



Union Budget 2015



Budget Highlights

- **Credible budget with conservative revenue estimates**
- **Revive economy through higher Govt. spending in Infra, Railways**
- **Relax in Fiscal consolidation path**
- **Major relief for Foreign Investors**
- **Food and Fertilizer subsidies to continue**
- **Marginal increase in Excise duty and Service Tax**
- **Efforts for Ease of doing business**

Conservative Revenue Estimates



Items	% Tax Collection Growth Assumed	
	FY 15 Budget	FY 16 Budget
Corporate Tax	14.3 (7.4)	10.4
Service Tax	39.5 (7.9)	24.8
Income Tax	17.1 (12.8)	17.5
Excise Duty	21.7 (8.2)	23.9

Revised Estimates for FY 15 given in bracket

Subsidies to Continue



		FY15 RE	FY 16 BE	% Change
Food	Cr.	1,22,676	1,24,419	1.4
Fertilizer	Cr.	70,967	72,968	2.8
Oil	Cr.	60,270	30,000	- 50.2

RE – Revised Estimates
BE – Budget Estimates

Major Relief for Foreign Investors



- GAAR (General Anti Avoidance Rule) will be effective from April 1, 2017
- No need for foreign investors to pay minimum alternate tax
- Foreign investors were allowed to set offices in India



Changes in Taxes

- Excise Duty hiked to 12.5% from 12.36%
- Service Tax hiked to 14% from 12.36 %
- No change in Income Tax rates and slabs
- Basic Corporate Tax to be reduced from 30% to 25 % in next four years



Efforts to Revive Economy

- Outlays for Roads and Transport increased by 192% from 28,114 Cr. to 82,697 Cr.
- National Investment & Infrastructure fund to be established
- Budgetary support for Railways increased to 98,365 Cr. from 64,301 Cr.
- Five new ultra mega power project will be announced on “Plug & Play” model where 1 Lakh Cr. investment is expected



Ease of Doing Business

- Number of clearances required to start business to be reduced
- Bankruptcy law to be sought so that idle assets can be quickly utilised
- Fourteen regulatory permission will be integrated at one source through e-biz portal
- Budget has allowed digitally signed invoices, maintenance of records in electronic form



Efforts to improve Financial Savings

- Hike in tax exemptions for Pension schemes
- To bring new regulations to curb black money so that saving gets channelised into financial sector
- To monetise domestic physical gold

Railway Budget Highlights



- Plans to invest 8.5 Lakh Crore over next five years
- Plan expenditure increased by 52% in FY 16
- To mobilise funds from various sources like multilateral development banks, PSU, private companies and pension funds
- No new trains announced
- Increase in freight charges on some products

Key Policy Proposals



- Forward Market commission to be merged with SEBI
- Composite limit on foreign direct and portfolio investors
- NBFC's to be covered under SARFAESI Act (allows to auction properties)
- Wealth Tax abolished



Current Market Scenario

* BSE: SENSEX (28,465.00, 28,484.00, 28,204.00, 28,261.00)

Sensex Hit 30000
Sensex from 2003

March 2015
Sensex crosses 30000

January 2008
high of 21200

November 2010
high of 21000

December 2011
low of 16100

October 2008
low of 7700

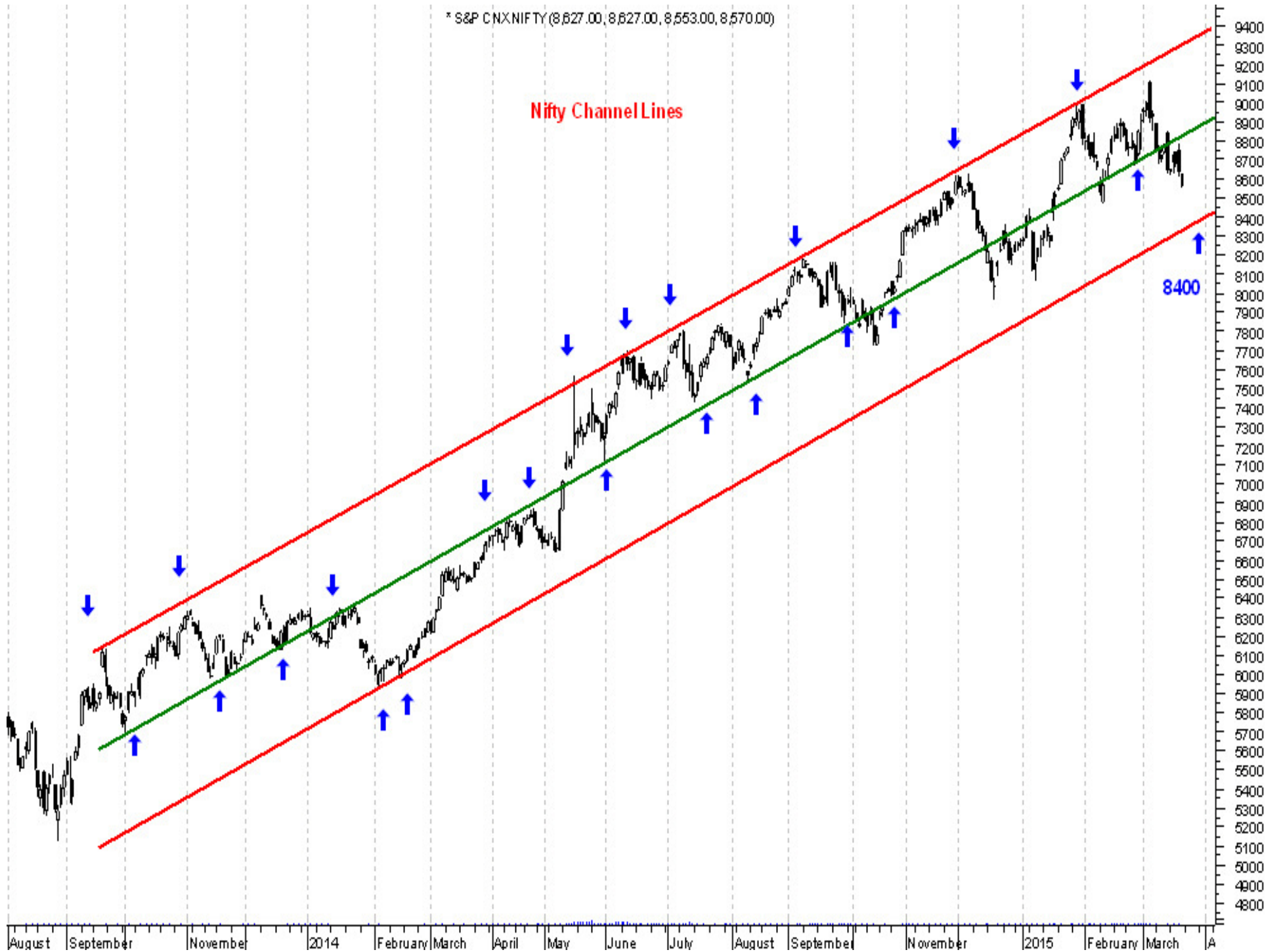
April 2003

April 2003-Start of long term bull market
Sensex 3000

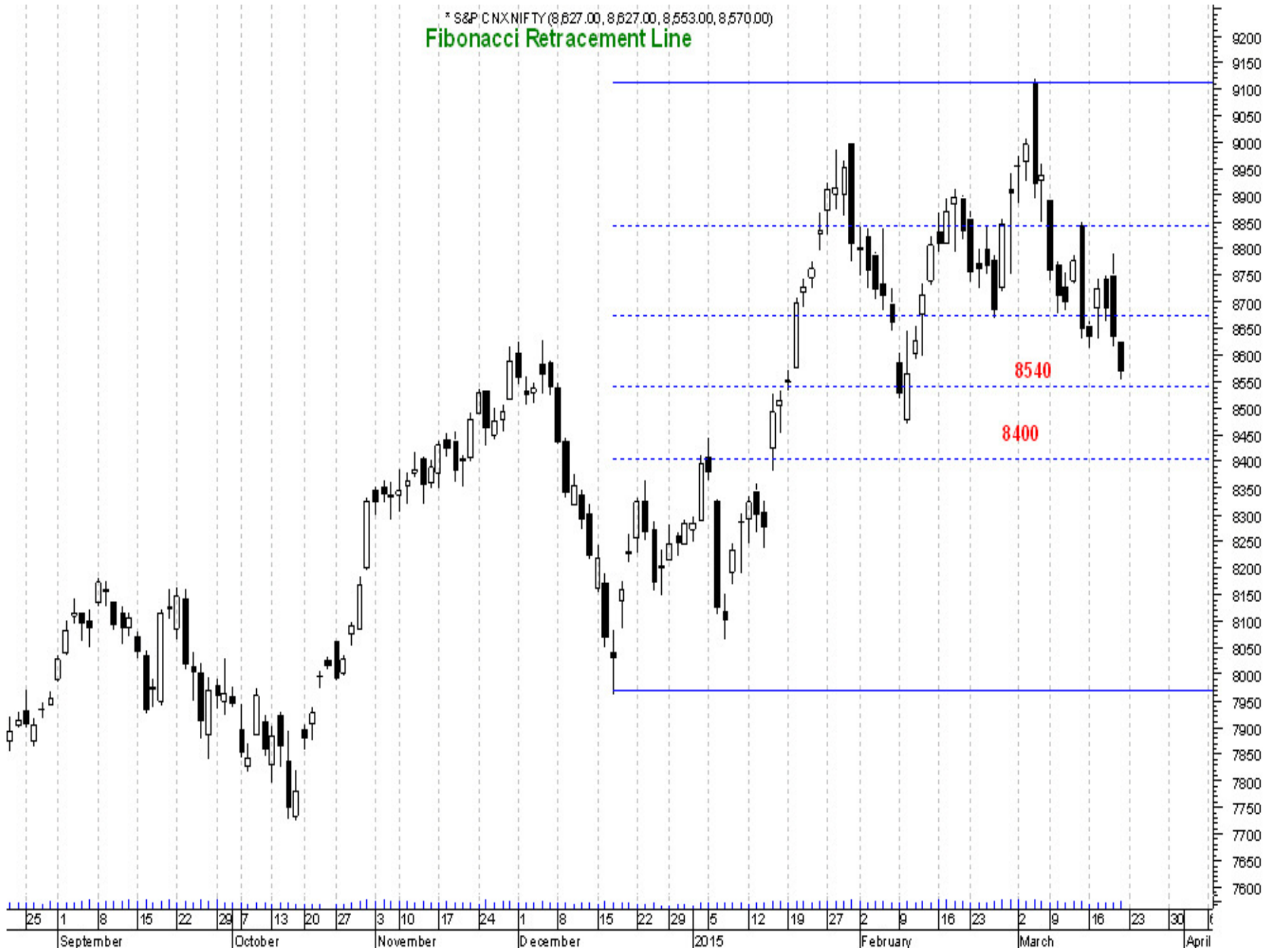


* S&P CNXNIFTY (8,627.00, 8,627.00, 8,553.00, 8,570.00)

Nifty Channel Lines

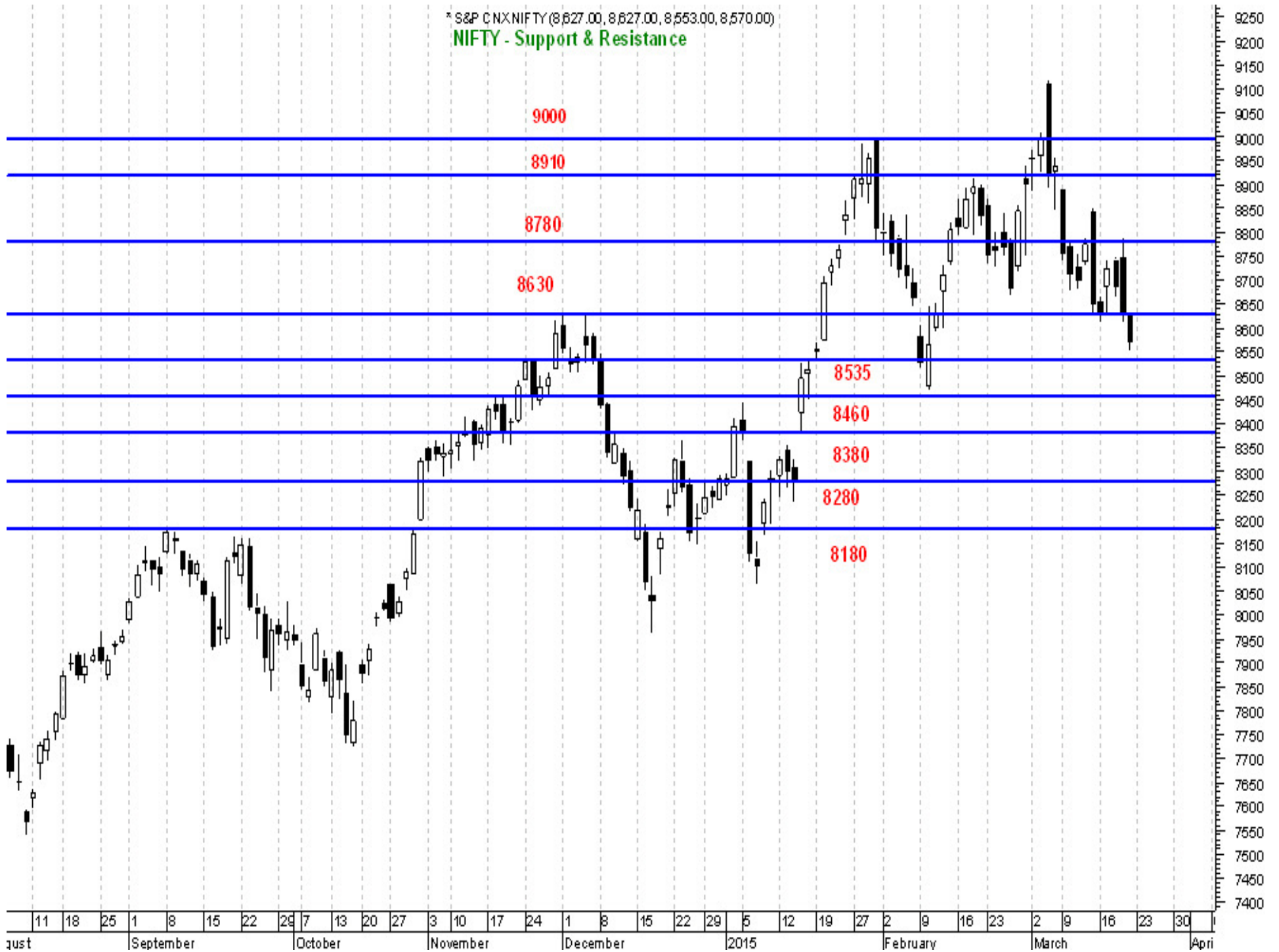


* S&P CNXNIFTY (8,627.00, 8,627.00, 8,553.00, 8,570.00)
Fibonacci Retracement Line



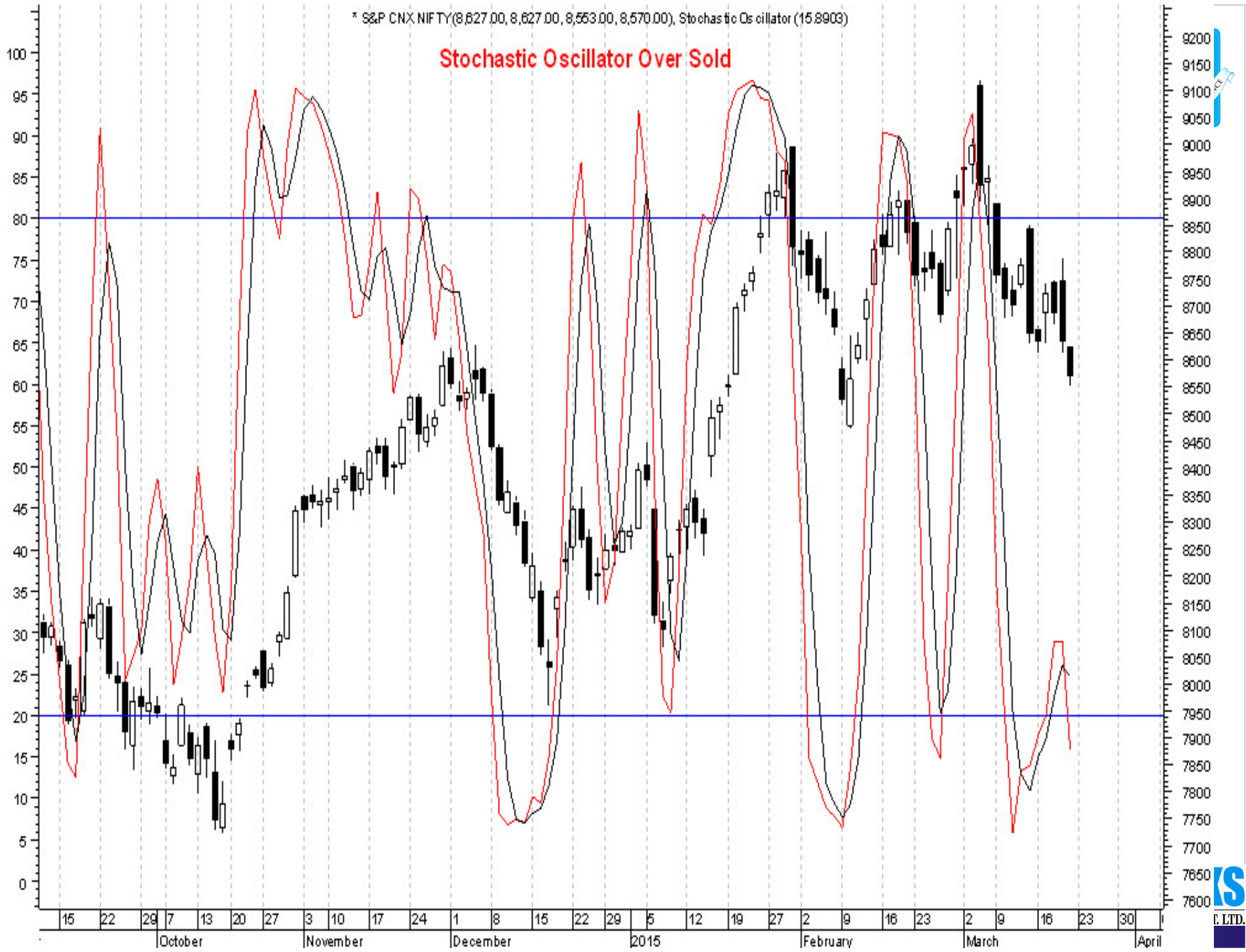
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NIFTY - Support & Resistance



* S&P CNX NIFTY(8,627.00, 8,627.00, 8,553.00, 8,570.00), Stochastic Oscillator (15.8903)

Stochastic Oscillator Over Sold



Markets On Consolidation

- Budget fails to impress markets
- Passage of Insurance Bill positive for market
- Stock specific action
- Major global markets are in strong bull phase

INDEX WATCH

INDEX	20 Mar	13 Feb	% Change
Nifty	8570	8805	-2.67
Sensex	28261	29094	-2.86
CNX Midcap	13012	13100	-0.67
BSE Small Cap	10859	11239	-3.38



Parliament Passes Insurance Bill

- Long pending Insurance Bill passed in parliament
- Foreign investors can buy upto 49% in insurance companies
- Positive impact to be seen immediately
- Analyst estimate \$8 to 10 Billion foreign inflows



Recent Govt. Actions

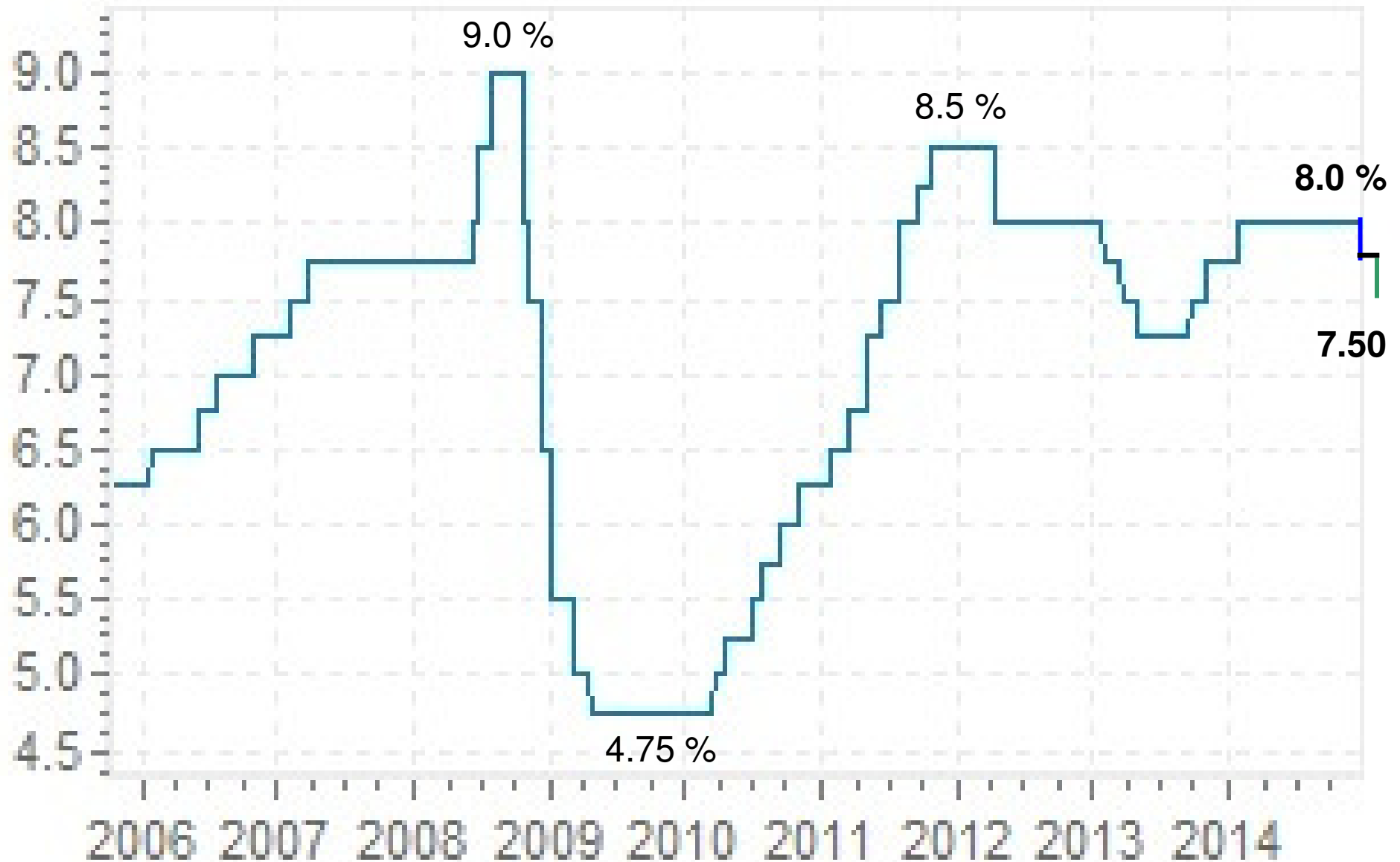
- Environment Ministry lifted ban on mining in Goa
- Black Money Bill approved by cabinet
- Taking serious steps to implement Goods and Service Tax act by April 2016



RBI Cuts Repo Rate Further

- RBI cut repo rate by further 25 basis points
- Next rate cut will be post June/July and depends upon trajectory of inflation

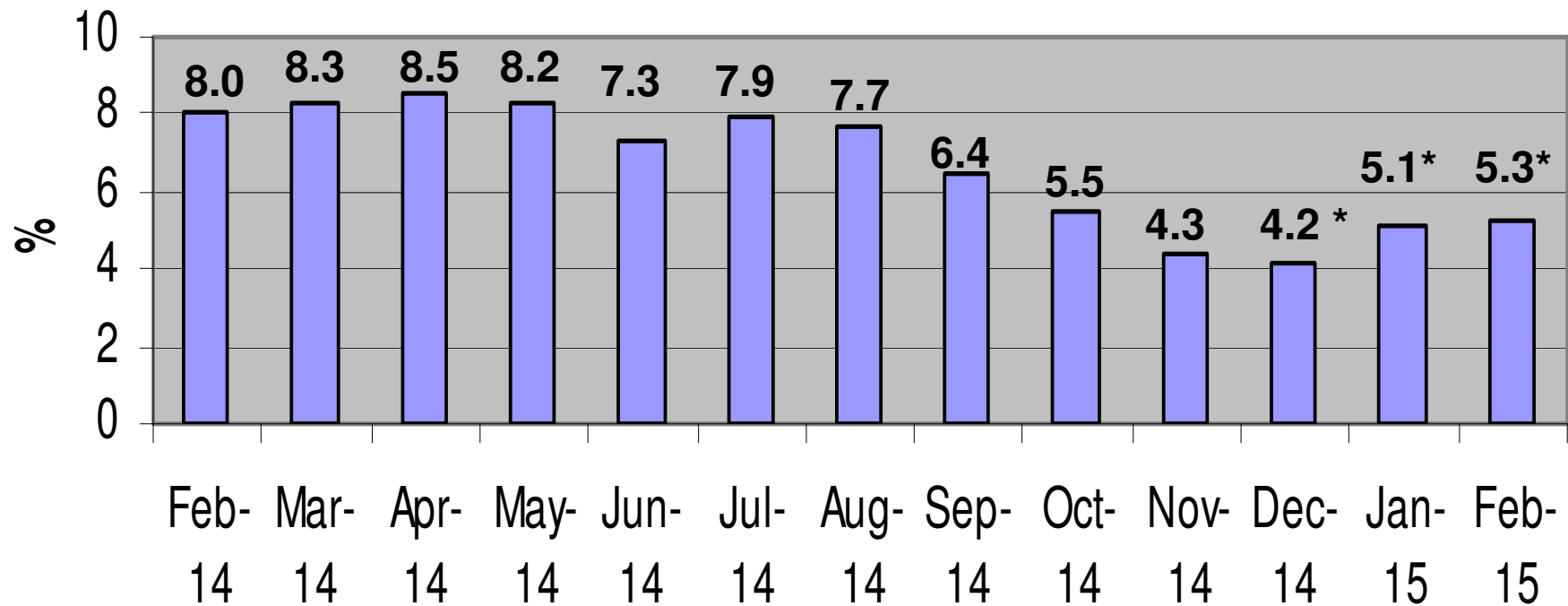
Interest Rate Cycle has turned



Consumer Inflation Under Control



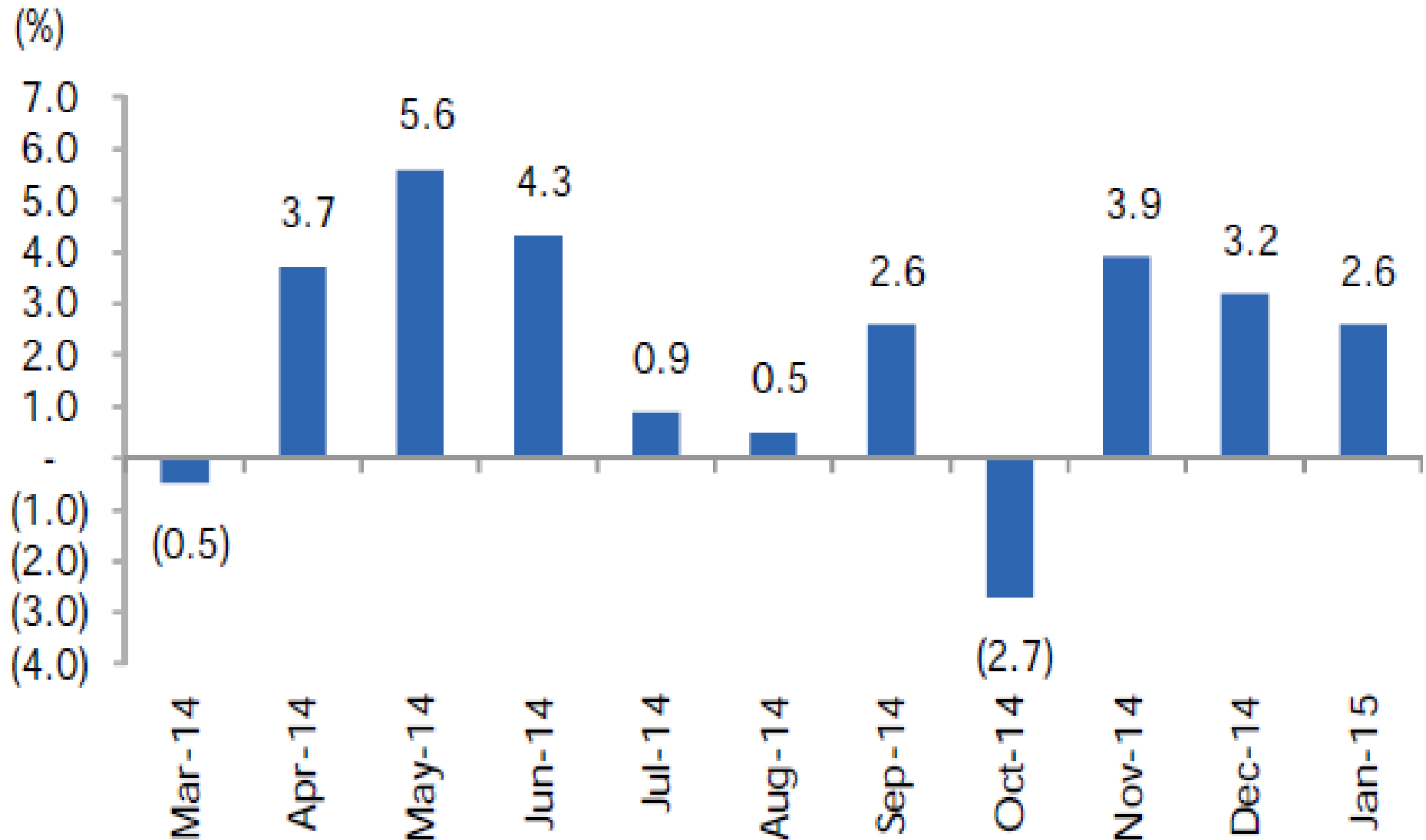
Consumer Price Inflation



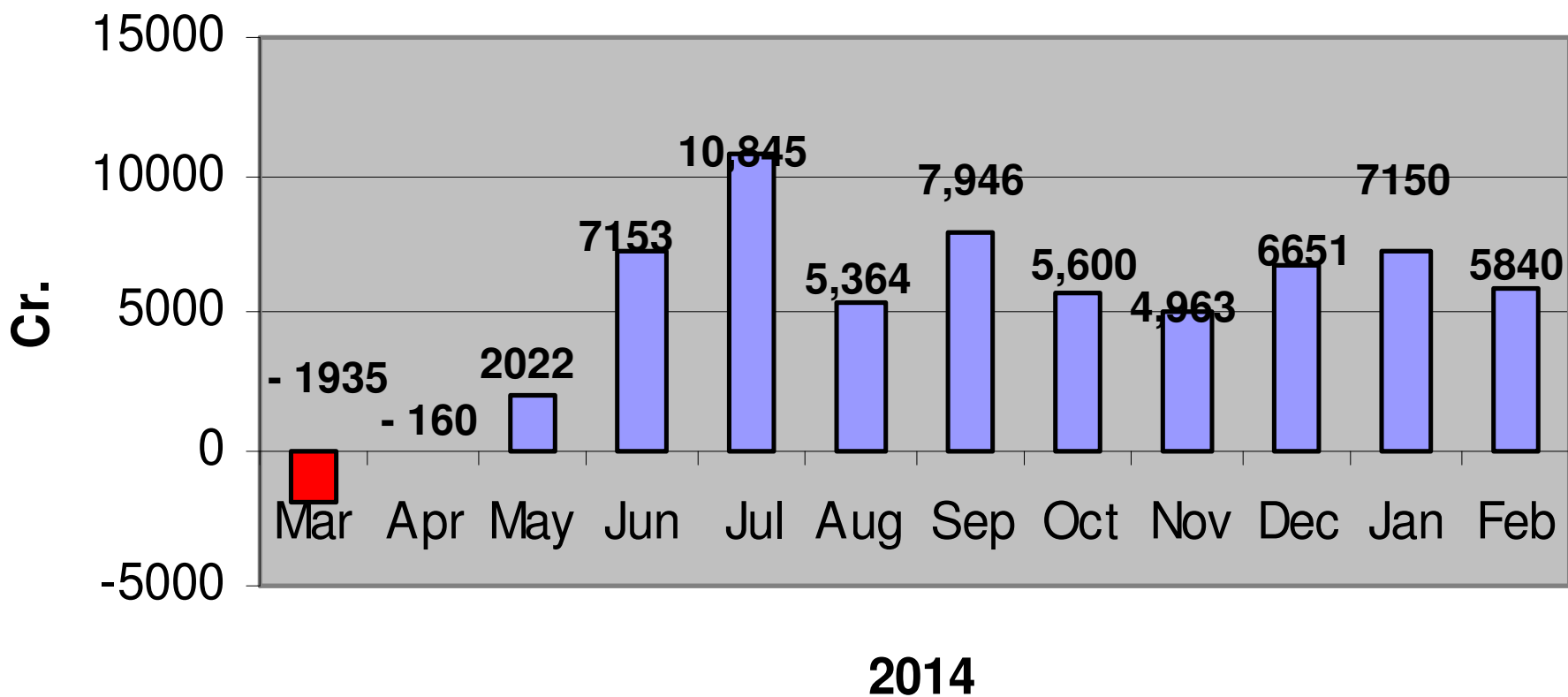
Period

* Under New Series

No Big Recovery in IIP



Domestic Mutual Fund Flows





Major Global Markets in Bull Orbit

- Germany, Japan, US markets are at their life time highs
- Money is shifting from commodities to equities
- Trend is to continue for few years

German Dax at Record Levels



GERMANY STOCK MARKET (DAX)



SOURCE: WWW.TRADINGECONOMICS.COM | DEUTSCHE BÖRSE GROUP



US Unemployment Rate on Down Trajectory

UNITED STATES UNEMPLOYMENT RATE

Percentage of the Labor Force

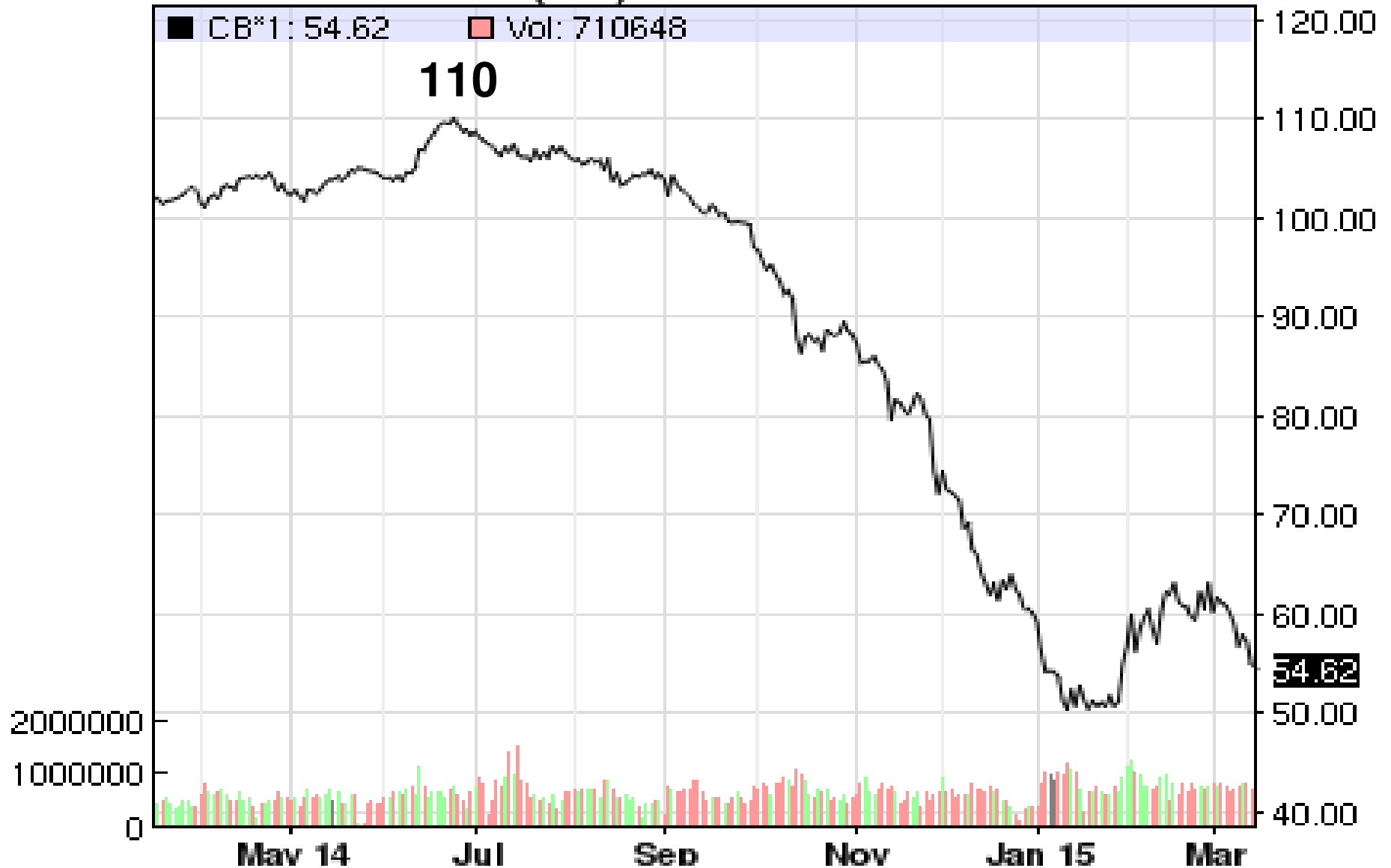


SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Brent Crude Oil Sinks Sharply



CBK15 - Crude Oil Brent (ICE)





US Fed Meeting

- Dovish statement
- Indicated a cautious approach for interest rates hike in the near term
- The pace of monetary tightening, whenever it begins, will be slower.



Events to Watch

- Progress of Land acquisition bill
- Q4 earning session from 2nd week of April



Thank You