

Highlights of the Interim Budget for 2014-15 (Apr-Mar), presented by Finance Minister P. Chidambaram in the Lok Sabha today:

#### FY15 ALLOCATIONS

- \* FY15 fuel subsidy 650 bln rupees
- \* To allocate 1.15 trln rupees for food security FY15
- \* Allots 2.24 trln rupee for defence in FY15
- \* Allocation to railways raised to 29 bln rupees FY15
- \* Allots 1.15 trln rupee for food subsidy FY15
- \* Allocate 210 bln rupee for women, child development
- \* Allots 975.3 bln rupee for gender budget FY15
- \* To give 60 bln rupees to urban, housing ministry FY15
- \* 350 bln rupees of FY14 fuel subsidy to be rolled over
- \* FY15 defence spend 2.24 trln rupees vs 2.04 trln FY14
- \* Propose to allocate 975 bln rupees for gender budget FY15
- \* Allocate 600 bln rupee for housing, poverty alleviation min
- \* FY15 total plan spend pegged at same level as FY14
- \* FY15 non-Plan expenditure estimated 12.78 trln rupees
- \* Allocate 152.6 bln rupees to drinking water, sanitation
- \* HRD ministry to get 67.39 bln rupees FY15
- \* To give drinking water, sanitation min 152.6 bln rupee FY15
- \* 70 bln rupees to Ministry of Panchayat Raj
- \* Allocate 43.79 bln rupee to ministry of tribal affairs FY15
- \* Railway budgetary support hiked to 290 bln rupees FY15
- \* To give ministry of minority affairs 37.11 bln rupees FY15
- \* Keep FY15 plan spend at 5.55 trln rupees
- \* Declare funds under Nirbhaya plan non-lapsable
- \* Allocate another 10 bln rupees for Nirbhaya fund
- \* 12 bln rupees to N East states as additional assistance
- \* High subsidy allocation to enable roll out food security
- \* To allocate 10 bln rupees for National Skill Academy FY15
- \* Propose to start 4 ultra mega solar power projects FY15

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#### FY14 REVISED

- \* FY14 current acct gap will be contained at \$45 bln
- \* FY14 fiscal deficit pegged 4.6% of GDP
- \* Oct-Mar GDP growth seen at least 5.2%
- \* FY14 GDP growth seen 4.9%
- \* GDP declined to 4.2% in 9 quarters
- \* Confident fiscal gap shrinking, CAD in check, inflation dn
- \* To add \$15 bln to FX reserves by end FY14
- \* FY14 food grain output 263.3 mln tn
- \* To give 5 bln rupees defence pension in FY14
- \* Govt announces one rank, one pension plan for Defence
- \* Chidambaram announced one rank, one pension scheme
- \* FY14 non-plan spend to exceed budgeted estimate
- \* Keep plan expenditure same as FY14
- \* Won't be able to spend budgeted plan expenditure

- \* Won't be able to spend FY14 committed Plan spending
- \* Promise to roll out direct benefit transfer across India
- \* Direct benefit transfer plan to be rolled out across India
- \* Northeast, Uttarakhand, Himachal need special attention
- \* 12 bln rupee more for northeast, Uttarakhand, Himachal FY14
- \* 19 oil, gas blocks given for exploration
- \* Steps being taken to promote medium, small mfg units

#### GROWTH, INFLATION

- \* RBI, govt worked in tandem to cut inflation
- \* WPI at last budget 7.3% vs 5.05% in Jan
- \* Chidambaram says India has held its head above the water
- \* Mfg is Achilles' Heel of econ, deceleration worrying
- \* Effort on inflation not in vain, still some distance to go

#### FARM SECTOR

- \* Farm sector growth seen 4.6% in FY14
- \* Farm exports to top \$45 bln in FY15
- \* FY14 agri exports \$41 bln
- \* Farm credit seen 7.35 trln rupees FY14 vs 7 trln target
- \* Sugar, cotton, oilseed output point to new records
- \* Proud of stellar performance of farm sector
- \* Food inflation is still the main worry

#### EXTERNAL SECTOR

- \* FY14 merchandise exports seen \$326 bln, up 6.3%
- \* Not seeing any steep decline in mfg, except mining
- \* Rupee least affected among emerging market currencies
- \* Rupee saw pressure on global issues, RBI stabilised FX
- \* Facilitated infra debt funds for boosting flows to sector
- \* Risk to capital flows accentuated due to global crisis
- \* Challenges we face are common to all global economies
- \* World economic growth 3% in 2013
- \* India not unaffected by what happens in rest of the world
- \* India's major trade partners also sources of foreign inflow
- \* Not unaffected by what happens globally
- \* We shall not do anything that will hit stability of econ
- \* Rating cos no longer speaking about downgrade

#### INFRASTRUCTURE/INDUSTRY

- \* Cabinet committee cleared 296 projects by Jan-end
- \* PSUs' FY14 capex at record 2.57 trln rupee
- \* 29,144 km covered so far since FY13 under PM rural road plan
- \* Added 3,928 km of highway in FY14
- \* 29,300 MW of power capacity added in FY14
- \* 50,000 MW thermal power capacity under construction
- \* 3 more mfg zones under advanced stages of preparatory work
- \* Cabinet committee cleared 6.6-trln-rupee projects Jan-end

- \* Imports down; don't augur well for mfg, trade
- \* No uptick yet in manufacturing
- \* FY14 to end with \$326 bln of merchandise export
- \* Took bold moves to step up investment to hasten projects
- \* To set up new community radio stations
- \* Approved natl agro forestry policy to boost employment
- \* Plan 1 bln rupee initial fund for inclusion innovation fund
- \* IFCI to set up VC fund for SC with capital of 2 bln rupees
- \* Allots 1 bln rupee for MSME India Inclusion Innovation Fund
- \* Postal dept's IT modernisation plan to be soon operational
- \* FY15 central assistance to states 3.38 tlrn rupees
- \* Central assistance to states will rise substantially
- \* Restructured centrally-sponsored schemes

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#### MISCELLANEOUS

- \* Goals remain same whether interim or general budget
  - \* Speaker appeals to lawmakers not to disrupt FM's speech
  - \* Andhra lawmakers continue to disrupt Chidambaram's speech
  - \* To allocate 1 bln rupees for community radio stations
  - \* Risk to capital flows accentuated on global volatility
  - \* UPA govt's record in growth is unparalleled
  - \* Took many decisions which were strong, courageous
  - \* Let history be the judge of last 10 years
  - \* Govt spending on health initiatives 363.22 bln rupees FY14
  - \* Reject argument of policy paralysis
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