

Volume 14 Issue 12

THE GLOBAL

ANALYST

₹ 150 AN EXCLUSIVE MONTHLY ON BUSINESS & FINANCE December 2025

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ISSN 2320 5628

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E-mail: jms@iupindia.in; info@iupindia.in

Website: www.iupindia.in

Period	Subscription Rate
1 Year	₹1,500
2 Years	₹2,700

Payment to be made by crossed Demand Draft drawn in favor of "ICFAI A/c IUP", Hyderabad. Online remittances can be made to HDFC Bank, Banjara Hills Branch, A/c. No. 50100446721450. "ICFAI A/c IUP", IFSC Code for NEFT: HDFC0000521.

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Published by Dr. P. Venkateswarlu, Printed by Dr. P. Venkateswarlu on behalf of IUP Publications (A Division of The ICFAI Society). Printed at M/s. Sai Likhita Printers, 6-2-959/2, D.B. Hindi Prachara Sabha Complex, Khairatabad, Hyderabad 500004, Telangana State. Published from # 52, Nagarjuna Hills, Panjagutta, Hyderabad 500082, Telangana State, India. Editor Dr. P. Venkateswarlu.

Labor Reforms: A Paradigm Shift

On November 21, the Government of India issued gazette notifications bringing into effect four labor codes—the Code on Wages (2000), Industrial Relations Code (2000), Code on Social Security (2020) and Occupational Safety, Health and Working Conditions Code (2020)—aimed at “streamlining compliance, modernizing outdated provisions, and create a simplified, efficient framework that promotes ease of doing business while safeguarding worker’s rights and welfare”. These codes, however, will become fully functional once the rules regarding administrative and procedural issues are framed and notified. Nevertheless, these reforms are the most consequential structural changes to have occurred in a long time.

These reforms indeed promise a simpler compliance for employers by consolidating 29 central legislations into four comprehensive Labor Codes. Replacing the existing overlapping statutes and the accompanying fragmentation and inconsistency with a unified architecture—the existing 1400 rules are reduced to 365—duly supported by single registration, consolidated returns, and electronic filings—the reforms are likely to minimize administrative friction and inspection delays, which is a great relief to businesses. Such a simplification not only reduces transaction costs but also improves ease of doing business by minimizing the role of ‘rent-seeking’ agencies. With the rise in the threshold for seeking prior government approval for layoff, retrenchment, and closure of factories, mines and plantations from the earlier 100 to 300 workers, along with a provision for state governments to increase this limit further, flexibility in hiring by employers stands enhanced. Introduction of fixed-term employment facilitates hiring for shorter tenures in sync with the industry’s seasonality. And all this makes investors’ expansion decisions more timely and attractive.

The Industrial Relations Code states that workers cannot strike without giving notice within 60 days before going on strike or within 14 days of giving such notice. Even a mass casual leave program of more than 50% of workers is considered a strike. These norms are hoped to discourage flash strikes, which are indeed instrumental in disrupting productivity. Defining the core and non-core activities of an establishment, OSH code gave flexibility to employers to employ contract labor even in core activities. These reforms are set to enable India Inc. to align staffing with demand curves and execute projects speedily.

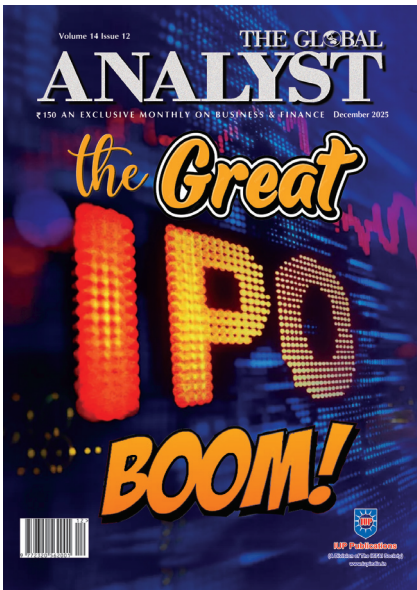
The code on wages prescribes a national floor wage that guides states in setting minimum wages to cover all employees, which is likely to reduce disparities and offer more predictable earnings for workers. Issuing appointment letters is made mandatory. Wage is defined as basic pay, dearness allowance and retaining allowance, and is to be the basis for the calculation of other benefits and social security contributions. Working hours are also specified: 8-12 hours per day, and no employee shall be required to work for more than 48 hours a week. Overtime wage must be at least twice the normal wage for any work beyond normal working hours. Payment timelines are also made explicit with a direction to issue wage slips to every employee by employers, either in physical or digital format. These measures are likely to reduce disputes between the employer and employees, leading to enhanced trust at work places that is essential for improved productivity.

The codes also elevate workplace safety by prescribing periodic health checks to all employees above 40 years at the cost of employers. Every factory employing 500 or more workers, employers employing 250 or more construction workers, and employers hiring 100 or more workers in mines are required to constitute safety committees with employers’ and workers’ representatives. Regardless of the industry type, Employees Provident Fund Organisation coverage is extended to all establishments having 20 or more employees. In contrast to the present norm of 10 employees, Employees’ State Insurance Corporation (ESIC) coverage is made mandatory even for a single worker employed in a hazardous occupation. Significantly, these codes recognize new work models for the first time by offering social security schemes for gig and platform workers. Aggregators for gig workers are required to contribute 1-2% of their annual turnover for social security. Fixed-term employees appointed for shorter terms are to be treated on par with permanent workers for all statutory benefits, including gratuity after one year of continuous work. Women are permitted to work in night, subject to their consent and provisions for safety. The net effect of these reforms on workers is improved income certainty, defined entitlements, and safer, more inclusive workplaces.

There are, of course, resentments from unions about liberalization of retrenchment norms and restrictions on workers’ right to strike. Similarly, employers are concerned about rising payroll costs. They are, of course, the obvious reactions but the pertinent question is: How friendly are these reforms to strengthen the foundation for sustainable development and improved capacity to generate employment for absorbing the growing youth population?

The true impact of these codes however squarely rests on their implementation in right earnest. This calls for framing rules about administrative and procedural issues at the earliest in consultation with state governments, employees and employer representatives. Thereafter, regular tripartite meetings are necessary to identify bottlenecks early and take timely action to keep the reforms on track. Only then can the reforms deliver their intended outcomes.

GRK Murty



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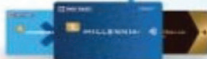
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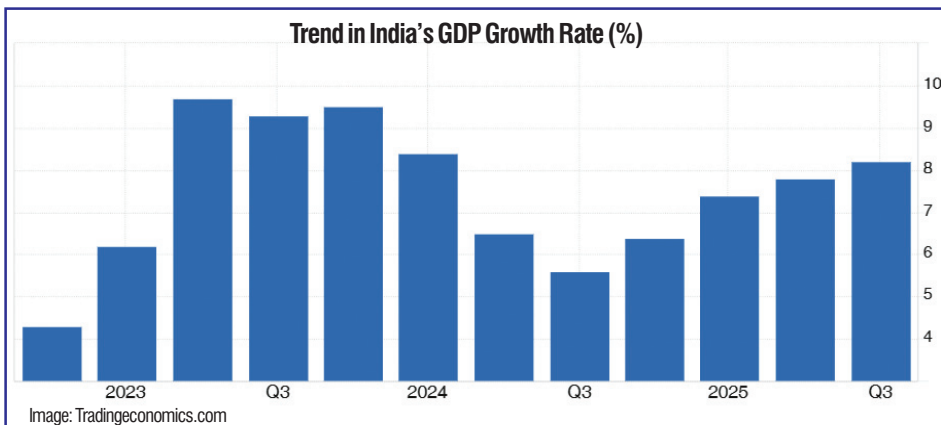
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INDIA

The GDP growth surges to 8.2% in Q2FY2026—the fastest pace of expansion in six quarters—defying concerns over global trade war and rising geopolitical tensions.

The Indian economy rose 8.2% year-on-year (yoy)—the fastest pace of expansion in six quarters—during Q2 FY2025-26, official data showed. The GDP grew by 7.8% in the preceding quarter and 5.6% in the year-ago quarter. The stronger-than-expected growth in the GDP was led by robust performances from the manufacturing as well as the services sector. The latest GDP data springs a major surprise as it comes amid a raging global trade war and rising geopolitical tensions. According to analysts, the strong growth momentum is a result of the ongoing government efforts to enter into trade deals with several nations and trade blocs, besides the efforts by Indian exporters to explore non-United States markets. It was the third consecutive quarter of strong growth—the economy accelerated at 7% and more in all the three quarters so far during the current calendar year. The nominal GDP growth rate stood at 8.7%, while gross value added (GVA) expanded 8.1% yoy in Q2FY26, up from 5.8% a year ago. In terms of sector-wise growth, the primary sector, comprising agriculture, forestry, fishing, animal husbandry, and mining, registered a growth of 3.1% in Q2 FY 2025-26. The manufacturing, also called the secondary sector, recorded a growth of 8.1%, while the tertiary or the services sector clocked the highest growth rate among the three with a figure of 9.2%, during the said quarter. With a solid performance in Q2FY26, India also retains its title as the world’s fastest-growing major economy. “Front loading of production for exports, sustained rural demand, government spending and a lower deflator on account of much lower inflation have together lifted India’s Q2 GDP print beyond consensus expectations, and this momentum is likely to continue despite some headwinds from trade challenges,” Ranen Banerjee, Partner and Economic Advisory Leader, PwC India, told Moneycontrol.com in an interview. Bolstered by a robust second quarter performance, economists expect the economy to do even better in the second half of the ongoing fiscal year, driven by a pick-up in consumer demand as the benefits of the recent GST rate cuts, which were announced towards the fag end of September, materialize and anticipation of a reduction in US tariffs post the bilateral trade deal between New Delhi and Washington talks over which are currently underway. However, rupee’s continued weakness versus the greenback remains a key concern. The INR has fallen 4.9% vis-à-vis the US dollar so far this year—the most by an Asian currency in 2025, led primarily by sell-offs by FPIs, which have pulled out nearly \$17 bn from Indian equities so far this year, while a slowdown in foreign direct investment (FDI) (net FDI turned negative for a second consecutive month in September, driven by a rise in outward FDI and repatriation of investments, as per RBI data), tepid overseas borrowings by corporate India, declining trend in deposits by overseas Indians, while rising trading imbalance (cause by falling exports amid high tariffs and a rising wave of protectionism globally)—India’s merchandise trade deficit hit a record high of \$41.68 bn in October—too did not help the cause of the domestic unit (INR) either. “There continues to be a meaningful imbalance of supply and demand for dollars in India,” Reuters quoted Michael Wan, Senior Currency Analyst at Japan’s MUFU, saying. He added, “This seems to be driven by higher import needs, a wider current account deficit, and, importantly, soft capital flows in FDI and portfolio inflows.” However, a section of economists believe a falling rupee could act as a cushion against a high tariff regime (read: Trump’s tariffs). “Left on its own, the Indian rupee is a shock absorber for the economy, and an automatic stabilizer for external finances,” economists at HSBC said in a note. “A gradually weakening INR is the best shock absorber for high tariffs.”



While a weak rupee is good news for export-driven sectors like information technology and gems and jewelry, it raises the cost of import. Apart, it also signifies lack of confidence in the economy on part of foreign investors. The rupee breached the key psychological level of 90 per dollar on December 3, 2025 for the first time ever. Meanwhile, the RBI’s Monetary Policy Committee (MPC) on December 5 announced a cut of 25 basis point in the repo rate to 5.25%. The MPC also revised its GDP forecast for FY26 to 7.3% from 6.8% earlier and lowered its inflation projection for FY26 to 2% from 2.6% earlier. ■

Contributed by Amit Singh Sisodiya
Team Global ANALYST

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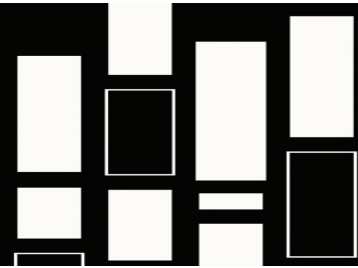
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FIRST CUT



L'ORÉAL

The French cosmetics major, which owns marquee brands such as Garnier, Maybelline and NYX Cosmetics, is set to open its first global capability center in India soon.

L'Oréal, a global leader in beauty care, has said it is setting up a Global Capability Center (GCC) in Hyderabad, Telangana, which will be its first such center in the country. Headquartered in Clichy, Hauts-de-Seine, Paris, France, L'Oréal is the world's largest cosmetics company with a flotilla of brands such as L'Oréal Paris, Garnier, Maybelline New York, NYX Professional Makeup, Kiehl's, Lancôme and Yves Saint Laurent. The company entered India more than 30 years ago in 1994. It currently has two research facilities in the country, one each in Mumbai and Bengaluru.

L'Oréal's decision to select Hyderabad for setting up its GCC can be attributed to the city's growing reputation as the destination next for global GCC aspirants, owing to its world-class physical infrastructure, connectivity, availability of engi-

Hyderabad is home to over 70 GCCs, including marquee names like Netflix, Eli Lilly, Costco and McDonalds, among others, is fast emerging as a red-hot destination for the global businesses looking to set up their GCCs in India.



neering and digital talent, and a relatively cleaner and greener environment. It is now home to over 350 GCCs across various sectors, including technology, pharmaceuticals, retail, and financial services, among others. In fact, in 2025 alone, the city has added over 70 GCCs, which include more than 30 Fortune 500 companies such as Netflix, Eli Lilly, Costco, and McDonald's. As per L'Oréal, its upcoming GCC at Hyderabad will focus on global technology development, innovation, and research, complementing the group's strategy to leverage digital transformation and artificial intelligence (AI)-driven solutions in the beauty industry. GCCs are offshore hubs that run multinational firms' critical technology, analytics, operations, finance, supply-chain, and R&D work. According to analysts, these GCCs offer tighter control to the MNCs, as compared to outsourcing, while also

COP30

Message from Belém



The message from Belém is unmistakable: The green transition must be both fast and fair, shaped not by one-size-fits-all prescriptions, but by collective resolve rooted in equity and shared prosperity.

Manish Vaid, Junior Fellow, Observer Research Foundation, New Delhi

More than two years ago, in January 2023, when Belém, Brazil, was officially declared as the venue for the next Conference of the Parties (COP), i.e., COP30, it did not take many by surprise. Do you know, why? Let us briefly understand where Belém is located? The city is often called the ‘Gateway to the Amazon’, which has been one of the most affected regions in the world by what is called climate change. In the heart of the Amazon, a relentless wave of heat and drought is stressing the world’s largest rainforest. And scientists warn that these extremes are intensifying with record-breaking

droughts in 2023 and 2024 scorching vast stretches of the basin. Satellite images show forest lakes are turning into virtual hot tubs. One of those images found water temperatures spiking to about 41 °C in 2023, frying thousands of fish and even dozens of river dolphins. The dry season has arrived with a fury, smoke-choked skies have turned day into twilight as burning forests force villagers to cover their faces with damp cloths just to breathe. The forest now shows visible signs of ecological distress. For local Amazonian villagers, this crisis comes as no surprise. ‘It is getting hotter and drier’, one elder recently warned, as crops wither

and rivers recede. Once considered a stabilizing anchor of the Earth’s climate, the forest is now faltering under multiple stressors. Against this backdrop, the selection of Belém for hosting this year’s COP reflected the country’s intent to root climate diplomacy in the realities of the forest rather than in distant meeting rooms—well emphasized by Luiz Inácio Lula da Silva, President of Brazil, who in his opening speech stated that bringing COP30 to Belém was “a political and symbolic decision,” aimed at showing that the Amazon is an essential part of the climate solution, and not merely a

COVER STORY

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BOOM!

India's IPO wave is no longer just a burst of market excitement; it marks the true coming-of-age of the country's capital markets

Shail Apte, Founder & CEO, Airtham, Ahmedabad

India's stock markets are in the grip of a historic transformation, a coming-of-the-age story written not in dollars, but in rupees. Consider this: the LG Electronics India IPO, worth over ₹11,607 cr, was oversubscribed in just 6.5 hours. Around the same time, the Groww brokerage platform's issue was swamped with 17 times more orders than shares available. This isn't just a few standout successes; it's a systemic boom that has positioned India as the fourth-most active IPO market globally, trailing only the United States, Mainland China, and Hong Kong.

India's primary market has moved from long-standing dependence on foreign capital to a phase of self-driven expansion. What was once an episodic, slow-moving listing landscape—where an initial public offering (IPO) signified the end of a long, uncertain journey has become a high-velocity marketplace powered by domestic conviction. In 2024, 327 companies raised nearly ₹1.66 lakh cr, a year-on-year surge of about 150%, with Indian investors alone contributing ₹97,900 cr. The momentum has persisted into 2025, with 111 companies already raising around ₹2.18- 2.20 lakh cr. The market has transitioned into a self-funding ecosystem capable of sustaining growth through internal capital rather than external cycles.

The end of monoculture: A market of many themes

The current IPO boom is fundamentally different from its predecessors, which were often monothematic. The 2003-2007 cycle was a story of infrastructure and banking, building the backbone of a growing economy. The 2021 surge was the debut of the Indian tech consumer, led by the likes of Zomato and Nykaa. Today's cycle, however, is a symphony, not a solo. Its strength lies in its remarkable sectoral diversity, signaling a market with the analytical maturity to evaluate a wide spectrum of business models.

The green gold rush

The clean energy transition has spawned a new generation of publicly-listed champions. Companies like Indian Renewable Energy Development Agency (IREDA) and Exicom Tele-Systems have delivered stellar returns, with IREDA soaring at its peak to an astonishing 430% from its issue price. This isn't mere speculation; it's a bet on India's formalized commitment to 500 GW of renewable capacity by 2030, creating a visible, long-term project pipeline that global and domestic capital is eager to finance. The debut of Waaree Energies, which saw a 66.3% listing pop, also points to the investor appetite for companies that are literally powering the nation's future.

Consumer brands in focus

A silent revolution is underway in traditional sectors. Eyewear company Lenskart's ₹7,278-cr offering was sold out in hours, despite analysts whispering about "mind-boggling valuations." Similarly, Motisons Jewellers debuted with a 98% gain and climbed 419% above its issue price at its peak, proving that well-run, brick-and-mortar businesses with strong brand recall can command tech-like multiples. This reflects a broader story of formalization, aspirational consumption, and the ability of legacy businesses to master digital marketing and supply chains.

The digital infrastructure backbone

first wave of Indian Internet IPOs was about consumer-facing platforms. The current wave is about the picks and shovels—the companies that enable the digital economy. Fintech platforms like Groww and Pine Labs represent this new vanguard. Their public listings are a testament to the depth of India's digital public infrastructure (UPI, Aadhaar, ONDC) and the vast, profitable businesses being built on top of it. The market is no longer chasing a single, dominant narrative. Instead, today's public listings are grounded in a strong emphasis on profitability and robust governance. This reflects a maturation of the ecosystem, where the market has developed the ability to discern a strong business model with equal clarity across diverse sectors such as renewables, consumer goods, and fintech. This broad-based discernment is a key indicator of a deeply healthy and mature market environment.

The unicorn coming-of-age: IPOs as the default exit

The sheer scale of the boom is critically fueled by India's maturing startup ecosystem, now home to over 90 unicorns. But more important than the number is their evolution. For the first time in India's history, the IPO has become the default, dominant exit route for venture capital and private equity. This is a seismic shift. In earlier cycles, venture capitalists (VCs) depended on strategic sales to larger corporations or complex secondary transactions for liquidity. A local IPO was often seen as a Plan B. Today, the depth of India's domestic market makes it the most attractive path, offering greater liquidity, richer valuations, and the brand prestige of being a publicly-listed company. India's startup ecosystem has shifted from prioritizing rapid expansion at any cost to focusing on strategic sustainability and readiness for public markets. Companies preparing to go public now typically present cleaner cap tables, clearer paths to profitability, and stronger governance structures supported by experienced independent directors. The successful debuts of companies like Lenskart and Physics Wallah demonstrate that the domestic market is now deep enough to absorb large offerings and provide the liquidity that early investors crave. This has created a powerful virtuous cycle: successful IPOs return capital to VCs, who then reinvest in the next generation of startups, fuelling the pipeline for the next decade.

India's Renewable Paradox

When Supply Outpaces Demand



Image: Freepik

India's renewable energy transition is at an inflexion point. The central question is no longer how quickly capacity can be added, but how effectively the system can absorb, transmit, and utilize this clean energy.

Rajat Kapoor, Managing Director, Synergy Consulting (Oil & Gas and Petrochemicals), New Delhi

India's energy landscape is undergoing one of the fastest transitions in the world, driven by the twin imperatives of rising demand and climate responsibility. Over the coming decades, India's appetite for energy is projected to grow more than that of any other country, reflecting its demographic scale, industrialization trajectory, and urbanization patterns. Logically, a significant share of this incremental demand must, and is being, met through cleaner sources.

Yet the country is now confronting a paradox: while renewable capacity has expanded at an unprecedented pace, actual demand growth, grid readiness, and system integration have not kept pace. The Central Electricity Authority's (CEA) recent warning that

this mismatch could raise costs for distribution utilities and consumers underscores the emerging challenge: India's green ambitions require not just capacity creation, but smarter planning, smoother transmission, and more coherent power system management.

The expanding renewable footprint

India continues to rank fourth globally in wind power capacity, solar power capacity, and overall renewable energy installed capacity as of FY25, maintaining its position from FY24. Our installed renewable capacity—including solar, wind, and bioenergy—has crossed 256 GW as of October 2025, accounting for nearly 51% of total installed capacity. As per the recent note by the Minis-

try of Power, Solar alone contributes around 127 GW, followed by wind at 53 GW. In capacity terms, India is now the fourth-largest renewable energy market globally, behind China, the United States, and Brazil.

The pace of addition has indeed been remarkable. In FY2023-24, India added 18 GW of renewable capacity, the highest ever in a single year. Government projections aim to reach 500 GW of non-fossil capacity by 2030, aligning with the nation's net-zero commitment for 2070. Adding further credence to this achievement, India has now officially surpassed Japan to become the world's third-largest solar energy producer. According to data

Nexperia

A Battle for the Control of A Chip Giant That Ended Abruptly



The Dutch government’s forced seizure of the country’s largest chipmaker, Nexperia, citing security concerns, sent shock waves across the global auto industry, which relies heavily on the supplies of a key component. Though the authorities have suspended their action, for now, the crisis is far from over.

Rob Enderle, President and Principal Analyst, The Enderle Group, Bend, Oregon, US

There’s a good chance you’ve never heard of Nexperia, but it’s almost certain that your life depends on it. If you drive a car, use a smartphone or own a laptop, you are a customer. Headquartered in the Netherlands, Nexperia is not a glamorous “brain” chip maker like NVIDIA or Intel. It is the global plumbing. Nexperia manufactures the essential, high-volume semiconductors—diodes, transistors and MOSFETs—that manage power and perform basic functions. They are the “boring” chips, and they are as vital as oxygen. This is why it is so terrifying that the company is now in

the news for every wrong reason imaginable. It has become the epicenter of a geopolitical earthquake, the source of a *new* global chip shortage, and the subject of a hostile government seizure. Nexperia is not just *in* trouble; it *is* the trouble. The company is currently waging a public and destructive civil war against itself. Its Dutch headquarters, now controlled by the Dutch government, is actively blockading its own primary assembly plant in China, which is, in turn, controlled by its Chinese parent company. This internal power struggle has turned off the tap for the global automotive industry, and it

serves as the ultimate cautionary tale for a world grappling with “de-risking” and the US-China tech war. Nexperia is no longer a reliable supplier; it is a liability trapped in the gears of global politics.

The great supply chain power struggle

When we discuss “supply chain struggles,” we usually picture container ships stuck at sea or a fire at a factory. Nexperia’s problem is infinitely more complex: the company is at war with its own corporate structure. Here’s the battlefield map:

INDIA

The Destination Next for Global Automakers



VinFast of Vietnam Becomes the Latest Global EV Manufacturer to Enter India

Image Credit: VinFast

India is fast emerging as the destination next for global automobile manufacturers, riding high on its ‘dual-engine’ growth model: A massive domestic market—third-largest globally—which can enable it to absorb fixed costs while using the same facilities to export globally, thereby achieving economies of scale that other economies may find hard to match.

Surbhi Aggarwal, CA, CS, Independent Sr. Research Analyst, Florida, US

The global automotive industry is currently navigating a period of structural dislocation in many aspects—the transition to electric mobility of course, but also the shifting center of gravity for manufacturing. For three decades, the center has been shifting eastward, coming to rest in China. China is today not only the world’s factory but also its most voracious consumer market. However, this order is disintegrating. A more polycentric order is emerging—a complex web of regional hubs designed to withstand geopolitical shocks, pandemics, and trade wars. In this new architecture, India has decided to tran-

scend its traditional role as a “market of potential” to become a critical node of manufacturing stability. The evidence lies not merely in government pronouncements but also in the sheer velocity of capital deployment: Suzuki’s aggressive scaling to 4 million units, Hyundai’s record-breaking initial public offering (IPO) to fund an “Emerging Market Hub”, and the strategic return of Ford Motor Company to integrate India into its global powertrain supply chain.

De-risking the global value chain

Global business has seen three major shocks in the last few years—a global

pandemic, geopolitics conflicts, and trade war. This is moving them from a “Just-in-Time” philosophy to a “Just-in-Case” resilience model. In this new paradigm, India’s value proposition has shifted from offering a large consumer base to offering a secure, scalable manufacturing alternative.

The “China Plus One” strategy originated as a risk mitigation tool for Japanese firms but has now been universally adopted by Western and Asian multinationals. The logic is tripartite: geopolitical insulation, cost arbitrage, and supply chain diversification.

Argentina's Peso

What's in Store?



Argentina doesn't seem to be in a mood to let its currency float freely. Instead, President Javier Milei promises to double down on his 'chainsaw' plan—his blueprint to slash public spending.

Michael Roberts, Economist, London, UK

Argentina's President Javier Milei won a surprising victory in October's mid-term Congressional elections. It was surprising because only a month before, his party had suffered a defeat at the hands of the opposition Peronist party in the Buenos Aires provincial election.

Between those two elections, the United States administration under Donald Trump announced that it would provide up to \$20 bn in dollars swapped for Argentine pesos and possibly another \$20 bn in purchases of Argentine government debt by US banks. And it is rumored that the US has now used \$2 bn of its funds held at the International Monetary Fund (IMF) to transfer to Ar-

gentina. The aim was to ensure that the Argentine peso did not collapse before the congressional elections, leading to yet another debt default and the defeat of the Milei government, a close ally of Trump in South America. Trump said the money would not be forthcoming if Milei lost.

It seems this had the desired effect on the electorate. In the congressional elections, Milei's party, La Libertad Avanza, won 41% of the nationwide vote compared to the opposition, Fuerza Patria (also known as Homeland Force), with 32%. Although voting is compulsory in Argentina, at 68%, the voter turnout was the lowest since the country's return to democracy in 1983; the previous record low of 71% was set

in 2021. But Milei's party won in Argentina's largest electoral district, Buenos Aires, home to about 40% of the electorate. As a result, his party gained seats in the Congress, 64 lower house seats and 12 in the Senate. The new seats in the lower house, combined with those already held, now allow the government to meet its main goal—securing at least a third of the lower house seats to sustain presidential vetoes on attempts of the opposition to block Milei's radical economic measures.

Milei won the presidential office in December 2023 and pledged to end hyperinflation, with prices rising at over 100% a year, and stabilize the peso against the dollar. This

Poland

Europe's New Growth Engine



Poland beats larger rivals like Germany and the United Kingdom to emerge as Europe's new growth engine.

For a long time, the only identify of Poland, a nation on the eastern flank of Europe, was its association with a group of anti-NATO nations, which came into existence in 1955, following the Warsaw Pact. Things have changed a lot since then. After years of living in the shadows of giant rivals such as Germany, the United Kingdom (UK), France and Italy, Poland has successfully carved its own niche today—as Europe's fastest-growing economy, while its political standing too has undergone significant changes. As per the latest official data, Europe's fifth-largest economy expanded by 3.7 year-over-year (yoy) during the September quarter, which is the highest among all the economies of the European Union (EU) as well as the euro area, and also the

whole of the European Continent—the second best figure has been clocked by Spain. The better-than-expected performance has also earned Warsaw the sobriquet: Europe's new growth engine.

The former communist economy is now a tiger of Eastern Europe, referring to Poland's significant economic growth since the fall of communism. The country's economic miracle is marked by 35 years of nearly uninterrupted expansion, which has transformed it from a besieged nation into one of Europe's largest and fastest-growing economies. Poland's growth story is one of Europe's most charming developments in recent decades. The country's transformation (from a centrally planned economy to a market-driven one) is evidence of the power of strategic economic reforms and the resilience of its people. Economists

describe Poland's transition as shock therapy, which involved rapid privatization, the liberalization of prices, and the opening up of markets to global competition. While most other economies sought to follow a more staged and nuanced step-by-step approach. For Poland, the embrace (shock therapy) of market economics has paid off.

As the economy booms, Warsaw eyes G20 membership. The EU's fifth-largest economy's robust growth rates made it the only EU country to avoid recession during the 2008-2009 Global Financial Crisis (GFC). Just like the Asian Tigers, Poland is also labeled as "Eastern Europe's Tiger" because of its rapid economic growth, after the fall of communism, and has been

Equities

The ‘Grind’ Phase of a Stock



There are several reasons why a stock ‘grinds’: The company may be experiencing margin pressure, new entrants, governance and leadership challenges, unfavorable regulations, currency pressures, etc.

M R Raghu, CEO and Board Member, Marmore MENA Intelligence

In many ways, a stock’s journey resembles a career journey. Looking back, my career has been punctuated by long years of sideways movement (the grind) followed by a sudden burst of opportunities (breakout). While nothing significant happens during the grind phase (except having a job), the experience accumulated during the grind phase provides fodder for the breakout phase when a big jump happens. A stock’s journey also generally exhibits this trait. A grind phase is defined as the period when the stock’s momentum was not particu-

larly noteworthy, leading to an underperformance relative to the benchmark index. A Breakout phase is when the stock starts moving upwards rapidly and compounds at a significantly higher rate compared to the index. There are

several reasons why a stock “grinds”. The company may be experiencing margin pressure, new entrants, governance and leadership challenges, unfavorable regulations, currency pressures, etc. On the other hand, fa-

S. No	Consistent Performers	Annualised Returns (2005-Nov 2025)	No of Years
	Nifty 50	12.7%	20.9
1	Bajaj Finance Ltd.	38.4%	20.9
2	Titan Company Ltd.	33.1%	20.9
3	Shriram Finance Ltd.	25.8%	20.9
4	Bajaj Finserv Ltd.	23.6%	17.5
5	Bharat Electronics Ltd.	22.0%	20.9

Source: Author Calculations; as of November 12, 2025



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Hong Kong

New World's Debt Woes



The Victoria Dockside commercial complex, Hong Kong, developed by New World Development Company. The K11 (pictured above), a flagship cultural-retail destination, is one of New World Development Co.'s most iconic projects.

Image credit: Kohn Pedersen Fox Associates

New World Development, one of Hong Kong's leading real estate firms, faces challenging times amid a rising debt burden and sluggish demand.

It seems New World Development Co.'s (NWD)—Hong Kong's fourth-largest property developer—woes know no bounds. For a record, it is no ordinary developer—it is the name behind some of Asia's marquee malls, museums and commercial complexes. But, worryingly, the company which was once hailed as the poster child of Hong Kong's booming real estate market, finds now itself in deep trouble. The firm, owned by the Henry Cheng's family empire, has just posted its second straight year of losses. As per the firm's latest financial report, its losses rose more than 38% to HK\$16.3 bn (\$2.09 bn) for the 12-month period ending June 2025, caused primarily by "one-off impairment provisions and losses". In the preceding financial year, the firm posted a loss of HK\$11.8 bn—its first in two decades,

hinting for the first time all is not well with its debt-fueled growth strategy. The company's problems have been worsened by poor sales, which dropped nearly a quarter (or 23%, to be precise) to HK\$27.68 bn (\$3.6 bn) in the fiscal year ended June 2025, hit by tepid property sales and construction, including fewer property development bookings in mainland China. Its debt burden has, meanwhile, kept rising. As per Bloomberg, by mid-2025 NWD's net debt reached about 98% of its shareholder equity, making it one of the most leveraged major developers in Hong Kong. The company's total liabilities stood at around HK\$210.9 bn at the end-2024. But it was not always so.

The rise of New World

NWD was founded in May 29, 1970 by a first generation entrepreneur by the

name of Cheng Yu-tung, a former gold shop apprentice who came from Guangdong province of China. The decades-long property boom in Hong Kong fueled New World's growth, helping it emerge as one of the city's "Big Four" property developers. It is behind some of the most prestigious commercial and residential real estate projects which define city's skylines today. Some of its top projects include the iconic Victoria Dockside—a 3-million-square-foot art and design district on the Hong Kong harbor front, K11 MUSEA (a gold award-winning retail development), and K11 ARTUS residences, 11 SKIES, located at SKYCITY by the Hong Kong International Airport, it is considered to be a major one-stop retailtainment and commercial landmark, The

Why is the Primary Market on Song?

CA Rishabh R. Adukia, Partner, Adukia and Associates, Mumbai

From tech startups to renewable energy companies, a wide range of firms are listing—and investors, both domestic and foreign, are showing no signs of slowing down as they pile into initial public offerings (IPOs). So, what's fueling this remarkable surge?

The boom in context

The numbers tell the story. Over the past few years, India's IPO pipeline has exploded—with companies from both traditional and new-age sectors hitting the markets. A few big forces are at play here: Strong domestic liquidity, powered by a wave of retail investors; Improving corporate earnings after the pandemic slump; Policy and regulatory reforms that have made it easier to list; And macroeconomic stability that stands out against a shaky global backdrop. In short, India's IPO boom is a reflection of growing confidence — both in the country's economic story and in the maturity of its capital markets.

A broader boom

Unlike previous IPO cycles that were dominated by banks, infrastructure, and manufacturing, this one is far more diversified. This time, the stars are:



Renewables: From solar to green hydrogen and EV components. Such as NTPC Green Energy LTD, Waaree Ener-

gies, Premier Energies, Ola electric, Ather Energy, etc; *Digital businesses:* Fintech, SaaS, e-commerce, and beyond. Such as Pine labs, Groww, Unicommerce, Lenskart, Swiggy, Urban Company, etc.; *Healthcare and diagnostics:* A sector that continues to thrive post-Covid. Such as Chandan Healthcare, Suraksha Diagnostic LTD, etc. This shift points to something bigger: India's economy is evolving from being industry-driven to innovation-led. Investors are betting on growth

themes that define the future—not just the legacy sectors of the past.

Startups powering the IPO pipeline

India's startup ecosystem has matured—and it's showing. With over 100 unicorns and counting, many startups have now reached a stage where going public makes sense. The successful debuts of Zomato, Nykaa, and MapMyIndia have paved the way for others, turning the IPO route into a preferred exit for VCs and private equity players. But there's a flip side: Startups often come with complex models and lofty valuations, meaning investors need to dig deeper before buying into the hype.

What's different now?

Here's what's surprising—this IPO wave is happening even as foreign investors pull out. In the past, Indian markets heavily depended on foreign portfolio investor (FPI) flows. Not anymore. The current boom shows that domestic investors—both institutions and retail—now have enough firepower to keep markets buoyant. This marks a structural shift. India's markets are becoming more self-reliant, driven increasingly by domestic institutional investors (DIIs) and the growing retail crowd.

The rise of DIIs and retail investors

The past few years have seen a true retail investing revolution in India. There are around 21 crore active demat accounts as of October 2025. The Monthly SIP contribution is near 30 thousand crore as of October 2025. Which shows the strong retail investor participation. This steady domestic inflow has given the markets a strong liquidity cushion. DIIs—mutual funds, insurers, pension funds—are now key stabilizers. Their presence ensures that even when global sentiment wobbles, India's IPOs still see solid demand.

Are things getting frothy?

Of course, it's not all smooth sailing. The valuation debate is heating up, es-

pecially around high-profile startups. Companies like Lenskart and Groww, which command sky-high private valuations, are sparking questions: do these numbers reflect real fundamentals, or just hype? If companies rush to list at inflated prices, the aftermath can be painful for retail investors—and for long-term trust in the IPO market. Maintaining valuation discipline and transparency will be key to keeping this momentum sustainable.

Headwinds ahead

Even amid all the excitement, investors can't afford to overlook the potential challenges: Rising global interest rates, which could tighten liquidity; Geopolitical tensions affecting commodities and sentiment; Regulatory scrutiny around disclosures and pricing; And simple IPO fatigue, as too many deals chase limited capital. The smart approach? Stay selective. Focus on companies with strong fundamentals, profitability, and realistic valuations.

Lessons from the past

We've been here before. The 2007–08 IPO rush was marked by several overvalued listings that crashed soon after debut. Notable examples include Reliance Power, DLF Ltd, OnMobile Global, and Dhanus Technologies - all of which saw sharp declines shortly after listing. The lesson? Every IPO cycle tests investor discipline. While today's market is supported by stronger liquidity and better governance, long-term returns will still depend on fundamentals—not frenzy.

Time for caution

India's IPO boom is a clear sign of confidence — in its economy, its companies, and its investors. The depth of domestic participation and the diversity of sectors show how far the market has come. But amid the optimism, staying grounded is key. The real opportunity lies not in chasing every hot listing, but in backing businesses that combine innovation with profitability and growth with good governance. ■

Disclaimer: Views are personal.

Trump Tariffs

Has China Found its Feet?



Image credit: South China Morning Post

Return of Bonhomie
Donald Trump and China's Xi Jinping at the Busan Summit, October 30, 2025

China's Global South pivot coupled with Trump's willingness to curtail duties on Chinese exports to his nation is a sign Beijing is navigating America's trade war well.

Andrew K P Leung, SBS, FRSA, International and Independent China Strategist, Hong Kong

Closing his long-awaited face-to-face meeting in Korea's Busan with President Xi Jinping of China, United States President Donald Trump was shown whispering to Xi's ear. When I saw this on television, I was laughing out loud. Was he whispering in English or Mandarin (Putonghua)? It was all too obvious that Trump wanted eagerly to choreograph an image of close friendship with President Xi, a far cry from the octogenarian leader's often imperial body language towards other nations threatened by his tariff-wrecking ball.

To complete the charade, Trump touted the huge "success" of his deal with Xi, claiming it was "12 out of 10", after affirming what had already been

agreed at the working level with his Chinese counterpart days before the meeting. Trump has conceded to pause his latest anti-China tariff hikes for at least one year; to halt massive port fees and shipping charges intended for any ship made in China (regardless of the shipping flag carried) and to re-supply certain high-end semiconductor chips to China.

What Trump gets in return is Beijing's resumption of purchase of American soybeans. China has been by far the largest customer for American soybeans for decades, but thanks to the tariff war, China has redirected such purchases to Brazil, Argentina and other places. In addition, China agrees to pause its rare-earth stranglehold for

one year and promises to step up efforts in stopping the flow of essential chemical ingredients from China, feeding the tide of America's fentanyl opioid addiction. All told, China's concessions are not too different from the status quo ante.

Trump's imposed global tariff hikes on trade in goods ignore America's massive global surpluses in terms of trade in services (such as royalties and license fees). His tariff hikes are "trumped up" numbers that bear little rational economic logic. Witness those imposed on some penguin islands near Antarctica. Nevertheless, many other nations, including US allies in Europe, have to bend back-

Office Politics

How to Deal With It?



Image: Freepik

‘Politics’ within organizations is a constant, it is endemic irrespective of the roles one occupies so perhaps the key is to be constructively political and remain as aware as possible of what is going on both in and around one’s workplace.

Michael Walton, Business Psychologist and Visiting Professor, Prague, Czech Republic

A starting position: Organizations—irrespective of function—are ‘political entities’. In spite of how it may be presented, the business of leadership and of executive action remains a profoundly emotionally-charged responsibility in which there will be winners and losers each of whom will wish to pursue their own self-interest and career aspirations in the workplace. At the core of such ‘political’ entities there will be competition for influence and power. A failure to appreciate this sufficiently is likely to be detrimental for any executive seeking to exercise prudent and ethical leadership. This is the emo-

tional context within which we expect those with responsibility for leadership to exercise leadership. To maintain any supposition that organizations are primarily and essentially logical-rational institutions could be viewed as somewhat simplistic, naïve, and one which fails to do justice to the complexity and rich nature of organizational behavior. It is on this premise that the following material is presented and offered for consideration and debate.

Let’s begin

There is no getting away from it—organizations are ‘rammed full of politics’. Just reflect for a moment on your own

workplace experiences in terms of what you have observed going on around you in terms of ... internal rivalries, ego-competitions, greedy and ungainly attestations of entitlement, turf-battles, and flagrant unadulterated political game-playing. What is less able to be discerned will be colleagues’ hidden disappointments—and perhaps growing feelings of resentment—when their realistic expectations have failed to materialize or have been unfairly frustrated. But frankly whichever way you look there will be political interplays, emotional tensions, and competitive dynamics go-

IKS

Sāṅkhya Darśana (School of Philosophy)

Sāṅkhya, a Nirīśvara darśana, offers a distinctive dualistic account of reality grounded in the two ultimate principles: Puruṣa (pure consciousness) and prakṛti (primordial matter), whose samyoga (coming together) leads to evolution.

Sāṅkhya Darśana is the most ancient of the Indian darśanas (schools of philosophy). It constitutes the first attempt to give some coherence to the speculations expressed in the Upaniṣads. It was Sage Kapila, who propounded it as *Sāṅkhya Sūtra* during the 500-800 BCE era. However, over time, it was lost. Around 8th century, Īśvarakṛṣṇa presented the principles of *Sāṅkhya* philosophy in the form of *Sāṅkhya-Kārikā*, which is now considered the authoritative textual resource. *Sāṅkhya darśana* is a metaphysical dualism that is atheistic realism.

The word *Sāṅkhya* is derived from the word *Sāṅkhyā*, which means both right knowledge and number. The *Sāṅkhya* philosophy rests on a 'strong' motif that the universe can be reduced to tension between two antithetic principles, viz., the unitary matter (*prakṛti*) and a spiritual principle (*Puruṣa*). *Sāṅkhya* almost became the representative philosophy of Indian thought. It is found in almost all important texts of tradition, such as epics, Upaniṣads, *dharmaśāstras* (law books), medical treatises (*Āyurveda*) and the basic texts of yoga.

We may first take a look at the *Sāṅkhya* theory of causation on which the doctrine of *prakṛti* is based. The very fundamental question that arises when we think of causation is: Does the effect pre-exist in its material cause? *Sāṅkhya* examines it from two perspectives: one answer is in the negative, and such people are called *Asatkāryavādins*. The second answer is affirmative, and its proponents are called *Satkāryavādins*. *Asatkāryavādins* argue that the

effect (*Kārya*) does not pre-exist (*asat*) in its material cause. If the pot already exists in the clay, why should the potter exert himself in producing the pot? The *Satkāryavādins*, on the other hand, argue that the pot is not a new creation, but only an explicit manifestation of that which was implicitly contained in its material cause.

This phenomenon raises another important question: Is the effect a real transformation or an unreal appearance of its cause? Those who believe that the effect is a real transformation of its cause are called *Parināmavādins* (*parināma* = real modification), while those who believe that it is an unreal appearance are called *Vivartavādins* (*vivarta* = unreal appearance). *Sāṅkhya* accepts *Satkāryavāda*. It believes that all material effects are the modification (*parināma*) of *prakṛti*. These forms pre-exist in the eternal bosom of *prakṛti* and simply come out of it at the time of creation and return to it at the time of dissolution. There is neither new production nor utter destruction. Production (*āvīrbhāva*) is evolution, and destruction (*tirobhāva*) is involution. *Sāṅkhya* named this whole process *Prakṛti-Parināmavāda*.

Prakṛti

This theory of causation—a real transformation of the material cause—leads to the concept of *prakṛti* as the root-cause of the world of objects. The entire world of objects is implicit in the bosom of *prakṛti*. It is called *Pradhāna*—the first principle of the Universe. It is the *Avyakta*—the unmanifested state of all effects. *Sāṅkhya*, indeed, offers fivefold evidence for the existence of *prakṛti*.

Firstly, it argues that all individual things in this world are limited, dependent, conditional and finite, and the finite cannot be the cause of the universe. So, logically, we have to proceed from the finite to the infinite. And this infinite, unlimited, eternal and all-pervading source of the Universe (*bhedānām parimānat*) is *prakṛti*. Secondly, all worldly things possess certain common characteristics by which they are capable of producing pleasure, pain and indifference. Hence, *Sāṅkhya* argues that there must be a common source composed of three *gunas*, from which all worldly things arise (*samanvayāt*). Thirdly, it states that all effects arise from the activity of the potent cause. The activity, which generates evolution, must be inherent in the world-cause. And this cause is *prakṛti* (*kāryataḥ pravṛttescha*). Fourthly, the effect is the explicit, and the cause is the implicit state of the same process. The effects, therefore, point to a world-cause where they are potentially contained (*kāranakāryavibhāgat*). Finally, *Sāṅkhya* asserts that the unity of the universe indicates a single cause, and this cause is *prakṛti* (*avibhāgat vaishvarūpyasya*).

Prakṛti is said to be the unity of three basic components, or 'qualities' (*gunatva*) held in equilibrium (*gunānām samyāvasthā*). They are: *sattva* ('light, distension'), *rajas* ('dynamism, passion') and *tamas* ('obscurity, heaviness'). Through *prakṛti*, they become constituents of worldly objects. Being subtle and imperceptible, their presence is inferred from their effects—pleasure, pain, and indifference, respectively. *Prakṛti* is nothing apart from



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