

**Press Information Bureau
Government of India
Ministry of Finance**

28-February-2013 13:13 IST

Highlights of the Budget

The Union Budget for 2013-14 aims at higher growth rate leading to inclusive and sustainable development as 'mool mantra'.

- Finance Minister makes three promises: to women, youth and the poor.
- Nirbhaya Fund to empower women and to keep them safe and secure.
- Proposal to set up India's first Women's Bank as a public sector bank.
- Rs. 1,000 crore for skill development of ten lakh youth to enhance their employability and productivity.
- Direct Benefit Transfer (DBT) Scheme to be rolled out throughout the country during the term of UPA Government.
- 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.
- 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 current year i.e. 2012-13.
- Substantial rise in allocation to the social sector. Allocation for Rural Development Ministry raised by 46 percent to Rs. 80,194 crore.
- 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. 10,000 crore earmarked for National Food Security towards the incremental cost.
- Education gets Rs. 65,867 crore, an increase of 17 percent over RE for 2012-13.
- ICDS gets Rs. 17,700 crore. This is 11.7 percent more than the current year.
- Drinking water and sanitation will receive Rs. 15,260 crore. Rs. 1,400 crore is being provided for setting up water purification plants to cover arsenic and fluoride affected rural areas.
- Health and Family Welfare Ministry has been allotted Rs. 37,330 crore. National Health Mission will get Rs. 21,239 crore which represents 24.3 percent over the RE.
- The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) will receive Rs. 14,873 crore as against RE of Rs. 7,383 crore in the current year.
- Defence has been allocated Rs. 2,03,672 crore.
- Rs. 3,511 crore have been earmarked to Minority Affairs Ministry, 60 percent higher than RE for 2012-13.
- The Government will encourage Infrastructure Debt Fund (IDF) and allow some institutions to raise tax free bonds upto Rs. 50,000 crore which is 100 percent more than the current year.
- India Infrastructure Finance Corporation (IIFC), in partnership with ADB will help infrastructure companies to access bond market to tap long term funds.

- Income limit under Rajiv Gandhi Equity Savings Scheme (RGESS) will be raised from Rs. 10 lakh to Rs. 12 lakh.
- 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.
- 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).
- New taxes to yield Rs. 18,000 crore.
- A surcharge of 10 percent on persons (other than companies) whose taxable income exceeds Rs.1 crore have been levied.
- Tobacco products, SUVs and Mobile Phones to cost more.
- Relief of Rs. 2000 for the tax payers in the first bracket of 2 to 5 lakhs.
- 'Voluntary Compliance Encouragement Scheme' launched for recovering service tax dues.
- Rs. 9,000 crore earmarked as the first installment of balance of CST compensations to different States/UTs.

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