

Dikshit presents surplus budget for Delhi

Waives VAT on diverse items in poll year; no new taxes imposed

In the final budget of the third five-year term of her government, Delhi Chief Minister Sheila Dikshit on Wednesday refrained from imposing any new tax and made a host of items cheaper, such as LED lights, ghee, chilli spray for women's defence and footwear.

Even so, Dikshit, who also holds the finance portfolio, estimated a fiscal surplus of a little over Rs 700 crore for 2013-14 in the budget presented in the city's Legislative Assembly here.

The focus of her election-year budget (the Assembly's term ends this November) was on the social sector, allocated nearly 65 per cent of the total plan outlay for 2013-14. Of Rs 37,450 crore of outlay, Rs 16,000 crore would be meant for plan expenditure. Of this, Rs 10,351 crore would be spent on social sectors.

On the revenue side, Rs 30,454 crore would come from taxes, Rs 913 crore from non-tax revenue, Rs 4,113 crore from capital receipts and Rs 2,701 crore from central government grants. This would leave a surplus of Rs 731 crore with the city government.

Showing her concern for women's safety, Dikshit exempted chilli spray from value added tax (VAT), against the current 12.5 per cent. With Holi a week away, the budget also announced organic colours would be spared from VAT.

Noting light emitting diode (LED) lights were more efficient than even Compact Fluorescent Lights, Dikshit reduced VAT on the former from 12.5 per cent to five per cent. In the previous year's budget, the VAT on CFL was similarly reduced.

The budget also announced reduction of VAT on desi ghee from 12.5 per cent to five per cent, to bring it at par with butter.

She also spared pencils and geometry boxes from VAT, beside exempting slippers and all kinds of footwear priced (maximum retail price) up to Rs 500.

To woo traders, vocal against imposition of VAT, the budget raised threshold limit of annual turnover for registration under the tax regime from Rs 10 lakh to Rs 20 lakh. To encourage dealers to voluntarily admit their tax liability, Dikshit also announced that penalties up to 80 per cent of admitted tax would be mitigated, provided the tax was paid. The whole payment process would be brought online, she assured traders and dealers.

The CM said she was confident the city government was on track to grow by nine per cent in the current financial year, compared to five per cent at the national level. "The per capita

income in Delhi is Rs 2,01,083 as per advance estimates for 2012-13. It has gone up by five times since this government took over. In 1998, when we came to power, it was Rs 40,060," she said.

Dikshit said her government had constructed 65 flyovers in the first four years of her third term.

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