Hum Fauji Initiatives

September 2025

WEALTH INSIGNIA

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

Dear Friends

August was a truly special month for all of us at Hum Fauji Initiatives.

*Our **Independence Month initiative**, which for the first time extended our services to your siblings and their families for a limited period, received an overwhelming response. The trust and goodwill you placed in us by referring your loved ones to us was both humbling and inspiring.*

It reaffirmed our belief that financial freedom becomes more meaningful when shared with those we care about. We feel more strongly etched with the community.

*Equally encouraging was the success of our **Succession Planning Webinar Series – Who Will Cry When You Die? Series II.** The three sessions saw **hundreds of Armed Forces families joining us,** engaging and asking thoughtful questions, and sharing words of appreciation.*

It has been heartening to see the community embracing the importance of planning for the future with such seriousness. My team is working on sharing the insights with you all in the coming times.

Initiatives like these are of great significance to Hum Fauji Initiatives, but it is your engagement that makes them truly impactful. So I want to 'Thank You' for all the encouragement and support.

*As we step into September, may I also gently remind you that the deadline for filing Income Tax Returns is **15th September 2025.** If you haven't completed this yet, I encourage you to do so at the earliest.*

Please know that our team is always here to guide and support you in ensuring a smooth and timely filing. Thank you once again for your continued trust and participation. It is your faith in us that drives our commitment to serve you better each day.

Warm regards,
Col Sanjeev Govila (retd)
CEO, Hum Fauji Initiatives

COMMON MYTHS ABOUT WOMEN & LIFE INSURANCE – WHAT YOU NEED TO KNOW

When it comes to life insurance, women often find themselves surrounded by myths that hold them back from securing the financial protection they truly deserve. Whether you're a working professional, a homemaker, or somewhere in between, it's time to bust some outdated beliefs.

Myth 1: Only breadwinners need life insurance.

Truth: Whether you earn or manage the home, your role is priceless. If something happens to you, replacing childcare, household help, or emotional support can be costly. Insurance ensures your loved ones aren't left struggling.

Myth 2: It's too expensive.

Truth: Many affordable plans exist—especially if you're young and healthy. Term life insurance, for example, gives solid coverage at a surprisingly low cost.

Myth 3: I don't need it if I don't have kids.

Truth: Life insurance isn't just for parents. It covers loans, funeral costs, and ensures your loved ones aren't financially burdened.

Myth 4: Women with no income cannot get life insurance.

Truth: Insurers recognize a homemaker's financial value. If you run the house, your spouse can insure you, or you may qualify based on family assets.

What to do:

- Evaluate your financial needs.
- Compare policy options.
- Talk to a financial advisor.

Life insurance isn't about income—it's about security. No matter your role, you **deserve protection!**

(Contributed by Gautam Arora, Relationship Manager, Team Vikrant, Hum Fauji Initiatives)

HOW COMPOUND INTEREST CAN HELP YOUR CHILD'S SAVINGS GROW

As parents, we plan for everything—school admissions, extra-curriculars, even birthday themes. But how often do we plan financially for our child's future?

Here's a fact: **Less than 35% of Indian parents** actively invest for their child's long-term needs. Most rely on ad hoc savings or fixed deposits or the latest financial advertisement that barely beat inflation. But if there's one thing that can quietly work magic for your child's future, it's **compound interest**.

Compound interest means your money earns not just on the amount you invest—but also on the interest it already earned. Over time, this snowballs into substantial growth.

Remember how your DSOP is growing or has grown over time?

Let's break it down:

- **Investing ₹10,000/month from birth** at 10% return could grow to **₹57 lakhs** by age 18.
- But start the same investment at age 10, and it'll barely reach **₹14 lakhs** by age 18.
  That's the power of starting early. You don't need big money—just discipline and time.

Three keys to grow your child's savings smartly:

1. Start a Children's SIP as early as possible
2. Stay consistent—even small monthly investments matter
3. Use goal-based mutual funds instead of low-interest savings

There's no "perfect" time to begin. But the earlier you start, the bigger the head start you give your child.

Time is the best teacher—and the best investor.

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

WHEN TODAY'S FUN EATS TOMORROW'S FORTUNE: PRESENT BIAS

An officer once told me:

"I'll start investing after this year. Just bought a car, my kids' school fees are due, and there's a family trip coming up."

Sound familiar? That's not poor planning — that's **Present Bias** in action.

It's our tendency to prioritise today's comfort over tomorrow's gain. The problem? That "later" keeps pushing wealth-building further out of reach.

Let's look at the Real Cost of Delay

★ If you invest ₹10,000/month at 10% return starting at age 30, you'll have:

→ ₹76 lakhs by age 50

→ ₹2.3 crores by age 60

★ If you delay by just 5 years (start at 35):

→ ₹45 lakhs by age 50

→ ₹1.3 crores by age 60

That 5-year delay costs you ₹1 crore by retirement time!

Why does this happen?

Because when you start early, compounding has more time to grow your money. Delays shorten the compounding window — and long-term wealth shrinks drastically.

What You Can Do:

- Start small — consistency matters more than amount
- Automate your SIPs so that emotion doesn't interfere
- Link investments to future goals: kids' education, retirement, that dream home
- Reward yourself for staying on track — not for postponing

The future only gets better if you start preparing for it today.
Remember Discipline beats desire — every time.

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

EXPLORE OUR DIVERSE RANGE OF OFFERINGS

IMPORTANT INVESTMENT UPDATE

AMFI UPDATE – REVISED GUIDELINES ON MUTUAL FUND DISTRIBUTOR (MFD) / ARN CHANGE REQUESTS

This is to inform about a recent update from AMFI (Association of Mutual Funds in India) issued on **July 30, 2025**. It makes certain changes to the earlier circular dated **March 5, 2024** regarding the process for investors to change their Mutual Fund Distributor (MFD) or ARN code.

In simple terms — AMFI has revised the rules for how such change requests will be processed.

Key Changes Introduced:

1. Cooling-Off Period Extended

- The cooling-off period after an ARN change has been increased from **6 months to 12 months**.
- If the ARN is changed again within this 12-month period (either back to the original or to another ARN), the cooling-off period will restart from the date of the latest change.

2. Standardized Investor Declaration Format

- AMFI has introduced a standard format (Annexure A) for investors to submit MFD/ARN change requests. Requests in any other format will not be accepted.
- Wet signature of the investor is mandatory and will be verified against AMC/RTA records. No online or digitally signed requests will be accepted.
- All required fields in the standard form — including old broker code, old broker name, new broker code, new me, sub broker code, EUIN number — must be filled in. Incomplete forms will not be processed.
- While the form allows specifying scheme-wise changes, any approved request will be processed for all schemes under the mentioned folio.

3. Communication & Complaint Handling Process

- Upon receiving the request, AMC/RTA will send an SMS to the investor on T+1 day.
- If no complaint is received by T+11, the change will be processed.
- Confirmation will be sent to the investor via Email/SMS and to both the MFDs (source and target) via Mailback repos.

Effective Date:
These revised norms will be implemented from August 11, 2025.

YOUR GUIDE TO TAX PLANNING

Most people delay advance tax till March and end up paying extra interest (Sec 234B & 234C). A little planning can save you money and stress.

Why December Matters

If your advance tax is ₹1,20,000:

- Pay only ₹75,000 by Dec → extra 3 months' interest on the shortfall.
- Pay ₹1,00,000 by Dec → no penalty + lighter March burden.

Smart Steps to Follow

01 **Estimate Tax Early (June/July):** Make a rough calculation of total income—salary, bonuses, interest, rentals, business, capital gains. Don't forget deductions (like standard deduction, NPS, etc.).

02 **Plan Your Income:** If possible, time your capital gains or maturity proceeds around advance tax due dates. This avoids sudden large payments.

03 **Pay in Instalments:** Use the quarterly dates (15 June, 15 Sept, 15 Dec, 15 Mar). It's like a "forced SIP"—spreading out payments eases cashflow.

04 **December Catch-Up:** Missed earlier instalments? Don't wait till March. Pay in December. By 15 Dec, 75% should be paid—this one move saves 3 months of interest.

05 **Last-Minute Adjustments:** Before March, check if you can use options like NPS employer contributions or HRA adjustments to lower taxable income.

Why It's Powerful?

- Saves you 1% per month penalty (~12% a year!).
- Keeps cashflow smooth.
- Gives better control over tax planning.
- Very few people use the simple "December correction hack."

Advance tax is not a burden—done smartly, it saves interest, smoothens cashflows, and gives better tax control.

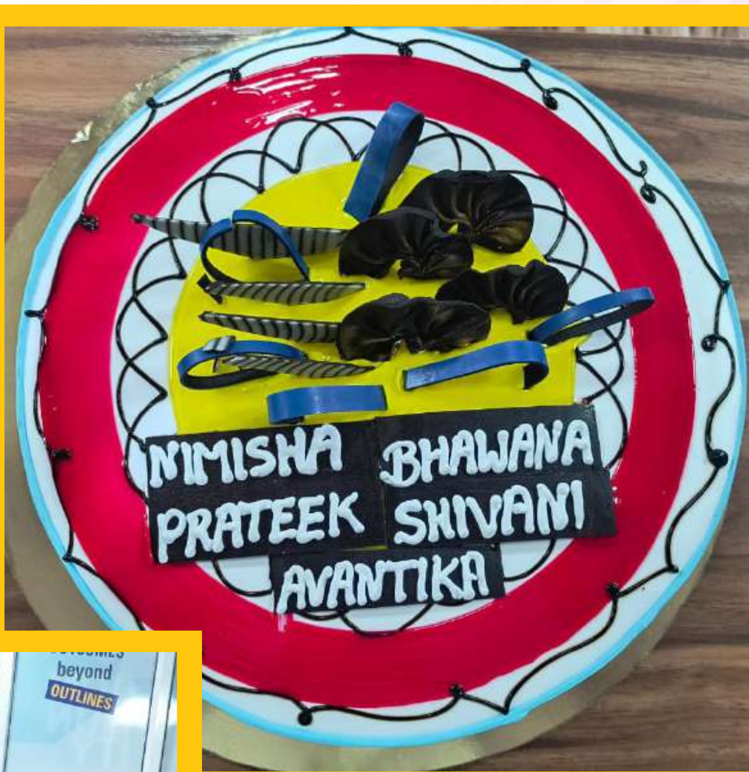
SNEAK PEEK INTO HUM FAUJI INITIATIVES

Continuous Learning at Hum Fauji Initiatives

We were privileged to have **Mr. Tushar Javkar from DSP Asset Management Company** conduct an engaging session on the Psychology of Investing

At Hum Fauji Initiatives, we place strong emphasis on such knowledge sessions — ensuring we stay ahead with industry insights and deliver the very best to our clients.

Birthday Cheers for Our August Stars



Birthday celebrations with cakes and cheers have become a cherished monthly ritual at Hum Fauji Initiatives. Here’s a glimpse of our August team members whose special days we celebrated together!

HUM FAUJI INITIATIVES MEDIA FEATURES

Planning to Redeem Your Mutual Funds?

The new tax rules, effective from July 23, 2024, have changed how your MF gains will be taxed in AY 2025–26. From higher LTCG on equity funds to the removal of indexation on debt funds, the timing of your redemption could make a big difference to your post-tax returns.

Col Sanjeev Govila (Retd), CEO of Hum Fauji Initiatives, warns that hesitation may cost you more in taxes.

Read the full article here:
https://shorturl.at/idy8t

COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives

Credit Cards Aren't for Everyone

Credit cards can be lifesavers in emergencies but for those with poor spending habits or weak financial discipline, they can quickly turn into a debt trap. With high interest rates, misuse can spiral into unmanageable liabilities.

Col Sanjeev Govila (Retd) cautions that in his experience, a credit card in the wrong hands is "like giving a matchstick to a child in a fireworks shop."

Read the full article here:
https://shorturl.at/lReOs

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