

# UNION BUDGET FY25 PREVIEW



## Preface

The interim Budget arrives amidst India's status as the world's fastest-growing major economy despite global disruptions. Anticipating sustained growth momentum, we hope for a continued focus on fiscal responsibility and broad, inclusive development in the upcoming budget. Considering the global context, we seek a balance between fiscal prudence and sustainable, inclusive growth, aligning with India's goal of becoming a developed nation by 2047.

## Budget Focus

**More Private-Agri Investment to Accelerate Sector:** Anticipating Budget 2024-25, we commend the government's focus on attracting investments in agriculture. The significant budget increase from FY15 to FY24 signals support for farmers. We look forward to initiatives encouraging private sector investments, crucial for agricultural transformation. Organizational restructuring for the next generation of farm workers is vital.

**Focus Stocks:** Heritage Foods, LT Foods, Coromandel Industries, GSFC

**Infrastructure Momentum to be Continued for Growth :** CII Indicates a 20% increase in government capital expenditure to ₹12 lakh crore, showing a moderation from the high growth of the past two years but still favourable compared to the pre-pandemic period. Signs of government capex positively impacting private investments are emerging, evident in improved capacity utilization across sectors as per CII industry surveys.

**Focus Stocks:** LT, HG Infra, JKIL, KNR Construction

**Increased Focus on Maintaining Fiscal Deficit Discipline :** In the face of global economic uncertainty, we recommend sound fiscal management. Our expectation for FY24 is the retention of the fiscal deficit target at 5.9% of GDP. Looking ahead to FY25, we propose a reduction to approximately 5.4%. We believe that achieving a balance between fiscal consolidation and government capital expenditure is possible through a concerted effort to enhance revenue receipts, focusing on greater tax efficiency. Additionally, rationalizing expenditures on non-merit subsidies can contribute to this without significant trade-offs.

**More Policy Focus on Digital Infrastructure:** In the upcoming budget, essential measures include incentives for Fintechs promoting financial access, MSME support, and government backing for innovation. To advance the goal of a USD 5 trillion economy, we anticipate initiatives facilitating credit access for small businesses using scalable frameworks like OCEN. Continued support and tax benefits for FinTechs will democratize formal credit access. A consistent KYC framework under IndiaStack is hoped for, promoting efficiency and regulatory collaboration. Globally, we expect policies and incentives for Fintechs in GIFT City. Amid potential changes, stability is sought in the interim budget, with a focus on schemes addressing inflation concerns and boosting credit access for MSMEs, farmers, and agriculture.

**Strengthening Healthcare Segment:** Anticipating the budget, the focus is likely on improving healthcare accessibility in rural areas. Expectations include increased funding for healthcare, schemes to boost local manufacturing of medical equipment, and a potential shift in GST tariff for healthcare services. The budget may strengthen import regulations, encouraging domestic production under "Make in India," fostering employment and improving healthcare quality. Surprises are expected for health tech and AI in revolutionizing the healthcare sector, contributing to previous initiatives.

**Focus Stocks:** Apollo Hospitals, Max HealthCare, Shilpa Medicare

KEY THEME IN FOCUS

CONTINUING INFRA MOMENTUM

MAINTAINING FISCAL DISCIPLINE

DIGITAL INFRA IN FOCUS

STRENGTHENING HEALTHCARE

### Stocks in Focus with Technical Levels

Sr. No.	Stocks	CMP	Trend	Support	Resistance
1	HERITAGE FOODS	326	BULLISH	290 / 255	390 / 440
2	LT FOODS	199	BULLISH	165 / 140	240 / 285
3	COROMANDEL	1051	SIDEWAYS	990 / 950	1220 / 1350
4	GSFC	297	BULLISH	270 / 245	340 / 375
5	LT	3465	BULLISH	3250 / 3030	3750 / 4050
6	HGINFRA	930	BULLISH	880 / 850	1015 / 1145
7	JKIL	640	BULLISH	570 / 520	710 / 770
8	KNRCONS	273	BULLISH	250 / 225	315 / 360
9	APOLLOHOSP	6273	BULLISH	5800 / 5500	6600 / 6950
10	MAX HEALTHCARE	731	BULLISH	670 / 610	800 / 885
11	SHILPA MEDICARE	344	SIDEWAYS	310 / 285	380 / 440

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## Notes

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