



Union Budget 08-09

- Banking transaction tax to be exempted
- **Central sales tax:** Reduced to 2%
- 15% rise in short term capital gains tax
- 5-yr tax holiday for building hospitals in tier-II, tier III regions
- Short-term capital gains rises to 15 pc
- Excise duty of Rs 1.35/litre applied on unbranded petrol
- Excise duty of Rs 4.6/litre applicable on unbranded diesel
- Introduction of Commodities Transactions Tax
- Securities Transaction Tax would be considered like deductible expenditure
- **Star hotels:** 2,3,4 star hotels to get 5-yr tax holiday in UNESCO's heritage sites
- FBT exempted on creche, employee sports facilities
- Duty on two wheelers slashed from 16 to 12 pc
- Tax slab for Rs 3-5 lakh would be 25 pc
- **TAX:** exemption raised from Rs 1,10,000 to Rs 1,50,000
- **TAX:** Women exemption threshold stretched from Rs 1,45,000 to 1,80,000
- **TAX:** Senior citizens' exemption raised from Rs 1,95,000 to 2,25,000
- **TAX:** Coporate income tax unchanged



- Hike of duty on non filter cigarettes
- Excise duty reduced to 8% on water purification items
- Duty taken off on naphtha for production of polymers
- Refrigeration components to get less expensive
- Reduction of excise duties on anti-AIDS drugs
- Tax-GDP ratio raised at 12.5%
- Step down of excise on paper and its products
- Reduction of excise duties on buses, chassis
- Excise on small cars stepped to 14%
- Excise on pharma goods reduced to 14%
- **General CENVAT rate:** dipped from 16% to 14%
- 5% cut of customs duty on some bulk drugs
- Crude sulphur: duties stepped down to 5%
- Relieve of duties on coral
- **Fiscal Deficit & Revenue Deficit:** pegged at 3.1% & 1.4%.
- Duties on convergence products dipped to 5%
- **Set top boxes:** 100% exemption
- **COMMONWEALTH GAMES:** allocated Rs 624 cr.
- **Steel melting & aluminum scrap:** duties reduced
- Peak rate of customs duties unchanged
- Sixth central pay commission would submit report by March
- Revenue Deficit would be 1.4 % agt Budget Estimate of 1.5%
- Planning Commission to assess major schemes



- **PROTECT TIGER:** Rs 50 cr to Natl Tiger Conservation Authority to get Rs 50 cr
- Rs 75 cr for ICCR for cultural development
- **Defence allocation raised by 10% to Rs 1,05,600 cr**
- PDS to get Rs 32,676 as subsidy
- Smart-card based PDS system to come up in Haryana, Chandigarh
- PDS to be toned up
- Grant of Rs 44 cr to 22 Sainik schools each
- Rs 75 cr to given to Agri Ministry to set up soil testing labs in 250 districts
- Rs 15,000 cr to be given for a non-profit body for dev programme
- Set up a world-class skilled development programme
- **PAN requirement extended to all securities transactions**
- Set up bond, derivative market
- More clarity in Derivative market
- Risk Capital Fund to be established in SIDBI
- Allocation of Rs 12,966 cr for National Highway Dev programme
- Rs 8,000 cr for accelerated power development programmes
- Ultra mega power project to come up at Tilana shortly
- NHDP to get Rs 12,956 Cr



- Banks would be bucked up to embrace total financial inclusion
- **Foreign invt:** Oil block exploration anticipated to get up to \$8 bn
- Setting up of Coal regulator
- **Health Insurance for 17 lakh families of weavers**
- Approval of State data centres scheme and gets Rs 275 cr
- **1 lakh broadband-enabled common service centres** to be set up in villages
- Better allocation of NHDP programme
- Power distribution to get Rs 800 cr
- **Public Sector Bank:** Around 288 branches to be opened in districts with minority community concentration.
- Manufacturing rate of growth planned to be doubled
- RIDF corpus to be raised to Rs 14,000 cr
- **Education:** 20% hike from Rs 28,674 cr to Rs 34,400 cr
- Total amount of loans being waived is Rs 50,000 cr
- Debt waiver scheme to end up by June 30
- **Minority Affairs Ministers allotted Rs 1000 cr.**
- Total amount of loans being waived is Rs 50,000 cr
- Debt waiver scheme to end up by June 30
- Interest subvention would prove negative for banks
- Waiver forms up to 4% of total bank loans



- Sensex dipped to 210 points
- **500 soil testing labs** would be established in the country
- Marginal, small farmers gets 100% waiver on all loans.
Benefit to 4 crore farmers
- Farmers would be provided with scheme of debt waiver and debt relief
- Allocation for NRHM hiked to Rs 12,050 cr
- National Horticulture Mission would be allocated Rs 1,100 cr
- Rs 50 cr for Weather based crop insurance scheme
- Tea Research Association would be given a special grant of Rs 20 cr
- Rashtriya Krishi Vikas Yojana would be allocated Rs 2,80,000 cr.
- 53 minor irrigation programmes would come into action
- **Coffee, cardamom** growing gets more funds

- **Child specific schemes** would be given Rs 34,334 crores
- Rs 2.80 lakh cr has been set for agri-credit in 2008-09
- Ministry of Woman and Child Development to be allotted Rs 7,200 cr
- 24% hike in allocation for child development
- Border area development gets Rs 500 cr
- **Anti-Polio drive** gets Rs 1,042 cr



- Hospital sector likely to gain Interest subvention has been increased in the year 2007-08
- Jawaharlal Nehru Urban Renewal Mission would be allotted Rs 6,865cr
- Development of agri-credit has been impressive
- Minority Affairs Ministry fund raised to Rs 1,000 cr
- Setting up of 288 PSU bank branches in minority districts
- Rs 540 cr to be given for the development plan for minority districts
- LIC would entail all women SEGs
- Rs 200 crore to be given for potable water in schools
- Rural health services would be allotted Rs 12,050 cr for its development
- Publishing market would gain from education boost
- Sanitation programmes would be allotted Rs 1200 cr
- More number of minority placements in central para-military forces
- **Higher Education:** more institutions in the 11th plan.
- Anganwadi helpers & workers remuneration hiked to Rs 750 & Rs 1,500
- National Programme for elderly citizens at Rs. 400 crore
- Rajiv Gnadhi Natl Fellowship Programme would be allotted rs 75 cr
- Rs 9 cr for Nat Handicap Development Corp



- Natl Minorities Development Corp would be allotted Rs 75 cr
- Rs. 500 crore for Arunachal and north eastern states
- Education spend to be raised by 20% to Rs 34,400 cr
- NE region would be granted Rs 1, 350 cr for development
- Rajiv Gandhi Drinking Water mission allotment would be raised
- NREG scheme to be implemented in 596 districts
- National Rural Health Mission allocation raised by 15%
- Rs 30,000 health cover allotment for every worker in unorganised sector
- Increase of Health allocation to 15%
- supply safe drinking water as per Rajiv Gandhi's plan
- 3 IISCs would be set up in Bhopal and Trivandrum
- National Programme for the Elderly to be set up
- Secondary education Scheme: Rs 4,554 crore
- 2 schools would be set up for planning and architecture
- Rs 4,554 crore Secondary education Scheme
- Rs 100 cr would be given to Ministry of Science and tech for Natl Knowledge Network
- All knowledge bodies would be connected through broadband
- Rs 85 crore for the setting up of a knowledge society
- Scholarships would be given for science and research



- Education and Health allocation up 20%
- Service Sector to rise at 10.7%
- Setting up of 3 IITs in AP, Bihar and Rajasthan
- 16 central universities would come up
- **Mid-day meal scheme:** for upper primary classes also.
Budgetary allocation Rs 8,000
- Navodiya Vidyalayas to start up in 6,000 districts
- 6,000 model high schools to be established
- Agricultural growth rate planned at 2.6%
- reforms for Education, health remains a major concern
-
- 2008-09 would be a year of integration
- He remains to be convicted to sustain 8% growth
- Effect of global mkts on local mkts is hazy
- Govt, RBI will to take a conjoint step to manage capital inflow
- Govt to monitor all foreign fund inflow
- Govt. to check foreign inflow to stabilise Indian mkts
- Rashtriya Krishi Vikas Yojna launched
- Food grains overall output is 219.32 mn tonnes
- We should remain wakeful for downside risk
- Crude oil has seen a step down
- Agriculture condition was disatisfactory

Union Budget 08-09



- Capital inflows proves to be point of consideration against monetary management
- Growth rate at 8.8%
- Service sector remains the propelling force for Budget
- Since Aug 2007 financial economies has seen a great ups and downs 2007-08 has been a challenging year
- Chaos in the parliament as Opposition interrupts speech
- Finance Minister P Chidambaram starts up to address Parliament

- This Union Budget 2008-09 would be UPA government's last Budget before elections next year.
- The next Union Budget will be a vote-on-account because of general elections.
- FM might not deliver a populist Budget as against the general speculations.



Affected items after the Union Budget 2008-09

Expensive	Cheaper
<ul style="list-style-type: none">• Non filter cigarettes• Unbranded petrol and diesel	<ul style="list-style-type: none">• Anti-AIDS drugs• Two wheelers• Small cars• Bulk drugs• Crude sulphur• Buses, Chassis• Water Puriifier• Refrigeration Components• Paper and its products• Naptha• Pharma goods