

# How safe is your child's education fund?

Market volatility and inflation pose risks to investments for your child's education. Find out how to keep them safe. **P2**



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# HOW SAFE IS YOUR CHILD'S EDUCATION FUND?

Market volatility and inflation pose serious risks to investments for your child's education. Find out how to keep them safe.



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By Babar Zaidi

**H**er equity investments have earned good returns and she is very bullish on the India story. Yet, Mumbai-based entrepreneur Teena Shah (*see picture*) has started booking profits and shifting her money from equity funds to fixed deposits. “With just three years to go for my daughter’s college, I can’t afford to remain invested in equities,” she says.

Financial planners would agree. However bullish you may be on the equity markets, if your financial goal is very near, say 2-3 years away, you should not be invested in volatile assets. A sudden downturn in the equity markets, such as the Covid-induced crash of March 2020, can

make a big dent in your corpus and upset your planning. The higher returns from equity investments are not worth the risk.

Shah can afford to take a breather because she started early and has already built a sizeable corpus of ₹2 crore. When her daughter was only six, she started an SIP of ₹5,000 in a large-cap equity fund. Later, she added flexi-cap and small-cap funds to the portfolio. The benefits of an early start cannot be stressed enough when you are saving for a long-term goal. The multiplier effect in the power of compounding comes from the investing time horizon. The longer the time horizon, the greater is the multiplier effect. If you delay investing, your corpus will be significantly smaller. Shah also made the smart move of increasing the SIP amount every

year. “As my income increased and confidence also grew, I started investing more in equity funds,” she says. The monthly investment has increased from ₹5,000 in 2015 to ₹35,000 now.

It’s only that the monthly investment is no longer flowing into equity funds, but in fixed deposits. “Stocks have the potential to give great returns in the long term, but greed should not make the investor lose sight of her goals,” says Shah. Experts say that when the goal is very near, the investment strategy should focus on capital protection, with no more than 10-15% in equities.

## Taking inflation into account

Stock market volatility is not the only challenge faced by parents saving for their

children’s education. Inflation is also a big problem, although it is not always visible. Education costs are rising at a fast clip of almost 10-12% per year. In fact, after healthcare, education is the fastest growing cost in the average household budget. Parents who have not taken inflation into account may end up falling short of the targeted amount.

That’s what is worrying Maria and Chitwan Dogra (*see picture*). The Noida-based couple has been investing in safe fixed-income options for their daughter’s education. However, their perspective changed after they met a financial planner. He told them that the 7% annual return earned on their savings would not be able to keep pace with the 10% yearly increase in the goal target. In 13 years,

when their daughter is ready for college, the required amount would have risen from ₹1 crore to nearly ₹3.5 crore.

Their financial planner has advised Dogras to start investing in growth assets. He says the child education goal is 13 years away, so the asset allocation of the investment portfolio should be at least 80% in equities and only 20% in fixed income. It may not be possible to go from zero to 80% immediately, but the Dogras are now going to start SIPs in equity and hybrid funds so that they have enough for their daughter's college expenses.

They have also been advised to review the progress of the investment plan and increase the SIP amount every year in line with the increase in salaries. Any windfall gain or maturing fixed deposits should also be ploughed back into the equity portfolio.

### Foreign education will need more

Parents planning foreign education for their children have to be extra careful. They also need to account for the depreciation of the rupee against the foreign currency. The US dollar has risen about 20% against the rupee in the past five years, averaging an appreciation of more than 3.5% per year. So, along with the rise in the cost of education in the foreign university, the rupee depreciation will push up the required target.

That's something Richa Malhotra has carefully considered in her calculations. The Delhi-based finance professional is saving for her children's foreign education. "The cost of foreign education is around ₹70 lakh right now. I have assumed a 14% annual increase in the cost," she says. Accordingly, the target works out to around ₹1.5 crore for her son in six years and ₹2.5 crore for her daughter in 12 years (see graphic).

Her planning doesn't stop here though. As a chartered accountant and head of corporate sales at TaxSpanner.com, Malhotra understands the tax benefits available on education loans. Under Section 80E, the entire interest paid on an education loan can be claimed as tax deduction. Accordingly, she plans to go for education loans to fund her children's foreign studies. It would be a smart move because the savings in tax can drastically bring down the effective cost of loan. The higher the taxable income of the individual, the bigger the tax benefit. For someone in the 30% tax bracket, a loan taken at 14% per annum effectively costs 9.63% a year.

This is very cheap considering the prevailing high interest rates, wherein personal loans are available at 18-24%. Also, unlike a home loan, where the tax deduction for self-occupied houses is limited to ₹2 lakh in a year, there is no limit to the tax de-



## Teena Shah, with daughter, Anika

Goal target  
₹2.6 crore

Corpus accumulated  
₹2.0 crore

Time available  
3 years

Investment per month  
₹35,000

The Mumbai-based entrepreneur started investing in equity mutual funds for her daughter's higher education eight years ago, when Anika was only six. The aggressive bets have helped build a large corpus. Since the goal date is very near, she has started booking profits and is gradually moving the money to fixed deposits.

*"Stock markets are doing well, but the goal is very near. Greed should not make one lose sight of the goal."*

## Maria & Chitwan Dogra, with daughter, Samara

Goal target  
₹3.45 crore

Corpus accumulated  
₹30 lakh

Time available  
13 years

Investment per month  
₹50,000

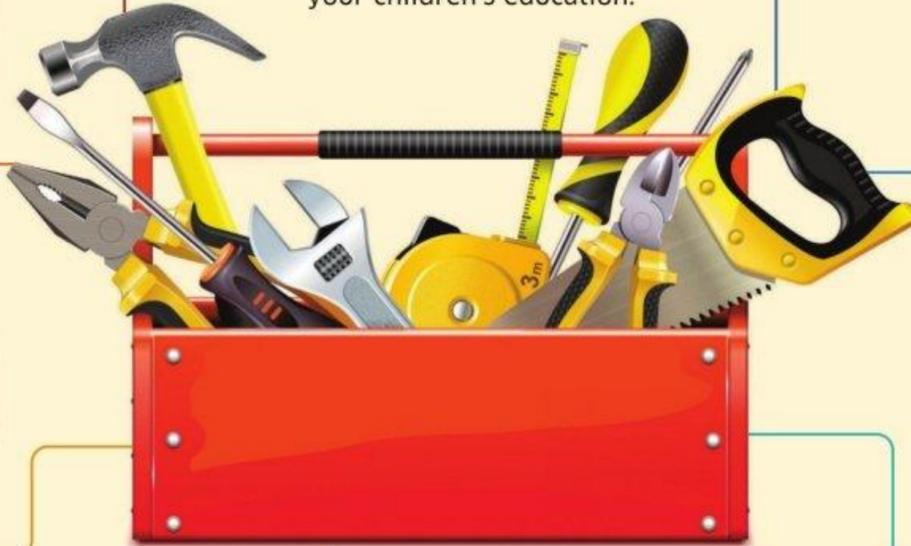
The Noida-based couple invests in the Sukanya Samridhi Yojana, PPF and recurring deposits for their daughter's education. However, this may not be enough to beat inflation. Assuming an education inflation of 10%, their target of ₹1 crore will be at ₹3.5 crore in 13 years. They are now planning to start SIPs in equity and hybrid funds.

*"We wanted to invest in safe options for our daughter's education, but the safe options will not beat inflation."*



## Your investing toolkit

Use these options to build a corpus for your children's education.



### Bank deposits

Fixed and recurring deposits give low, but assured, returns. These have become more attractive after the change in tax rules for non-equity funds. Invest in these for certainty of returns and stability of portfolio.

Return: 7-7.5%

Tenure: 1-10 years

Taxability: Interest income is fully taxable

### Public Provident Fund

The PPF rate has come down in the past two years, mirroring the decline in bond yields. There is also an investment cap of ₹1.5 lakh in a year. However, assured return as well as tax-free interest and maturity make it attractive.

Return: 7.1%

Tenure: 15 years from inception

Taxability: Interest, maturity are tax-free

### Sukanya Samridhi Yojana

Like the PPF, this scheme also offers tax-free interest and maturity, and there's an annual cap of ₹1.5 lakh on the investment. However, it is open only to girls below 10 years. Use it to build a tax-free corpus for your daughter's education.

Return: 8.2%

Tenure: 21 years, or till girl turns 18

Taxability: Interest, maturity are tax-free

### Ulips

Like mutual funds, these insurance plans offer market-linked returns, but with the added benefit that switching between funds has no tax implication.

Return: Market-linked

Tenure: Minimum 5 years

Taxability: Corpus is tax-free if total annual premium of all Ulips (bought after 1 Feb 2021) is less than ₹2.5 lakh.

### Stocks

Investing in bluechip stocks has proved very rewarding for investors. However, investing in shares without adequate research and knowledge of trading rules can be risky. The average investor is better off investing via mutual funds.

Return: Nifty 14.1% (past five years)

Taxability: Long-term capital gains of up to ₹1 lakh in a year are tax-free. Beyond ₹1 lakh gains are taxed at 10%. Short-term gains taxed at 15%.

### Equity funds

Diversified equity funds are an easy and convenient way to invest in stocks. Diversified equity funds cover all segments and sectors of the market. If investing for more than 5-6 years, diversified equity funds are your best bet.

Return (past five years): 16-28%

Taxability: Long-term capital gains of up to ₹1 lakh in a year are tax-free. Beyond ₹1 lakh gains are taxed at 10%. Short-term gains taxed at 15%.

### Debt-oriented hybrid funds

These funds follow a conservative investment strategy, allocating only 10-25% of their corpus to equities and putting the rest in bonds and other debt instruments. This category gives relatively stable returns, so don't expect fireworks.

Return: 9.5% in past five years

Taxability: Gains are added to income and taxed at the marginal rate

## Richa Malhotra & Tinu Sood, with children, Aarav & Anaisha

Goal target

₹1.5 crore (For Aarav)

₹2.5 crore (For Anaisha)



Corpus accumulated

₹40 lakh

₹40 lakh



Time available

6 years

12 years



Investment per month

₹50,000

₹50,000



The Delhi-based professionals are investing in a mix of equity funds and debt options for their children's foreign education. Although they are putting away a big sum every month for this goal, Richa wants to take an education loan when the kids are ready for college.

*"An education loan has a two-fold benefit. It lowers the tax for the parent and inculcates financial discipline in the child."*

duction on an education loan. However, the interest deduction is available for a maximum of eight years. For instance, if you take a loan in 2024 and start repaying it in 2026, the interest deduction will not be allowed after 2034.

A taxpayer can avail of tax deduction only if the loan has been taken for himself, spouse or children. The interest paid on loans taken for siblings or other relatives is not eligible for income-tax deduction. Lenders usually insist on a collateral, which could be immovable property, NSCs, fixed deposits, bonds and endowment insurance policies. Also, the loan should be from a bank or financial institution notified for the purpose. No tax deduction is available if the loan has been taken from a private source or an overseas lender.

For Malhotra and her husband, the benefits of the education loan go beyond numbers. She sees it as a stepping stone that will teach her children financial discipline. "If the child is a co-borrower for loan, the repayment burden will make him financially responsible in his early working years," she says. Education loans usually come with an EMI holiday and the repayment can be deferred for up to 1-2 years till the student has taken a job. "The loan EMI will act as a deterrent and force him to be frugal in his spending," adds Malhotra.

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# Now, higher surrender value on insurance

Irdai's new circular mandates a higher special surrender value on premature exit from endowment plans.

By Anulekha Ray

**T**he Insurance Regulatory and Development Authority of India (Irdai) has ordered a higher special surrender value (SSV) for traditional endowment policies. Now, the policyholder will get a part of his premium back even if he exits after one year. This will offer more liquidity and flexibility to customers if they want to switch their policies, experts say.

As per the circular, the special surrender value of a life insurance policy should be at least equal to the present value of (a) paid-up sum assured on all contingencies covered and (b) paid-up future benefits (such as income benefits), if any, and (c) accrued/ vested benefits, duly allowing for survival benefits already paid, if any paid-up value is calculated as per a formula: number of premiums paid x sum assured/total number of premiums payable.

To arrive at the expected present value of the paid-up sum assured and paid-up future benefits, Irdai has specified a maximum spread of 50 basis points (bps) over the 10-year government bond yield.

## How much will you get if you prematurely exit life insurance?

Let us assume a policyholder pays an annual premium of ₹50,000 for a 10-year policy with a sum assured of ₹5 lakh. Now, after four years, he wants to exit the policy. He

has accumulated a bonus of ₹40,000 till now. He has paid a premium of ₹2 lakh in four years. Let us understand how much more he will get as per the new surrender rule. "According to the earlier rules, 50% of total premiums would have been paid if a policy had been surrendered between the fourth and seventh years. You would have got ₹1.2 lakh back (50% of total premium ₹2 lakh, and bonus of ₹40,000) if you had left the policy after four years, according to previous surrender value norms. With this special surrender value norms now, you will get back ₹1.55 lakh," says Abhishek Kumar, Founder of SahajMoney.com.

## Higher surrender value when you return policy after one year

Moreover, the policyholders will be eligible to get a refund even if they leave after the first year. Earlier, if a policyholder exited a life insurance policy after one year, he would have lost his entire premium. Now Irdai has said, "SSV calculated as above shall become payable after completion of first policy year provided one full year premium has been received." The regulator adds, "Provided for policies with limited



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premium payment term of less than five years and single premium policies, SSV shall become payable immediately after receipt of first full year premium or single premium, as applicable."

Let's consider another example. Suppose a policyholder bought a 10-year policy with a sum assured of ₹5 lakh. He paid a hefty premium of ₹50,000 in the first year. Now if he leaves the policy after one year, he would not have received any refund from the insurer and would have lost ₹50,000. According to the latest norms, he will be eligible for a refund even if he exits the policy after a year. If the insurer has received the premium for the full year, it has to return ₹31,295 to the policyholder, Kumar adds.

Further, the insurer must mention policy-wise guaranteed surrender values (GSV), special surrender value (SSV) and payable surrender values separately in the benefit illustration. Irdai has made it mandatory for the insurers to provide a customised benefit illustration to prospective policyholders along with a prospectus while selling a policy.

## How higher surrender value will benefit policyholders

This move is in favour of the policyholders. Those who are stuck with a wrong product due to rampant mis-selling that has become prevalent in the insurance sector will get a higher amount back now. Kumar adds, "Irdai faced a lot of backlash from consumer advocates for giving in to the demand of insurance companies on Guaranteed Surrender Value (GSV) a few months back. With the new master circular, Irdai has tried to compensate consumers by tying SSV calculation to a discount factor based on G-sec. It's a welcome step and would help end-consumers in receiving higher surrender value," says Kumar.

The regulator has also said that the insurers can offer higher guaranteed surrender values than those specified in the regulations. These values may vary with premium size, premium paying term, policy term, the duration elapsed at the time of surrender of the policy and other relevant factors.

# Customise your motor, home insurance

Irdai's master circular focuses on greater flexibility for policyholders in choosing plans and providing them policy details for informed decisions.

By Riju Mehta

**P**ushing for "new, innovative and customised products under the new product regulations", the insurance regulator, Irdai, has come out with a master circular on general insurance to encourage products tailored to the individual needs of customers. It repeals all earlier circulars and guidelines, and suggests wider choice and options for customers.

In motor insurance, 'pay as you drive', 'pay as you go' and 'pay as you use' options will be offered as a first choice, aligning premiums with actual usage. In home insurance, homeowners will be able to choose add-on covers, such as flood, cyclone, earthquake, landslide, rockslide, terrorism, or opt-out from comprehensive fire and allied peril policies, providing more tailored coverage.

Besides customised products, the insurers will also need to have a "base product defining the necessary minimum coverage in each line of business" to be put up on website, making it easy for customers



to compare it with other alternatives.

"We fully support Irdai's circular emphasising the availability of a wider range of products and customisation options for our customers. These measures align with our commitment to offering tailored, comprehensive coverage that meets our customers' unique needs, while maintaining high standards of integrity and efficiency in our operations," says Rakesh Jain, CEO, Reliance General Insurance.

Adds Shanai Ghosh, MD and CEO of Zuno General insurance: "Initiatives like 'pay as you drive' and eliminating the contribution clause for multiple policies underscore a commitment to fairness and innovation."

This is in keeping with the shift from rule-based to principle-based regulatory framework, which focuses on flexibility for customers and facilitates ease of doing business and pushes innovation.

**Pay as you drive/go/use:** The insurers shall have to offer two options as the first choice in an insurance cover.

- i) 'Pay as you drive'; 'pay as you go'; and 'pay as you use' insurance cover.
- ii) A comprehensive cover that includes coverage for depreciation.

The 'pay as you drive/go/use' product is also a comprehensive own damage and third party plan. Earlier, this was not a mandatory option.

**Withdrawal/rejection:** The insurer cannot "withdraw or decline to offer any erstwhile tariff products which have been in existence", stated the circular. It also states that no claim shall be rejected for want of documents. "The customer may

be asked to submit only those documents that are directly related to claim settlement," states the circular.

**Cancellation:** The customer can cancel the policy at any time during the term without giving any reason, while the insurer can cancel it only in case of established fraud by giving a minimum of seven days' notice. The insurer shall also refund the premium for the unexpired term.

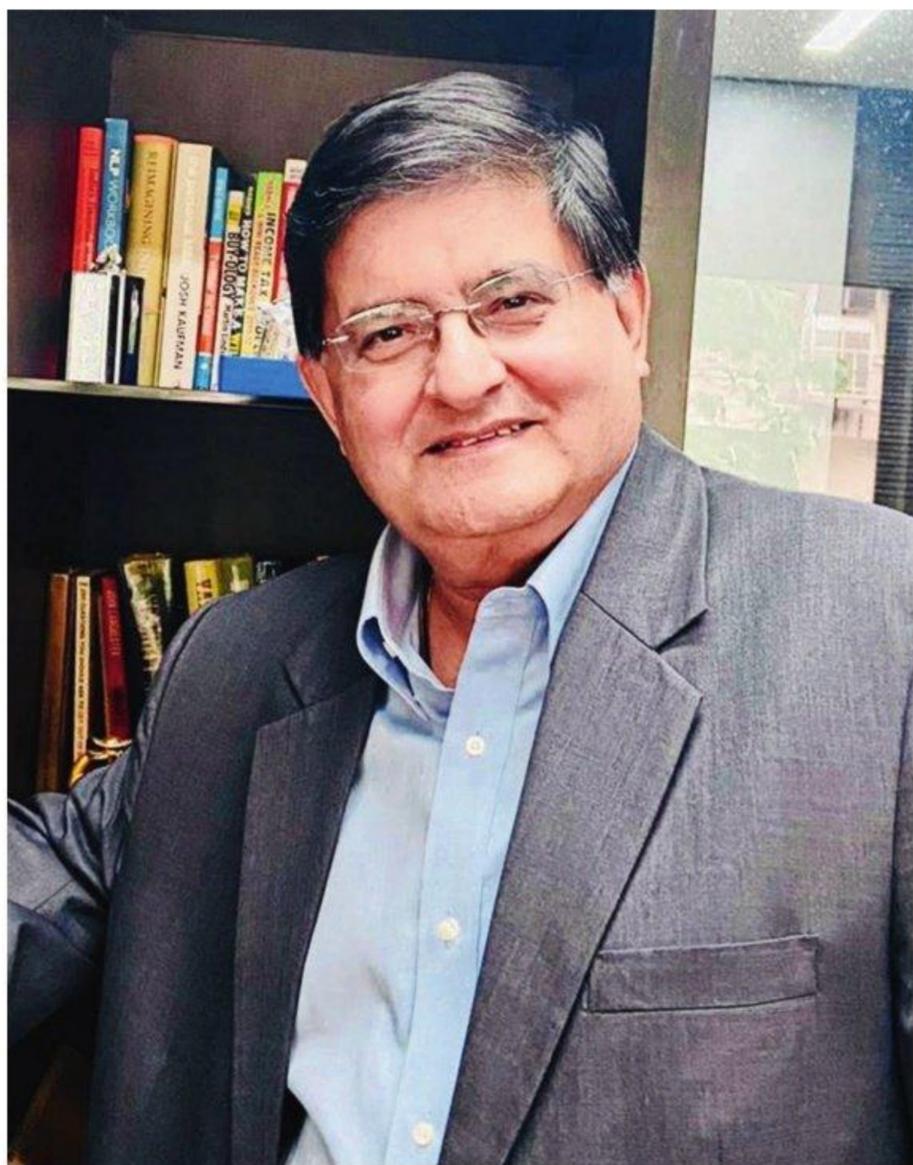
**CIS:** To help the policyholder know the policy details, the insurer will have to give a customer information sheet explaining the main features in clear, simple language, and taking an acknowledgement in physical or digital form from the buyer.

**Insured declared value:** The IDV of a vehicle is typically fixed at the beginning of each policy period. Now "the criteria for determining the IDV and any associated scale of value depreciation shall be approved by the product management committee (PMC)" and published by the insurer on its website and also form a part of the customer information sheet.

**Claim timeline:** The insurers will have to inform the policyholder about the claim settlement timelines. The allocation of surveyors should happen within 24 hours of the claim report; the surveyors shall have to submit the report within 15 days; and insurer shall have to decide on the claim within a week of the receipt of this report.

# “Multiple credit cards can damage your credit score”

Having several credit cards for different perks may seem fun and utilitarian, but you end up with high-interest debt that can damage your credit score, Satish Mehta tells **Yasmin Hussain**.



**Satish Mehta**  
Founder,  
Athena CredXpert

### What are the common reasons for a poor credit score?

The credit score reflects your ability to repay a loan. There are various reasons for a low credit score. You could be delinquent because you are not paying an existing loan on time, or there may have been too many unsecured loans that were partly paid or settled. Too many loan inquiries in your name will also hurt your credit score. If your credit mix is not right, and you have more unsecured loans than secured loans, the credit score will dip. Besides, if you tend to exhaust your credit card limit very often, your credit score will fall.

### Are credit scores accurate? Can credit bureaus make calculation errors?

Credit scores are mostly accurate, but discrepancies can occur in some cases. Apart from mistakes in personal details, the duplication process by the bureaus can sometimes be wrong. For instance, I can get in my

report the account of another person who has the same name as mine, and it can unnecessarily inflate or deflate my credit score.

### Can an individual have different scores from different bureaus?

We studied the credit reports of 1,000 individuals from two different bureaus. There were significant differences in some cases. We had a client who had a credit score of 730, but when he went to a lender, they pulled a report from a different bureau and the score was 600. This difference can make or break a person's decision to borrow. There are many such anomalies that need to be rectified.

### What is your advice to people stuck in a debt trap?

Every situation is different, so the solution also has to be customised to the circumstances of the individual. In general, we always advise such people to press the brakes and go into reverse gear. As a first step, they should stop borrowing more money. Next, they should first try to repay the loans with higher interest rates. Third, they should avoid using credit cards.

**“The ‘buy now, pay later’ option is like a disease. You’re mortgaging your future cash flow, which will be needed to meet your existing expenses at that time.”**

### Are you suggesting that credit cards are responsible for people falling into debt traps?

A credit card is the most expensive piece of plastic in the world. You are charged 40% interest if you don't pay on time. You would think it's fine to pay 5% minimum due balance, but they still charge an interest on the outstanding amount. One should avoid treating credit cards like money in pocket. It may seem fun and utilitarian to have multiple cards for different perks, such as lounge access or lucrative discounts, but you only end up with high-interest debt that can damage your credit score and create problems when you need a loan for genuine reasons.

### Multiple credit cards increase the availability of credit for an individual. Doesn't this improve the credit score?

It's fine to have 2-3 credit cards. The problem begins when people start using 5-6 cards. They may not be exhausting the card's entire limit, but their ratio of unsecured loans changes. If you have too many unsecured loans, it can impact your credit score negatively.

The 'buy now, pay later' option has become

### very popular with young consumers. What are your observations?

The 'buy now, pay later' option is a disease that has hit the industry. You are mortgaging your future cash flow, but your future cash flow will be needed to meet your existing expenses at that time. You will have kids to look after, rent and electricity bills to pay.

### How long does it take to improve a bad credit score?

It depends on the severity of the case. The impact of some bad practices, such as a loan that has been written off or settled, stays for a longer period. The more recent the bad debt, the worse it is for you. However, in general, it can take up to six months to get to a reasonably acceptable score.

### Some businesses help individuals in debt consolidation. Does that help?

Debt consolidation is a positive attempt at trying to reduce the interest cost by bringing all loans under one umbrella. It's a good option for the customer, who benefits because his EMIs get consoli-

dated and rates come down and, administratively, he has to worry only about one loan. These businesses charge a fee from the lender under whom the debt has been consolidated. So there can be a conflict of interest. Customers must look at the fine print in terms of costs and other charges before opting for such an arrangement.

### The RBI has come down heavily on lenders who use strong-arm tactics for debt collection. What are your thoughts?

Some lenders used to adopt the hockey stick approach for recovering money through extreme means. However, the RBI has become very vigilant about consumer protection and fairness. It has framed guidelines for the debt collection process, which was much needed. For instance, debt collectors can visit a borrower's home only during certain hours of the day, and it's mandatory to have a woman in the collection team.



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# Punting is not investing

Trying to catch the bottom of a falling market is tempting for mutual fund investors, but it is often a fool's errand, says **Dhirendra Kumar**.



**DHIRENDRA KUMAR**  
CEO, VALUE RESEARCH

## MONEY MYSTERIES

**Equity-based mutual funds are an asset class meant for years and decades. On that scale, the movement of one day will not matter much. Even if you convince yourself that it does, you can hardly have enough cash to invest in a day to make an actual difference in your life. The urge to catch the bottom or top tick of the market is understandable, but often proves futile in practice.**

In the equity markets, every day is a contest between buyers and sellers, but rarely does this fight become as one-sided as it did on 4 June this year, with the major indices down by 9% at one point. Like any such day, there was a stampede of people trying to sell and run. However, some paid more attention to what Nathan Rothschild, a 19th century British financier, supposedly said: "The time to buy is when there's blood in the streets." Or perhaps they paid attention to Warren Buffett, who said it's wise for investors "to be fearful when others are greedy, and to be greedy only when others are fearful".

Whatever the case, many investors actually decided to buy at the extremely low prices that the markets were offering. Even mutual fund investors decided to get into this bargain hunting and tried to put in their buy orders on online apps early enough to catch the day's low NAVs. However, by all accounts, there was some kind of glitch in the online fund investment system and a lot of investors' orders were delayed. As a result, instead of getting 4 June's NAV, many investors got 5 June's NAV, which was around 3% higher for most equity funds.

Online investing in mutual funds is a multi-faceted digital ballet, which involves the user's app, bank, clearing house, BSE StAR system (generally), mutual fund and its registrar. Presumably, on 4 June, parts of this chain slowed down and many investors could not invest on that day's NAV. It's also possible that this happens to some people every day, but it produces anger only on days like these—huge fall on one day, followed by sharp recovery the next day.

While the system should surely be made more robust, mutual funds are not an appropriate instrument for this kind of rapid action trading. Surely, every mutual fund investor knows that it is designed for long-term investing rather than for timing the market.



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Systematic buying and buy-and-hold strategy of staying invested through ups and downs has historically been a more prudent approach for mutual fund investors. Those seeking to capitalise on short-term market swings would be better served (or 'disserved') by the other investment vehicle—derivatives. While the system glitch was certainly frustrating for the impacted investors on 4 June, it serves as a reminder that mutual funds are meant for patient capital, not frenetic trading. At the end of the day, attempting to buy at lows and sell at highs is an enticing, but difficult, game to win consistently. For most mutual fund investors, a better strategy is to have an appropriate asset allocation, invest regularly, and resist the temptation to overtrade based on day-to-day market movements.

Equity-based mutual funds are an asset class meant for years and decades. On that scale, the movement of one day will not matter much. Even if you convince yourself that it does, you can hardly have enough cash to invest in a day to make an actual difference in your life. The urge to try and

catch the bottom or top tick of the market is understandable, but often proves futile in practice.

Even professional traders with cutting-edge technology and instantaneous market data find it difficult to precisely time entries and exits. For retail mutual fund investor, this task becomes even more daunting. A much sounder approach is to have a disciplined investment plan, adhere to asset allocation based on one's goals and risk tolerance, and tune out the noise of daily market fluctuations. While getting the absolute lowest NAV may provide a psychological boost, it is ultimately meaningless. The investors who are able to do this are the ones who will truly be greedy when others are fearful—buying when prices are depressed, but holding firm through volatility. Perhaps the system glitch, preventing impulsive trading, may have been a blessing in disguise for some.



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## Fresher demand highest in Delhi, Bengaluru

Delhi/NCR and Bengaluru are showing the highest demand for freshers, followed by Mumbai, Chennai and Pune, according to a recent report by foundit.

Foundit's report on fresher hiring trends states that the highest share of job postings for freshers is in the IT and recruitment/staffing industry, with over 32% and 12% share of jobs, respectively, dedicated to entry-level professionals. The demand in these jobs for freshers has increased by 5% over the past six months.

Industry reports indicate that IT companies are showing intent to hire freshers, signal-



ling a shift in hiring strategies in India. This trend is largely driven by the ongoing restructuring efforts within the industry, focusing on adopting new technologies, optimising costs, enhancing innovation, and ensuring scalability. "We're seeing a clear trend,

where startups and other companies are increasingly valuing skills over just academic credentials. This shift means young professionals need to focus on acquiring relevant skills to stand out in the competitive job market. To bridge this gap, there's a pressing need for better learning and development initiatives within our educational system," said Sekhar Garisa, CEO, foundit.

The report finds that startups in the IT services and Internet industry lead in fresher hiring, with 23% and 22% of jobs directed to new graduates, respectively. While jobs

in the IT industry declined in the past quarter, engineering graduates are in demand for 28% of jobs in startups alone. Other roles being hired across startups are consultants (10%), sales/executive manager (4%), and operations executive/manager (4%).

Delhi/NCR (21%) hosts the highest share of job postings for freshers, followed by Bengaluru (14%). Fresher hiring was the highest in metro cities. Mumbai (8%), Chennai (8%), Pune (8%), and Hyderabad (8%) were next in hiring freshers.

—By Brinda Sarkar



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# Q4 results: Stable costs boost India Inc. profits

Steady costs and firm domestic demand supported corporate performance in the March quarter.



The continuing sluggish rural and export demand is expected to impact India Inc.'s future performance. "The corporate sector is likely to see a more volume-led growth in 2024-25. Headwinds are likely to emerge in 2024-25 with the positive base effect from lower commodity prices waning. This may impact profitability going ahead," adds the Bank of Baroda Research report.

Here's how Nifty 500 sectors fared in the third quarter of 2023-24.

## Banking & financial services

The sector reported a strong performance, driven by robust business growth, healthy net interest income, and controlled provisions. Retail and MSME segments led credit growth, while corporate faced pricing challenges. Asset quality was stable and credit costs were low. Private sector banks gained from advances growth, moderate slippages and healthy recoveries, while public sector banks were bolstered by lower provisions, steady fee income and treasury gains.

Among Nifty 500 banking stocks, YES Bank and Punjab National Bank reported the highest y-o-y growth in consolidated net profits. YES Bank's net profit grew by 126% due to strong NII growth and improved asset quality, while Punjab National Bank's profit jumped 79.2% thanks to better asset quality and lower credit costs. The banking sector is expected to remain resilient, with steady loan growth, improved operating leverage and controlled provisions. According to Motilal Oswal, NIM moderation will continue, but at a slower pace, and asset quality outlook remains positive, with reduced slippages, strong PCR and contingency buffers.

## NBFCs and insurance

**NBFCs:** NBFCs reported a strong performance, driven by increased loan demand in SME, vehicle, housing and gold loans, and healthy collection efficiencies supporting asset quality. While AUM grew strongly, many NBFCs experienced a contraction in NIM due to higher funding costs. Aditya Birla Capital and Bajaj Holdings and Investment saw the highest y-o-y profit growth among Nifty 500 NBFCs, with profits jumping 104.6% and 100.8%, respectively. Aditya Birla Capital's profit was boosted by AMC share sales, while Bajaj Holdings benefitted from strong subsidiary performance. According to Motilal Oswal, benign credit costs and potential rate cuts bode well for NBFCs, with expected margin expansion for vehicle financiers in 2024-25. **Insurance:** The life insurance industry

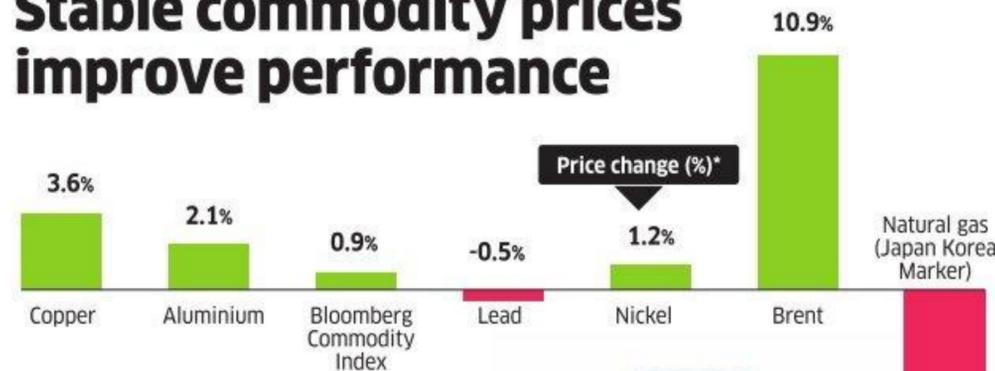
by Sameer Bhardwaj

Stable commodity prices supported corporate India's performance in the fourth quarter of 2023-24. Although revenue growth moderated, profitability improved. A Bank of Baroda report shows that the aggregate sales and net profit of 2,537 companies grew 7.8% and 17.1% year-on-year, compared to 10.2% and 8.4% in the previous year's quarter.

Excluding the BFSI sector, the sales and profit growth for 2,259 companies softened to 4.4% and 7%, respectively. "The BFSI sector tends to lend a considerable degree of bias to the total picture as banks have been riding a sustained business upcycle amid buoyant credit growth in the economy," states the Bank of Baroda research report.

The Bloomberg Commodity Index, which tracks global prices of oil, natural gas, copper, zinc, and other commodities, ended 0.8% higher in the first quarter of 2024, but fell 9.1% y-o-y. Stability in commodity prices boosted the operating profit (EBITDA) of 389 Nifty 500 companies (excluding banks and financials), with aggregate EBITDA rising 8.2% in the

## Stable commodity prices improve performance



first quarter of 2024 compared to 7.6% in the first quarter of 2023. Additionally, 56% of these companies saw y-o-y improvement in EBITDA margins, with real estate, utilities, and construction materials showing the most significant gains.

The beat-to-miss ratio was favourable, with 54% of 290 Nifty 500 companies surpassing earnings estimates in the March quarter. However, the ratio of upgrades to downgrades was unfavourable. Of the 445 Nifty 500 companies with full-year 2024-25 net earnings estimates, 40% saw upgrades, while 60% saw downgrades. Most companies in oil and gas, automobiles, and BFSI sectors had upgrades, whereas chemicals, cement and hotels saw downgrades.

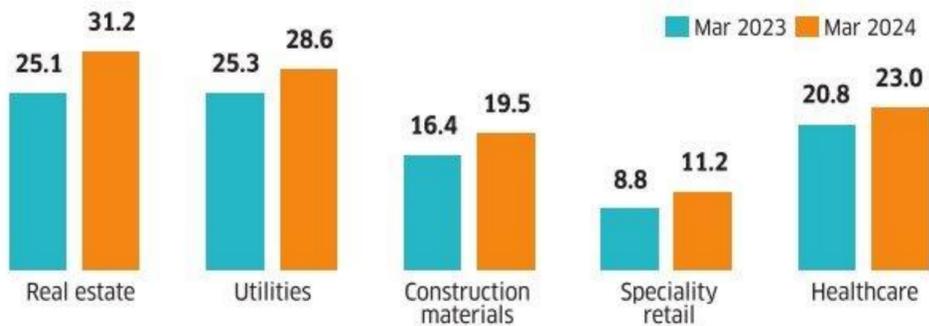
Market experts believe that an improve-



\*Between 31 Dec 2023 and 31 March 2024. Percentage change based on international USD prices. Source: Refinitiv

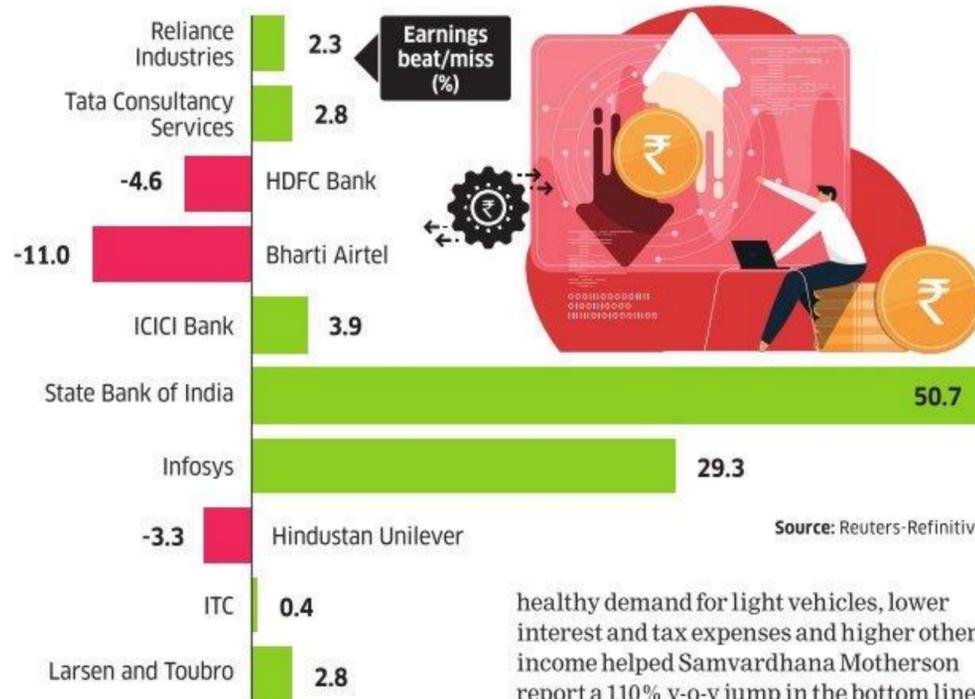
ment in revenue growth is necessary for sustaining the earnings momentum. "The margin tailwinds in the fourth quarter of 2023-24 have ebbed from a high base, necessitating a recovery in revenue growth to boost earnings going forward," states a Motilal Oswal report.

## Real estate, utilities see highest rise in EBITDA margins



Figures are EBITDA margins in %. Sector classification by Refinitiv.

## 7 of top 10 Nifty 500 firms beat earnings estimates



Source: Reuters-Refinitiv

saw a decline in VNB (value of new business) margins due to an adverse product mix and pressure on non-par margins. However, increased auto sales and demand for health insurance supported general insurers. Among Nifty 500 private insurers, Star Health and ICICI Lombard had the highest profit growth, with Star Health's net profit up 39.8% y-o-y due to strong investment income, and ICICI Lombard's profit up 18.9% due to capital gains.

### Automobiles & ancillaries

Product mix improvement, operating leverage, volume growth, and better ASP supported the sector's performance. Strong volume growth was seen in two-wheelers (2W), three-wheelers (3W), and passenger vehicles (PV), while commercial vehicles (CV) and tractor volumes declined. Export volumes grew due to base effect, but the outlook remains muted. Better OEM volumes and tyre replacement demand boosted auto ancillaries. Among Nifty 500 auto companies, Tata Motors and Samvardhana Motherson International reported the highest y-o-y profit jumps.

Strong vehicle demand and operating leverage benefits helped Tata Motors report a 222% jump in net profit, whereas

healthy demand for light vehicles, lower interest and tax expenses and higher other income helped Samvardhana Motherson report a 110% y-o-y jump in the bottom line. Analysts expect new launches across segments and premiumisation in 2Ws and PVs to drive volume growth in 2024-25. Visible green shoots in rural demand are expected to support 2W volumes. However, there are expectations of an increase in raw material cost that could impact overall profitability.

### Healthcare

The sector performed well in this quarter, driven by growth in both pharma and diagnostic/hospital segments. Pharma companies benefitted from reduced price erosion in the US market and lower raw material costs, while hospital and diagnostic firms saw improved revenues from price increases and stable patient volumes. Among Nifty 500 pharma companies, Alkem Laboratories and Zydus Lifesciences reported the highest y-o-y profit increases. Alkem's net profit surged 313.5%, supported by favourable API prices and cost controls, while Zydus Lifesciences saw a 298.6% increase due to operational efficiency, strategic investments and a diversified product portfolio.

Looking ahead, SMIFS's fourth quarter review predicts steady 10-11% growth in the Indian pharma market, driven by favourable demographics and rising income levels, besides an increase in chronic and lifestyle diseases. Companies with strong franchise

networks are poised to benefit from these trends, as well as from reduced price erosion and normalised supply chain disruptions.

### Oil and Gas

The performance of three oil marketing companies (OMCs) was impacted due to muted refining segment performance. The combined consolidated reported net profit of three OMCs was ₹12,647.7 crore in the March quarter, compared to ₹20,768.6 crore in the corresponding quarter of the previous year.

Reliance Industries reported a 1.8% decline in the consolidated PAT due to normalised tax rate and lower petrochemical margins. The performance of the O2C segment was supported by strong global demand for fuels and better feedstock sourcing. On the other hand, the company's telecom and retail segments reported steady growth during the quarter. The upstream player, ONGC, reported decent performance aided by higher-than-expected other income and lower-than-expected depreciation.

A recent ICICI Securities report states that going forward moderate oil and gas price levels relative to 2023-24, improving pricing realisations for petrochemicals, higher sales realisations, moderate crude prices, soft LNG prices and prospects of stronger retail margins are expected to drive sector earnings in 2024-25.

### Consumer staples

The performance was steady, aided by stable demand and visible signs of rural recovery. Though volume growth improved during the quarter, the revenue growth was muted due to price cuts. The gross margins continue to improve, led by lower raw material costs. However, higher advertising and spending costs restricted the EBITDA margin expansion.

Among the consumer staples companies in the Nifty 500 universe, United Breweries and Bikaji Foods International reported the most y-o-y jump in net profit growth. Strong volume growth and increased traction in the premium segment helped United Breweries report a 727.7% y-o-y jump in net profit. On the other hand, strong volumes, superior mix, operating leverage benefits and stability in commodity prices helped Bikaji Foods report over 200% y-o-y jump in net profit.

Going forward, most companies remain hopeful about rural recovery, led by an increased outlay in government spending and expectations of a normal monsoon. A recent report by Centrum Broking states that the distribution expansion, price adjustment and grammage increase may influence the overall demand and volumes in the future.

### IT

The sector faces ongoing challenges from cautious demand, client budget constraints and unstable macroeconomic conditions. Discretionary spending remained weak this quarter and the near-term outlook remains subdued. Despite strong deal bookings, revenue conversions remained low.

Among tier 1 companies, TCS led with the highest sequential revenue growth of 1.1% in rupee terms, followed by HCL Technologies at 0.2% quarter-over-quarter growth. Wipro's revenue showed no growth. Conversely, Infosys and Tech Mahindra reported sequential revenue declines of 2.3%

and 1.8%, respectively.

While weakness is anticipated to continue in the first half of 2024-25, growth is projected to accelerate in the latter half. Strategies such as enhancing the employee pyramid, reducing subcontracting costs, and rationalising wage hikes are expected to bolster margins going forward. Centrum Broking's March quarter review of the IT sector maintains a positive outlook for the medium-to-long term, citing increasing digitalisation in enterprises and rising demand for generative AI-based solutions.

### Metals

The ferrous companies reported robust volume growth in the March quarter, driven by strong domestic and export demand. Improved average selling prices in the real estate and automobile sectors contributed to their performance. Non-ferrous companies benefitted from lower production costs and stable prices.

Among Nifty 500 steel companies, Jindal Steel & Power and Jindal Saw saw the highest y-o-y net profit growth. Jindal Steel & Power's profit surged 102%, supported by lower input costs and export improvements, while Jindal Saw's adjusted net profit grew 63%, driven by volume growth and margin enhancement. National Aluminium Company reported a 101.3% net profit increase due to reduced expenses, and Hindalco saw a 32% jump in profit from higher realisations and improved margins.

Looking ahead, analysts anticipate improved performance for ferrous companies in June, driven by resumed infrastructure projects after elections and favourable steel prices. Non-ferrous companies are expected to benefit from stable base metal prices amid constrained supply and steady demand.

### Cement

The sector saw increased volumes, driven by higher pre-election spending and strong demand from infrastructure and housing sectors. Lower input costs also boosted gross margins across most companies.

Among cement companies in the Nifty 500 universe, ACC and Birla Corporation posted significant y-o-y profit growth. All all-round improvement in volumes, costs and efficiency helped ACC to report a 300% jump in PAT, while Birla Corporation's net profit surged 127.6%, driven by higher volumes and reduced power and fuel expenses.

According to a recent Sharekhan report, the sector remains optimistic due to sustained government capex and rising housing demand. However, it anticipates weak cement prices in the first half of 2024-25.



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## Importance of debt in an investment portfolio

Anirudh Singh, a 25-year-old MBA graduate, has settled in his preferred industry and works at a mid-management level. He believes he should invest only in equity at this stage of life as he has no immediate need for funds, has age on his side, and is financially secure. Over the past couple of years, Singh has signed up for SIPs in equity funds, directing all his savings to these investments. His portfolio has delivered an impressive 15-20% annual return. With a salary that comfortably covers his needs, Singh ensures all excess funds are promptly invested. He views debt investments as a drag on returns, believing they do not align with his financial goals and risk appetite. Is his singular focus on equity wise, or should he build a more balanced and resilient portfolio?

Singh is assessing equity and debt investments solely on the basis of the returns he has earned in his brief investment history over the past couple of years. He is expecting similar returns from both asset classes. While return levels are crucial in investment decisions, Singh must also consider the benefits of debt in his portfolio. It is unrealistic to expect equity markets to consistently generate the same returns year after year. Equity investments are inherently volatile and can remain depressed for extended periods. Including some debt investments will stabilise the portfolio earnings by providing steady and regular returns.

Singh should factor in his contributions to retirement plans through his employer, such as the Provident Fund, while deciding on his debt allocation. These contributions are also debt investments and should be considered while determining the need for additional debt. Additionally, Singh must maintain an emergency fund for situations like income loss or

sudden financial needs. His equity investments may not be suitable for this purpose due to potential downturns, leading to losses if redeemed at a low point. Emergency funds should be held in short-term debt instruments, offering steady returns and easy access.

Singh can also leverage debt in his tactical portfolio to capitalise on high returns. Certain debt funds, like gilt funds, perform well during periods of falling interest rates. However, these are short-term opportunities and Singh should time his entry and exit to maximise benefits and avoid negative conditions. His overall financial situation will improve if he effectively incorporates debt into his portfolio.

While Singh's focus on equity investments has yielded impressive returns, a more balanced approach that includes debt could provide stability and mitigate risks. This diversification will ensure his financial security and growth over the long term, aligning his strategy with current needs and future goals.

Content courtesy Centre for Investment Education and Learning (CIEL).  
Contributions by Girija Gadre, Arti Bhargava and Labdhi Mehta.

### PAPER WORK

#### How nominee/heir can claim PPF proceeds

Public Provident Fund is a popular long-term savings scheme offering tax benefits and attractive interest rates. Here's how nominees or legal heirs can claim a PPF account on the death of the subscriber.

#### Who gets the PPF proceeds?



Typically, the nominee receives the proceeds in the event of the account holder's death. If there is no nomination, legal heirs of the deceased, as per the succession laws, are entitled to claim the PPF amount.

#### Documents needed



The first step in the claim process involves collecting the following documents.

- **Death certificate:** A certified copy of the death certificate of the PPF account holder.
- **Claim form:** Form G is the application form for claiming the PPF balance after the subscriber's death.
- **Identity proof:** ID proofs of the nominee(s) or legal heir(s).
- **Proof of relationship:** If the claim is made by legal heirs, proof of relationship with the deceased (succession certificate, will, legal heir certificate, etc).

#### Submission of claim form



The nominee or legal heir must fill Form G, providing deceased's name, PPF account number and claimant's

details. The form includes a declaration and indemnity bond, especially for multiple claimants or substantial amounts. Form G and other documents are submitted to bank or post office where the PPF account is held.

#### Processing the claim



Once verified, the bank or post office processes the claim, closing the PPF account. It calculates the accumulated amount, with interest till the date of the subscriber's death, and transfers it to the heir's account.

#### Points to note

- Interest is paid up to the month preceding the month of closure.
- The PPF amount is tax-free in the hands of the nominee or heir.
- If there are multiple nominees, the PPF balance is distributed as per the percentage specified in the nomination.

### SMART THINGS TO KNOW

#### Compound Annual Growth Rate (CAGR)

# 1

CAGR is the average annualised rate at which an investment's value changes over a period of time.

# 2

If a stock appreciates from ₹100 to ₹121 over two years, its CAGR will be calculated as 10%.

# 3

In reality, the stock might not have moved from ₹100 to ₹121 at a constant rate. It could have increased to ₹140 in the first year and fallen to ₹121 in the second year.

# 4

Its CAGR will still be 10% per annum, given the start and end values. Hence, CAGR can hide volatility in the interim and present a picture of steady growth.

# 5

Investors using advertised CAGR should ask for risk, rather than assuming the rate to be an annual constant.

# Is medical care for the elderly becoming exploitative?

Even as market forces facilitate Medicare for seniors, children offer ready money to prolong parents' treatments, overlooking their need to exit gracefully. Living wills can help the elderly take this decision, says **Uma Shashikant**.



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been couched in noble names and held up as beacons of virtue. It soon becomes the gold standard and everyone strives to imbibe it. Market forces smell blood and come to expand and develop the market for goods and services, and we soon stop thinking about it negatively.

For three years, my friend's mother lay in coma in her house. She was 80. The doctors held no hope for her revival, but my friend chose to engage full-time nursing help, set up her home for care, quit her full-time job, and told me she could not give up on her mother, who had done so much for her. When we spoke about it after the first year, she told me she was just too scared to give up. "So many people of my grandfather's generation died without diagnosis and treatment. Let my mother live as long as she can. It is very tough to pull the plug. I will feel like a killer. It is money after all; let me spend it," she said.

The care for the elderly becomes an exploitative market when it drops all other rationale and hinges only on the ability and willingness to spend money. Even as we argue that we cannot turn our face away for a few rupees, we fail to see that we support this market for invasive, prolonged, exploitative medical care because we are fine to spend the money it takes. At either end of the scale, neglect or care, it is money, and that is the tragedy.

We live through times when core values of life and purpose have been challenged by a complex play of market forces that shape the society. How we love and care for the elderly is indeed a reflection of who we are. To include those who can no longer contribute is an act of kindness and generosity that a society must nurture. How does my argument fit in this narrative?

Do we have a self-aware receiver of care and kindness who is able to see what is superfluous? In our eagerness to be virtuous, do we pause to ask how the person receiving the treatment feels about his life? Have we buried the sense of self-worth, independence, purpose and pride under the heavy blanket of caring and prolonging someone's life, even if it is absolutely poor in quality?

We cannot drop what we are doing, but we can have a living will today. To define how we will be cared for if we fall ill. To refuse invasive and prolonged treatment. To restore our right to the quality of our life. To release our children from the burden of extended hospitalisation. To choose palliative home care that lets us leave gracefully. We can do it for ourselves and our children.

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**UMA SHASHIKANT**  
IS CHAIRPERSON,  
CENTRE FOR INVESTMENT  
EDUCATION AND LEARNING

**T**he doctor has said that another surgery is not advisable," my friend updated me. "But how is he taking it?" I asked. "He is very upset and has been vocal about his displeasure. Poor mom is bearing the brunt of his tantrums," she reported. We were talking about her 93-year-old father and 90-year-old mother.

People of my generation, born in the 1960s, have seen how care for the elderly has changed over time. Our grandparents were somewhat grudgingly taken care of by their offsprings. As children, we routinely heard about grandparents being shunted between their children's homes, and siblings quarrelling over the costs and inconveniences of elderly care. Those were, perhaps, the days of shortages.

It was not even about wealth, but its uneven distribution within the family. One or two siblings did well, earning adequately, while others led middle-class lives. The grandparents did not have much wealth or sizeable pensions. So they mostly depended on children in their old age, and understood that money was not enough. They took ill from time to time and were provided basic attention and care.

We now live in an era of entitled parenthood. As the Indian economy took off in the 1990s, children started doing much better than their parents in terms of earnings and wealth. We belong to that generation of children, who are eager to include our parents in our lives of comfort and well-being quite willingly. It is not uncommon for parents to fly around the world on holidays with their children, stay in remodelled houses in comfort and enjoy the privileges of modern life. Many also have

inflation-indexed pensions from the erstwhile defined benefit era. Many of their children don't grudge them these luxuries.

However, one needs to draw the line when it comes to superfluous expenses on healthcare, that many hate to admit. It is due to a combination of factors. First, the corporatisation of healthcare has created hospitals that offer every possible service for a price. Anyone with money can buy these services, just as one shops for household goods. Second, parents and, by corollary, their adult children, believe that as long as either party can afford to pay the bill, the best healthcare must be provided. Third, the quality of care one receives has become a badge of honor to compare and brag about in one's social circle.

We have the cultural family orientation that we are truly proud of. We still live with gratitude and sense of duty towards our elderly parents. We would hate it if our parents were to suffer for want of care that we can afford. I routinely see people of my generation taking breaks from work, giving up career opportunities, engaging caregivers at steep wages, and investing significant time and energy to care for their parents. They wouldn't have it any other way. They are bound not just by a sense of duty and gratitude, but in most cases, by love and affection for their parents. So, where is the problem?

A society that finds an easily available resource learns to manipulate and exploit. If emotions are involved and can be used as tools to access and enjoy that resource, even better. Over time, any signs of exploitation or manipulation are lost because these acts have

**The care for the elderly becomes an exploitative market when it drops all other rationale and hinges only on the ability and willingness to spend money. Even as we argue that we cannot turn our faces away for a few rupees, we fail to see that we support this market for invasive, prolonged, exploitative medical care because we are fine to spend the money it takes.**



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## WINNING THE MIND GAME

### 1 FINDING COURAGE

To find courage, start by acknowledging your uncertainty and fear. Know that it's normal to feel anxious while discarding the familiar for an uncertain future. Learn to recognise the emotions and accept them. Label your feelings as they arise and write them down in a journal to regain control.

### 2 SUPPORT SYSTEM

Every journey is easier when you have company. Invite your family and friends to be a part of your transition. Their support, presence and encouragement can provide the emotional strength you need to bounce back from challenges and stay committed to your new path.

### 3 PROFESSIONAL GUIDANCE

Consider working with a professional career coach or mentor who can provide personalised insight and strategies. A coach helps you overcome your blind spots and makes your job transition smoother and faster. Invest time in finding an experienced career mentor, preferably one with whom you can find common ground.

### 4 REALISTIC GOALS

Stress and failure often arise from unrealistic goals. Break down your career switch into manageable steps. Set small and achievable milestones that help you build momentum and motivation. Have regular check-ins with people from your new domain to make sure you are on the right path.

### 5 PERSISTENCE

The probability of success depends on your ability to stay the course and remain persistent when the going gets rough. Treat career change as a journey, not as a destination. Celebrate small victories. Refer to your past successes to remind yourself of your capabilities. Above all, be kind and patient with yourself.

Play the long term-game when you plan a career shift, says **Devashish Chakravarty**.

**A**re you rebooting your career because your current job or industry is under threat? Maybe you are returning to work after a lengthy break or retirement. Or, you have migrated to another country or started a new family, and your needs and circumstances require a professional reset. Perhaps you took up your first job just because it was easily available, or you were advised by peers or parents to do so. Now you realise that your skills and interests lie elsewhere. Whatever your reason, the decision to switch careers is both daunting and rewarding. Here's how you can make it successful.

#### What's your 'why'?

Why are you choosing a new career instead of an alternative opportunity in the same domain? Why now instead of later? If you haven't yet selected your new career, ask yourself a few questions. What kind of work am I good at? What are my skills? What work do I enjoy? What kind of people or teams do I like working with? Where in my work do I find meaning or purpose? What kind of lifestyle do I want? Measure all new career options through these questions. Ask yourself, which of these questions matter more.

#### Where will it take you?

"Most people overestimate what they can achieve in one year and underestimate what they can achieve in ten years," is a quote popularised by Microsoft's Bill Gates. Consider the next 10 years, not just the next 10 months. What are the meaningful personal and financial milestones you hope to achieve over the next decade or two through your new career? A career option that lets you earn money right away may seem attractive, but is likely to be a dead end. Thinking long term will take you to the most rewarding option, which may, however, require a lot more effort in the present.

#### Reality check

Gather facts and then take a decision. Don't decide first and then look for supporting

data. Start with market research in the domain you are interested in. Is the industry currently growing and has long-term potential? Read both industry reports as well as independent forecasts and analyses. Next, hop onto job portals and company websites to check the nature and volume of jobs available. Finally, speak to people in the industry to identify any hidden obstacles in your transition.

#### Mind the gap

When you are switching to a new domain, reset both your frame of reference and expectations. Measure your current skill sets through the lens of the new industry to figure out the skill gaps. Make a plan for acquiring new skills or qualifications that will help you get a foot in the door. Know that potential employers will discount your past experience in comparison to other job seekers with relevant or recent domain experience. Approach your role and salary negotiations wisely.

#### Plug in

You miss out on the social and professional connect when you return to work after a break, or while changing careers or countries. Expect the initial period to be slow as you seek new opportunities because you do not have enough access to people and information. Start building relationships parallel to your job search. Begin with industry events, conferences, workshops and seminars, both offline and online, to simultaneously meet professionals and gain knowledge. Seek introductions and references from your existing circles to initiate conversations and in-person meetings in your new domain. Continue investing in relationships even after you get a job.

#### The first break

If getting your first job seems impossible, change the game and seek out productive and practical work experiences instead. Look beyond the largest employer brands and check out opportunities with lesser

known employers, startups, and in consulting. Consider non-remunerative work experience by way of internships or volunteering for non-profits. Finally, consider freelancing or working part time in your new domain, while you are still employed in your old job. Build the critical initial experience and network that will get you the next role.

#### Reposition yourself

When you are the job seeker, consider what you are selling. Showcase transferable skills and experiences from your past and highlight only relevant achievements in your resume. Use keywords and skills from the new industry, and make a portfolio of your work and projects that are likely to be relevant to new employers. Rewrite your LinkedIn profile to reflect your new direction. Finally, for every interview, be prepared to commit to the specific outcomes you can deliver and evidence you can show to demonstrate that competence.

#### Financial runway

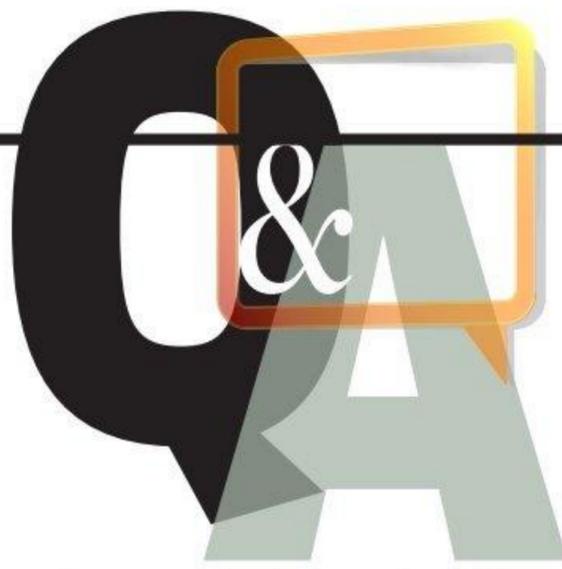
Don't forget your financial health when you are making a career switch. Is your family dependent on your income? Have you built an adequate financial runway to take care of family expenses, financial goals, medical insurance and contingencies in case you are without a salary or on a reduced income? Involve your family members in career decisions, revise your budgets together, and create an emergency fund for any mishaps during your transition.

#### Ready for change

When you embark on a new career or return to work after a long break, be ready for setbacks, stumbles and failures. Frame each challenge as an opportunity to learn and grow. Be willing to start again and at a lower level, if necessary. Adopt a growth mindset towards your new career and you will find it easier to discard old perspectives in favour of new realities. Take time off to invest in your family, exercise and mindfulness to stay on track for a successful career change.



THE WRITER IS FOUNDER & CEO, SALARYNEXT.COM, A JOB LOSS ASSURANCE COMPANY.



I am 56 and will retire next year. My assets are: PPF (₹35 lakh), PF (₹60 lakh), bank savings (₹16 lakh), gratuity (₹8 lakh), shares (₹5 lakh), mutual funds (₹45 lakh), second home (₹40 lakh), third home (₹16 lakh), own house (₹95 lakh). I need ₹40,000 per month after retirement and ₹35 lakh for children's weddings and education. How should I utilise these assets effectively?

After retirement, your portfolio should have fixed income for short-term goals and regular income, and equities for long-term growth to combat inflation. Given your age, goals, and current investments, consider dividing your post-retirement investments equally between equities and fixed-income instruments, with 10% in gold.

To ensure regular income, invest ₹84 lakh (savings account, PF and gratuity) in high-yield bank fixed deposits (monthly payout), Senior Citizens' Savings Scheme (SCSS), and central government bonds (G-sec bonds). Small finance banks offer FDs at 9% for seniors, and SCSS offers 8.2% per annum (maximum of ₹30 lakh per depositor). Retirees aged 55-60 can invest in SCSS within a month of receiving retirement benefits. For G-sec bonds, choose those with 20-24 year maturity and 7.3% or higher yields. These investments should yield about ₹56,000 pre-tax monthly interest. For gold exposure, invest in sovereign gold bonds via the secondary market. Keep your PPF account for tax-free interest, investing up to ₹1.5 lakh annually for Section 80C deduction.

If your second and third properties are not generating significant rental income (2-3%), consider selling them and investing in equity funds. Similarly, sell low-conviction shares and reinvest in equity funds. For your equity portfolio, invest equally in flexi-cap funds, large-cap funds, and multi-asset funds. Make partial redemptions from equities to support your fixed-income needs, if necessary. Begin steady redemptions from equities 3-4 years before your children's higher education and wedding expenses.

**Naveen Kukreja**  
Co-founder and CEO,  
Paisabazaar.com



I'm 88 years old and struggling to manage my demat account due to failing eyesight. I'd like to transfer it to my son, who is a PIO (person of Indian origin). He holds PAN and Aadhaar cards, and an NRO account in India, along with a trading account under the PIS scheme linked to his NRE account. Please advise.

Since you are the account holder for your demat, trading and bank account, only you can hold the account in your name. Due to age, if you wish to transfer ownership, you cannot transfer the demat account held in your name to your son's name. However, during your lifetime, you may transfer the holding lying in your demat account to your son's demat account by executing a DIS (delivery instruction slip) of your demat account in your son's favour. For transfer of holding in this manner, you first need to add your son as a beneficiary in your demat account. To do so, get a form from your DP (depository participant) or broker.

Once your son is added as a beneficiary in your demat account, you may transfer your holding to your son's demat account through the DIS slip.

**Vikash Jain**  
Co-founder & Director, Share Samadhan



Our panel of experts will answer questions related to any aspect of personal finance. If you have a query, mail it to us right away.

## QUESTION OF THE WEEK

I'm 44 years old and invest ₹2 lakh in the NPS every year. I also have a monthly SIP of ₹4,200 in a mutual fund. I have a ₹70 lakh life insurance plan, for which I'm paying a monthly premium of ₹31,000, to be continued till I'm 58. I'm considering surrendering this policy, losing ₹2.5 lakh of premium, and investing in mutual funds. Would this be a better option?

You have paid about eight months of premium (₹31,000 x 8 = ₹2.5 lakh approx.) for a 15-year policy, which is either a traditional endowment plan or a Ulip. From an insurance perspective, you're getting a ₹70 lakh cover for ₹3.72 lakh annual premium. However, a term plan of ₹1 crore for 15 years at your age costs only ₹20,000-25,000 annually. Clearly, your current policy is not suitable for life insurance and you should buy a term plan with adequate coverage immediately.

To take a decision on discontinuing the policy, consider this: a traditional endowment plan will not give you more than 5-6% returns at maturity. So, after 15 years, this would be close to ₹90 lakh. A Ulip might offer higher returns due to its equity component, but the actual returns will be less than the equity scheme returns as Ulips make periodic deductions for various expenses via unit cancellations.

If, on the other hand, you purchase a ₹1 crore term plan for ₹24,000 annually (or ₹2,500 monthly), you'll save ₹28,500 monthly (₹31,000 - ₹2,500). If you invest this amount in equity funds with an estimated 10-11% return, you could accumulate ₹1.2-1.3 crore in 15 years. Diversify across large-cap index funds, flexi-cap funds, large- & mid-cap funds, and mid-cap funds.

This approach provides a bigger life insurance cover and corpus at maturity. While surrendering now means losing ₹2.5 lakh premium, it's an upfront loss for a better outcome in 15 years. Ensure you get a plain term plan if you surrender the existing policy. If you used the policy for Section 80C benefits, reassess your other investments (EPF, PPF, NPS, ELSS) to claim tax benefits. If needed, include a tax-saving ELSS fund in your new monthly SIPs.

**Dev Ashish**  
Founder, StableInvestor, and  
Sebi-registered investment adviser



I'm 40 and have two children. My portfolio includes ₹52 lakh in the EPF, ₹18 lakh in the PPF, ₹2.85 crore in mutual funds, ₹80 lakh in stocks, and ₹20 lakh in the NPS. I earn ₹3 lakh a month, with expenses of ₹1.5 lakh. I estimate the expenses for my kids' education abroad in 8-10 years at about ₹3 crore. I have a monthly SIP of ₹1 lakh in large-cap index, mid-cap, and small-cap funds. My wife owns a house and land worth ₹3 crore. How can I optimise my investment portfolio?

You have a well-diversified portfolio, with different asset classes and a high allocation to equity across different market caps via SIPs. This strategy will help you beat inflation. You are also managing your expenses well, which will help in achieving your financial goals. Assuming 10-12% CAGR in equity over 10 years, your equity funds (₹2.85 crore), stocks (₹80 lakh), and ₹1 lakh monthly SIP could grow to ₹11.53-13.65 crore (pre-tax). There is no need to change your portfolio. Continue your SIPs for the entire tenure and don't discontinue at any point. Keep a buffer period of 1-2 years at the end of your time horizon and, for optimal returns, redeem during favourable market conditions. Your wife can continue to hold the properties as fixed income if these are appreciating well and are not too difficult to maintain.

**Rushabh Desai**  
Founder, Rupee With Rushabh  
Investment Services



I have a fixed deposit of ₹34 lakh, which is maturing in a week and has been earmarked for a house. The builder may request payment within a year. Should I renew the FD or invest in a liquid mutual fund considering that I'm in the 30% tax bracket?

Since you will need the funds in less than a year, capital protection takes precedence over returns. Therefore, you should invest in short-term instruments that offer assured returns, such as bank fixed deposits or high-yield savings accounts that carry very low risk. Liquid mutual funds can be another option, but despite the potential for higher returns, there is no guarantee that the returns will outperform those of FDs.

From a tax perspective, since you will remain invested for less than a year, any gains will be classified as short-term capital gains (STCG) and taxed according to your income-tax slab rate, which is the same as the tax rate for FDs. Your best option would be to reinvest in a fixed deposit. To ensure you do not face any liquidity issues, split your capital into multiple FDs, instead of a single FD, and ladder these so that there's less chance of breaking these before maturity. You can also consider high-yield savings accounts, but thoroughly review the terms and conditions to ensure they are suitable for your situation.

**Adhil Shetty**  
CEO, BankBazaar



## Ask our experts

Have a question for the experts?  
etwealth@timesgroup.com



# State Secrets: Telangana

If, instead of foreign holidays, you prefer to travel within India, here's a series to help you plan the best vacations in each of the 28 states and 8 Union Territories. We highlight tourist attractions, culinary choices, modes of travel, and the costs involved. In the 23rd part of the series, **Riju Mehta** takes you to Telangana.



**CAPITAL HYDERABAD**

**BEST TIME TO VISIT NOVEMBER-FEBRUARY**



## WHERE TO STAY...

There are all types of stay options, ranging from hotels and homestays to rental apartments and resorts. You can find these on *Booking.com*, *Trivago*, *Airbnb* and *Telangana Tourism* site (<https://tourism.telangana.gov.in/blogpage?id=8>), among others. A 3-star accommodation is easily available from ₹1,000-5,000 depending on the location and city.

**COST: ₹27,000 for 9 nights**



## WHAT TO EAT...

Telangana cuisine is hot, spicy and tangy, using a lot of tamarind, red chillies, sesame seeds, asafoetida and coconut. Some popular dishes include *sarva pindi* (savory pancake), *sakinalu* (crispy snack), *talakaya kura* (mutton dish), Hyderabad *biryani*, *pachi pulusu* (tamarind soup), *golichina mamsam* (mutton gravy), *malidalu* (chappati laddu) and *qubani ka meetha* (apricot dessert). You can have local street food for ₹150-400, while a mid-range meal at a restaurant can range from ₹600-1,200.

**COST: ₹1,000-1,500 per person, per day**



## WHAT TO DO...

### TEMPLES

Birla mandir, Jagannath, Sri Chilkur Balaji (*Hyderabad*); Peddamma (*Bhadrakali Kothagudem*); Ramappa (*Mulugu*); Thousand Pillar (*Hanumakonda*).

### NATIONAL PARKS & SANCTUARIES

**NATIONAL PARKS:** Kasu Brahmananda Reddy park, Mahavir Harina Vanasthali park (*Hyderabad*); Mrugavani (*Rangareddy*).

**SANCTUARIES:** Nagarjunsagar Srisaillam Tiger Reserve (*Nandyal, Palnadu, Prakasam, Mahbubnagar, Nalgonda*); Pakhal (*Warangal*); Kawal (*Mancherial*); Eturnagaram (*Mulugu*); Kinnerasani (*Khammam*); Pocharam (*Medak*), among others.

### PALACES & FORTS

**PALACES:** Falaknuma palace, Chowmahalla palace, Malwala, Bella Vista, King Kothi, Asman Garh, Purani Haveli (*Hyderabad*).

**FORTS:** Golconda fort (*Hyderabad*); Warangal fort (*Warangal*); Khammam fort (*Khammam*); Domakonda fort (*Kamareddy*); Elgandal fort (*Karimnagar*), among others.

### MONUMENTS & SITES

Nagarjunsagar dam (*Nalgonda*); Charminar, Salarjung museum, Makka Masjid, Qutub Shahi tombs and Paigah tombs (*Hyderabad*).

## HOW TO REACH FROM DELHI...

The fastest way to reach Hyderabad is by air in around two hours. The cheapest one-way flight costs ₹4,658 for a September flight via Skyscanner. You can also take a train from Delhi to Secunderabad, which will take 22-28 hours, depending on the train. The sleeper class fare starts at ₹695 and 2A class fare starts from ₹2,625 onwards on Ixigo.

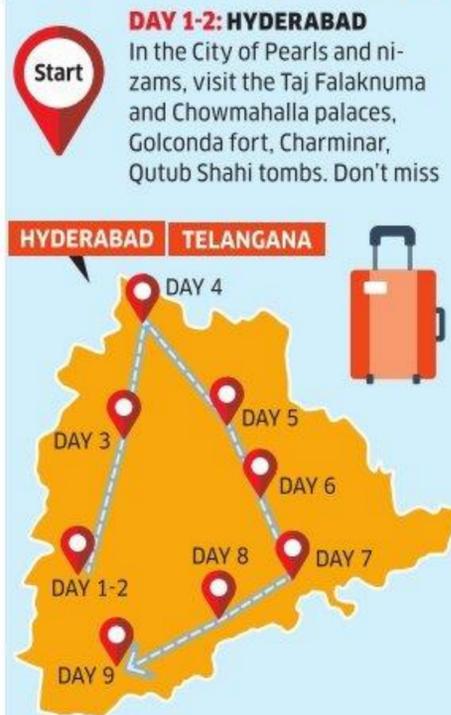


**Cost by air**  
₹4,658 (Delhi-Hyderabad, 2 hr 10 mts)

**Cost by train**  
₹2,625 onwards (Class 2A) (22-28 hrs)

\*One way, per person. Flight cost on Skyscanner. Train cost on Ixigo.

## SUGGESTED ITINERARY



**DAY 1-2: HYDERABAD**  
In the City of Pearls and nizams, visit the Taj Falaknuma and Chowmahalla palaces, Golconda fort, Charminar, Qutub Shahi tombs. Don't miss

the Salarjung museum and Ramoji Film City.

**DAY 3: NIZAMABAD**  
Reach in 3.5 hours and visit the Nizamabad fort, Neelakanteshwar temple, Pochampad dam, Pocharam sanctuary, Nizamsagar lake, Alisagar Reservoir and Mallaram forest.

**DAY 4: ADILABAD**  
Three hours away is the city for nature lovers. Visit Kunthala, Kanaki and Pochera waterfalls, Kawal and Pranahita sanctuaries, Kadam dam, and Jainath temple.

**DAY 5: KARIMNAGAR**  
Nearly four hours away is the city of forts and temples.

Visit the Kondagattu Anjaneya Swamy temple, Rajarajeshwar Swamy temple in Vemulwada, Nagunur fort and temples, Elgandal fort and Manair dam.

**DAY 6: WARANGAL**  
Reach in two hours and visit the Thousand Pillar, Bhadrakali, Siddeshwara and Padmakshi temples. Check out the Warangal fort, Pakhal, Laknavaram and Ramappa lakes, Eturnagaram sanctuary, and Kakatiya Rock Garden.

**DAY 7: KHAMMAM**  
Arrive in 2.5 hours and visit the Lakaram and Palair lakes, Khammam fort, Kinnerasani sanctuary, Nelakondapalli, Sri Venkateshwara Swamy temple (among other temples)

and Perantalapalli.

**DAY 8: NALGONDA**  
Reach in two hours. Visit the Nagarjunsagar dam, Kolanpaku Jain temple, Yadagirigutta, Devarkonda, and Rachakonda forts, Ethipothala waterfall, Phanigiri Buddhist site, and temples like Sri Chaya Someshwara, Pillalamarri Shiva and Pachala Someshwara.

**DAY 9: MAHBUBNAGAR**  
Arrive in 3.5 hours. Visit the Pillalamarri banyan tree, Koilkonda fort and dam, Kollapur and Wanaparthy palaces, and Somsila temple.

**DAY 10: FLY BACK TO DELHI**

# SMART STATS

## ET WEALTH TOP 50 STOCKS

The Economic Times Wealth  
June 17-23, 2024

In This Section

MUTUAL FUNDS - P16

LOANS AND DEPOSITS - P18

ALTERNATIVE INVESTMENTS - P19

Every week we put about 3,000 stocks through four key filters and rate them on a mix of factors. The end result of this is the listing of the top 50 stocks based on the composite rating to help ease your fortune hunt.

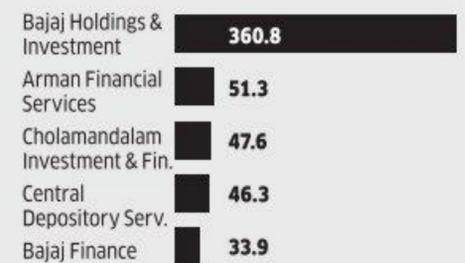
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RATING	
	Current Rank	Previous Rank		Revenue	Net Profit	PE	PB	PEG (5-year)	Div Yield (%)	No. of funds	Value Research Stock Rating
Kotak Mahindra Bank	1	10	1,726	33	22	18.8	2.6	1.3	0.1	142	*****
Can Fin Homes	2	1	817	29	21	14.4	2.5	1.0	0.7	44	*****
Bajaj Finance	3	4	7,295	34	24	31.3	5.9	1.7	0.5	102	*****
Manappuram Finance	4	2	187	33	46	7.2	1.4	-2.1	1.9	9	*****
City Union Bank	5	48	148	12	8	10.9	1.3	2.1	1.0	24	*****
Aavas Financiers	6	6	1,838	26	14	29.8	3.9	1.9	0.0	38	*****
IndusInd Bank	7	--	1,507	26	21	13.0	1.8	0.8	1.1	128	*****
Gujarat State Petronet	8	3	304	15	36	10.2	1.6	1.0	1.7	52	*****
Arman Financial Services	9	27	2,434	51	68	15.1	3.2	0.6	0.0	8	*****
ICICI Bank	10	--	1,107	32	29	17.7	3.1	1.1	0.9	270	****
Bajaj Holdings & Investment	11	28	8,253	361	50	12.8	1.7	0.7	1.6	9	*****
Shriram Finance	12	50	2,684	21	13	13.5	2.0	-1.7	1.7	101	*****
Coal India	13	5	488	3	10	8.0	3.6	0.8	5.2	110	*****
Godfrey Phillips India	14	23	3,860	24	45	22.9	4.8	1.0	1.4	9	*****
Indraprastha Gas	15	8	487	-1	21	17.0	3.5	1.2	1.9	40	*****
DCB Bank	16	--	137	28	15	8.0	0.9	0.7	0.9	20	*****
Repc Home Finance	17	24	537	17	34	8.2	1.1	-0.7	0.5	10	*****
Dr. Reddy's Laboratories	18	14	6,096	14	24	18.2	3.6	1.0	0.7	65	*****
JK Paper	19	--	446	-6	2	6.7	1.5	0.4	1.9	6	*****
The Great Eastern Shipping Co	20	11	1,188	-8	2	6.3	1.3	0.0	3.1	21	****
Nesco	21	9	982	24	25	19.1	3.0	1.5	0.6	6	*****
PI Industries	22	7	3,638	14	43	32.8	6.3	1.3	0.4	64	*****
State Bank Of India	23	--	844	25	21	11.2	1.9	0.9	1.6	214	****
Gulf Oil Lubricants India	24	13	965	10	32	15.4	3.7	1.8	3.7	8	*****
Infosys	25	16	1,494	5	10	23.6	7.1	2.1	3.1	212	*****
Zensar Technologies	26	19	716	1	103	24.3	4.5	3.0	1.3	28	*****
Cholamandalam Investment	27	30	1,436	48	27	35.0	6.1	1.9	0.1	124	****
Sun TV Network	28	18	759	13	12	15.5	2.8	2.9	2.2	20	*****
Coforge	29	--	5,273	15	15	43.7	6.0	3.0	1.4	119	*****
Axis Bank	30	--	1,175	28	158	13.8	2.3	1.9	0.1	205	****
Karur Vysya Bank	31	--	207	26	45	10.4	1.7	1.5	1.2	42	****
Akzo Nobel India	32	17	2,816	4	27	29.9	9.6	2.5	2.7	13	*****
Amara Raja Energy & Mobility	33	34	1,341	8	23	26.4	3.6	2.5	0.7	15	*****
Just Dial	34	31	1,052	23	121	24.5	2.2	2.0	0.0	6	*****
Jamna Auto Industries	35	22	128	4	22	24.9	5.7	3.6	1.9	10	*****
Cyient	36	--	1,906	19	32	30.9	5.0	3.2	1.6	47	*****
Central Depository Services	37	--	2,102	46	52	52.5	15.0	2.4	1.0	50	*****
Petronet LNG	38	26	323	-12	9	13.3	2.8	1.4	3.1	30	*****
Avanti Feeds	39	20	609	6	28	23.2	3.5	5.0	1.1	11	*****
Muthoot Finance	40	25	1,793	27	20	16.6	2.9	-2.3	1.3	50	*****
Cipla	41	38	1,545	13	47	30.1	4.6	1.8	0.8	116	*****
Esab India	42	--	5,697	14	20	54.4	29.0	2.8	1.5	7	*****
Narayana Hrudayalaya	43	15	1,227	11	30	31.8	8.7	0.6	0.3	24	*****
Persistent Systems	44	21	3,791	18	18	53.5	11.8	1.2	0.7	89	*****
Nestle India	45	29	2,552	10	3	77.1	73.8	0.7	1.3	59	*****
Castrol India	46	46	203	6	11	22.9	8.9	5.5	3.7	12	*****
Bajaj Auto	47	--	9,923	23	28	35.9	9.5	4.4	0.8	82	****
Birlasoft	48	--	683	10	88	30.4	6.2	2.4	0.9	40	*****
Alkem Laboratories	49	--	5,090	9	82	33.7	5.9	2.8	0.8	71	****
Kansai Nerolac Paints	50	--	283	4	143	19.3	4.1	4.6	1.3	12	*****

\*REVENUE AND EPS FIGURES BASED ON ONE-YEAR GROWTH. DATA AS ON 14 JUNE 2024.

SOURCE: VALUE RESEARCH

### 1 Fast growing stocks

Top 5 stocks with the highest revenue growth (%)



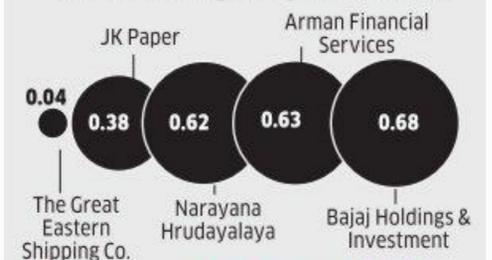
### 2 Least expensive stocks

Top 5 stocks with the lowest price to earnings ratio



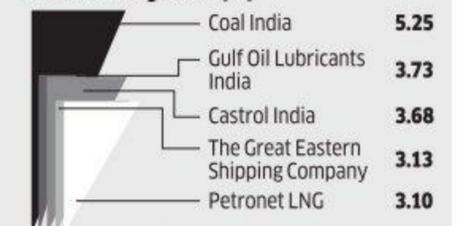
### 3 Best PEGs

Top 5 stocks with the least price earnings to growth ratio



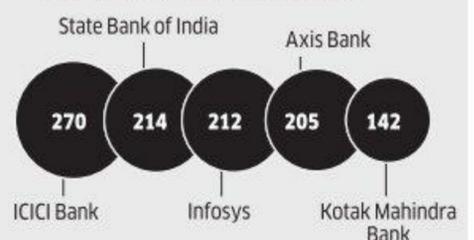
### 4 Income generators

Top 5 stocks with the highest dividend yield (%)



### 5 Most widely held

Top 5 stocks held by most number of mutual funds



SEE NUMBER OF MUTUAL FUNDS HOLDING THE STOCKS IN THE ADJACENT TABLE.

# ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

ET Wealth collaborates with Value Research to identify the top-performing funds across categories. Equity funds and equity-oriented hybrid funds are ranked on 3-year returns while debt-oriented hybrid and income funds are ranked on 1-year returns.

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio (%)
			3-Month	6-Month	1-Year	3-Year	5-Year	
<b>EQUITY: LARGE CAP</b>								
Nippon India Large Cap Fund	*****	26,137.65	8.52	19.17	40.04	23.58	18.6	1.62
JM Large Cap Fund	*****	144.17	7.94	22.5	46.19	20.66	18.29	2.41
ICICI Prudential Bluechip Fund	*****	54,904.23	6.3	18.22	39.67	20.47	18.51	1.49
Quant Focused Fund	*****	924.73	6.73	24.24	52.86	20.44	23.02	2.19
HDFC Top 100 Fund	****	33,170.08	4.75	14.73	35.58	19.36	16.04	1.62
DSP Nifty 50 Equal Weight Index Fund - Regular Plan	****	1,345.87	5.71	16.05	36.57	18.77	18.43	1
Baroda BNP Paribas Large Cap Fund	****	1,930.52	7.94	22.12	40.88	18.69	18.15	2.07
Edelweiss Large Cap Fund - Regular Plan	****	874.24	7.55	16.91	32.82	17.24	16.86	2.23
Kotak Bluechip Fund - Regular Plan	****	8,027.99	8.94	17.31	33.62	16.24	17.38	1.76
Canara Robeco Bluechip Equity Fund - Regular Plan	****	12,830.12	7.57	16.31	30.95	15.05	17.67	1.67
<b>EQUITY: LARGE &amp; MIDCAP</b>								
ICICI Prudential Large & Mid Cap Fund	*****	13,117.39	10.56	22.4	47.13	25.43	22.4	1.74
Motilal Oswal Large and Midcap Fund - Regular Plan	*****	4,036.22	15.09	23.18	53.48	24.94	-	1.86
HDFC Large and Mid Cap Fund - Regular Plan	****	18,691.62	11.13	20.08	49.01	24.69	22.87	1.69
Kotak Equity Opportunities Fund - Regular Plan	****	21,495.8	15.42	25.88	47.38	22.89	21.71	1.61
SBI Large & Midcap Fund	****	22,689.5	11.1	18.23	35.41	20.35	20.55	1.64
<b>EQUITY: FLEXI CAP</b>								
ICICI Prudential Retirement Fund - Pure Equity Plan	*****	729.8	12.74	26.6	56.2	30.03	22.75	2.25
JM Flexicap Fund	*****	2,107.42	16.25	31.67	63.71	29.57	25.64	1.93
HDFC Focused 30 Fund	****	11,246.61	10.15	20.18	42.84	27.44	20.71	1.7
Bank of India Flexi Cap Fund - Regular Plan	****	879.32	15.22	28.72	65.01	25.80	-	2.19
HDFC Flexi Cap Fund	****	52,874.12	9.35	20.4	43.77	24.85	20.52	1.49
ICICI Prudential Focused Equity Fund	****	7,872.07	11.12	24.28	46.42	22.77	21.58	1.76
HDFC Retirement Savings Fund Equity Plan	*****	5,044.1	9.63	17.98	38.1	22.62	22.62	1.81
Franklin India Flexi Cap Fund	****	15,267.1	8.66	18.99	44.15	21.58	20.56	1.73
Parag Parikh Flexi Cap Fund - Regular Plan	*****	63,933.76	7.68	17.07	38.14	20.88	24.15	1.37
360 ONE Focused Equity Fund - Regular Plan	****	7,009.01	10.97	18.69	38.84	20.45	22.26	1.8
Franklin India Focused Equity Fund	****	11,511.53	10.01	19.93	39.53	20.12	18.97	1.77
Union Flexi Cap Fund	****	2,051.3	6.09	14.21	35.03	17.46	19.18	2.05
<b>EQUITY: MID CAP</b>								
Motilal Oswal Midcap Fund - Regular Plan	*****	9,819.09	16.14	28.73	57.02	35.47	28.89	1.73
Quant Mid Cap Fund	*****	6,920.17	15.2	36.16	76.47	33.15	34.52	1.75
Nippon India Growth Fund	****	26,821.89	17.48	22.35	60.03	28.77	27.31	1.62
HDFC Mid-Cap Opportunities Fund	****	63,413.49	12.07	21.34	53.43	28.29	26.26	1.43
Edelweiss Mid Cap Fund - Regular Plan	****	5,534.33	16.08	24.98	54.87	25.50	26.93	1.79
SBI Magnum Midcap Fund	****	17,910.24	15.68	19.92	38.09	24.35	25.74	1.69
Kotak Emerging Equity Fund - Regular Plan	****	42,699.18	20.49	25.99	50.44	24.27	25.66	1.46
<b>EQUITY: SMALL CAP</b>								
Nippon India Small Cap Fund	*****	50,422.78	19.23	23.36	56.47	32.54	32.72	1.47
Tata Small Cap Fund - Regular Plan	****	6,951.59	19.24	19.7	42.67	26.47	28.91	1.74
Edelweiss Small Cap Fund - Regular Plan	****	3,361.4	16.42	18.62	48.39	26.26	29.7	1.88
ICICI Prudential Smallcap Fund	****	7,658.95	15.65	19.37	43.6	25.62	27.06	1.78
Axis Small Cap Fund - Regular Plan	*****	20,136.63	14.29	16.83	38.43	24.12	26.92	1.63
<b>EQUITY: VALUE ORIENTED</b>								
JM Value Fund	****	665.51	15	27.26	63.23	28.87	25.07	2.33
SBI Contra Fund	*****	29,585.65	9.79	21.14	48.19	28.39	27.49	1.58
Templeton India Value Fund	****	1,922.69	10.52	22.9	47.49	25.63	22.73	2.08
ICICI Prudential Value Discovery Fund	*****	42,664.32	5.49	18.49	42.47	24.34	23.38	1.58
Bandhan Sterling Value Fund - Regular Plan	****	8,943.61	9.4	21.38	42.46	23.82	22.93	1.76
<b>EQUITY: ELSS</b>								
SBI Long Term Equity Fund - Regular Plan	*****	23,411.67	11.32	29.71	58.8	26.78	23.38	1.62
Quant ELSS Tax Saver Fund	*****	9,360.89	11.39	28.46	59.88	26.36	32.96	1.75
Bank of India ELSS Tax Saver Fund - Regular Plan	*****	1,297.72	12.31	26.2	57.27	23.55	26.5	2.1
Kotak ELSS Tax Saver - Regular Plan	****	5,608.21	13.34	24.38	43.15	21.16	20.16	1.76
Parag Parikh ELSS Tax Saver Fund - Regular Plan	*****	3,360.61	5.16	13.19	33.09	20.58	-	1.71
DSP ELSS Tax Saver Fund	****	14,859.56	11.88	20.96	46.17	20.22	20.95	1.65
Bandhan ELSS Tax Saver Fund - Regular Plan	****	6,432.29	7.06	16.17	35.01	19.60	20.77	1.75
Union ELSS Tax Saver Fund	****	875.87	6.74	13.84	33.75	18.33	19.48	2.28

**23.58%**  
THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

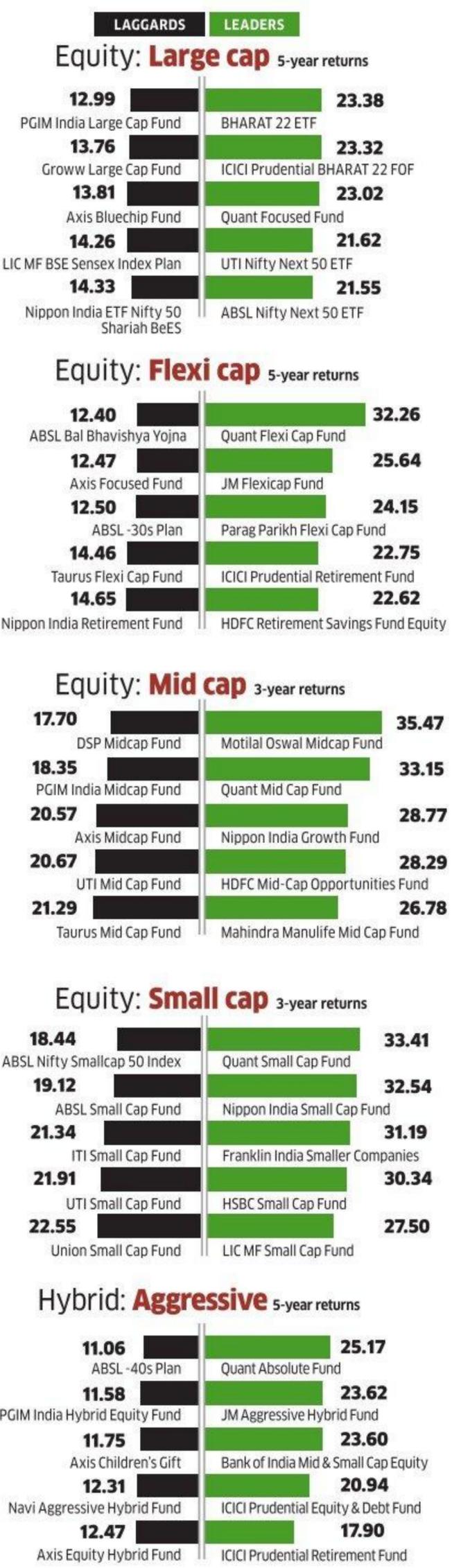
**30.03%**  
THE 3-YEAR RETURN OF ICICI PRU RETIREMENT FUND IS THE HIGHEST IN ITS CATEGORY.

**35.47%**  
THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

**28.87%**  
THE 3-YEAR RETURN OF JM VALUE FUND IS THE HIGHEST IN ITS CATEGORY.

## LAGGARDS & LEADERS

Taking a long-term view of fund returns, here is a list of 10 funds in each category—five leaders (worth investing) and five laggards (that may be a drag on your portfolio).



ANNUALISED RETURNS IN % AS ON 12 JUNE 2024.

# ETW FUNDS 100

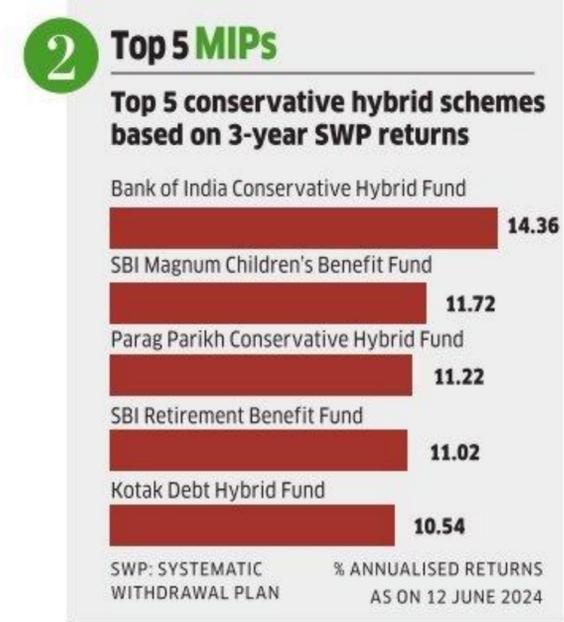
	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio
			3-Month	6-Month	1-Year	3-Year	5-Year	
<b>HYBRID: EQUITY SAVINGS</b>								
HSBC Equity Savings Fund	*****	274.96	9.96	14.4	24.18	12.76	11.95	1.51
Kotak Equity Savings Fund - Regular Plan	*****	5,132.18	4.81	9.81	19.69	12.19	11.15	1.84
UTI Equity Savings Fund - Regular Plan	*****	357.05	3.34	7.99	17.1	10.89	10.72	1.51
HDFC Equity Savings Fund	****	4,180.3	3.29	8.83	17.8	10.60	10.6	1.93
SBI Equity Savings Fund - Regular Plan	****	4,751.72	5.28	8.08	18.82	10.45	10.98	1.19
ICICI Prudential Equity Savings Fund	****	10,118.19	2.08	4.83	10.85	8.22	8.08	0.97
<b>HYBRID: AGGRESSIVE (EQUITY-ORIENTED)</b>								
JM Aggressive Hybrid Fund	****	262.45	13.71	26.73	56.56	23.61	23.62	2.35
ICICI Prudential Equity & Debt Fund	*****	34,733.09	5.97	17.83	38.76	23.36	20.94	1.62
Bank of India Mid & Small Cap Equity & Debt Fund	*****	724.24	13.27	19.93	50.52	22.56	23.6	2.37
Quant Absolute Fund	*****	2,024.53	6.7	23.45	39.94	20.36	25.17	2.02
Edelweiss Aggressive Hybrid Fund - Regular Plan	****	1,564.25	6.54	15.47	32.84	18.48	17.34	2.02
UTI Aggressive Hybrid Fund - Regular Plan	****	5,487.53	8.14	15.83	33.03	17.74	17.03	1.9
HDFC Children's Gift Fund	*****	8,864.86	9.15	13.23	28.13	17.59	17.67	1.76
Kotak Equity Hybrid Fund - Regular Plan	****	5,411.89	10.62	16.65	30.96	16.07	17.56	1.81
HDFC Retirement Savings Fund - Hybrid Equity Plan -	****	1,394.48	6.93	13.11	27.79	15.75	16.35	2.11
Baroda BNP Paribas Aggressive Hybrid Fund - Regular Plan	****	1,022.15	6.65	16.88	32.39	14.65	16.76	2.16
<b>HYBRID: CONSERVATIVE (DEBT-ORIENTED)</b>								
SBI Magnum Children's Benefit Fund - Savings Plan	*****	109.84	5.35	9.35	18.56	12.37	11.95	1.21
Kotak Debt Hybrid Fund - Regular Plan	*****	2,414.67	3.93	8.77	16.79	10.4	11.64	1.71
HDFC Hybrid Debt Fund	****	3,140.27	2.94	8	15.59	10.41	10.49	1.77
SBI Conservative Hybrid Fund	*****	9,789.02	4.9	8.74	14.70	10.49	10.92	1.11
ICICI Prudential Regular Savings Fund	****	3,402.04	3.7	7.45	14.59	9.48	9.74	1.67
Canara Robeco Conservative Hybrid Fund - Regular Plan	****	983.88	3.27	6.15	11.35	7.23	9.19	1.82
<b>HYBRID: DYNAMIC ASSET ALLOCATION</b>								
HDFC Balanced Advantage Fund	*****	83,548.61	7.15	16.87	40.48	22.76	18.84	1.38
ICICI Prudential Balanced Advantage Fund	****	56,709.02	4.46	10.51	21.64	12.98	13.08	1.48
Edelweiss Balanced Advantage Fund - Regular Plan	****	11,135.73	6.1	13.61	25.1	12.94	14.89	1.71
Tata Balanced Advantage Fund - Regular Plan	****	9,107.02	3.84	10.65	21.47	12.45	13.07	1.69
<b>DEBT: FLOATER</b>								
SBI Floating Rate Debt Fund - Regular Plan	****	1,153.49	2.09	4.05	8.15	5.91	-	0.46
Franklin India Floating Rate Fund	****	271.22	1.94	3.85	7.72	5.6	5.71	0.95
Aditya Birla Sun Life Floating Rate Fund - Regular Plan	*****	12,768.68	1.95	3.94	7.56	5.89	6.53	0.46
<b>DEBT: BANKING AND PSU</b>								
ICICI Prudential Banking & PSU Debt Fund	*****	9,056.41	1.71	3.89	7.32	5.81	6.79	0.74
ITI Banking and PSU Fund - Regular Plan	*****	30.05	1.48	4.01	6.86	5.36	-	0.7
Kotak Banking and PSU Debt Fund - Regular Plan	****	5,951.91	1.58	3.89	6.82	5.38	6.75	0.76
HDFC Banking and PSU Debt Fund - Regular Plan	****	6,205.47	1.62	3.92	6.80	5.16	6.65	0.79
Aditya Birla Sun Life Banking & PSU Debt Fund	****	10,059.46	1.64	3.89	6.77	5.29	6.71	0.72
Bandhan Banking & PSU Debt Fund - Regular Plan	****	14,207.57	1.68	3.77	6.47	5.11	6.75	0.63
<b>DEBT: SHORT TERM</b>								
ICICI Prudential Short Term Fund	****	18,091.83	1.73	3.89	7.28	5.81	7.03	1.07
HDFC Short Term Debt Fund	****	12,947.96	1.78	4.18	7.24	5.46	6.91	0.69
UTI Short Duration Fund - Regular Plan	*****	2,680.4	1.6	4.03	6.93	6.96	7.7	0.84
Aditya Birla Sun Life Short Term Fund - Regular Plan	****	7,274.29	1.65	3.95	6.78	5.48	6.76	1.07
Nippon India Short Term Fund	****	5,496.93	1.65	3.93	6.75	5.15	6.47	0.94
Axis Short Term Fund	****	7,944.42	1.67	4.01	6.68	5.25	6.78	0.88
Sundaram Short Duration Fund	*****	187.1	1.65	3.84	6.53	7.44	6.98	0.85
<b>DEBT: CORPORATE BOND</b>								
ICICI Prudential Corporate Bond Fund	*****	27,350.22	1.83	3.96	7.5	5.93	7.06	0.57
Aditya Birla Sun Life Corporate Bond Fund	****	21,330.37	1.75	4.26	7.41	5.69	7.15	0.51
HDFC Corporate Bond Fund	****	28,968.1	1.81	4.22	7.35	5.46	7	0.6
Kotak Corporate Bond Fund - Standard Plan	****	12,144.9	1.72	4.03	7.01	5.4	6.5	0.67
Nippon India Corporate Bond Fund	*****	2,892.76	1.63	4.16	6.94	5.84	6.78	0.7
Axis Corporate Debt Fund - Regular Plan	****	5,336.26	1.58	3.98	6.76	5.23	6.93	0.91

**12.76%**  
THE 3-YEAR RETURN OF HSBC EQUITY SAVINGS FUND IS THE HIGHEST IN ITS CATEGORY.

**18.56%**  
THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

**7.32%**  
THE 1-YEAR RETURN OF ICICI PRU BANKING & PSU DEBT FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 31 May 2024  
Returns as on 12 June 2024  
Assets as on 30 April 2024  
Rating as on 31 May 2024



**Did not find your fund here?**  
Log on to [www.wealth.economictimes.com](http://www.wealth.economictimes.com) for an exhaustive list.

**Methodology**  
The Top 100 includes only those funds that have a 5- or 4-star rating from Value Research. The rating of a fund vis-à-vis other funds in its category is determined by subtracting a fund's risk score from its return score. The resulting number is assigned stars according to the following distribution:

- \*\*\*\*\* Top 10%
- \*\*\*\* Next 22.5%
- \*\*\* Middle 35%
- \*\* Next 22.5%
- \* Bottom 10%

(Not covered in ETW Funds 100 listing)

Debt funds with less than 18-months performance history and equity and hybrid funds with less than three-years performance track record are not rated. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, we have considered only the 'growth' plan of funds as it reinvests interim gains unlike 'IDCW' plan which offers periodic payouts to investors, thereby reducing NAV. The fund categories are:

**Categories**

- Equity: Large-cap:** Funds investing at least 80% in large cap stocks.
- Equity: Large & MidCap:** Funds investing at least 35% each in large and mid caps.
- Equity: Flexi Cap:** Funds investing at least 65% in equity with no particular cap on large, mid or small.
- Equity: Mid Cap:** Funds investing at least 65% in mid caps.
- Equity: Small Cap:** Funds investing at least 65% in small caps.
- Equity: Value Oriented:** Funds following value/contrarian investment strategy and grouped under 'Value' or 'Contra' categories as per SEBI.
- ELSS: Equity:** with a lock-in of three years and tax benefit under Section 80C.
- Hybrid: Aggressive:** Funds investing 65-80% in equity, and the rest in debt.
- Hybrid: Conservative:** Funds investing 10-25% in equity, and the rest in debt.
- Hybrid: Equity Savings:** Funds investing at least 65% in equity and equity related instruments, and at least 10% in debt.
- Hybrid: Dynamic Asset Allocation:** Funds which dynamically manage the asset allocation between equity and debt.
- Debt: Short Duration:** Funds with Macaulay duration between 1 and 3 years at the portfolio level.
- Debt: Corporate Bond:** Funds investing at least 72% in AA+ and above-rated corporate bonds.
- Debt: Banking and PSU:** Funds investing at least 72% in the debt instruments of banks, PSUs, public financial institutions and municipal bonds.
- Debt: Floater:** Funds investing at least 58.5% in floating-rate instruments.

**FUND RAISER**  
**56%**  
of the 138 hybrid funds have underperformed their respective benchmarks in the past one year.  
SOURCE: ACE MF

# LOANS & DEPOSITS

ET WEALTH collaborates with ETIG to provide a comprehensive ready reckoner of loans and fixed-income instruments. Don't miss the information on investments for senior citizens and a simplified EMI calculator.

## Top five bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	7.85	10,808
IndusInd Bank	7.75	10,798
RBL Bank	7.50	10,771
YES Bank	7.25	10,745
DCB Bank	7.10	10,729
<b>TENURE: 2 YEARS</b>		
RBL Bank	8.00	11,717
IDFC First Bank	7.75	11,659
IndusInd Bank	7.75	11,659
DCB Bank	7.50	11,602
Bandhan Bank	7.25	11,545
<b>TENURE: 3 YEARS</b>		
DCB Bank	7.55	12,516
RBL Bank	7.50	12,497
Bank of Baroda	7.25	12,405
IDFC First Bank	7.25	12,405
IndusInd Bank	7.25	12,405
<b>TENURE: 5 YEARS</b>		
DCB Bank	7.40	14,428
Dhanlaxmi Bank	7.25	14,323
IndusInd Bank	7.25	14,323
YES Bank	7.25	14,323
RBL Bank	7.10	14,217

## Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	8.35	10,862
IndusInd Bank	8.25	10,851
RBL Bank	8.00	10,824
YES Bank	7.75	10,798
Kotak Mahindra Bank	7.60	10,782
<b>TENURE: 2 YEARS</b>		
RBL Bank	8.50	11,832
IDFC First Bank	8.25	11,774
IndusInd Bank	8.25	11,774
DCB Bank	8.00	11,717
YES Bank	7.75	11,659
<b>TENURE: 3 YEARS</b>		
DCB Bank	8.05	12,701
RBL Bank	8.00	12,682
YES Bank	8.00	12,682
Bandhan Bank	7.75	12,589
Bank of Baroda	7.75	12,589
<b>TENURE: 5 YEARS</b>		
YES Bank	8.00	14,859
DCB Bank	7.90	14,787
Axis Bank	7.75	14,678
Dhanlaxmi Bank	7.75	14,678
IndusInd Bank	7.75	14,678

## Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	7.40	14,428
Dhanlaxmi Bank	7.25	14,323
IndusInd Bank	7.25	14,323
YES Bank	7.25	14,323
RBL Bank	7.10	14,217



## HOME LOAN RATES

With effect from October 2019, all banks have made the transition to external benchmarks for pricing new home loans. Most banks have picked the RBI repo rate as the external benchmark.

**REPO RATE: 6.50%**

BANK	RLLR (%)	FOR SALARIED		FOR SELF-EMPLOYED (%)		WEF
		FROM (%)	TO (%)	FROM (%)	TO (%)	
City Union Bank	9.70	8.25	10.50	8.25	10.50	23 May 2024
IndusInd Bank	--	8.35	9.45	8.35	9.45	Not Given
Bank of Maharashtra	9.30	8.35	10.40	8.45	10.90	9 Feb 2024
Union Bank of India	9.25	8.35	10.75	8.35	10.75	11 April 2024
Indian Bank	9.20	8.40	9.80	8.85	10.35	3 April 2024
Punjab National Bank	9.25	8.40	10.10	8.90	10.60	9 Feb 2023
Indian Overseas Bank	9.35	8.40	10.50	8.50	10.60	13 Oct 2023
Bank of Baroda	9.15	8.40	10.60	8.40	10.60	14 Feb 2023
Bank of India	9.35	8.40	10.70	8.40	10.85	1 June 2024
UCO Bank	9.30	8.45	10.30	8.45	10.30	15 Mar 2023
IDBI Bank	9.10	8.45	10.75	8.55	12.25	12 Feb 2023
Canara Bank	9.25	8.50	11.75	8.50	11.75	12 May 2024
Punjab & Sind Bank	8.45	8.55	10.00	8.55	10.00	16 Feb 2024
Karnataka Bank	--	8.60	10.62	8.60	10.62	1 April 2024
Kotak Mahindra Bank	--	8.70	9.35	8.75	9.60	Not Given
South Indian Bank	9.85	8.70	11.20	8.75	11.70	Not Given
HDFC Bank	--	8.75	9.95	8.75	9.95	Not Given
Federal Bank	--	8.80	10.25	10.20	10.30	16 Feb 2024
Karur Vysya Bank	10.00	9.00	11.05	9.00	11.05	12 Feb 2024
J & K Bank	9.10	9.10	9.45	9.10	9.45	10 April 2024
SBI Term Loan	9.15	9.15	9.65	9.15	9.65	1 Feb 2024
Bandhan Bank	--	9.16	13.33	9.16	13.33	Not Given
ICICI Bank	--	9.25	9.90	9.40	10.05	Not Given

## Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 7%	1,980	1,161	899	775	707
@ 8%	2,028	1,213	956	836	772
@ 9%	2,076	1,267	1,014	900	839
@ 10%	2,125	1,322	1,075	965	909

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY. FOR EXAMPLE, A ₹5 LAKH LOAN AT 10% FOR 15 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,075 X 5 = ₹5,375

## Post office deposits



	Interest (%)	Minimum investment (₹)	Maximum investment (₹)	Features	Tax benefits
Sukanya Samridhi Yojana	8.25	250	₹1.5 lakh p.a.	One account per girl child	80C
Senior Citizens' Savings Scheme	8.20	1,000	₹30 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.10	500	₹1.5 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	7.50	1,000	No limit	Can be encashed after 2.5 years	Nil
5-year NSC VIII Issue	7.70	1,000	No limit	No TDS	80C
Time deposit	6.9-7.50	1,000	No limit	Available in 1, 2, 3, 5 year tenures	80C*
Post Office Monthly Income Scheme	7.40	1,000	Single ₹9 lakh	5-year tenure, monthly returns	Nil
			Joint ₹15 lakh	5-year tenure, monthly returns	Nil
Recurring deposits	6.70	100	No limit	5-year tenure	Nil
Savings account	4.00	500	No limit	₹10,000 interest tax-free	Nil

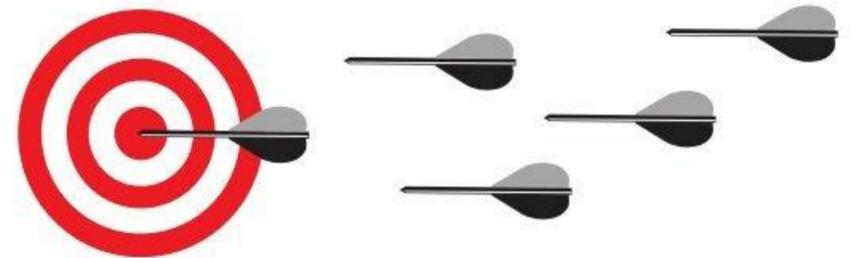
# ALTERNATIVE INVESTMENT RETURNS MONITOR

The scope and attractiveness of alternative investments is increasing. Here's a weekly tracker of returns from such investments. But don't compare these with returns from traditional investments since the proportion and purpose of alternative investments is vastly different.



## PENNY STOCKS UPDATE

Penny stocks as a recommended non-traditional investment? Not exactly. **ET WEALTH** neither has the expertise nor does it recommend investing in such stocks. But since the relatively 'low' cost of investment attracts some investors to penny stocks, we provide a weekly snapshot of this most volatile and uncertain type of stock investing.



### Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Yogi Infra Projects	9.18	27.15	<b>85.08</b>	0.25	76.77	15.47
Wagend Infra Venture	2.29	-8.03	<b>81.75</b>	3.23	-58.86	10.8
UTL Industries	4.33	44.82	<b>72.51</b>	2.15	129.87	14.29
iStreet Network	4.94	-5.73	<b>70.34</b>	0.23	161.64	10.52
LCC Infotech	3.27	9.73	<b>59.51</b>	2.08	793.24	41.4
Excel Realty N Infra	0.84	2.44	<b>58.49</b>	22.64	-45.37	118.51
Future Retail	3.26	25.87	<b>55.24</b>	8.94	253.58	176.79
AF Enterprises	9.77	21.22	<b>53.86</b>	1.52	1139.06	35.86
Srestha Finvest	1.74	20	<b>48.72</b>	28.56	802.16	14.36
Bombay Talkies	7.8	10.33	<b>47.73</b>	0.03	86.52	42.12

### Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
Sawaca Business Machines	1.11	-13.95	-21.28	270.63	<b>3,242.21</b>	63.49
Davangere Sugar Comp.	9.62	-2.93	-2.24	3.14	<b>2,029.79</b>	905.05
AF Enterprises	9.77	21.22	53.86	1.52	<b>1,139.06</b>	35.86
TV Vision	6.8	-7.98	36	0.24	<b>933.12</b>	24.98
Srestha Finvest	1.74	20	48.72	28.56	<b>802.16</b>	14.36
LCC Infotech	3.27	9.73	59.51	2.08	<b>793.24</b>	41.4
Siti Networks	0.64	3.23	1.59	7.85	<b>672.45</b>	55.81
Neueon Towers	2.38	-19.87	-34.44	0.13	<b>663.10</b>	13.46
Scanpoint Geomatics	7.51	8.68	5.77	18.96	<b>662.04</b>	126.24
Zee Learn	7.53	3.72	22.24	3.6	<b>589.45</b>	245.55

### Top price losers

Unistar Multimedia	4.97	-12.81	<b>-33.47</b>	1.58	45.26	12.43
Rolta India	4.23	-8.84	<b>-29.03</b>	1.95	-81.1	70.17
Brightcom Group	9.45	-5.41	<b>-26.8</b>	24.33	-4.34	1883.29
Rangoli Tradecomm	4.72	0.43	<b>-22.62</b>	1.78	164.96	11.67
Sawaca Business Mach.	1.11	-13.95	<b>-21.28</b>	270.63	3242.21	63.49
Ashapuri Gold Orname.	9.94	-3.5	<b>-19.90</b>	7.43	-77.48	331.3
Orchasp	3.29	-1.79	<b>-19.76</b>	6.8	215.67	57.33
Bisil Plast	2.47	21.67	<b>-16.27</b>	1.13	-54.16	13.34
Adcon Capital Services	0.68	-8.11	<b>-16.05</b>	9.03	158.96	12.7
Shashijit Infraprojects	5.96	-5.1	<b>-15.94</b>	1.4	-12.85	30.81

### Top volume losers

Grandma Trading Agencies	3.46	3.59	3.59	1.24	<b>-100</b>	45.19
Dipna Pharmachem	8.14	-0.73	-6.65	1.22	<b>-82.82</b>	20.3
Rolta India	4.23	-8.84	-29.03	1.95	<b>-81.1</b>	70.17
Ashapuri Gold Ornament	9.94	-3.5	-19.9	7.43	<b>-77.48</b>	331.3
Jackson Investments	0.82	22.39	15.49	1.17	<b>-77.34</b>	23.84
Avance Technologies	0.94	5.62	-10.48	66.5	<b>-75.79</b>	186.3
Veeram Securities	9.03	1.35	-2.9	1.7	<b>-60.93</b>	68.31
Wagend Infra Venture	2.29	-8.03	81.75	3.23	<b>-58.86</b>	10.8
Luharuka Media & Infra	4.64	0.65	-0.85	1.28	<b>-57.70</b>	43.48
Bisil Plast	2.47	21.67	-16.27	1.13	<b>-54.16</b>	13.34

STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH, AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 12 JUNE 2024. SOURCE: ETIG DATABASE AND REUTERS-REFINITIV.

## SBI LONG TERM EQUITY

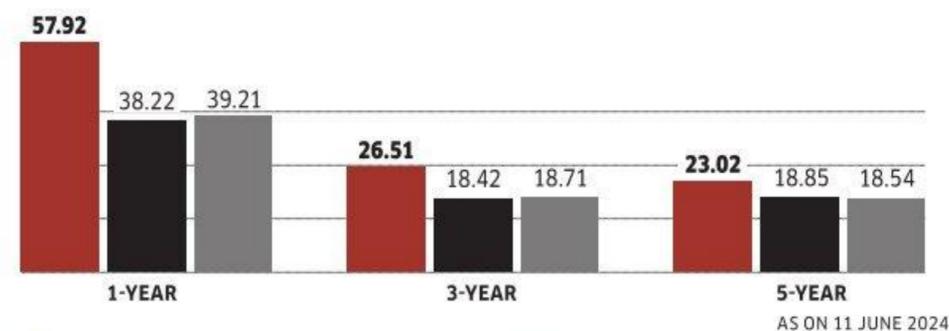
# Need to sustain performance

ET Wealth collaborates with Value Research to analyse top mutual funds. We examine the key fundamentals of the fund, its portfolio and performance to help you make an informed investment decision.

## HOW THE FUND HAS PERFORMED

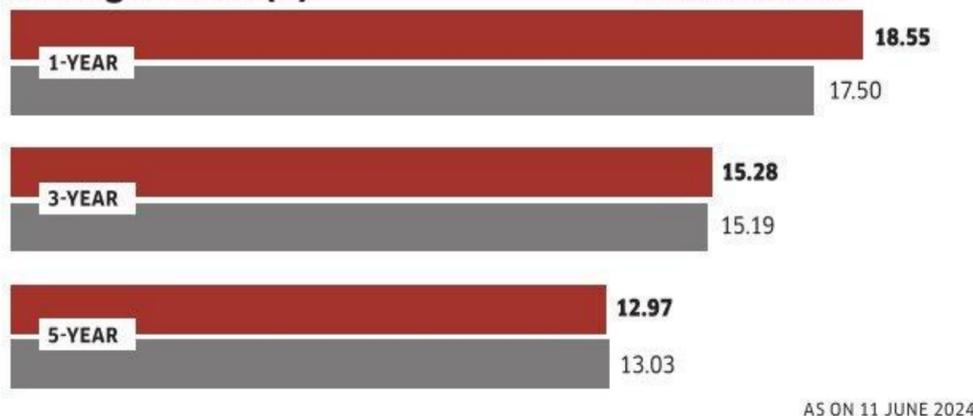
### Point-to-point returns (%)

FUND BENCHMARK CATEGORY AVERAGE



The fund has comfortably outperformed the index and its peers in recent years.

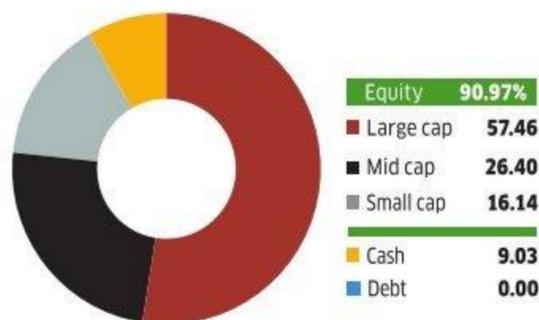
### Rolling returns (%)



The fund's returns have tracked the index over longer time frames.

## WHERE THE FUND INVESTS

### Portfolio asset allocation



The fund retains a sizeable presence in mid caps and small caps, unlike many of its peers.

### Fund style box



## BASIC FACTS

DATE OF LAUNCH  
**31 MARCH 1993**

CATEGORY  
**EQUITY**

TYPE  
**ELSS**

AUM\*  
**₹23,888 crore**

BENCHMARK  
**BSE 500 TOTAL RETURN INDEX**

## WHAT IT COSTS

NAV\*\*  
GROWTH OPTION  
**₹409.59**

IDCW  
**₹83.04**

MINIMUM INVESTMENT  
**₹500**

MINIMUM SIP AMOUNT  
**₹500**

EXPENSE RATIO\* (%)  
**1.62**

EXIT LOAD  
**Nil**

\*AS ON 31 MAY 2024  
\*\*AS ON 11 JUNE 2024  
#AS ON 31 MAY 2024



**FUND MANAGER**  
**DINESH BALACHANDRAN**  
7 YEARS, 8 MONTHS

### Top 5 sectors in portfolio (%)



The fund's biggest positions are in financials and energy sectors.

AS ON 31 MAY 2024

### Top 5 stocks in portfolio (%)



The fund runs a well-diversified portfolio with modest positions in top bets.

AS ON 31 MAY 2024

## Recent portfolio changes

### New entrants

Kajaria Ceramics (April).

### Complete exits

PB Fintech (April).  
Bharat Forge, Computer Age Management Services, IRB Infrastructure Developers (May).

## How risky is it?

	Fund	Category	Index
Standard Deviation	13.09	12.43	12.81
Sharpe Ratio	1.46	0.99	0.95
Mean Return	24.43	17.64	17.52

BASED ON 3-YEAR PERFORMANCE.

The fund boasts a superior risk-return profile in its category.

AS ON 31 MAY 2024  
Source: Value Research

## Should You Buy



This fund stands apart from many of its peers with its distinct value-conscious stance. The fund manager avoids overpaying for the high-growth segment when valuations are rich. It retains a large-cap tilt,

but runs a bigger presence in mid caps and small caps compared to many of its peers. The fund has made the most of the turnaround in value segment in the past few years, leaving the index and peers trailing

in its wake. The higher allocation to mid caps and small caps has worked in its favour as well. It must sustain this performance in order to improve its track record over the longer term.

# PCBL: On a growth trajectory

Expansion, acquisition synergies, strong carbon black demand and export opportunities to drive growth.

The carbon black manufacturer reported a revenue growth of 40% in the March 2024 quarter, on a year-on-year basis, supported by strong volumes and higher realisations. The EBITDA margins jumped significantly, aided by high-margin exports and an increasing share of value-added products.

The management anticipates robust volume momentum in 2024-25, with increased capacity utilisation at its Chennai facility and aggressive capex plans. PCBL, India's largest and the world's seventh largest carbon black company, serves customers in over 50 countries. With a current capacity of 770 KTPA, it offers customised products for tyres, speciality chemicals, and performance chemicals.

The company benefits from the growing prospects of global and Indian tyre industry as carbon black is a commonly used reinforcement compound used in tyres.

Increasing demand, easing of supply disruptions and rise in EV sales is fuelling the global automotive industry. In India, rising transportation demand, economic growth, and export opportunities bolster the tyre industry, along with the global OEMs' supply chain de-risking strategies.

Apart from tyres, carbon black is extensively used in non-rubber applications like paints, coatings, inks and electrical applications like batteries. These segments are witnessing a strong surge in demand. Moreover, the Indian carbon black industry is highly concentrated and PCBL is well poised to meet the growing demand as it has the highest production capacity in the country.

The management plans to increase capacity with a capex of ₹1,600-1,800 crore over the next 3-4 years, aiming to reach

1 MTPA. Expansion is planned for the Mudra plant (Gujarat) and a recently commissioned plant in Chennai, including a 90 KT brownfield expansion in two phases. A greenfield capacity expansion is also being considered.

The recent acquisition of Aquapharm Chemicals will help it enter global speciality segments. Aquapharm has a strong pipeline of value-added products, which are expected to see good demand in 2024-25. The company plans to expand the capacities of various speciality chemicals in Aquapharm to accelerate the growth momentum.

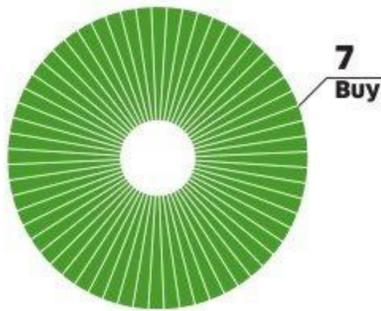
PCBL has also acquired two patents in relation to oxidised and surface-modified grades that are expected to strengthen the speciality portfolio of the company. It is also focusing on opportunities in EV battery chemicals and has entered a joint venture (JV) with Nanowaste Technologies, which develops nano-silicon additives for lithium-ion batteries. The JV will help in creating products for global EV players.

The stock has significantly outperformed the market benchmark over the past year, delivering 72.3% returns, compared to the BSE Sensex's 22.1% returns.

**Selection methodology:** We pick the stock that has shown the maximum increase in 'consensus analyst rating' during the past month. The consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (1 for strong buy, 2 for buy, 3 for hold, 4 for sell, 5 for strong sell). An improvement in consensus analyst rating indicates that the analysts are getting bullish on the stock. Only stocks with more than five analysts covering them are considered. You can see similar consensus analyst rating changes during the past week in ETW 50 table.

—Sameer Bhardwaj

## Analysts' views



Analysts are confident about PCBL due to growing prospects of tyre industry and a strong surge in demand in segments like paints, inks and batteries.

## Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2022-23	2023-24	2024-25	2025-26
Revenue (₹ cr)	5,774.10	6,419.80	8,508.00	9,412.00
EBIDTA (₹ cr)	731.20	1,037.30	1,408.60	1,591.90
Net profit/loss (₹ cr)	441.80	490.90	529.80	660.40
EPS (₹)	--	18.75	21.05	23.16

## Valuations

	PBV	PE	DIVIDEND YIELD (%)
PCBL	3.33	19.10	2.21
Pidilite Industries	22.03	90.56	0.36
Aarti Industries	4.97	58.80	0.37
SRF	6.76	53.23	0.30
Deepak Nitrite	12.53	40.57	0.31

## Brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
28 May 2024	ICICI Securities	Buy	290
24 May 2024	IDBI Capital	Buy	299
24 May 2024	DAM Capital	Buy	345
15 Mar 2024	ICICI Direct	Buy	330
14 Mar 2024	JM Financial	Buy	355

## Relative performance



PCBL is compared with ET Chemicals and Sensex. Stock and index values normalised to a base of 100. Source: ETIG and Reuters-Refnitv



## WHAT EXPERTS ADVISE

### BUY

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
Hindustan Construction	Elara Capital	Buy	38	63	65.8	Initiate with 'buy' due to significant opportunities in key sectors, debt reduction, strong project completion experience, expected order inflows in 2024-25, and robust growth prospects in 2025-26.
Krsnaa Diagnostics	Systematix	Buy	598	841	40.6	Initiate with 'buy' as it is well set to exploit growth opportunities in India's diagnostic market through its focus on the underpenetrated semi-urban and rural segments. Also, the superior utilisation of recently set-up diagnostic centres is expected to support growth over the next three years.
L&T Finance	Antique Stock Broking	Buy	165	220	33.3	Initiate with 'buy' as focus on product diversification and balance sheet buffers could help mitigate the effect of business cycle fluctuations. Expected AUM growth and lower credit costs are other positives.
Pitti Engineering	Axis Capital	Buy	912	1,180	29.4	Maintain 'buy' rating due to its robust capex and capacity addition, improvement in order book, increasing revenue contribution from value-added products, rising demand in the international business, and focus on inorganic growth.
Suzlon Energy	ICICI Securities	Buy	50	60	20.0	Maintain 'buy' rating due to positive outlook of wind industry over the medium to long run, and expectations of strong order inflows. Focus on debt reduction and corporate governance are other positives.
Home First Finance	Motilal Oswal	Buy	925	1,080	16.8	Reiterate 'buy' due to its robust technology platform, likelihood of AUM doubling by 2026-27, focus on emerging states, best productivity metrics among peers, and track record of strong asset quality.

### SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
Rallis India	Kotak Securities	Sell	266	200	-24.8	Retain 'sell' due to challenging near-term outlook as destocking is expected to continue. The likely market share loss in insecticides and herbicides, and decline in RoE after recent capex are other negatives.

# NPS can reduce tax marginally

Sudhir Kaushik of TaxSpanner.com tells readers how they can optimise their tax by rejigging their incomes and investments.

Pune-based IT professional Tinesh Malik pays a high tax because his salary structure is not very tax-friendly and he doesn't avail of all the tax deductions available to him. TaxSpanner estimates that Malik can reduce his tax marginally by around ₹50,000 if he opts for the NPS benefit offered by his company and invests in the scheme on his own as well.

Malik has already chosen some tax-free allowances from the flexi benefits offered by his company. He should also opt for the NPS benefit being offered. Under Section 80CCD(2), up to 10% of the employee's basic salary put in the pension scheme is tax-free. If his company puts ₹9,157 (10% of his basic pay) in the NPS every month, his annual tax will reduce by about ₹35,000. Another ₹15,600 can be saved if Malik invests ₹50,000 in the NPS on his own. At 32, Malik should opt for an aggressive allocation and put the maximum 75% in equity funds of the NPS.

Malik also needs to rejig his tax-saving investments. Since he already puts nearly ₹1.32 lakh in the Provident Fund, there is no need to continue the ongoing SIPs in ELSS funds. Malik should redirect the money to the NPS. He should also buy a term insurance plan of at least ₹2 crore for 28 years. It will cost him about ₹18,000 per year.

Malik is considering opting for the new tax regime because compliance is easier. However, he will pay roughly ₹40,000 higher tax under the new tax regime because he will neither get exemption for house rent allowance, nor deduction for medical insurance and other tax-saving investments. It is, therefore, recommended that he stay with the old tax regime.

## Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED (₹)
Provident Fund	1,31,859	1,31,859
ELSS funds	1,20,000	0
Life insurance	0	18,000
NPS under Sec 80CCD(1b)	0	50,000
<b>TOTAL ADMISSIBLE</b>	<b>1,50,000</b>	<b>2,00,000</b>

Stop SIPs in ELSS funds and invest in the NPS instead.

Buy term insurance plan of at least ₹2 crore.

Invest in the NPS to save tax.

## Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED (₹)
HRA exemption	2,90,400	2,90,400
Medical insurance	15,900	15,900
<b>TOTAL ADMISSIBLE</b>	<b>3,06,300</b>	<b>3,06,300</b>

## INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED
Basic salary	10,98,828	10,98,828
House rent allowance	7,81,728	7,81,728
Special allowance	10,69,008	9,59,126
Books and periodicals	12,000	12,000
LTA	96,572	96,572
Work-from-home reimbursement	22,440	22,440
Food coupons	24,875	24,875
Performance bonus	1,20,000	1,20,000
Employer's contribution to Provident Fund	1,31,859	1,31,859
Contribution to NPS under Sec 80CCD(2d)	0	1,09,882
<b>TOTAL</b>	<b>33,57,310</b>	<b>33,57,310</b>

Reduce this taxable portion of the salary.

Up to 10% of basic salary put in the NPS is tax-free.

## + INCOME FROM OTHER SOURCES

Interest income	4,500	0
Capital gains	0	0
Rental income	0	0
<b>TOTAL</b>	<b>4,500</b>	<b>0</b>

Defer tax by switching from fixed deposits to debt funds.

All figures are in ₹

⬆ Denotes suggestion to increase ⬇ Denotes suggestion to reduce

## Tinesh Malik's tax

TAX ON SALARY	TAX ON OTHER INCOME	TAX ON CAPITAL GAINS
<b>CURRENT</b>		
₹6,04,738	1,404	0
<b>₹6,06,142</b>		
<b>SUGGESTED</b>		
₹5,54,855	0	0
<b>₹5,54,855</b>		

## TOTAL TAX SAVED

**₹51,287**  
PER YEAR

## TAX RATIO

(Total tax as % of annual income)

EXISTING	SUGGESTED
18.0%	16.5%

## WRITE TO US FOR HELP

Paying too much tax? Write to us at [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com) with 'Optimise my tax' as the subject. Our experts will tell you how to reduce your tax by rejigging your pay and investments.

# Too many funds duplicate holdings in portfolio

Pankaj Trivedi is investing for his child's goals and retirement. Here's what the doctor advises.

## PORTFOLIO DOCTOR



Not many investors know whether they have invested in the right funds and if their fund portfolio is on track. The Portfolio Doctor assesses the health of the fund portfolio, examines the schemes and their suitability with regard to the goals and, if required, recommends corrective measures. The advice given is based on the performance of the funds, the risk profile of the investor as well as his financial goals.

### PORTFOLIO CHECK-UP

- Has been investing in diversified equity funds for 4-5 years.
- Aggressive investing in small- and mid-cap schemes has built a sizeable corpus.
- Is investing small amounts in too many similar schemes.
- As a result, he has funds that duplicate holdings with no meaningful benefit.
- Portfolio is also difficult to monitor.
- Targets are ambitious, but early start has made it easy.
- Can retire at 55 as planned if he continues to invest like this.
- Allocation to equity is too high. Add some fixed-income investments such as PPF.
- Has also invested a small amount in stocks. Should move to mutual funds for stable returns.

### Note from the doctor

- Fund portfolio has mid- and small-cap skews. Be ready for high volatility.
- Take adequate life insurance to safeguard financial goals.
- Keep balanced allocation in the NPS, with not more than 30% in equity funds.
- Review investments and rebalance at least once in a year.
- Reduce risk when goal is near so that you don't miss the target.

INVESTMENT	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION	NEW SIP (₹)
Fixed deposits	10,00,000	0	Continue holding these fixed deposits. On maturity put it in a liquid fund or short-term debt funds.	0
Invesco Arbitrage	10,010	5,000	Increase SIP amount in this arbitrage scheme to ₹12,000 to build emergency fund.	12,000
Axis Small Cap	1,58,371	2,500	Continue SIPs in this outstanding small-cap fund. Hike by 5% every year.	2,500
Quant Small Cap	1,34,872	2,500	Funds are stable but you need to reduce small-cap exposure and consolidate portfolio. Stop SIPs and move corpus to ICICI Prudential Bluechip.	0
SBI Small Cap	1,30,070	2,500		0
DSP Mid Cap	1,36,381	2,500	Both funds have consistently underperformed. Stop SIPs and move corpus to ICICI Prudential Bluechip.	0
Axis Mid Cap	1,32,823	2,500		0
Quant Mid Cap	1,34,815	2,500	Continue SIPs in this stable mid-cap fund. Hike by 5% every year.	2,500
ICICI Pru Bluechip	1,17,361	2,500	Increase SIPs in this outstanding large-cap fund to ₹6,000. Hike by 5% every year.	6,000
Bandhan Nifty Index	1,27,974	2,500	Shift SIPs and corpus to Canara Robeco Bluechip Equity to consolidate portfolio.	0
Canara Robeco Bluechip Equity	1,39,001	2,500	Increase SIPs in this outstanding large-cap fund to ₹5,000.	5,000
Mirae Asset Large Cap	1,27,105	2,500	Shift SIPs and corpus to Quant Large & Midcap to consolidate portfolio.	0
Quant Large & Mid Cap	1,57,816	2,500	Increase SIPs in this outstanding large- and mid-cap fund to ₹5000.	5,000
Miara Asset Large and Midcap	1,40,465	2,500	Increase SIPs in this outstanding large-cap fund to ₹5,000.	5,000
Canara Robeco Emerging Equities	1,41,076	2,500	Shift SIPs and corpus to Mirae Asset Large & Midcap to consolidate portfolio.	0
Parag Parikh Flexi Cap	2,52,246	6,000	Continue SIPs in this outstanding flexi-cap fund. Hike by 5% every year.	6,000
Quant Flexi Cap Fund	1,54,765	2,500		2,500
Bandhan ELSS	1,23,278	2,500	All five ELSS funds have performed well. Holding too many funds does not diversify the portfolio because they invest in the same stocks. You need to consolidate the portfolio to make it easy to monitor. Consider switching out after lock-in period ends and remain invested in just 1-2 funds.	2,500
Mirae Asset ELSS	1,39,723	2,500		2,500
DSP ELSS	1,44,081			
Quant ELSS	2,80,106	3,500		3,500
Direct stock investments	2,60,000	0		Direct investments can be risky. Consider switching to mutual funds instead.
Provident Fund and NPS	70,46,000	26,616	Keep contributing and do not withdraw before retirement. Hike amount by 5% every year.	26,616
<b>TOTAL</b>	<b>₹1,11,88,340</b>	<b>₹81,116</b>	The goals can be reached using the mutual funds marked in the same colour.	<b>₹81,616</b>

### Assumptions used in the calculations

INFLATION	
Education expenses	For all other goals
<b>10%</b>	<b>7%</b>
RETURNS	
Equity funds	Debt options
<b>12%</b>	<b>8%</b>



PORTFOLIOS ANALYSED BY  
**RAJ KHOSLA**,  
Managing Director and Founder,  
MyMoneyMantra



### WRITE TO US FOR HELP

If you want your portfolio examined, write to [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com) with 'Portfolio Doctor' as the subject. Mention the following information:

- Names of the funds you hold.
- Current value of the investment.
- If you have SIPs running in any of them.
- The financial goals for which you invested.
- How much you need for each financial goal.
- How far away is each goal.

## Readers' response, online and in print, to ET Wealth stories has been enlightening. We pick some that add information and perspective to our articles from previous issues.

With reference to the cover 'Should you buy a house now?', it's another must-read story by ET Wealth. Everyone dreams of having their own roofs over their heads and the article offers useful suggestions. Firstly, property prices are rising due to increased input costs and potential project delays. Branded builders are also charging premiums. Secondly, there is no indication that housing loan interest rates will decrease. Given these challenging conditions, it is prudent to make the bold decision to buy, especially for self-occupancy. This enhances the emotional well-being of a family and provides freedom to pursue other life goals.

**Mangala Krishnamurthy**

Regarding the article 'Is it time to rent or buy?', this decision holds significant implications and poses a complex challenge, especially for the middle and upper-middle classes. The writer expertly discusses the pros and cons of both options. For potential homebuyers, a key consideration is whether both spouses are earning given the job market uncertainties and long-term commitment of

### Realty insights

The cover story 'Should you buy a house now?' explores critical issues: price surges, accelerated brand housing sales, unsold inventory, high-end marketing, buyer's and seller's markets, resale impacts on price escalation, RERA compliance, considerations for buying versus renting, and potential risks of falling in debt traps with loans. Luxury housing remains highly sought-after, often selling quickly. Income tax incentives encourage realty investments, while banks actively promote housing loans. Homebuyers prioritise affordability and meeting essential needs while investing.

**Vinod Johri**

15-20 years for home loan EMIs. Assessing the future cash flow is crucial for making the right choice between renting and buying a house.

**Bal Govind**

The article 'Taking a home loan? These moves can save you money' advises minimising the



lends financial prudence, helping in achieving the goal of debt-free living.

**S. Ramakrishnasayee**

Hats off to Uma Shashikant for her insightful column, 'Why do we make poor investment decisions?' The importance of focusing on the process rather than the outcome is a timeless principle that can be applied to various disciplines, ranging from management to personal development. Following a systematic approach ensures continuous progress over the long term. As James Clear aptly writes in *Atomic Habits*, "When you fall in love with the process rather than the product, you don't have to wait to give yourself permission to be happy."

**Jyothi Unnikat**

loan tenure, emphasising the widespread desire for home ownership compared to renting. Securing a housing loan is vital, particularly for the salaried, involving a significant commitment to repay the principal and interest within a specified period. Shortening the tenure may result in temporary sacrifices. Increasing the EMIs with rising income pro-

Dhirendra Kumar's column 'Turning panic into profit' conveys timeless wisdom. Amid high market volatility, he advocates calm, long-term investing grounded in simplicity and understanding. His insights remind us that clear, informed decisions build resilient portfolios, ensuring readiness for whatever the market brings.

**DG**

## BACK TO BASICS

# What is Net Asset Value (NAV)?

If you are confused by personal finance terms, jargon and calculations, here's a new series to simplify and deconstruct these for you. In the third part of this series, **Riju Mehta** explains Net Asset Value and how it is calculated.

### Net Asset Value

Net Asset Value or NAV is the cost of a single unit of a mutual fund. This is the price at which you buy or redeem units in a mutual fund.

A mutual fund holds various assets on behalf of the investors, depending on its defined objective and equity/debt category. These can include shares, bonds, money market instruments, cash and derivatives.

It also has liabilities in the form of operational expenses and costs. These can include management fees, taxes, administrative charges, etc.

When you subtract the liabilities from the total value of assets and divide it by the total number of units in the mutual fund, you get the NAV.

### How is NAV calculated?

$$\text{NAV} = \frac{\text{Total assets} - \text{Total liabilities}}{\text{Total number of units}}$$

Suppose the total worth of assets in a mutual fund is ₹20 crore, its liabilities are worth ₹50 lakh, and the total number of units are 20 lakh. In such a case,

$$\text{NAV} = \frac{20,00,00,000 - 50,00,000}{20,00,000} = ₹97.5$$

This means that if you want to invest ₹10,000 in a mutual fund, you will be assigned 102.5 units at an NAV of ₹97.5. On the other hand, if you want to redeem 100 units from the fund, you will get back ₹9,750.

### When is it declared?

The NAV for every mutual fund is declared at the end of the day since the value of stocks is available only after market closing at 3.30 pm. Unlike the value of stocks, which can vary every minute, the NAV varies on a daily basis and is displayed on the mutual fund and Amfi websites before 11 pm every day.

### What does NAV mean for investors?

The NAV simply indicates the price at which you buy or redeem the mutual fund units. It does not reflect the performance or returns of the mutual fund. You can, however, use it to track the growth or past performance of a fund. For instance, if the NAV of a fund was ₹10 at the time of its launch and rose to ₹100 10 years later, it would indicate a rise in the fund's corpus and, hence, an increase in the number of investors subscribing to the fund. It will, however, not indicate the returns of the fund over the past 10 years.

### Which day's NAV is used while buying or redeeming?

The price at which you buy or redeem fund units will depend on the time at which the amount is received by the mutual fund, not the time at which you place the request, and is known as realisation-based NAV. The cut-off time has been fixed by the market regulator, Sebi, as 1.30 pm for liquid and overnight funds, and 3.30 pm for other debt and equity funds. If the amount is received before this cut-off time, the NAV of the same day will apply, and if it is received after this time, the NAV of the next day will be applicable.



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Published for the proprietors, Bennett, Coleman & Co Ltd by R. Krishnamurthy at The Times of India Building, Dr. D.N. Road, Mumbai 400001. Tel. No.: (022) 6635 3535, 2273 3535. Fax: (022) 2273 2544 and printed by him at (1) The Times of India Suburban Press, Akurli Road, Western Express Highway, Kandivli (E), Mumbai-400101. Tel. No.: (022) 28872324, 28872931, Fax: (022) 28874231. (2) The Times of India Print City, Plot No.4, T.T.C. Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400708. Tel No.: (022) 2760 9999, Fax: (022) 2760 5275. Editor: Babar Zaidi (Responsible for selection of news under PRB Act). © Reproduction in whole or in part without written permission of the publisher is prohibited. All rights reserved. RNI No.: MAHENG/2014/57046.