

# JOURNEY2MONEY

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201, Sai Sadan, 76 / 78, Modi Street, Fort, Mumbai - 400 001 • Tel.: 6654 8814 / 15 • E-mail: support@journey2money.com • Web: www.journey2money.com



## Vcare Investment Services Pvt. Ltd.

We are your MF Distributor... begin your *Journey to Money* with us.

### INVESTMENT LESSON FROM CRICKET MATCH

Oh Yes! IPL 2022 is finally here. We all have our favourite players, and we cheer for them.. It's going to be almost 2 months of non-stop cricket fever. Did you know your game can get more fun when you can use the rules and features as analogies to learn parallel lessons in personal finance? Cheer for your team and at the same time cheer for your investments.

Here are some lessons for you from your most favourite game that you can implement to build wealth.

#### Do not enter the field without a protective gear

**Impact:** Without adequate precautions on the field players are vulnerable to injuries. Similarly, if your financial planning lacks the element of protection, your investments are exposed to several risks.

**Tip:** Before starting your investment journey, priority should be to secure yourself against life and health. Life Insurance, Health Cover and Emergency fund are a must. These will help you safeguard your and your family's future.

#### Try to stay on the field for long

**Impact:** World's best batsmen have been out on a duck. Giving up under pressure or adrenaline rush has often resulted in unexpected changes to the game. This is similar to an investor who gets panicked looking at daily market movements and ends up suffering losses by selling their investments in a downturn.

**Tip:** The best is achieved only with determination and patience. Make sure you are invested for the long term and are not affected by short-term market volatility.

#### One good player can not do all the work

**Impact:** There might be instances where one good player has single-

handedly taken the team to victory. However, banking on a single player isn't the right strategy and will not work in the long term. As an investor, do not be satisfied with one investment or one sector. Every investment has its cycle of ups and downs.

**Tip:** Do not concentrate on just one investment, in the long term it doesn't work. Diversification is the key. Diversify both in terms of a number of funds and sectors. Spread your bets to mitigate risk.

#### Keep a check on the run rate

**Impact:** Waiting for the slog overs to do major scoring is a bad strategy. It's good to start early be it scoring runs in the first few overs or investing.

**Tip:** Delayed investing means, you either compromise on your goal or end up shelling out more in the present. Starting early can help you achieve long term goals such as children's education, wedding and your retirement.

#### Don't be overly defensive

**Impact:** Just running between the wickets and not taking the risk of hitting boundaries wouldn't help it getting a good score for the team. Likewise, investing only in low risk funds wouldn't completely help you in achieving your goals.

**Tip:** Little risk is healthy. Investing in equities for long durations and through SIPs will help you earn more returns. Long term investments and equities are best friends.

Therefore, don't just enjoy the game, take back the learnings and implement them to your personal Finance.



Piyush Desai - CEO

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### Important Notification :

The last date to link **the Aadhaar and Permanent Account Number (PAN)** has been extended by the government until **31 March 2022**. Earlier, the last date was 30 September 2021.

**KINDLY LINK PAN - AADHAR AT THE EARLIEST TO AVOID ADVERSITY IN FUTURE MF TRANSACTIONS.**

# UNDERSTANDING SYSTEMATIC WITHDRAWAL PLAN (SWP)

- 1. Flexibility:**  
In a SWP plan, investor has the flexibility to choose the amount, frequency and the date according to his/her needs. Also, the investor can stop the SWP at any point in time / or can add further investments or even withdraw amount over and above the fixed SWP withdrawals.

**2. Regular Income:**  
SWP in mutual funds facilitates investors by providing a regular income from their investments. Therefore, this becomes highly convenient and useful for those who need regular cash flow for meeting regular expenses.

**3. Capital appreciation:**  
As we can see in the example above, if the SWP withdrawal rate is lower than the fund return, the investor gets some capital appreciation too in the long term.

**4. No TDS :**  
For resident individual investors, there is no TDS on the SWP amount.

**Who can use SWP?**

**1. For those looking for regular source of secondary income –**  
The investor who knows what is SWP plan, they know very well that it can be a source of creating an additional income stream from their long term investments. It can help tide over the rising living cost. Therefore, investing for the long term in mutual funds and withdrawing regularly through SWP may be an easy way to create a regular source of secondary income.

**2. Those looking for capital protection –**  
Investors who are risk averse, can invest in moderate or low risk profile mutual fund schemes and receive only the capital gains as SWP. For example – Suppose, the initial investment is made in an Arbitrage fund and the capital appreciation is received regularly by way of SWP; the initial investment will remain at almost zero risk.

**3. Those wanting to create their own pension –**  
Investors who do not have any pension earnings can create their own pension by investing the retirement corpus in schemes suiting their risk profile and earn a regular income at a frequency chosen by them. Therefore, on retirement, the investor can start an SWP and create their own pension.

**4. Those who are in high tax bracket –**  
Investors in high tax bracket find SWP useful as there is no TDS on the capital gains. Also, the capital gains from equity/equity oriented funds are taxed moderately. Gain from debt oriented funds is also moderate as indexation is allowed on the long term capital gains.

**Tax Efficiency through SWP:**  
When units are redeemed to draw the SWP amount, it attracts capital gain (in case the redemption NAV is higher than the purchase NAV) on the profits made from the sale of units. The capital gain can be defined as short term or long term as per following conditions –

**1. Equity /equity oriented funds –**  
If redeemed within 12 months from the date of investment, these are treated as short term gain and taxed at 15%. Gains made after 12 months from the date of investment are treated as long term and tax-free upto Rs 1 Lakhs in a financial year. Long term capital gains over Rs 1 Lakh are taxed only at 10%.

**2. Non-equity funds –**  
If redeemed within 36 months (treated as short term capital gain) from the date of investment, the gains are added to investor's income and taxed at the rate applicable to him/her. Gains made after 3 years are treated as long term and taxed at 20% after allowing indexation benefits.

Unlike traditional savings (like FDs, postal investments), there is no TDS on capital gains in mutual funds for resident individual investors. Apart from TDS, interest income from FD and most post office small savings schemes are taxed as per the income tax rate of the investor.

SWP in mutual funds is better than dividends of mutual funds as the AMC deducts TDS at 10% on the declared dividend. Also, the dividends received in the hands of the investors are taxable.

**Conclusion:**  
In summary, if investor can analyze what is systematic withdrawal plan in mutual fund, they will find that SWP is a good strategy to have a regular income with some sort of regularity. A SWP can also be set up to withdraw only the capital appreciation portion. The good part is that the returns are tax efficient and there is no TDS on gains unlike traditional investment options.

FD INVESTMENT - Rs. 10 LAKHS			SWP in Equity Hybrid Fund - Regular - Growth						
Month	Interest	Tax @20%	Date	NAV	Units	Cash Flow	Capital Gain	Tax	Capital Appreciation
1	5,833.33	1,66.67	02/01/2019	150.13	6,660.89	-10,00,000.00	—	—	10,00,000.00
2	5,833.33	1,66.67	04/02/2019	151.24	6,621.22	6,000.00	44.03	6.61	10,01,393.60
3	5,833.33	1,66.67	05/03/2019	152.28	6,581.82	6,000.00	84.71	12.71	10,02,279.67
4	5,833.33	1,66.67	02/04/2019	159.25	6,544.14	6,000.00	343.64	51.55	10,42,154.96
5	5,833.33	1,66.67	02/05/2019	158.08	6,506.19	6,000.00	301.70	45.26	10,28,498.31
6	5,833.33	1,66.67	03/06/2019	163.22	6,469.43	6,000.00	481.19	72.18	10,55,940.12
7	5,833.33	1,66.67	02/07/2019	162.52	6,432.51	6,000.00	457.44	68.62	10,45,411.53
8	5,833.33	1,66.67	02/08/2019	153.79	6,393.50	6,000.00	142.78	21.42	9,83,255.72
9	5,833.33	1,66.67	03/09/2019	152.26	6,354.09	6,000.00	83.94	12.59	9,67,473.67
10	5,833.33	1,66.67	03/10/2019	158.88	6,316.33	6,000.00	330.40	49.56	10,03,537.73
11	5,833.33	1,66.67	04/11/2019	165.59	6,280.09	6,000.00	560.27	84.04	10,39,920.27
12	5,833.33	1,66.67	02/12/2019	166.53	6,244.06	6,000.00	590.89	88.63	10,39,923.56
13	5,833.33	1,66.67	02/01/2020	168.93	6,208.54	6,000.00	667.78	100.17	10,48,809.30
14	5,833.33	1,66.67	03/02/2020	169.74	6,173.20	6,000.00	693.02	0.00	10,47,838.22
15	5,833.33	1,66.67	02/03/2020	168/83	6,137.66	6,000.00	664.60	0.00	10,36,220.61
16	5,833.33	1,66.67	03/04/2020	137.82	6,094.12	6,000.00	-535.98	0.00	8,39,891.88
17	5,833.33	1,66.67	04/05/2020	151.25	6,054.45	6,000.00	44.43	0.00	9,15,735.94
18	5,833.33	1,66.67	02/06/2020	157.89	6,016.45	6,000.00	294.88	0.00	9,49,937.51
19	5,833.33	1,66.67	02/07/2020	163.29	5,979.71	6,000.00	483.50	0.00	9,76,426.36
20	5,833.33	1,66.67	03/08/2020	167.73	5,943.94	6,000.00	629.55	0.00	9,96,976.25
21	5,833.33	1,66.67	02/09/2020	174.80	5,909.61	6,000.00	846.92	0.00	10,32,999.88
22	5,833.33	1,66.67	05/10/2020	175.62	5,875.45	6,000.00	870.74	0.00	10,31,845.76
23	5,833.33	1,66.67	02/11/2020	177.78	5,841.70	6,000.00	933.19	0.00	10,38,536.71
24	5,833.33	1,66.67	02/12/2020	193.10	5,810.62	6,000.00	1,335.51	0.00	11,22,031.49
25	5,833.33	1,66.67	04/01/2021	202.79	5,781.04	6,000.00	1,557.68	0.00	11,72,336.43
26	5,833.33	1,66.67	02/02/2021	208.57	5,752.27	6,000.00	1,681.32	0.00	11,99,750.83
27	5,833.33	1,66.67	02/03/2021	212.49	5,724.03	6,000.00	1,761.05	0.00	12,16,299.73
28	5,833.33	1,66.67	05/04/2021	209.99	5,695.46	6,000.00	1,710.20	0.00	11,95,989.65
29	5,833.33	1,66.67	03/05/2021	211.48	5,667.09	6,000.00	1,740.50	0.00	11,98,475.88
30	5,833.33	1,66.67	02/06/2021	221.31	5,639.98	6,000.00	1,929.60	0.00	12,48,183.35
31	5,833.33	1,66.67	02/07/2021	227.36	5,613.59	6,000.00	2,038.10	0.00	12,76,305.21
32	5,833.33	1,66.67	02/08/2021	233.10	5,587.85	6,000.00	2,135.65	0.00	13,02,527.21
33	5,833.33	1,66.67	02/09/2021	245.14	5,563.37	6,000.00	2,325.84	0.00	13,63,804.89
34	5,833.33	1,66.67	04/10/2021	247.58	5,539.14	6,000.00	2,351.21	0.00	13,71,379.51
35	5,833.33	1,66.67	02/11/2021	249.27	5,515.07	6,000.00	2,386.30	0.00	13,74,740.65
36	5,833.33	1,66.67	02/12/2021	244.25	5,490.50	6,000.00	2,312.53	0.00	13,41,055.02
			03/01/2022	249.45	5,466.45	6,000.00	2,388.65	0.00	13,63,605.53
	2,10,000.00	29,166.67				2,16,000.00		613.32	

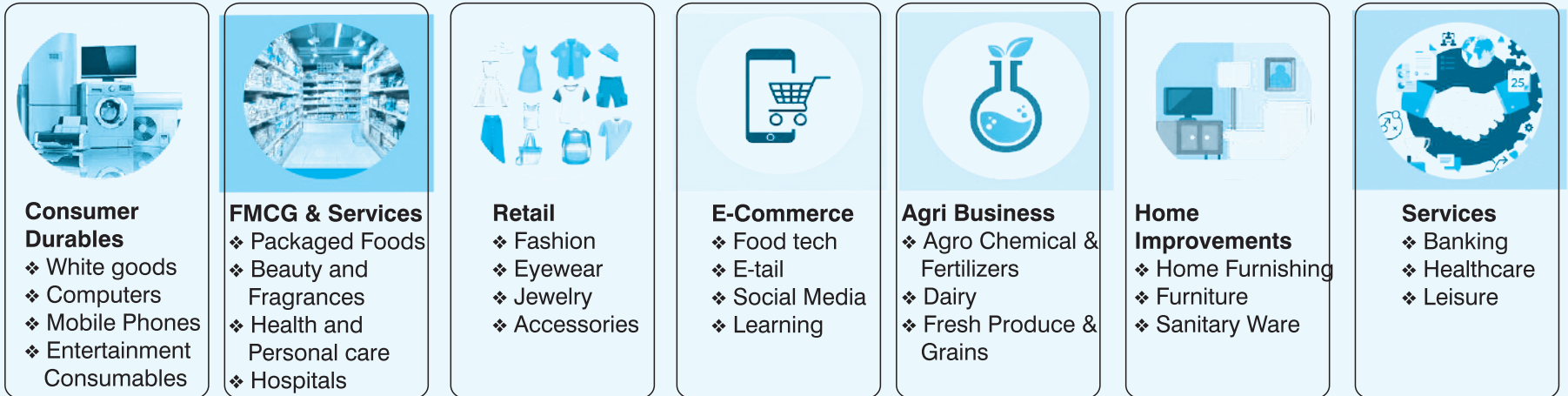
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# WHY INDIA CONSUMPTION STORY..!!

Consumer markets are changing dynamically in the face of continuous disruption

India's consumer market can be categorized into :

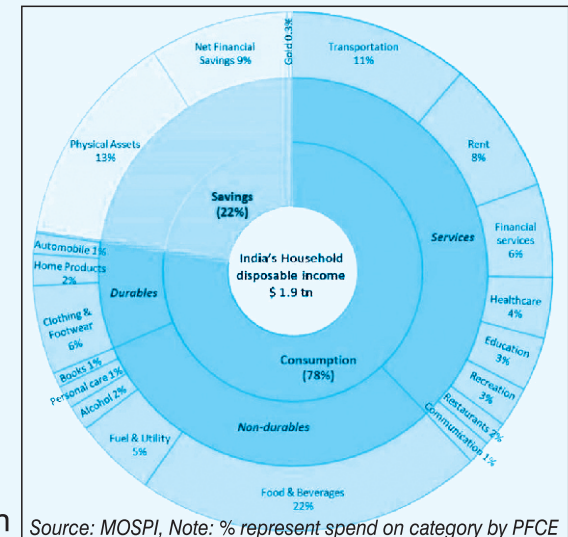


- ❖ Consumption is 60% of GDP, but just 38% of market capitalization.
- ❖ India is still a country of have nots than haves, where a large part of the consumer base hasn't even started their consumption journey.
- ❖ Grown by 13% p.a. in nominal terms over last 38 years.
- ❖ Structural - Income effect, demographic shift, digital connectivity, rising affordability, consumer aspirations.
- ❖ 2030 - 3rd largest consumption economy in the world.

## Trends in India

- ❖ Newly launched SUV, clocks 70,000 bookings in the first three days of booking.
- ❖ Upper end mobile phone company sold 23 lakh phone units in the last quarter of 2021. 60 lakhs in all of 2021.
- ❖ India bought 17 crore smartphones in 2021.
- ❖ An American PC manufacturer is the new leader of the PC market in India. It sold 13 lakh units in Q2 (Jul-Sep) 2021. Now has 28.5% market share, overtaking its Chinese competitor.
- ❖ India bought 31 lakh passenger vehicles in 2021. More than one third of those sales are in SUVs.

The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020.



## Top Performing Mutual Funds based on Consumption theme (as on 28/03/2022)

Scheme Name	Launch Date	AUM (Crore)	1 Year Return (%)	2 Years Return (%)	3 Years Return (%)	5 Years Return (%)	7 Years Return (%)	10 Years Return (%)
SBI Consumption Opportunities	02-01-2013	865.30	33.93	50.00	16.24	14.95	14.31	—
Nippon India Consumption	30-09-2004	181.12	26.41	44.86	20.41	11.34	11.39	14.42
Tata India Consumer	02-12-2015	1278.87	20.79	34.90	14.21	14.69	—	—
Mirae Asset Great Consumer	29-03-2011	1584.84	20.69	40.45	15.33	15.59	12.93	16.87
Aditya BSL India Gen Next	05-08-2005	2500.66	20.12	39.79	17.18	14.20	13.44	17.92
Canara Robeco Consumer Trends	14-09-2009	757.03	17.25	39.69	17.79	15.39	13.93	16.98
Baroda BNP Paribas India Consumption	07-09-2018	845.01	17.11	34.03	19.28	—	—	—

\* Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

## Vcare Investment Services Pvt. Ltd.

For any of your requirements in:

- ❖ **Mutual Funds**
- ❖ **Health Insurance (Mediclaim)**
- ❖ **Life Insurance (Term Plan)**

**Journey2Money - Brand of Vcare Investment Services Pvt. Ltd.**

Shop No. 14, Veena Sarang CHS Ltd. Next to SVC Bank,

Opp. Sachin Tendulkar Gymkhana, Sai Baba Extension Road, Borivali (West), Mumbai - 400092.

Tel.: 022 6236 2201 / 02

**Mr. Keyur Desai : 9833024371 • Mr. Ashish Shah : 9920990380**

Regd. Office: **Vcare Investment Services Pvt Ltd**

201 Sai Sadan, 76/78 Modi Street, Fort, Mumbai - 400 001

Tel.: 022 6654 8814 / 15, 4002 0893 / 94.

❖ **Piyush Desai : 98203 00647**

❖ **Mehul Bheda : 98195 92326**

❖ **Priyesh Darbari : 99200 32541**

❖ **Bakul Mehta : 98211 23324**

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ELSS SCHEME PERFORMANCE AS ON 1ST APRIL 2022

Scheme Name	Launch Date	AUM (Crore)	1 Year Return (%)	3 Years Return (%)	5 Years Return (%)	10 Years Return (%)
Quant Tax Plan	08-03-2000	855.21	45.46	34.34	23.79	19.69
IDFC Tax Advantage (ELSS) Fund	26-12-2008	3427.64	31.19	19.90	16.32	18.03
PGIM India ELSS Tax Saver Fund	11-12-2015	341.73	28.73	18.57	14.46	—
Parag Parikh Tax Saver Fund	26-07-2019	432.03	26.88	—	—	—
HDFC Tax Saver Fund	31-03-1996	8863.93	26.05	11.68	9.44	12.69
Mahindra Manu ELSS Kar Bachat Yojana	18-10-2016	425.32	25.09	17.32	11.14	—
Union Long Term Equity Fund	23-12-2011	453.04	23.44	19.09	13.88	13.85
Kotak Tax Saver	23-11-2005	2414.86	22.40	18.12	14.05	15.37
DSP Tax Saver	18-01-2007	9397.02	22.39	19.31	14.34	17.61

Features of Investing in ELSS : ♦ Save Tax U/S 80-C of IT Act ♦ Lowest Lock in period of 3 years  
♦ Dual benefit of Tax Saving with Wealth creation ♦ One can contribute through monthly SIP  
♦ Professionally Managed.

\*Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

How the score of 36 was scored differently in #Cricket Matches

- # Sunil Gavaskar scored 36 runs in 60 Overs.
- # Yuvraj Singh scored 36 runs in 1 Over.
- # Team India scored 36 runs in 1 Innings.

What can you LEARN here from an Investing Point Of View?

- 1) Like GAVASKAR innings, sometimes your investment can give you lesser returns for a prolonged tenure.
- 2) Like YUVRAJ, sometimes your investment can deliver highest returns in least possible time.
- 3) Like TEAM INDIA, sometimes all your assets can perform terribly.

However in spite of these, Gavaskar was one of the FINEST BATSMEN, Yuvraj was a GREAT PLAYER and Team India ranks at the TOP.

Mutual Funds and Cricket are Subject to Market Risks.

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From : VCARE INVESTMENT SERVICES PVT. LTD.  
201, Sai Sadan, 76/78, Modi Street, Fort, Mumbai-400 001 • Tel.: 6654 8814/15  
E-mail: support@journey2money.com • Web: www.journey2money.com

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