

PETROCHEMICALS

PROPOSALS: Reduction in custom duty of naphtha to 2.5% from 4%.

IMPACT: This will benefit the domestic manufacturers of petrochemicals as naphtha is one of the most common feedstock used by crackers to make petro-based products. This, in turn, is expected to improve the domestic output of petrochemicals from India. Out of the 11 cracker complexes with ethylene production capacity in India, three are pure naphtha-based crackers, while three are dual-feed crackers (which can use naphtha and gas interchangeably as feedstock). Thus, a significant proportion of ethylene capacity in India is based on naphtha.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)	Trailing EPS (in ₹)
Reliance Industries Ltd	1,895.35	3.34	-5.62	-26.98	64.31
DCW Ltd	20	4.58	-15.78	NA	NA
Supremen Petrochem Ltd	369.35	1.05	-25.48	-49.80	28.65
Finolex Industries	592.75	2.71	-4.05	-53.82	27.13
Manali Petrochemicals	33.65	0.89	-59.53	-85.12	3.47

Source: CARE, BSE, CAPITALINE

HEALTHCARE

PROPOSALS: Allocation towards holistic healthcare increased to as much as ₹2,23,846 crore for FY2021-22 from ₹94,452 crore allocated in FY2020-21.

IMPACT: The rise in healthcare expenditure will benefit the Indian health infrastructure as we see introduction of a new scheme PM Atma Nirbhar Swasth Bharat Yojana which has an outlay of about ₹64,180 crore spread over six years which will develop capacities of primary, secondary, and tertiary care health systems in India. The coronavirus vaccination programme which comes at an allocation of ₹35,000 crore will support the inoculation process.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)	Trailing EPS (in ₹)
Sun Pharmaceuticals Industries Ltd	590.10	2.12	3.82	2.19	23.89
Divis Laboratories Ltd	3,470.70	4.44	1.09	5.59	66.26
Dr Reddy's Laboratories	4,428.60	-0.47	0.67	-96.39	130.81
Cipla Ltd	805.55	0.65	3.65	12.43	27.74
Aurobindo Pharma Ltd	922.20	2.31	9.30	3.29	53.65

Source: CARE, BSE, CAPITALINE

STEEL AND METALS

PROPOSALS: Basic duty on some products have been uniformly reduced to 7.5% while import of scrap steel has also been exempted for a period up to 31 March 2022. Anti-dumping duty (ADD) on certain steel products has been revoked and CVD on others originating in or exported from Indonesia, is being revoked. BCD on import of copper scrap has been reduced from 5% to 2.5%.

IMPACT: The budget has reduced basic customs duty on semis, flat, and long products of non-alloy, alloy, and stainless steels uniformly to 7.5%. The import of steel scrap has been exempted for a period up to 31 March 2022. These steps are likely to benefit smaller secondary steel producers.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)
JSW Steel Ltd	380.70	4.46	15.14	6
Tata Steel Ltd	636.15	6.45	53.18	
Hindalco Industries Ltd	241.35	7.92	23.55	
Jindal Steel & Power Ltd	277.50	7.19	17.07	
Steel Authority of India Ltd	63.60	11.46	17.19	

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*Budget estimates **Revised estimates

OIL & GAS

PROPOSALS: Extension of the Ujjwala Scheme; widening of coverage of city gas distribution network and asset monetization programme.

IMPACT: Overall, the above proposals augur well for the oil and gas segment, with midstream and downstream companies benefitting largely. Oil marketing companies will be able to get a wider coverage in terms of providing additional one crore free liquefied petroleum gas connections. Midstream companies can set up gas pipelines in the Union territory of Jammu and Kashmir and city gas distribution players will be able to increase their reach to more geographies.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)	Trailing EPS (in ₹)
Reliance Industries Ltd	1,895.35	2.83	5.95	36.94	62.89
Indian Oil Corp. Ltd	95.85	2.73	24.80	-27.66	-0.97
ONGC Ltd	90.85	2.77	33.80	3,520.30	8.67
Hindustan Petroleum Corp	217.95	-0.34	37.30	32.10	17.32
Bharat Petroleum Corp	392.85	2.34	30.03	11.19	15.53

Source: CARE, BSE, CAPITALINE

FMCG

PROPOSALS: While no specific budget announcements were made for the fast-moving consumer goods (FMCG) industry, the allocation to the major scheme—Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been reduced by 36.4% while the allocation proposed for the PM-KISAN scheme is the same as last year.

IMPACT: Rural demand for this industry is expected to be negatively affected on account of the lower allocations. This potential negative impact could possibly be offset on the back of a favourable monsoon and good agricultural output.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)	Trailing EPS (in ₹)
ITC Ltd	215.95	6.25	25.40	34.14	12.47
Hindustan Unilever Ltd	2,255.00	-0.37	3.90	-1.87	31.21
Nestle India Ltd	17,096.95	0.17	15.91	20.65	204.68
Britannia Industries Ltd	3,539.95	1.06	-0.89	-8.72	58.35
Godrej Consumer Products	753.40	1.11	25.21	15.99	14.64

Source: CARE, BSE, CAPITALINE

CONSUMER DURABLES

PROPOSALS: For manufacturing of electronics and mobile phones, a few of the exemptions on parts of chargers and sub-parts of mobile phones are being withdrawn. In addition to this, some parts of mobile phones which had no customs duty will now be charged at a moderate rate of 2.5%.

IMPACT: Both the proposals of withdrawing exemptions and charging customs duty are expected to increase the price of mobile phones and hence discourage imports of the said mobile phone parts. The measures are aimed at encouraging domestic manufacturing as part of the push for an Atmanirbhar Bharat.



Company	Closing price (in ₹)	% change intraday	Sales growth (in %)	Net profit growth (in %)	Trailing EPS (in ₹)
Titan Co. Ltd	1,502.00	5.72	201.68	NA	16.91
Dixon Technologies (India)	15,172.25	7.38	217.01	3,172.50	104.15
Whirlpool of India Ltd	2,550.35	-0.44	55.73	755.05	38.64
Voltas Ltd	937.55	3.20	24.93	-3.45	15.63
Bajaj Electricals Ltd	739.20	2.31	100.28	NA	-0.89

Source: CARE, BSE, CAPITALINE