MONTHLY NEWSLETTER APRIL 2024

NEWS HIGHLIGHTS



SEBI mandates increased disclosure of risks for Small & Midcap Funds.
Amidst surging inflows into small and mid-sized funds, regulators express concern over their resilience during market downturns, prompting authorities to urge asset managers in India to enhance risk disclosure for these funds.

Key economic indicators indicate strong growth in India's economy.
India's economy is thriving, with a robust 8.4% GDP growth rate in Q3, accompanied by a notable 12.5% surge in GST collection, the highest monthly sales for auto firms, and a five-month high in manufacturing activity.



February 2024 Drives Continued Growth in Passenger Vehicles Sales, up 11.3% Year on Year
In February 2024, there's a Steady 11.3% Year-on-Year Surge in Passenger Vehicle Sales, Fueled by Maruti, Tata, and M&M. Yet, Month-on-Month Shows a 5.4% Decline.



MF assets surged to ₹54.52 trillion in Feb'24, Up 34% year on year.
The AMFI data for February 2024 unveiled that the Average Assets Under Management (AAUM) in the Mutual Fund industry reached ₹54.52 trillion, marking a substantial increase from ₹40.68 trillion during the corresponding period of the previous year.



Source: Multiple News Portals

MONTHLY MARKET DATA

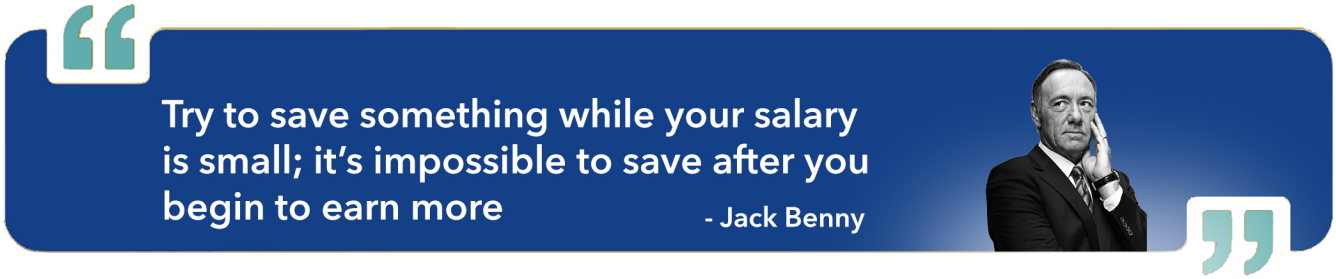
Financial Market Performance Snapshot					
Particulars	Open	High	Low	Close	Change %
Sensex	72,606.31	74,245.17	71,674.42	73,651.35	1.42%
Nifty	22,048.30	22,526.60	21,710.20	22,326.90	1.25%
Nasdaq	16,109.83	16,538.39	15,862.63	16,379.46	1.65%
Gold	$2,043.44	$2,236.32	2,038.55	$2,232.38	8.46%
Crude	$78.42	$83.55	$76.87	$83.44	6.02%

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Financial Performance Trends Over Various Time Horizons					
Particulars	6M	1yr	3yr	5yr	10yr
Sensex	21.41%	27.84%	14.03%	13.49%	12.55%
Nifty	30.88%	31.71%	14.57%	13.86%	12.80%
Nasdaq	54.13%	39.80%	7.84%	16.21%	17.59%
Gold ($)	43.49%	13.11%	9.25%	11.56%	5.40%
Crude ($)	-18.09%	13.35%	10.35%	6.83%	-1.95%

*Source: Investing.com/wsj.com Market Data Period - 01/03/2024 to 31/03/2024

TIMELESS FINANCIAL WISDOM



TAX-SAVING INSIGHT OF THE MONTH

Tax-Saving Opportunity by Adopting Section 80CCD(1B)

In the ever-evolving landscape of tax-saving methodologies, Section 80CCD(1B) of the Income Tax Act, 1961 emerges as a game-changer for individuals keen on optimizing their tax liabilities as well as securing savings post-retirement. Delving into the intricacies of this section is paramount for individuals engaged in prudent financial planning.

Overview:

Section 80CCD(1B) extends an additional deduction of up to ₹50,000 for self-contributions made towards the National Pension Scheme (NPS). This supplementary deduction of ₹50,000 under Section 80CCD(1B) is available over and above the existing benefit of ₹1.50 lakh deduction under Section 80C. (Combining Sec80C + 80CCC + 80CCD(1) = ₹1.50 lakh). Consequently, the maximum deduction limit stands at ₹2 lakhs, amalgamating Section 80C with Section 80CCD(1B). The ₹50,000 deduction under Section 80CCD(1B) operates independently of deductions made under the aforementioned sections.

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Eligibility:
Individual taxpayers or Non-Resident Indians (NRIs) falling within the age bracket of 18 to 70 are eligible to claim deductions by investing in the National Pension Scheme (NPS) Tier I Account.

Exclusion:
While Section 80CCD(1B) presents an enticing prospect for tax-saving endeavors, it is imperative to acknowledge its limitations. Hindu Undivided Families (HUFs), Persons of Indian Origin (PIO), and Overseas Citizens of India (OCI) are ineligible to invest in NPS. Also, investment in Tier II Account is ineligible for deductions U/s 80CCD(1B).

Conclusion:
In summation, Section 80CCD(1B) furnishes taxpayers with a golden opportunity to bolster their financial resilience while concurrently alleviating their tax burdens. By strategically directing contributions towards the National Pension Scheme (NPS), individuals can harness additional deductions beyond the realms of Section 80C. Nonetheless, a comprehensive approach to tax planning is indispensable, necessitating a thorough understanding of various provisions and their alignment with one's long-term financial aspirations.

UPCOMING EVENTS



7 April 2024 -
Due date for deposit of Tax deducted by an office of the government for March 2024. However, all sum deducted 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.

14 April 2024 -
The due date for issuing of TDS Certificate for tax deducted under section 194-IA in February, 2024

15 April 2024 -
Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for the quarter ending March, 2024

The due date for the furnishing statement in Form No. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for March, 2024.

30 April 2024 -

- The due date for furnishing of Form 24G by an office of the Government where TDS/TCS for March, 2024 has been paid without the production of a challan

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

- The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S in March, 2024

  Note: Applicable in case of specified person as mentioned under section 194S

- The Due date for the deposit of Tax deducted by an assessee other than an office of the Government for March, 2024

- The due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2023 to March 31, 2024

- The due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2024

- The due date for deposit of TDS for the period January 2024 to March 2024 when the Assessing Officer has permitted quarterly deposit of TDS under sections 192, 194A, 194D or 194H

Source: Income tax India

INVESTOR'S SUCCESS STORY

Mr. Nilkani's Success Formula: A Journey from Financial Struggle to Prosperous Retirement



In Mr. Nilkani's Success Formula, he shares his journey from financial struggles to a prosperous retirement by adopting a disciplined Mutual Fund investment approach, overcoming challenges in the initial losses in the equity market, and ensuring a secure future for his family.

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Last Friday evening, I had the pleasure of interacting with Mr. Sandeep Nilkani during our office party. As one of the senior employees in our MNC consulting company, he shared insights into his impending retirement plans. With retirement just around the corner, I was keen to learn how he had meticulously prepared for this phase of life & about his family.

Mr. Nilkani, a seasoned professional, revealed that he has exciting plans for post-retirement, including the establishment of a private consulting firm, global exploration with his wife, and active engagement in social and philanthropic activities. His family consists of his wife, a government school teacher, his son who settled in a Singapore firm after graduating, and a daughter currently pursuing studies in corporate law.

What intrigued me most was Mr. Nilkani's financial preparation for retirement. His secret, he shared, lies in maintaining a disciplined systematic investment approach in Mutual Funds. This strategy has not only funded his children's education but is also set to meet his retirement cash flow needs.

However, Mr. Nilkani's journey towards financial success was not without its challenges. Initially drawn to the equity market, he misconstrued it as a quick avenue for wealth creation. Engaging in intraday and overnight trading, he initially saw success with tips from a family friend. Unfortunately, a market correction led to significant losses, nearly wiping out his capital.

In an attempt to recover, he succumbed to the temptation of a personal loan offer from a private financier, using the funds for derivative trading. The consequence was severe losses, leaving him broke and indebted. Recognizing the need for professional advice, he consulted his senior, who insisted on a meeting with his Mutual Fund Distributor friend.

Following the expert's guidance, Mr. Nilkani continued with the EMI of the loan and initiated a small SIP in an equity mutual fund. Over time, as the EMI concluded, he redirected that amount into SIPs. Reviewing his portfolio after 5-7 years, he realized the wisdom of this approach. He pledged never to return to speculative trading, and to this day, he remains committed to SIPs.

Year after year, he increased the SIP amount in line with his annual increments and directed all bonuses into Mutual Fund equity schemes. What started as small initial investments has grown into substantial assets, ensuring the education of his children and providing him with a worry-free retirement outlook.

This encounter with Mr. Nilkani imparted a valuable lesson – equity investment is not a game for quick gains, rather it's a marathon approach to build wealth over life. Professional guidance, patience, a long-term perspective, and faith in compounding are the true keys to becoming a successful investor.

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PLAN YOUR DREAMS.in

EDITORIAL

Getting Ready for Life's Surprises: A Financial Handbook

The article highlights the significance of financial readiness for unforeseen events, providing practical advice on establishing an emergency fund, investing in term and health insurance, creating a will, and organizing essential documents to protect individuals and their families comprehensively.

Life is brimming with uncertainties, and though foreseeing the future is beyond our grasp, we can certainly prepare ourselves for it. A cornerstone of prudent financial planning involves gearing up for life's unforeseen events. Whether it's sudden health crises or unexpected accidents, preparedness can ease both emotional strain and financial burdens. The recent memory of the COVID-19 pandemic serves as a stark reminder of this truth. Here are some pivotal steps to contemplate:



Establishing an Emergency Fund: Crafting an emergency fund stands as the primary defense against unforeseen events. Strive to set aside a minimum of three to six months' worth of living expenses in a readily accessible liquid mutual fund. This fund acts as a financial safety net, offering peace of mind during challenging times.



Considering Term Insurance: Term insurance proves indispensable for financial protection, particularly for those supporting dependents. It guarantees a lump sum payout to beneficiaries if the policyholder passes away during the policy term. Investing in term insurance ensures the financial security of your loved ones, even in your absence.



Investing in Health Insurance: Unexpected medical emergencies can incur significant expenses. Health insurance acts as a buffer against the financial strain by covering hospitalization, medical treatments, and related costs. Opt for a comprehensive health insurance plan tailored to your needs, ensuring ample coverage for both you and your family.

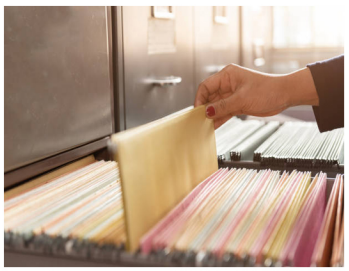


Securing Disability Insurance: Despite its often overlooked status, disability insurance is vital for preserving your income in the face of illness or injury. This type of insurance offers a steady income stream to replace lost wages during a period of disability, maintaining your standard of living and meeting financial obligations.

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Creating a Will: A will serves as a legal document outlining your desires regarding asset distribution after your demise. It ensures that your assets are distributed according to your wishes, minimizing potential disputes among family members. Collaborate with a legal professional to craft a comprehensive will that accurately reflects your intentions and provides clarity for your loved ones.



Keeping Important Documents Handy: Organize and store crucial documents such as insurance policies, wills, property deeds, and financial records in a secure location. Ensure a trusted family member is aware of where to find these documents in case of an emergency. The accessibility of these documents expedites the handling of unforeseen events and provides essential information when needed.

In conclusion, preparing for life's unexpected events is an integral facet of financial planning. By establishing an emergency fund, investing in insurance coverage, creating a will, and organizing essential documents, you can shield yourself and your loved ones from unforeseen circumstances. Seeking guidance from a financial advisor can further enhance the implementation of these strategies, ensuring comprehensive protection for the future

FINANCIAL QUIZ

CHOOSE THE CORRECT OPTION:

What distinguishes the Focused Equity Mutual Fund category?

a) It focuses only on a particular sector.

b) Maximum invested stocks in the portfolio remain within 30 stocks.

c) It is characterized by a wide and diversified investment portfolio.

(Answer will be published in the next edition)

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

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.

Correct Answer: D. ELSS Funds.

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MF CATEGORY-WISE PERFORMANCE AT A GLANCE

Category	1 year	3 Years	5 Years	10 Year
Equity - Contra	48.08	24.24	20.72	18.04
Equity - Dividend Yield Fund	46.08	24.80	19.76	16.02
Equity - ELSS	40.87	19.01	16.81	16.14
Equity - Flexi Cap Fund	42.07	18.70	16.70	16.18
Equity - Focused Fund	40.40	18.20	16.53	16.01
Equity - Large & Mid Cap Fund	45.10	20.86	18.29	17.08
Equity - Large Cap Fund	38.20	16.79	15.20	14.30
Equity - Mid Cap Fund	52.44	23.71	21.31	19.98
Equity - Multi Cap Fund	48.45	23.62	20.59	18.07
Equity - Small Cap Fund	50.50	27.81	24.53	21.64
Equity - Value Fund	49.52	22.71	18.18	17.71

* 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 01/04/2024***

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