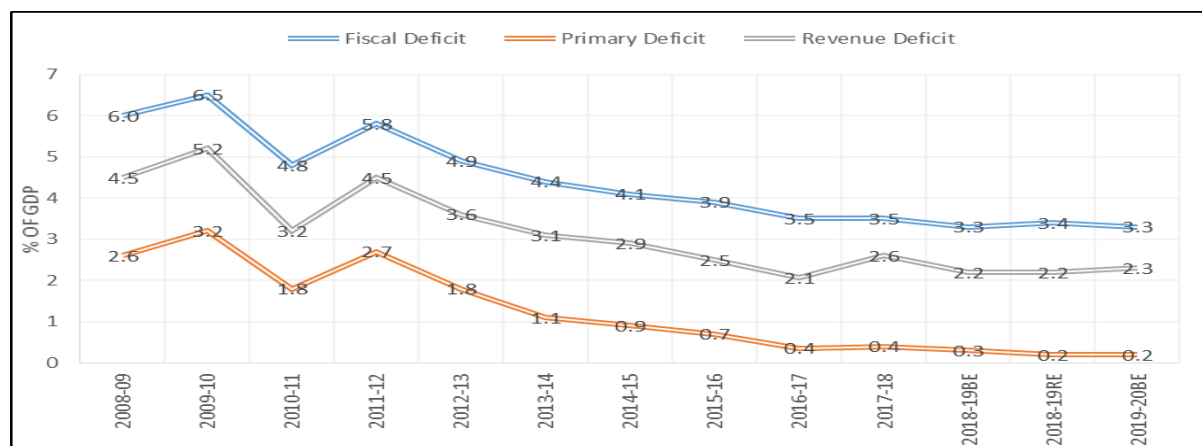


Post Budget Impact Analysis 2019-20

- The first Budget by FM Mrs. Nirmala Sitharaman is a good attempt at promoting growth in a prudent manner while ensuring compliance. Though the massive political mandate received by NDA raised expectations of bolder reforms, the FM has chosen to tread the fiscal path in a measured way.
- Key thrust areas in the Budget include widening the tax net, plug loopholes and ensure compliance, promote less cash economy, promote green – electric vehicles and push for growth.
- From the capital markets perspective, the increase in minimum shareholding requirement from 25% to 35% (and ensuring 25% in PSUs), though required in a country with limited free float, could create supply overhang in the markets limiting the upside. However if enough time is given for achieving this, then it may have limited impact. However India's weight in MSCI and other global indices could rise following this leading to benefit over the medium term.
- Taxing Buybacks at 20% will close a loophole to avoid Dividend Distribution Tax; Companies may now not be willing to share a bigger portion of their distributable surplus with their shareholders impacting efficient capital allocation – some of which was seen over the past two years or so. Dividend distribution may now be on par with buybacks and minority shareholders will be happier to receive dividends rather than being asked to participate in buybacks.
- Providing more powers to RBI over NBFCs and shifting the regulatory powers from NHB to RBI for housing finance companies are measures that were badly required. RBI can do a quick stress test of NBFCs and reassure markets on their actual strength and weakness and measures to ease them over a period of time. The Budget has provided for purchase of high-rated pooled assets of financially sound NBFCs, amounting to a total of Rs one lakh crore during the current financial year; Government will provide one time six months' partial credit guarantee to Public Sector Banks for first loss of up to 10%. How many of the troubled NBFCs would qualify for this will have to be seen.
- As far as PSUs are concerned, divestment target of Rs.105000 cr is welcome, but more granularity on strategic divestment would have been more welcome.
- Additional Rs.1.5 lakhs deduction for interest on loans to buy affordable homes will help reduce inventory. Introduction of 2% TDS on cash withdrawal over Rs.1 cr from a bank during the year could create practical difficulties and one may witness a clamour for exemptions; however, it is a good measure over the long term. Increase in surcharge on income tax for HNIs would affect ~60,000 tax payers and raise Rs12000-15000 cr over the year going by statistics for Assessment Year 2017-18. Increase in duty/cess on petrol/diesel could be absorbed given the soft crude prices currently.
- The proposal to extend the concessional corporate tax rate of 25% to all companies having annual turnover up to 400 crore will have minimum impact in terms of companies (~235) and tax revenues foregone (~Rs.1800 cr) going by FY19 data of listed companies.
- The Budget assumes Nominal GDP growth to rise to 12% in FY20 from 11.5% assumed in the interim budget and 11.2% in FY19. This growth seems to be a bit on the optimistic side, though one will hope for the best from Q3FY20 onwards.
- The FY20 fiscal deficit target has been cut to 3.3% from 3.4%, while revenue deficit has been projected to rise from 2.2% to 2.3% - largely due to a sluggish 11.1% growth in tax revenues (conservative or prudent forecasts - Income tax collections target cut 8.2% from interim Budget target – now it will grow 7.6% YoY and GST collections target cut 13% from interim Budget targets – now it will grow 3% YoY) and higher expenditure on subsidies (up 13.3%), interest (up 12.4%), education (up 13.4%) and higher net transfer of GST to states (up 74%). Non tax revenues are expected to rise 27.7% aided by higher expectation of dividends (up 37%) from PSUs, Banks, FIs and RBI.

- The Budget also shows the resolve of the Govt to continue with its other initiatives like seeking the surplus of the General Fund to be transferred to the Consolidated Fund of India, enabling merger of general insurance companies by proposing enabling resolution etc.
- The Budget has announced a number of measures to push growth towards its \$5 trillion economy target. Government is to spend Rs 100 lakh crores for infrastructure in next five years. At a time when private investment cycle is yet to fully pickup Govt spending assumes significance. Railways will need large doses of investment for which a PPP model has been suggested. To attract funding, the Budget has proposed to permit investments made by FIIs/FPIs in debt securities issued by Infrastructure Debt Fund – Non-Bank Finance Companies (IDF-NBFCs) to be transferred/sold to any domestic investor within the specified lock-in period. FPIs will be permitted to subscribe to listed debt securities issued by REITs and InvITs.
- Apart from enabling provisions to attract FPIs into infra, a model to ensure self sustaining revenue generation for infra assets will have to be figured and rolled out. This also requires clarity and consistency of regulation which will have to pass the tests of judiciary. In its prudence the FM has also proposed carrying out a comprehensive restructuring of National Highway Programme to ensure that the National Highway Grid of desirable length and capacity is created using financeable model.
- The proposal to bring in a New National Education Policy to transform India's higher education system to one of the global best education systems by making major changes in both school and higher education among others, better Governance systems and bringing greater focus on research and innovation is welcome though its implementation and the speed will have to be monitored.
- A package of power sector tariff and structural reforms would soon be announced. This is the need of the hour as discipline among SEBs and sufficient utilization of existing capacity is paramount to unleash growth.
- Another welcome move for companies under NCLT is to remove ambiguity in the conditions of continuity of shareholding for carry forward and set off of losses. As is the proposal to provide that for the purposes of computation of Minimum Alternate Tax (MAT) liability of such companies, the aggregate of brought forward losses and unabsorbed depreciation shall also be allowed as deduction
- The Government would start raising a part of its gross borrowing programme in external markets in external currencies. The fact that the government will now be seeking external funds for sovereign needs reflects a fundamental shift in the budgeting process. This will be largely implemented from FY21. The announcement should take a lot of supply side concerns off the table. Opening up of this route should be a sentiment booster. We expect the benchmark bond yield to trade in the range of 6.6% to 6.9% until September-2019. This measure will avoid crowding out effect. However, one needs to keep hopes under control in terms of savings on interest costs as Turkey (though under stress at that point in time) borrowed USD 2 bn via 10-year dollar bond in January-2019 at the coupon rate of 7.625% (when the US 10-year bond yield was 2.6%).
- FM has tried to address the key problems of leveraged/stressed balance sheets that are at the heart of the current investment slowdown. Whether this Budget succeeds in kick-starting the virtuous cycle of investment – only time will tell.
- Markets could gain upward momentum on clear signs of corporate earnings growth resuming and/or emerging markets coming back to favour in a big way. However any negatives on growth resumption and/or fiscal slippages could derail this momentum.
- Overall, the Budget provisions may go off the radar soon and the markets may return to their original trajectory in a couple of days' time looking forward to trade wars, interest rates, geo political situation abroad and growth factors locally.



S.No	Particulars	Rs Crore					% change		
		FY18 Actual	FY19BE	FY19RE	FY20BE - Interim	FY20BE	FY19RE vs FY18A	FY20BE vs FY19RE	FY20BE vs FY20BE(I)
1	Revenue Receipts (2+3)	1,435,233	1,725,738	1,729,682	1,977,693	1,962,761	20.5%	13.48%	-0.76%
2	Tax Revenue	1,242,488	1,480,649	1,484,406	1,705,046	1,649,582	19.5%	11.13%	-3.25%
	Gross Tax Revenue	1,919,009	2,271,242	2,248,175	2,552,131	2,461,195	17.2%	9.48%	-3.56%
	a. Corporation Tax	571,202	621,000	671,000	760,000	766,000	17.5%	14.16%	0.79%
	b. Taxes on Income	430,772	529,000	529,000	620,000	569,000	22.8%	7.56%	-8.23%
	c. Wealth Tax	63			-				
	d. Customs	129,030	112,500	130,038	145,388	155,904	0.8%	19.89%	7.23%
	e. Union Excise Duties	259,431	259,600	259,612	259,600	300,000	0.1%	15.56%	15.56%
	f. Service Tax	81,228		9,283	-				
	g. GST	442,562	743,900	643,900	761,200	663,343	45.5%	3.02%	-12.86%
	-CGST	203,262	603,900	503,900	610,000	526,000	147.9%	4.39%	-13.77%
	-IGST	176,688	50,000	50,000	50,000	28,000	-71.7%	-44.00%	-44.00%
	-GST Compensation Cess	62,612	90,000	90,000	101,200	109,343	43.7%	21.49%	8.05%
	h. Taxes of Union Territories	4,721	5,242	5,342	5,943	6,948	13.2%	30.06%	16.91%
	Less - NCCD transferred to the NCCF/NDRF	(3,515)	(2,500)	(2,315)	(2,480)	(2,480)	-34.1%	7.13%	0.00%
	Less - State's share	(673,006)	(788,093)	(761,454)	(844,605)	(809,133)	13.1%	6.26%	-4.20%
3	Non Tax Revenue	192,745	245,089	245,276	272,647	313,178	27.3%	27.68%	14.87%
	Interest receipts	13,574	15,162	12,047	12,911	13,711	-11.2%	13.81%	6.20%
	Dividends and Profits	91,361	107,312	119,264	136,071	163,528	30.5%	37.11%	20.18%
	External Grants	3,582	2,667	1,270	1,006	1,006	-64.5%	-20.79%	0.00%
	Other Non Tax Revenue	82,338	117,886	110,619	120,509	132,784	34.3%	20.04%	10.19%
	Receipts of Union Territories	1,890	2,062	2,076	2,149	2,149	9.8%	3.52%	0.00%
4	Capital Receipts	706,740	716,475	727,553	806,508	823,588	2.9%	13.20%	2.12%
	a. Recoveries of loans and advances	15,633	12,199	13,155	12,508	14,828	-15.9%	12.72%	18.55%
	b. Disinvestment Receipts	100,045	80,000	80,000	90,000	105,000	-20.0%	31.25%	16.67%

	c. Debt Receipts	586,971	581,210	593,197	652,702	652,702	1.1%	10.03%	0.00%
	d. Draw-Down of Cash Balance	4,091	43,066	41,201	51,298	51,059	907.1%	23.93%	-0.47%
	Total Receipts (1+4)	2,141,973	2,442,213	2,457,235	2,784,201	2,786,349	14.7%	13.39%	0.08%
5	Revenue Expenditure	1,878,833	2,141,772	2,140,612	2,447,907	2,447,780	13.9%	14.35%	-0.01%
6	Capital Expenditure	263,140	300,441	316,623	336,293	338,569	20.3%	6.93%	0.68%
	a. Interest Payments	528,952	575,795	587,570	665,061	660,471	11.1%	12.41%	-0.69%
	b. Pension	145,745	168,466	166,618	174,300	174,300	14.3%	4.61%	0.00%
	c. Defence	276,572	282,733	285,423	305,296	305,296	3.2%	6.96%	0.00%
	d. Agriculture and Allied Activities	52,628	63,836	86,602	149,981	151,518	64.6%	74.96%	1.02%
	e. Rural Development	134,973	138,097	135,109	138,962	140,762	0.1%	4.18%	1.30%
	f. Transport	110,399	134,572	145,399	156,187	157,437	31.7%	8.28%	0.80%
	g. Subsidies	191,210	264,346	266,217	296,684	301,694	39.2%	13.33%	1.69%
	h. Others	701,494	814,368	784,297	897,729	894,871	11.8%	14.10%	-0.32%
7	Total Expenditure (5+6)	2,141,973	2,442,213	2,457,235	2,784,200	2,786,349	14.7%	13.39%	0.08%
8	Revenue Deficit (5-1)	443,600	416,034	410,930	470,214	485,019	-7.4%	18.03%	3.15%
		2.6%	2.2%	2.2%	2.2%	2.3%		0.00%	0.10%
9	Fiscal Deficit [7-(1+4a+4b)]	591,062	624,276	634,398	703,999	703,760	7.3%	10.93%	-0.03%
		3.5%	3.3%	3.4%	3.4%	3.3%		0.0%	-0.1%
10	Primary Deficit (9-6a)	62,110	48,481	46,828	38,938	43,289	-24.6%	-7.56%	11.17%
		0.4%	0.3%	0.2%	0.2%	0.2%		0.0%	0.0%
	GDP nominal terms	16,887,486	18,917,455	18,880,893	20,705,853	21,100,607	11.8%	11.76%	1.91%

The following table analyses the sectoral impact of the budget announcements:

Sector	Announcement	Impact on Sector/Company
Agrochemical, Paper, Fertiliser	Government will invest widely in agriculture infrastructure and expect to repeat the pulses success in the production of oilseeds.	Positive for seed, fertilizer and agro chemical manufacturers.
	Scheme of Fund for Upgradation and Regeneration of Traditional Industries' (SFURTI) aims to set up more Common Facility Centres (CFCs). The focused sectors are Bamboo, Honey and Khadi clusters. SFURTI envisions setting up 100 new clusters during 2019-20 which should enable 50,000 artisans to join the economic value chain.	Will generate higher rural income
	Government highlighted the scheme to setting up of Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs). The Scheme contemplates to set up 80 Livelihood Business Incubators (LBIs) and 20 Technology Business Incubators (TBIs) in 2019-20 to develop 75,000 skilled entrepreneurs in agro-rural industry sectors.	The government's continued push could benefit companies with exposure to rural India.
	Government increased custom duty on Paper (Newsprint, uncoated paper used for printing of newspapers and Lightweight coated paper used for magazines) from 0% to 10% and from 5% to 10% on Printed books (including covers for printed books) and printed manuals.	Negative for the Paper sector. However, extra burden could be passed on to end customers going forward.
Auto	Customs duty exemption on certain e-vehicle parts.	Domestic manufacturers importing certain accessories to produce E-vehicles will get some relief, boosting the margins.
	Income tax deduction of interest on loans for e-vehicle purchase. Government has already moved GST council to lower the GST rate on electric vehicles from 12% to 5%.	This move will augur demand for E-vehicle purchase by buyers, thereby, promoting growth in the sector.

	<p>Increase Special Additional Excise duty and Road and Infrastructure Cess each by one rupee a litre on petrol and diesel</p> <p>Customs duty increased on automobile items like: Duties friction material, glass mirrors, vehicle horns, Windscreen wipers, defrosters and demisters, sealed beam lamp units, other lamps for automobiles, Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705, Bodies (including cabs), for the motor vehicles of headings 8701 to 8705, and locks used in motor vehicles, has been increased from 10% to 15%. Catalytic Converter has been increased from 5% to 10%. Oil or petrol filters for internal combustion engines, Parts of visual or sound signaling equipment, windscreen wipers, defrosters and demisters of a kind used in cycles or motor vehicles, and Intake air filters for internal combustion engines duties have been increased from 7.5% to 10%. Duties on completely Built Unit (CBU) of vehicles has been increased from 25% to 30%.</p>	<p>Will marginally increase the cost of use of vehicles impacting the demand</p> <p>This will hit the cost of production of domestic automobile manufacturers importing parts. However this will benefit Auto Ancilliary manufacturers involved in manufacturing these items.</p>
Aviation	Proposal to enter into aircraft financing and leasing activities from Indian shores	Will benefit companies planning to enter this space
	Permission of further opening up of FDI in Aviation industry.	This will help infuse more money into the sector. Various ailing airlines will also get better management help, and better skills through FDI infusion. This will also create fair competitive practices within the airlines.
	Provide an enabling ecosystem for growth in India of Maintenance, Repair and Overhaul (MRO) industry, it is proposed to leverage India's engineering advantage and potential to achieve self-reliance in this vital aviation segment	Will benefit companies planning to enter this space
BFSI	Extend the pension benefit to about 3 crore retail traders & small shopkeepers whose annual turnover is less than Rs 1.5 crore under a new Scheme namely Pradhan Mantri Karam Yogi Maandhan Scheme.	AMCs to benefit as they would get a larger corpus to manage and higher fees
	Setting up Credit Guarantee Enhancement Corporation in FY20	Will provide comfort to lenders
	Deepening markets for corporate bond repos, credit default swaps etc., with specific focus on infrastructure sector	Better liquidity for corporate bonds and better price discovery
	Permit investments made by FIIs/FPIs in debt securities issued by Infrastructure Debt Fund – Non-Bank Finance Companies (IDF-NBFCs) to be transferred/sold to any domestic investor within the specified lock-in period.	New funding mechanism for Infra sector
	Increasing minimum public shareholding threshold in the listed companies from 25% to 35%.	Higher floating stock and retail participation could be positive for broking companies. Some companies including MNCs might look at delisting
	The Government will examine suggestions of further opening up of FDI in aviation, media (animation, AVGC) and insurance sectors	Positive for the respective sectors when it is implemented
	100% Foreign Direct Investment (FDI) for insurance intermediaries.	
	Increase the statutory limit for FPI investment in a company from 24% to sectoral foreign investment limit with option given to the concerned corporates to limit it to a lower threshold	Positive for companies in sectors where FPI sectoral limits are higher than 24%
	Merge the NRI-Portfolio Investment Scheme Route with the Foreign Portfolio Investment Route	Will provide seamless access to Indian equities for NRIs
	Expand the Women SHG interest subvention programme to all districts. Overdraft of Rs 5,000 allowed for every verified women SHG member having a Jan Dhan Bank Account. One woman in every SHG will also be made eligible for a loan up to Rs 1 lakh under the MUDRA Scheme.	Lenders including Banks could benefit

	Capitalisation of Public Sector Banks of Rs 70,000 crore	Positive for PSU Banks
	One time six months' partial credit guarantee to Public Sector Banks for first loss of up to 10% for purchase of high-rated pooled assets of financially sound NBFCs, amounting to a total of Rs 1 lakh crore	Positive for PSU banks and NBFCs as it could improve liquidity
	Requirement of creating a Debenture Redemption Reserve for public issues to be done away with for NBFCs	Increased public issue of debentures by NBFCs and higher retail participation
	Return the regulation authority over the housing finance sector from NHB to RBI	HFCs could see better but tighter regulation
	Proposed to reduce Net Owned Fund requirement from Rs 5,000 crore to Rs 1,000 crore to enable opening of branches by foreign reinsurers	
	Modify present policy of retaining 51% Government stake to retaining 51% stake inclusive of the stake of Government controlled institutions.	Positive for PSU Banks as higher scrutiny might lead to better performance
	Absorption of Merchant Discount Rate on digital modes of payment such as BHIM UPI, UPI-QR Code, Aadhaar Pay, certain Debit cards, NEFT, RTGS etc.	Neutral for all banks as savings on lower cash handling due to budget announcements will be offset by absorption of MDR
	Enhanced target of disinvestment to Rs 1,05,000 crore for the financial year 2019-20	PSU Banks through CPSE route may be able to contribute to this target
	Government will offer an investment option in ETFs on the lines of Equity Linked Savings Scheme (ELSS).	Negative for AMCs as it might divert funds from ELSS schemes
	Raising a part of Govt's gross borrowing programme in external markets in external currencies	Positive for lenders as they would have more funds available to lend and lower interest rates would mean MTM gains
	Additional deduction of up to Rs 1,50,000/- for interest paid on loans borrowed up to 31st March, 2020 for purchase of an affordable house valued up to 45 lakh.	Positive for HFCs
	Extend the facility to offer interest on certain bad or doubtful debts to tax in the year in which interest is actually received, to deposit taking as well as systemically important non-deposit taking NBFCs also.	Positive for large NBFCs
	Securities Transaction Tax (STT) to be levied only on the difference between settlement and strike price in case of exercise of options.	Positive for broking companies as it could increase option volumes
Capital Goods	Custom duty on Capital goods used for manufacturing of electronic items, namely- (i) Populated PCBA (ii) Camera module of cellular mobile phones, (iii) Charger/Adapter of cellular mobile phone, (iv) Lithium Ion Cell, (v) Display Module, (vi) Set Top Box (vii) Compact Camera Module, reduced to zero from applicable rate.	Positive for the sector
	Jal Shakti Mantralaya will work with States to ensure Har Ghar Jal to all rural households by 2024 under the Jal Jeevan Mission. The Government has identified 1592 Blocks which are critical and over exploited, spread across 256 District for the Jal Shakti Abhiyan.	Positive for companies manufacturing, laying pipes and other EPC businesses.
	Government is focused on Defence modernisation and upgradation. For this purpose, import of defence equipment that are not being manufactured in India are being exempted from the basic customs duty.	Positive for BHEL, BEL, Bharat Forge, Walchandnagar Industries, etc.
Cement	As many as 1.5 crore rural home have been completed under the Pradhan Mantri Awas Yojana in five years. The second phase of PMAY for 2019-20 will see construction of 1.95 crore houses.	Positive for the sector
	Nearly 1,25,000 km of roads will be upgraded under Pradhan Mantri Gram Sadak Yojana at	Positive for the sectors like cement and engineering

	estimated cost of nearly Rs 80,200cr. Government has enhanced the metro railway initiatives by encouraging more PPP initiatives and ensuring completion of sanctioned works.	Positive for the sectors like cement and engineering
Chemicals	Customs duty on Naptha decreased from 5% to 4%, on Methyloxirane from 7.5% to 5% and Ethylene dichloride from 2% to NIL.	Will benefit users of these materials (PVC and other chemicals), however will impact manufacturers adversely
	Customs duty on raw materials used in manufacture of Preform of Silica decreased to NIL	Will benefit optic fibre manufacturers like Sterlite Tech
	Customs duty on Palm stearin and other oils having 20% or more free fatty acid, Palm fatty acid distillate and other industrial monocarboxylic fatty acids; Acid oils from refining for use in manufacture of oleochemicals and soap increased from NIL to 7.5%	Will adversely impact users of these chemicals - soap manufacturers
	Customs duty on Poly Vinyl Chloride increased from 7.5% to 10%	PVC pipe manufacturers who are not backward integrated will be adversely hit
	Customs duty on Butyl Rubber and Chlorobutyl rubber increased from 5% to 10%	
Construction Material	Customs duty on ceramic roofing tiles and ceramic flags and pavings, hearth or wall tiles etc. increased from 10% to 15%	Will offer protection from imports for local manufacturers like Kajaria, Somany etc
	Custom duty on Marble slabs increased from 20% to 40%	
	Custom duty on articles of plastic increased from 10% to 15%	
Energy, Oil and Gas	Increase Special Additional Excise duty and Road and Infrastructure Cess each by one rupee a litre on petrol and diesel	This move will result in rise in fuel price.
	Government proposed a new section in the Income Tax Act, allowing a deduction of interest of up to Rs 1.5 lakh on a loan taken to buy an electric vehicle between April 1, 2019 and March 31, 2023. The government has already moved GST Council to cut rate for EVs To 5% from 12%.	The deduction will lower the taxable income and the tax outgo for EV buyers. This is negative for Oil and Gas sector.
	Excise duty of Re 1 per ton levied on Petroleum crude	
FMCG/Retail	Customs duty increased on Gold & Silver items: Gold, and Silver imported by an eligible passenger as baggage; Gold/Platinum/Silver (including gold/silver plated with gold or platinum) unwrought or in semi-manufactured forms, or in powder form; waste/scrap/metal clad with precious metals (Silver/Gold/Base metal) has been increased from 10% to 12.5%. Gold dore bar, having gold content not exceeding 95% increased from 9.35% to 11.85%, whereas, Silver dore bar, having silver content not exceeding 95%, increased from 8.5% to 11%.	It will hit the cost of making of Jewellery making companies, which mostly import precious metals from outside.
	The cigarette industry has been included under the customs duty bracket, wherein, previously, it was nil. Filter cigarettes of length <65 & 70 millimetre has been brought under the Rs 5 per thousand bracket. Other Cigarettes has been raised from zero to Rs 10 per thousand.	This will impact ITC and other cigarette companies marginally.
	70% Customs duty from Rs 60 per kg/45% earlier 70% customs duty vs Rs 75 per kg/45% whichever is higher, on Cashew kernels, broken, and Cashew kernels has been imposed.	This will raise the cost of production of companies using cashew like biscuit manufacturers etc
	Local sourcing norms will be eased for FDI in Single Brand Retail sector.	
Healthcare	Rs 62,659.12cr outlay for the health sector in the 2019-2020 fiscal, up from Rs 54,302.50cr last year. The budgetary allocation includes Rs 6,400cr earmarked for the centre's flagship health insurance scheme Ayushman Bharat - Pradhan Mantri Jan Arogya Yojna.	Will spur demand for products of pharma companies and services of diagnostic / hospital companies.
	The allocation for the National Health Mission (NHM) for 2019-20 was raised to Rs 32,995cr from the last revised budgetary allocation of Rs 30,683.05cr.	
	The government allocated Rs 2,500cr to its National AIDS, and STD Control Programme an	

	increase of Rs 575cr from last budget's revised allocation of Rs 1,925cr.	
	The budgetary allocation for the AIIMS has been increased to Rs 3,599.65cr from Rs 3,298cr (revised 2018-19).	Favourable for Domestic Pharma companies & hospitals.
	The budgetary allocation for the National Programme for prevention, and control of Cancer, Diabetes, Cardio-vascular Disease and Stroke was reduced to Rs 175cr from Rs 295cr.	Reduction in Govt aid in monetary terms in these sections, will result in increased cost, in terms of treatment.
Infrastructure	States will be helped to develop State road networks in the Second Phase after completion of Bharatmamla	Companies involved in road construction like IRB, NCC, Sadbhav, Ashoka buildcon etc. to benefit
	Using rivers for cargo transportation. Two more multi-modal terminals at Sahibganj and Haldia and a navigational lock at Farakka would be completed in 2019-20 after Varanasi in Nov-18.	Shipping companies operating inland like Shreyas Shipping may benefit with higher volumes. Negative for road based logistic companies
	Public-Private Partnership for faster development of railway infrastructure which would require and investment of Rs 50 lakh crores between 2018-2030	Revival in the railways-based industry including Texmaco, Titagrah Wagons, Cimmco, etc. Siemens ABB could benefit in providing rail infrastructure like signaling system, escalators, wifi, etc.
	Developing gas grids, water grids, i-ways, and regional airports on the lines of One Nation, One Grid for power	
	A Model Tenancy Law will also be finalized and circulated to the States to promote rental housing	Negative for Real Estate and HFCs as home sales and housing loans might reduce
	Public infrastructure and affordable housing will be taken up through innovative instruments such as joint development and concession	Positive for Real Estate and HFCs involved in affordable housing projects
	PMGSY-III is envisaged to upgrade 1,25,000 kms of road length over the next five years, with an estimated cost of Rs 80,250 crore.	Companies involved in road construction like IRB, NCC, Sadbhav, etc. to benefit
	Constituted Jal Shakti Mantralaya, integrating the Ministry of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation. This new Mantralaya will work with States to ensure Har Ghar Jal (piped water supply) to all rural households by 2024 under the Jal Jeevan Mission.	Demand for PVG pipes would increase and benefit companies like Astral Poly, Finolex Industries, Jain Irrigation. VA Tech Wabag could benefit from water management projects
	Enhance the metro railway initiatives by encouraging more PPP initiatives and ensuring completion of sanctioned works, while supporting Transit Oriented Development (TOD) to ensure commercial activity around transit hubs.	Positive impact can be witnessed by Siemens, ABB, etc. through installations of escalators, wifi, cctv coverage, etc.
IT/E Commerce	Government has announced its intention to invest 100 lakh crore in infrastructure over the next five years.	
	Focus on new-age skills like Artificial Intelligence (AI), Internet of Things, Big Data, 3D Printing, Virtual Reality and Robotics, which are valued highly both within and outside the country, and offer much higher remuneration.	Positive for the industry and also positive for Broadband Service providers.
	Initiatives such as Digital India, Start Up India, Skill India, Make in India would help India establish itself as a knowledge and digital society; allocation on Digital India program is reaching to every sector.	Positive for the Sector.
	Government has taken a number of initiatives in the recent past for the promotion of digital payments and less cash economy. And also propose to levy TDS of 2% on cash withdrawal exceeding 1 cr in a year from a bank account. There are low-cost digital modes of payment such	Positive for Broadband Service providers and suppliers of hardware for these.

	as BHIM UPI, UPI-QR Code, Aadhaar Pay, certain Debit cards, NEFT, RTGS etc. which can be used to promote less cash economy.	
	To bridge rural-urban digital divide, Bharat-Net is targeting internet connectivity in local bodies in every Panchayat in the country. This will be speeded up with assistance from Universal Service Obligation Fund and under a Public Private Partnership arrangement.	Positive for Broadband Service providers and suppliers of hardware for these.
Media	The Finance minister has proposed to start a television programme within the DD bouquet of channels exclusively for start-ups.	
	The Government allotted Rs 473cr in Broadcasting Infrastructure Network Development for FY19-20 budget, where, previously it was zero in the revised 18-19 budget.	
	Permission of further opening up of FDI in Media (Animation, AVGC) industry.	Favourable for the sector
Metal	As many as 1.5 crore rural homes have been completed under the Pradhan Mantri Aawas Yojana in five years. The second phase of PMAY for 2019-20 will see construction of 1.95 crore houses.	It will create demand of building materials like steel, cement, sanitary products etc. Positive for Steel and Cement companies like Tata Steel, Jindal Steel, SAIL, Ambuja Cement, Shree Cement etc.
	A person purchasing an affordable house by March 2020 will now get an enhanced interest deduction up to Rs 3.5 lakh. This will translate into a benefit of around Rs 7 lakh to the middle class home-buyers over their loan period of 15 years.	This move will create housing demand as well as demand of materials like steel, cement, sanitary products etc.
	The programme of Bharatmala would help develop national road corridors and highways, while Sagarmala would enhance port connectivity, modernization and port-linked industrialization.	Positive for metals, construction and Engineering companies.
	Custom duty on Stainless steel products, Other alloy steel, Wire of other alloy steel (other than INVAR) has been hiked from 5% to 7.5% and also hiked from 10% to 15% on Base metal fittings, mountings and similar articles suitable for furniture, doors, staircases, windows, blinds, hinge for auto mobiles	Negative for construction and Engineering companies. However will positively impact manufacturers of these products.
	Government proposed to reduce Customs duty from 5% to 2.5% on Steel and other base metals (MgO coated cold rolled steel coils, Hot rolled coils, Cold-rolled MgO coated and annealed steel, Hot rolled annealed and pickled coils, and Cold rolled full hard)	Will reduce cost for steel companies and in turn for Infrastructure and Engineering company.
	Government will launch a massive programme of railway station modernization this year.	Positive for Infrastructure and Engineering companies involved in this business
Power & Utilities	UDAY launched in 2015 to be further improved. A package of power sector tariff and structural reforms to be announced soon	Power finance companies like PFC, REC to benefit. Private sector power generation and distribution companies could also benefit.
	Custom duty on uranium ores and concentrates for generation of power reduced from 2.5% to NIL and on Uranium enriched in U-235 or its compounds, plutonium and its compounds, mixtures etc. from 7.5% to NIL	
	Custom duty on all goods required for setting up of Nuclear power plant under MahiBanswara, Kaiga, Gorakhpur and Chutka Atomic power projects to NIL	
Telecom	Customs duty on capital goods used for the manufacture of Populated PCBA, Charger/adaptor of cellular mobile phone, lithium ion cell, display module reduced to NIL	Will encourage telecom companies to but locally at competitive prices
Textiles	Customs duty for wool fibre and wool tops decreased from 5% to 2.5%	Manufacturers like Raymond to benefit
	Customs duty for water blocking tapes for manufacture of optical fiber cables increased from NIL to 20%	Optic fibre cable manufacturers to be adversely hit

Contributed by: The entire Retail Research team

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