

INDIA TOP DOWN & BOTTOM UP



CAPEX

- ▲ Govt approves purchase of indigenous military hardware of ₹705 bn
Move towards implementation of indigenisation of defence sector
- ▲ IOC got in-principle approval for setting up paradip petrochemical complex
Estimate project cost to be more than ₹610 bn
- ▲ Foxconn to invest ~\$700 mn in Bengaluru
De-risking of supply chain from China playing out
- ▲ Japan commits ₹70 bn for 3 Infrastructure Projects
Metro and water projects identified for funding
- ▲ Foxconn plans to invest \$200 mn in new AirPods plant in Telangana
- ▲ Pegatron to open second facility in Chennai
6 months after opening the first at \$150 mn investment
- ▲ Karnataka commences work on ₹28 bn irrigation project
Aim to facilitate farmers in Krishna basin
- ▲ Adani suspends ₹350 bn petrochemical project in Gujarat
- ▲ Daikin and LG to increase manufacturing base in India

- ▲ OMCs receive ₹8 bn to set up 7,432 fast charging stations

GOVT. INITIATIVES

- ▲ Tax on royalties and fees for technical services hiked to 20%
Will lead to higher rate of tax withholding and additional compliances
- ▲ SEBI tightened buyback norms
Mandates on bids, price, volume, timing etc for open market route
- ▲ Govt successfully bids 29 commercial coal blocks
Can enhance output by 7% in next two years
- ▲ Govt floats 4 GW gas-based tender
In anticipation of peak summer demand
- ▲ ₹70 bn PLI boost for toys, bicycle components
- ▲ 101 projects worth ₹609 bn identified under PM Gati Shakti
13 projects worth ₹44 bn have reached completion
- ▲ Solar PLI scheme worth ₹140 bn cleared
Plan of 11 companies including Reliance, Tata and JSW cleared
- ▲ IRDAI sets new regulations on commission payments for general and health insurance companies
- ▲ STT on sale of options increase by 25%
Targeted collection of ₹276 bn in FY24

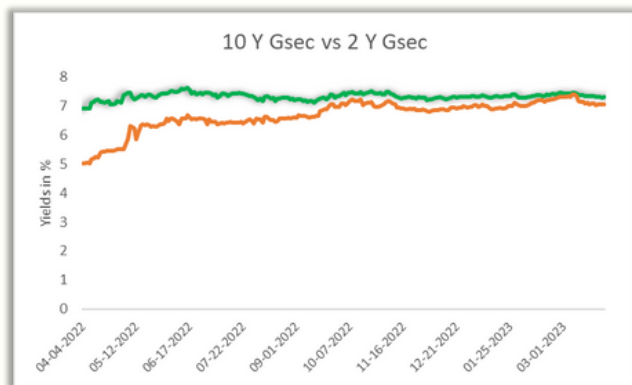
GOVT. INITIATIVES (Contd.)

- ▲ NSE to roll back 6% increase in transaction charges on equity cash and derivatives segment
Effective reduction in transaction cost by 4% after STT on F&O hiked by 25%
- ▲ The government has brought a range of virtual digital asset transactions under the ambit of Prevention of Money Laundering Act, 2002
- ▲ PNGRB has established a levelised unified tariff of ₹73.9/MMBTU and created three tariff zones for the unified tariff
Tariffs applicable from April'23

INDIA UPDATE

- ▲ India reported Q3 GDP growth at 4.4%
Q2 GDP grew at 6.3%

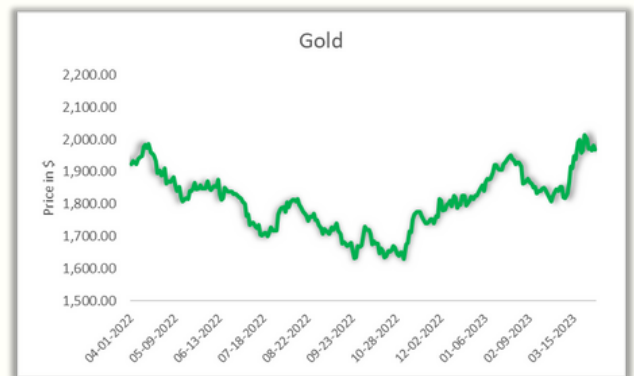
10 Year GSec vs 2 Year GSec



- ▲ India's output of eight core industries registered a 7.8% growth in January 2023
The growth was 4% in Jan'22
- ▲ Sales of FMCG products and electronics grew 8% & 25% resp in FY23
- ▲ Indian Pharma Market (IPM) growth at 9.3% in FY23
At par with pre pandemic levels
- ▲ Average electricity prices on IEX during FY23 up 35% to ₹5.9 per unit during FY23
Higher demand for electricity amid lower supplies
- ▲ Debt MFs lose LTCG & Indexation taxation benefits
FDs may see huge inflow

- ▲ FY24 Urea import may drop by 33%; owing to higher production & use of nano urea
Positive for exchequer with savings on fertiliser subsidy
- ▲ Chip and logistic issue delays PV delivery
Open order book strong at 7L+ of which Maruti is 50%
- ▲ World Bank commits \$1 bn to India for public healthcare
- ▲ NTPC to buy coal in spot market
Increased demand of coal before peak summers
- ▲ India Per Capita Income doubled to ₹17.2 bn since 2014-15
- ▲ Defence exports cross ₹130 bn
Target of reaching ₹350 bn by 2024-25
- ▲ White good makers operating at 90-100% capacity
Demand escalating due to rising summer temperatures
- ▲ Defense ministry signs deals worth ₹364 bn
- ▲ Raw sugar prices are at 6-year high
In anticipation of production loss of 4m tonne globally

Gold



Data source: Investing.com

- ▲ State Discoms to seek tariff hike of 15-30%
Move to help cover for increased purchase cost of coal

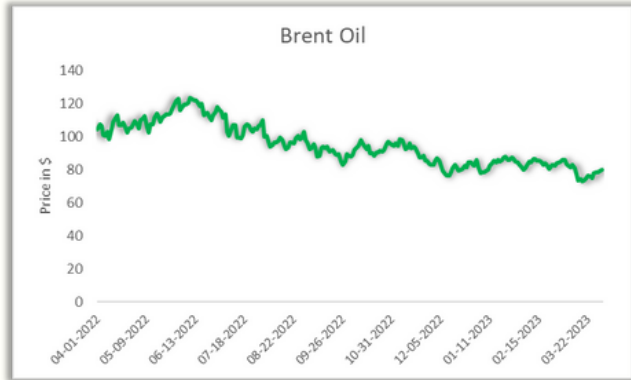
MONETARY POLICY

- ▲ Fed hikes by 25bps to 5%

MONETARY POLICY (Contd.)

- ▲ RBI kept the repo rate unchanged at 6.5%
A 25bps hike was expected

Brent Oil



Data source: Investing.com

MACRO NUMBERS

- ▲ Net direct tax collections reached ₹16.6 trn for FY23, a growth of 17% on provisional data
The collections are ~17% than BE
- ▲ RBI to conduct 14-day VRR to inject ₹1 trn into banking system
Second VRR auction conducted since Feb'20
- ▲ FY23 credit growth at highest levels since FY12
Bank credit grew at 15% in FY23
- ▲ Share of CASA in overall deposits at 7-year low of 11.6% by FY23

ORDER BOOK UPDATE

- ▲ Capital Goods (CG) companies excluding L&T have secured cumulative orders worth ₹560 bn
This is the highest quarterly rate in the last 8 years, orders up 655% YoY
- ▲ TMH + RVNL L1 for 200 Vande Bharat trains at ₹1.2 bn/train
Total Contract with O&M ₹580 bn
- ▲ BEL bagged orders close to ₹150 bn from Ministry of Defence in March
- ▲ Titagarh & RK Forgings bags forged wheel orders worth ₹130 bn from Indian Railways
- ▲ WABAG's JV secured orders worth ₹44 bn for water desalination

- ▲ Cochin Shipyard emerged as the L1 for construction of 6 Next Generation Missile Vehicles
The total contract is worth ₹98 bn
- ▲ BDL has received order for Akash Weapon Systems
Order is worth ₹81 bn
- ▲ DLF witnessed record breaking pre-formal launch sales of ₹80 bn for its luxury high-rise residences
- ▲ HAL received an order of ₹68 bn from Gol
70 HTT Trainer aircraft would be delivered
- ▲ HCC JV wins order of ₹37 bn to develop BKC Station of bullet train project
- ▲ JV M/s Dibang Power has been emerged as L-1 bidder for a Civil Works worth ₹36 bn
- ▲ L&T received an LOA for three Cadet Training Ships
Order Size is around ₹30 bn
- ▲ KPTL receives orders of ₹24.7 bn for T&D and EPC business
- ▲ PNC Infratech is the L1 for two highway projects
The project size is around ₹20 bn
- ▲ Tata Power bagged an order worth ₹17 bn to set up a 300 MW solar project in Rajasthan

COMPANY UPDATE

- ▲ NCLT approves merger of HDFC and HDFC Bank
All approvals in place. Clarity from RBI on forbearance awaited
- ▲ CIL likely to hike coal price after 5 years
Targets 1bn Tonne production by 2026
- ▲ SBI raises \$1 bn via 5 year syndicated social loan
It is the largest ESG loan by a commercial bank in the Asia Pacific
- ▲ Olectra Green has received an LOA for 550 Electric Buses from Telanga State Road Transport Corporation
The value for the order would be around ₹10 bn

COMPANY UPDATE (Contd.)

- ▲ ONGC identifies 70 locations for exploration

Targeting close to 150 mmtoe of yet-to-find (YTF) resources

- ▲ HUL cuts prices, raises grammage in various product categories

Move to gain market share in rural India

- ▲ AMUL, India's largest dairy brand, is rapidly scaling up its portfolio of non-dairy products

Economic Indicator	Feb'23	Jan'23	Feb'22
IIP	5% (Est)	5.2%	1.7%
WPI	4% (Est)	4.7%	13.1%
CPI Inflation	6.4% (Est)	6.5%	6.1%
Trade Deficit	\$-17.4 bn	\$-17.7 bn	\$-20.9 bn
Merchandise Exports	\$ 33.9 bn	\$ 32.9 bn	\$ 34.6 bn

Economic Indicator	Mar'23	Feb'23	Mar'22	MoM	YoY
Composite PMI	58.3	59	54.3	-1.2%	7.4%
GST Collection	₹ 1.6 trn	₹ 1.5 trn	₹ 1.4 trn	7.1%	12.6%
Auto Sales	2 mn	1.8 mn	1.8 mn	15.0%	13.9%
AVG USDINR	82.2	82.6	76.2	-0.5%	7.9%
Forex Reserves	\$578.4bn	\$562.3bn	\$606.4bn	2.9%	-4.6%

***All the numbers are rounded to a single decimal place*