



Foundation of Independent Financial Advisors

March 2018

What's New?

■ Monthly SIP Inflows

Monthly inflows into Mutual Funds through SIPs had been increasing amidst the uptrend in the equity markets. However, while the markets witnessed correction amidst global volatility, the incremental SIP inflows have shown signs of consolidation. While there was a slight decrease in the monthly SIP inflows as compared to January 2018, monthly SIP numbers continue to be encouraging as the same is significantly higher than the comparative inflows in the previous year. During February 2018, an amount of Rs. 6,425 crores have been invested through SIPs which is 59% higher than the amount of Rs. 4,050 crores collected on Feb. 17. Association of Mutual Funds in India (AMFI) data shows that the MF industry had added about 9.72 lacs SIP accounts each month on an average during the FY 2017-18 (till Feb. 2018) with an average SIP size of about ₹3,130 per SIP account.

■ Equity Market Performance during March 2018

Indian equity markets continued with the corrective cycle for the second consecutive month with both the benchmark indices, Sensex and Nifty 50 losing around 4% each in March 2018. However, in spite of the recent corrections in the market, Sensex and Nifty recorded gains of 11.3% and 10.3% respectively for fiscal 2018. This correction in the domestic markets has been in sync with the global sell-off and volatility which witnessed hiccups due to rising interest rate scenario in the US and increasing risks of trade wars between the economic superpowers. Even all the sectoral indices, except BSE Consumer Durables Index, gave negative returns to the investors during the month. However, with the optimistic economic growth outlook and moderating inflation data, it is a suitable time for the investors to invest in the markets, as many segments in the equity markets have come to reasonable valuations. As such, the clients may be advised to opt for systematic investing into the markets through SIPs.

■ AUM Data - Investments in Mutual Funds

Mutual fund industry ended the financial year 2017-18 with a healthy AUM of Rs. 21.36 lakh crores as at 31st March 2018 as against Rs. 17.55 crores as at 31st March 2017. ELSS funds saw healthy inflows (net) of Rs. 14,316 crores during the financial year 2017-18, as against Rs. 10,097 crores during the previous year. With the lowest lock-in period amongst various tax-saving options, ELSS may continue to attract demand from retail investors. While the AUM of equity schemes (excluding balanced funds and ELSS) was 27% of sector AUM at Rs. 4.82 lakh crores as at 31st March last year, the figures jumped to 31% as at 31st March 2018 with the AUM reaching Rs. 6.69 lakh crores, which indeed reflect a healthy trend for the sector as the industry is witnessing the shift of household savings into the financial markets.

■ Finance Bill Approved

- **With continuous disruptions in the 2nd half of the Budget sessions in both houses of Parliament, the Finance Bill 2018 was passed without any discussions.**
- The LTCG provisions , involving tax of long term capital gains over Rs 1 lakhs at 10 % , (introduced in the finance bill) as mentioned in last month's newsletter , were expanded to include situation where shares were unlisted as on January 31, 2018 but listed on the date of transfer or shares or the shares were listed on the date of transfer but unlisted on January 31, 2018, and such shares became the property of the assessee in consideration of a share, in lieu of any transaction specified in section 47.
- The law now allows the investor to take the benefit of indexation of cost of acquisition for FY 2017- 18 of such unlisted equity shares, though no such benefit is available for the LTCG payable on listed shares
- The capital gains tax relief presently available for investment in specified bonds u/s 54 C of the Income Tax Act, 1961- bonds issued by NHAI, REC after April 1, 2018 will now need to be held for a period of 5 years instead of 3 years earlier.

FIFA welcomes New Members:



WELCOME



M TYPE	MEM. NO.	TYPE	NAME OF ORGANISATION / IFA	NAME OF MEMBER	LOCATION
General	01482	N.Indv	DS Financials	Dhilan Jyotendra Shah	Panaji
General	01483	Indv	Prakash Singh Vijay	Prakash Singh Vijay	Vijayawada
General	01484	N.Indv	Moneyboat Consultancy Services LLP	Harsh Kanojia	Chandigarh
General	01485	N.Indv	Alpha Edge Investments	Prerna Kapoor	Chandigarh
General	01486	Indv	Akshay Vijay Kulkarni	Akshay Vijay Kulkarni	Maharashtra
General	01487	N.Indv	Aatla Progressive Investment Services Pvt.Ltd.	Suresh Kumar Reddy	Andhra Pradesh
General	01488	Indv	Anil Kumar Jonnagadla	Anil Kumar Jonnagadla	Andhra Pradesh
General	01489	Indv	Shrinivasa Arora Maturi	Shrinivasa Arora Maturi	Andhra Pradesh
General	01490	Indv	Harbilas Gupta	Hatbilas Gupta	Haryana

Events

1.Mr. Vincent J. Derudder currently Honorary Chairman of “Fédération Européenne des Conseils et Intermédiaires Financiers,” a trade body based in Brussels, representing 300,000 EU intermediaries through their national associations, and one of the founders of the first financial services trade association in Europe, he is one of the founders of the first financial services trade association created in Europe, visited Mumbai between March 26, 2018 to March 28, 2018.

FIFA Chairman Mr Dhruv Mehta, along with some of the other Board members arranged meetings for Mr Vincent with Ms Arundhati Bhattacharya, Ex Chairperson of State Bank of India, Mr Nilesh Shah, CEO of Kotak Mutual Fund, Mr Piyoosh Gupta, CGM IMD at SEBI and Mr N.S.Venkatesh, Chief Executive of Association of Mutual Funds in India(AMFI). Additionally, on 28th March, 2018 FIFA a Knowledge sharing session was organised in Mumbai which was addressed by Mr. Vincent J. Derudder. Mr. Derudder spoke on evolving regulations in Europe, especially in relation to Financial Advisors, the multiplicity of laws and regulators and how advisors were are dealing with them. He referred to the networks established as a way to address the over regulations; advisor best practices for delivering excellence; trends in investor preference for fee versus commission based service. Many Mmembers who attended raised and there were interesting questions which were answered by & answer session with Mr. Vincent Derudder.



Other

■ Amendment in Indian Trust Act – 2017

It has been brought to the notice of FIFA by some members that an amendment to the Indian Trust Act, 1882 through a notification in 2017 now permits private trusts to invest in debt mutual funds and equity mutual funds in the manner covered by this notification.

Only for information of members who have not seen this earlier.

■ Modification in Annual Fees

The Board of Directors of FIFA India approved the amendment of annual fees and changes in categories of memberships of FIFA India as proposed by the Executive Committee.

Necessary action is now being initiated to convene a general meeting of FIFA India; to seek approvals of the members before the revised fees become effective.

■ Pending Fees/GST numbers

Members who have yet to pay their membership fees are requested to clear the same at the earliest. Members are asked to clear the membership fees for the new financial year.

Members are also requested to **provide the GST numbers wherever available to be incorporated in the invoice/ receipt.**

We invite Members to solicit new Membership and invite viewers to register as Members. For details and registration forms, please visit FIFA Website: www.fifa-india.org

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

Mail to response@fifa-india.com

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