

Key Features of Budget 2014-2015

THE CURRENT ECONOMIC SITUATION AND THE CHALLENGES



- ❑ Decisive vote for change represents the desire of the people to grow, free themselves from the curse of poverty and use the opportunity provided by the society. Country in no mood to suffer unemployment, inadequate basic amenities, lack of infrastructure and apathetic governance.



- ❑ Challenging situation due to Sub five per cent growth and double digit inflation.
- ❑ Continued slow-down in many emerging economies a threat to sustained global recovery.
- ❑ Recovery seen with the growth rate of world economy projected at 3.6 per cent in 2014 vis-à-vis in 2013.
- ❑ First budget of this NDA government to lay down a broad policy indicator of the direction in which we wish to take this country.

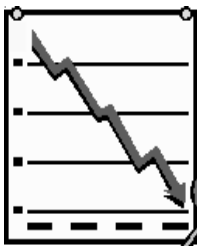


- ❑ Steps announced are only the beginning of the journey towards a sustained growth of 7-8 per cent or above within the next 3-4 years along with macro-economic stabilization.
- ❑ Growing aspirations of people will be reflected in the development strategy of the Government led by the Prime minister Shri Narendra Modi and its mandate of “Sab ka Saath Sab ka Vikas”.



- ❑ Need to revive growth in manufacturing and infrastructure sectors.
- ❑ Tax to GDP ratio must be improved and Non-tax revenues increased.

Deficit and Inflation



- ❑ Decline in fiscal deficit from 5.7% in 2011-12 to 4.5% in 2013-14 mainly achieved by reduction in expenditure rather than by way of realization of higher revenue.
- ❑ Improvement in current account deficit from 4.7 % in 2012-13 to year end level of 1.7% mainly achieved through restriction on non-essential import and slow-down in overall aggregate demand. Need to keep watch on CAD.
- ❑ 4.1 per cent fiscal deficit a daunting task in the backdrop of two years of low GDP growth, static industrial growth, moderate increase in indirect taxes, subsidy burden and not so encouraging tax buoyancy.



❑ The government is committed to achieve this target. Road map for fiscal consolidation outlines fiscal deficit of 3.6 % for 2015-16 and 3 % for 2016-17.

❑ Inflation has remain at elevated level with gradual moderation in WPI recently.

❑ The problem of black money must be fully addressed.

❑ Bold steps required to enhance economic activities and spur growth in the economy.



Administrative Initiatives

❑ Sovereign right of the Government to undertake retrospective legislation to be exercised with extreme caution and judiciousness keeping in mind the impact of each such measure on the economy and the overall investment climate.

❑ A stable and predictable taxation regime which will be investor friendly and spur growth.

❑ Legislative and administrative changes to sort out pending tax demands of more than ₹ 4 lakh crore under dispute and litigation.

❑ Resident tax payers enabled to obtain on advance ruling in respect of their income-tax liability above a defined threshold.

❑ Measures for strengthening the Authority for Advance Rulings.

❑ Income-tax Settlement Commission scope to be enlarged.

❑ National Academy for Customs & Excise at Hindupur in Andhra Pradesh.

❑ The subsidy regime to be made more targeted for full protection to the marginalized, poor and SC/ST.

❑ New Urea Policy would be formulated.

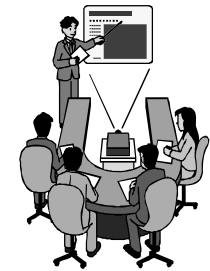
❑ Introduction of GST to be given thrust.

❑ High level committee to interact with trade and industry on regular basis to ascertain areas requiring clarity in tax laws is required to be set up.

❑ Convergence with International Financial Reporting Standard (IFRS) by Adoption of the new Indian Accounting Standards (2nd AS) by Indian Companies.

❑ Setting up of Expenditure Management Commission to look into expenditure reforms.

❑ Employment exchanges to be transformed into career centres. A sum of ₹ 100 crore provided .



ECONOMIC INITIATIVES

Foreign Direct Investment (FDI)



- ❑ Government to promote FDI selectively in sectors.
- ❑ The composite cap of foreign investment to be raised to 49 per cent with full Indian management and control through the FIPB route.
- ❑ The composite cap in the insurance sector to be increased up to 49 per cent from 26 per cent with full Indian management and control through the FIPB route.
- ❑ Requirement of the built up area and capital conditions for FDI to be reduced from 50,000 square metres to 20,000 square metres and from USD 10 million to USD 5 million respectively for development of smart cities.
- ❑ The manufacturing units to be allowed to sell its products through retail including E-commerce platforms.



Bank Capitalization



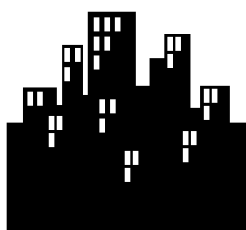
- ❑ Requirement to infuse ₹.2,40,000 crore as equity by 2018 in our banks to be in line with Basel-III norms
- ❑ Capital of banks to be raised by increasing the shareholding of the people in a phased manner.

PSU Capital Expenditure



- ❑ PSUs will invest through capital investment a total sum of ₹ 2,47,941 crores in the current financial year.

Smart Cities



- ❑ A sum of ₹ 7060 crore is provided in the current fiscal for the project of developing “one hundred Smart Cities’

Real Estate



- ❑ Incentives for Real Estate Investment Trusts (REITS). Complete pass through for the purpose of taxation.
- ❑ A modified REITS type structure for infrastructure projects as the Infrastructure Investment Trusts (INVITS).
- ❑ These two instruments to attract long term finance from foreign and domestic sources including the NRIs .



Irrigation

- ❑ ₹ 1000 crore provided for “Pradhan Mantri Krishi Sinchayee Yojna” for assured irrigation.

Rural Development



- ❑ Shyama Prasad Mukherji Rurban Mission for integrated project based infrastructure in the rural areas.

- ❑ ₹ 500 crore for “Deen Dayal Upadhyaya Gram Jyoti Yojana” for feeder separation to augment power supply to the rural areas.

- ❑ ₹ 14,389 crore provided for Pradhan Mantri Gram Sadak Yojna(PMGSY) .



- ❑ More productive, asset creating and with linkages to agriculture and allied activities wage employment would to be provided under MGNREGA.

- ❑ Under Aajeevika, the provision of bank loan for women SHGs at 4% to be extended to another 100 districts.

- ❑ Initial sum of ₹ 100 crore for “Start Up Village Entrepreneurship Programme” for encouraging rural youth to take up local entrepreneurship programs .



- ❑ Allocation for National Housing Bank increased to ₹ 8000 crore to support Rural housing.

- ❑ New programme “Neeranchal” to give impetus to watershed development in the country with an initial outlay of ₹ 2142 crores.

- ❑ Backward Region Grant Fund (BRGF) to be restructured to address intra-district inequalities.



Scheduled Caste/Scheduled Tribe

- ❑ An amount of ₹ 50,548 crore is proposed under the SC Plan and ₹ 32,387 crore under TSP.

- ❑ For the welfare of the tribals “Van Bandhu Kalyan Yojna” launched with an initial allocation of ₹ 100 crore.

Senior Citizen & Differently Abled Persons



- ❑ Varishtha Pension Bima Yojana (VPBY) to be revived for a limited period from 15 August, 2014 to 14 August, 2015 for the benefit of citizens aged 60 years and above.

- ❑ A committee will to examine and recommend how unclaimed amounts with PPF, Post Office, saving schemes etc. can be used to protect and further financial interests of the senior citizens?



- ❑ Government notified a minimum pension of ₹ 1000 per month to all subscriber members of EP Scheme. Initial provision of ₹ 250 crore.
- ❑ Increase in mandatory wage ceiling of subscription to ₹ 15000. A provision of ₹ 250 crore in the current budget.
- ❑ EPFO to launch the “Uniform Account Number” Service for contributing members .
- ❑ Scheme for Assistance to Disabled Persons for purchase/fitting of Aids and Appliances (ADIP) extended to include contemporary aids and assistive devices.
- ❑ National level institutes for Universal Inclusive Design , Mental Health Rehabilitation and a Centre for Disability Sports to be established.
- ❑ Assistance to State Governments to establish fifteen new Braille Presses and modernize ten existing Braille Presses.
- ❑ Government to print currency notes with Braille like signs for visibly challenged persons.

Women & Child Development



- ❑ Outlay of ₹ 50 crores for pilot testing a scheme on “Safety for Women on Public Road Transport”.
- ❑ Sum of ₹ 150 crores on a scheme to increase the safety of women in large cities.
- ❑ “Crisis Management Centres” in all the districts of NCT of Delhi this year government and private hospitals.
- ❑ A sum of ₹ 100 crore is provided for “Beti Bachao, Beti Padhao Yojana”, a focused scheme to generate awareness and help in improving the efficiency of delivery of welfare services meant for women.
- ❑ School curriculum to have a separate chapter on gender mainstreaming.

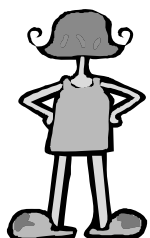


Drinking Water & Sanitation



- ❑ 20,000 habitations affected with arsenic, fluoride, heavy/ toxic elements, pesticides/ fertilizers to be provided safe drinking water through community water purification plants in next 3 years
- ❑ “Swachh Bharat Abhiyan” to cover every household with sanitation facility by the year 2019.

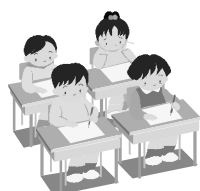
Health and Family Welfare



- ❑ Free Drug Service and Free Diagnosis Service to achieve “Health For All”
- ❑ Two National Institutes of Ageing to be set up at AIIMS, New Delhi and Madras Medical College, Chennai.
- ❑ A national level research and referral Institute for higher dental studies to be set up.
- ❑ AIIMS like institutions in Andhra Pradesh, West Bengal, Vidarbha in Maharashtra and Poorvanchal in UP. A provision of ₹ 500 crores made.
- ❑ 12 new government medical colleges to be set up.
- ❑ States’ Drug Regulatory and Food Regulatory Systems to be strengthened by creating new drug testing laboratories and strengthening the 31 existing State laboratories.
- ❑ 15 Model Rural Health Research Centres to be set up for research on local health issues concerning rural population.
- ❑ A national programme in Mission Mode to halt the deteriorating malnutrition situation in India to be put in place within six months.

EDUCATION

School Education



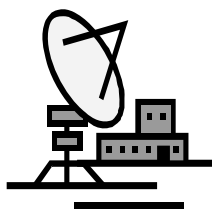
- ❑ Government would strive to provide toilets and drinking water in all the girls school in first phase. An amount of ₹ 28635 crore is being funded for Sarv Shiksha Abhiyan(SSA) and ₹ 4966 crore for Rashtriya madhyamic Shiksha Abhiyan (RMSA).
- ❑ A School Assessment Programme is being initiated at a cost of ₹ 30 crore.
- ❑ ₹ 500 crore provided for “Pandit Madan Mohan Malviya New Teachers Training Programme” to infuse new training tools and motivate teachers.
- ❑ ₹ 100 crore provided for setting up virtual classrooms as Communication Linked Interface for Cultivating Knowledge (CLICK) and online courses.

Higher Education



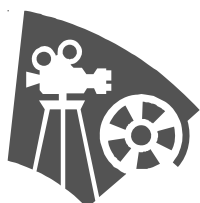
- ❑ Jai Prakash Narayan National Centre for Excellence in Humanities to be set up in MP.
- ❑ ₹ 500 crore provided for setting up 5 more IITs in the Jammu, Chhattisgarh, Goa, Andhra Pradesh and Kerala.
- ❑ 5 IIMs in the States of HP, Punjab, Bihar, Odisha and Rajasthan.
- ❑ Simplification of norms to facilitate education loans for higher studies.

Information Technology



- ❑ Pan India programme “Digital India” to with an outlay of ₹ 500 crore to be launched.
- ❑ Programme for promoting “Good Governance” to be launched .A sum of ₹ 100 crore provided.

Information and Broadcasting



- ❑ ₹ 100 crore allocated for 600 new and existing Community Radio Stations.
- ❑ Film & Television Institute, Pune and Satyajit Ray Film & Television Institute, Kolkata are proposed to be accorded status of Institutes of national importance and a “National Centre for Excellence in Animation, Gaming and Special Effects” to be set up.
- ❑ ₹ 100 crore is provided for Kisan TV, to disseminate real time information to the farmers on issues such as new farming techniques, water conservation, organic farming etc.

Urban Development



- ❑ Vision of the Government is that 500 urban habitations to be provided support for renewal of infrastructure and services in next 10 years through PPPs
- ❑ Present corpus of Pooled Municipal Debt Obligation Facility facility to be enlarged to ₹ 50,000 Crore from ₹ 5000 crore.
- ❑ ₹ 100 crore provided for Metro Projects in Lucknow and Ahemdabad.

Housing



- ❑ Extended additional tax incentive on home loans shall be provided to encourage people, especially the young, to own houses.
- ❑ Mission on Low Cost Affordable Housing anchored in the National Housing Bank to be set up.
- ❑ A sum of ₹ 4000 crores for NHB from the priority sector lending shortfall with a view to increase the flow of cheaper credit for affordable housing to the urban poor/EWS/LIG segment is provided
- ❑ Slum development to be included in the list of Corporate Social Responsibility (CSR) activities to encourage the private sector to contribute more.

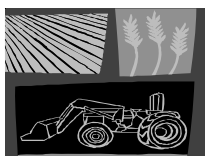
Minorities

- ❑ A programme for the up gradation of skills and training in ancestral arts for development for the minorities “Up gradation of Traditional Skills in Arts, Resources and Goods” to be launched.
- ❑ An additional amount of ₹ 100 crores for Modernization of Madarsas .

AGRICULTURE



- ❑ Government to establish two more Agricultural Research Institute of excellence in Assam and Jharkhand with an initial sum of ₹ 100 crore.
- ❑ An amount of ₹ 100 crores set aside for “Agri-tech Infrastructure Fund”.
- ❑ ₹ 200 crore provided to open Agriculture Universities in Andhra Pradesh and Rajasthan and Horticulture Universities in Telangana and Haryana.
- ❑ A scheme to provide every farmer a soil health card in a Mission mode will be launched. ₹ 100 crore has been provided for this purpose and additional ₹ 56 crores to set up 100 Mobile Soil Testing Laboratories across the country.
- ❑ To meet the vagaries of climate change a “National Adaptation Fund” with an initial sum an amount of ₹ 100 crore will be set up.



- ❑ A sustainable growth of 4% in Agriculture will be achieved.
- ❑ Technology driven second green revolution with focus on higher productivity and including “Protein revolution” will be area of major focus.
- ❑ To mitigate the risk of Price volatility in the agriculture produce, a sum of ₹ 500 crore is provided for establishing a “Price Stabilization Fund”.



- ❑ Central Government to work closely with the State Governments to re-orient their respective APMC Acts.
- ❑ Sum of ₹ 50 crores provided for the development of indigenous cattle breeds and an equal amount for starting a blue revolution in inland fisheries.
- ❑ Transformation plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers.

Agriculture Credit



- ❑ To provide institutional finance to landless farmers, it is proposed to provide finance to 5 lakh joint farming groups of “**Bhoomi Heen Kisan**” through NABARD .
- ❑ A target of ₹ 8 lakh crore has been set for agriculture credit during 2014-15.
- ❑ Corpus of Rural Infrastructure Development Fund (RIDF) raised by an additional ₹ 5000 crores from the target given in the Interim Budget to ₹ 25000 crores .
- ❑ Allocation of ₹ 5,000 crore provided for the Warehouse Infrastructure Fund.
- ❑ “Long Term Rural Credit Fund” to set up for the purpose of providing refinance support to Cooperative Banks and Regional Rural Banks with an initial corpus of ₹ 5,000 crore.

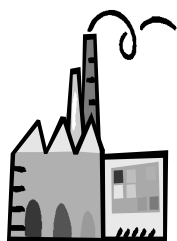
- ❑ Amount of ₹ 50,000 crore allocated for Short Term Cooperative Rural Credit .
- ❑ Sum of ₹ 200 crore for NABARD's Producers Development and Upliftment Corpus (PRODUCE) for building 2,000 producers organizations over the next two years.

Food Security



- ❑ Restructuring FCI, reducing transportation and distribution losses and efficacy of PDS to be taken up on priority.
- ❑ Government committed to provide wheat and rice at reasonable prices to the weaker sections of the society.
- ❑ Government when required will undertake open market sales to keep prices under control.

INDUSTRY



- ❑ Central Government Departments and Ministries to integrate their services with the e-Biz -a single window IT platform- for services on priority by 31 December this year.
- ❑ ₹ 100 crore provided for setting up a National Industrial Corridor Authority.
- ❑ Amritsar Kolkata Industrial master planning to be completed expeditiously.
- ❑ Master planning of 3 new smart cities in the Chennai-Bengaluru Industrial Corridor region, viz., Ponneri in Tamil Nadu, Krishnapatnam in Andhra Pradesh and Tumkur in Karnataka to be completed.
- ❑ Perspective plan for the Bengaluru Mumbai Economic corridor (BMEC) and Vizag-Chennai corridor to be completed with the provision for 20 new industrial clusters.
- ❑ Development of industrial corridors with emphasis on Smart Cities linked to transport connectivity to spur growth in manufacturing and urbanization will be accelerated.
- ❑ Proposed to establish an Export promotion Mission to bring all stakeholders under one umbrella.
- ❑ Apprenticeship Act to be suitably amended to make it more responsive to industry and youth.

Micro Small and Medium Enterprises (MSME) Sector



- ❑ Skill India to be launched to skill the youth with an emphasis on employability and entrepreneur skills.
- ❑ Committee to examine the financial architecture for MSME Sector, remove bottlenecks and create new rules and structures to be set up and give concrete suggestions in three months.



- ❑ Fund of Funds with a corpus of ₹.10,000 crore for providing equity through venture capital funds, quasi equity, soft loans and other risk capital specially to encourage new startups by youth to be set up.
- ❑ Corpus of ₹ 200 crore to be set up to establish Technology Centre Network .
- ❑ Definition of MSME to be reviewed to provide for a higher capital ceiling.
- ❑ Programme to facilitate forward and backward linkages with multiple value chain of manufacturing and service delivery to be put in place.
- ❑ Entrepreneur friendly legal bankruptcy framework will be developed for SMEs to enable easy exit.
- ❑ A nationwide “District level Incubation and Accelerator Programme” to be taken up for incubation of new ideas and necessary support for accelerating entrepreneurship.



Textiles

- ❑ ₹ 50 crore is provided to set up a Trade Facilitation Centre and a Crafts Museum to develop and promote handloom products and carry forward the rich tradition of handlooms of Varanasi.
- ❑ Sum of ₹ 500 crore for developing a Textile mega-cluster at Varanasi and six more at Bareilly, Lucknow, Surat, Kutch, Bhagalpur and Mysore.
- ❑ ₹ 20 crore to set up a Hastkala Academy for the preservation, revival, and documentation of the handloom/handicraft sector in PPP mode in Delhi.
- ❑ ₹ 50 crore is provided to start a Pashmina Promotion Programme (P-3) and development of other crafts of Jammu & Kashmir.

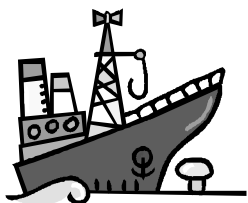


INFRASTRUCTURE

- ❑ An institution to provide support to mainstreaming PPPs called 4PIndia to be set up with a corpus of ₹ 500 crores.

Shipping

- ❑ ₹ 11635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for phase I.
- ❑ SEZs will be developed in Kandla and JNPT.
- ❑ Comprehensive policy to be announced to promote Indian ship building industry.



Inland Navigation



- ❑ Project on Ganges called “ Jal Marg Vikas’ to be developed between Allahabad and Haldia.

New Airports

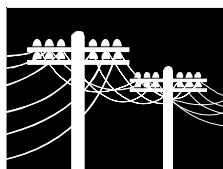
- ❑ Scheme for development of new airports in Tier I and Tier II Cities to be launched.

Roads sector



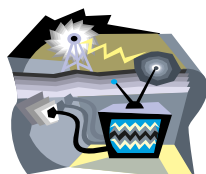
- ❑ Sector needs huge amount of investment along with debottlenecking from maze of clearances.
- ❑ An investment of an amount of ₹ 37,880 crores in NHAI and State Roads is proposed which includes ₹ 3000 crores for the North East.
- ❑ Target of NH construction of 8500 km will be achieved in current financial year.
- ❑ Work on select expressways in parallel to the development of the Industrial Corridors will be initiated. For project preparation NHAI shall set aside a sum of ₹ 500 crore.

Energy



- ❑ ₹ 100 crore is allocated for a new scheme “Ultra-Modern Super Critical Coal Based Thermal Power Technology.”
- ❑ Comprehensive measures for enhancing domestic coal production are being put in place.
- ❑ Adequate quantity of coal will be provided to power plants which are already commissioned or would be commissioned by March 2015.
- ❑ An exercise to rationalize coal linkages to optimize transport of coal and reduce cost of power is underway.

New & Renewable Energy



- ❑ ₹ 500 crores provided for Ultra Mega Solar Power Projects in Rajasthan, Gujarat, Tamil Nadu, Andhra Pradesh and Laddakh.
- ❑ ₹ 400 crores provided for a scheme for solar power driven agricultural pump sets and water pumping stations.
- ❑ ₹ 100 crore provided for the development of 1 MW Solar Parks on the banks of canals.
- ❑ A Green Energy Corridor Project is being implemented to facilitate evacuation of renewable energy across the country.

Petroleum & Natural Gas



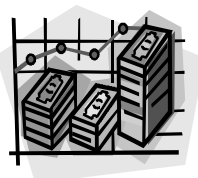
- Production and exploitation of Coal Bed Methane reserves will be accelerated.
- Possibility of using modern technology to revive old or closed wells to be explored.
- Usage of PNG to be rapidly scaled up in a Mission mode.
- Proposal to develop pipelines using appropriate PPP models.

Mining

- Changes, if necessary, in the MMDR Act, 1957 to be introduced to encourage investment in mining sector and promote sustainable mining practices.

FINANCIAL SECTOR

Capital Market



- Ongoing process of consultations with all the stakeholders on the enactment of the Indian Financial Code and reports of the Financial Sector Legislative Reforms Commission (FSLRC) to be completed.
- Government in close consultation with the RBI to put in place a modern monetary policy framework.
- Following measures will be taken to energize Capital markets:
- Introduction of uniform KYC norms and inter-usability of the KYC records across the entire financial sector.
- Introduce one single operating demat account
- Uniform tax treatment for pension fund and mutual fund linked retirement plan

BANKING AND INSURANCE SECTOR

Banking



- Time bound programme as Financial Inclusion Mission to be launched on 15 August this year with focus on the weaker sections of the society.
- Banks to be encouraged to extend long term loans to infrastructure sector with flexible structuring.
- Banks to be permitted to raise long term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending (PSL).



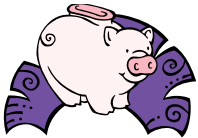
- ❑ RBI to create a framework for licensing small banks and other differentiated banks.
- ❑ Differentiated banks serving niche interests, local area banks, payment banks etc. are contemplated to meet credit and remittance needs of small businesses, unorganized sector, low income households, farmers and migrant work force.
- ❑ Six new Debt Recovery Tribunals to be set up.
- ❑ For venture capital in the MSME sector, a ₹ 10,000 crore fund to act as a catalyst to attract private Capital by way of providing equity , quasi equity, soft loans and other risk capital for start-up companies with suitable tax incentives to participating private funds to be established.

Insurance Sector



- ❑ The pending insurance laws (amendment) Bill to be immediately brought for consideration of the Parliament.
- ❑ The regulatory gap under the Prize Chits and Money Circulation Scheme (Banking) Act, 1978 will be bridged.

Small Savings



- ❑ Kissan Vikas Patra (KVP) to be reintroduced.
- ❑ A special small savings instrument to cater to the requirements of educating and marriage of the Girl Child to be introduced.
- ❑ A National Savings Certificate with insurance cover to provide additional benefits for the small saver.
- ❑ In the PPF Scheme, annual ceiling will be enhanced to ₹.1.5 lakh p.a. from ₹.1 lakh at present.

DEFENCE & INTERNAL SECURITY



- ❑ A further sum of ₹ 1000 crore to meet requirement for “One Rank One Pension”.
- ❑ Capital outlay for Defence increased by ₹ 5000 crore including a sum of ₹ 1000 crore for accelerating the development of the Railway system in the border areas.
- ❑ Urgent steps would also be taken to streamline the procurement process to make it speedy and more efficient.
- ❑ ₹ 100 crore is provided for construction of a war memorial in the Princes Park, which will be supplemented by a War Museum. I am allocating a sum of ₹ 100 crore for this purpose.
- ❑ ₹ 100 crore is provided to set up a Technology Development Fund for Defence.

Internal Security



- ₹ 3000 crore is provided in the current financial year for modernization of state police forces.
- Adequate allocation for Additional Central Assistance for Left Wing Extremist Affected districts..
- ₹ 2250 crore provided to strengthen and modernize border infrastructure.
- ₹ 990 crore allocated for the socio economic development of the villages along the borders.
- A sum of ₹ 150 crore ear-marked for the construction of Marine Police Station, Jetties and for the purchase of boats etc.
- ₹ 50 crores provided for construction of National Police Memorial.

CULTURE & TOURISM



- ₹ 200 crore provided to build the Statue of unity(National project).
- Facility of Electronic Travel Authorization (e-Visa) to be introduced in phased manner at nine airports in India.
- Countries to which the Electronic Travel authorisation facility would be extended would be identified in a phased manner.
- ₹ 500 crore provided for developing 5 tourist circuits around specific themes.
- ₹ 100 crore provided for National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).
- ₹ 200 crore provided for National Heritage City Development and Augmentation Yojana (HRIDAY).
- ₹ 100 crore provided for Archaeological sites preservation.
- Sarnath-Gaya-Varanasi Buddhist circuit to be developed with world class tourist amenities to attract tourists from all over the world.

Water Resources and cleaning of Ganga



- ₹ 100 crore provided for Detailed Project Reports for linking of rivers.
- ₹ 2037 crores provided for Integrated Ganga Conservation Mission “NAMAMI GANGE”.

- ❑ ₹ 100 crore provided for Ghat development and beautification at Kedarnath, Haridwar, Kanpur, Varanasi, Allahabad, Patna and Delhi.
- ❑ NRI Fund for Ganga will be set up.

Science and Technology

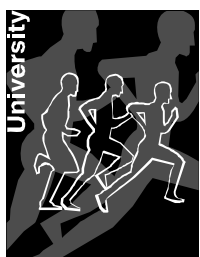


- ❑ Government to strengthen at least five institutions as Technical Research Centres.
- ❑ Development of Biotech clusters in Faridabad and Bengaluru.
- ❑ Nascent agri-biotech cluster in Mohali to be scaled up. In addition, two new clusters, in Pune and Kolkata to be established.
- ❑ Global partnerships will be developed under India's leadership to transform the Delhi component of the International Centre for Genetic Engineering and Biotechnology (ICGEB) into a world-leader in life sciences and biotechnology.
- ❑ Several major space missions planned for 2014-15.

Sports and Youth Affairs



- ❑ ₹ 200 crore provided for upgrading the indoor and outdoor sports stadiums in Jammu and Kashmir Valley to international standards.
- ❑ ₹ 100 crore provided for sports university in Manipur.



- ❑ India to start an annual event to promote Unique sports traditions in the Himalayan region games.
- ❑ ₹ 100 crore provided for the training of sports women and men for forthcoming Asian games.
- ❑ A "Young Leaders Programme" with an initial allocation of ₹ 100 crore to be set up.

North Eastern States

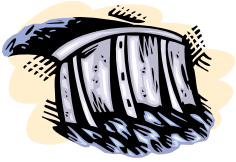


- ❑ ₹ 100 crore provided for development of organic farming in North Eastern States.
- ❑ ₹ 1000 crore provided for development of rail connectivity in the North Eastern Region.
- ❑ To provide a strong platform to rich cultural and linguistic identity of the North-East, a new 24x7 channel called "Arun Prabha" will be launched.

Andhra Pradesh and Telangana

- ❑ Government committed to addressing the issues relating to development of Andhra Pradesh and Telangana in the AP Re-organization Act, 2014. Provision made by various Ministries/Departments to fulfill the obligation of Union Government.

NCT of Delhi



- ❑ ₹ 200 crore for power reforms and ₹ 500 crore for water reforms to make Delhi a truly World Class City.
- ❑ ₹ 50 crore provided to solve the long term water supply issues to the capital region. Construction of long pending Renuka Dam to be taken up on priority.

Andaman and Nicobar Island and Puducherry



- ❑ ₹ 150 crore provided to tide over communication related problems of the Island.
- ❑ ₹ 188 crore to Puducherry for meeting commitments for Disaster preparedness.

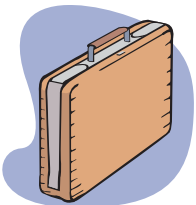
Displaced Kashmiri Migrants

- ❑ ₹ 500 crore provided to support displaced Kashmiri migrants for rebuilding their lives.

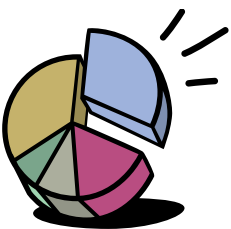
Himalayan Studies

- ❑ ₹ 100 crore provided to set up a National Centre for Himalayan Studies in Uttarakhand.

BUDGET ESTIMATES



- ❑ Mandate to be fulfilled without compromising fiscal consolidation.
- ❑ Non-plan Expenditure of ₹ 12,19,892 crore with additional provision for fertilizer subsidy and Capital expenditure for Armed forces.
- ❑ ₹ 5,75,000 crore Plan expenditure – increase of 26.9 per cent over actuals of 2013-14.
- ❑ Plan increase targeted towards Agriculture, capacity creation in Health and Education, Rural Roads and National Highways Infrastructure, Railways network expansion, clean energy initiatives, development of water resources and river conservation plans.
- ❑ Total expenditure of ₹ 17,94,892 crore estimated.
- ❑ Gross Tax receipts of ₹ 13,64,524 crore estimated.
- ❑ Net to centre of ₹ 9,77,258 crore estimated.
- ❑ Fiscal deficit of 4.1% of GDP and Revenue deficit of 2.9% estimated.
- ❑ New Statement to separately show plan allocation made for North Eastern Region. Allocation of ₹ 53,706 crore for North East Regions.



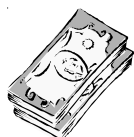
- ❑ Allocation of ₹ 50,548 crore under SCSP and ₹ 32,387 under TSP.
- ❑ Allocation for women at ₹ 98,030 crore and for children at ₹ 81,075 crore.

TAX PROPOSALS



- ❑ Ambitious Revenue Collection Targets in Interim Budget. Proposed tax changes factored in the Budget Estimates 2014-15
- ❑ Measures to revive the economy, promote investment in manufacturing, rationalize tax provisions to reduce litigation, address the problem of inverted duty structure in certain areas. Tax reliefs to individual tax payers.

DIRECT TAXES PROPOSALS



- ❑ Personal Income-tax exemption limit raised by ₹ 50,000/- that is, from ₹ 2 lakh to ₹ 2.5 lakh in the case of individual taxpayers, below the age of 60 years. Exemption limit raised from ₹ 2.5 lakh to ₹ 3 lakh in the case of senior citizens.
- ❑ No change in the rate of surcharge either for the corporates or the individuals, HUFs, firms etc.
- ❑ The education cess to continue at 3 percent.
- ❑ Investment limit under section 80C of the Income-tax Act raised from ₹ 1 lakh to ₹ 1.5 lakh.
- ❑ Deduction limit on account of interest on loan in respect of self occupied house property raised from ₹.1.5 lakh to ₹.2 lakh.
- ❑ Conducive tax regime to Infrastructure Investment Trusts and Real Estate Investment Trusts to be set up in accordance with regulations of the Securities and Exchange Board of India.



- ❑ Investment allowance at the rate of 15 percent to a manufacturing company that invests more than ₹ 25 crore in any year in new plant and machinery. The benefit to be available for three years i.e. for investments upto 31.03.2017.
- ❑ Investment linked deduction extended to two new sectors, namely, slurry pipelines for the transportation of iron ore, and semi-conductor wafer fabrication manufacturing units.
- ❑ 10 year tax holiday extended to the undertakings which begin generation, distribution and transmission of power by 31.03.2017.
- ❑ Income arising to foreign portfolio investors from transaction in securities to be treated as capital gains.



- Concessional rate of 15 percent on foreign dividends without any sunset date to be continued.
- The eligible date of borrowing in foreign currency extended from 30.06.2015 to 30.06.2017 for a concessional tax rate of 5 percent on interest payments. Tax incentive extended to all types of bonds instead of only infrastructure bonds.
- Introduction of a “Roll Back” provision in the Advanced Pricing Agreement (APA) scheme so that an APA entered into for future transactions is also applicable to international transactions undertaken in previous four years in specified circumstances.
- Introduction of range concept for determination of arm’s length price in transfer pricing regulations.
- To allow use of multiple year data for comparability analysis under transfer pricing regulations.
- To remove tax arbitrage, rate of tax on long term capital gains increased from 10 percent to 20 percent on transfer of units of Mutual Funds, other than equity oriented funds.
- Income and dividend distribution tax to be levied on gross amount instead of amount paid net of taxes.
- In case of non deduction of tax on payments, 30% of such payments will be disallowed instead of 100 percent.
- Government to review the DTC in its present shape and take a view in the whole matter.
- 60 more Ayakar Seva Kendras to be opened during the current financial year to promote excellence in service delivery.
- Net Effect of the direct tax proposals to result in revenue loss of ₹.22,200 crore.



INDIRECT TAXES PROPOSALS

- To boost domestic manufacture and to address the issue of inverted duties, basic customs duty (BCD) reduced on certain items.
- To encourage new investment and capacity addition in the chemicals and petrochemicals sector, basic customs duty reduced on certain items.
- Steps taken to boost domestic production of electronic items and reduce our dependence on imports. These include imposition of basic customs duty on certain items falling outside the purview of IT Agreement, exemption from SAD on inputs/ components for PC manufacturing, imposition of education cess on imported electronic products for parity etc.
- Colour picture tubes exempted from basic customs duty to make cathode ray TVs cheaper and more affordable to weaker sections.





- ❑ To encourage production of LCD and LED TVs below 19 inches in India, basic customs duty on LCD and LED TV panels of below 19 inches reduced from 10 percent to Nil.
- ❑ To give an impetus to the stainless steel industry, increase in basic customs duty on imported flat-rolled products of stainless steel from 5 percent to 7.5 percent.
- ❑ Concessional basic customs duty of 5 percent extended to machinery and equipment required for setting up of a project for solar energy production.
- ❑ Specified inputs for use in the manufacture of EVA sheets and back sheets and flat copper wire for the manufacture of PV ribbons exempted from basic customs duty.
- ❑ Reduction in basic customs duty from 10 percent to 5 percent on forged steel rings used in the manufacture of bearings of wind operated electricity generators. Exemption from SAD of 4 percent on parts and raw materials required for the manufacture of wind operated generators.
- ❑ Concessional basic customs duty of 5 percent on machinery and equipment required for setting up of compressed biogas plants (Bio-CNG).
- ❑ Anthracite coal, bituminous coal, coking coal, steam coal and other coal to attract 2.5 per cent basic customs duty and 2 per cent CVD to eliminate all assessment disputes and transaction costs associated with testing of various parameters of coal.
- ❑ Basic customs duty on metallurgical coke increased from Nil to 2.5 percent in line with the duty on coking coal.
- ❑ Duty on ship breaking scrap and melting scrap of iron or steel rationalized by reducing the basic customs duty on ships imported for breaking up from 5 percent to 2.5 percent.
- ❑ To prevent mis-use and avoid assessment disputes, basic customs duty on semi-processed, half cut or broken diamonds, cut and polished diamonds and coloured gemstones rationalized at 2.5 percent.
- ❑ To encourage exports, pre-forms of precious and semi-precious stones exempted from basic customs duty.
- ❑ Duty free entitlement for import of trimmings, embellishments and other specified items increased from 3 percent to 5 percent of the value of their export, for readymade garments.
- ❑ Export duty on bauxite increased from 10 percent to 20 percent.
- ❑ For passenger facilitation, free baggage allowance increased from ₹.35,000 to ₹.45,000.
- ❑ To incentivize expansion of processing capacity, reduction in excise duty on specified food processing and packaging machinery from 10 percent to 6 percent.
- ❑ Reduction in the excise duty from 12 percent to 6 percent on footwear of retail price exceeding ₹ 500 per pair but not exceeding ₹ 1,000 per pair.
- ❑ Withdraw concessional excise duty (2 percent without Cenvat benefit and 6 percent with Cenvat benefit) on smart cards and a uniform excise duty at 12 percent.





- ❑ To develop renewable energy, various items exempted from excise duty.
- ❑ Exemption to PSF and PFY manufactured from plastic waste and scrap including PET bottles from excise duty with effect from 29th June, 2010 to 7th May, 2012.
- ❑ Prospective levy of a nominal duty of 2 percent without Cenvat benefit and 6 percent with Cenvat benefit on such PSF and PFY.
- ❑ Concessional excise duty of 2 percent without Cenvat benefit and 6 percent with Cenvat benefit on sports gloves.
- ❑ Specific rates of excise duty increased on cigarettes in the range of 11 per cent to 72 per cent.
- ❑ Excise duty increased from 12 percent to 16 percent on pan masala, from 50 percent to 55 percent on unmanufactured tobacco and from 60 percent to 70 percent on gutkha and chewing tobacco.
- ❑ Levy of an additional duty of excise at 5 percent on aerated waters containing added sugar.
- ❑ To finance Clean Environment initiatives, Clean Energy Cess increased from ₹.50 per tonne to ₹.100 per tonne.

Service tax.



- ❑ To broaden the tax base in Service Tax, sale of space or time for advertisements in broadcast media, extended to cover such sales on other segments like online and mobile advertising. Sale of space for advertisements in print media however would remain excluded from service tax. Service provided by radio-taxis brought under service tax.
- ❑ Services by air-conditioned contract carriages and technical testing of newly developed drugs on human participants brought under service tax.
- ❑ Provision of services rules to be amended and tax incidence to be reduced on transport of goods through coastal vessels to promote Indian Shipping industry.
- ❑ Services provided by Indian tour operators to foreign tourists in relation to a tour wholly conducted outside India to be taken out of the tax net and Cenvat credit for services of rent-a-cab and tour operators to be allowed to promote tourism.
- ❑ Service tax exempted on loading, unloading, storage, warehousing and transportation of cotton, whether ginned or baled.
- ❑ Services provided by the Employees' State Insurance Corporation for the period prior to 1st July 2012 exempted, from service tax.
- ❑ Exemption available for specified micro insurance schemes expanded to cover all life micro-insurance schemes where the sum assured does not exceed ₹.50, 000 per life insured.

- ❑ For safe disposal of medical and clinical wastes, services provided by common bio-medical waste treatment facilities exempted.
- ❑ Tax proposals on the indirect taxes side are estimated to yield ₹.7525 crore.
- ❑ 24X7 customs clearance facility extended to 13 more airports in respect of all export goods and to 14 more sea ports in respect of specified import and export goods to facilitate cargo clearance.
- ❑ 'Indian Customs Single Window Project' to facilitate trade, to be implemented.
- ❑ The scheme of Advance Ruling in indirect taxes to be expanded to cover resident private limited companies. The scope of Settlement Commission to be enlarged to facilitate quick dispute resolution.
- ❑ Customs and Central Excise Acts to be amended to expedite the process of disposal of appeals.