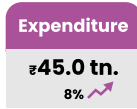




panchamrit

Budget focused on 5Cs



Above numbers are FY24 (BE)



Capex Boost

- Higher multiplier impact on economy

- * ₹10 tn. Capex spending. 3x rise from FY20 outlay.
- * Extension of 50-year interest-free loan to states for capex.
- * Highest ever spending on Railways and Roadways at ₹2.41 tn. and ₹2.70 tn.



Continuation of Reforms

- Path to \$5tn economy

- * ₹547bn outlay towards green energy transition.
- * Simplified KYC to help financial inclusion.
- * Focus on digitisation - 3 AI centres & 100 labs to develop 5G applications.



Consumption Nudge

- Boost growth in the near term

- * Relaxation in personal tax to propel savings & consumption.
- * Skilling youth with coding, AI, robotics skills to boost employment.
- * Big boost on tourism by developing 50 destinations.



Consolidation of Fiscal

- Keeping interest rates & inflation in check

- * Fiscal deficit target at 5.9% in FY24 with aim to reduce it further to 4.5% by FY26
- * Net borrowing for FY24 at ₹11.8tn (against ₹11.1 in FY23)



Credible Math

- Confidence to investors

- * FY24 Gross Tax Revenues growth projected at ~10% YoY.
- * Real GDP growth pegged at 6.5%. Nominal GDP growth at 10.5% in FY24.

Impact on Equity Market – 'PanchAmrit' budget, balancing growth with reasonable prudence which has the potential to boost consumption across the pyramid. Overall, a positive budget for equity markets and many key sectors of the economy.

Impact on Fixed Income Market – Controlled borrowings is positive for bond yields and shall keep them away from rising. We expect the benchmark 10Y G-Sec to trade between 7.25% and 7.5% in the near-term.

Source: Union Budget 2023-24

The above views alone are not sufficient and should not be used for implementation of an investment strategy. All opinions, figures are as of this date and are subject to change without notice.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.