

OPTYMONEY

Ideas for Wealth

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From the Author

Wishing Our Readers a Very Happy and Prosperous New Financial Year 2024-25. This edition of 'Ideas for Wealth'. we would like to update you on the global economic situation and how it's impacting Indian markets. Recent events have added to global economic uncertainties and the impact of changes in certain regulations.

March has proven to be a pivotal month for the Indian stock market, characterized by significant developments and shifts in investor sentiment.

Investors are preparing for the new chapter in 2024, focusing on potential trajectories and key factors influencing market dynamics.

Amidst fluctuating sentiments and evolving regulatory environments, the outlook for the Indian stock market in 2024 presents a story of resilience, adaptability, and opportunity. Keeping a close watch on emerging trends, regulatory changes, and macroeconomic indicators,

investors embark on a journey of exploration, navigating market twists and turns with strategic insight and determination.

Continuing our commitment to informing our readers about investment prospects, we've showcased several new Mutual Fund offers that became available this month. Additionally, given the current weakness in equity markets, In March 2024, the gold market in India experienced notable fluctuations, reflecting a dynamic landscape influenced by various factors.



Global Outlook

- The UK recorded the largest gains of 3.8 percent, followed by Canada and Japan with gains of 3.75 percent and 3.43 percent.
- The market value for the US and France expanded by 2.66 percent and 1.84 percent, while Hong Kong saw a growth of 0.84 percent.
- Saudi Arabia suffered the sharpest decline of 2.13 percent, followed by India's 1.6 percent and China's 1.4 percent.

MARKET UPDATES

- Indian equities have been one of the biggest losers among the top 10 global markets in March, hit by a decline in sentiment towards small and mid-cap stocks.
- Returns in dollar terms have also been lower because of a depreciation in the rupee. So far in March, India's aggregate market capitalization dropped by 1.6 percent in dollar terms, marking the steepest fall since October 2023. The Indian equity market, however, maintained its fifth position globally with a market capitalization of \$4.5 trillion.
- The domestic markets went into a correction in March after investors turned nervous about parking their money in midcaps and small caps, and liquidity challenges were hardened by operator activity.
- Sebi's advisory to mutual funds regarding froth accumulation in small-cap and midcap schemes further impacted these stocks. On the currency front, the Indian National Rupee weakened around 0.6 percent against the US dollar in March.
- In a boost for the economy, the gross Goods and Services Tax (GST) collections for the month of March came in at the second highest-ever level of Rs 1.78 lakh crore. This is an 11.5% year-on-year growth, according to the Ministry of Finance.



REGULATORY UPDATE

INDIA TO MOVE T+0 FOR MARKET SETTLEMENTS BEFORE FY24

- Sebi introduces beta T+0 trade settlement cycle alongside T+1 for 25 scrips with limited brokers. Investors must meet process and risk requirements. There will be one continuous session from 09:15 am-1:30 pm. The surveillance measures that are currently applicable in the T+1 settlement cycle will also be applicable to scrips in the T+0 settlement cycle.

NEW GST REGULATIONS

- According to the new GST rules set in place, if a business is generating an annual turnover of more than ₹5 crores, then they will not be able to generate an e-bill without generating an e-invoice for all their B2B transactions.

GOVERNMENT BOND

- The Reserve Bank of India (RBI) on March 21, 2024, issued the Rate of Interest on the Government of India Floating Rate Bond 2033.

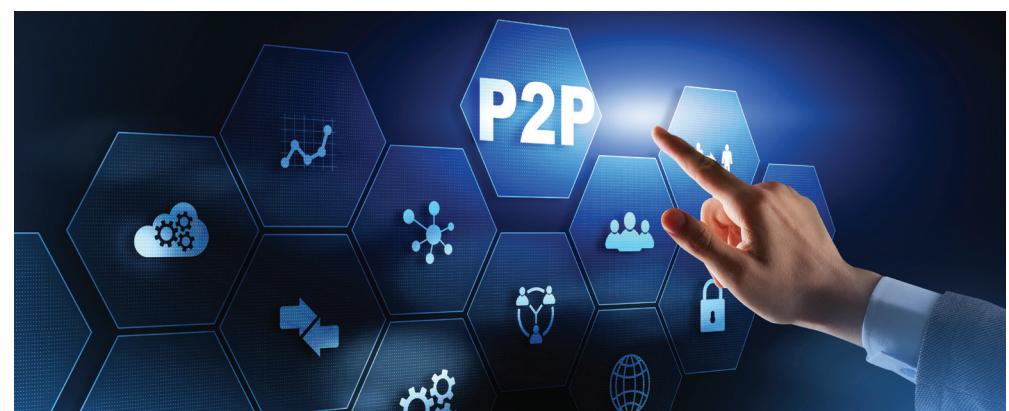
The rate of interest on the Government of India Floating Rate Bond 2033 (GOI FRB 2033) applicable for the half year March 22, 2024, to September 21, 2024 shall be 8.34 percent per annum.

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P2P REGULATION RBI

As the Reserve Bank of India (RBI) expresses concerns over liquid funds and instant withdrawal products, peer-to-peer (P2P) lending platforms are redirecting their attention towards fixed tenure offerings. A significant portion of customers has transitioned from liquid funds to fixed-tenure products in recent months, resulting in minimal impact on platform businesses.



Q) GOT TO KNOW ABOUT THE P2P LENDING PLATFORM. ARE THEY SAFE TO INVEST IN? (KRITI JAIN) (DELHI)

Incorporating P2P lending into your investment strategy can be both safe and smart, provided you choose wisely. Not all P2P lending platforms are created equal, and it's crucial to opt for those regulated by the RBI, ensuring a higher level of reliability. While there's inherent risk involved in any investment, P2P lending offers comparatively lower risk due to its diversification factor. By spreading your investment across multiple borrower accounts, you mitigate the risk and stand to gain attractive returns, potentially reaching up to 12% annually, like Finzy and Per Annum.



INVESTMENT IN PEER-TO-PEER LENDING

Peer-to-peer lending is a method of lending capital to borrowers on a mutual interest rate through RBI regulated online platform which act as a matchmaker.

The emergence of P2P lending has enabled many individuals to lend money directly to prospective borrowers in a hassle-free manner without the involvement of banks and FIs.

Higher Yields – Without question, the single most attractive aspect of P2P lending for investors is the potential for higher yields.

BENEFITS OF INVESTMENT IN PEER-TO-PEER LENDING

1. DIVERSIFICATION

P2P lending provides an opportunity for investors to diversify their investment portfolios beyond traditional asset classes like stocks and bonds. By investing in P2P loans, investors can spread their risk across a multitude of loans with varying risk profiles, potentially enhancing their overall portfolio stability.

2. ATTRACTIVE RETURNS:

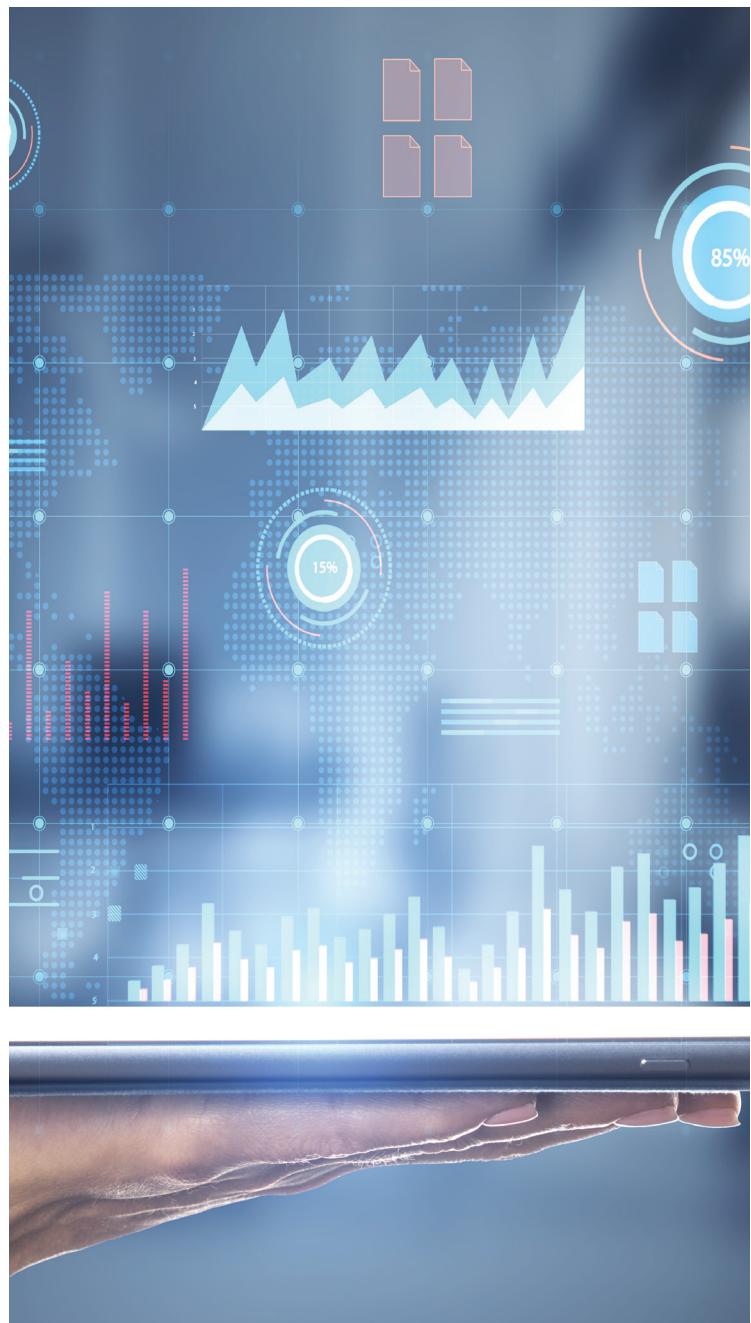
A direct connection between borrowers and lenders means higher interest rates and potential for better returns.

3. EFFICIENCY AND CONVENIENCE:

Online platforms streamline lending and borrowing processes, making it easier and faster for both parties.

4. TRANSPARENCY AND CONTROL:

Detailed borrower information, loan terms, and risk assessment empower investors to make informed decisions and manage their investments effectively.



RUNNING & UPCOMING NFO & IPO

| S.NO. | CURRENT NFO | Launch Date | Closing Date |
|-------|---|--------------------------|-----------------|
| 1 | PGIM India Retirement Fund – Direct (G) | 26 th Mar2024 | 09th April 2024 |

| S.NO. | CURRENT IPO | Closing Date | Rate |
|-------|--------------------|--------------|----------------|
| 1 | Bharti Hexacom Ltd | 05TH April | Rs. 542-Rs.570 |

| S.NO. | Few Big IPO Expected in FY 2024-25 | Issue Size |
|-------|------------------------------------|------------|
| 1 | Fab India Ltd | 4.000cr |
| 2 | Ola Electric | 5500cr |
| 3 | Oravel Travels Ltd (OYO) | 8.430cr |
| 4 | Imagine Marketing Ltd (boat) | 2.000cr |

EQUITY LARGE CAP

| S.NO. | Scheme Name | 6 Month | 1 Year | 3 Year | 5 Year |
|-------|--|---------|--------|--------|--------|
| 1 | ICICI Pru Bluechip Fund Reg (G) | 21.98 | 43.18 | 21.18 | 17.9 |
| 2 | Nippon India Large Cap Fund (G) | 20.05 | 46.36 | 24.29 | 17.21 |
| 3 | Canara Robeco Bluechip Equity Fund (G) | 17.08 | 34.02 | 15.04 | 17 |
| 4 | JM Large Cap Fund (G) | 24.52 | 46.85 | 20.15 | 16.85 |
| 5 | Edelweiss Large Cap Fund (G) | 17.39 | 36.08 | 17.38 | 16.1 |

EQUITY MID CAP

| S.NO. | Scheme Name | 6 Month | 1 Year | 3 Year | 5 Year |
|-------|-------------------------------------|---------|--------|--------|--------|
| 1 | Quant MidCap Fund (G) | 29.53 | 68.54 | 35.28 | 29.69 |
| 2 | PGIM India Mid Cap Opp Fund Reg (G) | 12.27 | 30.52 | 19.68 | 24.19 |
| 3 | Nippon India Growth Fund (G) | 19.9 | 59.3 | 27.98 | 24.1 |
| 4 | Edelweiss Mid Cap Fund (G) | 22.29 | 52.35 | 24.96 | 23.71 |
| 5 | HDFC Mid Cap Opportunities Fund (G) | 20.45 | 59.42 | 28.81 | 23.02 |

SMALL CAP

| S.NO. | Scheme Name | 6 Month | 1 Year | 3 Year | 5 Year |
|-------|--------------------------------------|---------|--------|--------|--------|
| 1 | Quant Small Cap Fund (G) | 28.63 | 71.03 | 40.31 | 35.3 |
| 2 | Nippon India Small Cap Fund (G) | 17.6 | 58.63 | 33.83 | 28.79 |
| 3 | Edelweiss Small Cap Fund (G) | 15.74 | 50.94 | 27.43 | 26.89 |
| 4 | Canara Robeco Small Cap Fund Reg (G) | 13.34 | 42 | 28.78 | 25.92 |
| 5 | Tata Small Cap Fund Reg (G) | 13.51 | 41.57 | 28.98 | 25.47 |

EQUITY MULTI CAP

| S.NO. | Scheme Name | 6 Month | 1 Year | 3 Year | 5 Year |
|-------|--|---------|--------|--------|--------|
| 1 | Quant Active Fund (G) | 24.07 | 53.28 | 27.3 | 27.92 |
| 2 | Edelweiss Recently Listed IPO Fund Reg (G) | 9.69 | 48.57 | 14.95 | 21.14 |
| 3 | Nippon India Multi Cap Fund (G) | 18.35 | 52.62 | 27.31 | 19.91 |
| 4 | ICICI Pru Multicap Fund Reg (G) | 21.94 | 49.93 | 23.43 | 17.99 |
| 5 | Sundaram Multi Cap Fund Reg (G) | 15.54 | 41.39 | 20.97 | 17.45 |

HI READERS, WE HAVE STARTED A NEW SECTION WHERE WE GOT A FEW QUERIES FROM OUR READERS AND WE GAVE THE CLARIFICATION, WHICH CAN BE USEFUL TO MANY.

I am Aman working in an IT company and having a salary income of more than 20lacks per annum. How can I plan my investment to save tax on my salary income?

ANSWER: MAKE SURE YOU FOLLOW ME AS I WILL HELP YOU SAVE TAXES FOR SURE!

1. GROSS SALARY:

- Rs.20,00,000 This is the total income before any deductions or exemptions are applied.

ALLOWANCES AND REIMBURSEMENTS:

- House Rent Allowance (HRA): ₹2,00,000
- HRA is provided by employers to employees to cover rental expenses. A portion of HRA is exempt from tax.
- Leave Travel Allowance (LTA): ₹40,000
- LTA covers travel expenses during leave periods and can be tax-exempt based on certain conditions.
- Other Reimbursements: 24,500
- Reimbursements for various expenses, such as medical or fuel expenses, provided by the employer.
- Children's Education and Hostel Allowance: ₹9,600
-Partially exempt allowance for the education and hostel expenses of children.
- Standard Deduction: 50,000 A fixed deduction allowed to salaried individuals to reduce taxable income.
- Professional Tax: 2,400
- Tax levied by state governments on professional income.

DEDUCTIONS:

- Section 80C: ₹1,50,000-Deduction for investments in instruments like EPF, PPF, NSC, ELSS, etc.
- Section 80D: ₹50,000-Deduction for health insurance premiums paid for self, family, and parents.
- Section 80E: ₹22,000- Deduction for interest paid on education loans for higher studies.



ADDITIONAL DEDUCTIONS:

- Interest on Home Loan EMIs (Section 24b): ₹2,00,000
- Deduction allowed for interest paid on home loan EMIs for a self-occupied property.
- National Pension Scheme (NPS) Investments (Section 80CCD (1B)): 50,000
- Deduction allowed for contributions made to NPS over and above the limit specified under Section 80C.

Make sure you follow me and stay updated with tax-saving options you don't know about!

Hello! Please reach out to us in case you have any queries regarding Investment, Taxation and Succession Planning. Our Team of Experts would be happy to share insights and try to solve your queries. We look forward to connecting with you and discuss how we can help you achieve your financial goals. Thank you."

