

Budget highlights 2024-25

Tuesday,
23rd July 2024



Before we start, first things first!

Well, there is a bright chance that the buy and hold fairy tale at Dalal Street is about to be tested.

The key negative catalysts from Finance Minister Nirmala Sitharaman's seventh Union Budget:

- 1) Short term gains of financial assets to attract 20% tax Rate.
- 2) Long term gains on all financial a non-financial asset to attract a tax rate of 12.5%.
- 3) Increase in limit of exemption of capital gains on financial assets to ₹ 1.25 lakh per year.

Well, Nifty is likely to stay depressed as investors are mostly disheartened by tinkering in the long-term capital gains tax (LTCG) and the short-term capital gains tax (STCG) structures.

Technically speaking, on the downside, Nifty's biggest support exists at its 200 DMA at 21805 mark.

Roadmap for pursuit of 'Viksit Bharat'

Infrastructure:

- 1) The biggest positive takeaway was that the Govt to spend Rs 11.11 trillion for infrastructure spending/capex in FY25 (3.4% of GDP).
- 2) 1.5 lakh crore to states as long-term interest free loans to support resource allocation.
- 3) Phase IV of PMGSY will be launched to provide all weather connectivity to 25,000 rural habitations.

Productivity and resilience in Agriculture

Natural Farming

- 1 crore farmers across the country will be initiated into natural farming, supported by certification and branding in next 2 years.
- 10,000 need-based bio-input resource centres to be established.

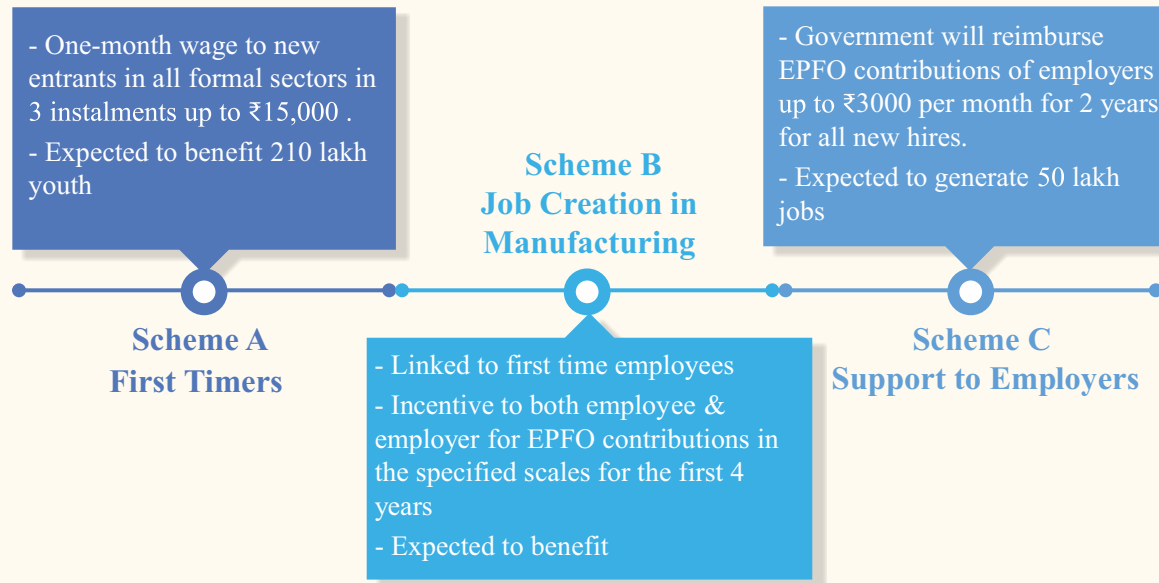
Shrimp Production & Export

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

Budget highlights 2024-25:

Employment

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



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

Budget highlights 2024-25:

Special Financial Support for Andhra Pradesh:

Andhra Pradesh Reorganization Act:

Financial support of 15,000 crores will be arranged in FY 24-25.

Completion of Polavaram Irrigation Project ensuring food security of the nation.

Essential infrastructure such as water, power, railways and roads in Kopparthy node on the Vishakhapatnam-Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor.

Huge announcements for Bihar:

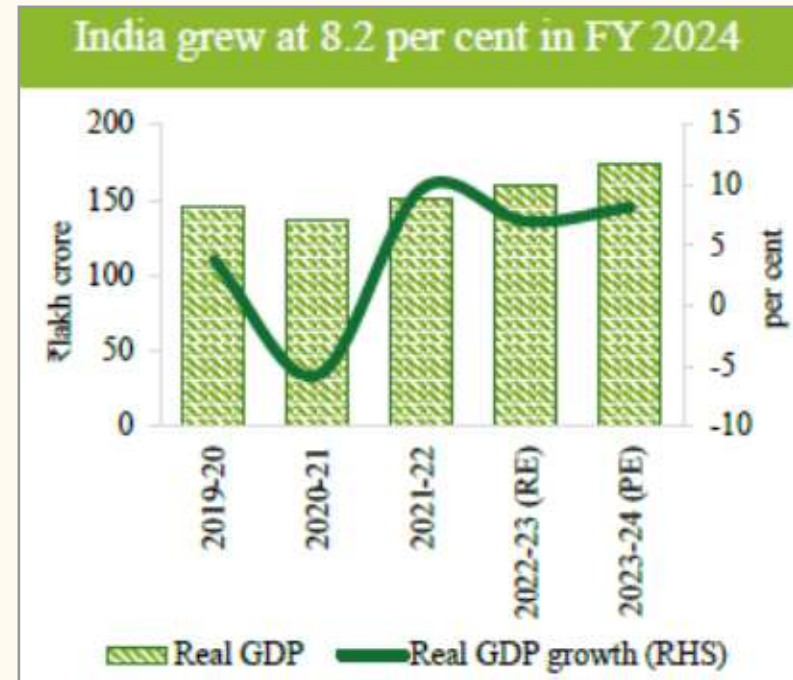
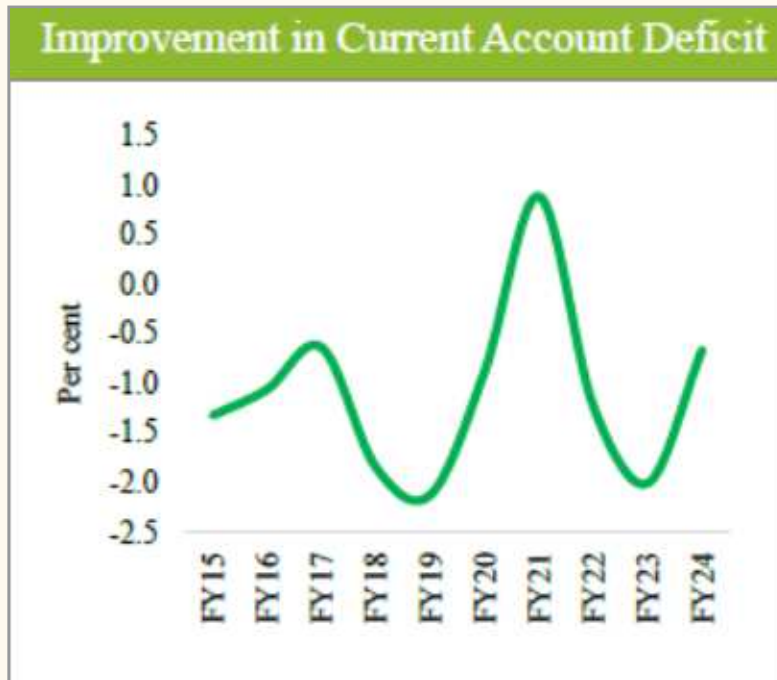
New airports, medical facilities and sports infrastructure for Bihar (Rs 26,000 crore to be allocated to highways in Bihar)

Detailed roadmap to pursue nine priorities for generating opportunities for India:

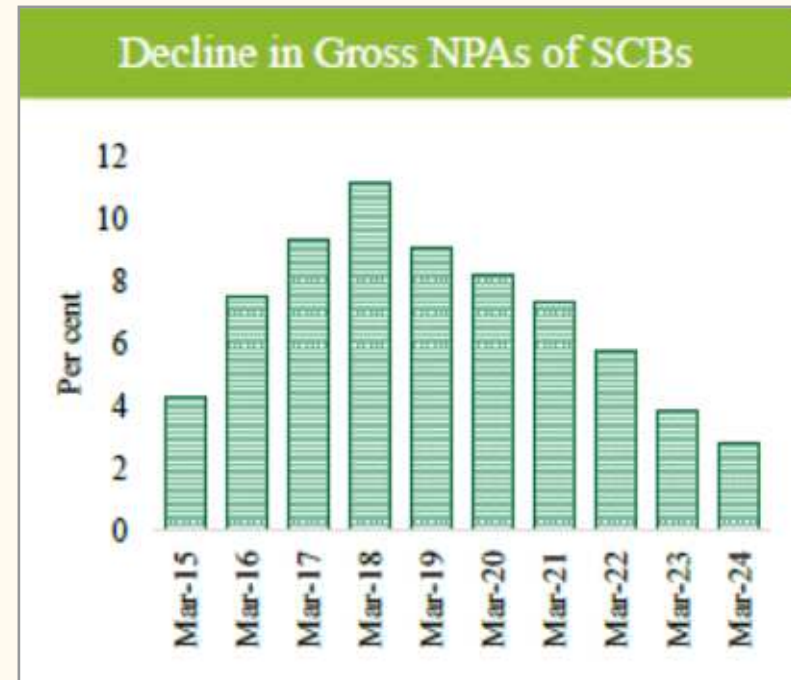
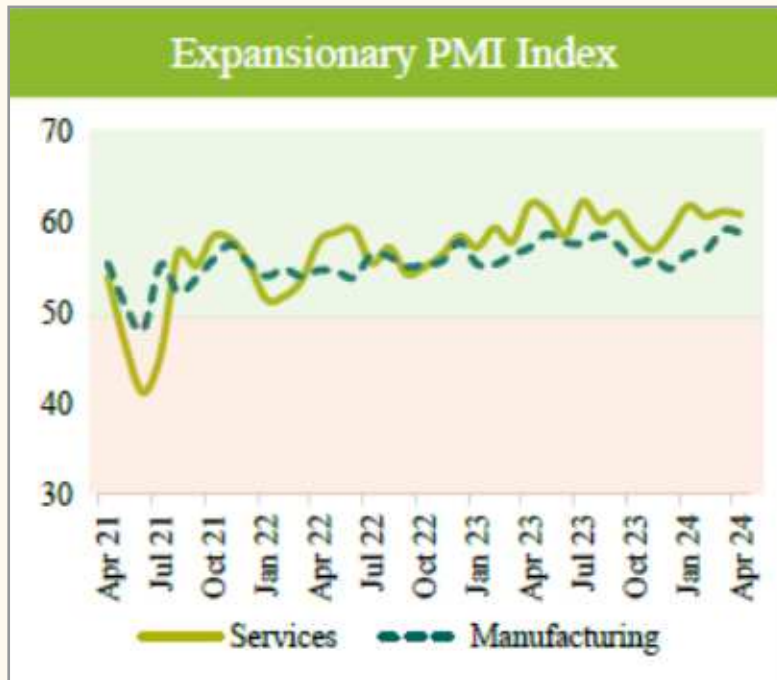
Productivity and resilience in agriculture
Employment and skilling
Improved human resources, social justice
Manufacturing and services
Urban development
Energy security
Infrastructure
Innovation, R&D
NexGen reforms

Budget highlights 2024-25:

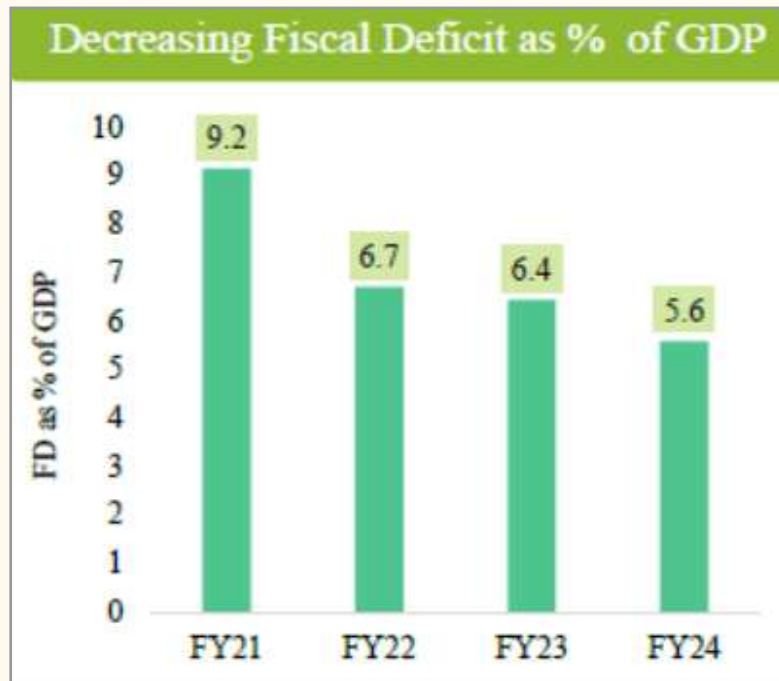
Robust Indian Economy in 6 charts:



Budget highlights 2024-25:

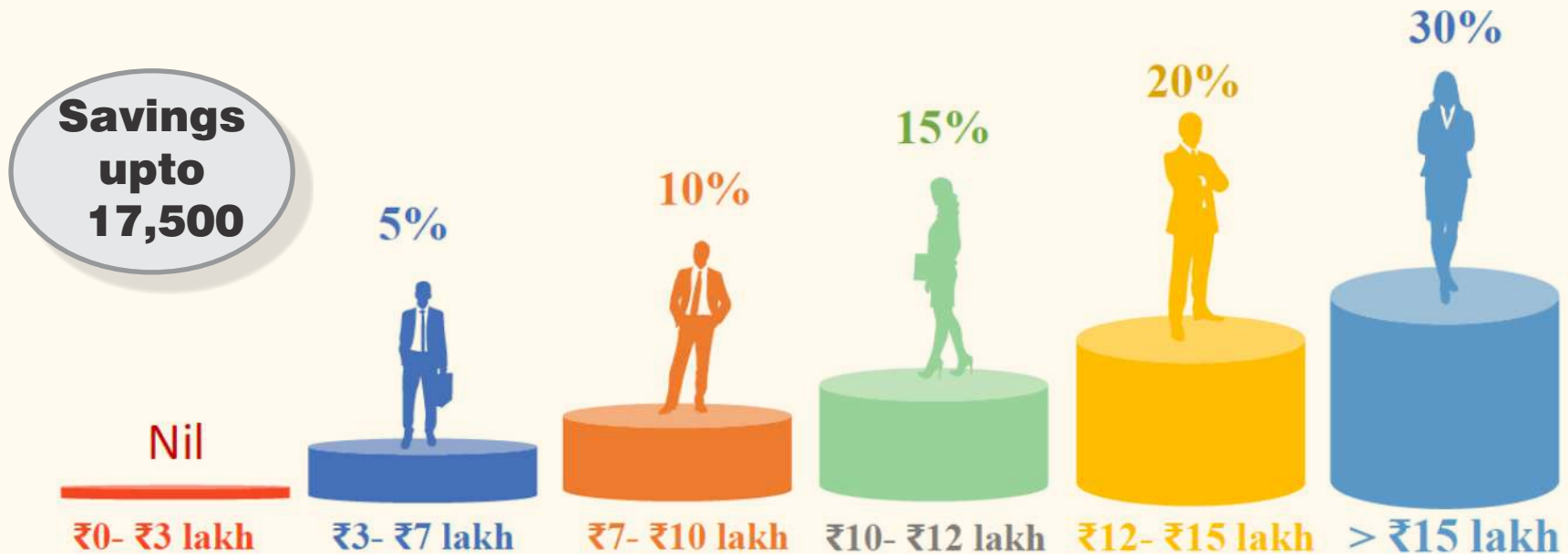


Budget highlights 2024-25:



Budget highlights 2024-25:

Simplifying New Tax Regime:



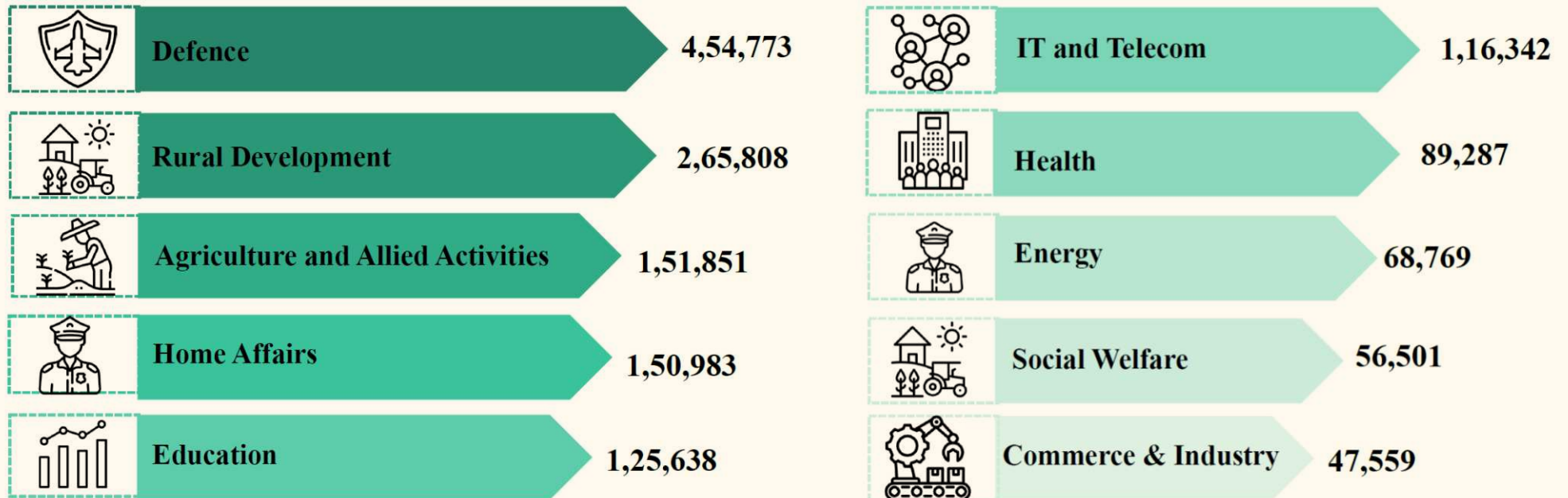
Standard Deduction for salaried employees increased from 50,000 to 75,000

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

Budget highlights 2024-25:

Expenditure of Major Items

In Crores



Budget BIG Market Impact for 2024-25

We suspect, volatility will be the hallmark at Dalal Street, as Nifty is likely to continue wavering to the policy announcements, as investors are mostly disheartened by tinkering in the long-term capital gains tax (LTCG) and the short-term capital gains tax (STCG) structures.

On the downside, Nifty's biggest support exists at its 200 DMA at 21805 mark.

Anyway, we firmly believe FM Sitharaman's Union Budget ushers a 'new leg to the bull market'.

The budget has given lots of impetus for domestic-led growth on backdrop of higher capex.

So obviously, India domestic shining story will be into play. **Hence focus should be consumption boom, defence, railways, hotels, services and electronics**

Bottom-line: The Union Budget could be a game changer and represents the reforms of the BJP government as all bullish eyes now aim for — India's ambition to reach the \$5 trillion economy goal.



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