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IMPACT OF UNION BUDGET ANNOUNCEMENT 2023 ON INDIAN INDUSTRIES

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Abstract: India with a GDP of \$3.737 trillion in FY 23 is amongst the fastest-growing economies across the world. With the ease of doing business rank of 63 among 190 countries in 2019, the country now offers a growing and thriving atmosphere for investors, vis-à-vis, both domestic and foreign investors. With the largest youth population in the world, it provides business enterprises with a highly skilled workforce and a strong work ethic (IBEF, 2022). Recovering from inflation, pandemic-induced contraction, and the Russian-Ukraine conflict, the Indian economy is currently observing a broad-based recovery across the sectors and is set to rise to the pre-pandemic level in the current fiscal. The economy went through a wide-range of structural and governance reforms, which strengthened the economy by increasing the overall productivity from F.Y. 2014 to F.Y. 2022. The host of government initiatives during the period also aided with India's investment growth, viz. developing India's financial system, relaxing FDI norms, and improving the infrastructure. The Government has promulgated an investor-friendly FDI policy, where the majority of the sectors are now open for FDI up to 100 percent under the automatic route.

With the necessity of making a tough balancing act. The 2021-22 and 2022-23, Budget was, for the most part, a 'pandemic budget', focusing on economic recovery. The government's expenditure was chiefly aimed at immediate spending requirements of healthcare (to support COVID-19 infrastructure, to buy vaccines, to overcome supply chain disruptions of essentials, etc.) and boost the social sector funding for the support of the most vulnerable sections of society.

The current study attempts to examine the impact of budget announcements in 2022 and 2023 on the price behavior of S&P BSE 100 companies and on the selected Indian industries. However, from the examination of daily return (15-day window) pre and post-budget announcements using paired t-test, the differences were not significant in most of the cases. The study also examined which and what industries the government has prioritized by the government in the two budgets by ranking them in the order based on the computation of abnormal returns for the period.

Keywords: Event Study Methodology, Fiscal Responsibility and Budgetary Management Act 2003,

Union Budget 2022-23, Union Budget 2023-24

Introduction

Globalization and economic integration had led to double-digit economic growth with the accelerated pace of innovation and fierce competition. Investor community, vis-à-vis the institutional investors, foreign investors, domestic investors, and foreign portfolio investors today have become the instruments of global economic integration, and a stimulator of the country's economy. Strong capital inflows reflect a sustained push in domestic economic activity, positive investment sentiments, improved corporate performance, a long-term view of India as an investment destination, favorable liquidity conditions, and better interest rates climate in the global market.

Long-term value maximization is the basic objective of wealth investors. Long-term investors make investments post a thorough examination of the fundamentals and technical charts surrounding the underlying security. Foreign investors dig much deeper into the fundamentals, by examining the security at different levels, viz. country level, industry level, and company level. With government and RBI, announced various fiscal and monetary reliefsto businesses and society to deal with the Covid-19 crisis and its adverse effects during FY. 2020-23, the fiscal deficit of the country had gone up to an alarming level, violating the targetset under the Fiscal Responsibility and Budget Management Act, of 2003. A higher fiscal deficit will have an adverse effect on the economy of the country. The FRBM Act 2003sets financial guidelines for the Central Government to foster economic discipline, achieve balanced budgetary control, and better revenue management. The Act encompasses the targets and guidelines for the Central Government and the State Governments on reducing therevenue deficit and fiscal deficits of the country and the States.

The initial FRBM Act enacted in 2003 targeted to reduce fiscal deficit to 3 percent of the GDP and an annual minimum reduction of 0.5 percent of GDP by March 31st, 2009. However, the targets still need to be met due to the impact of the Financial Crises 2008. The targets set by the Act was amended in 2012 and the target realization year was fixed to March31st, 2015. The fiscal deficit target for the year 2015 was 3 percent with a target minimum reduction rate of 0.3 percent of GDP. The Act was once again amended by pushing the realization targets and the date further to March 31st, 2018. The FRBM review committee was constituted, which recommended the government reduce the fiscal deficit to 3 percent by March 31st, 2020, and cut the deficits further to 2.8 percent in F.Y. 2020-21 and 2.5 percent by FY 2022. The trend (2017 to 2023) of GDP, Fiscal Deficit to GDP, and Revenue Deficit to GDP of India is as follows;

Economic Indicators	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
GDP (Nominal)	7.1	4.5	3.7	- 6.6	8.7	7.0
Fiscal Deficit	3.5	3.4	4.6	9.2	6.7	6.4
Fiscal Deficit Target	3.0	3.0	3.0	2.8	-	2.5
Revenue Deficit	2.6	2.4	3.3	7.3	4.4	3.8

Source: <https://dea.gov.in>

India, which is highly dependent on imports of petroleum, electronic items, and precious metals, most often agonizes due to the rise in the balance of payment problems arising due to increased imports over exports. The rise in the balance of payment problems has serious and negative implications for the country's economy

and its global value. Fiscal prudence vis-à-vis planned capital expenditure and judicious revenue collection on the part of the government can take the country's economy a long way, making it more global and emerging. The strict implementation of FRBM or the removal of the provisions of the FRBMA Act was a burgeoning topic of debate by experts and critics of the Act, over a decade and more due to inconsequentiality observed, vis-à-vis the target set in the past remains a challenging task till date and a matter of concern.

Capital market investments, more specifically foreign direct investment play a vital importance in the capital budgeting decisions of the country, the surplus in foreign direct investments minimizes the problem that arises due to a trade deficit. The flow of funds in an economy will not be stable until and unless the foreign exchange rate trends are managed diligently. The investments (both domestic and foreign direct investments) not only give access to long-term capital requirements of the industries but also provides the domestic countries with the desired skill sets, cutting-edge technology, tools of innovation, and other complementary skills.

Event study methodology examines the behavior of prices (listed securities) around certain events, which are perceived as having an impact on the long-term value of a security. Since early 1970, the event study methodology has become a standard technique for measuring the stock price reaction to some event or announcement. Annual budget announcement is one such event, where the finance minister of the country presents the master budget of the central government in general and of all the union ministry in particular for the corresponding financial year. The budget itself is the fiscal policy of the government focusing on all the segments of the economy. Various studies in the corporate financial domain more recently have judiciously analyzed, the impact of corporate financing decisions (announcements) on the market value of the firm, with the presumptions that; management seeks to maximize the market value of the listed security and market forces compel the management to follow value maximization rule at times when making corporate budgeting decisions.

The capital market of a country is efficient if it clearly and correctly reflects all the relevant information in determining the prices of the listed security. The current paper is an attempt towards examining the price behavior of S&P BSE 100 companies to the Union Budget 2022 and Union Budget 2023.

Objectives of the Study

- (i) To examine the impact of Union Budget 2023 on S&P BSE 100 companies
- (ii) To examine the impact of Union Budget 2023 on Indian Industries
- (iii) To examine the impact of Union Budget 2022 on Indian Industries
- (iv) To examine the difference between the abnormal returns – Post Union Budget 2022 and Union Budget 2023 announcements

Methodology: The study is analytical in nature, and intended to examine the investors' sentiments (positive or negative) across the budget announcement window. S&P BSE 100 index companies and the industries represented by the constituent companies as of 1st of March 2023-24 were considered for the study. However,

94²¹ companies constituting 51 industries representing all three sectors of the country were included for analysis purposes due to the availability of required data. Each industry includes various companies or business units of the country. The union budget announcement will have an impact on the business environment of almost all the industries of the country. All mentioned above, S&P BSE 100 index companies include the majority of Indian industries, measuring the abnormal returns of constituent companies give a broad overview or understanding of the stock price reaction and investment behavior towards an information set (budgetary verdict).

I. Abnormal Returns – Pre and Post-Budget Announcement 2023

Roberts (1967) classified security market into three types based on the level of efficiency and type of information sets; (i) Weak Form of Market Efficiency ('Random Walk Hypothesis').

(ii) Semi-Strong Form Market Efficiency, (iii) The Strong Form of Market Efficiency. Each of the three levels focuses on probability of making abnormal returns from an investment strategy devised by the investors with the particular information sets. The efficient market hypothesis strongly perceives the market as highly efficient by agreeing to strong form of market efficiency. The forthcoming model, the 'Event Study Methodology' developed for modelling the price reaction in the market across certain events, supports all the three level of market efficiency based on the level of importance the event or an information set have on the investors investment decisions. The following examination of abnormal returns across an event (Union-Budget announcement) window is in line with both Efficient Market Hypothesis and Event Study Methodology. The analysis of the impact of pre and post budget 2023 announcements on price behavior of S&P BSE 100 index companies are as follows;

Table 1: Abnormal Returns – Union Budget 2023 [15 Day Window]

SL. No.	Security	T-Value	Inference	SL. No.	Security	T-Value	Inference
1	MFSL	0.5162	Not Significant	48	COALINDIA	0.4921	Not Significant
2	EICHERMOT	0.2521	Not Significant	49	SUNPHARMA	0.8911	Not Significant
3	CHOLAFIN	0.2603	Not Significant	50	VEDL	0.7886	Not Significant
4	INDIGO	0.0860	Not Significant	51	HINDALCO	0.6922	Not Significant
5	GRASIM	0.8639	Not Significant	52	ADANIPOWER	0.6609	Not Significant
6	COLPAL	0.8252	Not Significant	53	HDFC	0.3688	Not Significant
7	ICICIPRULI	0.0452	Significant	54	BEL	0.1885	Not Significant
8	PIIND	0.2283	Not Significant	55	HEROMOTOCO	0.3440	Not Significant
9	MARICO	0.8071	Not Significant	56	INDUSINDBK	0.0013	Significant
10	BAJAJHLDNG	0.7476	Not Significant	57	LUPIN	0.3827	Not Significant

¹ Historical (day-wise stock price) data is available only for 94 companies out of 100 companies. Ref: www.bseindia.com, www.finance.yahoo.com

11	TATAELXSI	0.3142	Not Significant	58	INDHOTEL	0.5587	Not Significant
12	SIEMENS	0.6370	Not Significant	59	ONGC	0.2043	Not Significant
13	SHREECEM	0.9759	Not Significant	60	NAUKRI	0.9140	Not Significant
14	JSWSTEEL	0.7664	Not Significant	61	GAIL	0.6201	Not Significant
15	TITAN	0.4441	Not Significant	62	AUBANK	0.7884	Not Significant
16	PIDILITIND	0.3184	Not Significant	63	CIPLA	0.5178	Not Significant
17	DMART	0.9533	Not Significant	64	BHARTIARTL	0.9824	Not Significant
18	BRITANNIA	0.5834	Not Significant	65	NTPC	0.8526	Not Significant
19	MPHASIS	0.7489	Not Significant	66	ADANIENT	0.4794	Not Significant
20	FEDERALBNK	0.8548	Not Significant	67	INFY*	0.5197	Not Significant
21	KOTAKBANK	0.6275	Not Significant	68	ULTRACEMCO	0.7129	Not Significant
22	BAJAJ-AUTO	0.4127	Not Significant	69	ADANIPTS	0.0425	Significant
23	TECHM	0.6393	Not Significant	70	SRF	0.4964	Not Significant
24	DLF	0.0482	Significant	71	AMBUJACEM	0.0906	Not Significant
25	GODREJCP	0.7464	Not Significant	72	RELIANCE	0.0290	Significant
26	TATAMTRDVR	0.8288	Not Significant	73	SBILIFE	0.0153	Significant
27	HAVELLS	0.5754	Not Significant	74	BANKBARODA	0.1108	Not Significant
28	NESTLEIND	0.1447	Not Significant	75	TATASTEEL	0.4993	Not Significant
29	CROMPTON	0.8395	Not Significant	76	VOLTAS	0.1180	Not Significant
30	BHARATFORG	0.4931	Not Significant	77	SBIN	0.0901	Not Significant
31	UPL	0.6282	Not Significant	78	TATAMOTORS	0.9134	Not Significant
32	APOLLOHOSP	0.1227	Not Significant	79	BAJAJFINSV	0.2620	Not Significant
33	GODREJPROP	0.1088	Not Significant	80	TCS	0.8650	Not Significant
34	DRREDDY	0.6286	Not Significant	81	BAJFINANCE	0.2620	Not Significant
35	DABUR	0.2543	Not Significant	82	ASIANPAINT	0.8650	Not Significant
36	BPCL	0.1825	Not Significant	83	DIVISLAB	0.8658	Not Significant
37	ICICIGI	0.1027	Not Significant	84	AUROPHARMA	0.4650	Not Significant
38	HINDUNILVR	0.4762	Not Significant	85	TATAPOWER	0.3772	Not Significant
39	ASHOKLEY	0.3081	Not Significant	86	HDFCLIFE	0.0461	Significant
40	HDFCBANK	0.3493	Not Significant	87	ITC	0.9532	Not Significant
41	LT	0.8593	Not Significant	88	M&M	0.1100	Not Significant
42	POWERGRID	0.5996	Not Significant	89	ZEEL	0.4872	Not Significant
43	PAGEIND	0.2773	Not Significant	90	AXISBANK	0.5479	Not Significant

44	IOC	0.3112	Not Significant	91	MARUTI	0.6370	Not Significant
45	TRENT	0.9800	Not Significant	92	HCLTECH	0.0590	Not Significant
46	JUBLFOOD	0.5818	Not Significant	93	ICICIBANK	0.1744	Not Significant
47	WIPRO	0.8461	Not Significant	94	ACC	0.4336	Not Significant

Source: Authors Compilation based on data obtained from www.finance.yahoo.com

The above examination of, the impact of union budget announcement 2023-24 on S&P BSE 100 index companies revealed that; in majority of cases, viz. 88 of 93 companies, there is no significant difference in mean abnormal returns, the investors have got from investing in the stock of the respective company before budget announcement [2nd of February 2023-24], with that of the quantum of abnormal returns the investors gained post budget announcement. In contrary, there is a significant difference in the mean abnormal returns of HDFC Life, SBI Life, Reliance, DLF, Adani Ports, IndusInd Bank, and ICICI Prudential before budget announcement 2023 and after budget announcement 2023.

II. IMPACT OF UNION BUDGET ANNOUNCEMENTS 2023 ON INDIAN INDUSTRIES

The Budget 2023-24 comes amid a positive economic stance. Growth is expected at 7 percent this year, much higher compared to that of other emerging economies. The GDP of the country has risen from being 10th to 5th largest amongst the countries across the globe. The per capita income for the year has doubled increasing to Rs. 1.97 lakh in 9 years.

Budget Estimates 2023

- ❖ The total receipts other than borrowings is estimated at Rs 27.2 lakh crore and the total expenditure is estimated at Rs 45 lakh crore.
- ❖ The net tax receipts are estimated at Rs 23.3 lakh crore.
- ❖ The fiscal deficit is estimated to be 5.9 per cent of GDP.
- ❖ To finance the fiscal deficit in 2023-24, the net market borrowings from dated securities are estimated at Rs 11.8 lakh crore.

Table 2: Association among Indian Industries – Impact Post Budget 2023 Announcement

F	P-value	F critical
0.932081	0.61174	1.3607564

Source: Authors Compilation

The obtained F-value is 0.9321, which is less than the table value 1.3608. Thus it could be understood that, “there is no significant association among the industries with regard to the announcement of budget (2023). In other words, the impact of budget announcement, vary from industry to industry. The level of satisfaction among the stakeholders vary between the industries across three sectors.

Table 3: Impact of Union Budget 2023 on Indian Industries – Positive to Negative Effect [Ranking]

Sl. No.	Industries	Mean Returns	Variance	Rank
1	Port and Port Services	0.0104	0.0019	1
2	Life insurance	0.0077	0.0007	2

3	Heavy Electrical Equipments	0.0052	0.0002	3
4	Consumer Electronics	0.0048	0.0002	4
5	Public Sector Bank	0.0046	0.0004	5
6	Aerospace and Defense	0.0045	0.0001	6
7	Refineries and Marketing	0.0039	0.0001	7
8	Passenger Cars and Utility Vehicles	0.0038	0.0002	8
9	Packaged Foods	0.0034	0.0002	9
10	Commercial Vehicle	0.0033	0.0003	10
11	Oil Exploration and Production	0.0032	0.0001	11
12	Pharmaceuticals	0.0027	0.0001	12
13	Holding Company	0.0023	0.0005	13
14	Residential, Commercial Projects	0.0023	0.0001	14
15	Diversified FMCG	0.0022	0.0001	15
16	General Insurance	0.0020	0.0001	16
17	Specialty Chemicals	0.0020	0.0001	17
18	Hospital	0.0017	0.0001	18
19	Castings and Forgings	0.0017	0.0001	19
20	Gems, Jewelry and Watches	0.0013	0.0005	20
21	Gas Transmission or Marketing	0.0013	0.0001	21
22	Diversified Metals	0.0010	0.0003	22
23	Civil Construction	0.0005	0.0001	23
24	Computer Software and Consulting	0.0004	0.0001	24
25	Other Banks	-0.0001	0.0002	25
26	Specialty Retail	-0.0002	0.0008	26
27	Integrated Power Utilities	-0.0002	0.0001	27
28	Airline	-0.0005	0.0001	28
29	Power Transmission	-0.0005	0.0001	29
30	TV Broadcasting and Software Production	-0.0006	0.0001	30
31	Internet and Catalogue Retail	-0.0006	0.0002	31
32	Pesticides and Agrochemicals	-0.0007	0.0004	32
33	Private Sector Bank	-0.0010	0.0001	33
34	Hotels and Resorts	-0.0013	0.0002	34
35	Personal Care	-0.0015	0.0001	35
36	Restaurants	-0.0017	0.0004	36
37	Non-Banking Financial Company	-0.0017	0.0004	37
38	Housing Finance Company	-0.0018	0.0002	38
39	Paints	-0.0019	0.0001	39
40	Telecom Cellular and Fixed line services	-0.0019	0.0002	40
41	Specialty Chemicals	-0.0020	0.0001	41
42	Cement and Cement Products	-0.0020	0.0001	42
43	Coal	-0.0025	0.0001	43
44	Household Appliances	-0.0027	0.0008	44
45	Iron and Steel	-0.0030	0.0004	45
46	Aluminum	-0.0039	0.0005	46
47	2/3 wheelers - Automobile	-0.0041	0.0002	47
48	Diversified Retail	-0.0060	0.0001	48
49	Garments and Apparels	-0.0061	0.0002	49
50	Trading Mineral	-0.0071	0.0105	50
51	Power Generation	-0.0223	0.0009	51

Source: Authors Compilation

The above table rank Indian industries based on the level of impact the union budget have [industry with positive abnormal returns to negative abnormal returns in descending order] in contributing to the risk and return prospects of companies within the particular industry.

III. IMPACT OF UNION BUDGET ANNOUNCEMENTS 2022 ON INDIAN INDUSTRIES

Budget 2022 lays down the blueprint for the next 25 years of India's growth. With an estimated growth of 9.2

percent, the government proposes to spend Rs 39,44,909 crore in 2022-23, an increase of 4.6% over the estimate of 2021-22. The receipts (other than the borrowings) in 2022-23 are expected to be Rs 22,83,713 crore, which is an increase of 4.8% over the estimate of 2021-22.

Budget Estimates 2022:

- ❖ The total receipts other than borrowings is Rs 24.3 lakh crore, of which the net tax receipts are Rs 20.9 lakh crore.
- ❖ The total expenditure is Rs 41.9 lakh crore, of which the capital expenditure is about Rs 7.3 lakh crore.
- ❖ The fiscal deficit is 6.4 per cent of GDP, adhering to the Budget Estimate.
- ❖ The gross market borrowings are estimated at Rs 15.4 lakh crore.

Table 4: Association among Indian Industries – Impact Post Budget 2022 Announcement

F	P-value	F critical
0.50127	0.99876	1.36076

Source: Authors Compilation

The obtained F-value is 0.50127, which is less than the table value 1.3608. Thus it could be understood that, “there is no significant association among the industries with regard to the announcement of budget (2022). In other words, the impact of budget announcement, vary from industry to industry. The level of satisfaction among the investors vary between the industries across three sectors.

Table 5: Impact of Union Budget 2022 on Indian Industries – Positive to Negative Effect [Ranking]

Sl. No.	Industries	Mean Returns	Variance	Rank
1	Power Generation	0.0088	0.0032	1
2	Airline	0.0045	0.0014	2
3	Non-Banking Financial Company	0.0042	0.0006	3
4	2/3 wheelers - Automobile	0.0027	0.0004	4
5	Diversified Metals	0.0025	0.0005	5
6	Holding Company	0.0016	0.0006	6
7	Hospital	0.0013	0.0006	7
8	Consumer Electronics	0.0010	0.0003	8
9	Coal	0.0009	0.0004	9
10	Paints	0.0007	0.0002	10
11	Aluminum	0.0007	0.0004	11
12	Gems, Jewelry and Watches	0.0005	0.0003	12
13	Heavy Electrical Equipments	-0.0002	0.0003	13
14	Private Sector Bank	-0.0002	0.0007	14
15	Personal Care	-0.0003	0.0002	15
16	Public Sector Bank	-0.0004	0.0011	16
17	Specialty Retail	-0.0007	0.0004	17
18	Diversified Retail	-0.0009	0.0004	18
19	Diversified FMCG	-0.0010	0.0001	19
20	Oil Exploration and Production	-0.0014	0.0004	20
21	Specialty Chemicals	-0.0015	0.0007	21
22	Pharmaceuticals	-0.0015	0.0002	22
23	Telecom Cellular and Fixed line services	-0.0020	0.0003	23
24	Specialty Chemicals	-0.0023	0.0003	24
25	Housing Finance Company	-0.0027	0.0005	25
26	Trading Mineral	-0.0028	0.0006	26
27	Power Transmission	-0.0029	0.0002	27

28	Port and Port Services	-0.0030	0.0004	28
29	Packaged Foods	-0.0030	0.0002	29
30	Cement and Cement Products	-0.0030	0.0004	30
31	Commercial Vehicle	-0.0031	0.0006	31
32	Aerospace and defense	-0.0031	0.0002	32
33	Iron and Steel	-0.0032	0.0004	33
34	Refineries and Marketing	-0.0033	0.0002	34
35	Garments and Apparels	-0.0034	0.0006	35
36	Other Banks	-0.0041	0.0007	36
37	General Insurance	-0.0048	0.0002	37
38	Castings and Forgings	-0.0049	0.0004	38
39	Civil Construction	-0.0050	0.0004	39
40	Hotels and Resorts	-0.0053	0.0006	40
41	Household Appliances	-0.0058	0.0005	41
42	Gas Transmission or Marketing	-0.0059	0.0002	42
43	Life insurance	-0.0071	0.0004	43
44	Internet and Catalogue Retail	-0.0072	0.0006	44
45	Integrated Power Utilities	-0.0073	0.0008	45
46	Passenger Cars and Utility Vehicles	-0.0080	0.0010	46
47	Pesticides and Agrochemicals	-0.0081	0.0003	47
48	Computer Software and Consulting	-0.0082	0.0006	48
49	Restaurants	-0.0089	0.0007	49
50	TV Broadcasting and Software Production	-0.0119	0.0008	50
51	Residential, Commercial Projects	-0.0143	0.0008	51

Source: Authors Compilation

The above table rank Indian industries based on the level of impact the union budget have [industry with positive abnormal returns to negative abnormal returns in descending order] in contributing to the risk and return prospects of companies within the particular industry.

IV. Investor Sentiments [Industry-Wise Comparison]

The impact of budget (2022-23 & 2023-24) announcement on Indian Industries for understanding, which industries the government has prioritized over the last two years, considering it of a national interest at the time when all the levers of economic growth are at stress. The policy decisions during the years is of vital importance, viz. every single decisions of the government was observed very seriously by the investors community across the globe, taking note of all the pieces of information having repercussions on the market value of shares. The performance of companies across industries post union budget announcement 2022-23 and 2023-24 is as follows;

Table 6: Positive Investor Sentiments [Industry-Wise Comparison]: Post Union Budget 2022-23 and Union Budget 2023-24 Announcements

Sl. No.	Industry	T-Value	Inference	Mean Returns 2022-23	Mean Returns 2023-24	Rank
1	Port and Port Services	0.2897	Not Significant	-0.0030	0.0104	1
2	Consumer Electronics	0.5195	Not Significant	0.0010	0.0048	2
3	Heavy Electrical Equipments	0.3783	Not Significant	-0.0002	0.0052	3
4	Public Sector Bank	0.6151	Not Significant	-0.0004	0.0046	4
5	Airline	0.6260	Not Significant	0.0045	-0.0005	5

6	Diversified Metals	0.8312	Not Significant	0.0025	0.0011	6
7	Hospital	0.9559	Not Significant	0.0013	0.0017	7
8	Non-Banking Financial Company	0.4755	Not Significant	0.0043	-0.0018	8
9	Oil Exploration and Production	0.4420	Not Significant	-0.0014	0.0032	9
10	Gems, Jewelry and Watches	0.9087	Not Significant	0.0005	0.0013	10
11	Aerospace and defense	0.0868	Not Significant	-0.0031	0.0045	11
12	Pharmaceuticals	0.3175	Not Significant	-0.0015	0.0027	12
13	Diversified FMCG	0.4433	Not Significant	-0.0010	0.0022	13
14	Life insurance	0.0910	Not Significant	-0.0071	0.0077	14
15	Refineries and Marketing	0.1217	Not Significant	-0.0033	0.0039	15
16	Specialty Chemicals	0.6494	Not Significant	-0.0015	0.0020	16
17	Packaged Foods	0.2357	Not Significant	-0.00300	0.0034	17
18	Commercial Vehicle	0.4207	Not Significant	-0.0031	0.0033	18
19	Holding Company	0.9346	Not Significant	-0.0002	0.0002	19
20	Specialty Retail	0.9530	Not Significant	-0.0007	-0.0002	20
21	Paints	0.5562	Not Significant	0.0007	-0.0019	21
22	Private Sector Bank	0.9127	Not Significant	-0.0002	-0.0010	22
23	2/3 wheelers - Automobile	0.2888	Not Significant	0.0027	-0.0041	23
24	Coal	0.5740	Not Significant	0.0009	-0.0025	24
25	Personal Care	0.7834	Not Significant	-0.0003	-0.0015	25
26	General Insurance	0.1816	Not Significant	-0.0048	0.0020	26
27	Aluminum	0.5500	Not Significant	0.0007	-0.0039	27
28	Castings and Forgings	0.2723	Not Significant	-0.0050	0.0017	28
29	Power Transmission	0.5832	Not Significant	-0.0029	-0.0005	29
30	Telecom Cellular and Fixed line services	0.9842	Not Significant	-0.0020	-0.0019	30
31	Passenger Cars and Utility Vehicles	0.2042	Not Significant	-0.0080	0.0038	31
32	Other Banks	0.6012	Not Significant	-0.0041	-0.0001	32
33	Specialty Chemicals	0.9416	Not Significant	-0.0023	-0.0020	33
34	Housing Finance Company	0.8933	Not Significant	-0.0027	-0.0018	34
35	Civil Construction	0.3349	Not Significant	-0.0050	0.0005	35
36	Gas Transmission or Marketing	0.1314	Not Significant	-0.0059	0.0013	36
37	Cement and Cement Products	0.8610	Not Significant	-0.0030	-0.0020	37
38	Iron and Steel	0.9771	Not Significant	-0.0032	-0.0030	38
39	Hotels and Resorts	0.5809	Not Significant	-0.0053	-0.0013	39
40	Diversified Retail	0.4051	Not Significant	-0.0009	-0.0060	40
41	Integrated Power Utilities	0.3612	Not Significant	-0.0073	-0.0002	41
42	Internet and Catalogue Retail	0.3726	Not Significant	-0.0072	-0.0006	42
43	Computer Software and Consulting	0.2276	Not Significant	-0.0082	0.0004	43
44	Household Appliances	0.7360	Not Significant	-0.0058	-0.0027	44
45	Pesticides and Agrochemicals	0.2899	Not Significant	-0.0081	-0.0007	45
46	Garments and Apparels	0.7129	Not Significant	-0.0034	-0.0061	46
47	Trading Mineral	0.8750	Not Significant	-0.0028	-0.0071	47
48	Restaurants	0.4149	Not Significant	-0.0089	-0.0017	48
49	Residential, Commercial Projects	0.0407	Significant	-0.0143	0.0023	49
50	TV Broadcasting and Software Production	0.1697	Not Significant	-0.0119	-0.0006	50
51	Power Generation	0.0709	Not Significant	0.0088	-0.0223	51

Source: Authors Compilation based on data obtained from finance.yahoo.com

All the industries except “Residential, Commercial Projects” [with p-value of 0.04 ($p < 0.05$)] had observed a significant difference in market returns post budget announcement 2022-23 and 2023- 24, i.e. the prioritization of the government to “Residential, Commercial Projects” vary between the years. Further the government prioritized more on; Port and Port Services, Customer Electronics, HeavyElectrical Equipments, Public Sector Banks (ranked in the above table).

Conclusion

The underlying emphasis of the Union budget 2023 and 2024 was on improving, the living conditions of the public and promoting ease of doing business environment in the country, with broad principles of creating public goods, adopting trust-based governance, P- P-P model for development, and improving the agricultural productivity. The focus of the budget for enhancing the ease of doing business provided a conducive climate for domestic investment and capital inflows into the country. From the study of price behavior of S&P BSE100 companies and selected industries across the event, union budget announcement 2023 and2024, it was found that (a) in the majority of cases, there is no significant difference between abnormal returns Pre and Post-budget announcement 2023 and 2024 on indexed companies, (b) in the majority of cases, there is no significant association between abnormal returns of selected industries, Post-budget announcement 2023 and 2024, (c) the government prioritizedmore; Port and Port Services Industry, Customer Electronics Industry, Heavy Electrical Equipments Industry, Public Sector Banking Industry and so on, while prioritizing less on, Power Generation, T.V. Broadcasting and Software Production, Residential, Commercial Projects, Restaurants and so on.

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