

# FINANCIAL Insights

Powered by CRK Financial Solutions



Save  
Invest  
Prosper  
With 

# Dear Customer and Friends,



Greetings and Wishes! from CRK Team. It gives extreme pleasure and satisfaction to have an interaction with you all through this magazine.

Our continued focus is to provide our customers quality service meeting

the best expectation of the customers at all levels. We are proud to share with our customers and friends that **CRK Financial Solutions is now an ISO Certified organisation**. This has become possible by your support, feedbacks and suggestions for our improved service.

We are all observing self-discipline and restrictions to overcome the threat this pandemic situation posted to us. We are slowly coming out of the clutches of this. Scientists have helped us with vaccination which is currently administered for Doctors, frontline workers, senior citizen and patients of 45-60 years with Comorbidities. Let us wait for our turn and get ourselves vaccinated.

I avail this good opportunity to have a basic introduction to you on a special investment practice which is bearing the golden context of “paise make lakhs”. We might have observed that our grandparents and parents had the habit of keeping a “Hundi” where they keep dropping paise and rupee coins regularly, which would get accumulated slowly to become a corpus fund. Later, this concept was developed as a savings plan in post offices and banks with a title “Recurring deposit” where the investor will save a stipulated amount every month which would get accumulated for some specific period and on maturity the depositor will receive the invested amount along with interest. In this the depositor would know the maturity sum at the beginning

of investment and the same will be nominal and fixed.

There is a special investment plan called “Systematic Investment plan” (SIP) which would operate the same way the recurring deposits would operate. The difference is that in mutual fund the amount will be invested in equity or debt funds by fund managers. In Mutual Funds as such the returns will be high and variable. For instance if a depositor invests INR 3000 in a bank in SIP for a period of 15 years, the amount of investment will be INR 5.40 Lakhs. This would grow in multiple folds to a tune of minimum INR 15.31 Lakhs in 15 years, assuming growth rate to be 12% p.a.

We at CRK Financial Solutions are here to ascertain the amount of SIP investment needed for your specific financial goals considering the time duration involved and the Corpus required. On registration, this SIP would happen as an automatic transaction every month on a stipulated date for a fixed amount. The Corpus formed is readily available for the investor to withdraw anytime if need be. There are two additional advantages the depositor has with its primary advantage being that it makes the investment a routine activity. Since the amount is less the pressure is never felt on your purse. The amount of monthly SIP can be as low as INR 500 and there is no upper limit and hence it is the best investment mode for all income groups.

Inviting all the readers of this magazine to **"S"ave, "I"nvest and "P"rosper** through CRK.

*C. Ravikumar*

CEO., CRK Financial Solutions

## OUR MOTTO

**Don't find customers for the products,  
Find products for the customers**

### We're Social



+91 99416 06398



username

CRK Financial Solutions



**My bank FD of INR 6 lakhs is maturing shortly. Due to falling interest rates and also to invest this amount in mutual funds, to get a return of 8% per annum. I am in the 30% tax slab, retired senior citizen, and I am not averse to taking some risk. Which mutual funds should I invest in?**

**Mr. Sharma, Mumbai**

A return of 8% is too high expectation in debt funds especially in the categories suitable for SWPs. Please tone down your expectations and use floating rate, ultra short and short term funds for SWP. Please go with high quality funds and not with and with high-returning funds. Also consider RBI floating rate bonds 2020 as it will provide returns and guarantee.

**I am an NRI. I want to gift Rs.50 lakhs to my daughter to pre close her home loan. She is an Income tax assessee of 20 percent slab. What are the tax implications?**

**Mr. Rajaraman, West Mambalam**

Under Income tax Act 1961, gift received from a relative is not chargeable to tax. Father is covered under the definition of a relative, hence, gift received by your daughter from you, will not be taxable in her hand. You may remit the money to the account of your daughter.

*If you have any queries related to finance/ savings/ investments, we would be pleased to answer them.*

**e-mail : radhukanna@gmail.com**

**Whatsapp : 9941606398.**

**திருக்குறள் - தெய்வீகவிகை யாடல் - 512**

குன்றிநீர் யாக்கைப்போர் கண்டநீரால் தனக்ககத்தொன்று உண்டாகச் செய்வான் விகை.

**விகைக்கம் :**

An undertaking of one who has wealth in one's hands is like viewing an elephant-fight from a hill-top.

## ISO 9001 LEVEL CERTIFICATION DENOTES THAT AN ORGANISATION IS VERY MUCH COMMITTED ON THE FOLLOWING ASPECTS.

### Quality Management Principles:

01. Customer Focus
02. Leadership
03. Engagement of People
04. Process Approach
05. Improvement
06. Evidence based decision making
07. Relationship Management

We are delighted to share that CRK Financial is now an ISO Certified Organisation.



# Wealth that grows & Lasts Forever

PRINCIPLE NO: 6 - "Financial Pyramid"

In the previous issue we had discussed about the bottom of the financial pyramid, being protection, and the reasons for the priority given to this asset in the pyramid.

How much life insurance should a person have? There are broadly three methods to estimate this requirement.

- 1) Capital Need Analysis.
- 2) The Human Life Value.
- 3) The Net Worth method.

## 1) Capital need analysis (Working capital provision) Method:

Just like any business has a cash requirement for providing Fixed Capital and Working capital, a family also needs cash to provide for these two capitals in the family. If Plant, Machinery, Land etc., constitute the Fixed capital of business, then House, Car, One time Big expenses on Education or Marriage constitute FC of the family. Sample of Working capital is given here below:

### Working Capital

Imagine what happens to businesses which have adequate fixed assets bought out of its capital funded by the promoters, but not having adequate cash to take

care of working capital?

You are correct, the business folds up. The fixed capital is not fully getting used or leveraged. An Airlines having big planes, but not able to pay the crew, will end up having all those big planes parked on ground and depreciating in value without usage. The same can happen with a family that does not have enough money for working capital, but has big house, car etc.

Life insurance will ensure that the family continues to enjoy the usage of all fixed assets and no need of diluting them. That is why heads of families who are so eager in keeping on increasing the fixed capital of the family, should equally focus on providing for the working capital as well. While most of the times fixed capital requirements are arranged through bank borrowings, working capital requirements are funded through the earning capacity of an individual. In that case look at the risk the family is put into depending on the contribution of a person to his family.

Hence it is important for any individual to have a life cover insurance plan in place.



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

Business	Family
Raw Materials and Other components	Food, Clothes, School fee etc.,
Salaries, Wages and other operating expenses	Salaries to drivers, house maids, staff, house rent, maintenance cost
EMI and Interest Payments	Credit card EMI
Tax related to business	Property

# Financial Year 2021-2022 Budget

## Important Changes in Tax Rules

- ▶ From April 1, 2021 the Interest accrued on PF Contribution of employees who receive interest more than 2, 50,000 INR will be considered as taxable income.
- ▶ Individual employees will be provided prefilled Income tax return forms for their convenience when they file their tax return.
- ▶ Considering the restrictions imposed on travel due to pandemic the government has introduced Travel

leave concession cash voucher scheme for those who opted for LTC in tax exemption but are not able to travel.

- ▶ Senior citizens who are above age 75 and who are pensioner or depending on interest they receive from deposits they made, are exempted from filing ITR.
- ▶ Government has introduced a method called Double TDS for those who are not filing the ITR.

👍👍 திருக்குறள் - நெருந்துவகையாடல் - 512  
வாரீ பெருக்கி வளம்படுத்து உந்நகைவ  
ஆராய்வான் செய்க வகை.

வகைக்கம் :  
Let him do the work which can enlarge the sources (of revenue), increase wealth and considerably prevent the losses.

## BEST FORMULA FOR FINANCE CONTROL

All of us are aware that our expenses are inevitable and essential too. At the same time it is also very important to have savings and investments for us to meet our unforeseen expenses, life challenges, crisis etc. People use different formulas as per their convenience but it is very important to note and learn how to save within our earning capacity.

### Normal People Handle Finance This Way

$$\text{Income} - \text{Expenses} = \text{ZERO} \quad \text{😞}$$

### Some Disciplined People Make

$$\text{Income} - \text{Savings} = \text{EXPENSES} \quad \text{😄}$$

### Few People with NO Financial Control

$$\text{Income} - \text{Expenses} = \text{DEBT} \quad \text{😞}$$

(Credit Card Loan Etc..)

### Few Smart Intelligent People Make

$$\text{Income} - \text{Investments} = \text{EXPENSES} \quad \text{😄}$$

### Many Responsible People Handle Finance

$$\text{Income} - \text{Expenses} = \text{SAVINGS} \quad \text{😄}$$



Arivu, how are you? I tried reaching you over phone but not able to connect.

01



Hi Selvam.. I am fine. My sincere apologies that I was not able to answer. Got held up in advising few friends on investments as year end is approaching.

02



I too have the same query. Before that I would like to know one specific thing like what is savings and what is investment. Both are same I guess.

03



I will explain this, Selvam. Both terms may look alike and are also being interchangeably used. But there is a distinct difference.

04



If time permits please explain, Arivu. It is my long time doubt

Saving is setting aside money you don't spend now for emergencies or for a future purchase. It's money you want to access quickly, with little or no risk, and with the least amount of taxes.

05

ARIVU

SELVAM

# Be Prudent, Be Wealthy

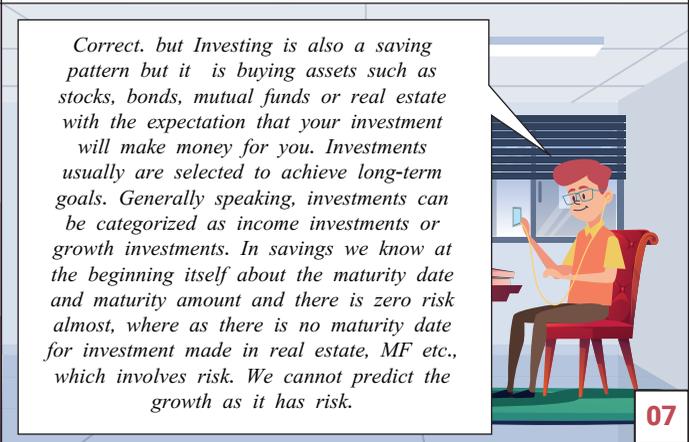
EPISODE - 08

## "SAVINGS VS INVESTMENT"



Ok. Am I right to say a simple bank account?

06



Correct. but Investing is also a saving pattern but it is buying assets such as stocks, bonds, mutual funds or real estate with the expectation that your investment will make money for you. Investments usually are selected to achieve long-term goals. Generally speaking, investments can be categorized as income investments or growth investments. In savings we know at the beginning itself about the maturity date and maturity amount and there is zero risk almost, where as there is no maturity date for investment made in real estate, MF etc., which involves risk. We cannot predict the growth as it has risk.

07



## HIGHEST INTEREST RATES ON FIXED DEPOSITS SCHEMES

FD Name	Rating	Interest Rate * (Up to)
Govt of India Bonds (RBI) Taxable	FLOATING RATE HALF YLY INTEREST PAYOUT	7.15%
Shriram Unnati Deposits	MAA+ by ICRA, FAA+ by CRISIL	8.27%
Bajaj Finance Ltd	FAAA by CRISIL, MAAA by ICRA	7.25%
PNB Housing Ltd	CRISIL FAAA	6.85%
Sundaram Home Finance Ltd.	ICRA MAA+	6.25%
Mahindra & Mahindra Financial Services Ltd	CRISIL FAAA	6.55%
ICICI Home Finance	FAAA by CRISIL, MAAA by ICRA	6.20%
HDFC Ltd.	FAAA by CRISIL, MAAA by ICRA	6.20%

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

\* As of March 2021.

## FUND PERFORMANCE CHART - TOP EQUITY FUNDS SECTORWISE AS OF 15.03.2021

Fund Name	Sector	NAV*	1 Year	3 Year	5 Year
Mirae Asset - Emerging Bluechip Reg-G	Large & Mid Cap	79.60	66.78	18.04	22.52
SBI - Small Cap-G	Small Cap	80.84	65.44	12.65	21.94
Axis - Focused 25-G	Multi Cap	31.54	89.57	17.53	17.86
Axis - Bluechip-G	Large Cap	35.51	51.95	16.82	17.75
Kotak - Emerging Equity Reg-G	Mid Cap	63.16	49.85	9.61	14.59

## FUND PERFORMANCE CHART - TOP DEBT & DYNAMIC FUNDS AS OF 15.03.2021

Fund Name	Sector	NAV*	1 Year	3 Year	5 Year
Mirae Asset - Hybrid Equity Reg-G	Hybrid	19.07	44.53	12.66	15.17
ICICI Prudential - Balanced Advantage-G	Dynamic	44.57	35.04	10.43	12.41
HDFC - Short Term Debt-G	Debt	51.08	15.55	9.32	10.7
Aditya Birla SunLife - Banking & PSU Debt Reg-G	Debt	24.38	8.57	8.59	8.3
ICICI Prudential - Floating Interest-G	Hybrid	323.19	8.15	7.69	7.71

## INCOME TAX SLAB FOR F.Y. 2020-21/A.Y 2021-22

OLD REGIME		or	NEW REGIME	
Yearly Income	Tax Rate %		Yearly Income	Tax Rate %
Upto 2.5 Lakhs	0%		Upto 2.5 Lakhs	0%
2.5 to 5 Lakhs	5%		2.5 to 5 Lakhs	5%
5 to 10 Lakhs	20%		5 to 7.5 Lakhs	10%
Above 10 Lakhs	30%		7.5 Lakhs to 10 Lakhs	15%
10 Lakhs to 12.5 Lakhs	30%		10 Lakhs to 12.5 Lakhs	20%
12.5 Lakhs to 15 Lakhs	30%		12.5 Lakhs to 15 Lakhs	25%
Above 15 Lakhs	30%		Above 15 Lakhs	30%
Tax Exemption 80C, 80D etc allowed			No Tax Exemption allowed	



*Mr. C. Ravikumar has completed the COT 2020-2021 and was honoured by Zonal Manager & SDM - LIC of India.*

## *Hear from our Clients*



*“Personalised service, customised financial solutions for all needs and connected APP to have a real time update. What more can you ask for from CRK Financial Solutions. Wishing them all the very best.”*

**- Mr. V. Chakravarthi Rajan,**  
Manager, Wipro Ltd



*“CRK Financial Services... We would like to put their services in the following sequence: Proper approach; Professional competence in explaining investment avenues; Patience in understanding our investment plans/priorities; Convincing explanations to guide us in the right path; No thrusting of tailor-made options; Good team of supporting staff for prompt processing of investments; Periodical house visits and proper follow up action; Post investment services; Fully equipped professionally... for hassle free financial solutions; To sum up... the CRK team will shoulder our investment worries and convert it into investment plans. Above all they maintain confidentiality about each investor. Gently discouraging short cuts and tax evasive approaches. We wish them all the best in their profession and in all their future endeavours.”*

**- Mr. A. C. Venkatesan,** Retired- Deputy Commissioner - (CT) & **Mrs Malathi Vijayalakshmi** - ex - CPCL

### A NOTE TO OUR DEAR READERS

“Financial Insights” is an investor awareness publication by CRK Financial Solutions. It is being sent to some of you on a complimentary basis as part of our humble effort to ensure that more & more investors are made financially aware so that they get the best from their savings & investments. We sincerely hope that you like the contents of Financial Insights and in some way benefit from the same. Moreover, we would be happy to receive your feedback on the contents of this publication, we request you to please let us know by sending us an email on [webmaster@chequeleaf.com](mailto:webmaster@chequeleaf.com). Alternatively, you can even write to us at our office address:

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