

# INVESTOR R

# CONNECT



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AN INVESTOR EDUCATION INITIATIVE OF KRISHA FOUNDATION

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# BASICS OF INSURANCE

## GAUTAM KASARGOD

Insurance means a method of protection from financial loss caused by death and destruction. It is a form of risk management primarily used to hedge against a contingency or uncertain loss risk—this is common knowledge about insurance.

Insurance is of two types Life Insurance and Non-Life insurance (General Insurance)

Life insurance is where a person's insurance policy is for a designated period or a Lifetime till age 100 or death (natural and accidental), whichever is earlier. It also covers permanent disability.

Life insurance provides a Lumpsum monetary benefit to the insured person if alive or to the insured's family or another designated beneficiary. It may also provide an income to an insured person's family. Life insurance policies often allow the option of having the proceeds paid to the beneficiary in a lump sum cash payment or a Lifelong annuity. Life Insurance motivates individuals to save regularly and compulsorily.

Life Insurance is the backbone of every individual's financial plan. A financial portfolio is incomplete without the inclusion of a Life Insurance policy. Several types of Life insurance plans/schemes help secure an individual family and the financial future based on the individual's

present financial affordability.

Non-Life (General) insurance covers all the other significant assets like property, plant and machinery, vehicles, cargo etc. The comprehensive protection provided is from Fire, Floods, earthquakes, thefts, riots and any similar disaster.

General Insurance motivates a person to ensure and protect assets against these disasters as they generate income or are very valuable. Financial institutions insist on insuring assets as the insurable interest in the business to safeguard financial involvement.

*(About the Author: Financial Planner / Insurance Advisor Mr. Gautam Kasargod has been associated with LIC of India & New India Assurance Company Limited and other premier insurance companies since more than 30 successful and fruitful years and has undergone several rigorous & advanced training programs which have made him a seasoned professional in his chosen field. He has in-depth knowledge of the insurance sector as well as expertise in portfolio management & retirement planning.)*





## What are the various types of Mutual Funds?

Various types of Mutual Fund schemes exist to cater to different needs of different

people. Largely there are three types of mutual funds

### 1. Equity or Growth Funds

I. These invest predominantly in equities i.e. shares of companies

II. The primary objective is wealth creation or capital appreciation.

III. They have the potential to generate higher return and are best for long term investments.

IV. Examples would be:

- “Large Cap” funds which invest predominantly in companies that run large established business.
- “Mid Cap funds” which invest in mid-sized companies. funds which invest in mid-sized companies.
- “Small Cap” funds that invest in small sized companies.
- “Multi Cap funds” funds that invest in a mix of large, mid and small sized companies.
- “Sector” funds that invest in companies that are related to one type of business. For e.g. Technology funds that invest only in technology

companies.“

- “Thematic” funds that invest in a common theme. For e.g. Infrastructure funds that invest in companies that will benefit from the growth in the infrastructure segment
- Tax-Saving Funds

## What are Equity Funds?

An **Equity Fund** is a Mutual Fund Scheme that invests predominantly in shares/stocks of companies. They are also known as Growth Funds.

Equity Funds are either Active or Passive. In an Active Fund, a fund manager scans the market, conducts research on companies, examines performance and looks for the best stocks to invest. In a Passive Fund, the fund manager builds a

portfolio that mirrors a popular market index, say Sensex or Nifty Fifty.

Furthermore, Equity Funds can also be divided as per Market Capitalization, i.e. how much the capital market values an entire company’s equity. There can be Large Cap, Mid Cap, Small or Micro Cap Funds.

Also there can be a further classification as Diversified or Sectoral / Thematic. In the former, the scheme invests in stocks across the entire market spectrum, while in the latter it is restricted to only a particular sector or theme, say,



***You ask & he tells.....Save Taxes and live well!!!***

(1) My wife and myself are planning to buy a new house since we have just got married and plan to shift from our joint family. We both are employed in private sector jobs and together we earn approximately Rs.13,50,000/- per annum at present. Can you tell us how much loan are we eligible for and what will be the approximate EMI? And what tax benefits we can expect?

**Sahil Shaikh**  
**Pune**

**Dear Mr. Shaikh**

Since we are tax experts, we will not be able to suggest the loan eligibility. The tax deductions associated with co-owning, co-borrowed Housing loan is tabulated below:

Section	Particulars	Amount of deduction available	Conditions
24(b)	Interest on loan taken for Acquisition/ construction of property	2,00,000 (per owner, not per property)	<ul style="list-style-type: none"> <li>• Acquisition/Construction has to be completed within 5 years from end of financial year in which loan was borrowed.</li> <li>• Interest on loan is restricted to Rs. 2,00,000 as the property is to be self-occupied by owners.</li> </ul>
80C	Repayment of Housing loan including stamp duty, registration fees and other expenses	1,50,000 (per person)	<ul style="list-style-type: none"> <li>• Payment is made towards cost of purchase or construction of new residential house property and income from such property is chargeable under head House Property.</li> </ul>

(2) Can you tell me the rules regarding deductions available for HRA? My employer insists that I make use of the provisions for taxation in this regard.

**Ashwini Pangye**  
**Murbad Dist.**

**Dear Ms. Pangye,**

If you are in receipt of House rent allowance, then you can claim deduction under section 10(13A) of the Act for HRA. The deduction will be as follows:

Particulars	Amount in Rs.	Amount in Rs.
Actual Amount received		XXX
<b>Less: Exempt under section 10(13A) (Lower of the following)</b>		
Actual HRA received	XX	XX
Actual rent paid – 10% of salary	XX	
40% of salary [50% if you are residing in Kolkata, Mumbai, Delhi or Chennai]	XX	
Amount taxable		<b>XX</b>

([It shall be noted that for the purpose of Income Tax Act, Salary will be computed as follows:

Basic salary + Dearness Allowance (provided in terms of employment) + Commission received (as a fixed % of Turnover)

**(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)

# 04

## TAX JARGON BLOWING YOUR MIND OFF??

*Hello Folks.....we are back with another bunch of tax jargon terminology in our effort to simplify these in easy language for all of us to understand & grasp. Taxation is indispensable part of our lives and if we can't beat it, we need to make friends with it.....so let us give it another shot.....*

1. **Income Tax Return** – This is the form to report to the Income Tax Department the income earned (under various heads: salary, house property, business & profession, capital gain, and other sources) during the Previous Year or the applicable Assessment Year. To do so, there are various forms (viz. ITR 1, ITR 2, ITR 3, ITR 4, ITR 5, ITR 6 and ITR 7) depending on the sources of incomes earned, the amount of income earned and type of assesses (viz. Individual, Hindu Undivided Family, Firm, Company, etc.).

2. **Tax Deduction at Source (TDS)** – The tax that is deducted before the payment is made to the receiver (the deductee), is called Tax Deducted at Source or TDS. Salary, interest on bank deposits, commission, consultation fees, professional fees, rent payment, etc., are subject to TDS as per the provision of the Income Tax Act. This deduction is captured in the Form 26AS or TDS certificate issued by the deductor, or the one making the payment. The assess can use this certificate while filing income tax to get claim credit for the tax paid.

3. **Form 26AS** – This is a tax credit statement. The tax deducted or collected by an entity is reflected in Form 26AS of the respective Permanent Account Number (PAN). Form 26AS is a statement that consolidates the tax deducted from all sources (in Part A, A1 and A2 of the Form), details of tax collected at source (in Part B of the Form), advance tax paid by the assesses, self-assessment tax paid, regular assessment tax (in Part C of the Form), details of refund (if any) in the financial year (in Part D of the Form), and details of certain high-value financial transactions (in Part E of the Form).

4. **Form 16** – This is a certificate issued by the employer and contains the information necessary to prepare and file your Income Tax Return. Part A of the form mentions the employer and employees full address, their Permanent Account Number (PAN), the Tax deduction Account Number (TAN) of the employer, the amount of tax deducted and deposited by the deductee for relevant Assessment Year and challan numbers. Part B mentions details of salary paid, any other income, exemptions & deductions availed and tax deducted

5. **Surcharge** – It is the additional tax payable over and above the applicable tax rate for assesses with a higher taxable income slab. It is, therefore, a tax on tax.

Material Credited to: Axisbank.com website

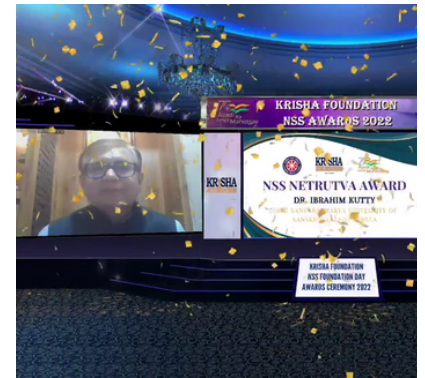
<https://www.axisbank.com/progress-with-us/tax-planning/20-tax-terms-you-need-to-know>

# 05

## NSS FOUNDATION DAY 2022 24TH SEPTEMBER, 2022

In the 75th Year of India's Independence, Krisha Foundation came forward to felicitate the courage of selfless leaders of the National Service Scheme (NSS) on the NSS Foundation Day i.e. 24th September, 2022 through the second edition of the NSS Foundation Day Awards Ceremony.

The National Service Scheme (NSS) is a Central Sector Scheme by the Government of India, Ministry of Youth Affairs & Sports. It provides opportunities to the youth of 11th & 12th school standards at +2 Board levels, and students of Technical Institutions/Graduate & Post Graduate colleges and Universities in India to partake in various government led community service activities & programmes. The sole aim of the NSS is to provide hands-on experience to young students in delivering community service. Since the inception of the NSS in the year 1969, the strength of involved students rose from 40,000 to over 3.8 million in various universities and colleges, and various Institutions of higher learning have also volunteered to partake in the various community service programmes.



Smt Diya Navin Punjabi, President and Trustee, Krisha Foundation welcomed all the Directors, Program Officers and the students Volunteers.

Shri Yogesh Kundnani, Senior Vice President- CDSL, and Smt Neetu Juneja, Regulatory Head and Vice President- Western region of NSE, were the Guests of Honor for the Award function.

Smt Diya Navin Punjabi, President and Trustee, Krisha Foundation thanked the Jury for scrutinizing the applications under each award category.

The jury comprised of eminent academicians as follows:

Dr. G T Thampi – Principal Thadomal Shahani College of Engineering, Mumbai

Prof (Dr.) J W Bakal – Principal Pillai HOC College of Engineering and Technology, Rasayani

Dr. Lili Bhushan- Principal KES Shroff college of arts and commerce, Mumbai

Krisha Foundation congratulates each and every volunteer and everyone associated with NSS for their selfless service and all those who believe in the Motto of 'NOT ME BUT YOU'.

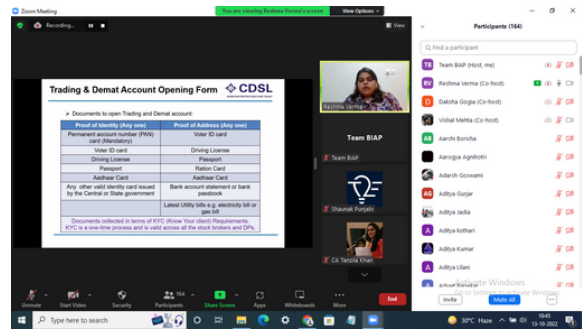


# 06

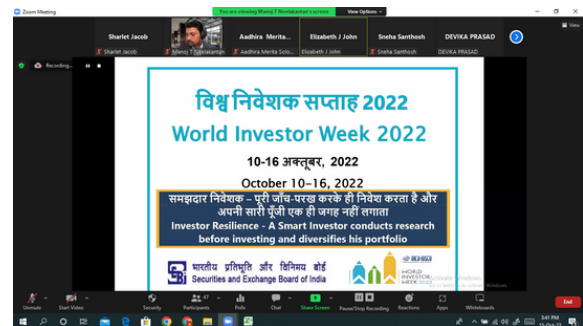
## WORLD INVESTOR WEEK 2022 10TH- 16TH OCTOBER, 2022

World Investor Week (WIW) – an International Organization of Securities Commissions (IOSCO) initiative, is a global investor awareness campaign. WIW is celebrated every year, across the world, by various securities market regulators. The week witnesses a host of investor awareness activities across the globe and investors are explained about the importance of investor education and protection.

This year, WIW – 2022 was celebrated in India from October 10th, 2022 to October 16th, 2022, with the theme of 'Investor Resilience and Sustainable Finance'. Securities and Exchange Board of India (SEBI) is the national coordinator for celebrating WIW-2022 in India, wherein investors are invited to participate in various investor awareness activities such as Quizzes, Investor Awareness Programs, etc.



Krishna Foundation celebrated the World Investor Week (WIW) through the 10 to 16th October 2022, a week-long global campaign promoted by the International Organisation of Securities Commissions (IOSCO) to raise awareness about the importance of Investor Education and Protection, and to highlight the various initiatives of securities regulators in these two critical areas.



**KRISHA FOUNDATION IMPACTED THE LIVES OF 10,000+ PEOPLE  
ACROSS THE NATION DURING THE WIW -2022**

# 07

## FINHOUSE

### EXPERIENTIAL LEARNING AND GAMIFICATION TOOL

FinHousie is an experiential learning and Gamification tool launched as part of the Investor Education and Awareness Initiative (IEAI) of Krisha Foundation and BSE IPF, which helps participants test their knowledge in a fun and engaging way, about basic concepts of Personal Finance, Capital Markets, Mutual Funds, Investor Grievance and encourages them to move a step forward towards achieving financial well-being.

The first ticket was presented at the bell ringing ceremony of the World Investor Week 2022 to Shri G. P. Garg, Executive Director, SEBI on 10th October, 2022.



560 likes

bseindia Shri Ashwani Bhatia, Whole Time Member, SEBI visited BSE stall at IITF and signed the visitors' book on 14th Nov, 2022



During the World Investor Week, 2022, Krisha Foundation organized an Investor Awareness Program at the Navi Mumbai Police Commissionerate on behalf of Bombay Stock Exchange, India. The program was presided over by Mr. Milind Vengurlekar and conducted on the 14th of October, 2022 at 11:30 am.

The aim of this awareness program was to bring about sustainable changes and impart necessary knowledge in the field of Investor Awareness and Financial Literacy. The program witnessed a successful participation of 45+ DCPs (Deputy Commissioner of Police) and Senior Police Personnel.

The program was also attended by Mr. Yogesh Bambardekar who represented Bombay Stock Exchange during the session. Krisha Foundation was appreciated by Shri Bipin Kumar Singh, Commissioner of Police, Navi Mumbai who also extended his valuable feedback on the program. Shri Bipin was presented with a memento of FinHousie on behalf of the foundation by Mr. Viraj Singal.



# BANKING TERMS: WORD SEARCH

Dear Readers,

Time to stimulate your grey cells and test your knowledge about the basic accounting terms we all come across regularly but sometimes don't pay enough attention to. So with a view to stimulating your grey cells and making you develop the habit of thinking and recalling these basics, we will carry interesting puzzles and quizzes in all our editions whereby you can use your knowledge and skills and solve them and send us the correct answers by email to \_\_\_\_\_ within 10 days of the date of this month's newsletter and we promise to give you attractive prizes worth your time and effort.

So rush in your entries and stand a chance to win attractive monthly prizes!!!

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## BANKING TERMS

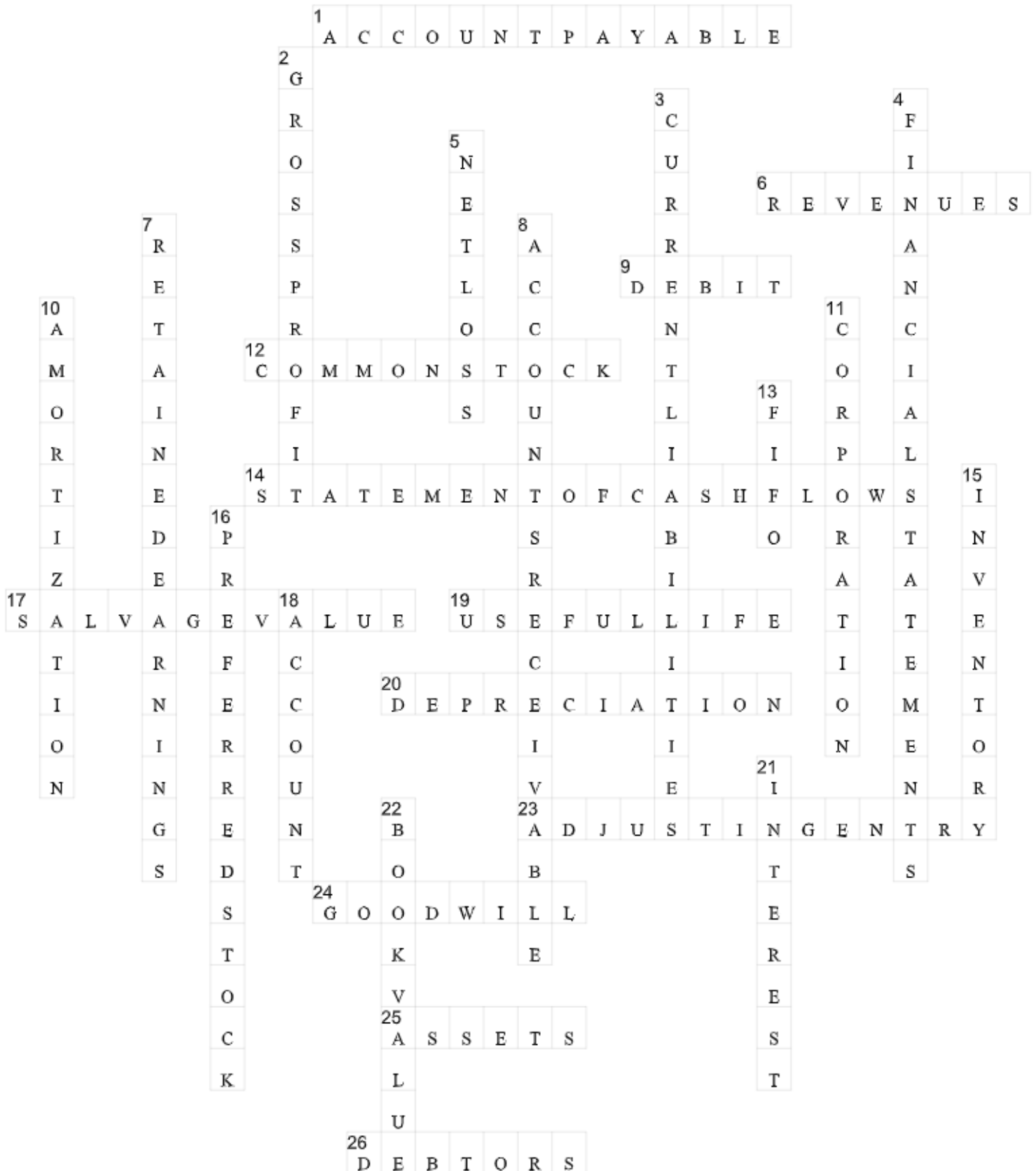
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 W A R D H T I W R L B Y O H L O R O O N O R X H  
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electronic transfer    online banking    Federal Reserve    routing number    check register    credit  
 union    debit card    interest    currency    withdraw    account    savings    deposit    bills  
 coins    money    check    bank    cash    eft    atm



# 10

## ACCOUNTING TERMS: BACK TO BASICS



## ACROSS

1. a liability created by buying products or services on credit
6. inflows of assets in exchange for products and services provided to customers as part of a company's operations
9. an entry that increases asset and expense accounts, and decreases liability, equity and revenue accounts
12. security that represents ownership in a corporation; holders exercise control by electing a board of directors and voting on corporate policy
14. describes the sources and uses of cash for a reporting period
17. estimate of amount to be recovered at the end of an asset's useful life
19. length of time an asset will be productively used in the operations of a business
20. expense created by allocating the cost of plant and equipment to periods in which they are used; represents the expense of using an asset
23. journal entry at the end of an accounting period to bring an asset or liability account to its proper amount and update the related expense or revenue account
24. amount by which a company's value exceeds the value of its individual assets and liabilities
25. resources owned or controlled by a company that provide expected future benefits to the company
26. customers and other individuals and organizations who owe a company

## DOWN

2. net sales minus cost of goods sold
3. obligations due to be paid or settled within the longer of one year of the operating cycle
4. income statement, balance sheet, statement of changes in owner's equity, and statement of cash flows
5. occurs when expenses exceed revenues
7. equals a corporation's accumulated net income (loss) for all prior periods that has not been distributed to shareholders
8. an asset created by selling products or services on credit
10. process of allocating the cost of an intangible asset to expense over its estimated useful life
11. entity created by law and separate from its owners
13. method to assign cost to inventory that assumes items are sold in the order acquired
15. merchandise a company owns and expects to sell in its normal operations
16. class of ownership in a corporation that has a higher claim on its assets and earnings than common stock
18. record within an accounting system where increases and decreases in a specific asset, liability, equity, revenue, or expense are entered and stored
21. charge for using money until repaid at a future date
22. total cost of an asset less its accumulated depreciation

## CONTACT US: SOCIAL MEDIA

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