



NHCE

IN PURSUIT OF EXCELLENCE

New Horizon College of Education

New Horizon College of Engineering

MBA Outlook

A monthly E-Newsletter by Department of Management

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INSIDE THIS ISSUE:

PRABANDHAN EXPO

Prabandhan Expo	1-2
Budget Highlights	3-5
February...?	6
Thoughts for the Month	7



New Horizon College of Engineering, Department of Management Studies organized Prabandhan Expo a management Event competition on 26th Feb, 2016 for First year students of MBA.

Dr. Manjunath, Principal NHCE addressed the students on this occasion may be the students represented the different states but we are one quoted that “Mera Bharath Mahan” and Judges for the

event are Dr. Reena Jain, Student Counselor and Dr. Anitha Rai Chief Librarian

Main objective of this event is “Learning by Doing”. Students learn management by coordinating with the team and time management.



Around 200 students participated the event they represented the states like: Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Gujarat, Goa, Delhi and Utter Pradesh etc, their Attire, culture, food and environment were focused more and also they undergone marketing, Finance, People Management and coordinating the team.

Don't let
YESTERDAY
take up
TOO MUCH
OF TODAY

Prabandhan Expo pics

Cont...

Students enjoyed and learned the management functions practically and also managed team management, marketing, planning, organizing the events, finance the event and also human resource etc.





Union Budget (2016-17)

Unlike the previous two occasions, the finance minister has finally managed to surprise positively this time by staying on course of fiscal prudence but still managing to find enough resources to propose a substantial outlay for capital spending, rural development and social schemes.

In the Union Budget for 2016-17, the government has set a fiscal deficit target of 3.5%, in line with the fiscal consolidation roadmap. But at the same time, it has earmarked Rs2.21 trillion for total infrastructure spending (largely focused on roads and railways) along with Rs87,765 crore for the rural sector and Rs1.51 trillion for the social sector (namely, education and health sectors). To achieve the same, the government has preferred not to disturb the tax structure in any major way; rather it has relied on modest tinkering in certain categories and on introduction of cess wherever possible.

Budget Math



The budget is building an 11.7% growth in the gross tax revenues which seems realistic, given the

assumption of a nominal growth of 10% in the gross domestic product (GDP) during FY2016-17. However, the budget pegs close to a 25% growth in the non-tax revenues, thereby resulting in a growth of 15.5% in the total net receipts for the year. The government seems to be depending on receipts to tune of Rs99,000 crore from the spectrum auction (includes part payment of the earlier auctions) along with the savings on fuel subsidy due to soft crude oil prices. For FY2015-16, the government reported a comfortable position on the revenue deficit front with a revised estimate of 2.5% as compared with the budgeted estimate (BE) of 2.8% as presented last year. A sharp increase in the indirect taxes (18.4% year on year [YoY] over the BE, thanks to savings on fuel subsidy and excise duty hikes on petroleum products) positively affected the revenue deficit. The revenue deficit target is set at 2.3% for FY2016-17.

Positives



- Fiscal prudence with significant capital spending and rural development allocation:** *The budget proposes to continue on path of fiscal prudence with a revised fiscal deficit estimate of 3.9% for FY2015-16 and that of 3.5% for FY2016-17. Thus, it has maintained macro stability in the face of global uncertainties and higher expenditure on the rural side along with the burden of the proposed pay hikes to government employees .*
- Net government borrowings of Rs4.25 trillion lower than expected:** *The gross government borrowing figure of Rs6 trillion and the net borrowing figure of Rs4.25 trillion are lower than the market's expectations. In addition to adhering to fiscal prudence and lowering the government's market borrowings, it leaves enough room for the RBI to take ahead its accommodative monetary policy and the bond market has reacted positively.*
- Limited increase in service tax burden:** *Contrary to consensus expectation, the budget proposals have avoided rising the base service tax (from 14% to 16%) but have levied an additional Krishi Kalyan cess of 0.5% on taxable services.*
- No change in capital gains tax on equity and stress on allaying fears on retro tax:** *Again the finance minister has avoided changing the capital gains tax regime on listed equity investments as was speculated by a section of the media and market participants. This is a big positive for equity investors.*
- Decent allocation for capital spending on infrastructure and support to rural demand:** *The budget proposes to allocate close to Rs2.2 trillion for infrastructure projects with a large part of allocation made for the road sector (highways + rural roads) and the railways (Rs2.18 trillion). Along with the capital spending the government has made substantial allocations worth Rs87,665 crore to cushion the stress in the rural economy. It includes allocation of Rs38,500 crore for rural employment schemes (Mahatma Gandhi National Rural Employment Guarantee Act) and a 228% hike in allocation to the Gram Panchayats (average additional allocation of Rs80 lakh for each gram panchayat) and urban bodies (municipalities; average additional allocation of Rs21 crore for each).*



Negatives



- Additional tax of 10% on dividend earnings of over Rs10 lakh and hike in STT on options:** The budget proposes to generate additional revenues by putting extra tax burden of 10% on dividend earnings of over Rs10 lakh per annum which is double taxation in the hands of equity investors. Also, there is a proposal to increase the STT from 0.017% to 0.05% now.
- Allocation of PSU recap limited to Rs25,000 crore initially:** The market was expecting the finance minister to allocate greater resources to recap the public sector banks (PSBs) to deal with asset quality issues and strengthen the backbone of the economy. However, to the credit of the finance minister, the budget proposes to find additional resources (in case of need) over and above the allocated amount of Rs25,000 crore. Plus, the low borrowing figure brings down bond yields and results in profit on the investment book of banks.
- No reduction in income tax rate for large corporates:** Contrary to expectations, the government has not cut the corporate tax rates despite its stated objective of cutting the rate for the highest slab to 25% over time. The lower tax rate of 25% for new businesses would limit the benefits to very few and small entities.
- Continued uncertainty on implementation of GST:** Unlike the past two budgets, the finance minister has avoided highlighting the implementation of the GST in this year's budget speech. Clearly, there still lacks a political consensus on the implementation of the key indirect tax reform.
- High excise duty on passenger vehicles and additional infra cess on service tax:** A hike in the excise duty on passenger car vehicles (of higher capacity and luxury segment) and additional cess of 0.5% on service tax would affect the demand for certain products and limit the upside from the expected uptick in urban discretionary spending.



February 2016...?

February-2016 cannot come in your life time again. Because This year February has 4sundays, 4mondays, 4 tuesdays, 4 wednesdays, 4thursdays, 4fridays & 4 saturdays. This Happens once every 823years.



LEAP DAY BY THE NUMBERS



It takes Earth **365.242 days** to orbit the sun — and those extra hours count!

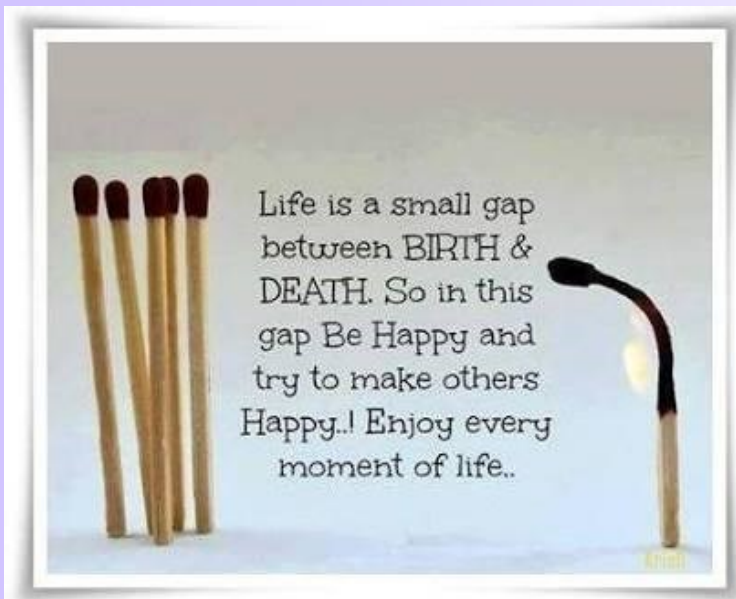
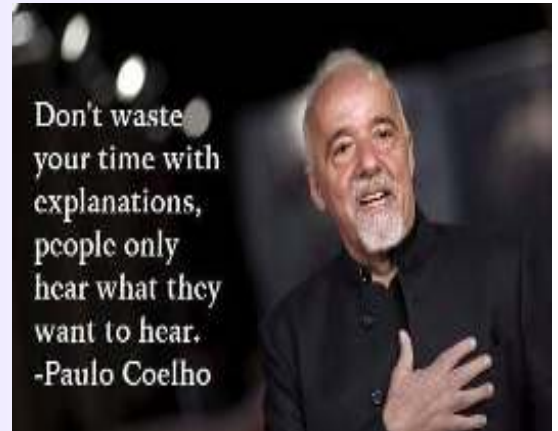
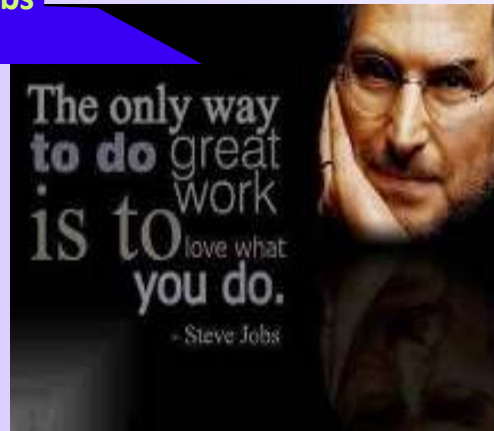


When a leap year is added **every four years**, the calendar is still off by a **few minutes**.

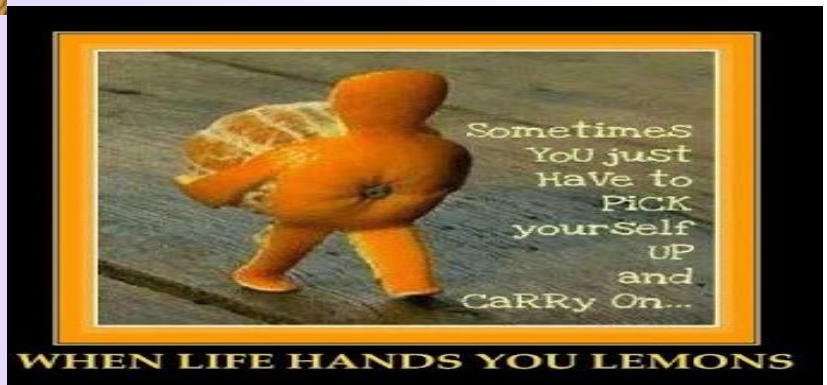
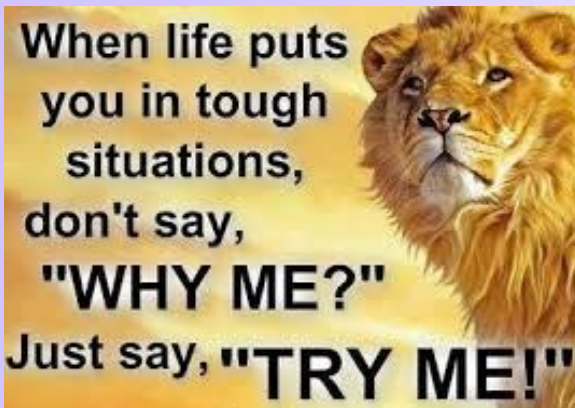
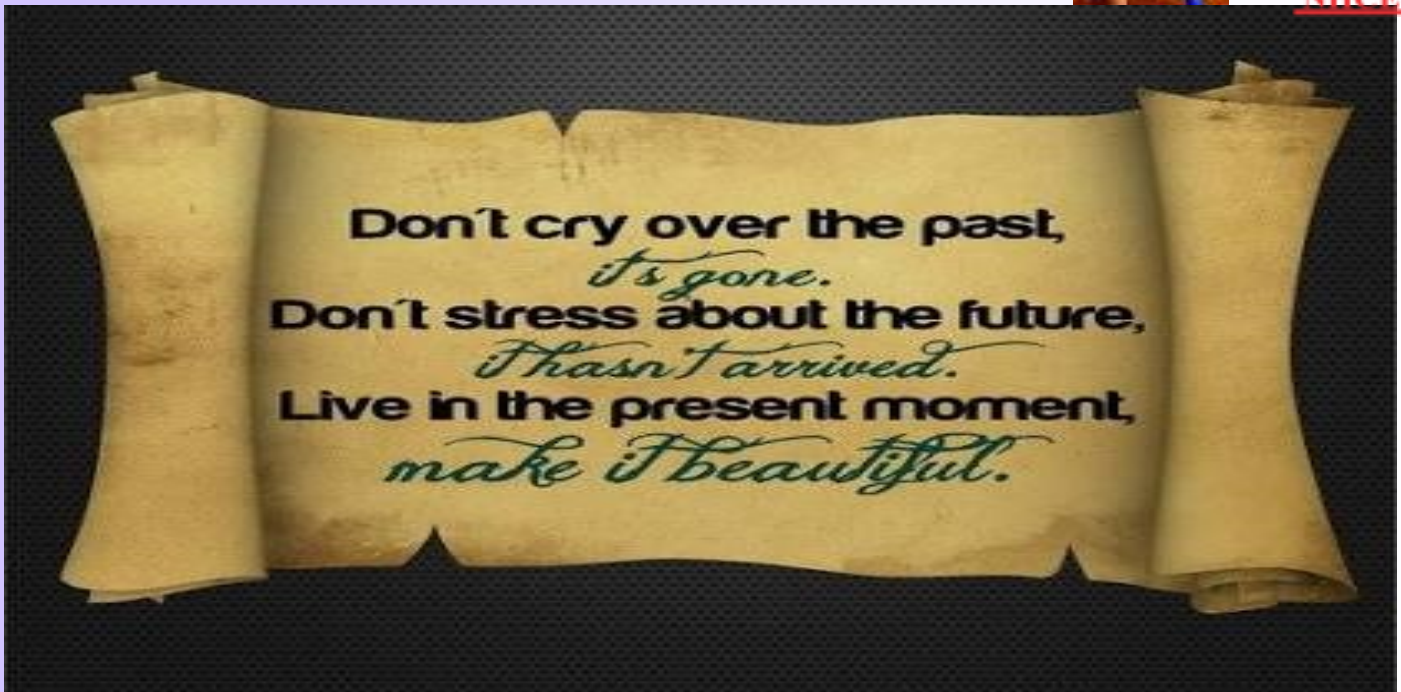


To fix that, only centuries **divisible by 400** are leap years. That means that **1700, 1800 and 1900** were not leap years.

Steve Jobs



Thoughts for the month.



Patron: Dr. Mohan Manghnani, Chairman, NHEI. Advisory Editorial Board Dr. Manjunatha, Principal, NHCE, Dr. Lakshminarayana, Director, Placement and training, Dr. Sheelan Misra, HOD-MBA. Editorial Committee Editor in Chief-Dr. Sainath. Consulting Editor-Dr. Ravichandra Reddy, Faculty coordinator: Dr. Uday Kumar. Student Co-coordinator: Mr. Rakesh P.