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wealth

"DOMESTIC-FOCUSED SECTORS WILL LEAD EARNINGS RECOVERY"
P10

Shiv Gupta

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Burnt by finfluencers

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Burnt by finfluencers

Why blindly trusting influencers on social media could be a costly mistake.

by **Yasmin Hussain**

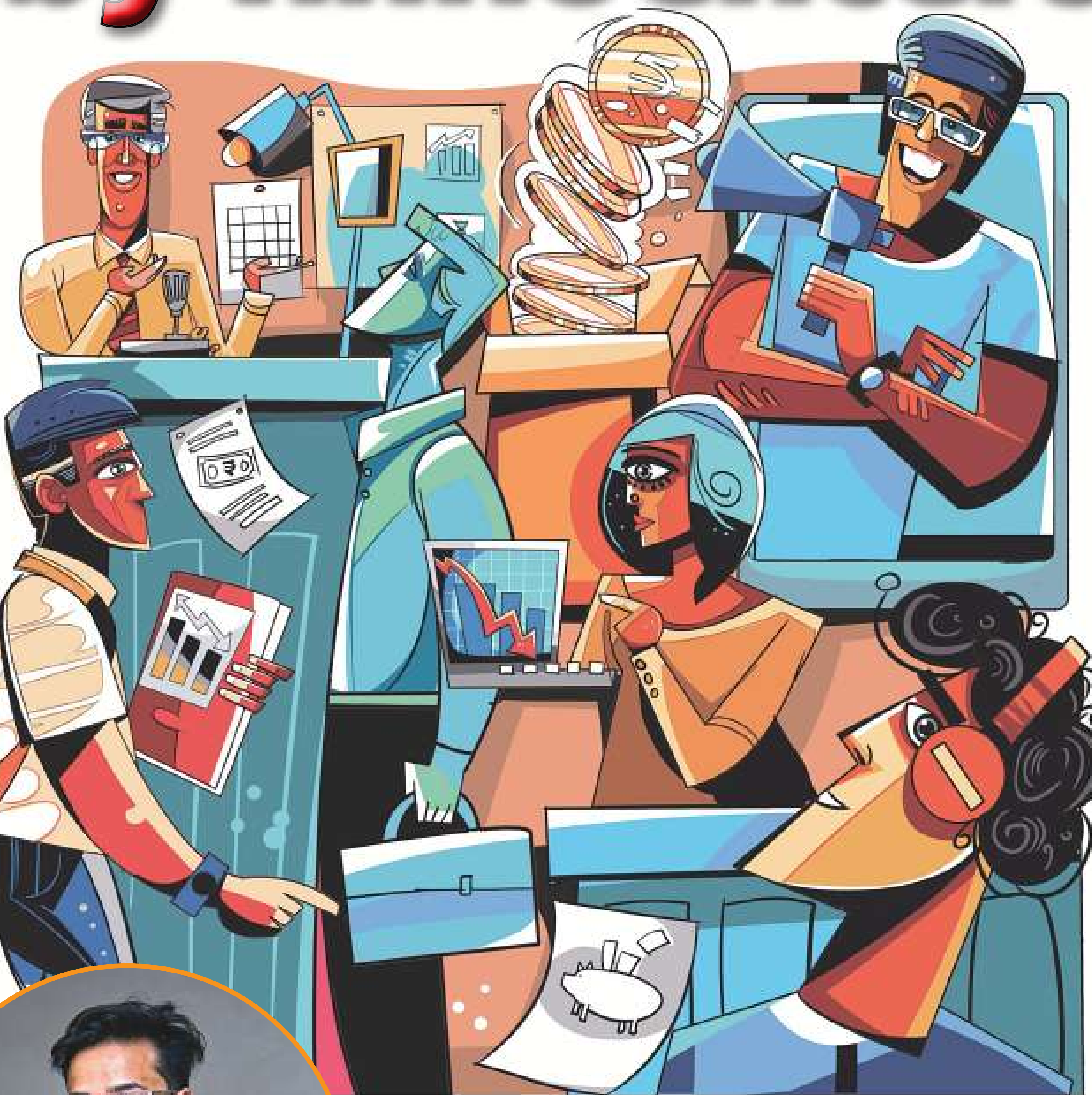

ILLUSTRATION: ZAHID

Despite tighter regulations and slightly increased awareness of the risks, the recent Gensol Engineering case shows that the menace of unregistered advisers (most finfluencers would fall here) persists. As per a 18 April story in *The Economic Times* (*https://bit.ly/3FmjkFk*) some investors lost up to 95% of their wealth. The story pointed out how finfluencners like Aditya Joshi and Prashant Mishra were taken in by the phenomenal rise of Gensol promoters Anmol Singh Jaggi and his brother Puneet Singh Jaggi, and then caught off-guard when corporate governance issues came to light. Sadly, this is not new.

However, the Gensol episode is yet another wake-up call—even for those who didn't invest in it. Acting on social media tips without verifying the facts can land investors in a trap. While some influencers may unknowingly promote dubious stocks, others do so with clear intent.

"Many are paid to create hype as part of pump-and-dump operations. They don't gain from the stock's performance. Their earnings come from promotional fees, while the real operators quietly exit, leaving retail investors exposed," says Piyush Singh, a stock trading expert who documented the finfluencers saga at Gensol in detail after the Securities and Exchange Board of India (Sebi) probe was revealed.

Lack of transparency

A 20 March 2025 survey by the CFA Institute reveals that 59% of Indian finfluencers have had one or more brand sponsorships yet 63% of them failed to disclose their financial affiliations. The findings are based on a poll of 1,615 retail investors and a content review of 51 finfluencers.

This lack of transparency makes it difficult to distinguish between genuine advice and paid promotions. "Don't invest in stocks unless you know how to analyse them fundamentally," cautions Singh.

The Gensol incident is a mere drop in the bucket. In 2022, a similar case emerged with crypto platform Vauld, heavily promoted by finfluencers; the platform later blocked withdrawals, leaving many investors stranded. Yet, such incidents rarely prompt caution until investors suffer losses firsthand.

AMARENDRA JHA

Anurag Rawat
Data analyst

Invested ₹2 lakh in Tejas Networks when the share price was ₹1,150. Now his investments are down a third of the amount invested.

Influenced by
Grandmaster of Stocks (X@ AdeptMarket)

Meet Delhi-based data professional, Anurag Rawat. He invested ₹2 lakh in Tejas Networks at ₹1,150 per share, following a recommendation from a finfluencer on X known as Grandmaster of Stocks @ AdeptMarket. *ET Wealth* reached out to the finfluencer; response was awaited at the time of going to press. Today, however, the stock trades at ₹742—a fall of nearly 36% below Rawat's purchase price. "It was hard to even save that money since I had just started working," Rawat laments. He had clearly ignored the disclaimer in the influencer's bio—'not Sebi-registered' and 'only for educational purposes.' Now he is more cautious. "I don't rely on anyone's advice on social media anymore. I stick to credible nregistered advisers," he adds.

Rawat's experience is not unique. Nearly 17% of investors admitted to losing money by following influencer advice as per the CFA institute survey. It's tempting to believe you won't fall into this category—until you do.

Some investors are even more vulnerable, falling for advice that doesn't even come from well-known sources. Hyderabad-based Sandeep Shukla, for instance, invested ₹2.5 lakh from his father's Provident Fund (PF) and savings after receiving a direct message on Instagram from an unknown user promoting a Telegram channel with daily stock trading tips. "I had made the worst decision of my life. While I made small profits at first, I eventually lost everything," he says. This shows that the danger doesn't only lie in blindly following well-known influencers, but also in trusting financial tips from unverified sources on social media.

Capital market regulator Sebi has warned investors many times to stay away from unregistered advisers, including the latest advisory issued on 21 May, cautioning the public about fake profiles impersonating celebrities, public figures and Sebi-registered entities. In Shukla's case, it wasn't a finfluencer who misled him, it was his lack of awareness. He is now financially literate. Investors' greed also plays a part.

Sandeep Shukla
Equity research analyst

Fell victim to a Telegram channel that provided stock market trading tips. He invested ₹2.5 lakh from his father's PF and savings account and lost all of that in a matter of days.

Influenced by
Unknown trader

Who's most at risk?

A mix of low financial literacy and the lure of quick money often draws young investors to unverified online advice. The CFA survey shows those aged between 26-30 are most likely to seek guidance on YouTube and Instagram. Traditional advice can feel intimidating, while finfluencers use relatable language, memes, and reels to simplify things. Investors should be cautious. Bold claims that a stock will 'skyrocket' without solid reasoning are red flags. Many such voices are either pushing paid courses, promoting companies for a fee, or building a personal brand without real expertise. Some also earn commissions through broker tie-ups when investors buy stocks they endorse.

Their reckless advice extends beyond stocks. During the crypto boom, many finfluencers hyped it up. In 2022, Jaipur student Gaurav Sharma invested ₹60,000 after watching finfluencer Akshat Shrivastava praise crypto returns. A few months later, market volatility wiped it all out. *ET Wealth* reached out to Shrivastava through LinkedIn, email, and *X* but didn't receive a response.

"That's when I decided never to act on online advice blindly. I turned to a registered professional instead," says Sharma, who consulted certified financial planner Anish Aggarwal. "He helped me understand the value of SIPs and long-term investing." Sharma now sticks to the mutual funds route building wealth in a sustainable way.

Be selective in trusting

With financial advice flooding the internet, identifying who to trust can be overwhelming. Some finfluencers genuinely aim to simplify money matters and guide investors towards better decision-making. For instance, Pranjal Kamra, a well-known finfluencer is also a Sebi-registered investment adviser. "We do not deal in intraday trading, currency or commodity futures and options, or individual stocks. Even morally, it's risky to recommend volatile assets on social media — viewers may see a buy call but miss the later sell, creating a communication gap," he says. Knowing how to separate the helpful from the harmful is critical.

Look for educators or channels who focus on long-term financial behaviour, not shortcuts or quick wins. Finfluencers selling courses, naming specific stocks, or pushing 'get-rich-quick' strategies should raise red flags (*see graphic*).

Most importantly, check credentials. Stick to advisers registered with Sebi — it's easy to verify this on its website by searching for their name or registration number in the intermediary directory.

This will help you filter out the noise because of the 51 Indian finfluencers surveyed by the CFA Institute, only 2% were Sebi-registered. These licensed advisers are bound by professional standards and can be held accountable for misinformation or unethical promotion.

Regulating advice

Sebi is already taking steps to rein in unregulated finfluencers (See *Clickbait to crackdown*, P4), such as restricting the use of live market data by those offering trading tips under the guise of education. "Sebi's move to bring unregulated advisers under the regulatory framework is commendable, but there's still a long way to go. Several loopholes remain," says Anand K. Rathi, Co-founder, MIRA Money.

Peeyush Chitlangia, Founder of FinShiksha, echoes the need for regulatory clarity. "It's tough to monitor everything shared on social media. Sebi should also focus on building awareness among content consumers so that they can distinguish between credible and dubious advice," he says.

Finally, financial awareness is the strongest defence. If you're consuming content online, you are responsible for evaluating it critically. Recognise your own psychological biases like fear of missing out or greed and pause before following any advice or a random channel. In the age of content overload, financial caution is essential.

Remember: if you find yourself often relying on finfluencers for guidance, or worse, tips from social media or through Telegram channels you are a part of, then you need the help of a Sebi-registered investment adviser or a good mutual fund distributor, both with a good track record.

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MISLEADING FOR LIKES

How financial advice on social media went wrong for investors.

Vauld crypto platform (2022)

This Singapore-based crypto lending platform suspended operations in July 2022, leaving investors in limbo. Finfluencers such as Ankur Warikoo—who earned ₹4.47 lakh for promoting it—were associated with the brand. "It is the responsibility of every creator to have skin in the game because talk is cheap," Warikoo later told a newspaper.

Baap of Chart (2023)

Nasiruddin Ansari positioned himself as a stock market expert, enticing investors with promises of guaranteed returns of at least ₹3 lakh and offering multiple stock tips. Sebi later banned him and imposed a hefty fine of ₹17.2 crore.

Sadhna Broadcast (2023)

Stock prices of Sadhna and Sharpline Broadcast were artificially inflated through misleading YouTube channels—"The Advisor" and "Moneywise"—run by Manish Mishra. Sebi barred Mishra from the securities market for allegedly deceiving investors.

She-Wolf of the Stock Market (2025)

Many aspiring traders lost money to this. Sebi cracked down on Asmita Patel for running an unregistered investment advisory under the guise of an education program, charging students ₹7 lakh for a course promising market mastery.

Spot the lies

If you see a finfluencer following any of these practices, RUN!

1. Lack of verifiable reasons behind stock tips
Any stock recommendation should come with clear, verifiable reasons–something that can be cross-checked by the public.

2. Unrealistic price predictions
Setting an impossible target, like ₹2,500 for a stock currently priced at ₹300, is a warning sign.

3. No recordkeeping or accountability
Unregulated influencers often don't track their advice. They delete posts after a week and vanish without a trace.

4. Demeaning competitors to push own service
Watch out if they run down others while promoting their own offerings, saying "do it yourself" and "buy my course."

5. Misleading promotions with hidden agendas
If they push you to join an Insta or Telegram group that leads to losses, beware–it could be part of a hidden agenda.

6. Selling unconventional or risky assets
Avoid investments you do not understand. Also, if it's too good to be true, it is indeed too good to be true.

7. Undisclosed financial ties or promotional strategies
Be cautious of influencers who offer paid trading tips–it's often a tactic designed to lead you to losses.

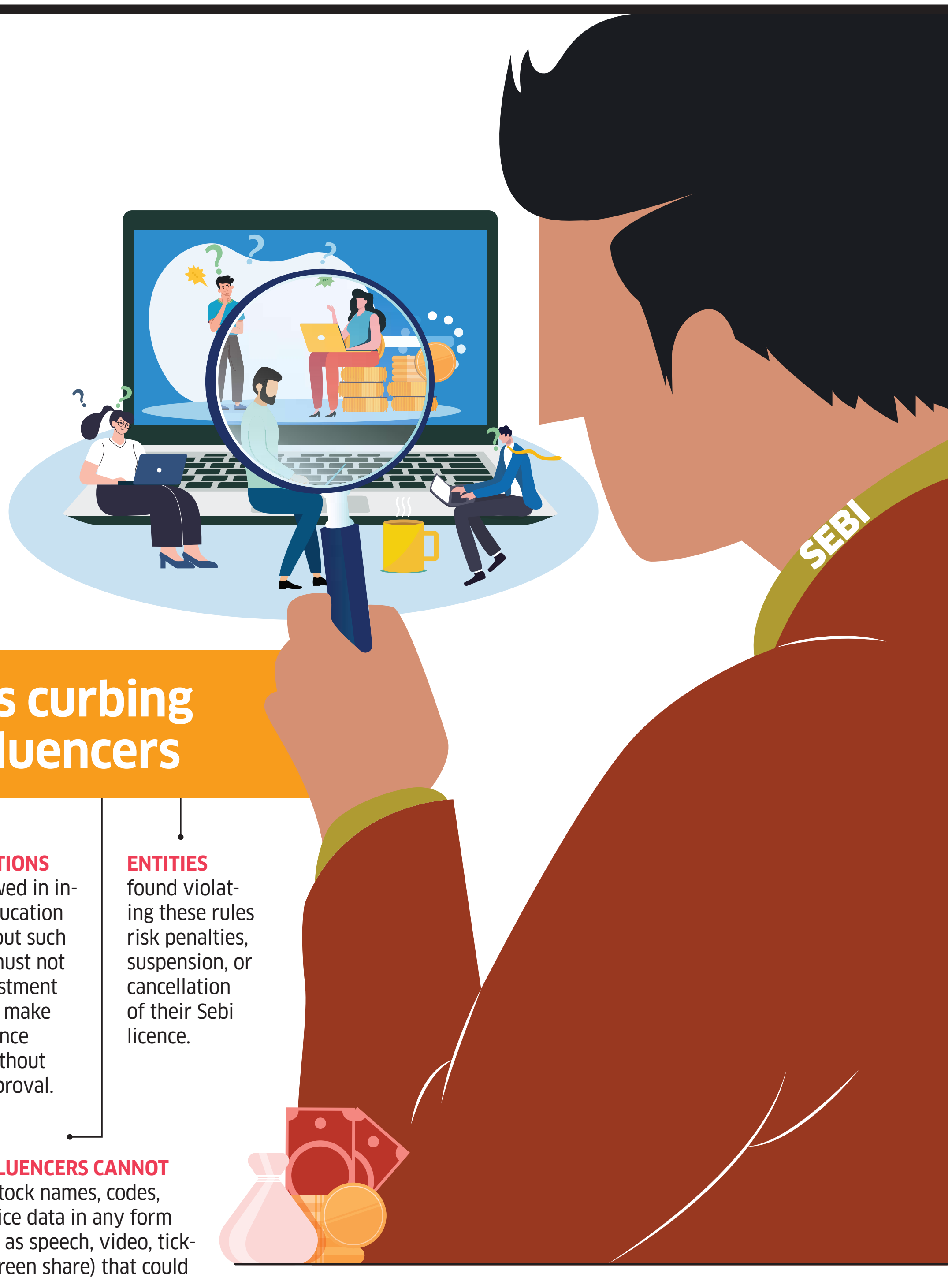
Gaurav Sharma
Student

Invested ₹60,000 in crypto through Vauld due to the promise of high returns but ended up losing it all. Even if he hadn't suffered a loss, he would have lost his money due to the Vauld scam.

Influenced by
Akshat Shrivastava

Clickbait to crackdown

Sebi has come down heavily on errant finfluencers with regulations, hefty fines and market bans. But taming the monster is proving difficult.



by **Sanket Dhanorkar**

How Sebi is curbing rogue finfluencers

REGISTERED MARKET entities are barred from associating, directly or indirectly, with any unregistered person who provides advice or any recommendation.

ASSOCIATIONS ARE allowed in investor education content, but such content must not give investment advice or make performance claims without Sebi's approval.

ENTITIES found violating these rules risk penalties, suspension, or cancellation of their Sebi licence.

EDUCATIONAL CONTENT providers cannot use live stock prices; only data with a three-month lag permitted.

FINFLUENCERS CANNOT use stock names, codes, or price data in any form (such as speech, video, ticker, screen share) that could imply investment advice.

The menace of misleading and unqualified advice doled out with impunity by financial influencers has not escaped Sebi's attention. The market watchdog has sprung into action, introducing a raft of measures to clamp down on unregulated, unethical advice. But are these good enough to tackle unscrupulous finfluencers?

Belling the cat

Sebi's initial action has focused on restricting partnerships between regulated entities and unregulated individuals. Many finfluencers were found to be partnering with registered brokers and mutual funds to peddle specific offerings or bring client referrals under the garb of financial advice. The finfluencers earned fat commissions from these partnerships. Sebi put an end to this unethical practice, banning registered market entities from associating with any individuals that offer recommendations or advice on specific stocks either directly or indirectly or make performance claims—whether expressly or implied—without the permission of the market regulator. The onus is on registered entities to ensure associates avoid prohibited activities. Violations can lead to penalties, suspension, or Sebi licence cancellation.

At the same time, Sebi has permitted partnerships with registered finfluencers or others engaging in investor education. The caveat is that this content must not provide any recommendation or make any claims on performance or returns. The restriction doesn't apply to associations via specified digital platforms. Sebi aims to ensure regulated entities engage only with finfluencers allowed to give investment advice. Indirectly, it hopes this nudges them to seek RIA licences, which require meeting strict regulatory and ethical standards. For now, Sebi has stopped short of making registration mandatory.

Further, Sebi has disallowed individuals engaged in stock market education from displaying or discussing live stock prices. Finfluencers are barred from using stock names, codes, or recent price data in ways that imply investment advice. The move aims to curb real-time trading tips disguised as education. Without live data, they can't mimic trading —a tactic often used to lure subscribers. Many also mislead with fake testimonials and promises of guaranteed returns. Apart from introducing guidelines, Sebi has been active in enforcement, issuing orders for content removal, imposing bans, and levying hefty penalties for misconduct. Last year, Sebi took down more than 15,000 'content sites' by unregulated financial influencers as part of its efforts to protect investors. Sebi has previously fined and banned finfluencers like Asmita Patel ('She-Wolf of the Stock Market') and Mohammad Nasiruddin Ansari ('Baap of Chart') for posing as market experts and selling trading courses via Telegram, YouTube, and WhatsApp without proper registration.

A lot more to do

Despite these regulatory interventions, many unqualified individuals and entities continue to peddle advice and deceive investors. Shreya Suri, Partner, IndusLaw, asserts, "These steps are positive, but at present, enforcement against unregistered entities remains limited, leaving gaps that continue to be exploited." Content put out by some finfluencers blurs the lines between financial education and investment advice. This makes it difficult to distinguish credible, qualified financial advice from misleading content. Sonam Chandwani, Managing Partner KS Legal & Associates, remarks, "Many finfluencers evade oversight by presenting advice as 'educational content', exploiting regulatory exemptions. The volume of social media content overwhelms enforcement efforts, and the financial incentives from advertisements and courses often outweigh penalties."

Harsh Roongta, Founder, Fee Only Investment Advisers, insists there are no quick-fix solutions to the problem. "If one can speak convincingly, the masses will lap up any advice," he avers. Regulating this space is not an easy task either, suggests Roongta. "If you cut off one head of the snake, another head will pop up. Lack of law is not the problem, implementing the law is the tricky part."

Experts feel Sebi's attempt to bring finfluencers into its fold is hindered by its own rigid regulations governing licensed investment advisers. Only 2% of finfluencers have opted for the RIA licence, according to a March 2025 report by CFA Institute. Pranjal Kamra and Sharan Hegde are among the handful of names who have embraced the official route. Most have chosen to operate outside the regulatory ambit. The hefty compliance burden current regulations place on RIAs is a big deterrent. Suri says, "The current RIA framework can often be perceived as compliance-heavy, old-school and cost-intensive, deterring digital-first content creators."

Roongta, a licensed RIA, laments that the regulatory burden dissuades even the ardent practitioners. "More finfluencers could have moved into the formal advisory space, if not for the onerous conditions that make it difficult to practise the profession," he says. Chandwani suggests a dedicated regulatory framework for finfluencers, coupled with enhanced platform accountability, to effectively mitigate misleading and unqualified advice. "Sebi could enhance its approach by introducing a specialised 'finfluencer licence' with simplified requirements but rigorous oversight, including mandatory disclosures and restrictions on unverified claims," she adds.

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Sector tailwinds will continue to drive defence stocks

A likely jump in India's defence expenditure, focus on exports and strong policy support will continue to boost the earnings of the defence sector companies.

by **Sameer Bhardwaj**

Investors' interest in defence stocks has resurged since 7 May 2025, following India's show of military prowess through Operation Sindoor. The Nifty India Defence Index rose over 15%, outpacing the Nifty 50's 1.1% gain. Moreover, 11 of the 18 stocks of the defence sector benchmark gained over 15% during the period. The analysis is based on closing prices between 7 May and 20 May 2025.

Strong government support through the Make in India initiative, which encouraged indigenous design, and the development and manufacture of defence equipment, have boosted the performance of the sector. Besides the recent price surge, the performance of the sector has been excellent in the past few years. The defence benchmark gained 97% return in CAGR terms between June 2021 and July 2024.

India's defence self-reliance can be gauged by looking at the proportion of equipment manufactured domestically. Currently, India manufactures 65% of defence equipment domestically, a significant shift from the earlier 65-70% import dependency.

Other key government initiatives supporting the sector include the Defence Acquisition Procedure, liberalised FDI policy, development of defence corridors in Uttar Pradesh and Tamil Nadu, and simplification of the industrial licensing process.

The surge in the defence budget, from ₹2.53 trillion in 2013-14 to ₹6.81 trillion in 2025-26, coupled with policy support, private participation and technological innovation, have strengthened the country's military infrastructure. While the defence production reached ₹1.27 trillion in 2023-24 and grew by 174% since 2014-15, the defence exports expanded 34 times between 2013-14 and 2024-25, according to a March 2025 PIB release. India targets ₹3 trillion in defence production and ₹ 50,000 crore in defence exports by 2029, adds the release.

Long-term drivers

Given the dynamic geopolitical and regional scenarios, analysts expect India's defence spending to grow. "While the nation's defence spending of around 2.3% of GDP is lower than the global defence majors (around 3-5% of GDP), we expect defence capital outlay to grow 7-8% annually over the next five years, potentially translating to $130 billion plus of procurement," says a Nuvama report released in April 2025.

Moreover, there are robust growth opportunities in the shipyards segment. A recent Antique Stock Broking report says that the key big-ticket orders worth ₹2,120 billion (that includes submarines and naval warships) are likely to be placed during 2025-26 and 2026-27. Such orders will lead to a threefold jump in the order books of the listed defence shipyards over the next two years.

FRONTLINE BETS

Bharat Electronics

Price (₹)	Analysts' recommendations: BUY	HOLD	SELL
364	18	1	2

Hindustan Aeronautics

Price (₹)	Analysts' recommendations: BUY	HOLD	SELL
4,851	15	0	1

Data Patterns (India)

Price (₹)	Analysts' recommendations: BUY	HOLD	SELL
2,639	4	2	0

Price as on 20 May 2025. **Source:** Reuters-Refinitiv.

Valuations

The concerns about overvaluations led to a 38% correction in the defence benchmark between July 2024 and February 2025. The substantial fall in the share prices led to a reduction in premium valuations. The trailing twelve months PE multiple of the Nifty India Defence index fell from 73.4 times in July 2024 to 38 times in February 2025. The current trailing twelve months PE of the benchmark index is at 60 times.

Analysts believe that the strong growth opportunities and the government's ambitious targets will lead to a rerating in defence stocks. "The defence stocks are fairly valued because the capability and competence of the Indian defence products are clearly established and, therefore, defence stocks are set to move higher," says Dr Manoranjan Sharma, Chief Economist, Infomerics Valuation and Ratings. Moreover, despite the recent surge in the defence companies share prices (after India's counter-terrorism operation), most of the companies share prices are still at a significant discount to their 52-week highs. As of 20 May 2025, 14 out of 18 stocks in the Nifty India Defence Index were trading over 10% below their 52-week highs.

March 2025 quarter earnings

The sector has reported healthy earnings so far, with 8 out of 18 Nifty India Defence Index companies posting a combined 4.3% year-on-year growth in consolidated net profit, based on data from Reuters-Refinitiv, as of 19 May 2025. Of these, earnings estimates were available for 6 companies, and 5 of them surpassed consensus expectations. Here is how 3 defence companies, out of 8, with decent analyst coverage fared in the March 2025 quarter.

Hindustan Aeronautics

- The government-owned aerospace and defence company reported decent performance in the March 2025 quarter. Both EBITDA and PAT surpassed Reuters-Refinitiv estimates by 7% and 10.6% respectively.
- Its healthy order book of ₹1.8 trillion provides long term growth visibility. Further, strong future pipeline valued at ₹1 trillion (for combat aircraft and helicopters) is expected to materialise over the next 1-2 years.
- While the management has given conservative guidance of 8-10% revenue growth in 2025-26 due to impending changes in certain contracts, analysts expect the company to surpass the guidance.
- The management aims to invest ₹14,000-15,000 crore in the next 5 years for expanding its capacities and building operational facilities.
- A recent Motilal Oswal report reiterates its buy rating but says that it is better to wait for better entry points, as the recent rally was sharp.

Data Patterns

- The vertically integrated defence and aerospace electronics solutions provider reported strong performance in the March 2025 quarter with revenue and EBITDA surpassing Reuters-Refinitiv estimates by 31.9% and 28.5% respectively.
- The order book at the end of March 2025 stood at ₹730 crore, which fell 33% year-on-year.
- The management has retained its revenue guidance of 20-25% for 2025-25 and expects new order wins of more than ₹1,000 crore in 2025-26.
- Strong R&D investments, expectations of additional contracts for Brahmos and the focus on expanding the addressable market are the key strongholds.
- A recent PhillipCapital report says that the new order wins are crucial. Also, a likely increase in order booking in the first half of 2025-26 can improve its valuation.

Bharat Electronics

- The company's revenue and net profit surpassed Reuters-Refinitiv estimates by 2.1% and 20.3% respectively in the March 2025 quarter.
- The order book of the company stood at ₹71,650 crore at the end of the March quarter and the management anticipates ₹26,000 crore of orders in 2025-26.
- The company's robust infrastructure, focus on R&D, diversification into non-defence businesses, focus on exports, strong margin profile and robust order inflow pipeline are its key strongholds.

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‘Big Beautiful Bill’ a nasty deal for NRIs sending cash home

A proposed US legislation, dubbed ‘One Big Beautiful Bill,’ could impose a 3.5% tax on remittances sent abroad by non-citizens, significantly impacting Indians, the second-largest immigrant group in the US.

by **Kayezad E. Adajania**

Sending money from the US to India could get costlier in 2026 if President Donald Trump’s proposal goes through. The 1,116-page ‘One Big Beautiful Bill’—which outlines tax reforms and spending cuts—has cleared the House of Representatives and now moves to the Senate. A vote is likely in late June or July. If passed, the bill will become law.

One provision in the bill imposes a 3.5% tax on non-citizens sending money abroad. Before the House passed the bill on 22 May, the proposed remittance tax was 5%.

This is of special significance to Indians who are among the largest migrants in the US. More than 2.9 million Indian immigrants lived in the United States as of 2023, making USA the second most popular global destination for Indians after the United Arab Emirates, as per the Migration Policy Institute Data. The data further says that Indians make up the second largest foreign-born group in the United States, after Mexicans, accounting for 6% of all 47.8 million foreign-born residents, as of 2023.

US citizens exempted

The bill exempts US citizens from the remittance tax (referred to as an excise tax). Only non-US citizens—including green card holders and those on employment visas— would be required to pay it. For US citizens, if the 3.5% tax is collected, the bill allows a credit mechanism during tax filing, provided they are verified senders using qualified remittance providers.

As per the bill, this privilege is not meant for other people living in the US, like green card holders, professionals on work visas many of whom are Indians. Even students with work-related income—such as from gigs—would have to pay the 3.5% tax if they choose to repatriate the money to India after completing their studies and returning home.

“The measure is indeed aimed at protecting the outflow of US dollars from the country and encouraging local investment, while also generating an additional stream of revenue,” says Kuldip Kumar, Partner, Mainstay Tax Advisors.

What should NRIs do?

From the reading of the bill, there is nothing much you could do. The proposed 3.5% tax will shave off a small chunk of the money sent to India every time a remittance is made. This is expected to hit those who send money regularly.

Sudarshan Motwani, Founder & CEO of BookMyForex, says that this will have a big impact on those who have gone there to work. “These people have gone there for better prospects so that they could support their families back home. They need to send money back home to India. Hence, they will all be subjected to the new 3.5% tax,” says Motwani.

The share of the US in India’s total inwards remittances is the largest; 27.7% in 2023-24 (approximately $32 billion), up from 22.9% in 2016-17, as per RBI’s data.

“This measure could impact the flow of funds into Non-Resident External (NRE) accounts and investments in India’s booming premium real estate market, which has been increasingly attracting overseas capital from Indians abroad,” adds Kumar. Aside from real estate, Kumar adds that it may impact the mobility programs of corporates with employees who are relocated to the US and are paid in the US. “These employees may seek to negotiate the additional 3.5% cost as part of their relocation package or under tax equalisation arrangements, effectively increasing the salary costs for the companies. Since this levy is classified as an excise tax, it may not fall within the definition of ‘income tax’ as outlined in tax treaties, and therefore may not be eligible for a foreign tax credit,” he says.

> **The proposed 3.5% tax will shave off a small chunk of the money sent to India every time a remittance is made. This is expected to hit those who send money regularly.**

CA Manoj K Pahwa, FEMA & International Tax Consultant’s reading of the bill is also similar. He too says that the bill seeks to exempt US citizens and nationals from paying the 3.5% tax. He says that the tax would dissuade Indians to send as much back home as they used to earlier. “To avoid paying 3.5% tax, many of them would now increasingly invest money in the US itself.”

Last but not least, a key question that arises is whether this proposed tax will also affect investments made by Indians in US markets. For instance, if an individual has invested in US stocks or other financial instruments and later wishes to withdraw funds or take some money off the table, would the 3.5% remittance tax apply to such transactions?

Kumar says that a very initial, but a rough interpretation, is to check how the investment has been made. For example, if an individual opens a bank account in the US, invests through it, realises the sale proceeds in the same account, and then remits the funds to India, Kumar feels the remittance tax could be triggered in such a case.

Another example could be employees receiving stock from a US-based parent company as part of an Employee Stock Option Plan (ESOP). If they later sell these shares and transfer the proceeds to India, the remittance tax may apply in such cases. “Generally, a depository account is opened in the US in the employee’s name. In such cases too this levy may trigger when shares are sold and proceeds remitted to India,” says Kumar.

If this is indeed true, there could be a small complication. “This also raises the issue of whether the remittance tax paid in the US can be claimed as a credit against the Indian tax liability arising from the sale of shares in the US by an ordinarily resident Indian. Since the remittance tax is classified as an excise tax, it may not fall within the scope of taxes covered under the India-US tax treaty. Therefore, that becomes an additional cost and also a consideration for investing in US stocks,” says Kumar.

To be sure, the bill has yet to be passed into an Act. Also, further clarifications are awaited, especially about how your US investments and ESOPs would be taxed. “After all, US may not want to discourage their inward investments,” feels Kumar.

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Did your asset allocation fund pass the crash test?

The resilience of dynamic and multi-asset allocation funds got tested amid the recent market correction. Some came out with flying colours, others got caught out.

by **Sanket Dhanorkar**

Asset allocation funds came into the limelight when the equity market turned sour towards the end of last year. Amid a prolonged market slump lasting over six months, the primary task for these funds was to cushion the downside. Now, as the market rebounds, these funds have had a chance to prove their mettle. So did your multi-asset fund or dynamic asset allocation fund do its job?

Some beat the blues, others feel them

The sharp correction in the broader market since October last year tested many investors' nerves. The BSE 500 index fell nearly 21% by 7 April 2025 from its 27 September 2024 peak. It has since recovered, and now hovers 8% off its previous high. Asset allocation funds as a basket have fared better, but most were not completely immune to value erosion. During this period, multi-asset allocation funds saw an average NAV decline of 6.7%, while dynamic asset allocation funds recorded a drop of 8.5%.

There were some outliers in this space. Among the multi -asset funds that averted a drawdown were Edelweiss Multi Asset Allocation, WhiteOak Capital Multi Asset Allocation and Franklin India Multi Asset Solution Fund of Funds. A few others like Quantum Multi Asset Fund of Funds, HDFC Multi-Asset Active FoF, ICICI Prudential Asset Allocator Fund, among others, managed to limit the downside. Parag Parikh Dynamic Asset Allocation was the only scheme from the dynamic asset allocation basket to deliver a positive return in this period. However, many like DSP Dynamic Asset Allocation, Franklin India Balanced Advantage and SBI Balanced Advantage cushioned the downside well.

A closer look at the asset allocation patterns of these funds reveals why they could hold their ground so well. Not surprisingly, the funds that averted a drawdown had among the lowest exposure to equities. In a category populated by funds taking a distinct equity slant, it was the funds that practiced a prudent asset allocation approach that kept investors in the game. Sizeable gold allocation in a few funds also helped prop up returns further. Rajani Tandale, Senior Vice President, Mutual Fund at 1 Finance, asserts, "During downturns, these funds typically benefit from bond and gold exposure, which help offset equity losses."

On the flip side, several funds saw sharp drawdowns during this period, including Motilal Oswal Balanced Advantage, Motilal Oswal Multi Asset, HSBC Multi Asset Allocation and Quant Dynamic Asset Allocation. Some of these are aggressive by nature. These do not necessarily cater to the risk profile of investors that asset allocation funds typically attract. The equity tilt in some funds allows them to retain favourable tax treatment, but risk rises. Tandale says, "Since October 2024, funds with higher allocations to bonds or gold likely cushioned losses more effectively. In contrast, equity-heavy portfolios experienced sharper declines but also stronger rebounds."

Bhavana Acharya, Co-founder, Primeinvestor.in, observes that the risk in some funds emanates from higher exposure to the broader market. "Individual stocks fell much more than the index during the correction. Funds holding these names got hit far more despite having sizeable allocation to fixed income," Acharya says. For instance, Motilal Oswal Balanced Advantage and Motilal Oswal Multi Asset had 60% and 50% allocation, respectively, to mid- and small caps at the end of September 2024. This increased further to 73% and 59% by December end. Samco Dynamic Asset Allocation, HSBC Multi Asset Allocation and Shriram Multi Asset Allocation also ran high allocation to mid- and small-caps, hurting returns amid the market crash. Many of these affected funds did not hedge their equity allocation or did so modestly. Samco Dynamic Asset Allocation, Motilal Oswal Multi Asset, Quant Dynamic Asset Allocation and Shriram Multi Asset Allocation, among others, had marginal or no hedging of existing equity positions at September-end. Samco MF's offering raised its hedged positions only later. At the other end, Edelweiss Multi Asset Allocation's fully hedged exposure to equities helped it stave off a drawdown.

Not all asset allocation funds weathered the storm

A few funds averted a drawdown	Return from 27 Sept 2024 to 7 Apr 2025 (%)
Edelweiss Multi Asset Allocation Fund	4.65
Parag Parikh Dynamic Asset Allocation Fund	1.71
WhiteOak Capital Multi Asset Allocation Fund	1.65
Franklin India Multi Asset Solution Fund of Funds	0.82
Quantum Multi Asset Fund of Funds	-1.54
Several funds experience sharp value erosion	
NJ Balanced Advantage Fund	-14.01
HSBC Multi Asset Allocation Fund	-14.74
Quant Dynamic Asset Allocation Fund	-17.00
Motilal Oswal Multi Asset Fund	-21.28
Motilal Oswal Balanced Advantage Fund	-24.50
Multi asset funds average	-8.45
Dynamic asset allocation funds average	-6.71
BSE 500 index	-21.08

NOTE: Funds mentioned are Direct Plans. **SOURCE:** Value Research

Know your fund

The choice of funds in this space is critical to your investing experience. In turbulent phases, an asset allocation fund truly serves its purpose if it allows you to keep your cool and not throw in the towel. It gives you the comfort of staying invested even during the tough times. By retaining your invested money, it provides you the platform to continue wealth creation irrespective of the market's vagaries.

It is a good idea to look under the hood, insist experts. Acharya remarks, "The asset allocation construct sounds appealing but what funds do within the portfolio is important. Not all asset allocation funds have the ability to contain downside. Some are more aggressive than others. Investors must know how the fund approaches asset allocation to know if it aligns with their expectations."

Given the role these funds play in the portfolio, experts reckon it is better to opt for funds adopting a moderate-to-conservative stance. Avoid chasing returns in this category. Funds that emphasise on risk construct, rather than offering an edge in returns, should be your pick. Kaustubh Belapurkar, Director, Fund Research, Morningstar India, asserts, "We prefer strategies that take graded exposure to underlying asset classes, that moves within a narrow band. Funds moving from 20% to 80% in equities are essentially trying to time the market, which can deliver lumpier returns." He emphasises that oscillating equity exposure may not always work in the funds' favour. "If the fund model doesn't pull equity allocation back when market recovers, it can hurt the fund performance, erasing gains on the downside," Belapurkar adds.

Tandale reckons asset allocation is highly personal and cannot be generalised. Instead of relying entirely on a single fund, investors may be better served by creating their own allocation using low-cost index equity funds, debt funds, and gold ETFs. "This approach offers greater transparency, better control, and often lower expense ratios than packaged multi-asset or balanced advantage funds, which may not suit every investor's profile or goals," she argues.

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GETTY IMAGES

Saving is a way to deal with the unexpected

Setting money aside, investing it and seeing it grow can be seen as a tool to control the uncertain future that lies ahead, says **Uma Shashikant**.

UMA SHASHIKANT
IS CHAIRPERSON, CENTRE FOR INVESTMENT EDUCATION AND LEARNING

When the future unfolds and things turn out as expected, it feels worse to not have acted on that rare foresight of getting it right. The guilt and regret of what could have been done is heavy. In a bid to control the unknown, unforeseen and uncertain future, we use deliberate action as a tool.

Is it really important to make saving a habit, asked a young man to his father as they sat next to me on the train. The two were deep in conversation, oblivious to other passengers. The young man's argument was that at every stage of life, one can only spend what one has earned.

"For emergencies, one takes a loan and repays it over time. As one ages, income moves up and one gets comfortable. Then one passes away. Why worry about the future all the time and keep saving? One will save organically when there is more, it does not have to be a habit," he argued.

The father did his best to offer various arguments—security, peace of mind, comfort, status, and so on. However, his son was ready with counter-arguments. The exchange ended soon and the duo moved on, but I was left wondering what could be said in defence of habitual saving or building assets over one's lifetime. We make a virtue of both the saving habit and the wealth it enables to create. Why is this so?

Signs of prosperity

Laying claim to something as ours—and knowing that we own it and no one else is entitled to it—perhaps goes back to humanity's early territorial behaviour. With time, the ownership also signalled power; the bigger the territory, the greater the power. Wars were waged to claim land as territories; properties were acquired and expanded as a mark of wealth.

As we moved on from monarchies to democracies and common life as we see it now, external signs of prosperity in the form of consumables, such as cars and clothes, expensive accessories like jewellery, as well as exclusive possessions, told the world that one was rich. The richest, however, do not necessarily need opulent physical assets to show for it.

Today's wealthiest own large businesses, their money primarily held as equity in the companies they founded. The power of their ideas created wealth that gained in value over time. Alongside them are the newly wealthy, who built businesses and sold them at a significant gain; employees who worked long enough in significant enough positions to earn part of their incomes as equity; and passive holders of equities bought in the market and held to benefit from the appreciation in value over time.

Living in the moment

The young man's argument was that wealth today is between one's ears. It exists as long as one is alive and perishes with them. What merit would converting an asset into money that is hoarded serve? Everyone earns as per their capability. Anyone can borrow funds to build a house, buy a car, or get around to making a large expense that won't fit into a regular income. Any business with merit can get a loan, any individual with income can borrow too. Why should money then be hoarded? What 'rainy day' could hit someone so hard that they won't have any option but to fall back on savings and stop earning? Isn't this mania about money nothing but a manifestation of greed and insecurity? How could something so entrenched in fear, insecurity and negative emotions become a virtuous thing?

I recall an instance when I had just begun working. My colleague's wife, who was on maternity leave, decided she would not return to work. She felt too responsible for her newborn and could not bear leaving him to come to office. We were travelling to another city the next week and my colleague told me he needs more travel, more work, more consulting assignments coming his way, so that he can provide for his family. Wasn't his current salary enough, I asked. He told me he now had to save every rupee he could and earn every rupee he could since he was the only earning member of his now expanded family.

Was this response rooted in fear? Insecurity? Greed? I would think not. Here was a young, intelligent and resourceful man, who was going about his life normally until he sensed the need to earn and save more. What prodded him? We are not always in the stable state of feeling prepared to deal with whatever life may bring our way. When one's present is seemingly under control and the past seems to affirm it, one's confidence in doing whatever is needed as new situations arise is quite high.

Deliberate action

However, our future resides in the realm of our imagination. It could turn out to be anything we may or may not be prepared for. We recognise we have no control over how the future may unfold. Our response to the unknown is not just rooted in our past experiences or present capabilities, but also in what we believe is the action we must take to get a semblance of control. We dislike the unknown and unfamiliar, and thinking that we can do nothing about it but accept it as it unfolds, seems too passive. Or even fatalistic.

When the future unfolds and things turn out as expected, it feels worse to not have acted on that rare foresight of getting it right. The guilt and regret of what could have been done is heavy. In a bid to control the unknown, unforeseen and uncertain future, we use deliberate action as a tool.

Such deliberate actions were earlier centred on territory, possession and hoarding. Now, these are centred on brain power and its ability to ideate, solve problems and its innumerable other applications that earn a reward; a reward that offers the tool to believe that we can still be in charge and remain standing if the unforeseen were to happen. Hence, the desire to set money aside, to save, to invest, and to see it grow.

We would be lost and desolate if we did not know how to save. If it did not become a habit, we would question the first principles too often to persist with it. To save is to simplify our responses when the unexpected happens. We still don't know what better tool there could be. Do we?

"Domestic-focused sectors will lead earnings recovery"

Shiv Gupta, Founder & CEO, Sanctum Wealth, is optimistic about the long-term uptrend in domestic equities but cautions investors about short-term risks. In conversation with *ET Wealth*'s **Sameer Bhardwaj**, he explains how unpredictable global factors could pose risks to investors in the near term.

Shiv Gupta

Founder & CEO, Sanctum Wealth

RAPID FIRE

Q What's the biggest lesson the market has taught you?

The ability to stay calm, think long-term is essential for investment success.

Q What is your personal asset allocation right now?

My portfolio is almost entirely in equities. (close to 100% in equities).

Q If you were to meet Warren Buffett, what would you ask him?

If you were starting your career with access to today's tools and technologies, what approach would you follow?

Q Any book you would recommend?

Thinking, Fast and Slow by Daniel Kahneman.

Q What's the investment tip you would want to give your younger self?

Don't mistake price for value. Just because something looks cheap doesn't mean it's worth buying.

Q If you could invest in only one instrument for life, which one would it be?

Without a doubt, equities. They offer superior long-term returns, liquidity, and a way to participate in the economy's growth.

The Nifty 50 index has recovered by more than 12% since the first week of April 2025. Is the recovery sustainable?

The markets have seen some positive momentum in recent weeks, helped by increased liquidity, a ceasefire with Pakistan and some progress on US bilateral trade talks. However, there are lingering risks—both economic and geopolitical—that could keep markets volatile in the near term. It is difficult to say whether the equity rally will be sustained in the near term as US trade policies continue to impart significant risks. Any unpredictable announcements from the US administration can have an abnormal impact on the investors' sentiments and could reverse current optimism.

Moreover, there are concerns about the impact of trade tariffs on the US and world economic growth. Any slowdown in the global economic growth or distress in the US economic data could lead to a selloff in the world equity markets.

On the other hand, the recent US trade deal with the UK and the truce with China will provide respite, and if bilateral trade deals continue, the markets may see a decent upside.

How much have the March quarter earnings contributed to the rally?

The current market rally is supported by the softening of global risks that are driven by the ongoing negotiations between the US and other countries. While the domestic earnings have largely come in line with muted expectations, there were not many negative surprises. The forward earnings revisions are not exciting, and we believe that earnings will remain soft for the next quarter. However, a stronger recovery is expected in the second half of the current financial year.

What is your medium-term outlook for earnings growth?

While the short-term outlook is clouded by uncertainties, the long-term prospects of Indian equity markets are buoyant. India's favourable demographics, a stable macroeconomic framework, prudent fiscal management, controlled inflation and the pro-reform policy environment are expected to drive sustained performance over the long term.

Moreover, the oil prices have declined and stabilised, which bodes well for the economy. Brent crude futures have corrected by over 20% from the January 2025 high of $82 per barrel. Going forward, the oil prices are expected to remain range-bound in 2025 and will remain closer to the current levels. The oil prices have averaged $63 a barrel in May 2025.

The domestic-focused sectors are expected to drive earnings from the second half of 2025-26. While financials appear attractive in valuation terms, some segments of energy and power will see positive momentum in the current financial year. Over the medium to long term, sectors linked to consumption, emerging lifestyle, consumer discretionary, travel, hospitality and healthcare (hospitals and diagnostics) are expected to do well. Though the defence sector is aided by policy support, the valuations are slightly expensive. On the other hand, IT services could face headwinds from global uncertainty and elevated valuations, whereas pharma could be hit due to the pricing pressures in the US market. Overall, we expect 2025-26 to be better than 2024-25.

Which segments of the market (market cap segments, themes, or factors) do you favour for the next two-three years?

Our long-term outlook for the domestic equity market is very optimistic as there are disproportionately lower uncertainties in the domestic economy compared to the global markets. We believe that the investors' sentiments are strong, and a resurgence in domestic investments is likely once global risks subside. Among segments, large-caps appear better positioned from a risk-reward perspective. Their valuations are closer to the historical averages in terms of forward multiples. On the other hand, mid-caps and small-caps are still overvalued despite the recent correction.

Mostly, we are overweight on large-caps. However, selective opportunities exist in mid- and small-cap companies. Investors should exercise caution when picking stocks in these segments.

In terms of investing style, factor-based investing is gaining ground in India, especially as active funds struggle to outperform in the large-cap space. We favour multi-factor strategies—such as combining alpha and low volatility—to smooth performance across market

"Given the short- to medium-term horizon and the global uncertainties, aggressive investing is not advisable. Therefore, it is better to invest in hybrid or balanced options."

cycles. Single-factor strategies, like momentum or value are better suited for tactical use.

If you have to invest ₹10 lakh today for one-two years, where would you invest and why?

Any investment decision is based on an individual's risk profile. Given the short- to medium-term horizon and prevailing global uncertainties, aggressive investing is not advisable. Therefore, it is better to invest in hybrid or balanced options.

For moderate risk-takers, we favour balanced advantage funds or equity savings funds. These options offer professional asset allocation along with favourable tax treatment. In addition, investments in these options will help manage volatility as the debt component will help cushion the equity market turbulence. On the other hand, risk-averse investors can combine corporate bond funds with arbitrage funds. These funds offer better post-tax returns than traditional deposits.

For longer investment horizons, a higher allocation to equities will be more effective.

What fixed income strategy will work for investors in the current market conditions?

We prefer a more tactical approach as most of the duration gains from falling yields are accounted for and the markets have already priced in further rate cuts. In the last one year, the 10-year Indian G-sec yield has fallen from 7.1% to 6.2%.

Short-term and corporate bond funds will benefit investors as they offer flexibility and attractive risk-adjusted returns. For high-tax-bracket investors, arbitrage and income-plus funds that provide debt-like returns with favourable tax efficiency can prove effective.

For investors willing to take additional risks, high-yield credit looks tempting. However, investors must weigh the higher risks and fees associated with credit risk funds. We believe that to enhance the overall returns, investors should devise their fixed income strategy by choosing a combination of fixed income instruments and not invest in a single instrument.

What alternative assets are worth exploring at this juncture?

Given the risks, it is important to diversify into alternative assets to manage the overall portfolio volatility. For retail investors, gold, REITs, and InvITs offer low correlation with equities and stable post-tax yields. Apart from these, venture capital, private credit and structured credit are other avenues that can boost overall returns. However, such options suffer from low liquidity and high risks, and therefore, the selection of such avenues is dependent on the investor's individual risk profile.

How should investors look at gold as an investment asset?

Investors should favourably look towards gold as the asset has an important role to play in all types of portfolios. The asset's low correlation with other asset classes makes it an effective diversification tool. It provides a hedge against inflation, geopolitical and macro risks. Moreover, for Indian investors gold also provides a hedge against the currency volatility.

Also, the focus of global central banks on increasing gold reserves due to the ongoing market uncertainties will continue to offer compelling long-term entry points. Investors should consider corrections in gold prices as buying opportunities.

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Beat these biases during volatility

Market swings can trigger cognitive biases, leading to errors in judgement and excessive risk by investors. Find out how to avoid these.

by **Riju Mehta**

Even in calm markets, it doesn't take much to sway investors when it comes to buying or selling decisions. Even as they believe they are in control, they are swirled around by a plethora of emotions and prejudices. Expectedly then, any volatility, as is being witnessed in the Indian markets now, can send them into a tizzy of cognitive and emotional biases that can result in flawed decisions and financial losses.

"Behavioural biases aren't flaws in intelligence, but shortcuts the brain uses to deal with uncertainty. During high-stress moments, these shortcuts can lead to poor decisions," affirms Dr Prerna Kohli, Clinical Psychologist & Founder, MindTribe.

"This results in mistakes like panic selling, timing the market, over-leveraging, ignoring diversification and neglecting the fundamentals," says Atul Shinghal, Founder and CEO, Scripbox.

Though it's not easy to completely shrug off deep-seated cognitive biases, being aware of these and making a conscious effort to avert set responses can help mitigate their impact to a certain extent. "Recognising your mental biases isn't weakness; it's the first step towards making calm, conscious financial choices," says Kohli.

Here are some biases that come into play during market volatility and the ways you can avoid them.

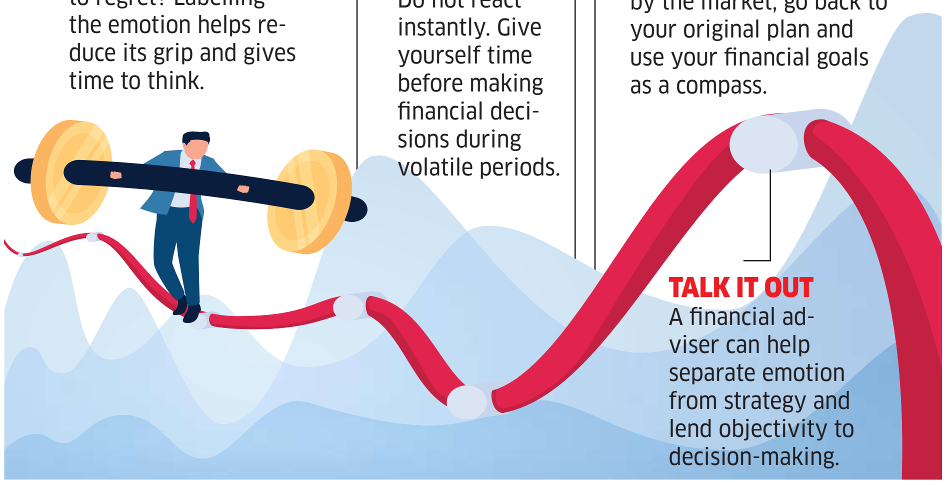
4 ways to manage biases

Clinical psychologist Prerna Kohli explains how to navigate impulses during volatility.

NAME THE FEELING
Are you anxious, overconfident, or reacting to regret? Labelling the emotion helps reduce its grip and gives time to think.

SLOW THE PROCESS
Do not react instantly. Give yourself time before making financial decisions during volatile periods.

CHECK WRITTEN GOALS
When you feel thrown off by the market, go back to your original plan and use your financial goals as a compass.



TALK IT OUT
A financial adviser can help separate emotion from strategy and lend objectivity to decision-making.

HOT HAND FALLACY

What is it?

The term 'hot hand' is derived from basketball, where a shooter is considered more likely to score in the future if he has been successful in the past. First used in 1985 by behavioural scientists, Amos Tversky, Thomas Gilovich and Robert Vallone, this cognitive bias makes one predict future success based on previous performance.

Investing impact

This bias makes people believe that just because a stock or asset has done well in the past, it will continue to do well in the future. "This leads to chasing overvalued assets, buying at peaks, ignoring risks, and overtrading, especially when volatility amplifies short-term gains," says Shinghal.

How to avoid it

Instead of relying on a small data set from the recent past, pick a bigger sample size because figures and statistics can change rapidly during volatility. Conduct your own research and analysis to predict future outcomes, and always stick to fundamentals instead of blindly chasing recent winners.

DIVERSIFICATION BIAS

What is it?

This is the tendency to choose a larger variety of options while making a simultaneous decision, and lesser variety while making a separated, sequential decision. "Psychologically, it stems from the need to feel 'covered' or 'safe' even if the actual risk isn't reduced," says Kohli.

Investing impact

This bias shows up especially during volatility when investors, in a hurry to reduce risk, pile up multiple investments intending to diversify their portfolios. So they may invest in multiple mutual funds, even though all of these have an exposure to the same universe of stocks. "Overdiversification also prevents capitalising on high-conviction opportunities during volatile dips, as it spreads the capital too thinly," says Shinghal.

How to avoid it

Analyse the risk-reward profile of each investment option instead of buying a large basket of seemingly diverse assets.

HINDSIGHT ANCHORING

What is it?

This cognitive bias makes people believe that they knew more about the event after it occurs than they did before it happened. This makes them overestimate their ability to foresee future events and take wrong decisions based on flawed predictions.

Investing impact

During volatility, people become anchored to a dip or correction and believe they can predict such a future event, often leading to incorrect estimates and wrong investing decisions. This could result in not selling during volatility or buying overvalued assets.

How to avoid it

Try not to be overconfident in your predictions during volatility and stick to long-term perspective when it comes to buying or selling decisions.

RECENCY BIAS

What is it?

This cognitive bias makes people take decisions on the basis of immediate or recent events, instead of taking a long-term view, distorting their perception and decision-taking ability.

Investing impact

During volatility, this bias shows itself in panic-selling after temporary dips or avoiding the markets after a crash. "A few days of market volatility can overshadow years of stable returns. This distorts risk perception and leads to impulsive shifts in strategy," says Kohli.

How to avoid it

Stick to your financial goals and long-term strategy, instead of being swayed by short-term noise. "Also study historical recoveries, like Sensex's post-2008 rebound, and stick to dollar-cost averaging to buy during volatility," advises Shinghal.

LOSS AVERSION

What is it?

This bias makes the emotional impact of a loss more painful than the joy of a similar gain, forcing investors to stick to loss-making decisions just to avoid pain.

Investing impact

During market dips, this pain can drive investors to sell too quickly, just to relieve anxiety. "For instance, in 2023, during a volatile Adani Group stock crash (~30% drop), many Indian investors sold holdings like Adani Ports out of fear, missing a 20% rebound within months," says Shinghal.

How to avoid it

Review your investments periodically with a long-term perspective and weed out underperformers in line with your financial goals.

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How GIFT City opens global investment doors for Indians

The finance hub enables seamless cross-border investing.

JOYDEEP SEN
IS A CORPORATE TRAINER AND AUTHOR

Outbound investments at GIFT City, done through the liberalised remittance scheme, carry the additional benefit of INR depreciation over the investment horizon. However, India-focused investment avenues cannot be availed by investors resident to the country, as these would amount to round-tripping, which is not permitted by the RBI.

The International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT) is treated as an international jurisdiction, even though its central business district is located within India's borders.

As an example, Indian banks that have branches at GIFT report the deposits there as global (non-domestic) deposits. This is a gateway for investments to and from abroad, which can be used as per one's requirements. While international investments can also be accessed outside of GIFT—through avenues like the $2,50,000 annual Liberalised Remittance Scheme (LRS) or mutual funds—it's useful to be aware of all available options to make informed decisions.

Outbound investments

Global stocks are listed on the NSE IFSC at GIFT City, though currently this is limited to select US stocks. Indian exchanges like NSE and BSE operate at GIFT City, offering a curated list of leading global stocks. Due to currency conversion, stock prices in INR tend to be on the higher side. Investors cannot purchase these stocks directly; instead, they must invest through an IFSC receipt—an unsponsored depository receipt (UDR), which is a negotiable financial instrument. The UDR represents fractional ownership of the underlying US stock.

Let us consider an example. Say you have a positive view on the Apple stock and want to take exposure. We'll assume the stock costs $199, the unit being US dollar (USD). At a conversion rate of about ₹84.5 to a USD, the price per share of Apple would be approximately ₹16,800. Let's say the price of one UDR, with Apple as the underlying asset, at NSE IFSC is $7.95. Using the same conversion, it is approximately ₹672. Hence, you are buying nearly 4% of one stock of Apple, with commensurate benefits in price appreciation and dividends. This is known as fractional ownership—without owning one full stock, you hold a fraction of it, with proportionate benefits.

Outbound investments through GIFT City are part of the LRS, which has a ceiling of $2,50,000 per financial year. You go to your bank, get your money converted from INR to USD, and remit USD to your broker. There are

Overseas investments in equity/debt through the LRS have been steadily rising—from $0.75 bn in 2021-22 to $1.5 bn in 2023-24.

currently seven brokers, all Indian entities, set up at GIFT City for this purpose and their names are listed on the NSE IX website. There is no compulsion for investments abroad through GIFT City, but the finance hub enables you and guides you for the purpose.

Over time, the volume of overseas investments has been steadily rising. According to the RBI, the top categories for remittances are travel, education, maintenance of relatives, and gifts—followed by investments. From a $0.75 billion investment in equity/debt via LRS in 2021-22, the number steadily rose to $1.25 billion in 2022-23, and $1.5 billion in 2023-24. If an Indian investor already has funds abroad and that is routed through GIFT City, it is not counted as part of the LRS limit. In simple words, your LRS limits get freed up every year; hence, your past LRS investments fall within the LRS limit of that year. Every year you start on a fresh plate; a limit of $2,50,000.

Outbound investments carry the additional benefit of INR depreciation over the investment horizon. For example, you invest in stocks/bonds/mutual funds abroad when the USD-INR exchange rate was 83. After a few years, at the time of withdrawal, it reaches 86. As you are converting from USD to INR at 86, this depreciation adds to the returns you earned from your investments abroad.

Inbound investments

Investments flowing into India through GIFT City initially come in foreign currency, as the central business district is a foreign jurisdiction. For overseas investors, it is expected to be in USD (or other foreign currency), but it should be the same for Indian/NRI investors as well.

Investments of funds into India is according to the financial product mandate as delineated by the product manufacturer. It could be investments into Indian equity or bonds or any asset class, as per the product specifications. The money is converted to INR and enters Indian jurisdiction. As long as funds remain invested in a bank at GIFT City in foreign currency, it is not a remittance to India, for that limited period.

For investments in India, there is the risk of currency depreciation over the investment horizon. As stated in the earlier example, if a foreign or NRI investor put in money when the exchange rate was 83, they got commensurate INR for investments. On redemption, at conversion rate of 86, they would get relatively lower quantum of USD.

A point to be noted is that India-focused investment avenues cannot be availed by resident Indian investors, since investments into the country from an offshore jurisdiction by resident Indians will tantamount to round-tripping, which is not permitted by the RBI.

End note

For investments abroad, if you have an appropriate wealth manager/investment adviser, you can take guidance on investment opportunities abroad. If your aim is to send money abroad for a goal that is a few years away, such as your child's education, the INR depreciation is an issue. You may send money earlier, in phases, to avoid the depreciation issue, to suitable investment products abroad.

Please send your feedback to
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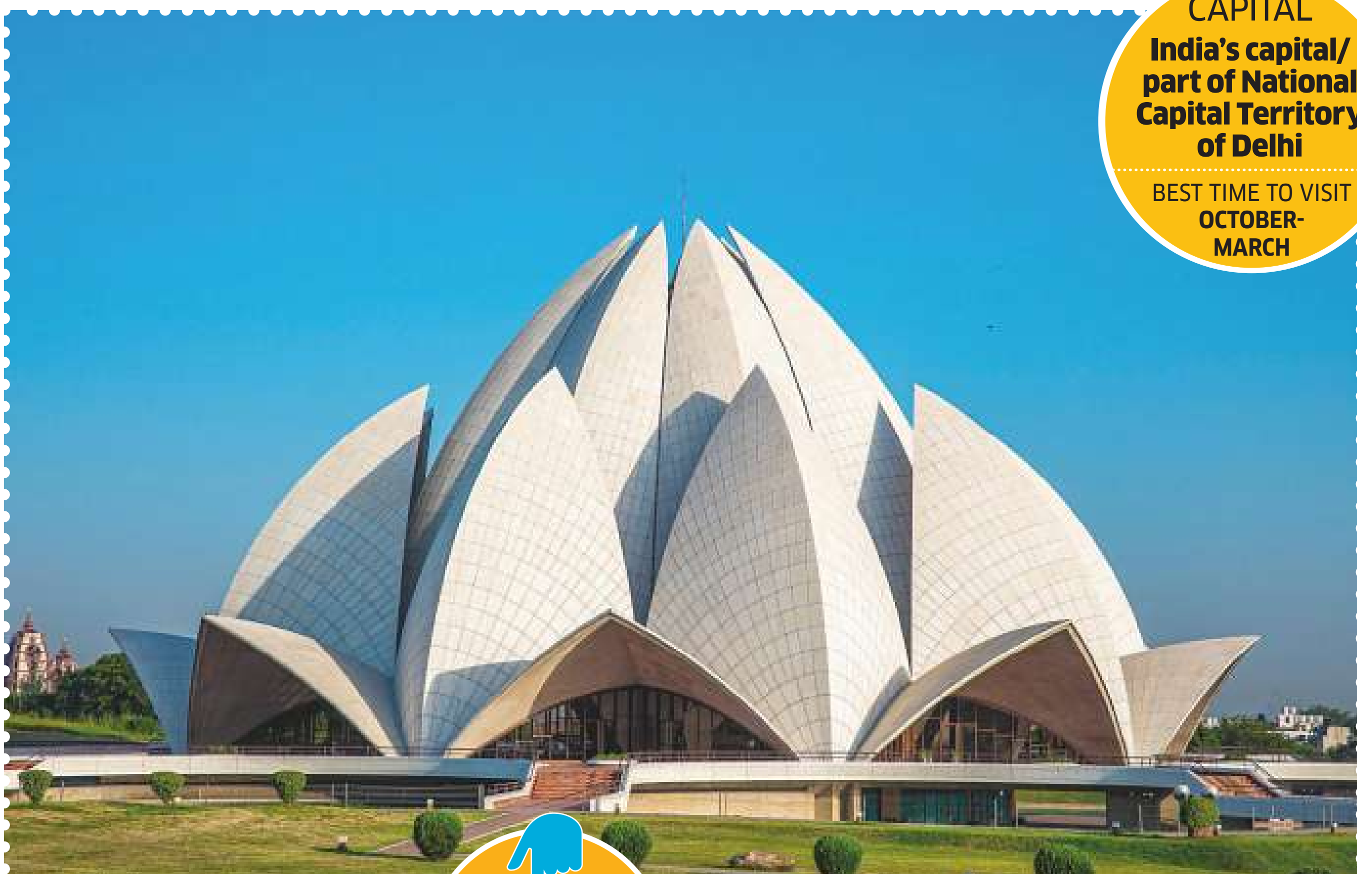
State Secrets: New Delhi

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 30th part of the series, **Riju Mehta** takes you to New Delhi.


GETTY IMAGES

CAPITAL
India's capital/ part of National Capital Territory of Delhi

BEST TIME TO VISIT
OCTOBER-MARCH

The beautiful national capital along the Yamuna river includes satellite cities like Gurugram, Faridabad and Noida. Among the largest metropolitan areas in the world, it also has the biggest metro network in the country. Dotted with Mughal era monuments, heritage sites and historical buildings with stunning architecture, beautiful temples, vibrant markets and finger-licking cuisine make it a popular destination for tourists.

HOW TO REACH FROM MUMBAI...

There are several ways to reach Delhi from across the country via road, trains and flights, or a combination of these, as the capital city is very well connected. The fastest route from Mumbai is by flight, which takes around two hours, while the train is not overly cheap compared to the flight, but can take anywhere from 15 to 26 hours. The one-way flight for July costs ₹3,610, while the train fare starts from ₹2,260 for Class 2A on Ixigo.

Cost by air
₹3,610 (Mumbai-Delhi flight, 2 hrs 15 mts)

Cost by train
₹2,260 (Mumbai-Delhi Class 2A, 26 hrs).

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

SUGGESTED ITINERARY

DAY 1-2
Visit historical monuments and UNESCO World Heritage sites like Qutub Minar, Humayun's tomb and Red Fort, besides others like India Gate, Jantar Mantar and Purana Quila. Don't miss the sumptuous street food and old Delhi non-vegetarian fare like *kebabs*, *tikkas* and *burras*.

DAY 3-4
Next on your itinerary should be places of worship like the Akshardham temple, Jama Masjid, Lotus temple, Gurdwara Bangla Sahib, among several others.

DAY 5-6
Spend time shopping at popular markets like Janpath, Connaught Place, Khan market and Chandni Chowk for traditional handicraft, jewellery, artifacts and cheap or designer clothes. If you have time, you can also take day trips to Neemrana, Jaipur and Agra from Delhi.

DAY 7
Fly back to Mumbai.

WHERE TO STAY...

There is a variety of stay options, ranging from budget-friendly government accommodation, guest houses, bread & breakfasts and hostels to five-star hotels. Also check out the Delhi tourism websites, *https://delhitourism.gov.in/dt/stay-in-delhi.html* and *https://dmsoutheast.delhi.gov.in/accommodation/*, for all categories of accommodation choices.

COST: ₹24,000 for 6 nights

WHAT TO EAT...

Delhi cuisine is a mix of Mughlai and north Indian culinary influences, and old Delhi is a favoured haunt for non-vegetarian delicacies and street food. Popular dishes include *nihari* (mutton or beef stew), mutton *burra* (mutton chops or ribs), butter chicken, *kebabs* (marinated, grilled or roasted meat) and *tikkas* (marinated tandoori dish), *kathi* rolls (vegetarian or non-vegetarian wrap), *biryani* (meat & rice dish), *chole-bhathure* (chick pea & fried bread), snacks like *chaat*, *dahi-bhalla*, *samosas*, *aloo tikki*, and *parathas* (stuffed flatbread). Desserts include *jalebi*, *kulfi*, *faluda* and *rabri*, among many others. While roadside stalls offer cheap food costing ₹50-100 per meal, mid-range restaurants can cost ₹500-1,000, while expensive restaurants will charge upwards of ₹1,200 per person.

COST: ₹1,500-2,000 per person, per day

WHAT TO DO...

HISTORICAL MONUMENTS

India Gate, Red Fort, Qutub Minar, Humayun's tomb, Purana Quila, Jantar Mantar, Agrasen ki baoli, Safdarjung tomb, Siri Fort, Lodhi tomb, Haus Khas fort, Tughlakabad fort, Rashtrapati Bhawan, Lodhi Gardens.

PLACES OF WORSHIP

Akshardham temple, Jama Masjid, Lotus temple, Ahinsa Sthal, Hazrat Nizamuddin *dargah*, Gurdwara Bangla Sahib, Moti Masjid, Sri Digambar Jain Lal Mandir, Chhattarpur temple, Jhandewala temple.

MARKETS

Connaught Place, Janpath, Dilli Haat, Khan market, Lajpat Nagar, Sarojini Nagar, Chandni Chowk, Meena Bazaar, Ghaffar market, Karol Bagh, Chor Bazaar.

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.

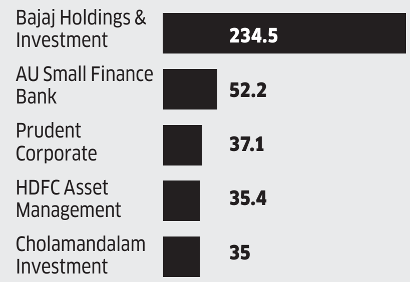
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	PEG (5-year)	Div Yield (%)	No. of funds	Value Research Stock Rating
Can Fin Homes	1	1	745	10	14	11.5	2	0.8	1.6	34	★★★★★
Aavas Financiers	2	2	1,791	17	17	24.7	3.2	1.2	0.0	21	★★★★★
HDFC Bank	3	3	1,920	19	3	20.7	2.8	1.0	1.1	301	★★★★★
AU Small Finance Bank	4	4	689	52	23	24.4	3.0	0.7	0.1	46	★★★★★
Petronet LNG	5	72	320	-3	9	12.1	2.4	1.4	3.1	31	★★★★★
Bajaj Finance	6	5	9,139	27	14	34.2	5.9	1.6	0.6	174	★★★★★
LIC Housing Finance	7	33	593	3	14	6	0.9	0.5	1.7	46	★★★★★
Indegene	8	19	606	10	12	35.8	5.6	1.7	0.3	14	★★★★★
Karur Vysya Bank	9	6	222	18	21	9.2	1.5	0.7	1.2	68	★★★★★
The Federal Bank	10	7	201	19	2	11.9	1.4	0.7	0.6	106	★★★★★
KPIT Technologies	11	25	1,320	20	41	43	12.4	1.1	0.6	59	★★★★★
REC	12	12	402	19	12	6.7	1.3	0.4	4.5	96	★★★★
ICICI Bank	13	9	1,442	17	14	20.2	3.3	1	0.8	304	★★★★★
Bandhan Bank	14	14	166	16	23	9.7	1.1	0.8	0.9	21	★★★★★
Muthoot Finance	15	15	2,096	34	23	15.8	2.9	1.1	1.2	76	★★★★★
Cholamandalam Investment	16	10	1,627	35	23	32.1	5.8	1.2	0	137	★★★★★
DCB Bank	17	16	139	21	14	7.1	0.8	0.7	1	15	★★★★★
City Union Bank	18	13	195	11	11	12.9	1.5	1.9	1	41	★★★★★
Repco Home Finance	19	32	400	11	12	5.4	0.7	0.8	1	10	★★★★★
Indiamart Intermesh	20	11	2,393	16	65	26.1	6.7	0.9	1.3	27	★★★★★
National Aluminium Company	21	18	185	28	165	6.4	1.9	0.1	4.3	37	★★★★
KFin Technologies	22	20	1,050	30	34	54.4	12.9	1.6	0.7	27	★★★★★
Sharda Motor Industries	23	17	1,957	0	20	17.6	5.7	0.7	0.5	11	★★★★★
Gulf Oil Lubricants India	24	24	1,171	8	25	16	3.9	1.5	3.1	16	★★★★★
Ashoka Buildcon	25	22	203	13	614	3.8	1.6	0	0	8	★★★★★
HCL Technologies	26	41	1,633	6	11	25.5	6.4	2.7	3.7	107	★★★★★
Chambal Fertilisers	27	26	591	-7	34	14.4	2.7	1.4	1.7	10	★★★★★
Home First Finance Company	28	23	1,151	35	23	31.1	3.1	1	0.3	39	★★★★★
Aditya Birla Sun Life AMC	29	21	708	25	19	21.9	5.5	1.9	3.4	16	★★★★★
Hero MotoCorp	30	29	4,276	8	17	19.5	4.4	3.5	3.9	94	★★★★
Aadhar Housing Finance	31	8	434.5	20	12	20.5	2.9	1	0	32	★★★★★
Just Dial	32	28	919	9	61	13.3	1.7	0.8	0	6	★★★★★
Indian Energy Exchange	33	30	195	19	21	40.5	15.3	2.2	1.5	32	★★★★★
Abbott India	34	56	31,145	10	18	46.4	15.5	2.5	1.5	60	★★★★★
R Systems International	35	38	374	4	8	31.1	7	1.5	3.4	5	★★★★
Castrol India	36	35	209	7	8	21.9	8.6	4.5	6.2	13	★★★★★
HDFC Asset Management Co	37	34	4,785	35	26	41.5	12.6	2.9	1.9	78	★★★★★
Bajaj Holdings & Investment	38	37	13,198	234	27	19.6	2.5	0.8	1.0	23	★★★★★
Go Fashion (India)	39	42	855	11	13	49.2	6.6	1.3	0	26	★★★★
CMS Info Systems	40	46	486	7	3	21.5	3.5	1.1	0.7	25	★★★★★
Emami	41	52	604	6	12	32.6	9.8	1.6	1.7	59	★★★★★
Eicher Motors	42	36	5,387	14	18	31.2	6.9	1.9	1.3	91	★★★★★
LG Balakrishnan & Bros	43	40	1,329	10	10	14	2.6	0.5	1.5	6	★★★★★
Coromandel International	44	45	2,414	9	26	34.4	6.4	2.3	0.6	68	★★★★★
Balkrishna Industries	45	47	2,650	15	42	28.9	5.2	1.8	0.8	54	★★★★
Prudent Corporate Advisory	46	84	2,544	37	41	53.7	15.7	1.6	0.1	30	★★★★★
CSB Bank	47	44	353	23	5	10.2	1.4	0.5	0	18	★★★★★
Cipla	48	48	1,468	7	28	22.5	3.8	0.8	1.1	123	★★★★
Computer Age Management	49	31	3,883	25	32	40.8	17.2	1.8	1.9	60	★★★★
Escorts Kubota	50	49	3,505	3	16	31	3.8	1.4	0.8	37	★★★★

*REVENUE AND EPS FIGURES BASED ON ONE-YEAR GROWTH. DATA AS ON 23 MAY 2025. ALL PERCENTAGES ROUNDED TO ONE DECIMAL PLACE.

SOURCE: VALUE RESEARCH

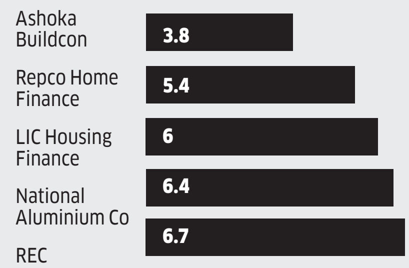
1 Fast growing stocks

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



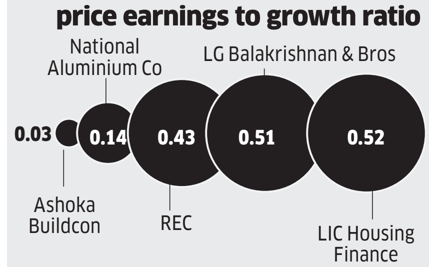
2 Least expensive stocks

Top 5 stocks with the lowest price to earnings ratio



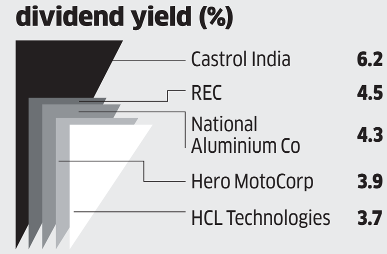
3 Best PEGs

Top 5 stocks with the least price earnings to growth ratio



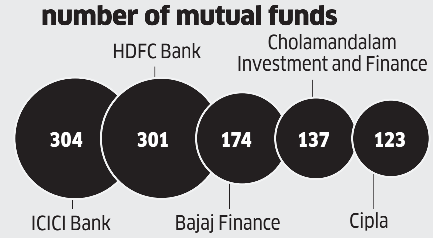
4 Income generators

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	★★★★★	39,677	9.5	5	9.2	23.2	28.9	1.5
ICICI Prudential Bluechip Fund	★★★★★	68,034	9.2	5.7	10.8	20.9	26	1.4
HDFC Large Cap Fund - Regular Plan	★★★★★	37,315	7.3	4	7.4	19.5	25.7	1.6
Invesco India Largecap Fund	★★★★	1,424	11.5	3.4	9.9	19.1	23	2.1
DSP Nifty 50 Equal Weight Index Fund - Regular Plan	★★★★★	2,068	8.4	6.5	8.1	18.9	27.1	0.9
Baroda BNP Paribas Large Cap Fund - Regular Plan	★★★★	2,543	8.3	2.5	5.6	18.8	22.3	2
Sundaram Nifty 100 Equal Weight Fund	★★★★	103	9.5	4.4	3	18.7	24.9	1.1
Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund	★★★★	384	8.3	6.4	8	18.6	–	1
Edelweiss Large Cap Fund - Regular Plan	★★★★	1,229	8.6	3.8	7.78	18.2	23.1	2.1
Canara Robeco Bluechip Equity Fund - Regular Plan	★★★★	15,621	9.2	5.5	12.5	18.1	22.2	1.6
JM Large Cap Fund	★★★★	507	6.6	-1.7	-2	17.9	19.7	2.4
Quant Focused Fund	★★★★★	1,021	7	0.6	-3.2	16.6	24.6	2.2
EQUITY: LARGE & MIDCAP								
Motilal Oswal Large and Midcap Fund - Regular Plan	★★★★★	9,176	16.6	1.7	18.2	30.9	32.3	1.8
Bandhan Core Equity Fund - Regular Plan	★★★★★	8,408	9.2	3.4	10	26.7	30.7	1.8
ICICI Prudential Large & Mid Cap Fund	★★★★★	20,352	9.6	8.1	12.6	24.9	31.4	1.7
UTI Large & Mid Cap Fund - Regular Plan	★★★★★	4,349	9.1	2.9	12.9	24.4	30.4	1.9
HDFC Large and Mid Cap Fund - Regular Plan	★★★★	24,326	9.9	3.3	7.6	23.4	31.1	1.7
SBI Large & Midcap Fund	★★★★	30,133	8.7	3.3	11.1	20.3	28	1.6
EQUITY: FLEXI CAP								
JM Flexicap Fund	★★★★★	5,625	7.2	-2.5	1	27	29.3	1.8
HDFC Flexi Cap Fund - Regular Plan	★★★★★	74,105	9.1	6.2	15.5	25.9	32.6	1.4
HDFC Focused 30 Fund - Regular Plan	★★★★★	18,560	8.8	6	15.8	25.9	32.4	1.7
Invesco India Focused Fund - Regular Plan	★★★★	3,693	9	0.9	13.2	25.8	–	1.9
ICICI Prudential Focused Equity Fund	★★★★	11,019	12	7	14.1	25.1	28	1.7
ICICI Prudential Retirement Fund - Pure Equity Plan	★★★★	1,129	10.4	5.1	7.6	24.1	31	2.12
Bank of India Flexi Cap Fund - Regular Plan	★★★★	1,982	10.6	-2.5	-0.1	23.2	–	2
Mahindra Manulife Focused Fund - Regular Plan	★★★★	2,059	7.6	4	5.8	22.5	–	2
Franklin India Flexi Cap Fund - Regular Plan	★★★★	18,225	9.6	3.7	10.8	22.4	29.3	1.7
Parag Parikh Flexi Cap Fund - Regular Plan	★★★★★	98,541	5.4	5.1	13.6	22.1	27.7	1.3
HSBC Flexi Cap Fund	★★★★	4,700	10.6	0.4	10.1	22	25.3	1.9
HDFC Retirement Savings Fund Equity Plan	★★★★★	6,244	9	3.8	9.8	21.9	30	1.8
Edelweiss Flexi Cap Fund - Regular Plan	★★★★	2,542	8.5	0.4	8.7	21	26.1	1.9
360 ONE Focused Equity Fund - Regular Plan	★★★★	6,961	7.3	2.6	5.5	20.1	26.1	1.8
Franklin India Focused Equity Fund - Regular Plan	★★★★	11,968	6.9	2.2	7.3	19.8	27.6	1.8
EQUITY: MID CAP								
Motilal Oswal Midcap Fund - Regular Plan	★★★★★	27,780	7.1	-5.2	17.2	32	38.3	1.6
HDFC Mid-Cap Opportunities Fund - Regular Plan	★★★★★	74,910	10.5	3	10.5	29.6	35	1.4
Nippon India Growth Fund	★★★★	34,690	11.6	1.5	11.1	28.3	35.4	1.6
Edelweiss Mid Cap Fund - Regular Plan	★★★★	9,242	11.8	1.2	15.5	27.7	34.5	1.7
Kotak Emerging Equity Fund - Regular Plan	★★★★	49,646	10.7	-0.9	10	23.3	32.3	1.4
SBI Magnum Midcap Fund	★★★★	21,512	9.7	2	8.1	20.7	32.9	1.7
EQUITY: SMALL CAP								
Nippon India Small Cap Fund	★★★★★	58,029	11.4	-2.5	3.5	27.2	40.9	1.4
Quant Small Cap Fund	★★★★★	26,222	10.8	-2	-1.2	26.3	48.9	1.6
Tata Small Cap Fund - Regular Plan	★★★★	9,418	9	-5.1	7	23.8	36.6	1.7
Bank of India Small Cap Fund - Regular Plan	★★★★	1,639	10.9	-5.5	6.2	23.6	36.2	2
EQUITY: VALUE ORIENTED								
JM Value Fund	★★★★	1,036	9.8	-0.8	1.5	27.8	31	2.2
HSBC Value Fund	★★★★	13,095	11.7	2	7.9	25.8	31.3	1.7
SBI Contra Fund	★★★★★	44,069	7.7	2.2	6.3	24.4	36.6	1.5
ICICI Prudential Value Discovery Fund	★★★★★	51,112	8.7	6.1	13	23.4	30.5	1.5
EQUITY: ELSS								
Motilal Oswal ELSS Tax Saver Fund - Regular Plan	★★★★	3,897	15.3	-1.6	12.9	29.1	29.7	1.8
SBI Long Term Equity Fund - Regular Plan	★★★★★	28,506	7.6	2.8	8.2	27.9	30.4	1.6
HDFC ELSS Tax Saver Fund - Regular Plan	★★★★★	16,232	9.6	5.9	13	25.2	29.7	1.7
DSP ELSS Tax Saver Fund - Regular Plan	★★★★	16,638	9.7	4.4	13.9	22.5	28.2	1.6
JM ELSS Tax Saver Fund	★★★★	189	6.4	-1.7	3.5	21.9	27.8	2.4
Parag Parikh ELSS Tax Saver Fund - Regular Plan	★★★★★	5,085	7.3	5.7	15.1	20.6	28	1.7

23.2% THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

27% THE 3-YEAR RETURN OF JM FLEXI-CAP FUND IS THE HIGHEST IN ITS CATEGORY.

32% THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

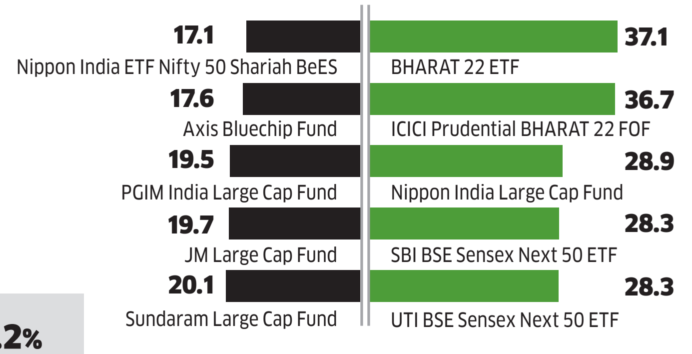
27.8% THE 3-YEAR RETURN OF JM VALUE FUND IS THE HIGH-EST IN ITS CATEGORY.

LAGGARDS & LEADERS

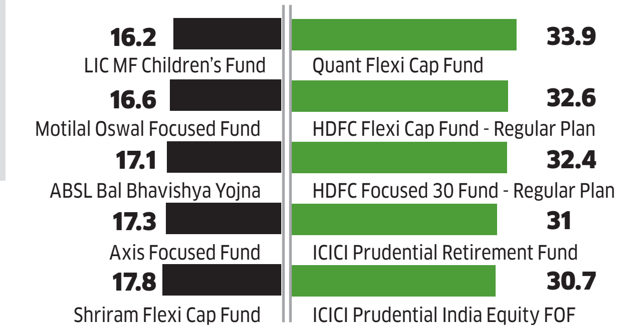
Taking a long-term view of fund returns, here is a list of 10 funds in each category–five leaders (worth investing) and five laggards (that may be a drag on your portfolio).

LAGGARDS | LEADERS

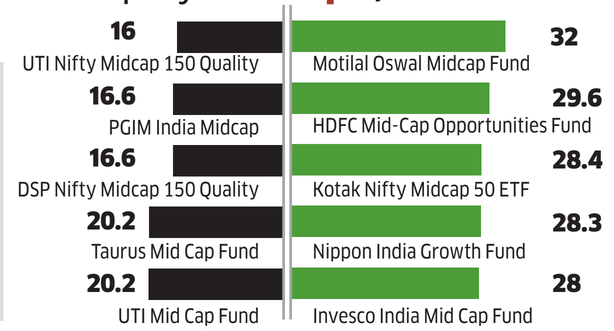
Equity: Large cap 5-year returns



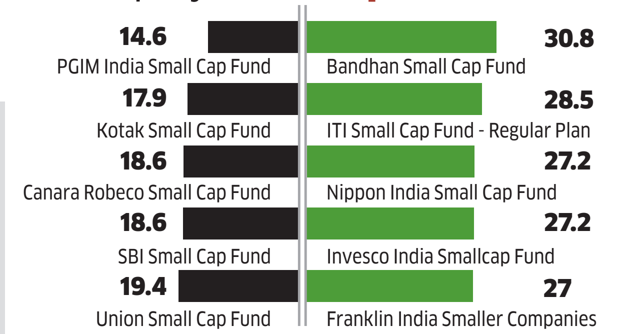
Equity: Flexi cap 5-year returns



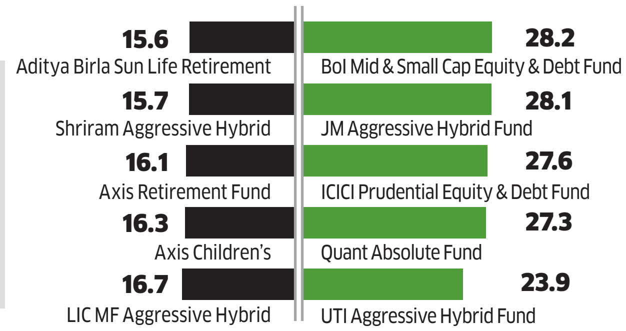
Equity: Mid cap 3-year returns



Equity: Small cap 3-year returns



Hybrid: Aggressive 5-year returns



ANNUALISED RETURNS IN % AS ON 21 MAY 2025

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
Quant ELSS Tax Saver Fund	★★★★	10,873	10.1	0.8	-7.5	17.7	34.1	1.6
HYBRID: EQUITY SAVINGS								
HSBC Equity Savings Fund	★★★★	648	4.5	-0.6	6.7	12.8	15.6	1.5
UTI Equity Savings Fund - Regular Plan	★★★★★	674	3.9	4.4	8.2	12	13.5	1.6
Kotak Equity Savings Fund - Regular Plan	★★★★★	8,190	4.3	3.6	7.2	11.8	13.1	1.8
SBI Equity Savings Fund - Regular Plan	★★★★	5,443	6.1	3	8.9	11.7	14	1.4
Edelweiss Equity Savings Fund - Regular Plan	★★★★	598	4	4.9	10.1	11.4	11.9	1.6
ICICI Prudential Equity Savings Fund	★★★★	13,046	3.2	4.3	9.4	8.8	11.2	1
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
JM Aggressive Hybrid Fund	★★★★★	802	4.7	-3	1	22.9	28.1	2.2
SBI Magnum Children's Benefit Fund - Investment Plan	★★★★★	3,358	6.6	1.8	15	21.9	–	1.9
ICICI Prudential Retirement Fund - Hybrid Aggressive	★★★★	790	8.6	4.4	7	20.9	23.2	2.3
Bank of India Mid & Small Cap Equity & Debt Fund	★★★★	1,095	10.7	0.5	6.2	20.9	28.2	2.2
ICICI Prudential Equity & Debt Fund	★★★★★	42,340	8.5	7.4	11.7	20.8	27.6	1.6
ICICI Prudential Child Care Fund - Gift Plan	★★★★	1,300	8.9	5.6	7.4	19.9	21.7	2.2
Edelweiss Aggressive Hybrid Fund - Regular Plan	★★★★	2,612	7.7	5.2	11.2	19.2	22.9	1.9
UTI Aggressive Hybrid Fund - Regular Plan	★★★★★	6,122	7.1	4	12.4	19.1	23.9	1.9
HDFC Children's Fund - Regular Plan	★★★★★	9,810	7.8	3.2	8.3	18.4	23.2	1.7
HDFC Retirement Savings Fund - Hybrid Equity Plan	★★★★	1,608	7.7	3.6	8.6	17.7	21.8	2
Kotak Equity Hybrid Fund - Regular Plan	★★★★	7,036	7.4	1.3	9.4	16.4	23.2	1.8
Quant Absolute Fund	★★★★	2,054	10.2	4.9	-1.2	14.6	27.3	2
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund - Savings Plan	★★★★★	125	5.2	2.9	13.8	13.2	15.2	1.2
Parag Parikh Conservative Hybrid Fund - Regular Plan	★★★★★	2,550	4.8	5.7	10.8	12.2	–	0.6
ICICI Prudential Regular Savings Fund	★★★★	3,166	4.4	5.1	10.3	10.9	11.25	1.7
Kotak Debt Hybrid Fund - Regular Plan	★★★★	3,075	5	4.9	9.8	11.8	12.8	1.7
HDFC Hybrid Debt Fund - Regular Plan	★★★★	3,364	5.2	5.1	9.2	12	13.3	1.7
SBI Conservative Hybrid Fund	★★★★	9,612	5	4	9	11	12.8	1.5
HYBRID: DYNAMIC ASSET ALLOCATION								
ICICI Prudential Balanced Advantage Fund	★★★★	62,528	6.4	5.7	11.1	14.1	17.6	1.4
Baroda BNP Paribas Balanced Advantage Fund	★★★★	4,155	8	3.7	8.6	15.8	18.1	1.9
HDFC Balanced Advantage Fund - Regular Plan	★★★★★	97,461	7.4	4.7	7.7	22	27.2	1.4
Tata Balanced Advantage Fund - Regular Plan	★★★★	10,154	52	2.7	5.7	12.3	15.3	1.7
DEBT: FLOATER								
Aditya Birla Sun Life Floating Rate Fund - Regular Plan	★★★★★	13,438	2.7	4.5	8.6	7.6	6.6	0.4
DEBT: BANKING AND PSU								
Aditya Birla Sun Life Banking & PSU Debt Fund	★★★★	8,826	3.8	5.6	9.9	7.6	6.6	0.7
ICICI Prudential Banking & PSU Debt Fund	★★★★★	10,447	3.4	5.2	9.3	7.8	6.8	0.7
Bandhan Banking & PSU Debt Fund - Regular Plan	★★★★	13,560	3.3	5.1	9.1	7.3	6.3	0.6
ITI Banking and PSU Debt Fund - Regular Plan	★★★★★	35	3.1	4.8	8.7	7.1	–	0.7
DEBT: SHORT TERM								
Axis Short Duration Fund - Regular Plan	★★★★	9,640	3.6	5.6	9.8	7.6	6.5	0.9
HDFC Short Term Debt Fund	★★★★★	15,030	3.5	5.3	9.8	7.9	6.8	0.7
SBI Short Term Debt Fund	★★★★	14,429	3.6	5.5	9.6	7.5	6.1	0.9
Aditya Birla Sun Life Short Term Fund - Regular Plan	★★★★	8,343	3.4	5.3	9.6	7.6	7.2	1
Sundaram Short Duration Fund	★★★★	211	3.4	5.2	9.6	7.4	8.2	0.9
ICICI Prudential Short Term Fund	★★★★★	20,969	3.4	5.1	9.3	8	6.9	1
UTI Short Duration Fund - Regular Plan	★★★★	2,791	3.3	5.1	9.3	7.5	7.4	0.8
DEBT: CORPORATE BOND								
Nippon India Corporate Bond Fund	★★★★★	6,998	4	5.9	10.5	8.2	7.2	0.7
Aditya Birla Sun Life Corporate Bond Fund	★★★★	25,884	3.8	5.7	10.3	8.2	7.1	0.5
HDFC Corporate Bond Fund - Regular Plan	★★★★	32,657	3.9	5.6	10.3	8.2	6.9	0.6
Axis Corporate Bond Fund - Regular Plan	★★★★	6,773	4	5.9	10.2	7.8	6.9	0.9
Kotak Corporate Bond Fund - Standard Plan	★★★★	15,127	3.8	5.6	10.1	7.8	6.7	0.7
ICICI Prudential Corporate Bond Fund	★★★★★	31,133	3.4	5.2	9.5	8.1	7	0.6

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns. All percentages rounded to one decimal place.

12.8% THE 3-YEAR RETURN OF HSBC EQUITY SAVINGS FUND IS THE HIGHEST IN ITS CATEGORY.

13.8% THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

9.9% THE 1-YEAR RETURN OF ABSL BANKING & PSU DEBT FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 30 April 2025
Returns as on 21 May 2025
Assets as on 30 April 2025
Rating as on 30 April 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.

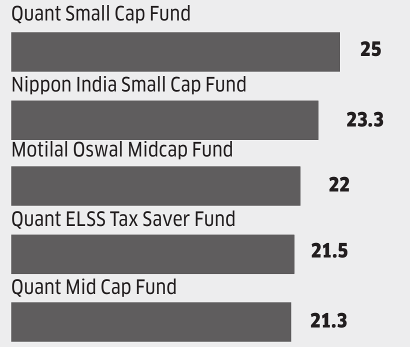
FUND RAISER

33.4% is the year-on-year increase in the folios of growth/equity-oriented schemes in 2024-25. In contrast, income/debt-oriented scheme folios declined 3% year-on-year.

Source: AMFI. Growth/equity-oriented folios constitute 70%, whereas income/debt-oriented folios constitute 3% of the total industry folios.

1 Top 5 SIPs

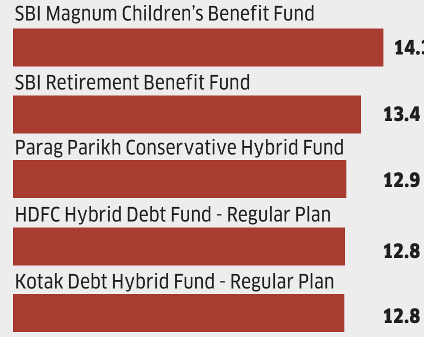
Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN
% ANNUALISED RETURNS AS ON 21 MAY 2025

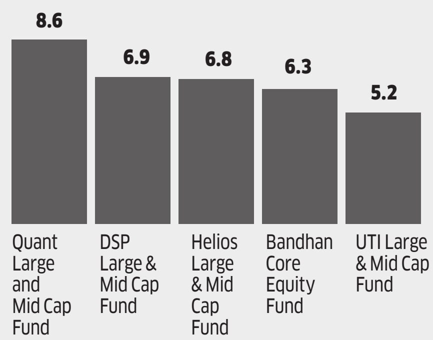
2 Top 5 SWPs

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



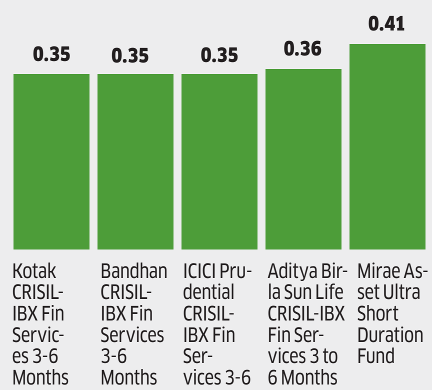
SWP: SYSTEMATIC WITHDRAWAL PLAN
% ANNUALISED RETURNS AS ON 21 MAY 2025

3 Large & MidCap: Cash Holdings



% OF ASSETS AS ON 30 APR 2025

4 Debt: Ultra Short Duration



% AS ON 30 APR 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

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	7.8	**10,798**
IndusInd Bank	7.5	**10,771**
RBL Bank	7.5	**10,771**
City Union Bank	7.2	**10,745**
DCB Bank	7.1	**10,729**
TENURE: 2 YEARS		
IndusInd Bank	7.5	**11,602**
RBL Bank	7.5	**11,602**
YES Bank	7.5	**11,602**
Bandhan Bank	7.2	**11,545**
DCB Bank	7.2	**11,545**
TENURE: 3 YEARS		
RBL Bank	7.5	**12,497**
YES Bank	7.5	**12,497**
Bandhan Bank	7.2	**12,405**
DCB Bank	7.2	**12,405**
IndusInd Bank	7.2	**12,405**
TENURE: 5 YEARS		
YES Bank	7.5	**14,499**
DCB Bank	7.2	**14,323**
IndusInd Bank	7.1	**14,217**
RBL Bank	7.1	**14,218**
Karur Vysya Bank	7	**14,148**

Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	8.2	**10,851**
IndusInd Bank	8	**10,824**
RBL Bank	8	**10,824**
DCB Bank	7.6	**10,782**
Bank of India	7.6	**10,777**
TENURE: 2 YEARS		
IndusInd Bank	8	**11,717**
RBL Bank	8	**11,717**
YES Bank	8	**11,717**
Bandhan Bank	7.8	**11,659**
DCB Bank	7.8	**11,659**
TENURE: 3 YEARS		
YES Bank	8.2	**12,776**
RBL Bank	8	**12,682**
Bandhan Bank	7.8	**12,589**
DCB Bank	7.8	**12,589**
IndusInd Bank	7.8	**12,589**
TENURE: 5 YEARS		
YES Bank	8.2	**15,043**
DCB Bank	7.8	**14,678**
Axis Bank	7.6	**14,607**
IndusInd Bank	7.6	**14,571**
RBL Bank	7.6	**14,571**

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
YES Bank	7.5	**14,499**
DCB Bank	7.2	**14,323**
IndusInd Bank	7.1	**14,217**
RBL Bank	7.1	**14,217**
Bandhan Bank	7	**14,148**

ALL DATA SOURCED FROM ECONOMIC TIMES INTELLIGENCE GROUP (ETIGDB@TIMESOFINDIA.COM); INTEREST RATES ROUNDED TO ONE DECIMAL PLACE

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%

BANK	RLLR	FOR SALARIED (%)		FOR SELF-EMPLOYED (%)		WEF
		FROM	TO	FROM	TO	
Bank of Maharashtra	8.8	7.8	9.9	8	10.4	Not Given
Union Bank of India	8.8	7.8	10.2	7.8	10.2	11 April 2025
Indian Bank	--	7.9	9.3	8.5	9.9	Not Given
Indian Overseas Bank	8.9	7.9	8.4	8	8.5	12 April 2025
UCO Bank	8.8	7.9	9.5	7.9	9.5	10 April 2025
Canara Bank	8.8	7.9	10.8	7.9	10.8	12 May 2025
Bank of Baroda	8.6	8	9.5	8	9.6	10 April 2025
Bank of India	8.9	8	9.1	8	9.1	9 April 2025
SBI Term Loan	8.6	8	9	8	9	15 May 2025
Punjab National Bank	8.9	8	9.7	8	9.70	1 May 2025
Central Bank of India	9	8.2	9.2	8.2	9.2	Not Given
Punjab & Sind Bank	8.1	8.2	11.2	8.2	11.25	Not Given
IndusInd Bank	--	8.2	10.1	8.2	10.1	Not Given
IDBI Bank	9	8.2	10.6	8.4	12.1	12 April 2025
South Indian Bank	9.8	8.3	10.6	8.3	10.6	Not Given
HDFC Bank	--	8.4	9.3	8.4	9.3	Not Given
Karur Vysya Bank	9.3	8.4	11.4	8.4	11.4	10 April 2025
J&K Bank	8.8	8.5	9.6	8.8	9.6	10 Feb 2025
Federal Bank	9.6	8.6	9.8	9.7	9.8	Not Given
YES Bank	--	8.6	10.5	8.6	10.5	Not Given
Bandhan Bank	--	8.6	13.3	8.6	13.3	Not Given
Karnataka Bank	--	8.9	11.1	8.9	11	1 May 2025
ICICI Bank	--	9.2	9.9	9.4	10.1	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	8.2	250	₹1.5 lakh p.a.	One account per girl child	80C
Senior Citizens' Savings Scheme	8.2	1,000	₹30 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.1	500	₹1.5 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	7.5	1,000	No limit	Can be encashed after 2.5 years	Nil
5-year NSC VIII Issue	7.7	1,000	No limit	No TDS	80C
Time deposit#	6.9-7.5	1,000	No limit	Available in 1, 2, 3, 5 year tenures	80C#
Post Office Monthly Income Scheme	7.4	1,000	Single ₹9 lakh	5-year tenure, monthly returns	Nil
			Joint ₹15 lakh	5-year tenure, monthly returns	Nil
Recurring deposits	6.7	100	No limit	5-year tenure	Nil
Savings account	4	500	No limit	₹10,000 interest tax-free	Nil

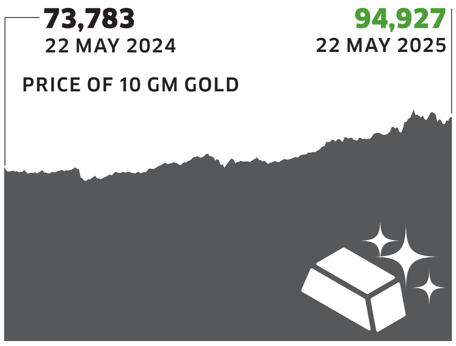
Data as on 22 May 2025

#Benefit available only for 5-year deposit

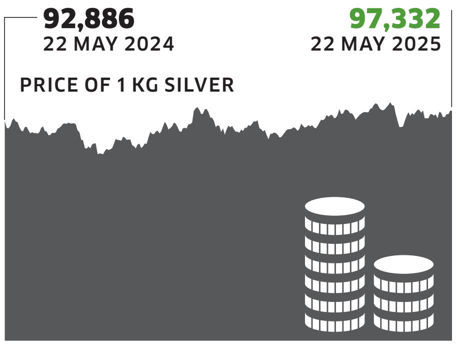
ALTERNATIVE INVESTMENT RETURNS MONITOR

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.

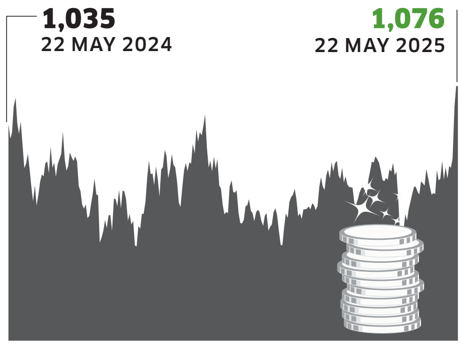
Gold (995) (₹)



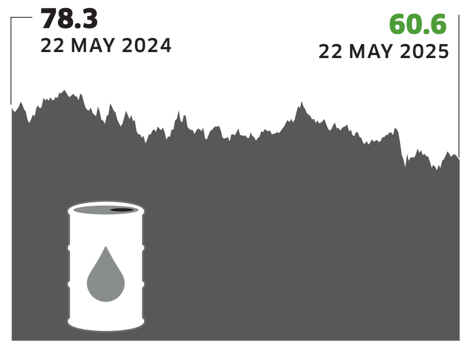
Silver (₹)



Platinum ($/troy ounce)



WTI Crude ($/barrel)

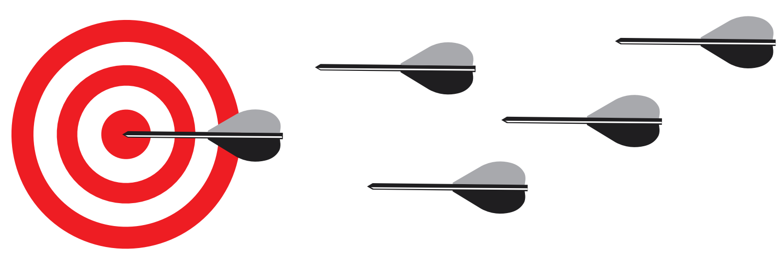


CHANGE

	Gold (995) (₹)	Silver (₹)	Platinum ($/troy ounce)	WTI Crude ($/barrel)
1 WEEK	3.2%	2.9%	8.7%	-1.7%
1 YEAR	28.7%	4.8%	4%	-22.6%

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)
Agio Paper & Industries	6.7	9.7	**58.2**	~0	82.2	10.8
Kesoram Industries	5.1	9.9	**57.7**	16.6	107.3	158.8
Kashyap Tele-Medicines	8.9	10.2	**49.3**	0.2	115.9	42.4
DCM Financial Services	8.7	27.3	**44.7**	0.1	106.7	19.2
Noida Toll Bridge Co	4.7	14	**41**	0.2	-78.1	87.7
MEP Infrastructure Deve.	1.8	5.2	**35.6**	0.6	-28.5	33.7
Trucap Finance	9.5	5.8	**35**	0.9	32.4	110.9
Zee Learn	9.1	38.7	**34.6**	2.2	13.8	296.4
Shrydus Industries	5.9	19.9	**34.4**	0.5	-73.8	18.9
Avance Technologies	0.8	30.8	**32.8**	104.1	17	168.5

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)
New Light Apparels	2.1	-21.8	**-56.9**	3	37,644.7	16
GV Films	0.4	-2.8	**-47.8**	188.7	602.3	32
Money Masters Leasing	1.1	-17.8	**-36.1**	3	50.5	10.6
Variman Global Enterprises	7.9	-11.9	**-34.1**	4.4	0.5	153.2
Sharanam Infraproject	0.4	-4.3	**-32.8**	75.8	15.7	27
Softrak Biotech	2.2	-7.8	**-32.2**	10.4	47.4	101.4
Teamo Prodyction HQ	0.8	10.5	**-29.4**	17.8	155.1	72.3
Harshil Agrotech	2.3	1.8	**-28.5**	264.5	13,424.5	160.7
Maharashtra Corporation	0.4	-6.4	**-26.7**	41.4	96.5	27.3
KBC Global	0.4	-7.7	**-26.5**	152.5	423.2	188.2

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)
New Light Apparels	2.1	-21.8	-56.9	3	**37,644.7**	16
Mena Mani Industries	5.4	3.2	-8.4	0.1	**17,638.3**	54.7
Harshil Agrotech	2.3	1.8	-28.5	264.5	**13,424.5**	160.7
Quasar (I)	0.9	-5.5	1.2	178.5	**2,666.3**	41.4
Onesource Industries	1.6	3.9	24	1.4	**1,837.7**	83.2
Leading Leasing Finance	7.2	5.8	12.7	40.9	**1,562.4**	315.2
Mohite Industries	3.5	-9.1	-23.4	0.2	**1,377.9**	70
GV Films	0.4	-2.8	-47.8	188.7	**602.3**	32
Ankit Metal & Power	2.4	3.1	23	0.1	**511.8**	33.2
Winsome Yarns	1.8	0	3.5	1.6	**474.2**	12.5

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)
Sharp Investments	0.7	19.6	-15.2	1.3	**-91.7**	16.2
India Steel Works	5.9	6.3	-3.6	2.5	**-87.9**	233.7
SRU Steels	4.1	-1.4	-11.2	2.3	**-86.4**	24.8
Toyam Sports	1.3	8.1	-7	2.2	**-84.9**	76.9
Alliance Integrated Metal.	4.0	-3.7	-7.9	1.2	**-82.5**	156
Radhe Developers (India)	2.2	22.8	10	1	**-82.3**	111.3
Dish TV (I)	5.3	5.4	-2.8	4	**-81.8**	975.9
IEL	5.2	3.2	10.2	7.8	**-73.6**	34.5
Veerkrupa Jewellers	1	-1	-8	1.1	**-72.7**	13.6
Diligent Industries	1.9	7.2	-4.5	1	**-67.1**	48.6

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 22 MAY 2025. **SOURCE:** ETIG DATABASE AND REUTERS-REFINITIV ALL FIGURES ROUNDED TO ONE DECIMAL PLACE

Strong March quarter boosts banking sector

Welcome to TrendMap, your quick, visual guide to the performance of different investment segments. In this edition, we present an 11-year performance tracker of various domestic market sectors. The annual returns are ranked for 9 key NSE sector indices. This map shows that no single sector reigns supreme. Hence, diversification helps. By **Sameer Bhardwaj.**

Rank	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
1	Pharma 9.5%	Metals 44.9%	Real estate 101.0%	IT 24.9%	Real estate 25.7%	Pharma 60.5%	Metals 69.4%	Metals 19.5%	Real estate 79.6%	Pharma 38.9%	Banks 7.5%
2	FMCG 0.7%	Energy 19.5%	Metals 45.6%	FMCG 14.4%	Banks 17.4%	IT 54.2%	IT 58.2%	Banks 18.0%	Auto 47.0%	Real estate 33.8%	Metals 6.0%
3	IT -0.03%	Auto 9.8%	Banks 42.1%	Banks 7.3%	Energy 10.9%	Metals 16.4%	Real estate 53.0%	FMCG 17.5%	Infra 38.0%	Auto 22.8%	Infra 5.3%
4	Energy -0.5%	Banks 6.7%	Energy 38.2%	Energy 1.4%	IT 8.3%	FMCG 13.0%	Infra 34.7%	Auto 13.5%	Pharma 34.1%	IT 21.4%	Auto 1.7%
5	Auto -0.8%	FMCG 2.8%	Infra 32.9%	Pharma -7.8%	Infra 2.0%	Auto 12.0%	Energy 33.3%	Energy 13.2%	FMCG 29.0%	Infra 15.9%	Energy 0.01%
6	Infra -9.6%	Infra -2.9%	FMCG 29.7%	Infra -12.7%	FMCG -0.9%	Infra 11.9%	Auto 17.9%	Infra 4.8%	Energy 28.6%	Metals 8.1%	FMCG -1.4%
7	Banks -9.8%	Real estate -6.0%	Auto 28.8%	Metals -19.5%	Pharma -9.5%	Energy 5.8%	Banks 13.6%	Pharma -11.0%	IT 23.6%	Banks 5.4%	Pharma -8.5%
8	Real estate -15.0%	IT -6.9%	IT 12.5%	Auto -22.3%	Auto -10.2%	Real estate 5.4%	Pharma 9.4%	Real estate -11.8%	Metals 15.8%	Energy 4.9%	Real estate -11.3%
9	Metals -32.2%	Pharma -14.3%	Pharma -6.7%	Real estate -33.2%	Metals -10.7%	Banks -2.6%	FMCG 9.3%	IT -26.8%	Banks 11.8%	FMCG -0.9%	IT -14.0%

Source: ACE MF. *2025 data is YTD based on 20 May 2025 closing values. Other years' returns are calculated between the first and the last trading day closing values. Indices considered: Auto: Nifty Auto, Banks: Nifty Bank, Energy: Nifty Energy, FMCG: Nifty FMCG, Infra: Nifty Infrastructure, IT: Nifty IT, Metals: Nifty Metal, Pharma: Nifty Pharma, Real estate: Nifty Realty.

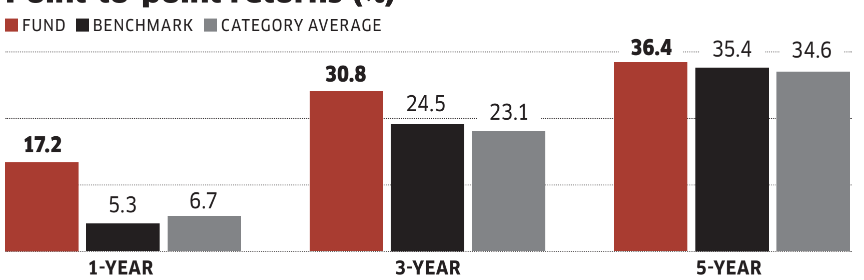
BANDHAN SMALL CAP

Building a strong track record

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

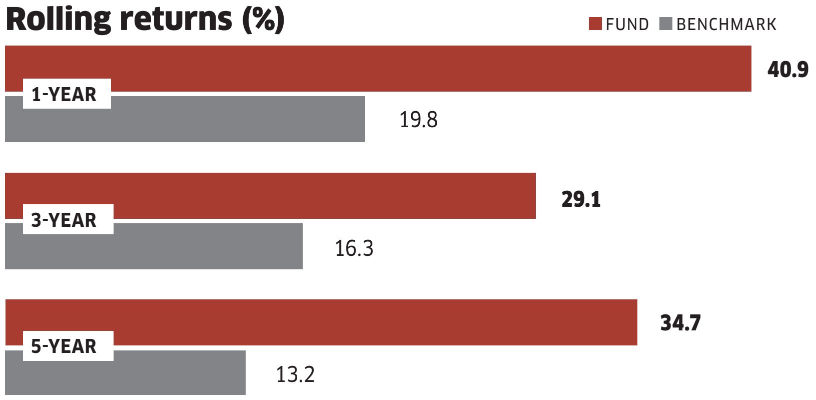
Point-to-point returns (%)



The fund has comfortably beaten index and peers in recent years.

AS ON 13 MAY 2025

Rolling returns (%)

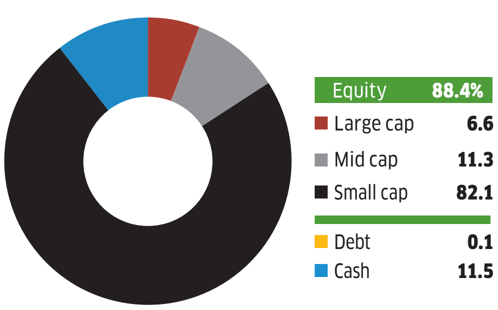


In its short running time so far, the fund has exhibited sharp outperformance across time frames.

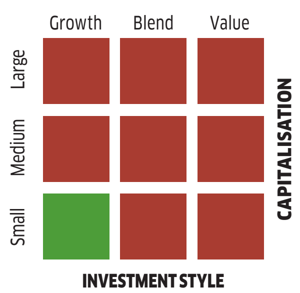
AS ON 13 MAY 2025

WHERE THE FUND INVESTS

Portfolio asset allocation



Fund style box



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

AS ON 30 APR 2025

BASIC FACTS

DATE OF LAUNCH
25 FEB 2020

CATEGORY
EQUITY

TYPE
SMALL CAP

AUM*
₹10,244 crore

BENCHMARK
BSE 250 SMALLCAP TOTAL RETURN INDEX

WHAT IT COSTS

NAV**

GROWTH OPTION
₹42.7

IDCW
₹31.7

MINIMUM INVESTMENT
₹1,000

MINIMUM SIP AMOUNT
₹100

EXPENSE RATIO# (%)
1.7

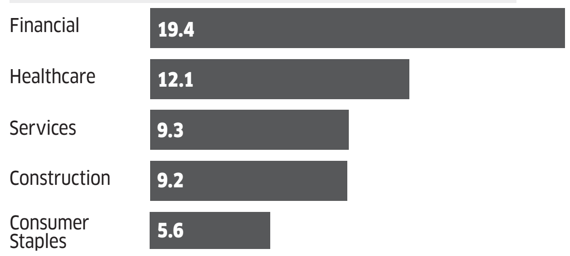
EXIT LOAD
1% for redemption within 365 days

*AS ON 30 APR 2025
**AS ON 13 MAY 2025
#AS ON 30 APR 2025

FUND MANAGER

MANISH GUNWANI
2 YEARS, 3 MONTHS

Top 5 sectors in portfolio (%)



The fund's sector tilt is currently towards financial and healthcare.

AS ON 30 APR 2025

Top 5 stocks in portfolio (%)

The fund is diversified to the hilt with over 180 individual positions.

AS ON 30 APR 2025

Recent portfolio changes

New entrants

Brigade Enterprises, Mastek, PTC India, Zensar Technologies (Mar)

Bluspring Enterprises, Central Depository Services (India), Digitide Solutions, Kilburn Engineering, Mahindra Lifespace Developers, Rainbow Children's Medicare, STL Networks, Suryoday Small Finance Bank (Apr)

Complete exits

E2E Networks (Mar)

Amber Enterprises India, Indus Towers, Orient Cement, PTC India, Sai Life Sciences, Thangamayil Jewellery, Torrent Power, Zensar Technologies (Apr)

How risky is it?

	Fund	Category	Index
Standard Deviation	18.3	17.9	20
Sharpe Ratio	1	0.6	0.6
Mean Return	24.7	17.8	18.7

BASED ON 3-YEAR PERFORMANCE

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

AS ON 30 APR 2025

Source: Value Research

All percentages rounded to one decimal place.

Should You Buy

This small cap fund is among the newer offerings in this segment. It focuses on building a diversified portfolio on a 3-pronged stock selection approach of quality, growth and reasonable valuation. The fund predominantly runs with an absolute return thought process rather than a benchmark-centric one. The fund diversifies to the hilt to mitigate risk, with over 180 bets. With tiny individual positions, even the fund's top 10 stocks constitute less than 20% of the portfolio. In its short running time so far, the fund has built an impressive track record, but much of its sharp outperformance is owing to outsized gains in 2023 and 2024. The fund could be a worthy bet if it can deliver consistently going forward.

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 will retire in March 2026 at 60. My current portfolio is worth ₹6 crore, including large-cap equities, mutual funds across categories, and three PMS accounts (ICICI Growth, ICICI Contra and MO Founders). I will receive an additional ₹5 crore from EPF, NPS and gratuity. I need ₹3 lakh a month for my expenses after retirement. I also want to preserve capital while letting my equity/MF/PMS investments grow for five more years to beat inflation. How should I invest ₹5 crore to generate this income? Alternatively, how much of it should be allocated for monthly income as the rest compounds?

Assuming a life expectancy of 90 years, 7% inflation, and 9% post-tax return (11-12% pre-tax) from your portfolio, you'll need a retirement corpus of ₹8.4 crore to sustain an inflation-adjusted income of ₹3 lakh per month. The good news is that your projected corpus of ₹11 crore offers a healthy margin of safety. Your goal should be to preserve this capital while aiming for 10-12% long-term returns. Avoid taking unnecessary risks that could disrupt your financial stability.

To achieve this, consider allocating 40-60% to equity, 15% to gold, and the rest to debt instruments, assuming long-term returns of 14%, 10%, and 7%, respectively. For equity, invest in three-four flexi-cap mutual funds, which offer dynamic allocation across large, mid, and small caps. These are also more tax- and cost-efficient.

For the debt portion, you can rely on annuity from the NPS, interest from the Senior Citizens' Savings Scheme, and short- to medium-term debt or arbitrage funds, from which you can initiate a systematic withdrawal plan (SWP).

Gold remains a crucial hedge against global uncertainty. Stick to your asset allocation strategy and rebalance periodically. You may also opt for direct mutual fund plans to boost returns by saving on commissions.

Sumit Duseja
Co-founder & CEO, Truemind Capital (Sebi-registered investment adviser)

I'm a 52-year-old single parent to a nine-year-old. I want to build a corpus of ₹5 crore in 10 years to support my child's education and repay a housing loan. I can save ₹3.5 lakh per month. Please advise how to achieve this.

If you are comfortable about taking risk and investing in equity, you can amass around ₹8.13 crore (pre-tax) by investing ₹3.5 lakh per month, assuming 12% CAGR in equity for 10 years. You will be able to comfortably accumulate ₹5 crore for your child's education. Over and above this, you would be saving additional amounts, which could be used to repay the loan. Keep in mind that equity markets can be volatile. Thus, keeping a buffer period and redeeming during good market conditions at the end of your time horizon is vital to maintain optimum returns.

I also assume you have factored in inflation to arrive at the ₹5 crore figure for your child's education. If not, factoring in inflation is important as today's value will not be the same after 10 years. Education inflation rate will be around 10% per annum in India, and if you want your child to study abroad, you will need to consider the currency and inflation of that particular region as well. Keep your portfolio simple by investing in flexi-cap mutual funds. You could consider investing in two growth-oriented and two value-oriented flexi-cap funds from a diversification point of view.

Rushabh Desai
Founder, Rupee With Rushabh Investment Services

I've purchased a flat in my wife's name, and the entire payment is being funded by me. I transfer the required amount to her bank account whenever the builder raises a demand. Should this be shown as a gift from husband to wife? If so, in whose income tax return should it be reported?

As per Section 64(1) of the Income Tax Act, 1961, if an individual transfers an asset to spouse, directly or indirectly, the income arising from that asset is clubbed with the individual's income. In your case, though the flat is in your wife's name, since it was fully funded by you, the income from it—whether rent or capital gains—will be clubbed with your income and must be reported in your income tax return (ITR).

If the amount involved is substantial, maintain documentation, such as bank statements, income proofs, and past ITRs, to establish the source of funds and the genuineness of the transaction.

Additionally, under Section 56(2)(x), any money received from a relative without consideration is exempt from tax.

Amit Maheshwari
Tax Partner, AKM Global

I've been investing in mutual funds and stocks via SIPs and lump sum for several years, but haven't tracked the invested corpus or its growth. For instance, I invested via an SIP in HDFC Flexi Cap from 2016 to 2020, then switched the corpus to Quant Small Cap with some top-ups. How can I track my total investment and current value as on 10 December 2024? Do I need to go through bank statements manually?

You've been investing since 2016, so all your investments should be in electronic form. You can track these through the consolidated account statement (CAS), which is sent to your registered e-mail ID by your depository (NSDL or CDSL).

Additionally, you can create an account on the websites of mutual fund registrars and transfer agents (RTAs) using your mobile number and e-mail ID to view your investment and current values. The two main RTAs in India are CAMS and KFintech, which handle most mutual fund transactions.

For stock investments, you'll need to check the demat account through which you've been making purchases. Overall, CAS is the most comprehensive tool to track all your investments in one place.

Vikash Jain
Co-founder, Share Samadhan

I'm 35, married, and expecting a child. I invest ₹70,000 monthly in equity mutual funds and have assets worth ₹1 crore. I plan to quit my job next year and stop SIPs. I'll need ₹50,000 monthly from my investments for my expenses over 20 years. How can I achieve this?

Let us assume that the market grows at a tepid 8% in the next one year. You will be left with about ₹1.17 crore when you stop working. Of this amount, if you wish to create a stable income from a safe source, you can invest about ₹80 lakh in RBI Floating Rate bonds, which currently offer an 8.05% return, with quarterly payouts, and can be renewed.

Even if the interest rate falls a little, you can move some corpus from the remaining ₹37 lakh to make up for your income. You can continue to hold the remaining corpus in equity MFs and allow it to grow. Do keep in mind that you have not considered inflation in your monthly requirement. If so, you may need to start withdrawing from your mutual fund holdings.

Vidya Bala
Co-founder, PrimeInvestor.in

Please send your feedback to etwealth@timesofindia.com

GETTY IMAGES

Building stability when income is uncertain

The economic volatility has created financial uncertainty for Jai and Manisha Sharma. Jai has been incurring losses in his 30-year-old kitchenware trading business, while Manisha's income as a financial adviser is irregular. With high, fixed, monthly expenses exceeding their combined income, their finances are under strain. How can the couple address this imbalance?

Jai and Manisha Sharma have an inconsistent combined income. While some months bring in substantial earnings, others fall significantly short of the required amount. Yet, their fixed monthly expenses remain constant. The lean periods pose a challenge. The key is to ensure that the good months cover the slow ones. There are two ways to approach this.

The first approach is to evaluate the business for opportunities to build a steady revenue stream. Securing a base of core customers, introducing a recurring fee, or bunching orders can help reduce income volatility. Even setting up an overdraft facility to smoothen inflows and borrowings can make a difference. Ultimately, they need to rethink their business strategy to ensure a stable income. The second approach is to build income-generating assets, such as interest-paying bonds, dividend-yielding mutual funds, rental property, or bank deposits, to create a steady cash flow. During high-income months, they should set aside funds from the business to build this portfolio. While it can be difficult for business owners to divert capital from operations, creating an investment corpus can help cushion the family from income volatility and efficiently diversify their assets beyond the business.

The Sharmas must also ensure that they work to secure a minimum level of stable income to run the household even if it means that one of them returns to a salaried job. The personal finances of the household need to be on a firm ground so that at least one of them is able to take risks in business.

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

SMART THINGS TO KNOW

Contingency fund

1 A contingency fund is meant to cover unforeseen expenses like job loss and medical emergencies.

2 It helps avoid taking expensive loans or building credit card debt during a crisis.

3 The value of a contingency fund should be about 3-6 months' worth of living expenses.

4 The fund meant to be easily accessible is best kept in a savings account, money market fund, or a liquid fund, rather than in stocks or long-term investments.

5 A contingency fund is a reusable kitty and, if it has been used, then one must rebuild it as soon as possible.

PAPER WORK

Travel cards

For people heading overseas, travel cards offer a secure and convenient way to manage foreign currency. These prepaid cards, also known as forex cards, are widely accepted across the globe and help eliminate the hassle of carrying large amounts of cash or incurring high foreign transaction fees on debit or credit cards. Travel cards are preloaded with foreign currency and can be used like a regular debit card for making purchases.

Who issues travel cards?

Travel cards are issued by banks and authorised forex dealers. They are available in single- or multi-currency formats. Multi-currency cards are especially useful for travellers visiting several countries during a single trip.

How to get it

One can apply for a travel card online or at designated bank branches and forex outlets. The applicant must submit a valid passport, visa, air ticket, and PAN card. RBI guidelines allow travellers to load up to $2,50,000 per financial year under the Liberalised Remittance Scheme (LRS). The card is usually issued instantly and can be activated with a secure PIN. Most banks allow online top-ups, making it easy to reload the card in case of extended travel.

Usage convenience

The currency is loaded at a fixed exchange rate, protecting the traveller from future currency fluctuations. If lost, the card can be blocked instantly and replaced. Many banks also provide insurance cover for lost or stolen cards. Transactions can be easily monitored through mobile apps or online banking.

Points to note

- It is important to be aware of ATM withdrawal charges, balance enquiry fees, and inactivity penalties that may apply.
- Retain all receipts and monitor usage to stay within prescribed LRS limits and for future reference in tax disclosures.

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.

Uma Shashikant's article, 'Home is where the heartbreak is', offers a refreshing perspective on legacy planning. It rightly points out the emotional and financial complexities involved in passing on real estate. Liquidity, division issues and shifting priorities of the younger generation make financial assets a more practical choice. It's time we moved beyond tradition and considered what truly benefits our heirs—flexibility, simplicity and financial freedom.
Dinesh Tikku

Uma Shashikant's column highlights the hurdles that ageing parents face while passing on residential property to children. Today, realty and deposits often spark discord, yet none of us can take assets along, and parents want a litigation-free transfer. Emotional ties to a home lived in for decades complicate matters. As inherited houses see fewer claimants and sometimes no interested parties, assets that are tailored and can be settled amicably are essential.
B.L. Hedaoo

In all three cases in Uma Shashikant's article, the parents lived in the house until their death. Should we sell our homes, convert them to financial assets and live on rent till we die? I've relocated every five years for two decades; it's exhausting, especially in old age. Living in one place isn't just practical, but also brings emotional peace. Financial plans often ignore this very real cost.
Himanshu Shekhar

Apropos of Uma Shashikant's article, these are outlier cases. There is no one-size-fits-all solution. In reality, most families own just one house. Is the suggestion to sell it and move into a rental just to simplify division of assets? What about the parents' aspirations, their emotional connection, and their right to live as they please in their own home? A rented house can never replace the sense of dignity and control.
Peepli Live

Digital inheritance

The cover story, 'How to secure your digital legacy', rightly highlights how our memories—photos, writings, paintings—are modern heirlooms, often left unaccounted for. With digitisation now easily accessible, we must act to preserve these emotional and historical treasures. Raghu Rai's archiving of his life's work is inspiring, but even ordinary families hold rich digital memories. These should be treated as valuable assets, both sentimental and monetary, and passed on as part of our legacy.
Vinod Johri

'Get promoted without changing jobs' by Devashish Chakravarty is a must-read article for youngsters, who often believe the grass is greener elsewhere and switch jobs too frequently. It's true that a rolling stone gathers no moss, and I've always taken pride in playing long innings with an organisation. Though I'm in the post-retirement phase, I intend to continue as a guest faculty in economics for as long as I can.
S. Ramakrishnasayee

Please send your feedback to
etwealth@timesofindia.com

Claim settlement ratio

If you are confused by personal finance terms, jargon and calculations, here's a series to simplify and deconstruct these for you. In the 52nd part of this series, **Riju Mehta** explains what this term means and why it's important while buying insurance.

Be it life, health or any other type of insurance, buying a policy can be a confusing, if not an outright difficult, exercise, given the vast plethora of insurance players in the market. To ease the process of selection and depending on the type of insurance you want to buy, you can consider various parameters to sift out the best insurers. One such factor is the claim settlement ratio, which can hint at the reliability of an insurance company and the effectiveness of its claim settlement process.

What is claim settlement ratio?

As the name suggests, claim settlement ratio is the number of claims that an insurer settles or clears, compared to the total number of claims it receives from policyholders or their nominees every year. It is an indicator of how efficient an insurance company is at settling claims and, thereby, a pointer to its trustworthiness. This ratio is published for every insurance company every year by the insurance regulator, Insurance Regulatory and Development Authority of India (Irdai), on its website. Policybuyers can go through this list to make a purchase decision.

Why is it important?

Since policyholders pay a heavy premium, especially in the case of life and health insurance policies, it can be devastating for nominees or the insured to have the claim rejected at a time when financial support is critical. This is the reason one needs to know the probability of an insurer paying the claim amount, when needed. Claim settlement ratio indicates this probability. Though there is no specified ratio that is considered good, an insurance company with a ratio of 95% or higher can be depended upon to settle your claim quickly and smoothly without too many hurdles.

How is it calculated?

One can calculate the claim settlement ratio by dividing the number of claims that an insurance company settles in a year by the total number of claims it receives, and multiplying it by 100.

$$\text{CSR} = \left\{ \frac{\text{Number of claims settled by the insurer in a year}}{\text{Total number of claims received by the insurer in a year}} \right\} \times 100$$

For instance, if an insurer gets 1 lakh claims in a year and settles 96,000, its claim settlement ratio will be 96%.

GETTY IMAGES

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