

INVESTING THROUGH FUNDS COULD GIVE YOU A BETTER RETURN THAN WHAT THE LEADING BENCHMARK RETURNS OVER THE LONG RUN

FUND CATEGORY/INDEX	5-YEAR RETURN	10-YEAR RETURN
Small cap	29.4%	14.7%*
Midcap	24.6%	14.7%*
Tax Planning	19.9%	11.4%
Large cap	16.4%	10.1%
Sensex	13.6%	7.9%
Nifty	14%	8.6%

*Combined return of Small & Midcap categories; All returns are annualized

Sources:
Valueresearchonline.com,
Morningstar India,
BSE, NSE



DEMYSTIFIER

WHAT IS A SHELL COMPANY?

Lately the government's investigation agencies have been active in pursuing a large number of shell companies which are alleged to have used the money from their promoters and never bothered to pay back. This is believed to have been done to enrich the promoters only who in turn defaulted on their loans from banks, leaving the banks to pile up non-performing assets (NPAs). Shell companies are structures, usually wholly-

owned subsidiaries of the promoter company, floated with some specific purpose. Often shell companies are formed to raise funds before starting a new business, to takeover another company or even with some fraudulent motive. At times these companies are set up to hide the identity of the people behind it, for whatever reason. Government agencies are trying to track down those shell companies which were used for diverting funds from the main companies which took loans from banks but never paid back.

