

A₹THNIVESH NEWSLETTER



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INCOME TAX SECTION 80EEB

- **Eligible Assesse:** An Individual who has taken a loan for purchase of an electrical vehicle from any financial institution (Bank or specified NBFCs). Interest payable on such loan would qualify for deduction under this section.
- **Conditions:** Loan should be sanctioned between 1/04/2019 and 31/03/2023.
- **Period of Benefit:** The Benefit of deduction under this section would be available for interest payable on such loan for each assessment year.
- **Quantum of Deduction:** Interest payable, subject to a maximum of 1,50,000 Rs/-.
- The interest allowed as deduction under this section will not be allowed as deduction under any other provision of the act for the same or any other assessment year.

Discretionary Income

- Discretionary income is the amount of money left for an individual to spend or save after paying taxes and for personal needs, such as food, lodging, and clothes. Discretionary income includes money spent on luxury goods, holidays, and non-essential goods and services.
- Discretionary spending is a significant part of a balanced economy. Citizens spend money on such items as travel, movies, and consumer goods only if they have the funds to do so. Many people purchase luxury items using credit cards, but through personal debt is not the same as getting discretionary income.
- Discretionary income is a significant predictor of economic health. Along with disposable income, economists use it to derive other critical financial ratios, such as the marginal consumption propensity (MPC), marginal saving propensity (MPS), and market leverage ratios.

Pradhan Mantri Vaya Vandana Yojana (PMVVY)

Pradhan Mantri Vaya Vandana Yojana (PMVVY) is a Pension Scheme exclusively for the senior citizens aged 60 years and above. The maximum Investment limit under this scheme is Rs 15 lakh per senior citizen. The scheme can be purchased by payment of a lump sum Purchase Price. The pensioner has an option to choose either the amount of pension or the Purchase Price. The PMVVY scheme provides subscribers with an assured return at the rate of 7% to 9% for 10 years. (The government decides and revises the rate of return)

CREDIT SCORE

What is a Credit Score?

- A credit score is a three-digit number that rates your creditworthiness. A credit score is based on your credit history, which includes information like the number accounts, total levels of debt, repayment history, and other factors. Lenders use credit scores to evaluate your credit worthiness, or the likelihood that you will repay loans in a timely manner.

How Credit Score Works?

- A credit score can significantly affect your financial life. It plays a key role in a lender's decision to offer you credit. Lenders are more likely to approve you for loans when you have a higher credit score, and are more likely to decline your loan applications when you have lower scores. You can also get better interest rates when you have a higher credit score, which can save you money in the long-term.

Term of the week

Advance Tax

Advance tax is a system in which taxpayers are required to pay their estimated income tax liability in installments throughout the financial year, instead of in one lump sum at the end of the year. This helps the government to maintain a steady flow of revenue throughout the year, and it also helps taxpayers to avoid a large tax bill at the end of the year.

FUND ANALYSIS – Axis Small Cap Regular – Growth Fund

Key Highlights :

1. **Current NAV:** The Current Net Asset Value as of Oct 23, 2023 is Rs 76.38 for Growth option of its Regular plan.
2. **Returns:** Its trailing returns over different time periods are: 22.87% (1yr), 32.26% (3yr), 25.63% (5yr) and 23.11% (since launch). Whereas, Category returns for the same time duration are: 28.6% (1yr), 36.15% (3yr) and 22.42% (5yr).
3. **Fund Size:** The Axis Small Cap Fund - Regular Plan currently holds Assets under Management worth of Rs 16175.33 crore as on Sep 30, 2023.
4. **Expense ratio:** The expense ratio of the fund is 1.66% for Regular plan as on Sep 30, 2023.
5. **Exit Load:** Axis Small Cap Fund - Regular Plan shall attract an Exit Load, "Exit load of 1% for investments beyond 10% if redeemed within 12 months"
6. **Minimum investment required is Rs 100 and minimum additional investment is Rs 100. Minimum SIP investment is Rs 100.**
7. **Investment Objective:** The scheme seeks to generate long-term capital appreciation from a diversified portfolio of predominantly equity & equity related instruments of small cap companies.

Asset Allocation

