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# Sensex tanks 291 pts as Budget disappoints

Mumbai

In the worst Budget day show since 2009, the BSE benchmark Sensex on Thursday tanked 291 points to end below 19,000-level, as the government slapped more taxes on companies as well as super-rich and offered little concessions for large investors.

The 30-share gauge resumed higher and touched a high of 19,332.28, up by almost 170 points. However, as Budget proposals started trickling in, the Sensex turned volatile. It fell sharply to settle at 18,861.54, a loss of 290.87 points or 1.52 per cent. This is the lowest close since 18,842.08 on 27 November 2012. "Markets reacted negatively to higher revenue projection from divestment and spectrum sale could lead to higher-than-estimated deficit number. Also, amendment to DTA indicating submission of residency certificate would not be sufficient condition for claiming benefit brought the scare of GAAR back among institutional investors," Rikesh Parikh, Vice President- Equities, Motilal Oswal Securities. At the post-Budget press conference, Finance Minister P Chidambaram, however, said, the government has not come up with any burden on people or spooked investors, while exuding confi-



dence that fiscal deficit will be contained. Profit-booking on the last day of the expiry of February derivative contracts also weighed on the market, traders said. The 50-issue CNX Nifty of the NSE also plunged by 103.85 points or 1.79 per cent to end below 5,700-mark at 5,693.05, the level not seen since 26 November 2012. Banking stocks led by SBI and ICICI Bank suffered heavy losses on liquidity concerns in banking system after the government set a target for gross market borrowing at Rs 6.29 trillion this fiscal.

The sentiment turned bearish on a hike in some taxes despite reduction in Securities Transaction Tax on mutual fund and equity futures transactions.

Auto stocks, including Maruti, saw losses as government announced hiking excise duty on luxury cars and their parts. RIL, HDFC

Bank, L&T, Tata Steel and Bhel also ended down. ITC, however,

recouped early losses to close flat after being hit by additional duty on cigarettes.

The fall in the Sensex on Thursday was the biggest in the past four years on Budget day. Previously, it had tumbled by 869.65 points or 5.83 per cent on 6 July 2009. Shares from power, banking, capital goods, metal, PSU, realty and refinery sectors suffered the most while consumer durables

and IT segments like TCS registered gains.

Sensex-based counters like ICICI Bank, SBI, HDFC Bank, RIL, HDFC, L&T, HUL, Tata Steel, M&M, Maruti Suzuki, Tata Power, BHEL, Jindal Steel, NTPC, Hindalco and Sterlite Ind closed down between 1.99-5.80 per cent range. Total 363 shares settled in their lower circuit band.

D R Dogra, MD and CEO, CARE Ratings & Research said, "The stock market movement during the course of the speech was indicative of a rather indifferent reaction to the Budget bordering on disappointment. Reduction of the STT is positive though the commodity market will not be too happy with the introduction of CTT on non-farm products."

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