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FINANCIAL FLASH

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INDEX

PCG Communique

From the Desk of the PCG Head

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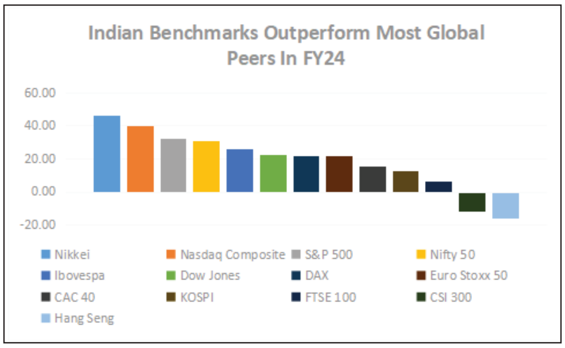
What gone by and What lies Ahead!!!

Stock Market Performance:

In the financial year 2024, the Indian Headline Index notably outperformed several major global peers, including the Dow Jones Industrial Average, Euro Stoxx 50, FTSE 100, Hang Seng and KOSPI. Conversely, domestic Indian indices lagged behind the Nikkei, Nasdaq Composite and S&P 500 during the same period.

Indian Benchmarks Outperform Most Global Peers In FY24	
Index Performance	**Change (%)**
Nikkei	45.97
Nasdaq Composite	39.97
S&P 500	32.16
Nifty 50	31
Ibovespa	26
Dow Jones	22.74
DAX	22.03
Euro Stoxx 50	21.92
CAC 40	15.75
KOSPI	12.77
FTSE 100	5.98
CSI 300	-11.97
Hang Seng	-16.37



The highest ever cumulative flows were led by record investments made by foreign investors, as well as inflows from mutual funds. India emerged as a favoured destination for foreign investors. FII's has been net buyer for FY24 for 1.81 lakh CR while DII has been net buyer for 2.06 lakhs CR. This marks a shift from the traditional pattern where high inflows by FPIs often coincide with outflows by DIIs, and vice versa. For the month of Mar FII's has been net buyer to an extent of 31,214CR while DII has been net buyer of 56,313CR. India has the highest FPI inflow for the month March Vs most of the emerging mkts.

Investors' interest in India remains very high, given the increased weightage of the country in MSCI indices, even as the high valuations continue to weigh on sentiments. Reasons for a favourable bias on India are secular growth outlook particularly relative to peers, supportive macro, expectation of policy continuity in an election year, financialisation of savings.

However, a lot of investors do struggle with high valuations, resulting in some money staying on the sidelines. Investors are poised for bargain hunting as optimism prevails in Dalal Street, with positive catalysts, including significant FII buying and a global stock market rally.

Throughout the fiscal year, the Nifty 50 has consistently reached new peaks, with milestones such as surpassing 19,000 points in June, climbing to 20,000 and 21,000 levels in September and December respectively. January saw another significant leap as it crossed the 22,000 mark. December marked a historic moment as the market capitalisation of Indian listed companies on the National Stock Exchange crossed $4 trillion for the first time. There has been a notable increase in activity within the Indian primary market as companies capitalise on the bullish market conditions to raise funds. In the last month of Feb & Mar market is consolidating in a very narrow range of 22000 – 22500. These consolidation is good for the overall the health of the market which has rallied quite a bit post Sept 2023.

Some foreign companies are paring stakes in their Indian businesses, taking advantage of the nation's booming equity market to raise cash. US home appliance giant Whirlpool Corp. and Singapore Telecommunications Ltd., have reduced holdings in their local units since June, data compiled by

Bloomberg. Whirlpool slashed its stake in the Indian unit from 75% to 51% last month and said it plans to use the proceeds of about $468 million to reduce debt. British American Tobacco has offered 436.9 million shares at 384 rupees to 400.25 rupees each in a block trade. The companies are seeking to capitalize on India's equity valuations which are among the most expensive in the world after eight years of annual gains. Analysts say these transactions contribute to increasing public shareholding, creating space for large investors to boost their holdings in the $4.5 trillion market. The easy monetization of stakes in Indian companies at current valuations show the market is becoming more mature amid rising support from domestic financial investors.

Macro Data points:

Global rating agency Moody's has revised the growth forecast for India's gross domestic product for 2024 to 6.8% from 6.1%, citing stronger than expected data in 2023. Growth forecasts lifted by strong demand momentum as the real GDP expanded 8.4% year-over-year in the October–December period, resulting in 7.7% growth for 2023. We believe that with global headwinds fading, the Indian economy should be able to comfortably register 6%–7% real GDP growth and we therefore forecast around 6.8% growth in calendar year 2024, followed by 6.4% in 2025.

Over the next four years, India's GDP is expected to touch $5 trillion, making it the third largest economy, as continued reforms lay the foundation for 7% long-term GDP growth. India's capital expenditure or capex cycle has turned around from its FY20 bottom and should last another five years or more, as the housing and corporate capex cycle play out. Other themes to play include government manufacturing push, state-owned enterprises reforms, penetration stories, financialisation of saving and key consumer bottom-of pyramid ideas.

The total cost of private corporate projects sanctioned by major banks and financial institutions was up 23% during April–December 2023 compared with the same period a year ago, suggesting that the private capex cycle is gaining steam, according to the RBI. High-frequency indicators show that the economy's strong third and fourth-quarter momentum carried into the first quarter of this year. Robust goods and services tax collections, rising auto sales, consumer optimism and double-digit credit growth suggest urban-consumption demand remains resilient. On the supply side, expanding manufacturing and services PMIs add to evidence of solid economic momentum. Given the solid growth dynamics and inflation above the 4% target, we do not expect policy easing any time soon.

Global Data Points:

In 2024 is an election year for several G-20 countries, including India, Indonesia, Mexico, South Africa, the UK and the US. Implications of elections can go beyond borders, and economic and public policy in an increasingly fractious world. Leaders elected this year will influence domestic and foreign policies for the next four to five years. Businesses are accordingly responding to evolving geopolitical dynamics by reorganising supply chains and capital sources.

Despite this unwinding of rate cut expectations, gold is showing relative resilience. Geopolitical tensions in the Middle East and global growth concerns are acting as tailwinds. While the US economy has managed to weather high borrowing costs and tight credit conditions thanks to US fiscal spending and consumers running down their savings, the support from these factors is expected to wane in 2024, dragging down growth. Rising credit card and auto delinquencies in the US signal weakness ahead. US inflation too is slowly but steadily progressing towards the Fed's 2% target, which too should support rate cuts. Additionally, the rapidly increasing interest costs on the $34 trillion US national debt too is expected to weigh on policymakers' decision making, prompting them to cut rates.

Since 2021, India has gained 5% in the MSCI All Country Asia Pacific Index weight at the expense of China, the brokerage said. Meanwhile, Japan and Australia gained 3% and 2%, respectively. In contrast, China saw its share decline by 10% during the same period. India still has substantial room to run given the lower debt-to-GDP ratio compared to other Asian countries. China, on the other hand, is highly leveraged, mainly through local government financing vehicles and state-owned enterprise debt.

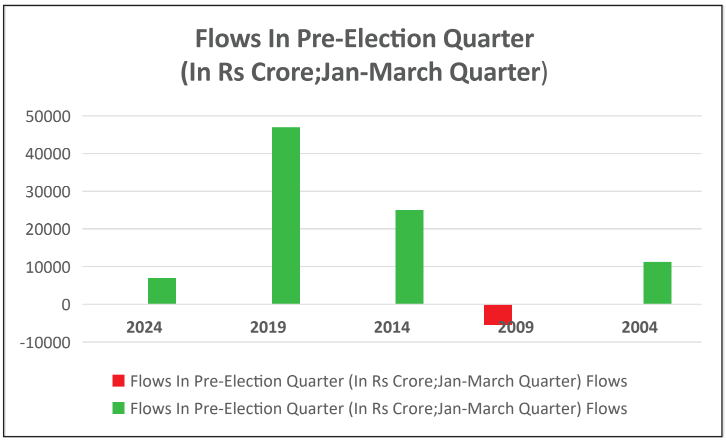
I would say the world is always uncertain, so I wouldn't ever give the confidence that there is no uncertainty. The uncertainty is, the degree changes and by the way, expected uncertainties don't impact the market. It is unexpected events that really move the market. So I would say the election is now less of an unexpected event and the (U.S.) Federal Reserve has been around for a long time. So it's always Federal Reserve actions that will happen. So I don't think these are big deals. I think what has happened in India, post the Covid-19 is the economy has seen broad-based momentum.

Indian Outlook:

Nifty has witnessed a significant rise from 17,360 level to touch the high of 22,525 level in the financial year 2024, gaining almost 29% and currently hovering near the all-time-high zone. Nifty has been maintaining a strong uptrend and has further scope of upward movement having higher targets of 22,700 and 23,200 levels for the medium-term time frame. Election outcome, monsoon, bond inclusion in global indices to influence market direction. We have given a small recap of the fund flows pre & post-election quarter for the last 5 years

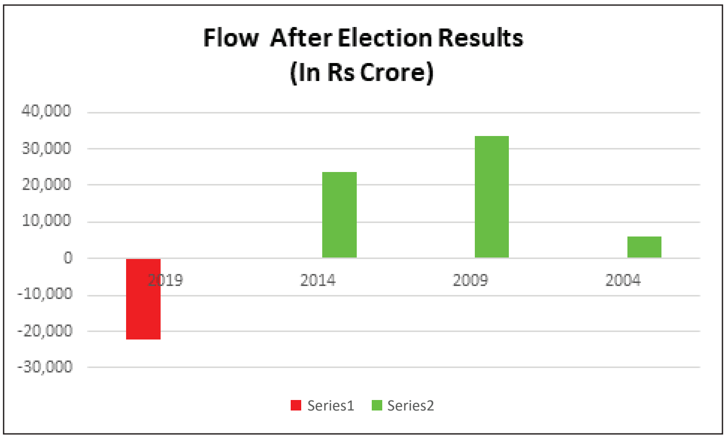
The Lok Sabha polls will be held in seven phases spread over 44 days starting April 19 in the world's largest election. Counting of votes will be taken up on June 4. The Lok Sabha election seems to be mostly discounted as there is a consensus in the market that the present govt is going to repeat the next term. I believe that since market is discounting most of the good news currently and most of it is reflecting in the current price, any disappointment in the Lok Shaba election or Crude going beyond $100 or delay in rate cut can always be taken very poorly and can dent the market sentiments.

Flows in Pre-Election Quarter (In Rs. Crore; Jan-March Quarter)		
Years	Flows	
2024		6,851
2019		46,938
2014		25,078
2009	-5,563	-
2004		11,254



2024 Data upto to Mar 27th

Flows After Election Results (In Rs. Crore)		
2019	-22,463	-
2014	-	23,643
2009	-	33,608
2004	-	6,095

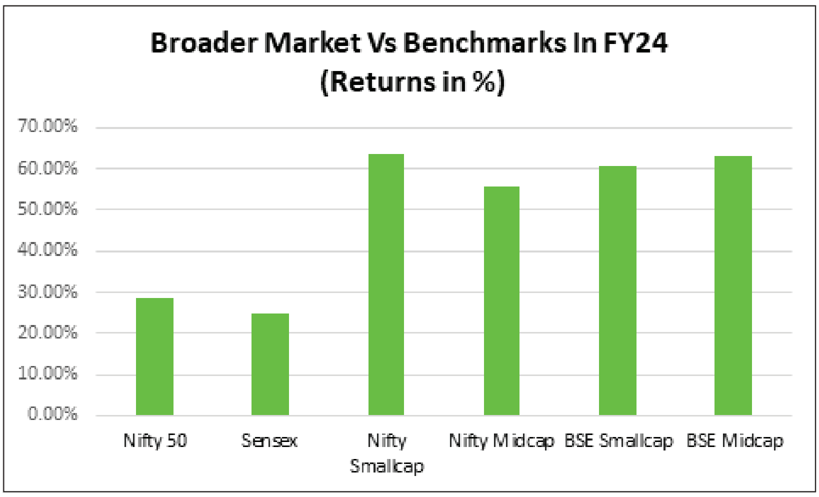


July – Sept Quarter

From our perspective we are still bullish on, Defence, Power & Renewable, Consumer Durable, Real Estate & Ancillary and Power Finance Companies.

							USD	
Exchange	**Countries**	**Trailing PE**	**1 year Fwd PE**	**Last month Return %**	**3M Return %**	**1Y Return %**	**FII Inflow in Mar**	**FII Inflow in FY24**
SENSEX	India	24.25	22.10	1.59	1.95	24.85%	3,733	25,273
Jakarta	Indonesia	23.97	14.20	0.34	0.22	6.57%	506	911
FBMKLCI	Malaysia	14.55	13.55	-0.13	5.60	7.98%	- 586	-236
PSEI	Phillippines	12.78	11.82	0.39	5.90	4.55%	- 46	-195
Kospi	South Korea	19.44	11.36	3.95	3.44	10.89%	3,816	16,830
TAIEX	Taiwan	23.77	18.49	7.10	13.18	27.89%	- 93	3,344
SET	Thailand	17.70	14.80	0.77	-2.68	-14.37%	-1,145	-5,795
VNINDEX	Vietnam	15.38	12.06	2.05	13.64	20.60%	- 352	-1,427
Bovespa	Brazil	9.47	8.10	-0.33	-3.55	25.74%	-1,256	3,211

Broader Market Vs Benchmarks In FY24	(Returns in %)
Nifty 50	28.37%
Sensex	24.65%
Nifty Smallcap	63.44%
Nifty Midcap	55.76%
BSE Smallcap	60.76%
BSE Midcap	62.97%



Market Commentary

The Nifty index ended the March month on a higher note as it closed at'21,163' as compared to February end'21,982', an decline of 1.6%. Similarly, Sensex ended the March month at 73,651 with a return of 1.6%.

Indian equity benchmarks edged higher during the week on the back of strong macro forecast. Also, the earnings growth in India is expected to remain strong, going forward. Markets started the holiday shortened week on a pessimistic note as the latest payroll data released by the Employee Provident Fund Organisation (EPFO) stated that the formal labour market in January experienced a slowdown as fewer fresh jobs were created during the month. In January 2024, the number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by nearly 4 per cent to 807,865 from 840,584 in December 2023. Sentiments also remain dampened after Ministry of Finance has warned the ongoing crisis along the Red Sea shipping route poses a risk to 80 percent of India's goods trade with Europe and could lead to higher inflation and lower growth in India due to rising transport costs. But, markets took U-turn and started moving northward as traders took some support with report that S&P Global Ratings has raised India's Gross domestic product (GDP) growth forecast for the next financial year (FY25) to 6.8 per cent, but flagged restrictive interest rates as a dampener for economic growth. In November 2023, it had projected India's growth to be 6.4 per cent in FY25 on robust domestic momentum. It said the Indian economy is estimated to have clocked a growth of 7.6 per cent in the current fiscal (FY24). Traders took encouragement with the RBI stating that India's current account deficit declined to $10.5 billion or 1.2 per cent of the GDP in October-December quarter of current fiscal from $11.4 billion in the previous three months and $16.8 billion a year back. Some optimism also came with Chief Economic Advisor (CEA) V Anantha Nageswaran's statement that various initiatives from the government and growing investment are going to create more job opportunities during the decade. Sentiments remained up-beat taking support from Engineering Export Promotion Council (EEPC) of India's statement that India's engineering exports to Russia doubled to $1.22 billion till February during the 2023-24 fiscal. It said the shipments to the country stood at $616.68 million in the previous fiscal. Some solace came as S&P Global Ratings stated that India's financial system regulator, the RBI, is showing serious commitment to improving governance and transparency in the sector. The recent measures by the RBI will curtail lenders' over-exuberance, enhance compliance culture, and safeguard customers, but the drawback will be higher capital costs for institutions. Markets extended gains as Union Finance Minister Nirmala Sitharaman said the government will continue the push on its reforms agenda in its third term since political continuity, along with a predictable and stable economic environment and taxation structure, is important to achieve the laid-down developmental goals. Finally markets ended near week's high as sentiments remained up-beat with Chairman of the 16th Finance Commission Arvind Panagariya stating that India can realistically push its economic growth close to 9 per cent from the current 7 per cent or so, by implementing a few more reforms in the next five years.

The S&P India Manufacturing PMI increased to 59.2 in March 2024 from a final 56.9 in the previous month, boosted by robust demand, preliminary figures showed. It was the fastest growth in factory activity since February 2008, as output and new orders grew the most in nearly three-and-a-half years. Buying levels rose significantly to the strongest in nine months. This aided firms' restocking efforts, with input inventories expanding the most since May 2023. Employment climbed at a moderate pace. On the price front, input price inflation accelerated to a five-month high while output cost inflation eased to a 13-month low. Finally, business sentiment improved

The S&P Global India Services PMI declined slightly to 60.3 in March 2024 from a final 60.6 in the previous month, pointing to the softest expansion since last December, preliminary reading showed. It also marked the 32nd straight month of growth in the services sector amid a sharp increase in business activity, with new export orders rising faster from the prior month. Meantime, employment increased at a moderate pace. On the price front, input price inflation rose to a seven-month high, while output cost inflation accelerated to an 80-month high. Lastly, business sentiment strengthened.

India's retail inflation in India was little changed at 5.09% in February 2024, compared to 5.1% in January and market forecasts of 5.02%. Food inflation was 8.66%, slightly higher than 8.3% in January, mainly due to prices for vegetables (30.3% vs 27%), while cost slowed for pulses (18.9% vs 19.5%), spices (13.5% vs 16.4%) and fruits (4.8% vs 8.7%) and continued to fall for oils and fats (-14% vs -15%). A slowdown was also seen in prices for pan, tobacco, and intoxicants (3.1% vs 3.3%), clothing and footwear

(3.1% vs. 3.4%), miscellaneous (3.6% vs. 3.8%) and housing (2.9% vs 3.2%) while prices for fuel and light fell by 0.8% after a 0.6% drop. February marks the sixth straight month the inflation stayed below the 6% upper tolerance band of the Reserve Bank of India.

India's overall exports (Merchandise and Services combined) in February 2024* is estimated to be USD 73.55 Billion, exhibiting a positive growth of 14.20 per cent over February 2023. Overall imports in February 2024* is estimated to be USD 75.50 Billion, exhibiting a positive growth of 10.13 per cent over February 2023. India's overall exports (Merchandise and Services combined) in April-February 2023-24* are estimated to be USD 709.81 Billion, exhibiting a positive growth of 0.83 per cent over April-February 2022-23. Overall imports in April-February 2023-24* are estimated to be USD 782.05 Billion, exhibiting a negative growth of (-) 4.64 per cent over April-February 2022-23.

The Gross Good and Services Tax (GST) revenue for March 2024 witnessed the second highest collection ever at ₹1.78 lakh crore, with a 11.5% year-on-year growth. This surge was driven by a significant rise in GST collection from domestic transactions at 17.6%. GST revenue net of refunds for March 2024 is ₹1.65 lakh crore which is growth of 18.4% over same period last year.

India's foreign exchange reserves have shown positive signs as it increased by US$1.40 billion to $408.53 billion in the week through March 29. Foreign currency assets decreased by $1.23 billion to $336.84 billion for the week ending March 29.

The U.S. markets traded mostly in green during the week as traders looked to pick up stocks at somewhat reduced levels. A decrease by treasury yields also contributed to the strength in the markets amid ongoing optimism about the outlook for interest rates following the Federal Reserve's monetary policy announcement last week. Traders were getting some encouragement as the Commerce Department released a report showing a notable increase in new orders for U.S. manufactured durable goods in the month of February. The report said durable goods orders jumped by 1.4 percent in February after plummeting by a revised 6.9 percent in January. Street had expected durable goods orders to shoot up by 1.3 percent compared to the 6.2 percent slump that had been reported for the previous month. Orders for transportation equipment led the way higher, surging by 3.3 percent in February after plunging by 18.3 percent in January.

Excluding the rebound in orders for transportation equipment, durable goods orders climbed by 0.5 percent in February after falling by 0.3 percent in January. Street had expected a 0.4 percent increase. Meanwhile, home price growth in major U.S. metropolitan areas accelerated in the month of January, according to a report released by Standard & Poor's. The report said S&P CoreLogic Case-Shiller 20-City Home Price Index soared 6.6 percent year-over-year in January compared to the 6.2 percent jump in December. Street had expected the pace of growth to accelerate to 6.7 percent. Standard & Poor's said San Diego again reported the highest year-over-year growth among the 20 cities with an 11.2 spike in January, followed by Los Angeles with an 8.6 percent surge.

The report also said the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, saw a 6.0 percent annual gain in January compared to the 5.6 percent increase in the previous month. However, traders were cautious during the week as a report released by the Federal Reserve Bank of Philadelphia showed a downturn in regional non-manufacturing activity in the month of March. The Philly Fed said its diffusion index for current general activity at the firm level fell to a negative 2.3 in March from a positive 0.8 in February. The index turned negative for the first time since last October, with a negative reading indicating a decline in non-manufacturing activity in the region. While the new orders index crept up to a negative 3.9 in March from a negative 4.7 in February, the sales or revenues index slumped to 0.2 in March from 7.7 in February. The report also said the full-time employment index slid to 3.5 in March from 9.1 in February, hitting its lowest level since last June.

European markets garnered some gains during the passing week, amid continued optimism central banks will begin reducing interest rates soon. The start of the week was on a muted note, as the survey results from the Confederation of British Industry showed that UK retailers expect sales to fall again in April after rising moderately in March. At net 2 percent of retailers said their sales volume increased in March, which was the first rise after 10 consecutive months of decline. However, retailers said sales will fall again next month, with the net balance falling to -25 percent. The indicator measuring order volumes fell sharply to -22 percent in March from -14 percent in February. A net balance of 24 percent expects orders to fall in April.

However, indices added gains during the week, after Eurozone economic sentiment rose to a three-month high in March driven by the improvement across all sectors except construction. The survey data from the European Commission revealed that the economic sentiment index climbed to 96.3 in March, as expected, from 95.5 in the previous month. The industrial confidence index rose to -8.8 from -9.4 in February. Managers' production expectations weakened and fewer managers assessed the stocks of finished products as too large or above normal. Further, Sweden's foreign trade surplus increased in February from a year ago as exports rose amid a flat change in imports. The figures from Statistics Sweden showed that the trade surplus rose to SEK 9.3 billion in February from SEK 7.7 billion in the corresponding month last year. In January, the surplus was SEK 13.3 billion. The value of exports rose 1.0 percent in February from last year, while imports remained unchanged.

On the inflation front, Spain's consumer prices posted a faster growth in March reflecting increase in electricity and fuel prices. The flash data from the statistical office INE showed that the consumer price index advanced 3.2 percent on a yearly basis, following February's 2.8 percent rise. The rate came in line with expectations. Excluding food and energy prices, underlying inflation softened to 3.3 percent from 3.5 percent a month ago. Besides, Sweden's producer prices declined for the tenth straight month amid a continued fall in costs for energy-related products. The figures from Statistics Sweden showed that the producer price index dropped 1.3 percent year-on-year in February, though slower than the 2.3 percent fall in January. The annual rate of the producer price index, excluding energy-related products, was an increase of 0.7 percent.

Asian markets were trading mostly in red during the week as geopolitical tensions intensified and interest rate jitters persisted. Rising tensions in the Middle East and Russia boosted crude oil prices and brought inflation concerns to the fore. Investors kept a close eye on upcoming US inflation data and comments from central bank officials for additional clues on the rate outlook.

Chinese Shanghai fell by around two percent even after the governor of the People's Bank of China said the Chinese property market is showing some positive signs and the impact on the financial system from volatility in the sector has been limited. Traders paid no heed towards National Bureau of Statistics (NBS) data showing that China's industrial firms posted higher profits in the opening months of the year, reinforcing signs that an economic recovery was gaining traction despite persistent sluggishness in the property sector. Profits at China's industrial firms jumped 10.2 per cent in the first two months from a year earlier, following a 2.3 per cent profit decline for the whole of 2023.

Japanese Nikkei were trading marginally lower as investors await key U.S. inflation data and Federal Reserve commentary for signals on the rate path. However, losses remained capped as traders took some support with members of the Bank of Japan's Monetary Policy Board stating that Japan's economy is trending upward and should continue to do so in the short term. Meanwhile, the central bank left its massive monetary stimulus unchanged at -0.1 percent and downgraded its inflation outlook for the next fiscal year. The bank will also continue to purchase a necessary amount of Japanese government bonds without setting an upper limit so that 10-year JGB yields will remain at around zero percent.

The S&P Global US Manufacturing PMI was revised lower to 51.9 in March 2024 from a preliminary of 52.5 and compared to 52.2 in February. Signs of improving wider economic conditions and market demand fed through to a further expansion of US manufacturing production, with the rate of expansion hitting a 22-month high. The rate of job creation also quickened, but new order growth softened. Meanwhile, firms generally signalled a preference to draw down inventories amid sufficient holdings and efforts to improve cash flow. Purchasing activity and stocks of both inputs and finished goods were all scaled back following increases in February. On the inflation front, sharper rises in both input costs and output prices were registered. Also, firms remained confident that output will increase over the coming year, thanks to expectations for improving economic conditions, marketing efforts and improving capacity.

The HCOB Eurozone Manufacturing PMI fell to a three-month low of 45.7 in March 2024 from 46.5 in February, and well below market forecasts of 47, preliminary estimates showed. The reading pointed to another worsening of manufacturing conditions, with job losses falling at the joint-largest pace since August 2020 while the rate of output and new orders decline softened a bit. Also, input buying dropped more and inventories of inputs fell the most since December. Meanwhile, supplier delivery times at goods producers also continued to improve after the initial Red Sea related delays seen at the start of the year, facilitating a further fall in manufacturing input prices. Among the largest economies, manufacturing conditions worsened for both Germany and France.

The au Jibun Bank Japan Manufacturing PMI stood at 48.2 in March 2024, unrevised from a preliminary reading, and after a final 47.2 in February, which was the lowest figure since August 2020. It was the tenth straight month of contraction in factory activity, but the softest drop since last November, amid a softer reduction in output and new orders, with new orders shrinking the least in five months. Meanwhile, employment increased for the 1st time in three months and the strongest rate since last July, while backlogs of work fell at the 2nd-fastest in the current 18-month sequences. Buying activity shrank at the softest since last October, while a lengthening in delivery time continued due to disruptions in the Red Sea and Panama Canal. On the price front, input cost inflation eased to the softest since February 2021 while selling prices accelerated to a three-month high. Lastly, business sentiment remained positive amid hopes of a broad domestic and global demand recovery.

Going Ahead

The Indian equity market has seen some correction in the last month, with small-cap stocks being most impacted. Despite the recent correction, it's important to focus on the significant growth over the last 12 months, with mid and small-cap stocks surging over 60%, and large caps growing nearly 25%. These figures affirm the strong foundation of our market.

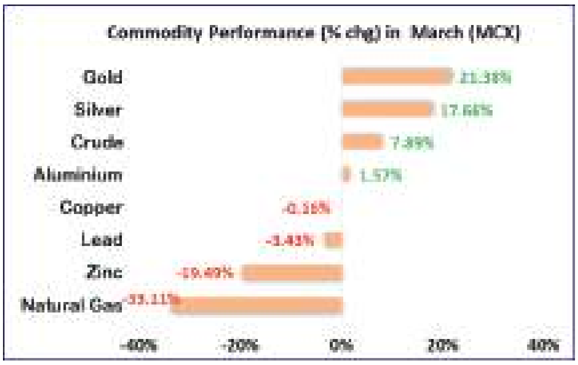
It's also key to note that the rally in Indian equities has been fundamentally driven, with earnings growth showing significant strength across segments. Since 2018, we've seen a 16% annual growth in earnings for large caps, nearly double for mid-caps, and about 40% for small caps. This disproves the idea that our market's performance is just liquidity-driven and highlights the robustness of our financial ecosystem.

With these insights, our outlook remains optimistic. I encourage you to stay committed to our investment philosophy and view the current market environment as an opportunity. Our collective determination and strategic insight will help us overcome these temporary obstacles and lead us to a prosperous future. I would like to remind you the saying by Leo Tolstoy “The two most powerful warriors are patience and time."

In conclusion, I want to thank you for your unwavering dedication and effort. Your resilience and commitment are the bedrock of our success. Together, we'll continue to adeptly navigate the financial landscape with confidence and strength.

Commodities Outlook

Precious Metals: : remain the most preferred Commodity in March month with Gold witnessing all-time highs giving highest returns along with Silver among all traded commodities.



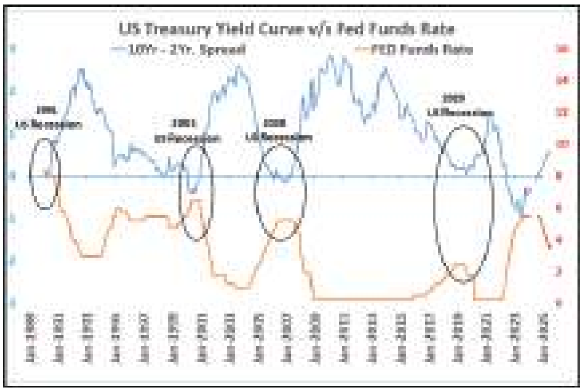
In the realm of precious metals, Gold once again captured attention with its ascent to new record heights in the March Month, following a somewhat lacklustre start to the year.

Gold rallied more than 20% since mid-February on signs the much-anticipated Federal Reserve pivot is getting closer. The rally had been supported by heightened geopolitical tensions and ongoing problems with China's economy, which have burnished gold's appeal as a haven asset. Central banks have also been loading up on the precious metal.

As we closely scrutinize the potential drivers behind this resurgence, three key catalyst's played a pivotal role in shaping the trajectory of precious metal prices in the last 2 - 3 months, casting a spotlight on gold's safe haven appeal in uncertain times.

1. Central banks (ECB, BOE & US Fed) stance on Interest rate cuts.
2. Global Central bank buying Gold aggressively since 2022.
3. Ongoing geopolitical tensions in a key election year for major economies.

US Treasury Yield Curve Inversion since H1 2022 signals slower economic growth in H2 2024 may persist benefitting Gold in 2024.



Whenever the inversion and subsequent positive shift of the US treasury yield curve (10Yr.–2Yr.) had happened historically it had preceded recessions followed by Interest rate cuts as shown in chart here, suggesting that interest rate cuts and an economic slowdown may be on the horizon in H2 2024. Looking historically, the US Fed managed a soft landing only twice following nine previous tightening cycles over the past five decades. The other seven ended in a recession.

Outlook

Gold witnessing technical breakouts on long term charts towards the end of the financial year in March indicating bullish momentum which remains on cards for 2024. Near term price trajectory to remain volatile considering

intermediate profit booking moves.

Short - Medium term triggers (Apr – Jun'24)

- Gold ETFs witness inflows in March after seven months of Outflows
- Traders pricing in > 50 % probability of a rate cut in June
- US Short term Yields to peak out in Current Quarter
- Monetary and Geopolitical uncertainty remains high favoring gold
- China local gold price premium remained elevated in Feb-Mar.
- Rising gold consumption & Supply declines in China seen in Feb.
- Festive & wedding season in April-May period to drive demand in India
- US CPI > Fed 2 % target keeps US rates higher for longer, a downside risk
- Resilient macro cues from US remains a downside risk to precious metals prices

Technical Outlook

Gold – 2nd Apr Close: (MCX April) - Rs.68,928/10 gm., Silver (MCX May) Rs.77,036/Kg.

The recent surge in gold prices, reaching new all-time highs, suggested a bullish trend, yet cautious approach due to overbought technical indicators like RSI. Potential immediate resistance levels for Spot Gold (CMP $ 2275) are at $2305, $2360, and $2425, and Rs. 72,900 - 74820 per 10 gm on MCX. On the downside Supports are expected around Rs. 66,500 – 65,600 for June futures Contract which could act as a base for prices for medium term perspective of 3 – 6 months. Traders should closely watch for profit booking opportunities in a high priced environment while only a weekly close below $ 2200 per ounce, could lead to further corrective moves. Intermediate profit booking moves of 4 – 5 % cannot be ruled out in April given an unprecedented surge that has occurred since last week. However the dips could be seen as a strategy for long-term accumulation as gold enters a new secular bull trend which could persist this year.

Silver on the flip side is expected to continue to outperform Gold in the long run, with upside levels of Rs. 79,800 – 84,500 per Kg in MCX futures contract achievable ahead of first rate cut by US Fed in June. Meanwhile base support levels in the range of Rs. 75,000 – 73,600 per kg on MCX could now persist for the white metal in the medium term perspective.

Crude Oil's strong comeback in 2024 after a tough Q4 2023, gains 14% y-t-d

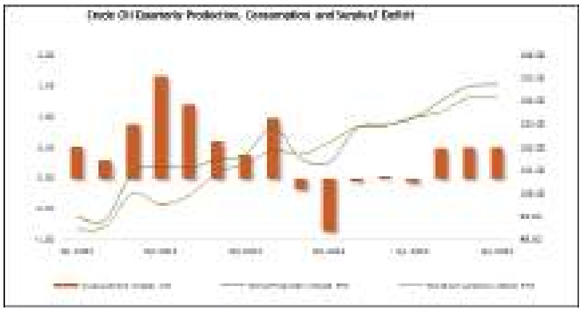
Crude oil ended Q1 2024 with a 14% gain as geopolitical tensions escalated and OPEC+ extended its voluntary output cuts, leading to a potential tighter oil balance for yet another quarter. WTI oil was initially was stuck in a broad trading range of $69-$79 or Rs 5,800-6,600 on the MCX in the first two months of 2024 due to a tug of war between bulls and bears.

The potential for restrained economic growth, China's faltering economy, and non-OPEC supply growth was offset by OPEC+ cuts and supply disruptions caused by the Red Sea crisis.

However, in March, crude oil moved out of its tight range driven by extended OPEC+ cuts, Ukraine's drone strikes on Russian energy infrastructure, geopolitical tensions in the Middle East, and demand growth in Asian economies, including India. Supply tightness was evident from the fact that the key time spreads swung from contango, a bearish pattern, to the opposite backwardated structure in Q1 2024. Other key barometers, including the long-short ratio that plunged below 1, bounced to 10, indicating bulls back in play.

Risk premium and OPEC+ cuts to tighten supplies, but macro headwinds cannot be ignored

The global crude market is tightening as OPEC+ maintains production cuts, while escalating geopolitical unrest threatens to disrupt supplies. Oil balances are expected to remain in deficit in Q2, contrary to earlier forecasts of surplus, as illustrated in the accompanying chart.



Demand prospects have also improved. Despite expectations of a contraction, Europe's oil demand in February rose by 100,000 barrels per day year-on-year to 13.7 million barrels per day. Additionally, China's manufacturing sector has shown growth for the first time in six months, indicating increased oil demand from the world's largest crude importer. The US economy also appears robust despite high interest rates, recently reporting growth in manufacturing activities for the first time in 1.5 years. US gasoline demand has risen for six consecutive weeks, and nationwide fuel stockpiles are below their seasonal average, suggesting strong demand. At 448.2 million barrels, U.S. crude oil inventories are about 2% below the five-year average for this time of year.

Considering the combination of tightened supply, robust demand indicators, and ongoing geopolitical tensions, the oil market exhibits a bullish trend for the short term. Key indicators such as time spreads and forward curves remain in bullish backwardation. Although the Conference Board Leading Economic Indicators are contracting, signs of improvement suggest no indication of a recession as of now, unlike in previous years.

Technically, WTI oil has seen three consecutive monthly gains, reaching $84 per barrel. This steady ascent has brought the commodity close to a so-called golden cross, with the 50-day moving average about to cross its 200-day counterpart, signalling a positive technical trend.

However, despite positive fundamental and technical signals, persistent macroeconomic headwinds may continue to limit gains in crude oil. Higher crude oil prices raise inflation concerns, potentially leading to prolonged periods of high interest rates and a slowdown in demand or recession. With elections looming, the US may attempt to control prices by increasing crude supply to offset OPEC+ cuts. Therefore, sustained crude oil levels above $85-86 per barrel are unlikely unless geopolitical issues significantly impact oil supplies.

Technically, WTI May oil approaches resistance at $85.90 per barrel, suggesting a potential correction towards $83 as the RSI enters the overbought zone. Strong support is observed at the $80.40 level. Conversely, a close above $85.90 could propel the market towards $88-90. For MCX crude oil, immediate resistance is expected near Rs 7,150 per bbl, with a breach and close above this level indicating further upside towards Rs 7,350-7,490.

Currency Outlook

Dollar Index to have backbone support as Rate-cut debate grows

Dollar eventually asserted its dominance and ended as the stronger performer. The new dot plot accompanying Fed's rate decision to keep rate steady at 5.25-5.50% might have initially perceived as dovish. Fed maintained the projection of three rate cuts this year, tentatively placing the first reduction in June. More questions over whether policymakers lower rates twice or three times this year are likely to emerge, especially if stronger-than-expected jobs data on Friday sets off another round of firework. Expect the debate over Fed rate cuts to ring louder with top-tier data this week culminating in the payrolls report for March. The March ISM Manufacturing PMI revealed an unexpected positive trend, which raises concerns about the challenging final stages of disinflation. Despite a decrease in demand for workers, highlighted in the employment aspect of the report and crucial for upcoming job reports and the Federal Reserve's risk assessment, much of the report indicates a rush to reduce inventories amidst growing demand. Any lower numbers here suggesting better balance in the labour market could see the dollar hand back gains. Wider US rate differentials warn that dollar index might continue to trade sideways holding between the 104.50 – 105.50 area through current days of the month.

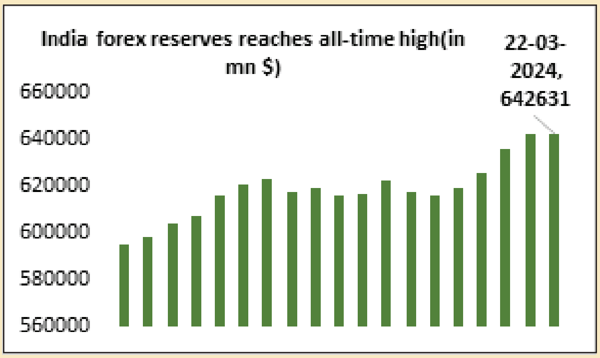
Rupee

Indian currency ends FY24 on slight weaker note but perform well across EM currencies due to controlled volatility by the central bank.

Rupee depreciated by 0.6% in Mar'24, reversing the gains it made in the last 3-months. With this, the Rupee ended FY24 1.5% lower. This was much better than last year when it had depreciated by 7.8%. A favourable domestic as well as global landscape along with efficient management by the RBI, ensured that the depreciation in USDINR was much more orderly. With Fed rate cuts expected to begin from Jun'24, dollar strength is likely to wane, which would be a tailwind for USDINR. It must be noted that in the same period, Dollar index has strengthened by 1.9%. Hence, a stronger dollar can explain much of the decline in the rupee. In fact, a stronger dollar has weighed on almost all major currencies in FY24. Year-end dollar demand and weakness in Chinese Yuan lead to heightened volatility in USDINR pushing it to a record close in the last few days of FY24.

India's Forex reserves Jump to record high

India's foreign exchange reserves have reached a record high of $642.63 billion as of March 22, rising for the fifth consecutive week. This increase is due to the Reserve Bank of India's efforts to accumulate reserves, aiming to strengthen the country's financial defenses. By absorbing dollar inflows, the RBI prevents the rupee from appreciating too rapidly. This strategy helps stabilize the currency despite strong economic growth and positive balance of payments. Building reserves is crucial to shield India from global currency fluctuations. The recent pace of reserve accumulation has intensified due to significant inflows into Indian equity and debt markets. With Indian debt being included in major emerging market indexes, these inflows are expected to continue.



Rupee Outlook

A combination of robust macro fundamentals, along with comfortable external position and benevolent global backdrop kept rupee mostly range bound in FY24. Global rates are headed lower, with the Fed likely to be leading the way. Fed rate cuts are imminent, with the first rate cut being priced-in in Jun'24. This is likely to be followed by two more rate cuts in 2024. Hence the relative attractiveness of the dollar is likely to diminish. This will benefit the Rupee. At a record US$ 642.6bn, RBI's foreign exchange reserves are more than enough to cushion the rupee against any volatility.

The rupee's decline last week shows RBI tolerance for a bit more currency volatility. We think this might continue, and will watch out for whether this tolerance is more for allowing rupee to weaken than appreciate. With Fed rate cuts expected to begin from Jun'24, dollar strength is likely to wane, which would be a tailwind for Rupee. This along with robust foreign inflows and comfortable trade deficits will ensure that USDINR trades with the range bound bias coming weeks. We expect INR to trade in a narrow range of 83.20 - 83.60.

Technical Analysis

NIFTY: APRIL 2024

LEVELS TO WATCHOUT FOR: 22600 - 22800 / 22000 – 21800

Last week was historical for the bulls since the domestic markets ended the monthly, weekly, and financial year closing on a highly optimistic note. Although it was a truncated week but the index NIFTY traded in green during all the trading sessions. During the course, NIFTY attempted to make a new high above 22500 mark but closed the week below the same with gains of over a percent. During the entire FY 23-24 NIFTY 50 underwent a massive rally of over 28%.

During our previous month's newsletter, we clearly discussed that 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. In line with the view, we witnessed a corrective move from 22500 towards 21700 and we are back to the high of 22500. On the other hand, there was a massive correction of between 8% to 15% in MIDCAP and SMLCAP indices. Then after we witnessed that NIFTY 50 has turned after retesting the 50 DEMA and hence the recent low of 21700 remains a make-or-break level for the bulls. This means a breach of the same might end the ongoing euphoria in the markets. On the upside, NIFTY has potential to go towards 22800 – 23000 in the month of March 2024. However, the good news is NIFTY MIDCAP 150 and NIFTY MIDCAP 100 indices have recouped all their losses and made a new high. Going ahead, we expect further outperformance from the broader markets and hence advise traders to remain stock specific. In addition, we continue to mention that since it's a leap year we don't expect any one way move in the markets and hence long trading bets should be booked time to time.

The FY 23 – 24 was although great for the bulls but NIFTY BANK index underperformed the benchmarks big time. The index rallied over 16% during this period and closed near 47000 mark from the lows of 40000. As of now the banking index has a lot to catchup. At first, we are looking towards the swing high of 48161 and once that is taken out on a closing basis an inverse bullish head and shoulder might get confirmed. In such scenario, the index has potential to reach the milestone of 50K in the coming months. On the other hand, 45500 remains a strong base for the index and only a breach of the same might be worrisome for the banking stocks.

Technical Pick – BUY VEDANTA LTD

POTENTIAL UPSIDE 13.08%- 17.44%

- Recently we witnessed a fresh range breakout in the NIFTY METAL index which is a result of rally in stocks like TATASTEEL and others
- Even VEDL has confirmed a consolidation breakout after 2 years
- The theoretical target for the breakout comes around 360 and more
- Thus, traders are advised to buy VEDL in the range of 295 - 290 with a stop loss of 267 on closing basis for an upside target of 330.75 and 343.50 in coming 1 – 3 months

Fixed Income Services

Monetary Policy Update

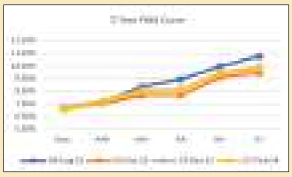
In latest monetary policy review, the Monetary Policy Committee (MPC) held its meeting to assess the evolving macroeconomic and financial developments and the outlook. The committee, by a 5 to 1 majority (the surprise was the external MPC member, Prof. Varma voted for a 25 bps rate cut), decided to maintain 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

PSB Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.34% SBI Perp 2034	Call: 19-Jan-34	Annual on 19-Jan	AA+ by CRISIL & ICRA	7.92%
9.55% Canara Bank Perp 2025	Call: 05-Mar-25	Annual on 05-Mar	AA+ by ICRA & IND Ratings	8.02%
9.50% Union Bank of India 2030	Call: 15-Sep-26	Annual on 15-Sep	AA(Stable) by IND Ratings & CARE	8.20%
PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.75% PFC 2025	15-June-25	Annual on 15-Jun	AAA by CRISIL & ICRA	7.45%
9.10% PFC 2029	23-Mar-29	Annual on 25-Mar	AAA by CRISIL & ICRA	7.46%
8.80% REC 2029	14-May-29	Annual on 14-May	AAA by CRISIL & ICRA	7.42%

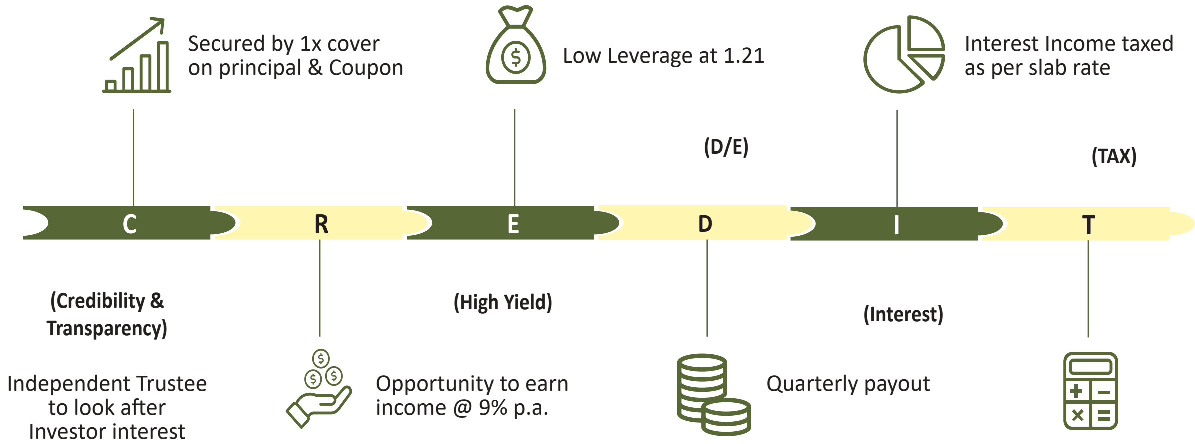
Corporate Bonds				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.68%
7.70% LIC housing 2031	19-Mar-31	Annual on 19-Mar	AAA by CRISIL & CARE	7.72%
9.70% HDB Financial Services Ltd 2028	15-Nov-28	Annual on 15-Nov	AAA CRISIL & ICRA	8.23%
8.75% Shriram Finance Ltd 2026	04-May-26	Annual on 4-May	AA+ Stable CRISIL	8.71%
7.90% Muthoot Finance Ltd. 2031	30-May-31	Annual on 31-May	AA+ by ICRA & CRISIL	8.62%
7.60% Tata Capital Financial Services Ltd. 2030	17-Sep-30	Annual on 17-Sep	AAA/Stable by CRISIL & ICRA	8.02%
8.25% HDFC Credila Fin Ser 2028	29-Mar-28	Annual on 29-Mar	AAA by CRISIL & CARE	8.32%
8.90% Aditya Birla Finance Ltd. 2026	20-Nov-26	Annual on 21-Nov	AAA by IND & ICRA	8.05%
9.95% UP Power 2030	(29-Mar-30) Staggered Maturity	31-Mar, 30-Jun, 30-Sep & 31-Dec	A+ (CE) BY CRISIL & IND	8.85%

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

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

ANCHOR (Market Linked Debentures)

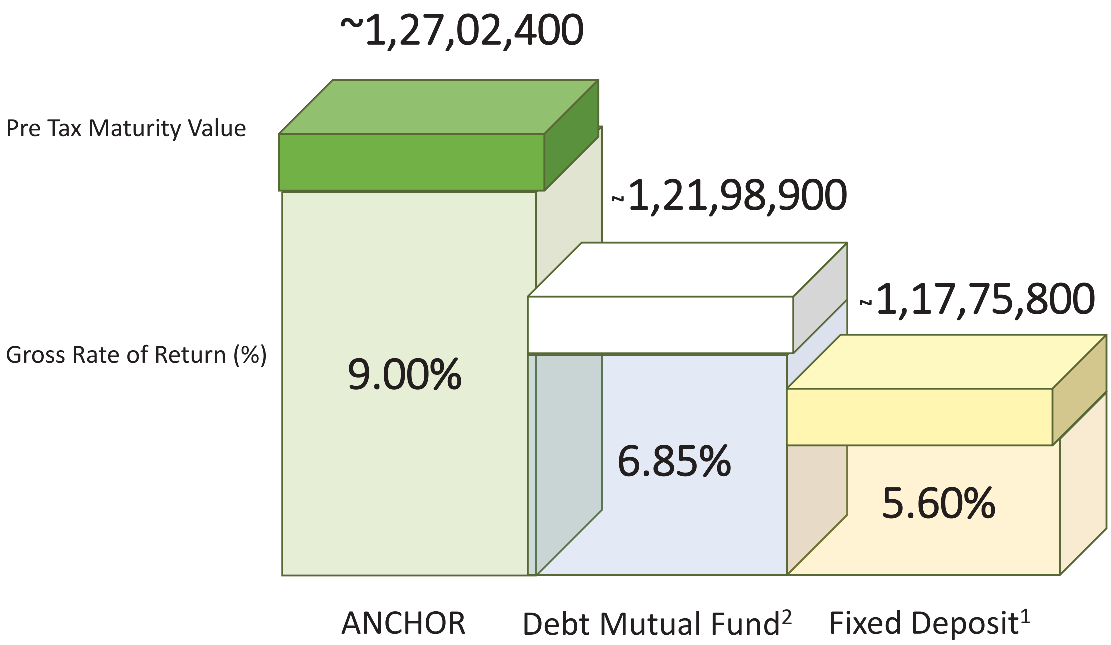
What is ANCHOR?



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

What is the Opportunity?

For an investment of 1 Crore for 36 months



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

Key Terms of the Issue

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

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

Cash-flow Illustration

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

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

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

Anand Rathi PMS

PMS Portfolio

Objective & Investment Philosophy

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

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

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

Value **Growth**

Investment Process

Re-VIEW Strategy

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

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

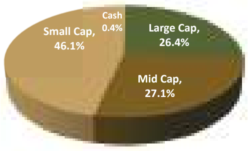
Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd.	9.5%
2	ITD Cementation India Ltd.	8.3%
3	Varun Beverages Ltd.	7.4%
4	KEI Industries Ltd.	7.2%
5	Ratnamani Metals & Tubes Ltd.	6.9%
6	Radico Khaitan Ltd.	6.3%
7	KEC International Ltd.	5.6%
8	Indian Bank	5.2%
9	Glenmark Life Sciences Ltd.	5.1%
10	Titagarh Railsystems Ltd.	5.0%

Market Cap Allocation

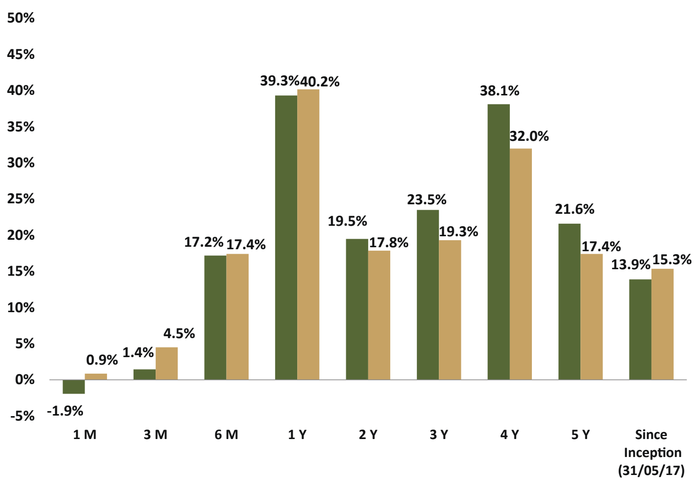


	Avg Mkt Cap (cr)
Large Cap	211983
Midcap	28163
Small Cap	10756
Overall Portfolio	62430

Data as on 31st March 2024

Portfolio Performance

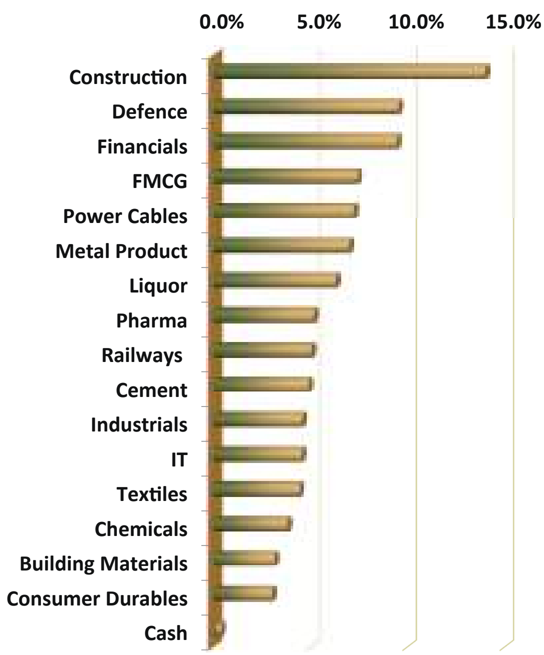
Performance as on 31st March, 2024



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



Anand Rathi PMS

MNC Portfolio

Objective & Investment Philosophy

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

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

Successful Business Model

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

Healthy Balance Sheet

Top Holdings and Allocation

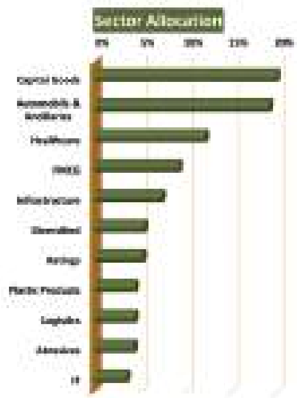
Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	11.3%
2	Maruti Suzuki India Limited	8.9%
3	ITD Cementation India Limited	7.4%
4	CRISIL Ltd	7.2%
5	Schaeffler India Limited	5.5%
6	Nestle India Ltd	5.3%
7	3M India Ltd	5.2%
8	Abbott India Ltd	5.0%
9	KSB Limited	4.5%
10	Gland Pharma Limited	4.4%

Avg Mkt Cap (cr)	
Large Cap	343465
Midcap	43720
Small Cap	12120
Overall Portfolio	106737

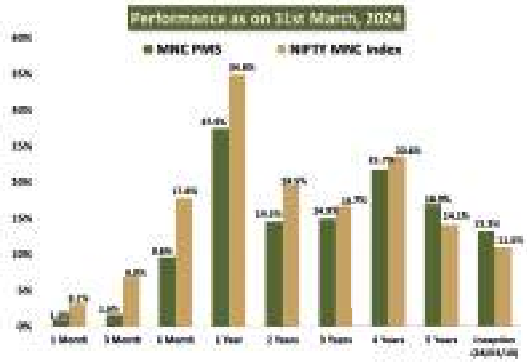
Data as on 31st March, 2024

Strong Corporate Governance

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



The current model client portfolio comprise of 19 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio



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

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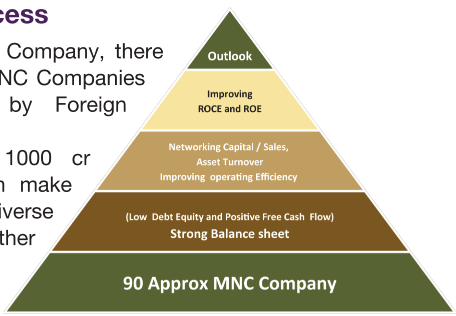
Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Selection Process

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



Anand Rathi PMS

Decennium Opportunity

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

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

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/ 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

Portfolio Synopsis

Sr No	Top 10 Holdings	% Holdings
1	Global Health Limited	10.0%
2	Bharat Electronics Ltd	9.6%
3	Ethos Limited	8.0%
4	Poonawalla Fincorp Ltd	7.9%
5	Venus Pipes and Tubes Limited	7.4%
6	KEC International Limited	6.6%
7	Craftsman Automation Limited	6.4%
8	Concord Biotech Limited	5.9%
9	Caplin Point Laboratories Limited	5.9%
10	Praj Industries Ltd	5.5%

Data as on
31st March, 2024

	Avg Market Cap (cr)
Large Cap	109779
Midcap	34305
Small Cap	10259
Overall Portfolio	30275

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)	7700%(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 110% & 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 110% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 85% of Initial Fixing Level	MAX(-100%,MAX ((-30%* DM1), NP*DM1)+MIN (0%,(NP+30%)*DM2))
	If Final Fixing Level is below 10% of Initial Fixing Level	NP

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

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
45000	**100.0%**	**100.0%**	**14.2%**	**14.2%**
33750	50.0%	100.0%	8.1%	14.2%
29925	**33.0%**	**100.0%**	**5.6%**	**14.2%**
29700	32.0%	22.0%	5.5%	3.9%
29475	31.0%	21.0%	5.3%	3.7%
24975	11.0%	1.0%	2.0%	0.2%
24750	**10.0%**	**0.0%**	**1.8%**	**0.0%**
24300	8.0%	0.0%	1.5%	0.0%
22500	**0.0%**	**0.0%**	**0.0%**	**0.0%**
22192	-1.4%	0.0%	-0.3%	0.0%
20250	-10.0%	0.0%	-2.0%	0.0%
19125	**-15.0%**	**0.0%**	**-3.1%**	**0.0%**
19123	-15.01%	-21.01%	-3.08%	-4.43%
18000	-20.0%	-28.0%	-4.2%	-6.1%
15750	**-30.0%**	**-42.00%**	**-6.6%**	**-9.9%**
12375	-45.0%	-48.00%	-10.8%	-11.8%
2250	**-90.0%**	**-66.00%**	**-35.7%**	**-18.7%**
2248	-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
4.34%

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
-15% <= NP <= 10%	Principal Protection
-30% <= NP < -15%	1.4x Decay with Catch-up
-90% <= NP < -30%	Decay decreases to 0.4x
Nifty Falls Beyond -90%	Nifty performance

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

*Product IRR assume to be Pre-Tax IRR
NP: Nifty Performance
^ Initial Fixing Level is taken as 22327, adding 150 points contingent: 22477, rounded off to next 100: 22500.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st March 2024.
Investment Value per debenture: 1,25,000/-(Issued at a premium)

Overview of ICICI Venture

ICICI Venture

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

ICICI Venture at a Glance

$5bn AUM/A
since inception

600+ Investments
since 1988

100+ Investments
since 2002

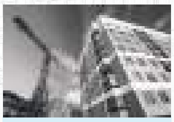
81+ Exits
since 2002

ICICI Venture's Business Verticals

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

Real Estate Foot Print

Affordable housing



Mid-high end housing

Office development

Mixed use

iREIF 2

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

Evolution of our RE Vertical

ICICI Venture

Private Debt has been our core strategy since the last decade

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

iREIF 2

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

ICICI Venture's Footprint of Financing for Housing

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

Mumbai Metropolitan Region (MMR)

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

Pune

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

Bengaluru & Chennai

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

iREIF 2

Our RE debt exit track record

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

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%

Rajesh LifeSpaces
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%

Type: Affordable Housing
Investment : Oct 2014
Exit : Nov 2016
Gross IRR: 20.8%

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

iREIF 2

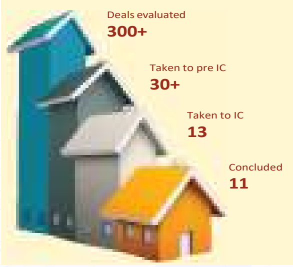
iREIF Portfolio Overview

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

Portfolio	Entry Year	Investment[1] (INR Mn)	Location	Project Type	Unit Pricing (INR Lacs)	Gross IRR[1]	Exit status
ARIHANT	2018	550	Taloja & Karjat, MMR	Affordable Housing	18-60	22.5%[2]	Exited
ARIHANT	2022	450	Taloja, MMR	Affordable Housing	27-40	18.0%[3]	On schedule
SKYi	2019	355	Bhukum, Pune	Affordable Housing	30-45	22.2%[2]	Largely Exited
SKYi	2021	500	Kirkitwadi, Pune	Affordable Housing	35-45	19.8%[3]	On schedule
MAYFAIR	2019	650	Virar, MMR	Affordable Housing	35-45	18.8%[3]	Partly exited
[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



iREIF 2

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

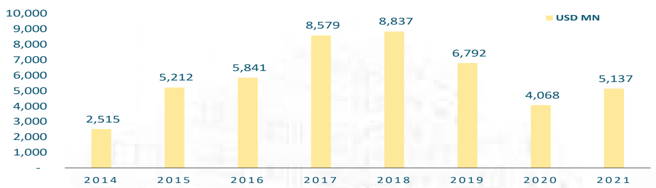
02 Benefits of MoU

- 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



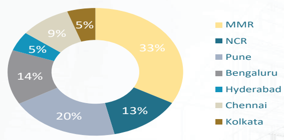
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.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

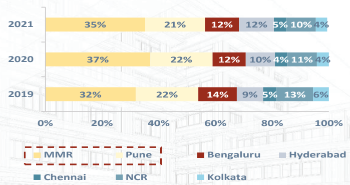
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

% of Overall Sales from 2015-2021

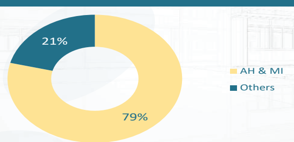


City wise residential unit sales



Affordable & Mid Income continues to drive overall volume

% of Sales in Mid-income & Affordable



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

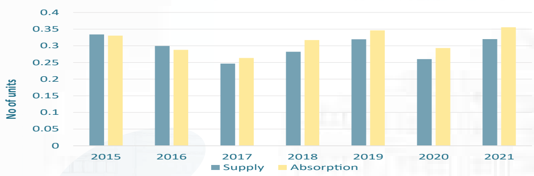
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

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

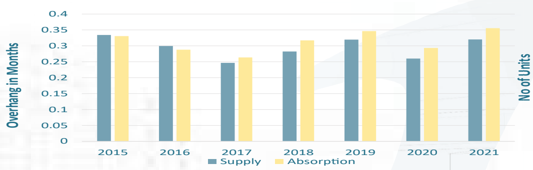
Covid impact

Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



Housing inventory overhang



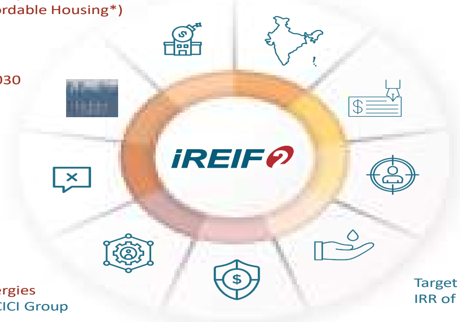
- Top 7 cities CY 2021 sales volume higher than CY 2019
- Reduced supply has resulted in lower level of inventory

- 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

Overview of ICICI Venture

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

ICICI Venture at a Glance

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

Our 5 Verticals

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

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

Evolution of ICICI Venture platform

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

1988
Founded as TDICI

1998
Re-named to ICICI Venture

1988 - 2001
Focused on Venture Capital

2002
Private Equity vertical established

2005
Real Estate vertical established

2012
Special Situations Vertical established

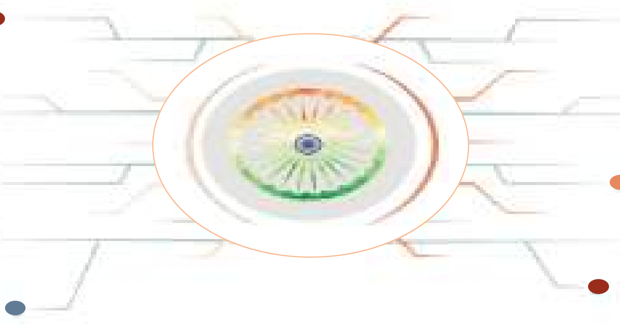
2016
Infrastructure vertical established

2022
AUM/A since inception reaches USD 6 Bn

2023
Venture Fund
IVen amplifi

INDIA 2030 Summary

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

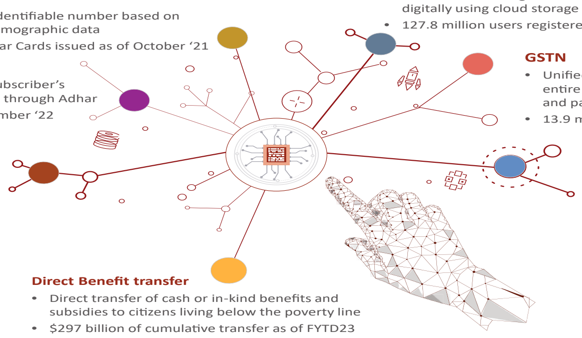


- India expected to become **3rd largest economy**
- **$5,242** Per-capita income
- GDP is anticipated to reach **$7.9 trillion**
- **1,083 million** Smartphone users
- IT services export to reach **$527 billion**
- **25.2 million** Households with income $>35,000
- **960 million** Internet users
- **700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

Source: Industry reports, IVEN estimates

Components of Digital India

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



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

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

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

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

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

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

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

Source: Industry reports, IVEN estimates

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

IVen Amplifi's positioning

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

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

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

Investment themes

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

Fintech

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

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

Consumerisation

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

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

India and the World

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

B2B Marketplace | SaaS

Illustrative ICICI Group Partnerships with Startups

Fingpay
AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai
IVR Automation in vernacular language using voice bot

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

Karza
Digitization of due diligence process for retail loans

SatSure
Satellite data analytics for Agri business- Sat farm

PropertyPistol
Property tech platform aiding customers with B2C real estate sales

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

CarDekho
Dealer funding/ Inventory funding/ New car loans

Credgenics
Automated drafting of personalized legal notices & live tracking

WorkApps
Video KYC and video banking module

Vanghee
Current account opening & payment solution for MSME

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

More than 200 partnerships across ICICI Group

Illustrative Deal Pipeline

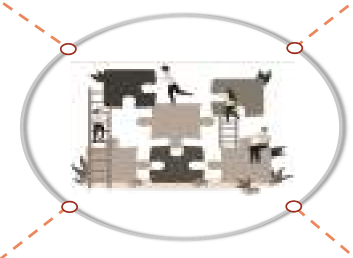
Focus on businesses which solve real problems

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

Key investment framework

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

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



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

Fund's Investment Process

ICICI Venture

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

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

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

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

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Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

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

Mr. Subeer Monga
Director

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*

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

Mr. Sharad Malpani
Director

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
	PURPLE QUARTER	seenrecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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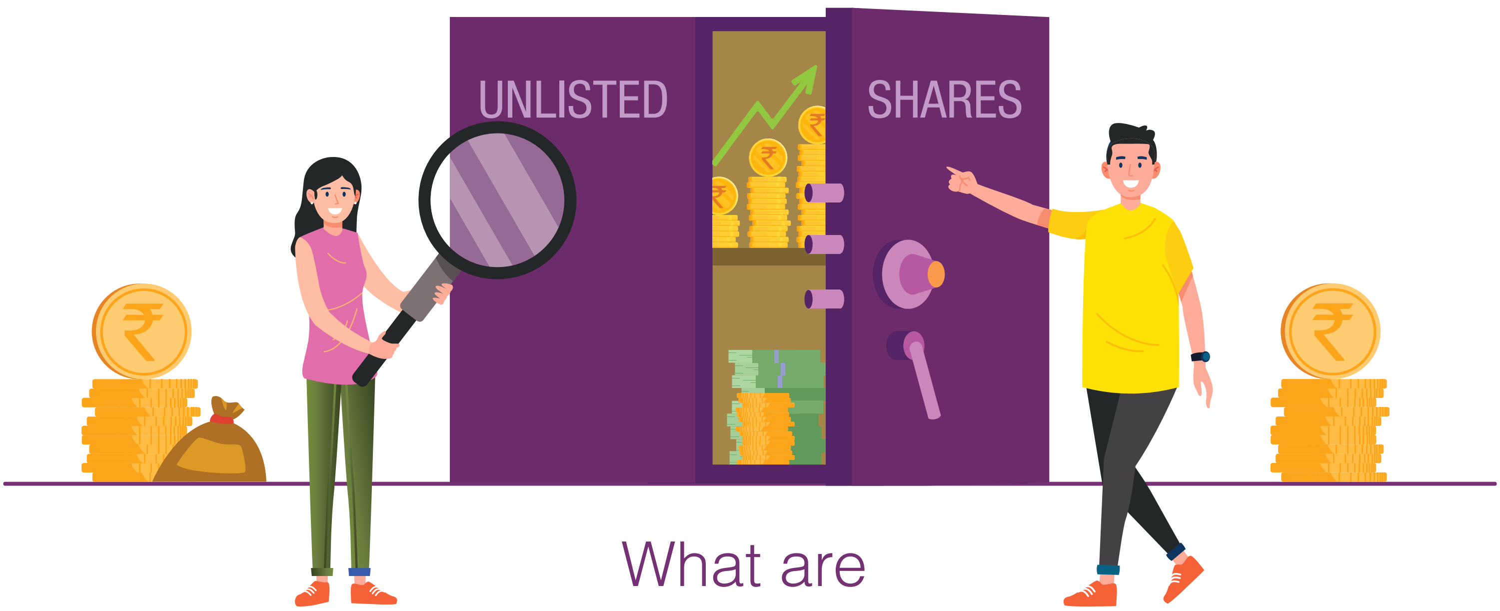
ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

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
PharmEasy (API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services

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

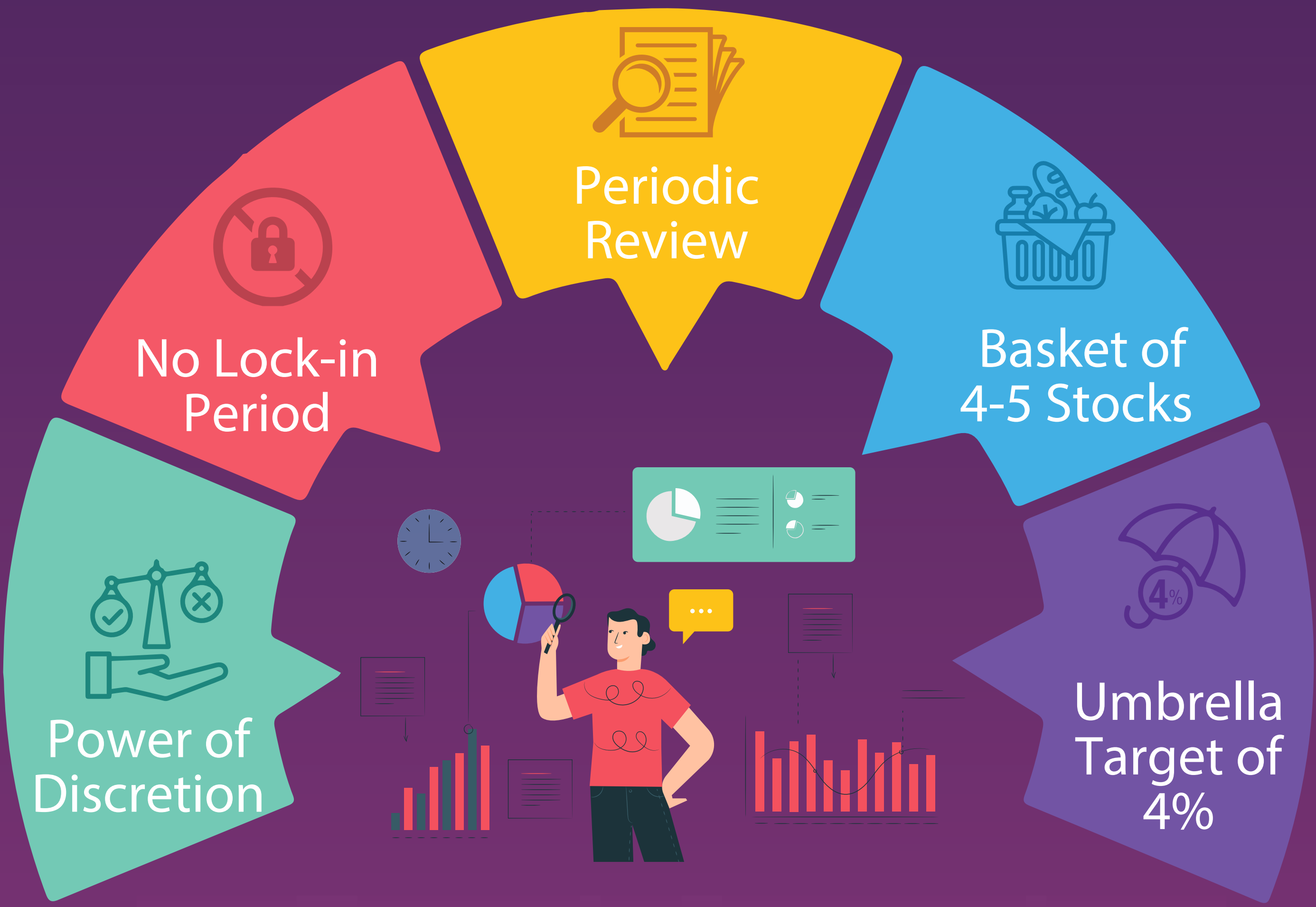
Note

FINKART

Quality Investing - Simplified!

ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

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



Dynamic Research Basket Stock Allocation

ANANDRATHI PRIVATE CLIENT GROUP PCG

Feat Award Function 2022-23

ANANDRATHI

INVESTMENT SERVICES

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

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