



Foundation of Independent Financial Advisors

— Jan 2019 —

What's New?

Monthly SIP Inflows

- During the month of January 2019, the total amount invested in mutual funds through SIP amount to Rs. 8,064 crores which is 21% higher than the amount of Rs. 6,644 crores collected in January 2018.
- On a sequential basis, the SIP inflows were marginally higher by 1%, when compared with the inflows of Rs. 8,022 crores in December 2018.
- Over the current financial year, around 93 lakh SIP accounts have been opened with an average SIP size of around Rs. 3,150 crores.

Market Performance during December 2018



Equity

S&P BSE Sensex and Nifty50 have given returns of around 0.52% and -0.29% respectively during the month of January 2019.



Debt

The 10-yr G-sec yield has been 7.48% as at the end of January 2019, as compared with 7.37% as at 31st December 2018, thereby showing an increase of 11 bps over the last month. Further, the 10-year credit spreads for an AAA-rated entity stood at 0.77% as of 31st January 2019

Market Performance during December 2018



Investment Outlook

The clients may be advised to invest in the equity markets in a staggered manner through SIPs. If the investment horizon is long term, such investments may be made in midcap and smallcap schemes. For lumpsum investments, the clients may be advised too invest in such schemes which can benefit from volatility i.e. balanced funds etc

AUM Data - Investments in Mutual Funds

- While the AUM has slightly increased by 2% on a sequential basis from Rs. 22.86 lakh crore as of 31st December 2018 to Rs. 23.37 lakh crore as of 31st January 2019, the major part of the fresh inflows has been into liquid and money market funds.
- The equity mutual funds (including arbitrage funds, balanced funds, and ELSS) saw net inflows of Rs. 4,130 crores during the month, as against Rs. 4,487 crores in December 2018.
- As such, the cumulative net inflows into equity funds for the 9 months into the current financial year have been Rs. 1,06,695 crores.

FIFA Welcomes New Members

M TYPE	MEM. NO.	TYPE	NAME OF ORGANISATION / IFA	NAME OF MEMBER	LOCATION
General	O1834	N.Indv	EFO	Savio Varghese Thokalath	Maharashtra
General	O1835	Ind	Chandramohan Parab	Chandramohan Parab	Maharashtra
General	O1836	N.Indv	Sikchi Insurance & Investment Consultancy	Sanjay Madanlal Sikchi	Maharashtra
General	O1837	N.Indv	Ahuja Financial Services	Jagdish Gulabchand Ahuja	Gujarat
General	O1838	Ind	Vivek Dubey	Vivek Dubey	Madhya Pradesh
General	O1839	N.indv	Life Care Investments	Ritesh Jayantilal Shah	Gujarat
General	O1840	Ind	Yogesh Parmeshwar Rawalkar	Yogesh Parmeshwar Rawalkar	Maharashtra
General	O1841	N.Indv	M Ramachandran	Muthu Ramchandran	Maharashtra
General	O1842	Ind	Sandeep Kharkhanis	Sandeep Kharkhanis	Maharashtra
General	O1843	N.Indv	Nildeep Investments	Nilesh Kashinath Mahajan	Maharashtra
General	O1844	N.Indv	Trade N Earn	Alok Jawarimal Surana	Maharashtra
General	O1845	N.Indv	Pragma Wealth Management Services	Jay Maheshchandra Shukla	Maharashtra
General	O1846	Ind	Ashwin Ramanlal Zaveri	Ashwin Ramanlal Zaveri	Maharashtra
General	O1847	N.Indv	Rhythm Associates	Amarnath Satyanarayan Lal	Maharashtra
General	O1848	N.Indv	Ashok Panalal Lodha	Ashok Panalal Lodha	Maharashtra
General	O1849	N.Indv	JM Wealth Creators	Jagmohan Dr Lal	Punjab
General	O1850	N.Indv	Shubh Nivesh	Pankaj Grover	Punjab
General	O1851	Ind	Prerak Bajaj	Prerak Bajaj	Punjab
General	O1852	Ind	Muktesh Jindal	Muktesh Jindal	Punjab
General	O1853	N.Indv	Nidhi Invetsment Solution	Harshal Vijay Eadaskar	Maharashtra
General	O1854	N.Indv	Utsav Financial Services	Krunalkumar Mahendrabhai Modi	Gujarat
General	O1855	N.Indv	Anand Investment	Anand Vishvambherra Pastekar	Gujarat
General	O1856	N.Indv	Profit Investment	Bhavin M Modi	Gujarat
General	O1857	N.Indv	Vision Wealth Management	Viteshkumar Ghanubhai Patel	Gujarat
General	O1858	Ind	Anup Keshavlal Parikh	Anup Keshavlal Parikh	Gujarat
General	O1859	Ind	Darshan Hasmukhlal Desai	Darshan Hasmukhlal Desai	Gujarat
General	O1860	N.Indv	JK Insurance & Investment Consultant	Sameer Janakbhai Thakkar	Gujarat
General	O1861	Ind	Kandarp Satyendralal Jhaveri	Kandarp Satyendralal Jhaveri	Gujarat

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General	O1863	Ind	Brinda Mrugesh Modi	Brinda Mrugesh Modi	Gujarat
General	O1864	N.Indv	Fin Fit Investment Services	Umesh R L	Andhra Pradesh
General	O1865	N.Indv	KC Financial Services	Kamal Choudhary	Gujarat
General	O1866	N.Indv	Urmi Investment Consultancy	Dinesh Nareshbhai Bhalawala	Gujarat
General	O1867	N.Indv	I Invest	Prakash Prabhudas Jethwani	Gujarat
General	O1868	N.Indv	Dakshin Capital Pvt Ltd	Ramakrishnan V Nayak	Tamilnadu
General	O1869	N.Indv	Kalpataru Capital	Vaibhav Puranik	Gujarat
General	O1870	Ind	Raunak Ramuka	Raunak Ramuka	West Bengal
General	O1871	N.indv	Samsang Financial Consultants	Sangeeta Sameet Chaudhary	Maharashtra
General	O1872	N.indv	YOG	Yogi Kishorbhai Jani	Gujarat
General	O1873	N.indv	Prime Investment Services	Pragnesh Subhashchandra Desai	Gujarat
General	O1874	N.indv	Fastrak Investment Services	M Suganthi	Tamilnadu
General	O1875	Ind	Prakashchandra Nanjibhai Solanki	Prakashchandra Nanjibhai Solanki	Gujarat
General	O1876	N.Indv	Samruddhi Investments	Prajakta Nikhil Jakatdar	Maharashtra
General	O1877	N.Indv	Smart Investment	Sachin Sadanand Sambrekar	Karnataka
General	O1878	Ind	Sunil Kishin Lala	Sunil Kishin Lala	Maharashtra
General	O1879	N.Indv	Siddhivinayak Investment	Rupal Amit Desai	Gujarat
General	O1880	N.Indv	Shriji Investmment Services	Virajsinh Mahendrasinh Atodaria	Gujarat
General	O1881	N.Indv	Forecast Investment	Hiralkumar Jayeshkumar Kachaliya	Gujarat
General	O1882	Ind	Nimesh C Shah	Nilesh Chandulal Shah	Gujarat
General	O1883	Ind	Mihir Jyotindra Khandwalla	Mihir Jyotindra Khandwalla	Gujarat
General	O1884	N.Indv	Sahakar Investments	AshokKumar Ganpatbhai Oza	Gujarat
General	O1885	N.Indv	Uday Financial Services	Uday Jashwantlal Marjadi	Gujarat
General	O1886	N.Indv	Fortune Fincap & Wealth Mgmt. svc.	Maulik Sureshchandra Shah	Gujarat
General	O1887	Ind	Sukesh Ganeshilal Verma	Sukesh Ganeshilal Verma	Gujarat
General	O1888	Ind	Meghaa Vandip Shah	Meghaa Vandip Shah	Maharashtra
General	O1889	N.Indv	Golden Tree Financial Services	Shitikanth Umashankar Tiwari	Gujarat
General	O1890	N.Indv	Basic Investments	Hiteshbhai Ganpatbhai Oza	Gujarat
General	O1891	N.Indv	Chevli Consultancy	Ronak Kishorbhai Chevli	Gujarat
General	O1892	Ind	Jayesh Navnitlal Parekh	Jayesh Navnitlal Parekh	Gujarat
General	O1893	N.Indv	Dr Investment Solutions	Divyang Hirubhai Desai	Gujarat
General	O1894	N.Indv	Amita Investment	Kaushika Nalinkant Mehta	Gujarat
General	O1895	Ind	Nisar Nasir Dosani	Nisar Nasir Dosani	Gujarat
General	O1896	N.Indv	Vivek Investment & Consultant	Krishnamurari Shivkumar Bhimrajka	Maharashtra
General	O1897	Ind	Arun Kumar Sinha	Arun Kumar Sinha	Bihar

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General	O1898	N.Indv	B D S Financial Services and Risk Mgmt.	Ravinder Kumar	Punjab
General	O1899	N.Indv	Keval Nivesh	Bizesh Kottarrapat	Maharashtra
				Dhruv Khule	Maharashtra
General	O1900	N.Indv	Arhaum Enterprises	Praveen Prakashchand Jain	Gujarat
General	O1901	Ind	Jagadish Virupaxapa Kajagar	Jagadish Virupaxapa Kajagar	Karnataka
General	O1902	N.Indv	Ipcon Advisors	Anand Shah	Maharashtra
General	O1903	Ind	Bhavna Divyang Desai	Bhavna Divyang Desai	Gujarat
General	O1904	Ind	Deepak Atmaram Rajpal	Deepak Atmaram Rajpal	Gujarat
General	O1905	N.Indv	Sanghavi Financial Services	Bhadresh Manharlal Sanghavi	Gujarat
General	O1906	N.Indv	Sagar Financial Services	Hemal Dilipbhai Kothari	Gujarat
General	O1907	N.Indv	Wealth Yantra	Srividya Venkataraman	Tamilnadu
General	O1908	N.Indv	Shree Balaji Investment	Tushar Pravinkumar Desai	Gujarat

Events

On 5th January,2019 Ms. Roopa Venkatkrishnan conducted a power packed Session in Jalgaon which was attended by IFAs in large numbers. Khandesh Independent Financial Advisors had organised this Seminar.



On 6th January,2019 Ms. Roopa Venkatkrishnan conducted two Sessions in Surat & Bharuch which was attended by many IFAs.



On 13th January,2019 Ms. Roopa Venkatkrishnan did a session at Chiplun which was attended by IFAs in large numbers.



On 13th January, 2019 an event was held at Panjim, Goa by Mr. Hari Kamat, under the guidance & support of Mr. Gurpreet Singh Kabli & Mr. Ashish Goel. A large number of IFAs attended the event.



On 18th January, 2019 Mr. Sanjay Khatri did a Session in Patna which was attended by many IFAs.



On 19th January, 2019 Mr. Sanjay Khatri did a Session in Muzzafarnagar which was well attended by IFAs.



Highlights of Interim Budget 2019 (w.r.t investments & tax planning)

○ Tax Rebate for Taxpayers with Taxable Income of up to Rs. 5 lakhs

This has been one of the most talked about budget announcements, wherein it has been proposed that taxpayers with annual taxable income of up to Rs. 5 lakhs will be provided a tax rebate of Rs. 12,500. This effectively means that such taxpayers get a complete tax rebate on their income, since the taxable income from Rs. 2.50 lakh to Rs. 5 lakh falls under tax slab of 5%.

As the proposed provision reads, all the taxpayers with higher taxable income will not be provided any such tax rebate. However, with some tax planning and the use of available deductions, an individual with an income of up to Rs. 7.50 lakhs may still be able to take benefit of such rebate and pay no tax. Here is a brief table showing such legitimate tax benefit:



Particulars	Amount
Total Income	Rs. 7,50,000
Less: Standard Deduction (available to salaried employees/ pensioners only)	Rs. 50,000
Less: Deduction u/s 80C (which also includes investment in ELSS as well)	Rs. 1,50,000
Less: Deduction u/s 80CCD(1B) towards NPS	Rs. 50,000
Taxable Income	Rs. 5,00,000
Total Tax	Rs. 12,500
Tax Rebate u/s 87A	Rs. 12,500
Net Tax	Nil
Add: Health & Education Cess @ 4%	Nil
Total Tax Payable	Nil

Marginal Relief to Salaried Taxpayers due to higher Standard Deduction



Salaried taxpayers/ pensions have also received a marginal relief, as the standard deduction amount of Rs. 40,000 introduced last year has been increased to Rs. 50,000.

Disinvestments by Govt.



The Govt. has set a target of Rs. 90,000 for disinvestment receipts for the next year 2019-20. This is slightly higher than the current year target of Rs. 80,000. The FM also mentioned in his Budget speech, 57 CPSEs are listed with total market capitalization of over Rs. 13 lakh crore, and with an ambitious disinvestment target, many unlisted CPSEs can be expected to be listed soon. At the same time, disinvestment through the ETF route cannot be ruled out as well. Bharat-22 ETF and CPSE ETF have contributed to more than 70% of the current year's disinvestment receipts till date.

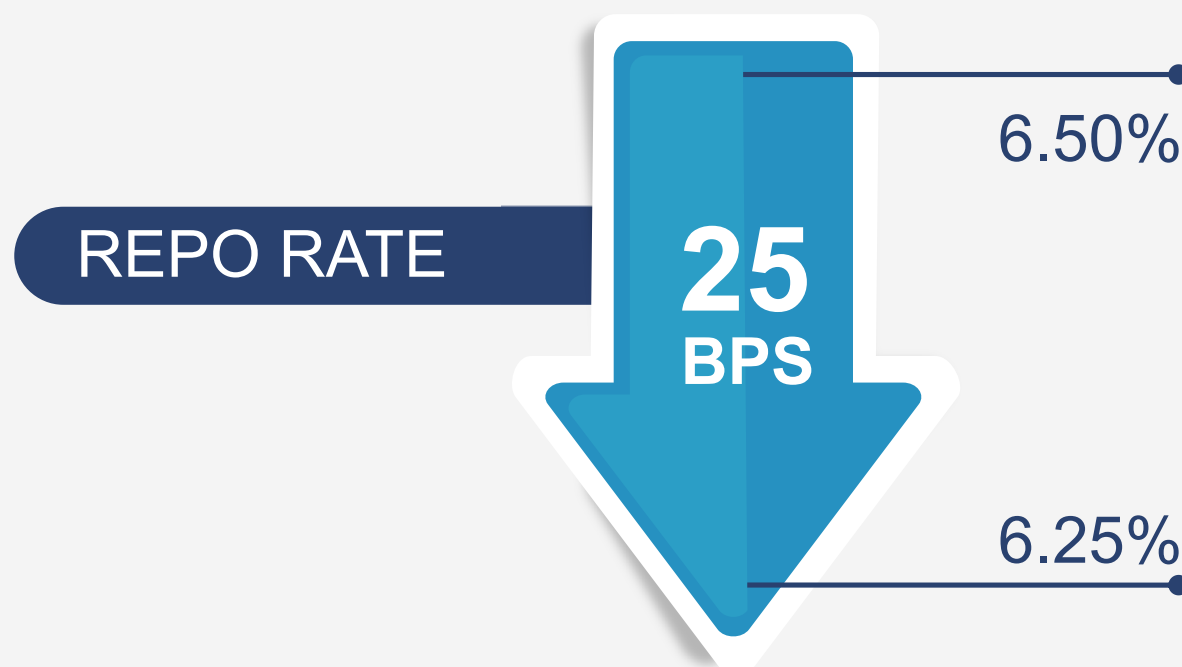
Fiscal Discipline



The Fiscal deficit for FY 2018-19 has been projected to be 3.4% of GDP, 10 bps higher than the earlier estimates. Further, the fiscal deficit for the next year 2019-20 has also been projected at the same level of 3.4%. The Govt. has shown its focus on achieving the set targets under Fiscal Responsibility and Budget Management (FRBM) Act of restricting fiscal deficit of 3% of GDP by 2020-21.

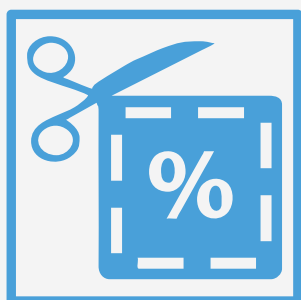
RBI Monetary Policy and Debt Funds

In its meeting held on 7th February 2019, The Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) reduced the policy repo rate by 25 basis points from 6.50% to 6.25% with immediate effect.



The MPC also decided to change the monetary policy stance from calibrated tightening to neutral. This will help improve the monetary supply in the economy and provide an impetus to growth.

Impact of Rate Cut on Debt Funds



The interest rate scenario in the market and yields in the fixed income market are inter-related. Whenever the interest rates decrease, the existing securities with higher interest rates will become more attractive for the investors and thus, command a premium in the market. As such, their market prices increase, thereby resulting in lower yields.

The duration of the debt securities is also an important factor in determining the impact of the change in interest rates on its valuation. The duration tends to be directly proportional to the extent of impact on the valuation and yield, as securities with longer maturities will stay impacted by the changes for a longer period of time. Therefore, short-duration funds are likely to be less insulated with the interest rate movements.

Debt Funds Outlook



Considering the change in MPC's stance to neutral and focus on achieving the medium-term inflation target of 4 per cent on a durable basis, it can be expected that the interest rates may continue to stay in a narrow range with movements possible on both sides, upwards as well as downwards. As such, the investors may consider investing in short-duration funds and credit risk funds.

Quiz

- Q.1 - Budget 2019 has provided for complete tax rebate to the taxpayers earning upto Rs. 3 lakhs.
A) True B) False
- Q.2 - The lock-in period of 3 years for ELSS investments starts from the date of registration of SIP.
A) True B) False
- Q.3 - Fixed Maturity Plans do not provide guaranteed returns.
A) True B) False
- Q.4 - NAV stands for:
A) Net Alternate Value B) New Asset Valuation
C) Net Asset Value D) Non-Allowable Valuation
- Q.5 - Liquid funds do not provide any returns, if the period of investment is less than 7 days.
A) True B) False

Ans. Q.1 - B), Q.2 - B), Q.3 - A), Q.4 - C), Q.5 - B),

All Members are requested to update their email IDs and cell numbers on telegram and database. Also, please provide the GST Number. All those Members who have not paid the Annual Fee are requested to do so at the earliest for both 2017-18 & 2018-19.

Your contribution towards this newsletter is solicited. Please share your views on events that you at your end.

Mail to response@fifaindia.com

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