

Highlights of Union Budget 2013-14

Highlights of the budget for 2013-14 presented by Finance Minister P Chidambaram in the Lok Sabha on Thursday:

- 1) No revision of personal income tax slabs; relief in first bracket through tax credit of Rs.2,000 for earnings up to Rs.500,000 (approx \$9,000)
- 2) Ten percent surcharge on income exceeding Rs.1 crore (Rs.10 million/\$180,000) a year; only 42,800 people have declared such income
- 3) Collective responsibility to ensure dignity and safety of women; recent incidents have cast a dark shadow; stand in solidarity with our girl children and women; will keep them safe and secure
- 4) Rs.1,000 crore allocated for establishing Nirbhaya Fund
- 5) Rs.97,000 crore (Rs.970 billion/\$18 billion) for women's development
- 6) Defence allocated Rs.203,672 crore (Rs.2.03 trillion/\$37 billion), an increase of five percent
- 7) Import duty on high-end vehicles raised from 75 percent to 100 percent
- 8) Excise duty on cigarettes to be increased 18 percent
- 9) No change in service tax of 12 percent
- 10) No service tax on vocational courses run by institutes affiliated to state governments

- 11) Service tax on all air conditioned restaurants regardless of whether or not they serve alcohol
- 12) No service tax on agricultural testing procedures
- 13) Rs.9,000 crore allocated for compensating state for differential in central sales tax and GST
- 14) Concessions for encouraging MRO (maintenance repair overhaul) sector
- 15) No change in customs duty on non-agricultural products
- 16) Modified law to prevent tax avoidance to come into effect April 1, 2016
- 17) 100 percent tax deduction for contributions to National Children's Fund
- 18) Education cess to continue at 3 percent
- 19) 11 lakh people have benefited from direct cash transfers; scheme to be rolled out across the country during UPA-2 term (May 2014)
- 20) Property transactions skewered; TDS of one percent where transaction exceeds Rs.50 lakh
- 21) Tax on mutual fund redemptions reduced from .25 percent to .001 percent
- 22) Tax Administrative Reforms Commission to be set up
- 23) Cities to be encouraged to promote waste to energy projects
- 24) Low interest funds to be provided for promoting clean energy
- 25) Rs.800 crore provided to promoting wind energy

26) Two new ports to be set up in West Bengal and Andhra Pradesh to add 100 million tonnes handling capacity

27) Gas handling terminal at Dabhol in Maharashtra to be fully operational during 2013-14

28) State governments urged to sign restructuring plans with electricity discoms

29) Tax-free infrastructure bonds of Rs.50,000 crore to be issued

30) Textile ministry allocated Rs.50 crore for establishing apparel parks

31) Handloom sector allocated Rs.96 crore to benefit 150,000 weavers

32) Infrastructure debt funds to be encouraged

33) Regulator to be appointed for road projects; 3,000 km of road projects to be awarded in first six months of 2013-14

34) Incentive allowance of 15 percent over and above permitted depreciation to those investing over Rs.100 crore in infrastructure projects

35) Rajiv Gandhi Equity Scheme to be liberalised

36) Seven new cities identified along Delhi-Mumbai Industrial Corridor

37) Preliminary work begun on Bangalore-Mumbai Industrial corridor

38) Foodgrain production during 2013-13 estimated at 250 million tonnes

39) Rs.500 crore allocated for promoting crop diversification

40) Rs.200 crore allocated for promoting nutrient-rich crops

- 41) Rs.50 crore allocated for farmer-producer organisations
- 42) National Livestock Mission to be launched with allocation of Rs.307 crore
- 43) Hope parliament will pass food security bill; Rs.10,000 crore allocated for initial expenditure on implementation
- 44) Human resource development ministry to get Rs.65,867 crore
- 45) Rs.13,250 crore allocated for midday meals scheme
- 46) Rs.17,700 crore allocated for Integrated Child Development Scheme
- 47) Drinking water and sanitation ministry allocated Rs.15,260 crore
- 48) Allocation of rural development ministry allocation raised by 46 percent to Rs.80,294 crore; Rs.33,000 crore for rural jobs scheme
- 49) Budget expenditure for 2013-14 at Rs.16 lakh 65,297 crore; plan expenditure at Rs.5 lakh 55,224 crore
- 50) Rs.41,000 crore for Scheduled Caste plan
- 51) Rs.110 crore for department of disabilities
- 52) Rs.37,330 crore for health ministry
- 53) Average growth during UPA-1 was 8 percent; high growth not a novelty
- 54) Current account deficit a worry because of high oil and gold imports
- 55) Will need \$75 billion to finance current account deficit

56) Need to encourage FDI in consonance with economic priorities

57) WPI inflation down to 7 percent; food inflation worrying.

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