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# NEW REAL ESTATE PROJECTS A checklist for buyers

The plan to revive stalled projects has made under-construction flats attractive. Here's what you need to check when booking a property.

By Narendra Nathan

The real estate sector was in a slowdown for the past 4-5 years, but its problems got aggravated in 2019 following the liquidity crisis triggered by the collapse of IL&FS. "Due to the liquidity crisis, NBFCs have reduced funding to buyers as well as to real estate developers," says Sankey Prasad, CMD, Colliers (India). There are also complaints that banks withdrew loans given earlier to housing finance companies and to housing developers after the IL&FS crisis. Since real estate directly and indirectly affects ancillary sectors such as cement, steel, tiles, paints, electrical equipment and even furnishing, everyone wanted the government to step in.

Two months ago, the government announced a ₹25,000 crore bailout package to revive stalled real estate projects. This will be routed through an Alternative Investment Fund (AIF), with the government contributing ₹10,000 crore and financial institutions like LIC and SBI bringing in the remaining ₹15,000 crore. The AIF will be managed by SBICap Ventures.

### Will the bailout package help?

Real estate experts are optimistic about the measure. "I have great expectations from this step because more than five lakh apartments are stuck due to unavailability of last-mile funding," says Niranjn Hiranandani, President (National), Naredco and MD, Hiranandani Group. Most of these stalled projects are in the Mumbai Metropolitan Region (MMR) and the National Capital Region (NCR) (see graphic).

This gargantuan amount is only seed capital and not a grant. To make sure that the ₹25,000 crore comes back, the government has put several restrictions on how the money will be used. For instance, the AIF will only fund projects that are close to completion and with a positive net worth. There is also a price restriction (₹2 crore for MMR, ₹1.5 crore for other metros and ₹1 crore for non-metros). "Due to the price restriction, only 4.95 lakh housing units might benefit from this initiative and its positive impact will be more on markets like NCR, Chennai and Pune," says Prashant Thakkur, Director & Head of Research, Anarock (see graphic).

### As supply goes up, will prices dip?

Though this move will increase the supply of units, home prices may not come down. "Additional supply will come from the unsold



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## Over 5 lakh units in stalled projects waiting for funds

The government's revival programme raises hopes for home buyers who are stuck in these stalled projects

CITIES	BENGALURU	CHENNAI	HYDERABAD	KOLKATA	MMR	NCR	PUNE	
Stalled housing units	Units (In lakh)	0.39	0.10	0.09	0.13	2.10	2.00	0.95
	All India %	6.8	1.7	1.5	2.3	36.5	34.7	16.5
Revivable housing units in city	% of stalled units	74	94	87	84	77	94	91

Source: Anarock

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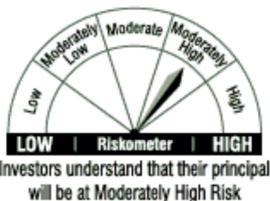


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inventory. Major portion of these projects, which are close to completion, are already sold off," says Samantak Das, Executive Director and Head of Research, Real Estate Intelligence Services, JLL India.

Secondly, real estate prices have already corrected substantially in pockets like NCR and are undergoing time correction (where price is flat for a long time) in other markets. Though builders are not cutting rack rates, they are offering big discounts.

Third, demand is expected to pick up in coming years because the affordability, the key driver of housing demand, is slowly catching up. "Though overall demand is still weak, demand pick up is

quite strong in the affordable and mid segments. Affordability is increasing in other pockets also due to the price and time correction," says Shishir Baijal, CMD, Knight Frank India. Mumbai is still one of the costliest markets, but the affordability has increased significantly. The Home Price Affordability Index (HPAI) across cities has risen significantly in the past eight years. The HPAI denotes the eligibility of the average household income for a loan equal to 80% of the price of a 1,000 sq ft flat. An HPAI of 100 means the average buyer in the city has the income required to buy the house. In Mumbai, this has risen from 47 in 2011 to 90 in 2019. So, while housing in the

city is still very costly, it is more affordable now than in the past.

### Ready possession is still king

The widespread delays in projects has made homebuyers avoid booking in new projects. Most prefer flats that are ready for possession. Also, most buyers now are end users and investors are out of the market now due to the poor returns from real estate. "Annual price rise was only in the range of 3-4% in the past few years. Since house prices are expected to grow lower than inflation in the next 2-3 years, there is no incentive for investors now," says Das.

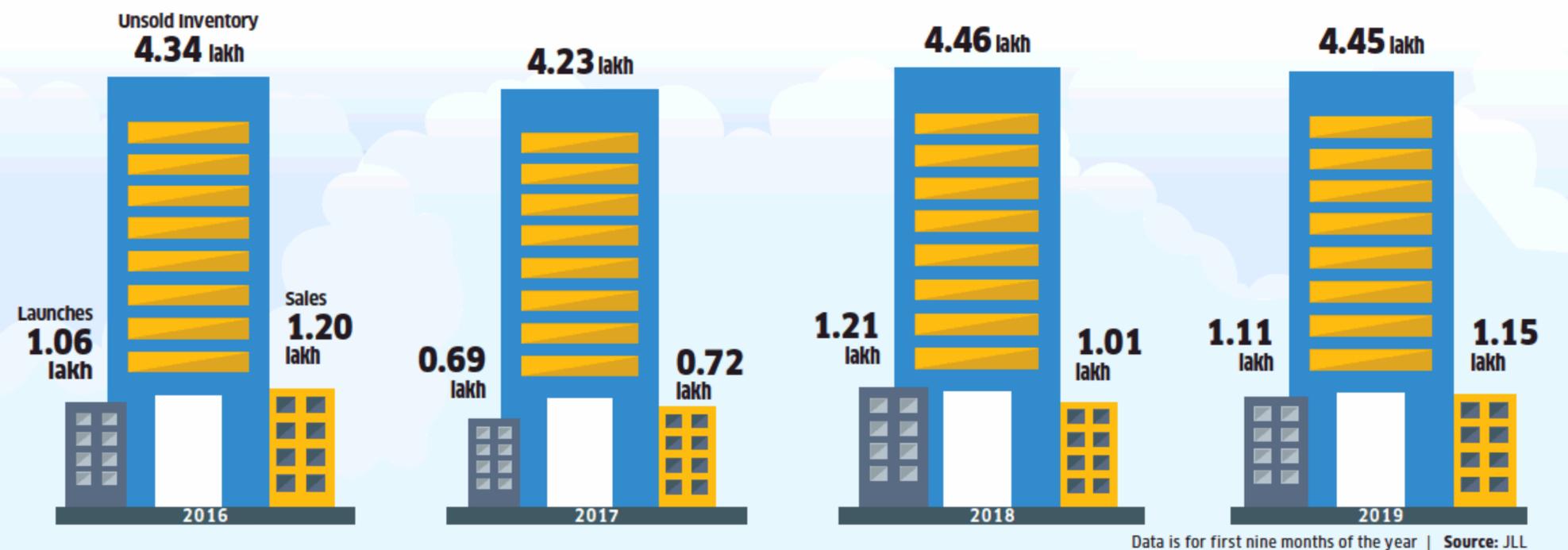
Though the revival plan has boosted

confidence, most experts still favour ready possession. "If available as per your requirement, go for ready possession because there are no risks involved. Besides, there is 5% GST on under construction flats," says Pankaj Kapoor, MD, Liases Foras.

However, there's no need to avoid the under-construction segment altogether. "Recent reforms like RERA, the Supreme Court verdict giving home buyers equal right with the other creditors and cut in GST rates have made under-construction flats attractive," says Baijal. There is also a greater chance of extracting a big discount when booking an under-construction flat. "While the first preference should be ready

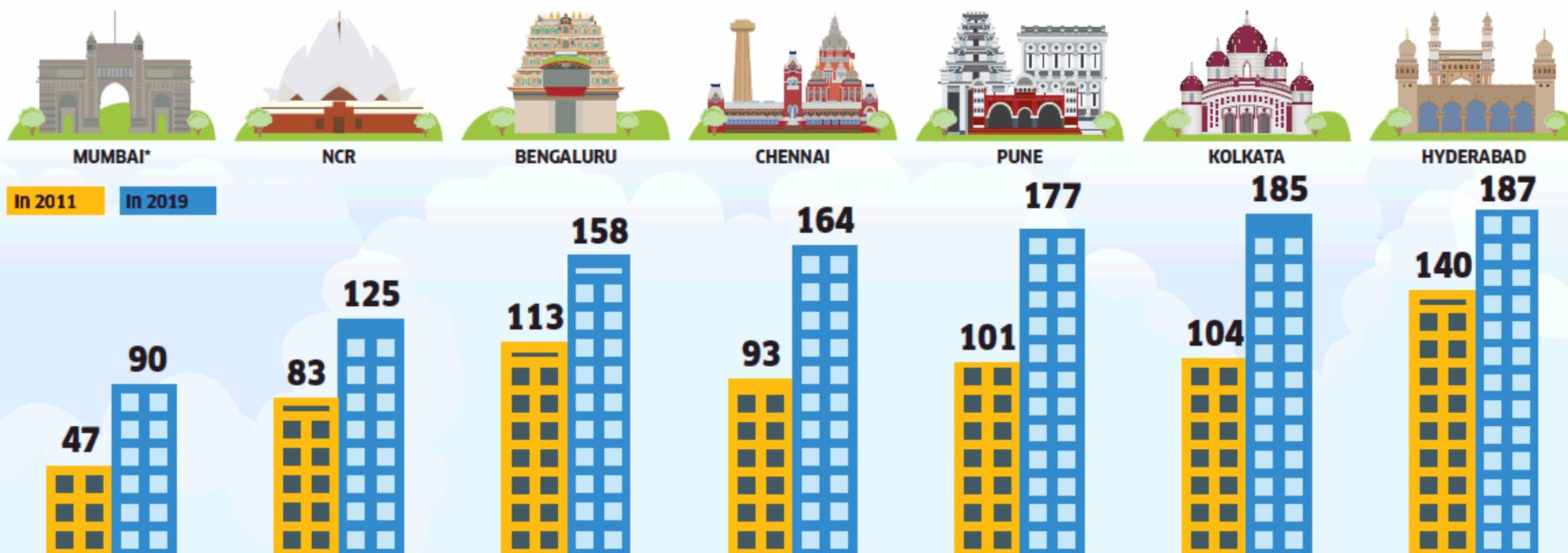
## High unsold inventory means it is still a buyer's market

New project launches reduced in 2019 due to the liquidity crisis, while sales increased in the first nine months. But inventory is still very high.



## Slow price rise and rising incomes have boosted affordability

The JLL Home Price Affordability Index, which denotes the ability to service a loan to buy a 1,000 sq ft house, has shot up across all cities.



The JLL HPAI denotes the ability to take a loan to buy a 1,000 sq ft flat in the city. The index value is the average household income as % of the required household income to service a loan equal to 80% of the price of the property. So, an HPAI of 100 means the household has enough to service the loan EMI. An HPAI of less than 100 means the household does not have enough income to qualify for the home loan.

\*Includes Thane and Navi Mumbai  
Source: JLL

projects with all approvals including occupation certificate, the second preference can be projects that are almost ready (more than 75% completed) and which are offering good discounts," says Prasad.

### Checklist for buyers

Since under-construction flats are more complicated and riskier, here's a checklist for buyers. Use this to know if you are doing the right thing by booking in a new project.

### Is project RERA registered?

Go only for projects registered with RERA, because it is the first stamp of approval. RERA approves a project only if it has all approvals (from municipal corporation, electricity and water department) in place. However, these approvals are only for starting construction.

### Are all details available?

Another advantage of a RERA registered project is that all relevant information will be available on the RERA website. Since housing is a state subject, implementation quality of RERA varies across states. Maharashtra has implemented RERA in letter and spirit, but many other states have not. In many cases, the data on the RERA website is not updated because builders are not furnishing details. "It is better to avoid projects if full data is not available on the RERA website," says Abhinav Joshi, Head of Research, CBRE India.

### Is builder financially strong?

Don't be under the impression that the house will be delivered smoothly just because it is a RERA registered project. As mentioned earlier, RERA approval is only to start a project. The builder must be financially sound too. "In addition to checking financial situation of the builder, buyers should also check about other ongoing projects," says Prasad. "Completed projects give an idea about the track record of the builder. Check whether they have delivered other projects on time," says Joshi. Avoid builders that got into trouble with other projects. "Also, avoid builders embroiled in NCLT cases, if their borrowing is high and if there are a large number of consumer complaints," says Kapoor.

### Have you seen the locality?

Facilities available inside the projects (swimming pool, gym, etc) are mentioned by builders. However, buyers must do their own legwork. "Visit the site to make sure that the physical infrastructure matches your need. Don't just sign in the agreement after visiting the builder's office," says Joshi. In addition to this, buyers must also see the social infrastructure surrounding the project. Irrespective of whether you buy the property for self-use or investment, find out about upcoming projects and hospitals, malls, educational institutes and entertainment options in the vicinity.

### Is the timeline reasonable?

The approved completion date is mentioned on the RERA website. RERA imposes a stiff penalty for violating the deadline. To be on the safe side, many builders give a very long completion deadline and tell buyers that the project will be completed ahead



While GST is pushing consolidation in other sectors, it is happening faster in the real estate sector because of the implementation of another landmark reform, RERA. Organised players benefit naturally because GST and RERA make it difficult for smaller players to do regulatory arbitrage. While RERA is fully implemented in Maharashtra, it is facing teething troubles in other states. However, these problems are expected to get resolved in the coming years. "Once other states also implement RERA the way Maharashtra has done, there will be a sea change in sentiment towards real

estate," says Samantak Das, Executive Director and Head of Research, Real Estate Intelligence Services, JLL India.

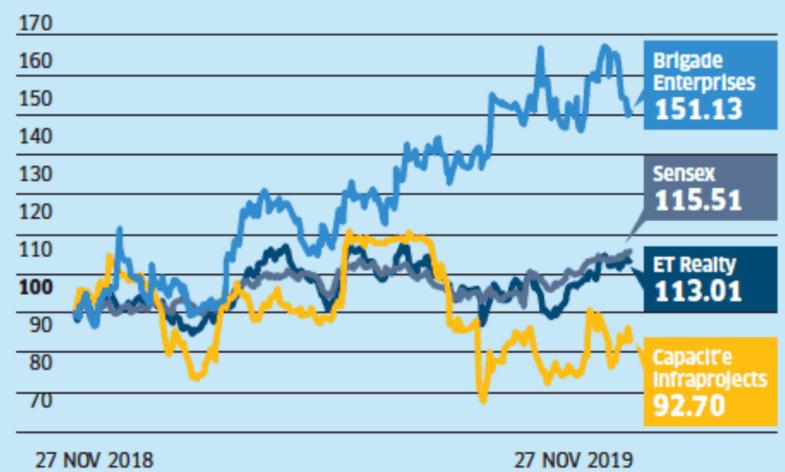
A large number of listed real estate players makes the investment easier. "In addition to the large unorganised sector (around 90%), valuations of strong listed real estate players are also at reasonable levels now," says Anil Sarin, CIO - Equities, Centrum Broking.

Ideally, strong real estate players such as Godrej Properties and Mahindra Lifespace Developers should benefit from the expected consolidation. However, the stock market has already factored this

in and therefore, the upside potential for these stocks is not much. However, mid cap companies like Brigade Enterprises are still quoting at reasonable valuations. In addition to strong real estate developers, companies like Capacite Infraprojects that are into construction of buildings will also benefit from the expected shift to the organised sector. With an order book close to 5.5 times its revenues, Capacite also has very clear revenue visibility. "Their order book is now well balanced between private and govt clients now and this diversification lowers the risk premium," say a recent HDFC Securities report.

### These two mid-cap stocks are highly recommended by analysts

COMPANY	CAPACITE INFRAPROJECTS	BRIGADE ENTERPRISES
Mkt cap (₹cr)	1,435.53	3,997.13
PE	20.61	21.36
PBV	1.70	1.85
Dividend yield	0.47	0.68
Current price (₹)	211.45	195.65
Buy	11	9
Hold	0	1
Sell	0	0
Target price (₹)	321.38	239.5
Expected gain	52%	22%



of the deadline. Don't take this bait. Go only by the deadlines given on the RERA website. "If you don't find the official timeline feasible, don't go for that deal. The long duration timelines given by builders is one reason why people are going for ready possession apartments now," says Baijal.

### Have you seen any progress?

Buyers also need to check the progress on the project before buying. "Check the construction speed of the project for 2-3 months before committing," says Das. You can do this by asking the builder about the progress plan for the next few months and then check whether they have met the timeline. This should not be for one flat alone, but for the entire complex.

### Is the price reasonable?

Make sure that the price you pay in the area is reasonable. Only a few metrics are available here. The most commonly used ones are the rental yield and EMI to rent ratio. "The rental yield is down now, but the price can be treated as reasonable if rental yield is around 3.5%," says Kapoor. Similarly, the EMI to rent ratio is placed above four times (EMI is more than four

times the rent in same place) compared to its value close to two during 2002-4 when the market was roaring. An EMI to rent ratio of close to two may not happen in the near future but it makes sense to insist that it should be close to three.

### Have you asked for discounts?

The above-mentioned ratios (rental yield and EMI to rent ratio) are to check whether the rates are reasonable for ready possession flats in an area. It is reasonable to expect a discount because you are taking higher risk when buying an under-construction flat. "We are in a buyer's market now and developers are ready to sell unsold inventory at a discount. So, bargain hard for a good deal," says Das. Though it is difficult to fix how much should be this discount, experts advise you expect around 10% from leading developers and around 20% from middle level developers. This discount range is for projects that are nearing completion (more than 75% work has been completed). You can get a higher discount if the project has a lower completion rate.

### Is your adviser independent?

Since the investment involved is very high

(homes in some cities can cost upwards of ₹1 crore), it always better to engage an independent property adviser and a legal expert. "In addition to checking documents with a good lawyer, it also makes sense to check the structure of the project with the help of a structural engineer," says Das.

### Do you see the future plans?

"Irrespective of whether you are going to buy the property for self-use or for investment, you should look out for future developments coming up in your area because that will increase your property's prospects," says Thakkur. These future developments may be a metro connection, a new airport or an upcoming IT park or shopping mall. Builders may highlight all the positive future development plans, but what about the negative ones like a land fill near the location. "To get a full picture about future development plans, home buyers should check with development authorities like DDA in Delhi," says Joshi.

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# Bad credit history? You can still get a loan if you pay 500%

Payday loan companies are ready to lend to borrowers with bad credit histories at exorbitant rates.

by Himanshi Lohchab

**T**hey are banned in 15 states in the US, China has capped the interest they can charge and consumer groups in European countries are fighting to get them banned. But in India, payday loans are flourishing unchecked, with more than a dozen lenders having started operations in the past two years.

A payday loan is an ultra short-term borrowing meant to help the individual tide over a temporary crunch. Think of it as a personal loan for 7-30 days which has to be paid in full along with interest when you get your next salary. An estimated ₹400 crore is disbursed by payday loan companies every month.

However, these loans are prohibitively costly, charging an interest between 1% and 1.5% per day. On an annualised basis, this works out to 365-540%. Credit cards, which charge 2-3% per month for rollover (or 24-36% per annum) appear cheap in comparison.

*Payday loan companies are not as finicky as traditional channels of credit. They focus on subprime customers who desperately need cash and are willing to pay 1% a day.*

The upside is that payday loan companies are not as finicky as traditional channels of credit. They don't mind sullied credit histories or low credit scores. In fact, it helps them charge high rates. Payday borrowers are typically subprime customers who desperately need cash but have exhausted all other options. Banks won't give them personal loans at 15-20% due to their poor repayment record. They can't withdraw using their credit cards because they may have already hit the limit.

### Minimum paperwork required

Speed of disbursement is critical in such loans. Payday loans require minimum documentation and are disbursed quickly. A borrower just has to upload a few documents (Aadhaar, PAN card, latest salary slip and 3-month bank statement) and hand over a post-dated cheque of the amount payable at the end of the tenure. The post-dated cheque is the security the lender needs. If it bounces, the issuer can be prosecuted under the Negotiable Instruments Act.



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## Payday loan companies and charges

Interest of 1% per day works out to 365% on an annualised basis.

Company	Loan amount (₹)	Rate of Interest	Period of loan
Loan4smile	₹5,000 to ₹5 lakh	1-2% per day	Max 30 days
Credit Bazaar	₹10,000 to ₹1 lakh	0.1-1% per day	Min 61 days Max 90 days
Exceedcash	₹10,000 to ₹1 lakh	0.1-1% per day	Min 61 days Max 90 days
Loanwalle	₹5,000 to ₹5 lakh	1-2% per day	Till next salary date

Source: Company websites

The ease of access to credit may seem like a boon, but payday loans seldom solve the problem faced by the borrower. According to Consumer Finance Protection Bureau of the US government, over 80% of payday loans are rolled over or followed by another loan within 14 days. One out of two borrowers end up taking at least 10 more loans before they are debt-free. In many cases, the borrower only digs himself a bigger hole. This is why payday loans have been banned in most US states and are under the scanner in other countries. In China, the maximum interest that can be charged on payday loans is 36%.

"The RBI should place a cap on how much a lender can charge. An interest of 1% per day is terribly usurious," says Raj Khosla, Managing Director, MyMoneyMantra.

The high interest rate is not the only cost for the borrower. There is also a processing fee that can be as high as 7% of the loan amount. If the cheque bounces or you want to extend the repayment date, you are slapped with penal charges of ₹500-1,000.

### Payday loan or advance?

The need for cash has spawned an industry for short-term loans. And not all lenders charge a bomb. *Earllysalary.com* CEO

and co-founder Akshay Mehrotra draws a distinction between his company and payday lenders. "We are not a payday loan company but a salary advance company," he says. "Our objective is to help the borrower manage his cash flow by giving him a loan he can repay in three monthly instalments."

For borrowers, the difference is the rate of interest charged. *Earllysalary* gives loans of up to 50% of the salary and charges 2-2.5% per month. Think of it as rolling over your credit card balance for three months. *Earllysalary* disburses loans worth ₹150 crore every month.

To be fair, even payday loan companies are not exactly loan sharks trying to lure borrowers into an endless cycle of repayments and borrowings. Some of them warn borrowers upfront about the high costs of the loans they offer. *Loanwalle* charges 1% per day on the loan, but discourages repeat borrowers by hiking to rate by 1 bps everytime a borrower comes back for more. "One should take these loans only for emergencies. An emergency can't come up every month. If you take these loans repeatedly, very soon you'll go bust," says Abhijit Banerjee, Director of *Loanwalle*.



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In mutual funds, there may be a sales intermediary, but the financial transaction is between you and the mutual fund—not even the fund company but the specific scheme in which you have invested.

# Are my investments safe?

The Karvy scam raises questions. Funds have the answer, says **Dhirendra Kumar**.

**A**re my investments safe? It's the first question any investor asks. If you ask an expert, then logically it must be answered by a counter-question, "Safe from what?"

When you make any investment, there are different threats to its safety. Broadly, they might fit into two categories. One, its inherent investment value may decline. Two, someone else, who is not authorised to do so, may liquidate it and run away with the money. Savers who invest in equities or equity-backed mutual funds are generally prepared for the first type of threat. That's part and parcel of returns-vs-risks spectrum that one signs up for when investing in equity.

The second type of threat is different. It's a crime. One would expect that such threats would not materialise at all, or at a very marginal scale. However, as the experience of Karvy Stock Broking shows, that expectation is not realistic. From what Sebi's investigation shows, it appears the stockbroking firm (or persons within it) pulled off an elaborate heist. One could call such a fraud unprecedented—this kind of fraud has never been done before on such a scale. However, smaller brokers may have done similar things. We can sense that frauds using digital

transactions are increasing. For example, the impression is digital pilferage from bank accounts is happening on a large scale. We all seem to know of more than one such case within one's circle of acquaintances. Similarly, the Paytm KYC scam is widespread enough for the company to be making considerable effort to warn people not to fall for these frauds. Many people feel sieged by frauds they do not understand and therefore, cannot guard against. In the physical world, we all know how to buy and use a stronger lock. In the world of digital transactions, you can't be confident that you know how to prevent yourself from being robbed. In fact, you can't be confident that you have not already been robbed and you just don't know it yet!

From the savers' and investors' perspective, a natural question that arises is whether mutual fund investments may be vulnerable to a Karvy kind of scam. As the scandal shows, what your broker tells you about your stock holdings could well be fictional. Does it mean that for your fund holdings, you should also worry that some intermediary is going to take possession of your funds, sell them off and appropriate the proceeds? According to the Sebi investigation, that is what Karvy Stock Broking did with several hundred crore

rupees worth of shares belonging to clients. The shares were transferred from the clients' depository accounts, sold and the proceeds transferred to Karvy's real estate business.

I'm not going to stick my neck out and say that no fraud of any kind is possible with mutual funds, but this kind of a thing can pretty much be ruled out. In stock investing, the stockbroker is an actual intermediary. In mutual funds, there may be a sales intermediary, but the financial transaction is between you and the fund—not the fund company but the specific scheme in which you have invested. Not just that, the bank account from which the money goes to the fund and the one to which it comes back must be the same. The fund holding must also be in the same name as the account. Essentially, there is no intermediary in the transaction itself.

The structure is much simpler than stocks. Mutual funds are much more suited to the consumer kind of hands-off investor who does not have the wherewithal to mount 24-hour vigilance that other types of investment transactions require.



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# Should your insurer's troubles worry you?

The regulator can insulate policyholders from any adverse impact of issues being faced by insurers.

by Preeti Kulkarni

**R**ecently, the Insurance Regulatory and Development Authority of India (Irdai) suspended operations of Reliance Health, a standalone insurer that set up shop only last year. Another insurer, Aviva Life, was dragged to National Companies Law Tribunal (NCLT) by its landlord, Apeejay Group, over payment obligations. Aviva has said the dispute will have no impact on policyholders.

Given the impact of crises at banks and non-banking financial companies (NBFCs) on individual depositors, any adverse news is bound to make policyholders anxious. "These segments require a long-term commitment. Policyholders are bound to be jittery when something happens to the company they have invested in for years. Non-life insurance is mostly an annual affair and thus exposure is limited," says Jayesh Gadekar, Head, Health and Benefits, Global Insurance Brokers. However, the insurance regulator has adequate powers—and the system requisite checks and balances—to safeguard policyholders' interests in case insurers run into trouble.

## Solvency margin

The Reliance Health Insurance case is a pointer to powers that Irdai is endowed with to protect policyholders' interests. It initiated action after the year-old company's failed to maintain the required solvency margin after June 2019.

Irdai stipulates that all insurers—life, health and general—maintain a minimum solvency ratio of 150%. Solvency margin, captured in this ratio, is the excess of assets over liabilities. "A number higher than the mandatory requirement bodes well for the financial strength of the insurer," says Mahavir Chopra, Director, Health, Life and Strategic Initiatives, Coverfox.com. It leaves no room for concerns about the insurer going through a financial crisis. "Most Indian insurers today maintain this ratio at much higher levels of 180-220%," says Ashwin B, COO, Exide Life Insurance.

However, this number should not be considered in isolation. "For example, the solvency ratio of Life Insurance Corporation of India (LIC) on 30 September was 1.60, but a low number doesn't mean that LIC is facing a financial crunch. The ratio keeps changing quarterly, so the number can increase in subsequent quarters," he adds.

In case of Reliance Health, the insur-

ance regulator issued directions in August asking the company to rectify the deficiency in a month, but the insurer failed to comply. "Thereafter, the insurer was issued a show cause notice and given another opportunity to present its case. However, there has been no improvement

***Insurers cannot invest in debt securities with a rating below AAA. If any asset is impaired and the rating falls below AAA, it has to be marked to market.***

but further deterioration in the financial position of RHICL," the Irdai stated, explaining the rationale behind its action. In such cases, the regulator asks the insurer to propose a financial plan to dust off the crisis. More stringent action is considered only if the insurer fails to comply.

## Rules of investment

Besides problems related to financials and governance issues, wrong investment decisions, too, could precipitate a crisis. To prevent such crises, insurers are required to follow certain investment norms. "For example, insurers cannot invest in debt securities with a rating below AAA. If any asset is impaired and the rating falls below AAA, it has to be marked to market. The insurer cannot hide the fact. Any MoM loss has to be borne by shareholders—the policyholders remain protected," says Ashwin B.

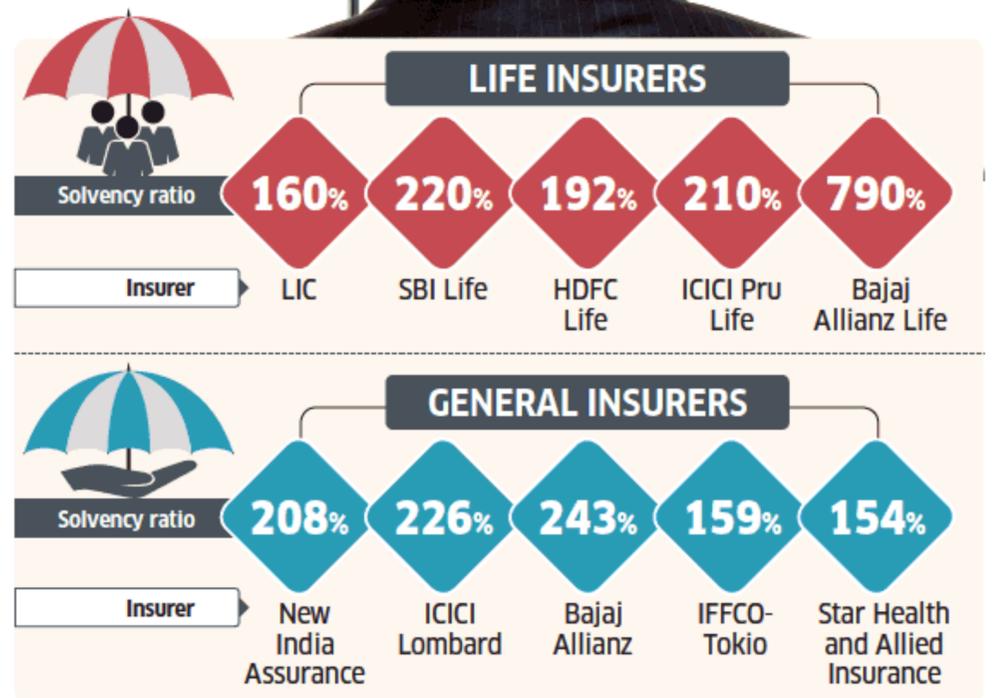
## Irdai to the rescue

One of the key objectives of setting up a regulatory authority was to ensure policyholder protection. "The regulator has wide ranging powers to take action if insurers fail to meet their solvency criteria. It keeps close tabs on the solvency levels as they determine the company's ability to pay



## Solvency ratio indicator of insurer health

Solvency ratio of most insurers is above the required limit of 150%.



Source: Irdai, General Insurance Council and company websites; data for top five life insurers by market share in Oct 2019 and top two PSU general insurers, private general insurers and standalone health insurer by premium collected in Oct 2019.

claims," explains Satyendra Srivastava, Partner, Khaitan Legal Associates.

For instance, Section 52A of the Insurance Act, 1938 empowers the regulator to appoint an administrator for a life insurer if it feels that it is acting in a manner that is prejudicial to the interests of policyholders. "Under Section 52B, this administrator can transfer the business to another insurer or recommend winding up of the business," says an insurance lawyer who did not wish to be named. In 2017, Irdai followed this path and was instrumental in facilitating the acquisition of the

troubled Sahara Life Insurance by ICICI Prudential Life Insurance. Governance-related issues were at the heart of this decision by the regulator-appointed administrator. "On the filing of the report with the Irdai, the authority may take such action as he thinks fit for promoting the interests of the holders of life insurance policies in general," the amended Insurance Act says.

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# Keep an eye on your broker

The Karvy Stock Broking demat account fraud has shaken the trust of retail investors in their brokers.



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### How to safeguard against fraud

- Make sure mobile number and email ID records are updated with the depository
- Check SMS or email statements sent by depository after every transaction in demat account
- Ask the broker to furnish ledger balance and stock statements at least once in 90 days
- In case of fraud or inaction by broker, make timely complaint to the depository
- Avoid keeping excess money in broking account; transfer money from savings account only at time of purchase
- Avoid keeping signed delivery instruction slip with broker for offline trades
- Open your demat account with banking brokers for better safety
- Study the financial health of the broker

sent every quarter. “The only practical solution to any such frauds in the financial sector is complaining to Sebi immediately after noticing any discrepancy or malpractice. Before posting their problems on social media, people should promptly bring the issue to the notice of the concerned authorities,” says Rachit Chawla, Founder & CEO, Finway. The PoA has long been a bone of contention when opening a demat account. The brokerage can’t force you to sign one. However, given the convenience, it is beneficial for the investor to give the PoA, say experts. It allows the broker to access your demat account to release shares when they are sold. It also facilitates easy receipt and payments. Without the PoA, the customer would have to sign a delivery instruction slip that has to be physically submitted to the broker on time for release of shares. The PoA can be revoked any time without notice. However, this revocation is not applicable in case of outstanding dues or settlement obligations from trades carried out by the client before the revocation.

Please send your feedback to [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com)

by Himanshi Lohchab and Sanket Dhanorkar

Last week, Sebi banned Karvy Stock Broking Ltd for pledging clients’ shares and transferring ₹1,096 crore worth of clients’ securities to its group company Karvy Realty Pvt Ltd without their consent. The incident has worried retail investors who are bombarding their brokers with questions and pulling out their contracts. However, the bigger question is, to what extent can an investor trust his broker? What recourse does the investor have if holdings go missing? What precautions can one take to guard against such fraud?

“Demat holders in Karvy Stock Broking now have to transfer their securities and close their Karvy demat accounts. This will be an off-market transfer and investors do not have to pay any capital gains tax. Transferring select securities attracts charges, transferring all securities does not,” says Kaushlendra Singh Sengar, Founder, [Advisorymandi.com](http://Advisorymandi.com).

Potential for frauds is low today, particularly after Sebi standardised norms for drafting power of attorney (PoA) agreements. However, investors still need to be vigilant, as unscrupulous brokers do find ways to subvert the system. In the face of zero brokerage and struggling with cost of survival, many prominent brokers are

known to indulge in such practices. Often, brokers who overleverage themselves resort to such doings.

“You can register on the portals of either NSDL or CDSL and get all details related to your holdings from these depositories online or using their mobile applications. For example, CDSL offers an ‘Easy’ facility to view the demat holdings and transactions and an ‘Easilest’ option to view and transact in your demat account,” says Sengar. Users need to reconcile their holdings regularly with depository statements—specifically number of shares and not value of shares—sent every month (if transaction happened in that month). If no transaction happened during the month, the statements will be

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# Consider companies with stable financials to invest in

Companies with low volatility in their core financials tend to absorb macroeconomic shocks better than others, while generating above-average returns.

by Sameer Bhardwaj

**T**he recent performance of the Indian stock market is not in sync with economic fundamentals. While the market continues to hit all-time highs, macro indicators paint a dismal picture of the economy. The weakness comes across through numbers that show declining core sector growth, falling consumption, likely fiscal slippage and lower GDP growth projections. Some experts believe that deteriorating macro fundamentals are due to structural issues that will create obstacles on the road to economic recovery. As markets cannot remain isolated from the economy for a long period of time, one can expect high volatility in the near future.

Generally, volatility analysis is done using the returns a stock or an index generates and such returns are calculated for different time frames—weekly, monthly, quarterly or yearly. Statistical tools like standard deviation and beta are often used for volatility estimation and for identifying stable or low volatile stocks. Instead of looking at volatility from the returns side, how about looking at companies that have displayed low volatility in their core fundamentals like revenue growth or EPS growth over a period of time?

Companies that maintain stability in principal fundamentals tend to control systematic or market risks better than the rest. Stability in revenue growth implies pricing power and durable demand for the company's products or services. On the other hand, stability in EPS growth indicates operational efficiency and cost control. To identify such companies, the consolidated numbers showing sales revenue growth and adjusted EPS growth were analysed for the past 10 financial years, starting from 2009-10. Over 700 companies with market cap greater than ₹500 crore were considered. Similar growth numbers were extracted for the aggregate BSE500 index.

Standard deviation of the series of revenue growth and adjusted EPS growth were worked out for the companies and for the aggregate BSE500 index. Only companies that reported positive adjusted EPS in all of the past 10 years were included in the analysis. To identify companies with low volatility in financials, only those with standard deviation of revenue growth and adjusted EPS growth less than that of the BSE500 index were filtered out. Only 22 companies passed these filters. The past 5- and 10-year average return of this group was 82% and 413% respectively. The BSE500 delivered 42% and 133.3% returns during the same period. All

returns are absolute and point to point. The numbers clearly show that stocks with stable financials outperformed the market substantially. To look at the future potential of these shortlisted companies, only those that are covered by at least four Bloomberg analysts and those with a 1-year forward price potential greater than 10%

were included.

Out of the seven companies, NTPC, Power Grid and Infosys have also shown stability in their RoEs (%). The standard deviation of these stocks based on their last 10-year RoE is less than the standard deviation of the average RoE of the BSE500 index.

## NTPC

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
9.8	10.8	117	153

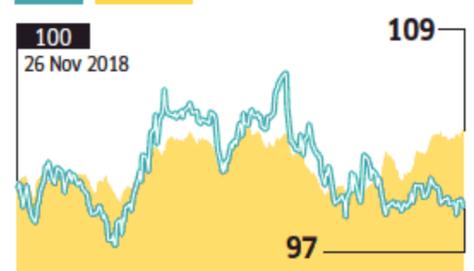
**POTENTIAL UPSIDE**  
**31%**

**THIS PSU WITH** Maharatna status is engaged in electricity generation and allied activities. The company reported strong PAT growth in the September quarter despite low PAF. The performance is helped by capacity additions and reduction in operation and maintenance costs. JM Financial is bullish on the stock and believes that improving coal supply from captive mining and coal imports will help NTPC maintain its PAF at over 85% for the full year 2019-20. Moreover, the research house feels that the CCEA approval for the sale of the government's stake in THDC and NEEPCO to NTPC will be earnings and value accretive due to the company's access to low-cost debt.

### ANALYSTS' RECOMMENDATIONS

<b>BUY 25</b> 	<b>HOLD 1</b> 	<b>SELL 0</b> 
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### NTPC BSE 500



26 Nov 2019

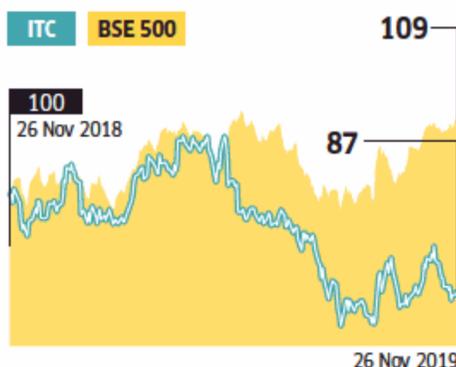
## ITC

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
20	24.2	249	321

POTENTIAL UPSIDE  
**29%**

**THE DIVERSIFIED CONGLOMERATE** has a presence in FMCG, hotels, packaging, paperboards and specialty papers and agriculture. Despite consumption slowdown, the company reported decent numbers in the September quarter with 6.6% and 36.2% year-on-year growth in sales and adjusted EPS on a consolidated basis. Lower tax and improved EBITDA margins aided the company's performance. Analysts believe the company's strong brand leadership, product innovation, healthy business model, high cash generation, cost control measures and diversification across non-cyclical sectors are the key positives. Moreover, low capital intensity and robust pricing power have helped the company to maintain a strong RoCE profile.

ANALYSTS' RECOMMENDATIONS		
BUY 34	HOLD 4	SELL 0



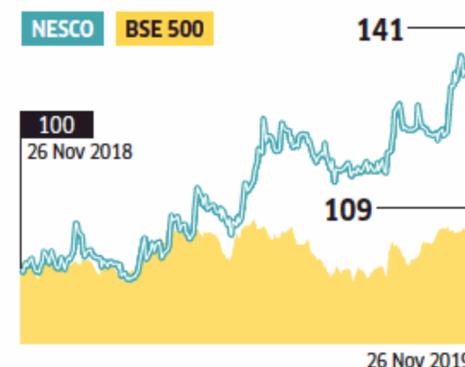
## NESCO

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
23.1	15.4	616	790

POTENTIAL UPSIDE  
**28%**

**THIS DIVERSIFIED ENGINEERING** conglomerate is in the business of exhibitions, events, hospitality, MICE and realty. In the September quarter, the company reported strong net profit growth helped by a decline in raw material and employee benefit costs. It generated high net cash amid consistent operating cash flows. Nirmal Bang is bullish on the stock due to the restructuring of the NESCO IT park, increase in rentable space of BEC and the expected increase in rental rates. Moreover, a healthy balance sheet, consistently positive free cash flow and management's growth-oriented focus with the expansion of the flagship business over the next 20 years are other positives.

ANALYSTS' RECOMMENDATIONS		
BUY 4	HOLD 0	SELL 0



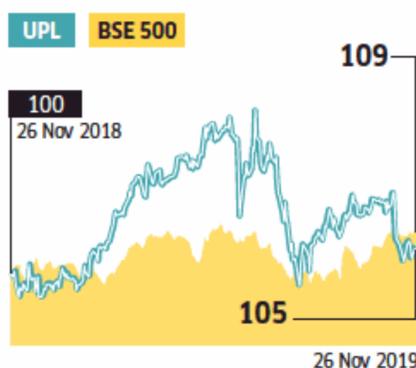
## UPL

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
16.1	16	542	678

POTENTIAL UPSIDE  
**25%**

**THE COMPANY IS** in the business of agro-chemicals, industrial chemicals, chemical intermediates and specialty chemicals and provides crop protection solutions. The company reported revenue growth of 11% y-o-y and EBITDA margin of 19.7% in the September quarter. According to a recent report by JP Morgan, the company's diversified crop-protection business has been strengthened by the Aryssta acquisition which is known for its crop focused marketing approach and R&D capabilities. The acquisition has augmented the UPL's portfolio with specialty crop products, bio-solution, and patented products. The research house expects the company's debt/EBITDA to decline to less than 2.5 times in March 2021 aided by growth from the complementary portfolio, cross-selling opportunities in the core markets and cost synergies.

ANALYSTS' RECOMMENDATIONS		
BUY 28	HOLD 2	SELL 2



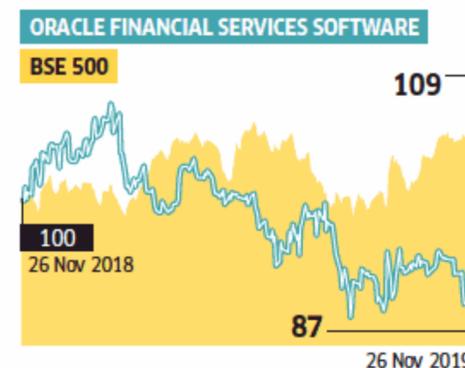
## ORACLE FINANCIAL SERVICES SOFTWARE

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
16.2	31.6	2,916	3,697

POTENTIAL UPSIDE  
**27%**

**IT OPERATES IN** the banking IT software space and provides services such as core banking, analytics, digital, and risk and compliance. In the September quarter, the company signed 13 new deals and the management continues to be positive on the strong deal pipeline. Dolat Capital is bullish on its long-term prospects and believes the continued deal momentum coupled with improving profitability, robust cash generation as evident from FCF yield greater than 5%, makes a compelling case for re-rating the stock. However, the brokerage has expressed concerns over general weakness in BFSI by the service peers. According to Bloomberg consensus estimates, the company is likely to deliver RoE of 31.6%, compared to 11.4% by the BSE500 index.

ANALYSTS' RECOMMENDATIONS		
BUY 4	HOLD 1	SELL 0



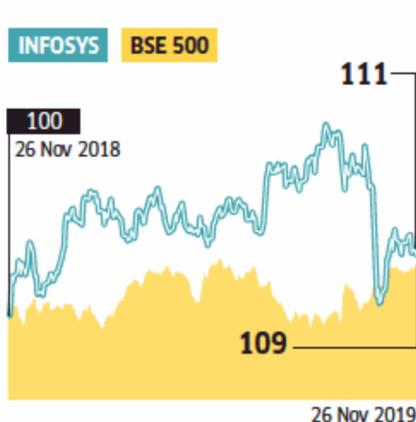
## INFOSYS

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
18.2	25.6	691	816

POTENTIAL UPSIDE  
**18%**

**THIS IT COMPANY** is engaged in consulting, technology, outsourcing and next-generation services. The company is chasing large public sector deals in the Asia Pacific and Europe. HDFC Securities is bullish on the stock due to better visibility on growth, stable margin trajectory and the recent stock underperformance. The growth is likely to sustain and margins are expected to remain steady due to its focus on large deals, recovery in large account mining, pricing lever in digital, and completion of accelerated investment phase. The brokerage house expects USD revenue and EPS to grow at 10% and 9% CAGR respectively between 2018-19 and 2021-22. The stock correction and partial recovery following the whistleblower allegations and clarifications provide an opportunity. The stock is currently available at its median valuations which is at a peak discount to TCS.

ANALYSTS' RECOMMENDATIONS		
BUY 29	HOLD 13	SELL 4



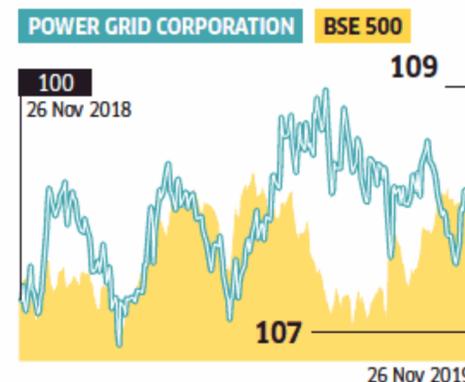
## POWER GRID CORPORATION

PE	ROE (%)	Current price (₹)	1-yr target price (₹)
9.4	17.5	194	228

POTENTIAL UPSIDE  
**18%**

**THIS NAVARATNA PSU** is engaged in the power transmission business with responsibility for planning, implementation, operation and maintenance of inter-state transmission system. The company continues to lead in project wins and was declared the successful bidder in two of the intra-state transmissions system projects in Uttar Pradesh under Tariff Based Competitive Bidding (TBCB). According to a research report by SBICap Securities, the past TBCB project returns generated by Power Grid is superior to the regulated returns due to competitive capital costs and lower capex. It remains a good play on the dividend yield. However, the brokerage house feels that the recent Supreme Court ruling on adjusted gross revenue will be an overhang.

ANALYSTS' RECOMMENDATIONS		
BUY 21	HOLD 6	SELL 1



PAF is Plant Availability Factor. PE and ROE estimates for 2019-20. BSE500 Index estimated PE: 21.5, RoE: 11.4%. Current price as on 26 November. Index values normalised to a base of 100. Source: ACE Equity & Bloomberg.

# Six ways motor insurance policies are set to change

The insurance regulator has released draft rules for motor insurance. Find out how they could affect you.

by Preeti Kulkarni

**Y**our motor insurance policy – particularly the own damage component – could soon look very different. The Insurance Regulatory and Development Authority of India (Irdai) has released an exposure draft to revisit the current motor own damage product structure. Several recommendations of the working group, comprising industry executives, to re-examine the product have been accepted. Here are six key changes you need to be aware of:

## Customisable premiums

The most-discussed recommendation, factoring in telematics to compute premiums, has been incorporated in the proposal. “A central repository of telematics data can be created where data from various sources flows to create a common pool. The Insurance Information Bureau of India (IIBI), which acts as data repository for insurance companies, can manage the data and its protection,” the working group recommended. “Pay as you drive and pay how you drive covers could be offered based on data gathered. Insurers can consider developing products that factor in kilometres and driving behaviour,” says Adarsh Agarwal, Appointed Actuary, Digit General Insurance Ltd. This could mean those exhibiting good driving behaviour – as captured by telematics devices or mobile apps – will be rewarded by way of lower premiums. Conversely, rash drivers will have to shell out more.

## Friendly depreciation rules

Vehicle age-based depreciation will be introduced for partial loss claims. “Depreciation calculation for various parts and material—glass, fibre, plastic—confuse lay users. The new proposals will make the rules easier to understand,” says Sajja Praveen Chowdary, Business Head, Motor Insurance, Policybazaar.com. A standard grid has been proposed for depreciation on all parts. “This will remove all ambiguity and subjectivity in claim settlement,” says Saroj Sathpathy, ED-Reinsurance and Weather, Salasar Services (Insurance Brokers).

## New sum insured computation

The Irdai has outlined new sum insured/insured declared value (IDV) calculation rules for private cars and two-wheelers.

In case of older private cars, the sum insured will now represent the manufacturer’s current listed price, minus adjusted age-wise depreciation under one of the op-

tions suggested by the working group (see graphic). Under another option, for new cars, for the initial three years, the sum insured will cover current day on-road price of the vehicle including invoice value. It will also have to factor in road tax and registration charges as well as value of accessories. You need not buy the return to invoice add-on, it will be built into the base policy. “At present, if you were to buy a car for ₹10 lakh, and have paid an additional ₹1.5 lakh towards road taxes and registration, your IDV will be limited to ₹10 lakh. Under the proposed regime, the sum insured will be ₹11.5 lakh in the first three years,” says Chowdary. After three years, the sum insured will take into account the new depreciation table. The depreciation will range from 40% after the third year to 60% up to the seventh year. Beyond the seventh year, the sum insured shall be arrived at a mutually agreed value between the insured and the insurer.

## Better flood damage cover

A base motor policy today does not cover damage to engine due to water ingress. Policyholders have to buy a separate add-on. “If draft norms are finalised in their current form, it will be covered under the base policy. Damage due to oil leakage, however, will continue to be covered under engine protect,” says Chowdary.

## No claim bonus slabs

Irdai has proposed a standard grid for no-claim bonus. “Right now, each insurance company has its own NCB slabs for long-term policies. This can become a task when a customer wants to move from one insurer to another. A standardised NCB grid will help in resolving this issue,” says Agarwal. NCB is linked to the policyholder. The insured can transfer the NCB to the new vehicle he purchases. If the draft norms are implemented, NCB can be claimed on the next vehicle if the vehicle is of the same class as the one on which the NCB was earned.

## Standardised deductibles

Current compulsory deductibles – the amount that the policyholder has to bear before the insured processes the claim – will be renamed standard deductibles, and a set of revised deductibles has been proposed. For example, in case of claims, including total loss, 1% of sum insured or

₹500, whichever is higher, will have to be borne by the two-wheeler policyholder. In case of other vehicles, the deductible will be 1% of sum insured or ₹2,500. The deductible cannot exceed ₹35,000.

## Rules for total loss

In cases of total loss and theft claims, the

insured will have to get the registration certificate of the vehicle cancelled. The claim will be settled only after the insured surrenders the cancelled RC.



Ex-showroom price ₹10,00,000	Registration charges, taxes etc. ₹1,50,000	Total Invoice value ₹11,50,000
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## Calculate the sum insured for your car

YEAR	SUM INSURED		
	CURRENT*	OPTION A**	OPTION B#
Brand new vehicle	9,50,000	9,50,000	11,50,000
1st renewal	8,50,000	9,00,000	11,50,000
2nd renewal	8,00,000	8,00,000	11,50,000
3rd renewal	7,00,000	7,00,000	690,000
4th renewal	6,00,000	6,00,000	5,75,000
5th renewal	5,00,000	5,00,000	5,17,500
6th renewal	Insurer decides	4,50,000	4,60,000
7th renewal	Insurer decides	4,00,000	Insurer decides

Source: Policybazaar.com. Note: Total Invoice value assumed to be ₹11.5 lakh (ex-showroom price ₹10 lakh, registration charges and taxes ₹1.5 lakh); sixth renewal onwards, the IDV/SI will depend on Insurer. \*Current = Depreciation on ex-showroom price. \*\*Option-A (proposed) = Depreciation on ex-showroom price. #Option B (proposed) = Depreciation on total invoice value

## Calculation of depreciation on parts to be standardised

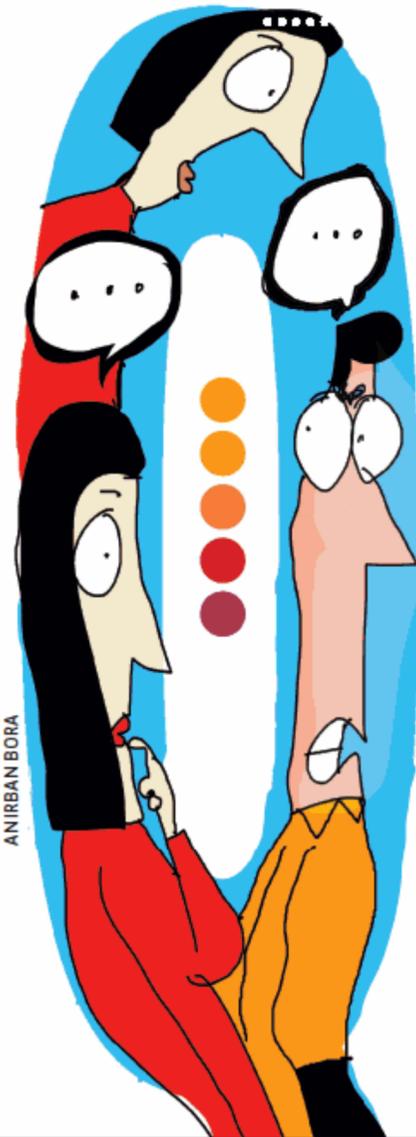
AGE OF THE VEHICLE	Up to one year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-6 yrs	6-7 yrs	Over 7 yrs
DEPRECIATION ON ALL PARTS (INCLUDING GLASS) (%)	10	20	30	40	50	55	60	65

GETTY IMAGES



# What are a woman's rights in a live-in arrangement?

Though such a relationship is not bound by the legality of marriage, the woman as well as her children are protected by law to claim their rights, writes **Riju Mehta**.



**I**n a marriage that goes sour and ends in a split, it's often the woman who gets the short end of the stick. Typically ill-informed about her rights, she cedes them to the partner and invites financial insecurity for herself and her children. It's easy to assume then that her situation would be worse in a live-in relationship. However, over the years, Indian courts have stood up for the rights, financial and otherwise, of a woman who is in a live-in relationship.

The Supreme Court has defined five categories of live-in relationships which can be considered in the court: domestic relationship between an adult male and an adult female, both unmarried; between a married man and an adult unmarried woman, entered knowingly; between an adult unmarried man and a married woman, entered knowingly; between an unmarried adult female and a married male, entered unknowingly; and between same sex partners.

**1 Woman's rights in a marriage**  
There are six basic rights that a married woman can lay claim to for her financial, physical and emotional security. These include the right to maintenance for herself and her children, to matrimonial home,

to *streedhan*, to living with dignity and respect, to a committed relationship and parental property. The right to maintenance is covered under Section 125 of the Criminal Procedure Code. After divorce, maintenance is covered by the Hindu Marriage Act, 1955(2) and the Hindu Adoption and Maintenance Act, 1956. The Protection of Women from Domestic Violence Act, 2005, covers all forms of physical, mental, emotional and economic abuse and neglect.

**2 Maintenance rights in a live-in relationship**

After the recommendations of the Malimath Committee in 2003, Section 125 was incorporated in the Criminal Procedure Code to alter the meaning of 'wife' and expand it to include women who were in a live-in relationship. This ensured that her financial needs were taken care of by the partner if she was unable to maintain herself or if the relationship became estranged. Similarly, protection against all forms of abuse is covered under the Domestic Violence Act, 2005, as it is for married women.

**3 Right to property**

The woman's right to parental prop-

erty is covered by the Hindu Succession Act, 1956, after it was amended in 2005. This gives her the same rights as a son to ancestral and self-acquired property, irrespective of her marital status. So, whether she is married, unmarried or in a live-in relationship, the right to ancestral property will accrue to her by birth, while the self-acquired property will be distributed as per the will.

**4 Children's inheritance rights**

In 2014, the Supreme Court said that if a man and woman lived like husband and wife for a long period and had children, they would be considered legitimate. While personal laws don't offer maintenance to kids born in live-in relationships, they are given protection under Section 125 of the Criminal Procedure Code. As for property rights, Section 16 of the Hindu Marriage Act provides legitimacy to children born out of marriage. This means that such children have the same legal rights as those born in a wedlock and are legal heirs to both ancestral and self-acquired properties. However, live-in couples cannot adopt children as per the guidelines of adoption notified by the Central Adoption Resource Authority.

## READERS' QUERIES

**Q**

*'What rights do married daughters have over ancestral and self-acquired property if their father had died before 2005?'*

— **Deepti Trivedi**

The Hindu Succession Act, 1956, was amended in 2005 to give daughters an equal share in parental property, whether they are married or not. In case of an ancestral property, they have a share in it by virtue of birth, whereas in case of a self-acquired property, it is distributed according to the provisions of the will. If the father passes away intestate (without a will), the married daughters have the same rights as the son in both ancestral and self-acquired property. However, it is important to note that if the father has died before 2005, a married daughter will not have any right over ancestral property, while the self-acquired property will be distributed as per the will.

**Q** I have been trying to convince my father that we should buy an independent health insurance, but he feels it's a waste of time and money as all of us are covered by my employer's insurance. How should I convince him?

— **Akshay Iyer**

The health insurance provided by an employer is the most cost-effective way to cover family members because it is available at subsidised rates. However, if you were to lose your job and there was a medical emergency in the gap period when there is no cover, the entire cost

would have to be borne by you. All you have to do to convince your father is to cite the high cost of medical treatment, which can run into lakhs even for a few days of hospitalisation, that the family would have to incur. Besides, you can avail of tax benefit of up to ₹25,000 for health insurance premium paid for yourself and your family, and up to ₹50,000 for senior citizens. This can bring down your cost considerably.

**Q** My mother has a property measuring 250 sq yards. She wants to make a will, bequeath-

ing 150 sq yards to a son who has a house on it, and dividing 100 sq yards among the remaining three children. Can such a will be challenged in the court after she passes away? Is there a way to ensure that it is not challenged?

— **Vinay Kumar**

If the property is in your mother's name and is self-acquired—bought from her own resources or acquired as part of the division of ancestral/coparcenary property, including that obtained through a legal heir or by any testamentary document like a will or gift deed—she has a right to will it to anybody she

wants. If she passes away without a will (intestate), it will be distributed as per the Hindu Succession Act, with priority to Class I legal heirs. If, on the other hand, the property is ancestral, an equal share will accrue by birth to all the descendants.

Yes, a will can be challenged in a court of law if it has errors, even if it is registered (which is optional). It can be challenged on seven grounds: lack of testamentary capacity, lack of testamentary intention, lack of knowledge or approval, undue influence, fraud or forgery, revocation (familial claims), and if it lacks in execution.

You can, however, minimise the probability of it being challenged in court by ensuring that it is duly executed in accordance with the provisions of the Indian Succession Act, 1925.

## IF YOU HAVE A WEALTH WHINE, WRITE TO US...



All of us have been in a financial dilemma when it comes to relationships. How do you say no to a friend who wants you to invest in his new business venture? Should you take a loan from your married brother? Are you concerned about your wife's impulse buying? If you have any such concerns that are hard to resolve, write in to us at [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com) with 'Wealth Whines' as the subject.

**Disclaimer:** The advice in this column is not from a licensed healthcare professional and should not be construed as psychological counselling, therapy or medical advice. *ET Wealth* and the writer will not be responsible for the outcome of the suggestions made in the column.

# Poor service? You can claim compensation

Financial service providers have to pay penalty to customers if they fail to adhere to deadlines when fulfilling commitments, says Preeti Kulkarni

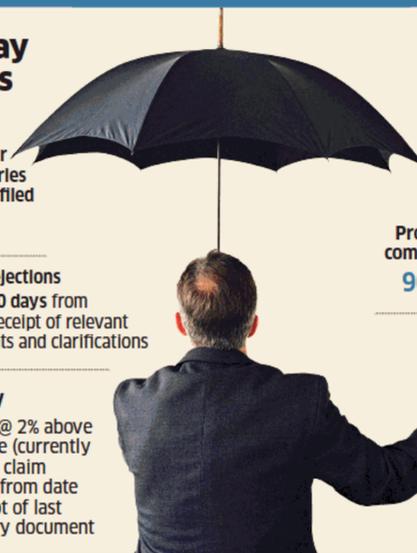
## LIFE INSURANCE

### Failure to pay death claims on time

**Deadline for raising queries after claim filed**  
15 days

**Claim approvals or rejections**  
Within 30 days from date of receipt of relevant documents and clarifications

**Penalty**  
Interest @ 2% above bank rate (currently 5.4%) on claim payable from date of receipt of last necessary document



If investigations required

**Claim to be paid or rejected within**  
30 days of investigations

**Penalty**  
Interest @ 2% above bank rate on claim payable from date of receipt of last necessary document

### Delay in settling maturity, survival benefit and annuity claims

Life insurer should intimate policyholders ahead of due date, send post-dated cheque or credit proceeds to the registered account on due date



**Penalty**  
Interest @ 2% above bank rate payable from the date of receipt of last necessary document

### Refund delay after free-look cancellation, surrender, withdrawal, request for return of proposal deposit

**Deadline for disbursing refunds**  
Within 15 days of receipt of request or last necessary document

**Penalty**  
Interest of 2% over bank rate from the date of request or receipt of last necessary document, whichever is later

## MUTUAL FUNDS

### Delay in paying redemption proceeds or dividend

**Deadline**  
10 days from date of request or 30 days of dividend declaration

**Penalty**  
15% interest for period of delay

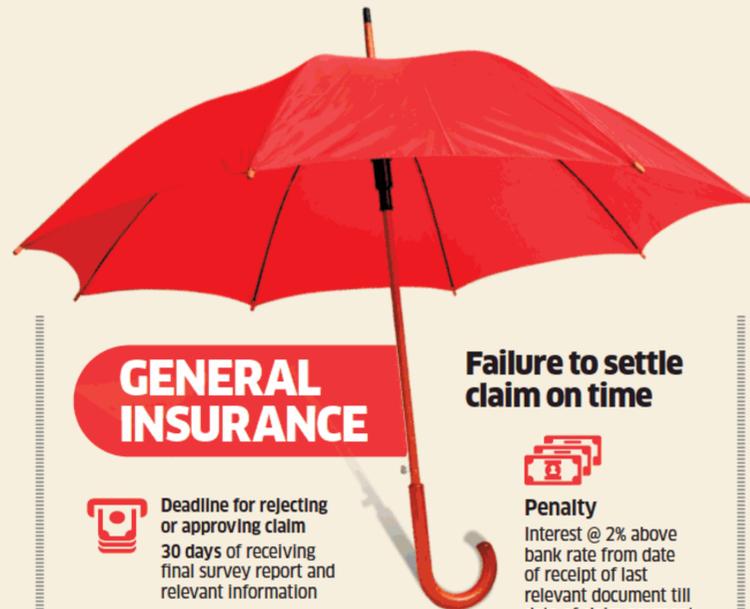


## GENERAL INSURANCE

### Failure to settle claim on time

**Deadline for rejecting or approving claim**  
30 days of receiving final survey report and relevant information

**Penalty**  
Interest @ 2% above bank rate from date of receipt of last relevant document till date of claim payment



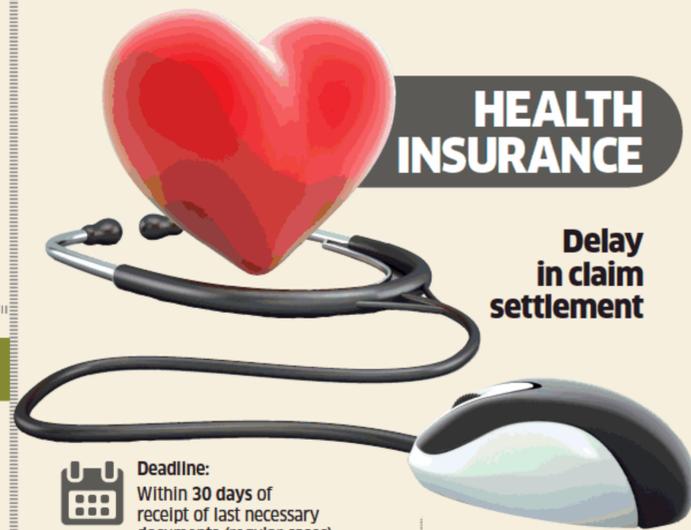
## HEALTH INSURANCE

### Delay in claim settlement

**Deadline:**  
Within 30 days of receipt of last necessary documents (regular cases)

**If investigation needed**  
Has to be completed within 30 days from date of receipt of last necessary document. Claim to be settled within 45 days after receiving all documents

**Penalty**  
Interest @ 2% above bank rate from date of receipt of last relevant document till date of claim payment



## BANKS

### Customer's account debited but cash not dispensed at ATM

**Deadline for reversing transaction**  
6 days (date of transaction plus 5 days)

**Penalty**  
₹100 per day of delay beyond T + 5 days

### Card account debited but beneficiary card account not credited

**Deadline for reversing transaction**  
T+1 day

**Penalty**  
₹100 per day of delay beyond deadline

### In POS, account debited but charge slip not generated

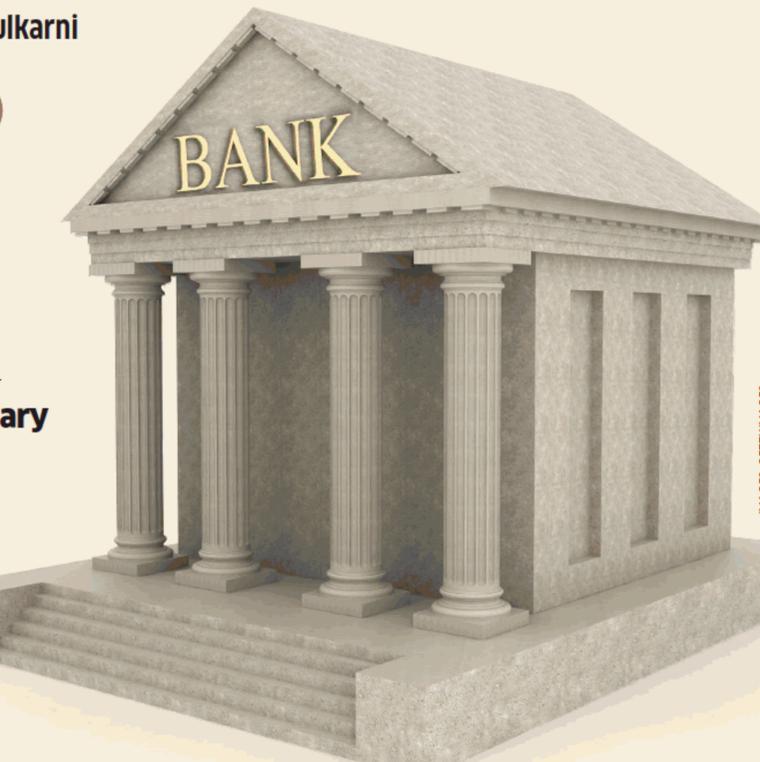
**Deadline for reversing transaction**  
T+5 days

**Penalty**  
₹100 per day

### Card debited but e-commerce transaction not through

**Deadline for reversing transaction**  
T+5 days

**Penalty**  
₹100 per day



IMAGES: GETTY IMAGES

### Account debited but beneficiary account not credited in case of IMPS transfer

Failed UPI transfer  
Failure of fund transfer, online purchase while using prepaid wallet proprietary payment system\*

**Deadline for reversing transaction**  
T+1 day

**Penalty**  
₹100 per day

\*Note: In case of transaction on prepaid wallet platforms using cards, UPI or IMPS, the respective services' reversal and compensation rules will apply. Source: IRDAI, SEBI and RBI

## TAXATION

### Refunds not paid on time

Refund if excess amount paid as advance tax or TDS

**Deadline**  
If returns filed before 31 July, interest will be paid from 1 April of assessment year to date of payout. If filed later, the period will start from then

**Penalty**  
Interest on refund due at the rate of 0.5% per month; If the refund due is less than 10% of tax liability, no interest will be paid



Refund if excess self-assessment tax paid

**Deadline:**  
Relevant period for interest payment will start from date of tax payment or return submission, whichever is later

**Penalty**  
Interest on refund due at rate of 0.5% per month; If refund due is less than 10% of tax liability, no interest will be paid

# Treat your money with respect

Money makes journey of life somewhat smooth and bearable. Treat it with the care, says **Uma Shashikant**.



GETTY IMAGES

first house. We are unlikely to go back and live there. Not even in retirement, for it does not feature a space to grow a garden, that is non-negotiable for me, now.

We have made no effort to sell that house. We have rented it; we paint and pay; repair and refurbish, and have kept the house. Our children are unlikely to like it as an inheritance. They won't even have the time to come and sign off the paperwork. That asset is best converted to a financial asset and managed better. We have not come around to taking that action.

My regret is this: When the asset is well past its utility to the family, why hold on to it and earn a low rental yield? What is that horrible event that the future holds, when this house will come up and play the saviour? Why glorify a decision that was good when it happened, but turned bad over the years?

Fourth, frugal living has become a habit. The idea of minimalistic living holds great appeal. The joys of simply riding a local train, or walking to complete odd tasks, are nice. The comfort and security that wealth provides is good but does not seem so important in life as I now see it. The best things that life has to offer—food, music, relationships, conversations and human connections—do not cost money. The basics to retire in comfort have been provided for. Beyond books, travel and charity there are fewer heads of expense that draw too much on our personal wealth.

Then why did we save so aggressively? Is there something like too much of a good thing? How did we not give away even more of our earnings? Why did we hold back on smaller joys for the fear of the future?

Life is not the cruel monster one makes it out to be. There is no dark future out there, that would take away everything we have. And even if it did, we can start over if we are alive. But if we did not survive, it wouldn't matter anymore, would it?

As I look at our financial life, these stories and some more, swirl in my mind. Some evidencing carelessness; some a lack of strategy; some a love of possession; and some the search for meaning. Money is a necessary companion that makes the journey of life somewhat smooth and bearable. It surely needs to be treated with the care, respect and diligence it deserves. The same qualities apply when we set it aside and build assets, so we have a cushion for an unknown future. But a larger purpose must drive wealth creation.

While I list the regrets, the abiding thought is this: the money that is neglected and wasted in one portfolio, is also the money that would enable another life somewhere else to bloom and prosper. That larger purpose should drive personal wealth management, so the smaller lapses are fixed. What you earn but don't need is other people's money, and a fiduciary responsibility should guide how it is managed. No room for sloth.



**UMA SHASHIKANT**  
IS CHAIRPERSON, CENTRE  
FOR INVESTMENT  
EDUCATION AND LEARNING

**R**egret is tough to deal with. If we could rework our past choices, we think we would be better off. But that's not always feasible. Personal finance is one fluid space that offers some scope for corrective action. When dealing with our money, we can learn the lessons and make better decisions. Better still, we can implement what we did not, and begin anew. Here is my list of regrets and remedies.

First, in the heady early days of investing in the stock markets, we bought a few shares. Those were the days of paper shares and market lots. One had to buy at least 50 shares. The shares came as pieces of paper with the transfer deed attached to them, signed by the seller on settlement. One then had to send them to the registrar to get them transferred to our names. Then the certificate would be filed. Tucked away in safety. Or sold off when money was required for something or the other.

After the demat revolution, these pieces of paper had to be converted. Through various loops of process and paperwork, we persisted and managed to bring most of those shares into the demat account. But there was a 100-share investment in one company that we missed. When we shifted homes, these files moved with us, and I was oblivious of this holding. Then I found it. It was worth a lot by then. I did all the paperwork to convert it and handed it over to my banker. Then I misplaced the blessed receipt and the folder that had copies of what I submitted. And thus, it got lost.

My rule to live by now is: Investments are precious. Know them all like the back of your hand. Treat them well and keep the paperwork in ship shape. Those PPF accounts, bank accounts, small holdings of stocks and funds, those bonds that matured, take care of them. Don't have too many so you lose track. Treat that pile that works for you with the attention it deserves.

Second, among the many stocks and funds we bought over the years, a few did poorly. An infrastructure fund here, a tax saving fund there, an IPO here, a small stock there—underperformers all. Too small to garner attention but bleeding all the same. The larger components of the portfolio got all the benefits of annual review and monitoring, but these little laggards languished.

I wish I had not invested in them at all. An investment must be sizeable for it to matter. Of what use is a technology fund that you bought when it was down in the dumps, and now appreciated well, when the money invested was just ₹5,000? How much difference would it make to the overall portfolio?

The two things I would not do are: One, investing too little in too many products, none of them big enough to matter. Two, holding on to what is not working. However small it is, what is clearly a dud must go.

Third, we have mostly lived in rented homes. Not that we did not try our hand at ownership, but our professional lives have demanded movement. We, therefore, did not live in houses we purchased with fanfare. It's 20 years since we bought that

The two things I would not do are: One, investing too little in too many products, none of them big enough to matter. Two, holding on to what is not working. However small it is, what is clearly a dud must go.



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etwealth@timesgroup.com

# Dealing with volatility

Review your investments regularly and ensure a well-diversified portfolio.

For the past two years, markets have been jittery and so has been Akhil. He has worked hard to build a mix of physical (house, car, jewellery) and financial assets (mutual funds). However, the dramatic swings in the markets have made him question his investment strategy. A lot of stress on company balance sheets is causing a slowdown in earnings, with little or no relief in sight. Akhil wonders if he should take a risk with his funds earmarked for his retirement 15-20 years away, or switch to less volatile assets such as debt or real estate?

**A** natural reaction to the market volatility would be to reduce or eliminate any exposure to equity, but will it make sense in the long run? Long-term investors like Akhil must remain calm through periods of volatility. Making dramatic changes to portfolio during such times could prove detrimental to his wealth. Akhil has invested with a certain investment horizon and an investment plan in mind. He is aware of the inherent risks of equity and the potential long term returns. His equity investment provides him the best opportunity to meet his retirement goal in the long run. If he quits at this time out of panic, he will be hurt in three ways: One, the opportunity of investing at lower prices. Two, the possibility of missing an upside when he is not invested. Three, the possibility that his money would be deployed at lower rates of return in alternate asset classes.

A better choice would be to hold back from investing more in equity. His equity exposure would naturally come down if he does not put in fresh money. If he invests the current surplus in debt, it will automatically rebalance his portfolio. The only downside to this is the lost opportunity of investing in a falling market.

Equity markets are subject to cycles of volatility. Market volatility is a reminder for Akhil to review his investments regularly and make sure he has a well-diversified portfolio. It may be natural to react emotionally, but by working with a plan, he can make the volatility work in his favour.



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

## PAPER WORK

### :: Tax on MF Investments

While it is prudent to invest through mutual funds, it is also important to understand the tax aspects. There are two types of income that one can receive from a mutual fund investment. First is dividend and second is capital gain/loss at the time of sale. Both have different tax implications. It also depends upon the type of scheme—equity or non-equity—and the duration of holding the investment.

### Dividend income



People who have invested in the dividend option receive dividend as an income and it's tax-free. However, dividend distribution tax (DDT) is applicable and is paid by the fund house at the time of declaration of dividends. For equity funds, the DDT is 10% plus applicable surcharge and cess. For non-equity schemes the applicable tax depends upon the type of tax assessee—Individual or HUF @20%.

### Capital gain—Equity funds



Profit made on sale of mutual fund investments is termed capital gain. For equity oriented schemes, if the investment is held for 12 months or less, it is termed as short term capital gain and taxed at 15%. If the investment is held for more than 12 months, it is termed as long term capital gain (LTCG) and taxed at 20%. In case the total LTCG for the year is above ₹1 lakh.

### Capital gain—Non-equity



For non-equity schemes, if the investment is held for 36 months or less, it is termed as short term capital gain and taxed at 20%. If the investment is held for more than 36 months, it is termed as LTCG and taxed at the highest tax slab applicable to the investor.

### Indexation benefit



In case of LTCG for non-equity funds, investors can avail indexation benefit. Indexation refers to recalculating the purchase price, after adjusting for inflation index, as published by the Income Tax authorities. Since the purchase price is adjusted for inflation, the capital gain gets reduced.

### :: Points to note

- Investments up to ₹1.5 lakh in notified equity linked savings schemes are eligible for deduction u/s 80C. However, these are subject to a 3-year lock-in.
- In case of SIP, each instalment of SIP is taken as a separate investment and holding period is reckoned from the date of that investment.

## SMART THINGS TO KNOW

### Focused funds

**1**

Focused funds are a type of equity funds that invests in a limited number of stocks—not more than 30.

**2**

Not more than 10% of the portfolio is allocated to a single stock.

**3**

The investment universe can be any particular market capitalisation oriented like large or mid or small or market cap agnostic.

**4**

The objective of such funds is to deliver high returns by investing in companies with growth potential.

**5**

With larger exposure to individual stocks, the volatility is higher making it riskier than a diversified equity fund.

# 'NBFC crisis an isolated event, does not pose any systemic risk'

Developments in the debt market over the past year and a half have highlighted the importance of robust risk management and credit evaluation practices, Nimesh Shah tells **Sanket Dhanorkar**.



**Nimesh Shah**  
MD & CEO, ICICI  
Prudential AMC

Your fund house is known for contrarian and value investing. However, over the past few years, the market has favoured quality segment. How are you planning to ride out this pain in some of your equity strategies? We have different types of mutual fund schemes, each with a unique investment mandate. On a long-term basis across categories, most of our funds have delivered a positive investment experience. Currently, we are in a market where a narrow set of companies is performing exceptionally well. Given that we are managing public money, we would like to invest in names where the valuations are comfortable, rather than waiting for an expensive name to become even more expensive. Globally value-oriented funds have been facing a difficult time over the past many years and the same stands true for India too. The other category is the multi asset, a segment which we have been very bullish on. These are the funds that have delivered positive returns amidst all the market developments.

## Are you still recommending balanced advantage strategy to investors?

We have adopted a counter cyclical investment approach for the past five years. In the years 2009-14, FIIs invested heavily in Indian equities while local investors redeemed. Over the next five years (2014-19), when markets became expensive, local investors invested heavily while FIIs turned sellers. In effect, Indian investors look at the past performance before investing and therefore, the criteria will remain to be pro-cyclical.

Investors ideally should have a counter cyclical approach for making outsized gains. The aim of such strategy is to be counter cyclical on behalf of the investor thereby being able to buy low and sell high.

We are of the view that balanced advantage category of funds could work well for an investor who wished to take exposure to equity markets in a conservative manner. Here, the aim is to help an investor benefit from equity like returns but with reduced risk. Given that the equity markets are likely to remain volatile; this category will help an investor make the most of market opportunities.

The fund house has managed to stay away from several troubled credits like IL&FS, DHFL, ADAG etc. What is your philosophy on the debt side to assessing credits?

We were among the early ones to institute an in-house independent risk management team in the Indian mutual fund industry. The team is entrusted with overseeing the entire gamut of credit evaluation and approval processes. This team is independent of the investment team and works without any return targets. The decision to on-board a credit is taken only after all the due diligence work is carried out in accordance with our Debt Investment Policy – SLR (Safety, Liquidity & Return).

The approval of a credit investment is not solely based on the judgement of a fund manager. Here, we follow a 'four-eyes' concept with the decision to invest in any debt instrument being taken after in-depth credit review. In this process, credit rating is one of the inputs used and is not considered as a sole determinant. Focus on client selection and avoiding concentration are the two pillars of our credit decision-making. Strictly adhering to these processes has helped us avoid most of the potential problems and deliver superior investment experience.

How difficult is it now to shift the narrative around debt funds? In your opinion, are recent rule changes in debt funds enough?

The sentiment around investing into debt funds has turned negative given the barrage of negative headlines. We are of the view that panic phase has run its course. Investors should understand that rating upgrades and downgrades are an integral part of credit investments. The NBFC crisis, according to us is an isolated event and does not pose any systemic risk to the financial services landscape. The genesis of this crisis stems from real estate which is yet to be resolved.

The developments in the debt market over the past one-and-a-half-year have highlighted the importance of a robust risk management and credit evaluation practice. The importance of diversification, in terms of asset as well as the liability has also come to the spotlight. While the asset (investment) side of mutual funds has been under scrutiny, it is equally important to maintain granularity in liability (AUM) side as well.

We believe whatever has happened in some mutual fund schemes of certain fund houses has been a moment of reckoning for the industry as a whole. We welcome the changes which

Sebi has proposed as those will further strengthen the process and will aid in mitigating portfolio risks.

Frontline indices are at an all-time high when the economy is in a bad shape. How are you reading this?

We are of the view that this is a good time to invest in equities when the sentiments are negative and business cycle is in a contractionary phase. Quality and growth stocks are implying the underlying growth story in them while value and contrarian stocks are implying negative growth seen in companies across sectors. In the light of this, there may be a sizeable investment potential for the long term in contrarian and value oriented funds. The current economic situation presents an interesting investment opportunity in the long term into multi-caps, mid-caps, small-caps, value and credit risk category of funds, as these are currently available at attractive valuations. A recovery can be expected once the deleveraging cycle is complete and interest rates, land prices come off from current levels.

We believe for the economy to do well, lower land price is a must. In India, land and capital prices tend to move in tandem, as can be seen from 1991 to 2003. Thereafter, both moved higher for another 10 years. However, post 2013, interest rates came off but land prices continued to remain higher.

*"Investors ideally should have a counter cyclical approach to make outsized gains."*

Please send your feedback to [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com)



I am a government employee. I plan to buy a flat worth ₹85 lakh. Should I fund it with money that is there in my savings account, or money taken as gift from my mother, or loan from banks or loans from my cousins? What would be the most tax-compliant source of funds?

Let your mother gift you the maximum amount feasible. Gifts from a mother

to her children are treated as capital receipts and are not subject to income tax. However, it is advisable to concurrently draw up a gift deed, clearly stating the terms of the transaction. You can finance the gap with your own savings. If you are still falling short, take a loan from a recognised financial institution. Such loans are eligible for tax benefits under Section 80C and 24. Borrow from cousins only as a last resort. While the interest paid on such loans is eligible under Section 24 (subject to certain conditions), the repayment of the principal does not qualify for benefits under Section 80C.



**Jayant R. Pal**  
CFP and Head-Products,  
PPFAS Mutual Fund

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

### QUESTION OF THE WEEK

My 70-year-old mother wants to invest a lump sum of ₹3 lakh. She wants monthly returns on her investments while keeping her capital intact. Please advise.

Capital preservation and monthly income can be achieved by investing in a government-backed scheme. The first option is the Pradhan Mantri Vaya Vandana Yojna (PMVVY), which is open till 31 March 2020. The scheme earns an annual interest of 8%, payable monthly, and thus an investment of ₹3 lakh will provide your mother with a monthly pension of ₹2,000. The invested amount will remain locked for 10 years. The second option is the Senior Citizen's Saving Scheme (SCSS), which will earn an interest of 8.6%, paid out quarterly. The tenure of the scheme is five years. In case these two options have already been availed, you can look at investing in a Post Office Monthly Income Scheme (POMIS) wherein she can earn an interest of 7.6% per annum, payable monthly. The scheme has a tenure of 5 years, although premature withdrawal is possible after paying penalty. The interest rates of SCSS and POMIS are subject to change on a quarterly basis. In case your mother wishes to have the flexibility of accessing her funds anytime, you can park the sum in a liquid fund and set a systematic withdrawal of around ₹1,500 a month, which will ensure the principal amount doesn't deplete with time.



**Prableen Bajpal**  
Founder, Managing Partner,  
FinFix Research & Analytics

I opened a PPF account in my daughter's name in 1999 and maintained it till maturity in 2015. In the meantime, my daughter got married and settled abroad. After marriage my daughter adopted her husband's surname. When I went to the post office with the duly discharged maturity form signed by her, I was told she must be present personally to carry out the change of name and claim the maturity amount. Since the amount involved (₹30,000) is not big, it is not financially feasible for her to come all the way. I am over 80 years old and do not know what to do. Please advise.

First, get documents of the PPF account holder attested by a bank authority. The best option would be the branch where she

has her NRE/ NRO account. You can take her KYC documents (for new name as well as old name), application for change in name, marriage certificate and authority letter in the name of father to the bank. The letter should clearly mention that the father can process PPF withdrawal on her behalf. An existing relationship with the branch may help in smooth execution of the request. Once you get the documents attested, you can submit the same to the post office. The PO should accept the request and process the withdrawal. Since the above is not an established standard process, our recommendations are on a best effort basis only.



**Raj Khosla**  
Founder and Managing Director,  
Mymoneymantra.com

I have been investing ₹2 lakh a month in mutual funds through SIPs for the last 5 years. I have now close to ₹2 crore across various funds. I am also investing ₹20,000 per month in liquid funds. We are a family of three living in our own house. As MF investments have shown almost zero appreciation in the last five years, should I gradually shift my corpus to liquid funds to generate better returns?

It is true that the market rally was very narrow in the last 5 years and very few stocks gained. So your returns may have been in single digits. However, if you did not gain at all,

then it may be due to any of these reasons— you are overweight on small and mid-cap funds or the quality of your funds is bad. Instead of entirely exiting equity, asset allocate the portfolio with a healthy dose of liquid and short-term quality debt funds and check whether you are invested in poor quality equity funds and switch.



**Vidya Bala**  
Co-founder, PrimeInvestor.in

If I contribute ₹50,000 annually in NPS and my employer also contributes 10% of my basic salary in NPS, what tax benefits will I be eligible for?

Contribution to NPS by self is allowed u/s

80CCD(1B) up to ₹50,000 per year, over and above the 80C limit of ₹1.5 lakh. The contribution from your employer will be exempt up to 10% of basic salary + dearness allowance for deduction under Section 80CCD(2). There is no upper limit (in terms of amount) on this tax deduction and it is available only to employees.



**Shubham Agrawal**  
Senior Taxation Advisor,  
TaxFile.in

Is 60 the upper age limit for opening a PPF account? Can a person keep his PPF account active till any age by extending the tenure every 5 years?

There is no upper age limit for opening a PPF account. The lock-in, however, remains at 15 years irrespective of the age at which you open the account. On maturity, the account can be extended by blocks of 5 years any number of times. Banks or post offices cannot deny the extension based on your age.



**Ankur Choudhary**, Co-founder & CIO, Goalwise.com

### Ask our experts

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

## Planning for different stages of life

You need to change your asset allocation and realign them as per your goals in different stages of life.

by Avneet Kaur

Reviewing an investment portfolio is a crucial aspect of financial planning. You need to change your asset allocation and realign them as per your goals at different stages of your life. Chokkalingam Palaniappan founder of wealth management firm Prakala Wealth Management offered model investment portfolios for life while speaking at the ET Wealth Investment Workshop in Chennai on 15 November.

Palaniappan broadly divided life into three stages when it comes to financial planning: the first stage is 21-40 years or high growth/ income stage; the second is 41-55 years or moderate growth/ family stage; the final stage is 56 and above or capital preservation/retirement stage.

The income stage is start with a career after college. Most people in this stage usually do not have much responsibilities so they have more opportunities to save. "An income stage portfolio should predominantly contain equity mutual funds to grow your wealth. Use the SIP route to invest and bring discipline to your investment approach," Palaniappan said. "You must also look at buying health insurance as well as term insurance if you have financial dependants," he added.

Income stage portfolio can look like: Equity: 60%; debt: 10%; real estate: 30%.



PHOTO: GETTY IMAGES

Next is the family stage. In this phase, one would have settled down with a family, might have acquired a house or would buy soon. Earnings and expenses might have increased as well. Some common goals to fulfil in this stage could be funding kid's education, family tours, upgradation of car or house.

Palaniappan asked the participants at the workshop to continue with their health insurance and term insurance and have an emergency fund in place. "Towards the end of this stage you would be left with very few earning years, so I recommend people entering this stage to get in touch with a financial adviser to

discuss any loopholes in their financial plan," said Palaniappan.

An ideal family stage portfolio can continue to be invested in equities. It can look like this: equity: 50%; debt: 25%; real estate: 20%; gold: 5%.

He also asked the participants to utilise bonuses to pay back home loans.

Towards the end of this stage, investors must revisit their portfolio and increase their allocation to debt. One can also start planning a will, he said.

The last stage is retirement stage when ideally one should become more conservative. By this time, one's children would be out of college and employed. They could be

already married or nearing marriage soon. Palaniappan asked the participants to give utmost attention to their health cover.

"Health cover is very important in the retirement stage as the salaried people working in private sector will be out of their employer provided health cover. They can opt for a top-up health insurance plan", he said. An ideal retirement stage portfolio can still continue to hold a portion in equities- preferably aggressive hybrid and multi caps. The portfolio allocation can look like this: equity: 25%; debt: 60%; real estate: 10%; gold: 5%.

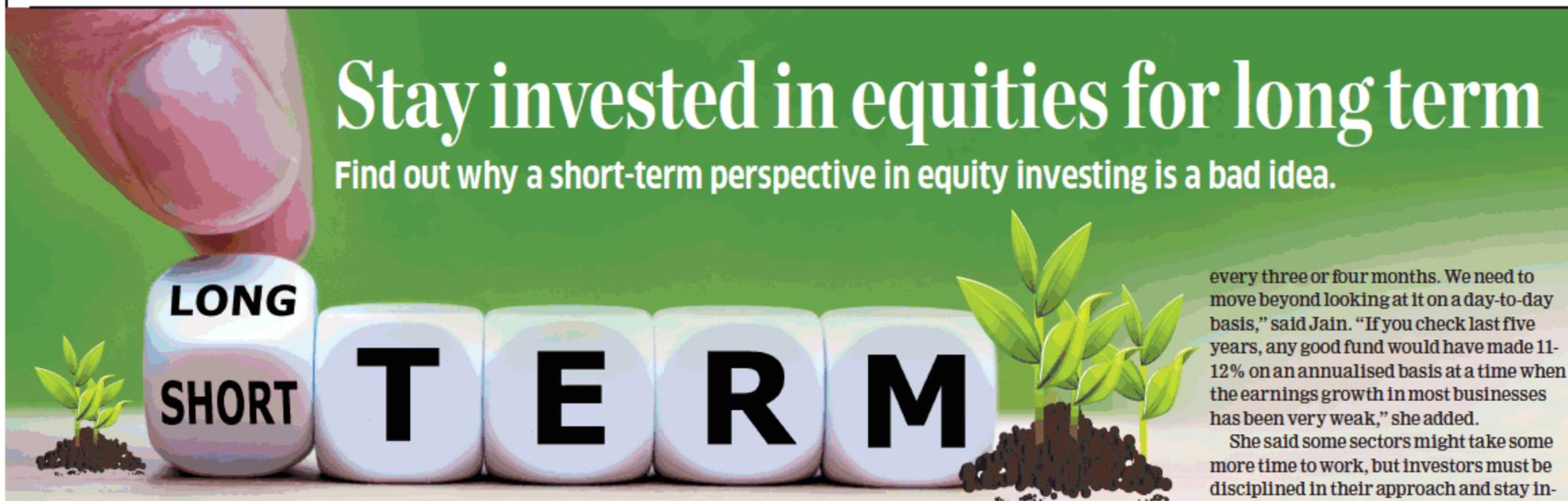
"Invest your debt portion in high quality ultra-short term and low duration funds along with other debt instruments. You can use your conservative hybrid funds and dynamic asset allocation funds for regular income post retirement. Use SWP to take out money at regular intervals," said Palaniappan.

"If you are left with extra money, you can put it back into mutual funds through SIP mode," he said. However, Palaniappan cautioned the participants at the workshop that the portfolios discussed were for an ideal scenario. The allocations might change, based on the risk profile of an individual, he said.

Please send your feedback to [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com)

## Stay invested in equities for long term

Find out why a short-term perspective in equity investing is a bad idea.



by Avneet Kaur

The past two years have been extremely volatile for the equity market. Most naive equity mutual fund investors are finding it difficult to make sense of the volatility. Roshi Jain, Vice President & Portfolio Manager, Equities, Franklin Templeton India AMC, shared some rules for the novice investors to ride through the volatility.

"Don't look at your equity investments from a one-month or one-year perspective

unlike debt which gives you regular annual returns. Equities are different," said Jain. She was speaking at the ET Wealth Investment Workshop in Chennai on November 15.

She put forward a simple example to explain why a short-term perspective in equity investing is a bad idea.

"We tend to look at the average returns of, say, last three years. Suppose its 10%. But the returns may not necessarily have come like 10, 10 and 10 in the last three years. It could be a case of 30% returns in

one year and 0% in the other two years."

Jain also tried to explain that equities do not give steady returns.

"If you look at the longer horizon, returns generated by equities will tend to beat debt and inflation if you are placed in the right sectors," Jain added.

Jain asked the participants to create a framework of where and why they want to invest and then stick to it unperturbed by the shocks in the short term.

"You need to have a framework, ensure you stick to it, don't look for verification

every three or four months. We need to move beyond looking at it on a day-to-day basis," said Jain. "If you check last five years, any good fund would have made 11-12% on an annualised basis at a time when the earnings growth in most businesses has been very weak," she added.

She said some sectors might take some more time to work, but investors must be disciplined in their approach and stay invested for the long term. "Don't believe in someone telling you that this sector will be up 20% in a week. Stay away from such tips. Be disciplined. Be diversified," said Jain.

Jain also assured the participants that despite all the gloom Indian stocks would reward them over the long term. "The Indian stock market is going through a period of readjustments. We have a strong base", she said.

Please send your feedback to [etwealth@timesgroup.com](mailto:etwealth@timesgroup.com)

# SMART STATS

## ET WEALTH TOP 50 STOCKS

The Economic Times Wealth  
December 2-8, 2019

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LOANS AND DEPOSITS - P24

ALTERNATE INVESTMENTS - P25

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

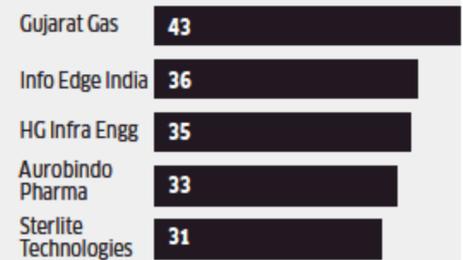
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RISK		RATING	
	Current Rank	Previous Rank		Revenue	Net Profit	PE	PB	Div Yield	PEG	Downside Risk	Bear Beta	No. of Analysts	Consensus Rating
KEC International	1	1	276.25	23.95	38.71	14.63	3.00	0.97	0.38	1.37	0.99	32	4.88
JK Cement	2	4	1154.65	24.70	100.05	31.31	3.00	0.87	0.31	1.13	0.99	23	4.48
HG Infra Engg	3	2	244.50	34.84	53.28	12.42	2.00	0.20	0.23	1.93	0.55	13	5.00
APL Apollo Tubes	4	5	1562.00	25.48	86.44	24.92	4.00	0.89	0.30	1.28	0.87	10	4.80
Engineers India	5	3	103.60	27.70	37.26	18.01	3.00	3.81	0.48	1.58	0.77	15	4.27
Aurobindo Pharma	6	7	449.65	33.24	24.99	11.11	2.00	0.55	0.43	1.90	0.75	36	4.50
Apar Industries	7	8	456.10	15.60	40.09	12.87	1.00	2.09	0.32	1.22	1.15	10	4.70
Gujarat Gas	8	6	204.80	43.29	118.49	33.87	6.00	0.49	0.27	1.35	1.31	27	4.70
PGCIL	9	9	196.15	12.25	17.24	8.11	2.00	4.27	0.46	0.92	0.50	28	4.39
Larsen & Toubro	10	10	1349.90	22.52	27.62	21.14	3.00	1.35	0.74	1.00	1.20	41	4.63
Alkem Laboratories	11	13	2025.45	21.42	52.16	31.83	4.00	0.80	0.62	0.88	-0.25	19	4.53
Zensar Technologies	12	12	188.35	20.41	21.88	2.70	2.00	1.48	0.13	1.36	0.64	16	4.25
DB Corp	13	15	139.25	1.16	36.78	9.14	1.00	11.71	0.24	1.20	0.99	14	4.07
Ipsca Laboratories	14	16	1128.60	27.35	54.72	31.85	5.00	0.27	0.59	1.13	0.61	27	4.33
Allcargo Logistics	15	14	92.80	16.66	13.77	9.44	1.00	3.79	0.33	1.37	0.92	11	4.55
Grasim Industries	16	18	799.55	19.25	43.84	29.33	1.00	0.89	0.62	1.51	1.17	13	4.46
ITC	17	20	246.60	16.40	30.37	23.94	5.00	2.33	0.81	0.90	1.07	38	4.74
HeldelbergCement	18	22	187.80	14.02	46.41	19.29	4.00	1.58	0.42	1.47	1.97	16	4.38
Emami	19	23	315.90	13.39	91.80	47.35	7.00	1.90	0.52	1.28	0.88	34	4.15
Redington India	20	19	112.90	17.65	14.25	8.81	1.00	2.91	0.55	2.02	0.28	10	4.70
UltraTech Cement	21	17	4294.70	27.88	84.92	48.07	4.00	0.27	0.61	1.25	1.42	42	4.17
Sobha	22	21	404.70	17.43	18.48	12.90	2.00	1.79	0.62	1.66	1.53	23	4.65
Mahanagar Gas	23	26	1043.20	6.97	39.09	18.99	4.00	1.93	0.49	1.15	0.82	27	4.26
Century Plyboards	24	25	172.20	14.42	52.06	25.80	4.00	0.57	0.49	1.58	0.88	19	4.58
Reliance Industries	25	27	1580.30	11.35	39.50	23.62	2.00	0.41	0.67	1.08	0.71	37	4.38
Manappuram Finance	26	--	158.25	0.56	55.05	14.45	3.00	1.38	0.26	1.60	1.51	13	4.23
Parag Milk Foods	27	29	148.40	24.36	21.36	10.18	1.00	0.69	0.48	1.79	1.26	14	4.50
CCL Products India	28	31	206.30	22.52	24.34	17.68	3.00	0.85	0.73	1.10	0.09	10	4.70
Oberoi Realty	29	28	507.80	23.86	34.37	22.19	2.00	0.40	0.56	1.73	1.64	25	4.24
JSW Energy	30	30	72.55	4.78	40.65	17.33	1.00	1.36	0.41	1.34	1.28	17	3.71
Mphasis	31	32	855.15	16.66	13.33	15.38	3.00	3.24	0.95	1.12	0.75	31	4.26
Coromandel International	32	33	474.40	4.02	36.21	19.17	4.00	1.37	0.55	1.00	0.74	14	4.71
Blue Star	33	38	776.30	22.96	42.44	39.49	9.00	1.28	0.92	1.16	0.57	26	4.11
Sun Pharma Ind	34	34	457.35	20.23	45.90	41.33	3.00	0.60	0.92	1.62	1.00	42	3.50
Crompton Greaves Cons.	35	41	247.55	21.46	36.35	38.86	14.00	0.82	1.07	1.25	0.38	37	4.57
Rallis India	36	35	185.00	20.97	27.54	23.35	3.00	1.34	0.84	1.12	0.53	19	3.68
Tata Global Beverages	37	43	318.70	19.81	61.37	48.19	3.00	0.81	1.03	1.24	0.47	10	4.10
HCL Technologies	38	45	1132.65	24.53	11.46	15.43	4.00	0.71	1.21	1.02	0.50	46	4.20
Hexaware Technologies	39	42	345.10	19.38	20.21	16.92	4.00	2.51	0.98	1.20	-0.07	25	3.72
Sterilite Technologies	40	40	123.20	31.42	15.27	8.67	3.00	2.85	0.56	2.58	2.07	12	4.42
Apollo Hospitals	41	36	1444.50	23.44	91.83	85.07	6.00	0.41	0.90	1.41	1.03	22	4.59
Jagran Prakashan	42	39	56.45	0.57	20.72	6.53	1.00	6.23	0.31	1.71	1.21	13	4.15
Lupin	43	37	804.35	10.28	67.02	59.28	3.00	0.63	0.87	1.17	0.76	47	2.91
Amara Raja Batteries	44	50	754.75	11.91	41.15	26.71	4.00	1.45	0.65	1.12	0.95	22	3.91
Thermax	45	49	1001.00	11.98	61.19	34.80	4.00	0.70	0.61	1.18	0.61	31	2.81
Zee Entertainment	46	--	310.80	18.53	31.82	18.75	3.00	1.10	0.59	2.96	2.24	29	3.83
Cipla/India	47	--	468.35	11.16	28.48	24.66	3.00	0.64	0.86	0.98	0.76	43	3.88
Bharat Heavy Electricals	48	44	54.25	4.14	31.77	19.42	1.00	3.75	0.61	1.88	1.65	34	3.12
Info Edge India	49	48	2542.90	35.79	59.97	51.46	12.00	0.24	0.41	1.72	0.63	27	3.52
Adani Ports & SEZ	50	46	372.60	22.40	26.99	19.34	3.00	0.05	0.69	1.52	1.38	24	4.75

\*REVENUE AND NET PROFIT GROWTH IS BASED ON CONSENSUS ANALYSTS' EXPECTATIONS. NR: NOT IN THE RANKING. DATA AS ON 28 NOV 2019.

SOURCE: BLOOMBERG

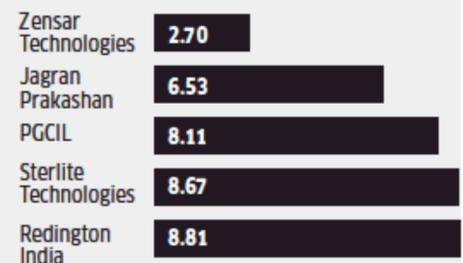
### 1 Fast growing stocks

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



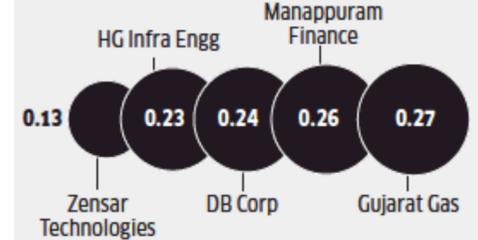
### 2 Least expensive stocks

Top 5 stocks with the lowest price-earnings ratio



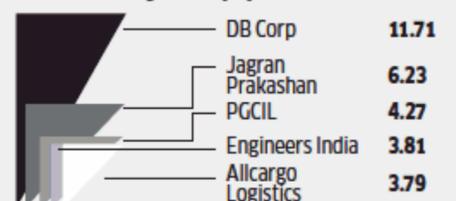
### 3 Best PEGs

Top 5 stocks with the least price-earnings to growth ratio



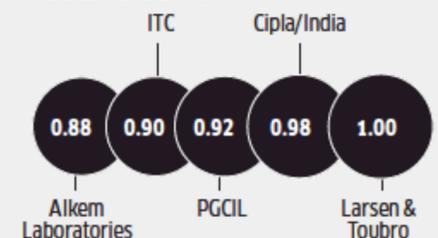
### 4 Income generators

Top 5 stocks with the highest dividend yield (%)



### 5 Least risky

Top 5 stocks with the lowest downside risk



SEE DOWNSIDE RISK AND BEAR BETA COLUMNS IN THE ADJACENT TABLE.

# ETW FUNDS 100

## BEST FUNDS TO BUILD YOUR PORTFOLIO

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

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio (%)
			3-Month	6-Month	1-Year	3-Year	5-Year	
<b>EQUITY: LARGE CAP</b>								
Axis Bluechip Fund	*****	8,749.21	8.59	7.38	20.74	19.49	10.36	1.85
HDFC Index Fund	****	544.47	8.99	4.01	16.28	16.77	8.63	0.3
Sundaram Select Focus Fund	****	1,045.86	8.3	3.34	16.47	16.57	8.64	2.39
Mirae Asset Large Cap Fund	*****	15,896.69	9.27	3.17	13.8	15.78	11.78	1.69
Canara Robeco Bluechip Equity Fund	****	256.78	10.52	5.2	16.61	15.65	9.34	2.6
JM Core 11 Fund*	****	56.51	10.16	2.44	14.2	14.78	10.38	1.69
Edelweiss Large Cap Fund	****	172.42	8.14	2.87	14.01	14.32	8.9	2.01
Nippon India Large Cap Fund	*****	13,090.85	10.75	-3.91	8.4	13.75	8.76	1.89
Motilal Oswal Focused 25 Fund	****	1,184.42	10.87	6.09	17.17	13.06	9.94	2.2
ICICI Prudential Bluechip Fund	****	24,132.11	8.52	1.54	10.51	12.78	8.72	1.8
SBI Bluechip Fund	****	23,585.35	9.04	1.44	12.98	11.39	9.58	1.73
<b>EQUITY: LARGE &amp; MIDCAP</b>								
Mirae Asset Emerging Bluechip Fund	*****	8,868.42	10.36	4.75	16.45	16.75	16.45	1.78
Invesco India Growth Opportunities Fund	****	1,991.22	9.37	4.96	12.96	15.7	10.48	2.17
Sundaram Large and Mid Cap Fund	*****	871.43	11.88	4.46	13.97	15.27	11.39	2.44
Canara Robeco Emerging Equities Fund	*****	5,234.92	9.88	-0.81	9.43	13.72	12.14	2.03
LIC MF Large & Mid Cap Fund	****	569.47	9.62	6.74	13.77	13.11	-	2.47
Kotak Equity Opportunities Fund	****	2,731.82	9.5	2.18	14.98	12.34	10.09	2.11
Principal Emerging Bluechip Fund	****	2,260.48	10.78	1.36	7.25	11.5	11.3	2.13
DSP Equity Opportunities Fund	****	5,631.03	9.9	3.07	13.29	11.41	10.61	1.94
<b>EQUITY: MULTI CAP</b>								
Axis Focused 25 Fund	*****	8,799.58	10.84	8.13	18.21	18.33	12.73	1.95
Tata Retirement Savings Fund	*****	716.72	10.43	4.82	13.93	16.09	12.2	2.44
SBI Focused Equity Fund	*****	6,125.01	12.03	4.31	20.18	15.85	12.25	2.06
Edelweiss Multi Cap Fund	****	491.57	7.31	-0.84	9.55	14.63	-	2.47
Kotak Standard Multicap Fund	*****	28,348.01	8.85	0.91	14.17	14.23	11.26	1.7
Quant Active Fund	****	10.99	12.34	1	9.15	14.14	10.73	2.48
Parag Parikh Long Term Equity Fund	*****	2,359.50	8.01	5.57	14.78	13.94	11.6	2.05
SBI Magnum Multicap Fund	****	8,334.28	7.14	0.11	13.17	12.41	10.91	2.02
Motilal Oswal Multicap 35 Fund	*****	13,513.08	7.23	1.23	9.3	11.84	12.83	1.73
Franklin India Focused Equity Fund	****	8,714.19	9.86	-2.63	13.09	11.44	9.11	1.82
<b>EQUITY: MID CAP</b>								
Axis Midcap Fund	*****	3,551.05	11.38	8.17	15.91	17.32	10.63	2.04
DSP Midcap Fund	****	6,691.39	9.82	2.76	10.34	10.45	10.92	1.93
L&T Midcap Fund	****	5,831.30	9.42	-1.93	1.08	9.8	10.82	1.97
Franklin India Prima Fund	****	7,510.28	8.15	-0.71	6.78	9.22	9.86	1.84
<b>EQUITY: SMALL CAP</b>								
SBI Small Cap Fund	*****	2,914.59	9.63	2.8	9.07	14.39	15.86	2.29
Axis Small Cap Fund	****	1,199.83	8	8.64	20.09	13.72	11.61	2.23
HDFC Small Cap Fund	****	9,137.06	1.87	-13.07	-8.12	9.75	9.19	2.08
Nippon India Small Cap Fund	****	8,424.88	8.23	-7.35	-3.55	9.7	10.73	2.16
L&T Emerging Businesses Fund	****	6,112.41	4.53	-8	-7.08	8.92	10.96	1.96
<b>EQUITY: VALUE ORIENTED</b>								
Kotak India EQ Contra Fund	****	874.46	7.8	1.87	11.8	15.08	9.3	2.52
Invesco India Contra Fund	*****	4,485.61	8.78	-0.1	8.08	14.49	10.76	2.15
Tata Equity PE Fund	****	5,484.83	7.36	1	8.13	11.32	10.5	1.88
L&T India Value Fund	****	8,032.18	7.05	-3.31	4.48	8.67	10.04	1.87
<b>EQUITY: ELSS</b>								
Mirae Asset Tax Saver Fund	*****	2,670.71	10.18	4.87	15.66	17.89	-	1.89
Axis Long Term Equity Fund	*****	21,492.33	9.9	7.36	17.22	16.42	11.66	1.72
JM Tax Gain Fund*	*****	34.63	9.04	4.07	15.63	15.41	10.04	2.38
Tata India Tax Savings Fund	*****	2,008.76	9.52	2.5	16.42	14.38	12.34	2.1
Motilal Oswal Long Term Equity Fund	*****	1,584.31	12.01	7.98	14.54	14.27	-	2.13
Invesco India Tax Plan	****	961.89	8.9	2.98	10.58	13.34	9.96	2.38
Aditya Birla Sun Life Tax Relief 96	****	9,814.16	11.33	1.33	7.48	13.18	10.69	1.98
Kotak Tax Saver Regular Plan	****	986.69	9.04	0.82	14.49	12.43	9.58	2.36
DSP Tax Saver Fund	****	6,102.99	9.22	3.4	16.23	12.2	10.89	1.9
IDFC Tax Advantage (ELSS) Fund	****	2,053.35	7.41	-5.47	3.31	11.99	9.04	2.14
Quant Tax Plan	****	10.59	10.65	-0.94	7.06	11.15	12.55	2.48
<b>HYBRID: EQUITY SAVINGS</b>								
Axis Equity Saver Fund	****	804.74	4.18	2.83	10.06	9.07	-	2.37
Kotak Equity Savings Fund	****	1,908.03	4.43	3.77	8.72	8.63	7.73	2.15

## LAGGARDS & LEADERS

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

### LAGGARDS LEADERS

#### Equity: Large-cap 5-year returns

LAGGARDS	LEADERS
Principal Nifty 100 Equal Weight	Mirae Asset Large Cap
JM Large Cap	Quant Focused
Taurus Largecap Equity	JM Core 11
Baroda Large Cap	Axis Bluechip
Nippon India ETF Shariah BeES	Motilal Oswal Focused 25

19.5%

THE 3-YEAR RETURN OF AXIS BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

#### Equity: Multi-cap 5-year returns

LAGGARDS	LEADERS
LIC MF Multicap	Motilal Oswal Multicap 35
Taurus Starshare (Multi Cap)	Axis Focused 25
ICICI Pru Focused Equity	SBI Focused Equity
Union Multi Cap	Tata Retirement Savings
HDFC Focused 30	Parag Parikh Long Term Equity

16.8%

THE 3-YEAR RETURN OF MIRAE ASSET EMERGING BLUECHIP FUND IS THE HIGHEST IN ITS CATEGORY.

#### Equity: Mid-cap 3-year returns

LAGGARDS	LEADERS
SBI Magnum Midcap	Axis Midcap
Aditya Birla Sun Life Mid Cap	Invesco India Mid Cap
PGIM India Midcap Opportunities	DSP Midcap
Sundaram Mid Cap	Kotak Emerging Equity
Baroda Midcap	Nippon India Growth

17.3%

THE 3-YEAR RETURN OF AXIS MID-CAP FUND IS THE HIGHEST IN ITS CATEGORY.

#### Equity: Small-cap 3-year returns

LAGGARDS	LEADERS
Quant Small Cap	SBI Small Cap
Sundaram Small Cap	Axis Small Cap
DSP Small Cap	HDFC Small Cap
Aditya Birla Sun Life Small Cap	Nippon India Small Cap
HSBC Small Cap Equity	L&T Emerging Businesses

17.9%

THE 3-YEAR RETURN OF MIRAE ASSET TAX SAVER FUND IS THE HIGHEST IN ITS CATEGORY.

#### Hybrid: Aggressive 5-year returns

LAGGARDS	LEADERS
JM Equity Hybrid	Tata Retirement Savings
LIC MF Equity Hybrid	SBI Equity Hybrid
PGIM India Hybrid Equity	DSP Equity & Bond
Baroda Hybrid Equity	Canara Robeco Equity Hybrid
UTI Hybrid Equity	Principal Hybrid Equity

# ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio
			3-Month	6-Month	1-Year	3-Year	5-Year	
Edelweiss Equity Savings Fund	★★★★	116.55	3.46	2.74	7.93	8.5	7.11	1.74
ICICI Prudential Equity Savings Fund	★★★★★	1,487.64	4.15	4.08	10.32	7.62	-	1.35
HDFC Equity Savings Fund	★★★★	4,732.24	3.17	0.2	6.52	7.54	7.66	1.95
<b>HYBRID: AGGRESSIVE (EQUITY-ORIENTED)</b>								
Tata Retirement Savings Fund	★★★★★	1,146.41	9.26	2.49	10.71	13.28	11.05	2.22
Mirae Asset Hybrid Equity Fund	★★★★★	2,808.50	7.22	3.17	12.49	12.94	-	1.95
SBI Equity Hybrid Fund	★★★★★	30,906.44	8.23	4.94	15.88	12.04	10.47	1.69
Canara Robeco Equity Hybrid Fund	★★★★	2,606.81	7.47	2.63	12.39	11.62	9.34	2.06
Principal Hybrid Equity Fund	★★★★	1,577.74	6.13	-1.9	4.13	10.81	9.29	2.12
HDFC Children's Gift Fund	★★★★	2,989.89	5.66	1.2	9	10.8	9.05	2.07
HDFC Retirement Savings Fund	★★★★★	349.32	5.45	-0.29	8.23	10.61	-	2.73
DSP Equity & Bond Fund	★★★★	6,303.10	7.54	4.94	15.29	10.4	9.62	1.92
ICICI Prudential Equity & Debt Fund	★★★★	23,950.41	7.58	0.62	9.18	9.91	9.25	1.74
HDFC Hybrid Equity Fund	★★★★	21,086.54	5.32	-0.65	8.49	9.42	8.9	1.71
<b>HYBRID: CONSERVATIVE (DEBT-ORIENTED)</b>								
ICICI Prudential Regular Savings Fund	★★★★★	1,672.97	4.25	4.52	10.64	8.59	9.25	1.97
Tata Retirement Savings Fund	★★★★	134.15	3.99	3.88	9.49	7.28	8.19	2.22
HDFC Retirement Savings Fund	★★★★	71.64	2.83	3.09	8.7	6.3	-	2.21
Indiabulls Savings Income Fund	★★★★	19.17	3.38	2.22	7.98	7.98	-	2.22
Aditya Birla Sun Life Regular	★★★★	1,959.84	2.78	2.17	7.09	5.22	7.86	1.87
SBI Magnum Children's Benefit Fund	★★★★★	65.42	4	1.62	4.83	9.13	10.28	2.26
<b>DEBT: MEDIUM- TO LONG-TERM</b>								
Nippon India Income Fund	★★★★★	269.96	1.3	6.58	13.9	5.43	8.22	1.62
IDFC Bond Fund Income Plan	★★★★	679.72	0.87	6.07	12.65	5.62	8.29	1.88
ICICI Prudential Bond Fund	★★★★	3,319.20	2.41	6.1	12.21	6.31	8.24	1.08
Canara Robeco Income Fund	★★★★	108.57	1.11	5.89	11.86	5.49	7.89	1.88
<b>DEBT: MEDIUM-TERM</b>								
SBI Magnum Medium Duration Fund	★★★★★	2,082.32	2.34	5.97	11.68	8	9	1.09
HDFC Medium Term Debt Fund	★★★★	1,121.59	1.99	4.68	9.85	6.32	7.93	1.29
Indiabulls Income Fund	★★★★	16.65	1.05	4.18	9.06	6.42	8.05	0.76
Axis Strategic Bond Fund	★★★★	1,212.31	2.18	2.75	7.93	6.42	8.31	1.01
Franklin India Income Opportunities Fund	★★★★★	3,410.20	1.11	2.84	6.83	7.3	8.06	1.7
<b>DEBT: SHORT-TERM</b>								
Axis Short Term Fund	★★★★	3,073.11	2.22	5.3	10.57	7.05	8.06	0.88
HDFC Short Term Debt Fund	★★★★★	8,974.33	2.4	5.41	10.43	7.62	8.29	0.4
L&T Short Term Bond Fund	★★★★★	4,674.36	2.18	4.95	10.4	7.01	7.81	0.73
Baroda Short Term Bond Fund	★★★★★	314.79	1.95	4.73	9.61	7.81	8.43	1.3
Franklin India Short Term Income Plan	★★★★	12,551.22	0.93	2	7.15	7.5	8.11	1.47
Indiabulls Short Term Fund	★★★★	56.78	-0.44	0.88	5.8	5.98	7.41	1.48
<b>DEBT: DYNAMIC BOND</b>								
SBI Dynamic Bond Fund	★★★★	1,133.22	1.24	7.08	13.81	6.41	8.93	1.66
Kotak Dynamic Bond Fund	★★★★★	870.94	2.01	6.04	13.07	7.23	9.15	1.08
PGIM India Dynamic Bond Fund	★★★★★	41.58	1.15	5.86	12.96	6.48	8.91	1.64
Quantum Dynamic Bond Fund	★★★★	60.04	1.02	5.52	11.34	5.89	-	0.71
ICICI Prudential All Seasons Bond Fund	★★★★	2,888.01	1.89	5.16	10.99	6.14	9.14	1.32
Franklin India Dynamic Accrual Fund	★★★★	4,029.79	1.68	2.95	8.49	7.76	8.9	1.66
<b>DEBT: CORPORATE BOND</b>								
HDFC Corporate Bond Fund	★★★★	11,937.53	1.82	5.32	11.39	7.43	8.59	0.45
Aditya Birla Sun Life Corporate Bond Fund	★★★★★	16,893.29	1.96	5.02	10.54	7.4	8.54	0.38
ICICI Prudential Corporate Bond Fund	★★★★	10,587.33	2.21	5.08	10.43	7.15	8.28	0.56
Kotak Corporate Bond Fund	★★★★★	3,431.86	2.23	4.99	10.39	7.84	8.9	0.61
Nippon India Prime Debt Fund	★★★★	956.98	1.47	3.19	8.15	6.86	7.83	0.71

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

**13.3%**  
THE 3-YEAR RETURN OF TATA RETIREMENT SAVINGS IS THE HIGHEST IN ITS CATEGORY.

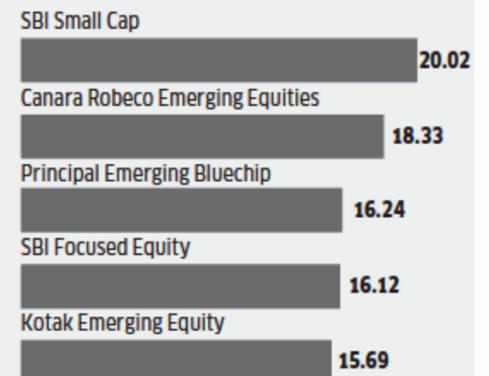
**13.9%**  
THE 1-YEAR RETURN OF NIPPON INDIA INCOME FUND IS THE HIGHEST IN ITS CATEGORY.

**13.8%**  
THE 1-YEAR RETURN OF SBI DYNAMIC BOND FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 31 October 2019  
\*Expense as on before 31 October 2019  
Returns as on 27 November 2019  
Assets as on 31 October 2019  
Rating as on 31 October 2019

## 1 Top 5 SIPs

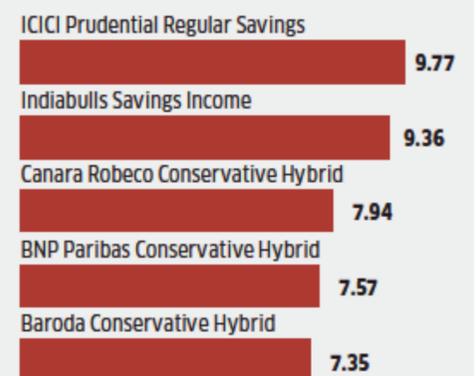
### Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN % ANNUALISED RETURNS AS ON 27 NOVEMBER 2019

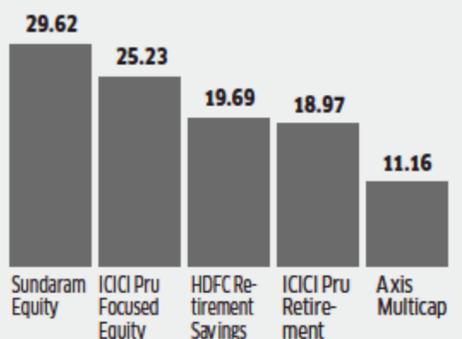
## 2 Top 5 MIPs

### Top 5 MIP schemes based on 3-year SWP returns



SWP: SYSTEMATIC WITHDRAWAL PLAN % ANNUALISED RETURNS AS ON 27 NOVEMBER 2019

## 3 Multi Cap cash holdings



% AS ON 31 OCTOBER 2019

**Did not find your fund here?**  
Log on to [www.wealth.economictimes.com](http://www.wealth.economictimes.com) for an exhaustive list.

### Methodology

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

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

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

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

### EQUITIES (figures over the past one year)

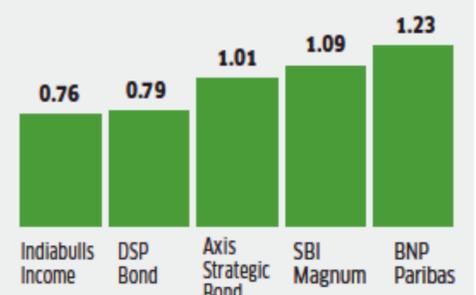
- Large-cap:** Mostly invested in large-cap companies.
- Multi-cap:** Mostly invested in large- and mid-cap companies.
- Mid-cap:** Mostly invested in mid-cap companies.
- Small-cap:** Mostly invested in small-cap companies.
- Tax planning:** Offer tax rebate under Section 80C.
- International:** More than 65% of assets invested abroad.
- Income:** Average maturity varies according to objective.
- Glit:** Medium- and long-term; invest in gilt securities.
- Equity-oriented:** Average equity exposure more than 60%.
- Debt-oriented aggressive:** Average equity exposure between 25-60%.
- Debt-oriented conservative:** Average equity exposure less than 25%.
- Arbitrage:** Seek arbitrage opportunities between equity and derivatives.
- Asset allocation:** Invest fully in equity or debt as per market conditions.

## FUND RAISER

**0.021**

Is average sharpe ratio of the equity diversified funds between November 2018-19, compared to -0.05 between November 2017-18.

## 4 Debt: Medium duration



% AS ON 31 OCT 2019  
% EXPENSE RATIO IS CHARGED ANNUALLY.  
METHODOLOGY OF TOP 100 FUNDS ON  
[WWW.WEALTH.ECONOMICTIMES.COM](http://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
RBL Bank	7.60	10,782
Lakshmi Vilas Bank	7.50	10,771
IDFC First Bank	7.50	10,771
IndusInd Bank	7.25	10,745
Yes Bank	7.25	10,745
<b>TENURE: 2 YEARS</b>		
RBL Bank	7.65	11,636
Lakshmi Vilas Bank	7.50	11,602
IDFC First Bank	7.50	11,602
AU Small Finance Bank	7.50	11,602
DCB Bank	7.40	11,579
<b>TENURE: 3 YEARS</b>		
DCB Bank	7.85	12,627
AU Small Finance Bank	7.77	12,597
Lakshmi Vilas Bank	7.50	12,497
RBL Bank	7.35	12,442
Bandhan Bank	7.35	12,442
<b>TENURE: 5 YEARS</b>		
DCB Bank	7.65	14,607
RBL Bank	7.50	14,499
AU Small Finance Bank	7.50	14,499
Lakshmi Vilas Bank	7.25	14,323
Yes Bank	7.25	14,323

## Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Lakshmi Vilas Bank	8.10	10,835
RBL Bank	8.10	10,835
IDFC First Bank	8.00	10,824
Bandhan Bank	8.00	10,824
IndusInd Bank	7.75	10,798
<b>TENURE: 2 YEARS</b>		
RBL Bank	8.15	11,751
Bandhan Bank	8.15	11,751
Lakshmi Vilas Bank	8.10	11,740
IDFC First Bank	8.00	11,717
AU Small Finance Bank	8.00	11,717
<b>TENURE: 3 YEARS</b>		
DCB Bank	8.35	12,814
AU Small Finance Bank	8.27	12,784
Lakshmi Vilas Bank	8.10	12,720
Bandhan Bank	8.10	12,720
RBL Bank	7.85	12,627
<b>TENURE: 5 YEARS</b>		
DCB Bank	8.15	14,969
RBL Bank	8.00	14,859
AU Small Finance Bank	8.00	14,859
Bandhan Bank	8.00	14,859
Lakshmi Vilas Bank	7.85	14,751

## Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	7.65	14,607
RBL Bank	7.50	14,499
AU Small Finance Bank	7.50	14,499
Lakshmi Vilas Bank	7.25	14,323
Yes Bank	7.25	14,323

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



## HOME LOAN RATES

With effect from 1 October, 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: 5.15%**

BANK	RLLR (%)	FOR SALARIED		FOR SELF EMPLOYED (%)		WEL
		FROM (%)	TO (%)	FROM (%)	TO (%)	
Punjab National Bank	7.80	7.95	8.45			5 Oct
Bank of India	8.00	8.10	8.40	8.10	9.00	10 Oct
Bank of Baroda	8.10	8.10	9.10			5 Oct
Andhra Bank	8.10	8.15	9.30			1 Nov
United Bank of India-RLLR		8.15	8.30			1 Oct
Union Bank of India	8.00	8.20	9.35			11 Oct
Bank of Maharashtra	8.20	8.20				8 Oct
SBI Term Loan		8.20	8.55	8.35	8.70	1 Oct
IDBI Bank	8.25	8.25	8.60	8.35	8.50	12 Oct
Central Bank of India		8.25	8.55			1 Oct
Syndicate Bank		8.25	8.45	8.30	8.50	1 Oct
United Bank of India-EBLR		8.25	8.40			1 Oct
Oriental Bank of Commerce	8.20	8.30	8.80			5 Oct
Canara Bank	8.30	8.30	10.25	8.35	10.30	1 Oct
Corporation Bank	8.15	8.35	8.60			1 Oct
SBI Max Gain	8.05	8.45	8.80	8.60	8.95	1 Oct
Indian Overseas Bank	8.25	8.45	8.70			1 Oct
Indian Bank	8.20	8.50	8.55	8.50	9.80	1 Oct
Allahabad Bank		8.50	9.10			
AxIs Bank		8.55	9.20	8.65	9.40	2 Nov
Federal Bank		8.55	8.65	8.60	8.70	16 Oct
ICICI Bank		8.60	8.95	8.75	9.10	4 Oct
Dhanlaxmi Bank		9.80	10.50			1 Oct
Karur Vysya Bank	7.95					7 Oct

## Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 8%	2,028	1,213	956	836	772
@ 10%	2,125	1,322	1,075	965	909
@ 12%	2,224	1,435	1,200	1,101	1,053
@ 15%	2,379	1,613	1,400	1,317	1,281

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY. FOR EXAMPLE, A ₹5 LAKH LOAN AT 12% FOR 10 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,435 X 5 = ₹7,175

## Post office deposits



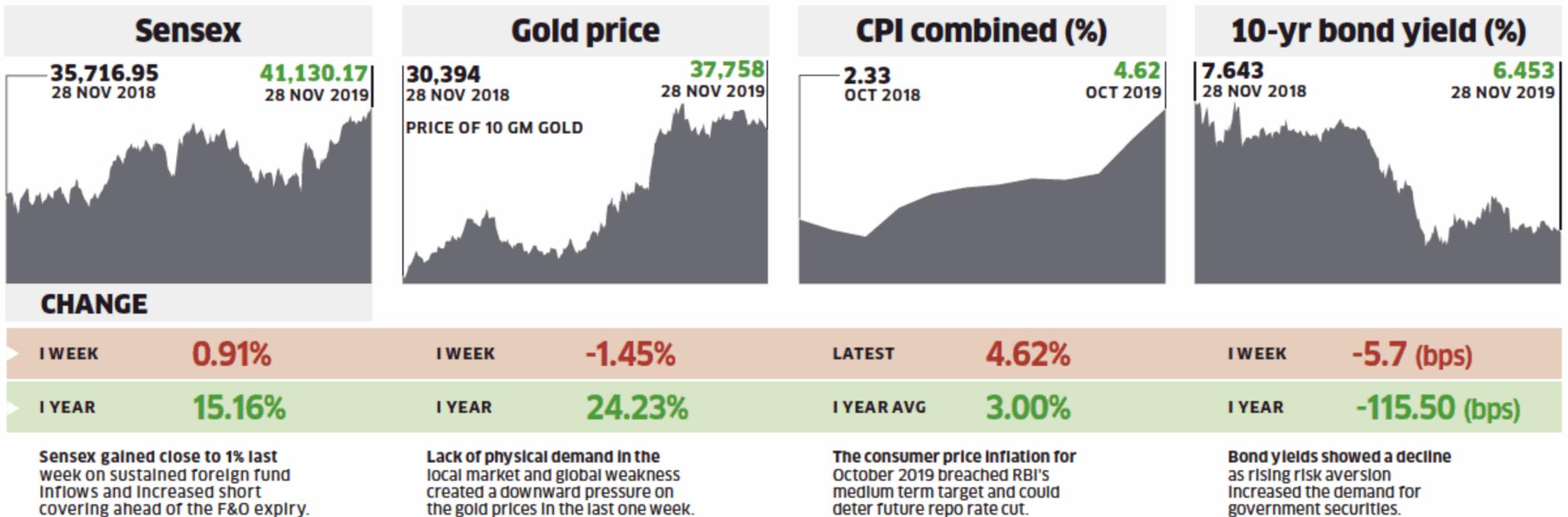
	Interest (%)	Minimum Investment (₹)	Maximum Investment (₹)	Features	Tax benefits
Senior Citizens' Savings Scheme	8.60	1,000	15 lakh	5-year tenure, minimum age 60 yrs	80C
Sukanya Samriddhi Yojana	8.40	250	1.50 lakh	One account per girl child	80C
Public Provident Fund	7.90	500	1.50 lakh p.a.	15-year tenure, tax-free returns	80C
5-year NSC VIII Issue	7.90	100	No limit	No TDS	80C
Time deposit	6.90-7.70	200	No limit	Available in 1, 2, 3, 5 year tenures	80C <sup>#</sup>
Post Office Monthly Income Scheme	7.60	1,500	Single 4.5 lakh	5-year tenure, monthly returns	NII
			Joint 9 lakh	5-year tenure, monthly returns	NII
Kisan Vikas Patra	7.60	1,000	No limit	Can be encashed after 2.5 years	NII
Recurring deposits	7.20	10	No limit	5-year tenure	NII
Savings account	4.00	20	No limit	₹10,000 interest tax free	NII

Data as on 28 Nov 2019

# Benefit available only for 5-year deposit

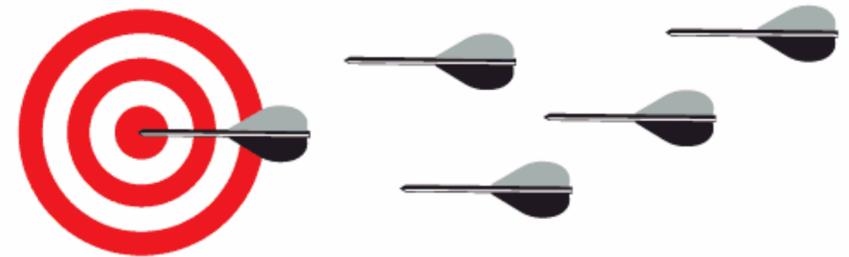
# HOW YOUR INVESTMENTS PERFORMED THIS WEEK

This weekly tracker keeps you updated on the benchmark stock index, gold prices, inflation and bond yields. It also gives the changes in the past one year to give investors an idea how their investments performed over a longer period.



## 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)
Relliance Naval & Engln.	8.05	27.17	<b>159.68</b>	5.1	2268.75	593.76
Parabolic Drugs Ltd.	2.45	26.29	<b>128.97</b>	0.16	-29.28	15.16
Alok Industries Ltd.	3.23	26.17	<b>125.87</b>	28.12	35.14	444.87
Housing Development &	3.37	26.69	<b>111.95</b>	10.49	54.33	159.74
Indosolar Ltd.	0.75	25	<b>102.7</b>	0.2	-70.09	27.91
Facor Alloys Ltd.	1.88	26.17	<b>93.81</b>	1.45	280.13	36.75
Unitech Ltd.	0.97	24.36	<b>90.2</b>	3.47	-73.67	253.78
Orient Green Power Co.	2.48	24	<b>82.35</b>	2.65	143.1	186.18
Nagarjuna Oil Refinery	0.37	15.63	<b>76.19</b>	0.62	-14.72	15.84
MIC Electronics Ltd.	0.88	18.92	<b>76</b>	0.13	10.39	19.38

### Top price losers

Pazel International Ltd.	0.73	-15.12	<b>-33.03</b>	6.23	238.3	12.86
Parsvnath Developers	2.01	2.03	<b>-24.15</b>	1.52	658.26	87.47
Toyam Industries Ltd.	1.03	-8.85	<b>-22.56</b>	1.88	337.94	21.89
Opto Circuits (India) Ltd.	3.12	-17.02	<b>-22.19</b>	1.15	108.76	93.8
Suzlon Energy Ltd.	2.26	-5.83	<b>-14.07</b>	31.53	25.2	1202.26
PMC Fincorp Ltd.	0.28	-9.68	<b>-12.5</b>	5.97	85.64	14.25
Jalprakash Associates	2.12	-0.47	<b>-10.92</b>	8.26	-3.5	515.68
Gennex Laboratories Ltd.	2.82	1.44	<b>-10.76</b>	1.23	44.17	35.67
Vikas WSP Ltd.	9.69	-3	<b>-5.74</b>	1.63	-4.97	198.06
Relliance Home Finance	4.28	-3.39	<b>-5.73</b>	2.11	16.49	207.61

### Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Ushdev International	0.31	14.81	19.23	1.13	<b>22,114.64</b>	10.49
Digicontent Ltd.	4.14	10.99	-8	0.47	<b>5,164.92</b>	24.09
Rohit Ferro-Tech Ltd.	0.9	0	15.38	0.05	<b>2,909.01</b>	10.24
Ramasigns Industries	7.07	-22.48	-44.33	0.08	<b>2,566.86</b>	10.09
Relliance Naval & Engln.	8.05	27.17	159.68	5.1	<b>2,268.75</b>	593.76
Mohota Industries Ltd.	6.82	-3.13	-46.51	0.04	<b>2,191.03</b>	10.03
Lypsa Gems & Jewellery	4.3	0.94	-2.05	0.14	<b>2,011.35</b>	12.68
Sintex Plastics Techno.	1.53	18.6	3.38	94.57	<b>1,508.37</b>	96.54
Acme Resources Ltd.	6.36	-4.93	-40.84	0	<b>1,037.96</b>	16.37
Sezal Glass Ltd.	4.94	-1.2	-5.9	0	<b>954.09</b>	16.57

### Top volume losers

Mercator Ltd.	1.05	-1.87	11.7	1.73	<b>-89.94</b>	31.76
Unitech Ltd.	0.97	24.36	90.2	3.47	<b>-73.67</b>	253.78
BC Power Controls Ltd.	9.75	1.35	28.97	1.52	<b>-57.42</b>	57.33
Relliance Power Ltd.	3.68	6.98	9.52	46.16	<b>-31.13</b>	1,032.29
Gammon Infrastructure P.	0.33	17.86	10	3.12	<b>-12.28</b>	31.08
Kwality Ltd.	2.69	-14.06	4.26	2.82	<b>-11.07</b>	64.94
Vikas WSP Ltd.	9.69	-3	-5.74	1.63	<b>-4.97</b>	198.06
Punj Lloyd Ltd.	1.17	-14.6	24.47	1.12	<b>-4.79</b>	39.27
Jalprakash Associates	2.12	-0.47	-10.92	8.26	<b>-3.5</b>	515.68

THE 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 28 NOVEMBER 2019. SOURCE: ETIG DATABASE AND BLOOMBERG.

# Kalpataru Power: Better prospects

In addition to faster growth, balance sheet deleveraging should also help in re-rating.

**K**alpataru Power Transmission, one of the leading EPC players in the power transmission and infrastructure space, reported solid set of numbers for the second quarter of 2019-20. For instance, its revenue, EBITDA and net profit for the quarter have shown a y-o-y growth of 25%, 21% and 39% respectively. EBITDA stands for earnings before interest, tax, depreciation and amortisation. Higher net profit growth was because of the lower tax rate.

Analysts are getting bullish on this counter because of its prospects. For instance, its order backlog increased by 7% to ₹15,130 crore in the second quarter. Since Kalpataru Power is the least cost bidder (L1 bidder) in orders worth around ₹2,000 crore, robust order inflow is expected to continue in the coming quarters as well. Central government's efforts to shore up the power transmission and distribution (T&D) system continues, and this should augur well for companies like Kalpataru Power.

Kalpataru's entry into non-T&D segment has started yielding results. For example, its non-T&D segments now contributes around 45% of its orderbook. While oil & gas segment revenue remained flat, railway segment did exceptionally well and reported 100% y-o-y revenue growth in the second quarter. More importantly, its global market operations have also started getting traction. Besides the neighbouring countries like Nepal and Bangladesh, Kalpataru has its presence in Middle East and African countries too. Analysts believe that Kalpataru will end 2019-20 with fresh orders of around ₹6,000 crore, mostly due to the winning of large international orders.

Since its order backlog is now placed at 1.9 times its annu-

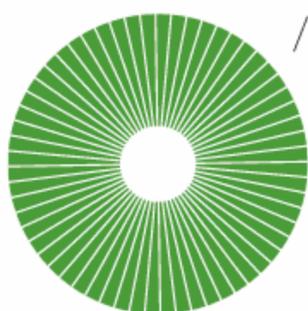
al revenues and large fresh orders are expected, Kalpataru Power is expected to report good performance in the coming quarters as well. Due to the well diversified sector and geographical presence, its business-related risk has also reduced now. Despite its strong prospects from all segments, ie improving prospects of T&D segment and strong scaling up of non-T&D business, Kalpataru Power is still trading at reasonable valuations. See relative valuation table.

Strategic initiative by Kalpataru Power to deleverage its balance sheet should also result in further re-rating in the counter. For example, Kalpataru Power plans to achieve zero consolidated net debt during 2020-21—from a net debt level of ₹3,800 crore now. It also plans to monetise some transmission assets and use it to repay debt. Kalpataru Power also plans to monetise or restructure its road assets and any action on this front will bring down its cash burn significantly.

**Selection Methodology:** We pick up the stock that has shown maximum increase in "consensus analyst rating" during the last 1 month. Consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (ie 5 for strong buy, 4 for buy, 3 for hold, 2 for sell and 1 for strong sell) and any improvement in consensus analyst rating indicates that the analysts are getting more bullish on the stock. To make sure that we pick only companies with decent analyst coverage, this search will be restricted to stocks with at least 10 analysts covering it. You can see similar consensus analyst rating changes during the last one week in ETW 50 table.

—Narendra Nathan

## Analysts' views



21 Buy

Since its order backlog is now placed at 1.9 times its annual revenues and large fresh orders expected, Kalpataru Power is expected to report good performance in the coming quarters. Its business-related risk has also reduced now. This has made the company a favourite of analysts.

## Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2017-18	2018-19	2019-20	2020-21
Revenue (₹ cr)	8,704.42	10,840.48	10,887.48	12,006.04
Ebitda (₹ cr)	1,384.16	1,740.07	1,282.36	1,434.14
Net profit (₹ cr)	277.81	469.11	537.68	617.84
EPS (₹)	18.10	30.57	34.98	40.18

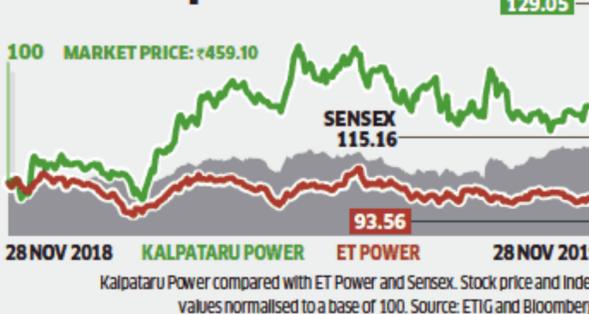
## Valuations

	PBV	PE	DIVIDEND YIELD (%)
Kalpataru Power Transmission	2.28	15.85	0.65
KEC International Ltd.	2.92	13.19	0.98
Bharat Heavy Electricals Ltd.	0.61	24.33	3.69
ABB India Ltd.	7.65	52.85	0.33
Siemens Ltd.	6.38	48.12	0.47

## Latest brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
28 Nov	IIFL	Buy	686
26 Nov	ICICI Securities	Buy	630
25 Nov	SBICAP Securities	Buy	653
08 Nov	HDFC Securities	Buy	675
07 Nov	Phillip Securities	Buy	675

## Relative performance



## WHAT EXPERTS ADVISE

### BUY

\*STOCK PRICES AS ON 28 NOVEMBER

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
VIP Industries	IDBI Capital	Buy	437	574	31	VIP is a leader in an industry dominated by unbranded players. Further, it has established brands, strong distribution network, skilled management and strong product portfolio.
Aegis Logistics	Motilal Oswal	Buy	194	247	27	Aegis Logistics is expected to see LPG throughput jump because it has been a key beneficiary of the government's thrust on increasing LPG penetration in the country.
Ador Welding	ICICI Direct	Buy	312	370	19	Investment in infrastructure, railways, heavy engineering, oil & gas, etc should help Ador Welding which is a leading player in the industry and has a 19% market share in structural welding.
Indian Hotels	Nirmal Bang	Buy	149	174	17	Retained 'buy': However, application of IndAS 116 results in increase in Ebitda and therefore, revised valuation multiple has gone downwards from 21 to 18 times.
UltraTech Cement	Reliance Sec	Buy	4,292	5,000	16	Likely to witness decent traction due to demand revival and steady pricing. Consistent cost cutting and focus on improvement in RoCE by balance-sheet deleveraging augur well for UltraTech.
SBI	Axis Capital	Buy	349	400	15	Value creation in subsidiaries has been a lot higher than expectations. Almost all subsidiaries are top three in their respective fields and have top quartile return ratios.

## SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
Colgate Palmolive	Elara Capital	Sell	1,477	1,290	-13	At over 90%, toothpaste is highly penetrated category in rural as well as urban India and it is now growing at 4-5% per annum, which is lower than GDP growth.

# Perks, NPS can save ₹87,000 tax

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

**B**engaluru-based software professional Rakesh Yadalam earns a good salary and rental income, but a good chunk goes in tax because his pay structure is not very tax friendly and he doesn't claim all the deductions available to him. Taxspanner estimates that Yadalam can reduce his tax by ₹87,000 if his company offers him some tax-free perks, he opts for the NPS benefit offered by his company and invests in the scheme on his own.

Yadalam does not get any LTA or reimbursement of fuel expenses. If he gets ₹4,000 as reimbursement of fuel expenses and ₹1,000 for newspapers and books per month, his annual tax will reduce by around ₹19,000. If his company gives him ₹60,000 as LTA (which is tax free if used once in a block of two years), his tax will come down by another ₹19,000.

Next, he should opt for the NPS benefit offered by his company. Under Sec 80CCD(2), up to 10% of the basic salary put in the scheme is tax free. If Yadalam's company puts ₹6,011 (10% of his basic) in the scheme every month, his annual tax will reduce by about ₹22,500. Another ₹15,600 can be saved if he invests ₹50,000 in the scheme on his own under Sec 80CCD(1b).

At 35, Yadalam should opt for an aggressive allocation that puts the maximum 75% in equity funds.

Yadalam's company offers group medical cover but he should buy one separately. A medical cover of ₹5 lakh for his family and parents will cost him about ₹25,000 and will cut his tax by roughly ₹7,800.

INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED	ACTIONS TO TAKE
Basic salary and dearness allowance	7,21,332	7,21,332	
House rent allowance	2,88,528	2,88,528	
Special allowance	8,97,456	↘ 7,05,323	Reduce this taxable portion of the pay package.
Internet	12,000	12,000	
Leave travel allowance	0	↗ 60,000	Utilise LTA once in two years to claim tax exemption.
Fuel reimbursements	0	↗ 48,000	These perks are tax free on submission of actual bills and subject to reasonable limits and usage.
Newspaper allowance	0	↗ 12,000	
Employer's contribution to Provident Fund	86,560	86,560	
Contribution to NPS under Sec 80CCD(2)	0	↗ 72,133	Opt to put 10% of basic pay in NPS to save tax.
<b>TOTAL</b>	<b>20,05,876</b>	<b>20,05,876</b>	

+

### INCOME FROM OTHER SOURCES

Interest Income	12,000	0	Shift to debt funds to avoid tax on FD income.
Capital gains	0	0	
Rental Income	1,80,000	1,80,000	
<b>TOTAL</b>	<b>1,92,000</b>	<b>1,80,000</b>	

All figures are in ₹

↗ Denotes suggestion to Increase    ↘ Denotes suggestion to reduce

## Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED (₹)
Provident Fund	86,560	86,560
Life insurance	76,000	76,000
NPS under Sec 80CCD(1b)	0	50,000
<b>TOTAL ADMISSIBLE</b>	<b>1,62,560</b>	<b>20,00,00</b>

Consider this new tax-saving option.

## Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED (₹)
HRA exemption	2,88,528	2,88,528
Medical insurance	0	25,000
<b>TOTAL</b>	<b>2,88,528</b>	<b>3,13,528</b>

Buy medical insurance for family and parents.

## Rakesh Yadalam's tax

TAX ON SALARY	TAX ON OTHER INCOME	TAX ON CAPITAL GAINS
CURRENT		
₹2,47,662	₹43,056	0
₹2,90,718		
SUGGESTED		
₹1,64,316	39,312	0
₹2,03,628		

TOTAL TAX SAVED  
₹87,090  
PER YEAR

TAX RATIO  
(Total tax as % of annual Income)

EXISTING (₹)	SUGGESTED (₹)
13.2%	9.3%

WRITE TO US FOR HELP

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

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

This refers to the story, 'Beware of limited period cover offers'. Insurance is not a money saving scheme. There are far better ways of saving money. Insurance is not for tax saving either. Insurance is only to cover risk. If one has no dependants, there is no need to take life insurance cover. These days, where both spouses are earning, endowment policies make little sense. As far as health insurance is concerned, study the terms and conditions, exclusions, etc. In the insurance industry, premium collected is income for the company and claims paid is expenditure. They only want income not expenditure.

**Vedantham Sheshashar**

This is in reference to the column, 'The art of selling your investments right'. Mutual fund managers are basically taking advantage of the unaware population that has the money to invest but does not know where. A lot of people get lured into this trap and then can't get out. I have not come across any person who invested in mutual funds and could take out the

### A must-read for the elderly

The cover story, 'Parents vs adult kids', had some important and useful information for those facing similar issues. I hope all senior citizens get to read this article and benefit from it.

**S. Vangara**



money when they needed it.

**Indian Citizen**

There can be no one size fits all approach when it comes to investing in mutual funds. You should know what your goals are. Also to be taken into account is how much of wealth you have, your age, your risk appetite, and your horizon. Ten years ago, I

started investing from scratch. I took high risk and started SIPs in mutual funds with whatever surplus I had. I invested lump sums whenever I saw a dip in the market. I have managed to generate reasonable wealth.

**Shiv Raj Gupta**

While I agree with some of the points made

in the column, I do not think it is wrong to book profits in stocks. I think in today's era where corporate governance and malpractices are on the rise it is prudent to take out your capital and in the process book some profits. The only thing is that profit should be reinvested in other stocks.

**Jalkumar**

This refers to the article, 'How much is India's richest worth?' This shows why so many people are poor in India. Money and assets are accumulated and appropriated by successful people whose business it is to manage wealth, not create wealth. The creators are the people who remain poor because of the system that is controlled by the rich.

**Laxminarayana V.N**

This in reference to the article, 'Divorce and finances'. Nowadays, returns on investments are poor and there is also the risk of losing money. It is better to receive a fixed amount every month as alimony.

**Dilip Velankar**

## REALTY HOT SPOT

# Expensive micro market in NCR

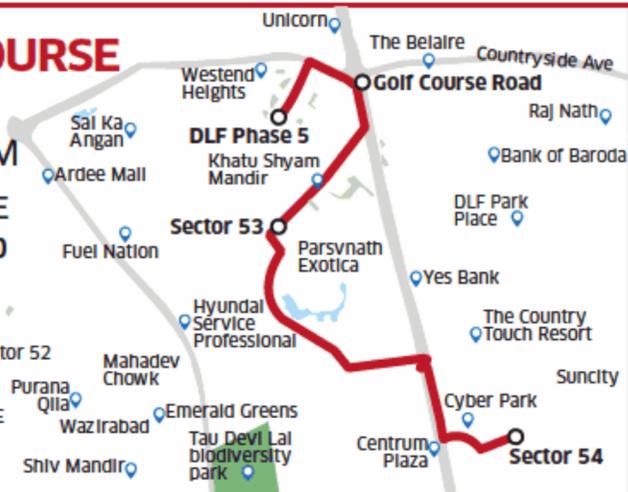
This Gurugram locality boasts high-end apartment complexes, malls and offices.

### GOLF COURSE ROAD

### GURUGRAM

PRICE RANGE  
₹6,300-17,700 per sq ft

Demand: HIGH  
Supply: HIGH



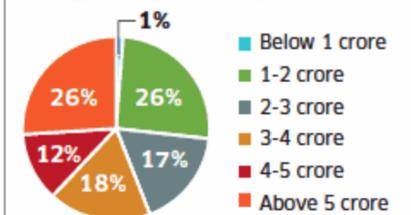
### HIGHLIGHTS

- High-end micro-market having proximity with key office hubs of Cyber City and Sohna Road
- Boasts offices of renowned companies such as Ernst & Young, American Express, Dell, Oracle, etc
- Well-established area with adequate schools, hospitals, restaurants and shopping malls
- Key malls situated here include DT Mega Mall, South Point Mall, MGF Megacity Mall, Central Plaza Mall
- Good connectivity through Golf Course Extension Road, NH-48, Sohna Road & Rapid Metro network

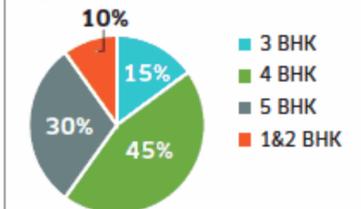
### LOCALITY SNAPSHOT

- Schools 18+ • Hospitals 16+ • Restaurants 20+
- Banks 18+ • Grocery Stores 20+ • Petrol Pumps 15+

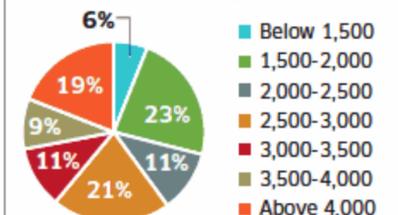
### Consumer preference by budget segment (₹)



### Consumer preference by BHK



### Consumer preference by covered area (sq ft)



### PROPERTIES AVAILABLE



3 BHK: 2,080 (sq ft)  
₹2.59 crore (avg)



4 BHK: 3,330 (sq ft)  
₹4.72 crore (avg)



5 BHK: 5,420 (sq ft)  
₹8.21 crore (avg)

### LOCALITY

### VALUES

	Price (₹/sq ft)	Rental (₹/month)
DLF CITY PHASE 5	10,100-13,700	64,400-1,09,800
GOLF COURSE RD	6,500-15,300	57,400-1,29,700
SECTOR 53	9,400-12,900	53,500-79,200
SECTOR 54	6,300-17,700	53,400-1,19,300

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