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Foundation of Independent Financial Advisors

March

2022



Saarthi Zaroori Hai®



On 30th March 2022, Mr. Karan Datta, conducted knowledge sharing session through zoom webinar.

Topic : Decoding The Ukraine Russia War

There were more than 162 IFA's who attended the session.

Please find the recording link of the knowledge session :

Video Link:

https://www.youtube.com/watch?v=G_LNSocIT_M

Audio Link:

<https://www.fifaindia.org/uploads/audios/member/karandatta30march.m4a>



Interesting developments and facts

Indians invest 2% savings in mutual funds, 40% in bank deposits



RBI data shows that households poured in Rs. 64,000 crore savings in mutual funds in FY 2020-2021.

Indian households invested just 2% or Rs. 64,000 crore of the total savings in mutual funds in FY 2020-2021, shows latest RBI data.

The share of mutual funds in total household savings has remained at 2% for the second consecutive financial year.

However, the total investment amount has gone up to Rs. 64,000 crore in FY 2020-2021 from Rs. 44,000 crore in FY 2019-2020.

Banks, life insurance, provident and pension funds received the biggest chunk of savings as usual. Bank alone secured 40% of the total savings at Rs. 12.2 lakh crore.

Instrument	2018-19	2019-20	2020-21	% of total (FY 2021)
Bank deposits	777092.6	866677	1227873	39.49%
Non-bank deposits	33320.2	56748.5	39857.9	1.28%
Life insurance funds	392133.2	372257.5	520141	16.73%
Provident and pension funds	400086.7	455104.9	500824	16.11%
Currency	277872.1	282662.1	381976.1	12.29%
Mutual funds	151559.9	61685.7	64083.8	2.06%
Equity	6382.4	26737.8	38531.2	1.24%
Small savings	205038.3	263723.4	309526.3	9.96%
Total savings and investments	2263690.4	2399086.9	3108997	

*All numbers are in Rs crore

Interestingly, deposits and investments went up across categories (except non-bank deposits) in FY 2020-2021. Bank deposits rose to Rs. 12.2 lakh crore from Rs. 8.6 lakh crore in the previous financial year. Investments in insurance funds surged from Rs. 3.7 lakh crore to Rs. 5.2 lakh crore.

As a result, the overall savings went up from Rs. 24 lakh crore in FY 2019-2020 to Rs. 31 lakh crore in FY 2020-2021.

In FY 2020-2021, savings rose across the globe as covid-induced curbs limited spending avenues. People also resorted to save more to build up emergency corpus in view of uncertain future due to the pandemic, say experts.

Meet MFD Hemant Talekar who moved from Mumbai to rural India to serve 'Bharat'



Hemant has clients across all economic strata. In fact, he has a few clients who are road side beggars.

Despite residing close to the commercial capital of India Mumbai where many people come to do business and earn livelihood, Panvel MFD Hemant Talekar has decided to something different. He moved to the countryside to serve the real Bharat.

Since then, Hemant has been protecting innocent rural people from falling prey to Ponzi schemes and multi-level marketing products. Today, he has clients across all economic strata. In fact, he has acquired a few roadside beggars as his clients.

Hemant strongly believes that every Indian deserves to attain financial freedom through mutual funds.

Inspired by this story, Cafemutual featured Hemant on 'Umeed Bani Udaan' at Cafemutual Ideas Fest 2022. Let us look at his story:

Why real Bharat?

Hemant said that there is a dearth of knowledge in rural India. He said, "Despite having worked in financial services industry at the beginning of my career, I found it difficult it difficult to understand financial products. Imagine if people like us find it difficult, what could happen to rural India. They don't have any knowledge about financial products but they want to explore these products. I sensed this opportunity and moved to the countryside to service the real Bharat."

Opportunities in Bharat

You can find three categories of clients in rural India – farmers, government employees and small business entrepreneurs

While people draw big salaries in urban India, they end up spending more than what they earn. On the other hand, people in rural India have decent income and they manage to save at least 50% of their net earnings

MFDs should pay attention to farmers. They mostly earn tax free income and enjoy a host of subsidies

Acquiring new clients

Approached senior government officials, small and micro scale industries and Kisan Sangathan (Association of farmers) to conduct literacy campaign focusing on beneficial government schemes. Many people attend these campaigns as they see merit in it. During these sessions, Hemant introduces financial products like mutual funds

Hemant suggests them to start investing in mutual funds with the money they receive through government subsidies

Hemant also reaches out to people who show interest in mutual funds post his sessions through physical meeting

Beggar client acquisition story

Hemant sees every Indian as his client. He never misses an opportunity to do his sales pitch. When a road side beggar approached him to seek his support, he made him his client.

Let's hear this story from Hemant in his own words:

During my initial days as an MFD, I used to travel by bus. When I was waiting for a bus at a stop, I saw an old man carrying a differently abled adult on his back to drop him at the stop. Eventually, I realized that the old man was the father of the differently abled person who due to his physical limitations seeks alms from people. When he came to me, I offered him Rs.100 and asked for 10 minutes from him. Seeing Rs.100, he readily agreed to listen to me. I asked him how much was he earning. The person told me that he earns between Rs.500 and Rs.1000 in a day. When I further enquired him how he keeps his money, he told me that he puts it in a bank account.

Soon, I introduced him to a new bank (mutual funds), which has the potential to deliver inflation beating returns for better future.

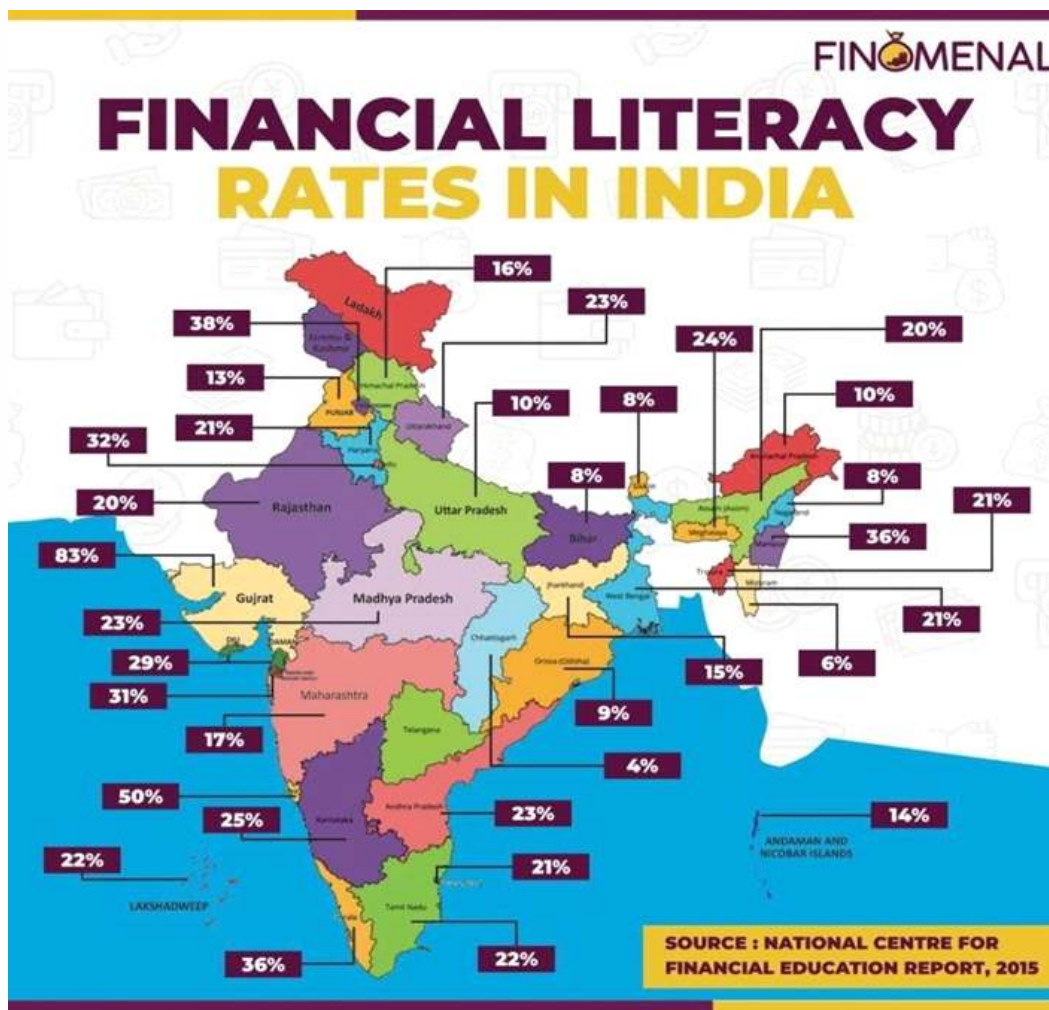
I recommended him to start investing in mutual funds with a small amount every month to understand the product. He agreed and started his investment every month in mutual fund. Today, he invests his money regularly and has referred me to a few more such clients.

Client retention

Hemant believes that MFDs should always involve family members of clients in financial matters to strengthen their relationship with clients.

When Hemant visits a client, he becomes 'Mama' (mother's brother). Hemant said, "When I visit client house, I give a toffee to client's children and ask them to call their mother/father saying 'Mama Aaye Hai'. Once you become Mama, you become a family member of a client. Remember, no one can come between Jija and Saala."

Hemant left the audience awestruck through his honesty and straightforwardness at CIF 2022. Team Cafemutual wishes him all the best for future.



World's Largest Stock Markets

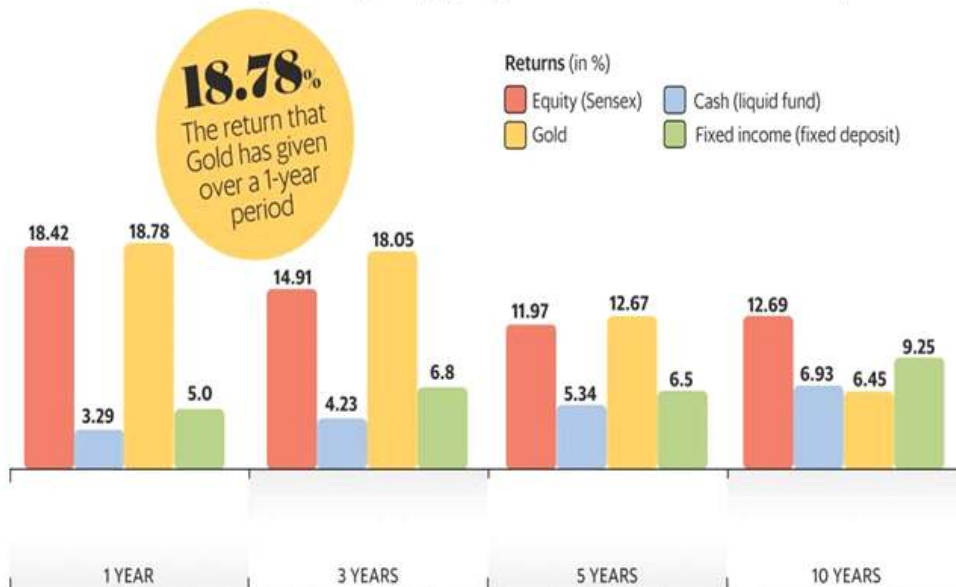
	1. USA	\$46.0 Trillion
	2. China	\$11.3 Trillion
	3. Japan	\$5.7 Trillion
	4. Hong Kong	\$5.5 Trillion
	5. Saudi Arabia	\$3.3 Trillion
	6. India	\$3.2 Trillion
	7. UK	\$3.1 Trillion

Source: Bloomberg | (\$) Market Cap



Returns on my investments

Building a portfolio is a complex exercise, and it has to be maintained, too. A person's portfolio holds different types of assets based on his/her financial goals, and each asset class gives different types of returns, which is why a portfolio must have an ideal mix of financial products. One must also keep in mind the volatility risk of the asset class, liquidity, lock-in rules and taxation. Here's a look at how four commonly used asset types—equity, cash, gold and fixed income—have done in different periods.



Data as on 25 March. Equity is the benchmark Sensex return (price); cash refers to the average return for liquid funds category as defined by Valueresearchonline; gold refers to domestic gold prices available on Valueresearchonline; and fixed income is historic SBI fixed deposit rates. All returns are annualized.

PARAS JAIN/MINT

Source: BSE, SBI, Value Research

TOTAL ASSETS OF INDIAN HOUSEHOLDS



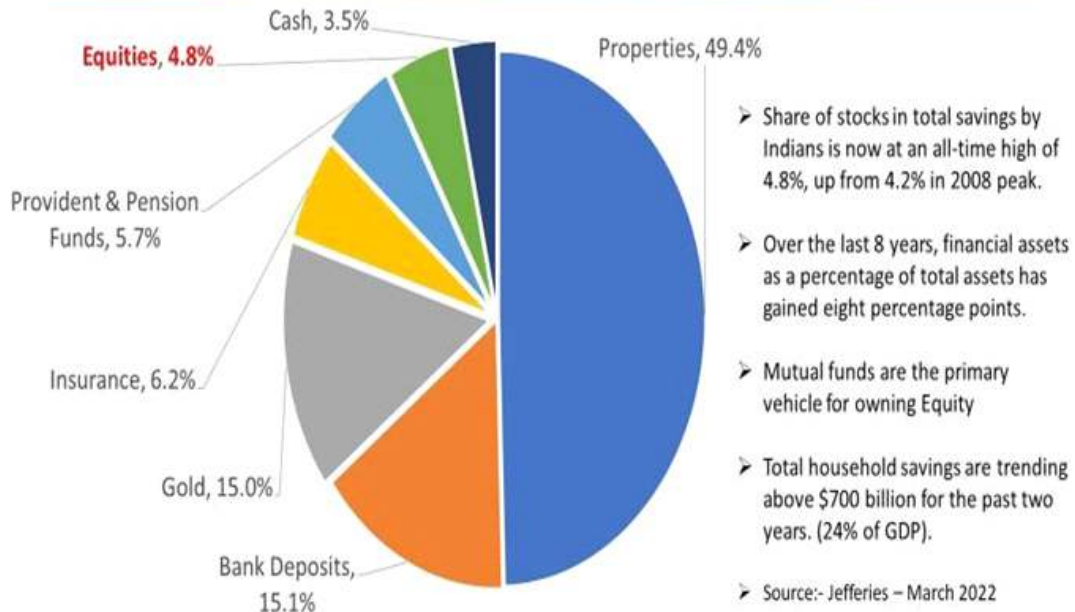
Source: Jefferies. For March'22



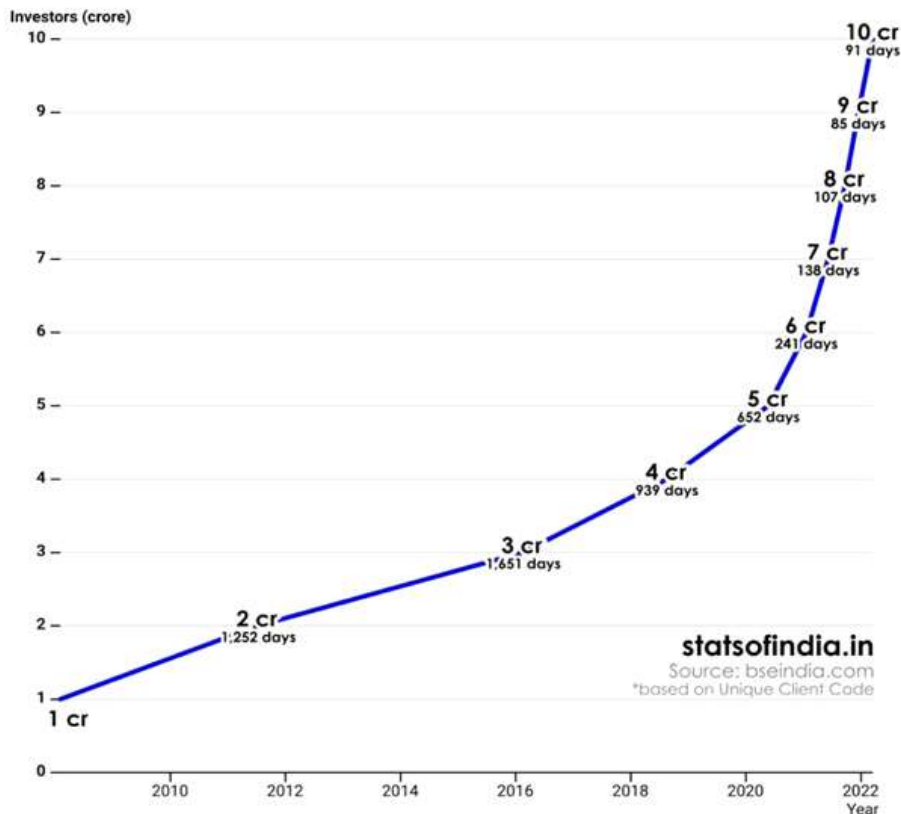
@Investywise | Mastermindinvestor

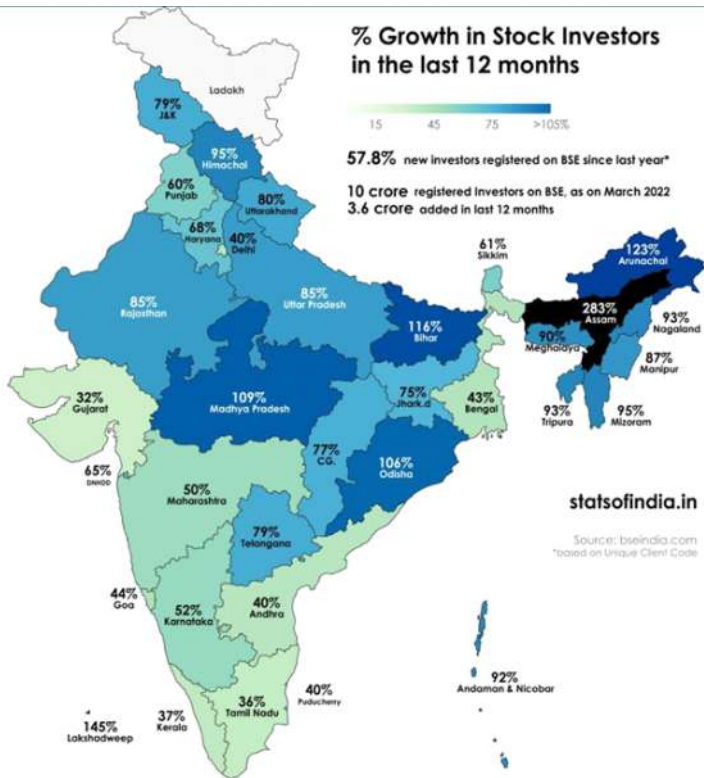
INX X MMI

Indian Household Savings



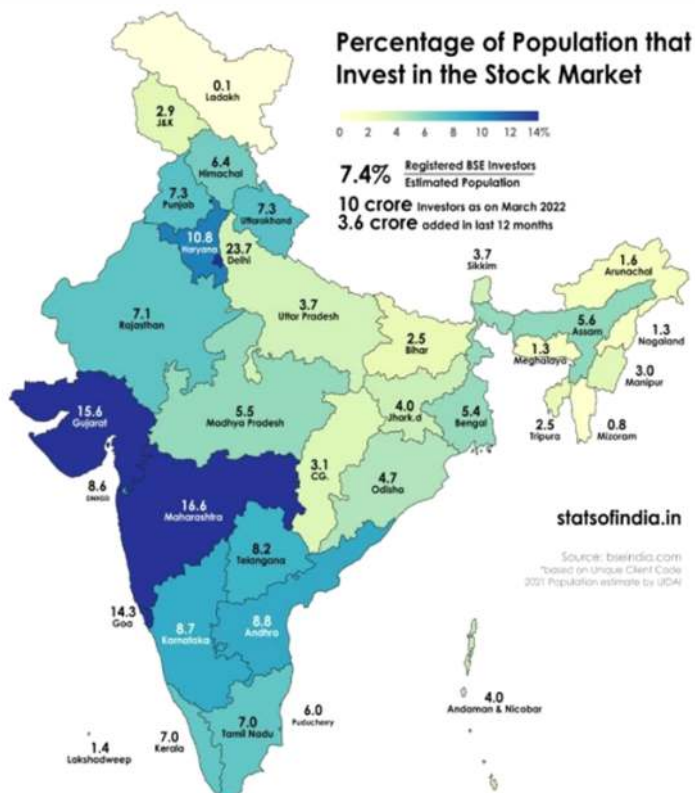
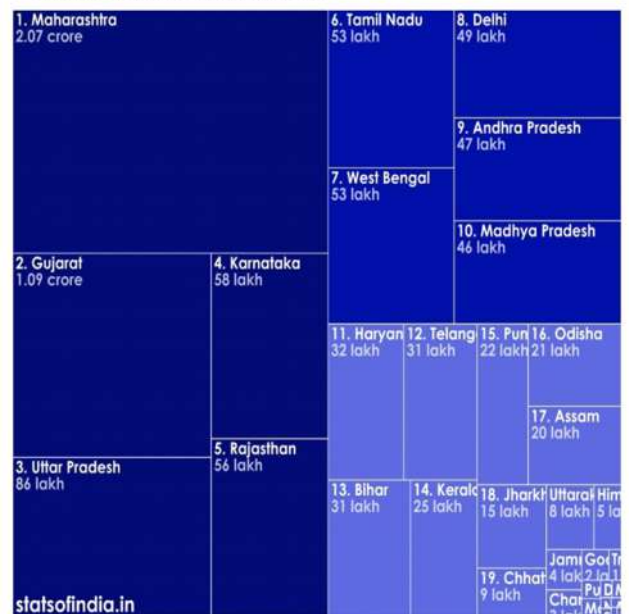
10 crore registered investor accounts on BSE

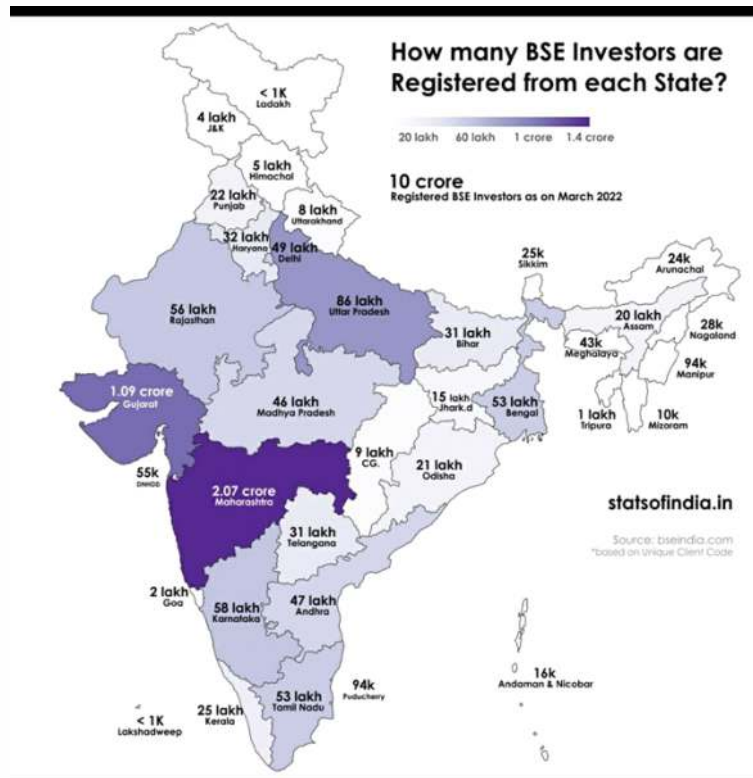




Which States have highest investors in the stock market?

State-wise registered investors data from BSE, March 2022





Online Self Declaration

Distributor can update SD online with provided Link.

<https://web.camsonline.com/AMFI/login.aspx>

Follow the Below Steps for SD

Login ➡ Update Profile ➡ Choose Self Declaration ➡ Submit OTP ➡ Press Submit Button

Now it can be updated with OTP

**We are open to
contributions
from our
valued members!**

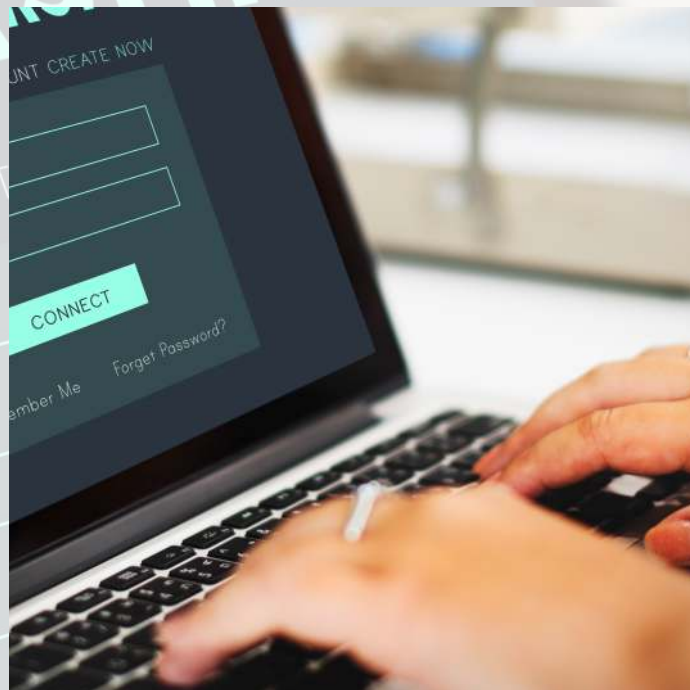
The editor is open for interesting contributions from our members. It can range from IAP programme snapshots or pictures/snippets of fun events conducted for investors, to fun anecdotes as well as any valuable inputs you would like to share!

Please write to

nisreen@moneyworks.co.in to get featured in our next edition.



Membership Renewal



Requesting members to make the renewal payment for this Financial Year 2021-22 .

Also appreciate those members who have not yet paid their outstanding fees to do so at the earliest.

You can make the payment through our

Website : www.fifaindia.org

Username : your registered email id

Password : pass@123

You can also download the **GrowFa app** from **Google Play Store** and make the payment.

In case if you face any difficulty, please email the query to accounts@fifaindia.org or get in touch with **Ronald** on mobile number **9867508393**

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