

PV sales race to new high, GST mop-up above ₹1.6 trn

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Ahead of the peak festival season, the figures for domestic passenger vehicle (PV) sales and goods and services tax (GST) collection suggested a healthy macroeconomic scenario prevailing in the country.

While the monthly PV wholesales number at 363,733 units in September was a record high, the GST mop-up at ₹1.62 trillion, up 10.2 per cent year-on-year (Y-o-Y), was the third highest. The average monthly gross GST collection at ₹1.65 trillion in the first six months of 2023-24 was 11 per cent higher than in H1FY23.

UPI transactions, too, breached the 10 billion mark for a second consecutive month, but the 10.56 billion count was slightly lower than in August; the value of such transactions at ₹15.8 trillion, however, was marginally higher.

The monthly domestic PV wholesales number showed a 2.36 per cent increase Y-o-Y. This uptick could be attributed to the onset of the festival season, improved chip availability leading to increased production, and a significant demand for SUVs (sports utility vehicles). The previous peak in domestic PV sales was 360,897 units in August this year.

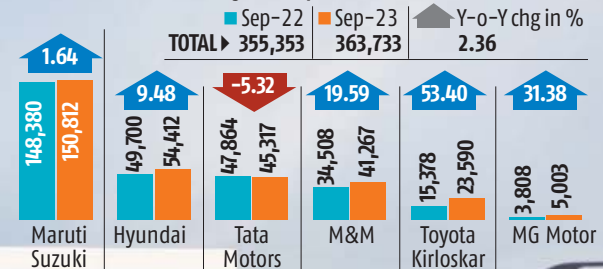
During the first half of FY24, the overall PV wholesale figure breached the 2 million mark — a first in H1 of any financial year. Shashank Srivastava, senior executive officer (marketing and sales) at Maruti Suzuki India, told reporters about the key role the festivals played in the surge in PV sales.

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TOP GEAR

Domestic PV sales of major companies

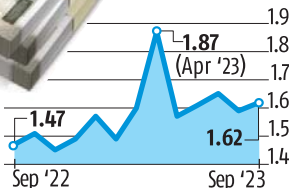
Sales (in units)



Source: Companies

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STEADY GROWTH
GST collection (in ₹ trn)



Source: Finance Ministry

GST collection in H1FY24 nearly ₹10 trn

The GST collection in the first half of this financial year saw 11 per cent growth year-on-year to cumulatively touch ₹9.92 trillion. The Centre expects the annual mop-up figure for FY24 to be 12 per cent higher.

▶ UPI GROWTH FLAT IN SEPT, BUT STILL OVER 10 BILLION PAYMENTS

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May that it has been listed as a private limited company and, therefore, does not fall under the category of a procuring entity by the definition of the PPP-MII order. The industry department found the reply “unsatisfactory” and directed the Department of Financial Services (DFS) in the Ministry of Finance to review the reply sent by BNPM. However, DFS responded to DPIIT, stating that the matter does not pertain to it and advised it to take it up with the Department of Economic Affairs (DEA).

Minutes of the meeting available in the public domain showed that the matter was subsequently taken up with DEA via an office memorandum dated May 30, 2023, followed by a reminder dated June 13, 2023. “However, feedback from DEA is still awaited,” the document said.

In the 15th meeting of the standing committee to review the implementation of the public procurement order held on July 21, DPIIT observed that the procuring entity (BNPM), being a subsidiary of the Government of India’s enterprises, falls under the definition of “procuring entities” in line with the PPP-MII order of 2017. “Hence, the reply by BNPM is inconsistent with the PPP-MII order, and the same must be complied with by BNPM in letter and spirit.” DPIIT proposed that the standing committee may direct BNPM to review the “restrictive criteria” in line with the provisions of the PPP-MII order of 2017, as amended on September 16, 2020, to enable local suppliers to participate in the bidding process. Varun Krishna, founder of Indovative Products, said, “It’s not like we didn’t have any experience at all. We have supplied the same material to the Hoshangabad-based Security Paper Mill (a unit of SPMCIL). However, the quantity was small compared to the requirements of BNPM. DPIIT has given its decision in our favour. Still, BNPM has not abided by the order. Can’t anything be settled in this country unless one moves court?” he asked. An email query sent to the Ministry of Finance remained unanswered until the time of going to press.

PV sales...

Srivastava noted that Y-o-Y growth in September appeared somewhat

“muted” primarily due to the substantial base effect. He explained that the figure for September 2022 was notably high at 355,353 units.

Currently, the retail channel, particularly in the northern, eastern, western, and central regions of the country, is stocking up for increased sales during Navratri and Diwali. PV retailers have about 30 days of stock right now.

“This is, of course, pretty high. We observed this level of stocks about five years back. But volumes were less at that time,” Srivastava mentioned. The senior MSIL executive stressed that the current stock levels were not a source of worry because the build-up was there because of the festival season.

Srivastava also mentioned that most manufacturers have successfully navigated the semiconductor shortage issue, leading to a signifi-

cant increase in SUV production. This was a challenge faced by several manufacturers, including Maruti Suzuki, particularly during the earlier months until July. The SUV segment has witnessed the fastest growth for several quarters in India. In H1, the PV sales stood at 2.072 million units. “This is the first time that the 2 million number has been cracked in H1 of any year,” he said. Last year’s H1 sales stood at 1.937 million. In the January-September period of 2023, the auto industry’s PV sales stood at 3.091 million units.

“This is the first time that the 3 million number mark has been crossed in the January-September period...This means we are on course to reach the 4 million mark, both for financial year and calendar year,” Srivastava said.

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Solution tomorrow

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