



Investor World

For Private Circulation Only

IEWA

Editorial Board -
President Emeritus:
Mr. N. L. Bhatia

President :
Mr. Bhavesh Vora

Treasurer :
Mr. Dharmen Shah

Vol: II /September 2020

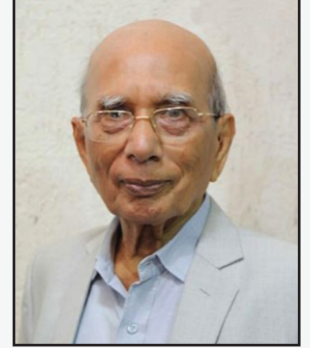
**Bulletin of
Investor Education &
Welfare Association**

(Regd. under Societies Acts
Regd. No. 656 Dt. 6-9-93)

Administrative Office :
Investor Education
& Welfare Association
407, Reena Complex,
Ramdev Nagar,
Vidyavihar (West),
Mumbai - 400 086.
Website : www.iewa.in
E-mail : info@iewa.in



Mr. Bhavesh Vora
President



Shri. N. L. Bhatia
President Emeritus

Editorial - September 2020

As economy struggles towards attaining normalcy there are still many blind curves ahead. Economists are divided in their opinion about the upward curve. Whether it will be a V curve or a U curve or a L curve. One thing that is certain is that the economy is breathing heavy as it tries to come out of the bottom of the pit. MSME sector that employs the most numbers is in maximum trouble. Two fold issues viz. (i) Working Capital all locked in dead stocks and receivables & (ii) Scarcity of labourers/workers preventing the MSME to scale up the production. This is a hen and a egg problem. Government is doing its bit by asking Banks to lend more to MSMEs and also standing in as a sovereign guarantor so the banks need not worry about its lending turning into NPA. The scars inflicted by Covid19 on migrant workers have been too deep to heal fast. They have been caught between the devil and the deep sea. They scrambled to the safety of their homes only to find that they do not have any work opportunities there. Virus still going strong is making the decision to return to their place of work a difficult one. Workers are trickling in and it will be at least another couple of months before situation gets normal. This would coincide with the close of the third quarter. The first 9 months of the current financial year would be the worst period any business would have seen in their life time. Hopefully turnaround will happen as the year turns over to 2021.

Fortunately things are not as bad in the large companies in the organized sector. The companies in the agro based industry, in the InfoTech sector, in the pharma sector are doing quite well. Adverse situation could also give an unexpected opportunity to grow for some. When demonetization happened, it made payment gateways very popular. Their valuation turned from millions to billions. When lock down happened several companies providing services which you can use sitting in the comfort of your home turned popular. Online education portals, Delivery offering companies, companies providing digital platforms to hold virtual meetings, OTT providers and many others suddenly became the most sought after companies. They achieved their growth targets in few months what could have taken them otherwise few years. For them it was making hay while sun shines. On line Yoga instructors, Music teachers, cooking classes are all becoming popular as more and more households reach out to them. So if you are at a right place at the right time you can reap benefit.

All are now eagerly awaiting the arrival of the vaccine that will kill the virus. World's top companies are at it and it looks it will be sooner than later that we will have the vaccine that will have help accelerate our return to normalcy. Till then the mantras to stay safe are "Wear Mask, Maintain Social Distancing and Wash Hands". Follow them religiously. If you do so you are not only helping yourself but helping the society. Be the Warrior.

-CA. Dharmen Shah

INSIDE

- 1) Investor Corner3
- 2) The Future of Corporate Bonds in India5
- 3) तरूणांनो वयाच्या ५०व्या वर्षी निवृत्ती घ्यायची आहे ? मग हे करा.....7

INVESTOR PROTECTION THROUGH EDUCATION

Views expressed by contributors are their own and the association does not accept any responsibility.

Investing all your money in one source
may not reap you the ideal results.

Diversify your investments.

Diversifying your investments helps you reach your
financial goals faster by protecting you against significant losses
and increasing your chances of getting better returns.



To report any market irregularity,
call 022 22728097

THE WORLD'S FASTEST EXCHANGE WITH A SPEED OF 6 MICROSECONDS.

 www.bseindia.com | Follow us on:  /BSEIndia |  @BSEIndia |  /BSEIndia |  /BSEIndia

Disclaimer: Issued in public interest by BSE investor protection fund.

INVESTOR CORNER

Free Webinar organised by IEWA under the aegis of SEBI Investor Protection and Education Fund

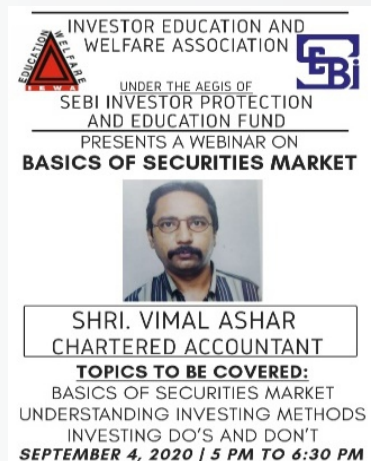
In our continuing effort of providing financial literacy, team IEWA took yet another initiative by engaging with early investors using WebEx as an effective platform. In the month of September 2020 team IEWA organized 3 webinars.


On **Friday, 4th September 2020 from 05.00 PM to 6:30 PM**, we at **IEWA** conducted a webinar on the topic **'BASICS OF SECURITIES MARKET, UNDERSTANDING INVESTMENT METHODS, DOS AND DON'TS OF INVESTING.'** The **speaker for the day, Mr. Vimal Ashar** is an Associate Professor at P. N. Doshi College for the last 36 years. He is a faculty on Financial Markets. He is a recipient of the Dronacharya award from the Government of Maharashtra with HRD Ministry. He is a speaker in various C.P.E. Study Circles of C.As. The session began on a positive note. Adv. Prakash Shah gave an overview of IEWA and brought to light the efforts taken by IEWA to impart financial literacy across all sections of society.

Mr. Ashar covered all the aspects related to the basics of securities market in a manner so that the first time investor would be aware of the nuances of securities market. He brought to light the Do's and Don'ts in investing. He also made the investors understand the rule of 72, which is very important for all investors to be able to gauge the return on investment in terms of the number of years the investment would take to double. Doubts of attendees were clarified during the Q&A round.

The session met its objective of spreading awareness and creating a sense of understanding which is required by the early investors. The attendees acknowledged the efforts put in by the speaker and looked forward to many more sessions in future.


The vote of Thanks was delivered by Ms. Divya Lalwani.



INVESTOR EDUCATION AND WELFARE ASSOCIATION 

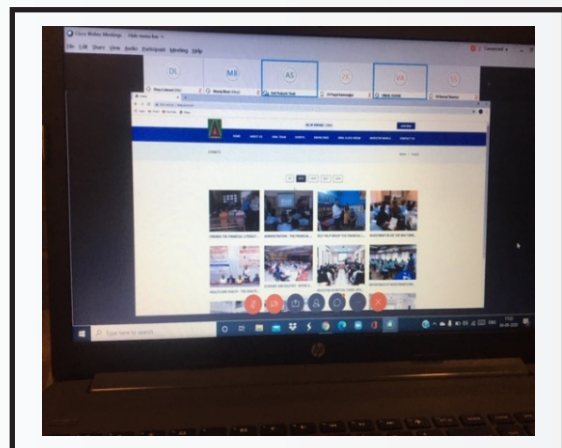
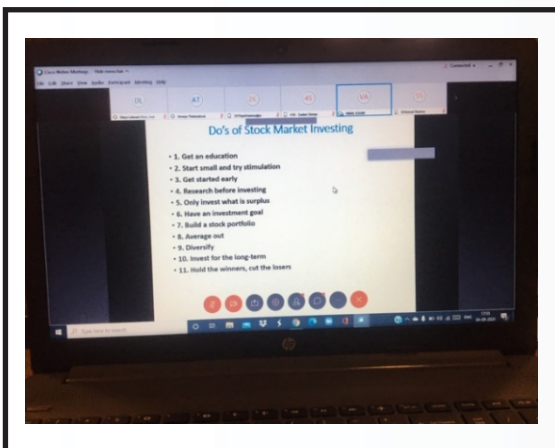
UNDER THE AEGIS OF
SEBI INVESTOR PROTECTION
AND EDUCATION FUND

PRESENTS A WEBINAR ON
BASICS OF SECURITIES MARKET



SHRI. VIMAL ASHAR
CHARTERED ACCOUNTANT

TOPICS TO BE COVERED:
BASICS OF SECURITIES MARKET
UNDERSTANDING INVESTING METHODS
INVESTING DO'S AND DON'T
SEPTEMBER 4, 2020 | 5 PM TO 6:30 PM



On **Wednesday, 9th September 2020 from 05.00 PM to 6:30 PM**, we conducted yet another session whereby the beginners got an insight about **'CREATION OF WEALTH FOR BEGINNERS.'** Our **speaker for the evening Mr. Sarvottam Rege** is a Fellow member of The Institute of Cost Accountants of India (FCMA), Qualified as Cost & Management Accountant since 1997, A Certified Management Accountant (CMA) from the Institute of Management Accountants (IMA-USA), the Board member of Institute of Management Accountant (IMA) USA and is a Member of Institute of Directors.

With the help of a power point presentation **Mr. Rege** conveyed to the listeners **the importance of investing in the secondary market**. He also emphasised on the fact that investment is always proportionate to the risk taking ability, age and future financial planning of the individual. He also highlighted the **Do's and Don'ts of investing** which is needed for the early investor so that they keep away from greed. He gave a perspective into the **risky forms of investments, traditional investment options, options of PPF and NSC, tips on how to beat inflation**. The session was well received by around 50 participants. The webinar was interactive as they asked questions during the Q and A session.

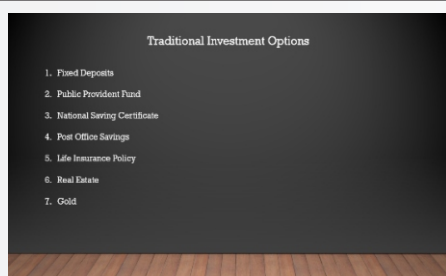
The vote of Thanks was delivered by Ms. Divya Lalwani.

INVESTOR EDUCATION AND WELFARE ASSOCIATION 
UNDER THE AEGIS OF
SEBI INVESTOR PROTECTION AND EDUCATION FUND
PRESENTS A WEBINAR ON
WEALTH PLANNING FOR BEGINNERS



SHRI. SARVOTTAM REGE
FCMA, CMA, MEMBER- IOD

MEETING DETAILS -
SEPTEMBER 9, 2020 | 5 PM TO 6:30 PM
MEETING ID: 170 596 4136
MEETING PASSWORD: 1234




On Thursday, 17th September 2020 from 06.00 PM to 7:30 PM, we at IEWA conducted a webinar hosting our very own **joint secretary and the speaker for the evening, Lion CA Mr. Bharat Kanabar**. **Topic for the day was "BASICS OF SECURITIES MARKETS: DOS AND DON'TS"**

Our multifaceted speaker works with passion and connects to the visually impaired via his social initiative, 'vision India'.

He was able to engage with the audience via his anecdotes. He urged all investors to be a visionary like Mr Dhirubhai Ambani. He laid emphasis on the **calculation of tax implication** whilst trading intraday. He believed that one should invest such that all around us should envy our investments and the very same investments should be a matter of pride for the investor. In order to calculate the return on investment one should take into account the taxes to be paid and hence the net of tax income is important to determine whether the investment has given us returns as expected.

He urged the audience to **invest as per the risk appetite of the individual**. He believed that mutual fund and SIP are safer ways of investing as the volatility of the Sensex would not need to be monitored by the investor on a daily basis. **He spoke about the 4P's of investments such as Planning, Patience, Performance, and Persistence**. He gave an overview of the automobile, financial services and real estate sector. His observation is that Rural Marketing today is on the rise. He urged the audience to be aware about the different government policies and to study its impact very carefully before investing. He urged the investors to do **SWOT analysis of their portfolio and to be ready to churn their investments time and again**.

The session was well received by all which ended with a Q&A round. Ms. Divya Lalwani gave the vote of thanks.

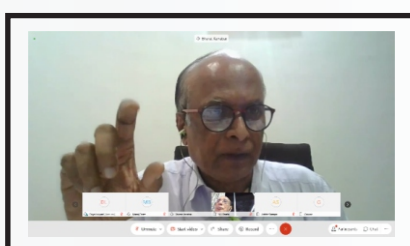
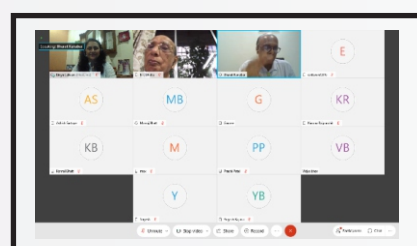
INVESTOR EDUCATION AND WELFARE ASSOCIATION 
UNDER THE AEGIS OF
SEBI INVESTOR PROTECTION AND EDUCATION FUND
PRESENTS A WEBINAR ON
BASICS OF SECURITIES MARKET, INVESTING DO'S AND DON'T



SHRI. BHARAT KANABAR

MEETING DETAILS -
SEPTEMBER 17, 2020 | 6:00 PM TO 7:30 PM
MEETING ID: 170 000 3504
MEETING PASSWORD: 1234

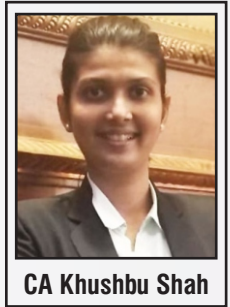
Click on the link below to join the meeting



Our President Emeritus, **Mr. Navnit Bhatiaji** gave the concluding remarks. He has been a pillar of strength and a guiding force for team IEWA ever since its inception.

THE FUTURE OF CORPORATE BONDS IN INDIA

In a sustainable economy, equity and debt instruments play an important role for raising capital for corporate sectors. Albeit, the equity market has witnessed a significant growth in the recent decades, the need for a bond market with sizeable corporate bonds is very important for India. Companies issue corporate bonds to raise money for capital expenditures, operations and acquisitions. Corporate Bonds vary and issuers have a wide-range of choices with respect to bond structures, coupon rates, maturity dates and credit quality, among other characteristics. The importance of corporate bonds for issuing companies has grown, particularly as bank lending has been squeezed, and is likely to continue to grow. A well-developed corporate bond market can be the optimal alternative, not only to support the financing requirement but also allow corporate borrowers to tap the low-cost market.



CA Khushbu Shah

The bond market is categorised mainly as Primary Market and Secondary Market.

Primary Market: This is the market where the borrower approaches investors to raise capital and issue price of the bonds and the coupon rate is fixed at the time of raising capital.

Secondary Market: The secondary market is where securities are traded after the company has sold its offering on the primary market.

Both the primary and the secondary segments of the market continue to be dominated by issuance of bonds by infrastructure and financial services companies while the share of manufacturing firms is negligible.

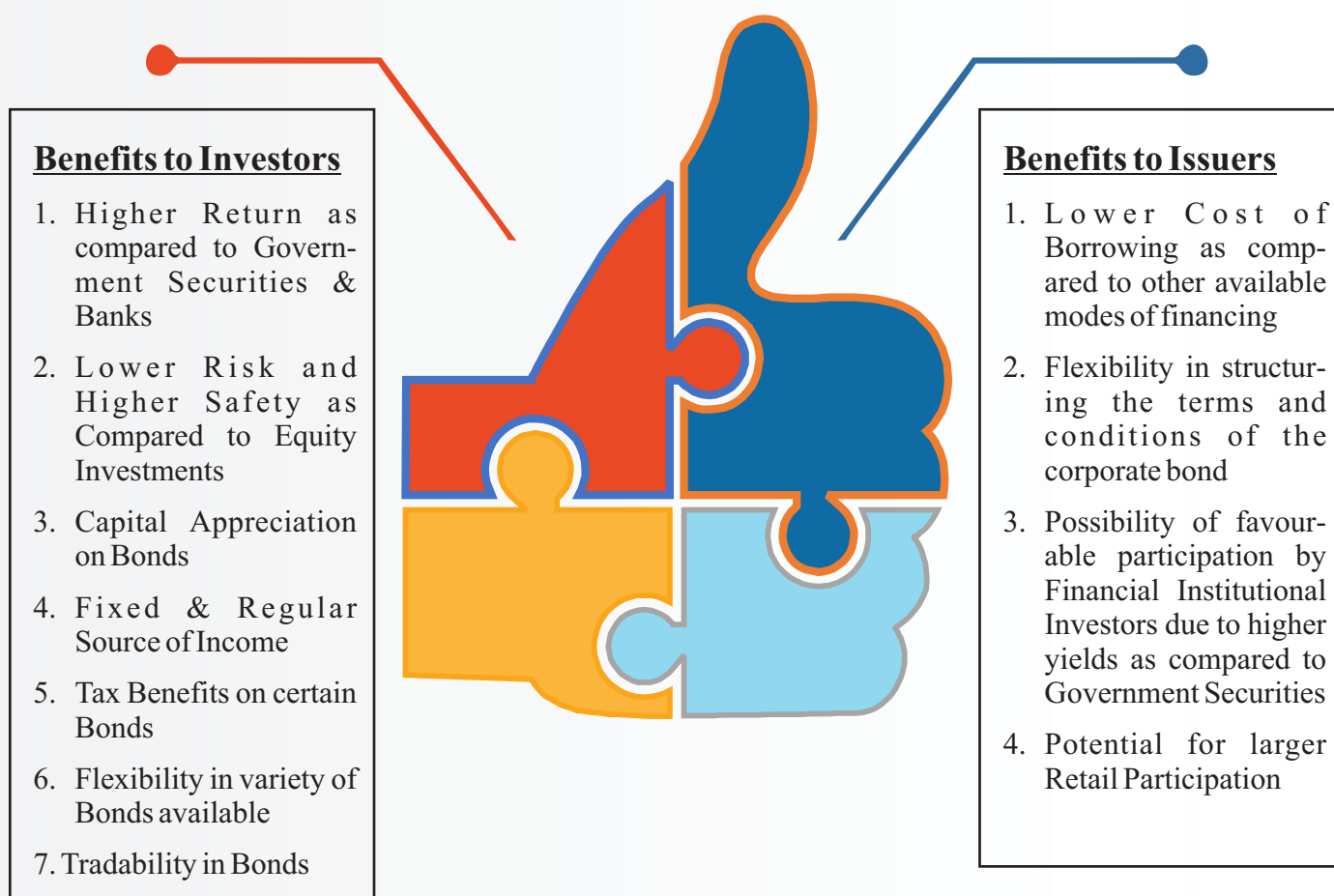
Some of the Types of Bonds available for issuance in India are as follows:



For a long time, bonds in India were generally issued by Government bodies. Having a government backing to the bonds provides security to the investor that these bonds will be repaid on maturity. The debt market in India has seen significant growth over the years, but it has been tilted in favour of the G-sec market. The domestic debt market in India amounts to about 67% of GDP while the size of India's corporate bond market is a mere 16% of GDP.

The corporate bond market has gained traction over the years. Moreover, the unprecedented pandemic and the resultant stimulus have reduced the yield, which has encouraged firms to issue bonds. Increased participation by retail investors in financial markets during the pandemic is also an encouraging sign for the development of India's financial sector. The low yields are an opportunity to undertake steps that can accelerate development.

Development of a vibrant corporate bond market shall reap benefits to both investors and Issuers, which can be understood from the below infographic:



The development of quasi-bond products and operationalization of the 2018-19 Budget announcements mandating large corporates to raise 25% of their funding needs from the bond market shall go a long way towards developing a dynamic and deep corporate debt market in this country.

तरूणांनो वयाच्या ५०व्या वर्षी निवृत्ती घ्यायची आहे ? मग हे करा.

आजची शहरातील जीवनशैली ही वेगवान व दगदगीची झाली आहे. नोकरवर्ग कायम कामाच्या तणावाखाली वावरत असतो. पूर्वीची पिढी एकाच नोकरीमध्ये ३०-३५ वर्षे काढून निवृत्त होत आणि मग निवृत्तिपश्चात आपले साधे आयुष्य जगत. मात्र आताच्या नवीन पिढीला आपल्या नोकरी व्यवसायात वेगवान प्रगती करायची असते अशावेळी ते दर २-३ वर्षांनी नवीन नोकरी पकडून आपली प्रगती करण्याचा प्रयत्न करतात. आजच्या नवीन पिढीचे स्वप्न असते कि आयुष्यभर नोकरी न करता शक्यतो पन्नाशी अगोदर निवृत्ती स्वीकारायची आणि त्यानंतर आपले छंद, स्वप्ने जोपासायची. वर्ल्ड टूरला जायचे वगैरे.

आजच्या तरूण पिढीने जास्त पगाराच्या नोकऱ्या बदलत असताना त्याच्या जोडीला व्यवस्थित आर्थिक नियोजन केले तर नक्कीच ते पन्नाशीला वेळेच्या अगोदर निवृत्ती स्वीकारून आपल्या आयुष्याचा जास्त आनंद घेऊ शकतात. तुम्ही जर २५-३० च्या वयोगटात असाल तर तुमचे आर्थिक नियोजन कसे कराल. हा वयोगट असा असतो कि आपल्याकडून वायफळ खर्च जास्त होत असतात. कारण बऱ्याच वेळा घरी आपले पालक कमावते असतात आणि आपल्यावर काही जबाबदारी नसते. (काही तरूणांच्या बाबतीत अगदी कॉलेज काळापासूनच घराची जबाबदारी असते) अशा वेळी सर्वप्रथम आपल्या वायफळ खर्चाना आळा घातला पाहिजे. आपला पहिला पगार आल्यापासून आपण काटेकोरपणे बचतीला सुरुवात केली पाहिजे. जो पर्यंत आपण अविवाहित आहोत तोपर्यंत आपल्या उत्पन्नाच्या कमीतकमी ३०% आपण बचत केली पाहिजे, लग्न झाल्यावर २०% आणि कुटुंब वाढल्यावर कमीतकमी १०% बचत करायला हवी.

आपण केलेली बचत जर आपण योग्य गुंतवणुकीच्या पर्यायांमध्ये वळती केली व शिस्तबद्ध पद्धतीने त्यात वाढ केली तर आपण निश्चितच आपले पन्नाशीतील निवृत्तीचे स्वप्न साकार करू.

आपल्या आर्थिक नियोजनाची सगळ्यात पहिली पायरी म्हणजे आपला टर्म इन्शुरन्स किंवा मुदतीचा विमा. आपण आपल्या तरूण वयात जर मुदतीचा विमा उतरविला तर आपल्याला तो खूप कमी किंमतीत मिळतो. उदाहरणार्थ १ करोड चा विमा जिथे विम्याचा हप्ता वयाच्या ६० वर्ष पर्यंत भरायचा आहे आणि विमाछत्र वयाच्या ८० वर्षांपर्यंत आहे, वयाच्या २५ व्या वर्षी वार्षिक प्रिमियम साधारण रु. १२००० असेल तो वयाच्या ४० व्या वर्षी रु. ३५००० झालेला असेल. बऱ्याच लोकांची मानसिकता अशी असते कि टर्म इन्शुरन्स मध्ये विमा कंपनी कडून काहीच परतावा मिळणार नाही तर टर्म इन्शुरन्स का घ्यावा. असाच विचार आपण आपल्या गाडीचा विमा घेताना करतो का कि गाडीचा अपघात झाला नाही आणि माझा विम्याचा हप्ता फुकट गेला. आपण कधीही असा विचार करत नाही. आपले आयुष्य हे अनमोल आहे त्यामुळे आपल्या कुटुंबाच्या संरक्षणासाठी जास्तीत जास्त रकमेचा मुदतीचा विमा आपण घेतला पाहिजे. विम्याच्या हप्त्यापोटी पुढील ३५ वर्षात म्हणजेच वयाच्या ६० पर्यंत तुम्ही साधारण रु. ४,२५,००० विमा कंपनीला भरणार जे तुम्हाला पुन्हा मिळणार नाहीत, पण जर तुम्ही फक्त रु. ५०० ची म्युच्युअल फंडाची एस आई पी चालू केलीत तर ३५ वर्षात तुम्ही म्युच्युअल फंडात भरणार रु. १,५०,००० व म्युच्युअल फंडाने अगदी १२% परतावा जरी दिला तरी तुमची गुंतवणूक वाढून साधारण रु. ११,५०,००० होईल. हे सर्व करीत असताना तुम्हाला तुमच्या कुटुंबाच्या संरक्षणासाठी रु. १ करोड चे विमाछत्र राहील. म्हणजेच तुम्ही अविवाहित असताना सुद्धा आणि नंतर तुमचे कुटुंब झाल्यावर तुम्ही कोणत्याही आर्थिक तणावाखाली राहणार नाहीत.

आर्थिक नियोजनाची दुसरी पायरी म्हणजे योग्य आरोग्य विमा असणे अतिशय महत्वाचे आहे. तरूण वयात, मी एकदम तंदुरुस्त आहे आणि मला १०-१५ वर्ष कोणताच आजार होणार नाही असा विचार करून चालणार नाही. कोणतेही आजारपण हे सांगून येत नसते. आणि जेव्हा आजारपण येते तेव्हा आपल्या बचतीमधला मोठा हिस्सा आजारपणात खर्च होतो आणि आपल्या आर्थिक नियोजनात आपण ४-५ वर्षे किंवा कधी त्याहून जास्त मागे जातो. काही वेळा आपण जिथे नोकरी करत असतो तिथे आपल्याला कार्यालयाकडून आरोग्यविमा असतो पण तरीही आपण आपला वैयक्तिक किंवा कुटुंबाचा आरोग्य विमा घेतला पाहिजे. जेव्हा आपण तरूणपणी तंदुरुस्त असतो व आपला आरोग्यविमा वापरला जात नाही तेव्हा NO CLAIM BONUS च्या स्वरूपात आपले आरोग्य विमाछत्र वाढत जाते मात्र त्यापटीने विमयच्या हप्त्यांमध्ये वाढ होत नाही. योग्य आरोग्य विमा घेऊन आपण आपल्या बचतीचे संरक्षण करू शकतो.

मुदतीचा विमा आणि आरोग्य विमा घेतल्या नंतर आपली जी बचत आहे ती योग्य गुंतवणूक पर्यायांमध्ये वळती केली पाहिजे. आपली गुंतवणूक जोमाने वाढावी तसेच गुंतवणुकीतील वाढ महागाई वर मात करणारी असावी यासाठी म्युच्युअल फंड आणि शेयर बाजार मध्ये गुंतवणूक करावी. म्युच्युअल फंडात गुंतवणूक करताना आपण शिस्तबद्ध एस आई पी केली तर जोखीम कमी होते व दीर्घावधीमध्ये आपल्याला चक्रवाढ वाढीचा चांगला फायदा होतो. समझा म्युच्युअल फंडातील एस आई पी ने पुढील २०-२५ वर्षात १४% परतावा दिला तर एस आई पी मधून किती वेल्थ क्रिएशन होईल ते पाहू.

- १) वयाच्या २५ व्या वर्षी जर तुम्ही रु. १५,००० ची एस आई पी चालू केलीत व त्यात दर वर्षी एस आई पी मध्ये १०% वाढ केली तर वयाच्या ५० व्या वर्षी तुमची संपत्ती रु. ८.५१ करोड इतकी होईल, मात्र दरवर्षी १२% एस आई पी ची रक्कम वाढविली तर रु. १०.२३ करोड इतकी होईल.
- २) वयाच्या २५ व्या वर्षी जर तुम्ही रु. १०,००० ची एस आई पी चालू केलीत व त्यात दर वर्षी एस आई पी मध्ये १०% वाढ केली तर वयाच्या ५० व्या वर्षी तुमची संपत्ती रु. ६.६७ करोड इतकी होईल, मात्र दरवर्षी १२% एस आई पी ची रक्कम वाढविली तर रु. ६.८२ करोड इतकी होईल.
- ३) वयाच्या ३० व्या वर्षी जर तुम्ही रु. १५,००० ची एस आई पी चालू केलीत व त्यात दर वर्षी एस आई पी मध्ये १०% वाढ केली तर वयाच्या ५० व्या वर्षी तुमची संपत्ती रु. ३.७२ करोड इतकी होईल, मात्र दरवर्षी १२% एस आई पी ची रक्कम वाढविली तर रु. ४.३२ करोड इतकी होईल.
- ४) वयाच्या ३० व्या वर्षी जर तुम्ही रु. १०,००० ची एस आई पी चालू केलीत व त्यात दर वर्षी एस आई पी मध्ये १०% वाढ केली तर वयाच्या ५० व्या वर्षी तुमची संपत्ती रु. २.४८ करोड इतकी होईल, मात्र दरवर्षी १२% एस आई पी ची रक्कम वाढविली तर रु. २.८८ करोड इतकी होईल.

वरील आकडेवारीतून असे दिसून येईल कि जितक्या लवकर आपण एस आई पी चालू करू व जेवढी जास्त वर्ष आपण एस आई पी चालू ठेव तेवढा चक्रवाढ वाढीचा जास्त फायदा होईल. इथे आणखी एक गोष्ट लक्षात ठेवली पाहिजे कि वरील आकडेवारी हि १४% चक्रवाढ वाढीने सलग २५-३० वर्षे अंदाजित आकडेवारी आहे, मात्र येणाऱ्या ८-१० वर्षात आपला देश जगातील आर्थिक महासत्ता होईल तेव्हा दिर्घकाळामध्ये शेयर बाजारातील परतावा कमी कमी होत जाईल, त्यामुळे आपले आर्थिक उद्दिष्ट साध्य करण्यासाठी नियमितपणे आपल्या गुंतवणुकीचा आढावा घेत राहिला पाहिजे.

महागाई आणि आपल्या जीवनशैलीचा विचार करता हि रक्कम अपुरी हि पडू शकते. त्यासाठी म्युच्युअल फंडाच्या जोडीला शेयर बाजारील "A" कॅटेगरी मधील ज्या कंपन्या आहेत त्यातील ८-१० कंपन्यांचे शेयर जसे जमतील तसे थोडे थोडे आपल्या पोर्टफोलिओ मध्ये जमा करत जावे. ह्या चांगल्या कंपन्यांचा वाढीचा आपल्या वेल्थ क्रिएशन साठी चांगला फायदा होऊ शकेल.

तरूणांना शिस्तबद्ध आर्थिक नियोजनासाठी शुभेच्छा !!!

निलेश तावडे ९३२४५४३८३२, nilesh0630@gmail.com

लेखक हे म्युच्युअल फंड क्षेत्रात २० वर्ष कार्यरत होते, सध्या ते आर्थिक सल्लागार आहेत.



श्री निलेश तावडे
(आर्थिक सल्लागार)

12 RULES TO INVEST WISELY

(AND REAP BENEFITS IN ANY MARKET CONDITION)

- Rule 1: Invest regularly
- Rule 2: Start investing early in life (and get the power of compounding to work for your investment)
- Rule 3: Never try and time your investments basis tips, market trends or economic outlook
- Rule 4: Inflation and Taxes will eat into your returns. Therefore know your actual returns in hand
- Rule 5: Diversify your investments across asset classes, to spread your risk
- Rule 6: Balance and re-balance your investments as you age
- Rule 7: Expect reasonable returns from your investments and sell, once you have got the returns you seek
- Rule 8: Get over your mistakes and losses. Learn from them
- Rule 9: Never invest or sell in haste (and regret later)
- Rule 10: Avoid investing in complicated products you don't fully understand or products that offer unrealistic returns
- Rule 11: Spend time on your investments (it's your hard earned money) or get a good financial advisor to do it for you
- Rule 12: Keep it simple, invest in Mutual Funds

Disclaimer : - The illustration are merely indicative in nature which should not be construed as investment advice and neither ensure you profits nor protect you from making a loss in declining market.

INVESTOR PROTECTION THROUGH EDUCATION

Published by Mr. Prakash Shah on behalf of Investor Education & Welfare Association. Printed at Gurudeo Printers, Mumbai.