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28 Feb India's 82nd Union Budget announced

India > Union Budget

Finance Minister Mr. P. Chidambaram presented India's 82nd Union Budget on the 28th Of February. The total budget expenditure for 2013-14 is seen at 16.65 lakh crore rupees. Out of this, non-planned expenditure is estimated at Rs. 11.1 lakh crore whereas planned expenditure is Rs. 5.5 lakh crore.

Highlights of the Union Budget 2013-14:

- No change in basic tax slabs. Surcharge of 10 percent on those with a taxable income of over Rs. 1 crore. Surcharge on corporates with income over Rs. 10 crore raised to 10 percent from 5 percent. A tax credit of Rs. 2000 to every person with total income in the tax bracket of Rs. 2 lakhs to Rs. 5 lakhs
- Fiscal deficit for FY 2013 seen at 5.2 percent and for FY 2014 at 4.8 percent
- Additional deduction of interest up to Rs 1 lakh for a person taking first home loan up to Rs 25 lakh from 1st April, 2013 to 31st march, 2014
- Foreign Portfolio Investment in excess of 10 percent will be considered as a Foreign Direct Investment. The entry rules for Foreign Institutional Investors (FIIs) will be eased further
- Government will borrow Rs. 6.3 lakh crore from the market
- The excise duty on mobile phones priced over Rs. 2000 will be hiked to 6 percent
- Rs. 1000 crore Nirbhaya Fund announced for the welfare of women.
- Duty free limit for Gold raised to Rs. 50,000 in case of male passengers and Rs. 1, 00,000 in case of female passengers.
- 10,000 crores set apart for expenditure likely under the Food Security Bill
- Rs. 3511 crore allocated to Minority Affairs Ministry

Key Budget proposals across various sectors:

Auto:

- 1) Excise Duty on SUVs hiked from 27% to 30%
- 2) Customs Duty on Luxury Vehicles hiked to 100 %
- 3) Higher allocation to JNNURM leading to additional demand of 10,000 buses augurs well for all commercial vehicle manufacturers

FMCG:

- 1) Excise Duty on cigarettes increased by 18%
- 2) Tax on royalty increased from 10% to 25%

Oil and Gas:

- 1) Import Duty on crude-oil might be re-imposed
- 2) Removal of 5% customs duty on LNG and Natural Gas

Banking:

- 1) Rs. 14,000 crore capital infusion into Public Sector banks by 2013-14
- 2) PSU Banks to have ATMs at all their branches by 2013-14
- 3) Reduction in STT. Introduction of commodity transaction tax on non-agri products

Infrastructure:

- 1) Constitution of a regulatory authority for road sector

- 2) 3000 km of road projects to be awarded in first 6 months of FY 14
- 3) Infrastructure Development Funds (IDFs) to provide long-term low-cost debt
- 4) Two new ports to be set up in West Bengal and Andhra Pradesh to add 100 million tonnes handling capacity
- 5) Tax-free infrastructure bonds of Rs.50,000 crore to be issued
- 6) Textile Ministry and Handloom Sector to be allocated Rs. 50 crore and Rs. 96 crore respectively
- 7) Incentive allowance of 15 percent over and above permitted depreciation to those investing over Rs.100 crore in infrastructure projects
- 8) Seven new cities identified along Delhi-Mumbai Industrial Corridor

Healthcare:

- 1) Rs. 37,333 crore allocated for health and family welfare in 2013-14
- 2) Royalty / technical fees paid to NRIs increased to 25 percent

Agriculture:

- 1) Rs.27,049 crore allocation to the Agriculture Ministry in 2013-14
- 2) Target of Rs. 7 lakh crore fixed for agriculture credit for 2013-14 compared to Rs. 5.75 lakh crore in the current year.
- 3) Eastern Indian states to get Rs. 1,000 crore allocation for improving agricultural production

Costlier	Cheaper
Mobile Phones	Diamonds
Cigarettes	Leather goods
Set Top Boxes	Readymade garments
MP3 Players	Imported jewellery
Silk	Handmade carpets
marble	Electrical plants

01 Mar Bangladesh War Crimes accused sentenced to death, violent protests kill 44 people

World > Bangladesh Riots

A special war crimes tribunal in Bangladesh has sentenced Jamaat-e-Islami top policy maker Delwar Hossain Sayedee to death after he was found guilty of eight counts out of 20 involving mass killings, rape and atrocities during the nine-month war against Pakistan. The sentence sparked off violent protests between Jamaat-e-Islami supporters and police which led to the death of more than 44 people. The Jamaat and its students wing, Islami Chatra Shibir, had called for a two-day nationwide strike from March 3. Meanwhile, the young activists, who had called for the February Shabagh protests demanding death penalty to Jamaat leaders, have vowed to resist the strike. Militant activists of the Jamaat attacked temples and houses belonging to Hindus at Noakhali's Begumganj. The police retaliated with tear gas and rubber bullets and had to open fire in some places to control the situation. Opposition Khaleda Zia's party has questioned the conduct of the trial saying that it was a politically motivated move to destroy the opposition. International Human Rights Organizations have also questioned the fairness of the trial after the disappearance of a witness for Sayedee.

Background:

Sheikh Hasina's government initiated the special war crimes tribunal in 2010. Two Jamaat leaders had been convicted earlier and several top leaders of Jamaat are on trial for their alleged role in the atrocities during the war. Jamaat-e-Islami, the largest Islamic party in Muslim-majority Bangladesh, had campaigned against the 1971 independence war, but it denies committing any atrocities. Jamaat is a key ally of the country's largest

opposition party, the Bangladesh Nationalist party, led by the former premier Khaleda Zia and was a partner in her government from 2001 to 2006.

03 US Government orders broad cuts in US Government spending

Mar **Economy > Budget Sequestration**

US President Barack Obama formally announced budget sequestration after he and fellow congressional Republicans failed to reach a deal to avert automatic reductions that could dampen economic growth and defence spending. The US federal government is reducing spending by \$1.2 trillion over the next nine years, including \$85 billion over the final seven months of this fiscal year. The area most affected is called discretionary spending, which requires an annual appropriation bill and is typically set by the House and Senate Appropriations Committees. It includes defense spending and non-defense discretionary spending such as cabinet departments and agencies. There will be a decrease of \$42.7 billion in defense spending outlays and \$28.7 billion in non-defense spending outlays for 2013.

The sequestration also affects certain mandatory spending. Mandatory spending represents outlays to qualified program participants and does not have to be renewed annually. Major categories of mandatory spending include Medicare, Medicaid and Social Security. The latter two programs are not in the scope of the sequestration. However, Medicare and other mandatory spending totaling \$47 billion would also be reduced during the 2013-2022 period. The automatic budget reductions will cause a 0.6 percentage-point reduction in U.S. economic growth in 2013.

Background:

Budget Sequestration is an U.S. legal procedure in which automatic spending cuts are triggered. The law requires that each program, project or activity at every federal agency be cut an equal percentage; though the definitions of these terms may vary across agencies.

Republicans rejected the Democrats' call for additional higher taxes for top earners. On the other hand, Senate Republicans' proposal would have kept the \$85 billion in cuts this year while requiring Obama to submit a proposal by March 15 on how to allocate them. Both plans failed to advance in the Democrat-controlled Senate last week which led to the budget sequestration.

04 Child born with HIV cured for the first time

Mar **Science and Technology > HIV**

A baby girl born in Mississippi infected with the HIV virus has been cured after early treatment with standard HIV drugs. This is the first instance where a child has been remitted of the disease completely without the need for regular drugs and standard blood tests showed no signs of the virus making copies of itself. This path breaking case could offer insights on how to eradicate the HIV virus among new-born children.

04 Narendra Modi's keynote address at the Wharton Economic Forum scrapped

Mar **World > Wharton Economic Forum**

The Wharton India Economic Forum revoked its decision to invite Gujarat chief minister Narendra Modi to deliver a key note address after three Indian-American professors from the University of Pennsylvania sent a petition signed by more than 250 people against inviting Modi to the forum. Modi was invited by the Forum to deliver the keynote address at its annual conference on March 23 via video conference. The three professors and some students who signed the petition said that Modi's political model is flawed and based on serious

flouting of human rights. Immediately after Modi's address was called off, Shiv Sena leader Suresh Prabhu and Adani Group Chairman Gautam Adani, both of whom are known to be close to Narendra Modi, opted out of the programme. However, it was officially conveyed by the Adani group that Gautam Adani won't be attending the programme as he has other prior commitments.

05 Bhabha Atomic Research centre to design world's largest magnet

Mar **Science and Technology > BARC**

The Bhabha Atomic Research Centre is designing the world's largest magnet weighing 50,000 tonnes and slated to be several times bigger than the one at the Compact Muon Solenoid detector at CERN, Geneva. The massive magnet will play a major role in the Rs 1,500-crore India-based Neutrino Observatory coming up 4,300 feet below a cave in a mountain not far from Madurai in Tamil Nadu.

Others

28 Etihad wants Indian government assurance for protection of Jet investment

Feb **India > Aviation**

The Etihad management wants an assurance from the government of India that its investment in Jet Airways would be protected. Etihad had expressed concerns that it might meet a fate similar to Etisalat, the UAE-based telecom company which lost over Rs 3,000 crore in the 2G fiasco. The Jet-Etihad deal is likely to be delayed till the government gives an assurance regarding its commitment to protect Foreign Direct Investment. Earlier, the UAE-based airline Etihad had announced that it will pick up a 24% stake in the Naresh Goyal owned Jet Airways and the Ministry of Civil Aviation had given its nod to the deal.

28 Joint Parliamentary Committee (JPC) to be set up to inquire into bribery allegations on the Rs. 3,600 crore helicopter deal

Feb **Politics and Government > Chopper Scam**

The government has moved to set up a Joint Parliamentary Committee (JPC) to inquire into allegations of bribes being taken in the procurement of VVIP helicopters from Augusta Westland and the role of alleged middleman in the transaction. The entire opposition protested this move and walked out saying that the government was trying to divert from the topic as the JPC had no investigative powers and the matter required custodial interrogation which the JPC couldn't do. The CBI had, already, framed a charge sheet accusing former IAF chief S P Tyagi and 10 others for allegedly taking bribes for securing the chopper deal.

28 Indian IT companies eye HP deals coming up for renewals

Feb **Corporate > Software Industry**

Indian Outsourcing Companies are looking forward to acquire many of Hewlett Packard's deals that are coming up for renewal. HP has key outsourcing deals worth billions of dollars such as those with American Express and Bank of America that are coming up for renewal. About \$100 billion (Rs 5.4 lakh crore) worth of IT outsourcing deals will expire in 2013, with almost 15% of it being with HP. HCL Technologies and Tata Consultancy Services (TCS) seem to be the most successful ones among India's top tier outsourcing firms competing for HP clients. A major concern for HP could be that clients are asking for flexible engagement models with elements of

computing offered as a service, lower costs, and higher value and Indian companies are aggressively pitching newer technology-based solutions to these clients at lower price points.

28 Facebook buys Atlas Ad Business from Microsoft

Feb **Corporate > Facebook - Microsoft**

Facebook announced that it has acquired Microsoft's Atlas Advertiser Suite, an online ad business and management service. Facebook did not disclose the price of the deal but said that the deal will benefit both marketers and users. The company said it looked to Atlas to help marketers and agencies get a full view of campaign performance, noting the service's capabilities for this type of analysis and measurement.

28 General Studies to carry more weight in UPSC

Feb **Others > UPSC**

The Union Public Service Commission (UPSC) notified that it will give more weight to General Studies by introducing new papers replacing optional subjects in its Main examination. This will ensure that all candidates are judged on the basis of in-depth knowledge and understanding rather than information gathered at the last moment. The civil services examination (CSE), which is meant for selecting candidates for elite central services like IAS, IFS, IPS, IRS and others, has three stages comprising preliminary, mains and personality test (interview). The Commission has, so far, temporarily withheld issuance of a notification for this year's civil services examinations, which was scheduled to be notified on February 2. The Commission, however, later said it could not notify the CSE due to some unforeseen circumstances.

05 Delhi Gang Rape victim to be awarded International Women of Courage award by the United States

Mar **World > Delhi Rape Case**

The United States has selected the 23-year old Delhi Gang rape victim for the International Women of Courage Award. The award would be presented posthumously by the First Lady Michelle Obama and the Secretary of State John Kerry, on March 8. The US state department said that she had bravely recorded two police statements while in the hospital, repeatedly called for justice against the six attackers, and stated her will to survive to see justice done. The Secretary of State's International Women of Courage Award annually recognises women around the globe who have shown exceptional courage and leadership in advocating for women's rights and empowerment, often at great personal risk.

05 China hikes defence budget to \$ 115.7 billion

Mar **World > China**

China on Tuesday hiked its defence budget by 10.7 per cent to USD 115.7 billion. The hike in the defence spending was announced as the Chinese legislature, the National People's Congress (NPC) opened its annual session, which also marked the once-in-a-decade power transfer. As per the budgetary papers placed at the NPC, a sum of 720.168 billion Yuan was allocated for defence, which at the current exchange rate amounted to USD 115.7 billion. The newly elected leader Xi Jinping and his fellow leaders would formally take over power from President Hu Jintao in the course of next ten days. The 10 per cent hike this year comes when China is rapidly modernising its armed forces in the back drop of deepening standoff with Japan over the disputed islands as well as differences with several South Asian Countries over the South China Sea.

05 Former Maldives President Nasheed arrested by police

Mar **Politics and Government** > *Indo-Maldives Relations*

Former Maldivian President Mohamed Nasheed was arrested by the Maldives police after a warrant was issued by a court in connection with his trial over the arrest and subsequent detention of a judge during his reign. The arrest came less than a fortnight after Nasheed left the Indian High Commission where he took refuge for 11 days to escape two arrest warrants issued by the court earlier. Nasheed had called it a politically motivated trial to bar him from contesting in the presidential election. He left the Indian High Commission on February 23 after India received assurances from Maldivian authorities that Nasheed would be free to campaign for Presidential elections. Nasheed's arrest is seen as a blow to the diplomatic efforts of the Indian government, which is seen as a regional power, to resolve the political standoff between the Maldives government and the ex-president. In December 2012, the Maldives government had taken over the Male Airport from India's GMR consortium breaching the agreement inked by the previous government headed by Nasheed.

05 Rahul Gandhi says he doesn't want to marry and become a Status Quoist, nor in race for PM's job

Mar **Politics and Government** > *Rahul Gandhi*

Rahul Gandhi, in a rare conversation with Congress MPs and journalists, said that he didn't wish to get married and have children, because that would make him a Status Quoist and he would like his children to take his place. Rahul said that he did not want any vested interest in the status quo to destabilize his mission to democratize the party and decentralize its decision-making. He also said that he was not in the race for the Prime Minister's post, despite his recent appointment as the Congress Vice-President which is widely regarded by many as an essential precursor to become the party's prime ministerial candidate in the upcoming Lok Sabha elections.