THE ECONOMIC TIMES
wealth

"TAX SAVINGS NO LONGER DRIVING MIDDLE CLASS TO BUY LIFE INSURANCE"
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SHOULD YOU EXIT MID- & SMALL-CAP FUNDS?

Your strategy should depend on risk tolerance, time horizon and investment size. Excess of this category can be risky.

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By **Sanket Dhanorkar**

There doesn't appear to be any let-up in the equity markets' slide. Despite a rebound towards the end of last week, the Nifty 50 index has fallen 14% since 26 September 2024. The Nifty 50 index ended negative for the fifth consecutive month in February, its worst monthly losing streak since 1996. The mid- and small-cap basket particularly is in the eye of the storm. The broader market has now entered the bear territory as it's trading over 20% lower from the peak. Frothy valuations, moderating earnings and fleeing foreign capital are dragging down the stock prices.

The relentless sell-off in mid caps and small caps is now making investors anxious. Is there more pain in the offing? Should investors exit small- and mid-cap funds, or are the fears overdone?

Froth reduces, but persists

A correction in the broader market was inevitable, say experts. Stock prices in this segment had steeply overshot the earnings growth in recent years. According to HDFC Securities, mid caps recorded a 14% earnings CAGR over five years till December 2024, while stock prices surged 28%. Small caps' 21% earnings growth was accompanied by 27% annualised return. This sharp re-rating would be justified only if companies continued to deliver high earnings growth. However, as profitability has waned, inflated stock prices have been punished. Comparatively, frontline stocks' earnings growth of 15% in the past five years has matched the price appreciation of 15%. The NSE Midcap 150 index has already shed 22%, even as the NSE Smallcap 250 index has tanked 26.3% from their respective peaks. A closer look reveals acute value erosion in individual stocks *(see table)*. The Nifty Midcap 150 index's price-equity (PE) ratio has shrunk from 45 to 33 times trailing 12-month earnings. The Nifty Smallcap 250 index's PE multiple has cooled from 35 to 26 times.

Is there pain ahead?

Experts maintain that valuations in the broader market remain pricey despite the recent correction. The frontline Nifty 50 index currently trades at a PE of 19.67, well below its five-year historical average of 25. The mid- and small-cap indices continue to trade at a premium.

"Over the past few months, we have finally started seeing some of the valuation froth go out of the market. However, it feels like we are still in the early-to-mid innings of this valuation reset cycle," reckons Dinesh Balachandran, Head of Equity, SBI Mutual Fund.

After a multi-year joyride that enchanted several investors, this segment is ripe for a cool-down. Experts say that mean reversion—the move towards long-term averages—is a reality that has started to unfold. Jimeet Modi, Founder and CEO, Samco Securities, asserts, "Nearly five years of excesses in the broader market will not unwind quickly." Till December, mid and small caps accounted for 40% of the total stock market capitalisation, a record high, with large-cap contribution dipping to an all-time low. Historically, such premiums have been followed by tepid returns, as per the data from FundsIndia. "We expect mid and small caps to remain under pressure till the time valuation reset doesn't happen," says Niket Shah, CIO, Motilal Oswal AMC.

A recurring phenomenon

If you are anxious over the carnage in the broader market, just look at history. This de-rating in mid and small caps is normal for this segment. Data from FundsIndia shows that falls are typically more frequent in these segments. Since January 2004, the mid- and small-cap indices have traded lower than 10% from their peak 49% and 64% of the days, respectively. Comparatively, the bellwether Sensex has traded lower than this threshold only 34% of the time. Sharper drawdowns are even more frequent in small caps—the small-cap index has traded below 30% from its peak on 39% of days, compared to 10% for the mid-cap index and just 4% for the frontline index.

Temporary declines of more than 30% have occurred once every 8-10 years in both mid- and small-cap indices. The duration of fall and subsequent recovery have varied. For both segments, the shortest time from peak to trough has lasted one month, while the longest took 26 months. The critical difference is in the recovery time frame. The longest that the mid-cap index has taken to

Individual stocks have fallen sharply

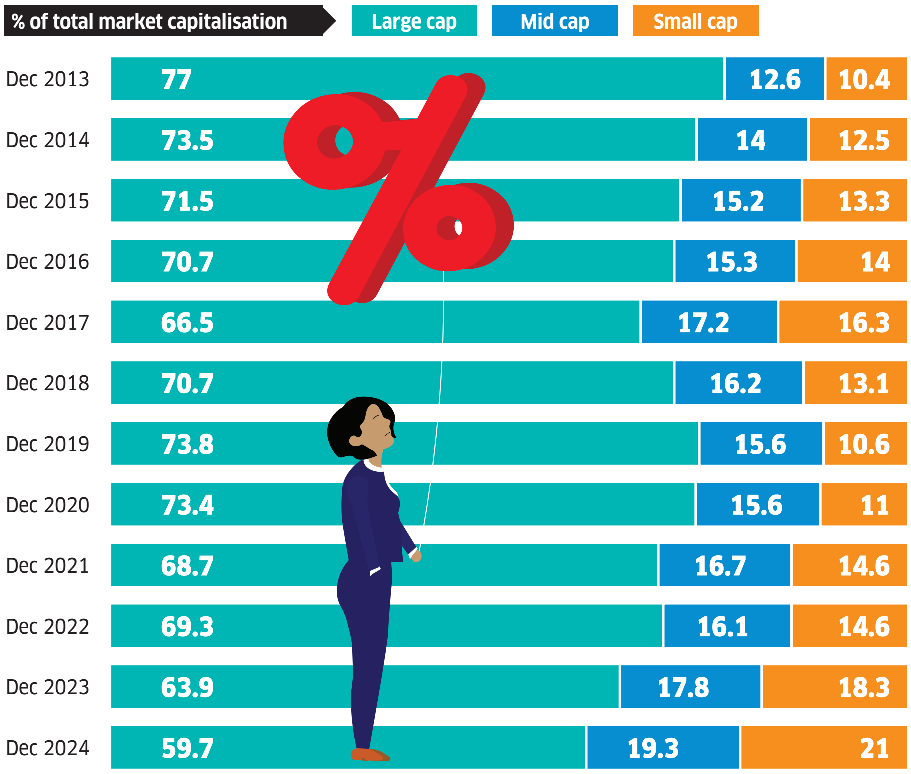
Broader index fall masks the carnage in individual stocks.

PRICE CHANGE	NIFTY MIDCAP 150		NIFTY SMALLCAP 250	
	NUMBER OF STOCKS	% OF STOCKS	NUMBER OF STOCKS	% OF STOCKS
>0%	15	10%	14	6%
up to -10%	15	10%	20	8%
up to -20%	26	17%	43	17%
up to -30%	48	32%	66	26%
up to -40%	41	27%	70	28%
up to -50%	5	3%	31	12%
> -50%	0	0%	6	2%
Total	**150**		**250**	

Compiled by ETIG Database. | Data as on 28 Feb. | Figures don't add up 100% due to rounding off.

Small- and mid-cap funds' market share had ballooned to its highest ever

Sharp outperformance has sent premiums soaring in the broader market.



Source: SAMCO Securities

Active mid- and small-cap funds have cushioned falls better

MF investors have not endured prolonged drawdowns amid market corrections.

PEAK DATE	TROUGH DATE	NIFTY SMALLCAP 100 FALL (%)	AVG SMALL-CAP FUND RETURN (%)
7 Jan 2008	9 Mar 2009	-77	-61
10 Nov 2010	20 Dec 2011	-42	-30
7 Jan 2013	6 Aug 2013	-35	-17
13 Apr 2015	12 Feb 2016	-28	-13
15 Jan 2018	24 Mar 2020	-65	-48
17 Jan 2022	20 Jun 2022	-33	-21

PEAK DATE	TROUGH DATE	NIFTY MIDCAP 100 FALL (%)	AVG MID-CAP FUND RETURN (%)
10 May 2006	14 Jun 2006	-37	-34
7 Jan 2008	9 Mar 2009	-70	-69
10 Nov 2010	29 Dec 2011	-38	-30
23 Jan 2018	23 Mar 2020	-49	-37

Source: ACE MF

recover its previous peak value has been 29 months (roughly 2.5 years). The small-cap index has previously taken over seven years (from March 2009 to July 2016) to fully regain its value.

However, investors using the mutual fund route have not experienced such prolonged drawdowns or extended recovery periods *(see table)*.

Beware of liquidity squeeze

When the sentiment is in their favour, stocks in this basket are awash with liquidity. However, the true nature of liquidity typically surfaces only when the tide turns. At such times, trading volumes for many stocks in this segment dry up. Investors seeking an exit are often forced to sell at a sharp discount or find no way out. Already, the strain is showing and could worsen if the correction deepens. Nehal Mota, Co-founder and CEO, Finnovate, says, "Leading brokers have been speaking about a sharp fall in volumes. With SIPs in small-cap and mid-cap funds also going slow, the impact on small- and mid-cap volumes is going to be sharp." The liquidity can only come back if there is a revival in retail and institutional confidence, Mota adds.

The hidden risk of illiquidity was a big concern for Sebi back in February 2024, when it mandated the mid- and small-cap equity funds to undergo mandatory stress testing every month. A fund that houses a large chunk of its portfolio in illiquid stocks becomes particularly vulnerable. The fund performance starts to deteriorate. The actual realisable NAV (net asset value) becomes lower than its calculated NAV. If faced with large redemptions in this scenario, fund managers find it difficult to quickly liquidate a portion of the portfolio.

So, are existing mid- and small-cap funds ill-prepared for this scenario? The stress test figures shared by AMFI for January 2025 reveal that the liquidity profiles of some small-cap funds have worsened, compared to those of a year ago. The fund houses that *ET Wealth* spoke to aren't too worried though. In the meantime, many fund houses have slowly reduced their exposures to low float, illiquid stocks.

"Additionally, fund houses are maintaining adequate cash reserves to manage their short-term liquidity needs. As a result, even if the correction extends further, liquidity is unlikely to be a major concern," contends Varun Fatehpuria, Founder and CEO, Daulat Wealth Management. So, retail investors participating in the mid- and small-cap category via mutual funds need not worry.

What should you do?

The road ahead is clearly tricky for mid and small caps. If the correction is prolonged, the cuts will run even deeper.

Proceed cautiously if you are planning to put fresh money in mid- and small-cap funds. If you have over-allocated to small caps, it is still not too late to cut your exposure. "Ensure that dedicated small and mid caps don't comprise more than 30-40% of your equity portfolio," suggests Mota.

Diversify to large-cap funds, if you haven't already. Modi says, "Investors have completely neglected the frontline basket in the recent past, chasing returns in the broader market. Mean reversion could see the Nifty 100 index could outperform by 15-30%. However, if you wait for large caps to outperform, it will be too late in the journey."

Do you need money in the next three-five years? Avoid putting fresh money in mid- and small-cap funds. "It has to be a tenure of over eight years," insists Mota. "Given the current market conditions, those with a time horizon of less than five years would be better served by a more balanced approach. Instead of taking concentrated bets, they should consider diversified funds, such as flexi-cap or multi-cap funds, which offer a better risk-reward trade-off," remarks Fatehpuria.

If your horizon extends beyond five years, the current slump in the broader market could actually spell an opportunity. A study by Motilal Oswal done in 2020 showed that SIPs for seven years or longer typically fetch favourable outcomes for the investor. However, even on the worst occasions, when the SIP ended in negative, simply staying put for another year without continuing the SIP could work in your favour. Also, avoid taking investment tips from social media and unqualified advisers, who masquerade as experts promising high returns.

A few mid- and small-cap funds have seen dilution in liquidity

A prolonged correction in the broader market may sap liquidity.

MID-CAP FUNDS	AUM (₹ CR)	DAYS FOR LIQUIDATING 25% OF PORTFOLIO		DAYS FOR LIQUIDATING 50% OF PORTFOLIO	
		FEB 2024	JAN 2025	FEB 2024	JAN 2025
HDFC Mid-Cap Opportunities Fund	60,194	12	24	23	47
SBI Magnum Midcap Fund	16,467	12	18	24	35
Quant Mid Cap Fund	5,443	3	10	6	21

SMALL CAP FUNDS	AUM (₹ CR)	DAYS FOR LIQUIDATING 25% OF PORTFOLIO		DAYS FOR LIQUIDATING 50% OF PORTFOLIO	
		FEB 2024	JAN 2025	FEB 2024	JAN 2025
Nippon India Small Cap Fund	46,030	13	18	27	36
HDFC Small Cap Fund	28,597	21	30	42	60
Quant Small Cap Fund	17,233	11	25	22	51
Kotak Small Cap Fund	14,189	17	21	33	41
DSP Small Cap Fund	13,703	16	24	32	48
Franklin India Smaller Companies Fund	11,825	6	9	12	17

Source: AMFI

"Newer investors have played the broader market like a casino"

Investors should not expect a repeat of the past 4-5 years anytime soon, with mid and small caps likely to see further time correction after the recent price damage, says **Shridatta Bhandwaldar**, Head-Equities, Canara Robeco MF, in conversation with **Sanket Dhanorkar**.

Q How are you seeing the current sell-off in the broader market?

A correction had been due for some time. The earnings had been weak for two quarters prior to this. The entire nine months' earnings (April-December 2024) have been generally weaker than last year. The correction got postponed probably because of the excess liquidity sloshing around. However, the market started realising that the domestic sector had slowed down and capex was also moderating. The entire narrative around Trump started unravelling. As FIIs accentuated their selling, the rest of the market also started caving in. Even if it weren't for these reasons, the correction would have transpired anyway because the earnings that were needed to support valuations were clearly unlikely to play out.

Q Are valuations now attractive or could we see further value erosion in this space?

I would say it is a healthy correction. Many investors were coming and actually playing it like a casino. So there were a lot of excesses. A large part of it has now been taken out. My sense is that the broader market will linger around these levels, similar to what we witnessed in 2022-23. It may not necessarily remain sideways for as long, but I wouldn't be surprised if there was further time correction rather than price correction. I think the price correction has largely played out, but the entire time correction is not done.

We still feel that the broader market construct is not broken, because unlike in past cycles, this time there are no balance sheet challenges. We hardly find leverage in the smaller companies in our portfolio. To that extent, multiples may not correct as much as they did in, say, 2017. You need a big balance sheet catalyst for multiples to really de-rate. If this earnings dry run continues for another year, then, of course, they'll keep correcting. But I'm hoping the earnings growth will go back to double digits next year.

> "The correction would have transpired anyway because the earnings that were needed to support valuations were clearly unlikely to play out."

Q Do you see a repeat of the past 4-5 years anytime soon in the broader market?

No, investors should forget about that. Even after this correction, the valuations are at a much higher level compared to the past cycles. Starting valuations must be at an attractive level for returns to be that high. However, earnings are not going to be like that. Multiples cannot possibly re-rate from where they are. Considering purely statistically, it is only the large caps that have come back to fair valuation. Even those are not cheap.

Q How are you positioning your mid-cap and small-cap fund?

Incrementally, we are focused on pockets where the froth gets taken out. We are trying to focus more on relatively resilient business models, where there is no challenge in near-term growth prospects. For example, industrials have been completely wiped out, but within these, there are pockets where there won't be earnings challenges for the next four-six quarters. When the markets stabilise, those will be the stocks that will come back fast.

Q Are you worried about liquidity deteriorating if the correction deepens?

It is a possibility if the earnings don't come back quickly and the market lingers for a longer period. The investors who have come in the last one year would have made lower than fixed-income returns. You will see more pain if there is a time correction compared to price damage.

In our own funds, the liquidity position is very comfortable for now. On all parameters laid down by Sebi, we are probably among the top funds. Even the small-cap fund, which is fairly large, is comfortably placed. We are conscious of running liquid portfolios. We actively focus on risk controls and run our own internal liquidity parameters as well.

For instance, we have among the lowest percentage of stocks below the ₹5,000 crore market cap in the category. We also have criteria around the free-float holding in our portfolio stocks. As of now, we haven't seen any material slowdown in the flows in these categories. Redemptions may become a problem only if the market lingers near the bottom for another six months. That is when investors will start getting anxious.

PRODUCT LAUNCHES

MUTUAL FUNDS

Mirae Asset Mutual Fund has launched two new funds—Mirae Asset BSE Select IPO ETF and Mirae Asset BSE 200 Equal Weight ETF. The BSE Select IPO ETF provides exposure to India's IPO market and spin-offs, while the BSE 200 Equal Weight ETF offers equal exposure to the top 200 stocks listed on the BSE. **The NFO for both funds is open till 11 March.**

HDFC Mutual Fund has introduced the Nifty Top 20 Equal Weight Index Fund, an equity fund designed to track the performance of the underlying index. The minimum investment is ₹100. **The NFO remains open till 21 March.**

Kotak Mutual Fund has announced the Kotak Nifty Midcap 150 Index Fund, which will track the performance of the Nifty Midcap 150 Index. The minimum investment is ₹100. **The NFO is open till 17 March.**

Samco Mutual Fund has rolled out the Samco Large Cap Fund, an equity fund investing in equity and equity-related instruments of large-cap companies. The fund is benchmarked against the Nifty 100 TRI. The minimum investment is ₹5,000, and a 1% exit load applies to redemptions exceeding 10% of the investment within 12 months. **The NFO is open till 19 March.**

INSURANCE

Bajaj Allianz Life has unveiled the Guaranteed Pension Goal II, offering multiple annuity options, a 30-year deferment period, and a customisable return of purchase price (ROP) ranging from 50-100%. The plan provides exclusive benefits to NPS subscribers, including the family pension option for dependants.

Galaxy Health Insurance has rolled out the Galaxy Top-Up, a health insurance plan offering enhanced coverage and flexibility. It features Premium Promise, an optional benefit that guarantees no premium hikes till a claim is made or the policyholder turns 55, whichever comes first.

Should you opt for smart beta funds?

Beyond active and passive investing, this new favourite strategy offers a middle ground for investors.

By **Prashant Mahesh**

You've invested in actively managed funds for decades, with some plans dating back to the time before the Nifty was launched. You're also familiar with passively managed funds, which track broad market indices across asset classes like equity, debt, or commodities. A combination of the two, however, is of a rather recent vintage, though Indian savers have taken strongly to this investment category: smart beta funds.

A series of new launches over the past year has led to assets under management (AUM) under this category surging to ₹29,322 crore in December 2024, from ₹8,900 crore a year ago. DSP Mutual Fund said smart beta funds account for 11% of the ₹2,73,390 crore managed by index funds as of December 2024.

"Smart beta funds follow a disciplined approach with predefined rebalancing frequency and methodology," said Kunal Valia, Founder of Statlane, a Sebi-registered advisory firm. Valia said India is in the early stages of adopting these strategies, but there is growing interest from high net-worth individuals and family offices for these products.

Smart beta funds use predefined rules to select stocks based on specific factors, such as momentum, quality, low volatility, and value, rather than relying on market capitalisation weighting that plain vanilla index funds use. These funds have lower expense ratios than actively managed funds, but higher than those in plain vanilla index funds.

Fund houses have launched a series of new fund offers over the past year based on indices like Nifty 200 Momentum 30, Nifty 200 Alpha 30, Nifty 100 Low Volatility 30, and Nifty Midcap 150 Quality 50, among others.

The recent sharp fall in one of the most popular momentum strategies has hurt those investors chasing returns. The Nifty 200 Momentum 30 strategy has lost 22% over the past three months, compared to the Nifty 50 that lost 9.38%. "Smart beta funds won't outperform in all the markets and there will be challenging times," said Anil Ghelani, Head of Passive Investments, DSP Mutual Fund.

"Smart beta funds are cyclical in nature. Investors could use these to make tactical allocation based on needs in the portfolio," said Siddharth Srivastava, Head of ETF Products at Mirae Asset Mutual Fund.

Financial planners believe investors who want to keep things simple can stay away from smart beta strategies and allocate to plain vanilla index funds and active funds.

EPFO simplifies profile update process

The Employees' Provident Fund Organisation (EPFO) has simplified the process for members to update their profile details. With the latest revision, members with Aadhaar-validated Universal Account Numbers (UAN) can now update their personal information without the need to upload supporting documents.

If UAN has been validated through Aadhaar, EPF members can update their profile, including their name, date of birth, gender, nationality, parent's name, marital status, spouse name, date of joining and date of leaving themselves, without needing to upload any document.

Earlier, the process for changing these details was tedious and time-consuming, and needed to be channelised through employers. Now, any update would only need the employer's certification in specific situations if the UAN was issued before 1 October 2017. Previously, changes required verification from the employer, which caused delays of up to 28 days. Now, 45% of requests can be self-approved by members, and another 50% require only employer approval without the involvement of EPFO.

However, members should ensure that their Aadhaar and PAN are linked to their EPF account as this is mandatory for any updates or withdrawals. Inconsistencies between EPF details and Aadhaar may delay approvals.

—Sneha Kulkarni

IN A NUTSHELL

24%

Growth in average mutual fund folio size of women vs 6% for men between March 2019 and March 2024.

Source: Crisil & Amfi report

Over 30k taxpayers list ₹29k cr foreign assets

Over 30,000 taxpayers have declared foreign assets of more than ₹29,000 crore after the Central Board of Direct Tax (CBDT) launched a campaign nudging taxpayers to come clean. Besides, 6,734 taxpayers have revised their status from residents to non-residents.

While the additional foreign income disclosed was ₹1,090 crore, each taxpayer declared an average asset of around ₹1 crore overseas.

The disclosures are a result of information-sharing arrangement between nearly 125 countries, with India being one of the earlier adopters. It has, since 2018, received data, including details of bank accounts overseas, and the balance in these, dividends, interest received, and gross payments.

However, tax authorities found that not everyone was making the required disclosures, resulting in CBDT launching a campaign last November, urging taxpayers to declare their foreign assets and income through updated tax returns.

The IT Department sent e-mails and text messages to 19,500 taxpayers with significant assets overseas and high balances in their accounts, while also conducting outreach sessions with 8,500 individuals.

—Times News Network

IT outreach

62% taxpayers nudged by CBDT revised ITRs to declare foreign assets, income.

The IT Department mailed and texted 19,500 taxpayers with overseas assets and higher balances in accounts. It also conducted outreach sessions with 8,500 individuals.

Number of taxpayers voluntarily disclosing foreign assets and income up from 60,000 in 2020-21 to 2.3 lakh in 2023-24.

GETTY IMAGES

Q&A

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

QUESTION OF THE WEEK

I have been carrying forward capital loss from an apartment sale in 2019-20, using capital gains from equity mutual funds to offset it each year. I have been filing taxes under the old regime mainly due to my home loan benefits. However, with the new regime offering lower tax rates, I may find it more beneficial from 2025-26 onwards. If I switch to the new regime, can I still carry forward and set off the remaining capital losses against future capital gains from equity mutual funds? If not, would it be advisable to redeem and reinvest my mutual funds before 31 March 2025?

The capital loss incurred on selling an apartment can be carried forward up to eight assessment years, regardless of the tax regime. In this case, the loss can be carried forward till 2028-29 for both old and new regimes. The setting off rules for capital losses dictate that long-term capital losses can only be offset against long-term capital gains, not against short-term capital gains. Short-term capital losses can be set off against both short-term and long-term capital gains.

The decision to opt for old or new tax regime depends on various factors, including income sources, such as salary, house property and capital gains, along with available exemptions and deductions. Under the new tax regime, no interest deduction is allowed for a self-occupied house. While home loan interest on a rented house is deductible, losses under 'Income from house property' cannot be set off against any other income.

The taxpayers who prefer ease of tax calculation over maximising tax-saving investments opt for the new tax regime as it offers lower tax rates, but fewer deductions and exemptions.

Before making a choice, it is advisable to evaluate your income structure and tax-saving potential under both the regimes.

Sudhir Kaushik
Co-founder & CEO, TaxSpanner

Please clarify how, if at all, my LIC life insurance policy will be affected if I take a passport of some other nationality?

Life insurance policies provide global coverage. So, any change in your residential status should not impact the validity of the policy. Both, maturity and death benefits, will continue as per the policy terms, and you can continue paying the premiums.

However, it's strongly advisable to inform the insurance company of any changes in your residential status or nationality, and provide the necessary documentation, as required. You may also need to check if there are different remittance processes for payouts to policyholders residing outside India. Keeping your records updated helps insurance companies serve you better and ensure uninterrupted policy benefits.

Sarbvir Singh
Joint Group CEO, PB Fintech

Are mutual funds considered capital assets? Can these be gifted without attracting any capital gains tax? My mutual funds are held in a statement of account, not demat account. From what I understand, mutual fund transfers are only allowed on death (transmission). Otherwise, these must be sold, taxed, and gifted as cash. Please clarify if this is true.

As per the provisions of Section 2(14) of the Income Tax Act, 1961, a capital asset includes 'property of any kind' held by an assessee, whether or not it is connected with his business or profession. This definition encompasses both movable and immovable properties, and judicial interpretations have broadly recognised any transferable asset with value as 'property' under the Act. Accordingly, mutual fund units qualify as capital assets.

As per the provisions of Section 47 of the Act, any capital asset transferred by an individual or HUF as a gift, via a will or inheritance shall not be considered as transfer. Since mutual fund units are considered capital assets, giving them as gift will not be treated as transfer and, therefore, you will not incur any tax liability. Therefore, mutual fund units can be gifted during the lifetime of the holder, not only on death.

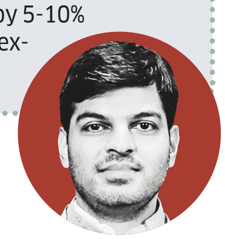
However, as per the provisions of Section 56(2)(x) of the Act, if a person receives mutual fund units without any consideration and their fair market value (FMV) exceeds ₹50,000, the entire FMV is taxable as 'Income from other sources' in the hands of the recipient. If the mutual fund units are received from a 'relative' as defined under the Act, this would remain tax-exempt in the hands of the recipient. The same provisions shall apply to an HUF in a similar situation.

Amit Maheshwari
Tax Partner, AKM Global

I am 36 years old and professionally employed. I have savings of ₹40 lakh. Will I be able to retire at 50 years with my current savings? My monthly household expenses are around ₹15,000.

If you invest ₹40 lakh in equity for 14 years, at 12% CAGR return, you will accumulate approximately ₹1.95 crore before tax. Factoring in an annual inflation at 7%, your monthly expense of ₹15,000 will rise to around ₹38,000 after 14 years. Assuming you live till 85 years, which is 35 years away, and considering the above accumulated corpus, 7% inflation and a conservative annual return of 5%, you are likely to exhaust your capital before you are 85 years old. To retire at 50 years, you need a corpus of around ₹3 crore.

Note that all these calculations are pre-tax and theoretical; investment returns, inflation and expenses will fluctuate over time. Retiring at 50 years looks difficult for you with your existing savings and it is advisable to keep a higher retirement corpus of around ₹5-10 crore, depending on your expenses. To achieve this, you should save and invest as much as possible via the mutual fund SIP route, excluding your existing savings, and increase your SIP contributions by 5-10% annually, keeping your expenses in mind.



Rushabh Desai
Founder, Rupee With Rushabh Investment Services

I am managing both distribution and servicing of mutual funds for my clients. I started this business last year. Please advise if I am required to pay GST on my brokerage payments.

Yes, you must charge GST on your brokerage income if your total brokerage earnings exceed ₹20 lakh in a financial year. Before doing so, you are required to obtain GST registration and a GSTIN (goods and services tax identification number).Once you have registered, you must continue charging and paying GST in subsequent financial years, regardless of the turnover. The applicable GST rate on brokerage income is 18%.

You are also eligible to claim input tax credit on goods and services used to provide brokerage services. The GST law mandates compliance with invoice formatting, periodic tax payments, and return filing requirements. As a registered taxpayer, you must adhere to these regulations to ensure compliance.

Shubham Agrawal
Senior Taxation Adviser, TaxFile.in

Please send your feedback to
etwealth@timesofindia.com

DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

> Think of the market downturns as fee payments in your financial education. The lessons may be expensive, but they're valuable if properly absorbed. The key insight isn't that the markets sometimes fall; everyone knows this. The profound lesson is that knowing this fact doesn't immunise us against emotional reactions when it happens.

Perspective during panic

Market dips hurt, but one should take comfort from history, says **Dhirendra Kumar**.

GETTYIMAGES

A glance at social media these days would make you think the financial apocalypse had arrived. My inbox is flooded with messages from distressed investors lamenting their 'destroyed' portfolios. The anguish is palpable, but a bit of perspective might help.

Let's consider what's happening right now. A six-month picture reveals genuine pain. The BSE Sensex has plummeted 11.5%, shedding more than 9,400 points. The carnage in small caps is even more pronounced, with a staggering 23.7% collapse, erasing over 13,200 points. These aren't minor corrections; they represent real wealth vanishing from portfolios. This certainly feels devastating for the investors who are heavily weighted in favour of smaller companies, especially those who have joined the market recently. I understand that anguish. Watching months or years of gains evaporate within weeks is genuinely distressing, regardless of what historical patterns might suggest.

Here's where the perspective becomes invaluable. Look at the five-year charts and, suddenly, the story transforms dramatically. The Sensex has gained an impressive 95% over this period, while small caps have surged by a remarkable 221%. Even after this 'crash', the investors who have stayed the course for five years have seen their investments multiply substantially.

> If you're feeling the sting right now, use this experience to reassess your true risk tolerance.

This pattern isn't new or surprising, though the severity might feel unprecedented to newer investors. The six-month charts reveal what experienced market participants recognise as a classic correction—sharp, painful and seemingly relentless. Yet, market historians will tell you that downturns of this magnitude occur with almost clockwork regularity. They are the natural breathing rhythm of a healthy market, though they rarely feel healthy while we're enduring them. The trouble begins when we forget this fundamental truth and position our portfolios as if the markets only move in one direction.

I've long advocated a balanced approach. Loosely speaking, one should invest perhaps 10-30% in fixed income, 30-40% in large caps, and the remainder divided among mid and small caps. This isn't merely conservative prudence; it's a recognition of the market reality. For investors who had structured their portfolios in this manner, the current situation is manageable; uncomfortable, perhaps, but not devastating. If you find yourself among those feeling crushed by the recent market movements, I won't offer the cold comfort of 'I told you so'. We've all made investment mistakes. The question isn't whether we will err (we will), but whether we'll learn from the experience.

Think of the market downturns as fee payments in your financial education. The lessons may be expensive, but they're valuable if properly absorbed. The key insight isn't that the markets sometimes fall; everyone knows this intellectually. The profound lesson is that knowing this fact doesn't immunise us against emotional reactions when it happens.

If you're feeling the sting right now, consider using this experience to reassess your true risk tolerance. It's easy to embrace risk when the markets are soaring; during downturns, we discover our capacity for volatility. Perhaps your allocation needs adjustment, not because the markets are unpredictable, but because your emotional response to them proved more intense than anticipated.

Remember that time remains the most powerful tool in any investor's arsenal. The five-year charts don't merely show impressive gains; they reveal the reward for patience during previous downturns that have been entirely forgotten. The investors who achieved those returns weren't necessarily more brilliant than others; they were more disciplined about staying invested.

Even this severe six-month plunge, while uncomfortable for properly diversified investors, is manageable within a broader investment strategy. While the small-cap investor, who has watched half of his portfolio value evaporate, might suffer acutely, the balanced investor, who maintained significant large-cap and fixed-income positions, is experiencing something much less catastrophic. This stark contrast is precisely why diversification matters, not as an abstract principle, but as a practical protection against market trauma.

The current correction also provides a vital reminder about market timing. The investors who entered during the exuberant bull run never truly internalised how quickly sentiment can shift. Six months ago, the markets seemed unstoppable. Today, despair abounds. Neither extreme accurately reflects the fundamental economic realities; they are simply the emotional pendulum of market psychology swinging from one extreme to another.

For those who find themselves overexposed to the current volatility, remember that hasty decisions during periods of maximum pain rarely serve long-term interests. The markets will recover, as they always have. The question isn't whether they'll bounce back, but whether we'll have the wisdom and discipline to be positioned appropriately when they do. Most importantly, whether we'll remember this lesson the next time the markets are soaring and caution seems unnecessary.

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Corporate India's earnings challenges remain

Muted revenue growth, narrowing margins and downgrades weighed on companies in December quarter.

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by **Sameer Bhardwaj**

After a weak first half of 2024-25, corporate India saw a modest earnings recovery in the December 2024 quarter, driven by stronger consumption demand and margin expansion in some sectors.

Data from an Emkay report shows that BSE 500 companies' adjusted PAT grew 7.1% year-on-year, down from 25.8% in the December 2023 quarter. Earnings had declined 1.2% year-on-year in the September quarter.

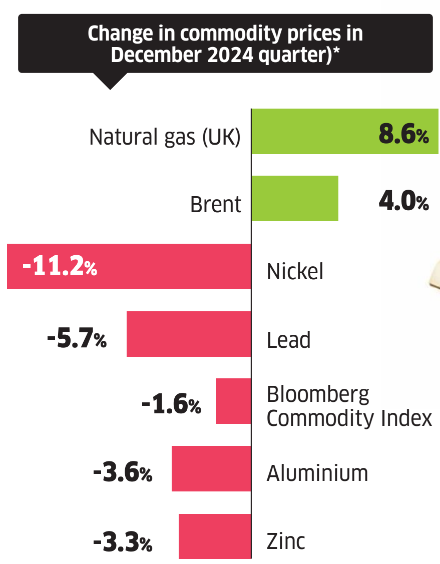
What drove the change?

The performance was largely driven by the BFSI sector. Excluding BFSI, the adjusted net profit growth of BSE 500 moderates to 4.6% year-on-year. The energy sector dragged the overall earnings growth, while the healthcare and real estate sectors managed to provide support.

Sluggish growth

The BSE 500 companies' revenue grew 5.8% year-on-year, staying in single digits for seven quarters. Most companies in the BSE 500 index saw a deterioration in EBITDA margins. Out of the 406 non-financial sector companies, 214 (52.7%) saw a year-on-year contraction in the operating profit margins,

Despite weak commodity prices, operating performance faltered



* Between 30 September and 31 December 2024. Percentage change based on international USD prices. **Source**: Refinitiv

as per the Reuters-Refinitiv database. The stability in commodity prices can be gauged by looking at the benchmark Bloomberg Commodity Index, which declined by 1.6% between 30 September 2024 and 31 December 2024. On an annual basis, the index fell 3.3% to an average of 98.6 in the December 2024 quarter. The Bloomberg Commodity Index tracks global prices of oil, natural gas, copper, zinc, and other commodities.

India Inc.'s moderate performance is evident in the unfavourable beat-to-miss ratio. Among the 364 BSE 500 companies with earnings estimates from at least two analysts (Reuters-Refinitiv), 59.9%, or 218 companies, missed estimates this quarter.

The lacklustre quarterly performance also led to earnings downgrades for most companies, which is contributing to the ongoing volatility. Out of the 411 stocks with 2025-26 PAT estimates from Reuters-Refinitiv (based on at least two analysts), 79.1%, or 325 companies, have seen downgrades since 31 December 2024. Among these, 39.1%, or 161 companies, had cuts exceeding 5%. Energy, construction materials, consumer staples, automobiles and industrials are sectors where most companies have seen earnings downgrades for 2025-26.

Road ahead

Analysts expect further downgrades. "The expectations for 2025-26 corporate earnings are still somewhat elevated given the underlying macro-micro backdrop, and are thus ripe for further downgrades," states an earnings review report by Motilal Oswal. The report has also expressed concern about the expensive valuations of mid caps and small caps.

Despite near-term concerns, there is optimism about a gradual recovery in domestic demand. Higher government capex allocation, repo rate cut, income tax changes and likely peaking of food inflation are some of the factors that will support demand, says a recent Prabhudas Lilladher report. Here's how different sectors of the BSE 500 index have fared in the third quarter of 2024-25.

Banks

The challenges
- Higher provisioning.
- Pressure on net interest margins (NIM) and deceleration in loan growth amid cautious stance on unsecured retail lending.

Behind the scenes
- Competition for deposits continues to remain strong and the credit to deposit ratio remains elevated.
- Private banks saw weakness in business momentum and moderation in margins.
- Public sector banks were better placed due to improvement in asset quality and healthy provision coverage ratio (PCR).

Winners
- YES Bank and Punjab & Sindh Bank.

Forecast
- The Motilal Oswal earnings review report maintains a cautious view on margins and the delinquency cycle of unsecured loans. It expects credit costs to remain elevated for private banks. While the report has reduced the earnings growth estimates for private banks for 2025-26, it has marginally raised estimates for public sector banks.

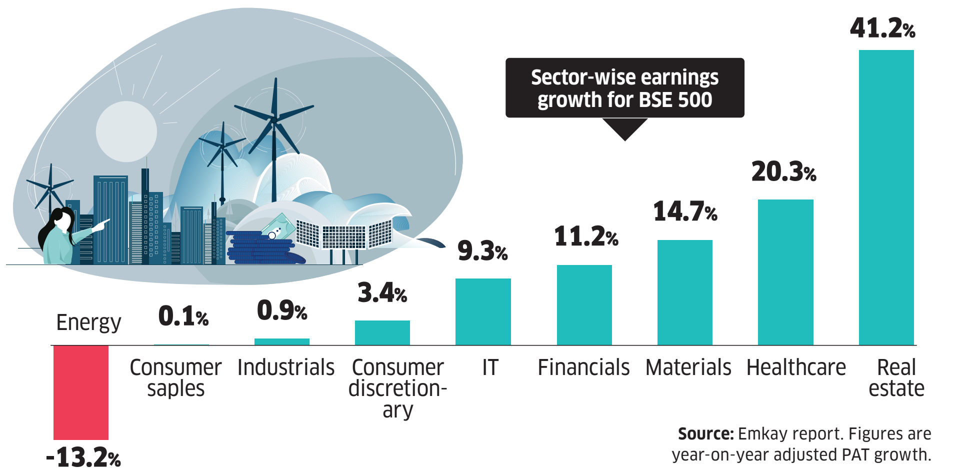
NBFCs

The challenges
- Mixed performance on the back of loan growth and asset quality challenges.
- More competition and elevated credit costs.

Behind the scenes
- HFC disbursements were affected by regional headwinds, whereas NBFC-MFIs

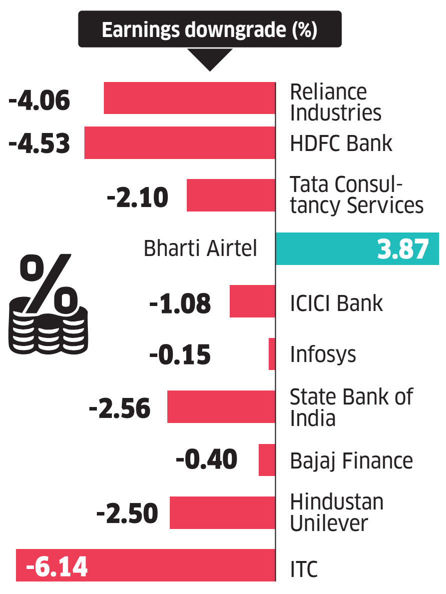
Energy sector dragged the performance of India Inc.

Healthcare and real estate sectors provided support.



Source: Emkay report. Figures are year-on-year adjusted PAT growth.

9 of 10 top BSE 500 firms have seen earnings downgrades in past two months



Source: Reuters-Refinitiv

saw further deterioration in asset quality.
- Tepid commercial vehicle (CV) demand amid weak government spending.

Winners
- Capri Global Capital and Shriram Finance reported the most year-on-year jump in consolidated net profits.
- Jump in total income (88.4% jump in PAT) helped Capri Global Systems.
- Firm resale prices of CVs and stable credit costs helped Shriram Finance.

Forecast
- Brokerage AnandRathi expects easing of liquidity and rate cut to benefit NBFCs.
- Macroeconomic shocks can affect consumption.
- Relentless competition by banks in various product segments like loan against shares, small business loans, housing finance and microfinance are key risks for the sector.

Insurance

Behind the scenes
- Decent premium growth.
- A shift in product mix towards Ulips led to a contraction in value of new business (VNB) margins.
- Low automobile sales impacted the performance of general insurance companies.
- Health insurance companies continue to see steady demand.

Winners
- PB Fintech and SBI Life reported the most year-on-year growth in net profits.
- PB Fintech reported an 88% year-on-year jump in net profits.
- Growth in new health and life insurance business helped PB Fintech.
- Decent growth in the net premium income helped SBI Life Insurance report a 71.2% jump in the bottom line.

Automobiles and ancillaries

What worked
- Festive season discounts in CVs.
- New launches.

The challenges
- Volume growth remained sluggish in the CV segment.
- The export volume growth was healthy for both two-wheelers and passenger vehicles amid a low base. However, the global demand outlook remains uncertain.

Winners
- Asahi Glass and Samvardhana Motherson International reported the most year-on-year jump in consolidated net profits.
- A significant jump in other income and reduction in interest costs helped Asahi to report 66.3% growth in PAT.
- Improved operational efficiency helped Samvardhana register 66.3% growth in net income.

Forecast
- Budget 2025's income tax cuts to improve demand.

Healthcare

What worked
- Better volumes, steady business in the US.
- Better product mix and lower raw material costs.
- Hospital segment reported healthy revenue growth due to improved occupancy, higher average revenue per occupied bed.

Winners
- GlaxoSmithKline Pharmaceuticals and Laurus Labs reported the most year-on-year jump in net profits.
- A PAT jump of 402.8% driven by strong traction across product portfolios.
- Strong performance of CDMO (Contract Development and Manufacturing Organisation — firms that offer services to pharma companies in drug development and testing), operating leverage gains, and higher other income drove Laurus Labs' bottom-line growth of 298.9%.

Forecast
- An ICICI Securities report states that the traction in India business is likely to be maintained, while new launches and better sales of Revlimid will support growth in the US market in 2025-26.

Oil & gas

Winners and losers
- HPCL and BPCL showed strong marketing margins.
- Indian Oil Corporation's performance suffered due to high inventory losses.

Behind the scenes
- Higher LPG losses continue to drag the performance of OMCs.
- The combined consolidated reported net profit of three oil marketing companies (OMC) was ₹8,464 crore in the December 2024 quarter, compared to ₹12,923 crore in the December 2023 quarter.
- Reliance Industries reported a 7% year-on-year increase in consolidated PAT due to the strong performance of its O2C (oil to chemicals), telecom and retail segments.
- Stronger refining and petrochemical cracks supported O2C.
- The tariff hike boosted Jio's performance.
- Growth in the grocery business and turnaround in the fashion & lifestyle business supported the retail segment.

Forecast
- A Prabhudas Lilladher report expects OMCs' refining margins to weaken amid a decline in Singapore GRM.
- Marketing margins on petrol/diesel to moderate.
- Under-recoveries on LPG likely to persist.

Consumer staples

Behind the scenes
- Marginal growth in volumes due to weak urban consumption.
- Increase in local competition and higher inflation.
- Rising agri-commodity costs and limited price hikes squeezed gross margins.

Winners
- Zydus Wellness and Adani Wilmar reported the most year-on-year jump in net profit growth.
- Steady growth in rural consumption in both food and non-food categories helped Zydus Wellness to report 2,033% jump in net profit growth.
- Strong edible oil sales drove Adani Wilmar's 104% bottom-line growth.

Forecast
- Budget 2025's income tax cuts to improve spending.

Information technology

Behind the scenes
- Improvement in revenue conversion.
- Modest increase in discretionary spending and AI deals.
- Good performance by healthcare and retail sectors, and sequential growth in the BFSI segment for some companies, helped the IT companies.

Winners
- HCL Technologies led the highest revenue growth of 3.8% quarter-over-quarter in constant currency (CC) terms, followed by LTIMindtree, Infosys and Wipro, with 1.1%, 0.9% and 0.1% growth, respectively.
- TCS reported a flat revenue growth on a sequential basis in CC terms.

Forecast
- An IDBI Capital report states that tailwinds will emerge in the future from an increase in fixed-price contracts and stronger offshore mix.
- Improving demand and green shoots in IT and AI spending present strong opportunities for the sector.

Metals

Behind the scenes
- The resumption of construction activities helped ferrous companies.
- Volume growth was offset by weakness in pricing amid higher imports.
- Non-ferrous companies reported a better performance, aided by better pricing and muted costs.

Winners
- JSW Steel and Tata Steel reported 70.3% and 36.3% decline in net profit growth on a year-on-year basis, respectively, due to lower steel prices.
- Hindustan Zinc (32% jump in PAT) and Vedanta (76.2% jump in PAT) reported the most year-on-year growth in net profit.
- Increased production and lower cost of production helped Hindustan Zinc.
- Improved performance of its zinc and aluminium segments helped Vedanta.

Forecast
- Analysts expect coking coal prices to decline in the March 2025 quarter.
- This will help margins of ferrous companies.
- US President Donald Trump's tariff pressure on global steel prices likely.
- For non-ferrous, a sharp drop in alumina prices in China in February 2025 could create margin pressures in the near term.

Cement

What worked
- Pick-up in construction activities.
- Improvement in rural demand.
- Increase in government spending.

Winners
- Ambuja Cements and Ramco Cements reported the most year-on-year jump in PAT.
- Improved volumes and higher other income helped Ambuja Cements to report 157% growth in net profit.
- A one-time gain from the sale of land boosted the net profit of Ramco Cements, which grew by 115%.

Forecast
- Industry consolidation, cost-saving measures and rising housing demand will drive the performance of cement companies.

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The victims of 'parentification'

Those who have been forced to play the role of parents as children often grow up with flawed notions of financial responsibility as adults, and end up sacrificing their own interests for others, says **Uma Shashikant**.

UMA SHASHIKANT
IS CHAIRPERSON,
CENTRE FOR INVESTMENT
EDUCATION AND LEARNING

Some of them suffer from the 'saviour syndrome', where they plunge into others' problems and take charge at the slightest hint of need. They revel at making things happen for others, while neglecting themselves. They suffer from low self-esteem and are not aware of it. They also can be hyper-independent, shunning help and standing up to demonstrate that they are strong enough to get things done.

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He was talking to me animatedly about the problems his sister was dealing with. The sister was in debt, arising evidently from irresponsible spending by her son. The brother had come to know about the problem only recently and felt compelled to bail them out. He was 70, the sister was 60, and the defaulting nephew was 35 years old. "Being the older brother, how can I let my sister suffer?" he asked. We identify such misplaced sense of responsibility as 'parentification'.

A parentified child has been forced to behave like an adult, playing the role of a parent when he is not emotionally or physically ready to do so. Elder brothers, who are forced to act like fathers to the family; elder sisters, who are mothers to their younger siblings; sons and daughters, who work too early to support their parents; and children, who bear the brunt of the emotional burden suffered by their parents and forced to step up to support, are all sufferers of the emotional trauma of parentification. They struggle in adulthood too.

Unfortunately, many of our rituals and cultural norms support this behaviour. The patriarchal society has long imposed the burden of child care, housekeeping, cooking and cleaning on young girls, who had to care for their brothers and men of the house as if they were the mothers. The rituals imposed by years of war and unfair division of property imposed on men the need to care for their sisters and women of the household, even when they weren't old enough or mentally ready.

These parentified men and women grow up into elderly adults, with broken and faulty notions about life, responsibility, money and care. Studies have shown that parentified adults are unable to draw personal boundaries and tend to overextend themselves in their sense of responsibility for others. They are unable to care for themselves, while nursing the guilt that they haven't done enough for others.

Some of them suffer from the 'saviour syndrome', where they plunge into others' problems and take charge at the slightest hint of need. They revel at making things happen for others, while neglecting themselves. They suffer from low self-esteem and are not aware of it. They also can be hyper-independent, shunning help and standing up to demonstrate that they are strong enough to get things done. They turn out to be poor delegators and managers, who end up doing their team's work too.

These deficiencies can also manifest in their personal financial behaviours. Parentified adults tend to overcompensate when it comes to their children. There are enough stories of parents who dip into their retirement savings to educate their children at international schools and colleges; parents who see themselves as caregivers not just for their children, but their grandchildren as well, even if it entails personal sacrifice of time, money and effort; parents whose financial goals are all about doing things for others; and parents who confess that they do not know how to spend.

Scarcity mentality is a scar from parentified childhood, when fear about running out of money dominates. Many suffer from the inability to spend even if they have enough assets and wealth. Oversharing with everyone else around them leads to poor allocation of their resources. They believe that the only way to live is to care for others, and that the best way to care is to solve others' problems, pitching in with money, effort and time, mostly overworking themselves in the process.

How can we help? Therapy is a good choice, even if it is mostly refused. To be able to understand why one behaves the way one does offers clarity and understanding. It is comforting to know what might be the source of one's motivations and behaviours.

What are the financial choices? First, identify that there is a problem of not putting oneself first. Close friends, spouse, other siblings, or close colleagues may be able to identify the patterns and have a conversation or introspection about suffering too long as a parentified adult. Help identify what might be real needs, desires and aspirations of the parentified adult. Allocate resources to make things happen gradually.

Second, actively prevent the parentified adult from throwing money at others' problems. Enabling behaviours hurt the giver and the taker. If the brother at the start of this story bails his sister, he would lose his money and abet the wayward behaviour of his nephew. It is a lose-lose proposition. Help the enabler to see that they are assuming caregiving, empathy and generosity, while in reality, they harm themselves and those they seek to help.

Third, make sure the parentified adult is able to experience the joy of their wealth for themselves. Arrange a leisurely holiday, a set of meaningful gifts, a special outing and experience that makes them relax, so they are able to see life differently. They will find it difficult to focus on themselves and shun simple pleasures as selfish behaviours. Let them taste the fruit of their wealth, without judgement. They may begin to change.

Fourth, look for signs of perpetuating the parentification cycle. Research shows that parentified adults behave completely differently as parents, mostly subconsciously. However, there can be exceptions, especially with respect to emotional parentification, where they subject their children to the burdens of their emotional trauma. Counsel them to break the chain and set their children free to manage their own lives.

Fifth, review the asset allocation of parentified adults to identify concentration in assets that are unutilised; assets that are hoarded; assets that are secretly held; assets that are earmarked to be given away; and assets that are only meant to be passed on. Enable a revision of asset allocation that equitably divides the assets such that the allocation aligns with their needs.

Parentified adults are martyrs who are not even aware of their sacrifices and the underlying subconscious that places them last in their own pecking order of priority. They may be in your household or around you, and they may need help.

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"Tax savings no longer driving middle class to buy life insurance"

While tax changes may influence short-term behaviour, Indians know they must rely on their savings for the future and will not stop saving, HDFC Life's Vibha Padalkar tells **Yasmin Hussain**.

Vibha Padalkar
MD & CEO,
HDFC Life Insurance

Due to the recent tax changes, is it a challenge to keep life insurance attractive?
This isn't really a challenge for us. We have recorded 24% growth in the first nine months. There is more wealth in people's hands and their decisions aren't solely tax-driven. They have broader financial goals, especially in volatile markets. Many seek a safe haven for a portion of their savings and long-term insurance offers this security. They are also becoming aware of the reinvestment risk. Moreover, Section 80C is crowded with various investment options like the PF, equity mutual funds and savings schemes. Our research shows that tax saving as a motive for buying life insurance has declined among our middle-class customers, dropping from third to seventh place as the top reason for doing so.

Is the new tax regime going to stop people from saving?
No, not at all. Events like Covid have reinforced the importance of savings and insurance. While changes in tax benefits might influence short-term behaviour, I don't believe people will stop saving altogether. Our research challenges the stereotype that millennials are irresponsible with money. As they approach their 30s, many become more mindful of financial planning, balancing investments rather than putting everything in equities or neglecting savings entirely. People in their mid-40s and above will continue to save as it's ingrained in them. Unlike in the West, where government-backed social security provides a safety net, Indians know they must rely on their own savings for the future. This fundamental mindset won't change easily.

How is HDFC Life's pension product, SAGA, different from the NPS? Why should one invest in it when the NPS is more cost-effective?
Retirement planning is necessary, especially in the absence of social security. The process involves two phases—accumulation and annuity. There are multiple avenues that can be considered. NPS is the most cost-effective retirement accumulation tool globally, offering a low-cost route with benefits passed on directly to the customer.

HDFC Life SAGA is unique in the manner it provides the option for both accumulation and guaranteed annuity rate lock-in at inception. So, you can lock in annuity rates today while the income commences in 2065. Going by long-term trends, interest rates usually go lower. With increasing longevity, it is crucial to lock in life-long income today for post-retirement needs. SAGA helps provision exactly for your expenses given that both lump-sum accumulation and life-long income are guaranteed.

Will the current market volatility push people towards insurance products?
I think so. There is an inverse correlation between equity markets and traditional insurance products. We saw this during the global meltdown and, again, when tech startups, which listed three years ago with high expectations, fell considerably from their listing price. This cycle keeps repeating because people often fail to learn proper asset allocation. Instead of going for just one option, it's better to diversify. I wouldn't advise putting everything in traditional products. If someone has a risk appetite, they should invest in the market keeping a long-term horizon in mind.

Is it better to invest separately in a term plan and mutual fund than in Ulip/TULIP?
Absolutely not. While it makes sense for some people with good financial knowledge, most individuals aren't as financially savvy and many end up doing nothing at all. It's a classic case of financial procrastination. People opt for multiple financial instruments because they categorise their funds into needs, wants and discretionary spending. While investing in insurance, they mentally commit to the long term and are less likely to withdraw the funds impulsively for other expenses like a vacation. Term insurance faces similar issues. Many intend to buy it, but delay the process; some hesitate due to medical tests or superstition; and others simply put it off. Even when we offer home visits for medical check-ups, we struggle to get customers to schedule them. This procrastination can have serious consequences.

> Our research challenges the stereotype that millennials are irresponsible with money.

Many insurers claim to provide covers with no medical tests. Is it advisable to opt for such policies?
An insurer can approach underwriting in two ways. At HDFC Life, we prefer to be thorough at the entry stage, asking for all the necessary details upfront. This ensures that claims are not denied later. The other approach is to allow easy entry and scrutinise claims later, making payouts difficult. If your entry is easy, then your exit is very difficult. Our claim settlement ratio was around 99.5% for 2023-24 and we approve claims if there's even the slightest doubt in favour of the policyholder. We only reject cases of clear and blatant misrepresentation.

How does HDFC Life address the issue of mis-selling?
While mis-selling is a concern in the life insurance industry, complaints account for less than 0.5% of our total business. That said, even a small percentage matters. We take extra precautions with vulnerable segments, such as individuals with annual incomes below ₹5 lakh and senior citizens. Since verbal explanations alone may not always suffice, we are expanding communication to at least 10 local languages. We conduct 100% verification calls; not from the sales team, but from our back-end team, where we simplify key policy details.

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Avoid portfolio changes during market volatility

Arijit Verma, 50, has built a diverse investment portfolio, including property, jewellery, deposits and equities, to secure his family's financial future. His equity investments are meant for his retirement, which is 15 years away, but market volatility has shaken his confidence. He wants to know if he should stay invested in equities or shift to more stable assets like debt funds and real estate.

Long-term investors like Arijit Verma must stay calm during market volatility. Drastic portfolio changes could impact his wealth as timing exits and re-entries is challenging. He invested with a clear plan, understanding equity risks and long-term rewards. Equities remain his best bet to meet retirement goals. Exiting now out of panic could cost him in three ways: missing opportunities to buy at lower prices, being absent during market recoveries, and reinvesting at lower returns.

A better approach for Verma would be to pause fresh investments in equity rather than exiting altogether. For instance, if his portfolio had 50% allocated to equities, as the market declines, his equity exposure will naturally reduce, while the funds he redirects into debt instruments will help rebalance his portfolio, reducing equity exposure below 50%. The downside to this strategy is missing the opportunity to buy at lower prices, a difficult, but crucial, call for investors. Staying invested during a falling market is often the hardest decision, especially when portfolio values continue to drop, testing an investor's patience and confidence.

Equity markets are subject to cycles of volatility. The market volatility is a reminder for Verma to review his investments regularly and ensure he has a well-diversified portfolio. It may be natural to react emotionally, but by working to a plan, he can make volatility work favourably for him.

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

SMART THINGS TO KNOW

Company fixed deposits

1 CFDs are usually issued by NBFCs, housing companies and financial institutions, though some manufacturing companies also raise deposits from the public.

2 CFDs are unsecured borrowings of a company and there is no recourse against the assets of the company in case of a default.

3 CFDs offer interest rates higher than bank deposits, since they carry default risk.

4 CFDs have to be compulsorily credit-rated. The higher the interest rate offered, the lower the credit rating, and the higher the default risk.

5 Interest on CFDs may be paid monthly, quarterly, half-yearly or annually. Interest may also be reinvested and paid out with the principal on maturity.

PAPER WORK

Loan against MF investments

A loan against mutual funds is an effective way for investors to access liquidity without redeeming their investments. This facility allows individuals to pledge their mutual fund holdings as collateral to secure a loan from banks or financial institutions. This is ideal for short-term liquidity needs.

Check eligibility

Investors should check with banks and NBFCs that offer loans against mutual funds because all schemes are not eligible for pledging. Lenders generally prefer large-cap equity funds, debt funds, or liquid funds due to their lower volatility.

Loan application

The application process can be completed online or at a branch office. The investor must submit a loan application form, along with the details of the mutual fund holdings. Some lenders offer this facility through a digital platform integrated with registrar and transfer agents (RTAs), like CAMS and KFintech.

Pledging of units

The borrower must pledge mutual funds by creating a lien in favour of the lender by submitting a lien request to the respective mutual fund house or depository (in case of demat holdings). The lender then gains control over the pledged units as security for the loan.

Disbursement

Upon successful verification, the lender sanctions the loan amount based on a loan to value (LTV) ratio, typically 50-70% of the NAV for equity funds and up to 80% for debt funds. The funds are then disbursed to the borrower's account.

Points to note

- Interest rates on such loans are lower than those in personal loans, but vary according to the lender and fund type.
- If the mutual fund NAV falls, the lender may request additional collateral or partial loan repayment.

STATE SECRETS

Dadra & Nagar Haveli, Daman & Diu

If, instead of foreign holidays, you prefer to travel within India, here's a series to help you plan the best vacations in each of the 28 states and 8 Union Territories. We highlight tourist attractions, culinary choices, modes of travel, and the costs involved. In the 29th part of the series, **Riju Mehta** takes you to the Union Territory of Dadra and Nagar Haveli, and Daman & Diu.


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CAPITAL **SILVASSA**

BEST TIME TO VISIT **OCTOBER-MARCH**

The union territories of Dadra and Nagar Haveli, and Daman and Diu were merged in 2020, forming one of the most picturesque areas nestled between Maharashtra and Gujarat. With beautiful beaches, caves, varied wildlife, sumptuous cuisine, and colonial architecture reflecting Portuguese influence, it's a destination worth exploring. For now, there is only one airport in Diu and you will need to travel to Mumbai or Surat to reach here.

HOW TO REACH FROM DELHI...

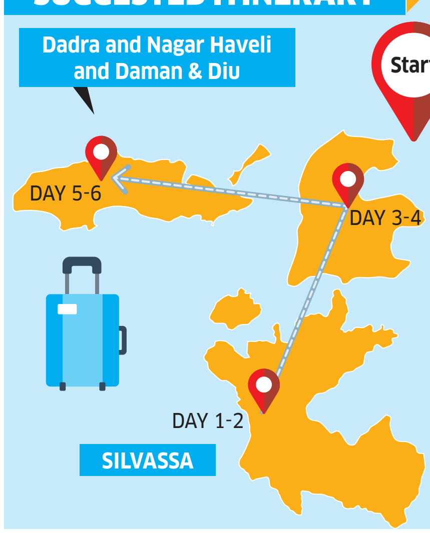
The fastest way to reach Silvassa is by flight and taxi. Since there is no direct flight from Delhi, you can fly to either of the two closest airports, Surat or Mumbai, from where you can take a cab to Silvassa. The cheapest option is to take a train to Vapi, about 18 km from Silvassa, which can take anywhere from 14-24 hours. The sleeper class fare starts from ₹495 and Class 2A fares start from ₹2,100 on Ixigo.

Cost by air+taxi
₹4,990 (Delhi-Mumbai flight, 2 hrs 10 mts) + **₹2,000-4,000** (Mumbai-Silvassa cab, 4 hrs); **₹4,994** (Delhi-Surat flight, 1 hr 50 mts) + **₹2,000-3,000** (Surat-Silvassa cab, 3 hrs)

Cost by train
₹2,150 (Delhi-Vapi Class 2A, 16 hrs, 9 mts).

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

SUGGESTED ITINERARY



DAYS 1-2: SILVASSA
Arrive in the capital city located on the Damanganga river. Over two days, visit the Vanganga garden, Island garden, Tribal Cultural Museum, Shri Swaminarayan temple, Our Lady of Piety Church, the Damanganga river front, Khanvel and Dudhni lake. Don't forget to shop for handicrafts and sample the local cuisine.

DAYS 3-4: DAMAN
Arrive in Daman in an hour or so and check out the various beaches, forts and churches, a reminder of the Portuguese colonial past. Visit the Jampore and Devka beaches, among others, as well as the Moti Daman and St. Jerome forts. Other places to visit are the Mirasol lake garden, Jain temple, Somnath Mahadev temple, and Church of Bom Jesus.

DAYS 5-6: DIU
It's about 12 hours by train and taxi, or 16 hours by bus. You could also drive to Surat and fly to Diu in around 4-5 hours. Visit the pristine beaches, starting with Nagoa and Ghoghla. Also check the Diu fort and Naida caves, and don't miss the beautiful churches.

DAY 7: Fly to Mumbai or Surat, then to Delhi.

WHERE TO STAY...

You are likely to get cheaper stay options in Dadra and Nagar Haveli, compared to Daman and Diu. While 3-star hotels are available upwards of ₹2,000 in the former, the latter may start from ₹3,000 onwards. Besides hotels, there are resorts, villas, guest houses and hostels that are available. You can also check out the government guest houses at *https://ddd.gov.in/where-to-stay/*.

COST: ₹18,000 for 6 nights

WHAT TO EAT...

Culinary influences from Gujarat, Goa, Daman and local tribes have filtered into the UT's cuisine over the years. Some of the popular dishes include chicken xacuti (Daman spicy chicken curry with Goan spices); butter-garlic tiger prawns; jetty roll (type of *kathi roll*); *khatta meetha bhaat* (sweet-sour rice); *undhiyu* (mix of vegetables, beans, yams, herbs); Gujarati dishes like *khakra*, *kadhi* and *dhokla*; and various other types of seafood, including lobsters, crab and fish.

COST: ₹600-1,500
per person, per day

WHAT TO DO...

BEACHES
Jampore, Devka, Moti Daman (*Daman*); Nagoa, Ghoghla, Chakratirth, Jallandhar, Gomtimala (*Diu*).

WILDLIFE SANCTUARIES
Dadra and Nagar Haveli wildlife sanctuary, which includes the Satmalia deer park and Vasona lion safari (*Silvassa*); Fudam bird sanctuary (*Diu*).

FORTS
Diu fort, Fort of St. Anthony of Simar (*Diu*); Moti Daman fort, St. Jerome fort (*Daman*).

CHURCHES
Church of Bom Jesus, Dominican Monastery, Church of Our Lady of the Sea (*Daman*); Our Lady of Piety Church (*Silvassa*); St. Paul's Church, Chapel of Our Lady of Rosary (*Diu*).

GETTY IMAGES

52% ready to quit if jobs are inflexible

Traditional motivators like salary are taking a backseat, as per a Randstad India study.

by **Brinda Sarkar**

The Indian workforce is reshaping workplace priorities, with 52% willing to leave jobs that do not offer flexibility, according to Randstad India's Workmonitor 2025 survey.

The survey also reveals that 60% would leave a job if they did not have a good rapport with their manager. These findings echo global trends on the changing workplace dynamics where talent is demanding more adaptive, inclusive, and future-ready workplaces.

The Randstad Workmonitor survey, now in its 22nd year, highlights how India's talent landscape is evolving in response to the rise of technology, shifting societal values, and a growing emphasis on purpose-driven work.

This year's survey reveals a slight uptick in active job seekers, rising from 57% to 59%. However, there has been a transformative shift in talent priorities in India. Traditional motivators like salary are taking a backseat as factors such as workplace flexibility, a sense of belonging, and opportunities for learning and development (L&D) gain prominence.

The survey indicates that employees are increasingly prioritising work that resonates with their personal values and life goals, moving beyond just financial incentives. Factors like job security, mental health support, and work-life balance now hold more significance. In fact, pay has dropped to the fourth spot in importance, reflecting a shift toward a more holistic view of employment.

About 69% of Indian workers prioritise a sense of belonging, signalling a shift towards a more inclusive work culture, compared to 55% globally. Also, 67% of employees would quit if their job did not offer learning and development (L&D) opportunities, compared to 41% globally. Further, 43% of Indian employees consider AI training to be the most sought-after L&D opportunity compared to 23% globally.

"The generational divide in Indian workplace expectations is narrowing, and the data is clear — flexibility is no longer a benefit; it's a baseline expectation across all age groups. Whether it's Gen Z entering the workforce, millennials balancing career growth with personal commitments, or Gen X in leadership roles, everyone values the ability to work on their own terms. This shift signals a fundamental change for organisations. Flexibility must be embedded into work design, not treated as a perk," said Viswanath PS, MD and CEO, Randstad India.

"Equally, the demand for continuous learning highlights that talent isn't just looking for jobs; they are looking for careers. Employers must recognise this shift and adapt their strategies to meet the evolving expectations of talent. Those who fail to do so risk losing top talent to organisations offering more progressive, personalised work experiences that empower talent to grow, contribute, and thrive in a rapidly changing world of work," he added.

The demand for flexible working hours is significantly higher across all generations in India, compared to global averages, due to unique socio-economic and workplace dynamics. Gen Z (62% vs 45% globally) received flexible working hours as they enter a digital-first job market where long commutes, cultural expectations around family involvement, and high job competition make work-life balance essential. Value alignment, particularly around social and environmental issues, is crucial, with 70% of employees stating they would not work for an organisation that doesn't align with their values.

Flexibility continues to be a key decision-making factor, especially in India, where 60% of employees would reject a job without flexible working hours, and 56% would decline roles lacking flexibility in work location. Besides, 73% indicated they would trust employers more if personalised work benefits, such as flexible hours and locations, were offered.

As technology reshapes industries, Indian talent prioritises upskilling. As many as 67% (vs 41% globally) would quit over inadequate L&D, and women prioritise this more (70% vs. 64% men). AI dominates skilling goals (43% seek AI training (vs 23% globally), led by Gen X (46%). It's followed by IT literacy (12%) and programming/coding (6%) as most sought-after L&D opportunities.

Please send your feedback to etwealth@timesofindia.com

2 in 5 homemakers buying term insurance

In health insurance, women proposers have gone up from 15% to 22% since 2022-23, claims a study by Policybazaar.

TERM INSURANCE

Salaried women top buyers of term plans

49% Salaried
39% Homemakers
12% Self-employed

Most buyers in 31-40 year age group

41% 18-30 years
48% 31-40 years
10% 41-50 years

1 in 2 buy ₹50-99 lakh plans

6% <₹50 lakh
49% ₹50-99 lakh
34% ₹1-1.99 crore
10% ≥₹2 crore

HEALTH INSURANCE

Health coverage rising in tier 2 cities

46% Tier 1
34% Tier 2
20% Tier 3

70-75% Percentage of women opting for sum insured of over **₹10 lakh.**

22% Percentage of women as proposers of health plans has risen in 2024-25 from **15%** in 2022-23.

INVESTMENTS

18% of total Ulip investments are by women as of February 2025, with women aged **31-45** years accounting for over **50%** of investments in Ulips and other market-linked insurance products.

1/3rd of women's investments go towards retirement and children's future.

Graphic: Mehar Gusain

Source: Policybazaar. The online study was conducted among 65,000 women across India, over three years. All figures don't add up to 100%.

SMART STATS

ET WEALTH TOP 50 STOCKS

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

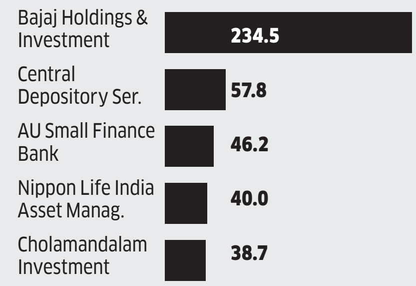
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	PEG (5-year)	Div Yield (%)	No. of funds	Value Research Stock Rating
Kotak Mahindra Bank	1	2	1,922	21	29	17.0	2.5	1.2	0.1	148	★★★★★
Can Fin Homes	2	1	606	13	18	9.7	1.6	0.6	1.0	29	★★★★★
AU Small Finance Bank	3	3	553	46	14	20.9	2.5	0.6	0.2	41	★★★★★
National Aluminium Company	4	4	193	14	182	8.4	2.1	0.1	1.6	37	★★★★★
Indus Towers	5	5	330	5	82	8.7	2.7	0.4	0.0	85	★★★★★
Aavas Financiers	6	7	1,706	18	19	24.0	3.2	1.2	0.0	34	★★★★★
Sharda Motor Industries	7	10	1,555	0	20	13.9	4.6	0.4	0.6	11	★★★★★
Bajaj Finance	8	9	8,411	29	14	32.6	5.7	1.4	0.4	154	★★★★★
ICICI Bank	9	8	1,218	19	15	17.5	3.0	0.9	0.8	294	★★★★★
Aadhar Housing Finance	10	11	401	21	18	19.9	2.8	0.9	0.0	33	★★★★★
Karur Vysya Bank	11	13	204	20	26	8.7	1.4	0.7	1.2	59	★★★★★
The Great Eastern Shipping Co.	12	14	873	7	19	4.3	0.9	0.1	4.2	20	★★★★★
NIIT Learning Systems	13	6	430	5	9	25.2	5.1	2.4	1.2	13	★★★★★
Hero MotoCorp	14	18	3,649	11	15	17.6	3.6	4.0	3.8	99	★★★★
Aditya Birla Sun Life AMC	15	21	617	26	29	19.6	5.1	1.8	2.2	24	★★★★★
Maruti Suzuki India	16	23	11,666	11	19	25.2	3.9	1.3	1.1	181	★★★★★
Nippon Life India Asset Man.	17	16	536	40	37	25.5	7.8	1.4	3.1	48	★★★★★
City Union Bank	18	17	157	11	11	10.6	1.3	1.7	1.0	33	★★★★★
Nesco	19	19	916	13	14	16.4	2.5	1.5	0.7	6	★★★★★
Computer Age Management Ser.	20	27	3,303	28	41	35.5	14.1	1.4	1.4	64	★★★★★
Ashoka Buildcon	21	24	185	13	614	3.4	1.5	0.0	0.0	9	★★★★★
Gulf Oil Lubricants India	22	15	1,222	8	25	17.0	4.1	1.5	2.9	17	★★★★★
HDFC Bank	23	22	1,691	31	2	18.6	2.6	0.9	1.2	291	★★★★★
IndiaMART InterMESH	24	26	2,011	17	63	25.6	6.0	0.9	1.0	27	★★★★
Bajaj Holdings & Investment	25	20	11,362	234	27	16.9	2.1	0.5	1.2	17	★★★★★
DCB Bank	26	28	107	21	13	5.7	0.6	0.5	1.2	14	★★★★★
HCL Technologies	27	32	1,585	7	9	25.2	5.9	2.4	3.3	124	★★★★★
State Bank of India	28	12	732	15	24	8.2	1.4	0.7	1.9	223	★★★★
Indian Energy Exchange	29	34	163	19	21	35.6	12.7	1.8	1.5	30	★★★★★
Cholamandalam Investment	30	25	1,459	39	25	30.3	5.5	1.2	0.1	117	★★★★★
Oberoi Realty	31	31	1,565	32	59	22.0	3.7	0.6	0.5	55	★★★★★
Repco Home Finance	32	33	326	12	19	4.5	0.6	0.6	0.9	11	★★★★★
Infosys	33	36	1,716	4	13	25.7	7.3	2.3	2.7	245	★★★★★
Chambal Fertilisers and Chem.	34	35	577	-11	32	14.2	2.6	3.2	1.3	7	★★★★★
KPIT Technologies	35	37	1,327	23	40	47.9	13.5	1.3	0.5	58	★★★★
LG Balakrishnan & Bros	36	41	1,236	11	10	13.9	2.1	0.5	1.4	7	★★★★★
Zydus Lifesciences	37	39	907	17	53	20.1	4.0	0.8	0.3	52	★★★★
REC	38	38	413	19	19	7.0	1.4	0.5	3.9	98	★★★★
CMS Info Systems	39	40	450	14	4	20.2	3.4	1.0	1.3	26	★★★★★
Central Depository Services	40	45	1,176	58	57	44.2	12.3	1.1	0.9	35	★★★★★
LIC Housing Finance	41	44	530	4	6	5.7	0.8	0.5	1.7	46	★★★★★
HDFC Asset Management Co.	42	30	3,842	35	33	34.7	11.0	2.7	1.8	63	★★★★
Swaraj Engines	43	43	3,066	11	13	23.6	9.8	1.3	3.1	6	★★★★★
Heritage Foods	44	46	393	10	127	19.1	3.9	0.9	0.6	5	★★★★★
Welspun Corp.	45	49	783	-14	37	13.8	3.3	0.5	0.6	22	★★★★★
Eicher Motors	46	48	5,094	11	16	31.4	7.0	1.9	1.0	77	★★★★★
Muthoot Finance	47	51	2,177	32	19	17.6	3.1	1.2	1.1	75	★★★★★
Mastek	48	52	2,389	12	37	19.0	3.1	0.7	0.8	8	★★★★
Gland Pharma	49	73	1,630	13	40	38.0	3.0	7.8	1.2	50	★★★★
Sun Pharmaceutical Industries	50	54	1,614	9	28	33.9	5.4	1.3	0.8	200	★★★★

*REVENUE AND EPS FIGURES BASED ON ONE-YEAR GROWTH. DATA AS ON 6 MAR 2025

SOURCE: VALUE RESEARCH

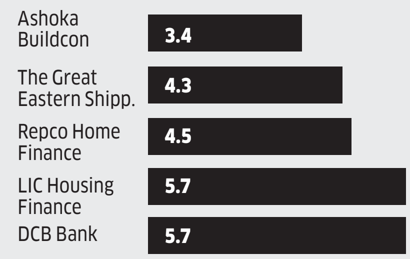
1 Fast growing stocks

Top 5 stocks with the highest revenue (1-year) growth (%)



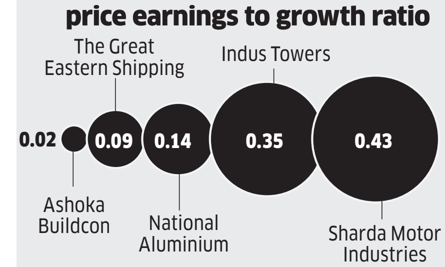
2 Least expensive stocks

Top 5 stocks with the lowest price to earnings ratio



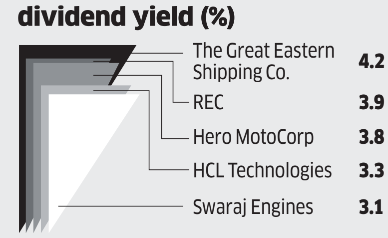
3 Best PEGs

Top 5 stocks with the least price earnings to growth ratio



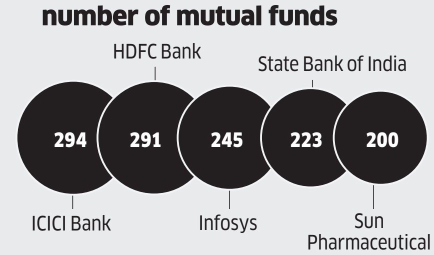
4 Income generators

Top 5 stocks with the highest dividend yield (%)



5 Most widely held

Top 5 stocks held by most number of mutual funds



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

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

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

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio (%)
EQUITY: LARGE CAP								
Nippon India Large Cap Fund	★★★★★	35,667.30	-11.42	-11.57	1.89	19.36	19.43	1.58
ICICI Prudential Bluechip Fund	★★★★★	63,296.96	-9.75	-11.28	1.74	16.53	18.78	1.46
HDFC Large Cap Fund	★★★★	35,672.64	-9.93	-12.13	-0.58	16.35	18.01	1.63
Quant Focused Fund	★★★★★	1,063.56	-13.77	-19.61	-9.80	15.89	20.21	2.22
DSP Nifty 50 Equal Weight Index Fund - Regular Plan	★★★★	1,945.75	-8.24	-13.54	-0.59	15.34	19.69	0.92
Kotak Nifty Next 50 Index Fund - Regular Plan	★★★★	423.16	-17.85	-21.20	-0.91	15.14	–	0.58
Baroda BNP Paribas Large Cap Fund	★★★★	2,347.68	-12.07	-14.17	0.33	15.05	16.06	2.01
JM Large Cap Fund	★★★★★	490.70	-15.35	-17.80	-6.53	14.46	15.55	2.37
Sundaram Nifty 100 Equal Weight Fund	★★★★	96.35	-12.12	-16.76	-1.90	14.33	18.03	1.08
Edelweiss Large Cap Fund - Regular Plan	★★★★	1,108.38	-10.86	-13.39	0.28	14.00	15.52	2.18
Canara Robeco Bluechip Equity Fund - Regular Plan	★★★★	14,579.48	-10.39	-10.24	4.91	13.57	15.92	1.68
Invesco India Largecap Fund	★★★★	1,301.33	-14.31	-14.25	2.20	13.32	15.51	2.10
EQUITY: LARGE & MIDCAP								
Bandhan Core Equity Fund - Regular Plan	★★★★★	7,574.37	-12.74	-15.28	5.50	22.27	21.26	1.78
Motilal Oswal Large and Midcap Fund - Regular Plan	★★★★★	8,446.92	-20.80	-15.85	8.57	22.24	20.42	1.75
ICICI Prudential Large & Mid Cap Fund	★★★★	18,624.12	-7.55	-11.41	6.90	21.48	23.19	1.70
UTI Large & Mid Cap Fund - Regular Plan	★★★★	4,046.69	-12.70	-14.73	7.41	20.22	22.42	1.91
HDFC Large and Mid Cap Fund - Regular Plan	★★★★	23,139.67	-12.79	-15.28	1.47	19.79	22.57	1.68
Kotak Equity Opportunities Fund - Regular Plan	★★★★	24,533.81	-14.16	-14.39	3.27	17.67	18.73	1.63
SBI Large & Midcap Fund	★★★★	28,677.29	-10.37	-10.91	5.82	16.82	19.28	1.62
EQUITY: FLEXI CAP								
HDFC Focused 30 Fund	★★★★★	15,687.54	-7.94	-6.93	9.97	23.77	24.01	1.68
JM Flexicap Fund	★★★★★	5,254.65	-17.41	-18.87	0.80	22.67	20.86	1.82
HDFC Flexi Cap Fund	★★★★★	65,966.82	-8.50	-7.80	8.70	22.65	23.62	1.43
ICICI Prudential Focused Equity Fund	★★★★	10,064.52	-10.72	-12.68	7.46	19.80	23.15	1.75
ICICI Prudential Retirement Fund - Pure Equity Plan	★★★★	1,060.05	-12.82	-12.48	2.37	19.25	22.50	2.17
Mahindra Manulife Focused Fund - Regular Plan	★★★★	1,883.51	-10.74	-14.03	1.02	19.15	–	2.02
HDFC Retirement Savings Fund Equity Plan	★★★★★	5,897.09	-11.26	-12.99	2.28	18.60	22.16	1.80
Parag Parikh Flexi Cap Fund - Regular Plan	★★★★★	89,703.46	-5.42	-3.23	10.44	18.20	23.86	1.33
Franklin India Flexi Cap Fund	★★★★	17,202.58	-12.25	-12.40	3.05	17.63	21.15	1.74
Bank of India Flexi Cap Fund - Regular Plan	★★★★	1,991.04	-19.50	-19.35	-2.08	17.13	–	1.99
HSBC Flexi Cap Fund	★★★★	4,680.33	-17.47	-16.22	0.67	16.44	17.39	1.96
Franklin India Focused Equity Fund	★★★★	11,553.45	-12.10	-13.41	1.66	16.18	19.62	1.80
360 ONE Focused Equity Fund - Regular Plan	★★★★	6,885.21	-11.03	-14.21	2.31	15.28	18.13	1.76
SBI Retirement Benefit Fund - Aggressive Plan	★★★★	2,672.92	-13.30	-14.97	-0.12	13.74	–	1.96
Union Flexi Cap Fund	★★★★	2,160.03	-13.77	-13.72	-2.82	12.83	17.22	2.10
EQUITY: MID CAP								
Motilal Oswal Midcap Fund - Regular Plan	★★★★★	24,488.00	-18.36	-11.89	18.46	29.53	27.07	1.61
HDFC Mid-Cap Opportunities Fund	★★★★★	73,510.09	-13.42	-13.34	4.96	24.96	25.39	1.42
Nippon India Growth Fund	★★★★	33,033.09	-15.65	-15.36	7.79	22.91	24.58	1.61
Edelweiss Mid Cap Fund - Regular Plan	★★★★	8,268.27	-16.50	-14.63	10.75	22.49	25.32	1.74
Quant Mid Cap Fund	★★★★	8,608.01	-15.52	-21.31	-10.87	19.90	28.03	1.79
Kotak Emerging Equity Fund - Regular Plan	★★★★	49,091.55	-17.11	-16.44	8.75	19.07	22.42	1.47
SBI Magnum Midcap Fund	★★★★	21,177.20	-11.75	-13.61	5.39	17.63	23.69	1.68
EQUITY: SMALL CAP								
Nippon India Small Cap Fund	★★★★★	57,009.70	-20.29	-20.83	0.00	22.17	29.96	1.49
Quant Small Cap Fund	★★★★★	25,183.45	-19.45	-22.09	-8.02	21.34	39.95	1.65
Tata Small Cap Fund - Regular Plan	★★★★	8,883.39	-19.69	-19.43	5.09	20.97	26.96	1.73
Bank of India Small Cap Fund - Regular Plan	★★★★	1,555.78	-22.86	-21.59	2.19	16.87	27.44	2.04
EQUITY: VALUE ORIENTED								
SBI Contra Fund	★★★★★	41,634.25	-11.18	-13.34	1.37	22.30	28.71	1.54
JM Value Fund	★★★★	1,027.07	-17.83	-22.84	-3.25	21.45	21.30	2.26
ICICI Prudential Value Discovery Fund	★★★★★	48,400.30	-8.45	-10.89	4.89	20.03	25.68	1.56
HSBC Value Fund	★★★★	12,848.97	-16.89	-16.19	-0.84	19.81	21.96	1.75
EQUITY: ELSS								
SBI Long Term Equity Fund - Regular Plan	★★★★★	27,305.51	-10.66	-11.93	4.97	24.38	23.62	1.60
HDFC ELSS Tax Saver Fund	★★★★	15,413.45	-9.14	-10.01	6.12	21.93	21.51	1.67
Motilal Oswal ELSS Tax Saver Fund - Regular Plan	★★★★★	3,876.23	-23.40	-18.77	6.00	21.06	18.07	1.87
DSP ELSS Tax Saver Fund	★★★★	15,985.06	-11.40	-12.88	7.50	18.18	20.27	1.65

19.36% THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

23.77% THE 3-YEAR RETURN OF HDFC FOCUSED 30 FUND IS THE HIGHEST IN ITS CATEGORY.

29.53% THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

22.30% THE 3-YEAR RETURN OF SBI CONTRA FUND IS THE HIGHEST IN ITS CATEGORY.

LAGGARDS & LEADERS

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

Equity: Large cap 5-year returns

LAGGARDS		LEADERS	
Axis Bluechip Fund	11.32	BHARAT 22 ETF	26.91
Groww Large Cap Fund	12.08	ICICI Prudential BHARAT 22 FOF	26.54
PGIM India Large Cap Fund	12.26	SBI BSE Sensex Next 50 ETF	20.79
Nippon India ETF Nifty 50 Shariah BeES	13.13	UTI BSE Sensex Next 50 ETF	20.74
LIC MF Large Cap Fund	13.34	Nippon India ETF BSE Sensex Next 50	20.5

Equity: Flexi cap 5-year returns

LAGGARDS		LEADERS	
Motilal Oswal Focused Fund	9.12	Quant Flexi Cap Fund	28.98
Axis Focused Fund	9.42	HDFC Focused 30 Fund	24.01
ABSL Bal Bhavishya Yojna	10.32	Parag Parikh Flexi Cap Fund	23.86
LIC MF Children's Fund	10.52	HDFC Flexi Cap Fund	23.62
ABSL Retirement Fund - The 30s Plan	10.75	ICICI Prudential Focused Equity Fund	23.15

Equity: Mid cap 3-year returns

LAGGARDS		LEADERS	
DSP Nifty Midcap 150 Quality	10.93	Motilal Oswal Midcap Fund	29.53
PGIM India Midcap Opp. Fund	12.13	HDFC Mid-Cap Opportunities Fund	24.96
UTI Mid Cap Fund	14.67	Kotak Nifty Midcap 50 ETF	23.07
DSP Midcap Fund	14.95	Nippon India Growth Fund	22.91
Axis Midcap Fund	15.4	Edelweiss Mid Cap Fund	22.49

Equity: Small cap 3-year returns

LAGGARDS		LEADERS	
PGIM India Small Cap Fund	9.89	Bandhan Small Cap Fund	25.36
ABSL Small Cap Fund	13.31	Nippon India Small Cap Fund	22.17
Kotak Small Cap Fund	13.66	ITI Small Cap Fund	22.13
Union Small Cap Fund	14.17	Invesco India Smallcap Fund	21.53
Canara Robeco Small Cap Fund	14.21	Quant Small Cap Fund	21.34

Hybrid: Aggressive 5-year returns

LAGGARDS		LEADERS	
ABSL Retirement Fund - 40s Plan	10.4	Quant Absolute Fund	22
Axis Retirement Fund	10.44	JM Aggressive Hybrid Fund	21.95
Shriram Aggressive Hybrid Fund	10.8	ICICI Prudential Equity & Debt Fund	21.73
Axis Children's	10.82	BOI Mid & Small Cap Equity & Debt Fund	21.25
LIC MF Aggressive Hybrid Fund	10.98	UTI Aggressive Hybrid Fund	18.32

ANNUALISED RETURNS IN % AS ON 5 MARCH 2025

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
Parag Parikh ELSS Tax Saver Fund - Regular Plan	★★★★★	4,572.13	-6.75	-6.62	6.94	17.44	22.24	1.73
Bank of India ELSS Tax Saver Fund - Regular Plan	★★★★	1,329.97	-19.55	-19.21	-6.80	15.62	19.85	2.12
Quant ELSS Tax Saver Fund	★★★★	10,278.66	-15.59	-22.26	-13.50	15.47	28.24	1.68
HYBRID: EQUITY SAVINGS								
HSBC Equity Savings Fund	★★★★★	645.87	-8.99	-4.97	6.99	10.57	11.82	1.51
UTI Equity Savings Fund - Regular Plan	★★★★	649.91	-1.65	-1.34	5.45	10.55	11.36	1.65
Kotak Equity Savings Fund - Regular Plan	★★★★★	8,177.86	-5.17	-4.53	4.36	10.25	10.52	1.76
Edelweiss Equity Savings Fund - Regular Plan	★★★★	572.01	-1.43	-0.89	7.52	9.70	10.30	1.60
SBI Equity Savings Fund - Regular Plan	★★★★	5,705.20	-5.31	-3.69	4.08	9.33	10.54	1.43
ICICI Prudential Equity Savings Fund	★★★★	12,788.49	-0.32	0.84	6.58	8.24	8.19	0.97
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
JM Aggressive Hybrid Fund	★★★★★	752.06	-13.03	-15.29	2.20	20.24	21.95	2.29
SBI Magnum Children's Benefit Fund - Investment Plan	★★★★★	3,124.02	-10.27	-9.85	16.67	18.49	–	1.92
ICICI Prudential Equity & Debt Fund*	★★★★★	39,886.28	-6.10	-7.52	4.47	17.50	21.73	1.60
ICICI Prudential Retirement Fund - Hybrid Aggressive	★★★★	745.98	-10.57	-10.75	3.70	16.41	16.89	2.31
UTI Aggressive Hybrid Fund - Regular Plan	★★★★	5,956.36	-8.60	-9.38	7.12	16.06	18.32	1.90
Edelweiss Aggressive Hybrid Fund - Regular Plan	★★★★	2,370.98	-7.99	-8.89	5.13	15.79	16.81	1.95
ICICI Prudential Child Care Fund - Gift Plan	★★★★	1,280.20	-10.08	-10.39	2.83	15.60	15.02	2.22
Bank of India Mid & Small Cap Equity & Debt Fund	★★★★★	1,051.92	-16.43	-16.00	0.45	15.36	21.25	2.20
HDFC Children's Fund Regular Plan	★★★★★	9,629.05	-10.68	-9.45	2.84	14.88	16.95	1.74
HDFC Retirement Savings Fund - Hybrid Equity Plan	★★★★	1,551.16	-9.34	-9.86	2.06	14.06	15.85	2.05
Kotak Equity Hybrid Fund - Regular Plan	★★★★	6,753.16	-12.42	-11.57	5.54	13.32	16.29	1.79
Quant Absolute Fund	★★★★	2,056.40	-10.77	-16.13	-7.89	12.73	22.00	2.06
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund - Savings Plan	★★★★★	121.17	-3.69	-1.40	10.52	11.26	12.97	1.22
ICICI Prudential Regular Savings Fund	★★★★	3,144.05	-1.33	-0.43	7.71	9.31	9.36	1.67
SBI Conservative Hybrid Fund	★★★★	9,760.98	-2.59	-1.79	6.41	9.22	10.37	1.54
Kotak Debt Hybrid Fund - Regular Plan	★★★★	3,051.69	-3.32	-2.29	5.55	9.69	10.65	1.67
HDFC Hybrid Debt Fund	★★★★	3,292.90	-2.23	-1.46	5.19	9.85	10.45	1.73
HYBRID: DYNAMIC ASSET ALLOCATION								
ICICI Prudential Balanced Advantage Fund	★★★★	60,347.26	-3.69	-4.14	5.57	11.99	12.91	1.48
HDFC Balanced Advantage Fund	★★★★★	94,251.41	-7.22	-7.67	3.58	19.81	20.34	1.37
Baroda BNP Paribas Balanced Advantage Fund	★★★★	4,078.03	-10.03	-8.50	1.76	11.57	14.15	1.89
Tata Balanced Advantage Fund - Regular Plan	★★★★	10,109.20	-5.94	-6.23	1.45	10.28	12.48	1.72
DEBT: FLOATER								
SBI Floating Rate Debt Fund - Regular Plan	★★★★	1,258.98	1.66	3.50	8.16	6.92	–	0.42
Aditya Birla Sun Life Floating Rate Fund - Regular Plan	★★★★★	13,175.58	1.62	3.62	7.77	6.93	6.41	0.43
DEBT: BANKING AND PSU								
ICICI Prudential Banking & PSU Debt Fund	★★★★★	9,979.91	1.43	3.47	7.50	6.78	6.37	0.74
Aditya Birla Sun Life Banking & PSU Debt Fund	★★★★	9,477.69	1.21	3.32	7.42	6.27	6.25	0.73
Bandhan Banking & PSU Debt Fund - Regular Plan	★★★★	13,421.64	1.39	3.37	7.40	6.15	6.16	0.63
DEBT: SHORT TERM								
HDFC Short Term Debt Fund	★★★★★	14,109.65	1.38	3.52	7.83	6.55	6.47	0.74
Axis Short Duration Fund	★★★★	8,780.65	1.43	3.62	7.69	6.36	6.20	0.89
Sundaram Short Duration Fund	★★★★	216.77	1.38	3.68	7.66	6.29	7.35	1.14
Aditya Birla Sun Life Short Term Fund - Regular Plan	★★★★	8,140.73	1.38	3.57	7.59	6.53	6.72	0.95
ICICI Prudential Short Term Fund	★★★★★	19,847.73	1.42	3.46	7.59	6.95	6.63	1.02
UTI Short Duration Fund - Regular Plan	★★★★	2,337.67	1.36	3.42	7.38	6.42	7.22	0.85
DEBT: CORPORATE BOND								
Aditya Birla Sun Life Corporate Bond Fund	★★★★	25,495.12	1.31	3.59	8.02	6.82	6.90	0.51
HDFC Corporate Bond Fund	★★★★	32,420.80	1.15	3.44	7.91	6.52	6.58	0.59
Kotak Corporate Bond Fund - Standard Plan	★★★★	14,223.39	1.31	3.54	7.87	6.47	6.28	0.67
Nippon India Corporate Bond Fund	★★★★★	6,195.39	1.23	3.54	7.87	6.75	6.57	0.74
ICICI Prudential Corporate Bond Fund	★★★★★	29,133.56	1.46	3.57	7.80	7.01	6.74	0.58
Axis Corporate Bond Fund - Regular Plan	★★★★	6,132.90	1.29	3.47	7.63	6.36	6.42	0.91

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns.

10.57% THE 3-YEAR RETURN OF HSBC EQUITY SAVINGS FUND IS THE HIGHEST IN ITS CATEGORY.

10.52% THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

7.50% THE 1-YEAR RETURN OF ICICI PRU BANKING & PSU DEBT FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 28 February 2025
Returns as on 05 March 2025
Assets as on 31 January 2025
Rating as on 28 February 2025

Did not find your fund here? Log on to www.wealth.economictimes.com for an exhaustive list.

Methodology

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

★★★★★ Top 10%
★★★★ Next 22.5%
★★★ Middle 35%
★★ Next 22.5%
★ Bottom 10%
(Not covered in ETW Funds 100 listing)

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

Categories

Equity: Large-cap: Funds investing at least 80% in large cap stocks.

Equity: Large & MidCap: Funds investing at least 35% each in large and mid caps.

Equity: Flexi Cap: Funds investing at least 65% in equity with no particular cap on large, mid or small.

Equity: Mid Cap: Funds investing at least 65% in mid caps.

Equity: Small Cap: Funds investing at least 65% in small caps.

Equity: Value Oriented: Funds following value/contrarian investment strategy and grouped under 'Value' or 'Contra' categories as per SEBI.

ELSS: Equity: With a lock-in of three years and tax benefit under Section 80C.

Hybrid: Aggressive: Funds investing 65-80% in equity, and the rest in debt.

Hybrid: Conservative: Funds investing 10-25% in equity, and the rest in debt.

Hybrid: Equity Savings: Funds investing at least 65% in equity and equity related instruments, and at least 10% in debt.

Hybrid: Dynamic Asset Allocation: Funds which dynamically manage the asset allocation between equity and debt.

Debt: Short Duration: Funds with Macaulay duration between 1 and 3 years at the portfolio level.

Debt: Corporate Bond: Funds investing at least 72% in AA+ and above-rated corporate bonds.

Debt: Banking and PSU: Funds investing at least 72% in the debt instruments of banks, PSUs, public financial institutions and municipal bonds.

Debt: Floater: Funds investing at least 58.5% in floating-rate instruments.

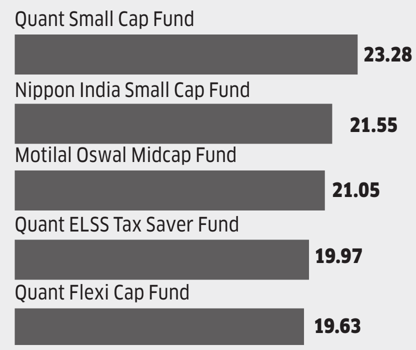
FUND RAISER

8.3% of the mutual fund industry assets were held in government securities (including treasury bills) in January 2025.

For January 2024, the number was 9.6%. **Source:** ACE MF.

1 Top 5 SIPs

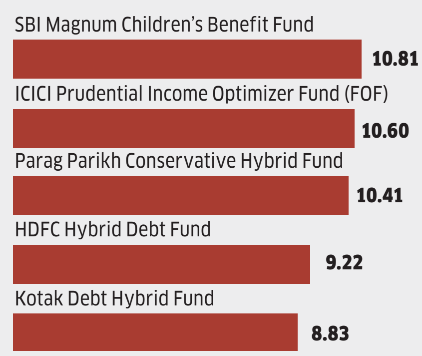
Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN
% ANNUALISED RETURNS AS ON 5 MAR 2025

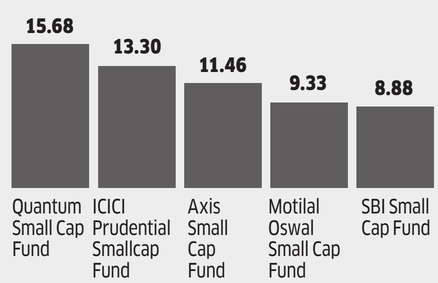
2 Top 5 SWPs

Top 5 conservative hybrid schemes based on 3-year SWP returns



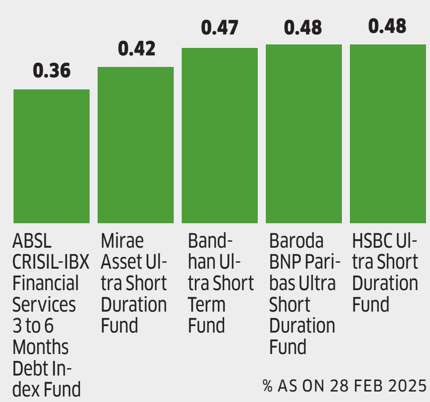
SWP: SYSTEMATIC WITHDRAWAL PLAN
% ANNUALISED RETURNS AS ON 5 MAR 2025

3 Small Cap : Cash Holdings



% OF ASSETS AS ON 31 JAN 2025

4 Debt: Ultra Short Duration



% AS ON 28 FEB 2025

% EXPENSE RATIO IS CHARGED ANNUALLY.

METHODOLOGY OF TOP 100 FUNDS ON WWW.WEALTH.ECONOMICTIMES.COM

LOANS & DEPOSITS

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

Top five **bank FDs**

	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
TENURE: 1 YEAR		
Bandhan Bank	8.05	**10,830**
IndusInd Bank	7.75	**10,798**
YES Bank	7.75	**10,798**
RBL Bank	7.50	**10,771**
Karur Vysya Bank	7.25	**10,745**
TENURE: 2 YEARS		
RBL Bank	7.80	**11,671**
IndusInd Bank	7.75	**11,659**
DCB Bank	7.50	**11,602**
Canara Bank	7.30	**11,557**
Central Bank of India	7.25	**11,545**
TENURE: 3 YEARS		
DCB Bank	7.50	**12,497**
RBL Bank	7.50	**12,497**
Canara Bank	7.40	**12,460**
Bandhan Bank	7.25	**12,405**
YES Bank	7.25	**12,405**
TENURE: 5 YEARS		
DCB Bank	7.40	**14,428**
Dhanlaxmi Bank	7.25	**14,323**
IndusInd Bank	7.25	**14,323**
YES Bank	7.25	**14,323**
Federal Bank	7.10	**14,217**

Top five **senior citizen bank FDs**

	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
TENURE: 1 YEAR		
Bandhan Bank	8.55	**10,883**
IndusInd Bank	8.25	**10,851**
YES Bank	8.25	**10,851**
RBL Bank	8.00	**10,824**
Karnataka Bank	7.75	**10,798**
TENURE: 2 YEARS		
RBL Bank	8.30	**11,786**
IndusInd Bank	8.25	**11,774**
DCB Bank	8.00	**11,717**
Canara Bank	7.80	**11,671**
IDFC First Bank	7.75	**11,659**
TENURE: 3 YEARS		
DCB Bank	8.00	**12,682**
RBL Bank	8.00	**12,682**
YES Bank	8.00	**12,682**
Canara Bank	7.90	**12,645**
IndusInd Bank	7.75	**12,589**
TENURE: 5 YEARS		
YES Bank	8.00	**14,859**
DCB Bank	7.90	**14,787**
Axis Bank	7.75	**14,678**
Dhanlaxmi Bank	7.75	**14,678**
IndusInd Bank	7.75	**14,678**

Top five **tax-saving bank FDs**

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

ALL DATA SOURCED FROM ECONOMIC TIMES INTELLIGENCE GROUP (ETIGDB@TIMESGROUP.COM)

HOME LOAN RATES

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

REPO RATE: 6.25%

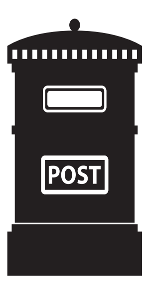
BANK		FOR SALARIED		FOR SELF-EMPLOYED (%)		
	RLLR (%)	FROM (%)	TO (%)	FROM (%)	TO (%)	WEF
IndusInd Bank	--	8.35	9.90	8.35	9.90	Not given
Bank of Maharashtra	9.30	8.10	10.15	8.20	10.65	12 Feb 2025
Union Bank of India	9.00	8.10	10.50	8.10	10.50	11 Feb 2025
Indian Bank	9.20	8.15	9.55	8.60	10.10	10 Feb 2025
Indian Overseas Bank	9.10	8.15	8.65	8.25	8.75	11 Feb 2025
Bank of Baroda	8.90	8.15	10.35	8.15	10.35	10 Feb 2025
Bank of India	9.10	8.30	9.30	8.30	9.30	7 Feb 2025
UCO Bank	9.05	8.35	10.00	8.35	10.00	10 Feb 2025
Central Bank of India	--	8.25	9.25	8.25	9.25	Not given
SBI Term Loan	8.90	8.25	9.20	8.25	9.20	15 Feb 2025
IDBI Bank	9.10	8.50	10.85	8.60	12.35	12 Feb 2025
Canara Bank	9.00	8.15	11.00	8.15	11.00	12 Feb 2025
Punjab & Sind Bank	8.20	8.40	9.85	8.40	9.85	16 Feb 2025
South Indian Bank	9.85	8.70	11.70	8.75	11.70	Not given
Kotak Mahindra Bank	--	8.75	9.00	8.75	9.00	Not given
J & K Bank	8.85	8.50	9.60	8.75	9.60	10 Feb 2025
HDFC Bank	--	8.70	9.60	8.70	9.60	Not given
Federal Bank	9.63	8.80	10.25	10.20	10.30	16 Feb 2025
Karnataka Bank	--	8.89	10.91	8.89	10.91	1 Feb 2025
Karur Vysya Bank	9.60	8.75	11.70	8.75	11.70	8 Feb 2025
YES Bank	--	8.85	10.69	8.85	10.69	Not given
Bandhan Bank	--	9.16	13.33	9.16	13.33	Not given
ICICI Bank	--	9.25	9.90	9.40	10.05	Not given

Your EMI for a **loan of ₹1 lakh**

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

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

Post office **deposits**



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

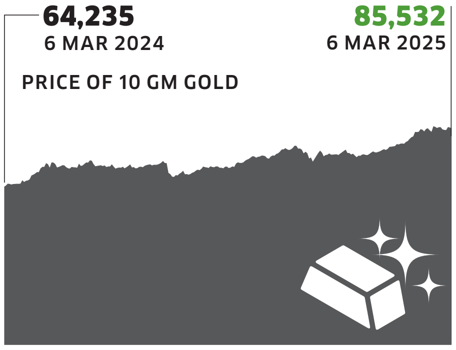
Data as on 6 Mar 2025

#Benefit available only for 5-year deposit

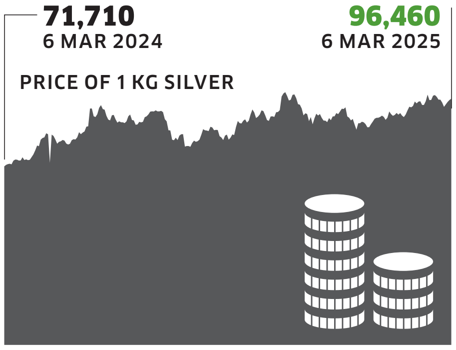
ALTERNATIVE INVESTMENT RETURNS MONITOR

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

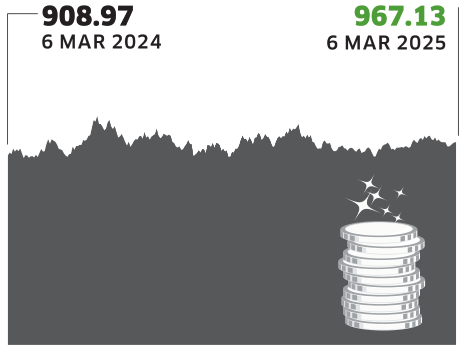
Gold (995) (₹)



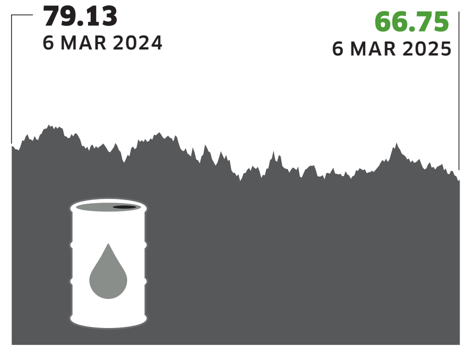
Silver (₹)



Platinum ($/troy ounce)



WTI Crude ($/barrel)

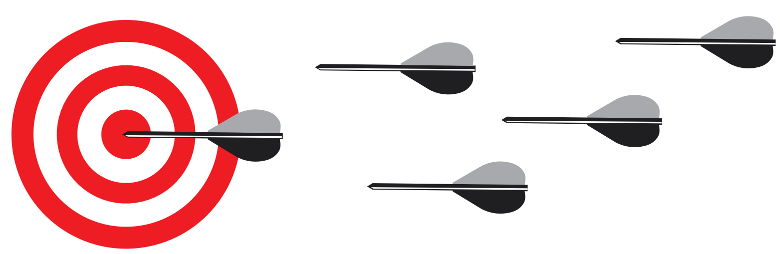


CHANGE

	Gold (995) (₹)	Silver (₹)	Platinum ($/troy ounce)	WTI Crude ($/barrel)
1 WEEK	0.33%	1.49%	1.94%	-4.81%
1 YEAR	33.15%	34.51%	6.4 %	-15.65%

PENNY STOCKS UPDATE

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



Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Kretto Syscon	1.89	6.78	**32.17**	27.5	-16.67	118.54
Shashijit Infraprojects	6.12	5.7	**31.61**	4.2	152.76	31.64
Harshil Agrotech	5.3	13.25	**31.51**	15.56	7.04	376.94
RGF Capital Markets	0.69	1.47	**27.78**	2.39	342.35	10.35
Bisil Plast	2.73	19.74	**24.66**	1.19	3.81	14.74
Esaar (India)	8.48	9.84	**18.11**	0.58	-26.83	17.33
Vivid Mercantile	8.07	3.46	**14.14**	2.87	226.53	80.94
Ladam Affordable Housing	6.2	-3.13	**13.35**	0.03	130.58	11.35
Ramchandra Leasing	2.92	5.42	**12.74**	1.42	-50.13	14.95
Yamini Investment	1.98	7.03	**10**	15.85	-9.20	104.09

Top price losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Quasar (I)	0.96	-4.95	**-51.27**	17.27	716.58	46.24
Money Masters Leasing	2.79	2.95	**-43.98**	3.22	34.82	28.01
Remedium Lifecare	2.4	-14.29	**-43.53**	24.39	-39.79	96.77
BC Power Controls	2.39	-36.1	**-40.69**	14.67	1,273.66	16.68
UR Sugar Industries	5.01	-23.04	**-36.74**	1.24	105.23	26.3
Quadrant Televentures	0.34	3.03	**-34.62**	91.3	296.06	20.82
Scanpoint Geomatics	3.94	-18.26	**-32.65**	3.09	2.61	98.7
Achyut Healthcare	3.04	-11.63	**-30.11**	1.76	-32.53	71.62
Newtime Infrastructure	4.33	-11.27	**-28.55**	1.07	24.90	227.24
ISF	1.08	0.93	**-28.48**	1.42	156.22	10.26

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
Ankit Metal & Power	2.2	2.33	-33.53	0.26	**2,410.76**	31.04
BC Power Controls	2.39	-36.1	-40.69	14.67	**1,273.66**	16.68
Leading Leasing Fin. & Inv.	6.3	5.88	-13.22	16.78	**985.97**	276.95
Prime Urban Dev.	9.16	-6.05	-19.01	0.01	**915.45**	24.41
Mundunuru	6.26	-0.63	2.79	0.23	**791.29**	17.97
Vama Industries	7.49	1.35	-4.83	3.09	**771.54**	39.36
Quasar (I)	0.96	-4.95	-51.27	17.27	**716.58**	46.24
TV Vision	4.66	1.53	-17.81	0.68	**641.92**	18.05
Rollatainers	1.6	0	-14.89	2.3	**638.15**	40.02
FGP	9.3	-7.74	3.56	0.11	**594.74**	11.07

Top volume losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
KBC Global	1.12	-5.08	-13.85	11.9	**-74.99**	292.81
ARC Finance	1.01	-4.72	-23.48	28.24	**-73.24**	91.8
KCL Infra Projects	1.4	5.26	-6.04	1.19	**-72.34**	23.65
IGC Industries	7.18	0.7	0	1.62	**-66.67**	24.93
Sattva Sukun Lifecare	1.05	-0.94	-17.97	7.52	**-63.31**	20.16
NHC Foods	1	4.17	-15.25	44.59	**-63.29**	59.28
Filatex Fashions	0.51	-3.77	-21.54	24.65	**-63.05**	425.04
Rajnish Wellness	1.05	8.25	-2.78	23.37	**-59.56**	80.69
Excel Realty N Infra	0.84	6.33	-5.62	9.91	**-57.30**	118.5
Darshan Orna	2.69	-2.89	-8.5	1.44	**-53.89**	13.46

STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH, AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 6 MAR 2025. **SOURCE:** ETIG DATABASE AND REUTERS-REFINITIV

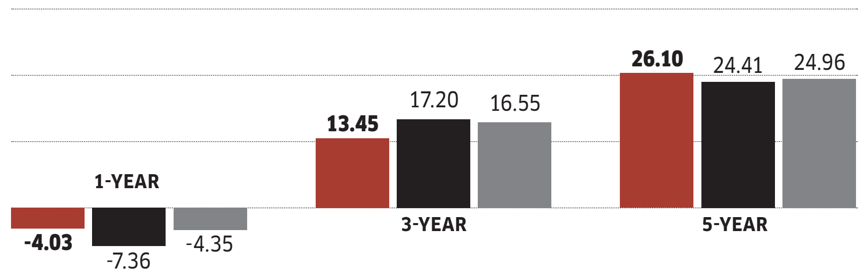
CANARA ROBECO SMALL CAP

Focus on downside protection

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

HOW THE FUND HAS PERFORMED

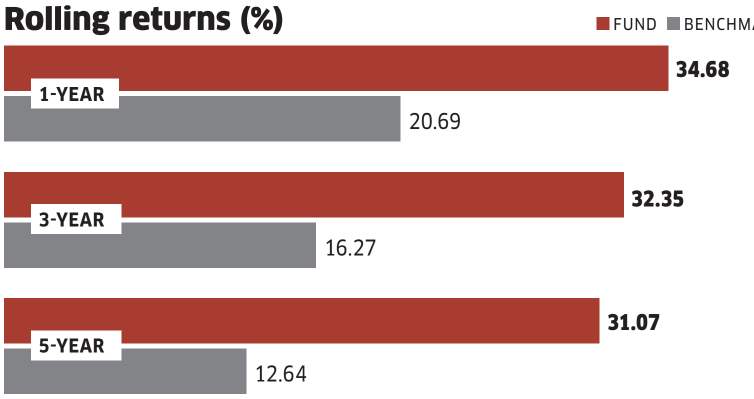
Point-to-point returns (%)



AS ON 4 MAR 2025

The fund has cushioned the fall better than many peers in the past year.

Rolling returns (%)



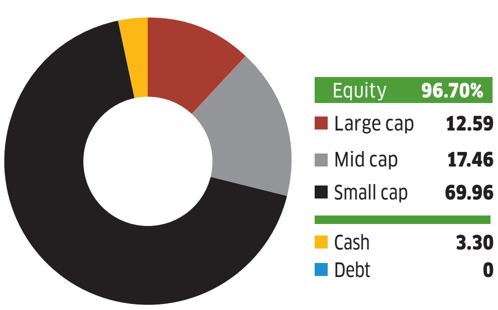
AS ON 4 MAR 2025

The fund's long-term track record indicates sharp outperformance across time frames.

Note: Different benchmark (BSE 250 SmallCap TRI) has been used due to non-availability of stated benchmark data. Returns have been rolled daily over the past decade for relevant time frames.

WHERE THE FUND INVESTS

Portfolio asset allocation



The fund retains a sizeable presence in large and mid caps apart from its small-cap tilt.

Fund style box

AS ON 31 JAN 2025

BASIC FACTS

DATE OF LAUNCH
15 FEB 2019

CATEGORY
EQUITY

TYPE
SMALL CAP

AUM*
₹11,528 crore

BENCHMARK
NIFTY SMALLCAP 250 TOTAL RETURN INDEX

WHAT IT COSTS

NAV**

GROWTH OPTION
₹32.41

IDCW
₹29.22

MINIMUM INVESTMENT
₹5,000

MINIMUM SIP AMOUNT
₹1,000

EXPENSE RATIO# (%)
1.72

EXIT LOAD
1% for redemption within 365 days

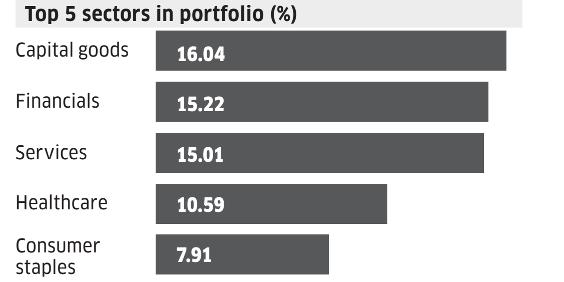
*AS ON 31 JAN 2025
**AS ON 4 MAR 2025
#AS ON 28 FEB 2025

FUND MANAGER

PRANAV GOKHALE (LEFT)/ SHRIDATTA BHANDWALDAR

1 YEAR, 3 MONTHS / 5 YEARS, 4 MONTHS

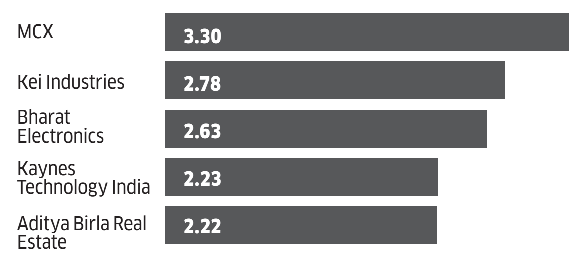
Top 5 sectors in portfolio (%)



The fund's sectoral positioning is fairly diversified.

AS ON 31 JAN 2025

Top 5 stocks in portfolio (%)



The fund runs a heavily diversified portfolio with around 100 stocks.

AS ON 31 JAN 2025

Recent portfolio changes

New entrants

Bata India, Devyani International, Mphasis, Radico Khaitan, TBO Tek (Dec).

Affle (India), ITC Hotels (Jan).

Complete exits

Mphasis, PVR Inox (Jan)

How risky is it?

	Fund	Category	Index
Standard deviation	16.60	17.54	19.71
Sharpe Ratio	0.44	0.59	0.57
Mean Return	13.46	16.32	17.35

BASED ON 3-YEAR PERFORMANCE.

The fund's risk-return profile is not among the best in its category.

AS ON 28 FEB 2025

Source: Value Research

Should You Buy

This fund prioritises downside protection. The fund managers prefer high quality businesses backed by strong business models, competent management and good governance. It maintains a heavily diversified portfolio with modest positions, even in its top bets. The fund has built a decent track record in its short running time, delivering sharp outperformance, particularly in its initial years. Its performance has slipped in the past two years amid a market shift towards value stocks. However, it has showcased its superior downside protection credentials amid the broader market correction in the past six months.

Greenply Industries: Steady growth

Focus on innovative products, quality control and prudent debt management to drive performance.

The organised player in the interior infrastructure domain reported a good performance in the December 2024 quarter, with revenue broadly meeting the Reuters-Refinitiv estimates and PAT surpassing estimates by 5%. Healthy growth in the plywood and MDF segments, aided by recent price hikes, boosted revenue, while lower interest expenses supported net income.

Despite demand challenges in the December quarter, the management expects improvement in 2025-26, driven by a real estate revival and BIS implementation, benefitting organised players like Greenply.

Moreover, timber prices, which grew by 3% quarter-over-quarter in the December quarter, are expected to soften over the next two-three quarters and will support profit margins.

The company has a diversified product portfolio and a vast distribution network of over 3,000 dealers. In October 2023, it entered the furniture hardware segment through a joint venture with Turkey-based Samet. The management expects the revenue from the furniture JV to ramp up in the March 2025 quarter.

The company is reaping the benefits of India's growing furniture and wood panel markets. Factors like rising population, increasing disposable incomes, improving living standards and rising usage of online shopping platforms are driving furniture demand. Meanwhile, new construction, renovation and growth in both residential and commercial segments are supporting the growth of the wood panels market.

In the wood panel sub-segments, organised players like Greenply benefit from challenges faced by unorganised players in plywood, including sustainability regulations, raw material sourcing, labour issues, and higher working capital needs. Similarly, MDF favours organised players due to its high capital investment requirements for plant and machinery. The company has taken several strategic initiatives to sustain its growth momentum. Investments in upgrading manufacturing processes, customer-centric product innovation, focus on improving operational efficiency through investments in IT and digitalisation, strict quality control standards and targeted brand building through engagement with stakeholders are some of the steps undertaken by the management to strengthen its business.

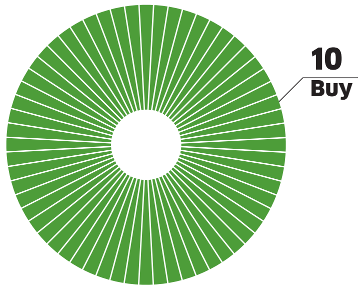
The capex plans are on track, with ₹134 crore investment planned for adding plywood capacity in Odisha. It is also adding a flooring line to the existing MDF line, which will help improve the product mix. Despite capex spending, the management expects net debt to peak by the March 2025 quarter.

The stock has significantly outperformed the market benchmark in the past year, with a 7.7% return, compared to the BSE Sensex with 0.3% return.

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

—Sameer Bhardwaj

Analysts' views



Greenply Industries is reaping the benefit of India's growing furniture and wood panel market.

Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2022-23	2023-24	2024-25	2025-26
Revenue (₹ cr)	1,846	2,180	2,514	2,841
EBITDA (₹ cr)	169	187	238	302
Net profit/loss (₹ cr)	82	56	106	162
EPS (₹)	6.59	4.53	8.60	13.25

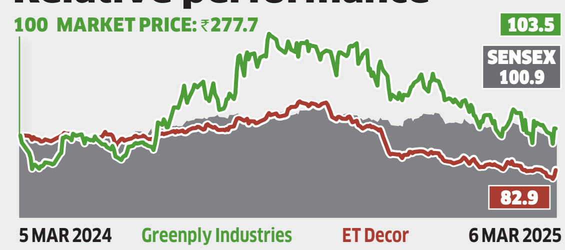
Valuations

	PBV	PE	DIVIDEND YIELD (%)
Greenply Industries	4.9	33.5	0.18
Century Plyboards (India)	7.4	77.0	0.14
Greenlam Industries	5.8	57.2	0.34
Greenpanel Industries	2.4	22.0	0.59
Stylam Industries	5.5	22.8	0.14

Brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
9 Feb 2025	Asian Markets Securities	Buy	385
9 Feb 2025	ICICI Securities	Add	338
8 Feb 2025	BoB Capital	Buy	360
7 Feb 2025	DAM Capital	Buy	400
7 Feb 2025	IDBI Capital	Buy	344

Relative performance



Greenply Industries is compared with ET Decor and BSE Sensex. Stock and index values normalised to a base of 100. **Source:** ETIG and Reuters-Refinitiv

WHAT EXPERTS ADVISE

BUY

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
Indegene	IIFL	Buy	513	800	55.9	Maintain 'buy' as its diversified expansion across verticals will support growth in the medium term. The likely improvement in margins, pick-up in pharma companies' sales and attractive valuations are key positives.
Schaeffler India	Nuvama	Buy	3,077	4,279	39.1	Maintain 'buy' due to the good performance in the December 2024 quarter, led by the improvement in the domestic business. The ability to generate strong cash flows, focus on localisation, new launches, and a pick-up in exports are the key positives.
Sumitomo Chemical	Antique Stock Broking	Buy	460	580	26.1	Maintain 'buy' as the new product launches in the domestic market, volume scale-up in the export market, strong R&D capabilities and support from the parent company will support growth and profitability.
Bharti Airtel	Motilal Oswal	Buy	1,580	1,985	25.6	Reiterate 'buy' as a complete flow-through of tariff hikes and moderation in capex intensity will help it to generate significant free cash flow. This will lead to significant deleveraging and improvement in shareholder returns.
India Shelter Finance Corporation	ICICI Securities	Buy	697	850	22.0	Retain 'buy' as end-to-end digital processes, branch additions, growing ticket size, penetration in existing geographies and operating leverage gains are expected to drive AUM growth in the coming years.
Tech Mahindra	Kotak Securities	Buy	1,488	1,800	21.0	Upgrade to 'buy' due to the attractive valuations and recent price correction. It is expected to grow better than peers supported by a strong leadership team and addition of high-profile clients.

SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
SRF	Kotak Securities	Sell	2,768	2,130	-23.0	Maintain cautious stance despite expectations of better performance in the March 2025 quarter, given the expensive valuations and likelihood of a modest price increase in R-32 refrigerant.

Remove laggard funds, invest in fixed income

Rohan Sharma is saving to build a house and for retirement. Here's what the doctor has advised.

PORTFOLIO CHECK-UP

- Has been investing in equity funds and stocks for the past 5-6 years.
- Started with ELSS funds and moved to open-ended schemes.
- High investments and aggressive allocation have helped build a sizeable corpus.
- Invests in good performing funds, but doesn't review his portfolio.
- Has chronic laggards and overlapping schemes in an unwieldy portfolio.
- Should get rid of poor performers and consolidate portfolio.
- Portfolio is skewed towards small-cap and mid-cap funds. Should cut exposure.
- Has too much equity in portfolio. Should invest in fixed income as well for stability.
- Should reduce PF contribution and invest in the PPF.

Note from the doctor

- Goal targets are very high. SIPs will have to be hiked by 10% every year.
- Should consider investing in NPS to reduce tax liability.
- Doesn't need life insurance because he doesn't plan to marry.
- Should review investments and rebalance at least once a year.
- Should reduce risk when goal is near so that he doesn't miss the target.

GOALS

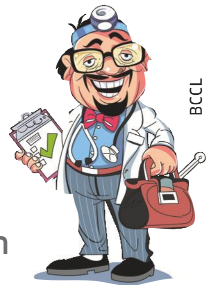
1 BUY LAND, BUILD HOUSE: 20 years
PRESENT COST: ₹**7 crore**
FUTURE COST: ₹**27 crore**

2 RETIREMENT: 24 years
CURRENT NEED: ₹**5.92 crore** (₹2 lakh a month)
CORPUS NEEDED: ₹**30 crore**

3 CHARITY: 24 years
CURRENT NEED: ₹**3 crore**
FUTURE COST: ₹**15 crore**

Goal	INVESTMENT	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION	NEW SIP (₹)
1	Parag Parikh Flexi Cap	10,15,443	20,000	Both funds have done very well. Continue SIPs and increase amount by 10% every year.	20,000
	HDFC Balanced Advantage	2,18,501	20,000		20,000
	Axis ELSS Tax Saver	5,63,629	0	These funds have underperformed for several years. Shift to HDFC Balanced Advantage for better returns.	0
	Axis Mid Cap	1,06,962	0		0
	DSP Mid Cap	3,52,958	0		0
	Nippon India ELSS Tax Saver	6,949	0		0
	Quant Small Cap	2,02,662	20,000	Small-cap and mid-cap segments are down, but these funds hold promise. Continue SIPs and hike amount by 10% every year.	20,000
	Quant Mid Cap	4,30,885	20,000		20,000
	Motilal Oswal Midcap	36,155	20,000		20,000
	ICICI Prudential Infrastructure	2,92,208	20,000	Thematic funds can be volatile. Consider switching SIPs and corpus to diversified scheme ICICI Pru Bluechip for stable returns.	0
	SBI Small Cap	7,08,280	0	The fund has slipped in recent years. Switch to ICICI Pru Bluechip to consolidate portfolio.	0
	ICICI Prudential Bluechip	0	0	Start SIPs of ₹20,000 in this outstanding large-cap fund. Hike amount by 10% every year.	20,000
2	Tata Equity PE	16,53,998	0	This value fund has promise. Restart SIPs of ₹10,000 and hike by 10% every year.	10,000
	Quant Absolute	1,85,567	0	This hybrid fund has been badly hit by the downturn. Switch to ICICI Pru Bharat FoF for stable returns and portfolio consolidation.	0
	Motilal Oswal Nasdaq 100 FoF	2,40,334	0	Continue holding these US-focused funds. Restart SIPs when fund houses start accepting fresh investments.	0
	Navi Nasdaq 100 FoF	25,071	0		0
	ICICI Prudential Bharat 22 FoF	2,05,465	20,000	Continue SIPs in this outstanding large-cap fund. Hike by 10% every year.	20,000
	ICICI Prudential India Opportunities	76,959	0	Shift corpus to ICICI Prudential Bharat FoF to consolidate portfolio.	0
	Stock investments	36,45,500	0	Review portfolio regularly. Consider moving to a mutual fund for stable returns.	0
	Provident Fund	77,22,307	62,322	Continue contributing to the scheme to build tax-free retirement corpus, but reduce amount to ₹50,000. Don't withdraw for other goals.	50,000
	Public Provident Fund	0	0	Start investing ₹12,500 a month in this scheme to build tax-free corpus.	12,500
3	Nippon India Small Cap	3,07,480	20,000	Continue SIPs in this outperforming small-cap fund. Hike by 5% every year.	20,000
	Motilal Oswal Nifty Microcap 250 Index	1,66,070	40,000	Micro-cap segment is very volatile. Switch to Nippon India Largecap for stable returns.	0
	Nippon India Largecap	0	0	Start SIPs of ₹30,000 in this outstanding large-cap fund. Hike amount by 5% every year.	30,000
	Mirae Asset Large and Midcap	2,82,536	0	Fund has slipped in recent years. Switch corpus to Nippon India Largecap to consolidate portfolio.	0
	TOTAL	**₹1,84,45,919**	**₹2,62,322**	The goals can be reached using the mutual funds marked in the same colour.	**₹2,62,500**

PORTFOLIO DOCTOR



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

Assumptions used in the calculations

INFLATION

Education expenses	For all other goals
10%	7%

RETURNS

Equity funds	Debt options
12%	8%

PORTFOLIOS ANALYSED BY

RAJ KHOSLA, Managing Director and Founder, MyMoneyMantra

WRITE TO US FOR HELP

If you want your portfolio examined, write to etwealth@timesofindia.com with 'Portfolio Doctor' as the subject. Mention the following information:

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

Save ₹1.68 lakh in new tax regime

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

Pune-based Dinesh Parikh pays a high tax because his salary structure is not tax-friendly. He claims several exemptions and deductions under the old tax regime, but stands to save much higher tax by moving to the new regime. TaxSpanner estimates that Parikh's tax outgo can be reduced by ₹1.68 lakh in the new regime if he asks his employer to start NPS contribution.

If he continues with the old regime, he can save more if his taxable allowances are replaced with tax-free perks. Some of the allowances in Parikh's salary are taxable. If Parikh gets telephone allowance of ₹24,000 (₹2,000 per month), gadget allowance of ₹60,000 (₹5,000 per month), and food coupons worth ₹26,400 (₹2,200 per month), his tax will come down by about ₹34,444. The leave travel allowance of ₹60,000 will reduce the tax further by ₹18,720. Offering these allowances will not add to his employer's paperwork because payroll solutions such as Zaggle Save can manage these perks digitally. He should also purchase medical insurance for himself and his parents of ₹60,000 to reduce ₹18,720 further.

The NPS benefit can help save more tax. Under Section 80CCD(2), up to 10% of the employee's basic salary put in the pension scheme is tax-free in the old regime. If his company puts ₹4,575 (10% of his basic salary) in the NPS on his behalf every month, his annual tax will reduce by about ₹17,128. Another ₹11,856 can be saved if Parikh stops his ELSS investments and increases his NPS contribution by ₹38,000.

If, on the other hand, he moves to the new regime, he can save more if his employer puts 14% of his basic pay in the NPS under Section 80CCD(2).

INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED OLD REGIME	SUGGESTED NEW REGIME
Basic salary	5,49,000	5,49,000	5,49,000
House rent allowance	2,19,000	2,19,000	2,19,000
Special allowance	13,42,000	11,50,900	12,65,140
Medical allowance	15,000	-	15,000
Conveyance allowance	19,200	-	19,200
Communication reminbursement	-	24,000	-
Food coupons	-	26,400	-
Gadget allowance	-	60,000	-
Leave travel allowance	-	60,000	-
Employer's contribution to PF	21,600	21,600	21,600
Contribution to NPS under Section 80CCD(2)	-	54,900	76,860
TOTAL	21,65,800	21,65,800	21,65,800

Old regime: Reduce this taxable component of salary. Replace these perks with tax-free allowances. These perks are tax-free subject to actual use. Items bought for personal use are taxed at 10% of the value. Up to 10% of basic salary put in the NPS is tax-free.

New regime: Reduce this taxable component of the salary package. Up to 14% of basic pay put in the NPS is tax-free.

+ INCOME FROM OTHER SOURCES

INCOME HEAD	CURRENT	SUGGESTED OLD REGIME	SUGGESTED NEW REGIME
Interest income	1,200	1,200	1,200
Capital gains	0	0	0
Rental income	3,48,000	3,48,000	3,48,000
TOTAL	3,49,200	3,49,200	3,49,200

All figures are in ₹

You stand to save ₹1.68 lakh by moving to the new tax regime.

Denotes suggestion to increase · Denotes suggestion to reduce

Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED (₹)	NEW REGIME (₹)
Provident Fund	21,600	21,600	21,600
Life insurance	20,500	20,500	20,500
ELSS funds	48,000	-	0
Home loan repayment	1,38,000	1,38,000	1,38,000
NPS under Sec 80CCD(1b)	12,000	50,000	0
TOTAL ADMISSIBLE	1,62,000	2,00,000	0

Suggested: Stop SIPs in ELSS funds and invest in the NPS instead. Hike investment in the NPS to save more tax.

New regime: Stop SIPs in ELSS funds and invest in the NPS instead. Invest in the NPS under Sec 80CCD(2) for tax deduction.

Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED (₹)	NEW REGIME (₹)
Home loan interest	2,43,600	2,43,600	2,43,600
HRA exemption	1,07,500	1,07,500	0
Medical insurance	0	60,000	60,000
TOTAL ADMISSIBLE	3,51,100	4,11,100	2,43,600

Suggested: Buy health cover for yourself and parents.

New regime: Home loan interest on let-out property allowed in new regime.

Dinesh Parikh's tax

	TAX ON SALARY	TAX ON INTEREST INCOME	TAX ON CAPITAL GAINS
CURRENT	₹3,74,306	374	0
Total	₹3,74,680		
SUGGESTED (Old regime)	₹2,73,437	374	0
Total	₹2,73,811		
SUGGESTED (New regime)	₹2,06,407	249	0
Total	₹2,06,656		

TOTAL TAX SAVED

(OLD REGIME)
₹1,00,869

(NEW REGIME)
₹1,68,024
per year

TAX RATIO

(Total tax as % of annual income)

EXISTING	SUGGESTED (OLD)	SUGGESTED (NEW)
14.9%	10.9%	8.2%

WRITE TO US FOR HELP

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

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

The cover story effectively identifies key financial attitudes common among women, particularly their need for financial security and aversion to high risk. Many women are the virtual CFOs of their households. Their hidden savings, often accumulated for family needs, are a testament to their financial wisdom.
Vinod Johri

Uma Shashikant's article, 'The travel bug syndrome', was an interesting read. She suggests blending travel with work rather than just checking off destinations from a bucket list. As a retiree, I don't have professional engagements to mix with travel, but I see no harm in travelling purely for leisure, as long as health permits.
N.M.R. Shreedhar

Uma Shashikant's article was insightful. I am not a travel enthusiast, but I travel with a purpose, which aligns with her suggestions. Being a retired teacher, I visit schools in Tamil Nadu as a guest faculty in economics, a role that brings me immense gratification. Keeping the mind engaged is essential as it keeps us mentally fit.
S. Ramakrishnasayee

Smart money moves for women

The cover story, '5 financial attitudes to change', brilliantly highlights the importance of financial independence for women. The graphics and diverse case studies offer an in-depth understanding of a topic that is often overlooked in households. Raising awareness about financial rights, recognising financial red flags in relationships, and maintaining a balance between flexibility and control empower women to lead more secure and fulfilling lives, whether they are career-driven professionals or homemakers.
Hiya Singh

As a regular subscriber of *ET Wealth*, I find Uma Shashikant's columns particularly interesting. She always offers fresh perspectives and gives handy tips on financial habits we can adopt. Often, it's just common sense that we tend to overlook. I have saved many of her articles and plan to share them with my children. Her suggestions are timeless and worth imbibing.
Mukesh T.

Dhirendra Kumar's article, 'The passive pretenders', exposes a troubling trend in the rise of so-called 'thematic passive funds'. By definition, a passive fund should track an index that reflects the broader market. However, these designer passive funds deviate from this principle by focusing on specific themes, making them anything but passive, and overwhelming the lay investor. In the current bear market, uninformed investors may be drawn to these funds, only to face a double setback, paying high expense ratios while also taking the risk of actively selecting a narrow theme. Unfortunately, all this is happening right under Sebi's watch.
B.P. Sarkar

I enjoy reading the Q&A section in *ET Wealth.* Five different queries are addressed every week, usually covering practical issues related to taxation, inheritance, or wealth planning. While the cases are specific to individuals, they often resonate with many readers, making them highly relevant. Thank you for covering these essential topics.
M. Venkataraghavan

BACK TO BASICS

Relinquishment vs Gift deed

If you are confused by personal finance terms, jargon and calculations, here's a series to simplify and deconstruct these for you. In the 41st part of this series, **Riju Mehta** explains the difference between the two legal instruments that can help pass on assets.

What is relinquishment deed?

It's a legal document that helps the owner of a property to surrender his title and rights in favour of another person. The tool is primarily used for co-owned or inherited properties to transfer rights to an heir or co-owner, and cannot be used to do so to a third party. The process may or may not involve monetary consideration and has to be voluntary. It also needs to be registered to be considered legally valid. When a person transfers the rights, he also shifts liabilities like tax, loan, etc. to the other person.

Though a relinquishment deed can be revoked in some situations, it's usually a lengthy, tedious process requiring the mutual consent of both parties, and a valid legal ground for revocation. The time limit for revocation is three years from the date of transfer.

What is gift deed?

A gift deed is a commonly used tool in estate and succession planning to pass on movable and immovable properties or assets from one person (donor) to another (donee) without any monetary consideration.

This transfer should be voluntary, has to be accepted during the lifetimes of both the donor and donee, and has to be mandatorily registered for it to be legally valid. Registration also means that one has to pay stamp duty, which varies across states. Once executed and registered, the gift deed cannot be revoked or cancelled.

The assets received as gifts are liable to tax if the value of the gifts exceeds ₹50,000. However, gifts of any value are tax-exempt when these have been given by specified close relatives or during a wedding.

Which is better?

	Relinquishment deed	Gift deed
Monetary exchange	May or may not involve consideration.	Without consideration.
Registration	Mandatory under Section 17 of the Registration Act, 1908.	Mandatory under Section 17 of the Registration Act, 1908.
Revocation	Can be revoked under specific circumstances.	Cannot be revoked or cancelled.
Taxation	Amount received is chargeable under capital gains.	Tax liability for gifts above ₹50,000; none for close relatives.
Timing	During transferer and transferee's lifetimes.	During lifetimes of donor and donee.

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