

Union Budget Highlights 2008 - 09

- Tax exemption hiked from Rs 1,10,000 to Rs 1,50,000
- 20 per cent tax on income between three to five lakhs
- 3 lakh to 5 lakh -- 20 per cent
- 5 and above -- 30 per cent
- No change in corporate income tax rate
- Women exemption threshold hiked from Rs 1,45,000 to 1,80,000
- 30% tax on income above Rs 5 lakh
- For senior citizens exemption is Rs 2.25 lakhs
- Duty on non filter cigarettes to be raised
- Excise duty slashed to 8% on water purification items
- Introduction of commodity transaction tax
- Five year tax holiday for hospitals from April 2008 - March 2013

BALANCE SHEET

- GDP increased by 8.8% during first 3 years of UPA
- Growth to be 8.7% this fiscal
- Confident of 8.8% this fiscal
- Manufacturing growth at 9.4%
- Services growth at 10.7%
- Agriculture grew by 2.4%
- Govt to monitor and moderate capital inflow to ensure stock market stability

AGRICULTURE

- Agriculture sector has grown by 2.4%
- Agri credit doubled during UPA government's tenure
- Record food grain production at 290 mn tonnes
- Record rice production at 98.04 million tonnes
- Record maize production at 16.7 million tones
- Agriculture credit by next year
- 75-78% total credit by PSU banks
- 2008-09 target at Rs 280,000 cr for credit to farmers
- Additional irrigation potential to be developed for 5 lakh hectares
- Rain-fed area development program to be launched in new areas
- Rs 500 crore for this scheme
- World Bank aiding many states in agriculture
- 14 national projects approved
- New financial institution IWRFC to be launched with an initial allocation of Rs 100 cr to mobilise money to fund agriculture
- 500 soil testing labs to start via PPP
- Rs 175 crore for mobile soil testing units in 200 districts by March 2009
- Rs 20 crore to Tea Research Institute
- National agricultural insurance scheme to continue for Kharif, Rabi crops
- Fertiliser subsidy to continue

- New nutrient based fertiliser subsidy regime to be launched
- Prof Vaidyanathan Committee recommendations on micro-credit to be implemented

FARMER DEBT-WAIVER SCHEME

- New scheme of debt-waiver and debt relief for farmers
- All agriculture loans disbursed by PSU banks, cooperatives till March 2007 waiting recovery to be covered under scheme
- Complete waiver for marginal farmers holding up to 1 hectare of land
- Complete waiver for small farmers holding 1 to 2 hectares of land
- One-time settlement scheme for “all other” farmers
- Agricultural loans were restructured by banks through special packages. All such loans will also be eligible for waiver under the scheme
- Implementation to be completed by June 30, 2008
- Farmers will be also eligible for fresh loans
- Govt to allocate 60,000 cr for this scheme
- Four crore farmers to benefit

Infrastructure

- Power generation on target for 11th Plan
- Allocation of Rs 5000 crore for rural electrification
- Rs 12,966 crore for highways
- 96.48% of Golden Quadrilateral completed
- 26.36% of East-West, North-South Corridor completed
- Rs 380 crore for oil and gas exploration
- New coal regulator to be appointed
- Rs 1680 cr for IT Ministry
- One lakh broadband centres to be set up in rural areas
- All 30 integrated textile parks have been approved
- Cluster Approach for handloom has been a success
- 17 lakh weavers to be covered under insurance scheme
- SIDBI to reduce guarantee fee

EDUCATION

- Education outlay increased by 20% at Rs 34400 crore
- Mid-day meal is the largest such scheme in world
- Mid-day meal scheme to start in all govt, govt-aided schools across India
- Kasturba Gandhi Balika Vidyalaya has enrolled thousands of girls
- 410 new Kasturba Gandhi Balika Vidyalaya to be set up
- New model school program to be started
- New Navodaya Vidyalaya to be set up in 20 backward districts
- New 1 lakh new scholarships to be given
- New Nehru Yuva Kendras to be set up in all districts
- 16 central universities this year
- 3 new IITs in AP, Bihar, Rajasthan
- 2 Schools of Planning and Architecture in Bhopal and Vijaywada
- Ministry of S&T will start a new scholarship scheme
- 100 cr to connect all knowledge centres via broadband to build national knowledge

network

HEALTH AND DEVELOPMENT

- Health outlay increased by 15 per cent at Rs 16,543 crore
- Rs 16,000 crore for National Rural Employment Guarantee Act
- National Rural Employment Guarantee Act to be extended to all districts
- 46,200 Asha workers have been trained
- Anganwadi workers remuneration increased to Rs 1500
- More than 300 district hospitals to be upgraded
- Rs 12,050 crore for National Rural Health Mission
- Rs 900 crore for combating AIDS
- Rashtrya Health Bima Yojna to be launched in Delhi, Haryana, Rajasthan on April 1
- Integrated Child Development Scheme allocation increased to Rs 6000 crore

FOR SENIOR CITIZENS

- Two national institutes of ageing
- New national program for the elderly

DIRECT TAXES

- Threshold exemption limit increased from 1,10,000 to 1,50,000
- Women exemption threshold hiked from Rs 1,45,000 to 1,80,000
- Senior citizens' exemption hiked from Rs 1,95,000 to 2,25,000
- New tax slabs — 1.5 lakh to 3 lakh: 10%; 3 lakh to 5 lakh: 20%; 5 lakh and above: 30%
- No change in corporate tax; no change in surcharge
- Duty on two wheelers reduced from 16 to 12 per cent
- Excise duty slashed to 8% on water purification items
- Duty withdrawn on naptha for production of polymers
- Central Sales Tax up from 2% to 5%
- Introduction of commodity transaction tax
- Short-term capital gains tax hiked to 15%
- Securities Transactions Tax unchanged
- Banking Transaction Tax withdrawn

INDIRECT TAXES

- No change in peak rates of customs duty

DEFENCE

- National Programme for elder with outplan of Rs 400 crore to be launched in 2008-09
- Mid-day meal scheme extended to upper primary classes
- Scholarships for science and research
- Education and Health allocation up 20%
- Service Sector to grow at 10.7%
- Allocation of Rs 6300 crores in 2008-09 for anganwadi
- Rs 30,000 health cover for every worker in unorganised sector
- Two schools of Planning and Architecture in Bhopal and Vijaywada
- Allocation of Rs 4,554 crore for secondary education scheme

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- Rs 100 cr to Ministry of Science and Technology for National Knowledge Network
- All knowledge bodies to be connected via broadband
- Rs 85 crore to building a knowledge society

MISCELLANEOUS

- Special fund of Rs 500 crores for Arunachal Pradesh
- 12,155 crores to Ministry for North East Development
- Rs 200 crores for clean water to school children
- Rs 1000 crore for Ministry for Minorities
- Rs 75 crore for Rajiv Gandhi National Fellowship Programme
- Rs 60 crore to enhance the corpus fund of Maulana Azad programme
- Rs 11,460 crore for 100 per cent women specific scheme
- Rs 45.5 crore to modernise madrasas
- Rs 288 crores for nationalised banks in minorities areas
- Allocation of Rs 1200 crore for sanitation programmes
- More minority recruitments in central para-military forces
- ICDS allocation hiked to Rs 6,300 cr
- Rs 300 cr for desalination plant near Chennai
- National Handicap Development Corp to get Rs 9 crore
- LIC 'Janashree Yojana' for women self-help groups
- Target of 2,80,000 for credit in agriculture
- Rs 300 crore for rain affected areas
- USD 730 million World Bank agreement for water storage development
- Target of 2,80,000 for credit in agriculture
- Rs 500 crore for development of border areas
- Rs 1100 cores for National Horticulture Mission
- 500 new labs for soil testing
- Rs 500 crore to Centre of Development Studies, Tiruvananthapuram