

2013-  
2014

Highlights of Indian Union  
Budget

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2013-2014

**Highlights of Indian Union Budget 2013-2014**

- Tax credit of Rs. 2,000 for income up to Rs. 5 lakh.
- Surcharge of 10 per cent for taxable incomes above Rs. 1 crore, No review of tax slabs.
- Excise duty on SUVs to be increased to 30 per cent from 27 per cent, SUVs registered as taxis exempted.
- Commodities transaction tax levied on non—agriculture commodities futures contracts at 0.01 per cent.
- Rs 532 crore to make post offices part of core banking.
- Direct Taxes Code (DTC) bill to be introduced in current Parliament session.
- Duty-free limits raised to Rs 50000 for men and Rs 1 lakh for women.
- 18% rise in excise duty on Cigarettes, cigars and cheerots
- Service tax on all A/C restaurants.
- Royalty tax hiked from 10% to 25%.
- Tax Deducted at Source to be fixed at 1% on land deals over Rs 50 lakh.
- No change in peak custom, excise rates.
- 5 to 10 per cent surcharge on domestic companies whose taxable income exceeds Rs 10 crore.
- 11 lakh beneficiaries have received benefit under Direct Benefit Transfer scheme. Direct Benefit Transfer (DBT) Scheme to be rolled out throughout the country during the term of UPA Government.
- Modified GAAR norms to be introduced from April 1, 2016.
- Administration reform commission proposed.
- Rs 5,87,082 crore to be transferred to states under share of taxes and non plan grants in 2013—14.
- "To the women of India - we have a collective responsibility to ensure the dignity and safety of women. Recent incidents have cast a long dark shadow on our credentials. As more women enter public spaces...there are more reports of violence against them. We stand in solidarity with our girl children. We pledge to everything possible to keep them secure. A number of measures are in the works and they will be taken up Government and Non-government sources...I will set up a fund of Rs 1000 crore to achieve this end. Ministry of Women will come up with a plan on how to use these funds."
- Rs. 1,000 crore each for women, youth funds
- Rs. 1,000 crore for Nirbhaya fund
- Promise to women, youth and senior citizens
- 289 more cities to get private radio FM stations
- Grant of Rs 100 crore each to AMU (Aligarh), BHU (Varanasi) and TISS (Guwahati) and INTACH.

- "Rs 6275 crore to Ministry of Technology, Rs 5216 crore to Department of Space, Rs 5280 crore to Department of Energy. These amounts are substantial increases."
- Rs. 2 trillion for defence sector
- First home loan from a bank or housing finance corporation upto Rs. 25 lakh entitled to additional deduction of interest upto Rs. 1 lakh.
- Proposal to launch Inflation Indexed Bonds or Inflation Indexed National Security Certificates to protect savings from inflation.
- On oil and gas exploration policy, the Budget proposes to move from the present profit sharing mechanism to revenue sharing. Natural gas pricing policy will be reviewed
- Insurance companies can now open branches in Tier 2 cities and below without prior approval. All towns of India with a population of 10000 or more will have an LIC branch and one other public sector insurance company.
- Income limit for the tax-saving Rajiv Gandhi Equity Savings Scheme is raised to Rs. 12 lakh from Rs. 10 lakh
- All public-sector banks have assured the Finance Minister that they will all have ATMs in their branch areas by 2014
- India's first women's bank as a PSU proposed, Rs. 1,000 crore working capital announced
- India Infrastructure Finance Corporation (IIFC), in partnership with ADB will help infrastructure companies to access bond market to tap long term fund
- Regulatory authority to be set up for road sector
- Four Infrastructure debt funds have been registered
- Rs 7 lakh crore targets fixed for agri credit for 2013—14 compared to Rs 5.75 lakh crore in the current year.
- Eastern Indian states to get Rs 1,000 crore allocation for improving agricultural production.
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- Green revolution in east India significant. Rice output increased in Assam, Odessa, Jharkhand and West Bengal;
- Rs 500 crore allocated for programme on crop diversification
- ICDS gets Rs. 17,700 crore.
- Average annual growth rate of agriculture and allied services estimated at 3.6 per cent in 2012—13 when 250 MT food grains was produced.
- Rs 27,049 crore allocation to the Agriculture Ministry in 2013—14.
- The target for farm credit for 2013-14 has been set at Rs. 7, 00,000 crore against Rs. 5, 75,000 crore during the current year.
- Rs 14,873 crore for JNNURM for urban transportation in 2013—14 against Rs 7,880 crore in the current fiscal
- Foodgrain production in 2012—13 will be over 250 million tons

- *Rs 15,260 crore to be allocated to Ministry of Drinking Water and Sanitation.*
- *Rs 80,194 crore allocation for Ministry of Rural Development in 2013—14. About Rs 33,000 crore for MGNREGA*
- *Rs. 5,000 crore for NABARD for agri storage facilities*
  
- *Godowns to be constructed with help of panchayats. Food grain productions have been raised drastically and only increase with each year.*
- *Rs 17,700 crore to be allocated for Integrated Child Development Scheme (ICDS): FM.*
- *“National Food security bill is a promise of the UPA government. I hope the bill be passed as soon as possible. I have set apart Rs 10,000 crore to the expected cost of the act.”*
- *An Institute for agricultural biotechnology will be set up in Ranchi, Jharkhand.*
- *Rs 1069 crore allocated to Department of Aryush: FM*
- *Rs 4,727 crore to be allocated for medical education and research. Rs 1,069 crore to be given to Department of Ayush.*
- *Medical colleges in six more AIIMS—like institutions to start functioning this year; Rs 1650 crore allocated for the purpose.*
- *Rs 37,330 crore allocated for Ministry of Health & Family Welfare.*
- *Rs 110 crore to be allocated to the department of disability affairs, says FM.*
- *Additional sum of Rs 200 crore to Women and Child Welfare Ministry to address issues of vulnerable women.*
- *Rs 3511 crore allocated to Minority Affairs Ministry which is 60 per cent of the revised estimates.*
- *Rs 13215 crore for mid-day meal programme: Chidambaram.*
- *The idea of setting up a PNGSY-2 causes uproar in the Parliament. The minister is interrupted the round of shouting, who clarifies that states that have completed PNGSY -1 will get the second version, the rest will continue under the first version.*
- *The Right to Education Act is firmly in place, says Chidambaram, while announcing Rs. 27,250 crore to Sarva Shiksha Abhiyaan in FY14.*
- *The Human Resources Development ministry meanwhile gets Rs. 65,867 crore, a rise of 17% from revised estimates.*
- *"Government committed to reconstruction of Nalanda University" - But no specific funds for the project was announced.*
- *Chidambaram announces additional fund allocation of Rs 200 crore to the Women and Child Development Ministry. He says women 'belonging to the most vulnerable groups must be able to live with self-esteem and dignity'.*
- *169 crore given for development of Ayurveda, Siddha, Unani (Natural medicine) and homeopathy*
- *Rs 41,561 crore for SC plan and Rs 24,598 crore for tribal plan. The move comes with a strong statement*

- *Plan Expenditure placed at Rs. 5,55,322 crore. It is 33.3 percent of the total expenditure while Non Plan Expenditure is estimated at Rs. 11,09,975 crore. The plan expenditure in 2013-14 will be 29.4 percent more than the RE of the year 2012-13.*
- *Fiscal Deficit for 2013-14 is pegged at 4.8 percent of GDP. The Revenue Deficit will be 3.3 percent for the same period.*
- *On oil and gas exploration policy, the Budget proposes to move from the present profit sharing mechanism to revenue sharing. Natural gas pricing policy will be reviewed.*
- *On coal, the Budget proposes adoption of a policy of pooled pricing.*
- *Benefits or preferences enjoyed by MSME to continue upto three years after they grow out of this category.*
- *Refinancing capacity of SIDBI raised to Rs. 10,000 crore.*
- *Technology Upgradation Fund Scheme (TUFs) for textile to continue in 12th Plan with an investment target of Rs. 1,51,000 crore.*
- *Rs. 14,000 crore will be provided to public sector banks for capital infusion in 2013-14.*
- *A grant of Rs. 100 crore each has been made to 4 institutions of excellence including Aligarh Muslim University, Banaras Hindu University, Tata Institute of Social Sciences, Guwahati and Indian National Trust for Art and Cultural Heritage (INTACH).*
- *A surcharge of 10 percent on persons (other than companies) whose taxable income exceeds Rs.1 crore have been levied.*
- *Generation based incentives to wind energy projects reintroduced, Rs 800 crore provided for the purpose to Ministry of New & Renewable Energy*
- *Rs 14,000 crore capital infusion into public sector banks in 2013—14*
- *Standing Council of Experts in Ministry of Finance to examine transaction cost of doing business in India*
- *Financial Sector Legislative Reforms Commission (FSLRC) to submit its report next month.*
- *Incubators set up by companies in academic institutions will qualify for Corporate Social Responsibility (CSR) activities.*
- *Rs 500 crore would be allocated for addressing environmental issues faced by textile industry.*
- *Concessional six per cent interest on loans to weavers.*
- *SEBI will simplify procedures for entry of foreign portfolio investors.*
- *SIDBI's re—financing facility to MSMEs to be doubled to Rs 10,000 crore.*
- *5 million tons Dabhol LNG import terminal to be operated at full capacity in 2013—14 .*
- *Coal imports during Apr—Dec 2012 crossed 100 million tonnes and expected to go up to 185 million tonnes in 2016—17,*
- *Government will provide Rs 14000-crore capital infusion in state-run (public-sector) banks in 2013/14.*
- *Oil and gas exploration policy will be reviewed and moved from profit sharing to revenue sharing.*

- *Policy on exploration of shale gas on the anvil; natural gas pricing policy will be reviewed and uncertainty removed.*
- *Rs. 9,000 crore earmarked as the first installment of balance of CST compensations to different States/UTs.*
- *Govt to construct power transmission system from Srinagar to Leh at the cost of Rs 1,840 crore, Rs 226 crore provided.*
- *Rs 2400 crore for textile technology upgradation.*
- *Two new ports in West Bengal and Andhra Pradesh.*
- *Many manufacturing projects stalled due to regulatory process.*
- *A company investing Rs 100 crore or more in plant and machinery in April 1, 2013 to March 31, 2015 will be allowed 15 per cent investment deduction allowance apart from depreciation.*
- *To provide appropriate incentives for semiconductors industry including zero customs duty on plants and machineries.*
- *Fresh push for Bangalore-Chennai industrial corridor. Minister says the corridor to be developed in co-operation with the Japanese.*
- *DIPP and Japan's JICA preparing plan for Chennai— Bangalore Industrial corridor.*
- *Power sector gets a nod - States encouraged restructuring financial systems to improve sector as a whole and sign MoUs for the same effect.*
- *Rs 25,000 cr to be raised through tax free bonds: Chidambaram.*
- *"Doing business in India must be seen as easy, friendly and mutually beneficial" - Second reference to increasing FDI in India. Government seems to be betting heavily on a large FDI influx to help with the deficit.*
- *"We will use innovative and new financial methods to increase investment in infrastructure," says the Minister.*
- *New steps have been announced to increase availability and amount of debts available for infrastructure projects.*