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INVESTMENT IN WORTHY ASSETS

13.99% tax free!!!

Would you like to earn 13.99% tax free and make a great deal for your employees?

As an organization the employer has many responsibilities and liabilities towards the employee. It is better to plan in advance than to face a tough situation at the last minute.

Such liabilities may come during good or bad financial times. Therefore it is always advisable to make provision for any future liabilities by keeping aside some funds in good times which would give you relief in times of any crises. This would create a win win situation for both parties as explained below.

Employee:
It would create a retirement corpus and in case of any eventuality during the working period, the family of the employee would be receiving full salary till his last working day.

Employer:

- Company saves a handsome amount of tax annually.
- Future liabilities are bought at a nominal rate and the company can focus on business growth.
- These liabilities are compulsory as per norms but this investment will fetch an annualized return of 13.99 %p.a. By planning in such a way it creates a good relation between employee and employer and fosters commitment, loyalty and bonding etc.

Therefore it is always advisable that you earn 13.99% annually compounded tax free interest by handing over your future liability to a professional. This provision takes care of an employee when he retires, as he gets good amount of lump sum money or in case of any eventuality his family gets financial support to manage unseen liabilities. In either case it creates good bonding between employer and employee.

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ASK THE EXPERT

H. P. Shah, LUTCF (USA), RFC (USA)

Can a person of Indian origin invest in safe security and earn more then 7%?
- Bhavna Shah, Surat
Yes you can earn more the 7% tax free return from a safe fund. And you can have a free life insurance with the investment planning. It would not be ULIP plans but one which will give you safe and steady returns.

Can a person of Indian origin acquire any immovable property in India?
- Nirav Jain, Vadodara
by way of inheritance? A person of Indian origin, residing outside India, may acquire any immovable property in India by way of inheritance from a person, residing outside India, who had acquired such property in accordance with the provisions of foreign exchange law in force at the time of acquisition by him or the provisions of Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000. Immovable property, by way of inheritance, can also be acquired by a person of Indian origin residing outside from a person resident in India.

What is the differences between wealth management and family office?
- Iqbal khan, Ahmedabad
Traditional wealth management firms give advise on your investments and sometimes they can help you make insurance related or budgeting related decisions. Most wealth management firms are not specialists in taxation or charitable giving, or even multi-generational wealth management. Family offices can provide all of these solutions and more under one house so that several diverse experts can speak with each other and create a cohesive plan for preserving and/or growing the wealth of the ultra-high net worth client.

Since my spouse and I have all our property in both of our names, do I still need a Will? *- Revati Sharma, Delhi*
YES! Even though your spouse will get all your jointly held property upon your passing, it is still sound estate planning to have a Will. A Will covers unforeseen situations like the simultaneous death of you and your spouse or any additional property you may accumulate that is not jointly held. It is always advisable that both spouses have a Will since you can never be certain which spouse will die first.

Follow us on

For any query, contact our expert team.

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VALUE PLUS The Family Office

Grow Safely..Be Happy

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> — FT FINANCIAL TIMES

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VALUE PLUS® The Family Office

WHAT's INSIDE

FROM THE DESK OF CEO

Hello friends!

The government has finally shrugged off its policy paralysis and unleashed a slew of reforms, which will no doubt have a positive impact on India's economy and the fiscal deficit will be lower than that estimated earlier. But besides tackling the high fiscal deficit, much more needs to be done to address growth and the soaring inflation. To support growth, RBI has stepped ahead by cutting into the CRR (cash reserve ratio) by 0.25 basis. Banks can thus reduce their lending rates which in turn will provide a boost to Indian business houses.

There is also monetary stimulus provided by the ECB (European Central bank) and the US Federal Reserve may tackle short-term global growth problems and financial risks. But we can certainly expect upward pressure on commodity prices globally which may lead to higher inflation.

In these circumstances it is advisable to use a very selective class of assets to grab the opportunities in the current scenario.

Grow Safely...Be Happy.
Best Regards

Rtn. H. P. Shah
CEO, Value Plus Investment Advisors Pvt. Ltd.

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FAMILY OFFICE

Track review and cost analysis of life and non-life insurance

Creating sophisticated insurance strategies is both an art and science. However one also needs to track, review and analyze on a regular basis the need of insurance. Changes in requirement occur in different stages of life, liability, income, assets, age of children, retirement, cost of insurance, benefit of insurance, features of insurance, cost of mortality, premium, profit generating ability of the product. This is where a genuine insurance expert is required.

Most health insurance plans do not cover critical illness and do not pay lump sum amount for heart attack, kidney failure and other major diseases nor do they cover full amount of hospitalization expenses. Certain selective products offer all above mentioned benefits. There are different products with different features, exclusions and different value additions, so it is advisable to compare all these areas before taking the final decision rather than obliging somebody or getting attracted by low cost or other frills.

Any insurance is not an expense. It contributes towards wealth building that will come to your aid during a crises.

"Be smart when others are fearful" - Warren Buffett

TAX FUNDA

Mr. Bharat Popat. Prominent Chartered Accountant of Gujarat.

"Tax planning at conceptual stage"

Proper tax planning generally begins while deciding the status of the entity one is going to create for commencing a new business (whether to commence the business in proprietorship capacity or to create a partnership firm / company etc.). This is because the provisions of law, the tax rates etc., are different for different classes of entities. For example, individuals and HUFs get the benefit of sliding scale whereby they do not pay tax at all up to a certain income and pay tax thereafter at sliding scales. Similarly, certain provisions in relation to dividend distribution tax, deemed dividend, MAT etc. apply only to specified category of assesses and not to others.

In view of the above, it is advisable to weigh the pros and cons of various options available in this regard, before finalizing one of them. Broadly speaking, a person should think of setting up a limited com pany under the Companies Act 1956 **if and only if** the following situations so warrant.

- When the market risk in relation to the business is very great and the entity is likely to incur huge losses, if adverse situations prevail.
- When the projected size of the business is so big that the promoters have to ultimately go for IPO and listing of the shares with any of the recognized stock exchanges.
- When the ownership of the entity is likely to be fluctuating in nature having possible frequent changes. This will hold good especially when the promoters hail from different families not related to each other and they may have to invite new groups or some existing groups may eventually leave the entity.
- When the entity requires huge financial assistance and the Bank is not likely to sanction the same unless a limited company is created for the purpose.
- In all other situations, it may be advisable for a person to initially start under the status of proprietorship concern or a partnership firm.

CORPORATE ZONE

Making business more efficient and profitable through - "Technology"

Ask yourself, "How is technology making my business more efficient and profitable?" If the answer is that it is not, perhaps some refocusing is needed. Let's be honest, we all want things to make our lives easier. With life as it is today, we don't need more complications...especially where our livelihoods are concerned.

As cloud computing popularity has surged for consumers, businesses have also started to take steps toward it. More and more, companies are deploying things such as cloud hosting and software-as-a-service (SaaS) in order to save money and decrease the amount of time it takes to upgrade or make changes to their computing systems.

While the cloud is convenient, it does present some questions for companies considering switching. One of these questions is whether the cloud is truly safe for companies to use. Reliability and security are two of the biggest concerns normally voiced by companies.

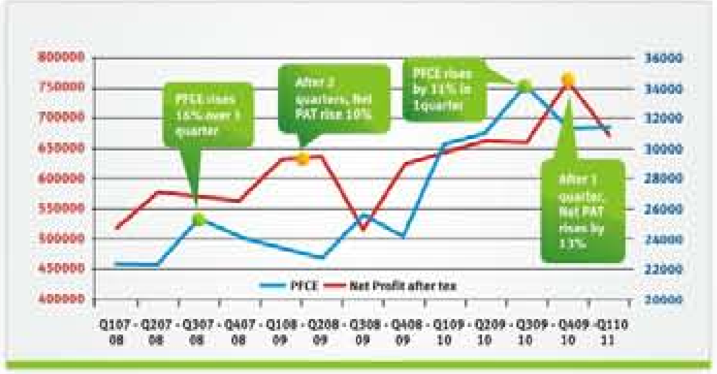
Resolving this issue is simply a matter of trust. For cloud computing to be safe for a business, a reputable provider needs to be chosen. Companies with solid reputations are already known to be trustworthy. Choosing a company that is well-known usually means they'll have and enforce the proper security protocols.

IDEA OF THE MONTH

What is Consumer Spending? And it's Importance

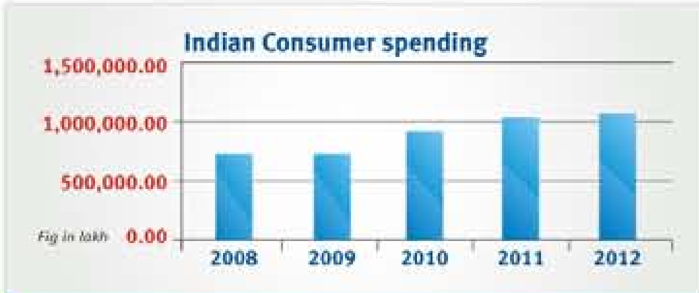
Consumer spending is the total expenditure that we as consumers make throughout the year. In more technical terms it is known as **Private Final Consumption Expenditure (PFCE).**

Consumer spending is important because it is the leading indicator of the health of the economy. This means looking at the consumer spending, we could get a pretty good idea in advance whether the economy is doing good or bad. Wonder how?



From the chart it is clear that the impact of a change in consumer spending happens on Net PAT of Sensex 30 companies with a lag of 1-2 quarter. For instance in the 3rd quarter 2009-10 you can see consumer spending rising, the effect of which shows in the corporate earnings in the next quarter. Thus, consumer spending can help you know beforehand where the corporate earnings are headed!!

One of the most important factors which drive the stock prices is the corporate earnings. But what drives the corporate earnings? Well a lot of things affect the price but among these things, one of the most crucial is consumer spending.



Nimesh Thaker | Manager : Research and Analysis

BILLIONAIRE BUSINESS FAMILIES

They Reinvest Profits in Ever Progressive Leverage / Risk Systems

Stable and consistent Liquidity
Your business must have a stable and consistent liquidity if businessmen want to take more return by reinvestment. Generally people believe they require consistent liquidity for survival of business. Here we are not discussing business from the survival point of view, but consistent liquidityhelps to give psychological advantage in taking extra risk.

How it Works

As business have higher base of liquidity because of stable and consistent inflow, businessmen are able to take higher risk. It is observed that many people avoid retaining profits or they gamble away the profit, which creates lower liquidity with higher volatility in business and has a negative impact on returns. Calculative higher risk will give higher return, and due to higher return your base will increase.

Risk Tolerance
People innately know what they need to do to improve something for extra return. Ideally People can tolerate a 10% risk of increase / decrease in returns without emotional reaction. With the 10% rule, you can stair-step returns on top of your liquidity and maximize your wealth.

"Finance for non finance women"

"Know your Stocks"

DATE	TIME	TOPICS	SPEAKER	TARGET AUDIENCE	PLACE
13.10.2012	5.30 - 6.30 p.m.	"Finance for non finance women"	H.P. Shah	Home maker	Value Plus Conference Hall
27.10.2012	5.30 - 6.30 p.m.	"Know your Stocks"	Nimesh Thaker	Investors	