Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	58,491	-0.9	22.5
Nifty-50	17,397	-1.1	24.4
Nifty-M 100	29,255	-2.2	40.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	4,358	-1.7	16.0
Nasdaq	14,714	-2.2	14.2
FTSE 100	6,904	-0.9	6.9
DAX	15,132	-2.3	10.3
Hang Seng	8,639	-3.4	-19.6
Nikkei 225	30,500	0.0	11.1
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	74	-1.5	44.1
Gold ($/OZ)	1,764	0.6	-7.1
Cu (US$/MT)	9,049	-2.8	16.8
Almn (US$/MT)	2,845	-0.9	44.1
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	73.7	0.4	0.9
USD/EUR	1.2	0.0	-4.0
USD/JPY	109.4	-0.4	6.0
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.1	-0.03	0.3
10 Yrs AAA Corp	6.8	-0.03	0.2
Flows (USD b)	**20-Sep**	**MTD**	**CY21**
FIIs	0.01	1.41	8.79
DIIs	-0.22	-0.17	3.01
Volumes (INRb)	**20-Sep**	**MTD***	**YTD***
Cash	712	714	758
F&O	56,063	64,430	47,753

Note: *Average

Today's top research idea

Automobiles: PLI for Auto sector focuses on 'Atmanirbhar Bharat'; potential to influence competitive landscape

- It is expected that 15 OEMs (includes five new OEMs) and 50 component manufacturers could be shortlisted after meeting the eligibility criteria for the scheme. The scheme is currently restricted to EVs and hydrogen fuel cells (not available for hybrid vehicles). Also, the policy currently does not cater to charging infrastructure components.
- The eligibility criteria may work against smaller OEMs and older start-ups: Considering that the base year of the policy is FY20, many older start-ups may not qualify for this scheme. This could potentially change the competitive landscape as incentives are 13-16% of sales.
- The subsidy would be divided into various sub-segments (but these details would not be shared by the government). There could be a cap on incentives at the company level.
- Of the INR259.4b allocated to the PLI scheme, OEMs could be allocated around 70-75% of the total outlay (i.e., INR180-190b) and the balance could be allocated to auto component manufacturers.
- In the event that both auto component suppliers and auto OEMs are availing incentives under the PLI scheme, OEMs would be able to claim incentives only on value add and there would be no double benefit.

Research covered

Cos/Sector	Key Highlights
Automobiles	PLI for Auto sector focuses on 'Atmanirbhar Bharat'
Consumer	Commodity prices stay stable on a sequential basis
Petronet LNG	Management's lucidity on the new businesses
Hotels	Recovery to be further aided by foreign tourists

Chart of the Day: Consumer (Commodity prices stay stable on a sequential basis)

Key raw materials and gross margins of FMCG companies

Company	Major raw materials	FY20 gross margin	FY21 gross margin	Pricing power
Asian Paints	Pigment and additives – TiO2; solvents – TiO2, monomers	43.7	44.3	High
Britannia	Wheat, vegetable oil, sugar, and milk	40.3	41.9	Moderate
Colgate-Palmolive	Sorbitol, oils, and various chemicals	65.2	68.0	High
Dabur	LLP and fruit concentrates	49.9	49.9	Moderately high
Emami	Mentha oil	67.0	67.7	Moderately high
GCPL	PFAD, LAB, and various chemicals	57.0	55.3	Moderately high
Hindustan Unilever	Chemicals and perfumes, oils, fats and resins, and tea	54.1	52.9	High
Marico	Copra	48.8	46.9	Moderate
Nestle	Milk, coffee, sugar, wheat flour, and vegetable oil	57.8	57.5	High
Pidilite	VAM	53.6	53.7	High
United Spirits	Spirits and grains	44.8	43.4	Moderate
Across FMCG	Packaging costs are crude-linked	-	-	-

Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Nestle India chief says 2022 going to be difficult year on higher commodity prices

Nestle India NSE chief Suresh Narayanan on Monday said that 2022 will likely be a "difficult year" as commodity prices are expected to rise and result in the spectre of food inflation for the manufacturers.

2

No GST on country's $180 billion back-office sector

The government has clarified that services outsourced to India or carried out in the country for foreign entities will not be treated as intermediary services, and hence not face 18% goods and services tax (GST), a relief for the country's $180 billion back-office sector. Approved by the GST Council on Friday, the clarification will free up hundreds of crores in tax refunds to entities in the information technology (IT), IT-enabled services (ITeS), financial services, and research and development sectors as well as resolve the four-year-old issue that has led to large-scale litigation.

3

EPFO adds 14.65 lakh net new subscribers in July

Formal job creation picked up pace in July as more and more industries and establishments opened up to hiring to meet spurt in demand ahead of the festive season.

4

Reliance, Tata, Adani may bid for solar projects under PLI scheme

Reliance Industries, Tata Power, Adani Solar, Acme Solar and Vikram Solar are likely to bid for contracts under the production-linked incentive (PLI) scheme for solar modules.The government is expecting a grand response to the programme with bids at nearly four times the 10 Gw tender.

5

Icra expects consumer demand to pick up in festive season

Rising confidence among consumers is expected to boost demand during the festive season even as high performance indicators remained a mixed bag during August and the first half of September, analysts at ratings agency Icra have said.

6

China Evergrande crisis has first victim on D-Street with not-so-steely prospects

Evergrande crisis seems to have its first victim on Dalal Street in the form of steel stocks that plunged up to 7 per cent on fears of a further fall in iron ore prices following a 22 per cent fall in the previous week.

7

Govt eyes 14GWh battery storage system in Kutch

India plans to set up around 14 gigawatt-hour (GWh) grid-scale battery storage system at the world’s largest renewable energy park at Khavda in Gujarat, Union power and new and renewable energy minister Raj Kumar Singh said at the Mint Energyscape conclave.

Expert Speak

PLI for Auto sector focuses on 'Atmanirbhar Bharat'

Eligibility criteria may not favor older start-ups, smaller OEMs

We hosted Mr Saurabh Agarwal, Partner – E&Y, to understand his perspective on the PLI scheme for the Auto sector. While these discussions are based on the understanding of the scheme, a detailed policy document is not available yet. The objective of this scheme is to develop local capabilities and capacities in advanced technologies for the Automotive industry by incentivizing the industry to make fresh investments. This scheme could potentially change the competitive landscape as the eligibility criteria may not favor smaller OEMs and older start-ups. Also, it seems the PLI incentive would be on a value-add basis. Here are the key takeaways from our meetings.

Mr Saurabh Agarwal, Partner, EY

Mr Agarwal is a Partner with the Indirect Tax practice of EY India and is based out of Gurugram. He has over 12 years of experience in the areas of GST, customs, and government incentives/subsidies. He has been extensively involved in advising Auto companies in optimizing their supply chains through transaction taxes. He is also an advisor/knowledge partner on various industry association panels.

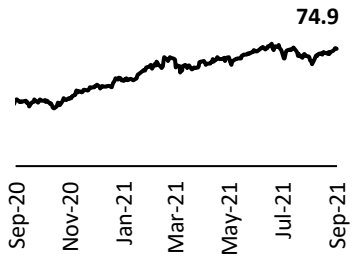
- **Eligibility for the PLI scheme**: According to Mr Agarwal, 15 OEMs (includes five new OEMs) and 50 component manufacturers could be selected after meeting the eligibility criteria for the scheme. Higher and front-loaded investments by the manufacturer would be preferred. The scheme is currently restricted to EVs and hydrogen fuel cells (not available for hybrid vehicles). Also, the policy does not currently cater to charging infrastructure components.
- **Cap at company and component/vehicle levels**: The subsidy would be divided into various sub-segments (but the government is not expected to share these details). There will be a clear breakup between vehicles and components. There could be a cap on incentives at the company level. The share of incentives for a company that fails to meet the criteria in any particular year could be transferred to another company that does.
- **OEMs may get lion's share of the budget**: Of the INR259.4b allocated to the PLI scheme, OEMs could be allocated around 70–75% of the total outlay (i.e., INR180–190b), and the balance could be allocated to auto component manufacturers.
- **Incentives to be on value-add basis**: In the event where both auto component suppliers and auto OEM are availing incentives under the PLI scheme, OEMs would be able to claim incentives only on value add, and there would be no double benefit.
- **Infrastructure incentives**: The government has reduced the present PLI scheme from INR570b (proposed earlier to promote exports) to INR259.4b and is focusing mainly on the domestic production of battery electric vehicles and hydrogen fuel cell vehicles. It is expected that INR310b (saved from the original budget) could be used to provide incentives for charging infrastructure and further support ACC battery manufacturing (over and above INR181b).
- **Eligibility criteria may work against smaller OEMs and older start-ups**: Considering that the base year of the policy is FY20, many older start-ups may not qualify for this scheme. Clarity on this would emerge with the policy document. This could potentially change the competitive landscape as incentives form 13–16% of sales.

Our take on the draft PLI scheme

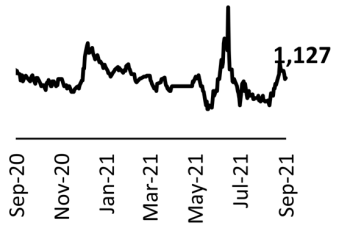
- The Auto PLI scheme is consistent with the government's focus on clean energy vehicles. This – coupled with PLI for advanced chemistry cells (INR181b) and FAME-2 subsidies (INR100b) – provides substantial incentive (total of ~INR539b) to make the local manufacturing of advanced technology components and vehicles competitive.
- While this scheme appears straightforward from an OEM perspective, we believe it is difficult to determine the possible winners among the auto component players – as the scheme aims to incentivize components that are not currently made in India.
- In the OEM universe, BJAUT/TVSL would benefit on their e-scooters and TTMT on its electric PVs. While details regarding approved products are awaited, from our Coverage Universe, players such as BOS may benefit (on EV components). Based on the current product portfolio, we do not see any other auto component under our universe as a major beneficiary of this scheme.

Consumer

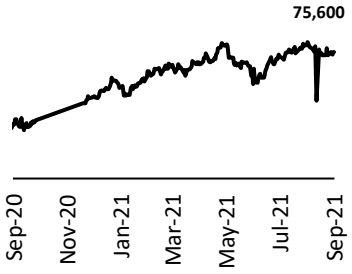
Brent Crude index



Mentha oil prices (INR/kg)



Palm Fatty Acid prices (INR/MT)



Commodity prices stay stable on a sequential basis

In this edition of our Consumer sector update, we analyzed the price movement in key commodities and identified companies under our coverage that could benefit from or be negatively impacted by it. It is relevant to analyze price trends from the perspective of 2QFY22 earnings and beyond as topline growth in the sector is expected to rebound on the back of pent up demand and a low base.

Agri and non-Agri commodity prices display stability

- Companies under our coverage are largely expected to report strong cumulative growth numbers on improving mobility, pent up demand before the festive season, and the low base set in 2QFY21. Recovery after the second COVID wave was much faster, with companies better prepared to manage the situation. As the nationwide vaccination drive continues, managements indicated that demand had been improving week-on-week in 2QFY22. Discretionaries are expected to see a healthy rebound, owing to the unfurling of pent up demand and with the festive/wedding season around the corner. With commodity inflation refusing to ease even in 2QFY22, most companies are expected to witness a compression in their gross margins YoY. However, price hikes taken by most companies should augur well over the medium term.
- **Crude prices continue to inch higher:** Crude prices continue to head upwards, with a 5.5% QoQ increase in 2QFY22. The increase is even sharper when compared to FY21, with prices being 69.5% higher YoY owing to the low base formed in 2QFY21 (touched a low of USD38.9/bbl in Sep'20). Prices rose 4.3% MoM to USD73/bbl (monthly average for Sep'21 till date).
- **Agri commodity basket continues to inch higher after the transitory softening of prices:** Barley, palm oil, and wheat prices saw a sequential rise, with most other Agri commodity prices softening or remaining flat. Barley cost rose 46.3% YoY and 7.3% QoQ in 1QFY22, touching a one-year peak of INR2,180/quintal in Sep'21. Palm oil prices continue to remain elevated after touching a fresh high of MYR4,794/MT in May'21. Average palm oil prices are up 59% YoY, but only a modest 5.2% QoQ in 2QFY22. At MYR4,600/MT, current prices remain close to their peak. The movement in copra prices is interesting. Prices (up to Jul'21) rose 8.9% YoY, but fell 8.3% QoQ due to a good harvest. Tea prices have seen a sharp correction, with average prices down 28.4% YoY and 3.8% QoQ.
- **Non-Agri commodity basket continues to witness sharp inflation:** Titanium dioxide (TiO2) prices rose sharply (25.6% YoY and 10.6% QoQ) in 2QFY22. Palm Fatty Acid Distillate (PFAD) prices rose 66.8% YoY and 4.3% QoQ. Gold prices (MCX) fell 7.6% YoY, but were flat QoQ. While VAM costs are up 118.8% YoY, they fell 11.4% sequentially.
- **On an average, the entire commodity cost basket witnessed inflation on a YoY basis, but was flat sequentially (up 27.8% YoY/-0.1% QoQ).** While moderate inflation is seen in the Agri basket (up 10.3% YoY and 0.1% QoQ), mostly led by higher palm oil and barley prices, prices seem to have stabilized, up 1.8% MoM in Aug'21/Sep'21. The non-Agri commodities basket continues to witness a sharp inflation on a YoY basis (up 51.4%), but is flat on a QoQ basis (down 0.8%).

Impact on our top picks: GCPL, HUVR, BRIT, MRCO, and UNSP

- **GCPL**: Higher palm oil prices are expected to have some YoY impact on 2QFY22 margin as prices remain near their peak. Some of the price increases taken (albeit with a lag) should offset higher raw material prices to some extent as long as palm oil prices do not continue to move upward. Other commodity costs continue to remain manageable.
- **BRIT**'s major raw materials witnessed some inflation in 2QFY22. Higher prices for edible oil and packaging, while steep, are still a small component of BRIT's overall material basket. Wheat prices rose a modest 6.6% YoY and 4.2% QoQ. In Sep'21, the Union Cabinet hiked the MSP for wheat prices marginally. Inflation in sugar cost remains benign. The management had engaged in some pricing action in Aug'21 to offset commodity inflation.
- **HUVR:** Palm oil prices remain at elevated levels, but there is no indication of sharp inflation. The management had said that tea prices would soften once the new crop arrives in Jul'21, which seems to have panned out. HUVR took another round of price increases in 2QFY22, which, along with stable input costs, should help bolster margin going forward.
- **MRCO:** Input costs for MRCO continue to ease in 2QFY22 (data available up to Jul'21). As indicated by the management earlier, copra prices were 8.3% lower sequentially due to a good harvest. The management expects gross and operating margin to deliver a significant improvement QoQ.
- **UNSP**: Indian molasses WPI was up 8% YoY, though largely flat QoQ in 2QFY22 (up to Aug'21). The major cost pressures for UNSP is expected from higher ENA prices as OMCs continue to procure ethanol from sugar mills at attractive prices. The company is working on securing its own captive supply of ENA for which it is in talk with distillers.

Other materially impacted commodity companies: APNT, PIDI, HMN, and UBBL

- **APNT and PIDI**: Vinyl acetate monomer (VAM) prices continue to remain elevated and are likely to play spoiler for PIDI as it is a key raw material. TiO2 (a key raw material for APNT) and crude costs too are seeing inflationary trends on a YoY and QoQ basis. Other crude based raw materials for APNT are also likely to see double-digit inflation. The healthy sales growth outlook and price increases by both APNT and PIDI in the coming quarters will offset some impact on EBITDA margin, as would some cost reduction measures. APNT raised prices in May'21 and Jun'21.
- **HMN** is expected to be a key beneficiary of the ongoing decline in mentha oil costs. There have, however, been inflationary pressures in other input costs.
- **UBBL and GSKCH:** Sharp increase in barley costs could affect the gross margins of UBBL and GSKCH (now merged with HUVR). However, our discussions with the management indicate that advanced purchases of barley earlier in CY21 would restrict the margin impact.

Petronet LNG

BSE SENSEX	S&P CNX
58,491	17,397

Bloomberg	PLNG IN
Equity Shares (m)	1,500
M.Cap.(INRb)/(USDb)	342.6 / 4.6
52-Week Range (INR)	275 / 201
1, 6, 12 Rel. Per (%)	-5/-15/-50
12M Avg Val (INR M)	1099

Financials & Valuations (INR b)

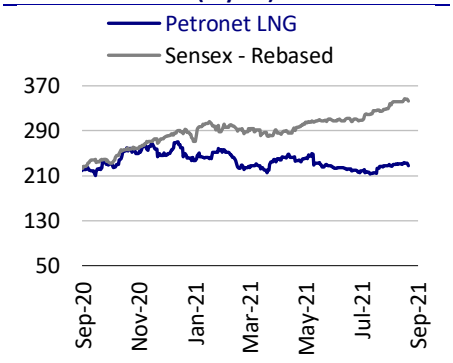
Y/E March	2022E	2023E	2024E
Sales	381.9	447.3	489.7
EBITDA	47.5	53.7	56.1
Adj. PAT	30.1	35.0	37.0
Adj. EPS (INR)	20.1	23.3	24.7
EPS Gr. (%)	2.0	16.4	5.7
BV/Sh.(INR)	85.7	95.0	104.9
Ratios			
Net D:E	-0.2	-0.3	-0.3
RoE (%)	24.6	25.8	24.7
RoCE (%)	21.2	23.3	22.9
Payout (%)	60.0	60.0	60.0
Valuations			
P/E (x)	10.7	9.2	8.7
P/BV (x)	2.5	2.3	2.0
EV/EBITDA (x)	6.2	5.3	4.8
Div. Yield (%)	5.6	6.5	6.9
FCF Yield (%)	11.7	11.6	12.1

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	50.0	50.0	50.0
DII	5.1	6.3	7.9
FII	31.1	30.5	29.2
Others	13.8	13.2	13.0

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR228 TP: INR310 (+36%) Buy

Management's lucidity on the new businesses

- **We interacted with the management of Petronet LNG on aspects such as the current business status and outlook. In addition, we had a detailed discussion on the various prospects for business diversification in the recently published FY21 Annual Report.**
- **The management highlighted that spot prices have risen to abnormal levels of USD24–25/mmbtu (i.e., 2x that of long-term contracts) on account of huge demand from China, Japan, and Europe. This has resulted in lower spot cargo orders being placed over the last few months. The company expects spot LNG prices to normalize over the next 5–6 months. That said, PLNG has tied-up contracts of 16.75mmtpa (i.e., 95% of the nameplate capacity of 17.5mmtpa in Dahej), which are cushioning its utilization rates.**
- **We highlight the discussion on business diversification as follows. Although, notably, the management has guided for threshold IRR for new projects at >16%. The company's return profile remains strong, with ROE/ROCE at 25–26%/21–23% over FY21–24E. Maintain Buy.**

Diversification to be key focus hereafter

- As highlighted in its Annual Report, the company is embarking on a major diversification journey, which we discussed with the management today.
  - PLNG is exploring an opportunity to set up an ethane/propane import facility at the Dahej terminal – on the back of probable demand from OPAL and GAIL (at the PATA plant). The company has also planned a small petrochemical unit, which would be based on imported propane. The management highlighted that the feasibility study for the aforementioned two projects is to be carried out, along with the probable IRR of the projects.
  - The company is further evaluating opportunities in harnessing cold energy from the Dahej and Kochi LNG terminals, thus maximizing the potential of the regasification terminals and improving energy efficiency.

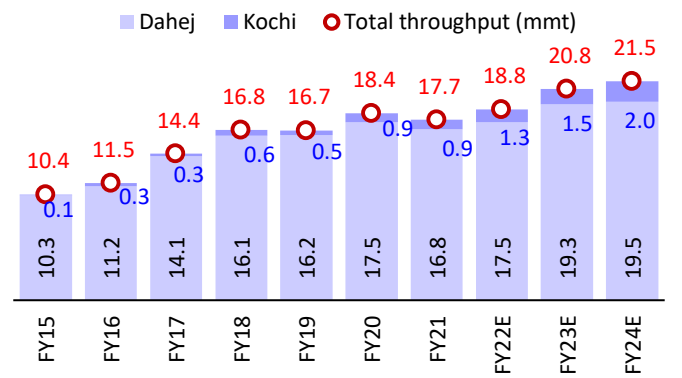
Coherency in plans for LNG retailing and LNG terminal on eastern coast

- The company plans to set up only 4–5 LNG stations initially (in southern India, with an investment cost of INR80–100m per station) and would later look to make the project commercially profitable. KSRTC plans to convert ~400 buses into LNG – it is already doing a trial run with two LNG buses currently (LNG provides 25–30% savings v/s diesel).
- PLNG is also in the process of obtaining FID for an LNG terminal in Gopalpur on the eastern coast – a floating storage regasification unit (FSRU) of 3–4mmtpa, with an investment of INR15b – for which an MOU has been signed with the port authorities. The company has already completed the demand forecast and is currently looking for ~50% confirmed offtake from the terminal. The Dhamra LNG terminal (4mmtpa) has already been booked, thus providing enough scope for PLNG's FSRU.

Other takeaways and our view

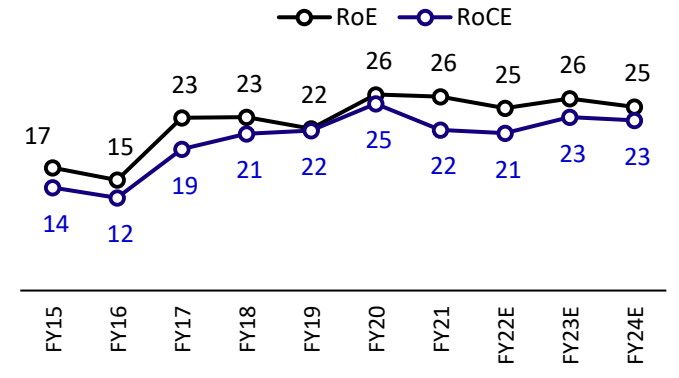
- The Dahej expansion to 20mmtpa would be completed over the next three years, with further expansion to 22.5mmtpa expected within another year. The company has already placed an order for two tanks at Dahej (total ongoing capex of INR28–30b).
- LNG terminals in the vicinity of Dahej are also charging similar tariffs. Although, PLNG may look at differential tariffs to maximize revenues.
- Kochi LNG terminal's utilization rate is expected to rise to 30–35% over the next 2–3 years; tariffs would be negotiated once utilization is ramped up to 45–50%.
- PLNG is evaluating the prospects to acquire a ~9.9% stake in Arctic LNG – along with OVL (total project cost is ~USD22b) – with the primary objective of sourcing LNG at a reasonable price (no binding MoU has been signed).
- The stock trades at 9.2x FY23E EPS of INR23.3 and 5.3x FY23E EV/EBITDA. We value PLNG on DCF to arrive at fair value of INR310. Maintain Buy.

Volume growth led by capacity ramp-up



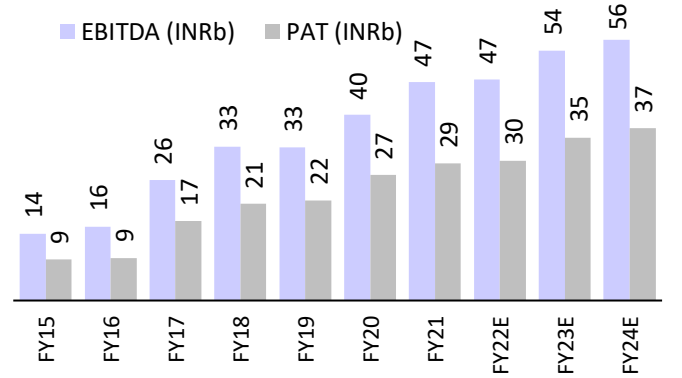
Source: Company, MOFSL

Stable return ratios



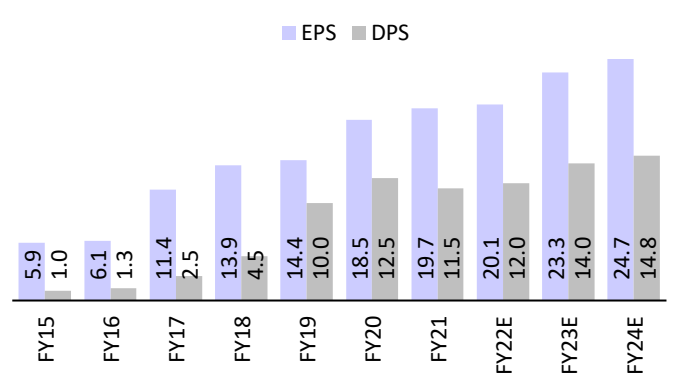
Source: Company, MOFSL

Expect EBITDA/PAT CAGR of ~8%...



Source: Company, MOFSL

...over FY21–24



Source: Company, MOFSL

Hotels

Recovery to be further aided by foreign tourists

India to open up for foreign tourists

- As per a media article (link), Union Home Ministry officials are in talks with stakeholders for reopening the borders to foreign tourists, amid a steady decline in COVID-19 cases.
- This is in a bid to revive Tourism, Hospitality, and Aviation sectors in the country. The first five lakh foreign tourists are likely to be issued visas free of cost.
- A formal announcement is expected within the next 10 days.

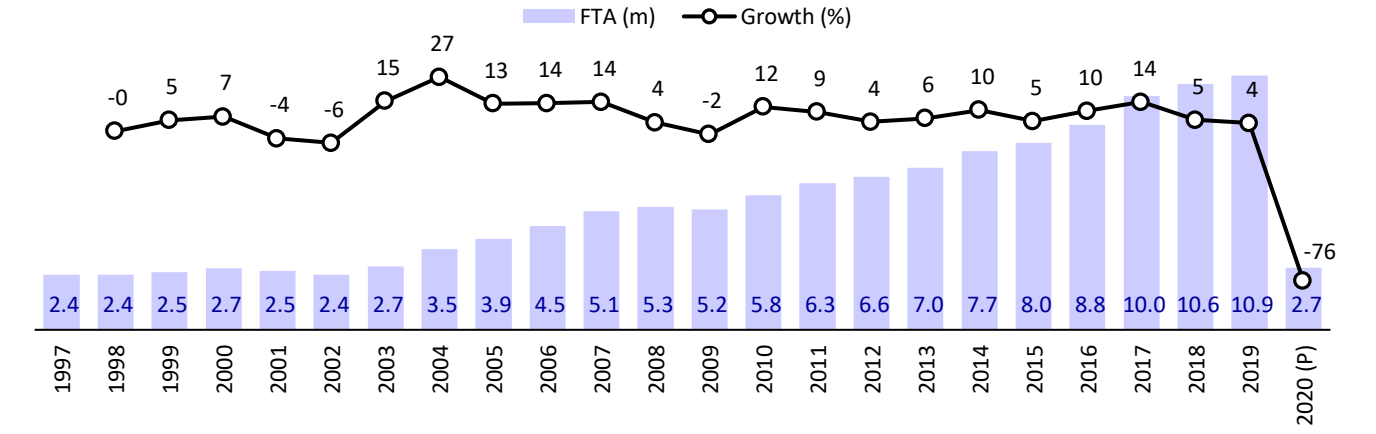
FTA revival is one of the key factors driving occupancy

- India recorded Foreign Tourists Arrivals (FTA) of 10.9m in CY19, after growing at 8% CAGR over FY09-19.
- As per the Ministry of Tourism, the number of FTAs shrank by 97% YoY to 0.21m in Apr-Dec'20 v/s 7.75m in Apr-Dec'19.
- FTAs aid in increasing occupancy and yield higher ARRs, given their propensity to spend higher.

Impact on Hotel companies

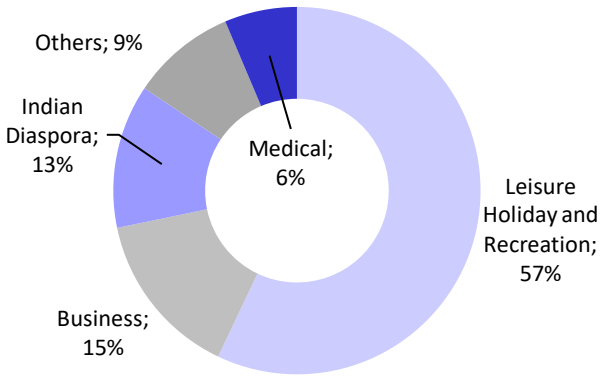
- The second COVID wave delayed the recovery in the Hospitality sector by a couple of quarters. However, the impact this time around was less severe and the recovery has been quicker v/s last time.
- With a lot of large corporates having asked employees, who have completed their vaccinations, to return to office, domestic corporate travel is likely to return in a couple of quarters. With the government opening up travel, FTAs would provide an additional leg of demand.
- Recovery for the Hospitality industry would be aided by demand from domestic and international travelers. We expect pent up demand for business travel (domestic and international) since that has not happened for ~1.5 years.
- All of the above would lead to a demand revival, which would push up occupancies, leading to ARR growth.
- While earnings were weak in FY21, we expect a gradual/sharp recovery in FY22E/FY23E on: a) a low base, b) improvement in ARRs once things normalize, c) improved occupancies, d) positivity in cost rationalization efforts in FY21, e) an increase in F&B income as banqueting/conferences resume, and f) higher income from management contracts.
- We have a Buy rating on Indian Hotels Company and Lemon Tree.

Foreign tourist arrival in India has grown at 8% CAGR over FY09-19



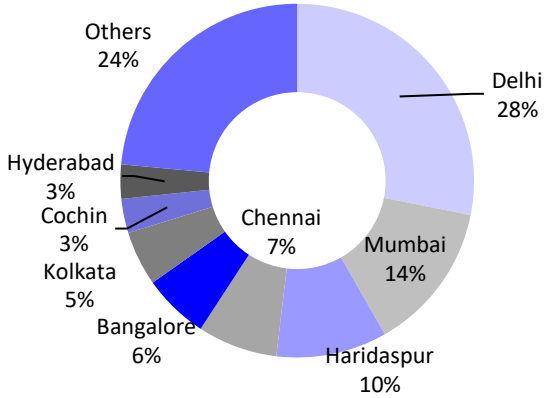
Source: Ministry of Tourism, MOFSL

Purpose-wise FTA during CY19



Source: Ministry of Tourism, MOFSL

Delhi and Mumbai form 42% of international check posts for FTAs in India (CY19)



Source: Ministry of Tourism, MOFSL

SBI: Expects to beat street estimates on credit cost for FY22; Dinesh Kumar Khara, Chairman

- Effort is to keep the credit cost at a minimum
- Hope to beat streets estimates on credit cost for FY22
- Voda Idea dues of Rs 50,000 crore was from the banking system
- If Voda gets in more equity we will offer more debt
- About Rs 22,000 crore of SBI assets will move to NARCL
- Have already provided 100% for assets to be moved to bad bank
- Recovery percentage of assets will be specific, but will be better with bad bank
- Seeing people opt for higher value home loan post COVID
- Have a home loan market of Rs 5.1 lakh crore
- Pension liabilities will go on for at least 10 years
- Don't see much disruption with fintech, looking at a collaborative approach

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Tata Elxsi: Sees sustained demand uptick; expects EV deals to push R&D spends; Manoj Raghavan, MD & CEO

- Demand scenario has never been so positive
- EV deals are definitely going to push spends in the tech industry
- Expect the order book to triple in the electric vehicle side
- Strong demand environment could last for 2-3 years
- Doing a lot of work with OEMs and battery markets in EV space
- Attrition is at manageable levels; all three sectors growing well
- Have been looking at M&A options, however valuations are expensive

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Star Cement: Expects price rise in Q3; sees 6-7% growth in annual demand; Sanjay Gupta, CEO

- Sitting on a cash balance of Rs 600 crore
- Expect cement demand to grow by 6% to 7% annually
- Demand in Q2FY22 has been impacted by floods but expect H2FY22 demand to be strong
- Star cement was interested in Emami but not looking at acquisitions in South India
- Expect cement prices to go up in Q3FY22

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Greenpanel Industries: To consider price increase in plywood segment next quarter; V Venkatramani, CFO

- We have taken price hikes of 4% in Q1
- Will consider increasing prices in plywood in the next quarter
- Have taken price hikes only in the MDF segment
- Current capacity utilisation for MDF at 95% and plywood at 80%

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KRBL: New crop at mandis priced 30% higher; basmati rice shortfall likely; Anil Mittal, CMD

- New crops arriving at Mandis priced 30% higher
- 10-15% shortage of basmati rice likely this year
- New rice crop at Rs 30/kg vs Rs 19/kg last year
- There is 10% shortage in basmati rice globally
- Will see 30-40% benefit of rice price hike in the next 2 quarters
- Will see 100% benefit of rice hike by March
- FY22 results will be driven by better market share and stronger prices

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KEC International: Interested in cross-country oil & gas pipelines of Spur Infra; Vimal Kejriwal, MD & CEO

- Not too many players in the EPC space, competition is not too much
- Spur Infra is a net debt free company
- Interested in cross-country oil & gas pipelines of Spur Infra
- Order book + Li of more than Rs 27,000 crore which highest ever
- Raw material prices is the only headwind; however have seen some softening

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