

Following positive actions are expected from Budget 2015 –

- A. **Jobs Creation:** Government plans to focus on job creating sectors like aviation, construction, food processing, mining, oil and gas, IT and BPO, biotechnology, railways, defence manufacturing, chemical and pharmaceutical. Manufacturing is given a special focus in the form of Make in India initiative, as it has the ability to create large number of jobs.
- B. **Attracting FDI:**
 - a. **Reforms:** Foreign investors have repeatedly demanded tax and labour reforms, especially on retrospective taxation, and government may announce some positive news for them in budget. Government is also expected to announce reforms on ease of doing business in India.
 - b. **SEZs:** Budget might address the long-standing problem of imposition of minimum alternate tax (MAT) and dividend distribution tax (DDT) on special economic zones (SEZ).
- C. **Specific Sector Focus:**
 - a. **Auto Sector:** The Union finance ministry might extend the excise duty cuts granted to the automobile sector beyond their expiry date of December 31, as the sector faces slowing sales.
 - b. **Gems & Jewellery Sector:** The sector contributes significantly to growth in the country's overall exports and has been identified by the government as one of the 25 focus segments for 'Make in India' campaign.
 - c. **Multi brand retail and eCommerce:** Government may announce key policy reforms in taxation as well as bring in clarity regarding FDI in crucial sectors such as multi-brand retail and eCommerce.

Recommendations:

Existing investors should hold equity investments and any dip should be used to buy. Investors should add blue-chips, FMCG, infrastructure and healthcare focused mutual funds in their portfolio for long term higher returns.

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