



FIFA

FOUNDATION OF INDEPENDENT FINANCIAL ADVISORS



Saarthi Zaroori Hai®

FIFA March 2023

*In conversation with
Mr. Sanjay Khatri*



Saarthi Zaroori Hai®



On **11th March 2023**, FIFA Nagpur Unit had organized knowledge sharing session.

Speaker : Mr. Sanjay Khatri

Topic : **Scalability of MFD Business & Future Preparation**

There were more than **92 MFDs** who attended the session from Nagpur, Akola, Wardha and Yeotmal locations.

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On **17th March 2023**, SKIFAA had organized knowledge sharing session in Porbandar location.

Speaker : Mr. Sanjay Khatri

Topic : **"How to grow & sustain in MF Business"**

There were more than **30 MFDs** who attended the event.

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On **18th March 2023**, SKIFAA had organized knowledge sharing session.

Speaker : Mr. Sanjay Khatri

Topic : **"How to grow & sustain in MF Business"**

There were more than **65 MFDs** who attended the session from Rajkot, Jamnagar, Amreli, Surendranagar, Bhavnagar, Una, Gondal, Rajula, Halwad, Limbdi, & Junagadh.



On **25th March 2023**, FIFA in association with ABSL AMC had organized knowledge sharing session through zoom call.

Topic

Regulatory Updates Effective 1st April 2023.

There were more than **465 MFDs** who attended the event.

On **26th March 2023**, FIFA in association with ABSL AMC had organized knowledge sharing session through zoom call.

Topic

Upcoming Regulatory Updates with RTAs CAMS / KFINTECH

There were more than **963 MFDs** who attended the event.



NET SIP INFLOW IS 54% OF THE GROSS SIP INFLOWS

In April-February 2023, the MF industry received net SIP inflows of over Rs.76,000 crore as against gross SIP inflows of Rs.1.42 lakh crore.

An analysis of industry SIP data reveals that the net SIP inflows of the MF industry is 54% of the gross SIP inflows. The MF industry has received SIP inflows of over Rs. 76,000 crore as against gross SIP inflows of Rs.1.42 lakh crore during April-February 2022.

According to the industry practice, the industry simply deducts outflows from SIP accounts to arrive at the net SIPs. It is not gross SIP inflows minus outflows due to SIP discontinuation. Let's have a look at the SIP numbers for the period April- February 2023:

Apr 2022 - Feb 2023

Month	Gross SIP	Net SIP	Net to gross ratio
Apr-22	11863	6706	57%
May-22	12286	8155	66%
Jun-22	12275	8600	70%
Jul-22	12140	7812	64%
Aug-22	12693	6130	48%



Sep-22	12976	6399	49%
Oct-22	13041	7499	58%
Nov-22	13306	3257	24%
Dec-22	13573	5869	43%
Jan-23	13856	7649	55%
Feb-23	13686	8004	58%
Total	141695	76080	54%

**All numbers are in Rs crore*

Mumbai MFD Vinod Jain of Jain Privy Client believes that the difference between net SIP and gross SIP is due to increased EMIs. "One reason could be increase in interest rates, which eventually increased EMIs of investors. Many people who have bought houses, cars or other commodities on EMIs have discontinued or paused their SIPs. Another reason is direct investment. Many people who have invested through direct plans have paused their SIPs after seeing volatility."

Further analysis shows that the net to gross inflow ratio of equity funds and debt funds was 57% and 58%, respectively. Interestingly, solution-oriented schemes and other schemes have highest net to gross ratio of 77% and 73%, respectively.

Net and gross inflows (category wise) in Feb 2023:

Particulars	Gross Inflows			Net Inflows		
	SIP	Non-SIP	Total	SIP	Non-SIP	Total
Growth / Equity Schemes	11,397.79	21,077.89	32,475.68	6,563.77	9,092.96	15,656.73
Income / Debt Schemes	507.52	7,27,531.37	7,28,038.88	296.94	-13,496.33	-13,199.39
Hybrid Schemes	932.40	10,387.08	11,319.48	512.16	-51.82	460.33
Solution Oriented Schemes	152.92	168.27	321.19	117.70	51.74	169.44
Other Schemes	695.65	25,834.07	26,529.73	513.66	5,925.95	6,439.61
Total	13,686.28	7,84,998.69	7,98,684.97	8,004.23	1,522.50	9,526.73

** Other Schemes: Includes FOF-Domestic*

Year-on-year comparison

Net SIP inflows of the MF Industry improved over the last one year. The MF industry saw net SIP inflows of 36% in April-Feb 2022 compared to 54% in April-Feb 2023.

Apr 2021- Feb 2022				Apr 2022 - Feb 2023			
Month	Gross SIP	Net SIP	Net to gross ratio	Month	Gross SIP	Net SIP	Net to gross ratio
Apr-21	8596	3030	35%	Apr-22	11863	6706	57%
May-21	8819	4020	46%	May-22	12286	8155	66%
Jun-21	9155	2309	25%	Jun-22	12275	8600	70%
Jul-21	9609	2932	31%	Jul-22	12140	7812	64%
Aug-21	9923	2024	20%	Aug-22	12693	6130	48%
Sep-21	10351	1730	17%	Sep-22	12976	6399	49%
Oct-21	10519	2820	27%	Oct-22	13041	7499	58%
Nov-21	11005	5087	46%	Nov-22	13306	3257	24%
Dec-21	11305	5394	48%	Dec-22	13573	5869	43%
Jan-22	11517	5277	46%	Jan-23	13856	7649	55%
Feb-22	11438	5868	51%	Feb-23	13686	8004	58%
Total	112237	40491	36%	Total	141695	76080	54%

**All numbers are in Rs crore*

G Pradeepkumar, CEO, Union Mutual Fund attributes this to increased awareness about SIPs. "Many people have seen the benefits of SIPs. Also, SIPs have become integral part of their lives to achieve financial goals."



SIP discontinuation

The MF industry received a total SIP contribution of Rs. 1.42 lakh crore between April 2022 and February 2023, 26% higher than the contribution of Rs. 1.12 lakh crore during the corresponding period in the last financial year.

However, the industry saw a decline in the number of new SIPs registered from 2.45 crore to 2.30 crore. Further, the number of SIPs that matured/were discontinued increased by 28% from 1.01 crore to 1.29 crore.

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