

From the President's Desk

A financial year has come to an end and we are in the cusp of a new beginning. It's the time of the year for reviews. The various budgets have been presented and companies are busy finalizing their accounts. The budget day and week after the budget, saw a lot of activity. The incumbent Railway Minister had to resign as he had proposed a hike in passenger fares, the jewelers shut shop protesting the hike in excise duty on their wares, the nation hit with news of another scandal, this time on allocation of coal blocks, the political happenings and results of the state elections adding spice to the events. Subsequently some of the measures were revised. Amidst these, Fidelity exited the Mutual Fund business in India. L&T Mutual Fund has acquired the India Business of Fidelity and their combined Asset under Management (AUM) has shot up to approx. Rs. 13000 cr. Whether this will usher in the long pending consolidation phase in the Indian MF industry is a big question.



Mr. BANABIHARI PANDA
President & Whole time Director
Indbank Merchant Banking Services Ltd

The markets reacted negatively to the budget and have been mixed for the past few weeks. We expect a clear picture to emerge once the budget gets passed and corporate results start coming in. Our Beginners Corner discusses the impact of the budgetary announcements on the various sectors and products. While most of the time, the highlight remains on the Railway and the Union Budget, the other important budget, that of the State is least reported. Addressing the same, we have also listed out some of the important facets of the State Budget of Tamil Nadu.

Last month, action returned to the recently dormant Primary Market. The MCX IPO got good investor response and was oversubscribed substantially. This led to issue of lot of other IPOs, namely that of Olympic Cards, National Building Construction Corporation and MT Educare Ltd. All issues received good response from the investors and it seems investor confidence is returning. The coming months will see more of a stock specific action. So, think before you invest and always invest for set goals.

HAPPY INVESTING!!!!

07/04/2012

Banabihari Panda
President and Whole Time Director
Indbank Merchant Banking Services Ltd

MONETARY POLICY REVIEW BY RESERVE BANK OF INDIA – Wait & Watch

With the review of the monetary policy scheduled just ahead of the budget on **March 15, 2012**, RBI chose to adopt the wait and watch approach.

The key takeaways are

- ❖ Cash Reserve Ratio (CRR) unchanged at 4.75% since it had been reduced by 0.75% from 5.50% on 10.03.2012
- ❖ Repo Rate unchanged at 8.5%.
- ❖ Consequently the Reverse Repo Rate remains at 7.5% and the Marginal Standing Facility and Bank Rate stand at 9.5%.
- ❖ Short term rates expected to tighten further.
- ❖ With a status quo adopted, the focus has now shifted to the April review.

THE RAILWAY BUDGET – Focus on Safety & Revenue Generation

- ⊛ Passenger fares to be hiked by 2 paise per km for suburban and ordinary second class travel; 3 paise per km for mail/ express second class; 5 paise per km for sleeper class; **10 paise per km for AC chair car/AC 3-tier and First Class; 15 paise per km for AC 2-tier and 30 paise per km for AC 1-tier. Subsequently the fare hike for suburban, second class travel and sleeper class has been reversed.**
- ⊛ Minimum fare and platform tickets to cost Rs 5.
- ⊛ **Indian Railways Stations Development Corp to be set up to re-develop stations and maintain them like airports. To set up an independent Railway Safety Authority as a statutory body.**
- ⊛ **Double-decker container trains to be introduced.**
- ⊛ **Steps to improve cleanliness and hygiene on trains and stations within six months. A special house-keeping body to be set up to take care of both stations and trains.**
- ⊛ **Specially designed coaches for differently-abled persons to be provided in each Mail/Express trains.**
- ⊛ Railway Tariff Regulatory Authority to be considered.
- ⊛ Passenger growth targeted at 5.4 per cent. Passenger earnings to increase to Rs 36,200 crore.
- ⊛ Gross rail traffic targeted to increase by Rs 28,635 crore to Rs 1,32,552 crore in 2012 – 13.
- ⊛ **In an unprecedented move, the Railway Minister Mr. Dinesh Trivedi who presented the Budget, resigned from his post, following opposition by his own party to the hike in passenger fares. Subsequently, Mr. Mukul Roy, who took over as Railway Minister, has reversed the hike in passenger fares, except in 1st Class and AC Classes where the proposed hikes are reduced.**

THE UNION BUDGET for FY 2012 - 13 – Tight Rope between Reforms and Subsidies

1. GDP GROWTH FORECASTS

- ❖ GDP seen growing at 6.9% in FY12 after being 8.4% in preceding two years. 7.6% GDP growth expected in FY13.
- ❖ Headline inflation i.e. Consumer Price Index which stands at 6.95% in February 2012 to moderate in next few months.
- ❖ Current account deficit at 6.3% of GDP in FY12.
- ❖ **Gross tax estimates at 10.6% of GDP; Fiscal deficit at 5.9% in FY12.**
- ❖ **Avg. price of crude to exceed \$115 dollar/barrel in 2012.**

2. TAXES

- ★ **No change in corporate tax rate.**
- ★ Direct Tax Code (DTC) Bill to be enacted at the earliest.
- ★ Personal income tax exemption limit for general category raised to Rs 2 lakh from Rs 1.8 lakh
 - i. Above 2 lakh up to Rs. 5 lakh - 10%
 - ii. Between Rs 5 lakh and Rs 10 lakh - 20%.
 - iii. Above Rs 10 lakh - 30%.
 - iv. Upper limit rose from Rs 8 lakh to Rs 10 lakh for 20% bracket.
- ★ For Senior Citizens – Age above 60 years
 - i. Up to Rs. 2.5 Lakhs – Nil.
 - ii. Rs. 2.51 Lakhs to Rs. 5 Lakhs - 10%.
 - iii. Rs. 5.01 Lakhs to Rs. 10 Lakhs – 20%.
 - iv. Above 10 Lakhs – 30%.
- ★ For Very Senior Citizens – Age above 80 years
 - i. Up to Rs. 5 Lakhs – Nil.

- ii. Rs. 5.01 Lakhs to Rs. 10 Lakhs – 20%.
- iii. Above 10 Lakhs – 30%.

- ★ Deduction of up to Rs. 10000 for interest from savings bank account.
- ★ Within the existing limit of Rs. 15000, up to Rs. 5000 has been allowed for preventive health check up. A further deduction of Rs. 15000 has been allowed for buying health insurance policy for parents under Section 80D.
- ★ Effective age of Senior Citizens reduced to 60 (SIXTY) from 65 (SIXTY FIVE) with respect to Income Tax.
- ★ The deductions for Senior Citizens under the following sections has been revised as follows.

Section	Particulars	Existing Limit	Proposed Limit
80D	Health Insurance Premium	15000	20000
80DDB	Treatment of Specified Diseases	40000	60000

- * No advance tax requirement for senior citizens.
- * The rates of surcharge on Income Tax at 5% for domestic companies and 2% for non-domestic companies will remain the same. Similarly, the 2% “Education Cess on Income Tax” and 1% “Secondary and Higher Education Cess on Income Tax” will also continue.
- * No change in peak customs duty.
- * **Full exemption on customs duty on coal; LNG exempt from customs duty.**

3. CAPITAL MARKETS, STOCK EXCHANGES AND RELATED AREAS

- * FRBM implementation back on track. Fiscal Responsibility and Budget Management (FRBM) Act, 2003, provides the road map for the Center and the States for eliminating revenue deficit and achieve a fiscal deficit of 3% of their respective GDPs.
- * The concept of Effective Revenue Deficit (difference between revenue deficit and grants for creation of Capital Assets) and Medium Term Expenditure Framework Statement (which sets forth a 3 year rolling target for expenditure indicators) are the two important features of amendment to the FRBM Act, in the direction of expenditure reforms.
- * Proposals to raise Rs 30,000 cr. through PSU disinvestment.
- * **Retail investors, whose annual income does not exceed Rs. 10 Lakhs and who invest up to Rs. 50000 in IPOs can claim 50% of their investment as exemption under Income Tax under the new Rajiv Gandhi Equity Scheme. The detailed guidelines will be issued shortly.**
- * Qualified Foreign Investors allowed investing in corporate bond market.
- * IPO equity offers above Rs 10 crore will have to be made electronically.
- * **The target for Tax Free infra bonds set at Rs. 60,000 Cr. More companies are allowed to issue infra bonds. As of now, the following companies were allowed to issue the bonds**
 1. **National Highways Authority of India – Rs. 10,000 Cr.**
 2. **Indian Railway Finance Corporation – Rs. 10,000 Cr.**
- * **Securities Transaction Tax (STT) imposed by brokers on every buying and selling of securities reduced to 0.01% for cash delivery transactions from the existing rate of 1.25%.**
- * **Service tax raised from 10% to 12%. With cess the effective Service Tax will be 12.36%.**
- * It has been clarified that short term capital gain tax u/s. 111 A is 15% and not 10%, with effect retrospectively from 01.04.2009.
- * Proposal for setting up of a central Know Your Customer depository for Bank Customers.
- * Remove cascading effect of dividend distribution tax on multi tier corporate bodies.
- * Introduction of **General Anti-Avoidance Rules (GAAR)**. GAAR taxes all the transactions taking place in India and puts the onus on the tax payer to prove other-wise. The rules have been introduced to avoid disparities in taxes post the Vodafone case. However, this caused a furor among the FII community and the stock markets went into a free fall mode. The FM then clarified that **P- Notes (Participatory Notes) through which the FIIs participate anonymously** will not be taxed and it provided some relief to the bourses.
- * Doubled custom duty on refined gold.

4. OTHERS

- * **To introduce new laws for micro finance companies.**
- * External Commercial Borrowings (ECB's) allowed for low cost housing projects, aviation companies for meeting working capital requirements and part financing of power projects.
- * Common tax code proposed for service tax and excise duty.
- * Direct subsidy transfer for LPG and Kerosene to be tried out. Pilot project for direct transfer of subsidiary for kerosene has been initiated in Alwar, Rajasthan.
- * Central subsidies to be under 2% of GDP.
- * Effort on for FDI in multi-brand retail.
- * Provision for implementation of Advance Pricing Agreement to be introduced.
- * Branded silver jewellery exempt from excise duty and customs duty.
- * Raise customs duty on some vehicle imports to 75% from 50%; Bicycles to get expensive, duty raised to 30% from 10%.
- * Penalty for undisclosed income found during course of search
 - If admitted during course of search penalty 10%
 - If not admitted during course of search, but disclosed in return of income filed after search, penalty 20%.
 - If not admitted, penalty 30% to 90%.
- * 1% Tax deduction at source on transfer of immovable property (other than agricultural land) at the following limits
 - Rs. 50 Lakhs if the property is situated in a specified urban area
 - Rs. 20 Lakhs if the property is situated in any other area
- * TDS on remuneration paid to directors of a company
- * Taxation of unexplained money, credits, investments, expenditures etc. at the highest rate of 30% irrespective of the slab of income.
- * Tax collection at source on purchase in cash of bullion or jewellery in excess of Rs. 2 Lakh.
- * Increase in limits for Tax audit

Particulars	Existing Limit	Proposed Limit
Persons engaged in business	Rs. 60 Lakhs	Rs. 100 Lakhs
Persons engaged in Profession	Rs. 15 Lakhs	Rs. 25 Lakhs

- ❖ Presumptive taxation charged under Section 44D of the Income Tax Act, not applicable to the following
 - Professionals
 - Persons earning income in the nature of commission or brokerage income
 - Persons carrying on agency business
- ❖ Capital Gains Tax on sale of residential properties exempt if the sale proceeds are used for subscription in equity of a company categorized as a Small and Medium Enterprise (SME).
- ❖ Donations more than Rs. 10,000 is eligible for deduction, if they are paid by any mode other than cash.

THE Tamil Nadu State BUDGET – Growth Centric Budget, with focus on Financial Consolidation

- * 12th Five year Plan (2012 – 2017) outlay fixed at Rs. 2 Lakh Cr.
- * Projected Revenue Surplus of Rs. 2376 Cr.
- * State Disaster Rescue force to be formed.
- * Food Subsidy: Rs. 4900 Cr.
- * Free CFL lamps for households and Notebooks for school students.
- * Integrated Solid Waste Management Policy to be formulated.
- * Full VAT exemption for wheat, oats, feeding bottles, insulin and helmets.
- * Tax cut for Sanitary Napkins and Diapers.
- * 14.5% VAT for alcohol at the final point of sale.

Aftermath

- * The markets gave a thumb down to the Union Budget, with Sensex falling more than 200 points during the budget day.
- * The Jewellery shops across the country shut shop for 3 days (17.03.2012 to 19.03.2012) protesting the hike in customs duty on gold. Subsequently, the tariff value of gold for bulk imports has been reduced from \$573 per 10 grams to \$530 per 10 grams. The tariff value

is the base price on which import duty on gold is proposed at 2% of the value instead of the earlier rate of Rs. 300/- per 10 grams. However the protests are still on demanding complete reversal of the duties.

- * The budget which lacked any radical reforms, has failed to enthuse the markets. The passing of the budget, the rising oil prices and geo-political happenings are bound to influence the markets during the coming month.

Snap Shots

Particulars	30 th Mar. 2012	23 rd Mar. 2012	16 th Mar. 2012	9 th March 2012	2 nd Mar. 2012
Inflation (%)	6.95 (Feb. 2012)	6.55 (Jan. 2012)	6.55 (Jan. 2012)	6.55 (Jan. 2012)	7.47 (Dec. 2011)
91-Day Cut-off (%)	9.0227	8.9807	8.9807	9.0646	9.0646
10-yr G-Sec yield (%)	8.5839	8.4270	8.4082	8.3170	8.3062
1-10 yr spread (bps)	(24)	(54)	(53)	(28)	(30)
USD/INR(Rs)	51.16	50.91	50.31	50.01	49.35
USD 6m LIBOR	0.73	0.74	0.74	0.74	0.75
10 Y US Treasury	2.22	2.24	2.30	2.04	1.99
USD/Euro Spot	0.748727	0.755173	0.762428	0.758093	0.756601

Global Indices

Indices	Country	Index as on 27 th Feb. 2012	Index as on 30 th Mar. 2012	Variation (%) (Inc/ Dec)
NASDAQ	United States	2,966.16	3,091.57	4.23
DJIA	United States	12,981.51	13,212.04	1.78
S&P 500	United States	1,367.59	1,408.47	2.99
Hang Seng	Hong Kong	21,217.86	20,555.58	(3.12)
Nikkei 225	Japan	9,633.93	10,083.56	4.67
Straits Times	Singapore	2,946.78	3,010.46	2.16
FTSE 100	United Kingdom	5,915.50	5,768.50	(2.48)
CAC 40	France	3,441.45	3,423.81	(0.51)
DAX	Germany	6,849.60	6,946.83	1.42
Shanghai Composite	China	2,447.06	2,262.79	(7.53)
SENSEX	India	17,445.75	17,404.20	(0.24)
NIFTY	India	5,281.20	5,295.55	0.27

Institutional Investments

(in March up to 30.3.2012)

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)	
FII Investments	Equity	63795.10	55413.80	8381.10	
	Debt	12502.50	19090.90	(6588.60)	
Mutual Fund	Equity	10298.30	11709.80	(1411.70)	
	Debt	190991.90	80125.90	110866.00	
FII Derivative Trades	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS	
	- Buy	162020.20	1009705.12	200342.41	41588.90
	- Sell	161838.20	987012.31	203243.70	41963.70

Editorial Team

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SSO

OUR PICKS

NTPC LTD.
India's largest power trading company, generating 28-30% of total electricity in India.
Investment Rationale

- ↙ Largest power generator in India with installed capacity of 36014 MW.
- ↙ Robust Order Book & Capacity Additions.
- ↙ Very High Plant Load Factor (PLF).
- ↙ Strategic alliance with Coal India.
- ↙ EPS: 11.30
- ↙ PE Ratio: 15.70
- ↙ Book Value: Rs. 82.90

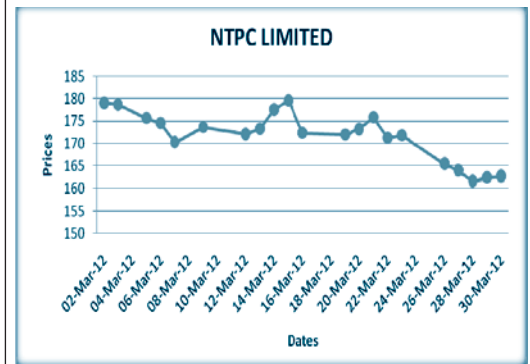
**BUY –
Long Term**

CMP : Rs.162.75*

Target : Rs. 220.00

52W H/L : Rs.195/152

Potential Upside – 24%



BSE Code: 532555

NSE Code: NTPC

CAIRN INDIA LTD.
2nd largest private sector oil & gas company in India. Market cap of \$ 13 billion and operates 20% of India's domestic crude oil production.
Investment Rationale

- ↙ Completion of Vedanta Deal.
- ↙ Production commencement in Mangala Field.
- ↙ Robust Financials.
- ↙ Operation of Cairn Srilanka.
- ↙ EPS: 33.33
- ↙ PE Ratio: 11.30
- ↙ Book Value: Rs. 211.90

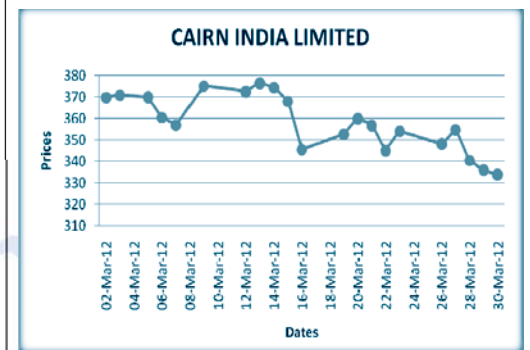
**BUY –
Long Term**

CMP : Rs.333.90*

Target : Rs. 450.00

52W H/L : Rs.400.9/250

Potential Upside – 20%



BSE Code: 532792

NSE Code: CAIRN

REPRO INDIA LTD.
Established in 1984, provider of integrated print solutions to publishers & corporations.
Investment Rationale

- ↙ Acquisition of the printing operations of Macmillan Publishers India Ltd.
- ↙ Investment in backward and forward integration.
- ↙ Outsourcing deal with MPIL for Africa.
- ↙ Good Client Base.
- ↙ EPS: 21.60
- ↙ PE Ratio: 8.70
- ↙ Book Value: Rs. 132.00

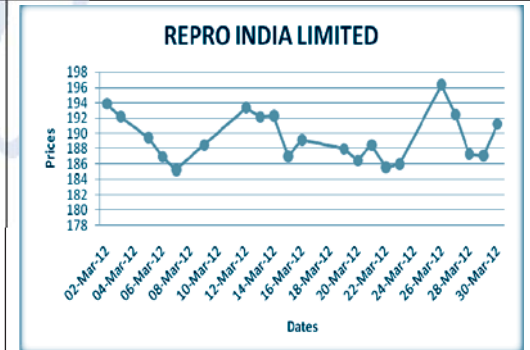
**BUY –
Long Term**

CMP : Rs. 191.20*

Target : Rs. 240.00

52W H/L : Rs.218/81

Potential Upside – 27%



BSE Code: 532687

NSE Code: REPRO

KNR CONSTRUCTIONS LTD.
Hyderabad based company, focused on road infrastructure projects.
Investment Rationale

- ↙ Strong Book Bill Position.
- ↙ Backward integration to sustain margins.
- ↙ BOT to ensure stable future cash flows.
- ↙ Increasing government focus on Infrastructure sector.
- ↙ EPS: 22.40
- ↙ PE Ratio: 5.60
- ↙ Book Value: Rs. 133.00

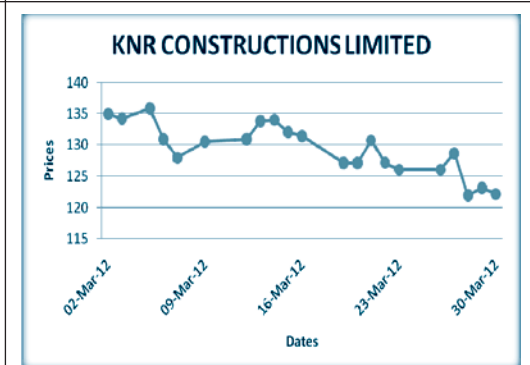
**BUY –
Long Term**

CMP : Rs.122.15*

Target : Rs. 173.00

52W H/L : Rs.153/85.40

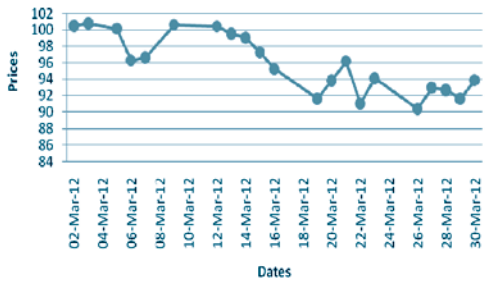
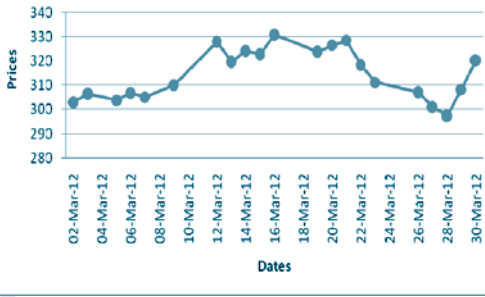
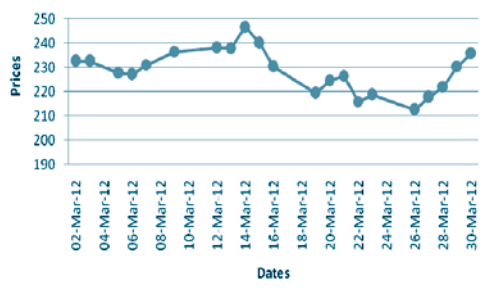
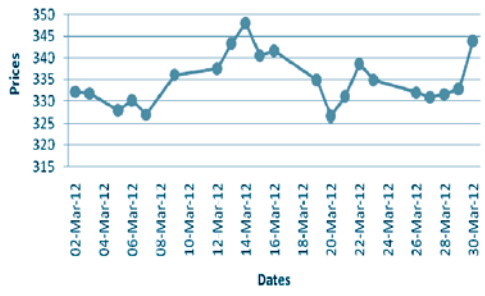
Potential Upside – 36%



BSE Code: 532942

NSE Code: KNRCON

STOCK UPDATES

<p>ROLTA INDIA LTD. Global Market Leader and provider of innovative IT solutions.</p> <p><i>Stock Return</i></p> <ul style="list-style-type: none"> ● 3 Months – 65.0 ● 6 Months – (3.0) ● 9 Months – (29.8) <p>↗ EPS: 24.90</p> <p>↗ PE Ratio: 3.70</p> <p>↗ Book Value: Rs. 117.70</p>	<p align="center">BUY – Medium Term</p> <p>CMP : Rs. 93.90</p> <p>Target : Rs. 130.00</p> <p>Stop Loss : Rs. 75.00</p> <p>52W H/L : Rs. 155.2/50.1</p>	<p align="center">ROLTA INDIA LIMITED</p>  <p align="center">BSE Code: 500366 NSE Code: ROLTA</p>
<p>BHARAT FORGE LTD. Is one of the leading manufacturer and exporter of automotive components.</p> <p><i>Stock Return</i></p> <ul style="list-style-type: none"> ● 3 Months – 31.10 ● 6 Months – 15.50 ● 9 Months – 7.60 <p>↗ EPS: 13.21</p> <p>↗ PE Ratio: 18.35</p> <p>↗ Book Value: Rs. 85.70</p>	<p align="center">BUY – Medium Term</p> <p>CMP : Rs. 320.05*</p> <p>Target : Rs. 378.00</p> <p>Stop Loss : Rs. 312.00</p> <p>52W H/L : Rs. 370.5/231</p>	<p align="center">BHARAT FORGE LIMITED</p>  <p align="center">BSE Code: 500493 NSE Code: BHARATFORG</p>
<p>UNION BANK OF INDIA UBI provides full range of banking services.</p> <p><i>Stock Return</i></p> <ul style="list-style-type: none"> ● 3 Months – 24.80 ● 6 Months – (6.90) ● 9 Months – (25.90) <p>↗ EPS: 39.71</p> <p>↗ PE Ratio: 7.64</p> <p>↗ Book Value: Rs. 211.30</p>	<p align="center">BUY – Medium Term</p> <p>CMP : Rs. 235.80*</p> <p>Target : Rs. 251.00</p> <p>Stop Loss : Rs. 207.00</p> <p>52W H/L : Rs. 359.4/155.5</p>	<p align="center">UNION BANK OF INDIA</p>  <p align="center">BSE Code: 532477 NSE Code: UNIONBANK</p>
<p>COAL INDIA LTD. Leading Coal producer in India.</p> <p><i>Stock Return</i></p> <ul style="list-style-type: none"> ● 3 Months – 13.50 ● 6 Months – (9.50) ● 9 Months – (13.60) <p>↗ EPS: 13.30</p> <p>↗ PE Ratio: 26.33</p> <p>↗ Book Value: Rs. 28.20</p>	<p align="center">BUY – Medium Term</p> <p>CMP : Rs. 343.90*</p> <p>Target : Rs. 393.00</p> <p>Stop Loss : Rs. 325.00</p> <p>52W H/L : Rs. 422.3/293.7</p>	<p align="center">COAL INDIA LIMITED</p>  <p align="center">BSE Code: 533278 NSE Code: COALINDIA</p>

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⇒ Reports & Downloads ⇒ Equity Research

*Closing price as on 30.03.2012 on NSE

IPO and NFO Review

NEWS FROM IPO

- SEBI has tightened scope of its investigation, in examining the misuse of funds, price manipulation in IPOs through the following measures.
 - ◆ Sharing of information of bidding details from Stock Exchanges.
 - ◆ Due Diligence details to be provided by the Merchant Bankers.
 - ◆ Companies directed to give details on the utilization of fund proceeds
 - ◆ Listing day Circuit Filters
 - ◆ Mandatory Reporting of Merchant Bankers Track record
- Further, a separate unit under SEBI's Corporate Finance Department has been formed to monitor the issues.
- Global IPO market sees a recovery with a spate of IPOs.

New Listings

Company Name	Offer Price (Rs.)	Exchange	Listing Date	List Price (Rs.)	Latest Traded Price (30/03/2012)	% Change to List Price (Rs.)
DB (International) Stock Brokers Ltd.	10.00	NSE	29.02.2012	96.90	96.95	0.05
Jaihind Projects Ltd.	15.00	NSE	29.02.2012	105.85	105.85	0.00
Compucom Software Ltd.	75.00	NSE	02.03.2012	13.65	11.60	(15.02)
Multi Commodity Exchange of India.	1032.00	BSE & NSE	09.03.2012	1408.00	1270.25	(9.78)
BCB Finance Ltd.	25.00	BSE – SME	13.03.2012	27.00	25.35	(6.11)
Olympic Cards Ltd.	30.00	BSE	28.03.2012	29.95	28.65	(4.34)

Closed Issues

Company Name	Exchange	Price Band	Fixed Price (Rs.)	Issue Opened on	Issue Closed on	Over Subscription
National Buildings Construction Corporation Ltd.	BSE & NSE	Rs. 90-106	106.00	22.03.2012	27.03.2012	4.93 times
MT Educare Ltd.	BSE & NSE	Rs. 74-80	25.00	27.03.2012	29.03.2012	4.40 times

Forthcoming Corporate Actions







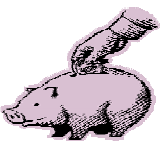



Company Name	Symbol	Record Date	Ex Date	Purpose
Greaves Cotton Limited	GREAVESCOT	13-Apr-12	12-Apr-12	Interim Dividend Rs. 0.80 per share
Zuari Industries Limited	ZUARIAGRO	10-Apr-12	09-Apr-12	Scheme of Arrangement
AVT Natural Products Limited	AVTNPL	10-Apr-12	09-Apr-12	Interim Dividend Rs. 5.00 per share
Gateway Distriparks Limited	GDL	05-Apr-12	03-Apr-12	Interim Dividend
United Phosphorus Limited	UNIPHOS	07-Apr-12	03-Apr-12	Interim Dividend Rs. 2.00 per share (Purpose Revised)

New Fund Offers

Scheme	Type	Class	Open Date	Close Date	Offer Price	Min. Inv. Amount
ICICI Pru MultiY S2E	Close	Debt – Income	27.03.2012	05.04.2012	10	5000
IDFC FMP QS 75	Close	Debt - FMP	09.04.2012	10.04.2012	10	10000
ICICI Pru MultiY S2F	Close	Debt – Income	10.04.2012	24.04.2012	10	5000
DWS Hybrid FTF S6	Close	Debt - FMP	12.04.2012	26.04.2012	10	5000

Beginner's Corner

UNION BUDGET – A SECTORAL IMPACT

	Sector	Measure	Impact
	Metal / Mining	<ul style="list-style-type: none"> Customs duty hiked from 5% to 7.5% on flat steel products. Customs duty on imported coal waived. Customs duty on import of iron ore pelletisation and beneficiation equipment, Machinery and Instruments for surveying and prospecting reduced to 2.5% from 7.5%/10%. 	POSITIVE Will be beneficial to Domestic Steel Producers, Coal Importers and Merchant Miners.
	Oil & Gas	<ul style="list-style-type: none"> Cess increased from Rs. 2500/tonne to Rs. 4500/tonne. Oil & Gas/LNG storage facilities as well as Oil & Gas pipelines will be viability gap funding. 	NEGATIVE For Upstream Players. POSITIVE For LNG re-gasifiers and gas transmission utilities.
	Cement	<ul style="list-style-type: none"> Excise duty hiked to 12% of MRP after 30% abatement + Rs. 120 per tone. 	NEUTRAL
	Telecom	<ul style="list-style-type: none"> Revenue from Auction of Spectrum estimated at Rs. 40000 Crs. Revenue from Annual License Fee & Spectrum Usage Fee estimated to be Rs. 18200 Crs. 	NEGATIVE Considering the current financial health of the telecom companies, the targets set by the Government is aggressive.
	FMCG	<ul style="list-style-type: none"> Ad valorem duty of 10% imposed on 50% of MRP on Cigarettes. Excise increased to 12% from 10%. Import duty on imported gold increased from 2% to 4%. 	POSITIVE The hike is lesser than expected. NEGATIVE The raise is expected to be passed on to the customers.
	Media & Entertainment	<ul style="list-style-type: none"> Exemption from Service tax on copyrights relating to recording of cinematographic films. 	POSITIVE Movie production and distribution will benefit greatly.
	Banks	<ul style="list-style-type: none"> Re-capitalisation fund of Rs. 160bn for PSU, Regional Rural Banks, NABARD and other financial institutions. Higher net market borrowing of Rs. 4.8 tn vs. 4.3 tn last year. Tax exemption for saving deposit up to Rs. 10000 per year. 	POSITIVE Aid in inflow of capital NEGATIVE Impact of banks treasury profits and may lead to MTM losses POSITIVE
	Pharmaceuticals	<ul style="list-style-type: none"> All persons other than companies claiming profit linked deductions to be included under MAT. 	NEGATIVE Incidence of tax avoidance by companies high.
	Industrials	<ul style="list-style-type: none"> Import of Coal exempted from excise duty. Allowance of ECBs to partly refinance rupee debt and deduction of withholding tax from 20% to 5%. Section 80 IA benefits for power companies extended. Multi-tier cascading effect of Dividend Distribution Tax removed. Irrigation, Dams and canals eligible for Viability Gap Funding (VGF). 	POSITIVE NEUTRAL POSITIVE
	Auto	<ul style="list-style-type: none"> Excise duty increased to 12% from 10% for small cars and 2 wheelers. Excise duty increased to 24% from 22% for large cars. Excise duty increased to 27% from 22% plus Rs. 15000 for Utility Vehicles. No tax on diesel vehicles R&D deduction of 150% on in-house R&D, retained for a further period of 5 years. 	NEGATIVE Increase in prices of cars across the spectrum. POSITIVE

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