

Quote by Ms. Shanti Ekambaram, President – Consumer Banking, Kotak Mahindra Bank.

The budget was overall positive and reflected the tight balance that the Finance Minister had to maintain. On the one hand, he had to maintain fiscal prudence and continue fiscal consolidation by sticking to the committed fiscal deficit targets of 3.9% and 3.5% in FY'16 and FY'17 respectively and, on the other hand, provide enough resources to allocate to agriculture, rural development, healthcare and infrastructure sectors.

Key beneficiaries have been the agricultural sector and rural India, where spends should give an uplift to the rural economy as well as provide a boost to farm growth. Also, an emphasis on the infrastructure segments of road and railways is much needed for economic growth.

There are several incentives for Asset Reconstruction Companies, new manufacturing companies and the startups, giving a boost to "Make in India" initiative and promoting the "new entrepreneurship" ecosystem.

PSU bank recapitalization was lower than expected, but Finance Minister promised to find a way to garner necessary resources in case further capital is required.

Many small steps for affordable housing have been introduced, including a higher allowance for those staying in rented houses, a rebate for income below five lakhs. All these measures will help in putting more money in the hands of the small tax payers which will give them relief. In general, the thrust of the budget has been to address segments that will provide a boost to the economy, putting more money in the hands of the lower income segments.

Overall, the budget is positive for most areas of the economy."

Quote on Union Budget 2016 on behalf of Mr. Amit Modi, Director ABA Corp and Vice President CREDAI Western UP.

"We have to say that though the Union Budget 2016 has been great on infrastructure, same is the not the case when it comes of Real Estate and Housing! The Rs Rs 97,000 crore for road construction was indeed the need of hours, we would have liked the government to announce long pending demand of Single Window Clearance for Real Estate Projects to bring in more transparency and Industry Status to Real Estate Sector to avail legal low cost funding were completely ignore since both these initiatives would be achieved without putting burden on the budgetary allocation.

While we welcome the announced interest rebate of Rs 50,000 for first time home loans if the value of homes does not exceed of Rs 50 lakhs but would've like the ticket size to increased to at least Rs 1 crore since the average apartment cost in cities like Delhi and Mumbai are a lot more than Rs 50 lakhs, hence an extremely small segment of first time home buyers will be able to benefit from this initiative. Similar is the case with Service Tax exemption on housing construction of houses less that 60sq ms in the cities. The proposed 100% deduction for profits of undertakings from housing projects during June 2016 – March 2019 since the stipulated timeline of 3 years is impractical since realistically speaking it takes at least 5 years for a housing project to be delivered.

But since big infrastructure projects always bring in huge economic multiplier effect for the whole country, both in terms of employment generation and for the ancillary industries we feel that it's a good budget with a lot more room for improvement."

Quote of Mr. Sudhakar Reddy, Founder and CEO, Abhibus.com

The 2016 budget looks on track for development. Necessary amendments to the Motor Vehicles act will open up the road transport sector in the passenger segment that will bring new investment in this sector, creation of jobs and other multiplier effects. With impetus on road projects, up gradation of state highways, favorable rules, entrepreneurs will be able to operate buses on more routes which will be game changing and provide more efficient public transport facilities and greater public convenience, Better roads, more buses means increased routes & services eventually leading to more tickets, which is good news for an OTA like us. Quotes from Mrs Vandana Luthra, Founder, VLCC

The 2016-17 budget is positive and growth-oriented, which aims to enhance economic growth through a focus on agriculture and job creation. A focus on the "Skill India" mission by establishment of 1500 Multi Skill Training Institutes as well as by scaling up the Pradhan Mantri Kaushal Vikas Yojana, will help address the issue of employability and economic empowerment of Indian youth, a pressing need in corporate India. Initiatives like the health protection scheme, making quality medicines available at affordable prices and the National Dialysis Services Programme are also encouraging, even though investment in preventive healthcare measures by way of service tax reduction would have helped increase longevity and overall productivity of people.

Quotes from Kreeanne Rabaddi, Regional Director (West) CRY – Child Rights and You

"The non voting population of the country has yet again not received adequate resources in the Union Budget 2016-17. The increased outlays in social sector in the 2016-17 Union Budget has focussed marginally on children's issues. This year child budget – 65758.45 crore has seen an increase of 1123.36 crores over Budget of 64635.09 crores in 2015-16 (RE). More than 75% of this increased budget is in the schemes of Mid Day Meal (MDM) – Rs. 464 crores and National Nutrition Mission – Rs. 360 crores."

Under the announcement of the National Education Mission, the sum of allocations for major schemes for children i.e., Sarva Shiksha Abhiyan (SSA), and Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) are at Rs. 35,900 crore while these schemes received Rs. 34817 crores in 2015-16 (RE).

For the youngest of our children, the Integrated Child Development Scheme (ICDS) remains the most significant support scheme. Last year, the ICDS scheme allocations were substantially reduced and then received substantial gain through the supplementary budget after repeated submissions by the Ministry of Women and Child Development (MWCD) and requests from states for centre to provide additional allocations (the allocations increased from Rs. 8335.77 crore (BE) to Rs. 15483.77 crore (RE)). However, once again, allocations for core ICDS have been reduced to Rs. 14,000 crore (reduction of Rs. 1483.77 crores), at a time when even the economic survey 2015-16 has

detailed the need for additional investment for mothers and children (under threes). The National Nutrition Mission was announced in 2014-15, however, even till March 2016, the mission was in the process of being operationalized, with discussions and a framework in process. We hope that in 2016-17, the Rs. 360 crores allocated would lead to its turning into a reality.

Similarly, allocations under the Integrated Child Protection Scheme (ICPS), the flagship scheme for protection of children, marginally decreased from Rs. 402 crore to Rs. 397 crores. The scheme is responsible for the child protection system all over the country, including homes for children in need of care and protection, agencies working for adoption, foster care, and children in conflict with law. In the past few years, the system has expanded significantly, and higher investment in this scheme is much warranted for providing safety and protection to children. The Union Budget has not fulfilled expectations of the civil society sector with reference to child protection. ”

Views pertaining to markets by Dr. Vikas Gupta, Executive Vice President and Chief Investment Officer at ArthVeda Capital

The budget delivered according to our expectations with respect to the push towards rural sector and public investment in infrastructure like road & railways. Another positive was no slippage on fiscal deficit which shows government's intent to rein in the fiscal deficit. However it fell short of the expectations on allocation towards recapitalization for public sector banks especially given the NPA mess.

The sectors which in our view are expected to benefit from the budget are:

- a) 2 wheeler stocks to benefit from rural spending
- b) Fast moving consumer goods to benefit from surge in rural incomes
- c) Infrastructure companies involved in road sectors
- d) Cement sectors to benefit from infrastructure spending on roads, railways and low income housing

Comments from Shri Ashishkumar Chauhan, MD & CEO, BSE on the Union Budget 2016

5% to 15%

BSE welcomes the proposal to increase the stake a foreign exchange can hold in an Indian exchange from 5% to 15% to bring it on par with Indian entities. This is expected to improve the functioning of Indian stock exchanges and bring them on par with the best exchanges in the world. This will also help attract more investments in India by creating stronger links with the best foreign exchanges.

STT

This is a move in the right direction. However, the minor increase of STT on option premium from 0.017% to 0.05% is not expected to move the balance away from derivatives in India to the underlying equity market. Therefore, the current structure of the market should remain intact going forward.

Budget reaction from Mr. Ketan Doshi, Managing Director, Pay Point India Network., a fast moving consumer services company and a prepaid payment instrument (PPI) licence holder.

“The budget has set out a clear direction by focussing on enhancement of masses, entrepreneurship, digitisation and resolving tax issues. Amidst the global uncertainty, the government seems to have focused on building a strong foundation which will help drive rural consumption and thereby facilitate overall economic development. Initiatives such as technological penetration in Farm Produce Marketing, pumping Money into MGNREGA, Skill Development, and Encouraging Start-ups have been consciously targeted to drive growth at the bottom of the pyramid. The use of technology initiatives like E-Marketing of farm products, Digital literacy mission etc. will further Digital India movement. There is a lot of emphasis on boosting entrepreneurship by enabling their Funding needs, Skill development programs, creating depository for employee with their education records. This will also open huge opportunities of job creation. For a Business like ours with a strong presence in rural markets, the budget has opened new avenues for the future.” We see huge growth in Financial Inclusion services and digital payments businesses.

Post budget views by Mr. Umesh Revankar, MD, Shriram Transport Finance Company Ltd.

“Not all budgets have to be a populist one and the Honorable Finance Minister's job is not to make everyone happy, but to allocate the available resources to where it is utmost needed. This is exactly what Mr. Jaitley has done to build the inherent strength of the economy by giving maximum budgetary allocations to agriculture, the infrastructure sector and thereby giving much needed impetus to the rural India story.”

Quote of Mr. Parthasarathi Mukherjee, MD & CEO, Lakshmi Vilas Bank on the recently announced Union Budget 2016.

“View the budget as quite practical and shorn of fancy bells and whistles. The challenge for the government will lie in keeping to the fiscal targets.”

Post budget views by Mr. George Alexander Muthoot, MD – Muthoot Finance Limited.

“The union budget 2016-17 is for traditional Bharat to transform into modern India.

The current budget propels on the strong macro environment like rural push, infrastructure development, power and digital India. The government has focused on key social spending like education and healthcare thereby improving the quality of life of lower income group. So in all the budget aims at inclusive growth with its reforms, generate employment and support the bottom of the pyramid entrepreneurs. The environment of easy lending and easy access to credit through setting up of MUDRA and PMMY will drive the rural entrepreneurship and growth of MSMEs.”

Views of Smt. Arundhati Bhattacharya ,Chairman SBI on Union Budget 2016-17.

“As per the market anticipations this year's budget focus is more on agriculture and job creation with a carefully drafted focus on revival of rural demand with increased agriculture productivity and farmer's welfare. Rural spending is definitely going to be a game changer as far as agriculture sector is concerned. Focus of the union budget is clearly on revitalization of the economy.”

Comment on the Union Budget 2016-17: Mr. P. K. Singhal, Joint Managing Director, MCX

“The Union Budget is a positive policy statement from the government with the potential for long-term transformational effect in the Indian economy. The Hon'ble Finance Minister announced the introduction of new derivative products, which is a welcome move for the

commodity stakeholders. We are hopeful that SEBI, during FY 2016-17, will allow products such as options and trading in indices and intangibles, which will enhance the breadth and depth of the commodity market. Further, the enhancement of investment limit from 5 to 15 per cent for foreign entities in Indian stock exchanges is yet another encouraging development, which would help boost the global competitiveness of Indian stock exchanges. By exempting transactions in IFSCs from Dividend Distribution Tax, Capital Gains Tax, and **Commodity/ Security Transaction Tax, the government has taken a positive step in incentivizing trading at these platforms.**

However, we are disappointed that the government has not acceded to our long pending request for reduction, if not the elimination, of Commodity Transaction Tax (CTT), which has seen a drop in hedging interest in domestic commodity futures exchanges due to increase in impact cost, and has resulted in shifting of volumes to international exchanges in countries such as Dubai.”

The reaction on Budget 2016 by Manish Kumar, Co-founder & CEO GREX – a startup which has developed an exchange like transaction platform for fund raising for startups and unlisted companies.

“We believe the Union Budget 2016-17 is well aligned with Prime Minister’s ‘Make in India’ and ‘Startup India’ campaign. The budget focuses clearly on growth, development, job creation, and creating a better environment for doing business in India. Besides a particular focus on startups by giving them exemption on their profits for the first three years is a welcome move. The relaxation in capital gain tax for investment in Funds of Funds and reducing the time frame to two years from three for availing long term capital gain tax benefit in the unlisted space will further boost the investment in startups.

Also keeping the ‘Digital India’ momentum rolling during the budget, introduction of electronic auction platform for the private placement market in corporate bonds is a welcome move.”