AnandRathi
Private Client Group
Equity
PCG

FINANCIAL

FLASH

May 2024

www.anandrathipcg.com

INDEX

PCG Communique

From the Desk of the PCG Head

Rajesh Kumar Jain

April has been a choppy month where the benchmark Nifty was oscillating between 22000-22500. FII's has been net seller to a tune of INR 8,284CR while DII has been buyer to a tune of 44,188CR. Being a result season, the market was taking the cues from the companies announcing results. IT has given a very tepid results with low visibility on future guidance, low to negative top line growth to margin contraction and single digit bottom line growth, which was more or less expected. Whereas despite the biggest pre-election run-up in two decades, the PSE index outperformed the benchmark Nifty 50 in 2023. Benefiting from a growing focus on government-led capital expenditure, public sector enterprises in the railways, defence and fertiliser sectors had been among the top themes in focus.

As India experiences a hot summer with heatwaves, cool showers may not be far off. There were predictions of a positive Indian Ocean Dipole, which could spell good news for the Indian monsoon later this year. India's retail inflation eased, led by fuel. The Consumer Price Index-based inflation stood at 4.85% in March, as compared with 5.1% in January and February.

Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025. The forecast for 2024 is revised upwards by 0.1 percentage point from the January 2024 update, and by 0.3 percentage point from October last year. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the Covid-19 pandemic and Russia's invasion of Ukraine, weak growth in productivity and increasing geo-economics fragmentation.

The IMF has revised its growth forecast for India upward from its January projection of 6.5% to 6.8%. Additionally, the IMF has raised its outlook for India's FY24 growth to 7.8%, surpassing the government's estimate of 7.6%. The IMF report highlighted that

Emerging markets			
	3M (%)	**6M (%)**	**1 year (%)**
Asia			
Shangai Comp	13.23%	3.78%	-5.90%
TAIEX	13.54%	23.47%	31.48%
KOSPI	3.90%	6.96%	7.02%
S&P BSE SENSEX	2.57%	13.90%	21.31%
Eastern Europe			
WSE WIG	6.06%	16.45%	34.30%
MOEX Russia	6.28%	6.39%	35.60%
BIST National 100	15.87%	30.62%	133.53%
Pargue SE	4.17%	10.04%	9.33%
Latin America			
IBOVESPA	-1.46%	8.51%	22.22%
CHILE SLCT	9.22%	17.64%	19.68%
S&P/BMV IPC	-2.63%	10.66%	4.00%
ARG MERVAL	19.44%	127.88%	388.68%
Middle East / Africa			
Tel Aviv 35	5.96%	14.35%	9.11%
Tadawul All	2.50%	13.01%	11.28%
FTSE/JSE All	2.51%	4.28%	-2.18%
DFM general	-0.27%	4.69%	15.62%

Note : Above numbers are as per bloomberg data

India and the Philippines have been the source of repeated positive growth surprises, supported by resilient domestic demand.

In addition to India's positive outlook, the IMF has raised its forecast for the Asia and Pacific region to 4.5% from the previously projected 4.2% in October. The IMF noted that the region's economic slowdown in 2024 is expected to be less severe than initially anticipated, as inflationary pressures continue to ease. The IMF also highlighted that risks to the near-term outlook are more evenly balanced.

Collection of the goods and services tax touched Rs 2.1 lakh crore in April, the highest-ever monthly figure since the rollout of the tax in 2017, according to the data released by the Ministry of Finance. This GST collection saw a 12.4% year-on-year growth, led by domestic transactions that grew 13.4% and imports that grew 8.3%. The net revenue after refunds stood at Rs 1.92 lakh CR a 17.1% YoY growth. The previous highest-ever collection was in April 2023 at Rs 1.87 lakh crore.

Going Forward in May:

India's top performing index of 2023 may have another leg of outperformance left, driven by strong macro fundamentals, an expectation of political continuity, and an eye on the post-election budget. Mkts is waiting for the election mandate, although market is discounting that the Modi govt will repeat its 3rd term but any amount of disappointment will reverse the rally we have seen in FY23-24 till date, although the chances of disappointment is very minimal. Domestic MF has reached the highest stake in terms of their share owing domestic companies which is 8.92% as of Mar. DII seems to be the buyer at any level with the amount of liquidity coming in by the retail investor.

Automobiles, cement, metals and real estate are some sectors that are likely to see positive impact if the Bharatiya Janata Party-led government comes back in power after the Lok Sabha elections as its manifesto suggests a continuation of infrastructure and auto lead initiatives, according to brokerages. Prime Minister Narendra Modi unveiled his party's manifesto for the next five years emphasising continuity and enhancement of previous policies, as well as introducing new measures to further India's economic progress. BJP's poll promise pledges to sustain the state-led infrastructure initiatives undertaken in recent years. It aims to construct over 5,000 km of railway tracks annually and develop 15,000 km of access-controlled highways. Electric-vehicle charging infrastructure is highlighted twice in the manifesto, signalling the party's commitment to this growing sector. There is also a strong reaffirmation of green initiatives, including the development of 500 GW of renewable energy, the Green Energy Corridor project and the enhancement of green hydrogen production.

The manifesto talks about — infra capex, manufacturing-focused industrial policy, fiscal consolidation and macro stability, inflation control, ease of doing business and trade protectionism. The BJP manifesto sets an ambitious vision for transforming India into a global electronics manufacturing hub by 2030, aiming to expand electronics, medical, auto, mobile, defence manufacturing.

Although when we talk about this calendar year, mkt has given a return of just 3% and going ahead we will see that mkt will be very choppy till election verdict is out. May month would be month of choppiness and it will be a very stock specific approach rather than the complete mkt going up. Hence one has to be very choosy on the stock going ahead. I am still bullish in power finance companies (PFC & REC), Renewables (Tata Power, NTPC, POWER GRID), Real Estate & Ancillary (Godrej Properties, Astral, Prestige Estate , Pidilite, Asian Paint), Infra (ABB, SIEMENS, Cummins), Auto (M&M, TVS Motors) looks to be in the sweet spot. FMCG space looks very stagnant for quite some time but early monsoon may give some respite to rural growth which can add momentum to this sector.

Market Commentary

The Nifty index ended the April month on a higher note as it closed at'22,604' as compared to 1st day of the month i.e '22,462', an increase of 0.64%. Similarly, Sensex ended the April month at 74,483 with a return of 0.63%.

Indian equity benchmarks ended the passing week with a gain of around a percentage points on the back of as tensions in the Middle East eased, coupled with strong quarterly earnings from companies. Markets started the week on an optimistic note as traders reacted positively to report that India's net direct tax collections surged by 17.7 per cent year-on-year to Rs 19.58 lakh crore in the fiscal year ended March 2024 and exceeded the revised estimates by Rs 13,000 crore. Adding more optimism among traders, Union Finance Minister Nirmala Sitharaman said that the Centre has tailored policies to make India an attractive destination for manufacturing and services, and the aim was to produce not just for the domestic market but for exports as well. Some support also came after Employees' Provident Fund Organisation (EPFO) in its latest 'Provisional payroll data' report showed that 15.48 lakh net members have been added in the month of February 2024. The data further indicated that around 7.78 lakh new members have been enrolled during February 2024. Traders also took some support with Union Minister Piyush Goyal's statement that the Modi government has provided a corruption free regime in the last 10 years and the country in the next few years will become the world's third largest economy. Sentiments remained positive with a survey showing that India's business activity expanded at its fastest pace in nearly 14 years in the month of April thanks to robust demand. It also showed easing input inflation and positive jobs growth. That suggests India is well placed to remain the fastest growing major economy this year after posting strong expansion over the past few quarters. HSBC's flash India Composite purchasing managers' Index INPMCF=ECI, compiled by S&P Global, rose to 62.2 this month from March's final reading of 61.8. The reading has been consistently above the 50-mark separating expansion from contraction since August 2021. Markets extended northward journey taking support from RBI Monetary Policy Committee (MPC) member Shashanka Bhide's statement that sustaining the economic growth momentum of 7 per cent in 2024-25 and beyond is feasible on the back of favorable monsoon, higher farm productivity and improved global trade. Sentiments continue to remain upbeat during the week as traders took some support with a private report that India's GDP growth is likely to average 7% from 2024-25 to 2029-30. Some support also came with report stating that the government is formulating action plans for as many as 20 agricultural products including banana, mangoes, potato and baby corn with a view to further boost export of these commodities. Sentiments remained positive with the Comprehensive Economic Partnership Agreement (CEPA) Council Director Ahmed Aljneibi's statement that the trade between India and UAE increased 15 per cent since the implementation of the free trade agreement in May 2022 and the both are on track to surpass the target of $100 billion in non-oil trade by 2030. However, traders booked some of their weekly gains of final day of the trade amid report that World Bank said that interest rates could remain higher than expected in 2024 and 2025 as global commodity prices level off. Traders were cautious amid reports that India's central bank plans to soon change guidelines to permit banks to temporarily freeze accounts suspected of being used to commit cyber-crimes, as it battles a rising wave of online crime.

The S&P India Manufacturing PMI stood at 59.1 in April 2024, preliminary figures showed. Still, the latest reading pointed to the fastest growth in factory activity since February 2008, as output and new orders continued to grow solidly. Output continued to rise, boosted by strong demand, while employment increased to the greatest extent in nearly a year-and-a-half. Buying levels rose the most in 10 months, supported by a further increase in stock purchases, one that was the second-fastest since May 2023, while delivery time improved to the fastest pace in ten months. On the price front, input cost inflation eased while output cost inflation accelerated due to higher demand.

The S&P Global India Services PMI was up to 61.7 in April 2024 from a final 61.2 a month earlier, a flash reading showed. It was the 33rd straight month of growth in services activity and the steepest pace in three months, with a further rise in new orders adding pressure on the capacity of the service sector, as was the case in manufacturing activity. Companies also noted a quicker rate of new orders when compared with factory orders, linked to stronger demand from Africa, Asia, Australia, the Americas, Europe, and the Middle East. Simultaneously, service providers took on extra staff at a marginal pace that was softer than that in March. On prices, firms saw a slowdown in input cost inflation but the figure was steeper than in the manufacturing due to rising labor cost. At the same time, output charges rose at a softer rate.

India's retail inflation in India fell to 4.85% in March 2024, the lowest since May 2023, from 5.09% in February and compared to forecasts of 4.91%. Food inflation was 8.52%, below 8.66%, mainly due to prices for vegetables (28.3% vs 30.3%), while cost slowed for pulses (17.7% vs 18.9%), spices (11.4% vs 13.5%) and fruits (3.1% vs 4.8%) and continued to fall for oils and fats (-11.7% vs -14%). Meanwhile, a slowdown was also seen in prices for clothing and footwear (3% vs. 3.1%), miscellaneous (3.5% vs. 3.6%) and housing (2.8% vs 2.9%) and prices fell more for fuel and light (-3.2% vs -0.8%). Inflation for pan, tobacco, and intoxicants was little changed at 3.1%.

India's overall exports (Merchandise and Services combined) in March 2024* is estimated to be USD 70.21 Billion, exhibiting a negative growth of (-) 3.01 per cent over March 2023. Overall imports in March 2024* is estimated to be USD 73.12 Billion, exhibiting a negative growth of (-) 6.11 per cent over March 2023. India's overall exports (Merchandise and Services combined) in FY 2023-24 (April-March)* are estimated to be USD 776.68 Billion, exhibiting a positive growth of 0.04 per cent over FY 2022-23 (April-March). Overall imports in FY 2023-24 (April-March)* are estimated to be USD 854.80 Billion, exhibiting a negative growth of (-) 4.81 per cent over FY 2022-23 (April-March).

The Gross Goods and Services Tax (GST) collections hit a record high in April 2024 at ₹2.10 lakh crore. This represents a significant 12.4% year-on-year growth, driven by a strong increase in domestic transactions (up 13.4%) and imports (up 8.3%). After accounting for refunds, the net GST revenue for April 2024 stands at ₹1.92 lakh crore, reflecting an impressive 15.5% growth compared to the same period last year.

India's foreign exchange reserves fell by US$2.82 billion to $640.33 billion in the week through April 26. Foreign currency assets fell by $3.79 billion to $560.86 billion for the week ending April 26.

The U.S. markets ended higher during the passing week amid easing fears of a wider Middle East conflict after Iran and Israel completed measured counterattacks that were calibrated to avoid any casualties. Sentiments got boost after a report released by the Commerce Department showed a substantial increase in new home sales in the U.S. in the month of March. The Commerce Department said new home sales spiked by 8.8 percent to an annual rate of 693,000 in March after plunging by 5.1 percent to a revised rate of 637,000 in February. Street had expected new home sales to rise to an annual rate of 668,000 from the 662,000 originally reported for the previous month. New home sales in the Northeast helped lead the way higher, skyrocketing by 27.8 percent during the month to an annual rate of 46,000. New home sales in the West and South also surged by 8.6 percent and 7.7 percent, respectively, while new home sales in the Midwest jumped by 5.3 percent.

Further, with orders for transportation equipment showing a substantial increase, the Commerce Department released a report showing new orders for U.S. manufactured durable goods surged by more than expected in the month of March. The report said durable goods orders soared by 2.6 percent in March after climbing by a downwardly revised 0.7 percent in February. Street had expected durable goods orders to spike by 2.3 percent compared to the 1.3 percent jump that had been reported for the previous month. Meanwhile, the Labor Department released a report showing an unexpected decrease by first-time claims for U.S. unemployment benefits in the week ended April 20th. The report said initial jobless claims fell to 207,000, a decrease of 5,000 from the previous week's unrevised level of 212,000. The dip surprised participants, who had expected jobless claims to inch up to 214,000.

However, some cautiousness prevailed in the markets after a report released by the Commerce Department showed the U.S. economy grew by much less than expected in the first quarter of 2024. The Commerce Department said gross domestic product increased by 1.6 percent in the first quarter after surging by 3.4 percent in the fourth quarter of 2023. Street had expected GDP to jump by 2.5 percent. The GDP growth in the first quarter reflected increases in consumer spending, residential fixed investment, nonresidential fixed investment, and state and local government spending. But, the positive contributions were partly offset by a decrease in private inventory investment and an increase in imports, which are a subtraction in the calculation of GDP. The Commerce Department said the notable slowdown in GDP growth compared to the previous quarter primarily reflected decelerations in consumer spending, exports, and state and local government spending and a downturn in federal government spending.

European markets remained higher during the passing week. The start of the week was in green terrain, as Germany's private sector expanded for the first time in ten months in April driven by a solid rise in services activity. The survey results from S&P Global showed that the flash composite output index rose more-than-expected to 50.5 in April from 47.7 in the previous month. The reading was seen at 48.6. The services Purchasing Managers' Index posted a ten-month high reading of 53.3 in April, up from 50.1 in the previous month. Besides, France's private sector activity moved closer to stabilization in April on renewed expansion in the service sector. The survey data from S&P Global showed that the flash HCOB composite output index hit an 11-month high of 49.9 from 48.3 in the previous month. The score signaled a broad stabilization of business activity across the private sector economy.

Firm trade continued in the markets towards end of the week, after the UK private sector economy grew at the quickest pace in nearly a year in April amid a robust growth in service sector output. The flash survey results from S&P Global showed that the composite output index rose to 54.0 in April from 52.8 in March. A reading above 50.0 indicates expansion in the private sector. Service sector growth was the fastest in eleven months on the back of rising business and consumer spending. Moreover, the euro area private sector expanded the most in nearly a year in April as the continuing downturn in the manufacturing activity was offset the strength in the service sector. The flash survey results from S&P Global showed that the composite output index registered 51.4 in April, up from 50.3 in March. The private sector expanded for the second month in a row in April after a continual decline over the nine months to February. The score signaled the strongest growth since last May.

On the inflation front, Finland's producer prices continued their declining trend in March. The data from Statistics Finland showed that the producer price index fell 4.5 percent year-over-year in March, following a 5.1 percent decline in the previous month. Prices have been falling since April 2023. The decrease in producer prices for manufactured products was particularly caused by the fall in prices of basic metals, paper and paper products, and electricity, the agency said. Domestic producer prices declined 3.5 percent annually, and those of export products slid by 5.9 percent. On a month-on-month basis, producer prices dropped 0.1 percent after a 0.2 percent decrease. Data also showed that the export price index logged a decline of 5.9 percent, and import prices dropped by 4.6 percent. The decrease in the export price index was especially due to lower prices of basic metals, paper and paper products, and chemicals and chemical products.

Asian markets, barring Shanghai Composite Index, ended in green during the passing week, following the broadly positive cues from global markets, as data showing a slowdown in U.S. manufacturing activity in the month of April raised hopes the US Fed will start thinking of cutting interest rates soon. Besides, Microsoft and Google's parent company Alphabet both beat Wall Street's Q1 expectations, offsetting Meta Platforms' disappointing forward guidance. Investors also looked ahead to the release of U.S. GDP data for the first quarter as well as earnings reports from major companies across various sectors. Seoul stocks ended higher as data showed that the South Korean economy grew at the fastest pace in more than two years in the first quarter on robust exports.

Japanese Nikkei rose by over one and half percent after the Bank of Japan expressed confidence that inflation was on track to durably hit 2 percent in coming years. Market participants also reacted to Tokyo's inflation figures. The Ministry of Internal Affairs and Communications said consumer prices in the Tokyo region of Japan were up 1.8 percent on year in April. That was beneath estimates for an annual gain of 2.6 percent, which would have been unchanged from the March reading. Core CPI, which excludes the volatile costs of food prices, advanced 1.6 percent on year - also well shy of forecasts for an increase of 2.2 percent and slowing from 2.4 percent in the previous month.

Bucking the trend, Chinese Shanghai ended lower by around half percent after reports that the head of its central bank wants creditors engaged in debt restructurings for emerging market countries to agree on how to fairly share the burden of relief. However, losses remain capped as some major investment banks, Goldman Sachs and UBS, have raised its ratings on China and Hong Kong's equities citing potential reforms, strong earnings, and fiscal support. Investors also braced the news that China is to facilitate Hong Kong listings by leading Chinese firms and expand the stock connect cross boarder investment scheme.

The S&P Global US Manufacturing PMI fell to 50 in April of 2024 from 51.9 in the previous month, firmly below the market expectations of 52, but revised slightly higher from the flash estimate of 49.9. The reading pointed to the first stall in factory activity this year following three firm expansions. Manufacturers scaled back their purchasing activity to react to a fresh decline in new orders, with surveyees noting a greater extent of caution among clients and reluctance to commit to new business. Still, a drawdown in backlogs of work sustained production enough to record an increase in output levels, but demand for capacity was broadly unchanged as staffing levels edged slightly lower and purchasing activity edged higher. On the price front, input costs accelerated sharply amid higher costs for oil and metals. Looking forward, factories still remained broadly optimistic over output levels for the coming year

The HCOB Flash Eurozone Manufacturing PMI fell to 45.6 in April 2024, the lowest in four months, from 46.1 in March, and below forecasts of 46.5. The reading continued to point to a persistent contraction in the factory sector, although production fell at the slowest rate in a year and job losses have eased somewhat. Also, manufacturing input prices continued to fall, helped by improved supply conditions. Otherwise, the picture remains rather bleak, with new business continuing to decline rapidly, along with order backlogs. Weak demand for industrial products was also evident in the sharp decrease in the volume of purchased inputs and the absence of a turnaround in the inventory cycle.

The au Jibun Bank Japan Manufacturing PMI was revised lower to 49.6 in April 2024 from 49.9 in the preliminary estimates and after a final 48.2 in March, signaling a near stabilization. It was the eleventh straight month of contraction in factory activity but the softest drop since last August as both output and new orders shrank less. Output fell the least in six months, while new orders dropped eased, with export orders declining mainly to China and the US. As a result, purchasing activity continued to decrease despite the lowest since October 2022. Delivery times improved, marking the first shortening of lengthening lead times in nine months. On the price front, input cost inflation accelerated to the quickest rate of the year due to higher metal cost pressure. Meanwhile, output cost inflation rose to an 11-month high as firms sought to pass on higher input costs to clients. Finally, business sentiment was unchanged from March, remaining relatively high amid improvement in demand.

Going Ahead

Despite challenging conditions in two of the world's major economies, Germany and the UK, the global economic growth remains resilient. The International Monetary Fund's growth estimates remain stable for 2024 and 2025. Major European countries are expected to return to growth paths next year.

On the inflation front, we face a deteriorating scenario. In the U.S., inflation rates have exceeded forecasts, which may delay expected monetary easing. Conversely, other regions

like China and Europe might lean towards monetary easing due to different growth and inflation dynamics. This creates a divergence in monetary policy stances across key economies, affecting global financial conditions.

The equity markets have shown significant rallies over the last year, except in China. However, rising commodity prices and high-interest rates could affect corporate earnings and market valuations. With ongoing geopolitical concerns, the short-term outlook for global equity markets seems unclear. Despite these challenges, India remains a bright spot. Robust domestic and foreign investment flows continue to support the Indian market, reflecting stronger fundamentals and a more optimistic outlook compared to other major markets.

The interconnected nature of the Indian economy with the global market does pose risks of negative spillovers. However, our strong fundamentals and consistent domestic investment flows provide a cushion. While we have enjoyed remarkable returns in the past, it is prudent to temper our expectations for the coming year. Market volatility is likely to increase, but this should not deter our commitment to equity investments. Historical data reinforces that Indian equities offer superior risk-adjusted returns over the long term.

Commodities Outlook

Precious Metals: : Precious Metals faces corrective moves after hitting all-time highs on MCX in April, amid easing geopolitical worries and Fed pivot being pushed to second half of the year.

Gold on MCX futures contract gave overall returns of 12.75 % year to date while rising around 4.33 % during the April month despite correcting from a high of Rs. 73,958 per Kg hit on 12th April in June futures contract.

War premiums which were built in due to elevated geopolitical tensions were seen quickly unwinding amid Israeli government coming under intense pressure from its global allies to reach a ceasefire with Gaza while Iran was also seen backing off from further retaliatory strikes against Israel. Also sticky inflation numbers in US since last few months led to expectations of rate cuts to be pushed back to second half of the year which kept upside limited in the second half of the April month.

Outlook

Near term headwinds to persist for precious metals amid lack of US ETF inflows and declining rate cut sentiments. Long term bullish outlook remains intact given mounting US debt concerns and slowdown in global growth in 2025 to keep safe haven appeal intact in H2 2024.

Following the ease in the Iran-Israel conflict in April and a dent to the US Fed rate cut buzz for 3 rate cuts in 2023 gold price continued to decline in the first week of May after hitting a record high on 12th April 2024. Meanwhile the sudden decline in gold prices could stir revival in retail demand leading up to Akshaya Tritiya (May 10) and prompting hesitant retail consumers to finally make their move leading to some stability in domestic prices at lower levels.

Overall expectations remain of a sideways to lacklustre bias to persist in prices in near term after taking into account the latest FOMC policy decision which had focused on the 'higher for longer' rate narrative. Meanwhile labour market report released on 3rd May suggested slowdown in Jobs gains in last month which could offset strong downside to some extent. These two events combined had led to a narrative of 2 rate cuts to persist in current year as against 3 rate cuts expected at the start of last month which had disappointed bullion traders so far.

From current levels prices still have a room to correct 2 – 3 % in near term in Spot (CMP $ 2301 per ounce, MCX June CMP ₹70677 per 10 gm.). Spot gold price has supports in the range of $2255 - 2250, whereas it faces resistance around $2320 - 2340, respectively. The MCX Gold June future contract has strong support at ₹69720 per 10 gm a weekly close below only prices could slide further upto ₹67650 per 10 gm on MCX futures contract and ₹69580. On the upside resistance to persist in the range of ₹70,950 – 71,700 per 10 gm.

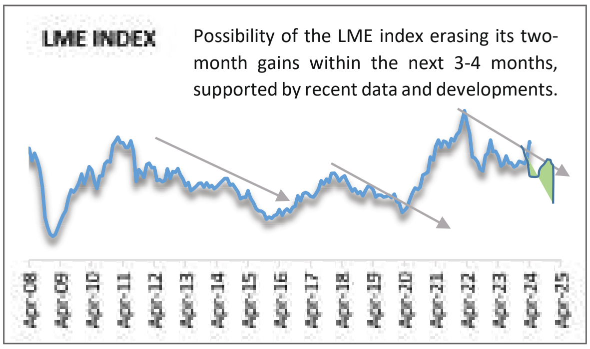
On a longer term basis we anticipate gold price to average around $ 2180 - 2200 per ounce in first half of the year (2024 YTD Average 2138 $ per ounce) in International spot markets making an overall trading range of $ 2100 – 2640 per ounce to persist in spot markets for 2024. Given investment demand fundamentals remaining strong in gold for 2024. Robust central bank buying seen since 2022 along with expectations of China demand to remain strong this year could again fuel new all-time highs in gold in the later half of the year.

"Metal Prices Surge Driven by Investment Inflows and Supply Concerns"

Metal surged in the new quarter driven by robust investment inflows, particularly from China. Copper led the rally, climbing 14% in April to reach $10,200 per ton for the first time in two years. This surge was fuelled by concerns over a historic squeeze in mined ore supply, potentially leading to a major deficit. Optimism about future demand, especially from green industries, further supported prices. Additionally, anticipation of a Fed interest rate cut buoyed market sentiment. However, concerns lingered over economic indicators, such as a slowdown in Chinese industrial production and stagflation in the US, evidenced by a sharp deceleration in US GDP growth and accelerating inflation. Despite these factors, metal prices remained resilient, overlooking worries like Fitch's forecast of rising government deficits. Overall, the market remained bullish on the prospects of demand growth amid supply constraints and economic uncertainties.

Aluminum prices skyrocketed on the LME due to US and UK sanctions banning Russian supplies. With 91% of LME inventories being Russian brands, the impact was significant, with prices surging by 9.4%, the highest since 1987. China also experienced a massive increase in aluminum imports, up by 89.8% in March. Zinc prices surged above $2900/t, the highest in over a year, driven by a mix of new long positions and short covering. Import TC hit a six-year low, while domestic ore prices are near a two-year low. Supply tightened due to output cuts at smaller mines last year, worsened by disruptions at larger operations this year. SHFE zinc inventories dropped by 3,955mt after 12 weeks of accumulation.

Outlook: Metals Facing Selling Pressure Amidst Surplus scenario and Weak Demand Signals



Metals face a challenging outlook both from macroeconomic and microeconomic perspectives. Weak PMI readings, high treasury yields, and disappointing Chinese industrial production data suggest a sell-off trend. With inventories still high and concerns about demand growth looming, the rally in metals seems precarious. This is compounded by ICSG projections of surplus in the coming years, particularly in copper, which could drive prices down. Additionally, a record-high open interest in CME copper options indicates a potential turning point in prices. Looking ahead, the demand for metals in electric vehicles, renewable energy, and expanded power grids may provide some support, but concerns about rising mining costs and surplus supply dampen long-term optimism. Overall, caution is warranted in the metal market amidst these complex dynamics. Copper shows bearish sentiment with resistance at 877 and 950, and support at 804 and 786.

Crude oil rally faltered in April as risk premium wanes and macro headwinds came into play

Three-month oil price rally, buoyed by OPEC+ cuts, improved demand prospects and geopolitical tensions, halts in April. War-led risk premium fades, macro headwinds return. Markets refocus on demand-supply dynamics, while still remaining cautious about conflicts re-escalation and the OPEC+ output strategy for H2 in June 02 meeting.

The oil market broke out of its narrow trading range of $70-78 per barrel in March, surging nearly 12% to reach $87.50 levels in early April. This rise was driven by various factors, including drone strikes by Ukraine and Russia targeting energy refineries, escalating tensions in the Middle East, and the heightened risk of supply disruptions. Additionally, the possibility of stricter enforcement of sanctions on Iran contributed to the upward pressure on prices.

However, as anticipated, oil failed to maintain its position above $88 per barrel as the conflicts remained contained and did not significantly disrupt supplies. The impact of Iran's unprecedented attack on Israel was limited, and the United States actively worked towards resolving the conflict in Gaza, which helped to alleviate the risk premium in the market.

With a surge in oil prices, macroeconomic headwinds re-emerged, reinforcing the expectation of higher interest rates for an extended period. Eventually, the price of WTI oil dropped about 10% from a five-month high. On a monthly closing basis, WTI settled 1.5% lower at $81.93 per barrel, while MCX Crude oil closed 1% lower at Rs 6,838 per barrel.

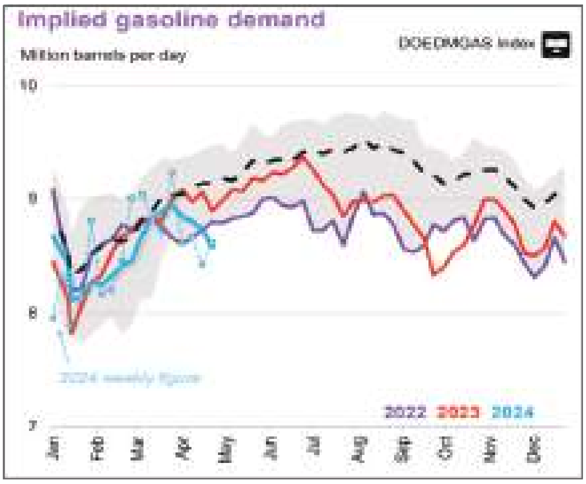
OPEC+ policy and summer fuel demand to drive oil prices in Medium term

With geopolitical tensions likely easing, oil markets have turned their focus to OPEC+ output strategy and summer fuel demand, the key catalyst driving oil prices in May/June.

The recent price move lower has fuelled expectations that OPEC+ will prolong output cuts, when it meets on June 1. With extension in supply cuts, oil markets shall remain in deficit for yet another quarter. On the flip side, global oil markets could tip back into surplus if the group and its allies relax supply cuts. There might be some potential for conflict, after the UAE's main Oil Company said it increased production capacity, which would bolster the key member's case to pump more oil. The cartel nations hold substantial spare capacity and thus may need to tackle the longer-term issue of production capacity. OPEC+ ministers are due to meet at their Vienna headquarters on June 1 Thus OPEC+ output remains a wildcard.

The geopolitical risk though eased but cannot be fully ignored, a proxy war would increase the likelihood of attacks on energy infrastructure -- raising the risk of disruption and threatening some oil supply, while intensified assaults on vessels in the Red Sea would put a bigger strain on trade flows. Any disruption to oil supply would push prices higher, though OPEC would be in a position to respond to plug the gap, given its meaningful spare production capacity, currently at about 6 million barrels a day, excluding Iran.

Talking about the fuel summer demand ahead of the peak travel season, US implied gasoline demand continues to slide, breaking a longstanding tradition of seasonal growth as the summer driving season nears. Indeed, the past few springs have been a weak point for yearly gasoline consumption trends. Implied demand, based on the four-week average of product supplied reported by the US EIA, has fallen for four straight weeks and is down to its lowest seasonal level since 2013, barring the start of 2020 lockdowns. Meanwhile, US Crude stocks rose to their highest level since June, raising concerns over demand.



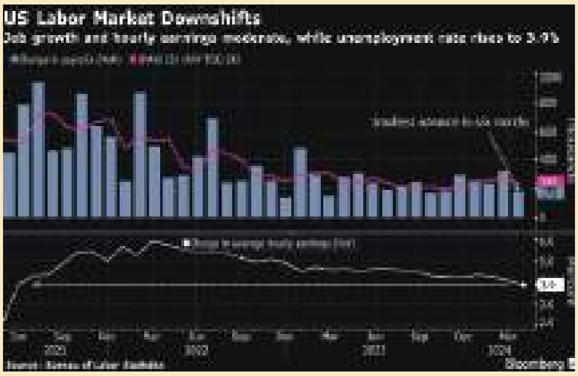
On macro front, though economic activities have improved the US and China, interest rate outlook is still uncertain as some Federal Reserve officials signal that interest rates may

remain elevated for some time which could drag on demand for oil. Meanwhile, key gauges of the futures curve have weakened, indicating supplies are less tight, while options markets appear to have erased the war's risk premium.

In Nutshell, oil market fundamentals and key macro indicators /gauges are showing signs of weakness. However, the fall will be limited to the extent of $75-76 per bbl level as the OPEC+ cuts still persist and the probability of the same extending in the second half is high. Any escalation in geopolitical tensions would build in war premium, but the same might be short lived as long as actual supply disruption occurs. Thus, we expect WTI oil to trade in a broad range of $75-85 (CMP: $78.11 per bbl) this month while on the MCX price range for Crude oil will be Rs 6,225-7,050 (CMP: Rs 6,546 per bbl).

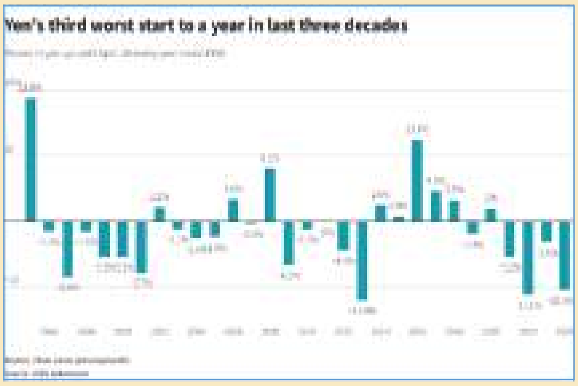
Currency Outlook

Labour market cooling off, job data critical to Fed's decision, keeping dollar index volatile



The labor market showed material signs of weakening in April, with both hard and soft data falling below expectations. The unemployment rate ticked up in April as new entrants into the labor force struggled to find jobs. Hiring was concentrated in sectors more impervious to the business cycle, and slowed in low-skilled industries where new immigrants often find work. Policymakers took a signal from the first quarter's hot inflation prints, but still think supply-side factors will keep disinflation on track over the next few months. The very gradual cooling in hiring and wage growth is part of the reason why policymaker have indicated they're in no rush to bring interest rate down from 2 decade high. It's time to be on high alert for a turn in NFP and Claims.

Yen got more attention over Dollar from Traders, Investors and Japanese Government



The yen's drop since the start of January is its 3rd worst start to a year in the last 3 decades and the 5th time in the last 6 years that it has been down at this stage of the year. One of the main drivers of the yen's weakness is that Japanese interest rates are far lower than elsewhere in the world. This isn't a sudden thing. The yawning discount of Japanese rates versus US ones encourages investors to stay positioned against the yen even with the risk of BOJ intervention. The fall on global core rates post the apparent Bank of Japan intervention smacks of a temporary reaction. The underlying issue remains. Japanese rates are significantly below US ones, and if the Japanese yen can't appreciate versus the US dollar, then we don't have a steady state equilibrium. Facing that with FX intervention typically does not end well. The more obvious solution to this is for Japanese rates to rise.

Major central banks hover in uneasy calm in April

Interest rates at major central banks remained static in April as the prospect of higher-for-longer US Federal Reserve rates exerted some pressure on policymakers, especially in emerging markets. All four of the central banks overseeing the 10 most heavily traded currencies that held meetings in April - the Bank of Japan, the Bank of Canada, the European Central Bank and the Reserve Bank of New Zealand and the Fed, whose rate setting meeting straddled April and May, also left rates unchanged. The inflation downtrend is alive but unstable, persuading central banks to wait longer and cut key rates more slowly. The prospect of higher-for-longer US rates also shaped policy making in emerging economies which had been ahead of developed peers in both the recent tightening and the easing cycle. The re-pricing of interest rate cuts has been very significant as the market is now pricing in barely one cut by the end of the year, and very late this year

Major central banks hover in uneasy calm in April

Interest rates at major central banks remained static in April as the prospect of higher-for-longer US Federal Reserve rates exerted some pressure on policymakers, especially in emerging markets. All four of the central banks overseeing the 10 most heavily traded currencies that held meetings in April - the Bank of Japan, the Bank of Canada, the European Central Bank and the Reserve Bank of New Zealand and the Fed, whose rate setting meeting straddled April and May, also left rates unchanged. The inflation downtrend is alive but unstable, persuading central banks to wait longer and cut key rates more slowly. The prospect of higher-for-longer US rates also shaped policy making in emerging economies which had been ahead of developed peers in both the recent tightening and the easing cycle. The re-pricing of interest rate cuts has been very significant as the market is now pricing in barely one cut by the end of the year, and very late this year

Rupee Outlook

In 2024, the rupee hit an all-time low of 83.58, but it still stands out as the best-performing currency in Asia despite the downturn. Rupee has depreciated 0.12% on YTD basis in comparison to a 3.32% advance in the US Dollar Index. The resilience of the Indian rupee can be due to strategic interventions by the Reserve Bank of India, which possesses substantial foreign exchange reserves. These interventions have effectively supported and defended the value of the Indian currency amid market fluctuations. The government may aim to avoid actions or policies that could lead to a significant depreciation of the currency, especially during the election period, to retain investor confidence and minimize potential capital outflows from the system. The relative stability of the rupee is also a reflection of the strong growth of the Indian economy and its balance-of-payment surplus. While concerns regarding Iran-Israel tensions have eased, a strong dollar continues to weigh on emerging-market currencies, including the rupee. FPIs have so far pulled out of Indian markets in April. Nevertheless, in the year so far, rupee remains a top performer compared to some EM and Asian peers, likely supported by RBI intervention.

Forex Outlook

The world’s financial markets are encountering a force they didn’t bet on for 2024. A stable dollar is back and looks set to stay. Having entered the year predicting the greenback would decline, investors have been forced into a rethink by a red-hot US economy and sticky inflation requiring the Federal Reserve to hold off cutting interest rates. Despite challenging conditions in two of the world’s major economies, Germany and the UK, the global economic growth remains resilient. Major European countries are expected to return to growth paths next year. On the inflation front, we face a deteriorating scenario. In the US, inflation rates have exceeded forecasts, which may delay expected monetary easing. Conversely, other regions like China and Europe might lean towards monetary easing due to different growth and inflation dynamics..

Consequently, the market is fully discounting a 25bp September interest rate cut once again with a second one before the end of the year. Should inflation cool off again and the labour market weaken, the Fed may well cut earlier than the expected September meeting. There are still two more Jobs Reports due ahead of the July meeting and if a trend develops, there may be much higher odds of a cut. This would weigh heavily on a US dollar which has been boosted significantly by more hawkish expectations. For those who were looking go for rate cut sooner than later, this deceleration in payroll growth is good news and the weaker wage growth numbers makes it better news. However, one month does not make a trend, so the Fed will likely need to see a few months of this type of moderation coupled with better inflation numbers to put rate cuts back in play sooner than later. In such scenarios, Dollar index could remain in volatile range and data reactive mode but stable across the basket of competitive currencies, the range could lie between 104.50 – 106.50 on monthly basis.

Coming to our Indian currency, we expects the rupee to trade within the range of 83.00 to 83.80 in the near term, with a note of caution regarding potential risks stemming from geopolitical tensions. This outlook is underpinned by India's robust fundamentals, including healthy economic growth hovering around 7%, a comfortable current account deficit of approximately 1% of the gross domestic product and an anticipated surge in FPI inflows.

Technical Analysis

NIFTY: MAY 2024

LEVELS TO WATCHOUT FOR: 22800 - 23000 / 22300 – 22000

The display of volatility continued during the month of April 2024. The domestic markets witnessed some wild swings of the back of some global as well as domestic triggers. On the global front, escalation of geopolitical issues along with some softness in US markets kept the sentiments under check whereas in India, correction in IT space along with some accidents in banking sector kept the markets under pressure. As a result, NIFTY 50 index took a dip of 1000 points from the peak of 22775 towards the low of 21777. However, the second of April 2024, resulted in some recovery and the index made a new high of 22794.

Since last couple of months, we have been mentioning about the hurdle of 22800. Despite several attempts the index failed to clear that hurdle. In fact, in the recent session we witnessed a heavy selloff from all time high of 22794 and that resulted in a bearish candlestick pattern on the daily tile scale of NIFTY 50. Technically, the index is trading in a rising channel since past few months. Initially the lower end support of the channel was respected and now the index is moving towards 22900 – 22950 which is the higher end of the channel. Going ahead, even if we make new high of 22794 we expect supply from the zone of 22900 – 22950. Also, the volatility index VIX made a low around 10 and has bounced back towards 14 level. This indicates that the upside path won't be easy from here on. On the downside, below 22300 the index can slide towards 22100 – 22000 level which is now the new lower end of the rising channel. Hence, for the coming weeks we don't expect any major fire works or a major crack in the markets but the momentum could be choppy. Thus, traders are advised to remain light from here on since we are now approaching the final phases of the election which is a mega event.

Although, there was heavy supply in KOTAKBANK during the month which kept the banking index under pressure but stocks like ICICIBANK lifted the spirits and brought NIFTY BANK to the new high. The index rallied over 4.5% during the month and made new life high surpassing the previous high of 48636. Since many months we were taking about 50K milestone for NIFTY BANK index and this time finally it made a high of 49975. Unfortunately, this high seems to be a very strong hurdle for the coming weeks since that coincides with the resistance formed by a rising channel like NIFTY 50 index. In addition, the 100% extension of the previous moves is a around 50K from where the index has already started correcting. From here on 49600 – 50000 – 50600 are strong hurdle for the index whereas on the downside, a breach of 48500 could trigger further panic for banking index.

Technical Pick – BUY ASIAN PAINTS LTD

POTENTIAL UPSIDE 7.72%- 10.29%

- ASIANPAINTS has been in a corrective mode since many months and has come down from 3400 towards 2800.
- The stock found support exactly at the 100% extension of the moves which started from the year 2023.
- There we are witnessing a double bottom formation along with a fresh breakout which confirms trend reversal.
- Thus, traders are advised to buy ASIANPAINT in the range of 2930 - 2900 with a stop loss of 2765 on closing basis for an upside target of 3140 and 3215 in coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

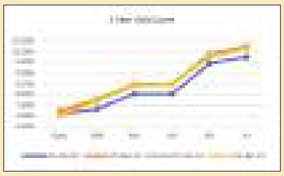
The Reserve Bank of India's Monetary Policy Committee (MPC) on the basis of an assessment of the current and evolving macroeconomic situation. The committee, by a 5 to 1 majority (The external MPC member, Prof. Varma, maintained her stance for a 25 bps rate cut from the last review), decided to maintain the policy repo rate at 6.50% for the seventh time in a row, this was in line with the market expectations with its focused on withdrawal of accommodation to ensure that inflation progressively aligns to the 4% target, while supporting growth.

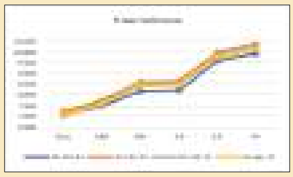
Key Rates	Pre-Policy	Post-Policy
Repo Rate	6.50%	6.50% ↔
Bank Rate	6.75%	6.75% ↔
Marginal Standing Facility	6.75%	6.75% ↔
Standing Deposit Facility	6.25%	6.25% ↔
Cash Reserve Ratio	4.50%	4.50% ↔
Statutory Liquidity Ratio	18.00%	18.00% ↔

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

The real GDP growth is projected at 7.0 per cent for 2024-25, marking the third successive year of growth above 7 per cent. Core inflation is declining, but CPI inflation will be driven by food prices, geo-political tensions, along with the crude oil prices adding significant uncertainty to it, inflation for FY2025 is projected at 4.5%. MPC highlighted concerns over high public debt in advanced and emerging markets post-pandemic. To address this, credible fiscal consolidation plans focusing on growth are essential. RBI is cautiously monitoring global interest rate trends, particularly due to reduced expectations of rate cuts in the US. Given India's steady growth, it is likely to maintain current rates.

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





Source: CRISIL Fixed Income Database

- The 3 year and 5 year Gsec curve saw hardening of ~6bps and ~7bps respectively, while the 3 year and 5 year AAA curve experienced a easing of 6bps & 8bps respectively.
- In 3 year space, the rest of the credit curve saw a easing in the range of ~2bps to ~9bps & in the 5 year saw a easing in the range of ~9bps to ~14bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw contraction of ~12bps to 15bps, from ~70bps to ~58bps in the 3 year space and from ~65bps to ~50bps 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	7.98%
7.74% SBI Perp 2025	Call: 09-Sep-25	Annual on 09-Sep	AA+ by CRISIL, 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	8.32%

PSU Quotes

Security	Maturity/Call	IP	Rating	Yield
7.65% PFC 2027	22-Nov-27	Annual on 22-Nov	AAA by CRISIL, ICRA & CARE	7.52%
8.75% IRFC 2026	29-Nov-26	Semi-Annual	AAA CRISIL, CARE & ICRA	7.48%
8.30% REC 2029	25-Mar-29	Semi-Annual	AAA CRISIL, CARE & ICRA	7.50%
7.60% FCI 2030	09-Jan-30	Annual on 09-Jan	AAA(CE) By CRISIL & CARE	7.40%

Corporate Bonds

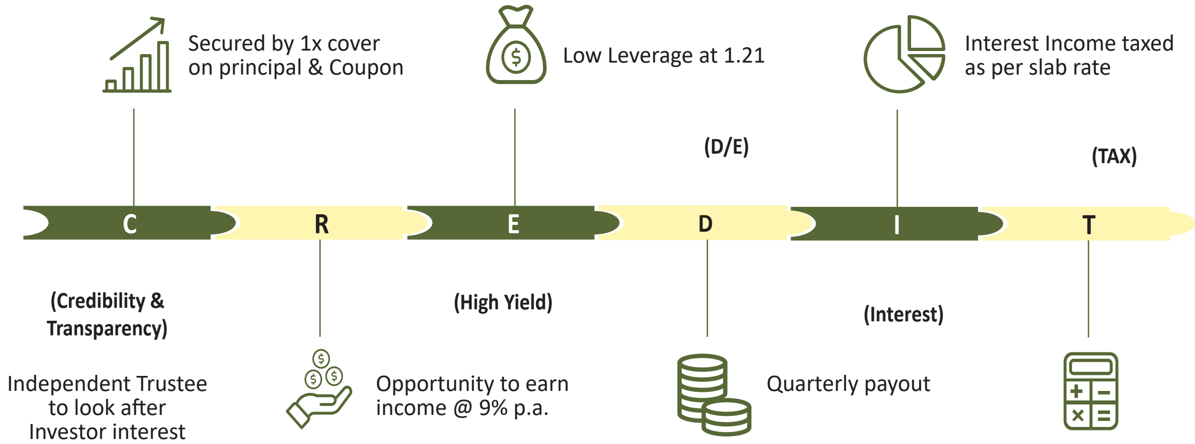
Security	Maturity/Call	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.68%
7.05% LIC housing Finance Ltd. 2030	21-Dec-30	Annual on 19-Mar	AAA by CRISIL & CARE	7.75%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 15-Nov	AAA CRISIL & CARE	8.25%
8.15% L&T Finance Holdings Ltd 2028	01-Mar-28	Annual on 4-May	AAA ICRA, CARE	7.85%
8.00% Muthoot Finance Ltd. 2026	04-Oct-26	Annual on 31-May	AA+ by ICRA	7.80%
7.60% Tata Capital Ltd. 2030	17-Sep-30	Annual on 17-Sep	AAA/Stable by CRISIL & ICRA	8.05%
8.25% HDFC Credila Fin Ser 2028	29-Mar-28	Annual on 29-Mar	AAA by CRISIL & CARE	8.35%
8.95% Aditya Birla Finance Ltd. 2029	06-Jun-29	Annual on 21-Nov	AAA/Stable by IND & ICRA	8.00%
9.95% UP Power 2030	(29-Mar-30) Staggered Maturity	31-Mar, 30-Jun, 30-Sep & 31-Dec	A+ (CE) BY CRISIL & IND	8.60%

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

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

ANCHOR (Market Linked Debentures)

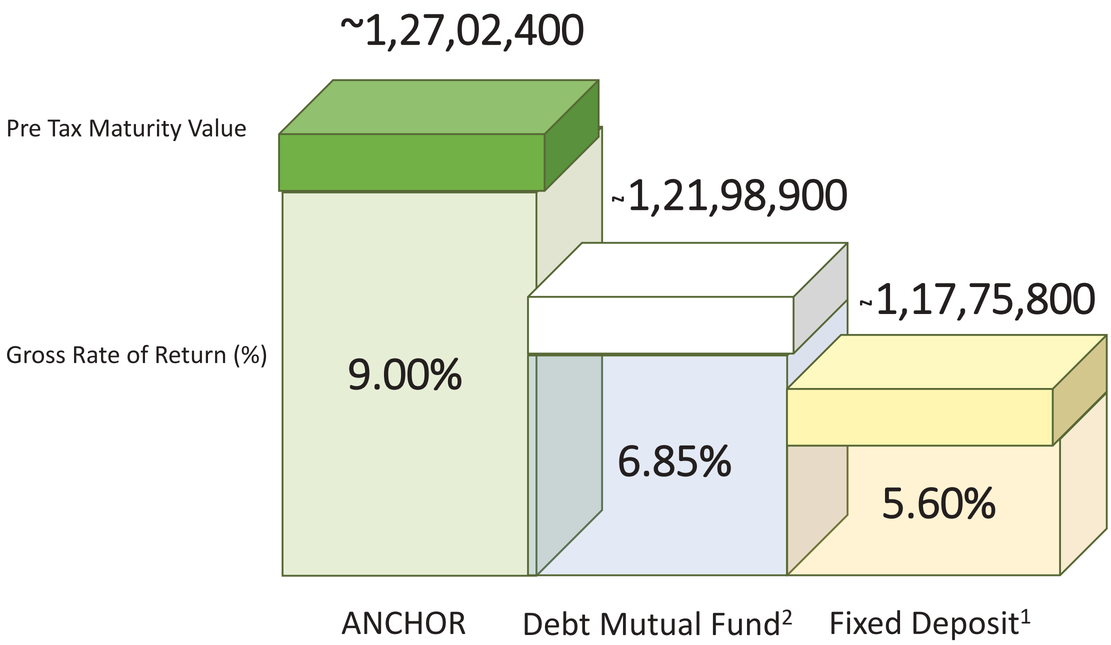
What is ANCHOR?



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

What is the Opportunity?

For an investment of 1 Crore for 36 months



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

Key Terms of the Issue

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

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

Cash-flow Illustration

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

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

The information provided is this communication is reproduction of factual details. No part of information provided herein should be construed as investment advice by ARSSBL and/or its employee. Investor/Client must make their own investment decisions based on their own specific investment objectives and financial position. This communication does not constitute an offer or solicitation for the purchase or sale of any financial instrument/security.
*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

Anand Rathi PMS

PMS Portfolio

Objective & Investment Philosophy

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

Value

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

Growth

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

Investment Process

Re-VIEW Strategy

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

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

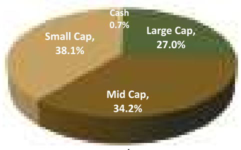
E — **Earnings Visibility Changes**
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd.	10.3%
2	ITD Cementation India Ltd.	8.9%
3	KEI Industries Ltd.	7.8%
4	Varun Beverages Ltd.	7.7%
5	Ratnamani Metals & Tubes Ltd.	7.4%
6	Radico Khaitan Ltd.	6.0%
7	KEC International Ltd.	5.6%
8	Titagarh Railsystems Ltd.	5.4%
9	Indian Bank	5.2%
10	Glenmark Life Sciences Ltd.	5.2%

Market Cap Allocation

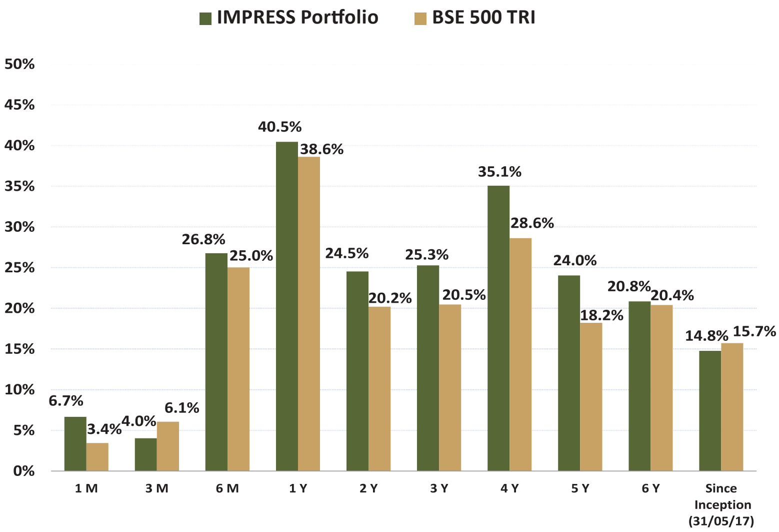


	Avg Mkt Cap (cr)
Large Cap	216646
Midcap	28183
Small Cap	10120
Overall Portfolio	66086

Data as on 30th April 2024

Portfolio Performance

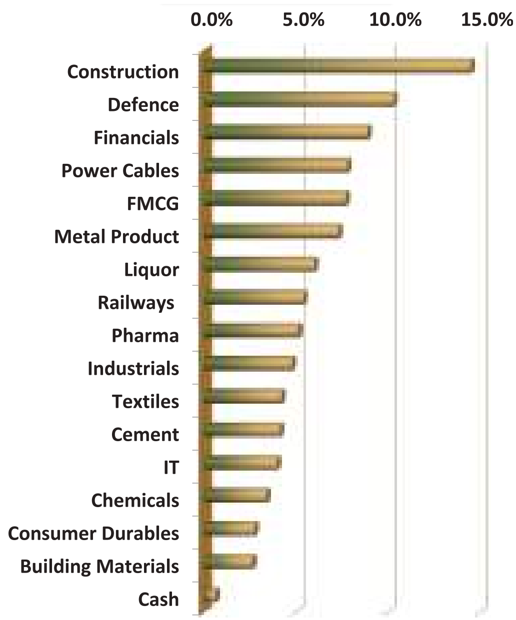
Performance as on 30th April, 2024



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

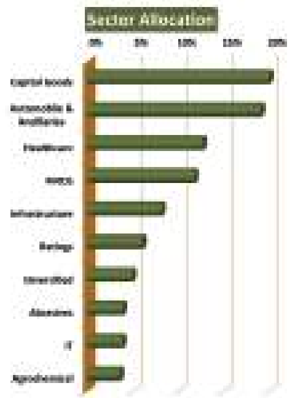
Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	11.9%
2	Maruti Suzuki India Limited	8.8%
3	ITD Cementation India Limited	8.2%
4	Schaeffler India Limited	7.1%
5	CRISIL Ltd	6.1%
6	KSB Limited	5.1%
7	Nestle India Ltd	5.0%
8	3M India Ltd	5.0%
9	Abbott India Ltd	4.8%
10	Ingersoll-Rand (India) Ltd	4.7%

Avg Mkt Cap (cr)	
Large Cap	344084
Midcap	38545
Small Cap	10410
Overall Portfolio	110383

Data as on 30th April, 2024

Strong Corporate Governance

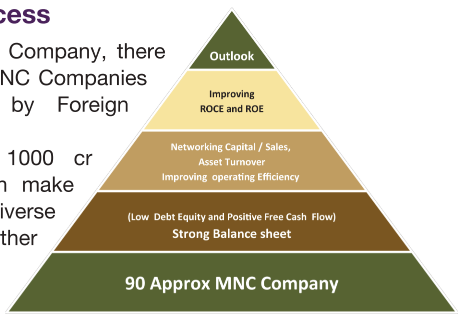
- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative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



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

Selection Process

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



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

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

Anand Rathi PMS

Decennium Opportunity

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

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

Emerging business of ongoing Industrial Revolution

Note: The above opportunity are given for illustration purpose there are many other emerging business in this ongoing industrial revolution, which could form a part of portfolio.

Opportunity - Accelerated Growth from Business Upcycle

- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive and Atmanirbhar Bharat Initiative very well supportive to strengthen India's private players/ Enterpreneurs to scale up their business.
- With overall economic growth both at macro and micro level and favorable policy many sectors enters into their next business upcycle

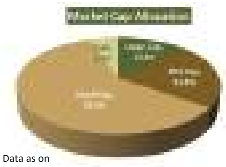
Opportunities at every level of emerging business

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

Stock Selection Process

Portfolio Synopsis

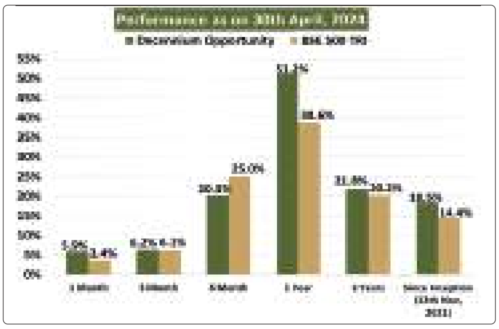
Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	10.5%
2	Global Health Limited	10.3%
3	Poonawalla Fincorp Ltd	7.9%
4	Venus Pipes and Tubes Limited	7.7%
5	Ethos Limited	7.0%
6	KEC International Limited	6.6%
7	Craftsman Automation Limited	6.1%
8	Concord Biotech Limited	6.1%
9	Caplin Point Laboratories Limited	5.7%
10	Praj Industries Ltd	5.3%



Data as on 30th April, 2024

	Avg Market Cap (cr)
Large Cap	109779
Midcap	34305
Small Cap	10721
Overall Portfolio	31198

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.



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

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

Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 100%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Principal Protected	Principal is not protected	
Tenor(days)	1900 Days	
Initial Fixing Level	150 points contingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 44^{th}, 47^{th}, 50^{th}, 53^{rd} & 56^{th} Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	100% (IRR – ~14.24%)	
Participation Rate1 (PR1)	100% (From 110% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	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

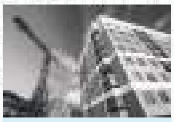
81+ Exits
since 2002

ICICI Venture's Business Verticals

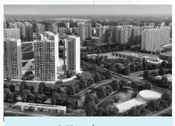
	Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A[1]	\$1.9bn[2]	\$700mn[2]	\$453mn[3]	\$1.25bn[4]
Strategies	Growth Equity	Debt	Energy	Debt, Mezzanine
	Joint Control	Equity	Utilities	Distress Buyouts
	Buyouts	Mezzanine	Buyouts	Equity Recaps

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

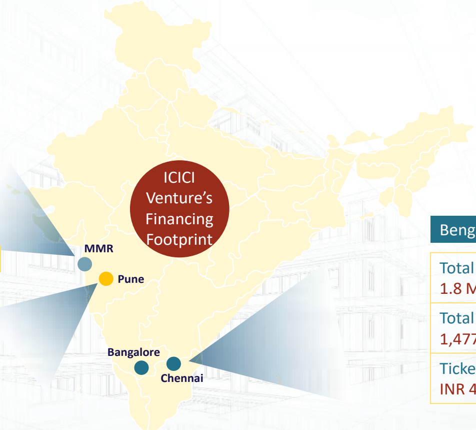
Financed over 15,000 units / 14.2 million square feet of Affordable Housing & Mid-Income projects in India

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

Our RE debt exit track record

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

Type: Affordable Housing
Investment : Oct 2018
Exit : April 2021
Gross IRR: 22.5%

Type: Affordable Housing
Investment : Oct 2019
Exit : Oct 2021 (Largely)
Gross IRR: 22%

Type: Housing
Investment : Oct 2013
Exit : Sept 2015
Gross IRR: 25.2%

Type: Affordable Housing
Investment : August 2013
Exit : Jan 2016
Gross IRR: 23.4%

Type: Affordable Housing
Investment : Oct 2012
Exit : Jul 2014
Gross IRR: 22.7%

Type: Housing
Investment : Dec 2012
Exit : Jul 2015
Gross IRR: 22.2%

Type: Affordable Housing
Investment : Dec 2014
Exit : Oct 2016
Gross IRR: 21.2%

Type: Commercial
Investment : Dec 2014
Exit : Aug 2016
Gross IRR: 21.8%

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

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

iREIF

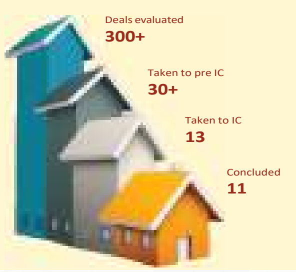
iREIF Portfolio Overview

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

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

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

iREIF deal log



iREIF

Leveraging ICICI Group RE strengths

MOU with ICICI Bank

ICICI Bank CRFG[1]
- A significant player in Indian Construction Financing
- Total exposure of about INR 587.7 billion[2]

ICICI Bank Home Loans
- Leading player in India
- Loans & Advances of INR 2,355.9 billion[2]

ICICI HFC
- Developer Loans of INR 2.54 billion[2]
- Mortgage book of INR 145.9 billion[2]

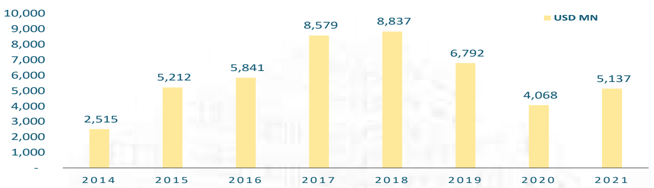
01 Key features of MoU
- Access to proprietary deal flow
- Priority partner for potential co-lending transactions
- Access to diligence materials and market insights
- Ability to leverage CRFG & HFC presence across markets in India

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

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

Private capital flows to Indian RE sector

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



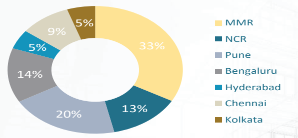
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.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

Source – Knight Frank Research, Venture Intelligence

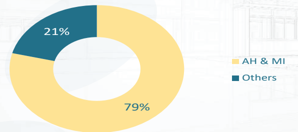
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

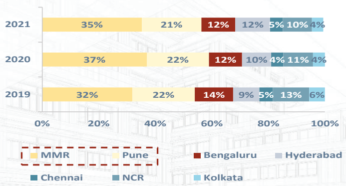
% of Overall Sales from 2015-2021



% of Sales in Mid-income & Affordable



City wise residential unit sales



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

Affordable & Mid Income continues to drive overall volume

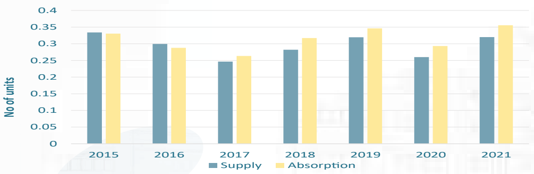
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

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

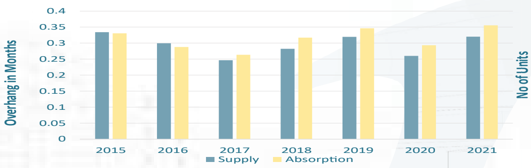
Covid impact

Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



Housing inventory overhang

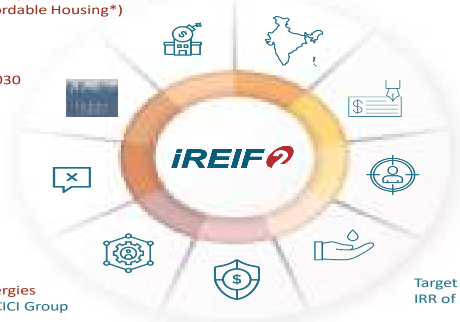


- Top 7 cities CY 2021 sales volume higher than CY 2019
- Reduced supply has resulted in lower level of inventory
- Inventory overhang has reduced
- Ready inventory of only ~ 50,000 units across top 7 cities

Source: Propequity

iREIF2 Strategy

Key pillars



- Focused on Private Debt in Housing Projects (at least 51% in Affordable Housing*)
- 10-12 deals; Focus on Top 7 Indian cities
- Typically INR 400-600 Mn per deal through interest bearing NCDs
- Focus on Tier 1-2 developers in chosen micro-markets; MOUs executed with select iREIF funded & other leading developers
- Target Gross INR IRR of 17%-22%
- Typical Security cover of 1.5x on a post tax basis; Active portfolio monitoring
- Tap synergies across ICICI Group
- "No Go": Pure Equity risk, pure-play commercial, early stage land aggregation risk
- India focused; View on India 2030

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

iREIF2

iREIF2 Strategy

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

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

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

iREIF2 * Subject to legal and tax advice, SEBI AIF Regulations and approvals ; please refer to the Private Placement Memorandum for further details

ICICI Venture

IVen amplifi

India focused
Venture Fund

Overview of ICICI Venture

ICICI Venture, 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

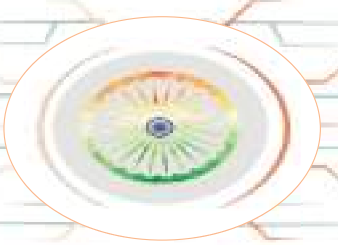
2016 Infrastructure vertical established

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

- 01: **Rs. 15 Bn India** focused fund; View on Digital India **2030**
- 02: Tap **synergies** across ICICI Group
- 03: Sector agnostic; digital focus on **Fintech, ConsumerTech and Enterprise**
- 04: Early-stage; late Series A / early Series B (**Rs. 0.5 to 1 Bn** per company across rounds), minority shareholding; typically, revenue < ~Rs. 1 Bn
- 05: **10-15** investments; **focus on portfolio diversification and risk management**
- 06: Best in-class **Deal Sourcing** capabilities; **Early Identification of key trends**
- 07: Target Gross INR MoIC of **3.5x-4x** at a Gross INR IRR of **30%-35%**
- 08: **"No Go"**: Seed stage
- 09: Provide **strategic support to** portfolio companies especially areas of corporate governance

IVen Amplifi's positioning

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

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

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

Investment themes

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

Fintech

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

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

Consumerisation

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

D2C | Food Tech | Social Commerce
Marketplace | Digital Content

India and the World

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

B2B Marketplace
SaaS

Illustrative ICICI Group Partnerships with Startups

Fingpay
AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai
IVR Automation in vernacular language using voice bot

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

Karza
Digitization of due diligence process for retail loans

SatSure
Satellite data analytics for Agri business- Sat farm

PropertyPistol
Property tech platform aiding customers with B2C real estate sales

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

CarDekho
Dealer funding/ Inventory funding/ New car loans

Credgenics
Automated drafting of personalized legal notices & live tracking

WorkApps
Video KYC and video banking module

Vanghee
Current account opening & payment solution for MSME

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

More than 200 partnerships across ICICI Group

Illustrative Deal Pipeline

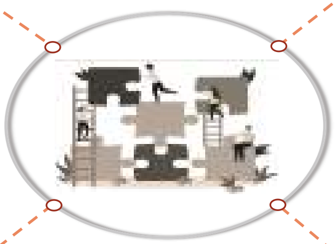
Focus on businesses which solve real problems

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

Key investment framework

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

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



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

Fund's Investment Process

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

amplifi

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*

amplifi

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
Walker Hunt	PURPLE QUARTER	seenrecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

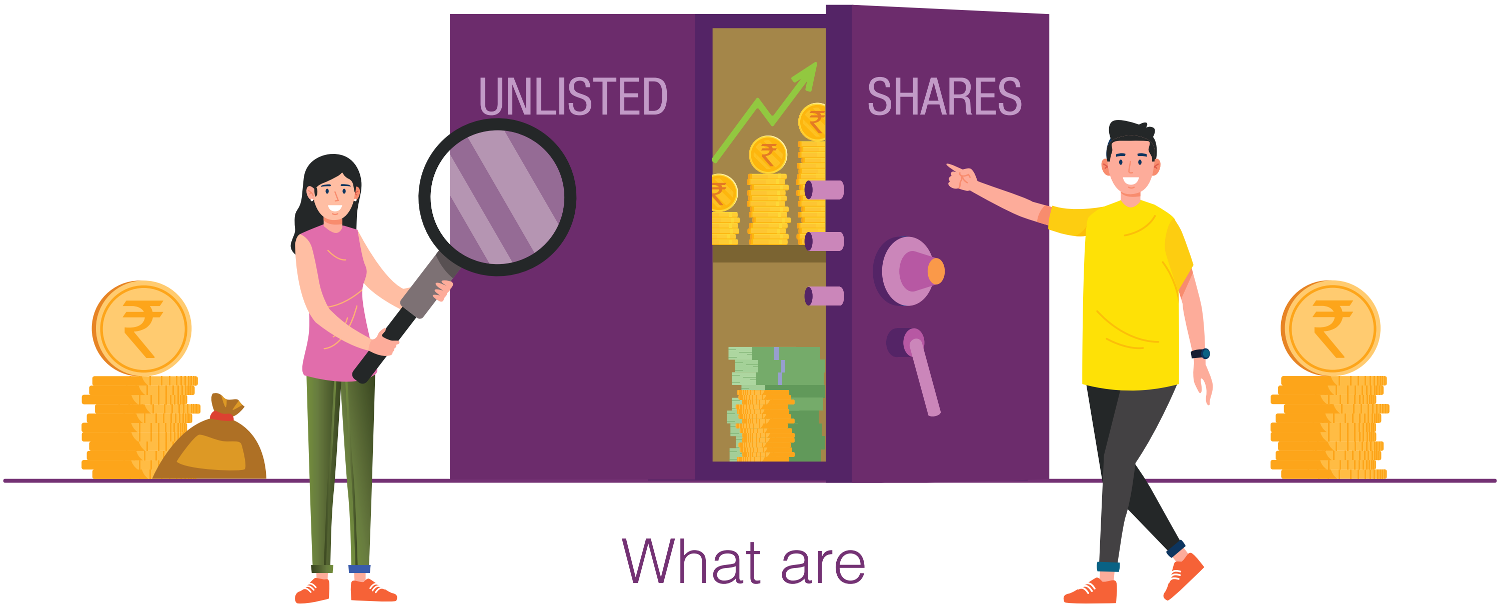
amplifi

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

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

Note

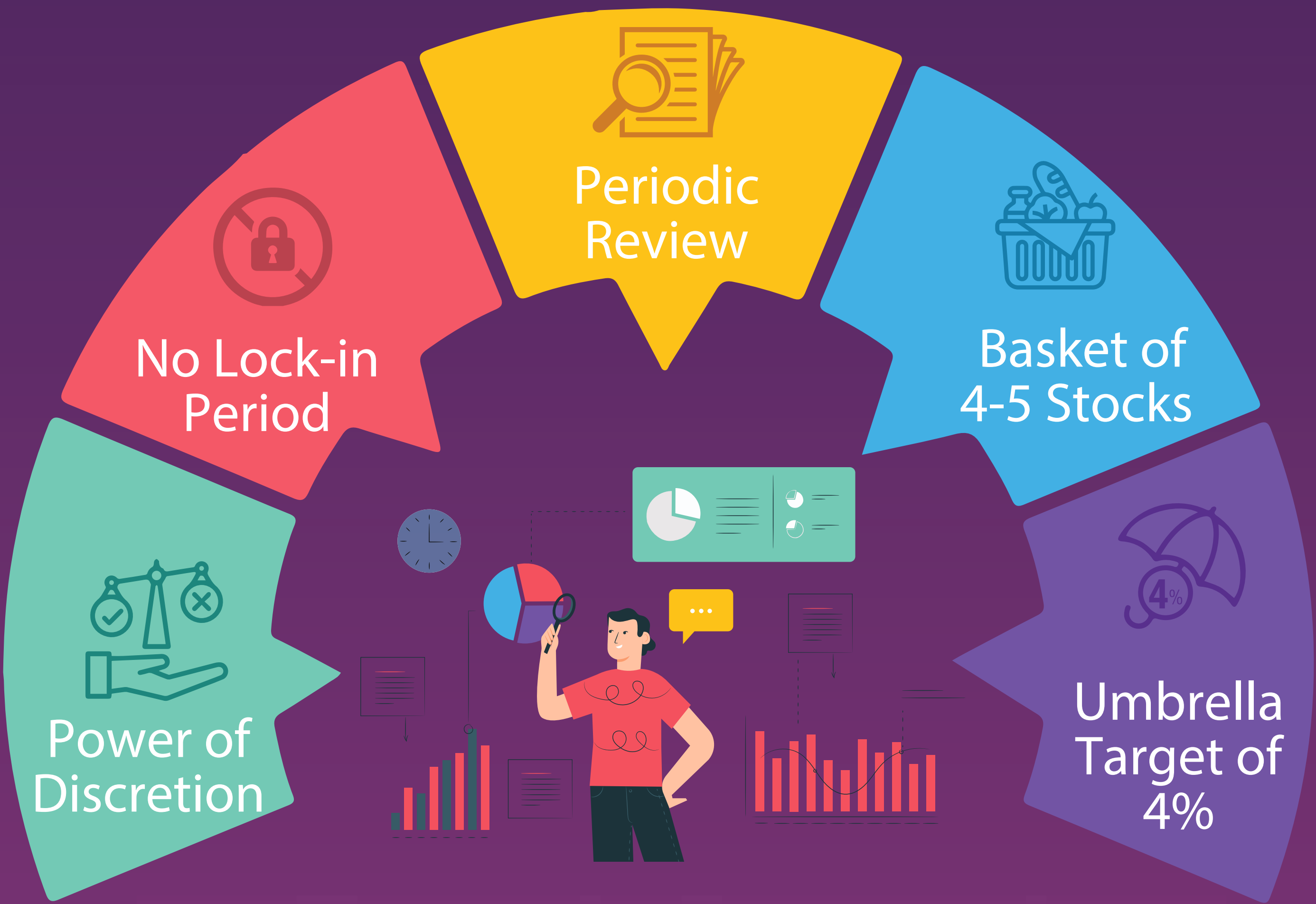
Note

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 EQUITY PCG

Feat Award Function 2022-23

ANANDRATHI

INVESTMENT SERVICES

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

Anand Rathi Share and Stock Brokers Ltd. Regd. Office: Express Zone, 10th Floor, A Wing, Western Express Highway, Goregaon((E), Mumbai-400 063, Maharashtra. Tel: (022) 6281 7000. Research Analyst - INH000000834. AMFI: ARN-4478 is Registered under "Anand Rathi Share & Stock Brokers Ltd." | ARN-100284 - is Registered under "AR Digital Wealth Private Limited." | ARN-111569 is Registered under "Anand Rathi Wealth Limited. "PMS: INP000000282 is Registered under "Anand Rathi Advisors Limited"." LAS is Registered under "Anand Rathi Global Finance Limited" Regn. No.: B-13.01682. Insurance is Registered under "Anand Rathi Insurance Brokers Ltd." License No. 175.Disclaimer: Investments in securities market are subject to market risks, read all the related documents carefully before investing. Basket is not Exchange traded product, all disputes with respect to this activity, would not have access to Exchange investor redressal forum or Arbitration mechanism Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. Name of Compliance Officer-Deepak Kedia, Email Id - deepakkedia@rathi.com , Contact no. +91 22 6281 7000. Name of Grievance Officer-Madhu Jain-Email Id- grievance@rathi.com, Contact no. +91 22 6281 7191.

Disclaimer: Investment in securities market are subject to market risks, read all the related documents carefully before investing