



By the Faujis. For the Faujis.

Hum Fauji Initiatives

July 2025

WEALTH INSIGNIA

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

Financial Micro Bytes

Top Client Queries of the Month

Explore Our Diverse Range of Offerings

Important Investment Update

Your Guide to Tax Planning

Sneak Peak into HFI

HFI – Media Features



Dear Friends

Every milestone we reach at Hum Fauji Initiatives is a step closer to the vision we began with - a vision to serve the armed forces community with financial guidance rooted in trust, integrity, and technical excellence.

From day one, we've believed that financial planning must be more than just about money, it must reflect the values of those we serve. With each family we assist, with every life goal we help secure, we're reinforcing our promise of principled, people-first financial support.

*It gives me great pride to share that **Hum Fauji Initiatives is now an Approved Corporate Partner of FPSB India**, the Indian arm of the global Financial Planning Standards Board (FPSB). This recognition places us among just Nine other elite financial institutions in India that have demonstrated a commitment to the highest global standards in financial planning, alongside industry leaders like HDFC AMC, SBI, Bajaj Capital, and Mirae Asset.*

This partnership is also a responsibility that we embrace with humility and determination. FPSB India sets the benchmark for ethical, transparent, and globally aligned financial planning through the prestigious CFP® certification. Being recognised by them is an affirmation that our work meets those elevated standards.

For our clients, this milestone means even greater assurance. Our advisory team now gains direct access to global training modules, certification support, and best practices that will directly enhance the financial solutions we offer you. Your trust in us has brought us here, and now, that trust will be backed by the gold standard of global financial planning.

We marked this achievement with the signing of an MoU at our corporate office in Dwarka, New Delhi, with Mr. Krishan Mishra, CEO of FPSB India. It was a proud, emotional moment - one that reflects not just where we are, but where we're going and where we have reached in the financial planning industry in the country.

As we move forward, we remain committed to serve you and the armed forces community with honest and dependable financial guidance.

Thank you for being a part of our journey.

Warm regards,

Col Sanjeev Govila (retd)

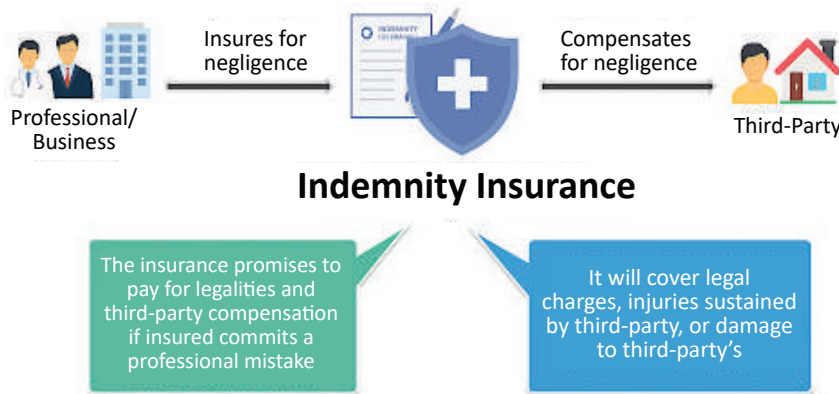
CEO, Hum Fauji Initiatives

MONTHLY FINANCIAL NEWSLETTER BY THE FAUJIS FOR THE FAUJIS

Not on a Salary? Your Money Still Needs a Game Plan

Most financial advice caters to people with a steady pay check, office perks, and monthly deductions. But what if you're a freelancer, a small business owner, a consultant or work for yourself? When your income isn't the same every month, your money strategy needs to be smart and flexible.

First, get insurance that really protects you. Beyond term and health insurance, add critical illness and disability insurance—these kick in when your health keeps you from working.



For professionals, **indemnity insurance** is a must. It protects against legal claims due to errors or negligence in your work. For instance, a doctor facing a malpractice claim or a consultant sued for a flawed recommendation would have their legal costs and liabilities covered. Many professionals only realise this when it's too late.

And what about investments? Forget rigid monthly large SIPs. Have small SIPs on acting as a 'base plan'. Then, set yearly goals. In good months, invest more. In slow ones, take a break—your plan flexes with your income. Balance equity funds (for growth) and debt options like PPF or liquid funds (for stability).

Your career is flexible. Your finances should be too.



(Contributed by Neeraj Kumar, Relationship Manager, HNI Desk 1, Hum Fauji Initiatives)

WHY “DOING NOTHING” MIGHT BE THE BEST THING FOR YOUR MONEY RIGHT NOW

Stuck in traffic - you shift lanes hoping to move faster. Suddenly, your old lane zooms ahead—and you're stuck again. That's exactly how many people treat their investments. Jumping around too often, hoping for better returns, but ending up worse off. Welcome to the world of impulsive investing.



So, what should you do instead?

Sometimes, the smartest financial move you can make is... nothing at all! No buying. No selling. No chasing the news. Just sitting tight.

The Psychology of Panic

Markets go up and down—like your mood after reading the news. Selling in panic is like throwing away your raincoat because it's raining.

Slow and Steady = Wealthy

Money loves patience.

Wealth isn't built by reacting to every headline. It's built by compounding, which only works if you give it time.

Wealth grows quietly.

The real winners don't jump at every news update. They follow a plan, invest regularly (SIPs!), and let compounding do its work.

What You Can Do Instead:

- Review, don't react. Check your portfolio, but don't panic.
- Stick to your plan. If your goals haven't changed, why should your strategy?
- Automate and chill. SIPs (Systematic Investment Plans) are your best friends.

Sitting tight doesn't mean you're ignoring your money—it means you're letting it grow.

So, the next time markets wobble, don't reach for the “Sell” button. Reach for a cup of chai instead.

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

LEAVE A LEGACY, NOT A BURDEN

Your legacy is like a garden. You plant the seeds, nurture them, and hope they bloom beautifully for generations. Succession planning is the careful gardening that ensures your wealth grows strong and healthy, rather than becoming tangled weeds of confusion and conflict.



What is Succession Planning?

That's where succession (or estate) planning comes in — it's the thoughtful way to pass on your wealth, values, and responsibilities, especially when life gets complex.

For most people, this often means:

- ◆ Keeping family harmony alive
- ◆ Managing multiple assets
- ◆ Handling business interests

Without a plan? Your legacy might face storms — family disputes, legal delays, or high taxes.

Here's how to protect your garden:

- ◆ Complex assets and taxes? Use trusts and expert advice to keep things simple and save money.
- ◆ Family disagreements? Set clear family rules and talk openly to keep everyone on the same page.
- ◆ Business succession? Train and choose future leaders carefully, with legal tools like Buy-Sell Agreements to avoid surprises.

Wills are like the basic map of your garden, showing who gets what.

At HFI, we offer a simple free Will format used by many fellow officers. Get your copy and customise it as per your needs — it's a smart first step toward protecting your legacy.

You can ask for it here:

<https://humfauji.in/claim-the-sample-will/>

(Contributed by MF Alam, Lead Research Analyst, Hum Fauji Initiatives)

IS YOUR RETIREMENT CORPUS BATTLE-READY FOR YOUR FINANCIAL GOALS?

Retirement isn't the end—it's your next mission. And like every mission, it needs planning, preparation, and the right gear. With increasing life expectancy and rising living costs, your retirement savings must be strong enough to support you for 25 to 30 years or more.



Before Retirement: Build Your Base

In your working years, you balance EMIs, children's needs, and lifestyle costs. But don't lose sight of the future. Want ₹75,000/month after 60? You'll need around ₹2.5–₹3 crore, depending on inflation. Start early. Small SIPs (Systematic Investment Plans) in mutual funds grow big over time.

After Retirement: Income Must Continue

For Armed Forces personnel, pension is a strong foundation. But is it enough? Medical costs, inflation, and unforeseen needs demand more. Strengthen your income with Tax-efficient Mutual Fund SWPs – Create a second monthly income with inflation protection.

Inflation is the Silent Enemy

Your monthly expenses of ₹50,000 today = ₹1.3 lakh in 20 years. If your plan isn't inflation-proof, even a big fund may fall short.

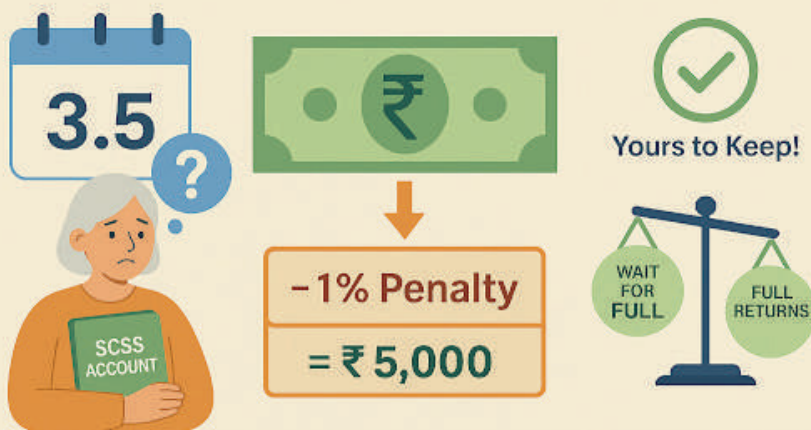
The Winning Strategy

Pension + steady income + smart investing = stress-free retirement. Save regularly, invest wisely, review often, and mix growth with safety. That's how you make your retirement corpus battle-ready.

(Contributed by Riya Bhandari, Relationship Manager, Team Arjun, Hum Fauji Initiatives)

TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?



QUESTION

I am retiring shortly. All my course mates and fauji groups are recommending me to invest the maximum allowed money in a SCSS (Senior Citizens Savings Scheme) account. Is it a good decision? I do not need any monthly income and I'm also scared of the high tax that I will pay on it.

OUR REPLY

The Senior Citizen Savings Scheme (SCSS) is definitely a trusted retirement product — but calling it the best for everyone might be stretching it a bit.

Yes, SCSS offers:

- A government-backed return of 8.2% p.a.
- Quarterly interest payouts, ensuring regular income
- Safety of capital and Section 80C tax benefit at the time of investments

But there's a **catch most people miss**:

There is **no compounding** in SCSS. The interest is paid out every quarter — **whether you need it or not**, and it is fully taxable. So, your money doesn't grow on its own beyond what's being paid out. Over time, this can limit wealth creation, especially if you're not using or further investing that income.

Now compare this with a conservative mutual fund (say, a hybrid or balanced fund) that gives an average return of 10% p.a. with compounding.

5-Year Investment Comparison

(₹10 Lakhs invested; no withdrawals)

Investment Option	Annual Return	Compounding?	Interest being paid during tenure	Maturity after 5 years
SCSS	8.20%	✗	₹ 4,10,000 (Paid quarterly)	₹ 10,00,000
Hybrid Mutual Fund	10%	✓	(You can take a tax-efficient SWP)	₹ 16,10,000

A better approach?

Invest in a good Hybrid Mutual Fund instead of SCSS. If you don't need regular income (most retired services officers don't need it anyway), then the Hybrid MF will compound your money smartly. If and when you need a regular income, take the Systematic Withdrawal Plan (SWP) from the mutual fund for whatever period you need it. This route will be far more tax-efficient, flexible and adjustable to your personal requirements.

SCSS is primarily meant for those retirees who will not get any pension. Armed Forces retirees investing in it may not really be a good use of their life-time savings.

(Contributed by Team Sukhoi, Hum Fauji Initiatives)

QUESTION

I jointly own a house property with my wife, and we plan to sell it this year. Should the sale proceeds be received entirely in my bank account, or should they be split between my and my wife's bank accounts? Also, how can we both claim the capital gains exemption under Section 54EC if we invest in eligible bonds?

Section 54EC



OUR REPLY

This is an important aspect of property sale planning. Here's what you should keep in mind:

1. Sale Proceeds – How Should They Be Received?

- If the property is jointly owned (e.g., between spouses) on paper, the sale amount should be split as per ownership in which the price of purchase was contributed by the two owners. Merely mentioning it in the property documents as joint is not the proof of the ratio in which ownership will be counted.
- Each co-owner should receive their share directly into their own bank account, where they are the primary account holder even if the bank account is jointly held.
- ✗ Avoid transferring the entire amount to one person—it can trigger tax issues or scrutiny.

2. Rationally calculate what is a better way for tax planning of Capital gains?

- The seller(s) can either pay the tax at prevailing rates and invest the amount in good investment avenues; Or invest the Capital Gains in specified Capital Gains Bonds (under Tax Section 54EC like NHAI, REC CG Bonds); Or invest in another residential property.
- Suit which method, or a combination of methods is best in your case as per requirements and tax saving purposes.
- The tax exemptions are individual, not joint—each co-owner's capital gains part needs to be treated separately.

A well-planned sale doesn't just save tax—it protects your wealth. If you're unsure about the next steps, we're here to ensure every rupee works in your favour in such cases.

(Contributed by Team Arjun, Hum Fauji Initiatives)

EXPLORE OUR DIVERSE RANGE OF OFFERINGS

HUM FAUJI

TOP 5 REASONS WHY WE NEED INSURANCE

How much are you losing without insurance?

Insurance acts as a financial back-up at the time of emergency

Insurance makes retirement secure

Insurance helps in securing future

Insurance encourages savings

Insurance gives peace

For More Details Contact Us: 8929291078

IMPORTANT INVESTMENT UPDATE

To ensure a seamless nomination process and smooth transfer of investments, the following guidelines must be followed for all client nominations:

✓ Nominee Details

Include the following:

- ★ Full name
- ★ Percentage share (if multiple nominees)
- ★ Relationship with the investor
- ★ Email ID and mobile number
- ★ Valid ID number
- ★ Residential address

✓ Date of Birth

Required **only** if the nominee is a minor. A guardian should also be specified in such cases.

✓ Identity Verification

Provide **any one** of the following:

- ★ PAN Card
- ★ Aadhaar (last 4 digits only)
- ★ Driving License
- ★ Passport

✓ Thumb Impression Cases

If a thumb impression is used in place of a signature:

- ★ Include signatures of **two witnesses**
- ★ Mention **full names and addresses** of both witnesses

✓ Form Submission

Use the nomination form available under the '**Investors**' section of www.itiamc.com.

✓ Nominee Name in SOA

The nominee's name will appear in the Statement of Account (SOA) as per the investor's preference.



Following these guidelines ensures that the nomination process is legally valid, hassle-free, and supports the smooth transmission of investments when required. Always encourage timely nominee updates to avoid future complications.

YOUR GUIDE TO TAX PLANNING

HOW DISABILITY PENSION AND GALLANTRY AWARDS ARE TREATED IN TAX

Personnel from the Armed Forces often receive income components that are tax-exempt under special provisions — especially disability pension and gallantry awards. However, confusion around their tax treatment is common.

Disability Pension: Fully Tax-Exempt

As per CBDT Circular No. 2/2001:

- ▶ Disability Pension is fully exempt from income tax, whether you are:
 - ★ Invalidated out of service, or
 - ★ Retained in service but receiving disability pension

This applies to both:

- ★ Service element (akin to basic pension)
- ★ Disability element (based on the percentage of disability)

Note: This tax exemption holds even after retirement and regardless of rank.



Gallantry Awards: Also, Fully Exempt

Income (including pension) of recipients of the following awards is fully exempt under

Section 10(18):

- ★ Param Vir Chakra
- ★ Ashok Chakra
- ★ Maha Vir Chakra
- ★ Kirti Chakra
- ★ Vir Chakra
- ★ Shaurya Chakra
- ★ And other notified gallantry awards

This exemption is irrespective of whether the award was given in peacetime or wartime, and covers both serving and retired personnel.



Points to Remember:

- ★ These exemptions are over and above the normal deductions available to taxpayers.
- ★ While filing returns, ensure these components are reported under exempt income to avoid future notices.
- ★ Keep documentation ready — such as copies of PPOs, award notifications, or medical board recommendations.

Need help declaring it right in your ITR? Our experts are equipped to assist armed forces personnel with precise and compliant tax filing.

SNEAK PEEK INTO HUM FAUJI INITIATIVES

Hum Fauji Initiatives is Now an Approved Corporate Partner of the Financial Planning Standards Board India (FPSB India)

We're thrilled to share this proud milestone with you - Hum Fauji Initiatives has been selected as an Approved Corporate Partner of FPSB India, the prestigious body behind the globally recognised CFP® certification, often referred to as the gold standard in financial planning.

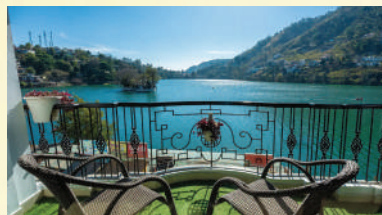


This recognition places us in the esteemed company of India's leading financial institutions and marks a significant leap in our journey to serve the armed forces community with world-class, ethical, and globally benchmarked financial advice. It's a moment of pride not just for Team HFI, but for every client and family who has placed their trust in us.



Scaling new heights – literally and figuratively!

June brought the heat, but our teams brought the fire. **Snowball Dhamaka** competition was fierce, and the spirit, unstoppable.



Team Vikrant 1 emerged as champions of Snowball Dhamaka. Their reward? A breathtaking **mountain escape to Bhimtal**, where they celebrated not just victory but the values that got them there: **commitment, collaboration, and consistency**.

Learning never stops at HFI

Our teams participated in a series of insightful **External Sessions** this year designed to sharpen skills, expand perspectives, and strengthen client engagement.



Mrs. Sonal Bhargava
brought powerful takeaways
on personality development
and soft skills

Ms. Akansha Walia
from ICICI

offered a focused lens on the
current market outlook



Mr. Mohinder Singh
from Franklin AMC
delivered an energising session
on acquiring new clients

At HFI, we believe momentum is built through **continuous learning and real-world perspectives**. These sessions are more than just training, they're part of our culture of growth, curiosity, and staying future-ready.

HUM FAUJI INITIATIVES MEDIA FEATURES

Geopolitical Tensions & Your Investments — What Should You Do?

In uncertain times, it's natural to feel concerned about your investments. But history tells us a different story. In a recent media interaction, our CEO, **Col Sanjeev Govila (Retd), Certified Financial Planner**, shared how past geopolitical events like the Kargil conflict and surgical strikes saw markets bouncing back within weeks to a few months. His advice? **Avoid panic selling**. Instead, consider smart reallocation towards sectors like **defence, FMCG, and healthcare**, and increase exposure to **sovereign debt instruments** like RBI bonds for stability.

For more insights, read the full article:
<https://shorturl.at/awcWW>



COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives

Why Waiting Periods in Insurance Matter

A recent NCDRC case highlighted a critical gap: natural death claims are not valid during the initial waiting period. Yet, delays in issuing policies can complicate matters.

Our CEO, **Col Sanjeev Govila (Retd)**, shares his expert views in this **Business Standard** article, explaining what homeowners and defence families must watch out for in home loan-linked life insurance.

Read more:
<https://shorturl.at/N8gHu>





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By the Faujis. For the Faujis.

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