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## Highlights union budget 2012

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Suraag Nair (Article) 16 March 2012

Finance Minister Pranab Mukherjee today presented Union Budget 2012, the 81st Budget in India's history. Individually, this is Mukherjee's seventh annual Budget, second-highest by any Finance Minister.

### Below are the key highlights of Union Budget 2012:

- > India's GDP estimated to grow at 6.9% in 2011-12
- > See signs of Indian economy turning around
- > Agriculture and services have continued to perform well and manufacturing appears to be at the cusp of a revival
- > Expect headline inflation to moderate in next few months
- > Current account deficit likely to be at 3.6% for FY12
- > Average crude price likely to exceed USD 115 per barrel in 2012
- > Focus on domestic demand driven growth
- > Need to remove supply bottlenecks in national highway, coal, aviation
- > Need to address black money issue
- > Will encourage private investment
- > Government will raise Rs 30,000 cr via divestment in FY13
- > GST will become operational by August 2012
- > Government to move MFI Bill
- > Mandatory to make IPOs of Rs 10 crore plus to introduce it in electronic form

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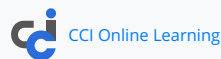
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- > Will introduce Rajiv Gandhi Equity Scheme to encourage retail investors
- > Tax exemption on individual share investments below Rs 10 lakh
- > Expect infra investment in the 12th Plan to be Rs 50 lakh crore
- > Tax free infrastructure bonds doubled to Rs 60,000 crore
- > No progress on FDI in aviation
- > Rs 50,000 tax exemption for retail investors
- > Fiscal deficit pegged at Rs 5.13 lakh crore for FY13
- > DTC not effective this year
- > Exemption up to Rs 2 lakh for taxpayers
- > No change in corporate tax rate
- > STT reduced from 0.125% to 0.1%
- > No tax return upto Rs 5 lakh
- > Propose to hike service tax rate from 10% to 12%
- > Government services, education, entertainment, public transport exempted from service tax
- > Senior citizens to be exempt from advance tax payments
- > Income above Rs 10 lakh to be taxed at 30%
- > Exemption limit for direct taxes increased to Rs 2lakh from Rs 1.8 lakh in FY13

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•• [Suraag Nair](#) (Article) 🕒 16 March 2012

Basic Exemption is 200,000/- ...whats the exemption limit for women and senior citizens??



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•• [Ankur Garg](#) (Company Secretary and Compliance Officer) [🕒 16 March 2012](#)

Thanks a lot dear Suraag for the highlights at one place.

Rgds



•• [Suraag Nair](#) (Article) [🕒 16 March 2012](#)

Ur Welcome ..is it true that the basic exemption for women and senior citizen is the same as the basic exemption stated ...or is it that the breakdown for the 60+ and 80+ and women would be introduced later???

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•• [Suraag Nair](#) (Article) [🕒 16 March 2012](#)

Giving some relief to tax payers, Finance Minister Pranab Mukherjee on Friday proposed raising the income tax exemption limit for individuals to Rs2 lakh per annum from Rs1.80 lakh.

Unveiling the Budget proposals for 2012-13 in the Lok Sabha, he also increased the limit to Rs10 lakh under the 20% tax slab. The current limit is Rs8 lakh.

"My proposals on direct taxes are estimated to result in a net revenue loss of Rs4,500 crore for the year," Mukherjee said.

The Budget also exempt up to Rs10,000 of interest income from tax.

Individual will have to pay 10% tax on income between Rs2 lakh and Rs5 lakh; 20% between Rs5 lakh and Rs10 lakh; and 30% for above Rs10 lakh.

Mukherjee said increasing the exemption limit is a move towards implementation of the Direct Taxes Code (DTC).

The Standing Committee of Parliament that has scrutinised the DTC Bill had suggested raising the tax exemption limit to Rs3 lakh.

The exemption limit for the senior citizens between 60 and 80 yearsof age will be Rs2.50 lakh; 10% will be levied on income between Rs2.5-5 lakh, 20% between Rs5-10 lakh and 30% above Rs10 lakh.

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For very Senior Citizens (80 years and above), the income tax exemption limit will be Rs5 lakh; 20% will be levied on income between Rs5-10 lakh and 30% for above Rs10 lakh.

On implementation of DTC, Mukherjee said, "We received the report of the Parliamentary Standing Committee on March 9, 2012. We will examine the report expeditiously and take steps for enactment of DTC at the earliest."

The DTC Bill seeks to replace the half-a-century-old Income Tax Act, 1961.

The savings bank account deductions, Mukherjee said, will help small tax payers.

"This would help a large number of small tax payers with salary income of up to Rs5 lakh and interest from savings bank accounts up to Rs10,000, as they would not be required to file income tax returns," Mukherjee said .....Credits,,, DNA



• • [CA Karan Joshi](#) (ACA) [🕒 16 March 2012](#)

Dear all,

The limit for compulsory audit under section 44AB increased to 1 crore.

But what about professionals?  
please comment.

clarify and share.

Regards

Karan Joshi

9427770212



• • [Suraag Nair](#) (Article) [🕒 16 March 2012](#)

@ Karan ...The Limit for compulsory tax audit of SME's have been increased from 60 lacs to 1 crore TO. If ur professional firm falls under the above category...then its applicable to them too. Professional firms too fall under the category of Enterprises. Hence applicable if Small Or Medium.

Regards,

Suraag



••• [Rakesh Gupta](#) (Vice President Finance) [🕒 16 March 2012](#)

Dear Friends,

Please go though the attached Memorandum to the Finance Bill to have insights on proposed changes to Income Tax.

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Attached File : [303274 949357 memorandum.pdf](#) downloaded: 332 times

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••• [Deepika](#) (Preparing for CA final) [🕒 16 March 2012](#)

can u pls tell me has exemption limit increased under 80 C & have investment in Infra bonds limit increased from Rs 20000/-?????

Regards

Deepika



••• [deepak](#) (Chartered Accountant Company Secretary) [🕒 17 March 2012](#)

@ Deepika:

80C - no increase in the limit

80CCF- Infra bonds , Limit Increased from 20K to 60K .

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