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FINANCIAL FLASH

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INDEX

Market Commentary

Monthly Market Commentary- 2nd September 2025

The Nifty index ended the August month on a slight negative note as it closed at '24,436' as compared to July end '24,768'. Similarly, Sensex ended the July month at 79,806 with a positive return of -1.7%.

Indian markets ended the holiday shortened week in red amid mounting concerns about impact of U.S. tariffs on Indian goods. The additional 25% tariff imposed by US President Donald Trump on India for purchases of Russian oil came into effect from August 27, 2025. However, losses remained capped as India's industrial output growth accelerated to a 4-month high of 3.5% in July.

Some of the major developments during the week are:

India's industrial output growth accelerates to 4-month high in July: India's industrial output growth, measured in terms of the Index of Industrial Production (IIP), accelerated to a 4-month high of 3.5% in July 2025 due to good performance of manufacturing sector. IIP had expanded by 5% in July 2024.

Fitch Ratings affirms India's sovereign rating at 'BBB-' with stable outlook: Fitch Ratings has affirmed India's sovereign rating at 'BBB-', with a stable outlook. It said India has a strong record of delivering growth and improving fiscal credibility, which will drive improvements in structural metrics.

India, Australia conclude 11th round of talks for comprehensive trade pact: The commerce ministry has said that India and Australia have concluded another round of negotiations for a comprehensive free trade agreement to strengthen economic ties between the two countries.

India-Africa trade crosses $100 billion in FY25: Union minister Kirti Vardhan Singh said India's bilateral trade with Africa has crossed magical figure of $100 billion in FY25 over $56 billion in FY20. With cumulative investments over $75 billion in 1996-2024, India is among top 5 largest investors in Africa.

Domestic air passenger traffic declines in July: DGCA in its data has showed that domestic air passenger traffic declined 2.94% year-on-year to 1.26 crore in July 2025. The fall in air passenger traffic also came against the backdrop of the fatal Air India Ahmedabad-London Gatwick plane crash on June 12.

The HSBC India Manufacturing PMI rose to 59.3 in August 2025 from 59.1 in July, but was revised lower from initial estimates of 59.8. This marks the fastest improvement in operating conditions in seventeen and a half years, with production growth accelerating to a nearly five-year high, supported by strong demand and better alignment of supply with orders. New orders also rose at the fastest pace in 57 months, driven by strong sales in intermediate, capital, and consumer goods. Input buying surged as firms rebuilt inventories, while employment rose for the 18th consecutive month, though at the slowest pace since November 2024. On prices, input costs increased moderately, and selling prices rose above trend. Finished goods inventories expanded for the first time in nine months, while capacity pressures remained subdued. Lastly, optimism for future output strengthened, offsetting softer export growth amid a 50% US tariff, with domestic demand supporting the sector.

The HSBC India Services PMI rose to 65.6 in August 2025 from 60.5 in July, surpassing market expectations of 60.3, according to a flash estimate. This marked the highest reading on record, signaling an exceptionally strong expansion in the services economy. The improvement was largely driven by a sharp rise in new business orders, both domestic and export-oriented, reflecting robust demand conditions. In response, firms hired more staffs to meet rising workloads. On the price front, higher wage bills—particularly among services firms—along with greater raw material costs drove a sharp increase in overall input prices. Companies also raised their charges amid strong demand. Lastly, services providers expressed greater confidence about future activity.

The annual consumer price inflation rate in India fell to 1.55% in July of 2025 from 2.1% in the previous month, firmly below the market consensus of a 1.76%, to mark the ninth consecutive decrease in the inflation rate and only 1 basis point away from the series-low in June of 2017. It was the first time that price growth fell below the Reserve Bank of India's wide tolerance band of 2%-6% since 2019, reinforcing the view that the central bank may deliver another interest rate cut this year. The slowdown was owed to a second drop in prices of food (-1.76% vs 1.06% in June) amid a plunge in costs of vegetables (-20.69% vs -19%). In the meantime, inflation also slowed for transport and communication (2.12% vs 3.9%) and remained relatively resilient for housing (3.17% vs 3.24%). From the previous month, consumer prices were 0.9% higher.

India's total exports (Merchandise and Services combined) for July 2025 is estimated at US$ 68.27 Billion, registering a positive growth of 4.52 percent as compared to July 2024. Total imports (Merchandise and Services combined) for July 2025 is estimated at US$ 79.99 Billion, registering a positive growth of 6.07 percent as compared to July 2024. Merchandise exports during July 2025 were US$ 37.2 Billion as compared to US$ 34.7 Billion in July 2024. Merchandise imports during July 2025 were US$ 64.6 Billion as compared to US$ 59.5 Billion in July 2024. India's total exports during April-July 2025 is estimated at US$ 277.63 Billion registering a positive growth of 5.23 percent. Total imports during April-July 2025 is estimated at US$ 308.91 Billion registering a growth of 4.25 percent.

The Goods and Services Tax (GST) collections for the month of August 2025 stood at ₹1,86,315 crore which is 6.5% higher than the GST revenue in the same month last year, which itself was ₹1,74,962 crore. On a year-to-date basis (April–August), gross collections reached ₹10,04,414 crore, reflecting a 9.9% increase compared to the same period last year. Domestic revenues grew 9.6% year-on-year, while revenues from imports recorded a 1.2% decline for the month.

India's foreign exchange reserves have shown negative signs as it decreased by US$4.39 billion to $40.6 billion in the week through August 25. Foreign currency assets decreased by $3.65 billion to $33.8 billion for the week ending August 25.

The U.S. markets traded higher during the week after real GDP in U.S. shot up by 3.3 percent in second quarter compared to previously reported 3.0 percent surge. Street had expected the jump in GDP to be upwardly revised to 3.1 percent.

Some of the major developments during the week are:

U.S. pending home sales fall more than expected in July: National Association of Realtors said its pending home sales index decreased by 0.4 percent to 71.7 in July. Street had expected pending home sales to edge down by 0.1 percent.

Weekly jobless claims in U.S. edge down to 229,000: Initial jobless claims dipped to 229,000, a decrease of 5,000 in week ended August 23 from the previous week's revised level of 234,000.

U.S. consumer confidence index edges lower in August: The Conference Board said its consumer confidence index dipped to 97.4 in August from an upwardly revised 98.7 in July. Street had expected the consumer confidence index to slip to 96.4.

New home sales in U.S. pull back from upwardly revised level in July: The Commerce Department said new home sales fell by 0.6 percent to an annual rate of 652,000 in July after surging by 4.1 percent to an upwardly revised rate of 656,000 in June.

U.S. durable goods orders slump in July: The Commerce Department said durable goods orders slumped by 2.8 percent in July after plummeting by a revised 9.4 percent in June.

European markets witnessed selling pressure during the passing week, as the mood remained largely cautious with investors closely following geopolitical news and some crucial economic data from the U.S.

Some of the major developments during the week are:

Eurozone economic confidence weakens in August: The survey results from the European Commission showed that the economic sentiment indicator slid to 95.2 in August from a revised 95.7 in the previous month.

Switzerland logs weaker growth, trims 2026 outlook: Gross domestic product grew 0.1 percent from the first quarter, unchanged from the flash estimate. Growth softened notably from 0.7 percent in the first quarter.

Italian consumer confidence weakens; business morale remains stable: The survey data from the statistical office Istat showed that consumer sentiment dropped to 96.2 in August from 97.2 in the previous month.

French consumer sentiment weakest since 2023: The consumer sentiment index edged down to 87 in August from 88 in July. This was the lowest reading since October 2023 and remained below its long-term average of 100.

Spain producer prices rise 0.3%: The provisional data from the statistical office INE showed that the producer price index posted an annual increase of 0.3 percent in July, following a 1.0 percent rebound in June.

Asian markets traded mostly higher during passing week even as caution prevailed ahead of a key U.S. inflation report that might show core personal consumption expenditures prices rose 2.9 percent in July, the fastest pace in five months.

Some of the major developments during the week are:

Japan jobless rate falls to 2.3% in July: The unemployment rate in Japan came in at a seasonally adjusted 2.3 percent in July. That was below expectations for 2.5 percent, which would have been unchanged from the June reading.

Tokyo overall inflation climbs 2.6% on year in August: Overall consumer prices in the Tokyo region of Japan were up 2.6 percent on year in August. That was in line with expectations and down from 2.9 percent in July.

Japan industrial output sinks 1.6% in July: Industrial production in Japan was down a seasonally adjusted1.6 percent on month in July. That missed expectations for a decline of 1.1 percent following the 2.1 percent increase in June.

Japan retail sales add 0.3% in July: The value of retail sales in Japan was up a seasonally adjusted 0.3 percent on month in July. That misses forecast for an increase of 1.5 percent following the downwardly revised 1.9 percent gain in June.

Bank of Korea holds rates: The Bank of Korea kept its policy rate unchanged at 2.5% for its second straight meeting, as widely expected by economists, and lifted its 2025 growth forecast.The S&P Global US

Manufacturing PMI rose to 53.3 in August 2025 from 49.8 in July, well above market expectations of 49.5, preliminary estimates showed. The latest reading signaled a renewed improvement of factory business conditions after a brief deterioration in July. August's reading was the highest since May 2022. Production rose for a third successive month, rising at a pace not recorded since May 2022, buoyed by the largest influx of new orders since February 2024. Factory employment meanwhile rebounded after a decline in July to register the largest payroll gain since March 2022. Inventories of inputs also rose sharply after a drop in July. That left only the suppliers delivery times index acting as a drag on the PMI (reflecting faster deliveries), but to a lesser degree than in July.

The HCOB Eurozone Manufacturing PMI rose to 50.7 in August 2025, up from a flash estimate of 50.5 and July's 49.8, signaling the first monthly improvement in factory conditions since June 2022. Growth was led by Greece, followed closely by Spain, while modest gains were recorded in the Netherlands and Ireland. France and Italy returned to slight expansions, and contractions in Germany and Austria eased. Output growth reached its strongest since March 2022, and new orders rose for the first time in nearly three and a half years. Despite these signs of recovery, job cuts persisted and backlogs of work fell for the 39th straight month. On the price front, input costs rose for the first time since March, though only marginally, while output prices continued to decline. Business confidence was little changed from July.

The S&P Global Japan Manufacturing PMI was revised lower to 49.7 in August 2025 from a preliminary estimate of 49.9, though still above the final reading of 48.9 in July. The latest figure marked the 13th contraction in factory activity over the past 14 months, driven by a decline in output and a further drop in overall sales — including a sharp fall in foreign sales for the fifth consecutive month — amid the imposition of new US tariffs. Notably, foreign sales fell at the fastest pace since March 2024. Employment continued to increase, though job creation was modest, while the depletion of backlogs was solid and the fastest seen since January. On prices, input costs continued to rise due to higher prices for raw materials, labor, utilities, and transportation. However, input cost inflation eased to the 2nd-lowest level recorded in over four-and-a-half years. Meanwhile, output price inflation slowed to its weakest pace since June 2021.

Going Ahead

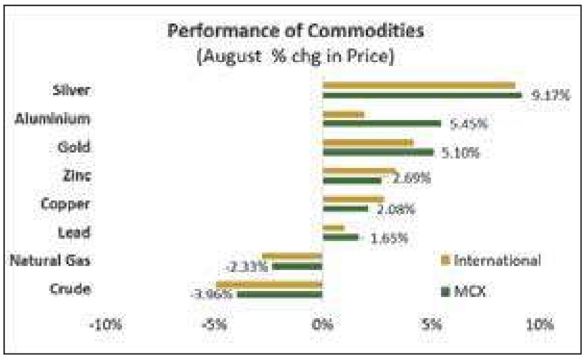
The month gone by has reaffirmed the resilience and promise of the Indian economy. The first quarter of FY26 (April–June 2025) recorded a stellar 7.8% real GDP growth, well above expectations. What is heartening is the breadth of this performance – from agriculture and manufacturing to construction and services, from private consumption to investment – every engine of growth fired together. Equally reassuring has been the moderation in prices. Retail inflation at 1.6% marks a multi-year low, offering relief to households and stability to investors.

Global developments have, of course, posed challenges. The imposition of a 50% US tariff on Indian exports is a case in point. The near-term impact is expected to be contained – a reduction of about 0.3 to 0.5 percentage points in GDP growth, a current account widening of 0.5% of GDP, and job losses of about 20 lakh in a workforce of 55 crore. Importantly, the effect on corporate earnings and inflation is negligible. History has shown that the current US administration often escalates matters dramatically only to retreat later as part of its negotiating tactics. That possibility remains very much alive this time as well and the final outcome may be known in 2/3 months.

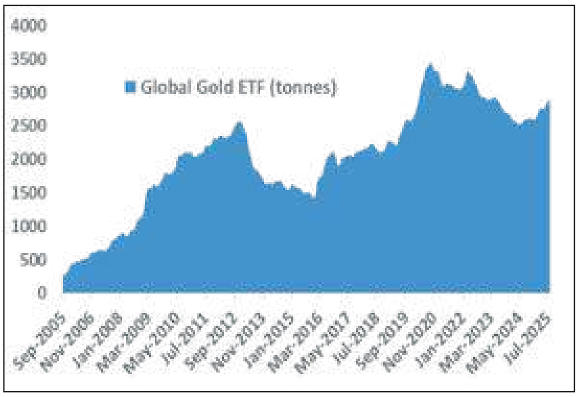
On the domestic front, economic reforms are accelerating. A reduction in GST rates is already underway, with more steps to improve the ease of doing business expected shortly. These reforms, along with India's policy of safeguarding her sovereignty in economic decision-making, are strengthening our global partnerships. Deeper trade and investment ties with countries such as Japan, China, Russia, and Brazil will help counterbalance any temporary dislocations from the US market.

The market has shown some downward trend due to problem of tariff and selling by FIIs. However a GDP growth is likely to remain strong in next few years and hence the long projection in the market is firmly upward for investors. This is a reminder wisdom of staying invested in Indian Equity and the path to sustainable wealth creation remaining intact.

Commodities Outlook



Looming Fed rate cuts fuel Gold price to new record highs in 2025; concern's about Federal Reserve independence & Strong Investor demand persist amid geopolitical Uncertainties



Gold ETF Holdings witnessed a steady rise since start of 2025, but still remaining below all-time highs witnessed in Oct 2020, despite prices witnessing new highs indicating more room for ETFs to rise

Gold prices which witnessed best first half of the year since 2008 started the second half on a subdued note in July, but prices picked up momentum in second half of August as prices staged impressive recovery and witnessing a strong technical breakout on weekly basis also staging new all-time highs in International spot markets towards the end of the month.

Concerns over the Fed's independence bolstered safe haven appeal of yellow metal with renewed demand persisting as trader's maintained bet's on Fed easing. Meanwhile, investors remained on edge during August on persistent trade-related uncertainties & renewed geopolitical risks stemming from the escalating Russia - Ukraine conflict with tensions in the Middle East also driving prices towards the end of the month. This was evident from a generally weaker tone around the equity markets, as it further backed the case. Last week of the month was dominated by concerns over Fed independence & uneven global economic momentum. US revised up Q2 growth & July PCE was stable. Inflation & growth of EU markets were mixed with Chinese PMIs rising mildly in August, and India's Q2 GDP accelerated sharply. Factors such as uncertainty around US policy, Fed independence threats &increase in flows to Gold ETFs, could continue to remain key triggers for gold. Data-wise, mixed Manufacturing Purchasing Managers Index (PMIs) readings revealed by S&P Global & Institute for Supply Management (ISM) have also prompted investors to buy the precious metals instead of US equities since past few weeks.

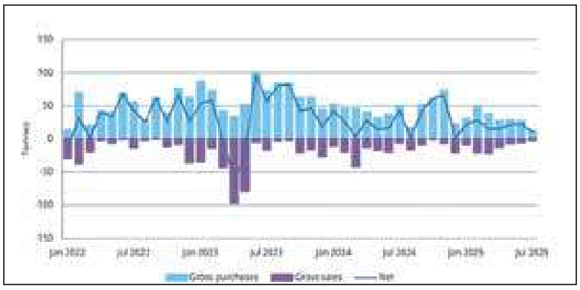
Outlook: Volatility to persist in near term ahead of US Fed meet amid profit booking moves to be seen at higher levels. Broader trend to remain bullish in medium term perspective.

Gold prices (Spot CMP 3530/Oz, 04th Sept) have continued to show signs of strength since last week, witnessing almost 150 $ rally in last 3 – 4 sessions indicating a risk of profit booking moves to set in near term perspective. However broader concerns of a short term pullback may be overshadowed by macro cues from US showing slowdown in jobs growth, Jobs-related data could carry even greater weight on Fed Chair Jerome Powell's de facto admission in Jackson hole event that employment risks have overtaken inflation concerns since last month. Market attention could sharpen on data beyond official payrolls due this week, especially given potential credibility questions after Trump's appointment of a new BLS chief. So far, the macro cues from US have been steady but could now start to point towards a job market stagnation after a few exceptional years. Meanwhile cues on layoffs needs to be watched closely in various Jobs report due out in first week of September which could foster a change of dovish reprising & support sentiments in Gold on a medium term perspective.

Global central banks bought 10t in July a moderate net allocation compared to previous months but it continues to be net buyers of gold

even in the current price range.

From a technical perspective, the overnight momentum beyond the $3,500 psychological

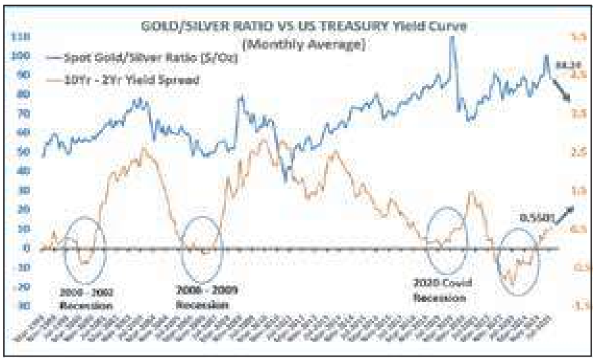


mark validated last week's breakout through a three-month-old trading range, while new highs around $ 3578 was printed overnight. That said, the daily Relative Strength Index (RSI) is flashing overbought conditions and makes it prudent to wait for some consolidation or a modest pullback before the next leg up. The price traded in uncharted territory also after a breakout of the Symmetrical Triangle formation on a daily timeframe often leading to high volume and wider ticks on the upside. However the rally in first week of Sept. seemed overstretched as speculative buying by Hedge funds & ETF traders broadly persisted in recent sessions keeping the bullish moves intact for last 7 - 8 consecutive days. Having said that broader bullish trend may also lead to further short covering moves taking prices to challenge $ 3,620 – 3,640 per oz on higher side. Conversely, a possibility of profit booking move in prices towards the end of the week with a daily close below $3,500 could be followed by a test of August last week low's at around $3,440 - 3420 per oz, range as the same remains a dip buying opportunity for investor's on positional basis.

Silver Outperforms Gold for third consecutive month; rallies to fresh highs on MCX and surges to 14 year high in International Markets

While gold prices outpaced silver in the first half of 2025 with a nearly 25% rise, silver wasn't far behind, rallying about 20%. However, since, gold's momentum slowed in June – July period, silver had outperformed as it recently crossed the $40 threshold for the first time since 2011. With gold prices regaining momentum since Mid-August, amid growing expectations of interest rate cuts, silver has benefited from positive spillover effects. More importantly, tightening physical supplies, particularly the decline in liquidity in the London market, has also contributed to silver's breakout over the past few months. This tightness has also been reflected in leasing rates. Indicative one-month rates spiked above 6% in mid-July, after the announcement of a 50% tariff on copper by the US administration sparked concerns that similar measures might be extended to silver. Although rates have since eased, as fears have subsided, they remain elevated compared to levels seen in recent years

Traders had also bought the white metal as they seem convinced that the latest round of economic data, particularly US jobs data, warrants a 25-basis points rate cut by the Fed at the upcoming September meeting. This, alongside a growing division amongst the Federal Open Market Committee (FOMC) board, suggests that all subsequent meetings would all be alive.



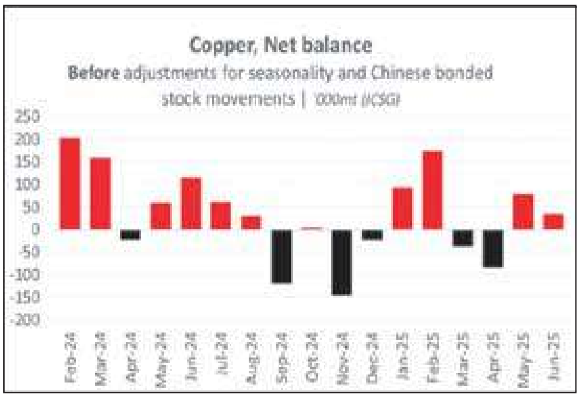
US Yield Curve tends to move in opposite direction to Gold/Silver ratio. Upcoming rate cut in Sept to further increase the yield curve leading to a decline in ratio indicating Silver outperformance for rest of 2025.

With gains of nearly 27 - 28 % from Jan-Aug, Silver had emerged as the standout performer in precious metals market in 2025, surpassing gold as global economic uncertainty drove investor interest. Over the past year, silver has achieved a 44% increase, while gold has risen by 41%. It also marked the first time since 2011 that silver traded above $40, reaching above $41 per ounce on 3 September 2025. The Indian rupee also played a dual role in amplifying gains for gold & silver, while negatively affecting equities. A weakening rupee benefited domestic investors in precious metals, further enhancing their appeal during this period of financial instability.

Technically speaking, Silver rally resumed this week and extended on Wednesday, past the $41.00 figure. Although the Relative Strength Index (RSI) entered overbought territory on daily timefram, it remained shy of cracking the 80-level seen as the most extreme overbought condition. If spot silver climbs above $42.00, traders could expect a move toward the September 2011 high at $43.38. If surpassed the next stop would be August 2011 peak at $44.22. Conversely, if Silver tumbles below $41.00, the white metal could retrace towards the September 2 low of $40.15. A breach of the latter will also expose it to below $40.00. Overall volatility to persist in Silver prices in September but prices to remain positively biased towards the start of next quarter.

Copper Market Update

Copper gained nearly 3% in August, closing above $9,800 per ton. In the first two weeks, prices held near multi-week highs, moving to the top of their post-tariff-clarification range. The rally was supported by a weaker US Dollar after a soft jobs report, optimism over a September Fed rate cut, and broader market cheer despite the absence of major fresh economic data or industry-specific announcements.

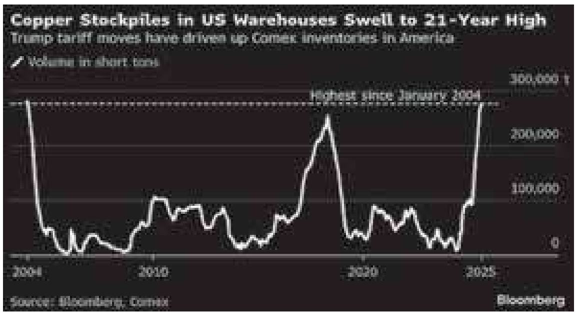


By mid-month, copper slipped back below $9,800, pressured by rising inventories in LME and CME warehouses. Weak Chinese data added to the downside. July's industrial output grew 5.7%, retail sales 3.7% both the slowest this year. Fixed Asset Investment rose just 1.6% YTD, a record low outside of crisis periods. These numbers highlighted several headwinds:

- US tariffs beginning to weigh on Chinese businesses.
- The effect of stimulus measures from late 2024 fading.
- EV subsidy withdrawals since June hurting demand.
- Beijing's fiscal support via infrastructure spending losing strength.

A key moment came at Jackson Hole, where Fed Chair Jerome Powell acknowledged persistent inflation risks but also flagged a softer labour market. He signaled the need for an "adjustment" in policy widely read as a September rate cut. Markets responded quickly: the Dollar weakened, bond yields dropped, equities rallied, and copper briefly climbed back above $9,800.

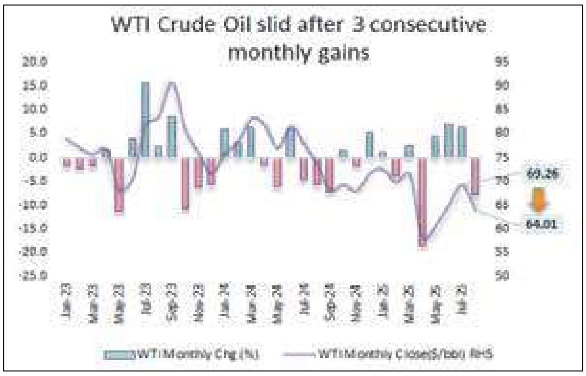
On 22 August, the International Copper Study Group (ICSG) reported a refined copper surplus of 36,000 tons in June, following 79,000 tons in May marking the second consecutive monthly surplus. Toward month-end, sentiment turned positive. The revised US Q2 GDP surprised at 3.3%, helped by lower imports. In China, equities surged about 24%, reflecting renewed risk appetite. India's industrial output rose to a four-month high of 3.5% in July, driven by manufacturing. In Europe, new car registrations grew 5.9% y/y, the fastest pace in over a year. Supported by upbeat global data, stable Dollar, and month-end buying, copper once again pushed above $9,800.



Outlook: Copper cooled after briefly touching its highest since March, but remains supported above $10,000/t by a weaker dollar and expectations of US rate cuts. Chinese demand is in focus: while premiums and low inventories point to near-term strength, smelter maintenance may tighten supply further this month. However, downside risks stem from weak global manufacturing PMIs and signs of slowing momentum in China's economy. LME Copper CMP: $9,955/t is seen with support at $9,600–9,450/t and resistance at $10,100/t.

OPEC Strategy Shift keeps Crude Oil under Bearish Watch

Oil prices slid nearly 7% in August as markets responded to aggressive OPEC unwinding which could shift oil markets in surplus in the last quarter of 2025. Though we have seen temporary spikes backed by geopolitical tensions and sanctions threats, but the same was temporary considering global demand uncertainty and rising supplies from OPEC+ nations.



Money managers have lowered their net-bullish holdings in US oil for four straight weeks due to a forecast oil glut and growing concerns about global energy consumption.

WTI Crude oil which tested a high of $70 per bbl in early August fell below $62 level in mid-August and finally ended at $64.01 per bbl. On the MCX Crude oil price fell 6.6% to close the month at Rs 5654 per bbl level.

Key Catalyst for Oil in September

OPEC's Next Move after aggressive hikes

OPEC has shifted strategy, instead of cutting supply to keep the market tight, it is now focused on winning back market share. In July, OPEC's share of global oil supply rose to 27.3%, up from 26.6% in April.

This change comes after years of pressure from the growth of U.S. shale oil, which reduced OPEC's dominance. In the past, OPEC also struggled with some members ignoring output limits, weakening the group's influence.

Since April, OPEC+ (which includes Russia and Kazakhstan) has been steadily raising production. The goal is to get back to a 30% market share, a level last seen in 2020 and 2022.

On August 3, OPEC+ agreed to increase September oil output by 547,000 barrels per day, completing the reversal of the 2.2 million bpd voluntary cuts made in 2023. Since April, steady production hikes have allowed the group to regain control of the market without flooding it with excess supply.

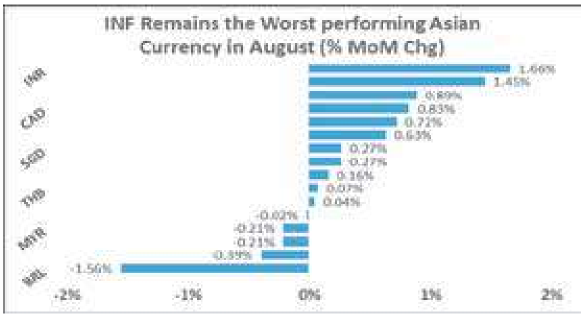
Even though demand faces risks from U.S. tariffs and weak growth in China, WTI crude has held near $64 a barrel since April. At this price, OPEC+ is likely to consider lifting another 1.66 million bpd of cuts in the coming months. With the group seems ready to keep pumping more oil unless rising supply starts to hurt prices or upset the balance between global supply and demand.

Outlook

On the bearish side, a widely expected supply glut is forecast to appear in the fourth quarter. The challenge for the bears is that this has already been well flagged. If most of the inventory build stays in China and not in key pricing hubs, the impact may not be as severe as some predict. However, if OPEC+ hikes continue then we may see price dipping temporarily towards $60 level this month. However, prices may bounce back the near-term picture looks brighter. U.S. inventories remain low, and crude stockpiles continue falling though refineries processed less. Refining margins are strong, which should keep run rates high in the coming months. Seasonal maintenance is also expected to be lighter than usual, so the typical autumn slowdown in demand may be smaller. On top of that, geopolitics is in play, with President Trump pressing India to cut Russian oil purchases.

All this suggests the 60-67.50 price range for WTI oil for this month before heading lower when inventories rise in the last quarter.

Technically, WTI crude oil (CMP: $63.50 per bbl) has support at $62.60 and $60, while strong resistance is seen near $67.50. On the MCX (CMP: ₹5600 per bbl), crude oil support is placed around ₹5500 and ₹5,250, with resistance near ₹5940/6100 per barrel.



Currency: Rupee logs new record low as US tariffs take effect

INR depreciated to new low's in Aug'25 above 88 per dollar mark as additional US tariffs took effect. Month end demand from importers & sustained FPI outflows from the domestic equity markets also contributed to the decline in the domestic currency. INR declined by more than 0.5 % in Aug'25; but if seen in the context of a weaker dollar, the loss appeared more pronounced. Global currencies gained against a weaker dollar. The dollar has been under pressure as investors have ramped up expectations of a 25bps rate cut in the Sep'25 meeting. This was supported by dovish comments from Fed officials, including the Fed Chair. At the same time, questions over Fed's independence and legal disputes related to President Trump's tariffs also weighed on investor sentiments. As a result, US yields dropped sharply, with short-term yields declining at a much sharper. DXY slipped by 2.2%. Major currencies ended higher, with EM currencies such as South African Rand (ZAR) and Brazil Real (BRL) gaining over 3%. Amongst AEs, the Japanese Yen (JPY) strengthened the most, amidst growing policy divergence with the US, with investors expecting a hawkish tilt from the BoJ soon. Currencies in Europe and UK also gained, despite political and fiscal concerns respectively, in each of these countries.

Outlook

Expectations remain for the rupee to witness some pressure in the near term as investors continue to seek clarity on impact of tariffs and developments surrounding trade negotiations. RBI intervention also likely to remain limited to prevent sharp volatility in the exchange rate, with a higher tolerance for a weaker domestic currency. A range of 87.40 - 88.50/$ could likely persist in the first half of the month.

Meanwhile with India remaining domestic driven economy amid exports accounting for only a small fraction of GDP, GST rationalization, coinciding with the festive season is likely to provide substantial lift to the economy in the coming quarters, which may offset a large part of the hit of higher tariffs. India's macro fundamentals remain strong, with robust GDP growth, low inflation, strong external buffers & well-managed fiscal deficit. Hence, over a longer-term, the pressure on INR is likely to dissipate with the currency pair expected to trade in a broad range of 86.20 – 88.50 /$ for Q4 2025.

Technical Analysis

Market Overview – September 2025

LEVELS TO WATCHOUT FOR: 24,800-25,150 / 24,300 – 23800

The month of August turned out to be highly volatile for the domestic markets. In the first week, Nifty slipped towards the 24,350 mark, but soon staged a recovery. Mid-month, the Prime Minister's Independence Day speech and GST-related announcements triggered a sharp rally, lifting the index beyond the 25,000 milestone to test the 25,150 level. However, the euphoria was short-lived as the index faced a one-sided corrective phase, dragging it back towards the 24,400 zone. Overall, August saw a swing of nearly 1,500 points — bottom to top and back — eventually concluding the month with a modest loss of just over 1%.

Technically, above 24,600 we witnessed a sharp relief rally in the markets. However, the index got stuck exactly near the 25,150 mark, which coincides with the 61.8% Fibonacci retracement of the entire fall from 25,600 to 24,300. Thereafter, the Nifty reversed sharply from 25,150 and slipped lower. On the daily chart, it went on to fill the gap towards 24,600 and has now drifted closer to the 24,400 mark. At this juncture, Nifty is hovering near a critical support zone around 24,350 (previous swing low). A close below this level could trigger an extended decline towards the 24,200–24,000 band, which coincides with the placement of the 200 DEMA and 200 DSMA. Beneath this, the next important demand zone lies around 23,800, which in our view could act as the worst-case scenario, from where meaningful buying interest may emerge. This zone can turn into a buying opportunity, but only on confirmation. Hence, traders are advised to maintain a wait-and-watch approach at current levels rather than attempting premature bottom-fishing. On the flip side, any close above 24,800 would bring much-needed relief for the bulls and could pave the way for a recovery.

Bank Nifty was the real culprit in August, as it slipped over 4% during the month. The index is now hovering near the 53,500 mark, which coincides with the placement of its 200 DEMA, while around 53,000 lies the 200 DSMA. Interestingly, it is also trading close to the 100% extension of its previous move, thereby completing an AB=CD harmonic pattern. Hence, there is a ray of hope that Bank Nifty might stabilize in the coming week. However, a close below 53,000 could trigger further panic in the banking space. On the upside, the immediate hurdle is placed around the 54,300 mark, and only a sustained move beyond this would signal any meaningful recovery.

Technical Pick – BUY AMARA RAJA

Upside: 15.51%

- **Trend Strength Building:** The 10–20–30 DEMA convergence signals short-term averages aligning, indicating a strengthening trend.
- **Momentum Improving:** RSI and MACD bullish divergences highlight improving momentum despite price consolidation at lower levels.
- **Accumulation Visible:** A DMI bullish cross along with strong volume buying suggests fresh accumulation and emerging strength.
- **Favorable Setup:** The stock is a buy in the 990–970 zone with a stop-loss at 904 (closing basis), offering an attractive risk-reward opportunity.
- Thus, traders are advised to **buy AMARA RAJA in the range of 990 - 970** with a stop loss of 904 on closing basis for an upside target of **1132** in coming 1 – 3 months.

Technical Pick – BUY BIKAJI FOODS

Upside: 17.44%

- **200 DEMA Base:** Stock consolidating in the 720–790 zone, indicating strong long-term support.
- **Trendline Confluence:** Bullish trendline support aligns with 200 DEMA, reinforcing the base.
- **Momentum Strength:** Positive DMI dominance on daily charts signals buyers' control.
- **Volume Confirmation:** A steady rise in volume is visible from recent lows, both on the daily and hourly charts, supporting the possibility of a recovery move.
- **Multi-timeframe Confirmation:** Weekly DMI expansion adds conviction; Buy zone at 790–770 with stop-loss at 712 (daily close) for risk management.
- Thus, traders are advised to **buy BIKAJI FOODS in the range of 790 - 770** with a stop loss of 712 on closing basis for an upside target of **916** in coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

The Reserve Bank of India in its 56th meeting of the Monetary Policy Committee (MPC) scheduled on August 4th, 5th & 6th 2025, after a detailed assessment of the evolving macroeconomic and financial developments and the outlook, voted unanimously to:

1. **Keep the policy repo rate unchanged at 5.50%.**
2. **Consequently, standing deposit facility (SDF) rate shall remain unchanged 5.25%.**
3. **Additionally, marginal standing facility (MSF) rate and the Bank Rate also remained same at 5.75%.**

The MPC also decided to maintain its neutral stance, following a cumulative rate cut of 100 bps since February 2025, including a 50 bps cut delivered in June 2025.

The MPC observed that headline inflation has eased, which is largely due to volatile food prices, especially vegetable prices. Core inflation remains steady around 4% as expected. Inflation is projected to rise from the last quarter of the fiscal year. Growth remains robust and in line with projections, though below desired levels. Tariff-related uncertainties persist, and monetary policy transmission continues, with the full impact of the 100 bps rate cut since February 2025 still unfolding.

Growth

Rural consumption remains resilient, while urban consumption is gradually reviving. On the supply side, a steady southwest monsoon is supporting kharif sowing. Services activity remains stable, with some high-frequency indicators showing modest expansion. The Services PMI rose to an 11-month high of 60.5 in July 2025. While the manufacturing PMI stayed elevated in Q1, the IIP indicated some moderation. The growth outlook remains positive, supported by a normal southwest monsoon, lower inflation, rising capacity utilisation, and favourable financial conditions that continue to aid domestic economic activity.

GDP Growth			CPI Inflation		
	MPC's Recent Projection (%)	MPC's Last Projection (%)		MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 26	6.50%	6.50%	FY 26	3.10%	3.70%
FY 26 Q1	6.50%	6.50%	FY 26 Q2	2.10%	3.40%
FY 26 Q2	6.70%	6.70%	FY 26 Q3	3.10%	3.90%
FY 26 Q3	6.60%	6.60%	FY 26 Q4	4.40%	4.40%
FY 26 Q4	6.30%	6.30%	FY 27 Q1	4.90%	
FY 27 Q1	6.60%				

Summary of projection on growth & inflation by the MPC

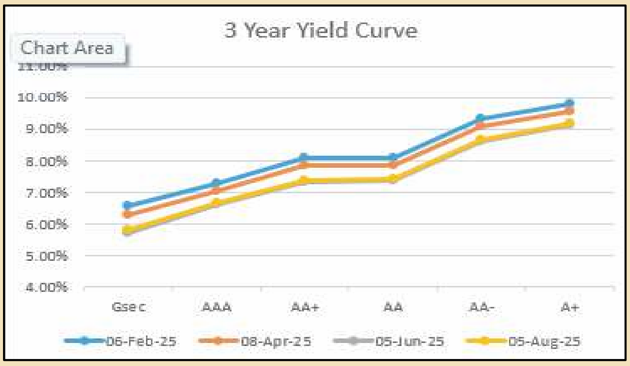
Inflation

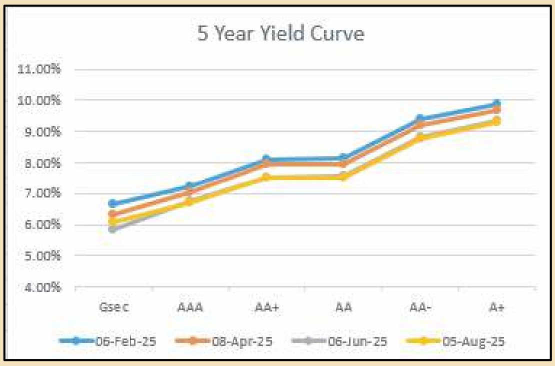
CPI headline inflation rate fell to a 77-month low of 2.1% in June, driven by a decline in food prices. Food inflation recorded its first negative print since February 2019 at -0.2% in June. Core inflation increased to 4.4% in June, partly driven by a continued increase in gold prices. The inflation outlook has improved compared to the June projection. CPI inflation is expected to edge up above 4% in Q4:2025-2 due to unfavourable base effects. Barring any major input price shocks, core inflation is expected to stay moderately above 4% during the year.

Liquidity and Financial Market Conditions

System liquidity is currently in surplus. The banking system's Credit Deposit Ratio stood at 78.9% in June 2025, broadly unchanged from a year ago. NBFCs also remain sound, with adequate capital and improved GNPA ratios. Bank credit grew at 12.1 per cent during 2024-25.

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in Jun2025:





Source: CRISIL Fixed Income Database

- The 3-year G-sec curve saw a hardening of ~10 bps and 5-year G-sec curve of ~24 bps. Additionally, the 3-year AAA curve saw a hardening of ~4 bps and 5-year saw an easing of ~3 bps.
- In 3-year space, the rest of the credit curve saw a hardening of ~4 bps. Similarly, the 5-year credit curve experienced an easing of ~3bps.
- The AAA spread over G-sec contracted by ~6 bps in the 3-year space and ~27 bps in the 5-year space.

Outlook: Despite a sharp decline in headline inflation, the MPC has kept the policy repo rate unchanged at 5.50%. Growth remains strong and in line with the 6.5% projection, though the effects of the 100 bps rate cuts since February 2025 are still unfolding. RBI governor highlighted that India's economic prospects remain bright in the medium term, with a favourable monsoon supporting immediate sentiment.

With inflation at multi-year lows and global uncertainties persisting, the MPC has adopted a wait-and-watch approach and will closely monitor incoming data and evolving growth-inflation dynamics to guide future policy decisions.

Secondary Market Bond Offers

Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
9.25% CHOLAMANDALAM PERP	Call: 28-Jun-33	Annual on 31-Mar	ICRA AA/Positive	9.12%

PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.56% REC 2028	29-Nov-28	Semi-Annual	AAA Stable by CARE & CRISIL	7.00%
8.24% NABARD 2029	22-Mar-29	Semi-Annual	AAA By IND,AAA By CRISIL	7.00%
8.18% REC 2031	22-Aug-34	Annual	AAA by CRISIL,CARE, ICRA	7.10%

Corporate Bonds				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	Semi - Annual	AA by ICRA & CARE	9.15%
8.85% ADANI ENTERPRISES LIMITED 2028	17-Jun-28	Quarterly	AA- BY ICRA & CARE	9.05%
7.45% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2031	17-Nov-31	Annual	AAA by CRISIL & IND	7.25%
8.10% ADITYA BIRLA FINANCE LIMITED 2033	09-Oct-33	Annual	AAA CRISIL & IND	7.40%
9.50% 360 ONE PRIME LIMITED 2035	16-Jan-35	Annual	CRISIL AA/Stable	8.85%
9.42% KIIFB 2032	Staggered Maturity (08-Aug-2032)	08TH FEB, 08TH MAY, 08TH AUG, 08TH NOV	AA (CE) BY IND RATINGS & ACUITE	9.60%
9.35% TSIIC 2030	Staggered Maturity (31-Dec-2030)	31ST MAR, 30TH JUN, 30TH SEP, 31ST DEC	AA (CE) BY IND RATINGS	9.00%

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.

Anand Rathi PMS

Impress Portfolio

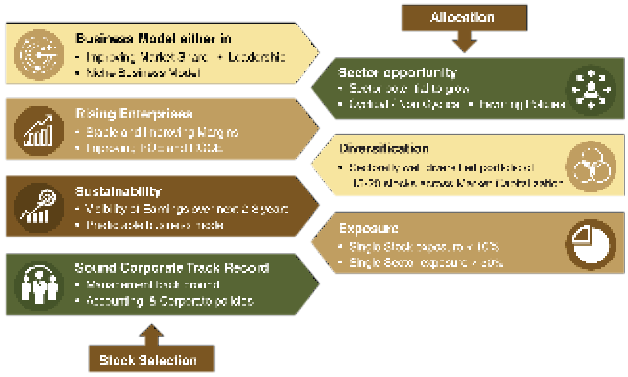
Objective & Investment Philosophy

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 — 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.

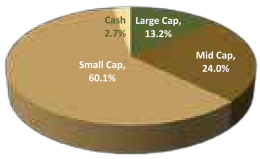
E — Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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	8.9%
2	ITD Cementation India Limited	8.5%
3	Radico Khaitan Ltd	8.3%
4	Schneider Electric Infrastructure Limited	6.7%
5	KPI Green Energy Limited	6.5%
6	KEC International Limited	6.1%
7	KEI Industries Ltd	5.8%
8	Coforge Limited	5.7%
9	Titagarh Rail Systems Limited	5.6%
10	Aarti Pharmalabs Limited	5.5%

Market Cap Allocation

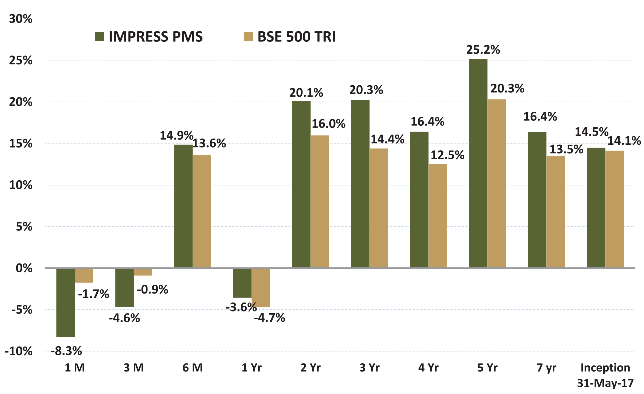


	Avg Market Cap (cr)
Large Cap	228388
Midcap	42697
Small Cap	16505
Overall Portfolio	52415

Data as on 31st August 2025

Portfolio Performance

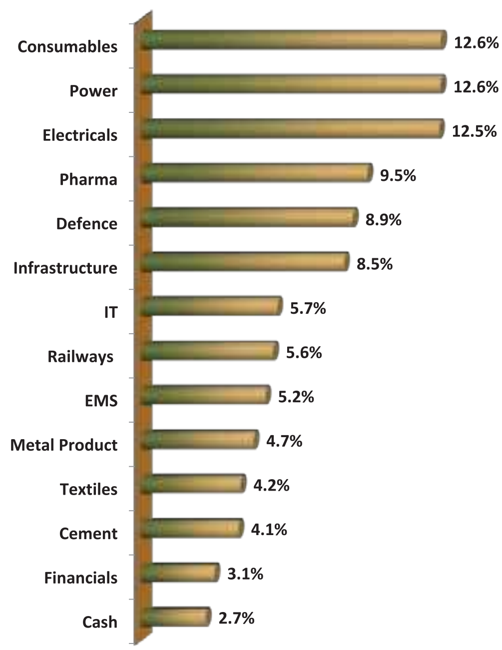
Performance as on 31st August 2025



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

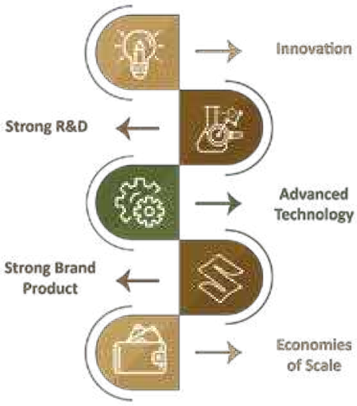
MNC Portfolio

Objective & Investment Philosophy

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

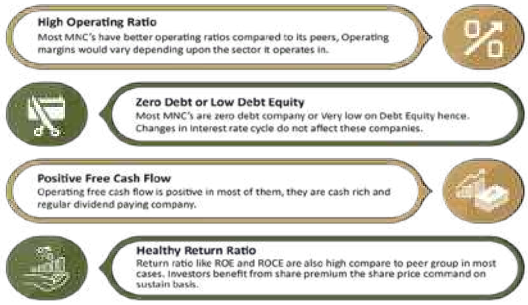
Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

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

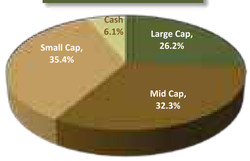
Healthy Balance Sheet



Top Holdings and Allocation

Sr. No.	Top 10 Holdings	% Holdings
1	Maruti Suzuki India Limited	8.06%
2	Glaxosmithkline Pharma Ltd	6.40%
3	Cummins India Ltd	6.12%
4	Nippon Life India Asset Management Limited	5.50%
5	KFin Technologies Limited	5.49%
6	CRISIL Ltd	4.84%
7	ITD Cementation India Limited	4.76%
8	Siemens Energy India Limited	4.60%
9	KSB Limited	4.43%
10	MPhasis Ltd	4.37%

Market Cap Allocation



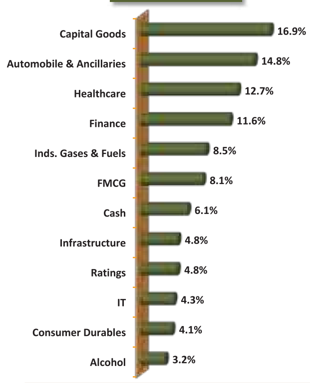
Avg Mkt Cap (cr)	
Large Cap	249331
Mid Cap	57432
Small Cap	18621
Overall Portfolio	**94079**

Data as on 31st August 2025

Strong Corporate Governance

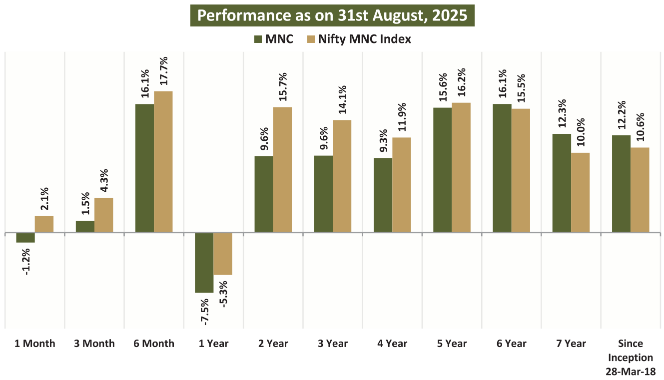
- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative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

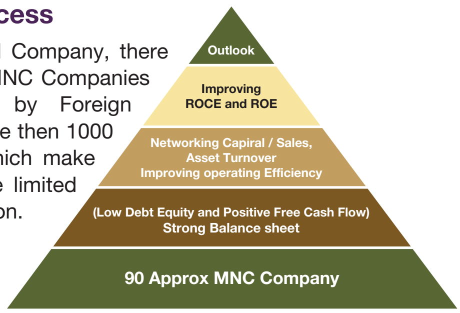
Performance as on 31st August, 2025



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.

Selection Process

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



Anand Rathi PMS

Decennium Opportunity

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

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

Opportunities at every level of emerging business

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

Emerging business of ongoing Industrial Revolution

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

Stock Selection Process

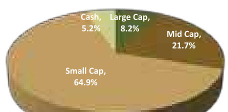
Opportunity - Accelerated Growth from Business Upcycle

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

Portfolio Synopsis

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	8.22%
2	Craftsman Automation Limited	7.41%
3	KEC International Limited	7.26%
4	Interarch Building Products Limited	7.24%
5	Techno Electric & Engineering Company Limited	6.87%
6	Ethos Limited	6.64%
7	Global Health Limited	5.79%
8	Caplin Point Laboratories Limited	5.52%
9	Blue Star Ltd	5.48%
10	Venus Pipes and Tubes Limited	5.40%

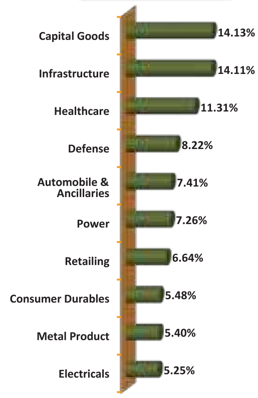
Market Cap Allocation



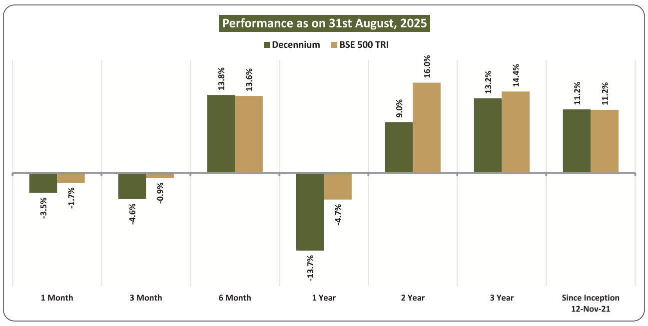
Data as on 31st August, 2025

	Avg Market Cap (cr)
Large Cap	2,81,134
Midcap	50,132
Small Cap	13,215
Overall Portfolio	42,279

Sector Allocation



The current model client portfolio comprise of 16 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.



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

Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 102.5%
Issuer	Anand Rathi Global Finance Limited
Underlying	Nifty 50 Index
Principal Protected	Principal is not protected
Tenor(days)	1910 days (~5.2 years)
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 38th, 41st, 44th, 47th, 50th, 53rd & 56th months
Contingent Coupon (CC)	102.5% (IRR: ~14.43%)
Return Profile	If NIFTY 50 returns are: Greater than or equal to 36% = 102.5% coupon Between 35% & 36% = (NIFTY 50 Return – 20%) * 100% PR + (NIFTY 50 Return – 35%) * 8650% PR Between 20% & 35% = (NIFTY 50 Return – 20%) * 100% PR Between -20% & 20% = Principal Protection Between -30% & -20% = NIFTY 50 Return * 1.6x Decay Between -90% & -30% = Decay decreases to 0.6x 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[3]
50018	102.50%	102.50%	14.43%
37050	50.00%	102.50%	14.43%
33592	**36.00%**	**102.50%**	**14.43%**
33345	35.00%	15.00%	2.71%
30875	25.00%	5.00%	0.94%
29887	21.00%	1.00%	0.19%
29640	**20.00%**	**0.00%**	**0.00%**
27170	10.00%	0.00%	0.00%
24700	**0.00%**	**0.00%**	**0.00%**
23465	-5.00%	0.00%	0.00%
22230	-10.00%	0.00%	0.00%
19760	**-20.00%**	**0.00%**	**0.00%**
19758	-20.01%	-32.0%	-7.11%
18525	-25.00%	-40.0%	-9.30%
17290	-30.00%	-48.0%	-11.75%
13585	-45.00%	-57.0%	-14.89%
2470	-90.00%	-84.0%	-29.55%
2468	-90.01%	-90.0%	-35.61%
0	-100.00%	-100.0%	-100.00%

NEO Secondaries Fund (NSF)

SEBI Registered Category II AIF

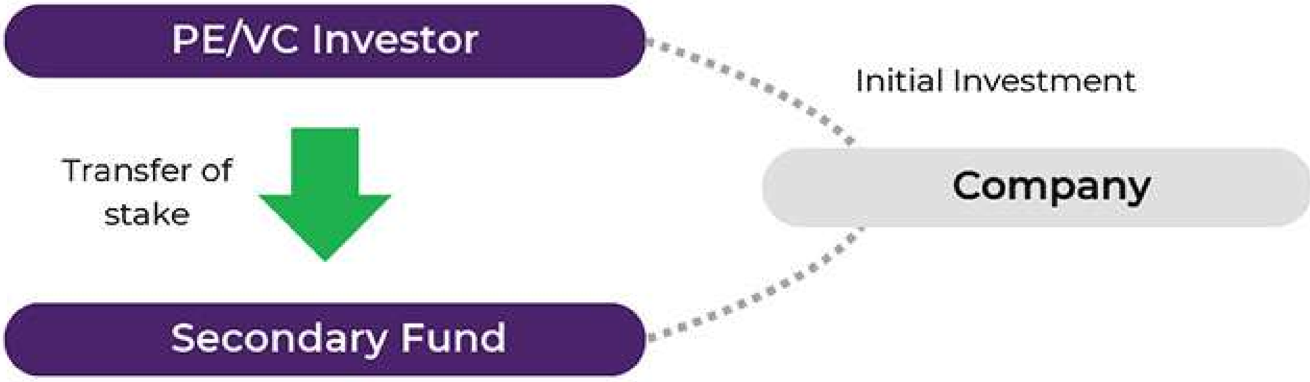
neo

Do Good.

FUND AIMS TO DELIVER ESTIMATED IRR OF ~ 24-27% P.A.

INTRODUCTION TO SECONDARIES

Secondary funds, commonly referred to as Secondaries, **purchase existing interests or assets** from private equity or venture capital fund investors



SECONDARIES IS A LARGE MARKET OPPORTUNITY

- Globally, Secondaries have delivered an **average $ IRR of 23%**
- PE secondaries have performed **consistently**, with **limited drawdowns**

- Over the past decade, India attracted **~₹30 lakh crore** in PE/VC investments out of which only **~₹7 lakh crore saw an exit** with exit value equal to ~₹14 lakh crore at an average **MOIC of ~2.0x**
- Secondary exits have surged recently, creating an **annual opportunity of ~₹1.7 lakh crore**
- Therefore, Indian PE Market is fueled with **Large Supply** of Existing Opportunities

Source: Neo Inhouse Research, Bain & Co Report, Y Charts

REASONS WHY SECONDARIES EXIST

- Liquidity Need Due to End of Fund Life for Investors
- Quicker Cashflows for Exiting Investors by way of Partial Exits
- Consolidating the Cap Table
- Changing ownership/ domicile of the company, Offshore to India
- Founder & ESOP Liquidity

NSF INVESTMENT PHILOSPOHY

- Invest in **industry leading companies** / sub-segment leaders
- Path to liquidity / **exit in 24-48 months**
- Scaled-up companies with **Revenue CAGR** of **~20%** in past three years
- Deals that offer **10-15% discount** to fair market value
- **EBITDA positive** companies
- High **quality founder** & established ecosystem of **governance**

Therefore, the fund creates a

WIN-WIN SITUATION FOR ALL STAKEHOLDERS

Incoming Investor

Access to mature, **high-growth** companies at **discounted** valuations with visible **IPO plans**

Exiting Investor

Timely **liquidity solution** as funds near end-of-life and **rebalance** portfolios

Company/Promoter

Enable **investor exits,** meet **promoter obligations**, and get **IPO readiness support**

NSF CURRENT PORTFOLIO OF MARKET LEADERS

1. India's Largest Adult Diaper Manufacturer

- The company is a leader in adult diaper market with **40% market share**
- **TAM of INR 20,000 Crore** and only 5% penetration, adult diaper offers **massive growth potential** further accelerated by Ecom and QC wave
- NSF Deal Size: **~INR 165 Crore**

2. Leading Beauty & Personal Care Player in India

- Scaled up **omnichannel** platform with mix of own & third-party brands
- **INR 1.5 Lakh Crore TAM** and focus on creating products for Indian Climate
- **45%+ gross margin** with 50% from high-margin private brands
- NSF Deal Size: **~INR 122 Crore**

3. Leading AI & Analytics solution provider in India

- Fastest growing AI-driven platform currently **serving 50+ Fortune 500 companies** having $10 Bn+ Revenue, $20 Bn+ MCap, or 30 Mn+ End-users
- Targeting IPO in 2026; DRHP to be filed shortly – **early exit visibility**
- NSF Deal Size: **~INR 131 Crore**

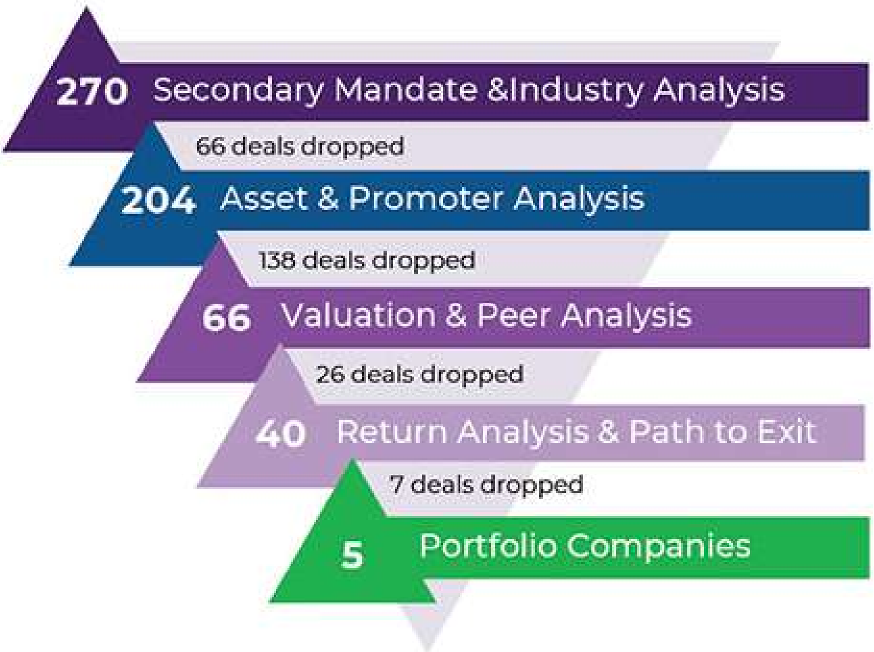
4. India's Leading Digital Identity Platform

- Offering digital solutions across the customer lifecycle including **onboarding, identity verification, risk profiling & to eliminate fraud**
- **80%+ gross margin** and catering to clients like HDFC, Amazon, Amex, Visa
- NSF Deal Size: **~INR 40 Crore**

5. End-to-End Platform for Device Lifecycle Management

- A **Tech Platform** offering the world's largest **white-labelled extended warranty program** for top global consumer electronics OEMs
- Marquee clients like **Samsung & Apple** enabling **global expansion**
- NSF Deal Size: **~INR 70 Crore**

EXTENSIVE DEAL SOURCING CAPABILITY



- Total Value of Deals Sourced **INR 50,000 Cr**
- **Healthy pipeline** of **25+ deals worth INR 3500+ Cr** at advanced stage that is currently being evaluated

MOST EXPERIENCED & CAPABLE TEAM

who have successfully operated, scaled and exited businesses

NITIN JAIN

Chairman & MD, Neo Group

Former CEO, PAG -Edelweiss Wealth

Industry Experience: 23 years

IIT Kharagpur, IIM Calcutta

Global Indian of the Year 2021 & Exemplary Leader of the Year 2025 - Asia One

HEMANT DAGA

Co-founder & CEO, Neo AMC

Former CEO, Edelweiss Asset Management

Industry Experience: 22 years

St. Xavier's, IIM Bangalore

Global Indian of the Year 2025 - Aisa One

PUNEET JAIN

Co-founder & CIO, NEO AMC

Former Goldman Sachs, Kotak Inst. Equities

Industry Experience: 22 years

IIT Kanpur, IIM Ahmedabad

Private Debt Turnaround Titan 2019- PDI

NITIN AGARWAL

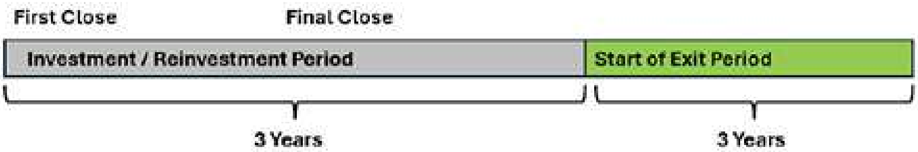
MD & Head, Private Equity

Headed India Investments for TPG NewQuest; Co-headed CLSA India PE

Industry Experience: 24 years

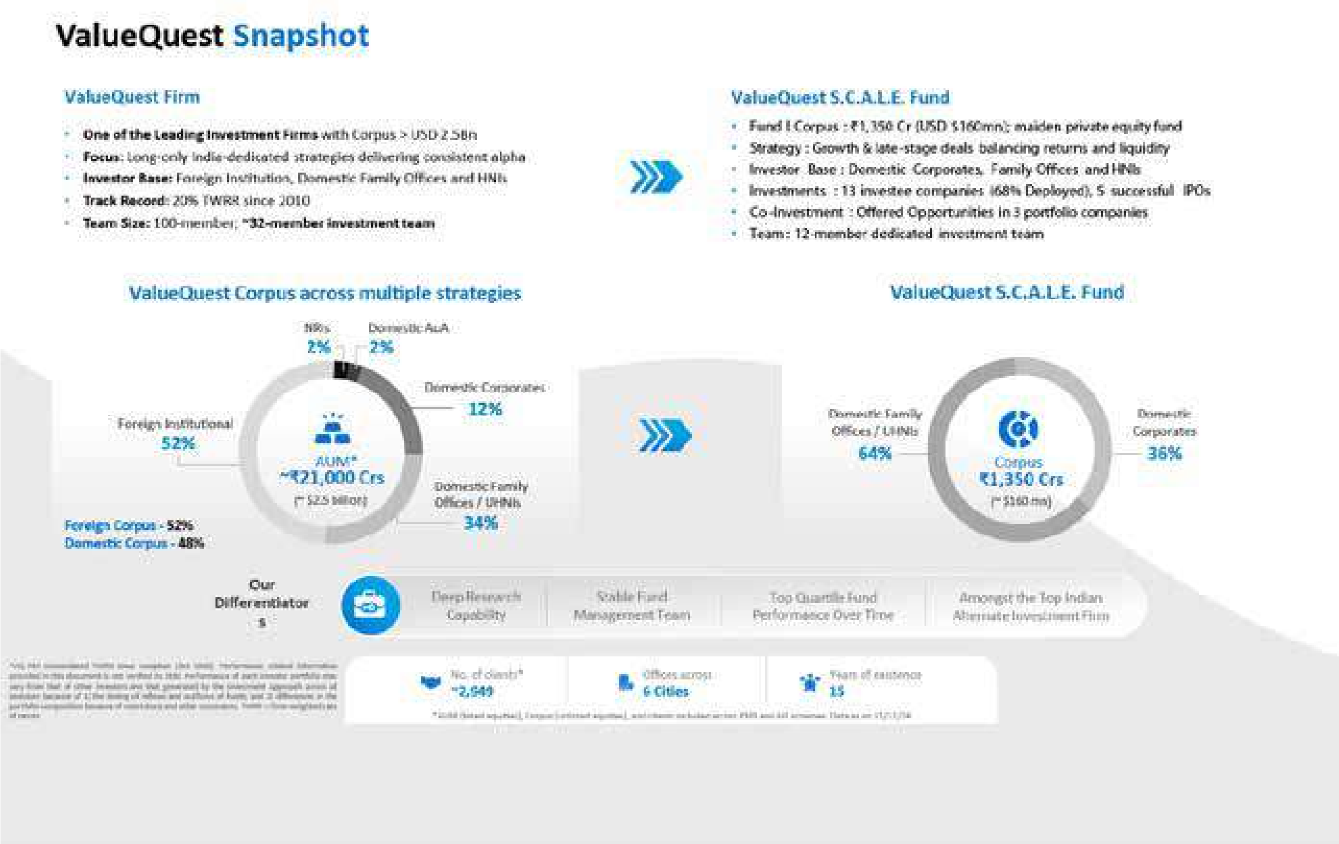
IIT Delhi, IIM Bangalore

KEY FUND TERMS

<table>
<tr><td>Target Size</td><td>~ INR 2000 Crores</td></tr>
<tr><td>Structure</td><td>Close Ended</td></tr>
<tr><td>Target Portfolio</td><td>~12 to 15 investments
(Deal size ~INR 50 – 250 crores)</td></tr>
<tr><td>Focus Sectors</td><td>Consumer
IT / ITeS
Healthcare
BFSI
Industrial & Services</td></tr>
<tr><td>Tenure</td><td>6 Years* (Average economic life ~ 4.5 years)


*Extendible 1+1 year</td></tr>
<tr><td>Gross Target IRR</td><td>~ 24-27% p.a.</td></tr>
<tr><td>Hurdle Rate</td><td>12%</td></tr>
<tr><td>Management Fees & Carried Interest with catch-up</td><td>
<table>
<tr><th>Class</th><th>Commitment</th><th>Management fees p.a.</th><th>Carried Interest</th></tr>
<tr><td>A1</td><td>1-1.99 Crs</td><td>2.00%</td><td>15.00%</td></tr>
<tr><td>A2</td><td>2-9.99 Crs</td><td>1.75%</td><td>15.00%</td></tr>
<tr><td>A3</td><td>10-24.99 Crs</td><td>1.50%</td><td>12.50%</td></tr>
<tr><td>A4</td><td>Above 25 Crs</td><td>1.25%</td><td>10.00%</td></tr>
</table>
Management fee is on committed capital during investment period and invested capital after the investment period</td></tr>
<tr><td>Fund Expenses</td><td>Charged at Actuals, capped at 0.25% p.a.</td></tr>
<tr><td>Investment Manager</td><td>Neo Asset Management Private Limited</td></tr>
<tr><td>Trustee</td><td>Orbis Trusteeship Services Private Limited</td></tr>
<tr><td>Custodian</td><td>Orbis Financial Corporation Limited</td></tr>
<tr><td>RTA</td><td>KFIN Technologies Limited</td></tr>
<tr><td>Tax Advisor</td><td>Ernst & Young LLP</td></tr>
</table>


ValueQuest
Tristar Fund
CAT II - Alternative Investment Fund
February 2025
Powered by Ideas.
Driven by Values.
TERMINAL VALUE
GROWTH
PREDICTABILITY
Aerospace
Defence
Precision Engineering
Manufacturing
Energy Transition


ValueQuest Snapshot
ValueQuest Firm
One of the Leading Investment Firms with Corpus > USD 2.5Bn
Focus: Long-only India-dedicated strategies delivering consistent alpha
Investor Base: Foreign Institution, Domestic Family Offices and HNIs
Track Record: 20% TWRR since 2010
Team Size: 100-member; ~32-member investment team
ValueQuest S.C.A.L.E. Fund
Fund I Corpus : ₹1,350 Cr (USD $160mn); maiden private equity fund
Strategy : Growth & late-stage deals balancing returns and liquidity
Investor Base : Domestic Corporates, Family Offices and HNIs
Investments : 13 investee companies (68% Deployed), 5 successful IPOs
Co-Investment : Offered Opportunities in 3 portfolio companies
Team: 12-member dedicated investment team
ValueQuest Corpus across multiple strategies
NRIs 2%
Domestic AuA 2%
Domestic Corporates 12%
Foreign Institutional 52%
AUM* ~₹21,000 Crs
(~ $2.5 billion)
Domestic Family Offices / UHNIs 34%
Foreign Corpus - 52%
Domestic Corpus - 48%
ValueQuest S.C.A.L.E. Fund
Domestic Family Offices / UHNIs 64%
Corpus ₹1,350 Crs
(~ $160 mn)
Domestic Corporates 36%
Our Differentiators
Deep Research Capability
Stable Fund Management Team
Top Quartile Fund Performance Over Time
Amongst the Top Indian Alternate Investment Firm
No. of clients* ~2,949
Offices across 6 Cities
Years of existence 15

Investee Companies - Fund I

Category	Sr. No.	Company Name	Sectors	Investment Period	Primary / Secondary	Amount Invested (₹ Crs.)	Current Value (₹ Crs.)	MOIC	Listing / Liquidity Event
Late- Stage Growth companies	1	Waaree Energies Ltd.	Energy Transition	July 2023	Primary	50.00	259.51	5.19^	✓ (IPO)
				October 2024		41.66	79.12	1.90^	
	2	RR Kabel Ltd.	Industrials & Manufacturing	August 2023	Secondary	50.00	72.71	1.47^	✓ (IPO)
	3	Zaggle Prepaid Ocean Services Ltd.	Fintech	August 2023	Primary + Secondary	37.60	119.05	3.17^	✓ (IPO)
	4	TBO Tek Ltd.	TravelTech	May 2024	Secondary	53.79	101.40	1.88^	✓ (IPO)
	5	Unimech Aerospace & Manufacturing Pvt. Ltd.	Precision Engineering	July 2024	Primary	100.00	201.87	2.02^	✓ (IPO)
	6	Solarworld Energy Solutions Ltd.	Energy Transition	September 2024	Secondary	40.02	62.50	1.56	DRHP Filed[1]
				November 2024	Primary	85.00	85.00	1.00	
Growth Capital companies	7	Wow Momo Foods Pvt. Ltd.	Consumer – QSR	June & Sept 2023	Primary	75.00	72.14	0.96*	-
	8	Veeda Clinical Research Pvt. Ltd.	Healthcare	May 2023	Primary	50.00	57.28	1.15*	-
	9	PSL Retail Ltd. - (Purple Style Labs)	Consumer – Retail	March 2023	Secondary	25.00	45.00	1.80*	-
	10	Edunetwork Pvt. Ltd. (Rentomojo)	Consumer Tech	March & April 2024	Primary + Secondary	68.17	80.38	1.18*	-
	11	August Jewelry Pvt. Ltd.	Consumer	April 2023	Primary	16.00	-	*	-
	12	Sabina Hospital & Research Centre Pvt. Ltd.	Healthcare	June 2024	Secondary	60.99	69.99	1.00*	-
	13	Jupiter International Ltd.	Energy Transition	July 2024	Primary	125.00	125.00	1.00*	-
	Gross IRR ~51%			Net IRR ~48%		887	1,431	1.61x	

*MOIC calculation is based on FMV of the company as per valuation report of independent third-party valuation exercise, in our case, conducted by Crisil as on 30th September 2024
^MOIC calculation is based on the FMV of the company basis closing stock price on National Stock Exchange (NSE) of India as on 31st December 2024
✓ Company is already listed on the Stock Exchange and is a liquidable asset
1. DRHP filed – Draft Red Herring Prospectus Filed with the Securities and Exchange Board of India (SEBI)

Proposed Tristar Fund Features

Fund Name	ValueQuest Tristar Fund
Fund Category	CAT II AIF *(Closed Ended)*
Fund Size	₹600 crore + ₹400 crore Greenshoe Option (~USD 120 mn including Greenshoe)
Fund Tenure	8 years (+1 year + 1 year) from First Close*
Sectors and Themes	• Aerospace • Defence • Precision Engineering • Energy Transition • Manufacturing
Target Ownership	Significant Minority Stake
Investment Ticket	₹ 50 Crs. - ₹ 125 Crs. (USD 6 mn – 15 mn) *Some deals with larger cheque sizes may include co-investment opportunities*
Sponsor and Team Commitment	₹ 75 Crs. (USD 9 mn)**

Note : Application filed [illegible]
**Fund tenure is 8 years (+ 1year + 1year) from first close; first close targeted within 2 years from first close*
*** Proposed commitment*

Drivers

- **Aerospace:** Demand-supply mismatch + Skilled low cost labour + OEM avoid China for IP reasons + High switching costs
- **Defence:** Strategic position of India + Push to deep indigenization + Budgetary constraints + Upgrade and electronics push
- **Precision Engineering:** GoI initiative + China + 1 + Indian cost structure + Demand supply mismatch + High switching costs
- **Manufacturing:** GoI initiative + China + 1 + Indian cost structure + Economy of scale
- **Energy Transition:** Demand-supply mismatch + Skilled low cost labour + GoI initiative + China + 1

Strategy

- **Identify companies with a right to win:** Technology, execution, scale
- **Partner with the right promoter:** Visionary in scope, Astute in operations
- **Cherish the right opportunity:** Right to participate in further rounds as needed
- **Revisit the hypothesis:** Stress test the hypothesis in a timely manner to avoid blind spots

Disclaimer, Disclosures & Important Notices

This document is distributed by Quest 4Value Investment Managers LLP (an "LLP") appointed as 'Investment Manager' by the Trustees in respect of the ValueQuest Tristar Fund, ("Fund") a scheme of ValueQuest Tristar Trust ("Trust") a Category II AIF (application filed with SEBI as on 25.12.2024) on a strictly confidential basis to investors for general information purposes only.

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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

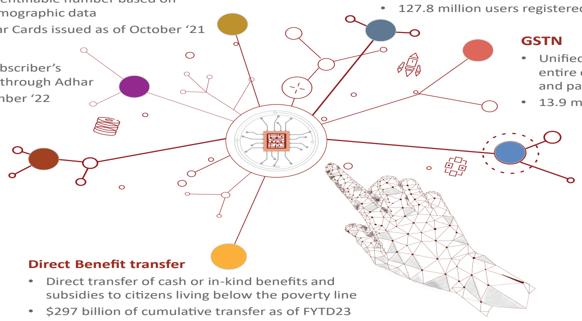
Source: Industry reports, IVEN estimates

IVen amplifi

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

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

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

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

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

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

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

Source: Industry reports, IVEN estimates

IVen amplifi

1

Fund strategy

ICICI Venture

Tech-focused venture fund

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

Tap synergies across ICICI Group

Sector agnostic; digital focus on Fintech, ConsumerTech and Enterprise

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

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

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

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

"No Go": Seed stage

Provide strategic support to portfolio companies especially areas of corporate governance

IVen amplifi

IVen Amplifi's positioning

ICICI Venture

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

Target Return / 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	IVen 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

IVen amplifi

Investment themes

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

Fintech

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

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

Consumerisation

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

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

India and the World

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

B2B Marketplace | SaaS

Illustrative ICICI Group Partnerships with Startups

Fingpay
AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai
IVR Automation in vernacular language using voice bot

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

Karza
Digitization of due diligence process for retail loans

SatSure
Satellite data analytics for Agri business- Sat farm

PropertyPistol
Property tech platform aiding customers with B2C real estate sales

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

CarDekho
Dealer funding/ Inventory funding/ New car loans

Credgenics
Automated drafting of personalized legal notices & live tracking

WorkApps
Video KYC and video banking module

Vanghee
Current account opening & payment solution for MSME

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

More than 200 partnerships across ICICI Group

Illustrative Deal Pipeline

Focus on businesses which solve real problems

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

Key investment framework

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

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

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

Fund's Investment Process

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

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

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

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

Key Fund Team Members

Experienced fund management team with significant investing experience

Mr. Subeer Monga
Director

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

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

Subeer has been involved with ~20 investments

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

Mr. Sharad Malpani
Director

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

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

Sharad has been involved with ~10 investments

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

Portfolio management

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

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Hiring		
native	Michael Page	QUESS
Walker	PURPLE QUARTER	seenrecruit

Services		
MyCFO	Aparajitha	protiviti

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

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
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
Capgemini Technologies	Consulting Services
Sbi Mutual Fund	Mutual Fund
Orbis Financials Corporation Ltd.	Custodian
Bira	Beverages
Oravel Stays Ltd.	Hospitality
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

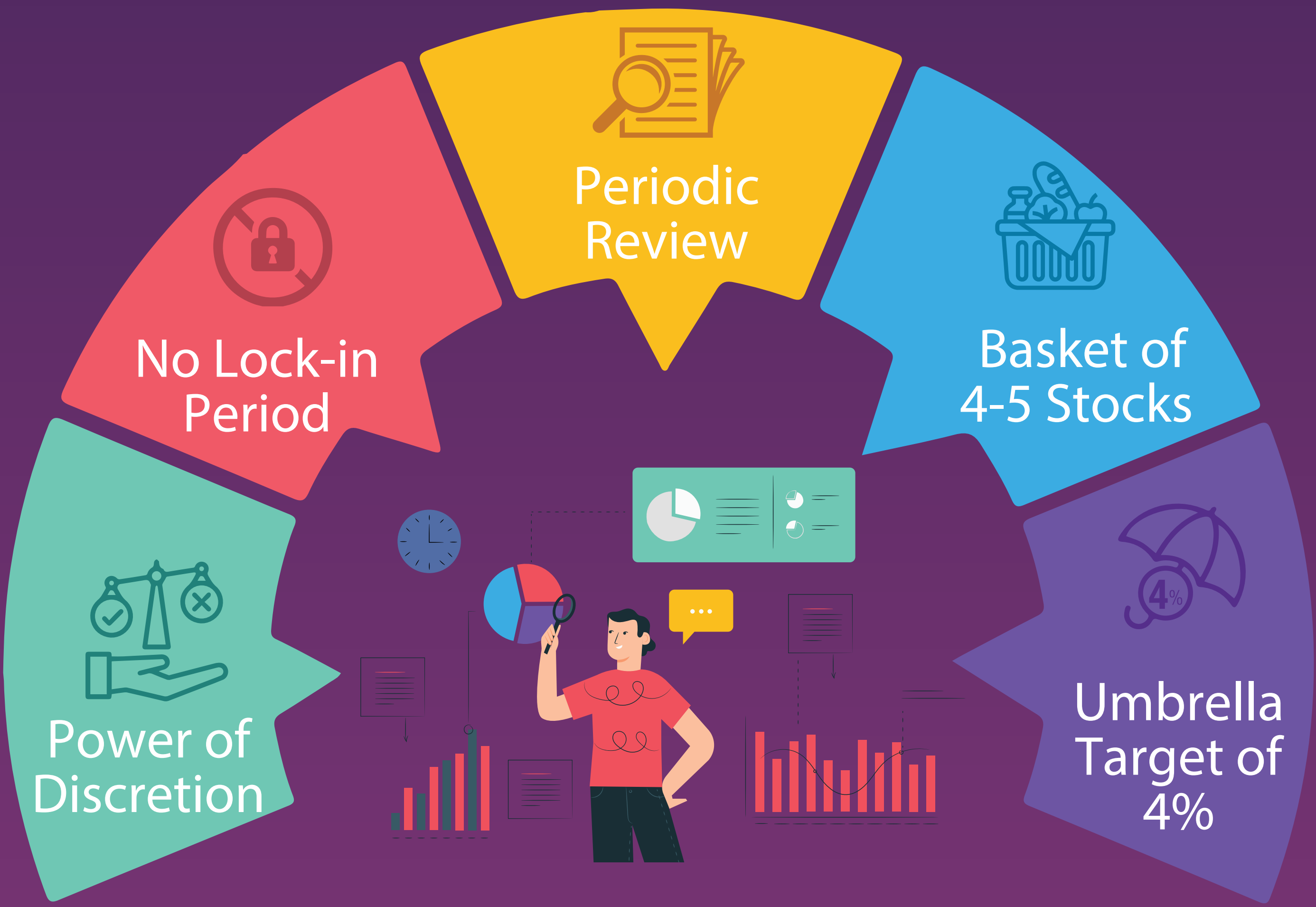
*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

Notes

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

Feat Award Function 2023-24