FINANCIAL

FLASH

September 2023

www.anandrathipcg.com

INDEX

PCG Communique

From the Desk of the PCG Head

Rajesh Kumar Jain

India's economy remained resilient in the first quarter of FY24 as domestic demand, government capex and a services led recovery shielded the nation from tighter monetary and weak global conditions. The gross domestic product had come up @ 7.8% in April- June qtr, a step up from 6.1% in the previous quarter. Growth in Q1 has led by a sharp upswing in manufacturing sector, aided by strong corporate profitability amid declining wholesale inflation. Services are expected to continue to be the largest contributor to growth, driven by robust activity levels in the financial services, trade, hotels and transport sectors.

The central bank is targeting to keep inflation between 2% and 6% but the consumer price index accelerated by 7.44% last month. Food prices, which account for about half of CPI, jumped 11.51% on concerns of supply shortages owing to unfavourable weather affecting crop production. Without including food and fuel prices, core inflation is moderating after the RBI raised rates by a cumulative 250 basis points since May last month. The monetary policy committee left rates unchanged for a third straight meeting in August as it looks to see if growth in Asia's third largest economy comes under pressure.

Coming to markets, the whole month of AUG has seen market consolidated between a narrow range of 19200 to 19700. Aug has been the month wherein both FII's & DII's has been net buyer to the tune of 7,714CR & 25,017CR. There is a possibility of further consolidation for the Indian stock market before the commencement of the next leg up.

Indian equities succumbed to global volatility following the hawkish tone of the FOMC minutes meeting and worries over the risk of a downgrade in China's sovereign credit rating by Fitch. Adding to the negative sentiment, the rupee depreciated to near a 10-month low at 83.14.

Uncertainty will likely to loom in the market following the fragile global cues that could cap the upside. The yield on the 10-year treasury was at 4.28% after touching its highest level since October. Crude is @ $90 which poses a another risk to the world which hasn't recovered from looms of inflation fully.

While most investors cite expensive Indian market valuations as the key hindrance to going for a large overweight on India. India's valuations are currently around one standard deviation above other markets and unlikely to get cheaper. The Indian market is currently trading @ PE multiple of 20, which looks slightly expensive. But Indian market is getting these valuations as most of the countries are going through own problem of inflation, higher rates, deflation etc.

Economic activity continues to hold up and is expected to get a further fillip from the upcoming festive season. From Raksha Bandhan until November, we will be celebrating festive season from Ganesh Chaturti, Navratri, Durja Puja, Dasehra, Diwali and there will be huge sales of good from Apparels, 2-4 wheeler, Jewellery, consumer durable, confectionary, higher sale of FMCG products due to festive season. The trading community is gearing up to meet the demands during these festive season. Unseasonal rains and floods have adversely affected the consumer sentiments in the first quarter of the fiscal year but the industry is now geared up to meet the expected growth in demand. The August-December festive season in India is traditionally a period of consumption and investment, driving demand. Festive sales are a barometer of the economy's performance, even more this year as consumers grapple with inflation and first quarter demand was affected by unseasonal rains.

What to expect in Sept?

We believe equity market will be in a consolidated phase. At one side we have the beginning of the festive mood where the demand of goods will be higher whereas global macro can spoil the party with Crude @ $90, bond yields are @ 4.28% and tension between China & US is seen more visible and the never ending war which is turning new shape with every passing day. So Sept will be the month of Good Micro and bad Macro environment.

Small & Mid-caps is a heated space currently and hence it will wise if we book some profits off the table or shift the trades to more large caps. There is a 5 days special session of parliament and possibility of early election is not ruled out. Anyways India will be going towards the election years and hence one need to careful on sectors to invest going forward, in spite the bullish momentum continues and by the time we enter Jan 2024, market will start capturing FY25 earning which is estimated to be 1100 and market is trading 17x FY25 forward earnings.

Look for companies in the Defence, Power, Infra, Jewellery, Cement, IT and select Banks & NBFC.

Market Commentary

The Nifty index ended the August month on a positive note as it closed at ‘19,254’ as compared to July end ‘19,754’, a decrease of 2.5%. Similarly, Sensex ended the August month at 64,831 as compared to 66,527 in the previous month, with a negative return of 2.5%.

Key gauges ended the passing week in red terrain as traders remained cautious ahead of Federal Chairman Reserve Jerome Powell’s speech for clues on the interest rate outlook. Markets made an optimistic start as traders cheered reports that Moody’s Investors Service affirmed India’s sovereign rating at ‘Baa3’ with stable outlook and said high growth will support a gradual increase in income levels, which will further contribute to economic strength. It expects India’s economic growth to outpace all other G20 economies through at least the next two years, driven by domestic demand. Sentiments also remained up-beat with latest data by the Reserve Bank of India showing that India’s foreign exchange reserves snapped a three-week losing streak and increased by $708 million to $602 billion in the week ended August 11. India’s economic growth will accelerate to 8.5 per cent in the April-June period of the current fiscal from the 6.1 per cent growth rate witnessed in the preceding January-March quarter. Some optimism also came with the latest payroll data released by the Employees’ Provident Fund Organization (EPFO) showing that the number of fresh formal jobs increased for the third consecutive month in June to hit a 9-month high, thus signaling a sustained recovery in the labour markets in the first quarter of financial year 2023-24 (FY24). Traders also took some support with soft landing of Chandrayaan-3. Successful soft landing on the lunar surface, making the country the first one to land on the south polar region (dark side) of the Moon. However, markets took U-turn from thereon and sharp selling on final two days of the week dragged markets lower for fifth straight week as investors turned cautious ahead of the central bankers’ comments at the Jackson Hole meeting, including that by US Federal Reserve chair Jerome Powell. Besides, Reserve Bank of India’s (RBI) MPC minutes dampened investors sentiments. Traders were worried after MPC member Jayanth R Varma said the inflation readings for the next couple of months are likely to remain well above the RBI’s tolerance band of 2-6 per cent. The MPC report added that the headline inflation is likely to witness a spike in the near months on account of supply disruptions due to adverse weather conditions. It said there are risks from the impact of the skewed south-west monsoon so far, a possible El Nino event and upward pressures on global food prices due to geopolitical hostilities.

The S&P Global India Manufacturing PMI increased to a 3-month top of 58.6 in August 2023 from 57.7 in July, surpassing market estimates of 57.5 while indicating the 26th straight month of growth in factory activity. New orders rose the most since January 2021; while output increased for the 26th month, and to the greatest extent in nearly 3 years. Also, export sales expanded at the fastest rate in 9 months amid robust demand from, among others, China and the US. Buying levels rose sharply to hit the fastest growth in over 12 years. Meantime, employment went up the least in 4 months but was above the series trend. Buying levels rose sharply and at one of the fastest rates in over 12 years. Delivery times were shortened for the 6th month. On prices, input cost rose the most in a year, while factory gate charges rose at the slowest pace in 4 months. Finally, sentiment remained historically elevated despite the degree of optimism slipping to a 3-month low, due to inflation concerns.

The S&P Global India Services PMI increased to 62.0 in April 2023 from 57.8 in the previous month, beating market forecasts of 57. The latest reading pointed to the strongest growth in the sector since June 2010, as both output and new orders rose at the fastest pace since June 2010, with export business expanding for the third month in succession and at the fastest pace over this period. At the same time, employment rose for the 11th month running despite growing only marginally. On the pricing front, input cost inflation accelerated, while output cost inflation rose to a four-month high. Looking ahead, business sentiment improved amid marketing efforts, plans to price competitively, and an increased focus on customer relations.

Retail price inflation in India jumped to 7.44% in July 2023, the highest since April 2022, compared to an upwardly revised 4.87% in June and market forecasts of 6.4%. Food inflation surged to 11.51%, the highest since January of 2020, led by cost of vegetables (37.3%), spices (21.6%), cereals (13%), pulses (13.3%) and milk (8.3%). Meanwhile, prices of fuel and light went up 3.7%, housing cost rose 4.5%, miscellaneous increased 5.1% and prices for clothing and footwear surged 5.6%.

India's merchandise trade deficit narrowed to USD 20.67 billion in July 2023 from USD 25.43 billion in the same month last year, below market expectations of a USD 21 billion gap. Imports tumbled 17 percent to a three-month low of USD 52.92 billion and exports fell at a softer 16 percent to USD 32.25 billion, the lowest since October 2022. For the April-July period, merchandise exports fell about 6 percent year-on-year to USD 244.15 billion, while imports fell 11 percent to USD 272.41 billion. Imports from China, India's largest supplier of goods, fell to USD 32.7 billion from USD 34.55 billion.

The gross GST revenue collected in the month of August 2023 is ₹1,59,069 crore of which CGST is ₹28,328 crore, SGST is ₹35,794 crore, IGST is ₹83,251 crore (including ₹43,550 crore collected on import of goods) and Cess is ₹11,695 crore (including ₹1,016 crore collected on import of goods). The total revenue of Centre and the States in the month of August 2023 after regular settlement is ₹65,909 crore for CGST and ₹67,202 crore for the SGST. The revenues for the month of August 2023 are 11% higher than the GST revenues in the same month last year. During the month, revenue from imports of goods was 3% higher and the revenues from domestic transactions (including imports of services) are 14% higher than the revenues from these sources during the same month last year.

India’s foreign exchange reserves have again showed negative signs as it decreased by US$0.03 billion to $594.85 billion in the week through August 25. Foreign currency assets decreased by $0.53 billion to $527.24 billion for the week ending August 25.

The U.S. markets ended lower during the passing week after credit rating agency Fitch Ratings unexpectedly downgraded the United States' credit rating. Fitch downgraded the U.S. long-term foreign-currency issuer default rating to AA+ from AAA, citing a steady deterioration in standards of governance over the last 20 years. Fitch said the repeated debt-limit political standoffs and last-minute resolutions have eroded confidence in fiscal management. Further, cautiousness also prevailed in the markets as the Commerce Department released a report showing construction spending rose by slightly less than expected in the month of June. The Commerce Department said construction spending climbed by 0.5 percent to an annual rate of $1.938 trillion in June after jumping by 1.1 percent to a revised rate of $1.930 trillion in May. Street had expected construction spending to increase by 0.6 percent compared to the 0.9 percent advance originally reported for the previous month.

European markets ended passing week sharply lower, with investors continuing to assess earnings updates and reacting to the interest rate hike by the Bank of England. The start of the week was on a higher note, as the euro area economy expanded more than expected in the second quarter. The flash estimate from Eurostat showed that gross domestic product registered a sequential growth of 0.3 percent after remaining unchanged in the first quarter. GDP was forecast to advance 0.2 percent. Besides, Germany's unemployment dropped unexpectedly in July. However, markets witnessed sharp fall towards end of the week, after Italy's economy contracted unexpectedly in the second quarter. The preliminary estimates from the statistical office ISTAT showed that gross domestic product dropped 0.3 percent sequentially in the second quarter, in contrast to the 0.6 percent increase in the first quarter. Year-on-year, economic growth slowed to 0.6 percent from 2.0 percent in the first quarter. On the inflation front, Italy's consumer price inflation moderated more-than-expected in July to the lowest level in more than a year. The preliminary data from the statistical office showed that the consumer price index, or CPI, rose 6.0 percent year-over-year in July, slower than the 6.4 percent rise in June. Further, this was the weakest inflation rate since April 2022, when prices had risen the same 6.0 percent. Moreover, Switzerland's consumer price inflation eased for the fifth straight month in July to the lowest level in one-and-a-half years.

Asian markets, barring shanghai composite index, ended in red during the passing week as a cautious undertone prevailed ahead of U.S. jobs data that could offer further clues on the health of the U.S. economy and Federal Reserve's rate hike path. Investors also fretted over the state of U.S. finances and its debt burden after Fitch downgraded the U.S. government's credit rating from AAA to AA+, citing fiscal deterioration and repeated debt ceiling standoffs. Traders also reacted to data that showed a slowdown in global manufacturing activity in July, including in China, Japan, South Korea, Taiwan, and Vietnam, raising fresh concerns about Asia's fragile economic recovery.

Japanese shares fell by around two percent as a business survey showed Japan's factory activity contracted at a faster pace in July, taking a hit from soft orders amid weakening global economic conditions. The final au Jibun Bank Japan manufacturing purchasing managers' index (PMI) fell to 49.6 in July, slightly higher than flash 49.4 but down from 49.8 in June. Traders also took note of a private-sector survey that showed that Japan's service sector activity expanded at a slightly slower pace in the month of July as new business growth eased. The final au Jibun Bank Japan Services purchasing managers' index (PMI) slipped to a seasonally adjusted 53.8 last month from 54.0 in June.

Bucking the trend, Chinese Shanghai edged marginally higher after the country's central bank governor pledged more financial resources to support private firms and promote the sound development of the real estate sector. Some support also came as a private survey showed services sector activity in the country expanded at a stronger pace in July compared to June. However, gains remain capped as a private survey showed factory activity in the country contracted in July, missing expectations for a small expansion. A separate report revealed that average new home prices in 100 Chinese cities fell for a third consecutive month in July.

The S&P Global US Manufacturing PMI was revised higher to 47.9 in August 2023 from a preliminary of 47 and compared to 49 in July. The manufacturing sector has contracted every month since November 2022 except for a brief stabilisation in April, and the latest PMI reading was in line with the average over this period. A sharper fall in new orders led to a renewed contraction in output, while firms continued to deplete their backlogged work and stocks of finished goods. Nevertheless, manufacturers continued to raise employment to support expected growth of workloads, although at the slowest pace since January. On the price front, average input prices rose for the second month running, and at a slightly faster rate. Higher costs continued to be passed on to customers, as output prices rose at the fastest pace in four months. Looking ahead, output expectations were the weakest in 2023 so far.

The HCOB Eurozone Manufacturing PMI was at 43.5, the headline index was up from July's 38-month low of 42.7, but still indicative of another sharp worsening in the health of the euro area manufacturing economy. Manufacturing sector performance varied across the eurozone constituents monitored by the survey. Greece and Ireland were the only two countries to record an improvement since July, while the likes of Germany, France, Italy, and Spain, the four largest economies, all remained in contraction territory. Germany and Austria were the two worst-performing nations by a considerable margin, although rates of decline did ease slightly. According to August data, the volume of new orders received by manufacturers across the eurozone continued to plummet at a rate which has rarely been exceeded across the survey's 26-year history. This too was the case for new export1 business, with firms struggling to attract new work from clients beyond their own borders. Total and foreign order book volumes have been weakening monthly for well over a year, with respective seasonally adjusted indices registering markedly beneath the key 50.0 mark which separates growth from contraction, highlighting the significant weakness in demand conditions facing eurozone factories.

The latest S&P Global Asia Sector PMITM signaled higher output in 11 of the 18 monitored sectors at the start of the third quarter, the fewest number of sectors to register expansions in output since the start of the year. Moreover, the top five performing areas were all part of the services sector. Meanwhile, the manufacturing sector struggled in comparison, with basic materials firms failing to raise output for a second straight month.

Going Ahead

India is now the first country in the world to successfully land a spacecraft at the Moon's South Pole. This is a source of great national pride and reflects the country's tremendous progress in all spheres of human activity. The Economist recently summarized India's rapid transformation, saying, " India's ascent is an uplifting story. One of the fastest-growing economies, its GDP is expected to overtake Japan's and Germany's by 2028, even as it treads a novel path towards getting rich." Indian equities have therefore outperformed other peers in terms of dollar returns. The current global economic situation and the performance of the Indian economy suggest that this journey would continue, and Indian equities would remain the best asset class for medium to long term investors.

Three major trends emerge from the current state of the global economy. First, global growth has been stronger than expected in recent quarters. 85% of the countries that publish quarterly GDP figures reported growth in the most recent quarter. The possibility of a global recession in 2023 or 2024, therefore, appears extremely unlikely. However, delayed impact of aggressive monetary policy tightening since 2022, China's growth slowdown, rising protectionist tendencies, and geopolitical uncertainties can impact the global economy.

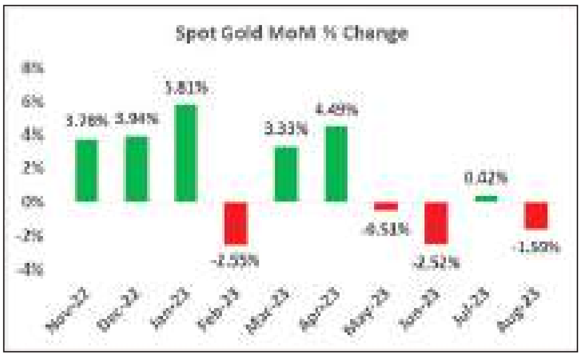
Second, global average inflation has fallen sharply in recent months. While the retail inflation rates in many advanced countries remain significantly higher than their respective long-term averages, most economies have experienced significant fall in inflation in recent months. Based on these indicators, global monetary tightening appears to have reached its cyclical peak. This implies that the discounting rates used to calculate equity valuations are unlikely to rise. As a result, the likelihood of valuation concerns leading to equity market corrections is rather low, especially since corporate earnings outlook has improved in tandem with GDP outlook.

Finally, the current fiscal deficit as a percentage of GDP in most countries remains higher than pre-pandemic averages. As a result, while most countries have tightened their monetary policy, the broad fiscal stance remains accommodative. Expansionary fiscal policies are being driven by efforts to boost domestic demand in the face of a slowdown in external demand. This implies that, despite monetary tightening, liquidity will most likely remain neutral to accommodative. This is good news for risk assets such as stocks.

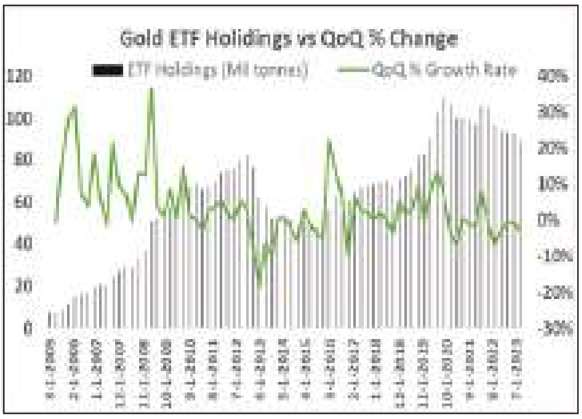
Commodities Outlook

Precious Metals: Gold softens in August on economic resilience & sticky inflation concerns. Moderating Jobs growth & Strong dollar to keep prices volatile to positively biased in September.

Gold prices in International markets retreated to below $1900 per ounce levels in Spot as Inflation



retreated significantly in the United States with hawkish Fed leading to significant pressures on Gold prices in the initial half of the month. Since March 2020, the central bank has added a total of 5.25% to key lending rates which previously stood at just 0.25%. As a result, inflation measured by the CPI, has tumbled from an annualized four-decade high of 9.1% in June 2022 to around 3 % levels in 2023.

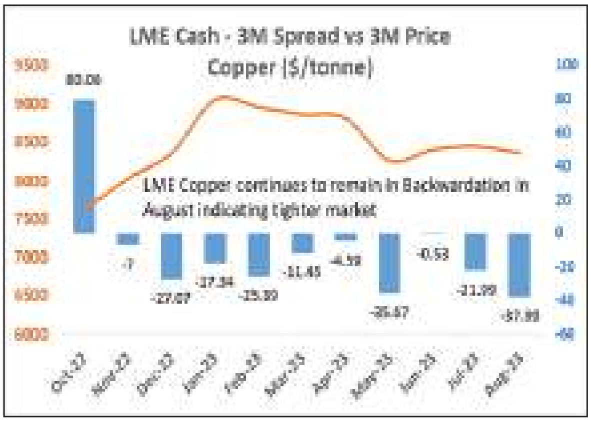


Gold's decline started in July when the bears gained control on its breach below $1980 per ounce levels in Spot, a critical resistance level since May. A crucial fundamental factor putting pressure on gold was the rise in US 10Y bond yields since July month which went to 15 year highs above 4.30 % with sticky headline inflation in US fuelling speculation inflation levels might not decline further with rise in Crude Oil prices since last month remaining a concern. It became increasingly difficult for Gold to compete on Yield in August. Speculation also persisted as US jobless claims report remained steady last in August suggesting that resilient economy making employers reluctant to reduce headcount. Finally Fed Minutes released in August showed officials were still concerned that inflation could fail to recede further and more rate hikes might be needed which made Gold to finally breach to test a low of $ 1885 levels in Spot in August.

Outlook: Gold is expected to remain positively biased in domestic markets led by improvement in domestic demand amid upcoming festive season and a weaker rupee.

Moving ahead the physical demand is expected to improve after subdued August. With prices having discounted further rate hikes in US this year it could look ahead to indications of Interest rate cuts which could now may happen by Q1 2024. We anticipate volatility to persist in the first half of September as prices in International Spot markets may well decline towards the support of $ 1910 per ounce levels. However we anticipate Gold to remain positively biased in next 1 – 2 months scenario as dips towards $ 1920 - 1910 per ounce levels in International Spot markets could still remain an attractive buying strategy for an upside upto $ 1960 – 1965 per ounce levels in Spot. Broader trading range to remain at around $ 1910 – 1965 per ounce levels. For Silver support for same is seen in the range of ₹72,500 – 71,600 per kg level and resistance is placed at ₹77,500 - 78,100 on MCX for the current month. Similarly MCX Gold is expected to trade in the range of Rs. 58,500 – 60,200 per 10 gm levels in the September month amid volatility to persist.

Base Metals: Copper rally remains capped amid rising inventories. Stimulus measures from China keeps prices supported on the downside



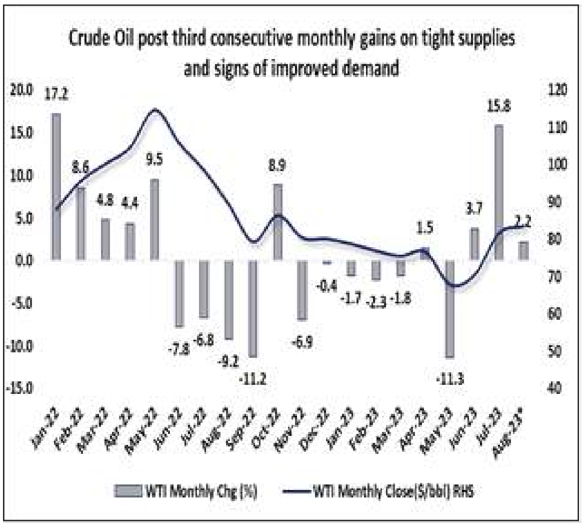
Copper prices fell on LME and witnessed their first monthly decline since May on tepid consumption amid slowing economic growth in top consumer China. Manf activity contracted for a fifth straight month in August, an official survey, extending a streak of weak macroeconomic data that have weighed on metals prices. A stronger dollar .in the last month also weighed on sentiments in base metals. However, the Chinese data maintained pressure on officials to provide support to shore up economic growth amid soft demand both at home and abroad, which would benefit metals demand.

Outlook – Expectations of more stimulus measures from China to keep bias positive in near term but rising inventories outside China may well weigh on sentiments.

China's Copper stocks remained at 10 month high levels during the last month which kept the upside limited. However China moved ahead for a raft of measures aimed at stabilizing its property markets which did provide lower support to sentiments towards the end of the month. However China's services activity expanding at the slowest pace in eight months in August as weak demand continued to dog the world's second-largest economy and stimulus failed to meaningfully revive consumption. Technically Copper could continue to remain under pressure in near term as strong supports could be expected at around Rs. 715 - 720 per Kg. levels. However with September & October tends to remain as peak consumption period in China could offer some support to prices at lower levels. Overall MCX Copper could trade in a price range of Rs. 715 – 760 per Kg. levels on MCX.

Crude oil gains remained capped in August, but September to see prices breaching $90 level

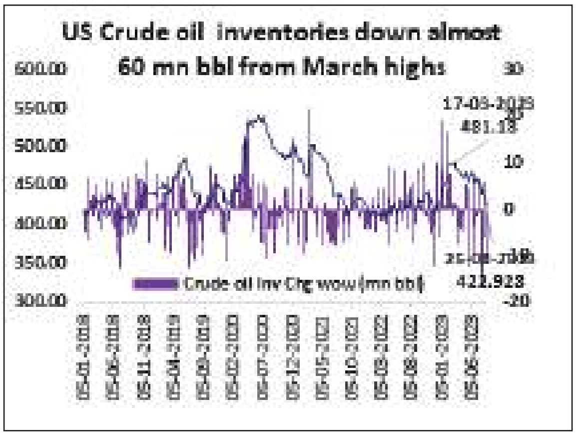
Oil markets turned a bit cautious in August after July's outstanding price rally of more than 15%. China's deteriorating economic health, macro-eonomic headwinds, alongwith improved oil supplies from the US and Iran were the main reasons limiting an upside in the prices despite a large deficit this quarter. WTI oil swung between gains and losses as it neared $85 level in mid-August thereafter giving most gains to test $78 and then again back to $83 level by the end of the last month. Thus, WTI crude managed to



close up 2.2% at $83.63 per bbl level, its third consecutive monthly gains after a bleak H1 2023. The MCX Crude oil was 2.6% up to close at Rs 6,871 per bbl level in August.

Crude Oil Outlook for September – An Outsize rally driven by Supply cut extension

After a cautious August, September looks quite optimistic in terms of oil prices as OPEC+ supply cuts extension in October may further tighten the global inventories. In fact, September started with a bang with oil prices hitting the highest level since November breaching $86 per bbl mark as host of signs are certainly showing global oil markets are tightening. A large deficit of 2.3 mbpd in Q3 2023 after four consecutive quarter of surplus, in turn explains the summer rally in time spreads and oil prices. WTI's prompt spread, have widened markedly in recent days to 84 cents a barrel in backwardation, suggesting tighter conditions. That's a bullish pricing pattern, and is up from 43 cents a barrel one week ago. Besides OPEC+ cuts, US inventories have been falling consistently. EIA reported a draw of almost 60 million barrels since they peaked in mid-March, and holdings now stand at the lowest level since late 2022. At 422.9 mn bbl, U.S. crude oil inventories are about 3% below the five year average for this time of year while the total motor gasoline inventories and finished gasoline inventories are about 5% and 15% below the five year average for this time of year. Oil markets also poses a potential supply threat amid the ongoing peak hurricane season. All these could offset improvement in production/supplies from Iran and US.



On demand front, though US summer travel seems to have faded, Chinese oil demand will likely see a surge in the fourth quarter considering strong Jet fuel and gasoline consumption. The nation's crude oil imports were at a bright spot in the first half, though it might dip a bit this quarter before a sharp recovery in Q4. Jet fuel consumption could rise 90% in the second half from a year earlier.

Besides OPEC+ cuts, US inventories have been falling consistently. EIA reported a draw of almost 60 million barrels since they peaked in mid-March, and holdings now stand at the lowest level since late 2022. At 422.9 mn bbl, U.S. crude oil inventories are about 3% below the five year average for this time of year while the total motor gasoline inventories and finished gasoline inventories are about 5% and 15% below the five year average for this time of year. Oil markets also poses a potential supply threat amid the ongoing peak hurricane season. All these could offset improvement in production/supplies from Iran and US.

On demand front, though US summer travel seems to have faded, Chinese oil demand will likely see a surge in the fourth quarter considering strong Jet fuel and gasoline consumption. The nation's crude oil imports were at a bright spot in the first half, though it might dip a bit this quarter before a sharp recovery in Q4. Jet fuel consumption could rise 90% in the second half from a year earlier.

To conclude, as long as Saudi output cuts stays in place, oil markets will remain in large deficit and $80-$82 per bbl level will hold good for the WTI oil (CMP: $85.20). This along with China's oil demand optimism in the coming quarter despite the overall economic slowdown hold potential to push oil prices beyond $90 level in September. Technically, WTI Oil is having immediate support of 83.50/81.50 level while resistance is at $88/$93. For MCX Crude oil support is at Rs 6680 /Rs 6850 per bbl level while resistance is placed at 7280/7670.

Currency Outlook

Indian Rupee Update

August remained Selling spree for FIIs, Forex reserves & FPIs adding pressure on Rupee

After pouring a whopping amount into Indian equities in the past three months, foreign investors have slowed down the pace of inflow to Rs 12,262 crore in August on higher crude oil prices and the resurfacing of inflation risks. FPIs are adopting a 'wait and watch' approach rather than making a complete U-turn. There continues to be uncertainty in the global economy and the underlying scenario is fast changing. This will make the flows from FPIs volatile. Additionally, the firming up of bond yields in the US would have also led some foreign investors to drift away from riskier markets in favour of greater certainty and the better risk-reward profile offered by US treasuries. FIIs were net sellers throughout August month also forex reserves post breaking $600 Mn couldn’t hold up and since last 3 weeks reserves are falling, this outflows add concerns to Rupee.

Rupee under pressure amid rising US treasury yields

Rising US yields will keep the bias towards mild Rupee depreciation. Further, the short-term factor to watch out is the potential upward momentum in US long-term yields, which can again bring back the risk aversion and a break above 83. The rise in the US 10y indicates that markets are not that worried about a recession scenario, but the rising yields will put slight pressure on the Rupee within the current range. The real risk of recession will be accompanied by falling yields, which is more dangerous for the Rupee.

September Tends to Be Weak For Rupee

Looking at the past 5-year seasonal pattern of the Indian rupee, September month remained the worst of the year as it registered an average depreciation of 1.1%. However, the "higher for longer" narrative from the US Federal Reserve and the rate pause from the RBI, along with macro divergence, will continue to support the rupee’s better performance among regions. The Indian rupee chocked second monthly decline in a row following weaker regional currencies, higher crude oil prices and risk-averse mood across the globe. However, the rupee remained the best performer among the Asian currencies backed by the strong foreign fund inflows.

Rupee Outlook

For Rupee, this month, on the domestic front, inflation numbers will be keenly eyed as vegetable prices continue to remain elevated. Global factors that have been on the forefront will continue to influence the rupee which has been stuck in range. On the global front, major central banks will be releasing their policy statements and most of them are expected to keep rates on hold.

On volatility terms, we remain optimistic for the rupee as the central bank will continue to intervene on both sides to manage the unwarranted volatility. The RBI has accumulated FX reserves of over $590, the 4th largest in the world, giving it the ability to prevent the Rupee from weakening too far beyond 83.50 against the dollar. But be mindful of surging crude oil prices, weaker Chinese Yuan and deficit monsoon rainfall, which could spoil the party of rupee bulls. On monthly perspective, spot rupee is expected to be range bound between 82.30 to 83.50 levels.

Dollar Index Update

Spending Boom + Slowing Income Growth = Weak Saving

A spending boom on discretionary services, paired with increased demand for portfolio management and investment advice, supported personal consumption growth in July. But with the primary catalysts of that spending — summer blockbuster movies, concert tours and an equity-market rally — largely short lived, we view a spending slowdown as imminent. Personal income growth is fading as the labour market loosens, and consumers' excess savings are dwindling. We expect consumers will need to resume saving more aggressively to fortify their balance sheets ahead. Additional concerns which mount is consumer credit data which is expected to rebound based on the recent retail sales and consumer spending data. This is likely to be short lived however, as with higher rates and consumer's savings starting to run out, as well as the resumption of student loan repayments beginning soon consumer spending is likely to come under strain in the months ahead.

Dollar Index ready for Soft landing chance for safe-haven appeal

A string of economic data highlighting moderating inflation as well as an easing labour market have added to the impression the US economy is cooling without slowing sharply, reinforcing hopes that the economy is set for a soft landing. US data on the whole is showing signs of deterioration but at this stage a "soft landing remains a possibility". Dollar seems to be benefitting as well from the idea that the US may enjoy a soft landing with other markets really feeling the strain, which seems to in part be aiding the US Dollars safe-haven appeal On the contrary, sticky wage and price inflation will lead to higher-for-longer policy rates and an eventual more substantial slowing of economic activity.

Dollar Outlook

DXY seems to be gaining further support from the Dollars Safe-Haven Appeal as Recessionary Fears in other Economies mount. Given the recent signs of deterioration in US data there is a high likelihood that we see a softer print. This could add to the idea that the Fed may be done on their hiking cycle and thus give risk assets a further boost.

Meanwhile, market is still leaning toward another pause, since there were "several" votes for a pause last time and little has changed in the interim period, so it would be something of a surprise if there was another hike this time, despite Jerome Powell's marginally hawkish speech at Jackson Hole. In the month gone, the dollar index gained marginally, the strength in the DXY is compounded by low confidence in China and growth weakness in Europe. Overall, we expect a widening of growth and rate differentials between the US and other major economies to dominate FX markets into year-end. This September is full of risk events, including central bank meetings, a G20 summit and make-or-break economic data, which bode well for the haven dollar.

Technical Analysis

NIFTY: SEPT 2023

LEVELS TO WATCHOUT FOR: 19600 - 19800 / 19200 – 18800

The domestic market ended its four months winning streak during the month of August 2023. The month proved to be a corrective one for the benchmark indices. Initially the index NIFTY spot registered a top near 19800 mark and then it made a lower top at 19645 and eventually made another top at 19584. At the end of the month NIFTY ended with a cut of over 2.5% wherein the index almost tested the 19200 mark.

The index NIFTY made several attempts to breach the medium-term moving average of 50 DEMA during the month but the bulls managed to protect this support on closing basis. At this point in time, this average is placed near 19250 mark and only a close below the same might attract further selling pressure. In such scenario, doors might be open for the retest of 200 DEMA placed at 18500 mark. Thus, traders and investors should watch this development closely during the month of Sept 2023. On the upside, NIFTY has several resistances during the placement of falling trend line. Initially, 19600 might act as an immediate resistance in the coming sessions and a close above the same might bring the bulls back in action. As of now we are concerned about the broader markets which has displayed spectacular rally. The index NIFTY MIDCAP 150 is up my around 35% without any meaningful correction and on the other hand NIFTY SMLCAP 250 is up by more than 40%. Traders should watchout this space very carefully as even a small corrective move in these indices can result in considerable profit booking in individual stocks. Overall, the month of Sept 2023 might be a trendy one for both the bulls and the bears since the index seems to be preparing for a breakout on either side (19600 – 19200).

Meanwhile, the NIFTY BANK index under performed during Aug 2023 by correcting around 3%. At this point in time, the WOFE WAVE pattern on NIFTY BANK index is still not negated. Also, the index is trading below 50 DEMA. The 200 DEMA is placed at 42700. Thus, till the time 45100 is not take out bulls might not be able to dominate. Above 45100 we expect further upside in the index but the bearish WOLFE WAVE would be negated only above 46400. Thus, the NIFTY BANK index is in a tricky position since the target of bearish pattern is much lower. It would be interesting to see how the index behaves in the coming sessions. The immediate support is at 43600 – 42700.

Technical Pick – BUY ITBEES (NIPPON INDIA ETF)
POTENTIAL UPSIDE 12.50%- 16.67%

- Since Nov 2022, **NIFTY IT** index has been consolidating in the broad range of 31600 and 27000.
- At this juncture, the index is on the verge of a breakout from this range.
- The theoretical target for the breakout comes around 35000 and that is around 15% from the current price. Instead of going for the individual stocks from the IT pack, it is better to participate in ITBEES which is a low-risk product.
- Thus, traders are advised to **buy the NIPPON INDIA IT ETF (ITBEES) in the range of 33 - 32** with a stop loss of 30.25 on closing basis for an upside target of 37.10 and 38.50 in coming 1 – 3 months.

Technical Pick – BUY MARUTI
POTENTIAL UPSIDE 17.00%- 22.66%

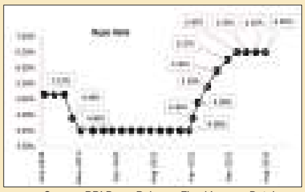
- After consolidating for over 5 years, **MARUTI** finally managed to breakout from the psychological hurdle of 10000.
- The breakout was accompanied with humongous volumes and hence looks genuine.
- The theoretical long-term target for the breakout seems to be over 14000 from here on.
- Thus, traders are advised to **buy the stock in the range of 10300 - 10000** with a stop loss of 9000 on closing basis for an upside target of 11875 and 12450 in the coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

On 10th August 2023, the Monetary Policy Committee (MPC) held its meeting to assess the macroeconomic situation and its outlook. The committee unanimously decided to maintain the Repo Rate at 6.50%, remaining focused on withdrawal of accommodation to ensure progressive alignment of inflation with the target, while concurrently supporting growth.

Key Rates	Pre-Policy	Post Policy
Repo Rate	6.50%	6.50% ↔
Bank Rate	6.75%	6.75% ↔
Marginal Standing Facility	6.75%	6.75% ↔
Standing Deposit Facility	6.25%	6.25% ↔
Cash Reserve Ratio	4.50%	4.50% ↔
Statutory Liquidity Ratio	18.00%	18.00% ↔

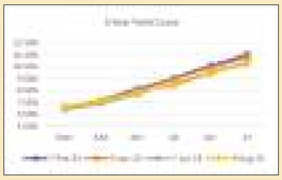


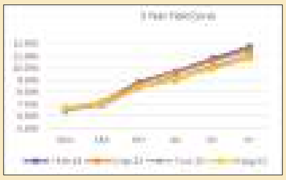
Source: RBI Press Release, Fixed Income Databases

The RBI's decision to keep the policy repo rate unchanged at 6.50% was widely anticipated by the market given the recent inflation numbers. The inflation forecast for FY24 was revised upwards to 5.40% from the previous 5.10%, emphasizing the need for heightened vigilance in monitoring the trajectory and the commitment to aligning with the 4% target. The governor expressed concerns over inflation due to recent spikes in vegetable prices, while also highlighting potential pressures from global weather conditions, global food prices & crude oil. Despite these challenges, the GDP forecast for FY24 remained steady at 6.5%, reflecting the country's ability to navigate these issues while maintaining a positive growth trajectory.

Additionally, RBI has imposed a 10% Incremental Cash Reserve Ratio (I-CRR) on banks' net demand and time liabilities growth between May 19, 2023, and July 28, 2023, to temporarily manage excess liquidity in the banking system, while the existing Cash Reserve Ratio (CRR) remains at 4.5%. This imposition of I-CRR will be reviewed in the next month to return back funds in the banking system

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in June 2023:





- The 3 year Gsec, AAA & AA+ curve saw a hardening of ~25bps, ~21bps & ~17bps respectively, while the rest of the credit curve saw an easing in the range of ~9bps to ~20bps.
- The 5 year Gsec, AAA & AA+ curve saw a hardening of ~23 bps, ~20bps & ~1bps respectively, while the rest of the credit curve saw an easing in the range of ~24bps to ~35bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw compression of ~3 to 4bps, from ~52bps to ~48bps in the 3 year space and from ~49bps to ~46bps in the 5 year space.

Outlook: The policy underscored India's capacity to emerge as a global growth engine, citing its advantageous geopolitical realignments and technological advancements, supported by its robust economy, domestic demand, untapped resources, and demographic strengths. While RBI remains comfortable on the growth front, an extended pause is expected in line with the Governor's commitment to aligning CPI inflation to the 4% target and the readiness to take action if needed.

Secondary Market Bond Offers

Tax Free Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.46% PFC Tax Free 2028	30-Aug-28	Annual on 30-Aug	IND AAA/Stable	5.10%
8.20% HUDCO Tax Free 2027	05-Mar-27	Annual on 05-Mar	IND AAA/Stable	5.12%
PSB Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
7.75% SBI Perp 2027	09-Sept-27	Annual on 09-Sept	AA+ by CRISIL & ICRA	7.80%
9.50% Union Perp 2026	15-Sept-26	Annual on 28-July	AA by CARE & IND	8.09%
PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
7.10% NABARD 2030	08-Feb-30	10-Feb & 10-Aug	AAA by CRISIL & IND	7.20%
7.44% PFC 2027	11-Jun-27	Annual on 12-Jun	AAA CRISIL & CARE	7.41%

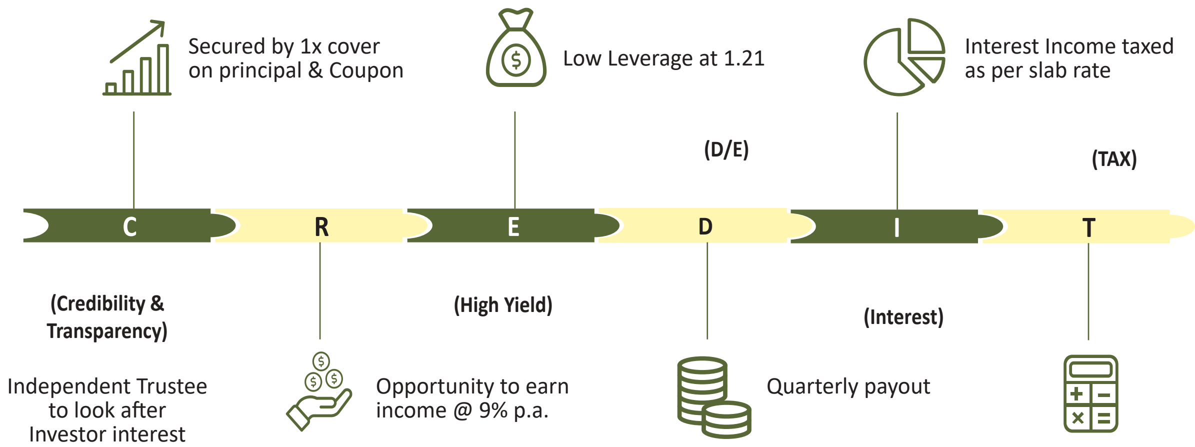
Corporate Bonds				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (31-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.40%
7.85% L & T Finance Ltd 2033	26-May-33	Annual on 26-May	AAA by ICRA & CRISIL	7.80%
7.97% HDFC Ltd 2033	17-Feb-33	Annual on 17-Feb	AAA CRISIL & ICRA	7.73%
10.25% Shriram Transport Finance Corporation 2024	26-Apr-24	Monthly on 28th	AA+ CRISIL & IND	8.05%
7.70% LIC Housing Fin Ltd 2031	19-Mar-31	Annual on 19-Mar	AAA by CARE & CRISIL	7.70%
8.15% Tata Capital Fin Ser Ltd 2033	27-Jul-33	Annual on 27-Jul	AAA by ICRA	7.92%
8.25% HDC Credila Fin Ser 2028	29-Mar-28	Annual on 29-Mar	AAA by CRISIL & CARE	8.12%
8.00% MTNL 2032	15-Nov-32	15-May & 15-Nov	AAA by CARE & IND Rating	7.66%
9.95% UP Power 2029	Staggered Maturity (30-Mar-29)	31 Mar, 30 Jun, 30 Sept, 31 Dec	A+ (CE) BY CRISIL & INDIA RATINGS	8.92%

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)

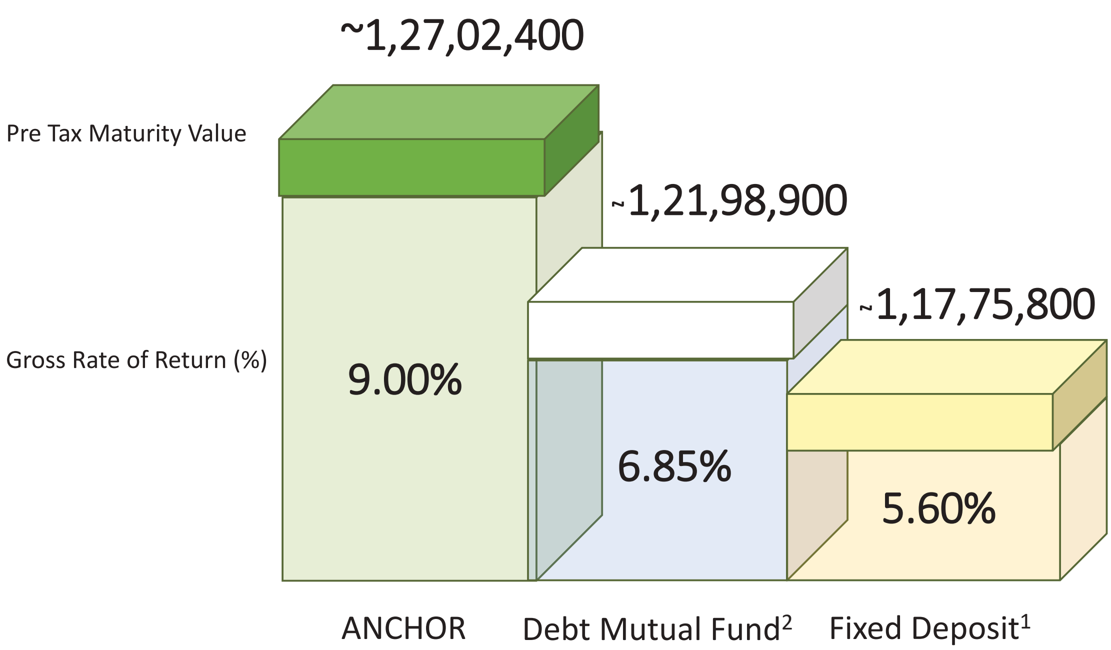
What is ANCHOR?



*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	29th 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%**

The information provided is this communication is reproduction of factual details. No part of information provided herein 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.
*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

Anand Rathi PMS

PMS 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 stocks 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

Allocation

Business Model either in
- Improving Market Share
- Leadership
- Niche Business Model

Rising Enterprises
- Stable and Improving Margins
- Improving ROE and ROCE

Sustainability
- Visibility of Earnings over next 2-3 years
- Predictable business model

Sound Corporate Track Record
- Management back ground
- Accounting & Corporate policies

Stock Selection

Sector opportunity
- Sector potential to grow
- Cyclical / Non Cyclical
- Favoring Policies

Diversification
- Sectorally well diversified portfolio of 15-20 stocks across Market Capitalization

Exposure
- Single Stock exposure < 10%
- Single Sector exposure < 30%

Re-VIEW Strategy

V — 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.

I — 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.

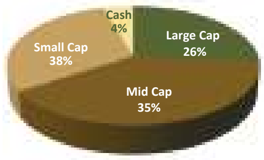
E — Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

W — 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	Ratnamani Metals & Tubes Ltd.	8.7%
2	Bharat Electronics Ltd.	7.2%
3	KEI international Ltd.	6.5%
4	Bajaj Finance Ltd.	5.7%
5	KEC International Ltd.	5.7%
6	Varun Beverages Ltd.	5.3%
7	Radico Khaitan Ltd.	5.3%
8	Coforge Ltd.	5.2%
9	Solar Industries India Ltd.	5.0%
10	glenmark life sciences Ltd.	4.9%

Market Cap Allocation

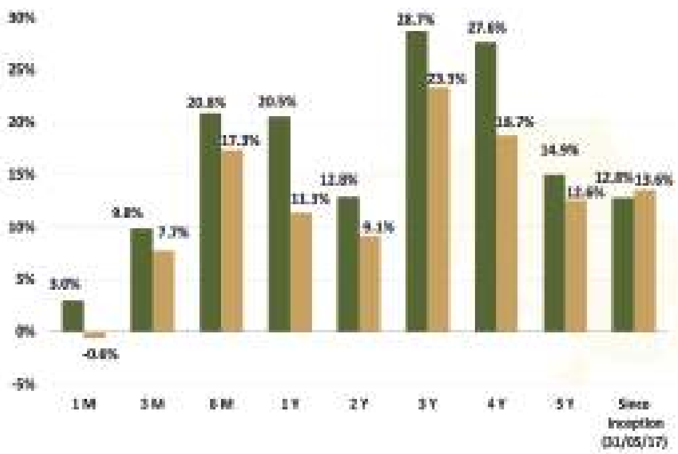


Avg Mkt Cap (cr)	
Large Cap	282109
Midcap	27944
Small Cap	10347
Overall Portfolio	85487

Data as on 31st August, 2023

Portfolio Performance

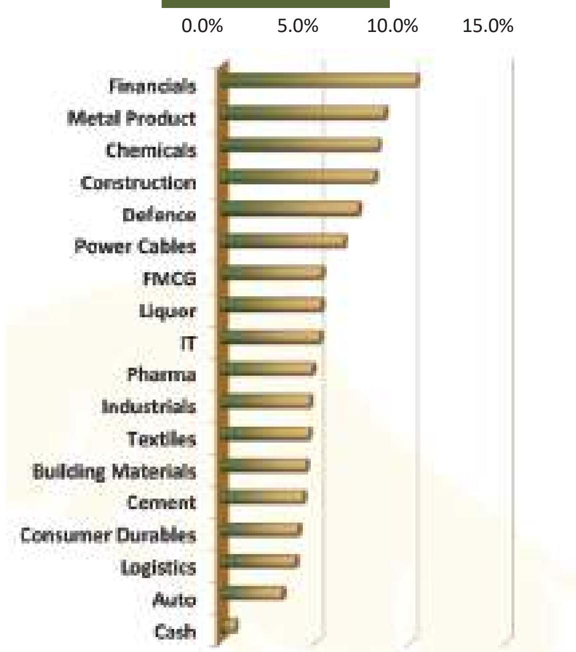
Performance as on 31st August, 2023



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.

Sector Allocation



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

Strong Corporate Governance

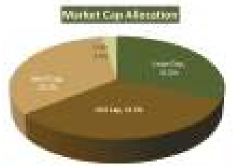
- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative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

Source: *Anand Rathi Internal Research.*

Healthy Balance Sheet

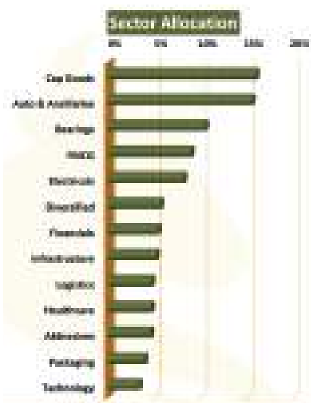
Top Holdings and Allocation

Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	8.3%
2	Maruti Suzuki India Limited	7.8%
3	KSB Limited	6.8%
4	SchaefflerIndiaLimited	6.5%
5	3M India Ltd	5.7%
6	CRISIL Ltd	5.4%
7	ITD Cementation India Ltd	5.3%
8	Esab India Ltd	5.0%
9	BlueDartExpress Ltd	4.8%
10	Abbott India Ltd	4.7%



Avg Mkt Cap (cr)	
Large Cap	259922
Midcap	32573
Small Cap	8028
Overall Portfolio	88370

Data as on 31st August, 2023



The current model client portfolio comprise of 18 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

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.

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. Index - **BSE 500 TRI** is shown as per guidelines
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

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

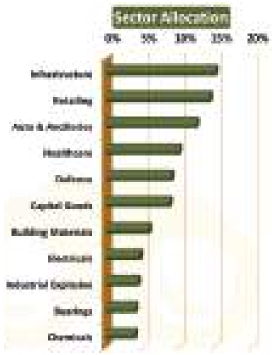
Opportunities at every level of emerging business

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	9.1%
2	Craftsman Automation Limited	8.3%
3	Cera Sanitaryware Ltd	6.0%
4	Ethos Limited	5.9%
5	Praj Industries Ltd	5.8%
6	Power Mech Projects Limited	5.7%
7	KEC International Limited	5.6%
8	Caplin Point Laboratories Limited	5.4%
9	Syrma SGS Technology Limited	4.7%
10	Bajaj Finserv Limited	4.7%



	Avg Market Cap (cr)
Large Cap	130326
Midcap	28046
Small Cap	8079
Overall Portfolio	33544

Data as on 31st July, 2023

The current model client portfolio comprise of 18 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 44th, 47th, 50th, 53rd & 56th Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	100% (IRR – ~14.24%)	
Participation Rate1 (PR1)	100%(From 108% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	2566.67%(From 130% to 133% of Initial Fixing Level)	
Decay Multiple (DM1)® **Knock-In Put @ 84.99%**	1.35x (below -15% till -30% fall with catch-up)	
Decay Multiple (DM2)® **Nifty @ 69.99% of initial**	0.35x (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 110% & below 133% of Initial Fixing Level	(NP-8%)* PR1+ Max(0%,(NP-30%)*PR2
	If Final Fixing Level is at or above 85% & at or below 110% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 85% 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
39000	**100.0%**	**100.0%**	**14.2%**	**14.2%**
29250	50.0%	100.0%	8.1%	14.2%
25935	**33.0%**	**100.0%**	**5.6%**	**14.2%**
25740	32.0%	73.3%	5.5%	11.1%
25545	31.0%	46.7%	5.3%	7.6%
25350	**30.0%**	**20.0%**	**5.2%**	**3.6%**
23400	20.0%	10.0%	3.6%	1.8%
21450	**10.0%**	**0.0%**	**1.8%**	**0.0%**
19500	**0.0%**	**0.0%**	**0.0%**	**0.0%**
19233	-1.4%	0.0%	-0.3%	0.0%
17550	-10.0%	0.0%	-2.0%	0.0%
16575	**-15.0%**	**0.0%**	**-3.1%**	**0.0%**
16573	-15.01%	-20.26%	-3.08%	-4.26%
15600	-20.0%	-27.0%	-4.2%	-5.9%
13650	**-30.0%**	**-40.50%**	**-6.6%**	**-9.5%**
10725	-45.0%	-45.75%	-10.8%	-11.1%
1950	**-90.0%**	**-61.50%**	**-35.7%**	**-16.8%**
1948	-90.01%	-90.01%	-35.8%	-35.8%
0	-100.0%	-100.0%	-100.0%	-100.0%

Product IRR* **14.24%**

Tenor **1900 Days**

Target Nifty Perf. **33%**

Product Explanation

NP >= 33%	100% (Contingent Coupon)
30% < NP < 33%	Max(0%,(NP-30%)*PR2
10% < NP < 33%	(NP-10%)* PR1
-15% <= NP <= 10%	Principal Protection
-30% <= NP < -15%	1.35x Decay with Catch-up
-90% <= NP < -30%	Decay decreases to 0.35x
Nifty falls beyond -90%	Nifty performance

*Product IRR assume to be Pre-Tax IRR
NP: Nifty Performance
^ Initial Fixing Level is taken as 19254, adding 150 points contingent: 19404, rounded off to next 100: 19500.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st August 2023.
Investment Value per debenture: 1,25,000/-(Issued at a premium)

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

Overview of ICICI Venture

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

ICICI Venture at a Glance

$6bn	600+	100+	81+
AUM/A since inception	Investments since 1988	Investments since 2002	Exits since 2002

Our Existing 4 Verticals

	Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A [1]	$1.85bn [2]	$0.70bn [2]	$1.75bn [3]	$1.25bn [2,4]
Strategies	Growth Equity	Debt	Energy	Debt, Mezzanine
	Joint Control	Equity	Utilities	Distress Buyouts
	Buyouts	Mezzanine	Buyouts	Equity Recaps

Sector Footprint

- Banking, Financial Services, Insurance
- Consumer, Retail/eTail Brands
- Healthcare, Pharmaceuticals
- Media & Entertainment
- Manufacturing, Industrials, Logistics
- RE & Infra

IAF5

[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 enterprise value of 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 our PE Vertical

Growth PE has been our core strategy in the last 2 decades across 4 funds

		IAF1 2002-03	IAF2 2005-06	IAF3 2009-10	IAF4 2016-17	IAF5
Size		*INR 11 Bn*	*INR 24 Bn[1,2]*	*INR 14.4 Bn*	*INR 16.5 Bn[1]*	*INR 25 Bn[3]*
India focused		✓	✓	✓	✓	✓
Strategy	*Growth PE*	✓	✓	✓	✓	✓
	Growth (PIPE)	×	✓	✓	✓	✓
	Buyout, Joint Control	✓	✓	✓	✓	✓
	Series A,B	✓	✓	×	×	×
	Cross Border	×	✓	×	×	×
	Real Assets	✓	×	×	×	×
Number of deals		*21*	*21*	*9*	*10*	*10-12[3]*
First time PE raisers		*16*	*16*	*5*	*6*	*Key focus*
Exited		*21*	*20*	*8*	*2*	-

IAF5 *1 Including USD capital represented in INR based on actual exchange rates corresponding to the vintage of the fund; 2 Amended; 3 Targeted*

IAF4 Portfolio Overview

Backing leaders and emerging leaders in fast growing sectors in India

IAF4 Portfolio	Entry Year	Investment[1] (INR Mn)	Sector	Strategy	Stake	Exit/ Liquidity	Exit Strategy
	2016	1,000	BFSI	Growth PE	4.19%	Exited (3.03x, 55%)	Sale to strategic/PE
GO COLORS!	2018	1,000	Consumer	Growth PE	13.79%	Exited (6.34x, 59%)	IPO, Capital markets
KIMS	2021	1,600	Healthcare	Growth PE	2.42%	Listed	Capital markets
	2018	2,398	BFSI	Growth PIPE	4.36%	Listed	Capital markets
India1	2019	1,000	BFSI	Joint Control	21.48%[3,4]	2023-24	Strategic sale
	2016	1,650	Mfg	Growth PE	26.22%[5]	2023-24	Strategic sale
	2022	1,200	Consumer	Growth PE	2%[6,7]	2023-24	IPO / Capital Markets
	2021	1,600	Mfg	Growth PE	15.9%-24.2%[6]	2023-24	IPO / Capital Markets
	2017	1,250	Consumer	Joint Control	46.52%[8]	2024-25	Sale to strategic/PE
zopper	2022	1,400[7]	Insurtech	Growth PE	17%	2025	Sale to strategic/PE

IAF4 deal log

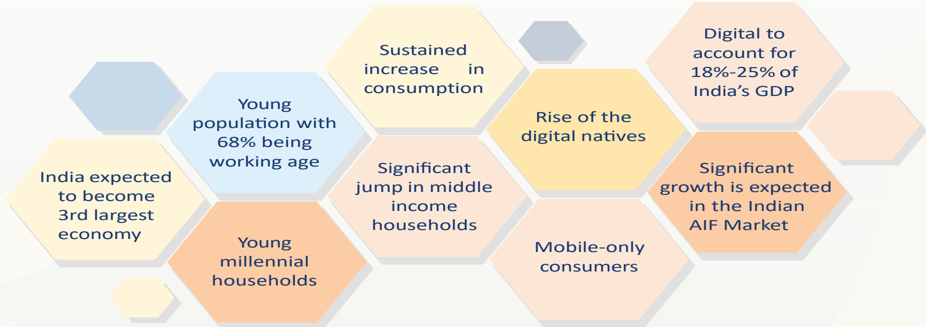
[1]Aggregate investments across both vehicles IAF S4 I and DIF S4 US I; [3] Over 48% across IAF4 and IAF3; [4] On fully diluted basis prior to ESOP dilution; [5] Excluding CCPS component; [6] Fully diluted equity stake assuming conversion of CCPS as per agreed terms; [7] Over 6% across IAF4 and IAF5; [8] Including Equity and CCPS; prior to ESOP dilution

IAF5

INDIA 2030 Summary

ICICI Venture

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



IAF5 *The World Bank Population estimates & projections, CIA Factbook 2020 Estimates, Telecom Regulatory Authority of India (TRAI), Businessworld article, McKinsey Digital India 2019 report, CEBR, PwC - The World in 2050, Businessworld article, McKinsey Digital India 2019 report, AGR analysis*

IAF5 Themes

ICICI Venture

IAF5 would seek to invest around 3 investment themes

IAF5

IAF5 Focus Sectors

ICICI Venture

Focus is on specific sub-sectors in BFSI, Consumer, Healthcare & Pharmaceuticals and Manufacturing

BFSI*	Consumer	Healthcare, Pharma	Manufacturing
Bank	Beauty & Personal Care	Hospitals	Specialty chemicals
NBFC	Food Services	Diagnostics	Processed food
Insurance	Online Retail	Pharma	Electrical equipment
Payments	Home & Kitchen Appliances	Health Tech	Engineering goods

IAF5 **Banking, Financial Services and Insurance*

IAF5 Strategy

ICICI Venture

Key pillars

IAF5

PE Process

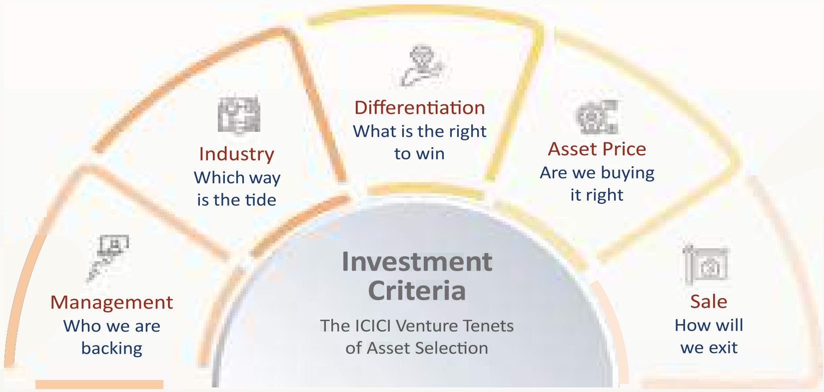
ICICI Venture leverages its well established PE process for implementing IAF5 investment strategy

Deal sourcing	Rigorous due diligence	Distinctive and disciplined pricing, structuring	Driving Operational Excellence in Portfolio Companies	Target Returns within Targeted Holding Period
• AIF Manager / Team • Prior investees • Group references • Investor references • Intermediaries • Auctions	• Environmental & Social (E&S) DD • Commercial DD • Financial DD • Legal DD • Promoter DD	• Disciplined and multi-pronged approach to entry / exit valuation • Leverage distinctive structuring experience to mitigate downside risk and align objectives	• HR • Business ops, Supply chain, IT • Cost optimization • M&A • Branding, Marketing • Business Strategy • Financial Management • Strategic alliances • ESG	• Multiplicity of exit options • Ab initio alignment with promoters, teams • Adaptability • Speed • Intermediaries • Focus on execution excellence

IAF5

Deal Selection

ICICI Venture follows a 5-point framework for screening and selecting deals for further evaluation



IAF5

Key fund terms (India Advantage Fund S5 II)

Key fund terms*

India Advantage Fund S5 II	Organized as a close-ended, contributory, determinate trust, registered with SEBI as a Category II AIF (Fund of Funds); ICICI Venture is Settlor, AIF Sponsor, Manager of the Feeder Fund. Invests solely in India Advantage Fund S5 I which is organized as a close-ended, contributory, determinate trust, registered with SEBI as a Category II AIF (Master Fund). ICICI Venture is Settlor, AIF Sponsor, Manager of the Master Fund.
Minimum Capital Commitment	INR 10 Million (or as per extant SEBI AIF Regulations)
First Closing	July 7, 2022
First Drawdown	October 21, 2022 (notice issued on September 30, 2022)
Investment Period	5 years from First Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Fund Term	8 years from Final Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Management Fee	2% p.a. (net of GST) at Master Fund level per investor. Plus INR 1 Mn p.a. (net of GST) at overall Feeder Fund level. Master Fund Management Fee to be charged on the basis of Capital Commitment made by Feeder Fund during Investment Period and net invested capital thereafter
Feeder Fund Expenses	Feeder Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.25%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Feeder Fund at it's Final Closing, on an annualized average basis over Feeder Fund's term, plus pro-rata share of Master Fund Expenses
Master Fund Expenses	Master Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.75%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Master Fund at it's Final Closing, as calculated on an annualized average basis over the Master Fund's Term or Extended Term as maybe applicable, excluding one-time acquisition and divestment expenses incurred by the Master Fund
Hurdle Rate of Return	Applicable at Master Fund level (12% IRR on INR basis, pre-tax with full catch up)
Additional Amount	SBI MCLR +4% per annum applicable for Subsequent Closings with effect from date of First Drawdown
Additional Return	Applicable at Master Fund level only (20% on whole fund basis)

IAF5 *Subject to legal & tax advice, SEBI Regulations and approvals; for further details please refer PPM; ^ subject to final closing size being equal to target size

iREIF 2

India Real Estate Investment Fund Series 2

Affordable Housing Focused Debt AIF

CONFIDENTIAL, RESTRICTED AND PRIVILEGED 2022

Overview of ICICI Venture

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

ICICI Venture at a Glance

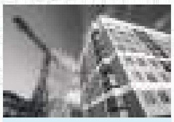
- **$5bn AUM/A** since inception
- **600+ Investments** since 1988
- **100+ Investments** since 2002
- **81+ Exits** since 2002

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
Total Inventory 4,917 units	Mayfair Housing
Ticket Size INR 3.5-24 Mn	Platinum Homes
	Suraj Estate
	Dhamji Shamji

Pune

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

Bengaluru & Chennai

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

iREIF

Our RE debt exit track record

ICICI Venture

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

Type	Investment	Exit	Gross IRR
Type: Affordable Housing	Investment : Oct 2018	Exit : April 2021	Gross IRR: 22.5%
Type: Affordable Housing	Investment : Oct 2019	Exit : Oct 2021 (Largely)	Gross IRR: 22%
Type: Housing	Investment : Oct 2013	Exit : Sept 2015	Gross IRR: 25.2%
Type: Affordable Housing	Investment : August 2013	Exit : Jan 2016	Gross IRR: 23.4%
Type: Affordable Housing	Investment : Oct 2012	Exit : Jul 2014	Gross IRR: 22.7%
Type: Housing	Investment : Dec 2012	Exit : Jul 2015	Gross IRR: 22.2%
Type: Affordable Housing	Investment : Dec 2014	Exit : Oct 2016	Gross IRR: 21.2%
Type: Commercial	Investment : Dec 2014	Exit : Aug 2016	Gross IRR: 21.8%
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

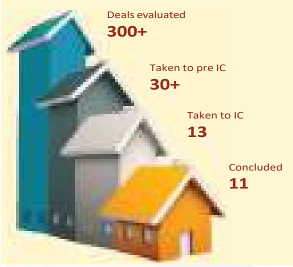
ICICI Venture

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
	2018	550	Taloja & Karjat, MMR	Affordable Housing	18-60	22.5%[2]	Exited
	2022	450	Taloja, MMR	Affordable Housing	27-40	18.0%[3]	On schedule
	2019	355	Bhukum, Pune	Affordable Housing	30-45	22.2%[2]	Largely Exited
	2021	500	Kirkitwadi, Pune	Affordable Housing	35-45	19.8%[3]	On schedule
	2019	650	Virar, MMR	Affordable Housing	35-45	18.8%[3]	Partly exited
	2021	550	Andheri, MMR	Affordable Housing	95-195	24.5%[3]	On schedule
	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
	2018	387	Hennur Road, Bengaluru	Affordable Housing	55-60	7.2%-13.8%[4]	Behind schedule
	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 Group

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

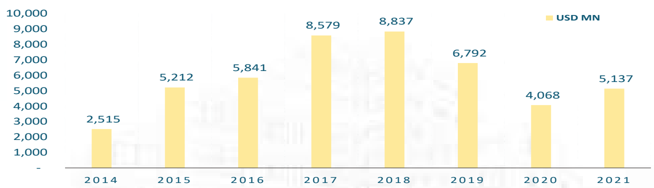
02 Benefits of MoU
- Enabling broader financing options for potential iREIF2 developers
- Co-lending with ICICI Bank / ICICI HFC will ensure financial closure
- Enhanced ability to negotiate better terms with the developer

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

iREIF2

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.

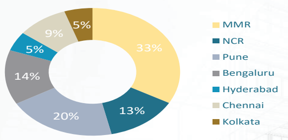
Source – Knight Frank Research, Venture Intelligence

iREIF2

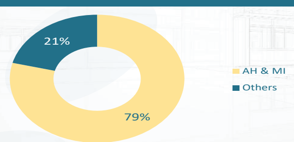
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

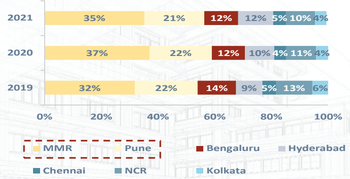
% of Overall Sales from 2015-2021



% 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

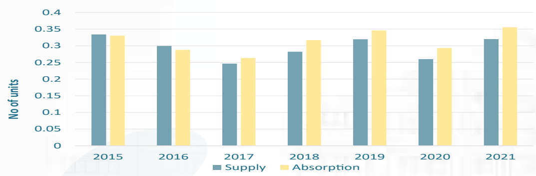
Source: PropEquity. CY 2020. Data for number of units sold

iREIF2

Covid impact

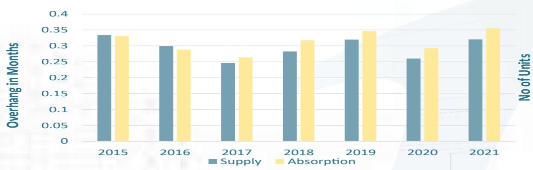
Despite Covid, healthy supply and absorption of residential units

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

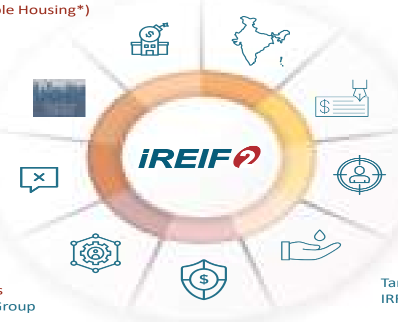
Source: Propequity

iREIF2

iREIF2 Strategy

ICICI Venture

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

iREIF2

*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

ICICI Venture

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%

iREIF2

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

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

iREIF2 key terms*

ICICI Venture

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

iREIF2

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

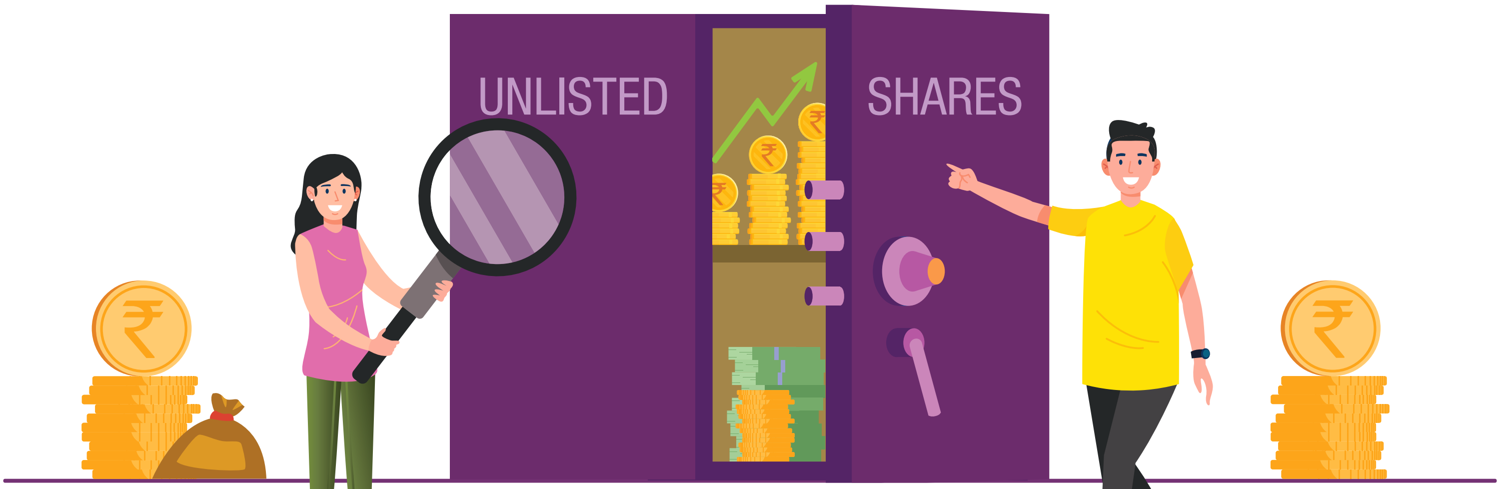
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY
PCG

Explore the
Hidden Treasure of **Unlisted Shares***

With

EQUITY
UNICORN

Investment in Unlisted Shares*



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).

Reliance Retail	Retail
HDB Financial Services Ltd.	Financial Services
Chennai Super Kings	IPL Team
TATA Technologies Ltd.	Engineering
PharmEasy (API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Mohan Meakin Ltd.	Beverages
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services

*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.

Periodic Review

No Lock-in Period

Basket of 4-5 Stocks

Power of Discretion

Umbrella Target of 4%

Dynamic Research Basket Stock Allocation

The information is only for consumption by the client and such material should not be redistributed.

ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

Feat Award Function 2022- 23

ANANDRATHI

INVESTMENT SERVICES

The Investments recommended in News letter / research reports, may not be suitable for all investors. Investors must make their own investment decisions based on their own specific investment objectives and financial position and using such independent professional advisors as they believe necessary.

Anand Rathi Share and Stock Brokers Ltd.,

Regd. Office: Express Zone, 10th Floor, A Wing, Western Express Highway, Goregaon (E), Mumbai - 400 063, Maharashtra. Tel: (022) 6281 7000.