

Key features of Budget 2014-15 **Related to IT/ITES and Electronics Sector**

Economic Initiative (2013-14)

- Approval to establish 2 semi-conductor wafer fab units.

Key Features of Budget 2014-15

Vision for future

- Manufacturing sector to be the base of India's development: All taxes, Central and State that go into an exported product should be waived or rebated. There should be a minimum tariff protection to incentivize domestic manufacturing.
- Skill development must be given priority at par with secondary and university education.
- States to partner in development so as to enable the centre to focus on Defense, Railways, National Highways and Tele-Communication.

Revenues

GST and DTC

- Government appeals to all political parties to resolve to pass the GST Laws and the Direct Tax Code in 2014-15

Funding Scientific Research

- It is proposed to set up a Research Funding Organization that will fund Research Projects selected through a competitive process. Contribution to that organization will be eligible for tax benefits. The required legislative changes can be introduced at the time of regular budget.

Changes in Tax Rates

- States to partner in development so as to enable the Center to focus on Defense, railways, national Highways and Tele-communication.
- The Excise Duty on all goods falling under Chapter 84 & 85 of the Schedule to the Central Excise Tariff Act is reduced from 12 percent to 10 percent for the period upto 30.06.2014. The rates can be reviewed at the time of regular Budget.
- **To encourage domestic production of mobile handsets, excise duty for all categories of mobile handsets is restructured. The rates will be 6% with CENVAT credit or 1 percent without CENVAT credit.**