

Why active mutual funds do not beat the index



NO FREE LUNCH

AVINASH LUTHRIA

Indian active mutual funds (MFs), on an average, underperform the index. The S&P Indices Versus Active Funds (SPIVA) India report, the only robust analysis of Indian active MFs’ performance, has shown this conclusively. For example, it includes funds that have disappeared because they performed badly and hence were merged into better-performing funds. To clarify, a minority of active MFs do outperform the index. But that would happen even if all active MFs were run by the random number generator function of a spreadsheet programme. This is an extremely simplified explanation for why active MFs are, on an average, unable to beat the index even though there are many amateur investors in the stock market.

Nobel prize-winning economist William Sharpe has brilliantly explained the simple arithmetic that before fees the average active investor’s return will exactly match the return of the index. And net of fees (or costs), the average active investor’s return will be less than the return of the index (let’s call this insight A).

Let’s now apply this to India. Active investors include promoters (i.e., founders) of companies, professional investors (including active MFs) and amateur investors. Note that active investor and active MF are different terms. And one can think of the index as roughly equal to the Nifty 500 index.

The return of each of these three sets of investors is directly proportional to the amount of inside information each of them has. There are laws against the misuse of inside information. For exam-

ple, promoters of companies are not allowed to sell or buy shares of the company a few weeks before the company announces its financial results. But some promoters might sell shares based on inside information that the company is going to report poor financial results six months later. It is almost impossible for the government to prove that the promoter did something illegal. The same applies to promoters buying shares.

The amount of inside information possessed by, and hence the average return of each of these three sets of investors, in descending order is promoters, professional investors and amateur investors. The average return of promoters is more than the average active investor’s return. And the average return of professional investors is roughly equal to the average active investor’s return (let’s call this insight B). And the average return of amateur investors is less than the average active investor’s return.

Combining insights A and B, we can conclude that, net of fees, the average return of professional investors (including active MFs) is roughly less than the return of the index. It is fair to assume that the average return of active MFs is similar to that of other professional investors. Hence, net of fees, the average return of active MFs is roughly less than the return of the index.

So, there are two reasons why clients should avoid active MFs. First, the average return of active MFs is less than that of the index. Further, there is a wide variation in the returns of

different active MFs. Hence some clients will earn even lower returns than the average return of active MFs. For example, if a client’s annual return is 1 per cent less than that of the average active MF, then over 30 years her investment will be worth 26 per cent less than that of the average client who invested in active MFs. Hence clients should instead use low-fee passive index funds such as the Nifty 50 index fund (whose fee is even lower than that of the Nifty 500 index fund).

The writer is an hourly fee financial planner and a SEBI RIA at Fiduciaries.in. He was a private-equity investor for 12 years

ACTIVE MUTUAL FUNDS ON AVERAGE (AND NET OF FEES) UNDERPERFORM THE INDEX BECAUSE THEY HAVE LESS INSIDE INFORMATION THAN PROMOTERS OF COMPANIES

Multi-individual travel plans are costlier but offer better coverage

Buy this type of plan instead of a floater cover when heading to a developed country

BINDISHA SARANG

If you plan to head to a foreign destination during the winter holidays, make sure you buy adequate travel insurance. This will ensure your family is protected against a range of emergencies and mishaps. Two types of travel covers are available for families nowadays: multi-individual covers and family-floater covers.

“A family travel insurance must be taken for international travel as it can provide coverage against financial losses that might arise due to unforeseen events,” says Parthanal Ghosh, president, retail business, HDFC ERGO General Insurance.

This policy provides coverage for medical expenses under emergency situations such as hospitalisation, dental issues, medical evacuation, body repatriation, etc. It provides journey-related coverages such as flight delay, personal liability, and emergency financial assistance. It also provides baggage-related coverage such as loss of checked-in baggage and personal documents like passport. “All these coverages are provided under one policy,” says Ghosh.

Floater versus individual sum insured

A family floater plan covers all family members under a single policy. The single sum insured ‘floats’ among all the family members. In other words, one family member can avail of the entire sum insured. A multi-individual policy also covers multiple family members but here there is an individual sum insured for each of them.

“In a floater plan, a \$100,000 sum assured can be used up by one person, or it can



PREMIUM DEPENDS ON DESTINATION, TRIP DURATION, AND AGE

Premiums (in ₹) are for a sum insured of \$100,000

Category	Insurer	United Arab Emirates, 15-day trip			Switzerland, 15-day trip			US, 30-day trip		
		2A	2A1C	2A2C	2A	2A1C	2A2C	2A	2A1C	2A2C
Multi-member family cover	Care	1,197	1,701	2,142	1,430	2,033	2,560	5,127	6,526	7,739
	Tata	2,271	3,227	4,063	2,271	3,227	4,063	5,518	7,425	9,088
	Niva	1,574	2,361	3,148	1,566	2,350	3,133	4,711	6,327	7,943
Family-floater cover	Reliance	1,382	1,628	1,876	-	-	-	3,419	4,030	4,642
	Bajaj	1,994	1,994	-	-	-	-	-	-	-

A stands for adult, C for child. In the case of travellers to the UAE and Switzerland, adults are aged 29 and 30. In the case of one child, it is aged 1 year. In the case of two children, they are aged 1 and 3. In the case of travellers to the US, the adults are aged 56 and 57. In the case of one child, it is aged 17. In the case of two children, they are aged 15 and 17.

Source: PolicyBazaar

be divided among all the members, depending on need. A multi-individual plan, on the other hand, allocates a specific sum insured to each member. For instance, each individual could be covered for \$100,000,” says Manas Kapoor, product head-travel insurance, PolicyBazaar.

Cost-effective option

Most family floater policies cover up to two adults and two children. “The entire family gets covered by a single policy and there is a discount on the premium,” says Debashish Roy, head-point of sale business, Anand Rathni Insurance Brokers.

The coverage can, however, prove inadequate at times. “In

nise the family-floater policy,” says Ramalingam.

Comprehensive coverage

Multi-individual plans cost a little more than floater plans but provide higher coverage. Such policies are ideal for families with young children and senior citizens. Medical expenses tend to be higher in developed countries. “If you are heading to a Western country, always opt for the family individual sum insured cover rather than the family floater as medical expenses tend to be higher in them,” says Ramalingam.

One needs to be careful when travelling to a Schengen country. “Due to the minimum health insurance requirement of 30,000 euros and visa applications for multiple family members, Schengen member states do not recog-

Points to remember

Your travel cover requirements will vary depending on the part

KERALA WATER AUTHORITY e-Tender Notice
Tender No. : 24/2022-23/PHC/KNR
KIIFB-2016-17- Improvements to Cheruvathur-Cheemeni IT park-Palavayal-Bheemanadi - Mukkada road-Relaying of distribution system of WSS to West eleri in Kasaragod district-Pipeline work. **EMD:** Rs. 1,00,000/- **Tender fee:** Rs. 9759/- **Last Date for submitting Tender:** 01-12-2022 02:00 pm. **Phone:** 04972705902. **Website:** www.kwa.kerala.gov.in, www.etenders.kerala.gov.in
KWA-JB-GL-6-1082-2022-23
Superintending Engineer
PH Circle, Kannur

The Singareni Collieries Company Limited
(A Government Company)
Regd. Office: KOTHAGUDEM- 507101, Telangana.
E-PROCUREMENT TENDER NOTICE
Tenders have been published for the following Services / Material Procurement through e-procurement platform. For details, please visit https://tender.telangana.gov.in or https://www.sccilimes.com
NIT/Enquiry No.- Description / Subject - Last date and time for Submission of bids (SCL (KGM, RGM & BPA) - 02.12.2022-17:00 Hrs.
E0522020247- Procurement of Portable Ash & GCV probe for three regions of SCL (KGM, RGM & BPA) - 02.12.2022-17:00 Hrs.
E022202017- Procurement of Tooth points, adapters & locks for HEMM Buckets under Rate Contract for a period of 2 years - 02.12.2022-17:00 Hrs.
E102202024- Procurement of PVC DWA CABLES 6.8KV - 06.12.2022-17:00 Hrs.
General Manager (Material Procurement)
NIT/Enquiry No.- Description / Subject / Estimated Contract Value - Last date and time
CW/KGM/6-44/2022-23, Dt.15.11.2022- M & R works for Section No.4K/42 area, i.e., NC type Quarters at Ganeshpuram area, Kothagudem Corporate, Bhadrachal Kothagudem District, Telangana State ("Invited under e-marketed works - SCL registered contractors belonging to SC Community only are eligible to participate") - Rs. 34,43,612/- 01.12.2022- 4:00 P.M
CW/KGM/6-44/2022-23, Dt.15.11.2022- Construction of Kitchen Hall with Store rooms at Yellandu Guest House, Bunglows area, Kothagudem Corporate, Bhadrachal Kothagudem District, Telangana State ("Invited under e-marketed works - SCL registered contractors belonging to SC Community only are eligible to participate") - Rs. 34,43,612/- 01.12.2022- 4:00 P.M
CW/KGM/6-47/2022-23, Dt.17.11.2022- Replacement of damaged Doors/Window frames and shutters to NC and NB type quarters and PVC doors to NC type quarters at Ganeshpuram area, Kothagudem Corporate, Bhadrachal Kothagudem District, Telangana State- Rs. 48,36,130/- 06.12.2022- 4:00 P.M
PR-2022-23/MP/CL/57
DIPR R.O. No. : 954-PP/CL-AGENCY/ADVT/1/2022-23
General Manager (Civil)

SHREE VASU LOGISTICS LIMITED
[CIN: L51100NP12007PLC0210232]
Regd. Office: Logistics Park, Oppo. Jaika Automobiles, Ring Road No. 1, Raipur- 492001, C.G. Phone: 7000877525, E-mail Id: cs@logisticpark.biz, Website: www.shreevasulogistics.com
INFORMATION REGARDING POSTAL BALLOT AND E-VOTING
Members may please note that pursuant to Section 108 and Section 110 of the Companies Act, 2013 ("Companies Act"), read with the Companies (Management and Administration) Rules, 2014 as amended ("Rules") and Secretarial Standard-2 issued by the Institute of Company Secretaries of India ("SS-2") read with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, and 20/2021 dated 8th December, 2021 and 3/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs ("MCA/Circulars"), and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 ("SEBI Circular") and other applicable provisions of the Companies Act, Rules, Circulars and Notifications issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time), the Resolution(s) as set out in this Notice are proposed for seeking approval of members of the Company by way of Postal Ballot only through electronic voting ("Remote e-voting").
In compliance above-mentioned MCA and SEBI Circulars, the Company shall send Postal Ballot Notice along with Explanatory Statement to the members of the Company in due course only through electronic mode and the same will also be available on the Company's website www.shreevasulogistics.com, website of the Stock Exchange i.e. NSE Limited at www.nseindia.com.
Manner of casting vote(s) through e-voting:
The Company is providing remote e-voting facility ("remote e-voting") to all its members to cast their votes on all resolutions as set out in the Notice of Postal Ballot. Detailed procedure for remote e-voting is provided in the Notice of Postal Ballot. Members as on the Cut-off date i.e Saturday, November 19th, 2022, will be considered for sending Notice of Postal Ballot and remote e-voting purpose.
Instructions for registering / updating mobile no. & email address:
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
Members are requested to carefully read the Notice of Postal Ballot and in particular, instructions for the manner of casting vote through remote e-voting.
For Shree Vasu Logistics Limited
Sd/-
Surabhi Deshmukh,
Company Secretary & Compliance Officer
Place : Raipur
Date : 21.11.2022

POST OFFER ADVERTISEMENT TO THE EQUITY SHAREHOLDERS OF
KEERTI KNOWLEDGE AND SKILLS LIMITED
(CIN: L72200MH1999PLC119661)
("KKSL" or "Keerti" / "TARGET COMPANY"/ "TC")
Registered Office: 26/202, Upper Floor, Anand Nagar, Vakola Bridge, Nehru Road, Santacruz East, Mumbai-400055
Phone No. +91-22- 26550480/ 26552016 | Email: cs@keerti.org | **Website:** www.keerti.org

Open offer for acquisition up to 26,49,166 Equity Shares of ₹10/- each representing 26.00% of the total equity and voting share capital of the Target Company by M/S. G-TEC EDUCATION PRIVATE LIMITED (Acquirer-1) and MR. ROYCHAND CHENRAJ (Acquirer-2)(hereinafter referred to as "the Acquirers").
This Post Offer Advertisement is being issued by Navigant Corporate Advisors Limited, The Manager to the offer, on behalf of the Acquirers, in connection with the offer made by the Acquirers in compliance with regulation 18 (12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and subsequent amendments thereto ("SEBI(SAST) Regulation, 2011").
The Detailed public statement ("DPS") pursuant to the Public Announcement ("PA") made by the Acquirers has appeared in Business Standard - English Daily (all editions); Business Standard - Hindi Daily (all editions) and Pratibha - Marathi Daily (Mumbai edition) on 29th August, 2022.
1. Name of the Target Company : Keerti Knowledge and Skills Limited
2. Name of the Acquirers : M/S. G-TEC EDUCATION PRIVATE LIMITED and MR. ROYCHAND CHENRAJ
3. Name of the Manager to the offer : Navigant Corporate Advisors Limited
4. Name of the Registrar to the offer : Link Intime India Private Limited
5. Offer details
a) Date of Opening of the Offer : Monday, 31.10.2022
b) Date of the Closing of the offer : Monday, 14.11.2022
6. Date of Payment of Consideration : 18.11.2022
7. Details of the Acquisition

Sr. No.	Particulars	Proposed in the Offer Document	Actual
7.1.	Offer Price	₹ 22/- per Equity Share	₹ 22/- per Equity Share
7.2.	Aggregate number of Shares tendered	26,49,166	500
7.3.	Aggregate number of Shares accepted	26,49,166	500
7.4.	Size of the offer (Numbers of shares multiplied by Offer price per share)	₹ 5,82,81,652	₹ 11,000
7.5.	Shareholding of the Acquirers before Share Purchase Agreement (SPA) and Public Announcement (No. & %)	Nil (Nil)	Nil (Nil)
7.6.	Shares Acquired by way of Share Purchase Agreement (SPA)	40,75,640 (40.00%)	40,75,640 (40.00%)
7.7.	Shares Acquired by way of Open offer	26,49,166 (26.00%)	500 (0.00%)
7.8.	Shares Acquired after detailed Public Statement	Not Applicable	Not Applicable
7.9.	Post offer Shareholding of Acquirers	67,24,806 (66.00%)	40,76,140 (40.00%)
7.10.	Pre and Post Offer Shareholding of Public Shareholders	Pre Offer 40,63,808 (39.88%) Post Offer 14,14,642 (13.88%)	Pre Offer 40,63,808 (39.88%) Post offer 40,63,308 (39.88%)

8. The Acquirers accepts full responsibility for the information contained in this Post Offer Advertisement and also for the fulfillment of his obligations as laid down by SEBI (SAST) Regulations, 2011.
9. A copy of this Post Offer Advertisement will be available on the websites of SEBI, National Stock Exchange of India Limited and Target Company.
10. Capitalized terms used in this advertisement and not define herein, shall have same meaning assigned to them in the Letter of Offer dated 12.10.2022.

ISSUED BY MANAGER TO THE OFFER FOR AND ON BEHALF OF THE ACQUIRERS
M/S. G-TEC EDUCATION PRIVATE LIMITED AND MR. ROYCHAND CHENRAJ

NAVIGANT CORPORATE ADVISORS LIMITED
423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri (East), Mumbai-400-059. | **Tel No.** +91 22 4120 4837 / 4973 5078
Email id: navigant@navigantcorp.com | **Website:** www.navigantcorp.com
SEBI Registration No: INM000012243
Contact person: Mr. Sarthak Vijlani

Place: Mumbai
Date: November 19, 2022

Raka

POST OFFER ADVERTISEMENT UNDER REGULATION 18 (12) IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF
ASIT C MEHTA FINANCIAL SERVICES LIMITED
CIN: L65900MH1984PLC031326
Registered Office: Nucleus House Saki-Vihar Rd., Andheri (E), Mumbai-400072
Tel. No. 022-28583333; Website: www.acmfsl.com

Open offer for acquisition of up to 12,58,674 ("Equity Share"), representing 25.41% (Twenty Five Point Forty One Percent Only) of the Share Capital (as defined below) of Asit C Mehta Financial Services Limited ("Target Company"), from the Public Shareholders (as defined below) of the Target Company by CitiTrade Stock Brokers Private Limited ("Acquirer") ("Open Offer").
This post offer advertisement ("Advertisement") is being issued by Choice Capital Advisors Private Limited ("Manager to the Offer"), on behalf of the Acquirer pursuant to and in accordance with regulation 18(12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") in respect of the Open Offer.
This Advertisement should be read in continuation of, and in conjunction with: (a) the Public Announcement dated August 10, 2022 ("PA"); (b) the Detailed Public Statement that was published in all editions of 'Business Standard' (English) and 'Business Standard' (Hindi), Mumbai edition of 'Lakshadweep' (Marathi) on August 19, 2022 ("DPS"); (c) the Draft Letter of Offer dated August 25, 2022 ("DLOF"); and (d) the Letter of Offer dated September 28, 2022 ("LOF").
Capitalized terms used but not defined in this Advertisement shall have the meanings assigned to such terms in the LoF.

Sr. No.	Particulars	Proposed in Offer Document	Actual
1	Offer Price (per Equity Share)	151.44	151.44
2	Aggregate number of shares tendered in the Offer	12,58,674	1,45,793
3	Aggregate number of shares accepted in the Offer	12,58,674	1,45,793
4	Size of the Offer (Number of Equity Shares multiplied by Offer Price)	Rs. 19,06,13,591.00	Rs. 2,20,78,892.00
5	Shareholding of the Acquirer before agreements/public announcement	NIL	NIL
6	Shares acquired by way of agreements*	5,83,009 ⁽¹⁾ 11.77%	NIL ⁽²⁾
7	Shares acquired by way of Open Offer	12,58,674 25.41%	1,45,793 2.94%
8	Shares acquired after Detailed Public Statement	Nil	Nil
9	Post Offer shareholding of Acquirer along	18,41,683 37.186%	1,45,793 ^(2a) 2.94%
10	Pre & Post offer shareholding of the Public	Pre Offer 12,58,674 25.41% Post Offer 0 0.00%	Pre Offer 12,58,674 25.41% Post Offer 11,12,881 22.47%

(1) In the offer document, it was proposed to acquire upto 18,41,683 fully paid up Equity Shares such that the number of shares to be acquired under the SPA will be decided based on the shares acquired in the open offer and will be such that the total holding of the Acquirer post completion of the open offer will not exceed 18,41,683 shares.
(2) Acquisition of upto 16,95,890 equity shares aggregating upto 34.24% of the equity share capital of the Target Company is proposed to be completed within the period as prescribed in terms of Regulation 22(3) of the SEBI (SAST) Regulations.
(3) Physical transfer of 606 shares in name of acquirer is under process.
9. Other Information
The Acquirer alongwith its Directors accept full responsibility for the information contained in this Advertisement and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations, 2011 and Subsequent amendments made thereof.
A copy of this advertisement is expected to be available on the websites of SEBI (www.sebi.gov.in) and the BSE Limited (www.bseindia.com) and the registered office of the Target Company.
Issued on behalf of the Acquirer by the Manager to the Offer
Choice
The Joy of Earning
Choice Capital Advisors Private Limited
Sunil Patodia Tower, Plot No. 156-158 J.B. Nagar, Andheri (East) Mumbai-400099
Website: https://choiceindia.com/; **E-mail:** regulator_advisors@choiceindia.com; **Contact Person:** Vivek Singhi
Tel : +91 22 6707 9451; **SEBI Registration No:** INM000011872

Place: Mumbai
Date: 19.11.2022

CONCEPT