MEHTA
REWARDING RELATIONSHIPS

January-March 2019 Edition | Volume:5 / Issue:5

MCONNECT
A MAGAZINE

NAVIGATING THE INVESTMENT MARKETS IN 2019

HIGHLIGHTS

Stock of the quarter
KOLTE PATIL DEVELOPERS LTD.
Pune Based Real Estate Company

Equity Outlook & A Way Forward
MR ANAND RADHAKRISHNAN, CFA
MD & Chief Investment Officer – EME India,
Franklin Templeton Asset Management (India) Pvt Ltd.

New Year Resolution
Health & Wealth
Team Mehta

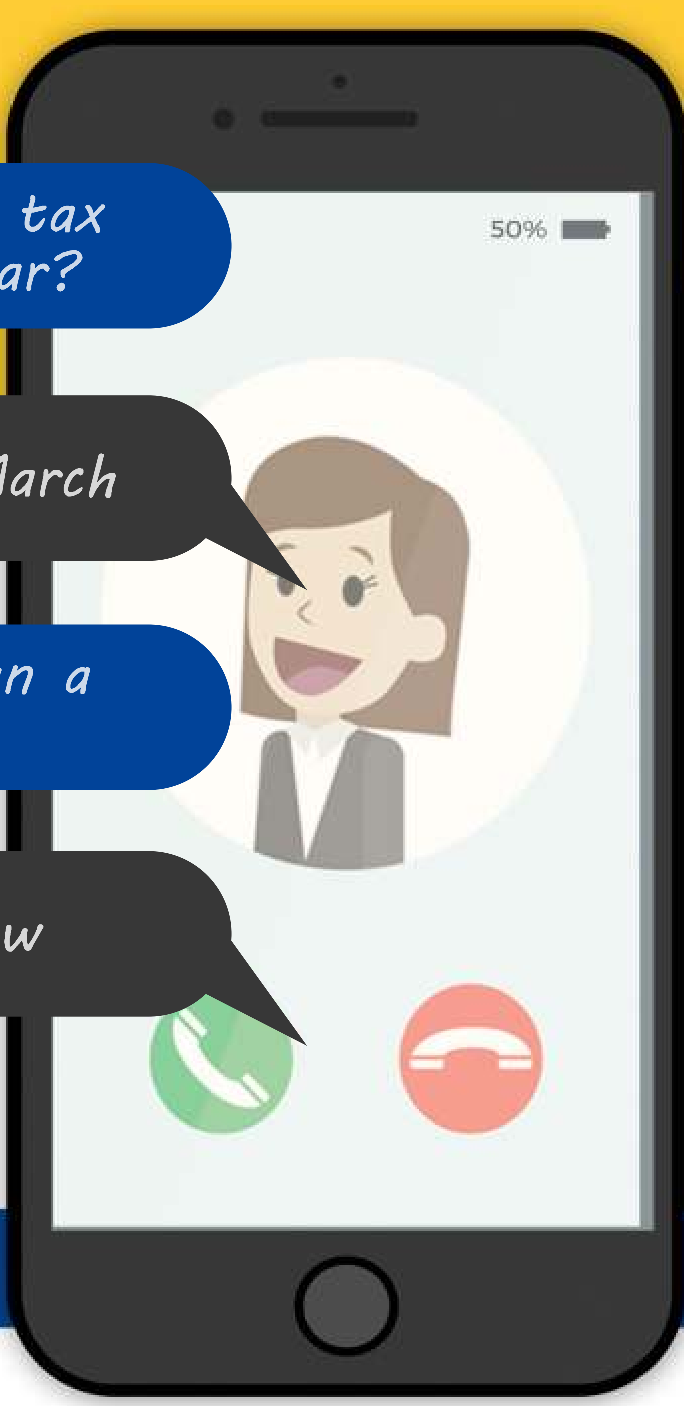
TAX OR WEEKEND
WHICH SHOULD YOU PLAN FIRST?

Have you done your tax planning for the year?

No, I will do it in March

Do you want to plan a weekend trip?

Yes let's do it now



NO LAST MINUTE HICCUPS TO SAVE TAX

TALK TO YOUR FINANCIAL ADVISOR FOR BEST
IN TIME FUNDS FOR YOUR INVESTMENT PLAN

#InvestmentBhiSamruddhiBhi

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ASK THE EXPERTS HOW?

FOR MORE INFO CONTACT OUR RELATIONSHIP MANAGER
Mr. Vinay Tiwari | **Boardline:** +91-22-61507100 | **Directline:** +91-22-61507145 | **Email:** vinaytiwari@mehtagroup.in

Message from CMD

Dear Readers,

Another glorious year comes to an end makes way for a deciding 2019 for investors. 2018 has been an action-packed year for investors that offered plenty of hiccups like- US-China Trade wars, Higher Crude levels, weaker rupee, IL&FS default, Local state elections, Farmer Loan Waivers and slowing earnings growth. With the markets already in the mood of General election next year may prove to be a major event for investors. An interesting philosophy regarding recent elections,

"People voted on the basis of caste and religion and did not take the merits of development and growth into consideration which is the biggest hurdle in development of country like India".

We are optimistic about 2019. I assume the growth engine will come back on track and earnings could pickup among Indian corporates in second half and FII flows could resume into India after stable government. Mutual Fund inflows in India are on a structural upmove driven by greater financialization of savings which will support markets for long term.

Trade tariffs, any uptrend in Crude oil prices, continuation in rate increases by the US Fed and unstable outcome from general elections, remain key risks to achieving our growth targets.

I advise investors to create portfolio strong enough to withstand turbulent times. Portfolio diversification is a good thing and while building your portfolio whether you are a newbie or a seasoned investor, you need to remember; **"Too many stocks spoil the performance of the portfolio".**

Mconnect is loaded with information. I am sure that this edition, which brings some key points, will be appreciated by you just like all our earlier editions. It also keeps you updated on how we have been progressing.

Relationship is a very important word. It all begins with a relationship & this you will always keep hearing from us. This is the most important value in our business. From 1995 and even before that, it is our focus to providing financial success to all those who are in relationship with us. You make us complete. To me, we are just one big family.

We always believe in improvement & we need your feedback to improve "Mconnect"

CA Rakeshh Mehta
Chairman, MEHTA GROUP

On behalf of Mehta Group Wishing you & your family a very Happy & Prosperous 2019.

New Year Resolutions to Lead a Healthy Financial Life

"When health is absent, wealth is useless,"

New Year 2019 has just begun, and we all must have made new resolutions. New Year resolutions are a fun way to motivate ourselves during the year.

The first step to achieving your resolution is to set a goal you can actually reach. One resolution we all want is to be healthier and happier for ourselves and our family, but working hard to live longer without investing to live longer, is it a good idea? We need to think about it!!

If you're habits make you live longer, but you're not getting yourself financially prepared for a longer life, you're only getting half the job done.

Well, we all know resolutions are just thought of but not strictly followed. Although, most resolutions are broken within the first couple of days, committing to becoming healthy (financially as well as physically) can be achieved with a few good habits.

We have penned down few resolutions for Healthy Financial Life:

Healthy Resolutions

Resolution #1:
Take steps to lose weight

Really, take more steps. The goal should be achieving a healthier lifestyle, not just losing the weight. With wellness, weight loss can happen naturally.

Resolution #2: Eat every two to three hours (in other words, don't wait until you're ravenous and hungry)

Skipping meals is not a good idea, whether it's on purpose to "save calories" for a big dinner or because you had some last-minute meeting prep that made the idea of lunch laughable. "Skipping meals won't make you lose weight—it's just going to make you hungrier,

Resolution #3: Give yourself mini-check-ups every month or so to see if anything's changed with Health insurance

Nowadays, people have such limited time with their doctor. That means that a lot of your health is in your own hands, literally. Often times, proactive patients who take charge are the healthiest." Also plan to have Health Insurance being a smart and tax saving financial investment, the health insurances also prepares us to tackle any ailments that we may face.

Resolution #4 Spend More Time with Family & Friends & Pay less Attention to Your Phone

Spending time with loved ones is great for your health and well-being, so it's not surprising that many people resolve to put more effort into nurturing their connections with family and friends. Set aside time each week to either call or meet up with a friend or family member.

Resolution #5 Spend 30 minutes on meditation (Yoga)

Have you even thought of meditation? Yes it's very helpful and unlike the medicines which cure us from the attack of viruses and bacteria, Meditation cures us from stress, anxiety, insomnia etc. There is no such test to find out these dieses, and it can happen to anybody at any-age. Incorporating a mindfulness practice into your daily routine make you feel more grateful, grounded, and present. Hence plan for your family, for yourself, for a healthy body and a stress-free mind.

Financial Resolutions

Resolution #1:
I will increase my savings every month

The best way to figure out how much more you can save every month is to look at your expenditure and see what can be rationalised.

Resolution #2:
I will start SIPs to achieve my financial goal(s)

For systematic wealth creation over the long-term, Systematic Investment Plans (or SIPs) offered by mutual funds are a good mode.

Here are 5 key benefits of SIPs:

- Lighter on the wallet (you can invest as low as Rs 500 per month)
- Enables rupee-cost averaging (help manage volatility of the market);
- Supports in compounding; and
- Is an effective medium of goal planning

Resolution #3: I will review my existing investments

Make it a point to review your existing investments recognising the market undercurrents and ascertain if you are on track to achieve the financial goals you've envisioned. It will also become clear if you need to invest more (as per you risk profile) to achieve financial goals. In short, it will facilitate taking appropriate investment decisions.

Resolution #4: I will 'protect' my family's financial future

Life insurance is fundamental to financial planning and financial health. Meaning, you just cannot ignore it. As a bread winner of the family, ensure you are optimally insured and safeguard the financial future of your family. To safeguard the interest of your loved ones and dependents, assess your 'Human Life Value' (HLV).

Resolution #5: I will consult an expert

Often, it pays to seek the opinion of experts, be it any facet of life – including personal finance. The "I know all" approach could prove detrimental in the absence of correct know-how and resources Experts possess sharp insights and thus can guide you astutely and correct you. Don't get dithered by the fees, as long as it is in the interest of your wellbeing.

To conclude...

"No one's has ever achieved financial fitness with a January resolution that's abandoned by February. Therefore follow these New Year resolutions conscientiously to lead a healthy financial life and achieve your financial goals.

TEAM MEHTA

KOLTE PATIL DEVELOPERS LTD

Recommendation: Accumulate/ Buy
Market Cap Rs 1825 Cr.

About the Company:

Kolte-Patil Developers Ltd (KPDL) incorporated in 1991, is a leading real estate company with dominant presence in the Pune residential market. KPDL is a trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. KPDL markets projects under two brands: Kolte Patil (mid income segment) and 24K (premium luxury segment). KPDL has developed and constructed over 50 projects including residential complexes, commercial complexes and IT parks covering a saleable area of 15msf across Pune, Mumbai and Bengaluru.

Investment Rationale:

Continued domination in Pune:

KPDL is a dominant player in the Pune residential market with 7-8% market share. KPDL is leveraging its strong brand and dominant market position in the Pune market to accelerate development and execution across locations. Teaser campaign at R9 Sector (Pune - Life Republic) has met with a good response with sale of 130 units with formal launch done at end of Aug 2018. Also there are robust opportunities in subsequent phases in its existing projects of Life Republic and Ivy Estate of about 3msf that are likely to get classified under Section 80 IB Affordable Housing Scheme which would be added advantage to KPDL.

Area diversification supports growth:

Bengaluru projects continued to deliver strong traction, contributing almost at 12.9% vs. 3.6% of sales and diversifying the base. Apart from Bengaluru, Mumbai projects are expected to pick up in the second half of FY19 with new launches supported by resolution of dumping ground issues. We expect the next growth would be through Mumbai & Bengaluru projects which can account for 20-25% of sales by 2020. We expect to see strong pre-sales growth from Mumbai & Bengaluru in FY19E. In addition, sales during the quarter H1FY19 were driven by projects like Stargaze, Ivy Estate, Life Republic and Downtown projects in Pune.

Healthy Launch Pipeline:

KPDL has healthy pipeline of 30msf projects that are under execution and approval, of which it has planned launches of 4msf in 2HFY19E. Mumbai area shows wide opportunities with 14 redevelopment projects across Mumbai (1.4mn sqft) for KPDL to grow its footprint in Mumbai. KPDL's leadership position in the Pune market should be able to achieve 4msf sales volume for FY19 & FY20 based on unsold inventory, current launch pipeline. Also we believe shift from unorganised to organized, execution focused developers will further increase the KPDL's market share.


MSEARCH

Asset Light Strategy the next growth path:

KPDL will continue to explore strategic partnerships under asset light models to enhance its overall portfolio and position the company for sustained growth and maintain lean balance sheet. KPDL has decided to enter into profit sharing model by utilising its cash flows towards redeveloping of projects. This has worked in the KPDL's favour as it is asset-light and helps in improving margins, return-on-capital and return-on-equity. KPDL expects a near 10-12% jump in its revenue and profit this financial year with return on capital employed to expand to 20% by 2020 from current average 16.06%.

Mview

We believe KPDL is well placed in LIG/MIG segment which contributes 70% and earns biggest beneficiary with the leadership position in Pune market and Bengaluru & Mumbai market will further increase the sales visibility and can translate in bigger opportunity. With increasing regulatory compliance and drifting down of mortgage rates organised players like KPDL would be benefited the most. Also we believe shift from unorganised to organize will further increase the KPDL's market share. Considering limited correction in Pune property prices, Effect of increased FSI for non-agricultural land based township & health growth momentum in the new geographic area would help KDPL to maintain 10-12% growth for 2020E. Hence we recommend investors to "Accumulate" with a Target of Rs.302 with potential upside of 28%.

Financial Overview

Profit and Loss Statement (Rs Cr)

Particulars	FY17	FY18	FY19E	FY20E
Income from operations	964	1403	1545	1699
YoY Growth		46%	10%	10%
Expenditure				
Cost of material	611	966	1035	1122
Employee expenses	38	38	43	51
Other expenses	77	96	106	116
Total	726	1100	1183	1289
EBITDA	238	303	362	411
YoY Growth		27%	20%	14%
EBITDA Margin	24.7%	21.6%	23.4%	24.2%
Interest	86	99	100	110
Depreciation	15	15	23	26
Other Income	10	14	10	10
PBT	147	203	249	285
Tax	62	49	82	94
PAT	85	154	167	191
YoY Growth		80.9%	8.5%	14.6%
PAT Margin	8.8%	10.9%	10.8%	11.2%
EPS	11.50	16.03	21.98	25.18

Contact Research Desk: 022-61507123

Mr. Anand Radhakrishnan, CFA
Managing Director
& Chief Investment Officer – EME India,
Franklin Templeton Asset Management
(India) Pvt Ltd.

Few schemes under management:

- Franklin India Bluechip Fund,
- Franklin India Equity Fund,
- Franklin India Technology Fund,
- Franklin India Focused Equity Fund (Co-portfolio manager),
- Franklin Build India Fund (Co-portfolio manager).

Equity Outlook & A way forward.

Divergent global trends transpired during the year 2018 especially in terms of global growth and inflation. The synchronous growth in global economy seen in 2017 became less balanced in 2018 with robust growth trend in the US, slower growth pace in European region, moderation in Chinese economy, mixed growth trend in the Asian and other EM regions (led by country-specific factors). The year also witnessed political changes in major economies including the Euro region, UK (Brexit), midterm elections in the US, state elections in India and change in political leadership in Brazil among others. Global trade war-related concerns together with continued monetary tightening by the US Federal Reserve were among the key factors that pressured global equities during the year. Expected adverse impact of protectionist policies adopted by major economies on the world trade made IMF lower its projection of global growth to 3.7% for 2018 and 2019 (0.2% lower than April 2018 forecast).

While the global factors had a significant influence on Indian markets, a myriad set of domestic factors also shaped the trend in domestic equities. 2018 was one tumultuous

year for the Indian equity investors, which brought along euphoria as well as despair. Domestic frontline equity indices scaled life highs in early 2018, outperforming the mid and small cap segments during the year. Equities initially rallied on positive macroeconomic data, encouraging corporate earnings and robust global trade growth trend. However, faster growth in the US economy triggering concerns of quicker rate hikes by the US Federal Reserve and tighter monetary regime moderated the rally in global equities. Culmination of factors including persistence in global trade conflict, surge in crude oil prices and weakening of the EM currencies against the USD dampened global risk sentiments, dragging Indian equities in the latter half of the year. Introduction of long term capital gain tax on equities, state election-related volatility and weak macroeconomic parameters continued to weigh on domestic equities. Tighter global rate regime and an increase in domestic inflation triggered a couple of rate hikes by the RBI during the year.

Some key trends defined the year 2018 for Indian market. Corporate earnings improved through the quarters in CY2018 initially on base effect and later on driven by domestic consumption, revival in industrial production and global demand. Macroeconomic parameters weakened but relatively positive micro indicators supported growth. On the policy front, continued strengthening and implementation of Insolvency and Bankruptcy code and asset quality clean-up for banks was a positive.

These positives drove equity market valuations high during the year despite global risk-off sentiments towards EMs in general. However, the recent correction in global and domestic equities brought respite to this situation by moderating the domestic equity valuation levels towards the close of the year. Current Bloomberg consensus estimate for FY19 EPS growth of Sensex stands at 14.6%, taking into account some downward revision from April 2018 levels.

Elections

Elections in India have always played a significant role in shaping near term investor sentiments. State elections in this year and general elections just a few months away have understandably lent volatility to markets over and above the global factors. Setback for the incumbent government in the recent state elections in Rajasthan, Madhya Pradesh and Chhattisgarh may have dented expectations of a clear win for BJP in 2019 general elections. However, it may be noted that the win for congress has been a narrow one with BJP's vote share coming down marginally from the 2014 levels in these states. The possibility of NDA seeking support of other regional parties in 2019 general elections still exists. Forced to hazard a guess, we may either see a BJP-led or a Congress-led coalition at the centre& we expect policy continuance on either of them.

But the concerning part in this whole scheme of things is that both BJP and Congress have been indulging in rhetoric on competitive populism by promising loan waivers, subsidies, reduction in GST for agricultural equipment, unemployment allowances, etc. If implemented, these populist measures could boost rural consumption, but at the cost of lower funds available for infrastructure and capex growth. Inflation too might rear its head again after being benign for a long period of time. But these are more of Risks than the most probable outcomes.

Domestic equity markets have seen a surge in fund flows from 2014 when BJP came into power. Over the last four years, the FPI flows have dropped because of various global developments impacting risk sentiments towards emerging markets. The domestic flows have continued to support equity markets thus far and made up for the lack of flows from FPIs. Though it is important to be cognizant of the possibility that persistent weakness in global markets in general and continued uncertainty in Indian markets could affect domestic flows going forward.

An analysis of equity market returns (BSE Sensex CY returns) during the general election years from 1991 to 2014 doesn't show any unidirectional trend (returns are positive in some years and flat to negative in some years). This implies the presence of multiple factors which impact returns, elections not being the only significant one. We believe that there might be some interim volatility in the run-up to elections in 2019. However, the policy reforms undertaken by the present government to improve productivity dynamics in the economy – GST, Insolvency and Bankruptcy code, JAM trinity, improving ease of doing business, bank recapitalization, increasing FDI limits across sectors, to name a few, are expected to have a long-lasting positive impact on the economic growth. At present growth recovery is aided by consumption and exports growth. Prudent policy mix along with a pick-up in private sector capex should further bode well for sustaining the growth momentum.

Additionally, as global growth moderates in 2019, pressure on commodity prices & hence inflation in general is expected to be benign, paving way for easy monetary conditions. Banking sector is expected to drive better credit growth as they recover from significant provisioning cycle, leading to improving demand conditions. Higher capacity utilization should lead to corporate capex picking up leading to broader revival in Investment cycle and earnings growth. In summary, we expect 2019 to be a better year for equities when compared to 2018.

How to navigate markets in 2019 ?

We are in a most challenging investment environment; Elections, Geopolitical uncertainty, tighter monetary policy, a maturing global cycle along with fears over an escalation in US-China trade war and volatility in crude oil prices, are expected to determine the trajectory of the key Indian equity markets

Recent elections are considered as a crucial indicator of public mood before the Lok Sabha elections which are due in April-May 2019.

Once the election story gets over within 3-6 month, we believe the market would rebound in its own style. Long-term fundamentals have not changed and the market is over-reacted for short-to-medium term. In these times we advise investors to be cautious with wait and watch strategy asmarkets will react to all news flows structurally. If we look at last 4 years Market had run-up too much and too fast which may not the way market would react in coming months.

Midcaps and smallcaps space has witnessed major mayhem due to many factors and now the quality Midcaps are available on the historic low valuations which triggersa buying opportunity for long term.

One must start accumulating quality stocks, if you really understand a company and have faith in the management and business dynamics, these are brilliant opportunities. But if you do not understand the company or market sentiment, do not buy individual companies. Invest in a mutual fund, which are the best way to diversify risk. Historically speaking, panic selling based on news or events or artificially noise can only be looks as good buying opportunities for quality fishing, so-called fear is hypothetical case and, hence, won't last long.

Right now, Investors are confused about how to navigate this market, YTD Index being in the flat returns zone while wealth destruction is reflected from the fact that out of the BSE 500 companies, 80% of the stocks are quoting below their 2017 levels.

Given expected volatility and a heightened focus on valuations, we expect 2019 to be a stock picker's market. Returns would mainly come from companies with strong fundamentals trading at reasonable valuations.

So, how to navigate this situation:

- **Timely review your portfolio.**
- **Don't Panic & Sell quality stocks.**
- **Plan your investments based on goal.**
- **Invest in business what you understand.**
- **Stop taking unnecessary risk in penny stocks.**
- **Don't be greedier in profit zone & fail to exit.**
- **Add Mutual fund product in the investment portfolio.**
- **Long term investors should not be bothered by short term noise.**
- **Identify portfolio draggers and dare to book losses and use the proceeds to buy good quality companies.**
- **Don't simply buy stocks that have fallen down more than 50% as investors should not try to catch falling knives.**

Apart from these external and internal factors, human emotion is probably the most harmful factor that contributes to market volatility as people tend to behave unreasonably and take wrong decisions. For instance, when your portfolio is doing well you feel euphoric but fear the worst when it slumps. This swing in emotions, caused by international and local factors, can make investors become aggressive buyers or sellers, thus adding more volatility to market.But then corrections are good for the health of equity market, though it is true that nobody likes prices crashing down and wealth getting wiped out. Seasoned investors who have spent a couple of years in the volatile world of equity investment would know that corrections restore indices and stock prices to realistic levels.

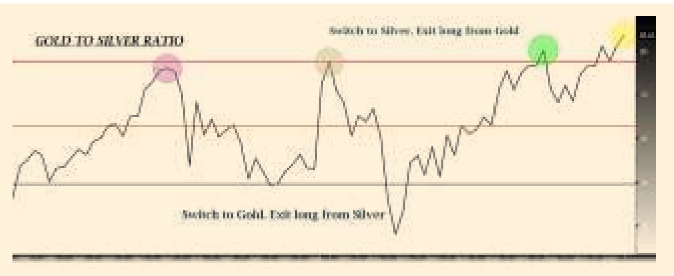
But for new entrants it can be a demoralizing experience; they can easily get unnerved by falling prices and may rue their decision of venturing into stock market. It is true that among most asset classes, investment in equities comes with fair amount of uncertainty and high-risk. It is always important to understand what causes volatility in the first place. There are many factors that cause market volatility, both external or global and domestic. For instance, in a globalised trade and business environment, political and economic changes in developed economies and markets can have positive or negative influence on developing economies like India and hence are likely to affect stock markets across the world. Today, markets are so interlinked that a gap-up or gap-down opening in global markets – both Western and Asian as well – have an immediate influence on Indian equities.

We wish you the best for 2019 and remain by your side to help you achieve your financial goals.

TEAM MEHTA

Gold – Silver Ratio

The Gold-Silver Ratio has been one of the most reliable technical 'buy' indicators for Silver, whenever the ratio climbs above 80. The gold-to-silver ratio has moves above 85, which is the highest mark of this 18-year Bull market. We have to go back 27 years to Y 1991 for the ratio to be higher than it is now. Notably, the ratio is currently higher than it was at the depths of the Ys 2008-09 financial crises



- Gold/Silver Ratio for the last 18 years the ratio has consistently ping-ponged within a wide range, characterized by rough lows of 40 to 45 and rough highs of 80 to 83.
- A simple strategy of converting silver to gold when the ratio reaches near to 49 and swapping those silver for gold near to 80 would have resulted in safe returns in 15 years.
- The Gold/Silver Ratio provides clues - The 45 and 80 gold to silver ratio (GSR) rule would have required just 7 transactions in the last 18 years, so it is neither difficult nor expensive to implement. There is no need to time trades to a given day or try to guess tops or bottoms... simply buy gold when it is cheap relative to silver (around 45), wait, and a few months later buy silver when it is cheap relative to gold (around 80).
- Silver got very cheap compared to gold once again in 2018. As silver is not the only precious metal that is lagging the yellow metal. The ratio weighed on the sector. A recent turn around could mean higher Silver prices in the coming weeks and months.
- Silver may be on the march upward. It is certainly an interesting time for silver. The metal has been underperforming gold for a long time – by 7% during the last year alone.
- We expect to see higher silver prices as inflation pressures start to creep higher. The US government's Consumer Price Index showed annual inflation at 2.4% with core inflation at 2.1%, both higher than the Federal Reserve's target of 2%. Not only is an inflation pressure increasing, but many traders warned that the Federal Reserve will continue to remain behind the inflation curve. The Federal Reserve can't raise interest rates too fast in the face of higher inflation because that could have negative impacts on economic growth.

Commodity Performance (%)

Commodity	LTP	Period					
		1 Year	6 Month	3 Month	1 Month	1Week	YTD
Gold	31200	7.13%	2.52	2.36	3.17	-1.12	6.87
Silver	37700	-3.77	-3.90	-2.27	7.26	0.93	-3.90

Silver market broke down significantly during the year, slicing from Rs. 41,961 ($17.40) levels In fact we got as low as Rs. 36,000 ($13.98) before bouncing back a bit. The $14.00 level underneath is a massive support. We could go below the ($14.00) levels, and if we do, we expect strengthening of the US dollar. We do like buying Silver for long-term, as we have stated several times in the past. While technically Silver price fluctuates within sideways track after the rise that it witnessed in a month, to remain stable inside the bearish channel that appears on the chart, with its resistance located at Rs. 39,850 ($15.00), as the EMA50 meets this resistance to add more strength to it, while stochastic provides negative signals now. Therefore, these factors support the chances of resuming the bearish trend in the upcoming sessions with its next target located at $15.00 which will push the price to test the most important resistance to the short term trading at $15.50 after ward $ 16.80.

One important factor is Rupee (USDINR) which we have to watch keenly as it will be the deciding factor for Gold & Silver in India.

Gold / Silver: Looking to Gold/Silver ratio which is trading at 83.41 shows in chart that ratio is dropping from 80.50 level & 77 level, upper side resistance could be at 85.50, which suggest Gold is underperforming Silver.

TEAM MEHTA

"Financial Instruments-The New Age Gift for your dear ones"

Gifting a financial instrument is the best way to secure your financial future. Financial gifts have the potential to transform the lives of the recipients, particularly for those who are averse to investing in risky products.The great thing about investments is that they can increase in value through appreciation, interest, or dividends. This is what makes them ideal as a gift.

Historical data shows that equity is the only asset class that can comfortably beat inflation over the long term. Mutual funds are a very low-cost and convenient way of investing in stocks.They are also more rewarding than other common gifting options such as fixed deposits and gold.

Can Equity Stocks be gifted?

- You can gift shares by transferring them directly to the recipients demat account. You need to fill up the delivery instruction slip, while the recipient has to fill out a receipt instruction. The shares received from your depository participant will be credited to his demat account once the receipt instruction is received.
- While it is not mandatory to execute a gift deed, to create a legal record, it is best to execute a gift deed on appropriate stamp paper.
- There is also a tax angle. Shares gifted by relativesspecified as per income tax act 1961, do not have any tax implications for the recipient.
- Shares received as gift upto Rs 50,000/- are exempted from tax when received from other than relatives in a financial year, gift above the mentioned amount is added to your income and taxed at the marginal rate.
- However, gifts received on certain occasions (e.g. marriage) are exempt from tax.

Pros of stocks

Your gift recipient will be able to watch their stock grow (or decrease in value.) It can be a good learning experience for a young investor and hopefully inspire them to continue investing on their own.

Want to gift a Mutual Fund, Ask Us How?

Systematic Investment Plan (SIP) as a mode of investing is very appealing today.The investment can compound multi-fold and fulfil one's financial needs. The procedure to gift minor is easy to follow....

1. Start mutual fund investment in the name of the child. Form has to be signed by parents or legal guardian, who will have to complete KYC formalities.
2. KYC requires self-attested copies of PAN of guardian, birth certificate of minor, cancelled cheque of guardian, bank account and third party declaration stating relationship with child.
3. While starting SIP, give ECS mandate for direct transfer from the bank account of the person gifting the SIP.
4. These are one time procedures required for the initial investment. Subsequent investments in the same folio of the same fund house do not require these documents.
5. Till the child is minor, the mutual fund account will be operated by the parent or legal guardian. After he turns 18 all SIPs will be suspended and the child will become operator of the folio.

Pros of mutual funds

Mutual funds make a great gift that will be poised for long-term growth. If you are giving to young kids, then this is a great way to start an account that will grow with them.

Insurance as a protection gift – Who's covered?

- The wedding season is on. An insurance plan may not appear appropriate as a wedding gift but it can be a very useful.
- An exotic honeymoon package or a designer handbag are great as wedding gifts, but a medical policy or life insurance cover for the couple might be of greater value.
- One can pay first year's premium and the couple will have to renew the plan in the following years.
- Term plans are often considered a waste of money as there is no maturity value.If the couple shares this view, go for a single premium plan. The entire premium is paid at one go, so there is no chance of the policy lapsing.
- But such plans are very costly.If your budget is smaller, go for a lower cover and shorter tenure of 20years.
- If the couple plans to start a family in about 2-3 years, you can give them a policy that covers maternity expenses.
- Keep in mind that buying a health cover for parents is possibly the best gift since these are expensive and it reduces their financial burden considerably.

Important note:

All the above mentioned details are for knowledge purpose. Readers are requested to take proper guidance of their financial advisor/ tax consultant before indulging into any kind of financial transactions.

Edited & sourced from: The Economic Times

TEAM MEHTA

Connecting Growth Partners 2018




Mehta Group believes in rewarding relationship and in order to grow we always encourage our growth partners to explore new business opportunities like our Vapi team lead by **Mrs Shikha Bhandari** (Branch Head) participated in JCI VAPI Business expo, which was an unique opportunity to build brand image and showcase Mehta Group Presence. JCI VAPI Expo was a successful event with footfall of more than 100000 visitors. We also visited our newly opened PUNE branch lead by **Mr Harshal Kulkarni** (Branch Head) for business development meets with the whole Pune branch employees. These growth meets help us to understand the ground scenario and plan out our future plans of expansions.

MEHTA

REWARDING RELATIONSHIPS

OUR SERVICES

- **EQUITIES** – BSE, NSE & MSEI
- **DERIVATIVES** – NSE
- **COMMODITIES** – MCX & NCDEX
- **DIAMOND TRADING** - ICEX
- **CURRENCY TRADING** - NSE
- **DEPOSITORY SERVICES** - CDSL
- **WEALTH MANAGEMENT** – PMS & AIF
- **FINANCING ADVISORY** - NBFC
- **RESEARCH ADVISORY**
- **CORPORATE ADVISORY**
- **DISTRIBUTION** – MUTUAL FUNDS / IPO / BONDS

EFFECTIVE FROM JAN 2019 | VOLUME 5

903, Lodha Supremus, Dr. E. Moses Road, Worli Naka, Mumbai - 400018
Tel: +91 2261507100 / **Fax:** +91 2261507102 / **Website:** www.mehtagroup.in / **Email id:** info@mehtagroup.in

Dealing Desk : 022-61507118/119/120 **Research Desk** : 022-61507123/124/142 **Commodity Desk** : 022-61507125/126/128
Risk Management Desk : 022-61507135/136/137 **Mutual Fund Desk** : 022-61507144/145/147
Wealth Management Desk : 022-61507197 **IT Desk** : 022-61507157/158/137 **Backoffice Desk** : 022-61507169/170/172
Compliance Desk : 022-61507179/180 **Account Desk** : 022-61507183/184/185