

# THE WINNERS TAKE IT ALL...

But Budget proves to be a let down for some sectors. We take a look at the winners and the losers

**P**rim Minister Narendra Modi's government laid out India's budget for the financial year starting April 1, months after a devastating second Covid-19 wave that crippled small businesses and deepened the country's already vast inequalities.

With five states, including the politically significant Uttar Pradesh,

heading to the polls later this month, there were expectations that the budget would address issues of high unemployment. The state elections will be a mid-term assessment of Modi's popularity ahead of national elections in 2024.

Finance minister Nirmala Sitharaman Tuesday presented a budget that calls for a bigger spend to fire

up growth in Asia's third-largest economy, as it stages a world-beating recovery from the pandemic.

Sitharaman proposed increasing the size of the economy's annual spending to 39.5 trillion rupees (\$529 billion) to support growth plans. Here's a list of winners and losers from the federal budget announcements:

## WINNERS

### EV Battery Makers

Crucial for plans to expand India's ambitions to promote clean transport technology, battery makers will gain from a new swapping policy for electric vehicles announced by Sitharaman. Beneficiaries will include Exide Industries Ltd. and Amara Raja Batteries Ltd.

### Transport, Infrastructure

Plans for investments in remote roads, mass transit in cities and 400 new "Vande Bharat" trains in three years will benefit key infrastructure players including Larson & Toubro Ltd., GMR Infrastructure Ltd., KNR Constructions Ltd., IRB Infra Ltd., Container Corporation of India Ltd., Allcargo Logistics Ltd. and Indian Railway Catering and Tourism Corp.

### Metals

The government's 600 billion rupee allocation for piped water to 38 million homes and spending on logistics will benefit India's metals producers, including Vedanta Ltd., Tata Steel Ltd. and JSW Steel Ltd. Jindal Stainless Ltd. Pipemakers Jain Irrigation Systems Ltd., KSB Ltd., Kirloskar Brothers Ltd. could also benefit.

### Solar

Production-linked incentives worth 195 billion rupees for solar modules to boost local manufacturing will turn the focus on growth at leading panel manufacturers, including Tata Power Ltd., Suzlon Energy Ltd., Adani

Enterprises Ltd. and Reliance Industries Ltd.

### Cement, Construction

The government's plan to build more homes for low-income earners across cities will mean more contracts for cement and construction majors UltraTech Cement Ltd., Ambuja Cements Ltd, Birla Corp. and ACC Ltd..

### Telcos, Data Centers

The launch of 5G auctions in 2022 will help boost telco sector and the classification of data storage as infrastructure spending will benefit companies including Bharti Airtel Ltd., Reliance Industries Ltd., Vodafone Idea Ltd., Mahanagar Telephone Nigam Ltd., HFCL Ltd., Tejas Networks Ltd., Sterlite Technologies Ltd..

### Digital Finance

Digital financial services providers in India are set to gain after Tuesday's budget focused on expanding such services. These include PB Fintech Ltd., the parent of PolicyBazaar, newly listed Paytm's owner One 97 Communications Ltd., eClerx Services Ltd. and Paisalo Digital Ltd., which provides smaller loans through its app.

### Defense Manufacturers

Companies manufacturing defense equipment look to benefit from Sitharaman's plan to earmark 68% of the sector capex for local companies in the annual budget. Gainers include Larsen & Toubro Ltd., Bharat Forge Ltd. and Paras Defence and Space Technologies Ltd. The drone start ups that could benefit include Zeus Numerix, New Space India Ltd, and BotLab Dynamics.

## LOSERS

### State-Run Banks

India plans to start a digital currency, shifting the rules for traditional banking in the country as it tries to keep pace with the global move toward virtual financial instruments. The move will affect India's archaic lenders State Bank of India Ltd., Bank of Baroda, Canara Bank, Union Bank of India, Bank of India and Punjab National Bank.

### Crypto Players

The decision to levy 30% tax on profits from digital asset transactions, including cryptocurrencies and non-fungible tokens, may rule out a blanket ban on such tokens for now but it will make trading in them less profitable. This will also affect crypto exchanges. Players affected include WazirX, Zebpay, CoinDCX and Coinswitch Kuber.

### Coal and Thermal Power

The companies to watch after India's incentives for solar power and plans to use biomass pellets in thermal power plants in a bid to rely less on coal include Coal India Ltd. Singareni Collieries Co., Adani Enterprises Ltd. These companies are suppliers of imported coal.

### Stainless Steel

India has made plans to revoke some anti-dumping and countervailing duties on stainless steel, coated steel flat products, bars of alloy steel and high-speed steel, given the rise in metal prices. This is expected to affect the biggest producer Jindal Stainless Ltd. and Tata Metaliks Ltd.

### Automobile Makers

Car manufacturers, which received little attention from the finance minister, continue to reel under a global semiconductor crunch. The S&P BSE Auto Index was the worst performer among 19 sectoral gauges after Tuesday's budget announcement. Companies to watch include Maruti Suzuki India Ltd., Tata Motors Ltd, Mahindra & Mahindra Ltd.

(From ETOnline)

On infrastructure in the Union

Budget 2022 is a welcome move, it is unfortunate that the Budget does not address any other issues that the real estate sector has been facing in the recent past. We are hopeful that the Government will consider some reforms that will help the recovery of the real estate sector given that it is a significant contributor to the GDP.

—Pavitra Shankar, Executive Director, Brigade Enterprise

"The government has made its intention of promoting startups very clear in this budget. Enunciation of the push to the digital economy will ensure exponential growth for startups. With strong government support, I am sure the number of new startups in 2022-23 will far exceed the number in the current financial year.

—Vinay Agrawal, Founder, Hubbler

"The emphasis on digital is one of the most exciting aspects in the budget, especially the focus on using blockchain technology. Another important aspect is the focus on chemical-free natural farming, which will boost the production of organic produce and also replenish our farmlands and incentivize farmers to take up organic farming

—Gaurav Manchanda, Founder & MD, The Organic World