

Budget has several positives for economy and markets as mentioned below –

- Corporate tax reduced from 30% to 25% over next four years
- Investment in infrastructure to go up by Rs 70,000 crores
- Proposes 5 ultra mega power projects for 4,000 MW each
- Custom duty on raw materials and intermediaries to be reduced
- Tax dept to put out a clarification on indirect transfer of assets and dividend paid by foreign firms
- Govt: Retrospective tax provisions will be avoided
- Govt defers roll out of anti-tax avoidance rules GAAR by 2 years
- Govt to enact tough penalties for tax evasion in new bill
- Proposal to introduce a gold monetization scheme
- Govt plans to introduce direct tax regime that is internationally competitive on rates without exemptions
- Govt to set up public debt management agency
- Tax-free infrastructure bonds for projects in railways and roads
- Subsidy rationalisation based on cutting leakages
- GST to be put in place by April 1, 2016
- Will target 3% fiscal deficit in two years
- To sanction 1 lakh km of new roads

Recommendations:

Budget has given a boost to the markets and it will have a long term positive impact. Equity investors should hold on to their investments and add at dips for long term appreciation.

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