

NIVESH CHINTAN SAMACHAR



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● Budget Takeaways

Personal Finance

- Standard deduction, for new tax regime at Rs. 75,000 up from Rs. 50,000
- NPS Vaatsalya for minor children announced. Parents can invest on behalf...
- Long-term capital gains rate hiked to 12.5%, up from 10%
- Long-term capital gains income up to Rs. 1.25 lakh exempt from tax

A Look at Govt Schemes

- One month wage to new entrants in all formal sectors up to Rs. 15,000
- Govt to reimburse EPFO contributions of employers up to Rs. 3000/month for 2 yrs
- Financial support for loans up to Rs. 10 lakh for higher education
- Rs. 10 lakh crore support for urban poor and middle-class families housing

Focus on Women Empowerment

- Setting up of working women hostels for women in collaboration with industry
- Encourage states to lower stamp duties for properties purchased by women
- Allocation of more than Rs. 3 lakh cr for schemes benefitting women
- Govt to organize women-specific skilling centres

What's in it for Tax Payers

- Capital gains tax on both long and short-term gains increased
- Angel tax for all classes of investors abolished
- Standard deduction increased by Rs. 25,000 to Rs. 75,000 in new income tax...
- New PIT regime slabs changed to benefit each tax payer by Rs. 17,500

Defence Sector

- Defence capex unchanged at Rs. 1.72 lakh crore
- Defence spending as proportion of GDP (1.9%) declines to lowest level in decade
- Ratio of pensions and salaries also at lowest level in 10 years

Infrastructure

- FY25 capital expenditure at Rs. 11.11 lakh crore; unchanged from Interim Budget
- Rs. 1.5 lakh crore interest-free loans to support infrastructure by state...
- Rs. 26,000 crore allocated for expressways in Bihar
- Rs. 15,000 crore announced for Andhra Pradesh

Focus on Farmers

- 2 crore farmers to be supported in next 2 years (certificates)
- Atmanirbharta in Oil Seeds
- DPI in Agri Infrastructure: Coverage of Farmers and their land in three years

Economy Fineprint

- FY25 FD/GDP ratio at 4.9% and FY26 at 4.5%
- Ease of business to be introduced through Jan Vishwas 2.0 legislation
- Rural spending gets a boost through a 50% increase in allocation to Rs. 2.66 trillion

Youth

- Internship scheme for 10 million youth over 5 years in top companies
- Fiscal support for monthly Rs. 5,000 internship allowance
- Centrally sponsored scheme for skilling

Startups

- Angel tax abolished for all investor classes
- E-commerce export hubs to set up in PPP for MSMEs and artisans
- Financial support for startups for setting up of nucleus breeding centres

Source : <https://www.moneycontrol.com>

MANUFACTURING SECTOR EXPECTED TO REACH \$1 TRN BY 2025-26 LED BY GUJARAT

The automobile, electronics, and textile sectors in India have witnessed surge in investment and will lead the manufacturing sector's growth in India, according to a report by Colliers



The Indian manufacturing sector is experiencing a surge in investments, marking a significant milestone in the nation's economic landscape. According to a report by Colliers, this has poised India's manufacturing market to reach \$1 trillion by 2025-26, with Gujarat becoming India's manufacturing powerhouse, followed by Maharashtra, then Tamil Nadu.

FDI boom and 'Make in India' initiative driving growth

India's manufacturing sector has experienced remarkable growth with Foreign Direct Investment (FDI) hitting \$17.51 billion in the financial year 2020-21 alone. This showcases the heightened global investor confidence. This success can be attributed to the government's "Make in India" initiative to foster domestic manufacturing, as well as policies such as the production-linked incentive (PLI) scheme. PLI schemes have helped incentivise various manufacturing industries, including automobiles, electronics, and textiles.

Initiatives like the BharatmalaPariyojana Project, the proposed DESH Bill, and the National Logistics Policy, have also helped enhance opportunities in the industrial market.

Contributing around 17 per cent to the GDP, the manufacturing sector is poised to grow to 21 per cent in the next 6-7 years, showcasing India's potential to strengthen its position in global supply chains.

Explaining the impact of government policies on FDI, Swapnil Anil, the executive director & head, advisory services at Colliers India says, "Indian states offer a myriad of advantages to industrial players, including incentives, subsidies, robust infrastructure, and essential utilities. These companies also assess critical factors such as Ease of Doing Business, government policies, economic conditions, pricing, labor availability, regulatory environment, supply chain efficiency, proximity to transport nodes, and raw material accessibility when considering entry into the Indian market."

Automobile, electronics and textiles leading in manufacturing

India's manufacturing sector is witnessing an influx of capital investment and increased merger and acquisition activity. The manufacturing Gross Value Added (GVA) at current prices reached an estimated \$ 110.48 billion in the first quarter of FY24. High investment has been witnessed in the automobile, electronics, and textile sectors, which show promising growth.

India's automotive sector has attracted interest from global players like Tesla and Ford, reflecting India's growing prominence in the global supply chain. Additionally, investments in electronics manufacturing witnessed a surge, especially in smartphones, with major players like Apple's contract manufacturers establishing local assembly units, aligning with India's competitive advantages.

Textiles and garment manufacturing sectors experience increased investment, with global brands reconsidering sourcing strategies and investing in Indian units.

Gujarat: Top regions for industrial investment

A detailed study by Colliers ranks Gujarat as the top state for industrial investment, followed by Maharashtra and Tamil Nadu. Factors include labour availability, government support, infrastructure, and financial offerings.

Toyota is set to invest around Rs 3,300 crore for a new plant, which may be operational by 2026. The Gujarat government has also granted a sizable 160,000 sqmtrs of prime land in Sanand, near Ahmedabad, for the establishment of an innovative concentrate manufacturing facility by the Coca-Cola company. Moreover, Gujarat signed three MoUs worth Rs 3,000 crore in October for textile, industrial park, engineering, including auto sector.

Due to the robust policies, subsidies, and incentives offered by the state government, Maharashtra ranks second after Gujarat. The state has the highest FDI inflow, industry GDP share, lower unemployment rate, and all major businesses have a presence in Maharashtra. Maharashtra has 21 MoUs worth Rs 88,420 crore in manufacturing, making it the state with the highest number of MoUs in the sector.

Tamil Nadu ranks third due to its combination of favourable labour policies and affordable labour. Tamil Nadu also has the right policies, subsidies, and incentives for the industries. Tamil Nadu has signed a total 79 MoUs in FY23 worth Rs 1,65,748 crore, which will generate 9,000 jobs.

Emerging sectors in Indian manufacturing

The Colliers report notes that among emerging sectors, semiconductors, agri tech, and waste management show promise. Within waste management, e-waste is particularly garnering attention.

Advanced technologies, sustainable practices, Industry 4.0, local manufacturing focus, AI integration, 3D printing adoption, and IoT-driven processes are among emerging themes in India's manufacturing sector.

Source : <https://www.business-standard.com>

PUBLIC LIABILITY INSURANCE



Public Liability Insurance offers cover for third party liabilities (Bodily Injury / Property Damage) arising out of the premises and operations of the Insured and legal costs incurred in connection therewith.

Tata AIG General Insurance Company Limited offers following three products :

- Public Liability Policy (Industrial Risk)
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- Public Liability Insurance Act Policy

Key Offerings

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Exclusions

Key Exclusions

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- Ionizing radiations
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NOTE: Please refer policy wordings for detailed coverage, exclusions and conditions.

Source : <https://www.tataaig.com>

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OUR SERVICES



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ARE ADD-ONS AND OPTIONAL FEATURES OF TERM INSURANCE REALLY BENEFICIAL?

Everybody understands the importance of having term insurance. The plan provides financial stability when your loved ones need it most. Many young individuals purchase term plans without thinking about the benefits or riders. In fact, most people only compare the sum assured and premiums before buying their term policy. Let's understand the add-ons and optional features and whether they benefit policyholders.

What Are Add-Ons in Term Insurance?

Add-ons in term insurance provide you and your beneficiary with something over and above the basic sum assured amount. Typically, the benefit could be a payout on an event other than the policyholder's death or an additional payout due to the circumstances that took the policyholder's life. Almost every term insurer offers the following add-ons with their term plans:

- **Accidental Death or Disability Benefit**

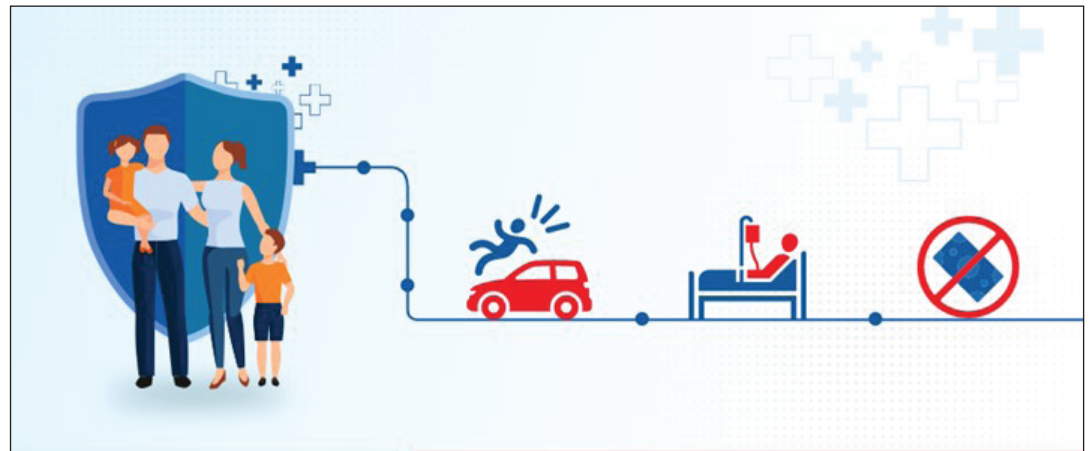
An accident could become fatal or lead to disability. In these situations, the rider provides an additional payout to help you and your loved ones deal with the difficult situation.

- **Critical Illness Benefit**

Life-threatening illnesses like heart attacks and cancer often have long and expensive roads to recovery. The benefit covers a number of specific critical illnesses. In case you get diagnosed with one of them, the add-on offers a payout. You can use the money received to pay for your treatment or replace your family's lost income.

- **Waiver of Premium Rider**

The rider waives off future premiums in case of a critical illness diagnosis or after



an accident leads to disability. Policyholders no longer have to pay the regular premium but the plan remains active ensuring the beneficiary still receives the sum assured payout.

Why Should I Purchase Add-ons with My Term Plan?

All riders or add-ons come at a cost that gets added to your premium amount. You may wonder whether the additional cost is worth it. Let's see some reasons why you should opt for add-ons with your policy:

- **It's Cost Effective**

Add-ons provide benefits that other policies may provide at affordable prices. You can opt for critical illness coverage or accidental disability coverage for the fraction of the cost of a new plan.

- **No Need for Additional Medical Checks**

When you purchase a term plan, you may have to undergo a few medical tests. You do not require additional tests when you purchase a rider with your policy. However, if you hope to purchase a stand-alone critical illness cover, you could have to pay for extra tests.

- **Some Benefits Are Unavailable**

You cannot get the benefits from riders like the waiver of premiums or accidental death with any other policy. These benefits work solely with your term plan and provide enhanced financial coverage when you require it most.

Should I Purchase Every Add-On or Optional Feature?

While add-ons provide numerous benefits, you must choose wisely. People with high-risk jobs, like pilots or miners, benefit the most from choosing an accidental death and disability rider with their plan. Individuals who travel often will also benefit from it. However, those who work from home or do not undertake any activities that could cause a fatal accident can skip paying for the rider. While selecting add-ons, you must find what works for your lifestyle and financial requirements.

Add-ons and optional features can make your term plan even better. Ensure you check the riders available and select the ones you need before paying your premium. If possible, term life insurance plan and riders when you're young and healthy so you can get the maximum benefits at a minimal cost.

Source: <https://www.hdfclife.com>

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