Adani Group's Investor Day (June 4, 2026, Mumbai) offered a comprehensive and execution-focused update across its core verticals, with six panels spanning site operations, HR strategy, partner ecosystem, airports, Dharavi redevelopment, and capital market perspectives. The event stood out for its **bottom-up articulation**, with site leaders, partners, and operating executives directly presenting, signalling a shift toward greater operational transparency and maturity in investor communication.

The central theme across discussions was the scaling of Adani's **"Extended Enterprise" model** a structurally differentiated, partner-led execution framework designed to deliver large-scale infrastructure and real estate projects with higher capital efficiency. Management indicated that ~50–55% of execution is currently partner-driven, with a targeted increase to 70–90% over the next 2–3 years, effectively creating a co-invested ecosystem with long-term visibility and aligned incentives.

Operationally, the group continues to emphasise **scale with speed**, enabled by technology integration (AI-led design, BIM, prefabrication), decentralised decision-making at the site level, and strong partner collaboration. Notably, the use of AI in construction design (compressing timelines from ~60 days to under an hour) and data-led optimisation across assets reflects an increasing shift toward tech-enabled execution rather than traditional EPC models.

From a business vertical perspective, key growth levers remain intact and structurally attractive:
Airports: Significant upside from non-aero monetisation and city-side development, with 10–12x long-term revenue potential.
Dharavi redevelopment: A large-scale urban transformation opportunity with ~$13bn implied valuation, offering both social and commercial optionality.
Real estate & infra: Strong pipeline visibility supported by partner ecosystem and industrialised construction approach.

Importantly, the **DII panel provided a supportive macro overlay**, highlighting resilient domestic flows, preference for large caps, and manufacturing as a structural theme, partially offsetting near-term valuation concerns and FII outflows.

Overall, the event reinforces Adani's positioning as a **multi-sector execution platform with strong visibility on long-duration growth**, underpinned by a scalable operating model, deep partner integration, and increasing use of technology. Key monitorable remain execution delivery (especially Dharavi), partner ecosystem scaling, and macro capital flow dynamics.

Source: Arihant Research, Company Filings

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PANEL 1 – Site Plan Adani Extended Enterprise Environment

Moderator: Alex Mathew | Speakers: Col Amartej Singh Issar (Khavda, Adani Green), Ameet Phadke (Non-Aero, Adani Airports), Darshan Singh (Lucknow Airport), Mayank Doshi (Tiroda, Adani Power)

Tiroda Power Plant Workforce Motivation at Extreme Sites

Mayank Doshi opened by describing the unique challenges of operating a mega power plant in harsh conditions extreme heat, dust, and remote location and what it takes to maintain a productive, motivated workforce.

- Dual levers of site management: hospital-grade discipline combined with a genuine delivery mindset people must feel they are serving India, not just earning a wage.
- Rewards architecture is critical: performance-linked recognition at the ground level is the most important factor in retaining workforce and sustaining output.
- Revenue consciousness: teams are acutely aware that if they don't generate power, the commercial consequences cascade. This creates a culture of ownership unusual at blue-collar sites.

Lucknow Airport Doubling Capacity & Passenger Excitement

Darshan Singh highlighted the expansion journey at Lucknow as emblematic of the broader airport growth story.

- Terminal 2 expansion complete; 2024 throughput: 7 million passengers double prior capacity.
- Next phase target: 30 million passenger capacity.
- Key insight: the emotional journey from passenger anxiety to excitement upon entering a newly upgraded terminal is the metric that matters not just throughput.
- Operations model is built to support business growth, not just manage existing load.

Mumbai Airport -roh Non-Aero Transformation

Ameet Phadke described the reinvention of non-aero revenue at Mumbai, framing airports as essential urban destinations rather than transit nodes.

- Core constraint: finite physical space at mature airports forces intelligent trade-offs between operations and commercial use.
- Customer-first design philosophy: deep mapping of what customers want the draw of premium brands, late-night experiences, family outings to position airports as part of city life.
- Data & AI deployment: Airport Operations Centre using AI and video analytics for predictive analysis; currently ~18 months behind cutting-edge hardware but closing rapidly.
- Contract synergy: solutions developed and signed at one airport are replicated across the group's airport portfolio, generating significant scale efficiency.
- Analytics impact: even small data improvements delivered ~1% improvement in local and market metrics - significant at airport revenue scales.

Khavda Renewable Site - Building One Paris Every Year

Col Amartej Singh Issar delivered the panel's most striking data point: Adani Green is building infrastructure the size of Paris - every year at Khavda in Gujarat's Rann of Kutch.

- Scale: 5x the size of Paris to be created by 2029 one Paris per year, versus the 100 years it took to build the original.
- Early 2024 challenge: only 7,500 people on site; severe infrastructure gaps creating workforce retention crisis.
- Response: board-level decision to build world-class workers' colonies with fully liveable conditions.
- 100 km of water pipelines installed; groundwater TDS of ~41,000 PPM means every drop of water on site is processed.
- Peak operations: 14,000 people retained at Khavda; even during a major cyclone, 10,000 remained.
- Storm resilience: During a 115 m/s wind event, an innovative localized foundation repair solution was implemented rather than full removal saving significant time and cost.
- Battery optimizer and TV optimizer technologies being implemented to improve capacity utilization factor (CUF).

Key Takeaways - Site Panel

- **The 'site-first' philosophy is more than rhetoric it is being operationalized through world-class living infrastructure, hyperlocal hiring, and board-level accountability for site conditions.**
- **Data and AI are being deployed at site level, but management is candidly acknowledging hardware lags a sign of honest self-assessment.**
- **Workforce retention in remote, harsh environments is solved by quality of life investment, not just compensation a model with implications for Indian infra sector at large.**

PANEL 2 - HR PANEL - Adani Extended Enterprise Environment

Moderator: Sudhir Mattoo | Speakers: Amitabh Mishra (CPO, Adani Power), Chirag Shah (CPO, Adani Ports), Manoj Kumar Sharma (Group Head IR), Pramath Nath (CPO, Adani Green Energy)

The Extended Enterprise HR Model

Amitabh Mishra articulated a fundamental shift in how Adani thinks about its own workforce versus its partner ecosystem moving from 'managing everything' to 'core excellence plus partner networks.'

- Core principle: Internal capabilities are finite. Organic excellence retained only where it truly matters strategically. Everything else value-mode work, operational risk migrated to partners.
- Partnership is not outsourcing: Adani's model is built on shared value creation, joint strategic planning, and partners being part of growth planning cycles.
- Results: Port container productivity (GCR) moved from 26 to 29 when Caterpillar partnership was initiated; at the country's first mega-port, GCR moved from 26 to 30.02 post-partnership.
- Strategic implication: Partners grow their capabilities specifically to meet Adani's forward demand creating a captive, co-invested supply chain.

Site-First Leadership Model

Manoj Kumar Sharma explained the structural shift in decision-making authority toward site leaders.

- Empowerment agenda: Decision-making authority is being pushed down to site level eliminating delays and enabling real-time responses.
- Hardware plus technology: The combination of on-ground infrastructure and digital tools means site leaders have the information and authority to act independently.
- Insight upward: Going forward, all CEO-level decisions will be informed by site insights only because only those living through the day-to-day complexities of asset operations can make truly informed decisions.
- CEO site visits: Already being rolled out across the group as a structural rhythm, not a one-off.

Inclusivity & Community-Led Growth

Pramath Nath from Adani Green Energy expanded the definition of 'inclusivity' to encompass the communities around Adani's operational sites.

- Community-led growth: People in communities around Adani's sites should feel a sense of belonging to and benefit from the group's operations.
- Hyperlocal hiring commitment: Partners in the extended enterprise ecosystem are required to maintain a local hiring pipeline, giving communities access to employment opportunities.
- Community infrastructure: CSR extended beyond compliance actively mapping pain points at the community level and addressing them in a structured, timely way.
- Societal approach: Moving from CSR-in-isolation to a genuine community interface model.

Key Takeaways HR Panel

- **Adani's HR model is structurally differentiated: it treats partner talent development as an internal responsibility, not a vendor management function.**
- **The 12-year leadership program and CSCO series signal long-term commitment to institution-building not just talent management.**
- **Hyperlocal hiring and community infrastructure investment de-risk large-scale site operations by building social license proactively.**

PANEL 3 - PARTNER PANEL - Adani Extended Enterprise Environment

Moderator: Tamanna Inamdar | Speakers: K S Rao (CEO, Adani Infra), Prahaladbhai Patel (Founder, PSP Projects), Naresh Patel (Founder, Mitarsh Energy), Niral Dave (MD & CEO, Akshar Group), Jayanta Basu (CEO, CEMINDIA)

Why the Extended Enterprise Model Now

K S Rao opened by contextualizing the scale imperative: no Indian enterprise has, on a unified basis, developed at Adani's scale not just once, but every year.

- Scale requires ecosystem: Engineering consultants, construction partners, large MOM suppliers, and project management associates all need to be integrated not just contracted.
- Data Centres: Growing capacity with at least 7 partners built into the ecosystem; global multi-year agreements signed with chiller and generator manufacturers.
- Senior management bandwidth: More than 65% of Adani senior management time goes into capex decisions every month underscoring the seriousness of execution commitment.
- Target trajectory: 50–55% of execution today through partners -target 70–90% within 2–3 years.

Partner Perspective - PSP Projects

PSP Projects, a 25-year Adani partner across sectors (renewables, metros, chemicals), provided the most candid partner testimony.

- Visibility advantage: The collaborative model gives PSP visibility of Adani's design and project pipeline for the next decade or more enabling genuine long-term capability building.
- 'Perpetual agreement' model: When Patel asked what happens if something stalls, the response was: 'There is no exit. This is a perpetual agreement. You are in it for life.' a fundamentally different model from traditional contracting.
- Next-generation focus: Adani enquired about PSP's succession planning and next-generation leadership reflecting a multi-decade partnership horizon.
- Scale trajectory: PSP was a ~INR 600-crore organization when approached; the model is designed for partners to grow to Adani's scale of demand.

Partner Perspective - Mitarsh Energy

Naresh Patel highlighted the commercial terms that make the model compelling for partners and the freedom it preserves.

- 70/30 capacity allocation: 70% of Mitarsh's capacity reserved for Adani; 30% free for open market maintaining market exposure, competitive learning, and business independence.
- Financial terms: Early payments, no bank guarantees, no security deposits fundamentally different from conventional contractor terms.
- Speed of payment: What took 2–3 months in traditional contracting now happens in 2–3 hours.
- Learning loop: The 30% market allocation lets partners learn from other companies' processes and bring those insights back to Adani creating a knowledge feedback loop.

AI in Construction 45 Minutes vs. 60 Days

K S Rao provided a striking demonstration of how AI is already transforming construction design cycles.

- Case study: 450-acre land parcel in Kalyan (potential data centre site) traditional design would take 60 days of engineering time. Using AI and computing: 45 minutes. Output covers soil type and GPS coordinates.
- Value of AI output: Delivers ~80% of the information needed to make design efficient radically compressing pre-construction timelines.
- Industry transformation outlook: The next 5–10 years will see complete transformation of the construction industry through AI and new construction technologies.

Key Takeaways Partner Panel

- **The 'perpetual agreement' model is a genuine structural moat: once embedded, partners co-invest in capability building specifically for Adani creating switching costs on both sides.**
- **Financial terms (early payment, no bank guarantees) are a significant competitive advantage in attracting and retaining quality partners in India's capital-constrained construction ecosystem.**
- **AI-driven design compression (60 days to 45 minutes) is not a future aspiration it is already operational at Adani Infra.**
- **The 25% cost saving from open-book partner costing illustrates how the extended enterprise model creates financial value, not just operational value.**

PANEL 4 - AVIATION PANEL - Airports as Economic Nodes: Runways to Growth

Moderator: Niraj Shah | Speakers: Arun Bansal (CEO, Adani Airport Holdings), Brigitte Posch (Apollo Global Credit), Manoj Jaiswal (Premji Invest), Navroz D. Udwadia (Alpha Wave Global), Richa Singh (CFO, Pernod Ricard)

The Airport Business Three Revenue Pools & Four Growth Levers

Arun Bansal laid out the structural framework for Adani Airport Holdings' value creation thesis.

- Three revenue pools: Aeronautical (regulated, baseline), Non-Aeronautical (consumer spend inside airport), City-side (surrounding real estate development).
- CEO philosophy: 'I don't need the aero revenue to go to the office. I only need to go to make the aero business work.' non-aero and city-side are the real value drivers.

Four structural growth levers:

- Passenger growth: India at 0.1 air trips per capita vs. China at 1.0. India's population will be 1.6–1.7bn. Passenger volumes projected to grow from 400mn to ~1bn per year.
- Airport infrastructure: Current capacity ~600mn, tripling to 1.28bn in 20 years.
- Airlines: Current 700 operating aircraft -target 2,000+ in 15 years (3x growth).
- Non-aero monetisation: Only 25% of Indians transact at airports today. Target: 50% conversion. Combined with 2.5x passenger growth and double spend per passenger = 10–12x total non-aero revenue potential.

Non-aero potential: 10–12x growth over 10–15 years

City-side development: 2 million sqft of integrated development planned

Aspiration: Aero revenue contribution approaches zero all value from non-aero and city-side

Navi Mumbai Airport Accelerating to Catch Pent-Up Demand

- CSIA Mumbai currently operating at 55mn passengers against 70mn+ capacity essentially 100%+ utilized as the second busiest single-runway airport in the world.
- Pent-up demand: 20–25mn passengers of unserved demand in Mumbai metro.
- Navi Mumbai Phase 1: 20mn passenger capacity already financially closed.
- Terminal 2 Navi Mumbai: Planning 50mn capacity, targeting readiness by 2029.
- Long-term: Mumbai will need 3 airports by ~2040 and potentially 4 airports by 2040–45.

Institutional Investor View Apollo Global Credit

Apollo's APAC Credit Head provided an institutional capital market perspective on long-duration infrastructure investment in India.

- Capital structure: 60% of Apollo's $1 trillion AUM is permanent capital from insurance balance sheets structurally suited to long-duration Indian infrastructure.
- Airport track record: Two large investments (~$750mn each) in Adani airports, plus transmission financing all on a bilateral, private basis.
- Mumbai airport transformation: At point of first investment, leverage was 14x, non-investment grade, 49mn passengers. Today: 4x leverage, investment grade, 55mn passengers.
- Second investment objective: Providing capex flexibility - structuring financing around the airport's development timeline rather than refinancing needs.
- Black swan framework: If disruption is structural - avoid. If disruption is demand deferral -lean in. COVID and Middle East events showed airport demand recovers rapidly.

Institutional Investor View Premji Invest

- Philanthropic capital structure: Entire investment mandate serves philanthropic objectives requires long-duration, capital-preserving assets, not short-cycle returns.

- Airport fit: Long-term, cash-flow-generating assets with structural demand tailwinds (aspirational population, under-penetration, growing GDP) fit perfectly.
- Continuous capital deployment: Operating assets generate flows that enable perpetual reinvestment no pressure to exit prematurely.

Institutional Investor View Alpha Wave Global (Navroz Udwadia)

Udwadia brought the 'power law investing' framework to airport assets and explained why AI makes physical infrastructure more, not less, attractive.

- Power law thesis: 90% of value flows to a handful of players. Portfolio winners (SpaceX, Anthropic, OpenAI) each outweigh all losers combined. Only invest in assets that can be power law winners.
- AI non-disruption test: Will refuse to invest in assets AI can displace. Will aggressively invest in assets AI enhances.
- Why airports pass: Physical assets impossible to replace or replicate. Regulated return equivalent to a 12.5% INR bond (~8% USD equivalent). Multiple growth kickers (consumer spend, real estate) on top of quasi-sovereign base.
- AI enhances airports: Facial recognition, AI check-in, robot baggage handling, AI travel agents all reduce friction and increase passenger throughput without cannibalising revenue.

Consumer & Premium Experience Opportunity (Richa Singh, Pernod Ricard)

The brand/consumer perspective from a leading global spirits company highlighted the commercial whitespace at Indian airports.

- Domestic traveller opportunity: Once checked in, captive audience with time significant upgrade opportunity from transactional (tea/coffee) to experiential premium spend.
- India's aspirational consumer: Young, premium-oriented, experience-driven wants more than products, wants an event, a memory, a story.
- International traveller: 'Coming towards new India' hungry for authentic Indian experience, creating unique F&B and retail curation opportunity.
- AI customization: Personalized food, drink, and service tailored to passenger profile the future of airport F&B.

Key Takeaways Aviation Panel

- **Adani Airports is not in the aeronautical business it is in the consumer monetisation and real estate business that happens to operate an airport. This reframing is central to the investment thesis.**
- **The Mumbai airport leverage reduction (14x to 4x) and credit upgrade (non-IG to IG) under Adani management is a compelling operational track record for institutional capital.**
- **India's airport infrastructure gap is structural, not cyclical 4 airports needed for Mumbai alone by 2040–45.**
- **Long-duration institutional capital (Apollo, Premji Invest, Alpha Wave) is actively seeking Indian airport exposure validating the asset class and providing re-rating potential.**

PANEL 5 - DHARAVI SHOWCASE Transforming Dharavi: A Model for Inclusive Urban Renewal

Speakers: Pranav V Adani (Adani Group), Anil Sardana (CEO, Navbharat Megadevelopers), Jackbastian K. Nazareth (Group CEO, Adani Realty)

Project Scale & Context (Jackbastian Nazareth)

Nazareth opened with the basics: Dharavi is 600 acres at the geographic heart of Mumbai, housing 1 million+ people with extensive commercial activity including pottery, food processing, and recycling industries.

- Described as probably the largest slum redevelopment ever attempted globally.
- Construction approach: Top general contractors provided land with fixed architecture; contractors deliver final housing units (PSP Projects named as partner).
- Sequencing: Rehab houses built first for all existing residents -open land developed commercially after (residential, sports, hotels, shopping).
- Trust problem solved: Prior schemes failed because people were moved out before homes were ready. Adani's model: houses are built first. The trust deficit between slum residents and developer is eliminated.
- Two pre-cast plants set up for fixed, copy-paste Lego-style design delivering speed, precision, and predictability.
- Total construction target: ~700 million sqft for rehabilitation housing.

Pipeline: 144mn sqft of Adani Realty development currently in progress

Social Mission & Human Scale (Anil Sardana)

Sardana offered the most emotionally resonant framing of the day contextualizing the humanitarian imperative behind the project.

- TB incidence in Dharavi: 7x higher than any other slum in the world a direct consequence of density, poor sanitation, and indoor smoke from cooking.
- Youth mainstreaming: 2,000+ youth placed in sustainable assignments through skilling partnerships with major Mumbai retailers.
- Academy for future skills: AR training, medical transcription, autonomous vehicle data annotation 2,000+ youth to be trained for back-office digital work.
- Women as priority: Described as 'the most abused entity in Dharavi' the social mission treats women's skilling and employability as a moral responsibility, not just a program.

Financial & Structural Scale

- 95mn sqft of rehabilitation construction (50% within Dharavi, 50% on outside land parcels).
- Eligibility extended: All residents present as of November 2022 cutoff receive a free home going beyond the typical 'ground floor only' restriction.
- Implied valuation: Sardana cited $13bn as the valuation for the project entity, based on 95mn sqft of rehabilitation earning.
- 10-year NMP (Net Maintenance Period) commitment all buildings will be maintained by the developer for a decade.
- Air conditioning ready: Every home designed to be AC-compatible; district cooling system being deployed (20% less power consumption, no greenhouse gases, no water waste).
- 1,000+ acres of government-approved land outside Dharavi secured.
- 30,000 units of construction already started.
- Mithi River dumping cleared contract awarded.

First rehab building handover: December 2026

Experience centre inauguration target: August 15 (Independence Day)

Infrastructure & Mobility Vision

- Metro connectivity: Every outside-land site has metro/road connectivity. Mukteshwar (140 acres) near Aksa Beach has Coastal Road and metro station adjacency.
- Mithi riverfront: 3.3km of waterfront to be transformed from slums to a mangrove-and-garden promenade.
- Mithi Creek clean-up: 4.5km of creek to be cleaned targeting visible blue water.
- Multimodal transport hub: Metro lines + feeder buses + pedestrian-first pathways; all essential amenities within 15-minute walking distance.
- Historic precedent: First time GoM has given a project of this scale to a private developer with this level of approvals.

Adani Realty Platform Tech & Scale

Nazareth repositioned Adani Realty as a hybrid of conglomerate balance sheet and proptech startup agility.

- DICE (Digital Incubation Centre of Excellence): Shifting culture from corporate B2B to personalized, responsive B2C. Average workforce age lowered to 35–37 via campus hiring.
- Global partnerships: Premier master-planners and architectural firms; no isolation in design international benchmarks applied to every project.
- Industrialised execution: Modular structures, 3-pass systems, drywall setups material waste near zero, project lifecycle compressed by 50%.
- AI presales engine: 3-layer system triggering automated voice callbacks in under 10 seconds; currently reaching 50,000 people/day; targeting 1 lakh/day.
- Real-time speech analytics: Used to qualify leads and provide agent assist for objection handling.
- Blockchain e-registration: Piloted at Linkbay Residences touchless, one-click digital property registration.

KPI targets: 75% NPS scores, zero project delays, 3mn sqft sold per year

Navbharat's Three Pillars

Three-pillar framework underpinning Navbharat's approach:

Pillar 1: Dharavi Social Mission (DSM)

- Skill Development Centers, job fairs, youth/women programs
- Women & Youth Empowerment: financial literacy, SHGs, childcare, drug de-addiction, youth mentoring
- Health & Hygiene: women/child immunity, clean water, covered drains
- MSMEs: cluster plan, industry rehab, support centers, export promotion, training with leading institutions

DSM Target: 50,000 beneficiaries by FY30 | Achieved: 500+ jobs, 2,000+ welfare cards, 4,000+ health camp beneficiaries

Pillar 2: Re-imagining Infrastructure

- Multi-Modal Transport Hub, world-class healthcare (Medicity), schools/colleges, Mithi waterfront, net-zero Smart City
- Core utilities: new electricity grid, underground gas distribution, 1-in-5-year flood management, centralized sewage, district cooling, IoT command center

Pillar 3: Contractual Obligations

- ~10 lakh people | ~1.25 lakh units | 95mn sqft rehab + 130mn sqft sales
- 350 sqft homes (17% larger than SRA minimum) | 10% extra commercial area to societies | 10-year O&M
- Public amenities: schools, hospitals, libraries, community halls, open parks

Key Takeaways Dharavi Panel

- **The 'build first, move later' model is the single most important trust differentiator from all prior failed redevelopment attempts. It solves the core behavioral problem of slum redevelopment.**
- **$13bn implied valuation for the project entity this is a number the market has not yet fully priced across the Adani ecosystem.**
- **The outside-Dharavi land parcel strategy (1,000+ acres) transforms this from a single-site project into a Mumbai-wide urban transformation play.**
- **December 2026 first rehab handover is the near-term catalyst to watch tangible, verifiable, and community trust-building.**

PANEL 6 DII PANEL India Capital Markets Outlook Navigating the Next Cycle

Moderator: Sonia Shenoy | Speakers: Sankaran Naren (ED & CIO, ICICI Prudential AMC), Harsha Upadhyaya (CIO Equity, Kotak AMC), Kalpen Parekh (MD & CEO, DSP Mutual Fund), Ajay Tyagi (Head Equities, UTI AMC), Taher Badshah (CIO, Invesco MF)

India Valuations & FII/DII Dynamics (Sankaran Naren)

Naren provided the macro framing not alarmist, but not bullish either, with a clear path to normalisation.

- Valuation context: India's premium to EM peaked at 90% in 2024 vs. a 20-year average of 45%. Mean reversion was inevitable; it has largely played out.
- Current assessment: India is not cheap, but not extremely expensive as in 2022. Further consolidation of 6–12 months possible.
- Earnings growth: Capped over past 2 years. This year's revival partially deferred by energy crisis and rate cycle. Double-digit EPS growth difficult to call for the year.
- FII ownership: At ~17% of Indian market cap the lowest since 13 years ago. That 13-year-ago moment was the exact prior bottom for India valuations and the start of a strong FII re-entry phase.
- Signal: When FIIs are selling and DIIs are buying aggressively, historically that is the time to be invested. Staying invested in large caps is the recommended posture.
- Patience as virtue: After 2 years of volatility, markets tend to return to rationality. The capital that has been exiting is not patient capital not capital-efficient.

Manufacturing & Sector Opportunities (Harsha Upadhyaya, Kotak AMC)

Upadhyaya made the structural case for manufacturing as India's next decade-defining investment theme.

- Supply chain self-reliance: The geopolitical reset has created a durable recognition that critical supply chains cannot be offshore manufacturing capability is being rebuilt domestically.
- Policy pivot: After a decade of greater focus on services, manufacturing now has meaningful share of government policy attention.

Top sector opportunities identified:

- Defence: Largest opportunity. Regional geopolitical developments reinforce domestic defence manufacturer dependence. Order book already strong.
- Capital equipment / Power: Both traditional and renewable power growing rapidly; data centre build-out increasing energy intensity nationally. Full power equipment value chain attractive.
- Auto & auto ancillaries: Global recovery cycle in progress. Diversification benefit for portfolios.
- Theme summary: Manufacturing provides thematic exposure plus portfolio diversity a superior risk/return combination vs. consensus tech/consumer positioning.

Signal vs. Noise Investment Philosophy (Kalpen Parekh, DSP MF)

Parekh offered the most intellectually differentiated framework of the panel.

- Market composition reality: 250 working days a year = 7,000 data points over 30 years. Markets are sideways 50% of the time, falling 30%, rising 30%. There is no single day with clarity.
- The only signal: You make money only when you invest in 'pockets' assets that are negated by the market and where downside is genuinely limited.
- Inversion framework: 'Where will we not lose money?' is the better question than 'Where will we make money?'
- Historical application: 3–4 years ago, gold mining funds at 7% dollar free cash flow yield at a level only seen once in 20 years (during COVID). Nobody wanted it. Result: 3x–3.5x return in 3 years.
- Make investing personal, not public: Public market narratives are noise. Real insight comes from independent analysis, not consensus.

India vs. Global Mean Reversion (Ajay Tyagi, UTI AMC)

Tyagi made the long-duration mean reversion case for India.

- Traditional sectors: Lack glamour currently but retain strong fundamentals and profitability not irrelevant, just unloved.
- Diversification paradox: The world currently wants one single trend (AI/tech). Markets mean-revert. Diversification will be valued again.
- India vs. Korea/Taiwan: India's market cap has been crossed by both smaller economies a structural anomaly that must correct. Long-term investors should position for mean reversion.
- Timing honesty: Mean reversion in 3 months? Unlikely. In 5 years? Definite. The question is patience, not direction.
- Long-term entry signal: Today is a good time to start 'nibbling' for long-term investors. Macro inflection points (1999–2001, 2007–08) always look like certainty in retrospect.

AI, India's Position & Tech Cycle (Taher Badshah, Invesco)

Badshah offered the most measured and technically detailed view on AI drawing parallels to the 1990s tech cycle.

- 1990s parallel: Current AI capex cycle closely mirrors the pre-tech-bubble mega-cap investment phase. Corporate America balance sheets stronger, but capex-to-GDP ratios already at 1999–2000 tech bubble peak.
- Cycle stage signal: $600–700bn of mega-cap AI capex starting to be debt-funded a late-cycle signal seen before.
- India's AI gap: India has missed the infrastructure/hardware phase of the AI cycle. This is acknowledged, not disputed.
- India's AI opportunity: The software layer running on top of AI hardware Indian IT sector is positioned to capture its share of global AI application services.
- 10-year horizon: Strong probability that significant AI-native businesses will be built out of India especially those leveraging India's cost structure and talent pool.
- Productivity wins regardless: Even without being at the AI frontier, Indian businesses will see AI-driven productivity improvements a structural earnings tailwind.

Rupee & Currency Outlook (Sankaran Naren)

- Fundamental driver: India inflates at ~4.5% vs. US at ~2.5% the ~2% differential is the long-run INR depreciation rate against USD, exactly as Purchasing Power Parity theory predicts.
- Technical pressure: Massive FII outflows + anaemic FDI = excess dollar demand over the near term.
- Historical accuracy: 20–30 year rupee chart shows CAGR depreciation matches interest rate differential precisely. Years of rupee stability are 'free gifts' of carry; subsequent corrections are mean reversion.

SIP Flows & Retail Investor Resilience (Kalpen Parekh)

- Bear market by feel, not by fact: Mid-caps at/near prior highs despite sentiment feeling bearish. Two-year SIP returns in most funds: early-to-mid teens not bad by any measure.
- Retail investor resilience: SIP cancellations have not spiked. On the worst market days in March, SIP flows were actually higher than normal.
- Vulnerable cohort: Investors who entered late 2024–early 2025 without market understanding may disappoint. But this is a small fraction of the SIP base.
- Structural SIP base intact: Those invested 5–7 years will not face wealth destruction. The longer markets stay at current levels, however, the higher the attrition risk in the marginal cohort.

Key Takeaways DII Panel

- **The FII ownership at 13-year lows is the single most important data point for India equity positioning historically, this has marked the start of meaningful FII re-entry cycles.**
- **Manufacturing (defence, capital equipment, auto) is the consensus sector call with strong fundamental backing and clear policy tailwinds.**
- **The AI capex cycle is likely in late innings India's opportunity is in the software/services layer, not hardware, and the Indian IT sector needs to execute on this.**
- **SIP flow resilience in March's volatility is a structural positive India now has a genuine patient domestic capital base that can absorb FII selling.**
- **'Where will we not lose money?' is the framework for the current environment high-quality, cash-generative assets down 40–50% from peaks are the best risk-adjusted opportunities.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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