BILL No. 5 OF 2019

THE FINANCE BILL, 2019

(AS INTRODUCED IN LOK SABHA)

AS INTRODUCED IN LOK SABHA
ON 1ST FEBRUARY, 2019

Bill No. 5 of 2019

THE FINANCE BILL, 2019

A

BILL

to continue the existing rates of income-tax for the financial year 2019-2020 and to provide for certain relief to taxpayers and to make amendments in certain enactments.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Finance Act, 2019.

(*2*) Save as otherwise provided in this Act, sections 2 to 10 shall come into force on the 1st day of April, 2019.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

13 of 2018.

2. The provisions of section 2 of, and the First Schedule to, the Finance Act, 2018, shall apply in relation to income-tax for the assessment year or, as the case may be, the financial year commencing on the 1st day of April, 2019, as they apply in relation to income-tax for the assessment year, or as the case may be, the financial year commencing on the 1st day of April, 2018, with the following modifications, namely:—

(a) in section 2,—

(i) in sub-section *(1)*, for the figures "2018", the figures "2019" shall be substituted;

(ii) in sub-section (*3*), for the first proviso, the following proviso shall be substituted, namely:—

"Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 or section 112A of the Income-tax Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:";

(iii) for sub-section *(11)* and sub-section *(12)*, the following sub-section shall be substituted, namely:—

'*(11)* The amount of income-tax as specified in sub-sections *(1)* to *(3)* and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.';

(iv) sub-section *(13)* and sub-section *(14)* shall be renumbered as sub-section *(12)* and sub-section *(13)*, respectively;

(v) in sub-section *(13)* as so renumbered, in clause *(a)*, for the figures "2018", the figures "2019" shall be substituted;

(b) in the First Schedule,—

(i) for Part I, the following Part I shall be substituted, namely:—

"PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items *(II)* and *(III)* of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause *(vii)* of clause *(31)* of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

(*1*) where the total income does not exceed Rs.2,50,000	*Nil;*
(*2*) where the total income exceeds Rs.2,50,000 but does not exceed Rs.5,00,000	5 per cent. of the amount by which the total income exceeds Rs.2,50,000;
(*3*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs.10,00,000	Rs.12,500 *plus* 20 per cent. of the amount by which the total income exceeds Rs.5,00,000;
(*4*) where the total income exceeds Rs.10,00,000	Rs.1,12,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs.3,00,000	*Nil;*
(*2*) where the total income exceeds Rs.3,00,000 but does not exceed Rs.5,00,000	5 per cent. of the amount by which the total income exceeds Rs.3,00,000;
(*3*) where the total income exceeds Rs.5,00,000 but does not exceed Rs.10,00,000	Rs.10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs.5,00,000;
(*4*) where the total income exceeds Rs.10,00,000	Rs.1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs.5,00,000	*Nil;*
(*2*) where the total income exceeds Rs.5,00,000 but does not exceed Rs.10,00,000	20 per cent. of the amount by which the total income exceeds Rs.5,00,000;
(*3*) where the total income exceeds Rs.10,00,000	Rs.1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union, calculated, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause *(vii)* of clause *(31)* of section 2 of the Income-tax Act,—

(a) having a total income exceeding fifty lakh rupees but not exceeding one crore rupees, at the rate of ten per cent. of such income-tax; and

(b) having a total income exceeding one crore rupees, at the rate of fifteen per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding,—

(a) fifty lakh rupees but not exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(b) one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(*1*) where the total income does not exceed Rs.10,000	10 per cent. of the total income;
(*2*) where the total income exceeds Rs.10,000 but does not exceed Rs.20,000	Rs.1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs.10,000;
(*3*) where the total income exceeds Rs.20,000	Rs.3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs.20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(*i*) where its total turnover or the gross receipt in the previous year 2016-2017 does not exceed two hundred and fifty crore rupees	25 per cent. of the total income;
(*ii*) other than that referred to in item (*i*)	30 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(*i*) on so much of the total income as consists of,—

(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
(*ii*) on the balance, if any, of the total income	40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 or section 112A of the Income-tax Act, shall be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.";

(ii) in Part III, in Paragraph E, in sub-paragraph I, in clause *(i)*, for the words and figures "previous year 2016-2017", the words and figures "previous year 2017-2018" shall be substituted;

(iii) in Part IV, in Rule 8,—

(A) for sub-rules *(1)* and *(2)*, the following sub-rules shall be substituted, namely:—

"*(1)* Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2019, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018, is a loss, then, for the purposes of sub-section *(2)* of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018,

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2019.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2020, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019, is a loss, then, for the purposes of sub-section *(10)* of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015 or the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2016 or the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2016, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2017 or the 1st day of April, 2018 or the 1st day of April, 2019,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2017, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2018 or the 1st day of April, 2019,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2019,

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2019,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2020.";

(B) for sub-rule *(4)*, the following sub-rule shall be substituted, namely:—

"*(4)* Notwithstanding anything contained in this rule, no loss which has not been determined by the assessing officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2011 (8 of 2011) or the First Schedule to the Finance Act, 2012 (23 of 2012) or the First Schedule to the Finance Act, 2013 (17 of 2013) or the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) or the First Schedule to the Finance Act, 2015 (20 of 2015) or the First Schedule to the Finance Act, 2016 (28 of 2016) or the First Schedule to the Finance Act, 2017 (7 of 2017) or the First Schedule to the Finance Act, 2018 (13 of 2018) shall be set off under sub-rule *(1)* or, as the case may be, sub-rule *(2)*.".

CHAPTER III

DIRECT TAXES

Income-tax

43 of 1961. 13 of 2018.

Amendment of section 16.

3. In section 16 of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), in clause *(ia)* [as inserted by section 7 of the Finance Act, 2018], for the words "forty thousand", the words "fifty thousand" shall be substituted with effect from the 1st day of April, 2020.

Amendment of section 23.

4. In section 23 of the Income-tax Act, with effect from the 1st day of April, 2020,—

(a) in sub-section *(4)*,—

(i) in the opening portion, for the words "one house", the words "two houses" shall be substituted;

(ii) in clause *(a)*, for the word "one", the word "two" shall be substituted;

(iii) in clause *(b)*, for the words "other than the house", the words "other than the house or houses" shall be substituted;

(b) in sub-section *(5)*, for the words "one year", the words "two years" shall be substituted. 5

Amendment of section 24.

5. In section 24 of the Income-tax Act, with effect from the 1st day of April, 2020,—

(a) in the first proviso, after the words "the amount of deduction", the words "or, as the case may be, the aggregate of the amounts of deduction" shall be inserted;

(b) in the second proviso, after the words "the amount of deduction", the words "or, as the case may be, the aggregate of the amounts of deduction" shall be inserted; 10

(c) after the *Explanation* to the third proviso, the following proviso shall be inserted, namely:—

"Provided also that the aggregate of the amounts of deduction under the first and second provisos shall not exceed two lakh rupees.".

Amendment of section 54.

6. In section 54 of the Income-tax Act, in sub-section *(1)*, after clause *(ii)*, the following provisos shall be inserted with effect from the 1st day of April, 2020, namely:— 15

'Provided that where the amount of the capital gain does not exceed two crore rupees, the assessee, may at his option, purchase or construct two residential houses in India, and where such an option has been exercised,—

(a) the provisions of this sub-section shall have effect as if for the words "one residential house in India", the words "two residential houses in India" had been substituted; 20

(b) any reference in this sub-section and sub-section *(2)* to "new asset" shall be construed as a reference to the two residential houses in India:

Provided further that where during any assessment year, the assessee has exercised the option referred to in the first proviso, he shall not be subsequently entitled to exercise the option for the same or any other assessment year.'. 25

Amendment of section 80-IBA.

7. In section 80-IBA of the Income-tax Act, in sub-section *(2)*, in clause *(a)*, for the figures "2019", the figures "2020" shall be substituted with effect from the 1st day of April, 2020.

Amendment of section 87A.

8. In section 87A of the Income-tax Act, with effect from the 1st day of April, 2020,—

(a) for the words "three hundred fifty thousand", the words "five hundred thousand" shall be substituted; 30

(b) for the words "two thousand and five hundred", the words "twelve thousand and five hundred" shall be substituted.

Amendment of section 194A.

9. In section 194A of the Income-tax Act, in sub-section *(3)*, in clause *(i)*, for the words "ten thousand" wherever they occur, the words "forty thousand" shall be substituted.

Amendment of section 194-I.

10. In section 194-I of the Income-tax Act, in the first proviso, for the words "one hundred and eighty thousand rupees", the words "two hundred and forty thousand rupees" shall be substituted. 35

CHAPTER IV

MISCELLANEOUS

PART I

AMENDMENTS TO THE INDIAN STAMP ACT, 1899

11. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Commencement of this Part.

2 of 1899. **12**. In section 2 of the Indian Stamp Act, 1899 (hereafter in this Part referred to as the principal Act),— Amendment of section 2.

(a) for clause *(1)*, the following clauses shall be substituted, namely:—

'*(1)* "allotment list" means a list containing details of allotment of the securities intimated by the issuer to the depository under sub-section *(2)* of section 8 of the Depositories Act, 1996;

22 of 1996.

(1A) "banker" includes a bank and any person acting as a banker;';

(b) in clause *(5)*, the following long line shall be added at the end, namely:—

"but does not include a debenture;";

(c) after clause *(7)*, the following clauses shall be inserted, namely:—

'*(7A)* "clearance list" means a list of transactions of sale and purchase relating to contracts traded on the stock exchanges submitted to a clearing corporation in accordance with the law for the time being in force in this behalf;

(7B) "clearing corporation" means an entity established to undertake the activity of clearing and settlement of transactions in securities or other instruments and includes a clearing house of a recognised stock exchange;';

(d) after clause *(10)*, the following clauses shall be inserted, namely:—

'*(10A)* "debenture" includes—

(i) debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;

(ii) bonds in the nature of debenture issued by any incorporated company or body corporate;

(iii) certificate of deposit, commercial usance bill, commercial paper and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time;

(iv) securitised debt instruments; and

(v) any other debt instruments specified by the Securities and Exchange Board of India from time to time;

(10B) "depository" includes—

(a) a depository as defined in clause *(e)* of sub-section *(1)* of section 2 of the Depositories Act, 1996; and

22 of 1996.

(b) any other entity declared by the Central Government, by notification in the Official Gazette, to be a depository for the purposes of this Act;';

(e) in clause *(12)*, the words and figures "and includes attribution of electronic record within the meaning of section 11 of the Information Technology Act, 2000" shall be inserted at the end.

21 of 2000.

(f) for clause *(14)*, the following clause shall be substituted, namely:—

'*(14)* "instrument" includes—

(a) every document, by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

(b) a document, electronic or otherwise, created for a transaction in a stock exchange or depository by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded; and

(c) any other document mentioned in Schedule I,

but does not include such instruments as may be specified by the Government, by notification in the Official Gazette;';

(g) after clause *(15)*, the following clause shall be inserted, namely:—

'*(15A)* "issuer" means any person making an issue of securities;';

(h) for clause *(16A)*, the following clauses shall be substituted, namely:—

'*(16A)* "marketable security" means a security capable of being traded in any stock exchange in India;

(16B) "market value", in relation to an instrument through which—

(a) any security is traded in a stock exchange, means the price at which it is so traded;

(b) any security which is transferred through a depository but not traded in the stock exchange, means the price or the consideration mentioned in such instrument;

(c) any security is dealt otherwise than in the stock exchange or depository, means the price or consideration mentioned in such instrument;';

(i) after clause *(23)*, the following clause shall be inserted, namely:—

'*(23A)* "securities" includes—

(i) securities as defined in clause *(h)* of section 2 of the Securities Contracts (Regulation) Act, 1956; 42 of 1956.

(ii) a "derivative" as defined in clause *(a)* of section 45U of the Reserve Bank of India Act, 1934; 2 of 1934.

(iii) a certificate of deposit, commercial usance bill, commercial paper, repo on corporate bonds and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time; and

(iv) any other instrument declared by the Central Government, by notification in the Official Gazette, to be securities for the purposes of this Act;';

(j) after clause *(26)*, the following clause shall be inserted, namely:—

'*(27)* "stock exchange" includes—

(i) a recognised stock exchange as defined in clause *(f)* of section 2 of the Securities Contracts (Regulation) Act, 1956; and 42 of 1956.

(ii) such other platform for trading or reporting a deal in securities, as may be specified by the Central Government, by notification in the Official Gazette, for the purposes of this Act.'.

Amendment of section 4.

13. In section 4 of the principal Act, after sub-section *(2)*, the following sub-section shall be inserted, namely:—

"*(3)* Notwithstanding anything contained in sub-sections *(1)* and *(2)*, in the case of any issue, sale or transfer of securities, the instrument on which stamp-duty is chargeable under section 9A shall be the principal instrument for the purpose of this section and no stamp-duty shall be charged on any other instruments relating to any such transaction.".

Substitution of new section for section 8A.

14. For section 8A of the principal Act, the following section shall be substituted, namely:—

'8A. Notwithstanding anything contained in this Act or any other law for the time being in force,— Securities dealt in depository not liable to stamp-duty.

(a) an issuer, by the issue of securities to one or more depositories, shall, in respect of such issue, be chargeable with duty on the total amount of securities issued by it and such securities need not be stamped;

(b) the transfer of registered ownership of securities from a person to a depository or from a depository to a beneficial owner shall not be liable to duty.

Explanation.—For the purposes of this section, the expression "beneficial ownership" shall have the same meaning as assigned to it in clause *(a)* of sub-section *(1)* of section 2 of the Depositories Act, 1996.'. 22 of 1996.

15. In Chapter II of the principal Act, after Part A relating to 'Of the liability of instruments to duty', the following Part shall be inserted, namely:— Insertion of new Part AA.

"AA.—Of the liability of instruments of transaction in stock exchanges and depositories to duty

9A. *(1)* Notwithstanding anything contained in this Act,— Instruments chargeable with duty for transactions in stock exchanges and depositories.

(a) when the sale of any securities, whether delivery based or otherwise, is made through a stock exchange, the stamp-duty on each such sale in the clearance list shall be collected on behalf of the State Government by the stock exchange or a clearing corporation authorised by it, from its buyer on the market value of such securities at the time of settlement of transactions in securities of such buyer, in such manner as the Central Government may, by rules, provide;

(b) when any transfer of securities for a consideration, whether delivery based or otherwise, is made by a depository otherwise than on the basis of any transaction referred to in clause *(a)*, the stamp-duty on such transfer shall be collected on behalf of the State Government by the depository from the transferor of such securities on the consideration amount specified therein, in such manner as the Central Government may, by rules, provide;

(c) when pursuant to issue of securities, any creation or change in the records of a depository is made, the stamp-duty on the allotment list shall be collected on behalf of the State Government by the depository from the issuer of securities on the total market value of the securities as contained in such list and in such manner as the Central Government may, by rules, provide.

(2) Notwithstanding anything contained in this Act, the instruments referred to in sub-section *(1)* shall be chargeable with duty as provided therein at the rate specified in Schedule I and such instruments need not be stamped.

(3) From the date of commencement of this Part, no stamp-duty shall be charged or collected by the State Government on any note or memorandum or any other document, electronic or otherwise, associated with the transactions mentioned in sub-section *(1)*.

(4) The stock exchange or a clearing corporation authorised by it or the depository, as the case may be, shall, within three weeks of the end of each month and in accordance with the rules made in this behalf by the Central Government, in consultation with the State Government, transfer the stamp-duty collected under this section to the State Government where the residence of the buyer is located and in case the buyer is located outside India, to the State Government having the registered office of the trading member or broker of such buyer and in case where there is no such trading member of the buyer, to the State Government having the registered office of the participant:

Provided that before such transfer, the stock exchange or the clearing corporation authorised by it or the depository shall be entitled to deduct such percentage of stamp-duty towards facilitation charges as may be specified in such rules.

Explanation.—The term "participant" shall have the same meaning as assigned to it in clause *(g)* of section 2 of the Depositories Act, 1996. 22 of 1996.

(5) Every stock exchange or the clearing corporation authorised by it and depository shall submit to the Government details of the transactions referred to in sub-section *(1)* in such manner as the Central Government may, by rules, provide.

Instruments chargeable with duty for transactions otherwise than through stock exchanges and depositories.

9B. Notwithstanding anything contained in this Act,—

(a) when any issue of securities is made by an issuer otherwise than through a stock exchange or depository, the stamp-duty on each such issue shall be payable by the issuer, at the place where its registered office is located, on the total market value of the securities so issued at the rate specified in Schedule I;

(b) when any sale or transfer or reissue of securities for consideration is made otherwise than through a stock exchange or depository, the stamp-duty on each such sale or transfer or reissue shall be payable by the seller or transferor or issuer, as the case may be, on the consideration amount specified in such instrument at the rate specified in Schedule I.".

Amendment of section 21.

16. In section 21of the principal Act,—

(a) for the words "the value of such stock or security according to the average price or the value thereof on the day of the date of the instrument.", the words "the market value of such stock or security:" shall be substituted;

(b) the following proviso shall be inserted, namely:—

"Provided that the market value for calculating the stamp-duty shall be, in the case of—

(i) options in any securities, the premium paid by the buyer;

(ii) repo on corporate bonds, interest paid by the borrower; and

(iii) swap, only the first leg of the cash flow.".

Amendment of section 29.

17. In section 29 of the principal Act,—

(i) in clause *(a)*,—

(a) the words, figures and brackets "No. 27 (Debenture)" shall be omitted;

(b) the words, figures, brackets and letter "No. 62 *(a)* (Transfer of shares in an incorporated Company or other body corporate)" shall be omitted;

(c) the words, figures, brackets and letter "No. 62 *(b)* (Transfer of debentures, being marketable securities, whether the debenture is liable to duty or not, except debentures provided for by section 8)" shall be omitted;

(ii) in clause *(e)*, after the word "exchange", the words "including swap" shall be inserted;

(iii) in clause *(f)*, the word "and" shall be omitted;

(iv) after clause *(g)*, the following clauses shall be inserted, namely:—

"*(h)* in the case of sale of security through stock exchange, by the buyer of such security;

(i) in the case of sale of security otherwise than through a stock exchange, by the seller of such security;

(j) in the case of transfer of security through a depository, by the transferor of such security;

(k) in the case of transfer of security otherwise than through a stock exchange or depository, by the transferor of such security;

(l) in the case of issue of security, whether through a stock exchange or a depository or otherwise, by the issuer of such security; and

(m) in the case of any other instrument not specified herein, by the person making, drawing or executing such instrument.".

Insertion of new section 62A.

18. After section 62 of the principal Act, the following section shall be inserted, namely:—

"62A. *(1)* Any person who,—

Penalty for failure to comply with provisions of section 9A.

(a) being required under sub-section *(1)* of section 9A to collect duty, fails to collect the same; or

(b) being required under sub-section *(4)* of section 9A to transfer the duty to the State Government within fifteen days of the expiry of the time specified therein, fails to transfer within such time,

shall be punishable with fine which shall not be less than one lakh rupees, but which may extend up to one per cent. of the collection or transfer so defaulted.

(2) Any person who,—

(a) being required under sub-section *(5)* of section 9A to submit details of transactions to the Government, fails to submit the same; or

(b) submits a document or makes a declaration which is false or which such person knows or believes to be false,

shall be punishable with fine of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

19. After section 73 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 73A.

"73A. *(1)* The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of Part AA of Chapter II.

Power of Central Government to make rules.

(2) Without prejudice to the generality of the provisions of sub-section *(1)*, the Central Government may make rules for all or any of the following matters, namely:—

(a) the manner of collection of stamp-duty on behalf of the State Government by the stock exchange or the clearing corporation authorised by it, from its buyer under clause *(a)* of sub-section *(1)* of section 9A;

(b) the manner of collection of stamp-duty on behalf of the State Government by the depository from the transferor under clause *(b)* of sub-section *(1)* of section 9A;

(c) the manner of collection of stamp-duty on behalf of the State Government by the depository from the issuer under clause *(c)* of sub-section *(1)* of section 9A;

(d) the manner of transfer of stamp-duty to the State Government under sub-section *(4)* of section 9A;

(e) any other matter which has to be, or may be, provided by rules.".

20. In section 76 of the principal Act, after sub-section *(2)*, the following sub-section shall be inserted, namely:—

Amendment of section 76.

"*(2A)* Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

21. In Schedule I of the principal Act,—

Amendment of Schedule I.

(i) in Article 19, in column (1),—

(a) after the words "CERTIFICATE OR OTHER DOCUMENT", the brackets, words, figures and letter "(except the certificate or other document covered under Articles 27 and 56A)" shall be inserted;

(b) the words, brackets and figures "See also LETTER OF ALLOTMENT OF SHARES (No. 36)" shall be omitted;

(ii) for Article 27 and the entries relating thereto, the following Article and entries shall be substituted, namely:—

(1)	(2)
"27. DEBENTURE—[as defined by section 2 *(10A)*] (see sections 9A and 9B)	
(a) in case of issue of debenture;	0.005%
(b) in case of transfer and re-issue of debenture.	0.0001%";

(iii) in Article 28, for the entry in column (1), after the words "DELIVERY ORDER IN RESPECT OF GOODS,", the brackets and words "(excluding delivery order in respect of settlement of transactions in securities in stock exchange)" shall be inserted;

(iv) in Article 36, for the entry in column (1), the following entry shall be substituted, namely:—

"36. LETTER OF ALLOTMENT in respect of any loan to be raised by any company or proposed company.";

(v) after Article 56 and the entry relating thereto, the following Article and entries shall be inserted, namely:—

(1)	(2)
"56A. SECURITY OTHER THAN DEBENTURES (see sections 9A and 9B)—	
(a) issue of security other than debenture;	0.005%
(b) transfer of security other than debenture on delivery basis;	0.015%
(c) transfer of security other than debenture on non-delivery basis;	0.003%
(d) derivatives—	
(i) futures (equity and commodity)	0.002%
(ii) options (equity and commodity)	0.003%
(iii) currency and interest rate derivatives	0.0001%
(iv) other derivatives	0.002%
(e) Government securities	0%
(f) repo on corporate bonds	0.00001%";

(vi) in Article 62, items *(a)* and *(b)* and the entries relating thereto shall be omitted.

PART II

AMENDMENT TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

Amendment of section 8 of Act 15 of 2003.

22. In section 8 of the Prevention of Money-laundering Act, 2002, in sub-section (*3*), with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,—

(i) in clause (*a*), for the words "ninety days", the words "three hundred and sixty-five days" shall be substituted;

(ii) after clause (*b*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the purposes of computing the period of three hundred and sixty-five days under clause (*a*), the period during which the investigation is stayed by any court under any law for the time being in force shall be excluded.".

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to continue the existing rates of income-tax for the financial year 2019-2020 and to provide certain relief to taxpayers and to make amendments in certain enactments.

2. Clause 2 of the Bill seeks to provide for the rates of income-tax. The rates of income-tax which were specified in Part III of the First Schedule to the Finance Act, 2018 for the purposes of charging income-tax in certain cases, deduction of tax at source from salaries during the financial year 2018-2019, computation of "advance tax" payable during that financial year in relation to current incomes and for certain special purposes, are proposed to be continued for the purposes of assessment for the assessment year 2019-2020. Further, the same rates are proposed to be continued also for the purposes of charging income-tax in certain cases, deduction of tax at source from salaries during the financial year 2019-2020, computation of "advance tax" payable during that financial year in relation to current incomes, and also for the said special purposes.

3. The rates for deduction of tax at source during the financial year 2018-2019 from incomes other than salaries specified in Part II of the First Schedule to the Finance Act, 2018, are also proposed to be continued for deduction of tax at source from such incomes during the financial year 2019-2020.

4. It accordingly proposes to apply the provisions of section 2 of, and the First Schedule to, the Finance Act, 2018, with consequential and other necessary modifications, to the assessment year 2019-2020 or, as the case may be, the financial year 2019-2020.

5. Clause 3 of the Bill seeks to amend section 16 of the Income-tax Act to provide relief to the salaried taxpayers by way of increasing the amount of deduction from salary income, from existing forty thousand rupees to fifty thousand rupees.

6. Clause 4 of the Bill seeks to amend section 23 of the Income-tax Act so as to provide relief to the taxpayer by allowing him an option to claim *nil* annual value in respect of any two houses, declared as self-occupied, instead of one such house as currently provided. It further seeks to provide relief to the taxpayers that notional rent in respect of unsold inventory shall not be charged to tax up to two years, instead of existing one year, from the end of the financial year in which the certificate of completion is obtained from the competent authority.

7. Clause 5 of the Bill seeks to amend section 24 of the Income-tax Act to provide that the monetary limit of deduction on account of interest payable on borrowed capital shall continue to apply to the aggregate of the amounts of deduction in case of more than one self-occupied houses.

8. Clause 6 of the Bill seeks to amend section 54 of the Income-tax Act so as to provide relief to the taxpayers having long-term capital gains up to two crore rupees, arising from transfer of a residential house, by affording the assessee a one time opportunity, at his option, to utilise the said amount for the purchase or construction of two residential houses in India instead of one residential house as currently provided.

9. Clause 7 of the Bill seeks to amend section 80-IBA of the Income-tax Act so as to augment the supply of affordable houses by extending the time limit from 31st March, 2019 to 31st March, 2020 for obtaining approval of the housing project for availing deduction.

10. Clause 8 of the Bill seeks to amend section 87A of the Income-tax Act to provide relief to the individual taxpayers by increasing the maximum amount of tax rebate to twelve thousand five hundred rupees from existing two thousand five hundred rupees. The tax rebate shall now be admissible to taxpayers having total income up to five hundred thousand rupees, instead of existing three hundred fifty thousand rupees.

11. Clause 9 of the Bill seeks to amend section 194A of the Income-tax Act so as to ease the burden of compliance by way of increasing the threshold limit from ten thousand rupees to forty thousand rupees, for deduction of tax at source on interest income, other than interest on securities, paid by a banking company, co-operative society or a post office.

12. Clause 10 of the Bill seeks to amend section 194-I of the Income-tax Act to rationalise the threshold limit from one hundred and eighty thousand rupees to two hundred and forty thousand rupees, for deduction of tax at source on rental income.

13. Clauses 11 to 21 of the Bill seek to amend the Indian Stamp Act, 1899 for levy and administration of stamp duty on securities market instruments by the States at one place through one agency, viz., through Stock Exchanges or its Clearing Corporation or Depositories on one instrument, and for appropriately sharing the same with respective State Governments based on State of domicile of the ultimate buying client.

14. Clause 22 of the Bill seeks to amend sub-section (*3*) of section 8 of the Prevention of Money-laundering Act, 2002 so as to extend the time limit of ninety days for which the attachment shall remain valid during the period of investigation to three hundred and sixty-five days and also to provide that in computing the period of three hundred and sixty-five days, the period during which the investigation is stayed by any court shall be excluded.

PIYUSH GOYAL.

NEW DELHI;

The 30*th January,* 2019*.*

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 2(5)-B(D)2019, dated the 30th January, 2019 from Shri Piyush Goyal, Minister of Finance, to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill, recommends under clauses (1) and (3) of article 117, read with clause (1) of article 274, of the Constitution of India, the introduction of the Finance Bill, 2019 to the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

2. The Bill will be introduced in the Lok Sabha immediately after the presentation of the Budget on the 1st February, 2019.

LOK SABHA

A

BILL

to continue the existing rates of income-tax for the financial year 2019-2020 and to provide for certain relief to taxpayers and to make amendments in certain enactments.

(Shri Piyush Goyal,
Minister of Finance.)

Interim Budget 2019-2020

Speech of

Piyush Goyal

Minister of Finance

February 1, 2019

Madam Speaker,

I rise to present the Interim Budget for the year 2019-20.

PART A

2. I am deeply conscious of the absence of Shri Arun Jaitley today. I am sure the House joins me in wishing Shri Jaitley speedy recovery, good health and a long life in the service of the nation.

3. Madam Speaker, **t**he people of India gave a strong mandate to our Government. Under the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi, we have given the most decisive, stable and clean Government and have undertaken transformational structural reforms. We have reversed the policy paralysis engulfing the nation and have restored the image of the country. The major achievement of this Government was that we strived our utmost to change the mind-set and ignited the self-confidence of the nation.

4. I can proudly say that India is solidly back on track and marching towards growth and prosperity. We have prepared the foundation for sustainable growth, progress and better quality of life for all our people.

5. We are moving towards realising a 'New India' by 2022, when we celebrate 75 years of India's independence: an India which is clean and healthy, where everybody would have a house with universal access to toilets, water and electricity; where farmers' income would have doubled; youth and women would get ample opportunities to fulfil their dreams; an India free from terrorism, communalism, casteism, corruption and nepotism.

State of the Economy

6. Madam Speaker, the last five years have seen India being universally recognised as a bright spot of the global economy. The country witnessed its best phase of macro-economic stability during this period. We are the fastest growing major economy in the world with an annual average GDP growth during last five years higher than the growth achieved by any Government since economic reforms began in 1991. From being the 11th largest economy in the world in 2013-14, we are today the 6th largest in the world. Besides generating high growth rate, we contained double-digit inflation and restored fiscal balance.

7. Inflation is a hidden and unfair tax on the poor and the middle class. The average rate of inflation during 2009-2014 was a backbreaking 10.1%. The then Prime Minister admitted as much when he said, *"We have also not been as successful in controlling persistent inflation as we would have wished. This is primarily because food inflation has increased."* In contrast, our Govt. broke the back of back-breaking inflation. We brought down average inflation to 4.6% which is lower than the inflation during the tenure of any other Government. In fact inflation in December 2018 was down to 2.19% only. If we had not controlled inflation, our families would have been spending around 35-40% more today on basic necessities such as food, travel, consumer durables, housing etc.

8. From the high of almost 6% seven years ago, the fiscal deficit has been brought down to 3.4% in 2018-19 RE. The current account deficit (CAD), against a high of 5.6% six years ago, is likely to be only 2.5% of GDP this year. We contained the fiscal deficit notwithstanding the Finance Commission's recommendations increasing the share of the States from 32% to 42% in central taxes, which we accepted in the true spirit of cooperative federalism, thereby transferring significantly higher amounts to the States.

9. Due to a stable and predictable regulatory regime, growing economy and strong fundamentals, India could attract massive amount of Foreign

Direct Investment (FDI) during the last 5 years - as much as $239 billion. This period also witnessed a rapid liberalisation of the FDI policy, allowing most FDI to come through the automatic route.

10. Madam Speaker, the last five years have witnessed a wave of next generation structural reforms, which have set the stage for decades of high growth. We have undertaken path breaking structural reforms by introducing Goods and Services Tax (GST) and other taxation reforms.

Banking Reforms and Insolvency and Bankruptcy Code (IBC)

11. The period of 2008-14 will be remembered as a period of aggressive credit growth and, as per RBI, the primary reason for spurt in non-performing loans and stressed assets. Outstanding loans of public sector banks ballooned from `18 lakh crore to `52 lakh crore during this period. Many projects were started that could either not be completed or had low capacity utilisation resulting in their inability to pay back their loans. There were high stressed and non-performing assets (NPAs) amounting to `5.4 lakh crore in 2014. Many more were hidden through restructuring or otherwise which were discovered during Asset Quality Reviews and inspections carried out since 2015.

12. We put a stop to such questionable practices and stopped the culture of "phone banking". The 4Rs approach of recognition, resolution, re-capitalisation and reforms has been followed. A number of measures have been implemented to ensure Clean Banking. Through a transparent and accountable process, we recognised these NPAs. The Insolvency and Bankruptcy Code has institutionalised a resolution-friendly mechanism, which is helping in recovery of non-performing loans while preserving the underlying businesses and jobs. Earlier, only small businessmen used to be under pressure of repayment of loans while in the case of big businessmen, it was the headache of banks. But now, defaulting managements are either paying or exiting their businesses. An amount of close to `3 lakh crore has already been recovered in favour of banks and creditors. To restore the health of public sector banks, recapitalisation has been done with an investment of `2.6 lakh crore. Amalgamation of banks has also been done to reap the benefits of economies of scale, improved access to capital and to cover a larger geographical spread.

Steps against corruption

13. We have ushered in a new era of transparency. We have given a corruption free government. The Real Estate (Regulation and Development) Act, 2016 (RERA) and Benami Transaction (Prohibition) Act, 1988 are helping to bring transparency in the real estate sector. The Fugitive Economic Offenders Act, 2018 will help confiscate and dispose off the assets of economic offenders who escape the jurisdiction of the laws in India. Additionally, we conducted transparent auction of natural resources including coal and spectrum. We have walked the talk.

Cleanliness

14. As a tribute to Mahatma Gandhi's 150th birth anniversary in 2019, our Government initiated the world's largest behavioural change movement with the Swachh Bharat Mission. India has achieved 98% rural sanitation coverage and as many as 5.45 lakh villages have been declared "Open Defecation Free." It is a holistic programme and has succeeded in changing the mindset of our people. With the people participation, they transformed it from a Government Scheme to a national movement. I thank the 130 core people of the nation for the success of Swacch Bharat Abhiyan who adopted it whole heartedly.

Poor and backward classes

15. The poor have the first right on the resources of the nation. The Government while maintaining the existing reservation for SC/ST/Other Backward Classes, have now ensured 10% reservation in educational institutions and Government services for poors. In these institutions, around 25% extra seats (approximately 2 lakh) will be provided so that, there is no shortfall of presently available/reserved seats for any class.

16. To provide food grains at affordable prices to the poor and middle classes, about `1,70,000 crores were spent in the year 2018-19 which is almost double the amount of ` 92,000 crores spent in the year 2013-14. We ensured that everyone gets food and none goes to sleep hungry. `60,000 crores are being allocated for MGNREGA in BE 2019-20. Additional amount would be provided if required.

17. We have worked to bridge the urban-rural divide in the country. Hon'ble Members in this August House, most of whom are from rural areas, will agree that several times in the past, only empty promises have been made to people living in our villages. During the last five years, we have undertaken targeted expenditure to improve their quality of life in all its

dimensions. Our aim, is to provide urban facilities in villages while keeping the soul of rural life intact.

18. Under the Pradhan Mantri Gram Sadak Yojana, construction of rural roads has been tripled. 15.80 lakh habitations out of a total of 17.84 lakh habitations have already been connected with pucca roads and work is going on to complete the rest very soon. Pradhan Mantri Gram Sadak Yojana (PMGSY) is being allocated ` 19,000 crore in BE 2019-20 as against ` 15,500 crore in RE 2018-19. There was time when a child used to reach school after walking on a foot trail, today the situation has changed and a bus can reach her/his village During the period 2014-18, a total number of 1.53 crore houses have been built under the Pradhan Mantri Awas Yojana.

19. Till the year 2014, about 2.5 crore families were forced to live the life of 18th centuary without electricity. Under 'Saubhagya Yojna', we provided free electricity connection to almost every household. By March, 2019, all willing families will get electricity connection. In mission mode, we have provided 143 crore LED bulbs with the participation of private sector. This has resulted into a savings of approximately ` 50,000 crore per year in electricity bills of poor and middle class families.

20. Madam Speaker, past five years have seen massive scale up of health care. Earlier, a poor man used to be in dilemma whether to fulfil daily needs of the family or save the life of an ailing member. This situation has deeply pained our Hon'ble Prime Minister. We launched the world's largest healthcare programme, Ayushman Bharat, to provide medical treatment to nearly 50 crore people. Already close to 10 lakh patients have benefited for medical treatment which would have cost them ` 3,000 crore through free treatment made available under the scheme. Lakhs of poor and middle class people are also benefiting from reduction in the prices of essential medicines, cardiac stents and knee implants, and availability of medicines at affordable prices through Pradhan Mantri Jan Aushadhi Kendras.

21. There are 21 AIIMS operating or being established in the country presently. 14 of these 21 AIIIMS have been announced since 2014. I am happy to announce setting up of new the 22nd AIIMS in Haryana.

22. The Aspirational Districts Programme is providing targeted development to the 115 most backward districts of the country. The programme has achieved notable results with improved performance on all indicators - health and nutrition, education, agriculture and water resources, financial inclusion and skill development.

Farmer's progress and Increase in Income

23. Madam Speaker, our hard working farmers were not getting the full value of their produce. With an aim to double the income of farmers, our Government, for the first time in history has fixed the minimum support price (MSP) of all 22 crops at minimum 50% more than the cost.

24. Agriculture continues to be the main driver of the rural economy. Our hard-working farmers, supported by pro-farmer policies of our Government in the past four and half years, have produced agriculture commodities in record quantities. Declining prices of agricultural commodities in the international market and fall in food inflation in India since 2017-18, relative to non-food sector, have however, reduced the returns from farming. Small and fragmented land holding on account of repeated divisions has also contributed in decline in the income of the farmer family. Hence, there is a need for providing structured income support to the poor land-holder farmer families in the country for procuring inputs such as seeds, fertilizers, equipment, labour etc. and to meet other needs. Such support will help them in avoiding indebtedness as well and falling into clutches of money lenders.

25. To provide an assured income support to the small and marginal farmers, our Government is launching a historic programme namely "***Pradhan Mantri KIsan SAmman Nidhi (PM-KISAN)***". Under this programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of `6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal instalments of ` 2,000 each. This programme will be funded by Government of India. Around 12 crore small and marginal farmer families are expected to benefit from this. The programme would be made effective from 1st December 2018 and the first instalment for the period upto 31st March 2019 would be paid during this year itself. This programme will entail an annual expenditure of ` 75,000 crore.

26. PM-KISAN would not only provide assured supplemental income to the most vulnerable farmer families, but would also meet their emergent needs especially before the harvest season. PM-KISAN would pave the way for the farmers to earn and live a respectable living.

27. I propose an outlay of ` 75,000 crore for PM-KISAN for the FY 2019-20. I am also providing `20,000 crore in the Revised Estimates of FY 2018-19.

28. During the last five years, for providing affordable loans to farmers, the amount of interest subvention has been doubled. The crop loan to farmers increased to `11.68 lakh crore in year 2018-19. We have made genuine efforts to remove the hardships of farmers by providing them Soil Health Cards, quality seeds, irrigation scheme and Neem Coated Urea to remove shortage of fertilizers.

29. Animal Husbandry and Fisheries sector also needs considerable support. I have increased the allocation for Rashtriya Gokul Mission to `750 crore in the current year itself. I announce setting up of "Rashtriya Kamdhenu Aayog" to upscale sustainable genetic up-gradation of cow resources and to enhance production and productivity of cows. The Aayog will also look after effective implementation of laws and welfare schemes for cows.

30. India is the second largest fish producing nation in the world accounting for 6.3% of global production, registering an average annual growth of more than 7% in recent years. The sector provides livelihood to about 1.45 crore people at the primary level. To provide sustained and focused attention towards development of this sector, our Government has decided to create a separate **Department of Fisheries**.

31. In the last Budget, our Government announced the facility of extension of Kisan Credit Card scheme (KCC) to Animal Husbandry and Fisheries farmers. Now, I propose to provide the benefit of 2% interest subvention to the farmers pursuing the activities of animal husbandry and fisheries, who avail loan through Kisan Credit Card. Further, in case of timely repayment of loan, they will also get an additional 3% interest subvention.

32. To ensure provision of easy and concessional credit and to bring all farmers under KCC fold, our Government has decided to initiate a comprehensive drive with a simplified application form.

33. When natural calamities strike, farmers are generally unable to repay their crop loans. Presently, the crop loans are rescheduled for such affected farmers and they get benefit of interest subvention of 2% only for the first year of the rescheduled loan. Our Government has now decided that all farmers affected by severe natural calamities, where assistance is provided from National Disaster Relief Fund (NDRF), will be provided the benefit of interest subvention of 2% and prompt repayment incentive of 3% for the entire period of reschedulement of their loans.

Labour and Workers Dignity

34. Madam Speaker, our Government firmly believes that workmen and all the people working in Government services should get benefit of the fast growing economy. During the last five years India has witnessed industrial peace.

35. High growth and formalistation of the economy has led to the expansion of employment opportunities as shown in EPFO membership, which has increased by nearly 2 crore in two years reflecting formalisation of the economy and job creations.

36. After submission of the 7th Central Pay Commission Report, the recommendations were implemented immediately. The New Pension Scheme (NPS) has been liberalized. Keeping the contribution of the employee at 10%, we have increased the Government contribution by 4% making it 14%. Maximum ceiling of the bonus given to the labourers has been increased from ` 3,500 pm to ` 7,000 pm and the maximum ceiling of the pay has been increased from ` 10,000 pm to ` 21,000 pm. The ceiling of payment of gratuity has been enhanced from ` 10 lakhs to ` 20 lakhs. During the last five years the minimum wages of labourers of the all categories have been increased by 42%, which is the highest ever. The ceiling of ESI's eligibility cover has been increased from ` 15,000 pm to ` 21,000 pm. Minimum pension for every labourer has been fixed at ` 1,000 per month. In the event of death of a labourer during service, the amount to be paid by EPFO has been enhanced from ` 2.5 lakh to ` 6 lakh. Under Anganwadi and Asha Yojana honorarium has been enhanced by about 50% for all categories of workers.

37. Half of India's GDP comes from the sweat and toil of 42 crore workers in the unorganised sector working as street vendors, rickshaw pullers, construction workers, rag pickers, agricultural workers, beedi workers, handloom, leather and in numerous other similar occupations. Domestic workers are also engaged in big numbers. We must provide them

comprehensive social security coverage for their old age. Therefore, in addition to the health coverage provided under 'Ayushman Bharat' and life & disability coverage provided under 'Pradhan Mantri Jeevan Jyoti Bima Yojana' and 'Pradhan Mantri Suraksha Bima Yojana', our Government proposes to launch a mega pension yojana namely ***'Pradhan Mantri Shram-Yogi Maandhan'*** for the unorganised sector workers with monthly income upto `15,000. This pension yojana shall provide them an assured monthly pension of `3,000 from the age of 60 years on a monthly contribution of a small affordable amount during their working age. An unorganised sector worker joining pension yojana at the age of 29 years will have to contribute only `100 per month till the age of 60 years. A worker joining the pension yojana at 18 years, will have to contribute as little as `55 per month only. The Government will deposit equal matching share in the pension account of the worker every month. It is expected that at least 10 crore labourers and workers in the unorganised sector will avail the benefit of ***'Pradhan Mantri Shram-Yogi Maandhan'*** within next five years making it one of the largest pension schemes of the world. A sum of `500 crore has been allocated for the Scheme. Additional funds will be provided as needed. The scheme will also be implemented from the current year.

38. Our Government is committed to reach the most deprived citizens of this country. To this end, the condition of the De-notified, Nomadic and Semi-Nomadic communities merits special attention. These communities are hard to reach, less visible, and therefore, frequently left out. The Nomadic and Semi-Nomadic communities move from place to place in search of a livelihood. The Renke Commission and the Idate Commission have done commendable work to identify and list these communities. A Committee under NITI Aayog will be set up to complete the task of identifying De-notified, Nomadic and Semi-Nomadic communities not yet formally classified. Our Government will also set up a Welfare Development Board under the Ministry of Social Justice and Empowerment specifically for the purpose of implementing welfare and development programmes for De-notified, Nomadic and Semi-Nomadic communities. The Board shall ensure that special strategies are designed and implemented to serve these hard-to-reach communities.

Women's development to women led development

39. Madam Speaker, in our Election Manifesto, we had promised that we will transform the quality of life of women in rural India by providing cleaner fuel. For securing the health of every home-maker in rural areas and

to ensure that she does not have to shed tears for cooking food to nourish her family, our Government embarked upon a programme to deliver 8 crore free LPG connections under the Ujjwala Yojana. More than 6 crore connections have already been given and the remaining will get free gas connections by next year. Ujjwala is a remarkable success story of our Government programme, defined by a bold yet practical Vision of a responsible and compassionate leadership.

40. More than 70% of the beneficiaries of Pradhan Mantri MUDRA Yojana are women who are getting affordable and collateral-free loans to start their own businesses. Amongst many measures, benefits of Maternity leave of 26 weeks and Pradhan Mantri Matru Vandana Yojana for pregnant women have provided financial support to women while empowering them to participate in work.

Empowering Youth to fulfil their potential

41. India is amongst the most youthful nations in the world. Through Pradhan Mantri Kaushal Vikas Yojana, over 1 crore youth are being trained to help them earn a livelihood. We have harnessed ªÉÖ´ÉÉ ¶ÉÉÊkÉE through self-employment schemes including MUDRA, Start-up India and Stand-up India. Under MUDRA Yojana 15.56 crore loans have been disbursed amounting to `7,23,000 crore. The concept of employment is changing all over the world, now the employment generation is not confined merely to Government services or factories. With job seekers becoming job creators, India has become the world's second largest start-up hub. We are proud of the hard work and innovative ideas of our youth.

42. In order to take the benefits of Artificial Intelligence and related technologies to the people, a National Programme on 'Artificial Intelligence' has been envisaged by our Government. This would be catalysed by the establishment of the National Centre on Artificial Intelligence as a hub along with Centres of Excellence. Nine priority areas have been identified. A National Artificial Intelligence portal will also be developed soon.

Empowering MSMEs and Traders

43. Government has undertaken many effective steps to strengthen MSME sector, which provides employment to crores of people. Recently, a scheme of sanctioning loans upto ` 1 crore in 59 minutes has been launched. GST-registered SME units will get 2% interest rebate on incremental loan of ` 1 Crore. The requirement of sourcing from SMEs by Government enterprises has

been increased to 25%. Of this, the material to the extent of at least 3% will be sourced from women owned SMEs.

44. Government e-Marketplace (GeM), created by our Government two years ago, has transformed public procurement by making it fully transparent, inclusive and efficient. MSMEs have an opportunity to sell their products through GeM. Transactions of over `17,500 crore have taken place, resulting in average savings of 25-28%. The GeM platform is now being extended to all CPSEs.

45. We have focussed on supporting domestic trade and services. Our Government has recently assigned the subject of "promotion of internal trade including retail trading and welfare of traders, and their employees" to the Department of Industrial Policy and Promotion, which will now be renamed as the Department for Promotion of Industries and Internal Trade.

Strengthening Defence and National Security

46. Madam Speaker, our soldiers protect our borders in tough conditions. They are our pride and honour. We also respected their dignity. In our Election Manifesto, we had promised to implement One Rank One Pension (OROP). This was pending for the last 40 years and has been resolved by us. The previous Governments announced it in three budgets but sanctioned a mere `500 crore in 2014-15 Interim Budget; in contrast we have already disbursed over `35,000 crore after implementing the Scheme in its' true spirit. The Government also announced substantial hike in the Military Service Pay (MSP) of all service personnel and special allowances given to Naval and Air Force personnel deployed in high risk duties.

47. Our Defence Budget will be crossing ` 3,00,000 crore for the first time in 2019-20. For securing our borders and to maintain preparedness of the highest order, if necessary, additional funds would be provided.

Supporting Indians across the world

48. Today, all persons of Indian origin feel secure that their motherland Bharat cares for them and at times of need will support them. India's transformation has inculcated a sense of pride and respect for Indians and persons of Indian origin across the globe. We have taken several initiatives to strengthen their connect with India, facilitate their investment in India and ease their travel.

Infrastructure development

49. Infrastructure is the backbone of any nation's development and quality of life. Whether it is highways or railways or airways or even digi-ways, we have gone beyond incremental growth to attain transformative achievements.

50. Because of 'UDAAN Scheme', today an ordinary citizen is also travelling by air. The number of operational airports has crossed 100 with the commissioning of the Pakyong airport in Sikkim. Domestic passenger traffic has doubled during the last five years leading to large number of jobs being created also. Today, India is the fastest highway developer in the world with 27 kms of highways built each day. Projects stuck for decades like the Eastern Peripheral Highway around Delhi or the Bogibeel rail-cum-road bridge in Assam and Arunachal Pradesh have been completed. The flagship programme of Sagarmala along the coastal areas of the country will develop ports for faster handling of import and export cargo. For the first time, container freight movement has started on inland waterways from Kolkata to Varanasi. Our Government will introduce container cargo movement to the North East as well, by improving the navigation capacity of the Brahmaputra river.

51. Indian Railways has experienced the safest year in its history. All Unmanned Level Crossings on broad gauge network have been eliminated. Introduction of the first indigenously developed and manufactured semi high-speed "Vande Bharat Express" will give the Indian passengers world class experience with speed, service and safety. This major leap in wholly developed technology by our engineers will give an impetus to the Make in India programme and create jobs. Capital support from the budget for railways is proposed at `64,587 crore in 2019-20 (BE). The Railways' overall capital expenditure programme is of `1,58,658 crore. The Operating Ratio is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and further to 95% in 2019-20 (BE).

52. India provided leadership to the global effort to address the problem of climate change. Our commitment to promote renewable energy is reflected in setting up the International Solar Alliance, the first treaty based international inter-governmental organisation headquartered in India. India's installed solar generation capacity has grown over ten times in last five years. This sector is now creating lakhs of new age jobs.

53. India's import dependence on crude oil and natural gas has been a source of big concern to our Government. While we have taken a large number of measures to moderate the increasing demand through usage of bio fuel and alternate technologies, urgent action is needed to increase hydrocarbon

production to reduce imports. A high level Inter-Ministerial Committee, constituted by our Government, has made several specific recommendations, including transforming the system of bidding for exploration, changing from revenue sharing to exploration programme for Category II and III basins. The Government is in the process of implementing these recommendations.

54. The people of North East have also received significant benefits of infrastructure development. Arunachal Pradesh came on the air map recently and Meghalaya, Tripura and Mizoram have come on India's rail map for the first time. Allocation for the North Eastern Areas is being proposed to be increased by 21% to `58,166 crore in 2019-20 BE over 2018-19 BE.

Digital India Revolution

55. Madam Speaker, India is now leading the world in the consumption of mobile data. Monthly consumption of mobile data increased by over 50 times in the last five years. The cost of data and voice calls in India is now possibly the lowest in the world. Today, under Make in India, mobile and parts manufacturing companies have increased from 2 to more than 268 providing huge job opportunities. More than 3 lakh Common Service Centres (CSCs) employing about 12 lakh people, are digitally delivering several services to the citizens. The Common Service Centres are expanding their services and also creating digital infrastructure in the villages, including connectivity, to convert the villages into Digital Villages. The Government will make 1 lakh villages into Digital Villages over next five years.

56. Jan Dhan-Aadhaar-Mobile (JAM) and Direct Benefit Transfer have been game changers. Bank nationalisation was first done 50 years ago, but a large part of the country was still left out of the economic mainstream with no access to formal banking. In the last five years, nearly 34 crore Jan Dhan bank accounts were opened. Aadhaar is now near universally implemented. This has helped ensure the poor and middle class receive the benefits of Government schemes directly in their bank accounts by eliminating middlemen.

Entertainment

57. Entertainment industry is a major employment generator. To promote entertainment industry - Single window clearance for ease of shooting films, available only to foreigners, is now going to be made available to Indian filmmakers as well. Regulatory provisions will rely more on self-declaration. We will also introduce anti-camcording provisions in the Cinematograph Act to control the menace of piracy.

Simplification of Direct Tax System to benefit Tax-payers

58. Madam Speaker, for making the life of our direct tax-payers easy, we reduced tax rates, more for the common man and middle class, and made the interface with the tax department much simpler and largely faceless. Due to this, the tax collections increased significantly from ` 6.38 Lakh crore in 2013-14 to almost `12 lakh crore this year. The number of returns filed have also increased from 3.79 crore to 6.85 crore showing 80% growth in tax base. I thank the honest taxpayers of India for reposing faith in our Government. Let me assure them that we have used their contribution to serve the poor and create better infrastructure.

59. The Income Tax Department now functions online. Returns, assessments, refunds and queries are all undertaken online. Last year, 99.54% of the income-tax returns were accepted as they were filed. Our Government has now approved a path breaking, technology intensive project to transform the Income-tax Department into a more assessee-friendly one. All returns will be processed in twenty-four hours and refunds issued simultaneously. 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.

60. Reducing the tax burden on middle class has always been our priority ever since our Government took over in 2014. We increased the basic exemption limit from `2 lakh to `2.5 Lakh and gave tax rebate so that no tax was payable by persons having income up to `3 lakh. We also reduced the tax rate from 10% to 5% for the tax slab of ` 2.5 lakh to ` 5 lakh and introduced Standard Deduction of `40,000 for the salaried class. Deduction of savings under section 80C was increased from `1 lakh to `1.5 lakh. Deduction of interest for self-occupied house property was raised from `1.5 lakh to `2 lakh.

61. Special benefits and incentives were also given to small businesses and start-ups. Overall compliance processes were simplified. Threshold limit for presumptive taxation of business was raised from `1 crore to `2 crore. The benefit of presumptive taxation was extended for the first time to small professionals fixing threshold limit at ` 50 lakh. In order to promote a less cash economy, the presumptive profit rate has been reduced from 8% to 6%. The tax rate for companies with turnover of

up to `250 crore, covering almost 99% of the companies, was reduced to 25% which was also applicable to new manufacturing companies without any turnover limits.

GST Reform for benefit to consumers and businesses

62. The Goods and Services Tax (GST) reforms lingered on during the previous Government for almost a decade. Our Government implemented the GST, which is undoubtedly the biggest taxation reform undertaken since Independence. Seventeen different taxes levied by the Central and State/UT Governments with cascading effect of tax on tax, were consolidated into one GST. India became a common market. GST has resulted in increased tax base, higher collections and ease of trade. This will reduce the interface between the tax payer and the Government for day-to-day operations and assessments. Now returns are fully online and e-way bill system is in place. Inter-state movements have become faster, more efficient, and hassle free with no Entry Tax, check posts, and truck queues.

63. The high taxation levied on multiple commodities in the pre-GST regime has been rationalised and the burden on the consumer, especially the poor and the middle class, has been significantly reduced. The GST Council, comprising the Centre and States/UTs, finalised the GST rates collectively mostly lower than pre-GST rates. Since then, GST has been continuously reduced providing relief of about `80,000 crore annually to consumers. Most items of daily use of the poor and middle class are now in the 0% or 5% tax slab. Cinema goers who were subjected to multiple taxes up to 50% are mostly paying much lower tax at 12% now. Our Government wants the GST burden on home buyers to be reduced and accordingly we have moved the GST Council to appoint a Group of Ministers to examine and make recommendations in this regard at the earliest.

64. GST aims to benefit small traders, manufacturers and service providers. Exemptions from GST for small businesses has been doubled from `20 lakh to `40 lakh. Further, small businesses having turnover up to ` 1.5 crore have been given an attractive composition scheme wherein they pay only 1% flat rate and have to file one annual return only. Similarly, small service providers with turnover upto `50 lakhs can now opt for composition scheme and pay GST at 6% instead of 18%. More than 35 lakh small traders, manufacturers and service providers will benefit from these trader friendly measures. Soon, businesses comprising over 90% of GST payers will be allowed to file quarterly return.

65. In spite of such major rate reductions and relaxations, revenue trends are encouraging. The average monthly tax collection in the current year is `97,100 crore per month as compared to `89,700 crore per month in the first year. The State revenues are improving with guaranteed 14% annual revenue increase for the first five years.

Customs and Trading Across Border Reforms

66. To promote the "Make in India" initiative, we have undertaken rationalization of customs duties and procedures. Our Government has abolished duties on 36 capital goods. A revised system of importing duty-free capital goods and inputs for manufacture and export has been introduced, along with introduction of single point of approval under section 65 of the Customs Act. Indian Customs is introducing full and comprehensive digitalization of export/import transactions and leveraging RFID technology to improve export logistics.

Demonetisation and Drive against Black Money

67. Our Government is committed to eliminating the ills of black money from our country. The anti-black money measures taken by us during the last four and half years in the form of Black Money Law, the Fugitive Criminal Offenders Act, and Demonetisation, have brought undisclosed income of about `1,30,000 crore to tax, led to seizure and attachment of assets worth approximately `50,000 crore, and compelled holders of large cash currency to disclose their source of earnings. During this period, Benami assets worth `6,900 crore and foreign assets worth `1,600 crore have been attached. As many as 3,38,000 shell companies have been detected and de-registered, and their directors disqualified. Growth of 18% in direct tax collection in 2017-18 and increase in tax base by as many as 1.06 crore people filing income tax returns for the first time in FY 2017-18 is mainly on account of demonetization.

Vision for the next Decade

68. Madam Speaker, the NDA Government headed by Hon'ble Prime Minister Shri Narendra Modi has laid the foundation for India's growth and development for times to come. We have resolved many problems which were coming in the way of realising our full potential as a society and an economy. We are poised to become a Five Trillion Dollar Economy in the next five years and aspire to become a Ten Trillion Dollar Economy in the next 8 years thereafter.

69. In the Indian ethos, anything which is good is supposed to bestow, cause, create and do good in all ten directions. I will, therefore, layout our vision for ten most important dimensions in 2030.

70. The First Dimension of this Vision will be to build physical as well as social infrastructure for a ten Trillion Dollar economy and to provide ease of living. It will comprise next generation infrastructure of roads, railways, seaports, airports, urban transport, gas and electric transmission and inland waterways. On the social infrastructure side, every family will have a roof on its head and will live in a healthy, clean and wholesome environment. We will also build a quality, science oriented educational system with Institutes of Excellence providing leadership at the top.

71. The Second dimension of our Vision is to create a Digital India reaching every sector of the economy, every corner of the country and impacting the life of all Indians. Digital Infrastructure and digital economy of 2030 will be built upon the successes achieved in recent years in digitisation of Government processes and private transactions. Our youth will lead us in this endeavour with innumerable start-ups creating digital India, and millions of jobs in this eco-system.

72. Making India a pollution free nation with green Mother Earth and blue skies is the Third Dimension of our Vision. This India will drive on Electric Vehicles with Renewables becoming a major source of energy supply. India will lead the world in the transport revolution through electric vehicles and energy storage devices, bringing down import-dependence and ensuring energy security for our people.

73. Expanding rural industrialisation using modern digital technologies to generate massive employment is the Fourth Dimension of our Vision. This will be built upon the Make in India approach to develop grass-roots level clusters, structures and mechanisms encompassing the MSMEs, village industries and start-ups spread in every nook and corner of the country. India is now on the way to becoming a global manufacturing hub in various sectors including automobiles and electronics, defence and medical devices.

74. Our rivers and water bodies are our life supporting assets. Our Government has worked vigorously for cleaning River Ganga. Fifth Dimension of our Vision for India of 2030 is Clean Rivers, with safe drinking water to all Indians, sustaining and nourishing life and efficient use of water in irrigation using micro-irrigation techniques.

75. India's long coastline has the potential of becoming the strength of the economy, particularly through exploitation of the Blue Economy, to ensure better standards and quality of life for a large number of people living in the coastal areas. Our efforts in the Sagarmala programme will be scaled up and we will develop other inland waterways faster. Our coastline and our ocean waters powering India's development and growth is the Sixth Dimension of our Vision.

76. The Seventh Dimension of our Vision aims at the outer skies. Our space programme – Gaganyaan, India becoming the launch-pad of satellites for the World and placing an Indian astronaut into space by 2022 reflect this dimension of our vision.

77. Making India self-sufficient in food, exporting to the world to meet their food needs and producing food in the most organic way is the Eighth Dimension of our Vision. High farm production and productivity will be achieved through modern agricultural practices and value addition. An integrated approach towards agro and food processing, preservation, packaging and maintenance of the cold chain will be our focus of attention.

78. A healthy India is the Ninth Dimension of our Vision. We will be aiming at healthy society with an environment of health assurance and the support of necessary health infrastructure. Our Government has rolled out the Ayushman Bharat scheme. By 2030, we will work towards a distress free health care and a functional and comprehensive wellness system for all. Such a healthy India built with the participation of women having equal rights and concern for their safety and empowerment.

79. Our Vision can be delivered by Team India - our employees working together with the elected Government, transforming India into a Minimum Government Maximum Governance nation. This is the Tenth Dimension. Our India of 2030 will have a proactive and responsible bureaucracy which will be viewed as friendly to people.

80. With this comprehensive ten-dimensional Vision, we will create an India where poverty, malnutrition, littering and illiteracy would be a matter of the past. India would be a modern, technology driven, high growth, equitable and transparent society.

The Fiscal Programme for 2019-20 and beyond

81. The estimate of incomes and expenditure which I am presenting today, pegs the fiscal deficit of year 2019-20 at 3.4% of GDP. We would have maintained fiscal deficit at 3.3% for year 2018-19 and taken further steps to consolidate fiscal deficit in year 2019-20. However, considering the need for income support to farmers we have provided `20,000 crore in 2018-19 RE and ` 75,000 crore in 2019-20 BE. If we exclude this, the fiscal deficit would have been less than 3.3% for 2018-19 and less than 3.1% for year 2019-20.

82. Total expenditure rises from ` 24,57,235 crore in 2018-19 RE to `27,84,200 crore in 2019-20 BE, a rise of `3,26,965 crore or approximately 13.30%. This reflect a high increase considering low inflation. Capital Expenditure for 2019-20 BE is estimated to be ` 3,36,292 crore. Centrally Sponsored Schemes (CSS) are proposed to be allocated `3,27,679 crore in BE 2019-20 as against `3,04,849 crore in 2018-19 RE. Allocation for National Education Mission is being increased from `32,334 crore in RE 2018-19 to ` 38,572 crore in BE 2019-20. Allocation for Integrated Child Development Scheme (ICDS) is being increased from ` 23,357 crore in RE 2018-19 to ` 27,584 crore in BE 2019-20.

83. A substantial increase is proposed in the allocation for welfare of the Scheduled Castes and Scheduled Tribes. The allocation of `56,619 crore made in BE of 2018-19 for Scheduled Caste, further increased to ` 62,474 crore in RE is proposed to be enhanced to ` 76,801 crore in BE for 2019-20, an increase of 35.6% over BE of 2018-19. For the Scheduled Tribes also, proposed allocation in 2019-20 BE is `50,086 crore as against `39,135 crore in BE 2018-19, an increase of 28%.

84. We have pursued the public enterprises asset management agenda to make these enterprises accountable to the people. As many as 57 CPSEs are now listed with total market capitalisation of over ` 13 lakh crore. The Government received over `1 lakh crore from disinvestment proceeds during 2017-18. We are confident of crossing the target of `80,000 crore this year.

85. We have maintained the glide path towards our target of 3% of fiscal deficit to be achieved by 2020-21. India's Debt to GDP ratio was 46.5% in year 2017-18. The FRBM Act prescribes that the Debt to GDP ratio of the Government of India should be brought down to 40% by 2024-25. Along

with completion of the fiscal deficit consolidation programme, we will now focus on Debt consolidation.

86. Our Government had promised last year that we will carry out reforms in stamp duty levied and collected on financial securities transactions. I am proposing, through the Finance Bill, necessary amendments in this regard. The amendments proposed would usher in a very streamlined system. Stamp duties would be levied on one instrument relating to one transaction and get collected at one place through the Stock Exchanges. The duty so collected will be shared with the State Governments seamlessly on the basis of domicile of buying client.

PART B:

Tax Proposals

87. On behalf of all the people of India and our Government, I would first like to thank all our taxpayers for their valuable contribution to nation building and for providing a better life to the poor and marginalized sections of society. Your tax helps provide dignity to our sisters and mothers with toilets and cooking gas connections. Your tax pays for the electricity connections to the poor who lived in darkness for generations. The tax you pay will provide health care to 50 crore brothers and sisters, and children. It is you who is ensuring respect, dignity, and a secure future to our retired jawans through One Rank One Pension. Thank you, taxpayers.

88. Because of major tax reforms undertaken by us during the last four and half years, both tax collections as well as the tax base have shown significant increase and we have made progress towards achieving a moderate taxation–high compliance regime. It is, therefore, just and fair that some benefits from the tax reforms must also be passed on to the middle class taxpayers. Keeping this in view, I propose to further reduce the tax burden on such taxpayers. Though as per convention, the main tax proposals will be presented in the regular budget, small taxpayers especially middle class, salary earners, pensioners, and senior citizens need certainty in their minds at the beginning of the year about their taxes. Therefore, proposals, particularly relating to such class of persons should not wait. Hence, while for the present the existing rates of income tax will continue for FY 2019-20, I propose the following:

89. Individual taxpayers having taxable annual income up to ` 5 lakhs will get full tax rebate and therefore will not be required to pay any income tax. As a result, even persons having gross income up to ` 6.50 lakhs may not be required to pay any income tax if they make investments in provident funds, specified savings, insurance etc. In fact, with additional deductions such as interest on home loan up to ` 2 lakh, interest on education loans, National Pension Scheme contributions, medical insurance, medical expenditure on senior citizens etc, persons having even higher income will not have to pay any tax. This will provide tax benefit of ` 18,500 crore to an estimated 3 crore middle class taxpayers comprising self employed, small business, small traders, salary earners, pensioners and senior citizens.

90. For salaried persons, Standard Deduction is being raised from the current ` 40,000 to ` 50,000. This will provide additional tax benefit of ` 4,700 crore to more than 3 crore salary earners and pensioners.

91. Currently, income tax on notional rent is payable if one has more than one self-occupied house. Considering the difficulty of the middle class having to maintain families at two locations on account of their job, children's education, care of parents etc. I am proposing to exempt levy of income tax on notional rent on a second self-occupied house.

92. TDS threshold on interest earned on bank/post office deposits is being raised from ` 10,000 to ` 40,000. This will benefit small depositors and non-working spouses. Further, the TDS threshold for deduction of tax on rent is proposed to be increased from ` 1,80,000 to ` 2,40,000 for providing relief to small taxpayers.

93. The benefit of rollover of capital gains under section 54 of the Income Tax Act will be increased from investment in one residential house to two residential houses for a tax payer having capital gains up to ` 2 crore. This benefit can be availed once in a life time.

94. For making more homes available under affordable housing, the benefits under Section 80-IBA of the Income Tax Act is being extended for one more year, i.e. to the housing projects approved till 31st March, 2020.

95. Also, for giving impetus to the real estate sector, I have proposed to extend the period of exemption from levy of tax on notional rent, on unsold inventories, from one year to two years, from the end of the year in which the project is completed.

Concluding Remarks

96. Madam Speaker, This is not merely an Interim Budget, but a medium of the country's development journey. All the transformation that we are witnessing, is because of the passion of the people of our nation. The credit goes to them only. Development has become a mass-movement during the period of our Government.

97. We will transform India into a leading nation of the world with the help of our people. We, along with them have laid the foundation. A grand edifice will be erected with their support. We have given a decisive leadership, whose intent is clear, policy is transparent and integrity is resolute.

98. With this, I commend the Budget to this august House.