



# Keemat

**The Consumer's Voice – Value for Price, People and the Environment**

July – August 2019

**"53 Years in the Service of Consumers"**

Volume 48 – No. 4



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# Tackling Air Pollution

Dr. Sitaram Dixit, Chairman – Consumer Guidance Society of India (CGSI)

We refer to air pollution as the contamination of ambient air by any harmful or poisonous substance or pollutants.

## Types of Pollutants

Primary pollutants include ash, nitrogen oxides produced during high temperature combustion, carbon monoxide from fuel combustion, vehicle exhaust and sulphur oxides from industrial units produced, (VOC) volatile organic compounds (methane, benzene, toluene, xylene, 1, 3, butadiene, etc.) originating directly from a process.

Other pollutants include particulate matter (PM), from natural dust storms, forest grassland fires also smoke, due to human actions like burning forest fuels, power plants, industrial and construction activities, ammonia emissions from agricultural processes, pharmaceutical industries, persistent free radicals connected to fine dust particles; malodour from rubbish and sewage dumps, fumes from consumer aerosol sprays, paints and varnish, cigarette smoke, in addition to toxic metal compounds of lead and mercury and radioactive pollutants due to natural radioactive decay of radon.

Biological sources of air pollution comprise, indoor gases and particulates like dust that people produce from minutes skin flakes, decomposed hair, pet's dander, faecal droppings, mould forms in walls generating mycotoxins and spores, garden pollen dust, etc. Secondary pollutants are ones not emitted directly but are reaction products of primary pollutants like the formation of ground level ozone that make up a photochemical smog.

## Effects of Air Pollution

Air pollution is one of the biggest challenges the world over threatening human and animal existence due its ill effects of global warming, smog, acid rains, respiratory diseases, lung cancer and other ailments. According to the World Health Organization (WHO), 90% of the world's population faces air pollution dangers. The concern here is that 14 of the world's 15 most polluted cities are in India and unless we fight this menace seriously, it could snowball into a major crisis making India soon into an inhabitable region, especially for its children and older citizens. Economy of any country prospers only when healthy people run businesses in its full efficiency. Sick people stay out of work costing a country's economy seriously.

## Controlling Air Pollution

Prevention is better than cure, is a statement very apt for this serious issue of pollution. Regular monitoring and prevention methods both from government and from individuals are important. Air Quality Index (AQI) makes understanding air quality easy by transforming air quality data of various pollutants into a single number (index value), terminology and colour. Introducing mandatory government laws and regulations for using green energy (wind, solar, other renewable sources, etc.), promoting energy efficient electric vehicles and minimizing use of fossil fuels become necessary. At an individual level, people should make use of buses, trains or cycle to commute. Use energy wisely and use household electrical goods only when necessary as we must burn fossil fuels to generate electricity.

## AQI Category, Pollutants and Health Breakpoints

AQI Category (Range)	PM <sub>10</sub> (24hr)	PM <sub>2.5</sub> (24hr)	NO <sub>2</sub> (24hr)	O <sub>3</sub> (8hr)	CO (8hr)	SO <sub>2</sub> (24hr)	NH <sub>3</sub> (24hr)	Pb (24hr)	Associated Health Impact
<b>Good (0-50)</b>	0-50	0-30	0-40	0-50	0-1.0	0-40	0-200	0-0.5	Negligible
<b>Satisfactory (51-100)</b>	51-100	31-60	41-80	51-100	1.1-2.0	41-80	201-400	0.5-1.0	Possibly could cause slight discomfort while breathing in sensitive individuals.
<b>Moderately polluted (101-200)</b>	101-250	61-90	81-180	101-168	2.1-10	81-380	401-800	1.1-2.0	Individuals (especially children & older adults), persons with heart ailments or lung disease (asthma) could experience breathing discomfort.
<b>Poor (201-300)</b>	251-350	91-120	181-280	169-208	10-17	381-800	801-1200	2.1-3.0	Prolonged exposure to poor air could cause breathing discomfort to individuals suffering from heart disease.
<b>Very poor (301-400)</b>	351-430	121-250	281-400	209-748	17-34	801-1600	1200-1800	3.1-3.5	Individuals having lung and heart diseases could additionally suffer from respiratory ailments on prolonged exposure.
<b>Severe (401-500)</b>	430+	250+	400+	748+	34+	1600+	1800+	3.5+	It seriously affects health of people with lung and/or heart disease. Even healthy individuals could suffer from respiratory issues and experience discomfort during light physical activity.

Some effective measures that could improve the lives of millions of people across the world by getting air pollution under control are:

1. Introduce post-combustion emission standards and controls or end-of-pipe methods to reduce, particulate matter, SO<sub>2</sub> & NO<sub>2</sub> at power stations, brick kilns and industries.
2. Improve emission standards for vehicles, specially focusing on regulation of diesel vehicles, with regular inspection and maintenance by enforcing mandatory checks and repairs.
3. Encourage use of public transport vehicles, cycle bikes, etc.
4. Control dust pollution by suppressing construction and road dust; and use of mechanical dust collectors, electrostatic precipitators capable of removing fine particulates such as dust streams and smoke from air.
5. Regular sprinkling of water can control dust pollution largely.



# Naamdar v/s Kamdar

Ms. Jamna Vardhachary, Hon Editor



A good campaign needs a good slogan. There were several good ones during the Lok Sabha campaign, some new, some recycled. One of my favorites: Naamdar v/s Kamdar. It was punchy, largely true, and highly effective. As originally used (or perhaps originally intended), it contrasts a son of privilege against a self-made man. If the slogan is only about Rahulji vs Modiji, it is perfectly acceptable, but it took on a broader meaning. It became a simile for

Congress v/s BJP – which is unfortunate, because almost every party in the country plays dynasty politics.

Many familiar surnames lost the elections. From the Congress: Rahul Gandhi, Jyotiraditya Scindia, Vaibhav Gehlot, Ashok Chavan, Milind Deora. From the non-Congress opposition: Lalu Prasad's daughter Misa Bharti, Sharad Pawar's grand-nephew Parth and Nikhil Kumaraswamy, who is the grandson of a former Prime Minister and son of a current Chief Minister. Some analysts called it a protest vote against dynasts, i.e. members of well-known political families, but this myth was soon dispelled. There were dynasts on both sides and because of Tsunami, some opposition dynasts lost while some BJP dynasts still managed to win.

A recent report by social scientists from Ashoka University and CERI highlights just how bad the problem is. Nearly 30% of MPs in the new Lok Sabha – 162 out of 542 – are dynasts. This happened across the country and across party lines: 31% of Congress MPs and 22% of BJP MP's are dynasts. Interestingly, daughters (and daughters in law) seem to be even more dynastic than sons. More than 50% of women MPs from BJP and Congress, and nearly 100% of women MPs in some smaller parties, are dynasts. This across all fields, from Panchayat election to Rajya Sabha.

## FIND THE QUOTE

"Virtues inborn in noble persons are a sweet disposition, straightforward speech, appreciating other's merits, concealing one's own or criticize others faults to defame." Nitidvishastika 34

V I R T U E S O N I A T  
O H G U P E S N E B E S A R E  
W R R E H B L E P R N F O I A  
H A P S O O I E L D T E E W S  
V O N I S N E B A I U N G O T  
C H B R I N P P R S P O F H E  
R S O R N A T S N D H S E O I  
R N O U U R R O O I T I R U P  
O E O F T A A Z E L T H A R S  
V I R D H G I Z S M E T E O P  
T E W A E I T E R B R N F O O  
P R E R G P D H A T I E R I L  
T A S D P T A T A S A E R S N  
E E P G I N G O I C I H C F A  
C I N A T O I E N O I T E G U  
H C N I P E A E C R E O S I L  
A P C C E R L D C I Z A T S T  
S P R E L N I S N C L O O E T  
E I I T O G A I T I P H D O E  
O R C E N I C R P F O B E E T  
R G T S S O R N E I S T F A M  
A N I O W N T G O R R P O I E

You could argue that ultimately, a politician must get votes – the winner, whether dynast or not, has won on merit. But there are two issues here. Firstly, most politicians spend many years as humble party workers, slowly rising through the ranks. A dynast short-circuits this process. He may get a party ticket as soon as he is old enough (25 years for MPs and MLAs) and the party machinery is forced to work for him. Secondly, the biggest challenge for a politician is to build name recognition. The dynast begins the campaign with a huge advantage, everyone already knows them.

This is not just an Indian phenomenon. Several Asian countries – Indonesia, Philippines and North Korea for e.g., have a far bigger problem with dynastic politics than we do. Even the US has its share: Bush, Clinton, Kennedy and many others. We do not hear about dynasty outside India because it is rarely the president or prime minister, but usually lesser-known figures like senators or members of parliament.

## Not Just Politics

Is dynasty politics bad for the country? Of course, but family connections are important everywhere, not just in politics. India has had a feudal culture for centuries. Although society is modernizing quickly, we are still familiar with – even comfortable with – the idea of dynasty or inherited power and position. The son inherits his father's business. Children of doctors and lawyers become doctors and lawyers themselves. We are proud of our Army families. The Kapoor's have ruled Indian cinema for four generations. There is a reason for this. Ability and hard work are essential, but they may not be enough. To succeed, you also need a supportive environment. This is where family comes in. The family can provide an environment that helps the child learn quickly. For example, children from business families are usually more business-aware than other children of the same age, and once your career begins, family connections help you climb the ladder quickly.

Taking the argument, a step further, let us look at caste-based professions. This is dynastic behavior, not by a single family but by a clan, biradari or whatever we wish to call it. Should a carpenter's son also be a carpenter? Of course not. But in previous generations, a carpenter's son had the right 'connections'. He began learning at a young age, and graduated from assistant to apprentice to craftsman. Prospective clients would accept him purely because they have seen him accompanying his father or because the family recommended him. Could we say the same about zamindars? Probably not, because the zamindar's son inherits money and position by right, without deserving it or working for it. Perhaps therefore the drunken Chhote Thakur is always the villain! And film stars? The family can get you good roles, but the public still must like you. If your movies flop, your career is over.

In an ideal world, everything would be strictly based on merit. But in practice, everyone, everywhere, uses family connections. There is a difference between family support and nepotism, but sometimes it is a fine line. Where does support end, where does nepotism begin? The first and simplest test: Is it mine to give away? If it is my company, I have every right to make my son the managing director. If not, I must choose the best candidate. Nepotism is a particularly dangerous form of corruption. Our job as citizens is to protest loudly whenever it happens. Let us make sure we only choose people with the right qualifications and not the right name.

A young executive was leaving the office late one evening when he found the CEO standing in front of a shredder with a piece of paper in his hand. "Listen," said the CEO, "this is a very sensitive important document here and my secretary has gone for the night. Can you make this thing work?" "Certainly," said the young executive. He turned the machine on, inserted the paper, and pressed the start button. "Excellent," beamed the **dynasty CEO** as his paper disappeared inside the machine. "I only need one copy."



# Letters to the Editor / CGSI

I refer to my article, in Keemat, Jan-Feb 2019 issue on "Vegetable oils & Vanaspati ghee". In continuation, I like to state the following, as latest information about the same. As mentioned earlier, Vanaspati is produced by the partial hydrogenation of a mixture of selected vegetable oils. The melting point of the product, now maintained is at the level of 41°C (maximum).

This partial hydrogenation process, also gives rise to Trans fatty acids in the Vanaspati. It is found that the trans fatty acids content at higher levels, in Vanaspati, on consumption, leads to various health problems. Keeping this in mind, it is advisable to look out for alternatives, for Vanaspati and some of the suggestions are:

- 1) To do inter esterification of oils to take care of trans fatty acids.
- 2) RBD palm oil can be used as a substitute, in manufacturing mithai, fried chips, biscuits, extra.
- 3) Coconut oil, palm kernel or Palm olein (all RBD quality) for frying food products.
- 4) Fractionation of palm oil can be carried out to gel palm stearin, of required melting point.
- 5) The consumer should use, natural edible oils, which gives energy and nutrition instead of modified fats like Vanaspati with high trans-fat content.

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## CONTOURS OF CHEMISTRY

The present generation shuns courses in chemical sciences opting for IT streams which bring in big pay packets. Hence, despite a vast pool of scientific talent, we are far behind in discovering new chemical molecules be it in pharmaceutical, pesticide or flavors and fragrances technology, applied in the food and cosmetic industry.

### What is Chemistry?

A school book definition is "The science of substances and their transformations occurring as a result of chemical reactions". Physics, the old "colleague" of chemistry, also studies substances and their transformations in three different states of aggregation - solid, liquid and gas, and a fourth - plasma. The 19th century "innovated" a new chemical science called "physical chemistry" extending to the fields of electrochemistry and photochemistry, thermodynamics, and catalysis. Another important feature of modern chemistry is its contact with other natural sciences, primarily with biology (biochemistry) and geology (geochemistry). Vitamins, hormones, enzymes, and antibiotics in early history, are biochemicals; zeolites, clays derived from minerals which include ores, are geochemical. All of chemistry can roughly be divided into two vast areas - inorganic (called long ago as 'mineral chemistry') and organic chemistry. Inorganic chemistry is essentially the oldest branch of chemistry, its "arsenal" comprises a million compounds. Organic chemistry used to be defined as the chemistry of carbon and its compounds and formed as a science of the first quarter of the 19th century.

Today about 9 million organic compounds are known and thousands more are added/synthesized each year in laboratories particularly in advanced countries. Every aspect of life involves number of chemical processes. Chemistry is intricately woven in human evolution. Chemistry feeds us, clothes us, shoes us, medicates us and saves our crops. The first rockets fired into outer space owed their propulsion and protection to chemical fuels and

design materials. Both hemoglobin, an important component of mammalian blood, and chlorophyll, the basis of all plant life, are 'complex' chemicals.

### Chemicals with a Blue Collar

Coal, natural gas, other types of natural fuel derived from crude oil (such as petrol, diesel and kerosene) are extensively used to produce electrical energy or transformed into heat (e.g., in cooking) and mechanical energy (turbines and steam engines). Dry cells and storage batteries are examples of reactions between chemicals specially selected for the purpose of conversion to electricity. Battery operated cars are on the road. The hydrogen-oxygen fuel cell is expected to be an important energy carrier of the future, derived from renewable sources and virtually non-polluting. But cost considerations present a road-block. Fossil fuels (solid, liquid and gas) are used in thermal power plants and fissile fuels (uranium/plutonium) in nuclear reactors.

### Chemistry in a White Coat

Paracelsus, a Swiss physician, alchemist and astrologer (1493-1541) remarked: "The genuine goal of chemistry lies not in the preparation of gold (from base metals) but in the preparation of medicine". This quote is also attributed to Paracelsus: "The dose makes the poison", hence everything is a poison (even common salt or sugar), it's the dose that matters. "Everything in excess acts like a poison" (Chanakya quote, 371-283 BC). Hence, there are "maximum acceptable concentrations of contaminants" laid down for agricultural produce, processed food products and drinking water. Thomas Alva Edison, American inventor and businessman (1847-1931), said: Until man duplicates a blade of grass, nature can laugh at his so-called scientific knowledge". Two centuries earlier, it was averred by Jonathan Swift, Anglo-Irish satirist and essayist (1667-1745): "Whoever could make two ears of corn, or two blades of grass, to grow on a spot where only one grew before, would deserve better of mankind, and do more essential service to his community than the whole race of politicians put together. Medicine and Agriculture were priorities in the past few centuries. The present is an age of silicon chips, not potato wafers.

### A Many-Splendored Chemistry

Chemistry is at the center of everything you can see, smell, touch and taste. Not a single modern industry can do without the aid of chemistry. Its role in the development of civilization is comparable with that of electricity. Even two hundred years ago, chemistry was rather in the developmental stage. But now, it appears virtually impossible to keep abreast of impetuously increasing chemical information. Any chemist who wished to be aware of the current events in his/her field had to read all periodical publications on the specific subject of interest. With increasing number of such publications, special abstract journals (e.g., "Chemical Abstracts" by the American Chemical Society) is of great service to research scientists all over the world.

**Narendra Gajanan Wagle, Chartered Chemist (UK - 1978), CGSI Past President (2004-06) & Life Member.**

**B**EETS OR BEETROOTS: Beetroots are very helpful in the treatment of anemia, indigestion, constipation, piles, kidney disorders, dandruff, gallbladder disorders, cancer, and heart diseases. They also help prevent macular degeneration, improve blood circulation, aid in skin care, prevent cataracts, and treat respiratory problems. These benefits of beetroots can be attributed to their richness in nutrients, vitamins, and minerals. Beetroots are frequently added as an ingredient to salads, soups, and



pickles and are also used as a natural coloring agent. Beets have a wide range of health benefits because of their nutritional content, including vitamins, minerals, and organic compounds like carotenoids, lutein/zeaxanthin, glycine, betaine, dietary fiber, vitamin C, magnesium, iron, copper, and phosphorus, while also being a source of beneficial flavonoids called anthocyanins. They are very low in calories, with no cholesterol, but they do have the highest sugar content of all vegetables.



# Your Life Span May Be Foretold in Your Heart Beats

Dennis Thompson (Courtesy: WebMD News)

Where your resting heart rate goes, so goes your health. That's the suggestion of a new study that found older Swedish men with a resting heart rate of 75 beats per minute had a doubled risk of an early death, even though that rate is well within the normal range of 50 to 100 beats per minute. That increase in risk held for both death from any cause and death linked to heart disease. What's more, every additional heart beat per minute increased a person's overall risk of early death by 3% and their risk of heart disease by 2%.

Based on these results, doctors might want to keep an eye on a person's resting heart rate, said American Heart Association expert Dr. Vincent Bufalino. A gradual rise in heart rate could mean trouble ahead for your heart health. "You wouldn't have thought you'd have that level of impact from a change in your resting heart rate," said Bufalino, senior vice president and senior medical director of cardiology-AMG at Advocate Health Care in Naperville, Ill. At the same time, Bufalino said, it's a "bit of a stretch" to consider resting heart rate as an independent heart health risk factor. Rather, a rising heart rate probably is a red flag for other well-established heart risk factors, such as diabetes, high blood pressure, cigarette smoking and a family history of heart problems, he explained. But, "if the heart rate's higher, it's going to possibly point you in a direction to be more vigilant with those folks," Bufalino said.

For this study, researchers led by Dr. Salim Bary Barywani, from Sahlgrenska Academy at the University of Gothenburg, tracked about 800 men born in 1943 and living in Sweden. In 1993, these men filled out questionnaires on their lifestyle and health, and underwent a comprehensive medical exam that included measuring resting heart rate, the study authors said. Resting heart rate was measured again in 2003 and 2014 for those still alive and willing to take part. During the 21-year period, about 15% of the original group of men died before their 71st birthday, while about 30% developed cardiovascular

disease, the researchers reported. A resting heart rate of 75 or higher in 1993 was associated with a doubled risk of death or heart disease during the subsequent years, compared with a resting heart rate of 55 or lower, the findings showed. At the same time, a stable resting heart rate between ages 50 and 60 was associated with a 44% lower risk of heart disease between ages 60 and 70, according to the report published online April 15 in the journal *Open Heart*.

The researchers noted that because this is an observational study, a true cause-and-effect relationship can't be established. Dr. Prashant Vaishnava, a cardiologist at the Mount Sinai Hospital in New York City, agreed with Bufalino that resting heart rate is probably an indicator of other heart risk factors. "It seems as if that's where attention should continue to be focused rather than on resting heart rate, which can vary due to a whole slew of reasons, frankly," Vaishnava said. "If I see a patient in that age range with a resting heart rate of 75 beats per minute, I'm not necessarily going to look at that as a risk factor, but I would continue to look at the rest of their risk factor profile." Doctors generally tend to look for extremes when checking heart rate, Bufalino said.

"We know as your heart starts to fail, your heart rate goes up for sure," Bufalino said. Too slow also isn't good -- a heart rate down in the 40s also can indicate that the heart's natural pacemaker might be failing, he added. "The extremes of real slow and real fast, those are well-established markers for us to observe and intervene," Bufalino said. Vaishnava said people should probably "take these findings with a grain of salt," given that the study involved only men and that other factors might have played a role in those who died early. People who have an elevated resting heart rate can improve it through more aerobic exercise, Bufalino said. They also ought to talk with their doctor about managing other heart health risk factors like high blood pressure and cholesterol.

## How Much Coffee Is Too Much?

Kayla McKiski (Courtesy: WebMD News)

From cappuccinos to cold brew, coffee is a morning must for many Americans, but is it healthy and how much is too much? A University of South Australia study suggests a couple of cups to start your day probably won't hurt -- and may even be good for you. But drinking six or more cups of coffee a day can increase your risk of heart disease by up to 22%, the researchers found. About one in four deaths in the United States is due to heart disease, according to the U.S. Centers for Disease Control and Prevention.

Heart disease is the leading cause of death worldwide. That's why Elina Hypponen and Ang Zhou of the Australian Center for Precision Health in Adelaide set out to discover the point when too much caffeine causes high blood pressure, a key heart disease risk factor. The tipping point: Six 8-ounce cups -- each containing 75 milligrams (mg) of caffeine. "Knowing the limits of what's good for you and what's not is imperative," Hypponen said in a university news release. "Overindulge and your health will pay for it," she added.

For the study, the researchers used a U.K. database of more than 300,000 adults, aged 37 to 73, to explore how the caffeine metabolizing gene (CYP1A2) affected people's ability to process caffeine and their risk for heart disease. The investigators found that carriers of a gene variation were able to metabolize caffeine four times faster than others, but Hypponen said that doesn't mean they can safely drink more coffee. Coffee is the most popular beverage worldwide, with an estimated 3 billion cups consumed every day, but Hypponen noted that a cup of coffee may mean different things to

different people. "If we assume one cup is ... a standard measure of cup, it would approximately contain 75 mg of caffeine," she said. "If we look at caffeine content only, a double espresso is roughly equivalent to a normal coffee." A grand iced latte at Starbucks, meanwhile, contains up to 150 mg of caffeine. Hypponen said people looking to lower their heart disease risk would do well to take these numbers into account. Dr. Gregg Fonarow, a cardiologist at the University of California, Los Angeles, reviewed the findings. Putting them in context, he said very heavy coffee consumption was associated with a "modest increase" in heart disease risk. "The effects of caffeine on the heart tend to be short in duration and mild, unless very high levels are consumed," he said.

"Coffee also contains a variety of compounds that have antioxidant and anti-inflammatory effects." A cup or two of Joe may even have its perks. The researchers found that study participants who drank decaf coffee, or none at all, had higher rates of heart disease than those who drank one or two coffees a day. For mild coffee drinkers, only immediate effects of caffeine on the heart, like a boost of energy, should be present, the findings suggest. Hypponen said no conclusions can be made from the study about other caffeine-containing beverages, such as energy drinks and tea. "Our study only focuses on coffee," she said. "A cup of coffee contains over 1,000 chemical compounds which may also affect health and cardiovascular disease risk."

This study is published in *The American Journal of Clinical Nutrition*.

**"If it cannot be reduced, reused, repaired, rebuilt, refurbished, refinished, resold, recycled or composted, then it should be restricted, designed or removed from production." – Pete Seeger, Folk Singer & Social Activist**

# Rental income may not be the right option for you

(Courtesy: Hindustan Times)

If you are planning to buy a house to earn income from rental yield, you may want to think again. Most homeowners may look at the value of property but forget to assess the returns in the form of rental yield along with all the hassle of handling a real estate. To begin with, metro cities such as Mumbai and Delhi give a rental yield of 1.5%-2%, according to property consultants. "In Mumbai, rental yield on commercial properties is 5-9% whereas for residential property it is around 1.5%-2%," Mudassir Zaidi, executive director-north, Knight Frank. Similar is the situation in Delhi too. "The rental yield in Delhi is always below 2%. For instance, typically a 1,500 sq. ft., 3 BHK (bedroom-hall- kitchen) will cost ₹3 crore and the rent will be ₹30,000-₹40,000," said Sunny Katyal, director of Investors Clinic.

## WHY ARE THE RENTAL YIELDS LOW?

The property prices and rental yields are closely linked to each other. "Properties that are more in demand and have higher buy price will be at the lower end of the yield curve and properties that are not in demand will see a little higher rent. In some cases, rental yield has slightly increased because rents have remained same or reduced but the valuation of property has fallen," said Zaidi. The oversupply of residential projects has also impacted rental yields especially in metro cities.

"In Delhi-NCR, the houses that were pre-launched in 2007-12, we saw delivery of these properties happen in 2017-18. There was a time when the supply of homes was higher in Noida. It is very inventory specific," he added. High inventories led to fall in rents. "Delhi-NCR has larger number of investors in the market and most investors are stuck and they are willing to reduce prices to get out of the market. The problem is more in Delhi. Rental yield is better in Delhi but the valuations are not great. In terms of valuation, Mumbai is still doing better," Zaidi said.

## THE COST OF INVESTMENT

When you buy a property, you incur a cost over the value of the property. Most home buyers forget to factor in the additional cost. For instance, if you are buying a property worth ₹1 crore, you will also have to factor in the home loan cost, administration cost and other charges associated with stamp duty and registration. Once you get the property, you continue to shell out money in the form

of property tax, maintenance cost and society charges till the time you own the property. When you are doing the math of the rental yield, you need to factor in all the associated cost to get the right picture. Value of the property by itself doesn't give you the complete analysis.

## SHOULD YOU BUY TO GET RENTAL INCOME?

In residential properties, the returns come from capital gains and in the form of rental income. "In Delhi, price of real estate is very high. If you are buying property in Delhi for personal use, it still makes sense. However, there is no use buying property to get rental yield," said Katyal. According to property consultants, for residential property buyers this is not the right time to buy and it is better to stay away from the market. "Investing in residential property from rental point of view may not be a great idea in today's time. May be when prices start increasing again, you can look at residential property in, say, two years," said Zaidi. In fact, investing in property comes with multiple hassles in the form of maintenance cost, documentation process, cost structure and also it is an illiquid asset. Hence, evaluate your financial portfolio before investing in real estate.

## DIABETES COULD RESULT IN IMPAIRED HEARING

People with diabetes who have uncontrolled blood sugar levels may developed impaired hearing from damage to the auditory system, finds new research published in the journal Current Diabetes Reports. Studies in the past have linked diabetes with hearing impairment, with the association being stronger in younger participants, perhaps because other causes of age-related hearing impairment could have masked the contribution of diabetes to the impairment in older adults.



To raise awareness and promote detection and prevention of the ailment, May 17 is observed as World Hypertension Day

## WHAT IS HYPERTENSION?

According to the Union Health Ministry, hypertension refers to sustained high blood pressure (140/90 mmHg) over five weeks. Those suffering from this ailment are at high risk of cardiovascular diseases and stroke

## DO YOU HAVE HYPERTENSION?

Doctors say you must watch out for frequent headaches, nose bleeds, blurring of vision, shortness of breath, dizziness, chest heaviness, and facial flushing

## PREVENTIVE MEASURES



**Follow a DASH diet:** The dietary approach to stop hypertension (DASH) consists of a diet rich in fruits and vegetables, no fat or low-fat milk and milk products, whole grain foods, fish, poultry, beans and seeds, as well as less salt



**Exercise regularly:** One should do aerobic exercises – such as brisk walking, stair-climbing, jogging, running and swimming – for 45 minutes to 1 hour at least five days a week



**Weight loss is a must:** Obesity is a major risk factor for high blood pressure, diabetes and heart disease



**Avoid alcohol and smoking:** It is advisable to limit the intake to one or two drinks per week. Smoking must be stopped completely



**Manage stress:** Stress-inducing habits such as smoking, drinking and junk food consumption can have cascading effects on your blood pressure.



Yoga, meditation, adequate sleep and positive thinking are major stress-busters



**Monitor your BP regularly:** As one ages, hypertension becomes almost inevitable. It is preferable to have a BP monitor at home. However, the machine should be calibrated at regular intervals for accurate readings.



Johnny's teacher at the start of the English lesson, spotted him with his hands clasped together in prayer. "What are you doing, Johnny?" she asked him. "My mom told me that I should always say a prayer before going to sleep," Little Johnny replied.



# Plastics – Boon or Bane?

Dr. Sitaram Dixit, Chairman – Consumer Guidance Society of India (CGSI)

## Introduction

During the last few years, the world has witnessed many anti-plastic movements by activists/environmentalists vigorously asking people to stop using plastics that this movement today has degenerated into a 'hate plastics' crusade. World media patronage providing ample adverse publicity to a false cause makes people with insufficient knowledge about technology believe that plastic in all forms is bad for public well-being and environment. The Government of India's pledge on the World Environmental Day (2018) to 'Beat Plastic Pollution' and win global acclaim by eliminating virtually all sort of single use plastics (viz., carry bags, cups, plates, cutlery, straws, etc.) by 2022, makes it all the more unrealistic and counterproductive in the long run. Launching a full-fledged anti-plastics campaign without making a distinction between various plastic types and its application only contributes to a wrong impression emotionally controlling people to reject all plastics forms and simultaneously branding plastic manufacturers and users as polluters.

## Plastics and its varied use

Polyethylene terephthalate (PET), high density polypropylene (HDPE), low density polypropylene (LDPE), polypropylene (PP), polycarbonate (PC), polyvinyl chloride (PVC), polystyrene (PS), polyacetal (PA), etc., are the plastic types popular around the world for different application's viz., construction materials (pipes, fittings, etc.), agriculture, fishing nets, medical diagnostics, packaging, electronics and telecommunications equipment's, etc. Today, plastics play an integral indispensable part in many industrial processes plus product economies and perhaps with some exceptions it is impossible for modern people to live practically a normal life without them. Despite propagation of their poor image, plastic demand continues to rise worldwide and so avoiding plastics is neither technologically probable nor economically viable, for humans a fact that anti-plastic activists/environmentalists must recognize soon.

## Plastics pollution and disturbing trends

Plastics are non-biodegradable albeit a positive aspect in several applications even though anti-plastic activists/environmentalists propagate it as a negative facet stating its presence in elephant dung, in the stomach of cows, floating waste dumps in oceans and reservoirs, plastics exuding out of ruptured dead fish belly, electronic waste and packaging materials dumped and leaking everywhere. Rightly, a plastic product does remain in same shape and size for a thousand years hence without degrading in landfills and release carcinogenic vapors on incineration but this fact only adds to the clutter. No doubt, plastics as waste material is an issue, however the question we need an answer is for an equally efficient and convenient plastic substitute and an effective alternative mechanism to prevent dumping or burning plastic wastes.

## Search for alternatives

Several researches in the quest to develop and produce plastic substitutes like polylactic acid biopolymers, starch blended polymers, etc., are progressing around the world, however they are still in the evolutionary developmental stages not commercially available or adequate to totally replace conventional plastic items. Furthermore, to effectively equal the efficiency and utility aspect of plastics at a reasonable cost of production are challenges scientists are grappling through until date.

Condemning the use of single use plastics by putting in place a regulatory charter without any concrete alternative plan or availability of substitute products, is most likely to meet practical problems soon, forcing the entire anti-plastics campaign to temper reform and eventually fizzle out. Currently the demands of single use plastics are so high that replacing them with paper, jute or cotton is near impossible due to their own limited availability. Ironically, nylon, polyester staple fiber, polyester filament yarn, etc., that are cotton and jute substitutes in India are non-biodegradable in nature giving a feeling that the authorities are carrying out the entire strategy to ban plastics in empty space.

## Recycling and reuse

The fundamental concern with plastics is not its specific first use, but our inherent inability to recycle and reuse after its utility is complete. The world is yet to launch a pragmatic massive campaign to recycle plastics even though isolated small capacity unit efforts are on. Surprisingly the world is currently recycling just 12% of all plastic wastes for reuse, with the remaining either incinerated or sent to landfill dumps – a valuable resource lost forever. In fact, if the current 2016 plastics demand of 260 metric tons continues to rise as of today then, in 2030 the demand will be of 460 metric tons, taking the even now serious global plastics waste volume problem to a high new level.

All materials flowing in this universe follow either a biological or a technical cycle. In the biological cycle, waste from one is food for the other next and in a technical cycle, keeping items at its highest value by recovery and restoration of products components and materials by reuse through repair is the norm. Recycling in this case is the available last preference. Incineration and landfills dumps should be the last option for disposing waste plastics (a valuable resource) in India, as we need land to grow food for our ever-enlarging population. Circular or cyclic plastics economies with minimization or elimination of waste preventing pollution and regenerating natural systems by involving all stakeholders is imperative to control plastics waste. Frugality is deep-rooted in Indian beliefs and philosophy that makes it all the simpler for the Government authorities to create consumer awareness on plastic reuse. Laterally we should also clearly emphasize the creation of infrastructure facilities to collect, reprocess and reuse waste plastics minus unjust draconian rules and regulations.

## Mechanical and chemical recycling

Waste collectors, aggregators and recyclers the key functionaries in waste plastics processing are all responsible for success in mechanical and chemical recycling that could curtail annoying

### CHOOSE SAFER PLASTICS

Some plastics contain potentially harmful chemicals:

- \*Phthalates: hormone disrupters--male reproductive problems and birth defects
- \*PVC: carcinogen--risk to PVC workers
- \*Polystyrene: neurotoxin
- \*BPA: hormone disrupter--reproductive, brain, & behavioral problems; cancer

Look for the recycling code on the bottom of the product to avoid these potentially harmful chemicals.

environmental waste plastic leakages and without doubt, all would require liberal financial support to succeed. Mechanical recycling technologies currently are sizeable businesses; however, they are nowhere in scale on comparison to the conventional plastic industry. Moreover, it primarily focuses only on PET; HDPE & PP. Mechanical recycling of PVC, LDPE and PS is only miniscule due to several technical challenges and waste collection difficulties. Some typical mechanical recycling technologies include conversion of used PET bottles into flakes further depolymerized and transesterified to an upgraded polybutylene terephthalate polyester for automotive applications and the successful use of plastics wastes in road construction projects.

We classify chemical recycling efforts into two specific categories viz., monomer recycling (i.e., of condensation polymers like PET & polyamides) that could also forestall the need to build capital-intensive monomer plants and reprocessing of plastic wastes to liquid hydrocarbons through pyrolysis that can effectively dislodge naphtha or natural gas liquid demand, be more resilient to crude-oil price fluctuations also be profitable. The biggest advantage of cracking technology is its ability to handle mixed plastic wastes that have already exhausted their potential for mechanical recycling.

## India can benefit

India one of the most populous countries in the world is also one of the leading plastic waste creators. The demand for plastics and the quantum of plastic wastes will only grow as our country's living standards improve over the years. Exploiting the plastic recycling technologies will therefore certainly prove beneficial, reaping substantial potential profits.

Right policy intervention and active participation of stakeholder's viz., producers, converters and consumers, it is probable to recycle and reuse plastic waste by either means to as much as up to 50% of the total production within a decade reducing not only new oil demand for petrochemical production but also make way for a cleaner environment. This brings us back to our title question, "Are plastics boon or bane?" All will agree that using plastics in its various forms is indeed a boon for us, although its disposal has become an agonizing bane. Pending apt alternative stratagems or policy measures and without any tangible development of biodegradable plastic substitutes, the anti-plastic campaigns will only linger as a sensational topic both for the media and the so-called activists and environmentalists to milk out some more intermittently consistent undue profile-raising publicity.

## CLASSIFICATION OF PLASTICS FOR CONSUMER ITEMS

Symbol - Code Name	Description	General Properties	Common Uses
<b>1</b> <b>Polyethylene Terephthalate PETE</b>	Commonly recycled.  It sometimes absorbs food odours and flavours from foods and drinks stored in them.	Good gas & moisture barrier properties, high heat resistance, clear, hard, tough, microwave transparency, solvent resistant.	Household items like soft drink beverage bottles, medicine jars, ropes, clothing and carpet fibre, pre-prepared food trays, roasting bags, boil in the bag food pouches. Some shampoo and mouthwash bottles.
<b>2</b> <b>High-Density Polyethylene HDPE</b>	Safe and not known to transmit any chemicals into foods or drinks. Commonly recycled. NEVER safe to reuse an HDPE bottle as a food or drink container if it did not originally contain food or drink.	Excellent moisture barrier properties and chemical resistance, hard to semi-flexible and strong, soft waxy surface permeable to gas, HDPE films crinkle to the touch, pigmented bottles, stress resistant.	Milk containers, motor oil, shampoos and conditioners, soap bottles, detergents and bleaches, etc.
<b>3</b> <b>Polyvinyl Chloride PVC</b>	Sometimes recycled.  PVC should not encounter food items, as it can be harmful if ingested.	Excellent transparency, hard, rigid (flexible when plasticised), good chemical resistance, long-term stability, good weathering ability, stable electrical properties, low gas permeability.	Credit cards, Carpet backing and other floor covering, window and door frames, guttering, pipes and fittings, wire and cable sheathing, synthetic leather products, etc.
<b>4</b> <b>Low-Density Polyethylene LDPE</b>	Sometimes recycled.  A very healthy plastic tends to be both durable and flexible.	Tough and flexible, waxy surface, soft – scratches easily, good transparency, low melting point, stable electrical properties, good moisture barrier properties.	Films, fertiliser bags, refuse sacks, packaging films, bubble wrap, flexible bottles, irrigation pipes, thick shopping bags, wire and cable applications, some bottle tops/caps.
<b>5</b> <b>Polypropylene PP</b>	Occasionally recycled.  PP is strong and can usually withstand higher temperatures.	Excellent chemical resistance, high melting point, hard but flexible, waxy surface, translucent, strong.	Most bottle caps, ketchup and syrup bottles, yoghurt containers, potato crisp and biscuit wrappers, crates, plant pots, straws, lunch boxes, refrigerated containers, fabric/carpet fibres, heavy-duty bags/tarpaulins.
<b>6</b> <b>Polystyrene PS</b>	Recycled (difficult).	Clear to opaque, glassy surface rigid or foamed, hard brittle high clarity, affected by fats and solvents.	Yoghurt containers, egg boxes, fast food boxes and trays, video cases, vending cups and disposable cutlery, seed trays, coat hangers, low cost brittle toys, packing foam, etc.
<b>7</b> <b>OTHERS</b>	Difficult to recycle. Miscellaneous types of plastics not defined by the other six codes. Polycarbonate (PC) finds use in baby bottles, compact discs and medical storage containers.	Many OTHER polymers exist that have a wide range of uses, in engineering sectors.  They have the number 7 and OTHERS (or a triangle with numbers from 7 to 19).	Nylon (PA), Acrylonitrile butadiene styrene (ABS), Polycarbonate (PC), Layered or multi-material mixed polymers, etc.



# J&J to pay ₹25L to 67 patients in faulty hip implants case

Prathma Sharma, Email: prathma.s@livemint.com (Courtesy: Mint)

Johnson and Johnson (J&J) Pvt. Ltd on Thursday agreed to pay ₹25 lakh each to 67 patients affected by its faulty hip implants. On May 2, the Delhi HC directed J&J to pay ₹25 lakh each to four patients affected by its faulty ASR hip implants. J&J's counsel Amit Sibal said in the court that if the central government provides it with a list of more patients who had received a revision surgery after the hip implant, it would pay the same amount to them too after verifying the claims.

Justice Vibhu Bakhru of Delhi high court said, "The payment will be made through bank transfer. If claimants succeed in their claim at any other forum for higher sum, due set-off be given. If petitioner succeeds, this amount would be non-refundable. Court has not examined the merits of controversy. Payments should be directly into the bank accounts. Out of 289 patients, 93 were verified. Sibal states that the petitioner has got the cheques in the court. Said they are drawn in the name of 67 people. Petitioners will give it."

The next date of hearing is August 8. The Delhi high court on May 2 directed J&J to pay ₹25 lakh each to four patients affected by its faulty acetabular surface replacement (ASR) hip implants. India's drug regulatory authority had ordered the company to pay compensation to these patients, following the recommendation of a central expert committee. The Central Drugs Standard Control Organization (CDSCO) had directed payment of ₹65 lakh and ₹74

lakhs as compensation to two unidentified patients in Maharashtra and on 30 April, it once again ordered the company to pay over ₹1 crore and ₹90 lakh respectively to two more patients from Uttar Pradesh. However, the pharma major had moved the Delhi high court against government orders to compensate patients. J&J challenged the orders in Delhi high court, saying it is willing to pay only ₹25 lakh each.

Justice Bakhru on May 2 had also directed the company to submit the list of verified patients and their claims to the court while the CDSCO was asked to provide details of other affected patients who have approached them for the compensation. Sandeep Sethi, counsel for J&J had told the court, "Someone who hasn't gone through a revision surgery, he or she is not entitled. Facts are only that approximately 250 people are registered. We are willing to pay for them. Whose papers are verified will be compensated."

J&J had said that it was committed to providing assistance, including appropriate compensation within an "established framework", to ASR patients in India who have undergone revision surgery. Earlier, J&J had also offered a fast-track process by paying ₹25 lakh to patients of revision surgeries as it did in Australia. Proposals given to the government by the company did not challenge the formula but the company maintained it was willing to pay only the revision surgery patients as was done globally.

## A cheat-sheet for your first overseas trip

Revati Krishna, Email: revati.krishna@htlive.com (Courtesy: Hindustan Times)

A Turkish hammam in Istanbul, skydiving in Dubai, Oktoberfest in Munich or a drive to the picturesque Isle of Skye in Scotland—what are you planning to do in your first overseas trip? Travelling is fun but it is perfect only when it is budgeted for.

### PASSPORT AND VISA

Passport costs approximately ₹1,500 for a fresh application and ₹2,000 for a tatkal application. If you are planning to go abroad and don't have a passport, apply for it well in advance to avoid last minute hurdles. The visa fee depend upon the duration of your visit and the cost varies from country to country. "Countries such as Thailand, Cambodia, Vietnam, Maldives, Tanzania, Kenya, Sri Lanka, Jordan and Seychelles offer visa on arrivals. The fee can range from \$20 (around ₹1,400) to \$135 (around ₹9,500) or more. You can get a visa-free entry in countries such as Bhutan, Indonesia, Nepal and Serbia," said Milind Bhide, managing director, Countryside Adventure Holidays. "Some countries need you to pay in order to enter or leave the country. These are not included in the airfares and can range from \$25 (around ₹1,700) to \$200 (around ₹14,000)," said Bhide. For e.g., when you are flying out of Bali, you need to pay a departure tax of \$15 (around ₹1,000).

### TRAVEL INSURANCE

Travel insurance is a must for going abroad, as any unforeseen medical issue can cost you dearly. "In general, travel policies cost from 4%-10% of your total trip cost. For example, if you purchase a trip with the total cost of \$6000 (around ₹4.19 lakh), your travel

insurance policies will range from \$300-\$600 (around ₹20,000 to ₹42,000), depending on the variables," said Bhide. A travel insurance provides medical assistance, during trip cancellations, delays and other interruptions during the trip, he added. Some countries require compulsory vaccinations and immunizations. For instance, if you are travelling to Kenya, you have to take a vaccination for yellow fever. Travel insurance usually doesn't cover vaccination costs.

### CURRENCY EXCHANGE FEE

You will also need to convert currency to travel overseas. Currency charges vary across countries and agencies. "Not only do the charges differ but also the exchange rates used by the agencies. The charges generally vary from ₹150 to ₹10,000 or 1% of the value of transaction," said Sudarshan Motwani, founder, Bookmyforex.com

### CARD TRANSACTION AND WITHDRAWAL CHARGES

While travelling overseas, it is prudent to carry money in a mix of cash and card. "The foreign transaction charge can range from 1.5%-3.5% of the total transaction amount. The network will automatically charge a conversion fee of 1%-2% fee on foreign currency exchange. Cash withdrawals can cost you 1%-4% in addition to the standard cash withdrawal rate for your credit card," according to Navin Chandani, chief business development officer, BankBazaar.com.

### CELLULAR SERVICE PROVIDER EXPENSES

To navigate in another country, you will need phone connectivity too. "Data costs should always be accounted for in your travel budget," said Bhide. Ask your cellular provider for international travel plans or get a local sim. The plan may cost between ₹290 to ₹600 a day, depending on the country you visit. There are other costs such as flight tickets, accommodation, food, shopping, sightseeing fees and gifts. However, don't forget to do basic due diligence before opting for travel insurance, checking currency exchange charges with multiple platforms and evaluating card transactions costs in detail.

A professor died and at the heavenly pearly gates the gatekeeper asked, "Have you ever committed a sin that you truly regret?" "Yes," the professor answered. "When I was a young surgeon at the Saint Lucas Hospital, we played soccer against Saint Peter's Hospital team. I scored a goal, which was off-side and the referee did not see it and won us the match. I regret that now." "Well," said the gatekeeper. "That is a minor sin. You may enter." "Thank you very much, Saint Peter," the professor answered. "You're welcome! I am Saint Lucas. Saint Peter is out on lunch."



# Is a smallcase investment right for you?

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Have you heard of smallcases yet? These are portfolios of equities or exchange-traded funds with an underlying theme or strategy. If you are investing in smallcases, you get the direct ownership of the individual stocks bundled together in a portfolio. This is different from mutual funds, where you do not have ownership rights in the stocks that form your mutual fund portfolio but you hold units of the portfolio. They might sound like portfolio management services (PMS), but unlike PMS, they do not have a ticket size of ₹25 lakh.

## HOW DOES IT WORK?

A brokerage account is mandatory to trade in smallcases. Smallcase Technologies has partnered with brokerages such as Zerodha, HDFC securities, Kotak Securities, AxisDirect, Edelweiss, 5 paisa and Alice Blue. Since you will be investing in stocks directly, a trading account and a Demat account is required. When you invest in smallcase, money is debited from your trading account and stocks are credited to your Demat account. There is no lock-in period as you hold the stocks directly and they can be sold any time. "You can make changes to your portfolio anytime during market hours", said Vasant Kamath, co-founder of smallcase Technologies. There are broadly four kinds of smallcase portfolios. "Asset allocation portfolios which are ETF-based portfolios consisting a mix of largecap equities, fixed income, and gold; smart beta portfolio which focus on large cap stocks; model-based that are based on established investment strategies and may have a bias towards mid- and small-cap stocks; and thematic/sectoral which may stocks," said Kamath. All stocks listed on the NSE are included in the potential investable universe.

## THE COST

"Standard brokerage charges are applicable depending on the broker you pick. You pay this charge only when there is a

transaction and only on the transaction amount, not the entire portfolio. In case of Zerodha, where the standard brokerage is zero, most smallcases have a onetime flat fee of only ₹100. Standard taxes and charges associated with equity transactions will also be applicable. However, no additional fees are required for re-investments, SIPs, to rebalance the portfolio and likewise", said Kamath.

## SHOULD YOU INVEST?

You need to have a long-term view towards investing if you want to put your money in smallcases. "Most smallcases are designed as longterm investment products and may not perform as expected in the short run. If investors do not have a longterm horizon, they should consider alternatives. However, there may not be a minimum ticket prize since the concept of fractional shares does not exist in India. This can sometimes lead to large minimum investment amounts in instances where stocks like Maruti Suzuki India Ltd or Eicher Motors Ltd [which traded at a high share price of ₹20,350 and ₹6,650 respectively, as of May 8] are included in the smallcase", said Kamath.

"Smallcases as a concept is good only for well-informed investors. Equity penetration in our country is very low and common man still doesn't participate in broad conservative products like mutual fund. In this scenario, smallcases as concept is way ahead of its time", said Jayesh Faria, senior executive group vice president, Motilal Oswal Private Wealth Management. "However, for readymade smallcases, prior market knowledge is not a pre-requisite as the rebalancing is done by SEBI-licensed research analysts", said Kamath. Some amount of handholding may be required any way, but the platform itself does not employ financial advisors.

## THE REGULATOR PROPOSED AN INCREASE TO COUNTER THE EFFECTS OF COST INCREASES FOR INSURERS

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The Insurance Regulatory Development Authority of India (IRDAI) has proposed to hike insurance premiums of two-wheelers and private cars purchased before September 1. However, insurance premiums of new private cars and two wheelers sold after that stay put for the on-going financial year. This essentially means that the hike is in the renewal premiums and not the long-term premiums. For cars below 1,000 cc, the premium will go up to ₹2,120 from ₹1,850 for the financial year 2019-20 and for cars between 1,000 cc and 1,500 cc, premium has been proposed to be increased to ₹3,300 from ₹2,863. Premiums for those exceeding 1,500 cc remains at ₹7,890.

"The regulator had asked for comments on the circular up till May 29 but the proposed rates are expected to be rolled out only from June 1", said Sajja Praveen Chowdary, headmotor insurance, Policybazaar.com. The regulator has increased the premiums by 15 to 20%. "We had earlier expected an increase of 20 to 25%", said Chowdary. The regulator proposed an increase to counter the effects of cost increases for the insurers. "The claim costs for the companies have gone up owing to inflation and rise in the levels of court awarded claims. The regulator has proposed to correct this imbalance of premium to claims through this increase", said Shanai Ghosh, chief marketing and commercial strategy, Edelweiss General Insurance. The proposed long-term three-year premium for new private cars and five-year premiums of two-wheelers remain the same. The three-year premium for new private cars below 1,000 cc is ₹5,286, for cars between 1,000 cc and 1,500 cc, the premium is ₹9,534 and for those exceeding 1,500 cc, the premiums remain at ₹24,305. "Most cars are less than 1,500 cc and very less are in the category exceeding 1,500 cc and the increase has happened in the first two categories", said Chowdary.

The five-year single premium for new two wheelers for vehicles less than 75 cc is at ₹1,045, more than 75 cc but less than 150 cc is at ₹3,285, more than 150 cc but less than 350 cc at ₹5,453 and for vehicles exceeding 350 cc, the premium remains at ₹13,034. "The new draft proposal does not have any impact on new business as there has not been any change in insurance premium of new purchase of two-wheelers and cars", said Rakesh Jain, executive director and chief executive officer of Reliance General Insurance. "Since there is a slight increase in premiums, the customers may buy their insurance plans in the next few months before the plan rolls out", Jain said.

## IMPACT ON OVERALL PREMIUMS

Your overall motor insurance premium includes own damage premium and third-party premium. "The own damage rates have not seen any upward movement in recent times. So, for you, the increase in premium will only be due to any increase in third party rates", said Ghosh. Keeping the current development in mind, you may think that under all circumstances, your overall premium will increase. However, that is not the case. "For motor insurance renewal, the own damage premium generally goes down for the consumer year on year due to a decrease in the value of the vehicle because of depreciation. If there are no claims made in the previous year, this drop in own damage premium in absolute terms may offset the proposed increase in third party premium", Ghosh added. You will get a discount on your premiums if you do not claim in the previous year hence the offset. "Typically for a three-year old car, the split between own damage and third-party premium is 60:40. So, for a similar vintage car, a 15% increase in premium will translate into a 6% increase on total premium", said Ghosh.

(Motor Vehicle Act – See Page 11)



# Common investment mistakes to avoid

Vivina Vishwanathan [vivina.v@htlive.com](mailto:vivina.v@htlive.com)

If you are planning to save and invest, you will be considering various investment instruments such as mutual funds, insurance, fixed income, real estate and gold. Usually most people end up asking for tips. However, tip-based investment is an illogical way to approach money management. Here are some common mistakes you should avoid while investing.

**DECIDING BASED ON PAST PERFORMANCE:** If your agent or distributor tells you that a particular fund gave 30% returns last year and insists that you opt for that particular mutual fund, then it is a red flag. Past performance of a mutual fund is not a benchmark to look at for future performance. Looking at returns in mutual funds in isolation, is like focusing only on one part of your body while working out in a gym. You should never look at one piece. If you are looking for a mutual fund investment, compare the mutual fund schemes, fund managers objectives, asset management company's track record and taxation.

**INVESTING IN TOO MANY MUTUAL FUNDS:** If you are new to mutual fund investments and if you have ended up buying 10-20 equity mutual funds, you are not on the right track. Firstly, understand that the underlying asset in an equity mutual fund is stocks. And there are only these many stocks in the market. If you invest in 10-20 mutual funds, chances are that you will be investing

in almost the same stock and your overall returns are likely to reflect that of the benchmark index. Ideally, you should not have more than six mutual fund schemes in your portfolio including equity, debt and equity-linked saving schemes.

**LOOKING FOR PENNY STOCK TO MAKE A WINDFALL:** It is the most common coffee table or bar discussion on which penny stock to invest to make a windfall. Firstly, you need to understand that investing in stock market is not equal to gambling. Investment in direct stock should be based on parameters such as fundamentals of the company, growth prospects, debt-to-equity ratio, dividend and quality of the management. A free tip at a bar about a stock will not bring you double-digit returns. You need to do your research in details and then invest.

**WAITING FOR THE RIGHT TIME TO ENTER MARKET:** A lot of time, investors look for the right time to invest in equities. Equity investment is for the long run, so time in the market is important. Also, know that you can never time the market. The simple way to approach the equity market is to take the mutual fund route. Also, don't get affected by the volatility in the market. The stock market usually goes through multiple cycles. You should look at investment through the eyes of your goal and not through the movement in the market for all your long-term financial needs.

## 5-point checklist for homes under construction

Anuj Puri, Chairman, Anarock Property Consultants

In the past, under-construction homes were a perennial favorite among Indian homebuyers because they cost less, have a longer shelf life and come with modern amenities, if the property is well-chosen. Under-construction projects by reputed, reliable developers with impeccable completion records are still very much in demand. However, the fact that countless projects have been stuck across the country has dampened the overall enthusiasm for under construction homes to an extent.

Ready-to-move housing is the new flavor of the season. This is not only because ready-to-move homes offer instant gratification, involve no completion timeline risk and negate the need to pay rent over and above equated monthly instalments (EMIs). Also, because of the amount of ready housing inventory available in most cities, prices for ready-to-move homes have reduced considerably.

Ready-to-move homes do not attract goods and services tax (GST), which makes them a lot more attractive, but under-construction

housing can still be a favorable option for astute buyers, though the price difference between under-construction and ready-to-move homes has reduced, it has not vanished altogether. Also, newer buildings must statutorily comply with various new consumer-favoring legal requirements. For instance, new buildings are required to have sufficient parking for all occupants, integrate rainwater harvesting and solar power harnessing, and developers cannot arbitrarily change the original development plans as many did before. The inherent market value of an under-construction home increase as it nears completion.

***To ensure that buying an under-construction project results in satisfaction and not dismay, buyers must take some basic precautions while selecting the project:***

- Trust only reputed developers who have an unblemished history of completing their projects on time and as per the committed development plans. This is especially important in cities/areas where there is a lot of under-construction supply.
- Ensure that the project is duly registered under the applicable state's Real Estate Regulatory Authority (RERA) and has been allotted a RERA registration number.
- Aim to invest in a project which is already 30-40% complete and shows visible construction progress. This would involve personal site visits over at least a month.
- Bargain for the best possible price. While many developers are willing to negotiate directly with buyers, the negotiation process can be more complex if the project is by a reputed player with a stronger market presence.
- Don't be enticed by payment schemes and offers which are obviously too good to be true. Many of these schemes have hidden clauses. Steer away from developers who offer guaranteed returns of any kind.

### MOTOR VEHICLES ACT

#### WHAT IS IT?

**The Motor Vehicles Act 1988** makes it mandatory for every vehicle to have a third-party insurance cover. Until last year, vehicles plied on the road were insured under one-year policies which required annual premium.

**The regulator issued** a directive last year making three-year third-party and five-year third-party insurance policies mandatory for four and two-wheelers respectively. The damage cover can be taken separately or in packages along with the third-party cover.

**In future, the premiums** may not be raised any further from the proposed rates. This has roots in the impending motor vehicles act. "The act had proposed that the third-party claims need to be filed within six months of the accident.

**Earlier, this period** was eight years, said Chowdary. "The shortened period lessens the chances of fraudulent claims. This will have a positive impact on the insurer's claim ratio and if they trickle down the benefits to the customers, the premiums may stay put in future," said Chowdary.

# What you must know about FMPs

Kalpen Parekh – President, DSP Investment

Fixed maturity plans or (FMPs) have been preferred by a section of investors who view it as a tax-efficient alternative to bank fixed deposits (FDs), having an assured yield and aiming to eliminate interest rate risk. FMPs are essentially close-ended funds where new fund offer (NFOs) are launched for a pre-determined period and then closed for subscription. The maturities of these FMPs are pre-determined too and could differ across tenures from as low as one month to as high as 10 years. The most popular tenure continues to be the three-year FMPs. The benefits of FMPs are:

**Return predictability:** FMPs are essentially an alternative created by mutual funds to counter popularity of FDs. FDs offer a fixed rate of return, while FMPs indicate the potential returns that can be generated by the scheme. Fund manager's ability to buy and hold the portfolio securities until maturity and matching the tenure of portfolio securities with the tenure of the FMPs makes this exercise easier.

**Reduced volatility:** While open-ended funds are susceptible to change in NAVs based on interest rate movements, the same impact on NAVs of FMPs is largely disregarded as by the time the FMP matures, largely the coupons of the bonds have been received and the bond value tends to par value. Thus, the portfolio shocks are immunised by the end of the FMP tenure.

**Market driven yields:** Debt market consists of large institutions across banks, corporate treasuries, NBFCs, financial institutions and public sector undertakings, which borrow across maturities with the aid of various instruments. A three-year AAA corporate bond will always be issued at a premium, which will be fairly higher than the rate of overnight borrowing. For instance, today's overnight rate is 6% and for a three-year AAA corporate bond is 8.15%, which means a spread of 215 basis points. Thus, if the FMP invests in a portfolio of such bonds, it can generate gross returns of 8.15%.

**Lower costs and tax efficiency:** FMPs reduce the cost of money management due to extremely low portfolio churn. Thus, they are also managed at relatively lower expense ratios, which benefit the

end investor. When invested with a three-year horizon, the indexation benefits for mutual funds kicks in and thus, FMPs become a great way to provide tax efficient returns.

**Risks in FMPs:** Let us continue with the above example. The portfolio manager can also invest in securities, which are below AAA, could be AA or AA- and build a portfolio with higher yield of 12%. This may look lucrative but we have to be aware of probable outcomes. A fixed income investor always needs to question the driver of returns, which can come by adding credit risk to the portfolio. It is okay to have this exposure if the funds have a mandate to invest in lower rated credits and the same is mentioned in the offer document.

## GUIDE TO ROLL DOWN STRATEGIES

There is another category of fixed income funds which have been gaining popularity over the last few years, popularly known as roll down strategies

**These are passive management strategies employed in an open-ended fixed income fund**

**The objective is to provide the investor with the flexibility of an open-ended fund and the experience of an FMP with minimal trading**

**Investors' return expectations would be aligned to the YTM (Yield To Maturity) at the time of investment, if the investment is held till end of roll down period**

**As your holding period goes up, the volatility in such strategies comes down and the return predictability rises**

**Investors can thus have the flexibility (vs FMP) of redeeming the investments at lower yields (thus higher NAVs) or invest more at higher yields (lower NAVs)**

**Extension of holding period to suit investor needs is an added advantage and can enhance cost of purchase through indexation benefits**

The responsibility then lies on the investor and the distributor to be coherent with the scheme objective before investing. The risk of a default or delay in payments is a real one. The money parked in FMPs also gets locked for the specified tenure, thus providing no liquidity. The units are listed on the exchange but it is hugely illiquid for all practical purposes. Invest if you understand the risks and benefits associated with FMPs; if you have a trusted advisor/distributor who considers them suitable for you; invest in a high quality FMP if you are risk averse. Do not invest if you do not wish to lock-in funds; do not invest in FMPs with double-digit return expectation.

**SORGHUM:** Popularly called *jowar* in India, this millet has several health benefits. First, being that it is gluten-free and helps a person on a diet to lose weight. The other major health benefits includes the millet's ability to prevent certain types of cancer, help control diabetes improve digestion, build strong bones and boost energy.

It is the fifth most important cereal crop after wheat, corn, rice and barley.

Jowar is full of nutrients too. It

provides vitamins like niacin, riboflavin, and thiamin

and has high levels of magnesium, iron, copper, calcium and potassium. An increase in iron means better oxidation of blood leading to better oxidation of tissues, muscles and organs. It also provides almost half of the daily intake of protein and dietary fibre.

The millet also contains phosphorus which helps to maintain the response of emotions, neurons and hormones.



अप्रियं पुरुषं चापि परद्रोहं परस्त्रियम् ।  
अधर्ममनृतं चैव दूरात् प्राज्ञो विवर्जयेत् ॥

– समयोचिता पदयमलिका

A wise man keeps himself away from  
a person he dislikes, from enmity  
to others, from other's wives,  
from unrighteous conduct  
and from falsehood.

– Samayochita Padyamalika

अहिंसा परमो धर्मः धर्म हिंसा तथैव च ॥  
Non-violence is the ultimate Dharma.  
So too is violence in service of Dharma.





A general visits an army hospital to check on the conditions and inspire the troops. Its WWI, trench warfare is living hell and all the men could really use some inspiration. The general starts talking to the wounded soldiers. He goes up to the first man and says, "What brings you in here son?" The soldier says, "Sir, I got dysentery in the trenches, very awful."

The general asks him, "How are they caring for you in here?" and the soldier replies, "Well sir, every day the nurses put a cool cloth on my head and they clean my behind with a soft brush." The general asks, "Is there anything else we can do for you?" and soldier says, "No sir, the nurses are doing the best they can."

The general seems satisfied, thanks him for his service and moves on to the next man. The general approaches the second man's bed and asks, "What brings you in here son?" The soldier replies somewhat embarrassed: "Sir, I got gonorrhea from a woman while I was on leave."

The general laughs and says, "It happens to the best of us son, how are they caring for you in here?" and the soldier replies, "Well sir, every day the nurses put a cool cloth on my head and they clean my privates with a soft brush." The general asks, "Is there anything else we can do for you?" and the soldier says, "No sir, the nurses are doing the best they can."

The general once again seems satisfied, thanks him for his service and moves on to the next man. The general approaches the third man's bed and asks, "What brings you in here son?" The soldier tells him: "Sir, I got strep throat in the trenches." The general asks, "How are they caring for you in here?" and the soldier replies, "Well sir, every day the nurses put a cool cloth on my head and they clean my throat with a soft brush." The general asks, "Is there anything else we can do for you?" and the soldier says, "Actually sir, there is one thing..... I'd like to be the first one to use the brush."

A teacher asks Johnny, "What kind of woman would you like to be with, when you're all grown up?"

"A woman like the moon!" says the kid. "That's beautiful," breathes the teacher, "what a choice! Is it because you'd like her to be beautiful and radiant as the moon?"

"No, I'd like her to appear at night and disappear come morning!" says, Johnny

Wife: "What do you like best about me, my beautiful face or my sexy body?"  
Husband: "Your sense of humor."



Courtesy – Hindustan Times

## GOLD RUSH A ready reckoner on buying gold

PRODUCT	JEWELLERY	COINS AND BARS	SOVEREIGN GOLD BONDS	GOLD ETFs	GOLD MUTUAL FUNDS	SAVINGS WITH JEWELLERS	DIGITAL GOLD
<b>Source</b>	Jewellers	Banks, non-banking finance companies, jewellers, online	Banks and distributors	Stock exchange	Mutual fund houses, distributors or online platforms	Jewellery stores	Online platform
<b>How to buy</b>	Physical visit to jeweller or online	Physical visit to jeweller or bank branch	Apply when bonds are open to public	Online mode	Physical or online mode	Physical visit or online	Apps and websites
<b>Advantage</b>	Physical possession	Physical possession	Get 2.5% fixed interest per annum, no additional charges	Can be bought and sold anytime, nominal cost	Can be bought and sold anytime, no demat account required, can do monthly investment	Monthly savings	Low value, option of selling or converting to physical gold
<b>Disadvantage</b>	High making charges, reduced resale value, hard to sell due to emotional reasons	Requirement of storage space, making charges	8-year tenure with option to exit from 5th year	Required demat account	Higher expense ratio than gold ETFs	The returns are low, have to mandatorily buy jewellery, no flexibility	Mandatory delivery of physical gold after 5 years
<b>Charges</b>	Making charges: 6-35%;	Making charges of ₹100-₹1,000	Nil	0.5-1% expense ratio	0.5-1.5% expense ratio	Making charges of 6-35% will be applicable	Charges that have to be paid at time of delivery of gold
<b>Who should buy</b>	You wish to use it to wear it and not as investment	You want to have gold in physical form	If you are looking at gold for investment, opt for it	Gold ETFs can work for you if you want immediate liquidity	If you want a disciplined way to invest on a monthly basis in gold, you can consider it	May work for those who don't have access to other investment options	If you are looking to buy gold at small ticket size and need physical gold

Source: InvestGuru.in, HT Research

# NUTRACEUTICALS - HEALTH FOODS OR DIETARY SUPPLEMENTS

Narendra Wagle, Past President & Life Member (CGSI)

A term coined in 1989 to describe foods that provide health or medical benefits combining two words “nutrient” (a nourishing food component) and “pharmaceutical” (a medical drug), also called “functional foods” because they contain additives with health-promoting properties over and above their intrinsic nutritional value.

In scientific terminology, a nutraceutical is a food-pharmaceutical hybrid. The simplest example is iodised salt that is fortified with essential elemental iodine for the prevention of thyroid disorders or double fortified with iron to combat anaemia as well. The world's first nutraceutical is mother's milk, which is the complete food for new born. The perfect nutrition that it offers and its anti-infective properties not only protect the child against diarrhoea but a host of other diseases including respiratory problems. In short, human milk is defined as a “uniquely superior instant food.” (August 1-7 is observed as “World Breastfeeding Week”).

This is an age of fast foods, so is breastmilk that does not need any preparation before feeding nor any refrigerator for storage. In this age of packaged milk, here is an interesting story: A child of two, who was brought up during the 1990's in Mumbai on 'Aarey' milk supplied in bottles, keenly watched an infant being breastfed. Her curiosity aroused, the child asked, “Aunty, which milk are you giving the baby, toned or whole?” In a lighter vein, the following anecdote is interesting. A young medico was asked to list five advantages of mother's milk over cow's milk. His answers were ... 1) Mother's milk does not get curdled. 2) It does not spill 3) One is able to carry it conveniently to the theatre. 4) The cat cannot have it. 5) Finally, the clincher. It comes in cute little containers.

## Health Messages in Ads

Consumer awareness about diet and nutrition has largely improved over the past 15 years. However, advertisers know how to manipulate consumers and to use the ambiguity of scientific terms to distort the nutritional virtues of food and beverage products. In recent years, these have increasingly been promoted on health platforms using abstruse words such as ‘fruitamins’ or slogans as “Good food. Good Life”. “Nourishing India” with macronutrients (carbohydrates, mainly sugar) and micronutrients (iron and calcium) is taught to parents and the pizza pasta generation. Speaking of pizza, the following comment is attributed to our late President, Dr A. P. J. Abdul Kalam who was a renowned aerospace scientist, “Pizza always confuses me. It comes in a square box, yet when you open the package, it is round and once you start eating, it is a triangle. Life and people are like pizza; look different, appear different and of course behave absolutely different.”

A soft drink powder concentrate brand leader since more than 40 years popularised the tagline “I love Rasna” specifically aimed at children. Its TVCs are loaded with nutritional benefits. Later entrant ‘Tang’ does similarly. The words “Fruit” and “Fortified with

Vitamins and Minerals” are the USPs. The reality and advantage of these ‘fruitified’ claims to the consumer are disputable.

## Cultured Milk

In many countries round the world, fermented milk products under various names are consumed for centuries. These are, *yoghurt* of eastern central Europe (now common in UK and USA as well), *busa* of Turkestan, the *kefir* of the Cossacks, the *koumiss* of central Asia, the *leben* of Egypt (and West Asia), and *dahi* in India. Cultured milk products including buttermilk (*dahi*, *lassi* and *chaas*) are excellent source of calcium, may also lower blood pressure.

Milk is soured in the home by *Lactobacillus acidophilus*, which is believed to have medicinal properties. These “friendly bacteria” are present naturally in the intestines of vertebrate animals (including man) to aid in digestion. Now, branded yoghurt and *dahi*, made by a pure-culture technique are getting popular. The advantage of this technique is that the product is of uniform quality. Homemade *acidophilus* culture is in the company of other multiple microorganisms, yeasts, etc. The *dahi* (or curd) hence turns sour fast compared to the factory-processed product. In some countries, the nature of the bacterial strain is declared on the label. A “cancer prevention plan” is promoted based on consumption of *acidophilus* cultured probiotics. However, low fat or no-fat unsweetened yoghurt would be preferred by the diet conscious.

Similar differences exist between *desi* (cooking) butter and table (creamery) butter, cottage cheese (*paneer*) and processed cheese. The microbial profile of the fermenters (souring agents) in the traditional milk products is uncontrolled whereas the selected cultures in manufactured products are well defined. These probiotic (meaning “for life” foods contain millions of live and active strains added to the formulation, which survive the digestive juices better in the gut and help improve digestion.

## High-profit Health Foods

Italians love pasta. Indians like *roti*. Both these food items are made from flour paste containing carbohydrates, which the marketer would advertise as “regulating the mood of the eater by releasing the neurotransmitter serotonin, a most important natural tranquiliser.” This substance is said to be produced in the brain when one is in love. It also triggers laughter in a person. A chocolate is said to contain the pain-soothing chemical, which eases the suffering from menstrual cramps, but the price of most functional foods is no laughing matter.

स्वभावं न जहात्येव साधुरापद्रतोऽपि सन् ।  
कर्पूरः पाक्कस्पृष्टः सौरभं लभतेतराम् ॥  
A good person never gives up his nature even  
when he is caught in calamity. Camphor  
caught with fire emits more fragrance.

The views expressed in ‘Keemat’ do not necessarily reflect those of CGSI, but rather are personal opinions of the author(s) concerned.



## CONSUMER GUIDANCE SOCIETY OF INDIA (CGSI)

“The Bombay Public Trusts Act XXIX of 1950” (Reg. No. F – 1381 (BOM) 20/05/1966) &  
“The Societies Registration Act XXI of 1860” (Ref. No. BOM 33/1966 GBBSD 04/04/1966)  
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Printed by Ms. Jamna Vardhachary, Published by Ms. Jamna Vardhachary on behalf of Consumer Guidance Society of India, ‘J’ Block, Mahapalika Marg, Mumbai 400001 and Printed at Emkay Printers, Gala No - 202, Building - A, Diamond Industries Estate, Ketki Pada Road, Dahisar (East) Mumbai 400068 and Published at Consumer Guidance Society of India, ‘J’ Block, Mahapalika Marg, Mumbai 400 001. Editor – Ms. Jamna Vardhachary.

# Five ways to become a better investor

Amit Kachroo - Managing partner of Aaneev Wealth

Managing money and building an investment portfolio can be exasperating for many investors especially who are new to the investment scene but if they keep calm and control their emotions, they can create a good financial portfolio. Becoming a better investor is a never-ending process for both new and experienced investor. Learning and reading about new strategies also helps.

Following are the five key elements to be a better investor.

**Invest for long term:** It is imperative to have a long-term plan as it has been proved that investments held for longer periods tend to reveal lower volatility than those held for shorter periods. Staying invested in the market over the long term has historically paid off. Over the long term, share prices tend to reflect the underlying reality of companies and the returns they deliver to shareholders; also, you should develop a habit of investing regularly. For young investors and experienced investors should take the route of systematic investment planning. In this scenario, you invest every month and accumulate units at regular intervals, it hardly matters whether market is up or down just be patient and invests regularly for long term as it has a benefit of rupee cost averaging and compounding. The longer an equity investment has been held, the less likely it will lose money, and the more likely to make money.

**Have a realistic approach:** It is important to be realistic when it comes to your return expectations. You need to question yourself as to how much is your risk-taking capacity. If you are an aggressive investor, then be prepared to get wonderful returns and be prepared for losses because higher returns come with higher risk, so you need to be clear about risk reward profile of an investment. There will be times when you might earn substantial returns of 30%-40% during bull run but it should not mean that you expect the same kind of returns from the stock market. Staying updated about the changes in the financial markets or the changes in government policies will help in setting realistic goals.

**Diversify the portfolio:** It has been proved time and again to benefit the investors who are concerned about the risk and reward. When the portfolio is well diversified across all asset classes, which mean some investments, may go up and some may struggle, this

diversification can balance the risk of the portfolio, provide a better productivity and improve the overall effectiveness and efficiency of the portfolio. Predicting the market is futile and the only safeguard against the market volatility is diversification. Diversification can be done by investing in multiple asset classes and securities with a positive expected return and low correlations. This means that the values tend to move in opposite directions relative to one another when markets are volatile.

**Follow a disciplined routine:** Becoming a better investor takes commitment to learn from the past mistakes, keeping patience, also following a specific routine and plan. When times are tough, courage to stick to the plan makes sense, so developing courage is of utmost importance. Following a routine of re-balancing is also critical; it means to adjust your holdings to maintain your targeted asset allocation. Normally re-balancing is done when there is a change in the market dynamics or a change in the life style goals or any important change like receiving inheritance etc. Apart from this, asset allocation strategy should also be followed which means as to how much is in equities (large, mid and small caps), fixed income, bonds, cash and real estate, also it is important to monitor the portfolio and keep a track of happenings all around the world, as any event across the globe can have an impact on the financial market. If you can't review or monitor the portfolio due to time constraints or some other reason it is highly advisable to connect with a good financial adviser who can help you in this regard.

**Keep a check on emotions:** When volatility increases, investing can become quite emotional which can lead to bad decisions and it can negatively impact the financial future of any investor. Markets can be volatile over short or long term due to any sensational news be it national or international and it will force you to make decision and how you react to the volatility is important. In order to keep calm it is required to ask for help, so be practical and do not let emotions play mind games with you. Think rationally and stick to long-term goals. An informed and successful investor should have at least some of the aforementioned attributes.

Investors should also realise that there will be times when they make bad decisions but learning from those mistakes and employing good strategies will definitely make them a better investor.

## Things to remember when investing in debt funds

Sandeep Bhardwaj - Assistant Director and Chief Sales Officer at Angel Broking

In our obsession for investing in equity funds many investors often, forget that there is something called debt funds, which also offer them a very interesting alternative. Investing is not just about returns but also managing risk and about managing liquidity. Debt fund play some very important roles. Firstly, they give stability to the portfolio. Secondly, they protect value better than equity in the short to medium term. If you have a 2-3 years perspective, you are better being in debt than in equity. So how do you go about investing in debt fund?

Ten things to remember when investing in debt funds:

- 1) What should be your total exposure to debt? That largely depends on your financial plan so that is where you have to start. When you have goals that require stability and certainty of flows, then debt funds makes a better fit, also as your risk appetite reduces, your proportion of debt funds in the overall portfolio should be on an uptrend.
- 2) Your portfolio needs growth and wealth creation but that alone is not enough. You also require an element of stability that only

debt can provide. When you are in debt funds, your longer period returns may be lower than equities, but you get the much needed stability and predictability to your portfolio.

- 3) There is a wide choice available even within debt funds. Debt funds may be a single word but it is a wide array. You have variety in terms of duration ranging from very short-term liquid funds to long term gilt funds. You also have choice in terms of credit risk ranging from corporate funds to credit opportunities funds. You can select as per your need.
- 4) The challenge is you cannot get regular incomes through equities. Equities pay dividends and give capital gains, but there is no assurance or guarantee of the same. You can structure a debt fund as a growth plan or as a dividend plan but either ways; you can be assured of regular income. Different methods of taking returns out a debt mutual fund have different tax implications. What matters is that if you require regular income from your investment, you can structure that via exposure to debt mutual funds.



- 5) Your risk appetite varies and normally depletes with advancing age and shrinking income. The idea is to use debt funds to keep reducing and tweaking the average risk of your portfolio. Remember, debt is not risk free. It is just that it is more stable and predictable compared to equities in the medium term.
- 6) This lower volatility of debt funds makes them ideal instruments to reduce overall risk of your portfolio. When you create a portfolio of assets, you have a target return and a target risk. That total target risk can be achieved through inclusion of debt funds into your overall portfolio.
- 7) Debt funds and liquid funds are very useful when you want to plan for your milestones along the path to your goals. Let us say you want to reach a corpus Rs 10 lakh in 3 years to pay margin for your home loan. Equities may be the wrong choice and you can look to have a greater proportion allocated to debt funds for this specific need. As you approach the milestone, you can keep increasing the exposure to debt funds and later to liquid funds so that around your milestone your risk of loss on liquidation is almost minimal. Debt funds balance risk and returns around your milestones.
- 8) Debt funds are extremely dynamic and flexible. Most of us tend to club all debt funds as fixed return products. That is not the case. For example, if you find that the risk of shifting from AAA rated debt to AA rated is not too high practically, then you can do quality-fishing by shifting to bonds with lower rating profile but higher return potential. You can also shift from long duration to short duration based on your view on rates.
- 9) Debt funds also play on interest and inflation. When you invest in a bank FD, what happens if the rates go down in the market? Your subsequent reinvestments will happen at lower rates. In case of debt funds, lower rates will reduce bond yields and increase the bond prices. This will result in capital gains through NAV appreciation, especially in the case of long duration funds.
- 10) There is also a tax angle to it. Debt funds are more tax efficient when compared to other debt products. Interest earned on bank FDs and corporate FDs are fully taxable in your hands at the peak rate applicable to you. This could be 20% or 30% as the case may be.

You can structure your debt fund as a growth plan and hold it for more than 3 years so that it is classified as LTCG. In this case, the entire return earned over 3 years is taxed at just 20% with indexation benefits. Debt funds are surely a value-add to your portfolio.

On July 20th, 1969, as commander of the Apollo 11 lunar module, Neil Armstrong was the first person to set foot on the moon. His first words after stepping on the moon, "that's one small step for man, one giant leap for mankind," was heard by millions of people around the world, but just before he re-entered the lander, he made the enigmatic remark: "Good luck, Mr. Gorsky." Many people at NASA thought it was a casual remark concerning some rival Soviet cosmonaut. However, upon checking, there was no Gorsky in either the Russian or American space programs. Over the years, many people questioned Armstrong as to what the "good luck, Mr. Gorsky" statement meant, but he just brushed them off by smiling. On July 5th, 1995, in Tampa Bay, Florida, while answering questions following a speech, a reporter brought up the 26-year-old question. By this time, Mr. Gorsky had died, so Neil Armstrong felt he could answer the question.

In 1938, when he was a kid in a small Midwestern town, he was playing baseball with a friend in the backyard. His friend hit the ball, which landed in his neighbour's yard by the bedroom windows. His neighbours were Mr. and Mrs. Gorsky. As he leaned down to pick up the ball, the young Armstrong heard Mrs. Gorsky shouting at Mr. Gorsky. "Sex? You want sex. You'll get it when the kid next door walks on the moon!"



## Investment should keep up with inflation

Inflation reduces the value of your investment returns over time. Therefore, the most challenging aspect of your investment process is to keep up with the rate of inflation, to protect the value of your investments as well as returns earned on it.

Unfortunately, most investors either don't recognise the threat of inflation to the wealth creation process or are unsure how to tackle this threat. In an economy like ours, where inflation is persistently high, investors need to realise the importance of earning positive real rate of return, that is, nominal returns minus inflation and taxes.

While the nominal return represents the growth rate of your money, the real rate of return represents the change in the purchasing power of your money. Simply put, it's actually the real rate of return that indicates whether your money is growing in value or not. Since most investors keep their focus on the safety of capital and invest a major share of their investible surplus in traditional options offering guaranteed returns like FDs, debentures and small savings schemes, this important aspect of earning positive real of returns gets overlooked. Considering that most traditional investment options offer lower returns and are taxed at one's nominal tax rate, the real rate of return usually turns out to be either negative or minimal. Though it can be a challenge to develop an investment strategy that not only withstands the turmoil in different market conditions but also helps in tackling inflation, you can achieve the desired results by focusing on the correct asset allocation. In addition, curb your expenses by budgeting them. By doing so, more money will be available for investment.

While investing for the long term, the focus should be on an asset class like equity that has potential to beat inflation. Equities also score over other asset classes as returns are tax efficient. Of course, when you invest in equities, you have to contend with volatility from time to time.

Remember, if your portfolio has a substantial exposure to equity, the impact of higher inflation on your portfolio would be in the form of falling valuation, as rising interest rates spell trouble for corporate earnings as well as the stock market. While in the long run corporate earnings are generally able to outpace inflation, in the short-term investors get discouraged to continue investing in equities.

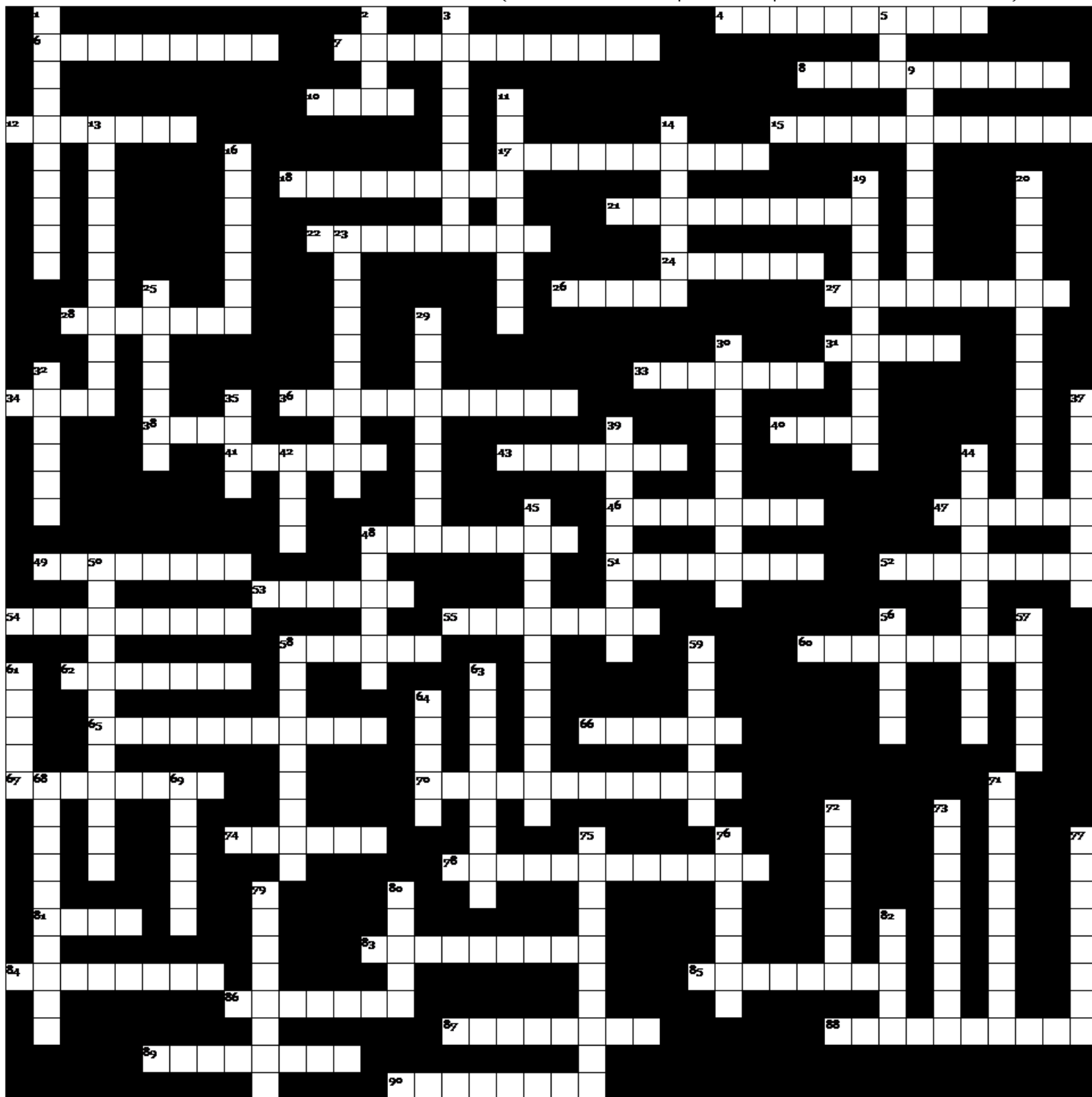
Therefore, you must follow a disciplined approach to investing. If you do that, equities can be an ideal choice to stay ahead of inflation and accumulate a corpus that is usually required for achieving long-term goals like children's education, their marriage and your retirement planning.

*The writer is CEO, Wiseinvest Advisors*



# Consumer's Crossword!

(Answers to the clues are present interspersed in the current Keemat itself)



## ACROSS

4. Hormone disrupter. (10)
6. Work only for publicity? (9)
7. Vital while travelling. (12)
8. Swiss astrologer. (10)
10. Food affecting BP. (4)
12. Resin. (7) 15. Burning (12)
17. Toxic to neurons (10)
18. Added additionally. (9)
21. Present in blood. (10)
22. Indian belief. (9)
24. Game. (6) 26. Bad fat. (5)
27. Code in plastic items. (9)
28. Payment? (7)
31. Italian food. (5)
33. Army chief (7)
34. Harmful. (4)

36. No clear or opaque. (11)
38. Space agency. (4)
40. Increase (4)
41. Visa not needed. (6)
43. Haggle? (7)
46. Spaceship. (8)
47. State of a substance. (6)
48. Soldiers hide here. (8)
49. Liked. (8)
51. Illiquid asset. (8)
52. Money. (8)
53. Good for thyroid. (6)
54. Unjust strict rules? (9)
55. Hunger (8) 58. Truth. (6)
60. A sexual disease. (9)
62. Aged? (7) 65. Whim. (11)
66. Beets have them. (6)

67. Repeat surgery. (8)
  70. Flavonoid. (12)
  74. Returns. (6)
  78. Organizations. (12)
  81. Regulatory body. (4)
  83. Space traveler. (9)
  84. A disposal mechanism. (8)
  85. Lead to hearing issues. (8)
  86. Two-wheeler (7)
  87. Adverse condition. (8)
  88. False. (10) 89. Satirist. (8)
  90. A useful material. (8)
- DOWN**
1. Fabric (10) 2. Beneficial (4)
  3. Constant (9) 5. Rating (3)
  9. Center of everything? (9)
  11. Compulsory. (9)

13. Neurotoxin. (11)
14. Milk product. (7)
16. Millet (7) 19. Clean (11)
20. Mandatory to visit. (13)
23. Vitamin. (10)
25. A harmful habit. (7)
29. Equity portfolio. (9)
30. Offers visa on arrival. (10)
32. Cottage cheese. (6)
35. Diet type? (4)
37. Political thinker? (8)
39. Alternative to Ghee (9)
42. Regulator. (4)
44. Present in plants. (11)
45. Decrease in value. (12)
48. Period. (6)
50. Mandatory to visit. (12)

56. Millet. (5)
57. Public bathroom. (6)
58. Dysentery (9)
59. Bright (7)
61. Milk product. (9)
63. Outer cover. (9)
64. Regulator. (5)
68. Excitement. (10)
69. Not clear (6) 71. Nylon (10)
72. An edible item. (7)
73. Shielded. (9)
75. Action plans. (10)
76. Lack of blood/iron. (7)
77. Necessary for travel. (8)
79. Opinions or views (8)
80. World (5)
82. Italian food. (5)

**Jokes** are meant for amusement! It employs comedic vehicles like parody, satire and other material referencing, true people, organizations, regions, etc., making fun of them in ways that are obviously not true. Our intent is not to offend anyone! If you believe that jokes could offend you, please do not read them! Despite this warning, if on reading you find, the jokes not to your liking, ignore and move on! Please be aware that they are simply just **JOKES!**



## LAUGHTER THE BEST MEDICINE



It was 1832, and three women of different ages were walking back to their small farming village. They were carrying their shopping from the market from the next town. As they draw nearer to their village, they turn a bend in the road and suddenly hear a mumble from what they thought was a pile of mud. They cautiously moved closer to the sound, and in the golden light of the setting sun, they saw that indeed it was a mud puddle, but with a naked man lying face down in the puddle, with his head just out of it.

"Could be someone from the village," said the first woman.

"We should check and help them back, they could freeze when night comes," said the second woman.

However, his face was so covered with mud she could not tell.

"Turn him over," said the third, older woman matter-of-factly.

The other two use their feet to gingerly turn the man over, then let their eyes go downwards.

"Well," said the first woman dryly, "He's not my husband, for sure."

The second woman looks over her shoulder and says, "Yep, that's not your husband."

The third woman takes a closer look and straightens with a curse.

"Don't worry girls; he's not from our village."

An old woman walked into the Bank of America with a huge bag of money. She told the receptionist that she would like to meet the president of the bank, as she wanted to deposit a large sum of money. The receptionist objected but the old woman would not move, so with no option left she went inside the office. She came back saying, "You are lucky this morning. He will see you!"

Bank president: "How can I help you madam?"

She (Old Lady): "I would like to open a new account and deposit this money."

He: "How much money do you like to deposit?"

She: "\$180,000 Please." (Started dumping the whole amount on his table)

The bank president was a bit surprised. "How did you get this much cash Madam? We are not a laundering facility!"

She: "Oh, it's nothing illegal. I make bets."

He: "What kind of bets?"

She: "For example, I bet you that your right hand will taste like eggs, just your right hand and not your left. Let us meet again by tomorrow 9:00 AM. If I am right, you will owe me \$25,000. If I lose, I'll pay you \$10,000!"

The man is shocked. How is that even possible? But he is a banker at heart and this is easy money, so he accepts the bet immediately.

She: "Okay then, I'll come around 9:00 AM tomorrow with my lawyer. Do not try to dodge the bet! No regrets!"

Feeling hesitant before her certainty, he mumbles his agreement.

It was so bizarre; he did not even like eggs! Nevertheless, he was so tense about it, he could not sleep all night, licking his hands and smelling them to make sure, they smell normal.

The next day at 9:00 AM, the old woman was there, right on time, with her witness.

She: "Can I check your hands now Sir?"

He: "Yes. Go ahead."

She held his hands and started sniffing his right hand. Then she licked it briefly to confirm.

Her lawyer started banging his head against the wall.

The president, delighted with his \$10,000 win and kicking himself for worrying, asked the woman what was wrong with lawyer's strange behavior.

Lawyer: "She had a bet with me for \$100,000. I cannot believe I lost. She said she will be licking the hands of the president of the Bank of America at 9:00 AM today!"

There are two kinds of people who do not say much. Those who are quiet and those who talk a lot.

One nice thing about egotists: They do not talk about other people.

An older, white haired man walked into a jewelry store one Friday evening with a beautiful young girl at his side. He told the jeweler he wanted a special ring for his girlfriend. The jeweler looked through his stock and found a \$5,000 ring. The old man said, "No, I'd like to see something much more special."

The jeweler went to his special stock in the safe and brought another ring back. "This one's \$40,000." The young woman's eyes sparkled and her whole body trembled with excitement. "I'll take it!" Declared the old man.

The jeweler asked how payment would be made, and the old man said, "By check, but I know you need to make sure my check is good, so I'll write it now, and you can call the bank on Monday to verify funds. I'll pick up the ring on Monday afternoon."

Monday morning, the jeweler called the old man saying, "Sir, there's NO money in that account!"

The old man said, "I know I know, but let me tell you about the weekend I just had!"

A salesperson returns from his assignment in Saudi Arabia, where he went to sell them a new brand of Coca-Cola. Seeing his crestfallen face, a friend asks him, "Why the long face?"

The salesperson replied, "I failed; the campaign was a total failure."

"Why is that?" "I thought you had a good campaign running."

"Well, when I got posted there, I was very confident that I would make a great sales pitch to the Saudis, but I had a problem - I didn't speak Arabic, so I planned to convey the meaning of the message with the use of three images:

First poster: A man lying in the hot desert sand in utter exhaustion, he has fainted.

Second poster: The man is drinking the new Coca-Cola brand.

Third poster: Our man is now totally refreshed and feeling great.

I had these posters pasted all over the place. You couldn't go anywhere without seeing them."

"Terrific! That should have worked!" said the friend.

"The heck it should have!" said the salesperson.

"Only no one told me they read from right to left!"

At St. Peter's Catholic Church, they have weekly husbands' marriage seminars. At the session last week, the priest asked Giuseppe, who said he was approaching his 50th wedding anniversary, to take a few minutes and share some insight into how he had managed to stay married to the same woman all these years.

Giuseppe replied to the assembled husbands, "Wella, I've tried to treat her nicea, spenda da money on her, but besta of all is, I tooka her to Italy for the 25th anniversary!"

The priest responded, "Giuseppe, you are an amazing inspiration to all the husbands here! Please tell us what you are planning for your wife for your 50th anniversary?"

Giuseppe proudly replied, "I gonna go picka her up."

A police officer stops at a ranch in Texas to talk with an old rancher. He has a bad attitude, annoyed he had to muddy his clean boots out in the country. He tells, "I need to inspect your ranch for illegally grown drugs." The rancher says, "Alright, you can search, but do not go in that field over there."

The officer, clearly angry, says, "Mister, I have the authority of the Federal Government with me." Reaching into his rear pants pocket, he removes his badge and proudly displays. "See this badge? This badge means I am allowed to go wherever I wish, on any land, no questions asked or answers given. Have I made myself clear? Do you understand me?!" He shouts.

The rancher nods quietly, apologizes, and goes about his chores.

A short time later, the old rancher hears loud screams and sees the officer running for his life chased by the rancher's big Santa Gertrudis Bull. With every step, the bull is gaining ground on the officer, as he runs for all he is worth. The rancher runs to the fence yelling out his lungs: "Your badge... Show him your BADGE!"



6. Increase green areas by carrying out tree plantations.
7. Ban, open burning, of both agricultural crop residues and household wastes.
8. Introduce covered storage and efficient application of livestock manures; encourage anaerobic digestion.
9. Use nitrogen fertilizers efficiently for e.g., substitute urea with ammonium nitrate or use along with urease inhibitors.
10. Use low sulphur fuels with stricter control of particulate emissions during international shipping.
11. Restrict too much use of solvent in industrial and household paints and arrest leak and/or incineration.
12. Use clean cooking and heating fuels, electricity, natural gas, liquefied petroleum gas (LPG), biogas and briquettes, etc., instead of coal.
13. Foster use of renewable like wind, solar and hydropower for electricity generation and encourage use of energy efficient household appliances, electric vehicles for transport.
14. Encourage effective solid waste management by centralized waste collection, separation and treatment.
15. Recycle and reuse things (plastics, clothing, paper, glass, other household equipment's, etc.) wherever possible to minimize unnecessary industrial production that also creates pollution.

We can prevent air pollution only if we stop using all toxic substances causing it. Ceasing the use of all fossil fuel-burning processes is far-fetched and unlikely to happen. The best possible in this scenario is to make rules, set stringent regulations both on industrial manufacturing stages and at consumer, handling levels, primarily designing it to reduce harmful emissions into the earth's atmosphere.

# Nightmare on plastic street

An article that I read this week has woken every one of my guilt feelings about depending so much upon online shopping and takeout for my daily consumption and nutrition (hah) needs.



CAROL ANDRADE

In fact it has been worrying me for quite some time now that courier companies themselves think nothing of splitting up your orders, so that I have in the recent past, when ordering a small bottle of perfume (yeah, I did that — once), I received three separate parcels wrapped in cling film, then corrugated cardboard, then a tiny buffer of bubble wrap before the kernel was revealed, a 30 ml bottle of perfume that I sniffed and then gave away to my help. And I gave it away with the packaging, effectively removing myself from the endless discussion in my head. Organic or inorganic, metal for regular disposal? Is this plastic film thin enough to be biodegradable? Why in God's name does the plastics bag fill up so fast?

China, I read, has so many food delivery apps, with concomitant offers of great offers and ridiculously cheap delivery services that everyone is eating out. Which is fine, except that just eating out produced 2 million tons of waste plastic that was then not disposed of safely, ending up in landfills where they will be poisoning the environment for the next 3,000 years.

Living in today's consumerist society makes every decision to use the internet for all your needs a virtual minefield of disposal decisions. You get these beautifully packaged meals

for ten from high-end Chinese (or Burmese or Thai) restaurants and at first sight, everything in the garden is lovely. The containers are so thoughtfully and cunningly chosen, that you can serve the edamame steamed buns in them, the sticky rice looks like it would sneer at the very suggestion that it be transferred into another dish, and look, it makes sense to bring the wasabi on to the table as is with its own little spoon.

After you've eaten, the nightmare begins. And the arguments. Go on, stick the wasabi container into the main garbage, it's so small. Do you want to keep the large containers? For what? To clutter up the fridge even more? Okay smartass you decide. Let's just

time when you KNOW hundreds of thousands of people are suffering from the drought just a few miles from us. Listen, let's just never order take-out again. Or at least, not until we clear a definite pathway to the front door between these zillions of stacked up containers in the house.

I am not going to compare with other countries, and eating out is not the largest culprit, but plastic waste is a huge problem in India. We generate about 26,000 tonnes a year, 70 per cent of which ends up in our landfills. The US is much worse. First, the per capita consumption of plastic for Americans is ten times more than India. We use around 25 kg on an average per year. But most of what America shoves into



stack them up and dispose of them together with the plastic stuff. No, DON'T push them in as is, don't you have any sense. Wash them out, you want to be carried off in your sleep to the creek by giant cockroaches? Eeeks, I'd rather be carried off than dumped in that filthy, sewage-filled creek. Picky, aren't you? Now we have to wash all these dirty containers at a

its landfills is also used to generate fuel. The rest is probably shipped off to countries like ours.

The thing is, while we recycle marginally better than other countries, and that while we are really low on the totem pole in our consumption, greater use of plastics is considered an indicator of wealth, and policy dictates that by 2022, we start using twice the amount of plastic we use now. This will also give the plastic manufacturing industry more scope for expansion, leading to more jobs. So we can drown in more plastic, I guess.

I know I'm cribbing. But I swear I am going to carry cloth bags around with me from now on.

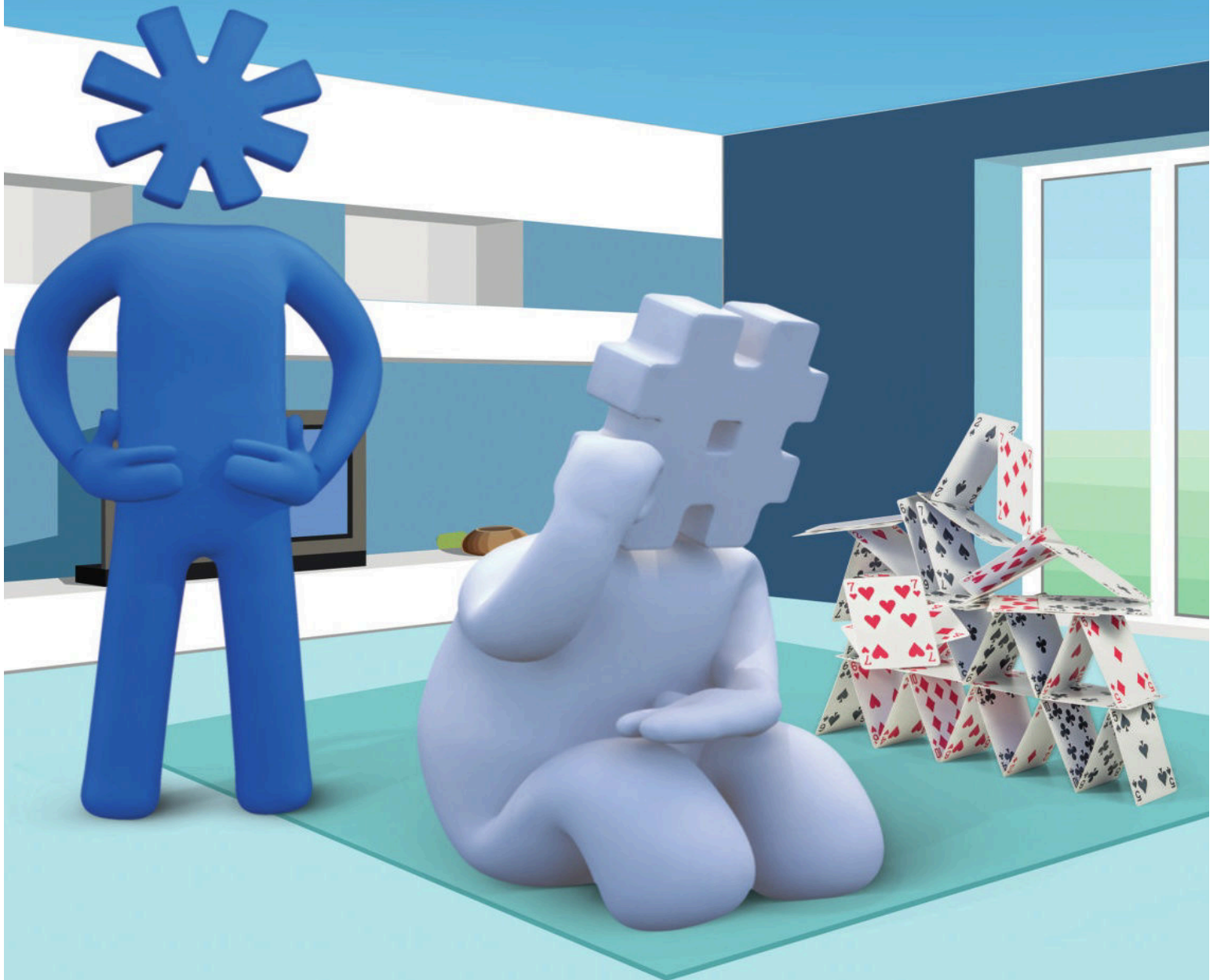
Former journalist, now media educator, still curious about everything.

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