Major Research Project

Evaluating Long-Term Investment Strategies in Nifty 50 Stocks.

Submitted by:

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DECLARATION

I, Sourabh Kumar Saw, MBA (2023–2025) Student, Delhi School of Management, Delhi Technological University, do hereby certify that the Major Research Project titled "**Evaluating Long-Term Investment Strategies in Nifty 50 Stocks**" is an original work submitted by me as partial fulfilment of the Master of Business Administration degree requirements. This project work has been accomplished by me, and the research findings included herein are based upon my own effort and analysis. To the best of my belief and knowledge, this work is not submitted for any other university or institution to any degree, diploma, or certificate.

(Sourabh Kumar Saw)
Roll No: 23/DMBA/127
Date:
Place:

<u>CERTIFCATE</u>

Mr Sourabh Kumar Saw, Roll No. 23/DMBA/127 has submitted the Major research project **“Evaluating Long-Term Investment Strategies in Nifty 50 Stocks”** in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) from the Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2024-25.

(Prof. Pradeep Kumar Suri) **(Dr. Saurabh Agrawal)**

Head (DSM)

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And lastly, I want to thanks my friends and family who supported me throughout this journey and guided me to make this report more comprehensive.

Regards,

Sourabh Kumar Saw

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EXECUTIVE SUMMARY

The purpose of this study, "Evaluating Long-Term Investment Strategies in Nifty 50 Stocks: A Comparative Analysis of Lump Sum, Regular SIP, Step-Up SIP, and Modified SIP Over 25 Years Through Financial Crises," is to evaluate the long-term efficacy of four well-known investment strategies in the Indian equity market, with an emphasis on how well they perform during volatile times.

Using 25 years of Nifty 50 data, including significant downturns such as the dotcom crash (2000), global financial crisis (2008), and the COVID-19 pandemic (2020), this study compares the risk-adjusted returns of lump sum investments, regular SIPs, step-up SIPs, and modified SIPs using metrics like volatility, XIRR, Sharpe ratio, and maximum dropdown. The study examines investor behavior patterns related to SIP and other investment strategies in addition to assessing performance. It will look at the risk preferences and emotional reactions of various investor types and explore how they make decisions during market highs and lows.

Key findings of this study are:

- determining which long-term wealth creation strategy is the most profitable and resilient.
- being aware of the behavioral patterns that affect investment choices.
- supplying investors and portfolio managers with useful, fact-based advice on how to maximize strategies in erratic markets.

This research will provide a thorough and practical framework for accumulating wealth through disciplined investing across market cycles by fusing behavioral insights with financial analysis.

CHAPTER 1

INTRODUCTION

1.1 Background

In today's fast changing financial market, investing in Stock Market has been one of the best ways of attaining long-term wealth. As individuals become more educated about personal finance, rather than focusing on making extraordinary profit in short term, they are redirecting their attention towards long-term, sustainable investment practices. Here, the Nifty 50 Index, consisting of the 50 largest and most liquid stocks traded on the National Stock Exchange (NSE) of India, is a significant field to research. The index is used as a benchmark for the Indian economy and is embraced by institutional as well as retail investors as a measure of portfolio performance.

As a general principle, long-term investing is about holding stocks for years, allowing investments to grow over time through capital appreciation and compounding. Such a strategy usually means lesser trades, reduced transaction costs, and reduced exposure to short-term market risks. Though, with a systematic methodology, a proper knowledge of market fundamentals, and proper risk management techniques in place, one can earn consistent and improved returns in the long term.

The stability and stable performance of firms that are market top leaders make long-term investment in Nifty 50 stocks significant. Such firms are good investment instruments for long-term portfolios due to their robust financials, good corporate governance, and sustainable top-line growth. Witnessing how such firms perform during various market cycles and macroeconomic environment changes can provide useful insights into developing sound and balanced investment strategies.

Long-term investment strategies in the context of Nifty 50, and hence risk-return trade-off, are addressed here through financial performance indicators and examination of past data. It attempts to discover trends, analyse the viability of different strategic positions, and make recommendations that can be used by investors if they are forced to make their long-term fortunes.

Building a strong long-term investment plan is more important because it helps in risk reduction. In addition to contributing to the academic body of knowledge, this research provides investors with a valuable reference on how to go about the Indian stock market from the perspective of long-term strategy.

This research also emphasizes over the three major Market crashes that have happened between 2000-2025 that are The Dotcom bubble (2000), The Global Financial Crisis (2008), And Covid (2019). Formulating various hypothetical scenarios like what might have been the possible XIRR if everything would have been fine with no financial crisis.

SYTEMATIC INVESTMENT PLAN (SIP)

A regular and disciplined way of investing in financial instruments, primarily mutual funds or stock markets, at periodic intervals over a fixed period of time is referred to as a Systematic Investment Plan (SIP). SIP helps an investor invest equal amounts of money at equal intervals, say monthly, quarterly or half-yearly, rather than investing a lump sum. Due to its simplicity, cost-effectiveness, and ability to generate wealth over the long run, this scheme of investment is highly desired among retail investors.

Rupee cost averaging theory is the base principle of SIP investments. This theory helps in cost averaging over a period of time with investors buying greater units at lesser prices and fewer units at higher prices. Hence, flexibility in investment timing which reduces the impact of short-term change in the market. SIPs also employ the concept of compounding, i.e., reinvesting the return on investment to achieve greater returns. Compounding factor can grow the overall return on the investment by a tremendous amount of money in the long run.

SIPs are the best for long-term money planning such as home purchase, retirement corpus, and child education. SIPs are suitable for investors of all income groups and financial goals as they are versatile in terms of amount, frequency, and time. SIPs also promote discipline in money spending and saving habit, especially in young people or first-time money investors.

When equity investments are made, SIPs provide exposure to the stock market at much lower risk compared to lump sum investments. The investor does not feel the impact of a market fall at any given point in time since the investment is staggered over time. Due to this, SIPs prove to be an effective risk-reduction strategy in volatile markets. Additionally, the majority of fund houses provide a provision for increasing the SIP investment quantity over time as step-up SIPs to increase the investment opportunity and in coordination with income rise.

SIPs have gained much popularity in India in the last decade with push from regulators like SEBI and AMFI, online investment platforms, and growing financial literacy. The consistent growth in SIP inflows every month into mutual fund schemes is proof of growing confidence and acceptability of SIP as a sound long-term investment vehicle.

It should be noted that SIPs are not risk-free. The returns depend on the performance of the underlying assets, and fixed returns or capital protection cannot be ensured. To obtain maximum returns from SIPs, investors need to choose funds suitable for their investment horizon and risk-bearing capacity. Additionally, to ensure that the approach of investment remains aligned with evolving market conditions and financial goals, periodic portfolio reviews and surveillance are required.

To conclude, SIP is a wise and investor-centric way of accumulating wealth in a disciplined manner. SIP creates financial discipline, reduces risk, and normalizes the investment cost. SIPs are considered as an effective tool for long-term investors to meet their financial goals amid market volatility, particularly in equity segments like the Nifty 50.

DIFFERENT TYPES OF SIP

Systematic Investment Plans (SIPs) are now a prevalent investment option among retail investors as they follow a systematic approach to wealth creation and can assist in reducing the volatility of the market. SIPs have developed and diversified over the years into a number of forms that are suitable for the different financial goals, income levels, and nature of investors. The various types of SIPs are discussed in this section and include the advantages and disadvantages of each.

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1. Regular SIP

Definition:

The regular SIP is the one of the most preferred form of investment where a fixed amounts invested periodically usually monthly, into a mutual fund or equity index fund. The quantity is equal throughout the investment period.

Advantages:

1. **Disciplined Saving Habit:**
   Regular SIPs helps in generating a systematic and disciplined investment habit by requiring investors to commit a fixed sum regularly.
2. **Rupee Cost Averaging:**
   Since the investment occurs at regular intervals regardless of market conditions, it averages the purchase price of units of particular index or company, reducing the impact of market volatility over time.

Disadvantages:

1. **No Adjustment for Income Growth:**
   The fixed contribution does not account for changes in income levels or inflation, which may result in underinvestment over time.

2. **Missed Opportunities in Bull Markets:**
   As the investment amount remains unchanged, investors may not capitalize fully on bullish market phases when they might afford to invest more.

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2. Step-Up SIP

Definition:
A Step-Up SIP allows investors to increase their SIP amount at predefined intervals. The increment can be a fixed amount or a fixed percentage and is generally aligned with expected income growth or financial goals.

Advantages:

1. **Aligned with Income Growth:**
   It enables investors to increase their investment contribution in line with salary hikes or business income, enhancing the long-term wealth accumulation potential.
2. **Inflation-Adjusted Investing:**
   By increasing the SIP amount over time, the strategy accounts for inflation and helps in maintaining the real value of investments.

Disadvantages:

1. **Requires Future Planning:**
   Step-up SIPs require foresight regarding future income, and overestimation which is complex and can lead to financial strain.
2. **Complexity in Management:**
   Managing the increased amount and tracking it across multiple schemes may require additional monitoring and adjustment.

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3. Flexible SIP

Definition:
A Flexible SIP allows investors to vary the SIP amount based on market conditions or their financial situation. Investors can choose to invest more during market dips and less when the market is high or when liquidity is low.

Advantages:

1. **Customizable Investments:**
   Investors have the flexibility to increase or decrease their investment amount depending on their financial comfort and market outlook.
2. **Maximizes Market Opportunities:**
   Flexible SIPs allow higher contributions during market corrections, potentially resulting in better average purchase prices and higher returns.

Disadvantages:

1. **Requires Active Monitoring:**
   Investors must actively track the market and their financial status to make informed changes, which may not be feasible for passive investors.
2. **May Lead to Irregular Investing:**
   Flexibility can lead to inconsistency if investors frequently reduce or skip SIPs due to market fears or financial discipline issues.

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4. Perpetual SIP

Definition:
A Perpetual SIP has no defined end date and continues until the investor manually stops the investment. This is in contrast to traditional SIPs, which have a fixed duration.

Advantages:

1. **Long-Term Wealth Creation:**
   Encourages long-term investing without the psychological limitation of a fixed tenure, thus enhancing compounding benefits.
2. **Simplified Investment Approach:**
   Investors do not need to renew or reinitiate the SIP after a certain period, reducing administrative hassle.

Disadvantages:

1. **Requires Regular Review:**
   Without an end date, it becomes essential for investors to periodically assess their portfolio to ensure alignment with financial goals.
2. **Risk of Over-Diversification:**
   Perpetual investing without strategy may lead to excess allocation to underperforming funds or overexposure to specific sectors.

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6. Modified SIP (Custom SIP)

Definition:
A Modified SIP refers to a customized strategy developed by investors or fund managers, combining elements from different SIP types (e.g., step-up + flexible SIP) based on individual goals, market conditions, and risk profiles.

Advantages:

1. **Highly Personalized Strategy:**
   Offers a tailored approach that aligns with specific financial objectives, liquidity needs, and market expectations.

2. **Optimizes Investment Efficiency:**
   By integrating flexibility and step-up mechanisms, investors can optimize both returns and risk management.

Disadvantages:

1. **Complex to Design and Execute:**
   Requires detailed planning and ongoing management, which may not be feasible for new or passive investors.
2. **Higher Monitoring Requirement:**
   Since the structure is dynamic, it demands regular attention to rebalance or adjust based on performance or life events.

Conclusion

There is a specific benefit of each type of SIP suitable for different kinds of investors and investment goals. Step-Up SIPs are best suited for growth investors, but Regular SIPs are best suited for steady starters. While it demands more, flexible and trigger SIPs make life easy. While they assure customization, Modified SIPs suit experienced investors. Investors can consider the most preferred method of earning long-term equity market wealth using Nifty 50 by keeping these categories in mind and their pros and cons.

WHY SIP?

One of the most popular investment plans today is systematic investment plans, or SIPs, especially for long-term wealth generation in equity indices such as the Nifty 50. SIPs are ideal for both new and experienced investors because they are easy to use, inexpensive, and disciplined. SIPs make investment accessible to the average investor as they can invest fixed amounts in mutual funds or indexes periodically, normally monthly, compared to lump sum investment, where one pays a large amount at once.

Enabling systematic saving is SIP's strongest point. SIP allows the individual to form a habit without falling prey to laziness or forgetting to invest by investing a small amount of money at fixed intervals. The discipline finally counts towards accumulating wealth slowly but steadily. Even little, regular investments can convert in extraordinary amounts in the future when aided by the compounding effect, especially over the longer period.

Rupee cost averaging is another benefit of SIP which minimizes the effect of market volatility. More units are bought at cheaper prices and less at expensive prices because investment in SIP is done on a regular basis. This system reduces the possibility of making poor timing investments because the cost of purchasing units gets evened out over a period. Those investors who don't have much time or expertise to keep track of market trends themselves will gain the most from this.

Besides, SIPs are also flexible and accessible to all types of investors. They offer the flexibility of changing the amount of investment, and several schemes even offer the facility of investing more on a regular basis based on financial resources or rise in income. As they are flexible, SIPs can be availed by anyone, ranging from first-time investors to working professionals and salaried employees.

Addition to the above, SIPs also offer a solution to the goal-based investing. Investors have the option of aligning SIPs with specific financial goals, such as buying property, retirement planning, or children’s education. It is easy to save for these long-term goals since SIPs are regular and disciplined.

In short, SIPs are a great, easy, and inexpensive way to invest in the equity markets. Since SIPs are amongst the most efficient and reliable means of reducing the risks associated with market volatility, promoting long-term wealth creation through compounding, and being accessible to all investors, SIPs are amongst the most efficient and reliable financial security-building instruments.

1.2 Problem Statement

Especially for long-term wealth creation, investment in the stock market requires thoughtful planning of strategies. One of the most popular stock investment options and an indicator of how well the Indian market is doing is the Nifty 50. Despite the fact that investors frequently use systematic approaches such as lump sum investing or SIPs (Systematic Investment Plans), there research provides relative efficacy of different investment strategies, especially Regular SIP, Step-Up SIP, Modified SIP, and Lump Sum, over an extended period of time.

Despite being widely used, little research has been done to assess how well these strategies work in various market cycles and financial crises. Additionally, there hasn't been a thorough investigation of investor behaviour, awareness, and preferences with regard to these strategies in the context of Nifty 50 investing. It is necessary to evaluate which investment strategy provides the best risk-adjusted return, resilience during downturns, and overall value creation, using the Nifty 50's 25-year historical performance as a benchmark.

By comparing seven significant investment approaches in Nifty 50 stocks over a 25-year period—which encompasses severe economic slumps and bull runs—this study seeks to bridge this gap. In order to close the gap between theoretical performance and actual investor behaviour, the research also investigates investor perception, preferences, and decision-making patterns.

1.3 Objective of the Study

The primary objective of this study is to evaluate and compare the performance of various long-term investment strategies within the framework of Nifty 50 stocks over a 25-year period. The research seeks to generate a complete understanding of the way other systematic investment strategies influence returns, investor behaviour, and resistance to financial crisis. Specifically, the study aims to:

1. Assess the Effectiveness of Investment Strategies:
    - Analyse and compare the long-term returns and Compound Annual Growth Rate (XIRR) of multiple investment methods including:
        - Lump Sum Investment
        - Regular Systematic Investment Plan (SIP)
        - Step-Up SIP
        - Modified SIP strategies
    - Understand how these strategies perform in varied market conditions over the long term.
2. Quantify the Impact of Financial Crises:
    - Evaluate the effect of major global and domestic financial crises (e.g., Dot-Com Bubble, Global Financial Crisis 2008, COVID-19) on investment performance.
    - Estimate hypothetical XIRR scenarios assuming these crises had not occurred, to isolate their impact on long-term returns.
3. Study Investor Sentiment and Behaviour:
    - Investigate investor perceptions, preferences, and psychological responses toward equity investments in Nifty 50.
    - Understand common behavioural patterns, risk tolerance levels, and factors influencing investment decisions.

4. Identify Viable Alternative Investments:
    - Explore alternative investment avenues that offer comparable risk-return profiles to long-term Nifty 50 investments.
    - Assess their viability for investors seeking diversification or similar wealth-creation potential.
5. Provide Strategic Insights:
    - Derive practical insights and recommendations for individual investors, financial advisors, and portfolio managers on optimizing long-term wealth accumulation through equity investments.
    - Contribute to the broader literature on retail investment strategy optimization in emerging markets like India.

By addressing these objectives, the study endeavours to serve as a strategic guide for informed investment planning, while also enriching academic and professional understanding of long-term equity investing in the Indian context.

CHAPTER 2

LITERATURE REVIEW

One of the most important events for understanding investor behaviour during periods of high market volatility is the 1987 stock market crash. Important insights into the social and psychological factors influencing investor decisions during the crash can be gained from Shiller's (1987) groundbreaking survey-based study. Shiller questions traditional explanations linked to fundamental news by examining the responses of almost 1,000 individual and institutional investors. He discovers no meaningful relationship between particular news events and investor behaviour. Rather, endogenous factors caused the crash: investors' reflexive reactions to price declines caused the crash, and 67.5% of them attributed I t to market psychology rather than economic fundamentals. This is consistent with behavioural theories that highlight herd behaviour and irrationality. (Shiller, R. J. (1989)).

Shiller emphasises the importance of technical analysis, as evidenced by the fact that more than one-third of respondents cited trendlines or moving averages as influencing factors, highlighting the widespread use of heuristics (emotions) in decision-making. Furthermore, there was a noticeable social contagion and widespread anxiety—more than 40% of institutional investors reported experiencing physical symptoms of stress, and many spoke of a "contagion of fear." Trading activity remained low despite of these reactions, indicating no direct relation between feelings and actions. The study also criticises the overemphasis on portfolio insurance, pointing out that ad hoc panic selling was more common than planned stop-loss strategies.

By bolstering theories that price movements can decouple from fundamentals because of psychological feedback loops, Shiller's findings add to the conversation about market efficiency (Campbell & Shiller, 1987). This work provides a framework for examining contemporary financial disruptions and continues to be fundamental to our understanding of how social interactions and collective investor psychology intensify market crises.

In another study “Investors awareness about investment in stock market,” Banumathy and Azhagaiah (2016) looked at investors’ knowledge of stock market investing. A structured questionnaire was used to gather information from 290 Pondicherry stock market investors. The Kruskal-Wallis H and Mann-Whitney U tests are used in the analysis. The research demonstrates that there’s a significant difference in stock market investment awareness between male and female investors, as well as between investors of different ages and occupational groups. There is also a vital difference in awareness between investors of different educational and occupational histories. (Banumathy, K., & Azhagaiah, R. (2016))

CHAPTER 3

RESEARCH METHODOLOGY

Problem Statement: Which investment strategy—Lump Sum, Regular SIP, Step-Up SIP, or Modified SIP—delivers the most effective long-term returns in Nifty 50 stocks over a 25-year period, particularly when accounting for market volatility, financial crises, and investor behaviour, and how do investor perceptions align with the actual performance of these strategies?"

- My research Starts with the collection of data from the primary as well as the secondary resources. The primary data is obtained from multiple resources like **www.Investing.com,** and also from the responses received from the respondents of the questionnaire. And the secondary data is obtained from the past researches related to the topic as well as data gathered from the related articles and magazines.
- The data obtained using screener was firstly cleaned, so that it can produce proper and accurate results. I did that using MS-Excel, like there was flaws in date column as well as a proper formatting had been done so that it looks more presentable.
- In my research which was made for evaluating different investing strategy in nifty 50 stocks for a period of 25 years, basically what I have done is that I invested a total of 25000 throughout the 25 years period. Different investing strategy here refers to different investing patterns like lump Sum investment, regular SIP, Step up SIP and Modified SIP. And finding out the best investment strategy after calculating return using XIRR in every investment strategy.
- Created a hypothetical situation where my main purpose was to evaluate a situation where the nifty 50 does not experiences the financial crisis throughout the 25 years period and for that I have averaged the past return of 12 months, wherever there was negative impact of financial crisis on nifty 50 stocks.

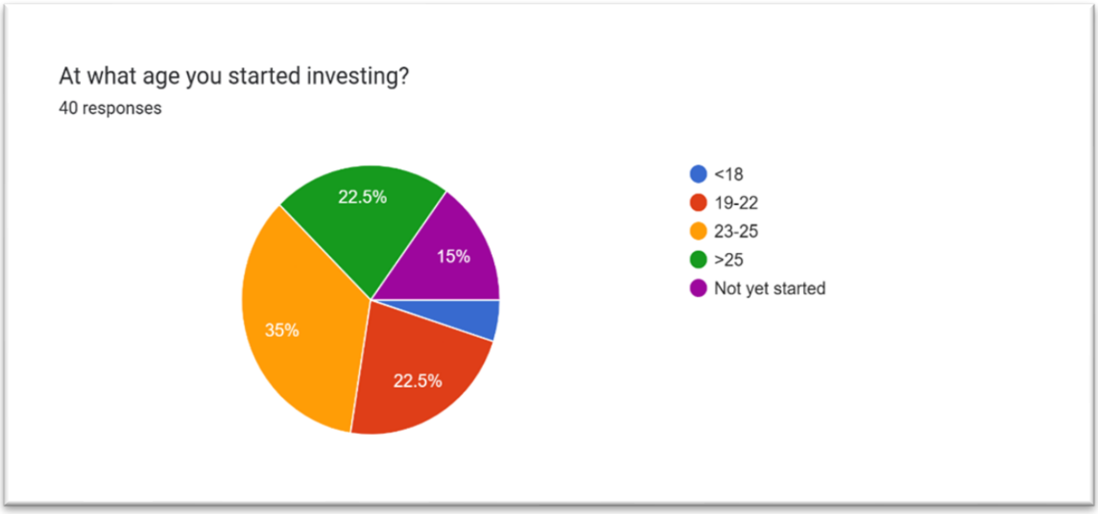
- And in the secondary research where my main focus to know whether the Indian investors are aware about the different investing strategy and what are the measures, they are going to take during market crashes. And for that I floated a questionnaire among my college mates and also among the college alumni group and with my friends and family as well. So that research would be comprehensive and exhaustive in nature

CHAPTER 4

ANALYSIS

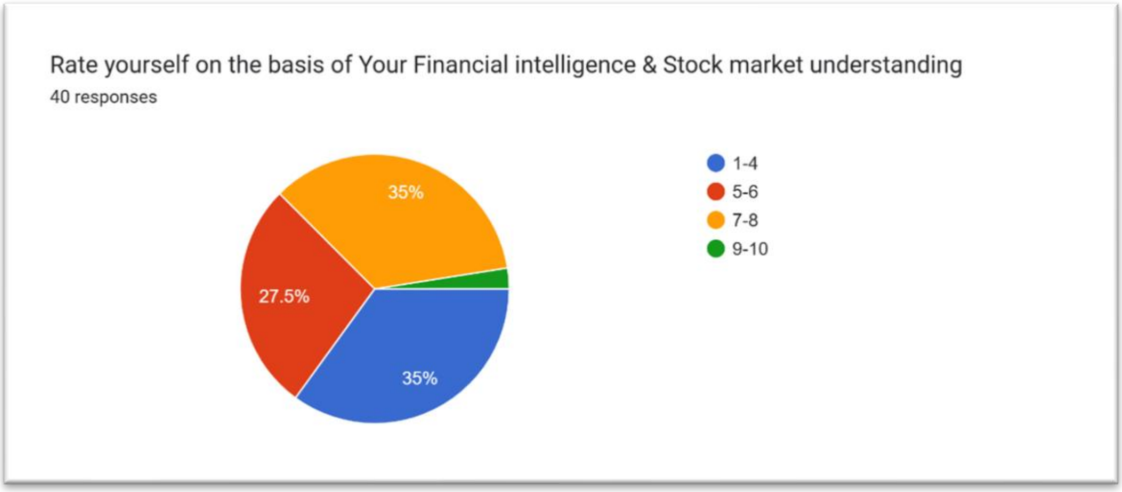
4.1Data Collection & Analysis

The data for this research has been collected from both primary and secondary sources to ensure a comprehensive analysis of investment strategies in Nifty 50 stocks over a 25-year period A structured questionnaire was used to collect primary data in order to evaluate investor awareness, behaviour, and perceptions of different investment strategies, such as Lump Sum, Regula r SIP, Step-Up SIP, and Modified SIP. This made it easier to gather practical information about investor preferences and decision-making Reputable financial websites like Investing.com and Screener.in, which offer historical stock prices, index performance, and pertinent market data, were the source of secondary data. Additionally, to support the theoretical underpinnings and comparative analysis of various investment strategies in the Indian equity market, existing research articles, academic papers, and financial magazines were reviewed.



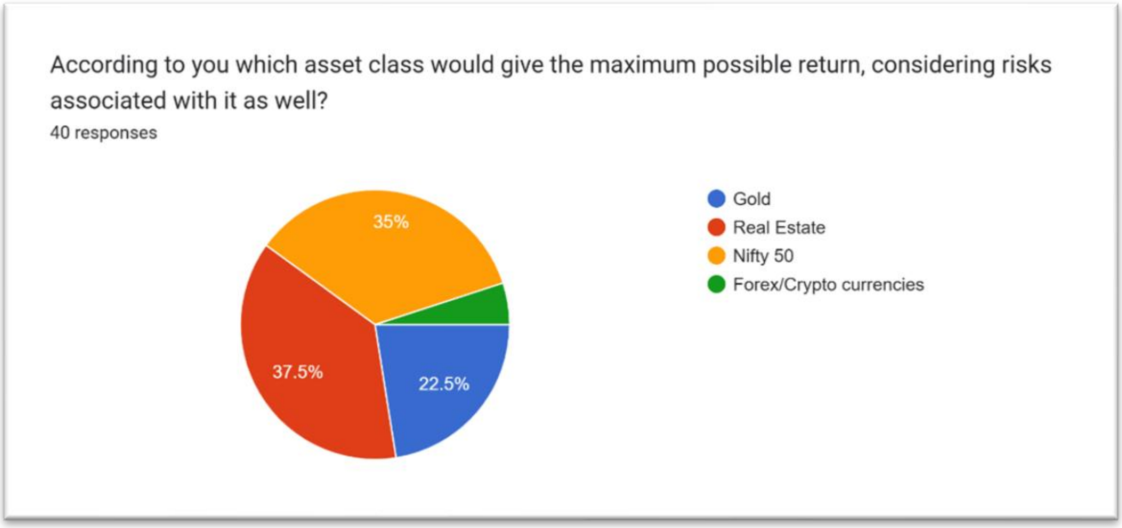
Graph 1: Investment Initiation Stage Among Respondents

With the help of graph 1 we can conclude that the majority (35%) of the sample population starts investing in the age range of 23-25 years followed by >25 age group which infer that mostly investors start investing when they have a regular source of income.



Graph 2: Financial Literacy and Stock Market Awareness

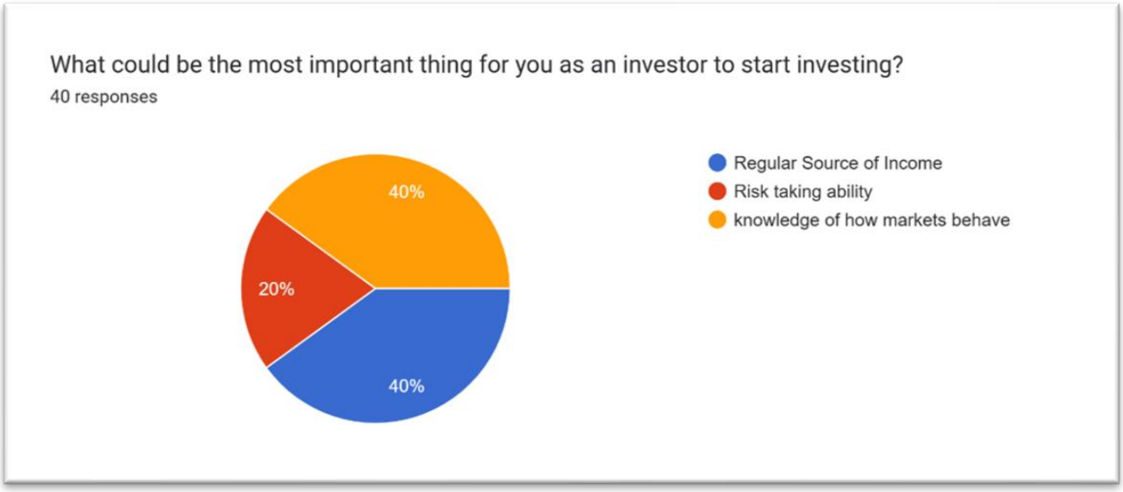
As we can see from the above graph that most of the investors do have lesser understanding of the stock market, which infers that mostly investors do rely on financial advisors for investing their money and a very few people have only strong financial intelligence with market understanding, which means India should work towards making its people financially knowledgeable.



Graph 1: Preferred Asset Class for maximum return considering risk

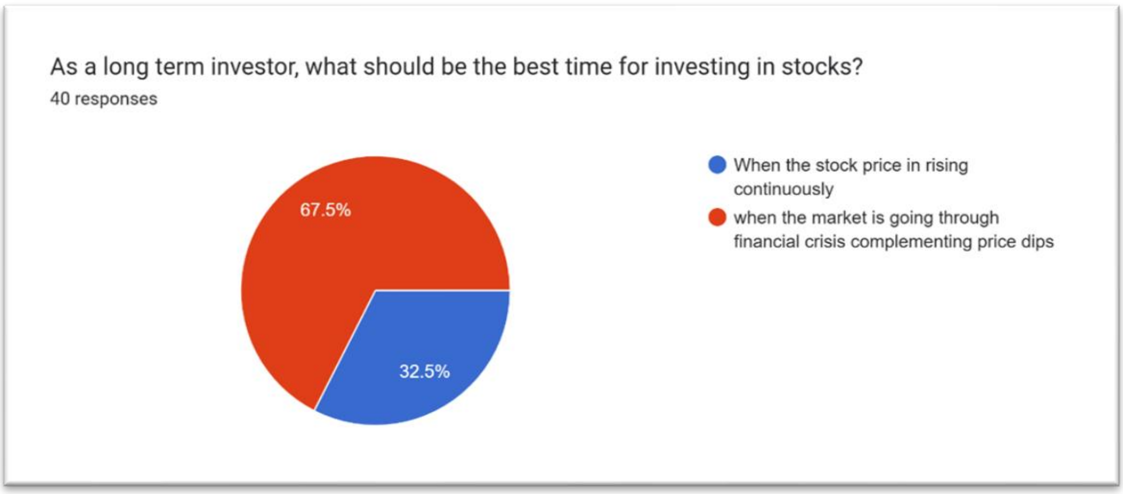
According to the responses received most of the people do believe that Real estate could give maximum return considering risk associated which is around 9% in the long term with less volatility. Here we have taken average return by real estate from different areas, because different regions could have a huge difference in return generated by them. But the return provided is really very less cause in most of the government bonds & Fixed Deposits people could get a return of around 8% and have minimal or no risk.

Out of the all Nifty 50 is considered as the best in terms of the return it generates it gives a return of around 13-14% for the period of 25 years followed by gold of around 11-12%. Although the maximum return is generated by the Cryptocurrencies but it is highly volatile and risky in nature and is supported by the responses as well. (Kaushal, T. J. (2024, August 16))



Graph 2: Most important factor to start investing

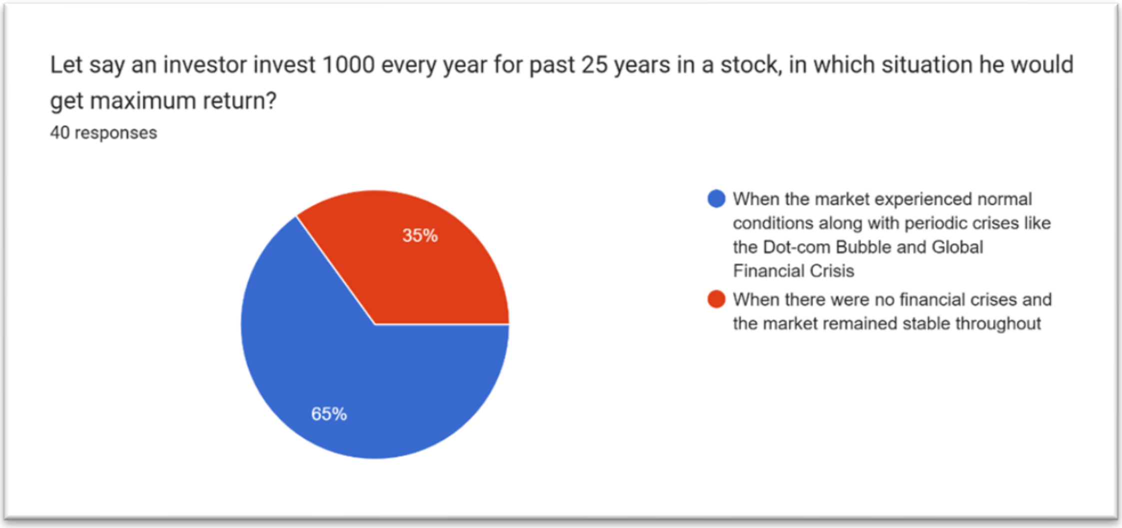
To start investing one requires a knowledge of how markets behave as well as regular source of income. These both things are almost equally important and the importance of regular source of income is also supported by our first question of the questionnaire that "At what age you started investing?" where most of the people do started investing after the age of 23 which means after getting a job.



Graph 3: Best time to invest

As we all know the best time to invest into a stock or any mutual fund or index is at the time when the market crashes occurs, and the stocks are facing decline in the current market price and the investor must check the price is decline should be due the market crash and not because of the company's underperforamance or any issue related to the company.

Even if the stock price of the company declines very much at the time of the market crash and it seems much cheaper but the reason of the decline should be solely due to the creash only and not because something is fundamentally wrong with the company and the news is slowly spreading in the market.

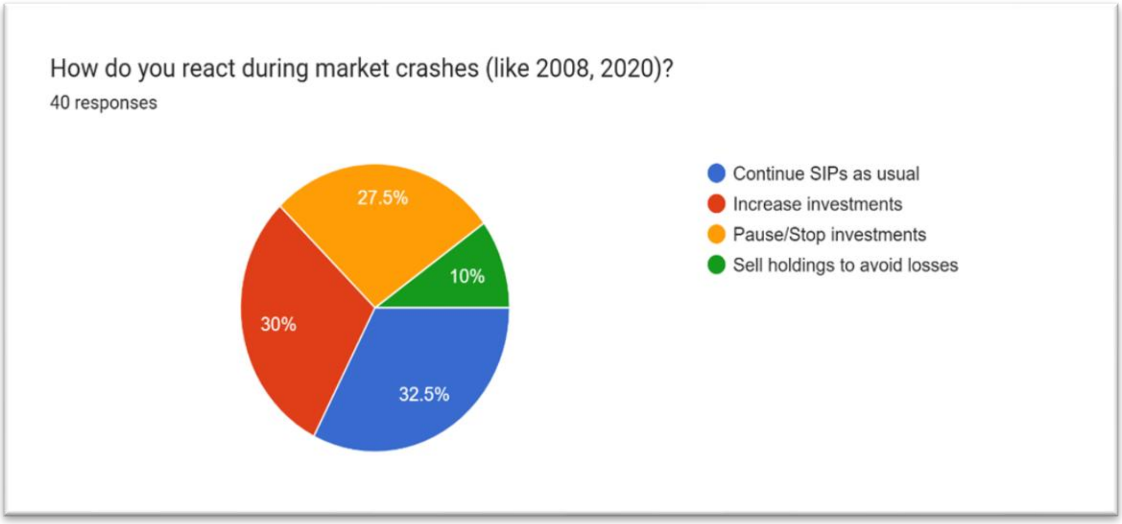


Graph 4: Investment Return Expectations in Stable vs. Volatile Market

As we can see in the above daigram, investors believe that investing in the stock for the 25 years period and the in the market where there were market crashes would help them to buy the dips and enjoy the effect of averaging in the price but what they didn't know that if a person invest into a stock which doesn't get impacted by the market crash and at that time the stock generates low but consistent return (even if 1-2%) will increase the XIRR by 1.5 times.

A investor could also search for a economy which doesn't have any crashes in the past and no or minimal chances of crashes in future at all so that he/she could enjoy maximum return.

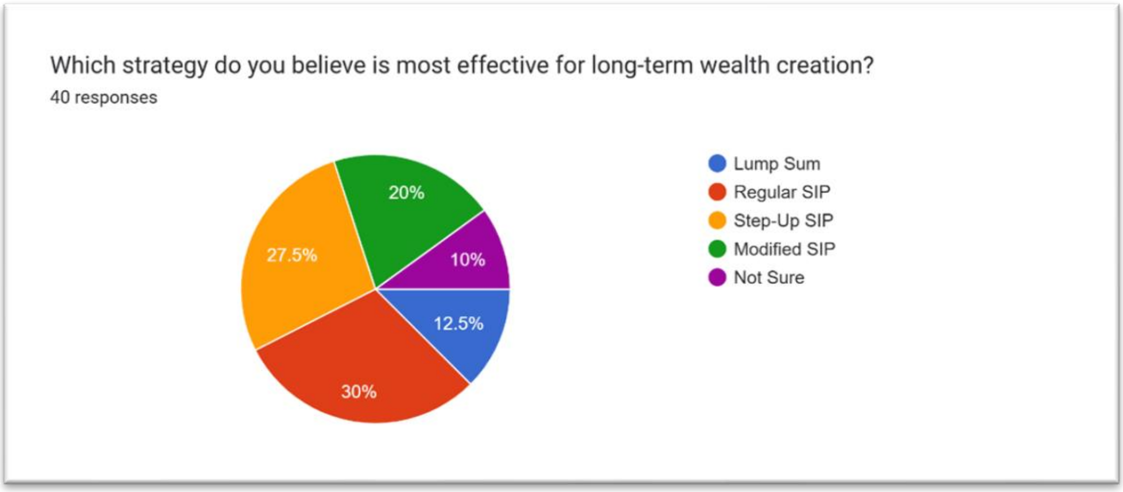
Also the investor should check whether the company is fundamentally strong or not so that there should be minimum impact of the market crash on it stock price.



Graph 5: investors reaction during market carshes

During the market crash, the best investing strategy would be to increase their SIP amount so that could enjoy the price dips and the effect of averaging.

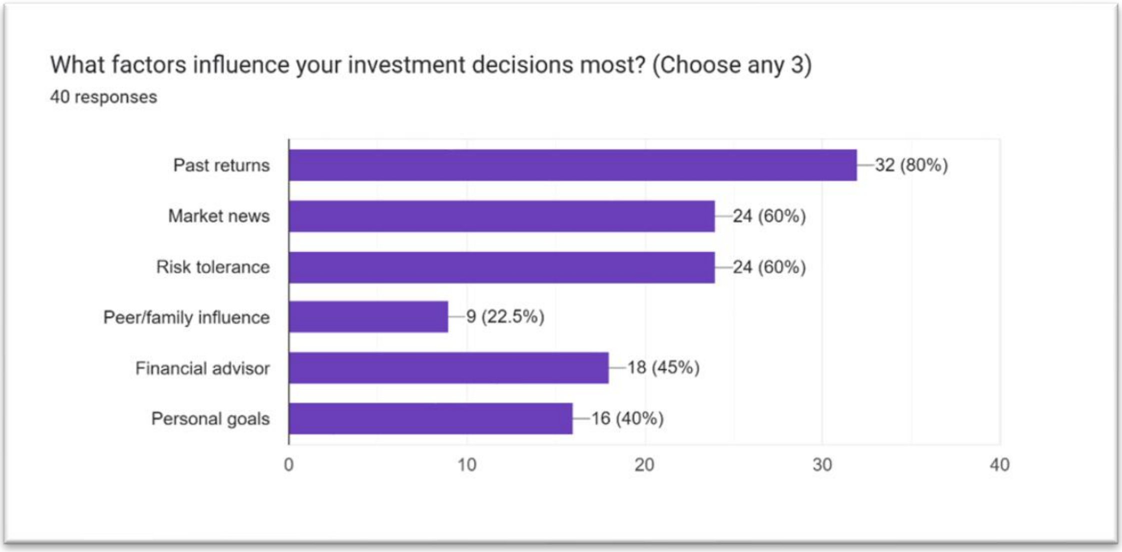
Selling the holding and stop making investments will be a loss of opportunity because we all know that crash is not going to last forever it will end definitely and whenever a crash ends it generally creates a situation of boom in the market. Either the investor should continue their SIP or Increase it so that they could enjoy the maximum return.in case they are investing for longer period of time.



Graph 6: Best Investment Strategy

Most of the investors do believe that investing into Regular or Step-up SIP would be most effective in long term wealth creation but the maximum wealth creation could be done with the mixture of Modified SIP where the investors enjoys the flexiblity in terms of timing of investment, but in this case the investor must set a parameters when he is going to invest like in my case during the market crash period I invested my money at the time of the year when the price falls by 5% or more or total of consecutive decrease of 5% or more in the past months And in normal time it is at the descrition of the investor whenver he finds the time suitable for investing could invest, according to his/her analysis or could invest at the start of the year what I have done in my case as well.

In my research I had followed the same steps which I have stated above and this helped me in increasing my XIRR by 1-1.5%. A investor could also change the amount of money they want to invest, could increase the amount of investments at the time of the price dips.

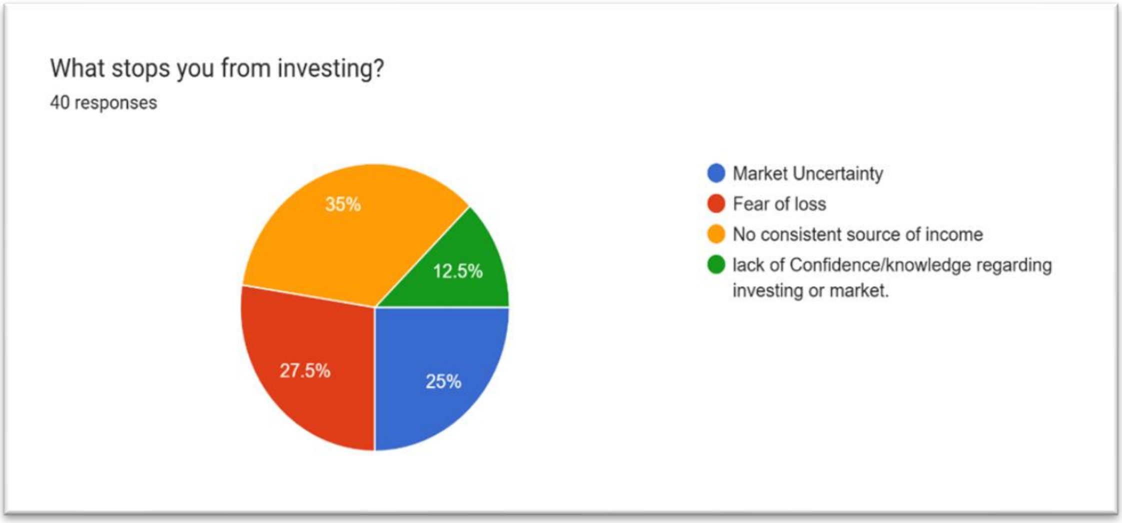


Graph 7: Factors influencing Investment Decision

The most important factors influencing the investment decision according to the study:

- Past Returns: It is something which helps an investor to determine whether a company is fundamentally strong or not, which can be checked by reviewing the financial statements of the company like Balance Sheet, Income Statement & Cash slow of the company as well.
- Market News: Market news directly or indirectly related to stock impacts the price of the stocks because most of the investors during the time of crisis do follow the market sentiments and also those who does not have much knowledge about investing do the same, which shows oversupply of stock in the market than demand which is going to reduce the price.
- Risk Tolerance: Every investor has different risk-taking capacity most of the investors are risk averse and try to play safe, the best investing strategy for them would be them for invest in the slightly volatile stocks with good fundamentals.

- Financial Advisor: it has also been found out from the research that most of the individual who does not have a good understanding of stock market and low financial intelligence do take help from financial advisor for investing their money or also invest their money by investing into different Mutual funds.
- Personal goals and peer/family affluence could also affluence the financial decision of an investor. But one should really not create or change their investing strategy under the peer/family pressure.



Graph 8: Factors preventing Investors from Investing

Most of the investors just not even think about financially educating themselves because they think they will start learning once they have consistent source of income but even if someone starts learning about stock market and starts with small investments, this will help them to have a practical experience of investing and they could use that experience to earn, whenever a similar situation occurs. Also some people fear losses due to market uncertainty but even for finance professional it is quite tough to forecast the price of the stock.

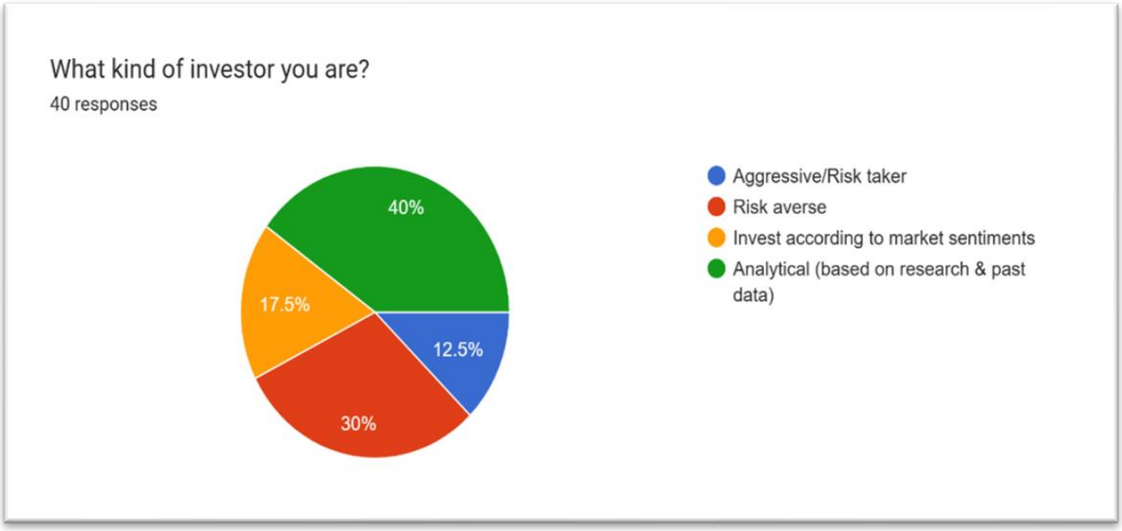


Figure 9: Investor profile based on risk attitude

As the graph 11 states most of the investors do believe more on numbers rather than market sentiments. Here numbers refer to the past financial performance of the company. Either the investments are made with their own research or take help of financial advisors for the financial analysis part.

And mostly investors are risk averse and try to minimise risk and maximise profit at the same point of time. And nifty 50 had complemented the same features in the past as well.

CHAPTER 5

FINDING, RECOMMENDATIONS & CONCLUSION

1. According to the what most in India feel and the same thing demonstrated by research project as well that a financial crisis always creates opportunity for buying stock at cheaper prices and maximum gain can be obtained from there but the thing is in the long term if an country or economy or stock which doesn't have faced any financial crisis and less risky with consistent returns will give the maximum return even if one is investing and buying stocks regularly at higher prices.
2. In case of step up sip we have seen that in two cases we invested 25000 but in first case we started our investment with x and paid y at the end of 25 year period and in another investment we started with x and paid y at the end of 25 year so as we can see both have made an total investment of 25000 but the amount paid in second case at the end is much lesser when compared with the first one and the second one is also giving a higher returns due to investing more at the starting phase in second case.
3. As we can see the lump sum investment has also given a little bit lesser but competitive return of X% but it could be very risky to put all your money into a single investment. Our motive should always to diversify to maximise return and reduce risk.
4. A financial crisis always creates an opportunity for a long-term investor so either he could buy at the lower price or could do averaging, which will reduce the average price of a stock bought.
5. In case of modified SIP as i am investing 1000 every year. I'll just not invest at the start of every year i will wait for the price dip. What i have considered as a price dip if the price is decreasing by 5% or more than then compared to

the previous month or consecutive decrease by 5% then at that time of the year i will invest rather than at start of the year and this has helped to increase the return by 1-1.5% every year.

6. It has been found out from the research that in case someone is building a portfolio, one should must include fundamentally strong stocks which are not affected or less affected by the Market crashes. Sector like pharma, healthcare, FMCG which mostly provide necessities could be considered for portfolio.
7. Despite of investing your money in Real estate for long term, one should look for different investments because the return it generates is really less and if someone to go safe then he/she should invest into Government Bonds or Fixed Deposits which almost gives similar return compared to Real estate.
8. Most of the investors do invest at the time market crashes when the stock price decline, they should make sure that the decline is due to the crash only and not because of the company's underperformance or any issue related to the company.
9. A investor should always look out for those stocks which does not get impacted by the market crashes and at least give positive but constant monthly returns so that he could earn 1.5x of what an average investor earn by investing into normal stock. For this investor should invest into the stocks of Pharmaceuticals, FMCG or Real estate companies which are less volatile in nature and the company should be fundamentally strong as well so that it could not get impacted by any rumours.
10. The best investing strategy is Modified SIP where the investors determine at which month of the year they are going to invest. They could set different criteria's like during crash they would invest if the stock falls by X%, so it as the discretion of the investor only.

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ANNEXURE

- **Lump Sum Investment**

Date	Price
01-01-2025	23,508.40
01-01-2024	21,725.70
01-01-2023	17,662.15
01-01-2022	17,339.85
01-01-2021	13,634.60
01-01-2020	11,962.10
01-01-2019	10,830.95
01-01-2018	11,027.70
01-01-2017	8,561.30
01-01-2016	7,563.55
01-01-2015	8,808.90
01-01-2014	6,089.50
01-01-2013	6,034.75
01-01-2012	5,199.25
01-01-2011	5,505.90
01-01-2010	4,882.05
01-01-2009	2,874.80
01-01-2008	5,137.45
01-01-2007	4,082.70
01-01-2006	3,001.10
01-01-2005	2,057.60
01-01-2004	1,809.75
01-01-2003	1,041.85
01-01-2002	1,075.40
01-01-2001	1,371.70
01-01-2000	1,546.20

Date	Price
01-01-2000	**-25000**
01-01-2025	**380099.6**
XIRR	**11.49%**

- Regular SIP

Date	SIP	% Return	Return
01-01-2000	-1000	1420.40%	15203.98
01-01-2001	-1000	1613.81%	17138.15
01-01-2002	-1000	2086.01%	21860.15
01-01-2003	-1000	2156.41%	22564.09
01-01-2004	-1000	1198.99%	12989.86
01-01-2005	-1000	1042.52%	11425.16
01-01-2006	-1000	683.33%	7833.261
01-01-2007	-1000	475.81%	5758.052
01-01-2008	-1000	357.59%	4575.889
01-01-2009	-1000	717.74%	8177.404
01-01-2010	-1000	381.53%	4815.272
01-01-2011	-1000	326.97%	4269.674
01-01-2012	-1000	352.15%	4521.498
01-01-2013	-1000	289.55%	3895.505
01-01-2014	-1000	286.05%	3860.481
01-01-2015	-1000	166.87%	2668.71
01-01-2016	-1000	210.81%	3108.117
01-01-2017	-1000	174.59%	2745.891
01-01-2018	-1000	113.18%	2131.759
01-01-2019	-1000	117.05%	2170.484
01-01-2020	-1000	96.52%	1965.24
01-01-2021	-1000	72.42%	1724.172
01-01-2022	-1000	35.57%	1355.744
01-01-2023	-1000	33.10%	1331.004
01-01-2024	-1000	8.21%	1082.055
01-01-2025	169171.60		

XIRR	12.75%

- **Step-up SIP**

SIP starts with 254.21 and increase with 10% every year with a total investment of 25000 in 25 years

Date	SIP	% Return	Return
01-01-2000	-254.21	1420.40%	3865.00
01-01-2001	-279.63	1613.81%	4792.36
01-01-2002	-307.59	2086.01%	6724.05
01-01-2003	-338.35	2156.41%	7634.64
01-01-2004	-372.19	1198.99%	4834.68
01-01-2005	-409.41	1042.52%	4677.55
01-01-2006	-450.35	683.33%	3527.70
01-01-2007	-495.38	475.81%	2852.44
01-01-2008	-544.92	357.59%	2493.50
01-01-2009	-599.41	717.74%	4901.65
01-01-2010	-659.36	381.53%	3174.98
01-01-2011	-725.29	326.97%	3096.76
01-01-2012	-797.82	352.15%	3607.34
01-01-2013	-877.60	289.55%	3418.70
01-01-2014	-965.36	286.05%	3726.76
01-01-2015	-1061.90	166.87%	2833.90
01-01-2016	-1168.09	210.81%	3630.55
01-01-2017	-1284.90	174.59%	3528.19
01-01-2018	-1413.39	113.18%	3013.00
01-01-2019	-1554.73	117.05%	3374.51
01-01-2020	-1710.20	96.52%	3360.95
01-01-2021	-1881.22	72.42%	3243.54
01-01-2022	-2069.34	35.57%	2805.49
01-01-2023	-2276.27	33.10%	3029.73
01-01-2024	-2503.90	8.21%	2709.36
01-01-2025	**94857.33**		

XIRR	**12.61%**

- **Step-up SIP**

SIP starts with 523.82 and increase with 5% every year with a total investment of 25000 in 25 years

Date	SIP	% Return	Return
01-01-2000	-523.82	1420.40%	7964.15
01-01-2001	-550.01	1613.81%	9426.17
01-01-2002	-577.51	2086.01%	12624.49
01-01-2003	-606.39	2156.41%	13682.58
01-01-2004	-636.71	1198.99%	8270.73
01-01-2005	-668.54	1042.52%	7638.19
01-01-2006	-701.97	683.33%	5498.71
01-01-2007	-737.07	475.81%	4244.07
01-01-2008	-773.92	357.59%	3541.38
01-01-2009	-812.62	717.74%	6645.10
01-01-2010	-853.25	381.53%	4108.62
01-01-2011	-895.91	326.97%	3825.24
01-01-2012	-940.71	352.15%	4253.40
01-01-2013	-987.74	289.55%	3847.75
01-01-2014	-1037.13	286.05%	4003.81
01-01-2015	-1088.98	166.87%	2906.18
01-01-2016	-1143.43	210.81%	3553.92
01-01-2017	-1200.61	174.59%	3296.73
01-01-2018	-1260.64	113.18%	2687.37
01-01-2019	-1323.67	117.05%	2873.00
01-01-2020	-1389.85	96.52%	2731.39
01-01-2021	-1459.34	72.42%	2516.16
01-01-2022	-1532.31	35.57%	2077.42
01-01-2023	-1608.93	33.10%	2141.49
01-01-2024	-1689.37	8.21%	1827.99
01-01-2025	**126186.03**		

XIRR	**12.68%**

- **Modified SIP**

Date	SIP	% Return	Return
01-01-2000	-1000	1420.40%	15203.98
01-03-2001	-1000	1947.41%	20474.13
01-07-2002	-1000	2351.60%	24516.01
01-03-2003	-1000	2303.23%	24032.30
01-05-2004	-1000	1484.55%	15845.51
01-10-2005	-1000	891.52%	9915.18
01-05-2006	-1000	665.48%	7654.84
01-02-2007	-1000	527.68%	6276.77
01-01-2008	-1000	357.59%	4575.89
01-10-2008	-1000	714.68%	8146.80
01-10-2009	-1000	398.94%	4989.37
01-01-2011	-1000	326.97%	4269.67
01-11-2011	-1000	486.51%	5865.10
01-02-2013	-1000	312.93%	4129.32
01-12-2014	-1000	183.83%	2838.25
01-08-2015	-1000	194.91%	2949.13
01-02-2016	-1000	236.46%	3364.57
01-12-2017	-1000	123.24%	2232.37
01-09-2018	-1000	115.07%	2150.73
01-07-2019	-1000	111.44%	2114.45
01-02-2020	-1000	109.86%	2098.64
01-03-2020	-1000	173.43%	2734.25
01-01-2022	-1000	35.57%	1355.74
01-01-2023	-1000	33.10%	1331.00
01-01-2024	-1000	-2.88%	971.21
01-01-2025	**180035.21**		
XIRR	**13.29%**		

- **Modified + Step-up SIP**

Date	SIP	% Return	Return
01-01-2000	-523.82	1420.40%	7964.15
01-03-2001	-550.01	1947.41%	11261.00
01-07-2002	-577.51	2351.60%	14158.28
01-03-2003	-606.39	2303.23%	14572.88
01-05-2004	-636.71	1484.55%	10088.94
01-10-2005	-668.54	891.52%	6628.71
01-05-2006	-701.97	665.48%	5373.46
01-02-2007	-737.07	527.68%	4626.40
01-01-2008	-773.92	357.59%	3541.38
01-10-2008	-812.62	714.68%	6620.22
01-10-2009	-853.25	398.94%	4257.17
01-01-2011	-895.91	326.97%	3825.24
01-11-2011	-940.71	486.51%	5517.33
01-02-2013	-987.74	312.93%	4078.69
01-12-2014	-1037.13	183.83%	2943.63
01-08-2015	-1088.98	194.91%	3211.56
01-02-2016	-1143.43	236.46%	3847.16
01-12-2017	-1200.61	123.24%	2680.19
01-09-2018	-1260.64	115.07%	2711.28
01-07-2019	-1323.67	111.44%	2798.82
01-02-2020	-1389.85	109.86%	2916.79
01-03-2020	-1459.34	173.43%	3990.21
01-01-2022	-1532.31	35.57%	2077.42
01-01-2023	-1608.93	33.10%	2141.49
01-01-2024	-1689.37	-2.88%	1640.73
01-01-2025	**125508.98**		
XIRR	**12.80%**		

- **Regular SIP with no financial crisis in the past 25 years**

Date	SIP	Price	% Return	Return
01-01-2000	-1000	1546.21	19089.30%	191892.96
01-01-2001	-1000	2569.54	11447.05%	115470.54
01-01-2002	-1000	2873.91	10224.13%	103241.34
01-01-2003	-1000	3102.69	9462.85%	95628.50
01-01-2004	-1000	5389.71	5405.05%	55050.46
01-01-2005	-1000	6128.01	4741.80%	48417.97
01-01-2006	-1000	8938.25	3219.51%	33195.08
01-01-2007	-1000	12158.20	2340.38%	24403.78
01-01-2008	-1000	18997.91	1461.78%	15617.83
01-01-2009	-1000	25604.23	1058.82%	11588.16
01-01-2010	-1000	43485.63	582.31%	6823.08
01-01-2011	-1000	49046.16	504.95%	6049.53
01-01-2012	-1000	46321.12	540.54%	6405.42
01-01-2013	-1000	53763.03	451.88%	5518.77
01-01-2014	-1000	54255.63	446.87%	5468.67
01-01-2015	-1000	78487.92	278.03%	3780.28
01-01-2016	-1000	67384.23	340.32%	4403.20
01-01-2017	-1000	76272.10	289.01%	3890.10
01-01-2018	-1000	98252.97	201.98%	3019.82
01-01-2019	-1000	96503.03	207.46%	3074.58
01-01-2020	-1000	106567.79	178.42%	2784.20
01-01-2021	-1000	172158.90	72.34%	1723.44
01-01-2022	-1000	218903.78	35.54%	1355.42
01-01-2023	-1000	222957.02	33.08%	1330.78
01-01-2024	-1000	274238.78	8.19%	1081.93
01-01-2025	**751215.83**	296706.04		

XIRR	**21.65%**

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