# Budget Highlights FY 2014-15

## Direct Taxes

- ❖ Basic exemption limit raised to Rs. 2,50,000/- for an individual
- ❖ Senior Citizen are not liable to pay tax on income upto Rs.3,00,000/-

| For Individuals, HUF, Non- Resident Individuals (including NR Senior citizens), | | For Senior Citizens (Age above 60yrs and less than 80yrs) | |
|---|---|---|---|
| Upto Rs.2,50,000 | NIL | Upto Rs.3,00,000 | NIL |
| Rs.250,000 to Rs.5,00000 | 10% | Rs.3,00,000 to Rs.5,00000 | 10% |
| Rs.5,00,000 to Rs.10,00,000 | 20% | Rs.5,00,000 to Rs.10,00,000 | 20% |
| Above Rs.10,00000 | 30% | Above Rs.10,00000 | 30% |

| For Super Senior Citizens (Men & Women) (Age above 80) | |
|---|---|
| Upto Rs.5,00,000 | NIL |
| Rs.5,00,000 to Rs.10,00,000 | 20% |
| Above Rs.10,00000 | 30% |

- ✓ Firm & Corporate at flat 30%
- ✓ Education Cess 2%
- ✓ Secondary & Higher Edu. Cess 1%
- ✓ Surcharge remain unchanged

- ❖ Investment limit under Sec. 80C increased to Rs. 1.5 Lacs
- ❖ Deduction for Interest on Housing Loan increased to Rs. 2,00,000 (Sec-24B)
- ❖ No change in tax rates for corporate tax payers
- ❖ 15% allowance to manufacturing companies investing Rs 20 crores in plant and machinery
- ❖ 10 year tax holiday for power companies starting production and distribution on or before March 31, 2017

## Indirect Taxes

- To boost manufacturing sectors - customs duty reduced on certain inputs such as fatty acids, etc.
- Import duty on steel increased from 5% to 7.5%
- Govt to provide investment allowance at 15% for 3 years to manufacturing company investing more than Rs 25 crore
- Portfolio income of FIIs to be to be treated as capital gains
- Imported electronics goods to cost more. A cess to be introduced
- Customs duty reduced on certain types of coals
- Govt. reduces basic customs duty on LCD/LED telivisions
- Customs duty cut to nil on import of LCD, LED Panels below 19 inch
- Excise duty on footwear reduced from 12% to 6%
- Cigarettes and other tobacco products shall be costlier
- TV sets, Solar power units, computers, oil products, soaps becomes cheaper
- Basic rates of customs duty @ 10%,
- Basic rate of excise duty @ 12%
- Basic service tax @ 12%
- Clean energy cess increased from Rs 50/tonne to Rs 100/tone
- Excise duty hiked on aerated waters with sugar content

## General Points Considered in Budget 2014-15:

- Decline of fiscal deficit were mainly achieved by reduction in expenditure:
- Constitution of more benches of Advance Ruling Authorities
- FDI in insurance sector increased to 49%
- FM raises FDI in defense up from 26 to 49 % with Indian management and control
- To boost Tourism e-visas to be introduced in phased manner
- Large no. of amount lying unclaimed in PPF and saving accounts

## Allocation of Funds :

- Rs. 100 crores provided for Rural entrepreneurship programme
- Support for Rural Housing continues in current year with Rs. 8,000 crores:
- Women's safety: Rs 100 crores provided for Beti Bachcao, Beti Padhao Yojana
- Safe drinking water shall be provided to rural areas in next three years
- Rs 150 crores for the Home Ministry to spend on women's safety
- Online courses given emphasize, Rs. 100 crores proposed for this
- Five more IIMs to be set up and Four more IITs to be set up
- Rs 100 crore for Metro in Lucknow and Ahmedabad.
- Allocates Rs. 400 crores to incentivise the development of low cost housing
- Committed to sustaining 4% growth in agriculture, extend credit to joint farming groups
- Govt to provide finance to 5 lakh landless farmers through NABARD:
- Rs. 100 crores for organic farming developments
- Rs. 10,000 crores allocated to encourage start-up entities
- Investment in road highways to the tune of Rs 37,887 crore
- New airports to be developed through PPP mode in tier-II and tier-III cities
- Rs 500 crore for solar power development project in Tamil Nadu and Rajasthan
- Uniform KYC norms for entire financial sector
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- Accounting Standards for Banks and Insurance sector would be notified separately
- Rs 229,000 crore allocated for Defence in contrast to 2,24,000 in interim budget
- PPF annual ceiling enhanced to 1.5 lakhs
- Rs. 500 crores to support Displaced Kashmiri Migrants
- Rs 100 crore for training of sports persons for upcoming Asian Games.
- Rs. 1,000 crores to improve Rail Connectivity