

# INDIA TOP DOWN & BOTTOM UP



BSE Mcap: \$4.7 tn | Composite PMI: 61.5 | GST Collection: ₹2.1 tn | Forex Reserves: \$637.9 bn

## INDIA UPDATE

- ▲ India to build 3 new freight corridors to boost cargo transportation, ease rail congestion with estimated cost of ₹2 tn  
*Proposed 4,300 km network would include routes along the east coast, north-south, and east-west*
- ▲ Govt plans to modernise Semi-Conductor Laboratory with ₹200 bn investment towards new fabrication plant  
*Targets monthly capacity of 20,000 wafers*
- ▲ At ₹2.1 tn, gross GST collections in April highest ever, up 12.4% YoY  
*Net GST receipts at ₹1.92 tn in April, up 15% YoY*
- ▲ India's power consumption at 144.2 bn units in April, Up 11% YoY  
*Peak power demand rose to 224 GW in April 2024*
- ▲ Brookfield plans \$10 bn investment in Indian realty, to double portfolio in 3-5 years  
*Currently owns 51 mn sq ft office space*
- ▲ Blackstone plans fresh private equity investments of \$17 bn in India  
*Currently has \$50 bn as AUM in India*

### RBI MPC Key Highlights

- Benchmark repo rate kept unchanged at 6.5%
  - Retail inflation to average 4.5% this fiscal, lower than 5.4% in FY24
  - GDP growth for 2024-25 retained at 7%, lower than 7.6% last fiscal
  - Net inflows by Foreign Portfolio Investors (FPI) stood at \$41.6 bn during FY24, 2nd highest level of FPI inflow after 2014-15
- ▲ India's pharma exports rise 10% to \$27.9 bn in FY24

## COMPANY UPDATE

- ▲ JSW Steel commissions 5 MTPA Hot Strip Mill at Vijaynagar steel plant
- ▲ Nestle raises parent's royalty to 5.2% from existing 4.5%  
*To pay with a staggered increase over next 5 years*
- ▲ Godrej Properties sold homes worth over ₹30 bn in "Godrej Zenith" within 3 days

## COMPANY UPDATE (Contd..)

- ▲ Vedanta expands alumina refining capacity to 3.5 MTPA from 2 MTPA

*Plans to further increase capacity to 5 MTPA*

⊘ RBI directs Kotak Mahindra Bank to stop issuing credit cards, onboarding fresh customers via mobile banking

- Kotak was found deficient in its IT Risk and Information Security Governance, contrary to requirements under RBI guidelines
- Kotak plans to hire 400 engineers to ramp up tech transition in 2024

- ▲ Maruti Suzuki adds new line in Haryana, boosts manufacturing capacity by 4.5%

*Overall capacity in Haryana Plant at 2.35 mn units*

- ▲ Mercedes-Benz sold 18,123 units in FY24, 10% YoY growth

*Achieving highest ever sales*

- ▲ Adani infuses ₹83 bn in Ambuja Cements, raises stake to 70.3% from 63.2% earlier

- ▲ Purvankara to redevelop housing society in Pali Hill, Mumbai with 215,000 sq ft available for sale, ₹20 bn in GDV

- ▲ NBCC secured ₹235 bn worth of orders in FY24, up 250% YoY

- ▲ Canada Pension Fund sold 2.8% stake in Delhivery for ₹9.1 bn via open market at ₹444.3/share

### Godrej family split 127-yr-old business empire

- Adi and Nadir Godrej get control of all the listed entities (Godrej Industries, Godrej Properties, Godrej Agrovet, Godrej Consumer, Astec Lifesciences)
- Jamshyd and Smita Crishna have control of the unlisted entities comprising Godrej Boyce & its affiliates

## CAPEX UPDATE

- ▲ Adani to invest ₹2.3 tn in manufacturing capacity for solar and wind by 2030

- ▲ Reliance, L&T, Greenko & Welspun to set up green hydrogen and ammonia units in Gujarat

*Cumulative investments of upto ₹1 tn expected*

- ▲ Ultratech earmarked ₹324 bn towards capex in 3 years

*Commissioned 2 units with 5.4 MTPA capacity, Overall current capacity: 151.6 MTPA*

- ▲ Damson Tech plans to move smart gadgets production to India from China

*Plans to invest ₹1.5 bn in first year*

### JSL announced ₹54 bn capex towards strategic investments

- 49% partnership in JV for 1.2 MTPA stainless steel melt shop in Indonesia
- Expansion in downstream capacity in Jajpur, Odisha
- Acquisition of 54% equity stake in Chromeni Steels in Mundra, Gujarat

- ▲ Adani to invest ₹16.8 bn in ship leasing firm in GIFT City

- ▲ Aster DM Healthcare to invest ₹10 bn towards capex, plans to add 1,700 beds by FY27

*Targets overall bed capacity of 6,600 in 3 years*

- ▲ Mahindra to invest ₹12 bn towards 101 MW wind and 52 MW solar capacity in Maharashtra

- ▲ Apollo Hospitals to invest ₹30 bn towards adding 700 beds per year over 3 years

## CAPEX UPDATE (Contd...)

- ▲ Coromandel International to set up ₹10 bn fertiliser plant in Andhra  
*Proposes 650 TPD - Phosphoric acid facility, 1,800 TPD - Sulphuric acid facility*
- ▲ PepsiCo to invest ₹12.6 bn to set up flavour manufacturing facility in Madhya Pradesh  
*To commence operations in FY 26*
- ▲ IHCL to invest ₹35 bn over 5 years, plans to add 100 hotels by 2030
- ▲ Vedanta to invest \$20 bn in 4 years in India towards technology, electronics, semiconductors and glass segments

### Recent Order Wins

Company	Awarding Entity	Amount (₹ bn)	Order Detail
Hindustan Aeronautics Ltd	Ministry of Defence	650	97 LCA Tejas MK1A aircraft <i>(Request for proposal issued, Contract yet to be signed)</i>
KEC International	RPG Enterprises	18.5	T&D in India & Overseas, Railways Overhead Electrification, Cables supply
Ircon International	East Coast Railway	11.9	EPC for Construction of Kottavalasa-Koraput Doubling Project
RITES	Bangladesh Railway	9.3	Supply of 200 Broad Gauge (BG) Passenger Carriages to Bangladesh Railway.
SAIL	Indian Railways	8.9	Procurement of Steel
RVNL	Southern Railway	4.3	Redevelopment of Thiruvananthapuram Central Railway Station on EPC mode
RVNL	Southern Railway	2.3	Emerges L1 bidder for Provision of Automatic Block Signaling system in contract(s); Jolarpettai Junction to Erode Junction of Salem Division
Tata Passenger Electric Mobility	Vertelo	Undisclosed	2000 units XPRES-T electric sedans

## GENERAL UPDATE

- ▲ CDSL opens record 10.9 mn Demat accounts in Q4FY24

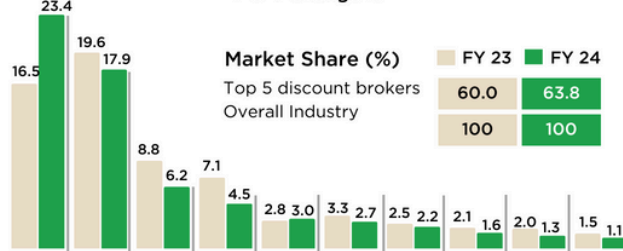
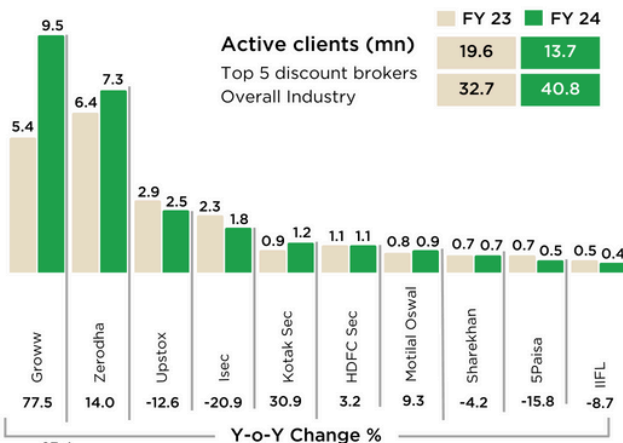
*Overall tally of demat accounts reaches 111 mn*

- ▲ Groww emerged as largest broker in India with market share of 23.4%

*Active client base of 9.5 mn in FY 24, a 77.5% jump YoY*

### BIGGER MARKET PIE

Discount brokers too have made further inroads



- ▲ Domestic air traffic soars to new single-day high of 471,000 passengers in April
- ▲ India likely to receive above-normal monsoon rainfall, IMD predicts 106% of average rainfall this season
- ▲ Water reservoirs in South India worst hit with levels at 16% of capacity
- ▲ Residential rental yields hit 5-year high, 4.5% in Bangalore, 4.2% in Mumbai
- ▲ India's iron ore exports at 3 year high at 47.8 MT, an increase of 130% YoY

*China accounts for over 90% purchase*

- ▲ Yield gap between Sensex earnings, 10-year US bond narrowest since 2000

Sensex Earnings Yield vs US 10-yr Bond Yield (Spread) (%)



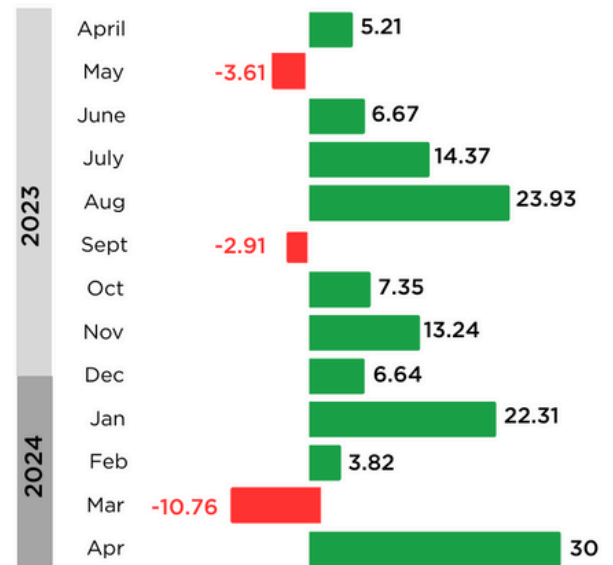
- ▲ Kedaara Capital closes largest India PE fund at \$1.74 bn, with 85% funds being raised from existing backers

*Surpasses Chrys Cap's \$1.3 bn fund IX raised in 2023*

- ▲ SME IPO index hits all time high of 69,600 in April, up 30%

*Concerns around high valuations continue*

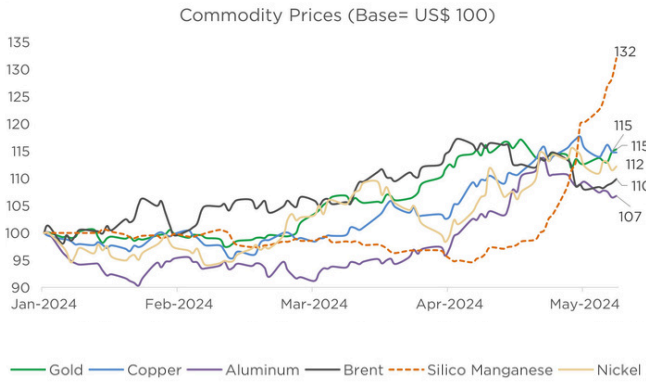
BSE SME IPO Index Return (in %)



## INTERNATIONAL UPDATE

- ▲ Tesla Inc to slash global headcount by 10% on subdued demand for EV

### Spike in Commodity Prices

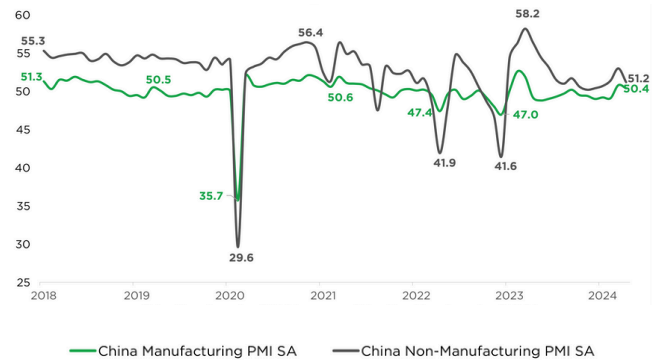


- ▲ Competition, lower costs escalate China's EV price war - Tesla, BYD, Li Auto cut prices further by 4-5% following the other 40 automakers in China

- ▲ China unveiled draft rules to cool lithium-ion battery boom amid overcapacity concerns

*China's battery production capacity exceeds global demand in 2023*

### Manufacturing Rebound: China



- ▲ WeWork to exit Indian operations, plans to sell entire 27% stake for a ₹12 bn deal

*Embassy group to reduce stake from 73% to 60% in the deal*

- ▲ PBoC emerges largest buyer of gold in 2023 with net purchases of 7.23 mn ounces, its highest single year purchases since 1977

## INDIA - ECONOMIC DATA

Economic Indicator	Mar'24	Feb'24	Mar'23
WPI	0.5%	0.2%	1.4%
CPI Inflation	4.9%	5.1%	5.7%
Core Sector Growth Rate	5.2%	6.7%	4.2%
Trade Deficit (in \$)	-15.6 bn	-18.7 bn	-18.9 bn
Air Passenger Traffic	13.4 mn	12.6 mn	12.9 mn

Economic Indicator	Ap'24	Mar'24	Apr'23	MoM	YoY
Composite PMI	61.5	61.8	61.6	-0.5%	-0.2%
GST Collection (₹)	2.1 tn	1.8 tn	1.9 tn	16.7%	10.5%
AVG USD INR	83.4	83.0	81.9	0.5%	1.8%
Forex Reserves (\$)	637.9 bn	645.5 bn	588.7 bn	-1.2%	8.4%
Railway Freight Traffic	128.3 MT	136.6 MT	126.4 MT	-6.1%	1.5%

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

## Aequitas : What's Trending

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

**A E Q U I T A S**
**PMS PERFORMANCE SUMMARY  
AS ON 30th APRIL 2024**

	<b>PMS</b>	<b>NIFTY 50 TRI</b>
1 Month	4%	1%
3 Month	0%	4%
6 Month	21%	19%
1 year	74%	27%
2 Year (CAGR)	46%	16%
3 Year (CAGR)	51%	17%
5 Year (CAGR)	31%	15%
10 Year (CAGR)	34%	14%
Since Inception (Feb'13)	34%	14%

Internal Rate of Return	XIRR%
Maximum XIRR of the investment approach	73%
Minimum XIRR of the investment approach	8%
Median XIRR of the investment approach	30%

Returns over 1 year period are on a compounded annual basis; returns are adjusted for inflows/outflows and are after expenses as of 30th April 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.  
This material is not for marketing purposes.