

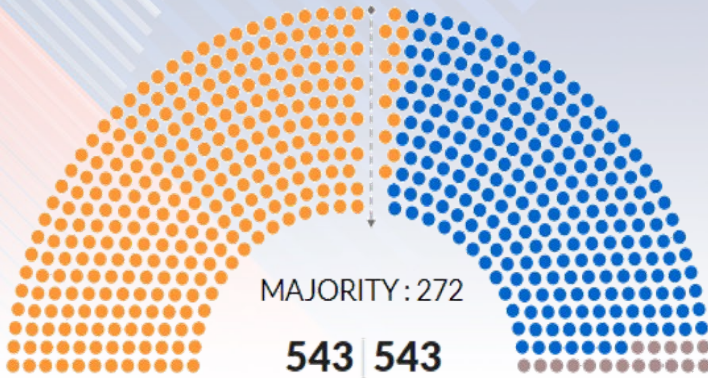


MODI 3.0

**In the Face of a Strong Showing
by the Opposition**



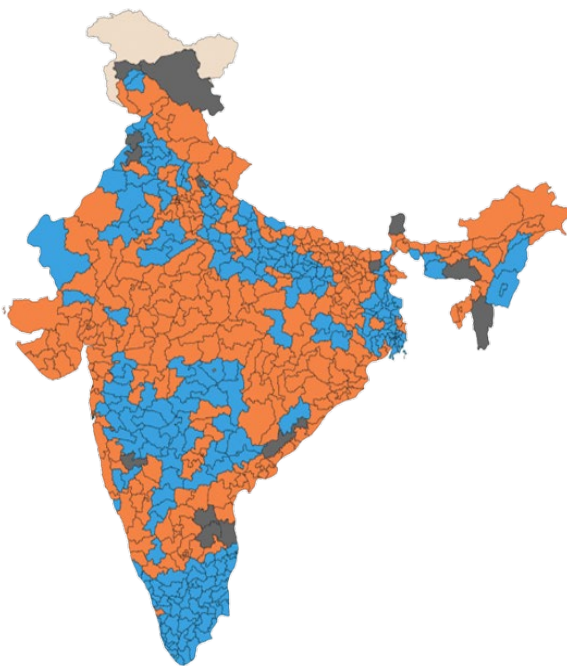
The NDA secures its third term with a resurgent opposition for the 18th Lok Sabha



Snapshot of 18th Lok Sabha

Alliance	2024*	2019	Change
NDA	293	353	-60
I.N.D.I.A.	234	94	+140
OTHERS	16	96	-80

Alliance wise seat share



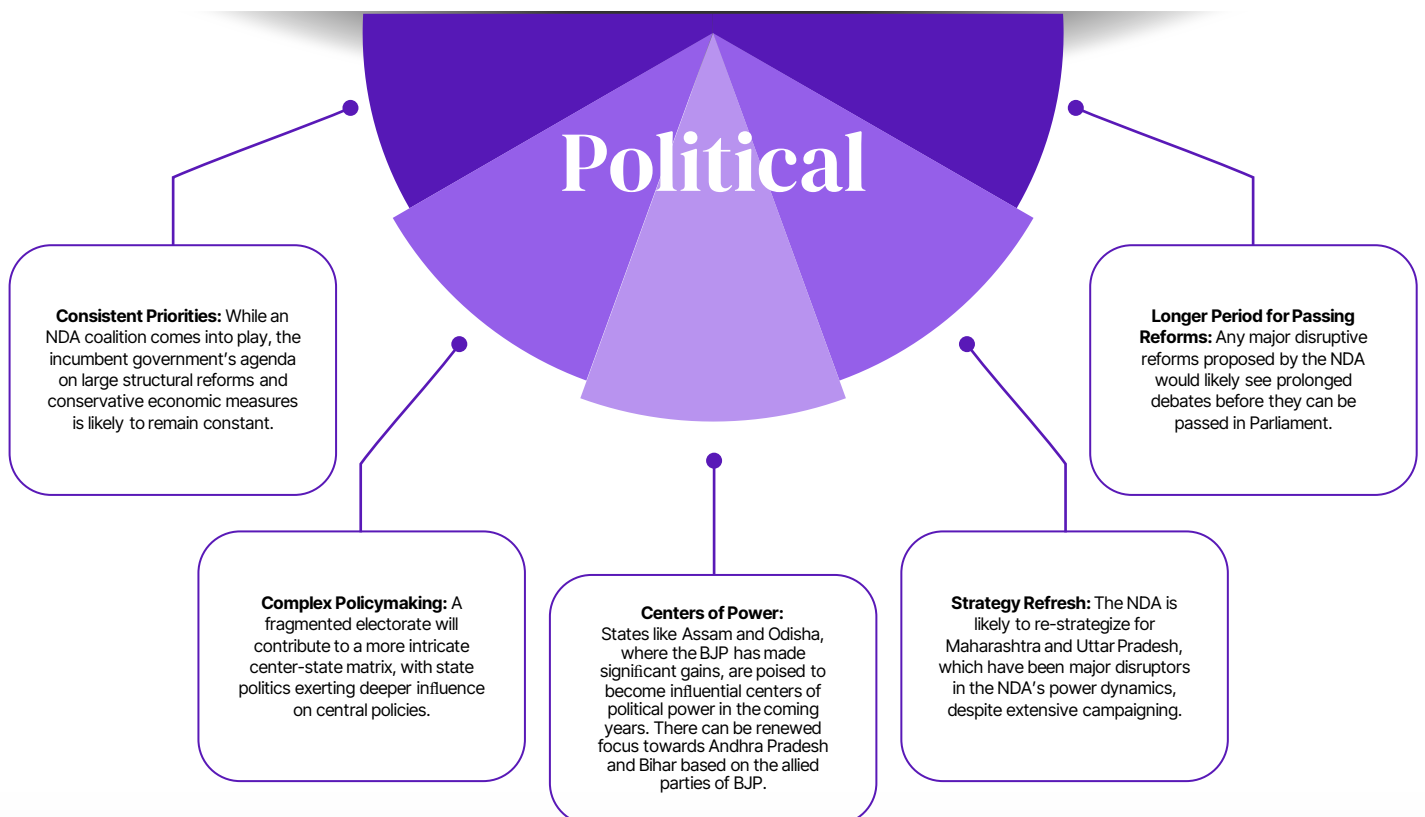
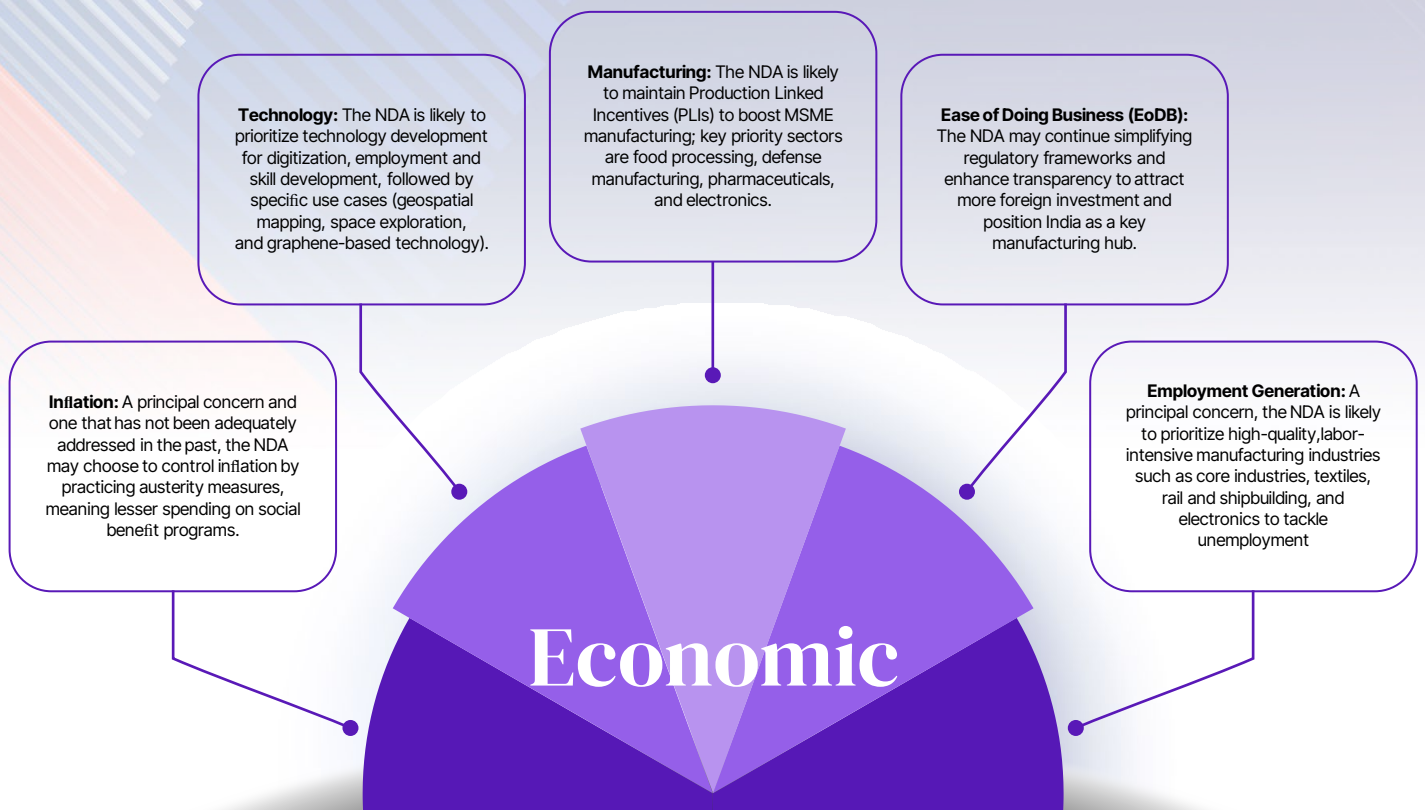
Alliance wise winner – Parliamentary constituencies

BJP misses the halfway mark: The results of the 2024 Lok Sabha Election for India’s lower house of Parliament have been announced, with the Bharatiya Janata Party (BJP) securing 240 of 543 seats and the Congress garnering 99, as per the Election Commission of India. The final tally indicates that Prime Minister Narendra Modi is poised for a third consecutive term, given that the BJP-led National Democratic Alliance (NDA) has achieved a majority in the Lok Sabha despite significant losses in three key Hindi heartland states—UP, Haryana, and Rajasthan. Addressing the supporters at BJP headquarters in Delhi, PM Modi claimed victory for his alliance, promising to “do everything” to eradicate corruption “from the very root” in his third term and support the defense sector, young people, and farmers.

BJP’s dependency on alliances: With the support of key allies like N Chandrababu Naidu’s Telugu Desam Party (TDP), which won 16 seats in Andhra Pradesh, and Nitish Kumar’s JD(U), which secured 12 seats in Bihar, along with other alliance partners, the NDA surpassed the halfway mark of 272 seats.

Stronger opposition: The Congress, part of the opposition I.N.D.I.A. bloc, won 99 seats, an increase from the 52 seats it secured in 2019, thereby reducing the BJP’s share in Rajasthan and Haryana. The Samajwadi Party bolstered the I.N.D.I.A. bloc’s morale in Uttar Pradesh with 37 seats, while the Trinamool Congress (TMC), another significant opposition alliance member, won 29 seats in West Bengal, improving on its 2019 tally of 22.

Continued policy and reforms through a measured approach



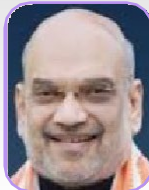
Electoral Performance from 2019 Cabinet

Narendra Modi, leading the BJP to secure a majority in the NDA alliance, is scheduled to be sworn in as Prime Minister for the third term on June 8.



Won

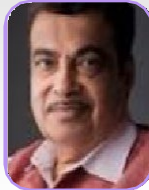
Amit Shah, the influential Home Minister of India, secured a significant victory in Gandhinagar (Gujarat). He is anticipated to continue holding a key cabinet position given his role in shaping BJP's policies and electoral strategies.



Rajnath Singh, a senior BJP leader and incumbent Defense Minister, played a crucial role in modernizing India's armed forces and defense manufacturing. He has won the election from Lucknow (Uttar Pradesh) and is likely to continue to hold a leading portfolio in the new cabinet.



Nitin Gadkari, acclaimed as the "Highway man of India" and served as Minister for Road Transport and Highways in previous cabinet, clinched victory from Nagpur (Maharashtra).



Piyush Goyal has previously held key portfolios including Commerce & Industry. He has played a pivotal role in shaping India's trade policies and promoted domestic manufacturing. He secured a landslide victory from Mumbai North (Maharashtra) in his debut.



Jyotiraditya Scindia, as Minister of Civil Aviation, significantly advanced sector growth, expanded schemes like UDAAN and spearheaded airport privatization. He secured a win from Guna (Madhya Pradesh).



Anurag Singh Thakur has held key portfolios including sports and youth affairs. He secured a fifth consecutive victory from Hamirpur (Himachal Pradesh) with a substantial margin.



Lost

Smriti Irani, the former Minister of Women and Child Development of India, lost the election from Amethi, (Uttar Pradesh) by 1,67,196 votes.



R. K. Singh, the former Minister of Power of India, lost the election from Arrah (Bihar) by 59,808 votes.



Mahendra Nath Pandey, the former Minister of Heavy Industries, lost the election from Chandauli (Uttar Pradesh) by over 21,565 votes.



R. Chandrasekhar former Minister of State for the Ministry of Electronics and Ministry of Skill Development & Entrepreneurship from Thiruvananthapuram (Kerala) lost by 16,077 votes.



Power Players

Alliance Partners



Nitish Kumar
Janta Dal United (JDU)

Nitish Kumar is a seasoned politician and is the current Chief Minister of Bihar. He is known for his progressive leadership and good governance in Bihar. Historically, he has been an ally to BJP and held various ministerial portfolios in previous NDA governments. Under his leadership and with 12 Members of Parliament, JDU will play an important role in the formation of the new government.



Chandrababu Naidu
Telugu Desam Party (TDP)

TDP has been part of various political alliances in the past, including the NDA. Chandrababu Naidu briefly held the portfolio of Union Minister in the NDA government from 1998 to 1999. He was instrumental in establishing Hyderabad as a major IT and business hub. He is a key regional player known for his technocratic background and business-friendly approach. With 16 members of parliament, TDP is the second largest ally in NDA.



Chirag Paswan
Lok Janshakti Party (LJP) – RV

Chirag Paswan inherited the leadership of the LJP after the demise of his father, Ram Vilas Paswan, who was a prominent leader in Bihar and a long-time ally of the BJP. Chirag Paswan has advocated for development-focused policies and has been vocal about issues affecting Bihar, such as flood management, employment, and social justice. LJP won 5 seats and played an important ally in Bihar for BJP.

Upcoming Faces at the Center

Shivraj Singh Chauhan is a key leader of BJP and has served as the Chief Minister of Madhya Pradesh for 16 years since 2005. He won from Vidisha (Madhya Pradesh). Based on his popularity and administrative experience, he is expected to play an important role in the new government.



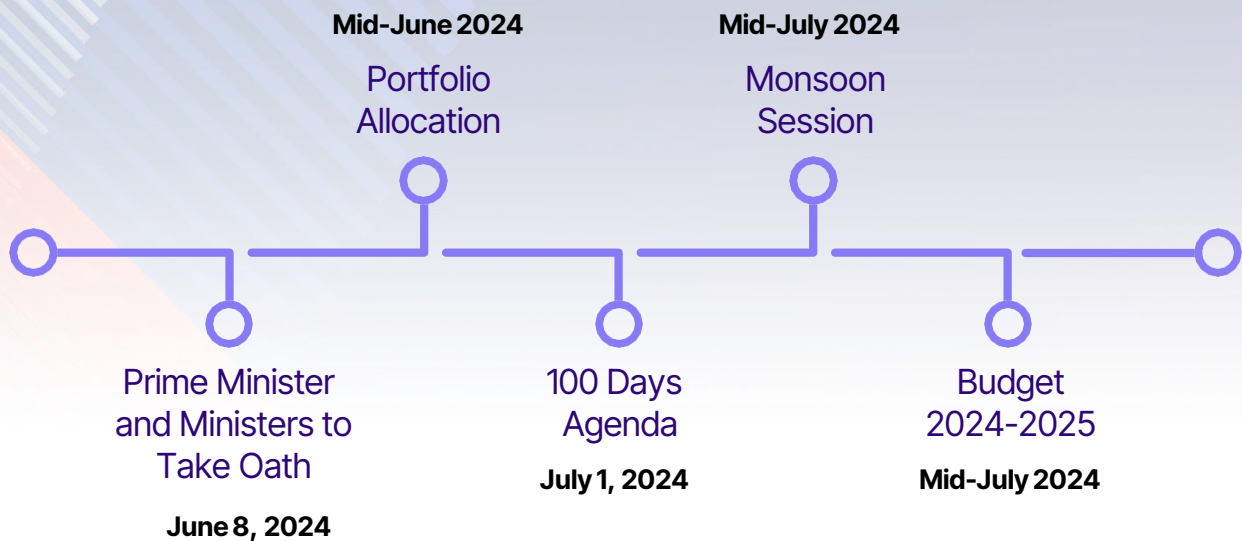
Manohar Lal Khattar is a grassroots BJP leader and the former Chief Minister of Haryana. He stepped down from the Chief Ministerial, won the Lok Sabha election from Karnal (Haryana), and is anticipated to be considered for a key position in the new government.

Kinjarapu Ram Mohan Naidu has held leadership positions within the Telugu Desam Party, including National General Secretary. The young leader has won the Lok Sabha election for a third consecutive time from Srikakulam (Andhra Pradesh).



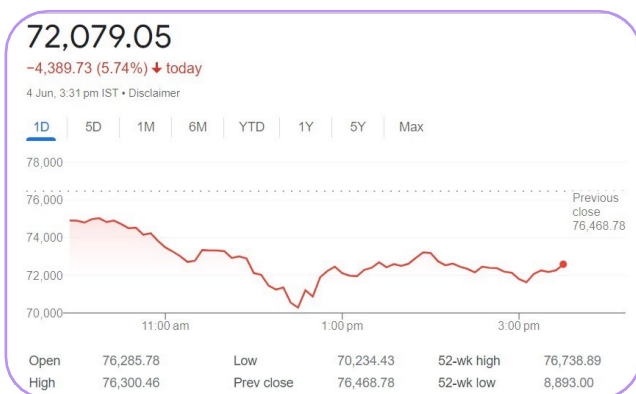
Alok Kumar Suman is the National Treasurer of the JD(U). He was elected from Gopalganj (Bihar) for the second consecutive time.

Upcoming Milestones

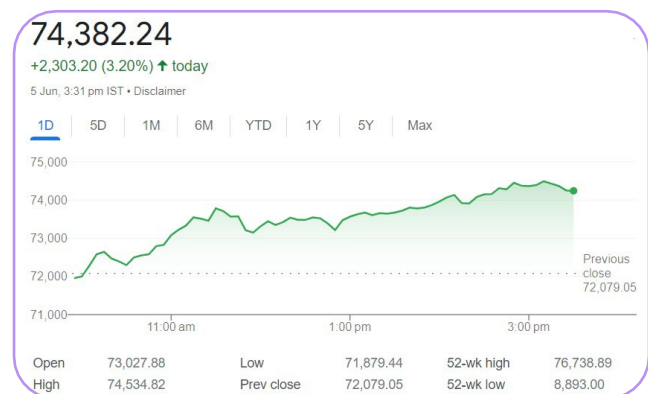


Markets' Search for Stability in Electoral Outcome

June 4, 2024



June 5, 2024



The financial markets have experienced heightened volatility over the past month, largely attributed to the ongoing national election and the uncertainty surrounding the outcome. As the campaigning intensified and polls showed a tight race, investors grew jittery about the potential for major policy shifts depending on which party took control.

On the day of the results, the Indian stock market experienced a correction of over 5% as the trends from the ongoing Lok Sabha Elections 2024 denied a clear majority to BJP. This unexpected development severely impacted investor sentiment, leading to a massive sell-off in the key equity benchmark indices. By the end of the trading session on June 4, the S&P BSE Sensex dipped by nearly 4,390 points, approximately 6%, settling at 72,079.05. Similarly, the NSE Nifty50 witnessed a substantial decline, plunging more than 1,250 points, or almost 5.50%, to close below the 22,000 mark at 21,995.85.

On June 5, BSE Sensex and Nifty50 exhibited a spirited recovery of over 3%, driven by broad based buying across various sectors as political stability appears assured. However, attention will remain on the formation of the government and the forthcoming RBI policy meeting.

State Assembly Elections Results 2024

During the concurrent elections with the Lok Sabha, the BJP secured victories in Arunachal Pradesh and Odisha; TDP in alliance with BJP won in Andhra Pradesh; while SKM won in Sikkim



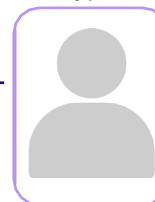
Prem Singh Tamang
Chief Minister
Designate, **Sikkim**

Sikkim Krantikari Morcha (SKM) has emerged triumphant against the SDF with a 58.38% vote share, securing 31/32 seats with Chief Minister Prem Singh Tamang retaining his portfolio.



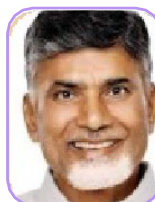
Pema Khandu Chief
Minister Designate,
Arunachal Pradesh

The BJP has been victorious for the second time in the state with 46 out of 60 seats. Pema Khandu retains his post as Chief Minister.



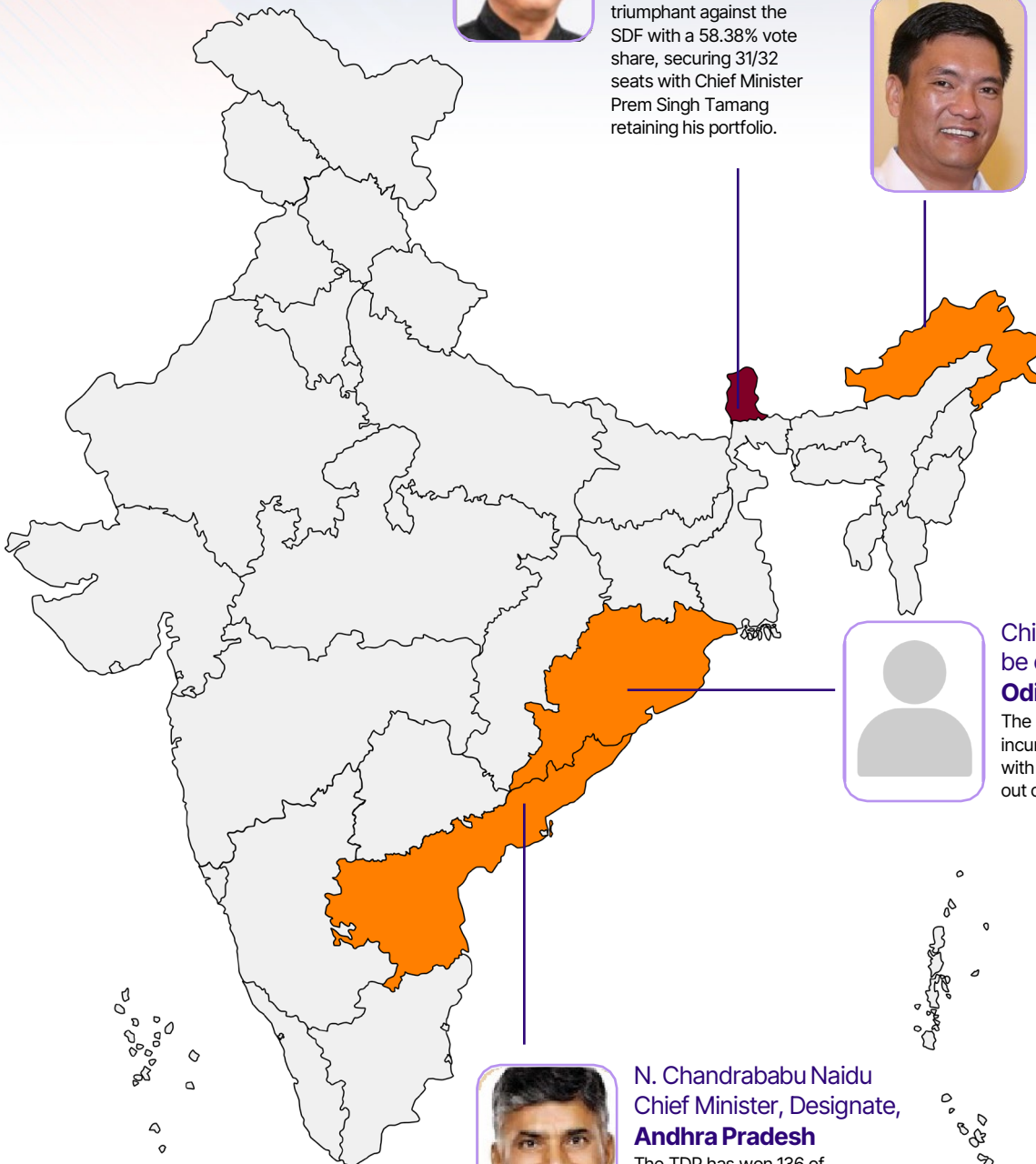
Chief Minister to
be decided,
Odisha

The BJP has ousted the incumbent Biju Janata Dal with a historic win with 78 out of 147 seats.



N. Chandrababu Naidu
Chief Minister, Designate,
Andhra Pradesh

The TDP has won 136 of 175 seats in the state, with Chandra Babu Naidu as the Chief Minister elect.





Vasudevan Rangarajan
India Head, EGA

Another term for Mr. Modi, some conditions may apply.

Electorates can often surprise the most careful calculations and predictions. Today was one such day. Opinion polls published less than 48 hours ago predicted a sweep by the National Democratic Alliance (NDA), and a majority for the Bharatiya Janata Party (BJP) but early results today indicated a robust performance by the main opposition alliance. To be sure, the NDA may still claim a majority, and Mr. Modi seems set for another Prime Ministerial term, but this time with a more numerous, and possibly stronger, opposition.

The path forward for the Prime Minister and the new Government is perhaps clear; the unfinished economic agenda of previous years needs to be accelerated, manufacturing growth needs to be enhanced, jobs need to be created, and inflation needs to be curbed. To achieve this, ease of doing business needs to be improved on the back of continued infrastructure growth and policy reforms in key areas such as labor.

These are national growth priorities that should have broad bipartisan acceptance. However, the method and details of implementing them is what will be closely watched. To begin with, the process of building consensus among allies on policymaking must be strengthened, with a more broad-based approach that can incorporate varied interests. A strong showing by regional parties will also make engaging states more important. An invigorated opposition in Parliament may bring greater scrutiny and debate on key policy initiatives.

This may be good news—India's economic trajectory should remain unchanged, and the collaboration that this verdict is likely to unlock may well make walking this path even more inclusive.



About EGA

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This work is a tool of objective information based on publicly available data. The content of any of the document in this series is intended solely to provide an understanding of context around the results of the Indian Lok Sabha electoral process. The analysis and/or opinions expressed in this series in no way represent the institutional position of Edelman Global Advisory.