ASCENT

FINANCIAL SOLUTIONS PVT. LTD.
SEBI REGISTERED INVESTMENT ADVISER

ASCENT FLASH

Newsletter Edition: February '24

Helping our clients sow seeds
of financial growth and freedom

Welcome to our newsletter! Stay updated with the latest financial updates, insightful articles, and valuable information delivered straight to your inbox. Explore a diverse range of topics curated to inform and inspire our readers in every edition.

Table **of Content**

From **The Editorial Team**

Dear Valued Patrons,

We are delighted to present to you the latest edition of our newsletter - Ascent Flash!

We are thrilled to have you as part of the Ascent family and excited to share the latest news, updates, and valuable insights from the world of finance.

Our team has worked hard to mine informative and engaging knowledge base, and we hope you find it well.

As always, we welcome your feedback and suggestions for future content. We aim to make this newsletter a valuable resource for you and are committed to provide you with the information that will help in making smarter financial decisions.

Thank you for being associated with Ascent Financial Solutions Pvt. Ltd. We hope you enjoy this edition of our newsletter.

Best regards,

Ascent Financial Solutions Pvt. Ltd.

From **The Managing Director's Desk**

Mr. Prakash Lohana
Managing Director
Ascent Financial Solutions Pvt. Ltd.
Certified Financial Planner (CFP) from
Financial Planning Standard Boards of India

Securing Tomorrow: The Crucial Importance of Retirement Planning for a Financially Sound Future

Retirement planning is one of the most important part of total financial planning of an individual. In this edition of our newsletter, let us understand the importance of retirement planning with the help of relevant examples.

Retirement years are the beautiful years of life. After taking his education when an individual starts his working life, he is burdened with lots of different responsibilities in his life. But retirement years are the years when one can live life that he wanted to live. At the same time, in retirement years when once physical and mental ability is continuously deteriorating, so in such times certain expenses like need for driver, servants to help, increases - so importance of having sufficient financial resources is very important. As a financial advisor, I handle many clients and see that people don't plan their retirement years seriously.

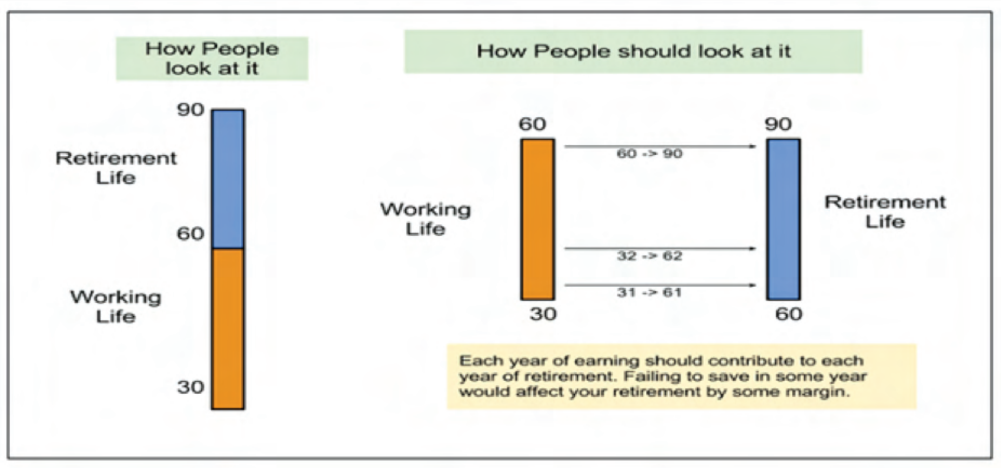
So, let us first see some aspects why retirement planning is a must;

Changing Socio Economic Structure of Our Society: Socio economic structure of our society is continuously changing. We never saw our parents planning for their retirement years so precisely, because they believed that their kids are their retirement planning. Till now we have seen a joint family culture and the relationship between kids and parents in our country has been such that if you ask parents what corpus they have accumulated in their life they will say that their kids are their real wealth and they (kids) will take care of them and on the other side kids were also comfortable taking care of their parents in their retirement life but slowly and gradually we are adopting Western culture, joint family culture is ending so I believe that going forward this will change and parents will not be comfortable giving their financial burden to their children and kids may also not be comfortable taking this burden. So, with this change our dependency to our next generation can lead us to miserable condition in retirement years.

A very well-known case of Mr. Vijay Pat Singhaniya (Chairman of Raymond group) who after his retirement handed over his wealth to his son is suffering from financial crisis in retirement years, is a live example for this.

Increasing life Expectancy: In 1947, when India became independent, it was said that life expectancy was around 49 years which kept increasing and current figures suggest that life expectancy is currently around 71 years due to better living conditions and advancement of medical facilities. But this figure of 71 years is an average which includes people from rural areas and people who live below poverty line and don't have proper medical facilities, so actually for people like us who are health conscious and live in urban areas with good medical facilities; life expectancy is more than 80 years. So due to increasing life expectancy dependent years are becoming longer and we need to plan for that otherwise our old age can become miserable part of our life.

Generally, when we plan for Retirement, we take life expectancy at 90. If we consider our working life from 30 to 60 and our Retirement life from 60 to 90, during our working life every year we have to earn for almost two years, first for the year in which we are in working life and second for one year in retirement phase. For example, a person who is 35 he is also earning for his 35th year of life and also for one year of retirement phase which he has to fund and there will be no income. Following image gives more clarity about that. Generally, investors don't consider this fact.



Improving Life Style: Our life style has been continuously improving due to which our cost of living is increasing. Our earlier generations had a very contented and satisfied life style. Their cost of living during their working life was also not very high so needs in retirement life were also limited, against that we are increasing our life style very fast during working life itself so once the cost of living is increased during working life it has to be maintained for retirement life too. Famous Tennis player Boris Becker who lived a lavish life style and now suffers from the Bankruptcy post his retirement is one such real life examples of lavish life style and poor retirement planning which resulted in crisis during retirement years.
So, the above aspects clearly show that to enjoy our retirement years we need to plan them properly. Now let us see some research and data about retirement planning.

Research says that 47% of working population in India has either not started providing for their retirement years or due to some or other issue have stopped providing for retirement years (according to report of HSBC). So let me ask this question to all of you. Have you started providing for retirement years? Also have you actually prepared some written Retirement plan? Kindly check your financials and answer yourself for this.

Let me clarify that Retirement planning doesn't mean that you will stop working at 60 years of age. You may continue to work for whole your life but if you have proper retirement plan in place you are not bound to work for your financial needs. You will work at your choice.

Here I would like to end this with conclusion that Retirement Planning is very important and through this newsletter edition I would encourage each of you should have a well-defined plan in place to enjoy golden years of your life – free from financial burdens and do not miss on what the retirement phase has to offer you.

An Emerging Asset Class in India - **Venture Debt**

Mr. Apoorva Vora
Co-Founder (Finvolve)
Founder and CEO (Finolutions LLP)

What exactly is Venture Debt?

It is a type of loan offered by Funds, Family Offices or even Banks that is designed specifically for early-stage startups positioned for high growth without having to dilute equity and those who already have venture capital backing. It can provide a bridge so that a founder can delay raising an equity round, grow the company strongly and then attract higher valuations. This allows founders to maintain higher ownership of the company.

The First Rule of Venture Debt

The most important thing to keep in mind here is that Venture Debt follows equity. This is not a replacement for it. Here, Venture Debt lenders use venture capital as a source of validation and primary yardstick for underwriting a loan. Venture debt availability and terms are always contextual. Loan types and sizes vary significantly based on the scale of the business, the quality and quantity of equity raised to date, and the objective for which the debt is being raised.

Debt vs Equity

<u>Equity</u>

- The repayment is not contractually required
- Long-term capital with several rights
- Difficult to restructure equity
- Higher risk-adjusted returns

<u>Debt</u>

- Repayment terms are fixed at the beginning
- Short-term or long-term capital
- Purpose of the capital disclosed in advance (limits on the usage of funds)
- Restructuring possible

From the perspective of the founder

A founder will towards Venture debt to avoid ownership dilution and to fund its business for the next stage of growth for attracting larger investors at a later stage of the company and command higher valuations. A founder who can bootstrap a company without the involvement of VC funds might face difficulty to borrow Venture Debt as it requires that VC funds should have already been involved in the company. The founder in this case can borrow through traditional routes such as banks but needs the business to be cash flow positive for the banks to provide the loan.

- Venture Debt usually isn't available to seed-stage companies
- Usually, VCs don't like to invest and take equity if a large proportion of this money is used to repay old debt

	Revenue Based Financing (Early Stage)	Venture Debt (Growth Stage)	Bank Loans (Late Stage)
Special Requirements	Monthly Recurring Revenue	Prior VC Funding	Amount of Cash Reserves / Collaterals, Cash generating ability
Size	25 to 30% of annual turnover	Typically 20 to 30% of equity round or available cash	Depends on financial health or 20 to 25% of the turnover
Collaterals	Cash Flows	Assets / IP	Assets, IP, Personal Guarantee of Promoters
Tenure of Debt	3 months to 12 months	18 to 36 months	Working Capital: Yearly Renewal Capex: 2 to 3 years
Interest Rate	Effectively 20 to 25%	13 to 15%	Banks : 9 to 12% NBFC: 13 to 15%
Equity Participation	Not Mandatory	Typically 8 to 12% of the debt amount	None
Key Benefits	Faster Funding, Minimal Security	Less Dilution	Most Optimal Cost of Capital
Enablers	Steady and easily tracked revenues with full visibility into channel sales	Institutional equity backing and strong unit economics	Working Capital and capex funding requirements for mature businesses or those with ability to offer collateral

Source: BCG+trifecta Report

Perspective on **Valuation and Flows**

Mr. Chirag Patel, CFA
Associate Director and Co-Head of Product & Strategies
(WhiteOak Asset Management Company Limited)

Relative Valuation Perspective for Large, Mid and Small Caps

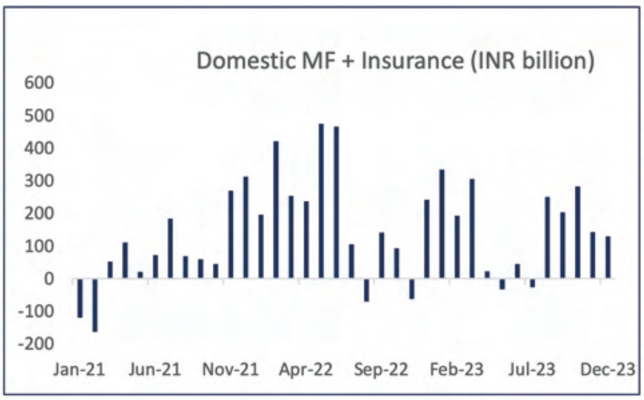
As of December 2023, as illustrated below, the market cap shares for Large-Cap, Mid-Cap, and Small-Cap are 63.9%, 17.8%, and 18.3%, respectively. In comparison, the last five-year monthly average market cap shares stand at 70.6%, 16.2%, and 13.2% for Large-Cap, Mid-Cap, and Small-Cap, respectively. In summary, Large-Caps are trading at an 9% discount to their last five-year monthly average, while Mid-Caps and Small-Caps are at an 10% and 38% premium, respectively, over their last five-year monthly average.

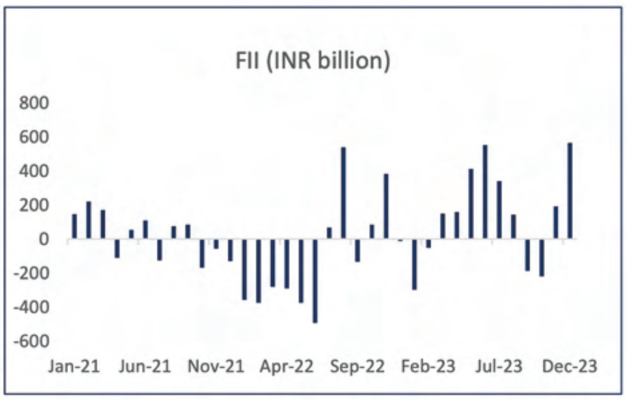
Moreover, the table below reveals that in December 2013, Small-Caps and Mid-Caps were at an 12% and 3% discount, respectively. Subsequently, Mid-Caps and Small-Caps significantly outperformed their Large-Cap peers.

In December 2017, Mid-Cap and Small-Caps were at a significant premium to their five-year monthly average compared to Large-Caps. Subsequently Larges caps did relatively well during 2018-2019.

Month End	% to Total Market Cap			% to Total Market Cap (Last 5 Year Monthly Average)			Premium/Discount over Long Period Average (Current vs Last 5 Years Monthly Average)		
	Large Cap Top 100	Mid Cap 101-250	Small Cap 251 onwards	Large Cap Top 100	Mid Cap 101-250	Small Cap 251 onwards	Large Cap Top 100	Mid Cap 101-250	Small Cap 251 onwards
Dec-13	77.0	12.6	10.4	75.3	12.9	11.8	2%	-3%	-12%
Dec-14	73.5	14.0	12.5	74.9	13.2	11.9	-2%	6%	5%
Dec-15	71.5	15.2	13.3	75.0	13.4	11.7	-5%	14%	14%
Dec-16	70.7	15.3	14.0	74.4	13.7	11.9	-5%	11%	18%
Dec-17	66.5	17.2	16.3	73.2	14.3	12.5	-9%	21%	30%
Dec-18	70.7	16.2	13.1	71.7	15.0	13.3	-1%	8%	-1%
Dec-19	73.8	15.6	10.5	71.3	15.5	13.3	4%	1%	-21%
Dec-20	73.4	15.6	10.9	71.4	15.7	12.9	3%	-1%	-15%
Dec-21	68.7	16.7	14.6	71.1	16.0	12.9	-3%	4%	14%
Dec-22	69.3	16.1	14.6	71.1	16.1	12.8	-3%	0%	14%
Dec-23	63.9	17.8	18.3	70.6	16.2	13.2	-9%	10%	38%

DII & FII Flow





FII flows in India remained muted In the last three years, due to the Russia-Ukraine war, sluggish global growth, and other geopolitical issues. Meanwhile, DII flows, including mutual funds and insurance remained strong. Out of this, mutual funds' flow is approximately 85%. In the current financial year till December'23, the Large-Cap category experienced a net outflow of 4,949 crore, whereas the Small and Mid-Cap categories combined received a total inflow of 51,640 crores (17,339 crores for Mid-Cap and 34,301 crores for Small-Cap). This may be one of the reasons why the valuations look like what they are at present, as of December 2023.

Data Source: MOSL, AMFI, Internal research of WhiteOak Capital. Data as on 31st December 2023. Past performance may or may not be sustained in the future and is not a guarantee of any future returns. DII: Domestic Institutional Investors, FII: Foreign Institutional Investors

India is experiencing a positive trend in foreign inflows despite choppy flows in emerging markets as an overall asset class. FII interest in India has been rising further recently, and the country may see a massive influx of foreign money into non-dedicated active funds. The majority of the FPI flows in India comes via non-dedicated route. If simultaneously, the broader emerging markets basket were to see a positive turn, India could attract unprecedented foreign investment as India's weight in MSCI Emerging Market Index has increased from less than 8% to more than 16% over last ~four years. The India basket within the MSCI Emerging Market is primarily comprised of Large-Caps and larger Mid-Caps, which may be positive for selected Large-Caps and Mid-Caps.

To Summarise

Large-Caps are currently trading at relatively attractive valuations, while Small-Caps are at an all-time high weight relative to the total market cap as of December 2023. One reason for this is the strong DII flows, which have predominantly favored Small and Mid-Caps. In contrast, FII flows, primarily deployed through the MSCI Emerging Market basket, have received muted flows.

Therefore, we believe, investors may consider exploring Large Cap Funds and Large & Mid Cap Funds for future investments based on their risk appetite and asset allocation preferences.

Data **Bytes**

INDIAN EQUITY SUMMARY

Index	1W	1M	3M	6M	1Y	3Y	5Y
Mid Cap 150	2.3%	2.5%	19.6%	25.1%	51.8%	29.4%	23.7%
Small Cap 250	3.7%	4.4%	21.6%	30.3%	59.3%	33.1%	24.0%
Auto	2.8%	1.5%	18.4%	23.2%	41.7%	22.7%	17.5%
Bank	0.8%	-5.9%	5.5%	1.1%	11.6%	11.1%	10.9%
Energy	6.0%	8.5%	35.0%	38.7%	53.5%	29.9%	19.4%
FMCG	-0.7%	-4.7%	5.8%	4.8%	22.8%	17.4%	12.6%
Infra	4.1%	7.3%	27.6%	30.4%	54.9%	26.7%	21.2%
IT	-0.4%	1.9%	19.0%	19.5%	22.3%	13.4%	18.3%
Metal	5.0%	-1.7%	21.9%	18.7%	21.6%	34.6%	22.8%

Source : https://ticker.finology.in/market *Data as on January 30, 2023

Domestic Equity Benchmark Indices (Returns %)

Index	1W	1M	3M	6M	1Y	3Y	5Y
Nifty 50	1.3%	-1.0%	12.5%	10.3%	21.9%	14.6%	14.6%
Sensex	1.1%	-1.6%	11.0%	8.2%	19.5%	13.5%	14.3%

*Data as of January 30, 2024
Source : https://ticker.finology.in/market

FII / Mutual Fund Data

(Rs Cr)	29 Jan.	MTD	YTD
FIIs	-4264.40	-26036.54	-26036.54
Mutual Funds	5677.43	18197.19	18197.19

- MF Data as of January 24, 2024

NIFTY P/E

Latest P/E*	Nifty P/E	FY25E
22.31X	23.39X	20.26X

*Data as of 30 January, 2024

Indian Debt Summary

Index	30 Jan. '24	Debt Watch Week Ago	Month Ago	Year Ago
Call Rate	6.75%	6.79%	6.85%	6.47%
Repo	6.50%	6.50%	6.50%	6.25%
10 Yr Gilt^	7.15%	7.17%	7.18%	7.40%
30 Yr Gilt^	7.43%	7.50%	7.54%	7.61%
91-D T Bill^	7.03%	6.98%	6.91%	6.50%
182-D T Bill^	7.15%	7.15%	7.08%	6.82%
364-D T Bill^	7.13%	7.12%	7.09%	6.89%
1-mth CP rate	7.50%	7.55%	7.75%	6.90%
3-mth CP rate	8.50%	8.35%	7.88%	7.55%
6-mth CP rate	8.50%	8.20%	8.11%	7.80%
1 yr CP rate	8.35%	8.23%	8.18%	8.03%
1-mth CD rate	7.30%	7.06%	7.33%	6.72%
3-mth CD rate	7.80%	7.82%	7.30%	7.20%
6-mth CD rate	7.80%	7.75%	7.62%	7.55%
1 yr CD rate	7.85%	7.87%	7.85%	7.72%

Yield (%)	Gsec*	AAA	AA+	AA	AA-	A+
6 month	7.15	7.85	8.57	8.60	9.96	10.30
1 Year	7.05	7.85	8.57	8.60	9.96	10.30
3 Year	7.03	7.75	8.47	8.50	9.86	10.20
5 Year	7.03	7.70	8.57	8.61	9.96	10.31
10 Year	7.15	7.74	8.61	8.65	10.00	10.35

^Weighted Average Yield. G-sec and corporate bonds data as of 30 January
*Weighted average yields for G-sec data 6 month G-sec: 182 day T-Bill rate; 1 year G-Sec: 7.72% GS 2025; 3 year G-Sec: 7.38% GS 2027; 5 year G-Sec: 07.37 GS 2028; 10 year G-Sec: 07.26 GS 2033

Economic Indicators

YoY (%)	Economic Indicators Current	Quarter Ago	Year Ago
Monthly Inflation (CPI)	5.69% (Dec-23)	5.02% (Sep-23)	5.72% (Dec-22)
IIP	2.4% (Nov-23)	10.3% (Aug-23)	7.11% (Nov-22)
GDP	7.6% (July-Sep FY24)	7.8% (Apr-June FY24)	6.3% (July-Sep FY23)
Monthly Inflation (WPI)	0.73% (Dec-23)	0.26% (Sep-23)	4.95% (Dec-22)

Reserve Ratios

CRR	4.50%
SLR	18%

Source: RBI

International News

The IMF raised its 2024 global growth forecast to 3.1%, from October's estimates of 2.9%, citing unexpected "resilience" in major advanced and emerging market Economies around the world.

The Eurozone economy expanded 0.1% annually in Q4 of 2023, following a flat reading in Q3. However, on quarterly basis growth stagnated, after shrinking by 0.1% in Q3.

Currencies Vs INR

	30 Jan	29 Jan	Change
USD	83.11	83.14	0.03
GBP	105.40	105.62	0.22
Euro	90.00	90.01	0.00
100 Yen	56.41	56.26	-0.15

Index	30 Jan	1 Day	1 Month	1 Year
DJIA	38467	0.35	2.06	14.09
Nasdaq	15510	-0.76	3.32	36.13
FTSE	7666	0.44	-0.87	-1.52
Nikkei	36066	0.11	7.77	31.47
Hang Seng	15703	-2.32	-7.88	-28.85
Strait Times	3150	0.31	-2.78	-6.76

Commodities

Index	30 Jan	Week Ago	Month Ago	Year Ago
London Brent Crude Oil ($/bbl)	82.87	79.55	77.04	84.50
Gold (Rs/10 gms)	62610	62355	63246	57079

Source: Domestic Indices - NSE, BSE, FII / MF (Equity) – SEBI, Domestic Derivative Statistics – NSE, Currency Movement - RBI, Reuters, Domestic Economic Indicators - CRISIL Center for Economic Research, Domestic Fixed Income Numbers - CRISIL Fixed Income Database, RBI Commodity Prices - Reuters, IBJA, International Indices – Respective websites, Market summaries, global bond yields, domestic and international news – CRISIL Research, Financial websites

Abbreviations: FII (Foreign Institution Investors), CPI (Consumer Price Index), WPI (Wholesale Price Index), P/E (Price/Earnings ratio), CP (Commercial Papers), CD (Certificate Of Deposits), G-sec (Government Securities), MTD – Month to Date, YTD – Year to Date

Source : ICICI Prudential MF Head start

Budget **Snapshot**

Greetings and welcome to our 2024-2025 Budget overview tailored for investors. This piece of information provides a comprehensive overview of the interim budget and its potential impact on investors.

Focus on Inclusive Growth:

- The budget underscores a people-centric approach to inclusive development, with a holistic strategy towards infrastructure enhancement, encompassing physical, digital, and social infrastructure.

- Emphasis is placed on promoting Digital Public Infrastructure (DPI) to facilitate formalization and inclusivity in the financial sector.

- The tax base has been broadened and strengthened through GST implementation, bolstering the financial sector and reinvigorating savings, credit, and investment.

Economic Expansion and Outlook:

- India's Dollar GDP growth is anticipated to surpass global trends, indicating an upward trajectory.

- The budget endeavors to engage all regions in economic progress, fostering a prosperous Bharat with sustainable infrastructure and opportunities for all.

Direct Tax Reforms:

Under the new tax regime, the tax liability threshold has been elevated to ₹ 7 lakh, potentially alleviating tax burdens and augmenting take-home income.

Tax Payers Service:* Direct tax demands up to ₹25,000 for the period up to 2009-10 and ₹10,000 for the period up to 2014-15 will be withdrawn, benefiting approximately 1 crore taxpayers.

Strong Financial Sector Development:

The fortification of the financial sector is anticipated to enhance savings and investment avenues, offering investors a more diversified landscape.

Infrastructure Advancement:

- The budget prioritizes infrastructure development across sectors such as housing, tourism, agriculture, and food processing.

- States will receive long-term interest-free loans to stimulate infrastructure development, encompassing port connectivity, tourism, and facilities in islands like Lakshadweep.

- GIFT IFSC – A robust gateway for global capital and financial services for the economy.

-Conversion of Railway Bogies to Vande Bharat Standards:* Around 40,000 normal railway bogies will be converted to Vande Bharat standards, enhancing the quality of railway services.

Agriculture and Food Processing:

- The government aims to stimulate private and public investment in post-harvest activities to bolster agriculture and food processing sectors.

- Nano-DAP usage will be expanded across all agro-climatic zones to enhance agricultural productivity.

- A comprehensive dairy development program will be devised to bolster the dairy sector's growth.

Facilitation of Foreign Investment and Urban Revitalization:

- The budget prioritizes attracting foreign investment through bilateral treaties.

- Initiatives such as expanding airports under the UDAN scheme and promoting urban renewal through Metro rail and NaMo Bharat are geared towards enhancing infrastructure and connectivity.

Expenditure Policy and Financial Management:

- The government continues to leverage technology for transparent and efficient public financial management.

- The e-Bill Processing system facilitates online submission and real-time tracking of claims by suppliers and contractors.

- The PM GatiShakti National Master Plan for Multi-modal Connectivity aims to optimize costs and bolster infrastructure connectivity through integrated planning and execution.

Investing necessitates thorough analysis and consideration of multiple factors. It's prudent to seek guidance from a financial advisor or conduct comprehensive research before making investment decisions.

Education:

Promoting Women's Empowerment: Female enrollment in higher education has increased by 28% in 10 years, and various schemes address the empowerment of women through entrepreneurship and dignity.

Achievements in Education and Skill Development: The government has established numerous institutions of higher learning, trained 1.4 crore youth through the Skill India Mission, and implemented transformational reforms through the National Education Policy 2020.

Source: Mint

BUDGET ALLOCATION ACROSS MINISTRIES

MINISTRY OF	IN RS LAKH CR 2023	2024
Defence	5.94	6.2
Road Transport & Highways	2.70	2.78
Railways	2.41	2.55
Consumer Affairs, Food & Public Distribution	2.06	2.13
Home Affairs	1.96	2.03
Rural Development	1.60	1.77
Chemicals & Fertilizers	1.78	1.68
Communications	1.23	1.37
Ministry of Agriculture & Farmer's Welfare	1.25	1.27

MAJOR SCHEMES

LAKHPATI DIDI

Aimed at economic independence and women empowerment.

Target raised from 2 Cr to 3 Cr

PRODUCTION LINKED INCENTIVE SCHEME

Provides incentives to domestic industries to boost local production.

Allocation of 6,200 Cr ~

AYUSHMAN BHARAT-PMJAY

Health Insurance/ assurance scheme fully financed by the government.

Allocation of 7500cr ~

PM AWAS YOJNA

Programme to provide affordable housing. 2cr more house to be taken up in next 5 years.

Allocation of 80,671 crore ~

MAJOR ANNOUNCEMENTS

- CAPEX Outlay increased by 11% to 11 lakh crore ~ 3.4% of GDP
- ₹1 Lakh Cr to be allocated for research and development of defence technologies
- Expected Fiscal deficit for FY25 - 5.1% of GDP, beating all market estimates
- 75,000 CR interest free 50 year loan is proposed to support milestone-linked reforms by the State Governments.

Source: the valuation school.

OIL AND GAS

Support for compressed biogas

Push for mandatory blending of compressed biogas in compressed natural gas for transport and piped natural gas for domestic uses.

Impact

Helps in reducing the country's reliance on imports of crude oil and reduce carbon emission to achieve net zero target.

STARTUPS

Finance for innovation

Corpus of 1 lakh crore with 50 year interest free loans to provide long term financing for the private sector to scale up research in sunrise sectors

Impact

Positive news for sunrise sectors to meet their capital requirement and support for innovation.

REAL ESTATE

Housing for Middle Class

To help deserving middle-class living in rented houses or slums or chawls to buy and build their own houses

Impact

Will help real-estate industry and boost housing demand

GREEN ENERGY

Unleashing wind power

FM announced the much awaited viability gap funding for offshore wind, without specifying the allocation.

Impact

This is expected to support offshore wind generation which wasn't taking off.

DEFENCE

Innovation fund

A corpus of Rs 1 lakh crore with 50-year interest free loans to provide financing for private sector to scale up research in sunrise sectors

Impact

This could be an impetus for deep tech startups working in the defence sector.

FINANCIALS

Lower govt borrowing

Finance minister announced a gross borrowing of Rs 14.13 lakh crore for FY25, lower than that of FY24.

Impact

Bond yields have eased. Bond rally will benefit banks with highest tradable bonds.

PERSONAL WEALTH

Drop old tax demand

Old and pending cases of “petty” tax demands will be dropped. Some of these demands debate back to 1962.

Impact

Tax payer services remains the focus , doing away with past demands is a welcome move

RAILWAYS

Railways corridor

Three major railway corridor programme--energy, mineral and cement corridor, port-connectivity corridor, and high-traffic density corridors

Impact

Markets may have already factored in the positive and stocks might be indifferent

Source: Moneycontrol

What Can I Learn From **Rich Dad Poor Dad?**

Making Sense of Finances: What can I learn from "Rich Dad Poor Dad". In a world where formal education often leaves us with a significant gap in financial knowledge, "Rich Dad Poor Dad" by Robert Kiyosaki stands as a guiding beacon. This renowned book has touched the lives of countless individuals, offering them a unique perspective on wealth, money management, and financial freedom. In this blog post, we'll embark on a journey to explore the key lessons and insights from this financial classic.

The Story of Two Fathers

"Rich Dad Poor Dad" is not just a book; it's an eye-opening narrative. Through the lens of Robert Kiyosaki, we are introduced to two influential figures in his life: his biological father (referred to as "Poor Dad") and the father of his best friend (referred to as "Rich Dad"). These two men embody contrasting financial philosophies, setting the stage for Kiyosaki's teachings.

The Approach of Poor Dad:

Poor Dad represents the conventional wisdom surrounding money. He places great importance on formal education, job security, and living within one's means. For Poor Dad, a stable job with good benefits and financial caution are the keys to a secure life. While these principles do offer a degree of financial security, they often fall short of providing true financial freedom.

The Philosophy of Rich Dad:

In stark contrast, Rich Dad embodies unconventional financial wisdom. He places a heavy emphasis on financial education, entrepreneurship, and the strategic acquisition of assets that generate passive income. Rich Dad's philosophy challenges societal norms and encourages individuals to take control of their financial destinies.

Lessons from Rich Dad:

"Rich Dad Poor Dad" is brimming with invaluable lessons that can reshape your financial mindset and set you on a path toward financial independence.

Lesson 1: The Power of Financial Education

Rich Dad advocates for financial education as the bedrock of success. Understanding the language of money is seen as essential for making informed financial decisions.

Lesson 2: Assets vs. Liabilities

Kiyosaki introduces a fundamental concept: distinguishing between assets and liabilities. Liabilities take money away from you, but assets put it in. Building wealth means focusing on acquiring income-generating assets. What can I learn from rich dad poor dad.

Lesson 3: Escaping the Rat Race

The book vividly portrays the "rat race" as the endless cycle of working to earn a paycheck, paying bills, and repeating the process. Rich Dad urges readers to strive for financial freedom by breaking free from this cycle through entrepreneurship and strategic investments.

Lesson 4: Embracing Risk

Taking calculated risks is a core element of achieving financial success. Rich Dad encourages readers to overcome their fear of failure and seize opportunities that others may shy away from.

Lesson 5: Cultivating Passive Income

To attain financial freedom, one must cultivate sources of passive income. This income should eventually cover your expenses, providing you with financial security and the freedom to pursue your passions.

Applying the Wisdom

While "Rich Dad Poor Dad" imparts priceless insights, it's essential to apply these principles to your life actively.

Here are steps to get started:

- <u>Invest in Financial Knowledge:</u> Begin by delving into books, attending financial seminars, and seeking mentors who can help you navigate the financial landscape.
- <u>Identify Income-Generating Assets:</u> Start investing in assets such as stocks, real estate, or even a side business that has the potential to generate passive income.
- <u>Craft a Financial Plan:</u> Develop a clear financial plan that includes saving, investing, and reducing debt. Regularly monitor your progress and make necessary adjustments.
- <u>Embrace Entrepreneurship:</u> If you have a business idea, consider taking the entrepreneurial path. Be prepared to learn from failures and adapt along the way.
- <u>Take Action:</u> Knowledge alone won't transform your financial situation; it's the actions you take that will bring about change. Start applying what you've learned.

In Conclusion:

"Rich Dad Poor Dad" transcends being a mere book; it's a roadmap to financial empowerment. By embracing the teachings of Rich Dad and questioning conventional financial wisdom, you can chart your course toward financial freedom. Remember, building wealth is a journey, and each step you take brings you closer to your financial goals. Begin today and unlock the doors to a brighter financial future.
So, are you ready to embark on your financial journey? "Rich Dad Poor Dad" is poised to be your trusted companion on this transformative path.

Source: MOTIVATIONRICH

Major Events: **February 2024**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Manufacturing PMI/ Interim Budget '24	2	3 Services PMI
4	5	6	7	8	9	10
11	12 IIP / CPI	13	14 WPI	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29 GDP		

PMI - Purchasing Managers Index - IIP - Index of Industrial Production - CPI - Consumer Price Index
WPI - Wholesale Price Index - GDP - Gross Domestic Product

Our **Client's Feedback**

Abhijit Kadam
General Manager – Production
(Gulbrandsen Pvt. Ltd.)
India

Thank you Prakash Bhai and Ascent Team, for guiding me on Personal Finance.

The key points during the services are:
- Up to Date Finance Knowledge
- Effective Advices
- Transparency
- Discipline
- Punctuality

Appreciate Your support!

Return on Equity **(ROE) Ratio:**

Return on Equity (ROE) Ratio serves as a vital metric in assessing a company's financial health and its ability to utilize shareholders' equity effectively for-profit generation.

The formula,

ROE = (Net Income / Shareholders' Equity) * 100, unveils the percentage of net income derived from each dollar of shareholder equity.

For Example,

Return on Equity (ROE) Ratio = ($25000/$85000) * 100%

Return on Equity (ROE) Ratio = 29.4%

where Net Income is $25,000 and Shareholders' Equity is $85,000, the ROE Ratio calculates to 29.4%.

This signifies that, proportionally, the company yields 29.4 cents in net income for every dollar of shareholders' equity.

Hence, ROE Ratio helps us figure out how well a company is using its investor's money to make a profit.

A higher ROE is usually good because it means the company is making more money with each dollar invested. But, it's important to look at other numbers too, not just ROE, to get a complete picture. Investors use ROE to understand how likely a company is to grow and take risks. So, it's like a helpful tool that gives us a peek into how smart a company is with its money, helping investors decide where to put their money.

Vote Of **Thanks**

Dear Reader,

We really appreciate everyone who took the time to read and interact with our material as we approach to the close of another edition of our newsletter. We anticipate your ongoing encouragement and support.

We would like to express our sincere gratitude to **Mr. Chirag Patel and Mr. Apoorva Vora** for their invaluable contribution in this newsletter. Their insightful and thought-provoking contribution have truly enhanced the quality of this newsletter.

We also want to express our gratitude to the members of the editorial staff, authors, designers, and everyone else who helped with the production and dissemination of this newsletter.

We make an effort to deliver pertinent, educational, and interesting information that represents our beliefs and interests. As we work to enhance and expand as a newsletter, we are always open to your comments and recommendations.

Thank you for joining our community. We look forward to bringing you even more exciting content in the future.

Best Regards,
Ascent Financial Solutions Pvt Ltd.

Disclaimer: The content provided in this newsletter is for informational purposes only. The views and opinions expressed in the articles are those of the individual authors and do not necessarily reflect the views of the newsletter's editor or publisher. The information contained in this newsletter is not intended to provide professional advice or recommendations of any kind. Readers are encouraged to seek the advice of a qualified professional for any questions or concerns they may have. The editor and publisher of this newsletter are not responsible for any actions taken by individuals based on the information provided in this newsletter.

“Equity investments are subject to 100% market risks. Read all the related documents carefully before investing.”

“Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.”

Partners In Transforming Your Financial Lives

ASCENT
FINANCIAL SOLUTIONS PVT. LTD.
SEBI REGISTERED INVESTMENT ADVISER

Location

315-316,Notus IT Park Sarabhai Campus, Genda Cir, Vadodara, Gujarat 390007

Contact

+91 74900 56120
financialplanning@ascentsolutions.in
www.ascentsolutions.in