

**Union Budget & Current
Market Scenario
8th Feb 2025**

Union Budget Highlights

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- Govt. bets on consumption boost to drive economy
- Huge IT relief for middle class
- To continue fiscal consolidation
- No major hike in Central capex in many sectors
- Outlay of 1.5 Lakh Cr 50 Yr. interest free loans to States for capital expenditure

Union Budget Highlights

- TDS/TCS rationalised for easing difficulties
- Rationalisation of customs duty structure for Industrial goods
- Multiple announcement in Agriculture and MSME segments. Steps taken to boost investments and export
- No changes in Capital Gain Tax and STT

Personal Income Tax Changes

- Slabs and tax revised in favour of tax payee
- Standard deduction hiked from Rs.50000 to Rs.75000
- Tax rebate of Rs.60,000 for those income below 12 Lakhs

IT Slab and Rate Changes

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New Income bracket	New Rates	Old Income bracket	Old Rates
Rs 0-4 Lakh	0%	Rs 0-3 Lakh	0%
Rs 4-8 Lakh	5%	Rs 3-7 Lakh	5%
Rs 8-12 Lakh	10%	Rs 7-10 Lakh	10%
Rs 12-16 Lakh	15%	Rs 10-12 Lakh	15%
Rs 16-20 Lakh	20%	Rs 12-15 Lakh	20%
Rs 20-24 Lakh	25%	Above Rs 15 Lakh	30%
Above Rs 24 Lakh	30%	-	-

Source: Budget Document

IT Changes - Benefit Illustration

Income	Tax on Slabs and rates		Benefit of	Rebate benefit	Total Benefit	Tax after rebate Benefit
	Present	Proposed				
			Rate /Slab	Full upto Rs 12 lacs		
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

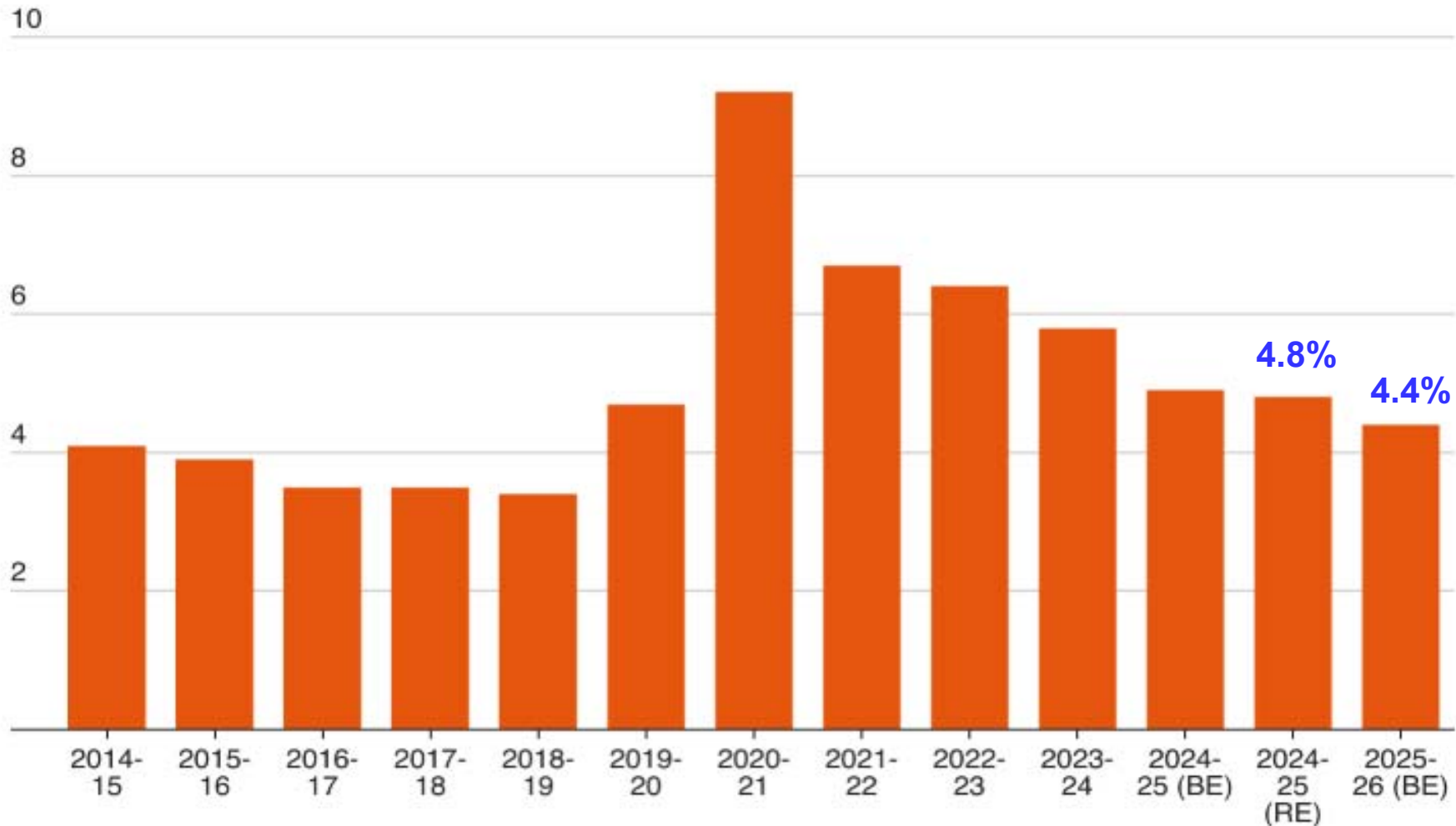
Discretionary Spending To Increase

- Govt. to forego 1 Lakh Crore revenue on changes in Income Tax rates and tax rebate
- Most of the benefit to accrue to those earning less than 12 lakhs per annum
- Consumers discretionary segments like Autos, tour & travels, white goods, mid range household items will benefit most
- Part of it will channelise towards long term savings

Govt. on Fiscal Consolidation Path

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Fiscal deficit as a percentage of GDP



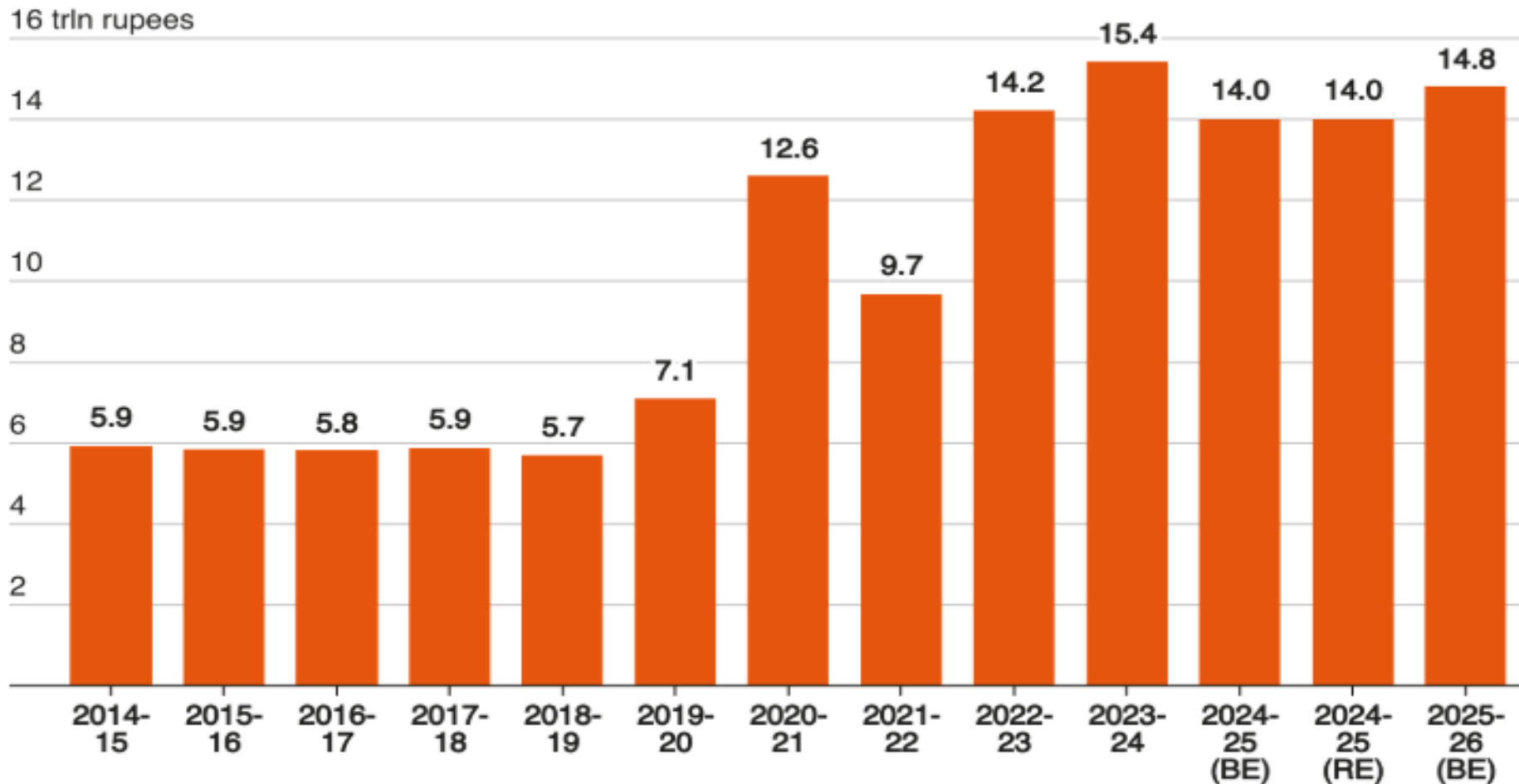
Note: BE is budget estimate, RE is revise estimate

Tax Revenue Growth Assumptions Mixed

Segment	2024-25 Revised Estimates In Cr	2025-26 Budget Estimates In Cr	% Changes
Corporate Tax	9,80,000	10,82,000	10.4
Taxes on Income	12,57,000	14,38,000	14.3
GST	10,61,899	11,78,000	10.9
STT	55,000	78,000	41.8

Gross Market Borrowings Marginally Higher CAPSTOCKS

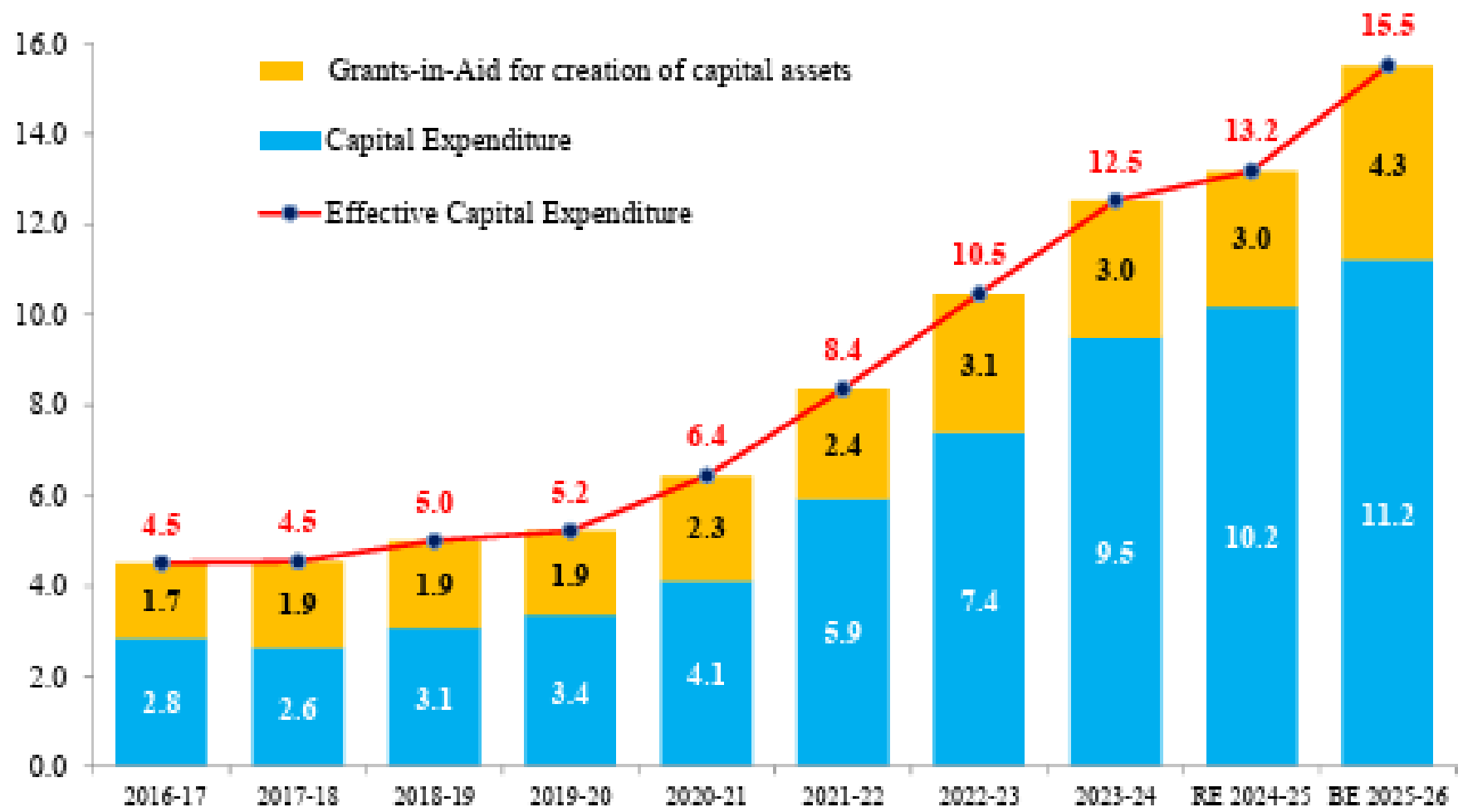
India's gross market borrowing is estimated at 14.82 trillion rupees in 2025-26



पूंजीगत व्यय की प्रवृत्ति

TREND IN CAPITAL EXPENDITURE

(₹ लाख करोड़ में)
(₹ in lakh crore)



Govt. Capex – Segment Allocation

Budget – Segment Breakup

Segment (Rs Cr)	FY24	FY25RE	FY26BE	FY26 and FY25RE Differential	FY25RE/ FY24	FY26BE/ FY25RE
Railways	2,60,000	2,65,000	2,65,000	0	1.9%	0.0%
Defence	1,67,771	1,70,485	1,92,388	21,903	1.6%	12.8%
Roads	2,64,526	2,72,481	2,72,241	-240	3.0%	-0.1%
Drinking Water and Sanitation	69,846	22,505	66,770	44,265	-67.8%	196.7%
Housing and Urban development	78,617	93,984	1,27,338	33,354	19.5%	35.5%
Renewable Energy	21,370	31,708	35,467	3,759	48.4%	11.9%
Power	59,244	71,836	86,497	14,661	21.3%	20.4%
Water resources and rejuvenation	19,518	21,642	25,278	3,636	10.9%	16.8%
Rural	59,000	46,926	73,832	26,906	-20.5%	57.3%
Special Assistance as Loan to States for Capital Expenditure	1,05,551	1,50,000	1,50,000	0	42.1%	0.0%
Total Capex	9,49,200	10,18,400	11,21,100	1,02,700	7.3%	10.1%

Source: Union Budget Documents, DSP. Data as of Feb 2025

The sector(s)/stock(s)/issuer(s) mentioned in this Document do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Budget Allocation to Ministry of Railways

Budget Allocation To Ministry Of Railways	Rs in lk cr	Growth (% YoY)
FY24	2.40 lk cr	50.90%
FY25 Budget Estimate	2.52 lk cr	5.80%
FY25 Revised Estimate	2.52 lk cr	Unchanged
FY26 Budget Estimate	2.52 lk cr	Unchanged


Budget Allocation to Ministry of Road, Transport & Highways

Budget Allocation to Ministry of Road, Transport & Highways	Rs in lk cr	Growth (% YoY)
FY24	2.64 lk cr	28.64%
FY25 Budget Estimate	2.72 lk cr	2.64%
FY25 Revised Estimate	2.72 lk cr	Unchanged
FY26 Budget Estimate	2.72 lk cr	Unchanged

Union Budget – Our View


- Pragmatic Budget
- Budget prepared to address challenges faced by the economy
- Consumption likely to pick up and revive animal spirit

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NIFTY 50 · 1D · INDICES  O23649.50 H23694.50 L23443.20 C23559.95 -43.40 (-0.18%)



CAPSTOCKS

NIFTY 50 • 1D • INDICES  O 23649.50 H 23694.50 L 23443.20 C 23561.10 -42.25 (-0.18%)



CAPSTOCKS

NIFTY 50 • 1D • INDICES  O 23649.50 H 23694.50 L 23444.30 C 23561.10 -42.25 (-0.18%)



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CAPSTOCKS

NIFTY 50 • 1D • INDICES  O 23649.50 H 23694.50 L 23443.20 C 23559.95 -43.40 (-0.18%)



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Markets Volatile On Multiple Cues **CAPSTOCKS**

- Union Budget focuses to improve consumption
- Markets volatile on Trump statement
- RBI Cuts rate
- Gold at All Time High

INDEX WATCH

INDEX	8 th Feb	11 th Jan	% Change
Nifty	23,559	23,431	+ 0.5
Sensex	77,860	77,378	+ 0.6
Nifty Midcap	53,609	54,585	- 1.7
BSE Small Cap	50,164	52,722	- 4.8

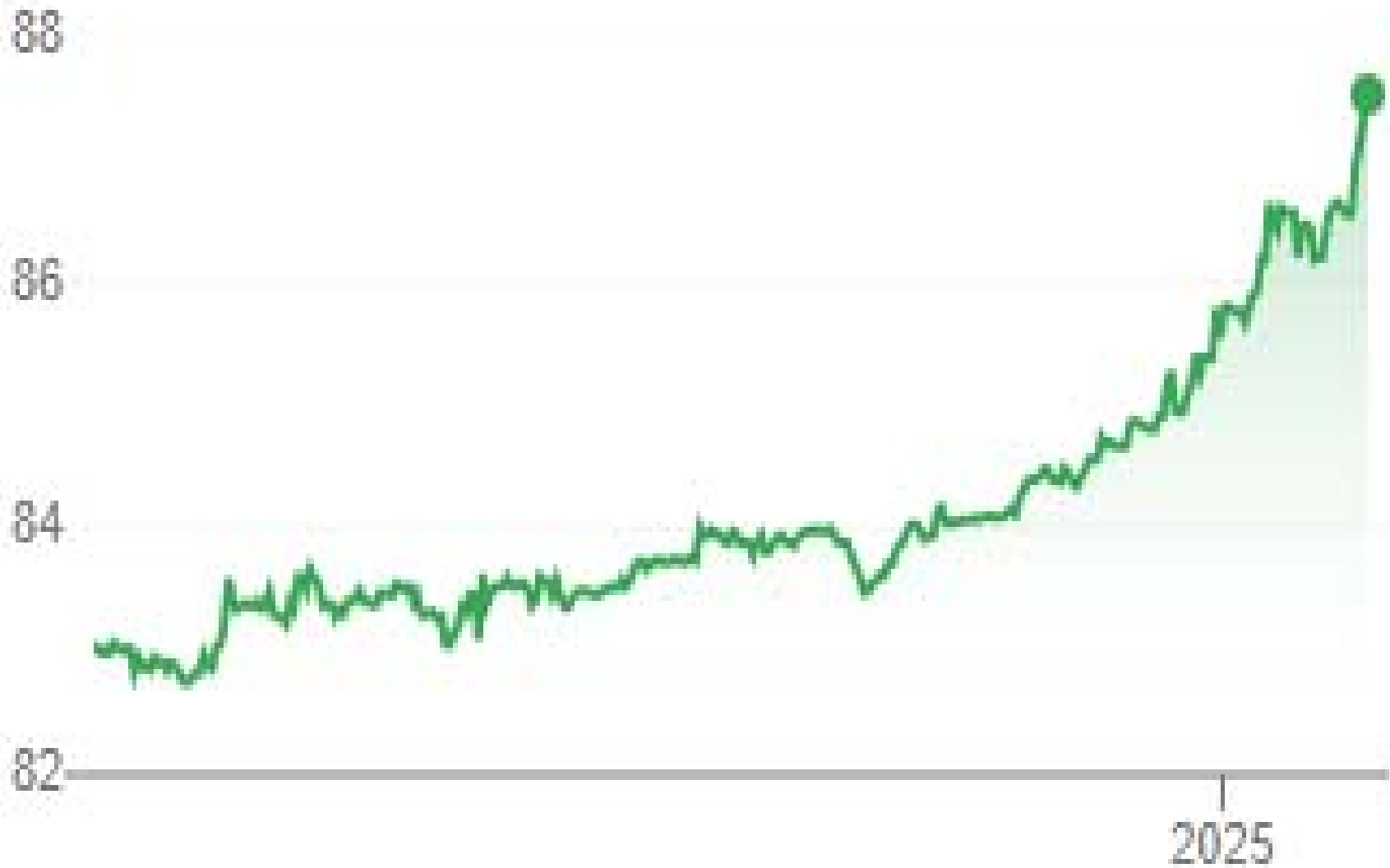
Gold Uptrend Continues

Gold (USD/t.oz) 2865.3 68.1 (+2.44%)



US Dollar Vs Rupee

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Euro Vs Rupee

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Divergent Moves in Markets

- High valued shares fell more in recent correction
- Whirlpool India promoter exit is a good case study
- Expect rationale movement in stocks prices in near term

GST Collection Improves **CAPSTOCKS**

GST Collection

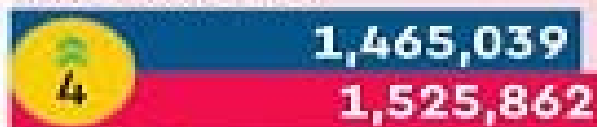
Month-wise collection (In lakh cr)			
	2023-24	2024-25	Growth (%)
July	1.66	1.82	10.3
August	1.59	1.74	10
September	1.63	1.73	6.5
October	1.72	1.87	8.9
November	1.68	1.82	8.5
December	1.65	1.77	7.3
January	1.74	1.95	12.3

Auto Sales

IN THE FAST LANE



Two-wheeler



Passenger vehicles



Source: FADA; Retail sales.

Jan-24

Jan-25

% Chg

100,160
107,033

Three-wheeler

91,877
99,425

Commercial vehicles

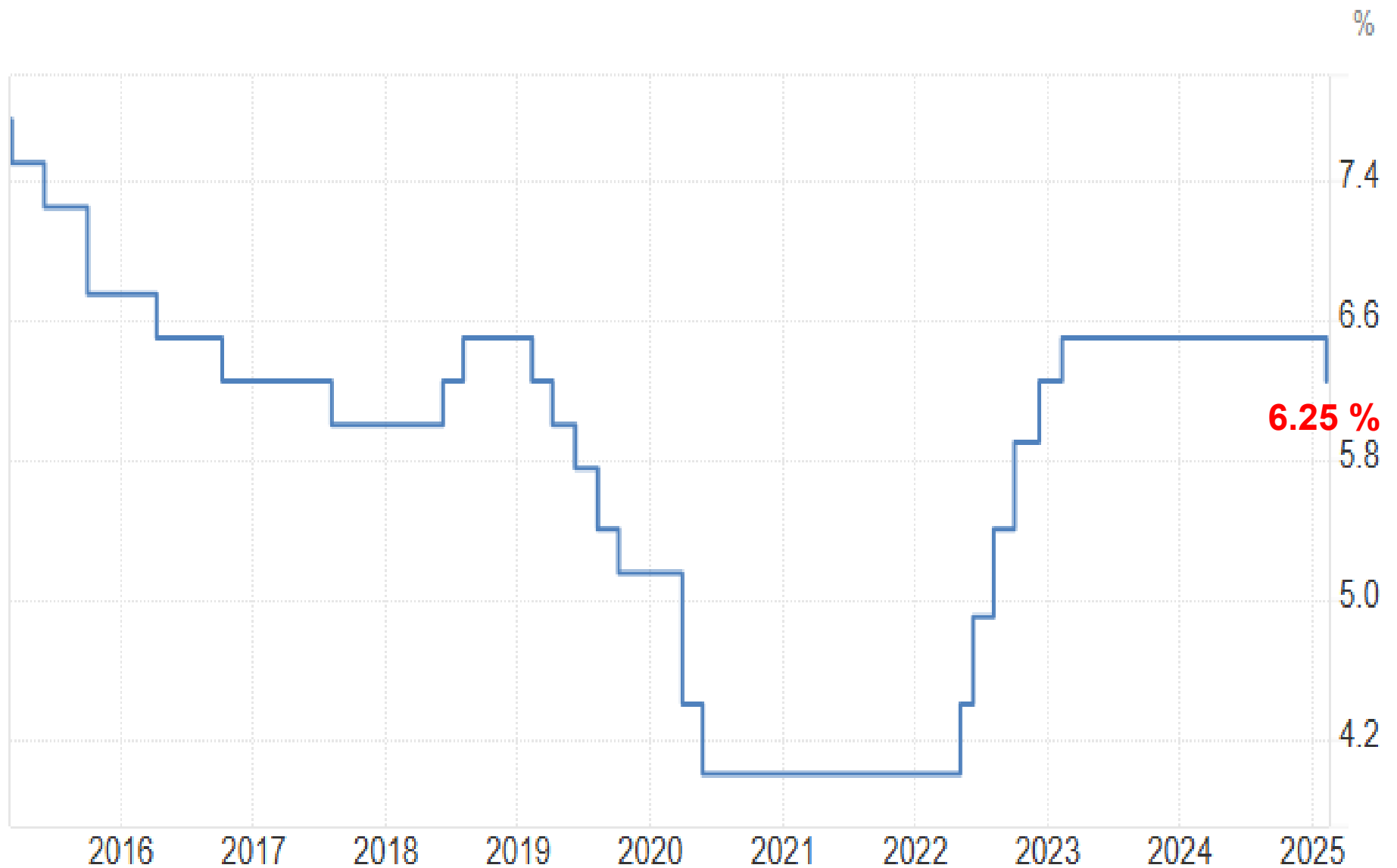
88,741
93,381

Tractors



RBI Cuts Repo Rate

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Q3 Result Performance **CAPSTOCKS**

	% Change (YoY)	
	Dec 2024	Dec 2023
Sales	5.9	6.3
Net Profit	8.7	26.9

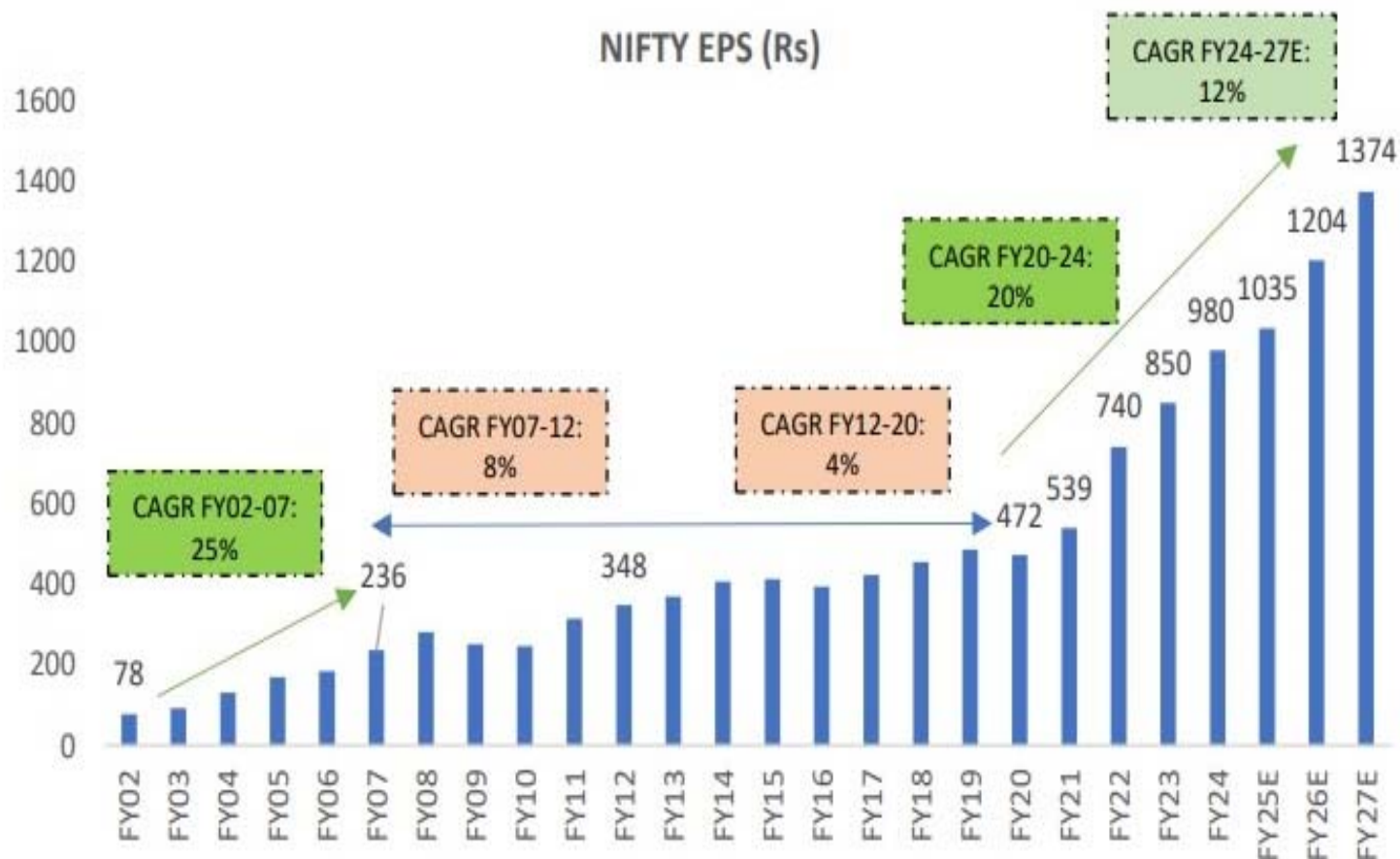
Results of 1240 Companies

Q3 Results Performance

- Mixed Q3 results
- Pharma sector posted good performance
- Select companies posted good results
- Overall better than Q2 performance

Nifty EPS Chart

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Source: Bloomberg, Monarch AIF

FPI Cash Market Actions

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2024	Net Flows Cr.
Jan 2025	- 87,374
Dec 2024	- 16,982
Nov 2024	- 45,974
Oct 2024	- 1,14,445
Sep 2024	+ 15,423
Aug 2024	- 21,368
Jul 2024	+ 5,407
Jun 2024	+ 2,037
May 2024	- 42,214
Apr 2024	- 35,692
Mar 2024	+ 3,314
Feb 2024	- 15,962
Jan 2024	- 35,977

FOREIGN AND DII GAP NARROWS FURTHER TO FRESH RECORD LOW

— FII Ownership (%) — DII Ownership (%) — MF Ownership (%)
— Retail ownership (%)



Note: MF stake is included in the overall DII share

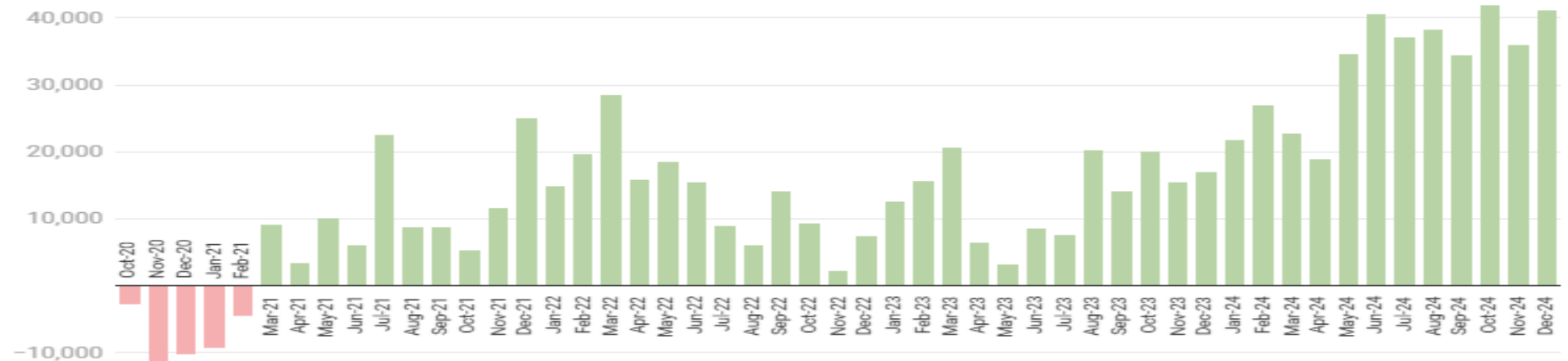
Source: primeinfobase.com

Mutual Fund Flows

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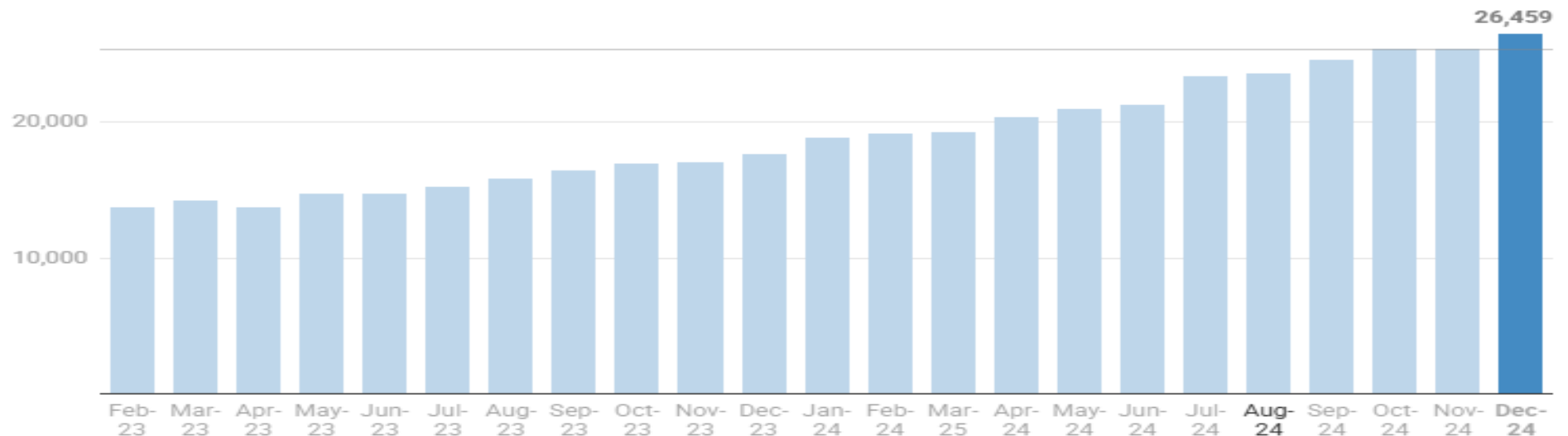
Net Equity Inflows

(Rs crore)



SIP Contribution

Gross investments (Rs crore)



Events To Watch

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- Q3 Results
- Trump actions
- Modi visit to US

Thank You