• FDI in last 5 years- USD 239 billion
• Outstanding loans of Public sector banks increased from Rs 18 lakh crore to Rs 52 lakh crore in the period 2008-14, resulting in high NPAs
• 4R approach followed- recognition, resolution, recapitalization and reform
Announcements

• RERA Act and Benami Transactions Act: for Real Estate sector

• Fugitive Economic Offenders act: for Frauds

• 1.7 lakh crore: spent in 2018-19 to provide affordable food grains to poor and middle class

• 60,000 crore- BE 2019-20 for MGNREGA

• PMGSY- construction of rural roads tripled; 19000 crores in BE 2019-20

• PMAY- 1 crore 53 lakh houses during 2014-18
Announcements

- **Saubhagya Yojana**: Free electricity connection to almost every household
- **143 crore LED bulbs**: Saving of 50000 crore in electricity bills
- **Ayushman Bharat**: 10 lakh patients treated so far
- **21 AIIMS**: 14 out of these AIIMS announced in 2014; 22nd AIIMS launched in Haryana
- **Aspirational districts programme**: Targeted development of 115 most backward districts
- **MSP of all 22 crops**: At minimum 50% more than the cost
PM Kisan Samman Nidhi- Farmers with land upto 2 hectares will get direct income support of up to 6000 per year. To be provided in 3 equal instalments. 100% funding by CG. Expected to help 12 crore farmers immediately. To be made Operational from Dec 2018. Expenditure- 75000 crore per year

Rashtriya Gokul Mission- 750 crore allocation

Rashtriya Kamdhenu Aayog- to upscale sustainable genetic upgradation of cow. Enhance productivity of cows.

India- 2\textsuperscript{nd} largest fish producing nation in the world. 6.3% of global production. To create a separate department of fisheries.
Announcements

KCC scheme extension to animal husbandry and fishery farmers - last budget.

Now- 2% interest subvention to farmers of animal husbandry and fisheries announced. Additional 3% interest subvention in case of timely repayment.

Rescheduled Loans- 2% interest subvention was only for first year. Now it has been extended to entire period of reschedule loan.
Announcements

- **NPS** - government’s contribution increased to 14%

- **Gratuity limit** increased from 10 lakh to 20 lakh

- **ESI eligibility** increased from 15000 to 21000

- **PM Shram Yogi Maandhan** - (pension) – Allocation of 500 crore
  - For organized sector workers with income upto 50000 per month
  - Equal government contribution.
  - Worker joining at 29 years age - Rs100 per month
  - Worker joining at 18 years age – Rs 55 per month
  - Assured Monthly pension - 3000 rupees
Announcements

• Women development to Women led development- 8 crore free LPG connections under Ujjawala Yojana. 6 crore already given.
• MUDRA- 15.56 crore loans worth 7 lakh 23 thousand crore rupees
• More than 70% of MUDRA beneficiaries are women
• India- 2\textsuperscript{nd} largest hub of startups
• AI- national programme on AI. National centre on AI to catalyse it. National AI portal to be developed.
• MSME- scheme of sanctioning loans upto Rs 1 crore in 59 minutes launched.
• GST registered MSME sector to get 2% interest benefit on incremental loans upto 1 crore.
• Requirement of sourcing from SME by government enterprises increased to 25%
• Upto 3% to be sourced from women owned SMEs
**Announcements**

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<tr>
<th>Announcement</th>
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<tr>
<td>DIPP to be renamed &quot;department for promotion of industries and internal trade&quot;</td>
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<td>Defence budget- To cross Rs 300,000 crore in 2019-20</td>
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<td>Infra- 27 kms highway built every day</td>
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<td>Number of operational airports has crossed 100</td>
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<td>Container freight movement started from Kolkata to Varanasi (waterways)</td>
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<td>Semi high speed vande bharat express / Train 18 introduced</td>
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<td>Railways budget- 64000 crore</td>
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Announcements

• Solar capacity grown 10 times in 5 years.
• Mobile data increased 50 times
• Cost of data and mobile calls lowest in the world
• Arunachal Pradesh brought on air map – Pasighat, Hollongi
• Meghalaya, Tripura, Mizoram on rail map for the first time.
• 34 crore jan dhan bank accounts in last 5 years
• Allocation of North Eastern Region- 58000 crore (rise of 21% over previous year)
Announcements

Increase in direct tax collection from Rs 6.38 lakh crore to Rs 12 lakh crore.

99.54% returns accepted as filed

Number of returns- increased from 3.79 to 6.85 crore
Announcements

**GST:**
- Small service providers- turnover upto 50 lakh to pay GST @ 6% only under composition scheme
- Total turnover less than 5 crore- return quarterly
- Average tax collection- 97000 crore per month.
- ITR filed by more than 1 crore people after demonetization
- 3,38000 shell companies detected and de-registered
- 18% growth in direct tax collection in 2017-18
Announcements

Poised to become $5 trillion economy in next 5 years, 10 trillion in 8 years

10 dimensions for government’s vision declared for 2030:
1. Next gen Infrastructure- both physical and social
2. Creation of Digital India
3. Clean and renewable energy- Green India
4. Rural industrialization and Employment through Make in India
5. Clean Rivers
6. Oceans and coastlines- exploitation of blue economy
7. Gaganyan- Indian astraunaut in space in an Indian shuttle. Indian astraunaut in space by 2022
8. Self sufficiency in food production
9. Organic food
10. Minimum Government, Maximum Governance
Announcements

- Total expenditure: 27 lakh 84 thousand crore
- Fiscal deficit for 2019-20: 3.4% of GDP; target of 3% by 2020-21
- National education mission: 38572 crore 2019-20
- ICDS Allocation: 27584 crore
- Capital expenditure for 2019-20: 3,36000 crore estimated
- CSS allocation: 3.27 lakh crore
- Disinvestment target for 2019-20: 80,000 crore
- India’s debt to GDP ratio in 2017-18: 46.5% (FRBM target is 40% by 2024-25)
Announcements

- Stamp duty amendment - stamp duty on one instrument relating to one transaction
- Stamp duty to be shared with states on the basis of domicile of buying client

Tax reforms:

- Upto 5 lakh - full tax rebate. Individuals with incomes upto 6.5 lakh will not be required to pay any tax