

Budget Highlights:

- Budget identifies five objectives relating to growth recovery, private investment, supply bottlenecks, malnutrition and governance matters
- GDP growth to be 7.6 per cent ($\pm$ 0.25 percent) during 2012-13
- Amendment to the FRBM Act proposed as part of Finance Bill. New concepts of “Effective Revenue Deficit” and “Medium Term Expenditure Framework” introduced
- Central subsidies to be kept under 2 per cent of GDP; to be further brought down to 1.75 per cent of GDP over the next 3 years.
- Proposed: Mobile based fertilizer management system; LPG transparency portal; scaling up and rolling out of Aadhar enabled payment for government schemes in at least 50 districts.
- Rs. 30,000 crore to be raised through disinvestment
- Efforts to reach broadbased consensus on FDI in multi-brand retail
- Rajiv Gandhi Equity Saving Scheme: to allow income tax deduction to retail investors on investing in equities
- Rs. 15,888 crore to be provided for capitalization of public sector banks and financial institutions
- A central “Know Your Customer” depository to be developed
- Swabhimaan: remaining habitations to be covered; to be extended to more habitations; ultra small branches to be set up in Swabhimaan habitations
- Investment in 12th Plan in infrastructure to go upto Rs. 50,00,000 crore; half of this is expected from private sector
- Tax Free Bonds of Rs. 60,000 crore to be allowed for financial infrastructure projects
- Allocation of Road Transport and Highways Ministry enhanced by 14 per cent to Rs. 25,360 crore
- Financial package of Rs. 3,884 crore for waiver of loans to handloom weavers and their cooperative societies; mega handloom clusters in Andhra, Jharkhand; weaver service centres in Mizoram, Nagaland and Jharkhand ; powerloom mega cluster in Maharashtra; Rs. 500 crore pilot schemes for geo-textiles in North-Eastern region
- Rs. 5,000 crore India Opportunities Venture Fund to help small enterprises
- Allocation to agriculture enhanced; RKVY gets Rs. 9,217 crore; BGREI gets Rs. 1,000 crore; Rs. 2,242 crore project to improve dairy productivity; Rs. 500 crore for coastal aquaculture
- Various other agricultural activities merged into 5 missions
- Target for agricultural credit raised to Rs. 5,75,000 crore
- Interest subvention for short-term crop loans to farmers at 7 per cent interest continues; additional 3 per cent for prompt paying farmers
- Rs. 200 crore for awards to incentivise agricultural research
- Provisions under rural housing fund increased to Rs. 4,000 crore from Rs. 3,000 crore

- Interest subvention of 1 percent on housing loans upto Rs. 15 lakh extended for one more year
- AIBP allocation raised by 13 per cent to Rs. 14,242 crore
- National Mission on Food Processing to be started in cooperation with State Governments
- Scheduled Caste Sub Plan allocation increases by 18 per cent to Rs. 37,113 crore; Tribal Sub Plan by 17.6 per cent to Rs. 21,710 crore
- Multi-sectoral programme to address maternal and child malnutrition in 200 high burden districts
- 58 per cent rise in allocation to ICDS, at Rs. 15,850 crore
- Rural drinking water and sanitation gets 27 per cent rise in allocation to Rs. 14,000 crore; PMGSY gets 20 per cent rise to Rs. 24,000 crore
- Projects covering length of 8800 km to be awarded under NHDP against 7,300 km during 2011-12
- RTE-SSA gets Rs. 25,555 crore allocation, showing an increase of 21 per cent; 6000 schools to be set up at block level as model schools in the 12th Plan; Credit Guarantee Fund to be set up for better flow of credit to students
- National Urban Health Mission is being launched
- 34 per cent increase in allocation to National Rural Livelihood Mission, to Rs. 3915 crore
- Rs. 1000 crore allocated for National Skill Development Fund
- Bharat Livelihood Foundation to be established to support livelihood interventions particularly in tribal areas
- Widow pension and disability pension raised from Rs. 200 to Rs. 300 per month
- Grant on death of primary breadwinner of a BPL family in the age group 18-64 years doubled to Rs. 20,000
- Defence services get Rs. 193407 crore; any further requirement to be met
- 4000 residential quarters to be constructed for Central Armed Police Forces
- UID-Aadhar to get adequate funds for enrolment of 40 crore persons, in addition to the 20 crore persons already enrolled
- White Paper on Black Money to be laid in the current session of Parliament
- Tax proposals mark progress in the direction of movement towards DTC and GST
- Income tax exemption limit raised from Rs.1,80,000 to Rs.2,00,000; upper limit of 20 per cent tax slab raised from Rs.8 lakh to Rs.10 lakh
- Interest from savings bank accounts deductible upto Rs.10,000; deduction of upto Rs.5,000 for preventive health check-up
- Senior citizens without business income exempt from advance tax
- Investment linked deduction of capital expenditure enhanced for certain businesses; new sectors eligible for investment linked deduction
- Turnover limit for compulsory tax audit for SMEs raised from Rs.60 lakh to Rs.1 crore
- STT on cash delivery reduced by 20 per cent to 0.1%
- General Anti Avoidance Rule being introduced to counter aggressive tax avoidance

- A number of measures proposed to deter generation and use of unaccounted money
- All services to attract service tax except those in the negative list
- Central Excise and Service Tax being harmonized
- Standard rate of excise duty raised from 10 per cent to 12 per cent; service tax rates raised from 10 per cent to 12 per cent; no change in peak customs duty of 10 per cent on non-agricultural goods
- Relief in indirect taxes to sectors under stress; agriculture, infrastructure, mining, railways, roads, civil aviation, manufacturing, health and nutrition, and environment get duty relief
- Certain cigarettes and bidis attract higher excise duty; large cars attract higher customs duty
- Excise imposed on unbranded jewellery also; measures to minimize impact on small artisans and goldsmiths; branded silver jewellery exempted from excise duty
- Net gain of Rs.41,440 crore due to taxation proposals
- Total expenditure budgeted at Rs. 14,90,925 crore; plan expenditure at Rs. 5,21,025 crore – 18 per cent higher than 2011-12 budget; non plan expenditure at Rs. 9,69,900 crore
- Fiscal deficit targeted at 5.1 per cent of GDP, as against 5.9 per cent in revised estimates for 2011-12
- Central Government debt at 45.5 per cent of GDP as compared to Thirteenth Finance Commission target of 50.5 per cent
- Medium-term Expenditure Framework Statement to be introduced; will set forth 3-year rolling target for expenditure indicators