

MCONNECT

A MAGAZINE



ASSET ALLOCATION : THE MANTRA FOR LONG TERM WEALTH CREATION

GUEST FUND MANAGER

Mr. Sankaran Naren
Executive Director & CIO
ICICI PRUDENTIAL AMC

LONG TERM INVESTMENT IDEA

TATA Power Co Ltd
India's Largest
Integrated Power Co.

Sovereign Gold Bond
The best way to invest
in the yellow metal

PowerGrid InvIT
A Good, Secured
Higher Yield Investment

GUEST INDUSTRY EXPERT

Mr. Ketan Kothari
Director
Augmont Enterprises Pvt Ltd

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Launching of



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CHAIRMAN MESSAGE

Dear Readers,

I hope that you and your loved ones are safe during these challenging times. During the course of the last year, we have realised that, "Sometimes we are tested, not to show our weakness but to discover our strengths." which I believe Mehta Group has showcased to all our stakeholders, investors, community and family members.

Global Covid-19 pandemic, excess liquidity, FPI inflows, new investment cult, corporate performance, and news of the vaccines and its effectiveness were key to the Indian Equity markets just like the global markets. Significant improvement in corporate earnings acted as a strong booster for the investor sentiment pushing markets to ALL TIME HIGH. Performances of some companies and certain sectors have been significantly better than anyone had anticipated even with the second wave. Mutual Fund industry's AUMs has also touched an all-time high of Rs 31.6 lakh cr, attributing to investors having realised bank interest rates on FD is on a declining curve for last few years and inflation-adjusted superior qualitative returns over the longer term can only be achieved by investing in equities as an asset class. Depending on their stage in life, goals and risk appetite, small savers are now finally moving their savings to mutual fund/SIPs, away from bank deposits.

In FY20, the profit-to-GDP ratio had dropped to a two-decade low of 1.8% and recent increase in the ratio for FY21 to 2.6% signals that the unorganized players had to bear the maximum brunt of havoc created by the covid-19 pandemic. FY21 fiscal has been absolutely amazing for the corporate sector having registered double-digit growth in the top-line and more than 6-times jump in net profits (YoY) obviously due to a low-base and various cost rationalisation measures resulting in sequential improvement of 9-10% in topline and almost 30% growth in net profits in last quarter. With a visible recovery in the second half of fiscal 2021, driven by easing of lockdowns and restrictions, re-opening of businesses phase wise GDP growth is expected to be in positive territory in the second half of 2020-21. But having said that, a quick warning is that rising commodity prices will also lead to an increase in inflation and decline in margins for companies on a sequential basis which is possible in the immediate near term.

Following the economic recovery which is leading to a stronger GDP growth, we are witnessing a lot of M&A and fund raising activity happening in the coming quarters, recent deals like Thyrocare- PharmEasy deal (₹ 4,546 Cr) & Reliance Retail - Justdial deal (₹ 3,497 Cr) are just tip of the iceberg to my assumption. Besides, such big M&A deals, even the primary market is also on a spree with record levels of issuances like Zomato a ₹9,375 Cr IPO asking for a market capitalisation of ₹ 60,000 Cr, Investors pour in more than ₹ 2 Lakh Cr Bid, almost 40 times more than firm aimed to raise in public offering which shows the deep pockets of Indian investors and believe me more public offers are on cards like PayTM (Approx ₹ 16600 Cr), PolicyBazaar (Approx ₹ 4,000 Cr) and so on.

Considering all my experience in the capital market I advise investors should be wise and invest for the long term, as every investor aims to make a high-return and have low-risk, unfortunately, such investment products do not exist but if your investment horizon is long and if you stick to some basic market fundamentals, your portfolio will certainly do well!. We are optimistic about the markets for the coming year as almost all businesses have adjusted to the new normal and are back on track to early 2020 levels. I believe overall markets will behave volatile in the short to medium term while in the long term investors can expect decent returns which can mitigate inflation rate. Hence, it is our firm belief that Wealth Creation is a long term process and it will take its time as there is no Shortcut to Wealth Creation and I am confident that this trust placed by investors will be duly rewarded over a period of time. At MEHTA, we are committed to provide the best quality financial advice and service to our clients.

As always we wish to all remain healthy and safe.



CA RAKESH MEHTA
Chairman, Mehta Group



GUEST COLUMNIST

ASSET
ALLOCATION
THE CORNERSTONE
— OF —
SUCCESSFUL
INVESTING



MR. SANKARAN NAREN
Executive Director &
CIO ICICI PRUDENTIAL AMC

Asset allocation refers to an investment strategy in which individuals divide their investment portfolios between diverse asset classes to minimise risk. Through asset allocation, you decide how much of your wealth should be in equity, debt, gold etc. Research time and again has shown that over the long term, the key determinant for successful wealth creation is having proper asset allocation in place. By doing so, the overall risk to the portfolio gets substantially minimized.

Asset allocation depends on several interlinked factors such as age, income, wealth, risk appetite, personal goals, liquidity preference and investment horizon. As each of these factors varies from person-to-person, there is no one size fits all asset allocation plan which can be implemented.

Why Allocate Across Assets Classes?

Each asset class has a unique risk and return profile. Also, the co-relation between most of the asset classes is minimal or negative. What this means is that no two assets class will react to a development whether economic or market related in the same manner. So, because a portfolio is made up of various asset classes, the negative development in one asset class will not have an adverse impact on the overall portfolio return. The perfect example to this was seen during March 2020 and thereabouts, a time when equity markets across the globe reacted sharply owing to the spread of the pandemic. While equity markets corrected in double digits, gold rallied at the same time. So, hypothetically, if a portfolio held equity, debt and gold, then the net impact of the equity market correction would have been dented by the resilience of gold.

Practical Challenges

While all of this reads fine and even when a plan is made executing it may prove to be challenging. This is because an asset allocation may call for change when there are some drastic changes in one's life such as having a child, losing a job etc. At other times, there may be a need to rebalance because a certain asset class may have rallied very much and would have distorted the allocation profile. All of this calls for active participation of the investors if he or she is to do it on their own. Also, one would have to be mindful of the developments across equity and debt markets.

While at it, one of the major challenges the investor will face is one's own behavioural biases. At a time when the stock market is steadily rallying it is close to impossible to book profits or trim allocation to equity because one fears on missing out the potential gains if the market rally continues. Conversely, if any of the investment decisions is doing badly and calls for booking losses, that again turns out to be challenging as one hopes that there will be a change in fortune in the near future.

As a result, the decision we take at such times may prove to be counterproductive, hurting our portfolios in the long run.

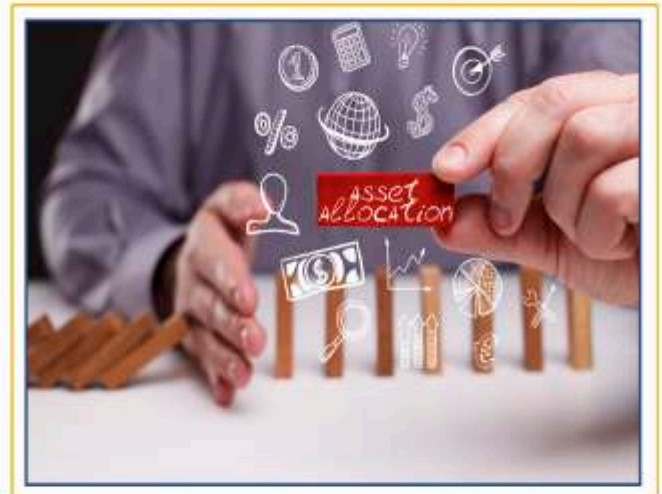


Asset Allocation Scheme with In-built Mechanism

One of the easiest ways to address asset allocation need is to opt for dynamically managed asset allocation mutual fund schemes or a multi asset category of fund. In an asset allocation scheme, based on the prevailing opportunities across equity and debt asset classes, the fund manager will toggle one's investment corpus such that one can gain from these investment opportunities. The equity allocation in case of a fund like ICICI Prudential Balanced Advantage Fund can be anywhere from 30% to 80%. Because of this arrangement, an investor is free from the need to track markets closely. Hence, dynamically managed asset allocation schemes emerge as a one-stop solution for your asset allocation needs. In case you wish to add gold to the mix as well, then opt for a multi asset fund.

Furthermore, by investing in a dynamically managed asset allocation scheme, an investor can be rest assured they would not be facing the challenges related to the pitfall of greed and fear. Most often, when markets are trending higher, booking profits tend to be a challenging proposition. Similarly, when there is a market correction and valuations have turned attractive, fear stops most of the investors from making aggressive investments. As a result, an investor loses on the opportunity to buy low and sell high, an approach which helps investors tap into disproportionate gains over the long term. Through this fund, an investor can address these anomalies very easily.

When investing into a dynamically managed fund, if the market valuations are attractive, then the allocation is incrementally made towards equities. Furthermore, when valuation turns expensive, profits are booked and the same is deployed in debt. For example: Prior to the onset of the pandemic in December 2019, the equity allocation in ICICI Prudential Balanced Advantage Fund was at 46%. From here, as the market started correcting, the equity allocation of the scheme increased over time and at the height of market correction, equity allocation rose to a high of 74% in March 2020. Given the market recovery post correction, once again the equity allocation has been reduced to 35% as of May 2021. This is the lowest equity exposure the scheme has ever had since August 2018 when the allocation was at 30%.



The beauty of such an allocation scheme when looked over longer period reveals a very positive investment experience. If one were to look at the performance of the fund over the past decade, it has delivered a CAGR of 12.6% with an average net equity level of 54.9%. At the same time, Nifty 50 TRI has delivered a CAGR of 12.2%. This shows that despite lower allocation to equities, dynamically managed asset allocation could deliver returns which are at par with equity schemes. So, through this fund an investor gets the opportunity to gain from a rally, while in case of a correction; the downside is minimized due to the debt component.

(Data Source: Value Research, Data as of May 31, 2021)

This makes dynamic asset allocation fund an all-weather investment solution and can be considered by investors across the risk appetite spectrum. It can also be considered as a stepping stone into the world of equity investments for a novice investor. Also, if you are an investor looking to deploy lump sum investment but are apprehensive due to elevated market valuation, do consider investing into asset allocation schemes.

Riskometer & Disclaimer

<p>ICICI Prudential Balanced Advantage Fund is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Long term wealth creation solution <input type="checkbox"/> An equity fund that aims for growth by investing in equity and derivatives. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at high risk.</p>
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Disclaimer: Mutual Fund Investments are subject to market risks, read all scheme related documents carefully. The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the scheme. Please refer to the SID for investment pattern, strategy and risk factors.



Power Grid InvIT

About InvIT

An Infrastructure Investment Trust (InvITs) is like a mutual fund and its objective is to facilitate investment in the infrastructure sector. InvITs can be established as a trust and registered with Sebi. It is designed to pool money from several investors to be invested in income-generating assets. The cash flow thus generated is distributed among investors as dividend income. When compared to Real Estate Investment Trust or REITs, the structure and operation of both are quite similar. . Investment manager is an entity or limited liability partnership (LLP) or organisation that supervises assets and investments of the InvIT and guarantees activities of the InvIT.

About PowerGrid InvIT

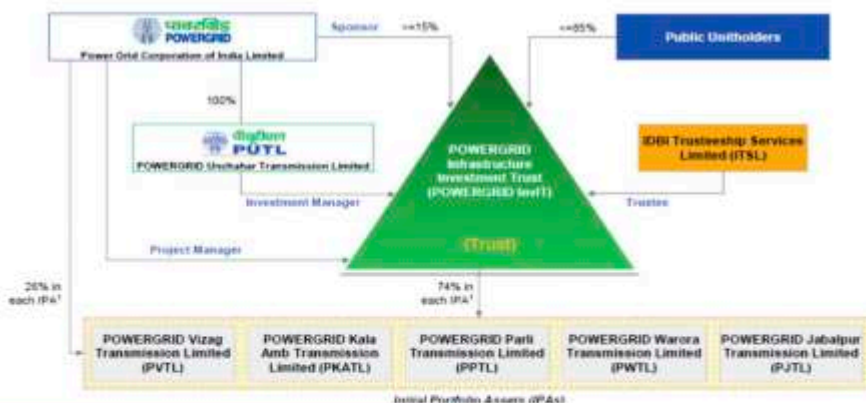
POWERGRID Infrastructure Investment Trust ("PGInvIT") is an InvIT set-up to own, construct, operate, maintain and invest as an infrastructure investment trust as permissible in terms of the InvIT Regulations, including in power transmission assets in India. Power Grid Corporation of India Ltd a Maharatna company is acting the Sponsor and also as a Project Manager. InvIT sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India and undertakes operations in the Indian telecom infrastructure sector. In Nov2020, the sponsor was the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres and provides transmission and distribution consultancy services in India and other jurisdictions, with footprints in 21 countries (including India). In Dec2020, the Sponsor owned the Sponsor Tariff based competitive bidding ("TBCB") Projects with 8 Inter-state transmission system ("ISTS") SPVs commenced commercial operations, comprising 39 transmission lines (6,398 Circuit kilometres ("ckm")), with a total power transformation capacity of 9,630 Megavolt-Ampere ("MVA"). The remaining Sponsor TBCB Projects are at different stages of development.

...here is why PowerGrid InvIT is better Investment when Compared with Bank fixed deposits....

PowerGrid InvIT	Bank Fixed Deposits
Sponsor : Powergrid Corp (PSC)	Sponsor : Bank - GOI
Exchange traded Debt instrument	Traditional Fixed investment
High Asset Quality	Medium Asset Quality
Bid lot min 100 units tradable and in multiples	no min lot amount
Secured higher yield (Approx 8-9%)	Low returns (Approx 5-6%)
NAV Appreciation	Fixed
Low Risk high Yield	Low Risk Low Yield
Stable Long term returns	Reducing long term returns
No Lockin	Fixed Lockin
High liquidity	Limited liquidity
Interest Payment once every quarter	Interest Payment Once a Year
Taxation on capital gain basis	Taxation as per tax slab

VS

PowerGrid InvIT structure





Power Grid InvIT

Overview: Initial Portfolio Assets

The Initial Portfolio Assets comprise five power transmission projects located across five states of India. The projects comprise 11 transmission lines, including six 765 kV transmission lines and five 400 kV transmission lines, with a total circuit length of approximately 3,698.59 ckm, and three substations with 6,630 MVA of an aggregate transformation capacity and 1,955.66 km of optical ground wire.

FOLLOWING IS THE SUMMARY DESCRIPTION OF THE INITIAL PORTFOLIO ASSETS:

SR NO	PROJECT NAME	SPECIFICATIONS	LINE LENGTH (IN CKM)	EXPIRY OF TERM
1	PowerGrid Vizag transmission Ltd (PVTL)	1165 kV D/C	956.84	31/01/52
2	PowerGrid Kala Amb transmission Ltd (PKATL)	400 kV D/C, 400 kV /220 kv GIS substation	2.47	11/07/52
3	PowerGrid Parli transmission Ltd (PPTL)	1930 kV D/C, 765/400 kV substation	966.12	03/06/53
4	PowerGrid Warora transmission Ltd (PWTL)	2695 kV D/C, 765/400 kV substation	1028.11	09/07/53
5	PowerGrid Jabalpur transmission Ltd (PJTL)	765 kV D/C	745.05	24/06/53
TOTAL			3698.59	

Yield calculator

PowerGrid InvIT Yield Calculator				
Particulars		2022 Cash Flow Rs Cr	2023 Cash Flow Rs Cr	2024 Cash Flow Rs Cr
Crp Rs	112	1208	1168	1137
Distribution Policy	90%	1087	1051	1023
Per Share		11.95	11.55	11.25
Units/Share in Cr	91.00			
Cash Flow Yield %		11 %	10 %	10 %
Interest	50%	6.0	5.8	5.6
dividend	30%	3.6	3.5	3.4
Return of Capital	20%	2.4	2.3	2.2
Interest+Dividend		9.56	9.24	9.00
Yield Pre Tax		8.5 %	8.3 %	8 %
Plus Capital Return		2.4	2.3	2.2

*Yield distribution will consist of 50% in form of interest, 30% in form of dividend and rest as return of capital.
*The SPVs will pay the trust as interest on loan (50%), dividend (30%), repayment (20%).

BASIC FINANCIAL DETAILS				
Particulars Rs (in Cr)	2018	2019	2020	9M FY21
Equity Share Capital	442	999	1201	1213
Other equity	71	220	333	275
Net worth as stated	513	1218	1534	1488
Revenue from Operations	344	977	1324	992
Revenue Growth (%)	-	184.41%	35.52%	-
Profit Before Tax	129	348	487	548
Net Profit for the period	114	248	379	337
PAT %	33.22%	25.39%	28.61%	33.98%
Long term Debt/Equity	10.41	4.58	3.38	3.36
Net Debt/Ebitda	15.9x	5.9x	4x	3.9x
CFO	373	342	1052	901
CREDIT RATING				
Provisional AAA (Stable)				ICRA
AAA/Stable (Is)				CARE
Stable and Provisional CCR AAA/Stable				CRISIL

Distribution Policy

PowerGrid InvIT will distribute ~90% of the net cash available for distribution to the unitholders once at least every quarter in a financial year. [Net cash is all expenses subtracted from the total income] As a unitholder of the trust, you will be eligible to receive a dividend during all four quarters. The first dividend will be given out within six months from the date of listing and trading of PowerGrid InvIT's units.

Tax benefits

There are various tax benefits available to trust and unit holders.

For Trust:

Provides benefits in respect of interest income received/receivable from the SPVs and also in respect of dividend income received/receivable from the SPVs.

For Unit holders:

Tax exemption in respect of income distributed by trust under Section 10(23FD) of the Act.

Msearch View & Recommendation

We believe PowerGrid InvIT ("PGInvIT") offer gives investors a unique opportunity to invest in stable long term yield product as PGInvIT intends to distribute at least 90% of the net cash available for distribution to its invested unitholders. Yield distribution will consist of 50% in form of interest, 30% in form of dividend and rest as return of capital which can come around ~8-8.5% pre-tax return. PGInvIT product offers individual to invest directly participate into power transmission project lines and earn a steady regular yields. We are very much optimistic about the power transmission assets in India as we see significant growth in the power intra-state transmission segment. PowerGrid (sponsor) is the largest power transmission company in India in terms of length of transmission lines with many ongoing projects with good track records hence this offer perspective appears reasonable to invest.



STOCK OF THE QUARTER



TATA POWER

KEY DATA

NSE Code:	TATAPOWER
BSE Code	500400
Market Cap (Rs Cr)	39782
Face Value (Rs)	1
52 Week High (Rs)	132.50
52 Week Low (Rs)	37.80

COMPANY SNAPSHOT

Customer	B2B/B2C
Business Presence	Global
Govt Regulations	Medium
Msearch View	Positive

SHAREHOLDING PATTERN

Promoters	46.86%
Foreign Institutions	12.17%
Banks & Mutual Funds	8.83%
Financial Institutions	0.33%
General Public	20.11%
Insurance Co's	10.59%
Promoters Pledge	0.56%

KEY RATIOS

P/E	36.15
P/Bv	1.48
Ev/EBITDA	9.27
ROCE	6.80
Dividend yield	1.21

STOCK PERFORMANCE

	1 M	6 M	1 Yr
Absolute Returns	16.19%	75.84%	198.48%
Nifty Returns	5.07%	16.48%	55.20%

RESEARCH TEAM

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TATA POWER COMPANY LTD

Industry: POWER - GENERATION & DISTRIBUTION

Recommendation: ACCUMULATE

About the Company:

Incorporated in the year 1919, Tata Power is India's largest integrated private power company with significant international presence and specializes in generating(thermal, hydro, solar and wind), transmission and distribution of electricity with an installed generation capacity of 12.8 Gw. Tata Power is present across the entire power value chain of conventional & renewable energy and next-generation customer solutions. Tata Power, together with its subsidiaries and joint entities, is present across the entire power value chain of conventional & renewable energy and next generation customer solutions. On the operating front, the revenue is up 53.0% YoY in Q4FY21 on all-round improvements seen in both B2B & B2C verticals and across its generation, transmission and distribution operations. The firm has set targets of generating revenue of over Rs. 27,000cr in FY25, with capex spends of Rs. 15,000cr over the next 5 years.

Investment Rationale:

1) Monetisation of renewable business: Controlled by India's largest conglomerate Tata Group has plans for an initial public offering for its renewable energy business that could raise about 35 billion rupees (\$473 million). India's renewable sector is forecast to expand rapidly, driven by increasing power demand and decarbonization efforts. The company, including subsidiaries and joint entities, has generating capacity of 12.8 Gw, about 30% of which comes from clean energy. The divestment for its renewable business along with Zambian and Georgia units will all take place this financial year. And the company might come out with "a bigger and a better plan for the portfolio. If the plan works as per management would bring unlocking upside for the investors.

2) Divestment of non-core assets on cards to bring down debt: Tata power has broader plan that involves selling non-core units and overseas investments as part of the plan to cut debt and strengthen its balance sheet. The company plans to keep its capital expenditure plan to a bare minimum till the balance sheet improves. The power producer has a total debt of close to Rs 45000 Cr and has undertaken various debt reduction plans including sale of non-core assets which can fetch approx \$300 mn. As of now company is in advanced stage of divest and sell hydro project in Zambia, Georgia and mine in Indonesia which has high probability to get foreclosure in this financial year.

3) Stable business growth from regulated businesses: Tata Power earns almost 50% of EBITDA from its regulated businesses, such as power generation and distribution in Mumbai, power distribution in New Delhi and its transmission businesses. The balance life of the PPA for generation assets, including MPL, CGPL and the renewable portfolio, spans over 15 years, thus offering strong revenue visibility. Distribution licences for Mumbai and Delhi also extend for another 19 years and 9 years, respectively. The PPA of the power generation business for Mumbai (Trombay assets for around 930 MW) is valid till fiscal 2024, and subject to renewal risk. The proportion of cash flows from the regulated businesses could increase over the medium term, driven by the company's focus on adding new licences in the distribution sector, coupled with regulated capex in its existing generation, transmission and distribution assets. Creation of an InvIT for its renewable portfolio could also lead to a higher mix of regulated businesses.

4) Investing in businesses of future: Tata Power has installed more than 464MW of Rooftop capacity touching more than 30,000 customers across 100 cities. It anticipates generating over INR 50bn from rooftop solar by 2025. It has developed South Asia's Largest Grid Scale Energy Storage System in India with Mitsubishi & AES. 5) Led foray in EV charging infrastructure: Company has tied up with all 6 OEMs currently engaged in EV manufacturing providing home chargers to buyers (currently 2,500 sold). Company has currently installed 400 public EV charging points in 65 cities and aims to install 1 lakh charging points by 2025. Tariff rate usually ranges from INR 10-15 depending upon the level utilization (base rate is INR 6/kwh). It has created apps which can help customer locate EV charging stations and enables them to pre-book the slot if required.

CMP

₹ 124

Target
₹ 145



STOCK OF THE QUARTER

TATA POWER COMPANY LTD.

BUY

CMP Rs. 124

Target Price Rs. 145

Time Frame 3-5 Months

Risk Medium

Sector Electric Utilities



Support & Resistance Analysis

Support 1	103
Support 2	89
Resistance 1	133
Resistance 2	161

Technically, brace yourselves for a probable Flag Pattern breakout on the monthly time frame on backdrop of recent sequence of higher high/low on the long term charts. The impulse uptrend should easily lift the stock above its all-time-high at 160 mark. In the near term, above 115 mark, the stock is likely to regain its momentum and will aim its psychological

Price & Volume Analysis

% Change from previous Day	+0.89%
% Change from previous Month	2.33%
52 Week High	132.70
52 Week Low	45.95
Weekly H/L	126.90-121.75
Deliverable	18.13%
Book Value / Share	57.52
EPS	3.16
Market Cap (Rs. CR)	39,574

Momentum Analysis

RSI (14, E9) Monthly	71.03
Smoothed RSI	69.21
Stochastic oscillator monthly (1,3,3)	58.35

The momentum oscillators are in an excellent bullish cycle mode as the Relative Strength Indicator (RSI) is trending north and Stochastic indicators especially on monthly time frames are indicating reverse divergences. Buy signals are generated in weekly charts too. Long remains the play.

Trend Analysis

Moving Average - 50 Days	113
Moving Average - 200 Days	87
ADX (14d)	18.14
Bollinger Band Weekly	127-89
MACD Weekly	11.30

The uptrend seems quite sustainable as the price is seen comfortably trading above its 50 and 200-day moving average and most importantly is just signaling a massive breakout on the daily charts. The general rule is if a stock is trading above its 200-DMA, the trend is largely upward.

Msearch View & Recommendation

We believe Tata Power is well placed and best in class integrated power utility players which is on a growth track, especially in the transmission and distribution business and the renewable segment. Tata Power management has strong roadmap to grow faster in FY21-FY25E and improve RoE to 10-12% from 5-6% in coming years. We expect incremental growth would come from renewable clean and green space. Hence considering all the above factors growth in EPC business, higher capex and debt reduction plan, we advise investing at current level with favourable Risk Reward ratio and margin of safety with limited downside for long term. We recommend investors to "ACCUMULATE" in the range 105-120 for long term.





DIGITAL GOLD



THE NEW WAY OF INVESTING IN DIGITAL GOLD



MR. KETAN KOTHARI
Director, Augmont Enterprises Pvt Ltd

Well, historically the most common way to invest in Gold has been to buy physical gold in the form of Coins; Bullion and Jewellery. Apart from that, we have Sovereign Gold Bonds, Gold Mutual Funds and Gold ETFs to choose from in Digital form. But during a pandemic, another method of investing in Gold that has been gaining immense popularity is in the form of Digital Gold. Augmont Digi Gold is the new way of buying Gold online, where Gold is stored in insured vaults by the Augmont on behalf of the customer. All you require is Internet/mobile banking and you can save in gold digitally anytime, anywhere.

Benefits of Buying Augmont Digi Gold :

- Gold can be bought or withdrawn online 24 hours a day, 7 days a week, and 365 days a year.
- Your purchase is stored safely and is also 100% insured.
- You can take physical delivery of the gold to your doorstep.
- You can save an amount as low as Re.1.
- It can be used as collateral for online loans in the near future.
- It is genuine and the purity is 24K 99.5%
- You can exchange Augmont Digi Gold for physical jewellery or gold coins and bullion.

You can easily buy gold online from <https://www.augmont.com/> website or you can also download the app 'Gold For All' by Augmont – India's most trusted digital gold provider with a customer base of more than 9 million users. Once you're logged in and filled in all the details, perform the following steps –

- Enter the amount you want to spend on buying gold or you can mention the quantity of gold (in grams).
- Choose your payment options from Netbanking, UPI, Credit/Debit Cards, Wallet to a Cash payment
- Once the payment is done the account you are using will be credited with the gold in vaults backed by IDBI Trusteeship Services and can be accessible 24/7
- Calculating the live market price, you can sell your gold whenever you want and gain profit.
- You can also convert your Augmont Digi Gold into physical form and get it delivered to your doorstep without you going out.

DigiGold as you know is the new way of buying Gold, below are some reasons why you should go for DigiGold:

- **Eliminating Storage & Security Concerns:** The best part about Digital Gold is that you own it and only you know it. You no longer have to worry about getting a bank locker or buying a safe at home to protect your wealth.
- **Purity:** Buying physical precious metals is safe but if you fear about purity then Digital Gold is here to take away all your fear and to replace that fear with Gold, how does that sound? Stop fearing and enjoy the Gold buying experience.
- **Buying/Selling as per your convenience:** Time is valuable and we value it the same way you value it, thinking about this we have integrated Digital Gold because you can buy it whenever you feel like investing, if you wish to liquidate/sell you can easily do so.





DigiGold has made an easier option for gifting too. Imagine waking up to a notification saying "You have been gifted Gold". Simply enter the details of the recipient and the amount of Gold that is to be gifted. The recipient does not already have an account then he/she will need to create an account to claim the gift. An invoice will be sent by SMS/Email after each transaction. It will also be available in the My Order's section on the customer's dashboard.

The gold purchased by a customer will be stored with a reputed custodian on a consolidated basis i.e. daily purchase across all the customers. Vaults are monitored and controlled by IDBI Trusteeship Services Limited. The trustee will confirm the balances with the custodian each quarter and reconcile the amounts with the customers balances.

Another good option to start investing in Gold is Augmont Gold SIP in DigiGold. Gold SIP (Systematic Investment Plan) is a way of investing a fixed amount of money regularly in gold on a specific date, it can be monthly, quarterly, etc. as per the investment plan. Rather than investing a lump-sum amount at a certain price, Gold SIP allows the investor to average the small denominations of Gold investment on every dips as per feasibility.

Using the Gold SIP, one can easily start investing a fixed amount of money regularly to buy gold online. When your regular and conventional investments don't fetch any good returns Augmont Gold SIP helps you in building your assets that appreciate with time. Hence to be precise, along with one's regular savings Augmont Gold SIP helps to accumulate a hefty amount of wealth to meet one's financial goals in the future.

As a fixed investment in your portfolio, it will be a buffer to the overall volatility of your portfolio. The below tables show how the Rs1000 SIP in Gold has given returns to the year 1997 to 2020.

**Returns
in
Physical
Gold SIP
over
time**

Period	24 YRS	20 YRS	15 YRS	10 YRS	5 YRS	2 YRS	1 YR
Minimum SIP Value of Rs 1000							
No. of SIPs	288	240	180	120	60	24	12
Amount Invested (in Rs)	288,000	248,000	248,000	120,000	60,000	24,000	12,000
Gold Accumulated (in gms)	310.4	200.9	91.1	40.4	18.3	6.1	2.6
Current Value (In Rs)	1,522,552	985,353	446,753	198,321	89,535	29,873	12,875
Profit (in Rs)	1,234,552	745,353	266,753	78,321	29,535	5,873	875
Total Return	429%	311%	148%	65%	49%	24%	7%
CAGR	7.40%	7.50%	6.60%	5.80%	9.80%	15.50%	7.00%

Source: IBJA, MCX, Augmont Research

It can be inferred that Gold has given more than 7% CAGR returns in the last 20-24 years. All types of investors such as Short-term investors (1-2 years investment horizon), Medium-Term investors (5 years investment horizon and Long-term investors (10-25 years investment horizon) have been benefited and have earned handsome returns in investing in Gold through SIP.

Augmont understands the customer needs and requirements when it comes to investment and gold. Hence they designed the facilities to ensure the whole procedure of investing in gold more smooth, unchallenging, feasible, and convenient. For Augmont, customer satisfaction is everything, and that is the reason why our app 'Gold For All' more popular. We have made the complete procedure of investing in gold easier and user-friendly.

Gold mitigates all kinds of risks. It is an easy and convenient option to diversify investment portfolios to obtain a steady form of growth. Gold has a low correlation with most other asset classes. And because gold does not generally move together with other assets (different economic forces determine the price of gold and other financial assets), it reduces the portfolio's volatility. Most investment experts recommend spreading the investments across various asset classes like stocks, bonds, gold, real estate, etc. to achieve optimum diversification. Even within each asset class, it is recommended to avoid investing with one theme or sector. Each year, some asset classes perform, and others underperform. There are years when volatility in gold has been higher than in equities. Wealth managers typically advise 10-15 percent allocation to gold.

Augmont SIP gives you the liberty to freely decide and increase/decrease the amount as you wish. Once the instructions are set, the amount will be auto-debited without bothering you again about missing any of the gold investments. Augmont Gold SIP offers you the best option.

**SOVEREIGN GOLD BOND**

Sovereign Gold Bond Scheme (SGB) an alternative investment to physical gold.



For Indian's Gold investment is like evergreen anytime investable instrument for economical safety reason. In the new era of structural investments if you are still buying gold coins and biscuits in a traditional way as a long term investment, then you are wasting a golden opportunity to earn some great returns through bonds. Sovereign Gold Bonds are one such alternative, offered by the Government of India and RBI. In Nov-2015, Government of India introduced the Sovereign Gold Bond (SGB) Scheme to offer investors an alternative to physical gold. The only Govt intention to introduce bonds is to lower bullion import bill and give buyers a safe product with low credit risk with price value almost near to physical gold price. Hence Sovereign Gold Bonds are the safest and alternate way to buy Gold, as they are issued by Govt. of India, you not only benefit from possible Asset appreciation opportunity on long term, but you are also assured interest on the nominal value.

Why one should invest in SGB?

- Diversifying portfolio with at least 5%-10% in gold.
- Compared to physical gold, the cost to purchase or sell SGBs is quite low.
- Freedom from hassle of storing physical gold.
- Bonds are tradable on stock exchanges for liquidity.
- Attractive Interest with asset appreciation opportunity.
- Earn additional 2.50% (Fixed Rate) interest p.a. on the amount of initial investment.
- Can be used as collateral for Loans & Tradable on exchange.
- Redemption is linked to Gold Price.
- Exempt from Capital Gains Tax on redemption if held till maturity.



SOVEREIGN GOLD BOND OR PHYSICAL GOLD OR GOLD ETF

..... Here is the comparison through which potential investor can decide

Particulars	Sovereign Gold Bonds	Physical Gold	Gold ETF
Returns	More than actual return on physical gold	Lower than actual return on gold	Lower than actual return on gold
Sovereign Guarantee	Yes	NA	No
Interest on the Investment	Yes	No	No as no dividend option is provided on Gold ETF
Annual fund management fees	No	No	Yes
Exit/ redemption option	Only from 5th year	Any time exit	Any time exit
Tradability	Tradable on exchange, redemption from 5th year onwards	Yes	Tradable on exchange
Liquidity	Limited	Highly liquid	Highly liquid
Storage charges	No	Yes	No
Quality check required	No	Yes	No
Collateral against loan	Yes	Yes	No
Purity of gold	High as it is in electronic/paper form	Purity of gold always remains a question	High as it is in electronic form



SCHEME FEATURES OF SOVEREIGN GOLD BOND

I T E M	D E T A I L S
Product name	Sovereign Gold Bonds
Issuance	To be issued by Reserve Bank India on behalf of the Government of India.
Denomination	The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram.
Tenor	The tenor of the Bond will be for a period of 8 years with exit option in 5th year, to be exercised on the interest payment dates.
Minimum size	Minimum permissible investment will be 1 gram of gold.
Maximum Limit	The maximum limit of subscribed shall be 4 KG for individual, 4 Kg for HUF and 20 Kg for trusts and similar entities per fiscal (April-March) notified by the Government from time to time. A self-declaration to this effect will be obtained. The annual ceiling will include bonds subscribed under different tranches during initial issuance by Government and those purchase from the Secondary Market.
Joint holder	In case of joint holding, the investment limit of 4 KG will be applied to the first applicant only.
Issue price	Price of Bond will be fixed in Indian Rupees on the basis of simple average of closing price of gold of 999 purity published by the India Bullion and Jewellers Association Limited for the last 3 working days of the week preceding the subscription period. The issue price of the Gold Bonds will be Rs. 50 per gram less for those who subscribe online and pay through digital mode.
Payment option	Payment for the Bonds will be through cash payment (upto a maximum of Rs. 20,000) or demand draft or cheque or electronic banking.
Issuance form	The Gold Bonds will be issued as Government of India Stocks under GS Act, 2006. The investors will be issued a Holding Certificate for the same. The Bonds are eligible for conversion into demat form.
Redemption price	The redemption price will be in Indian Rupees based on simple average of closing price of gold of 999 purity of previous 3 working days published by IBSA.
Collateral	Bonds can be used as collateral for loans. The loan-to-value (LTV) ratio is to be set equal to ordinary gold loan mandated by the Reserve Bank from time to time. The lien on the bond shall be marked in the depository by the authorised banks. Note: The loan against SGBs would be subject to decision of the bank/financing agency, and cannot be inferred as a matter of right.
KYC Documentation	Know-your-customer (KYC) norms will be the same as that for purchase of physical gold. KYC documents such as Voter ID, Aadhaar card/PAN or TAN /Passport will be required.
Tax treatment	The interest on Gold Bonds shall be taxable as per the provision of Income Tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of SGB to an individual has been exempted. The indexation benefits will be provided to long term capital gains arising to any person on transfer of bond
SLR eligibility	Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio.

Limited risk of Gold Bonds

- Inversely Related to the equity Market returns
- Any adverse Currency Fluctuations may results in low price appreciation.
- Taxation Rules- On maturity not required to pay long-term capital gains tax. However, periodical interest income is taxed under 'Income from other sources,' and attracts tax rates as per the respective income tax slabs established by the central government. Resale before completion of 3 years attracts short term capital gains oan total profits, at rates as per the annual income of investors. Long term capital gains, on the other hand, attract tax at 20% of the total earnings, after adjusting the same for indexation.

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PMS JOURNEY



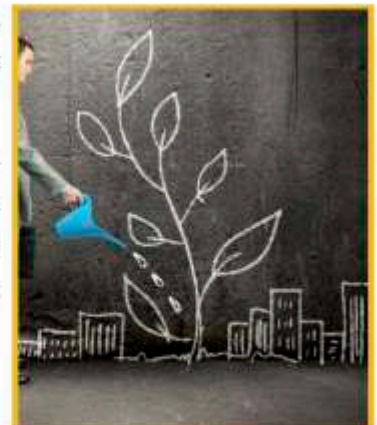
**MEHTA MULTI-FOCUS
STRATEGY FUND
PORTFOLIO
MANAGEMENT SERVICES
(MMFS - PMS)**

We started our fund Mehta Multi-Focus Strategy (MMFS) on 1st August 2018. The objective of our fund was to invest in small and mid-cap spaces of the Indian equity market. We believed that even though the large caps were growing at a steady rate and giving good returns, we realized that the mid-caps had superior product offering and were not as heavily explored. We researched small and mid-cap dominant players in the

industry that had a better offering compared to the larger players in the industry. The value creation space in mid/small caps was not as explored. We made sure to be flexible in our thought process and chose not to ignore large cap stocks though owned by bigger institutions as there was still scope for them to give good and consistent returns. We invested around 20-25% in these caps keeping in mind our remaining resources would be invested in mid and small caps.

Since the inception of the fund, we witnessed three cycles, starting from the IL&FS issue which led to value destruction in the NBFC space to a very socialist budget in 2019, and finally the onset of the global pandemic in 2020 which led to an economic shutdown. During these cycles, we were able to withstand the price erosion, overcome the draw downs and stuck to our conviction and stayed invested in our portfolio companies. When the market cycle improved, the companies were able to generate consistent returns and at the same time we were able to protect our investors' capitals.

As a fund, we did make our fair share of mistakes but each mistake was a steep learning curve. Some of our mistakes included not sizing up our high conviction bets when they were available at prices much below our initial purchase. We also unfortunately sold our stocks in panic and underestimated the strength of the business and various industries to revive. We were also not aggressive buyers during these times and used a passive approach instead.





PMS JOURNEY

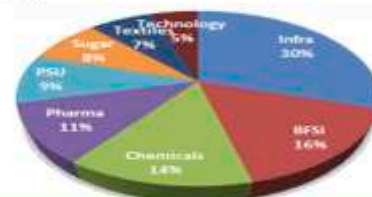
Even though we made these mistakes, some of our decisions enabled us to recover our client's capital as well as generate returns for our investors. We changed our strategy and instead of investing in 10 to 15 stocks we decided to extend our stock universe to 18 to 20 stocks. We decided to take an opportunistic trading bet which helped us to generate liquidity in our portfolio. We further enhanced our risk management and due diligence process to invest in our target companies. In conclusion, the last three years have been a roller coaster ride. We witnessed lower lows and higher highs in the market but our key takeaway is that one should always be flexible in our strategy but at the same time do not deviate from your core beliefs of the market. One should not be scared to take calculated risks and most importantly always respect the underlying price of the business and market forces.



Performance since inception AUG- 2018 Till date

Particulars	MTD %	YTD %	2 Year %	Since Inception %
MMFS	10.10%	31.20%	22.20%	15.50%
Nifty	0.90%	7.10%	16.50%	13.50%
BSE SmallCap	6.50%	22.00%	34.50%	19.50%
BSE Midcap	3.50%	11.70%	23.50%	14.80%

as on July 2021



Company Name	Allocation
Polycab India	13 %
State Bank of India	08 %
Fluorochemicals India	07 %
Siyaram Silk Mills	06 %
Birla Corp.	06 %

PMS SNAPSHOT

INVESTMENT HORIZON	MEDIUM TO LONG TERM (3 YEARS +)
PORTFOLIO VALUATION	CLOSING NSE MARKET PRICES OF THE PREVIOUS DAY
OPERATIONS	<ul style="list-style-type: none"> INVESTMENT MANAGED ON INDIVIDUAL BASIS THIRD PARTY CUSTODIAN FOR FUNDS AND SECURITIES
REPORTING	<ul style="list-style-type: none"> MONTHLY PERFORMANCE STATEMENT TRANSACTION, HOLDING, & CORPORATE ACTION REPORTS ANNUAL CERTIFIED STATEMENT OF ACCOUNTS
HURDLE RATE	10% PER ANNUM
FEES	<ul style="list-style-type: none"> MANAGEMENT FEE: 0.25% PER QUARTER OF NAV CHARGED AT THE BEGINNING OF THE QUARTER. RETURN BASED FEES: 15% PROFIT ABOVE HURDLE RATE WITH CATCHUP CLAUSE EXIT LOAD: 3% FOR REDEMPTION WITHIN 1 YEAR, 2% WITHIN 2 YEARS
MARKET CAP FOCUS (OF ANUM)	<ul style="list-style-type: none"> BELOW INR 500 Cr UPTO -10%- BETWEEN INR 500 Cr TO INR 15,000 Cr UPTO -80%- ABOVE INR 15,000 Cr UPTO 10%
PORTFOLIO AUDITORS	PAREKH SHAH LODHA & COMPANY
CUSTODIAN & BANKER	KOTAK MAHINDRA BANK
MODE OF PAYMENT	BY FUND TRANSFER/CHEQUE AND/OR STOCK TRANSFER



Mr. Samridh Poddar
-CIO

**DON'T WORRY LET OUR EXPERTS
DO THE WORK & MAKE YOUR
INVESTMENT SIMPLER**



Mr. Rajat Mehta
-COO

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Session on “ From Dalal Street to Wall Street ”

MR. PRATIK OSWAL
Head, Passive Fund- Motilal Oswal



MR. VIRAM SHAH
Co-Founder & CEO-Vested Finance



CA RAKESH MEHTA
Chairman, Mehta Group



Invest in World's Biggest brands

Webinar Highlights

Dated : 1st July 2021
Thursday
Mode : Zoom Webinar

KEY TAKEWAY POINTS

- Today it's easy to access global markets through Mutual funds route or direct equities.
- Global diversification is extremely important with minimum 15-20% of investments outside home country.
- Investing global will enhance return better than investing only in home country.
- India is just 3% of the global GDP market share hence not investing globally is missing out 97% of opportunity to wealth creation.
- Correlation of risk investing only in India is extremely high which can be mitigated by going global.
- Mr Pratik's Team is looking for opportunity route to get money invested into Ex USA from India.
- Investing in US market has 2 unique advantages one is obviously global equities, second is you are buying US Dollar and protecting your portfolio by rupee depreciation which generates additional alpha.
- Geographical diversification is one big pillar that is missing in lot of our portfolio's • It's time to allow your money travel the world and work for you ground the clock.

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OUR SERVICES

BROKING

- **EQUITIES** - BSE, NSE & MSEI
- **DERIVATIVES** - NSE
- **COMMODITIES** - MCX & NCDEX
- **DIAMOND** - ICEX
- **CURRENCY** - NSE

WEALTH MANAGEMENT

- **DEMAT SERVICES** - CDSL
- **PMS & AIF**
- **LOAN AGAINST SHARES**
- **RESEARCH ADVISORY**
- **DISTRIBUTION** - MUTUAL FUNDS/IPO/BONDS

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