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24th July 24

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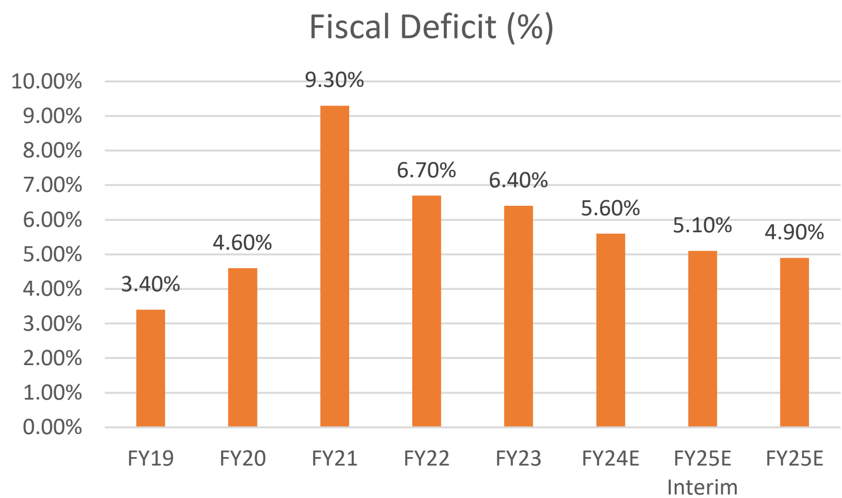
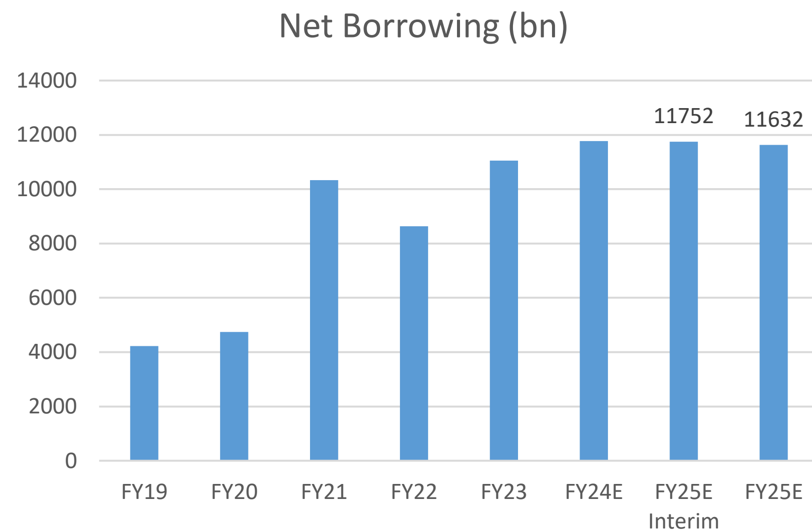
# Focus on Fiscal Consolidation

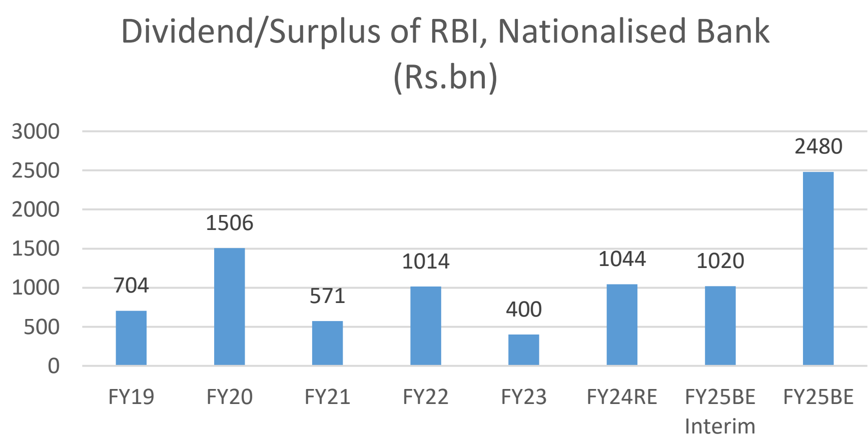


- Fiscal Consolidation seems to be the key priority in the final budget
- Majority of Additional surplus received from RBI is used to reduce fiscal deficit
- Special investment package to Bihar and Andhra Pradesh
- Most of the centrally sponsored scheme allocation remain same as interim Budget
- Allocation for Capital Expenditure also remain same as interim Budget and increased by 17% from last year
- Allocation for Rail, Defense, and Road also remain same as interim budget
- Allocation to PLI scheme also remain same as per interim budget
- Allocation for Subsidies also remain unchanged
- Even allocation for rural development also remain unchanged from interim budget

# Further consolidation of fiscal deficit

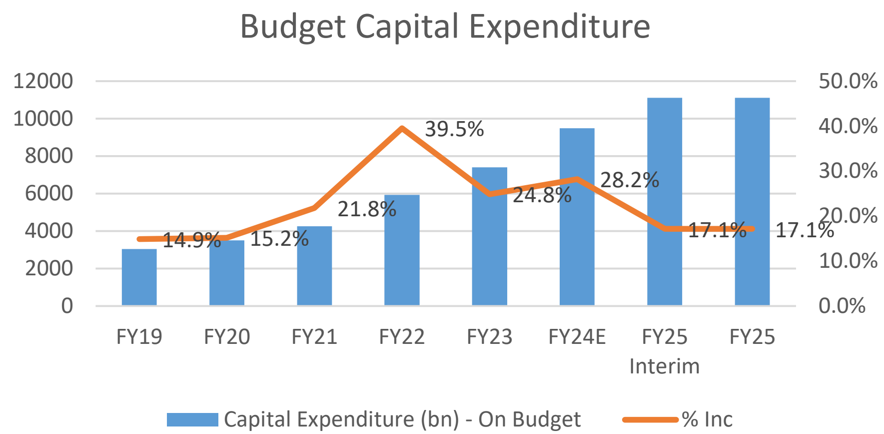


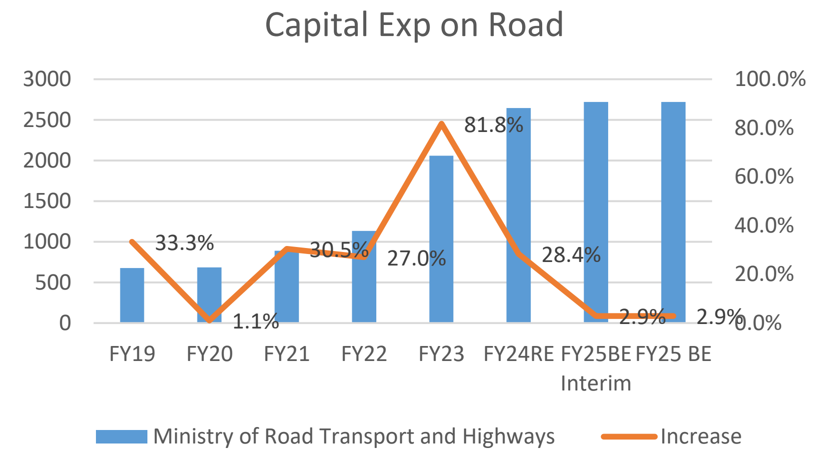



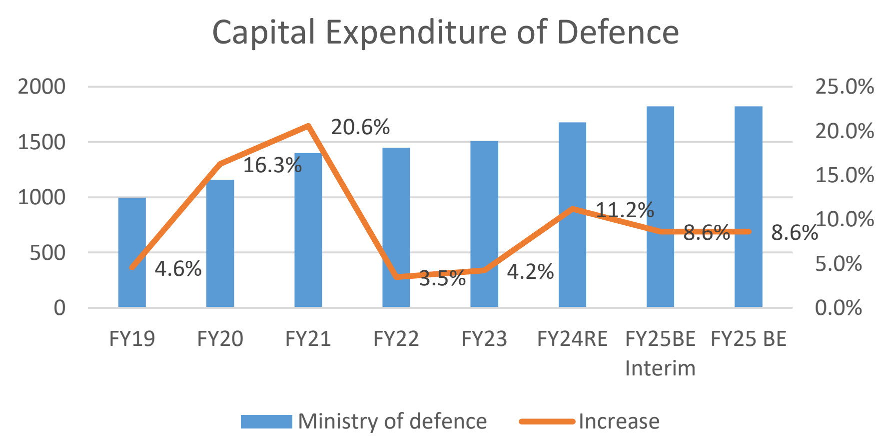



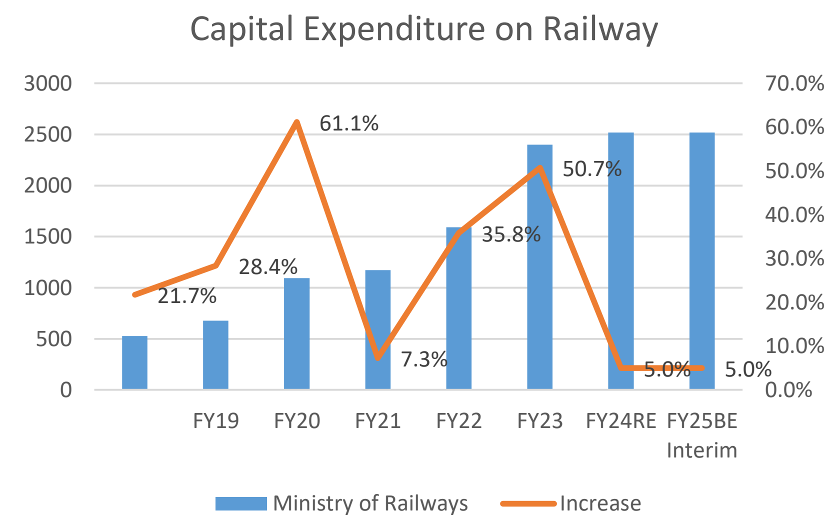

- Fiscal Deficit further reduced from interim budget of 5.1% to 4.9%
- Accordingly borrowing has come down marginally

# Capital Expenditure increased by 17% YoY and kept unchanged from interim budget



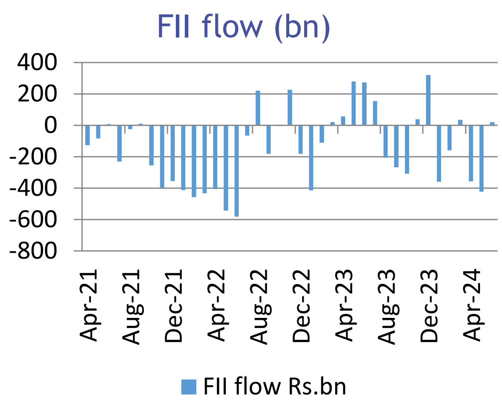

- Capital Expenditure from Interim kept unchanged, Capital Expenditure grew 17% YoY, Road grew 2.9% YoY, Defence grew 8.6% YoY and Railway grew 5.0% YoY

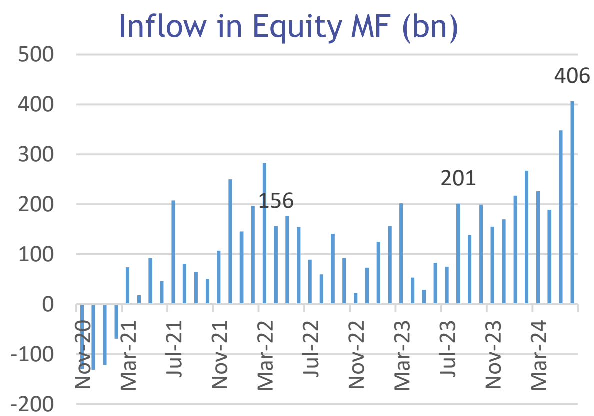
# Major changes in direct tax related to equity market

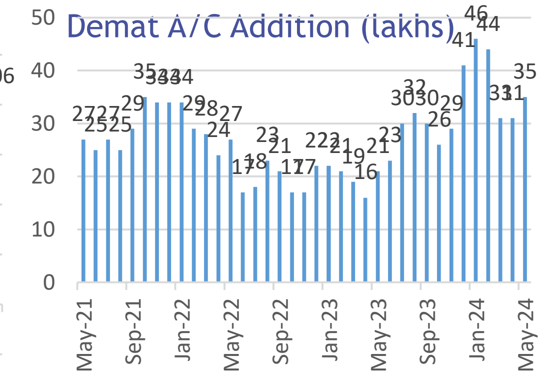


- Short term Capital Gain tax rate increased from 15% to 20%
- Long term Capital Gain Tax rate increased from 10% to 12.5%
- STT on Option increased from 0.0625% to 0.1%
- STT on Future increased from 0.0125% to 0.02%
- Buy back tax shifted from company to shareholder

# Domestic flow continue to support market



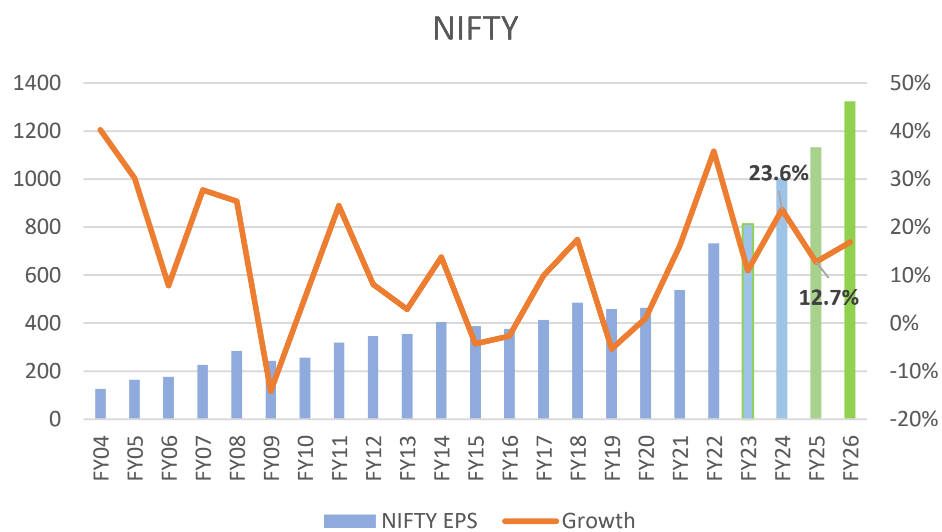




| Q1FY25 | Rs.in bn |
|---|---|
| **Inflow** | |
| Inflow in MF for Equity | 943 |
| **Outflow** | |
| IPO FPO and OFS | 365 |
| QIP | 163 |
| Total | 528 |
| Excess | 415 |

- Sell off by FII pre election kept market side way
- Inflow in Equity scheme in MF are not being absorbed by Outflow of IPO / FPO / OFS / QIP leading to higher valuation
- Direct participation continue to increase
- Budget increase in STT may not have much impact on retail volume in Options
- SEBI may also come up with some regulatory changes on options
- But that is not likely to have any impact on domestic flow into MF and specially SIP
- Impact if any of SEBI regulation for options will be for limited period on overall market

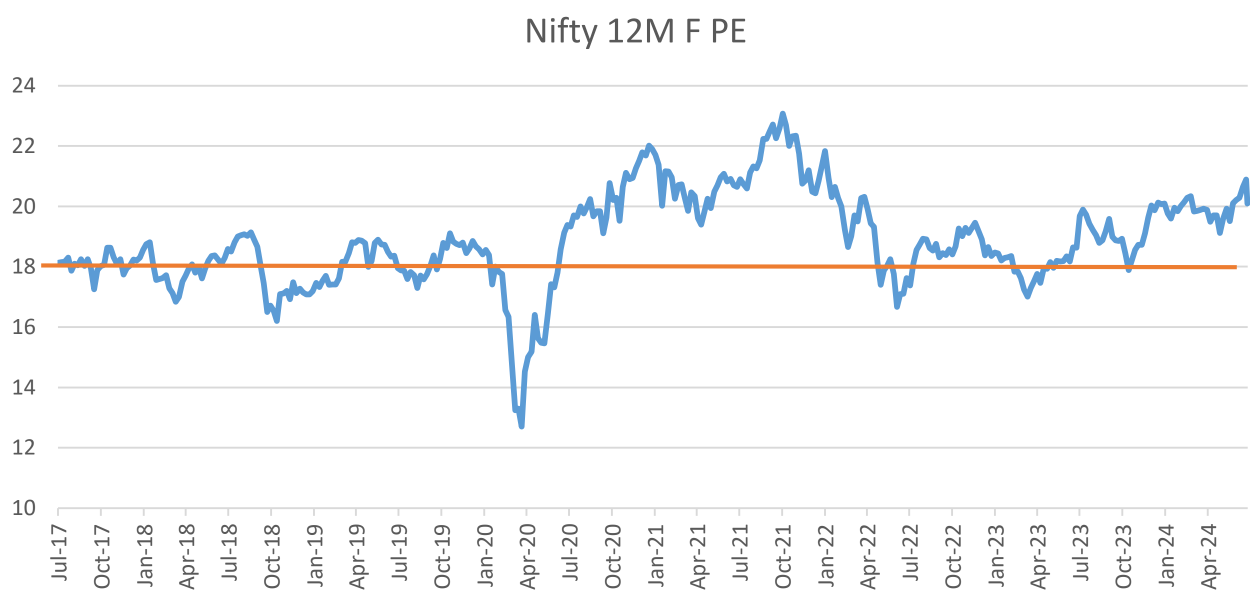
# Corporate Earning are Mix bag




- Performance in Q1FY25 is likely to be mix bag some sectors are impacted by disruption on account of election and excess heat wave.
- Aggregate PAT for Nifty is likely to grow by 6% yoy mainly on account of lower growth in Cement, OMC, Chemical.
- Where as Auto, Healthcare, Capital good, Metal and Financials are likely to report improved earning

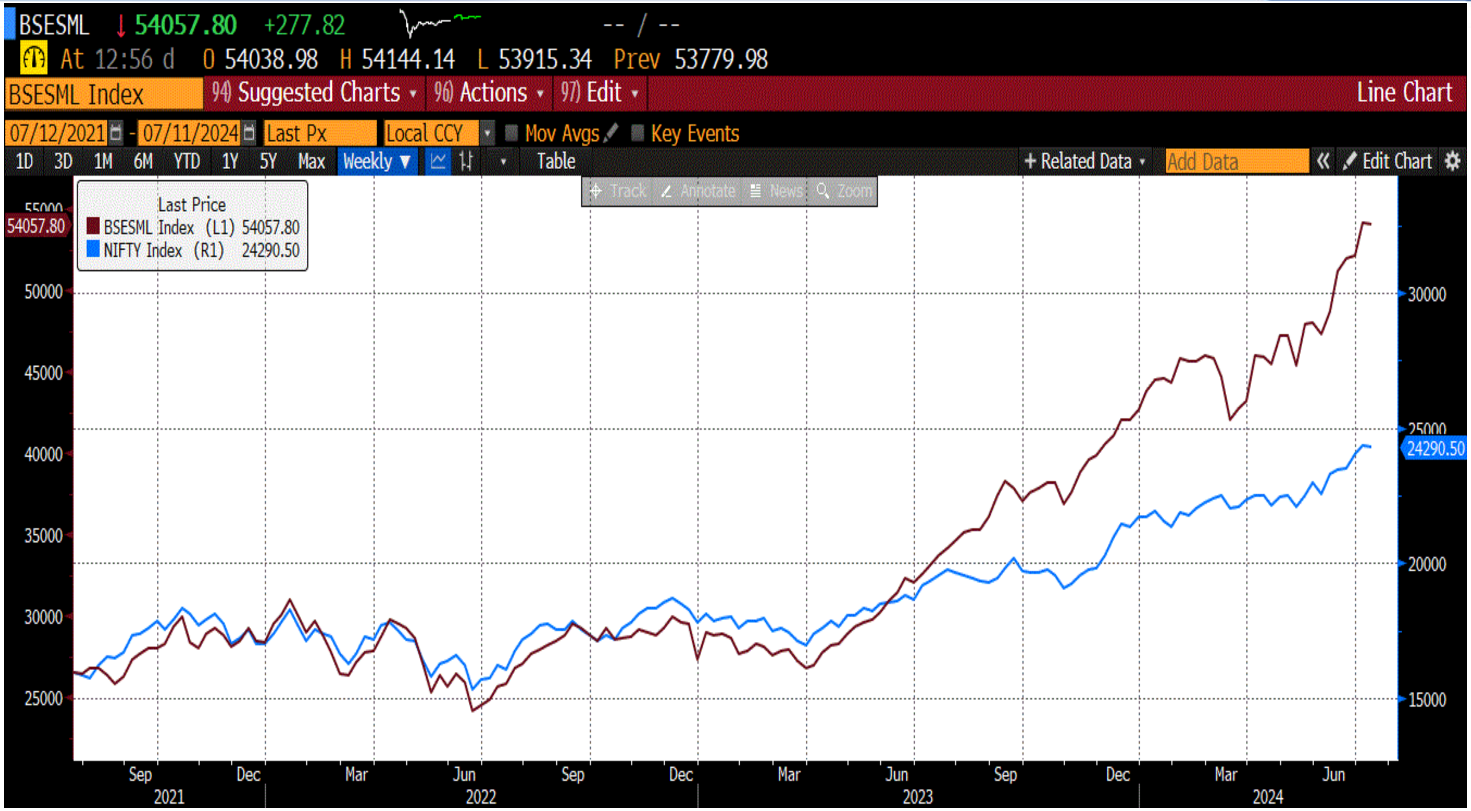
# Valuation are higher






- Forward PE at 20.1x
- 7 Year average is 18x
- Valuation of Nifty stocks are very high but not out of range

# Small Cap Stocks are over stretched in near term




- 62% return in last 1 year against Nifty 25%
- Companies Result will put a check on price increase

# CONCLUSION



- Overall Impact of Budget on corporate earning is Neutral
- Fiscal consolidation is positive for Economy
- Additional money received from RBI not used for Capex or incentive from increasing manufacturing
- Government has taken higher share from flourishing Equity earning
- Domestic liquidity is consistently supporting market.
- Nifty valuation are not very expensive
- Excess in Small Cap share continue
- Near term Market likely to remain range bound but stock specific can give higher returns

# GPT Healthcare Ltd.

CMP: Rs. 175| TP: Rs. 296| Upside: 74%

24th July, 2024



**GPT Healthcare Ltd** is a key healthcare player in Eastern India. It operates a chain of mid-sized full service hospitals under the 'ILS Hospitals' brand and provide integrated healthcare services, with a focus on secondary and tertiary care. As on Dec'23, it operates four multispecialty hospitals in Dum Dum, Salt Lake and Howrah in West Bengal and Agartala in Tripura. The combined capacity of these hospitals is 561 beds.

**Expected improvement in occupancies of Agartala and Howrah hospitals to drive the overall business growth**

**Focus on operational efficiencies of Salt Lake hospital to drive long term growth**

**Agartala Hospital** is the only NABH accredited hospital in Agartala and one among eleven valid accredited hospitals in north-east region as of 2023. It has added services such as Medical and surgical Oncology and also planning to add Oncology Radiation Centre in near term.

**Lower dependency on government schemes**

**Cost standardization concerns worries private hospitals amid supreme court order, expects minimal impact**

**Lower attrition rate improves operational efficiency**

**Long term growth expected from expansion through hospitals at Raipur and Ranchi**

We expect company's topline to grow at 16-17% CAGR with bottomline growth at ~23% CAGR between FY23-26E. ROE is expected to be at 25% levels in FY25. The stock is currently trading at ~12x to FY26E EBITDA which is at discount when compared with average valuation of industry peers. We expect re-rating at 20x EV/EBITDA to FY26E EBITDA and arrive at a target of Rs.296/share with an upside of 74% over next 18-24 months.

| Financials | Revenue | Growth | EBITDA | Margin | PAT | Growth | EPS | PE | EV/EBITDA | ROE |
|---|---|---|---|---|---|---|---|---|---|---|
| FY22 | 337 | 39% | 74 | 22% | 42 | 98% | 5.08 | 34.3x | 20.2x | 26.3% |
| FY23 | 361 | 7% | 74 | 21% | 39 | -6% | 4.75 | 36.6x | 20.1x | 18.3% |
| FY24 | 400 | 11% | 88 | 22% | 48 | 23% | 5.82 | 29.2x | 16.0x | 21.9% |
| FY25E | 458 | 15% | 104 | 23% | 64 | 34% | 7.79 | 21.8x | 13.6x | 24.8% |
| FY26E | 567 | 24% | 120 | 21% | 74 | 15% | 8.98 | 18.9x | 11.8x | 24.0% |

# Fineotex Chemicals Ltd.

**CMP: Rs. 362| TP: Rs. 483| Upside: 33%**

24th July, 2024



Incorporated in 2004, Fineotex Chemical is a specialty chemicals producer and mainly caters to segments such as – i) Textile chemicals and ii) Cleaning & hygiene. Recently, it has forayed into drilling specialty chemicals for oil & gas. It has established strategic partnerships with EuroDye, HealthGuard, and Sasmira to further enhance its market presence and offer customized technical solutions through its dedicated focus on R&D.

**Outperformed overall industry in terms of volumes and profitability**

While the industry players have faced challenges in terms of optimizing or sustaining operating leverage due to various macro events such as Ukrain – Russia war, Red sea issue, etc., Fineotex has been able to generate growth in both volume as well as in value terms. The volume growth stood at ~25% in FY24. The revenue has grown at 24% CAGR between FY22-24 and operating margins improved from 19.3% in FY22 to 26.1% in FY24.

**Efficient operational capabilities with sustained return ratios**

Company mainly focuses on sustainable products and it has received ESG badge from Dun & Bradstreet. Change in product mix, new product launches, cost saving measures along with improved working capital cycle has helped Fineotex deliver healthy financials with sustained margins. With this, it has generated healthy return ratios i.e. ROCE at 34.3% and ROE at 29.9% for FY24.

**Expansion through organic as well as inorganic route is expected to drive business growth**

Fineotex is expanding its capacity in a phased manner where phase I expansion is expected to be completed by FY25 end which will add 20K MTPA and further phase II expansion of 20K MTPA is planned. The funds worth Rs. 120 cr has been raised already for an international acquisition, which is at an advanced stage of discussion.

**The stock is currently trading at 28x / 22x to FY25E / FY26E EPS. We assign 30x to FY26E EPS to arrive at a target of Rs. 483/share with an upside of 33% over the CMP.**

*Figures in Rs Cr*

| Year | Revenue | Growth | EBITDA | Margin | PAT | Growth | EPS | PE | EV/EBITDA | ROE |
|---|---|---|---|---|---|---|---|---|---|---|
| FY23 | 517 | 40.4% | 113 | 21.8% | 88.32 | 60.1% | 7.97 | 48.0x | 37.7x | 28.2% |
| FY24 | 569 | 10.1% | 148 | 26.1% | 119.81 | 35.7% | 10.82 | 35.4x | 28.4x | 29.6% |
| FY25E | 683 | 20.0% | 184 | 27.0% | 145.83 | 21.7% | 13.17 | 27.5x | 21.6x | 27.7% |
| FY26E | 819 | 20.0% | 225 | 27.5% | 178.50 | 22.4% | 16.12 | 22.4x | 17.7x | 25.9% |

# L&T Technology Services Ltd.

**CMP: Rs. 5,115| TP: Rs. 6,223| Upside: 24%**

24th July, 2024

LTTS is an engineering R&D (ER&D) services provider. It offers consultancy, design, development and testing services across the product development life cycle. It primarily operates in three segments: i) Mobility (automotive, commercial vehicles, aerospace), ii) Sustainability (Tech, FMCG, Oil and Gas), and iii) Hi-Tech (Semi-conductors, consumer electronics).

LTTS reported its Q1FY25 results recently and the revenues were down 3.1% CC QoQ. This was below market expectations. 1st Quarter is a seasonally weak quarter for the company; however; the quantum of decline was not expected.

Company had earlier given a guidance of 8-10% CC revenue growth for FY25 in Q4FY24 (March quarter). Despite ~ 3% de-growth in the current quarter (June Qtr), Company has maintained its yearly guidance of 8-10%. This means the company has to deliver a strong CQGR growth of 3.5-4.5% in the next three quarters. This we believe is achievable backed by the increased demand for digitization in the ER&D space and LTTS has a strong presence across verticals. Company also indicated a strong hiring numbers in the coming quarters reiterating strong deal pipeline. In the recent quarter, Co added 2 deals of $ 30 mn and $ 20 mn each and 3 deals of $ 10mn each.

LTTS is also looking for inorganic opportunities in Automotive, Hyperscallers and Healthcare sectors and further enhance its gamut of offerings. As of March 2024, the company held net cash of Rs.1390 crore.

**We expect LTTS to report strong numbers in the coming quarters on the back of increased traction in the ER&D space and overall demand recovery in certain verticals. Stock is available at P/E of 32x FY26E expected earnings and we recommend BUY on the stock.**

*Figures in Rs Cr*

| Year | Revenues | Growth | EBIT | Margin | PAT | Margin | EPS | PE | EV/EBIT | ROCE |
|---|---|---|---|---|---|---|---|---|---|---|
| FY23 | 8815.5 | 34.2% | 1527.1 | 17.3% | 1216.4 | 14% | 116.3 | 43.0 | 33.9 | 31.2% |
| FY24 | 9647.3 | 9.4% | 1647.4 | 17.1% | 1306.3 | 13.5% | 124.7 | 40.1 | 31.2 | 27.7% |
| FY25E | 10570.8 | 9.6% | 1832.2 | 17.3% | 1432.2 | 13.5% | 136.7 | 36.6 | 34.6 | 29.6% |
| FY26E | 11839.3 | 12.0% | 2094.3 | 17.7% | 1631.0 | 13.8% | 155.6 | 32.1 | 32.2 | 32.5% |

# Sanghvi Movers

**CMP: Rs 1066 | Target: Rs 1750 | Upside: 64%**

24th July, 2024

- Sanghvi commands a market share of 40-45% in the overall domestic crane rental market and as high as 60-65% in the high-end crane segment of 400 MT & above.
- Company's fleet is used for construction of industrial plants in Power, Steel, Cement, Fertilizers, Petrochem. & Refineries, Metro Rail and Wind; with Wind sector contributing 50% of the revenue.
- As per National Electricity Plan, India's wind capacity will likely reach 122 GW by FY32 from 46 GW in FY24 translating to an aggressive 9.5 GW annual wind installation target. Over last 3 years (FY22/23/24), wind installation has increased from 1.1 GW to 2.3 GW to 3.3 GW respectively.
- Entry into Wind EPC business is a nautral extension to its crane hiring business and has better ROCE. Targeting to scale EPC revenue to Rs. 350 Cr in in FY25E (FY24 revenue stood at Rs. 25 Cr).
- Considering revival of capex cycle across industries including wind and strong earnings growth visibility of 24% CAGR over FY24-26E, we value the stock at 14x FY26E EV/EBITDA to arrive at target price of Rs. 1750 (30% discount to 20x multiple commanded by Midcap Capital Goods basket, owing to higher dependence on wind sector).

*Figures in Rs Cr*

| Year | Revenue | Growth | EBITDA | Margin | PAT | Growth | EPS | PE | EV/EBITDA | ROCE |
|---|---|---|---|---|---|---|---|---|---|---|
| FY23 | 456 | 36% | 257 | 56.4% | 112 | 286% | 25.9 | 43.7 | 20.1 | 13.3% |
| FY24 | 619 | 36% | 381 | 61.6% | 188 | 68% | 43.4 | 26.0 | 13.6 | 19.0% |
| FY25E | 1037 | 68% | 478 | 46.1% | 243 | 29% | 56.1 | 20.1 | 10.8 | 20.7% |
| FY26E | 1345 | 30% | 574 | 42.6% | 291 | 20% | 67.2 | 16.8 | 9.0 | 20.8% |

# Venus Pipes & Tubes

**CMP: Rs 2109 | Target: Rs 3000 | Upside: 42%**

24th July, 2024

- Venus is the only pure-play listed player focused on the high value SS (Stainless Steel) pipe industry.
- SS pipes are used in critical, high pressure & temperature applications like pressure vessels, heat exchangers, condensers & others. Industry exposure: Cap Goods 55%, Chemicals 30%, Other industries 15%.
- Thus ASP of Stainless Steel pipes is Rs. 360/kg while Carbon Steel is Rs. 65-70/kg.
- Industry tailwinds (a) BIS certification (b) China discontinued export incentive (c) Anti Dumping Duty
- Venus offers strong growth visibility with Sales/PAT CAGR of 31%/44% over FY24–26E, driven by -
  - Capacity expansion of 3.5x from 12k tons to 42k tons over FY23-26E plus operating leverage
  - Backward integration into manufacture of mother hollow pipes (from SS billets)
  - Sales through stockists which is 30% mix today is expected to dip below 20% in favor of direct sales
  - Entry in larger diameter pipes: Upto 48” in welded from 8” now; Upto 6” in seamless from 4” now
- We assign a TP of Rs. 3,000, valuing the company at 35x FY26E (in line with midcap capital goods basket and at 10% premium to Ratnamani Metals & Pipes).

*Figures in Rs Cr*

| Year | Revenue | Growth | EBITDA | Margin | PAT | Growth | EPS | PE | EV/EBITDA | ROCE |
|---|---|---|---|---|---|---|---|---|---|---|
| **FY23** | 552 | 43% | 69 | 12.5% | 44 | 40% | 21.4 | 98.8 | 66.0 | 17% |
| **FY24** | 802 | 45% | 146 | 18.2% | 86 | 95% | 41.5 | 50.8 | 31.1 | 25% |
| **FY25E** | 1078 | 34% | 212 | 19.7% | 130 | 51% | 62.8 | 33.6 | 21.5 | 25% |
| **FY26E** | 1381 | 28% | 285 | 20.6% | 178 | 37% | 85.8 | 24.6 | 16.0 | 26% |

# DIRECT TAX



- The rate of LTCG will be 12.5% in respect of all category of assets. This rate earlier was 10% for STT paid listed equity shares, units of equity-oriented fund and business trust under section 112A and for other assets it was 20% with indexation under section 112. Further u/s 112A ie LTCG on sales of listed equity shares the exemption of 100,000 has been increased to 125000
- Holding Period for all listed securities will be 12 months for them to be considered as long term assets and in case of all other assets it would be 24 months
- Indexation available at the time of calculation of LTCG is proposed to be removed for calculation of any long-term capital gains which is presently available for property, gold and other unlisted assets. These changes come in effect immediately
- Short-term capital referred to in section 111A will be taxed at the rate of 20% effective immediately previously it was 15%
- STT on sale of an option in securities has been increased from 0.0625% to 0.1% of the option premium, and in case of sale of a futures in securities from 0.0125% to 0.02% of the price at which such futures are traded. This amendment will be effective from the 1st October, 2024.
- In the case of a company other than a domestic company, the rates of tax have been reduced from 40% to 35%, on income other than income chargeable at special rates
- Standard deduction for salaried people has been increased from Rs.50,000 to Rs.75,000 from the 1st day of April, 2025

# DIRECT TAX

- Buy-back of shares will be taxed in hands of recipients previously it was taxed in the hands of company. The receipt from buy back will be considered as income from other source and will be taxed at normal rate. This amendments will take effect from the 1st October, 2024
- Angel tax is levied on the capital raised via the issue of shares by unlisted companies from an Indian investor if the share price of issued shares is seen in excess of the fair market value of the company. To bolster the Indian startup ecosystem angel tax has been abolished
- TDS u/s 194H relating to Payment of commission or brokerage has been reduced from 5% to 2% from 1st October 2024
- TDS on payment made by e-commerce operator to e-commerce participant has been reduced from 1% to 0.1%.
- Tax rates for Individual / HUF under the new tax regime:

| Tax Slab | Rate |
|---|---|
| **Rs. 0-3 lakh** | Nil |
| **Rs. 3-7 lakh** | 5 % |
| **Rs. 7-10 lakh** | 10% |
| **Rs. 10-12 lakh** | 15% |
| **Rs. 12-15 lakh** | 20% |
| **Above 15 lakh** | 30% |

# INDIRECT TAX



- **Precious Metals:** Custom duty on gold bars and silver bars reduced from 15% to 6%, while that on Platinum, Palladium, Osmium, and Ruthenium reduced from 15.4% to 6.4%.
- **Metal Sector:** Basic custom duty (BCD) on ferro nickel and blister copper has been removed.
- **Chemicals and Plastics:** Custom duty on Ammonium Nitrate increased from 7.5% to 10% and that on PVC flex films / banners increased from 10 % to 25 %.
- **IT and Electronics Sector:** Custom duty on Cellular mobile phone, Charger/Adapter and Printed Circuit Board Assembly reduced from 20% to 15%.
- **Agricultural Products:** Duty on Shea nuts reduced from 30% to 15%.
- **Aqua farming :** Custom duty on Fish feed and Prawn and shrimps feed reduced from 15% to 5%.
- **Critical Minerals:** Duty on Natural Graphite and Quartz reduced from 5% to 2.5%.
- **Leather and Textile Sectors:** Custom duty on Methylene Diphenyl Di-isocyanate (MDI) reduced from 7.5% to 5% and Real Down Filling Material reduced from 30% to 10%.
- **Cancer Drugs**: BCD on Cancer Drugs (Trastuzumab Deruxtecan, Osimertinib and Durvalumab) has been removed.
- **Medical Equipment:** Custom duty on X-ray tubes and flat panel detectors used in X-ray machines is reduced from 15% to 5%.
- **Renewable Energy Sector:** Custom duty on capital goods which are using in manufacturing of solar cells or solar modules has been removed.

# SECTORIAL IMPACT



**Financials - Banks - Positive**

- The overall outlay for capital expenditure in the Union Budget has been increased by 17% from Rs.948500 Cr in F24 to Rs. 11,11,111 Cr in FY25. This augurs well for continuation of the corporate credit upcycle. Positive for the whole banking sector as well as NBFCs like PFC & REC.

**Financials - NBFCs/HFCs - Positive**

- Government shall expand the Pradhan Mantri Awas Yojana (PMAY) by making provision for 3 crore more houses under the scheme. Further, PMAY-CLSS has been reintroduced from the current year at Rs. 4,000 Cr. Positive for affordable housing finance cos like Aadhar Housing Finance, Aavas Financiers, Home First Finance, India Shelter Finance and Aptus Value Housing Finance.
- Customs duty on Gold and Silver will be brought down to 6% from the earlier level of 15%. Negative for Muthoot Finance and Manappuram.
- PM Surya Ghar Muft Bijli Yojana has been launched to install rooftop solar plants to enable 1 crore households obtain free electricity up to 300 units every month. Positive for PFC, REC, IREDA.

**Financials - Non-lending - Negative**

- STT on futures shall be increased from 0.01% to 0.02%. STT on options shall be increased from 0.062% to 0.1%. Negative for brokerages like Angel One, 5Paisa Capital, Motilal Oswal, ICIC Securities, IIFL Securities.
- STCG tax rate has been increased from 15% to 20% and LTCG tax rate has been increased from 10% to 12.5%. Negative for all capital market intermediaries like brokerages, AMCs, MFDs and RTAs.

# SECTORIAL IMPACT



## INFRA: Roads, Power, Renewables - Positive

- The overall outlay for CAPEX is increased by 17% from Rs. 9.5 Lakh Cr in the current year to Rs. 11.11 Lakh Cr in FY25.
- Capital outlay including IEBR by Ministry of Road Transport and Highways has increased by 3% to Rs. 2,72,241 Cr. Neutral for GR Infra, PNC Infra, KNR Construction and HG Infra.
- Government will facilitate special financial support of more than Rs. 15,000 Cr to Andhra Pradesh through multilateral development agencies, with additional amounts in future. Positive for NCC.
- A JV between NTPC and BHEL shall set up a full scale 800 MW commercial plant using AUSC (Advanced Ultra Super Critical) technology. Positive for BHEL.
- Government will promote water supply, sewage treatment & solid waste management projects and services for 100 large cities through bankable projects. Positive for Va Tech Wabag, EMS, VPRPL.
- Increase in custom duty on solar glass for manufacture of cells from Nil to 10%. Positive for Borosil Renewable.

# SECTORIAL IMPACT



## INFRA: Railways, Defense - Positive

- Capital outlay including IEBR by Ministry of Railways has increased by 2% to Rs. 2,65,000 Cr. **Neutral for Ircon, RVNL, Rites, Railtel, IRFC.**
- Rolling stock wagon procurement target is increased from 26000 in interim budget to 38000 (last year 23000). Also Coach procurement target is increased from 7784 in interim budget to 8405 (last year 7000). Positive for Titagarh Wagon, Texmaco Rail and Jupiter Wagon.
- Capital outlay for defence has been increased by 9% to Rs. 1,72,000 Cr. Positive for HAL, Bharat Dynamics, BEL, GRSE, Mazagon Dock, Cochin Shipyard and Data Patterns.

## Agrochemical & Allied Sector- allocated worth Rs. 1.52 lakh crore - Positive

- Focus on raising productivity and developing climate resilient varieties. New 109 high yielding and climate resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers. (Positive for Kaveri Seeds)
- 10,000 need-based bio-input resource centres will be established to initiate natural farming across 1 crore farmers over the next two years.
- To be self sufficient in pulses and oilseeds, a strategy is being put in place to achieve 'atmanirbharta' for oilseeds such as mustard, groundnut, sesame, soybean and sunflower.
- Implementation of Digital Public Infrastructure, where digital crop survey for Kharif using the DPI will be conducted in 400 districts. With this, 6 crore farmers and their lands will be brought into the farmer and land registries and issuance of Jan Samarth based Kisan Credit Cards will be enabled in 5 states.
- Financing for shrimp farming, processing and export will be facilitated through NABARD. (Positive for Avanti feeds, Apex frozen Foods)

# SECTORIAL IMPACT



## Agrochemical & Allied Sector- continued

- **It has proposed to reduce BCD on certain broodstock, polychaete worms, shrimp and fish feed to 5% and to exempt customs duty on various inputs for manufacture of shrimp and fish feed. (**positive for Apex Frozen Foods **and negative for Avanti Feeds)**

## Chemicals & Petrochemicals - Positive

- To support existing and new capacities in the pipeline, BCD is to be increased on ammonium nitrate from 7.5% to 10%. (positive for Deepak Fertilisers, Gujarat Narmada Valley Fertilizers & Chemicals and Chambal Fertilisers)

## FMCG - Positive

- Reduce custom duties on Gold & silver from 15% to 6% and Platinum from 15.4% to 6.4% (positive for jewellery companies)
- Increase in Tax Slab and increase in Standard deduction will leave some extra cash (Positive for Most of the FMCG companies

# SECTORIAL IMPACT



## IT - Neutral

- Technology Support and development for MSMEs and critical minerals industry.
- Adoption of technology towards digitalization of the economy.

## E-Commerce - Neutral

- To enable MSMEs and traditional artisans to sell their products in international markets, E-Commerce Export Hubs will be set up in public-private-partnership (PPP) mode.
- TDS rate on e-commerce operators is proposed to be reduced from 1% to 0.1%.
- Equalisation Levy rate of 2% of consideration received for e-commerce supply of goods or services, shall no longer be applicable on or after 1st August, 2024.

## Shipping - Neutral

- Ownership, leasing and flagging reforms to be implemented to improve the share of the Indian shipping industry and generate more employment.
- However, expected revised PLI scheme for ship manufacturing was missing.

# SECTORIAL IMPACT



## Workforce Management - Positive

- Government announced a comprehensive scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years. They will gain exposure for 12 months to real-life business environment, varied professions and employment opportunities.
- Special attention to MSMEs and manufacturing, particularly labour-intensive manufacturing.
- Positive for Info Edge, Teamlease, SIS Ltd., Updater Services Ltd, Krystal Integrated Services Ltd.

## Tourism - Positive

- To stimulate tourism industry, create jobs and unlock economic opportunities, government has proposed development of pilgrim and spiritual destinations in Bihar and Orissa. Easy Trip Planners, Yatra Online, Thomas Cook

## Telecommunication Equipment - Positive

- BCD has been increased from 10% to 15% to incentivize domestic telecom equipment manufacturing. HFCL.

# SECTORIAL IMPACT



## Cement - Positive

- The government will formulate a plan, Purvodaya, for all round development of the eastern region of the country. This will cover along with other things infrastructure development. One specific project in this regard is development of an industrial node at Gaya, Bihar.
- Government will support development of road connectivity projects viz. Patna-Purnea Expressway, Buxar-Bhagalpur expressway, etc. at a total cost of Rs. 26000 crore.
- The outlay for PM Awas Yojana is being enhanced by 66% from Rs. 48,000 to over Rs. 79,000 crore. This will support urban housing demand which comprises 30% of cement demand.
- Under the Andhra Pradesh Reorganization Act, for promoting industrial development, funds will be provided for essential infrastructure on 2 important industrial corridors. Recognizing the state's need for a capital, government will facilitate special financial support through multilateral development agencies. In the current financial year Rs. 15,000 crore will be arranged, with additional amounts in future years.
- 3 crore additional houses over 5 year under the PM Awas Yojana in rural and urban areas in the country have been announced, for which the necessary allocations are being made.
- Government has made a provision for Rs. 2.66 lakh crore for rural development including infrastructure. Overall positive for Ultratech, Shree, Ambuja, Dalmia, KCP, NCL.

# SECTORIAL IMPACT

## Metals - Positive

### Steel and Non-Ferrous:

- This year government has provided Rs. 11,11,111 crore for capital expenditure. This would be 3.4% of GDP and increase of 17% from previous year.
- Under the PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹ 10 lakh crore.
- Government proposes to fully exempt customs duties on 25 critical minerals like lithium, cobalt and rare earths and reduce BCD on two of them. This will provide a major fillip to the processing and refining of such minerals.
- Government proposes to remove the BCD on ferro nickel and blister copper. Government is also continuing with nil BCD on ferrous scrap and nickel cathode and concessional BCD of 2.5 per cent on copper scrap.
- Government will facilitate development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes. Overall positive for JSW Steel, Tata Steel, APL Apollo, Jindal Stainless Gravita India.

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