



India's Time

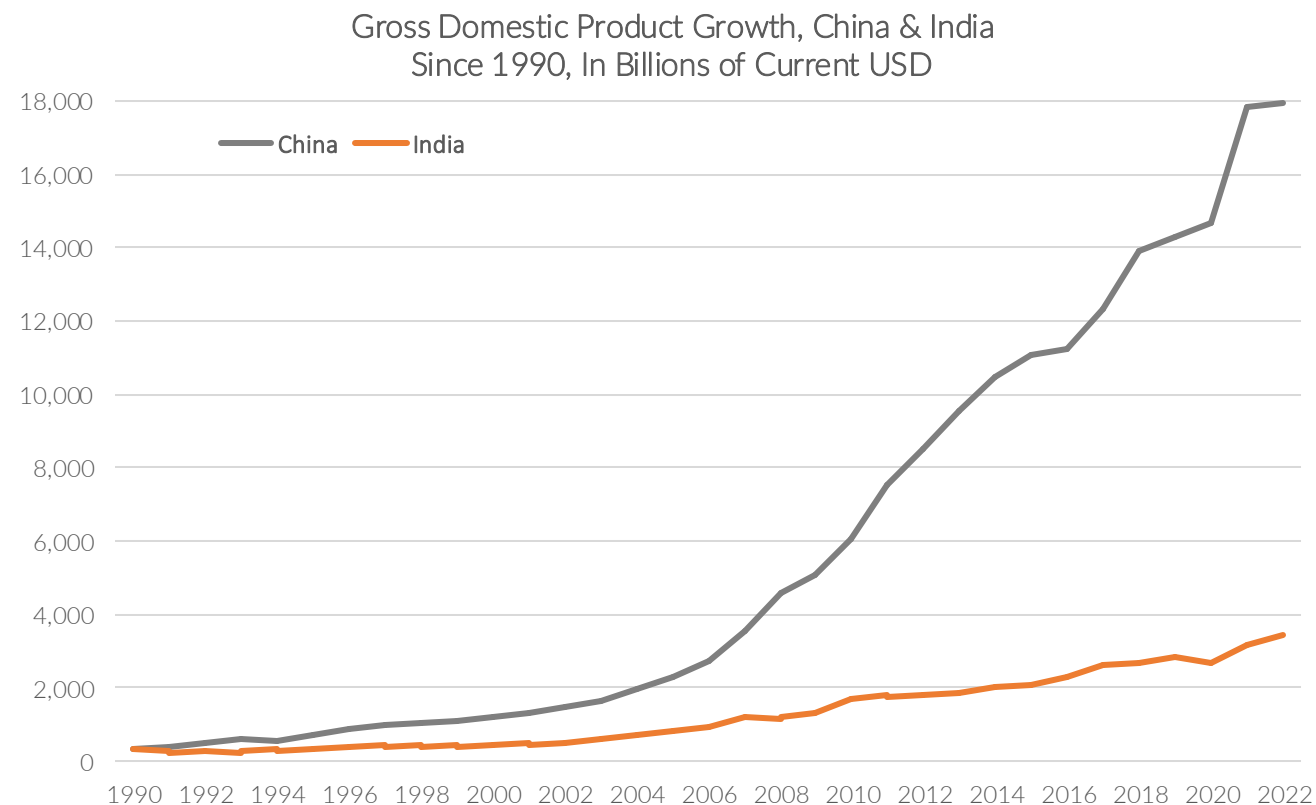
April 2025



India has always been the “country of the future.” Not anymore. India’s moment is now.

“I dream of a young India that is not constrained by any limitations whatsoever. I want the youth of this country to lead a life filled with hope and opportunity.”

Narendra Modi



Source: World Bank, World Development Indicators

Agenda

1. Why India's Time Is NOW
2. India's Capital Markets Mature Alongside Its Economy
3. Indian Equities Through MarketGrader's 'GARP + Quality' Lens

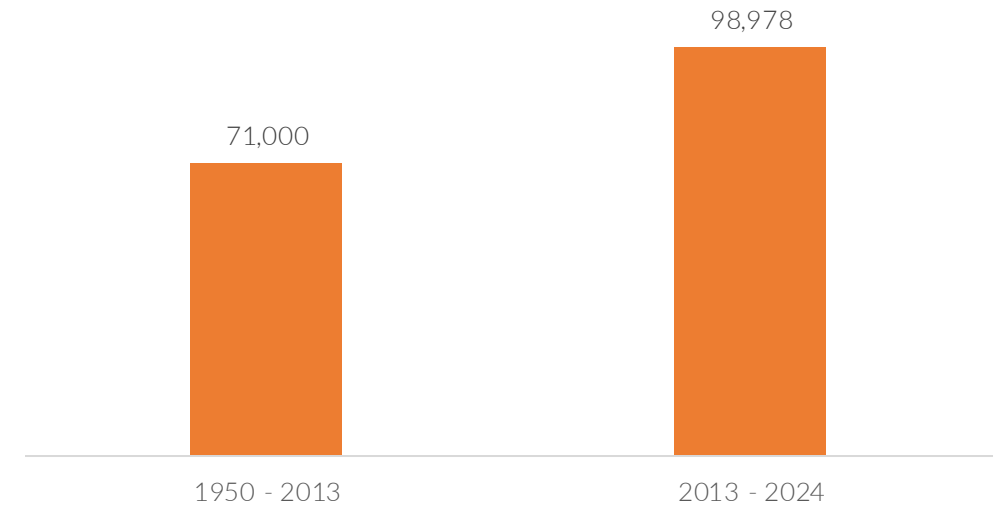
Why India's Time Is Now

Reform is meaningful and consequential

Key Features of India's Transformation

1. Digitalization: Designed to unify the country, make economic reform inclusive of all Indians, formalize the economy and improve tax collection.
2. Tax Harmonization: Single national goods and services tax (GST) replaced a complex web of state and federal taxes.
3. Infrastructure: Massive program to build roads, ports, railways, and double the country's number of airports.
4. Repair Fiscal Situation: Improve tax collection, rationalize federal spending, lower current account deficit, and tame inflation.

Length of Roads Built In India for Select Years (km)



Source: Ministry of Road Transport and Highways (India)

India built 1.4 times as many kilometers of roads in the last decade as it did in the previous 63 years.

Reform is meaningful and consequential

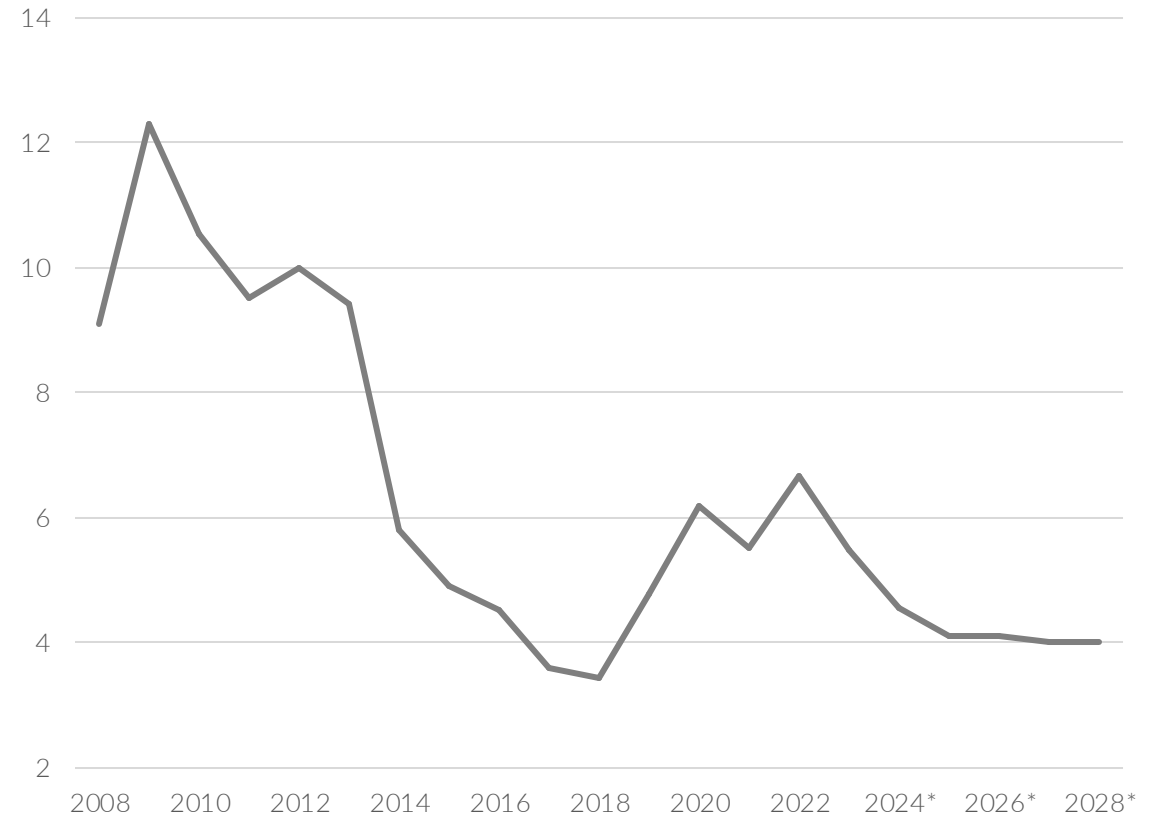
Facts of reform

- Core CPI has fallen from 9% to 3.8% between 2012 and 2024. ⁽¹⁾
- Current account deficit has fallen from 5.1% of GDP in 2012 to 1.1% of GDP in 2024. ⁽¹⁾
- India is the only Asian economy with an investment-to-GDP ratio that is higher today than before the pandemic. ⁽²⁾
- Capital investment is now 30% of GDP, higher than Taiwan and on par with South Korea. ⁽²⁾

(1) Source: KKR, "Thoughts From the Road – India," February 2024.

(2) Source: NIKKEI Asia (Opinion) – Richard Yetsenga, February 2024.

India's Inflation Rate In the Last 20 Years (%)



Source: International Monetary Fund, October 2023. Figures for 2024-2028 are IMF estimates.

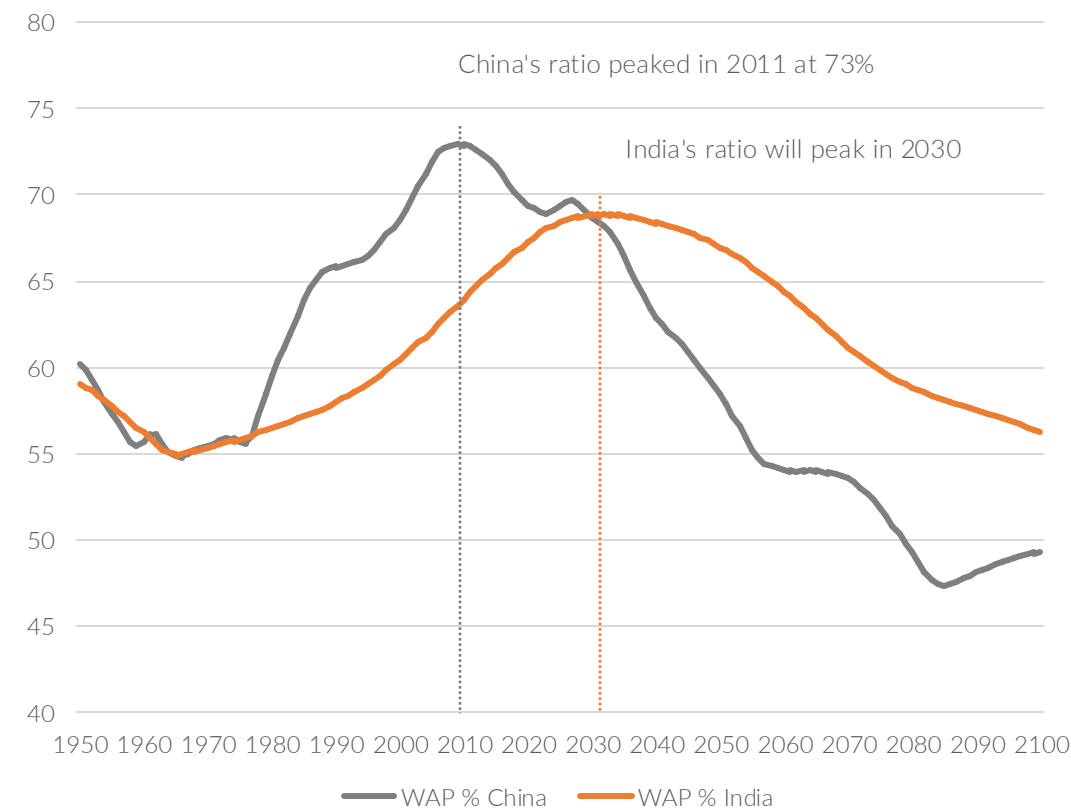
India's favorable demographic profile is an advantage only if the private sector creates enough jobs

Harnessing India's Incredible Demographic Advantage

- Investors have talked for decades about India's "demographic dividend."
- But until Narendra Modi was elected Prime Minister, there was a real chance that this "dividend" would be wasted.
- Prime Minister Modi understood that for India to succeed, he had to empower all Indians and ensure that prosperity included everyone.
- So, while better economic policies were needed—and have been implemented—what makes this moment SUSTAINABLE is the inclusion of all of India in the country's development.

- India's pool of workers will rise to one billion over the next decade.
- The country's median age of 28 is a decade younger than China and the U.S.

India vs. China: Working Age Population to Total Population Ratio



Source: United Nations, Department of Economic and Social Affairs, Population Division

Individual empowerment lies at the core of Modi's reform drive

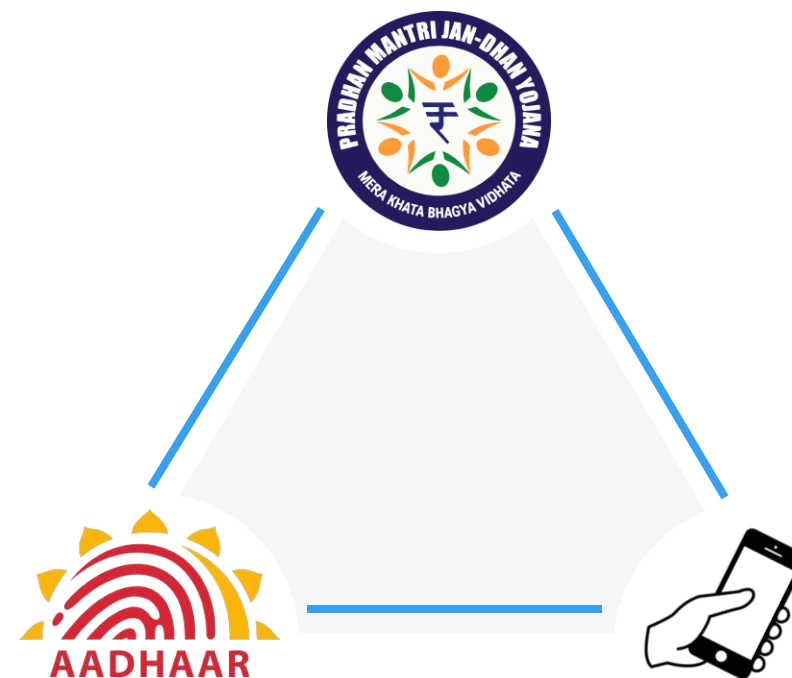
Digital India

Prime Minister Modi's flagship policy is focused on connecting all Indians across the country and ensuring nobody gets left behind as the economy modernizes.

Its three key pillars are known as the "JAM Trinity:"

- **Jan Dhan:** Digital accounts to connect all Indians to the financial system
- **Aadhaar:** The world's largest digital ID program
- **Mobile:** Scaling Aadhaar and Jan Dham

The JAM trinity



Individual empowerment lies at the core of Modi's reform drive

Empowering 1.4 billion Indians

- Prior to Aadhaar, 800 million rural residents were excluded from the financial system.
- By April 2018, 1.2 billion Indians were covered by the new system.
- Thanks to Aadhaar adoption, by 2015 Indians were opening 300k new Jan Dhan accounts per day.
- Today Jan Dhan accounts exceed 500 million and by year-end 2023 total assets exceeded 2.1 trillion rupees (USD 25.3 billion).
- Private Final Consumption Expenditure has grown at a CAGR of 11.3% over the last 10 years. The ratio of Consumption to GDP has increased from 55% to 60%.

“India is a youthful country. A country with such a major percentage of youth has the capability to change not only its own but the fate of the entire world.”

Narendra Modi

Sources: <https://www.narendramodi.in/> (Aadhar & Jan Dhan statistics). EY India: Reaping the demographic dividend (PFCE statistics).

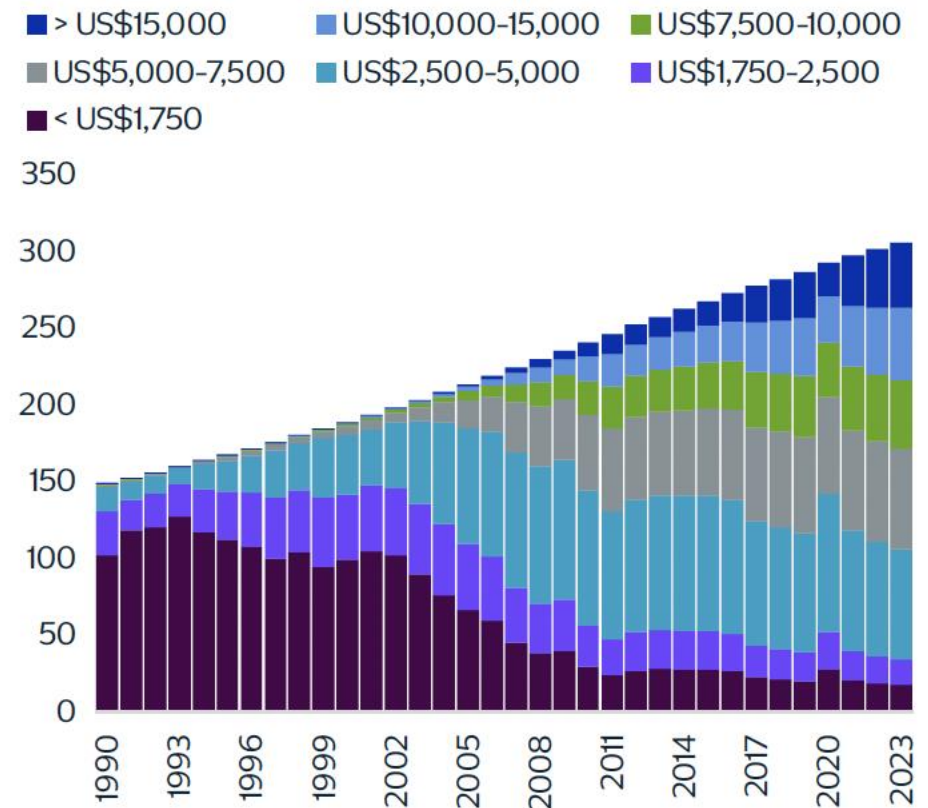
Digital India has improved the lives of the country's citizens at all income levels

Digital initiatives have improved governance and eliminated waste and corruption.

- Unified Payments Interface (UPI) (think Venmo for government) has turbocharged the digital economy. Today India accounts for 46% of all global digital transactions.
- “Digital India” enabled the consolidation of welfare benefits into the “Digital Benefit Transfers (DBT)” system.
- Through DBT the government has transferred USD 400 billion to 1 billion beneficiaries in the last 10 years, eliminating USD 33 billion in waste, and helped lift 250 million Indians out of poverty.

Source: <https://www.narendramodi.in/>

India: Number of Household Income, Millions



Source: KKR, “Thoughts From the Road – India,” February 2024. Chart data from Euromonitor socioeconomic database.

Why India could be one of the greatest beneficiaries of Trump's "tariff wars"

We see the current "tariff war" as a net positive for India, assuming the country seizes the moment.

- India has long been a highly protectionist country that has shielded most of its economy from foreign competitors. The country has the highest tariffs among G-20 economies.
- This has led to massive inefficiencies, low quality manufacturing and high consumer prices, making the country's private economy a breeding ground for corruption and political patronage.
- Modi's physical and digital infrastructure buildup gives India a golden opportunity to capture U.S. business from China. But it needs to be nimbler and lower barriers for foreign companies to do business there.
- It's possible for India to avoid the punitive tariffs imposed on China by increasing its purchase of U.S. energy and defense goods, both of which are already trending upward.

"There's a vitality to India, a sense of infinite possibility ...

... We have officially finalized the terms for trade agreements and a roadmap is set for the final deal between our nations."

**JD Vance, U.S. Vice President,
during his visit to India, April 21-24, 2025**

Why India could be one of the greatest beneficiaries of Trump's "tariff wars"

The opportunity for India to gain market share from Chinese manufacturing is real

- Goods exports to the U.S. accounted for only 1% of India's GDP in 2024. ⁽¹⁾
- Following Modi's visit to Washington in February, India & the U.S. committed to more than tripling bilateral trade to USD 500 billion by 2030. ⁽²⁾
- A decade ago, Indian manufactured mobile phone exports totaled \$250 million. Now the figure is more than \$22 billion, with Apple accounting for three quarters of it. ⁽³⁾
- China's manufacturing labor cost, estimated at \$5.50/hr., is 2.75 times greater than India's \$2.00/hr. ⁽⁴⁾

"We are looking to build the entire value chain in India itself."

Ekroop Caur

**Secretary for Electronics and IT
State of Karnataka**

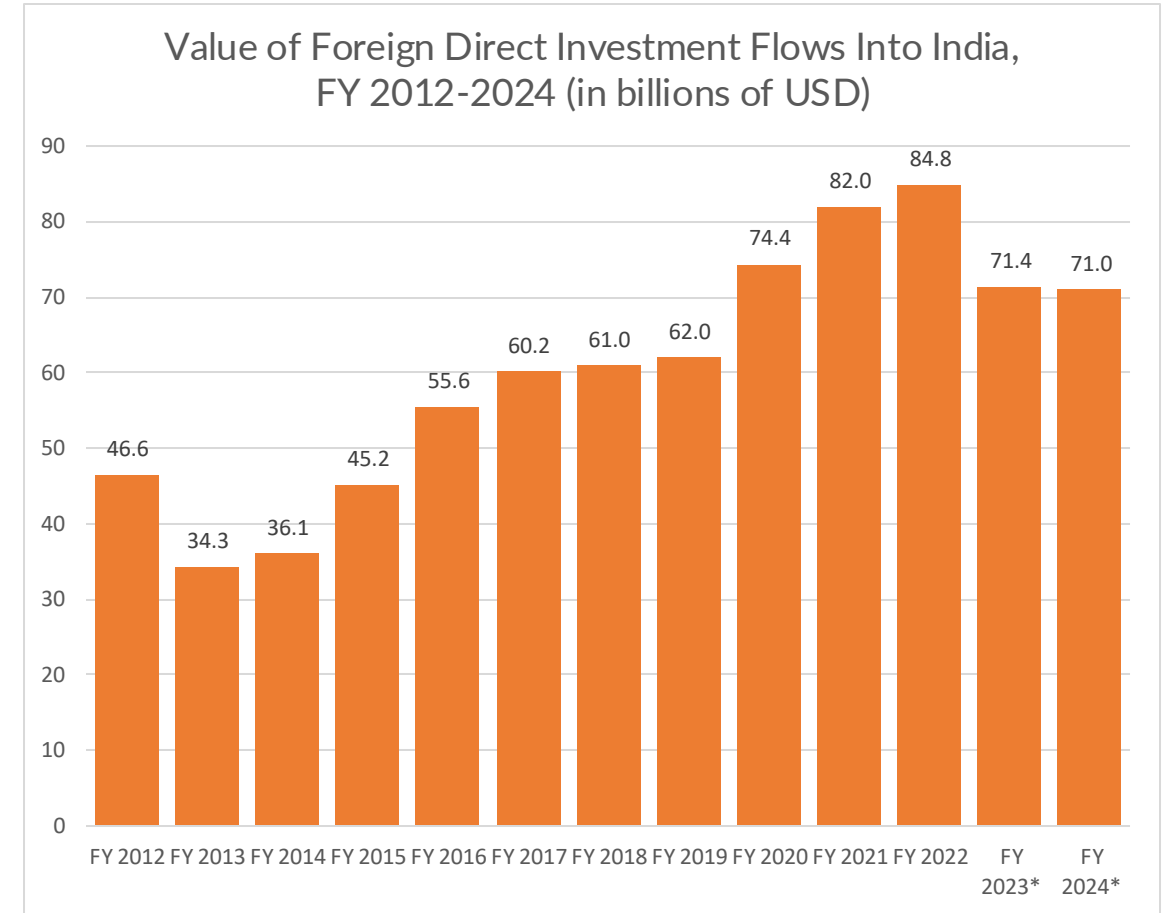
1. Why India Has an Advantage in Trump's Tariff Wars; Barron's, April 17, 2025.
2. United States – India Joint Leaders' Statement; The White House, February 13, 2025.
3. India Has a Golden Opportunity to Capture U.S. Business From China; The Wall Street Journal, April 19, 2025.
4. From China's Decline to India's Dominance; Avy-Loren Cohen, Medium, April 28, 2025.

India's Capital Markets Mature Alongside Its Economy

Capital markets are maturing alongside the economy

Maturing Capital Markets Support Growth Story

- As India's markets have matured and grown alongside the economy, confidence in the durability of the country's growth has resulted in record levels of foreign capital flows.
- Domestic savings program (through "Digital India" initiative) is providing a tailwind to Indian equities, adding depth and breadth to the market.

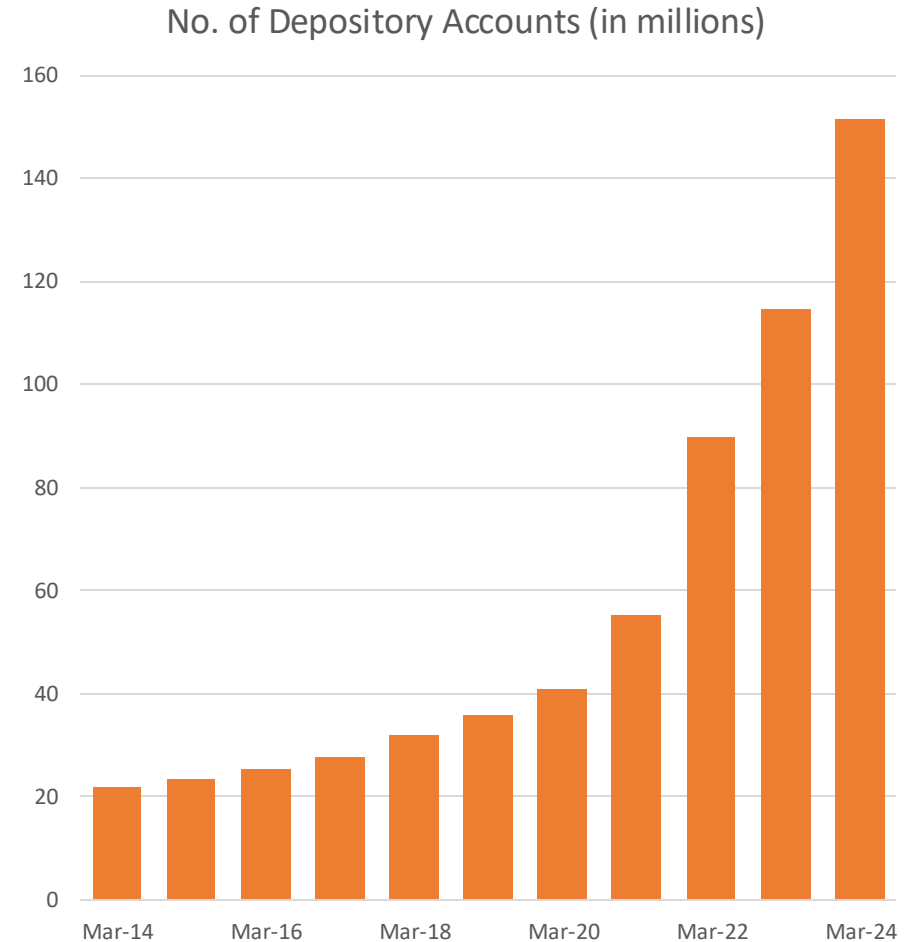


*FY 2023 and 2024 are estimates. Source: Reserve Bank of India

Retail investors are starting to view the stock market as a vehicle for long-term wealth creation, leading to greater market participation across most income levels

- Depository (brokerage) accounts have risen seven-fold (7x) in the last decade, to 151 million.
- Systematic Investment Plans (SIPs), which allow retail investors to allocate predetermined amounts to mutual funds on a weekly, monthly, or quarterly basis, are becoming ubiquitous.
- As of February 2025, investors had opened 102 million SIP accounts and were contributing over USD 3 billion every month.
- Assets in SIP accounts have quintupled since 2019, totaling USD 162 billion as March 2025.
- AUM across all types of equity mutual funds grew 1,500% in the last decade, to USD 357 billion as of Dec. 2024.

Sources: Association of Mutual Funds in India, Fortune India, ICICI Securities

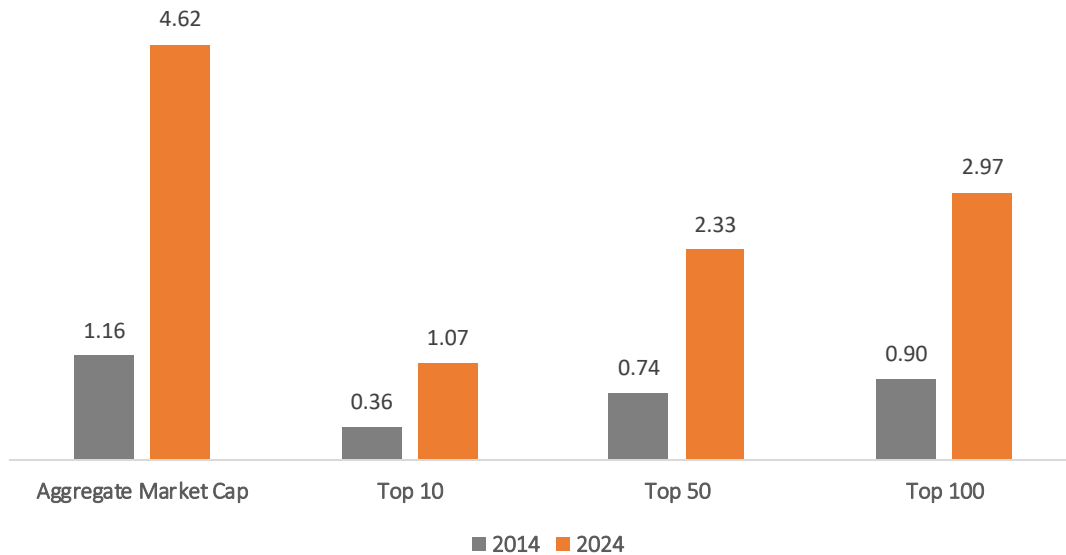


Source: Securities and Exchange Board of India

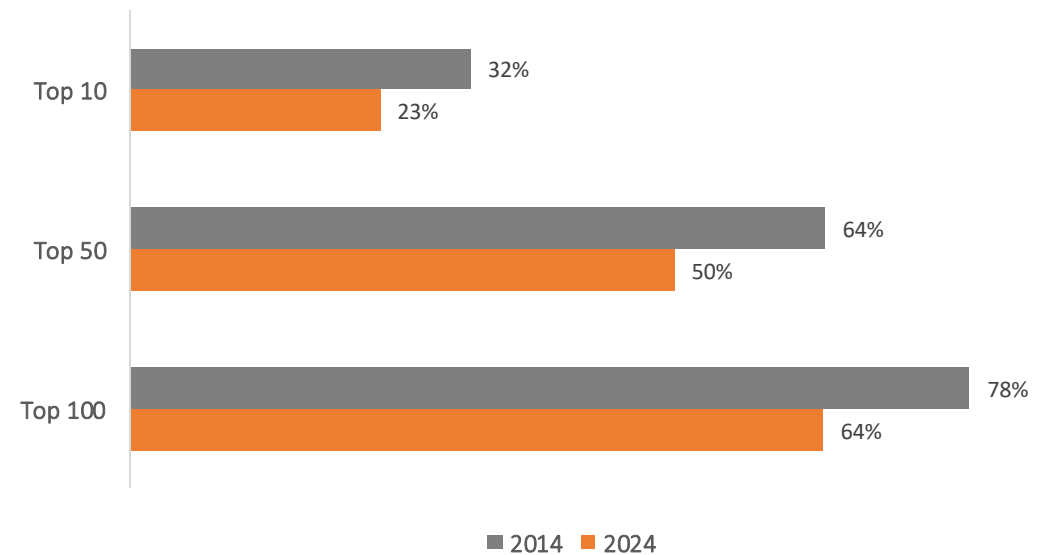
Market's breadth and depth has improved significantly in the last decade

While the value of India's equity market has quadrupled in the last decade, concentration in the largest names has diminished, a healthy sign of improved market depth.

Growth In Aggregate Market Cap for Indian Equities,
2014-2024



Indian Equities: Concentration in Largest Companies,
2014 vs. 2024



Source: MarketGrader Research

India Through MarketGrader's 'GARP + Quality' Lens

To understand MarketGrader's approach to index construction, it's important to understand our investment philosophy, which is grounded on three core principles:



Equities are the world's best source of wealth accumulation:

Owning shares of public companies offers investors the best opportunity for long-term capital appreciation.



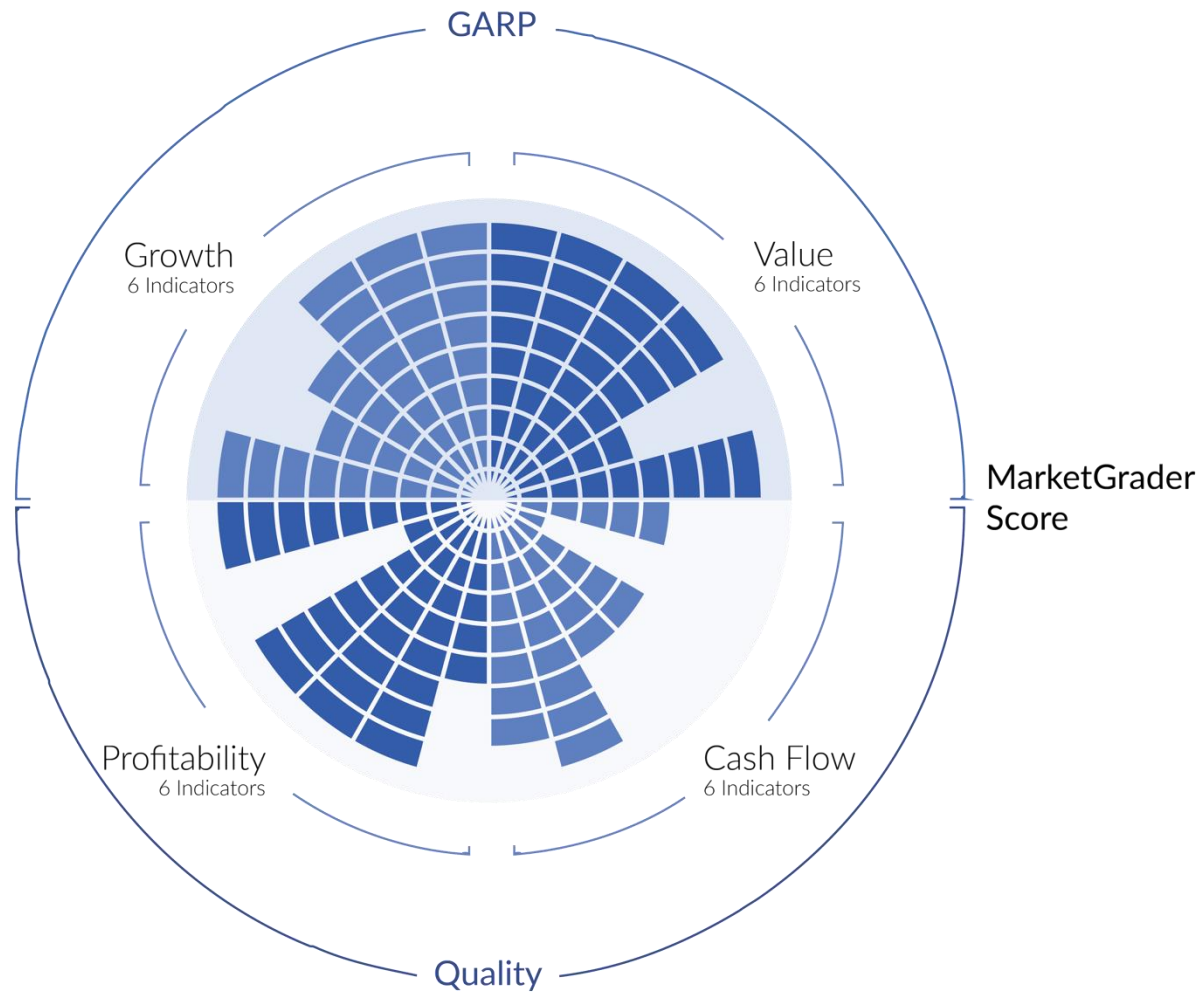
The best companies are compounding machines:

Companies that create economic value consistently over long market cycles are the best creators of shareholder value. We call them "growth compounders."



Growth compounders can be identified with a rules-based framework:

A systematic focus on growth companies, bought at reasonable prices (GARP), combined with quality measures, is the best way to identify growth compounders.



How do we find the world's best growth compounders?

We calculate 24 fundamental indicators for every company under coverage based on our **GARP** (growth at a reasonable price) + **Quality** framework, designed to identify the world's best Growth Compounders.

We aggregate these 24 indicators into a final MarketGrader Score, between zero and 100, which lies at the core of all our index constituents.

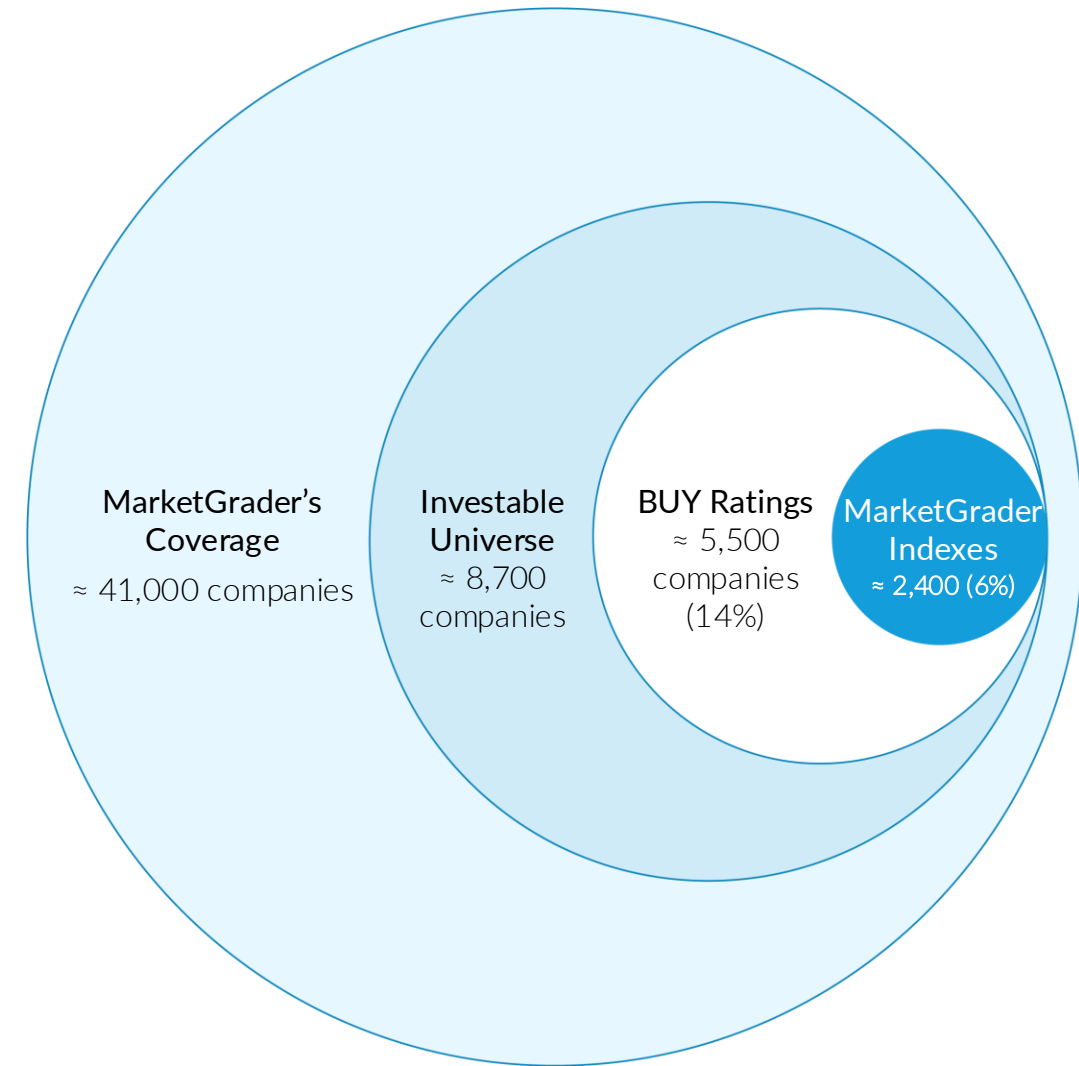
BUY ○ 86.6

HOLD ○ 54.1

SELL ○ 28.3

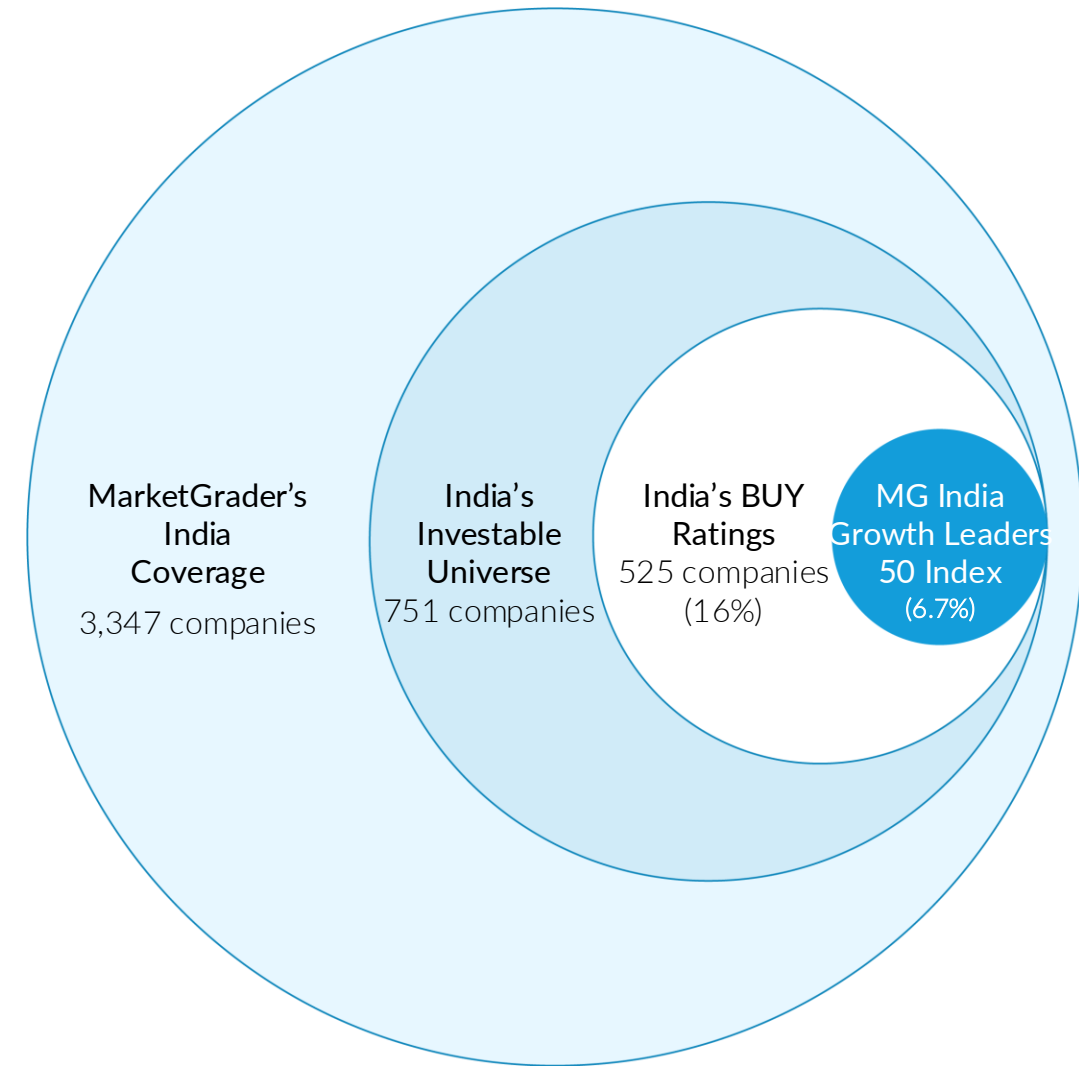
MarketGrader's Indexes marry our investment philosophy with our mission to help investors do better

- We analyze millions of data points daily to grade all the world's stocks—41,000 companies—representing 99% of global market capitalization.
- The MarketGrader Score allows us to find only the best companies, or “Growth Compounders,” across global markets.
- We analyze each market to understand the sources of return, market depth, liquidity, and risk to formulate a set of rules that govern each of our indexes.
- Our indexes are designed to harness the underlying market return (beta) while adding excess returns over time (alpha) by systematically picking only the best companies in each market.



MarketGrader's selection process applied to Indian equities

- India's equity market is the world's fourth largest based on the number of issues listed, behind only China, the United States, and Japan.
- However, when liquidity is considered, the market's investable universe shrinks to about 22% of all listed companies.
- While only 16% of Indian companies score high enough grades to receive a MarketGrader BUY rating, this is in line with our global coverage.
- The MarketGrader India Growth Leaders 50 Index represents the top 6.7% of companies in India's investable universe.



The MarketGrader India Growth Leaders 50 Index

Objective

The MarketGrader India Growth Leaders 50 Index consists of 50 of the most fundamentally sound companies domiciled in India that trade on the National Stock Exchange (NSE) or the Bombay Stock Exchange (BSE). It seeks to give investors access to the best compounders of growth in one of the world's fastest growing economies.

Underlying Universe

All companies domiciled in India, listed on the National Stock Exchange (NSE) of India or the Bombay Stock Exchange (BSE), that are covered by MarketGrader Research.

Regulatory Screen

The stock cannot be included in the 'Red Flag List' maintained and published by the National Securities Depository Limited (NDSL) of India, which governs foreign ownership limits of Indian securities.

Base Date & Publication Date
Dec. 31, 2007 & Jan. 3, 2025

Minimum Market Cap USD 1 billion

Minimum Liquidity 3-Mo. Avg. Daily Trading Volume of USD 2 million

Weighting All Index constituents are equally weighted at each rebalance date.

Rebalance Schedule Semi-annually on the third Friday of March and September

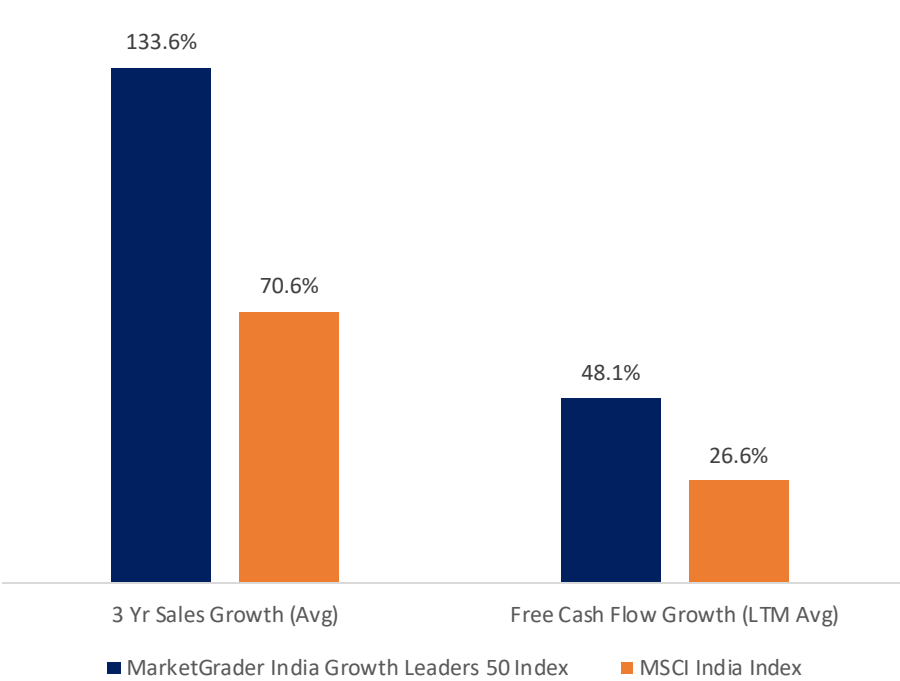
Index Codes
MGINGI50 (Price Return Series)
MGINGLNR (Net Total Return Series)
MGINGLTR (Gross Total Return Series)

MarketGrader’s process results in a portfolio of growth companies at reasonable prices ...

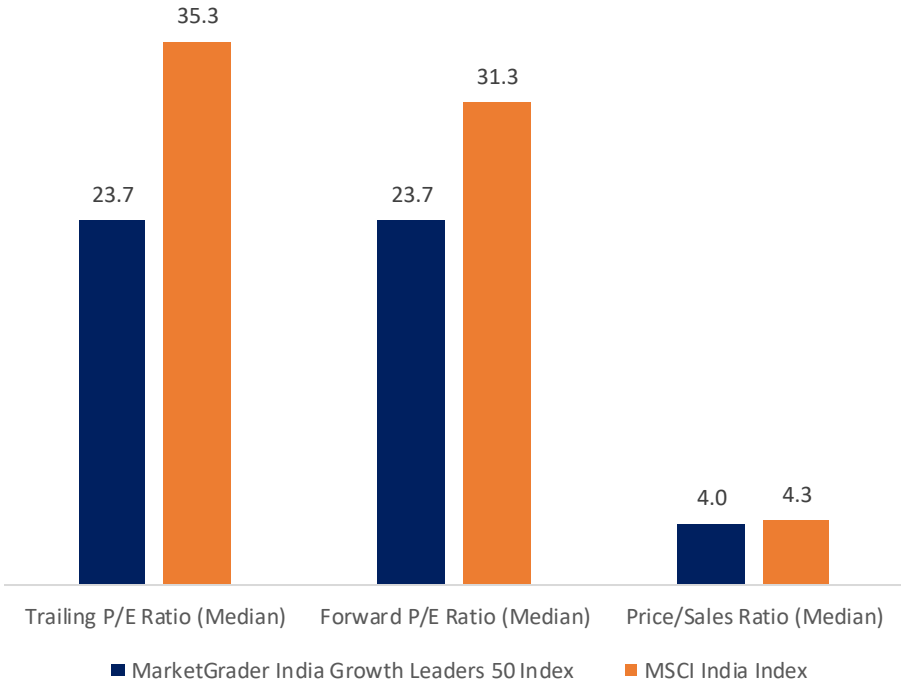
Growth ...

... At a reasonable price

Sales & Free Cash Flow Growth



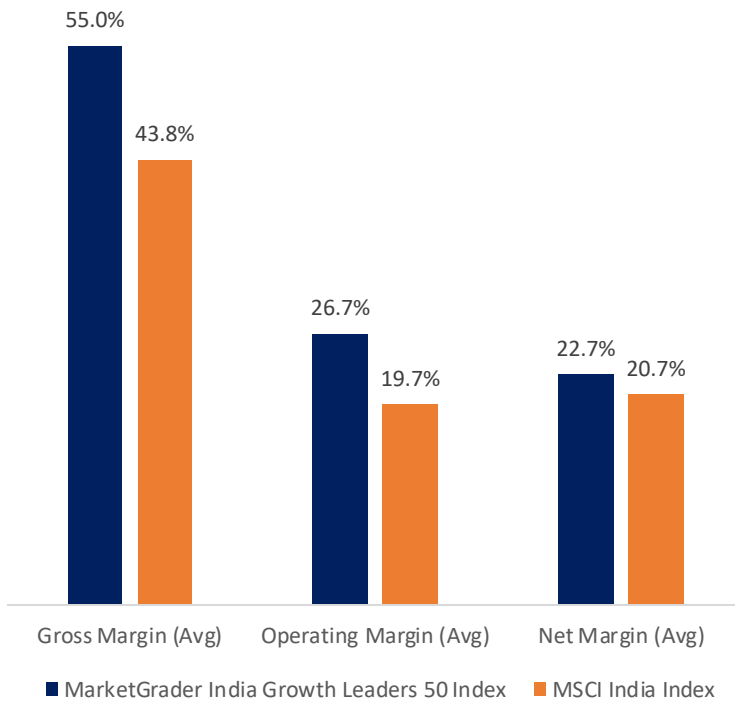
Price to Earnings & Price to Sales Ratios



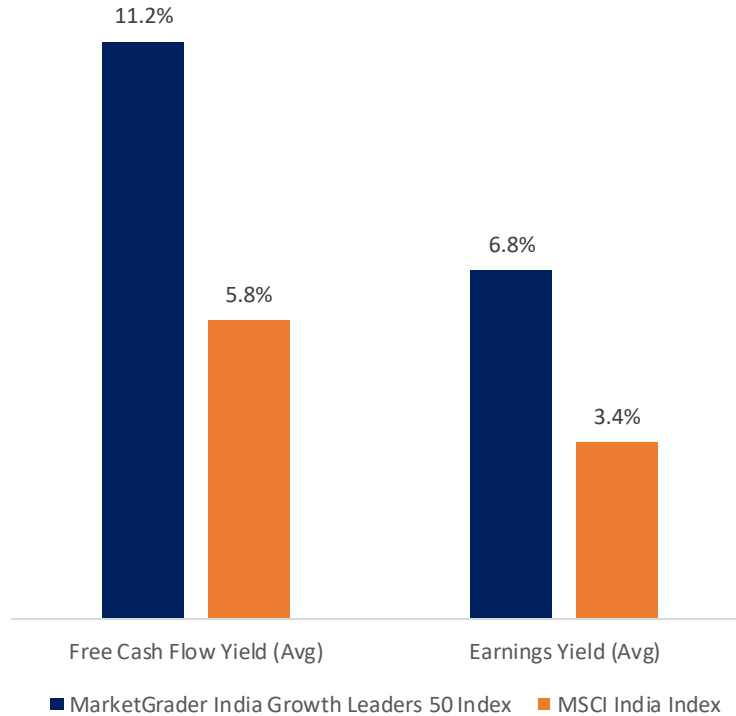
All data based on trailing 12-month financials through March 2025. Sources: MarketGrader, FactSet.

... Anchored by robust quality metrics

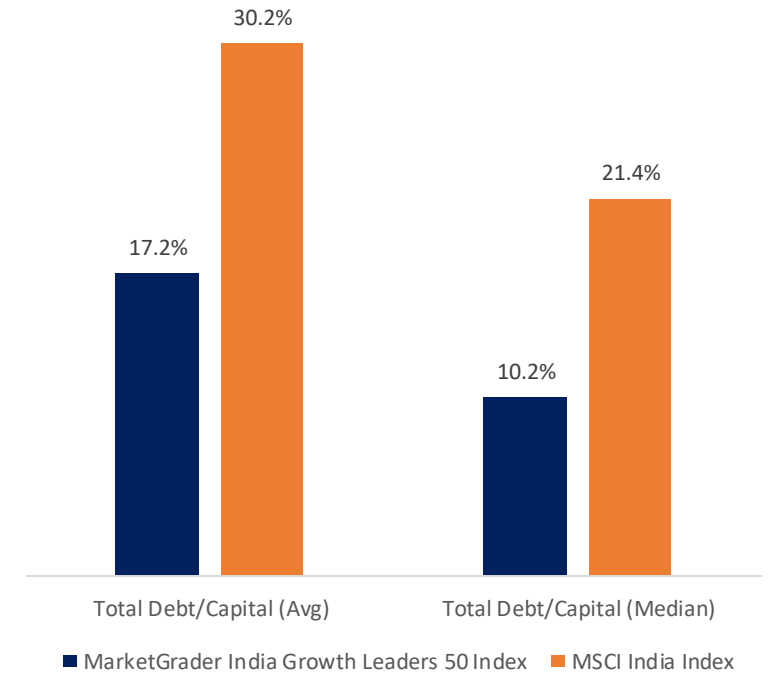
Gross, Operating & Net Profit Margins



Free Cash Flow Yields & Earnings Yields



Total Debt to Capital Ratios



All data based on trailing 12-month financials through March 2025. Sources: MarketGrader, FactSet.

A few examples of India's Growth Leaders



Indus Towers Limited
534816.IN

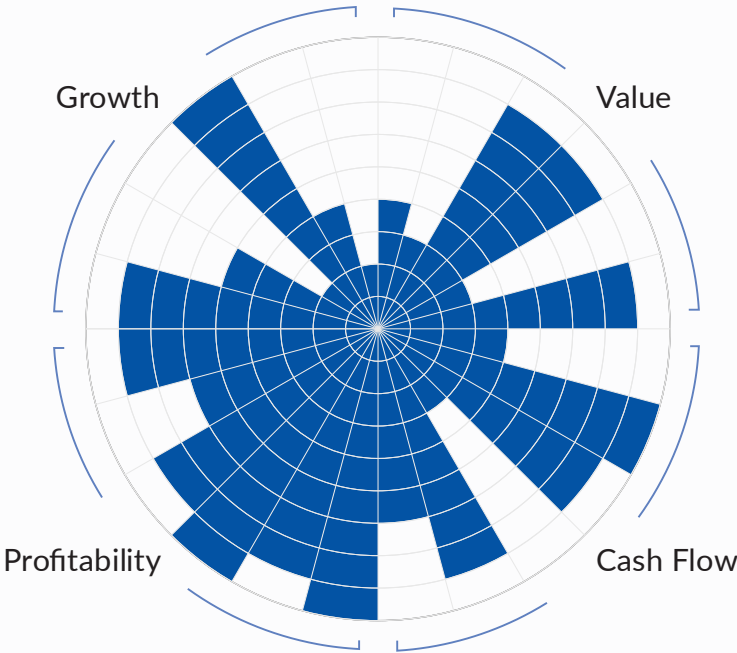
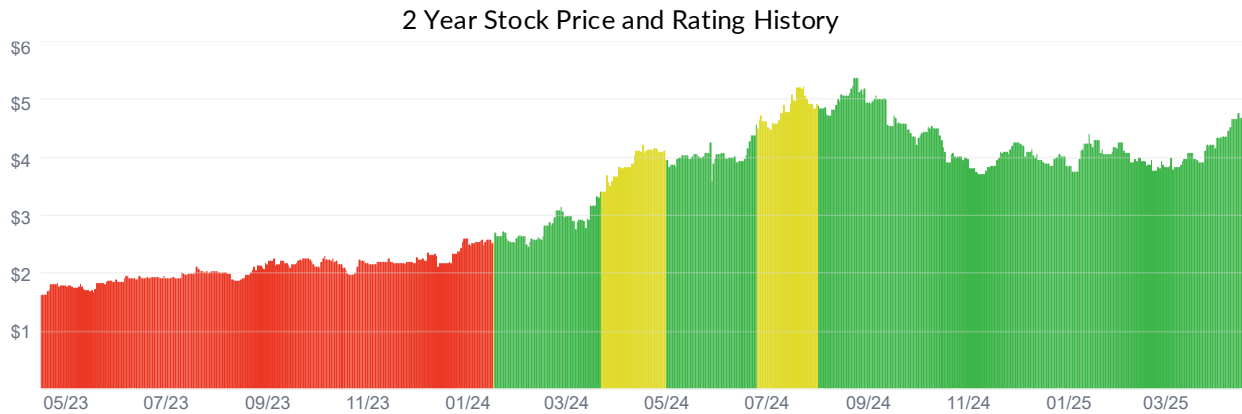
StockGrade

BUY ○ 71.2

Upgraded from HOLD on 08/07/2024

Indus Towers Ltd. provides telecom tower infrastructure to telecommunication services operators. The company was founded in 2006 and is headquartered in Gurugram, India.

No. of Selections	11
First Selection	March 2009
Return Since 1st Selection (AUD)	73.5%
Market Cap (AUD)	\$19 Bn



Company data, grades and ratings as of Apr 28, 2025. Sources: MarketGrader, FactSet.

A few examples of India's Growth Leaders



Mazagon Dock Shipbuilders Ltd
543237.IN

StockGrade

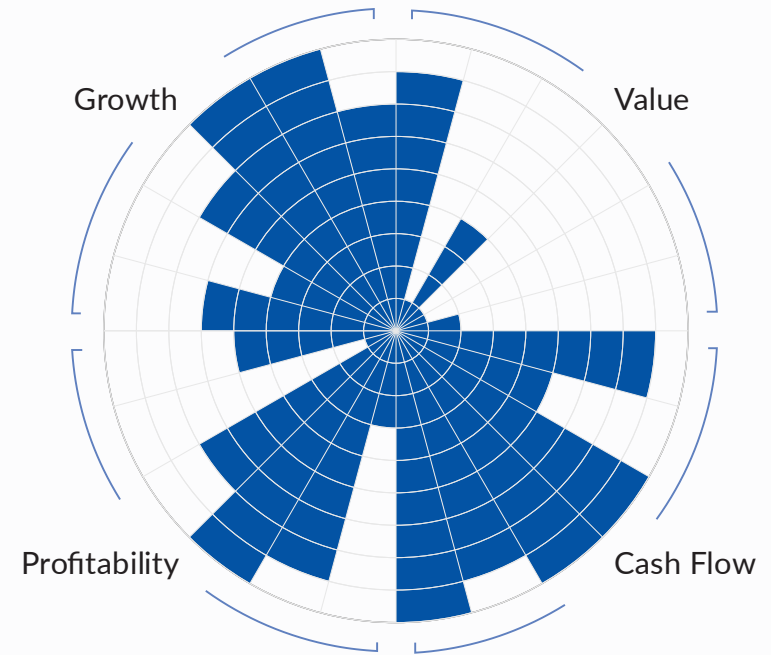
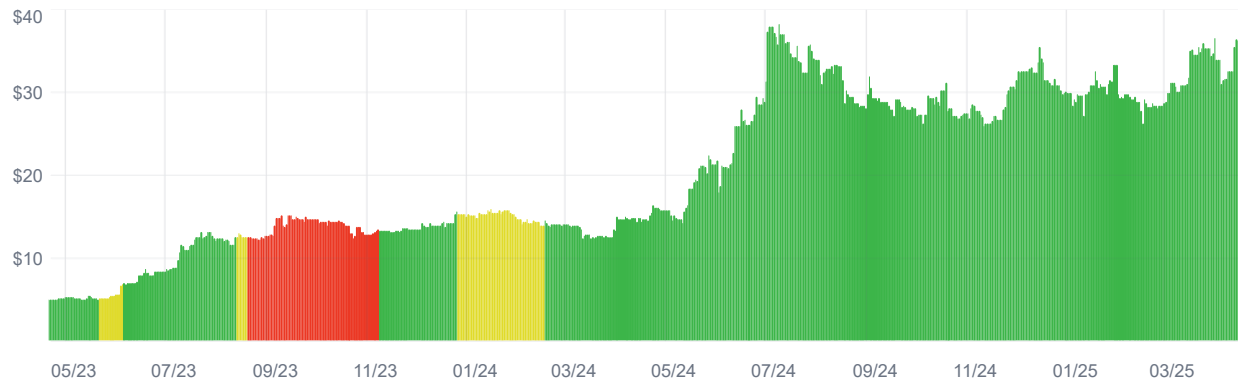
BUY ○ 69.9

Upgraded from HOLD on 02/16/2024

Mazagon Dock Shipbuilders builds and repairs ships, barges, and off-shore drilling rigs, and operates through two major segments; Shipbuilding and Submarine. It offers services to the Indian navy, oil and gas exploration companies, and other commercial customers throughout India and internationally.

No. of Selections (NEW)	1
First Selection	March 2025
Return Since 1st Selection (AUD)	-2%
Market Cap (AUD)	\$19.5 Bn

2 Year Stock Price and Rating History



Company data, grades and ratings as of Apr 28, 2025. Sources: MarketGrader, FactSet.

A few examples of India's Growth Leaders



Force Motors Limited
500033.IN

StockGrade

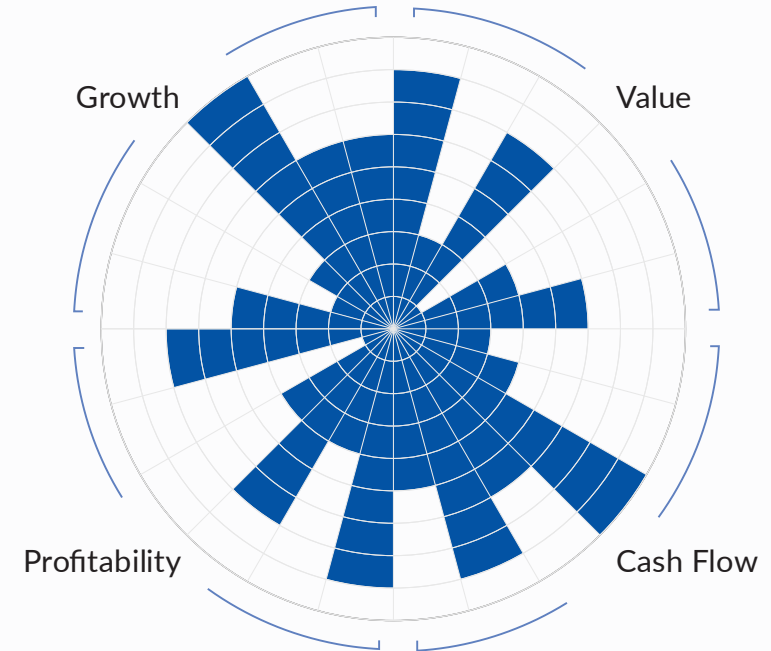
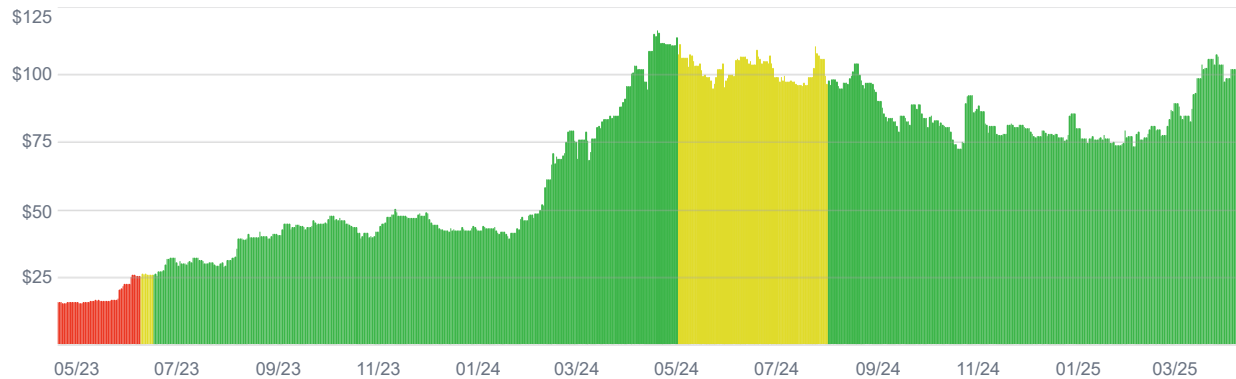
BUY ○ 63.2

Upgraded from HOLD on 08/06/2024

Force Motors Ltd. designs, developments, and manufactures automotive components, aggregates, and vehicles. Its products include light commercial vehicles, small commercial vehicles, utility vehicles, agricultural tractors, and diesel engines.

No. of Selections	2
First Selection	Sept. 2024
Return Since 1st Selection (AUD)	34%
Market Cap (AUD)	\$2.2 Bn

2 Year Stock Price and Rating History



Company data, grades and ratings as of Apr 28, 2025. Sources: MarketGrader, FactSet.

A few examples of India's Growth Leaders



ICICI Bank Limited
532174.IN

StockGrade

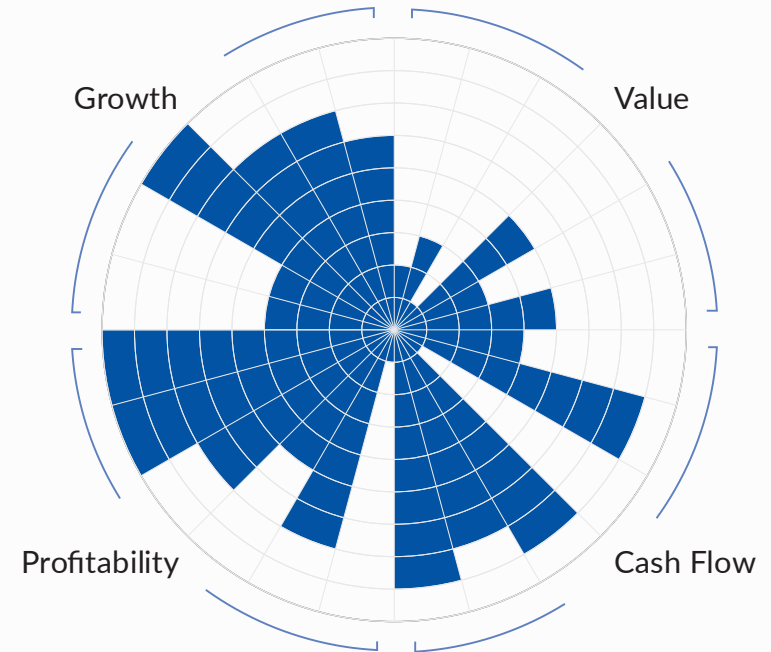
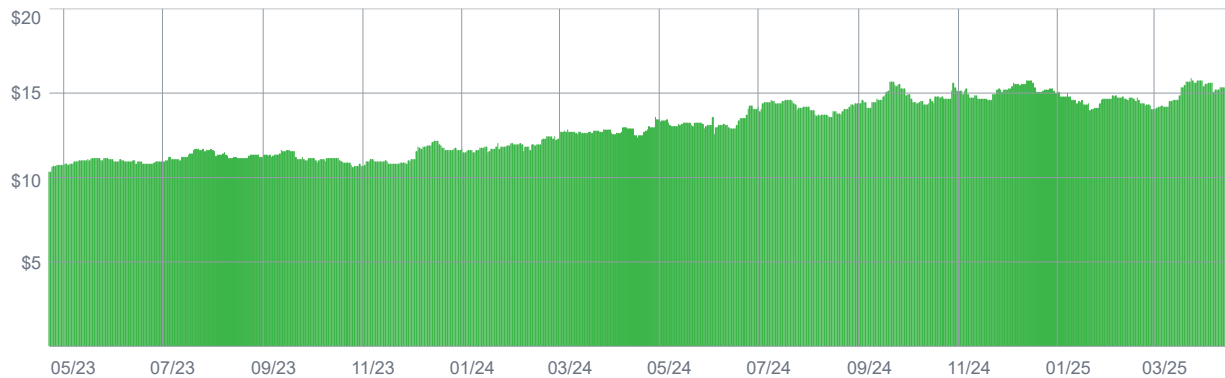
BUY ○ 66.0

Upgraded from HOLD on 01/11/2023

ICICI Bank Ltd. provides banking and financial services, which includes retail banking, corporate banking, and treasury operations. It operates through the following segments: Retail Banking, Wholesale Banking, Treasury, Other Banking, Life Insurance, and Others.

No. of Selections	10
First Selection	March 2009
Return Since 1st Selection (AUD)	1340%
Market Cap (AUD)	\$183 Bn

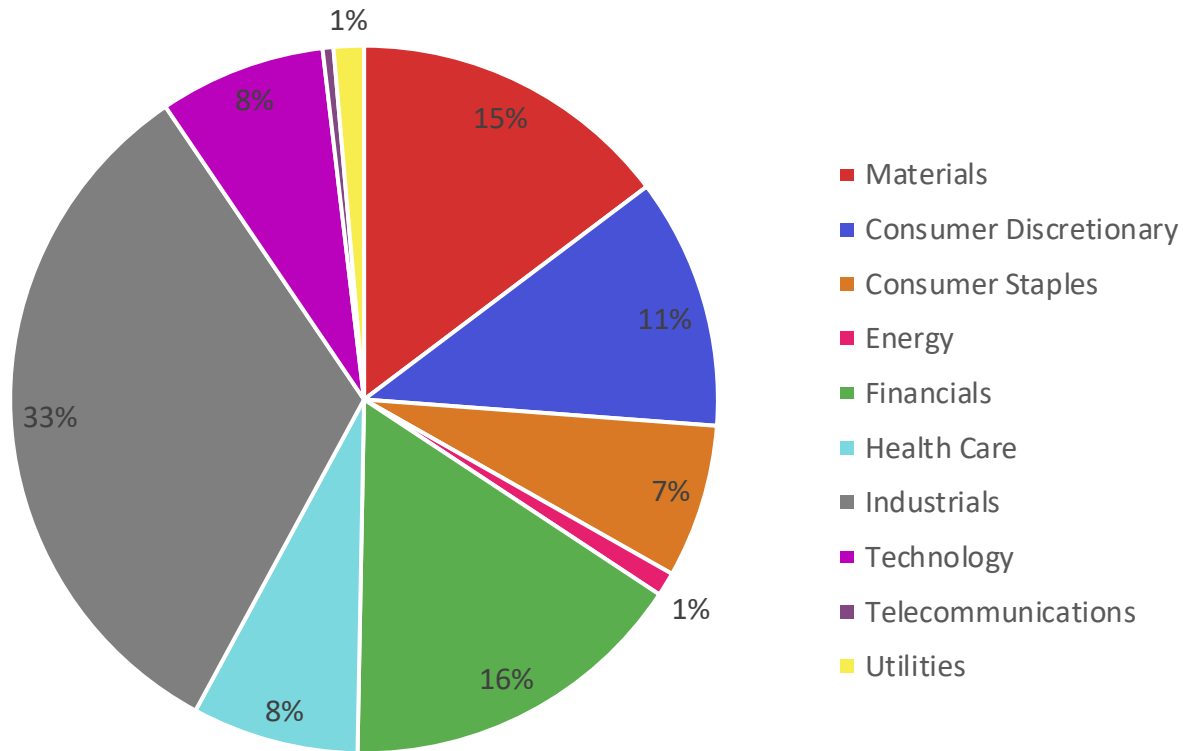
2 Year Stock Price and Rating History



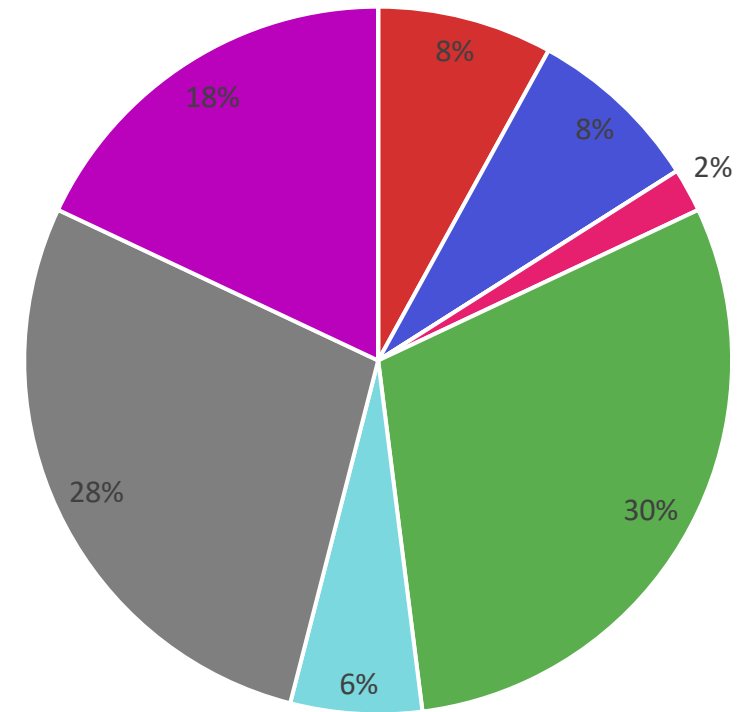
Company data, grades and ratings as of Apr 28, 2025. Sources: MarketGrader, FactSet.

The MarketGrader India Growth Leaders 50 Index – Sector Breakdown Relative to Universe

India's Coverage Universe (3,546 Companies)



MarketGrader India Growth Leaders 50 Index



Sector Breakdowns are based on the number of constituents per sector, not on aggregate market cap weight per sector, as of April 24, 2025. Sources, MarketGrader, FactSet.

The MarketGrader India Growth Leaders 50 Index – Top Companies

Ten Companies with Most Index Selections (out of 36 possible)

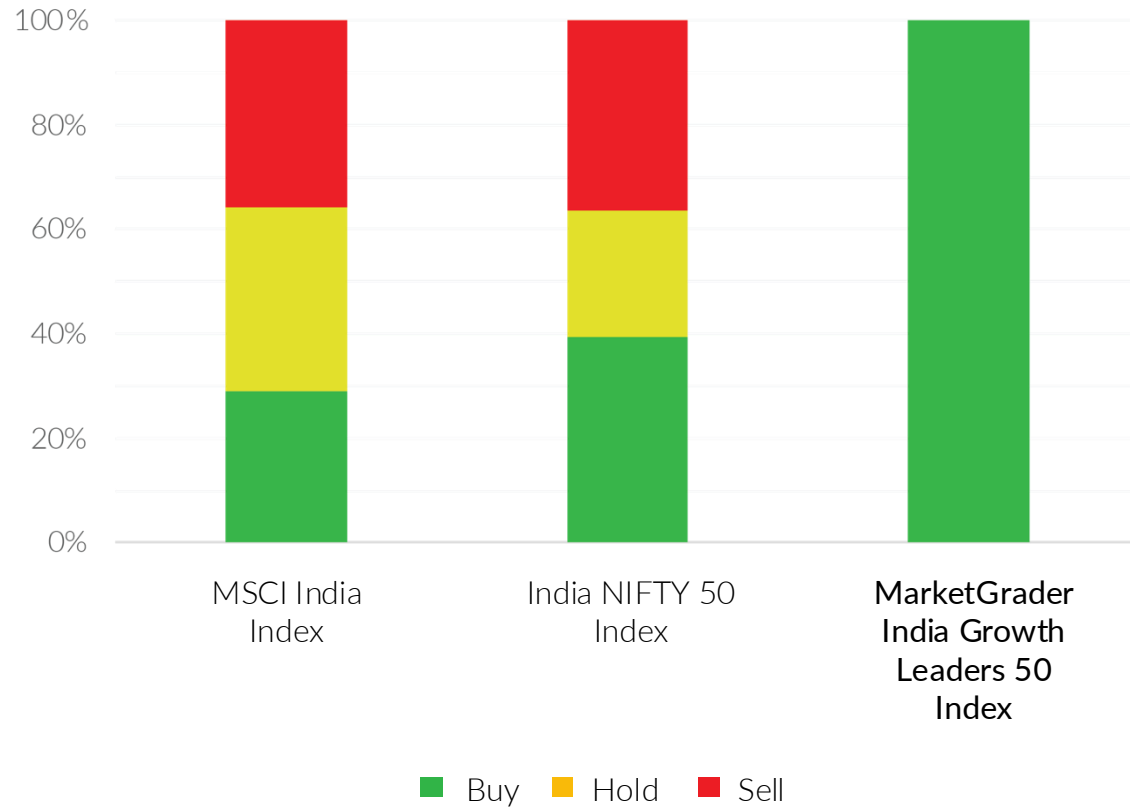
Symbol	Name	# Selections
532540.IN	Tata Consultancy Services Limited	34
532281.IN	HCL Technologies Limited	29
500124.IN	Dr. Reddy's Laboratories Limited	24
500480.IN	Cummins India Limited	17
532321.IN	Zydus Lifesciences Limited	16
534816.IN	Indus Towers Limited	14
505200.IN	Eicher Motors Limited	12
526371.IN	NMDC Limited	12
500049.IN	Bharat Electronics Limited	11
500112.IN	State Bank of India	11

Top 10 MarketGrader Overall Grades (out of 100)

Symbol	Name	Grade
526367.IN	Ganesh Housing Corp.	● 84.3
532234.IN	National Aluminum Co.	● 78.6
531431.IN	Shakti Pumps (India) Ltd.	● 77.1
539177.IN	Authum Investment & Infrastructure Ltd.	● 73.6
544277.IN	WAAREE Energies Ltd.	● 72.8
532209.IN	Jammu & Kashmir Bank Ltd.	● 72.4
590003.IN	Karur Vysya Bank Ltd.	● 72.0
532525.IN	Bank of Maharashtra	● 72.0
532321.IN	Zydus Lifesciences Limited	● 71.9
500049.IN	Bharat Electronics Limited	● 71.8

Companies with the most selections to the Index and Top 10 Grades as of April 28, 2025. Source: MarketGrader.

Percentage of Companies by MarketGrader Rating

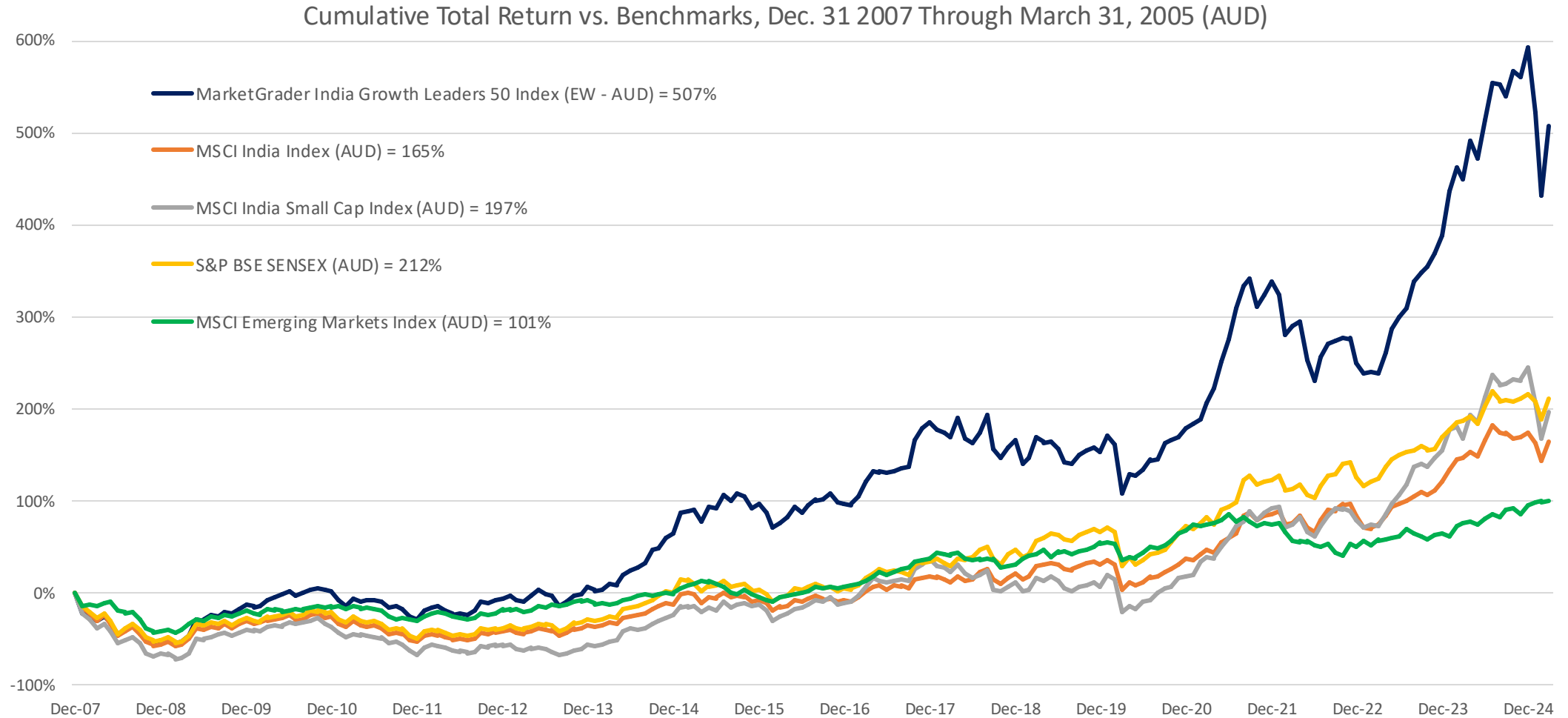


Breakdown of index constituents by MarketGrader rating as of April 28, 2024. Source: MarketGrader.

The MarketGrader Difference

Our GARP + Quality analysis ensures that only the companies with the best fundamentals are selected to our MarketGrader India Growth Leaders 50 Index

The MarketGrader India Growth Leaders 50 Index



The MarketGrader India Growth Leaders 50 Index was first published on January 3, 2025. All prior returns are based on back tested data. All figures are based on cumulative total returns in AUD. Sources: MarketGrader, FactSet.

Key Takeaways

1. The deep, structural reforms implemented by Narendra Modi's government in the last decade have transformed India deeply. The country has a unique opportunity to develop into a prosperous consumer-driven and manufacturing economy, something emerging economies are seldom able to pursue concurrently.
2. The empowerment of the individual, at the center of India's reform drive, has been underestimated. It could be the world's most powerful economic force this century. Additionally, if India seizes this moment of global trade uncertainty as an opportunity to offer a counterpoint to China, the country may finally fulfill its economic potential.
3. Contrary to what is often the case for investors in the equity markets of other emerging economies, in India public company investors are likely to reap the benefits of the country's macroeconomic growth. Indian savers could be the market's biggest beneficiaries.