

INDIA TOP DOWN & BOTTOM UP



BSE Mcap: \$4.8 tn | Composite PMI: 61.8 | GST Collection: ₹1.8 tn | Forex Reserves: \$642.6 bn

INDIA UPDATE

▲ Total FY24 FPI net debt inflows rise to US\$14.6 bn, from last 5 years of outflows
70% came in post inclusion by JP Morgan global bond index - EM

▲ India installed 20.8 GW of solar modules and 3.2 GW of cell manufacturing capacity in 2023
Total capacity at 64.5GW of solar module and 5.8GW of cell mfg

▲ The Road Transport and Highways Ministry (MoRTH) constructed 12,349 km of national highways in 2023-24, the second highest in its history

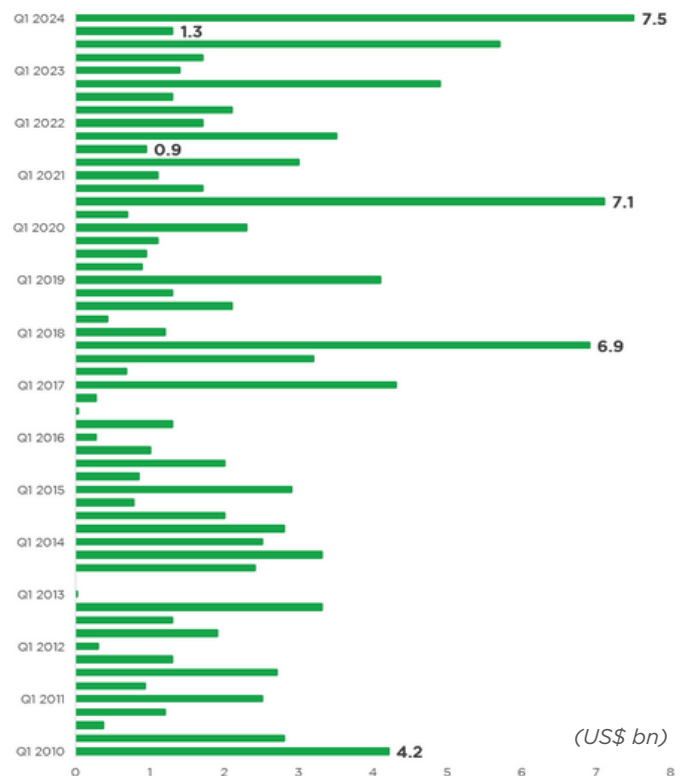
▲ Mobile phone manufacturing in India jumps 21x to ₹4.1 tn in 10 yrs
India now produces 97% of its total mobile phone demand locally

▲ Luxury brand leases in India surge 162% in 2023
Brands lease over 600,000 ft² of retail space vs 230,000 ft² from year before (Highest in 6 years)

▲ India's luxury property market recorded 1.5x growth in the sales value to ₹43 bn in 2023 for homes priced over ₹500 mn
70% of luxury housing sales were in MMR & Pune whilst 24% were in NCR

▲ Indian Banks' Association agreed on annual wage hike of 17% for over 800,000 employees
To cost PSBs an additional ₹83 bn

India Block Trades Highest Since 2010 in Q1 CY24 at US\$7.5 bn



INDIA UPDATE (Contd..)

"STAY" IS GETTING CROWDED

- India's hospitality sector saw investments worth **\$401 mn in 2023 (4x from 2022)**, with 25,176 keys signed and 12,647 keys opened. (Q1 2024 witnessed **80% increase** YoY in hotel transactions)

A) Success pulling in real estate players

- Prestige Estates** signed deal with Marriott to develop 6 hotels for **₹10 bn**
- Oberoi Realty** ties with Marriott to develop 2 properties in Thane and Borivali
- Tata Realty** is setting up 2 hotels, offering **375 rooms** in Navi Mumbai & Pune
- Valore Estate, earlier **DB Realty**, is constructing 2 hotels with Prestige Estates in Delhi offering **800 rooms**
- Merlin Group** partnered with IHCL for "IBIZA - an IHCL SeleQtions", Kolkata

B) Global hotel chains set for record expansion in India

- Hilton** plans to **triple** India portfolio to **75 hotels** by 2027
- Marriott International** plans to get to **250** operating hotels in next 5 yrs
- Radisson Hotel** plans to sign **30 new hotels** per year for next 5 yrs
- IHG Hotels** currently has ~50 hotels with over **60** in pipeline
- Wyndham Hotels** to open **150 hotels** by end of 2025

- Prices of under-construction residential projects have risen **30.6% YoY** between January and March

Top cities being Noida, Banglore and Mumbai

COMPANY UPDATE

- Adani Group plans to invest **₹600 bn** in airport business in next 10 years
To result in increased capacity to ~300 mn passengers from existing ~100-110 mn
- NLC India & Rajasthan Govt. ink pact for 1,125 MW energy projects worth **₹70 bn**
- Panasonic to form JV with IOC for cylindrical lithium-ion batteries in India
- Singapore's GIC and Sterlite to set up \$1 bn JV for power transmission
- CCI approves UltraTech's acquisition of Kesoram's cement business
UltraTech's annual cement capacity will reach 149.14 MT
- Godrej Properties buys land in Hyderabad for housing project and in Bengaluru for a township project
Have revenue potential of ₹13 bn and ₹50 bn respectively
- AstraZeneca to buy Canadian drug developer Fusion Pharmaceuticals for \$2 bn for next-gen cancer treatments
- British American Tobacco Plc sold 3.5% stake in ITC Ltd worth **₹175 bn**
Shareholding down to 25.5%
- Shyam Metalics forays into aluminium flat-rolled products ~Capex of **₹4.5 bn**
- IOC will start manufacturing fuel to be used in Formula 1 Racing
Becomes the first Indian firm to receive approval
- Govt. approved a 17% wage hike for ~1.1 lakh LIC employees
To cost an additional ₹40 bn every year
- Grasim raises \$150 mn from IFC for paints venture, Birla Opus
- Tata Motors to split CV, PV businesses into separate listed companies
- ICICI Sec to delist & merge with ICICI Bank
I-Sec shareholders to receive 67 shares of ICICI Bank for every 100 shares held

ORDERBOOK UPDATE

Company	Awarding Entity	Amount (₹ bn)	Order Detail
Larsen & Toubro	Paradip Port Authority, health Ministry Oman, GOI, ONGC	155+	Breakwater Extension, Hospital in Oman, EPC 56" Pipelines in Middle East, AIIMS Madurai, PGC Project, supply of High Power Radars
Hindustan Aeronautics	Ministry of Defence, Cochin Shipyard Ltd	121	34 Advanced Light Helicopters, MLU of 25 Dornier Aircraft, Gas Turbines & GT Auxiliaries
JBM Auto	CESL	75	Supply 1,390 electric buses
H.G. Infra Engineering & JVs	NHAI, South & East Central Railway, JDVVNL	55	EPC double link track, 4 Lane elevated corridor highway
Torrent Power	MH State Electricity, NTPC VVNL, Railway Energy Management Co	47	Setting up of Grid-Connected Renewable Energy Power Projects & Power Supply
Kalpataru Projects International & JVs	Undisclosed	45	T&D in India and Overseas, design & construction of underground metro rail
BHEL	Adani Power, NTPC	40	For setting up 2x800 MW Raigarh & 1,600 MW Singrauli Super Thermal project
KEC International	Undisclosed	33	T&D, Residential Project Civil, Railways Overhead Electrification, Cables supply
J Kumar Infraprojects & JVs	BMC, NMMC, CIDCO, NBCC	31	Construction of Ghansoli Bridge, Eastern Corridor, Coastal Road & Hari Nagar Depot
Dilip Buildcon	Water Resource Dept, MP & NHAI	29	Construction of Urga-Pathalgaon Highways, Machhrewa Irrigation Project Dam, Thoppur Ghat
Bharat Electronics	L&T, Indian Navy	19	For supply of Communication and EW sensors systems, LRUs for tanks to Navy
Titagarh Rail Systems	Railway Board	19	Manufacture and supply of 4,463 BOSM Wagons
Rail Vikas Nigam	Himachal Pradesh Electricity Board	13	Distribution Infrastructure development at North & South Zone

GOVT. INITIATIVE

- ▲ Govt. cuts petrol and diesel prices by ₹2 per litre
- ▲ Cabinet clears ₹244 bn subsidy for P&K fertilisers in Kharif season
Rate for DAP unchanged at ₹1,350/ 50kg bag

- ▲ Power Ministry directed domestic coal-based thermal power plants to blend 6% of imported coal until June'24
Will escalate production costs for Gencos

GOVT. INITIATIVE (Contd..)

- ▲ Cabinet approves IndiaAI Mission with ₹103 bn outlay over the next 5 years

New EV Policy

- A) Government will reduce the import tariff on **8,000 fully built EVs** annually for 5yrs, from 100% to 15% on cars costing \$35,000 and above

- Mandates min ₹ 41.5 bn investments in India
- To get 3 yrs to set up local manufacturing with 25% localisation, and 5 yrs for 50%

Currently, India levies 70% - 100% tax on imported cars

- B) Centre announces ₹5 bn for Electric Mobility Promotion Scheme 2024 to subsidise e-2W and e-3W replacing FAME

e-2W makers estimate hit of over ₹3 bn due to lower allocation

- ▲ ₹5.7 bn allocated under Delhi Solar Policy 2023 for installing solar power panels. Scheme to provide capital subsidy of ₹2,000kW per installation, up to ₹10,000 per customer

Targeting 20% of Delhi's electricity to come from solar power by 2027

CAPEX

- ▲ Haldia Petrochemicals makes \$10 bn investment on crude-to-chemicals project in TN adding 3.5 MTPA Ethylene and Propylene

Increased competition to announced projects of Petronet and GAIL

- ▲ JSW MG Motor India to invest ₹50 bn at Halol

Will launch a new car every 3-6 months, starting Sept 24

- ▲ Schneider Electric to invest ₹32 bn in India by 2026

- ▲ Tata Motors signs MoU with Tamil Nadu Govt. to set up ₹90 bn vehicle manufacturing facility

- ▲ Union Cabinet approves 2 new corridors costing ₹84 bn for Delhi Metro Phase IV

To be completed by March 2029

- ▲ NexGen Energia to invest ₹10 bn for setting up EV manufacturing unit in J&K

- ▲ CG Power, Renesas and Stars Microelectronics to jointly build Outsourced Semiconductor Assembly and Test facility in Gujarat

Total investment pegged at ₹76 bn over 5 years

- ▲ Road Ministry sanctions ₹26.8 bn for four-laning of 92.4 km NH 748A in Karnataka

- ▲ NHPC to set up 1,200 MW solar park project in UP

Will generate annually 2,400 mn units of electricity

Investments in Healthcare Sector

- Aster DM to add 1,500 beds with an outlay of ₹9 bn by FY27
- Max Healthcare is setting up of 500+ beds Hospital in Lucknow
- Employees' State Insurance Corporation to invest ₹11.3 bn for construction of 7 Hospitals with 800 beds
- Mubadala looking for deals in healthcare space in the range of \$200-500 mn. Recently, they acquired 3.75% stake in India's 2nd largest hospital chain, Manipal, at a valuation of ₹4,000 bn

- ▲ Asian paints to set up 166 acre manufacturing facility of 400,00 MT capacity p.a in MP

GENERAL UPDATE

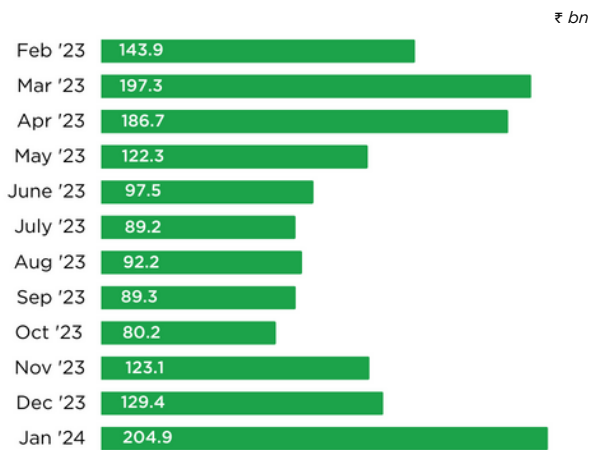
- ▲ Force Motors shuts down its agricultural tractors business to focus on mobility and OEM business.

Suppressed demand for tractor

- ▲ Prices of natural gas produced from difficult areas trimmed to \$9.87/mmbtu

Will impact KG-D6 block of Reliance Industries

Banks' export credit stands at ₹204 bn in Jan 2024, surges to 12-month high amid global demand



- ▲ Bloomberg to add Indian FAR bonds to Emerging Market Indices in January 2025

US\$2-3 bn inflows expected

- ▲ Discoms dues to Gencos dropped to a third since mid-2022 to under ₹450 bn

Dues had touched ₹1.35 tn in 2022

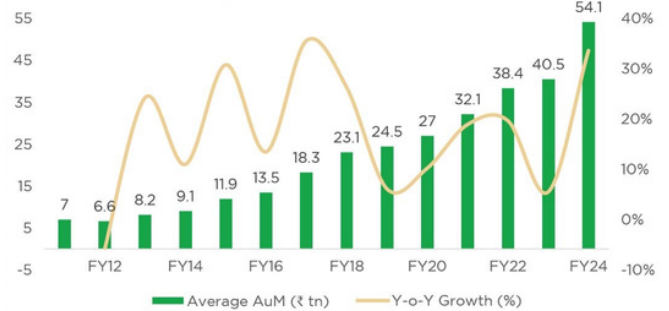
- ▲ NSE has approved 1% cut in transaction charges across Cash & Equity Derivatives segments effective April 1, 2024

- ▲ NHA monetises ~₹160 bn for 889 kms of national highways through its 'InvIT Round 3'

- ▲ Telecommunications Consultants India to sell 15% stake in Bharti Hexacom through IPO

OFS worth ~₹43 bn

MF AUM grows for 12th consecutive FY



INTERNATIONAL UPDATE

- ▲ Japan's Union Group announced wage hike of ~5%

Highest hike in 33 years

- ▲ BoJ hiked the short-term interest rate between 0% to 0.1%

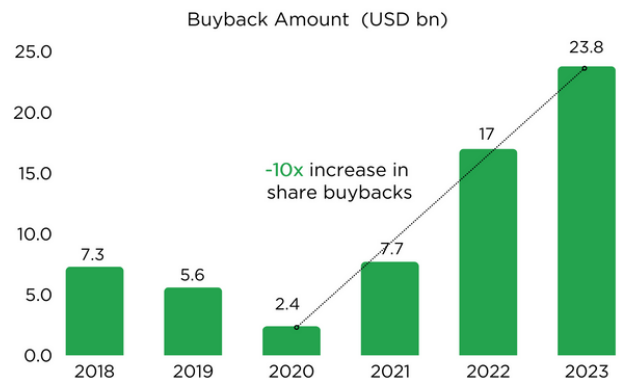
First change in its negative interest rate policy in 17 years

- ▲ Maersk hiked container rates from West Asia to US & Canada by US\$1,000, effective 2nd March

Freight costs increase has impacted capital goods and fertilisers the most

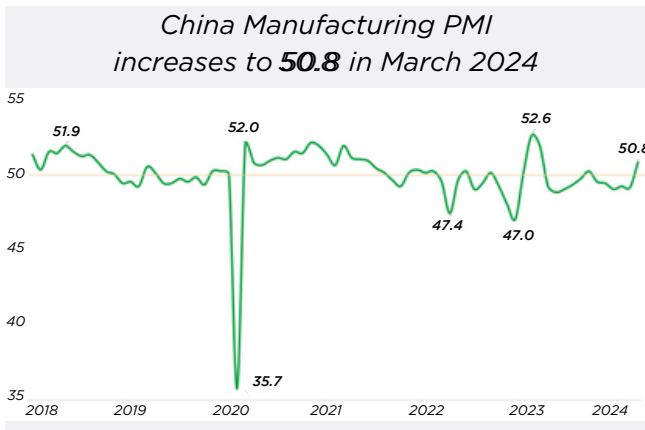
- ▲ India-EFTA (Switzerland, Iceland, Norway and Liechtenstein) sign trade deal which aims to bring US\$100 bn investment in 15 years

Hong Kong firms boost stock buybacks in 2023 to ~\$23bn



INTERNATIONAL UPDATE (Contd..)

- ▲ China factory activity expands for the first time in 6 months



- ▲ Saudi Arabia attracted US\$13 bn in private sector investment into its tourism industry

Will add 150,000 to 200,000 hotel rooms within the next 2 years

- ▲ Nissan to launch 16 EVs in next 3 years globally, plans to make India a hub for exports

- ▲ Citroën will add 200 new dealerships in India

Will invest ₹20 bn in Citroën India

INDIA - ECONOMIC DATA

Economic Indicator	Feb'24	Jan'24	Feb'23
WPI	0.2%	0.3%	3.9%
CPI Inflation	5.1%	5.1%	6.2%
Core Sector Growth Rate	6.7%	3.6%	6.7%
Trade Deficit (in \$)	-18.7 bn	-17.5 bn	16.6 bn
Air Passenger Traffic	12.6 mn	13.1 mn	12.0 mn

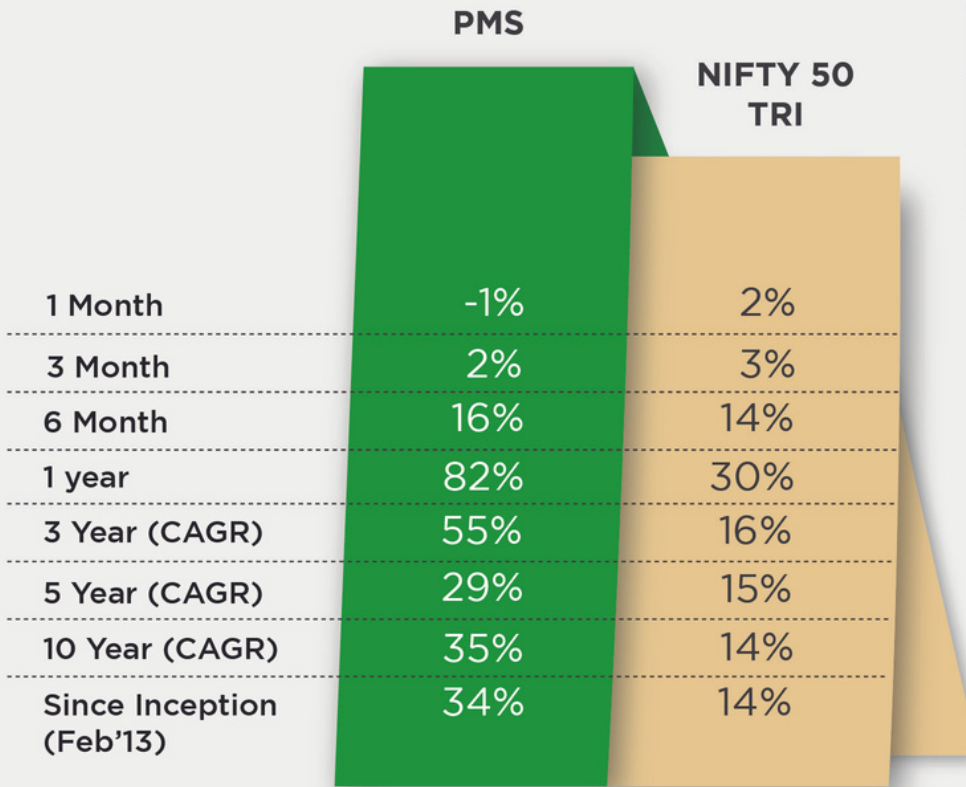
Economic Indicator	Mar'24	Feb'24	Mar'23	MoM	YoY
Composite PMI	61.8	60.6	58.3	2.0%	6.0%
GST Collection (₹)	1.8 tn	1.7 tn	1.6 tn	5.9%	12.5%
AVG USD INR	83.0	83.1	82.3	-0.1%	0.9%
Forex Reserves (\$)	645.6 bn	619.1 bn	578.1 bn	4.3%	11.7%
Railway Freight Traffic	156.9 MT	136.6 MT	144.5 MT	14.9%	8.6%
Auto Sales (mn)	2.1	1.8	2.0	16.7%	5.0%

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

Aequitas : What's Trending

Interview with NDTV Profit	Siddhartha's interview with NDTV Profit
Article in ET Markets	Coverage of Aequitas Investments by ET Markets
Article in Moneycontrol	Coverage on Aequitas' Contra view on Indian Equities
ICAI Singapore Event	Siddhartha's Keynote Speech at the ICAI Singapore Event on Valuations
CFA Society of India Event Video	Siddhartha Bhajya on Cracking the Multibagger Code

**PMS PERFORMANCE SUMMARY
AS ON 31st MARCH 2024**



Internal Rate of Return	XIRR%
Maximum XIRR of the investment approach	75%
Minimum XIRR of the investment approach	5%
Median XIRR of the investment approach	29%

Returns over 1 year period are on a compounded annual basis; returns are adjusted for inflows/outflows and are after expenses as of 31st March 2024.

Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

- The timing of inflows and outflows of funds
- Differences in the portfolio composition because of restrictions and other constraints.

Absolute XIRR return is computed for clients completing less than one year from reporting date.

Performance-related information provided herein is not verified by the regulator.