

INDIA TOP DOWN & BOTTOM UP



BSE Mcap: \$5.14 tn | Composite PMI: 60.5 | GST Collection: ₹1.7 tn | Forex Reserves: \$651.5 bn

INDIA UPDATE

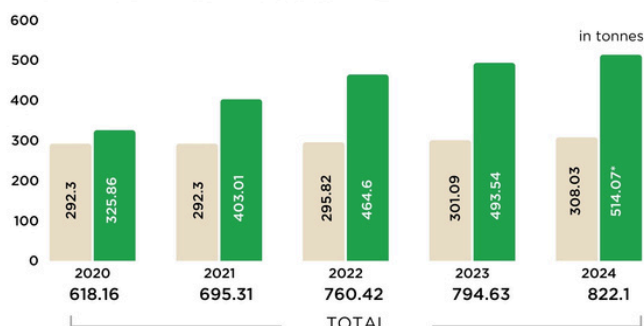
▲ India's gold reserves saw an uptick of 34% in last 5 FY and domestically held gold reserve rose by 40%

Highest Gold Reserve Added in Current Year YTD		
Country	Reserve Added (Tn) [Jan-Apr 24]	Gold Reserves (Tn) As on Apr-24
Turkey	38.0	578.2
China	28.9	2264.3
India	24.1	827.7
Kazakhstan	22.3	316.5
Singapore	10.8	240.8

PHYSICAL HOLDING OF GOLD

■ Gold held as backing for notes issued (held in India)
 ■ Gold (including gold deposit) held as asset of banking department (held abroad)

*100.28 tonnes held in India and 413.75 tonnes held abroad



▲ India topped with highest data centre capacity of 950MW in the APAC region (ex China)

India is likely to record highest capacity addition of ~850 MW during 2024-2026

▲ MoRTH plans to operationalise 700km of high speed corridors & award 3000km of highways contracts under new govt's 100-day road map

▲ Water levels in India's 150 major reservoirs have dropped to 35% of their total capacity, particularly in South where six have gone dry and levels in another 20 are in the single digit

▲ Government spending on India AI mission doubles to ₹200 bn
MeitY sets target to make 10,000 approved GPUs available

▲ China became largest trading partner of India in FY24 with \$118.4 bn; US second with \$118.3 bn

India's exports to China rose by 8.7% to \$17 bn & imports increased by 3.24% to \$102 bn

▲ India met a record maximum power demand of 250 GW on 30 May 2024

Thermal generation achieves a peak of 176 GW

INDIA UPDATE (Contd..)

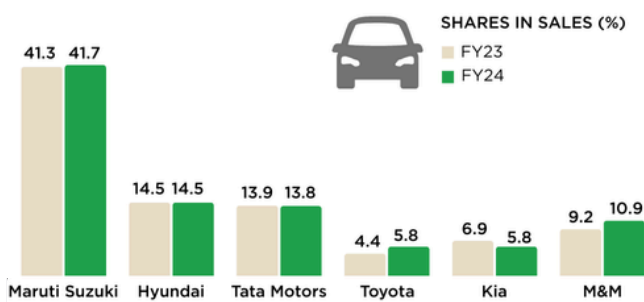
- ▲ Indian steel mills fear surge in Chinese imports after US imposes tariffs on Chinese steel

In FY24, China was top steel exporter to India reaching 2.7 mn MT, nearly double from a year earlier

- ▲ India surpasses Japan to become 3rd-largest solar power generator in 2023, generating 5.8% of its electricity from solar power

- ▲ Top 6 car brands now hold 92.6% market share in India

CONSOLIDATION IN AUTO INDUSTRY



COMPANY UPDATE

- ▲ IHCL plans to open over 50 hotels over 2 yrs

25 hotels in current FY and 30+ hotels in next FY

Few PE-VC exits in FY24

Company	Exiting investors	Amount (\$Mn)
Sona BLW	Blackstone	598
Manipal Hospitals	TPG Capital	525
Indira IVF	TA Associates	520
Capital Foods	General Atlantic, Invus Group	462
Axis Bank	Bain Capital	429

- ▲ Oberoi Realty in pact to redevelop 3.2-acre housing society in Mumbai's Worli

- ▲ Indigo places order for 30 Airbus A350-900 aircrafts to strengthen its position as the domestic leader

Co is also in discussions to purchase up to 100 small planes

India Inc plans fundraising via QIPs

Recent QIPs	Amount Raised (₹ Bn)	On The Anvil	Proposed Amount (₹ Bn)
JSW Energy	50.0	Adani Enterprises	166.0
Coforge	22.4	Adani Energy Solutions	125.0
Angel One	15.0	Torrent Pharma	50.0
Keystone Realtors	8.0	KPI Green	10.0
PSP Projects	6.5	Cello World	7.5
Gokaldas Exports	6.0		

- ▲ Reliance retail ventures planning to acquire majority stake in a pureplay diagnostic services company for ₹10-₹30 bn

- ▲ Dixon Tech. signs ₹15 bn p.a. pact with Nokia to manufacture telecom products such as fixed wireless access points & routers

- ▲ Godrej properties intends to introduce residential projects worth ₹300 bn this FY in Delhi, Gurugram and Noida

Aims to attain 20% increase in sales bookings

- ▲ Jio Financial plans ₹360 bn deal with Reliance Retail in push to dominate device leasing business

- ▲ Godfrey Phillips to exit retail business division '24 Seven', expects exit at ₹7-₹10 bn valuation

- ▲ MOIL hikes manganese ore prices by up to 35% wef June 1st 2024

- ▲ Macrotech to launch 17 projects with revenue potential of ₹120 bn in current FY

COMPANY UPDATE (Contd...)

Top stake sales by foreign promoters and FDI investors in FY24				
Company	Stake sold (in %)	Investors who sold	Nature of investor	Value of stake sale (₹ Bn)
Bharti Airtel	2.4	Singtel and Indian Continent Investment	Promoter	141
Interglobe Aviation	10.3	Rakesh and Shobha Gangwal	Promoter	97
Vedanta	6.2	Finsider International, Twinstar and others	Promoter	75
Adani Power	3.2	Worldwide Emerging Market and Afro Asia	Promoter	87
Whirlpool	24.0	Whirlpool Mauritius	Promoter	39
Zomato	14.9	Antfin, Alipay and others in tranches	Non-promoter- FDI	158
ITC	3.6	British American Tobacco	Non-promoter- FDI	174
PB Fintech	13.5	SoftBank, Tencent	Non-promoter- FDI	15
Kalyan Jewellers	14.7	Warburg Pincus	Non-promoter- FDI	37
Delhivery	15.8	CA Swift Investments and others	Non-promoter- FDI	40
One 97(Paytm)	20.5	Ant Financial, SoftBank and others in tranches	Non-promoter- FDI	82

- ▲ Vedanta's board approves fundraise of up to ₹85 bn

Second round of raising funds in the current FY

- ▲ RIL will enter the consumer durables market by launching a variety of white goods including fans, refrigerators and TV's

- ▲ L&T valves sets up new manufacturing unit in Saudi Arabia

To cater to increasing demand in the Middle East and Africa

- ▲ Alphabet Inc. [Google] partners with Dixon Technology & Foxconn to manufacture 8 phones domestically

Foxconn to set up new manufacturing plant in Tamil Nadu

- ▲ Shriram Finance Board approved sale of its housing finance subsidiary to Warburg Pincus for ₹46.3 bn

- ▲ Siemens approves demerger of energy business to allow focus on core activities

Energy business to also be a listed entity

- ▲ Raymond Board approves demerger of engineering business for its foray into aerospace, defence, EV

CAPEX UPDATE

- ▲ Large PSUs have spent ₹502 bn towards capex in April

Spending is 6.46% of the annual target of ₹7.77 tn

- ▲ NMDC earmarked ₹500 bn capex to double production to nearly 100mt over next 5-6 yrs

- ▲ Tata Motors to invest ₹430 bn in products and technologies in FY25, inclusive of ₹350 bn towards JLR

- ▲ M&M lines up ₹370 bn capex over 3 yrs
- EVs to get ₹12 bn and ICEs to get ₹14 bn*

- ▲ Fortis plans ₹13 bn investment in expanding capacities by 2,200 beds at existing hospitals over the next few yrs

- ▲ Mahanagar Gas plans ₹10 bn in capex for FY25

CAPEX UPDATE (Contd..)

- ▲ Indian Oil Corp announced ₹52 bn investment to develop 1 GW of renewable energy capacity in India
- ▲ Vedanta plans \$20 bn investment in India over 4 yrs, mostly in technology, electronics, semiconductors and glass segments
- ▲ JSW to invest ₹30 bn in new cement manufacturing plant in Nagaur, expanding capacity to 60 MTPA
- ▲ JSL plans to augment capacity by 1.2 MTPA to 4.2 MTPA for an investment of ₹54 bn
- ▲ JK Tyre to invest ₹14 bn for capacity expansion and product development over next two yrs
- ▲ GAIL plans to set up 1500 KTA ethane cracker project in MP, with an investment of ₹600 bn
- ▲ Polycab India plans 30% ramp up in capex to ₹11 bn p.a., for FY25, FY26 and FY27
- ▲ SAIL gets nod for ₹1L tn investment, to boost capacity by 75% to 35 MTPA by 2030
- ▲ SPIC to invest ₹9.7 bn to boost urea capacity and establish a new 150TPD green ammonia plant
- ▲ Som distilleries to invest ₹10 bn over 3 yrs in new setups including product facility and expansion

ORDER BOOK UPDATE

Company	Awarding Entity	Amount (₹ Bn)	Order Detail
Kalpatru Projects International Ltd	ARAMCO	75.5	Third expansion phase of the Master Gas System Network (MGS-3) in Saudi Arabia
PNC Infratech Ltd	Maharashtra State Road Development Corporation	49.9	Construction of Pune Ring road in Pune District & from Jalna to Nanded
G R Infraprojects Ltd	Maharashtra State Road Development Corporation	43.5	EPC of Pune Ring Road & Construction of Nagpur - Chandrapur Expressway
H.G. Infra Engineering Ltd	Maharashtra State Road Development Corporation	19.9	Construction of Nagpur-Chandrapur Expressway (Length 28.200 km)
		21.5	Construction of Nagpur-Chandrapur Expressway (Length 31.75 km)
L & T Ltd	Institute of Neurosciences Kolkata	10 to 25	Construction of 605-Bed Hospital, a Medical College in built up area of 1.21 mn sq ft.
	Multiple Awarding Entity	50 to 100	To establish floating solar capacity of more than 150 & 120 MW ac capacity, 765 kV Transmission Lines & 400kV Gas Insulated Substation in Kuwait
Welspun Enterprises Ltd	Maharashtra State Road Development Corporation Limited	18.7	Construction Multi-Modal Corridor from Navghar to Balavali
Bharat Electronics Ltd	NA	11.5	AMC of Akash Missile System, Combat Management System for Ships, Communication Network Centre
Cochin Shipyard Ltd	European Client (NA)	5 to 10	Construction of Hybrid Service Operation Vessel
Rites Ltd	Bangladesh Railway	9.2	To supply 200 coaches
Rail Vikas Nigam Ltd	Ser HQ-Electrical / Southern Railway	1.5	Commissioning of Electric Traction System for Kharagpur - Bhadrak
		1.7	Commissioning of Electric traction system for Rajkharasawan Jo, Nayagarh - Bolani
	Southern Railway	2.4	Automatic Block Signaling System in Jolarpettai Junction
		3.9	Construction of Sitarampur Bypass Line Under Asansol Division
		4.4	Redevelopment of Thiruvananthapuram Central Railway Station [EPC]

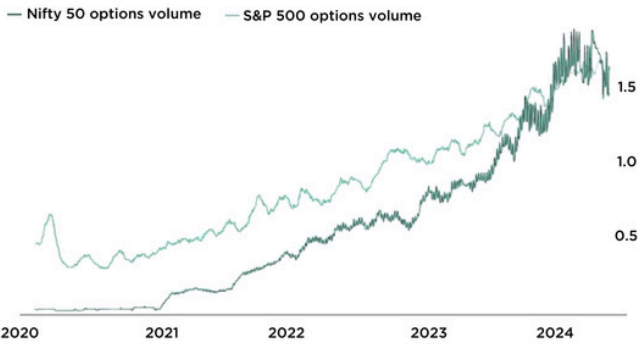
GENERAL UPDATE

▲ Draft RBI guidelines propose requirement of at least 5% provisioning on loan exposure for infrastructure projects in construction phase, compared with current 0.4%

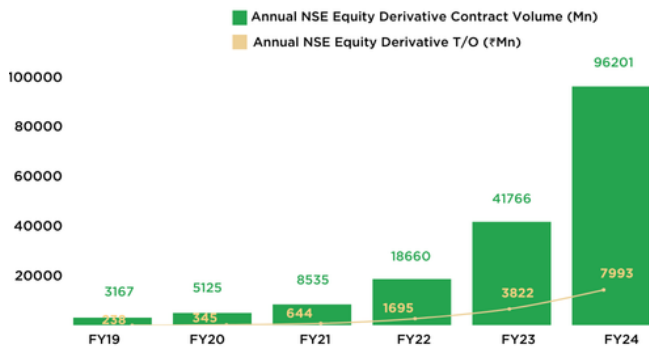
If implemented, will impact economics of infrastructure projects

▲ From 2019 to 2024, the number of F&O traders has grown eightfold to 9.6 mn, while cash market investor rose only fourfold to 30.7 mn in India

Notional value of options on Nifty 50 index has averaged about \$1.64 trillion a day this year, surpassing the average daily volumes of \$1.44 trillion on the S&P 500 index



Equity Derivative Annual Volume and T/O

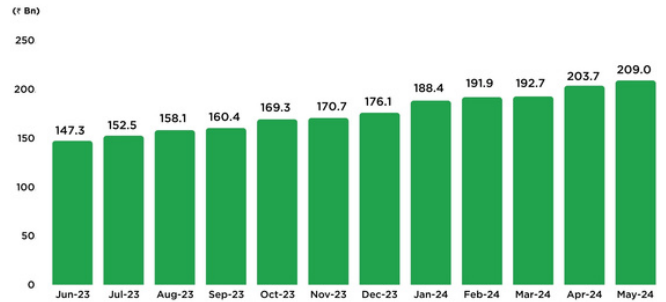


▲ Cumulative nonperforming loans of 3 largest PSB and private sector banks down 11% in FY24 to ₹2.483 tn

▲ JLR to start making flagship Range Rover model in India, translating to price reduction of cars by ~20%

▲ RBI prohibits NBFC's from handing out cash loans in excess of ₹20,000 to customers to comply with IT rules on cash disbursement

SIP Investments



▲ NHA implements nationwide toll hike of 3%-5% wef June 3, 2024

Likely to affect millions of commuters and freight transporters across the nation

▲ Total two-wheeler exports surged 30% with 12,36,384 units between January and April 2024

▲ Natural rubber prices rise to 3-yr high on supply constraints, reaching ₹190/Kg *Increasing the R/M basket price of tyre companies by 2-3%*

▲ Blackstone group acquires Adani Realty's Inspire BKC in Mumbai of ~800,000 sq ft for ₹20 bn

▲ Brookfield India REIT to buy 50% stake in 4 Grade A assets of Bharti Enterprises at EV of ₹60 bn

Includes commercial properties totalling 3.3 mn sq ft

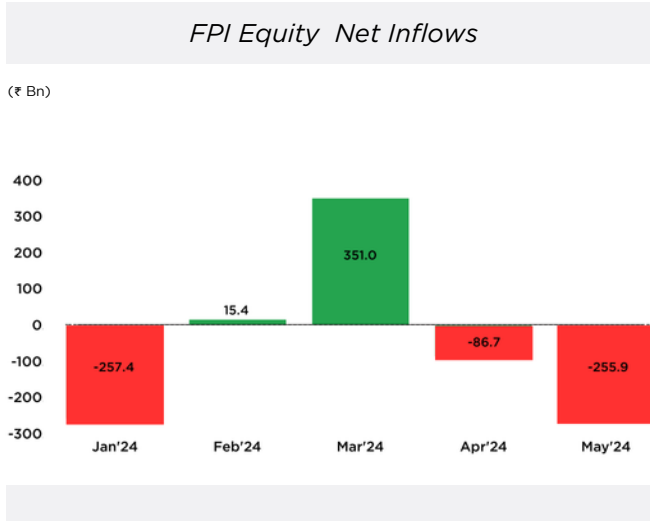
▲ Indians spent \$32 bn overseas under LRS in FY24, 17% increase YoY

With travel expenses soaring to \$17 bn & remittances for education abroad at \$3.5 bn

▲ Microsoft buys 48 acre land parcel in Hyderabad for ₹2.67 bn

GENERAL UPDATE (Contd...)

- ▲ Embassy REIT to invest ₹38 bn to construct of 6.1 mn sq ft office space over next 4 yrs



- ▲ Flipkart closed \$1 bn funding round; \$350 mn from Alphabet's Google
- ▲ Hero Fincorp plans to float IPO aggregating to at least ₹40 bn

INTERNATIONAL UPDATE

- ▲ China to invest ~USD 830 mn in government-led project to develop solid-state batteries with six firms eligible
- ▲ India opens up various investment options for Russia to channel rupee balance

- ▲ India and Iran signed MoU extending Chabahar port deal by 10 yrs with IPGL investing \$120 Mn for equipping the port

Serves as a vital trade artery connecting India with Afghanistan and Central Asian countries

- ▲ Wabtec to continue investing 4% of global revenues in India and make it a manufacturing hub for exports

Looks to increase India's exports 10x

- ▲ Chinese EV maker Leapmotor, in collaboration with Stellantis, will enter the Indian market by launching its first car in Q3FY25

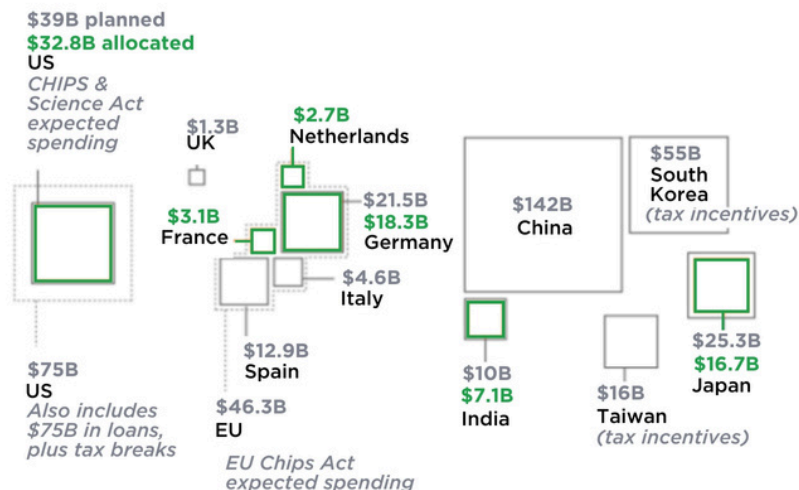
- ▲ Amazon made fresh equity infusion of \$199 mn into it's India marketplace entity

- ▲ China is facilitating \$138 billion in extra funding, easing mortgage rules, and local governments set to buy unsold apartments to bolster slumping property market

- ▲ Saudi Arabia raises \$11.2 bn from secondary offering of Aramco shares at a valuation of ~\$1.76 trillion

Global Chips Investments

Funding allocated or planned for semiconductors, in US dollars



INDIA - ECONOMIC DATA

Economic Indicator	May'24	Apr'24	May'23
WPI Growth	2.6%	1.3%	-3.5%
CPI Growth	4.75%	4.8%	4.25%
Trade Deficit (in bn\$)	23.78	19.1	22.1

Economic Indicator	May'24	Apr'24	May'23	MoM	YoY
Composite PMI	60.5	61.5	61.6	-2%	-2%
GST Collection (in ₹Tn)	1.7	2.1	1.6	-18%	10%
AVG USD INR	83.3	83.4	82.3	0%	1%
Forex Reserves (US\$ Bn)	646.7	637.9	589.1	1%	10%
Railway Freight Traffic (MT)	139.2	128.3	134.2	8%	4%
Air Passenger Traffic (Mn)	13.9	13.2	13.3	5%	5%

**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 Bhaiya on Cracking the Multibagger Code