



Securities and Exchange Board of India

INVESTMENT PLANNING FOR RETIREMENT





Securities and Exchange Board of India

"The content of the book is developed by MCX Stock Exchange (MCX-SX) and FT Knowledge Management Company Limited (FTKMC) under the guidance of the Advisory Committee for the Investor Protection and Education Fund (IPEF) of Securities Exchange Board of India (SEBI)"

(Graphics and print design by MCX-SX and FTKMC)

Disclaimer

Financial Education initiatives of the SEBI are for providing general information to the public. For specific information on securities law, rules, regulations, guidelines and directives framed thereunder, please refer to the same at www.sebi.gov.in

Published by:

Securities and Exchange Board of India, (SEBI)

SEBI BHAVAN

Plot No.C4-A, 'G' - Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051

Tel: +91-22-26449000 / 40459000 / 9114

Fax: +91-22-26449027 / 40459027

E-mail: feedback@sebi.gov.in

Every effort has been made to avoid errors or omission in this publication. Nevertheless any mistake, errors or discrepancy noted may be brought to the notice at the above mentioned address which shall be rectified in the next edition. It is notified that the publisher will not be responsible for any damage or loss to any one, of any kind, in any manner from use of this material.

No part of this book may be reproduced or copied in any form or by any means (graphic or mechanical, including photocopy, recording, taping or information retrieval systems) or reproduce on any disc, tape, perforated media or other information storage device, etc. without the written permission of the publisher. Breach of this condition is liable for legal action.

Key Learning Objectives:

After reading this booklet, you will be able to understand the following:

- Need for an investment plan
- Financial implications of your investment decision
- Various investment avenues in the Indian financial market
- Investment strategies to achieve your financial goals
- Calculation of personal networth and annual personal budget

TABLE OF CONTENTS

4	INTRODUCTION
4	RETIREMENT PLAN
5	FINANCIAL PLANNING
7	SMART GOALS
9	SAVINGS AND INVESTMENT
11	LOANS VS. INVESTMENT
14	PERSONAL BUDGET CALCULATOR
15	PERSONAL NETWORTH CALCULATOR
15	RISK VS. RETURN
16	COMPOUNDING
21	INFLATION EFFECTS ON INVESTMENTS
22	INVESTMENT COMMANDMENTS
23	INVESTMENT VEHICLES
25	AVOID INVESTMENT SCAMS
27	ESTATE PLANNING
28	SUMMARY
	REFERENCES
	TERRITORIAL JURISDICTION OF SEBI OFFICES

1. INTRODUCTION

You have successfully passed through the many phases of life, overcome many hurdles in your long career, seen the ups and downs, and so on. Now it's the time to enter a new phase—Retirement. It means retiring from work, not life. Like changing from the fast lane to the slower lane where the drive is far more relaxed, scenic and pleasurable. It's just another phase in one's life. Retirement is a state of mind as well as a financial issue.

For most people, the regular income comes in the form of a salary, which is paid monthly. Because of the regularity of income during our working life, we usually adapt our spending to fit in with our income patterns. By the time retirement comes around we usually have our income and spending patterns well practised, although these may change a little in retirement. During retirement, or at some stage before, we also need to plan what we are going to do with our retirement savings. Usually this will involve looking at what to do with our superannuation money and any other savings that we may have accumulated along the way. In view of the above facts, it falls on the concerned person to do financial planning in a way he/she not only maintains the lifestyle but also has financial independence as well.

2. RETIREMENT PLAN

There are many factors related to retirement planning, and it is never too early to begin. You may define your retirement goals and need to start a retirement savings plan before considering actual retirement.

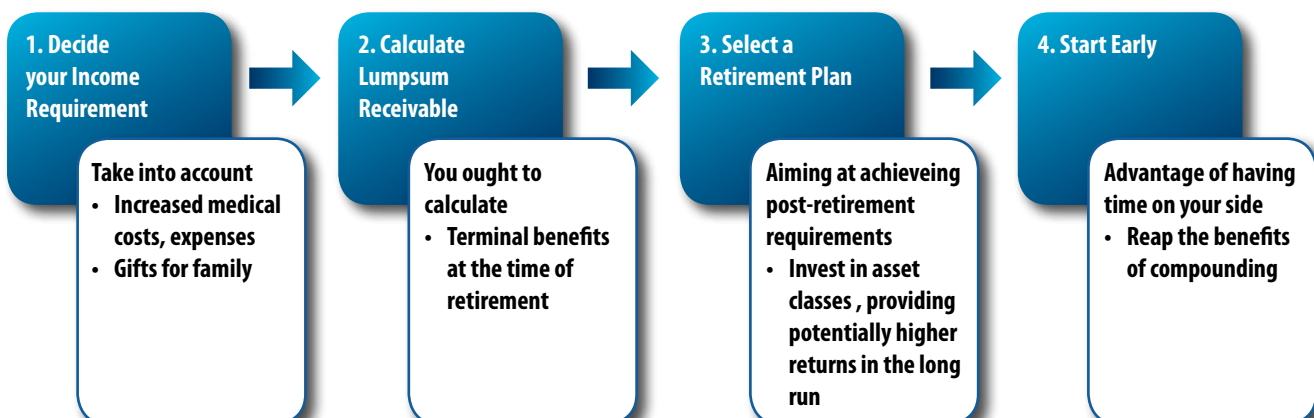
Follow the following four simple steps to arrive at an ideal retirement plan.

Step 1: Decide how much income you require to live comfortably in your post-retirement years. Remember to take into account aspects like increased medical costs, expenses and gifts for family.

Step 2: Calculate the amount to be received in lump sum (terminal benefits) at the time of retirement.

Step 3: Select the right retirement plan that enables you to meet your post-retirement requirements. Preferably, choose to invest in asset classes, which can provide you with potentially higher returns in the long run.

Step 4: Start investing very early so that you have time on your side and can enjoy the power of compounding.



How much retirement income will I need?

An easy rule of thumb is that you'll need to replace 70 to 90 percent of your pre-retirement income. If you're making Rs20,000 a month (before taxes), you might need Rs15,000 to Rs18,000 a month in retirement income to enjoy the same standard of living you had before retirement.

The following example illustrates the amount needed as retirement corpus to ensure a steady flow of monthly income.

Calculation of retirement corpus:

Retirement Age	60
Current Age	58
Life expectancy	83
Years after retirement	23
Current Annual Expenses	Rs 1.80 lakh
Average Return on investment	12%
Inflation	5%
Inflation adjusted return	7%
Total retirement corpus required	Rs 15 lakhs

Action Points: How to Prepare for Retirement?

1. It's never too late to start. It's only too late if you don't start at all.
2. Deposit everything you can into your retirement plans and personal savings.
3. Reduce expenses and funnel the savings into your kitty.
4. Aim for higher returns and tax savings. Don't invest in anything you are not comfortable with.
5. Refine your goals. You may have to live a less expensive lifestyle in retirement.
6. Sell assets that are not producing income or growth and invest in income-producing assets.

While a corpus of Rs 15 lakh may be adequate at the beginning of your retirement, it would not be enough in later part of your retired life due to inflation making your expenses more for the same goods and services.

3. FINANCIAL PLANNING

“The best time to plant a tree was yesterday. The second best time to plant a tree is today.”

Financial planning is the process of meeting your life goals through the proper management of your finances. Financial planning helps you make advance provision for financial needs that will arise in the future. The objective of financial planning is to ensure that the right amount of money is available at the right point in time in the future to achieve an individual’s life goals.

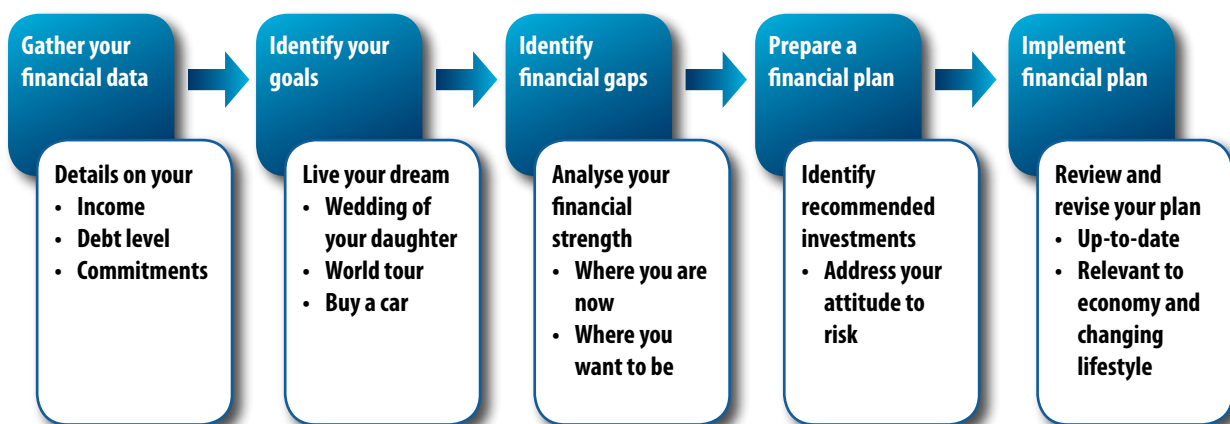
Investment Planning

Financial and investment planning are terms that are interchangeably used in personal finance parlance. To understand the difference between the two concepts, we first have to understand them well. Investment Planning (IP) has the “rate of interest” factor at its core. The Investment Planning process involves several steps, ranging from setting investment goals and understanding the risk appetite to designing an investment portfolio after evaluating the markets and the investment landscape. Investment Planning refers to a commitment of funds to one or more assets that will be held over a specific period. Anything not consumed today and saved for future use can be considered an investment.

Planning Process

The five steps of the financial planning process are:

- Gathering your financial data such as details on your income, debt level, commitments, etc.
- Identifying your goals
- Identifying any financial issues or gaps between where you are now financially and where you want to be
- Preparing your financial plan, which will identify recommended investments and will address your attitude to risk
- Implementing financial plan—review and revise your plan—to ensure it stays up-to-date and relevant to the economy and changing lifestyle



FINANCIAL PLANNING PROCESS

4. SMART GOALS

A financial plan helps drive your financial decisions to a defined goal. It helps you determine how much to save today for the future you planned for, how much returns to expect on your savings and where to invest your savings to ensure you get the returns you desire.

Thus, planning your finances is a type of management that involves setting a mission and having a vision for your future. This is very crucial in the planning process as it allows you to design a path as to how you plan on achieving the objectives within a stipulated time frame.

A critical first step in managing your finances is to be able to set up SMART financial objectives. Your goals have to be S (specific), M (measurable, motivated), A (Achievable), R (realistic, resource-based), and T (time-bound, trackable). Many people make the mistake of stating general goals, which, more often than not, will not materialize.



		Incorrect Approach	Right Approach
Specific	You need to know exactly what you want to achieve and when you want it.	I need to set aside money for my grand daughter's birthday next year.	I need to set aside Rs 10,000 for my grand daughter's birthday next year.
Measurable	A goal should be measurable so that you know when you will achieve it.	I will pay off most of my credit card debt soon.	In the next six months, I will pay three of my two credit card bills in full.
Achievable	Your goal should be within reasonable reach.	I will save money.	I will save Rs 48,000 each year by putting aside Rs 4,000 a month.
Realistic	Your goals need to be based on resources and tasks that you can reasonably accomplish.	By saving regularly, I will become a millionaire.	By saving regularly, I will be debt free by next year and will have a savings kitty equal to six months of my living expenses by next December.
Time-bound	Goals with timelines allow you to track your progress and encourage you to keep going until you reach your goal.	I will save money for my daughter's marriage.	I will save Rs 50, 000 a year for the next 10 years for my daughter's marriage.

Activity

(The activity below is designed to help you in setting a financial mission and a vision.)

Activity: read the questions carefully and answer them honestly.

Your present: What is your current financial position? Where do you stand today?

Your future: What is your financial plan for the future? Say 10 years from now!

Your reality: Do you have the skills to help you get there? How do you plan to get there?

Planning for the future involves setting goals and objectives.

For each goal, be sure to consider two very important aspects, your risk tolerance and the time frame within which you wish to achieve these objectives. Your personal level of risk tolerance will give you an idea in which securities you need to invest in and for how long in order to achieve the set objectives. The duration of a financial plan depends on the goals that it sets out to achieve. It can cover short-term, medium-term and long-term goals. Short-term goals are normally targeted in a one to three year framework; for example a vacation abroad, medium-term goals fit into a three to five year horizon; for example, buying a home; and long-term goals are achieved in a period of five years or more; for example, retirement planning.

It is also important to consider your income per year and your level of savings. For example, you earn Rs 180,000 a year and save 20% of it (Rs 36,000). You plan to send your child to Mumbai to complete his/her education and approximate a budget of Rs 200,000. Your child is to complete his HSE education in four years. Thus, based on your risk tolerance you allocate money towards his education. If your risk tolerance is low, it may be difficult to fulfill your goal of sending your son to Mumbai to complete his education. But if you are someone who is not afraid to take risks, it is possible to make your dreams come true. Investing money in funds higher on the risk return scale is one possible solution.

Suppose you invest Rs36,000 in the first year, Rs25,000 in the second year, Rs30,000 each in the third and fourth year respectively, your total investment at the end of the four year is Rs121,000. Investing in securities that yield an average of 22% rate of return can enable you to fulfill your goal of sending your child to Mumbai for his education.

5. SAVINGS AND INVESTMENT

Finding the Right Balance between Saving and Investing

Saving and investing are two related, but independent, processes. Saving is the process of putting hard cash aside and parking it in extremely safe and liquid accounts such as Bank savings accounts. Investing is the process of using money (called capital) to buy an asset that you think will generate a safe and acceptable return over time, making you wealthier with each passing year. When you save, you're preserving your money for a later time. When you invest, you're taking some risk that you believe will make it possible for your investment to grow in value over time. While investing can help you achieve your long-term goals, saving is an effective way of managing your money to meet short-term needs and to provide a safety net for emergency expenses. When saving money, the primary emphasis is on the stability of the principal rather than return potential. On the other hand, investors are generally more willing to risk their principal investment for the potential of higher returns.

6. LOANS vs. INVESTMENT

There is a general confusion among people whether they should avail a loan or build investments to achieve their financial goal (for example, daughter's marriage). There is no rule which says that either of the option is good, because it differs for each person's capacity and the nature of debt or investment. The following points are worth remembering:

- It purely depends on your financial strength and other factors.
- Credit card debts and personal loans are very costly.
- If you have a loan with a low interest rate and tax benefits as in the case of home loans, it is advantageous to go for a loan. If you have an investment plan where you can make good return, then you may opt for investment.
- You have to be sure that the investment is not risky and will not affect your family if you lose the money. For example, you are investing huge sums in share market, instead of closing the existing debts, that is very risky.

7. PERSONAL BUDGET CALCULATOR

Have a budget. Determine what you actually spend each month. There are fixed expenses like rent, loan repayments, etc. every month about which we can do little. The variable items such as food, clothing and entertainment are often what get money away from us. Use your discretion to contain these variable expenses to start saving.

A Personal Budget is simple to prepare.

Income. Add up your monthly income: salary and investment income.

Expenses. Add up monthly expenses: rent, loan payments, average food bills, medical expenses, entertainment, and so on. Determine an average for expenses that vary each month, such as clothing, or that don't occur every month, such as car insurance. You will need to track how you spend cash for a month or two. Most of us are surprised to find out where and how much cash "disappears" each month.

Subtract expenses from income. What if you have more expenses than you have income? Not an uncommon problem. You have three choices: cut expenses, increase income, or both.

Cut expenses. There are ways to reduce expenses, from reducing grocery consumption to shopping for low-cost items without compromising quality. Compare monthly variances between actual expenditure and budgeted expenditure

Increase income. Improve your job skills or education to get a better paying job, or make money from a hobby. It is hard to apply a rule of thumb toward savings, because it varies with age and income level. Ten percent is a good start. If you find that is too high for you, don't let that deter you. You can start by putting a little aside each month and then slowly increasing it.

Activity

Prepare a monthly budget by specifying your income in terms of all inflows of cash from whatever sources, after which you need to deduct all possible expenses you think will arise during the month. It is important to do this exercise before the start of the month so that you can anticipate what can be the likely level of investments. Rule of thumb ideally says that you need to save 20% of your income. Complete this exercise to see whether you really are!

Your monthly budget	
A: Income	
Salary	
Rent	
Interest per month	
Capital gains	
Business	
Other sources	
TOTAL INCOME	
B: Expenses	
Travel and transport	
Food and utilities	
Rent	
Leisure	
Insurance premium	
Children's education	
Holidays	
Other	
TOTAL EXPENSES	
C: Savings = income – expenditure	

To find out whether you are saving 20% of your income, you just need to multiply your savings by 100 and divide it by your total income. If the value is below 20, it means you are spending your money recklessly giving you an indication to start saving ... it's never too late!

Typical Monthly Budget

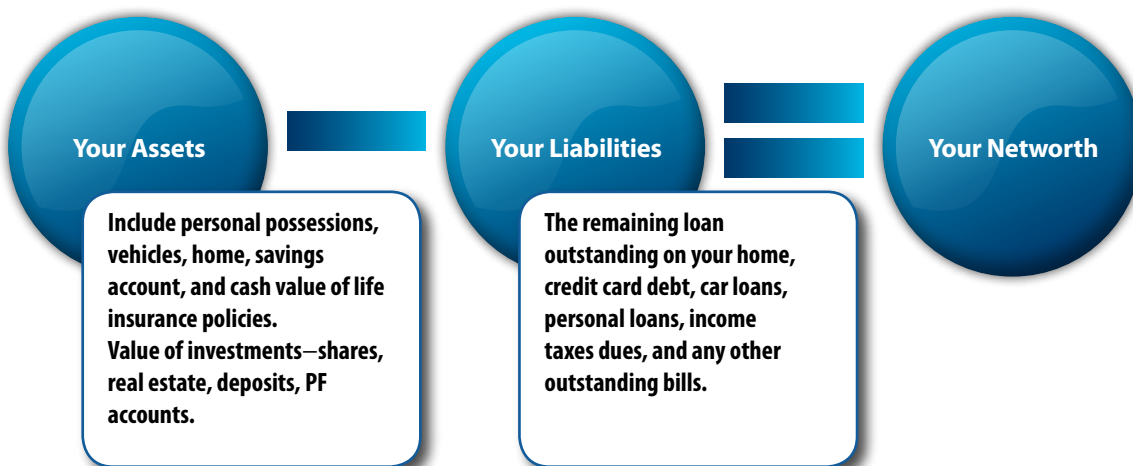
January

Name: Krishnan, Age 59 Company Executive

Income	Amount (Rs)	Expenses	Amount (Rs)
Salary	75,500	Committed (EMI)	32,500
Investment Income	6,000	Living Expenses	28,700
Pension		Other expenses	
Others		PF/LIC	10,500
Income	81,500	Total Expenses	71,700
Net Surplus	9,800		

8. PERSONAL NETWORTH CALCULATOR

Your networth is simply the total value of what you own (assets) minus what you owe (liabilities). It's a snapshot of your financial health. The first step in planning your finances is to know where you financially stand today, i.e., ascertaining your networth. Your networth is the difference between what you own and what you owe.



Calculate your networth periodically, say quarterly and keep track of changes. An increasing networth means you are doing well financially.

Keep in mind the following points while calculating your networth

1. Use current market value/realizable value.
2. Estimate if you can't be accurate.
3. Be conservative.
4. Avoid insignificant detail.

Model Networth Statement

Name: Raja

Age: 58

Professional in a company

Networth as on 31 January

Assets	Rs (in lakhs)	Liabilities	Rs (Lakhs)
House	56.00	Home loan	17.50
Savings a/s	00.32	Car loan	05.20
Equities	03.50	Credit card	02.40
Fixed Deposit	05.00	Personal loan	06.10
Car	06.20	Total	31.20
NSC	04.30		
Total	75.32	Networth	44.12

9. RISK vs. RETURN

Every individual has his/her own risk taking capacity. Your risk-return profile is your level of risk tolerance. A high risk venture is normally associated with high returns. You could be one of the following three risk-return profiles or somewhere in between them:

1. Conservative, i.e., you take minimal risks ensuring your funds are secure. You prefer investing in post office deposit schemes, bank fixed deposits, and government bonds.
2. Moderate, i.e., you are willing to take some risks and prefer investing in mutual fund schemes.
3. Aggressive, i.e., you are willing to take high risks and prefer investing in equity, commodities markets, and you may even be speculating for returns.

Higher the risk, the higher the return! This is an important investment principle. Managing the level of risk is what investing is all about. There is no investment without some risk, including putting money in the bank. Always check the potential risks when quoted returns are unusually high. It is advisable to understand risks associated with each financial product before investing.

It is also important to know your risk profile. The following activity will help you estimate the same:

Given below is a questionnaire designed to help you understand the type of investor you really are. Please do answer honestly by choosing the appropriate option.

1. What is your major investment objective?
 - a) High return
 - b) Moderate return
 - c) Liquidity
 - d) Low risk
 - e) Safety

2. In which asset class would you like to allocate your funds?
 - a) Stocks
 - b) Mutual funds
 - c) Real estate
 - d) Fixed deposits
 - e) Bonds

3. What is your expectation on annual return from your investments?
 - a) >100%
 - b) 50-75%
 - c) 25- 50%
 - d) 10-25%
 - e) <10%

4. What is your normal investment horizon?
 - a) 3-6 months
 - b) 6 months- 1 year
 - c) 1 year – 3 years
 - d) 3-5 years
 - e) >5years

5. According to you, under which category do you belong?
 - a) Adventurous
 - b) Opportunistic
 - c) Planner
 - d) Conservative
 - e) No risk taker

Scoring: Each of the above option carries a score. Option (a) carries 1 point, (b) 2 points, (c) 3 points, (d) 4 points, and (e) 5 points.

Scores	Results
5-10	Highest risk takers: Thrill seekers, creative and extroverted, you work hard and play hard. Safety bores you - even though your actions may have financially adverse consequences.
10-15	High risk takers: you are confident, strong-willed and are ready to take chances.
15-20	Moderate risk takers: you primarily look for security and safety in your investments, undertake minimum resistance, you put your money in places where previous experience has worked for you!
20-25	Low risk takers: you are not at all risk oriented. You believe in self sufficiency. You seek peace of mind, you don't like to become too involved with financial management causing stress.

Here's an example of some of the asset allocation models for different stages in your investing life. What they show is a gradual movement from aggressive to conservative style of investment.

Asset Mix

Years to retirement	Stocks	Bonds	Cash
20	80%	10%	10%
15	60%	30%	10%
10	40%	50%	10%
5	30%	60%	10%

Remember that models such as these aren't designed to predict a particular level of return. While allocating assets can help you moderate risk, it doesn't eliminate the possibility of accumulating less than you'd like. Also, remember that an asset allocation isn't fixed—as time passes and you near retirement, you may want to consider shifting some of your stock holdings into more conservative choices to avoid the impact of short-term drops in the market.

10. COMPOUNDING

Time exerts the greatest influence on your investment portfolio than any other force. Through the power of compounding, a small amount of money over time can grow into a substantial sum. Compounding is an investor's best friend. Investments can increase in value over time, and the longer the time frame, the greater the value. This is achieved through returns that are earned, but not spent. When the return is reinvested, you earn a return on the return and a return on that return and so on. Therefore, it is important to start saving early in order to benefit from the power of compounding returns.

The time value of money is the value of money that has earned an interest over a given amount of time. For example: Rs 100 invested today for one year at 5% interest will be Rs105. Thus, to the investor, Rs 100 paid now is no different than Rs 105 paid one year from now.

The valuation of a likely stream of income in the future, in such a way that the annual incomes are discounted and then added together, thus providing a lump-sum "present value" of the entire income stream that is likely in the future. Thus PV is the present value of future money. For example, a sum of FV to be received in one year is discounted at a rate of interest to give a sum of PV at present:

$$PV = FV / (1+r)$$

Future cash flows are discounted at the discount rate, the higher the discount rate, the lower the present value of the future cash flows. The importance of time value of money in investment and conserving the value of your money is crucial. You need to invest in order to protect the value of your money

Activity: List down the various items you often use and write down their value today and their value 10 years back. Compare the two values and observe how the value of money has changed over time.

Table: The time value of money

	Assets	Price 10 years ago (-10)	Price now (0)	Price 10 years from now (+10)
1	Property/ house			
2	Gold (10 gms)			
3	Investments : • Sensex/ Nifty • Bonds • Fixed deposits interest rate			
4	Rice			
5	College Education			
6				
7				

Power of Compounding

Let's compare two friends Raman and Prasad. Raman starts saving Rs 2,000 per year from the age of 19. After eight years, he stops investing money. On the other hand, Prasad starts investing Rs 2,000 per year when he is 27 and continues investing this amount every year till he is 65. Raman invested Rs 16,000 and Prasad Rs 74,000.

If both earn 10% post-tax return per annum on their investments, who will have more wealth when they retire at age 65?

Raman. His Rs 2,000 annual savings between age 19 and 27 will aggregate to Rs 1,035,160 by age 65, whereas, Prasad's Rs 2,000 annual savings between age 27 and 65 will aggregate Rs 8,00,896 lakhs. There is a 64 - fold increase in Raman's investment whereas it is a 10 - fold increase for Prasad.

To summarize, the power of compounding is the single most important reason for you to start investing right now. Remember, every day that your money is invested, is a day that your money is working for you.

Here's how much your money would grow if you make a lump - sum (one - time) investment and leave it untouched. The interest rate has been assumed to be 10%.

	Amount lump-sum payment (Rs)				
Years	100,000	200,000	300,000	400,000	500,000
5	161,051	322,102	483,153	644,204	805,255
10	259,374	518,748	778,123	1,037,497	1,296,871
15	417,725	835,450	1,253,174	1,670,899	2,088,624
20	672,750	1,345,500	2,018,250	2,691,000	3,363,750
25	1,083,471	2,166,941	3,250,412	4,333,882	5,417,353
30	1,744,940	3,489,880	5,234,821	6,979,761	8,724,701

Reading the table: if you plan on investing money for a period of say 30 years and have a corpus of Rs 1 lakh compounded, you would get a return of Rs 17,44,940.

Activity

If Ram, aged 60 years, would like to gift Rs 20 lakh to his son after 20 years, how much he has to invest now? Use the table given above

11. Inflation effects on investments

If your investment portfolio includes a big portion of fixed income securities, you should pay attention to inflation rates.

Most susceptible to rising inflation rates are retirees that have fixed income. This is so since inflation decreases the purchasing power of money and retirees will be able to purchase less with their money than before.

Inflation eats away your purchasing power. For instance, if the average rate of inflation is 8%, you need to make sure that your investments are earning a minimum of 8% or more, post-tax. Let us assume an investment portfolio of Rs 1,00,000, earning returns at 10% and inflation at 8%. The returns in this case would be Rs 10,000 gross annually, with the net after income tax Rs 7,000 (Assuming you are in the highest tax bracket of 30%). Now, if you account for the 8% inflation specified (8000, or 8% of Rs 1,00,000), you are left with Rs (- ve) 1000 (Return of 7000 minus inflation of 8000). It means you are not earning any money in real terms.

12. Retirement Planning

The conversion into retirement is a very unique and dramatic step in life. Yet, the transition into retirement is rarely given the planning or thought it deserves. Everyone wants to lead a comfortable retirement. Without adequate planning it probably won't happen. People are living longer than ever before, which is obviously good news, but that means retirement is becoming more expensive. So it is important to plan ahead and be financially prepared once you reach retirement age.

Retirement planning means setting aside of money or assets for the purpose of deriving some income during old age. This is to be done before reaching retirement age.

Remember, your aim is to make decisions that will be most effective in helping you realize your future financial goals, based on your current personal financial situation

1) Start Early and Retire Peacefully:- For example, if you start saving for retirement at age 25, so that you wish to retire by 60, you have an investment horizon of 35 years. If at the age of 25, you start investing Rs1,000 per month at the rate of 6% compounding then the maturity amount will be Rs 13,80,290. Alternatively if you commence the same investment at the age of 35, then the maturity value at the age of 60 will be Rs 6,79,580.

With a 10 year lag, the retirement savings at 60 years is more than halved.

2) Plan Wisely:- Set aside some money for medical expenditure and emergency needs after retirement. Allocate your resources towards necessary ends like children's education and marriage that you will incur in the course of time.

3) Track and Review your Plan:- The financial plan has to be reviewed at regular intervals to make sure whether the target meets the objectives. Also, understand and get comfortable with the risks, costs and liquidity of your investments.

4) Don't Dip into your Retirement Savings:- Don't touch this pool of savings pre- retirement. If you spend money from your retirement kitty to fulfil your present needs, you will lose out big in the long run. The corpus for your retirement will be much lower.

List down the five ways in which retirement planning was being done 30 years back

- 1.
- 2.
- 3.
- 4.
- 5.

What are the 5 things that you need to do for your retirement planning?

- 1.
- 2.
- 3.
- 4.
- 5.

How much you should invest to create your retirement fund?

Let suppose Ram at the age of 30 with monthly expenses of Rs 10,000 wants to retire at the age of 60 (Life expectancy of 75). What is the corpus he requires for his retirement assuming that he will require 80% of his present expenses? And how much amount he should save every month to build his retirement corpus?

To find the corpus and monthly investment , first of all we have to find that how much he will be spending every month at the age of his retirement , because his current expenses in money value are going to increase in future because of Inflation.

Step 1: Value of his expenses at the time of retirement with 5% Inflation?

No. of year after which you will retire	5	10	15	20	25	30
Amount for expenses you need every month at the time of Retirement	(12,762.82)	(16,288.95)	(20,789.28)	(26,532.98)	(33,863.55)	(43,219.42)
Amount for expenses you need every month at the time of Retirement (80% of the requirement)	(10,210.82)	(13,031.16)	(16,631.43)	(21,226.38)	(27,090.84)	(34,575.54)

Note: Growth in current expenses after 30 years due to inflation

Why expenses are less at retirement? (80% in above scenario)

- 1.
- 2.
- 3.

Answer: Ram is retiring after 30 years from now, so his monthly expenses would be Rs 43,219 and with 80% it will be Rs 34,575.

Step 2: How much corpus he requires at his retirement to get continuous flow of cash for his monthly expense requirement?

Assumption: Return on Corpus or investment is 7%.

No. of years of retirement	For expenses of Rs 10,210.25	For expenses of Rs 13,031.16	For expenses of Rs 16,631.43	For expenses of Rs 21,226.38	For expenses of Rs 27,090.84	For expenses of Rs 34,575.54
5	585,130.95	746,791.84	953,116.66	1,216,445.22	1,552,526.61	1,981,461.08
10	1,117,707.64	1,426,509.65	1,820,627.96	2,323,633.90	2,965,611.10	3,784,954.77
15	1,602,450.28	2,045,177.75	2,610,222.66	3,331,379.05	4,251,777.66	5,426,465.43
20	2,043,655.17	2,608,279.41	3,328,898.92	4,428,612.31	5,422,425.66	6,920,541.77
25	2,445,232.68	3,120,805.39	3,983,026.38	5,083,463.13	6,487,930.27	8,280,425.78
30	2,810,742.02	3,587,298.21	4,578,402.57	5,843,330.78	7,457,735.34	9,518,170.11

Ram will retire at the age of 60 years and his life expectancy is 75 years that makes his expenses requirement for 15 years (75 years – 60 years).

From the above table we can make out that for 15 years, his required corpus is Rs 54,26,465.

Step 3: Ram would like to open an SIP where he will invest money every month which grows at 10% annualised over 30 years to build his retirement corpus. How much Ram should invest every month for the corpus?

Calculations:

For the calculation purpose we are finding out the corpus for Rs10 lakhs and after getting the corpus we will multiply it by the required amount:

Interest/ No. Of years	Monthly Investment require to build corpus of Rs. 10 Lac					
	5	10	15	20	25	30
6%	(14,321.72)	(6,125.04)	(3,468.51)	(2,194.69)	(1,471.50)	(1,021.18)
8%	(13,621.38)	(5,516.23)	(2,943.09)	(1,746.24)	(1,093.09)	(705.41)
10%	(12,958.11)	(4,963.82)	(2,489.91)	(1,381.24)	(804.40)	(480.93)
12%	(12,329.91)	(4,463.57)	(2,101.14)	(1,087.13)	(587.47)	(324.57)
15%	(11,449.24)	(3,802.02)	(1,622.41)	(753.54)	(362.77)	(177.56)

With the above table we can make out that he has to invest Rs 480/month of Rs 10 lakhs. Therefore for Rs 54 lakhs, he has to invest Rs 2,592 every month = $(54/10) \times 480 = \text{Rs } 2,592$

Assignment:

Calculate the retirement corpus required by you and the monthly investment required to build that corpus based on the tables given below:

1. Your monthly expenses ()
(For the calculation purpose monthly expenses are given as Rs10,000. If your expenses are Rs 20,000 then multiply the corpus by 2)

2. Your monthly expenses requirement at the time of retirement with inflation rate of 5%

No. of year after which you will retire	5	10	15	20	25	30
Amount for expenses you need every month at the time of Retirement	(12,762.82)	(16,288.95)	(20,789.28)	(26,532.98)	(33,863.55)	(43,219.42)
Amount for expenses you need every month at the time of Retirement (80% of the requirement)	(10,210.82)	(13,031.16)	(16,631.43)	(21,226.38)	(27,090.84)	(34,575.54)

3. Retirement corpus you require getting regular cash flow _____

No. of years of retirement	For expenses of Rs 10,210.25	For expenses of Rs 13,031.16	For expenses of Rs 16,631.43	For expenses of Rs 21,226.38	For expenses of Rs 27,090.84	For expenses of Rs 34,575.54
5	585,130.95	746,791.84	953,116.66	1,216,445.22	1,552,526.61	1,981,461.08
10	1,117,707.64	1,426,509.65	1,820,627.96	2,323,633.90	2,965,611.10	3,784,954.77
15	1,602,450.28	2,045,177.75	2,610,222.66	3,331,379.05	4,251,777.66	5,426,465.43
20	2,043,655.17	2,608,279.41	3,328,898.92	4,428,612.31	5,422,425.66	6,920,541.77
25	2,445,232.68	3,120,805.39	3,983,026.38	5,083,463.13	6,487,930.27	8,280,425.78
30	2,810,742.02	3,587,298.21	4,578,402.57	5,843,330.78	7,457,735.34	9,518,170.11

4. Monthly investment you require to build your corpus _____

Assumption: You can take interest rate as per your risk profile.

Assumption: You can take interest rate as per your risk profile.

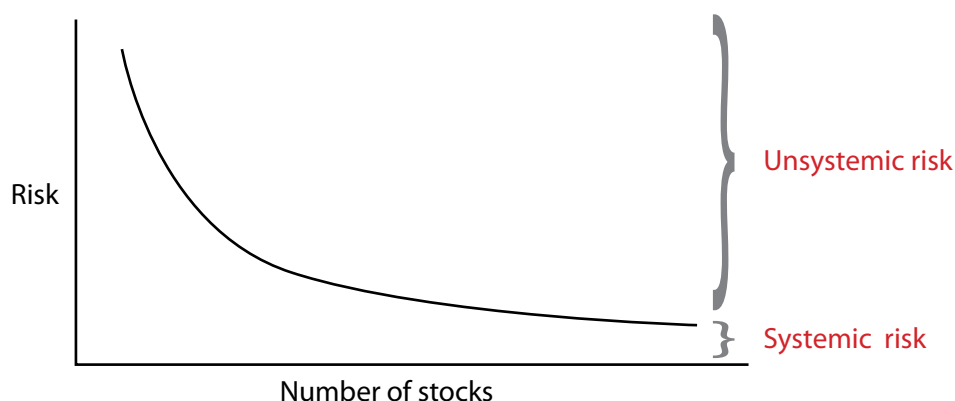
For calculation purpose, you have to invest regularly to build the corpus of Rs10 lakhs. If your requirement is Rs 20 lakhs, then multiply the monthly investment amount by 2.

Interest/ No. Of years	Monthly Investment require to build corpus of Rs 10 Lac					
	5	10	15	20	25	30
6%	(14,321.72)	(6,125.04)	(3,468.51)	(2,194.69)	(1,471.50)	(1,021.18)
8%	(13,621.38)	(5,516.23)	(2,943.09)	(1,746.24)	(1,093.09)	(705.41)
10%	(12,958.11)	(4,963.82)	(2,489.91)	(1,381.24)	(804.40)	(480.93)
12%	(12,329.91)	(4,463.57)	(2,101.14)	(1,087.13)	(587.47)	(324.57)
15%	(11,449.24)	(3,802.02)	(1,622.41)	(753.54)	(362.77)	(177.56)

13. Investment Commandments

Here are some Guidelines for you to follow.

- Do establish clear and reasonable investment goals before you invest.
- Do remember that there are risks in any investment. As potential profit increases, so does risk.
- Do diversify your investment portfolio to decrease your overall risk.
- Do select the appropriate asset mix of debt, equity, and cash equivalents.
- Do recognize the limits of your knowledge. Avoid investments you don't understand.
- Do your homework. Be sure you know what you are investing in and what impact it will have on the risk, potential returns, and marketability of your portfolio.
- Do keep in mind that income-tax is payable on your investment while making investment decisions.
- Don't invest on the basis of hot tips and rumours. They are seldom right.
- Don't blindly follow investment advice that you don't understand.
- Don't be afraid to say NO to the suggestions of your financial adviser if you are not convinced the investments are right for you.
- Don't take risks you can't afford or aren't comfortable with. Understand your tolerance for risk.



Investment Strategies

Diversification aims to reduce the risks by investing money in a range of companies or products and by ensuring it is available at a different time; that is, not putting all your eggs in one basket. You may want to spread your money with several different institutions, with various investment types and across different markets, such as cash, fixed income securities, shares of companies or mutual funds.

If you are investing in **fixed interest** investments, it may be wise to spread your money so that you have different **maturity dates**. This reduces some of the risk if interest rates change. It can also provide you with income on a more regular basis. While you should always spread your risk over several investments, having many small investments may involve a lot of supervision. The diagram above depicts how simple diversification in stocks can considerably reduce the unsystemic risk (risk that is specific to individual investment) to a more manageable level. Diversification beyond a point will not have an impact and there by will not reduce the risk further. Any risks faced after diversification is borne due to market risk or systemic risk.

Asset allocation

Asset allocation is the process of deciding what proportion of an investment a portfolio should have in terms of different types of investment (shares, bonds, real estate, etc.) and markets (debt, equity or commodity). Asset allocation can improve both diversification and performance — although these aims do conflict, to an extent. It helps ensure that investments are spread out across a wide range of markets and securities, and the allocations should be chosen to avoid investing too much in markets and securities whose movements are strongly correlated with each other. Asset allocation can boost performance by identifying markets or sectors that are undervalued as a whole. Correctly identifying these will clearly improve performance.

14. INVESTMENT VEHICLES

After retirement, people save for two main reasons. The first is to protect their desired standard of living against unforeseen reductions in their income or increases in their expenses. Every retired person wants to maintain the same lifestyle as he/she had during pre-retirement days. So he must ensure that his post-retirement income is adequate and in the vicinity of his pre-retirement income. When one grows old, the fear of medical problems rises. Expenses on medical cover are also to be met. A regular medical cover taken during pre-retirement days should be continued to protect oneself from medical problems. The need of the hour is ensuring a regular income as substitute for salary to meet day-to-day expenses. This can be achieved through careful deployment of retirement benefits like provident fund benefits, gratuity, etc. in instruments that yield interest income at regular intervals.

Pension Plan

Regular income could be obtained with the help of pension products chosen during earlier stages of life. Such plans ensure regular pension during retirement period. In case a person has not taken these plans, earlier, he can go for an immediate pension plan like the ones offered by insurers. In a typical pension plan you have the flexibility to make a lump-sum payment or a regular contribution every year during your earning years. Your money is then invested in funds of your choice. You can opt to receive the annuity at any time after vesting age (age at which you become eligible for pension chosen by you at the inception of the plan). Most of the Unit linked pension plans also come with a wide range of annuity options, which gives you choice in structuring the post-retirement benefit pay-outs. Also, at the time of vesting you can make a lump-sum tax-exempted withdrawal of up to 33 percent of the accumulated corpus.

CASE STUDY

Raman 59, is planning to retire in six months' time when he reaches 60. Currently, his retirement nest is worth around Rs 7,50,000. He intends to use it to buy an annuity, and wants one that will provide income for him. As a non-smoker, with no serious health problems, he would receive an income of Rs 45,000 per year or Rs 3,750 a month (assuming an annuity rate of 6%) for the rest of his life.

Monthly Income Plan

One can also get into the Monthly Income Scheme of post office or banks. This plan ensures regular interest income. This ensures safety and liquidity of funds. Present rate of returns in monthly income plan of post office is 8% p.a.

Activity

George, a factory worker is about to retire at the age of 60. His terminal benefits (PF, Gratuity etc)is worth Rs 300,000, and he also has savings and investments that are worth around Rs 90,000. George has decided that he will take 25% of his terminal benefits as a tax-free lump sum for his daughter's marriage. This will leave him with Rs 225,000, which he plans to invest and withdraw income from.

Suggest a monthly income plan that would ensure safety, liquidity and decent return?

Mutual Funds

- A mutual fund is generally a professionally managed pool of money from a group of Investors.
- A mutual fund manager invests your funds in securities, including stocks and bonds, money market instruments or some combination of these, based upon the fund's investment objectives.
- By investing in a mutual fund you can diversify, thereby sharply reducing your risk. Mutual funds can be classified on the basis of structure.

Open-Ended Scheme sells and repurchases units at all times. When fund sells, investor buys and when the investor redeems, the fund repurchases the units. Buying or redeeming is at a price based on the NAV. (Net Asset Value)

Under Close-Ended Scheme, after the offer closes, investors are not allowed to buy or redeem units from the fund. Close-ended funds are listed on stock exchanges to enable investors to buy or sell units.

Systematic Investment plan

This is a simple, disciplined strategy of investing your money in a mutual fund. This is a long-term strategy for accumulation of wealth. SIP investor gets good rate of returns compared to a one time investor. In an SIP a specific amount should be invested in regular intervals in a mutual fund for a specific period, which is very similar to a recurring deposit. It allows you to buy units of the fund each month, ignoring the volatility in the market. While your investment remains the same, more number of units can be bought in a declining market and less number of units in a rising market. Thus you automatically participate in the market swings once the option for SIP is made. SIP work on the principle of rupee cost averaging. It ensures averaging of rupee cost as consistent investment ensures that average cost per unit fits in the lower range of average market price. SIP generally starts at minimum amounts of Rs 1,000 per month and upper limit for using an electronic clearing service (ECS) is Rs 25,000 per instruction.

Working of SIP

An added advantage of a SIP is that it allows you to invest in the market without trying to second guess its movements. Since you commit to investing a fixed amount every month, say Rs 500, when the market is high, the corresponding NAV of the fund is also high, thus you get fewer units on your investment of Rs 500, than you would when the markets and the corresponding NAV are low.

Month	NAV	Number of Units (500/NAV)
1st January	10	50
1st February	10.25	48.780
1st March	11	45.454
1st April	12	41.667
1st May	9.95	50.251
1st June	12	41.667
		277.820

Thus, within six months you would have Rs 277.81 units by investing just Rs 500 each month. Thus selling the units at an NAV above the average NAV (10.86) during the 6 month period will give you profits.

The table below shows the profits you can make with an investment of Rs 3,000, if you sell the units at an NAV above the average you bought for.

NAV (A)	UNITS (assume you sell all units) (B)	[(NAV X 277.81)] (C)	PROFIT= [(C)-3000]
10.86 (AVERAGE)	277.81	3017.017	17.02
11	277.81	3055.91	55.91
12	277.81	3333.72	333.72
13	277.81	3611.53	611.53
14	277.81	3889.34	889.34

Annuities

Annuities are contracts sold by an insurance company designed to provide payments to the holder at specified intervals, usually after retirement.

Earnings cannot be withdrawn without penalty until a specified age and are taxed only at the time of withdrawal.

Annuities are relatively safe, low-yielding investments. An annuity has a death benefit equivalent to the higher of the current value of the annuity or the amount the buyer has paid into it.

Insurance Policy

Most risks to your life and property can be covered under insurance plans. Some of the common insurance plans are:

- Unit Linked Insurance Plans
- Term / Term with Return of Premium Plans
- Health Insurance
- Personal Accident Insurance
- Insurance cover for your Home / Car
- Insurance cover to protect your family from liabilities
- Travel insurance

The value of the cover that you opt for should depend on your need for protection. If you are applying for asset insurance, the value should ideally cover the cost of replacing your asset. Similarly, the final payout of a term plan should compensate your family for the financial loss that they will face in case of your demise. If you go in for ULIPs, endowment or money back policies, these should fall in with your overall financial plan and enable you to receive funds when you expect to use them.

Activity

Mr Mahesh Kaushik, aged 58, likes to invest a part of his terminal benefits of Rs 10 lakh in an investment product that assures him steady annual return with insurance cover for his life. Which investment product is ideal for him?

Health Insurance

Health Insurance Policies in India: There are several health insurance or medical insurance plans in India. These can be divided into the following categories based on the coverage offered.

Comprehensive health insurance coverage: This plan provides you complete health coverage through a hospitalization cover while at the same time creating a health fund to cover any other healthcare expenses.

Hospitalisation Plans: These health insurance plans cover your expenses in case you need to be hospitalized. Within this category, products may have different payout structures and limits for various heads of expenditure. The hospitalisation coverage may be reimbursement based plans or fixed benefit plans.

Critical Illness Plans: These health insurance plans provide you coverage against critical illnesses such as heart attack, organ transplants, stroke, and kidney failure among others. These plans aim to cover infrequent and higher ticket size medical expenses.

Specific Conditions Coverage: This plan is designed specifically to offer health insurance

against certain complications due to diabetes or cancer. This may also include features such as disease management program that are specific to the condition covered.

Reverse Mortgage

Reverse mortgage can be used to supplement the cash flow stream of senior citizens in order to address their financial needs. It is a loan given to senior citizens by converting the equity in a house property into an income stream. The scheme involves the borrowers (senior citizens) pledging their house property to the bank in return for a lump-sum payment or periodic payments spread over the borrower's lifetime. The home owner is not obliged to repay the loan during his lifetime. On his death or leaving the house permanently, the loan is repaid along with accumulated interest, through sale of the house property. Any excess amount will be remitted to the borrower or his heirs. The lump-sum payment or periodic payments can be utilized by the borrower as per his needs. Reverse mortgage is definitely a financial helpline for senior citizens enabling them to lead their lifestyle and meet their consumption needs without being dependent on anyone. The tenure of the loan is 15 years. The loan becomes due and payable when the last surviving borrower dies or would like to sell the home / permanently moves out of the home for aged care to an institution or relatives. Settlement of loan, along with accumulated interest is to be met by the proceeds received out of sale of residential property. The borrower(s) or his/her/their estate is provided with the first right to settle the loan along with accumulated interest, without sale of property. A reasonable period of two months is provided when repayment is triggered, for house to be sold.

Activity

Mrs Diandra is about to retire in another five years. She would like to invest a sum of Rs 15,000 every month in a product which should give her

- tax benefits
- interest income
- facility for withdrawal of principal at any time for emergencies

Which investment product is suitable for her ? Why?

Comparative analysis of investment avenues

	Rate of return	Rate of return	Risk	Liquidity	Tax Benefit	Convenience
	Annual Income	Capital Appreciation				
Financial Securities						
Equity	Low	High	High	High	Yes	High
Non-convertible Debentures	Medium	Low	Medium	Average	Nil	High
Financial Securities (Non-securitized)						
Bank deposits	Low	Nil	Low	High	Yes	High
Provident fund	Nil	Medium	Nil	Low	Yes	High
Life insurance	Nil	Average	Nil	Low	Yes	High
Mutual funds						
Growth/equity	Low	High	High	High	Yes	High
Income/debt	Medium	Average	Low	High	Yes	High
Real assets						
Real estate	Low	Medium	Low	Low	Nil	Average
Gold/silver	Nil	Low	Average	Average	Nil	Average

The table contains indicative figures from the past experience, they are of no guarantee. Investors are requested to make their own decision and bear in mind that market investment are subject to risk.

15. Avoid Investment Scams

There are a number of investment scams that allure and trap you. Avoid them. A few of them are listed below.

Pump and dump

In a typical “pump and dump”, you receive an e-mail or sms promoting an incredible deal on a stock described as an once-in-a-lifetime investment. What you don’t know is that the person or company touting the stock owns a large amount of it. As more and more investors buy shares, the value skyrockets. Once the price hits a peak, the scam artist sells his/her shares and the value of the stock plummets. You’re left holding worthless shares.

Boiler Rooms

This type of scam begins with an unsolicited phone call or sms to buy shares in a private company that is about to be listed on a major stock exchange. They will say that once the company goes public, the value of its shares will skyrocket. The company is usually in a sector that’s in the news.

Ponzi or Pyramid Schemes

Typically, investors are allured through ads and emails or sms promising them that they can “make big money working from home” or “turn Rs 1,000 into Rs 20,000 in just six weeks.”

Investors are asked to provide money upfront. Early investors may receive high returns fairly quickly from “interest cheques”. They’re often so pleased that they invest more money, or recruit friends and family as new investors. Here’s the catch: The investment doesn’t exist. The “interest cheques” are paid from investors’ own money and the contributions of new investors. The scheme eventually collapses when the number of new investors drops. Ultimately, the promoters vanish, taking your money with them.

Activity

Mr Anand Sharma, 58 years, receives a letter from a newly started company inviting him to invest in the IPO of the newly formed company, promising him a return of 56% (Guaranteed) in the first year with an assurance of steady increase in share prices for the next three years, as the company is setting up a plant in the fast growing bio-technology sector. The company is managed by qualified professionals. Please advise what precautions Mr Anand Sharma should take before deciding to invest in the company? Would you be investing in such companies, if you were in his place?

16. Estate Planning

Estate planning is the process of managing and maximizing your assets and the means by which these assets will be bequeathed to your survivors after you die. Making a “will” is an essential part of retirement planning. “Will” is a legal declaration of the intention of the testator (person making the will) with respect to his property which he desires to be carried into effect after his death. When you establish a Will you will also set out who is to be appointed as your executor or executors. This is the person or persons that you are entrusting with the job of looking after your affairs until your estate is distributed to your nominated beneficiaries. The person can be a member of your family, a friend or, for example, your advocate or accountant.

Power of Attorney

A power of attorney is a legal document that allows another person to act on your behalf. It ensures that important matters are dealt with by someone you trust if you are unable to deal with them yourself.

Nomination

It is important to nominate beneficiaries for your LIC policies, bank deposits, shares, mutual funds units and other securities to facilitate quick disbursement of proceeds in the event of death.

Activity

Mr Rajesh retired recently from a private company and wanted to place a sum of Rs 5 lakh in a term deposit account with a bank from out of his terminal benefits. He has one son and two daughters. The bank requests him to nominate one of his legal heirs as the nominee for the above deposit, as more than one nominee is not accepted. Mr Rajesh wants to include all the three children to receive the proceeds in the event of his death. What is the legal recourse available to him?

Enrich Your Retired Life

Here are a few suggestions to liven up your golden years and enjoy the fruits of your years of labour.

Pursue interests: You must have surely yearned to do what you really love, but couldn't. Exploit your talents now learn new languages, do gardening, take up a sport, set an exercise regimen for yourself or pursue whatever interests you.

Keep in touch: You know the people you've been trying to contact and meet but somehow couldn't due to time constraints! No excuses now!

Travel: This is the best part about retiring. You can travel leisurely and enjoy the experiences without worrying about what's going on in the workplace in your absence. There are travel itineraries designed for retired people because they are the ones that have the time and inclination to really enjoy trips.

Volunteer: There are countless opportunities to donate your time. Volunteering at hospitals, nature camps, schools, libraries, community centres, welfare projects, etc. can enrich your life and give you a sense of being useful to others. Use your rich life experiences meaningfully in improving and aiding the lives of others.

Do a part-time job: If you've been a professional player in the corporate world, become an advisor or consultant; if you're a sportsman, become a coach; a medical person, can do part-time consultancy, teach or become a visiting specialist; a teacher never really retires!

Start a business: If you've always wanted to be your own boss, now is the time to start your own business. There's a lot you can do according to your specialty and talents. Start on a small to moderate scale. Use all the contacts you've built over the years and see your venture grow.

17. Summary

- Start now, set financial goals.
- Find out about your terminal benefits (Provident Fund, Gratuity, Proceeds of Insurance policy (if any), ex-gratia payment, etc.)
- Prepare an investment plan and monitor your progress.
- Invest for income and try to allow for your income to rise with inflation.
- Provide enough annual income to pay your bills, while preserving a rainy-day fund adequate to handle unusual or unexpected items.
- Adjust your living standards if your after-tax income will not be able to meet your expenses.
- Plan how to manage all your financial resources together.
- Consider your home and other fixed assets as possible sources of income to meet your living needs.
- Stay informed about tax issues affecting retirees.
- Consider how to cope with risks such as longevity, inflation, and lifestyle changes using available insurance and investment products.
- Keep track of how your investments are doing, your changing needs for income, how financial markets and products are changing, and how income might help you achieve your goals.

18. References

1. www.sebi.gov.in
2. www.rbi.org.in
3. www.amfiindia.com
4. www.mcx-sx.com
5. www.ftkmc.com
6. www.fmc.gov.in
7. www.fimmda.org.in
8. www.fedai.org.in
9. www.federalreserve.gov
10. www.nseindia.com
11. www.bseindia.com



Securities and Exchange Board of India

For future financial education programs on any of the following modules;

1. School Children
2. College Students
3. Middle Income groups
4. Executives
5. Retirement Planning
6. Home Makers
7. Self Help groups

OR

Any of the following topics on securities markets namely;

1. How to read an offer document
2. How to invest in the primary market through stock exchanges.
3. How to trade in securities/guide to investors.
4. D-mat account and depositories.
5. Mutual funds-do's and Dont's
6. Collective investment schemes- Do's and dont's
7. Buy back of shares, delisting of securities,
8. Takeover regulations
9. Investor grievances-how to resolve it

Please write to SEBI at: feprogram@sebi.gov.in

Or

DEPUTY GENERAL MANAGER

Investor Awareness Division

Securities and Exchange Board of India

SEBI BHAVAN

Plot No - C4-A, G - Block

Bandra Kurla Complex Bandra (East)

Mumbai 400051

Tel: +91 022 26449142

Contact details of SEBI offices in India

**HEAD OFFICE
SEBI BHAVAN**

Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Tel: +91-22-26449000 / 40459000 / 9114 / Fax: +91-22-26449016-20 / 40459016-20
E-mail: sebi@sebi.gov.in
(Maharashtra, Madhya Pradesh, Chhatisgarh, Goa, Diu, Daman and Dadra and Nagar Haveli)

<p>Northern Regional Office 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. Tel: +91-11-23724001-05 / Fax: +91-11-23724006. E-mail : sebinro@sebi.gov.in (Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Uttar Pradesh, Chandigarh, Uttarakhand and Delhi.)</p>	<p>Southern Regional Office D' Monte Building, 3rd Floor, 32 D' Monte Colony, TTK Road, Alwarpet, Chennai: 600018. Tel : +91-44-24674000/24674150 Fax: +91-044-24674001 E-mail : sebisro@sebi.gov.in (Andhra Pradesh, Karnataka, Kerala, Tamilnadu, Pondicherry and Lakshwadeep and Minicoy Islands)</p>
<p>Eastern Regional Office L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata - 700 017 Tel : +91-33-23023000 / Fax: +91-33-22874307. E-mail : sebiero@sebi.gov.in (Assam, Bihar, Manipur, Meghalaya, Nagaland, Orissa, West Bengal, Arunachal Pradesh, Mizoram, Tripura, Sikkim, Jharkhand and Andaman and Nicobar Islands)</p>	<p>Ahmedabad Regional Office Unit No: 002, Ground Floor SAKAR - 1, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad - 380 009 Tel : +91 079-26583633-35 / Fax: +91 079-26583632 E-mail : sebiaro@sebi.gov.in (Gujarat and Rajasthan)</p>

SECURITIES AND EXCHANGE BOARD OF INDIA

PUBLISHED IN JULY 2010

