

PATH TO DEFENCE AUTONOMY

India's 15-year defence roadmap redefines military power through AI, hypersonics and indigenization, steering towards a tech-driven, self-reliant future

Beyond Market

it's simplified...

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a financial magazine crossing horizons

Aquapreneurs Rising

Turning scarcity into opportunity, a new wave of water innovators is making every drop count through technology, sustainability, and purpose – Page 13

Turning Homeward

The era of onsite US work ends, pushing Indian engineers towards domestic growth and GCCs – Page 16

Redefining Enterprise Readiness

The ChatGPT era has triggered a global AI race, driving enterprises and Indian IT firms towards an "AI-ready," human + AI future – Page 24

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Tushita Nigam
Editor

NEXT-GEN WARFARE

India recently unveiled a 15-year defence plan, a comprehensive modernization roadmap centred on AI, hypersonic technology, and next-generation warfare. This initiative aims to chart the country's next major leap in military capabilities, enabling it to keep pace with evolving global challenges and strategic responsibilities in the years ahead. Read the cover story to explore the carefully crafted roadmap for India's defence sector and its impact.

Moving on, this issue features articles on the upcoming initial public offerings (IPOs), innovations in the water sector, and the impact of the recently imposed H-1B visa fees by the US government and how these could affect Indian IT firms and professionals. You'll also find insights on how forming a Hindu Undivided Family (HUF) can serve as an effective tool for tax and long-term investment planning, along with a look at how India is preparing for a "human + AI" future.

Further in this issue, you'll discover interesting reads on how Indian Asset Management Companies (AMCs) are coming of age and gearing up for the future of investing through mutual funds, the rise of the micro-drama craze in India, and the workings of home loan overdrafts and how they can serve as a financial cushion in times of need.

Don't miss the succinct gist of American investor and writer Howard Marks' latest memo, "The Calculus of Value," which delves into the relationship between an asset's price and its intrinsic value.

And finally, get an exclusive glimpse into two inspiring conversations from Nirmal Bang's newly launched interview podcast series, The Billionaire Code, which is a tribute to India's most trusted and impactful Mutual Fund Distributors, showcasing their stories of resilience, vision, and wealth creation.

**“In the coming days,
a breakout above the
26,400 level in Nifty
Futures could lead to
a move towards 27,400.”**

Nifty Futures: 26,261

(Last Traded Price As On 29th October '25)



Negotiations between India and the US on tariff issues have shown progress.

Festive demand in India has been strong, supported by the government's reduction in GST rates.

The initial set of Q2 FY25-26 earnings results for India Inc has largely met expectations.

In the coming days, a breakout above the 26,400 level in Nifty Futures could lead to a move towards 27,400. The support levels are expected to be maintained at 26,100 and 25,900, keeping a bullish outlook for the market.

Market participants should closely monitor the outcome of the tariff negotiations with the US, the remaining quarterly earnings announcements, and the management outlook for the second half of the financial year.

Disclaimer

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Dulip? Bang



PATH TO DEFENCE AUTONOMY

India's 15-year defence roadmap redefines military power through AI, hypersonics and indigenization, steering towards a tech-driven, self-reliant future

In September '25, India rolled out its 15-year defence roadmap - an expansive strategy aimed at transforming the military strength across land, air, sea, and space. Spanning over 200 weapon systems and next-generation technologies, the plan envisions a future driven by artificial intelligence, hypersonic platforms, directed-energy systems, autonomous capabilities, and nuclear-powered naval assets.

Beyond enhancing combat readiness, the roadmap places self-reliance and indigenization at the core of India's defence ecosystem. It seeks to equip the armed forces with the agility and technological edge to tackle emerging regional and global challenges, while simultaneously creating a long-term growth opportunity for domestic defence manufacturers. Both state-owned and private players stand to benefit as India moves to deepen local production, strengthen integration, and build a globally competitive defence supply chain.

HEAVY PLATFORMS AND AUTOMATED WARFARE

The Indian Army, still the world's second-largest in manpower, is undergoing a structural transition towards automation, precision, and high-mobility warfare. Central to its plan is the induction of 1,800 next-generation main battle tanks and 400 light tanks.

The Zoravar light tank programme, jointly developed by DRDO and L&T Defence, exemplifies this shift. Tailored for high-altitude operations in Ladakh and Himalayan terrains, Zoravar will combine lightweight agility with high firepower. Alongside, the Army seeks to expand networked UAVs for surveillance, enabling real-time reconnaissance in contested zones. Robotic counter-IED systems will neutralize asymmetric threats in counter-insurgency environments.

These procurements are more than hardware additions; they are steps toward digitally integrated land warfare, where automation complements soldier strength.

NUCLEAR AMBITION AND BLUE-WATER DOMINANCE

The Indian Navy's roadmap arguably contains the boldest ambitions, reflecting India's aspiration to emerge as a

blue-water naval power in the Indo-Pacific.

At the centre lies INS Vishal (IAC-3) - India's proposed 65,000-tonne nuclear-powered aircraft carrier. Unlike its conventionally powered predecessors, INS Vishal will leverage nuclear propulsion to achieve virtually unlimited endurance at sea. Coupled with Electromagnetic Aircraft Launch Systems (EMALS), it will be able to deploy heavier aircraft, stealth fighters, and unmanned combat platforms.

This platform alone represents a generational leap, placing India in the league of navies capable of sustained power projection far beyond its shores. Supporting this are plans for 10 nuclear propulsion systems for future carriers and large combatants, alongside 10 next-gen destroyers and frigates, amphibious landing docks, and nuclear-powered surface warships.

The Navy's modernization also integrates advanced helicopters, Rafale-M fighters, and future indigenous naval aviation platforms. Indian shipyards such as Mazagon Dock Shipbuilders, Cochin Shipyard, and Garden Reach Shipbuilders will anchor construction, while L&T, BHEL, and HAL will drive propulsion, integration, and subsystems.

With the Indo-Pacific increasingly becoming the geopolitical pivot of global competition, India's naval roadmap reflects not just defence needs but also strategic ambition: to secure

trade routes, deter adversaries, and act as a net security provider.

FROM MANNED COMBAT TO AI-ENABLED SWARMS

The Indian Air Force's 15-year plan reveals a decisive paradigm shift from manned fighter dominance to unmanned, AI-enabled air combat.

Key acquisitions include:

- 150 stealth UCAVs (Unmanned Combat Aerial Vehicles) for strike missions
- 350 multi-mission drones for surveillance and tactical support
- Stratospheric airships for persistent reconnaissance

Central to this vision is the Combat Air Teaming System (CATS), pioneered by HAL. This system will enable manned fighters to operate in tandem with swarming drones, loitering munitions, and AI-driven wingmen, creating a networked combat ecosystem.

Directed-energy weapons form another pillar of Air Force modernization. Programmes like DRDO's Sahastra Shakti (30-kilowatt laser) and Project Surya (targeting 300-kilowatt power levels) aim to neutralize drones, missiles, and high-speed threats. These futuristic systems, with BEL and Tata Advanced Systems as key contributors, could redefine aerial defence.

The Air Force also seeks to extend its footprint into space-based surveillance and communications, ensuring domain dominance beyond the atmosphere. With firms

like Paras Defence, IdeaForge, and Zen Technologies leading innovation in UAVs and avionics, the ecosystem is rapidly expanding.

CROSS-DOMAIN TECHNOLOGIES: HYPERSONICS, AI, AND SPACE

The roadmap's most transformative dimension lies in cross-domain technologies - futuristic capabilities designed to ensure India's edge in next-generation warfare.

Hypersonic Missiles

Travelling at Mach 5 and above, hypersonic weapons render most missile defence systems obsolete. India's pursuit of these weapons is spearheaded by DRDO, with private industry expected to play critical roles in propulsion, materials, and guidance systems. Success here would place India among the select nations - the US, Russia, and China - developing operational hypersonic arsenals.

AI-Enabled Command And Control

Future warfare is no longer defined solely by firepower but by intelligent, connected, and adaptive decision-making. AI-driven command systems will fuse vast amounts of data from satellites, UAVs, radars, and ground sensors to create a dynamic, unified operational picture for commanders. This real-time battlefield awareness will drastically shorten response times, enabling predictive analysis, automated threat prioritization, and precision targeting. Such systems will also enhance

interoperability among the Army, Navy, and Air Force, fostering a true network-centric warfare environment. The technological backbone of this revolution lies in advanced software, sensors, and secure data links - areas where companies such as BEL, L&T, and Data Patterns are already pioneering solutions through indigenous R&D and system integration capabilities.

SPACE-BASED SURVEILLANCE AND COMMUNICATIONS

Space is fast becoming the fifth and most contested domain of warfare. India's vision includes developing an integrated satellite-based network for intelligence, surveillance, reconnaissance (ISR), and secure communications.

Future military operations will increasingly rely on space-enabled assets for situational awareness, navigation, and communication resilience during conflicts. Indian companies like Paras Defence, Astra Microwave, MTAR Technologies, and Solar Industries are expected to play a critical role in developing high-end payloads, sensors, and propulsion systems to strengthen India's space defence ecosystem.

INDIGENIZATION: BUILDING FOR SELF-RELIANCE

The 15-year defence roadmap is more than a modernization blueprint - it's a strategic industrial transformation rooted in Atmanirbhar Bharat. India aims to shift from being

OFFERS & OPPORTUNITIES

IPOs are opening the floodgates of opportunity for Indian investors, but only the patient will truly profit

IPO



Initial public offerings (IPOs) have become the buzzword for Indian capital market investors. In October, we saw blockbuster names such as Tata Capital and LG Electronics India getting listed. After raising around US \$12 billion so far, the Indian primary market is expected to garner about US \$20 billion over the next 12 months through stock issuances via the IPO route.

At an exchange rate of ₹88 per US dollar, this translates to a capital raise of ₹1.76 lakh crore. The number appears mind-boggling, and some fear that it may drain substantial liquidity from the financial markets. However, this phenomenon will expand the listed universe and offer many investment opportunities to investors.

IPOs have always been one of the important factors attracting retail investors to the capital markets in India. Large IPOs such as those of Coal India, Maruti Suzuki India, National Thermal Power Corporation, Tata Consultancy Services, and Life Insurance Corporation of India over the past three decades have encouraged many investors to enter the equity markets.

After the Covid-19 pandemic, a huge number of retail investors entered equity markets in search of growth opportunities. Actively embracing the digital ecosystem of financial markets has facilitated smooth onboarding for many Gen-Z investors. Aadhar-based KYC has enabled quick opening and activation for investors. Reforms in the primary markets have further simplified participation for these tech-savvy young investors.

Over time, the financial markets regulator has ensured shorter IPO timelines, greater disclosures at the time of issue, and increased transparency in the allotment process. The convenience of mobile-based IPO applications from the comfort of one's home has further boosted retail participation.

The recent listing of LG Electronics India (LGI) on the bourse after an IPO, which was subscribed more than 54 times, is a case in point. LGI also set a record for the highest first-day gains on listing for an IPO that raised over ₹10,000 crore, delivering a 48% gain on debut. The company not only emerged as the largest consumer durables company by market capitalization in India but also notched a valuation higher than its parent company.

Investor interest in IPOs such as LGI underlines the strong potential of the IPO route and the opportunities that good quality listings bring to the table. Today, IPOs serve many purposes beyond their traditional role of raising funds for companies.

In recent years, there has been a significant increase in IPOs where the company did not raise money, but instead provided an exit route to existing investors and allowed partial profit booking by promoters. Many private equity giants have preferred to exit their investments in the unlisted space by taking companies public - a strategy that can be a big win-win for all stakeholders.

First it facilitates an exit for existing investors while also giving them an option to gradually book profits by selling their residual holdings in the company over time, if they wish.

Many new-age tech companies are founded by young entrepreneurs. These 'start-up'-turned large corporations usually issue Employee Stock Options (ESOPs) to retain talent. Employees holding shares through ESOP conversions often prefer the stock to be listed, as this enables easier liquidity and profit realization.

While some market participants criticize IPOs that primarily aim to provide an exit to existing investors, they often overlook the benefit of widening the investment universe for market participants.

Newly listed stocks, especially in emerging sectors such as renewable energy, fintech, and new-age infrastructure, create attractive opportunities for long-term investors seeking high growth. Listing in these segments also helps investors understand new businesses better and monitor them regularly through mandatory disclosures under listing regulations. A listed company's shares are generally more accessible, as the minimum tradeable unit is one share.

Stock prices can move sharply in either direction post-listing. The moot point, however, is that after the initial excitement settles, fundamentals begin to assert themselves. For example, after the much-talked-about IPO of Hyundai Motor India (HMI), the stock traded in a narrow band below its IPO price for a few months. However, as sector fundamentals improved, HMI benefited heavily — reflected in its rising stock price.

While good-quality businesses

eventually attract investor attention, weaker ones tend to falter. Public markets enable broader participation and better price discovery, allowing investors to value businesses more accurately than in private markets.

A continuous influx of quality companies with reasonable growth prospects through the IPO route offers attractive opportunities for savvy investors, especially during volatile markets. Investors can diversify across sectors and business models by investing either at the IPO stage or in the secondary market.

Many traders view IPOs as an opportunity for quick gains. According to studies conducted by the Securities and Exchange Board of India (SEBI), many investors sell their allotted shares on listing day to pocket immediate profits. While this provides a short-term thrill, it deprives them of the benefits of long-term compounding.

To make the most of opportunities in the primary market, investors should focus

on long-term business fundamentals and growth potential. Applying for shares of fundamentally strong companies can be a good starting point. Such stocks can also be accumulated gradually in the secondary market post-listing. A well-constructed portfolio of quality businesses can help investors benefit from long-term wealth compounding.

Increased analyst coverage, growing institutional interest, and inclusion in popular stock indices can act as tailwinds for quality stocks with rising earnings. An IPO can serve as an early entry point for small investors, and sustained, staggered purchases can make the investment journey more rewarding over time.

Like any other equity investment, IPO investing also carries its share of risk. Investors should avoid chasing fads or overpaying for stocks. Buying a fundamentally strong, profit-compounding business at a fair price remains the key to long-term wealth creation.

WHEN FORCES COMBINE,
YOU BECOME INVINCIBLE

INVEST IN
MUTUAL FUNDS



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AQUAPRENEURS RISING

Turning scarcity into opportunity, a new wave of water innovators is making every drop count through technology, sustainability, and purpose





India's water crisis is no longer a distant threat. It is a daily reality for millions. With 18% of the world's population but only 4% of its freshwater resources, the country faces a severe imbalance. Groundwater levels are plummeting, rivers are increasingly polluted, and erratic monsoons are making water availability unpredictable. Amid these challenges, entrepreneurs are blending technology, sustainability, and community engagement to secure the nation's water future.

Government estimates warn that total water demand will exceed 1,093 billion cubic metres by 2025, with irrigation alone consuming nearly 80%. Urban demand is expected to double by 2030, driven by rapid urbanization and population growth. These trends underline an urgent truth: incremental solutions will not suffice — India needs systemic innovation.

In response, over 100 start-ups across India are tackling water challenges head-on, with at least 37 focused on cutting-edge technologies like wastewater recycling, desalination, smart metering, and even water-from-air systems. Their work is attracting global investors, accelerators, and development agencies eager to support scalable solutions. Platforms such as Water Innovation Summit 2025 have spotlighted these "waterpreneurs" as central to India's water security and resilience agenda.

India's water entrepreneurs are showing that water innovation is not just an environmental necessity — it's a strong business opportunity. The country's water and wastewater management market, valued at ₹92.44 billion in 2024, is expected to grow at a compound annual growth rate (CAGR) of 10.72%, reaching ₹353.50 billion by 2030. This rapid growth is being fuelled by rising water scarcity, greater awareness of conservation, and a surge of private sector innovation.

What sets India's water start-ups apart is their ability to combine commercial viability with measurable social and environmental impact. Many are designing business models that generate revenue while delivering measurable conservation results. Pay-per-litre services make treated water affordable for small manufacturers and housing societies without large upfront costs.

Franchise-based decentralized treatment plants allow quick

scale-up in water-stressed towns. And data-as-a-service models monetize insights from water monitoring systems, enabling industries and utilities to track and optimize their usage.

One of the most compelling stories in this space is that of Mansi and Rajesh Jain, founders of DigitalPaani, a Gurugram-based start-up revolutionizing water infrastructure management. Their IoT-enabled platform monitors and optimizes water treatment systems in real time, helping industries and municipalities detect leaks, automate chemical dosing, and ensure water quality compliance. With clients like Amazon and Britannia, DigitalPaani aims to expand to 175 plants and 4,000 buildings by 2026.

In Mumbai, Indra Water has developed a decentralized, chemical-free wastewater treatment system that can be deployed at housing societies, campuses, and factories without the need for large land parcels or complex infrastructure. It's already being used by leading corporations to recycle water for landscaping, cooling, and flushing.

In Chennai, WEGoT Utility Solutions is making waves with its Aqua platform. This system uses ultrasonic sensors and LoRaWAN networks to provide real-time water usage, pressure, and quality data. The impact is tangible; some users have reported up to 40% savings on their water bills. WEGoT's technology is already deployed in over 30,000

homes and commercial buildings, helping India address its urban water stress.

Another Chennai-based company, Scrapify Ecotech, is tackling water pollution with its AI-powered Ecofloater - an autonomous drone that cleans water bodies by removing plastic waste, oil spills, and algae. It also monitors water quality in real time, providing valuable data to municipal authorities and environmental agencies.

This innovation reminds us that water security is not just about supply. It is also about safeguarding the ecosystems that sustain it.

Meanwhile, in Bengaluru, Uravu Labs is taking a radically different approach. Their technology extracts drinking water from the air using renewable energy.

These atmospheric water generators are especially valuable in arid and remote regions where traditional water sources are unreliable or contaminated. Uravu's solution is 100% renewable, using only solar or waste heat, and has attracted \$2 million in funding from investors like Speciale Invest.

Another standout is Swajal, a Kanpur-based social enterprise that has developed solar-powered water ATMs. These kiosks dispense clean drinking water at affordable rates in underserved communities, reducing dependence on plastic bottles and ensuring last-mile delivery of safe water. Swajal's decentralized model addresses water access and

creates local employment and ownership.

Delhi-based Desolenator is addressing the challenge of water scarcity in coastal and drought-prone areas through solar-powered desalination. Their systems use only sunlight to convert seawater into potable water without relying on fossil fuels or chemicals. The technology is gaining traction in India, parts of Africa, and the Middle East, where water stress is equally acute.

Beyond start-ups, community-led initiatives are also making a difference. The SequestraBionix Foundation in Kolkata blends traditional ecological knowledge with modern science to restore degraded landscapes. Promoting carbon farming and ecosystem regeneration, they help communities build resilience against water scarcity and climate shocks.

Government support is also evolving. Initiatives like the Jal Jeevan Mission, which aims to provide piped water to every rural household by 2028, are creating new opportunities for collaboration.

Start-ups are invited to pilot their technologies in public infrastructure, while state governments offer water-saving innovations incentives. The convergence of policy, capital, and entrepreneurship creates fertile ground for systemic change.

The private sector is also playing a growing role. Companies like Ion Exchange, Thermax, and Shakti Pumps

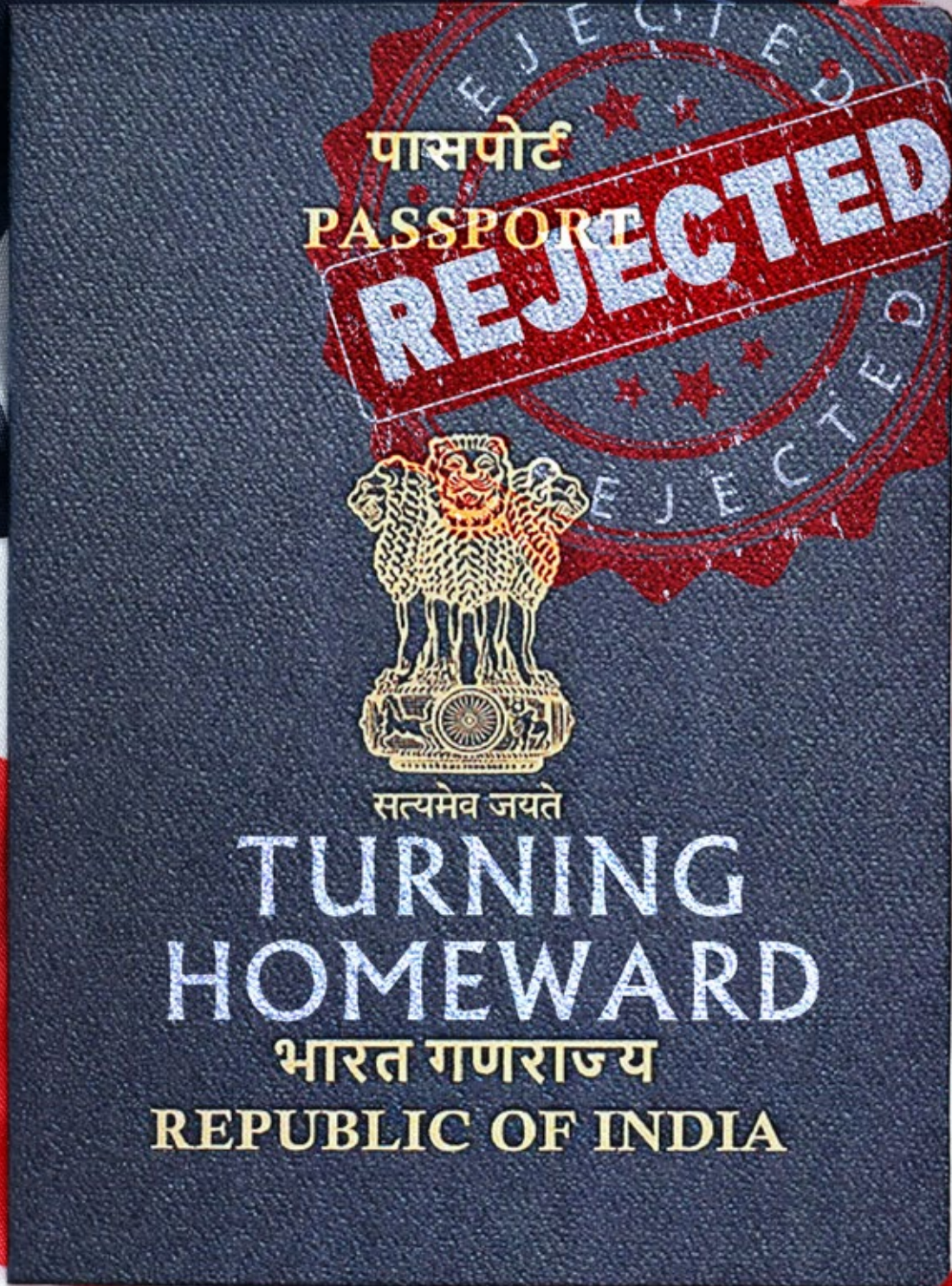
are investing in water-efficient technologies and partnering with start-ups to scale solutions. The Indian water sector is also seeing increased activity in the stock market, with water-focused companies gaining investor interest due to their long-term growth potential.

Despite rapid progress, significant challenges remain. Many water entrepreneurs struggle with fragmented regulations, limited access to financing, and the inertia of legacy systems.

Scaling solutions across India's vast and diverse landscape requires technology, trust, adaptability, and long-term commitment. It also demands a shift in mindset from viewing water as a commodity to valuing it as a shared, finite resource.

But progress is undeniable. India's water entrepreneurs are rewriting the narrative from smart sensors in skyscrapers to solar-powered kiosks in villages, from drones cleaning lakes to machines pulling water from thin air. They are proving that innovation can flow where policy and infrastructure have stalled - and that with the right support, they can help India move from water stress to water security.

In a world defined by climate uncertainty, their work offers hope and a blueprint - for how a country of 1.4 billion people can secure its most precious resource, not through scarcity and conflict but through creativity, collaboration, and courage.



The era of onsite US work ends, pushing Indian engineers towards domestic growth and GCCs

A

t the turn of the millennium, a posting to America was the ultimate career upgrade for India's software engineers. The H-1B visa was a ticket to Chicago, San Jose or Seattle, and a passport to prosperity back home. The "onsite dream", as it came to be known, built not just careers but families. In fact, it fuelled the rise of a new class in India: IT-rich.

That dream may have just been priced out of existence. In late September, US President Donald Trump signed a proclamation imposing a \$1,00,000 annual fee on each H-1B visa. Whether the move survives a legal challenge is uncertain, as US presidents cannot normally impose fees beyond cost recovery, but the intent is clear. Washington has decided to tax the very talent that helped build Silicon Valley.

The policy has sent shockwaves through Indian IT, which continues to dominate global H-1B approvals. The fee is nearly ten thousand percent higher than the previous cost of \$1,000.

Framed as a measure to prioritize American workers, this move signals the end of the onsite era and challenges the assumptions underpinning India's 250-billion-dollar IT industry. Though in a relaxation of its rules this month, the US government has said that the fee will not apply to applications for a change of status or an extension of stay in the US.

A NUMBERS-DRIVEN CRISIS

In 2024, around 4,00,000 applications were approved, more than double the number issued in 2000 but below the 2022 peak of 4,42,425. Renewals accounted for 65% of approvals, with new applications at 35%. Most approvals have historically been renewals, which are exempt from the annual cap of 85,000 visas. Denial rates have fallen sharply under the Biden administration, staying below 3% after peaking at 15% during the Trump-era restrictions.

Indian nationals dominate the H-1B stream, accounting for roughly 73% of approvals in 2023. China followed with 12%, and no other country exceeded 2%. The educational profile of beneficiaries has shifted: master's degree holders rose from 31% in 2000 to 57% in 2021, while bachelor's degree holders fell from 57% to 34%. Computer-related roles accounted for

65% of approvals in 2023, with a median salary of \$1,23,600, followed by engineering and architecture roles at 9% with \$1,15,000.

In 2025, US companies, including Amazon (12,391 visas), Microsoft (5,189), Meta (5,123), Apple (4,202), and Google (4,181), were the largest H-1B recipients, highlighting that Indian IT dependence on H-1Bs has fallen over time. Top Indian sponsors included TCS (5,505), Cognizant (2,493), Infosys (2,004), HCL Technologies (1,728), and LTI Mindtree (1,844).

ADAPTATION IN PROGRESS

India's IT giants are adjusting, though not without concern. TCS CEO K Krithivasan emphasized that the firm is no longer dependent on H-1B visas. Of TCS's 31,000 to 32,000 US staff, 11,000 to 12,000 hold H-1B visas, with only about 2,500 new filings expected in 2025.

TCS now focuses on local hiring and AI-driven projects, sending just 500 employees from India to the US in FY26. Recent layoffs of 12,000 employees were attributed to skill mismatches or underperformance, reflecting a broader pivot toward AI-focused work.

Infosys has reported minimal disruption from H-1B changes, as most of its US workforce does not require sponsorship. CEO Salil Parekh highlighted investments in multiple digital, AI, and innovation hubs across the US, along with university partnerships that ensure

business continuity. Infosys plans to hire 20,000 freshers in FY26, with over 12,000 already recruited in the first half. Its Q2FY26 financials show a 13.2% year-on-year rise in net profit to ₹7,364 crore, an 8.6% growth in revenue to ₹44,490 crore.

These adjustments reflect a broader shift. Indian IT is becoming less reliant on H-1B visas, yet the Trump-era fee remains a financial and psychological blow, particularly for mid-tier firms where visa costs could consume up to 10% of profits.

Collectively, TCS, Cognizant, Infosys, HCL Technologies, and LTI Mindtree would see visa expenses rise from \$13.4 million to \$1.34 billion under the new rules, a cost too high to pass fully onto clients.

BROADER SOCIAL IMPLICATIONS

The H-1B crackdown has also affected the social sphere, influencing family dynamics and marriage aspirations in India. Historically, matches with US-based NRIs have been highly valued, promising financial security and access to the American Dream.

With visa uncertainty and employment risks, demand for US-based grooms is declining. Matchmaking agencies report families delaying weddings and increasingly preferring green card holders or permanent residents.

Students and professionals are recalibrating ambitions, considering Canada, the UK, Europe, and the Middle East as

safer destinations, reflecting a shift in priorities, favouring security and mobility over the prestige of a US-based career.

THE H-1B ERA AND ITS CLOSURE

In a shift that began before Trump, many senior engineers now return to India for comparable salaries, leadership positions, and global responsibilities.

Global Capability Centres (GCCs) in Bengaluru, Pune, Hyderabad, and tier-2 cities host high-value work for companies like Walmart, Boeing, GE, JP Morgan, Microsoft, Amazon, and Google. These centres build global products while saving millions annually for clients.

With US ambitions unaffordable, many are redirecting energy into start-ups and domestic careers.

CORPORATE AND SECTORAL ADAPTATION

While TCS, Infosys, and other Indian IT majors have reduced H-1B reliance, the sector as a whole faces pressure.

The June-quarter corporate profit contribution from top IT firms fell to a 21-quarter low of 9.6%, down from 34.2% in June '20.

Margins have slipped from pandemic highs of 24% to 17%–18%, affected by sluggish revenue, client shifts toward hyperscalers, SaaS, AI adoption, slow monetization of AI gains, and global capability centre expansion.

Fresh deal wins are converting more slowly, and large contracts are scarce. The H-1B fee hike worsens this, especially for mid-tier firms reliant on US visas. Analysts project a 4%–5% earnings per share impact, with higher transition costs and increased reliance on GCCs in H2FY26.

Firms are expected to execute projects from India at lower delivery costs, albeit with reduced billing rates, and may expand operations in Canada or Mexico for time-zone alignment.

GCCs, AI, AND HIDDEN EXPORTS

GCCs employ around five million people across 1,800 units. Beyond cost efficiency, they now drive R&D, AI model development, and innovation. Walmart's hub develops AI supply-chain tools, JPMorgan designs global risk models, and Microsoft, Amazon, and Google manage large-scale operations.

The H-1B squeeze is incentivising further investment in GCCs and hiring of engineers returning from the US. These centres can transform India from a delivery destination into a strategic hub where work is conceived, executed, and managed globally.

However, proposals like the HIRE Act that aims to tax services abroad and workers at home, could seriously hamper the GCC growth in India.

Also, India's deeper challenge lies in undervaluing its

invisible exports. Engineers in GCCs are billed at cost-plus-five percent, while US tech platforms train AI models on India's massive user base for free.

The IT sector, which helped build India's middle class, risks undermining that foundation if undervalued.

With onsite options shrinking and US pricing Indian talent at \$100,000, India now has leverage. It can assert value for engineers, markets, and data, and American firms face consequences if they underestimate this shift.

MIGRATION, REMITTANCES, AND SOCIETAL IMPACT

The Indian diaspora in the US, numbering 3.4 million in 2023, is the second-largest foreign population after Mexicans. Indians account for 86% of H-4 dependent visas, 78% of H-1B work visas, and 29% of student visas, alongside 14% of US green cards issued in 2022.

Migration surged after Covid, with net inflows reaching 3.3 million in 2024, but projected to fall to 1.6 million by 2026. This migration contributed roughly 0.1 percentage points to US GDP annually between 2022 and 2024.

Remittances remain substantial. India received 118.7 billion dollars in 2023–24, with the US accounting for 27.7% of inflows. Proposed taxes on remittances could reduce the 35 billion dollars in annual transfers from US-based H-1B workers.

Student and work visa declines signal further pressure. F-1 visas for Indians fell 31.2% year-on-year to 11,484 between January and May '25, while H-1B work visas dropped 11.1% to 63,323.

POLICY LESSONS AND DIPLOMATIC IMPERATIVES

India's approach to H-1B issues has largely been reactive, treating them as corporate rather than diplomatic concerns. This has left the sector exposed to every swing in US immigration policy.

While Indian IT firms highlight employment numbers, the narrative rarely conveys the direct economic benefit Indian professionals provide to American consumers, including faster retail checkouts, cost-efficient banking infrastructure, healthcare software efficiencies, and digital innovation.

Other nations provide models for strategic engagement. Singapore embeds digital workforce mobility in its Digital Economy Partnership with the US, ensuring predictable access. Israel leverages defence and cybersecurity cooperation.

India, in contrast, relies on last-minute lobbying rather than embedding workforce mobility into a broader bilateral strategy.

With India's digital economy projected to reach \$1 trillion by 2030, the country has leverage by offering vast markets in exchange for stable

visa frameworks.

STRATEGIC REALIGNMENT AND OPPORTUNITY

US President Donald Trump's \$1,00,000 H-1B fee and expanded US scrutiny represent both a challenge and an inflection point. Indian IT must pivot strategically, leveraging GCCs, AI, and domestic talent to maintain global leadership.

Companies like TCS and Infosys are already reducing H-1B reliance while investing in local talent, AI projects, and innovation hubs.

For Indian engineers, the closure of the US onsite pathway redirects ambition homeward. This shift is reshaping not only start-ups, but also corporate hierarchies, and talent flows.

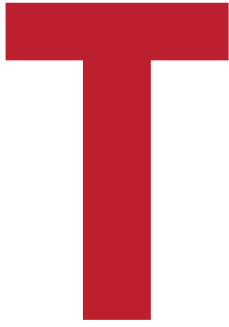
Families are recalibrating marriage expectations, and students are considering alternative global destinations. GCCs, once mere cost centres, are now engines of innovation and high-value delivery.

The Indian IT sector, once vulnerable to US policy whims, can reclaim leverage by asserting the value of its human capital, data, and digital markets.

By reframing H-1B as a strategic rather than transactional issue, India has the capability to emerge stronger, positioning its workforce as a cornerstone of global technology leadership rather than a footnote in the tumultuous American immigration politicS.

HUF: THE FAMILY WEALTH PLAYBOOK

An HUF Helps Families Trim Taxes,
Pool Wealth, And Multiply IPO
Chances - Turning Everyday Investing
Into A Long-Term Wealth Accelerator



ax planning in India often revolves around the usual suspects - claiming deductions under Section 80C, buying insurance, or parking funds in fixed deposits. While these are important, families often overlook a powerful yet underutilized structure: the Hindu Undivided Family (HUF). For investors who think beyond the basics, forming an HUF can be a game-changer.

An HUF is not merely a tax-saving instrument; it is a separate financial identity that allows a family to split income, claim fresh deductions, and even make independent investments. For families that actively participate in the stock market, particularly in Initial Public Offerings (IPOs), an HUF offers an additional application route, improving the chances of allotment. Over the long term, this dual role of reducing tax outgo while enhancing investment opportunities creates compounding benefits that can significantly accelerate wealth creation.

WHAT IS AN HUF AND WHY WAS IT CREATED?

A Hindu Undivided Family (HUF) is recognized under Indian income tax law as a distinct entity, separate from its individual members. This means the HUF can own property, earn income, pay taxes, and claim deductions in its own name. Its affairs are managed by the Karta, usually the eldest male member, though recent legal reforms allow even the eldest female member to act as Karta.

Why was it created? The concept of HUF is rooted in India's joint family system, where property and income are often collectively held. By recognizing an HUF as a taxable entity, the income tax law enables families to manage wealth more efficiently, ensuring income isn't automatically clubbed with individual earnings.

The Purpose Is Two-Fold

Tax Efficiency: By creating another taxable unit, families enjoy an additional exemption and deductions.

Wealth Preservation: Assets are held in a collective name, ensuring continuity across generations.

In practice, an HUF is formed automatically when a Hindu family consists of more than one member. To be operational, however,

it must obtain a Permanent Account Number (PAN), open a separate bank account, and maintain books of account.

BUILDING THE CORPUS OF AN HUF

For an HUF to become meaningful in tax and investment planning, it must build its own corpus. This can be achieved in several ways:

Ancestral Property: By default, property inherited by the family becomes part of the HUF corpus. Any rental income, business proceeds, or gains from such property belong to the HUF.

Voluntary Transfer Of Assets:

A family member can contribute self-acquired assets, though the income from these may be clubbed with the contributor's personal income. However, the income generated thereafter (e.g., reinvested returns) belongs entirely to the HUF.

Gifts: Gifts from relatives are fully exempt from tax when received by an HUF.

Non-relative gifts are exempt only up to ₹50,000 annually. This route is particularly useful for seeding the HUF corpus without immediate tax liability.

Own Income: Once the HUF starts generating income - whether from a business, rentals, or investments - it grows self-sufficient and compounds wealth independently.

Loans: An HUF can borrow in its own name, providing flexibility for immediate financial needs or business

ventures. Interest-free loans are a legitimate and tax-efficient way to capitalize the HUF or provide liquidity to members. While they don't create deductions or direct tax savings, they help in wealth transfer, corpus building, and investment expansion without attracting gift-tax rules.

By using a mix of these methods, families can steadily build a strong HUF corpus that not only supports tax planning but also boosts their investment capacity.

THE ADDITIONAL BASIC EXEMPTION

One of the simplest yet most powerful advantages of an HUF is the additional basic exemption. Under the old tax regime, an HUF, like an individual, enjoys a tax-free income limit of ₹2.5 lakh per year.

For a family, this effectively means doubling exemptions: members use their personal exemptions, while the HUF separately claims its own. For example, if a family holds ancestral property generating ₹2.4 lakh in rent annually, this income can be taxed under the HUF and remain completely tax-free. Without the HUF, the same income would inflate an individual member's taxable earnings, possibly pushing them into a higher bracket.

This straightforward benefit alone makes an HUF worthwhile, but when combined with other deductions and exemptions, the impact is multiplied.

DEDUCTIONS AND

EXEMPTIONS: DOUBLING THE BENEFITS

Just like individuals, an HUF can claim deductions under Section 80C (investments like ELSS, PPF, life insurance premiums) and Section 80D (health insurance). This means the family can claim these benefits twice - once personally, and once through the HUF.

For instance, if a family invests in life insurance policies, one premium can be paid by the HUF and another by an individual member, both eligible for deduction. This doubling effect significantly reduces overall tax liability.

CAPITAL GAINS MANAGEMENT

Investors often worry about the tax implications of selling shares, particularly IPO allotments. An HUF provides a second shield for capital gains management.

Long-Term Capital Gains (LTCG): Listed shares held for more than 12 months qualify as LTCG. Both individuals and HUFs enjoy an exemption of ₹1.25 lakh per year on LTCG from equity shares and equity mutual funds. By investing through both personal and HUF demat accounts, a family effectively doubles this exemption, sheltering ₹2.5 lakh of LTCG annually.

Short-Term Capital Gains (STCG): Shares sold within 12 months attract a 15% tax. However, when gains are routed through the HUF, they may fall under lower tax slabs if the HUF's overall income

remains modest, reducing effective tax outgo.

Loss Set-off And Carry-forward: Like individuals, HUFs can offset capital losses against gains and carry them forward for up to eight years.

Exemptions Under Section 54F: An HUF can reinvest long-term gains from shares or property into a new residential property and claim a full exemption. This provides immense flexibility for families planning property upgrades or purchases.

For active IPO investors, this dual account strategy of individuals plus HUF ensures not just higher allotment chances but also smarter tax management of eventual gains.

POOLING RENTAL INCOME

For families with property, HUFs offer another tax advantage. If the property belongs to the HUF (by inheritance or purchase from HUF funds), the rental income is taxed in the HUF's hands.

This Creates Two Benefits: The income enjoys a separate ₹2.5 lakh exemption.

The HUF can claim standard property deductions, such as 30% repair allowance and municipal taxes, further lowering taxable income.

If an individual is already in the highest tax bracket, diverting property income to the HUF ensures it isn't taxed at 30%. Instead, it may even fall into the tax-free bracket

under the HUF.

POOLING FAMILY WEALTH FOR A LARGER INVESTMENT CORPUS

One of the underrated advantages of an HUF is the ability to pool family resources. Contributions from members, gifts, and ancestral assets combine to form a larger investment corpus.

Why Does This Matter For IPOs?

A Bigger Fund Allows: Higher Applications: The HUF can apply for IPOs separately, effectively increasing allotment chances.

Diversification: More funds mean the family can participate in multiple IPOs simultaneously, reducing risk concentration.

Strategic Holding: Families can afford to hold on to IPO allotments longer, converting short-term gains into more tax-efficient long-term gains.

Multiple IPO Applications: A Tactical Edge

IPO rules are strict: one application per PAN. But since an HUF has its own PAN and demat account, it can apply separately. This means a family of four can potentially submit five applications - four individual and one HUF.

The direct benefit is clear: higher probability of allotment. The indirect benefit is equally powerful: any subsequent gains are taxed separately in the HUF's name, which may reduce overall tax incidence.

For families who treat IPOs as

a serious wealth-creation avenue, this tactical edge makes forming an HUF a no-brainer.

IN A NUTSHELL

For retail investors, particularly those with growing families and ambitions to participate actively in capital markets, forming an HUF offers a rare combination: additional tax savings, stronger wealth pooling, and higher odds of IPO allotments.

While setting up an HUF requires some discipline - separate PAN, bank account, and bookkeeping - the rewards far outweigh the effort. Over years, the compounding effect of tax efficiency and smarter investment allocation can create meaningful wealth across generations.



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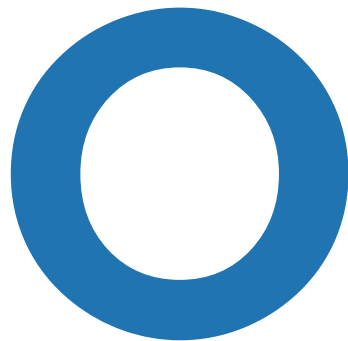
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REDEFINING ENTERPRISE READINESS



The ChatGPT era has triggered a global AI race, driving enterprises and Indian IT firms towards an "AI-ready," human + AI future



On 30th Nov '25, it will be exactly three years since OpenAI launched its generative AI tool, ChatGPT, which sparked off an AI arms race among Big Tech companies like Alphabet, Microsoft, and Meta.

What ChatGPT did was demonstrate an AI tool that could instantly converse with users. It determined the meaning of inputs from users, and generated an output quickly, making the experience feel conversational. Essentially, it enabled humans to engage in natural dialogue with a machine - a technological disruption that ChatGPT ushered in.

Since then, OpenAI has made five major upgrades to its GPT (Generative Pre-trained Transformer) model. Alphabet, known for search engine giant Google, responded with Gemini, its most capable and general large language model. Meta, the parent company of Facebook, positioned its LLaMA models as offering more openness than proprietary models.

Among disrupters, OpenAI has raised over \$60 billion to date, with Microsoft perched as a strategic investor. Anthropic, which has developed its own generative AI systems called Claude, has raised more than \$25 billion in just a couple of years. It counts Amazon and Google as investors, and reported an annualized revenue run rate of \$5 billion in August this year.

Altogether, between AI start-ups and Big Tech, investors have poured over \$250 billion into this AI arms race, which is playing out in the US, over the past three years.

For investors in enterprise technology firms in India, the key question they have to discern now is how this technological shift in the US (a market that typically contributes more than 50% of their revenue) will impact the capabilities and competitiveness of enterprises that are the customers of Indian IT.

Traditionally, investors in India have assessed this by comparing Indian IT companies with their global counterparts, most notably Accenture.

Let's take a deeper look at Accenture, based on its latest annual report (for the financial year ending 31st August). Of its total bookings of around \$81 billion for the full year, less than \$6

billion came from Generative AI bookings. This is just 7% of total bookings.

Significantly, its Gen AI revenue tripled from less than \$1 billion in FY24 to \$2.7 billion in the recently concluded financial year. That's the demand side.

On the supply front, its 'AI and Data Professionals' worked on 6,000 advanced AI projects in FY25, and this specific workforce has grown to 77,000 from 40,000 in the previous year. The operative phrase, increasingly, has become "AI readiness."

"We are seeing a pattern in how AI can expand our opportunities with our clients," Julie Sweet, Chair and CEO of Accenture, told analysts in the earnings call on 25th Sept '25. "As some companies are making progress in creating AI readiness, it leads to even more work. Long-standing partnerships are deepening and the demand for transformation is accelerating."

While Accenture's advanced AI workforce stands at 77,000 and data professionals, its total employee base is around 5,50,000. The process of upskilling is ongoing - something that India's enterprise IT firms have also been ramping up over the past couple of years.

AI now features in nearly every discussion around new deals - a point that the CEOs of top-tier Indian IT firms concur on. US enterprises have entered a phase reminiscent of the 'digital transformation'

wave of 2015, when they had to compete with platform-based start-ups like Uber and Airbnb, or the “cloud and remote work” transformation that accelerated during the Covid-19 pandemic in 2020.

In both these instances, global IT firms and their Indian counterparts capitalized by helping enterprises become ready for AI transformation.

Julie Sweet of Accenture cited a financial services client to illustrate her point to analysts: “As we begin to implement AI into many facets of their business, our relationship continues to grow as we retire legacy systems, transform core functions like HR and risk, and build AI-centric capabilities to keep them ahead of shifting customer expectations. This has meaningfully expanded the amount of work we do for this client.”

On pricing, Sweet said it remains “accretive overall to average.” Even so, investments continue on the effort side to re-skill its overall workforce. What Accenture is doing is highlighting “AI-driven productivity” and nudging enterprise CEOs to start looking for AI-driven “growth” as well.

In this context, Indian IT firms are also seeking enterprises to undertake AI-led transformational projects.

Key areas to demonstrate their AI work span process improvement, engineering, customer service, cybersecurity and employee productivity in one of the largest IT services companies.

But what IT firms from India are looking to do is sell AI as part of overall offerings in new deals and those that may come up with renewal. Global enterprises or clients are yet to designate budgets exclusively for AI.

One non-negotiable trait that Indian IT firms have to show is to disclose the percentage of their software workforce becoming AI professionals, or who are upskilled for AI-led projects.

The granularity of details related to building AI fluency and AI skills is an area where global technology services companies like Accenture are already ahead.

On the demand side, what percentage of large projects are AI-driven projects? They need to provide that in terms of revenue and bookings. Sure, it is early days yet in the enterprise AI race.

“The propensity to roll out more Gen AI use-cases to production is increasing, and the organizational barriers witnessed earlier are diminishing,” according to the CEO of a leading IT services company.

“There is evident maturity in the request for GenAI pilots, with a sharper focus on business outcomes rather than mere experimentation,” added the CEO.

In this context, Indian IT firms have to segregate the number of POCs (proofs of concepts) and pilots as “AI projects”, and then start providing information about the number

of AI projects that are going into production. That will be a tangible measure of the AI deployment in enterprise deals. Interestingly, attrition rates for Indian IT firms over the trailing 12 months are in the 13% to 15% range - far lower than the 20% seen during the Great Resignation phase (in fiscal years 2022 and 2023).

Back then, software professionals working remotely were looking to switch jobs as demand soared, and even moonlight or take up freelance projects.

In contrast, software engineers are on the defensive now and looking to be retained by enterprise IT firms. The latter is also looking to demonstrate productivity on cost fronts.

In fact, IT or tech-services employers seek to establish a large pool of AI agents working alongside human workforce – delivering solutions through a “human+AI” model.

That is the fundamental shift to keep an eye on in the Fortune 1000 enterprises – and to see whether Indian IT companies are up to the task of leading the change.

In all, the OpenAIs, Anthropic, and Gemini of the world are profoundly changing how technology is consumed in the US.

Enterprises there are playing catch-up in their processes. And IT offshore vendors in India are readying their workforce for the coming change in processes.

MUTUAL MOMENTUM

India's AMC's are coming of age with the rapid financialization of household savings and the faster spread of the SIP culture



M

ost investors are familiar with mutual funds - but few think about the companies that actually run them. These behind-the-scenes players, called asset management companies (AMCs), are emerging as key architects of India's financialization story.

India has around 44 registered AMCs (with more awaiting SEBI approval, likely taking the total to 50) that collectively manage nearly ₹75 lakh crore in assets across about 670 mutual fund schemes.

Yet, despite their scale and influence, the sector remains underexplored. It may be time to look at AMCs not just as fund managers, but as a promising investment opportunity in their own right.

The AMC industry's growth has been nothing short of spectacular. From crossing the ₹10 lakh crore-mark in May '14, the total assets under management (AUM) have ballooned to ₹75 lakh crore as of September '25. Investor participation too has surged - folios jumped from 9.33 crore in 2020 to over 25 crore in 2025, with an average of 26 lakh new folios added every month over the past five years. Unique investors (those with multiple folios) have also risen from 1.7 crore in 2018 to 5.5 crore today - a clear sign of investor interest in mutual funds.

Despite this growth, India's mutual fund penetration remains modest. The industry's AUM is 22% of GDP, up from 4.3% in 2002, but still far behind the 130% seen in the US. Fewer than 5% of Indians invest in mutual funds, indicating vast untapped potential. Estimates suggest that by 2028-29, industry AUM could touch ₹100 trillion, with investors doubling to 10 crore and the average investment size rising sharply.

Here are a few data points that suggest a shift in the mutual fund industry dynamic that augurs well for sustainable growth in the AMC industry:

Institutions To Retail: Traditionally, institutional investors — corporates, banks, and foreign institutions — dominated India's mutual fund assets. But that's changing fast. Their share has fallen from 47.8% in 2020 to 36.9% in 2024, while individual investors' share has surged, signalling a structural shift toward

household participation.

Bank Deposits To Mutual Funds: Retail mutual fund AUM as a share of individual bank deposits has risen from 17% in March '20 to 30% in March '24, underscoring the deepening investor appetite for market-linked products.

Short Term To Long Term: Equity schemes older than 24 months now hold ₹18.6 trillion in total industry AUM of ₹75 trillion - the highest share to date. This reflects investor confidence in equities as a wealth-building avenue despite volatility and periodic sell-offs in the market.

With the evolving landscape, there seems to be enormous headroom for growth in the AMC industry. At the core, AMCs earn revenue through management and performance fees, typically a percentage of the AUM. Hence, sticky retail money, like SIPs, ensures recurring income and operational stability.

SIPs - HERE TO STAY

The data above reflects that retail investors are not fearful of market volatility. In fact, that's most desirable from an AMC's perspective. Today, investors continue with their Systematic Investment Plans (SIPs) - small, regular monthly investments - despite uncertainties, transforming India's savings culture.

Driven by digitization, policy support, and simplified onboarding, SIPs have turned millions of first-time savers into long-term investors. Monthly SIP inflows have

soared from ₹3,000 crore in April '16 to over ₹29,000 crore today - a near tenfold jump.

SIPs have been one of the biggest structural shifts in recent years in India's financial markets. They now act as shock absorbers for domestic markets, cushioning volatility from foreign investor outflows. With rising incomes and growing financial literacy, SIP flows are expected to keep increasing, acting as the backbone of retail participation in stock markets through mutual funds.

BEYOND THE METROS: DEEPENING REACH

Another growth engine that ensures stable AUM growth for AMC is the penetration of mutual funds into smaller cities and rural India. Technology adoption has improved efficiency and investor experience. Fintech integration, especially e-KYC, has also made onboarding easier. Regulatory moves - such as SEBI's revised distributor incentives for new inflows from B-30 cities (beyond the top 30 cities) are helping expand reach.

Today, 18% of mutual fund assets come from B-30 locations, and notably, 85% of these assets are invested in equity schemes. The increasing participation from smaller towns is widening the domestic savings pool available for capital markets and long-term investment.

AMCs are yet to see the full benefit of wider participation in India in terms of AUM growth - reflecting the

headroom for potential expansion in the industry.

ETFs: THE RISE OF PASSIVE INVESTING

With deepening investor appetite for market-linked products, especially SIP, passive products seem especially suited for first-time investors. A major trend reshaping the AMC landscape is the rise of passive funds - index funds and ETFs. Most AMCs today are pushing passive investment products to B-30 locations. The appeal is clear: lower costs and simplicity.

With rising investor awareness HNIs, family offices, and institutions are also allocating more to passive investment strategies.

For AMCs, this creates an opportunity - a higher share of passive products allows cross-selling, lower marketing costs, and more efficient scaling.

Once a niche category, passive AUM has grown from ₹3.1 trillion in 2021 to ₹12.1 trillion by June '25, with ETFs making up about 70% of that total. Today, the share of ETFs in total mutual fund AUM has jumped from 1.4% in 2016 to 16% in 2024.

IN A NUTSHELL

AMCs earn revenue through management and performance fees, typically a percentage of AUM. Fund houses are going deeper into the countryside, pushing simple products like ETFs that simply mirror benchmarks -

often in small ticket sizes every month through SIPs. For sustainable growth, AMCs need sticky retail money, which makes it essential for them to deliver superior returns to investors. Besides returns, AMCs must invest in maintaining a stable and knowledgeable distributor network.

Yet, competition in the industry is fierce and expected to intensify with the entry of new players in the near future. To counter this, product innovation will be key for the sector.

Even policy moves are supportive - for instance, SEBI is driving innovation through the creation of Specialized Investment Funds (SIFs), a new investment vehicle positioned between mutual funds and Portfolio Management Services (PMS).

Many AMCs are gearing up to launch equity and hybrid SIF strategies, adding a new growth layer. Some fund houses are also expanding globally by launching funds at GIFT City to attract overseas investors. These developments diversify AMC revenue streams beyond the core mutual fund business.

The recent IPO of Canara Robeco AMC, and the strong presence of listed players such as HDFC AMC, Nippon Life India AMC, Aditya Birla Sun Life AMC, and UTI AMC have made the sector more visible to investors. With expanding retail participation, deeper regional reach, and product innovation, listed AMCs are set for sustained growth.

QUICK FLICKS

With attention spans shorter than a goldfish, India is binge-watching its way to a \$5 billion micro-drama craze



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e live in a world where attention is a premium commodity. According to the latest data on global attention spans, the average human attention span has dropped to approximately 8.25 seconds, lower than a goldfish's nine seconds, highlighting how scarce attention has become.

Screen-based attention has also decreased significantly, falling from 2.5 minutes in 2004 to a mere 47 seconds today. This sharp reduction in viewing time has naturally led audiences to prefer shorter, more concise audio-visual content. In this context, the rising acceptance of short-form videos among audiences is unsurprising.

Among these, micro-dramas - or micro-series - have gained notable popularity, presenting web-series style stories in episodes lasting between one and three minutes. Understanding their growing acceptance requires examining their origins and key drivers.

ORIGINS

The genesis of micro-dramas in India can be traced to the decade between 2010 and 2020, when audiences increasingly embraced short-form video content. TikTok, a prominent early player, introduced viewers to short, visually-rich storytelling. When TikTok exited India in 2020, domestic platforms such as Moj, Chingari, and Josh quickly filled the gap, while global players like Instagram Reels and YouTube Shorts were already popular.

The Covid-19 pandemic further accelerated this trend, as people confined indoors consumed short videos extensively, supported by affordable internet plans offered by telecom operators.

Globally, micro-dramas originated in China. Beijing Review reported that by 2024, the Chinese micro-drama market exceeded 50 billion yuan (about \$6.9 billion), surpassing traditional box-office revenues for the first time. Its user base reached approximately 576 million by mid-2024, with projections suggesting the market could exceed 100 billion yuan by 2027. Episodes typically range from a few seconds to 20 minutes, though the most popular formats last only one to two minutes.

In India, domestic companies and streaming platforms began producing micro-drama content to meet this rising demand.

Platforms such as Kuku TV, Flick TV, Chai Shots, and ReelSagas lead the market, while major streaming platforms like Amazon MX Player, Balaji Telefilms, and Zee Entertainment launched trial vertical-video projects.

By early 2025, more than 50 million app installs were recorded, indicating rapid growth. Notably, the acceptance of micro-dramas extends beyond metropolitan areas, with Tier-II and Tier-III cities becoming key markets alongside urban centres.

Several factors explain the wide acceptance of micro-drama content in India:

KEY DRIVERS

• Cost-effective

Episodes are designed for vertical screens and minimal data use, making them suitable for India's Android-dominated audience. Users relying on prepaid packs benefit from this format.

• Length

Each episode lasts only a few minutes, fitting easily into viewers' busy routines - during bus rides, lunch breaks, or tea time. Unlike standard TV serials, micro-dramas do not demand a strict timetable.

• Storytelling

Recurring characters and suspenseful endings create a strong following. Micro-dramas grip the viewer,

encouraging binge-watching.

• **Local Languages**

Platforms offer content in native languages such as Tamil, Telugu, Marathi, Bengali, Bhojpuri, etc, tapping into vast underserved viewers across geographies in India.

• **Diverse Genres**

Micro-dramas span romance, thrillers, horror, mythology, slice-of-life, and comedy, appealing to a wide demographic.

The primary audience includes students, homemakers, small business owners, and young people in semi-urban and rural towns. Many are already familiar with short-form video, largely due to Instagram Reels and YouTube Shorts. For Gen Z, digital natives, micro-dramas provide a perfect balance: short, self-contained stories.

Data from Sensor Tower, a leading mobile market intelligence firm, shows app downloads for micro-drama platforms rose by 113% in Q1 2025 alone. Freemium and micro-payment models also contribute to adoption,

enabling access to episodes or premium features without high subscription fees.

THE FUTURE

Looking ahead, India's micro-drama sector continues to grow rapidly. In 2025, micro-drama ventures secured \$44 million, a 55% increase over the previous year. Venture investors compare this growth to trends in gaming, edtech, and short-form video. Gaming companies are also producing micro-drama content for existing audiences in smaller towns, deepening engagement within their apps.

Regional-language micro-drama content in Tamil, Telugu, Bengali, Marathi, and Bhojpuri will expand further, attracting new viewers. Hybrid models may emerge, with traditional streaming platforms incorporating micro-dramas as supplemental content to broaden their catalogues.

Social media platforms are expected to play an increasing role. Micro-dramas are also being explored for edutainment, providing health, financial literacy, and civic

information through engaging stories.

The rise of micro-dramas in India is more than a temporary trend; it represents a cultural and technological shift. Micro-drama content has achieved a balance that works well for India's diverse, mobile-first audience.

While challenges remain, including monetization, audience retention, and consistent quality, creators are focused on building loyal viewership, making micro-dramas a habitual form of entertainment.

Globally, the paid micro-drama market is valued at around \$676 million in 2025 and is projected to grow at a CAGR of 14.2% to reach \$1.31 billion by 2030. In India alone, the market is projected to reach \$5 billion within five years as regional platforms expand their content offerings.

These trends indicate a bright future for micro-dramas in India, driven by strong business fundamentals, deep regional reach, and growing interest from Gen Z.

LEAVE IT TO US

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With home loan overdraft,
you can save on interest without
losing access to your cash



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urchasing a home is often one of the most significant financial decisions in an individual's lifetime, typically requiring a housing loan due to the substantial investment involved. Housing loans are long-term commitments, with tenures commonly ranging from 10 to 20 years, depending on the borrower's repayment capacity and need. These loans are repaid through Equated Monthly Installments (EMIs), which cover both the principal and accrued interest. Over time, as EMIs are paid, the outstanding loan balance gradually declines.

However, one of the biggest challenges for borrowers is the high cumulative interest outlay. In many cases, the total interest paid over the life of the loan can surpass the original loan amount itself. For this reason, reducing the liability early becomes a key financial priority, especially as individuals move through different life stages with evolving responsibilities and financial needs.

A common strategy to lower this burden is loan prepayment, using surplus funds to pay down the principal and thereby reduce future interest payments. While effective, this option often comes with prepayment penalties unless explicitly waived in the loan agreement, making it less attractive for many borrowers.

An increasingly preferred alternative is the housing loan overdraft facility.

HOW DOES THE HOUSING LOAN OVERDRAFT FACILITY WORK?

A housing loan overdraft facility is a feature offered by many home loan providers, which combines the structure of a traditional home loan with the flexibility of a line of credit. Essentially, the overdraft facility allows borrowers to deposit surplus funds generated anytime into a linked account to reduce their interest burden, while still retaining access to those funds when needed.

This facility is especially valuable for individuals with fluctuating cash flows, such as business owners, professionals with variable income, or salaried employees who occasionally receive bonuses or windfalls, as it allows surplus funds to be productively deployed without compromising liquidity.

KEY FEATURES

- **Account Linking:** The home loan is linked to a designated savings or current account, which acts as the overdraft account. The pre-approved overdraft limit equals the outstanding home loan balance. For example, if you have a ₹50 lakh loan outstanding, your overdraft limit is ₹50 lakh.

- **Deposits Function Like Prepayments Without Curtailing Liquidity Access:**

Surplus funds deposited into this linked account are treated as temporary prepayment against the loan principal. Unlike standard prepayments, these deposits typically do not attract prepayment penalties. Moreover, they can be withdrawn at any point in time. In case of traditional prepayments, there is no access to the funds once prepayment is opted for. The interest on home loan overdraft facility is recalculated daily on the reduced principal.

For instance, if your outstanding loan is ₹50 lakh and you deposit ₹5 lakh into the overdraft account, interest will now be calculated on ₹45 lakh instead of ₹50 lakh. Over time, this can significantly reduce your interest outgo. A salaried borrower who parks their annual bonus or monthly surplus in the overdraft account can save several lakhs in interest over long loan tenure.

- **Flexibility Of Withdrawal:** The standout advantage is that you can withdraw the deposited funds anytime, up to your sanctioned limit. This

means your deposits remain liquid. For example, if you deposited ₹5 lakh and later need ₹2 lakh for an emergency or investment opportunity, you can withdraw it instantly, and your loan balance adjusts accordingly. Traditional prepayment, on the other hand, is irreversible i.e. once paid, the funds cannot be accessed again.

• Dynamic Loan

Outstanding: The outstanding loan balance under a housing loan overdraft facility is dynamic, constantly adjusting based on your deposits and withdrawals. Every deposit you make reduces the principal and, consequently, the interest charged, while every withdrawal increases it again.

For example, suppose your outstanding home loan is ₹50 lakh. You deposit ₹5 lakh into the linked overdraft account, bringing down your effective principal to ₹45 lakh. From that point onwards, interest is calculated only on ₹45 lakh for as long as that amount remains in the account. Later, if you withdraw ₹2 lakh for personal use or an emergency, your outstanding balance increases to ₹47 lakh, and the interest is recalculated on this revised amount. This fluid mechanism ensures that your interest liability moves in real-time with your cash flow, enabling you to save whenever you have surplus funds and access them without penalty when needed.

ADVANTAGES

Decline In Interest Payments Resulting In Overall Cost Reduction: One of the key

advantages of a home loan overdraft facility is its ability to reduce the overall interest burden without permanently locking away your funds. Customers can deposit any surplus funds into the linked account at their convenience and withdraw them later, if needed. This flexibility allows borrowers to manage liquidity while still bringing down their loan costs.

For instance, consider a customer with an outstanding home loan of ₹80 lakh at an interest rate of 8% p.a. By depositing ₹10 lakh into the overdraft account, the principal on which the daily interest is calculated immediately, would drop to ₹70 lakh. This single deposit can save the borrower approximately ₹80,000 annually (₹6,667 per month or ₹219 per day) in interest payments, without making a permanent prepayment.

This approach ensures that every rupee of surplus cash works as an instant, interest-saving tool, effectively earning interest (in this case, 8% p.a.), which is often higher than typical savings or fixed deposit returns.

Liquidity: Unlike traditional prepayments, where funds are locked once paid, an overdraft facility offers full liquidity. Deposits can be withdrawn at any time to meet emergency expenses or investment opportunities, a standout feature of this product offering.

No Prepayment Charges: Deposits into the overdraft account are treated as virtual

prepayments, meaning they directly reduce the interest burden without any associated penalties. This contrasts with standard prepayments, where lenders may levy prepayment or foreclosure charges, particularly for loans on fixed interest rates.

Hassle-free And Seamless:

The product is structured to include the overdraft facility, which is usually selected at the time of loan approval. Thus, no additional documentation or processing is required each time you deposit or withdraw funds. The process is seamless, i.e. funds flow in and out just like a regular savings account, while silently working to minimize your long-term interest costs.

DISADVANTAGES

Higher Interest Rates: A home loan with an inbuilt OD facility typically carries a slightly higher interest rate compared to a plain vanilla home loan. The delta generally ranges between 0.10% and 0.50%, depending on the lender's policy. This premium exists because the OD account operates much like a savings or current account, with daily interest recalculation, on-demand liquidity, and the flexibility to deposit and withdraw funds at will. However, this higher rate means the OD facility only proves cost-effective if you actively utilize the feature by parking surplus funds.

To illustrate, if the plain vanilla home loan charges 8% interest on a ₹80 lakh loan, the annual interest outflow would be ₹6,40,000. The same loan

with the overdraft facility would potentially charge 8.10%, resulting in an annual interest outflow of ₹6,48,000, i.e. ₹8,000 higher. The product becomes financially beneficial when the borrower can park enough surplus funds to more than offset this incremental interest cost.

In this case, the customer would have to deposit a minimum of ₹98,765 (₹8,000/8.1%) to offset the additional cost incurred for the overdraft facility. Thus, to yield maximum benefits, the facility should be used at the earliest, as every additional rupee reduces the interest to be paid.

Opportunity Cost: It may not always be prudent to channel surplus funds into the overdraft facility, especially if those funds have the potential to generate a higher rate of return elsewhere. Diverting such capital could reduce your overall investment income,

making the decision financially counterproductive.

No Tax Benefit: While interest payments on a housing loan are eligible for tax deductions, surplus funds parked in the overdraft account do not qualify as principal repayment. As a result, these deposits do not provide any tax deduction benefits, even though they help reduce interest outflow.

Discipline: With traditional prepayment, the funds used are locked in and no longer accessible, encouraging repayment discipline. However, with an overdraft facility, the ease of withdrawal at any time may tempt borrowers to dip into these funds for non-essential or impulsive expenses, potentially undermining long-term repayment goals.

IN A NUTSHELL

A housing loan overdraft

facility combines two powerful benefits, i.e. lower overall interest outflow while preserving liquidity. However, this flexibility comes at a premium, as the interest rate is typically slightly higher than a standard home loan.

This product is most effective for borrowers who have irregular cash flows, such as bonuses, business revenues, or seasonal income, that can be parked in the linked account to offset interest costs.

By doing so, they can achieve returns equivalent to the home loan interest rate, while retaining the option to access their funds at any time.

In essence, this facility works best for disciplined borrowers who have access to additional funds and are committed to reducing their interest costs while maintaining a liquidity cushion for emergencies or opportunities.



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A NEW DAWN FOR NPS

By linking savings to predictable post-retirement income, PFRDA seeks to redefine NPS as a balanced model of growth, security, and dignity



The National Pension System (NPS) has been, for years, the quiet workhorse of the retirement universe in India - disciplined, efficient, but rarely exciting. It consistently promised low costs, long-term wealth creation, and transparency. But for millions of savers, the same nagging question remained: How much pension will I actually get on retirement?

Now, the Pension Fund Regulatory and Development Authority (PFRDA) hopes to change this. In a series of reform papers and consultation drafts released recently, the regulator suggested sweeping changes to transform the NPS from a pure savings plan into a bona fide retirement income system.

The goal is simple, but ambitious: have pensions that are flexible, predictable and comforting. If they are executed successfully, these transformations could radically change how Indians plan for life after work.

THE PROBLEM: WHEN ACCUMULATION ISN'T ENOUGH

Since its launch, the NPS has been admired for transparency and low cost but criticized for uncertainty at retirement. As a defined-contribution scheme, it told savers what to put in - not what they would get out. The annuity component, mandatory for part of the corpus, often delivered modest returns.

PFRDA's new framework attempts to fix this structural gap. It recognizes that savers today don't just need investment choices; they need income certainty. The regulator is therefore re-imagining NPS as a hybrid model that preserves market-linked growth but adds assurance on the payout side.

THE BLUEPRINT FOR THE FUTURE

The consultation paper on "Enhancing the NPS" introduces three broad ideas each designed to answer that critical question about post-retirement income.

The first allows savers to begin with a desired pension amount - say ₹50,000 a month - and then back-calculate how much they must contribute to achieve it. At retirement, they would receive a step-up systematic withdrawal for several years before shifting to an annuity, creating a smoother transition from accumulation to

income.

The second proposal offers an assured pension linked to inflation. In this approach, member contributions are designed so that, depending on the funds, you receive a set income on a monthly basis for a designated duration, with the amount adjusted every year according to the CPI.

Contributions go into two pools - one for stability, and the other for modest growth, to allow retirees financial security, while maintaining their purchasing power.

The third and most innovative element is a pension credit - a unit of guaranteed payments - that provides a guaranteed amount, i.e. ₹100 per month for a designated duration after retirement. During an employee's working career, they can buy as many pension credits as needed.

The price of each pension credit corresponds to the present value of future payments, thus making pension planning very concrete and goal-oriented.

Eventually, these pension credits may be liquid in a secondary market, introducing flexibility and liquidity options into financial planning.

These three ideas together signify a shift in philosophy. The system transitions from an accumulation vehicle to a life of income system that balances flexibility with financial discipline.

SAFETY NETS AND SIMPLIFIED EXITS

Beyond product design, the PFRDA is reinforcing the framework and infrastructure around the system. An important step is the establishment of a Minimum Subscription Fund (MSF) for non-government subscribers.

This provision guarantees that, even when contributions to their accounts have been halted temporarily, every account holds some value. This floor is a valued protection for millions of self-employed or informal-sector workers who have irregular income streams.

Additionally, proposed changes to the exit rules are significant, as highlighted in the exposure draft in September '25.

The PFRDA will enable retirements to be more flexible so that retirees will have options to structure their payouts over time rather than rely on a rigid, one-time withdrawal process.

Partial withdrawals will be simpler in emergencies, annuity purchases will offer more options, and the processes for deaths and decreases in bodily function will be more clear and quicker - to name a few.

These regulatory changes respect retirement as a transition and not a one-time proposition - and they recognize that individual lives deserve some weight in the choice process.

OPPORTUNITIES AND CHALLENGES

For all its potential, the new framework has operational

challenges. When offering guarantees, someone will have to assume the risk if the markets do not cooperate. Pension plans will need strong capital buffers, actuarial discipline, and sound clarification on who bears shortfalls.

Another challenge is transparency. Terms like "pension-credit pricing" or "liability-driven investment pools" must be explained in simple language if people are to trust the system to deliver.

Participants also need tools - calculators, dashboards, and illustrations - to translate complex mechanics into relatable outcomes.

Operationally, record-keepers and fund managers will have to update their systems to accommodate flexible withdrawals, credit trading, and multiple payout options.

The efficient administrative framework of the NPS will need to be tested for its ability to be flexible.

Finally, communication will be critical. In the absence of investor education, a new yet sophisticated framework could confuse rather than inform. Pension literacy must, therefore, keep pace with regulatory development.

BROADER ECONOMIC EFFECTS

The effects extend beyond individual savers. The launch of structured payout products and long-term liability pools can bolster existing bond markets in India. Pension

credits and guaranteed products will inevitably require long-duration assets, leading issuers to lengthen maturities and improve liquidity on the long end of the yield curve.

Asset managers will also have the ability to engage in liability-driven investing, or aligning their portfolios to future obligations - not just focusing on short-term measures.

Over time, stable pension inflows could act as a stabilizing factor, reducing dependence on volatile foreign capital.

IN A NUTSHELL

The PFRDA's reform push is not merely about new rules; it is about redefining what retirement means. For decades, NPS helped people save. Now, it seeks to help them live - with clarity, dignity, and financial peace.

By introducing goal-based pension models, safety nets for irregular savers, and more flexible exits, the regulator is building a bridge between aspiration and assurance.

In a nation where longevity is rising and work patterns are changing, this could be the most significant social-finance reform of the decade.

If the old National Pension System was about accumulating a corpus, the new NPS will be about ensuring comfort to subscribers. And that subtle shift - from numbers to life - may be the true measure of India's pension maturity.

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POWERED BY  NIRMAL BANG

A spotlight on the real
journeys, insights,
and breakthroughs of
trailblazing mutual fund
distributors

MR. BHOOPESH JAIN
Mutual Fund
Distributor

MR. PRANAV MUZUMDAR
Mutual Fund
Distributor

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Welcome to the Billionaire Code podcast series where we meet select Mutual Fund Distributors (MFDs) who have accumulated assets under management (AUM) of over ₹100 crores and have been part of thousands of families' wealth creation stories.

In the second episode of the series, we met Mr. Bhoopesh Jain, who did his MBA in 2002, joined a corporate job, and after 18 years, in 2020, he decided to become a Mutual Fund Distributor. And in 5 years, he accumulated an awe-inspiring AUM of ₹1,500+ crores.

Edited excerpts from Mr. Bhoopesh Jain's interview with Mr. Rakesh Bhandari, Director, Nirmal Bang.



Rakesh Bhandari: I Read About You And Found Out That You Did Your MBA In 2002 And After MBA You Worked In A Corporate Setup For 18 Years. And 18 Years Later, At The Age Of 37 You Took This Decision That You Wanted To Become An MFD Now. What Happened? I Mean, Made A Lot Of Money. EMI Got Completed. What Happened? What Was The Reason Behind The Decision You Suddenly Took At Age 37?

Bhoopesh Jain: See, there can be many reasons but the thing is that when you start something, basically when you think of doing something, so there is some inspiration and all that. So in this 18-year journey I have seen that people have done extremely good in their career in terms of MFD, in terms of advisory. So I thought why don't we do something where we become personal advisors to people and become partners in their

wealth creation, going forward. So, that was a thought that somehow I should take this to a different shape where my employees who have been with me... See, generally you will see MFDs in the market, so there is an individual approach, and a part-time approach. I wanted to change that thought.

That this can be a corporation. Today we are seeing that many of our corporates who are MFDs are also getting listed. So it's all the benefit of corporatization basically. So our thought was that the people who join us, whether they remain our employees or key people, they can also be part of this journey basically. So by doing a corporation, we want to present this in a different form, which is what we are doing here.

Q. Your MBA Course Plus Your 18 Years Of Corporate Job Is Helping You A Lot In Doing This.

Helping a lot. Because in that you meet a lot of people. You get experience. You get structures. You go to corporates. You see what's happening there. How operations are taking place. So that gives you a lot of benefit.

Q. Today, Do You Regret That You Should Have Done This In 2002?

Can't call it regret. Basically, if I've brought the journey from 2002 to 2018-20, the people I met in that journey are the reason for today's experience and that's why there's a connection today. So that was also a part. So basically you can say that yes, it got a bit late. Could have done it a bit earlier. That is fine. But the people I met in the journey from 2002 to 2018-20, with that experience, today we are working at this stage.

Q. So From The Institute Where You Did Your MBA, NL Dalmia, If The 2025 Batch Is Coming Out From NL Dalmia, What Message Would You Like To Give Them? Should They Immediately Become MFDs, Do A Job, Or Become MFDs After Some Time?

I think there should be some vision that I want to do something independent. For that you have to walk on the path. And to do so, you need support.



Now that support will be where you work. Work for two-four years. Interact more with people. As much as you take outside jobs where there is more and more interaction. You get experience from people. And then you can start on your own basically. So you will get experience along with knowledge.

Q. And Knowledge Also Gives You Confidence In That Matter?

Very, very much. It gives confidence. Because I believe knowledge is more important.

Q. And What Is The Break-Up Of Your Total AUM Now? How Much Is The AUM Today?

We are managing somewhere around ₹1,200 crores in mutual funds.

Q. You Raised This In 5 Years?



To access the full interview, please scan the QR code provided or tune into Nirmal Bang's YouTube channel @NirmalBangGroup.

In the third episode of the series, we met Mr. Pranav Muzumdar, who has been watching the mutual fund industry grow for 30 years. Today, he has accumulated an AUM of over ₹1,100 crores. He is connected with 4,000 clients and 1,800 families. Let's hear his story in his own words.

Edited excerpts from Mr. Pranav Muzumdar's interview with Mr. Rakesh Bhandari, Director, Nirmal Bang.



Rakesh Bhandari: So Tell Us About Your Journey. Where And How Did Your Entire MFD Journey Start?

Pranav Muzumdar: Well, sir, in 1985, I joined Kalyaniwalla & Mistry LLP, a Chartered Accountancy firm, in their Income Tax Department. When we used to file income tax returns, there were deductions available - 80C and then 80CCB - if they invested in shares, etc., you got some deduction. There were many investments where you got deductions, so the clients would ask if there was someone who could do investments.

Then I would give them numbers. At that time, there were no mobiles, nothing, so I had to give landline numbers. After giving landline numbers, they would say, "He's not picking up the phone." Then they would come back to me asking what to do. I would say, "Let's see." Then I took permission from the office to start my own business. So the first agency I took was of Unit Trust of India, then insurance.

Q. At That Time, There Were No ARN Holders.

There was no requirement - anyone could become an agent. There was no NISM or anything. Nothing was there. You only had to take the agency, fill the agency form, and you'd get the agency. And you could start your agency. There was no one to teach you. You had to fill the form and go deposit it at that institution. Yes, anyone could fill the form.

So I was doing all this from 1989, and it started with their clients. Then through their references, many more came. My friends also came. So like this, I got many clients. Somewhere in 2000, I left Kalyaniwalla & Mistry LLP.

Q. After 16 Years You Left. What Was Your Salary When You Left?

At that time, my salary in 2000 was approximately ₹22,000. And from this, your side income, this side income was quite a big amount.

Q. So You Felt This Was Better?

Yes, I thought it was a better option if I gave my whole day to this work. There was some discord at home because my son was younger; he was just four years old. So my wife and mother said leaving a job is risky. Sir, there's variability everywhere. But I told them there was nothing to fear. And the other thing was, since I had started doing investments, I was always planning - how much money do I need at 25 years, 30 years, 35 years, 40 years?

So by 2000, when I was about 35-36 years old, I had achieved what I wanted - enough money to live comfortably.

Q. You Had Done Such Tremendous Planning.

I had done planning because all my money was invested in shares and in the share market only, because Kalyaniwalla & Mistry LLP's office was near the stock market.

Q. Oh, So... You Feel It Was Destiny?

It could be destiny, because going there made all this possible. And I used to go to the stock market many times.



Q. Why Did You Like It So Much? I Mean, Were The Returns Good, Or Did You Feel You Weren't Getting Returns Elsewhere?

At that time, NSC and Indira Vikas Patra – NSC (National Savings Certificate) used to double in 6 years.

And many people used to invest there because you got an income tax deduction. That's why people used to take NSC. But I never took NSC. I have always invested in the stock market.

Q. So You Invested Directly?

Directly in the stock market. My first investment was HDFC Limited at ₹150. I bought that one share in 1986 for ₹100.50. I still have that share today. But now that share has increased so much - it has multiplied. HDFC Bank also multiplied. It's like that...



To access the full interview, please scan the QR code provided or tune into Nirmal Bang's YouTube channel @NirmalBangGroup.

MUTUAL FUND BLACKBOARD

Large Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Aditya Birla Sun Life Frontline Equity Fund -	542.6	5.7	16.0	19.2	15.1	12.7	30000.8
Baroda BNP Paribas Large Cap Fund - Growth	222.5	0.4	15.9	17.8	16.3	12.6	2663.1
Canara Robeco Bluechip Equity Fund - Growth	64.7	6.1	15.8	17.7	16.8	13.9	16514.7
Kotak Bluechip Fund - Reg - Growth	588.6	5.7	15.9	18.3	16.3	12.8	10426.8
Nippon India Large Cap Fund - Reg - Growth	93.6	7.4	19.9	24.4	17.2	14.6	46463.1
Nifty 100 TRI	36263.3	5.7	14.9	18.4	15.5	13.5	--

Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Mid Cap Fund - Growth	102.6	5.2	24.8	28.8	23.0	17.9	11731.0
Kotak Emerging Equity Fund - Reg - Growth	138.5	5.7	22.4	27.0	22.2	17.9	58299.6
Mahindra Manulife Mid Cap Fund - Reg - Growth	33.4	0.7	23.8	27.3	21.2	--	3994.4
Nippon India Growth Fund - Reg - Growth	4239.5	4.5	25.3	29.1	23.2	17.9	39329.0
Tata Mid Cap Growth Fund - Reg - Growth	436.2	1.6	21.2	23.8	20.4	15.3	5042.6
Nifty Midcap 150 TRI	27816.4	5.2	23.9	28.1	21.9	18.2	--

Small Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Small Cap Fund - Reg - Growth	47.7	4.7	30.7	30.5	--	--	15737.7
Edelweiss Small Cap Fund - Reg - Growth	44.1	-0.3	20.1	28.3	--	--	5057.3
HDFC Small Cap Fund - Growth	142.4	5.0	22.8	29.9	19.8	18.3	36827.7
ITI Small Cap Fund - Reg - Growth	28.8	3.4	26.2	24.4	--	--	2666.6
Tata Small Cap Fund - Reg - Growth	39.2	-6.8	19.6	28.9	--	--	11637.3
TRUSTMF Small Cap Fund - Reg - Growth	10.8	--	--	--	--	--	1077.1
Nifty Smallcap 250 TRI	21875.9	-0.2	23.2	28.5	20.7	15.4	--

Large & Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Core Equity Fund - Reg - Growth	138.4	6.6	24.1	25.2	18.9	16.2	10817.9
DSP Equity Opportunities Fund - Reg - Growth	626.4	2.7	20.1	22.3	18.2	15.4	15857.1
Edelweiss Large & Mid Cap Fund - Growth	88.0	2.2	17.7	21.3	17.9	14.4	4132.8
Kotak Equity Opportunities Fund - Reg - Growth	350.2	4.4	19.4	21.9	19.1	15.4	28380.6
Tata Large & Mid Cap Fund - Reg - Growth	527.8	-0.2	14.5	19.3	16.9	13.2	8510.2
UTI Large & Mid Cap Fund - Growth	182.0	2.8	21.7	25.0	17.9	13.9	4993.0
NIFTY Large Midcap 250 TRI	21540.7	5.6	19.5	23.3	18.7	16.0	--

Multicap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Groww Multicap Fund - Reg - Growth	10.6	--	--	--	--	--	195.9
HDFC Multi Cap Fund - Reg - Growth	19.3	2.6	21.6	--	--	--	18674.6
ICICI Prudential Multicap Fund - Growth	802.9	2.4	20.3	24.1	16.9	14.5	15442.7
Mahindra Manulife Multi Cap Fund - Reg - Growth	36.0	3.6	19.6	24.9	20.6	--	5719.6
Nippon India Multi Cap Fund - Reg - Growth	304.4	4.1	22.5	29.7	20.0	15.0	47294.5
NIFTY 500 Multicap 50:25:25 TRI	21455.5	4.3	19.4	23.5	18.6	15.3	--

FlexiCap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv Flexi Cap Fund - Reg - Growth	15.0	7.1	--	--	--	--	5632.2
Helios Flexi Cap Fund - Reg - Growth	15.3	10.1	--	--	--	--	4361.9
Mirae Asset Flexi Cap Fund - Reg - Growth	16.1	7.3	--	--	--	--	3107.5
Parag Parikh Flexi Cap Fund - Reg - Growth	87.3	9.4	21.3	22.3	21.0	17.9	119723.3
WhiteOak Capital Flexi Cap Fund - Reg - Growth	17.8	6.7	19.1	--	--	--	6003.1
BSE 500 TRI	47799.1	4.7	16.7	20.5	16.9	14.4	--

Focused Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Focused 30 Fund - Growth	238.8	9.7	22.1	28.7	19.0	14.6	23533.0
Nippon India Focused Equity Fund - Reg - Growth	123.3	4.4	14.5	21.9	16.8	13.7	8463.8
BSE 500 TRI	47799.1	4.7	16.7	20.5	16.9	14.4	--

Dividend Yield Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
ICICI Prudential Dividend Yield Equity Fund	54.5	6.5	24.0	29.6	19.2	16.0	5935.8
UTI Dividend Yield Fund - Growth	180.5	0.7	20.9	21.4	16.8	14.2	3822.1
Nifty 500 TRI	37766.9	5.0	17.0	20.6	16.9	14.3	--

Contra/Value Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Sterling Value Fund - Reg - Growth	150.5	0.9	17.7	26.8	18.1	15.6	9942.1
SBI Contra Fund - Growth	389.9	1.5	20.3	29.0	21.4	16.0	47205.4
BSE 500 TRI	47799.1	4.7	16.7	20.5	16.9	14.4	--

ELSS Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv ELSS Tax Saver Fund - Reg - Growth	11.4	--	--	--	--	--	65.6
Bandhan ELSS Tax saver Fund - Reg - Growth	155.9	3.3	15.8	23.0	17.4	15.0	6947.8
Groww ELSS Tax Savings Fund - Reg - Growth	20.3	0.5	14.5	16.0	13.0	--	51.5
Parag Parikh ELSS Tax Saver Fund - Reg - Growth	32.5	6.4	17.6	21.0	--	--	5638.8
Nifty 500 TRI	37766.9	5.0	17.0	20.6	16.9	14.3	--

Thematic / Sector Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Canara Robeco Consumer Trends Fund - Reg - Growth	113.1	2.6	16.3	20.9	18.9	15.9	1928.6
ICICI Prudential Business Cycle Fund - Reg - Growth	25.4	10.4	22.9	--	--	--	14148.3
Mirae Asset Great Consumer Fund - Growth	97.4	2.5	17.6	21.9	17.7	15.9	4632.3
Nippon India Pharma Fund - Reg - Growth	514.0	1.3	21.7	18.0	19.3	12.6	8113.6
Tata Digital India Fund - Reg - Growth	46.9	-9.4	14.0	17.8	19.2	--	11202.9
Nifty 500 TRI	37766.9	5.0	17.0	20.6	16.9	14.3	--

Arbitrage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	2 Years	3 Years	
Bandhan Arbitrage Fund - Reg - Growth	33.0	5.3	5.5	6.4	6.9	7.0	8560.7
Edelweiss Arbitrage Fund - Reg - Growth	19.7	5.5	5.7	6.6	7.0	7.0	16053.1
Invesco India Arbitrage Fund - Growth	32.5	5.7	5.9	6.6	7.0	7.2	27022.8
Kotak Equity Arbitrage Fund - Reg - Growth	38.1	5.6	5.7	6.7	7.1	7.2	71517.5
Tata Arbitrage Fund - Reg - Growth	14.6	5.5	5.7	6.6	6.9	7.0	19149.6
Nifty 50 Arbitrage Index	2572.9	7.1	6.8	7.9	7.5	7.6	--

Equity Savings Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
DSP Equity Savings Fund - Reg - Growth	22.1	5.5	10.1	10.7	9.3	--	3773.4
HDFC Equity Savings Fund - Growth	67.1	5.3	10.4	12.4	9.9	9.8	5739.5
Kotak Equity Savings Fund - Reg - Growth	26.9	7.4	11.8	11.5	10.4	9.4	8782.4
NIFTY 50 Hybrid Composite Debt 65:35 Index	21225.9	7.1	12.4	13.9	13.2	11.6	--

Fund Of Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Asset Allocator Fund Of Funds	19.0	11.1	16.7	--	--	--	4792.8
ICICI Prudential Asset Allocator Fund (FOF)	123.3	9.0	14.4	15.3	13.0	12.3	27750.5
ICICI Prudential Thematic Advantage Fund (FOF)	230.4	7.9	20.0	25.8	19.1	16.0	6756.4
Kotak Income Plus Arbitrage FOF - Reg - Growth	12.6	7.5	--	--	--	--	6345.9
Nippon India Asset Allocator FoF - Reg - Growth	22.4	12.3	20.5	--	--	--	1265.1
Nifty 500 TRI	37766.9	5.0	17.0	20.6	16.9	14.3	--

Balanced Advantage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Balanced Advantage Fund - Growth	52.0	4.5	12.7	13.9	13.1	10.8	12899.2
Mirae Asset Balanced Advantage Fund - Reg	14.3	6.7	12.5	--	--	--	1933.8
Nippon India Balanced Advantage Fund - Reg	180.6	6.5	12.6	13.6	11.6	10.3	9480.0
Tata Balanced Advantage Fund - Reg - Growth	20.8	4.1	11.2	12.5	--	--	9748.6
NIFTY 50 Hybrid Composite Debt 65:35 Index	21225.9	7.1	12.4	13.9	13.2	11.6	--

Hybrid Aggressive Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Baroda BNP Paribas Aggressive Hybrid Fund	28.1	1.9	14.5	16.2	15.2	--	1227.8
Edelweiss Aggressive Hybrid Fund - Growth	64.9	5.9	17.4	19.6	15.7	12.6	3161.2
Kotak Equity Hybrid Fund - Growth	64.1	5.7	16.0	18.6	16.5	13.1	8116.1
UTI Aggressive Hybrid Fund - Growth	409.2	3.3	16.5	19.5	14.5	12.2	6378.6
NIFTY 50 Hybrid Composite Debt 65:35 Index	21225.9	7.1	12.4	13.9	13.2	11.6	--

Multi Asset Allocation Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Nippon India Multi Asset Allocation Fund	23.2	14.5	20.6	18.1	--	--	7759.3
Tata Multi Asset Opportunities Fund - Reg - Growth	24.7	10.1	15.4	17.0	--	--	4277.6
UTI Multi Asset Allocation Fund - Growth	77.6	7.8	20.1	16.0	13.1	10.7	6106.1
WhiteOak Capital Multi Asset Allocation Fund	14.9	16.0	--	--	--	--	3942.6
NIFTY 50 Hybrid Composite Debt 65:35 Index	21225.9	7.1	12.4	13.9	13.2	11.6	--

Gold Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Gold ETF Fund of Fund - Growth	36.0	51.6	32.0	17.2	19.5	14.6	6328.9
Kotak Gold Fund - Reg - Growth	46.4	51.6	31.7	17.1	19.5	14.8	4153.1
Nippon India Gold Savings Fund - Reg - Growth	46.3	52.2	32.0	17.1	19.3	14.7	4131.0
Prices of Gold	126854.0	62.6	36.5	19.9	21.9	16.8	--

Overnight Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
Kotak Overnight Fund - Reg - Growth	1396.9	5.3	5.3	5.3	6.0	5.7	8619.0
Tata Overnight Fund - Reg - Growth	1380.3	5.3	5.3	5.3	6.0	5.7	2811.0

Liquid Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
ICICI Prudential Liquid Fund - Reg - Growth	393.6	5.5	5.9	5.6	6.7	6.0	45629.0
Mahindra Manulife Liquid Fund - Reg - Growth	1730.5	5.7	6.0	5.7	6.7	6.1	1013.0
Nippon India Liquid Fund - Reg - Growth	6489.5	5.5	5.9	5.6	6.7	6.1	27072.0

Ultra Short Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Savings Fund - Reg - Growth	560.1	6.0	6.9	7.7	7.5	6.8	21367.0
Kotak Savings Fund - Reg - Growth	43.7	5.5	6.3	7.0	7.0	6.5	15340.4

Money Market Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Money Manager Fund	378.0	5.7	6.7	7.6	7.6	6.4	26757.3
UTI Money Market Fund - Reg - Growth	3150.8	5.7	6.7	7.7	7.6	6.3	18862.2

Low Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Low Duration Fund - Reg - Growth	39.4	5.4	6.5	7.4	7.3	6.4	6604.1
ICICI Prudential Savings Fund - Reg - Growth	555.8	5.9	7.0	7.8	7.7	6.9	27720.4
UTI Low Duration Fund - Reg - Growth	3626.5	6.0	6.9	7.7	7.5	6.9	2302.4

Short Term Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Short Term Debt Fund - Growth	32.7	5.3	6.6	8.2	7.9	7.1	17621.9
ICICI Prudential Short Term Fund - Growth	61.5	5.3	6.6	8.2	7.8	7.3	22387.3
Nippon India Short Term Fund - Reg - Growth	54.0	5.3	6.8	8.4	7.8	7.2	8816.3

Corporate Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Corporate Bond Fund	115.1	4.4	5.3	7.9	7.9	7.1	27069.3
HDFC Corporate Bond Fund - Growth	33.2	4.5	5.6	7.9	7.9	7.1	35574.3

Dynamic Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential All Seasons Bond Fund - Growth	37.6	3.6	4.8	7.9	7.9	7.6	14948.1
Nippon India Dynamic Bond Fund - Reg - Growth	38.0	2.2	4.6	7.8	8.3	6.9	4336.5

Medium Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Axis Strategic Bond Fund - Growth	28.6	5.9	6.5	8.6	8.2	8.0	1907.8
ICICI Prudential Medium Term Bond Fund - Growth	46.0	7.2	7.8	9.2	8.1	7.9	5734.1
SBI Magnum Medium Duration Fund - Growth	52.1	4.9	5.3	7.9	7.8	7.6	6738.0

Gilt Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Government Securities Fund Investment Plan	35.3	-1.0	-2.7	4.0	7.4	6.8	2540.2
ICICI Prudential Constant Maturity Gilt Fund	25.0	1.7	3.1	8.4	8.6	6.8	2584.8
Kotak Gilt Fund - Growth	95.8	-2.6	-3.8	3.5	6.5	7.3	3459.3
Nippon India Nivesh Lakshya Fund - Reg - Growth	18.0	-1.5	-0.9	5.2	8.4	7.2	9651.9

Credit Risk Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Credit Risk Fund - Growth	32.8	8.6	9.3	9.2	8.4	8.3	5993.7
Nippon India Credit Risk Fund - Reg - Growth	35.9	6.7	8.5	9.3	8.5	8.4	983.3

Disclaimer : Mutual Fund Investments are subject to market risks. Please read the offer document carefully before investing. Past performance is no guarantee of future performance. Returns are of Growth option of Regular plans. Returns which are below 1 year period are Annualized Returns. Source: -ICRA MFI, NAV as on 24th October 2025.

TECHNICAL OUTLOOK

T

he Nifty 50 displayed notable bullish momentum through October, marking a clear improvement over its relatively range-bound performance in September. After spending most of September consolidating between 25,500 and 24,600, the index broke out in mid-October and sustained higher highs through the month, touching levels above 26,100 before encountering mild profit-taking.

Currently, Nifty is witnessing a positive rally to retest its all-time high of 26,277, which also coincides with the 100% retracement level as per Retracement Theory (H-26,277.35, L- 21,743.65). An interesting observation has been made in the monthly chart - the formation of a 'Cup and Handle' pattern. Nifty has given a breakout from this formation and is leading the rally on the upside. Alongside this, the weekly chart also shows that the index is trading within an upward rising channel, indicating that the uptrend remains intact.

A swift rally may unfold once Nifty manages to close above the 26,100 mark for at least two consecutive trading

sessions, potentially targeting the 26,470-26,800 levels in the near-term. Short-term support lies at 24,340, provided by the 20-DMA.

Nifty is not only trading above all its major moving averages but is also showing strength in the momentum indicator RSI, which moved from neutral in September to above 60 by mid-October, reflecting strong buying momentum. Long positions may be held as long as Nifty sustains above the mentioned support level, while any short dips may be utilized to initiate long positions.

The technical setup of Nifty indicates that the bullish trend is likely to continue as long as it remains well placed above the 24,340-24,200 zone.

Bank Nifty, too, witnessed a strong bullish rally following an all-time high formation. Increasing demand for the banking sector, coupled with positive volumes, supported the banking index in moving higher. Immediate resistance is placed near 59,000, and a breakout above this level may resume upward momentum towards 59,750/60,400 levels. Support for Bank Nifty is placed at 57,300/56,700.

In Nifty Options for the November series, the highest Open Interest build-up is seen near 26,000 and 26,500 Call strikes, whereas on the Put side, it is concentrated at the 26,000 and 25,500 levels.

The upward trend continued

through the October series, with many stocks witnessing fresh long positions – a sign of potential continuation in the positive trend. However, a sharp rise in OI may remain in the 26,200-25,500 zone until a decisive breakout occurs.

India VIX has remained in the 10-12 range and is expected to stay between 10 and 14 during the November series.

The PCR-OI for Nifty Options has ranged between 0.9 and 1.3 in October and is likely to remain within this range in November.

Markets are expected to witness fresh long positions with supports placed at 25,700 and 25,500 levels, while resistance is likely around 26,200 and 26,500.

OPTIONS STRATEGY

Bull Call Spread

Bull Call Spread can be initiated by buying 1 lot of 11Nov 26000 CE (₹220) and selling 1 lot of 11Nov 26500 CE (₹70). The total outflow of premium comes to around 150 points, which also marks the maximum loss in this strategy. A stop-loss can be set at 60 points (that is, a 90-point loss from the total premium).

The maximum potential gain is 350 points. Considering the current OI positions in Nifty Options, momentum is expected to continue, making this strategy potentially profitable.

THE VALUE ADVANTAGE

Howard Marks says long-term investment success comes from valuing an asset's intrinsic worth over its market price and acting patiently



In a world where market prices swing on a whim and investor sentiment can shift in an instant, the foundational principles of sound investing are more crucial than ever. Howard Marks of Oaktree Capital Management, in his recent memo 'The Calculus of Value,' lays out a timeless framework for separating the signal from the noise: the essential relationship between an asset's price and its intrinsic value.

This framework is not an algorithm for market timing, but a philosophical guide for investors seeking to build wealth over the long term. It teaches us to look beyond the fleeting popularity of an asset and focus on its true, underlying worth.

"The price of an asset means nothing in isolation. You can't tell whether a car is a good buy at \$40,000 unless you know about the things that determine its market value: its make, model, age, mileage and condition. It's the same in investing; what matters is the relationship between an asset's price and its value," states Howard Marks' Memo.

VALUE: THE CORNERSTONE OF INVESTING

In investing, everything begins with value. Marks defines value as the intrinsic worth of an asset, which is derived from its "fundamentals." Unlike price, which is simply what buyers and sellers agree on in the marketplace, value is an estimate based on careful analysis and judgement.

The fundamentals of a company are a complex tapestry of many things. They include its current earnings, its future earning potential, the stability of those earnings, the market value of its tangible assets (such as land and machinery), and its intangible assets (such as patents, trade secrets, and reputation).

The skill of its management, its potential for new product development, its competitive landscape, and the strength of its balance sheet all play a role. Ultimately, the totality of an asset's fundamentals constitutes its earning power, which, in turn, is the source of its value.

"I think of assets that don't produce operating cash flow or have the potential to do so in the future as not having earning power, and that makes them impossible to value objectively,

analytically, or intrinsically," mentions Howard Marks' Memo.

The challenge is that value is not a single, universally accepted number. It is subjective and open to interpretation, which is why opinions will always differ. Two analysts can look at the same company and arrive at different conclusions, depending on their assumptions about future earnings, discount rates, or the durability of competitive advantages. This subjectivity explains why markets are dynamic and prices fluctuate as collective opinions shift.

Yet, understanding value is the foundation of sound investing. Marks emphasizes that prudent investors focus not just on what a company earns today, but also on its power to produce earnings in the future. Tangible assets like land and machinery matter, but so do intangibles like patents, brand reputation, and human talent.

When combined effectively, these assets create synergy, enhancing a company's long-term earning power. For investors, the key lies in aligning price with value. Buying below intrinsic worth offers a margin of safety and the potential for superior returns. As Marks reminds us, "Value is what you get when you make an investment, and price is what you pay for it."

PRICE: THE MARKET'S CONSENSUS

If value is what an asset is truly worth, price is what you actually pay for it. Unlike

value, which is rooted in fundamentals, price is determined in the marketplace through the constant push and pull of buyers and sellers. As Howard Marks explains, price reflects the consensus view of investors regarding an asset's underlying fundamental value.

Every trade represents a tug-of-war between optimism and pessimism. When buyers (optimists) believe an asset's worth exceeds its current price, they push prices higher. When sellers (pessimists) see risks or lower worth, they drive prices down. The balance of these competing views sets the market price - a figure that often drifts far from intrinsic value.

Crucially, price is not static. It moves with sentiment, expectations, and prevailing psychology, which can be irrational and unpredictable. While fundamentals like earning power or balance sheet strength change slowly, prices can swing dramatically in response to news headlines, economic data, or investor mood. This volatility makes price the dominant driver of short-term performance.

The challenge lies in remembering that price alone tells us nothing about whether an asset is cheap or expensive. Just as you cannot judge a car's value simply by its sticker price, you cannot judge a stock without considering its fundamentals.

What matters is the relationship between price and value, a concept investors call "valuation". As Marks notes, in the short run, markets act like

a "voting machine," with price reflecting popularity and sentiment. In the long run, they function as a "weighing machine," aligning closer with value. Successful investing, therefore, requires resisting the temptation to chase price movements and instead focusing on whether the price paid fairly reflects the value received.

THE INTERACTION OF PRICE AND VALUE

The heart of investing lies in understanding how price and value interact. Value represents the intrinsic worth of an asset, derived from its fundamentals, while price is simply what the market is willing to pay at a given moment. The difference between the two is where investment opportunities - and risks - emerge.

Howard Marks describes value as exerting a "magnetic pull" on price. Over time, prices tend to gravitate toward underlying value, but the journey is rarely smooth. In the short run, investor psychology dominates. Optimism can push prices well above value, while fear can drag them far below. These swings explain bubbles, crashes, and the persistent mispricing that define financial markets.

For long-term investors, this interaction is critical. Buying assets when prices fall below value offers the chance to capture both current returns and future gains as prices realign. Conversely, paying too much - when price exceeds value - sets the stage for

disappointment, even if the underlying asset is sound. Marks reminds us that high valuations often presage lower subsequent returns, while low valuations create fertile ground for superior performance.

The challenge, of course, is timing. As John Maynard Keynes famously warned, "The market can remain irrational longer than you can remain solvent." An undervalued asset can stay cheap - or get cheaper - for extended periods, just as an overvalued one can defy gravity longer than expected. This makes patience, discipline, and a margin of safety essential tools for investors.

Ultimately, the interaction of price and value is not about predicting day-to-day moves, but about aligning decisions with long-term fundamentals. Success belongs to those who recognize when the market's vote departs from the weighing machine - and act with conviction.

HOW DO INVESTORS THINK ABOUT PRICE AND VALUE

When investors approach the market, their attention often tilts toward price rather than value. As Howard Marks points out, media commentary, research notes, and financial TV are dominated by the question: Will prices go up or down? Rarely do these discussions dwell on the harder, less glamorous work of evaluating true intrinsic worth.

Price is concrete and visible - every investor can see a stock quote or index level. Value,



IMPORTANT JARGON

STATUS QUO MAINTAINED ON RATES; DOVISH VOICES FROM WITHIN MPC

The Reserve Bank of India's six-member Monetary Policy Committee (MPC) left policy interest rates unchanged in its October meeting at 5.5%. Notably, the RBI has revised upward its fiscal year 2025-26 GDP growth projection to 6.8% from 6.5%. The CPI inflation forecast for fiscal year 2025-26 has been lowered to 2.6% from the earlier projection of 3.1%. Beyond monetary policy, the RBI has also made some important regulatory announcements relating to the banking sector.

Q. What Is Policy Rate?

Different central banks have different benchmark interest rates. This acts as reference and influences other interest rates in the economy such as banks' lending and savings interest rates, corporate bonds, government bonds, etc. In India, the repurchase rate (repo rate) is the benchmark rate that the MPC tweaks (alongside other tools at its disposal) to achieve its mandate of keeping inflation at around 4%, as measured by the consumer price index (CPI), over the medium term. The repo rate is the interest rate at which banks borrow from the RBI during times of liquidity crunch.

Q. What Has Been The MPC's Decision In The October '25 Monetary Policy Review?

As expected, the MPC maintained a pause in its October policy meeting, keeping the policy repo rate at 5.5%. The policy stance, which indicates the direction of upcoming monetary policy reviews, was also maintained as neutral. The RBI has already front-loaded 100 basis points of repo rate cuts so far in the current easing cycle from February to June. The past rate cuts

are still transmitting through the economy.

Q. What Was The Backdrop To The MPC Meeting?

Rising external headwinds and US tariff-related uncertainties amid trade talks with the US could have been on top of the MPC's mind ahead of the policy review meeting. It seems the MPC adopted a wait-and-watch approach, as US tariff disruptions and associated risks to economic growth and inflation are still unfolding.

Q. How Has The Market Pursued The MPC Decision?

Markets have noted that, although the decision on the repo rate was unanimous, the MPC saw dissents from two members who voted in favour of shifting the policy stance to accommodative from neutral.

The market sees this as a dovish signal and a possible tilt by the MPC towards a rate cut in the immediate future.

This could materialize should economic growth headwinds intensify from here. Many now expect, in case economic growth indicators weaken and inflation remains benign, a 25-basis-point rate cut in December.

Q. What Are The Current Inflation Levels?

CPI inflation eased to 1.5% in September (data released a few days after the policy meet), the lowest level since June '17. With this, CPI has slipped below the RBI's lower tolerance band of 2%.

The RBI has revised its CPI inflation forecast (for the third time in a row) for FY25-26 down to 2.6% from the earlier projection of 3.1%. This revision is due to goods and services tax (GST) rationalization, muted food inflation, and a favourable base effect. With good monsoon rains, adequate reservoir levels, and strong kharif sowing, food inflation is expected to remain low in the near future. Overall, CPI inflation is likely to stay favourable for a rate cut.

On the external front, global commodity prices are broadly expected to remain benign given weak global growth prospects. With lower inflation, the MPC will have greater room to focus on supporting economic growth.

Q. What Is The RBI's Assessment Of Economic Growth?

The RBI believes economic activity has remained resilient. Strong macroeconomic data have led it to revise its FY25-26 GDP growth projection

upward to 6.8% from 6.5%.

The recent rationalization of GST and a pickup in rural demand will augur well for economic growth in the future. This will help offset the ongoing US tariff and trade policy-related uncertainties that have the potential to impact external demand.

Q. What Are The Measures Announced By The RBI On The Regulatory Front?

The RBI has announced a package of 22 measures aimed at: Strengthening the resilience and competitiveness of the banking sector (4 measures); Improving the flow of credit (5 measures); Promoting ease of doing business (7 measures); Simplifying foreign exchange management (2 measures); Enhancing consumer satisfaction (3 measures); Internationalization of the Indian Rupee (3 measures).

Q. What Has Been Announced To Strengthen The Resilience And Competitiveness Of The Banking Sector?

A new Expected Credit Loss (ECL) framework for provisioning has been proposed by the RBI to be made applicable to all Scheduled Commercial Banks (excluding Small Finance Banks (SFBs), Payment Banks (PBs), Regional Rural Banks (RRBs)) and All India Financial Institutions (AIFIs) with effect from 1st Apr '27.

From an accounting perspective, a bank needs to estimate any future loss on a credit exposure. It is a key component of credit risk

estimation. For implementing the ECL framework for banks, a discussion paper was released in January '23.

So, the guidelines on ECL were highly anticipated by banks. With ECL, there could be a need for higher provisioning, which, in turn, would force banks to raise more capital. Banks will be given a glide path (till 31st Mar '31) to smoothen the one-time impact of higher provisioning, if any, on their existing books.

Q. What Has Been Announced To Improve The Flow Of Credit In The Economy?

The RBI has proposed to provide an enabling framework for Indian banks to finance acquisitions by Indian corporates. This will expand the scope of capital market lending by banks. According to Care Ratings, this move is expected to catalyze mergers and acquisitions (M&A) activity by improving access to bank funding for growth and reducing dependence on costlier sources such as non-banking financial companies (NBFCs) and private equity.

Secondly, in order to reduce the cost of infrastructure financing by NBFCs, the RBI has proposed to reduce the risk weights applicable to lending by NBFCs to operational, high-quality infrastructure projects.

According to Care Ratings, this move aligns NBFC regulations more closely with banks, which currently enjoy lower capital requirements for highly rated assets.

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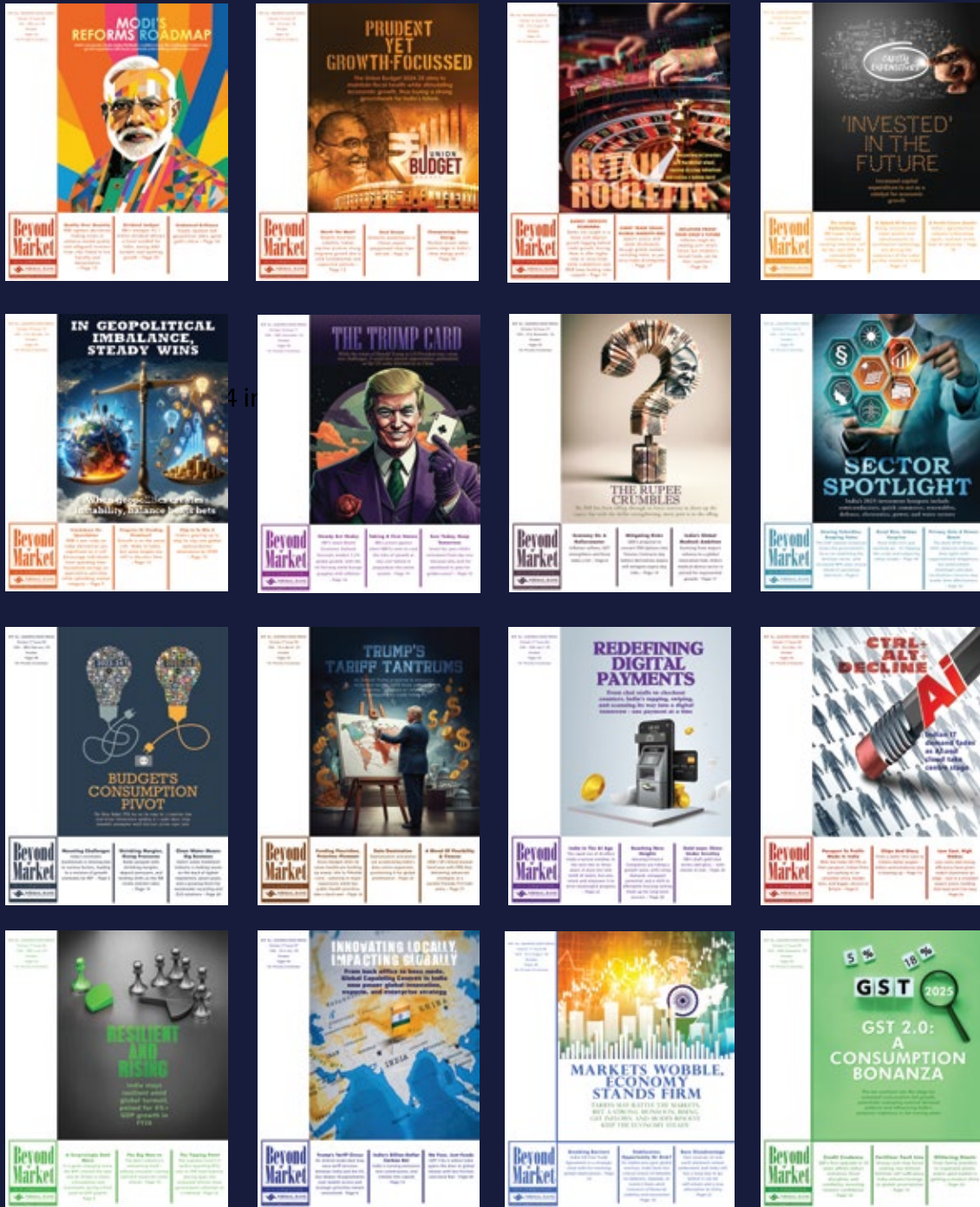
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