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FINSPIRE

Monthly Business Review

PUBLISHED BY VEGA, IIM VISAKHAPATNAM

FEATURE INTERVIEW

Of founders, industry experts & unconventional job roles

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"

THE BEAUTIFUL THING ABOUT LEARNING IS THAT NOBODY CAN TAKE IT AWAY FROM YOU.

"

~ *B.B. King*

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Ten Years of Excellence

DEAN'S MESSAGE

Prof. Kaveri Krishnan
Dean Administration,
IIM Visakhapatnam

It is our great pleasure to present the latest edition of FINSPIRE, the inter-IIM finance magazine. This edition is brought to you by VEGA, the finance club of IIM Visakhapatnam, in collaboration with IIM Raipur, IIM Ranchi, IIM Trichy, IIM Udaipur, and IIM Mumbai. Since the release of the first volume in December 2022, the magazine has come a long way and continues to grow in scope and impact, providing a common platform for ideas and perspectives in finance.

The current edition includes articles on investment trends, market analysis, economic policies, fintech, sustainability, and global markets. The range of topics reflects the interests of the contributors and the diverse issues shaping the financial sector today. I acknowledge the finance clubs for their continuous efforts in bringing thought-provoking insights to the forefront, and I hope this edition will inspire new ideas and conversations among academics, practitioners, and students alike. By working together, we can leverage technology to promote sustainability and equity in the future of finance.

I commend the editorial team and the student community for curating such insightful articles and for creating a platform that enables peer learning across IIMs. I encourage everyone to actively participate in future editions, as this magazine truly reflects the spirit of collaboration and innovation that we strive to foster here at IIM Visakhapatnam. I encourage everyone to engage with the magazine and carry forward their pursuit of learning and discovery.

We wish everyone a good reading experience.

FACULTY MENTOR'S MESSAGE

"The foundation of a kingdom lies in its treasury." – Arthashastra

Dr. Prince Doliya
Assistant Professor, Finance & Accounting
IIM Visakhapatnam

A principle given by Kautilya more than two thousand years ago in the Arthashastra continues to resonate in modern times: the prosperity of a state is inseparable from the strength and stewardship of its financial resources. Although we may not use the term "treasury" in the same way in today's globalised economy, the metaphor is alive and well today. It finds its place in financial markets, corporations, and regulatory frameworks, all of which follow the same logic – that economic resilience is built on prudent management, foresight, and accountability. Kautilya cautioned that unchecked expenditure or misuse of resources could weaken even the most powerful states. In this sense, every policymaker, manager, and investor is a modern custodian of the treasury.

Understanding finance, therefore, requires looking beyond numbers. While fancy equations and models equip us with analytical precision, finance is ultimately about judgement under uncertainty. It involves balan- cing risks with opportunities and ensuring that choices made today enhance rather than undermine the possibilities of tomorrow. This broader perspective becomes even more essential in a globalised world where economic shocks ripple quickly and where new technologies, sustainability challenges, and shifting market dynamics redefine the landscape.

It is precisely here that initiatives like Finspire play an invaluable role. A magazine such as this is more than a collection of articles; it is a platform that extends learning beyond the classroom. It allows students to connect the timeless principles of financial management with the pressing issues of the present. Whether through technical analysis, policy reflections, or explorations of ethics and practice, Finspire provides a space for curiosity, dialogue, and critical thought to flourish.

I commend the editorial team for their vision and dedication in bringing Finspire to life. May this magazine continue to inspire its readers to think critically, act responsibly, and connect ancient wisdom with contemporary challenges.

BUSINESS SECRETARY'S MESSAGE

Dhyey Desai
Business Secretary, IIM Visakhapatnam

Dear Readers,

Welcome to the 13th edition of Finspire – a collaborative initiative by IIM Visakhapatnam, IIM Trichy, IIM Ranchi, IIM Raipur, IIM Mumbai, and IIM Udaipur. This edition highlights the collective efforts of the student-run finance clubs, not just from these premier institutions but also aimed at inspiring finance enthusiasts across the country. It is dedicated to fostering a spirit of learning and cultivating financial acumen within the student community.

In an era where volatility has become the new norm, Vega, the finance club of IIM Visakhapatnam, ensures that students face no such uncertainty in bridging the gap between academic learning and real-world exposure. Through initiatives like Vivriti – a series of financial field trips to institutions such as NSE, HSBC, RBI, and more – Vega provides students with invaluable industry insights and networking opportunities, complementing classroom theories with practical experience.

More than just a magazine, Finspire has evolved into a platform where industry experts, academics, and students come together to share insights on the ever-changing financial landscape. I extend my heartfelt gratitude to our mentors, alumni, and the entire Vega team for their unwavering dedication in making this publication a beacon of financial knowledge and analysis. The energy, creativity, and commitment of everyone involved remain the driving forces behind this initiative.

Looking ahead, let us continue to connect, collaborate, and cultivate a vibrant ecosystem of learning and innovation in the field of finance.

EPIFUND ARTICLE

ENTREPRENEURIAL PASSION AND INNOVATION CLUB (EPIC)

FROM ANGELS TO EPIFUNDS: HOW INDIA'S FIRST STUDENT-RUN ANGEL NETWORK IS REIMAGINING STARTUP INVESTING

Ajay Baheti
IIM Visakhapatnam

Mapping the Funding Spectrum

Every startup story begins with an idea, but ideas need fuel to become businesses. In the world of finance, that fuel comes in the form of **capital**. Yet, the capital journey is not uniform – it evolves across different stages, each with its own risk profile, investor type, and strategic outlook.

Angel investors are usually wealthy individuals who back founders early, before proven traction. Their smaller but crucial investments help startups test markets, refine products, and build teams, betting more on people than numbers.
Once traction is visible, **venture capital** funds step in. Backed by institutional money, VCs look for scalable models and high growth, offering not just capital but also mentorship, governance, and board involvement.

Finally, **private equity (PE)** funds enter the picture. They back businesses that are already profitable, established, and seeking to expand, restructure, or even go public. PE is less about taking risks and more about optimizing value.
This spectrum—Angel → VC → PE—represents the ladder of financial support that drives entrepreneurship globally. But in India, a unique experiment has emerged to create a new rung on this ladder: **EPIFunds, the country's first student-run angel network.**

The Rise of Angel Networks in India

India's startup ecosystem has exploded over the past decade, with over 100 unicorns and billions of dollars in venture inflows. Yet, the earliest stage, where ideas need nurturing, remains the most fragile.
Angel networks have filled this gap. Platforms like the **Indian Angel Network, Mumbai Angels, and LetsVenture** pool resources from professionals and entrepreneurs to back founders at their riskiest stage. They bring more than money: mentorship, networks, and credibility. For startups in Tier-2 and Tier-3 cities, angel networks are often the only institutional lifeline.
However, angel investing in India has faced its share of challenges. Regulatory hurdles such as the infamous "angel tax" (scrapped in 2024) dampened enthusiasm. The lack of standardized due diligence processes and limited post-investment involvement often left founders struggling after the cheque was written.
Still, angel networks remain indispensable. They democratize investing, give structure to early-stage capital flows, and create a bridge between informal founder support and institutional VC.

Global Inspiration: Student-Run Funds Abroad

Globally, universities have long experimented with student-managed investment vehicles. Harvard, Stanford, Wharton, and Oxford all run student-led venture funds, often backed by alumni and endowments. These funds give students real-world exposure to deal-making, while startups benefit from fresh perspectives and academic rigor.
Such models also align education with practice: finance students apply valuation frameworks in live contexts, entrepreneurship students see how investors think, and alumni contribute as mentors. Until recently, however, India lacked such an initiative.
That gap is what EPIFunds set out to fill.

Introducing EPIFunds

Beyond Capital
Towards Growth
epi
funds

Launched from **IIM Visakhapatnam's FIELD incubator, EPIFunds Angel Network Pvt. Ltd. is India's first student-managed angel network**. Unlike conventional clubs or competitions, EPIFunds is a legally incorporated entity. Students and alumni take direct responsibility for:

- **Deal sourcing**: Identifying promising startups.
- **Screening & valuation**: Applying rigorous financial models.
- **Mentor integration**: Engaging alumni and industry guidance experts.
- **Post-investment support**: Building systems for portfolio growth.
- **Governance**: Navigating SEBI, DPIIT, and AIF regulations

This is real capital, real startups, and real risk, a **live crash course** in investing for students and a funding opportunity for founders through one of India's most dynamic youth networks.

Inside the EPIFunds Model

What sets EPIFunds apart is its attempt to **blend education, entrepreneurship, and finance into one platform.**

1. **Valuation Rigor**: Students use multiple methods, Discounted Cash Flow, Scorecard, Berkus, and VC Method, to assess opportunities. This ensures that at small-ticket deals are evaluated with institutional discipline.

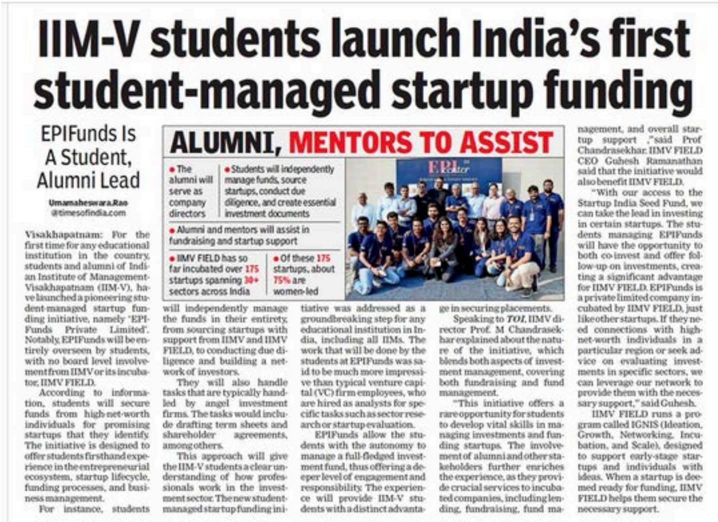
2. **Mentorship Pools**: Experienced alumni act as anchors, guiding students through due diligence, negotiation, and post-investment monitoring. This balances youthful energy with seasoned judgment.

3. **Post-Investment Hub**: Unlike many angel groups that disengage after funding, EPIFunds emphasizes continuous support, helping with strategy, customer connections, and growth tracking.

4. **Governance & Compliance**: Students engage directly with legal frameworks, including SEBI guidelines on angel funds and AIFs, giving them exposure to the regulatory side of finance.

This model mirrors professional funds but adds a pedagogical layer, preparing students to become the next generation of fund managers, consultants, and entrepreneurs.

Why EPIFunds Matters



IIM-V students launch India's first student-managed startup funding

EPIFunds Is A Student, Alumni Lead

Umamaheswara.Rao
@timesofindia.com

ALUMNI, MENTORS TO ASSIST

- The alumni will serve as company directors
- Students will independently manage funds, source startups, conduct due diligence, and create essential investment documents
- Alumni and mentors will assist in fundraising and startup support
- IIMV FIELD has so far incubated over 175 startups spanning 30+ sectors across India
- Of these 175 startups, about 75% are women-led

Visakhapatnam: For the first time for any educational institution in the country, students and alumni of Indian Institute of Management-Visakhapatnam (IIM-V), have launched a pioneering student-managed startup funding initiative, namely 'EPIFunds Private Limited'. Notably, EPIFunds will be entirely overseen by students, with no board level involvement from IIMV or its incubator, IIMV FIELD.

According to information, students will secure funds from high-net-worth individuals for promising startups that they identify. The initiative is designed to offer students firsthand experience in the entrepreneurial ecosystem, startup lifecycle, funding processes, and business management.

For instance, students will independently manage the funds in their entirety, from sourcing startups with support from IIMV and IIMV FIELD, to conducting due diligence and building a network of investors.

They will also handle tasks that are typically handled by angel investment firms. The tasks would include drafting term sheets and shareholder agreements, among others.

This approach will give the IIM-V students a clear understanding of how professionals work in the investment sector. The new student-managed startup funding initiative was addressed as a groundbreaking step for any educational institution in India, including all IIMs. The work that will be done by the students at EPIFunds was said to be much more impressive than typical venture capital (VC) firm employees, who are hired as analysts for specific tasks such as sector research or startup evaluation.

EPIFunds allow the students with the autonomy to manage a full-fledged investment fund, thus offering a deeper level of engagement and responsibility. The experience will provide IIM-V students with a distinct advantage in securing placements.

Speaking to *TOI*, IIMV director Prof. M Chandrasekhar explained about the nature of the initiative, which blends both aspects of investment management, covering both fundraising and fund management.

"This initiative offers a rare opportunity for students to develop vital skills in managing investments and funding startups. The involvement of alumni and other stakeholders further enriches the experience, as they provide crucial services to incubated companies, including lending, fundraising, fund management, and overall startup support ," said Prof Chandrasekhar. IIMV FIELD CEO Guhesh Ramanathan said that the initiative would also benefit IIMV FIELD.

"With our access to the Startup India Seed Fund, we can take the lead in investing in certain startups. The students managing EPIFunds will have the opportunity to both co-invest and offer follow-up on investments, creating a significant advantage for IIMV FIELD. EPIFunds is a private limited company incubated by IIMV FIELD, just like other startups. If they need connections with high-net-worth individuals in a particular region or seek advice on evaluating investments in specific sectors, we can leverage our network to provide them with the necessary support," said Guhesh.

IIMV FIELD runs a program called IGNIS (Ideation, Growth, Networking, Incubation, and Scale), designed to support early-stage startups and individuals with ideas. When a startup is deemed ready for funding, IIMV FIELD helps them secure the necessary support.

Times of India: https://timesofindia.indiatimes.com/city/vijayawada/iim-v-students-launch-indias-first-student-managed-startup-funding/articleshow/118511058.cms

The significance of EPIFunds extends across multiple dimensions:

- **For Startups:**

It provides not just capital but also access to one of India's premier B-school ecosystems, mentorship from alumni, and credibility in fundraising.

- **For Students:**

It is experiential learning at its best - far more impactful than classroom case studies. Students graduate with direct experience in deal-making, valuation, and governance.

- **For the Ecosystem:**

It redefines the role of academic institutions. Instead of being passive talent factories, they become active capital allocators, directly shaping the entrepreneurial landscape.

In many ways, EPIFunds symbolizes the democratization of finance where even students can play a meaningful role in shaping India's startup future.

Opportunities Ahead

The vision for EPIFunds is ambitious. The network aims to scale its corpus into an **₹50 crore AIF within three years**, with sectoral focus areas such as SaaS, CleanTech, and FinTech. By co-investing with established funds, EPIFunds could create a credible pipeline for later-stage investors.

There is also potential to expand geographically, supporting startups beyond metro hubs and into emerging innovation clusters across India. With India's vast pool of young entrepreneurs, EPIFunds could act as a **national student-driven deal flow engine.**

Challenges on the Horizon

No pioneering model comes without risks. For EPIFunds, the key challenges include:

1 **Leadership Continuity:** Student teams change every academic cycle. Ensuring smooth transitions and institutional memory will be crucial.
2. **Fundraising Sustainability**: While alumni backing is strong, consistent capital inflows require trust, track record, and eventually institutional participation.
3. **Governance & Risk**: Young teams must balance enthusiasm with discipline. Without strong oversight, early mistakes could affect credibility.
4. **Return Timelines**: Angel investments often take 5–7 years to yield results. Patience, transparency, and clear communication with stakeholders are essential.

How EPIFunds addresses these challenges will determine whether it remains a one-off experiment or scales into a lasting institution.

Broader Impact: Redefining Finance Education

EPIFunds also raises important questions for finance education in India. If students can manage real angel networks, should B-schools and universities integrate such models more deeply into their curriculum? Should regulators create frameworks that encourage student-managed funds as feeders into the larger ecosystem?

Globally, student-led funds have proven to be powerful tools for learning, innovation, and ecosystem building. EPIFunds could inspire a similar wave in India, turning campuses into **breeding grounds not just for talent, but for capital deployment.**

Conclusion

From angels to VCs to PE, the investment ladder is well established. EPIFunds introduces a new rung: **students as active investors.** It represents both an experiment and a statement, that India's youth are not just future employees or founders, but also future financiers.

If nurtured well, EPIFunds could deliver two kinds of returns: financial returns from its portfolio, and educational returns in the form of a generation of investment-savvy graduates. In doing so, it may well redefine how finance and entrepreneurship are taught, practised, and lived in India.

GUEST INTERVIEWS

THE VERSATILE FINANCE CAREER:

NAVIGATING FINANCE'S MULTI-PATH FUTURE

Yugandhar Kakde
Founding Team, Punch
Finance Educator & Ex-JP Morgan Chase

You've transitioned from a traditional finance role at JPMorgan to a finance educator and content strategist. How do you compare the traditional career path in finance with today's more flexible, multi-path journeys?

Most MBAs begin in analyst roles in corporate finance, FP&A, risk or investment banking. These jobs put you alongside senior leaders, expose you to well-defined processes, and sharpen core financial skills. You learn by doing and by watching how experienced professionals make decisions, which builds discipline and deep technical strength early on.

Less traditional paths look very different. Think fintech product roles, founder's office strategy, specialised consulting, or content and growth strategy. There is rarely a set playbook. Work shifts quickly and you often pick up new skills on the fly. The payoff is often an end-to-end view of how a business runs.

Both routes are solid choices. Traditional roles give you depth and a strong base; unstructured roles build range and adaptability. The best careers often pull from both.

You've worn many hats—analyst, freelancer, educator, and part of the core team at a fast-growing startup. Which role has given you the most learnings?

Each role brought its own learning, but the startup years stand out for sheer range and intensity of learning. In a startup you cannot hide behind a job description. One week you are shaping product strategy, the next solving a marketing challenge or working on a growth experiment. That constant contextswitching forced me to think across functions and stay calm when priorities collide.

Five years is long enough for any startup to pass through distinct phases: launch, rapid growth, and inevitable course correction. Having spent half a decade with the same startup, and working through each stage meant shifting roles as needed across product strategy, growth, performance marketing, user research, and content teams, all while staying focused on the larger goal of building products for traders and the broader financial markets space.

Seeing the company evolve and working across different phases has brought more learning than I could have gained by moving across several firms in the same time frame.

What's one misconception people have about careers in finance that you'd like to clear?

A common misconception I see among MBA grads and young finance professionals is that the first job you land dictates the rest of your career path.

See, finance is a broad, interconnected ecosystem. Whether you begin in equity research, FP&A, risk, or Investment Banking, you're still developing the same core skills: analysing businesses, understanding capital flows, and making decisions under uncertainty. Yes, the labels differ, and obviously the specifics of the job too, but the fundamentals you build early in your career, stay valuable no matter where you land next.

Aiming for a specific role is great, but many students worry that if they land elsewhere, they'll be stuck. That's not true. Your first role should be an anchor for learning and growth, not a box you can't leave.

Wherever you start, learn fast and learn deeply. Aim to understand not just the task but how it drives decisions and value for the firm. Look beyond your desk. Track how regulation and policy shape capital flows, how interest rate cycles and currency trends affect valuations, and how fiscal spending or tax changes reshape sectors.

Do you think young professionals should prioritize learning breadth (many areas of finance) or depth (specialization in one niche)?

In finance, depth is non-negotiable. The real question is when to shift your focus from depth to breadth.

Whichever role you start in, spend your first few years going so deep that people trust your work before they even open the spreadsheet. Depth in these early years builds judgement, credibility, and responsibility that no credential can replace.

Once that foundation is firm, deliberately widen the lens. As I said earlier, finance is an interconnected system with markets, products, regulation, and technology. Moving across teams or products lets you connect those dots, speak across functions, and pivot when industries or roles shift. This breadth is not optional in a world where AI and automation are reshaping work.

Depth will help you build credibility, breadth will create opportunity.

You've been a Subject Matter Expert in financial markets for several years. From your perspective, which markets or asset classes should students and retail investors keep a close eye on in the next 5 years?

If you want to understand India's markets over the next five years, start with equities. They remain the country's growth engine. And be it stock prices or indices, track beyond just the numbers. Track domestic manufacturing and defence by following order books and the pace of execution, because delivery is what drives earnings. Follow banks for credit cycle health. Power and renewables deserve attention through capacity additions and tariff discipline, the real signals of durable growth. Also keep an eye on the everyday rails of consumption such as payments, logistics, staples, where household spending and business activity show up earliest.

Keep a close eye on the bond market as it's is a key gauge of policy and inflation. Government yields and the shape of the yield curve reveal where borrowing costs and liquidity are headed, which will help you get early clues about economic momentum.

As a finance student, you'll study derivatives and pricing models. Even if you're not a trader, watch how derivatives move around policy announcements or earnings. Tracking open interest and volatility will put in to perspective how professional money prices risk in real time.

Track gold and silver for their low historical correlation with stocks and bonds. Both precious metals also offer diversification and early cues on global inflation or economic stress, as gold protects purchasing power during currency or policy shocks, while silver's industrial demand mirrors growth cycles.

With so many first-time investors entering the market, what's the best way to build real investing discipline?

The surge of new investors since 2020 is healthy for both the economy and household wealth, but many of them began during an extraordinary cycle. The March 2020 crash was followed by a rapid V-shaped recovery. Most crashes often grind sideways for months, even years, before recovering. But Nifty nearly tripled from the March 2020 lows in ~4 years. An experience that can create unrealistic expectations that every dip will snap back quickly. We saw a reminder last year: After the Sep 2024 highs, the market pulled back and we kept hearing "the markets are crashing", whereas it was a healthy correction of

~17% even when compared to the April 2025 lows. We never officially entered a bear market. Knowing that difference is the first step toward investor discipline. The harder part is behaviour. In selloffs, investors often panic while traders get excited, whereas falling prices are when investors should lean in patiently, and when traders should stay unemotional because volatility is a double edged sword. That said, one thing to remember is that traders face a test of their psychology every session; but long-term investors face them only in deep corrections, sometimes years apart. Real discipline is setting a clear plan with entry-exit conditions and sizing your positions with risk in mind, even for your long-term investments. Leave room for staggered entries during corrections and resist the urge to act on panic when that rare stress test arrives. History has shown that equities reward patience, but not without testing it.

How will technology, especially AI, change the way finance careers look in the future?

Over the next few years, any finance role built on repeatable analysis is vulnerable. If a large part of what you do can be codified into steps such as data cleaning, standard valuation models, routine compliance, or basic risk reports, assume it will be automated or radically compressed. AI is silently reshaping existing roles. Jobs will disappear not by title but by headcount, as work for ten might soon be handled by two. AI will redraw job boundaries and reward people who combine deep domain expertise with the ability to work with advanced tools. It is becoming essential to be a skilled generalist, not just a narrow specialist. Build deep expertise in one core area but develop the ability to contribute across several adjacent areas. This range means you can shift when industries or roles change, and it protects you when AI automates tasks that once defined a single specialty. Some abilities will stay timeless: sharp judgement that colleagues and leaders can trust, the habit of owning outcomes, figuring things out when no playbook exists, to the capacity to ask the right questions and get things done when the path is unclear.

What daily routines or habits help you stay sharp in tracking markets?

I start my mornings by checking where the US markets closed, how Asia opened, and any overnight policy moves, corporate announcements, or currency and commodity shifts that could set the tone for Indian equities.

During market hours I track sectorwise moves in Indian stocks, foreign institutional flows, and changes in options open interest on the key indices. These give an early sense of where money is rotating and which trends may be strengthening or fading.

I usually track moves in crude, gold, or the dollar few times through the day for macro signals. Most of my focus is on equities, but I scan the bond market occasionally, mainly to track yields and credit spreads, as it often gives a good hint at shifts in liquidity or risk appetite before equities react. But beyond tracking, the real edge is digging into why something moved, by identifying the drivers and thinking about what they imply for the next few sessions.

If you had to recommend just one skill for the next generation of finance leaders, what would it be?

If I had to pick one skill for future finance leaders, it is building context and switching context quickly.

Most finance roles begin narrow. You might spend your day preparing management reports, building models, tracking industry data, or supporting a deal team. The real value comes when you place that work in a larger frame: how the company earns money end to end, how the industry is shifting, how policy and global markets affect your sector, and how new technology such as AI or digital payments changes those assumptions.

You don't need to do every task across these areas; but you need to understand why each matters and how they connect. It'll help you build context. That habit helps you gain perspective, link external events to internal decisions, and develop sound judgement that a larger team can trust.

FROM MECHANICAL TO MARKETS:

THE CFA AND CEO REDEFINING MODERN TRADING

Ritvik Dashora
CFA, CEO & CoFounder, Tradomate
Stock & F&O Trader, YOUTUBE Educator

You started as a mechanical engineer and transitioned into finance. What inspired this move, and how has your engineering background helped you in trading and finance?

I studied mechanical engineering from 2011 to 2015. While I found that the field wasn't my passion, my engineering studies gave me a crucial analytical and problemsolving mindset. In my final year, I started an online food delivery service, which gave me my first business experience. At the same time, my interest in the stock market grew, which led me to pursue finance certifications. The transition was difficult, as I had to move to Mumbai and struggled to find my first job without a formal finance education. I advise others to build connections and gain practical experience to make the switch easier.

As a CFA charter holder, how did the program shape your perspective on financial markets and risk management?

I pursued the CFA certification because I always wanted to work in fund management, including portfolio, asset, and wealth management. I believe the CFA is a great resource for this field. However, I note that an MBA might be a better option for those interested in corporate finance. For risk management specifically, I point out that a separate certification, the FRM, is available for profiles like credit analysts.

What are the key lessons you've learned from over a decade in stock and options trading that you wish you had known when you started?

The most important lesson is to get handson experience and do your own research. While reading books and understanding theoretical models is important, it's far better to do your own valuation analysis on a company, even if it's imperfect. This practical application is the most effective way to learn.

How do you see the Indian stock market evolving over the next 5-10 years, especially with the rapid increase in retail participation?

I am very bullish on the Indian market's growth story. I believe that increasing retail participation is a healthy development for the economy because it makes the market less dependent on foreign capital flows. I note that sectors like infrastructure and healthcare are particularly promising for long-term investment, with an investment horizon of 20-25 years. I also think the market will likely be volatile in the short term, but I expect it to deliver an annual return of around 14-16% over the next 10 years.

Many MBA students are fascinated by algorithmic trading. What skills should they build today to prepare for this space?

I believe that programming skills will become less critical over time for algo trading, especially with regulatory changes that will lead to more user-friendly platforms from brokers. The two most important skills will be strategy creation and risk management. For nontechnical people, I advise them to understand how programmers think. I recommend starting with Python because it's easy to learn and has builtin libraries that simplify complex tasks.

How is AI changing the way traders analyze and execute strategies? Is it more of an enabler or a disruptor?

I view AI as an enabler, not a disruptor, for traders. In my opinion, there are two primary ways to use AI:

(i) For decisionmaking: This involves relying on AI to build trading strategies. However, this creates a "black box" where you don't fully understand the process, and I don't recommend this for individual traders.

(ii) To optimize your work: This is the most effective use of AI. It helps you become more efficient and effective. For example, at my company, Tradomate, we've built a screener that uses AI to optimize a trader's workflow. A trader can input a normal, plain English sentence describing their trading philosophy – such as wanting a list of stocks with "positive fundamentals, RSI less than 60, and positive sentiment in the last three days". The AI then extracts these conditions to find the right stocks.

This approach allows a trader to leverage AI to make their process more efficient without giving up control or understanding of their strategy.

What motivated you to start Tradomate, and what gap were you trying to solve?

I founded Tradomate to solve a critical problem: 92.8% of individual traders lose money, especially in the derivatives market. I noticed that while existing discount brokers focused on making trading easy, they didn't help traders become profitable. Professional traders and institutional firms make money because they have access to advanced tools and conduct indepth research. Tradomate's goal is to bridge this gap by integrating institutionallevel tools into a single platform that makes analysis and live execution easier for affluent traders.

How do you balance innovation with usability for retail investors?

Tradomate's approach is to address the core problem for traders: helping them prevent losses and find good opportunities. I plan to launch a service called "Tradometer," which will use account aggregator data to analyze a user's trading history and generate a "pathology report" to identify where they made unnecessary losses. This helps solve the problem of emotional trading, which is often driven by regret and FOMO (fear of missing out). By solving these fundamental problems, we can then convince traders to use our platform.

You have a YouTube channel with over 2 million views. What keeps you motivated to teach while also running a startup?

I view running my startup as my passion and teaching as my hobby. I record my YouTube videos mostly on Saturdays and Sundays and teach in some slum areas in Bangalore on weekdays. Because I love both activities, I don't feel the need to "manage" them, as they don't feel like a chore.

What is one common mistake young financial professionals make, and how can they avoid it?

A major mistake is getting too many certifications and writing too many exams. I often see young professionals listing multiple designations like CFA, CAIA, and FRM. I believe that while certifications are good, practical experience, knowledge, & connections are more valuable in the long run.

And do you think this latest tax GST reforms will be plus for our country for the development?

I view the recent tax and GST reforms as a short-term measure to boost market confidence, and I don't believe they will have a strong, long-term positive impact. The key factors for growth are how fiscal and monetary policies are managed, as I think a potential RBI rate cut will increase liquidity and benefit our consumption based economy.

SELLING VS. SERVING:

REDEFINING INSURANCE DISTRIBUTION FOR THE DIGITAL AGE

Bhanu Harish Gurram

Co-founder Ditto Insurance & Finshots

You've studied at IIM and then built Finshots and Ditto. Looking back, what part of your MBA journey shaped you the most: the classroom, peer learning, or the hustle outside academics?

It was the hustle outside the classroom that shaped me the most. At IIM, you're constantly juggling a hundred things at once – be it academics, competitions, projects, or events. That environment forces you to multi-task, prioritise, and deal with the stress of too many commitments. Looking back, that ability to manage it all and keep pushing forward has helped me more than any single course could.

Tell us the story behind Ditto, what was the single biggest insight or pain point that convinced you "we must build this"?

The biggest trigger was how insurance was being sold in India. It felt more like a pushy sales pitch than genuine advice. Spam calls, misselling, and people being stuck with the wrong policies. To put it simply, insurance was being 'sold' and not willingly bought. This created mistrust in the entire category, even though insurance as product is fundamentally good. The problem wasn't insurance itself, but how it was distributed. That disconnect is what made us say, "We have to fix this."

How do you think insurance distribution in India will change in the next 35 years, what role should digital brokers play versus traditional agents?

We've already moved from pure offline sales to online platforms that emphasise convenience and pricing. The next shift is happening now. Customers don't just want accessibility; they want personalisation. They want to know the right cover, and they care about understanding the product. Digital brokers can really own this space by building trust and clarity, and offering customised service pre and post purchase. Atleast, that's what we are trying to do with Ditto.

Which unit economics metrics (CAC, LTV, payback, persistence, claims cost) matter most at different growth stages for an insurtech, how would you expect these to evolve as a firm scales?

In the early days, you just can't let CAC spiral out. That's why we focused so heavily on referrals and organic channels. Over time, as you scale, persistence and LTV become critical because they show whether customers are sticking around and how much value you're really creating. Other metrics always matter, but in our experience, it was keeping CAC within range that gave us the breathing room to grow sustainably.

Going from campus to Nestle, then Amazon, and finally entrepreneurship, how much did your MBA mindset change once you faced realworld financial and operational challenges?

On campus, a lot of theories felt abstract, sometimes even absurd. But the moment you step into the workplace, you realize how much of it actually matters. Take organizational behavior or HR for instance. Most students think of them as vague or "soft" subjects. In reality, managing people, motivating teams, and shaping culture aren't just case studies, they're real challenges. The MBA gave me a framework to approach them, but it was the real world pressure that taught me when and how to apply those lessons. Finance and marketing concepts, sure, you can pick up through self-learning. But the nuances of leadership, behavior, and culture are something you really only get exposed to in an MBA, especially if you don't have a lot of work experience under your belt.

You built Ditto in a highly regulated space. How do you think MBAs should prepare to deal with financial + regulatory constraints while innovating?

Regulations are tricky. You can't learn them all in business school, and honestly, at an entry-level MBA, you're not expected to deal with them. What an MBA does give you is the tools to know where to look, how to ask the right questions, and how to problem-solve within constraints. That mindset is far more valuable than memorising compliance rules.

Looking ahead, what new product categories or risk segments does Ditto see as the best growth opportunities in India (eg. embedded motor/EV , telehealth linked health covers, microinsurance for gig workers)?

For India, EVs could be a big growth opportunity. I think if the infrastructure is built correctly and sustainably, many people will gravitate towards adopting EVs, but currently, there's a long way to go. I don't think microinsurances will pick up anytime soon because the numbers don't add up there. Telehealthlinked health covers have some potential, too, but it's not enough for us to take note at present

You co-founded Finshots, how has running a contentfirst product changed your perspective on consumer financial literacy and product design for Ditto?

Finshots taught us the value of patience. Growth was organic, and that meant we had to get comfortable with delayed gratification. But it also showed us that if you consistently deliver value, people trust you. That perspective carried into Ditto – designing for trust and clarity, even if it takes longer, creates a much stronger foundation. Which is why, even now, we heavily focus on creating free content aimed at simply educating folks about the nuances of insurance and even our advisory consultations are designed to ensure you understand what you are purchasing and why.

Can you share an instance where financial metrics or unit economics revealed that a promising idea wasn't sustainable, what numbers convinced you to pivot, and how did that reshape your decisionmaking framework as a founder?

Yes, our experiments with B2B group insurance. On paper, it looked like a great growth lever. But when we dug into the numbers, the LTV was just too uncertain. Without a guaranteed stream of renewals, the economics didn't add up. That was a tough call, but it reshaped how we evaluate opportunities. Numbers can look good superficially, but you need to stresstest and predict before committing.

Insurance distribution often brings delayed commissions. How do you structure cash flow management to ensure Ditto doesn't run into liquidity crunches despite growth?

The golden rule for us is: don't try to grow faster than your cash flows allow. It's tempting to push aggressively, but in insurance, payments are delayed, and you have to live within that reality. So we structure growth to be sustainable on current cash flow rather than assuming future inflows will bail us out. It's slower, but safer.

STUDENT ARTICLES

H1B VISA SHIFT: $100,000 FEE HITS TECH, U.S.INDIA TIES

Mrityunjay Sharma
IIM Visakhapatnam

The Trump administration introduced a transformative $100,000 annual fee for H1B visas, sending shockwaves through the technology sector and reshaping U.S. immigration policy. This dramatic shift, one of the most significant changes to the skilled worker visa program in decades, has prompted urgent responses from corporations and strained U.S.India relations.

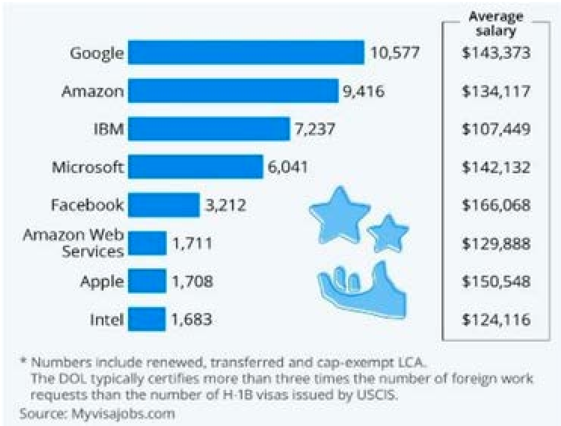
A Monumental Policy Change

The new fee structure marks a steep increase from the current system, where employers pay approximately $215 for visa registration plus additional fees totaling several thousand dollars. Under the new policy, companies must now pay $100,000 per H1B. Commerce Secretary Howard Lutnick justified the policy, stating, "If you're going to train someone, train recent graduates from our great universities. Stop bringing in people to take American jobs." The administration argues the fee will deter companies from overusing the program, which critics claim suppresses wages by prioritizing lower-cost foreign labor over American workers.

Corporate Response and Disruption

The announcement triggered immediate action from major U.S. companies. Tech giants like Microsoft, JPMorgan Chase, & Amazon advised H1B visa holders to remain in the U.S. or return before the new restrictions took effect at midnight on September 21, 2025. Microsoft urged employees to stay in the U.S. "for the foreseeable future," while JPMorgan, through immigration law firm Ogletree Deakins, cautioned visa holders to avoid international travel until clearer guidance is provided.

The H1B program is critical to American businesses, particularly in technology. In the first half of 2025, Amazon and AWS secured over 12,000 H1B visas, with Microsoft and Meta Platforms each obtaining more than 5,000. The new fees could impose significant financial burdens, especially on smaller tech firms and startups. Venture capitalist Alan Patricof noted, "None of my portfolio companies from the last decade could afford this." However, some industry leaders support the change. Netflix co-founder Reed Hastings called the fee a "great solution," arguing it ensures visas are reserved for high-value roles, potentially streamlining the current lottery system.



Financial Impact on IT services firms

India's top IT services firms, including TCS, Infosys, HCLTech, and Wipro, are preparing for a significant cost surge following the U.S. government's sharp increase of the H1B visa fee to $100,000—nearly ten times the previous $7,500–10,000 range. Estimates suggest these leaders could face additional immigration costs of $150–550 million each, based on past visa sponsorship levels, according to ET. This hike, part of Trump's policy shift, disproportionately affects smaller Indian firms, putting them at a disadvantage in the U.S. market, which drives up to 85% of their revenue and employs 35% of the workforce onsite.

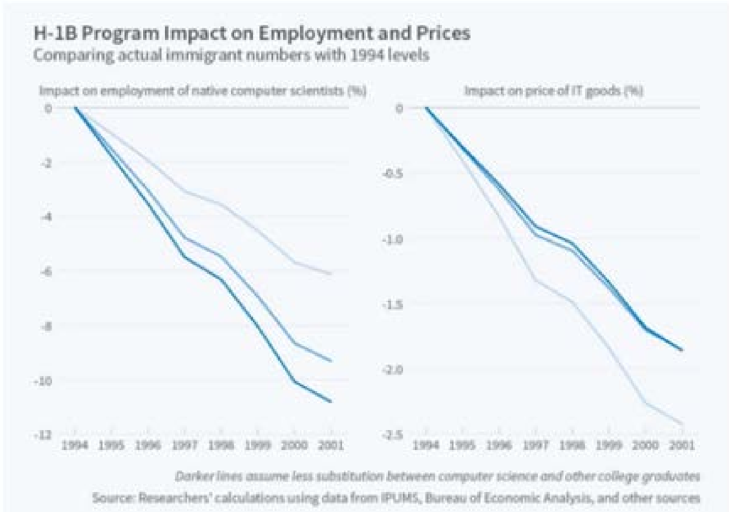
The fee increase could slash core operating profits (EBITDA) by 7–15%, analysts warn. For instance, TCS, with 5,500 H1B visa holders in FY25 and 7,000 approvals in FY23, might see a 7–8% EBITDA drop if renewals in October 2025 cost an extra $90,000 per petition. To offset this, firms are accelerating offshoring to India and lowcost regions, though specialized onsite roles will still require costly visas. This may push companies toward local U.S. hiring and subcontracting, both of which could erode margins further.

Industry experts highlight potential disruptions to project timelines, especially around renewals and mobility, with clients likely to bear some costs as vendors pass them on. Akshat Vaid of Everest Group noted that rising overheads might lead firms to cut onshore skilled roles. Aditya Narayan Mishra of CIEL HR predicts a shift toward offshore delivery, gig work, and remote contracting, though this could delay client projects due to limited local talent availability.

The impact may not hit until 2027's visa applications, but $13 billion in deal renewals since July could face uncertainty. While Indian IT firms are adapting with existing localization strategies, the $283 billion outsourcing industry faces renewed margin pressure. Big Tech, including Google and Amazon, also heavily relies on H1B visas, spreading the cost impact across the tech ecosystem. Firms are likely to lean on offshore teams and selective onshore hiring to navigate this challenge amid slowing demand and AI adoption.

Winners and Losers of the H1B Visa Program

The H1B visa program boosted the U.S. IT sector and economy but created winners and losers. According to Bound, Khanna, and Morales (NBER Working Paper 23153), foreign born computer scientists drove innovation, productivity, and lower tech prices, benefitingfirms, consumers, and workers in related fields. However, U.S.
computer scientists earned 2.6–5.1% less in 2001, with 6–11% fewer entering the field. College enrollment in computer
science would have been higher without H1Bs. Overall, the program reduced labor cost, spurred growth, and expanded opportunities, though domestic computer scientists bore the
main losses.



Legal and Implementation Questions

Legal experts, including Aaron Reichlin-Melnick of the American Immigration Council, question the administration's authority to impose such fees without congressional approval, as current laws limit fees to the cost of processing applications. The policy applies only to H1B workers entering the U.S. after September 21, 2025, sparing existing visa holders and renewals, but implementation details remain vague, fueling uncertainty.

Part of a Broader Immigration Strategy

The H1B fee hike aligns with the Trump administration's broader immigration reforms, including "gold card" and "platinum card" visas for wealthy investors paying $1 million and $5 million, respectively, for U.S. citizenship pathways. This shift emphasizes wealthbased immigration criteria over skillbased programs like the H1B.

Economic and Innovation Risks

Analysts warn that the fee increase could drive highvalue work overseas, threatening U.S. leadership in fields like artificial intelligence. Jeremy Goldman of eMarketer cautioned, "While Washington may gain shortterm revenue, taxing away global talent risks eroding America's innovation edge." Companies may accelerate the development of offshore centres in countries like India and Canada to access talent without prohibitive costs.

Looking Forward

As legal challenges loom and companies adapt their workforce strategies, the H1B fee increase signals a pivotal shift in America's approach to global talent. Whether this policy achieves its goal of prioritizing American workers while preserving technological competitiveness remains uncertain. The coming months will reveal the policy's durability against legal scrutiny and its impact on U.S. innovation and international partnerships. For now, thousands of skilled professionals and their employers face an uncertain future in the world's largest economy.

INDIA: FROM PERIPHERAL PROMISE TO PRIVATE CAPITAL POWERHOUSE

Keshav Dhirasaria
IIM Visakhapatnam

In the evolving landscape of global capital flows, Asia Pacific has moved from the periphery to the centre of attention. What was once considered an underrepresented region for private equity (PE) has now become a vital growth engine. Within this shift, India is emerging as one of the most critical destinations for long-term private capital allocation.

Asia Pacific's Changing Weight in Global Capital

As of end-2023, Asia Pacific-focused private equity funds accounted for only around **12% of global assets under management (AUM)**, compared to **North America's 64% and Europe's 21%**. Yet these figures mask the real story: Asia Pacific is no longer a secondary economy. The region is expected to contribute over half of **global consumption growth in the coming decade.**

Consumer spending in Asia Pacific, estimated at **US$18.2 trillion** in 2020, is forecast to reach US$36.6 trillion by 2030. With its expanding middle class, robust digital infrastructure, and reconfigured global supply chains, Asia Pacific is transforming into a core value-creation hub for institutional capital.

India's Rising Share in Asia Pacific's Private Markets

India's role within this regional momentum has become increasingly prominent. In 2018, the country attracted approximately **15%** of all PE and venture capital (VC) deal activity in Asia Pacific. By 2023, that figure had risen to **20%**, according to data from Bain & IVCA. This five-point increase in regional share underscores the fact that India is competing head-on with established players such as China, Australia, and Southeast Asia.

The nature of deals is also evolving. In 2021, private equity firms accounted for **52% of transactions above US$100 million in India.** By 2023, that share had grown to 85%. This represents a fundamental structural shift, where global investors are prioritizing larger, more mature businesses and betting on India's capacity to deliver scalable growth.

Bigger Deals and Late-Stage Momentum

The trend toward larger investments is unmistakable. In FY2014, late-stage deals made up only 18% of total private equity deal value in India. By FY2024, that share had doubled to 39%. This demonstrates that investors are no longer content with funding ideas alone; they are backing proven models that offer predictability in returns.

Large-ticket transactions dominate capital deployment. Deals above ₹500 million accounted for nearly **90% of total PE deal value in FY2024**, despite representing less than a third of overall deal volume. The concentration of capital highlights how investors are becoming selective, channeling funds into fewer but more scalable opportunities.

AIFs as the Engine of Growth

The rapid rise of **Alternative Investment Funds (AIFs)** has been central to India's private capital story. In FY2014, AIFs raised just ₹131 billion. By FY2024, that number had surged to **₹11.35 trillion — an 87-fold increase** over a decade. The compound annual growth rate (CAGR) over the past five years alone has been 31.4%.

Performance explains much of this traction. Early-stage AIFs delivered a pooled internal rate of return (IRR) of 26.9%, outperforming the BSE 250 Small Cap TRI by over 4 percentage points. Growth and late-stage AIFs achieved a pooled IRR of 23.6%, exceeding the BSE 200 TRI by nearly six percentage points. In a global environment where index-beating returns are increasingly scarce, India's private markets are delivering consistent outperformance.

Sectoral Priorities: Where the Capital Flows

Private equity activity in India is not spread evenly across industries. Five sectors are attracting the majority of investments:

- **Technology and Digital Services** – Leveraging India's deep IT talent pool and expanding digital adoption.
- **Healthcare and Life Sciences** – Benefitting from demographic shifts, rising incomes, and healthcare reforms.
- **Advanced Manufacturing** – Supported by "Make in India" initiatives and supply chain diversification.
- **Infrastructure** – Critical to sustaining growth and urbanization.
- **Renewable Energy and Climate Tech** – A rapidly expanding space, growing from just **1.2% of deal value in FY2014 to 7.5% by FY2024.**

India's pharmaceutical and chemicals sectors are also emerging as indirect beneficiaries of global supply chain realignments. With Western economies emphasizing nearshoring and diversification, India is well positioned to capture a greater share of critical manufacturing.

Regulatory Backing and Institutional Maturity

India's private capital markets have not grown in isolation. Regulatory frameworks established by SEBI, particularly around AIFs, have enhanced governance, disclosure standards, and transparency. Institutional participation from pension funds, insurers, and sovereign wealth funds has grown, adding both credibility and depth.

The evolution of trust is evident: global allocators no longer debate whether to invest in India – they now focus on how much exposure their alternative portfolios should allocate.

India's Startups: From Unicorns to Decacorns

India's startup ecosystem, the world's third largest, is shifting from quantity to quality. Beyond the creation of unicorns, the country is now producing decacorns and companies with sustainable exit routes, including secondary sales, IPOs, and strategic acquisitions. Importantly, private equity firms are playing more active roles in governance, value creation, and exit planning, reinforcing India as a market for full lifecycle investing.

Implications for Global Allocators

For institutional investors worldwide, the implications are clear:

- **Scale of Activity** – India accounted for 20% of all Asia Pacific PE/VC investments in 2023.
- **Capital Growth** – AIFs have grown 87x in a decade, reflecting confidence and performance.
- **Concentration** – Big-ticket deals (>₹500 million) represent 90% of total deal value.
- **Structural Shift** – PE participation in US$100 million+ deals rose from 52% in 2021 to 85% in 2023.
- **Sector Diversification** – Climate tech's share increased from 1.2% to 7.5% in 10 years.
- **Superior Returns** – PE AIFs outperformed public market indices by 4–6 percentage points in 2024.

These factors suggest that India is no longer a speculative play but a strategic allocation for global capital.

Conclusion: From Bet to Pillar

The maturation of India's private capital markets signals more than cyclical growth; it marks a **generational realignment of global capital.** The rise of larger, late-stage deals, the surge of AIFs, and strong sectoral diversification show that India is transitioning from promise to performance. For long-term investors, India is no longer a peripheral bet within Asia Pacific. It is fast becoming a **portfolio pillar**—a destination offering both growth and resilience in an era where such opportunities are increasingly rare.

INVESTING ₹10,000 EVERYWHERE: WHAT TIME (NOT INSTA) TEACHES YOU ABOUT RETURNS

Himanshu Parmar
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If you've ever found yourself hunting for "the best" investment, you're asking the wrong question. The better, humbler test is this: **what happens when you put the same ₹10,000 into different places and just let time do its work?** No hero trades, no perfect timing – just a quiet experiment that teaches you more about compounding, risk, and taxes than any hot take ever will Let's set the ground rules. Imagine you invest **₹10,000** in each of a few common choices – a savings account, a fixed deposit (or a PPF), a short duration/corporate bond fund, gold, a Nifty 50 index fund, a midcap fund, a smallcap fund, and maybe a REIT for income plus growth. To keep this clean, suppose you hold each for **1, 5 and 10 years.** We'll use **illustrative long-run return bands** (not predictions):

savings ~ 3–4%; FD/PPF ~ 7%; corporate bond fund ~ 8%; gold ~ 6–8%; Nifty 50 ~ 11–12%; midcap ~ 14–15%; smallcap ~ 17–18%; REIT total return ~ 9–11%. The point isn't to guess the next year; it's to see the **shape** of outcomes across time.

In the first year, safety looks boring - and frequently brilliant. Savings and FDs won't make headlines, but they won't make ulcers either. Equities? They're moody. A Nifty 50 index fund could be **–10% to +20%** in any given 12 months, and small caps can feel like a roller coaster you didn't consent to. Gold is fickle: it can cushion equity drawdowns, but in calm periods it drifts. If your money has a **deadline in under three years –** wedding, home down payment, tuition – short-run noise matters more than long-run averages, and "boring" suddenly becomes "smart."

Stretch to **five years,** and the picture changes. Now compounding has a voice. Your **₹10,000** at 7% (FD/PPF) is about **₹14,000;** at 8% (corporate bond fund) about **₹14,700;** at 12% (Nifty 50) around **₹17,600;** at 15% (midcap) roughly ₹20,100; at 18% (smallcap) near **₹22,900.** Gold at 7% is again **₹14,000,** while a REIT at 10% winds up close to **₹16,100.** These are simple compound interest sketches; real markets will zig and zag. But even this crude lens shows a truth investors forget: over five years, the gap between "safeish" and "growthy" becomes **visible**.

Push to **ten years,** and the gap becomes **lifestyle level. The same ₹10,000 at 7% becomes ~₹19,700; at 10%, ~₹25,900;** at 12%, **~₹31,100;** at 15%, **~₹40,400**; at 18%, ~₹52,300. That's not a rounding error; it's the difference between "nice-to-have" and "lifechanging." Equities don't just inch ahead – they lap. Of course, the ticket price is volatility, and you must be able to sit still during the ugly years. If you can't, the math won't save you.

The quick cheatsheet (illustrative, not promises)

Future value if you invest ₹10,000 and earn a typical long-term annual rate:

Instrument	~1 Year	~5 Years	~10 Years
Savings A/c (3.5%)	₹10,350	₹11,877	₹14,106
Fixed Deposit (7%)	₹10,700	₹14,026	₹19,672
PPF (7.3%)	₹10,730	₹14,223	₹20,230
Corporate Bond Fund (8%)	₹10,800	₹14,693	₹21,589
Gold (7%)	₹10,700	₹14,026	₹19,672
Nifty 50 Index Fund (12%)	₹11,200	₹17,623	₹31,058
Nifty Midcap (15%)	₹11,500	₹20,114	₹40,456
Small-cap Fund (18%)	₹11,800	₹22,878	₹52,338
REIT – total return (10%)	₹11,000	₹16,105	₹25,937

Now let's talk about the quiet saboteur: **taxes**. On FDs, interest is taxed at your slab **every year,** which nudges your effective return down. PPF is the tax darling (EEE), but it has contribution limits and lockin. Equity funds are better over long horizons, but mind the rules: **short-term** (≤1 year) gains taxed at **15%, long-term gains taxed at 10%** above the ₹1 lakh annual exemption. REIT distributions are a mix (dividends/interest/capital repayment) and can be taxmessy; gold's tax depends on the wrapper (physical vs ETF vs fund) and transaction costs. The point is simple: **compare posttax returns,** or you're comparing apples to illusions.

Two mini caselets make this concrete.

Priya is saving for a wedding in **18 months**. For her, the 10-year magic of equities is irrelevant. The "risk" isn't underperformance; it's **sequence risk** – getting a bad year right before the bill is due. She parks most of her ₹10,000 each experiment in **savings/FD/PPF/liquid** and lets a small sliver test the waters elsewhere. She'll sleep well, and the wedding will be funded without drama.

Arjun, on the other hand, is building a **10-year** freedom fund. His enemy isn't volatility; it's **opportunity cost.** Keeping too much in "safe" products robs his future self. He puts the bulk in a **Nifty 50 index fund** as the core, adds a measured **midcap sleeve,** keeps a modest **debt** allocation for ballast, and sprinkles a little **gold** as a diversifier. Crucially, he writes this down and checks it once a year. When equities run hot, he trims them back to target; when they fall, he tops them up. That dull, almost bureaucratic discipline – **rebalancing** – quietly turns volatility into an ally.

A word on **REITs and corporate bond funds,** the middle children of portfolios. They rarely dominate cocktail party conversations, but they matter. A corporate bond fund adds predictable **income with mild price wiggles** and tends to behave when equities throw tantrums. REITs can provide a blend of **yield + growth** and a different rhythm of returns – useful when you want more than fixed income but less whiplash than small caps. They won't replace equity for long-term growth, but they can make the **ride liveable.**

And yes, **gold**. It frustrates everyone because it sometimes meanders when you "need" it to work. But it earns its keep in the years when equities stumble. Think of gold not as a compounder but as a **shock absorber.** A small allocation can reduce the urge to bail on equities at exactly the wrong time. That alone can be worth more than a few percentage points of headline return.

If you like rules of thumb, here are three that actually help:

- **Match horizon to instrument.** Money you'll need within **3 years** has no business trying to outrun markets. Keep it where **volatility can't ruin your plans:** savings, liquid, FD, or PPF. Beyond 5 years, let **equities** carry more weight.
- **Automate the boring bits.** SIPs remove drama from entries; **annual rebalancing** quietly forces "sell high, buy low" without grandstanding.
- **Decide once, behave often.** A written plan beats improvisation. Markets test your stomach more than your IQ; your plan is what survives those tests.

There's one more lesson your ₹10,000 each experiment will teach you: clarity beats cleverness. You don't need the perfect fund or the perfect month. You need a portfolio you can live with. The short run is a mood; the long run is math. If you can respect the first and commit to the second, these small, equal bets will compound into something larger than the sum of their parts.

This isn't investment advice, of course, it's an invitation to run your own lab with tiny amounts and real timelines. Write down your choices. Note how each behaved after 1, 5, and 10 years – post tax. Record how you felt during the red weeks. Then adjust the mix so that the future you will actually stay the course. Because the only "best" investment is the one you won't abandon when the market forgets to be polite.

PRIVATE CREDIT, THE QUIET REVOLUTION IN GLOBAL INVESTING

Sarvesh Bhat
IIM Visakhapatnam

Private credit is simply loans that non-bank firms make directly to companies, usually off public markets. Over the last decade this market moved from niche to mainstream. Investors sought higher yields, borrowers wanted speed and flexibility, and managers built the structures to match both needs. The result is a major new channel of corporate finance that sits alongside banks, bonds and private equity.

What private credit does

Private credit covers a range of strategies. Direct lending is the most visible, where funds provide senior or unitranche loans to midsize companies, often to support buyouts or growth. Mezzanine debt fills the gap between senior loans and equity, offering higher returns with junior claims. Assetbacked lending covers real assets, receivables and property. Distressed and special situation credit buys stressed loans at a discount and backs turnarounds. There are also niche products such as NAV financing for private equity funds and financing for infrastructure projects. Each strategy has its own yield, liquidity and recovery profile, which makes the asset class flexible for investors with different goals.

Why it grew

Three forces explain private credit's rise. First, traditional banks pulled back from many midmarket and specialty loans after tighter postcrisis rules and changes in risk appetite. That left borrowers needing capital outside the banking system. Second, long periods of low interest rates pushed pension funds, insurers and family offices to hunt for yield. Private credit offered higher coupons and contractual cash flows. Third, asset managers developed underwriting, monitoring and governance practices that made institutional investors comfortable allocating capital. Those three forces together opened a sizable gap between supply and demand, and private credit filled it.

How it compares with private equity

Private equity and private credit often show up in the same sentence, but they are different tools for different problems. Private equity buys ownership stakes, so returns come from capital appreciation and operational improvements. Private equity managers take control or influence, and they typically aim for higher but more volatile returns. Private credit lends money, so returns come mainly from interest and fees. Credit investors get priority in the capital structure and often have contractual protections, so downside outcomes can be less severe than equity losses.

The mechanics also differ. Private equity often uses higher leverage in buyouts and expects an exit via sale or IPO. Private credit is about contract terms, covenants and cash yields, and loans are repaid or refinanced. Fee structures are different too. Private equity charges management fees and carried interest tied to outperformance. Private credit managers usually charge management fees and an incentive on realized returns, but carried interest is less dominant in many structures. For an investor, private equity offers upside through growth and operational value creation, while private credit offers income and capital preservation through seniority and covenants.

Why investors like private credit

Private credit offers steady cash yields that can fit liability-matching needs for pensions and insurers. It can also reduce public market volatility exposure because loans are not traded daily. Fund structures and covenants allow lenders to tailor protections and control outcomes more directly than typical bond markets allow. For many allocators this mix of yield, control and predictability is attractive, especially when public bond yields are low.

Risks to keep in mind

Growth brings risks. Private credit is less transparent than public bonds. Reporting standards vary and loans are illiquid, so valuing positions or exiting quickly can be costly. When fundraising is strong, competition can push managers to ease underwriting, lower covenants or target weaker credits, which raises borrower and portfolio risk. Concentration in sectors or geographies can also create surprise losses if a downturn is sudden. Finally, while senior loans have priority, severe economic shocks can still cause defaults and recovery shortfalls.

How to invest wisely

Treat private credit as selective exposure, not a blanket allocation. Prioritize manager quality and underwriting discipline. Match strategy to liquidity needs, because many private credit funds have multiyear lockups. Study covenants and recovery mechanics, and model stressed scenarios, including higher defaults and lower recoveries. For institutions, governance and monitoring are key, including regular reporting, site visits and independent valuation checks.

Where opportunity and caution meet

The structural drivers that created private credit remain. Banks are unlikely to return fully to midmarket lending in many regions, and many firms value private, tailored capital over public markets. That should keep demand for private credit healthy. Yet returns and fundraising will be sensitive to macro conditions. If a cycle turns, underwriting mistakes and illiquidity can lead to headline losses. The next phase of the market will likely be one of consolidation and specialization, where top managers with strong processes capture the best deals, and weaker players face pressure.

A practical view for students and young investors

Understanding private credit is useful for anyone entering finance. It sits at the intersection of lending, corporate finance and asset management. Key skills include credit analysis, covenant drafting, recovery planning and negotiation. Compared with public fixed income, private credit requires more granular deal work and ongoing borrower engagement. For those curious about careers, private credit offers roles in underwriting, portfolio management and investor relations that are different from private equity but equally demanding.

Final word

Private credit changed how many midsize companies access capital and gave investors a path to yield outside public markets. It is not a magic fix. The prize goes to managers and investors who combine disciplined underwriting, clear governance and realistic stress testing. Done well, private credit is a steady source of income and a sensible complement to equity and public fixed income. Done poorly, it is a source of concentrated, hard-to-value risk.

BALANCING PURPOSE AND PROFIT IN INDIAN MICROFINANCE: THE CASE OF NOCPL

Aastha Chaudhary
IIM Mumbai

Microfinance is not just about money; it's about enabling dignity, opportunity, and a future for those left behind by the formal financial system.

NOCPL Background:

New Opportunity Consultancy Pvt. Ltd. (NOCPL) founded by Ganesh Rao, along with his wife, Meenakshi Rao, is a firm that envisions a different kind of financial institution, one rooted in empathy and not in entitlement. In the heartlands of India, financial dreams are often stifled by lack of access. A woman stitching garments in a dusty village, a marginal farmer needing seeds for the next season, a shopkeeper hoping to restock each faced the same barrier. Traditional banks were distant, documentation overwhelming, and formal credit often felt like a foreign concept. This was the gap Ganesh set out to bridge, not with just capital, but with compassion and context.

This vision was rooted in financial optimism prevailing in India in 2014 through large number of PMJDY new accounts opening up and policy discussions on digital India. Ganesh Rao, with the work experience in formal banking and cofounder of Suryoday Small Finance Bank, made a bold move by acquiring struggling microfinance NGO, Indian association for saving and credit (IASC). This Tamil Nadu based NGO had reach but lacked structure. Ganesh ideated not just reviving but redefining what inclusive finance should look like. Thus he founded NOCPL.

Rao developed a Business Correspondent (BC) model that allowed NOCPL to act as a credit delivery channel for commercial banks and NBFCs. This made it a capital light, riskshielded and operationally agile firm. Banks would underwrite the loans, and bear the credit risk, while NOCP focused on client outreach, loan disbursal, recovery and support services. This gave NOCPL the advantage of speed of scale and cost efficiency.

However, the rising competition led to multiple borrowings and repayment discipline challenges. Despite NOCPL carrying no credit risk, it feared operational inefficiencies and reputation exposure. Thus, it decided to have closer look on cost control and performance measurement. Thus to expand further, the need was to balance branch level fixed cost with technology driven variable cost reduction. Optimising staff allocation, reducing redundant travel, and improving loan processing turnaround times became important efficiency levers.

Microfinance Industry:

Indian microfinance industry, regulated by RBI, serves more than 60 million borrowers. Industry cost characteristics include:

- High operating expenses due to small loan sizes and dispersed geographies.
- LabourIntensive delivery models, with loan officers responsible for multiple group meetings and collections.
- Significant monitoring cost to maintain repayment discipline and avoid overindebtedness.
- Growing technology adoption to reduce transaction costs and increase transparency.

Traditional microfinance industries face significant pressure from fintechs, who adopt digitalfirst models with lower service cost. While at the same time, government schemes like CGFMU are balancing cost and risk for financial intermediaries.

NOCPL Current state:

In march 2025, Rao found out that The company's Portfolio at Risk (PAR >30 days) increased from 6% in March 2024 to 12% in March 2025. This reflected a critical operational and credit risk channel. During the same period, Assets Under Management grew from ₹1,900 crore to ₹2,812 crore, demonstrating strong scale expansion. Thus, this give rise to the need of maintaining cost efficiency and portfolio monitoring.

NOCPL Dilemma:

Considering the high competition for microfinance industry by fintech. firms and recent government schemes of CGFMU, NOCP is facing a dilemma of whether to pursue urban expansion for high margins (Option A) or deepen rural outreach using technology and subsidies (Option B). Should NOCPL carry forward its founding mission to serve unserved with dignity or trade its purpose for profit.

Option A: Urban Expansion with Profitability Focus:

- Enter Tier 2 and Tier 3 cities with products such as MSME loans, unsecured personal loans, and digital consumer credit.
- Benefits: Larger loan sizes, lower costperloan, betterdocumented clients, and higher yields.
- Risks: Intense competition from fintechs and NBFCs; mission drift from rural clients.

Option B: Deepening Rural Outreach with Technology and Subsidies:

- Expand into unserved geographies in northern and northeastern states, leveraging CGFMU coverage.
- Benefits: Mission alignment, ESG investor interest, stronger community engagement.
- Risks: Smaller margins, higher perloan costs, reliance on subsidies

There is a shift in the business model with the government scheme CGFMU

Old Model – FLDG (First Loss Default Guarantee):

Under FLDG, NOCPL absorbed a predetermined share of initial loan defaults for partner banks. This created lender confidence but tied up capital in guarantee reserves. The capital was nonearning and represented an opportunity cost relative to expansion or technology investment. Guarantee provisioning acted as a fixed cost burden, raising the breakeven point of operations. As the borrower base expanded, the guarantee obligations scaled disproportionately, limiting flexibility.

New Model – CGFMU (Credit Guarantee Fund for Micro Units):

CGFMU, under the Mudra scheme, provided portfoliolevel risk coverage to banks and NBFCs. The transition reduced guaranteerelated expenses, freeing capital for operational use. However, it introduced new compliance and monitoring requirements, including borrower verification, reporting, and recovery tracking. These costs were largely administrative and variable, requiring careful allocation through ActivityBased Costing (ABC).

The shift from FLDG to CGFMU altered NOCPL's cost profile from high fixed guarantee costs to variable compliancerelated costs. Strategically, this created scope to use CostVolumeProfit (CVP) analysis to test breakeven thresholds under different growth options.

Core Question:

What should NOCPL prioritize at this stage; profitability through urban diversification, or purpose through rural consolidation? Ganesh needed to make a decision not just as a CEO, but as a steward of the values on which NOCPL had been built.

Before deciding between **Option A and Option B**, the following KPIs must be kept in mind.

Financial & Social Performance

- Portfolio growth (₹2,812 crore GLP, 28% growth).
- Portfolio at Risk (PAR): rising from 6% to 12% (risk signal).
- Client demographics: 85% women, 70% SC/ST/OBC.
- Social outcomes: income upliftment (60%), education impact (15% school attendance rise), financial literacy reach (1 lakh+ clients).
- Benchmarks with competitors (from exhibits: RoE, RoA, CAR, etc.)

Solution Approach:

There are various cost management tools that can be leveraged that is TargetCosting, Activity Based Costing, Cost Volume Profit (CVP) tools and LifeCycle Costing.

CVP Analysis – Which strategy breaks even faster?

CVP gives the quantitative comparison of how many borrowers of NOCPL need under each option to sustain.

Option A: Urban expansion has large loan sizes, therefore high revenue per loan. The branch cost spread across bigger tickets, making costperloan low. Through CVP, breakeven number of urban clients can be calculated to cover up the fixed cost of newbranches, staff and digital systems. This option A is likely to show lower breakeven threshold than option B of rural outreach, due to higher margins.

Option B: Due to smaller loan sizes, there is lower revenue per loan. The delivery cost per loan is high due to travel, monitoring and subsidies. After CVP analysis, it would be found out that to cover up the cost, larger volume of borrowers would be required to breakeven.

ActivityBased Costing (ABC) – Where exactly do costs rise?

To see the hidden cost – eg: compliance overheads in rural and customer acquisition cost in urban, and to further decide which path drains fewer resources per rupee earned.

Thus, using ABC, NOCPL can assign costs to specific activities (e.g., borrower verification, data reporting, recovery tracking), Identify which activities are nonvalue adding or disproportionately expensive and lastly compare costperloan of rural vs. urban operations with more precision.

Target Costing for Option A – How to stay competitive in urban markets?

In a highly competitive market, target costing can be used to find the best fit. If NOCP enters into urban market in tier 2 and tier 3 cities, it is going to face strong competition from NBFCs and Fintechs. Thus target costing can be applied benchmarking against competitors' pricing for MSME loans/personal loans and working backward from the acceptable market interest rate to decide what costperloan NOCPL must achieve. In this way, target costing will make sure urban expansion remains profitable without pricing NOCPL out of market.

LifeCycle Costing (LCC) for Option B – Is tech investment in rural outreach worth it longterm?

To understand if investing in rural tech now can create long term costefficiency that can rival urban profitability, Lifecycle costing allows to:

- Calculate upfront digital investment (servers, software, training).
- Estimate cost savings over time (less manual data entry, fewer branch visits, lower travel expenses).
- Evaluate ROI over the **entire life cycle** of the technology, not just firstyear costs.

NOCPL stands at a crossroad, caught between profits vs purpose. This dilemma is not just unique to NOCPL, rather, it reflects the larger challenge that the microfinance sector faces. The strategic cost management tools discussed above can guide the next course of action. But, it raises a broader question for policymakers, practitioners, and investors alike—*can inclusive finance truly scale without losing its soul?*

ESG INVESTING: DOES IT REALLY DELIVER RETURNS?

Harshvardhan Singh Sikarwar
IIM Mumbai

"Beyond helping to improve the world's future, there are tangible benefits to ESG investing, you don't necessarily have to sacrifice high returns when investing according to your values."

As an MBA student passionate about both finance and social impact, I often hear this question in classrooms: Does ESG investing actually pay off? ESG (Environmental, Social, and Governance) investing has shifted from a niche concept to a mainstream strategy in the U.S., attracting trillions of dollars. Proponents argue you can "do well by doing good," while skeptics warn of marketing hype and potential underperformance. In this report, I'll explore what ESG investing really means, its rise in popularity, and whether ESGfocused portfolios truly deliver competitive financial returns. We'll dive into recent U.S. market data (2023–2024), weigh the pros and cons from a performance perspective, address criticisms like greenwashing and flawed ratings, and conclude with a balanced outlook.

What Is ESG Investing and Why Is It So Popular?

ESG investing involves factoring in a company's environmental, social, and governance practices alongside traditional financial metrics when making investment decisions. In simpler terms, it means investing in businesses that not only seek profits, but also aim to reduce their carbon footprint, treat employees and communities well, and uphold strong corporate governance. The concept traces its roots back decades (early forms of "socially responsible investing" date to the 1960s), but the term ESG was popularized in the mid2000s. A defining moment was a 2004 UN report titled "Who Cares Wins," which argued that considering ESG factors could lead to better longterm business outcomes.

Rise in Popularity (U.S. Context): In the last decade, ESG investing in the U.S. has surged from a niche to a significant share of the market. By early 2024, roughly \$6.5 trillion in U.S. assets were being managed with sustainable investing strategies that's about 12% of all professionally managed assets. This marks a huge jump from just a few years prior, reflecting growing investor demand. What's driving this trend? Several factors:

- **Investor Values and Demand:** Many investors, especially younger ones, want their money aligned with their values. Surveys show a majority of consumers and employees prefer companies that care about ESG issues. In practice, this translates into client demand for ESGthemed funds. Financial firms responded by launching a wave of ESG funds throughout the late 2010s and early 2020s.
- **Global Challenges**: Issues like climate change, social justice movements, and corporate scandals have put ESG concerns in the spotlight. For example, rising climate risks and the Paris Agreement spurred interest in clean energy investments, while events like the #MeToo movement and data privacy scandals highlighted social and governance issues. Investors increasingly see ESG factors as tied to real financial risks and opportunities.
- **Performance Perceptions:** There's a growing belief that integrating ESG doesn't require giving up returns – and might even improve them.From Boom to Backlash: It's worth noting that ESG's

meteoric rise hasn't been without controversy. By 2023–2024, a bit of an ESG backlash emerged in the U.S. Political debates flared, with some policymakers arguing that ESG is a distraction or even a breach of fiduciary duty. In fact, several U.S. states (e.g. Texas, Florida) passed laws in 2022–2023 restricting public funds from considering ESG factors. This pullback suggests that ESG investing hit some headwinds, perhaps due to political pressure, "greenwashing" fears, or simply profittaking after a period of growth. Even so, ESG investing remains significant and is still expected to grow in the long run – 73% of investment professionals surveyed in late 2024 predicted the sustainable investment market will continue to expand in the next couple of years.

In summary, ESG investing has evolved from a fringe idea to a mainstream movement in the U.S, driven by value conscious investors and a recognition that sustainability issues can be financially material. But popularity alone doesn't answer the burning question: does ESG investing deliver returns comparable to non ESG approaches? Let's analyze the evidence.

Do ESG Focused Portfolios Deliver Competitive Returns?

One of the first lessons in finance is that higher returns usually come with higher risk. Skeptics wonder if ESG investing forces a tradeoff: do ethical or sustainable choices reduce profits? The evidence, both academic and marketbased, suggests that ESG portfolios can hold their own. In many cases, they perform **similarly to traditional portfolios,** and sometimes they even outperform. However, results vary across time periods and market conditions. Let's break down

recent data and research:

Academic Evidence: Extensive research over the past decades indicates that incorporating ESG criteria generally does not hurt investment returns. A comprehensive 2022 metaanalysis of over 1,000 studies found that the financial performance of ESG investing has **"on average been indistinguishable from conventional investing"** In other words, looking at broad chunks of data, ESG funds tend to perform about the same as non-ESG funds - neither significantly worse nor dramatically better on average. Notably, about one in three studies even showed positive outperformance by ESG investments. Another industry review echoed that ESG funds often achieve comparable if not slightly better longterm returns relative to traditional peers. The upshot: there is little evidence that choosing sustainable investments means sacrificing returns over the long haul and it may sometimes enhance returns, especially under certain conditions.

The Rollercoaster of 2022–2024: While longterm averages are reassuring, investors want to know how ESG holds up in the real world, especially amid recent market swings. The years 2022 through 2024 provided a veritable stress test for ESG strategies, yielding a mixed but illuminating picture:

2022: A Tough Year for ESG: 2022 was a brutal year for equities in general (the S&P 500 fell about 18%), but ESG funds fared even worse by comparison. Why? A big factor was the surge in oil & gas stocks. Many ESG funds are underweight or exclude traditional energy companies due to environmental concerns. In 2022, those very energy stocks (fueled by postpandemic demand and geopolitical turmoil) skyrocketed and the S&P 500 Energy sector **soared 54%** even as the broader market tanked.. ESG funds largely missed out on that boom. Meanwhile, tech stocks (which ESG funds often overweight due to strong governance or clean tech credentials) were hit hard by rising interest rates. The result: **the 10 largest ESG mutual funds/ETFs all posted double digit losses in 2022, and 8 of those 10 fell more than the S&P 500's 14.8% decline**. For example, BlackRock's iShares ESG Aware USA ETF (ESGU) and Vanguard's ESG U.S. Stock ETF (ESGV) each fell more than the index. One large sustainable fund slumped over 28%. This underperformance gave ammunition to critics who laimed ESG was a fairweather strategy. As one said, "2022 brought ESG investing down to earth with a thump" as previously highflying sustainable funds lagged dramatically.

2023 – A Return to Outperformance: Fast forward to 2023, and the story flipped. Markets rebounded strongly, and many ESGoriented stocks (especially in tech, consumer, and renewable sectors) led the charge. According to Morgan Stanley's Institute for Sustainable Investing, sustainable funds returned to their trend of outperforming in 2023. Across all major asset classes globally, sustainable funds delivered a median return of +12.6% for 2023 nearly 50% higher than the +8.6% median return of traditional funds. This outperformance was largely driven by the first half of 2023, when growth and tech stocks (common in ESG portfolios) rallied. By the end of 2023, a hypothetical $100 invested in a broad sustainable fund in 2018 would be worth $135, versus about $125 if invested in a traditional fund – reflecting several years of cumulative slight outperformance by ESG funds. In addition, investor demand picked up again in 2023: sustainable assets under management grew 15% globally that year, reaching $3.4 trillion. In short, 2023 demonstrated that ESG funds can beat the market, particularly in environments favoring their sector tilts.

2024 – A Mixed, Volatile Picture: 2024 turned out to be a tale of two halves for ESG. In the **first half of 2024**, many ESG funds continued to do well benefitting from trends like the AIdriven tech boom and recovering consumer sectors. However, the **second half of 2024** saw sustainable funds lag their peers for the first time in a while. According to the latest "Sustainable Reality" report, global sustainable funds posted a meager **+0.4% median return in H2 2024, versus +1.7% for traditional funds.** What caused this dip? A big factor was geography: ESG funds globally tend to have more exposure to Europe and less to the U.S., whereas conventional funds often tilt more to the U.S. market. In late 2024, U.S. and Asian markets outperformed Europe, so ESG funds' skew hurt their relative returns.

Interestingly, the subset of sustainable funds focusing on the U.S. actually outperformed traditional U.S. funds in that period, but they were outweighed by globally oriented ESG funds that underperformed. By yearend 2024, the net effect was that ESG fund performance was roughly on par to slightly behind conventional funds for the full year. Even so, on a multiyear basis (2018–2024), sustainable funds remained marginally ahead of traditional funds in cumulative return.

Risk Adjusted Performance: Returns are one thing, but what about risk and volatility?

Interestingly, there's evidence ESG portfolios may experience slightly lower volatility or shallower drawdowns during crises – which improves riskadjusted returns. For example, duringthe COVID19 market crash in early 2020, companies with strong

ESG track records showed lower stock volatility and tended to fare a bit better than their peers. One study cited that sustainable investment funds had smaller losses during that turbulent period, suggesting a cushion effect. The logic is that firms mindful of ESG might be better managed, more resilient, and less prone to nasty surprises like lawsuits, environmental disasters, or labor strikes. Indeed, a U.N. PRI review of research concluded ESG integration can reduce risk without harming returns. All else equal, slightly lower downside risk can make an ESG portfolio's riskadjusted performance look attractive, even if headline returns are similar.

Summing Up the Performance Data: So, does ESG investing "deliver" on returns?

Based on recent U.S. market experience and academic evidence:

- Over long horizons, ESG funds have performed **about the same as traditional funds,** with no systematic underperformance. Many analyses even find a **neutral to positive effect** on returns on average.

- ESG portfolios can **outperform** in certain periods – notably when tech and quality stocks are in favor, or during crises where risk management pays off (e.g., 2020, 2023).
- ESG portfolios can also **underperform** during cycles that favor omitted sectors (e.g., energy in 2022). Thus, shortterm relative performance may swing based on market conditions.

Crucially, there's no clear evidence of a performance penalty for investing sustainably. As one report succinctly noted, ESG funds have offered. comparable if not better longterm returns" than nonESG equivalents, debunking the myth that you must accept lower returns to invest responsible

In other words, ESG investing can deliver returns – but just like any strategy, success depends on what you invest in and when. Good ESG investing still requires smart investing.

BEYOND VALUATIONS: BEHAVIOURAL BIASES THAT DRIVE MARKET BUBBLES

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Finance theory tends to posit that markets are efficient, or that prices express all extant information as well as rational expectations. But history provides a different picture. From the late 1990s dotcom bubble to the GameStop debacle of 2021, asset prices have skyrocketed far in excess of their underlying value before crashing spectacularly. India too has witnessed such episodes, from the Harshad Mehtadriven stock market bubble of 1992 to the real estate and infrastructure bubble of 2008, to the recent rally in smallcap stocks of 2024–25. Each episode is a reminder that markets are not always moved by fundamentals; psychology too plays its part. The solution is not in models of valuation, but in behavioural finance that examines how emotional and cognitive biases affect investment choices.

Bubbles in the market usually develop in four phases. It begins with displacement, where a new fashion, innovation, or policy change is the investor's focus. International examples are the internet during the 1990s or AI stocks in recent times. In India, the early 1990s liberalization laid the groundwork for Harshad Mehta's manipulation, substituting traditional prudence with unprecedented optimism. The second phase is the boom, where steadily increasing prices see the early bulls make profits, and media coverage invites wider participation. This subsequently begets euphoria, when valuations get out of touch with fundamentals. Scepticism disappears, tales of "easy money" prevail, and IPO subscription and real estate bookings are booked to the hilt. Lastly, the bust comes, as reality catches up, prices implode, and investors are disappointed. Although fundamentals can at first lend support to optimism, it is behavioural biases that sustain bubbles well after valuations no longer add up.
Herding bias is one such potent factor in which investors follow others, lest they miss out. During the 2024–25 Indian smallcap rally, retail investors purchased stocks of firms that had minimal track record merely because everyone else around them was taking up the same stocks. This kind of behaviour pumped up valuations and woke up SEBI, which introduced new risk disclosure norms.

Overconfidence is yet another bias that supports bubbles. Investors tend to overestimate their expertise as well as their ability to forecast outcomes. In the 2008 construction bubble, firms with plans "on paper" were worth their weight in gold, with investors believing they could identify the next giant. The critical fundamentals, such as debt burden and execution risk, were conveniently disregarded.

Confirmation bias also comes into play. Once investors have a story, they look for evidence to back it up while dismissing red flags. The Indian real estate market during the mid2000s is a typical example. As costs rose, buyers and builders dismissed initial warning signs of unsustained credit growth, holding on to the delusional belief that "Indian real estate never falls." Greater fool theory is another major reason, where investors deliberately purchase overvalued assets in hopes of selling them at an even greater price. The IPO mania of 2021–22 was a manifestation of this frame of mind, where a number of retail investors subscribed not because they had faith in the companies but in anticipation of making a fast buck at the cost of a "greater fool."

Loss aversion and fear of missing out (FOMO) have also driven bubbles in India. Psychologically, losses are felt to be twice as painful as matching gains feel pleasant. This causes investors to fear missing the runup more than they fear possible losses. This was seen in the Harshad Mehta bubble. Retail investors who were sceptical about the rally continuing were later tempted in by FOMO and ended up making huge losses when the bubble burst. The same has been seen even more recently in small and midcap shares, where investors herded into the momentum without regard for risk.

The teaching for investors and regulators is obvious. Valuations don't work alone. Conventional measures such as P/E ratios or discounted cash flows can signal irrational prices, but biases in behaviour are why bubbles will keep on bubbling even when the warnings are there. It highlights the need for investor consciousness. Learning about these biases helps people pause before following the crowd. Regulators cannot completely prevent bubbles, but they can reduce excess through disclosure norms, circuit breakers, and investor warnings. SEBI's recent emphasis on risk disclosures in smallcap and midcap funds is a relevant example. For individual investors, the key is discipline, focusing on longterm asset allocation and resisting the urge to time the market can protect wealth during bubble cycles.

These lessons are particularly relevant today. The hype over generative technology and artificial intelligence has rocketed valuations of associated companies by leaps and bounds all over the world.

In India, mid and smallcap stocks have also rallied, at times without any earnings to back their multiples. Although AI and technology shifts are genuine trends, the intense valuation spikes raise as many red flags about behavioural distortions as fundamentals.

The problem for investors is not whether midcaps or AI will drive India's growth story (they probably will), but whether all stocks associated with these themes are worth their present price. It is important to distinguish between real potential and market psychology.

Finally, market bubbles are not uncommon aberrations but repeated elements of financial history. From Tulip Mania in the 1600s to Harshad Mehta's rally in 1992, from the 2008 housing bubble to cryptocurrencies in the 2020s, each generation has its own boom and bust cycle. What ties these episodes together is not defective valuation models, but human behaviour. Herding, overconfidence, confirmation bias, and FOMO propel markets away from fundamentals, then speed up the downfall. The lesson for today's investor is this: more than numbers and ratios, the biggest risk is usually inside us. Appreciation of our own biases will probably serve us best to prevent us from being the "greater fool".

GST REFORMS 2025: A GAMECHANGER FOR INDIA'S ECONOMY AND FINANCIAL MARKETS

Ruchir Damani
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Prime Minister Narendra Modi's pronouncement of sweeping GST reforms is the most significant reform of India's indirect tax regime since its rollout in 2017. Following his August 15, 2025 Independence Day speech in which he pledged to introduce newgen GST reforms as a "Diwali gift" to the country, these reforms are set to transform India's economic landscape and have farreaching implications across key industries and financial markets.

The Structural Reform Blueprint

The GST reforms are a profound change from the fourtier structure. The government is proposing to consolidate the five different rates of 5%, 12%, 18% and 28% into a streamlined twoslab structure with mainly 5% and 18% rates. Under this restructuring, about 99% of items which are classified into the slab of 12% will change their bracket to 5% and about 90% of goods which are classified into the slab of 28% will change their bracket to 18%. In addition, a new 40% rate will be introduced solely for luxury goods and "sin" products like tobacco and cigarettes. The reform covers almost 175 products from a variety of different categories. Personal care items such as talcum powder, toothpaste, and shampoo will reduce from 18% to 5% leading to an increase for FMCG companies. Consumer electronics such as ACs and TVs may see GST reductions from 28% to 18%, which would benefit brands in the lead up to the allimportant Diwali purchase period. Most importantly for the automobile sector, small hybrid cars may see a decline from 28% to 18%, which is a huge advantage for automakers.

Impact Analysis for Industry Automotive Sector: Demand Revival

The auto industry is perhaps the biggest beneficiary of these reforms. Presently, GST rates on passenger vehicles vary from 29% to 50% while including the compensation cess. The impact for small cars is argued to be a reduction in the price by about 8% if the suggested 18% reduction could be sustained, whereas the impact on larger vehicles is argued to be a reduction in the price by 35%. Data from industry shows the urgency of this intervention. Twowheeler domestic sales increased by 9% YoY to 19.61 million units in FY25, as passenger vehicle sales increased by only 2% to 4.30 million units. Car sales in June 2025 reached a new 18month low, dropping 7.4% from the same period the previous year, as weak urban demand continued to weigh on sales. This GST cut is likely to boost demand across lowest range segments especially with the arrival of the festive season.

FMCG Sector: Improved Consumption Dynamics

Overall, the picture of the FMCG sector under the new GST regime is complex but ultimately positive. The sector will profit from a double effect: a large number of products that transit from 12% to 5%, and the lightening of the tax burden on hightaxed products. This is especially important because FMCG companies have traditionally benefitted from the implementation of GST due to lower logistics costs, increased efficiency in the supply chain, and elimination of cascading tax effects.

The proposed changes are solutions to specific pain points: The effect will be greatest in rural and semiurban markets, where price sensitivity is still high. Raw materials are also shifted to lower tax slabs, reducing input costs which will give margin comfort, but also provide a virtuous circle of lower costs leading to greater market penetration.

Insurance Industry: Accessibility Revolution

A much needed reform is the proposed reduction in GST on health and life insurance premiums from 18% to 5% or absolute exemptions. This would fulfil a basic policy goal; insurance penetration in India is still low, vis-a-vis that around the world, due to the fact that insurance is not affordable for a large section of the population. While this will cost the government ₹9,700 crore a year, states subsidise this as they see a social advantage. Insurers can see accelerated customer acquisition - though the plan should have provisions to ensure that insurers pass the benefit on to those insured.

Potential Economic Impact on Financial Markets

Financial markets have given a tentative welcome to the GST reform announcements. Following the initial reports, the Nifty Auto Index broke out nearly 4% with Hero MotoCorp and Maruti Suzuki gaining over 7%. Broad market sentiment has remained positive as the BSE Sensex advanced despite profit booking across certain sectors.

However, market analysts are highlighting that the real winners will be firms with actual volume growth rather than just margin growth from tax cuts. The reforms are also a strategic shift towards consumption-led growth with experts predicting a massive boost in consumption by ₹1.98 lakh crores a year that could add 1.6% to the GDP growth.

Concerns in the Bond Market and Fiscal Challenges

The bond market has shown a higher degree of vigilance toward the fiscal impact of GST reforms. The benchmark 10-year yield increased on worries about the possible shortfall of revenues, pushing the government bond yields above 6.5%. If GST is implemented by Diwali, GST collections will fall by ₹50,000-60,000 crores. Deutsche Bank said this could result in a total revenue loss of nearly ₹1.45 lakh crore, including ₹50,000 crore from GST reforms, ₹80,000 crore from lower nominal GDP growth, and ₹15,000 crore from disinvestment shortfalls.

Strategic Economic Implications

The GST reforms come at a time of external economic shocks, in particular the levying of 25% U.S. tariffs on Indian exports, bringing total tariffs to 50%. Instead of seeing this as a problem in itself, GST reforms are being used to shift production away from exports and towards domestic consumption. The timing is based on the fact that India is a consumption-led economy, where private consumption contributes 61.4% to nominal GDP in FY25. Economists at Standard Chartered Bank estimate that the new reforms may add 0.35-0.45 percentage points to India's economic growth in the FY27. The disinflationary effect might control inflation by 50-60 bps and may provide flexibility for RBI rate cuts and help extend the macro momentum.

Implementation Time Line and Market Forecast

These reforms will be implemented by the government by Diwali 2025 and notifications are expected to be issued 5-7 days after the GST Council decision was taken in early September. For business and investors, the reforms are both an opportunity and an adjustment challenge. Enterprises need to plan for changes in pricing strategy, compliance systems, and supply chain optimization. The success of these reforms will depend on how well they are implemented and the level of political support. While the economic reasoning is strong and market sentiment remains cautiously positive, the complex relationship between state politics, budget limits, and global economic pressures will shape the success of the proposed reforms.

INDIA'S FUNDING STORY IN 2025: THE MARKET IS FINALLY GROWING UP

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Not too long ago, India's startup ecosystem was known for its billion dollar fireworks. 2021 saw valuations skyrocket, deals close in record time, and unicorns multiply almost weekly. But like every heady party, the music slowed. By 2023, funding winters gripped founders, investors tightened their purse strings, and talk of layoffs became louder than product launches.

Fast forward to 2025, and the story has shifted again, but not to the extremes of euphoria or despair. Instead, India's funding landscape today feels like a market growing up; disciplined, selective, but still confident about the long-term promise of India's economy.

In the first half of 2025, India attracted $26.4 billion in PE/VC inflows. Startups alone raised $6.8 billion, the highest among deal types. But the interesting part isn't the headline figure it's how the money is being deployed. Investors are concentrating bets; nearly threequarters of the total funding came from 60 large deals over $100 million. That signals a mindset shift. Gone are the days when dozens of midsized consumer apps could be raised simply because "India has 1.4 billion people." Now, capital is backing category leaders, proven business models, and companies with defensible moats. As one investor remarked, "We don't need 20 food delivery apps anymore. We need the two strongest ones to scale profitably."

The flow of capital also tells a deeper story about India's priorities. Infrastructure, once seen as the government's job, attracted nearly $6 billion in the first half alone, making it the single largest sector for PE/VC deals. Technology and financial services followed closely. This signals a pivot; global investors are not just betting on flashy startups but also on the hard assets and rails that will support India's next growth wave. For startups, that means fintech, SaaS, and enterprise solutions are thriving, while quick commerce and cashburning B2C plays face harsher scrutiny.

In essence, capital is flowing into businesses that build India's backbone rather than its vanity apps There's also a global pride factor; India ranked third in techstartup funding worldwide in the first half of 2025. Alongside the U.S. and China, India is no longer a promising emerging market; it's a heavyweight. The geographic spread still tilts towards.

Tier I cities, with Bengaluru, Delhi, and Mumbai accounting for more than 80 percent of the money. But that's less a sign of concentration and more of depth. Bengaluru today doesn't just birth unicorns; it births serial entrepreneurs who know how to raise, scale, and exit.

Perhaps the biggest symbol of India's funding maturity is the IPO wave. With over 100 listings in 2025 so far and giants like Meesho and Pine Labs choosing to list domestically, Indian stock markets are proving they have the depth and appetite to host newage tech companies. This "reverse flip where startups move their holding structures back to India for listing, is a marker of confidence. For founders, it's also a wakeup call: investors want not just growth but publicmarket readiness.

Amid the optimism lies a cautionary note. Indiafocused PE/VC funds raised just $3.5 billion in the first half of 2025, down nearly a third from last year. While global pools still write big checks, the domestic fundraising slowdown could create gaps, especially for earlystage founders outside TierI cities. Venture debt is plugging some of that gap, but it's clear that smaller companies may find 2026 tougher unless new funds close soon.

The Indian funding landscape of 2025 is no longer about frothy valuations or droughtlike winters. It's a market learning to balance ambition with accountability. For founders, this is both a challenge and an opportunity. Storytelling alone won't raise money anymore; unit economics and execution will. For investors, India remains irresistible, but they're demanding sharper discipline. For the ecosystem as a whole, the shift signals a milestone: India is moving from being a flashy startup playground to becoming a sustainable, longterm capital market. In short, the market is growing up. And that might just be the best news yet.

GOLD RUSH 2.0: WHY MILLENNIALS ARE TURNING TO SOVEREIGN GOLD BONDS

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For generations, gold has been India's most trusted store of value, a financial cushion in uncertain times and a cultural constant in family rituals. Yet the form of that trust is shifting. In 2025, the new wave of gold investment is less about bangles and bars and more about bonds. A growing cohort of young Indians is turning to Sovereign Gold Bonds (SGBs), making them one of the most talkedabout retail investment instruments of the year. The numbers tell the story. Retail subscriptions in the first half of 2025 grew over 40% yearonyear, with a disproportionate share coming from investors under 35. What was once considered a conservative asset class is now being reimagined by a digitalnative generation that wants the safety of gold without the frictions of ownership.

The Appeal of Yield in a ZeroYield Asset

For centuries, gold's value proposition was simple: price appreciation and crisis protection. But in SGBs, young investors see something more,an asset that not only tracks gold prices but also pays 2.5% annual interest. In an era of tight household budgets and rising aspirations, this blend of safety and return is hard to ignore.

Convenience Meets Credibility

Owning gold no longer requires vaults or jewellery lockers. With SGBs, holdings sit in demat accounts, tradable on exchanges, and backed by sovereign guarantee. For a generation that conducts life through apps, whether groceries, payments, or travel, the ability to buy gold with a few clicks, minus concerns about purity or storage, is a natural fit.

Tax Efficiency and Wealth Planning

The other factor transforming SGBs into a millennial favourite is their tax profile. Redemption after the eightyear maturity period makes capital gains entirely taxfree, a feature unmatched by ETFs, jewellery, or bullion. For young professionals increasingly attuned to longterm wealth creation and financial planning, this makes SGBs not just a hedge but a strategic asset.

Hedge with Modern Relevance

Global volatility, persistent inflation worries, and uncertainty around equities have reminded investors of
gold's traditional role as a hedge. For millennials who often straddle risk, allocating part of their savings to equities and SIPs but craving balance, SGBs provide a stabiliser without forcing a compromise on returns or liquidity.

Cultural Continuity, Digital Expression

Perhaps the most interesting dimension of this shift is cultural. Gold buying has always been more than economics in India, it is tied to festivals, weddings, and a sense of security. Millennials are not discarding this legacy; they are updating it. Instead of walking into jewellery stores on Akshaya Tritiya, they log into investment apps and subscribe to bonds. Tradition, in other words, is being digitised.

The Road Ahead

The rise of SGBs is not without caveats. Liquidity in the secondary market remains thin, early exits carry penalties, and emotional value still attaches to physical gold. Yet, tranche after tranche, demand is deepening, and financial platforms are amplifying visibility. With every subscription, the SGB narrative strengthens as part of India's evolving investment culture. In many ways, the popularity of SGBs mirrors the larger maturity of India's financial markets. Just as the startup ecosystem has shifted from chasing scale at any cost to building sustainable models, gold investment too is moving from ornamental consumption to disciplined allocation. The message is clear: gold has not lost its shine; it has simply changed its form. For India's millennials, wealth is no longer about what you can hold in your hand, it's about what compounds in your portfolio.

IRAN'S CLUTCH ON CRUDE: A RE-ENVISIONING OF OIL ROUTES UNDER THE MIDDLE EAST CONFLICT

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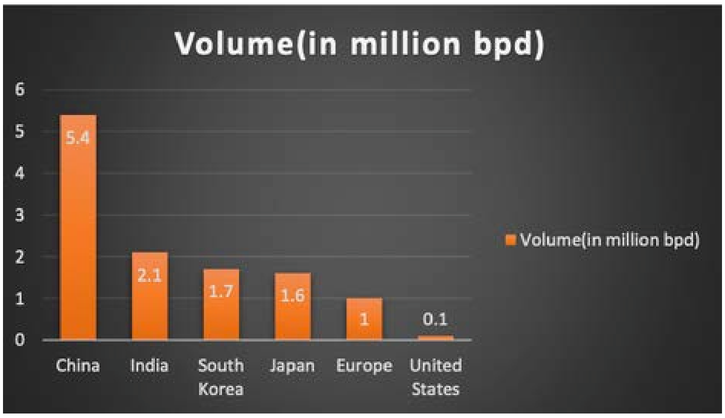
In the wake of increasing tensions concerning US involvement in the Middle East, US security reports on Iranian loading of mines potentially signalling a blockade of the Strait of Hormuz, a crucial maritime chokepoint of military and strategic trading, indicating possible gridlocking of the supply route of a quarter of seaborne oil shipments and a fifth of natural gas. This essay explores the trading bottleneck the global economy potentially experiences in the midst of the most expansive middle east crisis since more than 5 decades, the gravity of its consequences on global oil and shipment routes, and alternative strength building.

Madiq Hurmuz (Strait of Hormuz)

Being the only sea passage connecting the Persian Gulf and the ocean, roughly 21 million barrels of crude oil pass from the 33kilometrewide strait between Iran and Oman. The Iranian naval mines are capable of highspeed deployment and potential blockade of the strait, effectively cutting out several highvolume exporters like Saudi Arabia, UAE and Qatar to reaching out to global importers and collaborators like Europe, Asia and Africa.

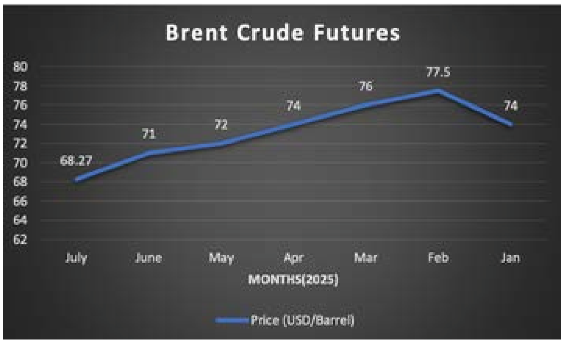


Regional impacts: Asia

The continent is most likely to be hit the hardest being the consumer of 75% of all oil passing through the strait. Japan, Korea, China and India will see substantial increase in long term barrel prices. Rerouting through African supply chains require a major turn of strategyimpacting shipping cost, fuel prices, manufacturing costs. China being the second largest consumer and importer of crude oil, particularly from Iran will suffer from a symbioticstrategic and resource relationship. A nearer to home impact can be felt on the Indian economy. A rise in price of crude oil inflates the WPI and CPI pushing up the retail inflation on the average consumer. Fuels like LPG are often subsidized using the fiscal deficit of 15.77 lakh crore as of May 30, 2025. An increase in price would push up rates of borrowing, while the rupee depreciates reducing consumer spending and quality of life, pushing further for savings and decreasing private investment in the economy.

The US and Europe

Although U.S dependence on the strait is less than 5% but a closure could mean high oil and prices, pushing hard on the domestic consumer. Europe has a delicate balance to maintain as it will suffer a pressure of export incentives from Russia, potentially crossing the Tariff red flag from the U.S. According to the Financial Times, the barrel could actually go up to $150 per barrel thus accelerating global downturn economic pressure.



The Middle East

Saudi Arabia, the world's biggest crude oil exporter sends 6 million b/d through the strait while Kuwait and Iraq have way fewer rerouting options in alternate trade route options. These regional exporters could witness a serious pause in their supply economy. Qatar, producer of 20% of the world's Liquified Natural Gas, sees itself handcuffed for LNG exports as alternating to the Red Sea route is prone to disruptions from Houthi attacks as well.

Iran's disposition

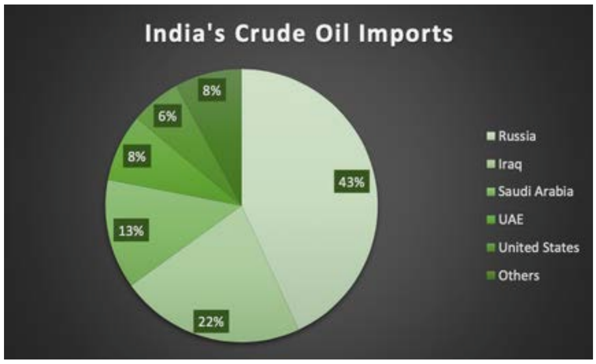
The question is not if Iran can do it or not, but rather for how long can it sustain if it does and how other nations forced into a corner make their way out without dwindling their oilreserves. In the IranIraq war (19801988), Operation Praying Mantis ensured retaliation of Iranian mining and subsequent damage of an American warship. Whilst Iranian government has passed the motion for closure, Iran's subsequent wartime stability is threatened. China, Iran's biggest crude importer, is likely to be heavily affected by the blow. Iran itself sends 2.5 million b/d through the strait, 1.5 million headed for China which has very less alternatives for LPG imports for its gigantic plastic sector. At best this threat of sky shooting Brent index is short lived.

Alternate Strengths

The world prepared itself for the actualization of this looming threat since 1988 with Saudi building the EastWest Petroline, which with active effort can transport up to 5 million b/d. The Saudi confiscated IPSA (Iraqi pipeline in Saudi Arabia) also presents itself as an alternative, though deemed useless and not in function since the 1990s. UAE, one of India's biggest exporters has reduced dependency with its inland oilfields connected to the port of Fujairah on the Gulf of Oman via a pipeline with a daily capacity of 1.5 million barrels. The U.S. is likely to be relatively safer, sitting on 29.4 billion barrels of untapped oil under the federal states.

Indian Resilience

During peak trade relations, Iran accounted for 13 percent of Indian export of crude oil. Sensing the existing middle east turmoil, India now has diverted to Russian oil, with its share in the imports being 30 percent in 20242025. The Eastern Maritime Corridor connects Chennai to Vladivostok as a significantly efficient route compared to the MumbaiSt.
Petersburg path. India is also now the second largest by value exporter of refined oil products, the biggest for the EU, capturing a staggering 8.4% in the global market. Constant capitalization on the loophole of other countries not availing crude from Russia and refining to sell is crucial now more than ever for India when all other options are temporarily closed.



Conclusion

The threat remains shortlived more or less with minimal diplomatic support from Iran's subtle allies, with a smart shortterm rerouting of supply chains to avoid the shocks witnessed during economic pressure on Brent shares during the RussiaUkraine war. While nations like Qatar and Asian nations require long term revisioning of supply chain routes, the strait of Hormuz is less likely to choke its veins for more than a few years.

REGULATORY DEVELOPMENTS IN INDIA – 2025

"To succeed in business, to reach the top, an individual must know all it is possible to know about the business."
– J. Paul Getty (American petroleum industrialist)

Siddheshwar Panda
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The above quote itself kind of sets the tone of the article I am writing. India has emerged as a global powerhouse, attracting businesses from around the world seeking expansion and relocation opportunities. With robust economic growth, a skilled (and constantly growing) workforce, favourable government policies, and a burgeoning domestic market, India offers many advantages for companies looking to thrive in a competitive & rapidly changing global landscape. However, they must navigate the country's stringent Regulatory policies & laws to thrive successfully. These rules simply account for muchneeded transparency & a secure environment for healthy competition, customer centric economy, hassle free & fair tax collection & employeepro policies. In this overinformation era, it's quite tough to identify important news after siding away the unnecessary & rightist noise prevalent everywhere. In 2025, Government has taken important decisions/measures to comply to which businesses & we as consumers must notice & acknowledge. Let's deep dive into some of the most crucial ones. Multiple regulations have been updated in GST filing & SEBI norms, but I have focussed on areas excluding those.

Predatory pricing is an anticompetitive practice where a dominant firm (having a significant market share) sets prices below cost price to eliminate competitors & eventually raises price once competition is removed. Competition Commission of India (CCI) has introduced the Draft Competition Commission of India Regulations 2025 to replace the existing CCI regulations, 2009. Experts opine that these reforms will enhance regulatory oversight allowing businesses operating in pricesensitive segments to benefit from clearer guidelines and fining them heavily if found guilty. Several MNCs & domestic companies like UberOla, FlipkartAmazon have already faced the wrath over allegations of predatory pricing for disrupting millions of taxi/auto drivers & brickandmortar stores in India respectfully. The July 2024 amendment to the Food Safety and Standards (Labelling and Display) Regulations, 2020, introduced key measures to streamline compliance and enhance transparency in food labelling by mandating the prominent display of critical nutritional values such as high fat, sugar, or salt content on the front of the package. In a press release dated January 2025, the FSSAI confirmed that all amendments to India's food safety regulatory framework will take effect from July 1 each year. This allows consumers to make informed decisions about food safety and quality, strengthen public trust, and reaffirm FSSAI's commitment to public health. The Revised Schedule M of the Drugs and Cosmetics Act 2023 focuses on improving the quality, safety, and efficacy of drugs produced domestically, ensuring compliance with both national and international benchmarks. Additionally, it introduces a comprehensive regulatory framework to align India's pharmaceutical sector with global GMP standards. Indian government has granted a oneyear extension for small and mediumsized pharmaceutical units with an annual turnover of less than INR 2.5 billion to comply with the standards, which set quality benchmarks and good manufacturing practices.

In February 2025, Indian government introduced the Income Tax Bill 2025, proposing amendments to tax residency rules, set to take effect from April 1, 2026. These changes will impact effective tax planning & compliance for NonResident Indians (NRIs), Persons of Indian Origin (PIOs), and frequent visitors to India. An individual is considered a tax resident in India if they stay for 182 days or more in a tax year & this rule remains unchanged. What changed is the 60day + 365day rule. Previously, an individual was classified as a tax resident if they stayed in India for at least 60 days in a tax year and had spent 365 days in India over the past four years. While this rule remains, exemptions have been introduced for Indian citizens working abroad or crew members of Indian ships, they are no longer subject to the 60day rule. NRIs and PIOs visiting India are exempt from this rule if their Indian income is below INR 1.5 million. To understand these changes, let's suppose Rahul, an Indian citizen working in the US, visits India for 100 days in a tax year. Under the old rule, he might have been classified as a resident. However, since he moved abroad for employment, he is now exempt and remains an NRI.

The key change: 120day rule for highincome NRIs & PIOs. The 60day rule is now replaced with a 120 day threshold. Under the new rule, an NRI or PIO earning over INR 1.5 million in India will be classified as RNOR (Resident but Not Ordinarily Resident) if they stay in India for 120 days or more in a tax year or has stayed in India for 365+ days in the past four years.

To enhance trade facilitation and align with international best practices, India's Central Board of Indirect Taxes and Customs (CBIC), introduced a simplified and harmonized procedure for the temporary import of unit load devices (ULDs) and air cargo containers. Under the revised framework announced on April 2025, air carriers and air console agents can temporarily import ULDs outside the customs area by executing a continuity bond and must reexport the units within the prescribed timeframe. Alongside the procedural changes for ULDs, the indirect tax board also announced the

waiver of the transshipment permit fee for all transshipment movements, aiming to further facilitate faster cargo movement.

India has amended the Companies (Accounts) Rules to mandate that listed companies in the country disclose workplace sexual harassment cases and maternity benefit compliance in their board reports starting July 2025. In a major push to enhance the enforcement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (PoSH Act), government has made it compulsory for all organizations—both public and private—to register on the SHeBox (Sexual Harassment Electronic Box) portal. The portal offers a single window platform that allows women to report incidents of workplace sexual harassment, regardless of their employment type, sector, or status.

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