THE ECONOMIC TIMES
wealth

“LOW QUALITY HAS OUTPERFORMED, BUT DON’T GET FOOLED”
P8

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Where to invest ₹10 lakh for next 10 years P2

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Tariff shocks

WHERE TO INVEST ₹10 LAKH FOR NEXT 10 YEARS?

The onset of Trump's tariffs has added to the market uncertainty that was already unfolding—but it also presents an opportunity for savvy investors.

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By **Sanket Dhanorkar**

It's finally here. On 3 April 2025, US President Donald Trump unveiled trade tariffs on the rest of the world. Any hopes of a quick market rebound have been dashed, say market experts. Already equity markets have been under pressure after a near-uninterrupted, multi-year uptick. Mid- and small-caps, particularly, have been burnt badly. Even though the stock market witnessed a rebound of sorts in recent weeks, uncertainty prevails. Gold, on the other hand, has been soaring, as the precious metal's allure as a safe-haven asset intensifies. Meanwhile, fixed income has continued to fetch a stable return. Those who had material gold and fixed income allocation in their portfolios are doing somewhat better than others.

The big question is: where will the market go from here? It may easily swing back into action and begin its next phase of growth. On the flipside, it may continue to trend downwards or take a long-winding path to recovery. While market experts ponder, what we know is that every correction in stock markets is an opportunity to buy—within your asset allocation, of course. ET Wealth reached out to market experts to guide on where you should invest your money, now.

RESET EXPECTATIONS

Experts insist that investors need to proceed cautiously. Now is not the time to be overly adventurous in your investment choices. Between 2 January and 4 March, the S&P BSE Sensex fell by 9%, then recovered by 7% by 25 March. However, any rebound in the stock market may prove to be short-lived, if global uncertainties persist and domestic slowdown continues. Don't be misled by the nature of market corrections in recent years. The market hasn't seen a sustained fall for long, while recoveries have been swift.

No big market shocks in recent years have led many investors into believing they can handle stock market volatility, simply because they haven't seen much, so far. Many have now come to expect the market to get back on its feet and climb higher. But history should serve as a warning sign. While the magnitude of the 2008 crash has not yet faded from investor memory, there have been instances of much longer, drawn out corrections *(see graphic)*. You can't always count on a swift market recovery. Raghvendra Nath, MD, Ladderup Asset Managers, urges, "While markets have shown an upward trend in recent weeks, it is crucial to remain vigilant as the sustainability of this rally depends on factors such as upcoming corporate earnings and the global economy."

A worse mistake would be to stop your investments or exit. That will halt your wealth creation. Vivek Banka, Founder, GoalTeller, cautions, "Over the near-term investors would do well to survive and ensure they stay in the game as structural tailwinds for the Indian economy remain strong." Akhil Rathi, Senior Vice President, Financial Concierge at 1 Finance, exhorts, "Market volatility may seem unsettling in the short term, but over the long term, such fluctuations are both normal and necessary for wealth generation. What truly matters is your commitment to a diversified investment plan, avoiding impulsive decisions, and conducting periodic (not obsessive) portfolio reviews."

Coming out of a multi-year market rally, investors also need to reset their expectations. Inderbir Singh Jolly, CEO-Wealth, PL Capital, remarks, "The upward journey will be gradual, and investors will need to be highly selective in choosing stocks. Small

Markets recover, but can take time

Historically, large market falls (of more than 30%) and subsequent recoveries have taken around two years, but a few have spanned four-five years.

PEAK DATE	TROUGH DATE	FALL FROM PEAK	RECOVERY DATE	TIME TAKEN FOR FALL (MONTHS)	TIME TAKEN FOR RECOVERY (MONTHS)	TOTAL TIME TAKEN FOR FALL & RECOVERY (MONTHS)
12 Sep 1994	4 Dec 1996	-41%	14 Jul 1999	27	31	58
21 Apr 1998	20 Oct 1998	-35%	5 Jul 1999	6	8	14
11 Feb 2000	21 Sep 2001	-56%	2 Jan 2004	19	27	46
8 Jan 2008	9 Mar 2009	-61%	4 Nov 2010	14	20	34
14 Jan 2020	23 Mar 2020	-38%	9 Nov 2020	2	8	10

Source: FundsIndia

"Conservative investors may go in for multi asset funds (25-30%), conservative hybrid funds (30-40%) and debt funds (30-40%). The portfolio would be relatively less volatile."

RAGHVENDRA NATH
MD, LADDERUP ASSET MANAGERS

Maintain prudent asset allocation

While returns from individual asset classes may fluctuate, a well diversified portfolio can protect the drawdowns and deliver smoother return experience.

	Annualised return (CAGR %)				MAX DRAWDOWN (%)
	5 YEAR	10 YEAR	15 YEAR	20 YEAR	
India equity	16	12	12	14	-59
US equity	20	18	19	14	-45
Debt	6	7	8	7	-4
Gold	17	12	11	14	-29
Equity 75%: Debt: 15%: Gold 15%	15	11	12	14	-40

Period considered from 3 Jan 00 to 31 Jan 25. Ind Equity: Nifty50 TRI; US Equity: S&P 500 TR; Gold price: Gold.org, Debt: Average returns of ABSL Low Duration Fund, HDFC Low Duration Fund & ABSL Corporate Bond Fund. Portfolio rebalanced at the end of every year provided the allocation deviates by +/-5% | **Source:** FundsIndia

"Investors should revisit their asset allocations, liquidity and financial goals to determine an asset allocation mix that is best suited to them."

VIVEK BANKA
FOUNDER, GOALTELLER

"Market volatility may seem unsettling in the short term, but over the long term, fluctuations are both normal and necessary for wealth generation. What truly matters is your commitment to a diversified investment plan."

AKHIL RATHI
SENIOR VICE PRESIDENT, FINANCIAL CONCIERGE, 1 FINANCE

"(Aggressive investors) may go in for a diversified approach across market caps, 50% large-caps, 30% mid-caps and 20% small-caps."

INDERBIR SINGH JOLLY
CEO, WEALTH, PL CAPITAL

Avoid chasing recent winners

Best performing funds keep rotating every few years, so it is futile to keep chasing past winners.

HOW THE PREVIOUS 30 TOP FUNDS FARED IN THE SUBSEQUENT 3-YEAR PERIOD

FUND RANK	
2019-2021	2022-2024
1	43
2	13
3	201
4	126
5	107
6	148
7	72
8	100
9	138
10	7

HOW TODAY'S 30 TOP FUNDS FARED IN THE PRIOR 3-YEAR PERIOD

FUND RANK	
2019-2021	2022-2024
42	1
86	2
NA	3
130	4
NA	5
73	6
10	7
33	8
173	9
165	10

Source: FundsIndia

caps and microcaps, which were trading at valuations of 40-50 times earnings, are unlikely to rebound quickly. This year, it will be a stock-picker's market."

The ongoing market correction should also serve as a lesson on chasing returns. According to FundsIndia, six out of 10 top performing funds of 2019-2021 are currently not even among the top 100. Only two schemes remain in the top 20. Similarly, only one out the top 10 performing schemes for 2022-2024 was also among the ten for 2019-2021 *(see graphic)*. "Many broad categories' top performers are now at the bottom of the charts. No one remains at the top for long and winners keep rotating. So investors should be careful when chasing returns alone," insists Juzer Gabajiwala, Director, Ventura Securities.

Investors need to recalibrate and revisit previous portfolio decisions and goal-related math. Banka avers, "Investors should revisit their asset allocations, liquidity and financial goals to determine an asset allocation mix that is best suited to them. Ensure you don't allocate any equities for funds that are earmarked for goals less than three years." Banka reckons gold and fixed income should do well in the near term. As the economy slows, further interest rate cuts seem imminent, which will lead to debt funds generating good returns. Jolly maintains that the priority now should be to diversify investments, focus on quality large-caps, take a staggered approach if investing in a mid- or small-caps, maintain some liquidity, rebalance portfolio and stay updated on the events happening domestically and globally.

AGGRESSIVE INVESTORS: TAKE CALIBRATED RISK

For investors with a high-risk appetite who are able to stay invested through market cycles, this correction could be a blessing. "Waiting for the perfect time to invest is a myth—the best time is now," insists Rathi.

Avoid putting in big lumpsums for now. Continue to invest in a staggered manner via SIPs. Top-up your SIPs regularly. Banka asserts, "The current decline and any further falls offer a great opportunity for investors looking at long term time horizons to deploy their money into equities."

Given the risk profile and long-term investment horizon, experts suggest allocating a significant portion (around 75%-80%) of the portfolio to equities. "With a long-term horizon, aggressive investors can afford to take calculated risks. Equities have historically delivered superior returns, making them essential for wealth creation. However, diversification remains key, even for risk-tolerant investors," observes Rathi. He urges aggressive investors to shun excessive risk-taking. "Don't go all-in on mid- or small-cap stocks chasing high returns. Avoid thematic or sectoral funds unless you thoroughly understand the trend."

Nath suggests a tilt toward large-cap (30%), flexi-cap (20%) and multi-cap funds (20%) while the rest may be parked in mid-cap and small-cap funds (around 15% each). Jolly suggests a balanced asset allocation within equities. "A substantial portion of the investable sum may be invested in equities with a diversified approach across market caps i.e. 50% large-caps, 30% mid-caps and 20% small-caps." Beyond this, he suggests 20-25% allocation to debt instruments like high-quality corporate bonds and G-secs, performing credit and special situation funds. Another 5% allocation can be in gold via ETFs.

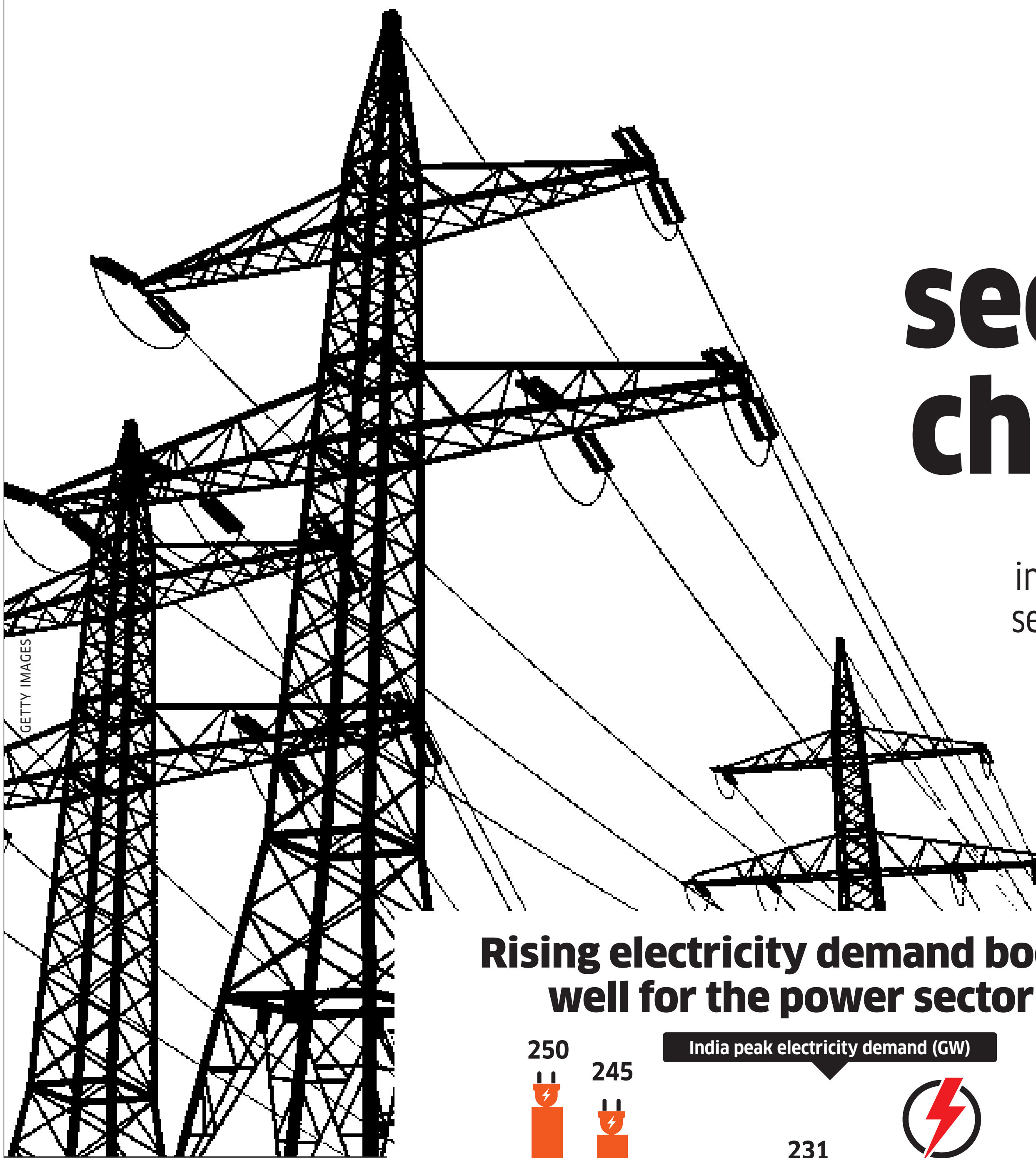
Banka cautions that aggressive investors should remain vigilant and consider taking some money off the table as their financial goals draw closer. "As you near any long-term goal, start exiting equity investments through a Systematic Withdrawal Plan (SWP), ideally a year in advance, spread over 12 equal monthly tranches," he advises.

CONSERVATIVE INVESTORS: DON'T SHUN RISK ALTOGETHER

For investors averse to market volatility and capital erosion, a cautious stance is recommended. Particularly, those who have experienced a correction for the first time, and found they don't have the stomach for it, should descend a few notches down the risk ladder. If you feel the urge to redeem and exit equities, your threshold of risk is clearly low. "For conservative investors, a lower equity and higher fixed income allocation is suggested as they might not fare well with too much volatility," Banka says. Yet, even conservative investors, with a 10-year investment window, can afford moderate risk to outpace inflation. "Safety doesn't mean avoiding growth—it means being selective and strategic with risk exposure," Rathi insists. "Don't completely avoid equities—even a 15–20% allocation can significantly boost long-term returns."

Nath suggests a mix of multi asset funds (25-30%), conservative hybrid funds (30-40%) and debt funds (30-40%). "This portfolio would be relatively less volatile compared to an equity-heavy portfolio, with the debt component offering stability in returns. Opting for multi-asset funds is also more tax-efficient compared to dynamically managing asset allocation at an individual level," Nath explains. Jolly favours a 70-75% fixed income-centric allocation, with another 15-20% parked in quality large caps as well as 5% in gold.

Apart from this, for investments earmarked for less than three years, Banka suggests exploring a mix of arbitrage funds, liquid funds, short term funds and high-quality corporate bonds with low maturities. For both aggressive and conservative investors, Banka cautions against pursuing international exposure due to the uncertainty in the global markets.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Power sector is all charged up

Recovery in electricity demand, incremental demand from emerging sectors like 5G, artificial intelligence and policy support to drive the performance of stocks.

by **Sameer Bhardwaj**

Amid the scorching summer heat, there's a silver lining for equity investors. Analysts and brokerages expect India's power sector to see strong momentum in 2025-26. Here's what's driving the optimism, and how you can benefit.

What works

Summer appears to have set in early this year. February 2025 has turned out to be the hottest month in India since 1901, when the record-keeping commenced. There are expectations of warmer-than-normal days in the upcoming season. A pick-up in commercial and industrial activities is predicted by analysts, which would increase the demand for power. The industrial segment accounts for 50% of India's power consumption.

The power sector is heavily influenced by government policy and the outlook is promising. The Centre's push for nuclear energy, with a 100 GW capacity target by 2047, is a positive sign. Budget 2025 raised allocations for the PM Surya Ghar Muft Bijli Yojana and the National Manufacturing Mission to boost domestic production of solar (photovoltaic) PV cells, wind turbines, grid-scale batteries, and electrolysers. Meanwhile, falling battery prices are encouraging developers to ramp up capex on solar and storage, adding momentum.

Taking stock

The electricity demand remained volatile in the first 10 months of 2024-25. While the demand growth was good in the first four months of the previous financial year, it moderated in the latter part of the year due to the slowdown in economic activity, unfavourable base effect and the adverse impact of heavy rainfall. The demand grew at 9.9% in the first four months of 2024-25, but registered 4.2% year-on-year growth between April 2024 and January 2025.

This volatility has affected the performance of power sector stocks. The sector benchmark, BSE Power Index, has significantly underperformed the market benchmark in the past six months, with -24.7% returns compared to -9.8% returns by the BSE Sensex. The constituent stocks of the power index have corrected between 13.6% and 51.2% in the past six months. The analysis is based on 1 April 2025 closing values.

A recovery in the demand for electricity was visible in February and March 2025, with over 6% year-on-year growth. The increased demand led to the surge in prices in the short-term market, growing 6% year-on-year from 1-22 March 2025. The short-term power market helps power generating companies manage short-term demand fluctuations by selling surplus power at market prices. Rating agency ICRA estimates the annual demand growth for 2024-25 to be 4.5%. However, for 2025-26, demand growth is expected to recover to 5.5% and 6%.

Recent brokerage reports from Antique Stock Broking and Motilal Oswal state that growing electricity demand improves the outlook of the power sector. The significant correction in the stock prices has reduced the valuation premium. The price to book value (PBV) of the BSE Power Index has fallen from 4.99 times in September 2024 to 3.7 times in March 2025, according to the BSE data. While most stocks in the sector still trade at higher valuations (in terms of historical perspective), this premium is possibly attributed to the anticipated pick-up in capex and capitalisation within the sector, states the Antique Stock Broking report.

The risks

Delays in signing power purchase agreements (PPAs) are raising concerns over the reliability of EBITDA guidance provided by power generation companies, according to Motilal Oswal. PPAs are long-term contracts under which these companies supply electricity to distribution companies (discoms), mostly public utilities, at fixed rates. The poor financial health of government-owned discoms remains a concern. Besides, transmission infrastructure issues, like land availability and delays in forest clearances, create delays in project execution.

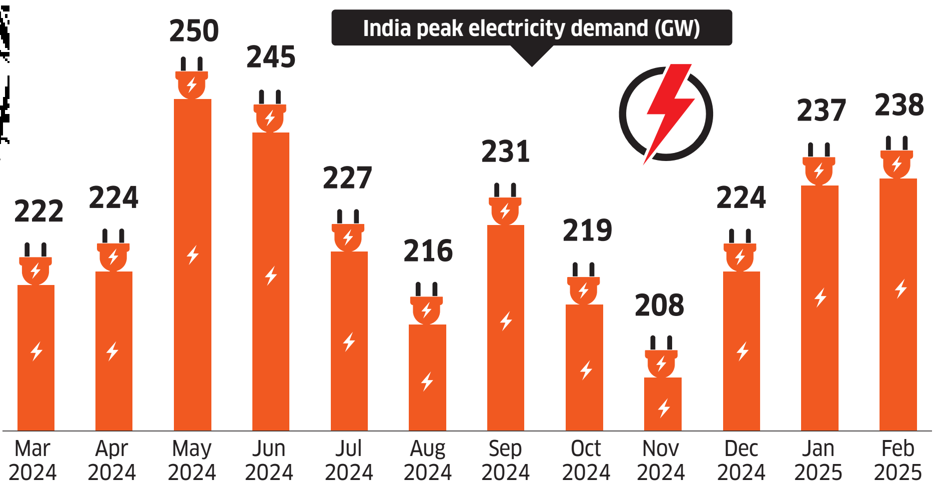
Analysts favour Power Grid Corporation of India, NTPC and JSW Energy.

Power Grid Corporation of India

The story so far

- Strong expertise in power transmission projects has helped the firm maintain

Rising electricity demand bodes well for the power sector



Source: Motilal Oswal report

market share over the past several years.

- It transmits around 45% of the total power generated in India on its network, and owns 86% of the inter-state transmission system.
- In the December 2024 quarter, higher operating costs led to weak performance.

What lies ahead

- The company's foray into renewable energy and increasing its capacity offers huge transmission opportunities over the next seven-eight years.
- A strong project pipeline of ₹1.4 lakh crore provides healthy revenue visibility over the next three-four years. Additional bidding opportunities in the future will further build up its order book.
- Its estimated capital expenditure for 2025-26 is ₹30,000 crore.

Analysts' talk

- **ANTIQUE STOCK BROKING:** Power Grid benefits from low competition in the tariff-based competitive bidding segment. A robust bid pipeline, steady project wins, and strong opportunities in the transmission space remain its key strengths.
- **ICICI SECURITIES:** It is poised to be a key beneficiary of renewable energy capacity additions and remains the government's preferred choice for strategically important transmission projects.

NTPC

The story so far

- Maintains a dominant position in India's power sector and is adding capacities through acquisitions and expansions.
- Strong business model with thermal capacities backed by long-term PPAs.
- Is strategically important to the government and enjoys Maharatna status.
- The December 2024 quarter was good due to the increased energy sales and a fall in interest costs and other expenses.

What lies ahead

- Plans to increase both thermal and renewable energy capacities.
- To ensure fuel security, it is aiming to increase coal mining capacity from 40 million metric tonne (MMT) in 2024-25 to 67 MMT in 2029-30.
- Focusing on the nuclear business (through a JV with Anushakti Vidyut Nigam) and green hydrogen.

Analysts' talk

- **ICICI DIRECT:** Robust capacity additions are set to drive strong financial performance in the medium to long term.
- **AXIS SECURITIES:** A strong vendor network creates lower execution risks in setting up thermal projects. Its robust thermal assets provide strong cash-flow visibility. Aggressive renewal power addition targets and stable dividend yield are key positives.

JSW Energy

The story so far

- A strong operating track record of the company's thermal power plants has helped it to report stable cash flows and healthy profitability over the past few years.
- Its operational capacity has surpassed 10 GW after the completion of the acquisition of KSK Mahanadi Power.
- The performance in the December 2024 quarter was muted due to lower realisations in the short-term power market.

What lies ahead

- The company is transitioning from a thermal player to a RE player with assets across energy storage systems and green hydrogen.
- Cost synergies in its operations and management due to its acquisition of O2 Power (renewable energy player) with assets across solar and wind power.
- The O2 Power acquisition will create a good blend of solar, wind, and FDRE (firm and dispatchable renewable power) portfolio.

Analysts' talk

- **AXIS SECURITIES:** With 28% of its portfolio in the merchant (short-term) market, the company stands to gain from rising prices. Recent stock price correction and an expected summer demand surge further strengthen the outlook.
- **MOTILAL OSWAL:** A key play on rising merchant power prices. Moreover, it is least impacted by PPA delays.

Wired for growth

Power Grid Corporation of India

PRICE ₹289

ANALYSTS' RECOMMENDATIONS

BUY	HOLD	SELL
15	1	6

NTPC

PRICE ₹352

ANALYSTS' RECOMMENDATIONS

BUY	HOLD	SELL
20	2	2

JSW Energy

PRICE ₹523

ANALYSTS' RECOMMENDATIONS

BUY	HOLD	SELL
9	2	4

Price as on 1 April 2025. **Source:** Reuters-Refinitiv.

The Centre's push for nuclear energy, with a 100 GW capacity target by 2047, is a positive sign.

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Bitcoin miners rush to beat Trump's tariff clock

Crypto firms scramble to ship equipment from Southeast Asia as steep US levies loom.

Lauren Lin is in a hurry. She has less than 48 hours to ship about 5,600 Bitcoin mining machines from Thailand to the US before tariffs imposed on the Southeast Asian country by President Donald Trump kick in.

"Today we're just scrambling," said Lin, head of hardware at Luxor Technology, a Bitcoin mining software and services company. "Ideally we can charter a flight and get machines over—just trying to be as creative as possible to get these machines out."

Her efforts underscore the disruption the Bitcoin mining sector faces after Trump's tariff announcement. The industry is caught in the middle of Trump's trade war, with many of the largest miners based in the US and the supply chain rooted in Asia. Miners use specialised computers to solve mathematical puzzles for a chance to verify transactions and earn rewards in Bitcoin.

Trump said on Wednesday that he would enforce a minimum 10% tariff on all exporters to the US from 5 April, while slapping additional duties on around 60

nations with the largest trade imbalances with the US. Thailand and Malaysia are subject to harsher levies of 36% and 24%, respectively, that will take effect on 9 April.

Shares of US-listed Bitcoin miners including MARA Holdings and CleanSpark Inc. plummeted in after-hours trading following Trump's tariff announcement. The latest tariffs will "suppress continued growth in the sector," said Taras Kulyk, CEO at Synteq Digital, one of the largest mining machine brokers.

Beijing-based Bitmain Technologies, by far the largest manufacturer of Bitcoin mining equipment, has production lines in Indonesia, Malaysia and Thailand, Bloomberg News reported previously. It shifted manufacturing to the region after Trump set tariffs on electronics and other goods imported from China in 2018.

The latest tariff announcement means China will be charged a 34% reciprocal tariff rate that could bring the average levy on Chinese products to as high as 65%, according to economists.

Bitmain didn't immediately respond to a request for comment.

Crypto miners in the US have already faced delays receiving deliveries of new equipment since Trump's election victory, after the Republican pledged on the campaign trail to nurture the industry to ensure that Bitcoin is "made in the USA."

The industry's manufacturing giants are trying to respond. On 9 December, Bitmain announced the launch of a US facility, without disclosing its exact location. MicroBT, a rival Chinese manufacturer, has previously struck purchase agreements with Riot Blockchain Inc. that leverage the vendor's US manufacturing sites, a Riot spokesperson told Bloomberg News earlier.

Luxor in December announced a $131 million purchase agreement for MicroBT's WhatsMiner machines—known as ASICs—in a deal it said aligned with MicroBT's expansion in the US, which includes "the assembly of equipment onshore."

Such efforts are unlikely to fully shield ASIC buyers from rising costs, though. "If new import duties hit key components, we could see higher capex for North American mining operators," said Wolfie Zhao, head of research at industry publication the TheMinerMag. "That would add further pressure to an already cooling market."

—Bloomberg

Which bonds should you invest in now?

Bond yields are falling ahead of the expected RBI rate cuts, with global cues, strong demand and stable borrowing plans also playing a key role.

by **Yasmin Hussain**

The Reserve Bank of India (RBI) is set to announce its monetary policy this week, and the markets are buzzing with expectations of a further rate cut. If the central bank lowers the repo rate, it could affect a range of asset classes. Home loan borrowers might enjoy lower EMIs, equity markets may rally on the back of cheaper borrowing, and most notably, bond markets could see a significant movement in yields and prices.

A rate cut typically affects the bond market the most because interest rate changes have a direct impact on bond prices and yields since the two move in opposite directions. When interest rates fall, bond prices go up, and when the rates rise, bond prices drop.

This happens because newly issued bonds reflect the current rates. So, older bonds with higher interest coupons become more attractive when rates fall, which increases their prices. The reverse happens when rates go up; newer bonds offer better returns, making older ones less appealing, lowering their prices.

Here's a simple example. Suppose you own a bond with a face value of ₹1,000 and an annual coupon of ₹80, giving you an 8% yield. If new bonds are being issued with a 6% yield, investors will be willing to pay more for your higher yielding bond, pushing its price above ₹1,000. If interest rates rise and new bonds offer 10%, your 8% bond becomes less attractive, causing its price to fall below ₹1,000.

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FALLING TREND LIKELY TO CONTINUE

Bond yields have been falling for some time and this trend could continue when the RBI announces a rate cut on 9 April. "Markets expect a 25 basis point rate cut in the RBI's policy meeting," says Harsimran Sahni, EVP & Head, Treasury, Anand Rathi Global Finance. "The bond market has already priced in this cut," he adds.

This movement is part of a broader shift. Since the beginning of 2024-25, the 10-year government bond yield has fallen by 47 basis points, which is the steepest drop in five years. Experts expect it to settle between 6.25% and 6.3% in 2025-26.

"Given the uncertain outlook for equities and the fact that there is more room for rate cuts, bond holders should be adding more fixed-income assets to their portfolios."

VISHAL GOENKA
CO-FOUNDER, INDIABONDS.COM

"We expect the shorter end of curve to perform better, with bull steepening in the medium term. So, shorter maturity bonds could deliver better risk-adjusted returns in the months ahead."

HARSIMRAN SAHNI
EVP & HEAD, TREASURY, ANAND RATHI GLOBAL FINANCE

OTHER FACTORS PUSHING YIELDS LOWER

However, falling interest rates aren't the only reason that the yields are down. "Another reason is the global macro uncertainty and lower growth outlook domestically. With the latest announcement of tariffs by the US, we anticipate India's growth outlook to remain unpredictable," says Vishal Goenka, Co-founder, *Indiabonds.com*.

Besides, the government has announced ₹8 lakh crore of borrowing in the first half of 2025-26, which was in line with the market expectations. Since there were no surprises, market sentiments remained stable and bond yields continued to ease.

There's also a strong demand for bonds, especially from banks and institutional investors, which is pushing the prices up and the yields down. Due to the improved liquidity conditions in the system, banks have more room to invest in bonds now.

LIQUIDITY MEASURES SUPPORTING BOND MARKET

Better liquidity is another key driver. The RBI recently announced open market operations (OMOs) worth ₹2.6 lakh crore, including ₹80,000 crore in April alone. "Driven by these measures by the RBI, system liquidity has turned surplus after more than three months," says Sahni. This additional liquidity has increased the demand for bonds, boosting prices and lowering yields.

Sahni also expects a further liquidity boost through a cut in the cash reserve ratio (CRR). "There is an expectation of a 25 bps CRR cut in the market, which would infuse about ₹56,000 crore into the banking system," he adds. So, the market participants are not just waiting for a rate cut, but are also closely watching the RBI's stance on liquidity.

WHAT SHOULD INVESTORS DO NOW?

"Given the uncertain outlook for equities and the fact that there is more room for rate cuts, bond holders should be adding more fixed-income assets to their portfolios," says Goenka. Not only does this help with diversification, but it also creates room for capital gains if the rates fall further.

He suggests adding long-dated government securities and AAA-rated bonds in the 7-10-year range, as they are safe and respond well to falling rates. At the same time, investors can consider high-yield corporate bonds with 2-3-year maturities as corporate yields haven't declined yet, making this a good time to enter. Sahni agrees that short-term bonds may give better returns. "We expect the shorter end of the curve to perform better, with bull steepening in the medium term. This means shorter maturity bonds could deliver better risk-adjusted returns in the months ahead," he says.

A balanced approach, with a mix of durations and credit quality, could help investors manage risk and optimise returns.

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Should you rethink gold?

Even sceptics may need to reconsider the role of the yellow metal as the global financial order undergoes a sea change, says **Dhirendra Kumar**.

DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

Does this mean you should rush to convert your savings into gold bars? Certainly not. The principles of diversification and prudent risk management remain as valid as ever. Gold produces no income, comes with storage costs (or management fees for paper gold), and can experience significant price volatility.

I've long been a gold sceptic. Following the wisdom of investors like Warren Buffett, I've viewed gold as an archaic relic—a shiny metal that produces nothing, pays no dividends, and merely sits in vaults accumulating storage cost. "It has no utility. Anyone watching from Mars would be scratching their heads," Buffett famously quipped.

This perspective made sense in a world where the US dollar reigned supreme as the global reserve currency. However, the financial landscape is shifting beneath our feet, and even the most ardent sceptics may need to reassess.

The gold story has transformed multiple times throughout history. For centuries, gold was money—real, physical currency that people carried, and nations used to settle debts. The 1944 Bretton Woods agreement formalised the dollar's link to gold, with other currencies pegged to the dollar. Each dollar was theoretically exchangeable for a specific amount of gold, giving the system credibility.

This arrangement collapsed in 1971, when President Nixon severed the dollar's tie to gold, ushering in the era of pure fiat currencies—money backed only by government decree and faith in institutions. This system functioned reasonably well for decades, with the dollar cementing its position as the world's reserve currency.

A fundamental shift

However, recent geopolitical developments have triggered what may be a fundamental shift. The freezing of the Russian central bank assets, following the Ukraine conflict, sent shockwaves through the global financial system. Nations suddenly faced a stark reality. Dollar reserves, previously considered the ultimate safe asset, carried unexpected political risk.

The response has been telling. Central banks worldwide have accelerated gold purchases to historic levels. China, Russia, India, and numerous other countries have systematically reduced their dollar exposure, while increasing gold holdings. This isn't just diversification; it signals a deeper erosion of trust in the post-1971 monetary order. Gold prices have responded accordingly, reaching record highs in dollars and virtually every currency. While critics may dismiss this as speculation, sustained central bank buying suggests that something more structural is taking place.

Does this mean you should rush to convert your savings into gold bars? Certainly not. The principles of diversification and prudent risk management remain as valid as ever. Gold produces no income, comes with storage costs (or management fees for paper gold), and can experience significant price volatility.

Yet, dismissing gold entirely may no longer be the correct position that it once appeared to be. A modest allocation, perhaps 5-10% of your investment portfolio, might be a reasonable hedge against currency debasement and geopolitical instability. Think of it as insurance, rather than a growth investment. If you decide to include gold in your portfolio, consider whether physical gold (coins, bars), gold ETFs, sovereign gold bonds, or gold mutual funds best suit your needs. Each option has distinct advantages and disadvantages regarding liquidity, costs and security.

The key, as with all investments, is moderation. Avoid the apocalyptic narratives often attached to gold by its most fervent advocates. History teaches us that financial systems evolve, rather than collapse, completely, and diversification across asset classes remains your best protection against uncertainty.

Core principles are constant

I remain sceptical about gold's role as a primary investment vehicle. My fundamental investment principles haven't changed. One should focus on productive assets, maintain adequate diversification, and avoid emotional decision-making. Yet, in a world where traditional financial assumptions face unprecedented challenges, it's worth considering whether a modest gold allocation might serve a purpose within those established principles.

The choice ultimately rests with you, the investor. If, after a thoughtful consideration of the changing landscape, you believe a small adjustment to your asset allocation makes sense, that's your prerogative. Just ensure that the decision aligns with your broader financial strategy, rather than representing an abandonment of sound investment discipline. The world changes, but the core principles of prudent investing remain remarkably constant.

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Traders bet on more fed rate cuts

Bond traders have lifted bets on interest-rate cuts from the Federal Reserve amid concern that Donald Trump's trade war will backfire on the US economy, sending the yield on benchmark Treasuries toward the closely-watched 4% level.

Ten-year yields declined as much as nine basis points last Thursday to 4.04%, the lowest level since October. Money markets started to price a small chance of the Fed delivering four quarter-point rate reductions this year, a scenario that wasn't contemplated on 2 April.

Concern that the steepest increase in American tariffs in a century will hammer economic growth is driving a fierce rally in global bond markets, with yields on European and UK bonds also plunging. Similarly, traders ramped up wagers on monetary easing from the European Central Bank and the Bank of England, boosting the chances that both deliver three more cuts this year.

"The bond market is a big winner," said Kathleen Brooks, research director at XTB. "Central banks are likely to step up to ease some of the pain from the US' new global trade policy."

Trump's tariff plan came much harder than expected, as he announced a minimum 10% levy on all exporters to the US and slapped additional duties on nations with big trade imbalances. The move escalated global trade tensions and sent investors rushing for safe havens.

The response in bond markets was sharp. European yields tanked across the board, with Germany's policy-sensitive two-year rate down as much as 12 basis points to 1.92%, while 10-year peers fell 10 basis points to 2.63%.

Swaps are now pricing 70 basis points of further easing from the ECB this year, compared to 60 basis points on Wednesday.

In the UK, traders added about 10 basis points of rate-cut expectations to the year, and now see a chance of more than 50% that the BOE will lower borrowing costs three more times. Gilt yields fell across the curve, sending the two-year rate to the lowest since October.

— Bloomberg

Interview

“Low quality has outperformed, but don’t get fooled”

Vinay Paharia, CIO at PGIM India Mutual Fund, vouches for a disciplined, evidence-based investment approach over chasing short-term returns. In a conversation with **Sanket Dhanorkar**, he explains the recent underperformance of high-quality stocks, possible reversal ahead, and the reason PE multiples alone don’t tell the full story.

RAPID FIRE

Q What’s an investment tip you’d give your younger self?

Investing in a good business at a fair price is better than buying a fair business at a good price.

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

How much of your current investment style is inspired by Fisher compared with Graham, and why?

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

Equity, of course.

Q Any good book you would recommend?

Common stocks and Uncommon Profits by Philip Fisher.

Q If you could alter your career choice, what would it be?

I would not do it even if I were given the option.

Q What is your personal asset allocation right now?

Balance of equity, REITs and arbitrage.

Vinay Paharia
CIO, PGIM India Mutual Fund

Age **44 YEARS**

Experience **21 YEARS**

Total assets managed by Paharia directly **₹22,969 crore**

Total assets under Paharia’s supervision **₹24,247 crore**

What do you make of the current market scenario?

Let’s consider this from the lens of historical data. When we look at market returns versus earnings, and plot it over long periods of time, one-year returns are completely random. As we increase the investing time horizon, the relationship starts to show. This tells you that in the market, you need to zoom out. The more you zoom in, the more it appears random. This is the reason none of us really know what is happening in the near term. However, when you zoom out, there are a few things that you can see clearly. These are slightly long-term trends.

One is that India’s growth has been significantly better and higher than almost all the other smaller or larger countries of its size. Second, this growth has been sustained even during very weak periods. Third, India’s broad parameters, be it monetary policy or fiscal policy, have been managed exceptionally well over the past many years. The result of all of this is that we are seeing a structural improvement in the underlying economy, and there is structural growth that is appearing in pockets of the economy. There are a lot of opportunities in many segments of the economy that are very attractive for long-term investors. I think this has not changed a bit. Hence, I would dissuade from even looking at what is happening in the near term.

Having said that, in recent years, we had significant outperformance by very low-quality and low-growth companies. Correspondingly, we also had very weak performance by high-quality and high-growth companies. The reason I’m highlighting this period is because of the magnitude of difference between both these segments of the market. This is where investors should be cautious. Over two decades of data indicates that low-quality, low-growth companies have delivered very weak returns in line with the underlying fundamentals. High-quality, high-growth companies have delivered superior returns in line with their underlying fundamentals. On an annual basis, two-thirds of the time, high-quality and high-growth companies have outperformed the overall universe. The remaining one-third period has been largely covered in the past three-four years. That is the real danger for people who are just looking at a single phase of outperformance. I think the tide has started turning from June 2024 onwards. We have started seeing some of the low-quality companies underperforming and high-quality companies outperforming.

Has the market correction wiped out previous excesses?

No, we have not yet seen a complete wipe-out of excesses. There have been significant excesses in previous years. We have clawed back from some of that, but it’s not a material portion.

Your thoughts on valuations have changed over the years. How has your thinking evolved?

When I was raw and fresh out of college, I used to look at the PE multiple. The approach was very straightforward: low PE multiple is cheap; high PE multiple is expensive. However, over the years, the understanding has clearly dawned that the markets are not just looking at headline valuation. The multiples are actually driven by four factors—forward earnings growth, return on equity, riskiness of business and the underlying interest rates. This, in turn, is derived from a very simple financial equation—fair value of a growing annuity to perpetuity.

Once you look at this kind of mental model, valuation becomes very clear. In simple terms, it means that the higher the earnings growth, the higher the fair PE multiple; the higher the return on equity, the higher the fair PE multiple, and so on. Whether or not a company is cheap or expensive should be judged in relation to its current valuation versus fair valuation, rather than looking at the absolute number.

In fact, without this framework, you would not be able to operate in the high-quality, high-growth segment of the market. Since there are companies trading at abnormally high prices, even based on fair multiples, it is very important for you to separate the wheat from the chaff. A nuanced approach like this helps us weed out the really expensive companies from companies that appear expensive, but are not.

You have earned a reputation for helping refine equity strategies at some of the smaller fund houses. Is this where your strengths lie?

I have recently written a post on investment process versus performance. What it tells you is that the investment process is a system you follow day-in and day-out, while the investment performance is its outcome. However, if you target investment performance, the investment process is an outcome of that. Our industry is yet to grasp this because most people tend to confuse both.

Suppose you want to get to the airport 10 kilometers away from your house in the morning. There are two sets of cab services. Let's call one set of cab services 'Super Cabs', and the other, 'Sober Cabs'. The Super Cabs' service USP is that their drivers ensure you reach your destination

> "My objective is to ensure that we have sustainable, evidence-driven investment process, which is repeatable, and can deliver a superior experience to our clients."

either before time or in time. However, you cannot ask them how. Sober Cabs, on the other hand, has a policy wherein drivers are instructed to follow the rules. They have done a lot of statistical analysis and they know which lanes on the route are generally faster. They generally stick to that one particular lane. Due to this, they generally reach on time, not significantly early, not significantly late. Their deviation is not much. Now the question is, which service would you want to choose?

There is a very small possibility that if you choose the first service, you will meet with accidents. However, in the last three-four trips, the drivers have proved that they don't meet with accidents. So you have to decide what you choose. You can't choose both. Either you reach on time by cutting lanes and jumping signals, or you choose to follow the rules, allowing you to reach in or around your time.

When you follow a systematic approach, which is an investment process, it must be evidence-driven. The problem is, most investment processes are, what a fund manager would say, a process. No one checks the historical outcome of this process. If you only have some statistical data that generally one particular lane is faster, based on long-term historical facts, you will be satisfied that this is a possibility for me to reach on time, not just by taking the driver's word for it. Similarly, an investment process must be driven by evidence. On the other side, performance is not driven by evidence. So, there is a thin, but very critical line between both. If you seek an investment process, remember, performance is an outcome, and you can only ask the manager to stick to that process at all points of time, in the short or long term. If you desire performance, then you should ask for performance in both short and long periods of time because you have not kept any guardrails. You have said, please deliver performance. My objective as an investment manager is to ensure that we have a sustainable, evidence-driven investment process, which is repeatable and can deliver a superior experience to many of our clients over a longer period of time.

How do you prioritise this process-centric approach when the market phase is against your style, as it has been for the last three years?

That is where the experience and structure of the investment manager comes in. Only if an investment manager has that experience will it help him stay true to label. Otherwise, anyone would definitely succumb to pressure. I would think that the role of an asset manager is exactly this—to stay true to mandate, not keep changing sales strategies in response to what happens in the market, and deliver a stable and superior outcome to investors over a longer period of time. The job of an investment manager is to resist the pulls and pushes of short-term returns demanded by investors.

The funds taking cash calls have done well amid this market correction. What is your stand on cash calls?

I would encourage you to share with me any data historically that indicates there is a scientific method that generates superior alpha by increasing or decreasing cash. If there is no empirical evidence, then what you are chasing is only performance, not process.

So, then, it is dependent on the skill of the driver and luck of the passenger to ensure that the outcomes are achieved. Both can keep changing. So we obviously stay away from this.

Do you feel that the skies look brighter for quality stocks for the next three-four years? If so, how will you make the most of it?

I would not look at it as part of a market cycle. It is a basic investment strategy that has worked day-in, day-out. There are some periods when it will not do well, but equally there are periods when it will do well. That is what we have published as a statistical research outcome. So we don't think along the lines that next three-four years will be good. We think that only the past two-three years were abnormal. What is happening now is normal. We don't think that there is any specific reason for this to change. We are not going to jump from one strategy to another. The objective is to have a stable, time-tested approach that will deliver superior returns over a longer period of time.

Are there any specific themes or sectors that you are favouring currently?

We are positive on the telecom sector as well as the broader consumer sector, including consumer discretionary and staples. We are also positive on private banks and speciality chemicals. We are extremely overweight in the healthcare sector. In fact, that is the only sector where we have actually launched a thematic fund because we think that this is a long-term structural growth that we are targeting. Within healthcare, we are covering healthcare services, not the pure pharmaceutical companies. Apart from this, there are high-quality and high-growth companies across various sectors in the form of new-age companies.

Can a 'no-contest clause' avert family disputes?

While the clause can act as a deterrent to frivolous challenging of the will, it is not legally binding and is not recognised by key succession Acts.

by **Riju Mehta**

Despite their proclaimed efficacy in easing the transfer of assets, wills are often at the centre of murky family disputes as they are frequently contested by disgruntled heirs. It was, perhaps, with the intent of warding off such a family slugfest that Ratan Tata inserted a no-contest clause in his will. What does this clause mean and is it a foolproof way of avoiding disputes among family members or legal heirs?

What is a no-contest clause?

A no-contest clause is also referred to as an 'in-terrorem' clause, which is Latin for 'in fear'. "It states that any beneficiary who contests the testamentary document (will or trust deed) in court will forfeit their inheritance, or receive nothing, or only a part of the designated bequest for challenging the wishes of the testator," says Rajat Dutta, Founder & Initiator, Inheritance Needs Services.

"The primary purpose of this clause is to prevent frivolous or prolonged disputes and ensure that the testator's wishes are executed smoothly. It also helps preserve estate assets by minimising costly litigation and ensuring a smoother distribution process," says Raj Lakhotia, Managing Partner, LABH & Associates.

It discourages any challenger as the risk is entirely his. If the challenger succeeds in overturning the will, the entire will, including the no-contest clause, will be cancelled and the bequest will follow intestacy rules. If the challenger loses and the will is upheld, the no-contest clause will be triggered, explains Dutta.

Is the clause legally binding?

While the clause appears to be a deterrent to anyone trying to contest the will, in effect, it is a toothless tiger. "It is not legally binding and does not prevent the legal heirs or beneficiaries from contesting or challenging the will," says Rohan Mahajan, Founder, LawRato.

In fact, this clause is not even recognised by the Indian Succession Act, 1925, the Hindu Succession Act, 1956, and the Indian Trusts Act, 1882, which governs the running of trusts in India. Hence, these clauses are inserted more with a precautionary objective and for persuasive value in courts. "Its enforceability is subject to judicial scrutiny. Indian courts allow challenges on legitimate grounds, such as undue influence or lack of capacity. No-contest clauses can't prevent all disputes and must be drafted carefully to comply with legal standards, ensuring that they do not infringe upon the fundamental rights of citizens," says Lakhotia.

Can anyone use it in a will?

Yes, anyone making a will or trust can insert the clause. However, "the rule is based on the assumption that a court will not enforce a no-contest clause that is a 'mere' threat. For a no-contest clause to be effective, it must name an alternate beneficiary for the gift if the clause gets triggered," explains Dutta.

How to avoid financial conflicts

In a household, it's common for spouses to have disparate money personalities, which can lead to flare-ups. Have a strategy on how to deal with these to ensure a smooth financial journey, says **Uma Shashikant**.

UMA SHASHIKANT
IS CHAIRPERSON,
CENTRE FOR INVESTMENT
EDUCATION AND LEARNING

There is no alternative to open and honest conversations based on facts. Many households pussy-foot around the problem and assume that they must live with the differences, fighting every flare-up, and suffering the consequences of sub-optimal decisions. Financial conflict resolution needs conversations more than complaining.

When he found out that his parents' health insurance cover wasn't enough, it was already too late. After paying the hefty hospital bills for the emergency surgery, bringing them home and arranging for nursing care, he remained anxious. How would he explain everything to his wife? She would be upset with this unexpectedly large financial outlay. She was loving and caring, but would definitely pull him up for being lax about insurance. Financial conflicts are common in most households, and there is no easy resolution.

Money personalities

Money personality is a thing. We all have different views, attitudes and approaches to money. It is not just childhood memories and upbringing, but a complex mix of experiences, social conditioning and status, psychological needs and insecurities, and our approach and ability to problem-solving that lead to our unique money personality.

Some of us spend easily, others can't even part with money for essentials. Some are content with less, while others can't have enough. Some are willing to sacrifice for a better future, others prefer living in the present. Some are very adept at processes and paperwork, while others dislike detail and documentation. These differences can be put to work. Divide financial decisions so that the household benefits, say, from the wife's ability to budget and the husband's ability to keep accounts. Different money personalities can both be a problem and a solution.

As modern households do not submit to any hierarchy or authoritarian decision-making, and rightly so, financial conflicts need resolution from time to time. Many of us find it very easy to dictate to the other about how they must make money decisions. In a marriage, the hope that one can change and modify the other to one's liking and approval is a persistent desire. We constantly communicate our opinion about what the other must do, and how. To acknowledge that the other is different, and that there is nothing wrong with being different, is a tough task. How can we keep financial conflicts down?

Resolving conflicts

First, make the effort to acknowledge and understand the other person's money personality. Typically, when the other decides differently, we protest. We try and correct, and then we offer suggestions. After a while, we stop arguing, but begin making assumptions. Instead, attempt an open approach to truly understanding what the other thinks about money, so that we hear it in their own words. Whenever a financial conflict arises, allow space for a calmer conversation after things have cooled down.

Second, allow time and space for the money personality to play out. This is easier done

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earlier in the relationship, but is never too late. Without interference and judgement, enable the other to make financial decisions. Depending on your money make-up, the stakes can be high or low. Observe the other in action. My father would be most upset as the month neared its end, as we typically ran out of money. That we did not have enough affected his self-esteem, mood and attitude. My mother decided to go to work, much against the wishes of her in-laws and family. She knew that stepping up to enhance the income was the solution, and began working when she was 35. The responsibility for the household is always joint, and both need to find out how to accommodate both types of money personalities.

Third, identify differences in money allocation and negotiate before taking action. A couple was arguing on the airplane about how their holiday was going to impact the upgrade of their car. That one of them had grudgingly agreed to the holiday was evident. There is only that much money and it needs to be allocated to short- and long-term goals.

There is no alternative to open and honest conversations based on facts. Many households pussy-foot around the problem and assume that they must live with the differences, fighting every flare-up, and suffering the consequences of sub-optimal decisions. Financial conflict resolution needs conversations more than complaining.

Fourth, introduce rule-based decision-making so that discussions about expenses can be resolved without resorting to first principles each time. A holiday can be defined as a percentage of annual income, to ensure that the spending is within limits. Such limits and rules can be set for many of the large expenses, such as upgrading the car, renovating the house, replacing the durables, and allocating to entertainment and eating out. Make sure the household is aligned on major financial decisions that require a large allocation of routine income.

Long-term planning

Fifth, plan for long-term goals and agree on how they will be funded. If an SIP needs to be started for children's education, agree on the amount and duration, and work as a unit to contribute without fail. Agree that all else comes later. If care for the elderly is required, discuss what it will entail, tap resources that may be available with them, including pension and rental income, and ensure that the estimates are realistic and funded. Equitable, transparent and fair allocations that the couple agrees on, for both sides of the family, helps reduce conflicts.

Sixth, avoid secretive financial allocations. Doing something without telling the spouse, and being caught hiding it, ruins trust and long-term health of a relationship. If a decision that might be disapproved by the spouse is required to be made, negotiating and speaking up for it is the first natural choice. If that fails, or is tough to do, seeking an allocation to spend as one desires is the second healthy choice. Many modern marriages survive due to the privacy in financial decisions, but acting without the knowledge of the spouse is a sure recipe for a flare-up. Avoiding financial conflict is not easy, but agreeing it is present and needs addressing and resolution, is a good first step.

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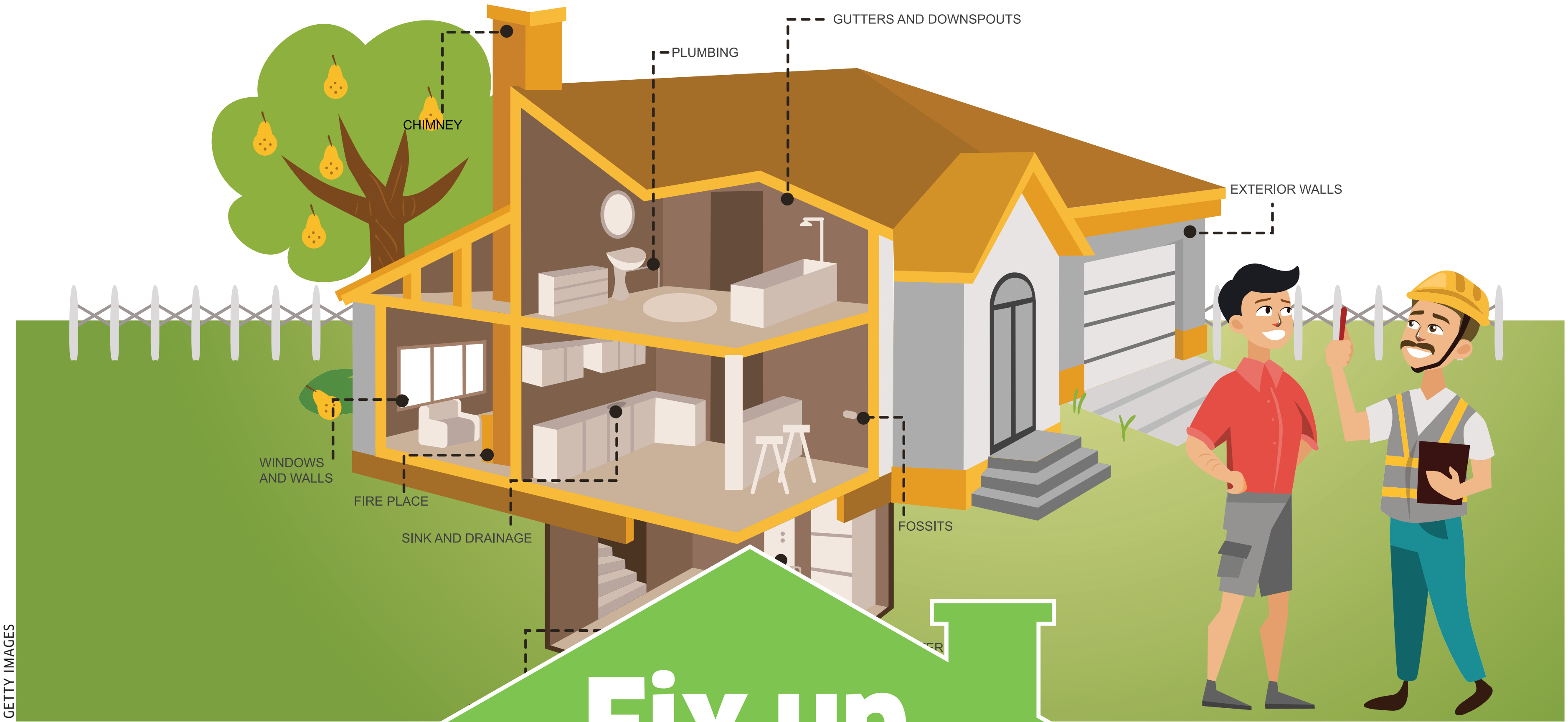

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Fix up without falling in

Make sure your home makeover doesn't leave you with a budget hangover. Plan ahead, avoid financial traps, and start with a strategy in place.

by **Niti Singh**

Anubhav Garg, an IT professional, and his wife Neha, a genetic scientist, spent months scouting swanky new projects across Delhi-NCR—only to return to what felt like home. With their eight-year-old daughter Siya in mind, they chose comfort over gloss, settling on a 1,500 sq. ft. flat in a 20-year-old Noida complex. "New buildings come with flashy add-ons and inflated prices—thanks to loading on super built-up areas. And yet, you still have to redo the interiors to suit your taste," says Anubhav. "So, we decided to buy an older home and redesign it to suit our tastes," he says.

Their renovation journey was no small feat. What started as a budget-friendly project quickly expanded as they decided to upgrade the kitchen, bathrooms, lighting, and cabinetry. Eight months and after adding an extra ₹8 lakh to their original budgeted expense, their total home makeover spiralled to ₹30 lakh, funded from their savings. They are satisfied that the result is a space that resonates with their aspirations.

Similarly, Pooja, a homemaker, and her husband Vinay Khanna, a merchant navy officer, realised their newly purchased flat needed a makeover to match their contemporary lifestyle. The previous owner had already renovated the bathrooms, leaving the couple to focus on revamping other areas. With a contractor recommended by friends, they culled out ₹15 lakh from their savings over two months to transform the space. "We wanted a temple area, so we partitioned part of the living room to make that possible, and packed the kitchen with the latest gadgets," Pooja says.

Stories like these reflect a growing trend. According to Deloitte India's report, 'Unlocking Opportunities in India's Home & Household Market Thought Leadership,' demand for home renovations is surging, especially in Tier 2/3 cities. Rising disposable incomes, easy access to credit, and the influence of digital platforms have encouraged homeowners to personalise their spaces. Younger and elderly homeowners are renovating more frequently, primarily focusing on bedrooms and living rooms, often sticking to budgets under ₹5 lakh, the report mentions. Almost 50% respondents indicate a higher frequency of renovation within less than five years for bedrooms and living rooms versus other rooms, it adds.

The motivations behind renovations vary—from lifestyle upgrades and customisation to enhancing property value for resale or rentals. While many people typically renovate properties they are going to be living in to suit their tastes and styles, homes need to be jazzed up to raise value of rental spaces too. The logic is simple: If two houses in the same apartment complex are up for sale, the one fancier would fetch a higher rent. "Indian tenants have become choosy and won't settle for lackluster interiors anymore. This is all the truer in the metros and tech-driven cities," remarks Rahul Phondge, Chief Operating Officer, Residential, ANAROCK Group.

> "Select your loan based on how much funding you need, the assets you can pledge, and the most favourable interest rate available. It is about understanding your financial limitations, the criticality of upgrades needed, and finding the sweet spot."

ADHIL SHETTY
CEO, BANKBAZAAR

Home improvement loans

Personal loans and home renovation loans differ on the need for collateral, interest rate and tenure.

Personal loan		Home renovation loan
Unsecured	Type	Secured
The loan can be used for any purpose, including renovating your house.	Loan Use	The loan can be used only for renovating a self-owned property.
10.15% onwards	Interest rate	**8.15%** onwards, at par with home loans
Age and income criteria as specified by the lender	Eligibility	Age and income criteria as specified by the lender. Ownership of property needed for which loan is being taken
Age, identity, address and income proofs as mandated by the lender	Documentation	Age, identity, address and income proofs as mandated by the lender, property ownership documents
1-5 years	Tenor	Up to 15 years
No tax breaks	Taxation	Deduction of up to ₹**30,000** each year on the EMIs of a home renovation loan under Section 24B of the Income Tax Act.

PHOTOS: ASHWANI NAGPAL

Pooja Khanna
Noida

Renovated parts of her 1,600sq ft home for ₹15 lakh. Makeover included restyling of kitchen, living areas, windows, doors, and lighting.

Uptick in trends

Observing the trend over the past few years, Ajay Mehta of Delhi-based Architechnics notes that the pandemic made people more mindful of their living spaces, especially with the rise of work-from-home culture. "Now, with Pinterest and Instagram, many clients come with mood boards. Our role with most of such clients is to align their aspirations with practical solutions," he says. Mehta emphasises practicality in renovations, advising homeowners to focus on durable materials and to prioritise spaces based on lifestyle needs. For instance, younger couples with children will want some work station/study areas, while retirees may have more time to entertain people, and hence may jazz up the drawing room.

"The costing depends upon how much of work is required in the area, the age of the property as well as the materials chosen. This is a matter of budgets, needs, choice and aesthetics," says Mehta. "Kitchens and bathrooms typically consume the largest share of renovation budgets due to the combination of gadget installations and civil works required," Mehta explains. Older homes may require extensive repairs, plumbing replacements, or plastering. Lighting, flooring, ceilings, and wall finishes can dramatically transform a space without overspending, he adds.

Agrees Shweta Jain, owner of Noida-based S.Jade Architects. "The level of customisation that you seek will have a bearing on the costs," she says. Home renovations can look daunting. "One does not know where to begin, what to look into, dimensions, and the material choices can become challenging, so it's always good to refer to a designer. For instance, while designing a kitchen, one needs to work around the gadgets that will be fitted in. Many times people end up redoing kitchens midway because they suddenly decide to go in for a different refrigerator or a dishwasher. Such things will add to the costs and delays," says Jain.

Funding home makeovers

Financing these projects, that involve material costs and styling professional/contractor fees, is a key consideration. While many fund renovations through savings, there are multiple borrowing options. According to the BankBazaar Aspiration Index 2024, around 18% of people have taken a loan for home improvement or upgradation, reflecting a growing trend in personalised home enhancements.

Home equity loans, secured against property value, offer higher loan amounts at lower interest rates, and for longer tenures, of up to 15 years. Personal loans, while quicker and more flexible, come with higher interest rates and shorter tenures of one to five years. Top-up home loans provide a convenient alternative for those with existing mortgages, streamlining the documentation process. *(See box)*

Adhil Shetty, CEO of BankBazaar, advises meticulous planning to avoid budget overruns. "Home renovation projects often expand beyond initial estimates. It's crucial to draft a clear budget, leaving a 10-15% cushion for unexpected expenses," he says. Prioritising tasks—separating essential upgrades from luxury ones—can help manage costs effectively.

Shetty explains, "Many banks offer home improvement loans with interest rates comparable to home loans and longer tenures. If that's not feasible, or if you already have an existing home loan and need a smaller amount, a top-up loan is a faster option since it's just an extension of your current loan. For larger renovation needs, you could consider a loan against property, using your existing property as collateral. For smaller projects, personal loans offer quicker disbursals, though at higher interest rates."

Putting it another way, your choice between seeking a personal loan or a home improvement loan depends on the amount you wish to borrow. Some banks give loans of up to ₹5 crore. If you need a loan for a higher amount, then it's better to go for a collateralised loan. But if you seek a loan of a smaller amount, ₹3-5 lakh or so, then a personal loan works just as well.

He cautions: "Select your loan based on how much funding you need, the assets you can pledge, and the most favourable interest rate available. It is about understanding your financial limitations, the criticality of upgrades needed, and finding the sweet spot. Just because you have access to credit does not mean you should go all out and take on expenses that you may find difficult to repay. Plan ahead and use a mix of savings and loans to finance renovations, rather than relying solely on borrowed funds. This strategy keeps costs in check."

Atul Monga, CEO & Co-Founder of BASIC Home Loan agrees, and warns that "one major risk is overcapitalisation", or spending more on renovations than the property's value justifies. Home improvement loans also take longer to process, as lenders need to evaluate property value, credit history, and repayment capacity

Both experts emphasise the need to thoroughly compare all available loan options—each with different eligibility criteria, interest rates, and repayment terms—to find the best fit. Monga advises, "Borrow only what you truly need and can comfortably repay to avoid financial strain."

Tax benefits

If you have taken a home improvement loan, you may claim deductions on interest under Section 24(b) and reduce capital gains tax, says Amit Maheshwari, Tax Partner, AKM Global. Section 24(b) of the Income Tax Act, 1961, allows individuals to claim a deduction on interest paid for loans taken for home improvement, including repairs, renovations, or reconstruction. "The maximum deduction for such interest payments is capped at ₹30,000 per financial year, regardless of whether the property is self-occupied, let out, or deemed to be let out. However, the combined deduction for interest on both home loans and home improvement loans cannot exceed ₹2,00,000 annually, as per the overall limit under Section 24(b). Additionally, Section 80C offers a deduction of up to ₹1,50,000 per year for the repayment of the principal amount of a home loan, but this benefit is limited to loans for property purchase or construction and does not apply to loans taken specifically for renovations or improvements," says Maheshwari. If the property is sold within five years of completion, the deductions claimed under Section 80C become taxable.

Furthermore, renovation expenses can provide significant tax benefits when calculating capital gains tax, as these costs can be added to the property's acquisition or improvement cost, effectively reducing the taxable capital gain upon sale, he says.

Whether you choose to fund renovations through savings or loans, careful planning and prioritisation are key. As the Gargs and Khannas discovered, transforming a house into a personalised haven requires balancing aspirations with practicality—and a well-planned financial strategy.

Anubhav & Neha Garg
Noida

Renovated 1,500sq ft home, for ₹30 lakh. Makeover included restyling of kitchen, bathrooms, living areas, almirahs and lighting.

Please send your feedback to etwealth@timesofindia.com

Is EB-5 giving way to a new gold card era?

With a $5 million 'gold card' on the horizon, EB-5 interest surges too in India as families seek certainty amid change, says **Arindam Sengupta.**

ARINDAM SENGUPTA
CO-FOUNDER, EDUFUND

The differences between the two models are significant. The investment amount is the most obvious disparity, potentially pricing out a large segment of individuals who might have considered the EB-5 program. The emphasis on job creation, a cornerstone of EB-5, also appears to be absent in the initial outline of the gold card.

The US investment immigration landscape is on the verge of a potentially seismic shift. Recent pronouncements regarding a new 'gold card' visa have sent ripples through the EB-5 Immigrant Investor Program community and beyond, signalling a move towards a dramatically different model for attracting foreign capital. For years, the EB-5 program has offered a pathway to the US residency in exchange for significant investment and job creation. Now, a proposal centred on a far higher financial threshold may redefine who can access this route to American life.

Launched in 1990 to stimulate the US economy, the EB-5 program offers foreign investors and their immediate families a direct path to permanent residency, provided they invest in a qualifying US enterprise and create at least 10 jobs. The investment threshold has evolved over time. Initially set at at $5,00,000 for targeted employment areas, it rose to to $9,00,000 in 2019, and was later revised in 2022 to $8,00,000 under the EB-5 Reform and Integrity Act.

What's the 'gold card'?

The proposed gold card presents a stark contrast. The headline figure is a $5 million investment requirement, which is a manifold increase over the standard EB-5 threshold. While details remain fluid, the core premise is to attract ultra-high net-worth individuals willing to inject substantial capital into the US economy. Proponents suggest that this influx could generate significant revenue and potentially contribute to reducing the national debt.

Despite the rising capital requirement of the EB-5 program over the years, the demand is not cooling off. Indian professionals and HNIs are seeing it less as a visa and more as a global wealth strategy. EB-5 has become a secular solution for a wide spectrum of Indian clients, including students, professionals and business families.

Once seen as an expensive shortcut, the EB-5 investor visa is being reimagined by a new generation of Indian parents, professionals and HNIs. It's no longer just about migration. It's about control, wealth preservation, and growth across borders, currencies and generations.

The existing EB-5 investors, many of whom are in a lengthy processing queue, are watching nervously.

This shift is driven by several factors, including job security that many H-1B professionals have at the top of their mind. The alignment of EB-5 with global portfolio diversification, particularly for those who are already investing in overseas education or dollar-based assets, is an added advantage.

The green card also provides valuable exposure to the US markets, including real estate, capital markets, and business opportunities. Furthermore, families are leveraging the liberalised remittance scheme (LRS) for more prudent EB-5 participation. In today's geopolitical climate, second residency is increasingly seen as essential family insurance, making EB-5 an attractive option for alternative residency planning.

The differences between the two models are significant. The investment amount is the most obvious disparity, potentially pricing out a large segment of individuals who might have considered the EB-5 program. In fact, one of the lesser known developments is the rise of structured financing for EB-5 investments, helping a broader range of financially qualified individuals to apply for the program.

The emphasis on job creation, a cornerstone of EB-5, appears to be absent in the initial outline of the gold card. There's also speculation that the gold card could offer a faster processing period or even a more direct route to citizenship, advantages not typically associated with the EB-5 program, which often involves significant waiting periods due to visa backlogs.

Looming uncertainty

The suggestion that the gold card is being intended to replace the existing EB-5 program has understandably caused considerable unease within the industry. Developers and regional centres, which facilitate many EB-5 investments, are grappling with the potential implications of a system that could drastically shrink the pool of eligible investors. The existing EB-5 investors, many of whom are in a lengthy processing queue, are also watching nervously, wondering how this new initiative might affect their journey.

For the potential EB-5 investors who were on the fence, lack of clarity has forced them to finally commit. At EduFund, we've seen a three times surge in EB-5 applications in the last quarter across many types of applications. The motivations vary widely:

- F-1 students looking to avoid the visa roulette after graduation.
- H-1B professionals seeking stability for their families.
- Business owners and NRIs using EB-5 as part of a long-term financial strategy.

Different people. Different entry points. One goal—to future-proof their place in the US story.

The road ahead for the US investment immigration remains uncertain. Several scenarios are possible. The gold card could gain traction and ultimately replace the EB-5 program, ushering in an era focused on attracting ultra-high net-worth individuals. Alternatively, both the programs could coexist, catering to different tiers of investors. What remains explicitly clear, however, is that the American dream is still very much alive for Indians.

Please send your feedback to
etwealth@timesofindia.com

SMART STATS

ET WEALTH TOP 50 STOCKS

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

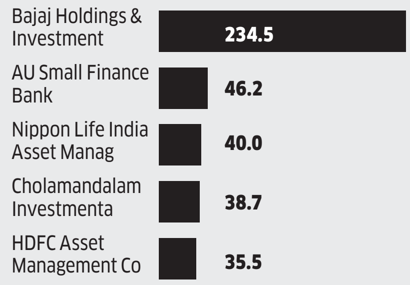
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	PEG (5-year)	Div Yield (%)	No. of funds	Value Research Stock Rating
Can Fin Homes	1	1	680	13	18	10.9	1.8	0.9	0.9	27	★★★★★
Kotak Mahindra Bank	2	2	2,133	21	29	18.8	2.8	1.8	0.1	168	★★★★★
AU Small Finance Bank	3	7	563	46	14	21.3	2.5	0.8	0.2	43	★★★★★
Indus Towers	4	4	358	5	82	9.4	2.9	0.5	0.0	84	★★★★★
NIIT Learning Systems	5	5	403	5	9	23.7	4.8	2.9	1.3	12	★★★★★
Bajaj Finance	6	6	8,595	29	14	33.4	5.8	2.0	0.4	163	★★★★★
National Aluminium Company	7	3	173	14	182	7.6	1.8	0.2	1.7	36	★★★★★
Karur Vysya Bank	8	9	215	20	26	9.2	1.5	1.0	1.1	59	★★★★★
Sharda Motor Industries	9	12	1,568	0	20	14.2	4.6	0.6	0.6	10	★★★★★
ICICI Bank	10	10	1,330	19	15	19.3	3.3	1.3	0.8	297	★★★★★
Aadhar Housing Finance	11	8	459	21	18	22.7	3.2	1.3	0.0	31	★★★★★
Aavas Financiers	12	11	2,095	18	19	29.5	4.0	2.0	0.0	34	★★★★★
State Bank Of India	13	13	779	15	24	8.8	1.5	1.0	1.8	223	★★★★★
The Great Eastern Shipping Co	14	14	936	7	19	4.6	0.9	0.1	3.9	18	★★★★★
Gulf Oil Lubricants India	15	17	1,126	8	25	15.7	3.8	1.4	3.2	17	★★★★★
Hero MotoCorp	16	15	3,753	11	15	18.1	3.7	4.4	3.7	98	★★★★
City Union Bank	17	16	164	11	11	11.2	1.3	2.3	0.9	37	★★★★★
Cholamandalam Investment	18	23	1,445	39	25	30.0	5.4	1.6	0.1	124	★★★★★
REC	19	37	425	19	19	7.2	1.5	0.7	3.8	93	★★★★★
Ashoka Buildcon	20	22	200	13	614	3.7	1.6	0.0	0.0	8	★★★★★
Just Dial	21	19	836	12	63	13.1	1.6	1.0	0.0	5	★★★★★
Nesco	22	20	949	13	14	17.0	2.6	1.6	0.6	6	★★★★★
Chambal Fertilisers and Chem.	23	27	629	-11	32	15.6	2.9	2.7	1.2	7	★★★★★
DCB Bank	24	30	117	21	13	6.2	0.7	0.8	1.1	14	★★★★★
HDFC Bank	25	29	1,795	31	2	19.7	2.8	1.3	1.1	298	★★★★★
Indiamart Intermesh	26	24	2,141	17	63	27.3	6.4	1.2	0.9	27	★★★★
Aditya Birla Sun Life AMC	27	18	663	26	29	21.0	5.5	2.5	2.0	19	★★★★★
Supreme Petrochem	28	34	626	19	11	28.4	5.4	0.5	1.4	5	★★★★★
Bajaj Holdings & Investment	29	26	11,500	234	27	17.0	2.1	0.7	1.1	17	★★★★★
Repco Home Finance	30	31	354	12	19	4.9	0.7	0.8	0.8	11	★★★★★
LG Balakrishnan & Bros	31	33	1,207	11	10	13.4	2.1	0.5	1.5	7	★★★★★
KPIT Technologies	32	32	1,211	23	40	43.8	12.3	1.7	0.6	61	★★★★
Nippon Life India Asset Mana.	33	28	584	40	37	27.9	8.5	2.0	2.8	41	★★★★★
Castrol India	34	38	201	6	7	21.4	9.1	9.0	6.5	13	★★★★★
HCL Technologies	35	39	1,470	7	9	23.3	5.4	3.1	3.5	115	★★★★
Zydus Lifesciences	36	36	902	17	53	20.0	4.0	1.1	0.3	47	★★★★
Infosys	37	21	1,497	4	13	22.5	6.4	3.0	3.1	242	★★★★
LIC Housing Finance	38	43	573	4	6	6.1	0.9	0.7	1.6	44	★★★★★
HDFC Asset Management Com	39	40	4,044	35	33	36.7	11.7	3.7	1.7	71	★★★★
Computer Age Management	40	25	3,823	28	41	41.1	16.4	2.1	1.2	62	★★★★
CMS Info Systems	41	41	478	14	4	21.6	3.6	1.5	1.2	27	★★★★★
Amara Raja Energy & Mobility	42	73	1,014	12	17	18.5	2.5	2.1	1.0	23	★★★★★
Escorts Kubota	43	56	3,276	1	21	30.8	3.6	1.3	0.6	35	★★★★
Eicher Motors	44	49	5,379	11	16	33.2	7.4	2.5	0.9	89	★★★★★
Maruti Suzuki India	45	46	11,688	11	19	25.3	4.0	1.8	1.1	195	★★★★
Indian Energy Exchange	46	44	182	19	21	39.7	14.2	2.7	1.4	29	★★★★
Abbott India	47	48	29,909	9	16	47.6	16.4	3.4	1.4	53	★★★★★
Muthoot Finance	48	58	2,370	32	19	19.2	3.4	1.7	1.0	83	★★★★★
Mahindra & Mahindra	49	67	2,611	14	12	26.2	4.4	1.3	0.8	203	★★★★★
Oberoi Realty	50	68	1,591	32	59	22.4	3.8	0.9	0.5	55	★★★★

*REVENUE AND EPS FIGURES BASED ON ONE-YEAR GROWTH. DATA AS ON 4 APR 2025

SOURCE: VALUE RESEARCH

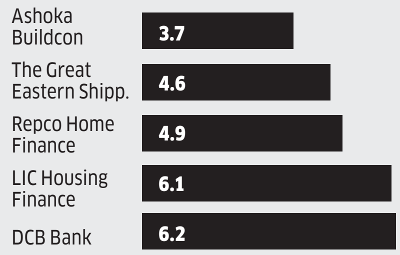
1 Fast growing stocks

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



2 Least expensive stocks

Top 5 stocks with the lowest price to earnings ratio

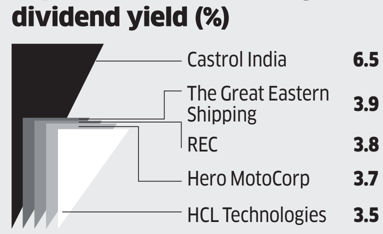


3 Best PEGs

Top 5 stocks with the least price earnings to growth ratio

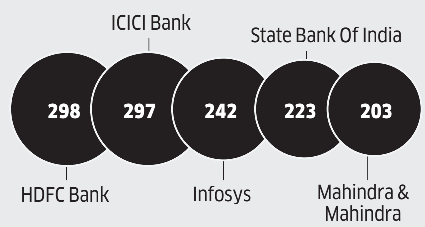
4 Income generators

Top 5 stocks with the highest dividend yield (%)



5 Most widely held

Top 5 stocks held by most number of mutual funds



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

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

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

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio (%)
EQUITY: LARGE CAP								
Nippon India Large Cap Fund	★★★★★	34,211.60	-5.48	-9.29	5.09	17.33	28.92	1.58
ICICI Prudential Bluechip Fund	★★★★★	60,177.20	-3.42	-8.89	5.97	15.54	27.28	1.47
HDFC Large Cap Fund - Regular Plan	★★★★★	33,913.31	-4.02	-10.59	3.50	14.90	26.31	1.63
Kotak Nifty Next 50 Index Fund - Regular Plan	★★★★	436.51	-8.79	-18.28	1.29	14.74	–	0.58
DSP Nifty 50 Equal Weight Index Fund - Regular Plan	★★★★★	1,827.38	-2.95	-12.42	2.91	14.21	28.88	0.92
Baroda BNP Paribas Large Cap Fund - Regular Plan	★★★★	2,262.51	-7.08	-12.40	3.50	13.70	22.98	2.01
Edelweiss Large Cap Fund - Regular Plan	★★★★	1,058.57	-5.63	-11.49	4.04	12.84	23.68	2.18
Quant Focused Fund	★★★★★	965.80	-8.06	-17.06	-6.69	12.78	27.91	2.22
JM Large Cap Fund	★★★★	457.68	-8.48	-14.78	-1.77	12.75	19.22	2.37
Canara Robeco Bluechip Equity Fund - Regular Plan	★★★★	13,848.24	-5.00	-8.76	7.53	12.49	22.99	1.68
Invesco India Largecap Fund	★★★★	1,229.29	-8.47	-11.89	5.44	12.33	23.98	2.10
EQUITY: LARGE & MIDCAP								
Motilal Oswal Large and Midcap Fund - Regular Plan	★★★★★	7,624.82	-17.51	-14.75	11.20	22.48	30.62	1.75
Bandhan Core Equity Fund - Regular Plan	★★★★★	7,233.51	-7.97	-12.32	9.81	20.76	31.38	1.78
ICICI Prudential Large & Mid Cap Fund	★★★★★	17,818.19	-2.02	-9.04	9.93	19.48	32.65	1.70
UTI Large & Mid Cap Fund - Regular Plan	★★★★	3,789.32	-7.90	-12.02	10.76	18.96	31.84	1.91
HDFC Large and Mid Cap Fund - Regular Plan	★★★★	21,526.58	-7.86	-12.53	5.29	18.01	31.49	1.68
Kotak Equity Opportunities Fund - Regular Plan	★★★★	22,852.62	-8.96	-12.70	5.70	15.97	27.24	1.63
SBI Large & Midcap Fund	★★★★	27,384.68	-5.36	-9.26	8.85	15.51	28.81	1.62
EQUITY: FLEXI CAP								
HDFC Focused 30 Fund - Regular Plan	★★★★★	15,515.87	-2.34	-5.34	14.11	21.95	32.93	1.68
HDFC Flexi Cap Fund - Regular Plan	★★★★★	64,124.15	-2.71	-5.76	13.49	21.27	32.99	1.43
JM Flexicap Fund	★★★★★	4,899.24	-13.86	-16.68	5.08	20.53	29.18	1.82
Invesco India Focused Fund - Regular Plan	★★★★	3,181.54	-11.32	-10.25	12.30	18.96	–	1.89
ICICI Prudential Focused Equity Fund	★★★★	9,532.60	-3.55	-9.62	10.35	18.87	30.37	1.76
ICICI Prudential Retirement Fund - Pure Equity Plan	★★★★	981.86	-6.43	-10.79	5.20	18.07	31.76	2.18
HDFC Retirement Savings Fund Equity Plan	★★★★★	5,571.31	-6.37	-10.35	5.74	17.71	30.55	1.80
Mahindra Manulife Focused Fund - Regular Plan	★★★★	1,818.65	-3.60	-11.09	5.60	17.37	–	2.02
Bank of India Flexi Cap Fund - Regular Plan	★★★★	1,786.77	-12.37	-14.17	1.44	17.26	–	1.99
Franklin India Flexi Cap Fund - Regular Plan	★★★★	16,139.31	-7.73	-10.25	7.30	16.31	30.49	1.74
Parag Parikh Flexi Cap Fund - Regular Plan	★★★★★	88,004.52	-4.54	-4.32	11.70	16.22	30.46	1.33
HSBC Flexi Cap Fund*	★★★★	4,182.76	-11.86	-13.05	6.21	15.92	26.46	1.96
Edelweiss Flexi Cap Fund - Regular Plan	★★★★	2,208.81	-9.97	-13.74	6.69	14.69	26.39	1.98
Franklin India Focused Equity Fund - Regular Plan	★★★★	10,907.40	-7.48	-12.67	3.82	14.47	28.32	1.80
360 ONE Focused Equity Fund - Regular Plan	★★★★	6,351.89	-5.03	-11.85	4.99	14.00	26.99	1.76
Union Flexi Cap Fund	★★★★	1,994.95	-9.05	-11.19	2.59	12.12	25.45	2.10
EQUITY: MID CAP								
Motilal Oswal Midcap Fund - Regular Plan	★★★★★	23,703.68	-18.57	-14.56	15.23	27.41	37.75	1.61
HDFC Mid-Cap Opportunities Fund - Regular Plan	★★★★★	67,578.59	-10.28	-11.56	7.42	23.50	35.13	1.42
Nippon India Growth Fund	★★★★	30,276.31	-10.57	-13.11	10.74	22.14	35.42	1.61
Edelweiss Mid Cap Fund - Regular Plan	★★★★	7,729.29	-12.45	-12.24	13.83	21.46	35.18	1.74
Kotak Emerging Equity Fund - Regular Plan	★★★★	43,941.48	-13.58	-14.25	11.63	17.67	32.30	1.47
SBI Magnum Midcap Fund	★★★★	19,391.73	-8.34	-11.94	5.76	16.90	33.20	1.68
Quant Mid Cap Fund	★★★★	7,615.71	-8.95	-16.95	-5.57	16.87	36.92	1.79
EQUITY: SMALL CAP								
Tata Small Cap Fund - Regular Plan	★★★★	8,274.12	-13.80	-16.74	9.71	21.12	36.49	1.73
Nippon India Small Cap Fund	★★★★★	50,826.29	-14.69	-17.50	3.91	20.42	41.26	1.49
Quant Small Cap Fund	★★★★★	22,832.42	-12.59	-18.62	-3.47	19.46	49.83	1.65
Bank of India Small Cap Fund - Regular Plan	★★★★	1,389.85	-15.97	-17.10	7.38	16.57	36.95	2.04
EQUITY: VALUE ORIENTED								
SBI Contra Fund	★★★★★	39,589.67	-5.87	-11.12	5.05	20.97	37.22	1.54
JM Value Fund	★★★★	936.83	-13.30	-18.71	1.61	19.89	30.64	2.26
HSBC Value Fund*	★★★★	11,580.20	-9.36	-12.65	5.53	19.18	32.61	1.75
ICICI Prudential Value Discovery Fund	★★★★★	46,114.48	-2.58	-8.02	9.53	19.15	33.47	1.57
EQUITY: ELSS								
SBI Long Term Equity Fund - Regular Plan	★★★★★	25,723.50	-5.57	-10.68	7.99	22.56	31.94	1.60
Motilal Oswal ELSS Tax Saver Fund - Regular Plan	★★★★★	3,405.01	-19.12	-16.75	8.53	21.34	28.35	1.87
HDFC ELSS Tax Saver Fund - Regular Plan	★★★★★	14,671.37	-3.32	-7.92	10.91	20.33	30.52	1.67
DSP ELSS Tax Saver Fund - Regular Plan	★★★★	14,981.09	-5.28	-9.97	13.98	17.14	29.44	1.65

17.33% THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

21.95% THE 3-YEAR RETURN OF HDFC FOCUSED 30 FUND IS THE HIGHEST IN ITS CATEGORY.

27.41% THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

20.97% THE 3-YEAR RETURN OF SBI CONTRA FUND IS THE HIGHEST IN ITS CATEGORY.

LAGGARDS & LEADERS

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

Equity: Large cap 5-year returns

LAGGARDS		LEADERS	
Axis Bluechip Fund	17.78	BHARAT 22 ETF	36.15
Nippon India ETF Nifty 50 Shariah BeES	18.52	ICICI Prudential BHARAT 22 FOF	34.93
JM Large Cap Fund	19.22	SBI BSE Sensex Next 50 ETF	30.23
Groww Large Cap Fund - Regular Plan	19.96	UTI BSE Sensex Next 50 ETF	30.18
PGIM India Large Cap Fund	20.27	Nippon India ETF BSE Sensex Next 50	29.91

Equity: Flexi cap 5-year returns

LAGGARDS		LEADERS	
Motilal Oswal Focused Fund	16.27	Quant Flexi Cap Fund	37.39
LIC MF Children's Fund	17.05	HDFC Flexi Cap Fund	32.99
ABSL Bal Bhavishya Yojna	17.14	HDFC Focused 30 Fund	32.93
Axis Focused Fund	17.62	ICICI Prudential Retirement Fund	31.76
ABS Retirement Fund - The 30s Plan	17.93	ICICI Prudential India Equity FOF	30.58

Equity: Mid cap 3-year returns

LAGGARDS		LEADERS	
DSP Nifty Midcap 150 Quality	10.19	Motilal Oswal Midcap Fund	27.41
PGIM India Midcap Opp. Fund	11.02	HDFC Mid-Cap Opportunities Fund	23.5
UTI Mid Cap Fund	13.79	Nippon India Growth Fund	22.14
Taurus Mid Cap Fund	14.08	Edelweiss Mid Cap Fund	21.46
Axis Midcap Fund	14.43	Invesco India Mid Cap Fund	21.36

Equity: Small cap 3-year returns

LAGGARDS		LEADERS	
PGIM India Small Cap Fund	8.41	Bandhan Small Cap Fund	23.89
Canara Robeco Small Cap Fund	12.17	ITI Small Cap Fund	22.76
Kotak Small Cap Fund	12.7	Tata Small Cap Fund	21.12
ABSL Small Cap Fund	13.2	Nippon India Small Cap Fund	20.42
Union Small Cap Fund	13.68	Invesco India Smallcap Fund	20.42

Hybrid: Aggressive 5-year returns

LAGGARDS		LEADERS	
ABSL Retirement Fund - 40s Plan	15.76	ICICI Prudential Equity & Debt Fund	28.92
Shriram Aggressive Hybrid Fund	15.97	Quant Absolute Fund	28.81
Axis Retirement Fund	16.03	JM Aggressive Hybrid Fund	28.54
LIC MF Aggressive Hybrid Fund	16.52	BOI Mid & Small Cap Equity & Debt Fund	28.11
Axis Children's	16.61	UTI Aggressive Hybrid Fund	24.97

ANNUALISED RETURNS IN % AS ON 2 APRIL 2025

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
Parag Parikh ELSS Tax Saver Fund - Regular Plan	★★★★★	4,477.32	-4.18	-6.18	11.73	16.42	29.37	1.73
Bank of India ELSS Tax Saver Fund - Regular Plan	★★★★	1,182.15	-11.66	-14.78	-2.95	15.14	27.63	2.12
Quant ELSS Tax Saver Fund	★★★★	9,486.28	-7.14	-19.00	-7.97	12.84	37.50	1.68
HYBRID: EQUITY SAVINGS								
HSBC Equity Savings Fund*	★★★★	619.25	-8.93	-4.75	8.66	10.36	15.52	1.51
Kotak Equity Savings Fund - Regular Plan	★★★★★	7,897.27	-1.84	-2.75	5.93	10.17	13.65	1.76
UTI Equity Savings Fund - Regular Plan	★★★★★	640.83	0.27	-0.45	7.00	10.04	13.85	1.65
Edelweiss Equity Savings Fund - Regular Plan	★★★★	568.54	-0.84	0.22	9.06	9.77	12.07	1.60
SBI Equity Savings Fund - Regular Plan	★★★★	5,511.97	-2.50	-2.12	6.56	9.22	14.27	1.43
ICICI Prudential Equity Savings Fund	★★★★	12,610.02	0.93	1.35	7.59	8.09	11.77	0.97
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
SBI Magnum Children's Benefit Fund - Investment Plan	★★★★★	3,014.82	-11.47	-8.34	19.82	18.45	–	1.92
JM Aggressive Hybrid Fund	★★★★★	729.07	-9.69	-12.74	5.00	18.43	28.54	2.29
ICICI Prudential Equity & Debt Fund	★★★★★	38,507.07	-0.18	-5.12	8.87	17.21	28.92	1.60
ICICI Prudential Retirement Fund - Hybrid Aggressive	★★★★	705.10	-5.77	-9.73	4.98	15.57	23.45	2.32
Edelweiss Aggressive Hybrid Fund - Regular Plan	★★★★	2,289.86	-4.71	-7.07	8.91	15.34	23.34	1.95
ICICI Prudential Child Care Fund - Gift Plan	★★★★	1,183.32	-3.64	-8.58	5.75	15.21	22.39	2.23
UTI Aggressive Hybrid Fund - Regular Plan	★★★★★	5,633.37	-4.58	-7.40	10.07	15.11	24.97	1.90
Bank of India Mid & Small Cap Equity & Debt Fund - Regular	★★★★	974.20	-11.47	-11.00	4.05	14.55	28.11	2.20
HDFC Children's Fund Regular Plan	★★★★★	9,057.90	-6.05	-7.15	7.10	14.33	23.53	1.74
HDFC Retirement Savings Fund - Hybrid Equity Plan	★★★★	1,485.44	-4.36	-7.38	5.80	13.58	21.85	2.05
Kotak Equity Hybrid Fund - Regular Plan	★★★★	6,324.10	-8.20	-10.02	8.13	12.22	23.52	1.79
Quant Absolute Fund	★★★★	1,893.04	-3.63	-12.77	-4.03	10.60	28.81	2.06
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund - Savings Plan	★★★★★	119.31	-0.86	0.02	13.63	11.86	15.30	1.22
ICICI Prudential Regular Savings Fund	★★★★	3,096.16	0.74	0.99	8.89	9.30	10.89	1.67
Kotak Debt Hybrid Fund - Regular Plan	★★★★	2,975.06	0.36	-0.80	8.74	9.88	12.92	1.67
SBI Conservative Hybrid Fund	★★★★	9,552.80	0.36	-0.33	8.44	9.61	12.54	1.54
HDFC Hybrid Debt Fund - Regular Plan	★★★★	3,236.56	1.12	0.56	8.07	10.29	12.60	1.73
HDFC Retirement Savings Fund - Hybrid Debt Plan	★★★★	154.70	0.12	-0.41	7.17	8.52	9.56	2.14
HYBRID: DYNAMIC ASSET ALLOCATION								
ICICI Prudential Balanced Advantage Fund	★★★★	58,716.56	-0.84	-2.74	7.51	11.70	18.50	1.48
HDFC Balanced Advantage Fund - Regular Plan	★★★★★	90,374.53	-2.76	-4.79	7.43	19.11	27.36	1.37
Baroda BNP Paribas Balanced Advantage Fund	★★★★	3,832.93	-5.00	-5.72	5.47	11.40	18.59	1.89
Tata Balanced Advantage Fund - Regular Plan	★★★★	9,754.44	-2.38	-5.09	3.89	9.90	16.23	1.72
DEBT: FLOATER								
Aditya Birla Sun Life Floating Rate Fund - Regular Plan	★★★★★	13,190.34	2.22	4.12	8.08	7.07	6.57	0.43
DEBT: BANKING AND PSU								
Aditya Birla Sun Life Banking & PSU Debt Fund	★★★★	9,585.97	2.67	4.17	8.60	6.69	6.58	0.73
ICICI Prudential Banking & PSU Debt Fund	★★★★★	10,092.25	2.55	4.42	8.43	7.14	6.77	0.74
Bandhan Banking & PSU Debt Fund - Regular Plan	★★★★	13,421.37	2.49	4.03	8.22	6.49	6.38	0.63
DEBT: SHORT TERM								
ICICI Prudential Short Term Fund	★★★★★	14,390.68	2.56	4.21	8.74	6.91	6.76	0.74
HDFC Short Term Debt Fund	★★★★★	8,825.08	2.66	4.35	8.66	6.71	6.47	0.89
Aditya Birla Sun Life Short Term Fund - Regular Plan	★★★★	8,689.03	2.59	4.22	8.59	6.84	7.07	0.95
UTI Short Duration Fund - Regular Plan	★★★★	213.14	2.45	3.91	8.51	6.62	7.64	1.14
Axis Short Duration Fund - Regular Plan	★★★★	20,112.23	2.56	4.24	8.46	7.27	6.94	1.02
Sundaram Short Duration Fund	★★★★	2,446.08	2.51	4.08	8.17	6.74	7.55	0.85
DEBT: CORPORATE BOND								
Aditya Birla Sun Life Corporate Bond Fund	★★★★	25,293.29	2.83	4.37	9.22	7.17	7.25	0.51
Nippon India Corporate Bond Fund	★★★★★	6,497.76	2.85	4.38	9.06	7.20	6.89	0.74
HDFC Corporate Bond Fund - Regular Plan	★★★★	32,190.90	2.73	4.29	9.00	6.96	6.89	0.59
Kotak Corporate Bond Fund - Standard Plan	★★★★	14,448.90	2.72	4.21	8.93	6.85	6.58	0.67
Axis Corporate Bond Fund - Regular Plan	★★★★	6,298.58	2.80	4.30	8.79	6.76	6.77	0.91
ICICI Prudential Corporate Bond Fund	★★★★★	29,545.49	2.60	4.40	8.66	7.35	7.04	0.58

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

Expense as on 28 February 2025
Returns as on 02 April 2025
Assets as on 28 February 2025
Rating as on 31 March 2025

10.36% THE 3-YEAR RETURN OF HSBC EQUITY SAVINGS FUND IS THE HIGHEST IN ITS CATEGORY.

13.63% THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

8.60% THE 1-YEAR RETURN OF ABSL BANKING & PSU DEBT FUND IS THE HIGHEST IN ITS CATEGORY.

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

Methodology

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

★★★★★ Top 10%
★★★★ Next 22.5%
★★★ Middle 35%
★★ Next 22.5%
★ Bottom 10%

(Not covered in ETW Funds 100 listing)

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

Categories

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FUND RAISER

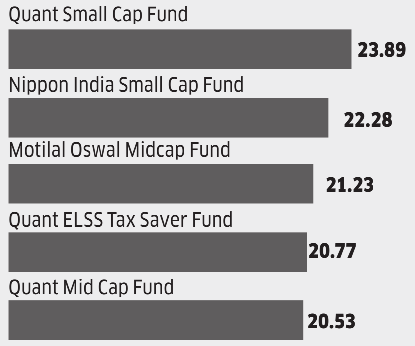
₹1.16 lakh crore

the net amount invested by mutual funds in domestic equities in the March 2025 quarter. Comparatively, there was a net selling of ₹1.94 lakh crore in the debt market during the quarter.

Source: ACEMF

1 Top 5 SIPs

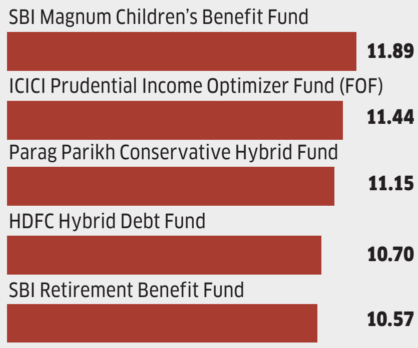
Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN
% ANNUALISED RETURNS AS ON 2 APR 2025

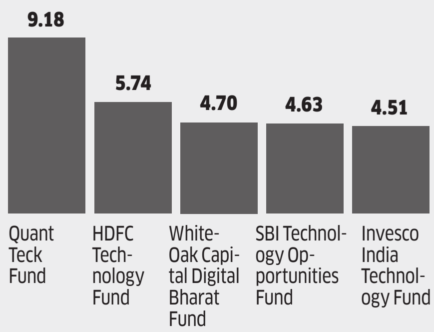
2 Top 5 SWPs

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



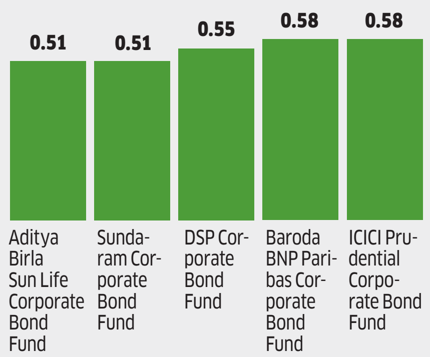
SWP: SYSTEMATIC WITHDRAWAL PLAN
% ANNUALISED RETURNS AS ON 2 APR 2025

3 Sectoral-Technology: Cash Holdings



% OF ASSETS AS ON 28 FEB 2025

4 Debt: Corporate Bond



% AS ON 28 FEB 2025

% EXPENSE RATIO IS CHARGED ANNUALLY.

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

LOANS & DEPOSITS

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

Top five bank FDs

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

Top five senior citizen bank FDs

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

Top five tax-saving bank FDs

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

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

HOME LOAN RATES

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

REPO RATE: 6.25%

BANK		FOR SALARIED		FOR SELF-EMPLOYED (%)		
	RLLR (%)	FROM (%)	TO (%)	FROM (%)	TO (%)	WEF
IndusInd Bank	--	8.35	9.90	8.35	9.90	Not Given
Bank of Maharashtra	9.05	8.10	10.15	8.20	10.65	12 Feb 2025
Union Bank of India	9.00	8.10	10.50	8.10	10.50	11 Feb 2025
Indian Bank	9.20	8.15	9.55	8.60	10.10	10 Feb 2025
Indian Overseas Bank	9.10	8.15	8.65	8.25	8.75	11 Feb 2025
Bank of Baroda	8.90	8.15	10.35	8.15	10.35	10 Feb 2025
Bank of India	9.10	8.15	9.30	8.15	9.30	7 Feb 2025
UCO Bank	9.05	8.35	10.00	8.35	10.00	10 Feb 2025
Central Bank of India	9.25	8.40	9.40	8.40	9.40	Not Given
SBI Term Loan	8.90	8.25	9.20	8.25	9.20	15 Feb 2025
IDBI Bank	9.10	8.40	10.75	8.50	12.25	12 Mar 2025
Canara Bank	9.00	8.15	11.00	8.15	11.00	12 Feb 2025
Punjab & Sind Bank	8.30	8.40	9.85	8.40	9.85	16 Feb 2025
South Indian Bank	9.85	8.70	11.20	8.75	11.70	Not Given
Kotak Mahindra Bank	--	8.65 onwards		8.65 onwards		Not Given
J & K Bank	8.85	8.50	9.60	8.75	9.60	10 Feb 2025
HDFC Bank	--	8.70	9.55	8.70	9.55	Not Given
Federal Bank	9.63	8.80	10.00	9.95	10.05	16 Feb 2025
Karnataka Bank	--	9.04	11.06	9.04	11.06	1 March 2025
Karur Vysya Bank	9.60	8.75	11.70	8.75	11.70	8 Feb 2025
YES Bank	--	9.95	13.75	9.95	13.75	Not Given
Bandhan Bank	--	8.91	13.08	8.91	13.08	Not Given
ICICI Bank	--	9.25	9.90	9.40	10.05	Not Given

Your EMI for a loan of ₹1 lakh

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

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

Post office deposits

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

Data as on 3 April 2025

#Benefit available only for 5-year deposit

ALTERNATIVE INVESTMENT RETURNS MONITOR

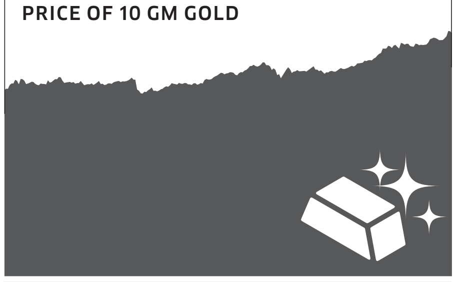
The scope and attractiveness of alternative investments is increasing. Here's a weekly tracker of returns from such investments. But don't compare these with returns from traditional investments since the proportion and purpose of alternative investments is vastly different.

Gold (995) (₹)

69,086
3 APR 2024

89,983
3 APR 2025

PRICE OF 10 GM GOLD



Silver (₹)

77,594
3 APR 2024

95,957
3 APR 2025

PRICE OF 1 KG SILVER

Platinum ($/troy ounce)

936.65
3 APR 2024

956.65
3 APR 2025

WTI Crude ($/barrel)

85.48
3 APR 2024

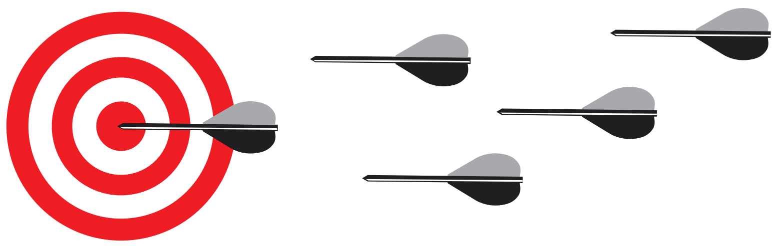
67.27
3 APR 2025

CHANGE

	Gold (995) (₹)	Silver (₹)	Platinum ($/troy ounce)	WTI Crude ($/barrel)
1 WEEK	2.18%	-3.83%	-2.96%	-3.85%
1 YEAR	30.25%	23.67%	2.14%	-21.3%

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)
Covance Softsol	6.93	5.96	**153.85**	0	-75.64	10.23
Sharp Investments	1.25	58.23	**81.16**	14.8	153.71	30.26
TeleCancor Global	9.92	15.62	**75.58**	0.07	112.48	11.3
Gayatri Highways	1.31	6.5	**72.37**	0.09	-86.87	31.39
India Steel Works	6.2	22.05	**60.21**	28.18	963.18	246.82
Kashyap Tele-Medicines	4.93	7.88	**59.03**	0.11	-41.79	23.52
ISF	1.64	-0.61	**51.85**	2.96	110.16	15.58
Markobenz Ventures	9.1	-1.3	**51.16**	0.6	-3.37	17.47
Quadrant Televentures	0.46	2.22	**43.75**	78.08	12.51	28.17
Sylph Technologies	1.08	6.93	**42.11**	9.3	96.40	25.17

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)
AGS Transact Tech.	7.22	-18.51	**-60.15**	1.25	536.22	92.73
Kesoram Industries	4.39	-6.6	**-56.1**	3.97	481.79	136.4
MEP Infrastructure Deve.	1.34	-5.63	**-42.74**	1.17	35.13	24.65
BC Power Controls	1.94	10.86	**-41.39**	23.99	299.27	13.54
Premier Energy & Infra.	4.5	20.97	**-37.67**	1.19	793.16	18.61
Ansal Properties & Infra.	3.88	2.65	**-35.12**	2.24	988.03	61.07
SRU Steels	5.19	-9.9	**-33.46**	14.57	197.85	31.11
Money Masters Leasing	1.96	-4.85	**-31.23**	2.66	-16.90	19.68
Spright Agro	4.18	-0.71	**-30.68**	29.4	-61.18	447.89
Newtime Infrastructure	3.41	-7.34	**-29.25**	2.73	234.80	178.96

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
AF Enterprises	6.74	-4.4	-8.8	3.2	**33,871.84**	22.54
Enbee Trade & Finance	8.38	10.12	4.49	9.07	**25,041.09**	47.91
Shangar Decor	1.06	0	9.28	16.97	**2,476.40**	51.9
Nivaka Fashions	3.74	0.54	13.33	1.82	**2,137.78**	38.41
Music Broadcast	9.66	5	-0.1	2.91	**1,305.81**	333.95
Neil Industries	8.68	-4.3	-10.61	0.57	**1,261.19**	16.97
Kaiser Corporation	5.7	7.75	38.69	1.74	**1,036.24**	29.98
Gujarat Lease Financing	6.8	4.94	3.66	0.01	**1,003.60**	18.45
Ansal Properties & Infra.	3.88	2.65	-35.12	2.24	**988.03**	61.07
India Steel Works	6.2	22.05	60.21	28.18	**963.18**	246.82

Top volume losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
Bodhi Tree Multimedia	9.1	14.61	5.69	1.19	**-78.97**	164.26
Arshiya	2.66	4.72	-9.83	1.08	**-77.27**	70.09
Monotype India	0.73	5.8	-7.59	7.39	**-75.30**	51.33
Reliance Communications	1.7	9.68	4.29	8.23	**-74.94**	470.14
Vama Industries	7.4	7.25	3.79	1.07	**-67.32**	38.89
Rajnish Retail	7.54	1.89	3.57	4.57	**-65.84**	118.23
Orchasp	3.81	72.4	33.22	2.86	**-65.84**	121.75
Consecutive Investments	1.72	-8.02	-27.43	6.09	**-64.83**	27.54
NHC Foods	0.93	-4.12	0	17.19	**-64.48**	55.13
Spright Agro	4.18	-0.71	-30.68	29.4	**-61.18**	447.89

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 3 APR 2025. **SOURCE:** ETIG DATABASE AND REUTERS-REFINITIV

Why sector diversification helps

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

Rank	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
1	Pharma 9.5%	Metals 44.9%	Real estate 101.0%	IT 24.9%	Real estate 25.7%	Pharma 60.5%	Metals 69.4%	Metals 19.5%	Real estate 79.6%	Pharma 38.9%	Metals 4.4%
2	FMCG 0.7%	Energy 19.5%	Metals 45.6%	FMCG 14.4%	Banks 17.4%	IT 54.2%	IT 58.2%	Banks 18.0%	Auto 47.0%	Real estate 33.8%	Banks -0.5%
3	IT -0.03%	Auto 9.8%	Banks 42.1%	Banks 7.3%	Energy 10.9%	Metals 16.4%	Real estate 53.0%	FMCG 17.5%	Infra 38.0%	Auto 22.8%	Infra -1.3%
4	Energy -0.5%	Banks 6.7%	Energy 38.2%	Energy 1.4%	IT 8.3%	FMCG 13.0%	Infra 34.7%	Auto 13.5%	Pharma 34.1%	IT 21.4%	Energy -6.0%
5	Auto -0.8%	FMCG 2.8%	Infra 32.9%	Pharma -7.8%	Infra 2.0%	Auto 12.0%	Energy 33.3%	Energy 13.2%	FMCG 29.0%	Infra 15.9%	FMCG -6.9%
6	Infra -9.6%	Infra -2.9%	FMCG 29.7%	Infra -12.7%	FMCG -0.9%	Infra 11.9%	Auto 17.9%	Infra 4.8%	Energy 28.6%	Metals 8.1%	Auto -8.2%
7	Banks -9.8%	Real estate -6.0%	Auto 28.8%	Metals -19.5%	Pharma -9.5%	Energy 5.8%	Banks 13.6%	Pharma -11.0%	IT 23.6%	Banks 5.4%	Pharma -11.5%
8	Real estate -15.0%	IT -6.9%	IT 12.5%	Auto -22.3%	Auto -10.2%	Real estate 5.4%	Pharma 9.4%	Real estate -11.8%	Metals 15.8%	Energy 4.9%	IT -17.0%
9	Metals -32.2%	Pharma -14.3%	Pharma -6.7%	Real estate -33.2%	Metals -10.7%	Banks -2.6%	FMCG 9.3%	IT -26.8%	Banks 11.8%	FMCG -0.9%	Real estate -20.7%

Source: ACE MF. *2025 data is YTD based on 1 April 2025 closing values. Other years' returns are calculated between the first and the last trading day closing values. Indices considered: Auto: Nifty Auto, Banks : Nifty Bank, Energy : Nifty Energy, FMCG : Nifty FMCG, Infra : Nifty Infrastructure, IT : Nifty IT, Metals : Nifty Metal, Pharma : Nifty Pharma, Real Estate : Nifty Realty.

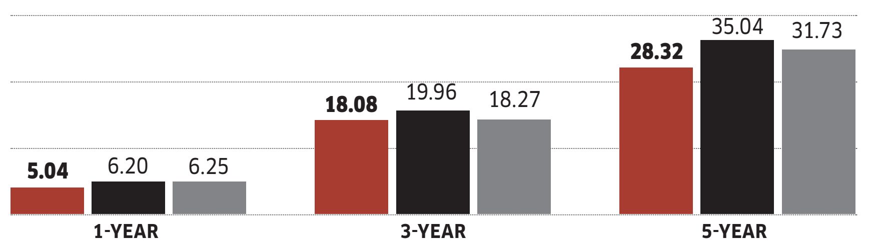
HSBC MIDCAP

Bets plenty, returns uneven

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

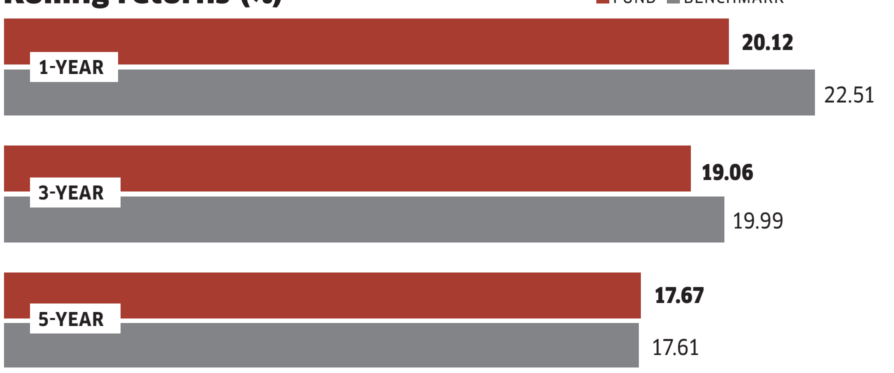
Point-to-point returns (%)



The fund has lagged the index and peers in recent years.

AS ON 2 APR 2025

Rolling returns (%)



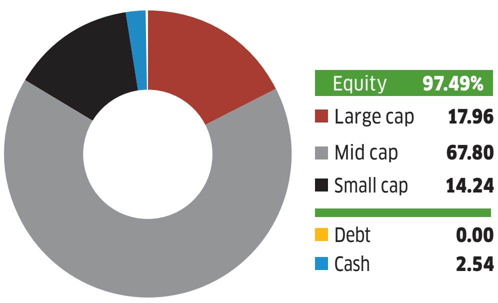
The fund's long term track record indicates it struggles to beat the index across time frames.

AS ON 2 APR 2025

Note: Different benchmark (BSE 150 MidCap TRI) is used due to non availability of stated benchmark data
Returns are rolled daily over past decade for relevant time frames

WHERE THE FUND INVESTS

Portfolio asset allocation



Fund style box

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

AS ON 28 FEB 2025

BASIC FACTS

DATE OF LAUNCH
9 AUG 2004

CATEGORY
EQUITY

TYPE
MIDCAP

AUM*
₹9,541 crore

BENCHMARK
NIFTY MIDCAP 150 TOTAL RETURN INDEX

WHAT IT COSTS

NAV**

GROWTH OPTION
₹338.36

IDCW
₹69.19

MINIMUM INVESTMENT
₹5,000

MINIMUM SIP AMOUNT
₹500

EXPENSE RATIO# (%)
1.75

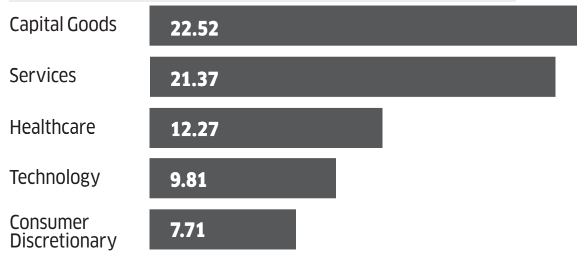
EXIT LOAD
For units in excess of **10%** of the investment, **1%** will be charged for redemption within 365 days

*AS ON 28 FEB 2025
**AS ON 2 APR 2025
#AS ON 28 FEB 2025

FUND MANAGER

VENUGOPAL MANGHAT / CHEENU GUPTA (RIGHT)
1 YEAR, 5 MONTHS/ 2 YEARS, 4 MONTHS

Top 5 sectors in portfolio (%)



The fund currently favours capital goods and services companies.

AS ON 28 FEB 2025

Top 5 stocks in portfolio (%)

The fund runs a highly diversified portfolio with healthy positions in its top bets.

AS ON 28 FEB 2025

Recent portfolio changes

New entrants

Kaynes Technology India (Jan)

Abbott India, Ashok Leyland, Axis Bank, Mahindra & Mahindra (Feb)

Complete exits

Kalyan Jewellers India, Power Finance Corporation, REC (Jan)

How risky is it?

	Fund	Category	Index
Standard Deviation	17.59	16.92	17.28
Sharpe Ratio	0.70	0.73	0.81
Mean Return	18.47	18.50	20.11

BASED ON 3-YEAR PERFORMANCE.

The fund's risk-return profile is on par with its category average.

AS ON 31 MAR 2025

Source: Value Research

Should You Buy

This mid cap fund (earlier L&T Midcap) runs a sizeable allocation in large and small caps. Its preference is for scalable businesses with strong execution capability, proven management track record and strong financials. Quality of business, ESG and valuation are key parameters for consideration. The fund runs a heavily diversified portfolio, yet takes healthy positions in its top bets. The fund has exhibited erratic performance over the years, unable to deliver consistently. Even as it outperformed sharply last year, only a sustained improvement would warrant a relook at this fund.

How to AI-proof your job

Combine human skills with AI literacy to secure your career for the future, says Devashish Chakravarty.

GETTYIMAGES

Tech influencers are predicting that 90% of coding jobs will be dead soon. The news highlights massive changes at work with the rapid adoption of AI across industries, leading to layoffs and redundancies. The biggest question is, how can you secure your job in an AI-powered future? Let's understand what it takes to stay relevant and thrive whenever there is a rapid technological change in your domain or the world.

Becoming resilient

Morgan Housel, in his book, *Same as Ever*, says that while change is extremely scary, some things remain the same. Through industrial revolution, Internet, pandemic, and now AI, there are enduring human needs and human nature that is unchanging. When you understand the truths of human behaviour, you can use it to focus on what doesn't change, and grow your human-centric skills that AI cannot replace. Instead of resisting change, accept it and ride the wave. Whether you are a CEO or a graduate, invest in building skills that AI cannot replicate, and your career will remain resilient.

Timeless human elements

What doesn't change are human elements that add value to our lives. The first is personal connection. Humans value relationships, so despite automation, the customer in customer service, team members and clients in creative fields will continue to need empathy and authentic connect. In a tech-driven world, your ability to form genuine bonds sets you apart. Next is the human need to find meaning or purpose at work. While AI will handle routine tasks, humans want roles that are in line with personal values or offer fulfilment. Where your contribution is aligned with the broader mission, you are immensely valuable.

Next is the need for clarity and simplicity. When work is driven by data analysis and algorithms, the ability to simplify and communicate clearly is critical. Think storytelling, summarising and presenting in an easy-to-understand way. Then comes trust. In a world of layoffs, geopolitical uncertainty and business upheavals, trust takes a beating. Maintaining credibility and building a reputation for being reliable, consistent and value-driven makes you indispensable. Finally, consider empathy. Humans can, and AI cannot, show social awareness, navigate human emotions and manage relationships.

Enduring human skills

Begin with communication skills. Where data is cheap, the ability to be a masterful storyteller in creating compelling narratives and spelling things out clearly is a game-changer. From a founder raising capital from investors to the job-seeker demonstrating business impact in an interview, storytelling makes the data relatable, human and memorable. Every time you speak, practise converting complex information into simple stories that have huge impact and resonate with your audience. Next is decision-making or problem-solving. While AI can process data, it cannot tell you what to do. Develop your mindset for critically evaluating information, applying logic, and understanding real-world impact of problems. Recognise and adopt tried and tested frameworks for problem-solving and learn to use multiple perspectives to reach sound decisions. Use team meetings to practice your skills.

Next is emotional intelligence, which includes reading people's emotions, motivations and social cues, and using these to manage relationships. Focus on active listening, thoughtful responses, instead of emotional reactions, and learn tools of conflict resolution. Build a reputation for collaboration and for being a supportive leader. Next is adaptability, which includes speed of learning. Lifelong growth is not an option, but a necessity. Your core skills are rapidly degrading as the world changes so seek new tools and skills that you will need tomorrow, along with the fastest way to master them. Combine real-world experiments and projects, peer learning and online inputs to remain relevant. Finally, you need to carry people along for any kind of success. Thus, persuasion, influence and negotiation is critical. Observe and learn from successful leaders and practise using logic, emotions and reputation to build arguments that bring agreement.

Bridging human-tech gap

Human skills are not enough. Real outcomes need blending these with technical awareness. The first skill is AI literacy, or the ability to use AI to deliver your employer's goals. Become familiar with AI tools and AI-driven platforms without becoming a tech expert. Next comes conflict resolution. Massive change includes hybrid work and diverse teams, where disputes need resolution. Next is the critical skill of public speaking where you are able to present your ideas in person or online. Use your team meetings as a laboratory to experiment. It is your growth mindset that will enable you to accept change, embrace challenges as learning opportunities and successfully bridge the human-tech gap.

Practical steps

Start with a personal skill audit and identify your current skills and gaps. Work with mentors or colleagues to get feedback and avoid blind spots. Seek targeted learning in human-centric skills and AI awareness. Basic courses like 'AI for Everyone' may help. Convert this knowledge into outcomes by applying AI in daily tasks. To enhance learning, network with those who are integrating AI in their roles, and showcase your new AI and human skills to the world.

Start now

The real goal is not to acquire skills, but to develop the mindset that welcomes change. Once you accept that the environment will continue to evolve, you can build a routine that prioritises learning and adaptability. The future belongs to those who and master technology and align with timeless human skills. Begin today by staying human.

BUILD AI LITERACY FROM SCRATCH

1 START WITH BASICS

Begin with common AI tools in use. Like Smart Compose in Gmail, most e-mail clients suggest responses, while assistants like Siri and Alexa perform common tasks . Overcome your reluctance and start using them in your daily life to boost your confidence at work.

2 TRY AI APPS IN DAILY WORK

Integrate AI-driven apps in your work routine. Use Otter or Fathom to record and transcribe your meetings or, say, Grammarly to assist with your writing. Try content creation with Canva or chatGPT and create visuals and content effortlessly.

3 LEARN FROM REAL LIFE

Follow leading professionals and observe their shares on how they use AI. Use social media platforms like LinkedIn that offer insights on how AI is enhancing productivity across different industries. Take notes and reflect on how you can leverage the information.

4 PRACTICAL, SHORT COURSES

Look out for AI courses for hands-on learning that you can use immediately. Start with 'Introduction to AI' and then use modules that teach application, not programming. Check out the skills your peers are showing on their profiles to shortlist modules you can dive into.

5 APPLY AT WORK

Your learning evaporates unless you apply it. Seek outcomes that save time or reduce drudgery. Start small and use AI to automate e-mail sorting and scheduling. As you become comfortable, use AI in larger projects, including data analysis or reports. Demonstrate AI literacy to become an asset to your team.

THE WRITER IS FOUNDER SALARYNEXT.COM, A JOB LOSS ASSURANCE FIRM, AND AUTHOR OF *GET HIRED IN 30 DAYS*.

GETTY IMAGES

Why real estate isn't always the best bet

Riya Kapoor is a banker and is in her late 40s. She feels she is currently stuck with her property investments. Tempted by easy loans, she had purchased three flats—one for self-occupation, another as an early investment, and the third one on the outskirts of the city. The vacant third apartment is earning no rental income. Should she consider selling this flat now?

Riya Kapoor should realise that overexposure to any one asset class, especially real estate, can hurt long-term financial health. While property may seem like a solid investment, it involves large capital outlays and carries risks, such as delays, cost overruns and limited liquidity. Paying large EMIs also limits her ability to build a diversified portfolio.

However, she has age on her side. If she gives herself 10 years to rebuild her wealth, she can recover the loss from selling the flat. Unlocking the capital stuck in the property and investing it in other financial assets, like equities, can offer better long-term growth. Being EMI-free will also allow her to start SIPs and boost her savings.

Selling at a loss is painful, especially amid conflicting views on the market recovery. However, she must remain focused on the fact that the flat is not generating any return and it would be difficult to sell or monetise it in parts, if the need arises. For greater financial flexibility, liquidity, ease of access, and ability to borrow against investments, she should consider exiting now.

Given the legal complexities and paperwork involved, especially since she already owns two properties, real estate may not be the best choice for her at this stage. Selling now and reallocating the funds to growth-oriented investments could offer her better returns and greater control over her financial future.

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

SMART THINGS TO KNOW

Neo banks

1 Neo banks operate exclusively online and do not have physical branches.

2 They offer all banking services, including savings accounts, digital wallets, payments, and loans, through mobile apps or Web platforms.

3 They leverage artificial intelligence and data analytics to offer personalised financial products and services.

4 Many neo banks offer services with nil or negligible fees, such as zero maintenance charges, free fund transfers, and low-cost or free debit cards.

5 These are primarily targeted at tech-savvy millennials and Gen Z consumers, who prefer digital-first, frictionless banking.

PAPER WORK

What to do when the PPF account matures

The Public Provident Fund (PPF) is a long-term savings scheme with a tenure of 15 years. On maturity, account holders have multiple options to decide the future course of action based on their financial goals. It is important to understand these options.

Withdraw amount

On maturity, the account holder can withdraw the entire balance, including principal and accumulated interest. The entire corpus is tax-free. To withdraw, submit Form C, along with the PPF passbook and KYC documents, to the bank or post office where the account is held.

Extend account

The account holder can opt to extend the PPF account beyond 15 years, in blocks of five years, without making any additional deposits. The existing balance continues to earn interest at the prevailing PPF rate. Partial withdrawals can be made once a year, subject to balance restrictions.

Continue contributions

To continue investing in the PPF account beyond its 15-year maturity term, the account holder can extend it in five-year blocks with fresh contributions. This decision must be communicated within a year of maturity to the bank or post office. The subscriber must continue to deposit a minimum of ₹500 annually to keep the account active.

Points to note

- No fresh contributions are allowed after maturity unless Form H is submitted within a year.
- If no action is taken, the account is automatically extended for five years, but deposits are not permitted.
- The interest earned after maturity remains tax-free, making the PPF a great long-term investment tool.

your feedback & more...

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 is a timely reminder for new investors. Many were drawn in by soaring returns, only to face anxiety as the markets turned volatile. It rightly emphasises the importance of discipline, long-term perspective, and understanding one's risk appetite. Educating retail investors about market cycles is essential to building sustainable wealth and avoiding panic-driven decisions during downturns.
Rama Nair

Dhirendra Kumar's article 'Invert to succeed' highlights Charlie Munger's investing models and real threats to investment success—impatience, fear and greed. Investing in fundamentally strong stocks, backed by research, is a sound strategy, whether through direct equity or mutual funds. Staying committed to long-term SIPs reflects disciplined investing. Avoid reacting impulsively to short-term market noise like FII outflows or geopolitical events. In the end, a disciplined approach is key to long-term financial success.
N.K. Thukral

Remain cautious

One should not get swayed by claims of quick profits through stock market trading, as highlighted in the cover story, 'First time, full of hope, and now in the red'. If you are keen to invest in stocks, set aside only surplus funds and avoid exceeding the limit. Invest after thorough research and book profits without holding out for unrealistic gains. Repeat this process until your cumulative profits equal or exceed your initial investment. Once the capital is recovered, one may consider long-term investments in blue-chip stocks, and avoid impulsive decisions as they often lead to losses.
Tharcius S. Fernando

I agree with the late Charlie Munger's inversion technique as it resonates with my own approach. Avoiding loss is indeed a gain. I focus on a few well-chosen investments and track their performance closely. While investment advice comes from all directions, I've learned to tune it out. Munger's grandfather's wisdom—'swim as long as you can, but stay near the shore'—will always stay with me.
S. Ramakrishnasayee

The article, 'Should you mix debt, arbitrage?' provides a crucial insight into the evolving landscape of mutual fund offerings. While the tax advantages of combining fixed income with arbitrage are appealing, it's essential for investors to recognise the potential impact on the risk-return profile. Thoroughly assessing whether such hybrid instruments align with one's financial goals and risk tolerance is imperative, especially in these turbulent times.
Manish Yadav

Underwriting in insurance has been eloquently explained in the 'Back to basics' column. However, genuine underwriting has been replaced by a trend of aggressive undercutting. The focus has shifted to offering rates lower than competitors. As a result, most major general insurance companies are now reporting significant underwriting losses.
P.K. Bhagat

Please send your feedback to
etwealth@timesofindia.com

Arbitrage vs liquid funds

If you are confused by personal finance terms, jargon and calculations, here's a series to simplify and deconstruct these for you. In the 45th part of this series, **Riju Mehta** explains the difference between the two types of short duration mutual funds.

If you want to park your idle funds for a short duration and would also like to earn some return, mutual funds offer some good options. Two such instruments are liquid and arbitrage funds. Though both serve the same purpose and offer similar risk and returns, these differ in several ways and cater to different categories of investors.

What are liquid funds?

These are short duration debt funds that invest in debt and money market instruments, such as commercial papers, government securities like treasury bills, and certificates of deposit, all with maturity periods of 91 days or less. These have no lock-in periods or exit loads. These also have the highest liquidity among all mutual funds as these can be redeemed within one business day.

What are arbitrage funds?

Arbitrage funds are hybrid funds that invest at least 65% of the corpus in equity and equity-related instruments. As the name suggests, these funds use the arbitrage strategy. They make the most of the price difference in cash and futures markets to buy and sell simultaneously. For instance, if an asset is priced at ₹100 in one market segment, and at ₹110 in another market, the fund buys from the former and sells in the latter, earning a profit of ₹10. Despite being classified as equity funds, they are extremely safe because they are fully hedged.

How are these different?

	Liquid fund	Arbitrage fund
Category	Debt	Hybrid
Risk	Very low; carries credit and interest rate risk.	No risk; 100% hedged.
Return	Low	Moderate
Liquidity	Very high. Can redeem in one business day (T+1).	High. Takes 2-3 business days for redemption.
Taxation	Added to income and taxed at applicable slab rate.	12.5% LTCG tax after one year.

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