



Hum Fauji Initiatives

Year-End Edit

WEALTH INSIGNIA

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



HUM FAUJI INITIATIVES

EMPOWERING FAUJIS WITH COMMITMENT AND CAMARADERIE

Financial Micro Bytes

Top Client Queries of the Month

Milestone of the month

Revolutionizing Defence

Sneak Peak into HFI

HFI – Media Features

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Dear Friends

Fifteen years ago, a question drove us forward - “How can we better serve our Fauji community, especially when it comes to Personal Finance?” What began as a simple idea of spreading financial literacy for informed investment decisions, has turned into something far beyond what I ever imagined.

This month we celebrated our 15th anniversary. I can't help but feel deeply grateful and proud of what it has turned out to be, not to mention what more is in planning and pipeline.

This journey has been incredible. Way beyond the numbers or financial planning—it's about trust, family, and an unwavering commitment of empowering faujis. From a humble beginning, we've grown into a full-fledged organization serving officers and their families with pride, dedication, and, most importantly, with heart.

Driven by ethics, professionalism, and a transparent approach, we've consistently delivered superior financial planning and wealth management, consistent, and mostly surpassing, even the most stringent standards of the personal finance industry in the country.

Over these 15 years, remarkable achievements have marked our path: a growing client family of over 3,400+ with 540 new investors over the past 2 years and an expanded team of 60 fine professionals.

Year 2024 brought us the Economic Times' India's Most Future-Ready Organizations for the second consecutive year, something which makes us immensely proud and satisfied.

We also received the Lifetime Achievers Award from the Financial Freedom Fraternity Professionals (FFFP), along with recognition for Social Impact through Financial Planning at the Global Financial Planners' Annual Summit.

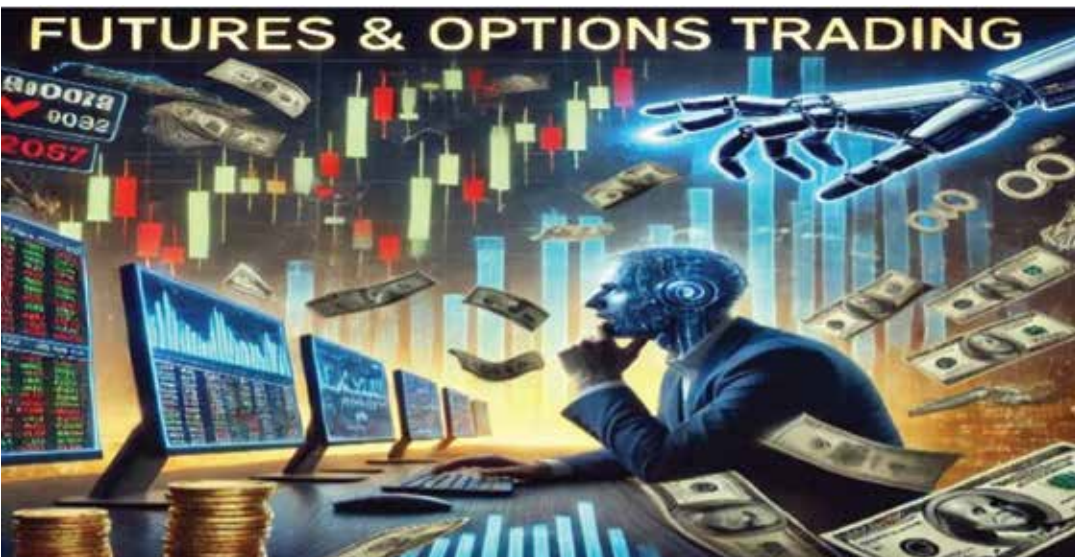
*These achievements reflect the heart of our mission: **empowering faujis, every single day.** For the next 15 years too, we intend to remain committed to serving the Indian armed forces officers only while upholding the fauji values and staying true to our purpose. I am confident that our best years are ahead of us, and together, we will continue to grow, serve, and make a meaningful difference in the lives of our tremendous community of armed forces personnel and their families.*

Once again, I Thank you for your trust and support on behalf of our entire team of professional at Hum Fauji Initiatives.

Warm regards,

**Col Sanjeev Govila (retd)
CEO, Hum Fauji Initiatives**

FINANCIAL MICRO BYTES FROM TEAM HUM FAUJI INITIATIVES

**FUTURES & OPTIONS (F&O)
REALITY CHECK****91% STILL LOSING MONEY**

01

You've probably heard stories of people striking it rich overnight through futures and options (F&O) trading. It sounds exciting, right?

But here's the truth: a recent study by SEBI reveals a different reality. Between 2022 and 2024, over 1 crore traders in India lost a jaw-dropping ₹1.81 lakh crore!

91% of Traders Face Losses — Could You Be Next?

In just FY24, a whopping 91% of F&O traders (that's nearly 73 lakh people!) ended up losing money.

If you're under 30, the numbers are even worse: 93% of younger traders faced losses. It turns out F&O trading is much riskier than most people realize, especially for those diving in without a plan.

Why Do People Keep Trading if They're Losing?

Despite heavy losses, 75% of traders keep coming back, hoping to "win it back." Sadly, most fall deeper into financial trouble, especially those earning less than ₹5 lakh a year. The odds just aren't in their favor.

Big Players Win, Small Traders Struggle

While individual traders are losing, big players like institutional traders and foreign investors are cashing in at their expense. With high-tech tools and high frequency algorithms, they made ₹33,000 crore and ₹28,000 crore, respectively, leaving small traders in the dust.

The Hidden Costs

Transaction fees are another overlooked factor. Traders spent ₹50,000 crore on transaction costs in FY24 alone, averaging ₹26,000 per trader, further eroding any small profits they might make.

The Bottom Line

F&O trading can seem lucrative and easy, but for the majority, it's a high-risk gamble. Without a solid plan and full awareness of the risks, the odds are stacked against you. Proceed with caution!

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

02

Every year, around a million Indian students take the exciting leap to study abroad, but preparation is the real key here. Just like a solid game plan in sports, having the right strategies can make all the difference.

LIFE INSURANCE

YOUR PROTECTION UMBRELLA FOR STUDYING ABROAD



The Importance of Life Insurance

Studying overseas is thrilling, but it can also be financially challenging. Many students need hefty education loans to make their dreams come true. In FY22 alone, public sector banks lent over ₹7,500 crore to students going for studies abroad.

That's where life insurance – only the Term Insurance plan - comes into play! Think of it as your safety net—if the unexpected happens, it can cover your loans and provide support for your family back home. It's like having a reliable teammate cheering you on. While we do not recommend a life insurance to anybody who does not have any financial dependents, this is a different case and situation altogether where your family could be saddled with a big burden even if you're gone.

The Perks of Early Purchase

Buying life insurance early is like getting the freshest ingredients for your favorite dish—cheaper and better. The sooner you buy, the lower your premiums will be, and they'll stay fixed for the whole duration of the plan. Waiting too long could lead to higher costs as risks increase.

India Vs Abroad: The Easier Choice

Opting for life insurance in India is often simpler than overseas. Indian insurers typically have fewer medical requirements and smoother claim processes, allowing you to focus on your studies rather than financial stress.

Make the Smart Move

As you gear up for this thrilling adventure, don't overlook life insurance. It's not just a policy—it's a vital tool that protects your loved ones while you pursue your dreams. Secure that life insurance, and get ready to embark on your exciting journey—your future awaits!

Contributed by Vishakha, Relationship Manager, Team Arjun, Hum Fauji Initiatives

BREAKING DOWN NEW PPF AND SSY RULES FOR YOUR CHILD



03
If you're saving for your child's future, options like the Sukanya Samridhi Yojana (SSY) and Public Provident Fund (PPF) offer safe, steady growth—but are they enough on their own?

Let's explore their benefits, and why mixing in some equity might be worth considering!

PPF: The Reliable Sidekick

Think of PPF as a steady companion—one account with consistent growth. You can deposit as little as ₹500 per year, up to ₹1.5 lakh. If you go over this limit, your extra funds might be returned without interest!

Important Note for NRIs for PPF

Non-Resident Indians (NRIs) can't open new PPF accounts but can manage existing ones until maturity. However, if they haven't disclosed their status, they'll earn only Post-Office Savings interest rates until September 30, 2024.

Sukanya Samridhi Account: A Secure Gift for Your Daughter!

Exclusively for a girl child, SSY offers a tax-saving way to invest. It allows one account per daughter (two per family, or three with twins), making it a stable choice with fixed returns that suit those who prefer a safe and steady, though low earning, approach.

Looking for More Spice? Consider Investments in Equity & Hybrid Fnds

While PPF and SSY provide a consistent path, equity investments can pack a punch with potentially higher long-term returns. For example, equity funds have potential to generate more than 12% annually over a time period of 5-6 years or more.

Not keen on full market swings? Hybrid funds offer balanced growth at 8-10%, with a bit of equity and a dash of security.

So, What's Your Flavor?

Think of SSY and PPF as cozy, comforting dishes—safe and satisfying. Equity and hybrid funds? They're more like spicy street food—exciting, with a bit of zing!

Whatever your appetite, it's about finding the right blend of growth and security for your family's future.

Contributed by Anjeeta Kumari, Financial Planner, Team Arjun, Hum Fauji Initiatives

04

In a world that's moving faster than ever, giving our kids a head start in understanding money is a real superpower! Imagine turning everyday moments into fun financial lessons that can set them up for a lifetime of success.

Here are some engaging strategies to lay a strong financial foundation

NURTURING YOUNG INVESTORS

FUN WAYS TO TEACH KIDS ABOUT MONEY



1 Talk Money Like It's Normal

Let money chats become part of your daily routine. While grocery shopping or planning a family trip, explain how you budget and make choices. Open the door for questions—it makes them curious!

2 Be a Money Role Model

Kids are like sponges—they learn by watching you. Show them how you think before spending, like saving up for that big family vacation instead of making impulsive buys. Get them involved in family budgeting too!

3 Make Investing Fun

Ever heard a kid ask, “What’s the stock market?” Use those moments to talk about investing like it’s an exciting adventure! Whether it’s tech news or stock market buzz, spark their curiosity and keep it fun.

4 Learn From Mistakes Together

Share your own investment stories—yes, even the not-so-great ones! It’s all part of the learning journey, and it shows them that everyone has ups and downs in money matters.

5 Explain with Chocolate!

Explain diversification with a box of assorted chocolates. Just like we enjoy a mix of flavors, a varied investment portfolio makes things sweeter.

By weaving investment principles into daily life, you’re not just teaching your kids to handle money—you’re empowering them to build wealth!

Let’s create a world where investing is an exciting tool for reaching life goals, sparking confidence, and growing curiosity about finance.

Contributed by Aman Goyal, Relationship Manager, Team Vikrant, Hum Fauji Initiatives

ACCIDENT INSURANCE

A FINANCIAL LIFELINE IN CHALLENGING TIMES



05

Accidents happen when we least expect them. From slipping on wet floors to unexpected car crashes, life's uncertainties can take us by surprise. This is where Accident Insurance becomes your family's financial superhero!

Why is it Important?

The Unexpected Can Happen to Anyone

No matter how careful we are, accidents can strike anywhere—on the road, at home, or even during a weekend getaway. Accident insurance steps in when life throws these curveballs, offering much-needed financial support.

Medical Bills Can Be Devastating

Hospital stays, surgeries, rehabilitation—it all adds up fast! Without accident insurance, these costs can drain your savings. Plus, in severe cases, you may face long-term care expenses that continue for years.

Secure Your Family's Future

Imagine the peace of mind knowing that your loved ones won't be financially burdened in case of an unexpected accident. Accident insurance ensures that your family stays protected, covering everything from income loss to everyday expenses.

A Safety Net for Your Legacy

Accident insurance doesn't just provide security—it protects your legacy. In the event of your untimely death, it ensures that your family's financial future is safeguarded, preventing financial strain.

In a world full of uncertainties, accident insurance is your family's shield, providing peace of mind and financial protection when it matters most.

Contributed by Prerna Pattanayak, Financial Planner, Team Vikrant, Hum Fauji Initiatives



06

In recent years, the buzz around Initial Public Offerings (IPOs) has skyrocketed in India. With big names like Zomato, Nykaa, and LIC hitting the stock market, investors are eager to buy into a company's success story. But while IPOs can be thrilling, they aren't always a golden opportunity.

IPO FRENZY

THRILL OR TRAP? WHAT YOU MUST KNOW BEFORE YOU BUY



Let's explore the two sides of the coin!

1 The Thrill of IPOs

When companies like Nykaa and PayTM go public, investors jump at the chance to get in early. The hope? The stock will skyrocket and bring huge returns. Take IRCTC, for example—its IPO made headlines when the stock surged by over 500% after listing!

2 The Risky Side

But not all IPOs deliver. PayTM's much-hyped IPO, for instance, left many investors impoverished as the stock dropped significantly. Why? Sometimes, IPOs are overpriced due to the hype. Add to that market volatility and untested business models, and you could end up losing money after the initial buzz wears off.

What Indian Investors Must Know

Before investing in any IPO, do your homework. Check the company's financial health, its industry, and whether its stock price makes sense. Pay attention to market sentiment and potential insider sales after the IPO, as these can also affect the price.

So, while IPOs can be an exciting way to invest in a company's growth, they can also be traps if you don't tread carefully. Smart, informed decisions will help you navigate this fast-moving world!

Contributed by Avantika Agarwal, Financial Planner, Team Sukhoi, Hum Fauji Initiatives

TOP CLIENT QUERIES OF THE MONTH

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

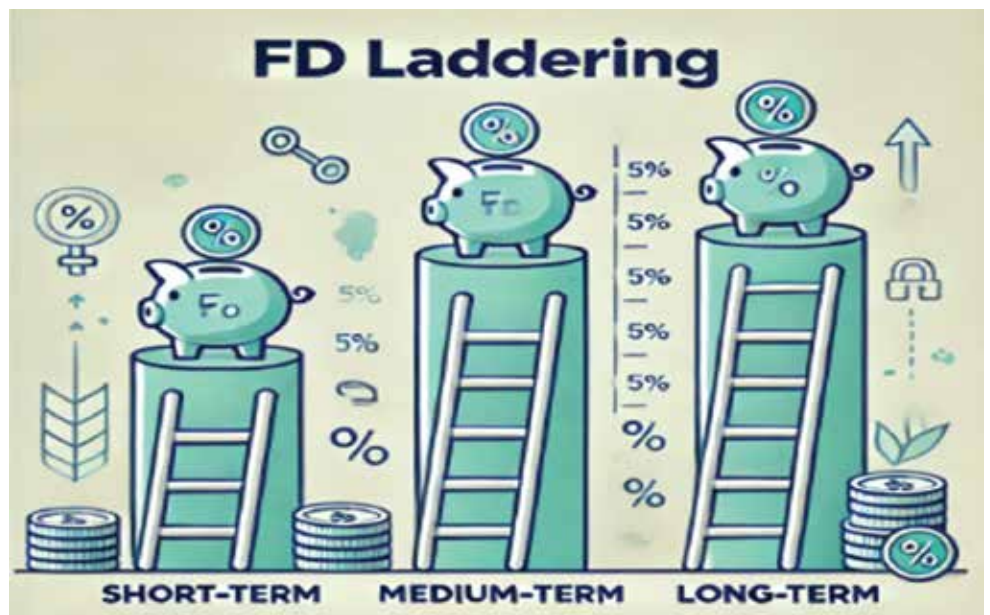
QUESTION

Is FD Laddering Beneficial? What Should You Do in the Current Interest Cycle?



OUR REPLY

FD laddering is like climbing a financial ladder to success! Instead of locking all your money in one Fixed Deposit (FD), you spread it across short, medium, and long-term FDs—each "rung" offering unique benefits. It gives you flexibility, stable returns, and helps manage changing interest rates.



Right now, interest rates are expected to decline in the near future, so locking in high rates on long-term FDs can help secure better returns for years to come. You might want to review current rates and choose the longest tenure that best aligns with your savings goals, ensuring you make the most of today's higher rates.

For short-term needs, though, FDs may not be the only option. You could consider alternatives like mutual funds in short-duration and even arbitrage categories, short tenure government securities, etc which can be more responsive to market movements. These alternatives offer both flexibility and competitive returns for shorter horizons.

So, if you're looking for stability over the long run, securing rates now may be a wise choice, and for short-term investments, exploring market-based options can add flexibility to your portfolio.

For more details, please contact your financial planner at Hum Fauji Initiatives to prepare a customized portfolio for you.

Contributed by Team Sukhoi, Hum Fauji Initiatives



QUESTION

I fall into the highest tax bracket of 30%. Would it be smarter to invest my retirement corpus in my wife's name to reduce my tax burden?

Here's why

1 Clubbing of Income

Under Section 64 of Indian Income Tax Act, the income earned from assets transferred to a spouse without adequate consideration, is clubbed with the income of the transferor (you). This means that the income earned on the investment will be added to your income and taxed.



OUR REPLY

While it might seem like a tempting strategy to reduce your tax burden, investing your retirement corpus in your wife's name is surely not a recommended approach.

2 Problems in Filing the ITR

It is not easy to file your Income Tax Return if the tax has to be paid by you while the income is being reflected in your spouse's tax account. You can surely pay the additional tax by reflecting the amount in your own ITR, but the system will not let your spouse's ITR be filed easily without paying the tax on income which is being shown in your spouse's tax account.



3 Increased Scrutiny by Tax Authorities

When you transfer assets to your spouse without proper documentation, the tax department might take a closer look, increasing the chances of more scrutiny and maybe higher penalties if something seems amiss.



Thus, while the initial gift to your wife won't attract any tax, all the incomes generated from that gifted amount will still be taxed in your hands. So, there is no literal gain to you tax-wise anyway.

Instead, you can think about investing in your children's names if they have little or no income. This way, the income earned from those investments would be taxed at their lower tax rates, helping reduce your overall tax burden. This has some of its own complications— please talk to us before going ahead with it.



4 Loss of Control

By transferring the money to your wife, you may lose control over how the money is invested. This could create issues, especially if there are disagreements or unforeseen circumstances.

5 Potential Complications in the Future

You might face issues later during inheritance planning, especially if you both have different wishes for how the money should be passed on.

Contributed by Team Prithvi, Hum Fauji Initiatives



Celebrating 15 Years of Success

HFI's 15th Raising Day Celebration

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This November, HFI proudly marks 15 incredible years—a journey that just keeps getting better! Take a look at the joy and gratitude shared at our 15th Raising Day Celebration, as the entire HFI team came together to commemorate this milestone. Here's to many more successful years ahead, united in purpose and spirit!





1 Finance Honours

Hum Fauji Initiatives at Global Financial Planners' Summit 2024

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Hum Fauji Initiatives is honoured to receive recognition at the Global Financial Planners' Summit 2024 for our impactful work in providing financial planning services that uplift military families and positively impact society. This prestigious award from 1 Finance reaffirms our commitment and mission as we continue our journey of making a difference.

REVOLUTIONIZING DEFENCE

FINANCIAL LITERACY LECTURES FOR THE MONTH OF OCTOBER 2024

We have conducted 17 lectures across multiple locations, including **Agartala, Ahmednagar, Ambala, and more**. This month alone, we've educated **2,210** Jawans, bringing the total number of Jawans educated to **68,873**.



SNEAK PEAK

INTO HUM FAUJI INITIATIVES



Achievers of the Month – October

A big congratulations to our DOP2 winners for their exceptional performance and dedication. Your achievements reflect the hard work and commitment that inspire us all. Keep setting new benchmarks!

Celebrating October & November Birthdays!

Birthday celebrations are always a blast, and October & November brought even more reasons to smile! Here's a little sneak peek of our team members celebrating their special days. Cheers to all of you—may your year ahead be as amazing as you are!



Happy Birthdays

Festive Celebrations at HFI

The festive spirit lit up HFI as we celebrated Navratri and Diwali with joy, togetherness, and vibrant traditions. Take a look at the cherished moments that lit up our celebrations and strengthened our bonds this festive season!



HUM FAUJI INITIATIVES MEDIA FEATURES



"Crypto is unregulated in India, leaving it vulnerable to fraud and market manipulation, with no investor protection mechanisms," cautions our CEO, Col. Sanjeev Govila (Retd.), in his recent Outlook Money interview.

He explains that unlike stocks or bonds, cryptocurrencies lack underlying assets or earnings, making their value purely speculative. "The high-risk, high-reward nature of crypto often leads to impulsive trading and even addiction," he adds.

For deeper insights, read the full interview here

<https://tinyurl.com/4h3w5bb8>

Ayushman Bharat PM-JAY for senior citizens: Understand its benefits and limitations to avoid surprises.

"The policy offers comprehensive coverage for treatments, including pre-existing conditions, surgeries, critical illnesses, and post-hospitalisation care—ensuring that age-related conditions don't exclude elderly citizens," explains our CEO, Col. Sanjeev Govila (Retd.), in his recent Economic Times interview.

For deeper insights, read the full interview here

<https://tinyurl.com/42utptmj>



SANJEEV GOVILA

Certified Financial Planner (CM), CEO, Hum Fauji Initiatives.



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