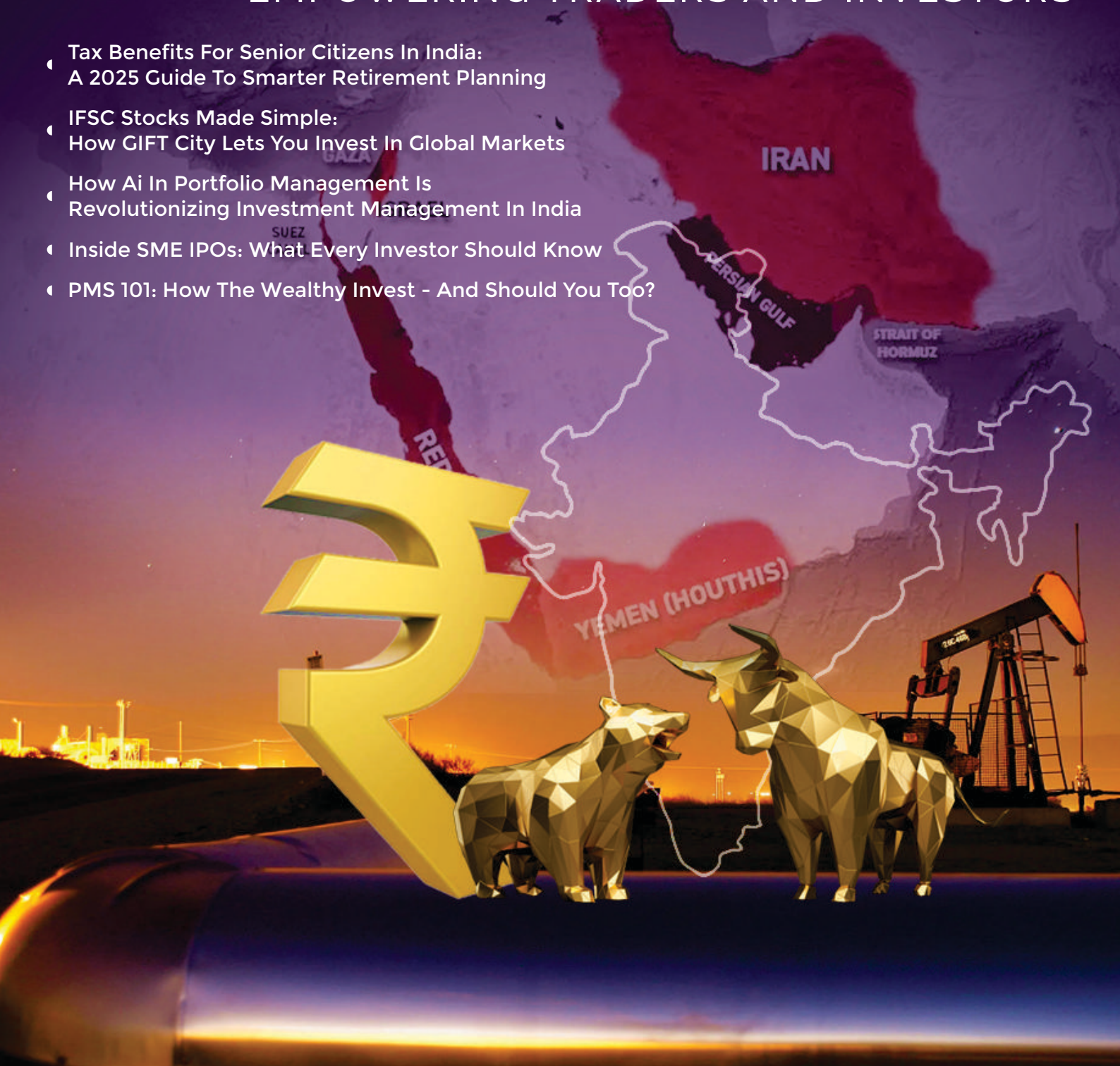


INDIAN

STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS

- Tax Benefits For Senior Citizens In India:
A 2025 Guide To Smarter Retirement Planning
- IFSC Stocks Made Simple:
How GIFT City Lets You Invest In Global Markets
- How Ai In Portfolio Management Is
Revolutionizing Investment Management In India
- Inside SME IPOs: What Every Investor Should Know
- PMS 101: How The Wealthy Invest - And Should You Too?



**How The Iran-israel War Escalation
Could Impact India's Oil Prices And Economy**

FROM THE FOUNDER'S DESK



INDIAN STOCK MARKET JOURNAL

Special Edition | July 2025

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Full efforts have been made to ensure the authenticity and accuracy of the contents of the Yearbook, but we do not accept any liability for the errors if committed and the subsequent loss arising from the same, but we will make sure that the errors if occurred are recited and minimized in future editions and also would welcome the reader's feedback.

We welcome your comments and suggestions for our future editions to make it more helpful month after month.

Dear Readers,

In this month's edition of ISMJ, we begin with one of the most urgent global developments, which is the Iran-Israel war escalation. We explore how this conflict could impact India's economy, especially through rising oil prices, and what investors should keep an eye on in the weeks ahead.

Next, we spotlight GIFT City and how it's opening doors for Indian investors to access global markets through IFSC-listed stocks. If you've ever wanted to invest in companies like Apple or Google without setting up a foreign brokerage account, this guide is for you.

We then turn to the rise of artificial intelligence in portfolio management. From automated rebalancing to smarter risk analysis, AI is quietly revolutionizing how investment strategies are built in India. We look at how this shift is unfolding and what it means for investors at every level.

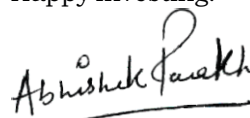
For those interested in tapping into emerging businesses, we've broken down the world of SME IPOs. These smaller public offerings can offer big potential but only if you know how to evaluate them wisely.

Also in this issue is a practical guide for senior citizens looking to make the most of tax benefits in 2025. We outline the deductions, schemes, and smart planning moves that can make a real difference in retirement.

To wrap up, we take a closer look at Portfolio Management Services (PMS). Often seen as the preferred choice of high-net-worth investors, PMS is now becoming more accessible. We explore how it works and whether it might be the right fit for your financial goals.

We're grateful for your continued engagement and feedback as it fuels every edition. As always, feel free to share your thoughts or reach out to us at support@equitypandit.com.

Happy Investing!



Abhishek Parakh
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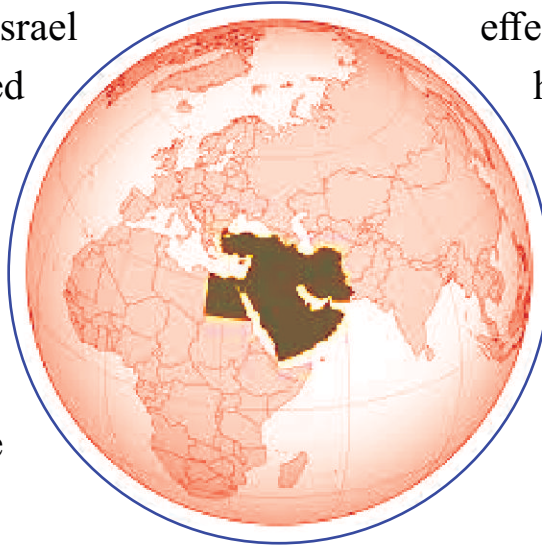
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**PMS 101: How The Wealthy Invest -
And Should You Too?**

How The Iran-Israel War Escalation Could Impact India's Oil Prices And Economy



The Middle East, long known as the geopolitical heart of global oil supply, has once again become the center of rising international tensions. The escalating conflict between Iran and Israel in mid-2025, compounded by U.S. airstrikes and threats to key maritime routes, has introduced renewed volatility into global energy markets. For India, which is the



world's third-largest crude oil importer, the consequences are potentially significant. From higher pump prices to broader fiscal deficits, the ripple effects could touch every Indian household and business. This blog explores how the Iran-Israel conflict could shape India's oil prices, trade balance, inflation trajectory, and overall economic stability.

The Strategic Strait Of Hormuz

At the core of the crisis is the Strait of Hormuz, which is a narrow waterway through which over 20% of the world's oil supply flows. Iran's threat to close the



Strait in response to Israeli actions has sent shockwaves through global markets. The Iranian Parliament has already greenlit the legal groundwork for such a move, pending approval from its Supreme National Security Council. Even if fully closing the Strait is unlikely, any threat or military activity around it (like missile launches or naval skirmishes) could disrupt oil supply chains, increase insurance and freight costs, and spark panic-buying in energy markets.

Domestic Fuel Prices And Consumer Impact

India imports over 85% of its oil. Any rise in international crude prices eventually trickles down to the retail level. While the

Indian government has mechanisms to buffer short-term shocks (such as adjusting excise duties or directing oil

marketing companies), sustained high prices would result in:

- Higher petrol and diesel prices.
- Costlier LPG cylinders.

• Increased transportation and logistics costs. This has a cascading effect on the price of essentials from vegetables to electronic goods.

Immediate Oil Price Reactions

As tensions escalated:

- Brent crude surged to around \$80 per barrel.
- U.S. crude (WTI) touched \$77 per barrel.
- A potential \$10-20 per barrel can be seen "geopolitical premium" if full-scale disruptions occur.
- Some forecasts place Brent as high as \$110 per barrel in a worst-case scenario.

This immediate spike reflects both real and speculative risks in global oil logistics. For oil-importing nations like India, the impact is almost instantaneous.



Inflation Pressures And Monetary Policy Constraints

If crude breaches \$100, analysts believe India's inflation, which was below 5% in early 2025 could spike back to 6% or more.

- Food inflation could rise due to increased transport costs.
- Core inflation (non-food, non-fuel) may rise as input costs increase for manufacturing and services.



This puts the Reserve Bank of India (RBI) in a bind:

- It may need to delay planned rate cuts.

- In a worst-case scenario, it could even be forced to raise rates to anchor inflation.

Currency Volatility: Pressure On The Rupee

As oil prices rise, so does India's import bill. In June 2025, the INR fell to its lowest in three months (around Rs 86.2/USD), pressured by higher crude prices.

To defend the rupee:

- The RBI might dip into its foreign exchange reserves.
- Foreign investment inflows could slow due to global risk aversion.

A weaker rupee, in turn, makes oil and other imports even more expensive, creating a vicious cycle.



Trade And Shipping Disruptions

The Gulf and West Asia account for a significant chunk of India's exports, especially in sectors like chemicals, food products, engineering goods, and textiles.

- Port operations could be delayed due to heightened maritime security checks.
- Shipping insurance premiums are rising.
- Several exporters have already reported shipment rerouting and delays.

Even if India maintains neutral diplomatic relations, commercial routes through the Red Sea and Strait of Hormuz remain exposed.



Impact On India's Oil Companies And Refiners

Companies like Indian Oil Corporation (IOC), Bharat Petroleum (BPCL), and Hindustan Petroleum (HPCL) are especially vulnerable.

- They might face margin compression due to the mismatch between rising global prices and domestic price controls.
- Upstream producers like ONGC may benefit in the short term but will face volatility if costs outweigh selling advantages.
- Refining costs and working capital requirements will increase.

Moreover, import-dependent firms across sectors, from airlines to paints and plastics, which will face higher input costs.



Broader Fiscal Impact

India's fiscal policy could also take a hit:

- Higher oil subsidies may be required to cushion consumer impact.
- The current account deficit could widen, impacting fiscal deficit targets.
- Government spending on other schemes might be curtailed to offset oil-related expenses.

Sustained high oil prices could impact inflation, fiscal arithmetic, and growth.



Strategic Diversification And Import Strategy

India has taken several steps to buffer itself:

- Increased oil imports from Russia (currently 2+ million barrels/day), often at discounted rates.
- Diversified suppliers to include U.S., Brazil, and West Africa.
- Maintained strategic petroleum reserves to cover ~30 days of imports.
- Initiated diplomatic outreach to de-escalate the region, including a call by PM Modi to Iran's President.

While helpful, these measures can only cushion limited disruptions. Prolonged conflict in the Middle East would still bite.



Long-term Strategic Shifts For India

If the Iran-Israel tensions continue or expand, India will need to accelerate:

- **Energy transition:** Greater investment in solar, wind, and hydrogen.
- **Public transport:** Reduced fuel dependency via rail, metro, and EV infrastructure.
- **Domestic oil exploration:** Increased domestic production from ONGC and private players.
- **Bilateral energy treaties:** Secure long-term deals outside volatile regions.



CONCLUSION

The Iran-Israel conflict may be thousands of kilometers away, but its impact is deeply local. From the petrol pump to the grocery store, from your EMIs to your travel budget, the conflict has the potential to disrupt India's economic stability if it escalates further. While India has buffers and strategies in place, the scale and duration of the crisis will ultimately decide how much it affects Indian households, businesses, and policymakers. For now, all eyes remain on diplomacy, crude futures, and the narrow waters of the Strait of Hormuz.



IFSC Stocks Made Simple

How GIFT City Lets You Invest in Global Markets



Imagine owning a slice of Apple, Google, or NVIDIA — straight from India, without opening a US brokerage account. Until recently, global investing meant jumping through hoops — tying up with foreign brokers, navigating complicated paperwork, or relying on



international mutual funds (which now face regulatory restrictions). But there's a new, simpler gateway — GIFT City, India's answer to international finance hubs like Dubai or Singapore.

Through GIFT City's NSE International Exchange (NSE IX), Indian investors can now buy US stocks directly, without leaving home. And not just full shares — fractional investing is also possible, making stocks like Amazon or Tesla accessible even with a few hundred rupees.

Let's break down how this works, why it's catching on, and how you can get started.

What Makes GIFT City A Game-Changer?

Located in Gujarat, GIFT City (short for Gujarat International Finance Tec-City) is designed as a tax-friendly international financial zone. It operates under special rules, making it distinct from the rest of India for foreign exchange and investment regulations.

All activity in GIFT City — whether it's banking, insurance, or stock trading — is regulated by a unified authority: the IFSCA (International Financial Services Centres Authority).

This unique setup allows Indian investors to access global markets more directly and affordably than ever before.



What Exactly Is NSE IFSC - And How Is It Related To NSE IX?

Let's clear the confusion.

NSE IFSC Ltd is the subsidiary of the National Stock Exchange (NSE) that operates from GIFT City. Think of it as NSE's international arm created to



facilitate global trading in this special financial zone.

Now, within this framework, NSE International Exchange (NSE IX) is the trading platform run by NSE IFSC. That's where the action happens — it's the exchange where UDRs of US stocks are listed and traded.

In short:

- NSE IFSC is the entity
- NSE IX is the exchange/platform you interact with to buy and sell UDRs

Together, they bring the US stock market closer to Indian investors — no US broker needed.

Two Ways To Invest In Us Stocks via GIFT City

Now, let's talk options. There are currently two primary ways to access US stocks from GIFT City:

India INX Global Access (via BSE):

This connects you to 80+ global stock exchanges through tie-ups with international brokers. Think of it like a middleman model — still effective but slightly more complex.

NSE International Exchange (NSE IX):

This is where things get exciting. NSE IX offers Unsponsored Depository Receipts (UDRs) — a simpler, more direct way to invest in top US companies without needing a US broker. That's our focus for today.

So, What Are UDRs And How Do They Work?

UDRs, or Unsponsored Depository Receipts, are like digital stand-ins for real US stocks. They represent a fraction of a share of a listed company like Apple or Tesla, and are traded on NSE IX — right from GIFT City.



Here's how it works:

- **Custody:** HDFC Bank (based in GIFT City) holds the real shares on your behalf in India, while Deutsche Bank holds them in the US depository system (DTCC).
- **Unsponsored:** These receipts aren't issued by the companies themselves (hence, 'unsponsored'), but by the exchange and custodians.
- **Fractional Access:** You can buy a portion of a share. For instance, if Apple is trading at \$125 and the UDR represents 1/25th of a share, you can get started with just \$5 (about Rs 400)!

Trading hours? UDRs are live on NSE IX from 7:00 PM to 1:30 AM IST, syncing with US market hours.

Who Can Invest In UDRs?

Whether you're an Indian Resident, an NRI, or even a foreign national (except those in the US and Canada), you're eligible. Here's how it breaks down:



- **Indian Residents:**
You can invest under the Liberalised Remittance Scheme (LRS), up to \$250,000 per year.
- **NRIs:**
No investment cap. You can use your foreign bank account and invest freely — a huge plus for those based in countries where direct US investing is difficult.

How Much Do You Need To Start?

There's no fixed minimum — your entry point depends on the share price and its UDR ratio.

Example: If Amazon trades at \$100 and the UDR is 1/25th, you can start with just \$4–5. That's cheaper than many domestic blue-chip stocks!



How To Open An Account And Start Investing

Setting up is surprisingly easy, though the process differs for Indian Residents and NRIs.

For Indian Residents:

- Open a demat account with a GIFT City-approved broker.
- Upload documents: PAN, Aadhaar/passport, income proof.
- Video KYC + Aadhaar e-signature for verification.
- Transfer funds under LRS.
- **Note:** If you remit over Rs 10 lakh/year, 20% TCS (Tax Collected at Source) applies.

For NRIs:

- Partial online + offline setup.
- Submit notarised documents: PAN, passport, foreign ID (like Emirates ID), proof of foreign address, and photo.
- No Indian bank account needed.
- No TCS applies.



Can UDRs Be Converted Into Actual US Stocks?

Yes — and that's a big advantage.

If you hold enough UDRs to form full shares (say, 25 UDRs for 1 Apple share), you can cancel them and move the real shares into your US brokerage account.

You'll need to submit a form to HDFC Bank (GIFT City) or CDSL IFSC, and pay a small \$0.05 per UDR as cancellation fee.



Tax Rules: UDRs vs Direct US Stocks

Let's simplify this:

Capital Gains:

- No US capital gains tax for non-residents.
- No capital gains tax in GIFT City either.
- But Indian residents must pay:
 - 12.5% if held over 2 years (long-term gains)
 - Tax slab rate if held for less (short-term gains)

Dividends:

- 25% tax withheld in the US
- 10% service fee by HDFC IFSC on the post-tax amount
- Remaining amount is taxed again in India as per your slab

Use the India-US DTAA to claim credit and avoid double taxation



Direct US Stocks vs GIFT City UDRs

Let's lay it out:

Factor	Direct via US Broker	GIFT City UDRs
Stocks Available	Entire US market + ETFs	50 top US stocks (expanding soon)
Ownership	Full stock ownership	Fractional receipts backed by stocks
Investment Limit	\$250K for residents	Same
Taxes	Based on local laws	Same + small dividend fee
Settlement Time	T+1 (fast)	T+3 (slower)
Liquidity	High	Moderate; depends on stock
Costs	Currency + broker fees	Similar; some offer zero brokerage
Regulation	Under US rules	Regulated by IFSCA (India)
Investor Protection	SIPC insurance (\$500K)	No insurance, but held in your demat
Holding Structure	Broker's pool account	Individual demat holding

Why UDRs Are Worth Considering

Here's why UDRs stand out:

Safer Holding Structure:

UDRs are stored in your demat account, not in your broker's pool. Even if your broker shuts shop, your investments are intact.



No Need for a US Broker:

Skip the KYC hassles, tax paperwork, and broker tie-ups abroad.

Lower Costs:

Some brokers offer zero brokerage on UDRs.

Unified Platform:

For NRIs managing Indian and US portfolios, GIFT City acts as a one-stop shop.

Perfect For NRIs:

Especially for those in countries like Kuwait, Qatar, or Malaysia, where direct US investing isn't always available.

What's The Catch?

A few things to watch out for:

Limited Stock Universe:

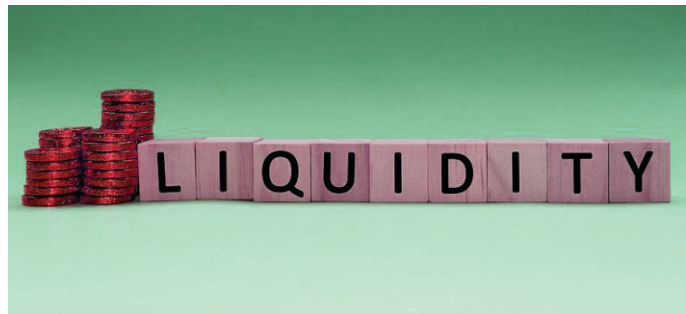
Only about 50 stocks available now. NSE IX plans to expand to 100, and possibly ETFs too.

Limited Stock Universe:

Some UDRs may not trade actively, leading to wider price gaps or delays in selling.

Liquidity Can Vary:

No SIPC Insurance: Unlike US brokers, UDRs don't come with insurance coverage. But again, your demat holding gives an added layer of protection.



BOTTOMLINE

Investing in global giants like Apple, Amazon, or Google no longer needs to be a far-fetched dream or a bureaucratic nightmare. Thanks to GIFT City and NSE IX UDRs, you can now access the US market on your terms — safely, affordably, and directly from India.

Whether you're a first-time investor curious about diversifying globally or an NRI looking for a consolidated investment route, UDRs offer a smart, accessible alternative.

It's not just about investing abroad anymore — it's about doing it better, smarter, and more securely.



How AI In Portfolio Management Is Revolutionizing Investment Management In India



The Indian financial landscape is undergoing a significant transformation, with Artificial Intelligence (AI) at the forefront of this evolution. The integration of AI into portfolio management is no longer just a Western trend; it is making deep inroads into Indian investment practices as well. From retail investors using robo-advisors to institutional fund managers deploying complex machine-learning models, AI is redefining how portfolios are created, monitored, and optimized.

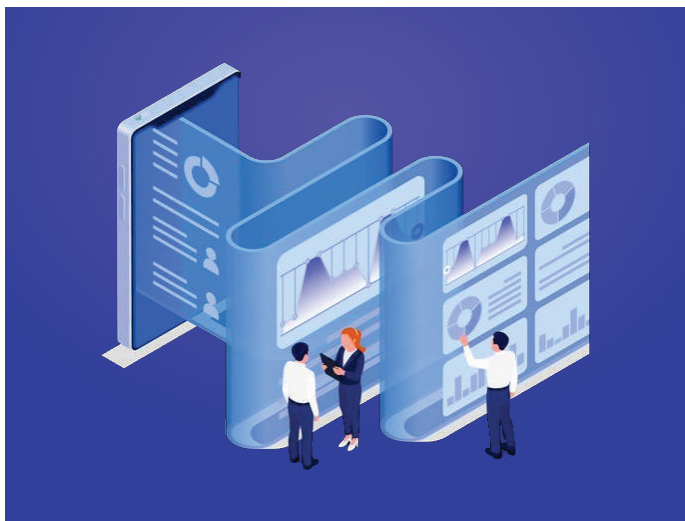
According to industry reports, India's wealth management market is expected to grow from US\$154 billion in 2023 to



US\$287 billion by 2030, while the AI services market is projected to reach US\$17 billion by 2027. With the convergence of these two domains, AI-powered portfolio management stands as one of the most promising innovations for investors in India.

Understanding AI In Portfolio Management

AI in portfolio management refers to the use of machine learning, natural language processing, and data analytics to automate and optimize investment strategies. It



goes beyond traditional quantitative analysis by learning from large data sets to:

- Predict market movements
- Allocate assets based on real-time risk-return metrics
- Personalize investment strategies according to investor behaviour and goals

Popular applications include robo-advisors like Scripbox and Cube Wealth, as well as custom AI tools deployed by wealth managers, brokers, and fintech startups.

Advantages Of AI In Portfolio Management

1

Data-Driven Decision Making

AI can process vast amounts of structured and unstructured data—from stock prices to financial news—to offer actionable insights. This eliminates emotional bias and improves the quality of decisions.



2

24/7 Monitoring And Optimization

Unlike traditional models that rely on quarterly reviews, AI systems continuously monitor market and portfolio performance, providing around-the-clock insights.



3

Better Diversification

AI identifies correlations and hidden risks across asset classes that human advisors may overlook, ensuring more diversified and robust portfolios.

4

Cost Efficiency

Robo-advisors have dramatically reduced the cost of investment management by automating services traditionally provided by human advisors.

5

Personalization At Scale

AI algorithms tailor portfolios based on an individual's financial goals, risk tolerance, age, income level, and investment horizon.

6

Real-Time Risk Assessment

AI models can detect market anomalies and shifts, enabling timely rebalancing of portfolios to manage downside risk.

Current Adoption Trends In India

- **Fintech Integration:** Startups like 5nance, ETMoney, and Groww are already deploying AI to assist users in asset selection and goal tracking.
- **Brokerage Platforms:** Dhan and Zerodha use AI for trade suggestions, sentiment analysis, and portfolio diagnostics.
- **Traditional Financial Institutions:** Banks and asset managers are partnering with AI vendors to offer hybrid advisory models.

According to a CFA Institute survey, over 90% of Indian investors are open to using technology in managing finances, far higher than the global average.



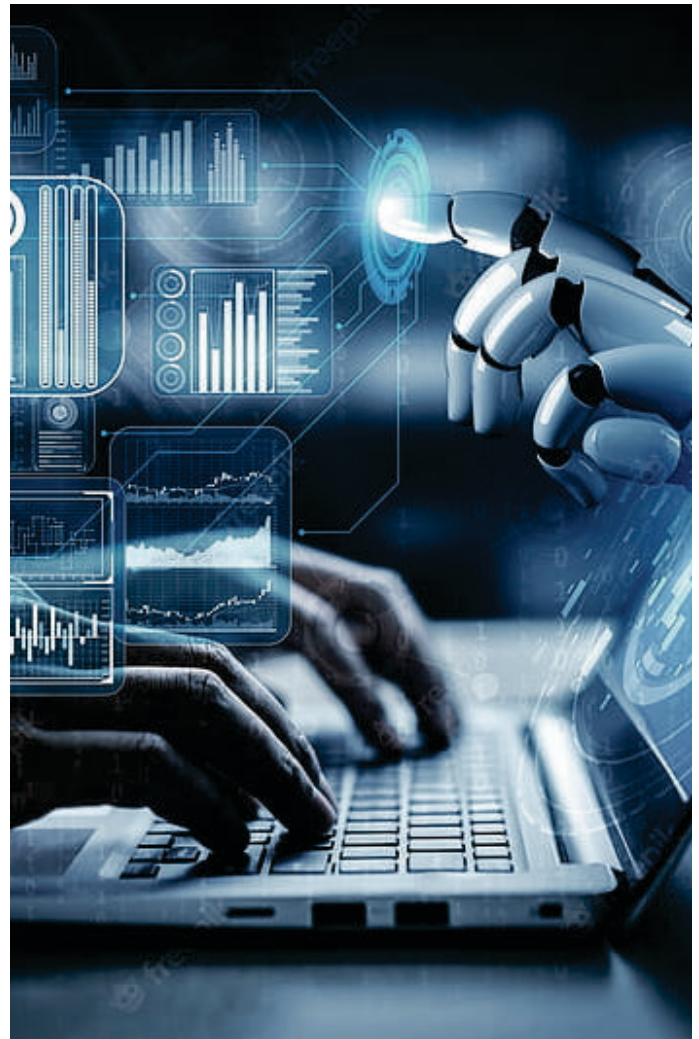
Statistical Snapshot

- AI in global wealth management is valued at US\$20.8 billion (2024) and is projected to reach US\$129.6 billion by 2034.
- India's generative AI market in financial services was US\$76 million in 2024, expected to touch US\$739 million by 2030.
- AI adoption in India's financial sector is estimated to grow at 40% CAGR through 2027.



Real-World Applications

- **Reinforcement Learning Models:** Researchers in India have applied reinforcement learning to optimize NIFTY 50 portfolios, yielding better Sharpe ratios than traditional methods.
- **LSTM Neural Networks:** Long Short-Term Memory (LSTM) models are used to predict stock trends and sector performance, helping allocate capital dynamically.
- **Natural Language Processing (NLP):** AI tools analyze news, earnings calls, and social media to gauge sentiment and predict market reactions.
- **Behavioral Finance Modeling:** AI detects investor behaviour anomalies (like panic selling) and triggers corrective suggestions.



Disadvantages And Challenges

1

Lack Of Explainability

Complex AI models like neural networks can function as "black boxes," making it difficult for investors and regulators to understand how decisions are made.

2

Data Quality And Bias

Poor data quality can lead to incorrect predictions. Additionally, biased training data can lead to skewed investment outcomes.

3

Lack Of Explainability

Complex AI models like neural networks can function as "black boxes," making it difficult for investors and regulators to understand how decisions are made.

4

Regulatory Uncertainty

India lacks clear guidelines on the use of AI in investment management. The absence of a regulatory framework can hamper growth and adoption.

5

Cybersecurity Risks

The more data-intensive the system, the higher the risk of cyberattacks and data breaches.

6

Dependence On Technology

Overreliance on automated tools can reduce human oversight and intuition, which are sometimes critical in market downturns.

Future Outlook

- **Education and Training:**

More courses are emerging in AI-driven finance, bridging the skill gap among professionals.

- **Hybrid Models:**

The future lies in combining AI efficiency with human judgment to offer the best of both worlds.

- **Policy Support:**

The Indian government is expected to roll out AI governance frameworks through NITI Aayog and RBI guidelines.

With advancements in generative AI and quantum computing, future portfolio managers may be able to simulate

thousands of portfolio outcomes in seconds, changing the entire decision-making paradigm.



CONCLUSION

AI in portfolio management is no longer a futuristic concept. It is a present-day reality that is reshaping the investment landscape in India. Whether you're a 25-year-old SIP investor or a corporate treasurer overseeing a multi-crore corpus, AI tools offer better decision-making, lower costs, and improved financial outcomes. By offering data-driven insights, lowering costs, and enabling personalized financial strategies, AI empowers investors of all sizes to make smarter choices.

However, with great power comes great responsibility. The ethical, regulatory, and

cybersecurity challenges associated with AI must be addressed proactively. As India continues to embrace digital finance, the integration of AI into portfolio management could democratize wealth creation and bring world-class investment strategies within reach for millions. If done right, AI can transform investing from a manual, emotion-driven activity into an intelligent, outcome-focused strategy for millions of Indians.

In the end, the question is not whether AI will transform portfolio management in India but how quickly and responsibly it will do so.



Inside SME IPOs

What Every Investor Should Know





When we think of IPOs, it's usually the big names that come to mind - established corporations making a grand entry into the stock market. But there's another corner of the IPO world that's quietly gaining traction: SME IPOs.

These offerings may not make headlines like the big players, but they open the door to early-stage investment in ambitious, fast-growing businesses. For investors looking to tap into fresh opportunities beyond blue-chip names, SME IPOs are worth a serious look.

Let's break it down.

What Exactly Is An SME IPO?

In simple terms, an SME IPO is when a small or medium-sized company raises money from the public by offering its shares for the first time. These IPOs are typically smaller in size and are listed on dedicated platforms like BSE SME and NSE EMERGE.

The Securities and Exchange Board of India (SEBI) introduced the SME IPO route in 2012 to make fundraising easier for growing businesses with modest capital needs.



Only companies with post-issue capital up to Rs 25 crore are eligible to launch an SME IPO.

For example, a family-run engineering

firm from Gujarat, with plans to expand nationally, might opt for an SME IPO to fund its next growth phase — a level of opportunity retail investors often miss in traditional IPOs.

Who Can Launch An SME IPO?

Not just any small company can list — there are filters in place to ensure credibility. To be eligible, a company must:

- Be registered under the Companies Act
- Have post-issue paid-up capital not exceeding Rs 25 crore
- Possess net tangible assets of at least Rs 3 crore
- Show positive EBITDA in two of the last three financial years
- Have a clean loan record and no defaults
- Maintain a corporate website for transparency

- Ensure shares are in demat form
- Ideally have backing from institutions like SIDBI or NABARD
- Maintain a maximum debt-to-equity ratio of 3:1, with some exceptions

In short, only fundamentally sound, compliant businesses make the cut.



What Makes SME IPOs Different?

Let's walk through the unique features that set SME IPOs apart:

- **Easier Entry Requirements:** SMEs face less stringent thresholds compared to large-cap IPOs.
- **Lot Sizes Are Bigger:** You usually have to apply in fixed lots — say, 1,200



or 2,000 shares — not just a handful like in mainboard IPOs.

- **Promoter Holding:** Promoters must retain at least 20% post-listing, ensuring skin in the game.

- **Clean Legal Track:** Companies must have no ongoing regulatory or legal disputes.

These rules are designed to balance investor protection with growth enablement.

How Does The SME IPO Process Work?

The process isn't very different from a regular IPO — just faster and more streamlined. Here's how it typically unfolds:

- **Appoint a Merchant Banker** – They guide and manage the entire process.
- **Due Diligence & Draft Prospectus** – Financials, operations, and compliance are vetted.
- **Approvals** – SEBI or the exchange reviews the application.
- **Public Subscription Opens**- Investors can now place their bids.

- **Share Allotment & Listing** – Shares are allotted and begin trading on the respective SME platform.

Think of it as a mini version of a mainboard IPO, but with a faster turnaround — often wrapping up in 3–4 months.



Where Are SME IPOs Listed?

SMEs aren't listed on the regular BSE or NSE platforms. Instead, they have dedicated ecosystems tailored for smaller businesses:

- **BSE SME** – A segment run by the Bombay Stock Exchange.
- **NSE EMERGE** – The National Stock Exchange's dedicated platform for SMEs.

Both provide a structured space for SMEs to

raise capital and give investors access to vetted, high-potential businesses.



SME IPOs vs Mainboard IPOs: What's The Difference?

Feature	SME IPO	Mainboard IPO
Paid-up Capital	Rs 1–25 crore	Minimum Rs 10 crore
Minimum Investors	50	1,000
IPO Review	By Exchange	By SEBI
Underwriting	Mandatory	Optional
Listing Timeline	3–4 months	6+ months
Minimum Application	Around Rs 1 lakh	Rs 10,000–15,000
Listing Platforms	One (either BSE SME or NSE EMERGE)	BSE and/or NSE

As you can see, SME IPOs are more accessible for businesses but often require a larger minimum bid from investors.

Why Do SME IPOs Matter?

SME IPOs have quietly reshaped how Indian businesses grow and how investors discover value:

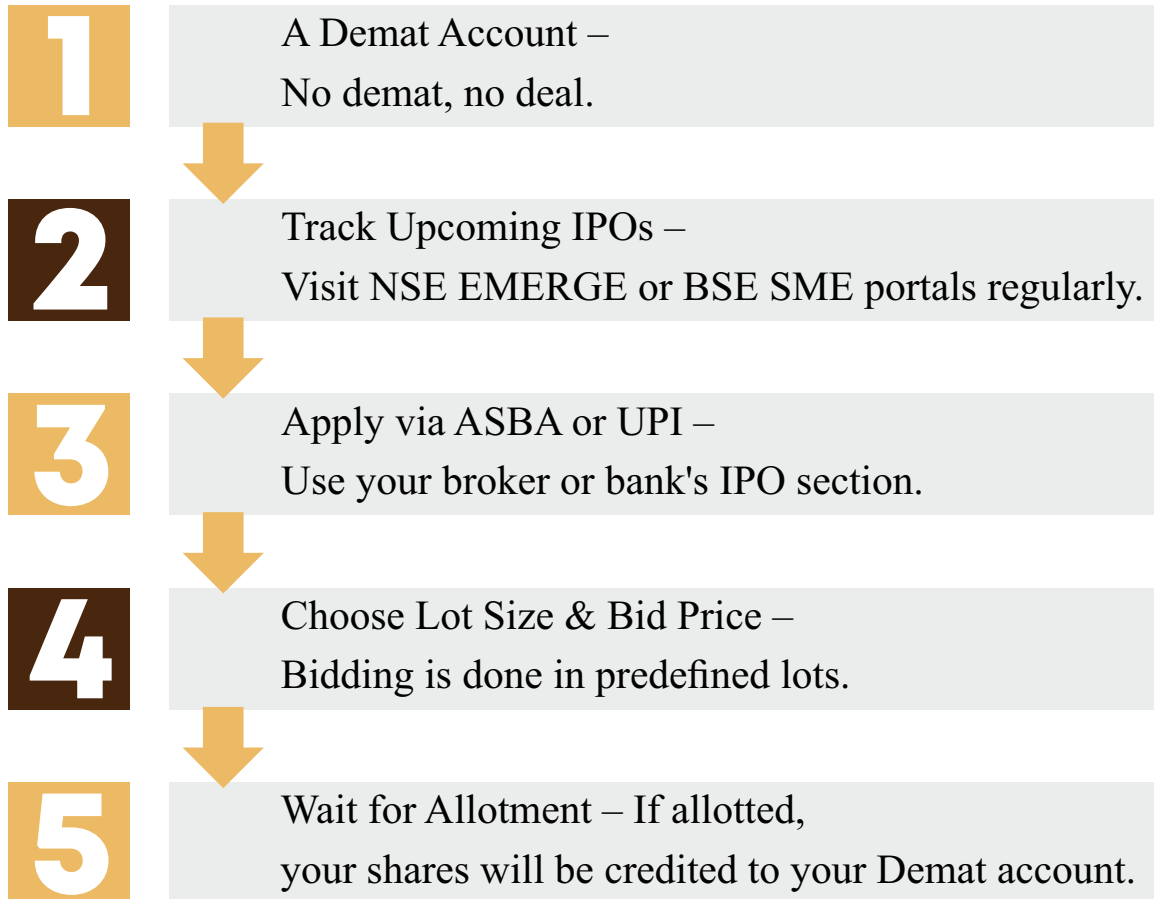
- They've made capital access easier for smaller companies.
- They've created a new channel for retail investors to invest in emerging businesses.

- They've brought better governance and disclosure standards to the SME space.
- Over time, several SMEs have evolved into multi-bagger success stories.

A classic example is Rajnish Wellness, which debuted as an SME IPO and went on to deliver multifold returns in subsequent years.

How To Invest In SME IPOs?

If you're thinking about investing, here's what you need:



Do keep in mind that SME IPOs aren't usually listed on trading apps by default — you may need to manually add the scrip for trading post-listing.

Why Should You Consider SME IPOs?

Here's where things get interesting. SME IPOs offer a set of compelling advantages:



High Growth Potential:

Many SMEs are in the early stages of scaling. If they succeed, so do their investors.



Ground-Floor Entry:

You're getting in before institutional coverage kicks in.



Diversification:

Exposure to lesser-known sectors, regional businesses, or niche services.



Lower Valuations:

Compared to mature companies, entry prices can be more reasonable.

Of course, **volatility is part of the deal**. These stocks can swing sharply due to low liquidity and lack of analyst coverage. So do your research — deeply.

Final Thoughts

SME IPOs aren't for everyone. But if you're an investor looking beyond the usual names, they offer a powerful opportunity to discover businesses on the rise — often before the market does.

They combine the thrill of early-stage investing with the credibility of a regulated platform. As long as you're aware of the risks and choose quality over hype, SME IPOs can add serious firepower to your portfolio.

Just remember: It's not just about the size of the company — it's about the size of the opportunity.

Tax Benefits For Senior Citizens In India: A 2025 Guide To Smarter Retirement Planning



Retirement is meant to be a phase of financial security and peace. For senior citizens in India, the government offers several tax benefits to ease the financial burden and improve post-retirement life quality. These benefits not only reduce tax liability but also support better savings, healthcare planning, and day-to-day financial management. With updates in Budget 2025 and ongoing economic changes, it is vital for senior citizens and their families to stay informed about tax provisions applicable to them. This blog breaks down all major tax benefits



available for individuals aged 60 and above, with detailed explanations, recent policy updates, and actionable tips.

Higher Basic Exemption Limits

One of the key advantages for senior citizens is the enhanced basic exemption limit:

Senior Citizens (60–79 years)

Up to Rs 3 lakh of annual income is tax-free.

Super Senior Citizens (80+ years)

Enjoy a higher exemption limit of Rs 5 lakh.

This is under the old tax regime, which allows the use of various deductions and exemptions. In the new tax regime (FY 2025–26), the exemption limit is Rs 4 lakh for all individuals, including seniors, and includes a standard deduction of Rs 75,000.

Tax Slabs Comparison (FY 2025–26)

Old Regime - Senior Citizens (60–79 years)

Income Range	Tax Rate
Up to Rs 3 lakh	0%
Up to Rs 3-5 lakh	5%
Up to Rs 5-10 lakh	20%
Above Rs 10 lakh	30%

Old Regime - Super Senior Citizens (80+ years)

Income Range	Tax Rate
Up to Rs 5 lakh	0%
Up to Rs 5-10 lakh	20%
Above Rs 10 lakh	30%

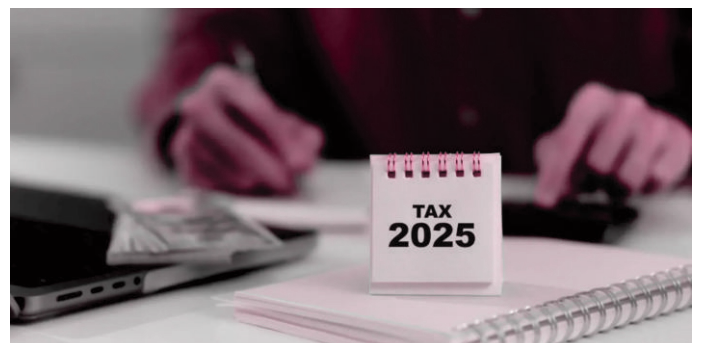
New Tax Regime (All Individuals)

Income Range	Tax Rate
Rs 0–3 lakh	Nil
Rs 3–6 lakh	5%
Rs 6–9 lakh	10%
Rs 9–12 lakh	15%
Rs 12–15 lakh	20%
Rs 15 lakh and above	30%

Section 87A Rebate

Under the new tax regime, individuals with income up to Rs 7 lakh (and up to Rs 12 lakh for senior citizens as per Budget 2025) can claim a 100% tax rebate under Section 87A.

This makes their effective tax outgo zero.



No Mandatory ITR Filing For Seniors Over 75 (Section 194P)

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Super senior citizens aged 75 or above are exempted from filing income tax returns, subject to the following conditions:

- Income must consist only of pension and interest (from the same bank).
- The bank must deduct TDS after considering deductions and rebates.
- A declaration needs to be submitted to the bank.

Higher Deduction On Interest Income Section 80TTB

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Senior citizens can claim deductions up to Rs 1 lakh on interest earned from:

- Savings accounts
- Recurring deposits
- Fixed deposits
- Post office savings schemes

This is a significant upgrade from Rs 50,000 in earlier years, offering better tax protection for those living on interest income.

Health Insurance Premium And Medical Expenses – Section 80D & 80DDB

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- **Section 80D:** Deduction up to Rs 50,000 for health insurance premiums paid by senior citizens.
- If no health insurance is available, medical expenses up to Rs 50,000 are deductible.

Section 80DDB: For specified critical illnesses (e.g., cancer, kidney failure), deductions up to Rs 1 lakh are available for medical treatment of senior citizens.



Standard Deduction For Pensioners

- **Under the old regime:** Rs 50,000 standard deduction.
- **Under the new regime (FY 2025–26):** Rs 75,000 standard deduction for pensioners.

Additionally, family pension recipients can claim a deduction of Rs 25,000 under the new regime.



National Pension Scheme (NPS) Contributions

Senior citizens contributing to NPS can claim:



- Rs 1.5 lakh deduction under Section 80C.
- Additional Rs 50,000 under Section 80CCD(1B).

Even post-retirement, voluntary contributions to NPS can provide both tax savings and retirement security.

Form 15H: Avoiding Unnecessary TDS

Senior citizens can submit Form 15H to banks to avoid TDS on interest income if their total income is below taxable limits.

Key benefits:

- Prevents deduction of TDS
- Maintains liquidity
- Useful for individuals relying heavily on interest income

Senior Citizen Investment Options And Tax Impact

a) Senior Citizen Savings Scheme (SCSS)



- Interest: 8.2% per annum (FY 2025–26)
- Tenure: 5 years, extendable by 3 years
- Investment limit: Rs 30 lakh
- Tax Implication: Interest taxable, but covered under 80C

b) Pradhan Mantri Vaya Vandana Yojana (PMVVY)



- Interest: 7.4% (subject to revision)
- Pension payout monthly/quarterly/annually
- 10-year term, max investment Rs 15 lakh
- Exempt from GST, but interest is taxable

c) Fixed Deposits



- Banks offer 0.5% higher FD rates to seniors
- Some small finance banks offer 8.5% to 9.1% (e.g., Suryoday Small Finance Bank)

Choosing Between Old And New Tax Regime

Criteria	Old Regime	New Regime (FY 2025-26)
Basic Exemption (60–79)	Rs 3 lakh	Rs 4 lakh
Basic Exemption (80+)	Rs 5 lakh	Rs 4 lakh
Standard Deduction	Rs 50,000	Rs 75,000
87A Rebate	Up to Rs 5 lakh income	Up to Rs 12 lakh income
Deductions (80C, 80D, etc.)	Available	Not Available

Conclusion

The Indian tax system offers a generous array of benefits to senior citizens, helping them manage expenses, optimize investments, and reduce tax burden. Whether it's through higher exemption limits, interest income relief, or simplified compliance like Form 15H or Section 194P, these provisions are designed to honour the contribution of India's elderly. By staying informed and strategically planning income and investments, retirees can make the most of these benefits. With smart tax planning, retirement can be not only peaceful but also financially empowering.



PMS 101: How The Wealthy Invest – And Should You Too?

There's investing – and then there's how the wealthy do it.



PORTFOLIO MANAGEMENT

They don't just pick mutual funds or chase trending stocks. Instead, they rely on a more refined and personalised strategy called Portfolio Management Services (PMS). It's a space where every investment decision is backed by deep research, expert insights, and data-driven strategies. It's discreet. It's exclusive. And for the longest time, it was mostly off-limits to everyday investors. But that's changing.

As India's high-net-worth population rises and financial access expands, PMS is stepping into the spotlight. If you've ever wondered how serious wealth is managed — and whether this route could work for you too — you're in the right place. Let's break it down.



What Is PMS (Portfolio Management Services)?

PMS is a tailored investment service where a professional manager builds and manages your portfolio to align with your specific goals, risk profile, and timeline. Think of it as a custom-made suit for your money.

Unlike mutual funds where the same fund is offered to lakhs of investors, PMS is curated and managed individually for each investor. It's typically designed for High-Net-Worth Individuals (HNIs), Ultra-HNIs (UHNIs), NRIs, and



institutional clients who want more control, better personalisation, and deeper research-driven strategies.

Introduced in India during the 1990s, PMS gained traction quickly. To ensure investor protection and transparency, SEBI laid down specific guidelines to regulate this space.



So, What Does PMS Really Aim To Do?

If you're investing at least Rs 50 lakhs, PMS steps in to offer:

1

Risk Management:

By diversifying and actively rebalancing, PMS cushions your portfolio from sharp market swings.

2

Capital Growth:

PMS spreads investments across equities, debt, ETFs, even commodities to build long-term wealth.

3

Tax Efficiency:

For investors in higher tax brackets, PMS strategies are designed to optimise returns post-tax.

Customised Strategies:

4

No copy-paste portfolios. Your investments are built from scratch around your financial life — age, goals, risk tolerance, cash needs.

Expert Oversight:

5

Behind every PMS is a team of analysts and managers who track markets, trends, and make informed decisions on your behalf.

PMS vs Mutual Funds

Here's where it gets interesting:

Feature	PMS	Mutual Funds
Minimum Investment	Rs 50 lakhs	As low as Rs 500
Personalisation	High	None (common pool)
Control	Full visibility and flexibility	Fund manager decides everything
Ownership	Direct ownership of stocks	Unit-based NAV ownership
Tax Reporting	Individual transaction-wise	At fund level
Fees	Fixed + performance-based	Expense ratio (flat %)

Example:

Let's say you invest Rs 75 lakhs in a PMS focused on large-cap growth. Your portfolio manager might pick specific stocks aligned with your risk and goals. If you want to increase cash or switch focus, they can act quickly. Mutual funds, by contrast, follow a uniform mandate regardless of your needs.

Understanding SIFs (Separately Invested Funds)

SIFs are often confused with PMS. While both involve expert management and customisation, SIFs are slightly more flexible in structure. Think of them as pooled funds that still allow individual tracking.

They are especially popular among family offices or investors looking for a hybrid between mutual funds and PMS. However, they remain relatively niche and less regulated.

For most individual investors, PMS offers more transparency and regulatory safeguards.



Types Of PMS In India

Depending on how involved you want to be, PMS comes in four flavours:

1

Active PMS:

Chasing alpha (above-market returns), using aggressive strategies. Higher return potential, but also higher risk.

2

Passive PMS:

Tracks benchmark indices. Low cost, lower risk. Ideal for investors who want steady performance.

3

Discretionary PMS:

The manager has complete authority to make buy/sell decisions. You don't need to get involved in day-to-day activity.

4

Non-Discretionary PMS:

You call the shots. The manager offers recommendations, but you approve transactions. Great if you want control but still need expert input.

Who Is PMS Best Suited For?

- ▶ HNIs, UHNIs, NRIs, family offices, and institutions
- ▶ Investors with a minimum corpus of Rs 50 lakhs
- ▶ Professionals who want expert help but don't have time to track markets
- ▶ Investors seeking higher personalisation, more transparency, and better risk-adjusted returns

Example:

If you're a business owner who doesn't have the bandwidth to monitor stocks but wants solid returns and professional handling — PMS fits perfectly.

SEBI Guidelines You Must Know

Here are the key rules that govern PMS in India:

- ▶ Minimum investment: Rs 50 lakhs (can be cash or listed securities)
- ▶ Only SEBI-registered portfolio managers can offer PMS
- ▶ Portfolio managers must have a net worth of at least Rs 5 crores
- ▶ Separate account for each client — no pooling like mutual funds
- ▶ Custodian mandatory if AUM exceeds Rs 500 crores
- ▶ Upfront fees cannot exceed 25% of the total fees charged
- ▶ No compulsory lock-in period, but exit loads may apply as per the agreement



Tax Rules For PMS Investors

Since PMS portfolios involve direct stock and debt ownership, taxation works differently than mutual funds:

Short-Term Capital Gains (STCG):

Equity held <12 months is taxed at 20%

Long-Term Capital Gains (LTCG):

Equity held >12 months is taxed at 12.5% after Rs 1.25 lakh exemption

Debt & Other Assets:

STCG is taxed at your income slab rate; LTCG at 12.5% (no indexation)

Dividends & Interest:

Taxed as per your applicable slab

Pro Tip:

Since transactions are in your name, you'll need to handle detailed capital gains filing every year. Some PMS providers offer tax-reporting support.

Why PMS Could Be Worth It

Expert Management:

Experienced hands make decisions, track markets, and manage your money full-time.

Active Monitoring:

Your investments aren't left on autopilot. PMS providers regularly review and realign portfolios.



Tailored Portfolios:

Your portfolio reflects your needs — not generic themes.

Better Risk Management:

Diversification, timely exits, and strategic allocation help reduce volatility.

Convenience:

You're always in the loop, but not in the trenches. Great for busy professionals.



Risks You Should Be Aware Of

No investment is risk-free, and PMS has its own set:

1. **Market Risk:**
All gains are market-linked. No guarantees.
2. **Regulatory Risk:**
Policy changes or tax tweaks can change the game.
3. **Liquidity Risk:**
Some assets in PMS aren't easy to exit quickly.
4. **Manager Risk:**
The quality of your returns is directly tied to your manager's decisions.
5. **Operational Risk:**
Delays or errors in execution, reporting, or compliance can affect performance.
6. **Concentration Risk:**
Focused bets can backfire if a particular stock or sector tanks.





FINAL THOUGHTS

If your investment horizon is long-term, your risk appetite is moderate to high, and your investible surplus crosses Rs 50 lakhs — PMS might be a smart next step. It offers the kind of personalised care and high-touch service that's hard to find elsewhere.

But like any serious investment path, it requires due diligence. Don't just follow the rich. Understand what makes PMS different — and decide if it fits your journey to wealth.

Bottomline

PMS isn't just for the ultra-rich anymore. It's for the serious investor who wants more control, more insight, and more results.



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