

4th July 2023

Dear Investor,

Greetings from KRIIS Portfolio!

Monsoon arrived though delayed and has been widespread across the country. Indian markets continued to rally in June 2023, one way up on expectation of slowdown in rate hike and possible rate cuts during the year end. The RBI's action, also in the last meet, played a crucial role in the sentiment, favoring a pause and its comments on inflation. The Nifty benchmark closed further up at 19189 at All Time High, 3.5% higher than the previous month close after rallying for the last 2 months. FPI and domestic funds continued to be aggressive net buyers during the month.

As I write this letter every month, I wonder if it is adding value to your decisions on investments. My constant endeavor through this letter is not just to share the India market outlook but also share the latest research reports, views and opinions from experts across the world, which can help you take well-informed decisions. Investments play an important role in building our future but may not always be simple to decode.

Artificial Intelligence (AI) the next generation of information technology is at our doorstep. Bill Gates made headlines recently when he stated that artificial intelligence, and generative artificial intelligence, would be "as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone"^[1]. At KRIIS, we agree that the potential of AI to transform the way we do work and offer insights could be enormous. We need to prepare and get ready to meet another disruption in our day to day working. We are sure Indians can overcome any technological challenges.

In his recent address in the United States of America, our Prime Minister, Narendra Modi, touched upon the changing trends in India, noting that while we are known for our traditions, the youth is also transforming the country into a technology hub. He also addressed a variety of themes that re-iterated our belief in the India growth story:

1. 46 out of every 100 digital payments last year happened in India and the value of all these transfers crossed \$1.5 trillion.
2. Over the last decade, more than a billion Indians have got Aadhar linked to their bank accounts.
3. India has one of the most affordable 4G networks in the world and over 850 million smartphones, giving India the access to the internet.
4. Foreign Investments have nearly doubled to \$84 bn despite Covid. Many big corporations have decided to place a bet on India and move their supply chains here.
5. Over 850 million Indians have received benefits and assistance directly to their bank accounts, without having to move a muscle. 100 million of these are farmers.

Indian Market Buoyancy due to the following:

India's real GDP growth rate for Jan-March 2023 rose to 6.1%

Inflation has been much under control.

The GST collection was strong at Rs1.6 trillion in June 2023 reflecting strong momentum.

The current account balance has been quite favorable with surplus.

Improvement in Private Capex spending.



Valuation

India's long term structural story remains strong. We have been reiterating to investors to remain invested through this current volatility and consider this good opportunity to top-up. There can be no better place to invest than INDIA. Wishing you the best from the KRIIS team and stay safe.

Thanks with Regards,

CA Rakesh Doshi

Principal Officer & Fund Manager

KRIIS – The Portfolio Management Company