ARIHANT Capital Markets Ltd.

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VALUE Plus

Monthly Investment Newsletter

ARI - MOVERS & SHAKERS

Indices	Oct-15	Sep-15	Change%
SENSEX	26656.83	26154.83	1.92
S&P CNX NIFTY	8065.80	7948.90	1.47
BANK NIFTY	17354.50	17216.30	0.80
CNX MIDCAP	13238.50	12984.50	1.96
S&P CNX 500	6750.95	6646.10	1.58
CNX IT	11486.90	12032.10	-4.53
CNX REALTY	176.05	179.15	-1.73
CNX INFRA	2833.70	2825.20	0.30

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Oct-15	Sep-15	Change%
AUTO	18166.21	17391.08	4.46
BANKEX	19773.88	19681.55	0.47
CD	11872.63	10809.61	9.83
CG	14946.11	15111.41	-1.09
FMCG	7847.07	7751.72	1.23
HC	18066.44	17779.17	1.62
IT	11263.78	11577.86	-2.71
METAL	7307.74	6833.72	6.94
OIL&GAS	9065.90	8694.68	4.27
PSU	6777.47	6694.79	1.23
REALTY	1371.63	1396.60	-1.79
TECK	6115.01	6255.63	-2.25

(Source: BSE)

GLOBAL INDICES

Indices	Oct-15	Sep-15	Change%
DOW JONES	17663.54	16284.70	8.47
NASDAQ	5053.75	4620.16	9.38
HANG SENG	22640.04	20846.30	8.60
FTSE	6361.09	6061.61	4.94
NIKKEI	19083.10	17388.15	9.75

Source: Telequote software

COMMODITIES & FOREX

Indices	Oct-15	Sep-15	Change%
MCX GOLD	26499.00	25856.00	2.49
MCX SILVER	36490.00	34547.00	5.62
MCX CRUDE OIL	3068.00	2979.00	2.99
MCX-SX USDINR	65.25	65.58	-0.50

Source: Telequote software

FII ACTIVITY (₹in cr)

Date	Gross Purchase	Gross Sales	Net Pur/ Sales
Total for Oct 2015	85,292.90	78,643.32	6,649.58
Total for 2015*	10,14,066.80	9,86,370.50	27,696.90

(Source: SEBI)

MF ACTIVITY (₹in cr)

Date	Gross Purchase	Gross Sales	Net Pur/ Sales
Total for Oct 2015	21,691.00	18,756.00	2,935.40
Total for 2015*	2,30,416.00	1,69,311.10	61,105.80

(Source: SEBI)

*From Jan - Oct, 2015

MARKET COMMENTARY

Indian equity markets started the month of October on a jubilant mood on the back of monetary easing by the Reserve Bank of India. The markets remained optimistic since beginning after the weak economic data from US raised hopes that US Federal Reserve (Fed) will not hike interest rate this year. Moreover, China's surprise interest rate cut and mixed earnings from corporate bigwigs boosted the market sentiments. Later during the month, the Fed kept interest rates unchanged as expected but surprised investors by signaling a rate hike at its next policy meeting in December that weighed on the sentiments erasing most of its monthly gains.

The month finally ended with upward bias as S&P BSE Sensex delivered positive return of 1.92% to settle at 26656.83 and S&P CNX Nifty gained 1.47% ending the month at 8065.80.

On the sectoral front, Consumer Durables turned out to be the best performing sector in October 2015 clocking gains of 9.83% followed by Metal (6.94%), Auto (4.46%) and Oil & Gas (4.27%) while IT turned out to be the worst performing sector registering a loss of 2.71% followed by Teck (-2.25%) and Realty (-1.79%).

On the institutional side, foreign institutional investors (FIIs) bought Rs 6,649.58 crore worth of equities during the month while domestic mutual fund houses continued their buying spree with net purchases of Rs 2,935.40 crore in October 2015.

On the macro-economic front, India's Nikkei manufacturing Purchasing Managers' Index fell to seven month low of 51.2 in September from 52.3 in August. India's Nikkei Services PMI fell to 51.3 in September from 51.8 in August. Index of industrial production (IIP) growth rose to a near three-year high of 6.4% from 4.1% (revised down from 4.1%) in July 2015. Wholesale Price Index (WPI) rose to (-) 4.54% in September from record low of (-) 4.95% in August 2015. Consumer Price Index (CPI) rose to a two-month high of 4.41% in September from 3.74% in August 2015.

India's trade deficit narrowed 16% to $10.48 bn in September from $12.48 bn in August and narrowed 27.6% from $14.47 bn a year ago, due to decline in oil, coal and gold imports.

Auto sales data so far has been quite impressive. Some of the top carmakers in the country posted double-digit growth in October sales, as new launches attracted customers ahead of the festive season along with lower fuel prices and single-digit interest rates. Meanwhile, Moody's revised its outlook for India's banking system to stable from negative.

The global markets ended the month of October on a positive note. Nikkei was the best performer which ended the month with gain of 9.75% followed by Nasdaq (9.38%), Hang Seng (8.60%), Dow Jones (8.47%) and FTSE (4.94%).

On the international front, the European Central Bank kept rates unchanged in its policy meeting. However, the President 'Mario Draghi' has kept the door open for more monetary stimulus to tackle the falling inflation. China cut interest rates by 0.25% to spur the economic growth after the growth slowed to a six-year low of 6.9% in Jul-Sep. Chinese industrial production fell to 5.7% in September from 6.1% in August. Chinese trade surplus widened to $60.3 bn in September from $60.2 bn in August. US industrial production fell 0.2% in September after a revised 0.1% dip in August. US trade deficit increased 15.6% to $48.3 bn in September from $41.9 bn in July. The Fed in its FOMC meeting left interest rate unchanged and increased prospects of a rate hike in December. The US Q3 GDP growth rose 1.5% after expanding 3.9% in second-quarter.

GOING FORWARD

Indian equity markets are likely to be influenced by global factors as well as ongoing result season. The Fed will hold the next meeting in December and Fed's decision will be major trigger for global markets. On the domestic front, the ongoing earnings season, outcome of Bihar elections, GDP data and movement in rupee against dollar will be watched for further direction. Moreover, the reforms such as Goods & Service Tax (GST) and Land Acquisition Act will be crucial to get the economy growing. We recommend investors to adopt buy and accumulate strategy and invest in fundamentally strong companies for long term horizon.

NIFTY TECHNICAL OUTLOOK

On the monthly chart, we are observing a candlestick pattern that resembles a Doji which reflects indecisiveness prevailing at current level. On the weekly chart, we are observing a bear candle which suggests weakness going forward. Combining the above pattern formations it is evident that the undertone has turned negative. In coming month if Nifty trades and closes above 8144 level then it is likely to test 8263 – 8381 – 8519 levels. However, if Nifty trades and closes below 7986 level then it can test 7868 – 7750 – 7612 levels.

Expert Corner: Fund Manager's View on Indian Equities

We ask two fund managers to share their outlook on Indian equity markets, impact of global markets on India, their preferred sectors and their advice for investors for investing in Indian equities.

Mr. Harrish Zaveri
SVP and Fund Manager at
DSP BlackRock Mutual Fund

Mr. Sadanand Shetty
Vice President and Sr. Fund Manager at
Taurus Asset Management Co. Ltd.

Arihant: How do Indian equity markets look? The markets have been very volatile is there a need to worry?

HZ: We continue to remain constructive on Indian equities from a medium to long term perspective. Low inflation, which has resulted in lower interest rates and higher savings, will help to revive the consumption cycle along with a pick up in the investment cycle that bodes well for equities.

SS: Historically market volatility has distorted the fair value of large number of companies irrespective of their fundamentals. Volatility is the best friend of genuine investors who have the patience to hold through the business cycle of companies. We now have a stable government with a majority in Loksabha. In our opinion what this government has achieved in short period of time is unprecedented. De-regulation of auto fuels, FDI in insurance, devolution of resources, plans to introduce bankruptcy code and potential amendments in labour laws will have far reaching impact on the economic growth of the country. Government is also comprehensively addressing issues of power, steel and banking sector woes with its policy action. Overall we are looking forward to a sustained economic growth of the country, which is definitely stock market positive. We are very positive on the market delivering substantial return to the investors.

Arihant: How do you see the present situation in the developed economies and its impact on the Indian equity markets?

HZ: We expect to see continued volatility in global markets mainly driven by the nervousness around the Fed increasing interest rates, China issues and slower than expected recovery in Japan and Europe. While this may certainly have some impact on emerging markets (EMs), India stands out amongst most of the EMs, and a few developed markets, on the basis on macro economic variables and a stable government focused on reforms.

SS: World economies are far too interconnected today than any other time in the history. It is but logical to believe that economic upheaval of the large nations will have impacts on fund flows across the world. India being one of the biggest emerging markets and sizeable recipients of external funds through portfolio and FDI route, will see impact on its currency, equity and debt markets whenever there is some development in global economies. Global investors today are facing crisis on multiple fronts i.e. interest rate tightening by US federal reserve, Greece financial crisis EU break up, Russia-Ukraine geo political conflict and recent China slowdown. Most of these issues may still remain unresolved and continue to cause volatility. Investor in Indian equities will have to manage this global on-off risk matrix and more often than in our opinion it would benefit India. We see global risk as opening window of opportunities for Indian investors at regular intervals.

Arihant: What sectors would you recommend – which are very bullish and looks attractive to you?

HZ: We remain constructive on financials, discretionary, downstream energy, industrials while having a cautious view on consumer staples, information technology (IT), healthcare and telecom.

SS: We have entered new investment era where the themes are not restricted to traditional growth engines of the past. Though the themes of infrastructure, consumption, outsourcing and banking remains the core engines of economic growth but what is exciting is country has opened up to many new investment themes. The sustained fall and muted outlook of commodities especially crude oil has opened up stock ideas across tyres and paints, polymers, plastics, airlines, oil marketing companies and all other beneficiaries of commodity derivatives. Advent of online commerce provide structural and fundamental shift to higher business growth to logistics, paper board and packaging companies. Rising digital ecosystem is significantly benefitting content, mobile data companies. We have observed material changes in some of the traditional sectors like defense, railways and road sector to create large scale sustainable opportunities for the investors. Government's efforts to resolve the issues in power, road, and other stressed sector will improve the ratings of this sector. Initiatives for creating large scale employment generation by Make in India and others like Swatch Bharat, Namami Gange, New Tourism Policy, New Aviation Policy, and Digital India are very positive steps.

Interestingly most of the investment opportunities exist in companies that are outside the list of top Indian 100 companies.

Arihant: What is your advice for Indian equity investors – especially retail investors, their participation has been low despite the market run up?

HZ: We do not believe that the markets are expensive when compared to historical averages. The markets have come off their March 2015 highs and are down around 12% from those levels. We would advise investors to add to Indian equities with a 2-3 year investment horizon.

SS: Today India has a stable government with absolute majority in the Lok Sabha. Stable government provides long term predictable environment for the business owners and this lowers the risk premium and volatility in equities. Indian economy will witness sustained growth in next several years and corrections are great window to buy into that.

Mutual fund industry has witnessed unprecedented inflow of equity assets in last 14 months thus reflecting changing trend of Indian equity investments especially from retail investors. We expect this is here to stay and grow.

MUHURAT TRADING PICKS

Bajaj Finserv — BUY

CMP: ₹1975.40 (as on 02nd Nov 2015)
Target Price: ₹2020-2140
Buy on decline: ₹1950-1910
Stop-Loss: ₹1860

Bajaj Finserv Ltd is engaged in life insurance, general insurance and consumer finance businesses and plans to expand its domain by offering a wide array of financial products and services in India. Apart from financial services, the company is also active in wind-energy generation.

We recommend buying in stock on a decline in the range of Rs 1950 - 1910 with a stop loss of Rs 1860. On the upside, it can test Rs 2020 - 2140 levels.

Tata Motors — BUY

CMP: ₹387.95 (as on 02nd Nov 2015)
Target Price: ₹390-430
Buy on decline: ₹365-354
Stop-Loss: ₹345

Tata Motors Ltd engages in the development, design, manufacture, assembly, sale, and export of passenger and commercial vehicles worldwide. It offers micro, compact and midsize cars and utility vehicles; light, intermediate, medium, and heavy commercial vehicles, such as trucks, tractors, buses, tippers, and multi-axled vehicles, as well as vans, defense, and all-terrain vehicles (ATVs).

We recommend buying in stock on a decline in the range of Rs 365 - 354 with a stop loss of Rs 345. On the upside, it can test Rs 390 - 430 levels.

Camlin Fine Sciences — BUY

CMP: ₹118.25 (as on 02nd Nov 2015)
Target Price: ₹125-140
Buy on decline: ₹106-102
Stop-Loss: ₹96

Camlin Fine Sciences Ltd manufactures and exports bulk drugs, fine chemicals and food grade products. The company's business is divided into three categories: antioxidants, aroma and performance chemicals. The company serves various segments, such as food segment, flavor and fragrance, incense sticks segment, pharma and cattle feed.

We recommend buying in stock on a decline in the range of Rs 106-102 with a stop loss of Rs 96. On the upside, it can test Rs 125-140 levels.

Divis Laboratories — BUY

CMP: ₹1155.95 (as on 02nd Nov 2015)
Target Price: ₹1204-1236-1263
Buy: > ₹1175
Stop-Loss: ₹1135

Divis Laboratories Ltd manufactures and sells active pharmaceutical ingredients (APIs) and intermediates for generics in India. In addition, it is involved in custom synthesis of APIs and advanced intermediates for discovery compounds to pharma companies and provision of contract research services.

We recommend buying in stock above Rs 1175 with a stop loss of Rs 1135 for a target of Rs 1204 - 1236 - 1263 levels.

Torrent Pharma — BUY

CMP: ₹1536.55 (as on 02nd Nov 2015)
Target Price: ₹1619-1660
Buy on decline: ₹1520-1490
Stop-Loss: ₹1470

Torrent Pharmaceuticals Ltd manufactures and sells branded and unbranded generic pharmaceutical products in India and internationally. Torrent Pharmaceuticals Ltd also provides contract manufacturing services primarily for human insulin. They manufacture bulk drugs, APIs, formulations in the form of tablets, capsules and vials.

We recommend buying in stock on a decline in the range of Rs 1520 - 1490 with a stop loss of Rs 1470. On the upside, it can test Rs 1619 - 1660 levels.

Himatsingka Seide — BUY

CMP: ₹204.70 (as on 02nd Nov 2015)
Target Price: ₹214-235
Buy on decline: ₹194-180
Stop-Loss: ₹173

Himatsingka Seide Ltd is a company engaged in retail and wholesale distribution of home textile products under Calvin Klein Home, Barbara Barry, Esprit, and Bellora Hospitality brand names in North America; Bellora brand in Europe; and Atmosphere brand in Asia.

We recommend buying in stock on a decline in the range of Rs 194-180 with a stop loss of Rs 173. On the upside, it can test Rs 214-235 levels.

MUTUAL FUND ROUNDUP

Mutual Fund Activity in Oct 2015

(Rs in Crores)	Gross Purchases	Gross Sales	Net Investment
1st Week	1,166.70	689.30	477.40
2nd Week	4,771.30	4,505.70	265.70
3rd Week	3,772.20	3,399.30	373.00
4th Week	3,949.20	3,801.80	147.50
5th Week	8,031.70	6,359.90	1,671.80
Total	**21,691.10**	**18,756.00**	**2,935.40**

Equity Scheme Recommendation

Scheme Name	Latest NAV*	Launch Date	Returns (%)				Min. Investment Amount		Fund Type
			One Year	Three Years	Five Years	Since Inception	SIP	Lumpsum	
Franklin India High Growth Companies Fund	29.12	July-07	12.3	29.35	14.92	13.78	500	5,000	Multi-Cap Fund
IDFC Premier Equity Fund	71.13	Sep-05	14.17	25.59	15.01	21.46	2,000	10,000	Mid-Cap Fund
DSP BlackRock Micro Cap Fund	42.06	Jun-07	27.07	35.84	18.38	18.69	500	1,000	Small-Cap Fund
ICICI Prudential Focused Bluechip Equity Fund	28.79	May-08	1.58	17.78	10.48	15.25	1,000	5,000	Large Cap Fund
Franklin India Prima Fund	665.99	Dec-93	17.67	31.1	16.87	21.11	500	5,000	Mid-Cap Fund
BNP Paribas Equity Fund	66.43	Sep-04	7.57	21.71	12.67	18.57	500	5,000	Multi-Cap Fund
ICICI Prudential Value Discovery Fund	113.50	Aug-04	9.86	28.38	16.79	24.18	1,000	5,000	Multi-Cap Fund

Note: NAV and Returns as on 02nd Nov 2015, Returns < 1 yr annualised, > 1 yr compounded annualised.

Debt Scheme- Liquid Funds Recommendation:

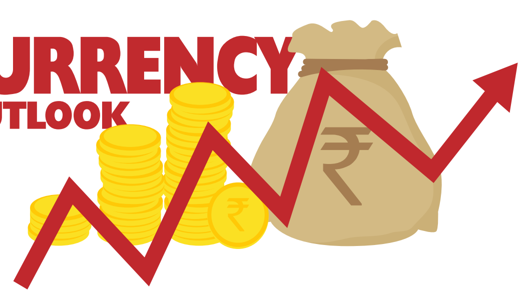
Scheme Name	Latest NAV*	AAA/LAAA/ A1+/P1+/ PR1+/ F1+SOV	AUM as on 30th Sept 2015 (Rs in Cr.)	One Month	Three Months	Six Months	One Year	Since Inception
Axis Liquid Fund	1,623.55	100.00%	6,367.01	7.92	7.76	8.18	8.53	8.31
Baroda Pioneer Treasury Advantage Fund	1,679.33	100.00%	1,646.00	8.64	8.96	9.28	9.40	8.49
Birla Sun Life Cash Plus	235.16	99.10%	17,424.94	7.92	7.76	8.20	8.55	7.22
Kotak Floater - Short Term Plan	2,403.67	94.72%	5,767.90	8.04	7.84	8.26	8.60	7.38
Reliance Money Manager Fund	2,009.20	100.00%	10,940.00	8.16	8.40	8.72	8.71	8.42

Note: NAV and Returns as on 02nd Nov 2015, Returns < 1 yr annualised, > 1 yr compounded annualized.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			One Year	Three Years	Five Years	Since Inception
Axis Long Term Equity Fund	30.78	Dec-09	13.54	29.28	18.43	21.20
IDFC Tax Advantage Fund	37.60	Dec-08	10.39	21.54	10.92	21.31
Franklin India Taxshield	423.38	Apr-99	11.68	22.99	13.94	25.36
ICICI Prudential Long Term Equity Fund	270.54	Aug-99	4.27	21.81	12.26	22.55

Note: NAV and Returns as on 02nd Nov 2015, Returns < 1 yr annualised, > 1 yr compounded annualized.



CURRENCY OUTLOOK

The USD will remain broadly well-supported in Q4 as the Fed prepares the market for a potential policy tightening. The Fed's sensitivity to external developments could derail the recovery and delay rate "lift off".

DOLLAR INDEX

After a long consolidation of about 8-9 months, Dollar Index is now set to continue its bullishness. On the monthly chart, prices are looking to touch the psychological level of 100.

USD-INR

Last month prices corrected initially but recovered from the low of Rs 64.79 later on and settled at Rs.65.60. Despite loosening the monetary policy stance, Indian Central bank governor failed to lift up the economic conditions. For the coming month, we expect Indian Rupee to depreciate. We recommend buying USD-INR Nov Contract above Rs 66 targeting Rs 67 with stop loss below Rs 65.45.

EUR-INR

Our previous month's short side strategy worked well. For the coming month, price trend is expected towards the weak side on account of Fed's decision. The FOMC also downplayed the impact of global economic slowdown on its policy decision in a dramatic reversal from its position last month. Technically, prices are looking bearish from current levels. We recommend selling in EUR-INR below Rs 72 for the target of Rs 70.80 and Rs 70 with stop loss above Rs 72.80.

GBP-INR

The pound edged higher against the U.S. dollar last month as sentiment on the greenback remained vulnerable following the previous session's downbeat U.S. data and as investors eyed the release of additional reports later in the next month. Technically, trading range for GBP-INR could be Rs 100-102.70

JPY-INR

Yen held stronger in the later session of the month as central bank's review on rates and subsequent outlook was in line. Indecisiveness will prevail until policy decision that is expected to come out on 6th Nov, 2015. On the technical ground, prices are expected to remain sideways to bullish. Crucial resistance is seen at Rs 55; however on sustained trade above, market is likely to remain upside till Rs 56.20 levels. We recommend buying above Rs 55 for target of 56.10 and then 56.80 with strict stop loss above Rs 54.40.

COMMODITY OUTLOOK

Festivity is in the air. On this auspicious occasion of Diwali, we present our outlook on major commodities for the remaining part of the year 2015:

Gold-Speculations were brewing over the US Fed's stance on interest rates just before the recent Fed meeting that concluded on 28th October. Now that the unanticipated hawkish statement is out, one can see the lackluster price movement in bullions. However, if major economic data like non-farm payrolls fails to match US Fed's expectations and mathematics, then we may see an extension of last month's relief rally. On technical chart, $1120 is a major support while $1200 is a crucial resistance. If prices get over $1200 in next few days, then only we may see the above mentioned extension of the relief rally towards $1250-$1280 (Rs 28500-29000 at MCX).

Silver-Despite being a strong candidate among bullion segment, the performance of Silver was no better than its elder sibling. Weakness in base metals and economic slowdown worldwide kept the white metal haunted throughout the last two quarters. However, in the next couple of months, we may see silver coming out of the weak and sluggish trend. On technical chart, Silver has seen the extreme end of oversold zone and if Fed's decision to hike interest rate is a sole parameter then Silver may be the fastest to come out of blues. Technically, if prices do not breach the crucial support of Rs 33000 then we may get to see a relief rally till Rs 41000 mark.

Crude Oil-The recent relief rally seen in fuel of the fuels is likely to shape into a mid-term rally soon. Talks of Iranian crude oil coming into the already over-supplied market are however surfacing but at the same time strong economic recovery in US and firm demand in India is likely to play major role. Also, any delay in supply from Iran is going to create momentum. For the next couple of months, prices may see an upper range of $52-$55 (Rs 3400-3700 at MCX) as insider candlestick pattern on weekly technical chart breaks above its structure.

Natural Gas-NG Prices may remain under pressure for at least another month as the worst still doesn't seem to be over for the heating fuel. As per Gann theory, prices have broken the crucial Rs 144 mark in October contract expiry and so the next target may be anywhere between Rs 121-115 price range. Market is definitely over-supplied right now but the peak demand time in December is likely to bring in buyers only if weather conditions in US supports in form of an extremely cold season.

Copper-Another party spoiler for bulls. Copper is in a primary bearish trend on international bourses and we don't see any relief coming to the king of the base metals in rest of the year. China worries aside, a huge glut of stocks at major warehouses worldwide are likely to bring prices further down by another 10 to 15 percent. This means we may see prices tumbling under Rs 300 at MCX. Zinc and Lead may provide much needed relief in the base metals' pack as both these metals have better fundamentals at present with some positivity on technical chart.

DIWALI SPECIAL

STEPS TOWARDS CREATING AND PRESERVING WEALTH

Mr. Umesh Rathi

Certified Financial Plannercm at Arihant Capital Markets shares simple and easy tips you need to follow for wealth creation, wealth preservation and wealth transfer.

Diwali is the biggest, brightest and the most celebrated festival in our country that spiritually signifies victory of light over darkness, knowledge over ignorance, good over evil, hope over despair. On the day of Diwali, it is customary to worship Goddess Lakshmi, Goddess Saraswati and Lord Ganesha together. It is well-known that Goddess Lakshmi is the Goddess of wealth and prosperity, Goddess Saraswati is the Goddess of knowledge and wisdom while Lord Ganesha is considered the God of intelligence. Gaining wealth without knowledge and intellect will only result in misusing the wealth. That's precisely the reason why people worship these three deities together to welcome wealth along with knowledge, wisdom and intelligence.

It is so unfortunate that though we spend half of our lives working long hours to make our ends meet, yet we are barely able to take out time to manage our personal finances. The need of the hour is to not only earn, but also allocate our time in managing our money and creating a sweeping change in our mindset. Here are some simple and easy steps for wealth creation, preservation and smooth transfer of the same to next generations for you.

Wealth Creation

1. **Improve your financial knowledge:** Today most of us suffer from financial diseases like low returns, debt trap, underinsurance, insufficient retirement funds and improper asset allocation. The major cause of these problems is not having adequate knowledge of personal finance that is imperative and is the first step towards your financial well- being.
2. **Have a saving plan for each goal:** Planning is important at every stage of life, and is absolutely essential when it comes to matters of money. You must set your financial goals for every stage of life and plan their achievement levels. Financial goals can be of three types: short, medium and long-term. A short-term goal could be anything like say purchasing a car, a medium-term goal may include planning your child's education and a long-term goal could be your retirement planning.
3. **Budgeting:** To gain control over your finances, you need to know how much you are earning and where you are spending. Budgeting will help you to identify high expense area and help you evaluate how you can curtail unnecessary expenses. This knowledge can be very helpful in saving money and building wealth in the long run.
4. **Reduce your loan burden:** We should review our existing loans and ensure that we only have good debt that will help us in increasing our net worth in the long run like education loan. In case we have bad debt we should plan for repaying the same immediately. A proper debt evaluation will also help us find out ways to reduce our interest burdens.
5. **Invest as per your risk appetite:** We should understand that risk and return are the two sides of the same coin and an investment with a higher return indeed bears a higher risk. We should also ensure that the post tax returns on our investments are able to beat inflation and additionally, offer sufficient liquidity.
6. **Tax planning in conjunction with Financial Planning:** For most of us, tax planning is an end-of-the year, last minute exercise. Tax planning should actually be done keeping in mind our needs, life goals and risk appetite in conjunction with the overall financial planning.
7. **Take advice from the right experts:** While we often seek expert professional advice in every field, such as consulting a doctor for our health, an architect for constructing our home, a CA for managing our taxes, sadly when it comes to taking advice on 'finance', we listen to anyone and everyone. Our insurance agent becomes our insurance advisor, our Chartered Accountant becomes our wealth manager, our friends who just made money from a 'hot stock tip' become our share market advisor. We absolutely forget the need of the most important and relevant of all - a Certified Financial Plannercm for our Financial Planning

Wealth Preservation

8. **Take adequate insurance cover:** Insurance is probably the most critical, and yet the least seriously dealt with aspect of financial planning. Though most of us take life insurance or health insurance covers, but the amount of cover is usually not adequate. While buying life insurance, you need to consider the immediate, future and living expenses that your family might have to incur in case a tragedy strikes you. You should not mix insurance and investment. Hence, the right strategy is to buy pure term insurance with adequate cover. Looking at the increasing medical costs, one should also plan to take health insurance for each member of the family. Critical illness insurance, personal accidental insurance and property insurance should also be a part of every individual's insurance portfolio.
9. **Create an emergency fund:** Life is full of uncertainties and it is often difficult to incorporate such uncertainties in our financial plan. Emergency fund not only helps in fulfilling the financial needs during uncertainties but also secures us from mental disturbances which may arise due to financial crisis. Our emergency fund should be equal to an amount of our monthly expenses plus our loan EMI of 4-6 months and yearly insurance premium.

Wealth Transfer

10. **Share your financial affairs with at least one trusted person:** We often read in newspapers about billions of unclaimed money being stashed in bank accounts as no other member in the family of the deceased person is aware about the finances left behind and hence the money cannot be used by the surviving family members. As Benjamin Franklin so accurately noted, "In this world nothing can be said to be certain, except death and taxes." We never know when the death will strike us, therefore, it is imperative that you share all your financial details with at least one trusted person who can ensure the last thing your family will have to worry after you is money.
11. **Record Nomination:** You must make sure you update the nominee / beneficiaries in all your financial accounts and that the details are correct. Often people forget who they put for nomination, especially if an account is old or created before their marriage. Any lapse on your part will result in hardship to next kith and kin who are required to obtain Succession Certificate or to get probate from the Court. This process takes long time, up to 12 months, and involves additional expenses of court fee to the extent of 8 to 10% of the asset value. If the nomination details are updated, the nominee can acquire the movable assets of the deceased without extra expenses and hardship.
12. **Write your WILL:** If you don't already have a will, now is the time to create one. We all believe we will live forever and procrastinate this task, but the harsh truth is most people die without writing their WILL, which results in complications. Undoubtedly nomination is a great help to successors but nominee can hold the assets only in the capacity of a trustee and has to pass the assets to its successors. So it is important that you prepare your Will in addition to nomination. Therefore every person above 21 years, having sound mind and assets/life insurance policy should write WILL.

Above strategies will surely help you in creating and preserving wealth through generations. Wish You A Happy and Prosperous Diwali that will last a lifetime with these wealth management tips.

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