

Union Budget of India 2014-15 Highlights and Analysis

Indian Finance Minister Arun Jaitley presented the Union Budget 2014-15 today. Having covered the [Economic Survey 2013-14](#) in our last post, in this post let us see the highlights of the first budget of Narendra Modi's government. We shall compare in our next post, the Union Budget of India 2014 -15 with the interim budget presented by former Finance Minister P. Chitambaram for the same period, ie. 2014-15.

Union Budget of India 2014 -15 Highlights

The total expenditure as per Union Budget 2014-15 is Rs.17.94892 lakh crores, which is higher by Rs. 31678 crore than the interim budget 2014-15 of Rs.17.63214 lakh crores. There is additional spending of Rs. 19678 crore under the Plan Expenditure and Rs.12,000 under Non-Plan Expenditure. Several new schemes are announced to revamp the Indian Economy. We shall analyse each of them in detail in coming posts.

PS : You can download the whole Budget documents from the website www.indiabudget.nic.in. For those who like to read in physical form, various books with details of Union Budget will be available soon to buy online from the shopping sites like [Flipkart](#) or [Amazon](#).

Key points from the Union Budget 2014-15

Below is a list of points taken from the union budget 2014-15. These points will give you an overall idea about the qualitative aspects in the expenditure and revenue sides. For a quantitative picture, read our coming posts on budget analysis.

1. Rs 37,800 crores proposed for NHAI and State Highways, and Rs 3,000 crores for roads in North East

2. Pension scheme for senior citizens being revived
3. Spl plan for SC & ST
4. Deen Dayal Upadhaya Gram Jyoti Yojana to be launched to augment power supply in rural areas
5. Open market sale of food grains, wherever required
6. Community radio stations & Kisan TV for farmers
7. Rs 500 crore to set up four more AIIMS



India's FM Arun Jaitley with Union Budget 2014-15 (CREDIT: REUTERS/STRINGER)

8. Rs. 2037 crores for Ganga cleaning
9. Rs 100 crore for Madrasa modernisation
10. Pilot scheme for safety of women in public transport
11. Beti Bachao-Beti Padhao Yojna announced
12. Mobile phones & online advertisements within tax net
13. Aerated drinks to be more expensive
14. Cigarettes to cost more, excise duty hiked from 11% to 72%
15. Personal computers, electronic goods to be cheaper
16. Proposal to make CRT TVs cheaper
17. Basic customs duty on LED panel below 19 inch removed
18. Soaps and oil products to become cheaper
19. Excise duty on footwear reduced from 12% to 6%
20. Excise duty concessions to continue till 31st Dec
21. Annual deposit under PPF scheme raised from Rs. 1 lakh to 1.5 Lakhs
22. National industrial corridor to be set up with Pune at centre
23. Banks to give long term infra loans
24. 10-year Tax holiday for power sector to continue
25. Single D-mat A/c for all financial transactions
26. Rs. 4200 crores for Ganga project river connectivity from Allahabad to Haldia
27. Five IITs and five IIMs to be set up
28. Tax relief for interest on housing loan raised from Rs. 1.5 lakh to 2 lakh
29. Deduction under 80C increased from Rs.1 lakh to Rs. 1.5 lakh
30. Education cess to continue at 3%
31. No change in surcharge
32. Personal Income Tax exemption ceiling raised from Rs 2 lakh to Rs. 2.5 lakh; for senior citizens to Rs 3 lakh
33. No change in Direct Tax rates
34. War Memorial to be set up at Princess Park, New Delhi
35. Pending Insurance Amendment Bill to be taken up in Parliament
36. 15000 KM of additional pipeline through PPP mode to complete Gas Grid
37. Govt to examine proposal to give additional autonomy to banks
38. Rs 1,000 crore for one rank one pension policy adopted by govt
39. Committed to 4% growth in agriculture

40. Six debt recovery tribunals to be set up
41. Ultra modern solar power projects to be set up
42. Rs 11,635 crores for harbour projects
43. Rs 10,000 crores set aside for start up firms
44. Mumbai infra corridor to be completed on schedule
45. Investment in mining sector to be encouraged
46. Financial sector to be at heart of economic growth
47. Rs 200 crore for Sardar Patel statue project in Gujarat
48. Rs 1000 crores proposed for Pradhanmantri Krishi Seechai Yojana to improve irrigation facility
49. Rs 30 crore for setting up Hasthkala Academy for revival of handicrafts
50. MSME definition to be revised for high capital ceiling
51. Effective steps to be initiated to revive SEZs
52. Total sanitation by 2019
53. Rs 14,389 crore announced for Pradhan Mantri Gram Sadak Yojna, PMGSY
54. Over Rs 7000 crore for creating smart cities
55. Rs 1,785 crore for road under-bridges & over-bridges
56. New Agri univs for AP and Rajasthan and Horticulture univs for Haryana, Telangana
57. Rs 4,000 crore for National Housing Bank for flow of cheap housing finance
58. Government to print currency notes with braille-like signs to help the blind
59. GST to be introduced soon; legislation process to be completed this year
60. Slum development to be included in CSR activities
61. Rs 3600 crore for National Rural Drinking Water programme
62. FDI in defence sector proposed to be hiked to 49 percent
63. Composite cap on FDI in insurance proposed to be raised from 26% to 49%
64. High panel to review retro-tax cases
65. 15 Model Rural Health Research centers for rural health issues
66. 12 more govt medical colleges proposed with dental facilities
67. Reducing fiscal deficit to 4.1 % daunting: FM
68. National multiscale Skill India programme to provide training and support for employment
69. E-Visa facility to be started in a phased manner at 9 airports to promote tourism
70. 15 new Braille presses to be established; 10 existing to be revived
71. Government to leave no stone unturned to create a vibrant India
72. New urea policy will be formulated
73. Govt aims to achieve 7- 8 % economic growth rate in next 3-4 years
74. Centre looks forward to low inflation regime

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Questions raised by opposition on the Union Budget 2014: Read for a balanced view

- What will Rs 100 crore give for Metros in Lucknow and Ahmedabad when one line of Mumbai Metro cost Rs 4321 crore and Delhi Metro costs Rs. 204 crore per km?
- Rs.100 crore for “beti bachao/beti padhao” vs 200cr for Patel statue in Gujarat.

- Meagre resource mobilization for infrastructure.
- With no clear measures to increase revenues or tax collection efficiency, how will NDA manage the fiscal deficit? Cut development expenditure?
- Can Rs.100 crore be a serious figure for Rural Youth Entrepreneurship in a country where 67% of the population is rural and 65% is young (under35)?
- Agriculture has been woefully neglected in a year where farmers are particularly vulnerable to consequences of a bad monsoon.
- Jaitley didn't mention disinvestment, but expects crores from non-tax revenues. Where's that coming from?
- No concrete steps on reducing inflation. No indication of where new jobs will come from for 12 million coming into employment market each year.
- The government budget accepts fiscal deficit of 4.6%. But gives no specifics on how it will bring it down to 4.1%.

