

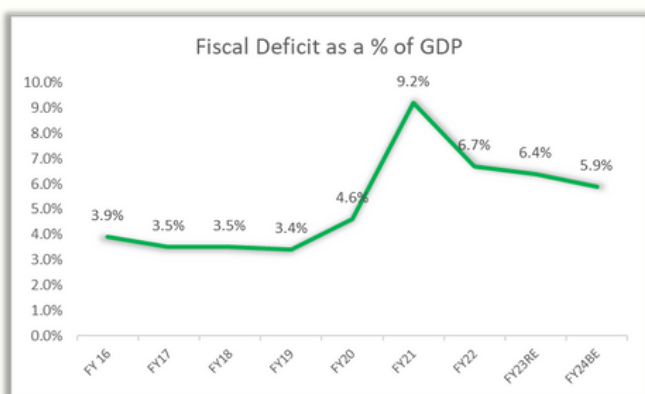
INDIA TOP DOWN & BOTTOM UP



KEY BUDGET HIGHLIGHTS

- ▲ Capital expenditure budget is strongly up by 37.4% YoY in FY24 to ₹10 trn
- ▲ The allocation for railways has increased by -70% YoY to ₹2.4 trn from ₹1.4 trn.
- ▲ The allocation for road works has increased by -65% YoY to ₹1.1 trn from ₹0.6 trn.
- ▲ Allocation to PM AWAS scheme up 66% to ₹790 bn.
- ▲ FY24 Budget estimate gross tax collection growth expected at 10.4% of FY23 revised estimate.

Fiscal Deficit as a % of GDP



- ▲ Fiscal deficit estimate was maintained at 6.4% for FY23 RE supported by robust tax collections. The fiscal deficit is projected at 5.9% for FY24 BE. The government is targeting for a fiscal deficit of 4.5% by FY26

- ▲ Subsidies towards fertiliser, food and petroleum have been drastically reduced in FY24, YoY by 22% 31% and 75% respectively.
- ▲ Capex for FY23 BE was revised downward by 3% to ₹7.3 trn, reflecting strong execution by the Central Govt.
- ▲ All Govt vehicles, including buses, older than 15 years to be scrapped from 01-Apr-23.
Will boost sales of new and cleaner vehicles
- ▲ Total expenditure is projected to rise by 7.5% YoY with a 32% and 34% rise in transport and energy verticals.
- ▲ Tax slab changes in favour of the middle-class population are expected to offer additional savings to ~17% of tax filers enabling them to consume more.

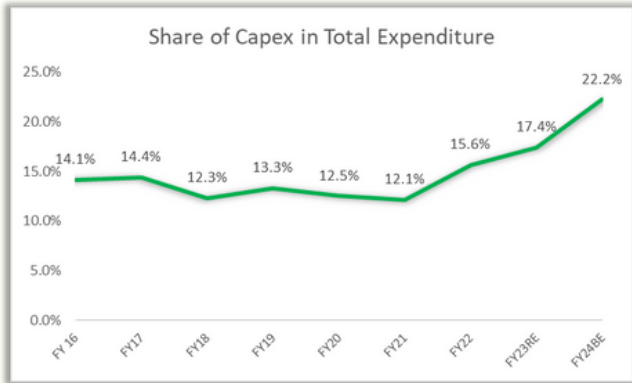
CAPEX ANNOUNCEMENTS

- ▲ Union Cabinet approved national green hydrogen mission, ₹197 bn to produce 5 mt of green hydrogen pa by 2030
- ▲ Mahanadi Coalfields to set up a 1.6 GW of power plant and enter in aluminium business
To boost power capital goods and ancillaries companies.
- ▲ Bids invited for ₹410 bn mega port project at Andaman Islands

CAPEX ANNOUNCEMENTS (Contd.)

- ▲ Maharashtra Govt approves M&M to set up ₹100 bn EV plant in Pune
- ▲ Rays Power Infra to build 1800-MW Solar Park in Rajasthan

Share of Capex in Total Expenditure



- ▲ HPCL's Vizag Refinery expansion to complete this year in June
The capacity will rise to 15mn tonnes from 8.5 mn tonnes.
- ▲ Consortium led by ADB and NSFTPL signed a \$131 mn loan agreement to upgrade Mumbai Port
- ▲ Cabinet approves ₹128 bn for northeast development
- ▲ IOCL to pump in ₹22 bn investment in Tamil Nadu for major grassroots and expansion projects

GOVT. INITIATIVES

- ▲ Bihar government initiates auctioning of glauconite and iron ore reserves worth ₹200 bn
Private participation being encouraged.
- ▲ India is planning 11,000 MW hydropower project in Arunachal Pradesh
- ▲ Govt has set the coal production target of more than 1 BT for the 2024
To drive ancillary capex for evacuation and improve cheap domestic coal availability
- ▲ Maharashtra has entered a \$2.5 bn partnership with Gogoro, to build EV battery-swapping and charging stations
A move to accelerate the shift towards e-mobility.

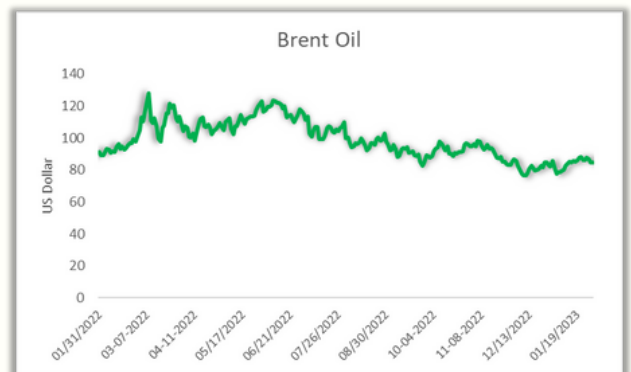
- ▲ India has capped trading margins on the resale of gas produced from deepwater blocks
This will cut profiteering by traders and bring down prices.

- ▲ Odisha approves 9 investment projects worth ₹1.5 trn
- ▲ Quality norms for footwear industry to be implemented from July'23
- ▲ SEBI has permitted non-promoter stake to be offloaded via OFS route
Move expected to benefit retail investors

- ▲ 14 Chinese suppliers of Apple Inc have received initial clearance to expand services in India
To boost manufacturing in India.

- ▲ SEBI has issued a consultation paper on standardised approach to valuation of investment portfolio of AIF

Brent Oil



Data source: Investing.com

- ▲ Govt is processing the bids for three multimodal logistics parks (MMLPs) at Bangalore, Nagpur and Indore
Big initiative to reduce India's logistics cost
- ▲ The government has extended concessional import duties on edible oils such as palm, soybean and sunflower and the duty waiver for lentils by a year, until March 31 2024.

INDIA UPDATE

- ▲ New coal transport mechanism, a shift to rail-ship-rail may raise power cost up to 10%
- ▲ Residential units sold in CY22 (top 8 cities) registered a growth of 34% YoY

INDIA UPDATE (Contd.)

- ▲ FMCG players HUL, Colgate, Mondelez India, take further price hikes in Jan

Will further squeeze household budgets.

- ▲ Government to provide 3mt of wheat for open sale in upcoming months

To cool down record high wheat & flour prices

- ▲ India's top 4 software exporters hiring drops 97% in Q3 FY22

Slower demand for technology services

- ▲ India's maiden global green bond raised \$931.3 mn for sustainable projects in Jan'23

- ▲ Coal Ministry received biggest response of 99 bids for 36 commercial coal mine auctions

- ▲ Govt. to ban 25-year-old oil tankers, bulk carriers, and general cargo vessels

- ▲ NTPC has started India's first green hydrogen blending operation in PNG network

- ▲ Indian Govt & ADB signed loan agreements amounting to \$1.2 bn for developing infrastructure in various Indian states

- ▲ Discoms dues to gencos halved in Jan'23 compared with Jan'22

- ▲ India's imports of thermal coal grew 14.7% in 2022

- ▲ Vedanta is selling its overseas Zinc assets to Hindustan Zinc for \$2.9 bn

- ▲ India's gold imports plunged 79% in Dec

MACRO NUMBERS

- ▲ Net direct tax collection amounted to ₹12.3 trn till 10th Jan'23 for FY22-23, 19.6% higher YoY

- ▲ 2022 FASTag toll collection increased 46% to ₹508 bn

- ▲ ₹1.6 trn gross GST revenue collected in Jan'23

ORDER BOOK UPDATE

- ▲ Sundram Fasteners bags \$250 mn EV parts order from a global OEM

- ▲ L&T received orders worth ₹607 bn during the Q3 FY22-23

- ▲ EPC major, KEC International secured new orders of ₹11 bn across various businesses

- ▲ Genus Power Infrastructures wins order worth ₹28 bn for installation of smart meters and allied work.

- ▲ NCC wins four orders worth ₹17.5 bn, all orders for electrical division

- ▲ RVNL secured orders worth ₹13.7 bn from Southern Railways and Gujarat Metro Rail Corp

Economic Indicator	Dec'22	Nov'22	Dec'21
IIP	3.2% (Est)	7.1%	0.4%
WPI	4.9%	5.9%	13.6%
CPI Inflation	5.7%	5.9%	5.6%
Trade Deficit	-\$23.7 bn	-\$23.9 bn	-\$21.7 bn
Merchandise Exports	\$ 34.5 bn	\$ 32 bn	\$ 37.3 bn

Economic Indicator	Jan'23	Dec'22	Jan'22	MoM	YoY
Composite PMI	57.5	59.4	53	-	-
GST Collection	₹ 1.6 trn	₹ 1.4 trn	₹ 1.4 trn	4%	9.9%
Auto Sales	1.8 mn	1.6 mn	1.6 mn	12.6%	13.6%
AVG USDINR	81.8	82.4	74.5	-0.8%	9.8%

Disclaimer: All the numbers are rounded to a single decimal place.