Finance Minister Piyush Goyal announced a string of populist measures in his Interim Budget 2019 speech in the Parliament.

KEY HIGHLIGHTS OF BUDGET SPEECH:

- The Finance Minister thrust upon realizing a "New India" by 2022, the 75th Year of Independence; poised to becoming $5 trillion economy in 5 years
- The reforms led to consistent low inflation rate (4-5%), controlled fiscal deficit (3.4%), robust FDI investment ($239bn) and increased GDP growth in last 5 years
- The Finance Minister touched upon key reforms viz GST, Banking Reforms & Insolvency and Bankruptcy Code, initiatives against corruption and cleanliness (Swach Bharat), electricity for all, massive scale-up in healthcare
- Farmers owning up to 2 Hectares to get ₹6,000 per year in 3 instalments as per PM Kisan Samman Nidhi Scheme; interest subvention for farmers in various category been constructed under PM Awas Yojana
- Pension scheme for unorganised sector workers with monthly income up to ₹15,000
- Assured monthly pension of ₹3,000 after they retire at the age of 60
- Gratuity limit increased from ₹10 lakh to ₹20 lakh
- Defence budget increased to ₹3 trillion

TAX PROPOSALS

- No change in corporate tax rate
- No tax payable only for an individual earning up to ₹5 lakh per year; Rebate of tax increased to ₹12,500. No change in tax payable for person having income more than ₹5 lakhs per year
- Standard deduction for the salaried raised to ₹50,000 from ₹40,000
- Increase in TDS threshold on Bank and post office deposits (from ₹10,000 to ₹40,000) will provide relief to tax assessee,
- Increase in TDS threshold on Rent (from ₹1.8 lakh to ₹2.4 lakh)
- Capital gains exemption on sale of residential house under Sec 54 extended to 2 residential houses subject to maximum capital gain of ₹2 crores
- Notional rent not applicable to assessee on 2nd self-occupied house
- Deduction u/s 80IBA for developers of affordable housing scheme has been extended by one year for projects registered uptill March 31, 2020
- The Finance Minister also proposed to process all tax returns within 24 hours of their filing with refunds being issued immediately

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.