THE ECONOMIC TIMES
wealth

RATING STOCKS, OBJECTIVELY P14

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Best ways to save tax

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Our annual ranking assesses 10 tax-saving options on eight key parameters. Find out how they scored this year.

By **Babar Zaidi**

Still not finished with your tax planning for the year? You need to submit the proof of tax-saving investments soon or face a higher TDS. Don't feel complacent if your employer hasn't asked for proof of investments yet. You might have been put under the new tax regime that offers no deductions or exemptions. No exemption for HRA and LTA, or deduction for tax-saving investments, medical insurance and interest paid on home and education loans. Unless an individual explicitly makes a choice, he will be put under the new tax regime by default.

A taxpayer who finds himself in the new regime can switch to the old tax regime at the time of filing tax returns. "However, taxpayers can claim deduction only if they make their tax-saving investments before 31 March," says Sudhir Kaushik, CEO of tax filing portal *TaxSpanner.com*. The taxpayers who changed jobs during the year may not have been asked to submit proof of investments either. The new employer might not have taken into account the income from the previous job and would have calculated a lower tax. "They should also complete their tax-saving investments now," says Kaushik.

Our annual ranking of tax-saving instruments helps such individuals make the right choices. We assessed 10 tax-saving options on eight key parameters—returns, safety, flexibility, liquidity, costs, transparency, ease of investment and taxability of income. Each parameter has equal weightage and the composite scores determine the place in the ranking.

THE ECONOMIC TIMES wealth RATINGS

NPS	★★★★★
ELSS FUNDS	★★★★★
ULIPS	★★★★☆
SR CITIZENS' SAVINGS SCHEME	★★★★☆
SUKANYA YOJANA	★★★★☆
RETIREMENT FUNDS	★★★☆☆
PPF	★★★☆☆
PENSION PLANS	★★★☆☆
TAX-SAVING FDs, NSCs	★★☆☆☆
LIFE INSURANCE POLICIES	★☆☆☆☆

WHAT RATINGS MEAN

★★★★★	EXCELLENT
★★★★☆	GOOD
★★★☆☆	FAIRLY GOOD
★★☆☆☆	NOT GOOD
★☆☆☆☆	POOR

NPS

★★★★★

RETURNS 8.16% Past five years

Lock-in: **Till retirement**

The additional deduction offered by the scheme is very useful for those with surplus funds.

The NPS continues to be the top tax-saver for the second year running. The NPS saves tax under three sections: contributions up to ₹1.5 lakh can be claimed as deduction under Section 80C; there is an additional deduction of up to ₹50,000 under Section 80CCD(1b); and if the employer puts up to 10% of the basic salary of the individual in the NPS, that amount is deductible under Section 80CCD(2).

Apart from tax deductions, the NPS has become more flexible and investor-friendly. The limit for equity allocation has been raised to 75%. Individuals can now change their asset mix up to four times in a year, and can invest in funds of multiple pension fund managers. The PFRDA has also introduced the systematic withdrawal option, which will let investors stagger withdrawals on maturity.

Equity funds of the NPS have done very well in the past year, and are expected to continue on the upward trajectory. This is because analysts expect large-cap stocks to do well in the coming months. Equity funds of the NPS are large-cap oriented, which bodes well for investors.

Even gilt and corporate bond funds have delivered decent returns in the past year. Their performance could improve in 2024 if the RBI cuts rates in the coming months. The 10-year bond yield is currently at 7.23% and analysts expect it to decline by at least 25-30 basis points.

At the same time, alternative investment funds have not done too well. It's a good thing that there is a 5% investment limit for these funds. We suggest avoiding these funds altogether.

How NPS funds performed

Equity funds stole the limelight, but gilts could do well going forward.

	RETURNS (%)		
	1-YEAR	3-YEAR	5-YEAR
Equity funds	23.71	17.98	16.08
Corporate bond funds	7.30	5.25	8.03
Gilt funds	7.87	4.41	7.85
Alternative investment funds	4.86	5.85	6.95

Returns are annualised; data as on 2 Jan 2024. | **Source:** Value Research

ELSS funds

RETURNS 18.24% Past five years
Lock-in: **3 years**

With equity markets on a roll, ELSS funds, especially large-cap oriented schemes, are expected to do well in the near term.

ELSS funds have moved up to second place in the ranking this year, buoyed by the improvement in the prospects of the stock markets. With large-cap stocks expected to outperform, ELSS funds with a larger allocation to this segment will obviously do better. Our top picks have more than 75% of their corpus in large-cap stocks (*see table*).

ELSS funds score high in our ranking because they are transparent, have very low costs and the three-year lock-in period is the shortest among all tax-saving options. However, they are equity funds and are exposed to market risks. Ideally, one should invest in these through monthly SIPs, but this is not possible if you have to show proof of Section 80C investments in a few days.

However, experts say that investors should not be overly worried about short-term significant underperformance. "For superior risk-adjusted performance and long-term returns, you have to withstand substantial poor performance for a brief period," says Dhirendra Kumar, CEO of mutual fund tracker Value Research.

Taxpayers who are not able to stomach volatility in the markets can take the SIP route by staggering their investments over the next two months.

Most promising ELSS funds

These funds have more than 75% in large-cap stocks.

	RETURNS (%)		
	1-YEAR	3-YEAR	5-YEAR
Quant ELSS Taxsaver	31.51	34.90	31.09
Bandhan ELSS Tax Saver	28.83	26.82	20.91
Parag Parikh ELSS Tax Saver	29.07	23.80	--
Kotak ELSS Tax Saver	23.99	22.01	19.49
Canara Robeco ELSS Tax Saver	24.32	19.79	20.05
Category average	**28.58**	**21.01**	**18.24**

Returns are annualised; data as on 2 Jan 2024. | Funds ranked on the basis of 3-year returns. | **Source:** Value Research

Ulips

RETURNS 8.15% Past five years
Lock-in: **5 years**

As the tax net spreads, these insurance-cum-investment plans are a tax-free haven. However, these are not as flexible as ELSS.

Ulips continue to be a tax-efficient option. Gains from ELSS funds beyond ₹1 lakh in a year are taxed at 10%, but in case of Ulips, the maturity proceeds are tax-free under Section 10(10d), provided the life cover is at least 10 times the annual premium. The policyholder can also switch from a debt fund to an equity fund, and vice versa, without any tax implication. However, ELSS funds don't require a multi-year commitment and have shorter lock-in periods.

When it comes to flexibility, Ulips have an edge over the NPS. The money is not locked till retirement and a policyholder can make periodic withdrawals. However, unlike NPS, where the investor can change the pension fund manager and invest in more than one pension fund, here the buyer is stuck with the insurance company for the rest of the term. A Ulip, however, will not give you the life insurance you actually need. One needs a life cover of at least 7-8 times one's annual income. Someone with an annual income of ₹12 lakh must take a cover of at least ₹85-90 lakh. Given that the life cover offered by a Ulip is only 10-12 times the annual premium, he will have to shell out almost ₹8-9 lakh a year to get the required cover. When you buy a Ulip, keep in mind that it is a long-term investment. Buy only if you can continue with the plan for the full term.

Senior Citizens' Savings Scheme

RETURNS 8.2% Jan-Mar 2024
Lock-in: **5 years**

It's the best way to save tax for senior citizens. A new rule that allows unlimited extensions makes it more attractive.

The Senior Citizens' Savings Scheme (SCSS) is the best investment option for those above 60. The interest rate of 8.2% is better than that offered by most banks. Last year's budget gave a bonanza to senior citizens by hiking the investment limit per individual to ₹30 lakh. In November, the extension rules were also relaxed. Investors can also extend the SCSS account multiple times, in blocks of three years each. Earlier, one could extend it only once, and for three years, at the end of the original five-year term. However, an accountholder extending the scheme will not get tax deduction under Section 80C.

Though the interest earned is fully taxable as income, senior citizens enjoy tax exemption for interest up to ₹50,000. This means up to ₹6.25 lakh invested in the scheme will earn tax-free interest. The best part is that the scheme pays out pension at the start of each quarter.

However, the eligibility is restricted to those above 60 years. In some cases, where the investor has opted for voluntary retirement and has not taken up another job, the minimum age is relaxed to 58 years. There is also no age bar for defence personnel. They can invest in the scheme even before 60 as long as they satisfy the other requirements. These restrictions have brought down its score.

An account can be opened in a Post Office or at designated branches of banks. It is better to open an account with a bank because operating it will be less cumbersome.

Sukanya Yojana

RETURNS 8.2% Jan-Mar 2024
Lock-in: **Till child is 18**

The recent hike in interest rate has made it an attractive option for parents with girl children. But it has a limited scope.

The interest rate of the Sukanya Samriddhi Yojana was raised to 8.2% last week, making it the most lucrative scheme in the small savings basket. The Senior Citizens' Savings Scheme also gives 8.2%, but the income is fully taxable. The interest earned by the Sukanya scheme is tax-free.

The only problem is that the scheme has a very restrictive entry. It is open only to taxpayers with daughters below 10 years. There is also an annual cap of ₹1.5 lakh on the investment. These restrictions bring down the score of the scheme.

Accounts can be opened in any post office or designated banks with a minimum investment of ₹250. A parent can open an account for a maximum of two daughters, but the combined investment in the two accounts cannot exceed ₹1.5 lakh in a year. Do note that it is mandatory to make a minimum deposit every year for 15 years from the date of account opening, otherwise the account is deactivated. You can reactivate the account with a fine of ₹50 per year of default.

Keep in mind that the interest rate is linked to the government bond yield and is subject to change every quarter. Bond yields are high right now, but are expected to decline when the RBI cuts rates. So, don't expect the Sukanya interest rate to remain at this level for very long.

Even so, the scheme is a very good addition to the fixed income portfolio. It offers a higher rate than the PPF and gives assured returns.

Retirement mutual funds

RETURNS **7-9%** Past five years

Lock-in: **5 years**

These hybrid funds invest in a mix of equity and debt. The debt portion gives stability to the portfolio, while the equity portion helps them generate good returns.

Equity markets have been on a roll, but not everyone can stomach the risk. At the same time, the high inflation means that the real returns of fixed income portfolios will be very low. Some hybrid schemes give investors the best of both worlds by investing in a mix of debt and equity. Unlike ELSS funds, which invest their entire corpus in equities, retirement mutual funds invest in a mix of equity and debt instruments. The debt portion gives stability to the portfolio, while the equity portion helps them generate good returns (*see table*). They are also eligible for tax deduction under Section 80C.

We particularly like UTI Retirement Fund, which has given good returns at a significantly lower risk. The fund has less than 40% of its corpus in equities. Investors with a low risk appetite who want to save for the long term can go for these retirement funds. However, these funds have a lock-in period of five years. Also, some retirement funds, such as Franklin Pension Fund, levy an exit load if redeemed before you turn 58.

How retirement funds fared

These funds have less than 40% of their corpus in equities.

	RETURNS (%)		
	1-YEAR	3-YEAR	5-YEAR
UTI Retirement	17.61	13.83	10.96
Franklin India Pension	15.29	9.76	9.86
Tata Retirement Savings	13.41	7.54	9.13
HDFC Retirement Savings Debt	12.42	9.05	9.59
Nippon India Retirement Income	10.94	6.55	8.38
Average	**13.93**	**9.35**	**9.58**

Returns are annualised; data as on 2 Jan 2024. | Funds ranked on the basis of 1-year returns. | **Source:** Value Research

PPF

RETURNS **7.1%** Jan-Mar 2024

Lock-in: **15 years from inception**

Tax-free interest makes this more attractive than bank deposits, but watch out for the long lock-in period.

The PPF interest rate has not been hiked for almost four years now, even though government bond yields have consistently risen in the past two years. Even so, the 7.1% offered by the PPF is better than what banks offer. Investors should go for this safe and assured option even if they have exhausted the Section 80C deduction limit. It will help them build a tax-free corpus even as other tax-free options have shrunk.

Keep in mind that though the tenure of the PPF is 15 years, it does not lock up your money for that long. The 15-year term is from the day of opening the account and the lock-in progressively reduces. In the 14th year, it is only one year. If you opened your PPF account in 2010, the lock-in period ends next year.

A PPF account can be opened in a post office branch or designated branches of PSU banks. Some private banks, such as HDFC Bank and ICICI Bank, also offer PPF.

Pension plans

RETURNS **7-14%** Past five years

Lock-in: **Till retirement**

Pension plans from insurance companies can't match the NPS on costs, flexibility and tax benefits.

Pension plans from life insurance companies basically work like Ulips, but they can't match the numerous tax advantages that the NPS and Ulips enjoy. Making pension plans eligible for deduction under Section 80CCD is one of the long-standing demands of the life insurance industry. However, it is unlikely that the coming budget will curtail the exclusive benefit enjoyed by the government-sponsored NPS.

The NPS also allows the investor to shift from one pension fund manager to another if he is not satisfied with the service or performance. However, in case of a pension plan, the investor is tied to the same insurance company till the plan matures.

The problem of taxability of the pension income from annuity is something that both pension plans and the NPS have to contend with.

According to the experts, if annuities are made tax-free, it will be a game changer for the industry and will go a long way in making India a pensioned society.

NSCs, tax-saving FDs

RETURNS **7-8%**

Lock-in: **5 years**

Good option only for late risers and senior citizens who may have exhausted the investment limit in SCSS.

The 7-8% interest offered by tax-saving fixed deposits might look attractive, but tax eats into the returns. Interest is fully taxable at the slab rate applicable to the individual, so the post-tax return for investors in the 30% tax bracket is less than 5%.

However, there are some plus points too. One big advantage is that the investment can be done very quickly with minimum effort. The taxpayer has to just log on to his Netbanking account, and complete the process.

Compared to bank deposits, NSCs are more attractive. They are offering 7.7%, and the interest earned on the NSC is eligible for deduction in the following years. Here's how this works. If an investor buys ₹50,000 worth of NSCs in January 2024, the investment would earn ₹3,840 in a year. The investor can claim deduction for this ₹3,840 in 2024-25. The next year, the ₹4,000 interest can be claimed as a deduction in 2025-26.

Top tax-saving fixed deposits

Life insurance policies

RETURNS **5-6%**

Lock-in: **Minimum 5 years**

Insurance policies continue to be the worst way to save tax. Corpus is tax-free but flexibility and returns are very low.

Life insurance is the bulwark of a financial plan because it safeguards all other financial goals. However, these are the worst way to save tax in our ranking. The objective of life insurance is to provide financial support to a family if the breadwinner dies. This purpose is best accomplished through a pure protection term plan with no investment component. These plans cost a fraction of what you pay for a traditional endowment policy or a money back plan. A 30-year-old man can buy a cover of ₹1 crore for 30 years by paying an annual premium of ₹12,000-14,000 per year.

In comparison, an endowment plan offering a cover of ₹40-50 lakh will cost the buyer almost ₹4-5 lakh per year. The only good thing about life insurance policies is the guaranteed returns and tax-free maturity corpus. But these benefits are far outweighed by the low returns and inflexibility of the instrument.

Last year's budget made a fundamental change by bringing life insurance into the tax net. Now, if the annual premium of all new policies exceeds ₹2.5 lakh, the maturity will not be tax-free.

Gold demand down in wedding season

The demand for diamond and gemstone jewellery is picking up instead.

By **Sutanuka Ghosal**

The demand for gold jewellery has dropped by up to 25% and is likely to stay low in the upcoming wedding season that starts on 15 January and continues till mid-March, as its prices have crossed ₹63,500 per 10 gram, trade insiders said. On the contrary, the demand for diamond and coloured gemstone jewellery, which requires stronger and more affordable 14-18 carat gold, not 22-carat gold used for pure gold jewellery, has picked up, they said.

"Reports from jewellers in different parts of the country show that there has been a drop of 25% in demand since the prices crossed ₹63,500 per 10 g," said Surendra Mehta, National Secretary of India Bullion & Jewellers Association. "The demand will pick up only if gold price falls to ₹61,000 per 10 g," he added.

The current surge in gold prices has been propelled by the US Federal Reserve's dovish stance on benchmark rates. The Fed maintained status quo on rates at its December meeting, but signalled a possible 75 basis points rate cut in 2024, up from its previous projection of 50 basis points.

This triggered a substantial drop in the US treasury yields and the US dollar, propelling gold above $2,000 an ounce. Some jewellers said they are now pushing studded jewellery, where the margins are up to 3x higher than plain gold jewellery.

GETTY IMAGES

"Volume-wise gold has fallen, but value-wise the sales remain robust," said Ramesh Kalyanaraman, Executive Director at Kalyan Jewellers. "For instance, if someone was buying 100 g of gold, then he is buying 95 g of gold, but there is a constant interest among the young crowd for studded jewellery. For many wedding rituals in the run-up to the marriage ceremony, people are buying studded jewellery," he said. In the price-sensitive eastern market, jewellers are seeing a surge in demand for studded jewellery for the upcoming wedding season. "Volume-wise, there is a drop of 7-8% in gold jewellery," said Sanjay Banka, Chief Financial Officer of Senco Gold & Diamonds. "People prefer lightweight jewellery, but the demand for diamond studded jewellery is on the rise," he added.

Bajaj Allianz asked to pay ₹12.5 lakh for travel insurance claim

The order comes after a 14-year legal battle with the insurance company.

By **Neelanjit Das**

Bajaj Allianz General Insurance has been ordered by the National Consumer Disputes Redressal Commission (NCDRC) to reimburse $20,000, plus interest, to the husband of a policyholder who took an overseas travel insurance policy from the company in June 2009. Aruna Vaish paid ₹16,001 for the travel insurance policy while travelling to the US. While in the US, she was admitted to a hospital, where doctors found out that she had urinary tract infection (UTI) and sepsis.

After she was discharged from the hospital, Aruna filed an insurance claim and submitted supporting documents. However, her claim was rejected because Bajaj Allianz General Insurance claimed that she had not disclosed her pre-existing diseases in the application form, which violated the insurance policy's terms and conditions.

Aruna argued that she was not prompted to fill out any forms to disclose any medical condition during the purchase of the overseas travel insurance policy. She approached the Insurance Ombudsman and later the State Consumer Forum. In 2017, the State Consumer Commission ruled that the rejection of the claim was not justified, but said Aruna must get only reimbursement for her medical expenses, without any compensation for loss of mental peace or cost of litigation. The total expense for Aruna's treatment and hospitalisation had come to $83,801, which amounts to more than ₹40 lakh.

Both the complainant and Bajaj Allianz General Insurance filed an appeal in the NCDRC. While Aruna sought a higher compensation, the insurance company argued that Aruna was a diabetic, which increases the susceptibility to infections and sepsis. It said that the policy had an illness limit of $15,000, which should be the compensation amount.

Last month, the NCDRC ruled that Aruna was entitled to medical treatment abroad and the rejection of her claim was untenable. It said that she was entitled to claim $20,000 as on the date of discharge from the hospital, but since the insurance company repudiated the entire claim on untenable grounds, she was also entitled to compensation for the delay.

Aruna died a few years ago, and her husband Deepak fought the case on her behalf. He will now receive an equivalent of $20,000 in Indian rupees as on 3 July 2009, along with simple interest of 9% per annum.

50% of complaints against pvt insurers about unfair practices

One out of every two grievances lodged against private life insurers in 2022-23 were complaints about unfair business practices, according to the IRDAI's annual report for 2022-23. The total number of grievances lodged against public sector life insurers in 2022-23 was much higher at 81,494, as against 45,884 grievances lodged against private sector life insurers. However, the share of unfair business practices (UFBP) grievances in the total grievances was much higher at 50.4% in case of private insurers. As against this, the percentage of UFBP grievances in total grievances against public sector life insurers in India was only 3.65%.

It is worth mentioning that the share of public sector life insurers in the life insurance industry is higher than that of the private sector as of now.

The report also states that in order to provide a channel to receive grievances against insurers, IRDAI has set up a Grievance Call Centre. It has also put in place the Bima Bharosa portal as an online system for grievance management, which is not only a gateway for registering and tracking grievances online, but also acts as an industrywide grievance repository to monitor IRDAI disposal of grievances by insurers. The total number of grievances registered against life insurers declined by about 17.73% in 2022-23 from previous year, and the ratio of total UFBP grievances to new policies remained at 0.09% in 2022-23.

Insurers have been advised to take up the issue of misselling seriously by conducting a root cause analysis to identify the major causes, states the report. Some of them are: ascertain suitability of product, place controls on various channels based on the vulnerability of the channel, and have a strategy for dealing with complaints of misselling. The definitive way of reducing misselling is to make the members of public aware of the concept of insurance, kinds of insurance policies, risks covered, benefits offered, exclusions, and conditions, etc. This is sought to be achieved through various efforts to improve financial literacy, the report adds.

—*Pragati Kapoor*

Is last year's equity fund winner still a good buy?

NYSE FANG+ETF fetched 96% return last year, but the risk-reward balance is no longer tilted in its favour.

GETTYIMAGES

by **Sanket Dhanorkar**

Equities had a strong run in 2023, with equity mutual funds across themes making merry. However, the pace-setter last year came from distant shores. Mirae Asset NYSE FANG+ETF, a basket tracking an index comprising global mega-cap tech stocks, recorded a blistering 96% rise in NAV. The closest challenger, CPSE ETF, tracking an index of Indian public sector entities, fetched 75%. The NYSE FANG+ETF's blockbuster show is bound to make investors take notice, but should you rush to add this table-topper to your mutual fund shopping list?

The acronym 'FANG' refers to the stocks of four popular US tech giants—Meta Platforms (Facebook), Amazon, Netflix and Alphabet (Google). The FANG+ index is a broader set of stocks, including Apple, Nvidia, Tesla, Twitter, as well as Broadcom and Snowflake. US big tech stocks, in general, scored big last year, coming off a painful 2022, when these stocks bled amid elevated interest rates, fears of impending recession and earnings disappointments. After the initial uncertainty around reversal of the US Fed's rate tightening regime, the markets have been emboldened about rate cuts starting this year. The spectre of recession, which loomed large at one point, has been mostly dissipated, replaced by expectations of a 'soft landing' for the US economy. Beyond this, a build-up of expectations around artificial intelligence (AI)-related technologies has set off a feeding frenzy in businesses building significant AI capabilities. Together, these have given wings to the basket of tech behemoths, and have particularly lifted a highly focused tech-led index like the NYSE FANG+. Vikas Gupta, Chief Investment Strategist, OmniScience Capital, remarks, "The much anticipated recession in the US is unlikely to happen and inflation is also fairly under control. We expect rate cuts to start as early as March this year, with at least six likely cuts, higher than that suggested by Fed's own estimates."

Even as positives abound for continued momentum in these stocks, there are reasons to be more cautious in the future. While it was a particularly good time to buy the FANG+ index in late 2022, the risk-reward balance is no longer tilted in its favour. In fact, the FANG+ETF fetched nearly 2x the return compared to the tech-driven US-based Nasdaq 100 index. Individual names in the basket are now commanding lofty valuations, which leave little room for any earnings disappointment. Chipmaker Nvidia Corp, which is clearly front and centre in the AI race sweeping the Wall Street, saw its share price soar 239% last year. It now trades at a PE multiple of 63. After a 100% jump in its share price, autonomous carmaker Tesla trades at nearly 80 times earnings. Others like Microsoft, Apple and Amazon are also not cheap.

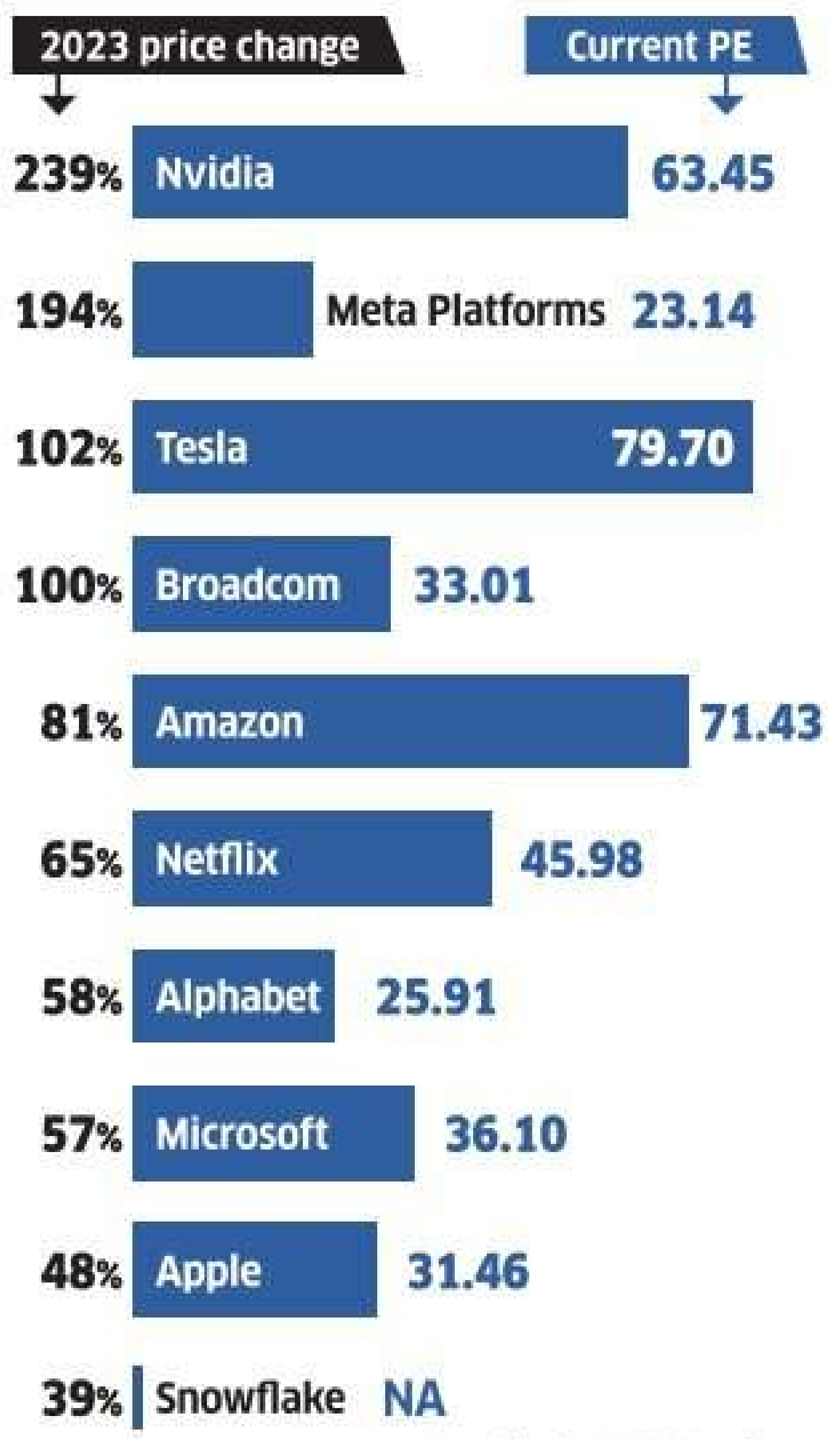
Siddharth Shrivastava, Head, ETF Products, Mirae Asset Mutual Fund, argues, "The momentum in the US tech sector continued unabated in 2023. While there are no significant red flags, especially if the earnings forecast is met, we have to advise caution on valuation for short-term investment periods, despite improvements in supply chains and recent flight-to-quality and AI-driven flows into mega-cap technology stocks." He reckons that the potential for downward earnings revisions may affect the higher valuation companies. While stocks have staged a comeback in the US (based on the performance of the magnificent 7), the economic data and monetary conditions are becoming adverse, observes DSP Mutual Fund, in its Netra report for December 2023. "This is for the first time in many years that economic growth in the US is slowing, and at the same time, the US Fed is tightening monetary conditions. Usually, central banks and governments act counter-cyclically to bolster growth in a slowdown. This paints a sober picture for the US equities. Stay cautious," the report states.

Even so, experts believe in the secular nature of recent growth vectors like AI and cloud computing. "We remain positive on the secular growth trends for cloud computing, machine learning and artificial intelligence, data centres, software, cybersecurity and semiconductors. A long-term investor should look to add exposure to transformational and industry-leading businesses participating in these themes," insists Shrivastava. Gupta reckons that the basket as a whole is not overvalued from the medium-term perspective. "While a few stocks are expensive, valuations are not rich across the board. Revenue visibility and growth rates for these businesses continue to be high, supporting the valuations," he adds.

However, the FANG+ETF constitutes a highly concentrated bet on the mega-cap tech businesses. While it is an interesting offering, it demands a certain conviction in the creamy layer of the US tech industry. Even the tech-driven Nasdaq 100 index is a more diversified offering. It houses many of the same stocks, only in lesser proportion than the FANG+ index. When things turn sour for the FANG+ basket, it affects the Nasdaq 100 index lesser than the dedicated FANG+ index. If investors are not comfortable with a focused bet, those seeking tech-biased exposure to the US may consider the Nasdaq 100 index instead.

Mega US tech stocks on a strong run

The recent rise in valuations makes near-term risk-reward unfavourable.



Compiled by ETIG Database

Please send your feedback to etwealth@timesgroup.com

"Non-par guaranteed policies are leading the industry"

Innovation in traditional plans could see hyper personalisation in the near future, leading to open-ended products with the ability to mix and match, Sumit Rai tells **Riju Mehta**.

Sumit Rai
MD & CEO,
Edelweiss Tokio
Life Insurance

What are your Budget expectations?
A lot of expectations continue to be what they were. The annuity double taxation is a big one because India is one of the largest grey countries and a part of the reason annuities are not doing as well is the taxation structure. You are taxing it at entry and exit. Another thing that the industry has been asking for a while is to let go of GST on insurance. Thirdly, if the ₹5 lakh cap can be increased to, say, ₹10 lakh, it would help.

How has the ₹5 lakh cap on premiums impacted the sale of traditional plans?
After the initial lull in April-June, these are broadly back on track. I don't see an impact. If you look at the industry ticket sizes, they are pretty much where they were last year, and the sales are still growing. The ₹5 lakh ticket sizes, in terms of the number of proposals, may have marginally declined, but even those are coming back on track.

What is the growth of traditional plans compared to term plans and Ulips?
The segment that is growing the fastest is the traditional plans, especially the non-par guaranteed policies, which are leading the industry. If the industry, on an average, is growing at, say, 14-15%, the non-par segment alone is at about 17-18%. Term has declined, and is probably 5.5% of the total sales, as it has become more expensive after Covid. With term, there is a bit of a challenge and friction at this point of time, but it will ease as experience improves. Ulips are also doing well, but a lot of the mid-size ticket which was going to Ulips has shifted to non-par. We have gone back to a situation where customers are finding a lot more benefit in guaranteed products.

Why did life insurance not grow as much as health in 2023?
Covid raised the consciousness for health insurance to a completely different and permanent level. Everybody agrees that hospitalisation is very expensive and they could lose all their savings in case of a hospitalisation. Earlier, like life, health was a push product, but suddenly it has become a bit of a pull product. The momentum is of a completely different order and it is largely because of the healthcare cost inflation. The one area we should have a regulator is healthcare because the costs are suddenly running away. The cost of health insurance, from 1920 to the present, has gone up by 40-45%. Fortunately for health insurance industry, the products have become price inelastic, because even after a price increase people will renew the policy since the cost of not renewing it is too high. In life, the area where there has been a dislocation is in term coverage both at individual and group level because we suddenly have a supply constraint. Today, there is effectively only one reinsurer and this has reduced the capacity of insurers to write term policies.

Won't the proposed Bima Vistaar dilute the efficacy of insurance products?
Conceptually, it is a good, strong idea. When PMJJBY started, it increased insurance penetration. Maybe, along the way, insurers took a hit, but they have learnt how to manage the risk better. Bima Vistaar will be similar. It will have an upside because if the key goal is insurance for all by 2047, we are not going to be able to do it without something like Bima Vistaar. We need to make insurance more affordable for all at base protection level. The challenge will be in its operational execution, given that different products will be coming from different manufacturers. But after the initial teething period, at a foundational level, it can provide insurance to all, and from a long-term perspective, it can lead to a significant expansion of non-Bima Vistaar products.

How is life insurance going to pan out in terms of innovation?
We truly believe in personalisation and this will see the implications in life business as well. Customers seeking hyper personalisation will lead to open-ended kind of products, with the ability to mix and match. Today, we have 3-4 different products for various types of goals, like buying a house or child's education. So, instead of different products with different cash flows at different points of time, we can create one policy with a single cash flow for different goal requirements.

What are the implications of composite licence for customers?
At one level, the biggest implication will lie in personal lines of business. So life and health could be a great combination, but not if life insurance tries to sell fire insurance. They need very different mindsets and skills. As the world and coverage become more complex and specialised, trying to do everything under one roof will be difficult. This idea makes sense if a life company wants to do health, and vice versa, because these are complemetary products and can fulfill a customer's needs throughout his lifetime. Under one roof, you could create structured products, which is not feasible under different roofs today.

Financial divide in a family

Parents and adult children must recognise and accept their differences on personal finance, and resolve these in a way that the money is utilised without either party having to make sacrifices, says **Uma Shashikant**.

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UMA SHASHIKANT
IS CHAIRPERSON, CENTRE FOR INVESTMENT EDUCATION AND LEARNING

Even if they do not agree with one another, both parties must acknowledge that they hold diverse views about personal finance. A simple conversation that puts both sides of an argument on paper creates a sense of understanding. It is the first essential step.

My son refuses to study further, the father lamented. In a typical middle class Indian home, parents persuade children to excel in studies. They make significant sacrifices to put the children through good schooling and college, and save aggressively to afford higher education in a prestigious institution. Coaching classes are a huge industry thanks to these parental ambitions. Parents sulk when children don't oblige.

When I spoke to the son, who is already an engineer working in a large city and earning well, his story was very different. He was disillusioned with the education system that his parents put him through. He knew they were doing their best, and that they acted in his best interest, but he was unwilling to continue what he did not enjoy.

The four years of staying away from home, working and living independently had significantly changed his outlook on life. He was now a voracious reader, an avid trekker, an involved cook and a gym rat, and had a large circle of friends. He wished his growing years had focused on these things that bring him so much joy and sense of accomplishment. He wanted to make up for the lost time. To give up his job and go back to school meant giving up his independence and learning something formally, for which he had already lost interest.

The difficulty was in telling the parents that he now liked to live life on his terms. The parents remained anxious and he saw that as needless negative energy. They wanted him to pursue a path they had planned for him—higher studies, settling abroad, marrying a girl of their choice, buying a house, and having kids. None of this appealed to him. The parents refused to see his point of view.

There are four personal finance problems to solve here. The first is about the allocation of corpus that the parents have accumulated to send him abroad and to get him married with pomp and style. Since the money has been earmarked for him, the parents are unwilling to allocate it to anything else. The son believes he could use the money to start a venture on the side. The parents believe it is too risky.

The second is about the income of the household. The parents will soon retire and have enough wealth to lead an independent life for themselves. Their portfolios will be reworked to earn a steady income, become conservative in orientation, and preserving their wealth will matter the most to them. The son is in a phase of aggressive growth of his income, is willing to invest to achieve this goal, and likes to take risks.

The third is about allocation of income. The parents are at a lifestage where their savings have hit a peak. Their needs are lower, incomes are higher and, therefore, they can save a large sum regularly. The son is pursuing various interests and is in his quest for the next big thing he would like to launch. Savings are not on his mind. His confidence about future income feeds that orientation.

The fourth is about the long-term plans for life. The parents view settling abroad, getting married and buying a house as normal decisions a young man must make. The son sees each of these plans as long-term commitments and he is not ready for any of them. His goals are short to intermediate term, until he finds his feet. He is too busy juggling various exciting ideas for his future and all these plans seem like obstacles.

What we have in hand is a classical case of conflict in goals, objectives, and risk preference in the household. Even bundling parents as one unit might be a simplification, as spouses can have different personal finance orientations. For now, we will assume uniformity to that end, and view both sides as being reasonable in their own positions. The son has tried his best negotiating with the parents; the parents have tried their best persuading the son. Only nagging and avoidance remains at this time. What are the options?

One, even if they do not agree with one another, both parties must acknowledge that they hold diverse views about personal finance. A simple conversation that put both sides of the argument on a piece of paper created a sense of understanding. It is the first essential step. Without arguing, it is important to draw out the contrast in both sides to the attention of both the parties, and establish that such a difference is reasonable.

Two, there is a corpus in question, and its allocation is a critical problem to solve. The parents believe their wealth should go to the son, but are unwilling to allocate it as per his priorities. The son believes he could manage on his own with struggle, and would rather not ask. The danger lies in the corpus remaining unutilised, or getting transferred to the son too late. Both the parties can agree to a staggered transfer, without risking the parents' retired life. They can agree on milestones that matter to the son, rather than insisting on milestones that their son doesn't care about.

Three, the parents are anxious and worried about income. Their own retirement and the son's various risky plans for his future income weigh on their mind. They insist that higher education will secure his income. With his alternative plans, they assume they should be saving even more, just in case he fails. We discussed the power of agency in an earlier column; making financial decisions for another, treating them as dependent makes the other feel powerless. Parents must let go and allow the son to live his life and design his income the way he sees it. The corpus they have is a safety net, available if and when the son fails in his pursuits.

Four, the difference in risk orientation and long-term vs short-term outlook is a function of life cycle, among other things. There is no bridging the two parties that stand at different points in their personal financial journey. The pressure to perform and reassure the parents would be a burden for the youngster. It is always better to make one's own choices and bear the consequences like an adult, instead of living by the other's wishes with a nagging regret of what could have been. Parents must let go, even if they think they know what is best for their child.

The child is a fully grown adult with a mind of his own, and money and wealth should not be the basis to continue exercising power over his life.

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What to consider while buying a second house

Akshay has been considering buying a second house, and has been getting suggestions from friends and advisers. He is a senior management professional with a good salary, which includes a sizeable performance-linked variable pay. He has a portfolio of stocks, mutual funds, deposits and bonds, and is comfortably placed in terms of his financial goals. He thinks that it may be a good idea to buy a second property for price appreciation. His family thinks that a holiday home would be a good idea. His close friend thinks that he should buy a flat in the city for rental income. His brother advises him to buy into a retirement settlement that can be used if he were to spend his retirement years alone. What factors should Akshay consider while making a choice?

The key driving factor for Akshay has to be the purpose for which he wants to make an investment in the second house. If the intent is to have a holiday home primarily for weekend getaways for the family, investment returns can be earned only if he is willing to rent out the place, even if he does so occasionally. It may be emotionally tough to sell a property bought as a family getaway. Therefore, this choice should be seen as an indulgence, rather than an investment.

Buying a flat in the city can generate a decent rental yield over the years, and can serve as a good source of retirement income in later years. If the objective is only investment returns for the present, and he plans to buy and sell, he needs a more careful consideration for the choice of place and property. He may be able to achieve similar returns by investing in a real estate private equity fund, with lower selection risks.

Buying a retirement home is a good idea if he thinks he will need a place to move into once he has aged, and finds it tough to live alone, maintain a bigger property, or travel to visit friends and children. However, it may be too early to make this investment if he sees living alone as a distant need. The quality of such a property could change by the time he actually needs it. He can still buy it as an investment and, perhaps, sell it at a later date to reinvest in a better property when he needs it. Akshay may be able to decide better if he defines his needs in a detailed manner and evaluates the choices purely in terms of return and risk.

PAPER WORK

Family budget

A monthly family budget is a foundational step towards financial well-being. Family budgeting requires collaboration of all members, planning and commitment. Here are the steps to create a monthly budget and effectively track a family's financial progress.

Data gathering
Discussions about goals, expectations and concerns is a must. The first step is to gather relevant financial details, income, expenses, monthly payouts and loan obligations. A bank statement of the past six months to a year can help.

Monthly investments
After establishing the family's financial goals, a fixed monthly amount needs to be set aside for these. A financial planner can help draw up goals and an investment plan to achieve these.

Realistic budget
Allocate funds to categories such as housing, utilities, groceries, transportation, savings and entertainment. Also set out some amount or percentage of budget for a contingency fund to meet unexpected expenses.

Use technology
Several online budgeting apps or templates in the form of spreadsheets can help streamline the budgeting process. These tools simplify tracking expenses, categorising spending and generating reports.

Review and changes
It is important to schedule monthly and quarterly reviews of the budget and make adjustments based on changing circumstances.

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

SMART THINGS TO KNOW

Tax-free bonds

1 Tax-free bonds earn a fixed interest rate which is tax-free in the hands of investors.

2 These are issued by government entities like companies, municipal corporations, public sector undertakings and other infrastructure firms.

3 These are an effective tax-saving tool for investors who fall in higher tax brackets.

4 Investment can be made via brokers or banks. Bonds can be held in physical or demat form.

5 After allotment, these bonds are listed on stock exchanges and can be traded on the exchange.

Consider stocks with strong analyst sentiments

Amid ongoing concerns over stretched valuations, the companies with increasing buy recommendations from analysts could prove to be effective picks.

GETTY IMAGES

by **Sameer Bhardwaj**

The Indian equity markets displayed a strong performance in 2023, led by robust FPI inflows and buoyant domestic growth prospects. Foreign investors bought equities worth ₹1.71 lakh crore in 2023, the highest ever calendar year inflow, according to data compiled from NSDL. FPIs were net buyers of equities in eight out of 12 months, with December witnessing the highest inflow of ₹66,135 crore.

The key equity benchmarks, Nifty 50 and MSCI India index, delivered over 20% returns and outperformed the MSCI benchmarks of several countries, including Europe, Canada, Australia, the UK, South Africa, Indonesia and China, with returns ranging from -12.8% to 16.7%.

Despite positive momentum, analysts are advising caution as the valuations are getting stretched. After falling below the five-year average in November, the 12-month forward PE of the Nifty 50 index moved marginally above the long-term average in December 2023, according to data compiled from Reuters-Refinitiv.

In the weekly wrap-up released on the last trading day of 2023, Rajesh Bhosale, Technical Analyst, Angel One, says that the outstanding performance visible in 2023 in mid caps and small caps may not be equally fruitful in 2024 due to elevated levels, indicated by overbought indicators and prices deviating significantly from key averages.

G. Pradeepkumar, CEO, Union Asset Management Company, also advises careful consideration and advice from qualified advisers or distributors. "While mid-cap and small-cap funds have performed well in recent months, a cautious approach is recommended. Staggered investments through SIPs or STPs are advisable for retail investors," he says.

Experts also believe that the near-term market direction will be determined by the performance of corporate India in the third (December) quarter, and any deviation from expectations could drag the performance.

"The positives appear to be fully factored in, and while the optimism may continue due to strong growth prospects, the only concern is the rich valuation. A repeat of the 2023 performance next year is possible only if there is a significant acceleration in corporate profitability," says Sunil Shah, Group CEO and Director at Khambatta Securities.

The cautious stance of experts can be seen in terms of the number of buy-sell recommendations between the start and end of 2023. The 333 stocks of Nifty 500 index that are tracked by a minimum of five analysts (compiled by Reuters-Refinitiv) had a total of 4,038 buy recommendations at the start of the year. At the end of the year, the total buy recommendations fell to 3,573.

Comparatively, the total sell recommendations for the 333 stocks have jumped from 871 to 976. The total number of neutral or hold recommendations have also gone up from 1,158 to 1,190. As a percentage of total recommendations, the proportion of buy recommendations has gone down from 66.6% in January 2023 to 62.3% in December 2023, whereas the sell recommendations have increased from 14.4% to 17%.

Given the concerns over stretched valuations and a likely jump in volatility in an election year, it is important to consider the stocks that are favoured by experts. *ET Wealth* has identified stocks that have seen an improvement in the analysts' sentiments between the start and end of the previous year.

The stocks for which the number of buy calls, as a percentage of total recommendations, has increased, were selected. In addition, the absolute change in buy calls between the first trading day and the last trading day of 2023 was considered. The stocks that have seen an increase in at least three buy recommendations were further screened. There are 29 such stocks.

The proportion of buy recommendations has gone down from 66.6% in January 2023 to 62.3% in December, while sell recommendations have increased from 14.4% to 17%.

The group of these 29 stocks delivered an average return of 47.3% between 2 January 2023 and 29 December 2023, compared to 25.15% returns by the Nifty 500 index. As many as 25 of these stocks have delivered positive returns, with 17 stocks delivering returns higher than the Nifty 500 index. The following are four such stocks that are currently offering a double-digit share price potential.

Stocks that saw weakness in sentiment

It is worth mentioning some of the stocks for which the analysts' sentiments have weakened between the start and end of the year. Aditya Birla Fashion and Retail, Dr. Reddy's Laboratories, Rallis India, SBI Cards and Payment Services, Supreme Industries, Mphasis and Tech Mahindra are some of the stocks that witnessed a significant decline in buy ratings and a big jump in the sell ratings during the period.

BAJAJ FINANCE

12-month forward PBV	Current price (₹)	1-year target price (₹)	UPSIDE POTENTIAL
5.1	7,432	8,815	18.6%

ANALYSTS' RECOMMENDATIONS		
BUY	HOLD	SELL
20	3	4

THE DIVERSIFIED NBFC reported good performance in the September 2023 quarter, with the AUM and net profit growth of 33% and 28%, respectively, on a y-o-y basis. The total customer franchise jumped 22% y-o-y, whereas new loans booked grew 26% y-o-y. The growth was visible across business segments (except rural B2C), and the new businesses, auto finance and MFI, are showing traction.

The asset quality remains steady and the cost-to-income ratio remains stable despite heavy investments in distribution and customer acquisition efforts. The management is focusing on accelerating the execution of its omni-channel strategy, which is helping it to increase penetration across the country. The board's approval of raising ₹10,000 crore will strengthen its capital position and will help it to scale up new products and manage rising capital intensity.

The RBI's direction to stop sanction and disbursal of loans under its two lending products, 'eCOM' and 'Insta EMI Card', in November 2023, is expected to affect the AUM growth in the near term. However, analysts remain confident about its long-term growth due to its diversified funding base, better NII, domain expertise, strong digital ecosystem, controlled credit costs, entry in new credit segments like microfinance and new car finance, and operating leverage benefits.

GO FASHION

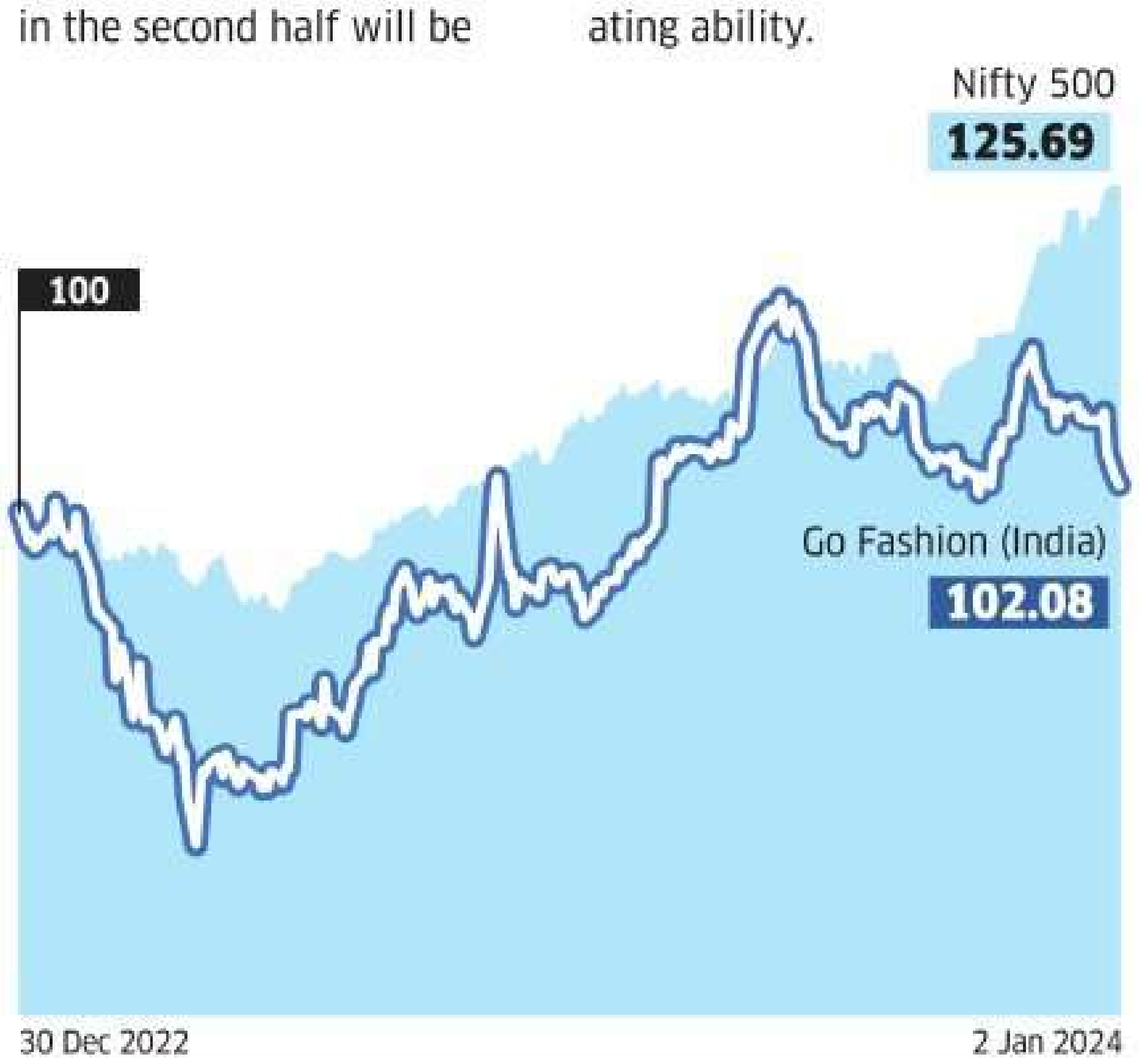
12-month forward PE	Current price (₹)	1-year target price (₹)	UPSIDE POTENTIAL
52	1,222	1,441	18.0%

ANALYSTS' RECOMMENDATIONS		
BUY	HOLD	SELL
8	0	0

THE CLOTHING APPAREL company reported 14.9% y-o-y growth in sales in the September quarter, led by expansion in exclusive brand outlets and large format stores. However, the revenue and PAT were 1% and 8.7% lower, respectively, than the Reuters-Refinitiv estimates, due to a sluggish consumer demand. The sales growth was driven by volume growth and an improvement in the average selling price, which grew by 6% y-o-y.

The cash flow improved during the quarter, led by working capital optimisation. The working capital days improved by 11 days y-o-y, and further improvement is expected in the future. The performance in the second half will be driven by festive and wedding season demand, and gross margins will improve due to a reduction in cotton prices. The management has guided 31-32% EBITDA margins in 2023-24, led by an improvement in cost structure and sales mix. It aims to open 120 stores in 2023-24, and 150-170 stores in 2024-25, and plans to expand to 250 cities in two-three years.

A report from AnandRathi, released after the second quarter results, prefers the company due to its leading position in women's bottom wear, strong retail network, zero debt status, efficient working capital management, efficient and technology-driven supply chain and high cash generating ability.



HDFC BANK

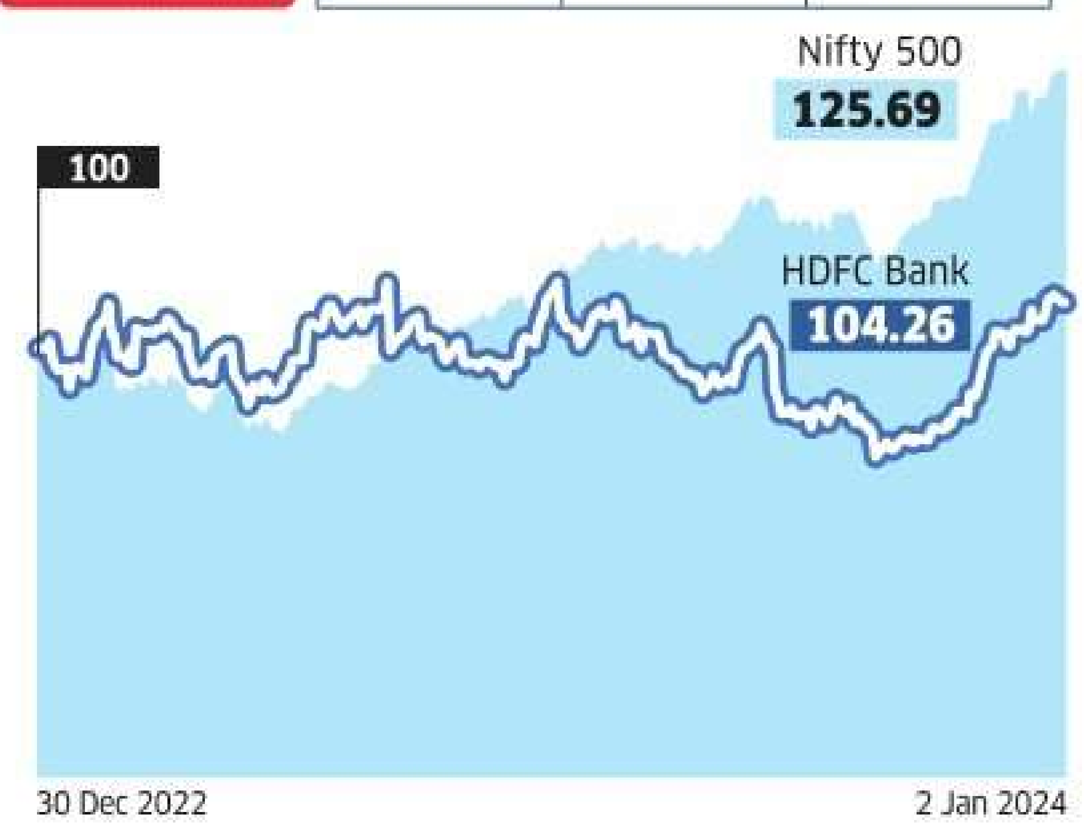
12-month forward PBV	Current price (₹)	1-year target price (₹)	UPSIDE POTENTIAL
2.7	1,698	1,947	14.7%

ANALYSTS' RECOMMENDATIONS		
BUY	HOLD	SELL
37	3	0

THE PRIVATE SECTOR bank's net profit in the September 2023 quarter surpassed Reuters-Refinitiv estimates by 8.1%, supported by a strong momentum in loans and deposits. The wholesale and CRB (commercial and rural banking) segments led to traction in loan growth, while the growth in term deposits supported the overall deposit growth.

The bank is witnessing post-merger synergies in terms of deeper penetration, improved sales processes, faster turnaround time, larger customer base, wider distribution network and higher cross-sell opportunities. The loan growth is expected to remain healthy, and the bank is expected to double its balance sheet in the next four-five years. The corporate borrowings are likely to stay strong due to the potential revival in the capex cycle after the elections. Credit costs will remain under control, led by its well-diversified loan bank.

The asset quality in the unsecured segment remains robust, which will support the segment's growth in the future. The management aims to increase its total branch count to 13,000-14,000 to sustain its growth trajectory over the medium term.



A recent Motilal Oswal report states that HDFC Bank has everything in place to deliver strong profitability and growth trajectory over the coming years (similar to pre-merger levels), and expects its operating performance to recover gradually over 2024-25 and 2025-26.

HOME FIRST FINANCE COMPANY

12-month forward PBV	Current price (₹)	1-year target price (₹)	UPSIDE POTENTIAL
3.5	950	1,070	12.7%

ANALYSTS' RECOMMENDATIONS		
BUY	HOLD	SELL
15	0	1

THE HOUSING FINANCE company's September earnings surpassed Reuters-Refinitiv estimates by 5.5%, led by strong AUM and disbursements that grew by 33.3% and 36.6%, respectively, on a y-o-y basis. The asset quality remains strong and credit costs were steady at 40 basis points. The management has guided over 30% AUM growth in 2023-24 and expects to cross an AUM of ₹10,000 crore in the next 12 months.

It is expanding its distribution network and investing in technology and analytics to improve its underwriting and credit assessment capabilities. Analysts believe that the company is well positioned to benefit from the growing housing finance market, and its operating performance will be supported by expected cost efficiencies in the future. Though the spreads are expected to compress due to an increase in the cost of borrowings, a rising share of LAP (loan against property) and increased geographical penetration will provide the needed support.

A Motilal Oswal report, which was released after the second quarter results, expects the asset quality to strengthen as the company prioritises early bucket collections. It expects credit costs to remain low over 2023-24 and 2025-26, and estimates AUM and PAT CAGR of 31% and 29%, respectively, during the period.

Current price as on 2 January 2024. Nifty 50 12-M forward PE: 20.3. **Source:** Refinitiv

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How to find a job this year

Step out of your comfort zone and strategise well, says **Devashish Chakravarty**.

What is your job status as you step into 2024? Are you looking for a new job because you have recently lost one, or are you facing the threat of job loss, or is your career stuck in the current role? Given the layoffs, hiring freezes and bad news across the job market spilling over from the previous year, you can expect to find more job seekers chasing fewer coveted jobs through 2024. Here's how you can cover all bases as you seek a new job for yourself.

Step out of comfort zone

Looking for a job is a full-time task, not a hobby. Unless you make it a priority and invest time and effort, you will not be competitive. Your chances of success depend on getting into the right mindset and stepping out of your comfort zone. Your journey should start with a plan. The first step is to make a resume and speak to your ex-managers or teachers who are willing to be your reference checks. Improve your resume by highlighting measurable achievements, instead of responsibilities. Ask others to evaluate and provide inputs on your CV. Next, decide on the kind of jobs, roles, locations and companies you would like to work for. Focus on the right employers, rather than the perfect job. Roles always evolve to accommodate the skills and contributions of the person hired. Finally, customise your resume for each role that you apply for, and practice for the interviews you get shortlisted for. Be prepared for rejection, delayed feedback and extended selection processes in the current market.

Be discovered

Your job search activities include passive and active strategies. Passive strategies are about being discovered by recruiters and hiring managers for relevant opportunities. The first passive step is to create accounts on job portals and upload your resume or create a profile. This enables active employers and recruiters to find you via keyword searches. Secondly, reach out to recruitment agencies operating in your domain or industry and share your profile and availability. They have access to exclusive jobs and the motivation to match you to them. Finally, invest in a strong online personal brand to make it attractive and easier for potential recruiters and employers to consider and shortlist you. Clean up your online profiles on social media and tailor these to reflect your professional interests and capabilities.

Discover jobs

Once your passive channels are set up, focus on active job search. This includes going to where the jobs are and taking action to be considered in the job selection process. Search for new, relevant openings on job portals 2-3 times a week and be among the early applicants for these. If you have access to recruiter's contact details, follow up weekly to seek an update. Next, visit websites of companies that interest you and apply through their career sections. Finally, look at professional and alumni associations in your domain for their websites, platforms and job fairs for suitable openings. Keep track of your job applications through all sources and make sure that you respond immediately to inquiries and interview calls. Do not be late to a commitment for an assignment submission or an interview, be it online or offline.

Power of second degree

Being referred to an unadvertised job is your most powerful competitive tool in a crowded marketplace. Here's where the leverage of second degree connections kicks in and maximises your chances. You have a limited number of first degree connections or people who directly know you and are happy to refer you. Multiply your first degree by the number of people they know, and you have a huge second degree network who may potentially have access to tens of relevant unadvertised jobs. To leverage the power of connection, invest in private and public networking. Private networking is when you reach out to your first degree connects, explain the kind of job you are looking for and request them to connect you to relevant decision-makers they know, or refer you to relevant internal vacancies when they arise. Public networking is where you attend industry events, conferences and meetings, where you have access to new companies and professionals and the opportunity to create new first degree connections and opportunities.

Keep growing

A sure way to get out of a job search slump is to keep growing. While you are looking for a job, continue working on personal and professional growth, which makes you more marketable and speeds up your job hunt. What kind of skills are in demand in your industry or domain? What is your current employer hiring for? Can you get staffed on a project where you can apply the new skill and showcase on your resume? If you cannot get live experience, seek workshops and certifications. Look at freelancing platforms or gig work opportunities for short-term projects and income, if you are without a job. Reach out to past employers and offer remote consulting services for an attractive fee. Improve your understanding of the job market and opportunities through mentors' support and meeting professionals in your industry to establish connections and learning through informational interviews. Your job search journey will be exhausting. Seek emotional support to stay persistent and positive. Stay flexible and learn from each setback until your resilience pays off.

ARE YOU LEVERAGING LINKEDIN?

1 SHOWCASE
LinkedIn is your primary online resume for the job market. Use a professional photograph and write an impactful headline that describes you. Update your experiences, achievements, education and skills. Add samples of your work and new content to demonstrate ability. Seek inspiration from well-written profiles of peers to improve your own.

2 NETWORK
LinkedIn is primarily a networking platform. Use it effectively and it will generate both opportunities and new job referrals. Start by establishing connections with your classmates and professionals from your previous jobs. Engage with the content they post with your own contributions. Help them connect with content and people of interest to them.

3 SEARCH JOBS
Enable the '#OpenToWork' feature on your profile and set the privacy settings. Use the 'Jobs' tab to search and apply for jobs using skills, location, title, etc. Switch on the 'Set Alert' toggle to create job alerts for future opportunities. Learn from job descriptions to edit and improve your own profile, with searchable and more relevant keywords and skills.

4 SKILLING PLAN
Study profiles of people in jobs and companies that you are interested in. Figure out the missing certifications and skills that will make you a stronger candidate for similar jobs. Make an upskilling plan for yourself using offline and online courses on various platforms, including LinkedIn Learning.

5 EMPLOYER ENGAGE
Use the platform to follow companies of your interest. Stay abreast of the news and job opportunities from these companies. Respond to their content to signal your interest. Use this acquired knowledge during your interactions and interviews. Thus, leverage LinkedIn beyond job search for professional branding, networking and learning.

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

On track to meet all goals

Patil's current savings and ongoing investments will help him achieve his goals in the required time frame.

by **Riju Mehta**

Ramdas Patil, 37, lives with his homemaker wife, 32, and two sons, aged nine and five, in Pune. He is in service and brings in a salary of ₹1.2 lakh a month. They live in their own house worth ₹65 lakh, for which he took a loan of ₹11 lakh and is paying an EMI of ₹15,000. His portfolio is worth ₹1.63 crore, which includes property, cash of ₹50,000, equity worth nearly ₹86 lakh and debt worth ₹22.4 lakh, which includes PPF, EPF, debt funds, fixed deposit and NPS. Patil's goals include building an emergency corpus, saving for his children's higher education, and for an early retirement in 13 years at the age of 50.

Financial planner Anupam Guha from ICICI Securities suggests that Patil should build an emergency corpus of ₹3 lakh, worth six months of household expenses. He can allocate his liquid fund and fixed deposit for this goal and invest the amount in a money market fund.

Next, he wants to save for his children's education in 8 and 10 years. For these goals, he has estimated a need of ₹31.8 lakh and ₹35.8 lakh in eight and 10 years, respectively. Though his younger son will only be 15 in 10 years' time, Patil is not sure about the higher education needs of his son and wants to save this amount in the specified time. For the older child's education goal, he can allocate his stock portfolio and will also need to start an SIP of ₹12,885 in an equity fund. For the younger son's goal, he will need to start an SIP of ₹15,570 in an equity fund. Since he already has SIPs worth ₹69,000 running in the required funds, Patil can link this amount to these goals.

Finally, Patil wants to have an early retirement in 13 years when he is 50 years old. For this, he will need a retirement corpus of around ₹2.4 crore to last him till he is 80. According to Guha, this goal can be achieved using his existing resources. Patil can allocate ₹74 lakh from his equity fund corpus to this goal, which will grow to the required amount in the specified time frame. He will not need to make any fresh investments.

For life insurance, Patil has a term plan of ₹1 crore, for which he is paying a monthly premium of ₹917. According to Guha, this cover is adequate for his needs and he doesn't need to buy any more insurance. For health insurance, Patil has a family floater cover of ₹7.5 lakh provided by his employer. Guha suggests he also buy an independent family floater plan worth at least ₹25 lakh, which will cost him about ₹2,500 in monthly premium.

Portfolio

ASSET	CURRENT VALUE (₹)
Real estate	65 lakh
Cash	50,000
Debt	
PPF	9.88 lakh
EPF	8 lakh
Debt fund	2.09 lakh
NPS	1.4 lakh
Fixed deposit	1.10 lakh
Equity	
Equity mutual funds	79.3 lakh
Stocks/ESOP	6.78 lakh
Total	-

LIABILITIES	CURRENT VALUE (₹)
Home loan	11 lakh
Total liabilities	11 lakh

Net worth	₹1.63 crore

Cash flow

	EXISTING (₹)	SUGGESTED (₹)
Income	1.2 lakh	1.2 lakh
Outflow		
Household expenses	20,000	20,000
Kids' education	5,000	5,000
Contribution to dependants	5,000	5,000
Home loan EMI	15,000	15,000
Insurance premium	917	3,417
Investment	71,000	71,000
Total outflow	1.16 lakh	1.19 lakh
Surplus	3,083	583

Financial plan by **Anupam Guha, Head of Private Wealth Management, ICICI Securities**

RAMDAS PATIL, 37 YEARS, SERVICE, PUNE

How to invest for goals

GOAL	FUTURE COST (₹) / TIME TO ACHIEVE	RESOURCES USED	MONTHLY INVESTMENT NEEDED (₹)
Emergency fund	3 lakh	Deb fund, FD	-
1st child's education	31.87 lakh / 8 yrs	Stocks	12,885
2nd child's education	35.81 lakh / 10 yrs	-	15,570
Retirement	2.4 crore / 13 yrs	Equity funds	-
Investible surplus needed			28,455

ANNUAL RETURN ON CORPUS ASSUMED TO BE 9.6%. INFLATION ASSUMED TO BE 6%.

Insurance portfolio

INSURANCE	EXISTING COVER (₹)	EXISTING MONTHLY PREMIUM (₹)	SUGGESTIONS	SUGGESTED MONTHLY PREMIUM (₹)
Life insurance				
Term plan	1 crore	917	Continue	917
Traditional plans	-	-	-	-
Ulip	-	-	-	-
TOTAL	1 crore	917	-	917
Health insurance				
Employer's	7.5 lakh	-	Continue	-
Own	-	-	Buy ₹25 lakh family floater plan	2,500
TOTAL	7.5 lakh	-	-	2,500
Critical illness & accidental disability	-	-	-	-
TOTAL	-	-	-	-
Insurance cost	-	917	-	3,417

PREMIUMS ARE INDICATIVE AND COULD VARY FOR DIFFERENT INSURERS.

Write to us for expert advice

Looking for a professional to analyse your investment portfolio? Write to us at etwealth@timesgroup.com with 'Family Finances' as the subject. Our experts will study your portfolio and offer objective advice on where and how much you need to invest to reach your goals.

Rating stocks, objectively

Investors can now conduct the first level of quality check for stocks with Value Research's latest stock rating system, says **Dhirendra Kumar**.

DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

There's near infinite information in the world, but most of it is not worthwhile. A lot of it is simply incorrect, but as far as information on investing goes, that's not where the problem lies. The real danger lies in the information that is true, but useless, or even harmful. Are you wondering how correct and truthful information can be useless, harmful and dangerous?

Here's an obvious example: stocks that have risen the most in the last one day or month, or to use the common term, stocks that have momentum. On the face of it, such a list seems valuable. After all, these stocks have done very well in the recent past, so shouldn't they be a good investment for the future? Not really. For one, the stocks that have boomed in the recent past may be experiencing a short-term price spike, driven by speculation, rumours, or the good old 'pump and dump'. The price rise could have, and often does have, a cyclical element, wherein the price rise leads to a price rise. These gains often reverse rapidly, leaving the greater (greatest) fool stranded. So while the price history is factually correct, it provides no insight into whether further gains are likely. The bigger danger is that the compelling, but meaningless, information wastes limited time and attention, instead of helping the investor.

Of course, this is just one example. The stream of noise that the equity investor faces is endless. Stock tips from friends, sensational headlines, latest hot trends; everyone has an opinion on the next great investment. Yet, most of this information lacks any rigour substance, or method. The same issues apply to social media pundits and other opinion peddlers. The most bombastic voices tend to attract attention with sensational and one-sided takes, essentially supplying nothing but 'disinfotainment'. Over long years of observing the noise crowding out meaningful information, I've noticed a few common themes.


GETTYIMAGES

Much of the superficial financial information aims to tap our behavioural biases, playing to our tendency to chase trends, seize confirming data, or create narratives to rationalise price movements after the event.

What investors need is not emotionally charged reactions, but a fact-driven framework, one that provides a quick quality check for every stock, as a starting point. A fundamentals-driven rating system would be ideal, provided subjective opinions played no role in it. This would have to be something purely number-driven. Such a system could filter a large number of stocks, an entire universe, ideally, through an objective, rule-based model to spot quality and, just as importantly, the lack of it. By distilling key metrics, investors could, at a glance, get a view of financial strength. The key is to have a standardised set of criteria that is applied without emotion. Human judgement is innately poor at processing lots of data into a framework.

Of course, a rating system is just a starting point, a way to sort through thousands of stocks quickly. After this comes creatively interpreting those signals with wisdom and common sense, rather than getting lost in numbers. So, does such a system exist, especially for Indian stocks? Well, now it does.

Three decades ago, we at Value Research launched Mutual Fund Ratings based on these principles. Since then, millions of Indian investors have used our rating system to choose good funds to invest in and, just as importantly, to avoid bad funds. Now, we bring the same principles and approach to our new Stock Ratings system. We will rate every stock, and the ratings are freely available and completely objective. Opinions and feelings play no role in this exercise. We have researched, designed and evolved the methodology over a long period of time, and the stocks are structured to provide this quick first-level quality check. The methodology is transparent and available for anyone to go through.

I won't claim this is the last word on evaluating stocks simply because it's designed to be the first word, not the last. We'll talk about the details in the weeks to come.

> What investors need is not emotionally charged reactions, but a fact-driven framework, one that provides a quick quality check for every stock, as a starting point. Such a system could filter a large number of stocks through an objective, rule-based model to spot quality, and just as importantly, the lack of it.

Please send your feedback to
etwealth@timesgroup.com

Defence pensioners can give life certificate by 31 Jan

The annual identific-ation for defence pensioners, due in November 2023, has been extended till 31 January 2024, according to the Principal Controller of Defence Accounts (Pension) website.

Defence pensioners have to carry out an annual identification, which can be done using Aadhaar, or providing life certificate issued by designated authorities to have the entitled pension credited to their bank accounts. For identification on Jeevan portal on digital life certificate, the pensioner is required to fill in the following:

PDA: Sparsh
PPO NO: Sparsh
Account no: Bank account number (in which pension is received).

As per Sparsh FAQs, "For identification using Aadhaar (Digital Life Certificate): Go To: Services Identification Digital Life Certificate.
For identification using Manual Life Certificate: Go To: Services Identification Manual Life Certificate."

Submitting life certificate via Jeevan Pramaan Portal

Step 1: Download and open

Jeevanpramaan software.

Step 2: Enter Aadhaar and mobile numbers of the pensioner.

Step 3: Click 'generate OTP' button and OTP will be sent to the registered mobile number. Click 'OK' and a new window opens to fill pensioner's details.

Step 4: Select registered PPO number visible in the dropdown list. If it is not visible in the list, select 'Add New Pension PPO'.

Step 5: Fill pensioner's name as in the PPO. Select type of pension as 'Service'. Select organisation type as 'Central Government'.

Step 6: Select sanctioning authority as 'Defence PCDA (P) Allahabad'. Select PDA as 'Sparsh PCDA (Pensions), Allahabad'. Enter the 12-digit Sparsh PPO number (Pensioner's ID).

Step 7: Provide pension bank account number. Click 'Next' option in the bottom corner. Select 'No Option' for questions. Select 'Next' button.

Step 8: Click two-tick box for declaration and submit. Click the 'Biometric Scan' button, thump on biometric device for authentication, and Sparsh Digital Life Certificate will be generated. An automated link will be sent to the registered e-mail and mobile number. Click the link, provide pension ID received on mobile to generate an OTP, and get the digital life certificate.

—*Sneha Kulkarni*

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.

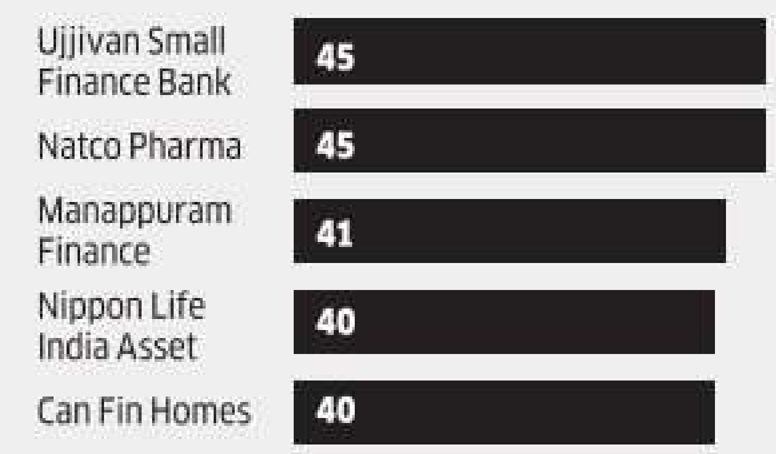
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RISK		RATING		
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	Div Yield	PEG	Downside Risk	Bear Beta	No. of Analysts	Consensus Rating	Value Research Stock Rating
Bandhan Bank	1	1	260.80	24.14	76.86	19.09	2.14	0.59	0.21	1.29	0.70	29	4.24	★★★★★
Kalpataru Projects Intnl.	2	3	738.80	38.69	87.47	25.50	2.55	0.98	0.34	1.30	1.36	16	4.62	★★
LIC Housing Finance	3	2	572.00	24.54	53.92	10.76	1.15	1.52	0.19	1.13	1.28	33	4.03	★★★
Samvardhana Motherson	4	4	103.45	38.13	127.34	46.81	3.12	0.64	0.35	1.30	1.07	21	4.62	★★★
Maruti Suzuki India	5	8	10,015.30	37.06	63.63	36.79	4.89	0.89	0.62	0.67	0.82	49	4.22	★★★★★
Manappuram Finance	6	6	176.30	40.71	48.09	10.00	1.55	1.81	0.21	1.79	1.83	20	4.50	★★★★★
Natco Pharma	7	5	838.60	44.74	76.94	21.41	3.14	1.14	0.28	1.19	0.42	15	3.47	★★★★
Axis Bank	8	7	1,123.40	12.02	86.80	26.32	2.43	0.09	0.25	0.83	0.77	50	4.80	★★★
Aurobindo Pharma	9	10	1,118.45	22.38	79.50	33.91	2.44	0.55	0.43	1.10	0.42	30	3.97	★★★
Balrampur Chini Mills	10	9	407.30	31.28	84.95	29.28	2.84	1.35	0.27	1.40	1.19	11	4.18	★★★★
Somany Ceramics	11	12	715.70	20.30	108.03	42.72	3.88	0.41	0.39	1.40	0.69	22	4.68	★★
Larsen & Toubro	12	14	3,458.70	29.36	49.91	46.66	5.47	0.87	0.87	0.84	0.38	37	4.65	★★★
Apollo Tyres	13	11	448.90	11.05	76.55	25.81	2.21	0.98	0.33	1.17	0.88	28	3.79	★★★
Blue Star	14	13	935.65	34.77	106.06	45.89	13.53	0.64	0.15	1.06	-0.04	23	3.96	★★★
Mindspace Business Parks	15	15	325.36	7.17	132.77	68.03	1.30	5.89	0.51	0.80	-0.01	12	4.17	NA
Can Fin Homes	16	19	785.75	40.19	34.40	16.65	2.84	0.52	0.48	1.41	0.87	23	4.26	★★★★★
Ujjivan Small Finance	17	18	59.00	45.32	25.96	9.99	2.89	2.20	0.48	1.44	1.89	15	4.73	NA
Jindal Stainless	18	17	601.40	29.23	75.82	23.37	4.14	0.59	0.31	1.61	2.27	11	4.64	★★★★
Zydus Lifesciences	19	16	709.15	18.62	70.05	36.84	4.12	0.84	0.54	0.90	0.78	36	3.64	★★★★
IndusInd Bank	20	20	1,648.55	19.22	26.13	15.35	2.19	0.87	0.61	1.14	2.11	48	4.81	★★★
Cipla India	21	21	1,296.65	21.16	52.06	37.59	4.50	0.65	0.71	1.00	0.41	40	3.92	★★★★
Adani Ports & SEZ	22	22	1,123.20	33.91	78.80	45.79	5.33	0.46	0.55	2.16	2.50	21	4.71	★★★
Federal Bank	23	26	154.85	24.82	29.69	10.25	1.47	0.66	0.93	1.08	1.72	40	4.68	★★★★
UltraTech Cement	24	27	10,014.80	21.63	78.38	57.18	5.33	0.38	0.75	0.80	0.83	43	4.26	★★★
Bajaj Auto	25	24	6,922.15	30.94	30.75	32.73	6.70	2.00	1.03	0.86	0.34	46	3.70	★★★★
Biocon	26	23	283.60	23.07	134.97	68.19	1.80	0.53	0.56	1.27	1.08	20	3.85	★★
Alembic Pharmaceuticals	27	25	809.15	22.57	89.75	46.55	3.64	0.99	0.51	1.12	1.20	19	3.21	★★★
Hero MotoCorp	28	32	3,946.95	14.04	44.19	28.10	4.74	2.51	0.64	0.96	1.25	45	3.76	★★★★★
M&M Financial	29	28	278.00	30.48	21.41	16.56	1.85	2.18	0.86	1.38	1.08	40	3.60	★★★★
Kajaria Ceramics	30	35	1,302.40	21.93	63.28	60.17	8.91	1.15	0.95	1.03	0.47	34	4.38	★★★★
EPL	31	31	201.05	20.64	44.87	28.10	3.21	2.17	0.63	1.23	0.96	10	4.50	★★★
Steel Authority of India	32	34	118.65	3.83	79.95	22.64	0.90	0.84	0.30	1.29	1.94	26	2.81	★★
Cyient	33	43	2,267.20	32.21	53.69	48.17	7.23	1.22	0.95	1.65	0.51	21	4.24	★★★
NTPC	34	33	317.10	7.39	26.87	18.29	2.10	3.10	0.69	0.90	1.20	24	4.58	★★★
JK Lakshmi Cement	35	39	894.20	19.07	54.62	29.36	3.76	0.43	0.54	1.32	0.66	20	4.10	★★★★
Mahindra & Mahindra	36	36	1,641.70	19.30	14.56	17.90	3.78	0.98	0.66	1.03	1.50	42	4.55	★★★★
Eicher Motors	37	44	3,861.00	25.29	41.51	36.27	7.05	0.95	0.85	1.01	0.94	43	3.67	★★★★★
Nippon Life India Asset	38	30	471.50	40.26	36.01	40.51	8.34	2.83	1.14	1.11	0.60	18	4.33	★★★★
Endurance Technologies	39	29	1,932.35	29.64	75.22	56.24	6.11	0.37	0.75	1.07	0.02	19	4.21	★★★
UTI Asset Management Co	40	38	875.25	15.06	40.69	25.52	2.89	2.53	0.61	1.04	0.98	15	4.07	NA
HeidelbergCement India	41	46	229.65	14.78	149.77	52.55	3.57	3.03	0.36	0.95	1.46	16	2.56	★★★★
Finolex Industries	42	40	218.30	13.90	140.16	54.16	2.76	0.70	0.41	1.41	1.55	16	3.81	★★★
CESC	43	42	134.85	19.19	15.69	13.30	1.64	3.34	0.79	1.14	0.93	14	4.86	★★★
Ramco Cements	44	47	1,012.90	25.00	134.44	73.02	3.46	0.20	0.56	0.87	1.17	35	3.11	★★
Torrent Pharmaceuticals	45	45	2,371.70	23.26	57.03	64.59	12.98	0.94	1.13	0.88	0.30	34	4.24	★★★
Shree Cement	46	--	28,357.90	26.56	93.30	80.34	5.48	0.39	0.83	1.03	0.50	41	2.68	★★★
Ipca Laboratories	47	48	1,109.85	35.54	94.95	59.88	4.83	0.18	0.64	1.13	0.38	21	3.05	★★★
Indraprastha Gas	48	49	424.40	6.95	22.83	18.19	3.76	4.03	0.81	1.25	0.94	37	4.08	★★★★★
JK Cement	49	--	3,898.00	24.98	116.41	70.98	6.46	0.39	0.63	1.03	1.58	27	3.82	★★★
Birlasoft	50	--	687.50	20.02	98.75	57.72	7.75	0.66	0.58	1.32	1.05	14	4.29	★★★★

*REVENUE AND NET PROFIT GROWTH IS BASED ON CONSENSUS ANALYSTS' EXPECTATIONS. NR: NOT IN THE RANKING. DATA AS ON 4 JANUARY 2024.

SOURCE: BLOOMBERG

1 Fast growing stocks

Top 5 stocks with the highest revenue growth (%) over the previous year



2 Least expensive stocks

Top 5 stocks with the lowest price-earnings ratio

3 Best PEGs

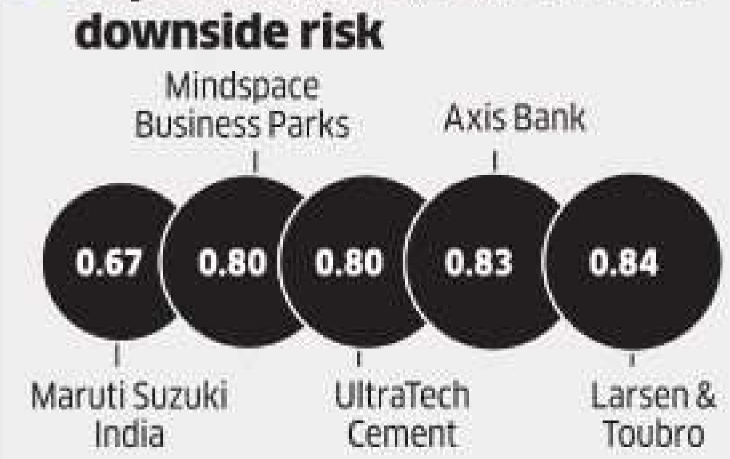
Top 5 stocks with the least price earnings to growth ratio

4 Income generators

Top 5 stocks with the highest dividend yield (%)

5 Least risky

Top 5 stocks with the lowest downside risk



SEE DOWNSIDE RISK AND BEAR BETA COLUMNS 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	★★★★★	18,071.87	10.81	17.31	31.09	24.55	17.34	1.68
Quant Focused Fund	★★★★★	480.67	16.99	23.52	28.65	24.06	19.95	2.35
DSP Nifty 50 Equal Weight Index Fund - Regular Plan*	★★★★★	862.84	13.46	18.23	28.12	22.44	17.75	0.92
ICICI Prudential Bluechip Fund	★★★★★	44,425.37	11.66	17.24	25.46	20.26	17.29	1.53
Kotak Bluechip Fund - Regular Plan	★★★★	6,870.39	10.03	13.3	20.89	16.53	16.51	1.77
UTI Nifty 50 Index Fund - Regular Plan*	★★★★	13,626.63	10.25	11.73	18.86	16.30	16	0.41
DSP Nifty 50 Index Fund - Regular Plan*	★★★★	417.99	10.25	11.72	18.77	16.14	–	0.4
Canara Robeco Bluechip Equity Fund - Regular Plan*	★★★★	10,816.61	9.79	11.76	20.6	14.96	17.1	1.7
EQUITY: LARGE & MIDCAP								
HDFC Large and Mid Cap Fund - Regular Plan	★★★★★	13,427.73	13.12	23.34	36.68	28.39	20.83	1.73
ICICI Prudential Large & Mid Cap Fund	★★★★	9,636.74	12.55	20.45	29.1	26.85	20.01	1.78
Motilal Oswal Large and Midcap Fund - Regular Plan	★★★★★	2,727.40	12.94	23.06	38.06	25.41	–	1.91
SBI Large & Midcap Fund	★★★★★	17,175.44	10.13	15.37	25.47	23.17	18.76	1.67
Kotak Equity Opportunities Fund - Regular Plan	★★★★	16,502.69	8.95	16.79	27.79	21.21	19.04	1.64
Mirae Asset Large & Midcap Fund - Regular Plan	★★★★	30,284.45	10.74	19.32	27.99	20.67	20.43	1.57
Tata Large & Mid Cap Fund - Regular Plan	★★★★	5,712.32	8.52	13.37	22.26	20.56	18.49	1.82
EQUITY: FLEXI CAP								
HDFC Focused 30 Fund	★★★★	7,762.21	13.1	18.95	28.61	28.72	18.79	1.75
HDFC Flexi Cap Fund	★★★★	42,270.54	12.94	19.25	29.24	27.73	19.32	1.54
ICICI Prudential Retirement Fund - Pure Equity Plan	★★★★★	422.60	16.33	25.99	37.15	27.33	–	2.39
HDFC Retirement Savings Fund Equity Plan	★★★★★	4,036.24	10.83	16.92	31.4	26.81	20.88	1.84
JM Flexicap Fund	★★★★★	862.36	13.31	24.18	38.76	25.71	21.47	2.12
Franklin India Flexi Cap Fund*	★★★★	12,801.72	12.1	21.59	29.5	24.13	18.55	1.76
Franklin India Focused Equity Fund*	★★★★	9,856.10	8.88	14.39	21.61	22.99	18.25	1.79
Parag Parikh Flexi Cap Fund - Regular Plan	★★★★★	48,293.88	12.16	16.75	36.02	22.5	22.82	1.35
ICICI Prudential Focused Equity Fund	★★★★	6,116.61	11.65	17.21	26.96	22.25	18.64	1.8
360 ONE Focused Equity Fund - Regular Plan	★★★★★	5,659.25	9	14.64	27.7	20.13	22.67	1.85
Union Flexi Cap Fund	★★★★	1,746.93	10.57	17.35	26.3	19.69	18.73	2.07
PGIM India Flexi Cap Fund - Regular Plan	★★★★	5,891.74	8.18	9.47	17.81	16.62	19.25	1.77
EQUITY: MID CAP								
Motilal Oswal Midcap Fund - Regular Plan	★★★★★	6,804.62	13.35	22.6	40.08	34.02	24.24	1.77
Quant Mid Cap Fund	★★★★	3,781.48	13.34	30.04	33.71	33.24	27.42	1.87
Nippon India Growth Fund	★★★★★	21,380.48	16.4	30.04	47.62	31.61	24.96	1.65
HDFC Mid-Cap Opportunities Fund	★★★★	52,137.70	11.69	24.39	42.85	30.92	22.98	1.47
Edelweiss Mid Cap Fund - Regular Plan*	★★★★	4,267.00	13.33	23.86	37.19	27.91	23.43	1.83
Mirae Asset Midcap Fund - Regular Plan	★★★★	12,823.47	11.16	24.91	34.42	27.65	–	1.69
SBI Magnum Midcap Fund	★★★★★	14,454.73	7.5	15.74	34.48	27.63	22.65	1.71
Kotak Emerging Equity Fund - Regular Plan	★★★★	36,527.95	9.18	19.26	30.37	26.14	22.19	1.49
PGIM India Midcap Opportunities Fund - Regular Plan	★★★★	9,800.28	7.95	12.48	19.41	24.12	24.57	1.71
EQUITY: SMALL CAP								
Nippon India Small Cap Fund	★★★★	41,018.84	12.71	26.83	48.2	39.95	28.63	1.51
Tata Small Cap Fund - Regular Plan	★★★★	6,345.75	9.5	18.51	33.48	35.08	25.63	1.77
Edelweiss Small Cap Fund - Regular Plan*	★★★★	2,802.73	11.81	25.3	40.78	33.69	–	1.9
ICICI Prudential Smallcap Fund	★★★★	6,607.89	10.17	20.39	37.28	32.51	26.17	1.79
Kotak Small Cap Fund - Regular Plan	★★★★	13,376.62	10.52	19.19	34.52	30.41	26.19	1.66
Axis Small Cap Fund - Regular Plan	★★★★★	17,915.66	9	17.95	32.39	28.88	25.98	1.65
EQUITY: VALUE ORIENTED								
SBI Contra Fund	★★★★★	18,930.58	13.25	23.1	37.16	32.46	24.98	1.64
Bandhan Sterling Value Fund - Regular Plan	★★★★	7,213.54	9.92	18.24	31.05	30.47	19.85	1.78
ICICI Prudential Value Discovery Fund	★★★★★	35,089.33	12.08	20.71	30.34	27.46	21.4	1.61
EQUITY: ELSS								
Quant ELSS Tax Saver Fund	★★★★★	5,614.57	17.16	26.7	28.94	32.39	29.07	1.8
SBI Long Term Equity Fund - Regular Plan	★★★★★	17,279.15	14.39	24.49	39.52	25.15	19.87	1.67
Bandhan ELSS Tax Saver Fund - Regular Plan	★★★★★	5,402.95	8.47	15.43	26.48	25.12	19.59	1.76
Bank of India ELSS Tax Saver Fund - Regular Plan	★★★★★	951.28	14.3	25.63	34.26	23.23	23.51	2.21
DSP ELSS Tax Saver Fund*	★★★★	12,615.07	12.86	20.64	28.32	22.13	19.63	1.65
Parag Parikh ELSS Tax Saver Fund - Regular Plan	★★★★★	2,334.28	10.13	16.61	26.7	22.07	–	1.84
Kotak ELSS Tax Saver - Regular Plan	★★★★	4,393.15	7.89	13.85	21.91	20.28	18.11	1.79
Union ELSS Tax Saver Fund	★★★★	747.79	9.55	16.12	25.14	20.04	18.82	2.33
Mirae Asset ELSS Tax Saver Fund - Regular Plan	★★★★	18,842.81	11.07	17.06	25.96	19.59	19.45	1.58
Canara Robeco ELSS Tax Saver Fund - Regular Plan*	★★★★	6,533.06	10.89	14.1	22.22	18.17	18.78	1.72

24.55% THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

28.72% THE 3-YEAR RETURN OF HDFC FOCUSED 30 FUND IS THE HIGHEST IN ITS CATEGORY.

34.02% THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

32.46% THE 3-YEAR RETURN OF SBI CONTRA FUND IS THE HIGHEST IN ITS CATEGORY.

LAGGARDS & LEADERS

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

LAGGARDS | LEADERS

Equity: Large cap 5-year returns

LAGGARDS		LEADERS	
Groww Large Cap Fund	12.87	BHARAT 22 ETF	21.09
Taurus Largecap Equity Fund	13.17	ICICI Prudential BHARAT 22 FOF	21.05
Axis Bluechip Fund	13.64	Quant Focused Fund	19.95
Franklin India Bluechip Fund	13.77	DSP Nifty 50 Equal Weight Index	17.75
PGIM India Large Cap Fund	13.77	Nippon India Large Cap Fund	17.34

Equity: Flexi cap 5-year returns

LAGGARDS		LEADERS	
Axis Focused 25 Fund	11.79	Quant Flexi Cap Fund	27.09
Motilal Oswal Flexi Cap	12.15	Parag Parikh Flexi Cap Fund	22.82
Taurus Flexi Cap Fund	12.8	360 ONE Focused Equity Fund	22.67
Nippon India Retirement	13.46	JM Flexicap Fund	21.47
Shriram Flexi Cap Fund	13.48	HDFC Retirement Savings Fund Equity	20.88

Equity: Mid cap 3-year returns

LAGGARDS		LEADERS	
DSP Midcap Fund	18.61	Motilal Oswal Midcap Fund	34.02
Axis Midcap Fund	19.25	Quant Mid Cap Fund	33.24
LIC MF Midcap Fund	20.64	Nippon India Growth Fund	31.61
HSBC Midcap Fund	22.03	HDFC Mid-Cap Opportunities Fund	30.92
UTI Mid Cap Fund	22.31	Motilal Oswal Nifty Midcap 100 ETF	30.84

Equity: Small cap 3-year returns

LAGGARDS		LEADERS	
ITI Small Cap Fund	23.84	Quant Small Cap Fund	44.44
Aditya Birla Sun Life Small Cap	24.98	Nippon India Small Cap Fund	39.95
SBI Small Cap Fund	25.71	HSBC Small Cap Fund	36.80
UTI Small Cap Fund	27.66	HDFC Small Cap Fund	35.46
Axis Small Cap Fund	28.88	Tata Small Cap Fund	35.08

Hybrid: Aggressive 5-year returns

LAGGARDS		LEADERS	
LIC MF Aggressive Hybrid	10.47	Quant Absolute Fund	22.63
Nippon India Equity Hybrid	10.76	Bank of India Mid & Small Cap Equity	19.99
PGIM India Hybrid Equity	11.05	ICICI Prudential Equity & Debt Fund	19.59
Bandhan Asset Allocation	11.44	JM Aggressive Hybrid Fund	16.76
Shriram Aggressive Hybrid	11.62	HDFC Children's Gift Fund	16.70

ANNUALISED RETURNS IN % AS ON 3 JAN 2024.

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
HYBRID: EQUITY SAVINGS								
HDFC Equity Savings Fund	★★★★	3,334.46	5.73	8.87	13.57	12.11	10.34	1.97
UTI Equity Savings Fund - Regular Plan*	★★★★	309.77	5.27	8.43	15.05	11.76	10.06	1.52
Kotak Equity Savings Fund - Regular Plan	★★★★★	3,658.01	6.38	9.52	15.4	11.14	10.41	1.89
SBI Equity Savings Fund - Regular Plan	★★★★★	3,245.63	3.84	9.64	17.72	10.58	10.84	1.19
ICICI Prudential Equity Savings Fund	★★★★	7,916.63	2.63	5.74	9.77	8.84	8.45	0.97
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
ICICI Prudential Equity & Debt Fund	★★★★★	28,005.82	9.9	18.19	26.89	26.29	19.59	1.65
Quant Absolute Fund	★★★★★	1,435.36	11.48	14.94	15.62	23.69	22.63	2.07
JM Aggressive Hybrid Fund	★★★★	110.45	12.13	24.2	34.24	21.35	16.76	2.36
HDFC Children's Gift Fund	★★★★★	7,741.55	8.96	13.01	25.67	19.24	16.7	1.78
Edelweiss Aggressive Hybrid Fund - Regular Plan*	★★★★	1,051.57	9.26	14.51	24.26	18.63	16.03	2.07
Mahindra Manulife Aggressive Hybrid Fund	★★★★	880.93	8.83	14.28	22.46	18.57	–	2.19
HDFC Retirement Savings Fund - Hybrid Equity Plan	★★★★	1,206.92	8.15	12.54	23.96	17.5	15.67	2.14
Kotak Equity Hybrid Fund - Regular Plan	★★★★	4,517.82	7.47	12.05	18.99	17.16	16.62	1.82
HDFC Hybrid Equity Fund	★★★★	21,192.41	5.83	8.41	16.59	16.94	14.58	1.7
Baroda BNP Paribas Aggressive Hybrid Fund - Regular Plan	★★★★	874.56	8.93	12.84	19.87	15.21	15.67	2.2
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund - Savings Plan	★★★★	102.51	4.19	9.35	16.75	12.08	10.77	1.21
HDFC Hybrid Debt Fund	★★★★	2,938.72	4.54	7.68	13.59	10.97	10.06	1.77
Kotak Debt Hybrid Fund - Regular Plan	★★★★★	2,106.25	5.46	7.97	13.6	10.3	11.33	1.74
SBI Conservative Hybrid Fund	★★★★★	9,053.76	2.74	6	11.87	10.01	10.51	1.12
Aditya Birla Sun Life Regular Savings Fund	★★★★	1,438.43	3.03	4.87	9.06	9.25	8.66	1.91
ICICI Prudential Regular Savings Fund	★★★★	3,316.75	3.84	6.32	11.08	8.73	9.42	1.71
Canara Robeco Conservative Hybrid Fund	★★★★	1,023.50	3.3	5.34	9.33	7.28	9.3	1.82
DEBT: MEDIUM TO LONG TERM								
SBI Magnum Income Fund	★★★★	1,697.31	1.5	2.7	7.01	4.55	7.40	1.47
UTI Medium to Long Duration Fund - Regular Plan*	★★★★★	302.91	1.32	2.03	6.18	8.5	4.02	1.62
DEBT: MEDIUM TERM								
SBI Magnum Medium Duration Fund	★★★★	6,895.37	1.58	3.01	7.17	4.80	7.52	1.22
Axis Strategic Bond Fund	★★★★	1,936.64	1.77	3.02	7.16	5.39	6.73	1.09
Nippon India Strategic Debt Fund	★★★★★	120.97	1.44	2.64	6.97	8.63	-1.08	1.99
ICICI Prudential Medium Term Bond Fund	★★★★	6,496.18	1.75	3.14	6.96	5.55	7.23	1.4
Aditya Birla Sun Life Medium Term Plan - Regular Plan*	★★★★★	1,890.52	1.56	2.82	6.73	12.57	8.1	1.58
DEBT: SHORT TERM								
ICICI Prudential Short Term Fund	★★★★	18,806.99	1.78	3.5	7.37	5.30	7.22	1.07
HDFC Short Term Debt Fund	★★★★	12,285.42	1.7	3.3	7.11	4.83	6.99	0.74
UTI Short Duration Fund - Regular Plan*	★★★★★	2,372.11	1.79	3.19	6.93	6.34	5.01	0.96
Aditya Birla Sun Life Short Term Fund - Regular Plan*	★★★★	6,020.58	1.7	3.14	6.81	4.94	6.85	1.04
Sundaram Short Duration Fund	★★★★★	196.87	1.68	3.02	6.78	6.79	5.22	0.84
Axis Short Term Fund	★★★★	7,702.11	1.71	3.04	6.76	4.63	6.73	0.89
DEBT: DYNAMIC BOND								
ICICI Prudential All Seasons Bond Fund	★★★★★	11,511.25	1.93	3.46	7.53	5.45	7.65	1.31
Quantum Dynamic Bond Fund - Regular Plan	★★★★	92.82	1.84	2.94	6.97	4.86	7.05	0.96
SBI Dynamic Bond Fund	★★★★	2,945.18	1.52	2.48	6.78	4.32	7.21	1.44
Aditya Birla Sun Life Dynamic Bond Fund	★★★★★	1,687.60	1.64	2.76	6.65	5.85	5.28	1.23
360 ONE Dynamic Bond Fund - Regular Plan	★★★★	744.01	1.78	2.99	6.57	5.27	6.34	0.52
DEBT: CORPORATE BOND								
ICICI Prudential Corporate Bond Fund	★★★★★	24,467.61	1.65	3.61	7.59	5.39	7.28	0.55
Aditya Birla Sun Life Corporate Bond Fund	★★★★	17,698.28	1.66	3.34	7.19	5.11	7.32	0.5
Nippon India Corporate Bond Fund	★★★★★	2,388.03	1.67	3.13	7.08	5.38	6.66	0.71
Kotak Corporate Bond Fund - Standard Plan	★★★★	10,653.42	1.66	3.22	6.86	4.74	6.66	0.67
Axis Corporate Debt Fund - Regular Plan	★★★★	4,827.53	1.6	3.09	6.76	4.68	6.31	0.94

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

26.29%
THE 3-YEAR RETURN OF ICICI PRUDENTIAL EQUITY & DEBT FUND IS THE HIGHEST IN ITS CATEGORY.

16.75%
THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

7.37%
THE 1-YEAR RETURN OF ICICI PRU SHORT TERM FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 31 Dec 2023
*: Expense as on before 31 Dec 2023
Returns as on 3 Jan 2024
Assets as on 30 Nov 2023
Rating as on 31 Dec 2023

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 is determined by subtracting a fund's risk score from its return score. The result 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)

Fixed-income funds less than 18 months old and equity funds less than three years old have been excluded. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, liquid funds, short-term funds and FMPs are not part of the list. For the same reason, we have considered only the growth option of funds that reinvest returns instead of offering dividends that increase the NAV of funds.

Despite these rigorous filters, the list includes 2/3 funds of each category to maximise choice from the best funds. The fund categories are:

EQUITIES (figures over the past one year)

Large-cap: Mostly invested in large-cap companies.

Multi-cap: Mostly invested in large- and mid-cap companies.

Mid-cap: Mostly invested in mid-cap companies.

Small-cap: Mostly invested in small-cap companies.

Tax planning: Offer tax rebate under Section 80C.

International: More than 65% of assets invested abroad.

Income: Average maturity varies according to objective.

Gilt: Medium- and long-term; invest in gilt securities.

Equity-oriented: Average equity exposure more than 60%.

Debt-oriented aggressive: Average equity exposure between 25-60%.

Debt-oriented conservative: Average equity exposure less than 25%.

Arbitrage: Seek arbitrage opportunities between equity and derivatives.

Asset allocation: Invest fully in equity or debt as per market conditions.

FUND RAISER

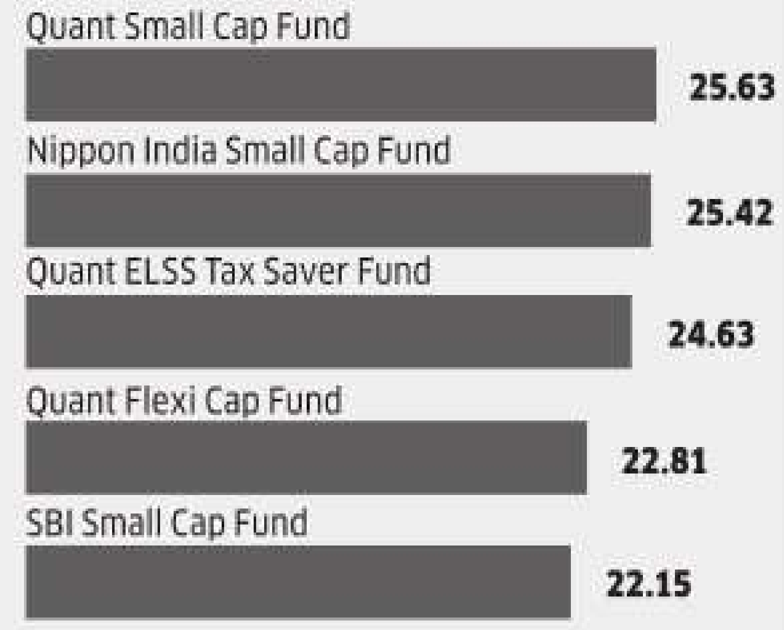
₹58,198 CRORE

The net amount invested by mutual funds in domestic equities in the December 2023 quarter. The net outflow was ₹48,186 crore in the debt segment during the quarter.

SOURCE: ACE MF

1 Top 5 SIPs

Top 5 equity schemes based on 10-year SIP returns

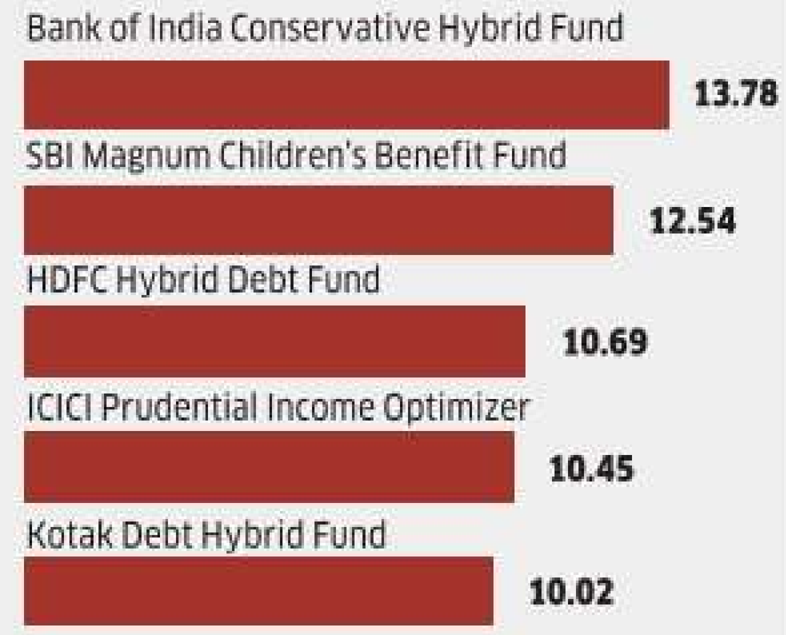


SIP: SYSTEMATIC INVESTMENT PLAN

% ANNUALISED RETURNS AS ON 3 JAN 2024

2 Top 5 MIPs

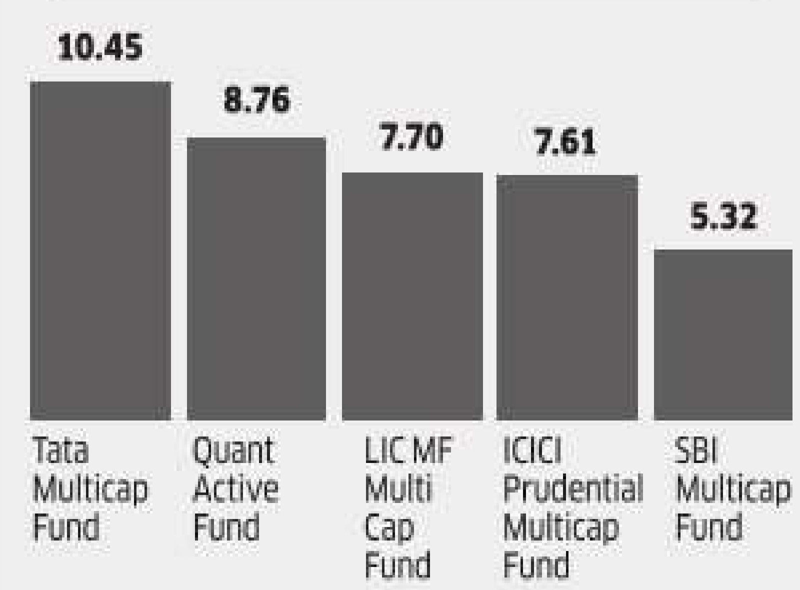
Top 5 MIP schemes based on 3-year SWP returns



SWP: SYSTEMATIC WITHDRAWAL PLAN

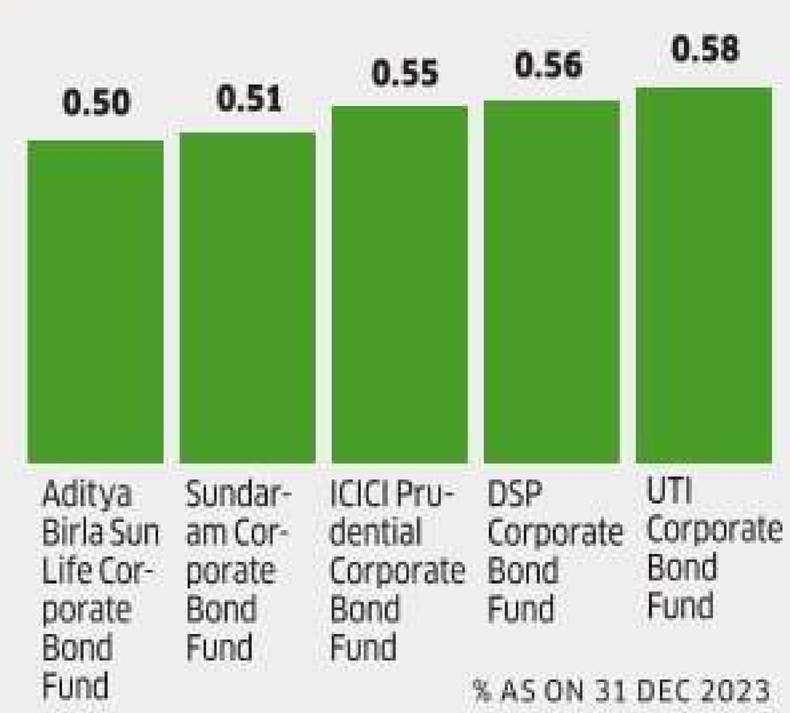
% ANNUALISED RETURNS AS ON 3 JAN 2024

3 Multi Cap : Cash holdings



% OF ASSETS AS ON 30 NOV 2023

4 Debt: Corporate bond



% AS ON 31 DEC 2023

% EXPENSE RATIO IS CHARGED ANNUALLY.

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

LOANS & DEPOSITS

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

Top five bank FDs

	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
TENURE: 1 YEAR		
IndusInd Bank	7.50	**10,771**
RBL Bank	7.50	**10,771**
Bandhan Bank	7.25	**10,745**
DCB Bank	7.25	**10,745**
YES Bank	7.25	**10,745**
TENURE: 2 YEARS		
RBL Bank	8.00	**11,717**
IDFC First Bank	7.75	**11,659**
DCB Bank	7.55	**11,614**
IndusInd Bank	7.50	**11,602**
YES Bank	7.25	**11,545**
TENURE: 3 YEARS		
DCB Bank	7.60	**12,534**
RBL Bank	7.50	**12,497**
IDFC First Bank	7.25	**12,405**
IndusInd Bank	7.25	**12,405**
YES Bank	7.25	**12,405**
TENURE: 5 YEARS		
DCB Bank	7.40	**14,428**
IndusInd Bank	7.25	**14,323**
YES Bank	7.25	**14,323**
RBL Bank	7.10	**14,217**
ICICI Bank	7.00	**14,148**

Top five senior citizen bank FDs

	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
TENURE: 1 YEAR		
IndusInd Bank	8.25	**10,851**
RBL Bank	8.00	**10,824**
Bandhan Bank	7.75	**10,798**
YES Bank	7.75	**10,798**
DCB Bank	7.65	**10,787**
TENURE: 2 YEARS		
IDFC First Bank	8.25	**11,774**
IndusInd Bank	8.25	**11,774**
DCB Bank	8.05	**11,728**
RBL Bank	8.00	**11,717**
Bank of India	7.75	**11,659**
TENURE: 3 YEARS		
DCB Bank	8.10	**12,720**
IndusInd Bank	8.00	**12,682**
RBL Bank	8.00	**12,682**
YES Bank	8.00	**12,682**
Bank of Baroda	7.75	**12,589**
TENURE: 5 YEARS		
IndusInd Bank	8.00	**14,859**
YES Bank	8.00	**14,859**
DCB Bank	7.90	**14,787**
Axis Bank	7.75	**14,678**
RBL Bank	7.60	**14,571**

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	7.40	**14,428**
IndusInd Bank	7.25	**14,323**
YES Bank	7.25	**14,323**
RBL Bank	7.10	**14,217**
Axis Bank	7.00	**14,148**

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

HOME LOAN RATES

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

REPO RATE: 6.50%

BANK		FOR SALARIED		FOR SELF-EMPLOYED (%)		
	RLLR (%)	FROM (%)	TO (%)	FROM (%)	TO (%)	WEF
Indian Bank	9.20	8.40	9.90	8.50	9.90	31 Oct 2023
Punjab National Bank	9.25	8.40	10.10	8.40	10.10	9 Feb 2023
Bank of Baroda	9.15	8.40	10.60	8.40	10.60	14 Feb 2023
Union Bank of India	9.30	8.40	10.80	8.55	10.80	11 Oct 2023
UCO Bank	9.30	8.45	10.30	8.45	10.30	15 Mar 2023
IDBI Bank	9.10	8.45	10.75	8.55	12.25	12 Feb 2023
HDFC Bank	--	8.50	9.40	8.50	9.40	Not Given
IndusInd Bank	--	8.50	10.55	8.50	10.55	Not Given
Punjab & Sind Bank	8.45	8.55	10.00	8.55	10.00	25 Aug 2023
Canara Bank	9.25	8.55	11.25	8.90	11.25	12 Nov 2023
Bank of Maharashtra	9.30	8.60	10.30	8.80	10.80	11 Oct 2023
Kotak Mahindra Bank	--	8.70	9.35	8.75	9.60	Not Given
Karnataka Bank	--	8.75	10.43	8.75	10.43	1 Nov 2023
Federal Bank	--	8.80	10.25	10.20	10.30	Not Given
Indian Overseas Bank	9.35	8.85	10.80	8.85	10.80	8 Feb 2023
South Indian Bank	9.85	8.97	12.42	8.97	12.42	Not Given
SBI Term Loan	8.75+CRP	9.15	10.15	9.15	10.15	1 May 2023
Bandhan Bank	--	9.15	13.32	9.15	13.32	Not Given
Karur Vysya Bank	9.60	9.23	10.73	9.23	10.73	7 Nov 2023
ICICI Bank	--	9.25	9.90	9.40	10.05	Not Given
Bank of India	9.25	9.35	9.80	9.35	10.40	1 Nov 2023
Dhanlaxmi Bank	8.50	9.35	10.00	9.85	10.50	25 Feb 2023
J & K Bank	9.45	9.45	9.85	9.45	9.85	10 Oct 2023

Your EMI for a loan of ₹1 lakh

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

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

Post office deposits

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

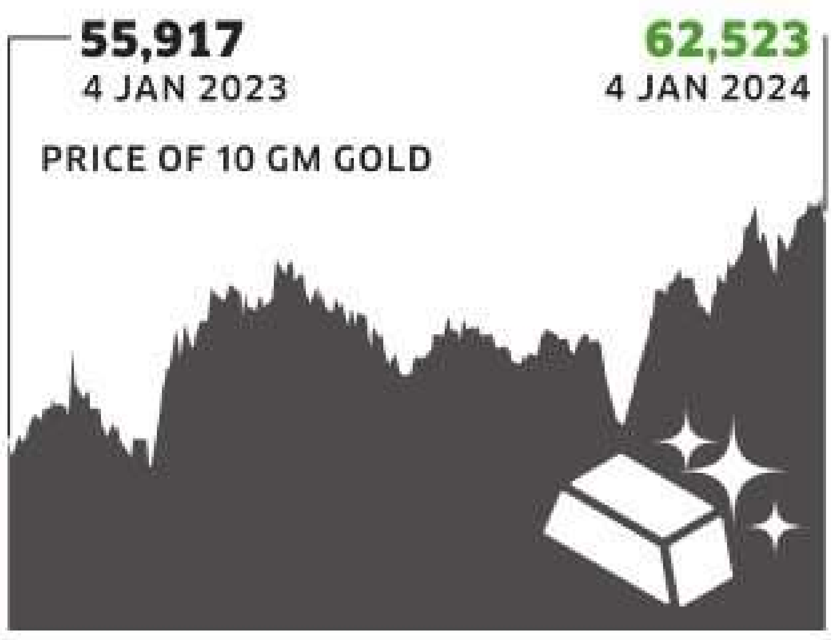
Data as on 4 January 2024

#Benefit available only for 5-year deposit

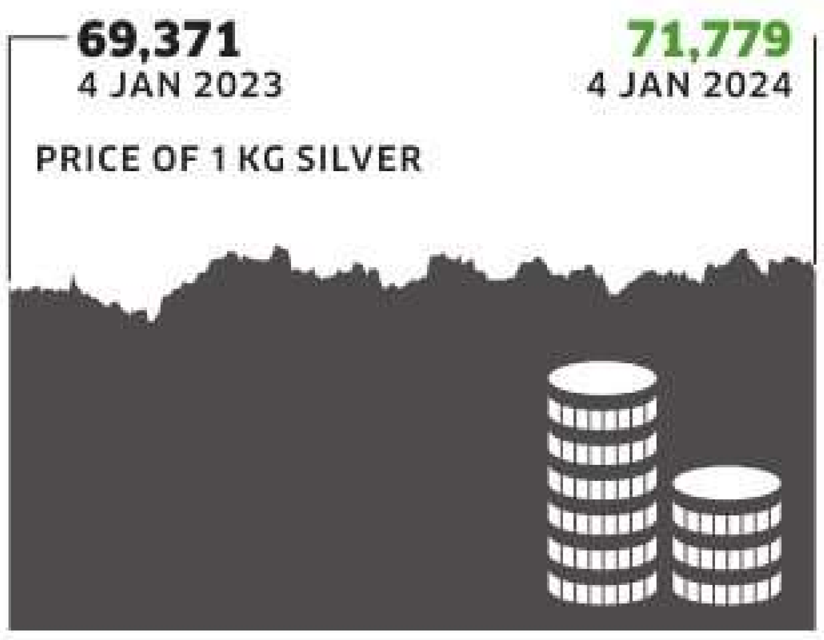
ALTERNATIVE INVESTMENT RETURNS MONITOR

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) (₹)

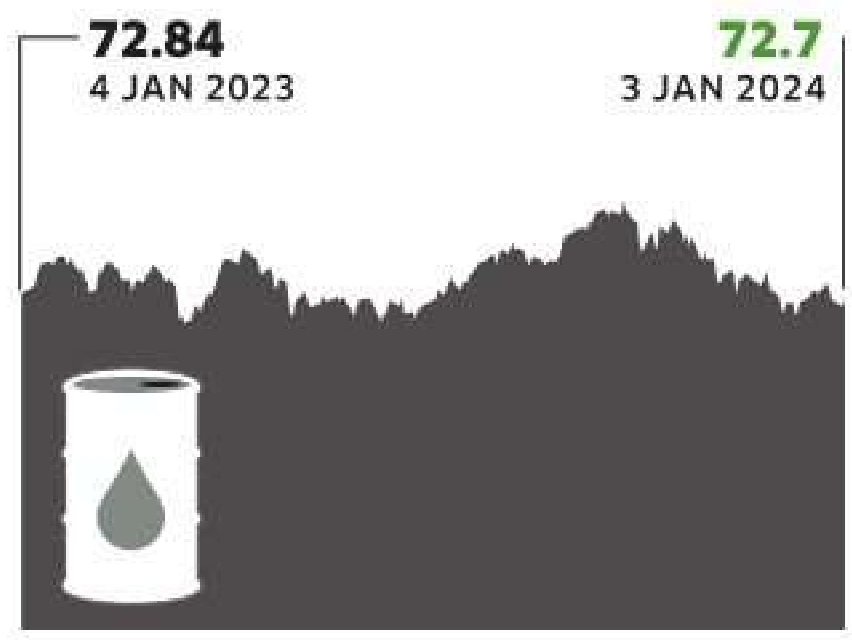


Silver (₹)



Platinum ($/troy ounce)

WTI Crude ($/barrel)

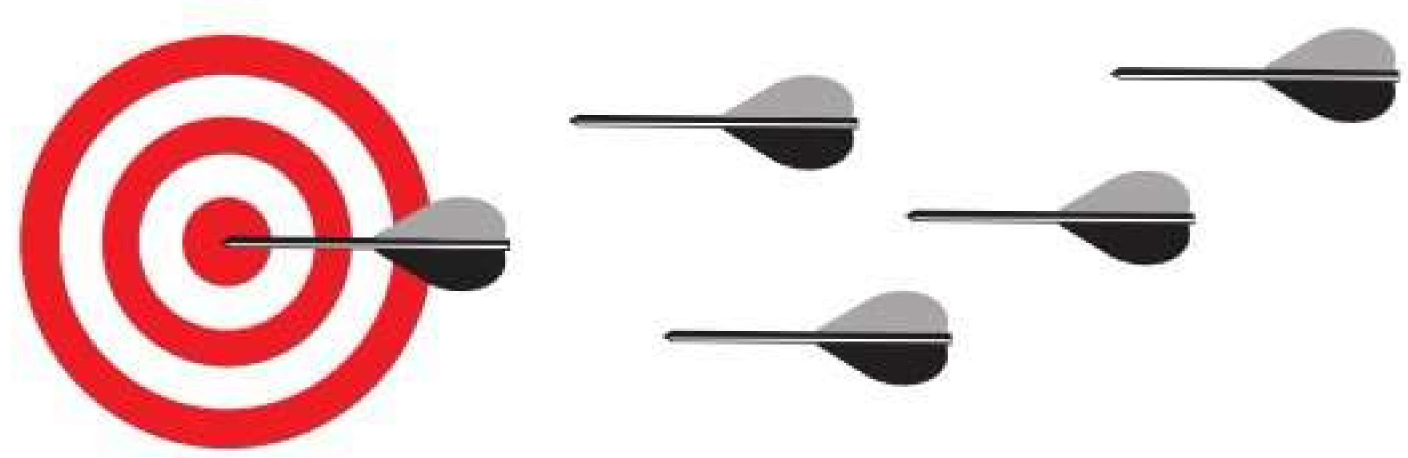


CHANGE

	Gold (995) (₹)	Silver (₹)	Platinum ($/troy ounce)	WTI Crude ($/barrel)
1 WEEK	-1.07%	-3.82%	-3.27%	1.3%
1 YEAR	11.81%	3.47%	-9.94%	-0.19%

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)
Reliance Home Finance	5.39	27.12	**149.54**	63.13	786.47	261.45
Alstone Textiles (India)	1.38	25.45	**137.93**	333.87	77.92	175.95
GACM Technologies	2.34	26.49	**118.69**	3.48	20.44	66.99
India Steel Works	4.9	-2.78	**113.97**	16.55	1058.77	195.07
7NR Retail	1.07	69.84	**98.15**	60.21	482.27	29.97
Arshiya	8.19	-5.75	**87.84**	33.51	373.54	215.81
Sri Adhikari Brothers	3.54	14.56	**80.61**	0.33	2,363.01	12.37
Shree Ganesh Biotech	1.62	-14.29	**80**	128.03	238.24	64.57
Biogen Pharmachem Ind	1.44	8.27	**73.49**	101.01	447.55	93.97
Kridhan Infra	4.16	26.83	**69.11**	0.85	429.17	39.44

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)
IFL Enterprises	1.56	-21.21	**-56.67**	89.22	216.63	39.02
Akshar Spintex	4.34	-5.24	**-37.1**	45.89	347.97	108.5
Amraworld Agrico	1.16	0.87	**-14.71**	9.42	29.77	13.95
MFL India	0.64	-9.86	**-13.51**	23.65	85.73	23.06
Rhetan TMT	9.95	2.68	**-13.02**	8.15	554.79	792.92
GACM Technologies DVR	8.47	-6.1	**-11.95**	1.52	163.92	48.53
Prismx Global Ventures	1.56	14.71	**-11.36**	59.7	470.53	68.45
Paras Petrofils	2.22	0	**-9.76**	1.4	-52.93	74.19
Radhe Developers (India)	3.85	-8.11	**-9.62**	27.49	63.26	193.89
Navkar Urbanstructure	4.12	4.04	**-9.25**	3.38	44.11	92.45

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Standard Capital Mark.	2.88	8.68	37.8	7.33	**9,271.07**	423.36
Bombay Talkies	4.73	14.25	45.09	0.09	**7,272.56**	25.54
Teamo Prodyction HQ	1.24	18.1	8.77	22.37	**2,891.98**	106.79
Sri Adhikari Brothers	3.54	14.56	80.61	0.33	**2,363.01**	12.37
Srestha Finvest	1.36	6.25	18.26	14.43	**1,414.31**	11.22
Shalimar Productions	0.62	8.77	26.53	69.62	**1,334.07**	61.03
Kanani Industries	8.21	13.71	6.9	8.46	**1,148.25**	81.2
Chartered Logistics	7.45	-0.13	52.35	12.66	**1,122.56**	73.98
India Steel Works	4.9	-2.78	113.97	16.55	**1,058.77**	195.07
Excel Realty N Infra	0.44	4.76	22.22	24.08	**975.12**	62.08

Top volume losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
BC Power Controls	5.3	-3.64	-0.93	3.64	**-65.51**	31.16
Transgene Biotek	9.13	-9.24	2.47	1.16	**-61.65**	69.18
PMC Fincorp	3.23	9.12	19.19	17.47	**-57.93**	172.51
Family Care Hospitals	8.89	1.14	-3.89	2.86	**-53.65**	64.78
Paras Petrofils	2.22	0	-9.76	1.4	**-52.93**	74.19
White Organic Agro	9.16	7.39	6.76	1.06	**-47.45**	32.06
Seacoast Shipping	3.9	21.88	39.78	173.05	**-46.61**	210.09
Sintex Plastics Tech	1.32	14.78	9.09	5.63	**-45.78**	83.98
Zee Learn	7.89	25.84	12.71	4.43	**-40.99**	257.29
Galactico Corporate	5.02	13.32	9.61	19.71	**-36.77**	74.8

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 4 JAN 2024. **SOURCE:** ETIG DATABASE AND BLOOMBERG.

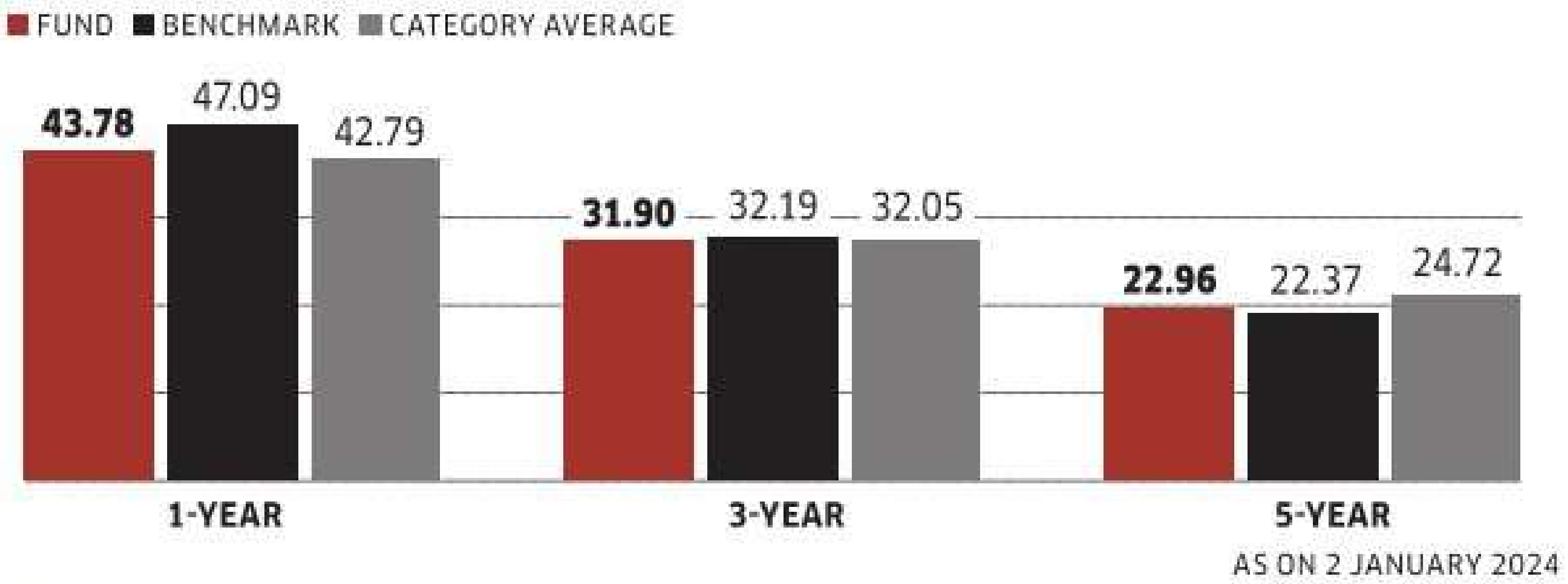
SUNDARAM SMALL CAP

Impressive long-term 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.

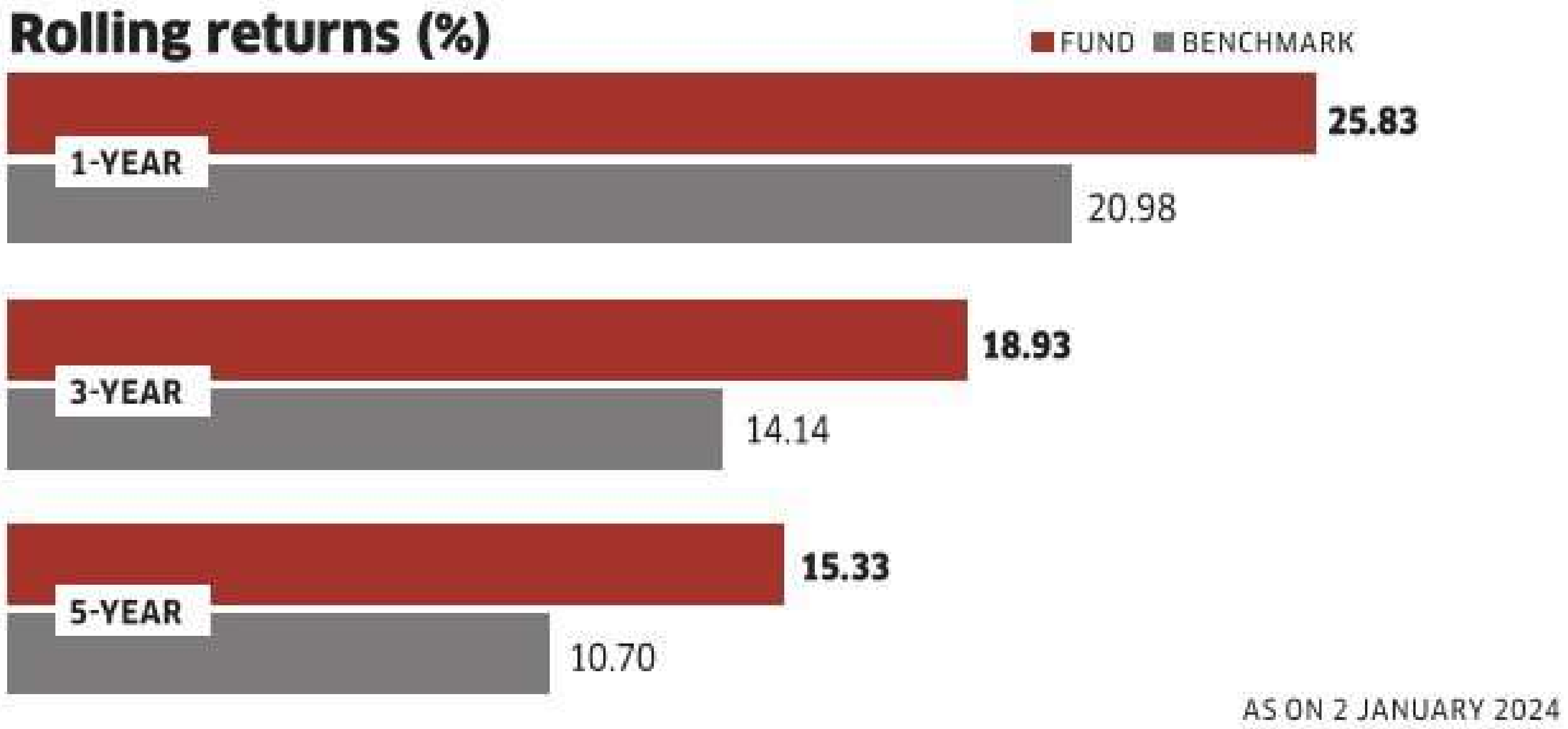
HOW THE FUND HAS PERFORMED

Point-to-point returns (%)



The fund has lagged behind the index over the past one and three years.

Rolling returns (%)

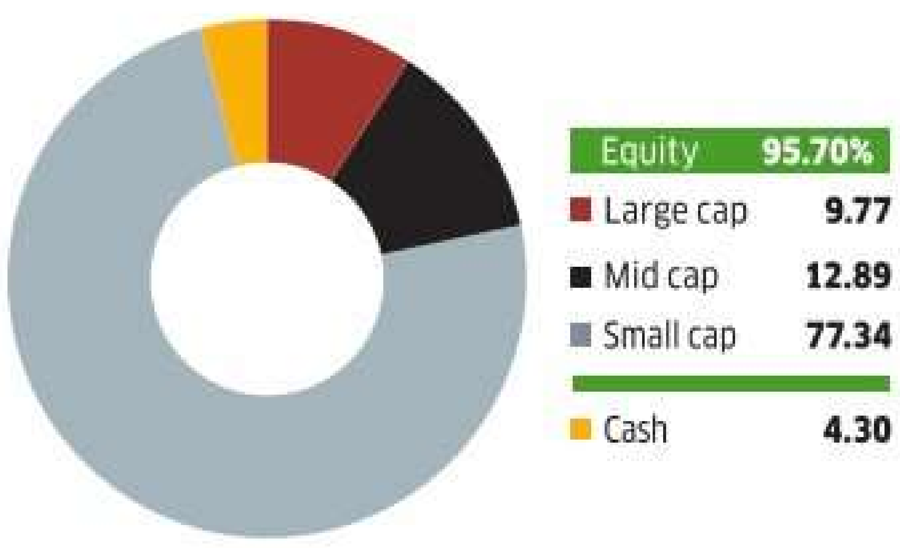


The fund's long-term track record indicates sharp outperformance across time frames.

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

WHERE THE FUND INVESTS

Portfolio asset allocation



Fund style box

The fund runs a modest presence in both large and mid caps, apart from its small-cap tilt.

AS ON 30 NOV 2023

BASIC FACTS

DATE OF LAUNCH
15 FEBRUARY 2005

CATEGORY
EQUITY

TYPE
SMALL CAP

AUM*
₹2,878 crore

BENCHMARK
NIFTY SMALLCAP 250 TOTAL RETURN INDEX

WHAT IT COSTS

NAV**

GROWTH OPTION
₹216.76

IDCW**
₹31.93

MINIMUM INVESTMENT
₹100

MINIMUM SIP AMOUNT
₹100

EXPENSE RATIO# (%)
1.97

EXIT LOAD
For units in excess of **25%** of the investment, **1%** will be charged for redemption within 365 days.

*AS ON 30 NOV 2023
**AS ON 2 JAN 2024
#AS ON 30 NOV 2023

FUND MANAGER

ROHIT SEKSARIA / RAVI GOPALAKRISHNAN (IN PIC)

1 YEAR, 1 MONTH / 1 YEAR, 11 MONTHS

Top 5 sectors in portfolio (%)

The fund runs an overweight stance in financials, services and technology.

Top 5 stocks in portfolio (%)

The fund portfolio is heavily diversified, with modest positions in top bets.

Recent portfolio changes

New entrants

Angel One, ICICI Bank (Oct). Aster DM Healthcare (Nov).

Complete exits

Canara Bank (Oct). ICICI Securities, Metro Brands, MTAR Technologies, SBFC Finance (Nov).

How risky is it?

	Fund	Category	Index
Standard Deviation	14.85	15.54	17.86
Sharpe Ratio	1.66	1.60	1.41
Mean Return	29.49	29.50	29.91

BASED ON 3-YEAR PERFORMANCE.

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

Source: Value Research

Should You Buy

Earlier known as Sundaram S.M.I.L.E, running both small- and mid-cap exposure, this fund adopted the small-cap mandate in 2018. The current allocation to large caps is due to the expected volatility over the short term. It mainly invests in attractively valued high-growth stocks. It aims to deliver alpha from both sectoral bets and stock picking. Its portfolio is currently aligned to economic growth, especially in the manufacturing segment. To mitigate risk, the portfolio is heavily diversified, with modest positions in its top bets. The fund boasts an impressive long-term track record, but has faltered in recent years. The new fund managers at its helm will need time to prove execution capabilities.

Balrampur Chini Mills: Sweet deal

Better sugar volumes and likely hike in prices of C-heavy and grain-based ethanol to support performance.

The integrated sugar company reported a strong performance in the September 2023 quarter, with revenue growth of 38% y-o-y, led by improved volumes and realisations across its sugar and distillery divisions. The management expects more than 10% increase in sugarcane crushing and anticipates an upswing in production volumes in the ongoing 2023-24 sugar season.

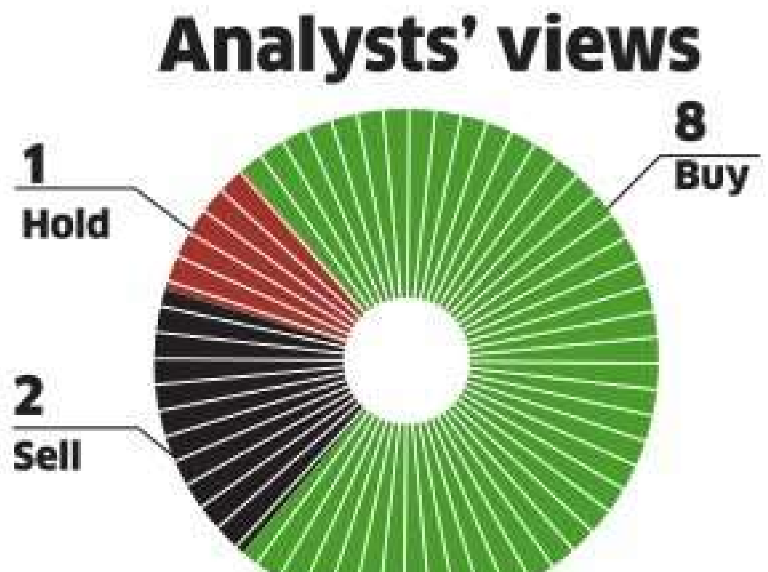
It operates 10 sugar and five distillery units, with an aggregate sugarcane capacity of 80,000 tonne of cane per day (TCD) and a distillery capacity of 1,050 KPLD (kilolitres per day). The recent government notification on restricting the quantum of sugar diversion for ethanol production will negatively impact the company's ethanol volumes in the short to medium term. Despite such concerns, most analysts are confident about its long-term growth prospects.

This is because, firstly, the company has been able to address the issue of lower cane output that impacted its performance in 2022-23. Steps like timely payment for canes to farmers, educating farmers about superior farm practices (monocropping to multi-cropping), and protecting soil nutrient quality have helped the company increase cane acreage and cane yields.

Other initiatives like irrigation management, enhanced communication with farmers through digital modes like WhatsApp, control of crop diseases, and coordination with the relevant state government departments to facilitate the desilting of canals and creation of culverts are expected to create a performance turnaround in the future.

Second, the company will benefit from favourable regulatory policies in the sugar industry, such as zero customs duty on sugar exports, higher customs duty on sugar imports, stock holding limits, timely revision in FRP and SAP, lower GST on ethanol, soft loans through banks to boost new distillery capacities or existing capacities for higher ethanol production.

Third, the company is well placed to tide over the concerns that have evolved due to government's ethanol policy change. A recent report from DAM Capital believes that higher sugar volumes and an increase in C-heavy ethanol prices are likely to compensate for the decline in ethanol volumes. It is expected that the government will increase the prices of C-heavy and grain-based ethanol to encourage higher ethanol production from these feedstocks. Moreover, the higher crushing and better sugar recovery during a relatively better sugar pricing environment will prove beneficial for Balrampur Chini.



Balrampur Chini Mills will also benefit from zero customs duty on sugar exports and higher customs duty on sugar imports.

The policy change is temporary and aims to increase sugar supply amid the likely decline in sugar production in Maharashtra and Karnataka, and will prevent a significant increase in sugar prices during the election year. The prospects of long-term ethanol blending remain intact, and analysts expect normalisation from the second half of 2024-25.

The stock price has tanked over 14% since 29 November 2023 and discounts most of the negatives.

Selection methodology: We pick the stock that has shown the maximum increase in 'consensus analyst rating' during the past month. The consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (5 for strong buy, 4 for buy, 3 for hold, 2 for sell and 1 for strong sell). An improvement in consensus analyst rating indicates that the analysts are getting bullish on the stock. Only stocks with at least 10 analysts covering them are considered. You can see similar consensus analyst rating changes during the past week in ETW 50 table. **—Sameer Bhardwaj**

Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2021-22	2022-23	2023-24	2024-25
Revenue (₹ cr)	4,846.03	4,665.86	5,671.31	6,267.26
EBITDA (₹ cr)	707.15	518.02	922.42	945.01
Net profit/loss (₹ cr)	464.52	283.50	560.64	514.58
EPS (₹)	22.44	13.90	27.38	29.26

Valuations

	PBV	PE	DIVIDEND YIELD (%)
Balrampur Chini Mills	2.84	15.22	0.61
EID Parry	1.68	10.32	1.65
Dhampur Sugar Mills	1.72	11.37	2.22
Triveni Engg & Industries	2.80	17.18	0.95
Bajaj Hindusthan Sugar	0.82	-	0.00

Brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
2 Jan 2024	Systematix	Buy	510
26 Dec 2023	DAM Capital	Buy	485
21 Dec 2023	JM Financial	Buy	500
17 Dec 2023	Elara Capital	Buy	483
8 Nov 2023	SKP Securities	Buy	538

Relative performance

Balrampur Chini Mills is compared with ET Sugar and Sensex. Stock price and index values normalised to a base of 100. **Source:** ETIG and Bloomberg

WHAT EXPERTS ADVISE

BUY

*STOCK PRICES AS ON 4 JANUARY

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
J Kumar Infraprojects	CLSA	Buy	494	720	45.6	Maintain 'buy' as it is well placed to benefit from high-growth decarbonisation and urbanisation capex with its competencies in metro rail and complex urban projects. The strong order backlog and inexpensive valuations are other positives.
Five-Star Business Finance	DAM Capital	Buy	696	1,000	43.7	Rate 'buy' due to robust capital adequacy, loan growth and return ratios, less potential competition, focus on branch expansion, stable asset quality and strong growth opportunities in small business lending.
HPL Electric & Power	ICICI Direct	Buy	233	305	30.9	Recommend 'buy' due to its strong manufacturing and R&D capabilities, market leadership position in domestic electric meters market, comprehensive and diversified product portfolio and strong order backlog.
Cello World	Systematix	Buy	765	949	24.1	Initiate with 'buy' due to its leading brand position, continued product innovation and distribution expansion, strong in-house capabilities and superior return ratios among peers.
IndusInd Bank	Sharekhan	Buy	1,572	1,850	17.7	Maintain 'buy' as strong loan growth momentum, stable NIMs and lower credit cost may support earnings in the future. Its focus on strengthening the liability franchise and stable asset quality are other positives.
R R Kabel	Prabhudas Lilladher	Buy	1,619	1,872	15.6	Maintain 'buy' due to its strong brand, diverse product portfolio, capacity expansion, strong demand outlook, well-structured capacity expansion plans, increasing dealer /distribution network and distribution-led export business.

SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
GAIL (India)	Kotak Securities	Sell	166	125	-24.7	Downgrade to 'sell' due to weak outlook of its petrochem and LPG businesses, likely decline in its post-tax transmission RoCE, and expectations of muted gas consumption in India over the next few years.

I am 40 years old and pay ₹35,000 as rent in Mumbai. I have two properties worth ₹2 crore in Kolkata. My parents live in one house worth ₹1.3 crore, and the other one generates ₹14,000 as monthly rent. My salary is about ₹2.25 lakh per month. I have ₹27 lakh in EPF and ₹7 lakh in FDs. My monthly expenditure is about ₹1.75 lakh. My goals are to buy a house in Mumbai in three years and build a corpus for retirement at 60 years.

You should specify the budget for your house in Mumbai and also an approximate retirement corpus factoring in inflation. To give you a perspective, your current monthly expenditure of ₹1.75 lakh, after 7% annual inflation, will come to around ₹6.77 lakh when you are 60. This figure may not be the same when you retire, and could be less, depending on your expenses. For your retirement, you should focus on a monthly SIP in equity mutual funds. You should invest at least 20-30% of your monthly income, with a 5-10% annual top-up, depending on your annual increment. Since you have a decent amount in EPF, you can park the FD corpus in debt mutual funds for diversification. Debt mutual funds can give better risk-adjusted returns than traditional bank FDs. The annual rental yield on your ₹70 lakh property comes to around 2.4%. If you are considering it as an investment, you should liquidate it and invest the proceeds in equity mutual funds for better long-term compounding, or you could use it for buying a house in Mumbai.

Rushabh Desai
Founder, Rupee With Rushabh Investment Services

I am 40 years old and earn ₹50,000 per month after tax. I want to retire after five years and start a business. I have around ₹30 lakh in fixed deposits. I also invest ₹5,000 per month in mutual funds. I live in a self-owned house. How should I invest to earn ₹1 lakh per month to cover my living expenses after I retire?

You have not shared your portfolio, the estimated post-retirement benefits, and the amount required to start the business. Based on the information shared, it seems impossible to generate a post-retirement monthly income of ₹1 lakh after five years. Moreover, starting a new business may involve a considerable gestation period before reaching a break-even point. Till then, your portfolio would have to sustain occasional capital infusion. So, you may have to rethink your early retirement plans and post-retirement living expenses. You must save at least 25% of your post-tax income for investment, and then estimate your post-retirement expenses, after assuming an inflation rate of 6%. Also, ensure you have adequate insurance and an emergency fund for at least six months. Once you start your business, increase the emergency fund to cover at least 12 months' expenses to make up for the lower income certainty associated with any business. Your existing fixed deposit portfolio can be used to create your emergency fund.

Naveen Kukreja
CO-FOUNDER AND CEO, PAISABAZAAR.COM

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 am 62 and retired, with an EPF pension of ₹3,400 a month. I have invested ₹15 lakh in PMVVY, ₹30 lakh in Senior Citizens' Savings Scheme (SCSS), and ₹9 lakh in the Post Office Monthly Income Scheme. I have 30% exposure to mutual funds and don't want to invest more in shares or mutual funds. I am likely to get about ₹60 lakh in the next 15 days. I want to invest 50% of this amount for monthly income and the remaining for growth. Where can I can invest this amount with minimum income tax liability? My current income is through PMVVY, SCSS, POMIS and FD interest on about ₹5 lakh.

Your debt portfolio, comprising SCSS, PMVVY, POMIS and FDs, generates about ₹5 lakh in annual interest income. Now you want to deploy 50% of the incoming ₹60 lakh for income generation. Assuming an average 7% return, ₹30 lakh will generate over ₹2 lakh in annual interest, which will augment the current ₹5 lakh interest income.

If there is no possibility of increasing the SCSS corpus via your spouse (SCSS limit per person is ₹30 lakh), you can consider investing the remaining ₹30 lakh in a combination of RBI Floating Rate Bonds (FRB) and bank FDs. While FRBs currently offer 8.05%, the rate may fall when the cycle turns. For senior citizens, bank FDs will easily offer more than 7% return. So, in the current high-interest rate scenario, it is advisable to lock into these FDs for longer durations.

You want to deploy the balance 50% (of ₹60 lakh) for growth, but you have also said that you don't want to invest more in mutual funds or shares. For most investors, growth is best delivered by increasing equity exposure. If you are open to increasing the equity allocation, and adjusting your risk appetite accordingly, consider using ₹30 lakh for higher equity allocation. It should not be done as a lump sum. Instead, stagger the amount over the next two years to average out the entry price. For this, you can invest in a combination of large/flexi-cap funds and aggressive hybrid/dynamic allocation funds. If you invest in equity funds, you should be willing to wait for at least 5-7 years to earn decent returns.

The fixed deposit portfolio can act as an emergency or medical contingency fund. While renewing, divide the fixed deposit into several, smaller FDs, so that you don't have to break one large FD for small requirements. Also, make sure you have adequate health insurance to cover medical risks.

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

My father passed away long ago and my mother stays with me. I am married and have a daughter. My wife has mental health issues and is unable to take decisions. My elder sister is married with two children (13 and 7). My mother purchased two vacant plots and registered these in my name. A house from my father's share was settled among us and registered in my name. After selling land from my father's share, one more house was bought in my name. What's the best way to transfer these assets to my and my sister's children after my death? I want the children to make independent decisions on the sale of assets when they are in their 30s. Can my sister and my wife, through her parents, claim a stake in the assets registered in my name?

Your mother purchased two vacant plots and registered these in your name, making you the sole owner. After the demise of your father, you became the sole owner of a house, from his share of inheritance. Additionally, on selling your father's share of land, another house was bought in your name. Thus, you became the sole owner of four immovable assets, including two plots of land and two houses.

A well-drafted will is the most cost-effective and ideal testamentary document to enable transfer of assets to your children after your demise. However, if you, as a testator, feel that when you die, your and your sisters' children would be less than 30 years old, your will can specify a concept of testamentary guardianship for the children, to protect their interests in the assets till they attain 30 years of age. If you make a will, your wife and her parents, and your sister cannot stake a claim in the assets registered in your name unless the will is proved to be defective, or you have made a new will contrary to the above.

Rajat Dutta
Founder & Initiator, Inheritance Needs Services

I am retiring from Reliance Industries on 31 December 2024. I will have 300 earned leaves and 100 sick leaves encashable at the time of retirement. What is the most tax-efficient way to encash my leaves before March 2024?

The leave encashment received during your employment is fully taxable. Hence, you should only avail of it at the time of retirement. Starting 1 April 2023, for private sector employees, at the time of retirement, whether on superannuation or otherwise, the upper limit for this exemption is ₹25 lakh.

Shubham Agrawal
Senior Taxation Adviser, TaxFile.in

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

PORTFOLIO DOCTOR

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

Early start helps reach ambitious goals

D. Rastogi and his wife are saving for their son's goals and retirement. Here's what the doctor says:

PORTFOLIO CHECK-UP

- Have been investing in a mix of equity and debt funds for the past 5-6 years.
- Early start has helped build a sizeable corpus.
- Goals are ambitious, but regular investing can help reach them.
- They hold too many funds, and need to junk underperforming schemes.
- Shouldn't invest in new funds. Just 7-8 funds are enough.
- Must reduce VPF contribution to avoid breaching the tax-free limit.
- Instead of VPF, they can open a PPF account to build tax-free corpus.
- Should buy a ₹2 crore life insurance to secure all the goals.

Note from the doctor

- Fund portfolio has mid- and small-cap skew. Be ready for volatility.
- Avoid recurring and fixed deposits. Debt funds are more tax-efficient.
- Review investments and rebalance at least once in a year.
- Reduce risk when goal is near so that you don't miss the target.

GOALS

1	2	3	4
EMERGENCY FUND Immediate PRESENT COST: ₹**10 lakh** FUTURE COST: ₹**10 lakh**	**SON'S HIGHER EDUCATION: 16** years PRESENT COST: ₹**1 crore** FUTURE COST: ₹**4.6 crore**	**SON'S MARRIAGE** **25** years PRESENT COST: ₹**1 crore** FUTURE COST: ₹**5.4 crore**	**RETIREMENT INCOME:** **25** years CURRENT NEED: ₹**2.5 crore** (₹1 lakh a month) CORPUS NEEDED: ₹**13.5 cr**

Goal	INVESTMENT	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION	NEW SIP (₹)
1	Fixed deposits	4,50,000	0	Shift to a liquid fund or short-term debt fund after maturity.	0
1	HDFC Banking PSU & Debt	2,45,000	20,000	Continue SIPs in this stable debt fund for a year.	20,000
2	Canara Robeco Bluechip Equity	2,15,000	0	Restart SIPs of ₹10,000 in this outstanding large-cap fund. Hike by 5% every year.	10,000
2	HDFC Small Cap	1,57,670	15,000	Continue SIPs in this outstanding small-cap fund. Hike amount by 5% every year.	15,000
2	Motilal Oswal Midcap	2,15,000	0	This fund has done very well. Restart SIPs of ₹10,000 and hike by 5% every year.	10,000
2	UTI Flexicap	1,99,893	0	This flexi-cap fund has not done too well. Consider switching to HDFC Small Cap.	0
2	Franklin Templeton US Opportunities	5,58,557	15,000	Continue SIPs in this US-focused global fund for diversification.	15,000
2	Axis Focused 25	2,10,170	20,000	The fund has grossly underperformed. Stop SIPs and switch to Motilal Oswal Midcap for better returns.	0
3	Axis Growth Opportunities	5,78,788	20,000	Continue SIPs in this stable large- and mid-cap fund. Hike SIP amount by 5% every year.	20,000
4	HDFC Flexicap	4,20,991	20,000	This flexi-cap fund has done well. Continue SIPs and hike by 5% every year.	20,000
4	DSP Small Cap	1,73,062	15,000	Continue SIPs in this stable small-cap fund, but watch performance closely. Hike by 5% every year.	15,000
4	Mirae Asset Large Cap	2,40,256	25,000	Continue SIPs in this stable large-cap fund. Hike by 5% every year.	25,000
4	NPS	6,00,000	25,000	Continue contributing to this low-cost scheme. Open Tier II account and start contributing ₹20,000 every month. Opt for balanced allocation in the NPS.	45,000
4	Recurring deposits	16,50,000	10,000	When deposits mature, shift proceeds to PPF to build a tax-free corpus.	10,000
4	Provident Fund and VPF	70,00,000	67,000	Reduce VPF contribution so that it doesn't breach the ₹2.5 lakh tax-exempt threshold.	35,000
4	PPF	0	0	Open a PPF account to invest the amount reduced from VPF. Also add FD maturity proceeds to the PPF.	12,500
	TOTAL	**₹1,29,14,387**	**₹2,52,000**	The goals can be reached using the mutual funds marked in the same colour.	**₹2,52,500**

Assumptions used in the calculations

INFLATION

Education expenses	For all other goals
10%	7%

RETURNS

Equity funds	Debt options
12%	8%

PORTFOLIOS ANALYSED BY

RAJ KHOSLA, Managing Director and Founder, MyMoneyMantra

WRITE TO US FOR HELP

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

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

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

The cover story 'Smart money moves for 2024' offers two key takeaways. First, investors must reduce their exposure to small caps due to a sharp run-up of 48% in 2023. As John Bogle said, mean reversion is the iron rule of the market. Second, F&O is a zero-sum game, with 89% of traders losing money. This shows that it is heavily skewed towards a few large establishments with vast resources and multiple algo trading platforms.

Prashant Shivdas

The cover story made for an informative read. I took notes because it was such a thoroughly researched article. Thanks to the *ET Wealth* team. I hope you will continue to educate the investors in a similar manner.

JL

I truly appreciated the column 'Path to financial freedom' by Dhirendra Kumar. Financial freedom is an amazing concept. Unfortunately, youngsters don't care about it because they live in the present and face peer pressure. They enjoy spending more than saving. To achieve financial freedom, one must save money regularly and invest in government savings schemes and stocks for the long term. If you develop these habits by the age of 35, you will definitely witness massive wealth creation with compounding effect.

Darshan Godbole

Due diligence is imperative

The cover story 'Smart money moves for 2024' was a good read on diligently investing money for smarter gains. There appear to be certain dichotomies in low equity earnings from high profit-making oil and gas, and banking sectors. Equity investment may be a part-time venture for many investors, but due diligence is imperative for maximising profits. Investing in futures, options and commodities should be a full-time project, with sound knowledge of F&O, MCX, NCDEX and ICEX operations. The investor can't outsource his fortune entirely to brokers or advisers. Portfolio rebalancing is another difficult decision.

Vinod Johri

As a financial planner, I can professionally vouch that the points covered in the article 'I resolve' reflect the reality. Many people in the 25-45 year age group make these new year resolution mistakes by taking memberships and getting into the new year sales euphoria. While social media can be a great source of information and entertainment, it is important to exercise caution when it comes to financial advice. Unlike cooking with the help of YouTube videos, where the steps are clear and results tangible, investing your hard-earned money on the advice of social media influencers can be risky.

Bhakti Rasal

The cover story 'Get rid of bad insurance now', in the issue dated 25 December, made for a great read. We are always in a hurry when it comes to buying an insurance policy because we do it for tax benefits at the last moment. Perhaps, a deeper understanding of the scheme and calculation of returns will help in the decision-making process. Looking for a good scheme before surrendering the existing bad insurance policy will ensure that the money is invested wisely. I feel insurance companies should do away with the penalty for pre-closure, just as banks allow pre-closure of loans. This is a win-win situation for everyone.

Mangala Krishnamurthy

New CIS to simplify health policy details

Easy format and language will help customers understand the policies better.

by **Anulekha Ray**

To make it easier for policyholders to understand critical aspects of their health insurance plans, insurance companies have been asked to provide revised customer information sheets (CIS) highlighting all key policy details in simple terms and summarised format. The details will be available 'in simple language in a snapshot' in the preferred language of policyholders. Usually, the insurer provides a CIS at the time of purchase and renewal of the policy. The new format will help policyholders understand the complex terms and procedures better.

What will CIS contain?

According to the format prescribed by insurance regulator, IRDAI, the CIS will have the following details:

- Name of insurance policy.
- Policy number.
- Type of insurance product: Indemnity, benefit, or both indemnity and benefit.
- Sum insured amount.
- Policy coverage: What the health insurance covers.
- Exclusion: What the health insurance does not cover.
- Waiting periods.
- Financial limits: Sub-limit, co-payment, deductible, and any other limit as applicable.
- Claim procedure: Turnaround time for claim settlement for pre-authorisation of cashless facility, and cashless final bill authorisation.

The details of online links of the following will be mentioned:

i) Network hospital details.
ii) Helpline number.
iii) Hospitals blacklisted or from where no claims will be accepted by the insurer.

- Policy servicing: This will include call center number of insurer and details of company official.
- Contact details/ Web links for grievance/complaint filing.
- Things to remember:

i) Free-look period.
ii) Policy renewal.
iii) Migration and portability.
iv) Change in sum insured.
v) Moratorium period.

- Your obligation: You need to disclose all pre-existing diseases or conditions before buying the policy. Non-disclosure of pre-existing conditions may affect your claim settlement later.

It will also highlight the policy clause numbers for each of the above-mentioned fields, where applicable, to make the policy more transparent. The insurers are also required to obtain signatures of the policyholders, confirming that they have noted the details of CIS and received it.

How will updated CIS benefit policyholders?

The health insurance policy document is usually very long, with complex wording, which makes it cumbersome for most policyholders to examine crucial information. The updated CIS will provide policyholders a quick, convenient guide about their policies "On an average, a standard health insurance policy document has 10,000+ words and a very low reading comprehension score. With the proposed CIS, insurers are mandated to communicate policy details clearly and concisely, ensuring transparency. The inclusion of claim settlement time frames is a significant improvement, setting expectations for policyholders," says Abhishek Poddar, Co-founder and CEO, Plum.

"This step is expected to result in better informed policyholders, reduced grievances, higher renewals, and seamless health insurance experience for policyholders," says Anand Singhi, Chief Distribution Officer, Reliance General Insurance Company.

"The new CIS will provide a hassle-free experience at the time of hospitalisation, as customers will not have to deal with voluminous policy documents. A simple and uniformly formatted CIS will help policyholders understand clauses, restrictions, sub-limits, claim procedures, and requirements with ease. In case the policyholder does not have time to go through the detailed policy document, he can study the policy summary carefully via the CIS," says Siddharth Singhal, Business Head, Health Insurance, Policybazaar.com.

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