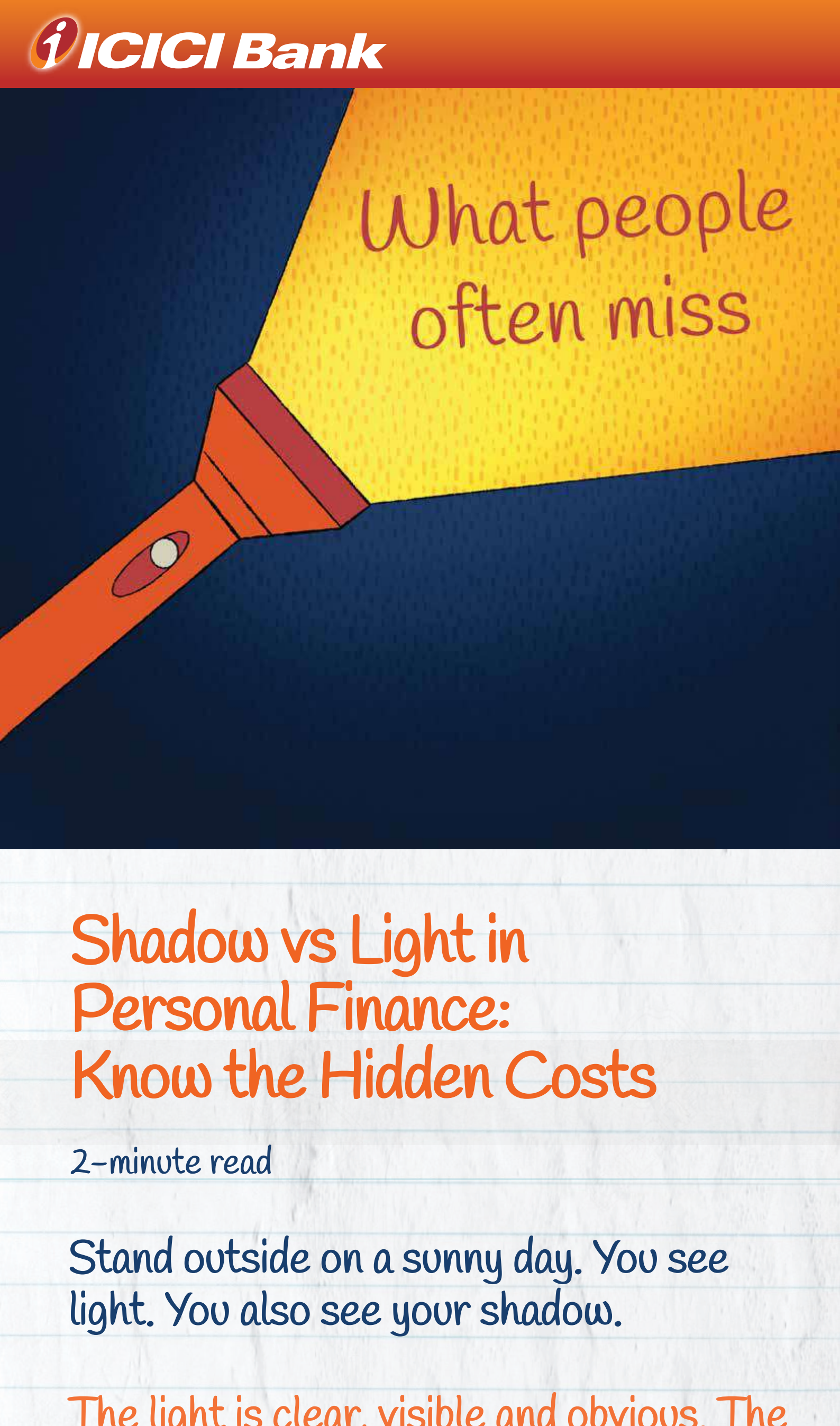


THE ORANGE BOOK



Shadow vs Light
Know the hidden costs



Shadow vs Light in Personal Finance: Know the Hidden Costs

2-minute read

Stand outside on a sunny day. You see light. You also see your shadow.

The light is clear, visible and obvious. The shadow? Subtle, often ignored but always present.

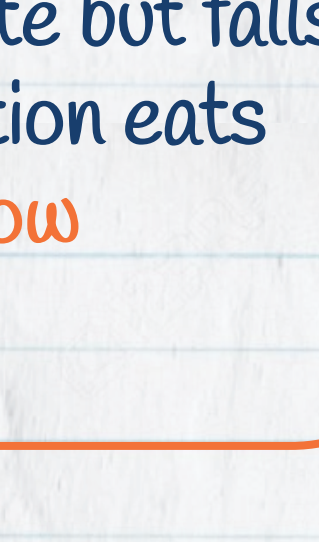
Personal finance works exactly the same way. Most of us stay in the light, saving money, investing in Fixed Deposits (FDs), Mutual Funds or stocks and paying Credit Card bills on time. These are good, even necessary habits. But they are also the visible basics that everyone knows about.

However, the real difference arises when you account for what lies in the shadows too, the things people often miss but which shape long-term financial health.

The Shadow: Hidden Financial Costs Every Investor Must Know

The quieter parts of money management do not get much attention, but ignoring them can throw your finances off balance.

Inflation planning



While investing and saving for future goals, many forget to include the impact of inflation. This leaves a corpus that feels adequate but falls short in real terms. Inflation eats away silently, like a shadow lengthening over time.

Tax efficiency

Many invest without considering post-tax returns and focus only on the mentioned return of an investment, which can be different. Always calculate post-tax returns.

Emergency readiness



While savings are common, not many ring-fence a proper 6-month emergency fund. It is rarely required until a crisis hits.

Time horizon mismatch

People put long-term money into instruments they may need soon or keep surplus cash idle instead of investing for decades. Shadows form when timelines do not align.

Behavioural biases

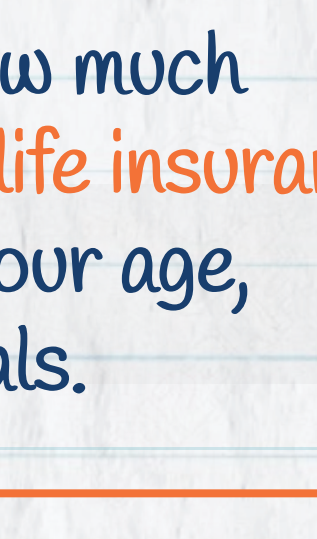


Herd investing, panic selling, chasing trends. Most investors do not realise their emotions cast the longest shadow on financial decisions.

Time Value of Money

A rupee today is worth more than a rupee tomorrow, yet many delay investments or leave money idle in low-yield accounts. Ignoring investment reduces the compounding power that builds wealth over time.

Currency fluctuations

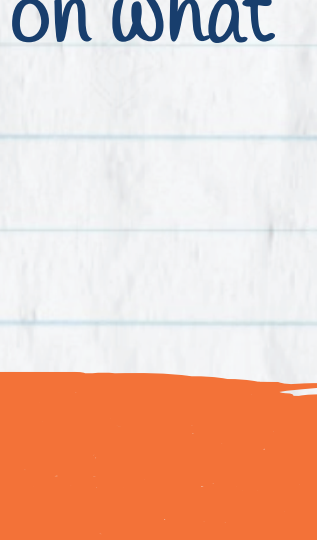


For international investments or overseas goals, exchange rates can significantly alter outcomes. A weakening rupee inflates foreign costs, while a stronger one reduces overseas costs.

Capital Gains Tax

Investors often celebrate potential returns without factoring in the tax hit at withdrawal. Every asset class are taxed differently, shrinking the final amount in hand. Keep in mind the capital gains added to income may also push the total income to a level where surcharge may apply.

Insurance gaps

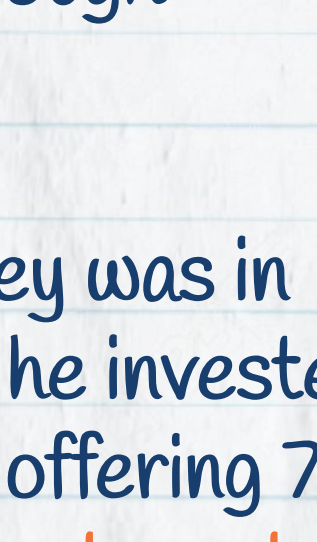


Many underestimate how much cover they need. Use a life insurance calculator to factor in your age, income, lifestyle and goals.

Asset allocation

Too much equity? Too much debt? Or just cash lying idle? Proper allocation, based on your risk profile, helps build a diversified portfolio.

Longevity risk



With people living longer, outliving your money is a real concern. Retirement planning is about both wealth creation and preservation.

These are blind spots that exist because people focus only on what is easy to see.

The Illusion of Growth in Investments

How Inflation and Taxes Affect Real Investment Returns

Let us understand this through Rohan's example.

At 36, Rohan felt his money was in safe hands. Back in 2015, he invested ₹1 lakh in a 10-year bond offering 7%. 'Guaranteed income, no stock market risk,' he thought.

Fast forward to 2025. On paper, his investment had grown to around ₹1.63 lakh. A tidy 63% gain without any effort. The numbers looked reassuring.

But here's the twist.

In a 30% tax bracket, his post-tax returns weren't really 7%, but closer to 4.9%. Add inflation into the mix with India's average inflation rate over the past decade at ~5%*.

Now, compare the two:

- His money grew at ~4.9% after tax.
- The cost of living rose at ~5%*.

Result? The ₹1.63 lakh in 2025 could buy less than what ₹1 lakh did back in 2015. His nominal returns looked great but in real terms, his purchasing power shrank.

That's the danger of ignoring the shadows. The light shows you growth. The shadow shows whether that growth is real or just an illusion.

True financial health comes from balancing both the light, which is visible and the shadows, which are usually overlooked.

*Retail Inflation Rate. Source: Press Information Bureau 2024-25
Tax Benefits are subject to amendments in tax laws from time to time.

The Mirage of Control in Investing

2-minute read



Imagine standing on a beach, watching the waves crash. Judged only by the waves, the ocean looks wild and dangerous. But beneath, a powerful tide moves in one direction.

Equity markets are much the same. The daily noise of **price movements** tempts retail investors to believe they can surf the waves, jumping in and out for **quick profits**. But in chasing control, many end up exhausted, out of rhythm and far from shore.

The Comfort of Constant Action: Why Frequent Trading Can Hurt Investment Returns

For many **investors**, the ability to **buy or sell** anytime provides a sense of safety. But that comfort often comes at the **cost of returns**.

Volatility looks dangerous:

A **15–20% drop** in stock price sparks panic, even if the business behind it remains healthy.

Real risks are invisible:

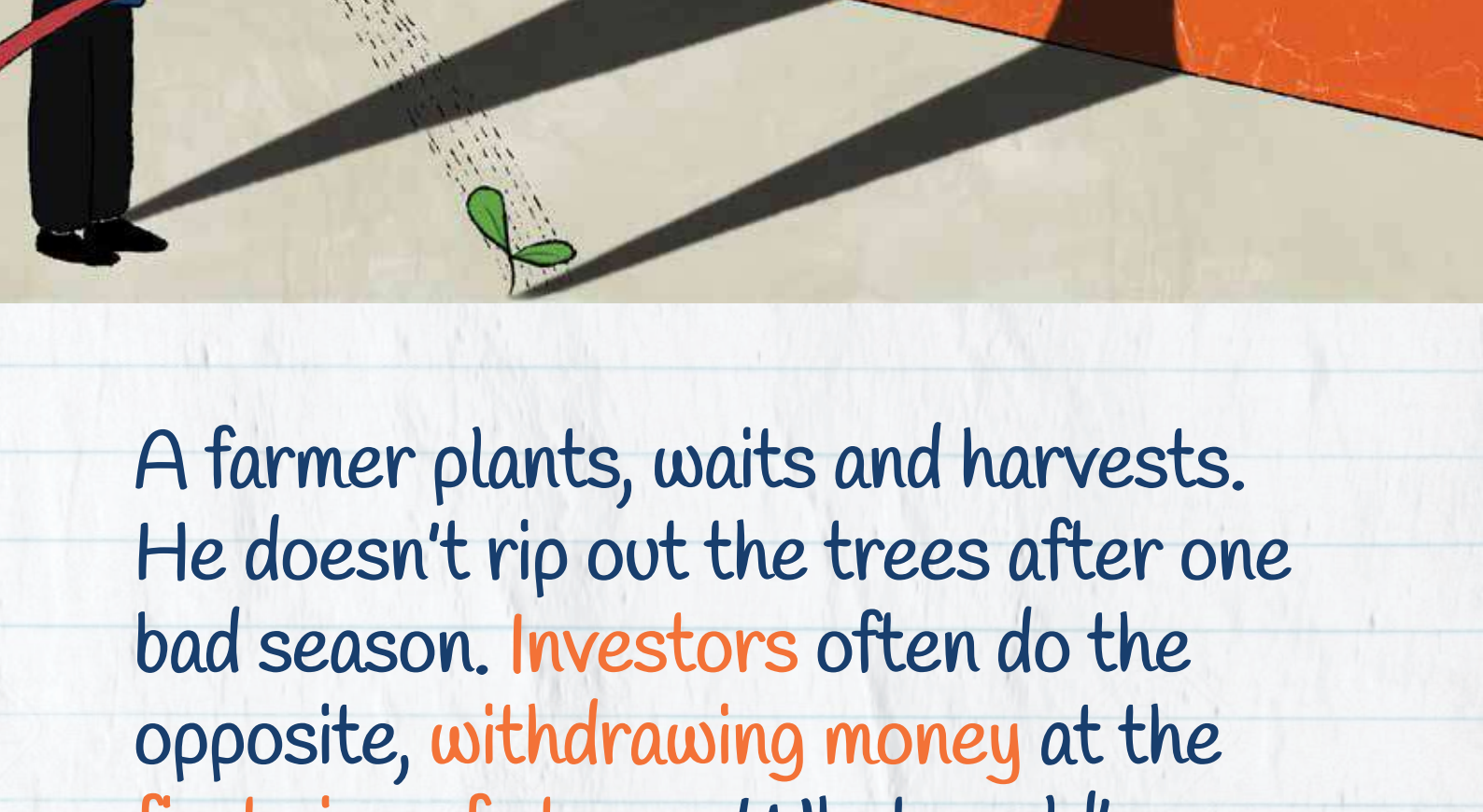
Inflation quietly reduces the value of **idle savings** but because it creeps in slowly, investors underestimate its bite.

Activity feels like progress:

Frequent **buying and selling** seems like '**managing**' risk but each trade adds costs, slowly draining **compounding power** (if sold at loss, it doesn't add tax cost; in fact it can reduce tax on profitable trades).

Over decades, these small leaks matter. At 12% returns, **₹ 10 lakh** can grow to nearly **₹ 1 crore** in 20 years. At 6%, it's only about **₹ 30 lakh**.

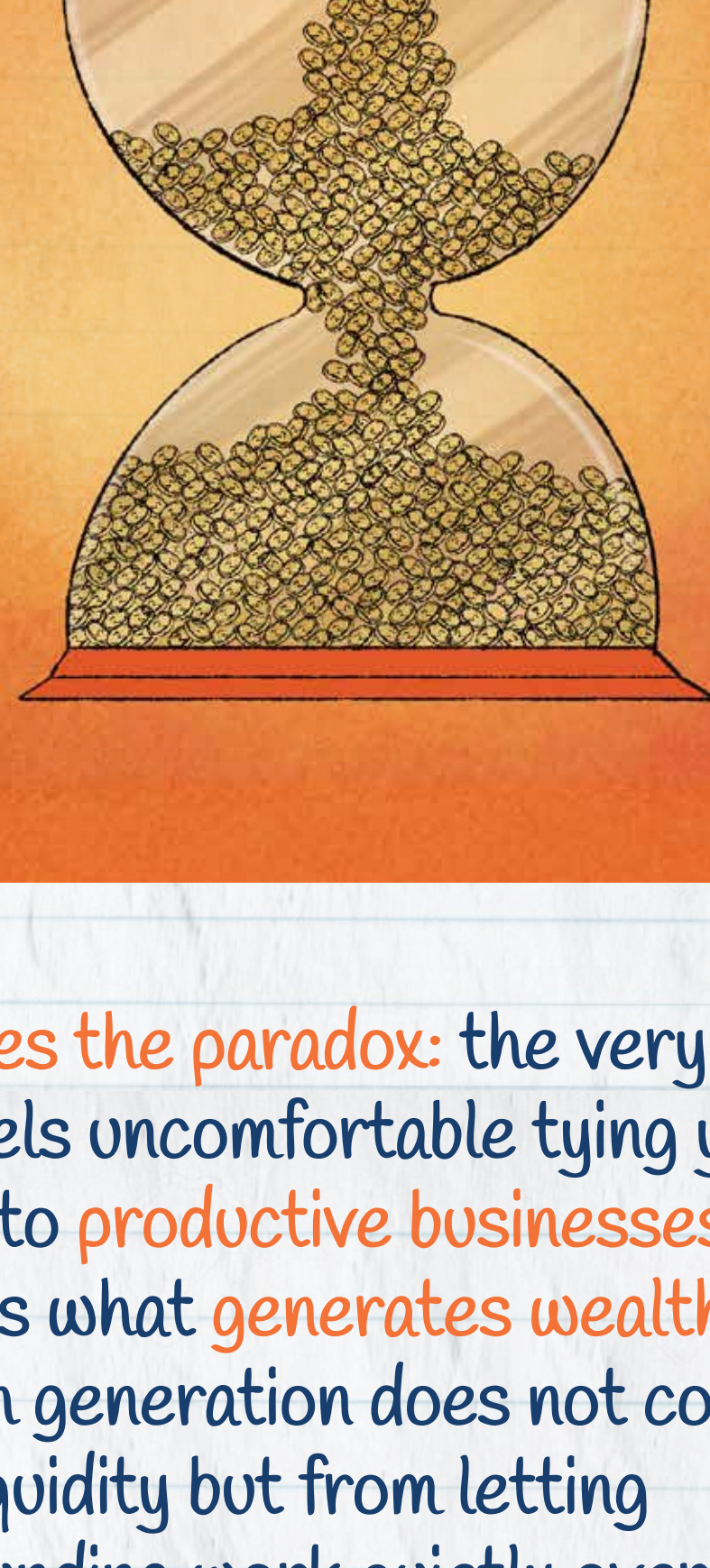
The Orchard vs. the Noise: Long-Term Investing vs Daily Market Fluctuations



A farmer plants, waits and harvests. He doesn't rip out the trees after one bad season. **Investors** often do the opposite, **withdrawing money** at the **first sign of stress**. What could've been an orchard turns into a barren land.

Disciplined investors take the farmer's approach. They **focus on the businesses** they own, not on market volatility. They understand that **wealth grows like trees – slowly, steadily and invisibly** – until one day the shade and fruits are undeniable.

Choosing Productive Illiquidity: Benefits of Staying Invested for Long-Term Wealth



Here lies the paradox: the very feature that feels uncomfortable tying your money to **productive businesses** for years, is what **generates wealth**. Wealth generation does not come from liquidity but from letting compounding work quietly over time.

In chasing control of the waves, investors often miss the tide. It's a mirage we should always be aware of.

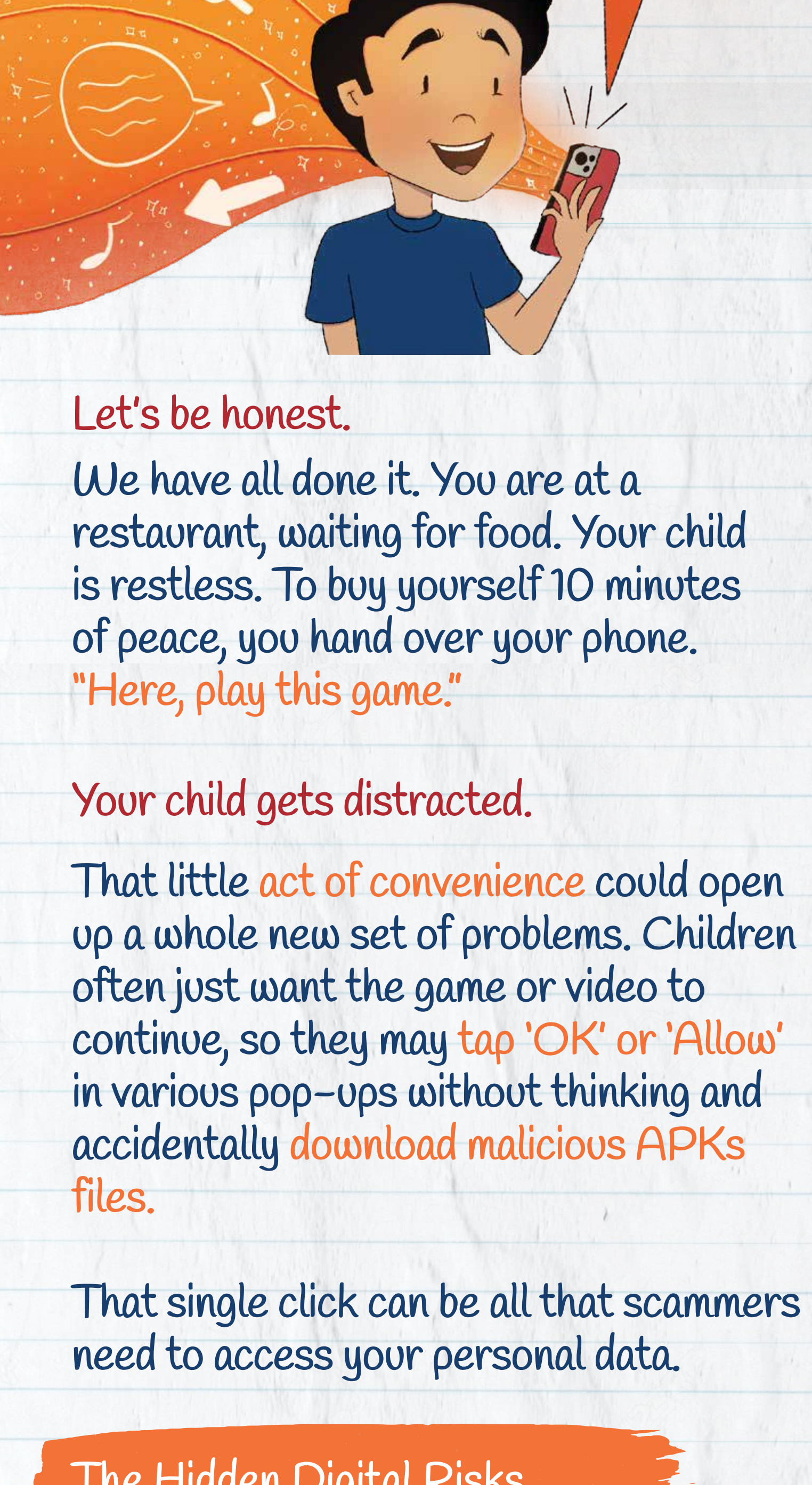
Before making your next move in the market, pause and ask yourself these questions:

1. Am I mistaking daily market noise for real signals?
2. Do I focus too much on volatility while overlooking inflation and timing risks?
3. Am I nurturing my investments with patience or rushing for quick wins?

Safety of Children in the Digital World: How Parents Can Protect Kids from Online Risks

It is as important as keeping them safe in the real world.

2-minute read



Let's be honest.

We have all done it. You are at a restaurant, waiting for food. Your child is restless. To buy yourself 10 minutes of peace, you hand over your phone.

"Here, play this game."

Your child gets distracted.

That little **act of convenience** could open up a whole new set of problems. Children often just want the game or video to continue, so they may **tap 'OK' or 'Allow'** in various pop-ups without thinking and accidentally **download malicious APKs** files.

That single click can be all that scammers need to access your personal data.

The Hidden Digital Risks Parents Must Know About



Imagine taking your child to the park. Normally, you would scan the area: Are the swings safe? Is the slide too high? Are there strangers lurking around?

Now, think of your smartphone as another kind of park – a virtual one. And this one has no clear fences, no guards and often, no warning signs.

Here is what could happen when children enter here unaccompanied:

Private data exposure:

Some apps ask for **access** to photos, microphone or location. A child clicking '**Allow**' may unknowingly expose your personal information.



Accidental spending:

Free games are often free only until your child taps '**buy now**' on a shiny upgrade. A few taps could leave you with a **₹ 3,000** bill for cartoon diamonds.

Banking blunders:

Children may accidentally **transfer small sums** from **banking apps** or **wallets**, especially for transactions that don't require **OTP** approval. These slips can add up quickly.



Screen addiction:

Games and short videos are designed to **keep children hooked**, often affecting sleep, mood and attention span.

Inappropriate content:

Ads, links and autoplay features can easily expose kids to material that is not age-appropriate.

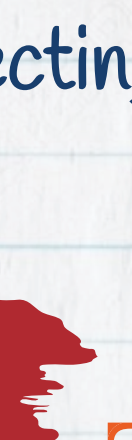


Malware and scams:

Clicking random **links** or **pop-ups** could install **harmful software**, putting your data and finances at risk.

Talking to strangers:

Chat features in **online games** may look harmless but can expose your children to strangers with malicious intent.



What Can Parents Do to Ensure Digital Safety for Children?



The good news? You **don't need** to snatch the phone away or ban your child from using it. With a few **smart moves**, you can create a **safer digital space**.

Create a Kid Zone:

Most smartphones today allow you to create a **separate child profile**. Only apps you approve appear there, like a fenced-off play area within your phone.



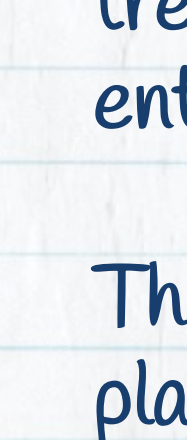
Lock Up Important Apps:

Banking apps, shopping apps, app stores and **messaging apps** should be **secured with an extra password** or fingerprint. Even if your child stumbles into the wrong folder, they can't go further.



Use UPI Lite for Small Payments:

If your child uses UPI for school or pocket money, set up **UPI Lite**. It allows safe small transactions while protecting your main balance.



Choose Apps Like Toys:

Just as you wouldn't buy a toy without **safety checks**, don't **download apps** without reviewing **ratings**, age guidelines and privacy policies.



Teach the 'Ask First' Rule:

Train your child to pause before clicking. **Permissions** in **pop-ups, ads or apps** should always trigger one rule: come and ask you first.

Install Reliable Antivirus Protection:

This adds a crucial layer of **security** against **harmful downloads**, phishing links or malware.

Co-Play Sometimes:

Sitting with your child while they **play or watch content** builds trust and gives you a real-time view of what they're exposed to.

The Bigger Picture: Creating Safe Digital Habits for Kids

Technology is not the enemy. The right apps can help your child learn math, pick up new languages or spark creativity. The real danger lies in treating your phone as harmless entertainment.

Think of your smartphone as a playground, safe only when you set the right boundaries.

Vacation or Trap?

How to Avoid Travel Scams and Protect Your Money

3-minute read

Postcards once carried little pieces of happiness, sunlit beaches, snowy peaks or bustling streets. They were simple, heartfelt reminders from people who had travelled far and wanted to share a slice of that joy. **Online travel scams** often look like a postcard – dream destinations on the front, but the story on the back tells a very different tale. Here are a few 'postcards' you'd never want to receive.

Beach Bliss or Empty Plot?

"Greetings from our luxury beach resort! 7 nights, all-inclusive, for only ₹ 9,999. Book today!"

Reality:

The resort never existed. The website was a copycat, and the money vanished.



Lesson:

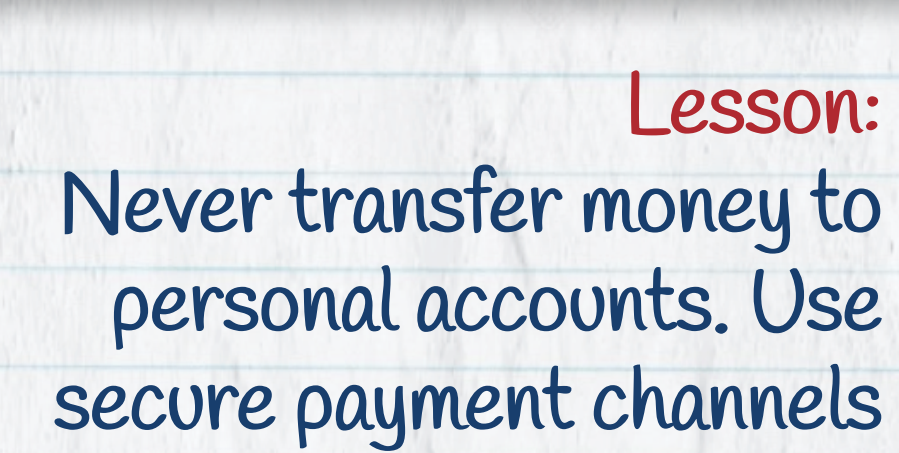
Always double-check URLs and verify agencies before booking.

Alpine Adventure or Missing Agent?

"Hello from the snowy Alps! Ski holiday packages usually cost ₹ 1,20,000, but thanks to our exclusive agent, we are offering it to you for ₹ 45,000 only!"

Reality:

The 'agent' was a fraud. Payments were made to a **personal account** and the family found themselves stranded with no tickets.



Lesson:

Never transfer money to personal accounts. Use secure payment channels such as credit cards or **trusted payment gateways**.



Island Paradise or False Promise?

"Sunny greetings from the Maldives! Can you believe this **luxury villa cost** just a fraction of the usual price at just ₹ 60,000!?"

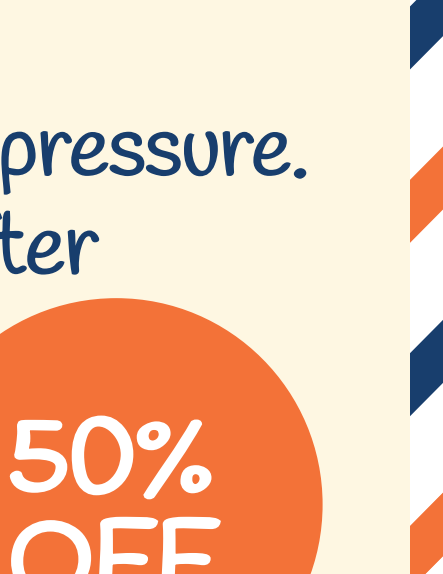
Reality:

The villa didn't belong to the scammer. The booking was fake.



Lesson:

If a deal feels too good to be true, it probably is.



Deals that Fizzle Out!

"Flash deal A ₹ 75,000 trip slashed to ₹ 20,000! But only if you book in the next 2 hours!"

Reality:

Victims rushed to pay under pressure. The operator disappeared after collecting money.



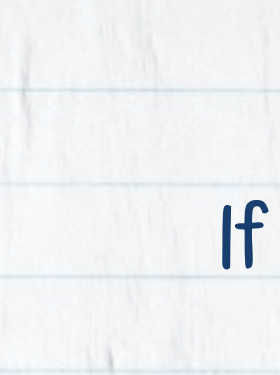
Lesson:

Real offers don't vanish in hours. Always take time to verify before paying.



Don't let **scammers** turn your dream vacation into a **nightmare postcard**. Research, verify and book smart, so that every **postcard you send**, carries only **happy memories**.

Safety Tips to Protect Yourself



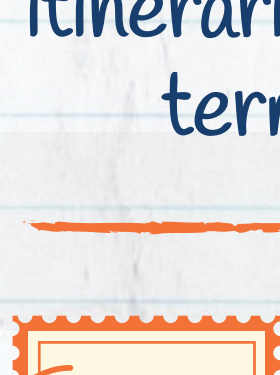
Research and Verify:

Always verify a travel agency's legitimacy by checking official websites, customer reviews and verified contact information.

Be Skeptical of Deals:



If a package seems too good to be true, stay alert.



Secure Payments:

Use credit cards or secure payment gateways that offer buyer protection. Avoid direct transfers to personal accounts, cash payments, cryptocurrencies or gift cards.

Get Everything in Writing:



Ensure you receive official confirmation, itineraries and payment receipts with all terms and conditions clearly stated.



Avoid Suspicious Links:

Do not click on links or open attachments in unexpected emails or messages.

Check URLs:



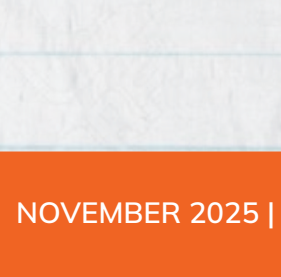
Always confirm that you are on the legitimate provider's official website before entering any personal or financial information.



Guard Personal Information:

Never share sensitive personal or financial details over the phone or unverified platforms.

Consult Others:



Discuss travel offers with trusted friends, family or colleagues for a second opinion.



If you are a victim of online fraud, reach out to the **National Cyber Crime at cybercrime.gov.in**, call the helpline number on **1930** or call **ICICI Bank's helpline number on 1800 2662**.

If you receive malicious, phishing or suspicious emails or calls, report them to **Sanchar Saathi** and **ICICI Bank at antiphishing@icicibank.com**.



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to help us improve.

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