By the Faujis. For the Faujis.

Hum Fauji Initiatives

March 2025

WEALTH INSIGNIA

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

Dear Friends

What a positive start to the year—at least tax-wise!

*The Union Budget 2025-26 brings **major tax relief, investment-friendly reforms, and simplified compliance measures** that benefit salaried individuals, investors, pensioners, and business owners alike.*

*To begin with, **higher tax-free income** means more money in your pocket. The new tax regime now exempts income up to **₹12 lakh**, with an effective tax-free income of **₹12.75 lakh** (including the standard deduction). Lower tax rates across slabs further increase savings while also making compliance easier.*

*Pensioners and senior citizens gain **greater financial security,** with TDS exemption on interest income doubling from **₹50,000 to ₹1 lakh**, and the TDS threshold on rent increasing from **₹2.4 lakh to ₹6 lakh annually.** There is also an extended window for filing updated returns—now **four years instead of two.***

*The budget also focuses on **reducing costs and strengthening key sectors.** Life-saving medicines and medical equipment have been made **duty-free**, lowering healthcare expenses, while exemptions on critical electronics and lithium-ion batteries will bring down manufacturing costs. Additionally, **real estate and startup investments receive a boost,** with extended tax benefits encouraging long-term growth.*

*At a macro level, these reforms provide a **lift to the economy,** which has been navigating internal and external geopolitical challenges. But for us taxpayers, the ground reality matters even more—and this year's budget **puts more power in our hands.***

*This is a step towards **greater financial well-being, smarter investments, and a stronger economy.** Here's to a year of growth and stability!*

Warm regards,

Col Sanjeev Govila (retd)
CEO, Hum Fauji Initiatives

FINANCIAL MICRO BYTES FROM TEAM HUM FAUJI INITIATIVES

INVESTING

A LIFE-SKILL YOUR KIDS CAN LEARN EARLY!

01

Imagine giving your child a superpower—the ability to grow money!

Teaching kids about investing early helps them build a secure future, and the best part, learning about money can be fun at every age!

For Little Learners (Ages 5-8): Money is Magic!

The "3 Jars Challenge" – Give them three jars: Spend, Save, and Share. This teaches the basics of money management.
Role-Playing Games – Let them play "shopkeeper" to understand transactions in a fun way.
Piggy Bank Growth – Show them how coins add up over time, just like a tiny plant growing into a tree!

For Curious Tweens (Ages 9-12): Let's Talk Money Smarts!

Stock Market = Shopping Mall – Explain how buying stocks is like owning a piece of their favorite brands.
Mini Investment Game – Give them pretend money to "invest" in brands they love and track performance.
Goal-Based Saving – Encourage them to save for something big to teach planning and patience.

For Teens (Ages 13-18): Be the Boss of Your Money!

Risk vs. Reward Game – Teach them about safe (FDs), medium-risk (Mutual Funds), and high-risk (Stocks) investments.
Magic of Compounding – Show them how investing early multiplies money faster.
Track a Real SIP Investment – Open a small SIP in their name and let them track its growth!

Invest in Your Child's Future Today!

Investing just ₹20,000 per month for 15 years at 12% returns could grow to ₹1.05 crore!

By getting them involved in tracking their investments, you're giving them the tools to be financially savvy from an early age. The earlier you start, the more they'll learn and grow. **Start today—help your child build a future filled with financial freedom!**

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

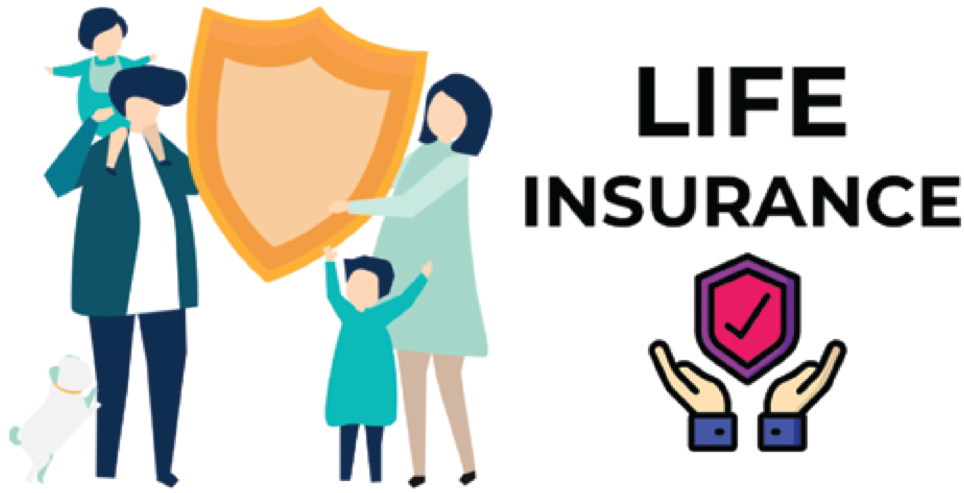
02

LIFE INSURANCE

THE ONE THING YOU DON'T WANT TO THINK ABOUT UNTIL YOU ABSOLUTELY HAVE TO

Let's be honest—thinking about life insurance isn't exactly exciting. It's like planning your own funeral—who wants to do that? But here's the catch: life insurance isn't for the person who is buying it; it's for their family.

Did you know that only 30% of Indians have life insurance, even though 85% agree it's essential?



Let's break it down without the doom and gloom and help you feel more confident about this necessary topic.

Why Do We Avoid Life Insurance?

Because it makes us confront uncomfortable questions: What happens if I'm not around? Plus, the confusing jargon—premiums, beneficiaries, underwriting —can be overwhelming. But at its core, life insurance is simply a safety net for those you love.

Why You Should Think About Life Insurance Now

- **Protect Your Family's Future**

Would your family be financially secure without you? Life insurance ensures they won't struggle with bills, loans, or daily expenses.

- **Leave a Legacy**

Whether for your children's future or a cause you care about, life insurance helps you leave something meaningful behind.

Which One to Choose?

Term Insurance – Simple, low-cost protection for 10-30 years.
Whole Life Insurance – Covers you for life and builds savings.

How to Get Started

A quick chat with a financial advisor can make things clearer. The sooner you plan, the better. Because peace of mind? That's priceless.

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

03

AVOIDING FAMILY DISPUTES
HOW TO ENSURE A SMOOTH ASSET TRANSFER

A Tale of Two Families: Avoiding Inheritance Disputes	
When Mr. Jain passed away, his children, Aryan and Meera, not only inherited his wealth—but also unexpected tension. Meanwhile, their neighbours, the Sharmas, had a smooth, conflict-free transition of wealth. What made the difference? **Timely Succession Planning.**	
The Jain Family's Struggle	**The Sharma Family's Plan**
Mr. Jain never wrote a clear will, assuming his children would "figure it out." But when it came time to divide assets, Aryan wanted to sell the family home, while Meera wanted to keep it. Bank accounts were unclear, extended family got involved, and soon, the once-close siblings stopped speaking.	Mr. Sharma took a different approach. He created a **clear will and trust**, ensuring a smooth transfer of assets. He **communicated his wishes** early—explaining why he left the family business to his eldest and financial assets to his youngest. His executor, a trusted family friend, handled everything seamlessly. No surprises, no disputes—just respect and harmony.

Family disputes over inheritance can create lasting conflicts. Here are 7 ways to ensure a smooth asset transfer:

Write a Clear Will
A legally valid will prevents confusion and conflict.

Use Trusts for Complex Assets
This ensures proper asset distribution and protection (though most families don't need this).

Communicate Openly
Managing expectations avoids family shocks later.

Choose a Fair Executor
A responsible and impartial executor prevents bias.

Update Beneficiary Details
Ensure accounts reflect your latest wishes.

Plan for Fair, Not Always Equal Distribution
Define a strategy for assets like a home or business.

Seek Professional Guidance
An estate planner or financial advisor ensures legal security.

The difference between a united family and a divided one is proper planning. Don't leave your family's future to chance.

Contributed by Prerna Pattanayak, Relationship Manager, Team Sukhoi, Hum Fauji Initiatives

04

DECISION FATIGUE

IS TOO MUCH INFORMATION HURTING YOUR INVESTMENTS?

Imagine walking into a with a hundred-item menu. Exciting? Maybe.

But as you flip through pages of options, your excitement turns into stress—what if you pick the wrong dish?

Now, apply this to investing. Every day, there's a flood of market updates, expert predictions, and endless financial products. The result? Decision fatigue—the mental exhaustion from too many choices, leading to hesitation or impulsive mistakes.

Meet Amit - The Confused Investor

Amit wants to invest in mutual funds. He starts researching but gets lost in a sea of options—large-cap, mid-cap, hybrid, multi-asset, global funds, and more. One expert says, "Go aggressive," another warns, "Stay cautious." Confused, Raj either keeps delaying his decision or frequently switches funds, hurting his returns and paying tax for no reason.

How to Avoid Decision Fatigue?

- **Filter the Noise –** Follow a few trusted sources instead of consuming endless market opinions.
- **Stick to Your Strategy –** Base decisions on YOUR long-term financial goals, not daily news and noise.
- **Automate Where Possible –** SIPs (Systematic Investment Plans) reduce the stress of timing the market.
- **Seek Expert Advice –** A professional can help cut through the clutter and offer clarity.

The secret to smart investing? Less clutter, more clarity. Avoid decision fatigue, stay focused, and let your money grow effortlessly.

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

TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?

QUESTION

My other broker gave me funds that pay me regular cash, but your Growth Funds don't give me anything directly. How do I know if my money is actually growing?

OUR REPLY

When you invest in Growth Funds, you might notice something different: they don't give you regular cash payouts like dividends or interest. Instead, Growth Funds aim to increase the value of your investment over time. But how do you know if your money is really growing?

The key to tracking your growth is the **Net Asset Value (NAV).** NAV represents the "price" of one unit in your fund. When the NAV rises, it means your investment is **growing in value.**

To see how your Growth Fund is doing, you can look at performance reports. These reports show how the fund has performed over time—whether it's been growing or not. You can also compare your fund's performance with others in the same category to see how it's stacking up.

While Growth Funds don't pay you cash right away, they offer something even better: long-term growth. By keeping an eye on the NAV and checking the performance reports, you'll know exactly how your investment is growing and whether it's on the right track. This way, you can feel confident that your money is working for you, even if you're not seeing cash payouts right now. Growth Funds may take time, but they have the potential to turn your money into much more wealth in the long run!!!

Contributed by Team Sukhoi, Hum Fauji Initiatives

QUESTION

Whenever I invest in mutual funds, I notice that instead of the full amount being allocated, the units allocated are of slightly less amount. Why does this happen?

OUR REPLY

This happens due to the Govt stamp duty, which is charged at 0.005% of the investment amount. Introduced in July 2020, this charge applies to all mutual fund investments—equity, debt, and ETFs—whether in physical or demat mode, including SIPs, STPs, and dividend reinvestments.

Some investors assume that there is some kind of entry load being charged on investments. It is not so. Entry load was abolished from Mutual Funds more than 15 years ago in 2009.

It's important to note that this stamp duty does not affect redemptions or switches out to other funds.

Should You Worry?

- This small cost is part of the regulatory framework and doesn't significantly affect your overall returns being very tiny, 0.005%.
- Staying **informed** helps you make smart financial decisions.
- Focus on **long-term investment goals** rather than such small charges.

By keeping your focus on the bigger picture, you can navigate such fees without letting them disrupt your financial strategy.

Contributed by team Prithvi, Hum Fauji Initiatives

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SEBI's REGULATORY UPDATES

SUMMARY

SEBI Circular on Revised Nomination Facilities in Indian Securities Market (January 10, 2025)

SEBI has introduced revised norms for nomination in demat accounts and mutual fund folios to prevent unclaimed assets and ensure uniformity.

Key Highlights:

1. **Survivorship Rule:**
   In joint accounts, assets transfer to the surviving holder(s). If all holders pass away simultaneously, assets go to the registered nominee(s).

2. **HUF Accounts:**
   Upon the Karta's death, the new Karta will operate the account. If none exists, assets will be transmitted per legal guidelines.

3. **Nomination Requirements:**
   - Mandatory for single holders, optional for joint accounts.
   - Nominees act as trustees for legal heirs.
   - Multiple nominees (up to 10) allowed, with asset distribution as per specified percentages.

4 **Authentication & Record Keeping:**

- Nomination can be submitted online (via digital signatures, Aadhaar-based e-sign, or OTP verification) or offline (signature verification or thumb impression with witnesses).
- Regulated entities must maintain nomination records for eight years post-transmission.

5 **Power of Attorney (POA):**

POA holders cannot nominate but can continue transactions per existing norms.

6 **Handling Incapacitated Investors:**

- Investors can authorize a nominee to operate their accounts in case of physical incapacitation.
- Strict procedures, including medical certification and in-person verification, are required.

7 **Nomination Opt-Out:**

Investors can opt out of nomination via online affirmation, OTP verification, and recorded declaration.

8 **Simplified Transmission:**

- Only a self-attested death certificate and KYC update of nominee(s) are required.
- No affidavits, indemnities, or notarization needed.

9 **Implementation Timeline:**

- Changes effective from **March 1, 2025.**
- Existing investors can revise their nomination choices.
- AMCs and depositories must confirm readiness to SEBI by May 1, 2025.

These circular aims to streamline nomination procedures, enhance investor convenience, and ensure smooth asset transfers.

REVOLUTIONIZING DEFENCE

Continuing our mission to empower the armed forces community with financial literacy, February 2025 was another impactful month! We conducted **46 financial literacy workshops** across key military locations, educating **over 5,613 Jawans, officers, and their families** on financial security and smart investments.

TRAINING LOCATIONS COVERED

From the strategic hubs of **Jaisalmer, Baramulla and Nagrota** to major centers like **Ahmednagar, Chandigarh and Bengaluru,** our sessions reached those who safeguard our nation.

LOCATION-WISE BREAKDOWN

LOCATION	NO OF LECTURES CONDUCTED	TOTAL STRENGTH
AHMEDNAGAR	3	312
BARAMULLA	2	223
BEAS	2	274
BENGALURU	2	177
CHANDIGARH	2	300
DUDERHAMA	2	388
GURUGRAM	1	190
JABALPUR	2	154
JAISALMER	16	1963
MANASBAL	2	205
MATHURA	1	140
MOUNT ABU	2	232
NAGROTA	5	513
PARIBAL TEKRI	2	252
UDAIPUR	2	290

SNEAK PEAK
INTO HUM FAUJI INITIATIVES

Growing Through Continuous Learning at HFI

At Hum Fauji Initiatives, we believe that learning never stops. Staying updated and evolving our skills is key to providing the best for our clients. Here's a glimpse from some of our recent external learning sessions—opportunities to adapt, grow, and enhance the way we serve.

1. *Aashish Somaiyaa (Chief Executive Officer, White Oak Capital Management) delivers a concise and insightful analysis of passive versus active management, sector cycles,market mean reversion, smart beta products, and alpha-generation strategies, emphasizing the challenges involved.*

2. *Mrs. Sonal Bhargava, a soft skills trainer, conducted a personality development session for our TMs.*

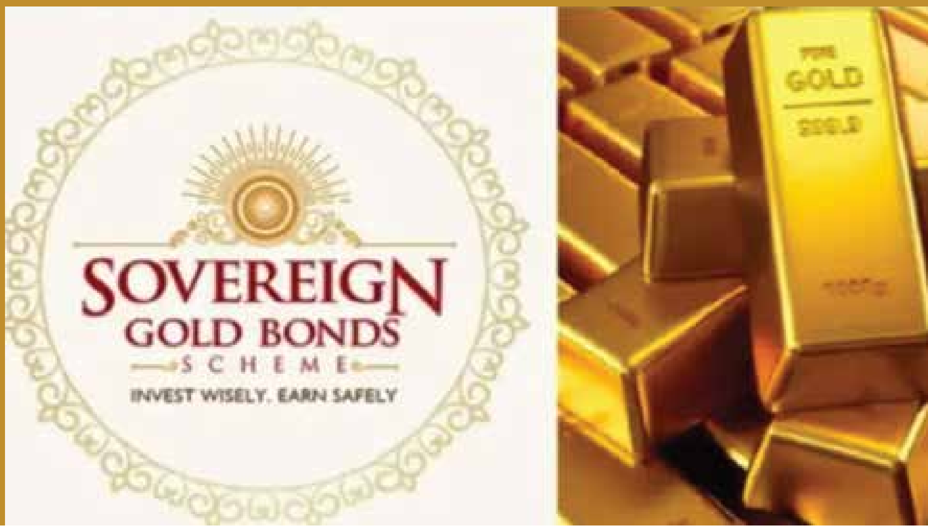
3. *ICICI AMC - Discussion on macroeconomic factors influencing investment strategies by Ms. Akansha, Sr Product executive.*

4. *HDFC AMC- Accelerate & Excel Workshop by Mr. Mihir Shah for building communication with the clients.*

Work Hard, Party Harder – The HFI Way!

At Hum Fauji Initiatives, it's never all work and no play! We believe in striking the perfect balance—giving our best at work and celebrating our wins with equal enthusiasm. Here's a sneak peek into February's monthly celebration, where fun, laughter, and team spirit took center stage!

HUM FAUJI INITIATIVES
MEDIA FEATURES



*With the discontinuation of **Sovereign Gold Bonds (SGBs),** investors now have the opportunity to buy them through the secondary market. Currently trading at a slight discount to gold prices, SGBs offer a compelling alternative to direct gold investments, especially with the added advantage of periodic interest. For better returns, it's advisable to look for issues trading significantly below their nominal value on **NSE** or **BSE.***

***Col Sanjeev Govila** shares insights on this strategy—read the full article for more details*

https://tinyurl.com/y426k7w7

COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives

*Earning ₹12 lakh a year? Before deciding whether to rent or buy a home, consider key factors. If your job is uncertain or you may relocate in the next 5-7 years, renting could be a smarter choice, says **Col Sanjeev Govila.** Buying becomes financially inefficient if the rental yield (annual rent ÷ home value) is below **2.5%,** especially in high-cost cities like **Mumbai or Bengaluru,** where EMIs often surpass reasonable rental costs. Additionally, real estate locks up a significant portion of capital, limiting liquidity for other investments.*

***Read the article** for Col Govila's insights on making a well-informed decision*

https://tinyurl.com/mj6zz4c

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