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FINANCIAL FLASH

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INDEX

PCG Communique

From the Desk of the PCG Head

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PCG COMMUNIQUE – JULY 2024

June was the month where the verdict for the largest democratic country (in terms of population) of the world has given its verdict as to who will run the govt for the next 5 years. From an election result perspective and from the stock market point of view June 2024 was a dynamic month, which has seen huge swing on the post exit poll result to the actual poll result. The market was characterized by volatility influenced by both global and domestic players at the sametime, it was witnessed that exit poll results are quite indifferent Vs what has been the actual result. The BSE Sensex and the NSE Nifty 50 witnessed fluctuations, reflecting investor sentiment impacted by exit & actual poll results. Investors who has participated on the knife cut fall on the actual result day has made a significant return from the markets till date. Most of the Mid-Caps are up 15%-20% from that fall and large Caps are up anywhere between 5%-10% from the poll result day.

Throughout June, the Nifty 50 recovered all its Election Day losses within three trading sessions. This rapid rebound is among the swiftest recoveries in the history of Indian capital markets, primarily driven by substantial fund inflows.

According to data on foreign portfolio investors (FPIs), they were net buyers infusing approximately INR 53, 664 cr into Indian equities. During the same period, Domestic Institutional Investors (DIIs) contributed an additional INR 28,633 cr. The active buying by both FPI & DII has been a key factor in propelling the markets to new heights.

Next 100 Days are going to be exciting……….

The market hasn't shown any reservation to the lower than anticipated mandate the Modi Govt has got in their 3rd term and has shown full confidence on the continuation of policy & reforms. Infact the key portfolio of the Modi 3.0 is the same as Modi 2.0. The investment community has quickly adjusted to the coalition government. Investors are relieved that Chandrababu Naidu, known for his pro-development stance, which is one of the allies in the NDA government. The next 100 days are going to be very exciting.

At the sametime no sector is "cheap" and this is a rotational bull market. Banks looks to be an interesting piece going forward. The old paradigm that PSU banks can only trade at 1-1.2 times price-to-book will not be the case. Mid-cap and small-cap stocks look expensive currently, but still there are select pockets where investment still can be made. The next five years is an exciting time for infrastructure development in India.

India's retail inflation eased to the lowest since May last year, led by continued reduction in fuel cost and steady food prices. The Consumer Price Index-based inflation stood at 4.75% in May, as compared to 4.83% in April.

Internationally, Federal Reserve officials penciled in just one interest-rate cut this year and forecast more reductions for 2025, reinforcing policymakers' calls to keep borrowing costs high for longer to suppress inflation. US Fed policymakers signaled they now expect to cut rates only once this year, compared to the three reductions forecast in March, according to the median projection.

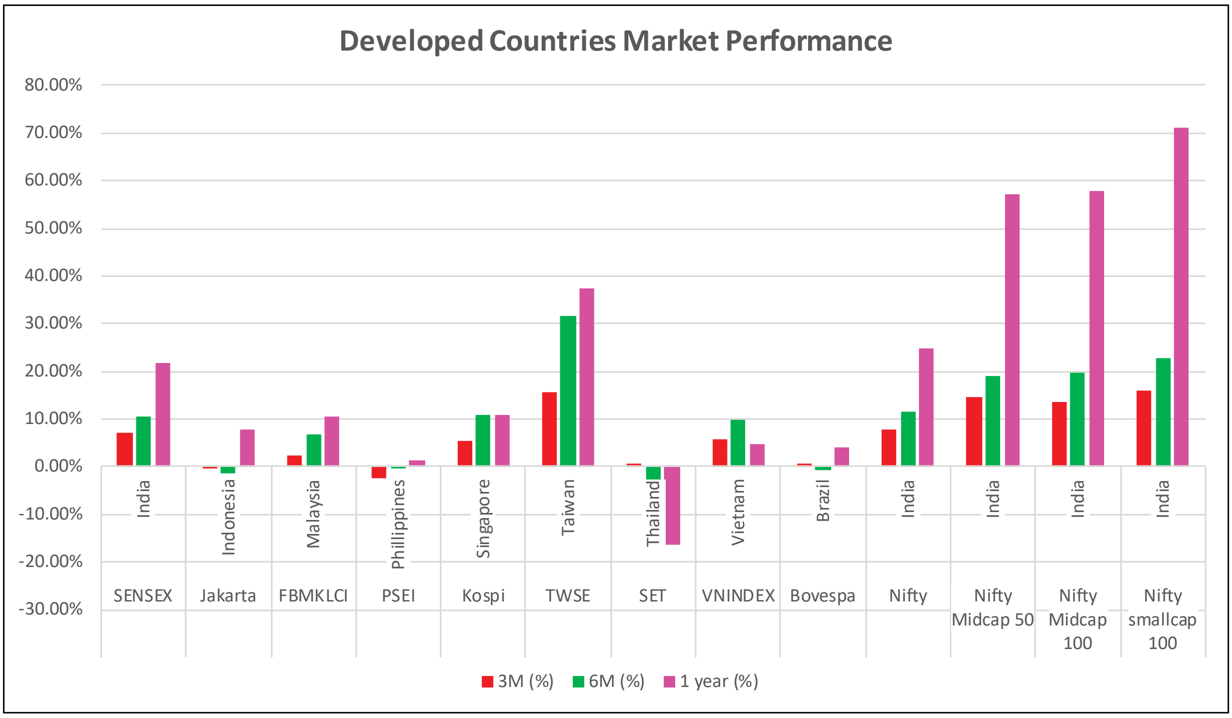
Sector and Stocks to Watch in July 2024

As we enter July, the Indian stock market stands poised for continued activity and potential growth, driven by robust economic indicators, corporate earnings, and sector-specific developments. Investors should anticipate focusing on key sectors like Information Technology, Pharmaceuticals, FMCG, Banking, Automobile, Real Estate, and Infrastructure, which are expected to deliver strong performances due to favourable conditions and strategic initiatives. Defence as a sector has to be keenly watched as there is a high intuition that the govt expenditure will be high on Defence understanding the border dispute with China and the announcement by the Defence minister Rajnath Singh estimated exports in the sector at ₹50,000 crore five years from now.

Additionally, the market sentiment is likely influenced by ongoing foreign and domestic fund flows, regulatory changes, and global economic trends. With these dynamics in play, July presents a promising landscape for investors seeking opportunities in well-performing and undervalued sectors.

Happy Investing!!!

Developed Countries Market Performance				
Indices	**Country**	**3M (%)**	**6M (%)**	**1 year (%)**
SENSEX	India	7.3%	10.70%	21.80%
Jakarta	Indonesia	-0.5%	-1.4%	7.92%
FBMKLCI	Malaysia	2.3%	6.7%	10.60%
PSEI	Phillippines	-2.3%	-0.3%	1.50%
Kospi	Singapore	5.35%	10.87%	10.82%
TWSE	Taiwan	15.50%	31.70%	37.40%
SET	Thailand	0.80%	-4.50%	-16.30%
VNINDEX	Vietnam	5.80%	9.90%	4.70%
Bovespa	Brazil	0.80%	-0.80%	4.10%
Nifty	India	7.66%	11.64%	24.90%
Nifty Midcap 50	India	14.60%	19.20%	57.20%
Nifty Midcap 100	India	13.57%	19.87%	57.69%
Nifty smallcap 100	India	15.83%	22.71%	71.01%



Market Commentary

The Nifty index ended the June month on higher note as it closed at'24,010' as compared to 2nd day of the month i.e '23,263', an uptick of 3.20%. Similarly, Sensex ended the June month at 79,032 grew by 3.35%.

It turned out to be a fabulous week of trade for Indian equity benchmarks with frontline gauges garnering weekly gains of over two percentage points and settling above their record 79,000 (Sensex) and 24,000 (Nifty) levels. During the week, traders seen taking bullish bets in fundamentally strong stocks on hopes of continuity in reforms and focus on 100-day agenda of NDA government. Sentiments also buoyed by expected revival in the technology space and consolidation in cement industry. Markets started the week slightly in green as traders found some support after the GST Council at its 53rd meeting introduced sweeping reforms with an aim to simplify tax compliance and ease the burden on taxpayers. Some support also came after S&P Global Market Intelligence said that the new government will likely focus on job creation and addressing farmers' concerns in its first 100 days. Markets extended northward journey and looked resilient during most part of the week taking support from RBI's statement that India recorded a current account surplus of $5.7 billion or 0.6 per cent of GDP in the March quarter. In the year-ago period, the current account deficit stood at $1.3 billion or 0.2 per cent of GDP. Sentiments also remained up-beat with CRISIL Ratings' report stating that capital goods makers are likely to see revenue rise 9-11% in fiscal 2025, led by continued significant outlays towards railways (including metros), defence, conventional and renewable sectors. This compares with an expected around 13% growth in fiscal 2024. Optimism continued on Dalal Street taking support from RBI's data showing that India's financial position with the rest of the world improved over the year. The country increased its overseas assets more than it increased its foreign liabilities, largely due to a rise in reserve assets. Key gauges continued to hit record levels one after other as traders took support with the National Council of Applied Economic Research (NCAER) stating that India's economy is set to achieve significant growth, with projections nearing 7.5% for the current fiscal year (FY25). Some solace also came with CRISIL's report stating that India's current account surplus in the fourth quarter of the 2023-24 fiscal was aided by narrowing of the merchandise trade deficit, an increase in remittances and a surplus in services trade. The country's current account recorded a surplus of $5.7 billion, which is 0.6 per cent of the GDP, in the fourth quarter of the last financial year. However, domestic markets ended the week off record highs as traders booked minor gains on final day of the week as participants turned wary of the high valuations. Traders also took note of report that Securities & Exchange Board of India (SEBI) at its board meeting approved new criteria for a single stock F&O entry and exit, voluntary delisting norms and flexibility on the same, norms on finfluencers, measures to ease of doing business for REITs and InvITs and many other decisions. Despite profit booking in last session, Sensex and Nifty managed to settle above their psychological levels of 79,000 and 24,000, respectively.

The S&P India Manufacturing PMI came in at 58.3 in June 2024, up from May's 57.5 but slightly below both preliminary estimates and market forecasts of 58.5. The latest reading indicated a sharper improvement in business conditions, as strong demand conditions spurred the expansions in new orders, output and buying levels. At the same time, firms raised employment at the fastest rate seen in more than 19 years of data collection. Stocks of purchased materials also rose at a near-record pace, supported by another improvement in suppliers' delivery times. On prices, input price inflation eased in May, but was nonetheless among the highest since August 2022. As a result, companies lifted selling prices to the greatest extent since May 2022. Lastly, the outlook for the manufacturing sector remains positive, with firms expecting further improvements in demand and order book volumes in the year ahead. However, the future output index fell to a three-month low.

The S&P Global India Services PMI edged up to 60.4 in June 2024 from 60.2 in the previous month, compared to market forecasts of 60, preliminary estimates showed. This marked the 35th consecutive month of growth in services activity, supported by a further rise in new orders. Additionally, new export orders expanded for the 22nd straight month, with the service economy contributing mostly to this growth. Employment levels in the sector also increased during the month. On the price front, input price inflation slowed in the service sector, while charge inflation fell to a joint four-month low (the same as in April). Lastly, business confidence remained upbeat in June, as firms expect their marketing efforts to bear fruit and positive demand momentum to be sustained.

The annual retail inflation rate in India eased to 4.67% in May of 2024 from 4.83% in the previous month, below expectations that the rate would rise to 4.9%, to mark the slowest increase in consumer prices in one year. It was the ninth consecutive month that Indian inflation remained within the RBI's tolerance band of 2 percentage points from 4%, one among multiple conditions necessary for the central bank to deliver rate cuts this year. Prices slowed for housing (2.56% vs 2.68% in April) and clothing and footwear (2.74% vs 2.85%), while remaining loosely stable for food (8.69% vs 8.7%). On the other hand, deflation softened for fuel and light (-3.83% vs 4.24%). From the prior month, Indian consumer prices rose by 0.48% for a second consecutive month.

India's total exports (Merchandise and Services combined) for May 2024* is estimated at USD 68.29 Billion, registering a positive growth of 10.25 percent vis-à-vis May 2023.Total imports (Merchandise and Services combined) for May 2024* is estimated at USD 79.20 Billion, registering a positive growth of 7.95 percent vis-à-vis May 2023. India's total exports during April-May2024* is estimated at USD 133.61 Billion registering a positive growth of 9.21 percent. Total imports during April-May 2024* is estimated at USD 149.92 Billion registering a growth of 9.93 percent.

The Goods and Services Tax (GST) collections in June 2024 stood at ₹1.74 lakh crore. The GST collections in May 2024 stood at ₹1.73 lakh crore, growing at a rate of 10% on YoY basis. The cumulative GST collections from April to June 2024 amounted to ₹5.57 lakh crore.

India's foreign exchange reserves increased by US$0.8 billion to $653.71 billion in the week through June 24. Foreign currency assets fell by $0.1 billion to $574.13 billion for the week ending June 24.

The U.S. markets ended higher during the passing week after a report released by the Labor Department showed first-time claims for U.S. unemployment benefits fell by more than expected in the week ended June 22nd. The Labor Department said initial jobless claims dropped to 233,000, a decrease of 6,000 from the previous week's revised level of 239,000. Street had expected jobless claims to edge down to 236,000 from the 238,000 originally reported for the previous week. The report said the less volatile four-week moving average rose to 236,000, an increase of 3,000 from the previous week's revised average of 233,000. Further, the U.S. economy grew by slightly more than previously estimated in the first quarter of 2024, according to a report released by the Commerce Department. The report said gross domestic product jumped by 1.4 percent in the first quarter compared to the previously estimated 1.3 percent increase.

The upward revision matched street estimates. The GDP growth in the first quarter still reflects a notable slowdown compared to the 3.4 percent surge in the fourth quarter of 2023. The Commerce Department said the upward revision primarily reflected a downward revision to imports, which are a subtraction in the calculation of GDP, and upward revisions to non-residential fixed investment and government spending. Besides, the Commerce Department released a report showing new orders for U.S. manufactured durable goods unexpectedly crept higher in the month of May. The report said durable goods orders inched up by 0.1 percent in May after rising by a downwardly revised 0.2 percent in April. Street had expected durable goods orders to slip by 0.1 percent compared to the 0.6 percent increase that had been reported for the previous month.

The unexpected uptick by durable goods orders partly reflected an increase by orders for transportation equipment, which climbed by 0.6 percent in May after dipping by 0.1 percent in April. Excluding the increase in orders for transportation equipment, durable goods orders edged down by 0.1 percent in May after climbing by 0.4 percent in April. Ex-transportation orders were expected to rise by 0.2 percent. However, traders seemed reluctant to make significant moves during the week ahead of the release of key inflation data. The Commerce Department is due to release its report on personal income and spending in the month of May, which includes readings on inflation said to be preferred by the Federal Reserve. The report is expected to show a modest slowdown in the annual rate of consumer price growth and could have a significant impact on the outlook for interest rates.

European markets remained lackluster during the passing week, amid concerns about inflation and lingering uncertainty about the outlook for Fed interest rates. The start of the week was on a higher note, as Germany's private sector expanded for the third straight month in June, though the pace of growth was weak amid a solid and accelerated drop in manufacturing production. The preliminary results of the purchasing managers' survey by S&P Global showed that the flash composite output index dropped to 50.6 in June from May's 12-month high of 52.4. Meanwhile, the score was expected to climb to 52.7. Nonetheless, a score above 50 indicates expansion. Further, UK retail sales rebounded in May as sales across all sectors recovered after poor weather damped turnover in April. The official data revealed that the retail sales volume grew 2.9 percent on a monthly basis, offsetting the 1.8 percent fall in April. The growth also exceeded forecast of 1.5 percent.

However, markets cut their gains towards end of the week, as French consumer confidence weakened in June on rising concerns about future standard of living. The monthly survey results published by the statistical office INSEE showed that the consumer confidence index fell to 89 in June, in line with expectations, from 90 in May. The indicator has remained well below its long-term average of 100. Besides, German consumer confidence is set to deteriorate in July as the economy struggles to gain momentum. After rising for four straight months, the consumer climate index dropped unexpectedly to -21.8 in July from -21.0 in June, the survey published jointly by GfK and the Nuremberg Institute for Market Decisions showed. The score was forecast to climb to -19.4. In June, income and economic expectations suffered moderate losses, and the propensity to buy dropped slightly and continued to stagnate at a very low level. On the other hand, the propensity to save indicator rose 3.2 points to 8.2 in June.

On the inflation front, Finland's producer prices continued their declining trend in May, though at the slowest pace in more than a year. The data from Statistics Finland showed that the producer price index fell 0.4 percent year-over-year in May, following a 2.1 percent decline in the previous month. Further, this was the weakest decline since the current sequence fall began in April 2023. However, Sweden's producer prices increased for the second straight month in May, and at the fastest pace in more than a year, despite a continued fall in energy prices. The figures from Statistics Sweden showed that the producer price index climbed 2.6 percent year-on-year in May, following a 0.9 percent gain in April.

Asian markets ended mostly in red during the passing week as traders awaited a key U.S. inflation reading that could influence the Federal Reserve's decision on when to begin cutting interest rates. Federal Reserve governor Michelle Bowman has warned of upside risks to the inflation outlook and reiterated the need to keep borrowing costs elevated ‘for some time’. Seoul stocks ended almost flat as South Korea's industrial output turned downward in May amid the continued fall in consumption and investment. The seasonally-adjusted production index in all industries, which excludes the agriculture, livestock and fishery sector, shrank 0.7 percent in May 2024 from a month earlier after rising 1.2 percent in the previous month.

Chinese Shanghai fell over one and half percent after National Bureau of Statistics (NBS) data showed China's industrial profits rose at a sharply slower pace in May, underlining the struggles faced by the world's second-largest economy as weak domestic demand crimps overall growth. Earnings rose 0.7 per cent year-on-year in May after a 4 per cent increase in April while gains over the first five months also eased to 3.4 per cent from 4.3 per cent in the January-April period. Traders overlooked China's Premier Li Qiang’s statement that the country is capable of achieving the full year growth target of around 5 percent.

However, Japanese Nikkei surged around two percent as a slew of data showed industrial production in Japan was up a seasonally adjusted 2.8 percent on month in May. That beat forecasts for an increase of 2.0 percent following the 0.9 percent contraction in April. The unemployment rate in Japan came in at a seasonally adjusted 2.6 percent in May. That was in line with expectations and unchanged from the April reading. Some support also came with another data showing that the total value of retail sales in Japan was up 3.0 percent on year in May, - coming in at 13.504 trillion yen. That exceeded expectations for an increase of 2.0 percent, which would have been unchanged from the April reading following a downward revision from 2.4 percent.

The S&P Global US Manufacturing PMI was revised slightly lower to 51.6 in June 2024 from a preliminary of 51.7, but continued to point to the highest reading in three months and to an improvement in the manufacturing sector. New orders rose for a second month running and production continued to rise, albeit at a weaker rate. Also, employment increased the most since September 2022. Although input costs continued to rise sharply, the rate of inflation eased in June, while selling prices increased at the slowest pace in the year-to-date. Meanwhile, business confidence hit a 19-month low, although client demand remained muted.

The HCOB Eurozone Manufacturing PMI was revised higher to 45.8 in June 2024 from a preliminary estimate of 45.6. Still, the PMI remains well below the survey average of 51.6, with output contracting at the fastest rate so far this year. New orders, purchasing activity, and employment all declined more rapidly. On the price front, input costs rose for the first time since February 2023, leading factories to reduce discounts. Output charges saw a slight decrease, the slowest rate in over a year. Finally, the outlook for output over the next 12 months is positive.

The au Jibun Bank Japan Manufacturing PMI was revised lower to 50.0 in June 2024 from 50.1 in the preliminary reading and after a final 50.4 in May. Still, it marked the 2nd straight month of expansion in the manufacturing sector supported by sustained job creation, the clearing of backlogs, and stock-building efforts. Factory output grew for the 1st time in over a year, boosted by rises in demand for key products, while new orders fell due to a further drop in foreign sales. Employment climbed for the 4th straight month, though at a moderate pace. Purchasing activity shrank for the 23rd straight month, while delivery times shortened amid higher stock levels at vendors and subdued input demand. On prices, input price inflation accelerated to a 14-month high due to higher copper, crude oil, electronic components, labor, transportation, and utility costs. As a result, the selling price rose to the greatest extent in over a year. Finally, sentiment improved to its best in 2024 so far

Going Ahead

The earnings growth for 2023-24 exceeded expectations by nearly double, hitting over 20%. Currently,

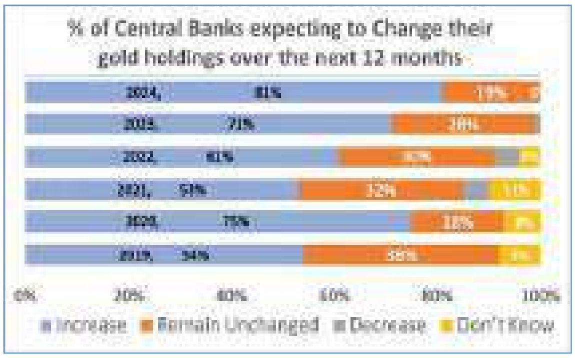
large cap indices like the Nifty 50 are anticipated to grow earnings by annualized rate of 12 to 13% over the next two years. With these indices trading at a one-year forward price-to-earnings multiple of about 20, market doesn't seem to be overvalued. Our analysis suggest that around 10% to 12% return on large cap indices over the next 12-months is reasonable. However, the narrative is different for mid and small cap stocks. Coinciding with a significant rally,

With indices surging over 60% in the past 12-months, there's a discernible slowdown in earnings growth. While a substantial acceleration in earnings is anticipated for small cap indices, consensus expectations for mid-cap indices remain modest. A more detailed assessment, however, suggests that while the broader indices might seem overvalued, this is not universally the case for individual mid and small cap stocks. Our analysis suggests that only about 20% of midcap stocks and even lesser proportion of small cap stocks are overvalued. These overvalued stocks, however, disproportionately impact the index level valuation and thereby market perceptions about these segments of the equity market. Despite the optimism for medium to long-term prospects in Indian equites, a correction over the next three to six months cannot be ruled out. Historically, the Nifty 50 often corrects by 10 to 15% within a year, only to rebound and hit new highs, on an average, within three months of reaching the yearly low. This rapid fluctuation underscores the futility of attempting to time the market. Investors would be wise to focus on strategic asset allocation, tailoring their investments to their return expectations, risk tolerance, and investment horizons. Over the long term, staying invested and disregarding short-term market fluctuations and news flows is likely to yield superior, risk-adjusted returns. This strategy not only mitigate the risks inherent in market timing but also positions investors to capitalize on India's dynamic economic trajectory.

Commodities Outlook

Precious Metals: : Gold faced headwinds in June as US Fed stays hawkish on rate cuts in 2024; sticky inflation bets amid resilient manufacturing activities dents sentiments while Labour market indicators stay steady till May; risk of slowdown in economic conditions persist in Q3 2024.

Global Central Bank; ETF Demand may Improve in H2 2024; Subdued Growth expectations keep Rate Cut Hopes Alive; Market consensus suggest consolidation in gold in current quarter before a leg up till the end of H1 2025.



According to the 2024 Central Bank Gold Reserves (CBGR) survey, which was conducted between 19 February and 30 April 2024 with a total of 70 responses, 29% of central banks respondents intended to increase their gold reserves in the next twelve months, the highest level observed by World Gold Council since beginning of survey in 2018. The planned purchases were chiefly motivated by a desire to rebalance to a more preferred strategic level of gold holdings, domestic gold production, and financial market concerns including higher crisis risks and rising inflation.

Outlook - Gold Spot Close: $2329.46/ounce as on 2nd July, MCX August Close: Rs 71,554/ 10 gm

Gold Triggers for H2 2024	
Major Triggers	Consensus Expectations
Expected Fed Funds Rate	Current: 5.25 - 5.50 % 25 - 50 Bps lower by year end
Dollar & Yields	Stable to marginally Down
Economic Scenario	Slowdown expected in Q4 2024
Inflation	Stubborn but decline below 3 % YoY
Geopolitical Risk	Remains moderate till end 2024
Central Bank Buying	To Improve in H2 2024
Net Positioning	To remain high on Net long side
ETF Flows	Europe & US Flows to stabilize
Implied Gold Performance	Consolidation with positive bias Estimated H2 2024 average $ 2250/Ounce H1 2024 Average: $ 2200/Ounce

On a quarterly basis, Yellow metal posted its third consecutive quarterly gain, the best run since the pandemic-blighted 2020. It's advance this year had been supported by expectations of Fed rate cuts, as well as buying by central banks and demand for a haven amid geopolitical tensions. Meanwhile moving ahead for the current quarter the global economy and financial markets are stands at a transitional period. Bond yields continue to move sideways as Western central banks have kept policy rates on hold. However stubborn inflation and signs of cooling labour markets could put pressure on policymakers to ease rates as soon as September. This is exemplified by the sooner-than expected rate cut by the European Central Bank (ECB).

Retail investment demand has remained low in last quarter amid higher prices while gold ETFs have seen net outflows year to date. Gold's strong performance, despite the absence of strong Western ETF inflows, suggests that, unlike historical periods when gold have reached record highs, the market is still not saturated and could see another leg up in the long run.

Meanwhile near term expectations for the current month includes consolidation in the range of $ 2270 – 2380 per ounce in Spot. On MCX August futures contract this could translate to a range of Rs. 69,200 – 73,000 per 10 gm.

Outlook – Silver Spot Close: $29.5270/ounce as on 2nd July, MCX September Close: Rs. 89,893/ Kg

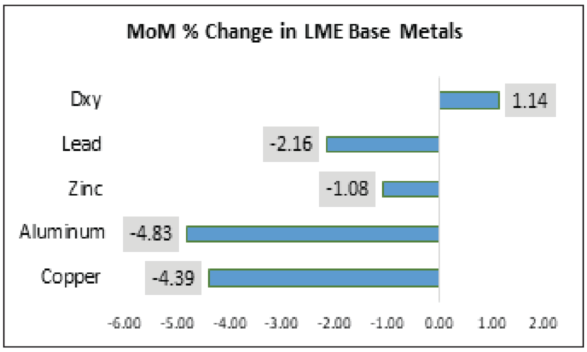
Silver remained a preferred bet than Gold as it remained top performer in Non Agro Commodities in H1 2024. Interest in white metal is yet to wane as it might continue its outperformance in H2 2024.

Silver outperformed Gold in domestic & international markets by a margin of around 5 percentage points in H1 2024. However, returns from silver in the domestic market lagged the international one's despite the weakness seen in rupee. This is due to the fact that Indian importers are using the Comprehensive Economic Partnership Agreement rule a bilateral trade channel between India & UAE that allows lower import duties. Lower landing costs & expectation of a strong rally in silver prices led to huge imports of the metal in first 4 months of the year causing some supply overhang where silver imports till April 2024 surpassed the numbers seen in whole of 2023. This also created arbitrage opportunity in Silver between Indian & International markets. However Silver imports may stay subdued in near months before picking up ahead of festive season seen in last quarter in India which may also augment retail & investment demand.

Historical Seasonality shows that in Last 20 years Spot Silver price had delivered positive second half returns in 12 years while delivered negative returns in 08 years indicating overall bias remains on the positive side. Considering first half Spot Silver price at $ 26.15 per ounce in Spot we anticipate returns of 25 – 30 % in H2 2024 with estimated average spot price at $ 32 – 34 per ounce in second half of the year.

Silver Monthly returns in July -August period tends to remain positive in last 50 year indicating prices might find supports at lower levels and bottom out in Jul-Sep Quarter of the year before witnessing new highs by the first half of next year. Meanwhile we don't rule out a possibility of a 5 – 6 % corrective move to persist in near term where Spot Silver may find supports in the range of $ 27.60 – 28.20 in Spot markets. On MCX this could translate to a trading range of Rs. 85,700 – 93,500 /Kg in September futures contract.

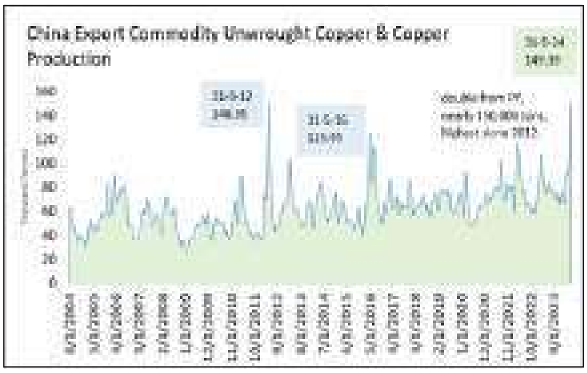
Base Metals Struggle in June: Insights from China and Global Markets



In June, base metals prices continued to struggle, with any rallies seen over the past months capped by various factors. China's economic indicators are closely monitored as they provide insights into the demand scenario for industrial metals. Last month, concerns emerged from poor industrial demand in China, reflected in a declining Yangshan copper premium and a substantial increase in inventories in major Chinese warehouses.

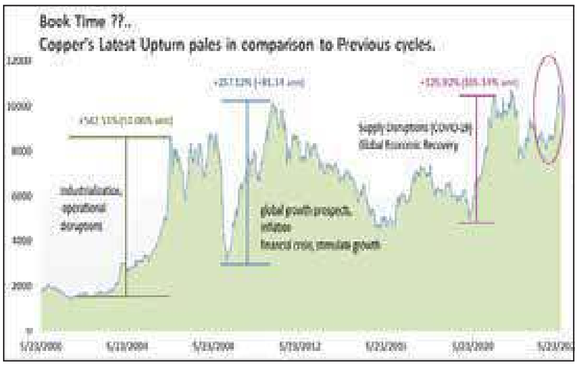
Copper prices experienced a significant downturn in June, erasing gains made in May and part of April. The decline amounted to 14% from their recent peak, driven by concerns over growing global inventories, profit-taking by investment funds, and subdued demand from China. Despite bullish investments from fund managers in London and New York, Chinese buyers were deterred by a sluggish property market and escalating prices.

Chinese copper exports hit a record in April as poor domestic demand forced traders to seek overseas markets for their surplus. Exports of unwrought copper and products in May doubled from the previous year to nearly 150,000 tons, surpassing the previous high reached in 2012, according to the latest customs data. In June, China's refined copper total import quantity rose by 13% from the previous month to 346,986 MT, while refined copper total export quantity rose by 201% from the previous month to 73,860.1 MT.



On the inventory front, LME-approved copper inventories surged to 186,450 tons as of July, up from 104,600 tons in mid-May. The Yangshan copper cathode premium discount tightened to $5 per ton from $20 in May, indicating improved import appetite in China. However, prices may face pressure in Q3 as Chinese smelters boost supply post-maintenance. Shanghai Futures Exchange copper inventories fell by 3,389 tons this week, with current copper stock at warehouses totaling 319,521 MT.

The latest monthly report from the International Copper Study Group (ICSG) reveals that the global refined copper market shrunk from a significant surplus of 123,000 tonnes in March 2024 to a surplus of 13,000 tonnes in April 2024. During this period, global refined copper output declined by 0.7% year-on-year, marking the first decrease since June 2023.



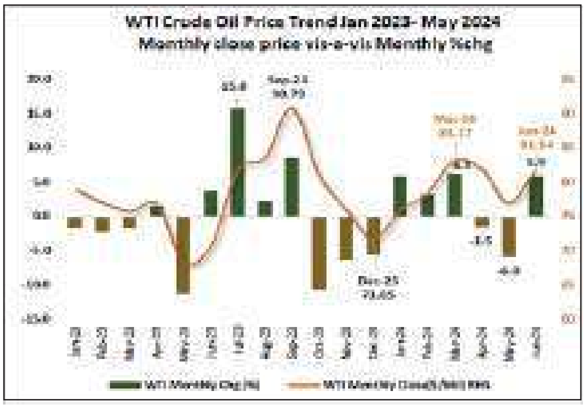
Base Metals Outlook: Weakening Demand, Stimulus Needs, and Global Market Dynamics

Copper demand is weakening, causing inventories to rise, with China's uncertain property sector adding further pressure. To support short to medium-term demand growth, commodity-intensive stimulus is necessary. The base metals market is focused on potential interest rate cuts from the Federal Reserve. Outside China, the US manufacturing sector is performing well, while Europe remains in a manufacturing recession. The recent price correction offers potential investment opportunities.

Crude Oil

Crude oil rebounds in June on OPEC+ cuts rollover and geopolitics

Crude oil's comeback in June 2024 was driven by OPEC+ cuts rollover, demand optimism and rising risk premium. Oil's price volatility is here to stay with Hurricane season making its way, but China's stalling demand growth and gasoline demand losing steam could cap any sharp upside.



On the Multi Commodity Exchange (MCX), crude oil prices rebounded from a low of ₹6,050 tested in early June and recovered almost 13% to close the month at ₹6,805 per barrel. On a monthly basis, WTI crude oil rose by approximately 6% in June, settled at $81.54 per barrel. The upward movement in oil prices was spurred by OPEC+ cuts rollover into Q3 2024, which is likely to keep oil balances in a marginal deficit, and escalating geopolitical tensions that have added a risk premium to oil.

Spreads for both Brent and WTI saw backwardation widening last month, signalling tightness, while money managers continued piling into oil. Regarding summer travel demand, gasoline consumption in the U.S. hit a post-pandemic high, reaching 9.4 million barrels per day in mid-June, but then lost steam later in the month.

Let's see what July has in store.

July kicks off with a bang as Atlantic hurricane season hits oil market

After rallying more than 6% in June, oil prices extended gains, climbing over $84 per bbl at the start of July due to concerns over the rapid start to the hurricane season. August is typically associated with potential supply disruptions during peak hurricane season. However, in 2024, abnormally hot ocean temperatures are fuelling dangerous storms earlier. Hurricane 'Beryl' has strengthened to a category 4 storm, becoming the strongest storm to ever form in the Atlantic at this time of year. This unprecedented strength in June signals a potentially severe storm season. The hurricane could have two distinct impacts on the energy industry, depending on its path.

July kicks off with a bang as Atlantic hurricane season hits oil market

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Impact of Hurricane season on Oil Prices:

Eastern Gulf Path: If the storm heads towards the eastern Gulf, oil prices are likely to rise due to potential disruptions. Disruptions could lead to the closing of offshore rigs and possible damage.

Western Gulf Path: If the storm makes landfall along the Texas to Louisiana shoreline, it could be bearish for oil prices but bullish for refined products, as refineries might get damaged or taken offline.

Close monitoring of the hurricane's path is essential.

Besides the potential supply threat amid the Hurricane season and ongoing geopolitical tensions, let's understand the actual demand supply scenario prevailing in the oil markets at present.

Current Oil Market fundamentals

Broadly speaking, global oil balances are likely to stay in deficit during Q3 2024 due to restricted oil supplies from OPEC+ members. The ongoing US summer travel season will further boost gasoline demand. As long as OPEC+ cuts remain in place, oil prices may sustain above $78-80 per barrel. However, without the OPEC cuts, oil balances could turn into surplus amid higher non-OPEC supplies and a slowdown in demand growth from China. China, is struggling with stalling economic growth. And its shaky demand recovery for oil products is prompting domestic refiners to dial back their run rates.

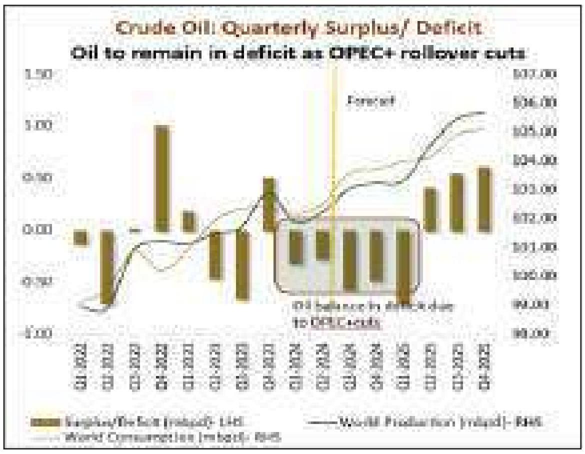
OPEC, in its June 2 meeting, mentioned the possibility of unwinding cuts starting in October 2024. However, abundant supply and an uncertain demand outlook signal very little room for OPEC+ to start tapering output cuts in Q4 2024.

Besides, uncertainty persists as the Federal Reserve may continue holding a tight monetary stance at least until September. Market expectations suggest that a fall in interest rates will boost oil demand. However, historically, oil prices have seen a sharp decline after the US Fed started to cut rates. Rate cuts in 1986, 1992, 2003, 2009, and again in 2020 suggest that recession and a slump in oil prices often accompany declining interest rates.

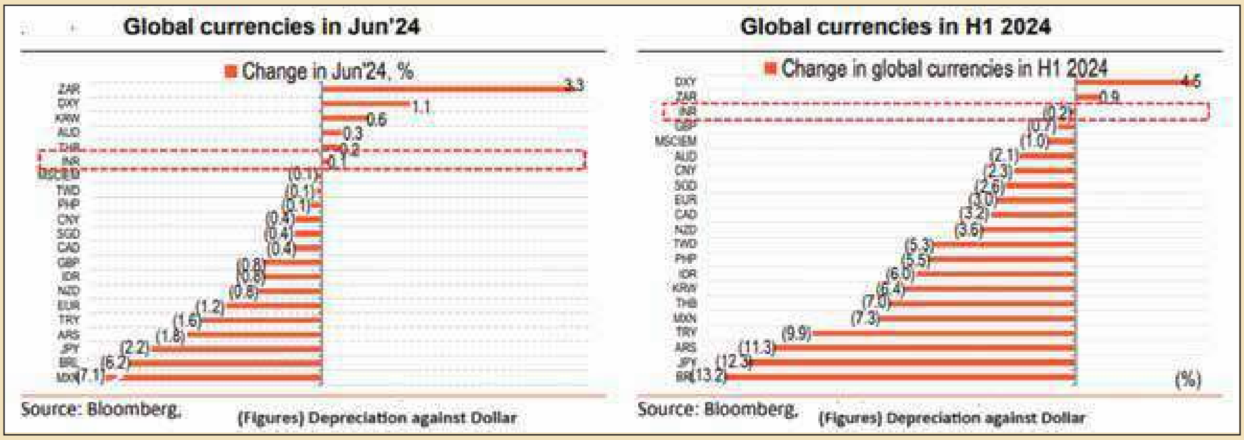
Crude Oil price outlook for July

The current price level of WTI oil, hovering around $83-84 per barrel, is driven by partly by OPEC+'s tight control over supply and escalating geopolitical threats. Without the escalation of geopolitical risks into broader conflicts or the occurrence of hurricane-related supply disruptions, it is unlikely that WTI oil prices will sustain above $85 per barrel. Should geopolitical risks diminish while OPEC's production cuts remain, WTI oil is expected to average around $79-80 per barrel in July. A price drop below $78 per barrel seems unlikely as the oil market is projected to remain in deficit in Q3 2024.

WTI oil (currently priced at $82.84 per barrel) may find support around the $78-79 level, while on higher side resistance is seen at $85/88 per barrel. For MCX crude oil (currently priced at ₹6,920 per barrel), support is anticipated at ₹6,600/6,680, while resistance is expected at ₹7,050/7,400.



Currency Outlook



Movement in global currencies in Jun'24

Global currencies mostly depreciated against the dollar. Dollar index rose by 1.1% higher as investors assessed macro data. Inflation in the US as measured by the core PCE index moderated. Growth indicators pointed a slowing momentum with a further decline in manufacturing PMI. While the data reinforces view of a Sep'24 rate cut, FOMC officials have continued to downplay the much-awaited pivot in the Fed's rate path. Fed's latest projections suggest the likelihood of a single rate cut in 2024 compared with expectations of 3 rate cuts at the start of the year. Political uncertainty also played a part after the first US presidential debate.

Even in the UK and France, political uncertainty weighed on investor sentiments. On the other hand, JPY depreciated to a 38-year low as policy divergence with the US is expected to continue in the near-term. Rising US treasury yields also exacerbated the interest rate differential between the two nations. In China, macro data continued to point towards an uneven recovery, which also weighed on its treasury yields and interest rate differential.

Three considerations helped lift the dollar in June

First, the Federal Reserve median dot shifted to only one cut this year rather than the three anticipated in December 2023 and March 2024. Second, for the first time, the ECB cut rates ahead of the Federal Reserve, and another cut is favoured in September. Half of the G10 central banks have cut interest rates. In addition to the trajectory of monetary policy, European politics, and especially, the snap French election, helped the dollar, even though the US election in November may be disruptive for the capital markets. Third, the Bank of Japan disappointed many participants by not announcing a change in its bond purchases, which served to dampen expectations of a rate hike in July.

Dollar Outlook

US inflation and growth is showing signs of a moderation, the possibility of monetary easing will face hurdles due to the evolving political landscape in the country. As of now, a rate cut is priced in for Sep'24, however, the path forward will be contingent on the election results in Nov'24. Till then, we can expect some volatility in the global markets and Dollar.

However, as we move closer to year-end, if US inflation trends lower, the pricing for future interest rate reductions will lift, and the USD will begin to depreciate. The extent of Dollar depreciation, when it occurs will not be large. This is because US interest rate reductions are unlikely to be large, unless a shock hits the US economy.

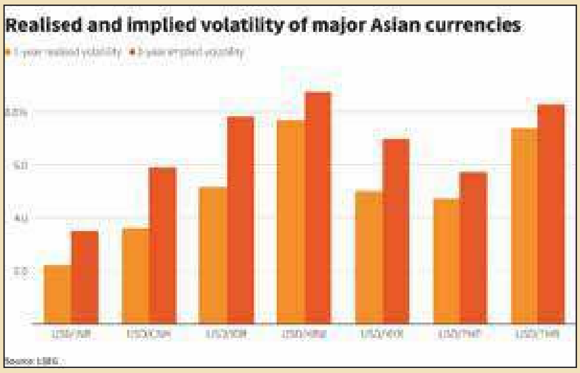
Global Central Bank Movements

Several central banks are taking steps to adjust their interest rates:

- **Cutting Rates**
  The European Central Bank (ECB), Bank of Canada, Swiss National Bank, Sweden's Riksbank, and the People's Bank of China have all begun reducing rates.
- **Holding Steady**
  The U.S. Federal Reserve, Reserve Bank of Australia, and Reserve Bank of New Zealand have chosen to maintain their current rates.
- **Upcoming Cuts**
  The Bank of England has hinted that it may start cutting rates in August.

Rupee

Rupee to trade in narrowest range in about 30 years on RBI's actions



Rupee traded within the narrowest range in nearly three decades over the coming year as the Reserve Bank of India (RBI) continues to maintain its tight grip on the currency's movements. While most emerging market currencies fared badly against the dollar in the past two years, the rupee has stayed remarkably stable due to the RBI's nearly $650 billion forex reserves which it has deployed regularly to curb volatility. The currency's implied volatility, hovering at its lowest level in nearly two decades, is expected to hold ground at least until the year-end. The average daily annualized volatility in INR also increased to 2.9% in Jun’24 after remaining at a historical low in the last few months. This can be attributed to uncertainty during the election period and the subsequent results. In H1 2024, INR has depreciated by 0.2%. However, RBI’s strong forex buffer of over US$ 650bn should help keep the rupee range-bound in case of this eventuality.

FPI inflows occurred on India’s bond inclusion, Will FPIs continue overwhelmed?

FPI inflows are crucial for financing the current account deficit and are hence important for external stability and the exchange rate. At US$ 2bn, FPI inflows into India have been relatively muted so far in FY25 (data upto 1 Jul 2024). A large part of Rupee strength in FY25 was based on the premise of buoyant FPI inflows as equity inflows were widely expected to be supplemented by robust dent inflows. There were several conjectures about the quantum of FPI inflows due to India’s inclusion in the JP Morgan. Based on data from NSDL, during 28 Jun to 1 Jul 2024, debt inflows into India were less than US$ 400mn. Debt utilisation by FPIs for FAR holdings also remained largely unchanged. This can perhaps be due to the fact that a large part of frontloading by FPIs had already taken place in the period after the announcement of India’s inclusion in the index in Sep’23. bond index which officially came into effect from 28 June 2024, with investors

estimating possible inflows of ~US$ 1-2bn on the day itself. However, the actual inflows have underwhelmed. If we do not see a meaningful pickup in FPI inflows in the coming months, there can be some pressure on Rupee especially if the dollar rally resumes.

Rupee Outlook

The rupee continues to be dominated by the RBI's steadfast focus on curbing volatility, limiting any impact of portfolio flows or changes in fundamental outlook. Despite the short-term benefits, too much of a good thing can have its side-effects. The RBI may have gone overboard in containing volatility by driving it to levels that are well-below the historical ranges for rupee and are comparable with a pegged currency. The rupee, though, is expected to be well supported by portfolio inflows and an upbeat economic outlook in comparison to China's, which has sputtered due to the protracted troubles in the real estate sector. All in all, the pressure on the Yuan is higher than on the rupee. The common factor is both currencies have low volatility relative to their Asian peers, largely due to active forex management by the respective central banks.

The next big risk for investors will be in late July when the new government announces its budget. If they unveil a lower deficit target, that in turn will be positive for both the currency and bonds. As for the RBI, inflation risks from rising oil prices will only reinforce their hawkish hold. While appreciation of the currency will be further delayed amid rising energy costs, at least stability will likely remain in check. Overall, we expect Rupee to trade in the range of 83.35-83.65 in the current month.

Technical Analysis

NIFTY: JULY 2024

LEVELS TO WATCHOUT FOR: 24200 - 24500 / 23900 – 23600

A month before who would have thought that the month of June 2024 would be so dramatic. The month was like a wild roller coaster ride both for the bulls and the bears on the D – Street. A bit disappointing result from the BJP side resulted in a massive crack of over 2000 points in a single session in NIFTY 50. After registering an all-time high above 23300-mark, NIFTY 50 nosedive to 21281 on result day. However, under the leadership of our PM MODI, managed to form a government, and this bolstered the sentiment on the street. As a result, there was no looking back for the bulls, and they pulled the index NIFTY 50 to the new milestone of 24000. Overall, the index gained over 6% during the month.

On the technical front, the index NIFTY confirmed the breakout from the rising channel which was being respected since many months. The theoretical target of the breakout was around 24200 – 24400 and the index has made high exactly near 24200 mark. During the past couple of weeks, we witnessed heavy index management in the domestic markets wherein only handful of stocks were pulling the benchmarks whereas the broader markets consolidated. Even on Friday's session, the index gave away all its gains and closed flat near 24000 mark resulting in a reversal candlestick pattern. The FIIs long short ratio in index futures has reached over 80%. This is the highest level we have seen in months. This indicates that the bullish positions are extremely heavy and there is a possibility of heavy profit booking in the coming weeks. We advise traders to book their short-term long positions. On the downside, 23900 – 23600 zone might act as immediate support in the coming sessions but even a dip of few hundred points in NIFTY can be very damaging for the individual stocks. A move above 24400 might extend the rally towards much higher levels but even in that scenario it is advised to book full profits.

Even the NIFTY BANK index was not spared on the election result day. In fact, the index was almost at a lower circuit during the session but managed to recover a bit then after. Later on, along with NIFTY the banking index started its upside journey and cleared the much-awaited hurdle of 50K. The index recently met the high of 53000 plus and then corrected during previous session resulting in a reversal candlestick pattern. Going ahead, only a move above 53200 might extend the rally towards 54000 mark and on the other hand, a daily close below 52000 might confirm a temporary top for the index.

Technical Pick – BUY HIKAL LTD

POTENTIAL UPSIDE 15.00%- 20.00%

- Since March 2023, HIKAL has been consolidating in a broad range of 330-260 without any clear direction.
- Recently we witnessed a range breakout above 330 in the stock and that too with exceptional volumes.
- The long-term chart indicates multiple bottom formation on the downside along with a triangular breakout on the line chart.
- Thus, traders are advised to buy HIKAL in the range of 336 - 344 with a stop loss of 306 on closing basis for an upside target of 391 and 408 in coming 1-3 months.

Technical Pick – BUY MPHASIS LTD

POTENTIAL UPSIDE 13.10%- 17.46%

- On the daily chart, MPHASIS has confirmed a trend line breakout above 2500 mark and above 2560 the stock will confirm a breakout from bullish inverse Head and Shoulder pattern.
- The breakout has occurred after the stock found support and consolidated at the placement of 200 DEMA.
- The stock has managed to turn from the supports of Ichimoku system on the weekly as well as monthly scale.
- Thus, traders are advised to buy MPHASIS in the range of 2500 - 2540 with a stop loss of 2300 on closing basis for an upside target of 2850 and 2960 in coming 1-3 months.

Fixed Income Services

Monetary Policy Update

The Monetary Policy Committee (MPC) met on June 5th, 6th, and 7th, 2024, to review the evolving macroeconomic and financial conditions. The committee by majority of 4 to 2, decided to:

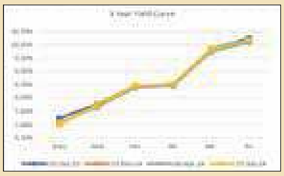
1. Maintain the policy repo rate at 6.50%
2. Retain the standing deposit facility (SDF) rate at 6.25%
3. Keep the marginal standing facility (MSF) rate and the Bank Rate at 6.75%.

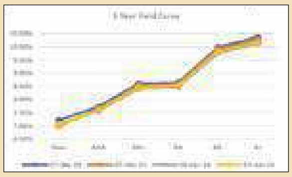
The MPC maintained the repo rate at 6.50% for the eighth consecutive time to bolster growth. This decision was in line with market expectations. Furthermore, reaffirming its commitment, the MPC prioritized withdrawing accommodation progressively to align inflation with the target while fostering economic growth.

Source: CCIL, RBI, SEBI, Domestic Fixed Income Numbers - CRISIL Fixed Income Database

- Global growth is resilient in 2024, supported by a rebound in trade, easing inflation, and stable financial markets. India's GDP growth for 2023-24 was 8.2 %, with domestic economic activity maintaining resilience. Manufacturing and services sectors are strong, with robust private consumption and investment activity.
- The projected GDP growth for 2024-25, is at 7.2 % marking it the fourth consecutive year of growth above 7%. This growth is driven by a favourable monsoon, strong services activity, and healthy investment prospects. Core inflation continues to moderate, while headline CPI inflation softened in March-April amid persistent food inflation pressures and an uncertain outlook for crude oil prices. Additionally, the exceptionally hot summer season and low reservoir levels may exert stress on the summer crop. The CPI inflation projection for 2024-25 remains at 4.5%.
- India remains an attractive destination for foreign investment. India's foreign exchange reserves reached a historical high, indicating resilience in the external sector.
- The Reserve Bank maintained stable money market interest rates through liquidity operations. Despite external pressures, the Indian rupee stayed stable, showing strong economic fundamentals. The RBI aims to ensure financial stability with flexible liquidity management and vigilance.
- The ECB has cut rates for the first time since 2019, signaling a shift in monetary policy. While there's a perception that the Reserve Bank follows the Fed, its decisions are primarily rooted in domestic economic factors such as growth, inflation, and outlook, while keeping international trends. The MPC will always remain focused on price stability to support sustainable growth.

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





Source: CRISIL Fixed Income Database

- The 3 year and 5 year Gsec curve saw easing of ~3 bps and ~3 bps respectively, while the 3 year and 5 year AAA curve experienced a hardening of 8 bps & 5 bps respectively.
- In 3 year space, the rest of the credit curve saw a easing in the range of ~8 bps to ~10 bps & in the 5 year saw a easing in the range of ~6 bps to ~6 bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw expansion of ~8 bps to 11 bps, from ~58 bps to ~69 bps in the 3 year space and from ~50 bps to ~58 bps in the 5 year space

Outlook: The Reserve Bank is poised for India's economic transformation, with a focus on price stability to support sustainable growth. A greater emphasizes is need for continued vigilance and adaptability in policymaking to navigate the dynamic global environment. With a focus on aligning inflation with the 4% target while supporting robust economic growth.

Secondary Market Bond Offers

PSB Perpetual Quotes

Security	Maturity/Call	IP	Rating	Yield
8.34% SBI Perp 2034	Call: 19-Jan-34	Annual on 19-Jan	AA+ by CRISIL & ICRA	7.95%
7.74% SBI Perp 2025	Call: 09-Sep-25	Annual on 09-Sep	AA+ by CRISIL, ICRA & IND Ratings	8.14%
9.50% Union Bank of India Perp	Call: 15-Sep-26	Annual on 15-Sep	AA(Stable) by IND Ratings & CARE	8.34%

PSU Quotes

Security	Maturity/Call	IP	Rating	Yield
8.95% PFC 2028	10-Oct-28	Annual on 10-Oct	AAA by CRISIL, ICRA & CARE	7.52%
6.39% NABARD 2030	19-Nov-30	19-Nov & 19-May	AAA by IND & ICRA	7.48%
8.30% REC 2029	25-Jun-29	Annual on 25-Jun	AAA CRISIL, CARE & ICRA & India Ratings	7.50%
7.60% FCI 2030	09-Jan-30	Annual on 09-Jan	AAA(CE) By CRISIL & CARE	7.40%

Corporate Bonds

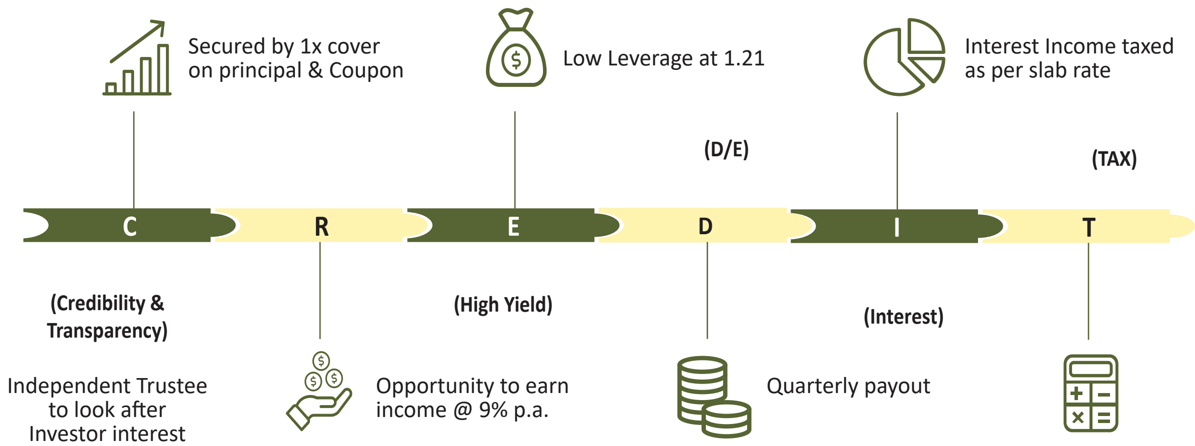
Security	Maturity/Call	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.68%
7.05% LIC housing Finance Ltd. 2030	21-Dec-30	Annual on 21-Dec	AAA by CRISIL & CARE	7.72%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA CRISIL & CARE	8.27%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.90%
9.00% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2026 2026	06-Jun-26	Annual on 6-June	AAA by CARE & IND RATINGS	8.20%
8.0980% Tata Capital Ltd. 2027	22-Jan-27	Annual on 28-Nov	AAA by CRISIL & ICRA	8.03%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA by CRISIL & CARE	9.65%
8.16% Aditya Birla Finance Ltd. 2029	14-Feb-29	Annual on 14-Feb	AAA by ICRA & IND RATINGS	7.93%
9.95% UP Power 2029	(30-Mar-29) Staggered Maturity	31-Mar, 30-Jun, 30-Sep & 31-Dec	A+ (CE) BY CRISIL & IND	8.85%

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)

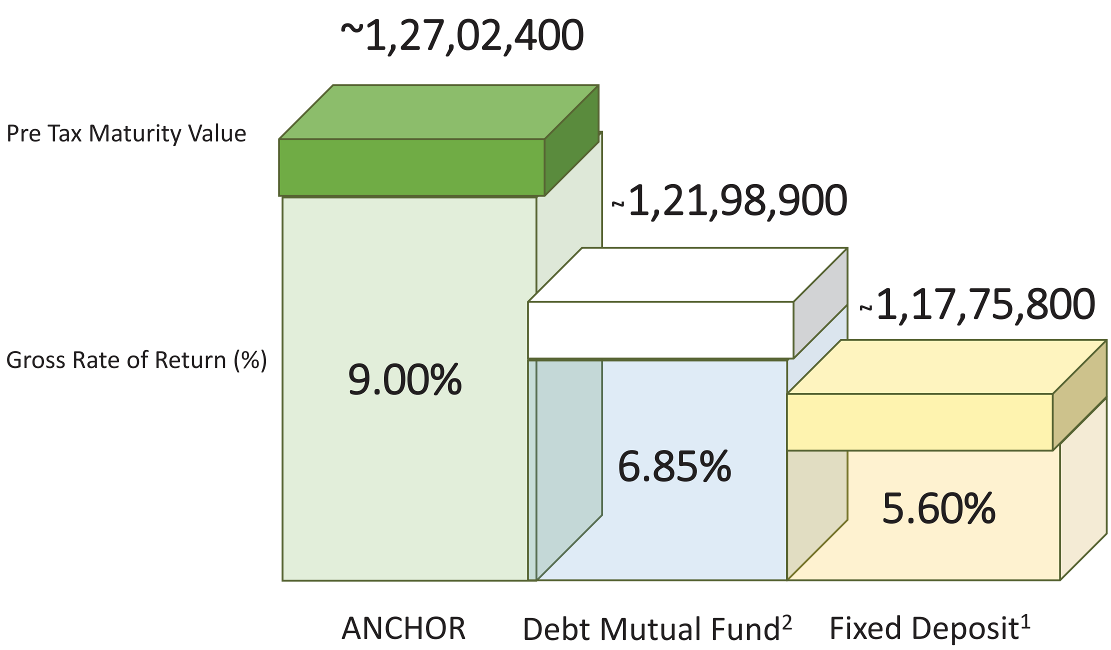
What is ANCHOR?



*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%**

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*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.

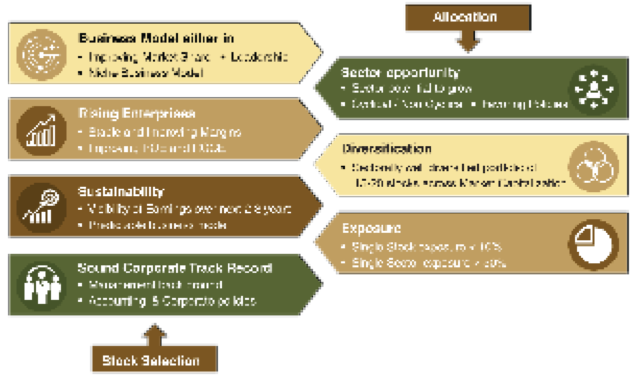
Value

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

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.

Investment Process



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.

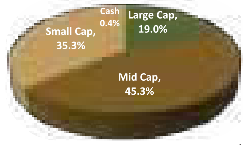
E — Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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	ITD Cementation India Ltd.	10.4%
2	Bharat Electronics Ltd.	8.6%
3	Titagarh Railsystems Ltd.	8.1%
4	KEI Industries Ltd.	7.3%
5	Varun Beverages Ltd.	7.2%
6	Ratnamani Metals & Tubes Ltd.	7.1%
7	PG Electroplast Ltd.	5.6%
8	KEC International Ltd.	5.6%
9	Schneider Electric Infrastructure Ltd.	5.6%
10	Radico Khaitan Ltd.	5.2%

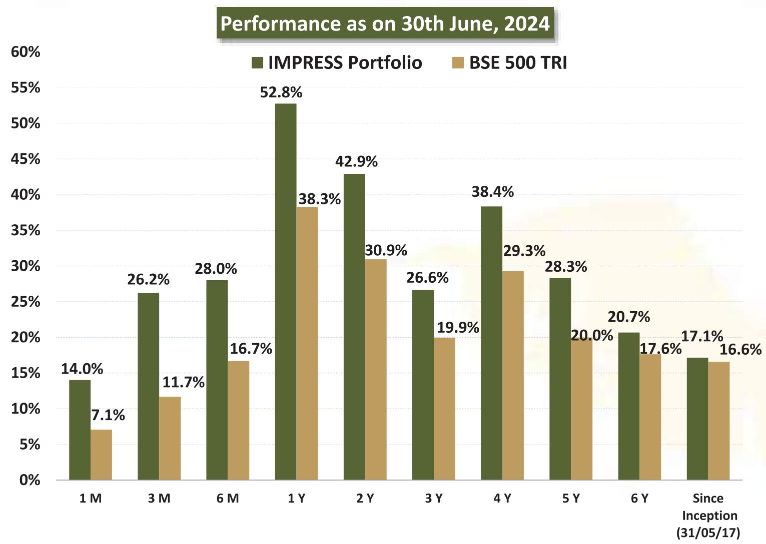
Market Cap Allocation



	Avg Mkt Cap (cr)
Large Cap	313665
Midcap	39304
Small Cap	12581
Overall Portfolio	109079

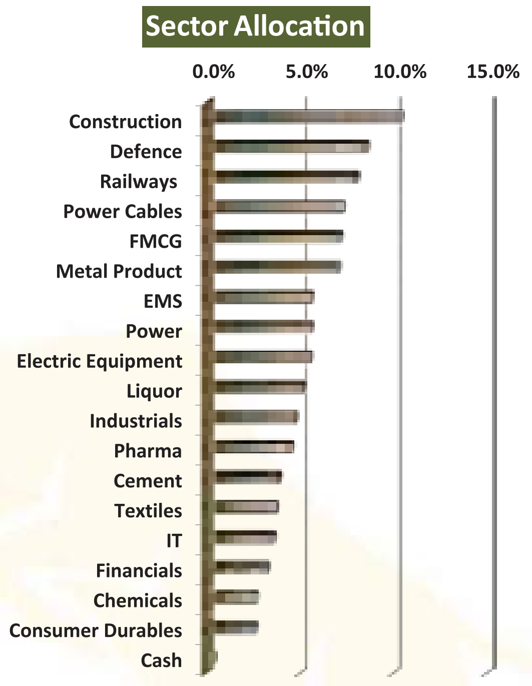
Data as on 30th June 2024

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

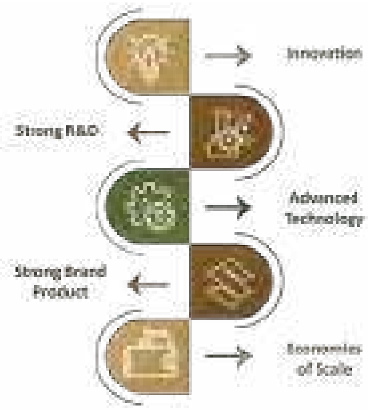
MNC Portfolio

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

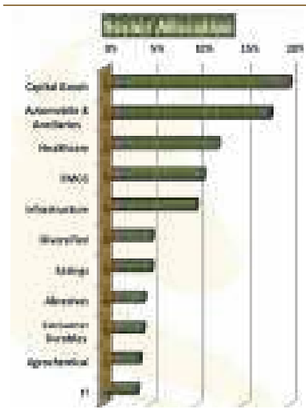
Sr No	Top 10 Holdings	% Holdings
1	ITD Cementation India Ltd.	9.9%
2	Siemens Ltd	9.7%
3	Maruti Suzuki India Limited	7.2%
4	Schaeffler India Limited	6.8%
5	3M India Ltd	5.2%
6	CRISIL Ltd	5.1%
7	Ingersoll-Rand (India) Ltd	4.7%
8	KSB Limited	4.6%
9	Nestle India Ltd	4.4%
10	Grindwell Norton Ltd	4.4%

Avg Mkt Cap (cr)	
Large Cap	313665
Midcap	39304
Small Cap	12581
Overall Portfolio	109079

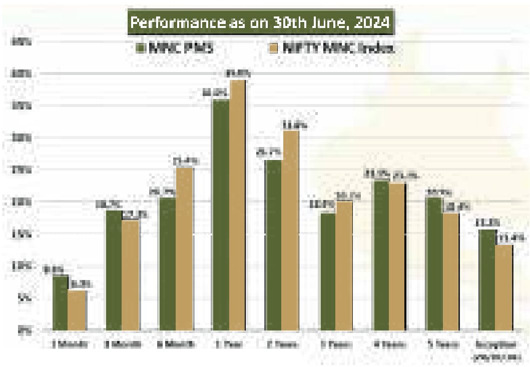
Data as on 30th June, 2024

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 19 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.
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.

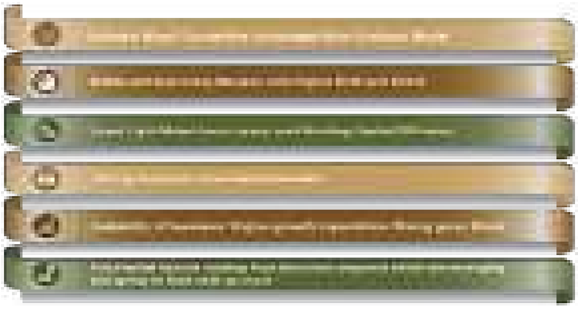
Opportunity - Accelerated Growth from Business Upcycle

- 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

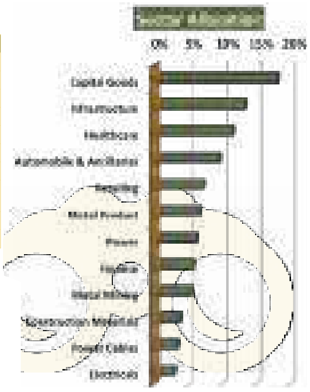
The key to success is to adapt to the changing business dynamics

Stock Selection Process



Portfolio Synopsis

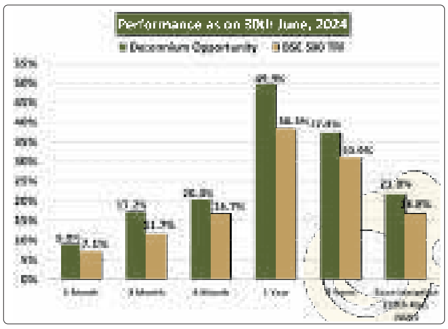
Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	9.0%
2	Ethos Limited	7.3%
3	KEC International Limited	7.1%
4	Craftsman Automation Limited	6.9%
5	Venus Pipes and Tubes Limited	6.8%
6	Global Health Limited	6.6%
7	Praj Industries Ltd	6.4%
8	Techno Electric & Engineering Company Limited	6.3%
9	Poonawalla Fincorp Ltd	5.9%
10	Caplin Point Laboratories Limited	5.6%



Data as on 30th June, 2024

	Avg Mkt Cap (cr)
Large Cap	**152993**
Midcap	**29878**
Small Cap	**12215**
Overall Portfolio	**35815**

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.



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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)	100% (IRR – ~14.24%)	
Participation Rate1 (PR1)	100% (From 110% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	8200%(From 132% to 133% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.4x (below -15% 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 133% of Initial Fixing Level	(NP-10%)* PR1+ Max(0%,(NP-32%)*PR2
	If Final Fixing Level is at or above 85% & at or below 115% 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
48400	**100.0%**	**100.0%**	**14.2%**	**14.2%**
36300	50.0%	100.0%	8.1%	14.2%
32186	**33.0%**	**100.0%**	**5.6%**	**14.2%**
31944	32.0%	17.0%	5.5%	3.1%
30250	25.0%	10.0%	4.4%	1.8%
28072	16.0%	1.0%	2.9%	0.2%
27830	**15.0%**	**0.0%**	**2.7%**	**0.0%**
26136	8.0%	0.0%	1.5%	0.0%
24200	**0.0%**	**0.0%**	**0.0%**	**0.0%**
23868	-1.4%	0.0%	-0.3%	0.0%
21780	-10.0%	0.0%	-2.0%	0.0%
20570	**-15.0%**	**0.0%**	**-3.1%**	**0.0%**
20568	-15.01%	-21.01%	-3.1%	-4.4%
19360	-20.0%	-28.0%	-4.2%	-6.1%
16940	**-30.0%**	**-42.0%**	**-6.6%**	**-9.9%**
13310	-45.0%	-48.0%	-10.8%	-11.8%
2420	**-90.0%**	**-66.0%**	**-35.7%**	**-18.7%**
2418	-90.01%	-90.01%	-35.8%	-35.8%
0	-100.0%	-100.0%	-100.0%	-100.0%

Product IRR*
14.24%

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

**Standard Deviation
4.52%

Target Nifty Perf.
33%

Product Explanation

NP >= 33%	100% (Contingent Coupon)
32% < NP < 33%	Max(0%,(NP-32%)*PR2
15% < NP < 33%	(NP-10%)* 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 22327, adding 150 points contingent: 22477, rounded off to next 100: 22500.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st March 2024.
Investment Value per debenture: 1,25,000/-(Issued at a premium)

Overview of ICICI Venture

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

ICICI Venture

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

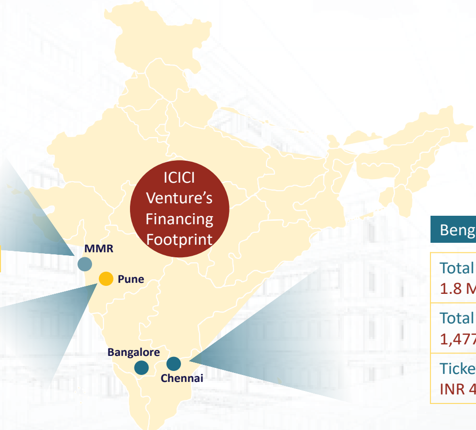
Financed over 15,000 units / 14.2 million square feet of Affordable Housing & Mid-Income projects in India

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

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

- *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%

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

iREIF

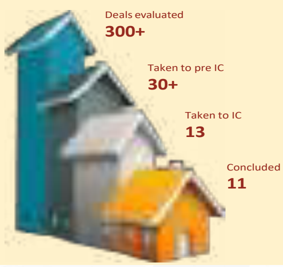
iREIF Portfolio Overview

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
	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 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]

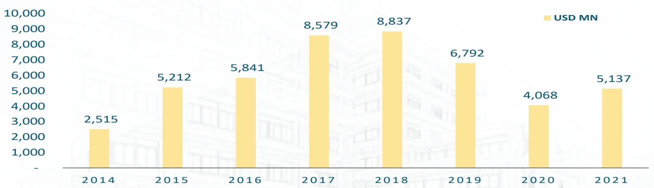
01 Key features of MoU
- Access to proprietary deal flow
- Priority partner for potential co-lending transactions
- Access to diligence materials and market insights
- Ability to leverage CRFG & HFC presence across markets in India

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



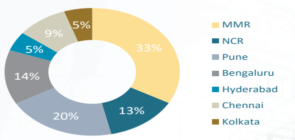
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.
- 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

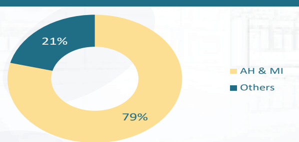
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

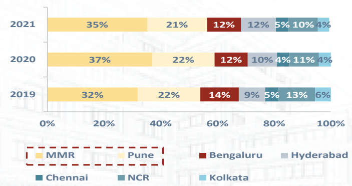
% of Overall Sales from 2015-2021



% 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

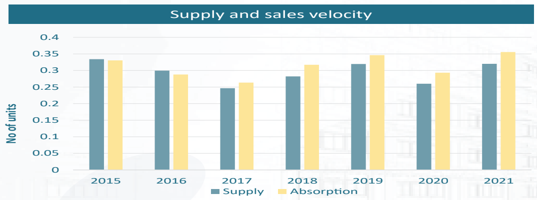
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

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

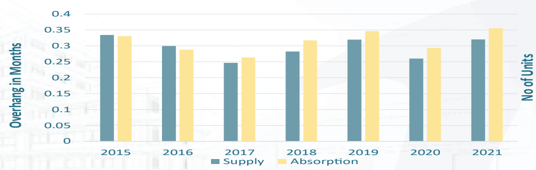
Covid impact

Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



Housing inventory overhang



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

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

Source: Propequity

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

*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

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

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

Overview of 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

[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

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

INDIA 2030 Summary

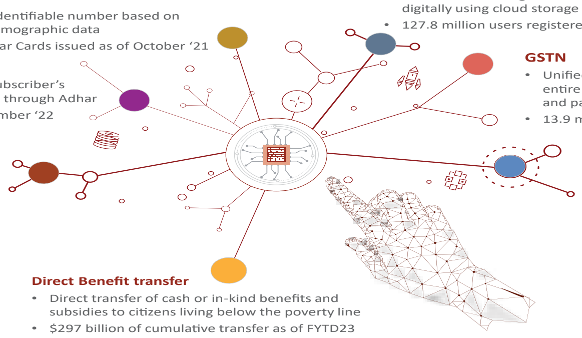
Domestic consumption to remain, and digital to become, key drivers of the economy

- 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

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

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

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

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

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

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

Illustrative ICICI Group Partnerships with Startups

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

Illustrative Deal Pipeline

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

Key investment framework

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

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

Nuvama amplifi

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

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	zoho

Hiring		
native	Michael Page	QUESS
[illegible]	PURPLE QUARTER	scorrecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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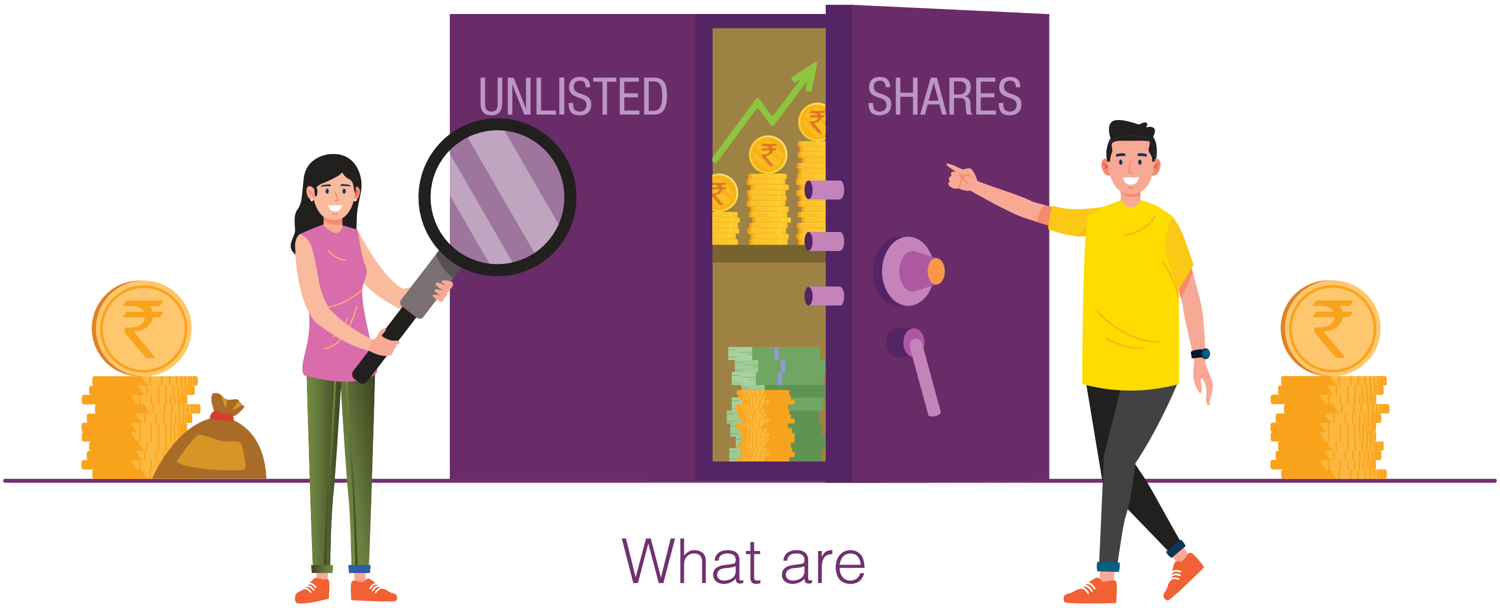
Explore the

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).

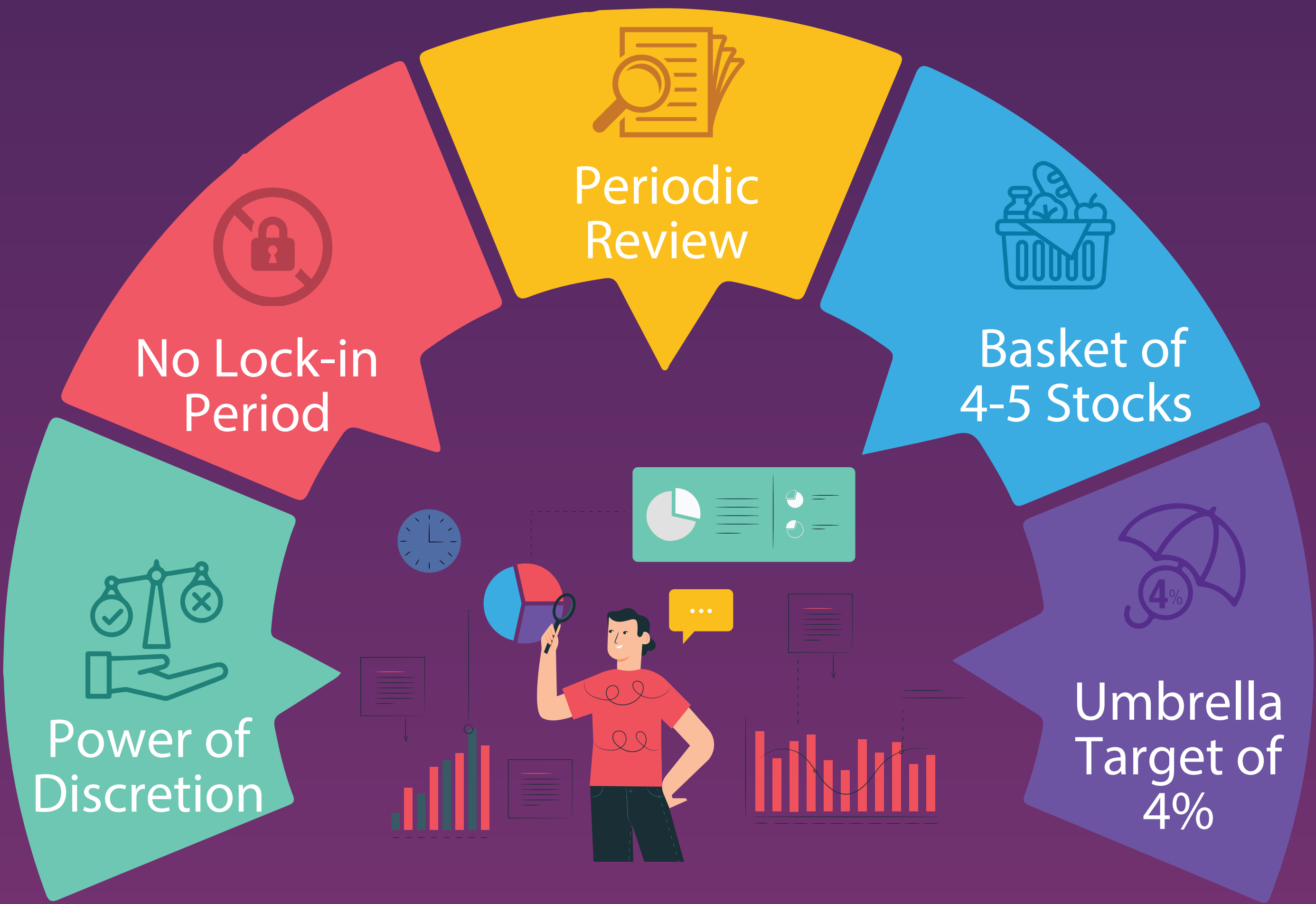
Reliance Retail	Retail
HDB Financial Services Ltd.	Financial Services
Chennai Super Kings	IPL Team
Mohan Meakin Ltd.	Beverages
(API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips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

*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.

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

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Feat Award Function 2023-24

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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.