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INDEX

PCG Communique

From the Desk of the PCG Head

Rajesh Kumar Jain

Indian Economy:

India's economic growth may exceed 6% for the rest of the decade, driving more investments from China into the South Asian countries talked by most of the Global Analyst. India's contribution to world real GDP growth should reach 7.7 per cent by 2028, based on IMF projections which assume only an average 6.3 per cent real GDP growth in India for the next five years. India's ranking globally in nominal GDP terms is projected to rise from the 13th largest in 2005 to the 3rd largest in 2027, he noted.

India's economy grew better than expected in the third quarter of FY24, boosted by a jump in mining, manufacturing and construction activities. The gross domestic product grew 8.4% over a year earlier in the October-December quarter, according to the latest estimates released by the government's statistical agency. Gross value added, which strips out indirect tax and subsidies, is estimated to have grown 6.5%. A Bloomberg poll of economists pegged GDP to grow 6.6% in the October–December period. GVA was expected to expand 6.4%.

Consumption was struggling and the external sector was going to be lackadaisical. The lower input cost benefit has been good for mining, manufacturing and construction, leading to a serious jump up in their growth.

However, in terms of the expenditure side, as expected, the growth has been mainly led by strong capex by the government, while consumption growth has remained feeble. Going forward, the most critical aspect to watch out for will be a broad-based improvement in consumption growth. The other critical aspect would be a meaningful improvement in private investment. Overall robust GDP growth will be sustainable only when there is a meaningful improvement in consumption and private investment.

We expect the steady domestic growth momentum to continue, supported by continued increases in government capex, much anticipated rising private investment and monetary easing. With growth moving faster than expected by the RBI, the central bank will see little urgency to cut rates while the MPC awaits for comfort on headline inflation and forecasts a rate cut in the July-September 2024 quarter, instead of in the April-June 2024 quarter.

Global Economy:

Japan's economy unexpectedly slipped into recession after shrinking for a second quarter due to anaemic domestic demand, prompting some central bank watchers to push back bets on when the nation's negative interest rate policy will end. Households and businesses cut spending for a third straight quarter as Japan's economy slipped to fourth-largest in the world in dollar terms last year. The weaker- than-expected result will complicate the Bank of Japan's case to conduct the first rate hike in Japan since 2007.

The UK slipped into a mild recession in the second half of 2023, showing Prime Minister Rishi Sunak has so far failed to meet his pledge to grow the economy. While the economy still grew 0.1% across the year as a whole, it was the slowest annual expansion the UK had seen since 2009, excluding the first year of the pandemic.

Indian Markets:

Nifty MidCap 100 Index is now trading at 25.9 times one-year forward earnings, compared with 20.4 times for the Nifty. However, the valuations should be seen in the context of the acceleration in growth which should be anticipated as a consequence of the developing capex cycle, combined with the continuing commitment to government funded capex discussed here recently following this month's budget which was remarkable for its lack of populist measures

India's rapidly expanding middle class which has long stashed its savings in real estate and gold. Households have only 7% in equities and mutual funds, compared with more than 40% in Brazil and China and 50% in the US. As a result, small investors have largely missed out on India's stock market boom, which may be fuelling some fear-of-missing-out trading now. The country's stocks have been outperforming other major markets. Over the decade ended last year, the Nifty 50 index has offered a 14.8% average annual return, almost 3 percentage points better than the S&P 500.

We had started FY24 with an Nifty EPS of (Rs) 975 for the quarter and likely to end the quarter with (Rs) 976 EPS. That basically means a 20% earnings growth for FY24, and we are expecting about (Rs) 1,140 EPS for FY25 Nifty, which converts into 15–16% earnings growth. We have already seen a 22% earnings compounding for the Nifty in the last four years, and the next two years are also looking for a 15% growth as projected.

These are pretty large compounding that one has to expect, and for Small & Mid-caps around 17-18% over the long run. These are not very easy to achieve, when you look from a long period of time. Of course, you could achieve that over a shorter period. So this is where I guess is a challenge that somewhere down the line, we have to see some form of a flat lining of the markets, which is what we believe should happen this year.

Performance of India Market Vs Emerging Markets & Trends:

Countries	Trailing PE	1 year Fwd PE	Last month Return %	3M Return %	1Y Return %	FII Inflow MTD USD mn	FII Inflow QTD USD mn
India	23.20	20.40	2.50	7.30	26.90	260.50	-2396.90
Indonesia	17.50	15.50	1.10	3.40	7.70	-96.90	1083.20
Malaysia	15.20	13.40	1.20	5.90	5.40	-212.20	209.70
Philippines	13.30	12.80	1.80	9.10	3.10	32.80	241.20
South Korea	18.40	11.00	2.50	5.90	7.30	471.00	8844.10
Taiwan	23.70	21.90	7.80	12.30	23.70	1626.50	6431.70
Thailand	16.00	14.40	-1.90	-1.40	-14.70	-69.50	-857.50
Vietnam	16.40	11.70	6.30	12.10	22.90	24.00	-25.30
Brazil	9.30	9.00	-1.80	2.00	23.30	-233.90	-3733.50

*As of 07/03/2024

It clearly shows that Indian Markets has outperformed all the emerging market for the FY24 till date. Although it is trading at a premium Vs most of the emerging markets but will stable govt, ongoing policy & reforms and onset for the repetitive govt, >7% GDP, India oust to have a premium Vs the emerging markets.

Sector to Look @:

There are increasing headwinds for Indian banks, such as rising pressure on the cost of funds, growing concerns about rising consumer leverage, and pressure on operating costs due to elevated wage inflation. Most of the bank which has a higher cost of higher will face the decline in the NIM and lower credit growth.

Defence is one sector where the annual defence production is expected to touch ₹3 lakh crore from ₹16,000 crore now, and defence exports to ₹50,000 crore by 2028-29 as per Defence Minister Rajnath Singh said on one of his public interactions. While insisting that the new-found thrust is a result of the government's focus on long-term gains to make India a developed nation by 2047.

Way Forward:

Foreign investors made a significant selling and has been net negative over Rs. 15,962 crore into Indian equities in February, which has been the continuation outflows seen in the preceding month also while DII's has been net buyers to an extent of 11297CR. SIP inflows soared to a record high of ₹18,838 crores in Jan 2024.

The markets are currently anticipating a clear mandate in the Lok Sabha election, with expectations of continued political reforms. This optimism is driving the markets to achieve all-time highs consistently.

Market is on the upper side of the fulcrum and there might be still pockets of opportunity, but across the board, it is becoming a bit tougher to argue even the growth angle. Markets have discounted lot of forth coming events at the current price and as investor one have to really need to be a bit more realistic & pragmatic in terms of return and at the same time identifying sectors and stocks where growth & earning is visible. So there will be challenges going forward is what I see.

Market may turn a lot more stock-specific and news flow may have to be sought out for triggers and chance of volatility continues because election driven local news as well as global new and overseas flows will make market volatile. The easy-money days appear to be ending. Trade with some additional care for the coming couple of months. If the market hits projected highs around then it is advisable to consider taking profits.

As the corporate result season is over, we believe market will is suppose to trade on a band of 21500-22500 for the month of March. We again reinitiate our previous month recommendation and positive on the renewable space, power financing companies, capital goods, PSU Banks, Defence companies. Our preferred bet would be PFC, REC, Tata Power, Paras Defence, Bharat Dynamics, Siemens, Bank of Baroda, NTPC, HAL.

Market Commentary

The Nifty index ended the February month on a slightly positive note as it closed at ’21,982’ as compared to December end ’21,725’. Similarly, Sensex ended the February month at 72,500 with a positive return of 1.2%.

Indian equity benchmarks ended the passing week with a gain of around a percent with frontline gauges ending above their crucial 73,100 (Sensex) and 22,200 (Nifty) levels. Markets started the week on an optimistic note as sentiments remained up-beat, taking support from India’s G-20 Sherpa and former NITI Aayog CEO Amitabh Kant's statement that India needs to grow at an annual rate of 9-10 per cent for around three decades and constant innovations to become a $35 trillion economy by 2047. Adding to the optimism, a private report stated that the government is mulling over introducing a new production-linked incentive (PLI) scheme for the pharmaceutical sector to boost the production of key chemicals critical to the manufacture of active pharmaceutical ingredients (APIs). In doing so, it aims to reduce Indian companies’ dependence on China for such supplies. Markets extended gains as traders got some support after Commerce and Industry Minister Piyush Goyal exuded confidence that the Reserve Bank of India (RBI) will cut interest rates as inflation is under control. The RBI has been maintaining the benchmark interest rate at an elevated level of 6.5 per cent since February 2023. Union minister Hardeep Singh Puri's statement that infrastructure will be a vital component for India to become a developed country by 2047 too aided sentiments. He asserted that the country will be the third-largest construction market globally by next year. Highlighting the vitality of the construction industry for the Indian economy, he said the construction industry is among the fastest growing industries in the country. However, traders opted to book profit at higher levels during the week and overlooked the latest payroll data released by the Employees' Provident Fund Organisation (EPFO) showing that the labour market recovered slightly in December as fresh formal job creation hit a three-month high. As per the data, in December 2023, the number of new monthly subscribers under the Employees’ Provident Fund (EPF) increased by nearly 10 per cent to 840,584 in December from 762,513 in November.

The HSBC India Manufacturing PMI was revised higher to 56.9 in February 2024 from 56.7 in the preliminary reading, following a final 56.5 in January. It was the fastest growth in the factory sector since last September, as sales rose at the fastest pace since September, with new export orders growing the most in 21 months. Both output and new orders expanded at the quickest rate since September, helped by marketing efforts to boost demand. Australia, Bangladesh, Brazil, Canada, mainland China, Europe, Indonesia, the US, and the UAE were sources of demand growth. Employment was little changed, as payroll numbers were sufficient for current requirements, purchasing activity rose the most in five months, and lead times on inputs were broadly stable. On the price front, input price inflation eased to the weakest since August 2020, while output cost inflation slowed to an eleven-month low. Finally, sentiment improved to the second-highest since December 2022 amid hopes of rising demand.

The HSBC India Services PMI increased to 62.0 in February 2024 from 61.8 in the previous month, pointing to the fastest expansion in the sector since last July, preliminary data showed. Output and new orders continued to rise, with foreign demand advancing. Outstanding business volumes continued to expand. On the price front, input and output price inflation eased. Finally, business sentiment remained positive, boosted by rising demand, despite becoming less optimistic about the outlook.

Annual retail inflation in India eased to 5.1% in January 2024, the lowest in three months, from 5.69% in December 2023, matching market expectations. The slowdown is mostly due to an ease in food inflation and favourable base effects from last year as inflation rose in January 2023. Food inflation fell to 8.3% from 9.5%. Prices rose less for vegetables (27% vs 27.6%), pulses (19.5% vs 20.7%), spices (16.4% vs 19.7%) and fruits (8.7% vs 11.1%) and continued to fall for oils and fats (-15% vs -15%). A slowdown was also seen in prices for pan, tobacco, and intoxicants (3.3 vs 3.7%), clothing and footwear (3.4% vs. 3.6%), miscellaneous (3.8% vs. 4.1%) and housing (3.2% vs 3.6%) while prices for fuel and light fell by 0.6% after a 1% drop.

India’s overall exports (Merchandise and Services combined) in January 2024* is USD 69.72 Billion, exhibiting a growth of 9.27 per cent over January 2023. Overall imports in January 2024* is USD 70.46 Billion, exhibiting a negative growth of (-) 4.00 per cent over January 2023. India’s overall exports (Merchandise and Services combined) in April-January2023-24* are estimated to be USD 638.37 Billion, exhibiting a negative growth of (-) 0.19 per cent over April-January 2022-23. Overall imports in April-January 2023-24* are estimated to be USD

708.79 Billion, exhibiting a negative growth of (-) 5.69 per cent over April-January 2022-23.

The Goods and Services Tax (GST) collections for the month of February 2024 stood at ₹1,68,337 crore which is 12.5% higher than the GST revenue in the same month last year, which itself was ₹1,55,922 crore. This growth was driven by a 13.9% rise in GST from domestic transactions and 8.5% increase in GST from import of goods.

India’s foreign exchange reserves have shown positive signs as it increased by US$2.97 billion to $20.61 billion in the week through February 24. Foreign currency assets increased by $2.40 billion to $16.38 billion for the week ending February 24.

The U.S. markets ended higher during the passing week, powered by investors piling into growth and technology stocks after artificial intelligence poster child Nvidia's bumper earnings and outlook. Further, some support came in as existing home sales in the U.S. saw a significant rebound in the month of January, according to a report released by the National Association of Realtors (NAR). NAR said existing home sales jumped by 3.1 percent to an annual rate of 4.00 million in January after falling by 0.8 percent to a revised rate of 3.88 million in December. Street had expected existing home sales to surge by 5.0 percent to a rate of 3.97 million from the 3.78 million originally reported for the previous month. Despite the notable monthly increase, existing home sales in January were down by 1.7 percent compared to 4.07 million in the same month a year ago. Meanwhile, a report released by the Labor Department showed an unexpected dip in first-time claims for U.S. unemployment benefits in the week ended February 17th. The Labor Department said initial jobless claims fell to 201,000, a decrease of 12,000 from the previous week's revised level of 213,000. Street had expected jobless claims to rise to 218,000 from the 213,000 originally reported for the previous week. The report said the less volatile four-week moving average also edged down to 215,250, a decrease of 3,500 from the previous week's revised average of 218,750. Besides. traders took a note of report that with risks to the outlook for inflation still seen as tilted slightly to the upside, the minutes of the Federal Reserve's latest monetary policy meeting revealed most officials remain wary of cutting interest rates too quickly.

European markets closed passing week on a higher note, as investors digested hawkish comments from Federal Reserve official and awaited remarks from European Central Bank policymakers, including President Christine Lagarde for direction. After a positive start of the week, major of indices in the region remained higher during the week, as the euro area current account surplus rose to a six-month high in December. The the European Central Bank reported that the current account surplus rose to EUR 32 billion in December from EUR 22 billion in November. This was the highest surplus since last June. The surplus on goods trade increased from November, while there was a notable reduction in the shortfall in primary income. Besides, Eurozone construction output recovered in December after falling for two straight months. The data from Eurostat showed that construction output advanced 0.8 percent from November, when it was down by 0.4 percent. Building construction expanded 1.1 percent, while civil engineering dropped 0.6 percent in December.

On the inflation front, euro zone inflation softened in January as initially estimated, largely due to the falling energy prices. The final data from Eurostat revealed that the harmonized index of consumer prices rose 2.8 percent on a yearly basis, slightly slower than the 2.9 percent increase in December. The rate came in line with the estimate released on February 1. Likewise, core inflation that excludes prices of energy, food, alcohol and tobacco, eased to 3.3 percent in January, as estimated, from 3.4 percent a month ago. However, Italy's consumer price inflation increased slightly, as initially estimated in January. The latest data from the statistical office, ISTAT, showed that the consumer price index rose 0.8 percent year-over-year in January, slightly faster than the 0.6 percent gain in the previous month, which was the slowest inflation rate since February 2021. That was in line with the flash data published on February 1.

All the Asian markets ended in green during the passing week as investors cheered Nvidia's strong quarterly earnings results, driven by demand for its chips to power artificial intelligence. Traders shrugged off the US Fed's latest monetary minutes, where officials remain wary of cutting interest rates too quickly. The minutes of the LateJanuary meeting said participants acknowledged risks to achieving the Fed's employment and inflation goals were moving into better balance, but they remained highly attentive to inflation risks. Chinese Shanghai remained the top gainer in the region, higher by over four percent, as China holding steady key interest rate as expected as the nation continues to grapple with a sluggish economic recovery. Some support also came with National Bureau of Statistics figures showing China’s home prices declined at a slower pace for both new and existing-units in January, the first signs of improvement in 10 months. New-home prices in 70 cities, excluding state-subsidized housing, dropped 0.37% last month from December, when they retreated 0.45%. The second-hand market also improved, with price declines narrowing to 0.68%.

Japanese Nikkei surged by over one and half percent, as data showed that Japanese exports grew much more than expected in January. Exports climbed 11.9 percent on year to 7.332 trillion yen - beating forecasts for an increase of 9.5 percent and up from 9.8 percent in the previous month. Some support also came with the Cabinet Office stating that core machine orders in Japan were up a seasonally adjusted 2.7 percent on month in December - coming in at 838.8 billion yen. That was in line with expectations following the 4.9 percent contraction in November. Traders overlooked the latest survey from Jibun Bank revealed the manufacturing sector in Japan continued to contract, and at a faster pace, with a manufacturing PMI score of 47.2. That's down from 48.0 in January, and it moves further beneath the boom-or-bust line of 50 that separates expansion from contraction. The survey also showed that the services PMI eased from 53.1 in January to 52.5 in February.

The S&P Global US Manufacturing PMI was revised upward to 52.2 in February 2024, surpassing a preliminary estimate of 51.5 and January's 50.7. This latest reading indicated the swiftest expansion in the country's manufacturing sector since July 2022, with output rising the most since May 2022 and total new orders growing at the strongest pace in 21 months. Additionally, new export orders expanded for the first time in three months, achieving the fastest rate since May 2022. The pace of job creation accelerated to a five-month high, and input buying saw an increase for the first time since July 2022. Regarding prices, input cost inflation cooled to its lowest point since last November, while selling prices rose at the fastest pace in ten months. Lastly, business confidence retreated from January's 21-month high.

The HCOB Eurozone Manufacturing PMI was revised higher to 46.5 in February 2024, up from a preliminary estimate of 46.1 and compared with January's 10-month high of 46.6. The latest reading signaled the second-slowest deterioration in manufacturing sector conditions since March 2023, with Germany driving the overall deterioration and contracting the most in four months. On the other hand, softer contractions were seen in the Netherlands, Italy, and France, while Spain returned to growth and Greece and Ireland recorded their best expansions for 24 and 20 months, respectively. The overall pace of output contraction was the joint-weakest in ten months, with inflows of new orders declining the least since March 2023. Meanwhile, employment fell for a ninth consecutive month, and supplier delivery times shortened. On the price front, both input costs and output charges continued to drop. Finally, business confidence was little changed from January's nine-month high.

The au Jibun Bank Japan Manufacturing PMI was at 47.2 in February 2024, unrevised from the preliminary figures, after a final 48.0 in January. It was the ninth straight month of deterioration in factory activity, pointing to the steepest decline since August 2020 as both output and new orders contracted the most in a year while foreign demand shrank the most in 11 months. Buying levels also decreased sharply amid the fastest drop in employment since January 2021, with a sharp decline in backlogs of work. Delivery time, meantime, strongly lengthened to the greatest extent for a year due to shipping delays amid disruption in the Red Sea and the impacts of the Noto earthquake. On the price front, input cost inflation eased to a seven-month low, contributing to the softest rise in output charges since June 2021. Finally, business sentiment remained positive amid hopes of a broad-based manufacturing and economic recovery.

Going Ahead

As the Indian equity market scales unprecedented peaks in February 2024, investors find themselves at a critical juncture, deliberating the wisdom of bolstering their investments, holding their ground, or retreating partially. This pivotal decision is intricately tied to the temporal outlook of their investment strategy, reflecting the multifaceted influences that steer the equity market through its short, medium, and long-term courses.

In the immediate term, the market's temperament reflects the latest news, pivotal events, and the dynamic inflow and outflow of capital. Observations of late indicate that GDP growth and corporate earnings across the globe have largely exceeded or met anticipations, while inflation shows a trend of decline, albeit with occasional deviations from expectations. Though geopolitical uncertainties continue, the overarching narrative leans towards a positive financial outlook. The equilibrium of market sentiment, poised between optimism and caution, is further underscored by the fluctuating interests of foreign investors and a noticeable uptick in domestic investments, especially from mutual funds.

Echoing Benjamin Graham's sage observation, the market in the short run behaves like a voting machine, but over the long haul, it transforms into a weighing machine, underlining the transient essence of immediate market movements. Historical scrutiny of the Indian market over the last twenty years corroborates the possibility of short-term corrections up to 5 to 7%, but it also reassures of a typical rebound within a short period should such corrections occur.

In the medium term, the compass for market direction aligns with corporate earnings and equity valuations. Recent reports for the quarter ending in December 2023 reveal an alignment of earnings with consensus expectations, with large caps meeting forecasts, mid-caps surpassing them, and small caps slightly lagging. The current juxtaposition of business and interest rate cycles against historical patterns suggests that valuations for large and mid-cap entities are justifiable, while small caps emerge as an appealing venture. This analysis, coupled with the projection of earnings and valuation trends, indicates an absence of significant overvaluation, painting a medium-term outlook devoid of impending corrections and promising potentially above-average returns for large and mid-cap equities in the forthcoming 12 months, with small caps poised for even more significant gains.

Peering into the long-term horizon, the outlook is predominantly sculpted by macroeconomic factors. India's projection as the fastest-growing major economy for at least the next five years, coupled with an expected stabilization of inflation within a 4 to 5% range and a narrowing inflation gap with other major economies, lays a robust foundation for optimism. This, alongside supportive macroeconomic indicators spanning agriculture, industry, services, private consumption, investment, government finance, the financial sector, and foreign trade, fortifies the long-term appeal of the Indian equity market. Historically, Indian equities have outshone their global counterparts across all investment horizons from one to twenty years, a legacy anticipated to persist amidst the favourable macroeconomic landscape.

Given the current market dynamics and indicators of future performance, the counsel leans towards not only sustaining investments but also strategically incrementing them in phases. While acknowledging the potential for minor short-term market corrections, their impact is anticipated to be fleeting. The emphasis, therefore, should be on strategic, long-term considerations over short-term volatilities, in pursuit of sustainable wealth generation. This approach echoes Warren Buffett's timeless wisdom: "The stock market is a device for transferring money from the impatient to the patient," advocating for a measured, patient investment strategy that aligns with the inexorable march towards long-term growth and prosperity.

Commodities Outlook

Precious Metals: : Gold declines for second month in February but still holds above $ 2000 amid resilient macro cues that delays speculation of early rate cuts.

Gold prices which witnessed stellar returns in Q4 2023 driven by concerns of peak interest rates combined with geopolitical tensions saw subdued sentiments for Jan-Feb month amid traders unwinding of speculative bets with resilient macro cues from US indicating interest rate cuts might not be there until H2 2024.

Sticky Inflation concerns along with moderate Jobs growth in US seen in January is what kept labour market tight and weighed on sentiments in Gold. Meanwhile prices were also unable to sustain below $ 2000 as it recovered as market participants held on to bets of rate cuts starting as soon as June 2024. Some of the supportive macro data included Manufacturing PMIs in US which still remained in contraction territory in January as tight credit conditions in US prevailed due to elevated interest rates leading to concerns of slowdown in economic growth in coming quarters.

Fundamental Outlook: Gold & Silver to witness volatile moves in March amid rate cut speculation to further drive movements in precious metals complex.

As Indian physical demand stays low in Q1 2024 due to higher prices which was partially offset by rising gold consumption during the same period in China due to lunar New Year festivities prices have stayed volatile so far with Silver declining more than gold. Moving ahead Gold Outlook remains robust for coming quarters where renewed investment demand in Gold in H2 2024 on anticipated rate cuts may lead prices to test new all-time high levels as we anticipate a further 6 – 8 % upside possible in gold from current levels in upcoming quarter. On the downside prices likely have a room to correct 4 – 5 % in Spot given resilient economic growth in first quarter making an overall trading range of $ 1970 – 2150 per ounce to persist in spot markets in H1 2024. Meanwhile prices could continue to witness higher volatility in near term as may see intermediate profit booking moves of 4 – 5 % in medium term perspective. Having said that this could be a good accumulation strategy in gold considering Fed sticking to its target of 3 rate cuts in the latter half of the year, leading to new all-time highs in Gold.

On the other hand Silver bulls and bears could continue to have a tough fight in the March month leading to a volatile scenario while prices trading in backwardation in Comex near month contracts indicates near term supply tightness which could limit sharp downside. Overall trading range for Silver to remain around $ 21.50 – 24.70 per ounce in Spot (CMP $ 23.00 per ounce) for the whole month where higher side targets on MCX May futures could remain around Rs. 73950 // 75100 per Kg. However sticky inflation concerns to persist in near term keeping 10 Year yields to remain on the positive side limiting any sustained upside for the month.

February Recap: Base metals under pressure initially due to rising Chinese inventories and USD strength. Later rebounded on macro policy shifts and geopolitical tensions.

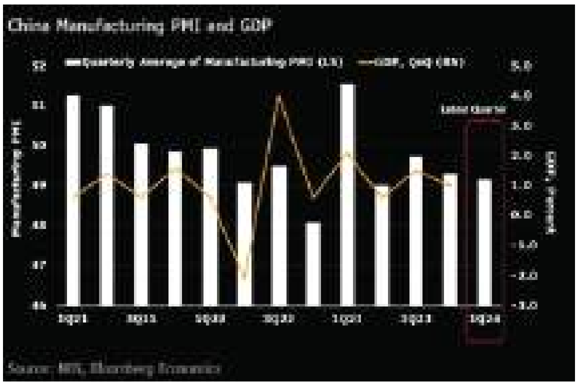
In February, base metals faced pressure in the first three weeks due to rising Chinese regional inventories and declining consumer prices. LME stocks increased for most metals during this period, and the US Dollar strengthened. Post-Chinese New Year holidays, most risk assets were not performed well. However, the Eurozone economy is expected to grow slower in 2024 due to reduced purchasing power and higher ECB interest rates, according to the European Commission.

In the final week, metals rebounded influenced by various macroeconomic policy developments from

China, escalation of conflict in the Middle East, and the possibility of further EU sanctions on Russia. China's copper treatment charges hit a decade low, with spot charges falling to $19.8/t, reflecting record-high refined copper output driven by expanded smelting capacity.

The shutdown of a major First Quantum mine in Panama has exacerbated pressure on the country's credit rating and deficit forecast, according to Fitch Ratings. On a positive note, Peru's environmental agency granted Antamina, the largest copper-zinc mine, a permit for a $2 billion expansion, extending its operation until 2036. Furthermore, China's manufacturing activity dropped for the fifth consecutive month, despite efforts to boost construction, foreign investment, and consumption, with the official manufacturing PMI falling from 49.2 to

49.1 in February. Bloomberg reported that the Chinese national team bought equities worth $57 billion in recent intervention, supporting metal prices to rebound. However, metals failed to surpass psychologically important levels. Additionally, China's real estate investments experienced a sharp decline of 24% in December 2023, marking the most significant contraction ever recorded in the sector.



Outlook

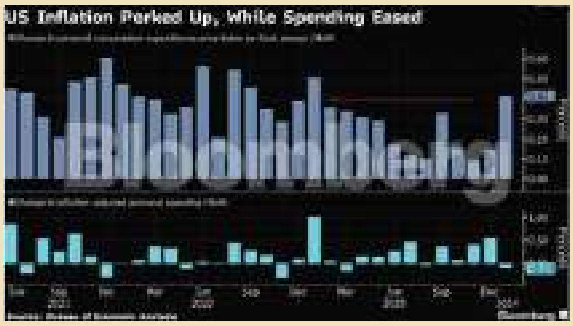
Base metals tread cautiously amidst rising inventories and political anticipation in China. Investors eye data releases and stimulus effects for market direction.

Base metal might trade within a narrow range with limited upside. This trend persists as SHFE inventories follow their usual seasonal pattern by rising again. Copper has witnessed inflows for the ninth consecutive week, while zinc has seen inflows for the fifth week in a row. Meanwhile, Chinese equities, despite showing signs of stalling following a 15% rise, have managed to hold onto recent gains. This stability is notable ahead of the National People's Congress (NPC), the most significant annual political event in China, which commences on March 5th. Investors are keen to gain insights into Chinese commodity demand intensity for the year. Additionally, the gradual return of Chinese consumers from Lunar New Year holidays throughout the month will dictate the pace of industrial activities. Looking ahead, investors will closely monitor the release of China's CPI data, as well as GDP figures from Japan and the Eurozone. Furthermore, attention will be on speeches by Federal Reserve members scheduled for mid-March. On the other hand, China's stimulus measures suggest a potential demand recovery, which could affect market surplus projections. Moreover, any disruptions in global smelting operations may exert upward pressure on prices.

Currency Outlook

Dollar Index

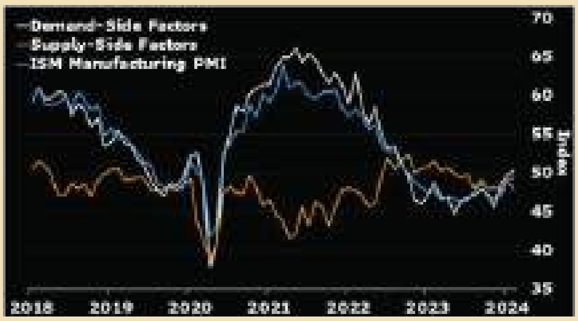
US inflation is too hot but softening fundamentals point to an eventual cooling



The Fed's favoured measure of inflation come in at 0.4% MoM, which is double the 0.2% rate we want to see, but cooling incomes and spending suggest inflation will moderate again in coming months, leaving the door open to a June Federal Reserve rate cut. Importantly, there was a 6% MoM increase in tax payments and with inflation still eating into spending power, real household disposable income was a very disappointing 0% MoM. Given this is the primary source of funds to fuel real consumer spending growth in an environment where households have largely run down pandemic era accrued savings and the costs of consumer credit are so high, this suggests that 2024 spending growth should trend quite a bit softer than in 2023. Indeed, we got a negative 0.1% MoM reading for real consumer spending in January. Weaker spending growth should gradually help dampen inflation pressures so while there is little prospect of an imminent interest rate cut.

US manufacturing contracts further, rays of light on the horizon

US ISM PMI slumped further in February, with a measure of factory employment falling to a seven-month low amid layoffs, but there were signs activity was on the cusp of rebounding. The survey from the Institute for Supply Management



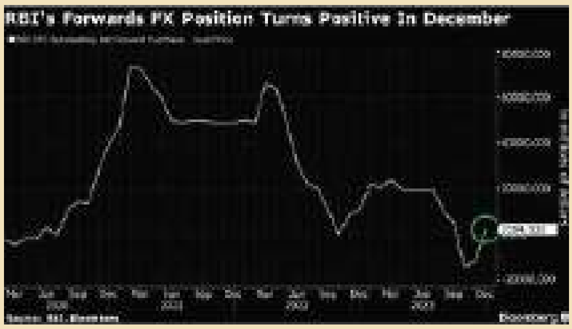
on Friday showed customer inventories declining for a third straight month, which the ISM considered as positive for future new orders and production growth. Comments from manufacturers were also upbeat, with some saying demand has finally picked up and others noting they were experiencing increased sales. So-called hard data from the government and Federal Reserve show manufacturing mostly treading water.

Dollar Index Outlook

US economic outperformance and an on-hold Federal Reserve could provide some support for the dollar for the time being. In addition, a soft US landing, combined with inflation progress and lower US yields, could also support broader financial market sentiment, weighing on the “safe-haven” support for the US dollar. The Federal Reserve’s preferred gauge of underlying inflation rose in January by the most in a year and, supporting assertions from central bankers in both regions that it’s too soon to start cutting interest rates. Markets seem to estimate that the economy currently is in a goldilocks zone with strong chances of soft landing, and the Fed will eventually cut rates this year. Good economic data is negative for risk appetite and positive for Dollar strength in this market

Rupee

RBI Forward FX Buys Show, keep rebuilding it reserves



The rupee has been the best-performing currency in Asia this year amid a resurgence in the US dollar, showing how the RBI has effectively deployed its reserves to keep volatility to a minimum. The RBI’s actions repeatedly show it will keep rebuilding its reserves both on spot and forwards even as it expends them when needed to prevent any sharp depreciation in the rupee. The Reserve Bank of India's forex forwards book swung to a net long position of $2.2b in December from a net $11.9b short position in November. That means the monetary authority bought $14b in the forwards market in December, the most since March 2022. That means the Indian currency will continue to outperform its peers during bouts of dollar appreciation while underperforming in the other case.

Rupee far forward premiums extend decline to 2-1/2-month low

The 1-year implied yield fell 21 bps in February, pressured by the pared expectations of Fed rate cuts, improved rupee liquidity and mild concerns about dollar scarcity ahead of the March 11 maturity of Reserve Bank of India's $5 billion USDINR sell-buy swap. Forward premium is mainly influenced by the interest rate differential between the US and India. The 10-year bond yield in India is now 7.06% and in the US it is 4.29%. This shrinking rate differential is causing the fall in forward premium. Additionally, traders expect the RBI to take delivery of the $5 billion dollar-rupee swap, leading to a shortage of dollars in the system. Meanwhile, dollar-rupee forwards premiums extended their decline with the 1-year implied yield lower by 3 bps at 1.64%, the lowest level in about 2 ½ months. Forward premiums are likely to stay under pressure in the near-term, but 1.60% should hold as a support for the 1-year implied yield.

Rupee Outlook

Going ahead, we believe that Rupee is likely to trade with an appreciating bias. A key risk can emerge from a change in market expectations of Fed's rate cut trajectory. As of now, the first rate cut has been priced in Jun'24. If the possibility of the rate cut is pushed back further, it can leave Rupee vulnerable. Further, while oil prices have remained largely range-bound despite the Red-Sea embargo, any escalation and resulting increase in oil prices can unhinge India's external macros and hence put pressure on Rupee.

Apart from this, supply demand dynamics also need to be watched carefully. RBI has been accumulating forex reserves to prepare for the eventuality of heightened volatility ahead of India's inclusion in the JP Morgan bond index. India's forex reserves have surged to US$ 619bn, but are still below the peak of US$ 642.5bn in Sep'21. It will also be interesting to see if the RBI decides to take the US$ 5bn swap maturing on 11 March 2024. If it does, the supply of Rupee will increase by as much as Rs. 40,000 crore which will weigh on Rupee. Given that domestic liquidity conditions have been tight in the past few months, this possibility seems most likely. The increased supply of rupee might put some intermittent pressure on the currency. However, this should be offset by higher inflows ahead of the end of the fiscal year. Historically, USDINR has closed March stronger in 7 out of the last 10 years. Overall, we expect USDINR spot to trade in the range of 82.85-83.00 in the near-term.

Technical Analysis

NIFTY: MARCH 2024

LEVELS TO WATCHOUT FOR: 22500 - 22800 / 21800 – 21500

The month of JAN 2024 was highly volatile, but FEB 2024 proved to be quite choppy for the domestic markets. The benchmark indices remained in a tight range throughout the month in the absence of any major triggers. The index NIFTY oscillated in a band of 22300 – 21500. Although the price action was difficult for the traders but eventually the index registered a new life high of 22297 and that is an optimistic sign for the bulls.

During our previous month's newsletter, we clearly discussed about the FII's long short ratio is index futures which was nearing 20% and we had a view that the downside could be limited. In line with that, the index NIFTY failed to sustain at lower levels and is now at new high. At this point in time, the ratio is at 35% and that is still a very comfortable zone for the bulls. Technically, there has been a bullish FLAG breakout on the daily scale of NIFTY and the theoretical target price for the same comes around 22800. However, at 22500 there could be some softness since that is the 100% extension of previous move. Thus, going ahead, 22500 can be an immediate resistance and a close above the same might open the doors for 22800. On the downside, the support is placed at 22000 – 21800.

Overall, the major trend changing support is 21500. As of now the undertone remains bullish but we continue to mention that 2024 being a leap year can be highly volatile and difficult to trade. The glimpse of the same was already visible in the last couple of months. Hence, traders are advised to avoid aggressive bets in the markets.

Similar to the Nifty, Bank Nifty also experienced significant fluctuations. Initially influenced by bearish sentiment, the latter part of the week saw a shift as bulls gained control. Bank Nifty saw a substantial bounce of approximately 1700 points after finding support at the 100-day Exponential Moving Average (DEMA), coincidentally marking a 0.618% retracement of its previous upward movement. This rebound was notable, resulting in a weekly gain of 1.02%, indicating renewed buying interest at lower levels. This suggests that despite fluctuations, there remains underlying confidence and demand for banking stocks. Looking forward, it's essential to closely monitor the performance of Bank Nifty. The index must maintain support at the 46,500 level in the upcoming week to sustain its bullish momentum. If it manages to hold above this level, there's potential for it to test the 48,000 level, signalling further upward movement. However, failure to maintain support at 46,500 could lead to additional selling pressure, potentially pushing Bank Nifty towards the next support level at 46,000.

Technical Pick – BUY CELLO WORLD LTD

POTENTIAL UPSIDE 9.76%- 13.02%

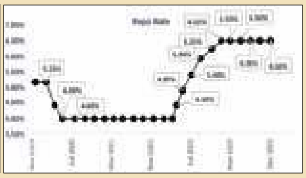
- CELLO is a newly listed but highly popular houseware brand. Technically, there is very less data since the stock started trading in NOV 2023.
- With whatever data available, we noticed a trend line breakout in the stock above 825 mark.
- Then after the stock rallied towards 920 mark and has again retested the trend line.
- Thus, traders are advised to buy CELLO in the range of 850 - 840 with a stop loss of 790 on closing basis for an upside target of 927.5 and 955 in coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

In latest monetary policy review, the Monetary Policy Committee (MPC) held its meeting to assess the evolving macroeconomic and financial developments and the outlook. The committee, by a 5 to 1 majority (the surprise was the external MPC member, Prof. Varma voted for a 25 bps rate cut), decided to maintain the policy repo rate at 6.50% remaining focused on withdrawal of accommodation to ensure that inflation progressively aligns to the 4% target, while supporting growth..

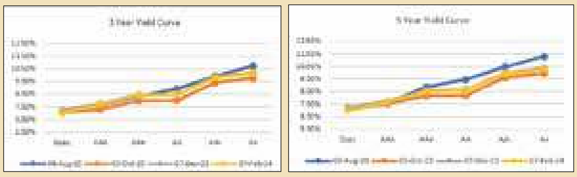
Key Rates	Pre-Policy	Post-Policy
Repo Rate	6.50%	6.50% ↔
Bank Rate	6.75%	6.75% ↔
Marginal Standing Facility	6.75%	6.75% ↔
Standing Deposit Facility	6.25%	6.25% ↔
Cash Reserve Ratio	4.50%	4.50% ↔
Statutory Liquidity Ratio	18.00%	18.00% ↔



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

The real GDP growth is at 7.3 per cent for 2023-24, marking the third successive year of growth above 7 per cent and the projected GDP growth for FY2025 is 7% reflecting the sustained momentum and optimism in India's economic outlook. Core inflation is declining, but CPI inflation will be driven by food prices, geo-political tensions and supply chain disruptions, along with the crude oil prices adding significant uncertainty to it, inflation for FY2025 is projected at 4.5%. RBI would remain nimble with its operations relying on VRR & VRRR for fine-tuning liquidity.

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



Source: CRISIL Fixed Income Database

- The 3 year & 5 year Gsec curve saw easing of ~5bps and ~4bps respectively, while the 3 year & 5 year AAA curve experienced a hardening of 14bps & 11bps respectively.
- In the 3 year space, the rest of the credit curve saw a hardening in the range of ~11bps to ~17bps & in the 5 year saw a hardening in the range of ~6bps to ~12bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw expansion of ~15bps to 19bps, from ~34bps to ~53bps in the 3 year space and from ~37bps to ~52bps in the 5 year space.

Outlook: The RBI aims for 4% inflation for stability and inclusive growth, maintaining economic balance for India's resilience. The MPC is dedicated to navigating complexities, ensuring sustained disinflation through timely policy actions.

Secondary Market Bond Offers

Tax Free Quotes

Security	Maturity/Call	IP	Rating	Yield
7.51% HUDCO Tax Free 2028	16-Feb-2028	Annual on 16-Feb	AAA	5.02%
7.35% NHAI Tax Free 2031	11-Jan-2031	Annual on 01-Apr	AAA	5.04%

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	8.04%
9.55% Canara Bank Perp 2025	Call: 05-Mar-25	Annual on 05-Mar	AA+ by ICRA & IND Ratings	8.02%

PSU Quotes

Security	Maturity/Call	IP	Rating	Yield
8.35% IRFC 2029	13-Mar-29	Annual on 15-Oct	AAA by CRISIL, CARE & ICRA	7.41%
9.10% PFC 2029	23-Mar-29	Annual on 25-Mar	AAA CRISIL & ICRA	7.50%

Corporate Bonds

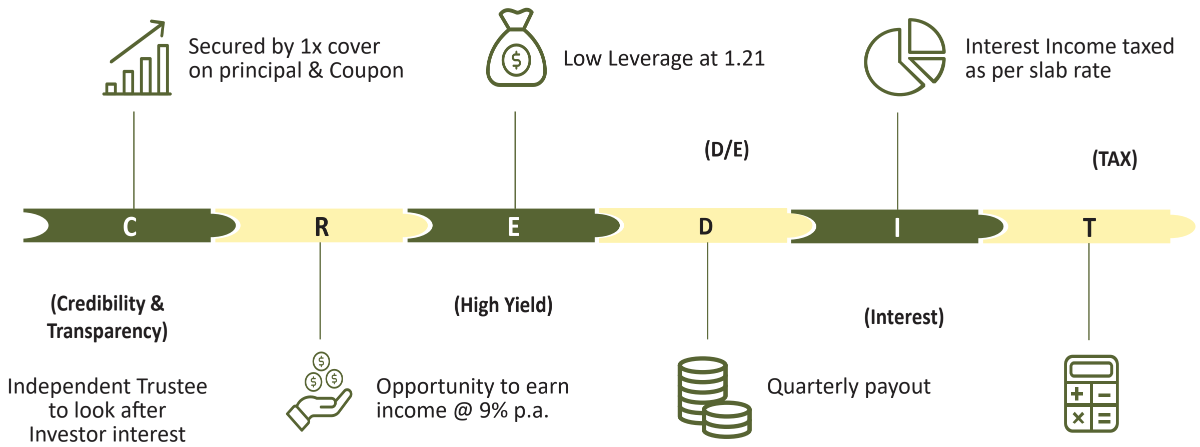
Security	Maturity/Call	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.68%
9.50% M&M Fin Serv Ltd 2029	Call: 23-Jul-27 Maturity:24-Jul-32	Annual on 01-Apr	AAA by IND & BWR	7.97%
8.1293% HDB Financial Services Ltd 2028	16-Nov-28	Annual on 16-Nov	AAA CRISIL & ICRA	8.00%
8.75% Shriram Finance Ltd 2026	04-May-26	Annual on 4th	AA+ Stable CRISIL	8.72%
7.75% Muthoot Finance Ltd. 2026	03-Jun-26	1st of every month	AA+ by ICRA	8.44%
8.10% Tata Capital Housing Fin Ltd 2026	19-Feb-27	Annual on 21-Feb	AAA by CRISIL	7.86%
8.25% HDFC Credila Fin Ser 2028	29-Mar-28	Annual on 29-Mar	AAA by CRISIL & CARE	8.26%
8.95% Aditya Birla Finance Ltd. 2029	06-Jun-29	Annual on 6-Jun	AAA by IND & ICRA	8.20%
10.15% UP Power 2028	Staggered Maturity (20-Jan-28)	20 Jan, 20 Apr, 20 Jul, 20 Oct	A+ (CE) BY CRISIL & IND	8.75%

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)

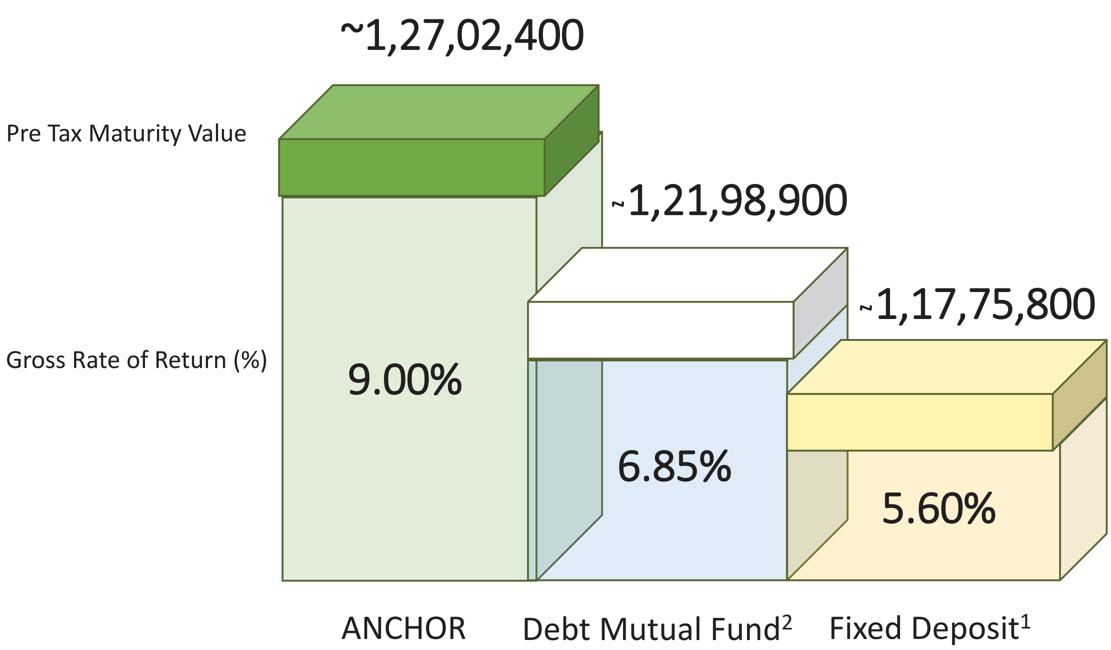
What is ANCHOR?



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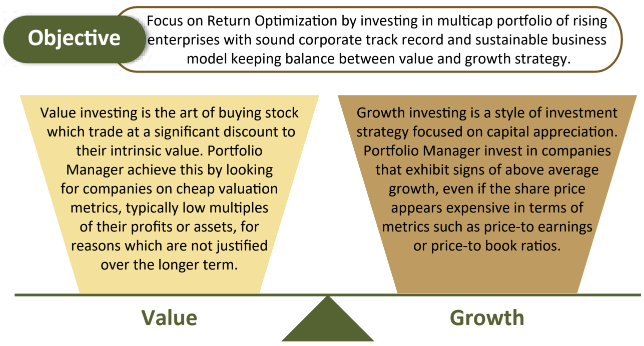
*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

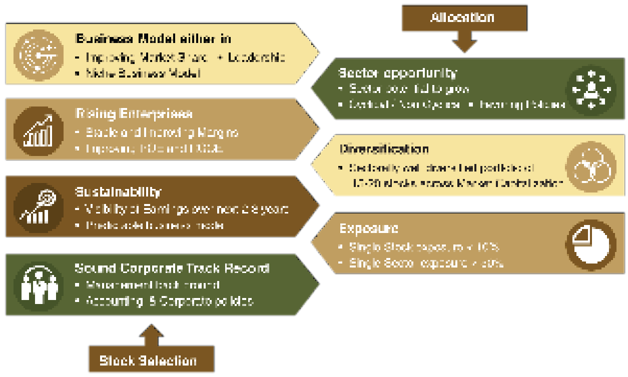
Anand Rathi PMS

PMS Portfolio

Objective & Investment Philosophy



Investment Process



Re-VIEW Strategy

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

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

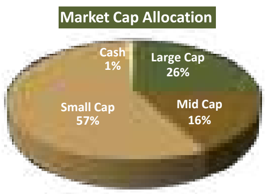
Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd.	9.5%
2	ITD Cementation India Ltd.	8.1%
3	Varun Beverages Ltd.	7.7%
4	Ratnamani Metals & Tubes Ltd.	7.4%
5	KEI Industries Ltd.	6.6%
6	KEC International Ltd.	5.7%
7	Glenmark Life Sciences Ltd.	5.7%
8	Radico Khaitan Ltd.	5.6%
9	Coforge Ltd.	5.3%
10	Indian Bank	5.2%

Market Cap Allocation

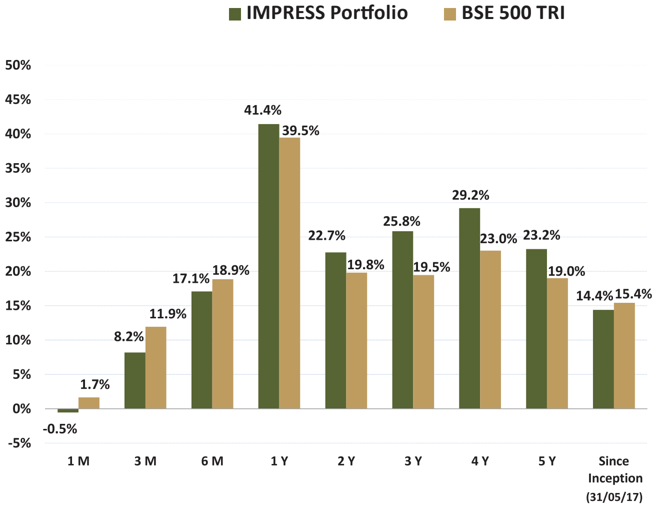


Avg Mkt Cap (cr)	
Large Cap	201433
Midcap	31937
Small Cap	13182
Overall Portfolio	59632

Data as on 31st January 2024

Portfolio Performance

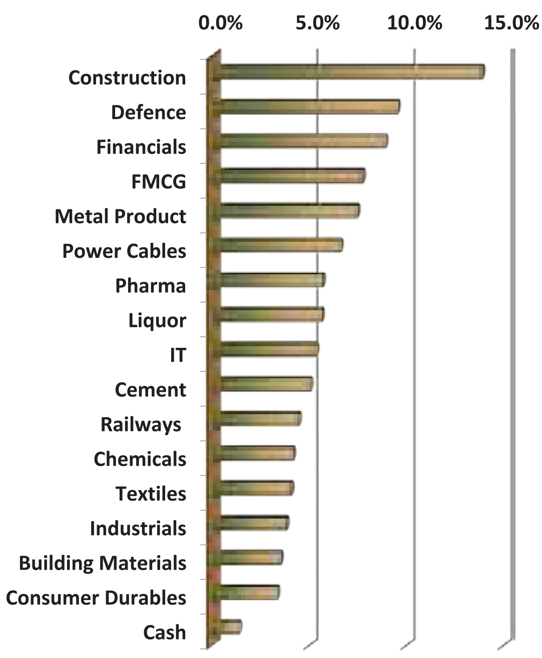
Performance as on 29th February, 2024



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

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

Sector Allocation



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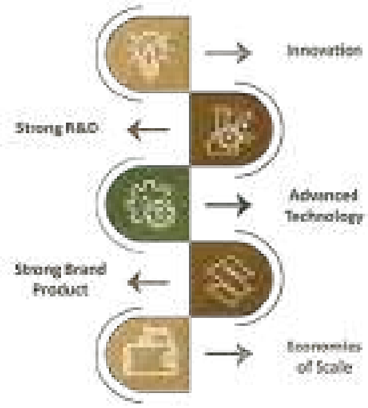
MNC Portfolio

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

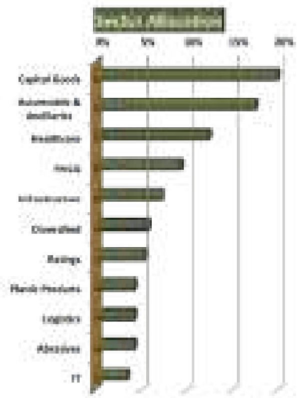
Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	10.0%
2	Maruti Suzuki India Limited	8.1%
3	ITD Cementation India Limited	7.3%
4	CRISIL Ltd	6.4%
5	Schaeffler India Limited	5.8%
6	3M India Ltd	5.4%
7	Nestle India Ltd	5.4%
8	Abbott India Ltd	5.4%
9	Ingersoll-Rand (India) Ltd	4.5%
10	KSB Limited	4.3%

Avg Mkt Cap (cr)	
Large Cap	337467
Midcap	39021
Small Cap	9911
Overall Portfolio	99559

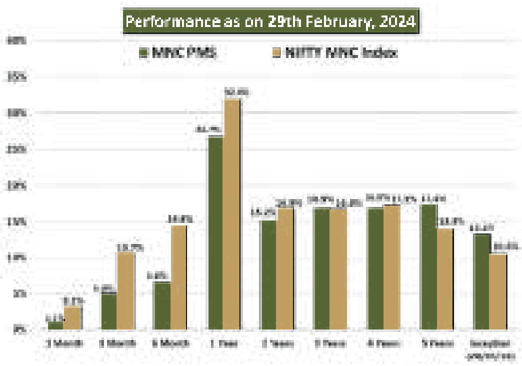
Data as on 31st January, 2024

Strong Corporate Governance

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



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



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.

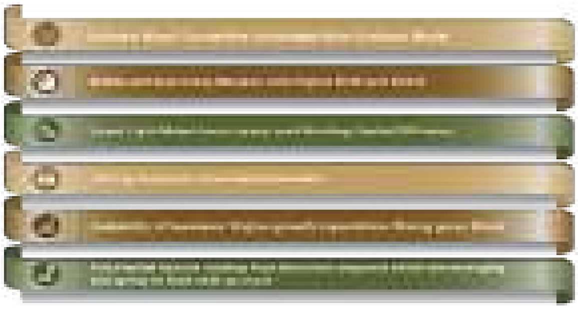
Opportunity - Accelerated Growth from Business Upcycle

- 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

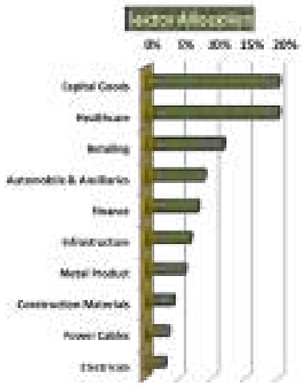
The key to success is to adapt to the changing business dynamics

Stock Selection Process



Portfolio Synopsis

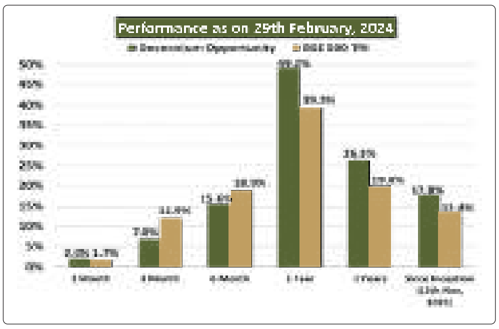
Sr No	Top 10 Holdings	% Holdings
1	Global Health Limited	10.2%
2	Bharat Electronics Ltd	9.5%
3	Ethos Limited	8.0%
4	Poonawalla Fincorp Ltd	7.8%
5	KEC International Limited	6.7%
6	Caplin Point Laboratories Limited	6.5%
7	Craftsman Automation Limited	6.1%
8	Venus Pipes and Tubes Limited	5.9%
9	Praj Industries Ltd	5.1%
10	Elecon Engineering Company Ltd	4.2%



Data as on 29st February, 2024

	Avg Market Cap (cr)
Large Cap	108697
Midcap	34542
Small Cap	10491
Overall Portfolio	30042

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 44th, 47th, 50th, 53rd & 56th Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	100% (IRR – ~14.24%)	
Participation Rate1 (PR1)	100% (From 110% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	7800%(From 132% to 133% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.4x (below -10% 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 110% & below 133% of Initial Fixing Level	(NP-10%)* PR1+ Max(0%,(NP-32%)*PR2
	If Final Fixing Level is at or above 90% & at or below 110% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 90% 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
44400	**100.0%**	**100.0%**	**14.2%**	**14.2%**
33300	50.0%	100.0%	8.1%	14.2%
29526	**33.0%**	**100.0%**	**5.6%**	**14.2%**
29304	32.0%	22.0%	5.5%	3.9%
29082	31.0%	21.0%	5.3%	3.7%
24642	11.0%	1.0%	2.0%	0.2%
24420	**10.0%**	**0.0%**	**1.8%**	**0.0%**
23976	8.0%	0.0%	1.5%	0.0%
22200	**0.0%**	**0.0%**	**0.0%**	**0.0%**
21896	-1.4%	0.0%	-0.3%	0.0%
21090	-5.0%	0.0%	-1.0%	0.0%
19980	**-10.0%**	**0.0%**	**-2.0%**	**0.0%**
19978	-10.01%	-14.01%	-2.01%	-2.86%
17760	-20.0%	-28.0%	-4.2%	-6.1%
15540	**-30.0%**	**-42.00%**	**-6.6%**	**-9.9%**
12210	-45.0%	-48.00%	-10.8%	-11.8%
2220	**-90.0%**	**-66.00%**	**-35.7%**	**-18.7%**
2218	-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
4.44%

Target Nifty Perf.
33%

Product Explanation

NP >= 33%	100% (Contingent Coupon)
32% < NP < 33%	Max(0%,(NP-32%)*PR2
10% < NP < 33%	(NP-10%)* PR1
-10% <= NP <= 10%	Principal Protection
-30% <= NP < -10%	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 21726, adding 150 points contingent: 21876, rounded off to next 100: 21900.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st January 2024.
Investment Value per debenture: 1,25,000/-(Issued at a premium)

ICICI Venture

iREIF 2

India Real Estate Investment Fund Series 2

Affordable Housing Focused Debt AIF

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 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 2

Our RE debt exit track record

ICICI Venture

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

ARIHANT	SKYi Developers			
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%

AHUJA		SUNSHINE	DS
Type: Housing Investment : Dec 2012 Exit : Jul 2015 Gross IRR: 22.2%	*Type: Affordable Housing* Investment : Dec 2014 Exit : Oct 2016 Gross IRR: 21.2%	*Type: Commercial* Investment : Dec 2014 Exit : Aug 2016 Gross IRR: 21.8%	*Type: Affordable Housing* Investment : Oct 2014 Exit : Nov 2016 Gross IRR: 20.8%

iREIF 2

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
[illegible]	2021	550	Andheri, MMR	Affordable Housing	95-195	24.5%[3]	On schedule
[illegible]	2022	150	Khar,MMR	Housing	270-470	30%[3]	To be disbursed
[illegible]	2021	400	Mahim, MMR	Affordable Housing	150-250	21%[3]	On schedule
[illegible]	2022	300	Dadar, MMR	Affordable Housing	150-250	20.1%[3]	On schedule
[illegible]	2018	387	Hennur Road, Bengaluru	Affordable Housing	55-60	7.2%-13.8%[4]	Behind schedule
[illegible]	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

Deals evaluated
300+

Taken to pre IC
30+

Taken to IC
13

Concluded
11

iREIF 2

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]

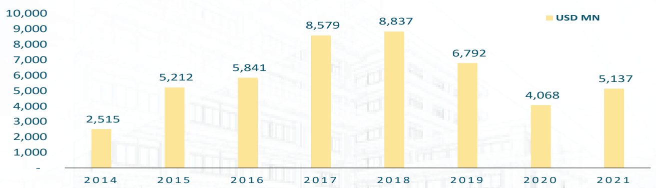
01 Key features of MoU
- Access to proprietary deal flow
- Priority partner for potential co-lending transactions
- Access to diligence materials and market insights
- Ability to leverage CRFG & HFC presence across markets in India

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

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



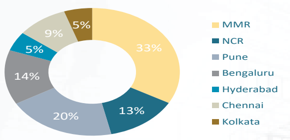
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.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

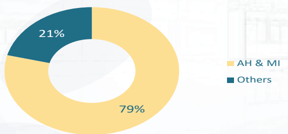
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

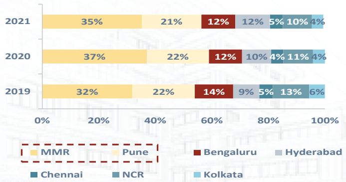
% of Overall Sales from 2015-2021



% 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

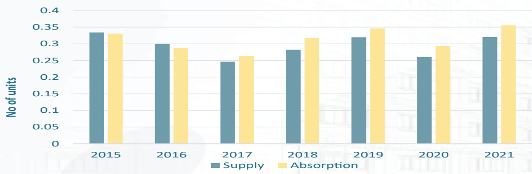
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

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

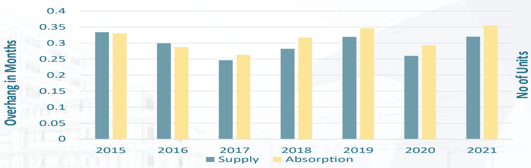
Covid impact

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

Key pillars

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

10-12 deals;
Focus on Top 7 Indian cities

India focused;
View on India 2030

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

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

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

Tap synergies across ICICI Group

Target Gross INR IRR of 17%-22%

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

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

iREIF2 Strategy

Preferred Stage of Investments

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

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

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

Maturity
Typical maturity period of 36-42 months

Investment Structures

Debt Investments

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

Differential Coupon Investments

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

Coupon + upside Investments

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

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

iREIF2 Process

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

Deal sourcing
- AIF Manager / Team
- ICICI Bank
- ICICI HFC Prior investees
- Group references
- Investor references
- Intermediaries

Rigorous due diligence
- Financial DD
- Legal DD
- Technical DD
- Promoter DD (select)

Distinctive and disciplined structuring and rights
- Leverage distinctive structuring experience to mitigate downside risk and align objectives
- Negotiate appropriate rights including significant security package per transaction

Project Management
- Regular monitoring
- Marketing Strategy
- Financial Management
- Strategic alliances
- Financial Closure

Target Returns within Targeted Holding Period
- Focus on execution excellence
- Exit from project cashflows/ refinancing

iREIF2 key terms*

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

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

ICICI Venture

IVen amplifi

India focused Venture Fund

Overview of ICICI Venture

ICICI Venture

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

ICICI Venture at a Glance

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

Our 5 Verticals

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

IVen amplifi

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

Evolution of ICICI Venture platform

ICICI Venture

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

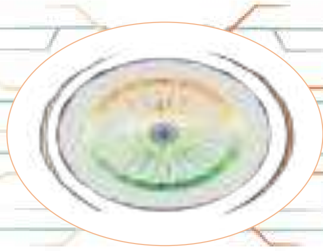
- **1988** Founded as TDICI
- **1998** Re-named to ICICI Venture
- **1988 - 2001** Focused on Venture Capital
- **2002** Private Equity vertical established
- **2005** Real Estate vertical established
- **2012** Special Situations Vertical established
- **2016** Infrastructure vertical established
-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

IVen amplifi

INDIA 2030 Summary

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

- India expected to become **3rd largest economy**
- **$5,242** Per-capita income
- GDP is anticipated to reach **$7.9 trillion**
- **1,083 million** Smartphone users
- IT services export to reach **$527 billion**
- **25.2 million** Households with income $>35,000
- **960 million** Internet users
- **700 million** online hoppers
- **$226 billion** E-commerce market



Source: Industry reports, IVEN estimates

Components of Digital India

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

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

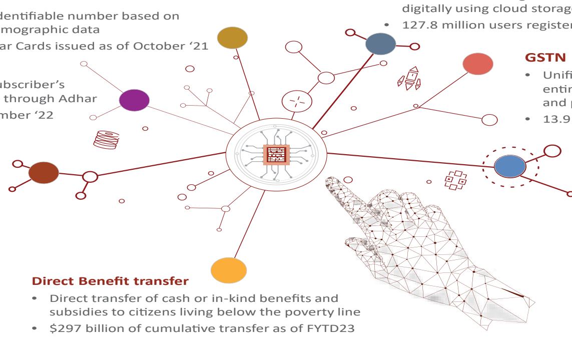
Digi Locker
- Platform for issuing and verifying documents digitally using cloud storage linked to Aadhar
- 127.8 million users registered as of September '22

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

Provide **strategic support to** portfolio companies especially areas of corporate governance

"No Go": Seed stage

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

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

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**

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 Crowded	VC Funds Family Offices Owned by existing brand name VCs	amplifi Under-served	Late-Stage VCs Private Equity Secondary Sales M&A Equity Markets (IPO)
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

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

Key Fund Team Members

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*

Portfolio management

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	

Hiring		
native	Michael Page	QUESS
	PURPLE QUARTER	scorecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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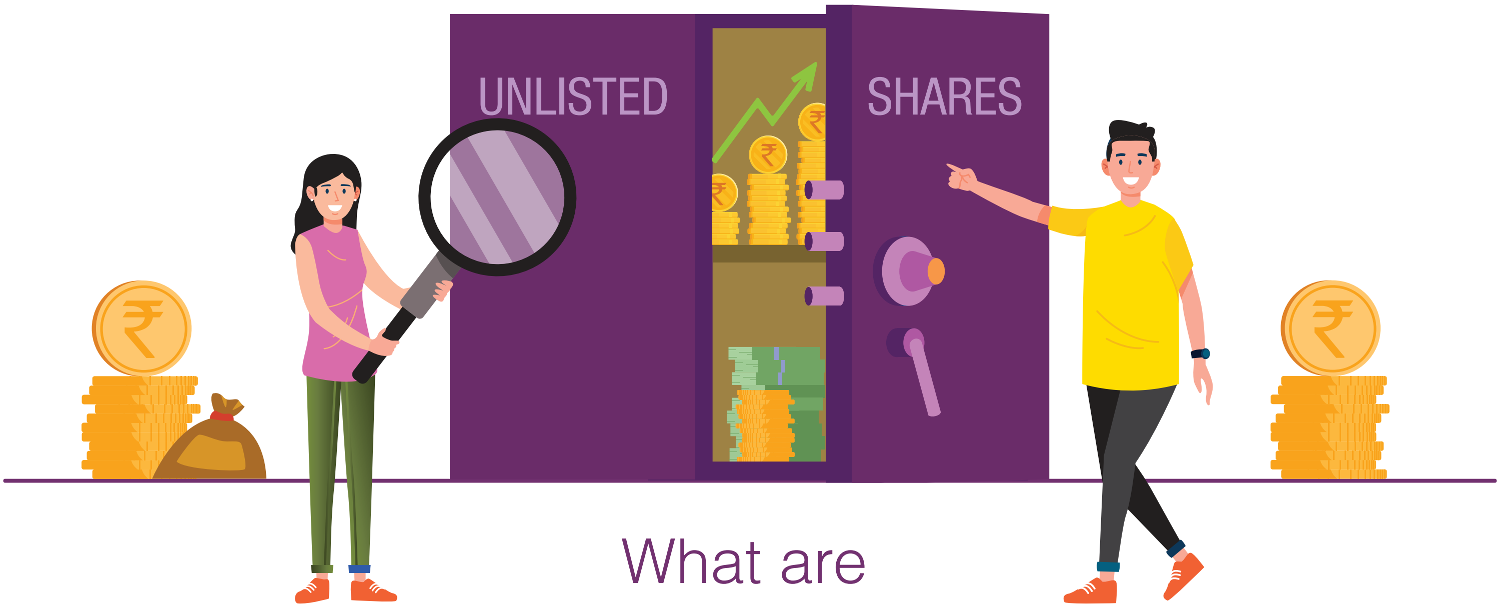
EQUITY
PCG

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

EQUITY UNICORN

Investment in Unlisted Shares*



What are
Unlisted Shares*?

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

- **Reliance Retail** — Retail
- **HDB Financial Services Ltd.** — Financial Services
- **Chennai Super Kings** — IPL Team
- **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.

Note

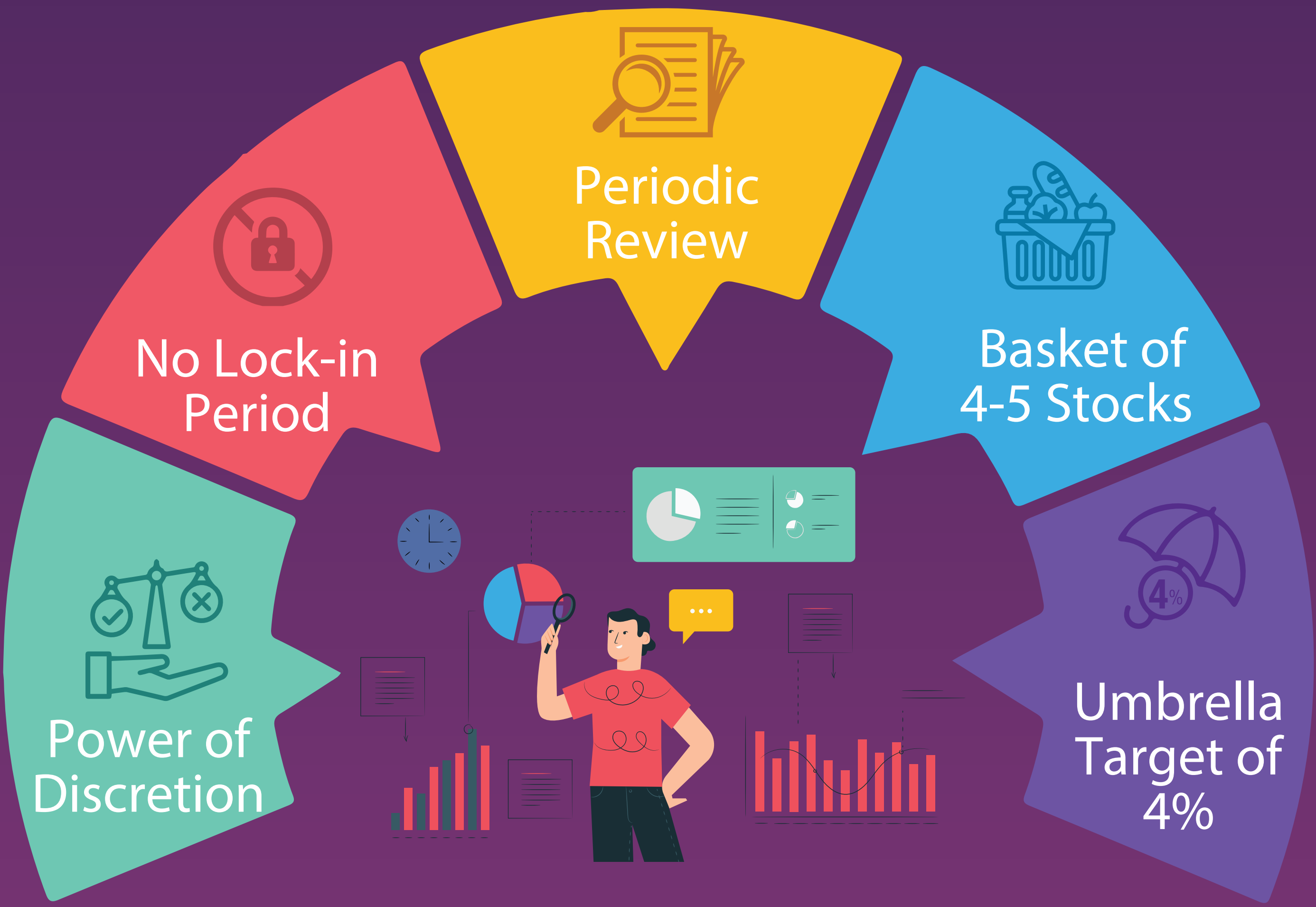
Note

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

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Feat Award Function 2022-23

ANAND RATHI

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.