BUDGET 2013

Keynotes

- No revision of personal income tax slabs; relief in first bracket through tax credit of Rs.2,000 for earnings up to Rs.5 lakh.
- Ten percent surcharge on income exceeding Rs.1 crore a year; only 42,800 people have declared such income.
- Excise duty on cigarettes to be increased 18 percent.
- No change in service tax of 12 percent.
- Service tax on all air conditioned restaurants regardless of whether or not they serve alcohol.
- Education cess to continue at 3 percent.
- 11 lakh people have benefited from direct cash transfers; scheme to be rolled out across the country during UPA-2 term (May 2014).
- Rs.1,000 crore allocated for establishing Nirbhaya Fund.
- Preliminary work begun on Bangalore-Mumbai Industrial corridor.
- Seven new cities identified along Delhi-Mumbai Industrial Corridor.
- Average growth during UPA-1 was 8 percent; high growth not a novelty.

Other highlights:

- No service tax on vocational courses run by institutes affiliated to state governments.
- Service tax on all air conditioned restaurants regardless of whether or not they serve alcohol.
- No service tax on agricultural testing procedures.
- Rs.9,000 crore allocated for compensating state for differential in central sales tax and GST.

- Import duty on high-end vehicles raised from 75 percent to 100 percent.
- Concessions for encouraging MRO (maintenance repair overhaul) sector.
- Excise duty on cigarettes to be increased 18 percent.
- No change in customs duty on non-agricultural products.
- No change in service tax of 12 percent.
- Modified law to prevent tax avoidance to come into effect April 1, 2016.
- 100 percent tax deduction for contributions to National Children's Fund.
- Education cess to continue at 3 percent.
- 11 lakh people have benefited from direct cash transfers; scheme to be rolled out across the country during UPA-2 term (May 2014).
- Property transactions skewered; TDS of one percent where transaction exceeds Rs.50 lakh.
- Tax on mutual fund redemptions reduced from .25 percent to .001 percent.
- No revision of personal income tax slabs; relief in first bracket through tax credit of Rs.2,000 for earnings up to Rs.5 lakh.
- Ten percent surcharge on income exceeding Rs.1 crore a year; only 42,800 people have declared such income.
- Tax Administrative Reforms Commission to be set up.
- 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.
- Rs.1,000 crore allocated for establishing Nirbhaya Fund.
- Defence allocated Rs.2 lakh 3,672 crore.
- Cities to be encouraged to promote waste to energy projects.

- Low interest funds to be provided for promoting clean energy.
- Rs.800 crore provided to promoting wind energy.
- Two new ports to be set up in West Bengal and Andhra Pradesh to add 100 million tonnes handling capacity.
- Gas handling terminal at Dabhol in Maharashtra to be fully operational during 2013-14.
- State governments urged to sign restructuring plans with electricity discoms.
- Tax-free infrastructure bonds of Rs.50,000 crore to be issued.
- Textile ministry allocated Rs.50 crore for establishing apparel parks.
- Handloom sector allocated Rs.96 crore to benefit 150,000 weavers.
- Infrastructure debt funds to be encouraged.
- Regulator to be appointed for road projects; 3,000 km of road projects to be awarded in first six months of 2013-14.
- Incentive allowance of 15 percent over and above permitted depreciation to those investing over Rs.100 crore in infrastructure projects.
- Rajiv Gandhi Equity Scheme to be liberalized.
- Seven new cities identified along Delhi-Mumbai Industrial Corridor.
- Preliminary work begun on Bangalore-Mumbai Industrial corridor.
- Foodgrain production during 2013-13 estimated at 250 million tones.
- Rs.500 crore allocated for promoting crop diversification.
- Rs.200 crore allocated for promoting nutrient-rich crops.
- Rs.50 crore allocated for farmer-producer organizations.

- National Livestock Mission to be launched with allocation of Rs.307 crore.
- Hope parliament will pass food security bill; Rs.10,000 crore allocated for initial expenditure on implementation.
- Human resource development ministry to get Rs.65,867 crore.
- Rs.13,250 crore allocated for midday meals scheme.
- Rs.17,700 crore allocated for Integrated Child Development Scheme.
- Drinking water and sanitation ministry allocated Rs.15,260 crore.
- Allocation of rural development ministry allocation raised by 46 percent to Rs.80,294 crore; Rs.33,000 crore for rural jobs scheme.
- Budget expenditure for 2013-14 at Rs.16 lakh 65,297 crore; plan expenditure at Rs.5 lakh 55,224 crore.
- Rs.41,000 crore for Scheduled Caste plan.
- Rs.97,000 crore for women's development.
- Rs.110 crore for department of disabilities.
- Rs.37,330 crore for health ministry.
- Average growth during UPA-1 was 8 percent; high growth not a novelty.
- Current account deficit a worry because of high oil and gold imports.
- Will need $75 billion to finance current account deficit.
- Need to encourage FDI in consonance with economic priorities.
- WPI inflation down to 7 percent; food inflation worrying.
- No service tax on vocational courses run by institutes affiliated to state governments.
- Service tax on all air conditioned restaurants regardless of whether or not they serve alcohol.
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