

Your Gateway To Financial Wellness

WEALTH REPORT

FY 2025 - 26

A wrap up of asset classes & market events in the
Financial Year



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FY26: A Year That Rewrote Investment Discipline

FY26 will be remembered as a year that forced investors to step back and reassess their approach to wealth creation. It wasn't just another volatile year, it was a reality check.

For a large section of investors, especially those whose portfolios had gradually become equity-heavy (or even equity-only) riding the strong momentum of the previous years, FY26 served as a sharp reminder of a timeless principle: diversification is not optional; it is essential.

When Leadership Shifted: The Rise of Alternatives

The year stood out for the surprising outperformance of asset classes that had long taken a backseat in investor portfolios. Precious metals like gold and silver delivered stellar returns at a time when equities were struggling to find direction. This divergence highlighted a crucial truth; no single asset class outperforms all the time. However, the narrative didn't end there.

The late surge in silver prices, which even touched extraordinary triple-digit returns over a short span, led to a wave of momentum-driven investing. Many investors entered at elevated levels, only to witness a sharp correction in both gold and silver from late January onwards. This phase reinforced another key lesson that chasing returns is not a strategy; discipline is.

The Global Wake-Up Call

Perhaps the most defining takeaway of FY26 was the growing importance of geographical diversification.

For years, Indian investors have largely remained domestically focused, with limited exposure to global markets, and when they did invest abroad, it was predominantly concentrated in the US. FY26 changed that perception.

Markets across regions including Korea, Japan, Germany, Brazil, South Africa, Taiwan, Hong Kong and China delivered stronger performance compared to India during this period, and many of these markets outperformed the US too, prompting investors to look beyond the US markets for global investing.

Indian Markets: A Test of Patience

On the domestic front, Indian equities have gone through one of their most prolonged and testing phases in recent memory. Foreign investors pulled out over ₹1.6 lakh crore from Indian stocks in FY26.

The decline that began around September 2024 saw only a brief and incomplete recovery by late 2025, before markets slipped again—further weighed down by geopolitical tensions, particularly the West Asia conflict.

At present levels, benchmark indices are hovering around levels last seen in mid-2024, effectively delivering negligible returns over nearly two years.

What makes this phase particularly challenging is the contrast with past recoveries. For instance, the sharp correction during the COVID-19 pandemic saw a strong rebound within months, whereas the current bear phase is about 2 years long.

Macro Crosscurrents: The Forces at Play

Looking ahead, several macro factors like Geopolitics, Interest rate uncertainty and Currency pressures will play a decisive role in shaping market direction.

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INDIAN INDICES IN FY 26

INDICES	1st April 25	31st March 26	Yearly Change
Nifty 50	23,519.35	22,331.40	5.05%
Sensex	77,414.92	71,947.55	7.06%
Nifty MidCap 150	19,120.35	19,430.90	1.62%
Nifty Smallcap 250	15,104.05	14,288.45	5.40%
Nifty IT	36,886.15	29,062.60	21.21%
Nifty Bank	51,564.85	50,275.35	2.50%
Nifty Auto	21,295.50	23,769.60	11.62%
Nifty Healthcare	13,681.30	14,201.05	3.80%

The markets took a roller coaster ride in the Financial Year. The financial year began with the shock of the high tariff announcement by Trump, which pulled down markets globally. It was followed by a 90-day pause announcement that cooled the markets temporarily. India, which was expected to be imposed with the least tariffs, eventually was hit by one of the highest tariffs of 50%, which came as a blow to the markets. Finally, when the tariff on Indian exports was brought down by the US, the West Asia conflict rattled the markets.

Among marketcap indices, Midcap delivered relatively better and managed to be positive. Largecaps struggled mainly due to the underperformance of banks due to the War. Smallcaps performed in line with Largecaps after a major consolidation.

FII & DII INFLOWS (Rs in Cr)

Particulars	Gross Purchase	Gross Sales	Net Purchase / Sales
FII/FPI	35,67,914.18	39,00,601.12	3,32,686.94
DII	39,79,174.13	31,29,416.20	8,49,757.93



GLOBAL INDICES IN FY 26

Global Markets	Change (%)	Global Markets	Change (%)
Korea	112.70%	Japan (Nikkei 225)	45.70%
South Africa	26.60%	Germany (DAX)	1.10%
Brazil	41.7%	UK (FTSE 100)	17.40%
Hong Kong	7.10%	US (Nasdaq)	21.10%
Taiwan (TWI)	57.10%	US (S&P 500)	13.50%
Indonesia	8.25%	US (Dow Jones)	7.50%
China	17.60%	MSCI World	17.35%

- Globally, tech stocks, particularly the AI/semiconductor-focused ones which had a great one-way run, flattened and corrected due to uncertainties around the returns from the massive investments made in Artificial Intelligence.
- Korea was the best performer from Apr to March, delivering 112.7% in this period. This was followed by Taiwan, Japan and Brazil, which delivered 57%, 46% and 42% respectively.
- Among marketcap segments, Midcap delivered relatively better. Largecaps struggled mainly due to the underperformance of banks due to the War. Smallcaps performed in line with Largecaps after a major consolidation. The returns of Dow Jones was low at 7.5% whereas the high returns of the initial months kept the returns of Nasdaq high at 21%
- Emerging markets are likely to lead the chart in FY 27, with Korea, China, Taiwan and Japan likely to take the edge



Particulars	1st April 25	31st March 26	Yearly Change
10 Year G-Sec	6.58%	6.96%	5.78%
Gold (10 gm)	92,400	1,52,750	65.31%
US/INR	85.47	94.36	10.40%
BRENT CRUDE	6,388.02	9,810.60	53.58%

REPO RATE

REPO RATE	As on 31st March 2026	5.25%.
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OUTLOOK

- Gold and Silver had a flying start from the beginning of the FY and the direction was mostly one way up till January, except a dip in the middle of October. Despite a sharp fall from the end of January, Gold managed to deliver 48% in the FY, and Silver delivered 110%. Notably Silver rose by about 60% in January before the fall started.
- Gold, which is considered the safe haven during geopolitical uncertainties disappointed during the current conflict as higher crude prices caused inflationary pressures and gave room for higher interest rates. A stronger dollar added to the weakness of precious metals. The de-escalation of the War could improve the medium and long-term prospects of precious metals.
- The Indian rupee experienced its worst annual performance in 14 years during the fiscal year FY26, depreciating nearly 10% (9.88%–9.9%) to breach the 95-mark against the U.S. dollar. RBI's efforts to control the weakness of the rupee managed to bring the rupee below 93 at the start of FY 27. The RBI would do everything possible to keep the rupee under 95 levels.



MUTUAL FUNDS

- The Indian Mutual Fund industry continues its strong growth trajectory in FY 2025–26. As of 28th February 2026, the Assets Under Management (AUM) stood at ₹82,02,956 crore, marking a significant increase from ₹65,74,287 crore as of 31st March 2025.
- Average Assets Under Management (AAUM) of Indian Mutual Fund Industry for the month of February 2026 stood at ₹ 83,42,617 crore.
- The Indian Mutual Fund industry has witnessed remarkable growth over the years. The AUM first crossed ₹10 trillion (₹10 lakh crore) in May 2014 and doubled to ₹20 trillion (₹20 lakh crore) by August 2017 within just three years. It further crossed ₹30 trillion (₹30 lakh crore) in November 2020. Continuing this strong momentum, the industry's AUM stood at ₹82.03 trillion (₹82.03 lakh crore) as of 28th February 2026.
- Monthly SIP inflows in a month crossed Rs. 30,000 Crs during the FY, displaying the ever-surging popularity of SIPs.
- In the Financial Year, the Reliance group made its entry into the Mutual Fund space, joining hands with global major BlackRock through Jio BlackRock Mutual Fund. The FY also saw the launch of The Wealth Company and Abakkus Mutual Fund, increasing the number of players. FY 27 is expected to see the entry of many more new AMCs.
- The launch of **Specialised Investment Funds(SIF)** marks an important step and adds another component to the basket of investment products. The introduction of SIFs very well coincided with the geopolitical tensions and gave them a good start. The derivatives exposure of SIFs has made them one of the best-performing products during the current geopolitical tensions.



MUTUAL FUND – EQUITY, HYBRID, DEBT

Category	FY Return	Category	FY Return
Equity : Large Cap	3.9%	Hybrid: Aggressive	1.66%
Equity : Large & Midcap	3.01%	Hybrid: Arbitrage	5.93%
Equity : Flexi Cap	3.59%	Hybrid: Dynamic Asset	1%
Equity : Multicap	2.72%	Hybrid: Multi Asset	9.80%
Equity : Midcap	0.26%	Debt: Long Duration	1.83%
Equity : Smallcap	4.16%	Debt: Medium Duration	5.91%
Equity : Value Oriented	0.51%	Debt: Short Duration	5.46%
Equity : ELSS	4.5%	Debt: Ultra Short Duration	6.14%
Equity : Sectoral Banking	8.6%	Debt: Liquid	5.85%
Equity : Sectoral Infrastructure	1.11%	Debt: Money Market	6.39%
Equity : Sectoral Pharma	2%	Debt: Overnight	5.36%
Equity : Sectoral Technology	17.81%	Debt: Corporate Bond	5.49%
Equity : Thematic Energy	4.02%	Debt: Credit Risk	8.12%
Equity : Thematic PSU	0.53%	Debt: Gilt	0.78%
Equity : International	2.31%	Commodities: Gold	61.35%

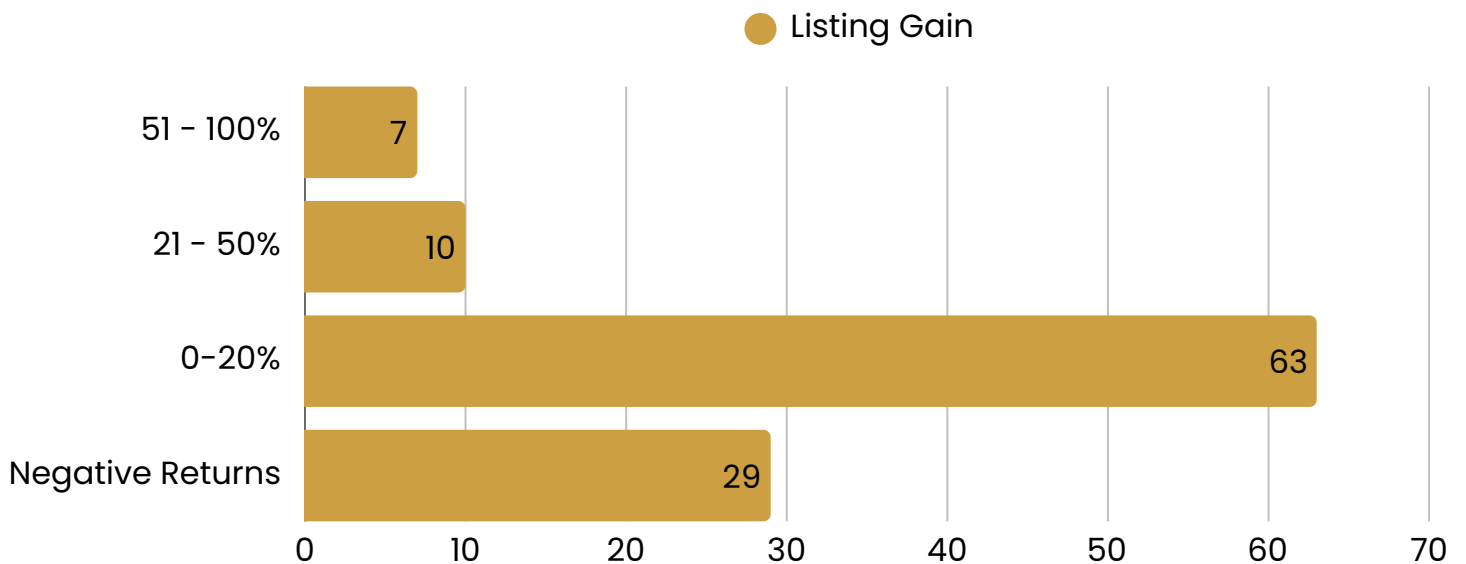
Returns as on 31st March 2026



IPO LISTINGS

TOP 5 BY LISTING GAINS

COMPANY NAME	ISSUE PRICE	LISTING PRICE	LISTING GAIN %
Bharat Coking Coal Ltd.	23	45	95%
Highway Infrastructure Ltd.	70	115	64.29%
Urban Co.Ltd. (Urban Company)	103	161	56.31%
Aditya Infotech Ltd.	675	1,015	50.37%
LG Electronics India Ltd.	1,140	1,710	50%



- Indian companies raised ₹1.77 lakh crore through 109 Mainboard IPO's.
- Of these, 7 IPOs gave over 50% returns, 10 gained between 21-50%, 63 saw gains up to 20%, and 29 listed with negative returns.



NEWS OF SIGNIFICANCE

April

On 2nd April 2025, US President announced the Liberation day tariffs, 10% tariff on nearly all imports into the U.S.. Additional “reciprocal” tariffs were announced on dozens of trading partners.

May

India and the UK reached an FTA (Free Trade Agreement) that aims to boost trade between the countries. The agreement will cut levies on 90% of British products sold in the country, including whisky, food and electrical devices. The new agreement is expected to increase bilateral trade between the countries by \$34 billion a year from 2040.

June

India's economy surged with a better-than-expected 7.4% growth in the Jan-March quarter, fueled by strong performances in agriculture and construction. This robust growth propelled the overall fiscal year 2024-25 to 6.5%.

July

The US announced its tariff rates for imports from countries which are its leading trading partners. Imports to the US from Mexico, China, Canada, Germany, Japan, Vietnam, South Korea, Taiwan and the UK will attract a tariff of 25%, 30%, 35%, 15%, 15%, 20%, 15%, 20% and 10% respectively.

August

The 50% US tariff on Indian exports (effective August 27, 2025) triggered short-term market volatility, but supportive domestic policies, GST relief, export diversification, and strong global confidence in India are helping sustain long-term optimism.

September

Japanese rating agency R&I upgraded India's long-term sovereign credit rating to 'BBB+' from 'BBB', while maintaining a 'Stable' outlook on the economy.



NEWS OF SIGNIFICANCE

October

Donald Trump announced a 100% tariff on China, escalating trade tensions over rare earth export curbs.

IMF raised India's FY26 growth outlook to 6.6% on strong Q1 performance, the highest among peers.

November

India-EU FTA progressed with 10 chapters finalized and the rest agreed in principle, with a breakthrough expected next month.

Moody's forecasts 7% growth for India this year. Strong local demand is expected to ensure 6.4% growth in 2026. The APAC region is projected to grow 3-4% next year.

December

India-New Zealand FTA concluded, with \$20bn commitment and zero-duty access, targeting \$5bn trade in 5 years.

Microsoft to invest \$17.5 billion in Telangana after Satya Nadella's meeting, focusing on AI, cloud, and infrastructure.

January

India overtook Japan to emerge as the world's 4th largest economy and is poised to surpass Germany to become the 3rd largest by 2030.

Gold and Silver prices surged to record highs, with Gold touching \$5,000/ounce and Silver reaching \$100/ounce.

February

Union Budget 2026 emphasized capex growth, increasing to ₹12.2 lakh crore for FY27, up 11.5%.

The Israel-US conflict with Iran escalated in late February 2026, following coordinated airstrikes on Iranian infrastructure.

March

U.S. President Donald Trump announced a \$300 billion partnership with Reliance Industries (RIL) to build the first major new oil refinery in the U.S. in 50 years at Port of Brownsville, Texas, aimed at processing U.S. shale oil.



UNION BUDGET 2026 – KEY HIGHLIGHTS

- A new Income Tax Act, 2025 will come into effect from April 1, 2026, aimed at simplifying and modernising the direct tax system.
- Due date for filing ITR-3 & ITR-4 (business income) extended from 31st July to 31st August; ITR-1 & ITR-2 remain unchanged.
- Deadline for filing revised returns extended from 31st December to 31st March, providing additional time for corrections.
- Share buybacks will now be taxed as 12.5% capital gains (if held over one year) instead of dividend taxation.
- TCS reduced to 2% on foreign education, medical expenses, and overseas tour packages, improving cash flow.
- One-time Foreign Asset Amnesty Scheme introduced for small taxpayers, students, and NRIs to disclose overseas assets.
- Sovereign Gold Bond tax exemption available only if held till maturity; secondary market purchases not eligible.
- Property purchase from NRIs simplified – TDS can now be paid using PAN instead of TAN.
- STT increased on derivatives – Futures: 0.02% to 0.05%, Options: 0.10% to 0.15%.



OUTLOOK FOR FY 26 – 27

FY 26–27 is shaping up to be a year where macro variables—not liquidity or sentiment—will dictate outcomes.

The Crude Oil Pivot: The Single Biggest Variable

If there is one factor that will disproportionately influence markets this year, it is crude oil. Elevated prices, especially if they sustain above the \$100 mark can have a cascading impact across the economy. Higher input costs would compress margins across sectors, potentially dragging corporate earnings growth down by 6–8%. At a macro level, India's GDP growth could also take up to a 1% hit under such a scenario.

That said, geopolitical developments, particularly signals from Donald Trump suggesting a possible de-escalation in global conflicts offer a window for crude prices to soften. If oil stabilizes sooner than expected, it could materially improve the earnings trajectory and macro outlook.

Indian Equities: A Phase of Consolidation, Not Weakness

Indian markets are in the middle of elevated valuations, combined with earnings uncertainty, that could result in a phase of consolidation or modest returns.

However, beneath the surface, sectoral opportunities remain:

- Banking: Likely to rebound sharply once oil stabilizes and macro pressures ease
- IT: After a prolonged consolidation, could see earnings normalization driven by global tech spending recovery
- Consumption: A long-awaited revival may finally take shape, supported by easing inflation and rural recovery

This would be a transition from momentum-driven to earnings-driven markets. However, if oil prices correct sooner, earnings growth can rebound, especially given the relatively strong balance sheets of Indian corporates and improved banking system health.

Interest Rates & Bond Markets: A Delicate Balance

Interest rate trajectory will hinge largely on inflation, which in turn is closely tied to energy prices. If crude cools early, rate hikes may pause or remain limited. Else, central banks may maintain a hawkish stance.

In the latter case, bond yields could remain elevated, putting pressure on bond prices in the near term.

Rupee vs Dollar: Signs of Stability

The worst phase of INR depreciation appears to be behind us. With the rupee currently at a relatively weak base, the downside seems limited unless crude spikes sharply again.



OUTLOOK FOR FY 26 – 27

Precious Metals: Poised for a Strategic Comeback

Gold and silver may regain momentum under a favorable combination of factors:

- Softening US dollar
- Renewed de-dollarisation efforts by global central banks
- Drop in oil prices

After a temporary pause, these structural drivers could push precious metals into a renewed upcycle, making them an important portfolio hedge.

Global Markets & the Case for Diversification

While India has been a standout performer in recent years, FY27 may see relative outperformance from select global markets, especially if:

- US growth stabilizes without aggressive rate hikes
- China implements stronger policy stimulus
- Other emerging markets benefit from currency & commodity cycles and cutting-edge technologies.

The United States, in particular, remains resilient due to lower oil import dependency and strong domestic consumption.

The larger message is clear. Global diversification should not be tactical, it must be structural. Portfolios should maintain consistent international exposure across cycles, not just during phases when India underperforms.

The Road Ahead

FY 26–27 is unlikely to reward one-dimensional strategies. Instead, success will depend on:

- Balanced asset allocation
- Exposure across geographies
- Inclusion of hedges like precious metals
- Patience through earnings normalization cycles
- Exposure to products like SIFs may make sense once they prove consistently

Markets may appear uncertain in the near term, but for disciplined investors, this phase offers an opportunity to reposition portfolios for the next leg of sustainable wealth creation and to deploy fresh surplus in phases at attractive prices.



JOURNEY OF DV IN FY 2026

Dhanavruksha FY26: Strengthening Foundations, Expanding Horizons

We're happy to share another strong year for Dhanavruksha in FY 26. With continued focus on portfolio quality, disciplined investing, and expanding our reach, we strengthened our foundation while preparing for the next phase of growth.

Assets Under Management (AUM):

Total AUM increased from ₹233 Cr to ₹260 Cr in FY26, reflecting steady growth despite market volatility.

Monthly SIP inflows also saw strong momentum, increasing from ₹85 Lakhs to ₹1.14 Cr, strengthening long-term portfolio stability.

Non-MF AUM across Equities, PMS, AIFs, Fixed Deposits and NPS now stands at ₹44.82 Cr, reflecting continued diversification beyond mutual funds.

Business Loan Growth:

Our Business Loans vertical continued its strong momentum with ₹36.55 Cr disbursed in FY26, supported by strong pipeline and improved conversions.

Geographic Expansion:

During the year, we onboarded a business partner in Mumbai, marking our first step towards multi-city presence. We are also actively working towards expansion in Bangalore and other major cities in FY27.

Technology & AI Focus:

We are increasingly integrating AI into operations, research, and marketing, helping us improve efficiency, insights, and client communication as we scale.

Stronger Digital Presence:

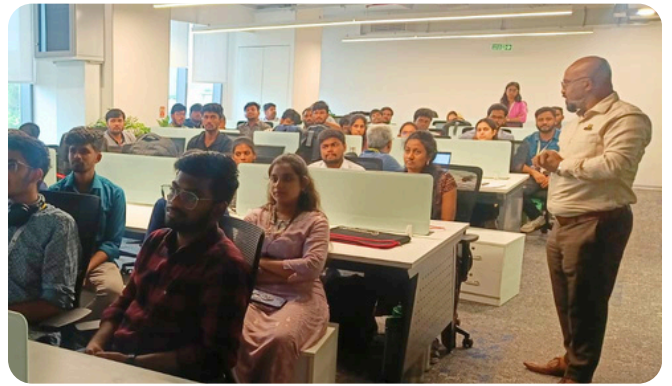
We further strengthened our presence across social media platforms, expanding our reach and continuing our mission of spreading financial awareness. We also launched a dedicated Malayalam channel, **Malayaliyum Panavum**, to connect with and educate a wider regional audience.



FINANCIAL AWARENESS SESSIONS CONDUCTED IN FY 26



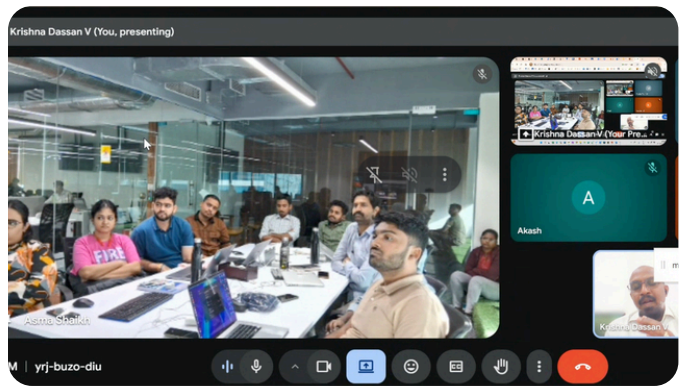
June - IppoPay Technologies (Chennai)



June - Synergech Technologies



August - Mapleton Apartment
Chennai



September - Ippopay Technologies Webinar
Mumbai Team



February - Loyola College



March - NTC Logistics



March - Tech Mahindra Webinar



DHANAVRUKSHA

Wealth Management | Equities, Mutual Funds, Portfolio
Management Services, AIFs, NPS, Bonds, Deposits, Unlisted Shares.
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