An Investor Education & Awareness Initiative

ICICI PRUDENTIAL MUTUAL FUND

Invest Correctly

IPRU Insights

October 2024

DIWALI DELIGHTS: CELEBRATE PROGRESS AND PROSPERITY

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Illuminate Your Financial Future This Diwali: Celebrate Progress and Prosperity

NIMESH SHAH, MD & CEO, ICICI Prudential AMC

Diwali symbolises the triumph of light over darkness, knowledge over ignorance, and success over obstacles. It's a perfect occasion to celebrate our financial prosperity journey and contemplate how to secure a prosperous future. As we prepare to light diyas and celebrate Diwali with our loved ones, let's not forget the significance of this festival as a time for financial reflection.

While we celebrate this occasion, it also makes a great hour to look back and appreciate our financial progress. Whether it's reaching a savings target, growing our investments, or making prudent financial decisions, each step taken worth celebrating. Financial progress isn't just about the numbers, rather it's about the process involving discipline, patience, and informed choices that lead to a stronger financial future.

In the spirit of Diwali, let's remind ourselves of the importance of long-term investing. Just as it takes time to prepare a festive meal or create a beautiful rangoli, building wealth requires patience and perseverance. Long-term investing allows your money to grow and compound over time, potentially turning small contributions into substantial wealth.

In today's dynamic financial landscape, being knowledgeable about where and how to invest your money can create an edge. Educating yourself on various investment options, understanding the risks involved, and aligning them with your financial goals can lead to smart decisions that enhance your wealth. Whether it's equities, mutual funds, fixed deposits, or real estate, a well-thought-out strategy suiting your risk appetite and financial objectives is crucial for successful wealth creation.

This Diwali, let's emphasise the importance of diversification which is 'not putting all our eggs in one basket'. Diversifying your investment portfolio across different asset classes like equities, debt, gold, real estate, and global investing can help manage risk and enhance returns. A diversified portfolio ensures that while one asset may underperform due to market volatility, others can provide stability and growth, leading to a balanced and resilient investment strategy.

The festival of Diwali is time to revisit and realign your financial goals. Use this festive period to reflect on your long-term objectives, evaluate your progress, and make any necessary adjustments to stay on track. Reinforce the power of compounding by ensuring that your investments are growing steadily. If you haven't started your investment journey yet, Diwali is the occasion to take that first step. The earlier you begin, the more time your money must grow and compound, creating wealth over time.

As we celebrate the festival of lights, let us also take a moment to express our gratitude for the continued trust and support from our clients, investors, and financial partners. Your belief in the journey towards financial growth and prosperity is what drives us to deliver the best viable solutions and guidance. This Diwali, we commit to empowering you with knowledge, strategies, and tools to make informed financial decisions for a brighter future.

Let's use this Diwali as a time to reflect, reset, and realign our financial goals for a brighter, more secure future. Happy Diwali to you and your loved ones! May your journey towards financial prosperity be as luminous and fulfilling as the festival of lights itself.

Brighten Your Financial Future by Lighting New Paths and Reducing Risks

S. NAREN, ED & CIO, ICICI Prudential AMC

Diwali, the festival of lights, is a time for celebrating new beginnings, prosperity, and the victory of light over darkness. Families come together, homes are adorned with diyas (lamps) to celebrate the rich traditions of Diwali.

During Diwali, we honour traditions by performing rituals, decorating homes, and enjoying festive foods. These activities bring us joy and connect us to our roots. Similarly, in the financial world, time-tested investment strategies such as asset allocation form the foundation of a successful financial journey. Just as we blend old traditions with new celebrations, we should blend tried and tested investment strategies with innovative opportunities.

Diwali also represents renewal, whether it's through cleaning and renovating homes or starting new ventures. The same principle applies to your portfolio – this festive season offers an opportunity to reassess and refresh your financial strategy.

Much like the festival of Diwali symbolises the triumph of light over darkness, managing your financial future is about overcoming challenges and mitigating risks. An effective asset allocation strategy can help you diversify across asset classes and reduce overall risk. In investing, higher risk often brings the potential for higher returns, but it's essential not to overextend in any one area by rebalancing portfolios.

A well-diversified portfolio includes a mix of asset classes such as equities, debt, real estate, and gold. Equities tend to offer higher returns over the long term but can be volatile in the short term. Bonds, on the other hand, provide relative stability and predictable income but usually come with lower returns. By diversifying across these different assets, you reduce your exposure to risk while still positioning your portfolio for growth.

LIGHTING NEW PATHS

Diwali is a time of renewal and new beginnings. Just as we light new diyas to brighten our homes, this festive season is an opportunity to start fresh investments through SIPs or top up your existing SIPs.

ELIMINATING FINANCIAL DARKNESS

Diwali symbolises the removal of darkness, and in financial terms, that means eliminating the risks of poor investment decisions. Blindly investing without understanding your own financial needs can lead to unfavourable outcomes. To ensure you're making informed decisions, it's crucial to understand your risk tolerance, time horizon, and financial goals.

One of the ways to navigate this is by consulting with a financial advisor. An advisor can help you create a customised financial plan that aligns with your long-term objectives and risk profile, ensuring that your portfolio is well-balanced.

A BRIGHTER FINANCIAL FUTURE

This Diwali, as you celebrate with family and friends, take the time to reflect on your financial well-being. Just as you balance the joy of festivities with tradition, it's important to balance risk and reward in your financial portfolio. Asset allocation is key to maintaining this balance, allowing you to manage risks while still pursuing growth.

By embracing new investment opportunities and focusing on long-term planning, you can illuminate your financial future and secure lasting prosperity. Let this Diwali be the spark that lights the way to a brighter financial path.

SIP Top Up

A Systematic Investment Plan, popularly known as SIP, is one of the preferred methods for investing in equity mutual funds. This helps you build wealth by investing a small portion at a time. However, as your income grows, your investments should also grow. This is where SIP Top-Up comes into play. SIP Top-Up allows investors to increase their SIP installment amount according to a predefined frequency and either a specific amount or a percentage.

HOW SIP TOP-UP WORKS

Rohan and Rajat, start investing with ₹5,000 per month. Rohan chooses a regular SIP, while Rajat opts for a SIP top-up with an annual increment of 10 per cent.

In this scenario, Rohan invested a total of ₹600,000 over ten years, while Rajat invested ₹956,245 due to the increased contributions from the top-up feature.

Time	Rajat (With Top-Up)	Rohan (Regular SIP)
Year 1	**60,000**	**60,000**
Year 2	**66,000**	**60,000**
Year 3	**72,600**	**60,000**
Year 4	**79,860**	**60,000**
Year 5	**87,846**	**60,000**
Year 6	**96,630**	**60,000**
Year 7	**106,293**	**60,000**
Year 8	**116,923**	**60,000**
Year 9	**128,615**	**60,000**
Year 10	**141,476**	**60,000**
Total Investment (in ₹)	**956,245**	**6,00,000**
*Total Returns (in ₹)	**17,20,659**	**11,79,275**

*Assuming average rate of return in the last 10 years is 12 per cent.
For illustrative purpose only

The SIP top-up allows Rajat to increase his investment gradually, potentially leading to higher returns over time compared to Rohan's fixed investment.

HOW THIS HELPS

SIP top-ups allow investors to increase their monthly contributions periodically, usually annually. This gradual increase helps capitalise on the power of compounding, potentially aim to earn higher returns over time compared to a fixed investment.

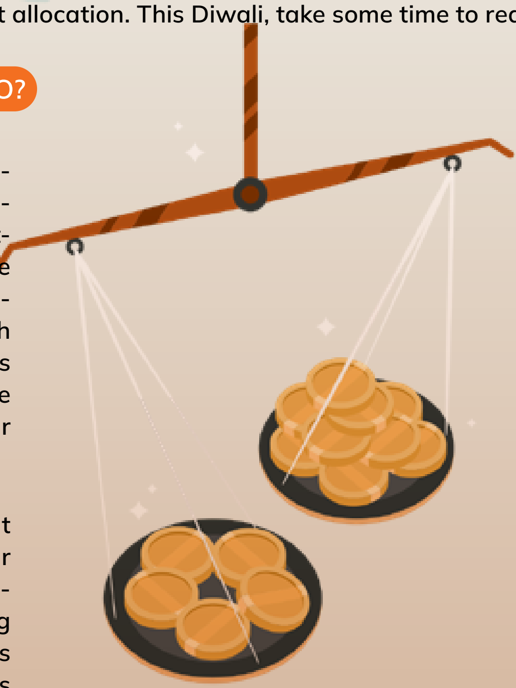
Rebalance Your Portfolio This Diwali

As Diwali approaches, it is not only a time for celebration but also an ideal time to review and rebalance your portfolio. Just as you clean and decorate your home for the festival, consider rebalancing your investment portfolio to ensure it aligns with your financial goals. Rebalancing helps you manage risk, capture growth opportunities, and maintain your desired asset allocation. This Diwali, take some time to reassess your portfolio.

WHY REBALANCE YOUR PORTFOLIO?

Rebalancing ensures that your initial allocation to various invest instruments remains the way you wanted it to be. Investments keep increasing in value over time and this might change the portfolio allocation you had made earlier. Even though it is a good thing that your investments increased in value, you should reallocate some of them to keep the balance in your portfolio.

For example, your initial portfolio might consist of 70 per cent equity and 30 per cent debt. Over time, the return from equity might have grown faster, resulting in them dominating your portfolio. This might result in you taking on more risks than you had planned to.



HOW TO DO?

The process of rebalancing is very simple. You need to sell the instrument that is taking up a bigger percentage of your portfolio than it should. You need to take that money and use it to purchase more of the type of asset that has less than the percentage that it should.

Before rebalancing, take a close look at your current portfolio holding. This will help you understand how your investments are distributed across different asset classes.

THINGS TO CONSIDER WHILE REBALANCING PORTFOLIO

When rebalancing a portfolio, consider these three key factors: asset allocation, risk tolerance, and investment time horizon.

ASSET ALLOCATION

Ensure your portfolio maintains a diversified mix of assets. Diversification not only helps spread risk but also enhances the potential for generating consistent returns over time.

RISK TOLERANCE

It is important to periodically reassess your risk tolerance, especially after significant life events such as retirement, a job change, or a change in financial goals.

INVESTMENT TIME HORIZON

Shorter horizons may necessitate more conservative investments, while longer horizons can accommodate higher-risk, higher-reward assets. Align your portfolio with your financial goals and investment time horizon.

TAX IMPLICATIONS

Be mindful of the tax consequences while rebalancing your portfolio. Consider strategies to minimise capital gains taxes.

Light Up Your Financial Future This Diwali with Mutual Funds

This Diwali, as we celebrate the triumph of light over darkness, let's also focus on illuminating our financial futures. Instead of impulsive spending on festivities, consider the long-term benefits of investing in mutual funds.

Diwali symbolizes prosperity. Start your journey toward financial growth by investing in mutual funds.

BENEFITS OF INVESTING IN MUTUAL FUNDS

Wealth Accumulation

LONG-TERM GROWTH: Mutual funds allow your investments to potentially grow over time, benefiting from market compounding.

Disciplined Investing with SIPs

- Invest small amounts regularly to build wealth over time.
- Instills discipline and reduces the impact of market volatility.

Smart Diversification

Diversification ensure that some investments may perform well even when others do not.

Professional Management

Fund managers make informed decisions based on research and market analysis.

MUTUAL FUNDS FOR EVERY INVESTOR

Equity Funds

Equity schemes invest primarily in stocks and are designed for long-term growth. They carry higher risk but offer the potential for higher returns in long term, making them suitable for investors seeking capital appreciation.

Debt Funds

Debt schemes invest in fixed-income securities like bonds, treasury bills, and other debt instruments. They provide stable returns with lower risk compared to equity funds, making them suitable for conservative investors.

Hybrid Funds

Hybrid schemes combine investments in both equities and debt instruments. This balanced approach aims to provide the benefits of both asset classes, offering growth potential while managing risk. They are suitable for investors seeking a diversified portfolio.

HOW MUTUAL FUNDS GROW WEALTH OVER TIME

Systematic Investment Plans

A SIP allows you to invest a fixed amount regularly (monthly, quarterly) in mutual funds.

HOW IT HELPS

DISCIPLINED INVESTING: SIP encourages regular savings.
RUPEE COST AVERAGING: Invests the same amount regardless of market conditions, reducing the impact of volatility.
LONG-TERM GROWTH: Compounding returns on investments can significantly increase wealth over time.

Diversification

Spreading investments across various asset classes (stocks, bonds, etc.) within a mutual fund.
Benefits of Diversification:
RISK MANAGEMENT: Can reduces the impact of poor performance in any single investment.
BALANCED RETURNS: Combines growth potential with relatively stable income, leading to more consistent overall returns.

Access to Expertise

Mutual funds are managed by professionals who strategically allocate assets to optimize growth.

SMART MUTUAL FUND INVESTING: YOUR GUIDE FOR DIWALI

Start with Systematic Investment Plans (SIPs)

Invest a fixed amount regularly, making it easy to start and maintain your investment habit.
BENEFITS
- Affordability: No need for a large upfront investment.
- Consistency: Encourages disciplined saving and investing.

Diversify Your Portfolio

Spread investments across different types of mutual funds (equity, debt, hybrid) to reduce risk.
BENEFITS
- Risk Management: Minimises the impact of market fluctuations.
- Balanced Returns: Combines high-growth potential with stable income sources.

Consult a Financial Advisor

Get personalised advice tailored to your financial goals and risk tolerance.
BENEFITS
- Expert Guidance
- Create a well-structured investment strategy.

Why Choose Mutual Funds?

- Suitable for all kinds of investors—whether you're a beginner or experienced.
- Professional Management: Fund managers handle the investment decisions.
- Ease of Monitoring: Track your investments with regular updates and statements.

Celebrate this Diwali by making your finances shine. Start investing in mutual funds today!

For illustration purpose

How Debt and Bullion Funds are Taxed and What has Changed After the Budget

BALWANT JAIN

The Finance Act 2024, a part of the overall budget presentation process, has become law and has carried out some significant changes in the taxation of capital gains including taxation of debt and bullion funds. Exchange Traded Funds (ETF) are also treated as units of mutual funds. Let us discuss how these funds have been taxed till now and what has changed after the passing of Finance Bill 2024.

HISTORICAL BACKGROUND

Taxation of debt and bullion funds cannot be fully understood unless a historical perspective is given.

For a long time, mutual fund products were divided into two categories for taxation purposes. Listed shares of domestic companies and equity-oriented schemes are given the same treatment for tax purpose. Prior to 23rd July 2024, the day on which the budget was presented, the profits on equity mutual funds were taxed at 15% as Short Term Capital Gains (STCG) if sold within 12 months. This STCG rate has been increased to 20% for all the transactions executed on and after 23rd July 2024. Profits were treated as Long Term Capital Gains (LTCG) and were taxed at a flat 10%, after the initial 1 lakh of profits, where the units were transferred after 12 months. This tax rate on LTCG has gone up to 12.50% for transactions done after 23rd July 2024.

The second category comprised all non-equity schemes like debt funds, certain Funds of Funds and bullion ETF/ Saving Funds. The profits on these funds were treated as LTCG after 36 months and taxed at flat 20% after indexation whereas the STCG were included in your regular income and taxed at your slab rate till 31st March 2023 when the distinction based on the holding period was done away with for the schemes in case the equity component of these funds did not exceed 35% of the corpus of the scheme. This amendment created a third category of mutual fund schemes profit in respect of which are treated as short-term capital gains and taxed at the slab rate applicable to the taxpayer. These provisions were applicable to all the units of particular mutual fund schemes bought after 31st March 2023 though taxation of units bought up to 31st March 2023 were grandfathered.

The creation of a third category of mutual fund schemes created problems for investors in bullion ETF/saving funds as well as for Funds of Funds which did not qualify as equity schemes since profits on these schemes were treated as short-term capital gains at slab rates irrespective of holding period. This created an anomaly, especially in the taxation of bullion products where physical gold was eligible for indexation and concession rate of tax but units of bullion mutual funds were taxed at slab rate irrespective of holding period.

This anomaly has been corrected by introducing a proper definition of debt fund in the Finance Act 2024.

RATIONALISATION OF TAXATION OF DEBT PRODUCTS

In order to remove the anomaly created by last year's amendment of referencing the level of investment to investments in domestic equity shares the Finance Act 2024 has now correctly referenced the level of investments in debt for the third category of mutual fund scheme. So for transactions of sale from 23rd July 2024 in the case of schemes with more than 65% debt investments only fall in the third category and are taxed at the slab rate irrespective of the holding period.

The Finance Act, 2024 has reduced the holding period requirement for the second category of mutual funds from 36 months to 24 months. The period gets further reduced to 12 months in the case of listed securities which includes all the ETFs whether equity ETF or debt ETF.

The second category now comprises of mutual fund schemes where neither the equity component nor the debt component exceeds 65% for which indexation benefit has

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Tax Corner

been withdrawn and the tax rate has also been reduced from 20% with indexation to 12.50% without indexation for units transferred on or after 23rd July 2024. The short-term capital gains on second category will continue to be taxed at the slab rate applicable to you.

TAXATION OF BULLION ETFS AND SAVING FUNDS

Till 31st March 2023 the profits on bullion ETF and Saving Funds which includes gold and silver funds were taxed as LTCG at flat 20% after indexation if sold after 36 months and STCG if sold within 36 months taxed at your slab rate. With the changes in the definition of debt funds and holding period requirement, the profits on gold/silver saving funds will be treated as LTCG after 24 months whereas the profits on gold and silver ETF will be taxed as LTCG after 12 months as the ETF are listed security. All the LTCG will get taxed @ 12.50% without indexation and STCG at your slab rate. The changed holding period requirement and revised tax rates will apply for the transactions effected on and after 23rd July 2024.

I am sure the above discussion will help you better understand the intricacies of taxation of debt and bullion funds after the amendments made by the Finance Act 2024.

The author is tax and investment expert.

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Prospective investors are advised to consult their own legal and tax advisors to determine possible, tax, legal and other financial implications or consequences.

Quiz

ARE YOU READY TO TEST YOUR SELF

Q1. Choosing a percentage increase for SIP Top Up can result in higher contributions compared to a fixed amount.
A. True
B. False

Q2. Gold ETFs are designed to track the price of physical gold.
A. True
B. False

Q3. ETFs can only be invested in commodities like gold and silver.
A. True
B. False

Q4. Equity funds typically have the potential to deliver higher long-term returns compared to debt funds.
A. True
B. False

Q5. Diversification of investments can help reduce risk and enhance wealth creation.
A. True
B. False

Q6. Compounding interest can significantly accelerate wealth growth over time.
A. True
B. False

Q7. ETFs generally have higher management fees compared to other mutual funds.
A. True
B. False

Q8. SIP Top Up allows investors to decrease their SIP amount at predefined intervals.
A. True
B. False

Answer: 1. A, 2.A, 3.B, 4.A, 5.A, 6.A, 7.B, 8.B

Guest Column

Five Money Habits to Cultivate This Diwali

AARATI KRISHNAN

Before it became a season for discounts and online shopping binges, Diwali was a festival celebrating the Goddess of Wealth. After all, Lakshmi Puja and Muhurat Trading are a part of our Diwali celebrations. Instead of focussing on your overflowing wardrobe this Diwali, why not devote some time to adding to your wealth? Here are five money habits that can give your wealth creation journey a leg-up.

INVEST AS A HABIT, NOT A HOBBY

Amateur investors admiring investors like Rakesh Jhunjhunwala or Warren Buffett often think that the road to riches comes from identifying that one stock or a few stocks that multiply 100X or 200X in a short time. But they don't realise that to get to their level of investment success, those investors devote all their waking hours to researching businesses. Hardly any successful investor turns a billionaire in a single market cycle. He or she invests over many cycles and gets better by learning from each one.

Normal folk can't devote all their waking hours to equity research. Nor can they afford trial and error with their money. Therefore, the only viable way for them to build wealth is by investing consistently through the ups and downs of market cycles, so that time and compounding can work their magic.

Many retail investors develop a passionate interest in researching stocks in bull markets but stop looking at their portfolios the moment markets go through a time or price correction. However, the real secret to building equity wealth is consistency. This Diwali, make a vow to stop treating investing as a hobby. Make a plan to invest in equities regularly and consistently through professional managers, no matter how the market behaves.

TRACK YOUR PERSONAL BALANCE SHEET

Thanks to all the personal finance gyaan floating around and apps that make tracking expenses so easy, most folks now have a handle on their P&L account - how much they earn and spend every month and whether they end up with a surplus or a deficit. But as an investor, your goal is not to maximise your monthly surplus. It is to maximise your net worth - what is left after you deduct your liabilities from assets. Creating wealth requires you to think of your financial decisions in balance sheet terms.

Should you spend the windfall from your employer on a European holiday or use it to prepay your loan? Should you borrow against your mutual funds to punt on derivatives? Should you take on an EMI to holiday or upgrade your iPhone?

All these decisions become easy to make when you evaluate them in terms of what they will do with your assets, liabilities and therefore net worth. A European holiday will not add to your net worth but prepaying your loan will. Borrowing to fund a holiday or an iPhone (which loses value the moment you buy it) adds to your liabilities without creating assets. Borrowing against a long-term asset to punt on speculative trades can dent your net worth.

This Diwali put down your personal assets and liabilities on paper. Whenever you make a financial decision, ask yourself if it will add to or deplete your net worth.

FILTER YOUR INFORMATION SOURCES

If investors a decade ago grappled with lack of information on stocks, companies and investing avenues, investors today struggle with the opposite problem. They are swamped by the information overload.

From investing advice from X handles and YouTube channels to stock ad trading tips from telegram and WhatsApp groups to the plethora of investing podcasts, newsletters and reports from sell-side analysts and chartists, you have an overflow of ideas.

This can have two impacts on your investment behaviour – neither of which is positive. You may act on every bit of information you receive and end up with a portfolio that lacks any direction or coherence. Or you may be paralysed into indecision because you're getting so much conflicting advice that you can't act.

This Diwali, think about what kind of investor you are – short-term or long-term, fundamental or technical, value or growth and so on. Sift through your information sources to follow folks whose investment philosophy resonates with yours. Weed out the rest. Whether on mainstream media or social media, go only with regulated and seasoned practitioners who have actually invested or managed money over market cycles.

DON'T CHASE OTHERS' RETURNS

To stay the course on investing over the long run, you need to construct a portfolio that suits your goals, asset allocation plan, investing horizon and risk appetite. This isn't achieved by trying to mimic others' returns.

When you see a star investor achieving multi-bagger returns and try to follow his or her moves, you may not be aware of the full picture of their net worth, their allocation to non-risky assets or their financial position or life situation that makes it easy for them to take outsized risks. When you source your investment strategies or stock ideas from social media handles, you don't even know if the returns are genuine.
Forget unknown entities, even chasing the returns of your friends or colleagues can be injurious to your investing journey because this can lead to unnecessary churn in a portfolio that fits your personal financial plan best.
This Diwali, strive to retain a laser focus on whether your investments are meeting your goals and ignore what others are doing.

SHARE YOUR FINANCIALS WITH YOUR FAMILY

All the hard slog you put into your career and investments is meant to benefit not just you, but your family. That purpose gets defeated when your family doesn't even know about your finances.

We Indians have a cultural aversion to talking about money with our partners, children, parents and others in the family. This results in breadwinners keeping their financials a closely guarded secret from their families, leaving dependents clueless when unfortunate events happen. Young folks get into a debt trap through overspending or overtrading and hesitate to share their troubles with their partners and family. Disagreements relating to money are a big cause of family estrangements and divorce.

This Diwali, as your family gets together for celebrations, share your financial dreams and promise to keep each other updated about your financial decisions.

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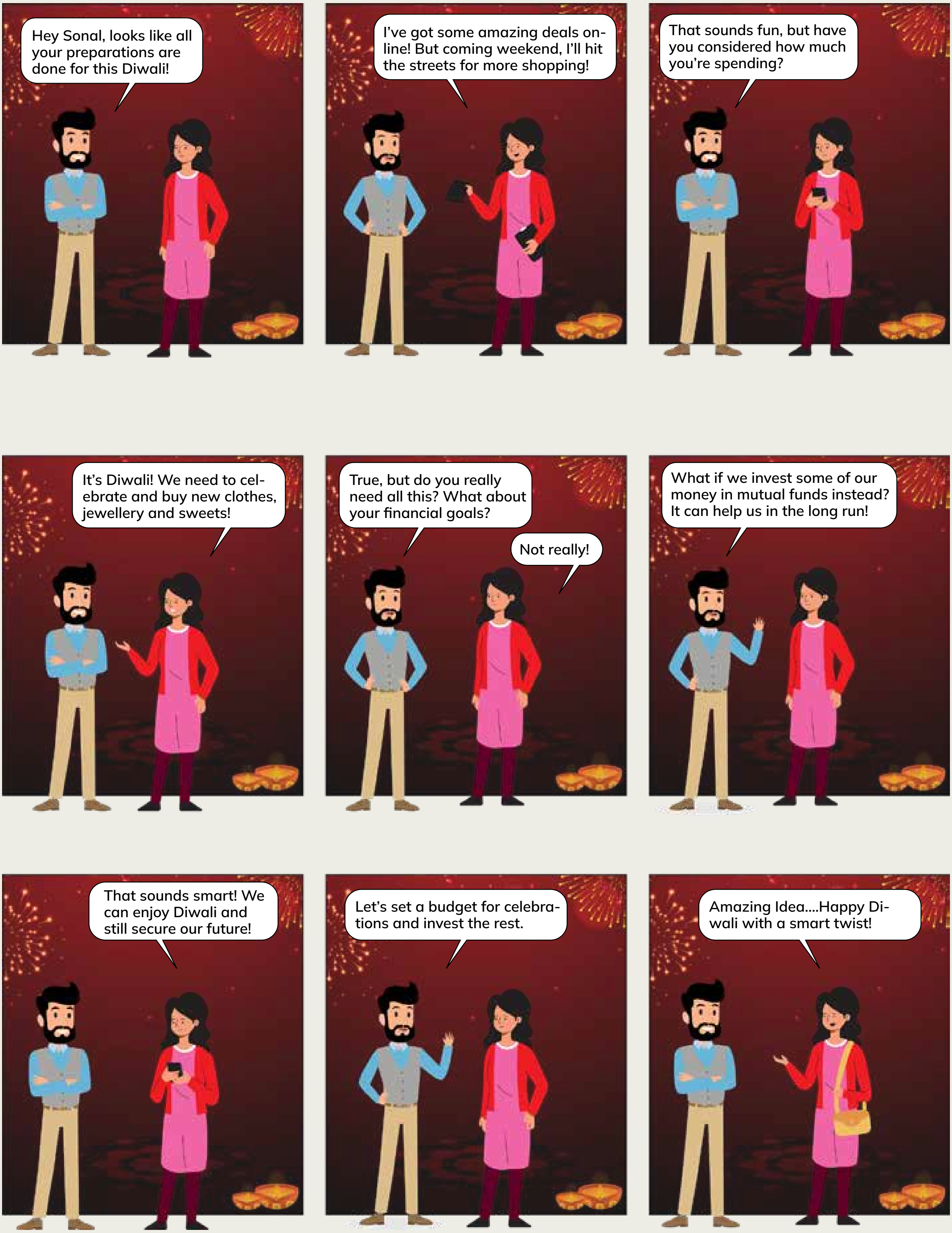
Celebrate Smart: Invest in Mutual Funds This Diwali, Not Just Festivities



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This Diwali, Teach your Child to Give More

LISA PALLAVI BARBORA

I'm hazarding a guess, but I believe most of us living in tier 1 and 2 cities and towns already engage in some activity to give back to society. Giving picks up pace, especially during the festive season. In its traditional form, giving is not a new concept; donating old clothes to NGOs, making contributions, and distributing sweets and food to street dwellers are actions we often take up, frequently involving our children too.

However, when done this way, giving is not just a momentary action with a short-lived positive outcome, but also a display of privilege, which ultimately might be counterproductive. Those who receive begin to expect it. These acts of giving do little to further the cause of uplifting the lives of those with limited means.

During festivals like Diwali and Christmas, where prosperity and gratitude are in focus, giving becomes an essential part of the celebrations. We don't want to take our good fortune for granted and feel that sharing it with others, including those who live in poverty, brings a noble feeling.

Recently, I heard about a situation where, on the eighth day of Navratra, for a must-do prayer and prasad-feeding ritual for young girls at home, a lady insisted on her house help showing up. This isn't an issue in itself, except that this year, Ashtami and Navami were both on the same day. Consequently, the hired help, who herself follows this traditional ritual, would have to do it at her home too, on the very same day. Her employer, however, refused to give her time off. As a result, the hired help woke up at 3 a.m. on that day, finished making the food for prasad in her own house, went to work by 7 a.m., finished with all her part-time jobs (since she was going to one house, she had to go to the others as well), reached home by early evening, and then performed the ritual in her own house around 6 p.m. Back to work the next day.

Giving, in its truest form, has to be your desire to help uplift the life and circumstances of another. This is as much about time as it is about money.

In the story above, the employer was unwilling to commit her own time and instead chose to inconvenience her help, who couldn't refuse because her livelihood was at stake. This insensitivity will be compensated, usually, by giving a generous portion of sweets and some bonus to her help during the upcoming Diwali festival.

Your seven- or eight-year-old, or your toddler, is perhaps too young to pick this up. But your teenager is watching all this unfold. What they are learning is that giving is directly proportionate to money and leftovers. You go out and donate old clothes, give your leftover festival sweets, and donate the leftover Diwali party food. Usually, before giving away anything delicious or expensive, you will wait till your family has had their fill before considering giving it away.

Thus, giving becomes conditional to your own privilege. On the contrary, it should only be about those whom you are giving to.

This year, take your child for a storytelling session with street kids and then treat them to freshly packed snacks. Or perhaps get your teenager to accompany you to help out at an orphanage with Diwali decorations, while simultaneously teaching the young children there about how loud crackers are harmful to both plants and animals in the region. If taking out time is an issue, in the Diwali season of prosperity, you could even teach your house help about how to save and invest regularly. Your teenager already understands the importance of saving and investing; now let them pass this knowledge on to your driver or house help and help them open up a small systematic investment plan of their own. It's a simple process online. Uplifting the lives of others sustainably is the only true measure of giving.

This festive season, teach your teenager how to give more—more time and effort towards helping those in real need with the tools to make their life truly more prosperous.

Guest Column

The Winds of Change are Evident in the Month of October

LARISSA FERNAND

We start the last quarter of the calendar year. The rains come to an end. The weather begins to cool down. And we usher in festivities; Navratri, Dussehra, Diwali, Halloween, Children's Day, Christmas and New Year.

You may not celebrate all but at least one of them. This means that money will be spent. Either on hosting home celebrations, gifting at festivals and weddings, decorating the house, buying new clothes, distributing sweets, buying jewellery, or even on travelling. Clearly, there is the impetus to spend more during this time of the year. Also, the stock market performance may incline us to do so. Let me explain.

The strong performance of the equity market has made individuals feel wealthier. Our portfolios have swelled this year, making us feel absolutely fabulous about it. This is known as the Wealth Effect. It implies that individuals spend more when their wealth increases, though their income does not. Our income may have not increased. But our net worth has. Consequently, we feel richer. Besides the obligations, feeling rich makes us more vulnerable to overspending at this time. So how do we enjoy ourselves without putting our finances in a mess?

PRIORITISE.

We are at our weakest and most prone to overspending when we compare ourselves with others and try to ape their lifestyle without having the resources to do so. The smartest way to get around this is to prioritise. Do this with your family.Together you'll decide where to spend money and where to take a step back.

Is everyone game for a vacation? Do you all have to stay back because of social commitments? Is there a family wedding? If yes, this may corner the bulk of expenses if you consider travel for the wedding, buying new clothes, and gifting the couple. Can the clothes be used for other functions? If travelling for the wedding, can you escape for a quick break?

TO MAKE IT SIMPLE, VIEW IT UNDER THREE BROAD CATEGORIES:

• Obligatory spending. You will have to attend certain functions, and give gifts.

• Socially induced spending. This happens when we wonder what people will say if we don't do certain things. It is your money and time; don't let society's opinions rule your life.

• Impulsive spending. The number of sales may be tempting, or the overall mood may just drive you to splurge. Be conscious of it. Be proactive about your shopping, not reactive.

KEEP IT WITHIN LIMITS.

It is a time of fun, so please do not feel guilty about spending. We work hard to enjoy our money. Our money helps us create experiences and memories. So don't be too tight-fisted.

HERE IS WHERE YOU SHOULD DRAW THE LINE:

• Don't get into credit card debt to fund your indulgences.

• Don't revolve your debt.

• Don't borrow money from family/friends.

• Don't use your Emergency Fund for expenses that are NOT emergencies. Always keep your Emergency Fund intact. You never know what may happen and when.

JUST REMEMBER...

Overspending is inevitable. Make your peace with it. You may not be able to save as much these three months, which is perfectly alright. You may even dip into your savings. Please do not feel guilty about it. My friend has kept a fixed deposit which matures in October to give her that extra money for this last quarter. I found that really smart. As long as your main equity portfolio stays invested, and you are continuing with your SIPs, there is no need to beat yourself up. Money is meant to be enjoyed, so indulge and splurge but within boundaries.

Sparkling Diwali: A Tale of Three Cities

ARUNIMA HOSKOTE

It's that time of year when the night sky is illuminated, not just by the stars, but by the brilliant light of fireworks bursting to celebrate Diwali—the Festival of Lights. This festival not only calls for cleaning up our homes but also cleansing our spirits, making way for fresh beginnings and renewed hope.

If you've always celebrated Diwali at home but are looking to make this year extra special, why not combine the festivities with a family getaway? There are plenty of destinations where Diwali is celebrated with extraordinary zest and joy, offering a unique experience far beyond the usual routines.

Travelling to such places can also be a wonderful opportunity for your children to witness a different kind of Diwali celebration, creating cherished memories and allowing them to embrace new traditions while doing something different from the usual. Here are a few places you could be heading to this Diwali.

CELEBRATE DIWALI IN AMRITSAR: A SPIRITUAL AND CULTURAL JOURNEY

Diwali holds a special place in the hearts of people across India. In Amritsar, the home of the Golden Temple, Diwali is unique, not just because of its grandeur, but also because of the Bandi Chhor Divas, a day of great importance in Sikh history.

On Diwali, Sikhs commemorate Bandi Chhor Divas, which marks the day when the sixth Sikh Guru, Guru Hargobind Ji, was released from the Gwalior Fort prison by the Mughal Emperor Jahangir. Alongside him, 52 princes were also freed; this day symbolises liberation, victory, and the triumph of righteousness over oppression—ideals that are deeply connected with the spirit of Diwali.

GOLDEN TEMPLE: A SHIMMERING BEACON OF LIGHT

The Golden Temple, or Harmandir Sahib, during Diwali, is a sight to behold; it transforms into something even more magical. The temple, which is illuminated with countless lights, appears to float like a shimmering jewel against the night sky. Pilgrims from all over the world gather around the holy Sarovar (the sacred pool) to offer prayers, light earthen lamps, and take part in the langar.

FESTIVITIES AND ACTIVITIES AROUND AMRITSAR

The city of Amritsar comes alive with the spirit of Diwali. The streets are adorned with lights, and markets buzz with activity. Heritage Street, leading up to the temple, is the perfect place to shop for traditional Punjabi items like Parandis (hair accessories), Phulkari dupattas, and Juttis (traditional footwear). As you walk through the lively bazaars, the air is filled with the scent of sweets and the sound of laughter and celebration.

One of the highlights is the spectacular display of fireworks that light up the night sky. The best way to witness this is from the rooftops around the Golden Temple, where the whole city seems to sparkle in unison. Pilgrims and visitors alike gather on these terraces to enjoy the stunning view, the bright lights reflecting the joy and optimism that the festival brings.

A CULINARY FEAST AT THE GOLDEN TEMPLE

If you are there for Diwali, you might as well attend the Govardhan Puja, which follows the festival of lights and is observed to honour Lord Krishna's legendary act of lifting the Govardhan mountain. During this time, Golden Temple offers Annakut, a feast featuring 56 varieties of vegetarian food. This sacred meal is a treat for the senses, as well as a spiritual offering of gratitude. For those visiting Amritsar during Diwali, partaking in this grand feast is an unforgettable experience.

CELEBRATE DIWALI IN UDAIPUR: THE CITY OF LAKES AGLOW

Another destination you could be heading to this Diwali is Udaipur, which offers nothing short of a magical experience with the City of Lakes transforming into a glowing wonderland. Famous for its royal palaces, serene lakes, and rich cultural heritage, Udaipur embraces the Festival of Lights with grandeur and charm.

The city's iconic landmarks like the City Palace and Jag Mandir are illuminated with sparkling lights, while the reflections on Lake Pichola make for mesmerising views. Streets and markets are adorned with vibrant decorations, and the local bazaars come alive with colourful textiles, handicrafts, and delectable traditional sweets.

On Diwali night, the skies above Udaipur burst into dazzling displays of fireworks. One of the best ways to experience the celebration is by taking a boat ride on Lake Pichola, where you can witness the fireworks and see the city's glowing skyline from the water.

Udaipur's royal history adds a special touch to the festivities, making it an ideal destination for those looking to blend luxury and tradition. Whether exploring the city's heritage or enjoying the serene lakeside ambience, Diwali in Udaipur offers a perfect mix of beauty, culture, and festivity.

In Udaipur, Diwali is a time to indulge in the royal flavours of Rajasthani sweets and delicacies. The city's bazaars are filled with treats like Ghevar, a traditional disc-shaped sweet soaked in syrup, and Mohanthal, a rich gram flour fudge with ghee and nuts. Savouring Mawa Kachori, a deep-fried pastry stuffed with sweetened milk solids, is a must during the festival. Udaipur's culinary delights reflect its regal heritage, and many local households prepare special Diwali snacks like shakkarpare and namkeen to share

with friends and family. Jagdish Misthan Bhandar and Bhikharam Chandmal are popular spots where you can savour traditional Rajasthani sweets like Ghevar and Mohanthal. For a truly festive treat, don't miss Mawa Kachori from Lala Misthan Bhandar, known for its rich, sweet filling.

DIWALI IN VARANASI: A DIVINE CELEBRATION ON THE GHATS

Diwali in Varanasi is a deeply spiritual experience, blending the vibrancy of the Festival of Lights with the city's sacred essence. The ghats of Varanasi, lining the holy Ganga River, become the heart of the celebrations, offering a magical and divine setting for devotees and visitors alike.

During Diwali, the ghats are illuminated with thousands of oil lamps (diyas), casting a serene glow across the river. The highlight of the celebration is the Ganga Aarti, a grand and mesmerising ritual held at Dashashwamedh Ghat. Priests perform the aarti with rhythmic chanting, incense, and the lighting of large brass lamps, creating a powerful spiritual atmosphere that captivates all who witness it.

Visitors can also participate in floating diyas on the river, symbolising their prayers and wishes, which creates an enchanting, glowing scene on the water. The sight of these floating lights against the backdrop of the ghats makes for an unforgettable experience. Fireworks light up the night sky, adding to the festive spirit, while traditional music and cultural performances further enrich the celebration. Varanasi's Diwali on the ghats is not just a festival, but a deeply soulful experience that connects you with the divine.

Varanasi offers a distinct taste of tradition during Diwali with its famed Malaiyo, a frothy, saffron-infused milk dessert unique to the winter season. Another local favourite is Lal Peda, made from thickened milk and sugar, often used in religious offerings at the temples. Sweets like Kesar Jalebi and Banarasi Ladoo are popular treats during the festival, and the street food scene also comes alive with Chaat, Kachori-sabzi, and Tamatar Chaat, adding to the festive cheer. In Varanasi, the culinary experience during Diwali is a flavourful reflection of the city's rich cultural and spiritual identity.

Ksheer Sagar is a famous shop where you can enjoy these seasonal delights. Madhur Jalpan and Ram Bhandar are also well-known for their Kesar Jalebi and Banarasi Ladoo, perfect for satisfying your sweet tooth. Along with the sweets, Varanasi's street food scene buzzes during Diwali, with Kachori-sabzi from Kashi Chaat Bhandar and Tamatar Chaat from Deena Chaat Bhandar offering mouthwatering snacks that bring festive cheer to locals and visitors alike.

Pista Barfi

DARSHINI BHUTA

Preparation Time – 10 mins
Cooking time- 10 to 15 mins
Total Time – 20 to 25 mins

Diwali celebrations are incomplete without homemade sweets that everyone enjoys. One such simple and delightful treat is Pista Barfi, a classic Indian dessert made with pistachios, mawa (khoya), and sugar syrup. In this version, we've used Pishori/Iranian pistachios, which have a natural vibrant green colour, eliminating the need for artificial colouring. This makes the barfi both visually appealing and rich in flavour, perfect for the festive season.

INGREDIENTS

1. 100 gm Pishori/Iranian Pistachios, keep few crumbs aside for garnish
2. 50 gm unsweetened mawa/khoya
3. ¾ cup sugar
4. ¾ cup water for sugar syrup
5. 1 tsp cardamom (elaichi) powder
6. 1 tsp ghee for applying on the plate/container

Above ingredients will make one small plate of pista barfi

INSTRUCTIONS

1. Grind the pistachios into a coarse powder (not too fine) using a food processor or grinder
2. In a pan, add sugar and water. Heat the mixture until the sugar dissolves completely and the syrup reaches a one and half-string consistency (to test, take a drop between your fingers; it should form a single thread when pulled apart)
3. Turn off the gas of the sugar syrup and add the coarse pista powder and mawa/khoya and stir well until combined
4. Pour the above mixture in a flat container/plate and flatten it
5. Let it rest and cut into diamond shapes once cooled
6. Garnish with pista crumbs
7. Enjoy the pista barfi and store the remaining ones in a air tight container

Happy Diwali!

Three Types of Pranayamas to Detox from the Festive Chaos

JUHI KAPOOR

Three cheers for the festive season! Navratri is over and it's time for Diwali. A month packed with joy, sweets, love, and memories.

But, with festivities comes stress. Decorations, preparations, rituals, and of course, shopping for guests and yourself - there's just too much on your to-do list and while it wasn't the intention, festivities may become a hotbed for absorbing stress (not to forget all the tasty treats come with their own cons - fatty oils and sugary calories).

Lucky for you, much like our scriptures mentioned our beautiful rich festivals and rituals, they also mention ways to detox from all the stress and unwanted clutter. Would you be surprised if we said, it only takes a breath or two? Don't be, just sit back and get ready to breathe in and out:

BHRAMARI

Bhramari translates to a buzzing bee, and in this pranayama, we buzz like bees. How? It's simple! Take a deep breath, hold it in your tummy for a while and now as you exhale make a buzzing sound, like a long "mmmmmmmmm". That's it. A set of 10 breaths and you'll instantly notice you feel calmer and lighter. Bhramari is great for relieving stress and fatigue, which you could pick up during the festivities. It also helps improve your sleeping cycle. It is said that when you do this pranayama regularly, you activate your Vagus nerve – the main nerve responsible for your parasympathetic nervous system. Our nervous system is currently in

fight or flight, and when you're calm, it can be put in a more efficient and relaxed state to live and thrive.

You may take it up a notch and receive more benefits if you complete an Om with your breath, "o" when you breathe in and the buzzing bee sound when you breathe out.

NADI SHODHAN

Not to be confused with anulom-vilom, nadi shodhan can be simply described as breathing from alternate nostrils. Take a deep breath in from your left and out from your right. Now, in from the right and out from the left. Do a set of 20. That's it!

However, the practice, though simple, is extremely important for maintaining the flow and balance of prana in your body. Since we are talking about pranayama, it is mandatory to talk about prana, the vital life force that runs through our bodies via this astral pipeline system called naadi. Think of it as a nervous system, just invisible. These invisible nerves carry this vital life force and due to many factors, the flow can be hampered or thrown into imbal-

ance, which is the primary cause of all mental and physical illness.

So, from indigestion to bloating to feeling festival blues to needing a bit of grounding, this is a practice that would fix you whole, one breath at a time.

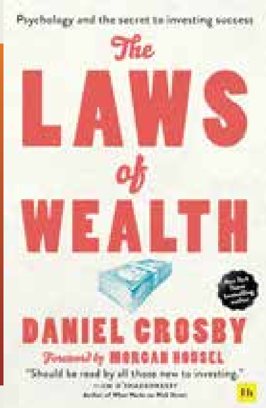
BHASTRIKA

Deep breath in! Deep breath out! That's it. Quick and with a force in your belly. These movements may lead to a tingling burning sensation in your tummy, but that is normal and even healthy. As you inhale, your belly inflates. When you exhale, it shrinks. The movements are so fast and forced that you can't help but make huffing and puffing sounds when you inhale and exhale.

Bhastrika is quite the workout for your respiratory, circulatory, and nervous systems. It also works for tummy muscles. If the festive season has you feeling lethargic or all tired, Bhastrika could charge you right back into full action mode. Not just that, Bhastrika is good if you are dealing with season change or viral allergies like cold and cough.

It is advisable to start Bhastrika after practising kapal bhaati for a bit since the latter is a gentler version. You also get some pause between two breaths and hold the breath in for a while. Not to sideline, kapal bhaati has its own benefits too – it calms you and improves your oxygen absorption. Once you're comfortable, you can rev up the speed and gradually proceed to Bhastrika eventually.

See, all it takes is a mindful breathing practice. Control your body and your mind with your breath!



The Laws of Wealth: Psychology and the Secret to Investing Success by Dr. Daniel Crosby

SHOAIB ZAMAN

Dr. Daniel Crosby's "The Laws of Wealth: Psychology and the Secret to Investing Success" is a masterclass in understanding the behavioural aspects of investing. In a world where most investors are busy predicting market movements and looking for strategies to avoid financial pitfalls, Dr. Crosby emphasises a different reality – the biggest obstacle to successful investing is not the market itself but the investor's behaviour.

The book is divided into two parts, each with a distinct focus on helping investors recognise and control their behavioural biases to make better financial decisions. In the first part of the book, Dr. Crosby outlines ten rules that serve as a guide to managing these behavioural risks. Rules like "You Control What Matters Most" and "Trouble is Opportunity" encourage investors to focus on what they can control and to see market downturns as opportunities rather than threats. For instance, Dr Crosby highlights the concept of the "behaviour gap," which measures the losses that average investors incur due to their emotional reactions to market fluctuations. He cites examples where investors in high-performing mutual funds ended up with negative returns because they bought high and sold low, driven by panic and greed.

The rule "You Cannot Do This Alone" underscores the importance of having a competent financial advisor, not just as an asset manager but as a behavioural coach. Dr. Crosby argues that the best use of a financial advisor is to guide investors during times of extreme fear and greed, ensuring that their decisions are based on logic and long-term strategies rather than impulsive reactions.

The second part of the book delves into Dr. Crosby's concept of Rule-Based Behavioural Investing (RBI), a systematic approach that aims to minimize the impact of emotional biases on investment decisions. The RBI framework is built on the "Four Cs": Consistency, Clarity, Courageousness, and Conviction. These principles help investors maintain discipline, focus on evidence-based strategies, act with courage during market downturns, and have the conviction to stick to a well-structured investment plan. He also tackles common behavioural biases, such as the tendency to overestimate one's abilities ("You Are Not Special") and the dangers of emotional investing ("If You're Excited, It's a Bad Idea").

While the book provides a solid foundation in behavioural finance and the benefits of rule-based investing, Dr. Crosby acknowledges that putting these principles into practice can be challenging. Factors like cost, lack of tools, and the difficulty of staying disciplined make it tough for many investors to consistently apply the strategies outlined in the book. Despite these challenges, Dr Crosby emphasises that those who can follow these rules have a significant advantage over those who don't.

Dr. Crosby's book serves as both a mirror and a guidepost for investors. It reflects the common mistakes we make in our investment journeys and provides a structured pathway to avoid these pitfalls through disciplined behaviour. The Laws of Wealth is a must-read for anyone serious about understanding the psychological traps that hinder investment success and learning how to harness them for better financial outcomes. By following the rules Dr. Crosby lays out, investors can transform their behaviour from being the greatest obstacle to becoming their most significant advantage.

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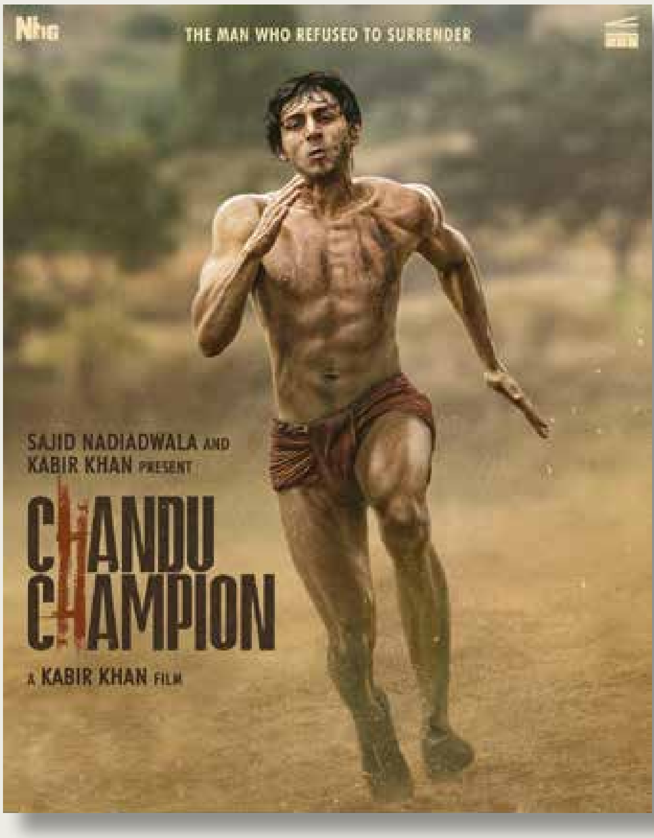
CHANDU CHAMPION

Streaming on Prime Video
Directed – Kabir Khan
Cast – Kartik Aaryan, Vijay Raaz, Bhuvan Arora
Time – 2 hours 36 minutes
Emotions – Inspirational, Motivational, Drama
Rating 4.5 out of 5

DARSHINI BHUTA



Chandu Champion is a Hindi-language biographical sports drama film, written and directed by Kabir Khan. Starring Kartik Aaryan in the lead role as India's first Paralympics gold medallist Murlikant Petkar.

Murlikant Petkar, a young boy from Peth Islampur, Maharashtra, grew up in a small village in 1952 and developed an ambition to win an Olympic gold medal for India. He ran away from home and joined the Indian Army Corps of EME, where he was selected and trained as a boxer. He competed in the International Services Sports Meet 1964 in Tokyo but lost in the final round. In 1965, he was injured in the Indo-Pakistan war and was admitted to an infirmary.

In 1972, his former coach Tiger Ali (Vijay Raaz) inspired him to compete in the Paralympics. He qualified for the 1972 Summer Paralympics in the 50m freestyle swimming event and won the Gold Medal, setting a new World record. In 2017, his achievements were forgotten, and a police inspector was impressed by his story but suspicious about its authenticity. He contacted a journalist to write an article about him, and a senior government official visited him. He was told that the Arjuna Award was too small for his achievements and the government decided to award him the Padma Shri. In 2018, Petkar received the Padma Shri from the President of India

This film tells the incredible story of a man who faced relentless challenges with an unbreakable spirit. His unwavering determination and refusal to give up paved the way for India's first individual gold medal in the Paralympics, showcasing the power of perseverance against all odds.

Kartik Aaryan as the Murlikant Petkar is marvellous, who plays the role with authenticity and intensity. It is career best performance till date.

Kabir Khan's direction stands out in the film, marked by its seamless pacing and emotional depth. He expertly navigates between moments of despair and triumph, creating scenes that are both striking and emotionally resonant. His storytelling ensures the audience remains fully engaged from start to finish.

The supporting cast, Vijay Raaz as Tigar Ali and Bhuvan Arora as Karnail Singh, are equally vital, with each actor contributing depth to Chandu's journey. Their performances enrich the film's emotional texture, and the natural chemistry between the characters brings an genuineness that heightens the impact of their relationships.

Overall, this film is a masterful blend of emotional depth and captivating storytelling. It immerses the audience in a powerful narrative, where the protagonist's journey of grit and resilience unfolds with heartfelt reality. The film skillfully showcases the intensity of personal struggles with moments of inspiration, drawing viewers into a story that is as emotionally resonant as it is uplifting. The character development is rich and layered, making each victory feel hard-earned and deeply moving.

The film is a must watch, whether you're drawn by the human spirit or simply looking for a well-crafted story, Chandu Champion is an unmissable cinematic experience.

Time to train your brain

Find the terms from the below word jumble:

OMMNIICOSSI

POTITCOMNEI

ROICTDER

DBARN

TACIPAL

BUDGET

RITAAOIZOHUN

TARSDIVEE

NCTOTAIARSN

MTAENPY

Take a picture of the solved crossword, and Mail to Srushti Totiger at pr@icicipruamc.com to win an interesting book.

For some interesting activity, scan the QR Code or click on https://tinyurl.com/3j2benz2

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- A recent passport sized Photograph
- A Proof of identity – A copy of your PAN card
- A Proof of Address – A copy of your Voter ID card, Passport or Driving License

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