#BUDGET 2021 WITH HDFCSEC

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Post Budget Impact Analysis

01-Feb-2021

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- In the backdrop of the numerous challenges that the finance minister faced, the Union Budget presented by her on Feb 01 is path-breaking to quite an extent. The FM continued on the Govt.'s prudent path avoiding populism. The effort is clearly attempting to spur the economic growth on a faster path by upping spending on schemes/areas which have a multiplier effect. The Budget's task was to push the long-term growth trajectory up. A virtuous spending cycle may be triggered by these provisions that could lift the rate of growth for the economy and businesses.
- No material changes to direct or indirect tax rates or provisions are welcome from a tax payer perspective who seeks stability in the tax regime.
- Raising taxes to fund expenditure would have invalidated the expansionary effect of the spending. The only option was to keep the fiscal deficit high -- that is borrow to spend. Rising debt levels run the risk of a being a long term strain on the economy. So, the FM had to take a gamble on letting borrowings swell in the near term in the hope that the economic growth it drives leads to sustainable consolidation of debt.
- The deficit target of 6.8 per cent for 2021-22 (way higher than most forecasts) and the target reduction of fiscal deficit to below 4.5 per cent only in 2025-26 is perhaps as bold as expansionary fiscal policy can get. The previous target of 3% fiscal deficit (laid out in FRBM Act) now seems to have been abandoned.
- However a significant portion of an increase in spending comes from taking on the food subsidy bill on the Budget instead of financing FCI (Food Corporation of India) via the NSSF (National Small Savings Fund) (impact 0.56% of GDP in FY20).
- The Budget has been realistic in projecting revenues. On a 14.4% growth in nominal GDP, gross tax revenue is projected to grow at 16.7%. Capital expenditure is budgeted to rise by 34.5% next year. Make-in-India push continues with addition to PLI scheme and proposal for mega Textile park. FY22 Budget targets a huge infrastructure push, with capex increasing to 2.5% of GDP compared to FY21 BE of 1.8% and revised estimate for FY21 of 2.3% of GDP. The revenue spending is budgeted lower at 13.1% of GDP, compared to 15.5% of GDP in FY21 RE.
- The raising of FDI limit in insurance sector from 49% to 74% could trigger further inflows in the sector and a mild rerating.

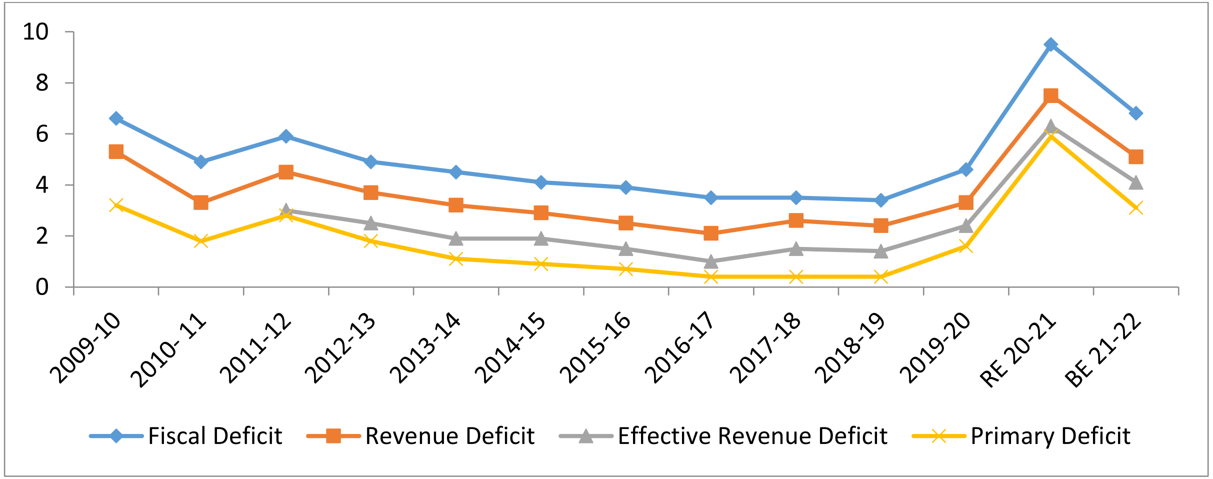
- A well-capitalized Development Finance Institution (DFI) has been set up to garner and channel private (including external) funds to infra projects. A National Monetization pipeline has been set up to sell a variety of existing infra-assets (Dedicated Freight corridor, Airports, Roads/Highways, Pipelines, Transmission assets etc) to fund the creation of new assets. It remains to be seen how effectively these new structures can improve the risk appetite for infra projects.
- A key announcement for the banking sector that addresses the issue of bad loans is the creation of an Asset Reconstruction and Management Company that will function as a “bad bank”. This would give banks the much needed room to focus on core activities instead of fretting over their impaired loans and also speed up the process of liquidation.
- The Budget, as usual, relies on disinvestment and asset monetization for resources. This has always been an area of concern since actual receipts have almost always fallen short of targets. The government, for example, now has a policy of selling all PSUs in non-strategic sectors and keeping the number of PSUs in four strategic sectors to a bare minimum. The FM seems confident that the four PSUs including Air India and BPCL that were scheduled for strategic sale this year will finally be sold off next year. Also the IPO for LIC and a Special Purpose Vehicle to sell surplus land finds place in the budget speech. Also the use of the word “Privatisation” in the Budget speech vs “Divestment” hitherto signals Govt.’s seriousness in going for strategic sales.
- The Rs. 80,000 crores extra borrowing for FY21 is a negative surprise for the bond market. Even for FY22, the bond market has been broadly working with a gross borrowing number between Rs. 10.5 – 11 lakh crores and the Rs. 12 lakh crores in the budget is higher than expected.
- The unexpectedly large fiscal deficit numbers both for the current and the next year entail huge borrowings, much beyond market expectations. Government bond yields have hardened quite a bit in the wake of the recovery. The Finance ministry and the RBI will have to work closely together to check the rise in yields and ensure that the budget doesn’t ultimately result in a rise in borrowing costs across the board. We think the RBI will continue with its yield management tools (perhaps more of Operation twists compared to plain vanilla OMOs due to liquidity concerns) to keep borrowing costs under check.

- The reaction of the FPIs and international rating agencies to the fiscal deficit estimates will be keenly watched. The increase in absolute fiscal deficit from Rs.9.33 lakh cr in FY20 to Rs.15.06 lakh cr in FY22 could lead to demand push inflation if the supply side constraints are not addressed. This could lead to gradually rising interest rates. However given the fact that most economies are undergoing similar expansionary phase due to Covid-19, these agencies may not be harsh on India immediately. Also the general government approach of being consistent and sustainable with its fiscal response, will serve to better instead of worsen offshore perception of local Indian assets.
- Markets have reacted well to the provisions of the Union Budget with the Sensex witnessing the best Budget day performance since 1997. While some of this rise can be attributed to immediate knee jerk positive reaction, some portion may be due to short covering. We will know the real impact on the equity markets only once the FPI flows reflect their reaction to the Budget provisions. While recovering global markets are supportive to the Indian market trajectory, continued fund inflows are a pre requisite for the Nifty to sustain/rise from these levels. While the immediate bullish reaction may peak out over today/tomorrow, a new high on the Nifty will require FPIs to remain excited on the Indian story over the medium term.

Changes to Direct Taxes:

- The maturity proceeds of ULIP policies with an annual premium of more than Rs 2.5 lakh will be taxable on par with equity-linked mutual fund schemes for ULIPs taken on or after Feb 1, 2021. However, the amount received on death shall continue to remain exempt without any limit on the annual premium.
- It is proposed to levy of TDS on Purchase of Goods @ 0.1% on a purchase transaction exceeding Rs 50 lakh in a year. The responsibility of deduction shall lie only on the persons whose turnover exceeds Rs 10 crore. This provision is intended to widen the tax net.
- The 'tax audit limit' under Section 44AB has been increased from Rs.5 crores to Rs.10 crores where 95% of business transactions are done in digital mode.
- It has been proposed to reduce the time-limit for re-opening of assessment to 3 years from the present 6 years.

- On late deposit of Provident funds, superannuation funds, and other social security funds by the employer, it will not be allowed as deduction to the employer.
- Additional deduction of interest, amounting to Rs 1.5 lakh, for loan taken to purchase an affordable house is proposed to be extended by one more year to 31st March 2022. The additional deduction of Rs 1.5 lakh shall therefore be available for loans taken up till 31st March 2022, for the purchase of an affordable house.
- Interest earned on annual PF contribution by an employee exceeding 2.5 lacs in a year from April 2021 will now be taxable.
- Introduction of pre-filled Income-Tax Return (ITR) forms for taxpayers with data on their capital gains from mutual funds, shares, dividend income and interest received from banks.



Post Budget Impact Analysis 2021

	2019-2020	2020-2021	2020-2021	2021-2022	% change		
	Actuals	Budget Estimates	Revised Estimates	Budget Estimates	FY21RE vs FY20	FY21RE vs FY21BE	FY22BE vs FY21RE
1. Revenue Receipts	1684059	2020926	1555153	1788424	-7.7	-23.0	15.0
2. Tax Revenue (Net to Centre)	1356902	1635909	1344501	1545396	-0.9	-17.8	14.9
3. Non Tax Revenue	327157	385017	210652	243028	-35.6	-45.3	15.4
4. Capital Receipts	1002271	1021304	1895152	1694812	89.1	85.6	-10.6
5. Recovery of Loans	18316	14967	14497	13000	-20.9	-3.1	-10.3
6. Other Receipts	50304	210000	32000	175000	-36.4	-84.8	446.9
7. Borrowings and Other Liabilities	933651	796337	1848655	1506812	98.0	132.1	-18.5
8. Total Receipts (1+4)	2686330	3042230	3450305	3483236	28.4	13.4	1.0
9. Total Expenditure (10+13)	2686330	3042230	3450305	3483236	28.4	13.4	1.0
10. On Revenue Account of which	2350604	2630145	3011142	2929000	28.1	14.5	-2.7
11. Interest Payments	612070	708203	692900	809701	13.2	-2.2	16.9
12. Grants in Aid for creation of capital assets	185641	206500	230376	219112	24.1	11.6	-4.9
13. On Capital Account	335726	412085	439163	554236	30.8	6.6	26.2
14. Revenue Deficit (10-1)	666545	609219	1455989	1140576	118.4	139.0	-21.7
	3.3	2.7	7.5	5.1			
15. Effective Revenue Deficit (14-12)	480904	402719	1225613	921464	154.9	204.3	-24.8
	2.4	1.8	6.3	4.1			
16. Fiscal Deficit [9-(1+5+6)]	933651	796337	1848655	1506812	98.0	132.1	-18.5
	4.6	3.5	9.5	6.8			
17.Primary Deficit (16-11)	321581	88134	1155755	697111	259.4	1211.4	-39.7
	1.6	0.4	5.9	3.1			

The following table analyses the sectoral impact of the Budget announcements and impact on stocks under our coverage:

Sector	Announcement	Impact on Sector/Company
Agriculture / Water	Govt. has announced the launch of the Jal Jeevan Mission (Urban). It aims at universal water supply in all 4,378 Urban Local Bodies with 2.86 crores household tap connections, as well as liquid waste management in 500 AMRUT cities. It will be implemented over 5 years, with an outlay of Rs 2,87,000 crores. The Urban Swachh Bharat Mission 2.0 will be implemented with a total allocation of Rs 1,41,678 crores over a period of 5 years from 2021-2026.	Positive for Infrastructure, pipes and water related companies.
	To provide adequate credit to farmers, Govt. has enhanced the agricultural credit target to Rs 16.5 lakh crores in FY22 from Rs.15 lakh crores. It will be to increase focus on animal husbandry, dairy and fisheries.	Positive for agri and dairy sector.
	Allocation to Micro Irrigation Fund, with a corpus of Rs 5,000 crores that was created under NABARD, has been doubled in the current budget.	Positive for Micro Irrigation sector
	To benefit farmers, Govt. has raised customs duty on cotton from nil to 10% and on raw silk and silk yarn from 10% to 15%.	Benefits for Farmers and rural spend
	The MSP regime has undergone a sea change to assure price that is at least 1.5 times the cost of production across all commodities. The procurement has also continued to increase at a steady pace. This has resulted in increase in payment to farmers substantially.	Benefits for Farmers and rural spend
Agro-Chemical/Chemical Fertiliser	Customs duty on Urea increased from NIL to 5%, on Ammonium Nitrate from 2.5% to 5%, Muriate of potash - for use as manure or for the production of complex fertilizers from NIL to 5%, Di-ammonium phosphate	Addressing inverted customs duty structure on bulk chemicals will help the domestic specialty producers. Companies like Coromandel International, Dhanuka, UPL, Deepak Fertiliser,

	- for use as manure or for the production of complex fertilizers from NIL to 5%.	Chambal fertilizers, Bayer CropScience, Vinati Organics etc. will benefit.
	Basic customs duty increased on Crude palm/Soya-bean/Sunflower seed oil from 15% to 17.5%, 15% to 20%, and 15% to 20%.	This will adversely impact the chemical companies involved in the production of oleochemicals, as they import these vegetable oils as their raw materials.
Auto	Voluntary vehicle scrapping policy, to phase out old and unfit vehicles over 20 years in case of PV and 15 years in case of CV. Details are awaited.	Tata Motors, Ashok Leyland, Eicher, M&M, Maruti Suzuki
	Imposition of Agriculture and Infrastructure Development Cess of Rs 2.5 per litre on petrol and Rs 4 per litre on diesel	No impact as excise duties reduced by similar amount
	Custom Duty on carbon black increased from 5% to 7.5%	Negative impact on all tyre companies and beneficial for carbon black companies
	Customs duty on auto parts like ignition wiring sets, safety glass, parts of signaling equipment, etc. increased from 7.5%/10% to 15%	Boost to domestic manufacturers
	A new scheme will be launched at a cost of Rs.18,000 crores to support augmentation of public bus transport services. The scheme will facilitate deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses.	Beneficial for CV manufacturers like Ashok Leyland, Tata Motors, Eicher Motors
Aviation	Custom duty on components or parts, including engines, for manufacture of aircrafts by Public Sector Units of Ministry of Defence reduced from 2.5% to 0%	Beneficial for companies like Hindustan Aeronautics
Banking/NBFC	The FM announced plans to set up a new asset reconstruction company (ARC) and asset management company (AMC) as part of a strategy to clean up banks' balance sheets.	Positive Impact for PSU Banks

	Recapitalization of PSU Banks. Rs.20,000 Cr has been allocated for PSU Bank recapitalization	This is largely in line with expectations, though not sufficient. Positive Impact for PSU Banks
	The government will look to privatise two public sector banks, along with IDBI Bank.	This could rerate PSU Banks once the process begins seriously
	Agri credit target enhanced to Rs 16.5 lakh cr for FY22 vs Rs 15 lakh cr in FY21.	Banking sector could come under pressure as agriculture credit comes under priority sector lending and possibility of slippages may rise.
	Minimum loan size eligible for debt recovery bu NBFCs with an asset size of Rs.100 cr under the SARFAESI Act is proposed to be reduced from Rs 50 lakhs to Rs 20 lakhs.	Improve credit discipline and reduce NPAs for NBFCs
	Earmarked Rs 1,500 crores for a proposed scheme that will provide financial incentive to promote digital modes of payment.	Positive for banks
	Proposed to create a permanent institutional framework to instill confidence amongst the participants in the Corporate Bond Market during times of stress and to generally enhance secondary market liquidity.	Positive for Banks and AMCs
Capital Goods	The Jal Jeevan Mission (Urban) launched. It aims at universal water supply in all 4,378 Urban Local Bodies with 2.86cr household tap connections, as well as liquid waste management in 500 AMRUT cities. It will be implemented over 5 years, with an outlay of Rs 2,87,000 cr.	This will be beneficial for the PVC pipes companies, like Finolex Industries, Astral Poly, Prince Pipes and Supreme Industries are likely beneficiaries.
	Allocation to Micro Irrigation Fund, with a corpus of Rs 5,000 crores that was created under NABARD, has been doubled in the current budget.	Beneficial for micro irrigation companies
	The National Infrastructure Pipeline (NIP) has expanded to 7,400 projects.	Beneficial for L&T, GE T&D India Ltd, BEL, EIL, PNC Infratech, KNR constructions

Cement, Infrastructure, Building material, Real estate	By March 2022, government would be awarding another 8,500 kms and complete an additional 11,000 kms of national highway corridors.	Benefits to cement sector as well as infrastructure sector such as Ultratech cement, ACC, Ambuja Cement, Shree Cement, Heidelberg Cement, Birla Corp, Deccan Cement, Orient Cement, JK Cement, JK Lakshmi Cement. Road construction players like L&T, IRB Infrastructure Developers, KNR construction, NCC etc are key beneficiaries.
	3,500 km of National Highway works in the state of Tamil Nadu at an investment of Rs.1.03 lakh crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year	
	1,100 km of National Highway works in the State of Kerala at an investment of Rs.65,000 crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.	
	675 km of highway works in the state of West Bengal at a cost of Rs.25,000 crores including upgradation of existing road-Kolkata-Siliguri.	
	National Highway works of The State of Assam of more than Rs.34,000 crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.	
	Additional deduction of interest, amounting to Rs.1.5 lakh, for loan taken to purchase an affordable house. Extend the eligibility of this deduction by one more year, to 31st March 2022. This deduction available for loans taken up till 31st March 2022, for the purchase of an affordable house.	Improving demand environment in housing sector which will lead to higher demand of cement and building material. Extension of the tax holiday on affordable housing projects will encourage more launches in affordable housing category. Benefits to Ultratech cement, ACC, Ambuja Cement, Shree Cement, Heidelberg Cement, Birla Corp, Deccan Cement, Orient Cement, JK Cement, JK Lakshmi Cement
	Affordable housing projects can avail a tax holiday for one more year – till 31st March, 2022.	
	Exemption of dividend income on REITs. Debt Financing of InvITs and REITs by Foreign Portfolio Investors will be enabled by making suitable amendments in the relevant legislations. This will further ease access of	This will encourage investors to explore this market and further boost investment in the real estate sector. Benefits to Ultratech cement, ACC, Ambuja Cement, Shree Cement, Heidelberg

	finance to InvITs and REITs thus augmenting funds for infrastructure and real estate sectors.	Cement, Birla Corp, Deccan Cement, Orient Cement, JK Cement, JK Lakshmi Cement
	Exemption of import duty on steel scrap up to March 2022	Will benefit infrastructure and Real estate companies – users of the steel
	Professionally managed development financial institution (DFI) will be formed with an allocation of 20,000cr.	All infrastructure and capital goods companies will benefit.
	Extend the eligibility of additional deduction of interest, amounting to Rs.1.5 lakh, for loan taken to purchase an affordable house by one more year, to 31st March 2022. Affordable Rental Housing for migrant workers. Allow tax exemption for notified Affordable Rental Housing Projects.	Beneficial for Housing finance and real estate companies.
FMCG/Retail	Rationalizing customs duty on gold/silver from effective rate of 12.88% to 10.75%, gold dore from 12.21% to 10.09% and silver dore from 11.33% to 9.21% and increase in duty of synthetic and polished stones from 7.5% to 15%	The marginal increase in price of Jewelry due to duty hike in price of stones will be offset by sharp reduction in import duty on gold and silver. Will benefit the Jewelry Sector in the long run though marginal hit on inventory in the near term. Positive for Titan
	Basic Customs Duty for Alcoholic Beverages has been reduced from 150% to 50% but AIDC of 100% is levied leaving overall duty unchanged at 150%	No major effect on Alcohol Beverage companies.
	On chrome tanned leather, semi-finished leather and all kinds of finished leather, the import duty has been increased from Nil to 10%.	Hike in the duty will help to counter the imports for cheap footwear from overseas market. Also, higher domestic production will optimize tanneries giving a boost to overall footwear industry.
	No change in taxation on cigarettes	Cigarettes companies like ITC, Godfrey Philips which are at the receiving end of new levies in Budgets will see some relief rally in their stock prices.
	Announced a new scheme called PM AtmaNirbhar Swasth Bharat Yojna, with an outlay of Rs 64,180cr over the next 6 years. This will be in addition	This will develop capacities of primary, secondary, and tertiary care Health Systems, strengthen existing national institutions,

Healthcare / Pharma	to the National Health Mission. 17000 rural and 11000 urban health and wellness centers will be set up.	and create new institutions, to cater to detection and cure of new and emerging diseases. It will help pharma, healthcare & diagnostic companies.
	The Budget outlay for Health and Wellbeing is pegged at Rs 2,23,846 crores as against Rs 94,452 crores with sharp increase of 137% over previous year. Expenditure on health and family welfare has been increased from Rs 65,012cr to Rs 71,269cr.	Positive development for pharma and healthcare sector. Key beneficiaries from our coverage. HCG, Apollo Hospitals, Alkem Labs, Sun Pharma, Sanofi India
	Govt. has provided Rs 35000cr for Covid-19 vaccine in the budget and remain committed to provide further funds if required.	Positive for Healthcare and logistics Sector
Housing Finance	Tax holiday extended for affordable housing projects for one more year	FM announced the extension of tax holiday for one more year for affordable rental housing projects to ensure affordable housing for migrant workers. Affordable rental housing projects are part of Pradhan Manti Gareeb Awas Yojana-Urban. This may improve the loan demand in this segment. Positive Impact for CanFIn Homes, LIC Housing, Repco Home, PNB Housing, Aavas Fin
	Extend the eligibility of additional deduction of interest, amounting to Rs.1.5 lakh, for loan taken to purchase an affordable house by one more year, to 31st March 2022. Affordable Rental Housing for migrant workers. Allow tax exemption for notified Affordable Rental Housing Projects.	Beneficial for Housing finance and real estate companies.
Insurance/AMC	Increasing permissible limit of FDI from current 49% to 74% in Insurance sector. The hike in the limit can fetch capital flows in the sector and would also bring best practices from foreign partners.	Positive Impact for SBI Life, ICICI Prudential, Max Financial, ICICI Lombard, New India Assurance
	Proposed to allow tax exemption for maturity proceed of the ULIP having annual premium up to Rs 2.5 lakh. Non-exempt ULIP shall be provided same concessional capital gains taxation regime as available to the mutual fund.	Positive for mutual fund industry

	The government will look to privatise one public sector General Insurance.	Positive Impact for PSU General Insurance players
Metal	Reduced the customs duty on imports of semi, flat steel—used to make ships, bridges, line pipes and other equipment—from 10%/12.5% to 7.5%. Customs duty on long products (used to make rails and wire rods) was also rationalized, from 10% to 7.5%.	Although major steel imports are from countries with which India has free trade agreements (zero custom duty); overall negative for domestic players as their realisations would be impacted.
	Increased Capital expenditure at Rs 5.54 lakh crore and various measures to push higher infrastructure spends	Positive Impact – Tata Steel, JSWL Steel, JSPL
	The government also exempted duty on steel scrap till March 2022, and revoked Anti-Dumping Duty and Countervailing Duties (CVDs) on certain steel products. which was around 2.5-5%. Reduced duty on copper scrap from 5% to 2.5%.	Beneficial for downstream steel companies and copper recyclers.
Oil and Gas	Government has proposed Agri Infra and Development Cess of Rs 2.5/litre on petrol, Rs 4 on diesel.	Consequent to imposition of Agriculture Infrastructure and Development Cess (AIDC) on petrol and diesel, Basic Excise Duty (BED) and Special Additional Excise Duty (SAED) rates have been reduced. No direct impact on consumers as well as Companies.
	Government has extended to cover 1 cr more beneficiaries for Ujjwala Scheme and decided to add 100 more GA (Geographical Area) in the next 3 years for city gas distribution.	The Ujjwala Scheme, which has already benefitted 8 crore households, will be extended to cover 1 crore more beneficiaries. Additionally, the government will add 100 more districts to the City Gas Distribution Network in the next three years. This move will help gas transmission and distribution companies like GAIL, GSPC, Gujarat Gas, IGL, Adani Gas and Mahanagar Gas.
	Government plans to monetize the Oil and Gas pipeline of potential brownfield infra projects, owned by GAIL, IOC and HPCL.	Pipelines of GAIL (India) Ltd, Indian Oil Corp (IOC) and HPCL will be monetized to achieve disinvestment target in the year 2021-22. Beneficial for them as their investments in pipelines will be monetized.

	Strategic divestment of BPCL.	Government has announced completion of strategic disinvestment of BPCL in FY22 to achieve divestment target at Rs 1.75 lakh crore in FY22.
	An independent Gas Transport System Operator to be set up for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis.	All gas marketers will have equal and transparent access to the common carrier part of the gas pipelines and will be able to book capacity depending on its availability.
Power	139 GW of installed capacity was added during 6 years connecting additional 2.8 crore households with addition of 1.41 lakh circuit km of transmission lines	Power producers and companies involved in transmission of power to benefit. One more attempt by the Govt to push through the reforms in power sector, the success of which will depend on the states' buying in.
	Revamped reforms-based result-linked power distribution sector scheme will be launched with an outlay of Rs 3,05,984 cr over 5 years.	
	Hydrogen energy mission will be launched	Companies involved in renewable energy EPC/generation to benefit.
	Customs duty on solar lanterns cut to 5%.	
Railways	It is expected that Western Dedicated Freight Corridor (DFC) and Eastern DFC will be commissioned by June 2022.	Dedicated Freight Corridor's (DFC) commissioning will certainly be a meaningful boost to volumes and efficiency. It will increase the average speed of goods trains from the existing 25 kmph to 70 kmph. Beneficial to Container Corporation of India.
	The Sonnagar – Gomoh Section (263.7 km) of Eastern DFC will be taken up in PPP mode in 2021-22. Gomoh-Dankuni section of 274.3 km will also be taken up in short run.	
	Future Dedicated Freight Corridor projects namely East Coast corridor from Kharagpur to Vijayawada, East-West Corridor from Bhusaval to Kharagpur to Dankuni and North-South corridor from Itarsi to Vijayawada.	
	Broad Gauge Route Kilometers (RKM) electrified is expected to reach 46,000 RKM i.e., 72% by end of 2021 from 41,548 RKM on 1st Oct 2020.	Rail project companies like IRCON, RITES and RVNL to benefit

	100% electrification of Broad-Gauge routes will be completed by December, 2023.	
	Announced Rs.1,10,055 crores, for Railways of which Rs.1,07,100 crores for capital expenditure.	
Shipping and Ports	7 ports projects worth more than Rs.2,000 crores will be offered by the Major Ports on Public Private Partnership mode in FY21-22.	Positive for port operation company like Adani Port
	A scheme to promote flagging of merchant ships in India will be launched by providing subsidy support to Indian shipping companies in global tenders floated by Ministries and CPSEs. An amount of Rs.1624 crores will be provided over 5 years.	Positive for shipping company like Shipping Corp. of India, GE Shipping
Telecom	The government expects around a 60% on-year jump in revenue from the telecom sector at Rs 53,986.72 crore in FY22 against a modest Rs 33,737 crore earned in the current fiscal year (vs Rs.133027 cr budgeted).	For FY22, Centre's higher revenue estimates from the telecom industry appear to be factoring in the upcoming 4G/5G spectrum sale. Response of the telecom companies to the auction and the price of spectrum will be interesting to watch.
Textile	A scheme of Mega Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme. 7 Textile Parks will be established over 3 years.	Broadly beneficial for textile companies in the medium term
	Announced reduction of the BCD rates on caprolactam, nylon chips and nylon fiber & yarn to 5% from 7.5%	Positive for companies which are using nylon as a raw material like Garware Technical Fibres
	Announcement of raising customs duty on cotton from nil to 10% and on raw silk and silk yarn from 10% to 15%.	Negative for domestic cotton manufacturers who import cotton/silk- silk yarn as raw materials.

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