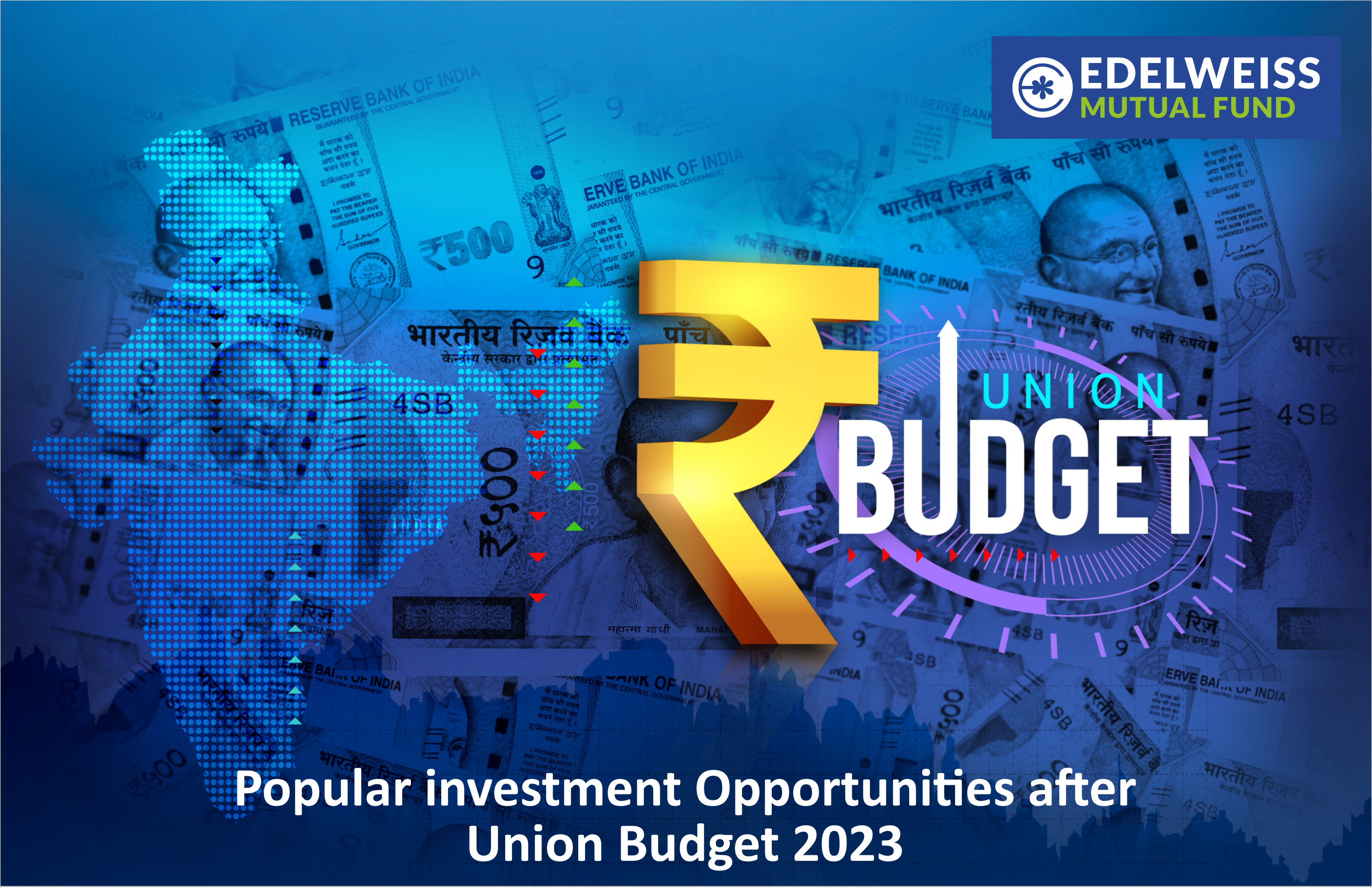

Popular investment Opportunities after Union Budget 2023

Every Budget brings with it a variety of changes and investment opportunities for savvy individuals and the Union Budget 2023, tabled on February 1 by Finance Minister Nirmala Sitharaman, is no different. Given that the Budget has taken significant efforts to reduce the tax outgo for income tax payers, this also leaves you with more money at hand, for the purpose of saving and investing in your financial freedom. If you are keen on beginning your new year investments right, after the Budget, here are the investment opportunities you need to keep in mind, and the sectors most suitable for investing.

Popular Investment Opportunities in Focus

For every investor, there are a slew of asset categories to choose from, and your decisions should be based on your personal investor profile, which includes aspects such as your risk appetite, return requirements, financial goals and time horizon. Based on these factors, you can pick from bonds, government securities, mutual funds and the stock market. Best investment opportunities for the year include fixed income securities like government bonds, thanks to the comparatively lower fiscal deficit number and the lack of unwelcome surprises in government borrowings. Further, the gross market borrowings are estimated at 15.4 lakh crore rupees, which is slightly lower than market expectations. These aspects indicate economic strength and will lead to a good showing from the debt market. Consequently, debt mutual funds and SIPs will also act as popular investment opportunities post Budget.

Themes and Sectors to Consider

Moving to the popular themes and sectors for 2023, the Budget placed heavy emphasis on the seven pillars of growth, during India's Amrit Kaal, including development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power and the financial sector. Accordingly, the Budget has offered strong impetus to these sectors and themes, meaning that these would act as exceptional opportunities for investment. The focus on sustainability and clean goals mean that clean and renewable energy would be a great investment option for the future, along with themes like infrastructure, digitisation, agriculture, housing and urban development, defence, manufacturing, and railways. Each of these themes and sectors stand to benefit significantly from the Budget, and this is the best time to participate in their growth journey through both equities and equity mutual funds. In this scenario, a mutual fund SIP would also be a great option since you can invest in a staggered manner while also enjoying the benefits like compounding and rupee cost averaging.

Key Takeaways

The Budget offered several key takeaways for investors, foremost among them being the expectation of India's GDP growing at a steady 7% this fiscal. This is a sign of strength in a largely worrisome global scenario, wherein many economies are facing slowdown and de-growth. To add to the good cheer, the Budget also simplified and reduced personal income taxation, by lowering tax slabs to 5 and hiking the tax exemption limit up to 7 lakhs per year. Considering the seven pillars or Saptarishis set to guide India's development in the Amrit Kaal, the Budget stated that open-source digital infrastructure and an Agricultural Accelerator Fund would be set up to boost the agricultural sector. Further, it also tabled the highest-ever outlay for the booming railway sector, with an allocation of 2.40 lakh crore rupees.

The Budget also focused on green hydrogen, storage and transmission of clean energy, as these are expected to be the key drivers which will help India achieve its net-zero carbon emission targets by 2070. The allocation for PM Aawas Yojana was raised to over 79,000 crores, while the Digital India programme received an impetus of 4,795.24 crores.

All in all, the Budget has proved to be a populist one which has offered varied investment cues to individuals keen on creating sustainable wealth for the longer term. This is the best time for you to recalibrate your investment portfolio and garner the manifold benefits being unlocked by the Budget.