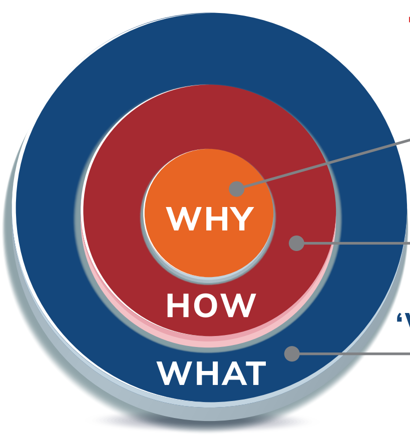
ICICI PRUDENTIAL MUTUAL FUND

THE MONTH GONE BY

An insightful roundup of relevant stories in the recent month backed by interesting data points

Ever wondered, 'Why certain companies achieve milestones that exceed expectations?'

As coined by the Golden Circle Theory, the secret lies in their focus on the 'Why'. The neuroscience behind the theory is that humans respond best when messages communicate with parts of their brain that control emotions, behaviour and decision-making.



THE GOLDEN CIRCLE THEORY

'Why' is a purpose, cause or belief. It is the reason why a company exists

'How' is the strategy used by the company to set them apart from their competition

'What' is the products or services provided by the organization

Let's take the example a renowned automobile company that has a loyal customer base:

Why (the Belief)	How (Process Differentiation)	What (Products/Services)
Aims to accelerate the world's transition to sustainable energy powered by solar energy and transported by electric vehicles	Innovation in battery technology and energy storage solutions	Electric vehicles, energy storage and energy-related services

How does the Golden Circle Theory apply to investing? When markets plummet, fear may often overshadow logic. Understanding the 'Why' could help make more informed and rational decisions:

Why did I invest? – The Financial Goal

Why should I disregard the unnecessary noise? – Following the herd could compel investors to make irrational decisions.

Why is it important to stay in the game? – Markets reward those who remain invested for the long term.

While we ponder about the course ahead, it is important to connect the dots with key market events of April 2025.

A Twist in the Trade Tariff War

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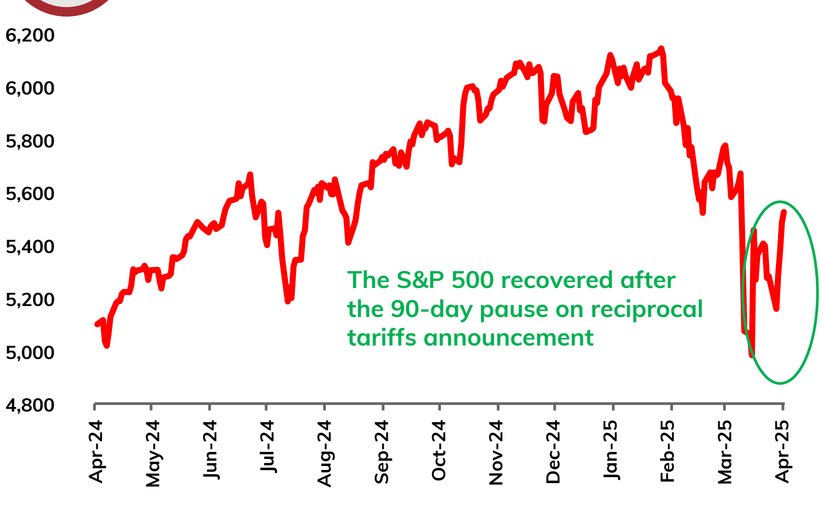
The U.S. president set loose a tsunami of tariffs on imports since February 2025 – be it friend or foe, no country was spared. Why the trade war? Firstly, the U.S. president has consistently pointed at the large trade deficit with other countries, like China. Secondly, the government believes that imposing tariffs would boost domestic manufacturing. Thirdly, tariffs are aimed at pushing Canada, Mexico and China to stop flows of illegal immigration and drugs.

However, the flipside is that it would squeeze the profit margins of businesses, drive inflation upwards and derail economic growth.

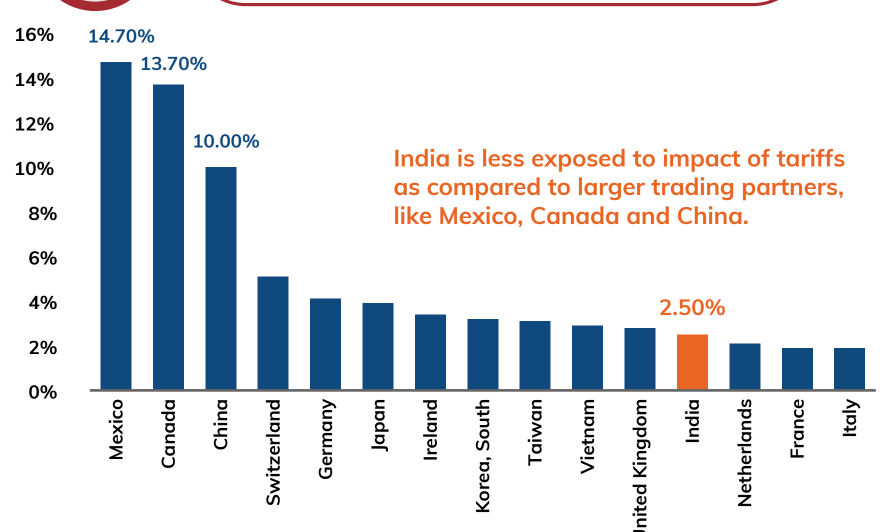
On April 09, 2025, a surprise u-turn unfolded as the U.S. president announced a three-month pause on reciprocal tariffs, while the 10% blanket levy will still remain in place. However, due to its retaliatory actions, China would now face a 245% tariff (this includes a 125% reciprocal tariff, a 20% tariff to address the fentanyl crisis and Section 301 tariffs on specific goods, between 7.5% and 100%. Source: White House Fact Sheet). Further, countries will continue to face industry-specific tariffs on steel, aluminium and autos as imposed earlier.

S&P 500 INDEX (CLOSING LEVEL)



Source: Reuters. Data as on April 25, 2025. U.S.: United States.

YEAR-TO-DATE^ % OF TOTAL TRADE IN GOODS WITH THE U.S.



Source: United States Census Bureau. ^Year-to-date % of total trade data as on February 2025.

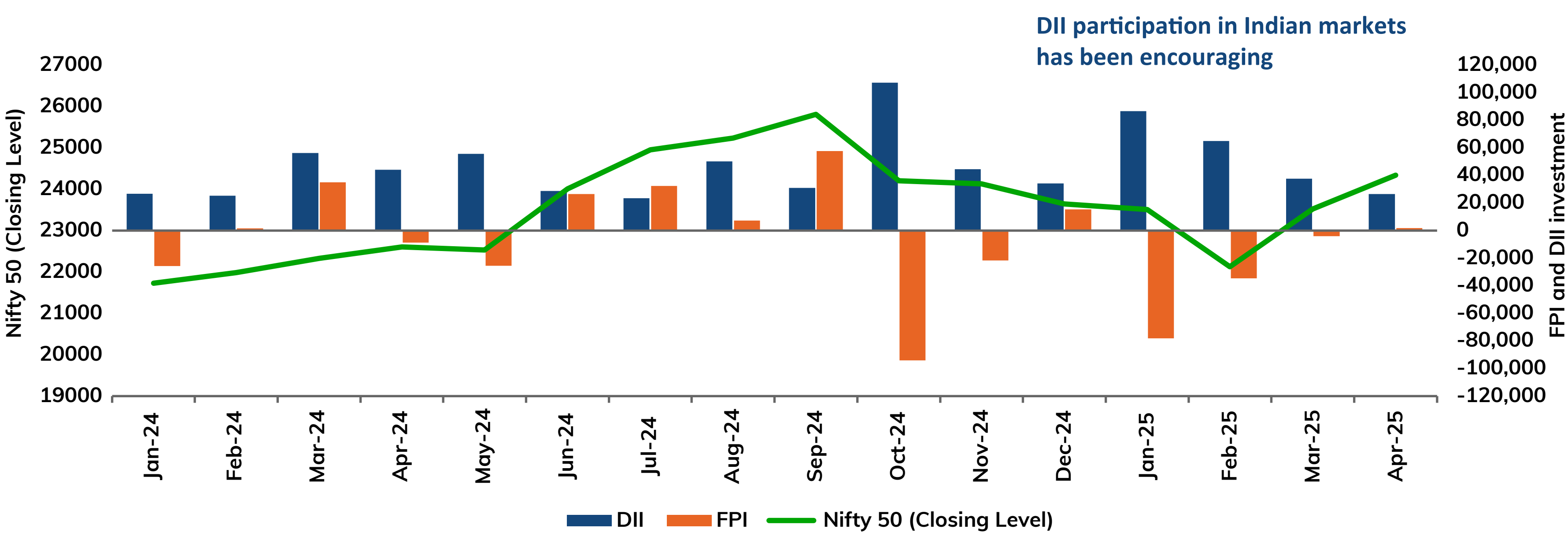
Reciprocal tariffs have been paused and not cancelled. Hence, as long as uncertainties related to trade policies persist, markets may have to adapt to the chaos.

How did the Equity Markets React?

Economies heaved a sigh of relief as the U.S. President announced a 90-day respite from tariffs. India is hopeful of negotiating a bilateral deal with the U.S. that could reduce the effects of the 26% tariff imposed. In reaction, the market bulls made a comeback – **On April 29, 2025, the BSE Sensex rose to 80,288 and the Nifty 50 settled around 24,335.**

Foreign Portfolio Investors bought Indian Equities worth ₹1,872 crore in April 2025 (April data up to April 29, 2025). This can be attributed to India's strong macroeconomic developments: **a) Easing crude oil prices** augur well for India's trade balance. **b) In April 2025, the RBI reduced the repo rate to 6%** amid slowing economic growth and easing retail inflation. **c) The RBI has taken decisive measures to tackle liquidity shortages** in the banking system. **d) India's manufacturing activity is showing signs of revival** and industrial activity continues to recoup.

MONTHLY FPI NET INVESTMENTS IN INDIAN EQUITIES, DII PARTICIPATION (₹, CRORE) AND NIFTY 50 CLOSING LEVEL



Source: National Securities Depository Limited (NSDL). NSE. U.S.: United States. DII: Domestic Institutional Investors. FPI: Foreign Portfolio Investment.

The Unusual Gap between the U.S. 10-Year Treasury yield and the U.S. Dollar Index

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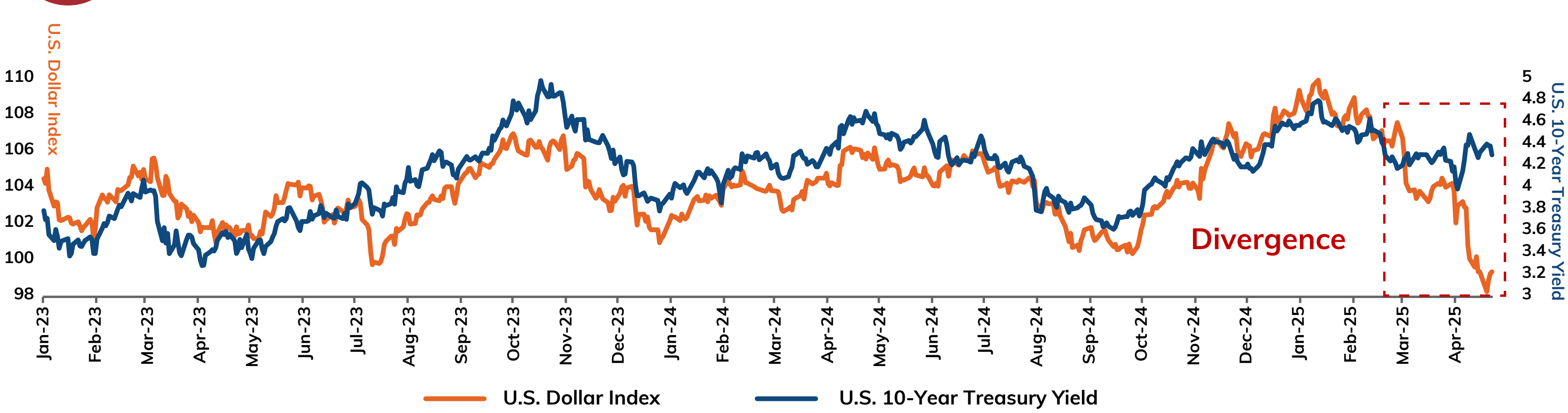
The U.S. 10-Year Treasury yield dropped marginally below 4% on April 04, 2025 after fears of a full-blown trade war escalated, inducing investors to deploy funds in relatively safer assets. However, the yield recovered to 4.49% in the following days as investors assessed the prospect of higher import costs, which would stoke inflation.

On April 11, 2025, the U.S. president announced a 90-day pause on reciprocal tariffs for trading partners, barring China. Amid uncertainties around the U.S. trade policies and concerns related to growth, **the U.S. Dollar Index plunged below 100, while the U.S. 10-Year Treasury yield hovered around 4.32% on April 24, 2025. The following graphical representation indicates that the U.S. 10-Year Treasury yield and the U.S. Dollar Index (DXY) tend to move in tandem. However, divergence is now evident.**

U.S. 10-YEAR TREASURY YIELD (%) AND U.S. DOLLAR INDEX



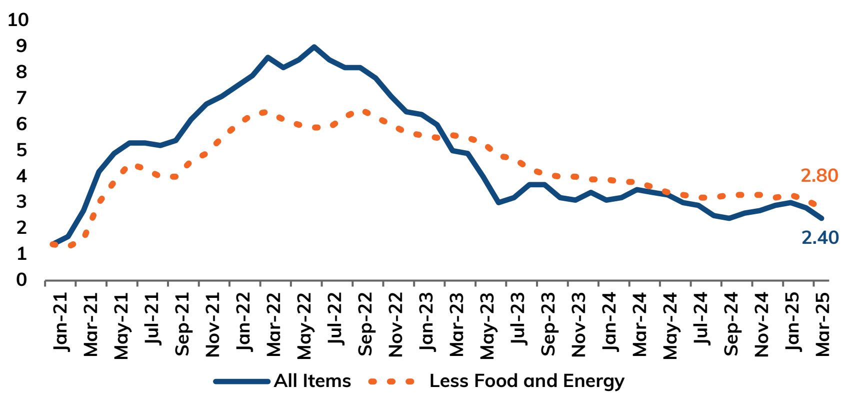
Source: Reuters. Data as on April 24, 2025. RBI: Reserve Bank of India. OMO: Open Market Operations. G-Sec: Government Securities.

On the domestic front, the Indian 10-Year G-Sec yield fell dramatically from 6.60% levels in March 2025 to 6.32% on April 24, 2025. The RBI slashed the repo rate to 6% in a quest to support growth. Additionally, the central bank announced a series of measures to ease liquidity in the system. India's inclusion in the FTSE Russel's Emerging Markets Government Bond Index from September 2025 could further encourage foreign investor flows in the bond market.

The Trajectory of U.S. Inflation

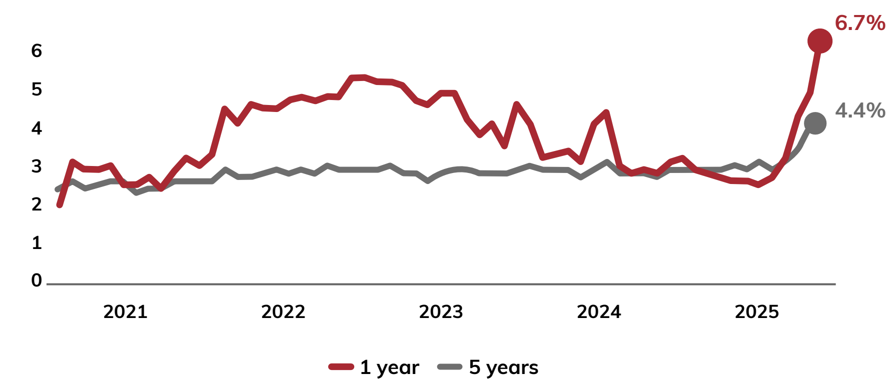
The U.S. consumer price index eased to 2.4% in March 2025, down from 2.8% in February 2025, supported by falling energy prices. However, if the U.S. continues to impose aggressive tariffs, it would raise costs and upend the recent moderating inflation trend.

U.S. CONSUMER PRICE INDEX (%)



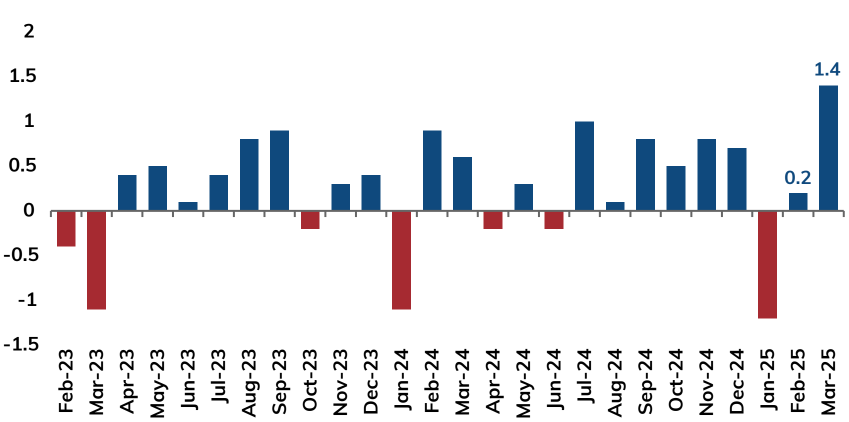
Source: U.S. Bureau of Labor Statistics, Year-on-year % change.

INFLATION EXPECTATION OF U.S. CONSUMERS



Source: University of Michigan Surveys of Consumers, LSEG, Reuters

MONTHLY U.S. RETAIL SALES (%)



U.S. Retail sales rose 1.4% in March 2025, attributed to higher consumer spending and a surge in auto sales ahead of the trade tariffs.

The U.S. announced a 25% tariff on imported automobiles and auto parts from April 03, 2025 to strengthen domestic manufacturing. Consumer spending may gradually moderate when the tariff impact kicks in, pushing prices higher.

Source: U.S. Census Bureau. Month-on-Month Change. U.S.: United States

The Allure of Gold

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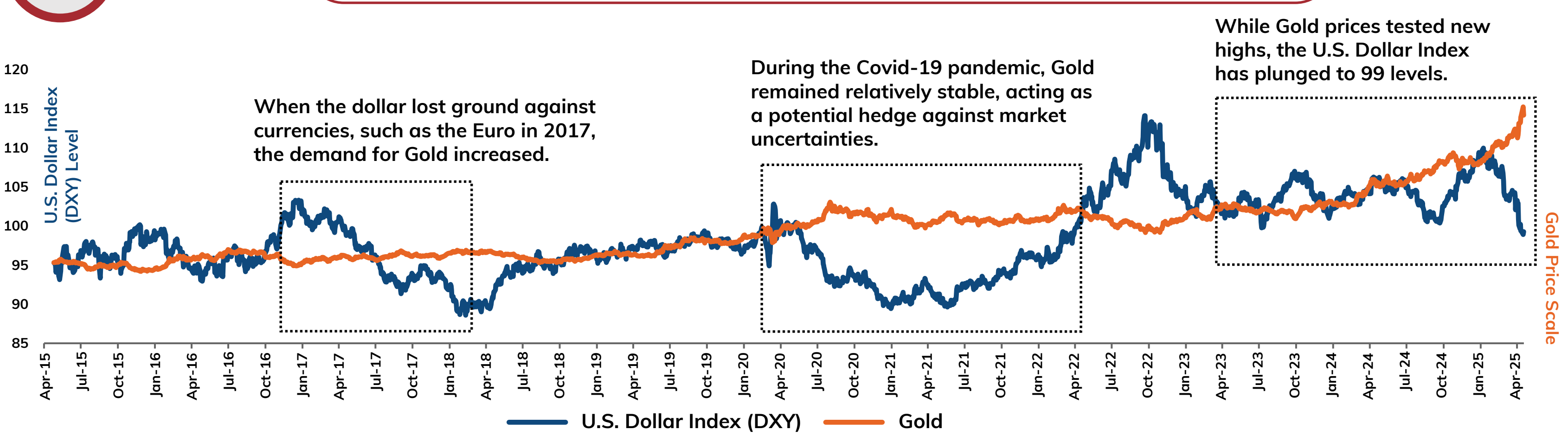
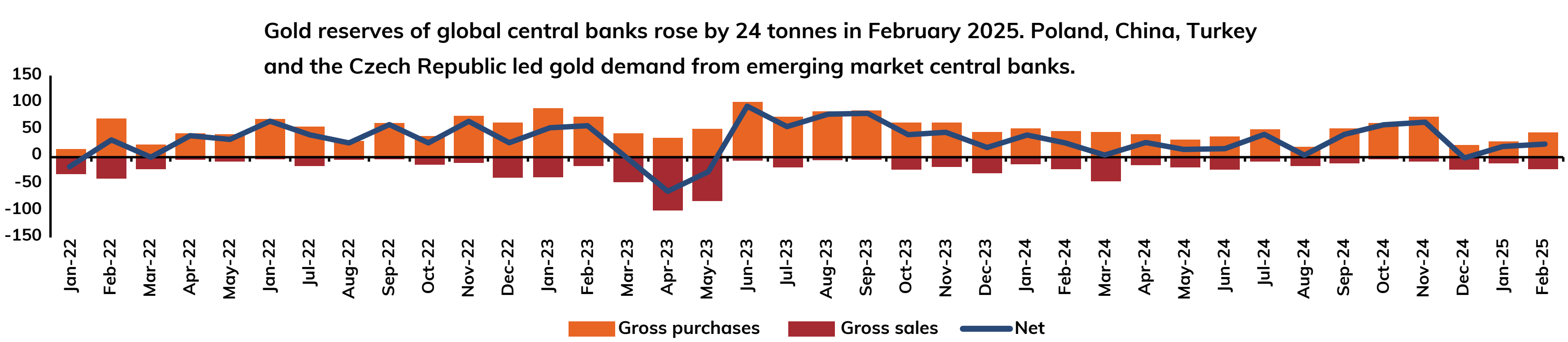
Gold surged to yet another high of $3,454/ounce on April 22, 2025. Geopolitical turmoil in the Middle East, trade tensions between the U.S. and its key trading partners, a sliding U.S. Dollar Index, central banks buying gold and increased inflows into global gold-backed Exchange-Traded Funds propelled gold prices.

GOLD PRICES (LBMA, $/OUNCE) AND U.S. DOLLAR INDEX LEVEL



Source: LBMA: London Bullion Market Association and Reuters. Data as on April 23, 2025. The gold price in India was around ₹98,484/10 gms on April 25, 2025.

OFFICIAL GOLD RESERVES, MONTHLY REPORTED CENTRAL BANK ACTIVITY (TONNES)



Source: IMF IFS, respective central banks, World Gold Council. Data to March 31, 2025 where available. The above chart includes only purchases/sales of 0.5 tonnes or more.

The Downward Spiral of Oil Prices Continues Amid the Turmoil

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Oil markets were caught off-guard when eight key OPEC+ countries announced an increase in oil output by 411,000 barrels per day in May 2025, surpassing the earlier scheduled 135,000 barrels per day. Which factors unnerved the cartel?

a) **In April 2025, the U.S. intensified sanctions targeting Iran's oil exports,** including measures against a China-based refinery sourcing Iranian crude. The sanctions aim to reduce Iran's oil exports to zero, which would tighten global supply.

b) **The U.S. levied a 25% tariff on countries importing oil and gas from Venezuela** – a move that could have a ripple effect on major crude oil importers, such as China, India and Spain.

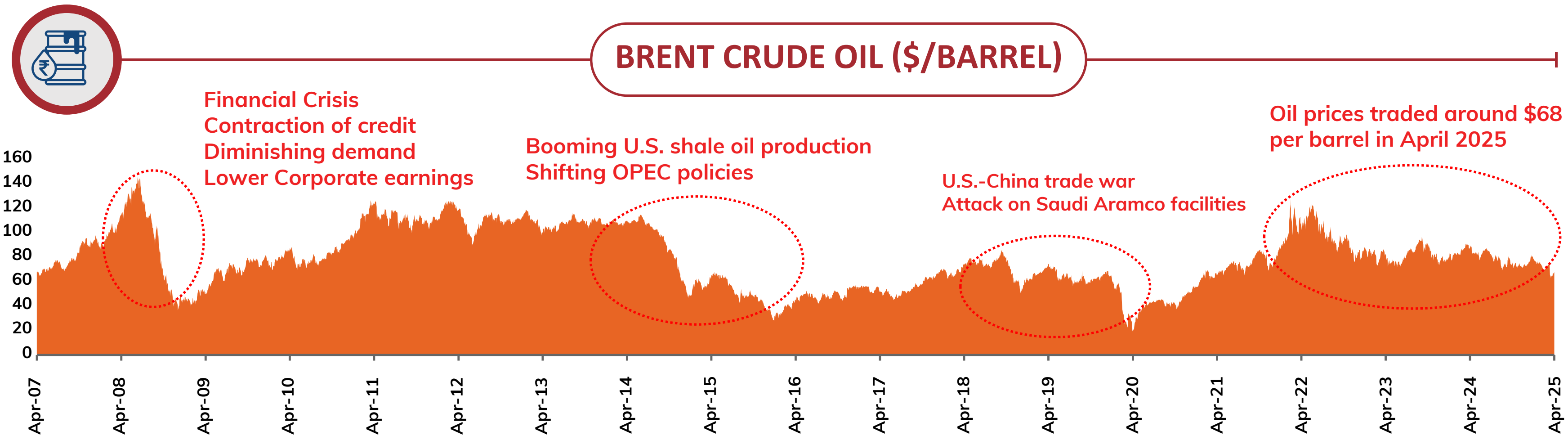
World Oil Demand in 2025* (Million barrels per day)

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24	
							Growth	%
Total OECD	45.70	44.94	45.49	46.28	46.24	45.74	0.04	0.10
Total Non-OECD	58.06	59.23	58.76	59.07	60.17	59.31	1.25	2.16
Total World	103.75	104.16	104.25	105.35	106.41	105.05	1.30	1.25
Previous Estimate	103.75	104.25	104.45	105.33	106.75	105.20	1.45	1.40

After considering the impact of the U.S. trade tariffs, the OPEC revised its forecast of global oil demand growth to 1.30 million barrels per day from the previous estimate of 1.45 million barrels per day.

Source: OPEC. *2025 = Forecast. U.S.: United States. Q: Quarter. OECD: Organization for Economic Cooperation and Development

Brent crude oil prices plunged to around $68/barrel in April 2025, owing to the prospect of higher supplies from key OPEC+ countries and concerns around the impact of a full-blown trade war.



Source: Reuters, Trade, Industry. OPEC: Organization of the Petroleum Exporting Countries. Data as on April 23, 2025.

Could the Punitive Trade Tariffs Derail China's Growth Trajectory?

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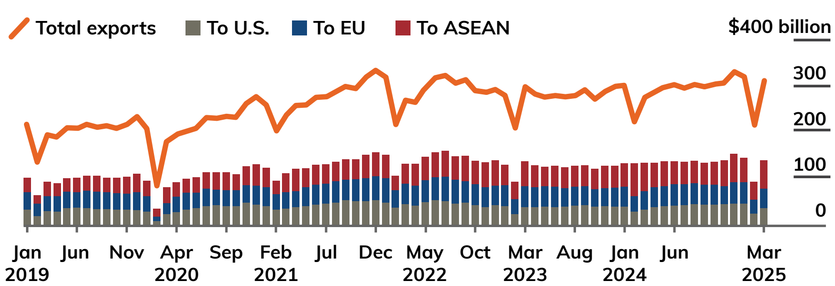
In March 2025, China's exports rose by 12.4% year-on-year to $313.9 billion as the trade war compelled businesses to frontload shipments.

China's economy grew 5.4% year-on-year in the January-March 2025 quarter, driven by strong exports, encouraging industrial activity and government policies to stimulate demand.

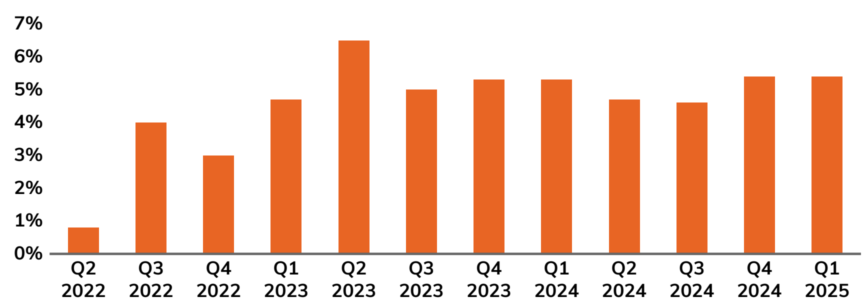
CHINESE EXPORTS INCREASINGLY GOING TO SOUTHEAST ASIA

Exports to Asean so far this year exceed direct sales to the U.S.



Source: China's General Administration of Customs. EU: European Union. U.S.: United States. ASEAN: The Association of Southeast Asian Nations.

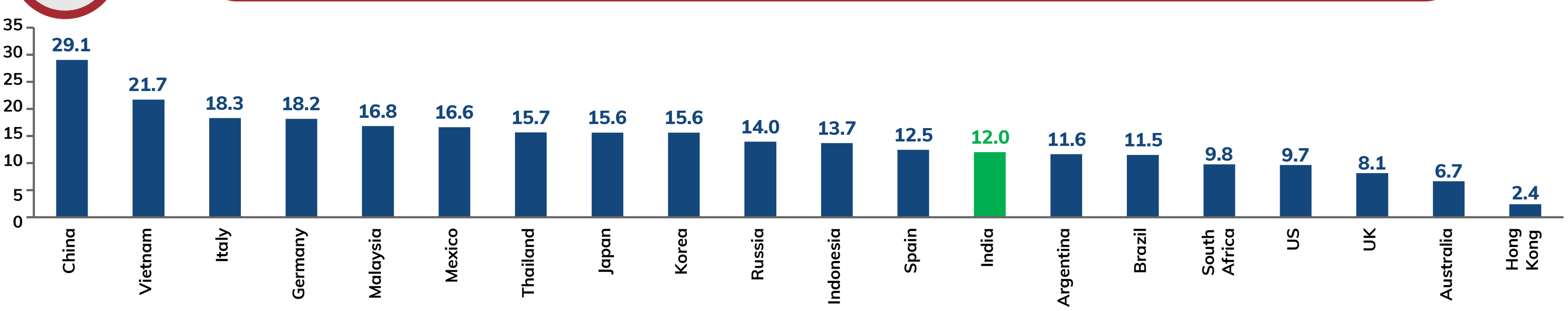
CHINA'S GROSS DOMESTIC PRODUCT (%)



Source: National Bureau of Statistics of China

While China started the year on a strong note, the economy now combats trade friction with the U.S. The Chinese economy may have to bear the brunt of sweeping tariffs as a major portion of its labour force is employed in the manufacturing sector. This provides India an opportunity to scale its manufacturing capabilities.

MANUFACTURING EMPLOYMENT AS A PROPORTION OF TOTAL EMPLOYMENT (%)



Source: International Labour Organization (ILO), UBS. US: United States, UK: United Kingdom. Data for Australia, Brazil, India, Japan, Mexico and US pertains to 2024 while for rest of the countries, it is as of 2023.

India's Retail Inflation Falls to the Lowest Level since August 2019

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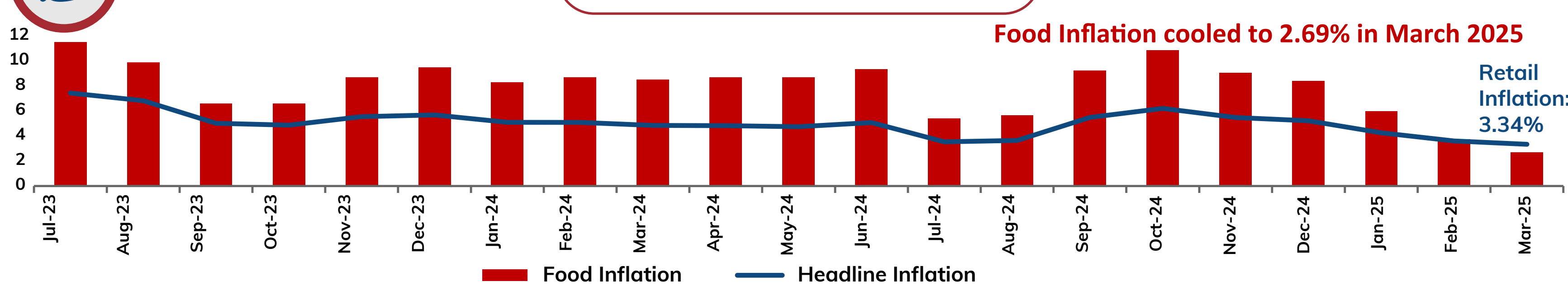
India's retail inflation, measured by the Consumer Price Index (CPI), cooled to 3.34% in March 2025, supported by moderating food inflation.

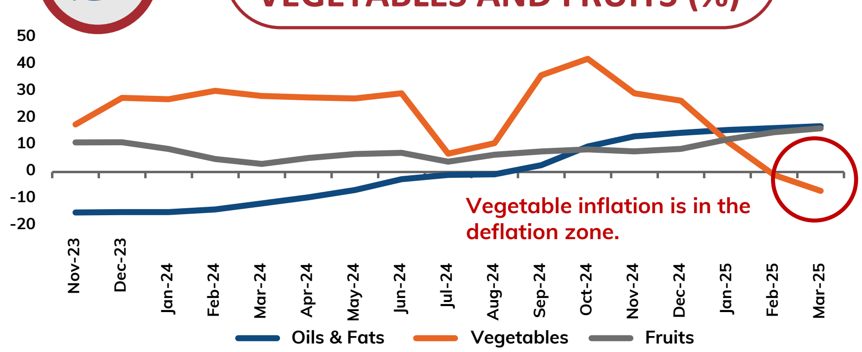
Food inflation eased to 2.69% year-on-year in March 2025 from 3.75% in February 2025 – the encouraging prospects for agricultural output, comfortable reservoir levels and arrival of fresh Rabi harvests augur well for food inflation. **However, core inflation, which excludes food and fuel, remains sticky at 4.1% year-on-year due to an increase in transport & communication, precious metal and education-related inflation.**

INDIA'S INFLATION RATE (%)



Vegetable inflation dropped to -7.04% in March 2025 from the previous -1.13%. While prices of vegetables, cereals, meat, milk and pulses slowed, that of fruits and oils & fats continued to rise. **Further, fuel inflation turned positive for the first time in 19 months, largely driven by the adverse base effect of liquefied petroleum gas.**

INFLATION OF OILS & FATS, VEGETABLES AND FRUITS (%)



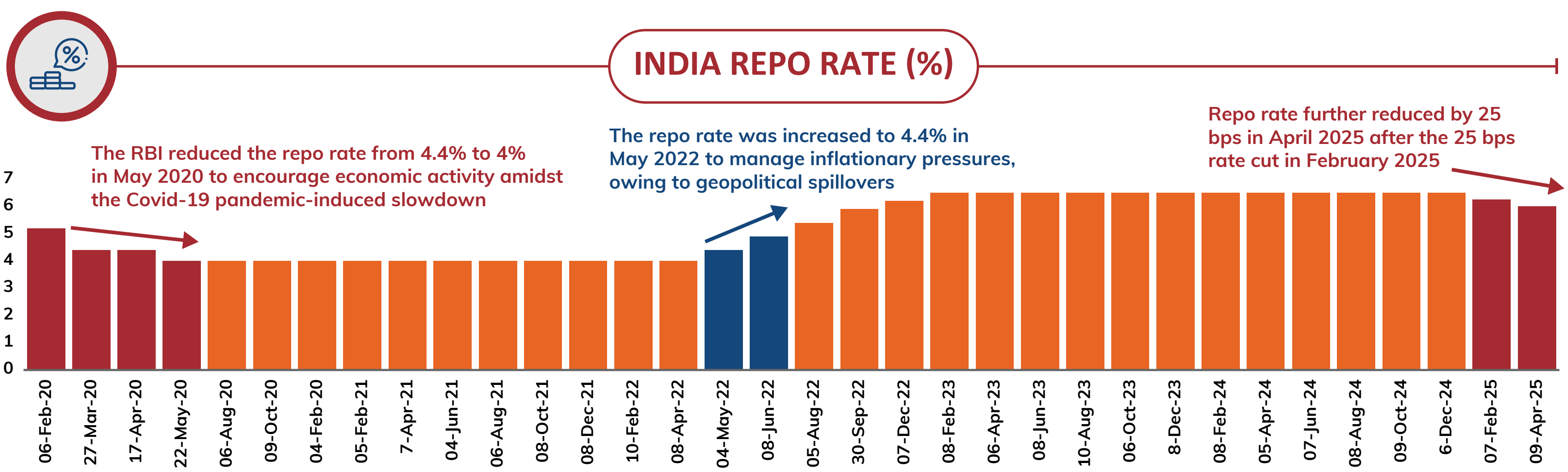
Group	Weightage	Mar-25 (YoY)	Feb-25 (YoY)
Food and beverages	45.86%	2.9%	3.8%
Pan, tobacco and intoxicants	2.38%	2.5%	2.4%
Clothing and footwear	6.53%	2.6%	2.7%
Housing	10.07%	3.0%	2.9%
Fuel and light	6.84%	1.5%	-1.3%
Miscellaneous	28.32%	5.0%	4.8%

Source: Centre for Monitoring Indian Economy (CMIE), Ministry of Statistics and Programme Implementation (MOSPI).
Data as on March 2025. YoY: Year-on-Year

The RBI Reduced the Policy Repo Rate, Giving a Fillip to Private Consumption and Investment

At a time when uncertain U.S. trade policies kept economies at the edge of the cliff, it is not surprising that the RBI's attention has turned towards supporting growth.

The Reserve Bank of India (RBI) reduced the repo rate by 25 basis points to 6% in April 2025 amid increasing global economic headwinds and softening retail inflation. The central bank has also **shifted its policy stance from 'neutral' to 'accommodative', indicating that it could further cut rates,** given the need to support growth through private consumption and investment.



Source: Reuters. RBI: Reserve Bank of India. Bps: Basis points. U.S.: United States

- **A lower interest rate reduces the cost of borrowing for commercial banks,** which in turn lowers the interest rate on most bank loans linked to the External Benchmark-linked Lending Rate.
- **Easing interest rates would encourage individuals to avail more loans** for purchasing a home, vehicle, consumer durables etc., thus stimulating demand.
- **Further, businesses would borrow to scale operations,** which would help boost production and economic activity.

Citing the risks emanating from potential tariff escalations and geopolitical tensions, **the central bank lowered its Gross Domestic Product growth projection for FY26 to 6.5%,** down from the earlier estimated 6.7%. **Further, the Consumer Price Index (CPI) inflation for FY26 has been projected at 4.0%, down from the earlier 4.2%.**

India's Banking System Liquidity Position Turns into Surplus

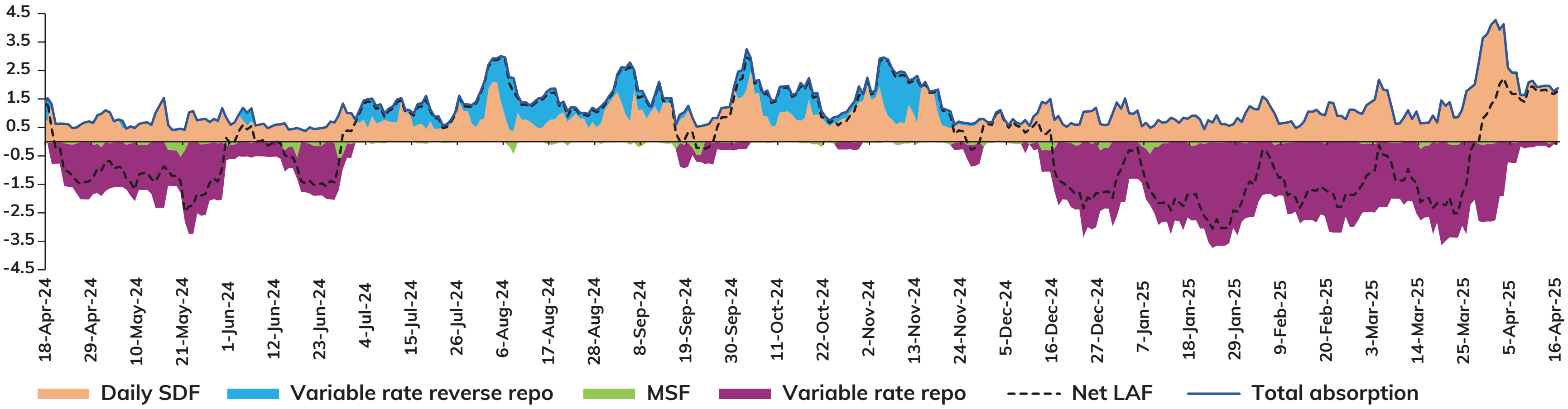
When the Reserve Bank of India (RBI) injected liquidity of about ₹6.9 lakh crore during February-March 2025, the liquidity conditions began to improve. **The central bank proactively deployed several measures, including daily variable rate repo (VRR) auctions, open market operations (OMO) and dollar/rupee buy-sell swap auctions to ease market liquidity.**

The steps taken by the RBI are beginning to show results, as **the banking system's liquidity position turned into surplus on March 29, 2025 after a gap of over three months. Further, as government spending picked up steam during the latter half of March 2025, liquidity improved, recording a surplus of ₹1.5 lakh crore on April 07, 2025.**

Measures	Auction Date	Description (Amount in ₹, Crore)	Bid Cover Ratio	Liquidity Injected (₹, Crore)
OMO Purchase Auctions	April 3, 2025	Notified Amount: 20,000	4.04	20,000
	April 8, 2025	Notified Amount: 20,000	3.51	20,000
	April 17, 2025	Notified Amount: 40,000	2.03	40,000
Term Repo Auctions	April 17, 2025	43-day VRR auction Notified Amount: 1,50,000	0.17	25,731

In line with the commitment to facilitate sufficient liquidity in the system, the central bank announced to conduct OMO purchase auctions of Government of India securities for an aggregate amount of ₹1,25,000 crore in four tranches between May 06, 2025 and May 19, 2025.

LIQUIDITY OPERATIONS (₹ LAKH CRORE)



Source: RBI Bulletin, April 2025. Monetary Policy Report. OMO: Open Market Operations. RBI: Reserve Bank of India. LAF: Liquidity Adjustment Facility. MSF: Marginal Standing Facility. SDF: Standing Deposit Facility.

Which Factors Supported the Indian Rupee?

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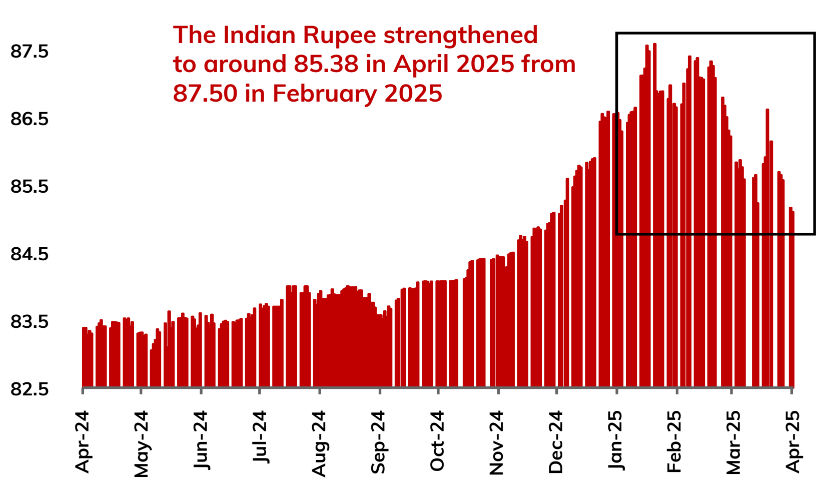
In recent months, global economic uncertainties, foreign portfolio outflows from Indian equities and widening trade deficit added to the downward pressure on the Indian Rupee. However, the Indian rupee staged a recovery in March 2025, supported by:

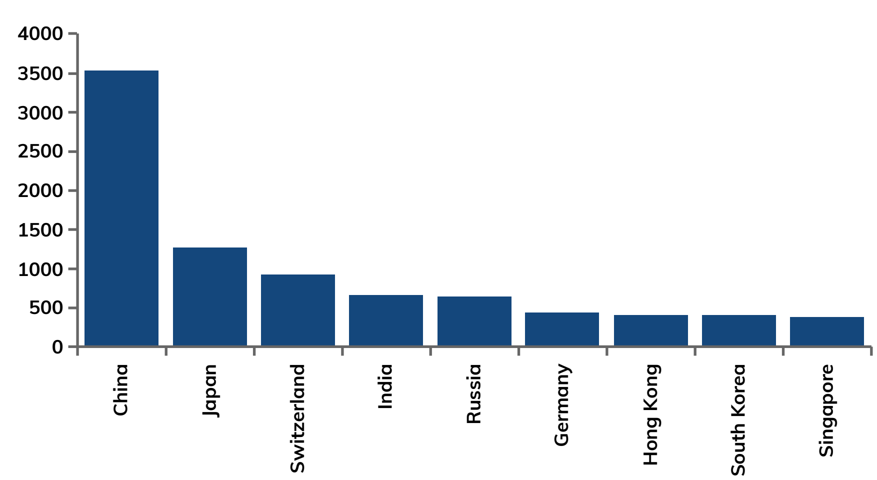
- **Falling crude oil prices to levels below $70/barrel** would support India's trade balance.
- **The U.S. Dollar Index weakened to 99 levels** in the wake a spiraling trade war.
- **India's strong macroeconomic fundamentals support the domestic currency:** a) Retail inflation eased with cooling vegetable prices b) The Reserve Bank of India introduced measures to support liquidity in the system c) The central bank reduced the repo rate for the second time during the year to encourage consumption and private investments.
- **India's foreign exchange reserves climbed to a six-month high of $686.15 billion on April 18, 2025.** At its current level, India holds the world's fourth largest foreign exchange reserves. A healthy level of foreign exchange reserves is key to defend the rupee in times of volatility.

USD/INR



Source: Reuters. Data as on April 22, 2025.

FOREIGN EXCHANGE RESERVES (U.S. $, BILLION)

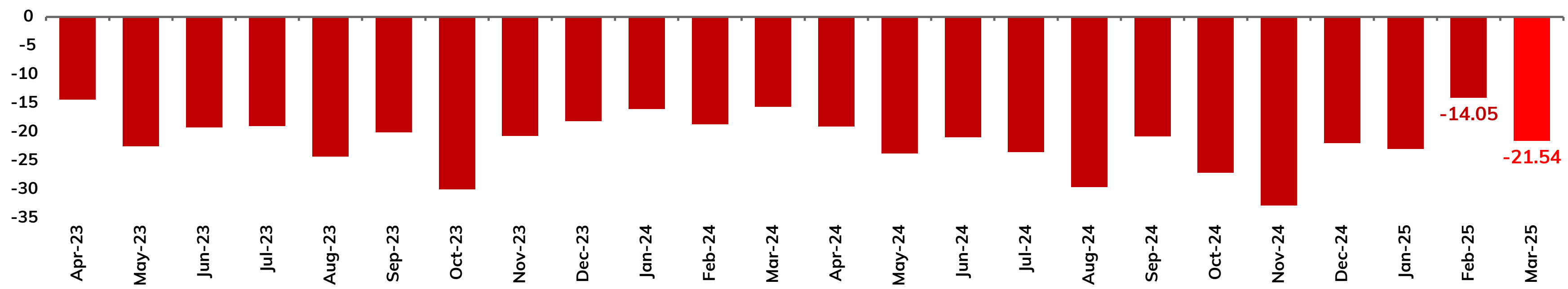


Source: Reserve Bank of India (RBI) Bulletin, April 2025. Data as on March 31, 2025.

India's Merchandise Trade Deficit Widens

India's merchandise trade deficit widened sharply to $21.54 billion in March 2025 from $14.05 billion in February 2025, owing to a sharp rise in oil and gold imports.

INDIA'S MERCHANDISE TRADE BALANCE ($, BILLION)

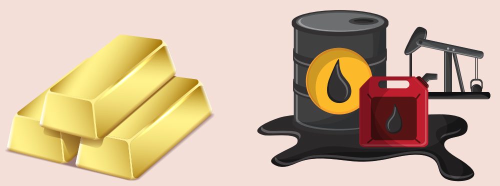


Merchandise Imports

India's merchandise imports rose to $63.51 billion in March 2025 from $50.96 billion in February 2025.

a) **Oil imports rose sharply to $19 billion in March 2025** from $11.8 billion in February 2025, the highest since May 2024.

b) **Gold import bill nearly doubled to $4.4 billion** in March 2025 from $2.3 billion in February 2025.



Merchandise Exports

India's merchandise exports stood at $41.97 billion in March 2025 compared to $36.91 billion in February 2025.

Major drivers of merchandise exports growth include Electronic Goods, Drugs & Pharmaceuticals, Gems & Jewellery, Marine Products.

Source: Ministry of Commerce and Industry. U.S.: United States.

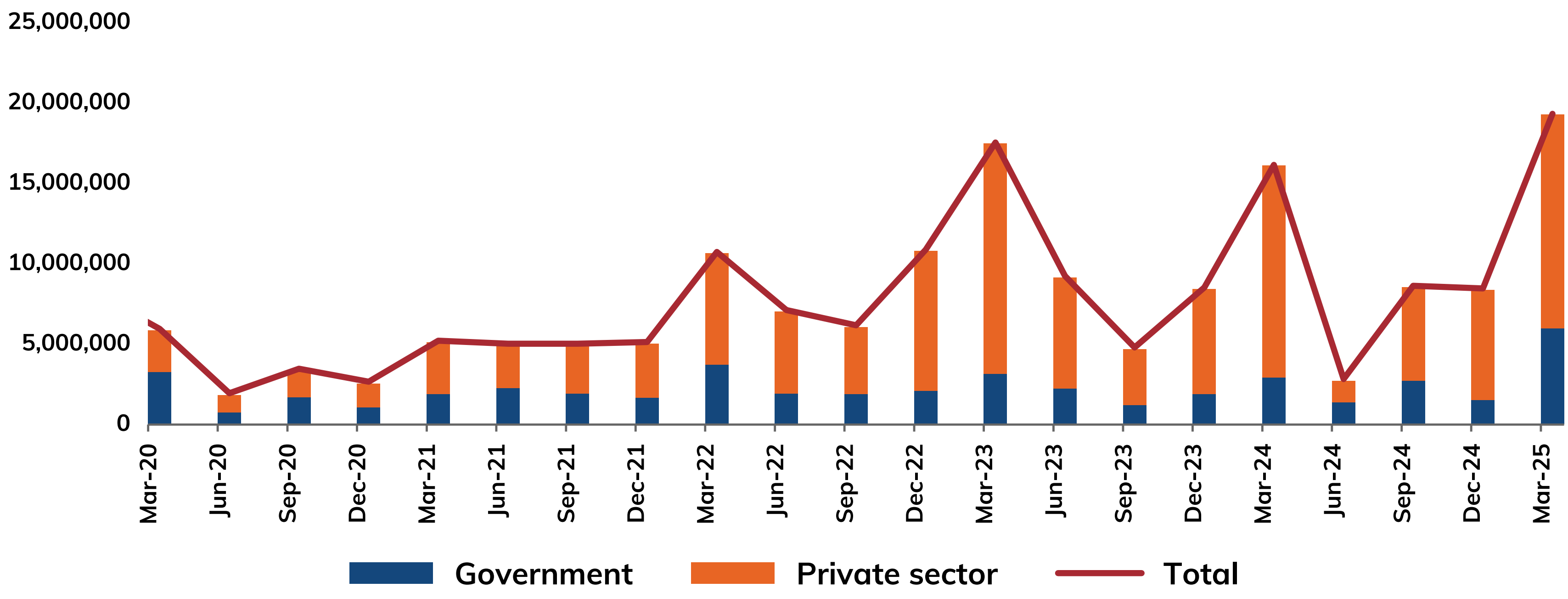
India's trade surplus with the U.S. increased to $41.18 billion in FY25 from $35.32 billion in FY24. The economies are in the process of negotiating a trade agreement including various sectors, such as energy, critical minerals, technology, defence and pharmaceuticals.

New Investment Projects Announced Gain Traction

The value of new projects announced, which includes Government and Private sector related projects, increased significantly to ₹19.29 trillion in the March 2025 quarter from ₹8.36 trillion recorded in the December 2024 quarter.

Though government activity was subdued for a major portion of the year owing to the national elections, the capital expenditure plan gained momentum from the September 2024 quarter. New capital investments have gained traction, indicating positive business sentiment post elections.

NEW INVESTMENT PROJECTS ANNOUNCED (₹, MILLION)



Source: Centre for Monitoring Indian Economy (CMIE). Data as on April 25, 2025.

The value of new projects announced in the manufacturing sector has increase from ₹4.91 trillion in the December 2024 quarter to ₹6.51 trillion in the March 2025 quarter. In addition, growth was also witnessed across the mining, electricity and financial services sector. Some of the factors that support India's robust manufacturing narrative are the PLI (Production Linked Incentive) scheme, infrastructural development and focus on import substitution.

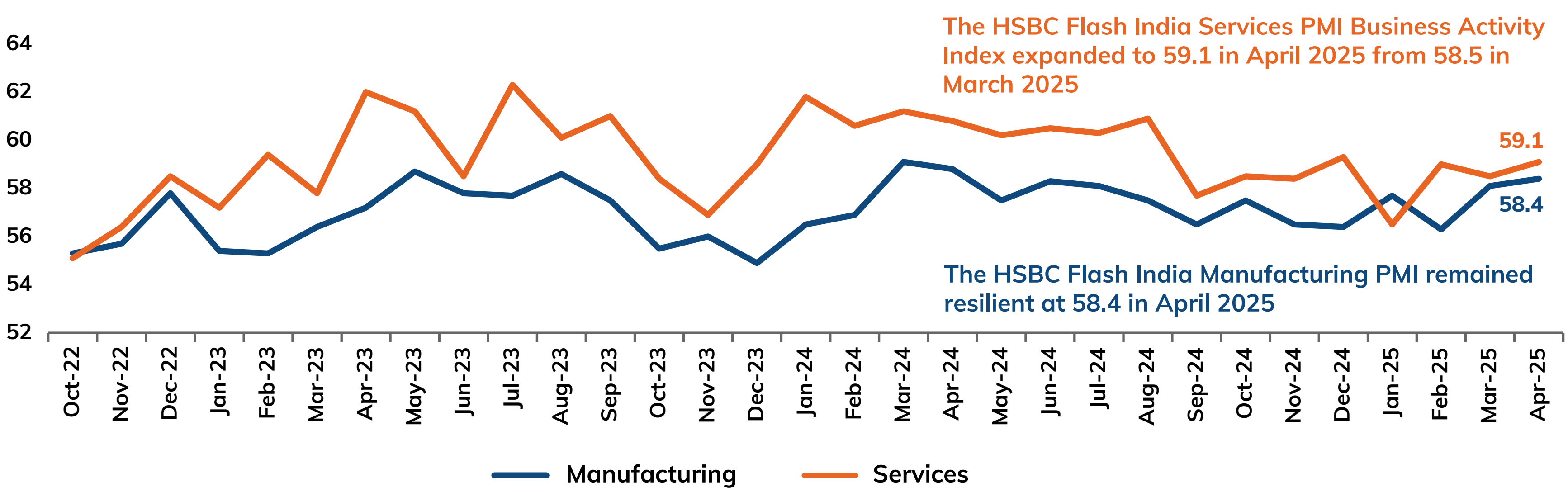
India's Private Sector Growth

India's private sector companies witnessed a sharp rise in total new business intakes at the onset of FY26, supported by buoyant international demand for goods and services.

In April 2025, new export orders accelerated, with healthy demand from Africa, Asia, Europe, West Asia and America. The 90-day pause in implementation of trade tariffs provided a much-needed breather for manufacturers and service providers. As a result of higher exports recorded, the output and employment grew during the month.

Aggregate sales increased at a sharp pace – the fastest since August 2024. Manufacturing companies registered a quicker upturn in new business than their services counterparts.

INDIA'S PURCHASING MANAGERS' INDEX (PMI)



Source: HSBC, S&P Global PMI. The HSBC Flash India PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. GDP: Gross Domestic Product.

On the flipside, private sector firms continued to lift selling prices due to rising cost burdens. Firms that anticipate output growth over the next 12 months, hope to benefit from brand recognition, marketing efforts, productivity gains, strong demand and technological investment.

India's Core sector activity and Factory output expands

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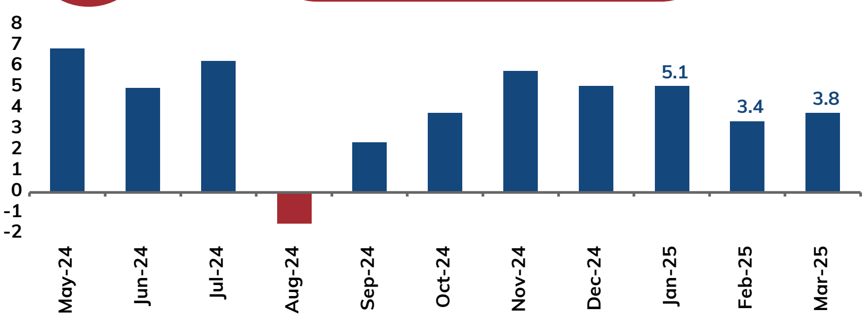
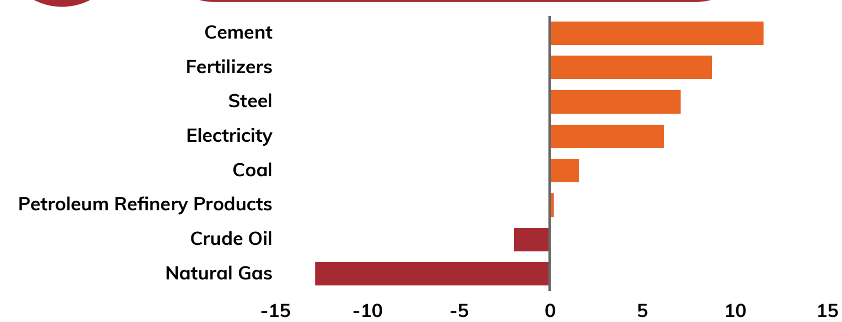
The output of eight core infrastructure sectors expanded by 3.8% year-on-year in March 2025, supported by the performance of electricity, steel and cement sectors. In March 2025, electricity output witnessed a 6% year-on-year growth, driven by the onset of summer season, that typically ramps up energy consumption. The cement sector benefited from a recovery in government spending on infrastructure. Further, a rise in private sector investment announcements during the quarter led to an increase in demand for steel.

INDEX OF EIGHT CORE INDUSTRIES (%)



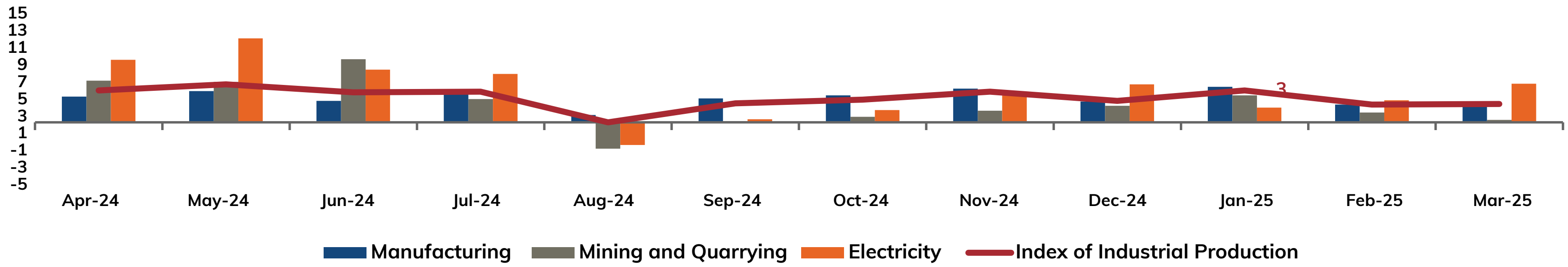
SECTOR OUTPUT GROWTH IN MARCH 2025 (%)



Source: Ministry of Commerce and Industry. The eight core sectors are: Coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity. March 2025 print is provisional. Year-on-year growth

India's industrial production improved to 3% in March 2025 from 2.7% in February 2025. The overall performance was supported by a rise in electricity output (6.3%) and manufacturing activities (3%).

INDEX OF INDUSTRIAL PRODUCTION - MANUFACTURING, MINING AND QUARRYING, ELECTRICITY (YEAR-ON-YEAR %)



Source: Ministry of Statistics and Programme Implementation (MOSPI), CareEdge Ratings.

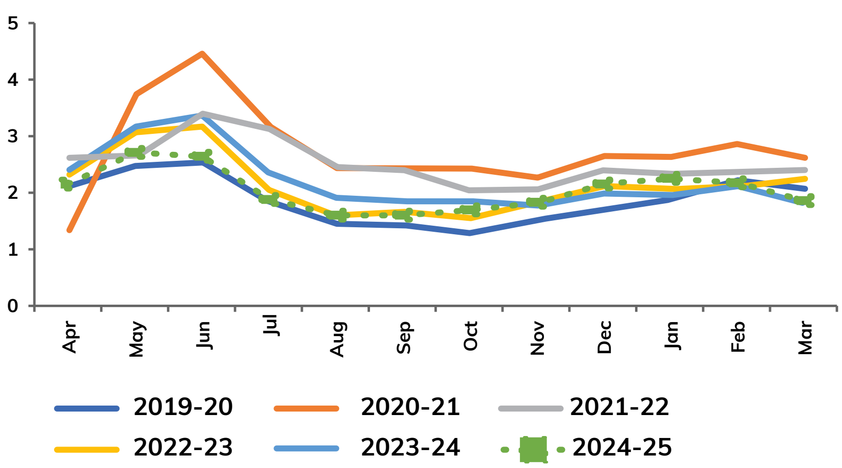
Bright Prospects for India's Rural Landscape

With commencement of the Rabi harvest, the demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) declined in March 2025. The daily wages under the MGNREGS have increased between 2.3% to 7.5% (₹7-₹26) per day, effective April 01, 2025.

Scooter sales contributed significantly to the overall two-wheeler sales, indicating strong rural demand.

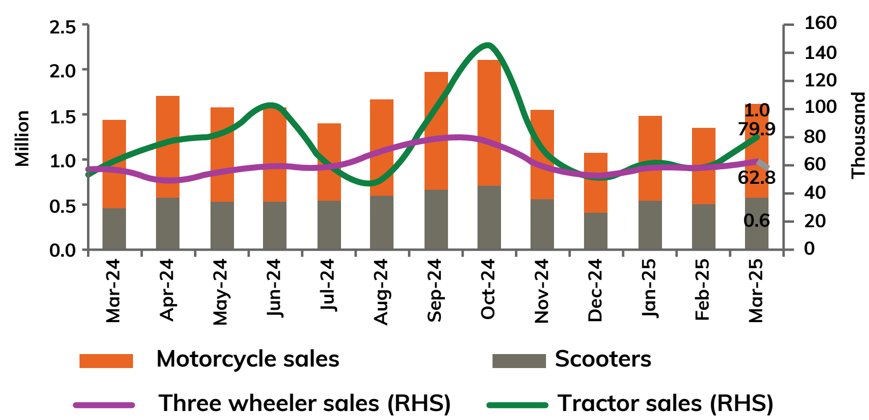
Tractor sales witnessed an encouraging double-digit growth for the fourth consecutive month. High tractor sales indicate increased mechanization in agriculture, which contributes to higher agricultural output.

DEMAND FOR WORK (NUMBER OF HOUSEHOLDS, CRORE)



Source: Ministry of Rural Development. RBI Bulletin, April 2025.

RURAL DEMAND



Sources: SIAM and Tractor and Mechanization Association (TMA).
RHS: Right-hand side

As per the Indian Meteorological Department, the southwest monsoon seasonal (June-September 2025) rainfall is most likely to be above normal (>104% of the Long Period Average (LBA)). A good monsoon would lead to an improvement in crop yields, support farmers' income levels and boost rural demand (Data Source: Ministry of Earth Sciences).

Why did India Impose a 12% Temporary Tariff on Steel?

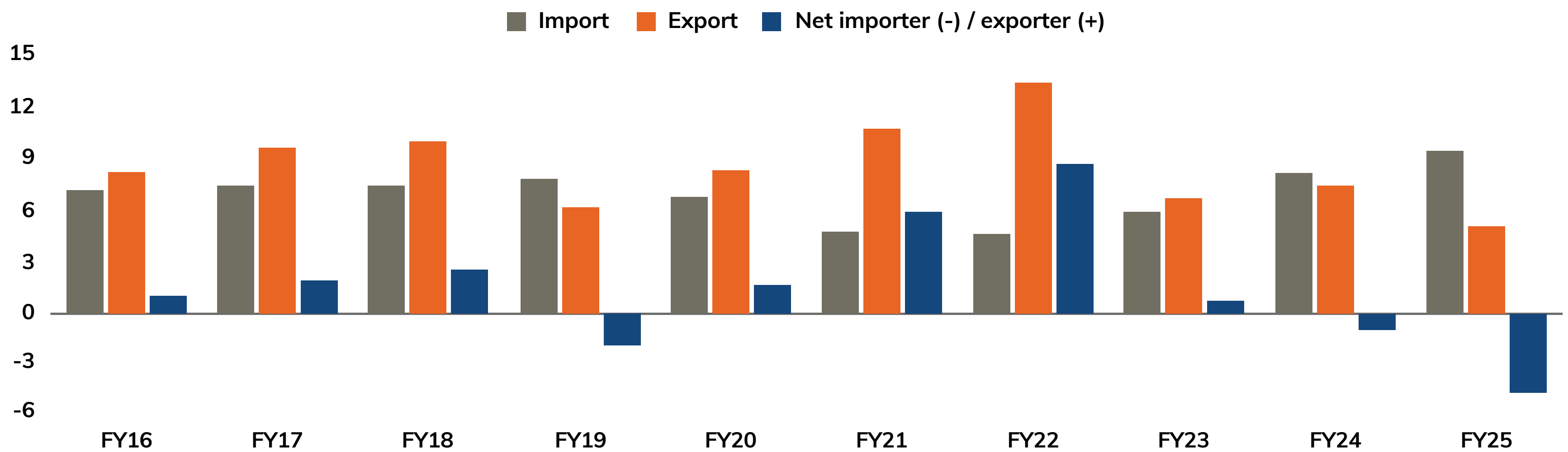
In April 2025, India imposed a 12% safeguard duty on the import of certain non-alloy and alloy steel flat products. The duty would be effective for 200 days from April 21, 2025.

In recent years, an influx of Chinese steel pushed certain Indian mills to scale down operations, resulting in lower job opportunities in the segment. The U.S. President increased tariffs on all steel and aluminium imports to 25%, effective March 2025, kicking off a trade war with China and key trading partners.

How would the safeguard duty help?

- **Aims to curb the flood of cheap steel imports, primarily from China, South Korea, and Japan.**
- **Protect domestic steel manufacturers from the adverse impact of import surges** and ensure fair competition in the market. **Instrumental in restoring market stability** and reinforcing confidence of the domestic industry.
- **Provides relief to domestic producers, especially small and medium-scale enterprises,** who have faced immense pressure from rising imports.

INDIAN STEEL EXPORTS AND IMPORTS (MILLION TONNES)



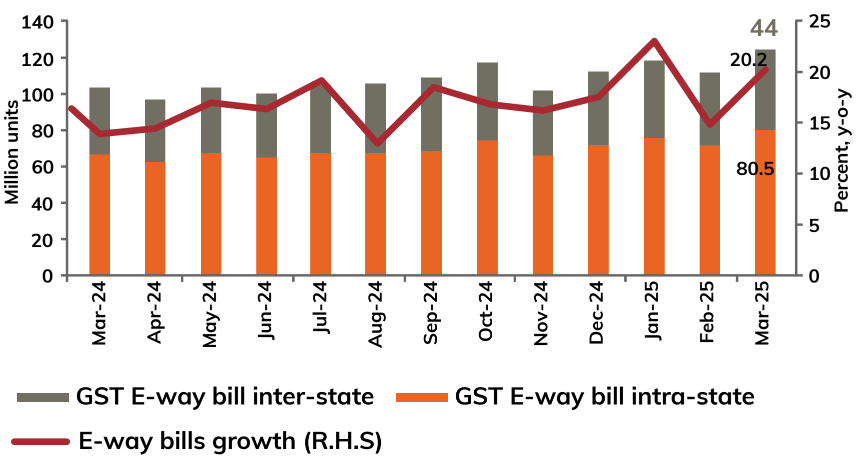
Source: Business Line, Ministry of Steel

Higher E-way bill Generation and GST Collection Indicate Increased Business Activities

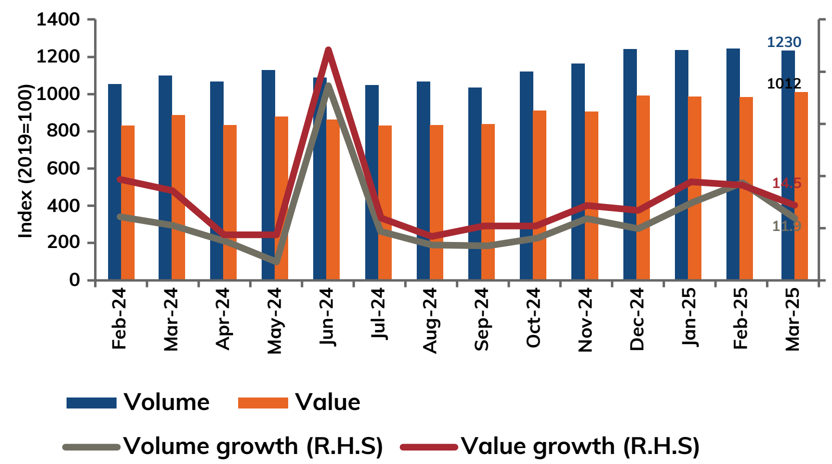
ICICI PRUDENTIAL MUTUAL FUND

E-way bill generation surged to a record 124.5 million in March 2025, registering a sharp growth of 20% from March 2024. A rise in e-way bill generation denotes stronger consumption and healthy domestic trade towards the end of the financial year.

E-WAY BILLS

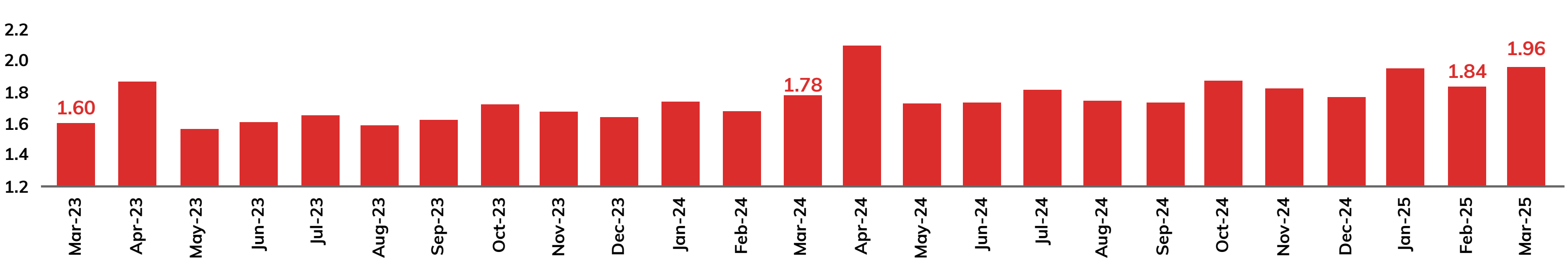


TOLL COLLECTIONS



India's gross Goods and Services Tax (GST) collection climbed to ₹1.96 lakh crore in March 2025, recording a 9.9% increase from ₹1.78 lakh crore recorded in March 2024. The GST collection in March 2025 has been the largest since April 2024, reflecting strong tax compliance by companies and higher business activities, which would contribute positively to economic growth.

GST COLLECTIONS (₹, LAKH CRORE)



Source: GSTN, RBI Bulletin, April 2025.

India's Renewable Energy Capacity Achieves Historic Growth in FY25

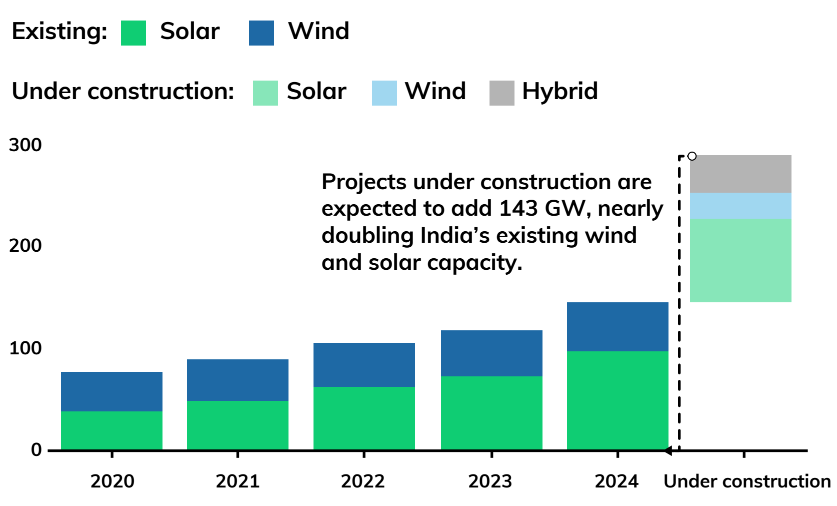
ICICI PRUDENTIAL MUTUAL FUND

With a record annual capacity addition of 29.52 GW, the total installed renewable energy capacity in India reached 220.10 GW on March 31, 2025 from 198.75 GW in the previous fiscal.

During the year, Solar energy contributed the most to the capacity expansion, with 23.83 GW added in FY25 – a significant increase over the 15.03 GW added in the previous year.

Projects already under construction could nearly double India's existing wind and solar capacity.

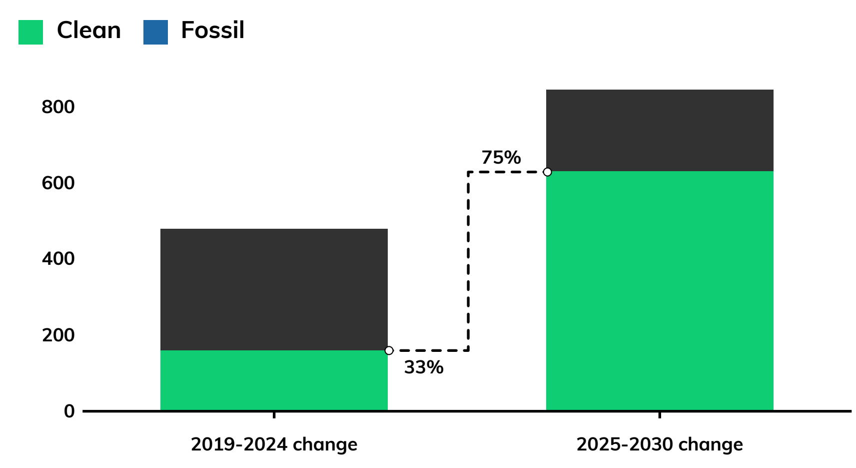
EXISTING CAPACITY AND CAPACITY UNDER CONSTRUCTION WITH PLANNED COMPLETION DATE BY 2028 (GW)



Source: Global Electricity Review 2025. GW: Gigawatt. Capacity under construction from the CEA's Quarterly Results on Under-construction Renewable Energy projects; Construction data as on December 31, 2024. Solar capacity is reported in GW.

Clean generation could meet three-quarters of India's electricity demand growth by 2030.

ELECTRICITY DEMAND GROWTH (TWh)



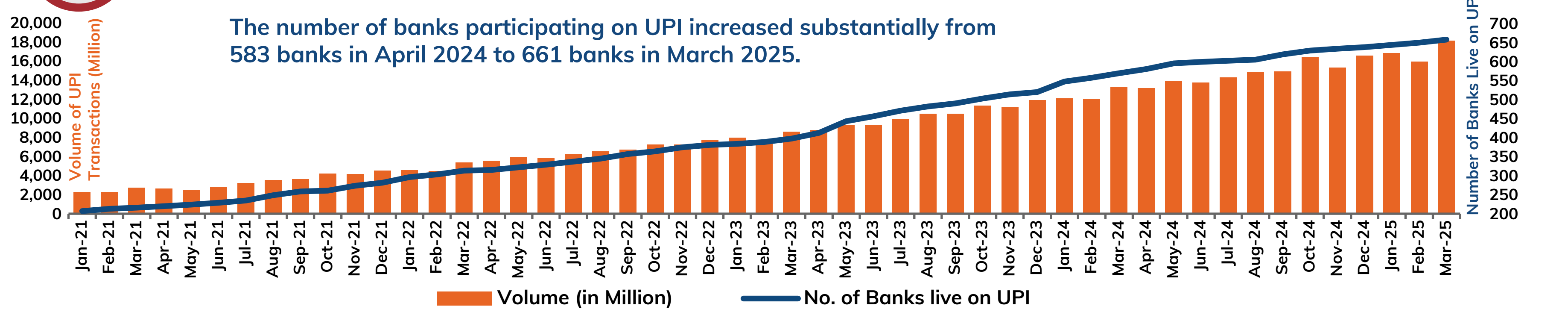
Source: Yearly electricity data, Ember; IEA WEO STEPS Scenario. Twh: Terawatt hours

Hydro Power projects continue to complement the solar segment by contributing to the diversified nature of India's energy landscape. **The Central Electricity Authority (CEA) approved detailed project reports of 6 Hydro Pumped Storage Projects (PSPs) of about 7.5 GW in FY25,** indicating the commitment to developing advanced long-term energy storage solutions (Source: Ministry of Power, April 2025).

Unified Payments Interface (UPI) In Limelight?

Digital transactions continued its upward trajectory with the number of transactions in Unified Payments Interface (UPI) surging from 13.44 billion in March 2024 to 18.30 billion in March 2025, marking a 36% increase over the year. Also, UPI transaction volume surged to a high of ₹24.77 lakh crore in March 2025. **The Reserve Bank of India (RBI) has authorized the National Payments Corporation of India (NPCI) to revise the Unified Payments Interface (UPI) transaction limits for in-person merchant payments. This move would enable the ecosystem to respond efficiently to new use cases (Source: RBI, April 09, 2025).**

VOLUME OF UPI TRANSACTIONS (MILLION) & NUMBER OF BANKS LIVE ON UPI



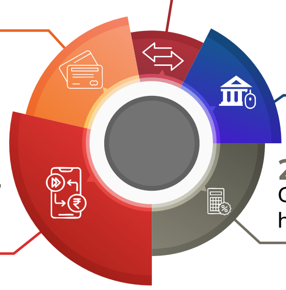
Source: National Payments Corporation of India (NPCI). The above data excludes the transactions having debit/credit to the same account for the month of August 2018 onwards. UPI: Unified Payments Interface.

Indian Payment Landscape Share in Digital Payments (%)

2% Direct Transfers
Utilized for government payouts and large corporate transactions

10% Credit Card
Primarily used for high-ticket purchases, rewards and travel spending

3% Net Banking
Mostly used for direct transfers and high-value business transactions



65% UPI
Dominant mode for retail, e-commerce, utilities and food services

20% EMIs
Growing rapidly in e-commerce, education, healthcare and auto ancillary

Lending Payment mode across sectors and % share

	Leading Preference	% share
Government and utilities	UPI	75
Food and beverage	UPI	70
Retail	UPI	65
E-commerce	UPI	65
Education	Net Banking	60
Auto and ancillaries	Credit Cards	50
Healthcare	UPI	55

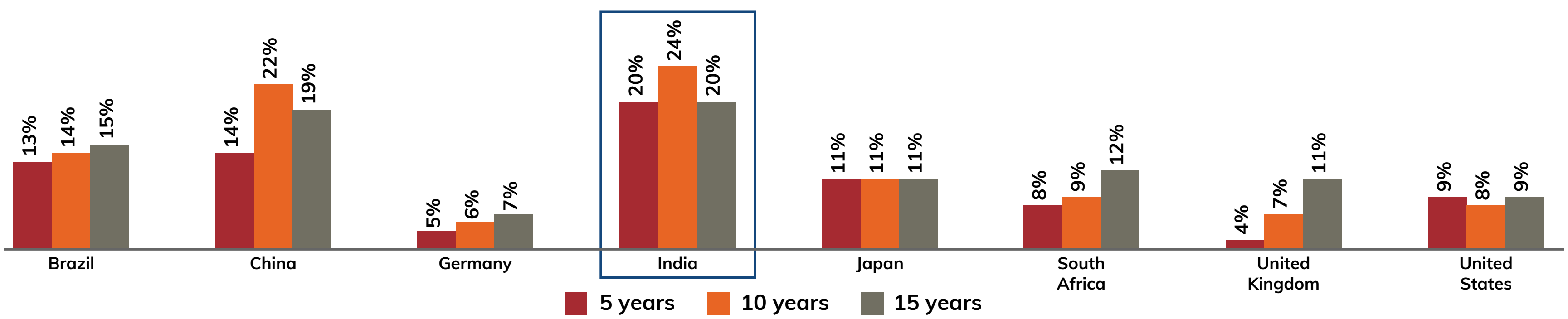
Source: 'How India Pays' report by Phi Commerce, April 2025. Based on Omnichannel digital payment transaction flows across 20000 merchants through the Phi Commerce payment gateway. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information Document of the Scheme.

The Growing Penetration of Mutual Funds

ICICI PRUDENTIAL MUTUAL FUND

The Assets Under Management (AUM) of India's mutual fund industry has grown significantly from ₹22.26 trillion as on March 31, 2020 to ₹65.74 trillion as on March 31, 2025. The AUM has grown exponentially, supported by availability of different types of schemes, the need for professional management, mushrooming distribution channels facilitating easy access, product innovation and structural shifts in the country's mutual fund ecosystem.

INDIA'S RISE AS A GLOBAL MUTUAL FUND POWERHOUSE BETWEEN 2015-2024 - GROWTH RATE (%)



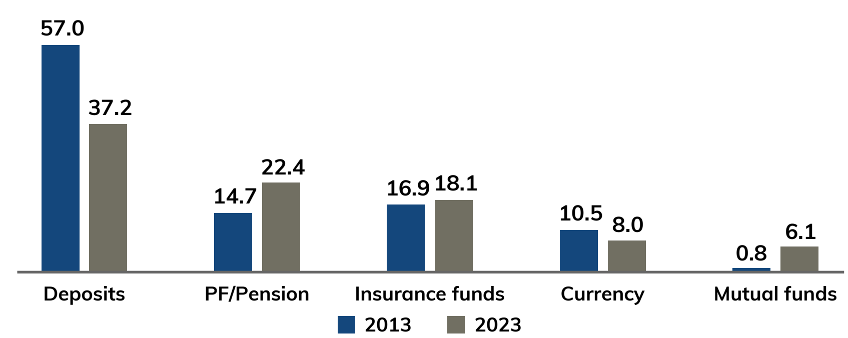
Source: Association of Mutual Funds in India (AMFI), IIFA.

India has witnessed impressive growth in the mutual funds industry over the years, with the AUM-to-GDP ratio reaching an all-time high of 18.2% in fiscal 2024. The print is significantly lower than that of many developed economies, indicating vast opportunity for growth.

Mutual funds AUM-to-GDP ratio (%)

1	131.7%	USA
2	90.5%	Canada
3	77.5%	Brazil
4	74.0%	World
5	62.5%	UK
6	60.1%	Japan
7	54.5%	South Africa
8	40.0%	Korea
9	22.0%	China
10	18.2%	India
11	13.1%	Italy
12	8.1%	Argentina

Growth in share of mutual funds in financial assets of Indian household (in %)



Source: Investment Company Institute, CRISIL Intelligence, Reserve Bank of India. Note: For India, MF AUM–GDP ratio is as of March 2024; For all other countries (including the World), MF AUM as of Sep-2024 and GDP as of Dec-2024 has been considered. GDP: Gross Domestic Product.

Other Key Developments

The RBI released new guidelines on Gold loans: The Reserve Bank of India has presented a draft of several new guidelines related to gold loans, following a sharp increase in the outstanding amount of gold loans and non-performing assets (NPAs). These rules would mandate common formats for gold loan agreements, valuation certificates and borrower communications across all branches.

Launch of the Electronics Components Manufacturing Scheme: India's electronics production has grown five-fold and exports have grown more than six-fold, with export CAGR exceeding 20% and production CAGR over 17% (Source: Ministry of Electronics & IT, CAGR: Compound Annual Growth Rate). The Ministry of Electronics and Information Technology launched the Electronics Components Manufacturing Scheme in April 2025, which is a significant step towards strengthening India's electronics manufacturing ecosystem. This initiative could promote domestic manufacturing, attract large-scale investments and integrate Indian firms with global value chains.

India witnessed a sharp rise in credit card Non-performing assets: Rewards for shopping travel, dining and ease of getting loans have made credit cards increasingly popular in India. The growing reliance on credit cards led to a surge in defaults with non-performing assets in this segment rising by 28.42% year-on-year to ₹6,742 crore as of December 2024 (Source: Reserve Bank of India).

The Pact between India and Sri Lanka: During the Indian government's state visit to Colombo in April 2025, India and Sri Lanka signed a new Memorandum of Understanding (MoU) on Defence Cooperation. The agreement would strengthen ties and facilitate collaboration across key sectors, including defence and energy.

India and UK strengthen economic ties to unlock opportunities: In April 2025, the UK Chancellor and India's Finance Minister announced USD 400 million in new trade and investment deals at the 13th UK-India Economic and Financial Dialogue. The dialogue aimed at deepening economic cooperation, particularly in areas of financial services, infrastructure and sustainable growth.

Other Key Developments

India and Russia will initiate strategic projects: In April 2025, India and Russia agreed on six new strategic projects to boost bilateral investment cooperation during the 8th Session of the India-Russia Working Group on Priority Investment Projects. The session was conducted under the India-Russia Intergovernmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation with focus on advancing collaborative projects across sectors of mutual interest.

India's WPI inflation moderates: India's Wholesale Price Index (WPI) inflation moderated to 2.05% in March 2025 compared to 2.38% in February 2025. The positive rate of inflation in March 2025 is primarily due to an increase in the prices of manufactured food products, other manufacturing, food articles, electricity and the manufacture of textiles.

The European Central Bank (ECB) cuts interest rates in April 2025: The ECB decided to ease policy rates to 2.25% from 2.5% to boost the already struggling euro zone economy amidst concerns over the significant impact of U.S. trade tariffs on growth.

The Reserve Bank of India added more gold to its reserves: The Reserve Bank of India (RBI) has been steadily increasing gold reserves amid geopolitical conflicts and rising global economic uncertainties. The central bank purchased 57.5 tonnes of gold during FY25, which is the second highest purchases made ever since it started accumulating gold in December 2017.

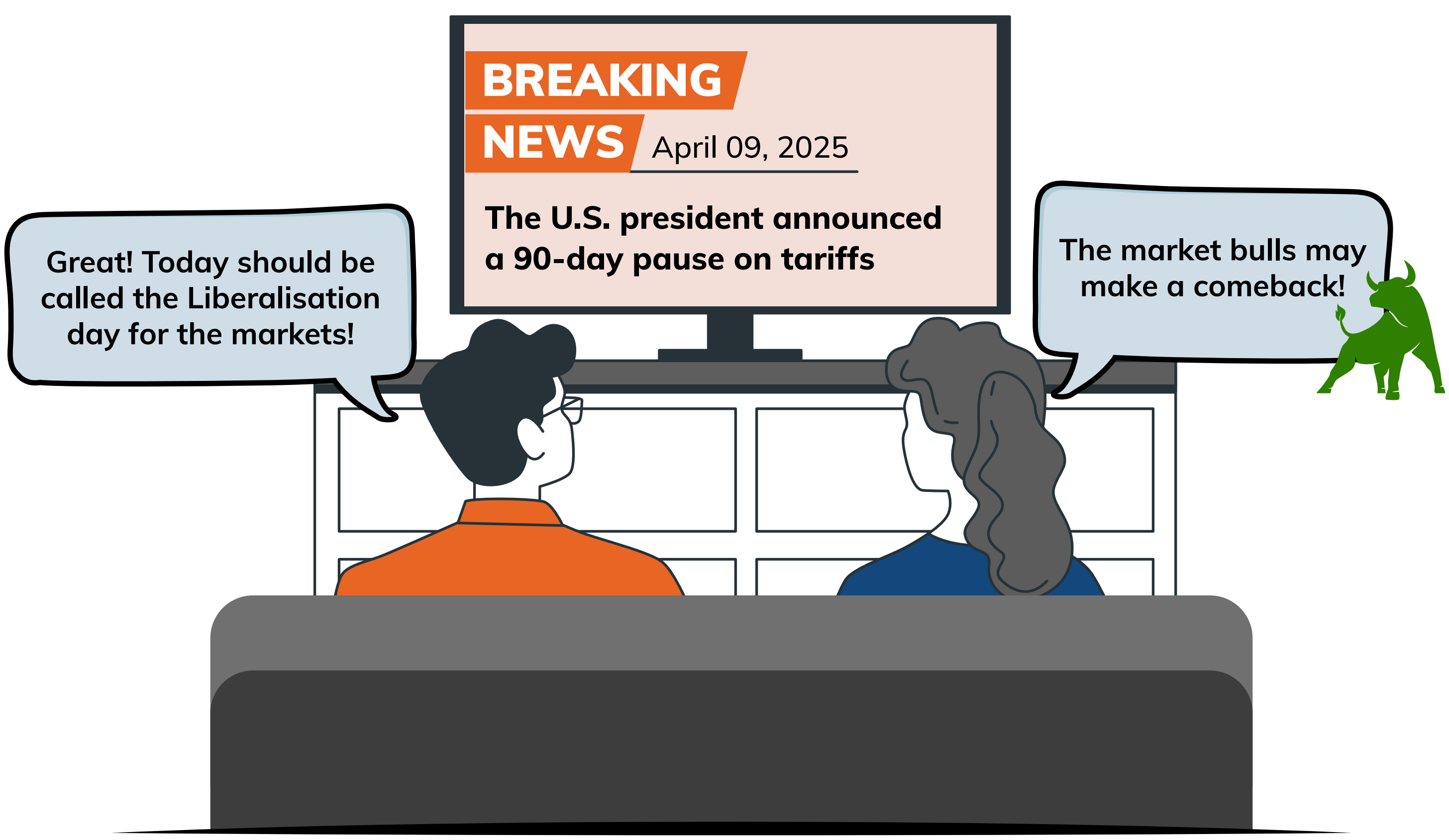
Reserve Bank of India's new liquidity coverage guidelines, effective April 01, 2026: The RBI sets different LCR requirements depending on the type of deposit and the stability parameter. From April 2026, stable retail deposits enabled with internet and banking will attract a 7.5% run-off factor instead of 5%. Also, less stable deposits will have a 12.5% run-off factor as against 10% (Source: Reserve Bank of India, LCR: Liquidity Coverage Ratio).

And it is a wrap for the month

Global markets are likely to remain volatile in the near term as uncertainty surrounding U.S. trade policies could result in a slowdown in global trade and slower consumer spending. Softening global commodity prices, could ease pressure on inflation in commodity importing countries, although currency pressures could partly offset such benefits.

India's strength to withstand these headwinds stem from a strong macroeconomic framework and moderating inflation. The agricultural sector is poised to sustain its momentum, supported by bumper crop harvest and comfortable reservoir position. Moreover, India's strength in services exports and remittance inflows continues to provide a vital buffer for the current account.

PICTURE OF THE MONTH



The pictures used in this document are for illustration purpose only.

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