# MONTHLY NEWSLETTER MARCH 2024

## NEWS HIGHLIGHTS



**On February 1, Finance Minister Nirmala Sitharaman presented her sixth Budget.**
FM presented the 2024 Interim Budget, prioritized youth & women empowerment, emphasized fiscal consolidation, & sustained capital expenditure, reducing the FY25 fiscal deficit target to 5.1% of the GDP, with no alterations to direct/indirect tax rates.

**RBI keeps repo rate unchanged on February'24 MPC Meeting**
The RBI MPC, led by Governor Shaktikanta Das, has maintained repo rates at 6.5% for the sixth consecutive time, emphasizing a commitment to the withdrawing accommodative stance following the announcement of Interim Budget on Feb 1, 2024

**The RBI directed Paytm Payments Bank to halt all deposit and credit transactions beyond Feb 29, 2024.**
Due to persistent non-compliance & supervisory concerns, the RBI has instructed Paytm Payments Bank to halt all deposits & credit transactions after Feb 29, 2024.

**For 35th consecutive month, Equity Mutual funds recorded positive net inflows.**
In Jan'24, investors sustained their interest in equity mutual funds, contributing ₹21,781 crore and marking the 35th consecutive month of net inflows, representing a 28% increase from December's ₹16,997 crore.

**EPFO announces 8.25% interest rate for the Employees' Provident Fund (EPF) for the FY 2023-24.**
The Employees' Provident Fund Organisation raised the interest rate to 8.25% for 2023-24, up from 8.15% last year and 8.10% in 2021-22, bringing joy to over 65 million EPFO subscribers.

Source: Multiple News Portals

## MONTHLY MARKET DATA

| Financial Market Performance Snapshot | | | | | |
|---|---|---|---|---|---|
| Particulars | Open | High | Low | Close | Change % |
| Sensex | 71,998.78 | 73,413.93 | 70,809.84 | 72500.3 | 0.70% |
| Nifty | 21,832.95 | 22,297.50 | 21,530.20 | 21,982.80 | 0.69% |
| Nasdaq | 15,254.02 | 16,134.22 | 15,208.88 | 16,091.92 | 5.49% |
| Gold | $2,037.59 | $2,065.42 | 1,984.30 | $2,043.24 | 0.28% |
| Crude | $75.78 | $79.77 | $71.34 | $78.41 | 3.47% |

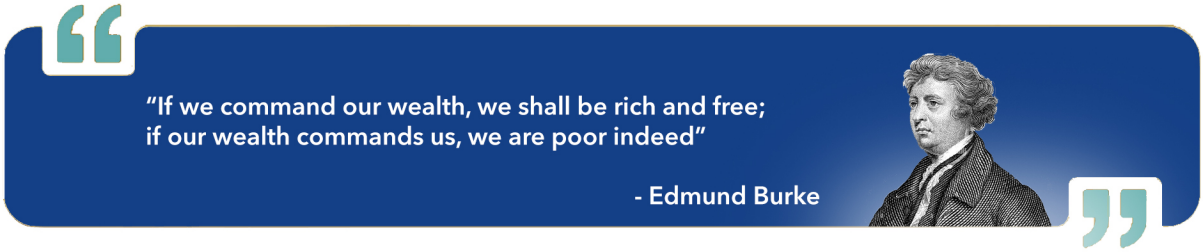
Shreeniwas Gadiyar, Retirement + Estate Planning Advisor
AMFI-Registered Mutual Fund Distributor + SIF Distributor | ARN-56618
gadiyar@planyourdreams.in 9833570575 www.planyourdreams.in

| Financial Performance Trends Over Various Time Horizons | | | | | |
|---|---|---|---|---|---|
| Particulars | 6M | 1yr | 3yr | 5yr | 10yr |
| Sensex | 25.13% | 22.03% | 13.23% | 14.93% | 13.10% |
| Nifty | 30.45% | 25.97% | 14.20% | 15.14% | 13.45% |
| Nasdaq | 31.56% | 41.41% | 5.80% | 16.20% | 17.64% |
| Gold ($) | 10.99% | 11.24% | 5.83% | 9.57% | 5.40% |
| Crude ($) | -12.67% | 1.15% | 9.19% | 7.16% | -2.86% |

Source: Investing.com/wsj.com, Market Data Period - 01/02/2024 to 29/02/2024

## TIMELESS FINANCIAL WISDOM






## TAX-SAVING INSIGHT OF THE MONTH



# Enhancing Tax Efficiency through Sec 80U

Let's delve into Section 80U of the Income Tax Act, a provision designed to provide relief to individuals with disabilities.

**Section 80U Overview:** Section 80U allows for a deduction of up to ₹75,000 for individuals with disabilities, while those with severe disabilities can claim a higher deduction of ₹1,25,000. This deduction is aimed to ease the financial burden on individuals facing physical or mental challenges.

**Eligibility:** To qualify for deductions under Section 80U, an individual must have at least 40% disability. A certified medical authority needs to assess and provide a disability certificate.

**Exclusions:** It's important to note that this deduction doesn't extend to family members caring for disabled individuals. The benefit is solely for the disabled individual. NRIs are not eligible for this deduction.

**Conclusion:** Including Section 80U in your tax-saving strategy not only helps reduce tax liabilities but also contributes to the financial well-being of individuals with disabilities. By understanding and incorporating this provision, you can optimize tax savings while promoting inclusivity.

PLAN YOUR DREAMS.in

# UPCOMING EVENTS



## 1 March 2024 -

- The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M in January, 2024

## 7 March 2024 -

- Due date for deposit of Tax deducted/collected for February, 2024. However, all sums 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 the production of an Income-tax Challan.

## 15 March 2024

- Fourth installment of advance tax for the assessment year 2024-25
- The due date for payment of the whole amount of advance tax in respect of the assessment year 2024-25 for the assessee covered under the presumptive scheme of section 44AD / 44ADA
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for February, 2024 has been paid without the production of a Challan.

## 16 March 2024 -

- The due date for issuing of TDS Certificate for tax deducted under sections 194-IA, 194-IB, 194M, 194S (by specified person) in January, 2024.

## 30 March 2024 -

- The due date for furnishing challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S (by specified person) in February, 2024.

## 31 March 2024 -

- Country-By-Country Report in Form No. 3CEAD for the previous year 2022-23 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group
- Country-By-Country Report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is April 1, 2022 to March 31, 2023) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc.
- Uploading of statement [Form 67], of foreign income offered to tax and tax deducted or paid on such income in the previous year 2022-23, to claim the foreign tax credit if the return of income has been furnished within the time specified under section 139(1) or section 139(4)
- Furnishing of an updated return of income for the Assessment Year 2021-22

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

Source: Incometax India

PLAN YOUR DREAMS.in

INVESTOR SUCCESS STORY



# THE SECRET OF MISHRA'JI'S HAPPY, TENSION-FREE LIFE

*Mishra'ji, a retired school teacher, unveils the key to his happy and financially secure life - a disciplined investment approach with mutual funds, tax-saving strategies, and professional guidance.*

As I jogged through the serene park, I found myself joined by Mishra'ji, a lively gentleman in his mid-60s, a familiar face in our community. Mishra'ji, a retired school teacher, exuded an aura of contentment that piqued my curiosity. While his son settled in Mumbai, Mishra'ji and his wife lived a modest yet fulfilling life, seemingly unaffected by financial worries.



Intrigued by his apparent peace of mind, I took the chance to inquire about his investment strategies, hoping to uncover the secret behind his wealth. Mishra'ji, noticing my lack of financial planning despite my lucrative job, gently reprimanded me for neglecting my future security.



Eager to learn from his wisdom, I implored Mishra'ji to share his journey to financial success. With humility, he recounted his days as a school teacher, diligently saving a portion of his modest income. However, what set Mishra'ji apart was his astute decision to invest in mutual funds, particularly in ELSS funds for tax-saving purposes, while his peers opted for traditional investment avenues.

Over the years, Mishra'ji's consistent investments, coupled with the compounding magic of the stock market, had grown into a substantial nest egg, providing him with a steady income through systematic withdrawal plans post-retirement. Despite facing market downturns and uncertainties, Mishra'ji's unshakeable faith in equity markets, coupled with a disciplined lifestyle, emergency funds, and health insurance, shielded him from financial turmoil.

His resilience and foresight underscored the importance of risk management alongside investments, ensuring uninterrupted compounding over time. Mishra'ji stressed the significance of seeking professional advice and sticking to investments diligently, especially during turbulent market conditions.

Inspired by Mishra'ji's story, I recognised the key components of financial freedom: discipline, early investments, systematic planning, risk mitigation, and professional guidance. Mishra'ji's example served as a beacon of hope, illustrating that anyone, regardless of their background, could attain financial security with the right approach.

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

PLAN YOUR DREAMS.in

**EDITORIAL**

# Debunking the Myth: Enjoy now, save later

*Many of us like to enjoy our lifestyle and spend more on maintaining social status while postponing saving & investments. This article dispels the myth of postponing investment decisions, highlighting the pitfalls of prioritising immediate pleasures over early investments, and advocates for leveraging the power of compounding to build lasting wealth.*



In the hustle and bustle of life, it's easy to fall prey to the myth that enjoying the present and delaying savings & investments until later years is a sound strategy. The notion that as we age, we'll magically shift gears to save and invest is a common misconception that can have lasting repercussions.



Many individuals find themselves caught in the lifestyle trap, where spending on immediate pleasures takes precedence over long-term financial security. While enjoying the present is essential, relying solely on the promise of future fiscal discipline may hinder our ability to build substantial wealth.



Contrary to the myth, the best way to build wealth is by initiating investment decisions early on. The magic lies in the power of compounding, where the earlier you start, the more time your investments have to grow. Compounding allows your money to generate earnings, not just on the initial investment but also on the returns, creating a snowball effect that can significantly boost your wealth over time.



Delaying savings and investment decisions until later can mean missing out on the tremendous benefits of compounding. Starting early allows you to take advantage of time as a valuable asset in wealth creation. Even small, consistent contributions in your younger years can accumulate to substantial amounts over time, providing financial security and freedom in the future.

Practical Measures for Disciplined Savings and Investments:

- Create a Budget: Understand your income, expenses, and allocate a portion for savings and investments.
- Force Saving: Save first and then spend. Initiate SIP on your payday to align with your plan.
- Emergency Fund: Build a financial cushion for unexpected expenses, ensuring you're not forced to dip into long-term investments during emergencies.
- Educate Yourself: Learn about various investment options, risk tolerance, and financial planning to make informed decisions.

Dispelling the myth that financial responsibility can be postponed is crucial for a secure and comfortable future. By embracing the discipline of saving and investing early, you not only harness the power of compounding but also lay the foundation for financial freedom and well-being in the years to come. Remember, the right time to start building your financial fortress is now.

**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:***

# What category of Mutual Fund Investment enables us to avail tax savings under Sec 80C?

A. Gilt Funds.

B. Value Funds.

C. Multiasset Funds

D. ELSS Funds.

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

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

**What is the primary purpose of diversification in investment portfolios?**

**A) To increase transaction costs**
**B) To concentrate risk in one asset**
**C) To reduce risk by spreading investments across different assets**
**D) To ensure maximum returns from a single asset**

**Correct Answer: C) To reduce risk by spreading investments across different assets**

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

## 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 |

* 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 01/03/2024***

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