EQUINOVA
INVESTMENT MANAGERS

INVESTOR LETTER

India's Next Growth Cycle:
Building for a Bigger, Stronger Tomorrow



OCTOBER 2026

INVESTOR LETTER – OCT 2026

"When uncertainty becomes a certainty in everyone's mind, pessimism may have been already priced in"

Dear Investors,

Being pessimistic on the Indian markets and looking for what would be the next negative factor hurting Indian markets has become quite a common coffee table discussion topic these days. Whether we call it frustration or hopelessness, but the fact remains that Indian equity markets have been one of the worst performing markets globally for the last two years. Rising crude oil prices, US Bond yields making new record highs, falling Indian Rupee, continued FII outflows, lack of AI trade, valuations still being rich compared to other emerging markets, are just some of the concerns driving the pessimism in our markets. Add to it the ever-changing geo-politics, Trump tantrums, local and global political chaos, these are like the extra add-ons to drive the pessimism at all time highs in Indian markets. We have all heard the famous quote of Dr Robert Schuller which says, "tough times never last, but tough people do". Taking a cue from this into our investing world, I would say, **"tough markets never last, but tough companies do"!** This has been proved time and again and the last 1 year is an excellent example of the same wherein we have seen in our markets a bottom's up stock picking within sectors with strong earnings upcycle, have delivered superior returns and outperformance in an otherwise difficult market.

The other thing which we have been highlighting for the last few months in all our interactions is that when almost everything seems to be a headwind for Indian markets over the last few quarters, there is a big Upside Risk if these same factors reverse and become tailwinds thereby taking the markets sharply higher in a short period of time. I think it would be a good idea to look at what could be some of the **Reasons to be optimistic on Indian markets from here on and which builds a case for increasing allocations in equity after two years of flat to negative returns.**

Reason 1: Artificial Intelligence (AI) infrastructure capex has grown too fast and is set for Mean Reversion; ROI on these investments is now coming to hound investors; initial outflows have already started from AI related stocks and markets

The strong and sustained performance of AI-related equities in different markets, continues to attract a disproportionate share of global capital. Just to give you a perspective of the scale of capex which has happened in this space, globally investment in AI related infrastructure had reached $1.6 trillion cumulatively between 2013 and 2024. In 2025 alone the number stood at US$ 318 bn for that year thereby taking the cumulative number past US$2 trillion. **In 2026 this cumulative number is likely to cross US$ 3.5 trillion including the hardware and software part of it! Which means in 2 years we would have seen more investment in AI related infrastructure than what we have seen in one decade.** Skepticism has started rising around viability of AI trade amid mounting debt concerns and reducing free cash flows for established tech giants like Amazon, Microsoft, Meta and Alphabet. Pure AI related companies like OpenAI might never get to see Free Cash Flows in their foreseeable future. **Even a 15% ROI on these AI investments means over US$ 500 billion of annual income which looks like a distant dream for now.**

Cash burn due to aggressive investments in AI infrastructure hurting FCF

Free Cash Flow (US$ bn)				
Period ended	**Amazon**	**Meta**	**Alphabet**	**Microsoft**
Jun-26	**-7.6**	41	53	67
Dec-25	11.2	54	73	77


GLOBAL MARKETS MONDAY, 28 JULY 2025

OpenAI forecasts cash burn near $280 billion by 2030, FT reports

Rising infrastructure costs and aggressive expansion keep pressure on profitability

What this means is that the pace of growth in companies which were riding on this hyper growth will come off. Companies like SK Hynix, Samsung, TSMC and Nvidia have been enjoying astronomical growth rates for last couple of years which has attracted lot of global capital and now that tide seems to be turning. **Consensus earnings growth for AI-related stocks in the MSCI AC World Index is projected to go from around 100% in 2026 to 30% in 2027 and moderate further to 22% in 2028**. Global AI stocks trade at 23x forward P/E on an equal-weighted basis, compared with 13x for non-AI stocks thus making a clear for India to start emerging on the investible market list for most global investors and allocators.

Why this becomes important for India is because for the last two years global flow of capital has swamped these AI related companies and economies and a lot of FII money has gone out of India for the same reason. However now **early signs indicate that this flow of capital could be going out of AI trade and some of it could be coming to more defensive diversified economies like India** where earnings recovery has happened over last 2-3 quarters without any AI related dependence and outlook for earnings too remains strong. Just for reference, below table gives a picture of the pace of Mean Reversion happening in those markets:

Mean reversion in equity market returns seems to be unfolding fast

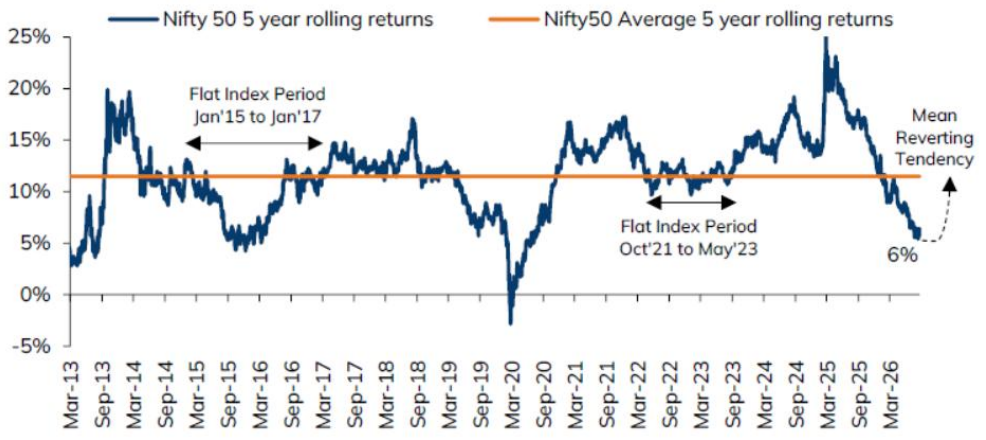
	Taiwan	South Korea	Japan	S&P 500	MSCI World Index
1 yr return as on 22nd May'26	91.6%	202.7%	70.4%	28.9%	26.4%
1 yr return as on 18th Oct'26	72.6%	51.2%	37.3%	14.9%	14.2%

Source: www.investing.com

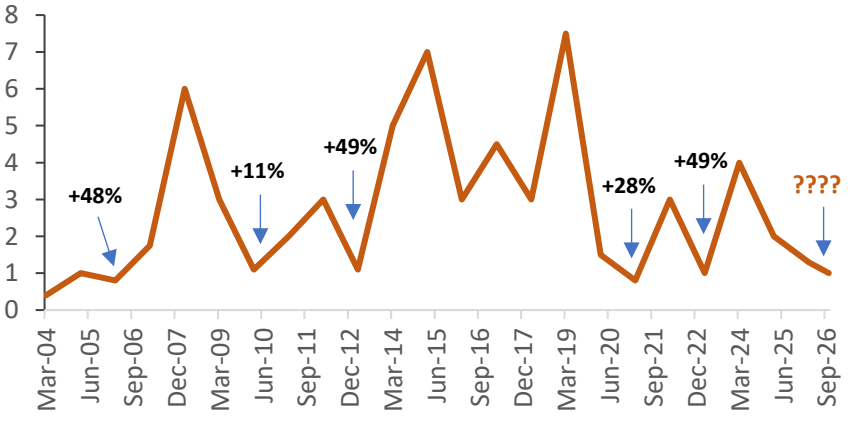
Reason 2: Valuations of Indian frontline Indices are below their long-term average

We have been over the last three quarters highlighting that the real action in Indian markets has been happening beyond the NIFTY-50 **since most of the current growth sectors in India are not represented in NIFTY-50**. However, what is interesting now is that even NIFTY-50 looks like in attractive valuation zone, thanks to the price correction, time correction and earnings picking up for the largecaps. **NIFTY-50 PEG ratio is nearing the attractive zone of ~1x, with forward P/E at ~ 17x and consensus YoY earnings growth expectations of ~15% for FY27**, thereby improving prospects for future returns. **The PEG of ~1x is amongst the lowest levels seen over the past decade**, and the encouraging part is that earnings growth expectations appear credible. Most earnings preview for Q2FY27 for the NIFTY-50 indicates PAT growth is likely to stand in range of 20-22%. Given that Q1FY27 PAT growth for the NIFTY50 was ~14%, the prospects for mid-teen earnings growth for FY27 appear highly likely. High-frequency indicators for Q2FY27 also suggest robust nominal aggregate growth, thereby improving the prospects for FY27.

Five-year rolling CAGR returns – mean reverting tendency likely ahead



NIFTY returns post PEG hitting 1x improves probability of upside



What is interesting is that on a simplistic valuation basis, **many sectoral indices are trading below their long-term average**. Only some high growth sectors like Defence, Capital Goods, etc are above the long term average, but there are reasons for it which we shall discuss in subsequent sections of this investor letter.

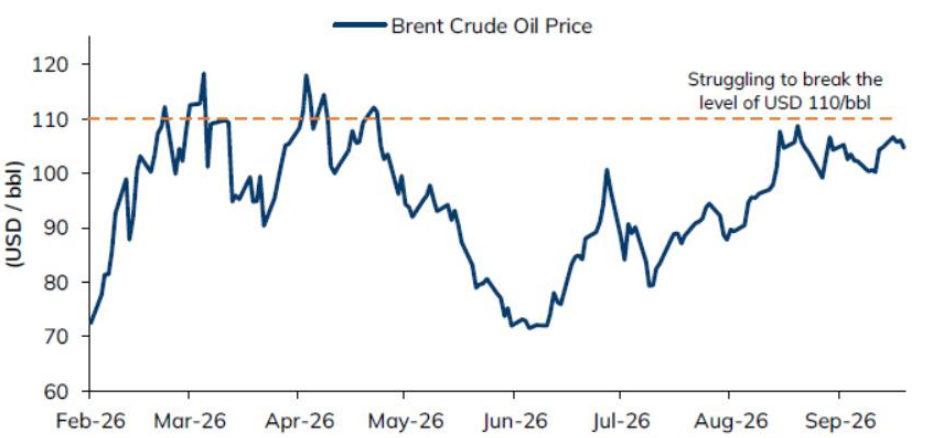
Year	Autos (P/E)	Capital goods (P/E)	Consumer (P/E)	Pvt Banks (P/B)	Technology (P/E)	Real Estate (EV/EBITDA)	Defence (P/E)
FY 2017	21.0	28.3	36.2	2.4	15.7	14.6	8.2
FY 2018	26.1	29.3	39.1	2.7	14.9	16.1	11.8
FY 2019	26.6	26.6	41.9	2.9	18.5	15.6	13.2
FY 2020	24.0	30.1	40.9	2.8	18.5	21.0	11.2
FY 2021	25.2	24.2	41.8	2.3	20.6	19.1	9.4
FY 2022	26.2	31.3	44.5	2.7	28.7	28.6	12.5
FY 2023	20.1	30.4	42.4	2.3	24.4	24.6	18.1
FY 2024	19.3	37.2	46.9	2.3	25.3	31.8	24.7
FY 2025	23.2	45.0	49.4	2.3	27.6	43.1	39.7
FY 2026	25.9	38.5	43.2	2.3	21.7	30.2	41.5
10 year average	**23.8**	**32.1**	**42.6**	**2.5**	**21.6**	**24.5**	**19.0**
Sep-26	**23.6**	**37.7**	**33.5**	**1.9**	**14.5**	**21.3**	**37.1**

Reason 3: Crude oil prices can correct sharply over next 6 months as war clouds recede post US Mid-term elections; this could lead to sharp reduction in inflation globally and pause rate hike cycle

In recent months and weeks, crude oil prices have rebounded from the lows of $75 seen in June'26 as middle east peace talks keeps wavering going into the US mid-term polls and with Ukraine attacking many Russian oil assets. Meanwhile the G7 has agreed to release up to 100mn barrels of crude and diesel stocks, while OPEC+ members have kept their November production targets unchanged after completing the unwinding of voluntary cuts in September. At the same time, **Saudi Arabia has increased flows through its key cross-country pipeline to above 80% of capacity**, with export availability from its western coast reaching wartime highs as more crude is diverted from domestic refineries. **Rising shipments through the Strait of Hormuz have also provided some relief** to physical supply concerns, although export capacity across the Gulf remains constrained.

The upcoming US mid-term elections could be the definitive catalyst breaking the deadlock between the US and Iran and oil prices may take a decisive turn after the vote. That Iran's top leadership is targeting ships in Strait of Hormuz to keep oil prices elevated in a bid to influence the US midterm elections further underscores the significance of midterms. **The balance of power in US Congress could determine whether the US can sustain its military and economic blockade** and extract the desired nuclear deal from Iran, or whether domestic political compulsion would force the US administration into ceding unfavorable concessions to Iran.

Oil remains elevated but worst seems to be priced in

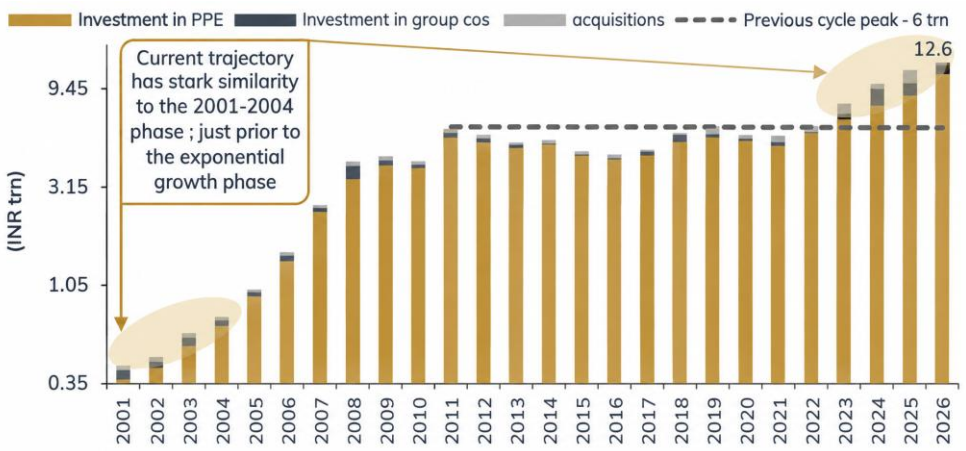


Assuming crude flow normalizes via the Strait of Hormuz and the Red Sea, **I still believe Brent may hover ~USD 75-80/bbl over next 9 months** due to: (1) **huge restocking demand as global oil inventory is likely down** 1–1.2bnbbl since the ME crisis (Saudi Aramco CEO said 3bnbbl of oil lost during the Iran-crisis with 1bnbbl withdrawn from global inventories, **could take up to two years to refill inventory**); and (2) freight costs/geopolitical risk premium/fee charged by Iran. However **over medium- to long-term though, Brent may moderate to below ~USD 60-70/bbl due to a likely rise in supply from the UAE/Iran/Venezuela and risk to OPEC+ pricing power.** Brent in the range of USD 60-80 would significantly cool off global inflation and also commodity price impact which has been hurting business margins. **This could lead to sharp margin improvement and profitability upgrades across various companies in India and call for a Re-Rating.**

Reason 4: India's Capex cycle revival sets stage for next hyper-growth phase for Indian economy

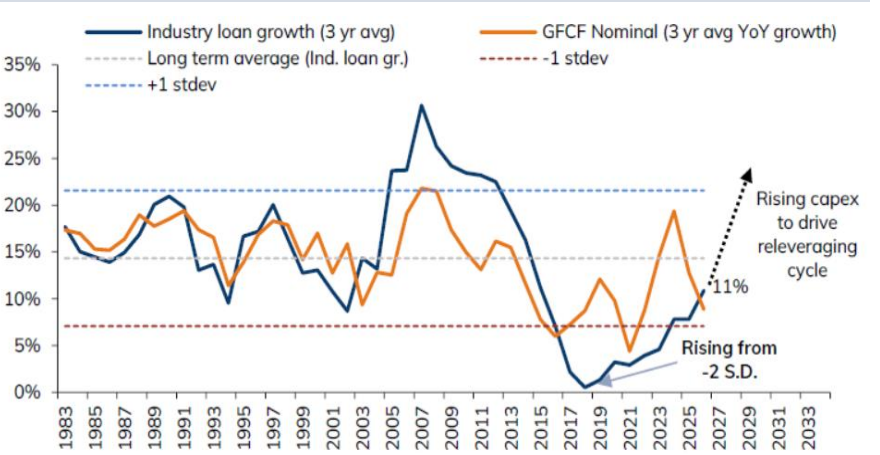
India's capital expenditure cycle has gathered significant momentum in recent years, with **private-sector investment emerging as an increasingly important driver of economic growth**. Private capex reportedly reached approximately ₹13 trillion in March 2026, signalling a meaningful revival in corporate investment appetite after several years of balance-sheet repair and cautious spending. This upcycle is supported by rising infrastructure requirements, manufacturing localization, government-led capital expenditure, export driven manufacturing as well as and improving domestic demand visibility.

Corporate capex (listed space) approaching INR 13trn, as on Mar'26

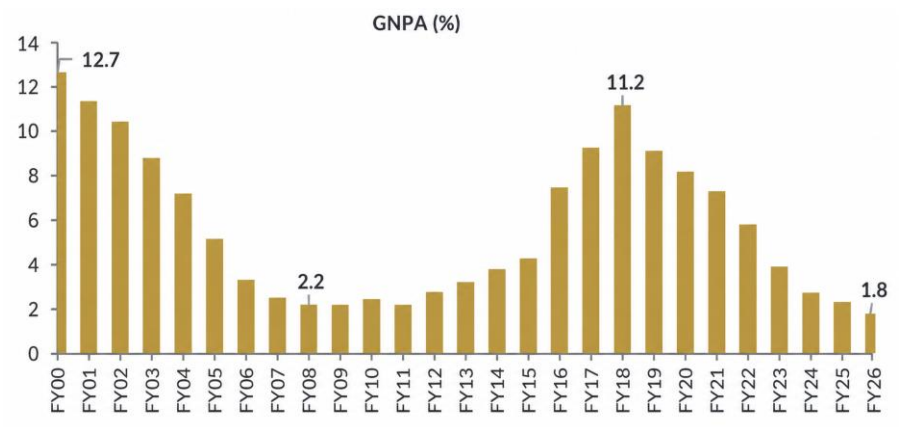


Source: Bloomberg

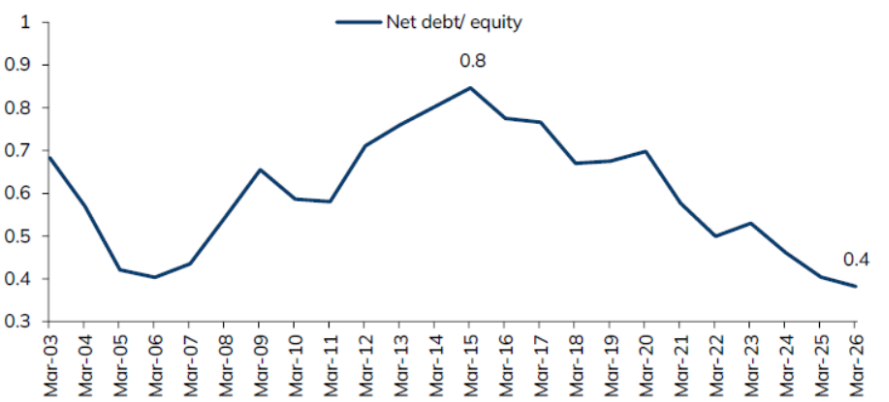
Industry re-leveraging cycle ahead given that low base and capex cycle are beginning to fire on all cylinders



NPA cycle continues to drop to a cyclical low



Net debt / equity (x) for corporate India at bottom



Source: I-sec research

Compared to the earlier Capex upcycle seen in 2001-2004, a key differentiator this time is the financial strength of both corporate India and the banking system. Corporate leverage remains relatively low compared with previous investment cycles, leaving companies with greater capacity to fund expansion through internal accruals and incremental borrowing. Simultaneously, the Indian banking system is entering this phase with historically low levels of non-performing assets (NPAs), stronger capitalisation and healthier balance sheets. This combination of lower corporate debt and improved bank asset quality reduces the risk of a debt-fuelled investment boom turning into a prolonged stress cycle. Overall, India's capex revival has the potential to create a sustained multi-year investment opportunity.

Key sectors driving the investment cycle in current phase are:

- **Power and energy transition**: Renewable energy, transmission and distribution networks, thermal power and energy storage.
- **Infrastructure and capital goods**: Roads, railways, ports, industrial equipment, engineering and construction machinery.
- **Defence and aerospace**: Domestic manufacturing, indigenisation, electronics and precision engineering.
- **Electronics and semiconductors**: Electronics manufacturing, component localisation, data centres and digital infrastructure.
- **Metals, cement and chemicals**: Capacity additions to support infrastructure, manufacturing and industrial demand.

Reason 5: Any changes to taxation in Equity markets could lead to a snowball effect in capital flows

This one is a bit of wishful thinking by some standards but going by the recent news flow and commentary from various government agencies and comments by our honorable Finance Minister in a recent event subsequent to her meeting various domestic and foreign institutional investors, **it's quite likely that the government could take a softer stance on some taxation related to the capital markets**. In this respect I believe if the government needs to really make an impact in the market and attract global capital back to India, **it should take an aggressive step and remove LTCG all together and at the same time can extend the holding period of equities to 2-3 year to make it eligible for long term tax benefit.** By doing so they would reward long term patient capital and at the same time discourage short term cash trading. If such a thing happens, this could be big watershed moment for Indian capital markets, and the timing is very apt currently. Why I say so? Currently as mentioned in my initial part of this letter, AI trade seems to be in early phases of unwinding while India offers a very balanced diversified high growth economy with a buoyant capital market. **This tax benefit would attract lot of foreign investors back to Indian markets and could lead to sharp rebound in our markets as well from the deep value levels it is currently in.**

Why should government be bothered about equity markets and capital gains for investors as they make up a small part of the population? This could be true a decade back but not now. Currently India has around 20 crore demat accounts out of which 12 cr are unique accounts held by individuals and of this, nearly 10 cr are active demat accounts. At the same time there are around 29 cr Mutual Fund folios in India. **What these numbers highlight is that large population of India has their wealth effect and income generation linked to Equity markets**. **A buoyant equity market, translates to increased wealth effect in Urban and Semi Urban households which translates to more discretionary spends in the economy, which in turn translates to more job creation and more capital expenditure for growth**. With these tax changes it would attract a lot of FII money back to India, which would lead to strengthening of the Rupee against the Dollar which in turn would ease our forex burden and import bill. India needs a lot of long-term growth capital since we are in a hyper growth phase and such tax relief could be that the trigger of this Virtuous Cycle that spurs this growth.

INVESTOR LETTER – OCT 2026

How are Equinova portfolios positioned to steer through the current volatile times?

One thing which remains constant since the time we started Equinova and launched our PMS offerings is UNCERTAINTY. In the face of constant news flow and unfolding geopolitics we have tried to focus on our key strength of identifying businesses which can stand the test of times and at the same deliver returns in a weak market. Our key pillars of investment namely: **Impeccable management** running **Sound businesses with clear Moats** and catching them at **Inflection point of earnings** at **Reasonable Valuations on PEG basis** has helped us to beat the benchmark in a bad market and generate outperformance for our investors.

(As on 30th Sep 2026)	1 M	3 M	6 M	Since Inception	Inception Date
Equinova EDGE PMS	-1.66%	2.54%	28.98%	12.81%	8th Jan 2026
BSE 500 TRI	-5.57%	-3.59%	8.07%	-7.56%	
Equinova Signature EDGE PMS	-0.17%	3.82%	29.23%	19.69%	5th Feb 2026
BSE 500 TRI	-5.57%	-3.59%	8.07%	-5.63%	
Equinova Alpha Opportunities PMS	-2.04%	0.33%	27.59%	14.27%	28th Jan 2026
BSE 500 TRI	-5.57%	-3.59%	8.07%	-2.71%	

Some key highlights of the portfolio:

- As we have highlighted in our last investor letter also, the portfolio continues to exhibit a **strong pro-cyclical and domestic growth-oriented positioning** with a clear tilt toward India's industrial capex revival, financialization of savings, premium consumption and manufacturing-led themes.

- Compared with the broader BSE500 Index, **the portfolio is significantly overweight Autos & auto ancillaries , Industrials, Power & power ancillaries, and private Defence plays while materially underweight BFSI, IT services, FMCG staples and Oil & gas.**

- In the Auto ancillary space, businesses are not pure domestic auto plays but manufacturing/engineering compounders benefiting from: Aerospace, Defense, Industrial precision components and Export diversification. **The portfolio preference is clearly toward niche engineering-led auto ancillaries and selective niche OEMs rather than commodity auto OEMs.**

- We remain bullish on Smallcaps for a simple reason that the high growth sectors of manufacturing and engineering have companies mostly in the smallcap part of the market. However incrementally we could be looking at increasing our Banking sector allocation as we believe the sector is beaten down and could see NIM improvement in a rising rate cycle environment.

We have been for the last 1 year talking about our conviction in the Defence, Aerospace, Auto ancillary and precision engineering space and we would like to give more detailed insights into this theme which makes up large part of our portfolio. **Over the past year, a steadily growing share of your capital has found its way into companies that make physical things: components for aircraft, defence equipment, power equipment and the kind of precision parts that must be accurate to within a few microns**. Manufacturing is now one of the largest themes in your portfolio, and it seems only fair to explain how we got here, what we are paying for these businesses and what we think could go wrong. **For much of the last decade, the question people asked about Indian manufacturing was whether the world would ever buy from India in size.** That question, it seems to us, has been overtaken by events. The world today has more orders than its factories can deliver, so the more useful question is who will make the parts. We believe a growing share of that answer will be India, and that the companies building this capacity have a long runway ahead of them.

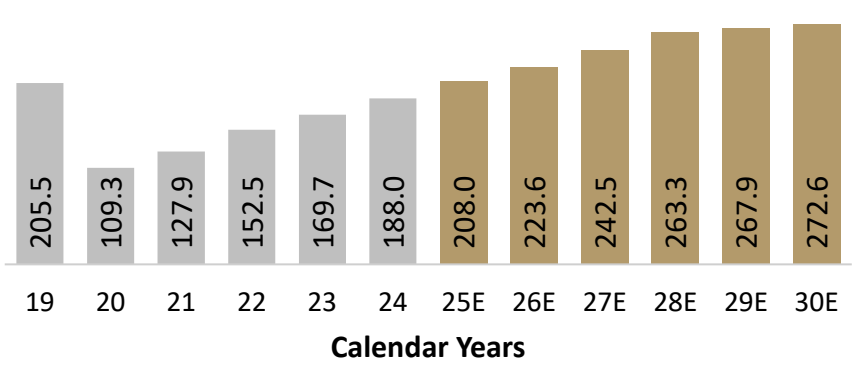
Aerospace: A runway of opportunities

There is something odd about the aircraft industry today. Air travel has grown at roughly 5% a year since 1990, surviving wars, recessions and a pandemic along the way, and airlines have responded by ordering aircraft in large numbers. And yet the planes are not arriving. Deliveries peaked at 1,606 aircraft in 2018, and the industry has not matched that number since. The backlog of unfilled orders now equals ~11 years of production, compared with ~8 years earlier, which means that **if every factory simply kept its current pace, it would take more than a decade to deliver what has already been ordered**. The global fleet of 24,730 aircraft is expected to reach 43,410 by 2044, with Asia Pacific's share rising from 32% to 42%, and **the market that serves this fleet is forecast to grow from USD 188.0 billion in 2024 to USD 272.6 billion by 2030.**

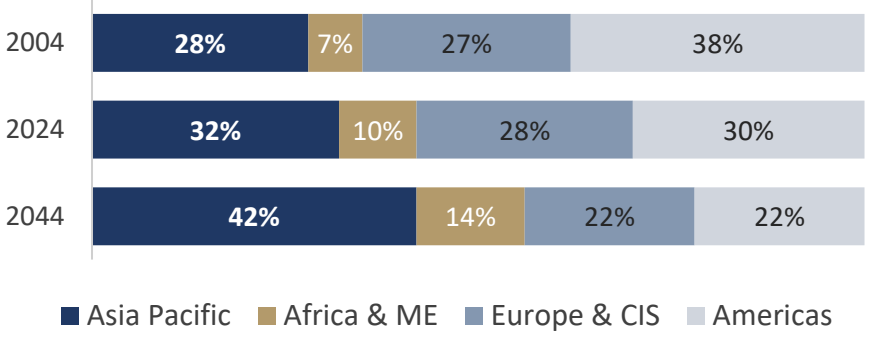
An industry with execution stretching ~11 years, whereas India, that constitutes ~12% of order backlog yet makes <1% of the parts. Defence exports of INR 384 bn, fifty times FY14. And precision manufacturers growing 3x the NSE 500.

When demand is this strong and supply this slow, the natural question is why the industry doesn't just build faster. As best we can tell, the answer has less to do with money than with people and capacity. **Western suppliers are short of skilled machinists, and many of the smaller vendors in the chain are financially stretched. Faced with this, the large manufacturers have made a sensible choice: they are keeping final assembly close to home and moving more of the component work elsewhere**.

Global aerospace market (USD bn)
CY24–30F CAGR: 6.4%



Global fleet share by region
Fleet: 24,730 (2024) to 43,410 (2044)

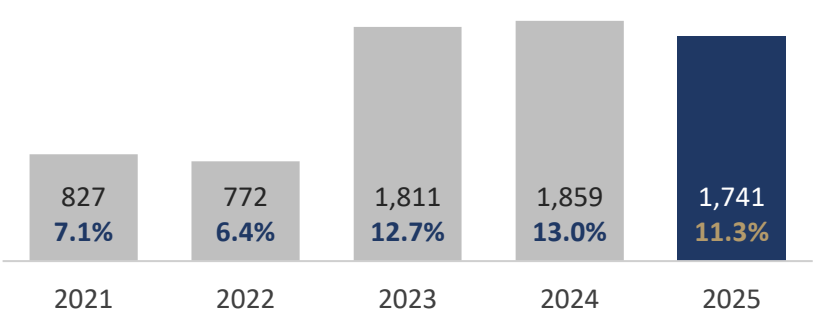


This is where India comes in, and where the gap that interests us most becomes visible. Indian airlines had 827 aircraft on order in 2021, and by Dec 2025 that number has grown to 1,741, or about 11% of the entire Airbus and Boeing order book. Yet India captures less than 1% of the value of the global aerospace supply chain. Put differently, **India has become one of the industry's largest customers while remaining one of its smallest suppliers.** Hence it is logical for Boeing and Airbus both to double what they source from India over the next five years.

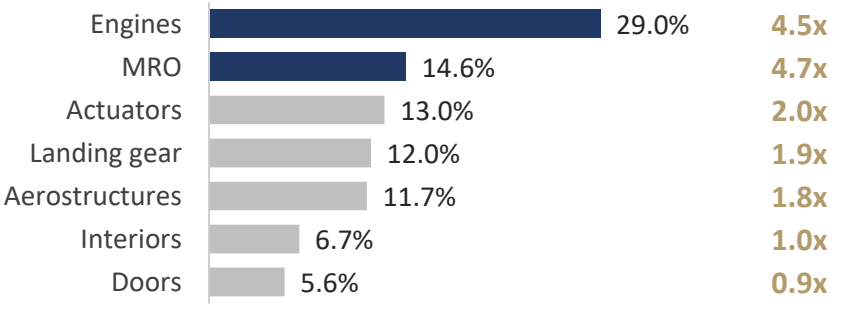
We don't believe that imbalance can last, and the early numbers suggest it is already starting to correct. **India's aerospace market is projected to grow 12.0% a year through 2030, nearly twice the global rate. Maintenance and repair should grow at 14.6% a year, almost five times as fast as the world,** and engines at 29.0% a year, admittedly from a share of the global market that industry estimates at just 0.04%. **The base is small not because the opportunity is limited, but because India has barely begun.**

Just as important, in our view, is where Indian suppliers sit in the chain. Most began as small parts manufacturers, several layers below from the companies that actually build the aircraft. **A number of them now work directly with those manufacturers on selected programmes, and each step up tends to bring larger contracts, longer relationships and better margins**.

India aircraft order backlog (units)
% share of Airbus–Boeing backlog



India segment CAGR, CY24–30F
Gold figures: multiple of global segment CAGR

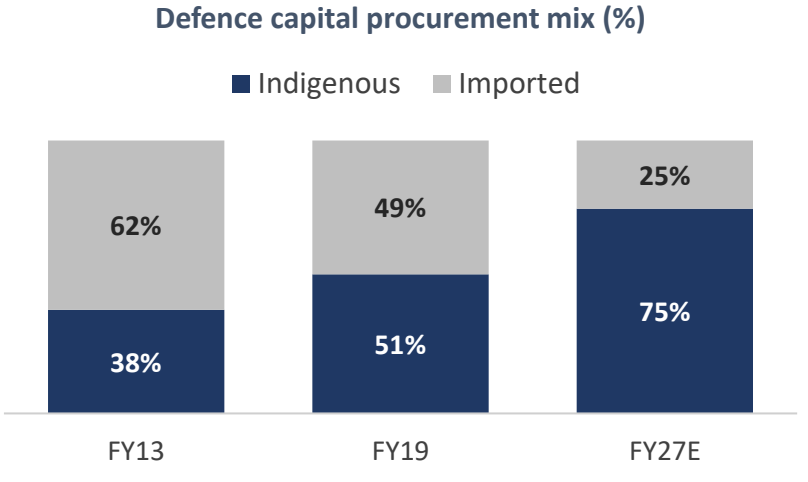


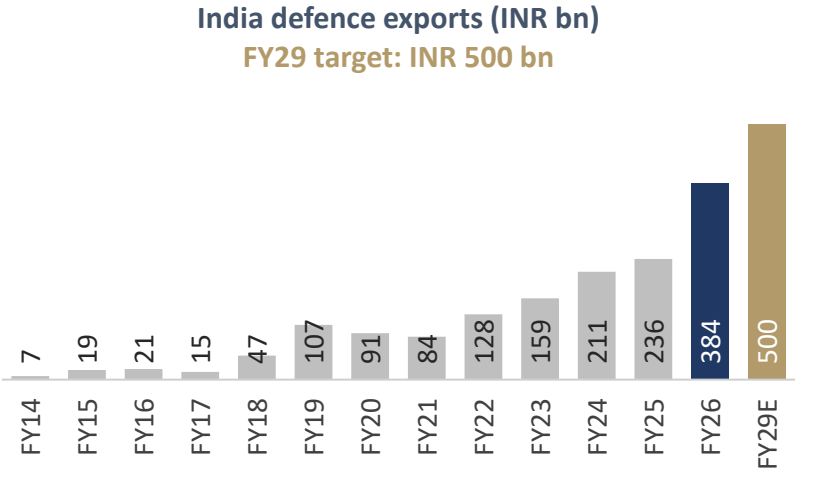
Source: Industry reports and various company annual reports and RHP

Defence: From Indigenization to Global Supply

Defence tells a similar story of steady progress. A decade ago, India bought most of what its armed forces needed from abroad, and in FY13 only 38% of capital procurement was sourced at home which is expected to reach 75% by end of FY27. **Domestic production has more than doubled in seven years, from INR 805 billion in FY19 to INR 1.8 trillion in FY26.**

The number that impressed us most though was not only the budget but also the rising exports. India exported INR 7 billion of defence goods in FY14 and INR 384 billion in FY26, roughly fifty times as much. About half of those exports went to the US, much of it as parts and sub-systems for Boeing and Lockheed. Policy continues to lean the same way. The draft DAP-2026 raises the minimum local content in defence contracts from 50% to 60% and gives preference to companies that own their designs over those that build under licence, which happens to be exactly the kind of business we prefer to own.





Source: Industry reports and various company annual reports and RHP

Defence also offers something investors rarely get: Visibility. In FY26, INR 6.8 trillion of proposals were approved against INR 2.3 trillion of contracts signed, and execution usually begins in the third or fourth year, so a good part of the coming years' work is already approved and waiting to be converted. There is further headroom beyond that, with about 37% of the INR 12.9 trillion pipeline still going to foreign suppliers and HAL still importing about 75% of its raw material. Each of those gaps is a future opportunity for domestic manufacturers. **This shows Indian defence companies are already trusted inside the same global supply chains our aerospace companies are entering. The two themes, in other words, strengthen each other rather than simply run side by side.**

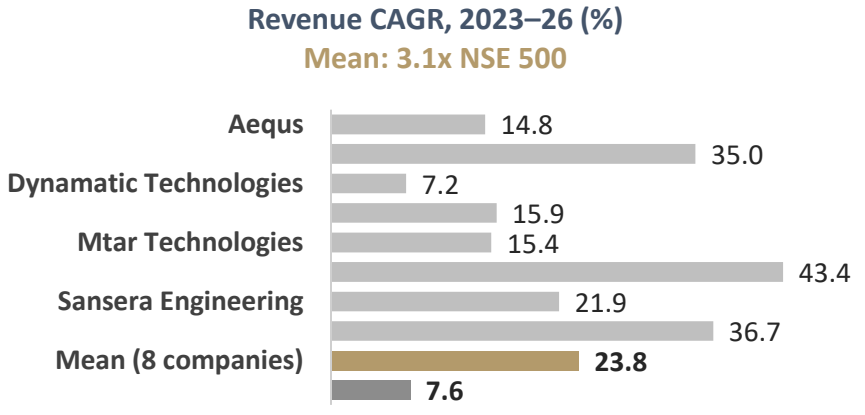
Precision Engineering: A MOAT built with time

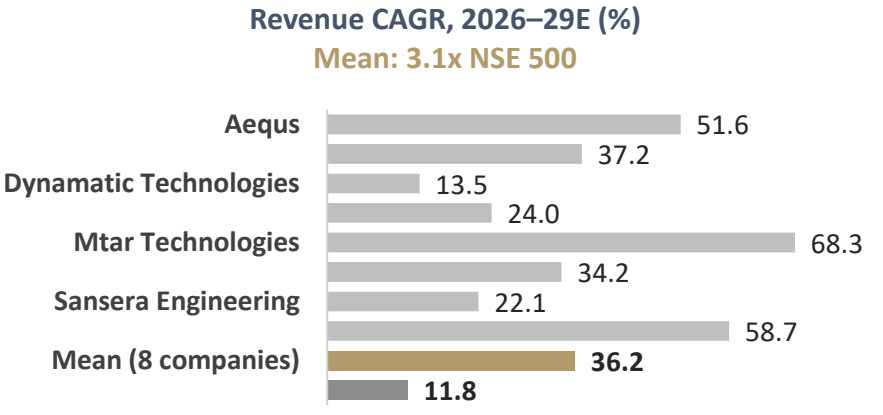
Every aircraft order and every defence contract discussed so far eventually lands in the same place: a machine shop, where a block of titanium or nickel alloy is cut into a part that must fit to within a few microns. Precision engineering works to tolerances of 5 to 20 microns, against 0.2 to 1 millimetre in conventional engineering. At those tolerances, a small error is not a cosmetic flaw but a safety failure. Engines, landing gear, actuators and airframe structures together make up roughly half to 70% of an aircraft's value, and these are precisely the areas where global supply is tightest. Missiles, radars and armoured platforms rely on the same discipline. **Precision manufacturing is therefore not a separate theme in our portfolio. It is the layer on which both the aerospace and the defence opportunity rest.** India is well placed to supply that layer, largely because it has done this before.

Automobiles still account for about half of the country's precision manufacturing demand, and three decades of supplying the auto industry have given India a deep base of machinists, tool makers and quality systems. That base is now being redirected towards aerospace, defence, energy and semiconductors, where the work is more demanding and the margins richer.

Looking at a sample set of eight portfolio companies, revenue grew at an average of 23.8% a year between 2023 – 2026, and the next three years are expected to be stronger still. Every one of them is forecast to grow at double digits, with the leaders compounding at roughly 50% -70% a year. **The sales growth rate of trailing three fiscals (FY23-26) and forward 3 years (FY26-29E) is 3x the topline growth rate of NSE 500.** Growth of this kind naturally raises the question of competition, and here the nature of the business works firmly in the incumbents' favour. **A machining firm that wants to supply a global aircraft maker cannot simply win an order. It must first build a certified plant, then pass the customer's audits, then supply sample parts and qualify each component in turn. The process typically runs 3 – 4 years before the first meaningful order arrives**. Few companies have the patience or the balance sheet to see it through. Those that do are rarely displaced, because **a customer who has invested years in qualifying a supplier has little appetite to repeat the exercise**.

In our view, this is the real strength of the business. The moat is built from time, not capital, and time is the one thing a new entrant cannot buy. India adds a meaningful cost advantage on top: an hour of CNC machining costs ~USD 5 to 30 here, against ~USD 20 to 50 in China. Capacity is responding accordingly. India's precision manufacturing industry has doubled over the past decade, from ~USD 31 billion in FY15 to ~USD 61 billion in FY25, and is expected to reach ~USD 90 billion by FY30. **We believe the companies that have already earned their place with global customers are best placed to capture that growth.**





What valuations are we paying for such growth?

Believing in growth is usually the easy part of investing; paying a sensible price for it is where the real work lies. **We hold around a dozen companies across auto ancillary, aerospace, defence, power and precision manufacturing, and on average we expect their earnings to grow ~43% a year between FY26 and FY28E, while the stocks trade at an average of 47x P/E on FY28E earnings.** These are growth companies, and they are priced as such. What gives us comfort is that growth covers most of the price, with many of them trading at a PEG ratio of 1.0 or below.

Every good opportunity comes with things worth watching, and there are three we pay particular attention to.

- **Scale:** Many Indian precision manufacturers are still young, often with revenue below INR 1,000 crore and profit below INR 100 crore, so their next phase of growth will call for continued investment in plants, machines and certifications.
- **Cash:** Working capital in this industry runs at 150 to 200 days, against 80 to 120 days for auto component makers, so we look closely at how well each company turns profit into cash as it grows.
- **Valuation:** Prices have re-rated alongside earnings, which makes steady delivery on growth all the more important.

None of these changes our view of the opportunity; they simply shape how we select companies and how patient we are prepared to be. **Share prices in this space will not move in a straight line, and we don't intend to react to every quarter. We will judge each company on order wins, execution, margins and cash conversion.** Four signals will help us confirm that the thesis is on track: defence approvals converting into signed contracts, aircraft deliveries climbing back towards the 2018 peak, the final DAP-2026 retaining the 60% local content rule and, most importantly, our companies bringing working capital down as they scale. Each of these would add further strength to an already compelling story.

Stepping back, the picture seems clear to us. **The world has the demand and is looking for new sources of supply, and India has the cost base, the engineering talent and the policy support to meet a meaningful part of it.** The companies doing this work are growing three times faster than the market, protected by a moat that took years, not just money, to build. Manufacturing, in the end, rewards the same quality it demands, which is patience. The trees have been planted, and our job now is to own the right ones and give them the time they need to grow.

However, in the short run, **considering many of these stocks have massively outperformed the market, there could be some profit booking from time to time and also some sharp sell off as investors panic on some news or the other. However, we believe this throws a great opportunity to enter into some of these companies and the near-term under-performance of these companies, or the portfolio at large should be taken advantage of and invested for future growth.**

Happy Investing!!
Aniruddha Sarkar

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