

Not just returns in mind with plan for child's future

Harsh Vardhan Roongta

When we think of investments, the first thing that comes to our mind is — "returns". While returns are one of the most important considerations while choosing investment avenues, it is important to evaluate other features that come along, sometimes at the cost of higher returns.

Let us take the case of Manish Jain, who wishes to make investments to ensure a career-based education for his 5-year-old daughter Suhani, to be followed by her marriage. Manish needs to start saving for the targeted amount i.e. ₹22 lakh from now.

So how should he go about planning his investments to achieve the targeted amount? We worked out two options:

Option I [Equity/ equity MFs]

Since the time horizon is long-term, it would be prudent to invest in equity / equity-oriented mutual funds, which have a tendency to give 12% returns. Therefore, simple number crunching would draw up a figure of ₹4,500 to be invested per month to achieve the ₹22 lakh amount in 15 years by the time child turns 20.

Caution point: Simply getting to the numbers does not mean that his "mission" is accomplished. While planning to fund your child's professional education, it is also important to consider the following:

- Your child is 5 years today and will require this money at her age of 20 years.
- Even if you have the entire corpus

Basic stats

Suhani's current age	5 years
Cost of the professional course today	₹8 lakh
Age at which Suhani will require the money	Age 20
Inflation rate	7%
Cost of the same professional course at age 20 years	₹22 lakh

available today, you cannot admit her into the educational institute today and pay all the fees in advance (as she is 5 years old now). By the time she turns 20, due to various reasons, this corpus may / may not be available.

● You are assuring that for the next 15 years you will set aside ₹4,500 every month, irrespective of everything that would prevent you from doing that.

● Last and the most important, you are assuring that you will "live" for the next 15 years and will save ₹4,500 per month.

In case, due to an unfortunate event, which leads to the death of the parent, remember, the child will still grow to become 20 and would still require the ₹22 lakh as ascertained by you today.

So what should be the plan of action in such a scenario?

Option II [Child insurance plans]

At the onset, let me warn you, that the plans offered by Insurance companies will score less in terms of "returns" when you compare them to investments in equity / equity mutual funds. However, they score high in terms of the concerns as raised above. How does a child plan take care of the concerns?

The insurance cover is on the life of the parent and the child is the beneficiary.

ary to the proceeds from the plan. Premiums are to be paid regularly, in this case, for the next 15 years. Just like any other investment, this plan will give you the maturity proceeds or fund value in case of unit-linked plans.

What happens in case of death of the parent during the next 15 years?

It is from here the cover takes over as a comprehensive investment tool for the financial security of your child.

● The full sum insured is paid immediately to the family on death.

● The plan continues, as you had wanted funds to be available at your child's age 20 years.

● Your family does not make any contributions henceforth. All the future contributions are made by the insurance company into the plan, so that the corpus required at age 20 is achieved.

● At your child's reaching 20 years of age, the full maturity proceeds (sum insured + bonuses / fund value) is paid out to your child once again.

This money is available to your child exactly when he/she needs it, not before nor later. It can then be used to fund the educational / marriage requirements of your child.

When all the above features are made available to you, naturally there is going to be some cost associated with it. In this example, you would need to invest much more than the ₹4,500 per month to achieve your target of ₹22 lakh or settle for a lesser amount after 15 years for the same contribution, as it is already well known ... there are no free lunches!

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Bajaj Allianz health insurance rewards healthier living

Move to help gen insurers cut claims load

Yogini Joglekar & Khyati Dharamsi MUMBAI

Health insurance has never been an economically viable option for non-life insurance companies. Now to reduce the claims burden, the industry and the intermediaries are trying to go the preventive healthcare way. The reason is simple — better health ensures lesser claims.

On Thursday, Bajaj Allianz General Insurance along with Yes Bank and Visa launched its Jiyo Fit programme, whereby one can opt for a Health Debit Card along with his medical policy. With this card, one can get discounts at gymnasiums, beauty and skin clinics, spas, retail chains and chemists. The health card will be offered by Yes Bank on a zero-balance savings account and point collection and redemption will be provided by Visa's network.

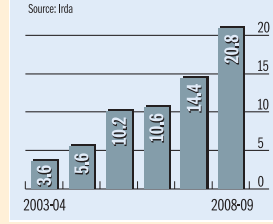
"Health Card members earn loyalty points each time they exercise. Buying healthy food and beverages at partner restaurants or medicines from the partner chain of chemists will also get them discounts," said Hemant Kaul, MD & CEO at Bajaj Allianz General Insurance. Some of the ups include retail-chain More, VLCC, Make Healthy, Vetro, Talk-walk's, Premax, Clear Trip, Gold's Gym, Dr Batra's, La Belles Slimming Centre, Sayaji Hotels, Cholayal Centre, Jayvanam, etc.

Customers can also get discounts on diagnostic tests and if any improvement is found in the patient's report they will get loyalty points which can be redeemed.

Insurance intermediaries such as Medimango Insurance Broking are also moving to an online-cum-distant way

Rising bills

Health insurance claims (in lakh)



of helping people keep illnesses at bay. "People can give a health test and access their health score online free of cost. After that, our team can suggest ways of improving customers' health and track whether they are following the programme over phone calls. Many people do not have the time to go to a dietician or a consultant. This programme will cost ₹6,000-8,000 per annum," says Sudhir Saranbat of Medimango Insurance Broking, which will launch the programme in a couple of months. "We can then tell these insurance companies that these customers have been following a health regime," he said.

In another similar effort, the Indian Health Organisation (IHO) offers a health card which gives discounts on preventive health check-ups where the first two consultations are free of cost. The above moves and promotions will help reduce the loss-making health portfolio of non-life insurance companies. "The industry is making money on mediclaim," said Kaul. Life insurers offering health insurance products are also making an effort in identifying healthy customers. ICICI Prudential Life offers different premiums for those who consume tobacco from those who don't.

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Indian income taxable irrespective of NRI status

Sandeep Shanbhag

I am a retired pensioner, and now living in the US with my son. Do I need continue my income return to be filed in India every year? Will I be termed NRI or will I continue to be an Indian resident? Note that I have no income

in the US — all my income (a nominal pension and some interest income) gets credited to my bank account in India.

— Saranbat
Whether you have become a full-fledged NRI or not, all your Indian income, including your pension, is chargeable to income-tax.

If this income does not exceed the base threshold applicable to you,

need not file tax returns whether you are an NRI or a resident. However, it is advisable to file the returns, even if your tax liability is nil because of two reasons — you maintain continuity and you can claim the refund of tax deducted at source (withholding tax) if you have suffered it.

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Stock Breakouts

Adani Power: Sell below Rs 136, target Rs 130, stop loss Rs 139. Closed below previous trend signals a downward movement.

Bharti Forger: Sell below Rs 355, target Rs 340, stop loss Rs 362. Closed below previous trend signals a downward movement.

Chambal Fert: Sell below Rs 70, target Rs 66, stop loss Rs 72. Closed below previous trend signals a downward movement.

Guj Petronet: Buy above Rs 111, target Rs 116, stop loss Rs 108. Closed above previous high & offers a good opportunity.

GVK Power: Sell below Rs 46.50, target Rs 43, stop loss Rs 48. Closed below previous trend signals a downward movement.

HDL: Sell below Rs 262.50, target Rs 250, stop loss Rs 268. Closed below previous trend signals a downward movement.

Lupin: Buy above Rs 404, target Rs 420, stop loss Rs 395. Closed above previous high & offers a good opportunity.

Petronet LNG: Sell below Rs 105, target Rs 100, stop loss Rs 107. Closed below previous trend signals a downward movement.

Jatin Ratnam, Midas Topical Advisors

Market Cues

Stocks on Circuit Fitter

Company	N/L Price (Rs)	Company	N/L Price (Rs)
OMC	₹ 275.25	Omaha	₹ 10.00
Noida To Dab	₹ 150.00	Interlink Petro	₹ 82.90
ICL Metals	₹ 102.40	Interlink Petro	₹ 82.90
Bank Leasing	₹ 710.20	Interlink Petro	₹ 82.90
Bank Leasing	₹ 710.20	Interlink Petro	₹ 82.90
Bank Leasing	₹ 710.20	Interlink Petro	₹ 82.90

Exchange Traded Funds

KOTAK SENSEX ETF

BSE SCRIPTCODE - KTKSENSEX

KOTAK SENSEX ETF is an open-ended exchange traded fund. To provide returns before expenses that closely correspond to the total returns of the BSE SENSEX, subject to tracking errors.

Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes would be achieved.

Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) of the scheme(s) carefully before investing. SID & SAI available at www.kotakmutual.com.

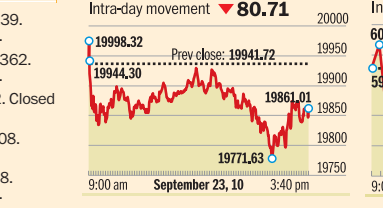
Trends

Company	BSE	NSE	% Change	Company	BSE	NSE	% Change
Banking	12200.0	12136.45	-1.09	Nifty Bees	6000.0	5997.97	-0.19
IT	1901.0	1923.85	+1.23	Nifty 50	132.00	126.26	-4.93
Healthcare	1208.45	1208.45	0.00	PSU Bank Bees	473.00	480.37	+1.65
Auto	1972.0	1972.0	0.00	Quantum Gold ETF	1934.00	1924.25	-0.34
Metals	150.00	150.00	0.00	Relig Gold ETF	1823.25	1824.90	+0.08
Energy	150.00	150.00	0.00	Relig Gold ETF	1590.00	1590.00	0.00
Telecom	150.00	150.00	0.00	Shankar Bees	133.00	129.50	-4.89
Real Estate	150.00	150.00	0.00	UTI S&P Gold ETF	1887.95	1882.70	-1.12
Others	150.00	150.00	0.00	UTI S&P Gold ETF	955.00	931.00	-2.44

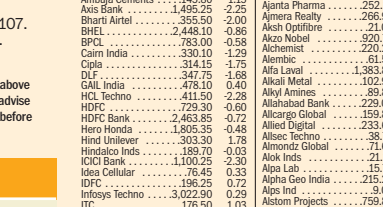
52-Week High

Company	Price (Rs)	Company	Price (Rs)	Company	Price (Rs)
Titani	336.80	Garanti	266.40	PSM Spp	99.00
ICICI Bank	150.00	ICICI Bank	244.00	PSM Spp	99.00
Dr Reddy's Labs	150.00	ICICI Bank	244.00	PSM Spp	99.00
Godrej's Textiles	150.00	ICICI Bank	244.00	PSM Spp	99.00
ICICI Bank	150.00	ICICI Bank	244.00	PSM Spp	99.00

BSE SENSEX



S&P CNX Nifty



Broad Indices

Index	Close	% Chg
BSE SENSEX	19,998.22	-0.40
S&P CNX Nifty	5,995.90	-0.52
Nifty 50	126.26	-4.93
Nifty Next 50	1,200.00	-0.15
Nifty Midcap 100	4,524.05	-0.86
Nifty Smallcap 500	10,542.58	-0.05
Nifty Bank	2,509.85	-0.42
Nifty IT	7,618.31	-0.39
Nifty Pharma	4,845.25	-0.12
Nifty Energy	8,031.24	-0.21
Nifty Auto	9,141.85	-0.01
Nifty Metals	3,004.07	-0.58
Nifty Real Estate	1,016.30	0.07
Nifty PSU	1,027.25	-0.08

Broad Indices

Company	LTP (Rs)	% Chg
ABB	873.90	0.11
Adani Power	135.00	-0.74
Adani Ports	1,065.20	0.08
Adani Trans	1,458.90	0.15
Adani Wilmar	1,458.90	0.15
Adani Wilmar	1,458.90	0.15
Adani Wilmar	1,458.90	0.15

Sectoral Indices

Index	Close	% Chg
BSE Auto	9,141.85	-0.01
BSE Bank	2,509.85	-0.42
BSE Capital Goods	1,216.30	-1.30
BSE Chemicals	1,216.30	-1.30
BSE Consumer Durables	6,908.80	1.53
BSE Energy	8,031.24	-0.21
BSE Financials	3,686.26	1.10
BSE Healthcare	4,845.25	-0.12
BSE Infrastructure	5,943.03	0.05
BSE IT	7,618.31	-0.39
BSE Metals	3,004.07	-0.58
BSE Oil & Gas	10,587.52	-1.00
BSE Power	3,179.24	-0.29
BSE Real Estate	1,016.30	0.07
BSE Telecom	3,702.43	-0.28

Top 5 Gainers & Losers

Company	LTP (Rs)	% Chg
Omaha	10.00	+0.99
Omaha	10.00	+0.99
Omaha	10.00	+0.99
Omaha	10.00	+0.99
Omaha	10.00	+0.99

Top 10 By Turnover NSE

Company	Turnover (Lakh)	No of Trades
Satyam Corp	719.61	31,272
Reliance Ind	528.89	52,84
SBI	432.56	13,75
Infosys Techno	420.42	13,98
ITC	385.17	10,37
Punjab Lloyds	279.61	21,81
Axis Bank	251.27	16,61
Tata Motors	239.31	22,31
HDFC	236.39	32,52
ICICI Bank	227.51	20,51

FII & Mutual Funds

Company	LTP (Rs)	% Chg
Sunil Hi Tech	40.00	-0.28
Sunil Hi Tech	40.00	-0.28
Sunil Hi Tech	40.00	-0.28
Sunil Hi Tech	40.00	-0.28
Sunil Hi Tech	40.00	-0.28

Delivery spike over previous day

Company	Deliv Qty	Pre Deliv Qty	% Chg
South Ind Bank	14,82,576	12,42,459	+19.37
South Ind Bank	14,82,576	12,42,459	+19.37
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South Ind Bank	14,82,576	12,42,459	+19.37

Rising volume, rising delivery and rising price

Company	Deliv Qty	Pre Deliv Qty	% Chg	Price (Rs)	Pre Price (Rs)	% Chg
Bombay Share	15,53,270	11,50,240	+34.20	104.14	104.14	0.00
Gitanjali	59,93,28	27,72,98	+215.30	156.83	156.83	0.00
ICICI Bank	1,16,12,1	1,16,12,1	0.00	156.83	156.83	0.00
ICICI Bank	1,16,12,1	1,16,12,1	0.00	156.83	156.83	0.00
ICICI Bank	1,16,12,1	1,16,12,1	0.00	156.83	156.83	0.00

Rising volume, rising delivery and falling price

Company	Deliv Qty	Pre Deliv Qty	% Chg	Price (Rs)	Pre Price (Rs)	% Chg
Bajaj Auto	1,99,74,1	1,99,74,1	0.00	919.50	919.50	0.00
Bajaj Auto	1,99,74,1	1,99,74,1	0.00	919.50	919.50	0.00
Bajaj Auto	1,99,74,1	1,99,74,1	0.00	919.50	919.50	0.00
Bajaj Auto	1,99,74,1	1,99,74,1	0.00	919.50	919.50	0.00
Bajaj Auto	1,99,74,1	1,99,74,1	0.00	919.50	919.50	0.00

Bulk Deals On BSE

Company	Deal Qty	Deal Price (Rs)	Deal Value (Lakh)
KPII Commins	1,48,41,1	₹ 488.41	₹ 7,200.00
Black Rock India Equities Fund	1,48,41,1	₹ 488.41	₹ 7,200.00
Orchid Comm	1,48,41,1	₹ 488.41	₹ 7,200.00
Orchid Comm	1,48,41,1	₹ 488.41	₹ 7,200.00
Orchid Comm	1,48,41,1	₹ 488.41	₹ 7,200.00

Bulk Deals On NSE

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