

Key Budget Announcements

Priorities for Viksit Bharat - 2047



In line with the roadmap for 'Viksit Bharat 2047', Govt. has announced 9 priorities in the Budget



Productivity and resilience in Agriculture



Employment & Skilling



Inclusive Human Resource Development and Social Justice



Manufacturing & Service



Urban Development



Energy Security



Infrastructure



Innovation, Research & Development



Next Generation Reforms



The Govt. is likely to focus on agriculture research to raise productivity & develop climate resistant varieties

01

Provision of Rs 1.52 Lakh Crore made towards Agricultural & allied sectors

02

Issuance of Jan Samarth based 'Kisan Credit Cards' will be enabled in 5 states

03

10,000 need-based bio-input resource centres to be established

04

Digital Public Infrastructure to be implemented in agriculture for coverage of farmers & their lands in 3 years

05

National Cooperation Policy for systematic and overall development of cooperative sector

06

Financing for Shrimp farming, processing and export will be facilitated through NABARD





The Budget provided special attention to MSMEs and Manufacturing, particularly labor intensive manufacturing

01

Credit Guarantee Scheme for MSMEs in the Manufacturing Sector providing guarantee cover upto Rs 100 crore per applicant

02

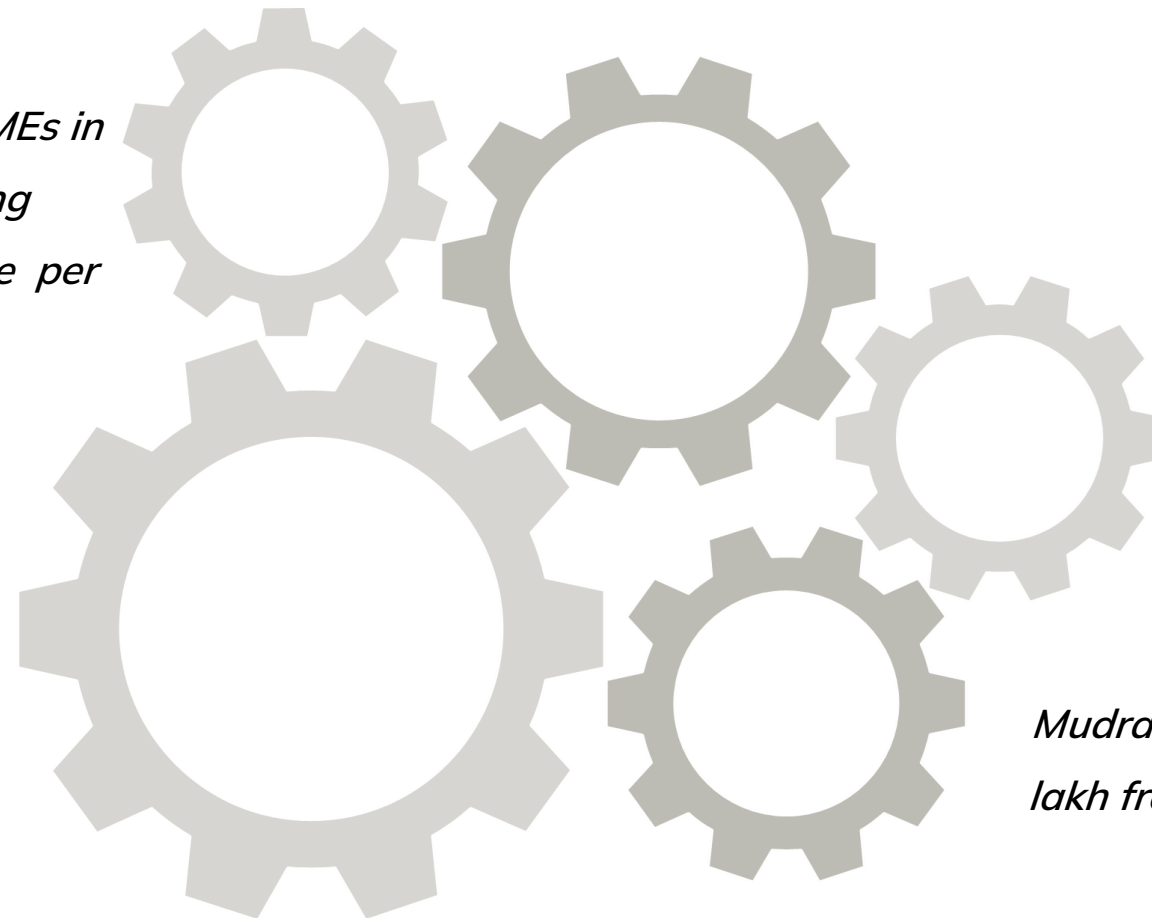
12 Industrial parks under the National Industrial Corridor Development Programme

03

Credit Availability to the MSME during the stress periods (SMA stage) to avoid getting into the NPA stage

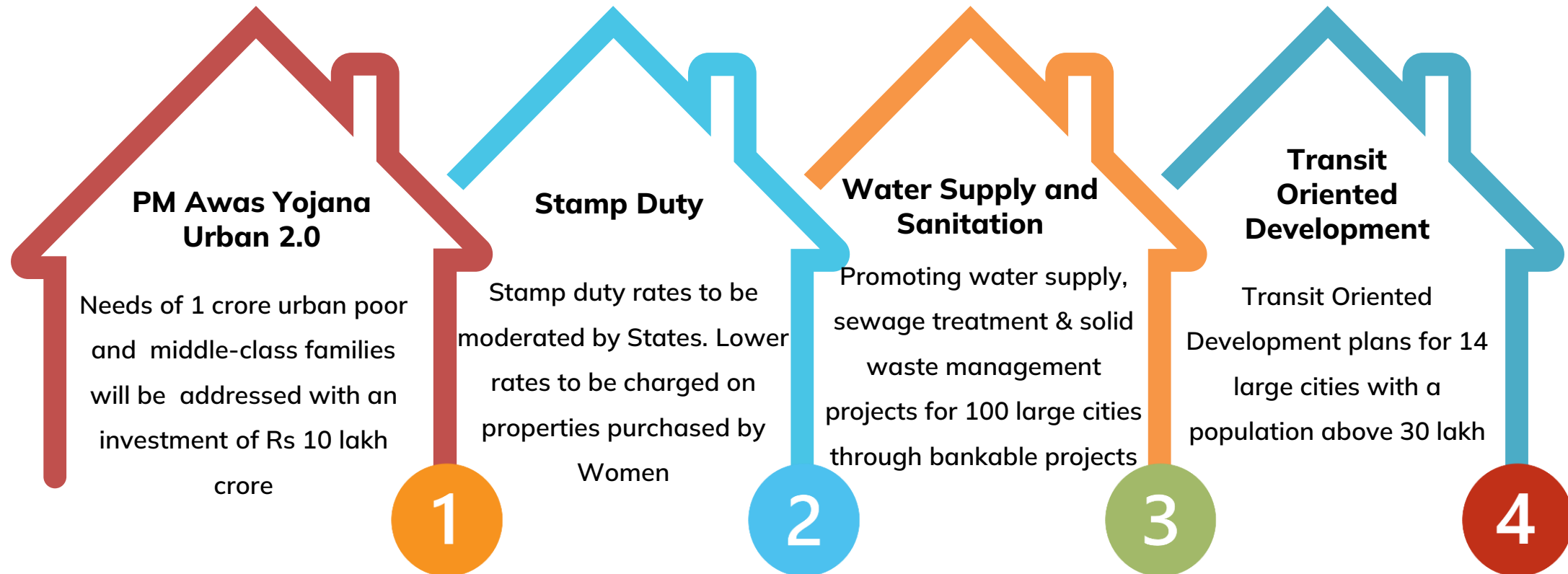
04

Mudra Loans: The limit enhanced to Rs 20 lakh from the current Rs 10 lakh under the 'Tarun' category



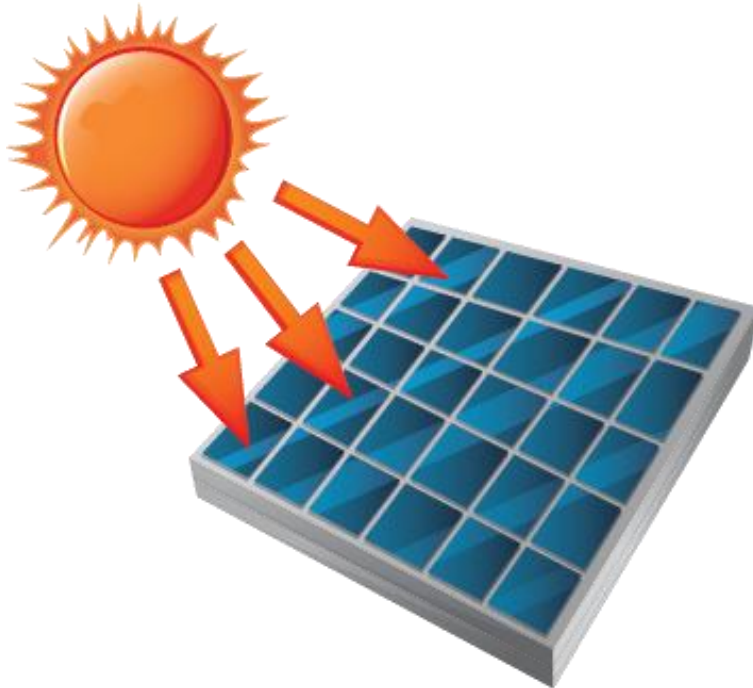


Govt. to facilitate development of cities as 'Growth Hubs' through economic and transit planning & development of urban areas





The budget highlighted energy transition pathway while balancing employment, economy and environmental sustainability



Under the recently launched **PM Surya Ghar – Muft Bijli Yojana**, 1 crore houses to obtain free electricity upto 300 units every month

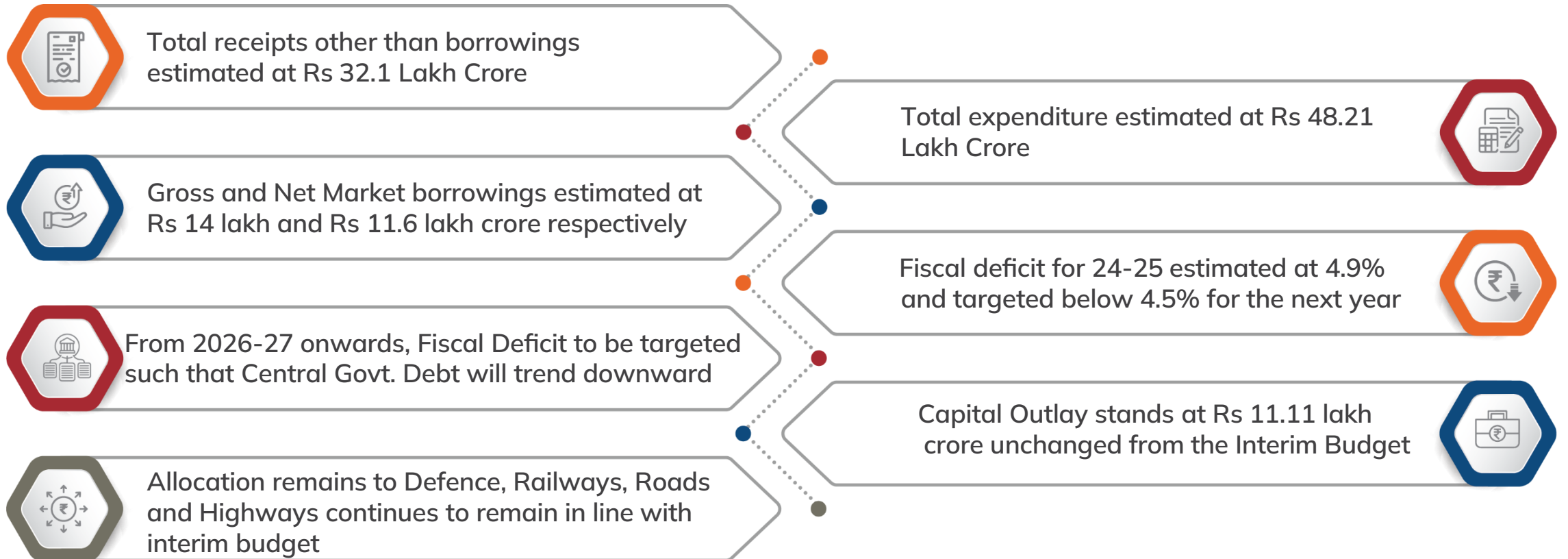
Fiscal support to be provided to set up 800 MW thermal power plants using AUSC technology which will have much higher efficiency

For Nuclear energy, forming a part of energy mix , Govt will partner with private sector to set up Bharat Small Reactors and conduct R&D for development of new technologies for nuclear energy

Allocation of approx. Rs 19,000 crores to Ministry of New & Renewable Energy and Rs 20,000 crores to Ministry of Power



The Govt. to continue the path of Fiscal Consolidation





Highlighting the impact of budget announcement on sectors



Urban Housing Finance

Allocation of Rs10 Lakh Crore to PM
Awas Yojana Urban 2.0



Staples & Rural Consumption

Productivity and resilience in
agriculture was a key focus with an
allocation of Rs1.52 Tn



Travel & Tourism

Several measures have been announced to
boost tourism which will unlock several
growth opportunities



Defence, Railway, Shipping & Auto

No notable announcements in these sectors.
However, allocation as highlighted in the
Interim Budget to continue



Real Estate

Removal of Indexation benefit on sale of property is a major
headwind. However, lowering stamp duty and reducing
LTCG rate on property may help in better participation

Tax Proposals

Custom Duty – Precious metals shine



Several commodities to become cheaper following the changes in tax structure of custom duty

Changes in Custom Duty

3 Cancer medicines to be fully exempt from Custom Duty

Reduce basic custom duty to 15% on Mobile phones and chargers

Reduce basic custom duty to 6% on Gold & Silver (6.4 on platinum)

Reduce basic custom duty on shrimp & fish feed to 5%

Exempted more capital goods for manufacturing of solar cells & panels

Fully exempt custom duties on 25 critical minerals

Beneficiaries

Affordable medicine

Mobile Industry

Precious Metal

Marine Exports

Support energy transition

Boost to strategic sectors

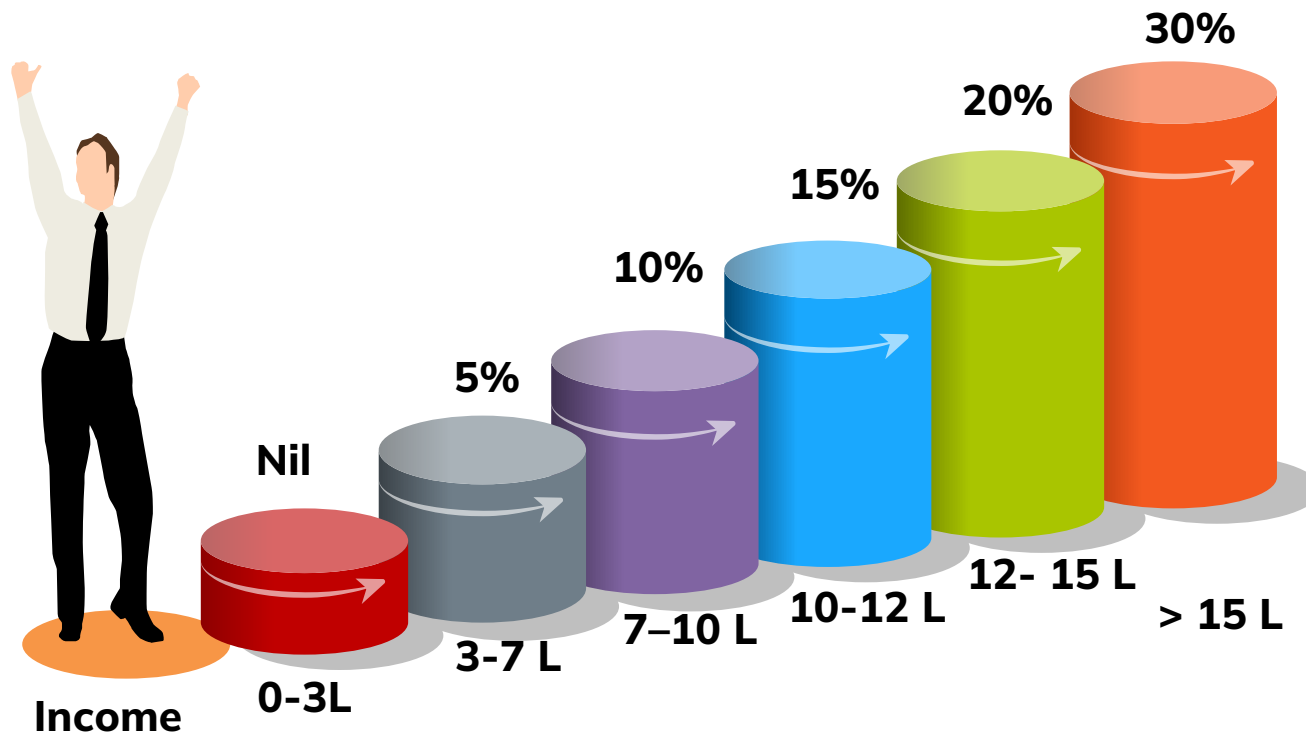
Direct Tax –New Tax Regime Celebrates!



The benefits under New Tax Regime increases providing further relief to citizens

Revised Tax Slab Rates under New Regime

To result in Tax savings upto Rs 17,500/-



Standard Deduction for salaried employees increased from Rs 50,000 to Rs 75,000

Deduction on family pension for pensioners increased from Rs 15,000 to Rs 25,000



Several Tax Proposals to reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizen

Corporate tax rate on foreign companies reduced from 40% to 35%

Angel Tax abolished for all class of investors

Major announcements related to Capital Markets

STCG on listed equities & equity oriented mutual funds increased to 20%

LTCG on certain Financial + Non Financial Assets to attract 12.5% tax rate

STT increased on Futures & Options (to 0.02% and 0.1% respectively)

Income received on buyback of shares to be taxed in the hands of the recipients at marginal tax rate

Exemption limit for LTCG increased to Rs 1.25 Lakhs from 1 Lakhs

For listed securities, period of holding for LTCG is 12 months and for all other assets, rationalized to 24 months

TDS on re-purchase of Mutual Fund units to be removed

Definition of Specified Mutual Fund changed to a mutual fund which invests more than 65% of its total proceeds in debt & money market instruments or funds which invests in such 'specified mutual fund'

Indexation on all asset classes would be removed

Our Outlook on Equity & Hybrid



- India's long-term structural story remains intact with macro indicators looking strong and the Union Budget showcases Govt's continued commitment to enhance the stability of the economy
- The Govt. continued its focus towards growth and also managed to follow the glide path for fiscal consolidation
- Welcome move from Govt. in terms of taxation amendments done may further help asset allocation schemes and increasing taxes where it can be absorbed
- So, overall a positive Budget and it meets all our requirements for sustaining a healthy economic cycle
- Equity markets, valuations remains high. This warrants an investment approach in hybrid and multi asset allocation schemes which can dynamically manage exposure to various asset classes.
- Valuations of Large-cap stocks reasonable compared to mid and smallcaps

Our Outlook on Fixed Income



- We believe that fiscal stimulus should be counter-cyclical to the economic growth. Given the strong growth witnessed, the Union Budget for FY2024-25 correctly adhered to its stated path of fiscal consolidation.
- The focus of government continues to be on Capital Expenditure than on Revenue Expenditure.
- Incremental RBI dividend and the PSU dividend were absorbed in the Budget, partly through an increase in expenditure and the remainder for reducing the fiscal deficit target.
- There was a minor reduction in gross and net borrowings via dated securities by the Centre for the fiscal year; lower than market expectations.
- While the Centre has emphasized its focus on bringing down the deficit, the States, on the other hand, have resorted to populist measures; this may probably cause a divergence in the fiscal health of the States.
- Overall, fixed income markets were neutral to the Budget announcements. We maintain that economic growth will stay buoyant and inflation growth to remain within the RBI's tolerable range.
- We prefer the shorter-end of the duration curve, accrual assets and dynamic management of duration.

Inclusive Human Resource Development and Social Justice

Purvodaya: *Vikas bhi Virasat bhi*

- Plan for endowment rich states in the Eastern parts covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh for generation of economic opportunities to attain Viksit Bharat.
- Amritsar Kolkata Industrial Corridor with development of an industrial node at Gaya.



Allocation of more than ₹3 lakh crore for schemes benefitting women and girls.

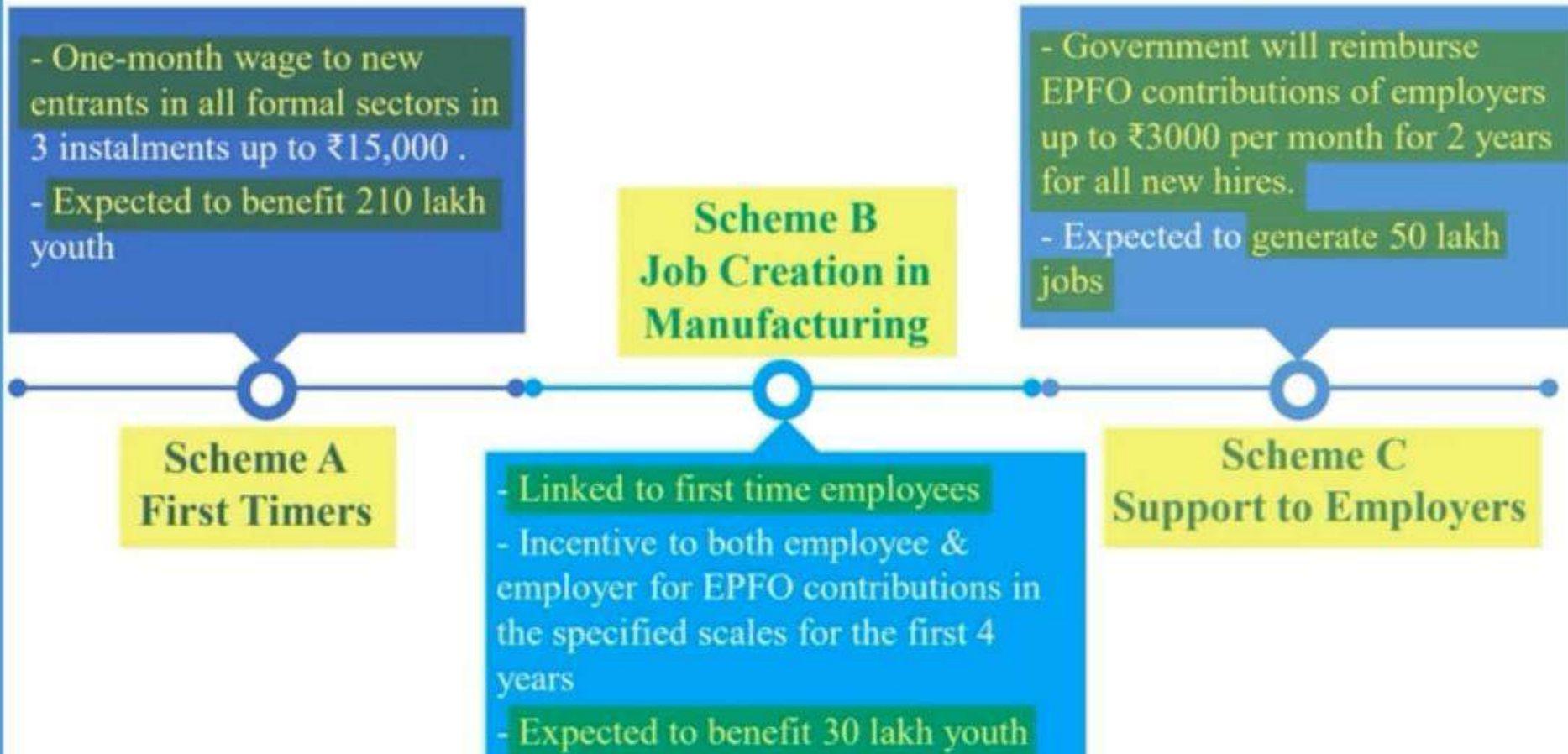
Pradhan Mantri Janjatiya Unnat Gram Abhiyan: Improving the socio-economic condition of tribal communities covering 63,000 villages benefitting 5 crore tribal people.



More than 100 branches of India Post Payment Bank will be set up in the North East region.

Employment & Skilling

PM's Package (3 schemes for Employment Linked Incentive)



- Facilitate higher participation of **women** in the workforce through setting up of working women hostels in collaboration with industry, and establishing creches.

- Loans up to **₹7.5 lakh** with a guarantee from a government promoted Fund.
- Expected to help **25,000** students every year.

- Financial support for loans upto **₹10 lakh** for higher education in domestic institutions.
- Direct E-vouchers to **1 lakh** students every year.
- **Annual interest subvention of 3%**

Skilling Programme

- 20 lakh youth will be skilled over a 5-year period.
- 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.
- Course content & design aligned as per skill needs of industry.

PM's Package (4th scheme)

Budget Priorities

Path of strong development and all-round prosperity

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