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September 2024

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INDEX

PCG Communique

From the Desk of the PCG Head

Rajesh Kumar Jain

PCG Communique – Sept 2024

August ended on a high note for the Indian equity markets, with frontline indices like the Nifty and Sensex touching record highs, and the Nifty breaking a 31-year record for the longest streak of gains. The last two weeks saw every trading session close in the green, culminating in 12 consecutive days of gains, with the Nifty up by 4.5%. Despite initial concerns at the start of the month due to an appreciating Japanese Yen, heightened geopolitical tensions, and concerns of a hard landing in the U.S., the markets climbed every wall of worry. The rally defied expectations of a correction as the month progressed, driven by optimism in global markets and the subsiding of all initial concerns.

Foreign Institutional Investors (FIIs) continued their selling spree in the start of the month but later on ended at Net buyers in August to a tune of 15,491CR. On the other hand, Domestic Institutional Investors (DIIs) have been steady pillars of support, injecting Rs 51,479 crore into the market in August alone. So far this year, DIIs have pumped in a total of Rs 2,00,321 crore into Indian equities, maintaining their positive momentum.

BoJ Triggers a Global Market Plunge. Stock markets in major economies faced a reality check after the unwinding of carry trade in the Japanese yen disrupted the year-long rally. The Bank of Japan, in line with market expectations, hiked its benchmark interest rate to 0.25% from its 0.0%–0.1% last week. Carry trade is a popular concept in the currency market, where investors borrow low-yielding currencies to invest in high-yielding currencies. The favourite carry-trade currency's rising prompted traders to rush to unwind their long positions in the yen, sparking a global sell-off. Japanese stocks, among other Asian and US markets, faced one of the worst crashes, with multiple benchmarks triggering the lower circuit.

The U.S elections in the month of November will also significantly impact the stock market's performance, shaping anticipated policies in the world's largest economy. These decisions will influence fund movements and foreign investors' decisions regarding emerging markets. The upcoming general election will add uncertainty and potential volatility to global markets.

As we step into September, all eyes will be on the U.S Federal Reserve next move, especially regarding potential rate cuts, which could set the tone for global markets. With sentiment strong, the upcoming month will be crucial in determining whether the bull run can sustain its momentum. Federal Reserve officials at their July meeting moved closer to a long-awaited interest rate reduction, but stopped short while indicating that a September cut had grown increasingly probable. The interest rate environment in the U.S will be a key area of attention globally, with decisions on interest rates having widespread implications for global liquidity and investment trends. Once we see a rate cut in U.S, we may see RBI following the suit.

On the other side in its third monetary policy decision for FY25, during the bimonthly meeting on August 8, 2024, the Reserve Bank of India decided to keep the repo rate unchanged at 6.5 percent for the ninth consecutive time. The MPC had last changed the benchmark interest rate in February 2023. The RBI retained its real GDP growth estimate for FY25 at 7.2 percent and its CPI inflation projection at 4.5 percent.

We expect two RBI rate cuts of 25 basis points each in the current cycle, one in the fourth quarter of 2024 and the other in the first quarter of 2025, taking the repo rate to 6%. Given that growth is strong, we believe there will be an easing cycle, but a shallow on.

The Nifty 50 index saw a rise of around 4.5 percent in August 2024. After showing resilience and reaching new heights in July, the momentum continued in August. The initial slip was due to Japan's rate hike, U.S. recession fears, geopolitical tensions, and mixed quarterly results. However, after the slip, equity indices slowly and gradually started to move up, hitting an all-time high of 82,637.83 on August 30.

Indian companies' profit growth was muted during the quarter ended June from a year ago, with estimate misses overtaking the beats. Sequentially, profit fell during the April–June period. The cumulative profit of Nifty 50 constituents rose 3.96% year-on-year but fell 8.3% sequentially. During the period, cumulative revenues of Nifty 50 rose 0.58% from a year ago, while operating profit of the non-financial constituents declined marginally. Over half the companies in the Nifty benchmark reported results in line with estimates, while 12 performed below expectations, according to Bloomberg.

The Nifty 50 is trading near its all-time high. While heavyweight sectors like refineries, IT, and banks are generally positive, the outlook for the banking sector appears less optimistic, which means banks could potentially drag down the Nifty. Although the Nifty Small Cap and Mid Cap indices are also trading near their all-time highs, a retracement of 2-3% is expected in the next 1 to 2 months. Overall, the outlook remains positive with some minor hurdles. A pullback is anticipated, which could be seen as a healthy correction, ultimately contributing to sustained growth.

From FY22 to FY25 till date, $70 billion made its way into the equity markets via mutual funds. Little is rattling the Indian stock markets these days. Even with spurts of profit booking, the market is liquid enough to withstand any shocks. So much so, the risks involved in a highly valued market are also almost moot, thanks to inflows via mutual funds, according to the latest report. "The main driver has been a deluge of domestic liquidity, driven by the financialisation of savings (direct and indirect participation) and formalisation (pension fund allocations). From 2024 until now, mutual fund net inflows were $3.1 billion per month. This is twice as much as the $1.7 billion seen in 2022 and 2023. We believe that there is a possibility of a time correction in the market Vs a Price correction due to the gush of liquidity by the retail & HNI investment through MF, PMS, AIF and lump sum investments.

There is a sharp increase in direct participation in the markets. As many as 66 million retail investors have entered the markets since 2020. This money inflow, which has shown resilience and investors' intent to chase buy-on-dips is lowering the risks associated with a market as highly valued as India. Indian equity markets are trading at 21 times the price-to-earnings (PE) ratio, while the rest of the world is trading at 14.5 times its PE. Even emerging markets are trading at 10 times, while the US is now trading at 17 times. Compared to its EM peers, India has been considered expensive over the last 20 years. India offers a long runway for growth with mega-trends in its favour, although the market is trading at the upper band of the spectrum. Especially since fatigue is setting into the earnings expectations of the top 300 stocks in India. From a bottom-up lens,

however, we see limited evidence to support earnings upgrades across sectors. However, it also notes that strong liquidity equals shrinking risk premiums, allowing the markets to sustain valuations at staggering heights.

Overall, the outlook for Indian markets remains optimistic, although a minor pullback could be on the cards. The ongoing bullish stance of Domestic Institutional Investors reflects sustained positive sentiment toward Indian equities. We are positive in Mid Cap IT, Renewables, Power Finance companies, NBFC & Consumer Discretionary (Mainly Gold companies due to the onset of the festive season).

Market Commentary

The Nifty index ended the August month on a flattish note as it closed at'25,235' as compared to 2nd day of the month i.e '25,010', an uptick of 0.8%. Similarly, Sensex ended the August month at 82,367 grew by 0.6%.

Key equity benchmarks extended winning streak for third straight week, hitting fresh record highs with Sensex and Nifty settling above their 82300 and 25200 levels. Sentiments remained up-beat after Moody's has raised India's growth projection for 2024 and 2025. Moody's now expects India's economy to expand 7.2% in 2024 from 6.8% previously, while growth for 2025 is pegged at 6.6% versus 6.4%.

Some of the major developments during the week are:

Moody's raises India's growth projection for 2024, 2025: Citing signs of improving rural demand, Moody's has raised India's growth projection for 2024 and 2025. Moody's now expects India's economy to expand 7.2 per cent in 2024 from 6.8 per cent previously, while growth for 2025 is pegged at 6.6 per cent versus 6.4 per cent. It said 'These forecast changes assume strong broad-based growth and we recognize potentially higher forecasts if the cyclical momentum, especially for private consumption, gains more traction'.

Indian economy likely to grow at 7.0-7.1% in Q1 of 2024-25: Just days before the government is set to publish the India's official Gross Domestic Product (GDP) data, a report by SBI Research said that the Indian economy is likely to grow at 7.0-7.1 per cent in the April-June period, the first quarter (Q1) of 2024-25. The economy grew by 7.2 per cent in 2022-23 and 8.7 per cent in 2021-22.

Consumer price inflation for farm, rural workers eases in July: In a big relief, the retail inflation rates for farm and rural workers eased in the month of July, with the All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) falling to 6.17% and 6.20%, as compared to 7.43% and 7.26% in July 2023, respectively. The corresponding figures for June 2024 were 7.02% for CPI-AL and 7.04% for CPI-RL.

Indian economy remains resilient but outlook seems softer: Amid global geo-political uncertainties, the National Council of Applied Economic Research (NCAER) in its Monthly Economic Review for August has said that the Indian economy has remained resilient but the outlook seems softer due to moderation in a couple of high-frequency indicators. The report said bank credit growth of scheduled commercial banks (both food and non-food) moderated in June 2024.

Govt's escalated capital spending to support average annual GDP growth rate of 6%: Expressing optimism over India's growth story, Moody's said over the last ten years, the government has escalated its capital spending on infrastructure from Rs 1.97 trillion (1.6% of GDP) in FY2014-15 to Rs 11.1 trillion (3.4% of GDP) in FY2024-25.

The S&P India Manufacturing PMI fell to 57.9 in August 2024, down from 58.1 the previous month, preliminary estimates showed. This marked the slowest expansion in factory business conditions since May but still remained above the long-term average. Growth in new orders and export orders was sustained, although the rates of increase softened in both cases. Meanwhile, manufacturers reported the first decline in outstanding business volumes in nearly a year. One factor aiding the reduction of backlogs was another round of job creation, with the pace of employment growth notable and generally consistent with July's rate. To prevent input shortages and meet rising demand, manufacturers increased their purchases of raw materials and semifinished items, with the fastest expansion in four months. Regarding prices, output price inflation reached an 11-year high despite a slight slowdown in input costs

The S&P Global India Services PMI inched up to 60.4 in August 2024 from 60.3 in the previous month, preliminary estimates showed. It marked the 37th consecutive month of expansion in services activity, highlighting a substantial upturn in business activity. Output rose faster, while new orders grew strongly, with foreign demand advancing solidly. Outstanding business rose for the thirty-second consecutive month, with the pace of accumulation being mild among the latter, and the weakest since February. Employment increased solidly. On the price front, both input and output cost inflation eased. Finally, business sentiment remained positive.

The annual retail inflation rate in India fell sharply to 3.54% in July of 2024 from 5.08% in the earlier month, well below market expectations of 3.65%, to mark the softest rise in consumer prices since August 2019. It was the first time the inflation rate fell below the RBI's target range of 4% in nearly five years, although the sharp decline was largely owed to large base effects in food prices and the central bank does not expect price growth to remain this low for the rest of the year. The cost of food, which represents half of the Indian consumer basket, rose by 5.45% to slow from the 9.36% annual surge in June. In the meantime, prices declined at a faster pace for fuel and light (-5.48% vs -3.66% in June), while inflation remained loosely unchanged for housing (2.68% vs 2.69%). From the previous month, Indian consumer prices rose by 1.4%

India's total exports (Merchandise and Services combined) for July 2024* is estimated at USD 62.42 Billion, registering a positive growth of 2.81 percent vis-à-vis July 2023.Total imports (Merchandise and Services combined) for July 2024* is estimated at USD 72.03 Billion, registering a positive growth of 7.14 percent vis-à-vis July 2023 India's total exports during April-July2024* is estimated at USD 261.47 Billion registering a positive growth of 6.65 percent. Total imports during April-July 2024* is estimated at USD 292.64 Billion registering a growth of 7.30 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.75 lakh crore in the month of August, around 10% rise from Rs 1.59 lakh crore in GST revenue in August last year, but on a sequential basis, it is around 4 per cent lower.

India's foreign exchange reserves increased by US$7 billion to $681.68 billion in the week through Aug 24. Foreign currency assets fell by $5.9 billion to $597 billion for the week ending Aug 24.

The U.S. markets traded mostly in red during the passing week as traders looked ahead to the release of closely watched readings on consumer price inflation.

Some of the major developments during the week are:

Weekly jobless claims unexpectedly edge slightly lower: First-time claims for U.S. unemployment benefits edged slightly lower in the week ended August 24th. Initial jobless claims slipped to 231,000, a decrease of 2,000 from the previous week's revised level of 233,000.

U.S. pending home sales unexpectedly pull back sharply in July: Pending home sales plunged by 5.5 percent to 70.2 in July after surging by 4.8 percent to 74.3 in June. Street had expected pending home sales to increase by 0.4 percent.

Consumer confidence unexpectedly continues to improve in August: The Conference Board's consumer confidence index rose to 103.3 in August from an upwardly revised 101.9 in July.

U.S. durable goods orders rebound as orders for transportation equipment skyrocket: Durable goods orders spiked by 9.9 percent in July after tumbling by a revised 6.9 percent in June. The street had expected durable goods orders to jump by 4.0 percent compared to the 6.7 percent plunge that had been reported for the previous month.

U.S. GDP growth accelerates more than previously estimated in Q2: The Commerce Department said the surge by gross domestic product in the second quarter was upwardly revised to 3.0 percent from the previously reported 2.8 percent.

European markets added gains during the passing week, as investors largely reacted positively to economic and inflation data reports from France, Germany and Spain.

Some of the major developments during the week are:

Eurozone private sector credit growth rises in July: The European Central Bank reported that adjusted loans to the private sector expanded 1.3 percent from a year ago in July, faster than the 1.1 percent rise in June.

French consumer confidence strongest since early 2022: The survey results published by the statistical office INSEE showed that the consumer confidence index rose to 92 in August, in line with forecast, from 91 in July.

Eurozone economic confidence at 15-month high: The survey results from the European Commission revealed that the economic confidence index advanced to 96.6 in August from 96.0 in the previous month.

German inflation weakest since early 2021: The flash data from Destatis showed that consumer price inflation softened to 1.9 percent in August from 2.3 percent in July.

Spain inflation eases for third straight month: The flash data from the statistical office INE showed that the consumer price index posted an annual growth of 2.2 percent after rising 2.8 percent in July

Asian markets ended mostly in red during the passing week as traders remained cautious and awaiting the release of key US inflation report later in the week, which could impact expectations for how quickly the US Fed will cuts interest rates.

Some of the major developments during the week are:

High-tech manufacturing boosts China's July industrial profit growth: China's industrial profits grew faster in July buoyed by high-tech manufacturing. Profits in July jumped 4.1% from a year earlier following a 3.6% rise in June.

UBS cuts China's 2024 GDP growth forecast to 4.6%: UBS Investment Bank cut its 2024 GDP growth forecast for China to 4.6% from 4.9%, as it expects weaker property activity to have bigger drag on the overall economy than previously assumed.

Japan's producer prices surge 2.8% July: Producer prices in Japan were up 2.8% on year in July. That was beneath expectations for an increase of 2.9% and down from the upwardly revised 3.1% gain in June (originally 3.0%). On a monthly basis, producer prices rose 0.3% - up from 0.1% in the previous month.

Japanese jobless rate climbs to 2.7% in July: The unemployment rate in Japan came in at a seasonally adjusted 2.7% in July. That was above street's estimate of 2.5 percent, which would have been unchanged from the June reading.

Japan industrial output improves 2.8% in July: Industrial production in Japan was up a seasonally adjusted 2.8% on month in July. That was shy of street's expectations of an increase of 3.6% following the 4.2% contraction in June. On a yearly basis, industrial production rose 2.7%.

The S&P Global US Manufacturing PMI fell to 48 in August of 2024 from 49.6 in the previous month, firmly below market expectations of 49.6 to mark the second consecutive contraction in the US factory activity, at the sharpest pace this year. This was mostly driven by a second successive decline in inflows of new work for manufacturers, which also fell at the sharpest pace since December, to underscore the higher impact of restrictive interest rates in factory activity. In the meantime, employment levels nearly stalled in the period to record the smallest gain since January. In the meantime, the drop in demand from factories eased capacity pressures for the deliveries of raw materials and reduced suppliers' delivery times. On the price front, input costs accelerated the most since May, but producers were not able to fully pass the pressures to consumers.

The HCOB Eurozone Manufacturing PMI dropped to 45.6 in August 2024, the lowest in 8 months, below expectations of 45.8. Production continued to decline significantly, with the rate of contraction similar to July, one of the sharpest in 2024. New orders saw the largest reduction since last year. Workforce numbers in manufacturing also declined. Purchasing of inputs decreased rapidly, with buying activity at its lowest in four months. Stocks of purchases and finished goods also fell notably. Suppliers' delivery times shortened for the seventh month in a row due to reduced demand. Manufacturing cost inflation remained at an 18-month high, with output prices increasing for the first time since April 2023.

The au Jibun Bank Japan Manufacturing PMI was revised upward to 49.8 in August 2024 from flash data of 49.5. Figures were also higher than July's reading of 49.1, indicating that factory activity moved closer to stabilization as output grew for the second time in three months while new orders fell at a softer rate. Moreover, firms reported a rise in input buying for the first time since July 2022 amid additional production requirements. Employment growth also picked up though the level of outstanding business continued to moderate sharply. On the price front, input cost inflation strengthened to reach a 16-month high as higher raw material prices and exchange rate weakness were sustained. Firms responded by raising their own charges, though at the softest rate since June 2021. Lastly, business sentiment gathered momentum, with a robust degree of optimism due to predictions of a stronger domestic and global economic upturn.

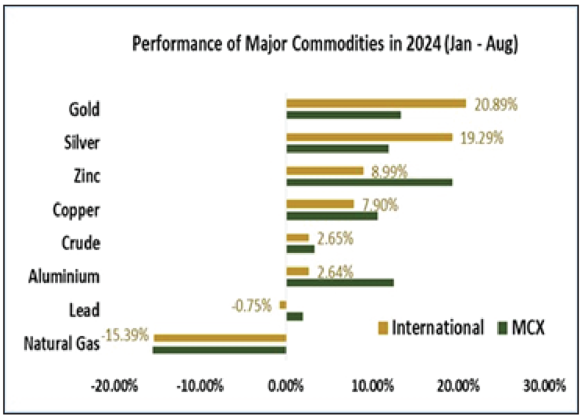
Going Ahead

There is strong evidence that over the long term (three years and beyond), equity markets are primarily influenced by macroeconomic factors, particularly GDP growth and inflation. Over the past decade, India has consistently been the fastest-growing major economy, with a narrowing inflation differential compared to the rest of the world. As a result, Indian equities have outperformed their global peers, a trend likely to continue given India's projected status as the fastest-growing economy over the next five years. In the medium term (one to three years), corporate earnings and valuations have the strongest correlation with equity market performance. Over the past 3-4 years, large-cap corporate earnings have grown at an annualized rate of 15-20%, with mid and small-cap earnings growing even faster. Given this backdrop, annualized returns of 15% for large caps and 25% for mid and small caps in this period appear justified. Analysts expect earnings momentum to moderate slightly to around 12% for large caps and 15% for mid and small caps over the next 2-3 years. Therefore, annualized returns of 11-13% for large caps and potentially higher returns for smaller caps seem attainable over the next 2-3 years. However, short-term market movements, driven by news flow, events, sentiment, and liquidity, are difficult to predict. The possibility of a 5-10% market correction in the near term, therefore, cannot be ruled out. Thus, despite short-term risks and potential dips, maintaining a strategic long-term allocation in equities, while ignoring short-term fluctuations, remains the most prudent strategy for long-term wealth creation.

Commodities Outlook

What happened in August: Gold continues to deliver successive all-time highs. US Fed set to deliver its first rate cut in September augmenting economic uncertainty & safe haven appeal in Gold.

Improvement in Global ETF Inflows witnessed since June; Mounting US Job fears to push the Fed into action mode in September meeting with Bank of Japan to push for rate hikes ahead.

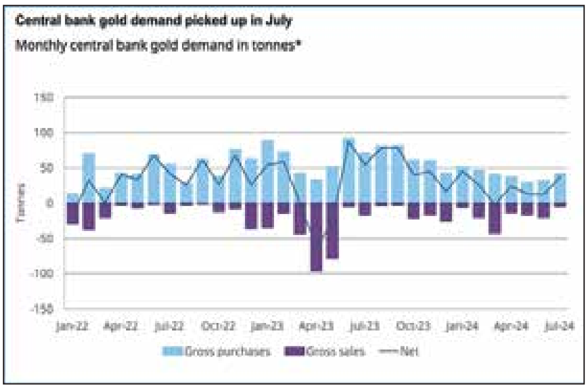


Gold prices touched all-time highs multiple times in 2024 at around $ 2,532 per oz in spot markets driven by combination of factors including safe haven demand due to rising geopolitics, exchange traded fund (ETF) investments & other technological advances, rising Fed rate cut bets in September along with Central bank buying which however have been seen to witness a slowdown in last few months. Factor that weighed on sentiments for gold towards the end of August included US equities coming off its highs and dollar Index retreating from yearly lows bringing in some profit booking moves at higher levels. Also China physical demand concerns persisted with Jewellery demand getting impacted due to higher prices since start of 2024.

In the physical Gold market, Indian gold discounts widened to their highest in six weeks towards the end of the outgoing month as a price rebound dampened consumer demand. Other Asian markets, including Singapore, Hong Kong, and Japan, also saw varying levels of premiums and discounts, while China SGE prices continues to trade in discount to LBMA price reflecting a cautious market sentiment.

OUTLOOK: Cautious mood prevails in Precious metals amid seasonal slowdown seen in Global Equities in September month. Start of lower interest rate regime from US amid further rate hikes by Bank of Japan to bring in volatility in prices. ETF Inflows & Global Central banks demand to pick up in coming months.

Gold Premium/Discount in China fell to lowest since Feb 2023 in last week of August indicating muted demand sentiments as SGE prices traded at a discount to LBMA prices. In the physical Gold market, Indian gold discounts widened to their highest in six weeks as a price rebound dampened consumer demand. Other Asian markets, including Singapore, Hong Kong, and Japan, also saw varying levels of premiums and discounts.



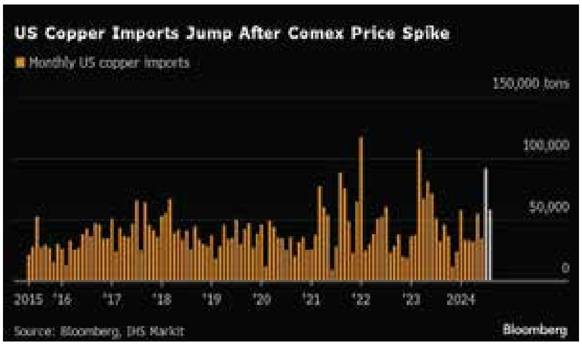
Central banks globally displayed an ongoing commitment to accumulate gold in recent months adding a net 37 tonnes to their reserves in July. This represented a 206% month on month increase and the highest monthly total since January (45t). The National Bank of Poland was the largest buyer, adding a net 14t, its largest monthly increase since November 2023. This combined with strong ETF inflows could keep gold prices supportive in medium to long term perspective.

Overall Near term volatility with a downside bias to persist in prices given highly uncertain global economic environment. This is due to the fact US macro cues remained resilient in August while slowdown in Job's market in US to be closely scrutinized for trajectory on rate cuts in coming months. However concerns of Japan hiking its interest rates in upcoming meet to lead to further concerns of Yen carry trade unwinding which could bring in further corrective moves in yellow metal. Overall expectations for the current month includes prices may test $ 2430 - 2415 per ounce on the lower side in spot (CMP $ 2495 per oz). On MCX October futures contract this could translate to a trading range of Rs. 72,500 – 69,500 per 10 gm.(CMP Rs. 71,200) for the September month.

"Industrial Metal Prices Surge in August: China Demand and Rate Cut Speculation Drive Gains"

Early August Recovery: Metals experienced a natural rebound in August, recovering some of the losses incurred over the previous two months. Prices increased from a low of approximately $8,714 per metric ton to around $9,500 per metric ton, driven by a slight recovery in Chinese demand, improving market sentiment regarding potential interest rate cuts in the U.S., and some technical support. The first two weeks' prices were also bolstered by short covering. BHP Group Ltd. provided a cautious short-term outlook for copper but maintained the common belief that the metal will eventually face significant shortages and see much higher prices. Despite this, the global refined copper market showed a surplus of 95,000 metric tons in June, up from a surplus of 63,000 metric tons in May, according to the International Copper Study Group (ICSG). For the first half of the year, the market surplus reached 488,000 metric tons, significantly higher than the 115,000 metric tons surplus recorded during the same period last year. Consumer buying and typical month-end position adjustments by investors helped metals extend their gains. A Bloomberg report stated that China was considering allowing homeowners to refinance up to $5.4 trillion of mortgages to lower interest rates, which also supported the rise in metals prices.

Late August Decline: Prices started correcting after the US economy grew at a 3% annual pace last quarter, driven by strong consumer spending and business investment, according to



the Commerce Department's revised estimate. This is an upgrade from the earlier 2.8% growth estimate for April through June. Additionally, jobless claims fell slightly to 231,000 for the week of August 24, indicating a resilient labor market despite high interest rates.

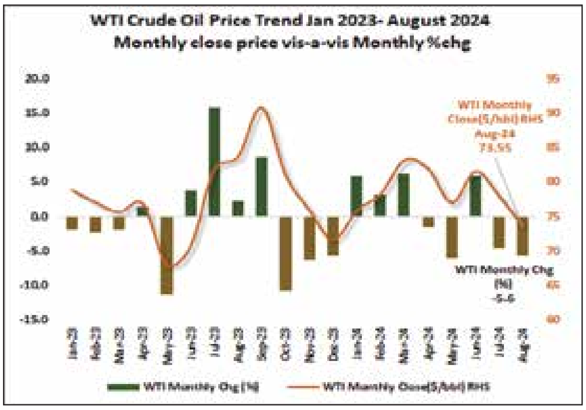
Chinese official manufacturing PMI slipped to 49.1, its worst reading of the year, excluding February when the Lunar holidays typically slow down industrial activities. Further, the China Real Estate Information Corp reported a 26.8% year-over-year drop in the value of new home sales from the 100 biggest real estate companies in August. This was a quicker decline than the 19.7% year-over-year drop recorded in July.

Tapping the arbitrage window can be tricky. No major Chinese smelters are registered with Comex, meaning their copper can't be delivered on the exchange. However, traders can either divert China-bound cargoes to the US or ship eligible metal that has arrived from South America back across the Pacific. China has also been exporting to other Asian countries, with inflows into warehouses in South Korea and Taiwan pushing overall LME copper stockpiles to their highest level since 2019. Chinese inventories have also jumped. While Comex inventories have risen in recent weeks, they remain comparatively tight.

Why $8500 is so important for Copper??.

Outlook: ***"Bearish Bias for Copper: Key Levels to Watch Amid Economic Uncertainty"***

Copper prices are expected to remain range-bound with a downward bias, influenced by the contracting global manufacturing sector and deteriorating economic conditions in China. Chinese equity indices, bond yields, and steel prices are currently trading at levels reminiscent of the crises of 2020 and 2008. Additionally, copper inventories are accumulating globally. While stocks on the Shanghai Futures Exchange (SHFE) and the London Metal Exchange (LME) have already surged this year, CME inventories have been rising daily since early July and are now at their highest level in a year. Copper is forming a "topping pattern" and may need to drop below $9,200 to confirm a bearish trend, potentially pushing prices $900 to $1,000 lower. Aluminium's downtrend may continue into next month unless the US dollar weakens again; otherwise, the metal might reverse most of its gains from this month within the coming weeks. Although zinc's upward momentum has paused, it has not yet broken down. The physical market for zinc remains balanced or slightly in deficit, with withdrawal requests from LME warehouses providing short-term support. However, if copper prices decline significantly, zinc is likely to follow the same trend.



Oil's Roller Coaster Ride in August: Demand Headwinds and Geopolitics at Play

Crude oil witnessed a widest monthly range in August with WTI and Brent oil experiencing their second consecutive monthly drop. US oil futures were unable to break the floor of $70 per bbl in August while on the higher side $80 remained a strong hurdle.

The volatility was characterized by a series of gains amid the ongoing geopolitical tensions and Libya turmoil followed by sharp declines, reflecting weak demand signals from China and expected increase in supplies from OPEC.

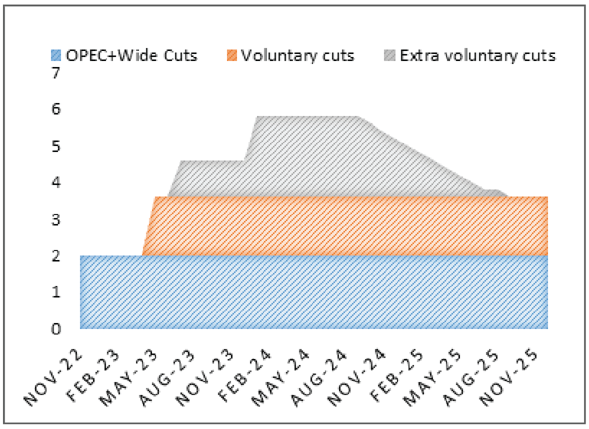
At the end of August, Libyan oil supply faced disruptions as authorities in the east shut down output amid a clash with the Tripoli-based government over central bank control. Combined with the earlier halt of the Sharara oilfield, the total outage reached 800,000 barrels per day, overshadowing OPEC+ plans to restore supplies from October.

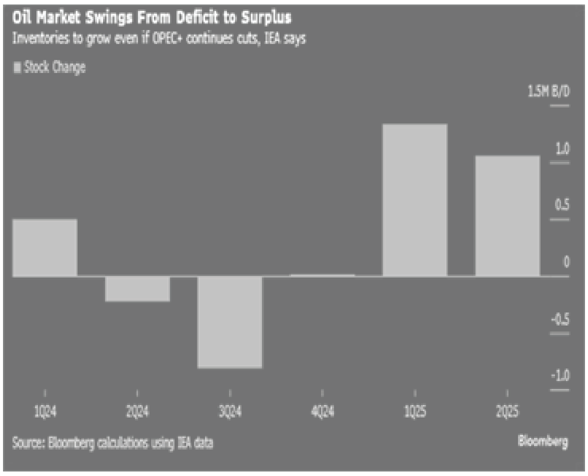
On the Multi Commodity Exchange (MCX), crude oil prices rebounded from near ₹6,000 level twice in the month but were unable to sustain above 6,700 level and finally closed 5% lower at ₹6,203 per barrel. On a monthly basis, the benchmark WTI crude oil fell by approximately 4.5%, settling at $77.91 per barrel. Spreads for both Brent and WTI saw backwardation narrowing last month, signalling easing supply tightness.

September Focus: OPEC Cut unwind and weakening demand signals

OPEC+ is set to proceed with a planned oil output hike from October, eight OPEC+ members are scheduled to boost output by 180,000 barrels per day in October, as part of a plan to begin unwinding their most recent layer of output cuts of 2.2 million bpd while keeping other cuts in place until end-2025. However, OPEC+ does not have any formal talks scheduled until top ministers on a panel called the Joint Ministerial Monitoring Committee meet on Oct. 2. The JMMC can make recommendations to the wider OPEC+ group.

This coincides with the fact that US oil output is likely to ramp up in the last quarter, thus boosting the oil supplies. The boost in supplies however is not supported by the increase in demand, infact, and demand from the top oil importer China is showing signs of weakness. Add on to this is the ongoing macro headwinds and recessionary fear that still looms and might dent oil demand in the US. Thus oil markets that remained in deficit in 2024 may shift to surplus may be by the end of 2024 and onward.





Outlook

WTI oil is currently hovering around the $69.70 level and has wiped out nearly all of this year's gains over the past couple of months due to economic concerns in China and the US, as well as the potential for ample supply weighing on sentiment. Prices, which averaged around $75 per barrel recently due to Libyan supply disruption concerns, have dipped below $70 per barrel after a prospective deal to restore supplies from Libya shifted market attention back to concerns about tepid global demand.

Looking at key barometers, including the forward curve and spreads, we can clearly see the backwardation curve narrowing, indicating easing supplies. Moving forward, there are two to three potential triggers that could cause short-term spikes in oil prices. These include the US refilling its strategic reserves at levels below $70 per barrel and China replenishing stocks, which could boost its imports. Additionally, OPEC+ cuts remain in place for September, and geopolitical risk premiums could emerge from time to time. However, given that broader demand-supply fundamentals do not support a sustainable upward move in oil prices, a "sell on rise" strategy is advisable for the month.

WTI oil (currently priced at $69.70 per barrel) may find support around the $67.50/$65 levels, with the upside likely capped around $74–$77 per barrel. For MCX crude oil (currently priced at ₹5,865 per barrel), support is anticipated at ₹5,650/₹5,500 while resistance is expected at ₹6,200/₹6,450.

Technical Analysis

Market Overview - August 2024

August 2024 was a tumultuous month for both domestic and international markets. In the domestic sphere, the Bechmak Index experienced a dramatic drop of over 1,000 points in the first half of the month, briefly dipping below the 24,000 mark. This decline was consistent with our technical projections, but the primary drivers were concerns about a potential recession in the U.S. triggered by weak jobs data, the unwinding of the Yen Carry Trade, and escalating geopolitical tensions, which dampened global market sentiment.

Despite this initial downturn, the market saw a robust recovery towards the end of the month. The Bechmak Index rebounded to reach the 25,000 milestone and even achieved a new high of 25,268, driven by bullish market sentiment.

Technical Analysis

AFrom a technical perspective, the trend appears strong based on recent price behavior. However, our previous discussions highlighted a potential dip due to a two-point negative divergence in the RSI on the daily scale for the Nifty 50. Although the index has reached new highs, we are now observing a three-point negative divergence in the daily RSI, coupled with a two-point negative divergence on the weekly scale. While divergence alone is not a definitive signal of a market top, the fact that the FII long-to-short ratio in index futures has hit a ceiling of 70% suggests that profit booking might be imminent.

Levels to Watch

Resistance Zone: We recommend traders consider lightening up their long positions in the 25,300 – 25,500 range. Even if the index rallies beyond this zone, adopting a cautious approach would be prudent.

Support Level: Immediate support is at 24,900. A breach of this level could trigger significant profit booking and further downside.

Nifty Bank Index

Once again, the Nifty Bank Index underperformed compared to the benchmark indices. Initially falling below the 50,000 mark, it is now struggling around the 51,500 level. The daily chart shows narrow-range bodies with the RSI below 60, indicating indecision at current levels. The index may regain momentum if it sustains above the 52,000 mark. Conversely, a breach of the 51,000 level on a closing basis could lead to further weakness in the banking sector.

Summary

Overall, while the Bechmak Index shows strength, technical indicators and high FII long positions suggest caution. The Nifty Bank Index is currently underperforming and shows signs of indecision. Traders should monitor key support and resistance levels closely and adjust their strategies accordingly.

Technical Pick – BUY CHALET HOTELS LTD

Potential Upside 16.67%- 22.22

The stock **CHALET** recently confirmed a breakout above 840 mark and is not stuck near another major breakout on the daily scale.

We are witnessing a range shift in daily RSI which indicates that the stock might clear another breakout soon.

The daily ADX is all set to hit 25 level and that indicates a strong up trend.

Thus, traders are advised to **buy CHALET** in the range of 860-850 with a stop loss of 760 on closing basis for an upside target of 997.5 and 1045 in coming 1-3 months.

Fixed Income Services

Monetary Policy Update

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

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

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

- **Global economy** is expanding unevenly, with manufacturing slowing and services holding steady. Despite service price inflation, overall inflation is receding in major economies. Monetary policies vary, with some banks easing through rate cuts and forward guidance, while others tighten. Financial markets are volatile, with lower bond yields and a weaker dollar. Long-term global growth faces challenges from demographics, climate change, geopolitics, debt, and new technologies like AI. A coordinated approach, where monetary policy works alongside other strategies, will be essential to navigate these challenges.
- **Domestic economic** activity remains strong, Industrial output grew 5.9% in May 2024, and core industries expanded by 4.0% in June. June-July 2024 data show growth in services, recovery in private consumption, and increased private investment, driven by higher steel consumption, solid capacity utilization, and healthy financials, with government infrastructure spending.

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

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

Summary of projection on growth & inflation by the MPC

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

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

External Sectors:

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

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

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

Additional Policy Measures:

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

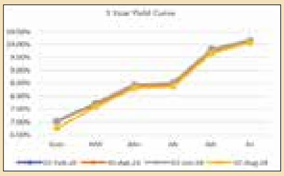
It is proposed to increase the frequency of reporting **credit information to Credit Information Companies** (CICs) to a fortnightly basis, allowing faster updates for borrowers and better risk assessments for lenders.

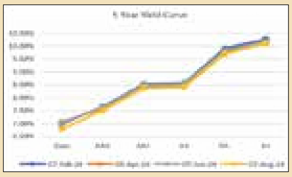
The transaction limit for **tax payments via UPI** will be raised from ₹1 lakh to ₹5 lakh per transaction, simplifying the process for consumers.

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

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

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





Source: CRISIL Fixed Income Database

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

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

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

'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.

Secondary Market Bond Offers

PSU Perpetual Quotes				
Security	Maturity/Call	IP	Rating	Yield
7.74% SBI Perp 2025	Call: 09-Sep-25	Annual on 09-Sep	AA+ By CRISIL, ICRA & IND	7.83%
7.75% SBI Perp 2027	Call: 09-Sep-27	Annual on 9-Sep	AA+ By CRISIL & ICRA	8.00%
8.05% Canara Bank Perp	Call: 02-Dec-26	Annual on 02-Dec	AA+ by CRISIL & IND	8.11%
PSU Quotes				
Security	Maturity/Call	IP	Rating	Yield
7.36% IOCL 2029	16-Jul-29	Annual on 16-Jul	AAA by CRISIL & IND	7.21%
7.45% THDC India Ltd 2031	20-Jan-31	Annual on 20-Jan	AA/STABLE CARE, ICRA	7.65%
7.80% MTNL 2033 (GOI Guaranteed)	07-Nov-33	Semi Annual on 7-May & 7 Nov	AAA(CE) By IND, CARE	7.75%
6.97% PFC 2036	22-Jan-36	Quarterly on 22-Jan, 22-Apr 22-Jul,22-Oct	AAA by CARE, ICRA	7.24%

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	10.61%
7.90% LIC housing Finance Ltd. 2027	23-June-27	Annual on 23-Jan	AAA by CRISIL & CARE	7.76%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA CRISIL & CARE	8.26%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.81%
8.12% Bajaj Finance Ltd. 2027	10-May-27	Annual on 10-May	AAA by CRISIL	7.85%
8.15% Axis Finance Limited 2029	22-May-29	Annual on 22-May	AAA by CRISIL & IND	7.95%
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 2032	(22-Mar-32) Staggered Maturity	31-Mar, 30-Jun, 30-Sep & 31-Dec	A+ (CE) BY CRISIL & IND	8.65%

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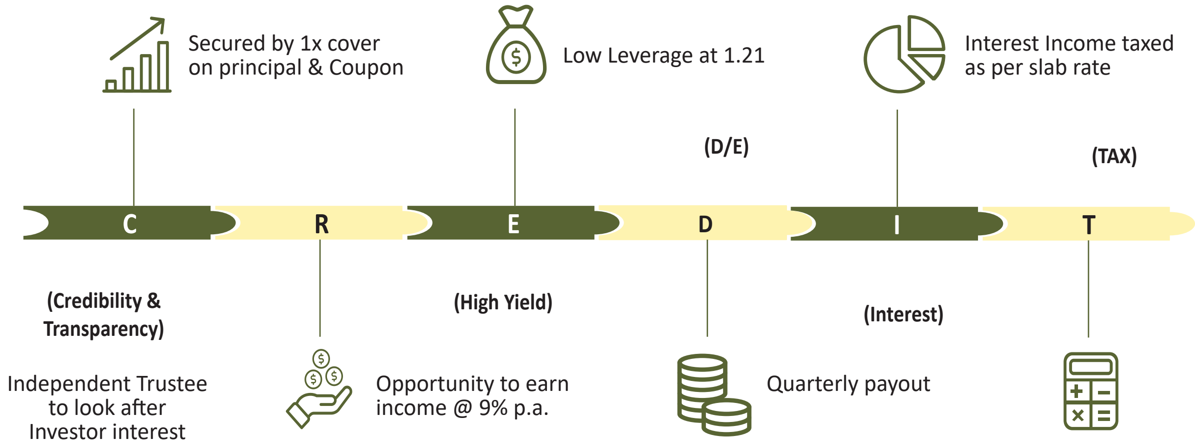
ANCHOR (Market Linked Debentures)

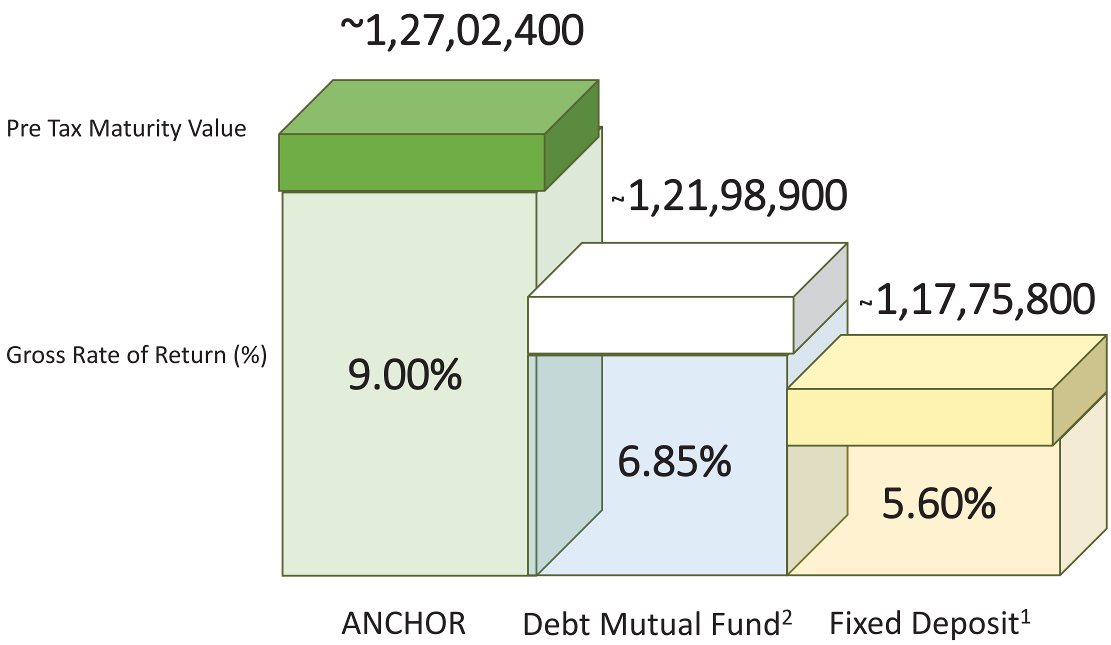
What is ANCHOR?



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

What is the Opportunity?

For an investment of 1 Crore for 36 months



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

Key Terms of the Issue

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

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

Cash-flow Illustration

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

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

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

Anand Rathi PMS

PMS Portfolio

Objective & Investment Philosophy

Objective

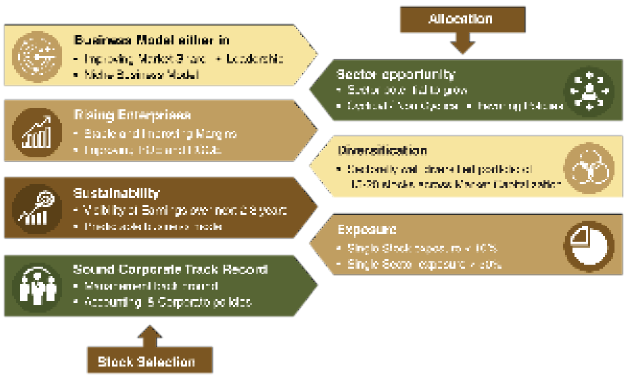
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

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

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

Value **Growth**

Investment Process



Re-VIEW Strategy

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.

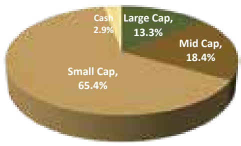
E – **Earnings Visibility Changes**
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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.	9.2%
2	PG Electroplast Ltd.	8.1%
3	Ratnamani Metals & Tubes Ltd.	7.0%
4	Bharat Electronics Ltd.	6.9%
5	KEI Industries Ltd.	6.7%
6	Varun Beverages Ltd.	6.4%
7	Titagarh Railsystems Ltd.	6.0%
8	KEC International Ltd.	5.8%
9	Radico Khaitan Ltd.	5.4%
10	GlenmarkLifeSciencesLtd.	5.3%

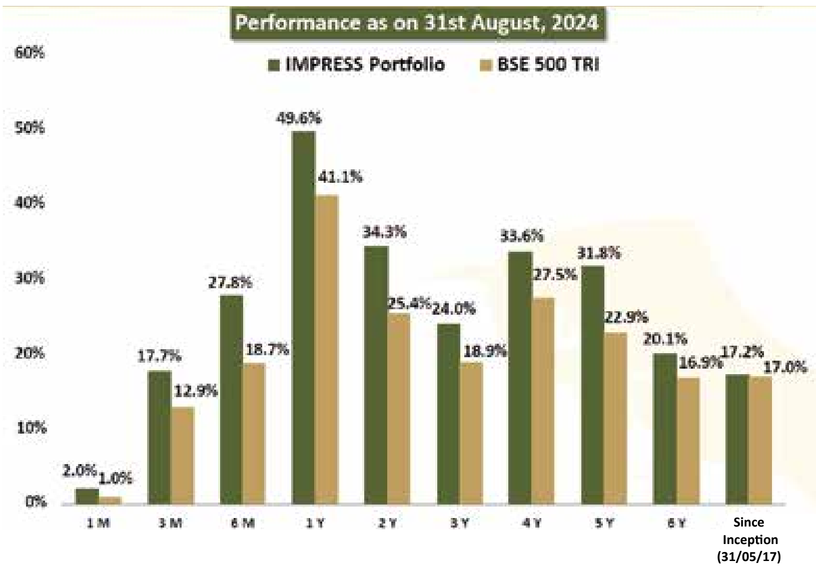
Market Cap Allocation



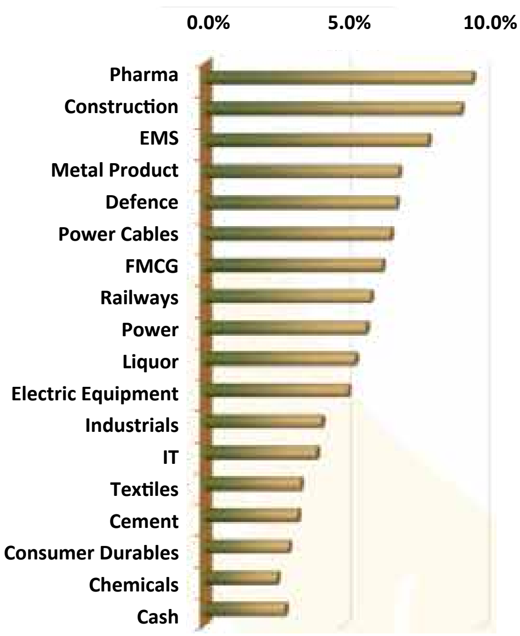
	Avg Mkt Cap (cr)
Large Cap	206948
Midcap	35414
Small Cap	15702
Overall Portfolio	45026

Data as on 31st August 2024

Portfolio Performance



Sector Allocation



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.

Healthy Balance Sheet

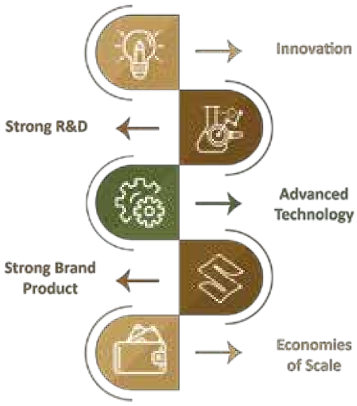
Top Holdings and Allocation

Sr No	Top 10 Holdings	% Holdings
1	ITD Cementation India Ltd.	9.4%
2	Siemens Ltd	8.6%
3	Maruti Suzuki India Limited	7.3%
4	Schaeffler India Limited	5.6%
5	Suven Pharmaceuticals Limited	5.5%
6	CRISIL Ltd	5.3%
7	3M India Ltd	5.0%
8	Abbott India Ltd	4.7%
9	Whirlpool of India Limited	4.6%
10	KSB Limited	4.6%

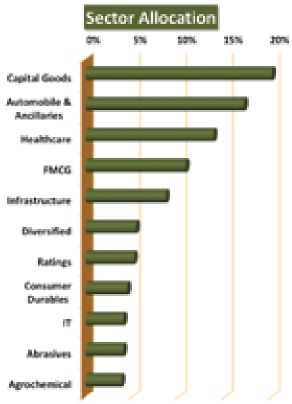
Avg Mkt Cap (cr)	
Large Cap	326858
Midcap	45845
Small Cap	18628
Overall Portfolio	112103

Data as on 31st August, 2024

Successful Business Model



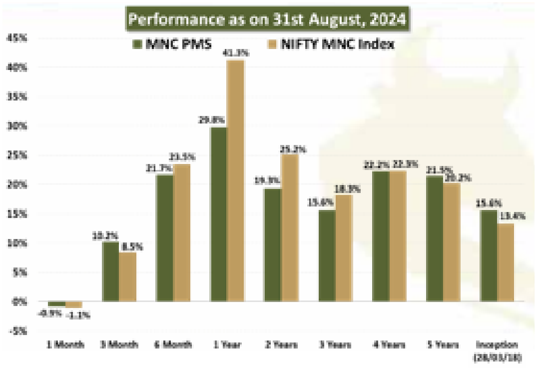
- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence 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



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

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.



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We have shown the performance as Aggregate performance of all clients on TWRR basis.

Selection Process

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

Anand Rathi PMS

Decennium Opportunity

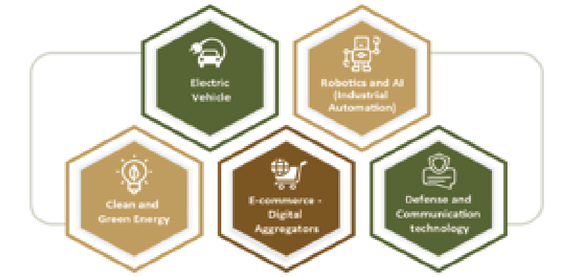
Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.

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

Opportunities at every level of emerging business

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

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.

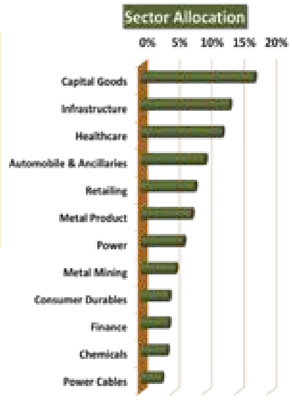
Stock Selection Process

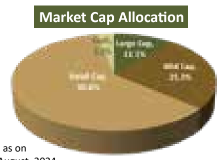
Opportunity - Accelerated Growth from Business Upcycle

- 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/ Entrepreneurs 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

Portfolio Synopsis

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	8.5%
2	Ethos Limited	8.3%
3	Venus Pipes and Tubes Limited	7.8%
4	KEC International Limited	7.3%
5	Craftsman Automation Limited	7.3%
6	Caplin Point Laboratories Limited	7.0%
7	Praj Industries Ltd	6.5%
8	Techno Electric & Engineering Company Limited	6.3%
9	Global Health Limited	5.5%
10	Concord Biotech Limited	5.3%

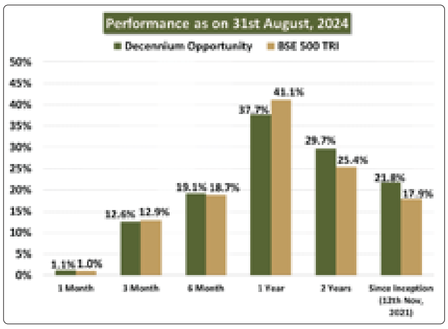




Data as on 31st August, 2024

	Avg Mkt Cap (cr)
Large Cap	218782
Midcap	49617
Small Cap	14539
Overall Portfolio	37652

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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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
51435	**102.5%**	**102.5%**	**14.5%**	**14.5%**
38100	50.0%	102.5%	8.1%	14.5%
34036	**34.0%**	**102.5%**	**5.8%**	**14.5%**
33782	33.0%	18.0%	5.6%	3.2%
31750	25.0%	10.0%	4.4%	1.8%
29464	16.0%	1.0%	2.9%	0.2%
29210	**15.0%**	**0.0%**	**2.7%**	**0.0%**
27432	8.0%	0.0%	1.5%	0.0%
25400	**0.0%**	**0.0%**	**0.0%**	**0.0%**
25052	-1.4%	0.0%	-0.3%	0.0%
22860	-10.0%	0.0%	-2.0%	0.0%
21590	**-15.0%**	**0.0%**	**-3.1%**	**0.0%**
21587	-15.01%	-21.01%	-3.1%	-4.4%
20320	-20.0%	-28.0%	-4.2%	-6.1%
17780	**-30.0%**	**-42.0%**	**-6.6%**	**-9.9%**
13970	-45.0%	-48.0%	-10.8%	-11.8%
2540	**-90.0%**	**-66.0%**	**-35.7%**	**-18.7%**
2537	-90.01%	-90.01%	-35.8%	-35.8%
0	-100.0%	-100.0%	-100.0%	-100.0%

Product IRR*
~14.52%

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

**Standard Deviation
4.67%

Target Nifty Perf.
34%

Product Explanation

NP >= 34%	102.5% (Contingent Coupon)
33% < NP < 34%	Max(0%,(NP-32%)*PR2
15% < NP < 34%	(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 25236, adding 150 points contingent: 25386, rounded off to next 100: 25400.
****Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st August 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

ICICI Venture

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

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

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

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

iREIF

Our RE debt exit track record

ICICI Venture

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

Developer	Type	Investment	Exit	Gross IRR
ARIHANT	*Type: Affordable Housing*	Investment : Oct 2018	Exit : April 2021	Gross IRR: 22.5%
SKYi Developers	*Type: Affordable Housing*	Investment : Oct 2019	Exit : Oct 2021 (Largely)	Gross IRR: 22%
	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%
AHUJA	*Type: Housing*	Investment : Dec 2012	Exit : Jul 2015	Gross IRR: 22.2%
PRINCE	*Type: Affordable Housing*	Investment : Dec 2014	Exit : Oct 2016	Gross IRR: 21.2%
SUNSHINE	*Type: Commercial*	Investment : Dec 2014	Exit : Aug 2016	Gross IRR: 21.8%
DS	*Type: Affordable Housing*	Investment : Oct 2014	Exit : Nov 2016	Gross IRR: 20.8%

iREIF

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

iREIF Portfolio Overview

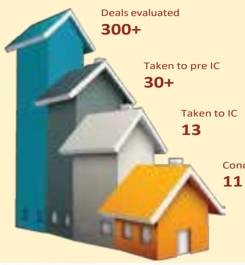
ICICI Venture

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

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

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

iREIF deal log



iREIF

Disclaimer: All projections, forecasts or "forward-looking statements" relating to expectations regarding future events or the possible future performance of funds contained herein are those of ICICI Venture and represent ICICI Venture's own assessment and interpretation of information available to it as at the date of this presentation and are subject to change without notice. In particular, no representation or warranty is made that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved. There is a substantial likelihood that at least some, if not all, of the forward-looking statements included in this presentation will prove to be inaccurate, possibly to a significant degree.

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

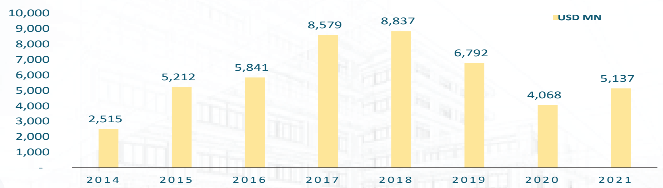
02 Benefits of MoU
- Enabling broader financing options for potential iREIF2 developers
- Co-lending with ICICI Bank / ICICI HFC will ensure financial closure
- Enhanced ability to negotiate better terms with the developer

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

iREIF2

Private capital flows to Indian RE sector

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



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

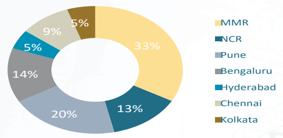
Source – Knight Frank Research, Venture Intelligence

iREIF2

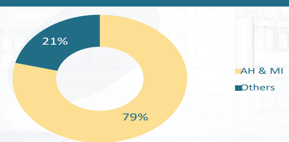
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

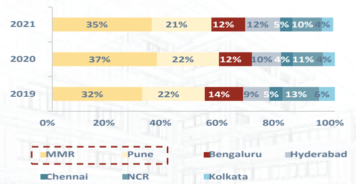
% of Overall Sales from 2015-2021



% of Sales in Mid-income & Affordable

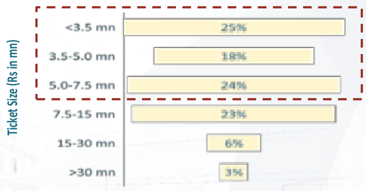


City wise residential unit sales



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

Affordable & Mid Income continues to drive overall volume



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

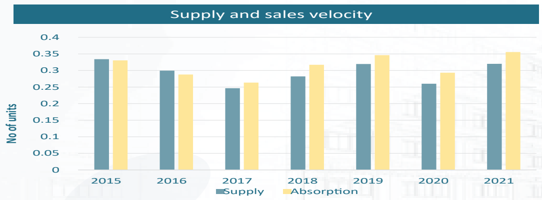
Source: PropEquity. CY 2020. Data for number of units sold

iREIF2

Covid impact

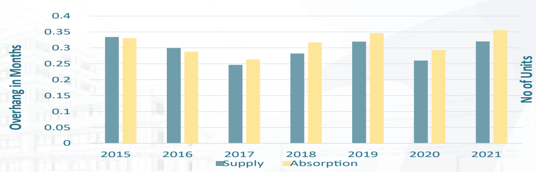
Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



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

Housing inventory overhang



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

Source: Propequity

iREIF2

iREIF2 Strategy

ICICI Venture

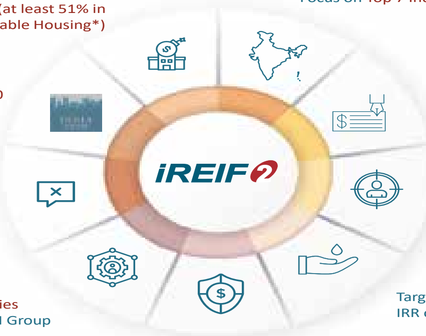
Key pillars

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

10-12 deals; Focus on Top 7 Indian cities

India focused; View on India 2030

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



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

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

Tap synergies across ICICI Group

Target Gross INR IRR of 17%-22%

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

*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%

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

iREIF2

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

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

iREIF2

ICICI Venture

IVen amplifi

India focused Venture Fund

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

IVen amplifi

Evolution of ICICI Venture platform

ICICI Venture

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

- **1988** Founded as TDICI
- **1998** Re-named to ICICI Venture
- **1988 - 2001** Focused on Venture Capital
- **2002** Private Equity vertical established
- **2005** Real Estate vertical established
- **2012** Special Situations Vertical established
- **2016** Infrastructure vertical established
- **2022** AUM/A since inception reaches USD 6 Bn
- **2023** **Venture Fund** IVen amplifi

IVen amplifi

INDIA 2030 Summary

ICICI Venture

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

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Components of Digital India

ICICI Ventur

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

IVen amplifi

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Fund strategy

ICICI Venture

Tech-focused venture fund

IVen Amplifi Strategy

01. **Rs. 15 Bn India** focused fund; View on Digital India **2030**
02. Tap **synergies** across ICICI Group
03. Sector agnostic; digital focus on **Fintech, ConsumerTech and Enterprise**
04. 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
05. **10-15** investments; focus on portfolio **diversification and risk management**
06. Best in-class **Deal Sourcing** capabilities; **Early Identification of key trends**
07. Target Gross INR MoIC of **3.5x-4x** at a Gross INR IRR of **30%-35%**
08. **"No Go"**: Seed stage
09. Provide **strategic support to** portfolio companies especially areas of corporate governance

IVen amplifi

IVen Amplifi's positioning

ICICI Venture

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

Target Return	Seed Stage	Early (Series A)	Scale (Series A+ to B-)	Late (Series B onwards)
30x / 10x / 5x / 2x (Risk)	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

IVen amplifi

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

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Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

Mr. Subeer Monga
Director

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

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

Subeer has been involved with ~20 investments

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

Mr. Sharad Malpani
Director

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

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

Sharad has been involved with ~10 investments

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

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Portfolio management

ICICI Venture

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

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Hiring		
native	Michael Page	QUESS
Waterfield Talent Advisors	PURPLE QUARTER	seenrecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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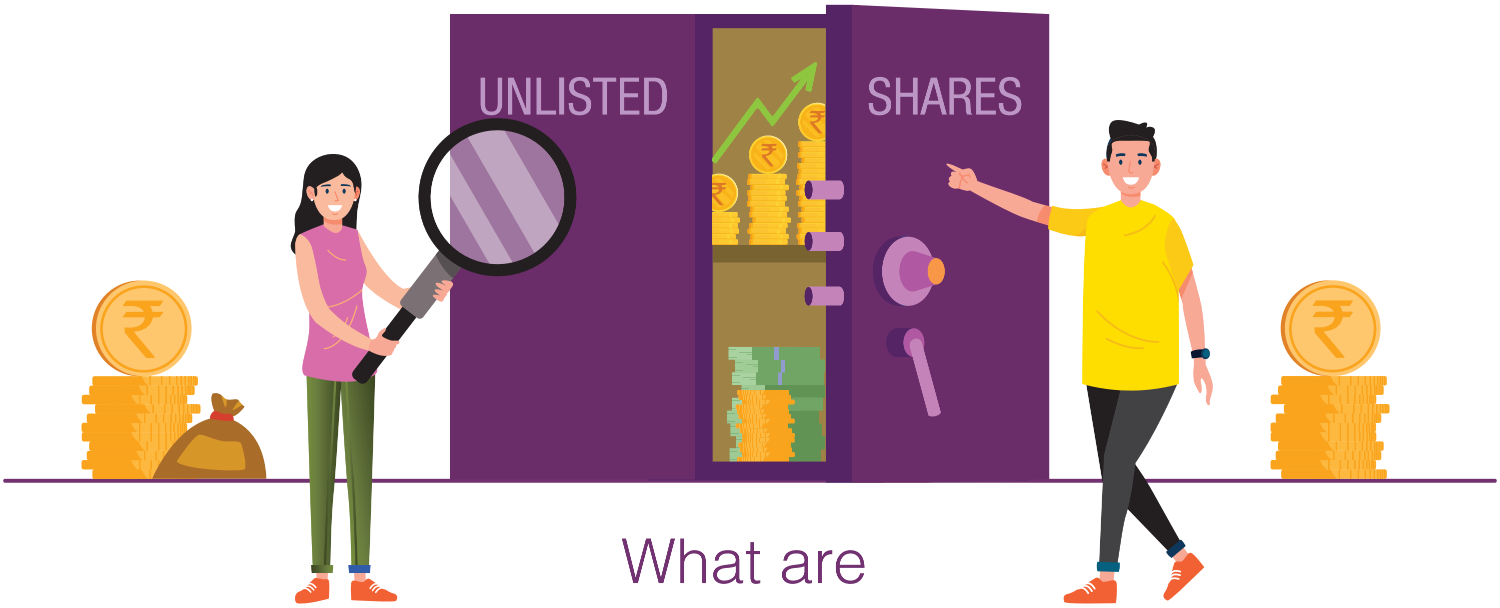
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY

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.) PharmEasy	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.

Note

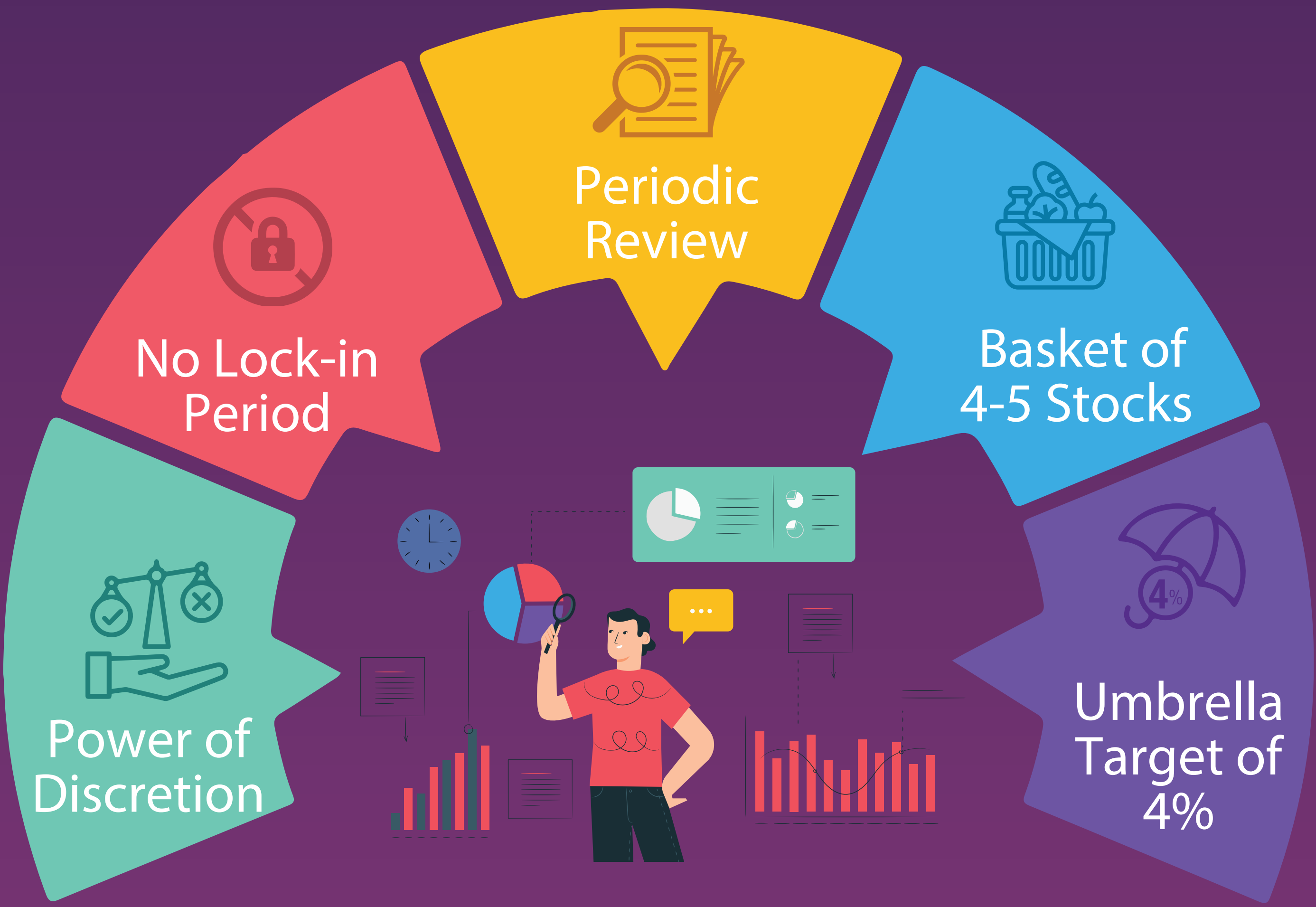
Note

Note

FINKART
Quality Investing - Simplified!

ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

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



Dynamic Research Basket Stock Allocation

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

Feat Award Function 2023-24

ANANDRATHI INVESTMENT SERVICES

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

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