

Budget 2013: Many major proposals in last Budget not implemented

Along with the Union Budget, the government usually presents an Action Taken Report (ATR) for the previous set of announcements that suggests that almost all the proposals have been implemented. This year's ATR, however, might read very differently on at least half-a-dozen major announcements by Pranab Mukherjee last year - from Goods & Services Tax (GST) to Direct Taxes Code (DTC) and from General Anti-Avoidance Rules (GAAR) to a tax claim of over Rs 11,000 crore on telecom giant Vodafone.

These are among the prominent decisions that have either been reversed or modified by Mukherjee's successors - Prime Minister Manmohan Singh, who held the portfolio in July and August, and P Chidambaram, who returned to the finance ministry on September 1. Many proposals were put on hold or reversed after they evoked concern among investors and industry.

There are also several issues where the UPA has made little headway despite these being identified as priority areas. For instance, the direct benefits transfer (DBT) has not been fully rolled out across 50 districts, while Mukherjee had said that the government will scale it up in "at least" these districts within six months. Although direct benefits transfer is the UPA's flagship programme in the run-up to the 2014 general elections, even the Aadhaar cards for the entire population are not ready and subsidy transfer, which was a key element, has not been included in the current test runs.

While the government is yet to identify the beneficiaries of fertilizer subsidy, beneficiaries of the kerosene pilot project in Alwar did not get the subsidy for months.

FROM PRANAB TO PC

Proposal: Gives green light to compensation of 19,000 cr to states to roll out GST.

Action: PM raises queries, PC reworks GST model

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Proposal: Fiscal deficit estimated at 5.1% of GDP.

Action: Govt revises target to 5.3% of GDP.

Proposal: Introduces General Anti-Avoidance Rules (GAAR) to check tax avoidance, then defers it by a year.

Action: PC postpones it by another three years to April 2016, with major modifications.

Proposal: Retrospective amendment of Income-Tax Act to tax M&A deals involving multinationals and Indian assets.

Action: Vodafone case referred to cabinet.

(Economic times)