



By the Faujis. For the Faujis.

Hum Fauji Initiatives

June 2026

WEALTH INSIGNIA

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

Financial Micro Bytes

Top Client Queries of the Month

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Your Guide to Tax Planning

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Dear Friends

At Hum Fauji Initiatives, our commitment extends beyond wealth creation to help you preserve and optimize it for abundance.

As we enter the tax filing season, it is important to remain informed and proactive about the tax regulations and planning opportunities. Effective tax planning can significantly influence your overall financial outcomes. Timely action can help avoid unnecessary tax liabilities while ensuring that available benefits are fully utilized.

As investors, it is important to view tax planning as an integral part of wealth management rather than a year-end compliance exercise. Careful planning and attention to available provisions can help protect tax returns, improve tax gains, and support your long-term financial goals.

*Over the past few years, our tax filing assistance initiatives have received an encouraging response from the armed forces community. Building on that trust, we are pleased to extend our tax filing services **"File your ITR"** to the wider armed forces community this year.*

Priority ITR Filing reservation has already commenced for the HFI investors.

*To further support informed decision-making, we have launched a **5-part Tax Series** across our brand platforms this month. The videos cover practical tax-filing scenarios, common oversights, and key planning considerations, with insights tailored to the unique circumstances of the armed forces community. I encourage you to follow the episodes and make the most of the guidance being shared throughout the series.*

As always, stay disciplined in your financial journey and stay informed.

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

MONTHLY FINANCIAL NEWSLETTER BY THE FAUJIS. FOR THE FAUJIS.

Patience = Paisa: The Investment Journey



As Warren Buffett famously said, “The stock market is a device for transferring money from the impatient to the patient.”

In a world chasing quick returns, the real advantage in investing is much simpler - patience. Markets will always move up and down. From the 2008 financial crisis to the 2020 COVID crash, every fall created fear. Yet, over time, markets recovered and moved higher than earlier. The difference wasn't timing - it was investor behaviour.

How Investors Typically React

Situation	Emotional Investor	Patient Investor
Market Falls 20%	Stops SIP	Continues SIP
Negative News	Panics	Reviews calmly
Short-Term Volatility	Exits investments	Focuses on goals
Bull Market	Chases returns	Stays disciplined
Long-Term Result	Inconsistent wealth creation	Strong wealth creation

What History Has Shown

Market Event	Approx. Fall in Market	Investor Emotion	Long-Term Outcome
2008 Global Financial Crisis	-50%	Panic Selling	Market recovered and made new highs
2020 COVID Crash	-38% in weeks	Fear & Uncertainty	One of the fastest recoveries in history
Russia-Ukraine Conflict (2022)	Sharp volatility	Global fear	Markets stabilized over time
Inflation & Rate Hike Phase	Continuous corrections	Confusion	Quality investments continued compounding

Successful investing is not about predicting markets every day. It is about consistency, discipline, and giving compounding enough time to work. In the investment journey, patience is not just a virtue - it becomes wealth. Because ultimately, Patience = Paisa.

(Contributed by Ankit Kumar Singh, Relationship Manager, Team Prithvi, Hum Fauji Initiatives)

NIL ITR IS NOT JUST ABOUT TAXES. IT'S ABOUT FINANCIAL CREDIBILITY.

'Why Should I File ITR? I don't even Pay Tax'

This is one of the most common questions people ask.

And honestly, it sounds logical.

If there is no tax liability... why file an Income Tax Return at all?



But here's what many people miss:

- ◆ A Nil ITR is not just about tax. It's about creating your financial identity.

Imagine two individuals applying for a home loan a few years later. One has consistently filed Nil ITRs despite having low income, while the other never filed because 'there was no tax liability.' When banks evaluate them, the first person already has a documented financial history. The second person starts from zero.

That's the real value of a Nil ITR.

It quietly helps in:

- ◆ Loan approvals
- ◆ Visa applications
- ◆ Scholarships
- ◆ Insurance claims
- ◆ Building financial credibility

A Nil ITR acts like a financial track record. Whether you are a student, freelancer, homemaker, retired individual, or someone between jobs, filing returns regularly reflects financial discipline and transparency. Think of it like building a credit score.

You don't wait for a financial emergency to start building credibility.

A Nil ITR may show zero tax...but it still says something important: You are financially organised and prepared for future opportunities.

(Contributed by Avantika Agarwal, Relationship Manager, Team Vikrant, Hum Fauji Initiatives)

THE WEALTH CREATION HABIT MOST PEOPLE IGNORE

Most people think wealth is created by finding the best stock, the perfect mutual fund, or the next big investment opportunity.

But in reality, one of the biggest wealth creators is much simpler:

➤ A high savings rate.

Two people can earn very different salaries and still end up with completely different financial outcomes, many-a times opposite to what they are earning comparatively.

For example:

- A person earning ₹1 lakh and saving 35%
- Another earning ₹2 lakh but saving only 5%

Over time, the disciplined saver, who has struck the right balance between spending and saving, creates more wealth.

Because wealth is not decided only by income. It is driven by how much consistently gets invested.

A higher savings rate provides three major advantages:

- More capital available for compounding and taking future financial decisions
- Better financial stability during market volatility
- Lesser dependence on market timing and short-term returns

During bull markets, it may appear that returns alone create wealth. However, sustainable wealth creation usually comes from disciplined savings combined with patient long-term investing. Returns are market-dependent; savings are behaviour-dependent.

Even a small increase in monthly savings can create a significant difference over 10–15 years because compounding works not only on returns, but also on regular contributions.

Here's how much your portfolio value would grow in relation to your annual expenses across varying time periods

Growth in Portfolio Value in Relation to Annual Expenses

Investment Horizon (in Years)	Savings Rate (Assuming a 5% annual growth in salary and 12% per annum equity returns)								
	10%	15%	20%	25%	30%	40%	50%	60%	70%
5	0.7x	1.1x	1.5x	2.1x	2.6x	4.1x	6.2x	9.3x	14.4x
10	1.7x	2.6x	3.7x	5.0x	6.4x	10.0x	15.0x	22.5x	34.9x
15	3.1x	4.9x	6.9x	9.2x	11.8x	18.3x	27.5x	41.2x	64.1x
20	5.0x	8.0x	11.3x	15.1x	19.4x	30.2x	45.3x	68.0x	105.7x
25	7.9x	12.5x	17.7x	23.6x	30.3x	47.1x	70.7x	106.0x	164.9x
30	11.9x	18.8x	26.7x	35.6x	45.8x	71.2x	106.8x	160.1x	249.1x

For example, if your savings rate is 30%, then over a 25 year time frame your portfolio would grow - 30 times in relation to your annual expenses

The encouraging part?

Building wealth does not always require extraordinary income or complicated strategies.

Sometimes, it simply starts with one habit: **Pay yourself first before upgrading your lifestyle.**

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

CRUDE OIL SURGE: HOW RISING FUEL PRICES ARE IMPACTING INDIAN INVESTORS

BREAKING NEWS: Crude Oil Prices Rise Sharply Amid Middle East Tensions



This headline may look like international news happening far away... but its impact quietly reaches every Indian household.

India imports nearly **88% of its crude oil requirement**, making our economy highly sensitive to global oil price movements.

And when crude prices rise, the effect gradually appears everywhere:

- Higher petrol & diesel prices
- Increased transportation costs
- Rising prices of groceries and essentials, and anything that gets transported using fossil fuel
- Inflation pressure on household budgets

Even stock markets react differently.

Why are crude oil prices rising?

Recent geopolitical tensions in the Middle East, production cuts by OPEC+ countries, supply concerns, and rising global demand have pushed crude oil prices upward globally.

Impact on the Indian Economy:

Higher petrol and diesel prices increase transportation costs, making daily essentials like food, vegetables, clothing, and services more expensive. This leads to rising inflation and puts pressure on consumers.

Effect on Stock Markets:

Sectors such as aviation, logistics, paint, tyre, cement, and manufacturing may face pressure due to rising input costs. However, oil marketing companies, energy businesses, and exploration companies may benefit from higher crude prices.

What Should Investors Do?

Avoid panic during short-term market volatility. Continue SIPs investing with discipline and focus on your financial goals. Diversification across equity, debt, and gold can help reduce risk during uncertain times.

Rising crude oil prices affect all of us indirectly. But smart investing, patience, and disciplined financial planning can help investors navigate uncertainty and continue building long-term wealth.

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

TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?

QUESTION

I received bonus income (after TDS) and gifted the amount to my wife. She invested it in Mutual Funds / FD. Will the income earned be taxed in my hands or hers?

OUR REVERT

This is one of the most common tax misconceptions.


Many people believe that if money is gifted to a spouse and investments are made in the spouse's name, the income automatically becomes tax-free or shifts to the spouse's tax slab.

But under the **clubbing provisions** of the Income Tax Act, that is generally not how taxation works.

If a husband gifts money to his wife without consideration, the income generated from that amount is to be added back to the husband's income and taxed in his hands.


Gift to Spouse & Invested? Know How Income is Taxed

Understanding the Clubbing of Income Provisions
Gifting money to your spouse and investing in their name does not always mean tax-free income. It is covered under the clubbing provisions of the Income Tax Act.




→ GIFT →






Income from gifted amount is generally taxable in the husband's hands.

 <p>FIXED DEPOSITS (FDs) Interest earned will be taxable in your hands.</p>	 <p>MUTUAL FUNDS Capital gains, dividends, or any other income generated will also generally be taxable in your hands.</p>	 <p>REINVESTED INCOME If the income earned is reinvested further, then the income generated from such reinvestment can be taxable in your wife's hands.</p>
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IN SIMPLE TERMS

 Gift to spouse → No tax	 Income from gifted amount → Taxable in husband's hands	 Income from reinvested income → Can be taxable in wife's hands
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Note: This is a general overview. Tax treatment may vary based on facts and circumstances.

When a husband gifts money to his wife without adequate consideration, any income generated from that gifted amount is required to be added back to the husband's income and taxed in his hands. This means:

- ★ FD interest remains taxable in the husband's hands
- ★ Mutual Fund capital gains/dividends are also generally clubbed back

However, there is an important distinction. If the income earned is further reinvested - for example, FD interest or MF gains are reinvested - then the income generated from that reinvestment becomes taxable in the wife's hands.

In simple terms:

- ★ Original gifted money = clubbing applies
- ★ Income generated from reinvested income = to be taxed in wife's hands

Tax planning is not just about whose name the investment is in. The source of funds and structure matter equally.

(Contributed by Team Vikrant, Hum Fauji Initiatives)

QUESTION

Why is it generally not advisable to build a portfolio heavily concentrated in sectoral funds?



OUR REPLY

Sectoral funds often attract investors because of strong short-term performance when that sector is performing.

When a sector like defence, PSU, banking, technology, or pharma performs well, many investors feel tempted to allocate heavily towards it expecting the momentum to continue.

But this is where the risk begins.

Why Heavy Allocation in Sectoral Funds Can Be Risky

Lack of Diversification

Poor performance in one sector can heavily impact the entire portfolio.

Higher Volatility

Sectoral funds react sharply to policy changes, economic cycles, and market sentiment.

Timing Becomes Critical

Returns depend heavily on entering and exiting at the right time, which is difficult for most investors.

No Sector Outperforms Forever

Every sector goes through cycles. The best-performing sector today may remain under pressure for years later.

Sectoral funds are generally better suited as a limited tactical allocation rather than the core of a portfolio.

Long-term wealth creation is usually driven more by diversification, discipline, and asset allocation than concentrated sector bets.

(Contributed by Team Arjun, Hum Fauji Initiatives)

REVOLUTIONIZING DEFENCE

Financial awareness plays a vital role in building long-term stability and confidence. Through our Investor Awareness Programs (IAPs), we continue to empower soldiers with practical financial knowledge to help them make informed decisions for themselves and their families.

During May 2026, multiple IAP sessions were conducted across key military stations, focusing on disciplined investing, financial planning, risk awareness, and smart money management.

Stations Covered & Outreach

- ◆ **Locations:** Ahmednagar, Kamptee, Jabalpur & Wellington
- ◆ **Total Lectures Conducted in May:** 6
- ◆ **Total Personnel Attended:** 393

Cumulative Impact Till Date

- ◆ **Total IAP Lectures Conducted:** 746
- ◆ **Total Jawans Educated:** 92,791

The enthusiastic participation and engaging discussions during the sessions reflected the growing importance of financial literacy among our armed forces personnel. Each session continues to strengthen awareness at the grassroots level, contributing towards greater financial preparedness and security.

Planning an IAP for your unit?

Connect with us to organise focused financial awareness sessions for your personnel.



YOUR GUIDE TO TAX PLANNING

THE ₹12 LAKH TAX TRAP MOST SALARIED FAMILIES STILL DON'T UNDERSTAND

From FY 2026–27 onwards, one of the biggest tax mistakes may not be poor investing — but choosing the wrong tax regime without proper calculation.

The new regime looks attractive with lower tax slabs and simpler rules. But for many salaried families, the old regime can still create stronger long-term financial outcomes.



TAX TIP
FY 2026–27

The ₹12 Lakh Tax Trap Most Salaried Families Still Don't Understand

It's not about paying less tax today.
It's about keeping more of your wealth tomorrow.



Why? Because benefits like:

- ▶ HRA exemption
- ▶ EPF & PPF
- ▶ Home loan interest
- ▶ NPS deductions
- ▶ Insurance & Section 80C benefits

can significantly reduce taxable income while also building long-term wealth. The real mistake is not choosing the new regime. It is choosing it blindly.

Most taxpayers compare only:

“How much tax is saved this year?”

Very few compare:

- ▶ retirement accumulation
- ▶ asset creation
- ▶ savings discipline
- ▶ insurance protection
- ▶ long-term net worth

And that changes the entire equation.

The smarter question for FY 2026–27 is not: “Which regime gives lower tax today?”

It is: “Which regime leaves the family financially stronger over the next 10–15 years?”

Because smart tax planning is not just about reducing tax.

It is about building wealth with structure, discipline, and long-term clarity.

(Contributed by Gagandeep Kaur, Deputy Manager, Financial Planning)

SNEAK PEEK

INTO HUM FAUJI INITIATIVES

UNDERSTANDING INVESTOR NEEDS BEYOND THE SURFACE

At Hum Fauji Initiatives, we believe that meaningful financial guidance begins with understanding the people we serve.

As part of our ongoing learning and development efforts, our team recently participated in a knowledge session with Franklin Templeton on **"Effective Probing Skills."** The session focused on understanding investors' real financial concerns, asking thoughtful questions, and gaining deeper insights to deliver more relevant and personalized financial guidance. Because better conversations lead to better financial decisions.

Here's a glimpse from the session.



INVESTING IN HEALTH, INVESTING IN OUR PEOPLE



Financial well-being and physical well-being go hand in hand, and fostering awareness around preventive healthcare is an important part of building a healthier and more supportive workplace culture.

As part of our employee wellness initiatives, we recently organized an Annual Health Check-up Camp for our team members. The initiative was aimed at encouraging proactive health awareness and reinforcing the importance of regular health monitoring.

After all, the people who guide, support, and care for others deserve the same care themselves.

Here's a glimpse from the session.

MEDIA FEATURES

The Anxiety Of How Much Is Enough For Your Retirement

Retirement planning is often viewed through the lens of a target number, but true financial security goes beyond the size of your corpus. As Col. Sanjeev Govila (Retd.), CEO, Hum Fauji Initiatives, explains, the real challenge is understanding how your savings will support your lifestyle, responsibilities, and goals over a potentially long retirement. Rather than focusing solely on accumulation, investors should evaluate the sustainable income their corpus can generate, align it with different life stages, and build flexibility into their plans. Financial confidence comes not from reaching a specific number, but from knowing your resources are structured to support the future with clarity and confidence.



Outlook
MONEY

Read the full article on Outlook Money:
<https://shorturl.at/hLgym>



COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives

Managing Income Volatility: Financial Planning for Gig and Freelance Workers

For freelancers and gig professionals, financial planning is less about managing a monthly salary and more about preparing for fluctuating income. As Col. Sanjeev Govila (Retd.), CEO, Hum Fauji Initiatives, explains, individuals with irregular earnings should focus on building a robust financial buffer and planning around income cycles rather than fixed monthly cash flows. Maintaining emergency reserves across savings accounts, liquid funds, and low-risk debt instruments can help create stability during lean periods and prevent disruption to long-term financial goals.

Read the full article on Mint:
<https://shorturl.at/1B2rx>

Outlook
MONEY





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— SILENT GUARDIANS. STRONG SHIELD. —



★ INDIAN ARMY ★
— VALOUR. HONOUR. SACRIFICE. —



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