

FINANCIAL

FLASH

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From the Desk
of the PCG Head

Rajesh Kumar Jain

PCG COMMUNIQUE – OCTOBER 2025

September 2025: A Month of Volatility & Uncertainty

September 2025 proved to be a challenging month for Indian equities, as markets oscillating between global headwinds, policy developments, and corporate earnings pressure. The sword of 50% tariff was already looming on the Indian Economy and then the month was dominated with, escalating U.S. trade tensions, restrictive H1-B visa norms, 100% duty on branded pharmaceuticals. Infact the US policy was completely unfavourable towards the Indian Economy.

This triggered immediate investor caution. The select names in both the two sector has lost the mkt cap and investor sentiment became week on these two sectors. Stricter U.S. visa rules added compliance costs and margin pressure for Indian IT companies heavily reliant on onsite operations. Indian generics, which account for the bulk of India's USD 10 billion pharma exports to the U.S., were largely exempt.

FII's has been net seller in the Indian Mkt to a tune of 35,301CR, while DII has bought for 65,343CR in the Indian market. On a year-to-date basis till Sept, DIIs have already infused Rs 5.78 lakh crore into equities, providing a crucial cushion against FII outflows and helping markets avoid deeper corrections. In September, Nifty PSU Banks, Metals, and Auto emerged as the top-performing sectors, benefiting from an improving domestic demand outlook. Conversely, Nifty IT underperformed sharply, weighed down by escalating U.S. H1-B visa restrictions and tariff-related uncertainties. Pharmaceuticals and healthcare stocks also faced significant pressure, as new U.S. tariffs cast doubt on margins and competitiveness for key export-oriented players.

While on the fiscal front, the government took steps on the GST reforms to boost consumption. Reducing

GST rate from 4 rates card to 2 rates card of 5% & 18% which has lowered the GST on essential goods moved to exempt or 5% categories. While condemning U.S. trade actions, India's strategy was clear, boost domestic consumption to counter external headwinds. However, even as these policy interventions provided support, trade negotiations with the U.S. remained tense, keeping overall market sentiment cautious through the month.

The U.S. Federal Reserve cut the federal funds rate by 25 basis points in September 2025, bringing it down to 4.00%–4.25%. This was the first cut since December 2024 and came against the backdrop of:

- Slowing job growth
- Rising unemployment signals
- Inflation stuck around 2.9%

Q2 FY26 and Beyond: Signs of Recovery Ahead?

All the actions taken by the government and central bank will make the outlook for Q2FY26 and beyond more constructive.

- The festive season, which typically drives a surge in consumer spending, is expected to lift demand across:
 - Automobiles
 - Consumer durables
 - Retail
 - FMCG
- The government's proposed GST rationalization could provide a meaningful boost to discretionary spending by improving affordability in autos, consumer durables, real estate, and hospitality.
- A favourable monsoon has supported rural recovery, which should start reflecting in demand patterns from Q2 onwards.
- The RBI, in its recent reports, has signalled expectations of enhanced growth and consumption in the latter half of FY26, supported by these structural tailwinds.
- Credit expansion, particularly in retail and MSME segments, is anticipated to pick up as liquidity conditions improve and festive demand kicks in.

Market is now looking at a potential earnings recovery starting Q3FY26.

- Analysts project FY26 growth settling around 8–9%, with a sharper rebound to 13–15% in FY27 as policy measures gain traction and demand normalises. We are currently pencilling in FY26 earnings to be around 1145 & 1250 for FY27, although there is a probability of downgrades if the earning doesn't turn up in the 2nd half.
- While valuations remain elevated despite the subdued earnings trajectory, the combination of policy support, rural recovery, and seasonal tailwinds offers hope for a gradual improvement in corporate profitability over the coming quarters.

- Certain sectors — particularly autos, consumer discretionary, and infrastructure — could see upward earnings revisions of 5–10% if early festive season trends and company commentaries turn positive.
- We are bullish on Defence, Renewables, Discretionary consumption, Auto, Capital Goods, Banks. Our preferred stock idea are, Mazagaon Dock, Titan, Indian Hotel, ICICI Bank, Indian Bank, M&M, TVS Motors.

Happy Investing!!!



Market Commentary

Monthly Market Commentary- 3rd September 2025

The Nifty index ended the September month on a slight positive note as it closed at '24,611' as compared to August end '24,436'. Similarly, Sensex ended the September month at 80,267 with a positive return of 0.6%.

Indian markets tumbled in the passing week with cut of over 2.50% and extended their losing run for fourth straight week following new round of tariffs on branded drugs heavy-duty trucks and kitchen cabinets by U.S. President Donald Trump. Traders remained concerned over Trump's decision to raise H-1B visa fees to \$1,00,000 per worker. Foreign fund outflows also dented sentiments.

Some of the major developments during the week are:

Output of eight key infrastructure sectors hits 13-month high in August: The Ministry of Commerce & Industry in its latest data has showed that the output of eight key infrastructure sectors jumped to a 13-month high of 6.3 per cent in August 2025 on account of expansion in coal, steel, and cement production.

India's flash composite PMI falls in September: HSBC Flash PMI indices retreated from August's recent highs to signal a modest slowdown. HSBC Flash India Composite Output Index fell to 61.9 in September from a final reading of 63.2 in August. HSBC Flash India Manufacturing PMI slipped to 58.5 in September.

Retail inflation for farm workers up in August: The labour ministry in its latest data has said that retail inflation for farm and rural workers increased to 1.07 per cent and 1.26 per cent in August 2025 from 0.77 per cent and 1.01 per cent, respectively, in July.

S&P retains India's GDP growth forecast at 6.5% in current fiscal: S&P Global Ratings in its Economic Outlook Asia-Pacific Q4 2025: Growth to Ease On External Strain report has retained India's GDP growth forecast at 6.5% in the current fiscal. India's GDP grew at 7.8% in the April-June quarter.

Govt launches Goods and Services Tax Appellate Tribunal: The Union Minister Nirmala Sitharaman launched the Goods and Services Tax Appellate Tribunal, marking a major milestone in the evolution of the GST regime and strengthening institutional framework for indirect tax dispute resolution.

The HSBC India Manufacturing PMI was revised down to 57.7 in September 2025 from a preliminary estimate of 58.5, and compared to August's 17-and-a-half-year high of 59.3. Despite the fall, the

figure remained well above the long-term average, signaling continued strength in the sector. New orders grew further amid robust demand, though the pace of expansion eased to a four-month low. Similarly, production increased at a solid rate but registered the weakest growth since May. Purchasing activity also rose markedly, albeit at the slowest pace in four months. Meanwhile, job creation retreated to a one-year low. On the price front, input costs continued to increase in September, driven by higher battery, cotton, electronic component, and steel prices. Selling prices, on the other hand, rose at the fastest pace since October 2013. Looking ahead, business confidence strengthened to a seven-month high, with changes in GST (goods and services tax) rates boosting optimism.

The HSBC India Services PMI fell to 61.6 in September 2025, down from 62.9 in August, according to preliminary estimates. Despite the decline, the reading remained close to August's peak—the strongest expansion in the services sector since June 2010—as foreign sales grew at the slowest pace since March 2025. Output expanded moderately, while job creation also softened. Only around 5% of service providers reported an increase in payrolls, indicating a slower pace of hiring compared to August. Meanwhile, outstanding business rose only marginally. On the price front, both input and output inflation eased, suggesting softer cost pressures across the sector.

India's consumer price inflation accelerated to 2.07% in August 2025, up from an upwardly revised 1.61% in July, broadly matching market expectations. This marked the first monthly increase in inflation in ten months, though it remained close to the Reserve Bank of India's lower tolerance threshold of 2% under its inflation-targeting framework. Food prices, which make up nearly half of the CPI basket, fell 0.69%, moderating from a 1.76% decline in July. Inflation rose for pan, tobacco, and intoxicants (2.49% vs. 2.45%) and miscellaneous items (5.05% vs. 5.01%), while costs increased at a slower pace for clothing and footwear (2.33% vs. 2.50%), housing (3.09% vs. 3.17%), and fuel and light (2.43% vs. 2.67%).

India's total exports (Merchandise and Services combined) for August 2025 is estimated at US\$ 69.16 Billion, registering a positive growth of 9.34 percent as compared to August 2024. Total imports (Merchandise and Services combined) for August 2025 is estimated at US\$ 79.04 Billion, registering a negative growth of 7.0 percent as compared to August 2024. Merchandise exports during August 2025 were US\$ 35.1 Billion as compared to US\$ 32.9 Billion in August 2024. Merchandise imports during August

2025 were US\$ 61.6 Billion as compared to US\$ 68.5 Billion in August 2024. India's total exports during April-August 2025* is estimated at US\$ 349.35 Billion registering a positive growth of 6.18 percent. Total imports during April-August 2025* is estimated at US\$ 390.78 Billion registering a growth of 2.49 percent.

The Goods and Services Tax (GST) collections for the month of September 2025 stood at ₹1,89,017 crore which is 9.1% higher than the GST revenue in the same month last year. Overall, for the first half of the current fiscal year (April to September 2025), total gross collections stood at ₹11,93,431 crore, an increase of 9.8% year-on-year.

India's foreign exchange reserves have shown negative signs as it decreased by US\$3.96 billion to \$16.3 billion in the week through September 25. Foreign currency assets decreased by \$8.64 billion to \$18.4 billion for the week ending September 25.

US Market

The U.S. markets traded lower during the week as renewed uncertainty about the outlook for interest rates were weighed on the markets sentiment following the release of some upbeat U.S. economic data.

Some of the major developments during the week are:

Existing home sales dip much less than expected in August: The US Existing home sales dipped by 0.2 percent to an annual rate of 4.00 million in August after jumping by 2.0 percent to an annual rate of 4.01 million in July.

GDP Surges 3.8% In Q2: The US real gross domestic product spiked by 3.8 percent in the second quarter compared to the previously reported 3.3 percent surge. The street had expected the pace of GDP growth to be unrevised.

Durable goods orders unexpectedly rebound in August: The Commerce Department said US durable goods orders shot up by 2.9 percent in August after tumbling by a revised 2.7 percent in July and plummeting by 9.4 percent in June.

US Weekly jobless claims decrease to two-month low: The initial jobless claims of US fell to 218,000, a decrease of 14,000 from the previous week's revised level of 232,000. The street had expected jobless claims to inch up to 235,000.

Mortgage applications growth slows: The US mortgage applications grew at a modest pace in the week ended September 19. The market composite index rose a seasonally 0.6 percent from the previous week, when it jumped 29.7 percent.

European Market:

European markets traded lower weighed down by concerns about Trump administration's trade policy, and uncertainty about the outlook for Federal Reserve's interest rates. Also, traders digested regional data, and the latest batch of economic data from the U.S.

Some of the major developments during the week are:

Spain GDP growth improves more than forecast: Spain's gross domestic product logged a quarterly growth of 0.8 percent, which was faster than the 0.6 percent rise in the preceding period and also the second quarter's initial estimate of 0.7 percent.

Italy consumer confidence improves in September: Italy's consumer sentiment climbed to 96.8 in September from 96.2 in the previous month. The expected score was 96.5. Nonetheless, any reading below 100 indicates a pessimistic outlook.

Eurozone bank lending growth rises in August: Annual growth in adjusted loans to households rose to 2.5 percent from 2.4 percent in July. At the same time, loan growth increased to 3.0 percent from 2.8 percent in July.

UK retailers expect sales to fall further in October: UK retailers expect sales to decline at a steeper pace in October, highlighting the persistent weak demand conditions. A net 36 percent of retailers expect sales to decrease in October.

French consumer confidence remains unchanged: France's consumer sentiment remained unchanged at a low level in September amid political uncertainty. The consumer confidence index held steady at 87 in September and also matched expectations.

Asian Market: Asian markets traded mostly higher during passing week even as U.S. President Donald Trump announced a new round of tariffs ranging from 25 to 100 percent on upholstered furniture, kitchen cabinets, heavy trucks and branded drugs starting October 1.

Some of the major developments during the week are:

Tokyo overall inflation climbs 2.5% in September: Overall inflation in the Tokyo region of Japan was up 2.5 percent on year in September. That was shy of expectations for an annual increase of 2.6 percent.

Japan manufacturing PMI shrinks more than expected in September: The S&P Global Japan PMI data showed manufacturing activity remained in contraction at 48.4 in September from a final reading of 49.7 in August, falling short of expectations of 50.2.

Japan services growth hits 3-month low: The S&P Global Japan Services PMI edged down to 53.0 in September 2025 from a final 53.1 in the prior month, a preliminary reading showed.

South Korea producer prices slid 0.1% in August: Producer prices in South Korea were down a seasonally adjusted 0.1 percent on month in August- after rising 0.4 percent in July.

South Korea's consumer confidence falls for first time in six months: South Korea's composite consumer sentiment index slipped to 110.1 in September, down 1.3 points from August, reflecting concerns over an export slowdown following new US tariffs.

The S&P Global US Manufacturing PMI eased to 52 in September 2025 from an over three-year high of 53 in August, in line with the preliminary estimate and the initial median consensus by markets. New orders for US factories grew for a ninth month but at a slower pace than the survey average, pressured by weak export demand as tariffs by the US triggered a series of trade disputes with major partners, driving sales from Canada and Mexico to fall. Consequently output growth also eased in the period, carried by a quicker pace of backlog depletion. Still, business confidence improved in September, and the positive expectations drove firms to continue taking more workers. On the price front, tariffs lifted input costs and inflation remained above the series average, but selling prices rose at a slower pace.

The HCOB Eurozone Manufacturing PMI fell to 49.8 in September of 2025 from the three-year high of 50.7 in the previous month, revised slightly higher from the flash estimate of 49.5 but still firmly below the initial market consensus of 50.7. The result extended the period of consistent contractions in the bloc's factory activity, with the exception of last month, that started in June of 2022 when Russia's invasion of Ukraine triggered shortages of key raw materials. New orders fell slightly, but still at the fastest pace since March amid a drop in export sales. Still, lower backlogs allowed firms to increase output levels. The signal of lower demand drove companies to shed jobs at the fastest pace in three months. On the price front, firms cited lower operating costs for the first time since June, driving output charges to drop. Looking ahead, factories still reported optimism in output for the next 12 months.

The S&P Global Japan Manufacturing PMI was revised up to 48.5 in September 2025, from a preliminary estimate of 48.4, but remained below August's 49.7. The latest reading marked the 14th contraction in factory activity over the past 15 months and the steepest decline since March, amid a sharper drop in overall new orders, driven by weaker demand from China and the impact of US tariffs. Meanwhile, companies raised staffing levels only marginally, marking the weakest increase since February. Reduced customer demand also led firms to cut back on purchasing activity, with the decline being the second-fastest in the past 18 months, while supplier performance continued to deteriorate. On the price front, input cost inflation accelerated to a three-month high, reflecting higher raw material and labour costs. As a result, selling prices rose solidly. Finally, business sentiment weakened to a five-month low, amid growing concerns over US trade policies.

Going Ahead

September was an eventful month for Indian equities. The Nifty 50 scaled a fresh intra-month peak of ~25,500 before succumbing to a late month losing streak and closing almost unchanged from the previous month. The primary market was vibrant, with nearly 25 IPOs launched—making it the busiest month for listings in almost three decades—reflecting continued investor confidence in India's entrepreneurial and corporate energy.

Global markets painted a different picture. Equities in the U.S. and Europe posted modest gains, supported by rate cuts by the Federal Reserve and stable corporate earnings. Bond yields softened across advanced economies, signaling easing financial conditions. The Indian rupee depreciated to a record low against the dollar amid sustained FPI outflows and corporate dollar demand.

Globally, policy developments continued to reflect uncertainty. The U.S. administration pushed ahead with a more inward-looking framework, emphasizing tariffs and restrictive visa rules such as tighter H1B provisions. China launched its Global Governance Initiative, projecting itself as a voice of the Global South and signaling its intent to challenge existing global institutions. Europe resisted American pressure to impose steep tariffs on India and China, preferring instead to lean on regulatory tools while pursuing supply chain diversification.

Against this unsettled external environment, India strengthened its domestic foundations with significant policy measures. Significant reduction of GST rates have provided a boost to consumption. Alongside, the government revised personal income tax rules, effectively enhancing disposable incomes and improving liquidity for households and small investors. Such reforms, combined with ongoing infrastructure expansion and sector-specific policies like the National Policy on Geothermal Energy, demonstrate the government's commitment to sustaining growth momentum.

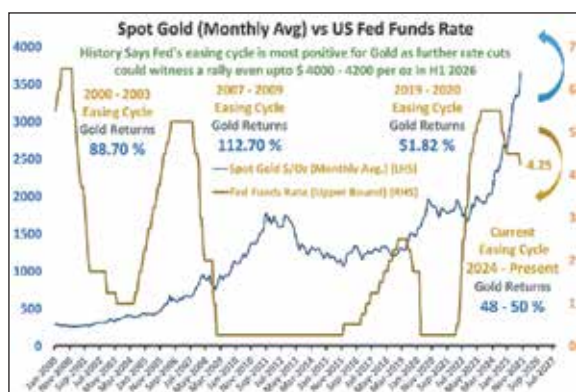
These supportive measures are well-timed to counterbalance the global headwinds of tariffs, protectionism, and migration curbs. They not only safeguard India's near-term growth trajectory but also reinforce the country's attractiveness as a long-term investment destination. For investors, the lesson is clear: short-term market fluctuations, currency pressures, or external shocks are inevitable, but India's fundamentals—demographics, domestic demand, corporate earnings power, and proactive policymaking—remain compelling.

As always, patience and conviction in the India story will be rewarded. Those who stay invested in India's equities stand to benefit from the wealth creation opportunities of a rising economy that is steadily positioning itself as a pillar of global growth.

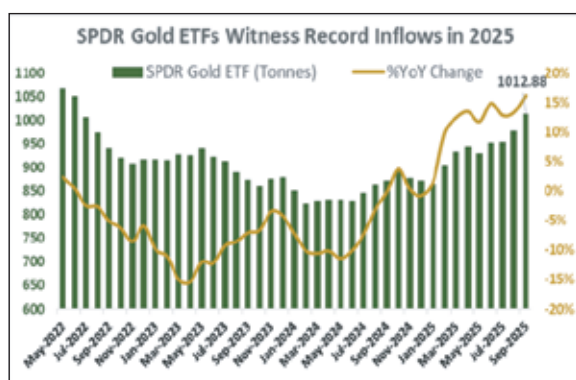
Commodities Outlook



Gold witness best month in last 14 years driven by US Rate cut bets, Strong ETF inflows, Weaker Dollar & Central bank buying interest amid Dedollarization strategy.



Gold prices continued to surge to new record highs delivering returns of over 50 % year to date, lifted by safe-haven demand as US went ahead to cut interest rates for the first time this year and also indicating 2 more rate cuts in 2025. U.S. government shutdown seen since start of the current month combined with softer jobs data again reinforced expectations the Federal Reserve will continue to deliver further rate cuts. Meanwhile the potential for stagflation, which is defined as slower economic growth coupled with constant inflation, was also one factor driving up prices.



SPDR Gold (World's largest Gold backed ETF) which held almost 33 – 35 % of global holdings witnessed fourth consecutive month of inflows in Sep 2025 as western fund's continues to boost sentiments. Holdings meanwhile remained below All-time high's hit in Sep'20 during Covid pandemic indicating more room for inflows.

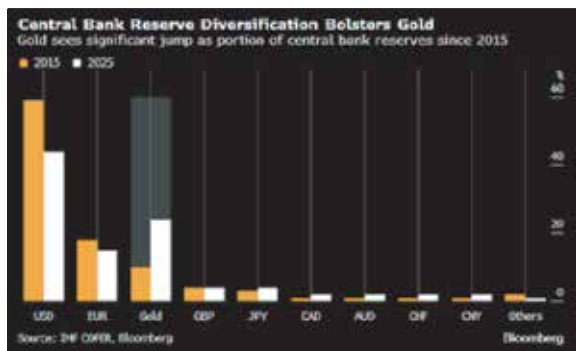
Gold ETFs in India also witnessed healthy net inflows of Rs. 2,190 crore in August 2025, accelerating from Rs. 1,256 crore in July and extending the positive streak to four consecutive months reflecting gold's enduring appeal both a portfolio diversifier and a tactical hedge amid ongoing global macroeconomic uncertainties. Strong inflows also seen across the globe, especially into US funds continue to support sentiments as gold delivered almost 10 – 11 % returns in September month.

On the physical demand front, Trade & Government sources also indicated that India's imports of gold & silver prices continued to nearly double in September from August, defying record high prices, as banks & jewellers rushed to build inventories ahead of festivals & escape higher taxes on imports. Higher imports by India, the world's second-biggest consumer of the precious metal, supported gold record run in prices even as demand languished in top buyer China.

Customs authorities in India cleared a much larger volume of imports in September compared to August, with increase seen in the base import price of Gold & Silver. Jewellers, who had stayed away from gold and silver in recent months awaiting a price correction were likely seen paying premium to stock up in September ahead of the festival season as prices hit fresh highs. In October as Indian festive season begins, which is considered auspicious to buy gold is likely to witness strong retail demand from world's second largest consumer despite higher prices.

Market sources also revealed Indian dealer's quoting a premium of as high as \$ 8-10 per oz over official domestic prices, inclusive of 6% import and 3% sales levies in recent weeks indicating strong physical demand. Strong buying from India continued to offset slowdown seen in China as the world's largest consumer remained inactive at higher levels. In China, traders were seen widening discounts last month to upto \$30 - 40 per oz against global benchmark prices, the highest in last 4 – 5 years.

Outlook: Volatility to profit booking moves may persist in near term but Gold to remain positively biased towards the end of the month amid a confluence of US Shutdown risk, ETF inflows Dollar weakness & Central Banks purchases combined with festive demand in India to lead prices to scale new height's in Q4'25.



As of May 2025, global central bank gold reserves surpassed their combined holdings of U.S. Treasuries for the first time since 1996, making gold the second-largest reserve asset after the U.S. dollar. However, the U.S. dollar remains the world's most dominant reserve currency, with its total share still higher than gold's. The shift indicates a major trend toward diversification and away from reliance on dollar-denominated assets as Global central banks continue to report firm purchases during the current year indicating Gold holdings could continue to rise in global reserves in coming year reducing the dollar dominance in global reserves.

Gold (Spot Close 3886.83/Oz, 03rd Oct), strategic role in portfolios has strengthened in recent scenario as investors navigate an era of slower global growth, policy uncertainty & elevated geopolitical risks. With inflationary pressures, a softening US dollar, & further anticipated US Fed rate cuts further upside potential still persist in gold prices through the remainder of 2025.

From a technical perspective, the strong rally beyond the \$3,800 per oz mark continues to surprise short term traders while new highs around \$ 3891 have been printed overnight. That said, the daily Relative Strength Index (RSI) is still flashing overbought conditions above 80 but weekly momentum indicators still shows some room for further rally in prices. The prices have traded in uncharted territory after breaching its 4 month old consolidation pattern towards the end of August indicating a strong upside momentum which could persist for next 2 – 3 months. Having said that broader bullish trend may also to challenge \$ 3,950 – 4,000 per oz on higher side. Conversely, a possibility of profit booking move in prices only persist in case a

weekly close below \$3,750 per oz in Spot markets which could be followed by a test of strong supports in the range of \$ 3680 – 3670 range. Overall expect a broader bullish bias to persist on a quarterly basis with short term profit booking moves to be seen as an opportunity to invest in the precious metal.

Silver Outperforms Gold for fourth consecutive month; rallies to fresh highs on MCX and surges to more than 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 almost 40 % since June 2025. It continued to outperform gold in last 4 consecutive months closing in towards all time highs of \$ 49.56 per oz hit in April 2011. With gold prices regaining momentum since Mid-August, amid growing expectations of interest rate cuts, silver has benefited from positive spillover effects and Investors shifting into the white metal due to its affordable nature of investment. 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 spiking to 6 – 7 % in 1 month in OTC markets since August.



Market tightness in the silver market during September 2025 was also driven by a powerful combination of escalating industrial demand, continued supply deficits, and heightened investor interest stemming from macroeconomic and geopolitical instability. This pushed silver

prices to near all-time highs and led to a nearly 18 - 20% gain in September, significantly outpacing gold's returns. Industrial use of Silver also saw higher solar power adoptions, with China's solar installations rising in August. While the Silver's industrial demand, particularly in consumer electronics and data centers also remained strong in last few months.

The fresh triggers for Silver appeared in the form of US government shutdown that fuelled safe haven demand for precious metals after lawmakers failed to reach a temporary funding deal. The US Department of the Interior, through the US Geological Survey, suggested adding silver to the USA's list of critical minerals which was predicted to increase interest in silver. According to reports, the Saudi Central Bank and the Russian government have also shown increasingly higher interest in the purchase of physical silver which kept the sentiments positive for white metal.

Outlook: Silver (3rd Oct Close, Rs. 1,45,744/Kg.) poised to witness Rs. 1.5 Lakhs per Kg in futures market as \$ 50 per oz remains on cards in spot market; Volatility to remain high in near term driven by uncertain global economic environment.



Silver has participated heavily in the upswing, rising almost 18% in September and standing out against gold with a 58 - 60% gain year-to-date. Hedge funds have extended net long positions in futures to a three-week high, reflecting conviction in its appeal as both a safe haven and a beneficiary of the cyclical upturn in manufacturing. However Technically speaking, Spot Silver prices looks over stretched, with the daily RSI above 80 signaling an overheated market and the potential for a pause which can lead to a correction of at least 4 - 5 % in prices in near term.

History has shown that silver has often proven capable of sustaining the overextended moves seen in past few months. Seasonal patterns indicate silver prices have not finished October in

negative territory across the past six years as the metal has posted an average gain of just over 4.1% which indicates a supportive backdrop for October month even after this year's historic advance.

Silver also could continue to benefit from industrial demand in solar, electricity generation & energy technology areas where gold has little exposure. Coupled with its tendency to deliver higher beta in "up" markets, the current environment provides ripe conditions for silver's outperformance to continue even in 2026. Having said that despite high volatility which may be seen in short term momentum is likely to remain elevated in medium term perspective with prices poised to test all time highs above \$50 an oz in spot in 1 - 2 month. Also Silver witnessing a highest Quarterly close since 2011 prices could likely to average between \$ 45 - 50 per oz in H2 2026.

Copper Rally: Supply Issues and Fed Cuts Drive Multi-Month Highs

In September, 3M LME copper traded between \$9,850 and \$10,500 per ton. Prices came under pressure at the start of the month but were supported after SMM reported that September output from the world's largest producer and consumer of refined copper was expected to drop 4-5% from August's level. Later in the month, the Federal Reserve cut its policy rate by 25 basis points to 4.00-4.25%, in line with expectations, and signaled that two more cuts could follow before the end of the year, as concerns over the US labor market intensified even while inflation remained present. This also supported prices. The story didn't end there.

On September 25, prices climbed near \$10,500 a ton on the LME, driven by supply disruptions such as Freeport-McMoRan's force majeure at Indonesia's Grasberg mine. This mine contributes about 3% of global mined copper, making disruptions highly significant for global supply. Potential labor strikes at Antofagasta's Los Pelambres mine in Chile also added to the concerns. In the last trading days of September, which coincided with China's National Day holiday, copper prices eased as traders took profits after a 15-month high. Even though there was some restocking demand in China, high prices and uncertainty over U.S. interest rates kept investors cautious. Copper futures ended at \$10,286.9, down slightly over 1%.

The metal has surged roughly 20% this year, supported by Federal Reserve rate cuts that weakened the dollar. Optimism around demand

from energy transition projects and AI-related data centers also fueled buying. Overall, a mix of supply issues, dollar weakness, and strong demand expectations has lifted copper to multi-month highs.



Key Highlights:

- Goldman Sachs cut 2025–26 global copper supply by 525,000 tons; Citi raised near-term copper price outlook to \$10,500/t, eyeing \$12,000–\$14,000 next year.
- Global refined copper saw a 57,000-ton surplus in July, rebounding from June's 14,000-ton deficit (ICSG).
- Copper long positions rose 12% to 70,604 lots (highest since April 2025); shorts fell 4% to 25,223 lots (lowest since May 2025).

Outlook

Copper prices are likely to stay strong above \$10,000 a ton this month, supported by steady demand and limited supply. Ongoing infrastructure and green energy projects in China, India, and Europe continue to drive consumption, while any new government stimulus could add further support. On the supply side, stable conditions in major producers like Chile and Peru may help output, but any labor unrest could tighten the market again. Traders are also watching for signs of lower inventories or smelter shutdowns to confirm a stronger price move. With LME copper now near \$10,714 a ton, prices could rise above \$10,900 and possibly set new records, with around \$10,500 and \$10,300 per ton. Overall, the outlook for October remains positive but watchful.

Technical Analysis



Market Overview – October 2025

LEVELS TO WATCHOUT FOR: 25,000 – 25,350 / 24,500 – 24,400

The month gone by brought some relief for the bulls, as the domestic markets managed to stage a recovery post RBI monetary policy announcement. The policy outcome acted as a positive trigger for banking stocks, which swiftly rebounded and helped lift overall market sentiment. Consequently, the NIFTY 50 spot index, which had slipped towards 24,600, managed to recover smartly and ended the week close to 24,900, registering gains of nearly 1%. The broader markets, however, stole the show, with the MIDCAP and SMALLCAP indices advancing close to 2%, underlining strong participation outside the frontline stocks.

Looking at the technical setup, the NIFTY 50 had slipped into oversold territory last week, paving the way for a bounce from the crucial support zone of 24,600–24,500. Despite this rebound, the market is not completely out of the woods. For a meaningful follow-through rally to unfold, the index must sustain above 25,000 on a closing basis for a couple of sessions. If this condition is met, short covering could propel the index towards 25,200–25,300 levels, which remain key hurdles to watch. On the flip side, immediate trendline support lies around 24,500, while 24,400 marks the previous swing low. Any dip towards these levels may attract renewed buying interest. Traders should remain vigilant, as the market continues to pose a tricky trading environment.

The recent recovery in the broader market can largely be attributed to the strong performance of the NIFTY BANK index, which rallied over 2% during the week. This rebound helped the index close above 55,500, improving sentiment for the financial space. From a technical perspective, the index has registered a trendline breakout, signalling strength. However, for a clear confirmation of bottom formation, a sustained close above 55,800 is essential. Should this materialize, the index is likely to outperform further, providing leadership to the overall market. On the downside, immediate support is seen in the 55,000–54,500 zone, which could cushion any corrective move.

In summary, Domestic markets staged a recovery post RBI policy, led by banking stocks, with NIFTY 50 rebounding from 24,600 to near 24,900, up 1%. Broader markets outperformed as MIDCAP and SMALLCAP indices gained ~2%. Technically, NIFTY must sustain above 25,000 for a follow-through rally towards 25,200–25,300, with support at 24,500–24,400. NIFTY BANK surged over 2%, closing above 55,500, with a trendline breakout. A sustained move above 55,800 may confirm bottom formation and extend outperformance.



Technical Pick – BUY ITI

Upside: 14.51 %- 19.35% ▲

- **Trendline Breakout:** ITI has broken above the key trendline, supported by the confluence of 200 SMA and EMA, confirming strength in price action.
- **Momentum Indicators:** RSI has bounced from the 40 zone while MACD shows early bullish signals, indicating that selling pressure is fading.
- **Bullish Setup:** The alignment of moving averages with the breakout and improving momentum reinforces a positive outlook, cementing the bullish case.
- Thus, traders are advised to **buy ITI in the range of 315-305** with a stop loss of 280 on closing basis for an upside target of **355 and 370** in coming 1 – 3 months.



Research Analyst Disclaimer - To read complete disclaimer click below
Link:<https://insurance.rathi.com/nl/upload/links/RADisclaimer.pdf>

Fixed Income Services



Monetary Policy Update

The Reserve Bank of India in its 57th meeting of the Monetary Policy Committee (MPC) scheduled on 29th, 30th September and 1st October 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, as the inflation outlook has improved in recent months due to a sharp decline in food prices and the rationalisation of GST rates.

Headline inflation for 2025-26 has been revised downwards despite adverse base effects, while the MPC noted that the growth outlook remains resilient, supported by strong domestic drivers. Growth is further expected to benefit from a favourable monsoon, lower inflation, monetary easing and the salubrious impact of recent GST reforms. The MPC also considered it prudent to wait for the impact of policy actions to play out and for greater clarity to emerge before deciding the next course of action.

Growth

Economic activity remained robust with Q1 2025-26 GDP growth at 7.8% and GVA at 7.6%, surpassing expectations. Going forward, an above-normal monsoon, strong kharif sowing, and healthy reservoir levels should support agriculture and rural demand, while buoyant services, steady employment, and GST rationalisation will further boost consumption. Rising capacity utilisation, favourable financial conditions, and firm domestic demand are likely to aid investment,

though external demand faces pressure from trade policy uncertainties, geopolitical tensions, and global financial volatility. Structural reforms, including GST streamlining, are expected to cushion some of these external headwinds.

GDP Growth			CPI Inflation		
	MPC's Recent Projection (%)	MPC's Last Projection (%)		MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 26	6.80%	6.50%	FY 26	2.60%	3.10%
FY 26 Q2	7.00%	6.70%	FY 26 Q2	1.80%	2.10%
FY 26 Q3	6.40%	6.60%	FY 26 Q3	1.80%	3.10%
FY 26 Q4	6.20%	6.30%	FY 26 Q4	4.00%	4.40%
FY 27 Q1	6.40%	6.60%	FY 27 Q1	4.50%	4.90%

Summary of projection on growth & inflation by the MPC

Inflation

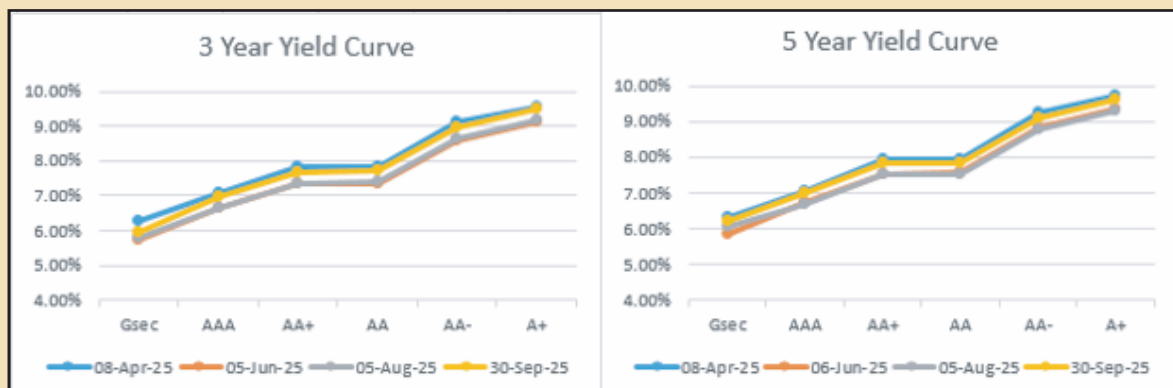
Headline CPI inflation fell to an eight-year low of 1.6% (y-o-y) in July 2025 before edging up to 2.1% in August, its first rise in nine months which was driven by the sharp fall in food inflation. Looking ahead to H2 2025-26, a good monsoon, higher kharif sowing, adequate reservoirs, and comfortable food grain buffers are expected to keep food prices stable, while GST rate rationalisation should ease prices of several CPI items. Overall inflation is likely to remain soft, though large adverse base effects may push headline CPI higher, particularly in Q4.

Liquidity and Financial Market Conditions

System liquidity under the Liquidity Adjustment Facility (LAF) averaged a daily surplus of ₹2.1 lakh crore since the August 2025 MPC meeting.

Going forward, the drawdown of government cash balances and the remaining 75 bps CRR cut in October-November are expected to support banking system liquidity in the near term. The RBI will continue to actively manage liquidity through two-way operations (VRR and VRRR) to keep short-term rates anchored. RBI proposed to make the revised Basel III capital adequacy norms effective for commercial banks (excluding SFBs, PBs and RRBs) from 1st April 2027

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in Aug 2025:



Source: CRISIL Fixed Income Database

- The 3-year G-sec curve saw a hardening of ~12 bps and 5-year G-sec curve of ~30 bps. Additionally, the 3-year and 5-year AAA curve saw a hardening of ~30 bps.
- In 3-year space, the rest of the credit curve saw a hardening of ~30 bps. Similarly, the 5-year credit curve experienced an hardening of ~30bps.
- The AAA spread over G-sec expanded by ~18 bps in the 3-year space and ~17 bps in the 5-year space.

Outlook: The RBI MPC's decision to hold the repo rate at 5.5% reflects a cautious yet supportive stance, aimed at sustaining domestic demand amid global trade tensions, high US tariffs, and policy uncertainties. With inflation undershooting the target and GST rationalisation easing cost pressures, the environment remains conducive for growth, while leaving room for a potential rate cut later in the fiscal if conditions permit. Recent measures, including ECL provisioning and SRVA liberalisation, are expected to shape credit markets, enhance banking resilience, and facilitate global alignment in trade practices.

While maintaining focus on its dual mandate of price stability and growth, the RBI has leveraged this policy to restructure the core of India's financial system, resulting in a stronger, more flexible framework that fosters sustainable growth, deeper markets, and a more globally integrated rupee.

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

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%
7.55% REC 2030	11-May-30	11-May	AAA by CRISIL, CARE, ICRA & IND	7.00%
6.82% PFC 2031	22-Jan-31	Quarterly	AAA by CRISIL, CARE, ICRA & IND	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% KIFB 2032	Staggered Maturity (08-Aug-2032)	08TH FEB, 08TH MAY, 08TH AUG, 08TH NOV	AA (CE) BY IND RATINGS & ACUITE	9.65%
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.

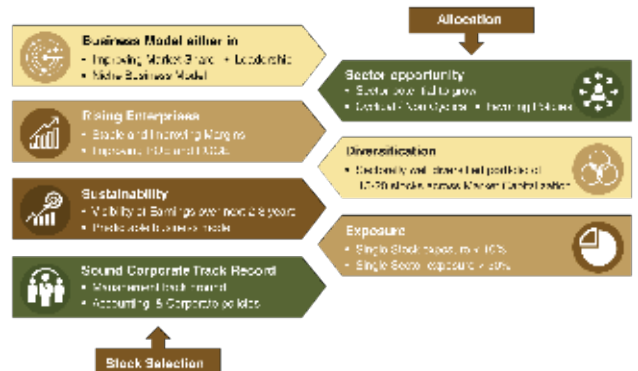
Value investing is the art of buying stock which trade at a significant discount to their intrinsic value. Portfolio Manager achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.

Value

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.

Growth

Investment Process

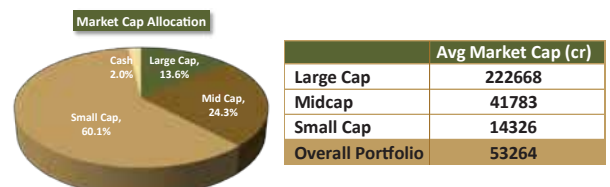


Re-VIEW Strategy



Top Holdings & Market Cap Allocation

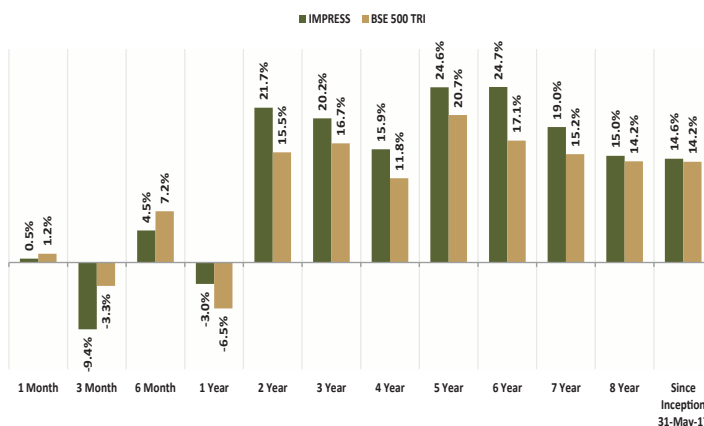
Sr No	Top 10 Holdings	% Holdings
1	Cemindia Projects Limited	9.7%
2	Bharat Electronics Ltd	9.7%
3	Radico Khaitan Ltd	8.4%
4	KEC International Limited	6.5%
5	Schneider Electric Infrastructure Limited	6.4%
6	KEI Industries Ltd	6.2%
7	KPI Green Energy Limited	5.9%
8	Titagarh Rail Systems Limited	5.9%
9	Aarti Pharamlabs Limited	5.4%
10	Coforge Limited	5.3%



Data as on 30th September 2025

Portfolio Performance

Performance as on 30th September 2025

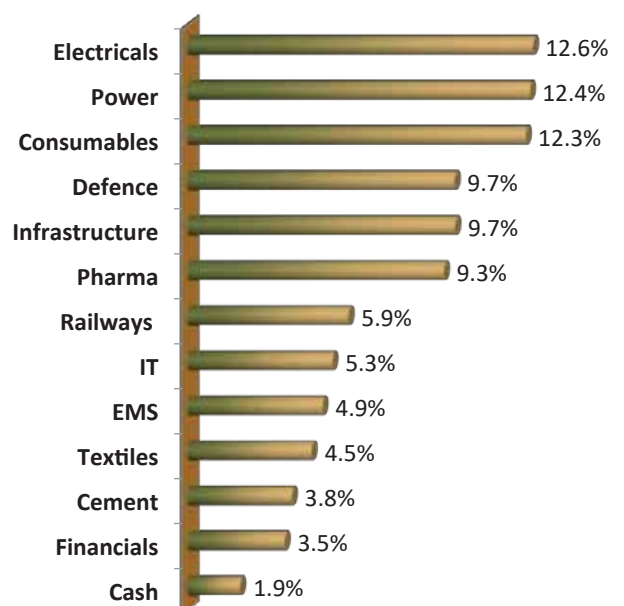


Note: - Returns above one year are annualized. Returns net of fees and expenses.

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

Strong Corporate Governance

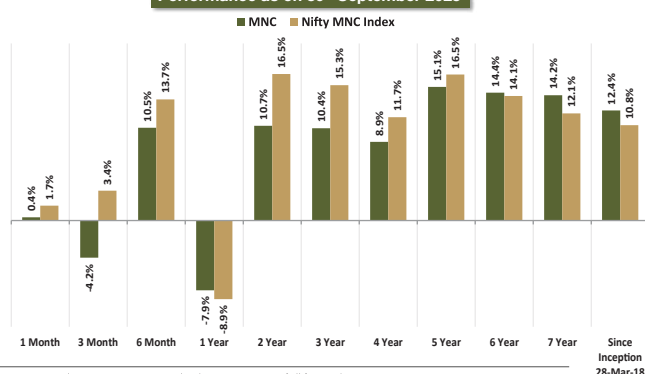


► MNC's are generally rated high for their corporate governance standard.

► 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.

Performance as on 30th September 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.

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

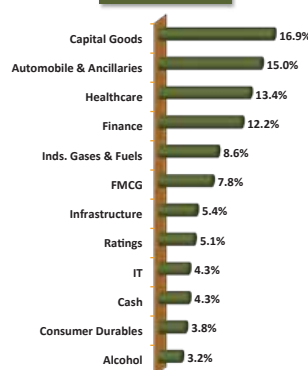
Sr No	Top 10 Holdings	% Holdings
1	Maruti Suzuki India Limited	8.70%
2	Cummins India Ltd	6.26%
3	Glaxosmithkline Pharma Ltd	6.09%
4	Nippon Life India Asset Management Limited	6.07%
5	KFin Technologies Limited	5.64%
6	Cemindia Projects Limited	5.43%
7	Cohance Lifesciences Limited	5.12%
8	Siemens Energy India Limited	4.66%
9	KSB Limited	4.39%
10	Ingersoll-Rand India Ltd	4.34%



Avg Mkt Cap (cr)	
Large Cap	249331
Mid Cap	57432
Small Cap	18621
Overall Portfolio	92628

Data as on 30th September 2025

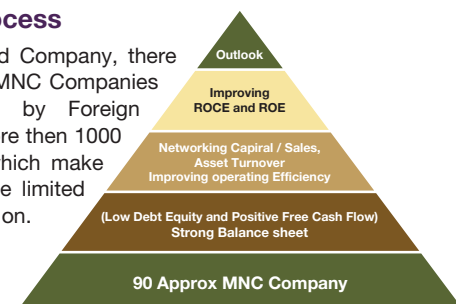
Sector Allocation



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.



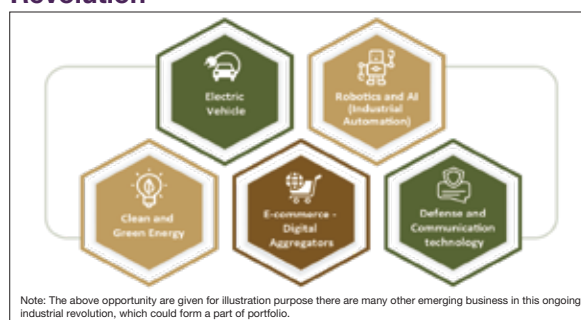
Decennium Opportunity

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

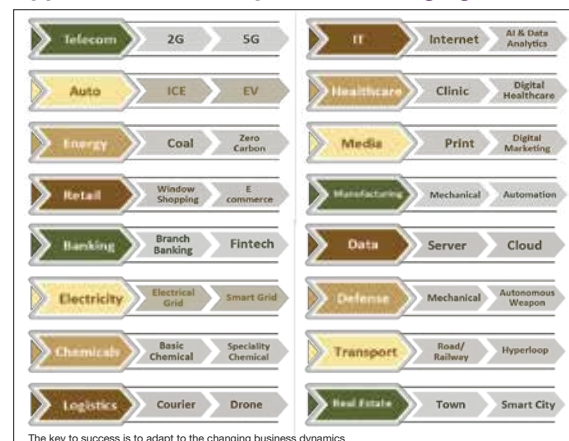


Opportunity - Accelerated Growth from Business Upcycle



- 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/ Entrepreneurs 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

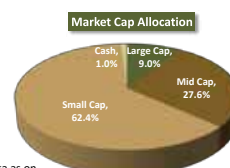


Stock Selection Process



Portfolio Synopsis

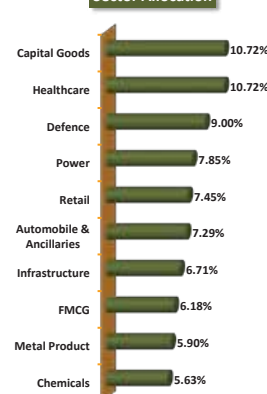
Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	9.00%
2	KEC International Limited	7.85%
3	Ethos Limited	7.45%
4	Craftsman Automation Limited	7.29%
5	Interarch Building Products Limited	6.71%
6	Zydus Wellness Limited	6.18%
7	Techno Electric & Engineering Company Limited	6.07%
8	Venus Pipes and Tubes Limited	5.90%
9	Coromandel International Limited	5.63%
10	Global Health Limited	5.54%



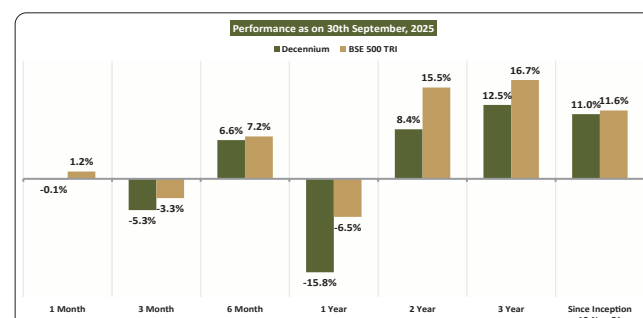
Data as on 30th September, 2025

	Avg Market Cap (cr)
Large Cap	2,81,134
Midcap	53,605
Small Cap	12,129
Overall Portfolio	47,634

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.



Disclaimer: Past Performance is not necessarily indicative of likely future performance.

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

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

Structure Product Idea

Sensex Accelerator

Product Name	Sensex Accelerator 102.5%
Issuer	Anand Rathi Global Finance Limited
Underlying	Sensex Index
Principal Protected	Principal is not protected
Tenor(days)	1910 days (~5.2 years)
Entry Level	Closing levels of Sensex Index as on primary trade date + 0.6% contingent then rounded to next 100
Exit Level	Average of closing levels of Sensex 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	<p>If NIFTY 50 returns are:</p> <p>Greater than or equal to 36% = 102.5% coupon</p> <p>Between 35% & 36% = $(\text{Sensex Return} - 20\%) * 100\% \text{ PR} + (\text{Sensex Return} - 35\%) * \mathbf{8650\% \text{ PR}}$</p> <p>Between 20% & 35% = $(\text{Sensex Return} - 20\%) * \mathbf{100\% \text{ PR}}$</p> <p>Between -20% & 20% = Principal Protection</p> <p>Between -30% & -20% = $\text{Sensex Return} * \mathbf{1.6x \text{ Decay}}$</p> <p>Between -90% & -30% = Decay decreases to 0.6x</p> <p>Less than or equal to -90% = Sensex Return</p>

*On the last observation date of Phase I, the product can be rolled over for an additional 1940 days.

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.

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

Exit Sensex Level	Sensex Return	Product Return	Product IRR ³
1,65,038	102.50%	102.50%	14.43%
1,22,250	50.00%	102.50%	14.43%
1,10,840	36.00%	102.50%	14.43%
1,10,025	35.00%	15.00%	2.71%
1,01,875	25.00%	5.00%	0.94%
98,615	21.00%	1.00%	0.19%
97,800	20.00%	0.00%	0.00%
89,650	10.00%	0.00%	0.00%
81,500	0.00%	0.00%	0.00%
77,425	-5.00%	0.00%	0.00%
73,350	-10.00%	0.00%	0.00%
65,200	-20.00%	0.00%	0.00%
65,192	-20.01%	-32.0%	-7.11%
61,125	-25.00%	-40.0%	-9.30%
57,050	-30.00%	-48.0%	-11.75%
44,825	-45.00%	-57.0%	-14.89%
8,150	-90.00%	-84.0%	-29.55%
8,142	-90.01%	-90.0%	-35.61%
0	-100.00%	-100.0%	-100.00%

1 Product payoff scenarios showcased are for illustrative purposes only. The returns are pre-tax.

2 Assumed entry level is closing of underlying index on primary trade date plus 0.6% contingent and then rounded off to next 100.

3 Product IRR is only for illustrative purpose and is dependent on the trade date and the underlying index level as on the date.

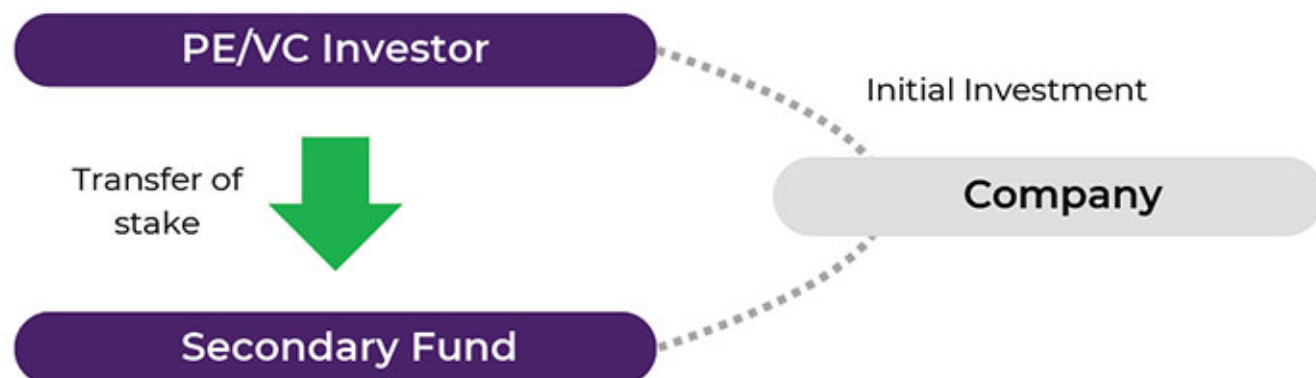
NEO Secondaries Fund (NSF)

SEBI Registered Category II AIF

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

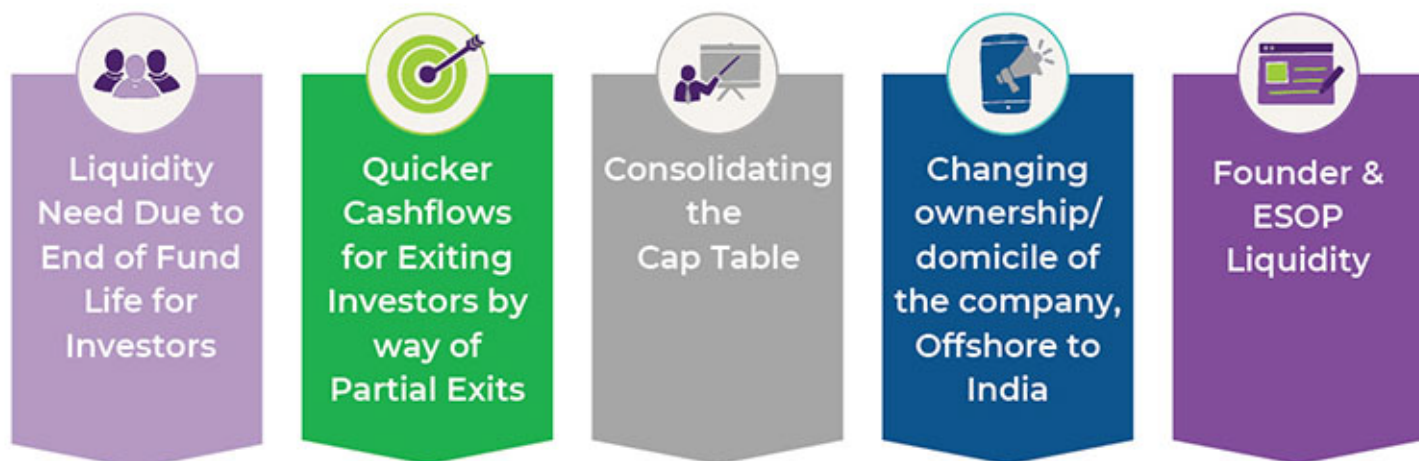


- Globally, Secondaries have delivered an **average \$ IRR of 23%**
- PE secondaries have performed **consistently**, with **limited drawdowns**



- 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

REASONS WHY SECONDARIES EXIST



NSF INVESTMENT PHILOSOPHY

- 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

270 Secondary Mandate & Industry Analysis

66 deals dropped

204 Asset & Promoter Analysis

138 deals dropped

66 Valuation & Peer Analysis

26 deals dropped

40 Return Analysis & Path to Exit

7 deals dropped

5 Portfolio Companies

- 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

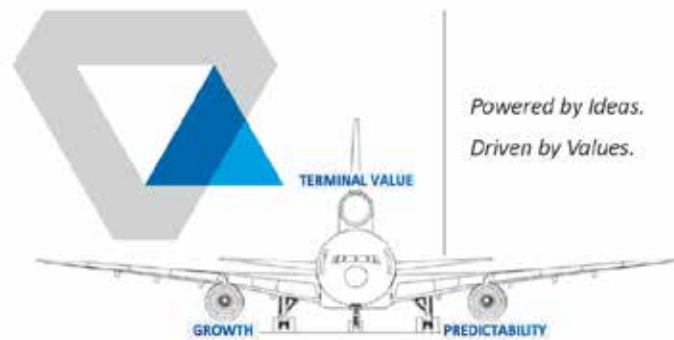
Target Size	~ INR 2000 Crores																				
Structure	Close Ended																				
Target Portfolio	~12 to 15 investments (Deal size ~INR 50 – 250 crores)																				
Focus Sectors	<div>Consumer</div> <div>IT / ITeS</div> <div>Healthcare</div> <div>BFSI</div> <div>Industrial & Services</div>																				
Tenure	<p>6 Years* (Average economic life ~ 4.5 years)</p> <div><div>First Close</div><div>Final Close</div><div>Investment / Reinvestment Period</div><div>Start of Exit Period</div><div>3 Years</div><div>3 Years</div></div> <p>*Extendible 1+1 year</p>																				
Gross Target IRR	~ 24-27% p.a.																				
Hurdle Rate	12%																				
Management Fees & Carried Interest with catch-up	<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> <p>Management fee is on committed capital during investment period and invested capital after the investment period</p>	Class	Commitment	Management fees p.a.	Carried Interest	A1	1-1.99 Crs	2.00%	15.00%	A2	2-9.99 Crs	1.75%	15.00%	A3	10-24.99 Crs	1.50%	12.50%	A4	Above 25 Crs	1.25%	10.00%
Class	Commitment	Management fees p.a.	Carried Interest																		
A1	1-1.99 Crs	2.00%	15.00%																		
A2	2-9.99 Crs	1.75%	15.00%																		
A3	10-24.99 Crs	1.50%	12.50%																		
A4	Above 25 Crs	1.25%	10.00%																		
Fund Expenses	Charged at Actuals, capped at 0.25% p.a.																				
Investment Manager	Neo Asset Management Private Limited																				
Trustee	Orbis Trusteeship Services Private Limited																				
Custodian	Orbis Financial Corporation Limited																				
RTA	KFIN Technologies Limited																				
Tax Advisor	Ernst & Young LLP																				

ValueQuest Tristar Fund

CAT II - Alternative Investment Fund

February 2025

ValueQuest Tristar Fund is a scheme of a SEBI AP CAT II Trust (application filed with SEBI as on 25.12.2024). ValueQuest Tristar Fund, QuestValue Investment Managers LLP is the Investment Manager and ValueQuest Investment Advisors Private Limited is the sponsor of ValueQuest Tristar Fund.



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 Institutional, Domestic Family Offices and HNIs
- Track Record: 20% TWR 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



ValueQuest S.C.A.L.E. Fund



Our Differentiators



Deep Research Capability



Stable Fund Management Team



Top Quartile Fund Performance Over Time



Amongst the Top Indian Alternate Investment Firms

*Only the associated firms have provided the data. Performance related information provided in this document is not verified by SEBI. Performance of each investor portfolio may vary from that of other investors and that generated by the investment approach across all investors because of (1) the timing of entry and exit of funds, and (2) difference in the portfolio composition because of investors and other considerations. Data as on 31/12/24.

No. of clients* ~2,549

Offices across 6 Cities

Years of existence 15

*2018 (based on equity), 2019 (based on equity), and 2020 (based on equity) PFR and SEI schemes. Data as on 31/12/24.

Investee Companies - Fund I

	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 ^A	✓ IPO
				October 2024		41.66	79.12	1.90 ^A	
	2	RR Kabel Ltd.	Industrials & Manufacturing	August 2023	Secondary	50.00	72.71	1.47 ^A	
	3	Zaggle Prepaid Ocean Services Ltd.	Fintech	August 2023	Primary + Secondary	37.60	119.05	3.17 ^A	
	4	THD Tek Ltd.	TravelTech	May 2024	Secondary	53.79	101.40	1.88 ^A	
Growth Capital companies	5	Unitech Aerospace & Manufacturing Pvt. Ltd.	Precision Engineering	July 2024	Primary	100.00	201.87	2.02 ^A	✓
	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	
	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. (Bencornjo)	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	

^AMOIC calculation is based on FMV of the company as per valuation report of independent third-party valuation agencies, in our case, conducted by Grant Thornton on 30 September 2024.
^{*}MOIC calculation is based on the FMV of the company based on closing stock price on National Stock Exchange (NSE) of India as on 31 December 2024.
¹ 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	<ul style="list-style-type: none"> 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 with SEBI on 25.11.2024

*Fund tenure is 8 years (+1 year +1 year) 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 Quest4Value 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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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

AUM/A
since inception

610+

Investments
since 1988

100+

Investments
since 2002

80+

Exits
since 2002

LPs

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

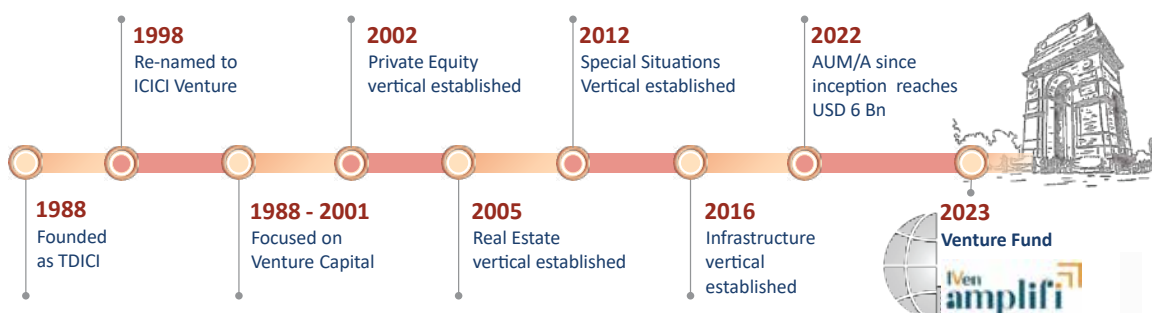


¹ VC AUM (1988-2002); ² Includes co-invest capital; ³ Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents an enterprise value of the current portfolio ⁴ Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As 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



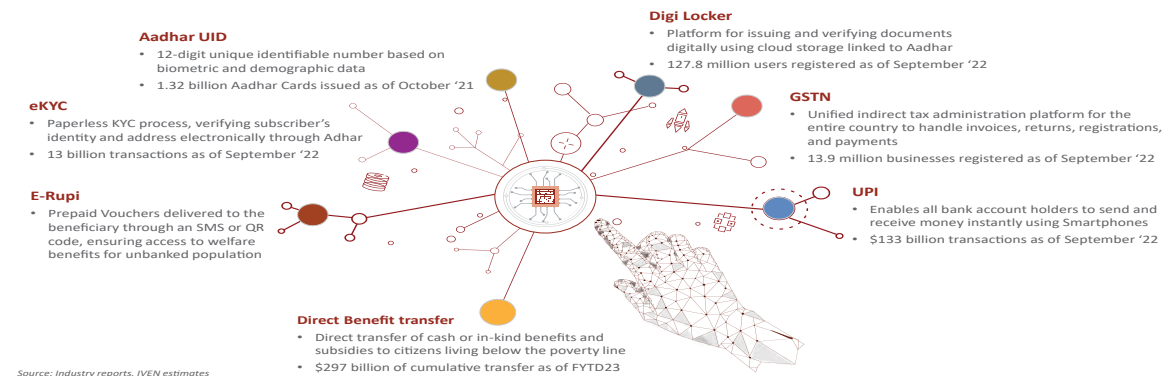
INDIA 2030 Summary

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



Components of Digital India

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



Fund strategy

Tech-focused venture fund

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

"No Go": Seed stage

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

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



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

Tap **synergies** across ICICI Group

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

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

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

IVen Amplifi's positioning

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

Target Return	Risk	Seed Stage	Early (Series A)	Scale (Series A+ to B-)	Late (Series B onwards)
30x					
10x					
5x					
2x					
		Friends & Family Angels Incubators and Accelerators Angel Funds Family Offices Micro VC Funds Seed Funds VC Funds	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

Investment themes

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



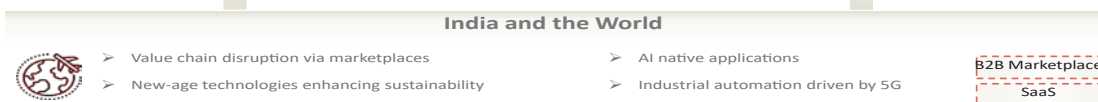
Fintech

- 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



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



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

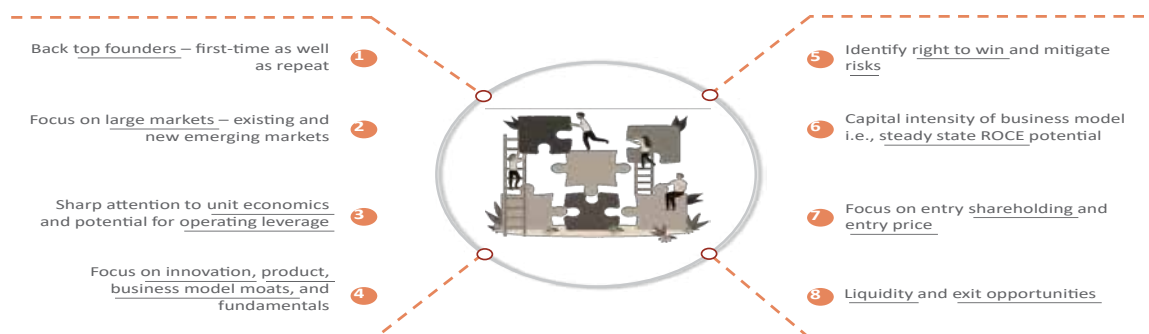
Focus on businesses which solve real problems

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

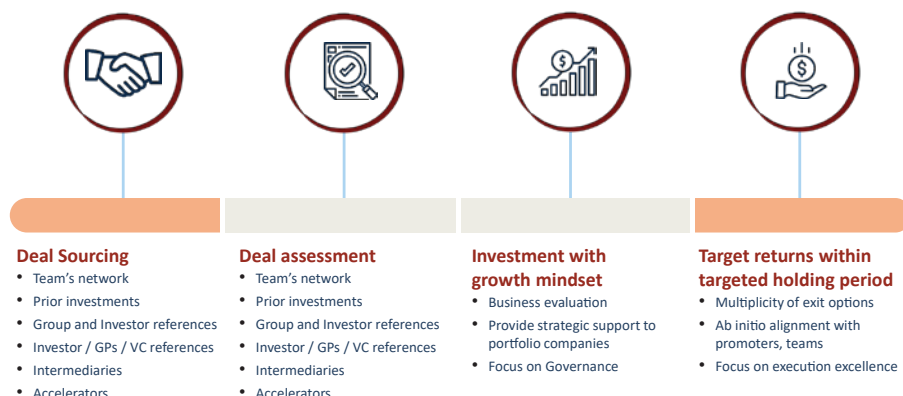


Key investment framework

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



Fund's Investment Process



Key Fund Team Members



Experienced fund management team with significant investing experience



Mr. Subeer Monga
Director

Deal Experience*:

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

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

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

Subeer has been involved with ~20 investments



Mr. Sharad Malpani
Director

Deal Experience*:

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

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



Portfolio management



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

Accounting		
Hiring		
Services		

Products		
Digital Services		

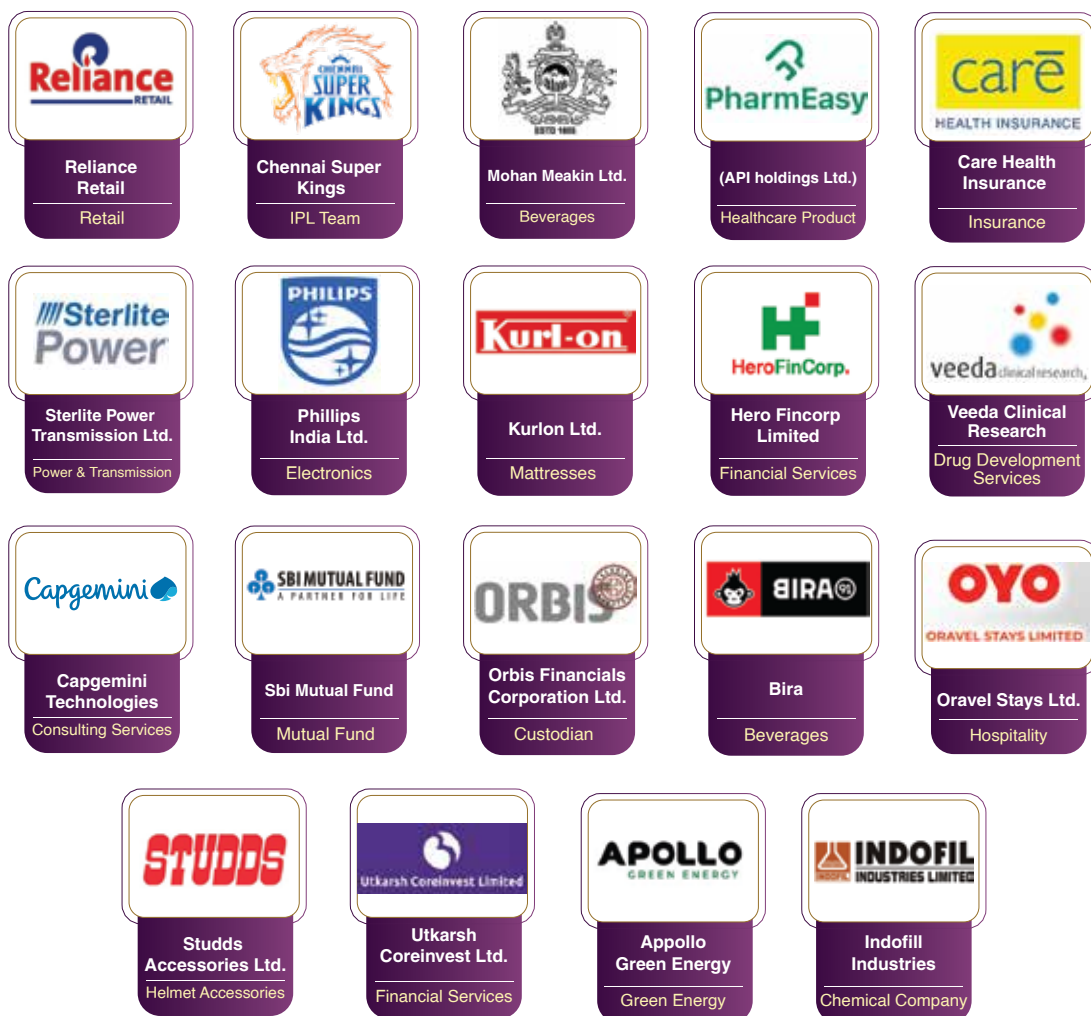


Explore the Hidden Treasure of Unlisted Shares* with



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).



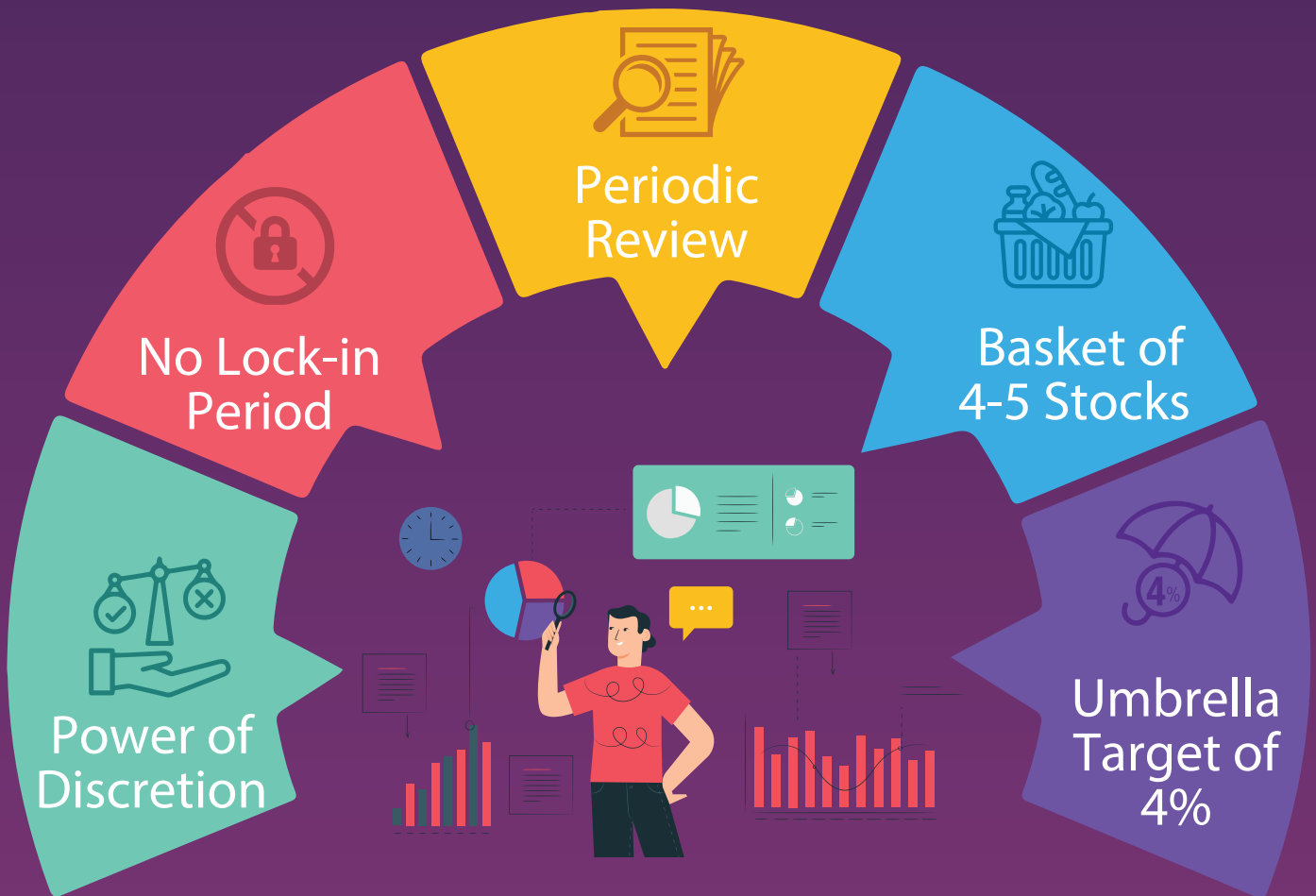
To know more 8655240697

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.

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

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INVESTMENT SERVICES

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