

<https://doi.org/10.58419/gbs.v12i1.1212604>

TRANSFORMING STUDENT CREDIT INTO A SUSTAINABLE INVESTMENT STRATEGY: “AN INNOVATIVE INVESTMENT STRATEGY FOR ENCOURAGING RESPONSIBLE USE OF STUDENT CREDIT AND STRENGTHENING REPAYMENT CAPACITY AMONG YOUTH IN WEST BENGAL”

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ABSTRACT:

In the current financial circumstances, pupils in West Bengal most often use student credit cards to fulfil the requirements of their schooling and as further funding for their academic studies. This paper depicts a novel, multidimensional way to use student credit towards share trading, Systematic Investment Plans (SIPs), and such high-risk, long-term investments. The report further explains how these avenues, when safely organised, become the most rewarding in the long run, thereby encouraging the students to pay off education credits through prudent handling of finances. The component of the presented solution is to propose a coherent investment strategy that minimises market instability and, on the other hand, ensures potential long-term benefits. It is about investing part of student loans in equities and SIPs that consist of differentiated equity portfolios with the main aim of allowing the borrowers to create wealth and, at the same time, repay the loan. Moreover, the new model provides the rest of the excess profit for successful business startups, thus allowing students to be entrepreneurs after schooling. This is completely based on a Primary Study, and further information will be collected through student feedback and their engagement.

The study explores how financial constraints and strategic risk-taking among youth can contribute to long-term growth. It also attempts to understand students' interest in adopting sustainable investment practices alongside educational financing. It also emphasises the

possibilities of financial instruments as the means of economic self-help and entrepreneurial development, which, thus, meet the desires of the young generation in a transitional global economy for financial independence.

Key Words: Student Credit Cards, SIP, High-Risk Investment Plan, Educational Benefits, Sustainable Growth.

INTRODUCTION:

A significant number of students in West Bengal currently use financial options like student credit cards to fund their educational needs. The academic landscape is calling for an innovative approach that not only meets the needs of students but also instills sustainable financial strategies for the future. This paper presents a detailed investment strategy with the use of student credit that involves share trading, SIPs, and other high-risk long-term financial instruments.

BACKGROUND AND MOTIVATION:

The rapid rise in costs pertaining to education has boosted the dependency on education loans and credit schemes, which is alarming. This SIP solution will accompany the educational requirements, such as enabling the student's academic growth, in addition to wealth-building and loan-repayment strategies that ensure the burden does not fall on them in their post-graduate years.

Additionally, the model serves as a reminder to adopt an entrepreneurial mindset to resolve and eliminate diversification challenges and investment procrastination among young adults. Students can invest parts of their excessive profits into multiple business ventures without being constrained to their academic life.



Scholarship	Fellowship amount	Purpose
Swami Vivekananda West Bengal Govt. Merit Cum Means Scholarship	Higher Secondary 1000 p.m. UG & PG: Arts & Commerce 1000 & 2000 p.m. , Science & Other Professional Course 1500 & 2500 p.m. M.Phil. 5000 p.m. , Ph.D. 8000 p.m.	Class XI – Ph.D. (To assist meritorious and economically backward students)
Kanyashree Prakalpa	K1 : 1000 p.a. (13-18yrs) K2 : 25000(one time) – 18-19 yrs. K3 : PG Arts And Commerce 2000 p.m. Science & Technical 2500 p.m.	To promote girl's education and prevent early marriages
Aikyashree – West Bengal State Scholarships For Minority Students	Class I- X 11000/- p.y. Class XI – Ph.D. 16500/- p.y. Technical & Professional Courses 33000/- p.y.	To provide financial assistant to meritorious students from Minority Community

(Figure 1)

Education Scheme	Loan	Maximum Loan Amount	Interest Rate	Specific Purpose
WB-Student Card	Credit	10 Lakh	4%	Higher Education
PM Vidya Laxmi Scheme		10 Lakh	3%	860 Quality Higher Education
Central Interest Scheme	Sector Subsidy	10 Lakh	External Benchmark Lending Rate of an Individual Bank	Studying From A Recognized Institution In India

(Figure 2)

- Maulana Azad National Scholarship
- GOOGLE Scholarship
- Swami Dayanand Education Foundation Merit-cum-Means Scholarship
- GP Birla Scholarship
- L'Oréal Foundation Scholarship (Young Women pursue their education in Science)
- **Mutual fund / SIP**
- Bajaj Finance Limited – SIP (minimum Rs. 10)
- JM Flexi Cap Fund Direct Plan Growth (minimum Rs. 100)



- Nippon India Multi Cap Fund Direct Growth (min Rs. 100)
- HDFC Flexi Cap Fund Direct Plan Growth (minimum Rs. 100)
- ICICI Prudential Equity & Debt Fund Direct Growth
- UTI Nifty 50 Index Fund Direct Growth (min Rs. 500)

LITERATURE REVIEW:

Sharma & Tripathi (2023): This study analyses the performance and risk associated with Indian mutual funds that are ranked as small, mid, and large-cap funds through SIPs. It is pointed out that small-cap funds like Nippon India Small Cap Fund provide high returns with high risk, while mid-cap funds like HDFC Mid-Cap Opportunities Fund provide balanced returns. Large-cap funds provide stability with relatively lower returns. The paper applies risk measures such as the Sharpe Ratio, Beta, and Jensen's Alpha to analyse the performance. The paper concludes that SIPs can minimise market risk and that the choice of fund should be based on the risk tolerance of the investor and financial goals.

Sharma (2023): A Comparative study – “analyzes the performance of SIP investments on 30 carefully chosen mutual funds in India. By employing techniques such as Alpha, Beta, Sharpe Ratio, Treynor Ratio, and Sortino Ratio, the analysis compares the performance of different categories of mutual funds. The results indicate that small and mid-cap funds yielded better returns, and debt funds offered lower risk. The analysis aptly conveys the significance of risk-return analysis in investment, although more in-depth analysis could have reinforced the conclusions drawn from the research”.

Babla & Thappa (2025): This research explores the investment behaviour of the youth in Arunachal Pradesh, specifically analysing the preferences, factors, and effects of age and gender. Based on a sample of 250 participants aged 15-29 years, this study utilises factor analysis and chi-square tests to validate the results statistically. The outcomes show that insurance policies and bank deposits are the most popular choices, reflecting a conventional investment exercise. Four major factors, namely investment conservatism, budget constraints, technology impact, and apprehension, play a significant role in impacting investment decisions. This research also proves that age and gender are factors that influence investment behaviour. In general, this study offers significant insights and underlines the need for financial literacy among the youth.

Khanum & Gomathi. (2025): The following article describes a research study that analyzes how young people (aged 25-35) in the city of Bangalore view investments. The study uses a questionnaire to collect data (200 respondents), and then summarizes the results. The main conclusions from the study show that when investing, this group prefers mutual funds to equities. This group has what can be described as a growth-oriented investment attitude. Age and income have a statistically significant effect on investment decision-making. There is no statistically significant difference between male and female investor decision-making. On average, this group invests between 15-25% of their income, and they typically trade monthly. There are some indications of behavioural biases, such as overconfidence and herding, but a majority of the group showed a willingness to exercise strategic patience when pursuing long-term gains during times of declining market prices. Overall, financial literacy and the use of digital platforms are highly influential on their investment habits.

Mishra, Mishra & Shabaz. (2023): The research investigates how Indian youth develop their investment habits while assessing which factors affect their saving and investment choices. The study used a survey-based quantitative method that included 100 participants to show that youth demonstrated low to moderate risk tolerance while prioritising the safety of their principal amounts and investment returns. The research shows that financial literacy gaps and restricted investment options, combined with cultural preferences for physical assets and risk-related anxiety, create major obstacles to investment. The youth demonstrate high capital market awareness, which indicates their growing interest in these financial markets. The research demonstrates that financial education should target specific groups, while investment products need to be designed for young people to achieve sustainable and responsible investment practices.

Kuncheria & Joseph. (2025): According to studies, the investment behavior of youth is affected by financial literacy, risk preference, social influence, and digital exposure. Most youth investors opt for risk-free investments such as fixed deposits and gold, while others are gradually shifting to new investments such as mutual funds and stocks. Digitalization and social media have raised awareness, but they do not necessarily translate to regular investing. Some of the challenges associated with investing include fear of loss, lack of knowledge, and lack of funds. In general, research indicates that improved financial education and advice can enable youth to make better and more informed investment choices.

RESEARCH GAP:

Existing literature has extensively looked into youth investment behaviour. It covers preferences, risk perception, financial literacy, and demographic factors. Several studies have also investigated education loan financing, focusing on accessibility, default risk, repayment challenges, and policy consequences. While these two areas—investment behaviour and education loan financing—have been studied separately, there is limited research that combines both aspects in a single analytical approach.

Additionally, previous research often centres on traditional financial tools and credit risk modelling, with little focus on how sustainable investment practices, like ESG investments, long-term diversified portfolios, green bonds, and systematic savings methods, can impact financial stability for young borrowers. There is a clear gap in observational evidence showing whether structured, sustainable investment planning in early working years can lessen long-term credit stress from educational loans.

Furthermore, most studies either concentrate on predicting loan defaults or exploring behavioural biases in investment choices. Very few look at how responsible and sustainable investing habits might provide a financial cushion to ease education loan repayment pressure. The connection between behavioural finance, sustainable investment strategies, and education loan management is still underexplored, especially in emerging economies.

This study aims to fill this gap by exploring how sustainable investment behaviour among youth can lead to better financial resilience and potentially lessen credit issues linked to education loan financing.

RESEARCH OBJECTIVES:

- To investigate the availability and significance of financial resources in promoting high-cost higher education among students.
- To analyze the awareness and adoption of sustainable investment practices among the youth through student credit facilities.
- To assess the significance of contemporary investment approaches (SIPs and equity investment) in alleviating credit repayment stress among students.
- To determine the effect of education loan financing and investment planning on tax liability and financial management.

**RESEARCH METHODOLOGY:**

- Sampling techniques: Convenient Sampling
- Number of Sample: 73 Respondents
- Data: Primary & Secondary
- Statistical Tools: Percentage Analysis, Pie Chart, Chi-Square Analysis

Demographic Variables (Independent)

- Age
- Enrolled Course
- Income Resources
- Financial Resources for Education Expenses

Behavioural Variables (Dependent)

- Interest in investment
- Risk exposure
- Investment knowledge

Research Limitation :

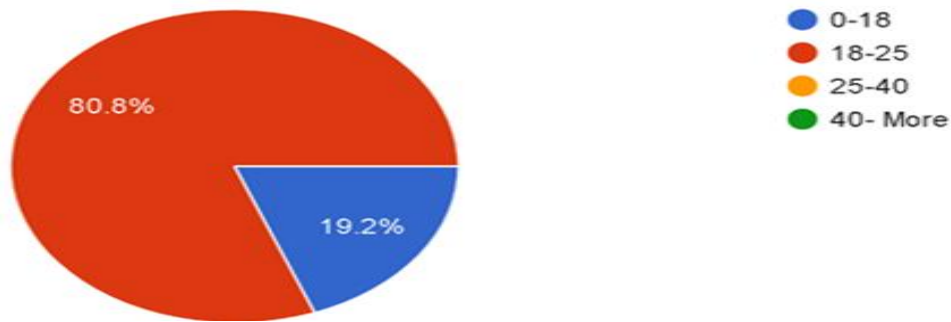
- Short Time Duration
- Shortage of available Data
- Qualitative over Quantitative data
- Only the Chi-Square method followed
- Age belongs to 18-25 only (80%)

Data Analysis and Interpretation:

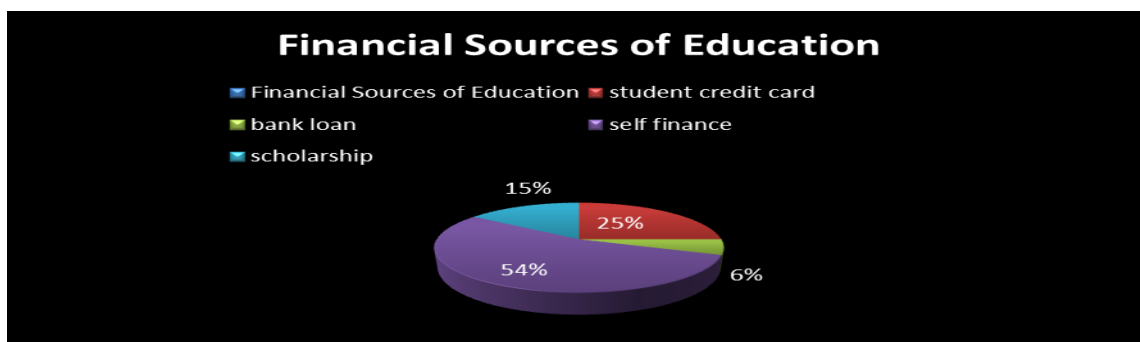
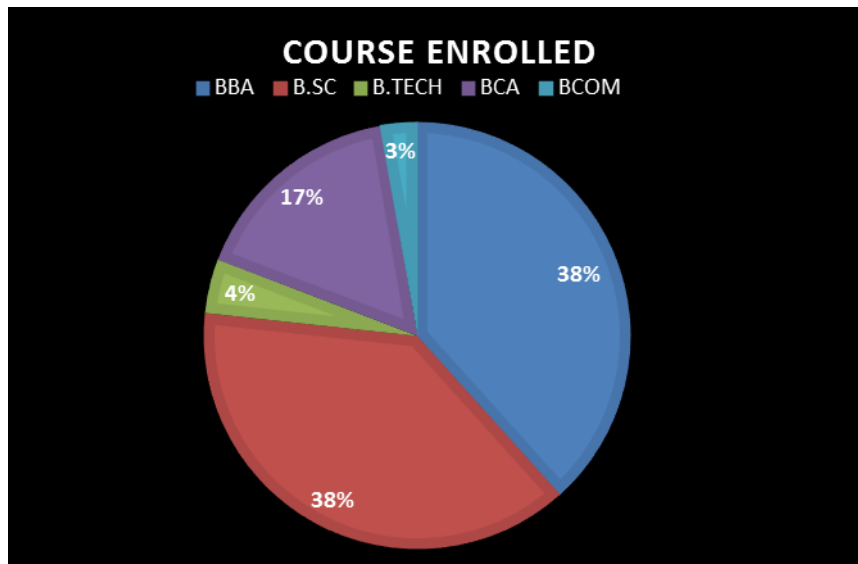
- H_{11} : Age has a significant relationship with investment interest.($p=0.9298$)
- H_{12} : Age significantly impacts risk exposure.($P=0.8830$)
- H_{13} : Income resources significantly influence investment interest.($p=0.2731$)
- H_{14} : Income resources significantly affect risk exposure. ($p=0.8345$)



Age:



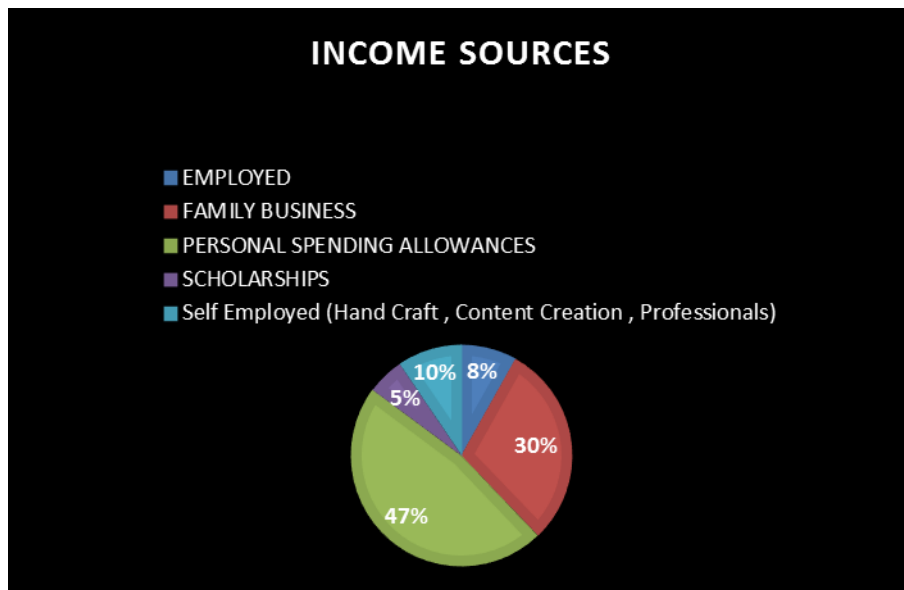
The above chart shows that more than 80% of respondents aged between 18 and 25 express interest in sustainable investment plans.



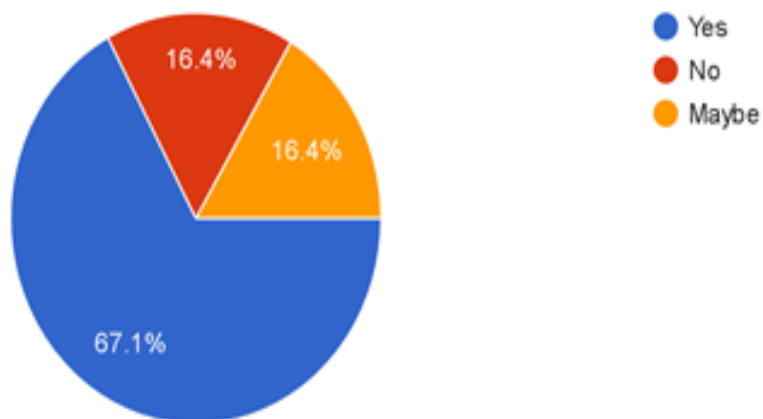
The chart further indicates that only 31% of students have availed credit facilities for their education, while the majority rely on other financial sources.



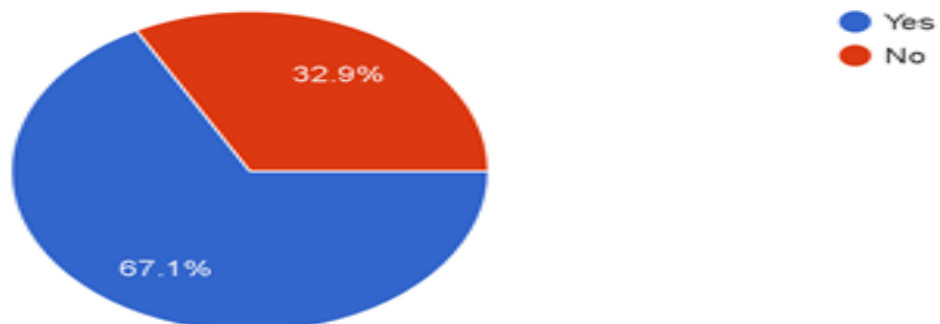
Income Sources:



Interest In Investment Exploration:

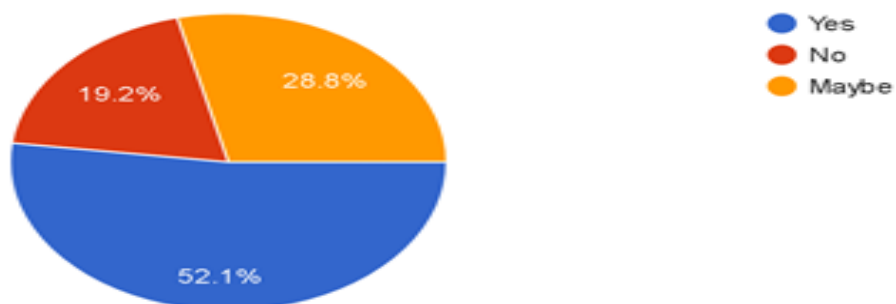


Knowledge about SIP, Mutual Fund Share Trading:

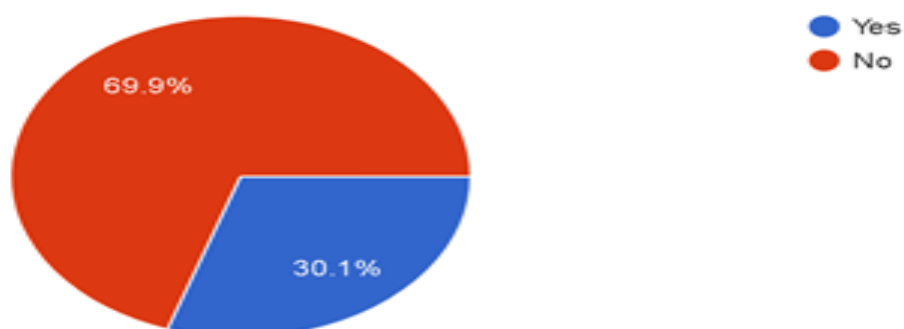




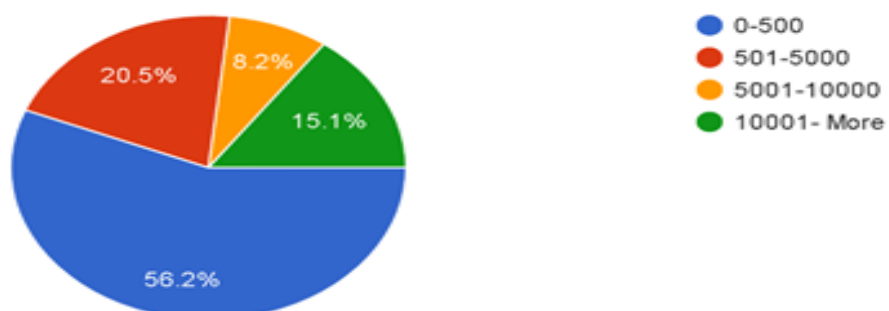
Risk Exposure:

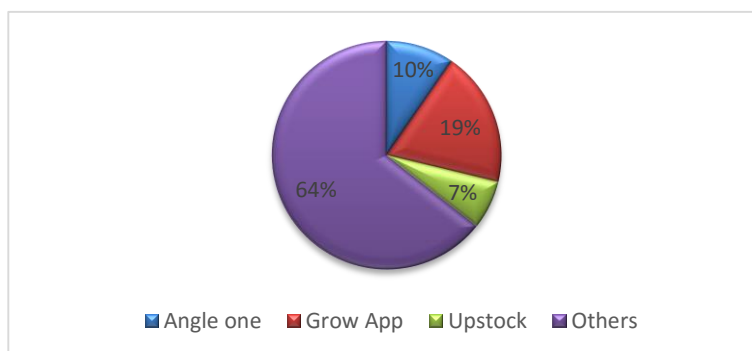


Demand Account Holder:



Amount Invested:



**Users of Investment Applications:****Secondary Data****Table: Age-wise Distribution of Investors (Pre-Pandemic to November 2024)²⁷**

Age Group (Years)	Pre-Pandemic (%)	March 2018 (%)	March 2023 (%)	November 2024 (%)
Below 30	22.9	—	38.5	40.0
30 – 39	—	31.0	—	29.4
40 – 49	—	20.3	—	15.6
50 and above	—	25.8	—	15.0
Average Age (Years)	—	—	36.8	35.8
Median Age (Years)	—	—	32	32

(Figure03)

Ref: The Hindu Business Line

Participation of Young Investor²⁸

<u>Year</u>	<u>Participation(%)</u>
March 2018	22.9
March 2019	22.6
March 2020	23.5
March 2021	29.4
March 2022	37.5
March 2023	38.5
March 2024	40.0
August 2024	40.0

Figure: 4)

Sources: NSE EPR

(How India's Youth is taking Over the Stock Market, 12/01/2025)

Teji Mandi by Motilal Oswal

Table: Participation Trends across Age Groups (2018–2024)²⁸

Age Group (Years)	Participation in 2018 (%)	Participation in 2024 (%)	Trend / Interpretation
30 – 39	31.0	29.4	Slight decline; participation remains relatively stable
40 – 49	20.3	15.5	Noticeable decline, indicating changing investment priorities
50 – 59	–	8.0	Declining participation among late-career investors
60 and above	12.7	7.2	Significant reduction in participation
Overall Observation	–	–	Clear shift towards younger investors and reduced participation among older age groups

(Figure 5) (How India's Youth is taking Over the Stock Market, 12/01/2025)

Teji Mandi by Motilal Oswal

The number of Students had been applying for an Education Loan for the purpose of Studying Abroad^{21.}

Bank	2012-13 A	2012-13 B	2013-14 A	2013-14 B	2014-15 A	2014-15 B	2015-16 A	2015-16 B	2016-17 A	2016-17 B	2017-18 A	2017-18 B	2018-19 A	2018-19 B	2019-20 A	2019-20 B	2020-21 A	2020-21 B	2021-22 A
Bank of Baroda	1525	94	1989	126	2445	157	2804	219	2496	202	2928	277	4777	363	6233	403	5945	370	9331
Bank of India	128	2	977	18	1597	30	1653	37	1517	30	1613	47	1419	46	1295	46	893	29	374
Bank of Maharashtra	224	21	358	24	489	32	640	27	689	34	826	42	832	51	1010	74	646	60	1248
Canara Bank	1329	30	3455	192	6015	424	8254	663	8571	841	8356	1144	8649	1323	9786	1528	7704	1328	11429
Central	22	-	105	-	322	-	627	-	1123	1	1124	5	1256	2	902	5	728	1	607



Bank	2012-13 A	2012-13 B	2013-14 A	2013-14 B	2014-15 A	2014-15 B	2015-16 A	2015-16 B	2016-17 A	2016-17 B	2017-18 A	2017-18 B	2018-19 A	2018-19 B	2019-20 A	2019-20 B	2020-21 A	2020-21 B	2021-22 A
Bank of India																			
Indian Bank	1016	43	983	34	1122	41	1462	45	2041	53	2317	45	2268	44	2259	49	1259	58	2192
Indian Overseas Bank	-	-	-	-	-	-	-	-	519	44	853	4	906	6	838	5	373	12	708
Punjab & Sind Bank	278	13	297	13	343	20	355	23	292	17	279	15	261	13	226	13	67	4	263
Punjab National Bank	8516	1122	7986	1189	7937	1474	9230	1640	10516	1738	11359	1753	10069	1657	8919	1507	5459	931	5108
State Bank of India	6787	475	9567	648	12784	760	13954	867	15601	981	19259	1521	21651	1680	28215	2154	23809	1917	32449
UCO Bank	112	5	116	6	173	10	315	18	392	25	444	42	472	49	665	50	454	40	556
Union Bank of India	429	29	928	62	1765	107	2218	146	2136	170	2406	237	2540	294	2599	402	4447	396	5633

(Figure 6)

Ref: <https://share.google/3ndwShdJoeL242iq1>**A** = Number of students applying for an education loan for the purpose of studying abroad**B** = Number of students applying for an education loan in purpose of studying medicine abroad

– = Nil

Details of Loans approved by various financial institutions to Students Studying Abroad**(₹ in Crore)²¹**

Bank	2012-13 A	2012-13 B	2013-14 A	2013-14 B	2014-15 A	2014-15 B	2015-16 A	2015-16 B	2016-17 A	2016-17 B	2017-18 A	2017-18 B	2018-19 A	2018-19 B	2019-20 A	2019-20 B	2020-21 A	2020-21 B	2021-22 A	2021-22 B
Bank of Baroda	97.12	2.67	100.05	3.90	141.76	5.25	177.24	8.27	177.37	7.74	243.25	13.00	493.30	20.94	683.49	22.49	565.29	22.01	1184.20	36.91
Bank of India	8.60	0.04	67.93	0.49	108.23	0.93	109.01	0.98	102.66	1.03	113.69	1.38	104.07	1.35	94.25	1.36	59.94	0.75	24.14	0.49
Bank of Maharashtra	24.68	2.01	42.96	1.44	71.21	3.56	99.93	3.69	77.98	3.07	88.09	2.81	95.09	2.87	115.81	4.82	66.00	4.08	169.95	5.89
Canara Bank	97.14	1.11	244.83	7.24	432.40	15.15	640.18	26.02	682.18	31.87	647.04	45.44	716.41	52.07	836.96	65.88	615.53	55.70	1156.01	57.24
Central	4.25	-	20.0	-	45.0	-	55.0	-	64.8	0.1	66.1	0.8	77.2	0.2	48.5	0.88	45.0	0.08	43.1	1.62



Bank	2012-13 A	2012-13 B	2013-14 A	2013-14 B	2014-15 A	2014-15 B	2015-16 A	2015-16 B	2016-17 A	2016-17 B	2017-18 A	2017-18 B	2018-19 A	2018-19 B	2019-20 A	2019-20 B	2020-21 A	2020-21 B	2021-22 A	2021-22 B
Bank of India			4		6		5		8	9	0	5	6	5	5		8		2	
Indian Bank	57.05	2.04	67.61	1.69	85.86	1.95	113.42	1.99	185.73	2.60	218.71	1.98	210.70	2.77	225.64	3.69	122.51	4.99	284.00	9.96
Indian Overseas Bank	-	-	-	-	-	-	-	-	45.84	0.65	76.32	0.18	86.84	0.18	80.22	0.14	32.03	0.48	76.26	0.85
Punjab & Sind Bank	11.23	0.67	11.60	0.76	12.58	0.96	13.27	1.12	10.16	0.82	11.25	1.05	10.82	0.68	11.25	1.24	5.76	0.37	19.10	2.28
Punjab National Bank	473.97	23.24	521.07	28.18	579.78	35.78	677.31	43.62	780.65	53.22	953.07	64.89	854.45	61.10	719.71	61.11	324.00	37.58	450.17	29.34
State Bank of India	373.83	19.18	574.72	26.96	889.56	32.02	1084.89	36.88	1286.17	45.14	1577.87	69.50	2033.39	83.23	2816.63	118.09	2143.02	101.24	3556.47	108.69
UCO Bank	6.53	0.11	7.49	0.19	12.00	0.37	23.76	0.74	30.58	1.18	31.52	1.94	35.10	2.19	52.56	2.50	31.52	1.26	56.43	4.53
Union Bank of India	25.88	0.79	66.81	2.79	133.67	4.60	155.47	6.71	154.87	6.38	188.68	7.60	201.96	9.50	200.63	16.77	492.93	15.10	556.17	32.02

(Figure 7)

Ref: <https://share.google/3ndwShdJoeL242iq1>**A** = Education loan sanctioned to students for the purpose of studying abroad.**B** = Education loan sanctioned to students for the purpose of studying medicine abroad (out of A)

– = No Approval

Comparative Analysis of Student Credit Card Applications – West Bengal (2021)³⁰

Variable	Category	Number of Applicants	Percentage (%)
Total Number of Applications	Overall Applicants	26,000+	100%
Gender	Male	16,800	~63.5%
	Female	9,700	~36.5%
Scope	Studying in West Bengal	~19,941	~76.7%
	Studying outside West Bengal	6,059	~23.3%
Financial Contribution	Maximum Loan Limit	₹10,00,000	—
Interest Rate	Standard Rate	4%	—
Collateral Securities	State Government Guarantee	No collateral	—
Eligibility Criteria	From Class 10 onwards	—	—

(Figure 8)

(The Hindu Newspaper, 2021)

Policy Feature Comparison (Analytical Framework)³¹

Parameter	Student Credit Card Scheme (WB)	Traditional Bank Education Loan
Maximum Amount Sanctioned	₹10 lakh	Varies (₹4–20 lakh)
Rate of Interest	4%	8–12% (approx.)
Collateral Securities	Not required	Often required
Target Beneficiaries	Class 10 onward students	Mainly higher education students
Scope	Tuition, laptop, boarding, books	Mostly tuition fees

(Figure 9)

(The Times of India, 2025)

**DATA ANALYSIS AND RESULT:**

At 5% level of significance, ($\alpha=0.05$), a hypothesis is considered statistically significant only if $p < 0.05$; if $p > 0.05$, the null hypothesis is accepted and the alternative hypothesis is rejected.

H1₁: Age has a significant relationship with interest in investment

- p-value = 0.9298
- Since $0.9298 > 0.05$, the result is not statistically significant.
- Interpretation: Age does not have a significant relationship with investment interest.
- H1₁ is rejected.

According to the study, there is no difference in the investment interest of individuals in this category of 0–25 years. It means that age does not solely determine investment interest; rather, investment interest is more affected by financial awareness, accessibility, knowledge, and personal financial goals. This analysis was performed by considering age category and investment interest as categorical variables and using the chi-square test. The reason why this test is suitable is that it assists in examining the relationship between non-parametric, categorised variables and also ascertains if there is a statistically significant relationship between them.

H1₂: Age significantly impacts risk exposure

- p-value = 0.8830
- Since $0.8830 > 0.05$, the result is not statistically significant.
- Interpretation: Age does not significantly impact risk exposure.
- Decision: H1₂ is rejected.

The results show that age (0–25) does not have a significant effect on risk exposure in investment decision-making. This indicates that age is not a determinant of risk-taking behaviour, as young investors may be equally risk-averse or risk-seeking, due to better awareness and wider access to investment opportunities. The Chi-square test was used, taking age category and risk exposure as categorical variables. This test can be used to examine associations between non-parametric, classified data and to determine if there is a significant relationship between the variables.

H1₃: Income resources significantly influence investment interest

- p-value = 0.2731
- Since $0.2731 > 0.05$, the result is not statistically significant.
- Interpretation: Income resources do not significantly influence investment interest.
- Decision: H1₃ is rejected.

The analysis indicates that the effect of income resources on investment interest is insignificant. The amount of income is not a significant factor in the level of investment interest, but it is the quantity of investment. This finding implies that people from different income groups have similar levels of inclination towards investment. This is because of the availability of low-cost investment schemes, systematic investment plans (SIPs), and diversified financial products designed to suit individuals with varying income levels. Hence, the rejection of H1₃ suggests that the increasing trend in investment interest is not related to income but rather is closely linked to financial awareness, education, and individual motivation, rather than merely to the possibility of investment.

The relation was tested by the Chi-square test. The two variables selected for analysis were income level (independent variable) and investment interest (dependent variable), both measured in categorical form. The Chi-square test is used to test the relationship between two categorical variables and to find out whether the difference between the two is statistically significant or not. As the data gathered was non-parametric and categorised (e.g., income groups and levels of investment interest), the Chi-square test was a suitable method to test the hypothesis and validate whether income level influences investment interest.

H1₄: Income resources significantly affect risk exposure

- p-value = 0.8345
- Since $0.8345 > 0.05$, the result is not statistically significant.
- Interpretation: Income resources do not significantly affect risk exposure.
- Decision: H1₄ is rejected.

The results show that the income resources do not significantly affect the risk exposure in the investment decision-making process. This means that a higher or lower level of income does not necessarily mean increased or decreased risk-taking behaviour. Investors seem to judge

risk depending on their personal risk capacity, financial literacy, experience and perception of market conditions, and not solely on their income level. The rejection of H1₄ thus indicates that investors exhibit rational and independent risk assessment behaviour regardless of their income resources.

The Chi-square test was applied for the purpose of hypothesis testing. The variables identified in this analysis were income resources (independent variable) and risk exposure (dependent variable), both of which were measured in categorical terms (e.g., income brackets, levels of risk-taking). The Chi-square test is appropriate in this context as it is intended to test the association between two categorical variables and determine whether any observed relationship is statistically significant. The data collected is non-parametric data and grouped into categories. The Chi-square test is used to ensure a valid and reliable method of testing the hypothesis. The high p-value also confirms that there is no substantial correlation between the income resources and risk exposure.

CONCLUSION:

Taxation of Mutual Fund

As per Income Tax Act (Financial Year 2025–26)^{32,33}

- **Equity Mutual Funds**
 - Holding Period < 12 Months → 20% STCG
 - Holding Period > 12 Months → 12.5% LTCG on gains above ₹1.25 lakh in a financial year
- **Debt Mutual Funds** (Units purchased on or after 01.04. 2023)
 - Taxability of Capital gains according to the investor's income tax slab rate, based on holding period
 - No indexation benefit available
- **Debt Mutual Funds** (Units purchased before 01.04.2023)
 - Holding Period Up to 24 Months → STCG taxed as per income slab



- Holding Period More Than 24 Months → 12.5% LTCG without indexation (as per revised capital gains rules)
 - **Hybrid Mutual Funds (Equity-Oriented)** (minimum 65% equity exposure)
 - Holding Period < 12 Months → 20% STCG
 - Holding Period > 12 Months → 12.5% LTCG on gains above ₹1.25 lakh
 - **Hybrid Mutual Funds (Debt-Oriented / Non-Equity)**
 - Taxed similar to debt funds
 - For investments made after 01.04. 2023 → gains taxed as per income slab, regardless of holding period
 - No indexation benefit available
- **Tax Benefit:**
- 80 E – Interest Paid on Education loan (Deduction can be claimed for a maximum of 8 yrs) – No upper limit.
- 80 C - Deduction up to Rs 1,50,000/- on tuition fees paid by individual taxpayer (2 Children's max)

Investment Type	Lock-In Period	Returns	Tax On Returns
Equity Lined Savings Fund	3 Yrs.	10-15% (Market Linked)	LTCG - More Than 1 Lakh – 10%
PPF	15 Yrs.	7.1%	Tax Free
National Savings Certificate	5 yrs.	7.7%	Taxable
Tax Savings FD	5 yrs.	6-7%	Taxable

(Figure 10)



Investment Type	Lock-In Period	Returns	Tax On Returns
EPF	Until retirement (partial withdrawal allowed after 5 yrs)	8.15%	Tax-free if held for 5 yrs.
National Pension System	Until retirement (60 yrs)	8-10%	60% tax free 40% taxable

(Figure 11)

The research contends that a multidimensional approach can be employed using student credit cards in order to finance their education and promote financial growth through investing strategically. This means that through the integration of the use of student credit cards for high-risk long-term investments like share trading or SIPs, apart from securing safe academic futures, wealth is also created for students, which in turn allows them to repay loans. The trick lies in structuring these investments so that they can survive market fluctuations and yield high returns after some time.

There should be early initiation of financial literacy and risk-taking strategies so that young people have the tools needed for economic independence. Introducing diversified equity portfolios through SIPs offers an opportunity for long-term safe investment, which can earn sizeable returns for repaying education loans. Besides, extra profits can be channeled towards entrepreneurship beginning afresh, thus opening ways for students towards entrepreneurship from education.

In addition, tax benefits under sections 80C and 80E of the Income Tax Act make these investments even more attractive^{1,2}. There are tax deductions provided by section 80C on specified kinds of financial instruments, thereby making it necessary for students to file claims on what they contributed towards SIPs or other qualified assets. Further, Section 80E also allows deductions on interest paid from an education loan, thus providing an added incentive for students to be able to manage both school debt and smart investments at the same time.

In general, this innovative investment strategy enables students to take control of their financial decisions, hence motivating them to save money through responsible, prudent investments



while at the same time providing a preparation for financial liberation in this dynamic world economy. Strategic financial management with a risk-taking attitude and tax incentives constitutes a commendable model that enables graduates not only to obtain necessary educational requirements but also to realise long-term goals in finance and manage entrepreneurship. This framework would further be sharpened through students' feedback and involvement so that it is feasible and sustainable in meeting the financial aspirations of the young.

As per my personal understanding and observation, age and income are factors that play a role in influencing the investment behaviour of youth, but they are not always the most dominant factors. Age can result in maturity and sound financial acumen, and higher income can lead to enhanced investment capacity. However, these factors alone do not always lead to a genuine interest in investing.

Financial acumen and risk-taking tendency are more likely to have a direct influence on investment interest. Even with limited financial resources, proficiency in financial markets and risk-taking appetite can lead to a genuine interest in investing among youth. Investment interest is not always driven by financial considerations; it can be driven by the need for financial security, freedom, and stability.

Currently, social media platforms, artificial intelligence tools, and online investment platforms such as Groww, Angel One, and Uninvest, etc., are playing a major role in encouraging youth investment behaviour. These platforms make investing easier and allow investors to begin with small investments, thereby overcoming fear and building confidence. Hence, the influence of digital platforms and technological accessibility is emerging as a major driver for youth investment behaviour.

As per the findings from the primary data, only a limited number of students are actively utilizing credit facilities for educational purposes, whereas a substantial number of students are self-financing despite the high cost of higher education. However, secondary data suggests that a substantial number of students are taking advantage of education loans or credit facilities to pursue higher studies, which indicates a mismatch between perceived and actual credit utilization trends.

In my opinion, contemporary investment trends cannot fully mitigate the financial stress associated with educational credit. However, prudent investment habits can substantially alleviate the burden of repayment by establishing an additional financial safety net. Consequently, education financing, prudent investment habits, and favorable taxation policies collectively provide a sustainable paradigm for enhancing financial resilience among students. This paradigm not only helps students achieve academic success but also helps them develop long-term financial security, entrepreneurial acumen, and economic independence.

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