

INDIA TOP DOWN & BOTTOM UP



BSE Mcap: ₹463 tn | Composite PMI: 60.7 | GST Collection: ₹1.75 tn | Forex Reserves: \$683.99 bn

INDIA UPDATE

- ▲ Cabinet approves 8 national high-speed road corridor projects worth ₹506 bn
- ▲ India's steel trade deficit swells to ₹67 bn in Q1
Import of finished steel was valued at ₹173 bn, whereas export of finished steel was valued at ₹106 bn

- ▲ EV sales in India increased by 55.2% YoY in July 2024, reaching 179,038 units

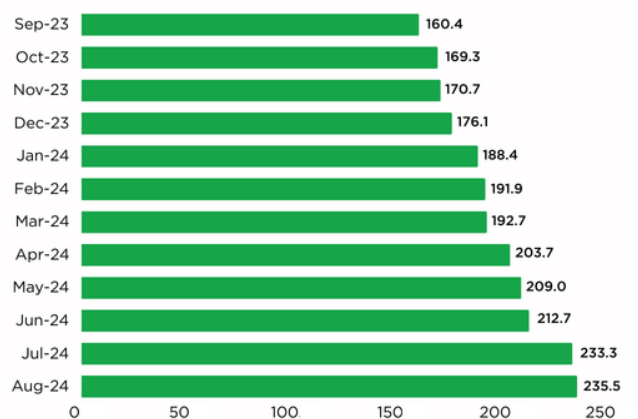
Vehicle	YoY % increase as of Jul-24
E2W	95.9
E3W	18.2
Passenger Vehicle	124.2
Commercial Vehicle	-2.9

- ▲ Govt. has approved eight railway projects, totalling an estimated cost of ₹246.6 bn
The capacity augmentation works will result in additional freight traffic of magnitude 143 MTPA

- ▲ Govt. approved key metro rail projects worth around ₹300 bn in Bengaluru, Thane, and Pune

- ▲ Cabinet approved ₹58 bn for 669 MW Lower Arun Hydro Electric Project in Nepal
The project will generate 2,900 mn units annually and be commissioned in 60 months

SIP Investment (in ₹ bn)



- ▲ The Union Cabinet has approved an outlay of ₹41.4 bn for NER (North Eastern Region) state governments to participate in hydroelectric project development
It aims to support a cumulative hydro capacity of approximately 15,000 MW

GOVT. INITIATIVES

▲ Govt. finalising DPR of ₹410 bn transshipment port at Great Nicobar Island with handling capacity of 16 mn containers annually

Larsen and Toubro Ltd, Afcons Infrastructure Ltd, and JSW Infrastructure Ltd are among the companies that have submitted Eols

▲ Government announced 100 horticulture clusters with ₹180 bn investment in the next five years

Also announced ₹68 bn oilseeds mission to reduce import of cooking oil

▲ The Maharashtra government has approved the Wainganga-Nalganga river linking project with an estimated cost of ₹873.4 bn

Project aims to irrigate 3.8 lakh hectares of land, benefiting drought-prone areas like Marathwada

COMPANY UPDATE

▲ IndiGo to offer business class on 12 routes, tickets start at ₹18000. Services to start on Delhi- Mumbai route initially

Indian Airlines: Market Share and Occupancy		
Airline	Market Share	Occupancy (%)
IndiGO	62	84.6
Air India	14.3	82.2
Vistra	10	90
Akasa Air	4.7	86.4
Air India Express	4.5	85.7
Spice Jet	3.1	90.3

▲ Indigo Airlines co-founder Rakesh Gangwal sold 23 mn shares worth ₹110 bn in a large block deal

▲ Intel to layoff over 15,000 employees, plans to cut more than 15% of its workforce

Part of a \$10 bn cost-reduction strategy for 2025

▲ Blackstone is divesting 330 mn units in Nexus Select Trust, reducing its stake from 43.1% to 21%. The sale is estimated to generate ₹45 bn

Nexus Select Trust portfolio consists of 17 malls with a total spread of nearly 10 mn sq ft across 14 cities with 97.3% retail portfolio occupancy

▲ ONGC receives government nod for ₹183.65 bn investment in OPaL

This will raise ONGC's stake in OPaL from 49.4% to 95.7%

▲ Godrej Properties acquires 90 acres land in Khalapur, Maharashtra

Land is estimated to have 1.7 mn sq ft of saleable development potential

▲ Antfin sold 1.5% stake in Zomato via block deals, raising ₹47 bn. Floor price at ₹251.7, 4% discount

Previously sold 2% stake in March for ₹28.3 bn

▲ Gensol Engineering & Matrix Gas consortium emerges as winning bidder for 237 MW Hydrogen Electrolyser Manufacturing Capacity Under PLI Scheme

▲ Esoteric, a KKR affiliate, is selling a 17.3% stake in IndiGrid for \$213.6 mn. The sale involves 135.8 mn shares at ₹132 each

▲ REC to provide up to ₹ 450 bn for JNPA's infrastructure projects, including Vadhavan port development.

REC's loan book stands at ₹5300 bn with a net worth of ₹723 bn

COMPANY UPDATE

- ▲ REC Ltd plans to double its loan book to ₹10000 bn by 2030, with 30% for renewable energy

It aims to support India's 500GW renewable energy target

- ▲ Coal India faces a potential ₹350 bn loss due to a Supreme Court tax review. Mahanadi Coalfields and Central Coalfields are most impacted

Coal India expects to recover 75-80% of the amount, resulting in a net impact of ₹65-70 bn

- ▲ JSW Neo Energy receives a 250 MW wind power project award from Adani Electricity Mumbai Limited

The company aims for 20 GW generation capacity and 40 GWh energy storage capacity by 2030

- ▲ JSW Neo Energy received LoA for a 300 MW wind-solar hybrid project from NTPC Limited

The company aims for 10 GW capacity by FY25 and carbon neutrality by 2050

- ▲ JSW Renew Energy has signed a 300 MW solar PPA with BESCO in Karnataka until FY 2044 with a tariff of ₹2.9/kWh

- ▲ The NCLT approved Adani Power's acquisition of Lanco Amarkantak Power Limited (LAPL) for ₹41 bn. LAPL owns and operates a 600 MW thermal power plant

- ▲ Vedanta Limited sold 63.6 mn equity shares (1.5%) of Hindustan Zinc Limited via offer for sale. The shareholding in the Company is now reduced to 63.4%

- ▲ GAIL and Petron signed an MoU to explore a 50:50 JV for a 500 KTA bio-ethylene plant in India

- ▲ Warburg Pincus sold a significant 8.4% stake in Kalyan Jewellers India through the open market for ₹29 bn

- ▲ Prestige Group plans to invest ₹100 bn in the residential real estate sector by the end of FY25

The Group is looking at expanding in cities like Delhi-NCR, Goa, Hyderabad, Mumbai, Chennai, and Bengaluru

PLI Application Status for Automobile

Name of Applicant	Applied	Approved	In Process
M&M	23	16	7
Tata Motors	27	15	12
Ola Electric	5	4	1
Bajaj auto	13	13	0
TVS Motor Co'	5	2	3
Echier Motors	1	0	1

- ▲ Sunteck Realty aims for 30-35% pre-sales growth in FY25 despite no Q1 launches

- ▲ NBCC (India) sold 100 % of the office and retail inventory worth approximately ₹148 bn at its World Trade Centre (WTC) and Downtown in New Delhi

- ▲ Zomato acquires Paytm's entertainment ticketing business for ₹20.5 bn

Paytm's ticketing business generated ₹2.3 bn revenue in FY24

ORDER BOOK UPDATE

Company	Awarding Entity	Amount (₹ bn)	Order Detail
NBCC	Srinagar Development Authority	150	Development of Satellite Township spread over 406 acres
NBCC	Jhansi Development Authority	7.2	Development of two Land Parcel on Self-sustainable mode
BHEL	Adani Power Ltd	110	Setting up 3 nos. Supercritical Thermal Power projects (each of 2x800 MW rating)
Mazagon Dock Shipbuilders Limited	Oil and Natural Gas Corporation Limited (ONGC)	46.8	Wellhead Platforms and Associated Pipeline Project (DSF-II) on EPC reimbursable basis (OBE)
Larsen Turbo	City and Industrial Development Corporation Limited	25-50	Integrated Infrastructure Development project in Town Planning Schemes 2 to 7 under the Navi Mumbai Airport Influence Notified Area (NAINA)
Genus Power Infrastructures	N/A	29.3	Appointment of Advanced Metering Infrastructure Service Providers (AMISPs) including design of Advance Metering Infrastructure (AMI) system with supply, installation and commissioning with FMS of about 3.75 mn Smart Prepaid Meters
Kec International	N/A	10.8	The business has secured orders for T&D projects in India, Middle East and Americas
Ceigall India	N/A	10.4	Development of Kanpur Central Bus Terminal and Bhuvaneshwar Metro Project
Ceigall India	Delhi Metro Rail	9.0	Part Design and Construction of Elevated Viaduct and Six Elevated
Ceigall India	Uttar Pradesh State Road Transport	1.4	Construction of Bus Terminal and Commercial Complex
HG Infra	Ministry of Road Transport and Highways (MoRTH)	7.8	Up-gradation of existing 6 Land road including elevated corridor as per site requirements from km 0/00 to km 10/170 of NH 47
BEL	N/A	7.0	Combat Management System, Communication equipment, Stabilized Optronic Pedestal, Upgrades, Spares, Services etc.
Shakti Pumps Limited	Department of Agriculture	5.6	12,537 pumps for the entire state of Uttar Pradesh under Component-B of PM-KUSUM scheme

CAPEX UPDATE

▲ Mercedes-Benz India plans to open 25 new boutiques in 2024, targeting double-digit growth

The luxury car market is expected to exceed 50,000 units this year

▲ Toyota Kirloskar Motor will set up a new manufacturing plant in Maharashtra at an investment of around ₹200 bn

CAPEX UPDATE (Contd...)

- ▲ BPCL's ₹1.7 tn investment in 5 years
 - Core Focus: BPCL is investing in core businesses and green energy
 - Bina Refinery: Expanding capacity to 11 mn tonnes by 2029
 - Kochi Refinery: Polypropylene project planned
 - Renewable Energy: Investing in wind and solar power

In next 5 years, company plans to install 4W fast chargers at 6,000 retail outlets across 400 highway corridors

- ▲ Hindalco plans \$10 bn expansion, including aluminum, copper, and alumina projects. Greenfield alumina refinery in Odisha expected to be commissioned in FY27

Co. is considering a brownfield expansion of approximately 200,000 tonnes at its Aluminium smelter in Odisha

- ▲ Godrej Properties and Sobha Ltd won bids for land parcels in Greater Noida for ₹5.6 bn and ₹1.6 bn respectively

The Greater Noida Authority received bids worth ₹15 bn against the reserve price of ₹7.4 bn

- ▲ Sansera Engineering signed a MoU with the Karnataka government to expand manufacturing capacity in Ramanagara with an investment of ₹21 bn

The facility is expected to drive growth in both the automotive and non-automotive sectors

- ▲ Vedanta's Key Investments and Expansions

- Cairn Oil & Gas: Approved \$270 mn for infill wells to increase reserves and production
- Western Cluster Ltd: Approved \$280 mn for a 3 MTPA expansion of iron ore capacity in Liberia
- Lanjigarh Refinery: Train 1 expansion completed, Train II underway for a total capacity of 5 MTPA
- FY 2024-25 Capex: Capex guidance remains unchanged at \$1.9 bn

- ▲ Chevron is planning to invest ₹83 bn in Karnataka, over the next five to six years

To establish a new R&D hub in Bengaluru, making it the company's largest technology centre outside the US

- ▲ Ambuja Cements announces ₹16 bn investment to set up 6 MTPA Cement Grinding Unit in Bihar

Largest investment in the state by a cement industry player

GENERAL UPDATE

- ▲ Finance Minister Nirmala Sitharaman has amended the long-term capital gains (LTCG) tax provisions for property proposed in Budget 2024

- Previous Proposal: A reduced LTCG tax rate of 12.5% was proposed, but with the elimination of indexation benefits
- Current Amendment: Homeowners now have the flexibility to choose between:
 - 12.5% LTCG tax without indexation
 - 20% LTCG tax with indexation

Taxpayers can choose between a 12.5% LTCG tax rate without indexation or a 20% rate with indexation for property acquired before July 23, 2024

- ▲ Domestic air traffic increased by 7.3% to 12.9 mn this July, compared to 12.1 mn flyers in July 2023

- ▲ Equity mutual fund folios hit a record 5.4 mn in July, with inflows of ₹100 bn

- ▲ 11 companies buyback ₹53.9 bn shares in August, highest in 14 months

The new rules in the Union Budget, presented in July 2024, will shift the tax burden from companies to shareholders

GENERAL UPDATE (Contd...)

Company Name	IPO Dates (2024)	Price Range (₹)	Issue Size (₹ bn)	Status
Ola Electric	Aug 2-6	72-76	61.5	Concluded
Brainbees Solutions	Aug 6-8	440-465	41.9	Concluded
Hero FinCorp	Filed DRHP	Yet to be decided	36.7	Upcoming
Premier Energies	Aug 27-29	427-450	28.3	Concluded
Paras Healthcare	Aug 1-5	380-401	12.5	Concluded
Bazaar Style Retail	Aug 30-Sep 2	370-389	8.3	Concluded

▲ Residential prices have seen an average growth of 45% in the last five years in micro markets of top seven cities

▲ Indian real estate companies have raised over ₹1 tn in debt financing over the past 19-20 months, with ₹280 bn more planned

Boom in the housing sector and steady cash flows have made them a better credit risk

Real Estate Appreciation in Tier - 1 Cities Over Last 5 Years			
Rank	Region/City	Micro Markets	Price appreciation b/w 2019 to H1 2024(%)
1	Bengaluru	Bengaluru	90
2	Hyderabad	Kokapet	89
3	Bengaluru	Whitefield	80
4	NCR	Dwarka Expressway	79
5	Bengaluru	Sarjapur Road	58
6	Hyderabad	Bachupally	57
7	Hyderabad	Tellapur	53
8	MMR	Panvel	50
9	NCR	Gurgaon	48
10	MMR	Dombivli	40

Capital Market Update

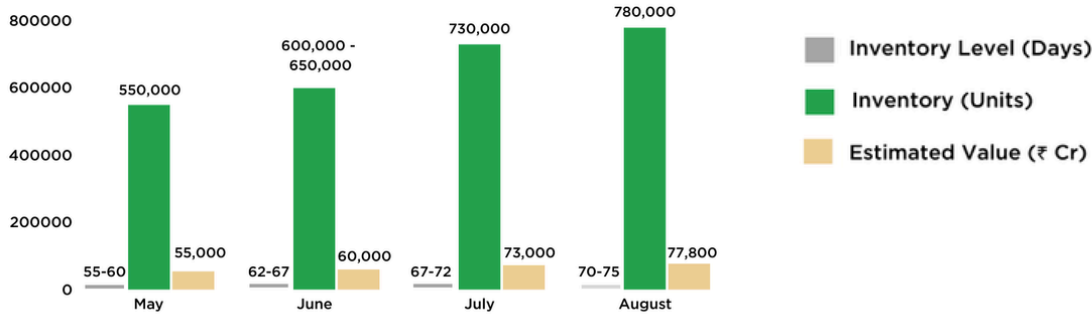
- The number of new SIP folios registered in India increased from 9 lakh in January 2021 to a record-high of 72.62 lakh in July 2024, representing a 772.44% growth rate
- The average investment per SIP folio in equity funds has from ₹1.41 lakh in January 2021 to a record ₹2.1 lakh in July 2024, representing a substantial 49.3% increase
- The number of demat accounts in India has increased from 51.5 mn in January 2021 to 171.1 mn in August 2024, representing a substantial growth of 233%
- The active client ratio in the Indian mutual fund industry declined from 35% in January 2021 to 27% in July 2024

**Increasing demat accounts with declining client ratio indicates poor quality of demat addition*

Monthly	Net Inflows	Sector Funds	New Fund Offers
May-24	347	192.2	HDFC Manufacturing
Jun-24	406.08	223.5	ABSL Quant, Baroda BNP, Paribas Manufacturing, Helios Financial Services, Kotak Special Opportunities, Mahindra Manulife Manufacturing, Samco Sp Opps, SBI Automotive Opps and WhiteOak Capital Special Opps
Jul-24	371.13	183.9	Edelweiss Business Cycle, ICICI Prudential Energy Opps
Aug-24	382.39	181.2	HDFC Nifty500 Multicap, Mirae Asset Nifty 500 Multicap, Nifty500 Multicap 50:25:25 Index

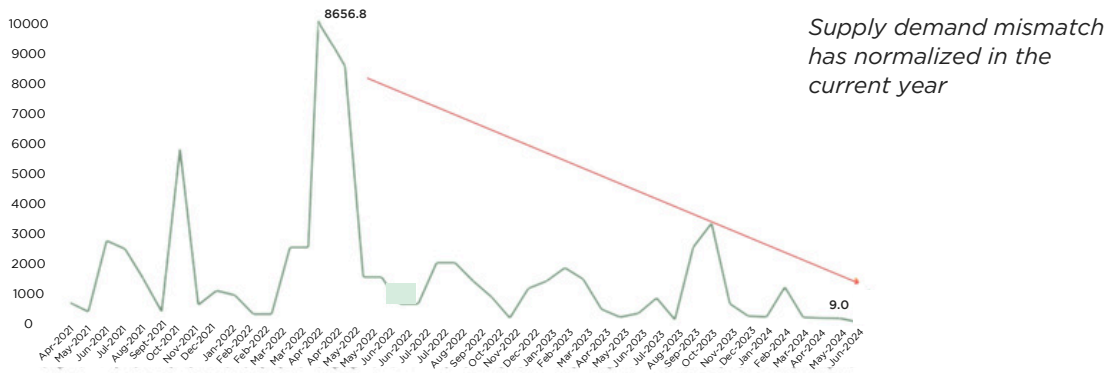
Signs of Slowdown in Economy

- There is growing concern over rising inventory for passenger vehicles in 2024, with slowdown in sales



- India's top business schools, including the IIM are facing challenges in securing job placements for their students. Due to the global economic slowdown, over-hiring during post-Covid job boom and lower IT spending. Median pay stagnates and even falls in some cases, with Top B School increasing their fees
- Peak power demand also witnessed a substantial fall of 5.3%, declining to 217 GW in August from 238 GW last year. One of the sharpest decreases since the beginning of the fiscal year. The western and northern parts of India led the decline, with power demand drop.

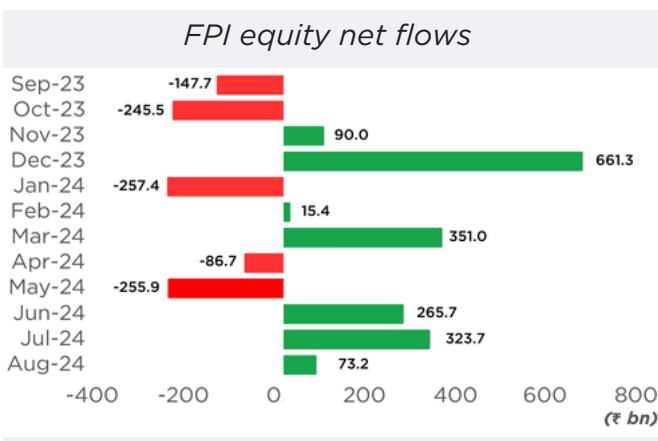
Difference between Peak Demand and Peak Met (MW)



INTERNATIONAL UPDATE

- ▲ FIIs have been pulling money out of the Indian market. Their share dropped to a 12-year low of 17.4%

DIIs hold just 6.6% less than FIIs



- ▲ The Caixin China General Composite PMI stood at 51.2 in August 2024
- ▲ The S&P Global US Composite PMI for August 2024 was 54.6
- ▲ Bank of England delivered its first interest rate cut in more than 4 years of 25 basis points from the 16 year high of 5.3 % to 5 %
- ▲ Market volatility in US was sparked by weak US jobs data. Comment - Unemployment rate rose to 4.3%
- ▲ Chinese consumer inflation went up by 0.6% YOY to a six-month high

INDIA - ECONOMIC DATA

Economic Indicator	July'24	June'24	July'23
WPI Growth	2.0%	3.4%	6.7%
CPI Growth	3.5%	5.1%	7.4%
Core Sector Growth	6.1%	4.0%	6.1%
Trade Deficit (in bn\$)	23.5	21.0	19.0

Economic Indicator	Aug'24	July'24	Aug'23	MoM	YoY
Composite PMI	60.7	60.7	60.9	0.0%	-0.3%
GST Collection (in ₹tn)	1.8	1.8	1.6	-3.9%	10.1%
AVG USD INR	83.9	83.6	82.8	0.3%	1.3%
Forex Reserves (US\$ bn)	684.0	667.0	602.0	2.6%	13.6%
Railway Freight Traffic (MT)	127.0	129.6	127.0	-2.0%	0.0%
Air Passenger Traffic (mn)	13.3	13.0	12.4	2.2%	7.2%

**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