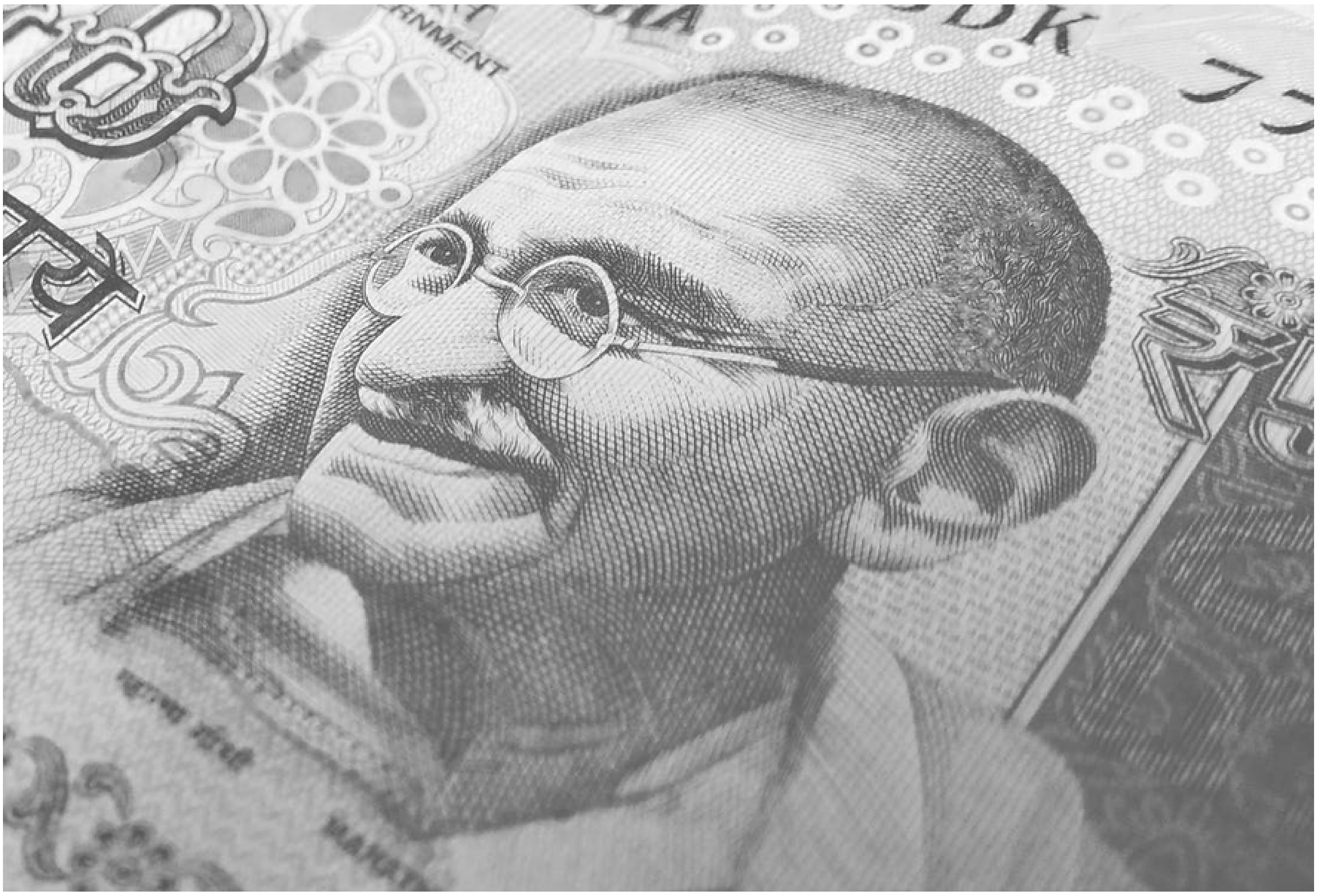

KRISHA FOUNDATION

Reg.No:- E-34562(M)

INVESTOR CONNECT

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AN INVESTOR EDUCATION INITIATIVE OF KRISHA FOUNDATION

ABOUT US:
KRISHA FOUNDATION

Krisha Foundation is a Public-Charitable Trust headquartered in Mumbai registered under the Maharashtra Public Trusts Act, 2016 under registration no E034562 (M). Krisha Foundation is listed as a Voluntary Organization (VO) /Non-Governmental Organization on www.ngodarpan.gov.in; a portal maintained under NITI Ayog with unique id as MH/2021/0280649. Krisha Foundation works in diverse areas related to Financial Literacy, Investor Education, women empowerment, child education, mental health, tree plantation, water conservation, upliftment of the poor and needy etc.

Krisha Foundation has conducted various awareness initiatives and have impacted the lives of many individuals and curates behavioural change interventions for mutual fund houses, Market Infrastructure Institution, Depository or other financial institutions.

We strongly believe in delivering world-class objective-based content in a simplified manner, which is not only understood by the participants but which also influences their behaviour and brings about the desired change.

With a team of 350 plus qualified & experienced empanelled trainers, facilitators and academicians across India who have catered to varied learner groups right from school students, college students, Police officers, defence personnel, government officers & corporates to name a few.

Vision:

Empowerment through Education.

To create a Financial Literate and empowered India.

Mission:

To bring sustainable changes in the lives of the people by providing access, equity and excellence in education and skilling.

To undertake massive Financial Education, Investor Education and Awareness Initiatives (IEAI) for various sections of the society and equip them with the right financial knowledge, skill and attitude in order to achieve financial well-being.

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FROM THE EDITORIAL DESK

Hello and warmest greetings from the editorial team!

As we move into 2023 with the Russia – Ukraine war not showing any signs of stopping, we are also now facing more concerns at the global level of the disturbing stance taken by China towards its attempt to gain supremacy at the world level by making its intentions clear as far as Taiwan is concerned. Chinese Premier Xi Jinping has got an unprecedented third term and whereby now he has filled his cabinet with his like-minded colleagues thereby exterminating any sort of opposition of voices of sanity.

The shooting down of the so-called Chinese spy balloon and the collision of the American drone with a Russian jet, Pakistan's alarming civil and fiscal situation, mounting depression in the European countries, etc are all coming together to putting pressure on the world markets which have shown a lack of luster performance in the last month.

Closer home, the budget proved to be a winner of sorts and went a long way in appeasing the majority of the stakeholders. But the charm of the sensible and forward-thinking budget was somewhat affected by the Adani-Hindenburg fiasco. While the markets were quick to react to the Hindenburg reports, Hindenburg we suspect may have made a killing from his their short-selling mode of business. What is surprising is that Hindenburg could research a write a report on Adani thousands of kilometers away in India but when Silicon Valley Bank was nose-diving right under their noses, why didn't their system pick up the story and put it out? This reeks of a carefully planned plot by some vested interests we suspect.

At iConnect we are trying to bring pieces of information which would help you, the ordinary investor and our most valued readers to make informative choices and also help us add to your existing bank of knowledge so that you can make your money grow wisely and smartly by understanding the risks that you face in the world of investments.

Thanking you for your time and patience and looking forward to your continued patronage...

~ Dr. Rajesh Mankani

FOREIGN INVESTMENTS IN INDIA— SCHEMATIC REPRESENTATION:

Section-I: Foreign Direct Investments

Foreign Investment in India	Foreign Investment in India is governed by the FDI policy announced by the Government of India and the provisions of the Foreign Exchange Management Act (FEMA) 1999. Reserve Bank of India has issued Notification No. FEMA 20/2000-RB dated May 3, 2000 which contains the Regulations in this regard. This notification has been amended from time to time.
Entry routes for Investments in India	Foreign investment is freely permitted in almost all sectors. Foreign Direct Investments (FDI) can be made under two routes— Automatic Route and Government Route. Under the Automatic Route, the foreign investor or the Indian company does not require any approval from RBI or the Government of India for the investment. Under the Government Route, prior approval of the Government of India, Ministry of Finance, Foreign Investment Promotion Board (FIPB) is required. Entry route for foreign investors as well as sector-specific investment limits in India are given in Annex-2. FDI Policy is formulated by the Government of India. The policy and procedures in respect of FDI in India is available in 'the Manual on Investing in India- Foreign Direct Investment, Policy & Procedures'. This document is available in public domain and can be downloaded from the website of Ministry of Commerce and Industry, Department of Industrial Policy and Promotion— www.dipp.nic.in. FEMA Regulations prescribe the mode of investments i.e. manner of receipt of funds, issue of shares/convertible debentures and preference shares and reporting of the investments to RBI.

Prohibition on investment in India	Foreign investment in any form is prohibited in a company or a partnership firm or a proprietary concern or any entity, whether incorporated or not (such as Trusts) which is engaged or proposes to engage in the following activities: (i) Business of chit fund, or (ii) Nidhi Company , or (iii) Agricultural or plantation activities or (iv) Real estate business, or construction of farm houses (v) Trading in Transferable Development Rights (TDRs). It is clarified that Real Estate Business does not include the development of townships, construction of residential/commercial premises, roads or bridges. It is further clarified that partnership firms/proprietorship concerns having investments as per FEMA regulations are not allowed to engage in Print Media sector. In addition to the above, investment in the form of FDI is also prohibited in certain sectors such as: (i) Retail Trading (ii) Atomic Energy (iii) Lottery Business (iv) Gambling and Betting (v) Agriculture (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandry, Pisiculture and Cultivation of vegetables, mushrooms etc. under controlled conditions and services related to agro and allied sectors) and Plantations (Other than Tea plantations)
Eligibility for Investing in India	A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India, (other than an entity incorporated in Pakistan or Bangladesh) can invest in India, subject to the FDI Policy of the Government of India. Erstwhile OCBs, who have converted themselves into companies incorporated outside India can make fresh investments in India under the FDI Scheme provided they are not under the adverse notice of RBI / SEBI.

Type of Instruments	Indian companies can freely issue equity shares / convertible debentures and preference shares subject to valuation norms prescribed under FEMA Regulations. Issue of other types of preference shares such as non-convertible, optionally convertible or partially convertible are considered as debt. As such, the guidelines applicable for External Commercial Borrowing (ECB), viz. eligible borrowers, recognized lenders, amount and maturity, end use stipulations, etc. will apply to such issues. Since these instruments are denominated in rupees, the rupee interest rate will be based on the swap equivalent of LIBOR plus the spread permissible for ECBs of corresponding maturity. As far as Debentures are concerned, only those which are fully and mandatorily convertible into equity, within a specified time would be reckoned as part of equity under the FDI Policy.
Investments in Small Scale Industrial units	A foreign investor can invest in an Indian company which is a small scale industrial unit provided it is not engaged in any activity which is prohibited under the FDI policy. Such investments are subject to a limit of 24% of paid- up capital of the Indian company/SSI Unit. An SSI Unit can issue equity shares / fully convertible preference shares / fully convertible debentures more than 24% of its paid-up capital if: (a) It has given up its small scale status, (b) It is not engaged or does not propose to engage in manufacture of items reserved for small scale sector, and (c) It complies with the sectoral caps specified in Annex-2. It is clarified that the company/SSI Unit would be reckoned as having given up its SSI status, if the investment in plant and machinery exceeds the limits prescribed under the Micro, Small and Medium Enterprises Development Act, 2006.
Investments in EOUs/FTZs/ EPZs/HTPs and STPs	An SSI Unit, which is an Export Oriented Unit or a unit in Free Trade Zone or in Export Processing Zone or in a Software Technology Park or in an Electronic Hardware Technology Park, issue of shares / convertible debentures / preference shares exceeding 24% of the paid-up capital up to the sectoral caps specified in Annex-2.

Investments in Asset Reconstruction Companies (ARCs)	Persons resident outside India (other than Foreign Institutional Investors (FIIs)), can invest in the equity capital of Asset Reconstruction Companies (ARCs) registered with RBI under the Government Route. Automatic Route is not available for such investments. Such investments have to be strictly in the nature of FDI and investments by FIIs are not permitted. FDI is restricted to 49% of the paid up capital of the ARC. However, FIIs registered with SEBI can invest in the Security Receipts (SRs) issued by ARCs registered with RBI. FIIs can invest upto 49% of each tranche of scheme of SRs subject to the condition that investment by a single FII in each tranche of scheme of SRs shall not exceed 10% of the issue.
Investment in infrastructure companies in the Securities Market	Foreign investment is permitted in Infrastructure Companies in Securities Markets, namely stock exchanges, depositories and clearing corporations, in compliance with SEBI Regulations and subject to the following conditions : i) Foreign investment upto 49% of the paid up capital, is allowed in these companies with a separate Foreign Direct Investment (FDI) cap of 26% and Foreign Institutional Investment (FII) cap of 23%; ii) FDI will be allowed with specific prior approval of FIPB; and iii) FIIs can invest only through purchases in the secondary market.

This Edition onwards we are starting a series on RBI circulars in context with Foreign Investment in India. With India becoming a favorite destination for foreign investment, we feel it is appropriate for us to shed light on this topic and keep our readers informed about this.

The contents of this section have been copied from the public domain website of Reserve Bank of India. We do not take credit for this information in any manner and all of this information is attributed to the RBI official website. We do not intend violate or infringe any copyrights in this regard and this information is only for public information purposes.

Website: https://www.rbi.org.in/scripts/BS_ViewMasterCirculars.aspx?Id=3630#

STATUTORY AND TAX COMPLIANCE CALENDAR FOR APRIL 2023

S.No	Statue	Purpose	Compliance Period	Due Date	Compliance Details
1	Income Tax	TCS Liability Deposit	Mar-23	7-Apr-23	Due date of depositing TCS liabilities under Income Tax Act, 1961 for previous month.
2	Income Tax	TDS Deposit	Mar-23	7-Apr-23	Due date for deposit of Tax deducted by an office of the government for the month of March, 2023. However, all sum deducted by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
3	GST	GSTR-7-TDS return under GST	Mar-23	10-Apr-23	GSTR 7 is a return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST.
4	GST	GSTR-8-TCS return under GST	Mar-23	10-Apr-23	GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST.

In recent years, India has introduced several measures to encourage tax compliance, such as the e-assessment scheme, which allows tax authorities to conduct assessments of taxpayers' returns electronically.

S.No	Statue	Purpose	Compliance Period	Due Date	Compliance Details
5	GST	GSTR-1	Mar-23	11-Apr-23	1. GSTR-1 by registered person with aggregate turnover exceeding INR 5 Crores during preceeding year.2. GSTR-1 by Registered person, with aggregate turnover of less then INR 5 Crores during preceeding year, opted for monthly filing of return under QRMP
6	GST	GSTR-1-QRMP	Jan-Mar, 2023	13-Apr-23	GSTR-1 of registered person with turnover less than INR 5 Crores during preceding year and who has opted for quarterly filing of return under QRMP.
7	GST	GSTR -6	Mar-23	13-Apr-23	Due Date for filing return by Input Service Distributors.
8	Income Tax	TDS Certificate	Feb-23	14-Apr-23	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and 194S in the month of February, 2023. **Note**: Applicable in case of specified person as mentioned under section 194S.
9	Income Tax	Form No. 15CC	Jan-Mar, 2023	15-Apr-23	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2023.

S.No	Statue	Purpose	Compliance Period	Due Date	Compliance Details
10	Income Tax	Form No. 3BB	Mar-23	15-Apr-23	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2023.
11	Labour Law	Providend Fund / ESI	Mar-23	15-Apr-23	Due Date for payment of Provident fund and ESI contribution for the previous month.
12	GST	GST CMP-08	Jan-Mar, 2023	18-Apr-23	Form GST CMP-08 is used to declare the details or summary of self-assessed tax payable by taxpayers who has opted for composition levy.
13	GST	GSTR - 3B	Mar-23	20-Apr-23	1. GST Filing of returns by registered person with aggregate turnover exceeding INR 5 Crores during preceeding year.2. Registered person, with aggregate turnover of less then INR 5 Crores during preceeding year, opted for monthly filing of return under QRMP.
14	GST	GSTR -5	Mar-23	20-Apr-23	GSTR-5 to be filed by Non-Resident Taxable Person for the previous month.
15	GST	GSTR -5A	Mar-23	20-Apr-23	GSTR-5A to be filed by OIDAR Service Providers for the previous month.

S.No	Statue	Purpose	Compliance Period	Due Date	Compliance Details
16	GST	GSTR-3B	Jan-Mar, 2023	22-Apr-23	GSTR-3B of registered person with turnover less than INR 5 Crores during preceding year and who has opted for quarterly filing of return under QRMP.
17	GST	GSTR-3B	Jan-Mar, 2023	24-Apr-23	GSTR-3B of registered person with turnover less than INR 5 Crores during preceding year and who has opted for quarterly filing of return under QRMP.
18	GST	GST ITC-04	Oct-Mar, 2023	25-Apr-23	GST ITC-04 is filed to report goods sent to job worker and goods received back from Job worker. Registered person having aggregate turnover of more than 5 crores during preceeding year is required to file the same on half yearly basis.
19	GST	GST ITC-04	2022-23	25-Apr-23	Registered person having aggregate turnover of upto INR 5 crores during preceeding year is required to file GST ITC-04 on yearly basis.
20	GST	GSTR-4	2022-23	30-Apr-23	GSTR 4 is an annual return form containing the details of inward and outward supplies of a composition dealer.
21	Income Tax	Form 24G	Mar-23	30-Apr-23	Due date for furnishing of form 24G by an office of the government where TDS/TCS for the month of March, 2023 has been paid without the production of a challan.

S.No	Statue	Purpose	Compliance Period	Due Date	Compliance Details
22	Income Tax	Form. 15G/15H	Mar-23	30-Apr-23	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2023.
23	Income Tax	TDS Challan cum Statement	Mar-23	30-Apr-23	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M and 194S in the month of March, 2023. Note: Applicable in case of specified person as mentioned under section 194S
24	Income Tax	TDS Deposit	Mar-23	30-Apr-23	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2023.
25	Income Tax	TDS Liability Deposit	Jan-Mar, 2023	30-Apr-23	Due date for deposit of TDS for the period January 2023 to March 2023 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.
26	Income Tax	Form No. 61	Oct-Mar, 2023	30-Apr-23	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2022 to March 31, 2023.

MUTUAL FUNDS: PATHWAY TO RICHES OR RAGS?

Funds have found favor with the Indian investors in recent times and the fact is evident from the amount of funds flowing in the various mutual funds managed by the different AMCs despite different types of situations being faced by the economy. .Mutual funds are considered to be the safest way of investments, particularly for the middle class as they provide an opportunity for people with limited capital and investible surplus to invest in the securities of companies with good net-worth and growth potential without having to take a huge amount of risk as is required while investing directly in the stock markets.

Mutualfundssahihai.com is a website which has been set up and run by the Association of Mutual Funds in India for providing knowledge and guidance to investors about the basics of investing in Mutual Funds. In an effort to educate our readers on this aspect, we plan to carry a series of short informative sections about
investing in mutual funds – the why, how, when, where, etc. The information has been collated and published here from the above mentioned website.

What are the different ways of investing in Mutual Funds?

There are several ways to start investing in a **Mutual Fund scheme.**

One can invest in Mutual Funds by submitting a duly completed application form along with a cheque or bank draft at the branch office or designated Investor Service Centres (ISC) of Mutual Funds or Registrar & Transfer Agents of the respective the Mutual Funds.

One may also choose to invest online through the websites of the respective **Mutual Funds.**

Further, one may invest with the help of / through a financial intermediary i.e., a Mutual Fund Distributor registered with AMFI OR choose to invest directly i.e., without involving or routing the investment through any distributor.

A Mutual Fund Distributor may be an individual or a non-individual entity, such as bank, brokering house or on-line distribution channel provider. One can choose to invest online, as platforms these days have all necessary safeguards to ensure secure investing. It is really more a matter of comfort and convenience.

Are there particular funds that help create wealth over the long term?

What is wealth? What purpose does it serve?

Many answer these questions as “living a life of one’s dreams”, or “not having to worry about money”, or “having financial freedom”. Being wealthy means having enough money to spend for one’s responsibilities and dreams.

i. Perpetual Bond

Perpetual bond is a bond with no fixed maturity date. Typically these bonds are issued with call option to be exercised by issuer on call date. If call option not get exercised on call date, at defined interval and terms issuer can call back security. Yields of perpetual bonds are therefore calculated considering the call date.

j. Accrued Interest

If a coupon bearing security is traded between two coupon dates, the buyer has to compensate the seller by paying him that part of the interest which is due to him for the period for which he has held the security after the immediately preceding coupon date.

To, understand this let us assume A customer would like to buy 8.92% PFC 2033 bond in the secondary market and Deal execution/Settlement date is fixed as 14th Sep 2018. Interest payment date of this security is 16th November every year. So, last interest was paid on 16th Nov 2017. No of days' calculation between Settlement date and last interest payment date would be as below

LAST INTEREST DATE -	**16/NOV/17**
SETTLEMENT DATE -	**14/SEP/18**
NO. OF DAYS -	**302**

Interest for the intervening period of 302 days will need to be paid by the buyer to the seller, because interest payable by the company to the new holder will be for 365 days.
Calculation of accrued interest for 302 days = Rs.8.92 / 365 * 302 = Rs.7.38.

Why Invest in Bonds?

(1) Bonds are a good source of assured and regular Fixed Income
(2) As compared to other investment options, bonds provide higher Interest Rates
(3) There is no. TDS on G.Sec, SDL, SGS which results in additional savings for the investor
(4) Bonds provide an excellent source of investment option for Portfolio Diversification and portfolio balancing
(5) Bonds are Tradable Publicly therefore offering high liquidity and convenience to investors

However, for all the long term expenses, one must never forget one major factor – "Inflation". As the name suggests, inflation is a phenomena that inflates the cost that you will incur to fulfil your life goal when the time arrives to fulfil it.

Diversified equity funds offer the opportunity to create wealth over the long term at reasonable levels of risk. The risk associated with equities gets controlled with **equity Mutual Funds** due to three factors.

- The expertise of the professional fund manager who manages the fund
- Diversification of risks due to the investments made in a basket of securities
- Investing for the long term which lowers the impact of short term volatility

Although it's true that equities as an asset class offer investors the opportunity to create wealth, it is important to keep in mind that equities as an asset class is volatile over shorter time frames. Therefore, you need to invest for the long term

Why should one invest in Mutual Funds?

One should never invest in Mutual Funds, but should invest through them.

To elaborate, we invest in various investment avenues based on our requirements, e.g. for capital growth - we invest in equity shares, for safety of capital and regular income - we buy fixed income products.

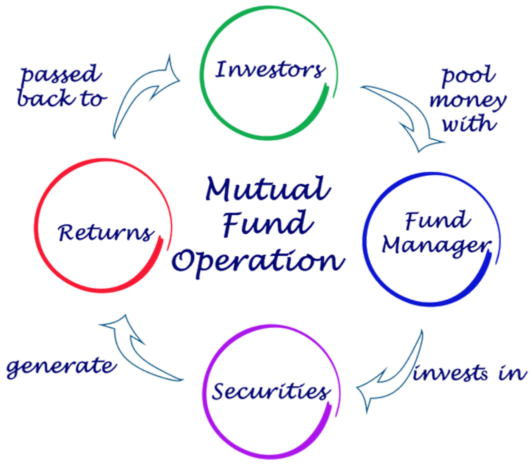
The concern for most investors is: how to know which instruments are best for them?
One may not have enough abilities, time or interest to conduct the research.

To manage investments, one can outsource certain tasks one is unable to do. Anyone can outsource 'managing one's investments' to a professional firm – the Mutual Fund Company. **Mutual Funds** offer various avenues to fulfill different objectives, which investors can choose from based on one's unique situation and objective.

Mutual Fund companies manage all administrative activities including paperwork. They also facilitate accounting and reporting the progress of the investment portfolios through a combination of **Net Asset Values (NAVs)** and the account statements.

Mutual Fund is a great convenience for those who need to invest their money for future requirements. A team of professionals manages the money and the investorscan enjoy the fruits of this expertise without getting involved in the mundane tasks.

Money doesn't get locked up. It gets invested!



When investing in Mutual Funds, one of the most common questions is,
'Does my money get locked up?'

It is important to note two facts:

- In a Mutual Fund scheme, the money is Invested and not Locked, and themoney always stays yours. It is simply being managed by a professional fund manager.

- Your money is always easily accessible. The structure of a Mutual Fund ensures that there is flexibility in accessing it. You may redeem your investment either partially or entirely. You can even pre-specify the redemption dates, by giving standing instructions to the Mutual Fund Company to transfer a fixed amount into your bank account on a specified date every month or every quarter, as you choose. You can also choose to transfer your investment from one Mutual Fund scheme to another managed by the same Mutual Fund Company. And you always get a comprehensive /easy to understand account statement that neatly documents it.

Go ahead and invest in a Mutual Fund scheme of your choice and enjoy the flexibility, transparency and liquidity. In other words, a superior investing experience, while being in the care of professional managers.

TAX GURU

YOU ASK & HE TELLS…..SAVE TAXES AND LIVE WELL!!!

1. Hi my name is Raghav…..I have just joined a company and have been confirmed at a package of 21.30 lakhs CTC. I have been informed by the HR department that there will be deductions of TDS on my salary paid. I am actually unaware as to TDS and its deductions. Can you please enlighten me on this aspect?

Raghav Vora
Gurugram

Dear Mr. Raghav,

Since Income Tax is a direct tax, this means that every person who earns income is supposed to pay taxes to the Income Tax Department. However due to many reasons, compliance with the same is not there in our country. To circumvent this, the income tax department under the rules of Income Tax Act, 1961 requires the person paying out the income to deduct tax at source and only pay the net amount to the person who earns such income. The payer of the income who has deducted the tax at source will have to deposit the same with the Income Tax department within a set time lime. In case TDS exceeds the tax liability of the income earner, the tax payer has a right to claim refund from income tax department.

There are various incomes subject to TDS under various sections of Income Tax Act. Some of the pertinent ones are:

a) Section 192 – TDS on Salary
b) Section 194A – TDS on Interest other than Interest other than interest on securities
c) Section 194C – TDS on Contractor
d) Section 194H – TDS on Commission
e) Section 194I – TDS on Rent
f) Section 194J – TDS on Professional Fees

TDS is general deducted at “average rate” of income tax. One way of calculating “average rate” can be application of income tax slabs applicable to the employee on expected income from salary expected to be earned by him during the financial year.

2. I have recently joined as Senior Marketing Manager in a mid-sized techno firm. My annual salary as per the offer letter including allowances & perks as on 1st April 2022 was stated to be Rs.12,56,500 for the financial year 2022-23. Can you tell me what should be the TDS deduction?

Kapil Solanki
Surat

Dear Mr. Kapil,

Firstly congratulations on your new appointment. We shall gladly work out your TDS on the basis of what information you have provided for your information.

Particulars	**Amount in Rs.**	**Amount in Rs.**
Offered Income		12,56,500
Less: Exempt Standard Deduction u/s 16(ia)		50,000
Less: Professional Tax u/s 16(ii)		2,500
Expected Income from salary		12,04,000
Tax on Above: On first 2,50,000 @0% On next 2,50,000 @5% On next 5,00,000 @20% On balance 2,04,000 @30%	 0 12,500 1,00,000 61,200	1,73,700
Add Health Education Cess (HEC) @4%		6,948
Total Tax Liability		**1,80,648**
Total TDS Deductible per month		**15,054**

(About the author: CA Manan Mathuria is currently Manager (Direct Taxation & Advisory) at C B V and Associates LLP. He is a chartered accountant who is passionate about the field of Direct Tax and has more than six years' experience in this field. He has a passion for the intricate nuances and the twists & turns and interpretations in the field of Direct Taxation and this has made him a master in the subject. His knowledge and passion in the field has enabled him to cater to clients operating in varied industries like Aviation, Charitable Trust, Diamonds & Jewellery, Education Institutions, Media & Entertainment, Hotel & Mall Segments, the Real-Estate Industry, etc & his advice on taxation matters is much sought after)

TAX JARGON
BLOWING YOUR MIND OFF??

Yes Folks……we know that many times tax jargon can become too much to handle. Try as we might, we cannot do away with some of these terms and we need to make an effort to understand these basic taxation terms. So we shall make out best effort to help clarify your cobwebs and look at these terms in a new light…..

- **Advance Tax** – The tax that needs to paid in advance, in four instalments (on or before 15th June, 15th September, 15th December, and 15th March) instead of in lump sum at the end of the financial year. This applies to any person whose tax liability is Rs 10,000 or more in a financial year, those in business, and taxpayers who have opted for presumptive taxation scheme under Section 44AD or 44ADA, as the case may be.

- **Self-Assessment Tax** – This is the income tax paid by the assessee after taking into account Advance Tax and Tax Deduction at Source. Self-Assessment Tax is to be paid in the assessment year before filing the Income Tax Returns.

- The following deductions are not available if one opts for New Tax Regime U/S 115BAC

- **Section 80C** – You can claim deduction up to Rs 1.5 lakh, annually, under Section 80Cof the Income Tax Act by investing in several financial instruments. Some of these include Public Provident Fund, Sukanya Samriddhi Yojana, National Saving Certificate, 5-Year tax-saver term deposits, Senior Citizens Savings Scheme, National Pension System, Equity Linked Savings Schemes, life insurance policies, and pension plans. Moreover, contribution to the Employees' Provident Fund, principal repayment on housing loans, and tuition fees paid for children's education are also entitled to deduction subject to the overall limit of Rs 1.50 lakh, under Section 80C.

- **Section 80D** – The premium paid for a health insurance policy makes you eligible for a deduction up to Rs 25,000 in case of non-senior citizen and up to Rs 50,000 in case of senior citizens as per Section 80D of the Income Tax Act, 1961. This deduction can be availed by an individual and Hindu Undivided Family.

In 2016, the Indian government launched a program called 'Operation Clean Money', which used data analytics to identify individuals who had made large cash deposits in their bank accounts after the demonetization of high-value currency notes. The program resulted in the identification of more than 1.8 million suspicious cases of tax evasion.

- **Section 80E** – This deduction is available only to individuals for interest repayment on an education loan. The loan should be taken from a bank/financial institution or any other approved charitable institution to pursue higher studies -- in India or abroad. The deduction is available for a maximum of 8 years (beginning the year the assessee starts repaying the interest) or till the interest is paid, whichever is earlier. There is no restriction on the amount that can be claimed.

- **Section 80EE** – This deduction is available only for individuals availing a home loan for the first time, subject to certain conditions. The deduction is available on the interest. The conditions include: the individual owns no other house property; the value of the house should be Rs 50 lakh or less; the loan amount should not exceed Rs 35 lakh; the loan must have been sanctioned between 1st April 2016 and 31st March 2017. The deduction is Rs 50,000 per annum from the Gross Total Income until the loan is repaid in full. Over and above that the assessee can claim deduction under Section 24(b) for interest payment on the home loan, subject to the maximum permissible limit of Rs 2 lakh per annum.

- **Section 80EEA** – This deduction is for interest paid on home loan taken in the affordable housing segment and available only to individuals. The deduction can be availed provided, the borrower does not own any other house property on the date of the sanction of the loan; the loan is taken from a bank/financial institution. The individual cannot claim deduction under the existing Section 80EE. The individual can claim deduction under Section 24(b) for interest payment on the home loan, subject to the maximum permissible limit of Rs 2 lakh per annum.

- **Section 80TTA** – This Section allows individuals and HUF to avail a deduction for interest earned on a savings account (with a bank, co-operative society and post office) to the extent actual interest or Rs 10,000, whichever is lower.

- **Section 80TTB** – A similar deduction is available for senior citizens for interest earned on savings account (with a bank, co-operative society and post office) to the extent of Rs 50,000 or lower

Material Credited to:
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INVESTMENT OPTIONS IN FIXED INCOME

INVEST IN G.SEC & SDL BONDS??

Investors are often confused about various investment options due to lack of knowledge/awareness. Due to this, investors only opt for the more commonly known investment options, often forgoing the benefits of other investment options that can add stability and robustness to their portfolio. Especially investors who prefer less risk and are looking or investment options that can assure them steady fixed income with decent returns. Investment in Government security bonds of G-Secs or State Development Bonds or SDLs offers a high degree of safety coupled with comparatively higher returns and high amount of liquidity. Today we throw some light on this very good investment option which is often ignored in the shadow of more popular investment options like shares and debentures, etc. I have tried to give below a layman's outlook towards understanding what bonds are and why one should go for them or have them as part of your investment portfolio.

What is a Bond?

A bond is a fixed income instrument in which investor loans money to an entity (Corporate or Government) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by Corporate or Government to raise money and finance a variety of projects or activities.

What are G. Sec Bonds?

The Government of India issues securities to raise capital for development projects. These securities are called government securities or G-secs, issued by RBI. The RBI manages the public debt of the Indian government. G-secs are issued in three forms: treasury bills, dated securities and bonds.

What are SDL Bonds?

SDL stands for State Development Loans, also commonly known as SDL bond issued by the government of several states to fund their fiscal deficit. State Governments in India have their own financial budgets. When the budget sometimes exceeds the available revenue it results in a fiscal deficit.

What is the bond market?

It is a market meant for trading (i.e. buying or selling) fixed income instruments. Fixed income instruments could be securities issued by Central and State Governments, Municipal Corporations, Govt. Bodies or by Private entities like Financial institutions, Banks, Corporate, etc.

Basic Components of Bonds:

a. Coupon Rate
It refers to the Rate of Interest payable by the issuer to the investor on periodic basis

b. Face Value
Face value of the bond is determined by the issuer at the time of issue. It may be as low a Rs.100 or as high as Rs.10 lakhs per bond.

c. Maturity Date
It refers to the date on which the bond matures, or the date on which the borrower has agreed to repay the principal amount to the lender or bond holder.

d. Clean Price
The price arrived at without adjusting the accrued interest component is called Clean price.
In secondary bond market majority deals concluded on clean price.

e. Dirty Price
The price arrived at after adjusting accrued interest component is called Dirty price. (e.g.: Clean Price + Accrued Interest)

f. YTM (Yield To Maturity)
The rate of return that an investor would earn if an investor buys the bond at current price & held it until maturity.

g. Call/Put Option
A call option provides issuer the right to redeem a bond before its maturity date i.e on Call date.
Whereas a put option provides investor the right to give back bond to issuer before its maturity date i.e. on Put date.

h. YTC/YTP (Yield To Call/Put)
The rate of return that an investor would earn if an investor buys a Callable/Puttable bond at current market price & hold it until the Call/Put date.

BANKING TERMS:

WORD SEARCH

Name: ____ **Date:** _____________

BANKING TERMS

L	D	J	C	Z	P	H	A	H	W	A	B	N	S	G	N	I	V	A	S	O	I	H	S
W	A	R	D	H	T	I	W	R	L	B	Y	O	H	L	O	R	O	O	N	O	R	X	H
K	Q	M	B	R	B	B	U	H	E	L	N	I	J	Q	E	H	E	L	F	R	D	F	M
U	X	L	H	E	Y	Z	Z	W	K	B	Y	M	M	D	M	Z	I	D	T	P	I	W	E
K	M	N	K	T	P	S	E	K	X	X	M	I	M	B	D	N	A	C	C	O	U	N	T
W	B	N	H	S	A	C	I	U	E	B	N	U	X	Q	E	Z	X	W	O	T	M	W	O
V	A	J	E	I	B	H	C	K	D	T	J	G	N	B	L	D	R	B	L	O	O	I	H
B	Y	G	L	G	M	B	F	W	E	E	M	V	A	G	L	Z	K	I	Q	N	D	V	O
W	Y	Z	E	E	D	P	C	R	P	B	P	N	A	A	N	C	Q	L	D	I	I	A	C
O	V	P	C	R	L	K	E	U	Z	C	K	O	R	U	O	I	E	L		V	P	Q	R
Y	L	X	T	K	U	S	N	M	N	I	X	Q	S	E	M	R	T	S	I	Z	D	M	E
X	R	R	R	C	T	G	A	V	I	K	Y	A	W	I	O	C	S	U	C	D	P	P	D
Q	R	O	O	E	R	U	V	N	Q	E	C	V	W	D	T	Z	K	G	O	S	W	O	I
O	I	W	N	H	F	X	G	G	N	B	J	V	E	G	W	N	T	T	A	R	R	J	T
I	F	X	I	C	C	I	M	O	E	T	U	B	Y	C	N	E	R	R	U	C	X	A	U
P	F	K	C	W	H	L	M	X	U	D	I	S	N	G	E	S	J	H	R	W	M	P	N
B	P	E	T	C	E	F	O	H	H	T	V	C	W	R	R	N	D	X	N	A	R	K	I
N	F	S	R	F	C	B	F	Z	C	K	U	V	S	N	I	O	C	S	M	I	X	T	O
T	F	Q	A	C	K	I	B	A	E	O	D	G	C	J	A	W	X	O	O	D	K	U	N
I	Y	D	N	X	T	V	R	R	A	Z	K	M	S	M	N	A	R	H	J	T	V	X	D
X	F	M	S	P	D	D	E	K	W	O	T	Y	D	G	Y	C	B	O	U	T	O	A	V
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V	A	S	R	O	F	P	M	J	W	F	E	D	E	R	A	L	R	E	S	E	R	V	E

electronic transfer, online banking, Federal Reserve, routing number, check register
credit union, debit card, interest, currency, withdraw, account, savings, deposit
bills, coins, money, check, bank, cash, eft, atm

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