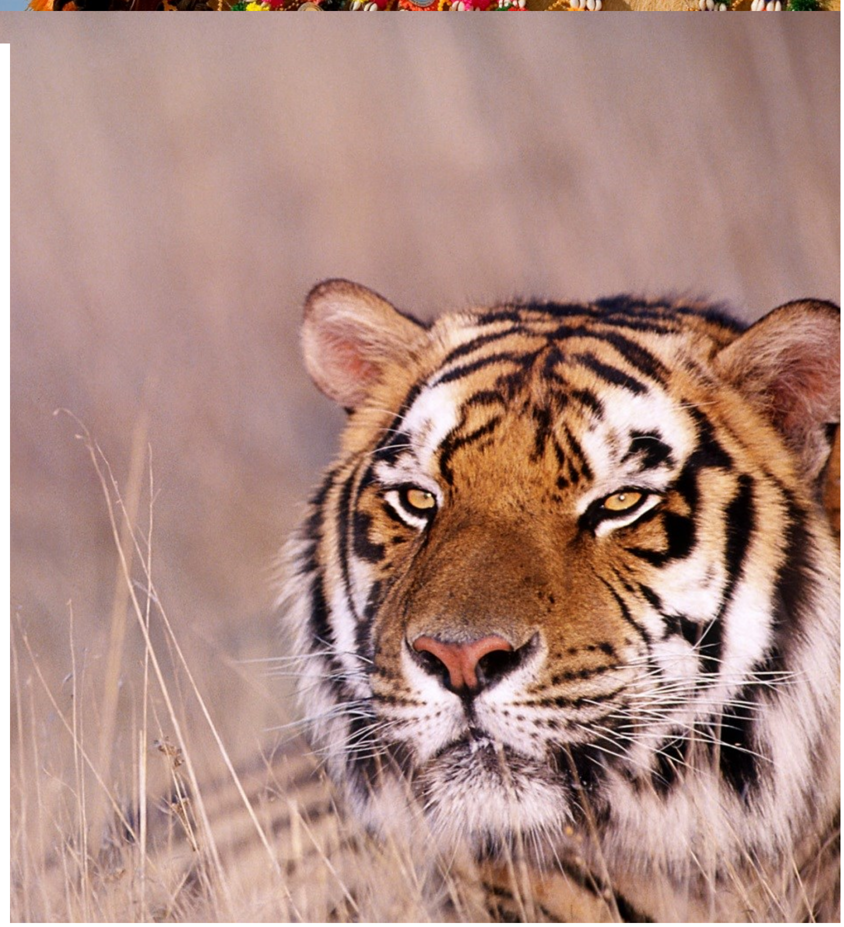
Highlights of Union Budget

An Insight into the Fine Print by INMACS

2013



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Highlights of Budget 2013-14

DIRECT TAXES

1. **<u>Capital Gain on Agricultural Land</u>**

- **<u>Amendment</u>**

  The Definition of Agricultural Land under the definition of Capital Asset has been modified to exclude

  a. Land Situated within a municipality, notified area committee, town area committee, cantonment board of a population not less than 10,000
  b. Any area within a distance measured aerially:-

Distance measured aerially from any municipality or cantonment board	Having Population
Within 2 Kms	10,001 – 1,00,000
Within 6 Kms	1,00,001 – 10,00,000
Within 8 Kms	10,00,001 or More

- **<u>Impact</u>**

  a. The agricultural land within aforesaid limits will be subject to **"Tax on Capital Gains"** at the time of transfer.
  b. The existing practice of notifying the distance has been dispensed with.
  c. The distance is to be measured aerially.

2. **<u>Raising the limit of percentage of eligible premium for life insurance policies of persons with disability or disease</u>**

- Under the existing provisions contained in clause (10D) of section 10, any sum received under a life insurance policy, including the sum allocated by way of bonus on such policy, is exempt, subject to the condition that the premium paid for such policy does not exceed ten per cent of the 'actual capital sum assured'.
- The above Limit of 10% has been raised to 15% in respect of persons with disability of severe disability (in terms of Section 80DDB).
- Similar relief has been provided under Section 80C for the premium paid by such persons on such policies.

3. **<u>Taxation of Securitisation Trusts</u>**

- Section 161 of the Income-tax Act provides that in case of a trust if its income consists of or includes profits and gains of business then income of such trust shall be taxed at the maximum marginal rate in the hands of trust.
- In order to facilitate the process of securitization, the following provisions are proposed:-

  a. Income of Securitisation trusts regulated by SEBI / RBI will be exempted from taxation.
  b. The Income distribution to investors will be taxed:-
     i. If the investor is Individual or HUF @ 25%
     ii. In any other Case @ 30%
  c. Distributed Income will be exempt in the Hands of the Investor

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4. **Buy Back of Unlisted Shares : Additional Income Tax**

❖ **Amendment**

a. In terms of proposed Section 115 QA, amount paid by an unlisted company to its shareholders shall be subjected to a special tax on the amounts so paid as reduced by the amount received by the company as consideration for the shares.
b. The Tax is payable at the rate of 20% by the company resorting to buy back.
c. No Tax shall be payable in the hands of recipient.

❖ **Impact:**

a. Additional Income Tax @ 20% payable by unlisted companies on Buy Back of Shares.
b. Capital Gain Tax in the hands of recipient is exempted, under proposed Section 10 (34A).

5. **Investment Allowance**

❖ The assesse, being a company engaged in the business of manufacture, investing a sum of more than Rs. 100 Crore in new Plant & Machinery during April 1, 2013 to March 31, 2015, then the assesse shall be allowed a deduction by way of Investment allowance @ 15%.

❖ The Plant & Machinery excludes computers, vehicles, ships or aircrafts, office appliances & other specified assets and also excludes plant & machinery on which 100% depreciation or deduction is allowed under the act.

6. **Commodities Transaction Tax (CTT)**

A new Tax, i.e. Commodities Transaction Tax (CTT) has been introduced on sale of Commodities Derivative @ 0.01% payable by the seller except where underlying asset is an agricultural commodity.

7. **Securities Transaction Tax (STT) – Change in Stock**

S. No.	Nature of taxable securities transaction	Payable by	Existing Rates (in per cent)	Proposed Rates (in per cent)
1.	Delivery based purchase of units of an equity oriented fund entered into in a recognised stock exchange	Purchaser	0.1	Nil
2.	Delivery based sale of units of an equity oriented fund entered into in a recognized stock exchange	Seller	0.1	0.001
3.	Sale of a futures in securities		0.017	0.01
4.	Sale of a unit of an equity oriented fund to the mutual fund	Seller	0.25	0.001

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8. **Profit on Transfer of Immovable Property held as Stock in Trade (SIT)**

- **Amendment**
  a. In case of Land and Building held as SIT the sale consideration received or the value as per circle rate adopted for the purpose of Stamp Duty, whichever is higher will be considered for arriving at profit from sale of such immovable property.
  b. The Circle rate, for this purpose will be considered as the rate applicable at the time of agreement to sell & not at the time of registration of transfer, provided amount of consideration or part thereof was paid at the time of such agreement by other than the cost on or before the date of agreement.

- **Impact**
  a. Currently the Circle Rate for the purpose of Stamp Duty is considered only for arriving at capital gain, when land or building, being a capital asset is sold by the assesse, for the purpose of computation of capital gain tax.
  b. In case of Sale of Stock in Trade (SIT) this provision was so far not applicable

9. **Taxability of immovable property received for inadequate consideration**

When an immovable property has been received by an Individual or HUF for inadequate consideration, i.e. a consideration less than the circle rate (Stamp Duty Value), the difference between the Stamp Duty value and Actual Consideration received will be taxable in the hands of such Individual or HUF.

10. **Rajiv Gandhi Equity Saving Scheme**

- The Deduction of 50% of the amount invested in Equity Shares by a new retail investor was allowed as a deduction, subject to Maximum of Rs. 25,000.
- In terms of the Amendment such deduction will be available to the new investor even for investment in listed units of an equity oriented mutual funds.
- The Investment based deduction will be available for 3 (three) consecutive assessment years.
- The Maximum limit of Gross Taxable Income of the assesse also has been enhanced from Rs. 10 Lacs to Rs. 15 Lacs.

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11. **Deduction in respect of interest on loan sanctioned during financial year 2013-14 for acquiring residential house property**

❖ **Amendment**

a. Additional **One time** Deduction of Upto Rs. 1,00,000 towards interest shall be allowed to individuals to whom a loan has been sanctioned during Previous Year 2013-14 by a Financial Institution / Banks / Housing Finance Companies, subject to;

i. Loan Amount should not exceed Rs. 25 Lacs

ii. Value of Residential Property does not exceed Rs. 40 Lacs

iii. Assese does not own any other Residential Property, on the date of sanction of loan.

b. The aforesaid deduction will be allowed only during Assessment Year 2014-15 and Assessment Year 2015-16 so that the total deduction does not exceed Rs. 1,00,000.

c. The deduction is in addition to a deduction of upto Rs. 1,50,000 allowed to an assesse every year.

❖ **Impact**

a. This provision will not achieve the desired objective of attracting larger investments in the housing sector as the deduction is only one time deduction whereas the loan so availed will require payment of interest during the full loan

12. **Section 80G: 100% Deduction**

It is proposed to allow 100% deduction for amounts donated to National Children's Fund, being a fund of National Importance.

13. **Section 80GGB & 80GGC: Contribution to a Political Party or and Electoral Trust** will not be allowed as a deduction if the same is contributed by way of Cash

14. **Deduction for Power Companies**

The Sunset clause in terms of Section 80IA providing for deduction to Power generation, distribution and/or transmission companies has been allowed to set up or start transmission / distribution up to 31st March, 2014 i.e. by 1 year.

15. **Section 80JJAA: Deduction for Additional Wages in Manufacturing Sector**

❖ **Amendment**

The existing provisions contained in Section 80JJAA have been amended to permit deduction of an additional amount equal to 30% of Additional wages paid to the new regular workman employed by the assesse in a factory manufacturing goods. Such deduction will be available for three assessment years including the assessment year relevant to such previous year in which employment is provided.

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- **Impact**
  The existing Provision had a anomaly, permitting such deduction for all kind of companies and was being used even for white collar employees.

16. **Section 87: Rebate in Tax of Rs. 2,000**
Resident Individuals having total income up to Rs. 5,00,000 will be provided a rebate of up to Rs. 2,000 or Tax Payable, whichever is lower.

17. **General Anti Avoidance Rule (GAAR)**

- The provisions of Chapter X-A & Section 144BA vide which GAAR was introduced last year has been omitted, a fresh Chapter X-A & Section 144BA has been introduced for General Anti Avoidance Rule with effect from 1st April, 2016. Similarly the related provisions impacting Double Taxation Avoidance Agreements (DTAA) and other similar provisions have been amended to postpone GAAR Provisions overriding effect to 1st April, 2016.
- The following further amendments have been made in GAAR:-
  a. An arrangement, the main purpose of which is to obtain a tax benefit, would be considered as an impermissible avoidance arrangement. The current provision of section 96 providing that it should be "the main purpose or one of the main purposes" has been proposed to be amended accordingly.
  b. An arrangement shall also be deemed to be lacking commercial substance, if it does not have a significant effect upon the business risks, or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained but for the application of Chapter X-A.
  c. The Approving Panel shall consist of a Chairperson who is or has been a Judge of a High Court; one Member of the Indian Revenue Service not below the rank of Chief Commissioner of Income-tax; and one Member who shall be an academic or scholar having special knowledge of matters such as direct taxes, business accounts and international trade practices.
  d. The directions issued by the Approving Panel shall be binding on the assessee as well as the income-tax authorities and no appeal against such directions can be made under the provisions of the Act.
  e. The factors like, period or time for which the arrangement had existed; the fact of payment of taxes by the assessee; and the fact that an exit route was provided by the arrangement, would be relevant but not sufficient to determine whether the arrangement is an impermissible avoidance arrangement.
- There are several consequential amendments in other sections relating to procedural matters.

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18. Royalty & Fee for Technical Services (Section 115A)

- The Tax Deduction at Source on Royalty & Fee for Technical Services has been ***raised to 25% from current level of 10%***.
- This is one of the most significant proposed amendments.

19. Dividend received from Foreign Companies (Section 115BBD)

- Section 115BBD of Income-tax Act provides for taxation of gross dividends received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) at the rate of 15% if such dividend is included in the total income for the Financial Year 2012-13 i.e. Assessment Year 2013-14.
- The above provision was introduced as an incentive for attracting repatriation of income earned by residents from investments made abroad subject to certain conditions.
- In order to continue the tax incentive for one more year, it is proposed to amend section 115BBD to extend the applicability of this section in respect of income by way of dividends received from a specified foreign company in Financial Year 2013-14 also, subject to the same conditions.
- This amendment will take effect from 1st April, 2014 and will, accordingly, apply in relation to the assessment year 2014-15.
- It is proposed that where the tax on dividends received from the foreign subsidiary is payable under section 115BBD by the holding domestic company then, any dividend distributed by the holding company in the same year, to the extent of such dividends, shall not be subject to Dividend Distribution Tax under **section 115-O** of the Income-tax Act. This amendment will take effect from 1st June, 2013.

20. Tax on distributed income by the Mutual Funds

- Under the existing provisions of section 115R any amount of income distributed by the specified company or a Mutual Fund to its unit holders is chargeable to additional income-tax. In case of any distribution made by a fund other than equity oriented fund to a person who is not an individual and HUF, the rate of tax is 30% whereas in case of distribution to an individual or an HUF it is 12.5% or 25% depending on the nature of the fund.
- In order to provide uniform taxation for all types of funds, other than equity oriented fund, it is proposed to increase the rate of tax on distributed income from 12.5% to 25% in all cases where distribution is made to an individual or a HUF.

21. Infrastructure Debt Fund

- In order to bring parity in taxation of income from investment made by a non-resident Investor in an IDF whether set up as a IDF-NBFC or IDF-MF, it is proposed to amend section 115R to provide that tax @ 5% on income distributed shall be payable in respect of income distributed by a Mutual Fund under an IDF scheme to a non-resident Investor.
- This amendment will take effect from 1st June, 2013.

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22. Special Audit

It is proposed to provide that if at any stage of the proceedings before him, the Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialized nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Chief Commissioner or the Commissioner, direct the assessee to get his accounts audited by an accountant and to furnish a report of such audit.

23. Period of Limitation for Completion of Assessment and Reassessment

It is proposed to amend clause (iii) of Explanation 1 to section 153 so as to provide that the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section; or where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Commissioner, shall be excluded in computing the period of limitation for the purposes of section 153. Similar amendments have been made in respect of exchange of information with foreign competent authorities.

24. Tax Deduction at Source (TDS) on transfer of certain immovable properties (other than agricultural land)

- It is proposed to insert a new section 194-IA to provide that every transferee, at the time of making payment or crediting of any sum as consideration for transfer of immovable property (other than agricultural land) to a resident transferor, shall deduct tax, at the rate of 1% of such sum.
- In order to reduce the compliance burden on the small taxpayers, it is further proposed that no deduction of tax under this provision shall be made where the total amount of consideration for the transfer of an immovable property is less than fifty lakh rupees.
- This amendment will take effect from 1st June, 2013.

25. Long-term infrastructure bonds – Reduced Withholding Tax Rates

- The existing provisions of section 194LC provide that if an Indian company borrows money in foreign currency from a source outside India either under a loan agreement or by way of issue of long-term infrastructure bonds, as approved by the Central Government, then the interest payment to a non-resident person would be subject to a concessional rate of tax @ 5%.
- It is proposed to extend this benefit to Rupee Denominated Long Term Infrastructure Bonds where a Non Resident Deposit Foreign Currency in the Designated Bank Account and such money as converted in Rupees is utilized for subscription to Long Term Infrastructure Bonds issue of an Indian Company.

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26. Penalty for Non Filing of Annual Information Return (AIR)

- The various Assesses, Authorities, Registrar, Stock Exchange, Depository are required to furnish Annual Information Returns, giving details of Specified Financial Transactions to the Tax Department.
- A penalty of Rs. 100 per day can be imposed for non-filing of such AIR. The failure to furnish AIR after notice of Assessing Officer will attract a penalty of Rs. 500 per day for continuing default.

27. Surcharge

- Surcharge of 10percent on persons (other than companies) whose taxable income exceed ` 1 crore to augment revenues.
- Increase surcharge from 5 to 10 percent on domestic companies whose taxable income exceed ` 10 crore.
- In case of foreign companies who pay a higher rate of corporate tax, surcharge to increase from 2 to 5 percent, if the taxabale income exceeds ` 10 crore.
- In all other cases such as dividend distribution tax or tax on distributed income, current surcharge increased from 5 to 10 percent.
- Additional surcharges to be in force for only one year.

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INDIRECT TAXES

28. No change in the normal rates of 12 percent for excise duty and service tax.
29. No change in the peak rate of basic customs duty of 10 perent for non-agricultural products.

30. Customs

- Duty free gold limit increased to ` 50,000 in case of male passenger and `1,00,000 in case of a female passenger subject to conditions.
- Proposals involving changes in rates of duty
  - a. AGRICULTURE/AGRO PROCESSING/PLANTATION SECTOR
    - i. Basic customs duty on dehulled oat grain is being reduced from 30% to 15%.
    - ii. Basic customs duty on hazel nuts is being reduced from 30% to 10%.
    - iii. Export duty of 10% on de-oiled rice bran oil cake is being withdrawn
  - b. AUTOMOBILES:
    - i. Basic customs duty on new passenger cars and other motor vehicles (high end cars) with CIF value more than US$ 40,000 and/or engine capacity exceeding 3000cc for petrol run vehicles and exceeding 2500 cc for diesel run vehicles is being increased from 75% to 100%.
    - ii. Basic customs duty on motor cycle with engine capacity of 800cc or more is being increased from 60% to 75%.
  - c. METALS:
    - i. Export duty is being levied on ilmenite unprocessed at 10% and on ilmenite, upgraded at 5%.
    - ii. Export duty is being levied on bauxite at 10%.
    - iii. Basic customs duty is being reduced from 10% to 5% on stainless steel wire cloth stripe and from 7.5% to 5% on wash coat for use in the manufacture of catalytic convertors and their parts.
    - iv. Full exemption from export duty is being provided to galvanized steel sheets falling under certain sub-headings, retrospectively w.e.f. 01.03.2011.
  - d. PRECIOUS METALS:
    - i. Basic customs duty is being reduced from 10% to 2% on pre-forms of precious and semi-precious stones.
  - e. CAPITAL GOODS/INFRASTRUCTURE:
    - i. Basic customs duty on steam coal is being increased from Nil to 2% and CVD from 1% to 2%.
    - ii. Basic customs duty on bituminous coal is being reduced from 5% to 2% and CVD from 6% to 2%.
    - iii. Basic customs duty is being reduced from 7.5% to 5% on 20 specified machinery for use in leather and footwear industry.

f. AIRCRAFTS & SHIPS:
   i. Basic Customs Duty on yachts and motor boats is being increased from 10% to 25%.
   ii. Time limit for consumption of imported goods by ship repair units is being extended from 3 months to 1 year.
   iii. Time period for consumption/installation of parts and testing equipments imported for maintenance, repair and overhaul (MRO) of aircrafts by units engaged in such activities is being extended from 3 months to 1 year.
   iv. Presently, the basic customs duty exemption is available to parts and testing equipments for maintenance, repair and overhaul of aircrafts. This exemption is now being extended to parts and testing equipments for maintenance, repair and overhaul of aircrafts and parts thereof.

g. ENVIRONMENT PROTECTION
   i. Full exemption from basic customs duty is being provided to lithium ion automotive battery for manufacture of lithium ion battery packs for supply to the manufacturers of hybrid and electric vehicles.
   ii. Time period of exemption (Nil BCD, CVD of 6% and Nil SAD) for the specified parts of electric and hybrid vehicles is being extended by 2 more years up to 31st March, 2015.

h. TEXTILES:
   i. Basic customs duty on raw silk (not thrown), of all grades is being increased from 5% to 15%.
   ii. Basic customs duty is being reduced from 7.5% to 5% on textile machinery & parts.

i. ELECTRONICS/HARDWARE:
   i. Basic customs duty on Set Top Boxes for TV is being increased from 5% to 10%

j. MISCELLANEOUS:
   i. Full exemption from basic customs duty and additional customs duty is being provided to trophy imported by National Sports Federation recognized by the Department of Sports and Youth Affairs or any Sports Body registered under Societies Registration Act, in connection with any international tournament held in India.
   ii. Withdrawal of exemption from education cess and secondary & higher education cess on aircraft and aircraft parts, soyabean oil, olive oil etc.

31. Excise

- Proposals involving changes in rates of duty

a. AGRICULTURE/AGRO PROCESSING/PLANTATION SECTOR:

i. Full exemption from excise duty is being provided on tapioca sago (sabudana) and tapioca starch manufactured and consumed captively in the manufacture of tapioca sago.

ii. Full exemption from excise duty is being provided on henna powder or paste, not mixed with any other ingredient.

b. AUTOMOBILES:

i. Excise duty on SUVs is being increased from 27% to 30%.

ii. Excise duty on truck chassis (8706 00 42) is being reduced from 14% to 13%.

iii. Sports Utility Vehicles registered solely for use as taxis will not suffer additional excise duty consequent to the increase in excise duty on SUVs from 27% to 30%. Taxi refund in respect of SUVs is being adjusted accordingly.

c. METALS:

i. Excise duty of 4% is being levied on silver manufactured from zinc/lead smelting.

ii. Compounded levy on stainless steel "Patta Patti" is being increased from Rs 30,000 per machine per month to Rs 40,000 per machine per month.

iii. It is being clarified that the item "trimmed or untrimmed sheets or circles of copper intended for use in the manufacture of handicrafts or utensils" presently leviable to excise duty at Rs. 3500 per MT includes copper and copper alloys including brass.

d. AIRCRAFTS & SHIPS:

i. Full exemption from excise duty is being provided on ships and other vessels. Consequently, there will be no CVD on these ships and vessels when imported.

e. TEXTILES:

i. Full exemption from excise duty is being provided on hand made carpets and carpets and other textile floor coverings of coir or jute, whether or not handmade.

ii. 'Zero excise duty route', as existed prior to Budget 2011-12, is being restored in respect of branded readymade garments and made ups. In the case of cotton there will be zero duty at the fibre stage and, in the case of spun yarn of man made fibres, there will be a duty of 12% at the fibre stage. The 'Zero excise duty route' will be in addition to the CENVAT route now available.

f. HEALTH:

i. Branded Ayurvedic medicaments and medicaments of Unani, Siddha, Homeopathic or bio-chemic system are being brought under MRP based assessment with abatement of 35% from MRP.

g. ELECTRONICS/HARDWARE:

i. Excise duty on mobile phones of retail sale price exceeding Rs 2000/- is being increased from 1% to 6%.

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h. MISCELLANEOUS:
   i. Excise duty on cigarettes is being increased by about 18% on all cigarettes except cigarettes of length not exceeding 65 mm. Cigars and cigarillos duty is also being similarly raised.
   ii. Excise duty on marble tiles and slabs is being increased from Rs 30 per sq. mtr to Rs 60 per sq. mtr.
   iii. Full exemption from excise duty is being provided to intermediate goods manufactured and consumed captively by exempted units under Area Based Exemption Scheme in Himachal Pradesh and Uttarakhand.

32. Service Tax

- Amendment to Definition of Negative List
  a. The courses in 'designated trades' offered by Industrial Training Institute or Industrial Training Center affiliated to State Council of Vocational Training will also be covered by the negative list.
  b. Definition of "process amounting to manufacture or production of goods", in section 65B(40) being amended to include processes on which duties of excise are leviable under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955(16 of 1955);
  c. The testing activities directly related to production of any agricultural produce like soil testing, animal feed testing, testing of samples from plants or animals, for pests and disease causing microbes will be covered by the negative list.
- The maximum penalty imposable for failure to obtain registration will be ten thousand rupees only.
- Section 78A is being introduced, to make provision for imposition of penalty upto Rs. 1,00,000 on director, manager, secretary or other officer of the company, who is in any manner knowingly concerned with specified contraventions.

- **Abatement available to real estate developer**

  At present taxable portion for service tax purpose is prescribed as 25% uniformly for constructions where value of land is included in the amount charged from the service recipient. This is being rationalized. Accordingly, where the carpet area of 2324 residential unit is upto 2000 square feet. or the amount charged is less than One Crore Rupees, in the case of 'construction of complex, building or civil structure, or a part thereof, intended for sale to a buyer, wholly or partly except where the entire consideration is received after issuance of completion certificate by the competent authority', taxable portion for service tax purpose will remain as 25%; in all other cases taxable portion for service tax purpose will be 30%. This change will come into effect from the 1st day of March, 2013.

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❖ **Review of Exemptions (to take effect from 1st day of April, 2013)**

a. Charitable organizations – Exemption Limit reduced from Rs. 25 Lacs to the threshold
b. Exemption provided to restaurants other than those having (i) air-conditioning and (ii) license to serve liquor, is being rationalized; condition regarding 'license to serve liquor' is being omitted. Therefore, with effect from 1st April, 2013, service tax will be leviable on taxable service provided in restaurants with air-conditioning or central air heating in any part of the establishment at any time during the year.
c. The following exemptions are being withdrawn:
   i. Services provided by an educational institution by way of renting of immovable property.
   ii. Temporary transfer or permitting the use or enjoyment of a copyright relating to cinematographic films was fully exempt so far; now, this exemption will be restricted to exhibition of cinematograph films in a cinema hall or a cinema theatre.
   iii. Services by way of vehicle parking to general public.
   iv. Services provided to Government, a local authority or a governmental authority, by way of repair or maintenance of aircraft.

❖ **AMNESTY SCHEME FOR NON FILERS AND STOP FILERS:**

To encourage voluntary compliance and broaden the tax base, it is proposed to provide one time amnesty by way of (i) waiver of interest and penalty; and (ii) immunity from prosecution, to the stop filers, non-filers or non-registrants or service providers (who have not disclosed true liability in the returns filed by them during the period from October 2007 to December 2012) who pay the "tax dues".

❖ **ADVANCE RULING:**

Scope of advance ruling is being extended to cover resident public limited companies.

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8 DECCANHERALD Friday, March 1, 2013

Union Budget 2013–14

CAPITAL MARKET

33. **Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII) Defined**
    Where an investor has a stake of 10 percent or less in a company, it will be treated as FII and, where an investor has a stake of more than 10 percent, it will be treated as FDI.

34. **SME Enterprises allowed to list without IPO**
    Small and medium enterprises, including start-up companies, will be permitted to list on the SME exchange without being required to make an initial public offer (IPO), but the issue will be restricted to informed investors. This will be in addition to the existing SME platform in which listing can be done through an IPO and with wider investor participation.

DEBT MARKET

35. Separate Retail Debt Market Segment in all major Stock Exchanges.

36. Allocation of Rs. 1,000 Crore to Setup India's First Women Public Sector Bank.

37. SIDBI to set up Credit Guarantee Fund for Factoring

Corporate/Chambers React

Growth-oriented, says India Inc

BANGALORE/NEW DELHI: India Inc gave thumbs-up to the UPA-II's last Union Budget before the general elections next year and said Finance Minister P Chidambaram presented a "bold" and "growth-oriented" Budget, while criticising the surcharge on super-rich individuals.

The president of industry body CII, Adi Godrej said: "Many proposals are development-inclusive. It will add to the country's Gross Domestic Product (GDP) growth. We are particularly glad to see incentives for agricultural sector, MSME sector, infrastructure and capital market."

Ficci President Naina Lal Kidwai called it a "responsible" Budget. "I think that growth is central... The Budget has stressed on the issue of growth and creation of more jobs."

The Secretary General of another industry body Assocham, D S Rawat described the Budget "bold and pragmatic" coming as it does ahead of general elections next year.

On the 10 per cent surcharge on super-rich for a year on thosd returning income of more than Rs one crore, Ficci said, "We would have preferred no disturbance in the tax regime. But the fact is that we have to bear it."

PHD Chamber of Commerce and Industry said the projection of Fiscal Deficit is encouraging with the view that fiscal consolidation is critical for the economy to move towards growth.

The Bangalore Chamber of Industry and Commerce (BCIC) welcomed the relief for taxpayers . In a statement, its Senior Vice-President H V Harish, said: "It is discouraging to note that there are only 42,000 odd tax payers declaring income tax more than Rs 1 crore in a nation which probably boasts of more than that number of cars over Rs 25 lakh sold in a single year. Clearly while the tax on superrich is a good signal, it is more important to increase compliance and widen the tax base than punish the honest tax payers."

DHNS & Agencies

Businessmen watch the live telecast of the Union Budget 2013 in New Delhi on Thursday. AP

CA Vinod Jain, Chairman INMACS, Seen in Middle

Date: 28th February 2013 Place: India

An insight into the fine print by INMACS (M: 9811040004 | vinodjain@inmacs.com)
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