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SBI MAGNUM CHILDREN'S BENEFIT FUND



^AInvestors should consult their financial advisers if in doubt about whether the product is suitable for them.

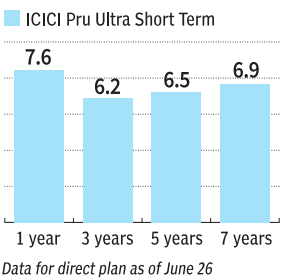
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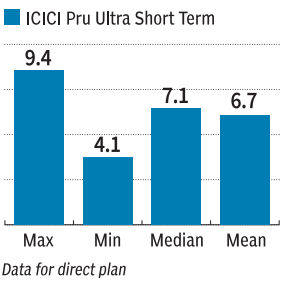
Low-risk fund for short-term goals

FUND CALL. ICICI Prudential Ultra Short-Term fund may be suitable for investors with a moderate risk appetite

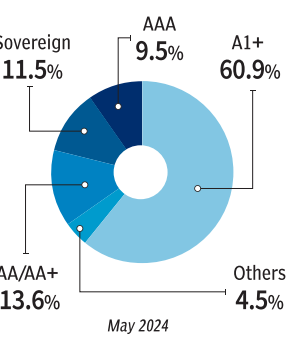
Consistent above-average performance



1-year rolling returns over June 2018 to June 2024



Rating basket allocation (%)



Source: ACE MF

Venkatasubramanian K
bl. research bureau

For a while now, there has been a broad market consensus that interest rates have peaked and that with relatively benign inflation, there may be a possibility of a reduction in rates later in the year. Indeed, after the interim Budget of 2024-25, and a healthy fiscal path was laid out, g-Sec yields fell sharply to sub-7 per cent levels in February this year. With the inclusion of Indian bonds in the JP Morgan index from this month and a flattening of the yield curve, there is a fair case for long-term duration or constant maturity play. That argument still holds.

However, the election of a coalition government, the likelihood of a more consumption-driven Budget and a greater focus on rural income improvement may delay the rate-cut timelines.

As has been the case in June, a relatively weak progression of the monsoon can aggravate food inflation (which is still in excess of 8 per cent). Given the weightage for food articles in the headline indices, this may cause a surge in overall inflation.

The government's Budget moves would also need to be watched. If there are announcements about increases in direct benefit transfers, farm loan waivers and higher allocations to rural employment guarantee schemes, apart from any tax

WHY THIS FUND WORKS

- Invests in treasury bills, certificates of deposits, commercial papers and corporate securities
- Current yield to maturity of the portfolio is healthy
- Over 82 per cent of the securities are sovereign or carry the highest AAA or A1+ ratings

concessions, the fiscal path may be altered. A larger deficit may be the recipe for higher inflation.

Factors such as inflation and fiscal deficit may force the RBI to go slow on interest rate cuts. There is also no sign of going back on the stance of 'withdrawal of accommodation' from the RBI and it may continue to keep liquidity tight. In fact, as of June 27, the liquidity deficit in the system was ₹1.52-lakh crore, according to the RBI data. Liquidity has been in the deficit for the whole of June.

Thus, short-term interest rates may still hold up for the foreseeable future. Of course, the same level of returns seen at the short end of the curve in the last couple of years may not be repeated but may still offer a relatively attractive option.

In this regard, ultra-short-term funds can be considered by

investors for parking their emergency funds or for short-term goals. The ICICI Prudential Ultra Short-Term fund has been a consistently robust scheme in the category and may be suitable for investors with a moderate risk appetite.

ABOVE-AVERAGE SHOW

The fund was earlier called ICICI Prudential MIP 5. Hence, we take the returns data for ICICI Prudential Ultra Short-Term from 2018, after the new SEBI criteria on mutual fund classification were operationalised.

When one-year rolling returns from June 2018 to June 2024 are taken, the fund has delivered an average of 6.7 per cent annually.

Taking the same data mentioned above, the fund has delivered more than 7 per cent returns around half the time and more than 6 per cent returns nearly 64 per cent of the time. The fund has delivered more than 8 per cent over 23 per cent of the time.

A maximum of 9.4 per cent return over one-year rolling periods from June 2018 to June 2024 and, more importantly, a minimum of 4.1 per cent return mean that the scheme has consistently been an above-average performer.

SAFE HOLDINGS

Ultra short-term funds are allowed to invest in debt and money market securities in such

a way that the Macaulay duration of the portfolio is between three and six months.

ICICI Ultra Short-Term invests in treasury bills, certificates of deposits (CDs), commercial papers (CPs) and corporate securities. Apart from treasury bills issued by the RBI, the fund invests in CDs of Axis Bank, HDFC Bank, NABARD, SIDBI and Union Bank of India, among others.

The scheme holds commercial papers of Embassy Office Parks REIT, Nuvama Wealth, Sharekhan, and Motilal Oswal Financial Services. Bharti Telecom, Bajaj Housing Finance and LIC Housing Finance are some of the corporate securities held.

Overall, more than 82 per cent of the securities in its May 2024 portfolio are sovereign or carry the highest AAA or A1+ ratings. About 13.6 per cent of the securities carry AA ratings, but these are securities issued from reputed corporate houses such as Mahindra Rural Housing Finance, Tata Housing Development Company and Motilal Oswal Finvest. Thus, the fund takes almost no credit risk.

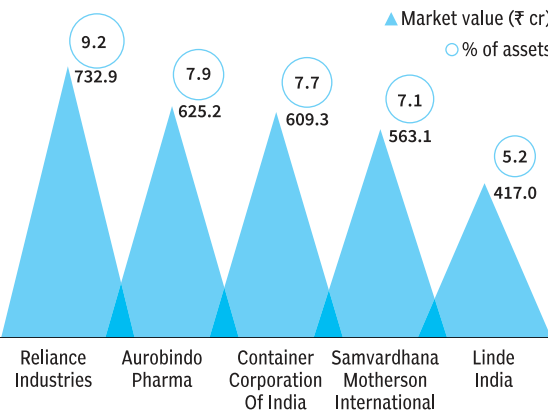
The current Macaulay duration is healthy at 0.46 years (less than six months), as is the yield to maturity at 7.72 per cent. It is worth noting that CPs and CDs of three-month tenor are still available at yields north of 7 per cent.

Investors can consider the fund for short-term goals for stable returns.

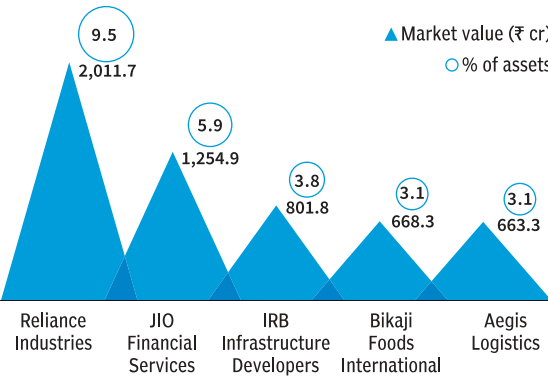
Quant MF under SEBI scrutiny: Deep dive into its mid- & small-cap schemes

With the recent news of the Securities and Exchange Board of India (SEBI) investigating Quant Mutual Fund on allegations of front-running, we take a look at the stock positions of its Mid- and Small-cap schemes, stress test results (as of May 2024) and adjusted Net Asset Value (NAV).

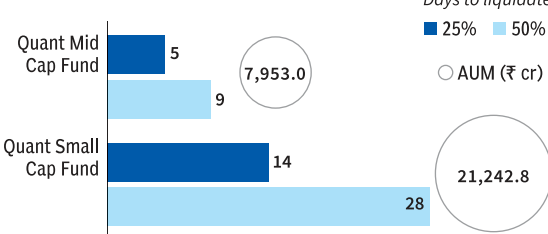
Top 5 stock holdings of Quant Mid Cap Fund



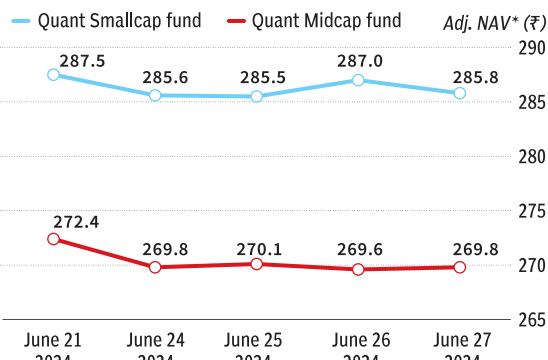
Top 5 stock holdings of Quant Small Cap Fund



Stress-test results



Impact on NAV



*NAV data for direct plan considered
Source: AceMF, AMFI data as of May 2024
Compiled by Arunachalam Vaidyanathan
(The writer is an intern with bl.portfolio)

Using euros to fund rupee carry trade

GLOBAL VIEW. The Reserve Bank's repeated interventions have made the rupee one of the most stable currencies globally

Bloomberg

Goldman Sachs Group Inc is using the euro as the preferred currency to fund its long rupee carry trade on bets the European Central Bank (ECB) will further reduce interest rates.

The Wall Street bank is "most constructive" on the rupee among the Asian EM high yielders, Danny Suwanaputti, Head of Asia Emerging Markets for FX and Rates Strategy, said.

The euro has declined more than 3 per cent this year against the dollar as the ECB started cutting interest rates in June.

Governing Council member Olli Rehn said investor expect-



GETTY IMAGES/ISTOCKPHOTO

ations to loosen monetary policy twice more this year are fair. In contrast, the Reserve Bank of India has signaled its

steadfast focus on controlling inflation. The rupee remains a favourite in the region with Goldman Sachs citing the at-

FAVoured CURRENCY

Goldman Sachs cites the attractive carry-to-volume as a key reason for rupee being a favourite

tractive carry-to-volume as a key reason.

STABLE CURRENCY

The central bank's repeated interventions, aided by \$650 billion of foreign-exchange reserves, have made the rupee one of the most stable currencies in the world.

"We expect the RBI to maintain its preference for currency stability, which should keep

USD/INR in a relatively tight range, including limiting upside risks to USD/INR," he said.

The less-than-expected mandate for Prime Minister Narendra Modi's party in recent elections is unlikely to dampen the sentiment in the near term, Suwanaputti said.

"We expect macro stability to be maintained in Prime Minister Modi's new term and it does not change our constructive view on the rupee."

Goldman is also bullish on Indian bonds with a recommendation to buy the two-year paper. "The curve is very flat, and therefore, there is not much yield pick-up to go further out the curve. Hence, we like the front end," he added.

Helping NRIs make the most of MF investment platforms

Shreyas Arora

As NRIs are remitting money to India at higher numbers than ever, there is a common question they all have. How do we invest in mutual funds (MFs) in India? While many people think of investing in India as a burden due to KYC, taxes and remitting, there are various platforms out there to help.

These platforms have apps and websites with easily navigable UIs and cover the needs of the NRI. They help NRIs to apply for the OCI card to opening an NRO/NRE account to invest in MFs. The most prominent platforms are the likes of Vance, SBNRI and iNRI. Are these platforms built for the common NRI? Let us find out!

PRODUCTS

These platforms offer a wide variety of services to its clientele. NRIs need to create an account on these platforms, and then proceed to follow the process determined by the documents they possess. These platforms help NRIs who have acquired a foreign passport to apply for the OCI card, which is required to prove NRI status.

Then, the platform proceeds to verify the PAN status and if required, aids in registering the PAN with NRI status and linking the PAN with the Aadhaar card. Finally, if the NRI does not have a bank account, the platforms direct the customer to open an account with the platforms' partner banks.

The platforms even have tie-ups with companies that remit money to India at the correct market rate. After the bank account is funded, is where where the NRIs' investment journey in India can begin.

All these platforms have one thing in common — they specialise in MF investments for NRIs. They are all certified distributors of MFs and have tie-ups with AMCs (asset management companies). Lastly, these platforms have CAs specialised in filing taxes for NRIs. Certain CAs on these platforms are even specialists in the US, Canadian or British tax code.

CUSTOMER SERVICE

A common concern for NRIs investing in India is whether they will be able to get their doubts cleared regarding their account

BACK TO BASICS.

From WhatsApp support to chatbot help, many options are available for those residing abroad



GETTY IMAGES/ISTOCKPHOTO

details, KYC and other issues. They all have a WhatsApp line, wherein the NRI can talk to an agent. Additionally, they have chatbots built in the app, as well as the traditional e-mail method. A platform named iNRI even has a gold account feature, wherein if

the NRI maintains a portfolio above ₹5 lakh, he or she is awarded with a series of benefits including 24x7 assistance. SBNRI even assigns an RM to the customer, which is helpful as the investor can clear any doubts regarding the investments or

documentation with an agent, they regularly interact with for investment advice. This adopts a more customer-friendly approach, making the investor, who is thousands of miles away, feel that his or her money is safe. These platforms also have blogs

EXPERT GUIDANCE

Beyond a portfolio threshold, multiple modes of assistance become available

incorporated in them. These blogs are meant to encourage discussion on common issues NRI investors face, so that they can be resolved at one go.

PRICING

Fees and prices are something all investors are very keen to know and avoid, if possible. Out of the three platforms, Vance and SBNRI do not charge a platform-access fee. iNRI charges a fee of ₹3,999 after the first year as "platform fee" for access to the investing tools and other services. Vance and SBNRI offer regular MFs, which have higher expense ratios, thereby impacting the investor's portfolio in the long run. The iNRI gold account mentioned above has another advantage. Those maintaining portfolios upward of ₹5 lakh are exempt from paying the yearly fee of ₹3,999. The prices for tax filing on these plat-

forms range from ₹5,000 to ₹15,000, based on the level of assistance required, and the complexity of the tax return.

KEY TAKEAWAYS

Although these platforms provide a relatively hassle-free investment experience, it is important to know a few things. First, there are many more well-known platforms, especially discount brokers like Zerodha and Groww which are working toward streamlining the investment process of NRIs. Groww has even paused their intake of new NRI clients due to KYC issues. So, it is worth keeping an eye on which discount brokers become available to NRIs.

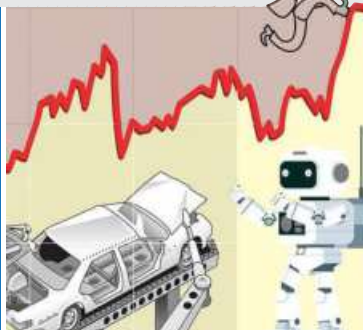
It is also worth mentioning that US- and Canada-based NRIs face more restriction in investing in India due to FATCA (Foreign Account Tax Compliance Act) and other compliance issues imposed by the US and Canadian governments.

Lastly, while platforms like SBNRI and iNRI assist the investor, savvy investors can consider approaching the AMC directly.

The writer is an intern with bl.portfolio

the hindu businessline

bl.portfolio



Timing it right.
Navigating record highs in markets and the art of selling stocks

BIG STORY P2



Index Outlook.
Sensex and Nifty 50 moving closer to a crucial resistance

CHART-GAZING P7

BENGALURU - CHENNAI - COIMBATORE - HUBBALLI - HYDERABAD - KOCHI - KOLKATA - MADURAI - MALAPPURAM - MANGALURU - MUMBAI - NOIDA - THIRUVANANTHAPURAM - TIRUCHIRAPALLI - TIRUPATI - VIJAYAWADA - VISAKHAPATNAM

RNI No. UPENG/2022/86886

Nifty's H1 show in poll year not the best but scores on multiple counts

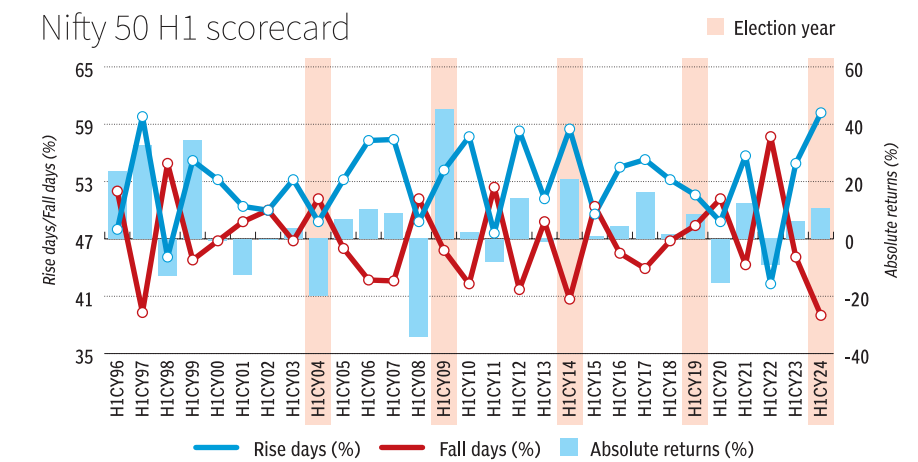
OUT OF THE PARK. Absolute returns of Nifty 50 at 10% in H1 are double the H1 average of 5.2% since 1996

Madhav Suresh
bl.research bureau

As we close out the first half of 2024, the dramatic unfolding of the general elections has left a lasting mark on the Indian markets. The benchmark indices experienced a roller-coaster ride during the election season, with the volatility index, Nifty VIX, oscillating from a calm 10 in April to a turbulent 27 on June 4.

Nevertheless, with confidence back in the markets after high volatility on election day, the indices have ended the first half of the year near all-time high. How does H1 of 2024 compare with history?

To begin with, the absolute returns of the Nifty 50 at 10 per cent in first half of 2024 is double the H1 average returns of 5.2 per cent for the index since its inception in November 1995. However, when we narrow down the comparison to election years, this is below the average of 13.2 per cent. This is when considering election years since 2004 (in 1999 elections were held in H2). This below-



average performance can be attributed to government continuity i.e. markets had already factored it (coalition government notwithstanding).

HOPE FOR CHANGE

Significant outperformance in a few of election years earlier can be attributed to election verdicts reflecting hope for change. For example, in H1 CY2014, markets were up by 20 per cent as they gained confidence even be-

fore the results that a BJP-led NDA could form the government. Similarly in 2009 H1, Nifty 50 was up 45 per cent, enthused by the decisive mandate in favour of UPA. With the Nifty 50 hitting the upper circuit on the first trading day (May 18) after election results in 2009, it remains the best single-day performance of the index ever at 17.8 per cent.

Adjusted for these exceptional factors, this year's performance fares well and

matches the H1 2019 returns of 9 per cent.

However, apart from absolute returns in H1 2024, it also scores high when it comes to consistency in performance, election-related volatility notwithstanding. With 60 per cent of trading days turning out to be positive in H1 2024, this represents one of the most consistent performances of the index dating back to the first half of 1997. Optimism in markets can be measured in multiple ways

and up days/down days ratio is one. On this count, the H1 performance ranks on top of the historical range of 42-60 per cent.

WHAT'S AHEAD?

Since its inception, the Nifty 50 has averaged around 15 per cent annual gain. On average, the H2 in each year has fared better with 9 per cent returns, compared with H1 returns at 5.2 per cent. In election years, the average returns in the H2 have been at 18 per cent. Two-thirds of the time in the last 27 years, the H2 returns have been positive.

Historical data from election years 2004, 2009, 2014 and 2019, wherein results were announced in the first half, show that the share of daily gains either rose or remained the same in the second half.

This indicates that post-election stability and reduced uncertainty led to more positive trading days.

With wind in favour, factors to watch out for are elevated valuation levels, risk emanating from geopolitics, and elections in major economies like the US.

Mandatory display of risk-adjusted return for all MF schemes, a double-edged sword

Suresh P. Iyengar
Mumbai

Capital market regulator SEBI's move to make it mandatory to highlight the risk-adjusted returns (RAR) of all mutual fund schemes is expected to aid investors in making informed decisions. However, it may also complicate the selection process for retail investors when choosing the right fund for investment. Currently, return on investment is a major factor attracting investors to invest in any MF scheme and it is highlighted by MFs while marketing respective schemes.

Sapna Narang, Managing Partner, Capital League, said two funds could give same return over a year, but the fund with extreme volatility implies higher risk for investors.

'A HOLISTIC METRIC'

The RAR of a scheme's portfolio represents a more holistic measure of its performance because it quantifies the amount of return generated by an MF scheme for each unit of risk taken to achieve that return, said SEBI in a consultation paper. Investors can send in their comments by July 19.

Though AMC's display RAR for a few schemes, they do not follow a uniform method of calculation. This apart, there is no consistency in the frequency of disclosure and uniformity in NAVs used for calculation.

"An investor can make an informed decision if information on RAR is known. Higher disclosure will help to increase investor confidence and loyalty towards the mutual fund industry," said Narang. Amid variety of equity, hybrid and debt schemes, displaying RAR will further confuse retail investors and mutual funds will become more complicated, opines RANATH, an investor. MFs will be mandated to disclose the information ratio of a scheme portfolio along with the return of its respective benchmark, SEBI had said while putting out details on the measures to arrive at RAR.

Prof Kapil Pandla Dean, Sharda School of Business Studies, said despite the popularity of MFs, many investors lack a clear understanding of the associated risks as fund houses report only nominal returns. Besides the benefit of transparency, RAR also stokes concerns including the complexity of these measures for average investors, potential misinterpretation and the impact on investor confidence and market dynamics, he said.

Nirav Karkera, Head of Research, Fisdome, said the concept of publishing RAR of schemes is not novel enough to stir the pot to a significant degree as most of the advisors already consider it before enabling investment decisions.

MAY BRING UNIFORMITY

However, he added when implemented in totality, it could bring in uniformity in the way select risk-adjustment metrics are computed and enable effective comparison across schemes. Feroze Azeem, Deputy CEO, Anand Rathi Wealth, said RAR is the only way to properly evaluate a portfolio or fund manager and it is great to see progress in this direction. In India, people refer to alpha as the difference between return of the fund and the benchmark, while in the US, the alpha always implies RAR, he added.

INVESTMENT. FOCUS

Technical Call: Zydus Wellness - BUY

Gurumurthy K
bl.research bureau

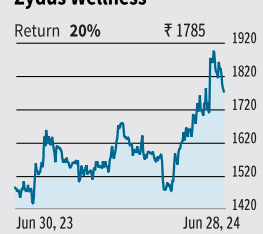
Long-term investors can buy Zydus Wellness (₹1,785.75) at current levels. The stock has consolidated above ₹1,500 and has formed a strong base.

This base formation has also happened just above a strong long-term trendline and the 100-Month moving average supports. That makes the recent rise in the share price very significant. On the charts, there is a clear sign of a bottom formation.

As such it marks the end of the downtrend that was in place since October 2021.

Moving average cross overs on the short-term chart also strengthens the bullish case. That indicates that any dip from here can be shortlived and the downside will be limited.

Zydus Wellness



So, the rise since April this year can very well be the beginning of a long-term upmove. It will have the potential to take Zydus Wellness share price up to ₹3,000-3,200 over the next couple of years.

Long-term investors, who can hold the stock for a minimum of two years, can buy Zydus Wellness now at ₹1,785. Accumulate on dips at ₹1,580. Keep the stop-loss at ₹1,260 initially.

Move the stop-loss up to ₹1,860 when the price goes up to ₹2,100. Move the stop-loss further up to ₹2,300 when the price goes up to ₹2,600. Exit the stock at ₹3,000.

STATE OF THE ECONOMY

In this *State of the Economy* Podcast with **Parvatha Vardhini C, Varun Saboo**, Head – Equities, Anand Rathi Shares and Stock Brokers says that markets are not expensive considering the strength of domestic fund flows as well as the India growth story. He identifies key pockets of investment opportunities today as well as sectors which may see a pause in the rally.

<https://tinyurl.com/blSoEMarketsContinuity>



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SOAKED IN JOY



MERRY MONSOON.

Children play at the India Gate amid rains in New Delhi. Rain hit parts of Delhi on Saturday, a day after the monsoon arrived in the national capital with the heaviest rainfall in 88 years. The India Meteorological Department has issued an 'orange' alert for heavy rain for the next four days. **PTI**

FSIB recommends CS Setty as next Chairman of SBI

Our Bureau
Mumbai

The Financial Services Institutions Bureau (FSIB) has recommended the appointment of Challa Sreenivasulu Setty for the position of Chairman in State Bank of India.

Setty currently is the senior most Managing Director heading Global Markets & Technology at India's largest bank. SBI Chairman Dinesh Kumar Khara's tenure ends in August 2024.

Besides Setty (who has been MD since January 20, 2020), the Bureau interviewed two other candidates, both Managing Directors – Ashwini Kumar Tewari (MD since January 28, 2021) and Vinay M Tonse (MD since November 2023).

"Keeping in view their performance in the interface, their overall experience and the extant parameters, the Bureau recommends Challa



Challa Sreenivasulu Setty

Sreenivasulu Setty for the position of Chairman in SBI," the FSIB said.

Setty will be the 27th Chairman of SBI, which came into existence on July 1, 1955, taking over the business of the Imperial Bank.

Meanwhile, SBI said Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG) will be superannuating from the services of the bank on June 30. In April 2024, the FSIB had recommended Rana Ashutosh Kumar Singh for the

position of MD in SBI. Currently, he is Deputy Managing Director (Retail – Personal Banking & Real Estate)

SBI had reported its highest standalone quarterly net profit at ₹20,698 crore in the fourth quarter of FY24 against ₹16,695 crore in the year-ago quarter.

As on March-end 2024, its gross advances had increased 15.24 per cent yoy to ₹37,67,535 crore. Total deposits rose 11.13 per cent to ₹49,16,077 crore.

Meenakshi Verma Ambwani
New Delhi

Prabhas and Deepika Padukone-starrer *Kalki* 2898 AD has seen a strong start at the box office, ending the sluggish run seen by the Indian box office in the past few months.

As per a post on social media platform, X, from the producers Vyjayanthi Movies, the epic sci-fi movie has garnered ₹298.5 crore in terms of gross box-office collections worldwide.

The Telugu movie is directed by Nag Ashwini and produced by C Ashwini Dutt. It was released on Thursday in multiple languages including Hindi.

Besides Prabhas and Padukone, the flick features Amitabh Bachchan, Kamal Hassan and Disha Patani. It is the first installment in the

planned *Kalki* Cinematic Universe.

As per trade website Sacnilk, the movie is estimated to have earned ₹95.3 crore net at the Indian box office on the first day. The gross box-office collections worldwide for the film were pegged at about ₹191.5 crore. On Friday, its India net box-office collections stood at ₹57.6 crore, taking its first two-day net collections to ₹152.9 crore, as per the trade website.

HUGE OPENING DAY

Trade analysts said the film is not just doing well at the Indian box office, including the Hindi-speaking regions, but also in international markets. Producer and film business expert Girish Johar told *bustnessline*, "On the whole, the film has got off to a flying start at the box office. It had a huge opening day on a Thursday



Besides Prabhas and Deepika Padukone, the flick features Amitabh Bachchan, Kamal Hassan and Disha Patani

despite it being a non-holiday. The southern business of film did see some dip on Friday, but we are expecting the film to see very good numbers on Saturday and Sunday. The film is seeing huge traction even in international markets." He added that the first

six months had been very dull for the Indian box office and *Kalki* has brought much relief for the industry.

Trade analyst Taran Adarsh, in a post on X, stated that the net box-office collections of the Hindi version of the movie alone are estim-

ated at ₹45.75 crore. "Unstoppable. After packing a solid score on Day 1, #Kalki2898AD posts super-strong number on Day 2," he added.

Adarsh pointed out that the Hindi version's collections are higher on second day compared with the first day, "which clearly indicates that the film has found acceptance." He said the film may see some impact due to the World Cup final on Saturday but a surge on Sunday should compensate for the shortfall, if any.

The film has been getting accolades from many including Rajinikanth. On X, the superstar congratulated the filmmakers and the crew and said the film has taken Indian cinema to a "different level. He added that he was eagerly waiting for the second part of the flick.

और सभी न्यूज़ पेपर मैगजीन प्राप्त करने के लिए सर्वप्रथम इस टेलीग्राम ग्रुप को ज्वाइन करें नीचे दिए लंकि पर क्लिक करके ज्वाइन टेलीग्राम

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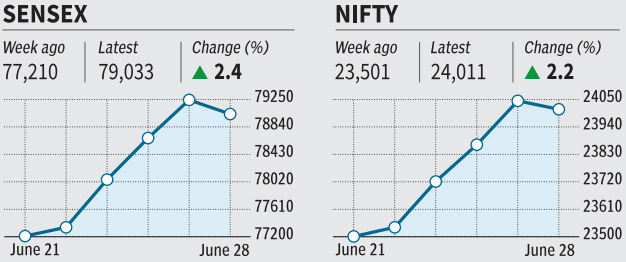
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WISE WORDS.

“The countdown begins when investable assets pose too much risk for too little return

BILL GROSS
Co-founder of PIMCO

MARKET ACTION.



WHEN TO SELL STOCKS

TIMING IT RIGHT. Success in markets is not just about buying the right stock, but in harvesting the gains at a suitable time



Hari Viswanath
bl. research bureau

If a man knows not to which port he sails, no wind is favourable – old Roman saying

A new week, and another new all-time high for the markets. As the market keeps razing past records, a lot of views are still out on the next target for the indices and which stocks to buy next. The wind is so much in favour of the markets, but is it favourable to you, ie — are you clear on your investment objectives and is the recent market performance taking you in that direction?

If you are not clear about these, any kind of market returns may not be favourable for you. Success in markets is not just about buying the right stock, but in harvesting the gains at a reasonably suitable time to reach your investment goals.

A lot of research across various platforms goes into when and why to buy stocks, but so little on why and when to sell stocks. Many factors can be attributed to this phenomenon — the incentives for many participants in the ecosystem lie in a never-ending bull market, optimism is a far better trait to have over pessimism, bull markets are much longer than bear markets, and miraculous effects of compounding are realised only by holding stocks for the long term if not ever, etc.

A NEAR IMPOSSIBLE ART

This makes the task of selling a stock much more difficult than buying. Even the best of experts don't have a clear mantra. For example, investing legend Peter Lynch laments that wrong selling decisions have been some of his worst mistakes: stocks such as Home Depot and Toys “R” Us that he sold early went on to become multi-baggers. But here it would be worth noting that *not selling* can also be a problem sometimes — years after Peter Lynch regretted selling Toys “R” Us, the company filed for bankruptcy!

Warren Buffett, in 2009, sold a significant chunk of Berkshire Hathaway's stake in Moody's to part-finance his purchase of railroad company Burlington Northern Santa Fe (BNSF). This is a purchase he is quite happy about as it finds positive reference in his annual newsletters. But, interestingly, since the time he sold that stake, Moody's has given total returns including dividends of 21x, while listed railroad companies comparable to BNSF have given total returns in 5 to 10x range.

Jeremy Grantham, famous for perfectly predicting many of the bubbles in the last few decades — Japanese stock bubble of the 1980s, dotcom bubble of 1999-00 and housing bubble of 2005-07 — typically tended to sell stocks a couple of years before they peaked and so always had to endure a few testing years before his views/decisions were validated.

So this tells a lot on why even the best-in-class in the investing world find it difficult to get the selling stocks perfectly right, making it a near impossible art.

But then, at the same time, there are cases such as Bill Miller of Legg Mason: a 2008 article on him in the *Wall Street Journal* notes how he, ‘Spent two decades building his reputation as the era's greatest fund manager. Then over the past year, he destroyed it.’

After his Legg Mason Value Trust fund beat the S&P 500 every year from 1991 to 2005, a phenomenal track record, its 2008 drawdowns landed it amongst the worst performing funds over a 10-year period.

“The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell

SIR JOHN TEMPLETON

The lesson to him and investors in his funds — they didn't know when to harvest their gains and go a bit slow. If gains are not harvested at appropriate times, the chances are, unrealised gains can become realised losses.

Without exception, every investor would have had the experience of not taking some chips off the table in stocks when returns were exceptional. A recent analysis by *bl.portfolio* found that while markets are at all-time highs, around 55 per cent of BSE All-cap index stocks are 20 per cent below their peaks and 20 per cent are more than 50 per cent below their peaks. In most cases of stocks that have underperformed, it may have been difficult to sell when the going is good. The reason being, there is always a bull narrative for a stock/index trading at all-time high levels/expensive valuation. It requires discipline to assess whether it is a good time to sell or not — especially during times like now.

Can markets crash/correct from here? May be, may be not, no one knows for sure. So the best way to approach this is from two angles — You and the Markets.

IT'S ALL ABOUT YOU FIRST...

A core part in making the selling decision is all about you — your investment goals, your time horizon and your investment strategy. It's not about where the stocks/indices are headed, it's about where and how you want to be headed. This should be the fulcrum of your investing journey.

When to sell a stock must also revolve around what is the easiest and simplest way to achieve your financial goals. A reason why equity investing is recommended is that, stocks/indices have a good track record of delivering superior returns over the long term over other asset classes. However, many times during long phases, significant returns were realised within a short frame of time.

So if you are lucky enough to have been an investor wherein you invested just before a phase of significant returns, then if reaching a non-negotiable financial goal can be achieved with less risk from here, then selling stocks to achieve this goal may be ok. For example, let's say you have made a 15-year investment plan for your child's higher education with an objective to realise 12 per cent CAGR returns over this period. Say, your portfolio of stocks or mutual fund investments has returned 25 per cent in the last four years; from here, a CAGR of 7.5 per cent is sufficient to reach your investment objective of 12 per cent CAGR over 15 years. This is mostly achievable via much less risky investments than equities.

Similarly, if you are bound by a time horizon, like a retirement due in 3-5 years

or intend to settle major debts such as home loans within a few years, then too, cashing in on the gains when markets are expensive is an ideal approach to follow.

These factors apart, selling decisions also have to be based on what kind of person you are and your investment strategy. From any level, at any point in time, stocks can go up/down, melt up/crash. You need to be clear which will cause you more regret — whether selling early and missing the melt-up, or seeing your unrealised gains turning less profitable or even into losses? Answering this will make your decision-making easy.

..AND THEN THE MARKETS

Once you address the core aspects on ‘when to sell’ that revolve around you, you will have to address aspects relating to the markets. Like if you have surplus investments after attending to the above mentioned factors, you are early in your career and retirement is at least two decades away, if you need to sell stocks, which ones to sell, etc.

WHAT TYPE OF A STOCK IT IS

One can be a value investor or growth investor, but in either case a time comes when a stock looks very expensive, raising the question whether you should sell? For such dilemmas, investing legend Peter Lynch recommends assessing why exactly you bought a stock. For example, if you bought a cyclical stock when the chips were down, then, if the company has turned around and the stock is doing well, may be it's time to sell it.

However, if you bought a growth stock, then he recommends assessing which innings of the game the stock is in. If there is a 10-year or 20-year story and the stock is still in the early phase of long growth story, then it may be too early to sell.

So it is important to understand clearly what kind of business and opportunity the stock represents. In doing these, investors need to be mindful and make clear distinctions — it may get tempting to view even cyclical stocks as growth stocks in a long bull market.

STOCKS IN BUBBLE TERRITORY

If you are a fundamental investor, valuations matter. But the lesson from centuries of market cycles is that valuations, while they matter for long-term returns, don't matter much in the short term.

Veteran investor John Hussman puts it thus: ‘Valuations are like potential energy, and it's important to know when you're sitting on a powder keg. But investor psychology, which we infer from market internals, is the main catalyst that suppresses or releases that potential energy’

So, you could identify a stock trading at an unsustainable price, but it may continue to double or triple from there if investor psychology is favourable, before it crashes to/below its fundamental value.

When you exit such stocks, be ready to accept the opportunity loss from speculative frenzies. Alternatively, if you deem

investor sentiment to be very positive, as appears to be the case now, you could extend the boundaries by tolerating valuation levels a certain threshold above what you deem as irrational value. However, this comes with the risk that in case of any unexpected correction, you may have missed a better selling opportunity.

When in doubt on whether stocks are in bubble territory or not, refer to historical data across different valuation parameters. There is always a bull story, but when it comes to stocks, numbers are more reliable than prose — as Buffett once said, ‘bull markets can obscure mathematical laws, but not repeal them.’

BETTER OPPORTUNITIES

Berkshire Hathaway does not churn its portfolio much; It does so when it wants to part-fund what appears to be a better opportunity than what is being currently owned. So, if you have made any substantive profits in any stock and there is a case that much of the optimistic forecasts are priced in, locking in the gains to fund a more attractive bet may be worth it.

There may be times when, after making hefty gains, the risk-reward from fixed income and not just another stock could present a better opportunity. However, guard against falling into the trap of ‘selling your winners and buying your losers.’ There really must be a case that the other bet is fundamentally more attractive, and not any mere reason that it has underperformed, or you want to average some loss-making stocks.

CHANGE IN THESIS

When the facts change, change your view accordingly. Structural long-term bull stories for stocks can get substantially altered by disruptive innovations. The dotcom revolution disrupted brick-and-mortar businesses, SaaS innovation disrupted the well-established business of ERP players such as Oracle and SAP. Streaming has significantly disrupted traditional media businesses.

Not just innovation, change in competitive dynamics (Jio and the Indian telecom sector), or how competition from China totally disrupted prospects for global companies across sectors, from renewable energy to metals, during the 2010-20 decade is another example. Suzlon, which has been in the news for stellar returns in recent years, was a Sensex stock earlier. Despite its over 10x returns from lows now, it is still down over 80 per cent from its 2007 peak! Global slowdown resulting in governments across the world reducing fiscal support for renewable energy and low-priced competition from China proved to be a double whammy between 2008 and 2015.

So, always be alert to what change to structural thesis can do. In deciding whether to sell or not, assess whether the stocks are priced for the structural disruption (less convincing case to sell), or not priced at all (a convincing case to sell). For example, AI is going to disrupt many sectors resulting in churn in leadership and new gainers. Assess how your stocks are priced for this. Within the IT sector, many companies appear to be priced to benefit from AI — as can be seen from premium valuation despite lacklustre performance from the likes of Infosys, HCLTech, Wipro, etc. What if the winner from AI is another player and not these companies?

For example, the winner from the EV revolution was Tesla, not a Ford or a Toyota. Always be alert for disruptions to the business model of established players. If not priced for disruption, then it could be a selling opportunity.

How sectoral indices moved

	June 21	June 28	Movement	% change
TECK	16,760	17,164	▲	2.4
IT	36,173	36,951	▲	2.2
OIL&GAS	28,863	29,473	▲	2.1
POWER	7,816	7,955	▲	1.8
BANKEK	58,697	59,641	▲	1.6
FMCG	20,326	20,550	▲	1.1
AUTO	56,742	57,293	▲	1.0
HC	36,773	37,110	▲	0.9
CAPITAL GOODS	71,779	72,324	▲	0.8
PSU	21,104	21,204	▲	0.5
CONSUMER DURABLES	58,769	58,827	▲	0.1
METALS	33,736	33,051	▼	-2.0
REALTY	8,843	8,635	▼	-2.4

How other indices moved

NIFTY 100	24,556	25,007	▲	1.8
NIFTY 200	13,361	13,579	▲	1.6
NIFTY 500	22,236	22,560	▲	1.5
BANK NIFTY	51,661	52,342	▲	1.3
NIFTY NEXT 50	71,112	71,523	▲	0.6

Sensex ups & downs

	Price ₹		Movement	% change
	June 21	June 28		
UltraTech Cement	10,663	11,661	▲	9.4
Reliance Industries	2,907	3,132	▲	7.7
NTPC	360	378	▲	5.2
Wipro	491	515	▲	5.0
Sun Pharma	1,466	1,522	▲	3.8
ICICI Bank	1,158	1,200	▲	3.6
Tata Motors	962	990	▲	2.9
TCS	3,809	3,905	▲	2.5
Axis Bank	1,237	1,266	▲	2.3
Infosys	1,532	1,567	▲	2.3
Bharti Airtel	1,413	1,445	▲	2.3
Nestle India	2,497	2,553	▲	2.2
Tech Mahindra	1,400	1,430	▲	2.2
Kotak Mahindra Bank	1,774	1,803	▲	1.7
Power Grid	326	331	▲	1.5
SBI	836	849	▲	1.5
HUL	2,441	2,475	▲	1.4
ITC	420	425	▲	1.3
M&M	2,837	2,868	▲	1.1
HDFC Bank	1,665	1,684	▲	1.1
Asian Paints	2,890	2,917	▲	0.9
HCL Tech	1,448	1,460	▲	0.8
Bajaj Finserv	1,579	1,588	▲	0.6
L&T	3,533	3,549	▲	0.5
Titan	3,398	3,406	▲	0.2
Bajaj Finance	7,132	7,116	▼	-0.2
JSW Steel	936	931	▼	-0.5
Maruti Suzuki	12,199	12,037	▼	-1.3
Tata Steel	180	174	▼	-3.3
IndusInd Bank	1,527	1,464	▼	-4.1

RE POSTS.

- Short term traders and investors should now be careful in the near term. Indian Markets cannot remain completely disassociated with Global Markets which are showing signs of correction. The massive stake sales by promoters and exits by Private Equity players on a daily basis is also concerning.
@sandipsabharwal
- If you have ‘personal loans’ or ‘credit card debt’, pay it immediately. Even if it means you have to sell part of your investments or pause your investing for now. Having high interest debt is a killer of wealth! Squash it fast.
@WealthEnrich
- I know a lot of people who reached early “retirement.” Almost all of them are still working. However, they changed what they do and they're all working at a job they LOVE. Getting there should be your real financial goal.
@BrianFeroldi
- Nothing frees up mental capacity like dumping a loser in the portfolio and moving on. A loser is a business that continues to underperform your expectations, but you keep holding on because you think it's too cheap to sell. And it keeps getting “cheaper”.
@iancassel

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Nishanth Gopalakrishnan
bl. research bureau

The new tax regime became the default option for taxpayers from Budget 2023 for the financial year 2023-24. As is already known, the new regime does away with most deductions and tax benefits that the old regime had. To be sure, the old tax regime is still available to taxpayers.

Here, we highlight the lesser-known aspects about the new tax regime and how it could be beneficial, given the lower surcharges and higher rebates, apart from indicating operational aspects on how to switch out of one option to the other.

LOWER SURCHARGE
For the Assessment Year (AY) 2024-25, under the old regime, the applicable rate of surcharge on income tax for individuals with total income (income after all deductions) higher than ₹5 crore is at 37 per cent. This takes the Maximum Marginal Rate of Tax (MMRT) after the Health and Education Cess (HEC) of 4 per cent to 42.74 per cent. However, the surcharge rate on income tax applicable for such individuals under the new regime has been notified as 25 per cent in the Finance Act, 2024. This brings the MMRT under the new regime to 39 per cent.

It is to be noted that the maximum rate of surcharge on that part of total income which consists of dividends, short-term and long-term capital gains from sale of shares, units of equity oriented mutual funds, etc. and long-term capital gains from sale of other capital assets continues to be at a maximum of 15 per cent under both the regimes. Thus, it can be said that MMRT in case of these four income categories is the same under both regimes at 35.88 per cent.

MARGINAL RELIEF
Rebate under Section 87A in case of new regime makes zero tax liability a possibility, if total income is up to ₹7 lakh. What if total income marginally exceeds ₹7 lakh? To relieve taxpayers of such a situation, the section offers a marginal relief, unlike in



the case of old regime. But there are a couple of conditions to be met to avail of the marginal relief.

First, the total income should be in excess of ₹7 lakh. Second, tax on total income (before adding HEC) should be greater than total income in excess of ₹7 lakh. If both the conditions are met, then the rebate with the effect of marginal relief is calculated as: tax on total income (before HEC) minus total income in excess of ₹7 lakh.

This rebate is then deducted from tax on total income and the resultant figure is topped with the HEC, to arrive at the final tax liability.

Let us consider total income to be ₹7,01,000. Under the new regime, had marginal relief not been there, the effective rate of tax would have been 3.7 per

TAX TRUTHS

- MMRT is 39% under new regime as against 42.7% under old regime
- New regime offers a marginal relief on rebate unlike the old regime
- Individuals with business/profession income must file Form 10-IEA to opt out of new regime

cent. But since marginal relief is applicable for this instance, the effective rate of tax drops down to 0.15 per cent.

OPTING OUT

The new regime, even with all such benefits, may not be better

than the old regime for certain individuals.

Prime among them would be those who are heavily invested in the investment/insurance schemes for which deductions are available under the old regime.

For such individuals, the procedure to opt out of the new regime is as follows.

The procedure in the case of individuals who don't have business/profession income is quite simple. Such persons would be prompted to choose a regime of their choice, at the time of filing of the Income Tax Return (ITR). You can keep switching between regimes and opt for the one that is beneficial.

However, the procedure in the case of individuals with business/profession income is not so simple.

Such individuals may choose to opt out of the new regime by filing Form 10-IEA, on the IT Portal, on or before the due date of furnishing the ITR.

Once the opting out option is exercised in a financial year, it can't be reversed during that financial year.

Re-entering the new regime will not be permitted until the financial year in which the individual ceases to have income from business/profession. Hence, careful consideration of long-term implications is warranted, before taking the plunge.

Note: Among others, Intraday trading and trading in derivative instruments such as futures and options constitutes 'business' as per the Income Tax Act and so, the income from such activities constitutes business income.

Why multi-asset strategy is ideal for 2024

INVEST SMART. There could be some mean reversion and catch-up in the large-cap space

Ashish Shanker

Though markets have been touching new peaks, the outlook remains positive based on deleveraging of corporate balance sheets, uptick in capex cycle, and an expected steady trend in profit growth, going forward. Robust corporate earnings growth has provided some cushion to valuations, particularly in large caps, while mid and small-caps are trading at a premium over their long-term averages.

Likely continuation of constructive fiscal policies under NDA 3.0, stable Current Account Deficit, fiscal consolidation, benign Inflation, and inclusion of Government Bonds in the JP EM Bond Index suggest that domestic interest rates are likely to trend lower in the short to medium term.

The eventuality of US Fed rate cuts, coupled with geo-political instability globally and consistent demand from central banks, should sustain the strength of the ongoing Gold rally. Domestic residential housing sales have picked up significantly post CY20 and the trend is expected to continue with rising demand.

Hence, we believe that in 2024, emphasis can be placed on Multi-Asset Allocation in investment portfolios.

MID AND SMALL-CAPS SHINE
India is positioned to be the fastest growing major economy over the next couple of years. The capex cycle has revived,

Higher earnings growth in mid- and small-caps			
	Mar-20	Mar-24	CAGR (%)
Nifty 500			
Earnings (A)	4.3	14.1	35
Market capitalisation (X)	107.2	355.5	35
Nifty 50			
Earnings (B)	3.5	7.9	23
Market capitalisation (Y)	70.3	196.5	29
Balance 450 companies			
Earnings (A-B)	0.8	6.2	67
Market capitalisation (X-Y)	36.9	159	44

Source: MOFSL, Internal research, Figures in ₹ trillion

supported by all three pillars viz. Government (roads, railways, etc.), Corporates (driven by PLI) & Households (Real Estate). Over the last four years, the listed corporate sector has deleveraged sharply, while aggregate profits as a percentage to GDP have more than trebled from 1.7 per cent to 5.2. per cent. The sectors that underperformed on the earnings front for the past several years, such as Automobiles, Real Estate, Capital Goods, Infrastructure, Industrials, Utilities, Hotels, and PSUs, have made a strong comeback.

The ongoing phase rhymes with the bull market phase of FY03-FY08, supported by sustained earnings growth in corporates. In the period March '20 to March '24, the compounded annualised earnings growth for the Nifty50 companies was a robust 23 per cent. Broader Nifty500 companies witnessed

FOR THE BOLD

Investors with aggressive risk profile can consider structured debt investments offering attractive yields

an even stronger earnings growth CAGR of 35per cent. This shows that mid and small-cap companies have, on aggregate, registered significantly higher earnings growth during this period vis-à-vis their large-cap counterparts (see table).

Along with earnings, valuation is an important metric to consider during portfolio allocation across market capitalisations. The Nifty (proxy for Large Caps) is trading at a 12-month forward Price to Earnings ratio (P/E) of about 20x, which is marginally above its 10-year average. Both the mid-caps

and small-caps are trading at premiums to their respective long-term average P/E.

GROWTH PACE
While corporate earnings over the next couple of years are expected to remain steady, it would not be prudent to expect the pace of growth to be similar to the last few years. Hence we believe there could be some mean reversion and catch-up in the large-cap space. However, we continue to remain bullish on the broader market over the next 3-5 years. A flexi-cap strategy with broad-based allocations to sectors would be an optimum way to participate in this opportunity.

A benign trend in core inflation suggests that interest rates in India have peaked and will decline over the next 1-2 years. Foreign investors have also increased the pace of buying G-Secs after the inclusion in the JP EM Bond index. The recent inclusion in the Bloomberg EM Index paves the way for more global participation.

ASSET COMBINATIONS
For incremental investments in fixed income portfolios, we suggest a combination of duration strategy through Mutual funds with portfolios of long maturity govt securities and accrual through credit strategies.

Investors with aggressive risk profile can consider structured debt investments offering attractive yields. Private Credit as an asset class is witnessing brisk deal making, given the onset of

capex cycle, turnaround stories and improving credit profiles of India Inc. Real Estate credit, likewise, is seeing traction, riding on the revival of the asset class in recent times. Thus a portfolio with higher than moderate credit profile can be looked at as a diversification tool to transfer market risk to credit risk, for informed investors.

Given the geo-political risks on the horizon, allocation to gold can be made to the extent of 5-15 per cent depending on the risk profile as a hedge in unforeseen events. And this can provide liquidity for reallocation in case there is a sharp drawdown in other asset classes. One way to play the asset allocation story can be through Multi Asset Funds.

To sum it up, this is a year to stay disciplined to the strategic asset allocation laid out in your investment charter.

The writer is MD & CEO, Motilal Oswal Private Wealth

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TAX QUERY.

SANJIV CHAUDHARY

I am a senior citizen living on pension and on some investments. In 2017, I was misled into joining a ULIP on the promise of much higher return than a fixed deposit, by a bank staff of a leading public sector bank. I paid ₹2 lakh each, for five years, and at the end of six years I got back ₹9,48,143 in September 2022.

I have been corresponding with the insurance company concerned for several months and finally with the Insurance Ombudsman. In December 2023, the Ombudsman dismissed my claim and said that I was paid as per the rules and regulation of the scheme. My question is, can I show the loss, namely ₹51,857, as a Long Term Capital Loss in this year's ITR?

Susan John

As per Section 10(10D) of the Income Tax Act (the Act), any amount received under a life insurance policy, including ULIPs, is exempt from tax under certain conditions, primarily if the annual premium does not exceed ₹2.5 lakh (monetary limit for financial year 2022-23). If these conditions are satisfied, the amount of ₹9,48,143 would qualify for exemption and should be disclosed in Schedule EI of the tax return for the Financial Year 2022-23. Since the income is exempt, no loss can be claimed against it. If the amount of ₹948,143 was received upon surrendering the ULIP after the five-year lock-in period but before maturity, it would be considered a Long-Term Capital Gain under Section 112A of the Act. Consequently, the loss of ₹51,857 should have been reported in your Income Tax return for FY 2022-23 (April 1, 2022 to March 31, 2023), as the amount was received in September 2022.

The deadline for filing a revised ITR for FY 2022-23 has lapsed, and any corrections can now only be made by filing an updated tax return. However, an updated return can only be filed if there is a tax liability.

Additionally, since the insurance proceeds were received in September 2022, they cannot be reported in the tax return for FY 2023-24, as they do not pertain to that financial year.

The author is a practising chartered accountant
Send your queries to taxtalk@thehindu.co.in

Interest rates on home loans (%)

Institution	Loan amount		
	Under ₹30 lakh	₹30 to 75 lakh	Over ₹75 lakh
BANKS (Floating rates)			
Axis Bank	8.75-9.65	8.75-9.65	8.75-9.65
Bank of Baroda	8.40-10.60	8.40-10.60	8.40-10.60
Bank of India	8.40-10.85	8.40-10.85	8.40-10.85
Bank of Maharashtra	8.35-10.90	8.35-10.90	8.35-10.90
Canara Bank	8.50-11.25	8.45-11.25	8.40-11.15
Central Bank	8.35-9.50	8.35-9.50	8.35-9.50
DBS Bank	<=9.40	<=9.40	<=9.40
Federal Bank	>=8.80	>=8.80	>=8.80
HDFC Bank	8.75-9.95	8.75-9.95	8.75-9.95
ICICI Bank	9-9.80	9-9.95	9-10.05
Indian Bank	8.40-9.80	8.40-9.80	8.40-9.80
Indian Overseas Bank	>=8.40	>=8.40	>=8.40
IDBI Bank	8.45-12.25	8.45-12.25	8.45-12.25
J&K Bank	8.75-9.85	8.75-9.85	8.75-9.85
Karnataka Bank	8.50-10.62	8.50-10.62	8.50-10.62
Karur Vysya Bank	9.0-11.05	9.0-11.05	9.0-11.05
Kotak Mahindra Bank	8.70-8.95	8.70-8.95	8.70-8.95
Punjab National Bank	8.45-10.10	8.40-10.10	8.40-10.0
Punjab & Sind Bank	8.50-10.0	8.50-10.0	8.50-10.0
State Bank of India	8.50 - 9.65	8.50 - 9.65	8.50 - 9.65
South Indian Bank	8.70-11.70	8.70-11.70	8.70-11.70
Tamilnad Mercantile Bank	8.60-9.95	8.60-9.95	8.60-9.95
UCO Bank	8.30-10.00	8.30-10.00	8.30-10.00
Union Bank of India	8.35-10.75	8.35-10.75	8.35-10.75
BANKS (Fixed rates)			
Axis Bank	14.00	14.00	14.00
IDBI bank	10.90-12.0	10.90-12.0	10.90-12.0
Union Bank of India	11.4	11.4-12.4	12.4-12.65
HOUSING FINANCE COMPANIES (Floating rates)			
Tata Capital	>=8.75	>=8.75	>=8.75
Piramal Cap & Housing Fin	>=9.50	>=9.50	>=9.50
PNB Housing	8.50- 11.25	8.50- 11.45	8.50- 11.45
Central Bank Housing	9.95-11.15	9.95-11.15	9.95-11.15
Indiabulls Housing Fin	>=9.30%	>=9.30%	>=9.30%
Aditya Birla Housing Fin	>=8.60	>=8.60	>=8.60
Bajaj Finserv	8.50-15.00	8.50-15.00	8.50-15.00
GIC Housing Finance	>=8.80	>=8.80	>=8.80
Sundaram Home Finance	>=10	>=10	>=10
HOUSING FINANCE COMPANIES (Fixed rates)			
LIC Housing Finance Ltd	10-10.25	10-10.25	10-10.25

*Data as on respective banks' website on Jun 28, 2024; For each year range, the maximum offered interest rate is considered; interest rate is for a normal fixed deposit amount below ₹1 crore. Compiled by BankBazaar.com *Annual percentage rate;

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CM YK ND-NDE



SAFEENA FACED MANY ROADBLOCKS IN HER EDUCATION. SO SHE PAVED A NEW WAY FOR THE FUTURE GENERATION.

The Hindu businessline celebrated her achievements by honouring her with the prestigious Changemaker: Social Transformation Award in 2023. Her non-profit organisation, Educate Girls, helps many young girls secure a bright future. This year, she received an honorary doctorate from her alma mater, London School of Economics, for her work in the field of education.

The Hindu businessline Changemaker Awards change the world of those who change the world.

If you know someone who has created a positive impact, nominate them for the Changemaker Awards 2024.



Scan the QR code or visit **newsth.live/BLCM2024THP** to nominate a Changemaker.
Last date for nomination: June 30, 2024



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Venkatasubramanian K
bl. research bureau

Shrugging off the unexpected election verdict of a coalition government, the markets continue their onward march. The rallying markets of the past few years have seen asset management companies (AMCs) benefit from increased inflows, mostly into equity-oriented schemes.

As the third-largest mutual fund company in India by assets under management (AUM), HDFC Asset Management Company (HDFC AMC) runs some of the largest and oldest schemes.

Robust AUM growth, steep rise in flows via systematic investment plans (SIPs), healthy rise in customer base that sticks on to investments for the long term and expanding market share are positives for the company. Industry-leading operating margins is another strong factor.

At ₹3,991, the stock trades at 36 times its likely per share earnings for FY25 and about 30 times its expected EPS for FY26. These multiples are at par with what Nippon Life AMC trades at, despite HDFC AMC's higher margins and AUM. This makes the stock attractive from a two-three year perspective.

However, given the 85 per cent rally in the HDFC AMC stock over the past one year, and as equity markets are at record levels (and uncomfortable valuations), investors can accumulate the stock on declines linked to the broader market.

The still low penetration of mutual funds in India compared to most other emerging and advanced nations, rapid digitisation resulting in ease of investments via online platforms and the rising incomes and financialisation of savings are factors that could give further thrust at the macro level for the industry.

The company's operating (EBIT) margins have always been comfortable, in excess of 70 per cent (73.5 per cent in FY24). Net profit margin has also remained more than 65 per cent over the years.

In FY24, HDFC AMC's revenues rose 19 per cent over FY23 to ₹2,584.4 crore, while net profits increased 36 per cent to ₹1,944.2 crore. Given that other income is substantial due to in-



‘Mutually’ rewarding

ASSET MANAGEMENT. Investors can accumulate HDFC AMC stock on falls linked to the markets

Healthy financials

	FY23	FY24	y-o-y (%)
AUM (₹ lakh cr)	4.37	6.07	39.2
Operating profit (₹ cr)	1,555	1,900	22
SIP AUM (₹ lakh cr)	0.86	1.39	62.7

SOUND ASSET BASE

Over the past several years, market regulator SEBI has sought to reduce the expense ratios charged by fund houses on their schemes to bring down costs for investors. The ‘telescopic pricing’ methodology of SEBI entails charging lower expense ratios on schemes as asset size increases.

Since HDFC AMC runs several funds with large asset sizes — three of its equity schemes have \$6.5-billion to over \$10-billion AUM — it had to face the impact of lower expenses it could charge. However, despite these lower charges, the company managed a yield (revenue to average AUM) of 47 basis points in FY24, just one-two points lower than in the previous years, thanks to the overall rise in flows into schemes. This yield is the highest among listed

peers and is among the highest in the industry. The operating margin has still remained stable at 35 basis points from FY22 to FY24.

Most of its equity schemes tend to deliver robust returns and beat standard benchmarks over the long term.

The AMC managed ₹6.07-lakh crore as of March 2024, (up 39.2 per cent year on year). Equity-oriented funds accounted for ₹3.98-lakh crore and grew nearly 62 per cent in FY24.

In the actively equity-oriented funds space, HDFC AMC's market share by closing AUM as of March 2024 was 12.8

● ACCUMULATE HDFC AMC ₹3,991.45

WHY

- Robust AUM growth
- Steep rise in flows via SIPs
- Expanding market share

The company's systematic transactions base rose to ₹2,930 crore (₹1,710 crore) in the March 2024 quarter.

Further, HDFC AMC's SIP AUM stood at ₹1,39,800 crore as of March 2024, up 62.7 per cent year on year.

The resilience of the company's SIP book can be ascertained from how long investors have stayed put. As much as 87 per cent of the SIP assets remains invested for over five years and 80 per cent for more than 10 years. From an overall industry standpoint, just a little more than half the equity assets remain invested even for a period of over two years.

A return on equity of 29.5 per cent in FY24, up from 24.5 per cent in FY23, also is among the highest in the industry.

With a stable and experienced fund management team, healthy operational metrics and a track record of healthy scheme performances, the HDFC AMC stock can be a good play on the market rally, being among the most reliable names in the asset management business.

Cementing a better path

CEMENT. India Cements is positioned interestingly on operational recovery and shareholding pattern

Sai Prabhakar Yadavalli
bl. research bureau

India Cements is in the news recently as industry leader UltraTech Cement has made a financial investment in the company by acquiring 23 per cent of the stake. India Cements as a company has faced volatile operations last two years owing to liquidity constraints and has initiated a course correction plan for FY25-26.

At this juncture, a financial and non-controlling stake purchase by a larger and profitable operator has raised several questions. The stock has gained 30 per cent in the last week and is trading at a premium valuation of 15 times FY26 EV/EBITDA, which is comparable to large cement operators. We recommend that investors hold on to India Cements stake as financial, management and strategic outlook bears a positive bias despite a non-definitive outlook.

OPERATIONAL HEADWINDS

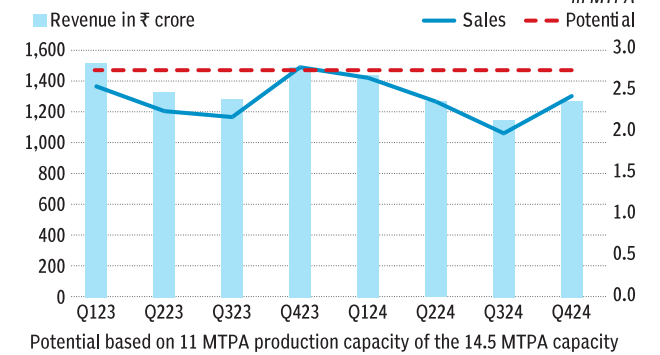
On a consolidated basis, India Cements reported a blended EBITDA per tonne of ₹105 in FY24, recovering from the loss of ₹146 per tonne in FY23. While this may seem positive, the company usually reported an EBITDA per tonne of ₹900-1000 per tonne as recently as FY20-21.

Lower utilisation, higher cost of production compared to realisations were cited as the main reasons for the decline.

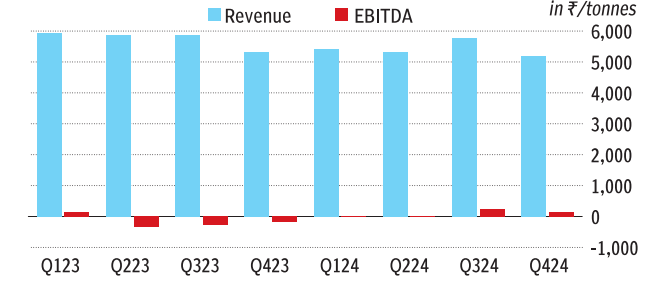
The capacity utilisation recovered from 53 per cent in Q3FY24 to 61 per cent in Q4FY24, which is also lower than the 75 per cent India Cements operated earlier in FY20-21. Compared to 11 MTPA per annum potential production that can be expected, the company delivered only 9.5 MTPA in FY24. The loss of operating leverage in a commoditised sector has impacted the margin performance for India Cements.

The company has been con-

Operating below potential



Marginal recovery in profit



strained by limited working capital credit lines restricting it to lower volumes. Older plants with a higher power requirement, stretched creditors, loss of market share and high debt burden have impacted the company's ability to raise additional working capital.

PATH TO RECOVERY

The company is disposing non-core assets to shore up working capital. It recently sold a grinding unit with low margins for ₹315 crore and has done smaller land sales to fund working capital and also raise capital for upcoming capex.

It has earmarked ₹500 crore for efficiency-building capex. This includes a waste heat recovery system at one plant, 1 MTPA fly ash extension at Sankari plant and plans for Raasi plant group. The company expects to generate cost savings of ₹150-175 per tonne with the plans by FY26 and additional sales volume.

On the commodity cost front,

● HOLD India Cements ₹293.40

WHY

- Higher utilisation with improved liquidity
- Favourable commodity prices
- Investment from UltraTech

power and logistics costs have come off their highs in FY24 by 22 per cent and 9 per cent YoY. Even as realisations may face headwinds in southern markets from overcapacity, post-election and post-monsoon pricing may creep upwards. The company can look to a period of better realisations and lower cost of production in FY25, if coal and transportation costs hold at the current level.

Higher utilisation supported by higher working capital avail-

ability, efficiency programme and favourable commodity prices should point to improvement from the current low margin performance for India Cements.

ULTRATECH INVESTMENT

The 23 per cent stake purchase will not trigger an open offer as per SEBI's acquisition rules. Even UltraTech Cement has called it a non-controlling financial investment. The acquisition price comes out to ₹90 per tonne for the 14.5 MTPA capacity, which is comparable to mid-size deals done in the recent past.

UltraTech acquired Kesoram Cements at \$80 per tonne (10.8 MTPA capacity based in South and Western markets. Ambuja Cements most recently acquired a South based player, Panna Cements, with 14 MTPA capacity at \$89 per tonne.

India Cements is largely focused on South India — 5 MTPA in Telangana, 6 MTPA in Tamil Nadu, 2.1 MTPA in AP, and 1.5

MTPA in Rajasthan. This should complement UltraTech Cement, which at present only has 15 per cent exposure to the southern region, if it can strike a deal with India Cements promoters.

Investor attention, which drove the outsized gains of 30 per cent this week, is also focussed on the shareholding pattern of India Cements.

India Cements has a significant public shareholding and is yet to post strong profits in the last two years. The promoters hold 28.42 per cent of which 46.2 per cent is pledged. Apart from UltraTech Cement, other public shareholders hold 48 per cent of shareholding.

Even with a financial investment which is non-controlling, Ultratech Cement's significant stake will drive speculative interest, which can support the stock price above its intrinsic value in the medium term. Given scope for strategic developments, investors can continue to hold the shares.

Taking Stock • bl • 5

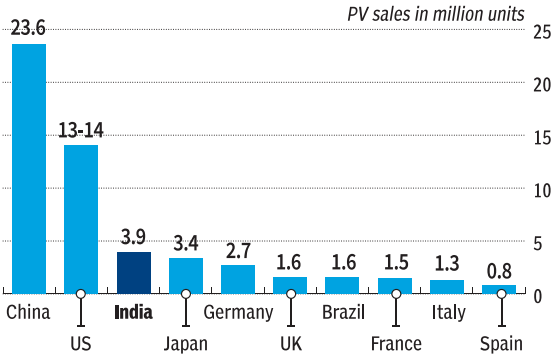
businessline's editorial policy prohibits analysts from taking positions in the stocks they recommend — Editor

Trends in India's electric PV market

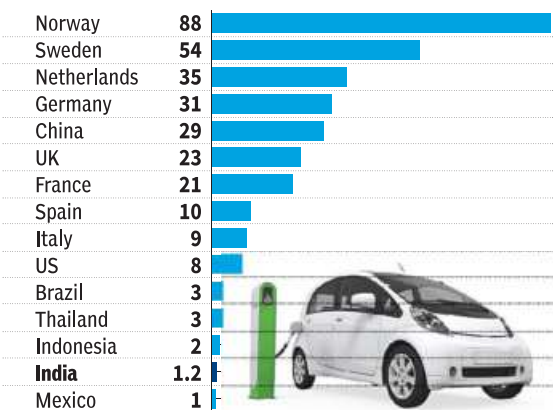
Compiled by Shrinidhi Ramanathan

While India stands third in terms of number of four-wheeled passenger vehicle (PV) sales in the world, electric vehicle (EV) penetration is very low. Higher initial prices and range anxiety are among the key reasons for the low penetration. However, lower 'total cost of ownership' compared with their fossil fuel counterparts, development of charging infrastructure and favourable policies are helping improve EV sales in India.

Many other nations fare better on EV penetration

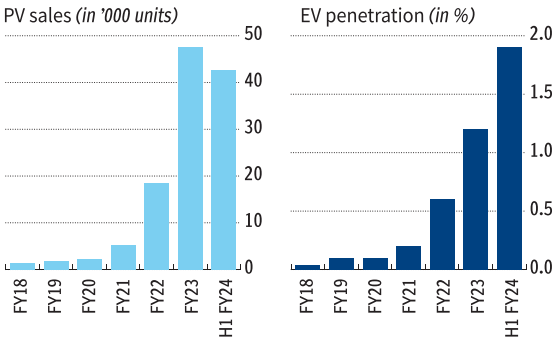


EV penetration (%)

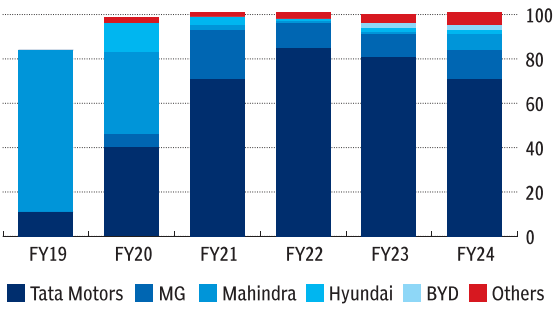


FY2023 (for India) and CY2022 (others)

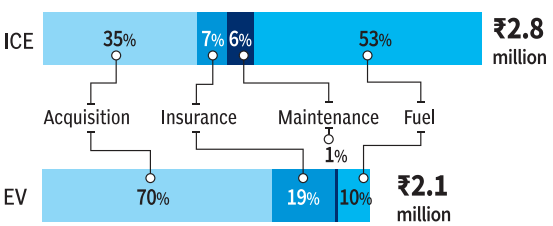
But penetration has steadily been on the rise in India



TATA Motors leads in EV market share (%)



Total cost of ownership lower for EVs



Charging Infrastructure is also improving

Number of public charging stations



Source: DRHP of Hyundai and Ola Electric. The author is an intern with bl.portfolio

WHO AM I?.

Are you an avid investor? How well do you know corporate India?

Here's a challenge. Using the five clues below, identify the company that is being talked about here

- 1 I got incorporated about 40 years back. My founder family has more than a century of entrepreneurship credentials and is highly respected for corporate governance standards.
- 2 I deal with industry leaders and make millions of products, exporting to more than 90 countries worldwide, still I am a small-cap stock.
- 3 I have delivered more than 20 per cent CAGR over the last 10 years but am underperforming broader industry group indices in recent years.
- 4 I am one among very few companies where non-institutional public own more stake than promoters though I have just about 25,000 shareholders.
- 5 My recent initiatives of having the best known sports icon explain my product merit, aggressive expansion of capacities and renewed focus on innovation should help me leapfrog on the growth that I have missed out for a while.

Send your answers by Wednesday 6 p.m. to who-am-i@thehindu.co.in, with your full name, postal address and phone number. A lucky winner in each week will get a book sponsored by UNIFI Capital as a reward.

Contributed by
UNIFI CAPITAL

Last week's stock:
Medplus Health Services
Last week's winner:
Akhil Katiyar

Akhil Nallamuthu
bl. research bureau

Nifty 50 (24,011) and Bank Nifty (52,342) appreciated last week and posted a gain of 2.2 per cent and 1.3 per cent respectively. Here's an analysis of the futures and options (F&O) data of both indices.

NIFTY 50
Nifty futures (July) rallied 2.2 per cent over the past week and closed at 24,132. As it moved up, the cumulative Open Interest (OI) increased. It stood at 156 lakh contracts on June 28 as against 154 lakh contracts on June 21. A price rise accompanied by increase in OI indicates long build-up.

Another positive sign is the increase in the premium of July futures over the Nifty 50 index. So, overall, futures data gives us a bullish sign.

With respect to options, the Put Call Ratio (PCR) of weekly options is nearly 1. This means that the number of calls and puts sold are almost the same. But the PCR of monthly options is at 1.5, indicating writing of more put options, a bullish sign. So, broadly, the trend appears positive for Nifty.

The chart, too, supports this as the index and its futures hit record highs last week. Yet, there is a slight chance for a minor correction from the current level. Going ahead, the July Nifty futures might dip to 23,500 from the current level. But eventually the contract is expected to recover and rally to 24,800 in the short run.

Strategy: Buy July futures of Nifty at 24,100 and accumulate if the price dips to 23,500. Place stop-loss at 23,100. When the contract touches 24,500, tighten



the stop-loss to 24,200. Book profits at 24,800. Alternatively, you can buy a 23800-strike July monthly call option. That is, buy now and accumulate if Nifty futures moderates to 23,500. Place a stop-loss at the entry price of the option when Nifty futures rises to 24,500. Liquidate this option at the prevailing price when the July futures touches 24,800.

BANK NIFTY
The July expiry Bank Nifty futures (52,530) gained 1.5 per cent over the past week. But unlike with Nifty futures, as the Bank Nifty futures went up, the cumulative OI decreased – it dropped to 27.6 lakh contracts on June 28 compared with 29.4 lakh contracts on June 21. This means short covering.

Coming to options, the posi-

DERIVATIVE MARKET

- Nifty futures witness long build-up
- Bank Nifty futures see short-covering
- PCR of monthly options of both indices is bullish

tioning of traders in weekly and monthly contracts give a contrasting signal. The PCR of the weekly options is at 0.6, whereas the same of monthly options is at 1.3. So, the bias for this week is bearish, whereas that for the broader trend is positive.

The price action of Bank Nifty futures (July) on the daily chart also corroborates the high likelihood of a minor softening in

price. The contract could slip to 51,600 before establishing the next leg of uptrend. Once the upswing resumes post the potential corrective decline, the contract can rally to 55,000.

Strategy: Buy Bank Nifty futures if its price comes down to 52,000. Target and stop-loss can be 55,000 and 50,500 respectively. As a risk management measure, after the trade is initiated, when the contract surpasses 53,200, alter the stop-loss to 52,000.

Rather than futures, one can consider buying call options. We recommend the 52000-call option of the July monthly contract. Go long when Bank Nifty futures dips to 52,000. Liquidate the option at the going rate when Bank Nifty futures touches 55,000.

Directional bets with futures

MASTERING DERIVATIVES. Futures is optimal when you have a directional view on the underlying

Venkatesh Bangaruswamy

Traders' ought to choose futures when their confidence is high regarding the directional movement of the underlying and choose options otherwise. That said, it is not uncommon for experienced traders to prefer futures over options. This week, we discuss why and when you can choose to trade only futures.



WHY FUTURES

The added benefit of futures position is that you can generate gains even if the underlying moves slowly and reaches its price target only at contract expiry

If you are a disciplined trader, initiating futures position can be gainful. This is because the delta of futures is greater than the delta of options. This makes futures position optimal for directional bets — when you have a view that the underlying is likely to move up or down. True, you

are likely to incur more losses on your futures position than options when the underlying makes an adverse movement. But you can moderate your losses if you take your stops. Your stops should be fixed such that you give yourself enough room to stay in the position and yet not risk too much of your trading capital; tight stops may result in frequent losses because your position is likely to get stopped out more often.

The added benefit of futures position is that you can generate gains even if the underlying moves slowly and reaches its price target only at contract expiry. For, unlike options, futures

contracts do not suffer from time decay. You will lose marginally on your futures position if the price target is reached at expiry and not before. This is because futures price will converge with its spot price at expiry, but can trade higher than the spot price any time during the life of the contract. Of course, the capital required to trade futures is greater than that required for options. But you must not decide on the choice of instrument based on your trading capital. Your choice must depend on the confidence level on the directional movement of the underlying or on your discipline in sticking to your trading plan.

OPTIONAL READING
You should still initiate option positions when you are betting on sideways movement in the underlying; you are betting on an option's implied volatility imploding (decreasing). So, as a disciplined trader, you can typically bet on futures for all directional trades and on options for capturing time decay and volatility implosion.

The author offers training programmes for individuals to manage their personal investments

Sideways trend to hold

BULLION CUES. One can avoid fresh positions

Akhil Nallamuthu
bl. research bureau

Gold remained flat last week, whereas silver posted a loss on a weekly basis due to a price decline in early last week. The yellow metal closed at \$2,326 per ounce and silver was down 1.5 per cent as it ended at \$29.1 an ounce.

Similarly, on the MCX, gold futures was flat at ₹71,582 (per 10 gram), whereas silver futures lost 1.9 per cent as it ended at ₹89,540 (per kg).



MCX-GOLD (₹71,582)
Gold futures (August contract), which was down a little in the first half of last week, recouped its loss in the last two sessions, effectively ending the week flat.

Going ahead, the direction of the break of the ₹70,300-74,800 range can tell us about the path of the next leg of trend. Resistance above ₹74,800 is at ₹78,000, whereas support below ₹70,300 is at ₹67,700.

Note that the price band of ₹70,300-71,000 is a support.

Trade strategy: Gold August futures remains within a range.

Do not initiate fresh trades at the moment.

Breakout sustains

CRUDE CHECK. Rally appears imminent

Akhil Nallamuthu
bl. research bureau

Crude oil managed to end the week marginally higher despite staying flat for most part of last week. Brent crude oil futures on the Intercontinental Exchange (ICE) was up 1.4 per cent as it closed at \$86.4 per barrel, whereas crude oil futures on the MCX gained 0.9 per cent by ending the week at ₹6,805 a barrel.



BRENT FUTURES (\$86.4)
Brent Crude futures continue to trade above the key resistance-turned-support at \$84. This is a positive sign and so, the chances for a rally from the current level are high.

In the coming sessions, there might be some correction, possibly to \$84. But we expect Brent crude futures to resume the upswing, potentially appreciating to \$92. *En route*, it can face a hurdle at \$87 but it is unlikely to alter the course of trend.

The bull trend will remain valid so long as the contract stays above base at \$81.

MCX-CRUDE OIL (₹6,805)
Crude oil futures (July expiry) has been on a rally since the first

week of June. It began on the back of the support at ₹6,100.

Last week, it moved within the tight range of ₹6,700-6,850. Yet, the broader trend is positive, and we can expect an upside from the current market price.

The contract shows potential to rally to ₹7,100 in the near term. Immediate resistance above ₹7,100 is at ₹7,500.

But before the above said surge in price, the crude oil futures might see a moderation in price to ₹6,500. In case the downswing extends and the price falls below ₹6,350, the short-term outlook can turn bearish.

Trade strategy: We suggested long at ₹6,750 last week. Hold this trade and add longs if the price dips to ₹6,500. Retain the stop-loss at ₹6,300. Book profits at ₹7,100.

F & O QUERY

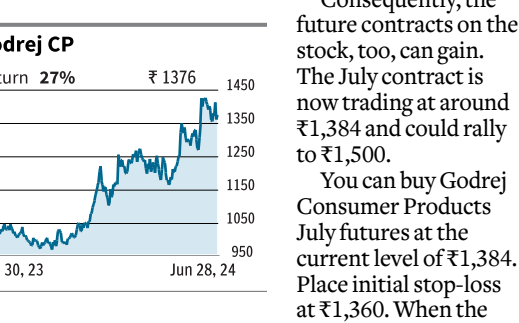
AKHIL NALLAMUTHU, bl. research bureau

Should I buy Godrej Consumer future July contract at current level? What should be the target and stop-loss for this trade?

Palani Shanmugam

Godrej Consumer Products (₹1,375.9): The stock, which has been on a decline over the past few weeks, seems to have ended the correction phase. It gained last week on the back of the support at ₹1,350, where the 20-day moving average coincided.

The price action on the daily chart shows that the broader trend is bullish. The recent upswing, which happened in the last week, indicates that the stock has resumed its upward trajectory. In the short term, the stock of Godrej Consumer Products can appreciate to ₹1,500.



Consequently, the future contracts on the stock, too, can gain. The July contract is now trading at around ₹1,384 and could rally to ₹1,500.

You can buy Godrej Consumer Products July futures at the current level of ₹1,384. Place initial stop-loss at ₹1,360. When the contract rises to ₹1,450, move the stop-loss higher to ₹1,410. Tighten the stop-loss further to ₹1,445 when the price hits ₹1,475. Book profits at ₹1,490.

Alternatively, you can consider buying a call option. We suggest 1,420-strike July call option, which is now trading at around ₹29. This would cost ₹14,500 per lot. You may also consider 1,380-call. The premium is at around ₹45 and therefore, the outflow would be ₹22,500. In either case, liquidate the call option at the going rate of the option when the stock hits ₹1,490.

Send your queries to derivatives@thehindu.co.in.

Change in Open Interest (OI)

Scrip	FII		Retail	
	As on Jun 28	Weekly change %	As on Jun 28	Weekly change %
Future Index Long	440244	45	260625	-26
Future Index Short	93361	-59	519267	27
Net Futures	346883	369	-258642	349
Index Call options Long	1304942	-8	6334127	3
Index Call options Short	1015644	-17	6466254	1
Net Call options	289298	49	-132127	-50
Index Put options Long	1363794	-13	5530347	-9
Index Put options Short	1175051	-16	5929738	-9
Net Put Options	188743	9	-399391	-16

FII have significantly increased net long on index futures. They have also added net long on index call options. These show bullish positioning by FIIs.

Stocks that witnessed major change in OI

Company	Price (₹)	Weekly price change %	OI (in lakh)	Weekly OI change %
RISE (as on Jun 28)				
POLYCAB	6,739.50	-5.0	62.4	84.7
INDIACEM	293.57	26.7	586.5	52.9
VOLTAS	1,472.20	-1.0	1805.8	14.6
EXIDEIND	564.50	-0.9	459.6	4.9
DALBHARAT	1,813.45	-0.5	56.2	2.0
FALL (as on Jun 28)				
METROPOLIS	1,978.05	2.0	17.9	-59.4
COROMANDEL	1,600.85	3.3	54.2	-55.7
SUNTV	752.20	-3.1	72.9	-53.7
DEEPAKNTR	2,501.95	-1.7	28.8	-53.2
DIXON	11,971.30	3.7	26.8	-50.0

Stocks in F&O ban (for trade on Jul 1)

INDIACEM	INDUSTOWER
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Change in OI and market positioning

Symbol	Expiry date (2024)	Price (₹)	OI (Weekly change %)	Indication
COMMODITIES (as on Jun 28)				
ALUMINIUM	31-Jul	230.4 (0.1)	4333 (6)	Neutral
COPPER	31-Jul	840.5 (-1.1)	8896 (27)	Short build-up
CRUDEOIL	19-Jul	6805 (0.9)	4483 (0)	-
GOLD	05-Aug	71582 (0)	14162 (-2)	Neutral
GOLDGUINEA	31-Jul	58196 (-0.2)	4460 (39)	Short build-up
GOLDMPETAL	31-Jul	7114 (-0.1)	53008 (25)	Neutral
LEAD	31-Jul	189.6 (0.5)	673 (12)	Long build-up
MENTHAOIL	31-Jul	916.5 (1.2)	503 (178)	Long build-up
NATURALGAS	26-Jul	217.8 (-8.4)	27914 (111)	Short build-up
NICKEL	31-Jul	1464.3 (0)	-	-
SILVER	05-Sep	89540 (-1.9)	21058 (89)	Short build-up
SILVERM	30-Aug	89582 (-1.9)	35770 (44)	Short build-up
SILVERMIC	30-Aug	89584 (-1.9)	115835 (33)	Short build-up
ZINC	31-Jul	265.35 (3)	2593 (25)	Long build-up
CURRENCIES (as on Jun 28)				
USDINR	29-Jul	83.45 (-0.3)	2444735 (58)	Short build-up
EURINR	29-Jul	89.44 (-0.2)	11392 (59)	Short build-up
GBPINR	29-Jul	105.55 (-0.3)	5957 (287)	Short build-up
JPYINR	29-Jul	52.52 (-0.8)	2172 (96)	Short build-up

F&O Strategy

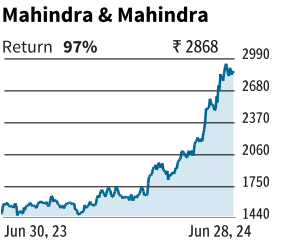
M&M: Bull call spread

KS Badri Narayanan

The outlook appears bright for the stock of Mahindra & Mahindra (M&M) (₹2,866.65). Immediate support appears at ₹2,699 and the major one at ₹2,493. Only a conclusive close below the latter will alter the bullish outlook on M&M.

On the other hand, if M&M sustains the current rally, the stock has the potential to reach new highs. A close above ₹2,915 will support the bulls well. We expect the stock to move sideways with upward bias.

F&O pointers: M&M witnessed a rollover of 88 per cent to July series. Most of the rollovers were on the long side. M&M July futures closed at ₹2,865.40 against spot price of ₹2,866.65. Option trading indicates that the stock could move in the ₹2,400-3,000 range.



Strategy: We advise traders to consider bull-call spread on M&M by buying 2860-strike call and simultaneously selling 2900-strike call. These options closed with a premium of ₹94.95 and ₹77.60 respectively. This will cost traders ₹17.35/lot or ₹6,072.50/lot. This will be the maximum loss.

A profit of ₹7,927.50 is possible if M&M crosses above ₹2,900. We advise traders to hold the position for two weeks at least, if the profit is not achieved earlier.

Follow-up: We advised a calendar put spread strategy on Hindalco. Hold the long put of the July series for two more weeks.

Note: The recommendations are based on technical analysis and F&O positions. There is a risk of loss in trading

Short Take

Contango and backwardation

bl. research bureau

These are two common terms that investors and traders in commodities markets often hear. Understanding them helps gauge the price, demand and supply in the market for a particular commodity. A trader or investor refers to a market condition for a commodity as contango when the futures price (for that commodity) is trading at a premium to spot price. This difference can arise as futures contract accounts for the spot price plus the cost of carry, storage and insurance. So often, the later-date futures contract could be more than just the underlying spot price, depending on the time until delivery.



For instance, the price of August, October and December gold futures are at ₹71,582; ₹71,899 and ₹71,986 respectively are trading at a premium to spot price of ₹71,563.

Contango is a situation that arises when a commodity's price is expected to rise in the future. So, in the case of gold contract, futures price is higher in anticipation that the spot prices would be higher in coming months.

Backwardation is the market condition where the price of futures contract of a commodity is trading lower than the spot price. Traders and investors would take a position if they expect the price of a commodity to fall in the future.

In both cases, the prices of the futures contract and the spot price will converge towards expiry.



INDEX OUTLOOK. The benchmark indices can run into a correction after some more rise from here

Gurumurthy K
bl. research bureau

Sensex, Nifty 50 and the Nifty Bank indices have risen very well last week. The benchmark indices scaled new highs and have closed on a strong note. The outlook remains bullish. Supports can limit the downside from here. There is room for more rise from current levels. However, strong resistances are also coming up for the benchmark indices which might halt the current rally. We see high chances for the benchmark indices to run into a correction after some more rise from current levels.

FPI FLOWS
The foreign portfolio investors (FPIs) bought Indian equities for the third consecutive week. The equity segment saw a net inflow of \$1.72 billion last week. For the month of June, the FPIs have pumped in about \$3.18 billion into Indian equities. Continuing flows can support the Sensex and Nifty to make more new highs, going forward.

NIFTY 50 (24,010.60)
Nifty broke the resistance at 23,650 and rose towards 24,100 as expected. The index touched a new high of 24,174 and has come down slightly. It has closed the week at 24,010.60, up 2.17 per cent. **Short-term view:** The outlook is positive. Supports are at 23,800 and 23,700. Below that 23,500-23,450 is the next strong short-term support. We expect the Nifty to sustain above the 23,800-23,700 support zone it-

Nifty 50: Key hurdle coming up



self. A test of this support initially this week is a possibility. A bounce from the 23,800-23,700 support zone can take the Nifty up to 24,100-24,200. A break above 24,200 can see an extended rise to 24,450. In case the Nifty breaks below 23,700, a fall to 23,500 can be seen. But that is less probable. **Medium-term view:** The current rally could be coming close to a top now. Strong resistances are at 24,450 and 24,600, which can halt the current rally. We expect the Nifty to reverse lower either from 24,450 itself or from around 24,600 and see a corrective fall. Such a reversal can take the Nifty down to 23,500 initially. A break below 23,500 will intensify the sell-off and can drag the Nifty down to 22,000 and even lower over the medium term. **NIFTY BANK (52,342.25)** As expected, the Nifty Bank index broke above 52,000 and

surged towards 53,000. The index made a new high of 53,180.75 and has come down from there. Nifty Bank index has closed at 52,342.25, up 1.32 per cent. **Short-term view:** Immediate support is at 52,150. Need to see if the index is sustaining above this support or not. A bounce from around 52,150 will keep the broader bullish view intact. Such a bounce can take the Nifty Bank index up to 53,350-53,500 initially. A further break above 53,500 will then open the doors for an extended rise to 54,000-54,500. In case the Nifty Bank index breaks below 52,150, it can fall to 51,000 and even 50,500. **Medium-term outlook:** The broad region between 53,500 and 54,500 is a very crucial resistance zone. One more leg of rise to test this resistance zone is a possibility in the short term. But a failure to breach 54,500 and a turnaround from there

LEVELS TO WATCH
● Nifty: 24,450-24,600
● Sensex: 82,000
● Nifty Bank: 53,500-54,500

can trigger a corrective fall towards 52,000-51,000. A break below 51,000 will see the fall extending towards 49,000-48,000. Such a fall will be a very good buying opportunity from a long-term perspective. In case Nifty Bank index manages to breach 54,500 and sustains above it, that would retain the bullish momentum. In that case, a rise to 56,500 can be seen first and then the corrective fall can happen. **SENSEX (79,032.73)** The break above 78,000 and the rise to 79,000 happened last week as expected. Indeed, the Sensex rose well beyond 79,000 and made a new high of 79,671.58. The index has come down slightly from this high and has closed the week at 79,032.73, up 2.36 per cent. **Short-term view:** The outlook is positive. Strong support is in the 78,200-78,000 region, which is likely to limit the downside this week. A rise to 80,500-80,550 is possible this week. A break above 80,550 can see an extended rise to 82,000. In case the Sensex declines below 78,000 from here, a fall to 77,000 can be seen. Thereafter, the index can rise back again targeting 80,000 and higher levels. **Medium-term view:** The region around 82,000 is a very

strong resistance. The current rally in the Sensex is likely to halt around 82,000. A corrective fall from around 82,000 can drag the Sensex down to 78,000-77,000 in the coming months. Such a fall will be a very good buying opportunity from a long-term perspective.

DOW JONES (39,118.86) After beginning the week on a positive note, the Dow Jones Industrial Average lost momentum. The index rose to a high of 39,571.23 on Monday and then fell back. Thereafter, the index remained stable, and range bound between 38,900 and 39,450 for the rest of the week. It has closed the week on a flat note at 39,118.16. **Outlook:** The immediate outlook is unclear. Cluster of supports are there in the 38,900-38,800 region. As long as the Dow stays above this support zone, the bias will remain positive. A decisive break above 39,500 will boost the momentum for a rise to 40,000-40,100 in the short term. The near-term outlook will turn negative only if the Dow declines below 38,800. If that happens, a fall to 38,600 can be seen first. A break below 38,600 can drag the Dow Jones down to 38,000.

bl.portfolio
video

Watch bl. Guru share the Nifty and Bank Nifty technical outlook for this week

MOVERS & SHAKERS

AKHIL NALLAMUTHU, bl. research bureau

APOLLO HOSPITALS ENTERPRISE (₹6,185.50)
Signals bullish reversal

The stock of Apollo Hospitals Enterprise depreciated between mid-February and May. But since the beginning of June, the scrip has been moving up. Importantly, it crossed over both 20- and 50-day moving averages and breached a trendline resistance. In addition, the daily chart shows the confirmation of a double bottom, a pattern signalling bullish reversal. These factors have improved the odds for a rally from the current level. Therefore, participants can consider buying shares of Apollo Hospitals Enterprise now at around ₹6,186. Accumulate if the price moderates to ₹6,000. Place stop-loss at ₹5,650. When the stock surpasses ₹6,520, alter the stop-loss to ₹6,400. Raise the stop-loss further to ₹6,650 when the stock touches ₹6,800. Exit at ₹7,000. **IGL (₹503.85)** Set to establish an uptrend

The stock of Indraprastha Gas Ltd (IGL) has been gradually moving up since November last year. Back then, it found support at ₹380, on the back of which the scrip started to rally. Last week, it managed to close above the ₹500-mark. Although this cannot be seen as a decisive break, there are other positive signs supporting a potential upswing from here. The long-term chart shows formation of higher highs and higher lows. The RSI and MACD on the weekly chart appear optimistic. So, one can buy the stock of IGL at ₹500. Add longs if the price drops to ₹450. Place stop-loss at ₹400. When the stock rises to ₹580, alter the stop-loss to ₹545. Tighten the stop-loss to ₹590 when the price touches ₹620. Exit at ₹650.

RELIANCE INDUSTRIES (₹3,131.85)
Sees fresh breakout

Reliance Industries' stock has been in a consolidation phase since February. It was largely oscillating within ₹2,800 and ₹3,000. But last week, the stock broke out of this price band. Considering this and that the broader trend has been bullish, the probability of the stock appreciating further from here is high. We expect it to touch ₹3,800 over the medium term. So, traders can buy the stock of Reliance Industries now around ₹3,132. Accumulate if the price dips to ₹2,920 – its 20-day moving average. Place stop-loss at ₹2,700. When the price rises above ₹3,400, raise the stop-loss to ₹3,250. Tighten the stop-loss further to ₹3,450 when the stock hits ₹3,600. On a rally to ₹3,700, move the stop-loss to ₹3,580. Exit at ₹3,800.

Short-term weakness ahead for the dollar

CURRENCY OUTLOOK.

A key resistance ahead can cap the upside and drag the greenback lower

Gurumurthy K
bl. research bureau

The rise in the dollar index seems to be losing steam. After an initial rise, the index oscillated around 106 for most part of the week. The US 10Yr yield, on the other hand, witnessed a strong rise on Friday and has closed the week on a strong note. Both the yields and dollar index are showing some kind of divergence, which will need a close watch. The US Personal Consumption Expenditure (PCE) — the Federal Reserve's inflation gauge, was released on Friday. The PCE came in at 2.56 per cent (year on year) for June. This was down from 2.68 per cent, a month ago. Easing PCE number strengthens the case for a rate cut from the Fed. Market is now widely expecting the Fed to cut the interest rate in September. **CRUCIAL RESISTANCE** The dollar index (105.86) has an important resistance in the 106.30-106.50 region. We expect the current rally in the dollar index to halt in this resistance zone. A reversal from the 106.30-106.50 region can take the in-

RUPEE WATCH
Resistance is at 83.25 which has to be broken for the rupee to recover more

dex down to 105 in the short term. The chances of the downside extending even up to 104.50 cannot be ruled out. To avoid this fall, the dollar index has to break 106.50 first and then get a subsequent rise above 107. That, in turn, will boost the bullish momentum. It will also open the doors for the dollar index to target 109-109.50 on the upside. **ROOM TO RISE** The US 10Yr Treasury yield (4.4 per cent) has risen sharply after forming a strong base above 4.2 per cent. Immediate support is around 4.32 per cent. The near-term outlook is positive. The US 10Yr yield can rise to 4.5-4.55 per cent in the near term. The price action thereafter will need a close watch to see if the yield is breaching 4.55 per cent or not. A reversal from the 4.5-4.55 per cent region can drag

the yield down to 4.4-4.35 per cent again. **SUPPORT HOLDS** The euro (EURUSD: 1.0713) is holding above its support at 1.0660 well. That leaves the chances high for the euro to breach the 1.0730-1.0750 resistance zone. Such a break can take the currency up to 1.08 initially. A further break above 1.08 will then boost the momentum and clear the way for a test of 1.0880-1.09 on the upside. The euro has to fall below 1.0650 to come under pressure again. Only then the fall to 1.06-1.0550 will come into the picture.

RUPEE RECOVERS The Indian rupee (USDINR: 83.39) managed to sustain well above the support at 83.60 and has recovered last week. Immediate resistance is at 83.25. A break above it can take the rupee up to 83 in the near term. In case the rupee reverses lower again from around 83.25, it can fall to 83.60-83.65. Broadly, the 83-83.65 range is intact. Within this, 83.25-83.65 can be the narrow trading range. A break-out on either side of 83-83.65 will determine whether the rupee can fall to 83.80 or strengthen to 82.80.

TECH QUERY



GURUMURTHY K, bl.research bureau

I own City Union Bank shares. Is it worth holding for long term? What is the outlook for this stock?
N.V. Muralitharan, Sivakasi

City Union Bank (₹167): The stock has been oscillating in a wide range for a prolonged period of time. ₹110-205 has been the trading range since April 2020. Within this range, the stock has been moving up recently. The chances are looking high for City Union Bank share price to rise towards ₹200-210 – the upper end of the range in a quarter or two. Failure to breach the ₹200-210 resistance zone and a downward reversal from there will continue to keep the sideways range intact. In that case, the share price can fall back to ₹120-110 – the lower end of the range by the second half of next year. If the stock manages to breach ₹210 decisively, then that will be very bullish from a long-term perspective. In that case, City Union Bank share price can target ₹340-350 in a year or two. You have not mentioned your purchase price. So, it will be difficult to give a precise advice. If the stock turns down from the ₹200-210 resistance zone, then exit at ₹190. If a break above ₹210 is seen, then hold the stock for the target of ₹330.

I have shares of Ircan International, bought at ₹117. Should I sell the stock and book profit or continue to hold?
Suresh Kumar Babbar

Ircan International (₹270): You have made a very good entry into this stock. It is now important for you to protect your profits. The overall uptrend is still intact. There is no sign of a reversal yet. Strong supports are at ₹240 and ₹220. Considering the recent volatility in the price movement, there are chances to get a quick dip from current levels to ₹240 at least. So, you can keep a stop-loss at ₹210 and hold the stock. Ircan International share price has potential to rise to ₹380-400 in the coming months. A decisive break above ₹310 will clear the way for this rally. Move the stop-loss up to ₹305 as soon as the stock moves up to ₹340. Move the stop-loss further up to ₹320 when the price touches ₹360. Exit the stock at ₹380. In case the stock fails to breach ₹310 and declines below ₹220, you will have to adhere to the stop-loss and exit at ₹210. But the chances of such a fall looks less likely at the moment.

What is the short-term outlook for Amba Enterprises?
Farhan Ali, Salem

Amba Enterprises (₹234): The stock spiked to a high of ₹264.50 this month and has come down from there. The share price has seen a very strong surge in a short span of time. That leaves the stock of Amba Enterprises vulnerable for a corrective fall, going forward. Support is around ₹220. A break below it can take the share price down to ₹190-185 in the short term. The region around ₹185 is a strong support. So, a fall beyond ₹185 is less likely. A strong and sustained bounce from the ₹190-185 support zone will have the potential to take Amba Enterprises share price up to ₹250 again. This is not the right time to enter this stock if you intend to do now. You may have to wait for the share price to fall to ₹190-185. After the bounce from this support zone happens, you can enter this stock. Assuming that you are entering the stock at ₹190, keep the stop-loss at ₹155 for the target of ₹250. Trail the stop-loss up to ₹205 when the price goes up to ₹220. Move the stop-loss further up to ₹225 when the price touches ₹240.

● Send your queries to techtrail@thehindu.co.in

BANDU'S BLOCKBUSTERS.

On April 1, four years back, piqued by the incessant jokes in the village at his expense, Bandu Barve decided he'd had enough. It was time for him to turn 'smart'. His dead granny's voice rang in his ears — "Read the papers, Bandya, they tell you all." So, off went Bandu to the stash of newspapers on his father's desk. As luck would have it, the first paper Bandu got his hands on was The Hindu businessline. The stock recos, in particular, had him in thrall. Soon Bandu metamorphosed into an ace investor and trader.

These days, Bandu picks five stocks each Sunday, which he believes will be blockbusters over the next week		Last week's prize winner Sampada R B
BANDU'S PICKS	1 Amber Enterprises India	Last week's winning stock Kalyan Jewellers
	2 Suven Pharmaceuticals	Closing price (June 21) ₹451.20
	3 Patanjali Foods	Closing price (June 28) ₹502.35
	4 Apollo Tyres	
	5 Wipro	Return: 11.34 per cent

Here's your chance to match step with Bandu. Guess the stock that will give the best return by next Friday (BSE prices). By Wednesday noon, mail us your pick and its expected price rise to bandublockbuster@gmail.com with your name, mobile number and address. One lucky winner will get a prize of ₹2,000.

Valuation Radar: The Good, The Bad, The Ugly

The Benchmark indices, Sensex and Nifty 50 gained 2.4 and 2.2 per cent respectively last week. Most of the sectoral indices ended in green. BSE Teck gained the most by 2.4 per cent followed by BSE IT 2.2 per cent. BSE Oil and Gas 2.1 per cent. BSE Realty and BSE Metal declined 2.4 and 2 per cent respectively.

The sector indices are disseminated by S&P BSE.

Company	CMP	EPS	PE	PB	Year End	Sales Qy	Profit Qy	Sales TTM	Profit TTM	Wtly Rtn	ROCE	DER	YrHigh	YrLow
360 ONE [1]	980.0	22.2	44.2	10.3	202403	64.2	56.1	29.4	22.3	17.0	14.5	2.5	1065.0	442.1
3M India	36823.4	517.9	71.1	19.3	202403	4.6	27.4	5.8	29.4	-3.1	30.7	0.0	39809.7	26650.0
A B B [2]	8492.6	69.0	123.0	30.3	202403	27.9	87.5	23.4	68.7	1.1	30.4	0.0	9200.0	3847.5
Aarti Industries [5]	6861.1	11.5	59.6	4.7	202403	7.1	11.4	-3.7	23.6	-3.1	10.1	0.6	769.5	43.8
AAVAS Financials	1852.5	62.9	29.9	3.9	202403	21.4	12.3	25.4	-3.2	9.5	3.0	1979.3	1307.1	3.2
260301 India [1]	565.3	48.9	15.9	2.0	202403	7.1	24.0	3.3	23.6	-2.5	2.9	39.9	0.0	262.6
ACC	2617.8	113.0	23.2	3.0	202403	12.9	158.2	12.2	247.3	0.1	18.6	0.0	2760.0	176.3
Action Const.Eng. [2]	1488.3	27.6	54.0	14.4	202403	36.2	106.6	34.9	91.2	0.0	28.4	0.0	169.3	41.0
Adani Energy Sol [1]	1488.0	10.2	97.9	8.8	202403	-40.2	-7.2	-75.2	-9.5	-1.1	9.2	2.9	125.0	686.3
Adani Enterp. [1]	1317.6	11.0	18.5	2.0	202403	4.4	32.4	1.9	16.5	-0.4	2.9	39.9	0.0	262.6
Adani Green	1785.1	7.9	22.5	46.7	202403	-3.3	-66.8	19.4	15.8	0.2	10.0	7.0	217.7	816.0
Adani Ports [2]	1477.4	1.1	35.9	6.1	202403	19.0	2.8	28.1	37.8	-0.6	12.0	1.0	160.8	70.0
Adani Power	718.2	54.0	13.3	8.5	202403	30.5	-47.8	29.9	94.2	-2.1	30.1	1.0	89.8	235.7
Adani Total Gas [1]	895.6	6.1	147.6	27.5	202403	36.3	104.6	26.0	49.6	-0.9	12.6	4.0	1107.0	155.0
Adani Wilmar [1]	331.6	1.5	21.1	5.2	202403	-4.6	67.5	-11.9	65.4	-2.1	9.2	0.3	42.6	285.9
Aditya AMC [5]	633.9	27.1	23.4	5.8	202403	23.1	53.7	10.3	30.9	-3.8	33.1	0.0	71.8	365.1
Aditya Birla Cos.	311.9	-6.2	7.9	202403	18.3	-222.8	-12.7	-1644.5	-0.8	1.0	1.7	33.5	193.1	0.0
Aditya Birla Cap	238.7	12.8	18.6	2.3	202403	36.3	104.6	26.0	49.6	-0.9	12.6	4.0	1107.0	155.0
Aegle Logistics [1]	871.9	16.2	53.8	7.9	202403	-14.7	-39.4	-18.3	23.0	8.2	17.1	0.5	93.5	280.0
Aether Industri.	922.6	6.8	136.4	5.9	202403	-36.0	-97.1	-8.1	-31.3	7.0	18.5	0.2	113.6	77.0
Affle India [2]	1343.1	21.2	63.3	7.5	202403	-42.3	-40.2	28.5	21.5	6.5	18.5	0.1	139.0	99.0
Ajken Engineering [2]	4183.3	120.4	39.7	14.4	202403	21.6	93.2	18.6	1.6	-2.5	14.0	0.1	462.7	510.0
Ajanta Pharma [2]	2286.3	64.8	35.3	8.1	202403	19.5	65.8	12.5	38.8	-2.4	31.6	0.0	253.2	137.8
Alkerm Pharma [2]	876.4	31.3	28.0	3.6	202403	7.9	16.8	10.2	30.1	0.9	12.9	0.1	109.3	621.9
Alkem Lab [2]	4991.5	158.2	31.6	8.8	202403	1.1	191.8	9.2	86.0	-2.6	12.5	0.2	558.1	344.0
Ajlii Amines [2]	2137.7	29.1	73.4	8.6	202403	-13.5	-20.9	-14.4	-34.9	1.2	16.2	0.0	275.0	1805.0
Alkerm Pharma [2]	876.4	31.3	28.0	3.6	202403	7.9	16.8	10.2	30.1	0.9	12.9	0.1	109.3	621.9
Amara Raja Ener. [1]	1662.6	50.1	33.2	4.5	202403	19.5	30.9	12.7	25.4	18.0	18.5	0.0	174.9	599.0
Amara Raja Ener.	1521.3	59.4	114.6	7.4	202403	-6.6	9.0	-2.9	15.5	-1.9	15.5	13.9	10.5	0.7
Amul Chem. [2]	670.1	13.7	48.9	3.3	202403	12.5	57.3	7.0	62.4	-1.9	16.5	0.0	69.0	404.0
Anand Rathi Wea. [1]	3918.0	53.8	72.8	25.3	202403	28.9	32.8	32.0	33.6	-0.6	51.5	0.1	429.8	851.2
Angel One	2600.0	125.0	20.8	5.2	202403	64.4	27.3	42.3	26.4	-0.6	44.3	0.6	390.0	144.0
Anupam Rasayan	764.6	11.7	65.3	3.0	202403	-16.4	-45.5	-8.3	-28.9	-1.7	12.9	0.4	107.5	722.1
Aspari Industries	846.6	20.5	41.2	8.8	202403	6.4	-2.7	12.5	29.9	1.6	50.8	0.2	883.1	332.0
APL Apollo Tubes [2]	155.5	26.4	58.9	12.0	202403	6.4	-15.5	11.7	14.1	-0.4	26.0	0.3	180.6	1298.0
Apollo Hospitals [9]	6185.5	62.2	99.1	12.0	202403	14.9	75.6	14.7	95.2	0.2	0.7	681.3	477.5	0.2
Archean Chemical [2]	542.3	27.9	19.4	2.5	202403	0.2	-3.9	3.3	68.1	8.0	5.6	0.9	559.9	365.0
Archean Chemical [2]	542.3	27.9	19.4	2.5	202403	0.2	-3.9	3.3	68.1	8.0	5.6	0.9	559.9	365.0
Ashtech Value Hold. [2]	330.2	12.3	26.9	4.4	202403	25.5	21.2	24.9	21.6	-2.5	14.6	0.1	388.1	245.0
Ashtech Value Hold. [2]	330.2	12.3	26.9	4.4	202403	25.5	21.2	24.9	21.6	-2.5	14.6	0.1	388.1	245.0
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Ashtech Value Hold. [2]	330.2	12.3	26.9	4.4	202403	25.5	21.2	24.9	21.6	-2.5	14.6	0.1	388.1	245.0
Ashtech Value Hold. [2]	330.2	12.3	26.9	4.4	202403	25.5	21.2	24.9	21.6	-2.5	14.6	0.1	388.1	245.0
Ashtech Value Hold. [2]	330.2	12.3	26.9	4.4	202403	25.5	21.2	24.9	21.6	-2.5	14.6	0.1	388.1	245.0
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IRDAI bats for health policyholder

TAKING COVER. New steps streamline discharge authorisation and cashless settlement, smoothen the processes for customer

Venkatasubramanian K
bl. research bureau

Making health insurance claims and having them settled is rarely a smooth affair for policyholders.

In social as well as mainstream media, and in many public forums, there are tales of how claims are delayed, cashless settlement is a rough ride and hospital discharges are inordinately delayed.

In a move to streamline process and smoothen the ride for policyholders, the insurance regulator IRDAI came out with a new circular late last month.

ADDRESSING ISSUES

A host of issues are addressed in the circular. In particular, we look at a few key moves that are quite helpful to health insurance customers.

Shortening of timelines on approval of cashless settlements, quicker authorisation of hospital discharges, streamlining of claim settlement and simplifying the task of dealing with multiple insurance policies are some aspects that the IRDAI circular covers.

We explain these parts so that policyholders can be well-

informed during any hospitalisations.

QUICKER TURNAROUND

The IRDAI has asked insurers to try and ensure 100 per cent cashless settlement as far as possible in most cases.

In fact, it has stated in the circular that the cases where reimbursement is necessitated must be kept to the bare minimum.

In particular, the regulator has mandated insurance companies to issue authorisation immediately after being requested or utmost within one hour. The systems and processes for the same are to be set up by July 31 of this year.

Dedicated physical helpdesks are sought to be provided in association with the hospitals. IRDAI has asked insurers to provide pre-authorisation to health insurance policyholders via digital means, so that admission and claim settlement are smoother.

The next important diktat pertains to discharge of patients after treatment. Many times, even after the treatment period gets over and the patient is ready for discharge, there is an inordinate delay in actually going through with the process.

The key reason for this is the

KEY POINTS

- Insurers to try for 100 per cent cashless settlement
- To give final authorisation within three hours
- Claims cannot be rejected without approval of the product management committee

delay on the part of insurers in giving the go-ahead or final authorisation even after being notified of the discharge.

As a result, there are cases where the patient is made to wait for several hours and even overnight. To make matters worse, this excess stay of many hours is charged by the hospital, which adds to the overall bill of the patient.

To put an end to such practices, the regulator has asked insurers to give final authorisation within three hours of the receipt of discharge notification or authorisation from the hospital.

Also, the IRDAI has stated that in case an insurance company takes more than three hours to give the final author-

isation, it has to bear the additional expenses that the hospital charges patients for the unplanned stay.

So, no more endless waits for patients at the hospital looking to get the go-ahead from insurers.

In the unfortunate event of the death of a policyholder, the insurance company concerned must immediately take the case for settlement, according to the regulator, and also ensure the mortal remains are released from hospital as soon as possible.

SMOOTHER SETTLEMENT

The IRDAI has specified an important procedural factor in claim settlement. It has mandated that no claim can be rejected without the approval of the product management committee (PMC) or a three-member sub-committee of the PMC, called the Claims Review Committee. So, no ad-hoc rejection of claims is allowed without a team going into its merits.

Another key point mandated by the regulator is that in case a claim is intimated, it is the responsibility of the insurer and third party administrator to collect all the relevant reports and documents from the hospital. The policyholder need

not collect and submit these documents to the insurer. This move gives considerable relief from having to run around for getting all medical reports and bills for submission.

Another key regulatory development pertains to those having multiple health insurance policies from different companies. This is for indemnity policies such as the regular health insurance covers.

Policyholders can choose one insurer from the ones they have and notify them in case of hospitalisation. This insurer chosen for claim settlement is called the primary insurer by the regulator.

If the cost of treatment is more than what the primary insurer's policy offers, you can tap the other insurers to settle the amount in full. The good part here is that the IRDAI has said that the primary insurer will itself seek the details of other policies and coordinate with the other insurance companies for claim settlement, without causing any trouble to the policyholder.

Overall, the insurance regulator has battled for the common policyholder in making companies more friendly and flexible while authorising and settling claims.

INSURANCE QUERY.



TAPAN SINGHEL

I'm currently exploring insurance options for my parents, aged 66 and 61, who also have diabetes. I would appreciate your guidance on whether there are suitable health insurance policies available for them at their current stage of life. Additionally, I'm keen to understand which specific diseases might be excluded under such policies.

Varun

It's great that you are exploring health insurance options for your parents.

The good news is that there are many health insurance plans catering to senior citizens with pre-existing conditions and with the recent regulatory changes, insurance companies are developing more policies tailored to seniors' needs.

With the introduction of new policies and implementation of the Customer Information Sheet (CIS) mandated by IRDAI, policyholders now get a clear overview of their coverage, including any exclusions.

This means you will understand exactly what's covered and are able to make an informed decision about the most suitable plan, without any hidden surprises. A common concern among senior citizens is

the waiting period for pre-existing conditions. Following IRDAI's recent decision, the waiting period for health insurance has been capped at a maximum of 36 months for all conditions. This includes both pre-existing conditions and specific diseases.

Along with this, IRDAI has introduced a new rule to enhance long-term security for policyholders. There are also relaxations on the moratorium period, from eight years to five years, which means that after continuously holding a policy for five years (previously eight years), insurers are prohibited from rejecting claims or denying renewal based on unintentional non-disclosure of pre-existing conditions, ensuring long-term financial security.

Another significant benefit mandated by the IRDAI is the lifetime renewal option under normal circumstances. This ensures that policyholders can continue their coverage without interruption, providing a sense of security.

SUM INSURED, COVERAGE

Here are some key points to help you select the most suitable policy for your parents.

You have the option to choose between individual health insurance plans or a floater family plan that covers your family members. With individual plans, you can opt for separate coverage for each parent. In contrast, a floater plan allows you to cover your parents and your family under a single plan.



GETTY IMAGES/ISTOCKPHOTO

As a first step, it's crucial to consider the sum insured carefully. Due to potential inflation, the cost of medical treatments is on the rise, so having a substantial sum insured will provide significant financial protection for you and your parents. There are various options in the market offering different sum insured levels.

After deciding on the sum insured, ensure that you look for comprehensive coverage, so that your parents are fully protected with a wide range of features that cater to their age, medical, and family history. You can find policies offering benefits such as in-patient hospitalisation treatment, pre and post-hospitalisation, day care procedures, road ambulance services, modern treatment methods and technological advances and domiciliary expenses.

You can also get preventive health check-ups, which is important for early detection of diseases. These may include physician consultations, fasting blood glucose tests, complete blood count, serum cholesterol tests, urine routine analysis, chest X-rays, ECGs, etc.

BE AWARE OF EXCLUSIONS

Pay close attention to the exclusions in your policy. Some policies offer a waiting period as short as 12 months for pre-existing conditions. Treatment for specific conditions and surgeries may be excluded until the policy has been in effect for 12, 24, or 36 months, depending on the terms. Also, expenses related to any illness within 30 days of the first policy commencement date are excluded, except for accidents, which are covered if included in the policy.

RIDERS FOR SENIORS

After considering all the above pointers, if you still feel that you need specific coverage, you could add riders to the base health insurance plan. Many insurance companies now offer riders designed specifically for seniors that offer a wide range of benefits, from essential services such as ambulance coverage to advanced features such as fall-detection technology integrated with wearable devices, and much more.

The writer is MD & CEO, Bajaj Allianz General Insurance
Send your queries to insurancequeries@thehindu.co.in

Term insurance premium tracker

For a 30-year-old male/female, non smoker, living in a metro city, Sum assured ₹1 crore with coverage up to 70 yrs

Insurance company	Plan name	Max coverage up to	Max policy term	Annual premium (₹) (inclusive of GST)		Claim settlement ratio (%)
		(years)		Male	Female	
Aditya Birla Capital	Digishield Plan	85	55	15,066	12,687	98.1
Bandhan Life	iTerm Prime	70	40	14,282	11,756	99.7
Bajaj Allianz	eTouch	99*	69	11,996	10,426	99.0
Canara HSBC Life	Young Term Plan - Life Secure	99	69	12,997	10,857	99.0
Edelweiss Tokio	Zindagi Protect	100	70	15,528	12,735	99.2
HDFC Life	Click 2 Protect Super	100	70	15,863	13,484	99.4
ICICI Prudential	iProtect Smart	99	69	16,286	14,365	97.8
Kotak Life	Kotak e-Term Plan	85	67	13,452	11,210	98.8
Max Life	Smart Secure Plus	85	55	14,798	11,674	99.5
PNB Met Life	Mera Term Plan Plus	80	50	15,930	12,980	99.1
SBI Life	eShield Next	100	70	17,495	14,654	97.1
TATA AIA Life	SRS Vitality Protect	100	70	12,510	10,634	99.0

Claim settlement ratio as per data provided by insurer

Source: www.policybazaar.com.

Max Life offers additional 5% discount for 1st year for salaried customers; *Whole life available only on limited pay option; HDFC whole life is available only in limited payterm(Life Protect) & Limited+Single payterm(Income Plus); SBI eShield Next plan whole life is available only in limited pay with above age 45yrs NA: Not Available

Safe Investing • bl • 9

Bank FD interest rates (%)

Bank	<1 year	1 to 2 years	2 to 3 years	3 to 5 years	w.e.f
FOREIGN BANKS					
DBS Bank	6	7.5	7	6.5	Dec 11
Deutsche Bank	7	8	8	7.5	Jun 10
HSBC	4.5	7.5	7.25	7	Jun 07
Scotia Bank	3.7	3.9	4	4	Jun 01
Standard Chartered	7	7.5	7.5	7.1	Jun 11
INDIAN: PUBLIC SECTOR BANKS					
Bank of Maharashtra	6.9	7.15	7.25	6.5	Jun 13
Bank of Baroda	7.1	7.15	7.25	6.5	Jun 12
Bank of India	5.75	7.3	6.75	6.5	Jun 01
Canara Bank	6.25	7.25	6.85	6.8	Jun 11
Central Bank of India	6.25	7.3	7	6.5	Jun 10
Indian Bank	7.05	7.25	6.7	6.25	Jun 12
Indian Overseas Bank	5.75	7.3	6.8	6.5	Jun 08
Punjab National Bank	7.05	7.25	7	6.5	Jun 10
Punjab & Sind Bank	7.1	7.25	6.3	6	Apr 02
State Bank of India	6.5	7.1	7	6.75	Jun 15
UCO Bank	5.5	7.05	6.3	6.2	Jun 11
Union Bank	6.25	7.25	6.5	6.5	Jun 15
INDIAN: PRIVATE SECTOR BANKS					
Axis Bank	6	7.2	7.1	7.1	Jun 19
Bandhan Bank	4.5	7.85	7.25	7.25	Jun 15
Catholic Syrian	7.25	7.75	7.1	5.75	May 03
City Union Bank	6.5	7.25	6.5	6.25	Jun 08
DCB Bank	7.25	8.05	7.55	7.75	Jun 07
Dhanlaxmi Bank	6.5	7.25	6.5	7.25	Jun 01
Federal Bank	6	7.4	7	7	Apr 17
HDFC Bank	6	7.25	7.15	7.2	Jun 12
ICICI Bank	6	7.2	7	7	Jun 14
IDBI Bank	7.05	7.25	7	6.5	Jun 18
IDFC First Bank	5.75	7.9	7.25	7	Jun 14
IndusInd Bank	6.5	7.99	7.99	7.25	May 27
J & K Bank	6	7	7	6.5	Jun 11
Karnataka Bank	6.75	7.25	6.5	6.5	Jun 14
Kotak Bank	7	7.4	7.15	7	Jun 14
Karur Vysya Bank	7.4	7.5	7	7	Jun 08
RBL Bank	6.05	8	7.5	7.1	Jun 08
South Indian Bank	5	7.25	7	6.7	Apr 11
Tamilnad Mercantile Bank	6	7.5	6.75	6.5	Apr 10
TNSC Bank	6.75	7.5	6.75	6.5	NA
Yes Bank	6.35	8	7.25	7.25	Jun 08
SMALL FINANCE BANKS					
AU Small Finance Bank	7.25	8	7.5	7.5	Jun 07
Equitas Small Finance Bank	6.25	8.5	8.25	7.5	Jun 12
Jana Small Finance Bank	8	8.5	7.25	7.25	Jun 10
Suryoday Small Fin Bank	6	8.5	8.65	8.25	22-Apr
Ujjivan Small Finance Bank	6.5	8.5	7.75	7.2	7-Mar

*Data as on respective banks' website on 28 Jun 2024; For each year range, the maximum offered interest rate is considered; Interest rate is for a normal fixed deposit amount below ₹1 crore. Compiled by BankBazaar.com

ALERTS.

Fraud insurance for smartphone users

Truecaller, in partnership with HDFC ERGO, has announced the launch of Fraud Insurance, aimed at protecting users from digital communication frauds. The plan provides coverage up to ₹10,000 for Android and iOS users in India who lose money through SMS/call scams. This is available at no extra cost to yearly premium subscribers of Truecaller. Existing users can also benefit under their current plan.

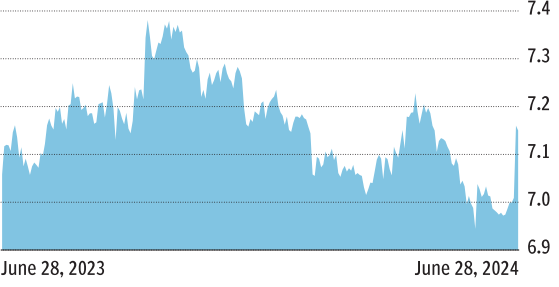
Small Savings Schemes - Interest rates

Small Savings Scheme		Interest rate (%)		Compounding frequency
		Apr 1 - June 30, 2024	July 1 - Sep 30, 2024	
Post Office Savings Deposit	1 year	4.0	4.0	Annually
	2 year	6.9	6.9	Quarterly
Post Office Time Deposit	3 year	7.0	7.0	Quarterly
	5 year	7.1	7.1	Quarterly
Post Office Recurring Deposit (5 year)		6.7	6.7	Quarterly
Senior Citizen Savings Scheme		8.2	8.2	Quarterly and paid
Post Office Monthly Income Scheme		7.4	7.4	Monthly and paid
National Savings Certificate		7.7	7.7	Annually
Public Provident Fund		7.1	7.1	Annually
Kisan Vikas Patra		7.5*	7.5*	Annually
Sukanya Samridhi Yojana		8.2	8.2	Annually

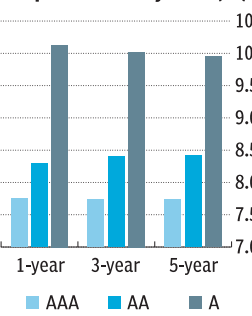
Note: Small savings rate as on the latest quarterly reset on June 28, 2024
*Will mature in 115 months Source: Department of Economic Affairs, Ministry of Finance, GoI

Bond yields

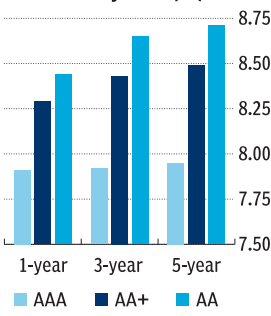
10-year benchmark G-Sec yield (%)
Latest **7.01** | Month-ago **7.00** | Year-ago **7.06**



Corporate bond yields (%)



NBFC bond yields (%)



Yields on government securities of different maturities (%)



Source: Bloomberg (FIMMDA data), RBI Note: All data as on June 21, 2024 or latest available



bl. rating	Scheme Name	Latest NAV (₹)	Latest Corpus (₹ Cr)	Expense Ratio (%)		Trailing Returns (%)				Sortino Ratio (%)
				Regular	Direct	1 Year CAGR	3 Year CAGR	5 Year CAGR	10 Year CAGR	

EQUITY FUNDS

EQUITY - LARGE CAP FUNDS

*****	Baroda BNP Paribas Large Cap	218.4	1966	2.1	0.9	42.6	19.8	18.9	15.0	0.39
*****	Canara Robeco Bluechip Equity	59.3	12977	1.7	0.5	32.2	15.9	18.4	14.6	0.38
*****	ICICI Pru Bluechip	103.5	55459	1.5	0.9	39.8	21.1	19.1	15.3	0.36
*****	Edelweiss Large Cap	81.8	896	2.2	0.7	33.9	18.1	17.6	14.6	0.33
*****	HDFC Top 100	1106.5	33488	1.6	1.0	36.0	20.8	16.5	13.6	0.30
*****	Kotak Bluechip	547.0	8200	1.8	0.6	34.8	17.0	18.1	14.6	0.34
*****	Nippon Ind Large Cap	85.9	26925	1.6	0.8	40.7	24.6	19.0	15.9	0.34
****	Axis Bluechip	58.4	32708	1.6	0.7	28.7	11.6	14.3	13.2	0.29
****	Bandhan Large Cap	73.2	1393	2.1	0.9	36.7	17.9	17.3	12.8	0.33
****	HSBC Large Cap	459.2	1779	2.1	1.2	34.0	16.3	16.4	12.8	0.31
****	Invesco India Largecap	66.0	1053	2.1	0.8	38.0	19.1	17.9	14.6	0.33
****	Mirae Asset Large Cap	106.1	37631	1.5	0.6	26.3	14.0	15.3	15.0	0.28
****	SBI Blue Chip	87.7	46085	1.5	0.8	26.8	16.6	16.7	14.7	0.32
****	Tata Large Cap	492.7	2161	2.1	1.1	35.4	18.0	16.4	13.5	0.30
****	UTI Large Cap	264.2	12366	1.7	0.8	28.9	14.5	16.5	13.5	0.31
***	Aditya Birla SL Frontline Equity	500.2	27275	1.7	1.0	33.6	17.7	17.1	13.9	0.32
***	Franklin Ind Bluechip	966.0	7647	1.8	1.0	31.0	13.6	15.6	12.6	0.28
***	LIC MF Large Cap	54.3	1428	2.0	1.0	29.6	13.8	14.7	12.5	0.28
***	PGIM India Large Cap	327.9	557	2.4	0.9	24.1	12.0	13.7	12.3	0.25
***	DSP Top 100 Equity	435.1	3717	2.0	1.2	37.0	16.4	15.4	12.0	0.26
***	Groww Largecap	48.8	121	2.3	0.6	37.6	17.4	14.4	12.9	0.26
***	JM Large Cap	159.6	192	2.4	1.0	47.5	21.7	19.0	13.4	0.59
***	Taurus Large Cap	153.4	46	2.6	2.5	40.5	17.0	15.3	11.3	0.28

EQUITY - LARGE & MID CAP FUNDS

*****	Mirae Asset Large & Midcap	145.4	35273	1.6	0.6	40.1	18.2	21.8	21.1	0.41
*****	Quant Large & Mid Cap	126.6	2955	1.9	0.7	65.7	29.2	27.9	21.4	0.57
*****	Edelweiss Large & Mid Cap	83.1	3047	1.9	0.5	43.1	20.7	21.1	16.1	0.40
*****	HDFC Large and Mid Cap	327.6	19454	1.7	0.8	48.1	25.6	23.2	15.0	0.42
*****	ICICI Pru Large & Mid Cap	920.2	13420	1.7	0.9	46.4	26.2	22.6	15.8	0.42
*****	SBI Large & Midcap	581.9	23443	1.6	0.7	35.8	20.7	21.1	16.9	0.38
*****	Bandhan Core Equity	125.1	4681	1.9	0.7	56.3	25.4	22.5	16.6	0.39
****	Canara Robeco Emerging Equities	244.5	21797	1.6	0.6	41.2	19.0	20.9	19.1	0.39
****	DSP Equity Opport	591.1	5290	1.7	0.8	51.0	20.9	21.7	17.3	0.40
****	Invesco India Large & Mid Cap	88.4	11891	1.7	0.7	54.6	22.7	20.8	16.9	0.38
****	Kotak Equity Opport	333.9	22329	1.6	0.5	47.4	23.1	22.5	17.9	0.42
****	Sundaram Large and Mid Cap	82.7	6452	1.8	0.7	39.9	20.3	18.7	15.9	0.33
****	Tata Large & Mid Cap	519.6	7286	1.8	0.7	33.9	19.9	19.7	15.9	0.38
****	UTI Large & Mid Cap	168.5	3086	2.0	1.2	50.1	23.2	22.0	15.5	0.39
****	BOI Large & Mid Cap Equity	89.0	319	2.5	1.4	47.9	20.9	21.1	14.0	0.40
****	LIC MF Large & Midcap	37.9	2737	1.9	0.6	50.0	21.0	20.3	-	0.38
****	Navi Large & Midcap	34.8	284	2.3	0.3	28.8	18.1	17.3	-	0.30
****	Nippon Ind Vision	1378.1	4668	2.0	1.5	49.5	23.5	20.4	14.2	0.37
***	Aditya Birla SL Equity Advantage	885.8	5762	1.9	1.1	36.6	13.9	16.6	14.3	0.27
***	Franklin Ind Equity Advantage	178.7	3203	2.0	1.3	38.2	16.5	17.3	13.9	0.29

EQUITY - FLEXI CAP FUNDS

*****	JM Flexicap	102.7	2472	1.9	0.4	65.7	31.2	26.6	19.1	0.52
*****	Parag Parikh Flexi Cap	75.7	66384	1.4	0.6	37.1	20.9	24.6	18.4	0.53
*****	Canara Robeco Flexi Cap	321.0	12448	1.7	0.5	33.2	16.5	18.5	14.6	0.37
*****	HDFC Flexi Cap	1803.4	54692	1.5	0.8	45.0	26.5	20.8	15.8	0.37
*****	PGIM India Flexi Cap	34.2	5875	1.8	0.4	25.7	13.5	20.1	-	0.37
*****	Union Flexi Cap	49.2	2052	2.1	0.9	35.3	18.0	19.8	13.1	0.38
*****	DSP Flexi Cap	98.2	10559	1.8	0.7	38.4	16.9	19.6	15.4	0.36
*****	Edelweiss Flexi Cap	37.1	1860	2.0	0.5	46.3	21.6	20.1	-	0.37
*****	Franklin Ind Flexi Cap	1563.4	15468	1.7	1.0	46.2	22.5	21.6	16.6	0.39
*****	Kotak Flexicap	81.3	48469	1.5	0.6	40.2	18.5	17.5	16.3	0.32
*****	SBI Flexicap	106.5	20648	1.7	0.8	30.4	15.5	16.2	15.6	0.30
*****	UTI Flexi Cap	301.9	23972	1.6	0.9	21.5	9.3	16.3	13.6	0.29
***	Aditya Birla SL Flexi Cap	1665.4	20473	1.7	0.9	37.2	16.5	18.0	15.1	0.31
***	Bandhan Flexi Cap	198.8	6980	1.9	1.2	36.9	17.3	16.3	13.7	0.29
***	HSBC Flexi Cap	209.5	4435	2.0	1.2	48.5	20.9	19.6	14.5	0.34
***	LIC MF Flexi Cap	99.1	989	2.3	1.4	37.6	16.8	15.8	10.9	0.31
***	Motilal Oswal Flexi Cap	55.7	10035	1.8	0.9	56.2	18.4	15.9	16.8	0.28
***	Taurus Flexi Cap	228.3	349	2.6	2.6	45.8	18.5	15.0	11.2	0.27
***	Quant Flexi Cap	105.7	6272	1.8	0.6	60.7	26.5	32.7	20.7	0.61

EQUITY - MULTI CAP FUNDS

-	Baroda BNP Paribas Multi Cap	278.0	2459	2.0	1.0	47.7	24.1	22.7	15.5	0.43
-	ICICI Pru Multicap	751.0	12048	1.8	1.0	46.0	23.3	20.2	16.3	0.36
-	Invesco India Multicap	123.9	3359	1.9	0.7	45.6	19.8	21.5	16.5	0.38
-	Nippon Ind Multi Cap	285.8	31963	1.6	0.8	51.7	31.6	23.2	16.8	0.38
-	Quant Active	706.1	10204	1.7	0.6	52.7	25.1	30.6	21.7	0.55
-	Sundaram Multi Cap	364.9	2567	2.0	0.9	42.9	21.6	20.7	16.1	0.37

EQUITY - MID CAP FUNDS

*****	PGIM India Midcap Opport	62.0	10114	1.7	0.5	33.5	19.3	28.0	17.5	0.51
*****	Quant Mid Cap	244.4	7953	1.8	0.6	71.7	32.5	34.8	21.0	0.66
*****	Axis Midcap	108.6	27748	1.6	0.5	46.0	21.3	24.2	18.4	0.51
*****	Edelweiss Mid Cap	92.8	5864	1.8	0.4	59.2	27.2	28.4	20.8	0.49
*****	Motilal Oswal Midcap	95.5	10378	1.7	0.7	64.5	39.2	30.7	21.3	0.50
*****	Nippon Ind Growth	3873.8	27931	1.6	0.8	58.0	30.1	27.9	19.5	0.50
****	Baroda BNP Paribas Mid Cap	99.9	1935	2.0	0.6	54.1	23.7	25.6	18.5	0.48
****	HDFC Mid-Cap Opport	179.5	65394	1.4	0.8	51.8	29.5	27.0	20.1	0.49
****	Invesco India Midcap	154.6	4631	1.9	0.6	55.1	26.0	26.2	19.6	0.48
****	Kotak Emerging Equity	126.8	45018	1.5	0.4	51.6	25.0	26.5	21.4	0.47
****	SBI Magnum Midcap	233.3	18399	1.7	0.8	39.1	24.8	26.3	18.9	0.47
****	Tata Mid Cap Growth	433.1	3824	1.9	0.8	56.7	25.7	25.2	19.4	0.47
****	Taurus Mid Cap	124.2	125	2.6	2.2	43.6	21.8	23.9	18.2	0.46
****	UTI Mid Cap	296.1	10683	1.7	0.8	42.0	21.7	24.5	17.8	0.45
***	DSP Midcap	141.8	17668	1.7	0.8	51.6	18.1	21.0	17.3	0.41
***	Franklin Ind Prima	2606.0	11011	1.8	1.0	54.0	23.2	22.2	18.2	0.40
***	HSBC Midcap	371.5	10584	1.7	0.7	63.5	24.9	23.0	19.2	0.42
***	ICICI Pru Midcap	287.0	6063	1.9	1.0	61.9	25.1	24.6	18.2	0.43
***	Aditya Birla SL Midcap	754.1	5342	1.9	1.1	50.1	23.5	21.7	16.5	0.38
***	Sundaram Mid Cap	1278.2	11017	1.8	0.9	60.7	32.6	27.7	20.5	0.49
***	LIC MF Midcap	29.0	273	2.5	1.6	57.4	22.5	22.6	-	0.39

EQUITY - SMALL CAP FUNDS

*****	Nippon Ind Small Cap	169.7	51566	1.5	0.7	56.3	33.7	33.8	24.5	0.54
*****	Quant Small Cap	266.5	21243	1.6	0.6	66.0	32.4	42.4	21.4	0.66
*****	AXIS Small Cap	99.7	20504	1.6	0.6	38.7	24.9	27.7	20.8	0.51
*****	Kotak Small Cap	264.9	15283	1.7	0.5	44.7	23.7	29.9	21.2	0.50
*****	DSP Small Cap	184.4	13781	1.7	0.9	42.5	25.2	27.3	21.2	0.46
*****	HDFC Small Cap	132.5	29175	1.6	0.7	41.7	27.0	25.6	20.3	0.42
*****	SBI Small Cap	174.5	28375	1.6	0.7	42.3	23.9	27.7	24.5	0.53
*****	Union Small Cap	47.3	1425	2.1	0.9	41.6	23.7	28.6	16.6	0.49
*****	Franklin Ind Smaller Companies	179.9	12797	1.8	0.9	60.7	32.6	27.7	20.5	0.45
*****	HSBC Small Cap	85.0	14787	1.7	0.7	55.8	31.7	29.0	21.9	0.46
*****	Aditya Birla SL Small Cap	86.6	4762	1.9	0.8	46.4	20.3	21.1	16.2	0.33

bl. rating	Scheme Name	Latest NAV (₹)	Latest Corpus (₹ Cr)	Expense Ratio (%)		Trailing Returns (%)				Sortino Ratio (%)
				Regular	Direct	1 Year CAGR	3 Year CAGR	5 Year CAGR	10 Year CAGR	

★	Sundaram Small Cap	248.4	3109	1.9	0.8	45.1	24.8	25.0	17.4	0.39
-	ICICI Pru Smallcap	87.5	7795	1.8	0.7	41.4	26.5	28.0	17.9	0.47

EQUITY - FOCUSED FUNDS

*****	360 ONE Focused Equity	47.0	7215	1.8	0.9	39.0	21.1	22.9	-	0.42
*****	Quant Focused	90.6	1004	2.2	0.7	48.8	22.0	23.0	19.2	0.45
*****	Franklin Ind Focused Equity	105.1	11443	1.8	1.0	38.8	21.3	19.7	17.3	0.36
*****	ICICI Pru Focused Equity	83.0	8139	1.8	0.6	46.8	23.6	22.2	15.3	0.50
*****	Aditya Birla SL Focused	133.3	7152	1.8	0.9	36.9	17.1	17.0	13.8	0.31
****	HDFC Focused 30	208.7	11946	1.7	0.5	44.8	28.8	21.1	14.4	0.38
****	Nippon Ind Focused Equity	117.5	7917	1.9	1.2	37.8	19.3	19.6	16.5	0.33
****	SBI Focused Equity	324.3	33489	1.6	0.7	31.3	15.6	17.4	16.3	0.34
****	Sundaram Focused	157.9	1058	2.2	1.1	33.7	16.4	19.4	14.6	0.38
***	DSP Focus	51.5	2338	2.1	1.0	44.5	16.5	16.7	14.2	0.29
***	Motilal Oswal Focused	45.8	1848	2.1	0.9	28.7	12.8	15.4	14.0	0.29
*	Axis Focused	52.1	13301	1.7	0.8	24.9	8.1	12.8	13.7	0.23
*	Bandhan Focused Equity	79.5	15046	2.1	0.8	36.0	16.9	16.5	12.6	0.29
	- JM Focused	19.9	112	2.4	0.9	48.1	23.5	16.8	14.9	0.29

bl.rating	Scheme Name	Latest NAV (₹)	Latest Corpus (₹ Cr)	Expense Ratio (%)		Trailing Returns (%)				AA & Below
				Regular	Direct	1 Month Absolute	3 Month Absolute	6 Month Absolute	1 Year CAGR	

CASH FUNDS

LIQUID FUNDS

- Aditya Birla SL Liquid	392.4	44331	0.3	0.2	6.9	7.2	7.4	7.3	-
- Axis Liquid	2710.9	36518	0.2	0.2	6.9	7.2	7.5	7.3	-
- HDFC Liquid	4779.9	56818	0.3	0.2	6.9	7.2	7.4	7.2	-
- HSBC Liquid	2428.3	20248	0.2	0.1	6.9	7.2	7.4	7.3	-
- ICICI Pru Liquid	360.6	46423	0.3	0.2	6.9	7.2	7.4	7.3	-
- Kotak Liquid	4924.2	31894	0.3	0.2	6.9	7.2	7.4	7.2	-
- Nippon Ind Liquid	5945.7	33604	0.3	0.2	6.9	7.2	7.4	7.2	-
- SBI Liquid	3810.5	70912	0.3	0.2	6.8	7.1	7.3	7.2	-
- Tata Liquid	3836.0	21012	0.3	0.2	6.8	7.1	7.4	7.2	-
- UTI Liquid	3995.5	28029	0.3	0.2	6.9	7.2	7.4	7.3	-

OVERNIGHT FUNDS

- HDFC Overnight	3578.1	11144	0.2	0.1	6.4	6.5	6.6	6.7	-
- SBI Overnight	3909.7	15033	0.2	0.1	6.4	6.5	6.6	6.7	-
- UTI Overnight	3296.0	6065	0.1	0.1	6.5	6.6	6.6	6.8	-

ARBITRAGE FUNDS

- Aditya Birla SL Arbitrage	24.8	12684	1.0	0.3	9.4	7.4	8.0	7.7	-
- Bandhan Arbitrage	30.3	6203	1.1	0.4	9.3	7.5	8.0	7.6	-
- Edelweiss Arbitrage	18.1	11769	1.1	0.4	9.3	7.5	8.2	7.8	-
- HDFC Arbitrage	28.6	12298	0.9	0.4	9.7	7.6	8.0	7.7	-
- ICICI Pru Equity-Arbitrage	32.0	20894	0.9	0.3	9.3	7.4	7.9	7.6	-
- Invesco India Arbitrage	29.8	16105	1.1	0.4	9.7	7.6	8.1	7.8	0.10
- Kotak Equity Arbitrage	35.0	46308	1.0	0.4	10.1	7.9	8.4	8.0	-
- Nippon Ind Arbitrage	24.9	15158	1.1	0.4	9.1	7.5	8.0	7.6	-
- SBI Arbitrage Opport	31.6	31116	1.0	0.4	9.4	7.6	8.0	7.7	0.30
- UTI Arbitrage	32.7	5259	0.9	0.4	9.5	7.7	8.2	7.8	-

bl.rating	Scheme Name	Latest NAV (₹)	Latest Corpus (₹ Cr)	Expense Ratio (%)		Trailing Returns (%)				AA & Below (%)
				Regular	Direct	1 Year CAGR	2 Year CAGR	3 Year CAGR	5 Year CAGR	

DEBT FUNDS

DEBT - ULTRA SHORT DURATION FUNDS

***** Nippon Ind Ultra Short Duration	3753.2	6323	1.1	0.4	6.9	6.6	6.5	5.4	4.04
***** UTI Ultra Short Duration	3950.8	2515	1.0	0.4	6.9	6.5	6.3	5.9	10.63
***** Aditya Birla SL Savings	507.6	13580	0.6	0.3	7.4	7.0	5.9	6.2	9.54
***** ICICI Pru Ultra Short Term	25.8	12497	0.8	0.4	7.2	6.8	5.7	6.0	5.03
***** PGIM India Ultra Short Duration	31.8	255	0.9	0.3	6.7	6.3	5.3	6.3	-
*** Axis Ultra Short Term	13.8	5152	1.2	0.3	6.7	6.4	5.2	5.3	8.17
*** Bandhan Ultra Short Term	14.2	3890	0.5	0.3	7.2	6.8	5.6	5.6	-
*** Baroda BNP Paribas Ultra Short Dur	1433.1	1308	0.5	0.3	7.3	7.1	5.9	5.6	1.90
*** HDFC Ultra Short Term	14.1	14315	0.7	0.4	7.2	6.8	5.6	5.8	0.17
*** Invesco India Ultra Short Duration	2510.5	709	0.9	0.2	7.1	6.6	5.4	5.3	5.08
*** Kotak Savings	39.9	12841	0.8	0.4	7.0	6.6	5.5	5.5	2.72
*** SBI Magnum Ultra Short Duration	5556.3	10548	0.5	0.3	7.2	6.8	5.6	5.7	-
*** BOI Ultra Short Duration	2955.4	144	1.2	0.7	6.3	6.2	5.2	5.1	-
*** Canara Robeco Ultra Short Term	3548.8	423	1.0	0.4	6.5	6.1	5.0	4.8	-
*** DSP Ultra Short	3175.0	2684	1.0	0.3	6.9	6.4	5.2	5.1	0.38
★ Motilal Oswal Ultra Short Term	15.6	198	1.1	0.5	6.0	5.6	4.6	4.4	-
★ Sundaram Ultra Short Duration	2520.4	2018	1.5	0.2	6.2	5.9	4.8	4.5	-
- Aditya Birla SL Savings	292.1	13580	0.3	0.3	7.4	6.9	5.8	6.2	9.54

DEBT - LOW DURATION FUNDS

***** ICICI Pru Savings	502.6	19172	0.5	0.4	7.7	7.9	6.0	6.6	4.52
***** UTI Low Duration	3280.7	2456	0.4	0.4	7.2	6.9	7.5	7.2	2.04
***** Aditya Birla SL Low Duration	610.9	12134	1.2	0.4	6.8	6.6	5.4	6.0	5.22
***** Axis Treasury Advantage	2863.6	5468	0.6	0.3	7.2	6.9	5.7	6.1	2.56
***** HDFC Low Duration	53.6	17516	1.1	0.5	7.1	6.9	5.6	6.1	6.39
***** Nippon Ind Low Duration	3472.2	5790	1.0	0.4	6.9	6.6	5.5	6.1	3.22
*** Bandhan Low Duration	35.8	5064	0.6	0.3	7.0	6.7	5.5	5.8	-
*** Canara Robeco Savings	39.1	884	0.6	0.3	7.1	6.7	5.4	5.6	-
*** DSP Low Duration	18.4	4316	0.6	0.3	7.0	6.7	5.5	6.1	-
*** HSBC Low Duration	26.3	422	0.6	0.3	7.3	6.8	5.5	5.8	6.28
*** Invesco India Low Duration	3509.4	1258	0.6	0.3	7.1	6.7	5.4	5.9	-
*** Kotak Low Duration	3104.6	9154	1.2	0.4	6.8	6.7	5.3	6.0	4.66
*** SBI Magnum Low Duration	3245.2	9681	1.0	0.4	6.9	6.6	5.4	5.7	4.70
*** Tata Treasury Advantage	3646.6	2319	0.6	0.2	7.0	6.6	5.5	6.0	-
*** Baroda BNP Paribas Low Duration	37.3	225	1.1	0.4	6.8	6.5	5.2	5.7	6.61
*** LIC MF Low Duration	36.8	1487	1.0	0.3	6.6	6.3	5.2	5.7	5.32
*** Mahi Manu Low Duration	1520.3	601	1.1	0.3	6.8	6.4	5.2	5.4	11.14
*** Mirae Asset Low Duration	2097.2	616	0.9	0.2	6.9	6.5	5.3	5.4	4.06
*** JM Low Duration	34.4	262	0.7	0.3	6.9	6.4	5.3	7.4	7.59
★ Sundaram Low Duration	3214.1	504	1.1	0.4	6.6	6.3	5.3	5.2	3.73

DEBT - MONEY MARKET FUNDS

***** Aditya Birla SL Money Manager	343.0	23738	0.3	0.2	7.5	7.2	6.0	6.1	-
***** Nippon Ind Money Market	3846.6	16562	0.4	0.2	7.5	7.2	6.1	6.0	-
***** HDFC Money Market	5300.2	22480	0.4	0.2	7.4	7.1	5.9	6.0	-
***** Tata Money Market	4376.9	18757	0.4	0.2	7.5	7.2	6.0	6.0	-
***** UTI Money Market	2856.7	14121	0.3	0.2	7.5	7.2	6.0	6.0	-
*** DSP Savings	49.0	4605	0.5	0.3	7.2	6.9	5.6	5.6	-
*** Franklin Ind Money Market	46.5	1629	0.3	0.1	7.4	7.0	5.8	5.8	-
*** ICICI Pru Money Market	351.7	22485	0.3	0.2	7.5	7.1	5.9	5.9	-
*** Kotak Money Market	4163.6	20245	0.4	0.2	7.5	7.1	6.0	5.8	-
*** Sundaram Money Market	13.9	213	0.3	0.2	7.2	6.8	5.7	5.6	-
*** HSBC Money Market	24.5	1420	0.6	0.2	7.1	6.7	5.4	5.7	-
*** Invesco India Money Market	2830.9	4238	0.5	0.2	7.2	6.8	5.5	5.4	-
*** SBI Savings	38.6	24348	0.8	0.3	7.0	6.7	5.5	5.5	-
★ Bandhan Money Manager	37.4	5069	0.9	0.2	6.7	6.4	5.2	5.0	-
★ Edelweiss Money Market	26.5	462	0.9	0.2	6.7	6.1	5.0	5.4	-

DEBT - SHORT DURATION FUNDS

***** ICICI Pru Short Term	55.4	18252	1.1	0.5	7.3	7.7	6.0	7.0	11.20
***** UTI Short Duration	29.2	2673	0.8	0.4	7.0	6.9	7.1	7.7	2.43
***** Aditya Birla SL Short Term	43.7	7497	1.1	0.4	7.0	7.0	5.7	6.8	5.35
***** Axis Short Term	28.4	8007	0.9	0.3	6.8	6.8	5.4	6.6	1.43
***** HDFC Short Term Debt	29.4	13056	0.7	0.4	7.3	7.2	5.6	6.9	7.20
*** Bandhan Bond - Short Term	52.5	8759	0.8	0.3	6.9	6.8	5.1	6.3	-
*** Baroda BNP Paribas Short Duration	26.9	224	1.1	0.4	6.7	6.8	5.2	5.8	4.43
*** DSP Short Term	42.9	2973	1.0	0.3	6.5	6.4	5.0	6.0	-
*** Kotak Bond Short Term	48.0	14949	1.1	0.4	6.7	6.7	5.1	6.2	-
*** Nippon Ind Short Term	48.4	5511	0.9	0.4	6.9	6.8	5.3	6.5	2.45
*** SBI Short Term Debt	29.5	12785	0.8	0.3	6.8	6.6	5.3	6.3	4.10
*** Sundaram Short Duration	40.7	194	0.9	0.3	6.7	6.7	5.4	6.3	-
*** HSBC Short Duration	24.3	3834	0.8	0.3	6.6	6.4	4.9	6.0	-
*** Mirae Asset Short Duration	14.5	336	1.1	0.3	6.5	6.3	5.0	5.8	2.97
*** Tata Short Term Bond	44.3	2210	1.2	0.4	6.4	6.4	5.0	6.0	-
★ Canara Robeco Short Duration	23.5	387	1.0	0.4	6.3	6.1	4.7	5.7	-
★ Invesco India Short Duration	3284.6	450	1.2	0.4	6.8	6.3	4.8	5.9	-
- Bank of India Short Term Income	24.3	79	1.1	0.5	6.1	9.6	12.0	6.1	-
- Franklin Ind Short Term Income	5149.4	13	0.0	0.0	1.5	4.7	7.6	5.3	-
- Groww Short Duration	1924.1	39	1.6	0.4	5.9	5.7	4.1	4.1	-

DEBT - MEDIUM DURATION FUNDS

***** Aditya Birla SL Medium Term	35.1	1859	1.6	0.9	7.2	15.4	12.6	8.8	27.83
***** Axis Strategic Bond	25.6	1932	1.0	0.4	7.4	7.5	6.1	7.2	32.13
***** ICICI Pru Medium Term Bond	41.0	6214	1.4	0.7	6.9	7.3	5.9	7.3	34.24
*** HDFC Medium Term Debt	51.8	4173	1.3	0.6	6.8	7.1	5.4	6.6	21.98
*** HSBC Medium Duration	18.7	809	1.1	0.4	7.1	7.2	5.4	6.5	12.70
*** Kotak Medium Term	20.8	1745	1.6	0.7	7.8	7.0	5.5	6.4	29.25
*** SBI Magnum Medium Duration	47.0	6102	1.2	0.7	6.9	7.3	5.6	7.3	32.37

bl.rating	Scheme Name	Latest NAV (₹)	Latest Corpus (₹ Cr)	Expense Ratio (%)		Trailing Returns (%)				AA & Below
				Regular	Direct	1 Year CAGR	2 Year CAGR	3 Year CAGR	5 Year CAGR	

*** Bandhan Bond - Medium Term	42.1	1557	1.3	0.6	6.1	6.4	4.3	5.7	-
*** DSP Bond	74.9	356	0.7	0.4	6.8	7.0	5.2	6.1	-
★ Nippon Ind Strategic Debt	14.2	118	1.1	0.5	6.6	6.8	9.5	0.5	27.01
- Baroda BNP Paribas Med Duration	17.5	29	1.0	0.7	6.6	7.4	5.2	5.4	6.74
- Franklin Ind Income Opport	24.9	0	-	-	15.6	4.5	4.8	6.1	-
- Sundaram Medium Duration	64.4	44	2.2	1.3	5.0	5.5	3.5	4.2	2.28
- UTI Medium Duration	16.9	40	1.6	1.0	6.3	6.6	6.0	4.5	23.39

DEBT - MEDIUM TO LONG DURATION FUNDS

***** UTI Medium to Long Duration	67.6	300	1.6	1.2	6.2	7.1	9.9	6.4	-
***** ICICI Pru Bond	36.8	2958	1.0	0.6	7.3	8.0	5.6	6.9	-
***** SBI Magnum Income	65.2	1755	1.5	0.8	6.9	7.6	5.5	7.2	22.60
*** Aditya Birla SL Income	115.9	1849	1.1	0.7	6.7	7.2	5.3	6.7	-
*** Kotak Bond	71.0	1903	1.7	0.7	7.1	7.5	5.1	6.3	-
*** LIC MF Medium to Long Duration	66.3	171	1.2	0.2	6.3	7.5	5.0	5.6	-
*** Nippon Ind Income	83.0	324	1.5	0.7	6.7	7.9	5.3	6.1	-
*** Bandhan Bond - Income	60.6	491	2.0	1.3	6.3	6.6	4.2	5.6	-
*** Canara Robeco Income	51.7	122	1.9	0.7	6.2	6.3	4.3	5.4	-
★ HDFC Income	53.6	754	1.4	0.8	7.0	7.3	4.5	5.4	-
- HSBC Medium to Long Duration	39.0	46	1.9	0.7	5.9	6.2	4.1	4.9	-
- JM Medium to Long Duration	57.0	23	1.1	0.6	6.3	6.8	4.5	4.2	-

DEBT - LONG DURATION FUNDS

- ICICI Pru Long Term Bond	82.3	841	1.0	0
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‘Steel imports from China need to be tackled as policy support’

RIGHT THING TO DO. ArcelorMittal Nippon Steel’s Dhar also calls for restoring basic duty on imports to 12.5%

Abhishek Law
New Delhi

Indian authorities need to take “various measures” for controlling rising steel imports from China and other indirect sources like Vietnam, Ranjan Dhar, Director and Vice-President – Sales and Marketing, ArcelorMittal Nippon Steel India (AMNS India), said.

Dhar is also in favour of restoring basic customs duty (BCD) on imports of the metal to 12.5 per cent, at least 500 percentage points up from the existing 7.5 per cent.

There is a rising clamour amongst domestic steel makers overgrowing Chinese and Vietnamese imports.

India is already a net importer of steel for FY24 and two months into FY25, with exports continuing to be depressed in the face of rising Chinese imports (up 79 per cent in April and May of this year). “The world is not consuming more steel. The

Chinese demand is not good. And the excess stocks there is causing an oversupply globally, not just in India. Wherever Chinese steel can go, it is going at low prices, sometimes even lower than the cost of production,” he told *businessline* on the sidelines of an event organised by PHD Chamber of Commerce and Industry. “India has to be mindful that this import cannot continue at these (low) prices,” Dhar added.

India, apart from Vietnam, continues to face the brunt of such cheap Chinese shipments. In 2022, China exported 65-68 million tonnes (mt) and in 2023, despite depressed domestic demand, it exported 85 mt (apprx). In 2024, exports are expected to be in 110 mt range, if not more, at the current run-rate.

“Imports (in India) are coming at a low price, probably lower than cost of production especially from China, or indirectly through Chinese-export-induced countries like Viet-



DUMPING GROUND. Imports are coming in at a price which is probably lower than the cost of production

nam....Trade measures, investigations, all that can start. But immediately, we should go back to the 12.5 per cent duty regime (BCD). This was brought down to 7.5 per cent when steel prices were high. Now that the situation has reversed,” Dhar said.

AGGRESSIVELY PRICED The price differential between domestic trade-level hot rolled coils (HRCs) versus landed imported are quite stark. For instance, the

domestic trade-level HRC, ex-Mumbai, averaged around ₹53,533 per tonne over the last few months whereas the landed price of material imported from FTA countries was at ₹51,100/tonne. In comparison, shipments coming in from China were priced at ₹48,900/tonne, as per market intelligence firm, BigMint.

In May, the landed price from FTA countries was at ₹51,500/tonne whereas domestic prices were at ₹54,100,

a difference of around ₹2,600/tonne. Chinese prices were still hovering at the ₹50,000/tonne range. Chinese real estate demand continues to be depressed with no significant production cut there as of yet.

In fact, a survey by global market intelligence firm MySteel shows that production among Chinese blast furnace steel-makers continues to rise (with more steel mills bringing on-stream their idled furnaces).

According to him, Indian steel industry is already putting in substantial investments, which include capex towards capacity ramp-up, keeping in mind the rising domestic demand and government spending on infra. So, some policy support towards ensuring security of such investments and profitability of the sector needs to be considered. “This capex has a life-cycle of being repaid. So, if the profitability of the industry drops, it will be a stressful situation in the country,” Dhar said.

Probe likely on imports from Vietnam

Abhishek Law
New Delhi

The Steel Ministry has initiated discussions with the Ministry of Commerce on curbing increased influx of cheap Chinese import of the metal, a senior official aware of the discussions said.

A probe into imports from Vietnam is also being considered.

Preliminary discussions suggest a good portion of low-cost imports from China are being routed into India through Vietnamese traders.

“We have monitored the rise in imports, and have alerted the ministry concerned, in this case the Commerce Ministry. Discussions with them (Commerce Ministry) are underway to take necessary steps,” the official told *businessline*.

“There are concerns about steel imports from Vietnam. The industry is alleging that Chinese shipments to Vietnam are at elevated levels. And excess stock is now being routed into India. So representations were made to probe imports coming from Vietnam,” a second official added.

FPIs finish June in style; net-buy ₹26,565 cr in equities

KR Srivats
New Delhi

After remaining net sellers in equities for the last two months (May and April), Foreign Portfolio Investors (FPIs) returned as net buyers in June with net inflows of ₹26,565 crore, data with depositories showed.

This marked the second highest monthly inflows in calendar year 2024. The highest monthly inflows was ₹35,098 crore in March 2024.

With the Modi 3.0 government in place and policy continuity more or less assured, FPIs have shrugged off the election-related uncertainty and doubled down on Indian equities turning net buyers in majority of sessions post June 10. With the latest June 2024 net inflows of ₹26,565 crore, FPIs have yet again turned net buyers for the entire calendar year at ₹3,201 crore. Experts now project FPI inflows to increase going forward.

LIKELY TRIGGER A trigger for increased FPI inflows is the anticipated US Fed rate cut in the second half of this calendar year. At least one rate cut is expected in Oc-

tober-December 2024, enhancing the attractiveness of emerging markets.

In May and April this year, FPIs had net sold ₹25,586 crore and ₹8,671 crore in equities. The year 2024 started with significant selling to the tune of ₹25,744 crore in January, followed by modest inflows of ₹ 1,539 crore in February.

VK Vijayakumar, Chief Investment Strategist, Geojit Financial Services, said,

“Political stability despite the BJP not getting majority on its own, and the sharp rebound in markets aided by steady DII buying and aggressive retail buying, have forced the FPIs to turn buyers in India. It appears that FPIs have realised that selling in the most performing market would be a wrong strategy”, Vijayakumar said.

FPI buying can sustain provided there is no sharp up move in US bond yields, he added.

Vipul Bhowar, Director, Listed Investments, Waterfield Advisors, said attention will gradually shift towards the budget and Q1FY25 earnings, which could determine the sustainability of FPI flows.

Court approves Anil Agarwal’s plan to reclaim Zambia mine

Bloomberg

Vedanta Resources can take back control of the Konkola copper project in Zambia after a court sanctioned a plan to settle debts owed to the mine’s creditors.

A court in Zambia’s capital, Lusaka, on Friday approved a scheme of arrangement that was supported by Konkola Copper Mines Plc’s creditors, the southern African country’s mines minister, Paul Kabuswe, said on Facebook. Billionaire Anil Agarwal’s Vedanta has been trying to regain the major copper asset since 2019, when KCM was put into provisional liquidation after the previous government accused its owner of lying about expansion plans and paying too little tax.

To get access to the mine again, Vedanta now needs to follow the court ruling by releasing \$250 million to settle debts that KCM owes to contractors and suppliers. Vedanta told Bloomberg this week that it stands ready to start making the payments. Agarwal’s firm has also committed to investing \$1 billion over five years to complete expansion projects.

Stellantis begins export of Citroen electric cars from Chennai



TICKING THE COST BOX. Stellantis said it has been able to produce the cars at an “attractive cost”

M Ramesh
Chennai

Stellantis, which makes Citroen and Jeep brand passenger cars in India, has begun exporting Citroen electric vehicles manufactured at Tiruvallur, near Chennai.

The company, which has exported 1,000 cars to Indonesia, hopes to step up exports in the coming months to meet the demand from South-East Asia, South Asia and West Asia, Shishir Mishra, Brand Director, Citroen India, told *businessline* on Saturday, on the sidelines of ‘India EV 2024’, an exhibition and conference event of the EV industry, organised here by Entrepreneur India.

Speaking at the event, Mishra said Stellantis has been able to produce the cars at an “attractive cost”. He said that indigenisation of the battery pack was yet to happen. Later,

he told *businessline* the company was interested in battery localisation, but said that the cost savings from battery localisation was hard to estimate.

Stellantis is an American-Italian-French multinational automotive manufacturing corporation formed following the merger in 2021 of the Italian-American conglomerate Fiat Chrysler Automobiles (FCA) and the French PSA Group.

In India, the company has three manufacturing plants (Ranjangaon, Hosur and Tiruvallur), one ICT hub (Hyderabad), and a software development centre (Bengaluru), apart from two R&D centres (Chennai and Pune). “The digital hub has grown into one of the largest in-house ICT and digital organisations within Stellantis,” said a recent press release. The company manufactures E-C3 cars from its Tiruvallur plant.

IC engines on their ‘last gasp’, says Ashok Jhunjunwala

M Ramesh
Chennai

Ashok Jhunjunwala, who until recently taught at IIT-Madras and is currently the Director of IIT Madras Research Park, foresees the death of internal combustion engines, which would make way for electric vehicles. “IC engines are on their last gasp,” he said, speaking at India EV 2024, an exhibition-cum-conference on the Indian EV industry, organised by Entrepreneur India.

Jhunjunwala, a big advocate of EVs, renewable energy and small nuclear reactors, backed his assertion with five advantages that EVs have over petrol vehicles. First, the purchase cost of EVs is falling rapidly. Jhunjunwala foresees EV costs dropping below that of petrol vehicles in the days to come.

CHEAPER OPTION Second, fuel costs of EVs are a tenth of that of petrol vehicles; the vehicles also require far less maintenance. Third, “range anxiety” associated with EVs is misplaced, he says, because 95 per cent of their usage is within a 100-km range. For longer ranges,



OEMs are aiming to localise the production of 60-70 per cent of EV components by 2030, including critical components, apart from batteries

ASHOK JHUNJUNWALA
Director, IIT-M Research Park

fast charging could be used. Fourth, it is not true that EVs (along with solar) generate a lot of waste, because over 90 per cent of the waste can be recycled. Finally, EVs have fifty times fewer moving parts than petrol engines. EVs are also four times more efficient than petrol vehicles.

“In 7-8 years, there will be no new IC vehicles on the roads,” he said. With the possible exception of long-haul vehicles, travelling over 500km or so, all vehicles could easily become battery-powered.

Later, answering a question, Jhunjunwala said that concerns over the safety of EVs were ill-founded. He had himself been driving an electric

vehicle for about eight years without any problem. Frost & Sullivian, a consultancy, released a report titled ‘An Overview of Indian Electric Vehicle Market: Trends and Future Outlook’ at the event. The report notes that around 1,23,000 electric passenger cars are likely to be sold in India in 2024 (calendar), compared with 83,000 in 2023 — representing 48 per cent growth.

The number would increase to anywhere between 700,000 and 1.1 million by 2030. “OEMs are aiming to localise the production of 60-70 per cent of EV components by 2030, including critical components, apart from batteries,” the report says.

‘RE can unlock ₹22-lakh crore debt market for green financing’

Rishi Ranjan Kala
New Delhi

India’s renewable energy push requires an investment of around ₹30-lakh crore, which can unlock an addressable debt market of ₹22-lakh crore for green financing, Indian Renewable Energy Development Agency (IREDA) CMD PK Das said on Saturday.

Addressing the 61st National Cost and Management Accountants’ Convention, Das emphasised that India’s infrastructure push requires sizable investments.

According to the National Infrastructure Pipeline, investments on a large scale are needed across various sectors such as power, roads, and ports in India. The projected investment range is between ₹220-260 lakh crore from FY24 to FY30.

Of this, renewable energy investment are projected at around ₹30-lakh crore till FY30, unlocking an addressable debt market of over ₹22-lakh crore for green financing institutions such as IREDA, he noted.



CLEAN POTENTIAL. India’s green consulting market currently stands at ₹2,000-2,500 crore and is expected to touch ₹14,000-16,000 crore by 2030

On green consulting, Das reiterated IREDA’s commitment for advancing technological integration, operational excellence and policy alignment within the renewable energy sector through its advisory support and consulting services.

India’s green consulting market currently stands at ₹2,000-2,500 crore and is expected to touch ₹14,000-16,000 crore by 2030 given strong demand for RE project advisory, impact assessment and ESG reporting services.

The state-run non-banking financial company (NBFC) is planning a follow-on public

offer (FPO) in the current financial year to meet its capital requirement and for lending to green energy projects.

The plan is to float an FPO to raise funds for renewable energy projects as the borrowing plan of ₹24,200 crore for FY25 would not be adequate. The lender is eyeing the second half of the current financial year or H1 FY26 for the FPO.

In FY24, the company disbursed around ₹25,089 crore. In FY23, it was around ₹21,639 crore, and ₹16,071 crore and around ₹11,000 crore in FY22 and FY21, respectively.

ZTE Telecom to make Wi-Fi 6 routers at Tirupati

Our Bureau
Hyderabad

Chinese telecom equipment manufacturer ZTE Telecom will manufacture Wi-Fi 6 routers, which promise faster and more reliable internet connectivity, in Andhra Pradesh.

The company has signed an agreement with Celkon Resolute to manufacture the routers at an upcoming facility at the Tirupati Electronics Manufacturing Cluster (EMC-1) in Tirupati in Andhra Pradesh. “Our high-end technologies will encompass comprehensive data collection from citizens, devices, buildings and assets, thus paving the way for a more connected and efficient urban environment,” Liu Chao, CEO of ZTE Telecom, said.

“This initiative underscores our commitment to fostering technological advancements and con-

The Andhra Pradesh facility of ZTE is currently under construction and is expected to be operational by August 2024

tributing to sustainable development globally,” he said.

FASTER SPEEDS The Wi-Fi 6 routers offer faster speeds, greater capacity, and reduced latency compared to previous Wi-Fi generations. These are crucial for the development of various applications such as smart traffic management, efficient energy usage, enhanced security systems and better public services.

The Andhra Pradesh facility is currently under construction and is expected to be operational by August 2024. The duo will

manufacture two lakh routers a month initially. “The capacity will be expanded to five lakh routers a month after 3-4 months. The output will cater to both domestic and international markets,” a press release said on Saturday.

The agreement will result in the creation of jobs to about 1,000 people initially. “While this is just the beginning for ZTE in AP with Wi-Fi 6 routers manufacturing, we wish to see other verticals from the global ZTE portfolio produced in the State,” Nara Lokesh, the Minister for IT (Govt of AP), said.

businessline.

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