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Equity

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INDEX

PCG Communique

From the Desk of the PCG Head

Rajesh Kumar Jain

PCG COMMUNIQUE – NOV 2024

If you look at our stock markets, basically the foreign outflow has been to an extent of 93k CR and there has been continuous outflow for the last three years. Basically, it is domestic money that has pushed the markets up. It is also puzzling to the outsiders. The outsiders keep waiting for a big correction and the big correction doesn't happen. The big correction does not happen because every single month, it appears the Indian middle class has fallen so much in love with the stock markets that every month more & more money keeps gushing in the market through SIP & Lump sum. So, we haven't seem to get to that stage where the Indian markets become so attractive in terms of valuation that FII start becoming buyer in the mkt.

The 2nd Qtr earning has been below expectation by more of the companies and few of the companies has just met the expectation as per the results declared by most of the Index companies. There is an earning downward revision by 2.55-5% for FY 25 & FY26 which will make the market more expensive and that is one of the reason why FII are booking the profit off the table. The concerns are driven by cheaper valuations in China and some other emerging markets, high crowding risk which has expanded into large-caps, and the increasing pace of downgrades. India @ 24200 remains the most expensive emerging market with current price-to-earnings pegged at 23 for FY25 and 20x for FY26. Nifty EPS is likely to grow 3% in the second half of the current fiscal, posing a downgrade risk to the fiscal consensus growth.

Investors in Indian stocks might see some more turbulence amid economic concerns and foreign flows as India Inc. will likely post muted earnings for the second quarter. The second quarter earnings of Nifty companies will likely remain flat or marginally down, and any margin tailwinds are likely to retreat due to a high base. The weak top line to weigh on profits, and the earnings slowdown seen in the first quarter is likely to persist in the second quarter. A further slowdown in demand from weak levels is concerning, particularly given it is being led by volumes and domestic sectors.

The muted growth in earnings will only add to the woes that domestic investors face after a record-breaking rally. Monetary stimulus unleashed by China has sparked a wave of tactical FII outflows from India. Foreign investors have offloaded Rs. 93,404CR crore from domestic stocks in the Oct. However, domestic institutions continue to pile on to any offloading by foreign investors to buy on dips. During the same period, DII's have played a major role is infusing liquidity to the market to an extent of 1.07 lakhs CR. The NSE Nifty 50 and the 30-stock BSE Sensex have risen 14% and 12.3%, respectively, so far this year, making them the 12th and 13th best-performing Asian indices. In Oct the Nifty and Sensex have declined by 7.5% and 7%, respectively. Markets were affected by measures introduced by the securities markets regulator under its futures and options framework to strengthen the equity index derivatives market. Trading volumes in India's futures and options segment could be halved post SEBI's new norms take effect. Additionally, concerns about a slowing economy arose as tax collection decreased. Gross Goods and Services Tax collection growth in September reached 6.5%, marking a 40-month low. The output growth of the eight core sectors declined in the latest reading.

The result season started with Tata Consultancy Services Ltd.'s second-quarter earnings missed profit and margin estimates as the IT giant grappled with weak demand and high pass-through costs. Despite this, we remain cautiously optimistic about a turnaround in the medium term, citing a potential recovery by the end of fiscal 2025. Most analyst agree that TCS remains well-positioned for long-term growth, with expectations of a stronger rebound from fourth quarter of fiscal 2025 onwards. Analysts across the board also flagged concerns over a slowdown in earnings growth as companies faced challenges from a high base, faltering demand, and diminishing margin tailwinds.

The Nifty 50 has seen a significant drop In Oct, falling from its peak of 26,277 to around 24,300 corrected by almost 7.5%. This decline has stirred concern among investors and analysts, leaving many to wonder what caused such a sharp fall. Several global and domestic factors have contributed to this downturn, including geopolitical tensions, regulatory changes, market valuations, and economic concerns. for the market going forward.

Emerging markets like India have borne the dual brunt of US Elections and Chinese stimulus trade. The secondary market has seen an outflow of over $13 billion in October, while primary market, led by Hyundai Motors India IPO, has seen an inflow of $2.1 billion. That clearly indicates the portfolio diversification and rotation While the $13-billion October outflow has been matched equally with the domestic inflows, with mutual funds and insurance companies, speed of profit booking has seen the benchmark indices correct nearly 7.5% from their highs. Equity mutual funds were sitting on Rs 1.43 lakh crore in cash at the beginning of the month. Mutual funds alone have net invested close to Rs 1,07,255 crore in the month of October.

Trump Trade: The victory of Trump is expected to boost earnings for corporate America, on the back of tax cuts as promised by him during his election campaign. This can have a sell-off in the emerging markets equities and debt. The Trump trade can see a strong greenback, Treasury Yield rise and sell-off in equity in the emerging market. This can translated into weaker rupee, a sell-off in India's Debt and equity outflows. Mr. Trump coming back into power is also positive for the Indian industry as it opens up further opportunities for 'China + 1' trade. The China stimulus has not been effective yet, though foreign funds have positioned themselves for China trade, in anticipation of further stimulus that could be announced early in November. China valuations, which are now at a discount to India, are more of a driver currently for this trade. Hence, the rotation seen in the secondary market is more a reflection of this trade.

The Risk Lies: Beware Of Yen Carry Trade : The Japanese Central Bank maintained status quo on the rates at its Oct. 31 meet, even as uncertainties increased and inflation inched higher. The Japanese Central Bank reiterated its intention to raise interest rate when its inflation outlook is realised. It also cited the high level of uncertainties ahead. The markets have pencilled in a rate hike at its Dec. 19 meet.

Gold Vs Equity: With various international and domestic cues that drove the trajectory of demand, gold prices saw a few slips amid the steady climb. The domestic price of gold was recorded at Rs 60,980 as of Nov. 1 2023. The prices have climbed to Rs 78,670 as of Nov. 1 2024. The price of gold has appreciated by 28.80%. The appreciation that the commodity is higher than the appreciation that equities have reported. The commodity saw the lowest prices last year on Oct. 5 with prices slipping to Rs 56,650. The highest prices that were reported last year was on Dec. 26 when domestic gold prices recorded at Rs 63,200. During 2024, with multiple international cues like fed rate cut and brewing geo-political tensions, the prices saw some fluctuation. The lowest price reported this year was triggered by the customs duty rate cut. The rate was reduced from 15% to 6% and the domestic gold prices slipped to Rs 67,800 on Jul. 25. The record high prices reported by the commodity was Rs 81,500 on Oct.23 ahead of the festive demand. While the domestic cues were the driving factor for the steady climb in prices, international triggers continue to make the commodity a safe heaven investment.

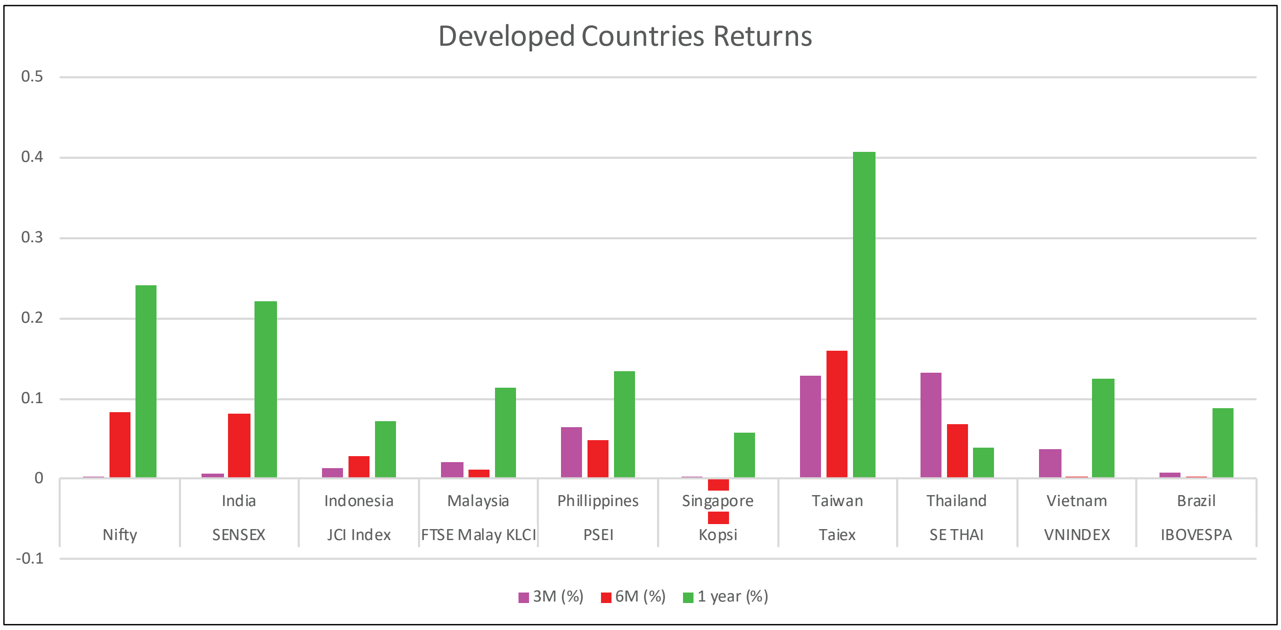
Going Ahead:

Samvat 2081 is set to be a pivotal year for the global economy. The new Samvat begins amid a global rate cut cycle along with a change in policy stance from the Reserve Bank of India, signalling that a rate cut could be expected within the next six-nine months. We anticipate one to two rate cuts from the RBI contingent upon inflation trends and the broader growth dynamics." Positive rainfall and reservoir levels are expected to benefit the rural economy, enhancing the prospects of a strong second crop this year. There is a high possibility of green shoot in the rural income which will see a possible increase rural consumption which was subdued post covid. The market is expected to remain stable in the new year with some volatility due to state elections in India and ongoing global geopolitical risks. However, the overall outlook for the market remains cautiously optimistic with the mkt correct quite a bit. There can be a possibility of some more correction if mkt breaks few important levels. But these are levels where the investors should start their buying into companies where the earning visibility and growth is there to persist. Higher valuation in small and mid-cap stocks remain a concern.

We remain still bullish on Renewables (Tata Power, NTPC, Power Grid), Large banks (ICICI & SBI), consumer discretionary (Hotels), Pharma (Laurus Lab & Sun Pharma) from a long term view. Stay cautious from NBFC, MFI & SFB as there is a possibility of increase in provision of these companies due to higher defaults in unsecured loans.

Developed countries

		Returns (%)		
Index	**Country**	**3M (%)**	**6M (%)**	**1 year (%)**
Nifty	India	0.06%	8.20%	24.11%
SENSEX	India	0.7%	8.1%	22.2%
JCI Index	Indonesia	1.4%	2.9%	7.22%
FTSE Malay KLCI	Malaysia	2.05%	1.14%	11.32%
PSEI	Phillippines	6.53%	4.78%	13.36%
Kopsi	Singapore	0.17%	-6.70%	5.76%
Taiex	Taiwan	12.86%	15.96%	40.70%
SE THAI	Thailand	13.20%	6.73%	3.93%
VNINDEX	Vietnam	3.66%	0.17%	12.50%
IBOVESPA	Brazil	0.79%	0.16%	8.81%



Market Commentary

The Nifty index ended the October month on a negative note as it closed at'24,205' as compared to 1st day of the month i.e '25,796', a decline of 6.5%. Similarly, Sensex ended the October month at 79,389 fell by 6.1%.

Indian markets remained flat during the passing as some cautiousness came with continued foreign institutional investor (FII) selling and mixed set of corporate results, while there was some uncertainty in the markets ahead of the upcoming U.S. Presidential Election on November

Some of the major developments during the week are:

Indian economy performance satisfactory during first half of ongoing fiscal year: The finance ministry in its September edition of Monthly Economic Review said that the performance of the Indian economy has been satisfactory during the first half of the ongoing fiscal year but concerns remain with regard to demand conditions going forward.

Output of eight core industries slows down to 2% in September: The output of eight core industries slowed down to 2% in September 2024 as against 9.5% in the same month last year.

Fiscal deficit at end of first half of FY25 touches 29.4% of full-year target: Centre's fiscal deficit at the end of the first half of financial year FY25 touched 29.4% of the full-year target. In absolute terms, fiscal deficit - the gap between government's expenditure and revenue - was at Rs 4,74,520 crore at September-end.

RBI unlikely to go for immediate rate cut: India Ratings and Research projected a decline in inflation for FY25, yet it emphasizes that immediate rate cuts from the Reserve Bank of India are unlikely.

India, Saudi discuss ways to enhance cooperation in fertilizers, petrochemicals, mining sectors: In order to boost trade and investments, India and Saudi Arabia have discussed ways to enhance cooperation in areas of fertilizers, petrochemicals and mining. India is 2nd largest trade partner for Saudi Arabia whereas Saudi Arabia is India's 4th largest trading partner.

The HSBC India Manufacturing PMI rose to 57.4 in October 2024, up from 56.5 in the previous month, preliminary estimates showed. The latest reading exceeded the series trend and indicated a sustained significant improvement in the sector's health. Growth in total and export sales accelerated, with output rising at a notable pace. Job creation also surged, marking the sharpest increase in payroll numbers at the composite level since February 2006. Meanwhile, ongoing restocking efforts boosted input purchasing. Despite this, manufacturers' profit margins remain under pressure as input price inflation accelerates. To manage rising costs, firms are increasing output prices for downstream consumers. In terms of business confidence, manufacturers were the most optimistic since July.

The HSBC India Services PMI edged higher to 57.9 in October 2024 from over one-year low of 57.7 in the previous month, preliminary estimates showed. This marked the 39th consecutive month of expansion in services activity, driven by a strong rise in new work intakes. Subsequently, employment growth in services surged to its highest level in 18.5 years, with notable increases in both full-time and part-time positions. Moreover, export sales picked up, while capacity pressures intensified, with outstanding business volumes growing at the fastest pace since May. On the pricing front, input costs continued to rise, prompting service providers to increase selling prices. Overall, business optimism dipped slightly compared to earlier months but remained above its long-term average

The annual inflation rate in India rose to 5.49% in September of 2024 from 3.65% in the previous month, well above market estimates of 5%. It was the highest inflation rate since the start of the year, overshooting the RBI's target of 4% after dropping below the threshold in the first two months of the September quarter, thus jeopardizing previous expectations of the imminent start of rate cuts by the central bank. Inflation surged for food (9.24% vs 5.66% in August), which represents close to half of the Indian consumer price basket, amid soaring price increases for vegetables (35.99%), pulses and products (9.81%), and (7.65%). Prices also accelerated for housing (2.78% vs 2.66%) and fell at a slower pace for fuel and light (-1.39% bs -5.31%). From the prior month, the Indian CPI rose by 0.6%.

India's total exports (Merchandise and Services combined) for September 2024* is estimated at USD 65.19 Billion, registering a positive growth of 3.76 percent vis-à-vis September 2023.Total imports (Merchandise and Services combined) for September 2024* is estimated at USD 71.68 Billion, registering a positive growth of 3.79 percent vis-à-vis September 2023.

India's total exports during April-September2024* is estimated at USD 393.22 Billion registering a positive growth of 4.86 percent. Total imports during April-September 2024* is estimated at USD 448.05 Billion registering a growth of 6.89 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.87 lakh crore in the month of September, around 8.9% rise YoY, also sequential it rose by 8% QoQ.

India’s foreign exchange reserves fell by US$2.1 billion to $688.26 billion in the week through Oct 18. Foreign currency assets fell by $3.8billion to $598 billion for the week ending Oct 18.

The U.S. markets traded higher during week after the Conference Board released a report showing a substantial improvement by U.S. consumer confidence in the month of October.

Some of the major developments during the week are:

Japan's jobless rate drops to 2.4% in September: The unemployment rate in Japan came in at a seasonally adjusted 2.4 percent in September. That was below expectations for 2.5 percent, which would have been unchanged from the August reading.

Japan retail sales rise 0.5% in September: The value of retail sales in Japan was up 0.5 percent on year in September- coming in at 13.489 trillion yen. That missed forecasts for an increase of 2.1 percent and was down from 3.1 percent in the previous month.

Japan industrial output up 1.4% in September: Industrial production in Japan was up a seasonally adjusted 1.4 percent on month in September. That beat forecasts for an increase of 0.9 percent following the 3.3 percent contraction in August.

China’s manufacturing sector resumes expansion in October: In October 2024, China's Purchasing Managers' Index (PMI) -- a key measure of industrial output -- was 50.1. The key indicator had slid for six months, with the last positive PMI recorded in April, when it stood at 50.4.

South Korea's industrial output falls in September: South Korea's industrial output fell from a month earlier in September on dwindling production in the semiconductor and other manufacturing sectors. Industrial production fell 0.3 per cent on-month, following a 1.3 per cent increase in August.

The S&P Global Flash US Manufacturing PMI was revised higher to 48.5 in October 2024 from a preliminary of 47.8 and after a 15-month low of 47.3 in September. The reading showed the US manufacturing sector remained in contraction territory but there were some signs of the downturn easing. Uncertainty ahead of the Presidential Election was cited as a key reason for new orders continuing to fall, but the pace of decline eased and production was scaled back to the smallest degree in three months. Manufacturers continued to reduce employment and purchasing activity, however. Inflationary pressures softened, with input costs increasing at the slowest pace in almost a year and output price inflation also easing. Meanwhile, suppliers' delivery times lengthened for the first time in three months amid delays widely linked to hurricane-related disruption. Business sentiment strengthened.

The HCOB Eurozone Manufacturing PMI rose to 45.9 in October 2024, a five-month high, up from 45.0 in September and above expectations of 45.3, preliminary data showed. Despite this, manufacturing output continued to decline for the 19th consecutive month, though at a slightly slower pace than in September. New business also fell, with firms reducing purchases and lowering stocks of materials and finished goods. Supplier delivery times lengthened for the second month, marking the worst performance since January. On the price front, input costs dropped for the second month in a row, at the fastest rate since March, while selling prices also declined. Finally, business sentiment weakened further.

The au Jibun Bank Japan Manufacturing PMI was revised higher to 49.2 in October 2024 from a flash reading of 49.0, following a final figure of 49.7 in the previous month. It marks the fourth consecutive month of contraction in factory activity and the sharpest decline since March. Output shrank at the fastest pace in six months, while new orders fell for the seventeenth month in a row and the steepest pace in three months, with export orders falling the most in seven months due to weak demand. Job creation stagnated amid reduced capacity pressures, with backlogs of work dropping at the steepest rate in seven months. Additionally, purchasing activity fell while supplier delivery times lengthened. On the pricing front, input cost inflation eased to a six-month low while output price inflation accelerated. Finally, business sentiment remained positive but was little changed from September’s 21-month low amid concerns regarding the timing of the recovery from the current economic malaise.

Going Ahead

In Q1 2024, earnings growth for Indian equities showed a notable deceleration, and going by the results so far, the trend likely continuing into Q2 2024. Concerns are mounting over the withdrawal of FIIs from India, with redeployment of capital into other markets, including China, due to India's comparatively high valuations. Domestic equity investments, notably from Indian households, are also under scrutiny, fueling apprehensions about the near- to medium-term outlook for Indian equities.

While I typically refrain from short-term market predictions, I believe that the current downside risk for Indian equities is relatively limited. More importantly, I maintain a positive outlook for the longer-term prospects of the Indian equity market. In the long run, Indian equity performance has shown a strong correlation with nominal GDP growth. With real GDP growth expected to range between 6-8% and inflation at around 4-5%, India's nominal GDP is likely to expand at an annualized rate of 11-13% over the next five years. Following historical patterns, we anticipate the Nifty 50 index to deliver returns in line with nominal GDP growth, which would represent one of the strongest performances globally.

Consensus estimates currently suggest earnings growth for large caps to average 11-12% over the next three years, implying medium-term Nifty returns of around 11-13% per annum. The mid- and small-cap segments are projected to deliver higher earnings growth and thus potentially higher returns. Following the recent correction, all three market segments—large, mid, and small caps—appear to be trading at forward valuation multiples that are aligned with long-term averages. Thus, valuation-related downside risk appears minimal. While adverse news events or shifts in investor sentiment could trigger short-term corrections, the fundamentals remain supportive of a positive medium- to long-term outlook for Indian equities.

Robust GDP and corporate earnings growth, reasonable valuations, and increasing equity allocations by Indian households are likely to reinforce this outlook. Additionally, the "fear of missing out" effect may renew the attraction of the Indian equity market among the foreign investors. In alignment with these views, we should confidently advocate for our clients to maintain a strategic allocation to equities for maximizing their risk-adjusted portfolio returns.

Commodities Outlook

PRECIOUS METALS: Gold surge continued in October amid geopolitics & US elections uncertainty provided support. Resurgent Global ETF flows combined with solid bar and coin investment offset weaker consumer demand and slower central bank buying in Q3 2024.

Gold prices continued to mark a new all-time highs in outgoing month for a 10th time since April this year while posted gains of over 29 % Year to date on Comex. MCX December futures witnessed a high of Rs. 79,775 per 10 gm just ahead of Diwali festival. It started the last quarter on a strong note amid an unseasonable weak quarter while the outgoing month remained strong for precious metal prices. Meanwhile physical demand still remained impacted in China due to higher prices while it was offset by strong global ETF inflows for 5th Consecutive months driven mainly by western ETF investors primarily from the US. Also strong moves seen in Dollar Index amid rising treasury yields during the last month was offset by US elections uncertainty which led to safe haven flows in the yellow metal during the October month.

OUTLOOK: Spot Gold (05th Nov close $ 2743.59 per oz) may witness slowdown during the month amid rising dollar which could be partially offset by firm investment demand. Long term bias remains positive amid lower interest rate regimes to augment safe haven flows in Q1 2025.

Due to the ongoing rate-cut cycle by the Federal Reserve, geopolitical worries in the Middle East, and expectations of increased festival demand in India, investors continued to build long positions in gold in October. Meanwhile the speculative long positioning on Comex have been at the highest levels since last 18 years indicating volatility to persist at higher levels. However historical seasonality suggesting last quarter remaining subdued could be partially offset by global economic uncertainty, while the same could face short term challenging moves.

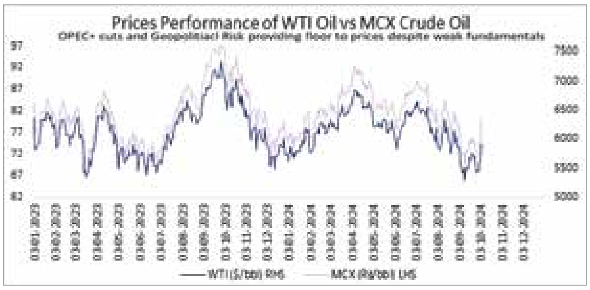
Investors with a longer term horizon may continue to adopt a "buy on dips" strategy before the end of the year. Having said that, a consolidation phase expected in current month with a likely retracement up to $ 2,570 – 2,530 (Rs. 74,800 – 73,900 per 10 gm) may be seen in case US Fed resorts to hawkish guidance for the rest of the year leading to dollar strength on monthly basis. Any dips up to above mentioned levels could remain a long term buying opportunity in yellow metal amid the longer term outlook remains bullish through at least for next 5 - 6 months perspective and prices likely to test $ 2975 – 3050 per oz (Rs. 82,000 – 83,000 per 10 gm) in H1 2025.

Crude Oil wavers amid geopolitical tensions and weak market fundamentals: Crude oil prices have been caught in a dramatic tug-of-war between geopolitical flashpoints and weak market fundamentals. In October, prices saw a sharp spike following Iran's October 1 missile strike on Israel, fuelling concerns of an escalating Middle Eastern conflict that could seriously disrupt oil supplies. Fears loomed that an Israeli retaliation targeting critical oil infrastructure, or even nuclear sites in an extreme scenario, could send shockwaves through global energy markets.

Yet, in the absence of any tangible supply disruptions, the initial surge proved short-lived. WTI crude rose impressively from $67 to $78 but ultimately settled only 1.6% higher, closing at $69.26 per barrel. Similarly, on the MCX, crude ended a mere 1.4% higher at Rs 5,823 per barrel, as the weight of underlying market fundamentals curtailed gains.

OPEC+ delaying supply increase – To provide floor to prices in the short term but cautioning surplus in the long term

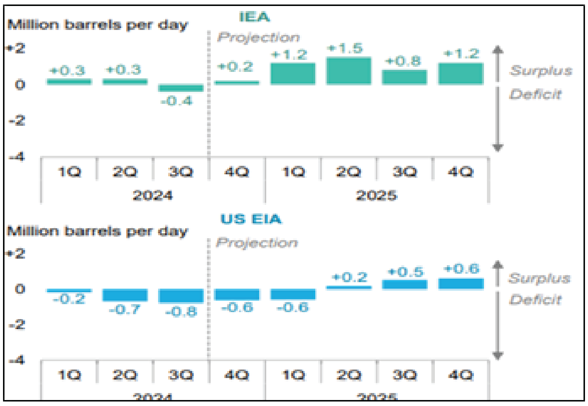
Five months after outlining plans to restore halted oil production, OPEC+ remains stalled.



Saudi Arabia and allies delayed production increases again, now pushing them to early next year.

OPEC forecasts show strong demand and a supply deficit this quarter, but the cartel appears more cautious, leaning toward IEA projections of a surplus starting in early 2025. Slowing global oil demand and rising output from competitors, including the U.S. and Brazil, complicate OPEC+'s strategy. While tensions in the Middle East or China's economic policies could tighten supply, Oil prices could dip if OPEC+ resumes production hikes.

US EIA and IEA forecasts surplus oil in 2025



War Risk Fades as Israel Spares Iran's Oil

The geopolitical risk premium on oil prices have largely faded after Israel's retaliatory strike spared Iran's oil infrastructure, reducing the risk of a sharper escalation and a disruption to Middle East oil flows. With this threat dialled back, the focus returned to underlying market fundamentals—such as global demand trends and supply policies—rather than immediate geopolitical disruptions. This has allowed oil prices to stabilize, as fears of a severe and prolonged disruption to Middle Eastern oil production are now perceived as less likely.

Trump's return to White house and what it means for Oil prices?

The return of Donald Trump to the White House could reignite a US oil boom, echoing his previous term when U.S. oil imports fell by 27% and domestic output surged 46%, transforming the U.S. into a net energy exporter. With global energy demand showing signs of stagnation amid China's slower recovery and high U.S. interest rates, a renewed wave of American shale production could flood the market. This oversupply risk could be compounded if OPEC+ also lifts production in early 2025, potentially tipping the scales in an already fragile market.

Outlook

Crude oil prices may find a temporary floor as OPEC's production cuts continue through the final quarter of 2024. While the geopolitical risk premium from the Iran-Israel conflict has largely faded, the potential for escalation remains. Additionally, China's potential economic stimulus could offer some support to its struggling economy, which may initially push oil prices towards the $75 range.

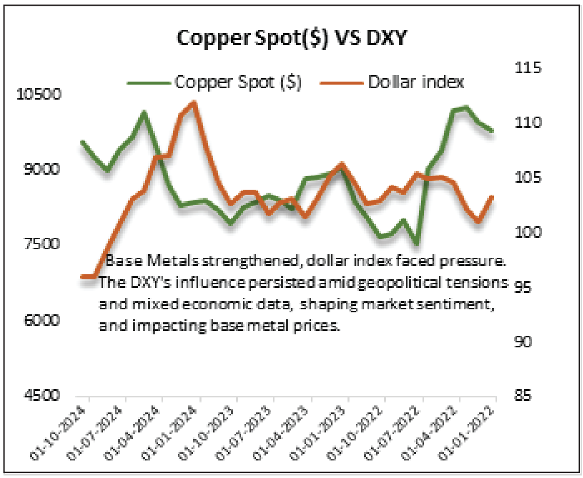
However, broader market fundamentals indicate potential price softness, with the oil balance likely to shift from a deficit to a surplus in 2025 due to rising non-OPEC production and ongoing economic challenges in China. Key indicators, including time spreads, remain in bullish backwardation but are gradually narrowing, indicating easing supplies. Thus, a 'sell on rise' strategy is advisable from a one-month perspective.

WTI crude oil (currently at $70.5) may face strong resistance around the $72.50 and $75.50 levels, while on the downside, prices could once again test $65.50 and $63.50 levels. For MCX crude (₹5,950), ₹6,100 remains a strong resistance level, and if breached, prices could further climb towards ₹6,350. On the downside, prices may once again test ₹5,500, with a possible drop to ₹5,300 if that level is broken.

October 2024 Base Metals Update: China Stimulus, Supply Shifts, and Rising Prices

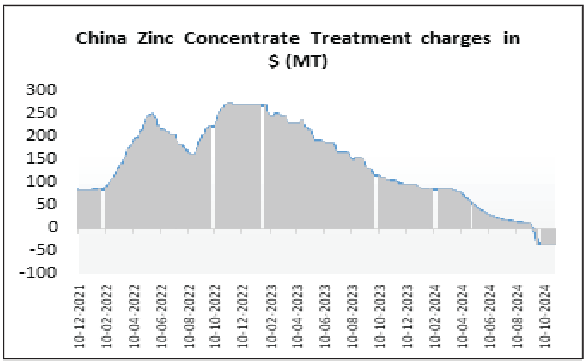
In October 2024, base metals markets experienced varied trends, shaped by global economic uncertainties and China's recent stimulus efforts. These government initiatives, including liquidity infusions and infrastructure-focused investments, improved the outlook for base metals. While geopolitical tensions in the Middle East initially drove demand, expectations of renewed demand from China helped sustain gains in metals. China's stimulus efforts are anticipated to boost the construction and manufacturing sectors.

Copper As 2024 comes to a close, the copper market has been disrupted by various macroeconomic and fundamental factors, causing prices to initially spike before pulling back, even reaching historical highs at one point. While tight copper raw materials, geopolitical tensions, interest rate cuts in Europe and the U.S., and expanded domestic policy support have bolstered copper prices, social inventory reduction has been disappointing, and actual copper cathode consumption is unlikely to grow this year. According to the International Copper Study Group (ICSG), a global copper supply surplus of 54,000 tons was recorded in August, down from 73,000 tons in July. From January to August, the cumulative surplus reached 535,000 tons, significantly higher than last year's 75,000-ton surplus during the same period.



Aluminium prices also surged, nearing a four-month high above $2,700 per ton, driven by optimism around China's economic support measures, a softer dollar, steady demand, and emerging supply concerns. The broad range of industrial uses for Aluminium helped shield it from sharp declines, despite concerns about slowing factory output in China, the world's largest Aluminium consumer. Its critical role in electric vehicles, solar energy, and other electrification industries has underpinned demand. This demand contributed to a 20% drop in aluminium stockpiles at Chinese ports, which fell to 656,000 tons from their March peak. Meanwhile, bauxite prices reached near-record highs after Guinea suspended Emirates Global Aluminium's exports from the country. The halt by the world's top bauxite producer compounded supply shortages from Australia and Jamaica, impacting Chinese smelters and driving ore inventories down to their lowest since 2015. This occurred despite record-high global bauxite output and a backdrop of weakening demand, signalled by declining PMI manufacturing data and slower automotive sales worldwide.

Zinc prices surged to a 20-month high, partly due to supply disruptions from a September fire at Teck Resources' Trail smelter, which led to a 40,000-ton downward revision in the company's annual zinc output. This supply reduction, while small compared to the global zinc market, contributed to concerns of tighter availability. The International Lead and Zinc Study Group (ILZSG) revised its forecast for zinc, changing a projected annual surplus of 367,000 tons to a deficit of 164,000 tons, adding further upward pressure on prices. Zinc's three-month futures jumped 4.5%, reaching $3,284 per ton on the London Metal Exchange.

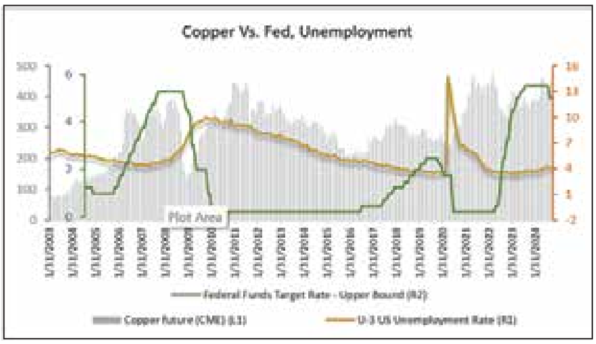


OUTLOOK

"November Base Metals Outlook: Key Rate Decisions, China's Stimulus, and Copper Price Range"

In November, the outlook for base metals is mixed, influenced by demand-supply imbalances and broad macroeconomic pressures. Early in the month, markets are keenly focused on the upcoming Federal Reserve policy decision, with a cautious 25-basis-point rate cut expected, which could affect liquidity and pricing. Attention is also on the National People's Congress in China, concluding on November 8, where further details on potential fiscal stimulus are anticipated. Reports suggest that China may be considering a substantial stimulus package potentially exceeding 10 trillion yuan to revive its economy. However, if the stimulus measures fall short of market expectations, copper prices could dip, although dips may attract bargain hunters looking to capitalize on lower prices.

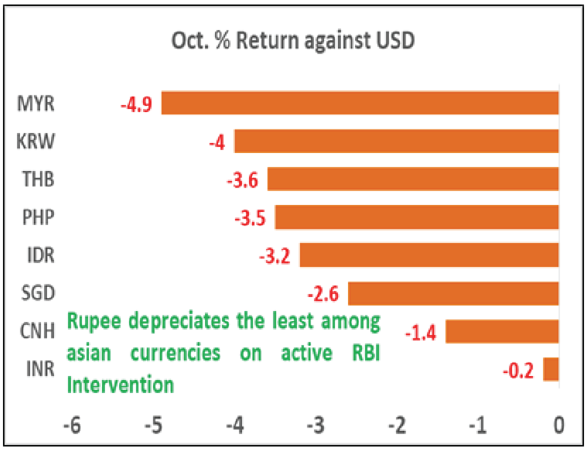
Additional complexities also cloud the market, as a convergence of declining interest rates and rising joblessness continues, which could limit upward momentum without unexpected economic support. The yield of U.S. Treasuries and China's 10-year government bonds remains around an average of 2.9%, reflecting investor caution. Given these factors, MCX copper prices (currently around Rs. 844) are expected to range between ₹815-800 on the lower end and ₹885-900 on the upper end through the month.



Currency Outlook:

Dollar Gains amid Rupee averts large fall on active RBI Intervention

Currency	Price (05-11-2024)	WoW % chg	Oct % chg	YTD % chg
Dollar Index	103.42	-0.55%	3.07%	2.02%
Rupee Spot	84.11	0.03%	0.34%	1.07%
EUR/USD	1.093	0.68%	-2.31%	-1.00%
GBP/USD	1.304	0.61%	-3.69%	2.38%
USD/JPY	151.62	-1.19%	5.53%	6.98%



INR depreciated by 0.3% in Oct'24 (0.1% appreciation in Sep'24) and even fell to its lifetime low of 84.09/$. It traded around a new low of 84.12/$ in first week of November. However, this decline was only marginal, when compared with bloodbath witnessed in other major currencies, as US Dollar strengthened sharply during the month (+3.2%). The factors that led to stronger dollar were: rising uncertainty around US Presidential race outcome, and trimmed US Fed rate cut outlook in view of mixed macro data points. Labour market was still perceived to be resilient, when accounted for temporary/seasonal shocks. Consumer confidence remained on the rise, and input prices noted a comeback (US ISM manufacturing sub-index). Domestically, sharp decline in equity indices during October led to FPI outflows. In addition, narrowing spread between US10Y and India 10Y impacted debt segment FPI outflows. As a result, INR traded in the range of 83.82 - 84.09 during the October month. In the next 2 – 3 weeks, pressure on INR is set to remain, amid the movement will be largely range bound on active central bank intervention to persist. Geo-political developments (US President policies, tensions in the Middle East) and domestic inflation trajectory will be closely watched events in the current month.

Indian rupee continued to head towards its record low level during the start of Nov'24 (84.12/$), as dollar index strengthened further. With Donald trump expected to win US elections further strength seen in dollar could put pressure on the rupee in the coming weeks. The factors that will also adversely impact the currency include FOMC meeting policy outcome and commentary on trajectory of interest rate cuts for the rest of the year. Any escalation in geo-political tensions in the Middle East will also increase the demand for safe haven currencies, which in turn may support dollar index and add pressure on INR. India's inflation numbers awaited for October could determine RBI's rate cut trajectory in the months ahead. Pressure on FPIs likely to persist in November. However, in case RBI decides to use its elevated forex reserves (~US$ 685bn as of 25 Oct 2024), then volatility in INR may remain reduced as compared to other currencies. Overall INR is expected to trade the range of 83.95 - 84.30 / $ in the coming weeks while dollar index likely to remain strong creating further headwinds for rupee on the downside.

Technical Analysis

Market Overview – November 2024

In our October 2024 monthly edition, we strongly emphasized our view that the market was likely nearing a peak, backed by multiple technical indicators, including an overheated monthly RSI exceeding 80. We advised booking profits around the 26,000 zone, anticipating a potential pullback. As projected, the markets experienced a significant correction in October. Aggressive selling by Foreign Institutional Investors (FIIs) pressured the NIFTY index to retest the 24,000 mark, resulting in a monthly decline of approximately 7%. The index eventually dropped to around 23,800, marking a decline of nearly 9% from its recent peak.

Following a dip near 23,800 mark, the NIFTY Index recently staged a strong recovery, reclaiming the 24,000 level and even reaching 24,500 before stabilizing around 24,200. This upward move was underpinned by five key technical factors. First, the index found support within a falling channel, halting the recent decline and providing a base for recovery. Second, it retested and held above the August 5, 2024 low, a critical historical support level that helped strengthen market sentiment. Third, on the hourly chart, the final downward leg aligned with a 1.618 Fibonacci extension, forming a bullish butterfly pattern—a technical setup often associated with reversals. Fourth, a trendline support drawn from the swing low of October 7, 2024, further reinforced the rebound. Lastly, a bullish divergence in the daily RSI signalled positive momentum building despite recent selling pressure. Moving forward, a decisive break above the 24,500 level could confirm a trend reversal, paving the way for a potential rally toward 25,000 and higher in the near term, while 23,800 has now established itself as a strong support level.

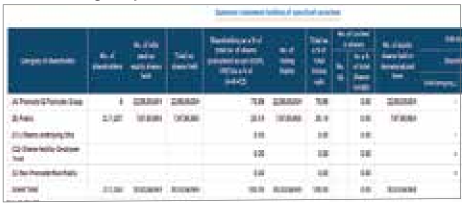
In contrast, the NIFTY BANK index demonstrated resilience, outperforming the broader market throughout the month. While the broader indices faced significant corrections, NIFTY BANK saw a decline of less than 3% and successfully maintained its position above the key psychological support level of 50,000. Looking ahead, this 50,000 level remains crucial as a trend-defining support for the index. On the upside, however, the index has struggled to surpass the resistance at 53,000. A decisive trend move is anticipated only if there is a breakout from the 50,000–53,000 range.

Technical Pick – BUY CAMPUS ACTIVEWEAR LTD

Potential Upside 15.64% - 20.85%

- During the month, July 2024, we witnessed a golden crossover of 50 and 200 DEMA in **CAMPUS**.
- Post that the stock rallied from 300 to around 370 odd levels and is now again near 400 mark.
- The stock has retested its 200 DEMA and turning from the trend line support. Even the golden crossover is intact.
- Thus, traders are advised to **buy CAMPUS in the range of 312 - 302** with a stop loss of 275 on closing basis for an upside target of 355 and 371 in coming 1 – 3 months.

Shareholding snapshot:



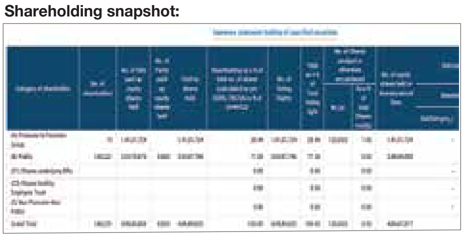
Source: www.bseindia.com

Technical Pick – BUY NAVIN FLUORINE LTD

Potential Upside 15.96%- 21.28%

- The most important reason for considering **NAVINFLUOR** is its outperformance during the recent crack in the market .
- During the recent selloff the stock underwent sideways movement and now its has confirmed a breakout from the triangular pattern.
- Along with a breakout, we are also witnessing a double bottom formation near 3150 mark.
- Thus, traders are advised to **buy NAVINFLUOR in the range of 3550 - 3500** with a stop loss of 3150 on closing basis for an upside target of 4087 and 4275 in coming 1 – 3 months.

Shareholding snapshot:



Source: www.bseindia.com

Fixed Income Services

Monetary Policy Update

The Monetary Policy Committee (MPC) met on august 6th, 7th, & 8th 2024, to evaluate the evolving macroeconomic and financial conditions. By a majority of 4 to 2 (The MPC member, Prof. Varma & Dr. Goyal, maintained their stance for a 25 bps rate cut from the last review), decided to:

1. Maintain the policy repo rate at 6.50%
2. Retain the standing deposit facility (SDF) rate at 6.25%
3. Keep the marginal standing facility (MSF) rate and the Bank Rate at 6.75%.

The MPC adopted a slightly hawkish stance, focusing on controlling inflation while maintaining a steady repo rate for the ninth consecutive time to ensure price stability and support sustained growth.

- **Global economy** is expanding unevenly, with manufacturing slowing and services holding steady. Despite service price inflation, overall inflation is receding in major economies. Monetary policies vary, with some banks easing through rate cuts and forward guidance, while others tighten. Financial markets are volatile, with lower bond yields and a weaker dollar. Long-term global growth faces challenges from demographics, climate change, geopolitics, debt, and new technologies like AI. A coordinated approach, where monetary policy works alongside other strategies, will be essential to navigate these challenges.

- **Domestic economic** activity remains strong, Industrial output grew 5.9% in May 2024, and core industries expanded by 4.0% in June. June-July 2024 data show growth in services, recovery in private consumption, and increased private investment, driven by higher steel consumption, solid capacity utilization, and healthy financials, with government infrastructure spending.

The Indian Meteorological Department (IMD) forecasts an above-normal monsoon with rainfall boosting kharif sowing by 2.9% year-on-year, bolstering rural demand, while steady manufacturing and services momentum indicates strong urban demand.

Projection for FY 25	GDP Growth (%)		CPI Inflation (%)	
	MPC's Recent Projection	MPC's Last Projection	July Projection	June Projection
FY 25 Q1	▼ 7.10%	7.30%	-	-
FY 25 Q2	▬ 7.20%	7.20%	▲ 4.40%	3.80%
FY 25 Q3	▲ 7.30%	7.30%	▲ 4.70%	4.60%
FY 25 Q4	▬ 7.20%	7.20%	▼ 4.30%	4.50%
FY 25	▬ 7.20%	7.20%	▲ 4.50%	4.50%
FY 26 Q1	▬ 7.20%	-	▲ 4.40%	-

Summary of projection on growth & inflation by the MPC

Headline inflation rose to 5.1% in June 2024 from 4.8% in April-May, driven by higher food prices, especially for vegetables, pulses, and edible oils, which significantly impact the CPI basket (46%) and contribute over 75% to headline inflation. The fuel group saw deflation due to major LPG price cuts in August 2023 and March 2024.

Core inflation (CPI excluding food and fuel) fell to 3.1% in May-June, a new low in the current CPI series, with core services inflation also at its lowest point in the series.

External Sectors:

Current Account Deficit (CAD):- India's CAD decreased to 0.7% of GDP in 2023-24 from 2.0% the previous year, due to a lower trade deficit and strong services and remittances. Despite a widening trade deficit in Q1:2024-25, CAD is expected to remain manageable.

External Financing: Foreign portfolio investors became net buyers in India from June 2024, with $9.7 billion inflows, reversing April-May's $4.2 billion outflows. FDI rose over 20% in April-May, with net FDI doubling. External borrowings moderated, but non-resident deposits increased. Forex reserves reached a record $675 billion by August 2, 2024. India's external sector is strong, and we are confident in meeting financing needs.

Reserve Bank will continue to be nimble and flexible in its liquidity management operations keeping in view the evolving liquidity conditions to ensure that money market interest rates evolve in an orderly manner.

Additional Policy Measures:

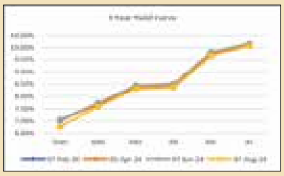
The Reserve Bank plans to establish a **public repository** for digital lending apps (DLAs) used by regulated entities to address issues with unauthorized apps. Helping consumers to identify and avoid unauthorized lending apps.

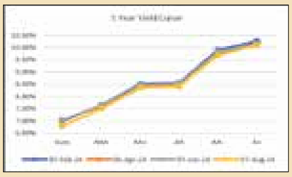
It is proposed to increase the frequency of reporting **credit information to Credit Information Companies** (CICs) to a fortnightly basis, allowing faster updates for borrowers and better risk assessments for lenders.

A new "**Delegated Payments**" facility will allow a primary UPI user to authorize a secondary user to make transactions from their account, even if the secondary user does not have a separate UPI-linked bank account. This aims to expand digital payment usage.

The proposal aims to introduce continuous clearing with '**on-realisation-settlement**' in CTS, reducing cheque clearing time to a few hours on the day of presentation. This will expedite payments and benefit both payers and payees.

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in June 2024:





Source: CRISIL Fixed Income Database

- The 3 year and 5 year Gsec curve saw easing of ~28 bps and ~26 bps respectively, while the 3 year and 5 year AAA curve have also experienced a easing of 15 bps & 11 bps respectively.
- In 3 year space, the rest of the credit curve saw a easing in the range of ~11 bps to ~17 bps & in the 5 year saw a easing in the range of ~8 bps to ~13 bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw expansion of ~13 bps to ~15 bps, from ~69 bps to ~82 bps in the 3 year space and from ~58 bps to ~73 bps in the 5 year space.

Outlook: The MPC's decision reflects a cautious approach to balancing growth and inflation. While domestic economic activity shows resilience and inflation is moderating, ongoing risks necessitate careful monitoring and policy adjustments to achieve long-term stability and growth.

The above mentioned offer(s) are indicative and subject to changes in market conditions.

Secondary Market Bond Offers

PSU Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
7.73% SBI Perp 2025	Call: 24-Nov-25	Annual on 24-Nov	AA+ By CRISIL, ICRA & IND	7.72%
11.50% Tata Motors Finance Perp 2029	Call: 01-Nov-29	Annual on 01-Nov	AA- by ICRA	8.25%
8.27% Canara Bank Perp 2029	Call: 29-Aug-29	Annual on 29-Aug	AA+ By IND & ICRA	7.92%
PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.00% MTNL 2032 (GOI Guaranteed)	15-Nov-32	Semi Annual on 15-May & 15 Nov	AAA(CE) By IND, CARE	7.90%
7.62% NABARD 2028	31-Jan-28	Annual on 16-Jan	AAA by CRISI & ICRA	7.20%
0.00% REC LIMITED 2034	03-Nov-34	NA	AAA BY CRISIL, IND RATINGS, ICRA & CARE	6.15%
6.97% PFC 2036	22-Jan-36	Quarterly on 22-Jan, 22-Apr 22-Jul,22-Oct	AAA by CARE, ICRA	7.20%

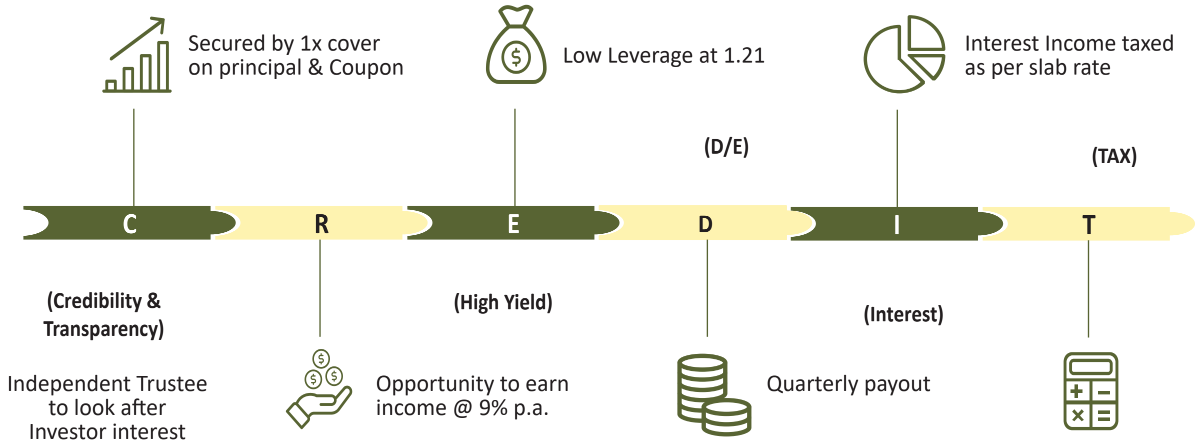
Corporate Bonds				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.35%
7.70% LIC housing Finance Ltd. 2031	19-Mar-31	Annual on 19-Mar	AAA by CRISIL & CARE	7.65%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA CRISIL & CARE	8.18%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.69%
9.30% L&T Finance Ltd 2026	23-Mar-26	Annual on 23-Mar	AAA by ICRA & CARE	7.69%
8.15% AXIS FINANCE LIMITED 2029	22-May-29	Annual on 22-May	AAA by CARE & IND	7.78%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA+ BY CRISIL & AA BY CARE	9.64%
9.17% TATA CAPITAL HOUSING FINANCE LIMITED 2026	30-Mar-26	Annual on 30-Mar	AAA By CRISIL & CARE	7.76%
9.49% KIIFB 2028	Staggered Maturity (8-Oct-2028)	08 JAN, 08 APR, 08 JUL, 08 OCT	AA (CE) BY IND RATINGS & ACUITE	9.55%

The above mentioned offer(s) are indicative and subject to changes in market conditions.

'Please note that investments in these bonds should not be construed as an advice or recommendation however we can facilitate the execution of the same. The bonds are tradeable on the Exchange platform, however we do not provide any assurance or guarantee on the liquidity of bonds. The investment decision shall at all times exclusively remain with the investor. The organisation shall not responsible or liable for any loss or shortfall incurred by the investors.

ANCHOR (Market Linked Debentures)

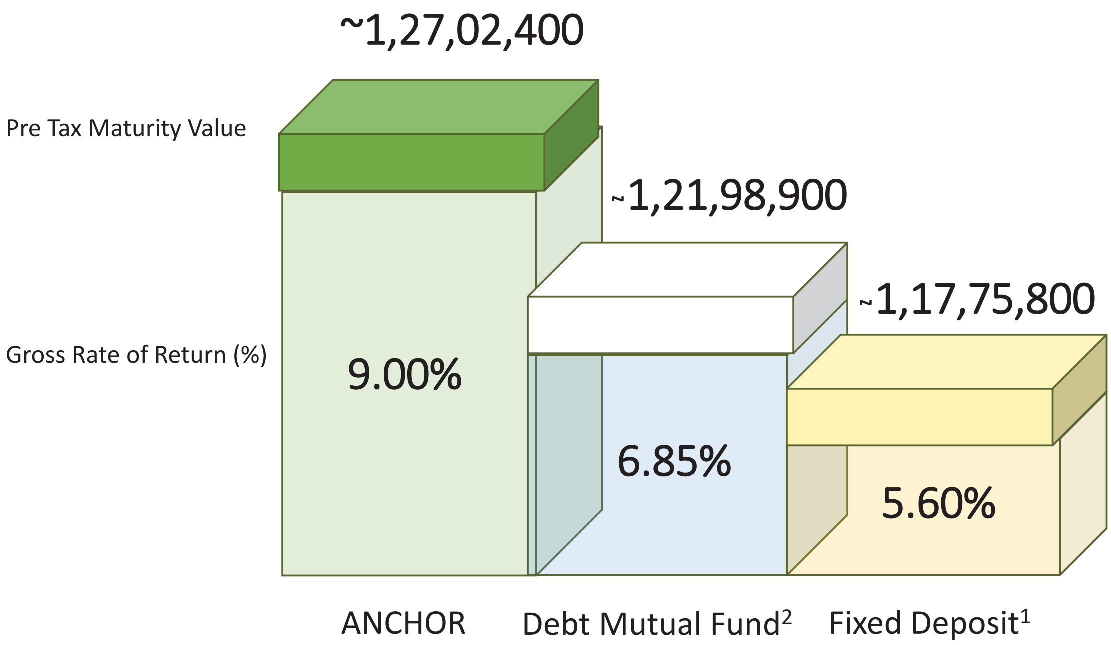
What is ANCHOR?



*Realized return on investment may differ depending on the investment timing, due to the difference in purchase value and face value of the security on the date of investment & Return is subject to the credit Risk of the Issuer.

What is the Opportunity?

For an investment of 1 Crore for 36 months



1. 3 year Fixed Deposit rate effective 13th Aug, 2022, per SBI website https://sbi.co.in/web/interest-rates/deposit-rates/retail-domestic-term-deposits
2. Average Gross Yield to Maturity for Corporate Bond Fund Category as on 31st Aug, 2022

Key Terms of the Issue

Product Name	ANCHOR
Entity	Anand Rathi Shares & Stock Brokers
Listing/Secured	Unlisted/ Yes, with a minimum 1x charge against receivables
Coupon/Type	Fixed @ 9.00% p.a.
Coupon Frequency	Quarterly
Redemption Tenor	36 Months
Redemption Date	29 th September 2025
Face Value	Rs . 1,00,000 per bond
Minimum Subscription	Rs . 25 lakhs Multiple (25 bonds)
Taxation	Interest Income taxed as per Slab Rate
Issuance Mode	Demat Only

The information provided is this communication is reproduction of factual details. No part of information provided here in should be construed as investment advice by ARSSBL and/or its employee. Investor/Client must make their own investment decisions based on their own specific investment objectives and financial position. This communication does not constitute an offer or solicitation for the purchase or sale of any financial instrument/security.

Cash-flow Illustration

Example: For an investment of 25 lakhs for 36 months at par

Date	Cash Flows at 9% p.a.
29-Sep-22	(2,500,000)
29-Dec-22	56,096
29-Mar-23	55,479
29-Jun-23	56,712
29-Sep-23	56,712
29-Dec-23	56,096
29-Mar-24	56,096
28-Jun-24	56,096
27-Sep-24	56,096
27-Dec-24	56,096
28-Mar-25	56,096
27-Jun-25	56,096
29-Sep-25	2,557,945
XIRR	**~9.31%**

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*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

Anand Rathi PMS

Impress Portfolio

Objective & Investment Philosophy

Objective

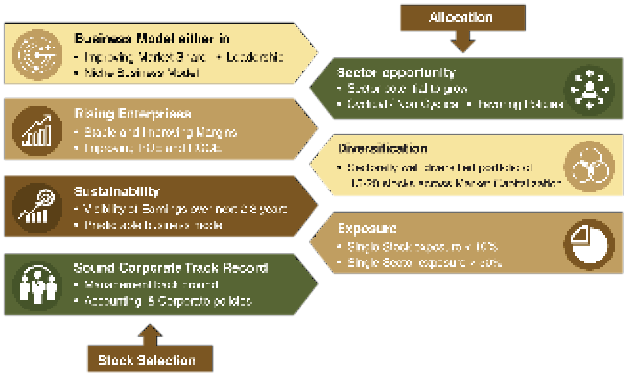
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

Value investing is the art of buying stock which trade at a significant discount to their intrinsic value. Portfolio Manager achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.

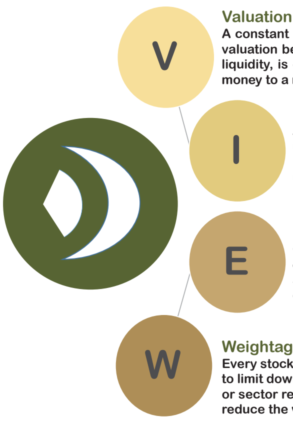
Growth investing is a style of investment strategy focused on capital appreciation. Portfolio Manager invest in companies that exhibit signs of above average growth, even if the share price appears expensive in terms of metrics such as price-to earnings or price-to book ratios.

Value | **Growth**

Investment Process



Re-VIEW Strategy



Valuation Check
A constant check is kept on the valuation of the companies so that any stock whose valuation becomes relatively high, due to any reasons like sentiments or increase in liquidity, is exited before any price correction comes to the stock. We then shift the money to a new stock with a reasonable valuation.

Impact of Events
A stock price can be highly affected by an event or series of events, recent examples: COVID crisis, Russia-Ukraine War, Increase in Crude Price, Interest Rates Hike etc. Our team actively tracks these events and makes timely modifications as per the situation's needs to minimize risks & optimize returns.

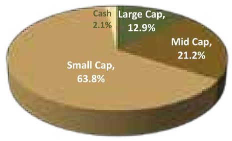
Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

Weightage Check of the Holdings
Every stock & sector has been capped to a certain percentage of the total allocation to limit downside due to any uncertainties and also diversify the portfolio. If any stock or sector reaches near to the decided percent of allocation, we book profits and reduce the weightage and invest into any other stock.

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	PG Electroplast Ltd.	9.8%
2	ITD Cementation India Ltd.	9.4%
3	Ratnamani Metals & Tubes Ltd.	7.0%
4	Radico Khaitan Ltd.	6.6%
5	Bharat Electronics Ltd.	6.6%
6	Varun Beverages Ltd.	6.4%
7	KEC International Ltd.	6.0%
8	KEI Industries Ltd.	5.9%
9	Glenmark Life Sciences Ltd.	5.4%
10	Titagarh Railsystems Ltd.	5.1%

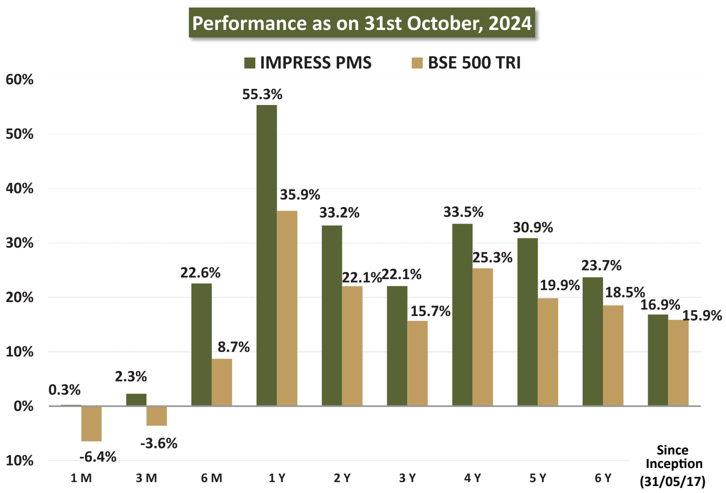
Market Cap Allocation

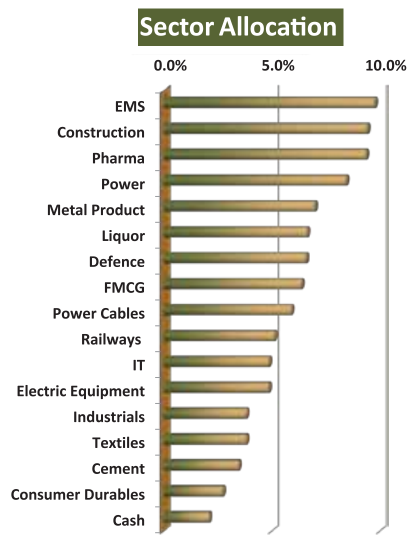


	Avg Mkt Cap (cr)
Large Cap	201271
Midcap	37786
Small Cap	15826
Overall Portfolio	44458

Data as on 31st Oct. 2024

Portfolio Performance





Note: - Returns above one year are annualized. Returns net of fees and expenses.

Disclaimer: Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Anand Rathi PMS

MNC Portfolio

Objective & Investment Philosophy

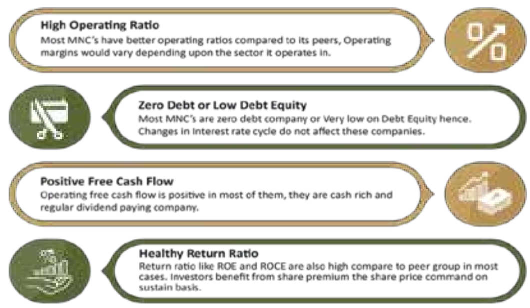
Objective Focus on consistency of return and risk moderation by investing in Multinational Companies listed in India.

Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

Successful Business Model

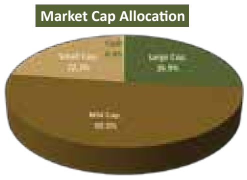
- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence to take advantage of underpriced labor services available in certain developing countries, and gain access to special R&D capabilities residing in advanced foreign countries

Healthy Balance Sheet



Top Holdings and Allocation

Sr No	Top 10 Holdings	% Holdings
1	ITD Cementation India Ltd.	9.8%
2	Siemens Ltd	8.9%
3	Suven Pharmaceuticals Limited	6.9%
4	CRISIL Ltd	6.7%
5	Maruti Suzuki India Limited	6.7%
6	3M India Ltd	5.2%
7	Schaeffler India Limited	5.0%
8	Abbott India Ltd	4.6%
9	Ingersoll-Rand (India) Ltd	4.5%
10	Whirlpool of India Limited	4.3%

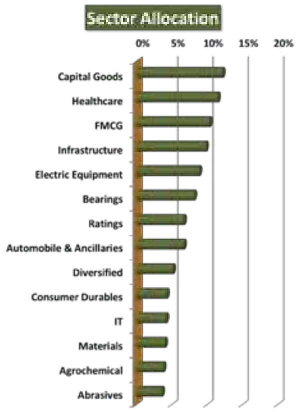


Avg Mkt Cap (cr)	
Large Cap	300374
Midcap	45956
Small Cap	17550
Overall Portfolio	101880

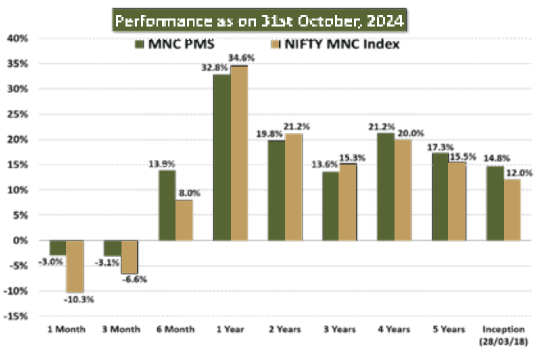
Data as on 31st Oct. 2024

Strong Corporate Governance

- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative impact on investment due to corporate mis-management and fraud.



The current model client portfolio comprise of 20 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio



Note: - Returns above one year are annualized. Returns are net of all fees and expenses.

Disclaimer: Past Performance is not necessarily indicative of likely future performance.
Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Selection Process

Out of 4500 listed Company, there are only 90 odd MNC Companies which are own by Foreign Promoter with more then 1000 cr Market Cap which make the stock universe limited for further evaluation.

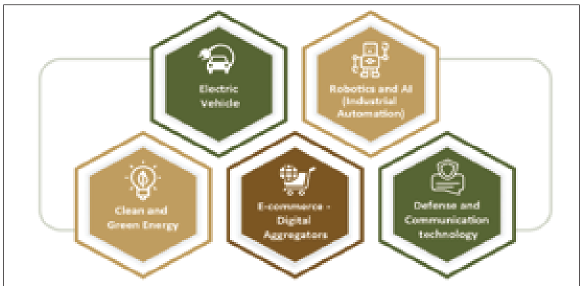
Anand Rathi PMS

Decennium Opportunity

Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.

India Vision: Global Powerhouse with USD 5 Trillion dollar economy by 2025

Emerging business of ongoing Industrial Revolution



Note: The above opportunity are given for illustration purpose there are many other emerging business in this ongoing industrial revolution, which could form a part of portfolio.

Opportunity - Accelerated Growth from Business Upcycle

- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive and Atmanirbhar Bharat Initiative very well supportive to strengthen India's private players/ Enterpreneurs to scale up their business.
- With overall economic growth both at macro and micro level and favorable policy many sectors enters into their next business upcycle

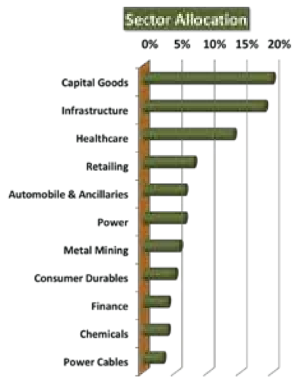
Opportunities at every level of emerging business

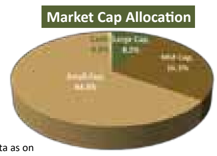
The key to success is to adapt to the changing business dynamics

Stock Selection Process

Portfolio Synopsis

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	8.5%
2	KEC International Limited	8.0%
3	Caplin Point Laboratories Limited	7.9%
4	Ethos Limited	7.9%
5	Praj Industries Ltd	6.6%
6	Craftsman Automation Limited	6.5%
7	Venus Pipes and Tubes Limited	6.5%
8	Techno Electric & Engineering Company Limited	6.4%
9	Concord Biotech Limited	6.1%
10	Global Health Limited	5.7%





Data as on 31st Oct 2024

	Avg Mkt Cap (cr)
Large Cap	**208256**
Midcap	**40147**
Small Cap	**13412**
Overall Portfolio	**34833**

The current model client portfolio comprise of 17 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.

Disclaimer: Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.

Note: Returns above one year are annualized. Returns are net of all fees and expenses.

Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 100%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Principal Protected	Principal is not protected	
Tenor(days)	1900 Days	
Initial Fixing Level	150 points contingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 44^{th}, 47^{th}, 50^{th}, 53^{rd} & 56^{th} Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	102% (IRR – ~14.52%)	
Participation Rate1 (PR1)	100% (From 110% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	8350%(From 133% to 134% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.4x (below -20% till -30% fall with catch-up)	
Decay Multiple (DM2)® Nifty @ 69.99% of initial	0.4x (Between -30% till -90% fall decay decreases)	
Payoff	If Final Fixing Level is at or above 133% of Initial Fixing Level	Contingent Coupon
	If Final Fixing Level is above 115% & below 134% of Initial Fixing Level	(NP-15%)* PR1+ Max(0%,(NP-33%)*PR2
	If Final Fixing Level is at or above 80% & at or below 115% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 80% of Initial Fixing Level	MAX(-100%,MAX ((-30%* DM1), NP*DM1)+MIN (0%,(NP+30%)*DM2))
	If Final Fixing Level is below 10% of Initial Fixing Level	NP

NIFTY ACCELERATOR- 100%: PAYOFF (Market Linked Debentures Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
52650	**102.50%**	**102.50%**	**14.52%**	**14.52%**
39000	50.00%	102.50%	8.10%	14.52%
34840	**34.00%**	**102.50%**	**5.78%**	**14.52%**
34580	33.00%	18.00%	5.63%	3.23%
30160	16.00%	1.00%	2.89%	0.19%
29900	**15.00%**	**0.00%**	**2.72%**	**0.00%**
28080	8.00%	0.00%	1.49%	0.00%
26000	**0.00%**	**0.00%**	**0.00%**	**0.00%**
23400	-10.00%	0.00%	-2.00%	0.00%
20800	**-20.00%**	**0.00%**	**-4.20%**	**0.00%**
20797	-20.01%	-28.01%	-4.20%	-6.12%
19500	-25.00%	-35.00%	-5.38%	-7.94%
18200	**-30.00%**	**-42.00%**	**-6.62%**	**-9.94%**
14300	-45.00%	-48.00%	-10.85%	-11.81%
2600	**-90.00%**	**-66.00%**	**-35.75%**	**-18.72%**
2597	-90.01%	-90.01%	-35.76%	-35.76%
0	-100.00%	-100.00%	-100.00%	-100.00%

Product IRR*
~14.52%

Tenor - **1900 Days**
Expiry - Avg. of 44 , 47, 50, 53, & 56 Months

**Standard Deviation
4.58%

Target Nifty Perf.
34%

Product Explanation

NP >= 34%	102.5% (Contingent Coupon)
33% < NP < 34%	Max(0%,(NP-32%)*PR2
15% < NP < 34%	(NP-15%)* PR1
-15% <= NP <= 15%	Principal Protection
-30% <= NP < -15%	1.4x Decay with Catch-up
-90% <= NP < -30%	Decay decreases to 0.4x
Nifty Falls Beyond -90%	Nifty performance

Source: Anand Rathi Internal Research.
Note: Such representations are not indicative of future returns.

***Product IRR assume to be Pre-Tax IRR**

NP: Nifty Performance

^ Initial Fixing Level is taken as 25810.85, adding 150 points contingent: 25960.85, rounded off to next 100: 26000.

****Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 30th September 2024.**

Investment Value per debenture: 1,25,000/-(Issued at a premium)

Overview of ICICI Venture

ICICI Venture, established in 1988, is a pioneer in the Indian Alt Assets market

ICICI Venture at a Glance

- **$5bn AUM/A** since inception
- **600+ Investments** since 1988
- **100+ Investments** since 2002
- **81+ Exits** since 2002

ICICI Venture's Business Verticals

		Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A[1]		$1.9bn[2]	$700mn[2]	$453mn[3]	$1.25bn[4]
Strategies		Growth Equity	Debt	Energy	Debt, Mezzanine
		Joint Control	Equity	Utilities	Distress Buyouts
		Buyouts	Mezzanine	Buyouts	Equity Recaps

Real Estate Foot Print


Affordable housing


Mid-high end housing


Office development


Mixed use

iREIF 2

1 Excluding VC AUM (1988-2002); 2 Includes co-invest capital; 3 Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents equity capital commitments; 4 Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently

Evolution of our RE Vertical

Private Debt has been our core strategy since the last decade

		IAF RE S1 2005-06	IAF RE S2 2011-12	iREIF 2018-19	iREIF 2
Size		*INR 22.00 Bn[1]*	*INR 3.76 Bn[2]*	*INR 5.83 Bn*	*INR 10.00 Bn[3]*
India focused		✓	✓	✓	✓
Debt focused		×	✓	✓	✓
Equity focused		✓	×	×	×
Strategy	*Affordable Housing*	×	✓	✓	✓
	Pan Residential	✓	✓	✓	✓
	Commercial/ Retail	✓	✓	×	×
	Mixed use	✓	×	×	×
	Pan India	✓	×	×	×
	Top 7 cities	✓	✓	✓	✓
Number of deals		*13*	*8*	*11*	*10-12[4]*
Exited		*13*	*8*	*2*	*-*

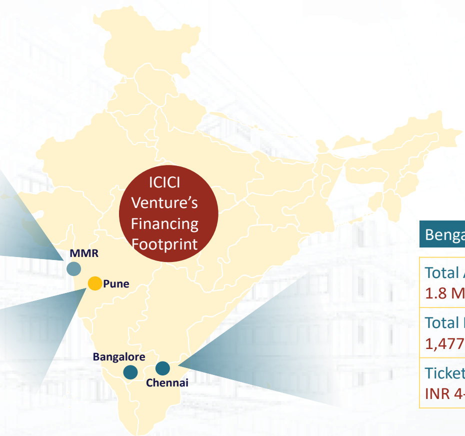
iREIF 2

1 Across IAF III, IAF IV and DIF IV; 2 Includes co-invest capital; 3 Target fund size including green shoe option of upto INR 5.00 Bn; 4 Expected number of deals

ICICI Venture's Footprint of Financing for Housing

ICICI Venture

Financed over 15,000 units / 14.2 million square feet of Affordable Housing & Mid-Income projects in India



Mumbai Metropolitan Region (MMR)	
Total Area 3.2 Mn sft	Arihant Superstructure Mayfair Housing Platinum Homes Suraj Estate Dhamji Shamji
Total Inventory 4,917 units	
Ticket Size INR 3.5-24 Mn	

Pune	
Total Area 9.2 Mn sft	SKYi Kolte Patil
Total Inventory 8,554 units	
Ticket Size INR 2.6-8.5 Mn	

Bengaluru & Chennai	
Total Area 1.8 Mn sft	Mahaveer Prince Foundation LGCL
Total Inventory 1,477 units	
Ticket Size INR 4-13 Mn	

iREIF

Our RE debt exit track record

ICICI Venture

We have a proven, superior exit track record in our RE debt strategies

Developer	Type	Investment	Exit	Gross IRR
Arihant Superstructures Ltd.	*Type: Affordable Housing*	Investment : Oct 2018	Exit : April 2021	Gross IRR: 22.5%
SKYi Developers	*Type: Affordable Housing*	Investment : Oct 2019	Exit : Oct 2021 (Largely)	Gross IRR: 22%
Rajesh LifeSpaces	*Type: Housing*	Investment : Oct 2013	Exit : Sept 2015	Gross IRR: 25.2%
Mahaveer	*Type: Affordable Housing*	Investment : August 2013	Exit : Jan 2016	Gross IRR: 23.4%
values that build worth	*Type: Affordable Housing*	Investment : Oct 2012	Exit : Jul 2014	Gross IRR: 22.7%
Ahuja	*Type: Housing*	Investment : Dec 2012	Exit : Jul 2015	Gross IRR: 22.2%
Prince	*Type: Affordable Housing*	Investment : Dec 2014	Exit : Oct 2016	Gross IRR: 21.2%
Sunshine	*Type: Commercial*	Investment : Dec 2014	Exit : Aug 2016	Gross IRR: 21.8%
DS	*Type: Affordable Housing*	Investment : Oct 2014	Exit : Nov 2016	Gross IRR: 20.8%

iREIF

All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis

iREIF Portfolio Overview

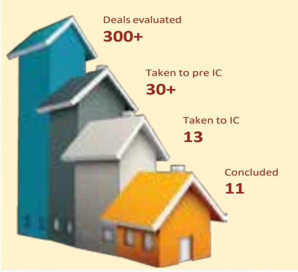
ICICI Venture

Backing affordable housing projects with leading developers in each micro-markets

Portfolio	Entry Year	Investment[1] (INR Mn)	Location	Project Type	Unit Pricing (INR Lacs)	Gross IRR[1]	Exit status
Arihant	2018	550	Taloja & Karjat, MMR	Affordable Housing	18-60	22.5%[2]	Exited
Arihant	2022	450	Taloja, MMR	Affordable Housing	27-40	18.0%[3]	On schedule
SKYi	2019	355	Bhukum, Pune	Affordable Housing	30-45	22.2%[2]	Largely Exited
SKYi	2021	500	Kirkitwadi, Pune	Affordable Housing	35-45	19.8%[3]	On schedule
MAYFAIR	2019	650	Virar, MMR	Affordable Housing	35-45	18.8%[3]	Partly exited
platinum corp.	2021	550	Andheri, MMR	Affordable Housing	95-195	24.5%[3]	On schedule
platinum corp.	2022	150	Khar,MMR	Housing	270-470	30%[3]	To be disbursed
	2021	400	Mahim, MMR	Affordable Housing	150-250	21%[3]	On schedule
	2022	300	Dadar, MMR	Affordable Housing	150-250	20.1%[3]	On schedule
HAPPY DAYS	2018	387	Hennur Road, Bengaluru	Affordable Housing	55-60	7.2%-13.8%[4]	Behind schedule
pooja	2022	500	Hyderabad	Residential plots	75-235	19.5%[3]	To be disbursed

1 All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis; 2 Realized; 3 Estimated based on IC case; 4 Estimated based on expected outcomes of NCLT resolution
MMR – Mumbai Metropolitan Region; Affordable Housing as defined under the Ministry of Finance, Government of India notification of 2017

iREIF deal log



iREIF

Leveraging ICICI Group RE strengths

MOU with ICICI Bank

ICICI Bank CRFG[1]

- A significant player in Indian Construction Financing
- Total exposure of about INR 587.7 billion[2]

ICICI Bank Home Loans

- Leading player in India
- Loans & Advances of INR 2,355.9 billion[2]

ICICI HFC

- Developer Loans of INR 2.54 billion[2]
- Mortgage book of INR 145.9 billion[2]

01 Key features of MoU

- Access to proprietary deal flow
- Priority partner for potential co-lending transactions
- Access to diligence materials and market insights
- Ability to leverage CRFG & HFC presence across markets in India

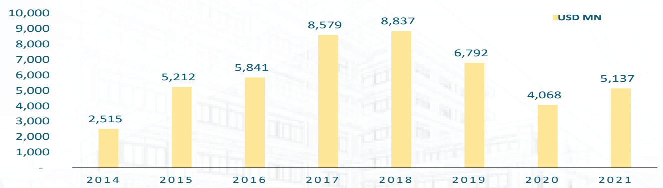
02 Benefits of MoU

- Enabling broader financing options for potential iREIF2 developers
- Co-lending with ICICI Bank / ICICI HFC will ensure financial closure
- Enhanced ability to negotiate better terms with the developer

1 Construction & Realty Funding Group; 2 As of March 31, 2022
Source: ICICI Bank Annual Report

Private capital flows to Indian RE sector

USD 46 Billion has been invested in the Indian RE sector in the 2014-21 period across both debt and equity



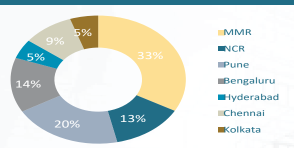
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.
- Currently the construction industry ranks 3rd amongst the 14 major sectors which contribute in terms of direct, indirect and induced effects to the economy.
- The real estate industry is the 3rd contributor to the GDP currently standing at 7% and by 2030 is likely to attain 2nd position with an estimated contribution of 13%.
- Housing comprises 80% of the real estate market in India. This percentage includes the overall industry including both urban, semi urban and rural markets.

Source – Knight Frank Research, Venture Intelligence

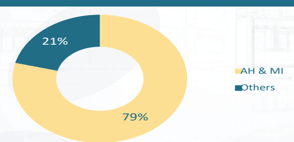
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

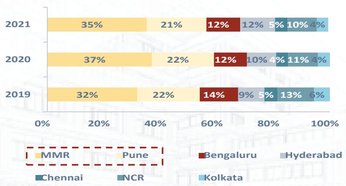
% of Overall Sales from 2015-2021



% of Sales in Mid-income & Affordable

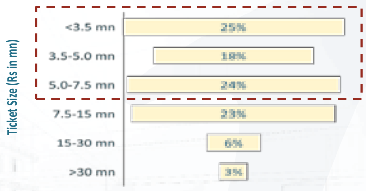


City wise residential unit sales



- ~56 % of residential units sold in 2021 are in MMR and Pune
- Hyderabad has highest increase in volume

Affordable & Mid Income continues to drive overall volume



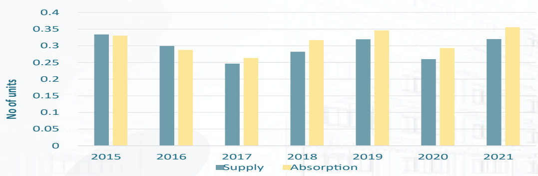
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

Source: PropEquity. CY 2020. Data for number of units sold

Covid impact

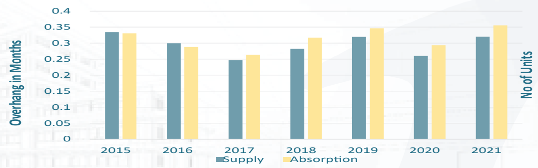
Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



- Top 7 cities CY 2021 sales volume higher than CY 2019
- Reduced supply has resulted in lower level of inventory

Housing inventory overhang



- Inventory overhang has reduced
- Ready inventory of only ~ 50,000 units across top 7 cities

Source: Propequity

iRElF2 Strategy

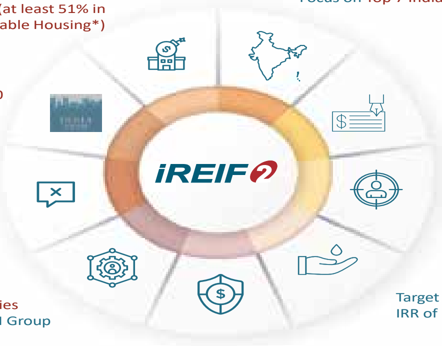
Key pillars

Focused on Private Debt in Housing Projects (at least 51% in Affordable Housing*)

10-12 deals;
Focus on Top 7 Indian cities

India focused;
View on India 2030

Typically INR 400-600 Mn per deal through interest bearing NCDs



"No Go": Pure Equity risk, pure-play commercial, early stage land aggregation risk

Focus on Tier 1-2 developers in chosen micro-markets; MOUs executed with select iREIF funded & other leading developers

Tap synergies across ICICI Group

Target Gross INR IRR of 17%-22%

Typical Security cover of 1.5x on a post tax basis; Active portfolio monitoring

*Affordable Housing definition as per Ministry of Finance notification of April 2017 (Min. 50% project FSI in Max. 60 sqm. (~645 sft) Carpet area houses)

iREIF2 Strategy

Preferred Stage of Investments

	Land Aggregation	Land Acquisition/ Pre-approval stage	Under Construction	Completed Projects
Overall risk				
Cash Flow Visibility				
Expected Gross IRR[1]	>23%	~19% - 21%	~17% - 18%	~15% - 16%
Characteristics	Long tenure, significant approvals risk	Medium tenure, approval, and execution risk	Short – Medium tenure, lower execution risk, minimal approval risk	No execution risk, possible sale/ vacancy risk

Locations
MMR, Pune, Bangalore, Chennai, Hyderabad;
NCR, Kolkata, Select Tier II cities on opportunistic basis

Portfolio
Deal sizes of INR 400-600 Mn (about 10-12 deals)

Maturity
Typical maturity period of 36-42 months

Investment Structures

Debt Investments

- Regular coupon servicing
- Indicative IRR of ~17-18%

Differential Coupon Investments

- Regular servicing of lower coupon initially
- Higher coupon towards the end of the investment to meet the investor's required rate of return
- Indicative return of ~18-20%

Coupon + upside Investments

- Regular servicing of lower coupon initially
- Investor's required rate of return to be achieved by linking returns to price appreciation/ performance of the project
- Indicative Return of ~20-22%

1 All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis

iREIF2 Process

ICICI Venture leverages its well-established process for implementing iREIF2 investment strategy

Deal sourcing	Rigorous due diligence	Distinctive and disciplined structuring and rights	Project Management	Target Returns within Targeted Holding Period
• AIF Manager / Team • ICICI Bank • ICICI HFC Prior investees • Group references • Investor references • Intermediaries	• Financial DD • Legal DD • Technical DD • Promoter DD (select)	• Leverage distinctive structuring experience to mitigate downside risk and align objectives • Negotiate appropriate rights including significant security package per transaction	• Regular monitoring • Marketing Strategy • Financial Management • Strategic alliances • Financial Closure	• Focus on execution excellence • Exit from project cashflows/ refinancing

iREIF2 key terms*

Target size	INR 10.00 billion including green shoe option of upto INR 5.00 billion
Fund	• Organized as a close-ended, contributory, determinate trust, under registration with SEBI as a Category II AIF • ICICI Venture is Settlor, AIF Sponsor and Investment Manager of the AIF
Minimum Capital Commitment	INR 10 Million (or as per extant SEBI AIF Regulations)
Final Closing	By or before 18 months from First Closing (excluding extension, if any)
Investment period	Starts from First Closing and ends 2 years from Final Closing (excluding extensions, if any)
Fund Term	Starts from First Closing and ends 5 years from Final Closing (excluding extensions, if any)
Management Fee (net of GST)	• 1.25% p.a. (Capital Commitment equal to or over INR 100 Mn) • 1.40% p.a. (Capital Commitment equal to or over INR 50 Mn but less than INR 100 Mn) • 1.50% p.a. (Capital Commitment equal to or over INR 10 Mn but less than INR 50 Mn) • Fee to be charged on Capital Commitment during first year after First Closing ; net invested capital thereafter
Set up Expenses and Operating expenses	• Set up Expenses and Operating Expenses shall be charged at actuals • Subject to a cap of 0.50% per annum (net of GST) as percentage of aggregate capital commitments received by the Fund at it's Final Closing, as calculated on an annualized average basis over the Fund's Term or Extended Term as maybe applicable, excluding one-time acquisition and divestment expenses incurred by the Fund • All Fund Expenses will be allocated to and be borne by all Unitholders holding all classes of Units and will form a part of the total Capital Commitment of each Unitholder
Preferred Rate of Return	12% IRR (INR basis , pre-tax) with full catch up
Additional Return	15% (whole fund basis)
Others	Other customary best in class terms on governance, etc

* Subject to legal and tax advice, SEBI AIF Regulations and approvals ; please refer to the Private Placement Memorandum for further details

ICICI Venture

IVen amplifi

India focused Venture Fund

Overview of ICICI Venture

ICICI Venture

ICICI Venture, established in 1988, is a pioneer in the Indian Alternative Assets market

ICICI Venture at a Glance

$6.25 Bn	610+	100+	80+	LPs
AUM/A since inception	Investments since 1988	Investments since 2002	Exits since 2002	Global and Indian

Our 5 Verticals

	Venture Capital	Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A	USD 0.5 Bn[1]	USD 1.95 Bn[2]	USD 0.8 Bn[2]	USD 1.75 Bn[3]	USD 1.25 Bn[4]
Strategies	Growth Equity	Growth Equity	Equity	Energy	Debt, Mezzanine
	Early investing	Joint Control	Debt	Utilities	Distress Buyouts
		Buyouts	Mezzanine	Buyouts	Equity Recaps

IVen amplifi

[1] VC AUM (1988-2002); [2] Includes co-invest capital; [3] Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents an enterprise value of the current portfolio [4] Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently

Evolution of ICICI Venture platform

ICICI Venture

During the last 30+ years, we have become one of India's most diversified Alternative Asset platforms

1988 Founded as TDICI

1998 Re-named to ICICI Venture

1988 - 2001 Focused on Venture Capital

2002 Private Equity vertical established

2005 Real Estate vertical established

2012 Special Situations Vertical established

2016 Infrastructure vertical established

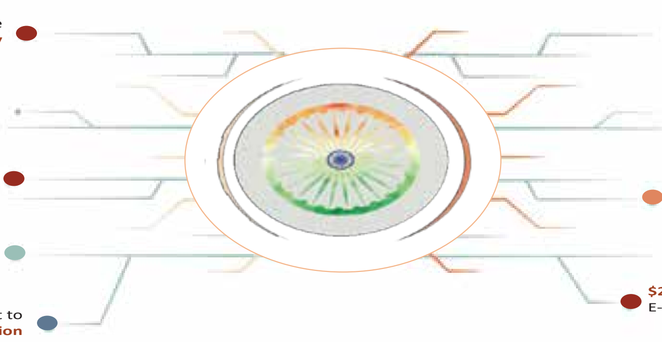
2022 AUM/A since inception reaches USD 6 Bn

2023 Venture Fund IVen amplifi

IVen amplifi

INDIA 2030 Summary

Domestic consumption to remain, and digital to become, key drivers of the economy



India expected to become **3rd largest economy**

$5,242 Per-capita income

GDP is anticipated to reach **$7.9 trillion**

1,083 million Smartphone users

IT services export to reach **$527 billion**

25.2 million Households with income $>35,000

960 million Internet users

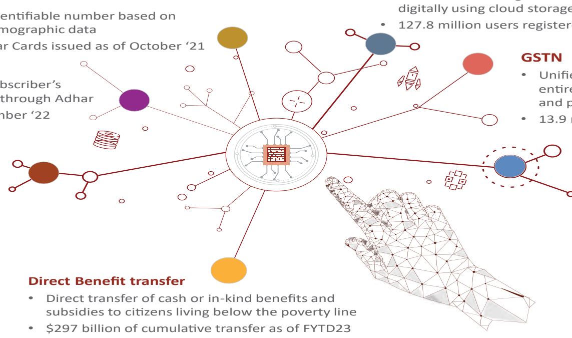
700 million online hoppers

$226 billion E-commerce market

Source: Industry reports, IVEN estimates

Components of Digital India

Key layers include eKYC (biometric KYC), Unified payments interface (UPI), and GST network (GSTN)



Aadhar UID
- 12-digit unique identifiable number based on biometric and demographic data
- 1.32 billion Aadhar Cards issued as of October '21

eKYC
- Paperless KYC process, verifying subscriber's identity and address electronically through Adhar
- 13 billion transactions as of September '22

E-Rupi
- Prepaid Vouchers delivered to the beneficiary through an SMS or QR code, ensuring access to welfare benefits for unbanked population

Digi Locker
- Platform for issuing and verifying documents digitally using cloud storage linked to Aadhar
- 127.8 million users registered as of September '22

GSTN
- Unified indirect tax administration platform for the entire country to handle invoices, returns, registrations, and payments
- 13.9 million businesses registered as of September '22

UPI
- Enables all bank account holders to send and receive money instantly using Smartphones
- $133 billion transactions as of September '22

Direct Benefit transfer
- Direct transfer of cash or in-kind benefits and subsidies to citizens living below the poverty line
- $297 billion of cumulative transfer as of FYTD23

Source: Industry reports, IVEN estimates

1

Fund strategy

Tech-focused venture fund

Rs. 15 Bn India focused fund; View on Digital India 2030

Tap synergies across ICICI Group

Sector agnostic; digital focus on Fintech, ConsumerTech and Enterprise

Early-stage; late Series A / early Series B (Rs. 0.5 to 1 Bn per company across rounds), minority shareholding; typically, revenue < ~Rs. 1 Bn

10-15 investments; focus on portfolio diversification and risk management

Best in-class Deal Sourcing capabilities; Early Identification of key trends

Target Gross INR MoIC of 3.5x-4x at a Gross INR IRR of 30%-35%

"No Go": Seed stage

Provide strategic support to portfolio companies especially areas of corporate governance

IVen Amplifi's positioning

IVen Amplifi will focus on the under-served late Series A or early Series B stages

Target Return / Risk	Seed Stage	Early (Series A)	Scale (Series A+ to B-)	Late (Series B onwards)
30x / 10x / 5x / 2x	Friends & Family, Angels, Incubators and Accelerators, Angel Funds, Family Offices, Micro VC Funds, Seed Funds, VC Funds	VC Funds, Family Offices	IVen amplifi	Late-Stage VCs, Private Equity, Secondary Sales, M&A, Equity Markets (IPO)
	Crowded	Owned by existing brand name VCs	Under-served	
Round	*Up to USD 2-3 Mn*	*Up to USD 3-8 Mn*	*Up to USD 8-15 Mn*	*Over USD 15 Mn*
#Players	*Large number of players*	*>50*	*<10*	*Large number of players*

The under-served late Series A to early Series B stages presents investment opportunities with ticket sizes of USD 5-8 Mn in USD 8-15 Mn rounds

Investment themes

ICICI Venture

Over 2x GDP growth in the next decade will create opportunities across sectors

Fintech

- Strong digital infrastructure for financial services
- Large financing gap across consumer and SMB
- Low-risk coverage (shallow insurance penetration)
- Embedded finance and cross-border financial services

Lending Tech | Payment tech | Insure Tech | Embedded Finance | Financial Infrastructure | Wealth Tech

Consumerisation

- Rapidly growing GDP per capita = disposable income
- Nearly a BILLION internet users by 2031
- Digital economy to reach USD 800 Bn i.e., 10x in the next decade
- Youngest population in the world

D2C | Food Tech | Social Commerce | Marketplace | Digital Content

India and the World

- Value chain disruption via marketplaces
- New-age technologies enhancing sustainability
- AI native applications
- Industrial automation driven by 5G

B2B Marketplace | SaaS

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Illustrative ICICI Group Partnerships with Startups

ICICI V

Fingpay
AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai
IVR Automation in vernacular language using voice bot

IndiaFilings
Support for SMEs with incorporation, tax, compliance and HR services

Karza
Digitization of due diligence process for retail loans

SatSure
Satellite data analytics for Agri business- Sat farm

PropertyPistol
Property tech platform aiding customers with B2C real estate sales

RemitGuru
Unified remittance solution for M21, Wire, Vostro, FDI and FCC

CarDekho
Dealer funding/ Inventory funding/ New car loans

Credgenics
Automated drafting of personalized legal notices & live tracking

WorkApps
Video KYC and video banking module

Vanghee
Current account opening & payment solution for MSME

Advarisk
Title search report for project funding & asset monitoring pre-lending and post disbursement

More than 200 partnerships across ICICI Group

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Illustrative Deal Pipeline

ICICI Venture

Focus on businesses which solve real problems

Sr. No.	Project Name	Sector	Description	Potential Next Round Size
1	Project Ed	Fintech	Education Loans	INR 80 - 100 Crs
2	Project Real	Fintech	B2C PropTech platform with embedded home loan product	INR 50 - 80 Crs
3	Project Sauce	Consumer - D2C	Asian Food Brand	INR 50 - 80 Crs
4	Project Pet	Consumer - D2C	Pet Products and Marketplace	INR 80 - 100 Crs
5	Project Fashion	Enterprise	SaaS platform and B2B marketplace for fashion supply chain allowing brands to compete with the likes of Shein	INR 50 - 60 Crs

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Key investment framework

ICICI Venture

The process to repeatably create value through a structured approach to investing

1. Back top founders – first-time as well as repeat
2. Focus on large markets – existing and new emerging markets
3. Sharp attention to unit economics and potential for operating leverage
4. Focus on innovation, product, business model moats, and fundamentals

5. Identify right to win and mitigate risks
6. Capital intensity of business model i.e., steady state ROCE potential
7. Focus on entry shareholding and entry price
8. Liquidity and exit opportunities

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Fund's Investment Process

ICICI Venture

Deal Sourcing
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

Deal assessment
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

Investment with growth mindset
- Business evaluation
- Provide strategic support to portfolio companies
- Focus on Governance

Target returns within targeted holding period
- Multiplicity of exit options
- Ab initio alignment with promoters, teams
- Focus on execution excellence

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Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

Mr. Subeer Monga
Director

Over 15 years of experience in Indian markets with a significant majority in venture investing

Previously worked at Mayfield India Fund for over 12 years. Prior to that was with HSBC and I&LFS Investmart

Subeer has been involved with ~20 investments

Deal Experience:*
- *Enkash – India's leading B2B cards payment business (~9x mark up from first investment to latest round)*
- *Strata – Leading fractional commercial real estate ownership platform (Follow on investment led by Kotak Bank)*
- *Knowlarity – Cloud communication platform (acquired by Gupshup)*
- *LEAP India – India's largest pallet rental business*

Mr. Sharad Malpani
Director

Extensive experience in investing and operating side of business, early and mid-stage investing

Part of the ICICI Group for 21 years of which 13 years of investing including with ICICI Venture

Sharad has been involved with ~10 investments

Deal Experience:*
- *Zopper –India's leading digital Insurtech Platform (assurance/ insurance)*
- *Go Colors – Leading women's fashion wear brand (IPO – ~6x exit)*
- *RBL Bank – Leading regional bank in India (IPO ~3x exit)*
- *Cello – Leading home products company*
- *Epack – Amongst the largest contract manufacturers for consumer durable*

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Portfolio management

ICICI Venture

ICICI Venture leverages its well-established network of external advisors for driving operational excellence

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Hiring		
native	Michael Page	QUESS
Walker	PURPLE QUARTER	seenrecruit

Services		
MyCFO	Aparajitha	protiviti

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Digital Services		
Google	Microsoft	aws
Meta	DigitalOcean	Infosys

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PRIVATE CLIENT GROUP
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What are Unlisted Shares*?

Unlisted shares is a financial instrument that is not traded on a formal exchange, Trading of unlisted shares is done in over-the-counter (OTC).

Company	Sector
Reliance Retail	Retail
HDB Financial Services Ltd.	Financial Services
Chennai Super Kings	IPL Team
Mohan Meakin Ltd.	Beverages
(API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services
Utkarsh Coreinvest Ltd.	Financial Services
Hexaware Technologies Ltd.	IT- Software
Sbi Mutual Fund	Mutual Fund
Orbis Financials Corporation Ltd.	Custodian
Bira	Beverages
Mohan Meakin Ltd.	Beverages
Oravel Stays Ltd.	Hospitality
Appollo Green Energy	Green Energy

To know more 8655240697

Product Note:

- Investing in Unlisted shares is risky and suitable to clients with high risk appetite
- Unlisted shares have lock-in period of 6 months after Listing of shares on stock exchanges
- All unlisted shares price are tentative price, before confirming with Client once check with Product team (Hardik Rabara)
- Final IPO & Listing price of a company is based on many factors beyond our control, we don't guarantee a confirm IPO of any unlisted company nor guarantee any listing gains/returns. Investors should use own judgment and adequate caution before investing in unlisted shares
- We do not conduct any research on unlisted shares, we are just a distributor of unlisted shares

*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

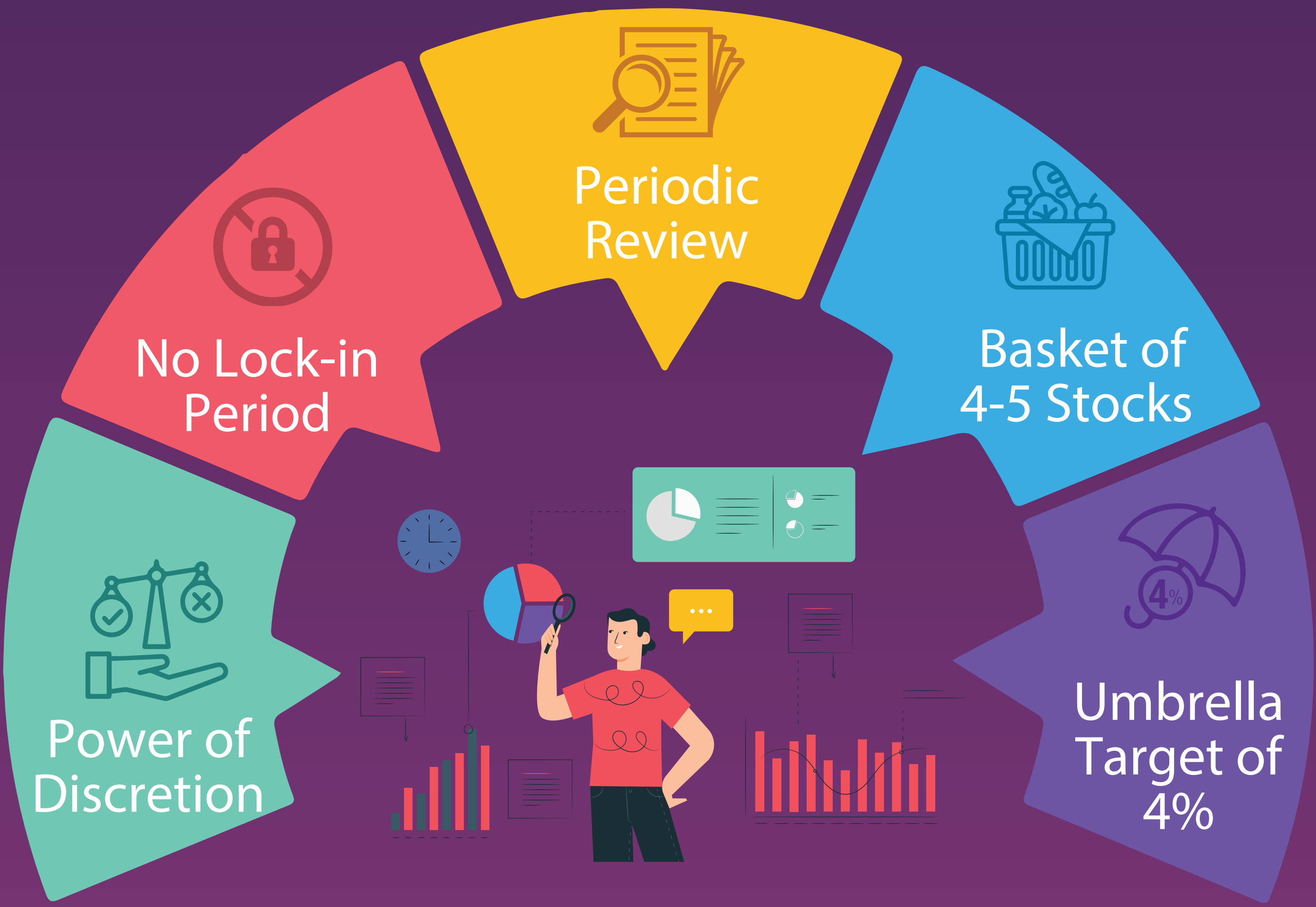
Note

FINKART

Quality Investing - Simplified!

ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

Finkart offers benchmark-relative strategies across the market-cap spectrum of India. We believe the stock market is tremendously efficient to provide opportunities for the disciplined investor.



Dynamic Research Basket Stock Allocation

Anand Rathi Share and Stock Brokers Ltd. I Regd. Office: Express Zone, 10th Floor, A Wing, Western Express Highway, Goregaon (E), Mumbai - 400 063, Maharashtra. Tel: (022) 6281 7000. Research Analyst - INH000000834. **Analyst Certification:** The views expressed in this advertisment accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s). The advertisment are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter “SEBI”). **Disclaimer:** Investment in securities market are subject to market risks, read all the related documents carefully before investing.

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