

GATEWAY FOR INVESTMENTS

Forecast

BSE SENSEX

Wealth Building in Progress...

74,371.07 ↑ 13,156.64% +73,810.06 Max

Mar 6, 3:19:08 PM UTC+5:30 · INDEXBOM · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX

100,000

80,000

60,000

40,000

20,000

**Correction is temporary,
Growth is permanent**

🔍 Compare to

EDITORS NOTE

Dear Investors,

The financial markets are constantly evolving, presenting both opportunities and challenges. As an AMFI-certified mutual fund distributor, my goal is to help you navigate these changes with confidence and informed decision-making.

In recent months, we have witnessed market volatility driven by global economic uncertainties, shifting interest rate policies, and sectoral movements. While short-term fluctuations can be unsettling, history has shown that disciplined investing and long-term wealth creation strategies yield the best results.

This issue of our newsletter focuses on key market insights, sectoral trends, and investment strategies tailored for the current landscape. Whether you are looking at SIPs for wealth accumulation, asset allocation strategies, or diversification techniques, we are here to guide you with sound financial solutions.

Stay invested, stay informed, and let's build a strong financial future together.

“

Good financial discipline creates more wealth than Financial Intelligence.



I have been selected to attend the prestigious International Seminar for Financial Consultants in Sydney, Australia on February 21st, 2025. Honored to be a part of this esteemed event!



Received the prestigious Court Of the Table award from LUGI Board members



Received the prestigious COT award from LIC Zonal Manager Shri Venkataramanan.

10% Guaranteed Taxfree Return for Lifetime

PAY MONTHLY
Rs. 10,000
for 15 years



Get guaranteed passive Income
**3 LAKHS FROM
56 YEARS TO 75 YEARS**

In Addition
**Family Member
will get 1 Crore**



2025 Union Budget Key Highlights for Individual Investors

- Income up to Rs 12 lakhs (after standard deduction) will be tax free in the New Tax Regime. This has been done by increasing the 87A rebate limit to Rs 60,000.
- Tax collected at sourced (TCS) threshold limit on Liberalised Remittance Scheme (LRS) is proposed to be increased to Rs 10 lakh from Rs 7 lakh.
- The budget allows homeowners tax exemption for two self-occupied properties, instead of one. There will be no burden of taxation on notional rental income for self-occupied second home.
- The Budget has clarified taxation of Unit Linked Insurance Plans. For your policy proceeds to qualify for exemptions under Section 10(10D):
 - ULIP Premiums must not exceed 10% of policy sum assured for policies issued after 01/04/2012.
 - The total annual premium should not exceed Rs 2.5 lakhs.
- If any of the above two conditions are not met policy gains will be treated as capital gains and taxed accordingly.
- Capital Gains Tax and Securities Transaction Tax (STT) rates remain unchanged from last Budget.



Mr. R. Gopinath., CEO
Gopast Centre for learning Pvt Ltd

Suitability of Life insurance endowment types of products in the new scenario after,

*the amendment to Sec 10(10D) of the income tax announced in
the finance act 2023-24*

This article is divided into 3 parts: 1) Understanding the amendment 2) Yield and 3) the suitability of this type of products to the clients.

1) Understanding the amendment

In the budget 23-24 it was proposed to amend sec 10(10D) of Income tax act 1961 and later it has become a part of the finance act 2023.

Further to that CBDT has issued clarifications regarding applicability of exemption u/s 10(10D) in respect of receipts from Life Insurance Policies in different situations, vide Circular 15/2023 dated August 16, 2023, in line with amendments in Finance Act, 2023.

Some of the highlights of this amendment will be discussed in this article now.

ULIPS are not governed under this amendment and they will continue to be treated according to the finance act 202. The Finance Act, 2021 previously made amendments that governed unit linked insurance policies (ULIPS) issued on or after 01.02.2021. If the premium exceeded Rs 250,000 for any previous years during the policy's term, any sum received would not be exempted under the clause. Instead they will be subject to Long term capital gains tax provisions.

There are 3 important provisos of the finance act 2023 that we will focus now, and also on Sec 56:-

i) Sixth Proviso Limit on Single Policy Premium: From the financial year 2024-25, if the premium payable for any previous years during a policy term surpasses Rs 500,000, the money received will not

be exempted.

ii) Seventh Proviso - Aggregate Premium for Multiple Policies: If premiums are due on more than one life insurance policy, the exemption is applicable solely for such policies for which the aggregate premium doesn't exceed Rs 500,000 for any of the previous years during the term.

iii) Eighth Proviso - Death Benefits Remain Exempt: The above provisions concerning premium limitations are negated if the sum is received due to the death of the policyholder.

Sec 56(2):

Inclusion of a new clause (xiii) in section 56(2) established that amounts received from life insurance policies not fulfilling criteria under clause (10D) of section 10 will be considered as "Income from other sources" and therefore taxable.

Some suggest assignment of the policy to another person close to the maturity to avoid tax, but how far this will be considered by the tax authorities is doubtful. Because, the policy is classified under not eligible for Sec 10(10D) benefit. The recipient may be asked to bear the tax payable. The differential tax slabs of the investor and the recipient might cause some benefit in this case.

2) The Yield

To understand these changes let us discuss a few examples:

Mr Dhruva has taken a life insurance endowment type of policy for a 20 year term that has a premium commitment of 6 lakhs yearly (without GST) and the Sum Assured under this plan is 1.25 Crores. Upon maturity of this policy in 2043 September let us say

he receives an amount of 2.60 crores that includes the sum assured, bonuses and the final addition bonus. Let us examine as to how this will be treated for considering the tax liability.

1) Scenario: Maturity:

A	Total benefit received	2,60,00,000
B	Total of the premiums paid in 20 years @ 6Lakhs per annum	1,20,00,000
C	The income to be considered for taxation (A-B)	1,40,00,000
D	TAX: (Presuming that in 2043 his income tax slab rate will be 30%)	42,00,000
E	The post tax benefit under this policy	2,18,00,000
F	The IRR on this transaction could be:	5.39%
	This is the post tax IRR not considering with the risk cover benefit of 1.25 cores + Bonuses accrued till death that the policy had provided for the 20 years	

2) Scenario: Maturity of 3 policies availed where the aggregate premium is over 5 lakhs per year. The list of policies availed in the following sequence:

Policy number abc01: Yearly premium 1 Lakh

Policy number abc02: Yearly premium 2 Lakh

Policy number abc03: Yearly premium 4 Lakh

As after availing policy abc03 the aggregate exceeds 5 Lakhs Sec 10(100) limit is under question now. According to the circular the maturity benefits (consideration) of only abc02 will NOT be exempted while both abc01 and abc 04 will get exemption under sec 10(10D). The clubbing of abc02 and abc03 will not be considered for the aggregate because the best of the benefit to the investor is considered here.

3) Scenario: Maturity of 3 policies availed where the aggregate premium is over 5 lakhs per year. The list of policies availed in the following sequence:

Policy number efg01: Yearly premium 1 Lakh

Policy number efg02: Yearly premium 2 Lakh

Policy number efg03: Yearly premium 6 Lakh

In this case policy efg03 will NOT get exemption under Sec10(10D) as the premium exceeds 5 lakhs and policies efg01 and efg02 will get exemption under Sec10(10D)

4) Scenario Survival benefits

Let us now consider the amount to be considered for the taxation purpose under a survival benefit policy:

Premium 5,35,000 per year for the premium paying term of 20 years for a Sum assured of 1 crore, and from then the survival benefit payable for the whole term of the policy (100 years) at the rate of 8% of Sum assured.

Since the premium exceeds 5 lakhs this policy will NOT get exemption under Sec10(10D)

B	Total of the premiums paid in 20 years @ 5.35Lakhs per annum	1,07,00,000
C	SB amount 8 Lakhs per annum for the first 13 years	1,04,00,000
D	for a part of the next year	3,00,000
E	for the balance part of that year	5,00,000
F	and the 8 lakhs per annum thereafter	8,00,000

Since in the above calculation C and D does not exceed the aggregate of all the premiums paid under that policy, they will not be treated as benefits to be taxed, however monies received as SB in the above table row E and F will be treated as income from other sources and be subject to tax.

to be continued...



VIEWS ON DEPOSITS & MUTUAL FUNDS

HIGHEST INTEREST RATES ON FIXED DEPOSITS SCHEMES

FD Name	Rating	Interest Rate* (Up to)
Shriram Finance Limited	MAA+by ICRA, FAA+by CRISIL	9.34%
Bajaj Finserv	FAAA by CRISIL, MAAA by ICRA	8.35%
Mahindra & Mahindra Financial Services Ltd	CRISIL FAAA	8.30%
ICICI Home Finance	FAAA by CRISIL, MAAA by ICRA	8.00%
PNB Housing Finance	CRISIL FAAA	8.00%
LIC Housing Finance	FAAA by CRISIL, MAAA by ICRA	8.00%
HDFC Bank	FAAA by CRISIL, MAAA by ICRA	7.50%
RBI Bonds	Reserve Bank of India	8.05%

* Highest rate including additional interest for Senior citizens, employees etc. Wherever applicable.

* As of March 2025.

POSTAL DEPOSIT

Time Deposit (TD 1-5 Years)	7.50%
NSC (5 Years)	7.70%
Monthly Income Scheme (MIS)	7.40%
Kisan Vikas Patra	7.5% (Double in 115 months)

Earn Higher rate of interest
UP TO **9.40%*** p.a.
(Inclusive of 0.5% for senior citizen)

FUND PERFORMANCE CHART - TOP EQUITY FUNDS

Fund Name	Sector	NAV	1 Year(%)	3 Year(%)	5 Year(%)
Bandhan Small Cap Fund	Small Cap	38.71	8.82	24.29	31.15
Motilal Oswal Midcap Fund	Mid Cap	89.56	16.66	27.36	25.98
Parag Parikh Flexi Cap Fund	Flexi Cap	77.45	11.42	17.94	23.54
UTI Large & Mid Cap Fund	Large & Mid	157.46	8.57	19.42	21.47
Nippon India Large Cap Fund	Large Cap	79.53	3.66	18.34	18.52
Invesco India Multi Cap Fund	Multi Cap	114.23	4.60	15.91	17.59
ICICI Pru Pharma Healthcare Fund	Sectorial	34.54	13.43	22.65	26.27

FUND PERFORMANCE CHART - TOP DEBT FUNDS

Fund Name	Sector	NAV	1 Year(%)	3 Year(%)	5 Year(%)
ICICI Pru Multi Asset Fund	Multi Asset	697.01	12.17	18.36	21.51
HDFC Balanced Advantage Fund	Dynamic Asset Allocation	472.51	4.55	19.71	19.64
UTI Aggressive Hybrid Fund	Hybrid Aggressive	369.21	8.20	15.47	17.69
Kotak Banking and PSU Debt Fund	Banking & PSU	63.17	7.58	6.28	6.26
Invesco Banking & PSU Fund	Banking & PSU	2137.97	8.39	4.750	5.76

Secure Your Child's Future

Invest in Their Happiness Today!

Invest ₹10 lakhs once in your child's name with a 13% ROI instrument. This strategic investment plan provides financial support for your child's education, marriage, even retirement, etc.,

Retirement Income of ₹2lakhs per month from 61 to 75th year



A lump sum of ₹4.5 crores at the end of the 75th year.



For Advanced Higher Education get ₹10 Lakhs for 2 years

Receive ₹50 Lakhs for Wedding Expenses



For Undergraduate Studies Get ₹5 Lakhs for 4 year



Get ₹1L Every year for School fees from 1std to 12th Standard

Invest Onetime 10Lakhs & Receive 9crore

For More Details, Contact
+91 98406 45161

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



**Your greatest asset is
not your home or car**

Its your Health

**Just Spend
Rs.40/Day & Get
10 Lakhs
Health Cover for Family**

HEAR FROM OUR CLIENTS



I am expressing my sincere appreciation for the outstanding service provided by KC Financial Services as my finance and insurance advisor. From our initial meeting, I have been consistently impressed by your deep knowledge of financial products and insurance plans, as well as your ability to explain complex concepts in a clear and understandable manner. Your professionalism, attention to detail, and genuine care for my financial well-being have truly made a difference. I particularly appreciate your prompt responses to my inquiries and your proactive approach to keeping me informed about new opportunities and changes in the market. Your guidance has been invaluable in helping me make informed decisions, and I feel much more confident about my financial future thanks to your expertise.

- Mr. Balasubramanian. R, Project Manager SEPC LTD



I have taken a health insurance policy through KCFS. The Leading health insurance company partially approved my ayush claim without any valid reason. The KCFS team has helped me to take up the issue to the higher level - Ombudsman and finally I received the full claim amount. Mr. Chinnadurai & his team has provided extraordinary support , They are not only selling the product they will provide the best service throughout the journey. So I will highly recommend KC Financial services for all your Investment services ..They also deal with life insurance, Mutual funds, Deposits, DEMAT, Income Tax Filing, e-gold, Bonds, Postal deposits etc.

- Ms. Usha Ashok, Bsc, LLB. Advocate

A NOTE TO OUR DEAR READERS

“Forecast” is an investor awareness publication by KC Financial Services. Write your Feedback to support@kcfs.in or you can simply send a message.

SMS/Whatsapp : +91 94440 45161/90430 45161

ADDRESS

2/183, Mount Poonamallee High Road,
Kattupakkam, Chennai-600056.

Landmark : Opp. to Muneeshwaran Temple

Mobile No : +91 90430 45161

Write to us : support@kcfs.in