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Equity

FINANCIAL FLASH

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INDEX

PCG Communique

From the Desk of the PCG Head

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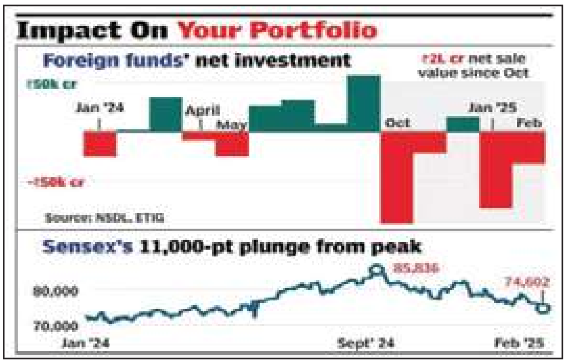
PCG COMMUNIQUE – MARCH 2025

Feb has been a month of very high volatility and a month with quite uncertainty due to tariffs, interest rates, Inflation, Budget and so on. Foreign funds, have sold more than Rs. 1-lakh-crore-worth of Indian equities in this calendar year. And since Oct last year, they have sold over Rs. 2 lakh crore - higher than the record Rs. 1.7 lakh crore net inflow in 2023. The Sensex has plunged more than 11,000 points from its Sept-end high near the 86k mark - thanks to foreign fund selling. The Nifty has fallen down by 15.7% from the high 26277, while the Sensex is down 14.24% form the high of 85836 triggering the worst fall post Covid.



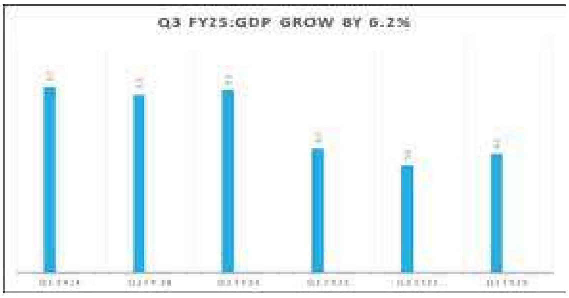
	Performance(%)		
Index	**3M (%)**	**6M (%)**	**1 year (%)**
Nifty	-7.5%	-11.7%	0.8%
Nifty Midcap 50	-13.6%	-18.4%	-0.6%
Nifty Midcap 100	-14.9%	-19.0%	-0.4%
Nifty Smallcap 100	-20.6%	-23.9%	-7.0%

Further, individuals, both directly and through mutual funds, now own a record-high 18.2% of the market, surpassing FPI share for the first time since 2006. On the other hand, the share of foreign portfolio investors (FPIs) has plummeted to a 13-year low of 17.4 percent, according to the latest report.

MSCI India still trades @ 19.5x while MSCI China trades @ 11x. Most the selling from the Indian Equity is going to Chinese Equity Market. MSCI China looks relative lower in terms of valuation. Sell India & Buy China is trade could persist in the short term. But this trade doesn't look to sustain for long, understanding the structural issues with China. Once there are sign of earning revival and economic growth the trade will reverse. This year will be stock pickers mkt. This won't be a year wherein each and every stock move, the mkt will be very selective with sectors & companies. Companies which are able to deliver earnings as per the guidance can see some respite. There is still select pockets in small- and mid-caps where some more correction is still due. While the small-cap index is down 24% over the last 6 months while, midcaps have shed 19%. Analyst expects a further 50 basis points rate cuts in April and June as the Reserve Bank of India begins its policy rate easing cycle.

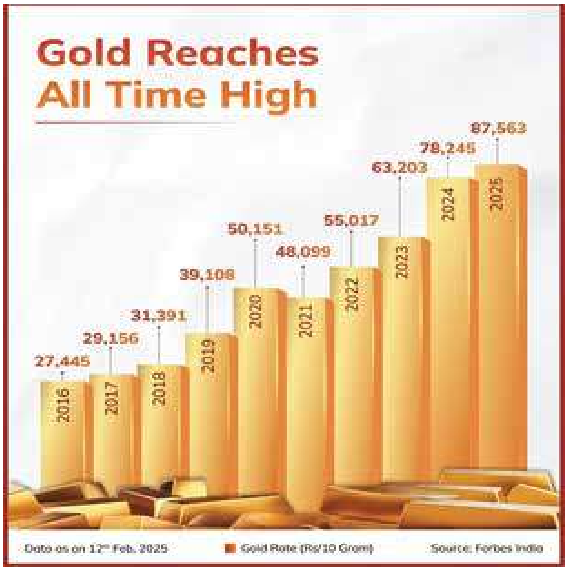
Economists expect real GDP growth to return to 6.5% in 2025, while noting that the personal income tax rate cuts should boost consumer sentiment and consumption demand ahead. Data also shows that public capex has started "recovering meaningfully. GDP growth for the quarter was in line with estimates. A Bloomberg poll of economists pegged GDP growth at 6.2% for the third quarter. For the full year, GDP growth is pegged at 6.5% as per the second advance estimates, compared to 6.4% as per the first advance estimates. We expect the growth momentum to rebound further in the coming quarters adding that factors such as recovering rural demand, lower tax burden, policy rate cuts, falling food inflation, and recovery in public capital expenditure should support improvement in economic activity going ahead. The Mahakumbh celebrations also supported consumption demand and sectors such as trade, hotel and transport in the ongoing quarter.

The worst is not over for rupee as volatility makes a comeback to India's foreign exchange markets, Uncertainty is expected to heighten in 2025 as US President-elect Donald Trump threatens tariff and adopts inflationary policies. The Indian currency is expected to move in the broad range of 83.20–87.00 against the greenback in 2025. Many of the analysts and economists expect the uncertainty to fizzle out once markets get a clear picture of Trump's economic agenda and policies. Hence, most of the depreciation is expected to be in the first half of 2025.



On the evolving Donald Trump tariff scare issue, India's limited exposure provides a relief. India has a largely domestic-oriented economy and the listed universe has limited exposure to goods trade with the US or China. The commodity price's impact on earnings and the impact of a stronger US dollar on flows must be key factors to watch. However, rising global policy uncertainty, especially on the trade front, geopolitical tensions, and weather events, remains a key monitorable. US President Donald Trump took on old allies like India for trade disparity and threatened to impose more tariffs on goods. Trump's rhetoric on tariffs raised fears of a slowdown in global growth as countries may also resort to similar measures.

Gold traded at record levels this week on firm global trends. Trade uncertainties, weak rupee aid prices. Trade uncertainty was the biggest trigger for gold. Talks between the US and Russia to end the Ukraine war relieved markets hitting the safe-haven demand for gold. Gold prices usually move higher during the time of geopolitical tensions. The Ukraine-Russia war and the Israel-Hamas conflict were major triggers for gold last year. A weak rupee also made the precious metal pricier in the domestic market. The rupee traded lower at 86 levels due to forex outflows keeping pressure on gold prices. Marriage season demand is also supporting the gold prices.



The precious metal traded at record high levels this week driven by a firm global trend and a weak dollar. Gold started the week on a winning note adding ₹550 to ₹86,620 per 10 grams (24K) in Mumbai. Extending its gaining streak, the metal hit a fresh lifetime high of ₹87,650 per 10 grams

Indian markets have witnessed a sharp correction over the last five months owing to multiple macro reasons and a cut in overall earnings expectations. Out of the 5,684 stocks listed on the BSE, 3,446 stocks have declined in the last five months, while from the NSE Nifty 500, 458 stocks have declined in the same period. The key question now on everyone's mind is what is the road ahead, especially in the near time. A short-term bounce back in Indian stocks is likely as the valuation premium has cooled while the market has ignored key positives. The domestic market correction has brought Nifty valuations close to average. Amidst this correction, the stocks have ignored positive triggers such as the central bank's liquidity boosts, the government's spending uptick, and the potential impact of a large income tax cut.

About a third of NSE 500 stocks are cheaper than their pre-Covid valuations, as measured by price-to-earnings (PE) and price-to-book (P/B) ratios. Following the sharp market correction since October 1, several companies have corrected anywhere between 10-60% and are below March 2020 levels by these key metrics. There has been considerable cooling to multiples Vs what the companies used to trade. Bharti Airtel, is at a PE of 76 compared with 110 five years ago, though the stock has surged 215% over the same period. Maruti Suzuki trades at a PE of 27.4, 11% lower than its March 2020 valuation, despite the stock rallying 96% over the past five years. Banks trading below Pre-Covid P/B levels include Axis Bank, IndusInd Bank, Canara Bank and Bank of India. Except for ICICI Bank and SBI, most of these are also valued lower than their pre-Covid book value.

Market outlook: Modest expectations:

Amid an erosion in the markets and several pockets seeing sharp corrections, investors should keep low expectations this year as it is expected to be a stock pickers' market. There has been a slowdown in earnings that has brought a squeeze in the liquidity as well and there can be gradual pick up one can expects in the markets in the second half of the year. We anticipate more time correction over value correction in select pockets in the next couple of months.

From the peak in Sep 2024, the Indian equity market (Nifty50) is down 17.7% in USD terms as of Feb 2025, with mid caps (-22%) and small caps (-25%) correcting even more. We attribute the correction to market fatigue after the strong run, when expectations were set high. The valuation multiples (P/E) for the market (Nifty50) have moved lower to 19.0x one-year-forward earnings from the Sep 2024 peak of 24.3x. With a EPS estimate 1200 for FY27 with a one year forward PE multiple of 20 the market should be trading @ 24000 - 25000.

We recommend being highly selective and avoiding richly valued stocks. We are constructive on Financials, Consumer discretionary, Telecom, Power, Pharma, and Real estate.

Happy Investing to you all!!!

Market Commentary

The Nifty index ended the February month on a lower note as it closed at'22,125' as compared to 1st day of the month i.e '23,361',(-5.5%). Similarly, Sensex ended the February month at 73,198 fell by -5.4%.

Bears continued to dominate markets with indices extending losses for third straight week. Sharp sell-off on last day of the week mainly dragged markets around 3% lower in the passing week as investors awaited key GDP data and responded to fresh comments from U.S. President Donald Trump regarding tariffs.

Some of the major developments during the week are:

Escalating fears of a global trade war: The U.S. President Donald Trump said his proposed 25% tariffs on Mexican and Canadian goods will take effect on March 4 along with an extra 10% duty on Chinese imports over the fentanyl opioid crisis.

India has lower exposure to US tariffs than peers in APAC region: Moody's Ratings said that India has a lower overall exposure to the US relative to others in the APAC region, although certain sectors such as food, textiles and pharmaceutical products face risks.

India's economic growth remained robust: The IMF in its latest report has showed that India's economic growth remained robust, with GDP growth of 6 percent Y-o-Y in the first half of 2024/25. Inflation has broadly declined within the tolerance band, though food price fluctuations have created some volatility.

Bank credit and deposits growth decelerate in Q3FY25: The RBI in its latest data showed that bank credit as well as deposits witnessed deceleration during the October-December quarter (Q3FY25) sequentially. Bank credit growth (y-o-y) decelerated to 11.8% in December 2024 from 12.6% in September 2024.

Sales of listed private non-financial companies rise 8% during Q3:2024-25: The RBI in its latest data report showed that the listed private non-financial companies logged 8.0% (y-o-y) sales growth during Q3:2024-25 as compared with 5.4% in the previous quarter and 5.5% in the corresponding quarter a year ago.

The HSBC India Manufacturing PMI fell to 57.1 in February 2025, down from 57.7 in the previous month, according to preliminary estimates. The latest reading indicated a slight slowdown in operating conditions compared to January, mainly due to competitive pressures. Nevertheless, it remained above the long-run average of 54.1, signaling a robust improvement in the sector's overall health. Manufacturing firms reported strong international demand despite a mild loss of growth momentum, and companies continued increasing purchases to build input inventories. While stocks of purchased materials rose in February, finished goods inventories declined further. Meanwhile, for the twelfth consecutive month, suppliers' delivery times improved. On cost pressures, goods producers reported higher outlays on food.

The HSBC India Services PMI increased to 61.1 in February 2025, up from 56.5 in the previous month, which was the softest pace since November 2022, preliminary estimates showed. Still, the latest figure marked the 43rd consecutive month of growth in services activity and the fastest pace since March 2024, as new business grew the most since August 2024. New orders continued to increase, with foreign sales rising faster. Employment also grew at a faster rate. On the price front, input price inflation accelerated due to higher food prices, and as a result, output cost inflation also accelerated. Finally, business sentiment remained optimistic.

The annual inflation rate in India fell to 4.31% in January of 2025 from 5.22% in the previous month, sharply below market expectations that it would fall to 4.6% to mark the softest rate of price growth since August of last year. The result marked a fast approach to the RBI's target rate of 4% after four consecutive periods of inflation above the 5% threshold, supporting the case for the central bank to continue cutting interest rates and supporting commercial banks with liquidity. The drop was primarily due to a deceleration in food prices (6.02% vs 8.4% in December 2024), which makes up around half of the Indian consumer price basket, due to softer inflation for vegetables (11.35% vs 26.56%). In the meantime, deflation persisted for fuel and light (-1.38% vs -1.39%) and inflation remained steady for housing (2.76% vs 2.71%). From the previous month, the Indian CPI fell by 0.97%

India's total exports (Merchandise and Services combined) for January2025* is estimated at USD 74.97 Billion, registering a positivegrowth of 9.72 percent vis-à-vis January2024.Total imports (Merchandise and Services combined) for January2025* is estimated at USD 77.64 Billion, registering a positive growth of 12.98 percent vis-à-vis January2024.

India's total exports during April-January2024-25* is estimated at USD 682.59 Billion registering a positive growth of 7.21 percent. Total imports during April-January2024-25* is estimated at USD 770.06 Billion registering a growth of 8.96 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.84 lakh crore in the month of February, around 9.1% rise YoY, fell by 6.1% QoQ.

India's foreign exchange reserves grew by US$4.7 billion to $640.47 billion in the week through Feb 21. Foreign currency assets grew by $4.2billion to $543.84 billion for the week ending Feb 21.

The US markets ended in red as President Trump clarified that previously paused 25% tariffs on imports from Mexico and Canada will go into effect on March 4th. Also, an additional 10% tariff on imports from China will also be imposed on that date.

Some of the major developments during the week are:

Pending home sales plunge to all-time low in January: National Association of Realtors said that the US pending home sales index dove 4.6% to an all-time low of 70.6 in January after tumbling 4.1% to a revised 74.0 in December.

Jobless Claims climb more than expected to two-month high: The Labor Department stated that the US initial jobless claims rose to 242,000, an increase of 22,000 from the previous week's revised level of 220,000.

Q4 GDP growth unrevised at 2.3%: The Commerce Department said the US gross domestic product jumped by 2.3 percent in the fourth quarter, unchanged from the previous estimate. Economists had expected the pace of GDP growth to be unrevised.

Consumer Confidence tumbles much more than expected in February: The US consumer confidence index tumbled to 98.3 in February from an upwardly revised 105.3 in January. The street had expected the consumer confidence index to dip to 103.

U.S. Crude Oil inventories unexpectedly decrease following recent surge: The report said crude oil inventories fell by 2.3 million barrels last week after surging by 4.6 million barrels in the previous week.

European markets exhibited mixed trend during the passing week, as US President Trump announced plans to impose a 25% tariff on European cars & other goods, & confirmed 25% tariffs on Canada & Mexico from early March, & an additional 10% tax on Chinese imports.

Some of the major developments during the week are:

Eurozone inflation rises as estimated to 2.5%: The final data from Eurostat showed that inflation edged up to 2.5 percent in January from 2.4 percent in December. The 2.5 percent matched the estimate published on February 3.

German GDP shrinks on weaker exports in the fourth quarter: The detailed report from Destatis showed that gross domestic product declined 0.2 percent from a quarter ago, reversing a 0.1 percent sequential growth in the third quarter.

Eurozone economic confidence rises to 5-month high: The survey data from the European Commission revealed that the economic confidence index registered 96.3 in February, up from 95.3 in the previous month.

French producer prices continue to fall in January: The data from the statistical office INSEE showed that producer prices in the French industry decreased 2.1 percent from a year ago, but this was slower than the 3.8 percent fall in December.

Spain inflation rises to 3.0%, highest in 8 months: The flash data published by the statistical office INE showed that consumer price inflation rose slightly to 3.0 percent in February, as expected, from 2.9 percent in January.

Asian Markets ended mostly in red during the week on trade war concern after U.S. President Donald Trump said his proposed 25 percent tariffs on Mexican and Canadian goods will take effect on March 4 along with an extra 10 percent duty on Chinese imports.

Some of the major developments during the week are:

Japan industrial production sinks in January: Industrial output in Japan dropped a seasonally adjusted 1.1% on month in January. That was shy of expectations for a decline of 1.0% following the 0.2% loss in December.

Japan retail sales rise 0.5% in January: The value of retail sales in Japan was up a seasonally adjusted 0.5% on month in January, coming in at 13.623 billion yen. That was in line with expectations following the 0.8% decline in December.

Core inflation in Japan's capital slows in February: Core consumer prices in Japan's capital rose 2.2% in February from a year earlier, slowing for the first time in four months due to revived energy subsidies.

Bank of Korea cuts interest rates by 25 basis points: South Korea's central bank cut rates by 25 basis points to their lowest since August 2022, as it strives to stimulate a slowing economy. The Bank of Korea reduced rates to 2.75% from 3%.

Bank of Korea downgrades growth forecast: The Bank of Korea has significantly lowered its economic growth forecast 2025 from 1.9% to 1.5%, citing heightened domestic and global uncertainties, including U.S. President Trump's tariff policies.

The S&P Global US Manufacturing PMI rose to 51.6 in February 2025, from 51.2 in January, above market expectations of 51.5, preliminary estimates showed. It was the highest reading since June 2024, signaling a continued recovery in the sector. Factory output grew for the second straight month at the fastest pace in nearly a year, while the drag from falling input inventories eased. However, new order growth slowed, and employment gains nearly stalled, suggesting cautious hiring. Supplier delivery times lengthened for the fifth month in a row, though at a slower pace, indicating ongoing but less severe supply chain pressures. Overall, the data points to modest manufacturing expansion despite some lingering challenges.

The HCOB Flash Eurozone Manufacturing PMI increased to 47.3 in February 2025 from 46.6 in January, beating forecasts of 47, preliminary estimates showed. The reading pointed to the weakest downturn in the manufacturing sector in nine months, as production continued to fall although the pace of contraction was the weakest since May 2024. New business continued to fall and there was a marked reduction in manufacturing workforce numbers. Eurozone manufacturers continued to lower their purchasing activity, in response to weak customer demand. The latest reduction was marked, despite being the weakest for two-and-a-half years. On the price front, input prices rose for the second month running and at the fastest pace in six months, albeit one that remained modest overall. Manufacturing selling prices reduced marginally. Finally, business sentiment across manufacturers weakened.

The Au Jibun Bank Japan Manufacturing PMI inched higher to 48.9 in February 2025 from January's ten-month low of 48.7, compared to market estimates of 49, preliminary estimates showed. Still, it marked the eighth consecutive month of contraction in factory activity as both output and new orders continued to shrink, though easing from the previous month, with foreign sales falling faster. In response, firms reduced employment for the first time since last November, amid a faster decline in backlogs of work. Purchasing activity dropped solidly, while inventories fell further. Signs of spare capacity persisted, with firms reporting that outstanding business declined solidly. At the same time, suppliers' delivery times lengthened. On the price front, both input and output cost inflation accelerated. Lastly, business sentiment deteriorated to the lowest level since June 2020.

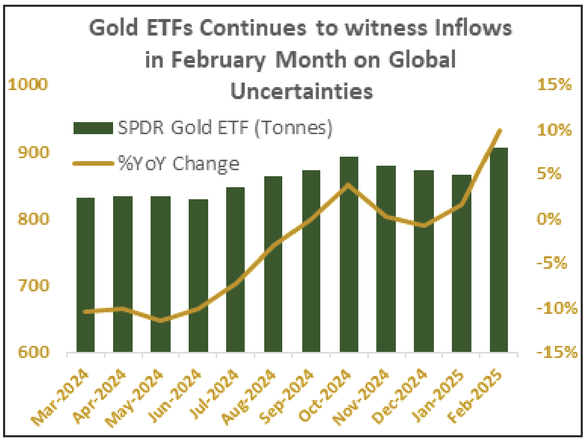
Going Ahead

Even so, domestic investors remain unfazed. They continue to increase their equity allocations, reflecting growing market maturity and an understanding that, despite short-term risks, equities remain the best-performing asset class over the long term. Indeed, Indian equities have outperformed most major global indices over the past decade. In the near term, stock markets are often driven by sentiment, event-driven news flows, and unpredictable investor psychology. While downside risks to Indian equities now seem limited, a further modest correction cannot be ruled out. Equity markets can-and often do-deviate from underlying fundamentals in the short run. However, over the long term, equity returns are shaped by macroeconomic fundamentals, corporate earnings, liquidity flows, and valuations. On most of these metrics, India remains well-placed for robust long-term equity returns. Investors would do well to stay the course and not be swayed by short-term market fluctuations. It is in times like these that ancient wisdom remains relevant. Though written nearly 900 years ago, the Hitopadesha offers sage advice for navigating today's market turbulence: Treat gain and loss, victory and defeat, pleasure and pain with equanimity, and engage in action (investment, in this context) without being attached to short-term outcomes. This balanced approach leads to (long-term) success without regret.

Commodities Outlook

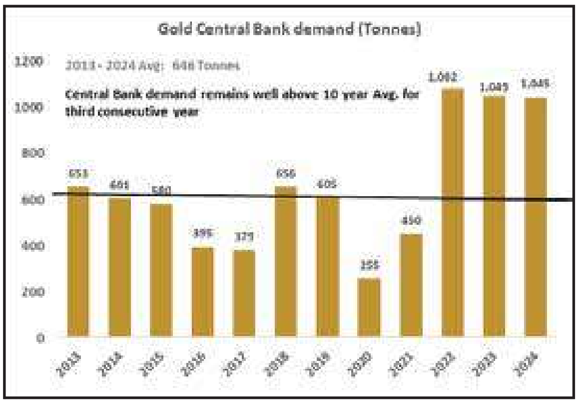
Gold record run continues in February;

US tariff policy implementation create Global trade war.



Gold continued its exceptional performance in February delivering new highs in Spot markets around $ 2954 per oz amid US tariff disputes and trade war concerns persisting which also led to heightened arbitrage activities amid global price disparities. Risk appetite deteriorated on heated clash between US President Donald Trump and Ukrainian President Volodymir Zelenskyy towards the start of the month which led to uncertainty on peace talks. This along with tariffs implementation on Mexico, Canada and China stoked haven flows in precious metals. This stellar rally came despite gold delivering almost 27 % returns in 2024, which was highest since 2010 – 2011 period.

US Macro cues were seen softening towards the start of the current month as U.S. consumer spending fell for the first time in nearly two years in January and the goods trade deficit widened to a record high as businesses front-loaded imports to avoid tariffs, setting up the economy for weak growth or even a contraction this quarter. While the data from the Commerce Department also showed a moderation in annual inflation last month, prices showed some



stickiness, with fairly solid monthly gains. In addition, President Donald Trump's administration bumping up tariffs, amid economists expecting would raise prices as businesses pass on the higher costs of imported goods to consumers.

Meanwhile the PBoC announced another gold purchase to start 2025: the 5t increase lifted China's official gold holdings to 2,285t, accounting for 5.9% of total foreign reserves. China announced a total of 44t gold purchases during 2024 despite its six-month pause in the middle of the year. The PBoC's move had the most positive impact on sentiment in January among local gold investors, as indicated by reports from World Gold Council. Meanwhile Central banks also ended up 2024 with more than 1000 tonnes of purchases remaining net buyers for third consecutive years while elevated demand is expected to persist in coming quarters which could keep sentiments positive for the yellow metal.

Outlook: Volatile with a positive bias amid safe haven flows remains intact;

Softening US Cues to alter expectations of rate cuts in 2025.

Risk appetite have deteriorated in recent weeks following initiation of peace deal between Russia & Ukraine now remains uncertain. This along with inflationary fears amid softening macro cues to augment Stagflationary scenario leading to further support the precious metals complex in the medium to long term scenario. Moving ahead Spot gold (CMP $2910 per oz) is expected to find strong supports in the range of $ 2780 – 2810 per oz while on the upside prices could face multiple resistance around all-time highs near $ 2956 per oz levels in Spot. . However all time high levels always carries a risk of high volatility in coming weeks. Where an extension of short term uptrend upto $ 3,020 – 3,040 per oz levels in Spot (CMP 2910 per oz) cannot be ruled out. However a breach of physiological $ 3000 per oz may require fresh triggers in the form of new tariffs or sustainable weakness in dollar index in coming weeks. Overall MCX April futures (CMP Rs. 86,100 per 10 gm) may find strong resistance in the range of Rs. 87,800 – 88,500 per 10 gm levels as stated in our earlier reports. Finally we also see technical indicators flashing overbought conditions on daily charts persisting for prices, where a corrective move of 4 – 5 % in prices bringing in volatility cannot be ruled out during the month, which remains a buying opportunity for long term perspective.

Copper Prices Rally despite Rising Inventories & Trade Tensions

Copper prices remained near their highest levels in over three months, reaching a high of $9,364 and closing at $9,371. Throughout the month, the main focus was on Trump's tariff policies, which triggered significant market reactions.

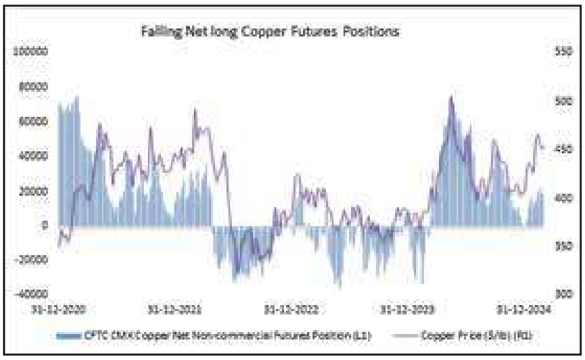
On February 1, during the Indian Union Budget for 2025-26, the Material Recycling Association of India (MRAI) announced the removal of import levies on several nonferrous recycled metals, including copper-bearing scrap. At the start of the month, copper prices traded within a range as China remained on holiday for the Lunar New Year until February 5.

Meanwhile, Trump's tariff announcement sent shockwaves through the metal market, leading to panic-buying among U.S. consumers. This drove CME copper futures prices above their LME counterpart for the first time in history, despite weak Chinese economic data and rising inventories. As a result, the price gap between CME and LME copper surged above 11%.

Toward the end of the month, the price difference between SHFE and LME copper cash prices widened to a negative $145-$155 per metric ton, the largest gap since May 2024, when LME copper prices peaked at a record high above $11,000. Additionally, the U.S. President confirmed that he would proceed with a 25% tariff on imports from Canada and Mexico after the one-month waiting period ends on March 4.

According to the International Copper Study Group (ICSG), global copper mine production grew by 5% year-on-year in December 2024, marking the sharpest increase since March and reaching a record 2.09 million tonnes. On an annual basis, global copper mine production rose by 2.5% in 2024, hitting an all-time high of 22.91 million tonnes, compared to 22.38 million tonnes in 2023. Despite global copper mine output setting records in 2024, regional issues in many major producing countries could shape supply trends in the coming months. How new projects continue to ramp-up and how output recovers in key mining regions will play an important role in determining the next output levels.

Outlook: Copper's Tug-of-War: Stimulus Optimism vs. Demand Fears



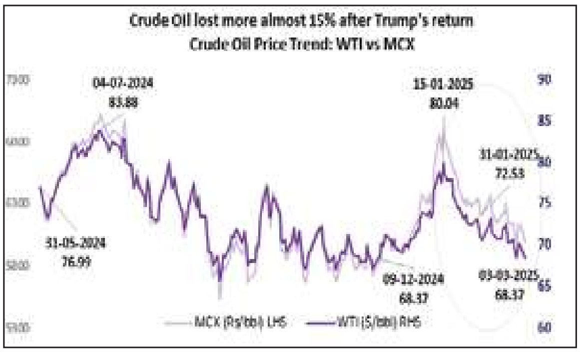
Post-holiday consumption has been gradually improving, but the overall recovery remains slow. As we enter early March, metals are trading within a range due to several short-term factors, including supportive China PMIs and spread tightness around the March futures expiry.

Markets are now focused on China's National People's Congress on March 5, where a 2.8 trillion yuan stimulus package (about 2% of GDP) is expected to be announced to boost local spending. This could help limit the downside for copper and other industrial metal prices. However, later in the month, metal prices could experience a significant pullback as investors adjust their expectations in response to weakening demand in the U.S. and a sluggish physical market in China. Copper prices might drop below $9,000 per ton.

Oil slumps under $70 on Tariff threat and OPEC restoring supplies

Crude Oil prices largely remained under downward pressure in February sliding below $70 level and closing the month 3.8% lower. Despite the Russian and Iranian sanctions in place and OPEC+ output intact, Crude oil faced multiple challenges and has been vulnerable to any negative headline, whether from OPEC+, economic reports, or geopolitical events like Ukraine peace talks and U.S. tariffs.

President Donald Trump's second term has introduced uncertainty into the oil market, though it's skewed to the downside amid expanding trade wars, his preference for cheap gas, efforts to end the war in Ukraine and the outlook for an oversupplied market in 2025. This has led oil prices to fall consistently and has neared December lows.



On the price front, WTI crude oil closed the month 3.8% lower at $69.56 per barrel. On a monthly average basis, prices stood around $71, compared to $74 in Janaury. In India, MCX crude oil prices ended 2.6% lower at ₹6,118 per barrel.

Trump’s action have already started taking their toll on the commodity prices, but it was OPEC+ voluntary cuts that were seen providing floor to the prices since more than a year. However, with a surprise move of OPEC in early March to restore output, oil markets are now more skewed to downside given the cartel may gradually start pumping supplies increasing the oil market surplus higher, especially in the 2H 2025.

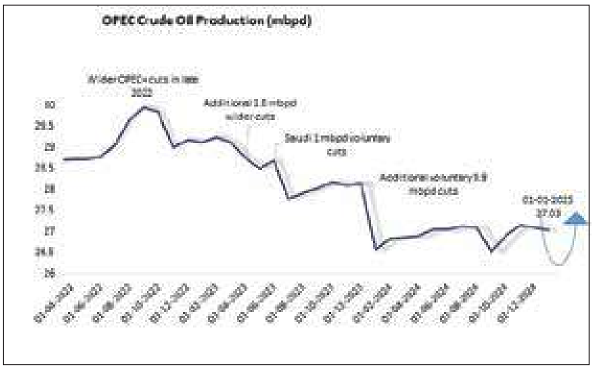
OPEC’s surprise move: Why it matters?

OPEC+ has decided to increase oil production by 138,000 barrels per day in April, despite market expectations of another delay. The decision follows pressure from President Donald Trump to bring down oil prices.

This supply boost is the first step in a long-term plan to gradually restore 2.2 million barrels per day by 2026, reversing cuts that have been in place for over two years. While many OPEC+ members, including Saudi Arabia and Russia, rely on higher prices to support government budgets, global oil markets are already facing a potential supply surplus.

Beyond economic reasons, geopolitics also played a role. Saudi Arabia is strengthening ties with Washington, with Crown Prince Mohammed bin Salman committing $600 billion in US investments. Meanwhile, Russia, facing fresh sanctions from Biden’s administration, may find it easier to sell its oil under Trump. Additionally, the US crackdown on Iranian oil exports could create opportunities for other OPEC+ members. As seen in the chart OPEC has been curbing supplies since late 2022.

Accordingly, OPEC oil production has declined from ~30 mbpd in late 2022 to 27 mbpd in



January 2025. With OPEC+ is sticking with plans to gradually increase supply from April by 138k b/d in the month.

With global supply already exceeding demand by 450,000 barrels per day, additional production from OPEC+ could increase the surplus in 2025.push prices lower in the coming months.

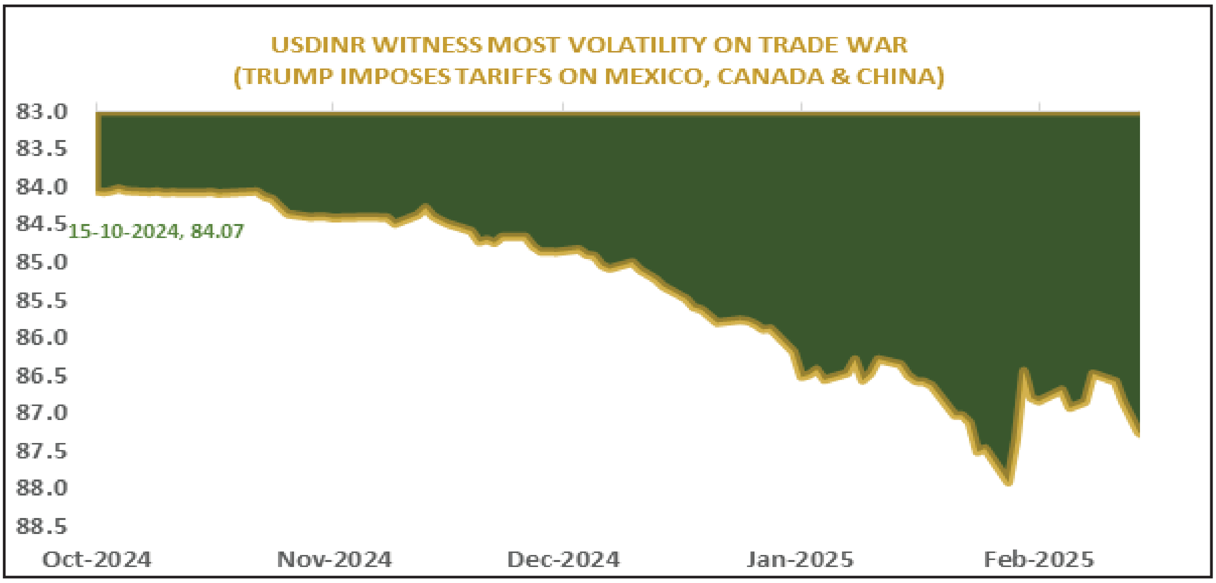
Outlook

OPEC+ has shocked the market by moving forward with its plan to increase oil production, despite widespread expectations of another delay. This marks the start of a series of monthly hikes, raising concerns about weaker oil prices ahead.

Adding to the pressure, President Donald Trump's tariffs and the looming risk of escalating trade wars are weighing heavily on market sentiment. Along with supply dynamics, growing concerns about demand levels persist amid uncertainty over tariffs. The Atlanta Fed’s GDPNow model suggests that first-quarter GDP will contract by 2.8%, a sharp decline from the 3.9% growth forecasted just four weeks ago. Additionally, fears surrounding sanctions may ease as OPEC+ increases supply.

The previous assumption of a $70 price floor for oil may no longer hold, and prices could fall further in the coming months unless a major geopolitical event disrupts supply. However, China’s expected 2.8 trillion yuan (2% of GDP) stimulus to boost local spending could temporarily support oil prices. Any positive developments on this front may provide short-term relief, but a sell-on-rise strategy remains advisable.

Key levels to watch for this months- WTI Crude Oil (CMP: $67.50) – Support: $65/$63.50 | Resistance: $70/$73.50. MCX Oil (₹5,899 per bbl) – Support: ₹5,672/₹5,500 | Resistance: ₹6,100/₹6,400



Indian Rupee

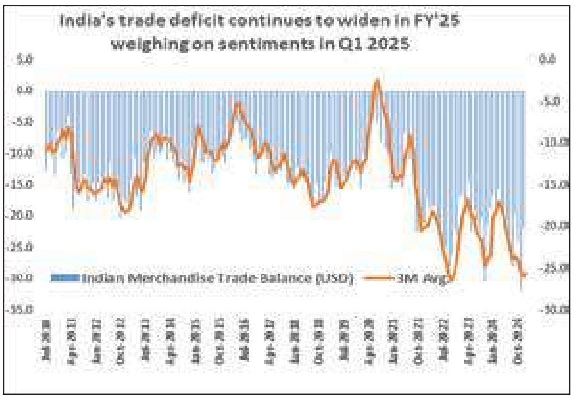
February turns out to be one of the most volatile month

Journey of Rupee remained range bound in the initial half of 2024 to very turbulent since November Last year. It slipped 2.9% in 2024, from ₹ 83.23 to the dollar as of end-2023 to ₹ 85.66 on 31 December last year. It took the rupee just over three months to breach the 86.50 per dollar mark from 84 per dollar, while from Jan – Oct it remained in the range of 83 - 84 indicating the impact of global factors post October 2024. Meanwhile with change of currency management strategy since start of this year with less aggressive intervention seen rupee fall accelerated to below 87 levels

Market sentiment took a decisive turn for the worse since last few weeks, with risk aversion dominating across asset classes. The combination of deteriorating domestic economic conditions in the US and heightened global uncertainties fueled concerns that risk appetite could weaken further. Equities faced renewed selling pressure, yields dropped sharply in last few weeks, while rupee after hitting all-time lows in first week of February were unable to find support on lower side despite heavy RBI Interventions as it ended the month around Rs. 87.50 per USD.

According to data from the National Securities Depository Ltd (NSDL), FII outflows in the current fiscal year have already reached Rs 115,635 crore. With the pace of selling accelerating in January and February 2025, their chances remained that FY25 outflows could easily exceed the FY22 figures a year in which when the global equity market was rattled by the COVID-19 pandemic.

In the forex market, Dollar weakened broadly in February, after a strong January. At the other end of the spectrum, commodity currencies struggled, with New Zealand Dollar leading the declines, followed by Australian and Canadian Dollars in February. Meanwhile, Euro ended in a mixed manner, with the initial post-German



election boost in February fading as tariff threats weighed. Yen also struggled to extend its rally in last week, but ended the month on a stronger note.

Outlook: Externally, the risk of a full-blown trade war continues to escalate. US President Donald Trump doubled down on his aggressive tariff agenda, re-affirming the March 4 deadline for 25% tariffs on Canada and Mexico and indicating that the EU would be next in line with reciprocal tariffs.

Geopolitical tensions also worsened, particularly after a dramatic Oval Office showdown between Trump, Vice President JD Vance, and Ukrainian President Volodymyr Zelenskiy. The meeting, initially expected to pave the way for a mineral deal between the US and Ukraine—potentially a step toward resolving the Russian invasion—ended in failure. With US-Ukraine relations strained and no clear resolution in sight, uncertainty in the region remains elevated.

India's economic performance shown resilience, with GDP growth for the last quarter surpassing the previous figures at 6.2 percent. This strong momentum provided some support to the rupee towards the end of the month as it appreciated to around 87.20 in the first week of current month. Overall year end inflows could also keep the sharp upside in rupee limited for the current month as we anticipate the local currency pair to trade in the range of 86.70 – 87.80 with volatility to persist amid global trade war fears.

Technical Analysis

Market Overview – March 2025

LEVELS TO WATCHOUT FOR: 22300 - 22800 / 21800 - 21200

The month of February marked the fifth consecutive month of decline in the domestic markets, an extremely rare occurrence where selling pressure persisted relentlessly for five straight months. Such a prolonged downturn is hardly ever witnessed, making it a period of heightened concern for investors. The month was filled with panic and uncertainty, as the NIFTY index tumbled over 5%, breaking the decisive support level of 22,800 and slipping dangerously close to the 22,000 mark. While the correction in benchmark indices was still somewhat manageable, the broader markets faced a far more severe blow. Indices like MIDCAP 100 and SMALLCAP 100 collapsed drastically, shedding over 10% and 13%, respectively. The steep decline in these segments signalled widespread distress, leaving investors and traders grappling with intensified selling pressure and sharp volatility.

Our previous view on the falling wedge pattern in NIFTY was negated. However, on the daily chart, a bullish butterfly pattern has emerged, with a reversal zone between 22,150 and 22,250, which could provide some relief in the near term. Looking ahead, 21,800 appears to be a key support level, as it aligns with SPAN A of the Ichimoku system. Additionally, only 10% of NIFTY 500 stocks are trading above their 200-DEMA, meaning 90% are in an oversold zone—a rare occurrence seen only during the COVID crash and the 2009 market fall, both of which led to strong bottom formations. Moreover, the RSI on the weekly scale is around 34, matching June 2022 lows. A sustained move above 22,300 could trigger short covering, potentially pushing NIFTY toward 22,800. Meanwhile, FIIs continue to be aggressive sellers, offloading positions in both Index Futures and Cash segments. The long-short ratio in index futures has remained between 12%–18% since February 2025 and is now near 15%, indicating a possible short-covering move soon. Thus, in the coming weeks, stability above 22,300 could trigger a strong rebound, marking the end of this corrective phase. For now, traders should observe the 21,800–22,300 range for further market cues.

The NIFTY BANK index remained largely sideways within the 49,000–48,000 range, ending the week with a loss of -1.30%. The weekly candle from January 27 to January 31, 2025, formed a massive bullish engulfing pattern with a low of 47,844, which also aligns with the S1 monthly pivot level, a strong support zone. Since Bank Nifty, on the weekly scale, is inside the Ichimoku cloud, this hints at further sideways movement in the coming weeks. On the upside, 49,000 acts as immediate resistance, and a breakout above this level could push the index higher toward 50,000 in the coming sessions.

Technical Pick – BUY FORCE MOTORS LTD
Potential Upside 11.89%- 14.69%

- The stock has displayed **exceptionally high relative strength**, holding firm without any significant decline.
- A clear **breakout** was observed today, with both price action and **daily RSI** confirming the move.
- **ADX** is in a rising mode, indicating strengthening trend momentum. Given these factors, the stock has the potential for a strong upward move in the coming sessions
- Thus, traders are advised to **buy FORCEMOT in the range of 7100 - 7200** with a stop loss of 6625 on closing basis for an upside target of 8000 and 8200 in coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

The Monetary Policy Committee (MPC) in its 53rd meeting scheduled on February 5th, 6th & 7th 2025, under the chairmanship of Shri Sanjay Malhotra, after assessing the current and evolving macroeconomic situation, unanimously decided to:

1. **Reduce the policy repo rate by 25bps i.e. from 6.50% to 6.25%.**
2. **Consequently adjusting standing deposit facility (SDF) rate to 6.00%**
3. **Additionally, marginal standing facility (MSF) rate and the Bank Rate reduced to 6.50%.**

The MPC also decided unanimously to continue with the neutral stance and remain unambiguously focussed on a durable alignment of inflation with the target, while supporting growth.

MPC highlighted that inflation has declined and is expected to moderate further in 2025-26, aligning with the target. Growth is projected to recover from 5.4% in Q2 of 2024-25. However, risks to the growth and inflation outlook remain, including global financial market volatility, uncertainties in trade policies, and adverse weather conditions. Rural demand continues to rise, while urban consumption remains subdued. Factors such as improving employment conditions, tax relief in the Union Budget, moderating inflation, and strong agricultural performance are expected to bolster household consumption.

RBI highlighted a shift from surplus (in Jul 24-Nov 24) to deficit (in Dec 24- Jan 25) in system liquidity, Governor reaffirmed the central bank's commitment to provide sufficient system liquidity, and take appropriate measures to ensure orderly liquidity conditions

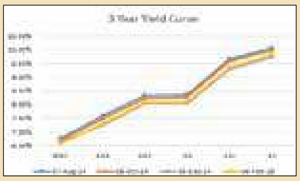
India's current account deficit (CAD) is expected to stay within sustain-able levels, supported by stable foreign exchange reserves of around $630 billion. With a resilient services sector and ongoing focus on domestic consumption, India's macroeconomic fundamentals remain robust.

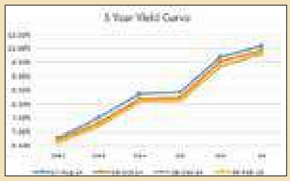
GDP Growth			CPI Inflation		
	MPC's Recent Projection (%)	MPC's Last Projection (%)		MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 25		6.60%	FY 25	4.80%	4.80%
FY 25 Q4		7.20%	FY 25 Q4	4.40%	4.50%
FY 26	6.70%		FY 26	4.20%	
FY 26 Q1	6.70%	6.90%	FY 26 Q1	4.50%	4.60%
FY 26 Q2	7.00%	7.30%	FY 26 Q2	4.00%	4.00%
FY 26 Q3	6.50%		FY 26 Q3	3.80%	
FY 26 Q4	6.50%		FY 26 Q4	4.20%	

Summary of projection on growth & inflation by the MPC

This rate cut marks a significant shift after an extended period of rate stability, with the last reduction occurring in May 2020. The cut was anticipated and already priced in by the market. However, 10 year g-sec yield increased to 6.69% from 6.64%, rise of 5 bps came amid the absence of any additional liquidity measures. The reduction of rate is expected to boost economic growth, increase lending, and stimulate consumption. This change in monetary policy demonstrates the RBI's commitment to supporting economic growth while maintaining price stability.

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





Source: CRISIL Fixed Income Database

- The 3-year G-sec curve saw an easing of ~3 bps, while the 5-year G-sec curve experienced a hardening of ~3 bps. Additionally, the 3-year and 5-year AAA curves saw a hardening of ~50 bps and 20 bps, respectively.
- In 3-year space, the rest of the credit curve saw a hardening in the range of ~40 bps to ~60 bps. Similarly, the 5-year credit curve experienced a hardening in the range of ~10 bps to ~40 bps.
- The AAA spread over G-sec expanded by ~8 bps in the 3-year space, while it contracted by ~1 bps in the 5-year space.

Outlook: The MPC kept the repo rate unchanged at 6.5% and maintained a "neutral" stance, with a dovish tone acknowledging the growth slowdown. The primary focus is on bringing inflation within the tolerance band while supporting growth. A rate cut is expected to begin in the February policy if inflation moderates in the coming months. However, if inflationary risks rise and the rupee depreciates further, the rate cut may be delayed until the April 2025 policy

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

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

Secondary Market Bond Offers

PSU Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.50% Union Bank of India Perp	Call : 03-Mar-27	Annual on 03-Mar	AA+ by CRISIL & IND	7.80%
7.55% State Bank of India Perp	Call: 14-Dec-26	Annual on 14-Dec	AA+ by CRISIL & IND	7.62%
8.27% Canara Bank Perp	Call:29-Aug-29	Annual on 29-Aug	AA+ by ICRA & IND	7.83%
7.98% State Bank of India Perp	Call: 24-Oct-34	Annual on 24-Oct	AA+ By CRISIL & CARE	7.75%
PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.98% NABARD 20233	14-Oct-33	Annual on 15-Oct	AAA by CRISIL & IND	7.20%
0.00% REC LIMITED 2034	03-Nov-34	NA	AAA BY CRISIL, IND RATINGS, ICRA & CARE	6.40%
7.15% PFC 2036	22-Jan-36	Annual on 22-Jan	AAA by CRISIL,CARE & ICRA	7.17%

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%
8.27% HDB Financial Services Ltd 2034	27-Oct-34	Annual on 22-Dec	AAA CRISIL by 28-Oct	8.18%
8.75% Shriram Finance Ltd. 2028	28-Apr-28	Annual on 28-Apr	AA+ Stable by CRISIL	8.62%
8.20% India Grid Trust 2031	06-May-31	Annual on 06-May	AAA by CRISIL & IND	7.88%
9.50% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2029	18-Jan-29	Annual on 01-Apr	AAA by CRISIL & IND	7.85%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA+ BY CRISIL & AA BY CARE	9.73%
7.75% TATA CAPITAL LTD 2030	26-Jul-30	Annual on 28-Jul	AAA by CRISIL & CARE	7.85%
9.42% KIIFB 2028	Staggered Maturity (30-Dec-2028)	30TH MAR, 30TH JUN, 30TH SEP, 30TH DEC	AA (CE) BY IND RATINGS & ACUITE	9.70%

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Anand Rathi PMS

Impress Portfolio

Objective & Investment Philosophy

Objective

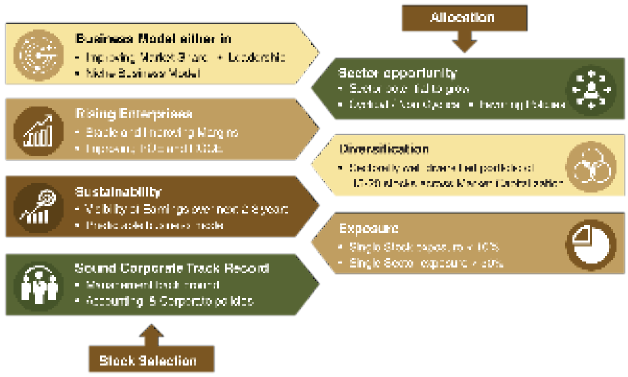
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

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

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

Value | **Growth**

Investment Process



Re-VIEW Strategy

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

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

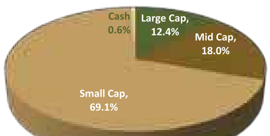
E – **Earnings Visibility Changes**
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	PG Electroplast Ltd.	9.0%
2	ITD Cementation India Ltd.	8.3%
3	Radico Khaitan Ltd.	7.0%
4	Bharat Electronics Ltd.	6.8%
5	KEC International Ltd.	5.9%
6	KPI Green Energy Ltd.	5.9%
7	Coforge Ltd.	5.6%
8	Ratnamani Metals & Tubes Ltd.	5.6%
9	Varun Beverages Ltd.	5.6%
10	Schneider Electric Infrastructure Ltd.	5.5%

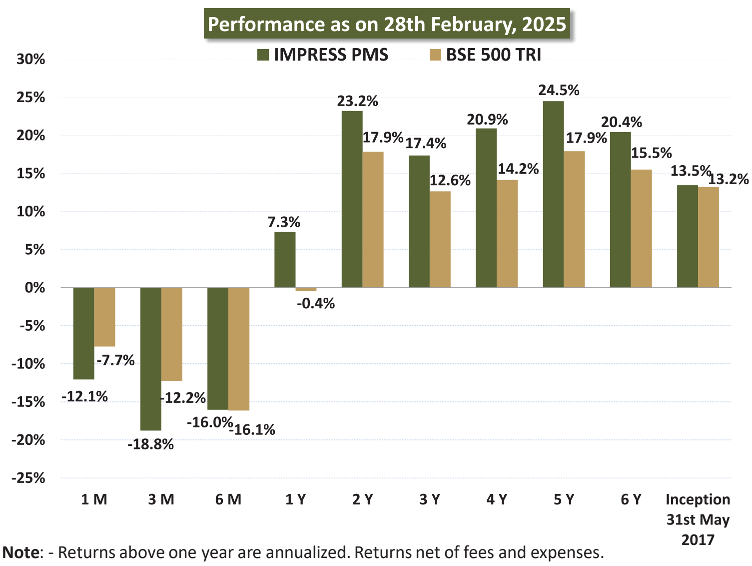
Market Cap Allocation



	Avg Market Cap (cr)
Large Cap	163686
Midcap	49244
Small Cap	15538
Overall Portfolio	36349

Data as on 28th February 2025

Portfolio Performance



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

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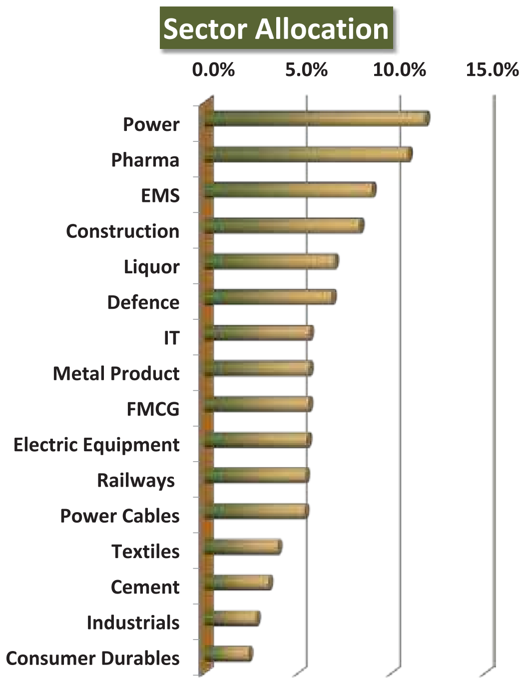
We have shown the performance as Aggregate performance of all clients on TWRR basis.



Anand Rathi PMS

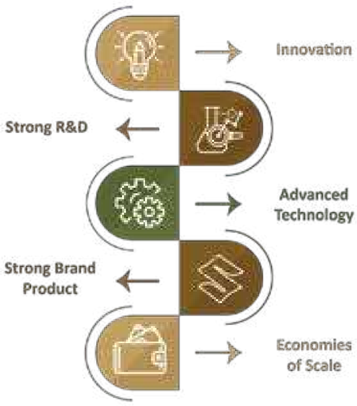
MNC Portfolio

Objective & Investment Philosophy

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

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

Successful Business Model



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

Healthy Balance Sheet

High Operating Ratio
Most MNC's have better operating ratios compared to its peers, Operating margins would vary depending upon the sector it operates in.

Zero Debt or Low Debt Equity
Most MNC's are zero debt company or Very low on Debt Equity hence. Changes in interest rate cycle do not affect these companies.

Positive Free Cash Flow
Operating free cash flow is positive in most of them, they are cash rich and regular dividend paying company.

Healthy Return Ratio
Return ratio like ROE and ROCE are also high compare to peer group in most cases. Investors benefit from share premium the share price command on sustain basis.

Top Holdings and Allocation

Sr. No.	Top 10 Holdings	% Holdings
1	Suven Pharmaceuticals Limited	7.9%
2	Maruti Suzuki India Limited	7.5%
3	Siemens Ltd	7.3%
4	CRISIL Ltd	6.7%
5	Glaxosmithkline Pharma Ltd	6.6%
6	Abbott India Ltd	6.0%
7	KFin Technologies Limited	5.4%
8	Cummins India Ltd	5.0%
9	Nestle India Ltd	4.7%
10	3M India Ltd	4.7%

Market Cap Allocation

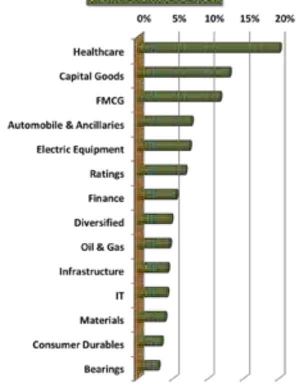
Avg Mkt Cap (cr)	
Large Cap	**316547**
Midcap	**45755**
Small Cap	**11864**
Overall Portfolio	**95070**

Data as on 28th February, 2025

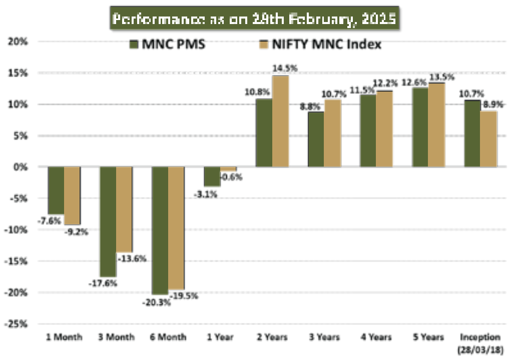
Strong Corporate Governance

- 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.

Sector Allocation



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



Selection Process

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

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

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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

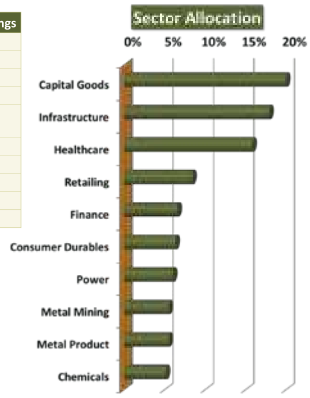
Opportunities at every level of emerging business

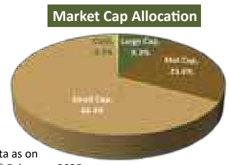
The key to success is to adapt to the changing business dynamics

Stock Selection Process

Portfolio Synopsis

	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	9.3%
2	Ethos Limited	8.4%
3	KEC International Limited	7.0%
4	Caplin Point Laboratories Limited	6.6%
5	Indian Renewable Energy Development Agency Limited	6.6%
6	Blue Star Ltd	6.4%
7	EMS Limited	6.0%
8	Interarch Building Products Limited	5.9%
9	Global Health Limited	5.5%
10	Craftsman Automation Limited	5.5%

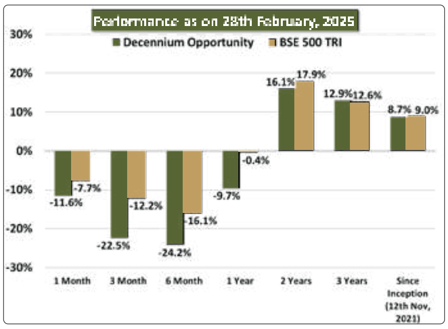




Data as on 28th February, 2025

	Avg Market Cap (cr)
Large Cap	180003
Midcap	37414
Small Cap	10470
Overall Portfolio	31032

The current model client portfolio comprise of 17 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.



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Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 102.5%
Issuer	Anand Rathi Global Finance Limited
Underlying	Nifty 50 Index
Principal Protected	Principal is not protected
Tenor(days)	1900 Days
Entry Level	Closing levels of NIFTY 50 Index as on primary trade date + 150 points, then rounded to next 100
Exit Level	Average of closing levels of NIFTY 50 Index as on last F&O expiry of 41st, 44th , 47th , 50th , 53rd & 56th month
Contingent Coupon (CC)	102.5% (IRR: ~14.52%)
Return Profile	If NIFTY 50 returns are: Greater than or equal to 34% = 102.5% coupon Between 33% & 34% = (NIFTY 50 Return – 20%) * 100% PR + (NIFTY 50 Return – 33%) * 8850% PR Between 20% & 34% = (NIFTY 50 Return – 20%) * 100% PR Between -20% & 20% = Principal Protection Between -30% & -20% = NIFTY 50 Return * 1.4x Decay Between -90% & -30% = Decay decreases to 0.4x Less than or equal to -90% = NIFTY 50 Return

Note: Investment Value per debenture: 1,25,000/-(It may be issued at a premium)
The product has a lock-in for first 365 days.

NIFTY ACCELERATOR- 102.5%: PAYOFF (Structured Products Idea)

Exit Nifty Level	Nifty Return	Product Return	Product IRR
45158	102.50%	102.50%	14.52%
33450	50.00%	102.50%	14.52%
29882	**34.00%**	**102.50%**	14.52%
29659	33.00%	13.00%	2.38%
27875	25.00%	5.00%	0.94%
26983	21.00%	1.00%	0.19%
26760	**20.00%**	**0.00%**	0.00%
24530	10.00%	0.00%	0.00%
22300	**0.00%**	**0.00%**	0.00%
21185	-5.00%	0.00%	0.00%
20070	-10.00%	0.00%	0.00%
17840	**-20.00%**	**0.00%**	0.00%
17838	-20.01%	-28.01%	-6.12%
16725	-25.00%	-35.00%	-7.94%
15610	**-30.00%**	**-42.00%**	-9.94%
12265	-45.00%	-48.00%	-11.81%
2230	-90.00%	-66.00%	-18.72%
2228	-90.01%	-90.01%	-35.76%
0	-100.00%	-100.00%	-100.00%

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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

ICICI Venture

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

India expected to become **3rd largest economy**

$5,242 Per-capita income

GDP is anticipated to reach **$7.9 trillion**

1,083 million Smartphone users

IT services export to reach **$527 billion**

25.2 million Households with income $>35,000

960 million Internet users

700 million online hoppers

$226 billion E-commerce market

Source: Industry reports, IVEN estimates

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Components of Digital India

ICICI Venture

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

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Fund strategy

ICICI Venture

Tech-focused venture fund

IVen Amplifi Strategy

01 Rs. 15 Bn India focused fund; View on Digital India 2030

02 Tap synergies across ICICI Group

03 Sector agnostic; digital focus on Fintech, ConsumerTech and Enterprise

04 Early-stage; late Series A / early Series B (Rs. 0.5 to 1 Bn per company across rounds), minority shareholding; typically, revenue < ~Rs. 1 Bn

05 10-15 investments; focus on portfolio diversification and risk management

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

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

08 "No Go": Seed stage

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

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IVen Amplifi's positioning

ICICI Venture

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

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

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

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Investment themes

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

Fintech

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

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

Consumerisation

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

D2C | Food Tech | Social Commerce
Marketplace | Digital Content

India and the World

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

B2B Marketplace
SaaS

Illustrative ICICI Group Partnerships with Startups

Fingpay — AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai — IVR Automation in vernacular language using voice bot

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

Karza — Digitization of due diligence process for retail loans

SatSure — Satellite data analytics for Agri business- Sat farm

PropertyPistol — Property tech platform aiding customers with B2C real estate sales

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

CarDekho — Dealer funding/ Inventory funding/ New car loans

Credgenics — Automated drafting of personalized legal notices & live tracking

WorkApps — Video KYC and video banking module

Vanghee — Current account opening & payment solution for MSME

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

More than 200 partnerships across ICICI Group

Illustrative Deal Pipeline

Focus on businesses which solve real problems

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

Key investment framework

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

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

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

Fund's Investment Process

ICICI Venture

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

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

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

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

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Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

Mr. Subeer Monga
Director

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

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

Subeer has been involved with ~20 investments

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

Mr. Sharad Malpani
Director

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

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

Sharad has been involved with ~10 investments

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

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Portfolio management

ICICI Venture

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

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Hiring		
native	Michael Page	QUESS
Walkwater Talent Advisors	PURPLE QUARTER	seenrecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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Explore the

Hidden Treasure of **Unlisted Shares*** with

EQUITY UNICORN

*Investment in Unlisted Shares**

What are Unlisted Shares*?

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

- **Reliance Retail** – Retail
- **HDB Financial Services Ltd.** – Financial Services
- **Chennai Super Kings** – IPL Team
- **Mohan Meakin Ltd.** – Beverages
- **(API holdings Ltd.)** – Healthcare Product
- **Care Health Insurance** – Insurance
- **Sterlite Power Transmission Ltd.** – Power & Transmission
- **Phillips India Ltd.** – Electronics
- **Kurlon Ltd.** – Mattresses
- **Hero Fincorp Limited** – Financial Services
- **Veeda Clinical Research** – Drug Development Services
- **Sbi Mutual Fund** – Mutual Fund
- **Orbis Financials Corporation Ltd.** – Custodian
- **Bira** – Beverages
- **Oravel Stays Ltd.** – Hospitality
- **Capgemini Technologies** – Consulting Services
- **Studds Accessories Ltd.** – Helmet Accessories
- **Utkarsh Coreinvest Ltd.** – Financial Services
- **Appollo Green Energy** – Green Energy
- **Indofill Industries** – Chemical Company

To know more 8655240697

Product Note:

- Investing in Unlisted shares is risky and suitable to clients with high risk appetite
- Unlisted shares have lock-in period of 6 months after Listing of shares on stock exchanges
- All unlisted shares price are tentative price, before confirming with Client once check with Product team (Hardik Rabara)
- Final IPO & Listing price of a company is based on many factors beyond our control, we don't guarantee a confirm IPO of any unlisted company nor guarantee any listing gains/returns. Investors should use own judgment and adequate caution before investing in unlisted shares
- We do not conduct any research on unlisted shares, we are just a distributor of unlisted shares

*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.

Notes

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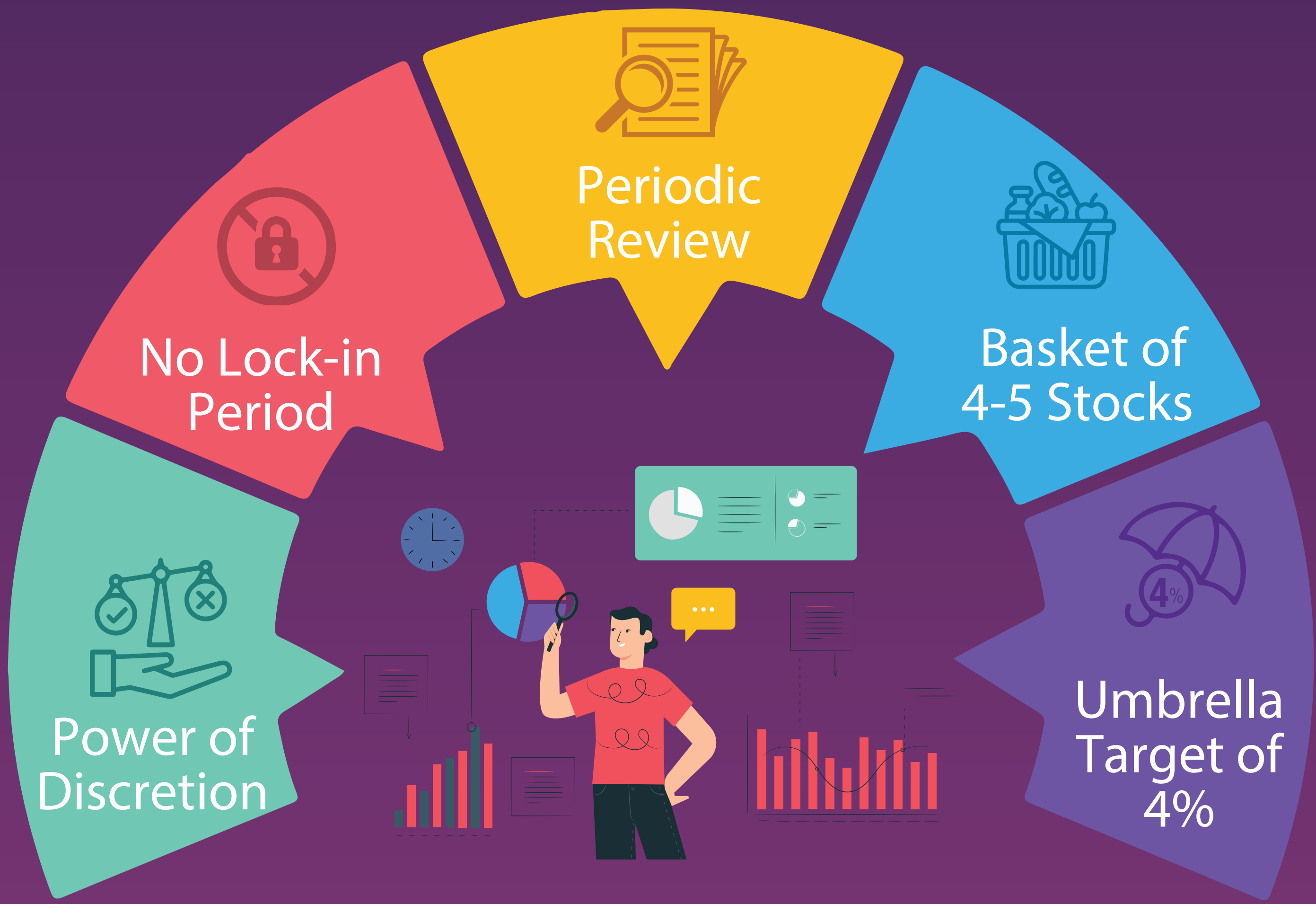
FINKART
Quality Investing - Simplified!

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 2023-24

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INVESTMENT SERVICES

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