

BE BOLD. BE GREAT

Last month we wrote about the (unwarranted) gloominess we observed in Indian investors as the AI rocket took off. Fortunately for us (and the world), the runaway AI rally seems to have stalled with the investors asking the right questions about the returns on all massive capital being deployed on the trade. While the jury is still out, it will be very interesting to see the market reaction to the other AI companies who have lined up to go public to build on the solid success of SpaceX public issue.

It will also be pertinent to look back and see what all we have achieved in the last few decades. The Indian Auto and Auto component industry ranks 3rd largest globally. Indian Pharma stands unbeatable, the 3rd largest in the world by volume. Indian Chemicals is a force to reckon with, being the 6th largest globally. We are the world leaders in IT with a 55%+ market share in the global outsourcing market. The Indian diaspora has time and again demonstrated its strength with leading global companies. All this was achieved by a few dedicated entrepreneurs in their lifetime, without much government support.

Imagine what many can do with the right government intent and better capital availability. We are witnessing a massive resurgence of the Indian manufacturing, electronics and defence sectors with active import substitution being planned across industries.

What can all of us do to make the story more resilient? Buy Indian product wherever possible. Support the entrepreneurs in whatever way you can. With all due respect, what is the point of Paint and FMCG companies getting 100 PE? Let's celebrate the Indian EMS, Defence, Biotech and other emerging sectors who are taking the big bets to take the country to the next level.

We remain very confident of the India story. The very best want to be job creators today, not job seekers. Risk capital is getting created with each exit and valuation increase of companies – a lot of which will get recycled into bolder bets and bigger disruptors. Within the next few decades, we will create in India the flywheel of risk – entrepreneurship in India that exists in the US.



WHAT WE LIKE

STOCK

Long before gold loans became a line item on bank balance sheets, **Muthoot Finance** was already lending against it, door to door, generation to generation. Almost a century of that trust has transformed the company into a 1.23 trillion market cap leader with a commanding 47% share of the NBFC gold loan market.

This is a company with a unique business model - capitalizing on the lack of availability of credit to Indian households and our love of the yellow metal. The company is helping in converting a sleepy asset class into a first class collateral by disbursing money against it in minutes.

That dominance now has a tailwind behind it. The steep increase in gold prices has pulled loan-to-value ratios down across the book, allowing the company to lend more against the same collateral without chasing new volume. Demand is doing the heavy lifting on its own.

Asset quality holds up just as well, with average LTV sitting near 57%, comfortably under the RBI's 85% ceiling. It reflects prudent management in the lending business and disciplined underwriting through multiple credit cycles.

You don't often come across a business that remains a market leader while still trading at 11.6X P/E, a significant discount to its pure-play peers, earnings compounding at 25%+ for past 3 past years, ROE of 20%+ and a stable dividend year after year.

BOOK

Genius isn't always inherited, sometimes it's built through obsession, risk and refusal to accept limits.

Elon Musk by Walter Isaacson takes you inside the mind of the man behind Tesla, SpaceX and X, starting from a rough childhood in South Africa all the way to talk of colonizing Mars.

It's unflinching about the chaos, the ego, the brilliance and the cost of building at that scale. And with SpaceX just pulling off a record \$2.1 trillion Nasdaq debut last month, this book allows you to intimately get to know the man behind the legend.



MOVIE

Some missions aren't fought with weapons, but with willpower, when the fate of an entire species rests on one forgotten man's shoulders.

Project Hail Mary throws an ordinary man into humanity's last shot at survival, racing against a dying sun with nothing but grit and half-remembered science.

It is a feel-good story of bonding and hope and begets the question – is intelligence in the form we know and understand the only form of intelligence in the universe?

It's thrilling, heartfelt and unforgettable. Watch it on Prime Video.



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