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## SWP: A HELPFUL INVESTMENT SOLUTION FOR RETIREMENT PLANNING

### Effective Uses of Systematic Withdrawal Plan (SWP)



#### A New Beginning Backed by Financial Freedom

After decades of hard work, dedication, and dreams fulfilled, retirement is a reward you've earned — a phase to travel, spend time with loved ones, and enjoy life on your terms. But the one thing that gives true peace of mind is knowing that your **financial independence continues** long after your last salary cheque.

With rising costs and increasing life expectancy, even a ₹1 crore corpus may not be enough. So how do you generate a steady, tax-efficient income without eroding your wealth too quickly?

That's where the **Systematic Withdrawal Plan (SWP)** from mutual funds offers a balanced, thoughtful solution — letting your investments **work for you, even after retirement**.

#### What is an SWP — and Why It Works

An SWP allows you to **withdraw a fixed amount** from your mutual fund investments at regular intervals (monthly/quarterly), while the remaining corpus stays invested and continues to earn market-linked returns. It's like creating your **own pension** — flexible, tax-efficient, and scalable.

#### A Real-World Story: The Aroras' Monthly ₹1.2 Lakh Income

Meet Mr. and Mrs. Arora, a retired couple in their late 60s, living in Pune. After selling part of their business and accumulating ₹2 crore in savings, they wanted a **stable income** that matched their lifestyle — travel, fine living, and family commitments — while ensuring the corpus lasted for decades.

They chose a conservative hybrid mutual fund and set up an **SWP of ₹1.2 lakh per month** (₹14.4 lakh annually).

- **Corpus invested:** ₹2 crore
- **Monthly SWP:** ₹1.2 lakh
- **Annual withdrawal:** ₹14.4 lakh
- **Assumed return:** ~9% annually (market-linked)
- **Effective withdrawal rate:** 7.2%

With careful fund selection and annual reviews, the Aroras enjoy regular income, capital preservation, and even capital appreciation over time. Their lifestyle remains unaffected by inflation, and their children are proud they've never had to depend on them.

#### Why SWP Makes Emotional and Financial Sense

##### 1. Predictable Monthly Income

Your expenses don't stop — neither should your income. SWPs give you structured, monthly payouts while your wealth continues to grow in the background.

##### 2. Complete Control

Unlike annuities, you retain full control of your money. Want to increase or reduce withdrawals? Pause during a market downturn? No problem. It's your money — and it works your way.

##### 3. Better Than FDs and Annuities

SWPs are not only more flexible, but also **more tax-efficient**. Instead of paying full tax on bank interest, you're only taxed on the capital gains portion — and after 3 years, with indexation benefits in debt funds.

##### 4. Legacy Planning

In case of an unfortunate event, the remaining corpus can be passed on easily to your loved ones — unlike annuities which often die with the investor.

#### How SWP Compares

Feature	Fixed Deposit (FD)	Annuity Plan	SWP in Mutual Funds
Returns	5–7%	5–6%	8–12% (market-linked)
Liquidity	Locked-in or penalized	Irreversible	Fully flexible
Tax Treatment	Interest fully taxable	Fully taxable	Gains taxed; principal tax-free
Capital Growth	No	No	Yes
Legacy Transfer	Complex	Not possible (in some)	Seamless

(Source: AMFI, SEBI, RBI, PersonalFN Research)

#### Key Considerations for ₹1.2 Lakh/Month SWP

- **Choose the Right Fund:** Prefer hybrid or equity-savings funds with moderate risk and steady returns.
- **SWR (Safe Withdrawal Rate):** For higher SWPs (like ₹1.2 lakh/month), a ₹2 crore or more corpus is recommended.
- **Plan for Market Cycles:** Have a buffer of 6–12 months in liquid funds to avoid withdrawing during market lows.
- **Review Annually:** Track returns, inflation, and family needs with a financial advisor.

#### Final Thoughts: Invest with Heart, Retire with Dignity

You've spent your life earning and building. Now let your money return the favor.

A **Systematic Withdrawal Plan** offers the rare balance of **regular income, capital growth, and complete control** — without the tax burdens or rigidity of traditional products. Most importantly, it gives you what you truly deserve in retirement: **freedom, dignity, and joy**.

Whether it's ₹40,000 or ₹1.2 lakh a month — a well-planned SWP ensures your retirement is not just secure, but celebrated.

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# WHY SHOULD YOU BUY A PERSONAL ACCIDENT INSURANCE POLICY?

Life is full of uncertainties, and accidents are a grim reminder of how quickly things can change. According to the **Ministry of Road Transport and Highways (MoRTH)**, India reported over **4.6 lakh road accidents** in 2022 alone, leading to nearly **1.7 lakh fatalities** — that's over **450 deaths every day**. Yet, a significant portion of Indians remain **uninsured or underinsured** against accident-related risks.

A **Personal Accident Insurance Policy** is a cost-effective, often overlooked solution that offers **financial security in case of accidental injury, disability, or death**. Here's why it should be a part of your financial safety net.

## 1. Covers Accidental Death and Disability

If an accident results in death or permanent disability, the insurer pays a **lump sum amount** to the nominee or policyholder. This helps cover the loss of income and lifestyle adjustments. According to **IRDAI (Insurance Regulatory and Development Authority of India)**, the **benefit-based nature** of personal accident policies ensures a direct payout — unlike reimbursement-based health policies.

Source: IRDAI Handbook on Insurance Products, 2023

## 2. Weekly Income Support for Temporary Disability

During recovery from serious injuries, you may be unable to work. Many policies offer **weekly compensation** (e.g., ₹5,000–₹15,000 per week), helping you meet expenses without dipping into savings.

Source: Policy wordings from top insurers like HDFC Ergo, Tata AIG, and ICICI Lombard

## 3. Affordable Premiums for High Coverage

Personal accident plans are **among the most economical insurance products**. For instance, a 30-year-old non-smoker can get a **₹25 lakh cover for under ₹1,000 annually**.

Example comparison on Policybazaar & Coverfox (2024)

## 4. Covers a Wide Range of Injuries Beyond Hospitalization

Most policies cover:

- Fractures and burns
- Partial/total disablement
- Emergency ambulance charges
- Accidental hospitalization (optional rider)



These benefits are **beyond the scope of regular health insurance**, which may exclude accident-specific issues unless hospitalization occurs.

Source: IRDAI Guidelines on Standard Personal Accident Cover – “Saral Suraksha Bima”, 2021

## 5. 24x7 Worldwide Coverage

Unlike many health or life insurance policies that have geographical or network limits, most accident policies offer **24x7 global coverage**, protecting you on business trips, vacations, or even while at home.

Insurer brochures from Bajaj Allianz, Star Health, and Reliance General Insurance

## 6. Peace of Mind in a High-Risk World

India has one of the highest road accident rates globally. Combine that with increasing workplace risks (especially in construction, logistics, and delivery sectors), and personal accident insurance becomes a smart, preventive tool for every earning individual.

Source: World Bank report on India Road Safety, 2022

## Who Should Definitely Consider This?

- Salaried professionals
- Gig workers and self-employed individuals
- Frequent travellers (domestic or international)
- Delivery executives, factory workers, and drivers
- Homemakers and senior citizens (as secondary insured)

## Final Thoughts

Most of us don't think twice about insuring our vehicles or phones. Yet, we forget to **insure ourselves against accidents** — even though recovery, rehabilitation, or loss of income can have far-reaching impacts on our families.

At a small annual cost, a Personal Accident Insurance Policy delivers **significant financial support during life's toughest moments**. It's not just insurance — it's your safety net when the unexpected strikes.

# WHY GOLD SHINES IN TIMES OF UNCERTAINTY

In a world gripped by economic turbulence, geopolitical instability, and unpredictable markets, investors are increasingly seeking shelter in an age-old asset: Gold. The yellow metal has reasserted itself in recent years as a powerful hedge against uncertainty, inflation, and volatility.

Between 2020 and 2025, gold prices have scaled record highs—even while equity markets like the S&P 500 and Nifty 50 posted robust gains. This unusual parallel rise reflects a growing decoupling of gold from its traditional correlations with the U.S. dollar and real interest rates. Instead, new macroeconomic dynamics and global risk factors are reinforcing gold's importance in diversified portfolios.

## Why Gold? The Five Pillars of Strength

### 1. A Timeless Safe-Haven

Gold has long been a “go-to” asset in times of distress. From war zones to debt defaults, investors turn to gold for its perceived stability. During periods of global tension and inflationary pressure, demand for gold has consistently surged, reaffirming its role as a reliable store of value.

### 2. Breaking Traditional Correlations

Historically, gold prices moved inversely to real interest rates and the U.S. dollar. However, during 2023–2025, gold continued to rise even as U.S. treasury yields increased, signalling a **decoupling** from historical patterns. Gold is increasingly being viewed as an independent hedge, not merely a macro-sensitive asset.

### 3. Intrinsic and Industrial Value

Besides investment appeal, gold plays a key role in electronics, medical devices, and space technology. Its **intrinsic worth** ensures that demand remains robust, supporting its long-term value across industries.

### 4. Increased Accessibility

Gold investing today is no longer about hoarding physical coins or ornaments. In India, investors can access gold through **Gold Mutual Funds, ETFs, Fund of Funds (FoFs), Sovereign Gold Bonds (SGBs), Multi-Asset Funds, and Digital Gold platforms**, making it accessible, liquid, and easy to track.

### 5. Inflation Hedge & Portfolio Diversifier

Gold has historically shown a negative correlation with equities. It works as a **stabilizer**



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in an investment portfolio, especially during inflationary periods, protecting purchasing power and ensuring capital preservation.

## Ways to Invest in Gold via Mutual Fund Routes in India

For Indian investors, mutual fund structures offer multiple convenient, regulated options to invest in gold—without needing to hold physical gold or a demat account.

### 1. Gold Mutual Funds

These funds invest in Gold Exchange Traded Funds (ETFs). Suitable for investors seeking pure gold exposure in mutual fund format. No demat is required, and SIPs can be started with as little as ₹500.

### 2. Fund of Funds (FoFs)

These are mutual funds that **invest in other gold-focused mutual funds or ETFs**, offering exposure to gold prices through a single, consolidated vehicle. They often come with higher convenience and flexibility.

### 3. Multi-Asset Allocation Funds

These funds **dynamically allocate investments across equity, debt, and gold**, based on market outlook. Gold typically forms 10–25% of the portfolio, making them ideal for diversified risk management without directly choosing a gold-only fund.

## Taxation Overview

### • Gold Mutual Funds & FoFs:

- o Gains after 3 years are taxed as **Long-Term Capital Gains (LTCG)** at 20% with indexation.

- o Before 3 years, gains are taxed as **Short-Term Capital Gains (STCG)** as per your income slab.

### • Multi-Asset Funds:

- o Treated as **equity-oriented** if equity allocation is over 65%.
- o LTCG above ₹1 lakh is taxed at 10% (without indexation) after 1 year.
- o STCG is taxed at 15% before 1 year.

## Let Gold Anchor Your Wealth

Gold may not pay interest or dividends, but its value emerges strongest in periods of global distress. It has protected wealth for centuries—and continues to serve that purpose in the modern financial landscape.

Whether through **gold-specific funds, multi-asset strategies, or digital platforms**, Indian investors now have multiple ways to allocate to gold, depending on their risk appetite and financial goals.

In a time of uncertainty, gold doesn't just survive—it **shines**.

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# THE CALM BEFORE THE CLIMB: INVESTING SMART IN SILENT MARKETS

## Introduction: A Market in Pause Mode

Over the last three months, Indian stock markets have entered a peculiar phase. Neither soaring nor crashing, the indices seem to be moving sideways, lacking the adrenaline of sharp rallies or the fear of drastic declines. While on the surface this might look like stagnation, seasoned investors know this is what is often referred to as a “**time correction.**”

Unlike a price correction—where stock values dip in response to overheating—**time correction** is more subtle. Markets hold their levels while underlying valuations slowly realign with reality, often due to lack of external triggers, uncertain global cues, or stretched valuations.

This phase, though overlooked, is crucial for long-term wealth builders. Here’s why—and how **Mutual Funds** can be your best allies through it.

## What is a Time Correction?

Time correction is a healthy breather in the market cycle. It happens when prices don’t fall, but growth slows, earnings catch up to valuations, and markets digest past gains. This can be due to:

- **Global uncertainty:** Ongoing geopolitical tensions, shifting interest rates in developed economies, or volatile commodity prices.
- **Tight liquidity:** Institutions and FIIs sitting on the sidelines amid uncertain return potential.
- **Earnings reality check:** Companies reporting stable but not spectacular earnings growth, leading to a cooling of investor enthusiasm.

Such a period may seem uneventful, but it sets the stage for more **sustainable growth** in the future.

## Why Patience is a Virtue in Mutual Fund Investing

In times like these, mutual fund investors must resist the urge to “do something.” The instinct to time the market—by redeeming, switching, or pausing SIPs—can do more harm than good.

Here’s how **patience pays off:**

### 1. SIPs Turn Sideways Markets into a Boon

Systematic Investment Plans (SIPs) are especially powerful in sideways markets. As NAVs move in a tight range, you accumulate more units at consistent prices. This averaging works wonders when the market eventually resumes an upward journey.

### 2. The Power of Compounding Needs Time

Every market pause adds to the compounding journey. The units bought during these lulls grow quietly in the background. Redeeming early or skipping contributions cuts off this compounding prematurely.

### 3. Asset Allocation & Diversification

In periods of time correction, diversifying into **Multi-Asset Funds** or **Fund of Funds (FoFs)** helps reduce risk. These funds tap into different asset classes—equity, debt, gold—each reacting differently to market conditions, providing a more stable experience.

## Investor Psychology: Turning Boredom into Opportunity

Markets that don’t move often frustrate new investors. But professional money managers know these phases test emotional discipline more than financial acumen. Mutual Funds—especially those managed by experienced fund managers—continue to scout for hidden value and rebalance portfolios accordingly, even when indices are flat.



This is where investor **mindset matters:**

- Stay the course, don’t chase short-term returns.
- Reassess goals and align your fund choices accordingly.
- Consider **step-up SIPs** to invest more during calm phases.

## Let the Market Breathe, You Keep Building

A calm market is not a dead market. It’s often a silent builder—laying the foundation for future rallies. Time correction periods might not offer the thrill of fast returns, but they offer something far more valuable: **the chance to accumulate quality assets patiently and sensibly.**

Mutual Funds remain the perfect vehicle for this journey—automated, diversified, and professionally managed. Let the markets do what they must. Your job? **Invest with discipline, and wait with conviction.**

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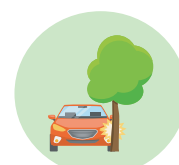
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