

Lock into attractive offers in non-bank deposits

SAVE SMART. Most SFBs provide returns upto 8.25% in the 3-5-year tenure, but some top-rated NBFCs give more



Parvatha Vardhini C
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In the week gone by, the RBI once again paused rates in its monetary policy meeting. The central bank is still adopting a stance of 'withdrawal of accommodation' mainly due to inflation being above its desired target of 4 per cent, driven up by food inflation in recent months. While this indicates that rate cuts are a bit further away, it may be not be wrong to assume market interest rates have peaked, with the repo rate staying put at 6.5 per cent since February 2023.

Of course, no one can predict shocks which may alter the rate trajectory. But for now, it is prudent for investors with a lower risk appetite to lock into current rates across tenures through fixed deposits (FDs).

In response to the rate hike cycle which began in May 2022, interest on FDs has shown an uptick. Data from RBI indicates that FD rates of five major banks, for instance, have moved up to a range of 6-7 per cent across tenures in 2023-24, from 4.9-5.5 per cent in 2020-21.

Outside of these, many public and private bank FDs are offering rates over 7 per cent currently. Some Small Finance Banks (SFBs) such as Equitas, Fincare and Suryoday score even better, with upwards of 8 per cent interest on FDs in some tenures.

Top-rated NBFCs too give over 8 per cent returns in select pockets.

Investors who already have exposure to SFB FDs can consider locking into FDs of top-rated NBFCs for diversification purposes. Keep in mind that locking into a shorter tenure when rates are at a peak pegs up the reinvestment risk. This means that when the FD matures, you could be faced with lower rates if you want to re-invest in FDs. While no one can predict the length of a rate cycle, a better strategy could be to go for longer tenures at this juncture.

Here are a few NBFC FDs from stable and established players in the industry that you could sign up for. All our suggestions are for the cumulative option.

AAA RATED CHOICES

Bajaj Finance's special tenure deposit of 42 months, which offers 8.6 per cent interest, is a hands-down choice for investors looking for high rates, without taking much risk. This rate is the highest for any tenure across AAA rated NBFCs such as Bajaj, Mahindra, Sundaram, Sundaram Home, and LIC Housing Finance. In comparison, Bajaj's own 44-month FD - which is just two months higher - offers a lower 8.35 per cent and its regular 48-month ie 4-year FD earns only 8.05 per cent. Moreover, for the same 42-month period, AA+ rated Shriram Finance fetches

KEY TAKEAWAYS

- Use top-rated NBFC deposits for diversification
- On-boarding easier than most SFBs
- Go for longer tenures to avoid reinvestment risk

only 8.23 per cent. Hence, investors with investment horizon of 3-4 years, but without a strict timeline in mind can invest in the 42-month deposit, the 'Bajaj Finance Digital FD'.

However, if you do have a strict horizon linked to any financial goals which may be coming up, both Bajaj and Mahindra Finance offer 8.05 per cent for 36/48/60-month deposits.

AA+ RATED CHOICES

Shriram offers 8.27 per cent on its special tenure 50-month 'Jubilee Deposits'. These deposits were launched last year to commemorate the company's 50th anniversary. There are no comparable tenures among other NBFCs discussed in this article, and hence you could consider parking some portion of your surplus here if the horizon suits you.

For other tenures, Shriram Finance rightly offers higher rates than Bajaj or Mahindra Finance in return for higher risk it entails due to its lower credit rat-

ing. Shriram's 30-month deposits fetch 8 per cent returns, higher than 30-month FDs of AAA NBFCs - Bajaj and Mahindra Finance.

Similarly, on regular tenures of 36 and 60 months, Shriram's rates stand at 8.18 and 8.27 per cent respectively, compared to the 8.05 per cent from AAA NBFCs. Note that Shriram offers an additional 0.10 per cent for women depositors and doesn't have a 48-month deposit.

WHERE THESE NBFCs SCORE

With most SFBs offering only upto 8.25 per cent in the 3-5-year tenure, some of the NBFCs deposits discussed above stand out as better options in this time frame, for slightly higher risk than banks. Another advantage of investing in FDs from Bajaj, Mahindra and Shriram Finance is that these NBFCs provide end-to-end online processing for FDs.

On the other hand, it can be a bit of a hassle with SFBs, where branches are not as widespread. Suryoday, for instance, offers good rates but online investing is not possible. With Equitas, only one FD per customer is allowed through the digital channel with a cap of ₹1 lakh. While the deposit is done on Aadhaar based e-KYC, the depositor needs to go to the branch within 12 months of opening the account with KYC documents for mandatory personal verification.

Gleaming over time

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The Sovereign Gold Bonds (SGBs) issued on February 8, 2016 (SGB 2016-I) matured on February 8, 2024, and the premature redemption window for another series - the SGB 2016-17 Series I issued on August 5, 2016 - was opened by the Reserve Bank of India (RBI) on February 5, 2024.

Both series offered the same price of ₹6,271 per unit for redemption. The issue price of SGB 2016-I and SGB 2016-17 Series-I was ₹2,600 and ₹3,119, respectively.

The former yielded a return of 15.4 per cent on maturity after eight years, while the latter returned 13.5 per cent for premature redemption, calculated using the XIRR method, including the interest received.

SUPERIOR RETURNS

In terms of returns, both SGB series outperformed other gold avenues during the comparison period. SGB 2016-I achieved a return of 15.4 per cent between February 8, 2016, and February 8, 2024.

It surpassed the 9.8 per cent returns of gold ETF (represented by

BOND WATCH.

Sovereign Gold Bonds 2016-I tranche delivers attractive returns on maturity

Nippon Gold BeES, which has the highest AUM) and MCX gold futures (10.3 per cent returns). However, the Nifty Total Returns index appreciated by a slightly higher 16 per cent during this period.

Similarly, SGB 2016-17 Series-I yielded 13.5 per cent return between August 5, 2016, and February 5, 2024, while gold ETF and MCX gold futures returned 8.3 per cent and 9.7 per cent, respectively. The Nifty Total Returns index gained 14.4 per cent. SGB 2016-17 Series-I is set to mature on August 5, 2024.

It's important to note that all the mentioned returns are pre-tax.

GOOD DIVERSIFIER

SGBs, with double-digit returns,

serve as an effective hedge against inflation. Besides, the returns have been competitive, going by the two tranches that have matured so far. There have been periods of gold price dips - particularly noticeable between July 2020 and March 2021 - where MCX gold futures decreased about 17 per cent before recovering in subsequent years.

But over the long term, gold can serve as a valuable diversifier due to its low correlation to other asset classes. So, investors can allocate 5-10 per cent to gold in their portfolios.

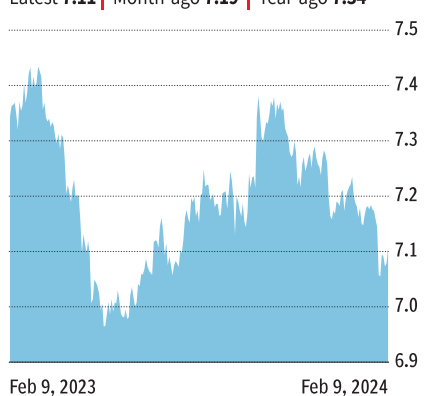
SGBs, being low-risk and tax-efficient, provide additional benefits such as safety, exemption from capital gains on redemption and maturity, and interest income,

which augment the total returns. They can also be held in demat form. Interest income on SGBs, though, is taxable at slab rates. Assuming 30 per cent tax on interest, the overall return on SGB 2016-I drops to 14.8 per cent from 15.4 per cent.

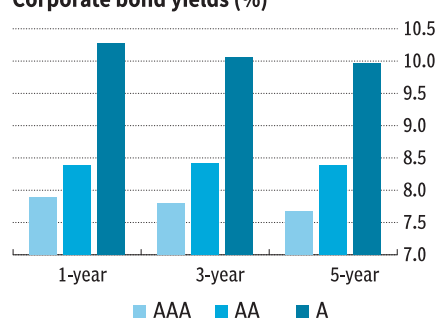
However, investors should know the five-year lock-in period, even though the bonds' tenor is eight years. Exiting outside the RBI redemption window may not be easy due to the illiquidity of the secondary SGB market, making them less ideal for short-term investors. Nonetheless, the government-backed security, along with tax benefits and the convenience of demat holding make SGBs an attractive investment option.

Bond yields

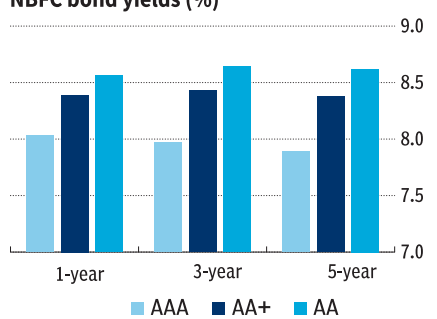
10-year benchmark G-Sec yield (%)
Latest 7.11 | Month-ago 7.19 | Year-ago 7.34



Corporate bond yields (%)



NBFC bond yields (%)



Yields on government securities of different maturities (%)



Source: Bloomberg (FIMMMDA data), RBI Note: All data as on February 9, 2024 or latest available

Bank FD interest rates (%)

Bank	<1 year	1 to 2 years	2 to 3 years	3 to 5 years	w.e.f
FOREIGN BANKS					
DBS Bank	6	7.5	7	6.5	Dec 11
Deutsche Bank	7	8	8	7.5	Jan 03
HSBC	4.5	6.25	7.25	7	Sep 07
Scotia Bank	3.7	3.9	4	4	Jan 01
Standard Chartered	6.5	7.5	7.5	7.1	Feb 01
INDIAN: PUBLIC SECTOR BANKS					
Bank of Maharashtra	7	6.75	6.25	6	Feb 09
Bank of Baroda	7.1	7.15	7.25	6.5	Jan 15
Bank of India	5.75	7.25	6.75	6.5	Nov 01
Canara Bank	6.25	7.25	6.85	6.8	Nov 16
Central Bank of India	6.25	7.1	7	6.5	Jan 10
Indian Bank	7.05	7.25	6.7	6.25	Mar 04
Indian Overseas Bank	5.75	7.1	6.8	6.5	Jan 15
Punjab National Bank	7.05	7.25	7	6.5	Feb 01
Punjab & Sind Bank	7.15	7.4	6.3	6	Feb 01
State Bank of India	6	7.1	7	6.75	Dec 27
UCO Bank	5.5	6.5	6.3	6.2	Oct 01
Union Bank	5.75	7.25	6.5	6.5	Jan 19
INDIAN: PRIVATE SECTOR BANKS					
Axis Bank	6	7.2	7.1	7.1	Feb 05
Bandhan Bank	4.5	7.85	7.25	7.25	NA
Catholic Syrian	7.25	7.75	7.1	5.75	Dec 01
City Union Bank	6.5	7	6.5	6.25	Apr 05
DCB Bank	7.25	7.85	8	7.9	Dec 13
Dhanlaxmi Bank	6.5	7.25	6.5	6.6	Feb 01
Federal Bank	6	7.5	7.05	7	Feb 06
HDFC Bank	6	7.25	7.15	7.2	Feb 09
ICICI Bank	6	7.1	7.1	7	Oct 16
IDBI Bank	6.25	7.25	7	6.5	Jan 17
IDFC First Bank	5.75	7.75	7.25	7	Nov 02
IndusInd Bank	6.35	7.5	7.25	7.25	Dec 01
J & K Bank	6	7.1	7	6.5	Jan 11
Karnataka Bank	6.5	7.4	6.5	6.5	Feb 01
Kotak Bank	7	7.25	7.15	7	Jan 04
Karur Vysya Bank	7.4	7.5	7	7	Feb 01
RBL Bank	6.05	8	7.5	7.1	Nov 24
South Indian Bank	6	7.4	7	6.6	Dec 20
Tamilnad Mercantile Bank	7.25	7	6.75	6.5	Aug 14
TNSC Bank	6.5	7.5	6.75	6.5	NA
Yes Bank	6.35	7.75	7.25	7.25	Nov 21
SMALL FINANCE BANKS					
AU Small Finance Bank	6.75	8	7.5	7.5	Jan 24
Equitas Small Finance Bank	6.25	8.5	8.25	7.5	Aug 21
Fincare Small Finance Bank	7	8.21	8.61	8.25	Oct 28
Jana Small Finance Bank	8	8.5	7.25	7.25	Jan 02
Suryoday Small Fin Bank	6	8.5	8.65	8.25	22-Dec
Ujivan Small Finance Bank	6.5	8.25	7.75	7.2	1-Jun

*Data as on respective banks' website on 09 Feb 2024; For each year range, the maximum offered interest rate is considered; interest rate is for a normal fixed deposit amount below ₹1 crore. Compiled by BankBazaar.com

ALERTS.

ICICI Pru launches Gold Pension Savings Plan



ICICI Prudential Life Insurance has announced ICICI Pru Gold Pension Savings plan. Customers can withdraw up to 25 per cent of contributions after three years. Besides, the annual bonus, as and when declared, has potential to further bolster the corpus, consequently the annuity. On maturity, the plan allows one to withdraw up to 60 per cent of accumulated savings and get guaranteed regular life-long pension from balance amount.

Multicap fund from Ageas Federal Life Insurance

Ageas Federal Life Insurance announced the launch of its latest offering, the Multicap Fund, as part of its ULIP (Unit Linked Insurance Plan) portfolio, on February 5. This open-ended fund is designed to deliver returns by strategically investing in a diversified portfolio of listed companies across market caps. The multi-cap fund will be incorporated into Platinum Wealth Builder, Smart Growth Plan and Wealthurance SP II.

'Assured Wealth Gold Platinum' plan unveiled



Bajaj Allianz Life Insurance has announced the launch of Bajaj Allianz Life Assured Wealth Goal Platinum. It offers early guaranteed payouts starting at beginning of second policy year. Besides primary assurance of life cover, this non-linked, non-participating individual life insurance and savings plan offers customers the option to utilise early guaranteed income payouts for immediate goals or accumulate the income and take a lumpsum at maturity of policy or for adjusting/offsetting renewal premiums.

Health insurance premium tracker

For a 30-year-old male, non-smoker, sum insured of ₹10 lakh living in a metro city

Insurer	Plan name	Key features	Premium (₹)
Niva Bupa	Health ReAssure 2.0 platinum	Unlimited restoration of cover; No room rent limit; Carry forward unutilised sum insured up to 5x	11,694
Care	Care supreme	7x sum insured in 5 years; Unlimited restoration of cover; Wellness benefit up to 30%	11,149
Star Health	Star Comprehensive	Comprehensive plan; Mid-term inclusion of wife and child; Unlimited restoration of cover	11,476
Aditya Birla	Activ Health Platinum Enhanced	No room rent limit; Up to 100% discount on renewal; Premium waiver for critical illness	11,212
Bajaj Allianz General	Individual Health Guard - Gold	No room rent limit; No claim bonus; OPD up to ₹10,000 optional	12,212
Manipal Cigna	Prime - Advantage	OPD cover up to ₹30,000; Unlimited restoration of cover; Unique switch off benefit	12,513
TATA AIG	Medicare Premier	Global coverage along with OPD and dental; Coverage for consumables	13,663
HDFC Ergo	Optima Secure	2X coverage from Day 1; Sum insured doubles after 2 years; Zero deductions on non-medical	15,132
Reliance General	Health Infinity (more time)	1 additional month coverage additional ₹3 lakh sum insured; Global coverage	9,816

Premium is calculated on the basis of age of insured member, location, Plan type and Sum insured. Health insurance covers medical expenses that arise due to an illness and benefits will be payable subject to the terms and conditions and exclusions of the Policy. Source: www.policybazaar.com

HARIOM HARIOM PIPE INDUSTRIES LIMITED CIN:L27100TG2007PLC054564 Registered Address: 3-4-174/12/2, Samarpur, 1 st Floor, Lane beside Spencer's, Pillar No. 125, Attapur, Hyderabad-500048, Telangana, India. Website: www.harionpipes.com; Email: cs@harionpipes.com; Phone: 040-24016101 EXTRACT OF UN-AUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023.							
Sr. No	Particulars	Quarter Ended			Nine Months Ended		
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Total Income	28,199.32	30,309.63	12,295.80	82,631.60	39,283.45	64,446.03
2.	EBITDA	3,459.43	3,678.06	1,857.59	10,060.43	5,114.85	8,263.15
3.	Net Profit/ (Loss) before tax	1,379.62	2,022.75	1,405.38	5,377.03	3,926.51	6,282.66
4.	Net Profit/ (Loss) after tax	981.28	1,477.62	1,014.96	4,003.02	2,895.77	4,620.80
5.	Total Comprehensive Income for the period	983.99	1,480.33	1,013.50	4,011.14	2,891.40	4,631.63
6.	Equity Share Capital	2,761.84	2,761.84	2,547.62	2,761.84	2,547.62	2,761.56
7.	Other Equity	—	—	—	41,952.79	22,963.21	34,755.10
8.	Earnings per share (face value of Rs10/- each) (for continuing and discontinuing operations) Basic (Rs.) Diluted (Rs.)	3.55 3.17	5.35 4.77	3.98 3.98	15.86 12.92	11.47 11.47	18.30 18.29

Note:
1. EPS is not annualized for the quarter and nine month ended December 31, 2023, December 31, 2022 and quarter ended September 30, 2023.
2. The above is an extract of the detailed format of results filed with Stock Exchanges under Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of un-audited financial results is available on the website of the Stock Exchanges i.e. www.bseindia.com/www.nseindia.com and on the website of the Company www.harionpipes.com.

Place: Hyderabad Date: February 09, 2024 For and on behalf of Board of Directors
Hariom Pipe Industries Limited
 Sd/-
Rupesh Kumar Gupta
 Managing Director
 DIN: 00540787

