

UNION BUDGET 2009-10

FMCG

POSITIVE

- DUTY CUT ON LCD PANELS TO 5% FROM 10%
- CUSTOMS DUTY REDUCED ON MEDICAL EQUIPMENTS FROM 10% TO 5%.

OIL AND GAS

- TAX HOLIDAY FOR GAS PRODUCTION FOR 7 YEARS.

TEXTILE

- RESTORE 8% EXCISE DUTY ON MAN MADE FIBRE.

FINANCE

POSITIVES

- SCRAP COMMODITY TRANSACTION TAX
- EXEMPTION OF PENSION TRUST FROM STT
- FRINGE BENEFIT TAX ABOLISHED
- EXEMPTION OF PENSION TRUST FROM STT
- 10% SURCHARGE TO BE REMOVED FROM PERSONAL INCOME TAX

NEGATIVE

- INCREASED MAT TO 15% FROM 10%
- BANKS AND INSURANCE TO REMAIN STATE RUN.

EDUCATION

- FULL INTEREST SUBSIDY FOR HIGHER EDUCATION LOANS
- THIRST ON HIGHER EDUCATION (MORE AMOUNTS ALLOCATED FOR IITS AND IIMS. PUNJAB UNIVERSITY)

INFRASTRUCTURE

- 23% MORE ALLOCATION FOR NATIONAL HIGHWAY AUTHORITY OF INDIA.
- RAISE ALLOCATION FOR URBAN POOR SCHEMES TO Rs 39.73 BN IN 2009-10.
- IIFCL WILL FACILITATE TAKE OUT FINANCING FOR INFRASTRUCTURE PROJECTS

MEDIA

- STIMULUS PACKAGE FOR MEDIA EXTENDED FOR 6 MONTHS.

AGRICULTURE

- TO PAY ADDITIONAL SUBVENTION TO FARMERS

- PROVIDE Rs 100 CRORES FOR IRRIGATION
- EXTEND AGRICULTURE DEBT WAIVER BY 6 MONTHS.
- PLANS TO MOVE TOWARDS NUTRIENT BASED FERTIZERS
- SUBSIDY DIRECTLY TO FARMERS
- AGRICULTURE CREDIT TARGET 3250 CRORES.

EXPORTERS

- EXTEND INTEREST SUBVENTION TO EXPORTERS IN SEVEN SECTORS BY 6 MONTHS.
- ALLOCATES Rs 400 CRORE TO INSENTIWSE LENDING TO SMALL FIRMS.

RURAL DEVELOPMENT

- Rs 100 CRORE TO SET UP BANKING SERVICES IN UNBANKED AREAS.
- ALLOCATE Rs 3910 CRORES FOR RURAL JOB SCHEMES.
- RISE ALLOCATION TO BHARAT NIRMAN BY 45%.
- ALLCOATION FOR RURAL ROAD SCHEME RAISED BY 59%.
- TO ALLOCATE Rs 700 CRORE FOR RURAL ELECTIFICATION.
- TO ALLOCATE Rs 200 CRORE FOR RURAL HOUSING.
- TO SET UP TWO HANDLOOM CLUSTER AND ONE POWER LOOM CLUSTER.

DEFENSE

- PROPOSES 1000000 HOUSING UNITS FOR PARA MILITARY STAFFS.
- TO ENHANCE PAY BACK PENSION OF Rs 1.2 CRORE
- DEFENSE SPENDING RS 1420 CRORE

BUDGET EXENDITURE AND INCOME

- TOTAL BUGET SPENDING CROSSED Rs 102000 CRORES.
- PLAN EXPENDITURE 34%, NON PLAN EXPENDITURE 37%.
- CORPORATE TAX RECEIPTS AT RS 25700 CRORES FY10

TAX

POSITIVE

- PERSONAL INCOME TAX EXEMPTION RAISED BY Rs 15000 FOR SENIOR CITIZEN, Rs 10000 FOR OTHERS.
- MAT CAN BE CARRY FORWARDED FOR 15 YEARS.
- IMPOSES SERVICES TAX ON CERTAIN LEGAL SERVICES
- INCOME TAX RECEIPTS AT 11300 CRORE FY10.
- EXCISE DUTY ON NAPHTHA CUT TO 14% FROM 16%.

NEGATIVE

- CORPORATE TAX REMAINS THE SAME.
- OVERALL CUSTOM DUTY REMAINS THE SAME

AUTO

- CUT IN EXCISE DUTY ON PETROL DRIVEN TRUCKS

FUND RAISING

POSITIVE

- GOVERNMENT HAS GIVEN PERMISSION THROUGH BUDGET TO RAISE BONDS OF NTPC, NEYVELI, BSNL, POWER GRID, NHAH etc GIVING MORE IMPORTANCE THAN DIVESTMENT.
- MARKET STABILIZATION SCHEME BOND BUY BACK PLAN WORTH RS 3870 RUPEES.
- AIMS TO RAISE RS 112 CRORE FROM STAKE SALES IN 2009/10.

NEGATIVE

- TO ENCOURAGE PARTICIPATION OF PUBLIC IN DIVESTMENT IN PSU. BUT ITS NOT CLEAR.
- TO CREATE AN ENVIRONMENT FOR PRIVATE DIVESTMENT. BUT NO CLARITY.
- NOTHING HAS BEEN MENTIONED FOR ATTRACTING FOREIGN CAPITAL AND FM EXPECTS FOREIGN CAPITAL FLOW ONCE ECONOMY REVIVES.

PRECIOUS METAL

- GOLD DUTY INCREASED BY Rs100/10 GRAMS

GENERAL

- PLANS INSTITUTIONAL REFORMS TO CONTROL FISCAL DEFICIT. BUT ITS NOT CLEAR.
- ASSUMES GDP GROWTH OF 8% IN FY11 AND 9% FY12.
- ALLOCATE Rs 347.2 CRORE FOR COMMON WEALTH GAMES.
- UNIQUE ID
- TO SET UP A PANEL TO REVIEW DOMESTIC FUEL PRICE.
- PURPOSE TO RAISE THRESHOLD FOR NON PROMOTER HOLDING IN ALL LISTED COMPANIES.
- FISCAL DEFICIT FORECAST 6.8% OF GDP
- BRANDED GEMS AND JEWELLERY EXEMPTED FROM DUTY
 - DOES NOT MENTION ON VOTING RIGHTS CAP ON FII AND HIKE IN HOLDING LIMIT IN PSU BANKS.