Hum Fauji Initiatives
June 2024

WEALTH INSIGNIA

MONTHLY FINANCIAL NEWSLETTER 'BY THE FAUJIS. FOR THE FAUJIS.'

- Financial Micro Bytes
- Top Client Queries of the Month
- SEBI's Regulatory Updates
- Happy Clients Speak
- HFI - Media Features
- Sneak Peak into HFI

www.humfauji.in

Dear Friends

YES, we did it again! Hum Fauji Initiatives (HFI) has proudly secured its prestigious position among the 'Most Future Ready' companies in the nation across all industries for the second consecutive year.

This remarkable achievement was revealed at the Economic Times 'ET Future Ready Awards 2024-25' on May 23rd, 2024, in Mumbai. Being recognized alongside the most distinguished names across various industries on this prestigious wall of fame is truly an honor.

I feel it is nothing but a collective effort of all the stakeholders of HFI. Our team being the internal stakeholders, our key external stakeholders and our community, the core of this very initiative that was taken 14 years back.

Your trust and loyalty are the cornerstones of our journey. By placing your faith in us, you have allowed us to serve you with utmost dedication and innovation. We are committed to exceeding your expectations and delivering financial services and wealth management solutions that bring lasting value and prosperity to you and your family for all times to come. Thank you for being our partners in this journey and for believing in the vision of Hum Fauji Initiatives.

My dear team and my co-founder Bindu Govila, the relentless dedication and unwavering commitment of you all have been the bedrock of our success. Our entire team embodies the spirit of excellence and service that defines and leverages the fauji ethos of commitment, discipline and dedication. Your hard work, passion, and drive have propelled us to this esteemed position for the second consecutive year. I am deeply grateful for your tireless efforts and unwavering belief in our mission.

As we celebrate this momentous achievement, I am filled with a renewed sense of purpose and determination. We will continue to strengthen our mission of bringing financial abundance to the armed forces community, driving us to reach new heights of success. This award is not just a recognition of our past accomplishments but a testament to the bright future that lies ahead which makes us universally acclaimed 'Future Ready'..

Thank you for being an integral part of our journey yesterday, today and in future.

Warm regards,
Col Sanjeev Govila (retd)

FINANCIAL MICRO BYTES
FROM TEAM HUM FAUJI INITIATIVES

DECODING THE DYNAMICS:
STOCK MARKETS AND GDP GROWTH

You might think that if the economy is doing well, and as everybody's saying that our GDP is growing pretty well, the stock market should be soaring too, right?

Well, it's not that simple. Let's break it down.

What's GDP Anyway?

GDP, or Gross Domestic Product, measures the total value of everything a country produces.

And the Stock Market?

The stock market is where people buy and sell shares of companies. It's influenced by how investors feel about the future of these companies.

Do They Move Together?

1 Timing is Everything:

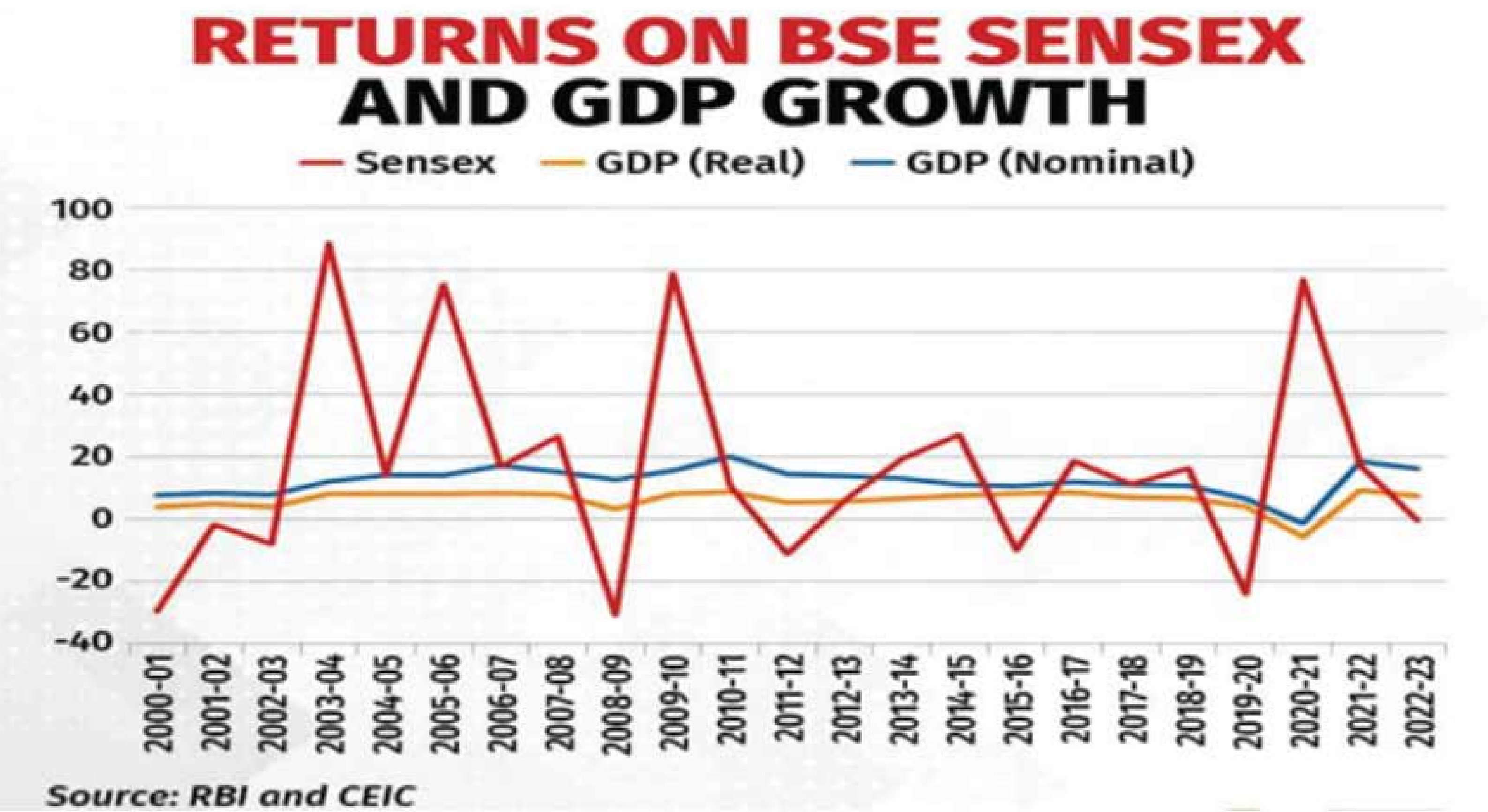
- GDP numbers come out quarterly or yearly, meaning there's a delay.
- Stock markets react immediately to news and predictions. So, stock prices might already include expected GDP changes before the official numbers come out.

2 More Than Just GDP:

- Stock markets don't just look at GDP. They also care about interest rates, company profits, political events, and how optimistic investors are feeling.
- Different sectors react differently. For instance, tech companies and luxury goods do well when the economy is growing, while essential services and goods stay strong even in bad times.

3 The Global Picture:

Our world is interconnected. Economic issues in one country can affect markets everywhere. For example, if there's a slowdown in a big economy like the US or China, it can impact markets worldwide, no matter what the GDP growth rate is in another country.



The Bottom Line

So, while GDP growth and stock market performance can be related, they aren't directly linked (refer to the above graph). Stock markets are driven by a variety of factors, making it essential for investors to consider a broad range of economic indicators and market conditions, not just GDP growth, when making decisions.

In simple words, GDP is hard numbers and stock market is economy numbers, company performances, emotions, herd mentality, TV and media and much much more!

Contributed by MF Alam, Sr. Financial Research Analyst, Hum Fauji Initiatives

WHEN THE US SNEEZES, THE ENTIRE WORLD CATCHES A COLD

The US Market: It's on everyone's Radar

When the US stock market fluctuates, it sends ripples through global markets. The Dow Jones, S&P 500, and NASDAQ are key indicators that influence investor sentiment worldwide. Their movements, along with US Treasury yields, set the global investment climate.

Trading Ties: A Global Tango

The US is a dominant player in international trade. Economic issues in the US can cause global disruptions, as seen during the 2008 financial crisis, which started in the US housing market and impacted economies from Germany to Japan, highlighting global interconnectedness.

Data: World Bank/Deloitte

Policies That Pack a Punch

Ever heard of tariffs? These are like taxes that countries put on each other's trade. When the US puts on tariffs, it can hurt exporters. This affects their profits and stock prices, causing waves across markets. And don't forget about the Federal Reserve—their decisions on interest rates can make investors rush in or run away from the market.

Weathering the Storm

While the US plays a significant role in the global economy, other markets are becoming more resilient. Countries are strengthening their economies and recovering from setbacks independently. However, the US still wields significant influence, and its financial decisions can either bolster or destabilize global economies, demonstrating the tight interconnection of global finance.

Finally, It is the Global Market Symphony

In short, the US market is like the conductor of a big financial orchestra. Its moves decide how markets around the world play. Some are finding their own way, but the US is still the leader, shaping the music of global finance. So, when the US has problems, it's not just a small thing—it's a big deal that affects all of us.

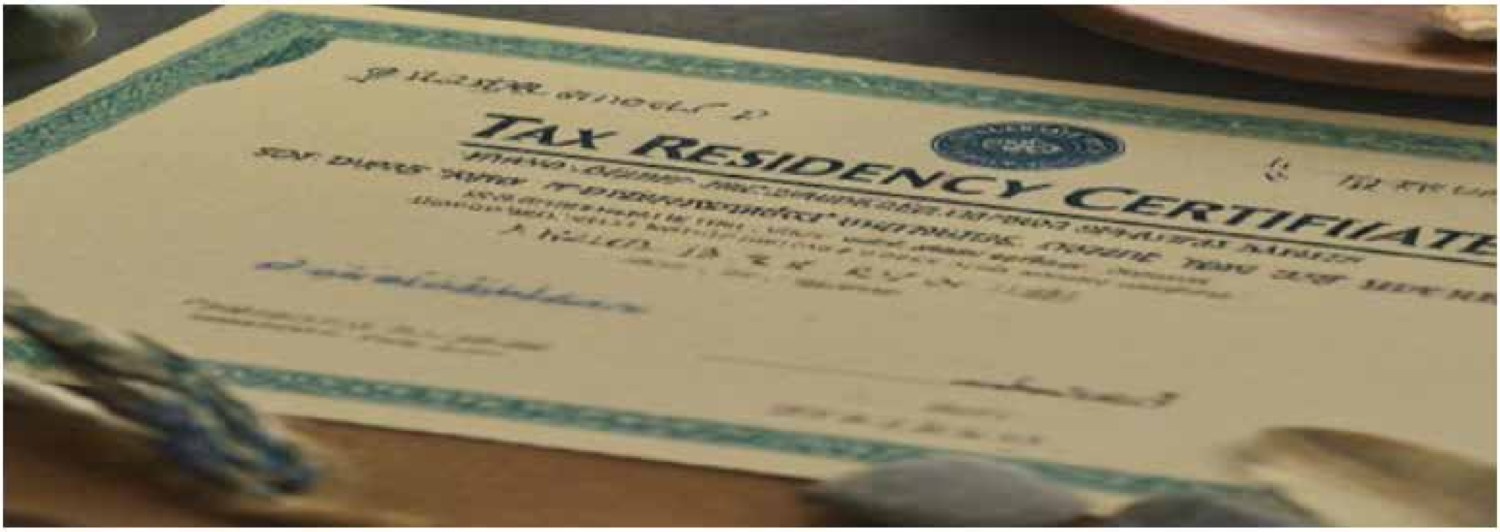
Contributed by Avinash, Financial Research Executive, Hum Fauji Initiatives

UNLOCKING GLOBAL MOBILITY : THE MYSTERY BEHIND TAX RESIDENCY CERTIFICATES FOR NRIs

Ever heard of Double Taxation? It's like paying for your burger, or Dosa for that matter, twice—ouch!

But fear not, countries have a solution: **Double Taxation Avoidance Agreements (DTAAs).** They make sure you're only taxed once.

Enter the hero: Tax Residency Certificate (TRC). It's like your passport for taxes, proving where you call home for tax purposes. It essentially states which country has the right to tax your worldwide income.



Why does TRC matter for Non-Resident Indians (NRIs)?

- **Avoid Double Taxation:** TRCs are crucial for claiming benefits between countries under DTAA. These agreements ensure that income isn't taxed twice — once in the source country and again in the resident country. The TRC serves as proof of residency, allowing you to benefit from reduced or exempted tax rates as outlined in the specific treaty.

- **Compliance and Investment Opportunities:** Several investment opportunities may be restricted for non-residents. A TRC can be your key to unlocking these avenues and managing your finances effectively.

- **Proof of Residency:** A TRC can serve as official proof of your tax residency status, which may be required for various purposes, such as opening bank accounts or claiming benefits in your resident country.

And how do you obtain a TRC?

NRIs need to obtain TRC from the foreign country's authorities or the country in which they are a resident. After you've got the TRC, by submitting a Form 10F along with your TRC to the Indian income tax department, you demonstrate your residency status and simultaneously claim the benefits you're allowed under the DTAA applicable to your country. Just remember to renew your TRC before the tax season ends, to keep those benefits flowing.

Contributed by Yogesh Gola, Relationship Manager, Advisory Desk, Hum Fauji Initiatives

Venturing into new endeavours is thrilling, but the true challenge lies in sustaining momentum.

Consider marathons: while completing one may seem casual, the journey involves enduring rigorous training, often in adverse conditions. Surprisingly, marathon prep isn't all high intensity; it's mostly gentle, consistent effort.

Frequently, our attempts of forecasting the market's fluctuations overshadows the patience needed for long-term investment strategies. The allure of rapid wealth generation leads us to pursue greater returns within condensed periods, neglecting the broader perspective. The market does a pretty good job of boring, at times scaring, impatient investors.

Since inception, the NIFTY50 has soared 78-fold with a robust 13.8% CAGR as of February 2024.

Yet, the daily dance of the NIFTY-50 reveals a capricious rhythm: nearly half the time in short durations, it dips into the red, and only in a scarce 20% of the days does it leap by 1%. This unpredictability tests investors' resolve, tempting them with risky shortcuts.

Data shows that almost half of Equity Mutual Fund investments are redeemed within two years, though the ideal horizon is five or more.

Particulars	Dec-20	Dec-21	Dec-22	Dec-23
% of Equity AUM invested for more than 2 Years	52%	49%	51%	54%

Source: AMFI

Ultimately, building wealth is a marathon, not a quick dash. Short-term portfolio performance is insignificant compared to the long-term results of staying committed. True wealth creation demands full dedication, without shortcuts.

Contributed by Ujjwal Dubey, Financial Planner, Team Prithvi, Hum Fauji Initiatives

TAX HACKS FOR ENTREPRENEURS:
PROVEN STRATEGIES TO CUT YOUR TAX BILL

Entrepreneurs often face a higher tax burden compared to others due to the dual responsibility of personal and business tax liabilities. However, there's a bright side: the Income Tax Act 1961 offers various tax deductions for entrepreneurs.

In this article, we'll delve into several tactics entrepreneurs can employ to reduce their tax burdens and boost their net income.

- **Leverage Business Expenses**
  Deductible expenses like rent, utilities, and salaries can shrink your taxable income. Keep meticulous records to justify these deductions.

- **Opt for the Presumptive Taxation Scheme**
  If your business has a turnover of less than ₹2 crore (for non-professionals) or ₹50 lakh (for professionals), you may qualify for the presumptive taxation scheme under Section 44AD and Section 44ADA, respectively. This scheme allows you to declare a percentage of your turnover as profit (6% for digital transactions, 8% for cash), simplifying your tax calculations and reducing compliance costs.

- **Depreciation on Fixed Assets**
  Depreciation allows you to spread the cost of tangible assets over several years, reducing your taxable income each year. The Income Tax Act has specified rates of depreciation for various asset classes, such as computers, machinery, and vehicles. Ensure you're claiming depreciation accurately.

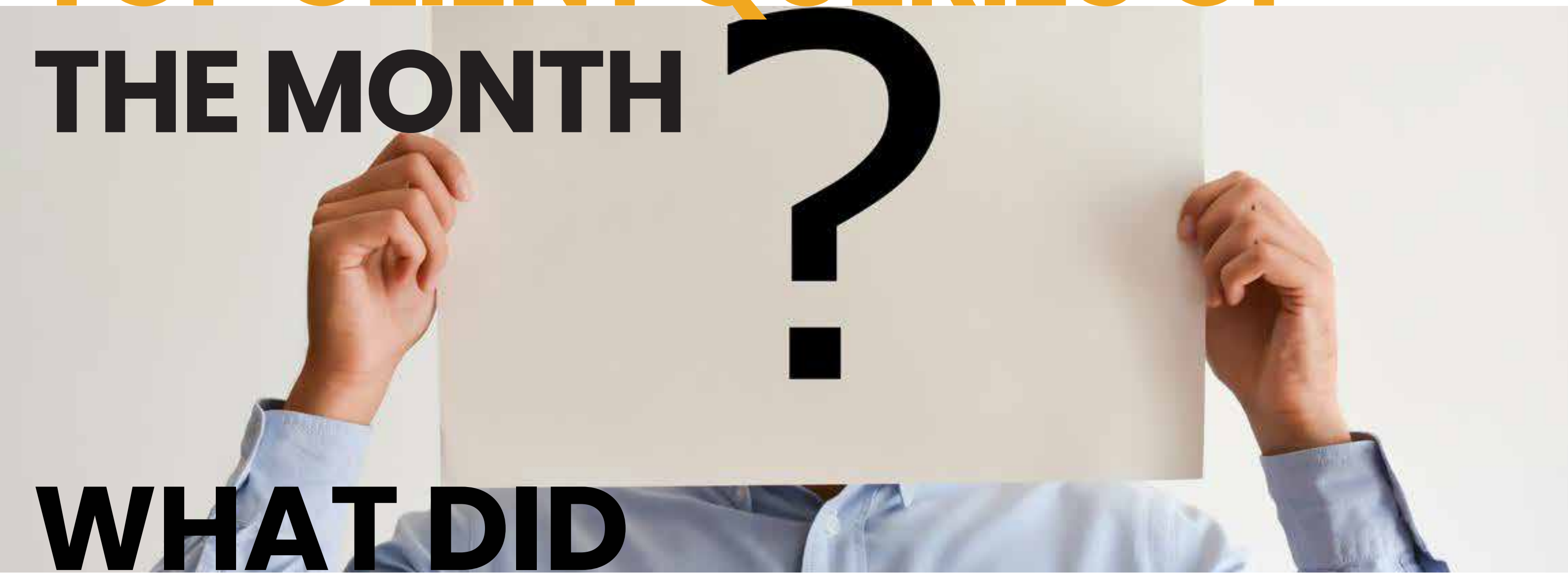
- **Consult a Tax Professional**
  The tax system can be complex, and tax laws are subject to change. To ensure you're using the most effective tax-saving strategies while remaining compliant, it's wise to consult a tax professional. They can help you navigate the intricacies of the tax code and identify additional opportunities to reduce your tax bills.

Incorporate these strategies to trim your tax bill, stay compliant, and keep more earnings in your pocket. ***Stay informed, keep records tight, and seek expert advice when needed.***

Contributed by Neeraj Kumar, Financial Planner, Team Prithvi, Hum Fauji Initiatives

MILESTONE MOMENT OF THE MONTH

TOP CLIENT QUERIES OF THE MONTH



WHAT DID OUR CLIENTS ASK US IN THE LAST 7 DAYS?

Question - Should I file my ITR in June or wait till 31st July? What are Vital key points and things I should keep ready?

Our Reply - The question often arises that whether one should file the ITR early in April-May or wait until they receive form 16 or until the last date, i.e., 31 July of every year.

Who can file early?

Individuals with all income reported to the tax department:

They can use their Annual Information Statement (AIS) to file returns and claim refunds without waiting for Form 16.

Non-resident Indians with only capital gains Income:

As their TDS returns are already filed and reflected in AIS and Form 26AS, they can file early.

Early filing allows ample time to gather necessary documents like Form 16, pay slips, and savings certificates, ensuring a smooth process and timely resolution of discrepancies. It also avoids last-minute hassles, and potential penalties, and facilitates quicker refunds.

Who Should Wait?

Taxpayers with substantial TDS credits to offset against their tax liabilities:

They may need to wait until June, as Form 16/Form 16A is issued by 15th June. This ensures their tax return aligns with the tax department's information, avoiding mismatches and potential questioning.

Filing closer to the deadline helps accurately assess financial situations, ensuring all income sources and deductions are included, reducing the risk of errors and penalties.

Contributed by Team Dhruv, Hum Fauji Initiatives

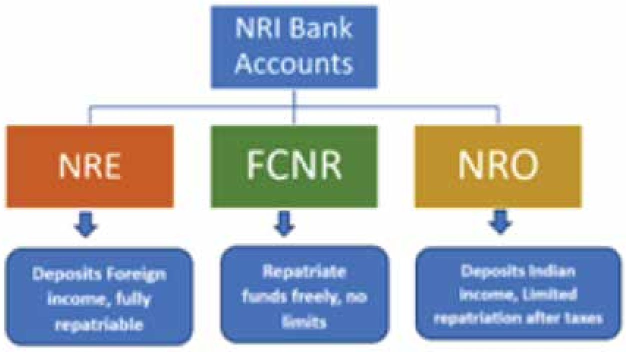
WHAT DID OUR CLIENTS ASK US IN THE LAST 7 DAYS?

Question - I am an NRI investor. What's the most efficient and tax-friendly way for me to repatriate funds from India?

Our Reply - Repatriating funds as an NRI from India involves navigating a strict regulatory landscape.

Full repatriation of funds is allowed from ***NRE*** and ***FCNR*** accounts as there are no specified limits on repatriation.

For NRO accounts, you can repatriate up to USD 1 million (Approx Rs 8.3 Crores) annually after-tax deductions. However, exceeding this threshold mandates RBI approval, particularly for property sales or transactions surpassing the limit.



Documents Required for Repatriation

For NRE/FCNR accounts, the process is comparatively straightforward. Simply submit a request application to your Indian bank and complete the A2 (FEMA declaration) form.

Repatriating funds from NRO accounts entails additional steps:

- Request to the bank.
- Fill out the A2 form.
- Submit Form 15CA for self-declaration of payment details liable for taxes.
- Submit Form 15CB, an affirmation from a Chartered Accountant confirming tax clearance.
- Don't forget to email self-attested copies of the required documents.

It is crucial to recognize that each financial scenario in case of cross-country dealings is distinct. Seeking guidance from a financial advisor ensures a strategy tailored to your specific circumstances, maximizing efficiency and minimizing complications.

Contributed by Team Vikrant, Hum Fauji Initiatives

SEBI'S REGULATORY UPDATES

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/29 **April 30, 2024**

To
All Mutual Funds
All Asset Management Companies (AMCs)
All Trustees of Mutual Funds
All Registrars to an Issue and Share Transfer Agents (RTAs)
Association of Mutual Funds in India (AMFI)

Sir / Madam,

Subject: Nomination for Mutual Fund Unit Holders – exemption for jointly held folios

1. Clause 17.16 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 for Mutual Funds ('Master Circular') read with Circular No. SEBI/HO/IMD/IMD POD1/P/CIR/2023/160 dated September 27, 2023 and Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/193 dated December 27, 2023, *inter alia*, prescribes the requirement for nomination/opting out of nomination for all the existing individual unit holder(s) holding Mutual Fund units either solely or jointly, by June 30, 2024, failing which the folios shall be frozen for debits.

2. In order to simplify, ease and reduce cost of compliance, a working group was constituted to review the present regulatory framework of Mutual Funds and recommend measures to promote the ease of doing business. Based on the recommendations of the working group, a public consultation was carried out.

3. Accordingly, it has been decided that the requirement of nomination specified under clause 17.16 of the Master Circular for Mutual Funds shall be optional for jointly held Mutual Fund folios.

4. All other provisions related to requirement of nomination as provided in SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 and SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/193 dated December 27, 2023, shall remain unchanged.

5. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 29A and Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework -> Circulars".

Yours faithfully,

Peter Mardi
Deputy General Manager
Investment Management Department
Tel. No. 022-2644 9233
Email: peterm@sebi.gov.in

https://tinyurl.com/5emymdxn

HAPPY CLIENTS SPEAK

Voices of Trust: Where client satisfaction speaks volumes

Shahab Anwer ★★★★★

Ravinder Kahlon ★★★★★

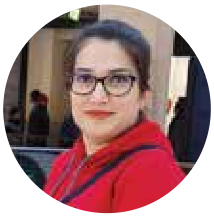
REVOLUTIONIZING DEFENCE

FINANCIAL LITERACY LECTURES FOR THE MONTH OF MAY 2024

We have successfully conducted Nine Financial Literacy Lectures educating 1,355 Jawans across Jabalpur, Secunderabad, Kamptee, and Meerut.

SNEAK PEAK INTO HUM FAUJI INITIATIVES

A note from a Hum-faujiian!



Nimisha Monga
Sr Accounts & Admin Executive

I am delighted to share my experiences at Hum Fauji Initiatives, where I have had the privilege of working for the past eight years as a Senior Accounts & Admin Executive. Over the years, I have witnessed our company grow rapidly and earn a well-deserved reputation in the market.

What truly sets Hum Fauji Initiatives apart is its employee-oriented culture. We foster a supportive and collaborative work environment where everyone is encouraged to thrive. Our team is not just a group of colleagues but a family that values mutual respect and continuous development. The collaborative atmosphere here is something I deeply appreciate. Our work culture is built on mutual respect, continuous learning, and open Communication.

"Hum Fauji Initiatives" offers a dynamic and supportive work environment that is ideal for anyone looking to grow both personally and professionally. I am proud to be a part of this exceptional team and look forward to continuing our journey of success together.

HUM FAUJI INITIATIVES MEDIA FEATURES

As passive funds gain momentum and ignite investor interest, the buzzaround their sustained resurgence continues to grow. Join us as we unveil the latest conversation between our CEO, Col Sanjeev Govila (Retd), and the team at Cafemutual, delving into the world of passive funds. Explore the insights, trends, and future outlook discussed in this engaging video, shedding light on the evolving landscape of investment opportunities.

https://www.youtube.com/watch?v=JK3FDm0PMZs

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