

WEALTH 360



BY OPULENCE WEALTH

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*Tips for your Investment Portfolio
to Grow Green this Saawan*



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**Creating &
Taxation of HUF**



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TIPS FOR YOUR INVESTMENT PORTFOLIO TO GROW *GREEN* THIS *SAAWAN!*

Growing your investments day by day is not a practical approach, as investments generally require time and patience to yield significant returns. Your investment portfolio requires careful planning and consideration of various strategies.

Trying to grow investments too quickly can lead to unnecessary risk and may not be sustainable in the long run. Instead, focus on a more prudent and disciplined approach to building wealth over time. Growing while there is no one-size-fits-all approach. Here are some great tips to help you make your long-term investments *grow GREEN* and reap the benefits of Ultimate Compounding.

01. Strategically plan for the long term: Investing for the long term allows your investments to benefit from compounded returns. It also allows you to weather short-term market fluctuations and capitalise on long-term market growth.

02. Start early and be consistent: The power of compounding can work wonders for long-term investors. The earlier you start investing and the more consistent you are with your contributions, the greater your potential for growth.

03. Do not forget Tax efficient options: Explore tax efficient investment options and try out ways to reduce your Tax Liability specially from the investments that you have made and will make in future. For e.g.- If you are a conservative Investor then choose a strategy where you can save tax on your accumulated corpus like investing like keeping in mind Sections like 80C, 80D, 80CCD(1B) etc.

04. Avoid market timing: Trying to predict short-term market movements is challenging and can lead to poor investment decisions. Instead, focus on long-term trends and stay invested for the long haul.

05. Understand your risk tolerance: Assess your risk tolerance before investing. Consider how comfortable you are with market fluctuations and potential losses. Choose investments that align with your risk appetite.

06. Diversify your portfolio: Don't put all your eggs in one basket. Diversifying your investments across different asset classes (e.g., stocks, bonds, real estate) can help reduce risk and optimize returns.

07. Rebalance your portfolio: Periodically review your portfolio to ensure it remains aligned with your goals and risk tolerance. Rebalancing involves adjusting your asset allocation to maintain the desired level of risk and return.

08. Cleansing the portfolio: Most of the investors make mistakes like longing to keep bad investment products in their portfolio hoping for these investments to do well in future. This is a place where role of a financial advisor become crucial.

If you have one your are going in the right direction as this one person will do periodic analysis of your investments and give you prompt and timely advisory. This will save a lot of time for you to do or focus on other important work while growing your investments in the right manner.

09. Educate Yourself: Stay informed about financial markets, investment strategies, and economic trends. Continuously learning can help you make more informed decisions and adapt your investment approach as needed.

10. Stay disciplined and avoid emotional decisions: Emotional reactions to market fluctuations can lead to impulsive decisions that may harm your long-term returns. Stick to your investment plan and avoid making drastic changes based on short-term market movements.

***Remember that** all investments come with risks, and there are no guarantees of profits. It's essential to tailor your investment approach to your individual financial situation and risk tolerance. Hire a Professional or a qualified Financial Advisor- If you're unsure about investing or need personalized guidance, consider consulting with a qualified financial advisor.*



ALL YOU NEED TO KNOW ABOUT CREATING A HUF.



Hindu Undivided Family (HUF) is a unique concept in Hindu Law that allows families to pool their resources and manage them as a single unit. It is a legal entity that consists of all persons lineally descended from a common ancestor, including their wives and unmarried daughters. The HUF is governed by the Hindu Succession Act, 1956, and is recognized as a separate legal entity for the purpose of taxation.

The senior-most male member in the family is Karta of HUF who operates the business of the HUF and all other male members are called the coparceners; while the females in HUF are referred to as members. The next eldest male member becomes Karta in the event of the death of Karta. For the purpose of Income Tax Act, even Buddhists, Jains and Sikhs can set up HUFs.

In this article, we will discuss the features of HUF, its pros and cons, and the tax implications of forming an HUF.

Features of HUF:

Common Ancestor: A Hindu Undivided Family must have a common ancestor, who is usually the father of the eldest member of the family.

Co-ownership: All the members of the HUF have equal ownership of the family's property, and they collectively manage it.

Succession: The property of a HUF passes by succession from one generation to the next. The eldest male member of the family is considered the Karta or the head of the family and has the power to manage the family's property.

Taxation: An HUF is a separate legal entity for the purpose of income tax, and it has its own PAN card and income tax return. The income earned by the HUF is taxed separately from the income earned by the individual members of the family.

Joint Family Expenses: The expenses incurred for the maintenance of the HUF, including the education and marriage expenses of the family members, can be borne by the HUF.

Benefits of HUF:

Tax Benefits: An HUF is eligible for various tax benefits under the Income Tax Act, such as slab rate benefits, exemptions and deductions under sections 80C, 80D & 80G, which can reduce overall the tax liability of the family.

Asset Protection: By creating a HUF, the family can protect its assets from creditors or other legal claims, as the property is owned jointly by all the members of the family.

Succession Planning: An HUF ensures that the family's property is passed on to the next generation in an orderly manner, without any disputes or legal challenges.

Pooling of Resources: An HUF allows the family members to pool their resources and jointly manage the family's finances, which can result in better financial planning and management.

Disadvantages of HUF:

Limited Scope & Membership: HUFs can only be created by a Hindu, Buddhist, Sikh or Jain family and only lineal descendants of a common ancestor can be part of the family.

Lack of Privacy & Control: Since all the members of the family have equal ownership of the property, there is no privacy or autonomy in managing the family's finances. This simply means that regardless of an individual's contribution in HUF all the assets are distributed equally among all the members of HUF. Also, the common property cannot be sold without getting the consent of everyone in the family.

Disputes: In some cases, disputes may arise between the members of the HUF over the management or distribution of the family's property, which can lead to legal battles. Partition of the family with a small group may lead to the dissolving of the HUF. After the closure of a HUF, assets of the family need to be distributed among all the family members, which is sometimes very difficult to manage.



Tax Implications of HUF:

Separate Entity: An HUF is required to have a separate PAN card for income tax purposes, and it files its own income tax return.

Tax Exemptions: An HUF is eligible for tax exemptions and deductions under the Income Tax Act, such as the basic exemption limit, deductions for medical expenses, and deductions for donations made to charitable organizations. HUF can also claim exemptions under Sections 54 and 54F for capital gains.

Tax Rates: The tax rates for a HUF are the same as those for an individual taxpayer, and they are subject to the same tax slabs and rates starting from nil and going up to 30%.

Member contribution: Any member of the HUF including Karta can make a contribution of any amount without any limit to the HUF and there are no tax implications either for the HUF or for the member making such payment.

Gifts from non-members: Gifts up to worth Rs 50,000 from non-members will be tax-free in the hands of HUF and any amount in excess of Rs. 50000 is treated as income and taxed in the hands of the HUF as per the applicable slab rates.

In conclusion, HUF is a unique concept under Hindu law that has its own set of features, pros, and cons. HUFs can be a good way to protect family assets and manage taxes. However, members have limited control but equal share over the assets of the HUF. It is important to understand the tax implications of HUFs and consult a professional before creating a HUF.



*The author, CA Shivam Arora, Chartered Accountant (Partner at SAR & Company, Chartered Accountants having offices at Delhi & Noida).

SOVEREIGN GOLD BONDS

Sovereign Gold Bonds (SGBs) are an excellent alternative to physical gold investment. You can benefit from capital appreciation as well as annual interest with these bonds. The Government of India issued these bonds, which eliminate several risks associated with physical gold.

Sovereign Gold Bond Features

Eligibility: The bonds will be restricted for sale to resident Indian entities including individuals, HUFs, Trusts, Universities and Charitable institutions. For online application through banks, the bonds are for sale to only 'individuals' through the Internet Banking Channel and Banking Apps. Customers falling into other category of investors may however approach the branch and fill-up the application form to apply for the tranche.



Denomination: The bonds will be denominated in units of one gram of gold and multiples thereof.

Minimum size: Minimum permissible investment will be 1 gram of gold.

Maximum limit: Maximum limit of subscription shall be of 4 kg for individuals, 4 kg for Hindu Undivided Family (HUF) and 20 kg for trusts and similar entities notified by the government from time to time

Interest rate: The investors will be paid Interest on the amount of initial investment at the rate notified by RBI for a particular tranche at the time of its launch and is payable semi-annually.

Tenor: The tenor of the bond will be for a period of 8 years with an exit option from 5th year onwards to be exercised on the interest payment dates.

Redemption: Redemption price shall be fixed in Indian Rupees and the redemption price shall be based on simple average of closing price of gold of 999 purity of previous 3 business days from the date of repayment, published by the India Bullion and Jewellers Association Limited.

*May change from issue to issue

Disclaimer: The content is sourced from the Reserve Bank of India website and is subject to the terms of use and other terms and guidelines, contained within the RBI website.

Advantages of Sovereign Gold Bonds

- 1.Safety:** Gold Sovereign bonds are issued by the government, which means they are backed by the sovereign guarantee of the country. This makes them a safe investment compared to other forms of gold investment like physical gold, which may carry risks of theft or impurities.
- 2.Gold Exposure:** These bonds allow investors to participate in the gold market without owning physical gold. The bonds are linked to the price of gold, so as the gold prices rise, the value of the bonds also increases, providing potential capital appreciation.
- 3.Interest Income:** Gold Sovereign bonds offer a fixed rate of interest (coupon) over the tenure of the bond. This provides investors with a regular income stream in addition to any potential gains from the change in gold prices.
- 4.Liquidity:** Gold Sovereign bonds are traded after 5 Yrs of its completion on stock exchanges, and the secondary market provides liquidity to investors who may want to exit their investment before the maturity of the bond which is 8 Yrs.
- 5.Tax Benefits:** Capital gains tax arising from the redemption of SGBs is exempted if held until maturity. Moreover, there is no Goods and Services Tax (GST) on the purchase of SGBs.
- 6.Diversification:** Including Gold Sovereign bonds in your investment portfolio can add diversification as they have a low correlation with other asset classes like equities and fixed-income securities. This can help reduce overall portfolio risk.
- 7.No Making Charges or Storage Hassles:** Unlike physical gold, Gold Sovereign bonds don't incur any making charges or storage costs, which can add to the overall cost of owning physical gold.
- 8.No Risk of Impurities:** Gold Sovereign bonds are purely digital and do not involve physical gold. Therefore, there is no risk of dealing with impure or counterfeit gold.

SOVEREIGN GOLD BOND SCHEME 2023-24 SERIES









The details of the scheme for subscription from **September 11, 2023**, to September **15, 2023**, are as per the calendar mentioned below*:

TRANCHE	DATE OF SUBSCRIPTION	DATE OF ISSUANCE
2023-24 SERIES II	SEP 11 – SEP 15, 2023	SEPTEMBER 20, 2023

*The Government of India may, with prior notice close the Scheme before the specified period.

HISTORICAL DATA & CHANGES

JULY MONTH

INDEX & COMMODITIES	VALUE/PRICE (01ST JULY 2023)	VALUE/PRICE (31ST JULY 2023)	% CHG
 BSE SENSEX	64718.56	66527.67	+2.79%
 NIFTY 50	19189.05	19753.80	+2.94%
 BSE MID CAP	28776.20	30419.75	+5.71%
 BSE SMALL CAP	32602.14	35002.32	+7.36%
 GOLD ₹/10GM	57897.00	59245.00	+2.32%
 SILVER ₹/01GM	68248.00	74051.00	+8.50%
 USD/INR	1/82.03	1/82.31	+0.35%
 BRENT CRUDE (₹/BARREL)	5759.00	6671.00	+15.84%

Note: For general information only and not meant to serve as a professional guide/investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units.

PRODUCT LAUNCHES

UPCOMING NFO- JULY- AUGUST 2023

MUTUAL FUND SCHEMES	NFO WINDOW
QUANT MANUFACTURING FUND	26 JULY 23 - 08 AUG 23
BAJAJ FINSERV FLEXICAP FUND	24 JULY 23 - 07 AUG 23
HDFC TRANSPORTATION & LOGISTICS FUND	28 JULY 23 - 11 AUG 23
MIRAE ASSET MULTI CAP FUND	28 JULY 23 - 11 AUG 23



Comprehensive Cover - No Waiting Period

- Day one coverage for all hospitalisation arising out of Diabetes and Hypertension.
- In-patient hospitalisation
- Pre and post hospitalisation cover of 30 and 60 days respectively.
- Restore benefit
- Cumulative bonus of 10% up to a maximum of 100%
- HbA1c Checkup benefit
- Shared Accommodation benefit
- Day care coverage for Medical expenses for day care procedures.
- Emergency ambulance coverage.
- Organ donor expenses



Designed to Manage Your Health - Active Wellness Program

- A medical check-up program that includes a bi-annual diagnostic health check.
- A personalized health coach who will help create a diet and fitness plan, advice you based on diagnostic records and also answer any health related queries.
- Access to a personalized health and wellness portal that allows you to track your health, store medical records online, set appointments and provide you access to important health articles.



Rewards for Staying Healthy

- Based on the results of your medical tests and key health parameters such as BMI, BP, HbA1c and Cholesterol we offer you incentives for staying healthy.
- Renewal premium discounts of up to 25% for management of health conditions.
- Reimbursement up to 25% of renewal premium towards your medical expenses (like consultation charges, medicines and drugs, diagnostic expenses, fitness packages & fitness, devices dental expenses & other miscellaneous charges not covered under any medical insurance)

Eligibility

- The plan covers individuals in the age group of 18 to 65 years at entry, who are currently diagnosed with Type I Diabetes or Type II Diabetes or Pre-Diabetes (Impaired Fasting Glucose/ Impaired Glucose Tolerance) or Hypertension. Diabetic dependent on Insulin can also avail this plan.

Sum Insured

The plan can be issued to an individual only and can be taken for the sum insureds of Rs. 2,00,000; 3,00,000; 5,00,000; 10,00,000; 15,00,000; 20,00,000; 25,00,000 and 50,00,000

Variants

- Silver plan: cost for wellness tests is excluded
 - Gold plan: cost for wellness tests is included.
- (Both the variants are available with a co-payment options. You will have to bear 20% of the claim amount payable)

Terms of Renewal

- Life-long coverage: We offer life-long renewal unless the insured person or one acting on behalf of an insured person has acted in an improper, dishonest or fraudulent manner.
- Grace Period: A grace period of 30 days for renewing the policy is provided under this policy.
- Tax benefit - 80 D: The premium amount paid under this policy qualifies for deduction U/S 80D of the Income Tax Act (Tax benefits are subject to changes in Tax Laws).

Exclusions

- Any pre-existing condition (other than diabetes or hypertension) will be covered after a waiting period of 2 years.
- Congenital external diseases, cosmetic surgery.
- Abuse of intoxicant or hallucinogenic substances like intoxicating drugs and alcohol.
- Hospitalization due to war or an act of war or due to a nuclear, chemical or biological weapon and radiation of any kind.
- Pregnancy, dental treatment, external aids and appliances.
- 2 years waiting period for specific diseases like cataract, hernia, joint replacement surgeries, surgery of hydrocele etc.
- Non-medical expenses.
- Experimental, investigative and unproven treatment devices and pharmacological regimens.
- Please refer to the Policy Wording for the complete list of exclusions.



TERM PLAN THAT COSTS YOU NOTHING



AGE	PREMIUM AMOUNT	TERM (YEARS)	EXIT AGE	TENURE (PREMIUMS PAID)	TOTAL (PREMIUM PAID)	RETURN OF PREMIUM
30	₹12,150	40	63	33	₹3,99,843	₹3,99,843
35	₹17,333	40	63	28	₹4,83,957	₹4,83,957
40	₹25,901	40	63	23	₹5,92,698	₹5,92,698
45	₹42,675	40	63	18	₹7,63,489	₹7,63,489

We have taken different age groups and premiums based on a 1 Cr Sum Assured (Assured money to be paid to dependents in the event of the policyholder's death). In this particular plan (company name not mentioned), we have used a policy term that is the same for everyone and an exit age that is also the same for everyone.

HAVE YOU HEARD ABOUT A TERM PLAN THAT COSTS YOU NOTHING?

Most people only look into life insurance or health insurance when they have a pressing need or when someone suggests it to protect their families and loved ones. Because insurance is a complex process, there is a lack of awareness in India. However, in recent years. The IRDAI has changed the way people buy insurance. Every individual now has access to hassle-free insurance thanks to cutting-edge technology and emerging insurance aggregators, experienced insurance providers, and a robust insurance agent network.

Among the most recent advancements in the insurance industry, there has been a lot of talk about a new type of term life insurance cover that can be obtained for free.

Term insurance with 100% premium refund at no cost is a new variant of term plans in which the policyholder has the option to exit the term plan at a certain age and receive a refund of all premiums paid less GST.

Simply put, a 100% return of premium term plan costs the same as a regular term plan and gives the policyholder the option of exiting the plan early (if desired) and receiving a refund of all premiums paid up to that point.

Benefits –

1- Premium refund- As the name implies, all premiums will be refunded at a certain age. As a result, it is a zero-cost plan.

2- Less expensive than other return of premium plans

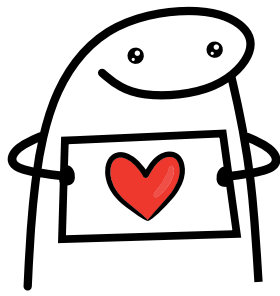
- Choosing the option of return of premium will cost you more than applying for a plan that includes this feature.

3- Best for salaried people- This appears to be the best option for people in the salaried class. They have a nearly fixed retirement age, making it easy to decide when they want to take out a Term Plan and then receive a premium refund.

4- Uncertain Retirement Age- This option is appropriate for people who are unsure of their retirement age.

As a result, it is critical to conduct extensive research on the Term Plan you intend to purchase. It is just as important as investing your hard-earned money in a return-generating investment vehicle.

**You pay premiums and receive coverage for your family in the event of a mishap.*



TOP-MEMES

#1



When the Indian stock you invested in goes up!



When the Indian stock you ignored skyrockets after you sold it!

#2



Thappad se darr nahin lagta saahab



Income Tax Department Ki Notices Se lagta hai

#3



YOU SAID "NO MORE INFLATION"



I SAID "NO, MORE INFLATION"

#4

When a trader tries to predict the bull market:



#5

When my friends understand tax filing, tax returns and both the tax regimes...

Me:



I Also Want This Power

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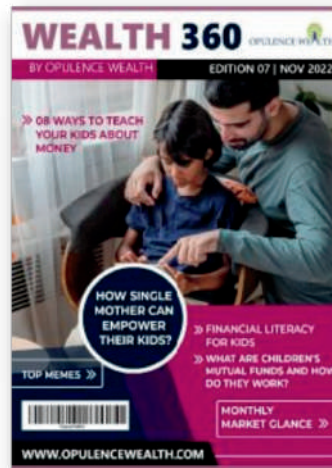
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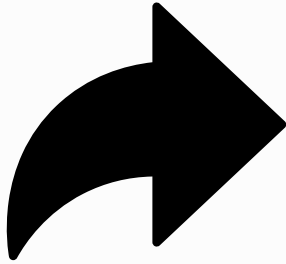
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Details & More

Being intentional about improving your financial situation is the beginning of financial success. Focus on your financial goals and take the necessary action to achieve them.

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 **C-78, Sector 63, Noida : 201301**

 **+91-9953551177**

 **info@opulencewealth.com**

 **www.opulencewealth.com**


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