

BEYOND HEADLINES

Dear Clients,

July offered India a story of resilience amid noise. The India–UK CETA, effective 15 July, unlocked duty-free access for 99% of Indian exports, a genuine tailwind for textiles, IT services, and gems & jewellery. After a rocky first half, FIIs returned as net buyers in the closing sessions, while DIIs now command a larger share of equity ownership than foreign investors; a quiet but powerful signal of India's maturing domestic capital base. The RBI stayed the course, calibrated and data-driven, even as crude and food-price risks lingered in the background.



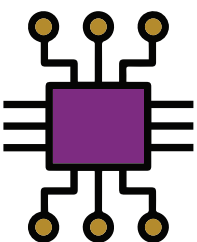
Globally, the picture was choppier. Renewed U.S.–Iran tensions briefly sent Brent above \$100/bbl before it eased to around \$90. The Fed held rates amid visible dissent, and long-bond yields climbed to multi-decade highs - a reminder that the fight against inflation isn't over yet.

Indian equities felt the tremors, with the Nifty slipping toward 23,800 before rebounding to 24,384, buoyed by steady IT earnings, while Bank Nifty kept its uptrend intact. The rupee found its footing near 95.4/USD by month-end.

Eyes now turn to August rainfall across central and northwest India, a critical swing factor for food inflation and rural demand. Ahead lies a dense calendar: India–U.S. trade talks, crude's next move, monsoon outcomes, Q1 earnings guidance, and Fed cues.

Risks remain, but so does the foundation, expanding trade ties and a deepening domestic investor base give India real ballast. As always, patience outperforms reaction. Markets rarely travel in straight lines; volatility is simply the toll for staying invested. We remain anchored to businesses with durable moats, disciplined capital allocation, and clear alignment with India's structural growth story. The headlines may distract but for patient investors, they often open the door.

Reflections on the Month Gone By



As part of our ongoing search for tomorrow's wealth creators, we added **E2E Networks, Netweb Technologies and Inox India** to our investment universe. These companies stood out for their strong fundamentals, differentiated business models, and potential to benefit from long-term structural trends.

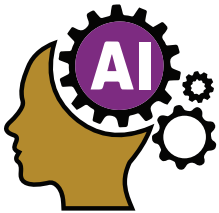
We added **E2E Networks** to our portfolio this month, recognizing its emergence as one of India's leading AI infrastructure providers at the heart of the country's AI buildout. Backed by surging demand for GPU computing, rapid capacity

expansion, and an evolving Sovereign AI platform, the company is well positioned to capitalize on what management believes is the early phase of a multi decade AI infrastructure cycle.

We added **Netweb Technologies** to our portfolio this month, recognizing its strategic position at the core of India's AI infrastructure buildout. As India's only listed domestic OEM for high-performance computing and an Nvidia Elite Partner with 12 to 24 months early access to next generation chips, Netweb is uniquely positioned to capitalize on the country's accelerating sovereign AI, data center, and enterprise AI investments.

As global investments in LNG, hydrogen, and industrial gas infrastructure continue to accelerate, we added **INOX India** to our portfolio this month. With market leadership in cryogenic equipment, a rapidly expanding export franchise, and exposure to high growth energy and industrial applications, the company is well positioned for sustained long term growth.

July was marked by strong contributions from **E2E Networks and Swiggy Limited**, which emerged as the portfolio's leading performers. On the other hand, **Waaree Energies and Shakti Pump** witnessed a relatively softer month, leading to a period of modest underperformance.



E2E Networks was one of our strongest performers this month after delivering an impressive Q1FY27. Strong demand for AI compute and rapid AI infrastructure expansion drove near full utilization of newly deployed Blackwell GPUs. Management also highlighted improving long term contracts and its evolution into a comprehensive Sovereign AI platform.

Swiggy was also among our strongest performers this month, supported by reinforced confidence in its path toward profitability. Improving unit economics at Instamart, disciplined execution, and stronger contribution margins highlighted steady operational progress, while the appointment of a new Instamart CEO and Swiggy's transition to majority Indian ownership strengthened its strategic positioning for long term growth and greater operational flexibility.

Margin pressures and softer sequential profitability weighed on investor sentiment this month, making **Waaree Energies** one of our weaker performers. Although revenue nearly doubled year on year, the presence of a one-time US tariff refund in earnings tempered enthusiasm. Management nevertheless reiterated confidence in its long-term growth strategy, supported by capacity expansion and backward integration.

Despite healthy revenue growth, **Shakti Pump** was among our weaker performers this month as EBITDA margins remained below management's recovery expectations, disappointing investors. Shakti Pumps continued to face pressure from higher input and operating costs, although we remain constructive on its long-term outlook, supported by a strong order book, backward integration, and expanding revenue opportunities beyond government driven solar irrigation.

Following the recent rally in **Balaji Amines**, we booked our position as valuations became stretched. Amid renewed geopolitical tensions in the Middle East and the potential impact on input costs, we believed it was prudent to lock in gains and improve portfolio liquidity for better investment opportunities.

Note: The stocks mentioned above are part of a broader stock universe of approximately 50 stocks that we actively track. Individual portfolio holdings may vary based on factors such as market conditions, portfolio strategy, and timing of entry. These stocks are highlighted for reference and may not be present in all client portfolios.

The Way Forward

As we move into August, markets are likely to remain shaped by global macro developments, commodity prices, currency movements, monsoon progress, and the evolving earnings season. While near term volatility may persist, we remain constructive on India's long term growth prospects and continue to focus on businesses with durable competitive advantages, strong fundamentals, and sustainable earnings growth. Market fluctuations often create opportunities to strengthen the portfolio, and we remain committed to deploying capital with discipline and a long-term perspective.

Thank you for your continued trust and confidence. We remain dedicated to preserving and compounding your wealth through a disciplined, research driven investment approach.

Warm regards,
Team Hedge



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