



BUDGET 2019

AT A GLANCE

KEY HIGHLIGHTS

Income Tax

- Introduction of Surcharge for individuals :
 - @ 25% for income between Rs. 2 to 5 crores (Effective tax rate = 39%)
 - @ 37% for Income above Rs. 5 crores (Effective tax rate = 42.744%)
- Tax rate of 25 % extended to companies with turnover of upto Rs 400 crores in FY 2017-18
- Additional deduction of interest upto Rs 1.5 lakhs on loans borrowed for purchase of an electric vehicle
- Additional deduction of interest upto Rs 1.5 lakhs on loans borrowed between 01.04.2019 to 31.03.2020 for purchase of a residential house upto value of Rs. 45 lakhs subject to fulfilment of conditions
- Gift from a resident to non-resident of amount or property from India now taxable if requisite conditions are not satisfied.
- Cash withdrawals exceeding Rs 1 crore in a year from a bank account will be subject to TDS @ 2% w.e.f. 01.09.2019

KEY HIGHLIGHTS

- Individuals and HUFs liable to deduct TDS @ 5% w.e.f 01.09.2019 for payments made to contractors or professionals exceeding Rs. 50 lakhs in a year
- TDS on life insurance payout will be done @ 5% of the net amount (i.e. total amount received minus premiums paid) instead of 1% of the gross amount
- Benefit of tax exemption on NPS withdrawal at the time of closure or opting out of the NPS scheme is increased from existing 40% of the amount withdrawn to 60%
- Buyback of shares by listed companies will also be liable for buyback tax @ 23.30% (including surcharge and cess)
- In case of NBFCs (Deposit taking as well as Systemically Important Non-Deposit taking), interest for certain bad or doubtful debts shall be taxed on receipt basis
- Exemption from rigours of Sec 56(2)(viib) extended to Category-II Alternative Investment Funds (AIF) besides Venture Capital Fund
- Interchangeable use of PAN and Aadhaar card permitted for filing income tax return

KEY HIGHLIGHTS



Other Reforms

- Proposal to issue Aadhar card to Non-Resident Indians (NRIs) with Indian Passports after arrival in India, without waiting period
- KYC norms for Foreign Portfolio Investors (FPI) would be streamlined to attract more investment
- Increase in statutory limit for FPI investment in a company from 24% to sectoral limit
- 100% FDI will be permitted for insurance intermediaries
- FDI to be opened up for aviation, media and insurance sectors
- Local sourcing norms will be eased for the Single brand retail sector
- NRI portfolio route to merge with FPI route

‘ न चोर हार्यं न च राज हार्यं न भात्रू
भाज्यं न च भारकारि
व्ययं कृते वर्धत एव नित्यं
विद्याधनं सर्वधनप्रधानम ’

Knowledge is the **Wealth** that:

The **Thief** cannot **Steal**,
The **King** cannot **Acquire**,
The **Brothers** cannot **Share**,
Does not **Weigh** on You,
Grows Forever as you share ,
Truly, **Knowledge** is the **Greatest Wealth**.

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