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INVEST IN INVESTING

"Security is knowing tomorrow will be fine."

From the Editor's Desk

As investors, we want to maximize our returns and minimize our risks. Market fluctuations can often dampen our plans. But regardless of how the markets swing, life must go on.

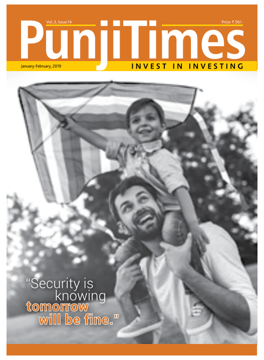
Every investor should create a custom strategy to safeguard investments and ultimately, their financial future. While investing in the financial markets, such a strategy should offer a shield against market fluctuations while taking volatility into consideration.

As an investor, the first thing you need to determine is your present and future financial needs. Once you budget for your financial requirements, you get a clear idea of your future needs. The second thing you need to determine is your basket of investments. You can hedge your risks by mixing and matching different investment options – some which provide fixed but regular income, while some which are riskier but capable of great returns.

In this issue, we focus on some investment options that you could consider such as Employee Provident Fund (EPF), retirement investments and their benefits, Joint insurance policies, things to keep in mind while getting married, to name a few. From singlehood to marriage to retirement, and anything in between, there's a strategy to follow. Security, after all, is in knowing that tomorrow will be fine.

Best,

Team Meri Punji



Punji (*noun / Hindi*) - **Capital** *meaning, wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing.*

Disclaimer

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Best Investment Options for

A Worry Free Retired Life!

Financial planning for post retirement living should ideally begin along with the launch of your career. However, most people seriously consider how to fund their post retirement life only in their mid thirties or later. Even access to a pension is not enough because with retirement sources of income dry up but expenses remain same or even increase. Therefore, to maintain a comfortable standard of living it is important to zero in on ideal investment options.

Here are some of the best post retirement investment options on the market:

FIXED DEPOSITS

Fixed deposits are the most secure and reliable source of regular income post retirement. They are also risk free. In addition, fixed deposits can be pledged as a security in case a sudden requirement for cash arises. The best fixed deposits are those offered by banks. Rates of interest offered vary from bank to bank. In addition, post offices and corporate entities also offer fixed deposit schemes.

NATIONAL PENSION SYSTEM

This system allows salaried personnel to systematically build a pension corpus over their working lives. Once the employee retires, they are allowed to withdraw sixty percent of the amount contributed at one go. The remaining forty percent can be utilized as an annuity to generate a regular source of income. As an added incentive, investment in the National Pension System makes the subscriber eligible for an additional tax benefit of up to Rs. 50,000.

PUBLIC PROVIDENT FUND (PPF)

The Public Provident Fund is an initiative of the Government of India towards a system of social security. It allows salaried employees and their employers to contribute a certain percentage of the employee's earnings to the fund over the course of their working lives. On retirement, the subscriber can cash in this accumulated amount. Certain tax benefits accrue to both maturity amount and all interest earned during the period as these are exempt at all stages from taxation. The amount in PPF has a lock in period of fifteen years.

SENIOR CITIZENS' SAVINGS SCHEME (SCSS)

This policy is open for those aged sixty or above. This five year plan has a rate of return of 9.3 percent per annum. The scheme can be extended to an additional three years. Maximum investment amount is Rs. 15 lakh and the deposit is not transferable. Withdrawal before completion of holding period is allowed after the passage of one year but penalties are levied.

MONTHLY INCOME SCHEME (MIS) IN POST OFFICE

This scheme has a minimum investment amount of Rs. 1000 and a maximum amount of Rs. 3 lakhs. The rate of return is 8.4 percent per annum and the holding period is six years.

NATIONAL SAVINGS CERTIFICATE (NSC)

The amount of investment is unlimited here. Issued by the Government of India, these offer a rate of return of 8.1% per annum compounded annually. They are given tax rebates under Section 80C of the Income Tax Act.

TAX FREE BONDS

These are risk free and tax free both! Issued by various government organizations such as NTPC, NHAI and Indian Railways, they offer interest rates at par with market interest rates for similar instruments but at zero percent risk. The holding period and rate of return vary from bond to bond.

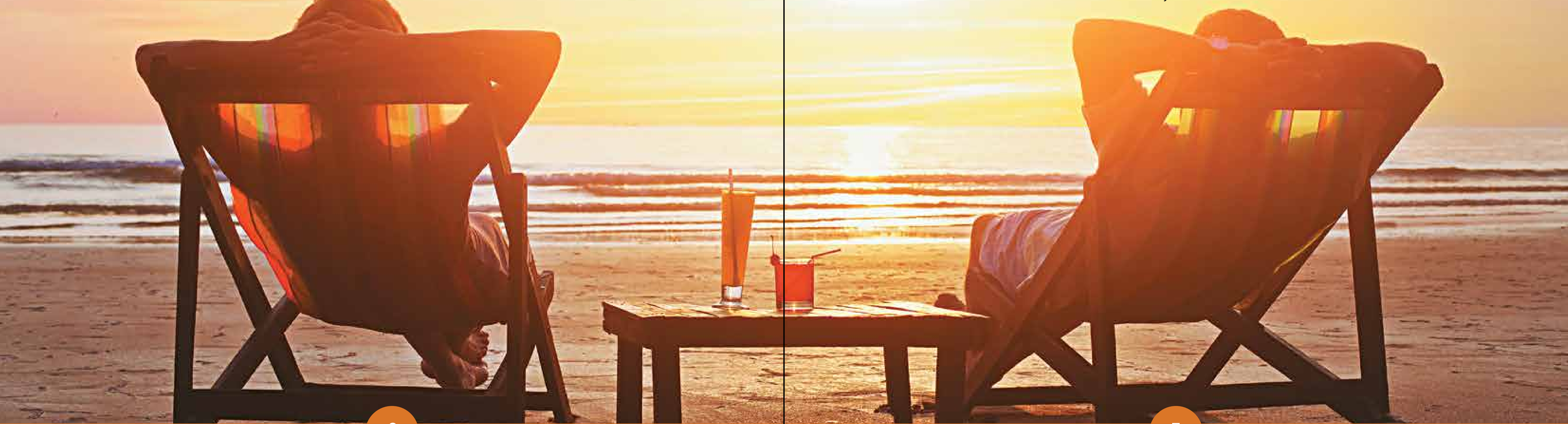
MUTUAL FUNDS

Balanced mutual funds often offer a much higher rate of return than fixed income instruments. A lump sum investment in these can generate income regularly. They are also marginally safe since mutual funds invest in debt and equity instruments both to offset risks.

EQUITY INSTRUMENTS

If you have a strong foundation about how the share markets work, leisure time post retirement can be used for investing in the share market. The share market can offer higher if somewhat irregular and uncertain returns. Shares can be traded or held as long term investments.

You deserve a good, worry-free life post retirement. Investing in these options will free you from financial worries so that you can make the most of it! ■



Arranging your finances before Marriage

For most people, their wedding is a beautiful dream, and one of the most important and memorable days of their lives. To make their wedding perfect and a great starting point for their marriage, people leave no stone unturned. However, life changes drastically post marriage, and your finances are just the beginning. You and your future spouse should definitely iron out any financial wrinkles before getting a marriage license. Post marriage finances have long been the reason for arguments, lying, distrust, separation, and even divorce. Take the time to understand your future spouse's financial situation and also disclose your own so that your marriage can begin with financial transparency.

Here is a to-do list of financial topics you should be clear on before you walk down the aisle:

PROTECTION OF PRE MARRIAGE ASSETS

Prenuptial agreements are the most common way to protect assets which either of you may have accumulated before the marriage. They may also include protection of expected incoming assets or sources of income such as a business, inheritance or family wealth. Prenuptial agreements are certainly not romantic, but they are very effective in safeguarding your assets in case of a separation. You don't have to be Donald Trump to see that. It's bad enough if your marriage breaks down, why should you lose half your wealth at the same time?

INVESTIGATE YOUR PARTNER'S FINANCIAL PAST

This might sound extreme, but apart from talking to your partner, you must also independently verify their finances. Pre existing mortgage debt or student loans are definitely things you should be informed about. Specifically, check if they have ever filed or been close to filing for bankruptcy. There are simply too many cases of bad financial history turning into a deal breaker later in the marriage.

CHALK OUT A JOINT FUTURE PLAN

Talk to your partner about your future career or higher education plans. Be clear on when you want to start a family. The specifics of the financial commitments both of you will encounter in the short and long term should be transparent so that a joint future action plan is decided.

DECIDE SPENDING METHODS

Regardless of whether you are a single or dual income couple, each of you should have access to personal funds which you can spend from without consulting or compromising your joint financial future. The reason? Pure psychology. Becoming overly reliant on permission or consultation for every single expenditure becomes a nuisance and breeds resentment. Give yourself a break by deciding on whether joint or separate checking accounts will best suit your needs. Understand if a separate budget and account for joint expenses such as household utility bills should be created to which both partners can contribute.

SET SAVINGS GOALS

When it comes to a major purchase such as down payment on a home, both spouses will need to have saved enough over a period of time. Make sure that you budget for future financial needs and set goals that both of you should meet. This also promotes a sense of financial equality in the marriage.

ROLE PLAYING

Decide on who does what with the finances. Will only one of you take care of routine expenditure while the other is in charge of long term expenses such as loans? Will both of you decide on where to invest or will each of you invest separately? Such actions should be clear early on.

PROTECT YOUR ASSETS

You or your partner may have family members who are wholly or partially dependent on you. Make sure that the income they need from you periodically is safeguarded by creating a will. Be very clear on how much of your wealth should be inherited by your spouse and how much should go to other beneficiaries. In particular, be specific about property endowments which are all too often the subject of lengthy court cases. Medical and life insurance for you and your spouse is non-negotiable. Also, make nominees for such policies clear.

As a wise person once said – "Marriages are made in heaven, but so are thunder and lightning!" With a dash of foresight, sound planning and discussions with your partner, you will be able to remove any hurdles to your financial security and long term happiness ■

Employees' Provident Fund

Five Things Every Salaried Person Should know about EPF

Employees' Provident Fund (EPF) is a social security scheme maintained by the Government of India. Essentially a retirement benefits scheme for salaried personnel, its main highlight is that it offers a higher rate of return on investment compared to other financial instruments which specialize in investing small savings. Today, the Employees' Provident Fund Organization (EPFO) manages nearly $130 billion worth of assets.

Here are some pertinent facts about the EPF that a salaried individual should know:

CONTRIBUTION

Most organizations in India who employ salaried personnel are registered under the EPFO. In such organizations, it becomes mandatory for employees to contribute to the EPF. An employee is required to contribute a minimum of 12% of (Basic Salary + Dearness Allowance). Any additional contribution by him/her up to a maximum of 100% of (Basic Salary + Dearness Allowance) is credited to the Voluntary Provident Fund (VPF) which also falls under EPF rules. The employer is also required to mandatorily contribute an amount equal to a minimum of 12% of (Basic Salary + Dearness Allowance). This, however, is not considered as an income for the employee. However, the employer considers it an expense in his books of account.

OPERATIONAL PROCEDURE:

- **Unique Account Number (UAN)**

  From late 2014 onwards, all employees covered under EPF are automatically assigned a UAN. It is a unique number

- **Tracking capability**

  The UAN can be used to monitor and track all the activities within the employee's account by visiting the website www.epfindia.gov.in

- **Nomination**

  At the time of EPF registration, the nominee can be specified. The amount in the EPF account is handed over to the nominee in case of death of the employee. If no nominee is specified, the amount passes over to the legal or natural heirs. The claim for such amount can only be processed and cleared by the last employer

- **Change of employment**

  In case an employee changes his job; he or she must provide the UAN to the new employer. This ensures that EPF funds are transferred seamlessly and without delay to the new employer and natural contribution resumes

WITHDRAWING FUNDS

EPF allows both partial and total withdrawal of funds from the account. Partial withdrawal is allowed to help the employee meet important commitments such as purchase/renovation/construction of a residential property, medical expenses, marriage or loan repayment. Withdrawal in other cases is discouraged because EPF is meant to be a long term investment for savings. Complete withdrawal is allowed only on two conditions – the employee must have reached the age of retirement as per his current employer, or he has been continuously unemployed for a minimum period of sixty days.

TAX PARAMETERS

Amount mandatorily contributed under EPF rules is exempted at every stage: Under Section 80C and 80 CCD of the Income Tax Act on contribution up to Rs. 1.50 lakhs, the interest earned on the amount contributed and at the withdrawal stage. However, an amount contributed is eligible for all three exemptions only when it has been invested for a minimum period of five years. If the amount is withdrawn before the passage of five years, it is immediately considered as income of the employee and becomes taxable under the employee's respective tax slab.

INVESTMENT SAFETY

The EPFO is under the administrative control of the Ministry of Labor and Employment of the Government of India. As such, both the amount invested and the returns are guaranteed by the government. This makes the EPFO one of the few investment options which are one hundred percent secure.

As a salaried employee, it is important to know how the EPF works. The best source of information on the subject can be obtained by visiting the official website www.epfindia.gov.in to familiarize yourself with the ins and outs of the process fully

Secure Your Vehicle with **an Insurance Plan**

For most urban-dwellers, owning a car no longer remains a luxury and is fast becoming a necessity. Since a car can be one of the most expensive purchases, securing it against accidents and theft becomes imperative. A car insurance, also known as motor insurance, helps protect your vehicle against potential damages to the car or injuries in case of an unforeseen accident or theft.

Moreover, the driver is not just responsible for the safety of the passengers but also pedestrians, other people's property, and himself. It is thus mandatory in India to obtain at least a third-party car insurance before one takes to the roads.

WHAT IS A CAR INSURANCE?

A car insurance offers protection against the financial loss arising in the event of an unforeseen accident. You can avail this protection by paying a premium to the insurance company insuring your car.

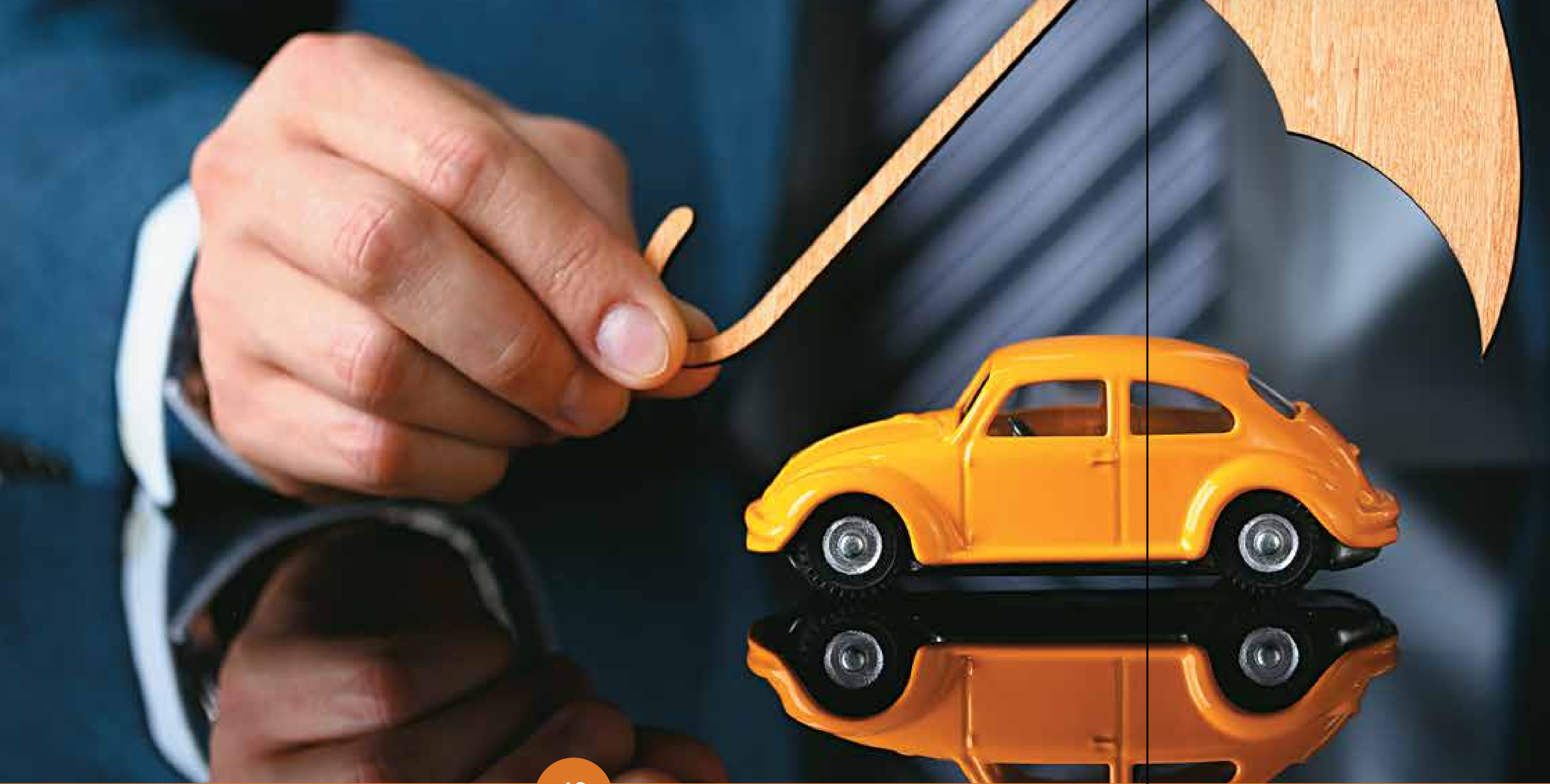
WHY YOU NEED CAR INSURANCE

As per the Motor Vehicles Act, 1988, it is mandatory to insure one's car against the risks of third party liability.

However, most private car owners prefer a package policy that covers both Own Damage and Third Party Liability Risk:

Own Damage: This is a form of insurance that protects against ordinary losses or damages to the car, regardless of the place of accident and the person at fault. It covers a wide variety of cases - broken windows, theft, destruction etc.

Third Party Liability: A third-party insurance cover is a statutory requirement under the Motor Vehicles Act, 1988. It is referred to as a 'third-party' cover since the beneficiary is a party other than the two parties in the contract - the car owner and the insurance firm. While the policy provides no benefit to the owner, it covers any legal liability incurred by them in the event of death or injury to a third party or damage to the property of a third party while using the owner's car. The policy also covers legal expenses the owner might incur to defend the claim.



WHICH PARTIES CAN BE INSURED?

Driver

A paid driver (legal liability to employees) can be insured under the provisions of Workmen's Compensation Act. The buyer can avail this cover by paying a nominal premium amount as part of the same policy.

Car Owner

It is compulsory to insure the registered owner of the vehicle against the risk of personal accident. This cover can be availed on the payment of a nominal premium amount.

Passengers

Co-passengers can also be insured against the risk of personal accident for a limited sum by paying an additional nominal premium.

WHAT IS A NO-CLAIM BONUS (NCB)?

A No-Claim Bonus (NCB) is a discount on premium of the own damage (OD) portion of the owner's vehicle when the policy is renewed, provided no claims are made during the last policy period. NCB is allowed to the person insured and not the car.

In the event of a sale of the car, only the insurance policy can be transferred to the new owner but not the NCB. The new owner has to then pay the difference on account of NCB for the balance policy period. The original owner can transfer the NCB on his old car to a new car purchased by him. They can get this NCB letter by applying to the existing insurance company.

WHO SETTLES THE CLAIM IN CASE OF AN ACCIDENT?

Most insurance companies now have cashless claim settlement for own damage claims, if approached through their approved/network workshops. In case the owner gets their car repaired at a non-approved workshop, claims are directly settled upon submission of required documents within the specified time period.

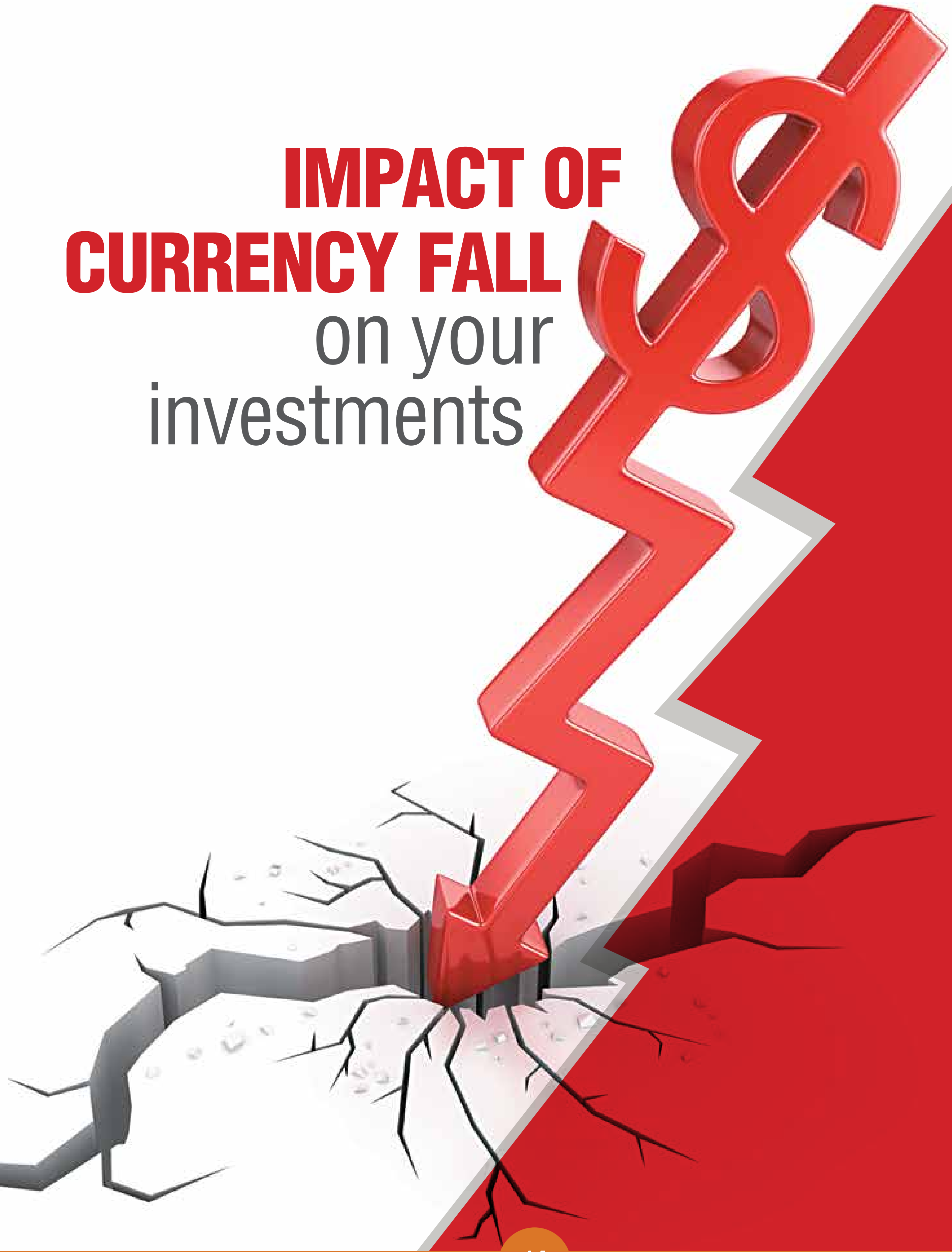
Third party claims are awarded by Motor Accident Claims Tribunals as per the provisions of Motor Vehicles Act, 1988 and subsequently settled by the insurance company.

BENEFITS OF BUYING A CAR INSURANCE ONLINE

Buying Motor Insurance online through an insurance company's website saves time since the buyer gets the policy instantly with no documentation or paperwork involved. The premium can also be paid online using multiple payment options.

The policy can also be renewed online, 60 days to expiry of the existing policy. In case the policy has already expired, renewal is subject to satisfactory inspection by a company-authorised surveyor ■

IMPACT OF CURRENCY FALL on your investments



Increasing oil prices in the international markets have lowered the value of the Indian rupee as compared to the US dollar. In 2018 alone, the value of the rupee weakened by nearly twelve percent. This downward fall continued till the Reserve Bank of India stepped in with some stabilizing measures. However, there remain justified concerns that the Indian rupee may continue its downward slide well into the coming year.

As an equity investor, it is worthwhile to remember that times of stress can be converted to times of reward. Looking at history, every currency crisis has been succeeded by the markets bouncing back and giving handsome returns to investors who held on. This pattern will likely be duplicated now as well.

What does the depreciation of home currency mean for investors?

- Investing in export oriented companies is recommended. Not only are they the recipient of government export incentives, but sales in export currencies will increase the value of their earnings during a home currency decline period. Provided that their input costs do not rise concurrently, then the profit margin makes investing in such companies worthwhile
- Picking equities of foreign companies or mutual funds which invest in foreign equities is recommended. This will allow the investor to tap into profits from the growth of the US economy and the strengthening US dollar
- Limit investment in companies with high dependence on raw materials which must be imported. Even if such companies have large export revenues, the gains will be canceled out by the high cost of imports. However, such companies may still be considered if the raw materials to be imported are relatively homogenous and may hence be substituted easily from a cheaper foreign market or even domestically. Cutting down on investment in importing companies can be a double edged sword and the investor should carefully consider all angles
- Reduce investment in companies which have a foreign currency debt. Companies which may have taken advantage of dirt cheap interest rates to borrow money from abroad may be the biggest losers in times of currency depreciation. If they are majorly earning in Indian rupees but debt payments have to be met in foreign currencies, they are definitely in trouble. Such companies may even have to take out fresh loans or issue of securities to make up the currency value difference. It is best to avoid such companies till the currencies stabilize against one another. However, if a company has major export earnings, then they may be considered for investment even if they are exposed to debt in foreign currency
- Be prudent. As an investor, this is the time to go lay low and let the storm blow over. Expecting high returns from equities during this period will only lead to disappointment. This is a period to stabilize your portfolio, not expand it
- Assess the risk exposure of your portfolio after such currency fall. Spread out the risk among different securities and sectors. If you are not a professional investor, consider foregoing equities and investing in mutual funds which are managed by experts who understand how to manage risks
- Spread out your investments. You should have a diverse portfolio so that even if some investments are getting hit by the currency depreciation, adequate returns from others stem major losses. One thing to remember is that currency depreciation is a macro economic problem which may arise at any time. It has nothing whatsoever to do with the inherent earning capacity and growth trajectory of a security. Hence, it is not recommended to dump all securities which are affected by currency depreciation for a short while. It might interest you to know that even companies like Infosys are affected to some extent by the depreciation of the home currency. However, no investor would want to dispose of his Infosys stock merely on this account
- Estimate your cash flow requirements for the coming year. If you have already cherry picked the investments you want to go for next, having adequate funds at the right time is essential. Currency depreciation may reduce both earnings from investment and the value of the investment itself. If you know that your cash requirements will rise over the coming period, consider moving away from securities temporarily and investing in bank deposits or short term debt funds instead

Fall in value of domestic currency sooner or later stabilizes, especially in a fast growing economy such as India. The trick is to aim for stability during such temporary upheavals. Savvy investors have made fortunes during such time simply by playing it cool

Loan Against Security

Things to Keep In Mind

If you need cash in a pinch, mortgages of shares or other investments are an option to consider. It is cheaper than taking out a personal loan. Such loans include them against fixed deposits, shares, insurance, mutual funds etc. It also entails substantially lower paperwork and loan to be provided against valid security tends to be cleared for approval faster.

WHY SHOULD A LOAN AGAINST SECURITY BE CONSIDERED AS AN OPTION?

For a customer, the choice of loan depends on the expected holding period of the underlying collateral. If the customer wishes to hold on to securities in the medium term but needs funds immediately, it is recommended to apply for the loan by putting up these same securities as collateral instead of selling those securities. During this entire process, although the bank will hold on to your securities, the interest, bonus, and dividends on the same will still be yours. This is one of the best alternatives for short-term immediate financial emergencies.

FEATURES OF LOANS AGAINST SECURITIES

To a large extent, the loan amount and interest rate will depend on the type of security pledged as collateral and the borrower's creditworthiness.

Loans against shares: You can avail this loan as overdraft or demand loan against the eligible list of securities. This keeps you invested in the shares and helps you while raising a loan during a financial emergency. Your loan amount fluctuates with market volatility. If the value of the share falls, the lender may ask you to raise the value of the security by pledging more shares or rebuilding by providing the necessary funds. You can typically avail up to fifty percent of the market value of the pledged shares. Hence, this kind of loan may need constant updating of collateral from your side as the market value of shares fluctuates every day.

Loans against Mutual Funds: The loan amount sanctioned against Mutual Funds is arrived at by the market value of the Mutual Funds. The loan offer typically goes up to fifty percent of the market value of mutual funds and up to seventy percent of mutual fund's net asset value at the time of application for the loan. Funds that have a lock-in period, such as share-based savings schemes, cannot be pledged. The mutual fund would be under a lien of the bank, which gives the bank the right to recover the loan amount in case of default. You cannot sell the funds that are under a lien.

Loans against insurance: Banks and insurance companies allow loans against insurance policies. However, it is only allowed against traditional life insurance, such as gift and money plans, and not against Unit Linked Insurance Plans (ULIPs) or Term Insurance. The loan amount is in the range of sixty percent to ninety percent of the insurance policy surrender value. You can only apply for a loan against insurance if you have purchased your policy at least three years before the loan.

Loans against fixed deposits: This is the most traditional option while also being the cheapest. Most banks offer loans by keeping fixed deposits as collateral. Because the risk factor is so low, banks will be willing to allow as much as eighty to ninety five percent of the fixed deposit amount as loans. The loan rates will usually be one to two percent more than the fixed deposit rate.

THINGS TO REMEMBER

The most important condition to remember is that if the loan exceeds the loan-to-value ratio (LTV) due to a drop in the collateral, the borrower must deposit the difference in his loan account. The inability to do so attracts criminal charges. In addition, not all securities will make you eligible for a loan. Banks maintain their own list of preferred securities for collateral. They usually consider parameters such as market value, stock price volatility, and liquidity of the stock. Since customers cannot sell the securities that are pledged or left in favor of the lender, make sure only long term securities are pledged in this way. Banks also retain the right to sell these securities if their value decreases. You may lose the securities pledged.

Loan against security should be considered by an investor only through careful evaluation of his original purpose for the investment. This ensures that he or she will not lose out on long term gains for covering short term needs. ■

A Joint Life Policy to Protect Two Lives

A Joint Life Policy can be opted to not only lower the premiums payable but to also reduce the hassle of maintaining individual policies. Joint Life Policies are gaining momentum as consumers realize their many useful features.

FEATURES OF A JOINT LIFE POLICY

- The most important feature is that such a policy allows for the extension of the insurance plan to the spouse as well, regardless of his/her employment status. In most cases, it is typically the wife who is the non-working spouse. The spouse becomes entitled to fifty percent of the insurance sum of the primary life insured. As an added incentive, some companies offer a premium waiver for the secondary life insured after the death of the primary life insured
- If the spouse happens to be a homeowner, the insurance company may also cover the life insurance amount. As per law, the maximum total insurance sum available for both spouses cannot exceed the maximum insurance sum available to the primary life insured

Each of the insured lives has its own sum insured, which is paid to the other surviving partner. At the death of one of the insured parties, the surviving partner receives the insured amount and vice versa. Future premia for surviving party are reduced. In case of simultaneous deaths for both lives, ie husband and wife, the total insurance sum for each life is paid to the nominees.

WHO BENEFITS MOST FROM A JOINT LIFE POLICY?

Joint Life as a concept must cover non-working spouses and this is where it is effective. If both spouses work, it is optimal that both apply for an independent employment cover. There is no other benefit to a Joint Life policy, except as a good source to cover the non-working spouse. Otherwise, it is not possible to purchase insurance if one partner has no regular source of income. However, if both spouses work and if the family is depending on both incomes, it's better to buy separate schedules as they provide better features and flexibility.

BENEFITS OF JOINT LIFE POLICIES

In case of any mishap with one of the spouses, life insurance goes on for the other spouse without any break. In addition, the life insurance for the remaining spouse is actually free for the remaining policy period if it contains a clause that waives the premium and provides remedies for any future financial obligations. The cost is also lower than buying two separate policies. This is because both lives are managed in a single policy, so there are some savings at the expense of costs.

DISADVANTAGES OF A JOINT LIFE POLICY

In a joint life plan, because two lives are covered together, the premiums tend to be higher, which could otherwise have been used to provide higher insurance to the primary insured. Such policies are primarily helpful as a cover for the loss of income of the non working spouse if the working spouse dies. The premium after the death of the primary life insured seems to be lower, but in reality is much higher than if separate life insurance plans had been purchased.

Another disadvantage is that in case of separation of husband and wife, the policy cannot be divided. The only option is the termination of the plan. If the plan is terminated, both lives must be applied to another life insurance plan, which may be more expensive as the current premiums may change due to an increase in age. If the spouse is a housewife, she may not even be entitled to an independent term insurance plan for herself.

Joint Life Policy is thus a major failsafe for a non working spouse. Also, having a Joint Life Policy ensures that the non working spouse remains entitled to present standard of living in case the working spouse dies. In spite of the higher premiums, it is a great option to put in as a safeguard so that the income level remains constant ■

Expert Speak

The equities market has bounced back strongly. In fact, better than expected by many market watchers. From 26 October, the Nifty had risen by around 8.4% by the end of November. This bounce back was on account of a major change in the direction of the global economy. More specifically, the sharp fall in the Brent crude oil prices put domestic bulls in charge of the market. In just a month, Brent crude prices fell from US$ 85 p/b to US$ 59 p/b – a nearly 30% decline. On an annualised basis, if this price sustains at these levels, India would end up saving around US$ 21 bn (annualised) in oil import costs.

The crude price fall will reduce the pressure on imports bill and bring down the inflationary pressure on the economy. Having said that, the effects of the market meltdown during the Sept-Oct period are still visible, especially in the mid-cap and the small-cap segment. Of the top 1000 stocks (ranked as per the market cap), nearly 75% have posted a negative 1-year return. More than one-third of the stocks' prices in this list have fallen by more than -30% yoy. So, while the Nifty levels may indicate buoyancy, ample value opportunities may have been created in the small and mid-caps segment due to the correction during Sep-Oct month.

For the debt market, the crude price fall has brought down the inflation expectation. This has improved the sentiment in the market. The 10-year gilt has fallen from 7.85% to 7.61% - a fall of 23 bps over the period. Having said that, while optimism is rising, the approach to allocation in duration may still be cautious. This mood prevails due to uncertainty in the political domain. There is a concern that state elections and the subsequent general election may fuel populism and put eventual pressure on the fiscal. RBI's monetary policy stance may be reflecting this view.

On one hand, while the inflation has moderated, the expectation of fiscal slippages and global volatility seems to be playing on RBI's mind. Against this backdrop, we believe that we may be in for a long rate pause going ahead. From the channel partners' perspective, the opportunities and challenges are balanced fairly well. On one hand, we have growing investor acceptance and maturity but on another we have cost competition. The game is now increasingly shifting towards overall portfolio return rather than facilitating transactions. This game will reward all who are ambitious about new customer acquisition, can deliver personalised service and can be innovative in managing costs.

There is a belief that we may be witnessing the 'telecom' moment for our finance industry. By that I mean that basic banking, investments, insurance may be exponentially accessible to all in faster, easier and cheaper ways. For one, the Jandhan-Aadhar-Mobile telephony has drastically changed the nature of financial transactions today. I think, for the financial services to spread faster, it will have to speak the language of rural mass. Perhaps an HUL approach to rural India may be needed in the finance sector to solve the problem of the last man / woman. And to a great extent, this has already begun ■

Nilesh Shah,
Managing Director, Kotak Mutual Fund

MUTUALFUNDS
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ka darr kaisa?
A mutual fund that can keep you smiling through market ups and downs.
• Invests in both equity and debt
• Aims to provide monthly tax-free dividends#
• Provides tax-free returns##
ICICI PRUDENTIAL MUTUAL FUND
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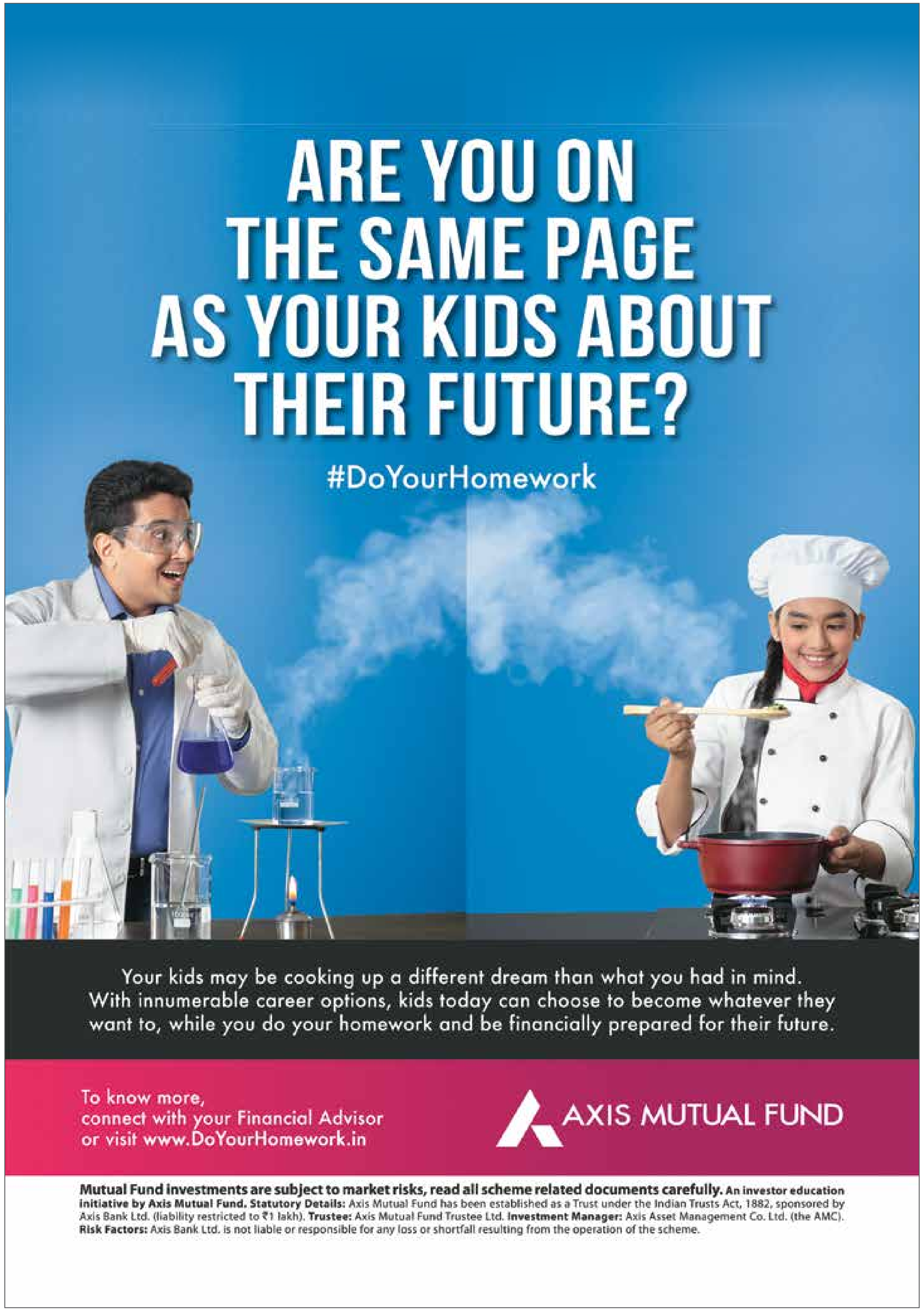
Balanced Advantage Fund
An Open Ended Equity Fund
#Distribution of dividends is subject to approval from Trustees and availability of distributable surplus.
##As per prevailing tax laws for FY17, returns earned after one year are tax-free.
ICICI Prudential Balanced Advantage Fund is suitable for investors who are seeking*:
• Long term wealth creation solution
• An equity fund that aims for growth by investing in equity and derivatives
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
LOW
HIGH
RISKOMETER
Investors understand that their principal will be at moderately high risk
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.



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Mutual Fund investments are subject to market risks, read all scheme related documents carefully. An investor education initiative by Axis Mutual Fund. Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ₹1 lakh). Trustee: Axis Mutual Fund Trustee Ltd. Investment Manager: Axis Asset Management Co. Ltd. (the AMC). Risk Factors: Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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Every individual is unique and so are his or her investment needs. Investment planning must always be aligned with one's goals. Hence, our approach is to help you chalk out an investment strategy that is best fit for 'you'.

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