# MONTHLY NEWSLETTER JANUARY 2024

## MONTHLY NEWS NUGGET

### Average Net Asset Under Management of Mutual Fund Industry Hit record high in Nov'23

Steady equity market conditions, coupled with robust inflows, led to the Mutual Fund Industry's Average Assets Under Management (AAUM) reaching ₹48,47,907 Crore in November 2023, reflecting year-on-year growth of 19.72%.

### The Reserve Bank of India kept the key interest rate unchanged during the Monetary Policy announcement.

The Reserve Bank of India announced several measures at the monetary policy meeting, including discontinuing liquidity facilities on weekends and holidays, establishing a fintech repository by April, and increasing the UPI transaction limit.

### In November 2023, WPI inflation saw a 0.26% increase, driven by the upward trend in food prices.

Wholesale price-based inflation rose from -0.52% in October to 0.26% in November. The increase, reported on December 14, is attributed to higher food prices, marking a notable shift after seven consecutive months of negative inflation.

### Govt issues revised order permitting the utilization of sugarcane juice for ethanol production

A new directive from the food ministry has overturned the ban on using sugarcane juice for ethanol production. The order now allows the utilization of both sugarcane juice and B-heavy molasses for the production of green fuel in the supply year 2023-24.

## MONTHLY MARKET DATA

| Particulars | Open | High | Low | Close | Change % |
|---|---|---|---|---|---|
| Sensex | 67,181.15 | 72,484.34 | 66,610.35 | 72,240.26 | 7.00% |
| Nifty | 20,194.10 | 21,801.45 | 20,183.70 | 21,731.40 | 7.07% |
| Nasdaq | 14,181.35 | 15,150.07 | 14,058.52 | 15,011.35 | 5.53% |
| Gold | $2,034.49 | $2,088.54 | 1,973.09 | $2,062.94 | 1.38% |
| Crude | $75.84 | $76.92 | $67.81 | $71.24 | -6.46% |

Source: Investing.com/ wsj.com/ Market Data Period 01/12/2023 to 31/12/2023

Shreeniwas Gadiyar, Retirement + Estate Planning Advisor
AMFI Registered Mutual Fund Distributor | SEBI Registration No. ARN-106618
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

## TIMELESS FINANCIAL WISDOM

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> How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case."
>
> - Robert G. Allen



## TAX-SAVING INSIGHT OF THE MONTH

# ClaimDeductions Under Section 80GG for Rent Payments without HRA

Introduction: If you find yourself paying rent without receiving House Rent Allowance (HRA) in your salary, don't worry! You can still avail of tax-saving benefits under Section 80GG. This guide will walk you through the essentials of claiming deductions for your rent payments.

***Eligible Amount of Deduction Under Section 80GG:***

To determine your deduction under this section, consider the lowest of the following factors:

- Rs. 5,000 per month or Rs. 60,000 per year (whichever is lower).
- 25% of your total income (excluding specific capital gains and deductions under sections 80C to 80U).
- Total rent paid minus 10% of your total income.

***Eligibility Criteria for Section 80GG Deduction:***

To claim a deduction under Section 80GG, ensure you meet the following criteria:

- You have not received HRA from your employer during the applicable financial year.
- You, your spouse, minor child, or HUF (of which you are a member) do not own any residential accommodation where you currently reside, work, or conduct business.
- If you own a residential property elsewhere, for which income from house property is calculated under applicable sections, no deduction under Section 80GG is allowed.
- File Form 10BA with details of the rent payment.
- If your annual rent exceeds Rs. 1 lakh, submit the PAN card of your property owner to claim the deduction.
- You should not have claimed HRA at any time during the financial year.

***Conclusion:***

Paying rent without HRA doesn't mean missing out on tax benefits. By understanding and meeting the criteria under Section 80GG, you can optimize your deductions and effectively manage your tax liabilities. Always ensure accurate documentation and adherence to the specified guidelines when claiming these deductions.

Dhirendra Gadiyar, CFP® | Estate Planning Advisor
AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56618
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

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INVESTOR SUCCESS STORY



# RETIREMENT CONCERNS TO EUROPE VACATION HARISHJI'S JOURNEY AS A MUTUAL FUND INVESTOR

*Despite being aware of Mutual Funds, Harishji had hesitated to take the plunge, sticking to traditional savings schemes throughout his career.*

One morning, I caught up with Harishji, my neighbor just a stone's throw away. I invited him to address a community hall meeting for the area's welfare on the coming weekend. With a joyful smile, Harishji informed me that he and his wife were embarking on a European Tour the very next day, making him unavailable for the meeting.



Let me introduce you to Harishji—a former accountant in a manufacturing house, now leading a content life with his wife and accomplished children. His daughter, a happily married School Teacher, and his son, a thriving IT engineer in an MNC, have all found their paths to success.



However, eight years ago, as Harishji faced his retirement, life looked different. His daughter's wedding was on the horizon, and his son was completing his engineering degree. Harishji grappled with the challenge of securing his retirement savings for consistent cash flow and optimal returns without exposing himself to undue risk.

In his moment of uncertainty, Harishji turned to me, and I connected him with Mr. Pankaj——an astute and dynamic Mutual Fund distributor. Having benefited from Pankaj's expertise, I decided to extend those advantages to Harishji.

Despite being aware of Mutual Funds, Harishji had hesitated to take the plunge, sticking to traditional savings schemes throughout his career. As an accountant, he maintained financial discipline, saving diligently each month. However, concerns about inflation and the desire to enjoy post-retirement life and pursue hobbies lingered.

Mr. Pankaj, through meticulous consultations, crafted a tailored investment strategy aligned with Harishji's age and risk profile. Allocating funds for short-term goals and investing in govt. backed post-retirement schemes, Harish'ji ventured into Mutual Funds. A Systematic Withdrawal Plan (SWP) seamlessly managed his regular cash flow requirements.

Now, Mr. Harish leads a serene retirement, indulging in hobbies like traveling, music, fishing, etc. A few years ago, he took his wife on a tour to Kashmir, and now, the couple is set for a grand European adventure.

Harishji's story resonates with many who, like him, rely solely on traditional investments or hesitate to explore Mutual Fund opportunities. For those wrestling with hesitation or confusion amid the vast landscape of Mutual Funds, recommending a seasoned expert can be transformative. With mandatory exams mandated by SEBI and enriched by continuous education, these experts can be transformative. Your small recommendation has the potential to change lives, just as it did for Harishji.

Shreepiwas Gadiyar, Retirement + Estate Planning Advisor
AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56618
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

# UPCOMING EVENTS




## 7 January 2024

- The due date for deposit of Tax deducted [except under Section 194-IA, Section 194-IB, Section 194M, or Section 194S (by specified person)] or collected for December 2023. However, all the sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
- The due date for deposit of TDS for the period October 2023 to December 2023 when the Assessing Officer has permitted quarterly deposit of TDS under Sections 192, 194A, 194D or 194H.

## 14 January 2024

- The due date for the issue of the TDS Certificate for tax deducted under sections 194-IA, 194-IB, 194M, and 194S (by specified person) in November, 2023.

## 15 January 2024

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for December, 2023 has been paid without the production of a challan.
- Quarterly statement of TCS for the quarter ending December 31, 2023
- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for the quarter ending December, 2023
- Due date for furnishing of Form 15G/15H declarations received during the quarter ending December, 2023
- Furnishing of statement in Form No. 49BA under Rule 114AAB (by specified fund) for the quarter ending December 31, 2023.
- Furnishing of statement in Form No. 49BA under Rule 114AAB (by specified fund) for the quarter ending December 31, 2023.

## 30 January 2024

- The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB, 194M, 194S (by specified person) in December, 2023.

## 31 January 2024

- Quarterly statement of TDS for the quarter ending December 31, 2023.
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2023.
- Exercising the option to opt for alternative tax regime under Section 115BAA by a domestic company for the assessment year 2021-22.
- Intimation by Sovereign Wealth Fund and Pension Fund in respect of investment made in India for the quarter ending December, 2023.

Shreeniwas Gadiyar, Retirement + Estate Planning Advisor
AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56618
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

Source: Incometax India

EDITORIAL

# Efficient Ways to Manage Your Monthly Salary

*Embarking on the path to wealth creation requires more than just a hefty paycheck—it demands strategic management of your monthly income. Surprisingly, many individuals, regardless of their income level, find it challenging to save a substantial amount at the end of each month. Whether you're a seasoned professional or a newcomer to the workforce, incorporating the efficient strategies outlined below can pave the way for your financial well-being. Explore these tried-and-tested methods to optimize your monthly income:*

**1. Expense Tracking:** A Fundamental Step The first step toward financial control is meticulous expense tracking. Every rupee counts, so make it a habit to document all your expenditures, no matter how trivial. Utilize budgeting apps or create a spreadsheet to gain insights into your spending patterns. This awareness is the foundation for effective expense management.



**2. Budget Creation:** Blueprint for Financial Stability Crafting a well-structured budget is akin to having a financial roadmap. Allocate your income across essential categories such as housing, utilities, groceries, and discretionary spending. Be realistic in setting limits, ensuring that your expenses align with your financial goals. A thoughtfully designed budget not only promotes financial stability but also fosters disciplined spending.



**3. Savings Goals:** Charting Your Financial Future Set clear and attainable monthly savings goals. Whether you're building an emergency fund, saving for a major purchase, or planning for the long term, having specific targets keeps you focused. Allocate a portion of your salary toward savings before indulging in discretionary spending. This disciplined approach cultivates a healthy saving habit, laying the groundwork for financial security.



**4. Embrace Investing:** Make Your Money Work for You Transform your financial landscape by venturing into investments. While it may seem daunting initially, even modest investments can yield significant returns over time. Explore avenues such as mutual funds, fixed deposits, or systematic investment plans (SIPs). The key is to start early, allowing the magic of compounding to amplify your wealth over the years.



**5. Tax Efficiency:** Strategize for Financial Optimization Prioritize tax planning as an integral part of your financial strategy. Understand available deductions, exemptions, and investment avenues that offer tax benefits. By optimizing your tax liability, you not only retain more of your hard-earned money but also contribute to your long-term financial goals.



**In Conclusion:** Your Path to Financial Freedom Efficiently managing your monthly salary is the cornerstone of wealth creation. By implementing these strategies, you empower yourself to make informed financial decisions, setting the stage for a secure and prosperous future. Take charge of your finances, embrace discipline, and commence a journey toward lasting financial well-being. Your financial freedom awaits—start today!

**Shreeniwas Gadiyar, Retirement + Estate Planning Advisor**
**AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56618**
**gadiyar@planyourdreams.in** **9833570575** **www.planyourdreams.in**

## FINANCIAL QUIZ

***CHOOSE THE CORRECT OPTION:***

### When should an investor consider rebalancing their portfolio?

A. Only when the market is entering a Bull Market or Bear Market.

B. Whenever investors feel like making a change.

C. When the actual allocation deviates significantly from the target portfolio allocation.

D. None of the above.

*(Answer will be published in the next edition)*

*Answer to the previous edition's quiz. -Q & A of last edition*

**What distinguishes the Focused Equity Mutual Fund from other Equity Mutual Funds?**

- It focuses on a particular sector.
- It has a maximum of 30 stocks in the portfolio.

Correct Ans Option 2.

## MF CATEGORY-WISE PERFORMANCE AT A GLANCE

| Category | 1 year | 3 Years | 5 Years | 10 Year |
|---|---|---|---|---|
| Equity - Contra | 33.86 | 25.65 | 20.39 | 18.11 |
| Equity - Dividend Yield Fund | 35.97 | 24.83 | 18.86 | 15.98 |
| Equity - ELSS | 26.43 | 19.76 | 16.11 | 16.12 |
| Equity - Flexi Cap Fund | 27.60 | 19.52 | 16.55 | 16.38 |
| Equity - Focused Fund | 25.75 | 18.91 | 16.39 | 16.10 |
| Equity - Large & Mid Cap Fund | 29.88 | 22.18 | 17.95 | 17.21 |
| Equity - Large Cap Fund | 23.14 | 16.99 | 14.99 | 14.32 |
| Equity - Mid Cap Fund | 37.58 | 26.51 | 20.85 | 20.13 |
| Equity - Multi Cap Fund | 32.96 | 25.42 | 20.02 | 18.23 |
| Equity - Small Cap Fund | 42.01 | 32.68 | 24.68 | 22.34 |
| Equity - Value Fund | 34.32 | 24.34 | 17.80 | 17.88 |

Shreeniwas Gadiyar, Retirement + Estate Planning Advisor
AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56[illegible]
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

* All Sectoral, Thematic, Index & ETF Funds excluded in the above list. Returns are not guaranteed.

* Disclaimer: This report has been prepared based on data available to us and we have taken all precautions so that there are no errors and lapses. However, we do not assume any liability for actions taken, based on this report. Past performance may or may not be sustained in the future. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Contact us for scheme-specific risk. 'The Investor Story' narrative involves creative liberties taken for storytelling purposes. It does not reflect real events or individuals.

**** Report as of 01/01/2024***

**Shreeniwas Gadiyar, Retirement + Estate Planning Advisor**
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