



# The Stock Market

## IOI

BUILDING WEALTH IN THE NEW INDIA  
(2025 EDITION)

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## Fundamentals

### OI THE PULSE OF INDIA

In India, we track the market through two main "report cards." Think of them as a basket of the country's strongest companies.



#### NIFTY 50

Tracks the **50 largest** companies on the NSE. Covers 24 sectors (Banking, IT, Auto).

*The most diversified benchmark.*



#### SENSEX

Tracks the **30 oldest** and most established giants on the Bombay Stock Exchange (BSE).

#### Why do they matter?

If the Nifty 50 is "Green," it means India's top companies are growing. When you invest in an "Index Fund," you are essentially betting on the growth of India itself.

## Getting Started

### O2 HOW TO START (THE 3-STEP SETUP)

1

#### The Demat Account

You cannot buy stocks from a bank. You need a Demat Account (Zerodha, Groww). This acts like a "digital folder" for your shares.

2

#### Digital KYC

In 2025, this is 100% paperless. You just need your PAN Card, Aadhaar (linked to mobile), and a Bank Account.

3

#### The "Safety Net" Rule

Before investing ₹1, ensure you have:

 **HEALTH INSURANCE**

 **EMERGENCY FUND (6MO)**

## Essential Knowledge

### 03 THE JARGON BUSTER



#### SIP (Systematic Investment Plan)

Investing a fixed amount (e.g., ₹2,000) every month. This removes the need to "time the market" and is the secret sauce of long-term wealth.



#### Market Cap

**Large Cap:** Stable, "Blue Chip" companies (e.g., Reliance).

**Mid/Small Cap:** Faster growth potential but a "bumpier" ride.



#### Bull vs. Bear

**Bull Market:** Optimism. Prices are rising.

**Bear Market:** Pessimism. Prices are falling.

## Rules & Regulations

### O4 THE 2025 TAX CHEAT SHEET

When you make a profit, the government takes a small share. Here are the rules for FY 2025-26:

ASSET TYPE	HOLDING PERIOD	TAX RATE
<b>Short-Term (STCG)</b>	Sold within 1 year	<b>20% on profits</b>
<b>Long-Term (LTCG)</b>	Held over 1 year	<b>12.5% on profits*</b>

**Good News:** The first **₹1.25 Lakh** of your total Long-Term capital gains every year is **TAX-FREE**.

### 05 YOUR FIRST PORTFOLIO STRATEGY

For a beginner, I recommend the **Core-Satellite Approach**:



#### The Core

Put this in **Nifty 50 Index Funds**. It's low-cost, diversified, and very safe for the long term. This is your foundation.

#### The Satellite

Once you learn more, put this in **individual stocks** you use daily (e.g., your favorite bank, car brand, or toothpaste). This is for extra growth.

# BONUS: The 1-Page Stock Analysis

## 1. THE BUSINESS MODEL

- Can I explain it to a 10-year-old?
- Relevant in 10 years?

## 2. GROWTH

- Consistent Revenue increase?
- Positive & Growing Profit?

## 3. STABILITY

- Debt-to-Equity  $< 1$ ?
- Cash  $>$  Bills (Current Ratio)?

## 4. EFFICIENCY

- ROE  $> 15\%$ ?
- High Promoter Holding?

## 5. VALUATION

- P/E near 5yr Avg?
- Buying at Fair Price?

Where to find this data for free?

[SCREENER.IN](#)

[TICKER BY FINOLOGY](#)

[TRENDLYNE](#)