

KNOWLEDGE INITIATIVE



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Dear Patrons,
Greetings!

We are pleased to share our monthly newsletter “Knowledge Initiative” for February 2023.

We thank you for reading and acknowledging our newsletter every month. The knowledge Initiative Team is committed to bringing to you more educative and informative articles.



1. Budget Snapshot:

Finance Minister Nirmala Sitharaman presented the first Union Budget in Amrit Kaal on Wednesday, 1st February 2023. The Budget envisions a prosperous and inclusive budget that benefits all citizens.

The current year’s economic growth is 7 % which is the highest among all major economies in spite of the massive global slowdown caused by Covid-19 and the war.



2. How SIP plays an important role in financial planning:

Investing through SIP is a simple and disciplined way of accumulating wealth over a long period of time.

SIP can be your ideal partner in this journey of meeting financial goals as it is an adaptable investment facility. SIP ensures effective planning as you can invest an amount for each goal regularly from your savings.



3. LIST OF TOP MUTUAL FUNDS:

Check the best performing mutual funds in their respective categories.



1. Budget Snapshot:

India's central government has continued to follow an expansionary fiscal policy, lending economic support through favourable income tax structures, a serious jump in government capital spending, a push towards job growth and financial support for the agricultural and adjoining sectors.

This would be the last budget presented by the current government ahead of the national elections which are due in 2024!

Budget 2023 highlights:



Higher tax Rebate under New Regime:

The Finance Minister in her budget gave a rebate of income earned up to Rs 7 lakh, up from Rs 5 lakh earlier under the new tax regime. The basic exemption limit in the regime has been raised to Rs 3 lakh, up from Rs 2.5 lakh earlier.



Benefits for Infrastructure Sector:

The Finance Minister revealed that the capital spending for infrastructure development for 2023–2024 will increase by 33% to Rs 10 lakh crore, or 3.3% of the GDP.



Benefits for Healthcare Sector:

The government in its budget allocated about Rs 8,000 crore towards various healthcare infrastructure projects and missions.



Benefits for Automobiles Sector:

The decision to provide higher tax rebates pushed auto stocks higher amid anticipation that higher spending power would lead to higher demand for vehicles. The government also announced a scheme to support state governments and also municipalities in replacing their old polluting vehicles. The government is also pushing towards faster adoption of more green energy usage.

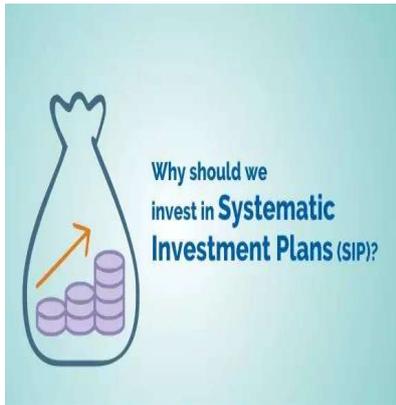


Travel and Tourism:

As many as 50 destinations will be developed as a 'complete package of tourism' according to the Finance Minister, who pushed towards making India a preferred destination for foreign and domestic tourists.

Overall, the Budget has given priority to more fiscal support and spending with the hope that the resultant economic growth will offset the negative impact stemming from a higher deficit. The slew of measures announced for infrastructure and rural development should help to bring the economy back on track.

The income tax rebates provided under the new income tax regime is a welcome change as it improves the spending power, helping improve the demand issues which plagued the economy since the coronavirus pandemic.



2. How SIP plays an important role in financial planning:

Investments in SIPs should always be in line with your changing financial situation. If your income/salary increases, so should your investments to keep up with the changing lifestyle costs.

SIPs can be customized, increased, stopped in case of an emergency or started on any date you need. So, enhance the effectiveness of your financial planning with SIPs and plan right for your financial goals in life.

Benefits of SIP's:

- 1. Brings Financial Discipline:** As you have to invest a particular sum of money at regular intervals. That brings financial discipline where you first allocate money for savings and investing for future expenses.
- 2. Simple and Convenient:** SIP brings convenience while investing, you can choose any amount of Rs. 500 or more depending on your cash flows. The same gets deducted from your Bank account & mutual fund units get credited to your fund's account.
- 3. Investing across market cycles:** When the markets are low the same SIP amount can purchase a higher number of units. In higher market cycles you get lower units thus averaging your cost.
- 4. Phased Investment:** Using SIP you are purchasing a smaller number of mutual fund units every month. Thus, helping you to invest in a phased manner over a period of time
- 5. Power of compounding:** A small amount invested for a long time period would fetch better returns than a one-time investment.

START AN SIP

AND TAKE THE FIRST STEP TOWARDS YOUR FINANCIAL GOALS.



| Years | Returns(Rs.) |
|-------|--------------|
| 5 | 4.32 lakh |
| 10 | 13.00 lakh |
| 15 | 30.46 lakh |
| 20 | 65.59 lakh |
| 25 | 1.36 Crore |

Assumed monthly SIP of Rs. 5,000 invested in an equity fund at CAGR (compounded annualized growth rate) of 15%.

Past performance may or may not be sustained in the future. Statements made herein regarding future prospects, if any, may not be realized. The data shown above is for illustration purposes only.

Any delay in starting a SIP could be very costly, we advise you to start your SIP now as there is no good or bad time to do it.

3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

| CATEGORY | NAME OF SCHEME |
|-------------------------|--|
| LARGE CAP | ICICI Pru Bluechip Fund Nippon India Large Cap Fund |
| LARGE AND MID CAP | SBI Large & Midcap Fund HDFC Large & Midcap Fund |
| FLEXI CAP | PGIM India Flexi Cap Fund Parag Parikh Flexi Cap Fund |
| FOCUSED | SBI Focused Equity Fund Nippon India Focused Equity Fund |
| MID CAP | SBI Magnum Midcap Fund PGIM India Midcap Opportunities Fund |
| SMALL CAP | SBI Small Cap Fund Nippon India Small Cap Fund |
| ELSS | Parag Parikh Tax Saver Fund PGIM India ELSS Tax Saver Fund |
| HYRBID AGGRESSIVE | ICICI Pru Equity & Debt Fund Kotak Equity Hybrid Fund |
| BALANCED ADVANTAGE FUND | Tata Balanced Advantage Fund Edelweiss Balanced Advantage Fund |
| TECHNOLOGY | ICICI Prudential Technology Fund Tata Digital India Fund |
| GLOBAL | PGIM Global Equity Opportunities Fund Edelweiss Greater China Equity Off-shore Fund |
| HEALTHCARE | Mirae Asset Healthcare Fund DSP Healthcare Fund |



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