

RELIANCE

CAPITAL

"We are indeed fortunate to have the opportunity to design the financial future of India, armed with all our talent and the latest digital technology."

- Anmol Ambani

September 2018

connect



PLUS

The role of a
financial advisor

Maa's the word!

Vendors:
The crucial link

**Managing
burgeoning costs**

Business Head Club
Winner Conclave
2018

Success story
Naitik Shah

SCORE THE GOALS

A well-rounded financial
plan can help your clients
accomplish their life goals



RELIANCE

MUTUAL FUND

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	<div><div>CORE BUSINESSES</div><div><div>ASSET MANAGEMENT</div><div>HOME FINANCE</div><div>SME, RETAIL AND COMMERCIAL FINANCE</div><div>ASSET RECONSTRUCTION</div><div>WEALTH MANAGEMENT</div><div>BROKING & DISTRIBUTION</div><div>GENERAL INSURANCE</div><div>LIFE INSURANCE</div></div></div>	
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RELIANCE

NIPPON LIFE
INSURANCE

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Winner of 2018 ET NOW BFSI Awards - Life Insurance Company of the Year - Large¹ and Technology Initiative of the Year²

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¹ Awarded on 14th Feb 2018 at Economic Times Banking, Financial Services and Insurance Awards. ² Awarded on 14th Feb 2018 at Economic Times Banking, Financial Services and Insurance Awards.

³ Ranked 3rd in Life Insurance category of Brand Equity Most Trusted Brand 2017 released on 14th February 2018. ⁴ Since inception (Number of policies sold since inception, of which many of the lives may have been lapsed, surrendered, matured & claimed).

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VANTAGE VIEW

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It's a pleasure to connect with members of the Reliance Capital family ahead of the festive season. There's no time like the present to take the plunge, whether it is buying a new car, moving into a new house, or even starting a new venture!

For the general insurance industry, this can translate into a plethora of opportunities. The size of the Indian general insurance market is about ₹ 1.33 lakh crore. And I'm proud to share that in this thriving private-sector general insurance market, Reliance General Insurance (RGI) is now in the Top 6. Serving a customer base of over 25 million, RGI registered a growth of 23 per cent in the first quarter of FY2019. Bringing innovative insurance products to Indian consumers and delivering globally benchmarked services have been our constant endeavours. We have developed a strong presence in the country with a service capability in more than 500 locations. Going beyond standard offerings, we have introduced assistance services bundled with our products. To extend a seamless experience, we have also built a robust infrastructure comprising 4800+ workshops, 4800+ network hospitals, and an agent base of 28,000+.

Integrating technological innovation and digital capabilities, we have taken a customer-focused approach in alignment with today's digital world, addressing the pain points of access, availability and cost. Our mobile points of sale, digital claims processes, claim assessment based on video streaming, and AI-powered chat service are just a few examples of adoption of digitisation. We have also taken an application-based approach for policy issuance and integrated systems with identity authentication databases.

Indeed, in a world where customers are leveraging technology to order food, hail cabs and buy products, reaching them through the same channel is integral to our competitive

edge. Incorporating technology into the core of our operations, we have taken our distribution network online and significantly reduced application processing time. What's more, we have been able to reduce our turnaround time on claims, better identify potential cases of fraud, and accelerate underwriting. RGI has also extended digital support to partners, distributors and on-field personnel with the help of self-help portals, enabling them to conduct daily business proceedings via mobile devices.

In fact, RGI has been among the top technology spenders in the general insurance industry—we have allocated 2 per cent of our premium towards technology initiatives and innovation. Competing in a dynamic marketplace defined by disruptive developments and changing customer expectations, RGI remains focused on leveraging technological advancements to grow our topline and bottomline, and address operational challenges.

As we continue to strive to offer value propositions to new-age consumers, we would like to take this opportunity to thank our distributor-partners. You are an integral part of all our successes, and your support and trust empower us to achieve greater milestones. To help us expand our ecosystem and become better at what we do, do write in to us and share your insights and success stories.

Rakesh Jain
Executive Director and CEO, Reliance General Insurance



THERE'S NO TIME
LIKE THE PRESENT

A Reliance Capital Initiative

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SCORE THE GOALS



A well-rounded financial plan can help your clients accomplish their life goals, says Ashish Vohra, Executive Director and CEO, Reliance Nippon Life Insurance

Financial planning is best described as the process of achieving life goals through effective deployment of financial resources. In its true sense, the financial plan is the path towards the goal, while investing is the vehicle to reach that goal. However, for the layperson, financial planning is synonymous with investing. This also explains why financial plans are crafted only when there is an investible surplus. That said, a good financial plan should serve three essential purposes:

1. Define the financial goals of the investor at different life stages
2. Equip investors to assess their investment risk tolerance or the ability to bear losses with the objective of earning disproportionate returns
3. Equip investors to manage money in accordance with their financial goals

A financial plan should serve as a roadmap for an individual to identify life goals, the cost of realising those goals, and the savings roadmap required to ensure fulfilment of such life goals.

As the first step in financial planning, your clients should:

- Evaluate their current financial status: assets (property, jewellery, bank balances, etc) and liabilities (outstanding loans and other amounts payable)
- Outline life goals
- Set timelines for each of these goals





For a risk-based portfolio, the planner should outline the best-case returns and worst-case loss for the investor to understand the risk that needs to be assumed to meet the shortfall

Most individuals harbour common life goals such as buying a home, purchasing a vehicle, funding their children's education and wedding, and finally being able to lead a comfortable retired life. One needs to evaluate the exact amount required (inflation-adjusted) at the time of the event (in the future). Here are some essential components of a good financial plan that can help realise your client's goals better:

A. THE ELEMENT OF SURETY

Certainty of planned financial corpus being available at the time of the event is the only test of plan fidelity. Unfortunately, such test results may come in too late in time. Therefore, good financial planning hinges on identifying sources of potential shocks that can derail the plan; having a strong mitigation plan to minimise the impact in case of occurrences of such incidences; and not depending on any windfall gains to meet the goals (lottery, etc).

B. UNDERSTANDING THE RISK APPETITE

Once the clients' goals have been identified, the planner should conduct a conservative (risk-free based) assessment to outline monies required (in the future) to meet these goals. If gaps exist after a risk-free assessment, a plug-gap assessment should determine the rate of return required to bridge the shortfall. The higher the difference between risk-free rate and the required rate of return, the higher the risk. For a risk-based portfolio, the planner should

outline the best-case returns and worst-case loss for the investor to understand the risk that needs to be assumed to meet the shortfall.

C. UNDERSTANDING INVESTMENT OPTIONS AND UNDERLYING RISKS

It may be fancy to assume that risks won't play out. Unfortunately, they do play out for everyone. Therefore, it is recommended that your clients invest time and energy in understanding the products they intend investing in. The key risks to watch out for are:

- **Fraud risks:**
 - › Carefully examine if the products are legitimate, duly approved by regulatory/government authorities
 - › Ensure the seller is competent and certified by regulatory/government authorities for selling such products
- **Investment risks:**
 - › Understand the risk of capital erosion in case of adverse market movements
 - › Ascertain if part or whole of the returns are guaranteed.
 - › If yes, how much is guaranteed?
 - › How is the uncertain component likely to perform (any historical trends should at best serve as a guidance and not a surrogate for a guarantee)?



- › How can the guarantee be enforced? What is the regulatory recourse available in case of a dispute?
- **Volatility risks:**
 - › It should be clear how the investment is likely to perform with respect to general market direction (say Nifty, Sensex, etc)
 - › It is important to ensure the element of surety in a financial plan—a good financial plan should minimise volatility of investment returns
- **Liquidity risks:**
 - › Many investment products have no provision for withdrawal of funds at free will. For instance, many investments have specified lock-in periods and cannot be withdrawn (tax-saver FDs, ELSS, specific bonds, etc)

- › Many other investment products permit withdrawal of funds at free will, but such withdrawals are subject to charges (certain types of insurance products, exit loads on mutual funds/ structured products, etc)
- › Many investment products offer loans against investments (insurance policies, bank FDs, etc)

While liquidity needs, in case of unforeseen circumstances, are unavoidable, a good financial plan should provide for adequate liquidity for all planned expenses.

D. RISK-RETURN MANAGEMENT OPTIONS FOR INVESTORS

Assuming disproportionately high risks can induce unhealthy investment behaviour, especially during periods of market downside. Such induced behaviours can potentially erode capital and create long-lasting risk aversion. There-



fore, you should advise your clients to assume risks that are proportionate to their risk appetite. That said, a risk-return supported portfolio helps beat inflation consistently over the long term and, therefore, is important for long-term wealth creation. A good long-term financial plan should, therefore, be based on one or more of the following strategies:

- **Short-term investments:** Baseline investments should be made in products that offer liquidity—these should ideally be investments that offer liquidity and assurance of minimum returns. These should be the products that are liquidated first in case of unforeseen financial exigency. One should consider products such as FDs, liquid funds, etc, for liquidity management. The quantum of short-term investments should be minimised, as they often offer the least returns. However, the quantum should ideally be sufficient to provide exigency support. To enhance liquidity position, a credit card with a reasonably sufficient credit limit or a fixed deposit with an overdraft facility would help meet urgent short-term liquidity needs while enhancing portfolio returns.

- **Medium-term investments:** These investments should ideally be made with a nearly firm goal in mind (goals that are five to 10 years away, like buying a car, child's college admission, etc). To meet such goals, assume moderate risks to ensure that tax-adjusted returns are moderately higher than those of short-term investments. Depending on age and risk appetite, your clients can consider a mix of FDs, mutual funds, guaranteed insurance plans and ULIPs as good options to invest for the medium term.

- **Long-term investments:** Long-term goals such as retirement planning, buying a house, etc, require large capital outflow and hence need to be carefully planned. Given that many of these goals are dated for an undefined time in the future, there needs to be an element of flexibility built into the financial plan. Building a large corpus over a long period of time is a matter of discipline than just risk-taking. Creating a large long-term corpus requires a regimented savings habit. The forced saving, as it is often referred to, is more critical than sporadically investing similar quantum in high-yielding instruments. Statistical models indicate that systematic risks (such as market

risks) even out over a long period of time, more so when investments are made at regular intervals. Therefore, your client should ideally consider investing in long-term products that enforce savings over long periods of time. Additionally, they should consider making incremental investments over regular intervals as income and savings grow. Such a regimented approach will help with an early build-up of the desired corpus. Other important points to consider for building a large corpus include tax advantage at the time of making such investments, tax treatment of returns, tax treatment at the time of withdrawal and costs associated with investment management. Ideally, your clients should avoid a product that levies a high variable cost linked to the total value of investment, because such costs appear to be low (as a percentage) but count for significant quantum over the total investment. For such investments, lower cost products that offer reasonably good post-tax returns at lower costs are preferable.

- **Risk mitigation:** Any financial plan is subject to the vagaries of risk to life, health or assets and such risks can have a devastating impact on savings, and put a significant strain on the already accumulated corpus. A prudent financial plan should incorporate elements of adequate insurance coverage for life, health and the assets created by the investor.

- **Diversification:** Long-term financial instruments are subject to a variety of perils on course to creating

You should advise your clients to assume risks that are proportionate to their risk appetite. That said, a risk-return supported portfolio helps beat inflation consistently over the long term and, therefore, is important for long-term wealth creation

long-term wealth. To minimise portfolio risk, your clients should consider diversifying their investment portfolio into multiple asset classes (stocks, to ensure that the investments deliver a steady return through different investment cycles and create an opportunity for portfolio rebalancing at opportune times).

IN CONCLUSION

The portfolio decision should largely be determined by your client's risk appetite and investment horizon. It is prudent for beginners, who are confused with the array of financial products on offer, to consult an investment advisor to construct a well-rounded financial plan that will serve as a blueprint for their investments. For the uninitiated, attempting to do so on their own may be onerous and even result in lessons learnt the hard way.

**TO BECOME AN ADVISOR WITH RELIANCE NIPPON LIFE INSURANCE,
SMS 'ADV' TO 7045013100 OR EMAIL US AT RNlife.CUSTOMERSERVICE@RELIANCEADA.COM**

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REVENUE OPPORTUNITIES FOR CROSS-SELLING

MUTUAL FUNDS

VALUE OF ₹ 1 CRORE INVESTMENT AT THE END OF YEARS (IN CR)				
RELiance MUTUAL FUND		ASSUMED RATE OF RETURN		
		15%	20%	25%
Number of years	3	1.52	1.73	1.95
	5	2.01	2.49	3.05
	10	4.05	6.19	9.31
	15	8.14	15.41	28.42
	20	16.37	38.34	86.74

TRAIL COMMISSIONS ON ₹ 1 CRORE IN YEARS (IN LAKH)				
RELiance MUTUAL FUND		ASSUMED RATE OF RETURN		
		15%	20%	25%
Number of years	3	2.00	2.18	2.38
	5	3.88	4.47	5.13
	10	11.68	15.58	20.78
	15	27.36	43.22	68.55
	20	58.91	112.01	214.34

VALUE OF 1 SIP OF ₹ 5000 AT THE END OF YEARS				
RELiance MUTUAL FUND		ASSUMED RATE OF RETURN		
		15%	20%	25%
Number of years	3	0.02	0.02	0.02
	5	0.04	0.04	0.05
	10	0.12	0.16	0.20
	15	0.29	0.43	0.66
	20	0.61	1.12	2.06

CUMULATIVE TRAIL COMMISSIONS OF 1 SIP OF ₹ 5000 AT THE END OF YEARS				
RELiance MUTUAL FUND		ASSUMED RATE OF RETURN		
		15%	20%	25%
Number of years	3	1,985	2,050	2,120
	5	5,510	5,895	6,310
	10	26,700	31,725	37,880
	15	79,435	1,07,165	1,46,535
	20	1,95,625	3,06,045	4,90,430

Thus value of 1000 SIPs @15% for 20 years is ₹ 20 crore

* The above mentioned calculation is for illustrative purpose only. For further details, please get in touch with the nearest branch or your Relationship Manager

BROKING

BRAND	TYPE OF ASSOCIATION*	GROSS BROKING REVENUE (₹)	PARTNER SHARING
RELiance SECURITIES LIMITED	BUSINESS PARTNER	0 to 50,000	50%
		50,001 to 1,00,000	60%
		1,00,001 to 2,00,000	65%
		2,00,001 and above	70%
	ONLINE PARTNER	2,000 to 20,000	30%
		20,001 to 50,000	35%
		50,001 to 1,00,000	40%
		1,00,001 and above	45%

* Terms and conditions apply

GENERAL INSURANCE

BRAND	CATEGORY	SUB-CATEGORY	COMMISSION RATE
RELiance GENERAL INSURANCE	Motor-OD	Two-Wheeler	17.50%
		Private Car	15.0%
	Retail Health		15.0%

COMMERCIAL & CONSUMER LOANS

BRAND	FUNDING SEGMENTS	TYPE OF ASSOCIATION*	% PAYOUT
RELiance MONEY	SME	DSA	upto 1.25%*
		CONNECTOR	0.25%
	Used Car	DSA	1.50%
		CONNECTOR	0.50%

* April 2018 onwards

BRAND	FUNDING SEGMENTS	TYPE OF ASSOCIATION*	% PAYOUT
RELiance HOME FINANCE	Home Loan	DSA	0.74% - 1.09%
		CONNECTOR	0.39% - 0.64%
	Loan Against Property	DSA	0.89% - 1.39%
		CONNECTOR	0.59% - 0.89%

DSA: Handholds the customer till the file is disbursed.

Connector: Only sources the case for Reliance. Other requirements like sales pitch and collection of documents are met by the Reliance sales team.

LIFE INSURANCE

BRAND	COMMISSIONS	SINGLE PREMIUM	REGULAR PREMIUM	
			1ST YEAR	RENEWAL
RELiance NIPPON LIFE INSURANCE	Traditional	1.5%	upto 35%	upto 7.5%
	ULIPs	2.0%	upto 5%	upto 4%

REVENUE OPPORTUNITIES FOR CROSS-SELLING

MAA'S THE WORD!



We have observed that there has been a migration of people from small towns to metros for career opportunities. This has led to people leaving their parents and houses from their home towns, forcing them to live on rent independently. As a result, they have been living alone in small rental apartments or living as a paying guest and missing the presence of their mothers.

Reliance Home Finance believes that every individual living on rent should have a chance of owning a home. In larger towns and metros, a sizable portion of an individual's earning is spent towards paying rent, which could be easily converted to EMI and apportioned towards buying their own home—a home that could not only house them but their parents as well.

As part of the #RentFreeLife campaign, we wanted to leverage Mother's Day to drive the idea of upgrading to a home that will touch the consumers in a true sense. We did a dipstick research that revealed that people missed their mothers the most, followed by their fathers. Hence, International Mother's Day was a good occasion to capitalise on these research findings and pitch a home loan to them.

Also, as almost everyone's emotional flux for their mothers would be at an all-time high on this occasion, Reliance Home Finance wanted to honour mothers, especially those of this migrant population, by asking them what they remember about their mothers the most. We wanted to communicate that, instead of missing their mothers, it would be wise to buy a home of their own and have their parents come and live with them.

Execution: Through the campaign, we engaged our audience by inviting them to share their treasured 'Maa & Me' memories with the world. We created illustrations around the day-to-day life of a mother and how she influences our life in the long run. We also highlighted how our mother has moulded us into what we are today. This helped cement the brand identity further by reaching out to the hearts of many sons and daughters.

Results: We achieved an engagement ratio of 28 per cent, along with 1,677 page likes (organic) and 50,665 Twitter impressions.



TO BECOME A RELIANCE HOME FINANCE DSA, CALL US ON 180030090909 / 022 39671600 OR EMAIL US AT CUSTOMERCARE@RELIANCEHOMEFINANCE.COM

THE ROLE OF A FINANCIAL ADVISOR



Intermediaries play a large role in any business. They are the crucial bridge between the manufacturers and customers, ensuring efficient transmission of products and services from the manufacturers to end-users. In the financial services industry, their role is even more critical, as individual requirements—life-stage goals, circumstances, risk-return appetite—are unique, and vary significantly. Much like a doctor, financial intermediaries, referred to as independent financial advisors (IFAs), understand investor requirements in detail and recommend suitable products. Go on, and read about the ‘Role of a Financial Advisor’!

MANAGING INVESTMENTS

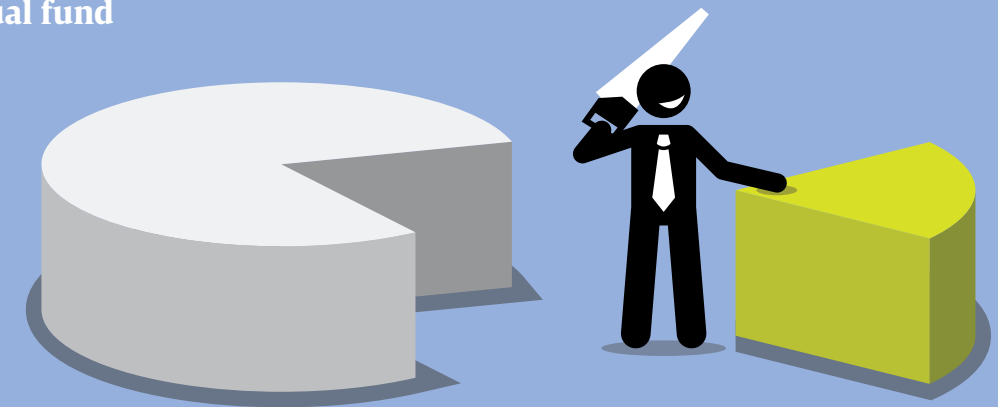
Investors will often find it easy to manage their mutual fund investments on their own. However, over time, the following factors may make this task quite demanding and challenging:

- Lack of time available to monitor the performance of various funds
- Complex financial situations as one nears the career peak
- An ever-changing investment scenario that requires some rebalancing
- Dynamic investment goals

Professional financial advice can go a long way in helping an investor to lead a safe, secure and happy financial life.



A financial advisor understands the risk appetite of investors and helps them determine the real risks and rewards of each type of mutual fund



AN INVESTMENT ADVISOR

A professional investment advisor has the requisite training, experience, expertise and resources to offer a customised and comprehensive financial solution for an investor.

- Understands investor's current financial situation, goals and risk tolerance
- Helps investor develop a financial roadmap that covers important life events
- Has access to market information and events that can affect the investor's financial decisions
- Builds an investment strategy with an action plan to realise the investor's short-term and long-term goals through regular investing

The key role of the investment advisor is to get the investor on a simple plan and keep it on track.

FINANCIAL PLANNING

An investment advisor works closely with the investor to draw up a financial plan.

The ability of investors to take risk depends upon how willing they are to endure the market's ups and downs in exchange for more growth potential over the long term. One's risk-taking ability will determine the allocation to different asset classes

Meeting with the investment advisor will typically involve:

- Guidance on investor's investment choices and goal prioritisation
- Assessment of investor's current financial situation by asking relevant questions
- Identification of investor's attitude towards risk
- Discussion on the objectives that the investor wishes to achieve

Be prepared to ask these questions:

- What are your current savings and investments?
- How much do you plan to invest?

- What is the time horizon you look to invest for?
- What is the level of risk you are prepared to take?
- How much return do you expect from the investment?

A well thought-through financial plan is the foundation for working towards achieving an investor's investment goals.

ASSESS RISK TOLERANCE

The ability of investors to take risk depends upon how willing they are to endure the market's ups and downs in exchange for more growth potential over the long term. One's risk-taking ability will determine the allocation to different asset classes.

Investments that have the potential to generate higher returns are also more risky. Only investors can decide how comfortable they are with that trade-off.

A financial advisor understands the risk appetite of investors and helps them determine the real risks and rewards of each type of mutual fund.



ALIGN INVESTOR'S GOALS

Typically, investors have three primary needs:

- Growth for long-term goals:
 - › Retirement
 - › Children's marriage
- Liquidity for immediate needs:
 - › Medical emergencies
 - › Unforeseen contingencies



It is common human behaviour to get caught up by hearsay or media hype and fear and buy or sell investments at the peaks and valleys of the cycle. An investment advisor helps the investor stay put with the investment plan and not get swayed by emotion

- Regular income to meet recurring expenses:
 - › Day-to-day expenses
 - › Fees
 - › Insurance premiums
 - › EMIs, etc

Asset allocation will depend on how important each of these needs are and, therefore, how much investment they require.

A financial advisor will create a portfolio of different mutual funds, which will cater to these diverse needs.

ASSET ALLOCATION

Once an investment advisor understands the investor’s investment goals and assesses risk appetite, return expectation and time horizon, he will determine the asset allocation between various asset classes.

There are three basic investment types ranging from conservative to aggressive (see above).

	ASSET CLASS	RISK PROFILE	RETURN PROFILE
CONSERVATIVE	CASH, DEPOSITS		
MODERATE	BONDS		
AGGRESSIVE	EQUITIES		

The investment advisor will help the investor choose funds among different asset classes such as equities, debt, cash, gold, real estate and international assets to suit the investor’s risk tolerance and goals.

The investor’s asset allocation strategy will be the key to determine how to diversify the portfolio and when to rebalance the portfolio.

ELIMINATE EMOTION FROM INVESTING

It is common human behaviour to get caught up by hearsay or media hype and fear and buy or sell investments at the peaks and valleys of the cycle. An investment advisor helps the investor stay put with the investment plan and not get swayed by emotion.

An investment advisor will put space between investors and their investments so that they don’t make emotional decisions.



THE CRUCIAL LINK

Vendors play a pivotal role by connecting companies and service providers

In simple words, vendor management is the practice of managing vendors that a company works with. It also allows you to build a relationship with your suppliers and service providers, while strengthening both businesses. With the rise in outsourcing tasks and functions by companies, vendor management has become an integral part of running successful businesses. In this article, we will discuss tips for successful vendor management and look at how to derive the most out of a company-vendor relationship.

Share information and priorities

The vendors you work with form a great part of your success. They provide you with goods and services essential to keeping your business in good health and growing. It is the responsibility of a company to be transparent with all its vendors. This begins with making them a part of the company’s strategic plans, sharing business objectives and priorities, sharing an overarching vision for your business and informing them about changes in key personnel. Whether it is a change, the launch of new products and product promotions or new announcements, the company needs to inform vendors and suppliers, thus making them a part of the organisation.

Balance commitment and competition

While there is constant stress owing to the present competitive industrial scenario, there is also a commitment you have to keep with your vendors. Thus, it is essential that competition and commitment don’t get intermingled. Mastering the

art of maintaining a balance between these two essentials is the key to success for a business. This is also a key factor for efficient vendor management.

Allow key vendors to help you strategise

Let vendors/suppliers have some share in business planning. This will give you an insight of the ongoing scenario, help understand competition, and make contributions to product innovation. In fact, understanding competition through your vendors can give you a strategic edge in business too.

Build partnerships for the long term

Having a vision for the future is what transforms a simple idea into a legendary concept. So commitments need to be built and kept. This will not only help you have a strong relationship, but give you an edge over negotiations. The vendor you work with over a period of time will adapt to the working culture and eliminate errors and issues. Further, long years spent working together will build a sense of trust and dedication.

Negotiate a win-win agreement

While it is understandable that the company stands first, it is equally important to emphasise upon the fact that our vendors play an inseparable role in making the company what it is. So, when you come to a decision-making situation, it is vital to measure the pros and cons and then decide. You must be practical as well as rational. A win-win agreement is always beneficial as it ensures both parties get an equal share in decision-making.

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Disclaimer: The mutual fund content published here is for MF partners' reference and does not in any way give out any suggestions or recommendations to purchase or invest in any funds.

FIGURE CONSCIOUS

To remain profitable, it's imperative to manage burgeoning costs

Burgeoning costs are defined as costs that grow or develop exponentially. While running a business, burgeoning costs can be owing to various factors such as insurance done as a security measure or money spent for the maintenance of equipment. Sometimes, shrinkage also adds to ongoing expenses. Spiralling expenses, in the long run, have the potential to undermine a company's march towards progress. Let us look at different ways to manage burgeoning costs.

Business growth strategy

A well-planned business strategy is like the framework of a tall tower. The stronger the base, the better the building. Planning methodically will help you move smoothly towards your goal. A systematic approach and a prior framework will guide you, helping you manage costs.

Back-end, delivery and order fulfilment

Order fulfilment refers to the storage and management of goods and products, delivery refers to transporting the product to the respective person or company, and back-end support systems are the software that manage the company's back office. A proper surveillance of these three will help



A proper surveillance of order fulfilment, delivery and back-end support systems will help manage costs

manage costs. The whole process of packing, delivering and keeping a record might add to burgeoning costs, if not supervised properly.

Plan for financial implications

The term 'financial implications' refers to the effect or outcome of a decision on your business. It can be either beneficial or troublesome. So why not prepare for the same? It is always advisable to have a plan handy. When you are aiming to expand your business, it is expected that you will be daring to take a certain amount of risk. Forecasting the financial implication of the move is necessary. Forecasting refers to doing enough research, understanding the scenario and analysing all the possible outcomes.

Leadership and team management

Efficient team management is a key factor for success as team effort can multiply the outcome. To be honest, there should be no leader or follower in a group. Leadership does not mean implementing a set of rules, but rather exhibiting the zeal to overcome obstacles on the way to achieving success. Also, new hiring becomes critical as a business begins to grow.

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We welcome all entrepreneurs to be part of India's leading retail broking and distribution house, Reliance Securities Ltd. Having over 8 lakh customers, our vision and objective is to serve customers and partners in the best possible way and provide them the best possible platform and the latest technology to ensure an optimal experience with us.

Highlights

- Over 8 lakh plus customers and, now partners, can open account digitally through our Sales app
- Among the most compliant brokers in the category catering to investors, traders and partners
- An award-winning research team
- 100 per cent system uptime for the past 24 months
- Centralised risk management with a fully automated, advanced risk-monitoring system supported by an integrated strong risk team and back office for smooth customer transactions and seamless settlement of trades

Support and services to partners

- **Channel managers:** They will guide you by sharing business development plans and help you in day-to-day sales support.
- **Service managers:** Back-office branch customer service managers will help resolve your clients' queries, along with day-to-day, operation-related functions for hassle-free business operation.
- **Partner First Desk:** Dedicated help desk to solve partner queries.
- **Business partner portal:** This online, robust back-office software enables you to access your daily volumes, gross revenue, trade reports, commission report, online DP access, risk management, customer information, back-office support, trade and research calls, product promotions, knowledge-sharing tools, partner updates and much more.

Onboarding process

For those interested in associating with Reliance Securities Ltd (RSL) as a business partner or online partner, here's the standard list of documents needed:

Individuals/proprietors/partners/directors

- Application form for registration with the exchange
- Undertaking form on the letterhead of the authorised person
- Agreement between RSL and the authorised person executed on a non-judicial stamp paper of ₹ 100 or franking. This will be submitted to the exchange
- Empanelment form with RSL
- Revised undertaking form executed on the letterhead of the authorised person
- Agreement (for commercial terms) to be executed on a non-judicial stamp paper of ₹ 300
- Reference letters from your banker and chartered accountant
- Proof of date of birth: copy of PAN card/driving license/school leaving certificate/passport
- Proof of education: SSC passed mark sheet/copy of equivalent examination recognised by the Government
- Residential address proof: copy of landline telephone bill/electricity bill/voter ID/driving license/passport/bank statement/Aadhar card

Documents to be submitted for stocks as security deposit

- Acceptance letter of stocks as deposit with RSL
- Letter of handover of delivery instruction slip in RSL custody with instruction slip booklet

Additional documents in case of partnership/firm/company

- Details of all the partners/director certified by the CA

PARTNER REGISTRATION PROCESS



- Details of profit-sharing ratio/shareholding pattern certified by the CA
- Partnership deed/MOA and AOA
- All documents to be signed and stamped by all partners or directors depending upon the type of ownership

Payments to be made while applying as authorised person with RSL

- Security deposit as cash:
 - Issue a DD of ₹ 1,14,440 favouring Reliance Securities Ltd (in case of single outlet or as applicable)
- Security deposit in form of stock as collateral:
 - Stocks valued at over ₹ 2,00,000 on date of transfer of shares to RSL demat account of applicant (in case of single outlet or as applicable)
 - Issue a DD of ₹ 14,440 favouring Reliance Securities Ltd (in case of single outlet or as applicable)

Note: Security deposit is applicable only in the business partner category. There is no security deposit if you are applying as an online partner.

Charges and fees applicable in both categories**A. AP registration fee**

Processing fee of ₹ 9,440 for the exchange segments as mentioned below:

EXCHANGE SEGMENT	PROCESSING FEE (₹)	GST @ 18% (₹)	EX WISE TOTAL (₹)
NSE EQ	2,000	360	2,360
NSE F&O	2,000	360	2,360
NSE CD	2,000	360	2,360
BSE CM & FO	2,000	360	2,360
		Total	9,440

B. Code generation fee for main outlet

- One-time fee of ₹ 5,000 (including GST @18%)
- This fee is non-refundable

C. AP deposit with Reliance Securities

- Security deposit depending upon whether payment is made in cash or stocks:

OUTLET	CASH AS SECURITY DEPOSIT	STOCKS AS SECURITY DEPOSIT
Main outlet	₹ 1,00,000	₹ 2,00,000
2nd sub-outlet	₹ 50,000	₹ 1,00,000
3rd sub-outlet onwards	₹ 25,000	₹ 50,000

- The owner of each sub outlet has to be the owner of the main outlet

D. Trading terminal charges

₹ 900 per terminal, chargeable monthly and non-refundable

Eligibility criteria for authorised person

- Should be a citizen of India with a minimum age of 18 years
- Should not have been convicted for any offence involving fraud and dishonesty; have good reputation and character
- Name should not appear in the list of defaulters as published by the regulatory authority
- Should have passed at least 10th standard or equivalent examination from an institution recognised by the Government (SEBI may relax the educational qualifications on merit having regard for the applicant's experience)
- Must possess a valid PAN card
- Should not be registered as an authorised person, sub-broker or remisier with any other member of the exchange

The eligibility criteria for an authorised person should be that he must be a citizen of India with a minimum age of 18 years; he should not have been convicted for any offence involving fraud and dishonesty; his name should not appear in the list of defaulters as published by the regulatory authority

- If a company is to be registered as an authorised person, it needs to be authorised through the main object clause in the memorandum and articles of association to deal in securities and act as an authorised person
- The applicant being a partnership firm/corporate entity, the aforesaid eligibility criteria to be fulfilled by all the partners/ directors
- 'Reliance' or 'R Trade' or 'ADAG' is not allowed as a name or trade name by applicant
- Trade name that does not reflect the securities business cannot be chosen
- Not to change the status and constitution of the entity without prior approval of the exchange and SEBI
- Any change in the office or branch address and trade name to be intimated to the company for onward intimation to the stock exchanges and the necessary changes to be recorded on the SEBI registration certificates
- Execution of appropriate agreements with clients, collection of know-your-client forms and supporting documents from clients
- Carrying out business strictly within the regulator's norms
- Addressing client grievances ASAP
- Visitors register to be maintained
- Strict adherence to brand and marketing norms
- Notice board as prescribed by regulators to be suitably displayed in office premises
- Apart from SEBI regulation, to comply with local laws like shops/establishments and trade license

What to expect and what you get when you apply for authorised person:

PROCESS DESCRIPTION – WHAT YOU WILL RECEIVE FROM US ON ASSOCIATION	TAT IN WORKING DAYS
Registration with exchange: You will receive a scanned copy of BSE registration certificate and NSE registration number from RSL. RSL will also send you a dealer creation form to be filled and sent back to us.	20 to 30 days
Partner code generation: After completion of registration process at exchange level	1 to 2 days
Business partner portal access: Once your partner code is generated, you will also be given access to the business partner portal, where you can start monitoring the details of sourced clients.	1 to 2 days
Terminal activation: <ul style="list-style-type: none"> Upon receipt of dealer creation form, you will be provided ASTA ID to log in to the terminal. Your centre manager/branch manager will coordinate with you in setting up the terminal. 	1 to 2 days

Regulatory and compliance requirements (basic):

- To display SEBI registration certificate prominently in the office
- Maintain register of investor grievances; guidelines to investors should be displayed prominently
- To display dos and don'ts by investors as specified by SEBI or exchange(s) from time to time

Sharing structure for business partner (BP)* and online partner (OP)*

BRAND	TYPE OF ASSOCIATION	GROSS BROKING REVENUE (₹)	PARTNER SHARING
Reliance Securities Limited	Business partner	0 to 50,000	50%
		50,001 to 100,000	60%
		100,001 to 200,000	65%
		200,001 and above	70%
	Online partner	2000 to 20,000	30%
		20,001 to 50,000	35%
		50,001 to 100,000	40%
		100,001 and above	45%

* Others terms and conditions, and clauses applicable

For further assistance, please write to us on partnerfirst@rsec.co.in or call us on 022-39896789

Our winners take off! BUSINESS HEAD CLUB



WINNERS' LIST
AASHRAYA ASSOCIATES
AJEET S BHANDARI
ANAMIKA JAIN
ANAYA SECURITIES
ASHISH DHUPPAR
AVNI FINANCIAL ADVISORS PVT LTD
CAPITAL CARE INVESTMENTS
DEEPAK JAIN
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E BHUVANESHWARI
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JYOTI KATARIA
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K GEETHA REDDY
KANCHAN ARORA
MANOJ SHANKARLAL KHATRI
MONICA SAMUEL PARERA
N RAGHU
NEW ANAND INVESTMENTS
NILAY SINHA
NIRAJ SHIVRATAN SHARMA
PANKAJ KANHAIYALAL CHUGARIYA
PRANGYA PARAMITA PANDA
PREE BR TRADES
RAJEEV KUMAR
RAVI KUMAR CHALLA
RSHARES AND SECURITIES
RUCHI GUPTA
S A INVESTMENT AND CONSULTANT
SHIVAROOPA ENTERPRISES
SHREYAS INVESTMENT SERVICE
SKY FINANCIAL
SUDHA PORWAL
TARIQ HASAN
VANDANABEN M CHANDARANA

HERE’S WHAT SOME OF THEM HAVE TO SAY

“My family and friends are proud of my achievement. Thank you Reliance Securities for providing such a wonderful platform.”
N Raghu, Bengaluru

“I am humbled at the support and assistance provided by Reliance Securities.”
Neeraj Sharma, Maharashtra

“I don’t see any other broker providing such encouragement to partners. I am extremely happy to be

associated with Reliance Securities.”
Nilay Sinha, Rajasthan

“Reliance Securities is an amazing organisation. It has always provided excellent growth opportunities to its brokers.”
Sourabh Mehta, Mumbai

“Winning this contest has done wonders for my confidence. Three cheers to Reliance Securities!”
Venkata Reddy, Hyderabad



Under the initiative for our partners, ‘**WE - STRONGER TOGETHER**’, I would like to congratulate all the winners of the contest, and for becoming a part of the prestigious Business Head Club. It is our pleasure to recognise each one of you for your wonderful efforts and for receiving the award from Rajeev Srivastava, Business Head, Reliance Securities Ltd. Further to the one-on-one meeting with our business head, we will continue to lay emphasis on the vital role of our partners towards client servicing at all stages, and to ensure greater customer satisfaction and confidence to meet our long-term goals and success. Further, as an organisation, we are open to improvement and will strive hard to provide the best technological platforms and products for better partner and client servicing.

Abhitanshu Tiwari
Segment Head – Franchisee Reliance Securities Ltd

TO BECOME A **RELIANCE SECURITIES BUSINESS PARTNER**, CALL US ON +912239896789 OR EMAIL AT **PARTNERFIRST@RSEC.CO.IN** HELP DESK NUMBER: 022-39896789; EMAIL: **PARTNERFIRST@RSEC.CO.IN**

ISO 9001:2015: Reliance Securities Limited (RSL) holds a certificate issued by BSI Management System India Pvt. Ltd to the effect that it operates a Quality Management System that complies with the requirements of ISO 9001:2015 for providing Equity & Equity Derivative trading services through online trading system. Brokerage will not exceed the SEBI prescribed limit. Investment in securities market is subject to market risks, read all the related documents carefully before investing. Representations are not indicative of future results. Reliance Securities is a distributor for MF, PMS, Private Equity, IPO, Bonds, NCDs, Corporate FDs, Loan & Realty. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully before investing The securities quoted are exemplary and are not recommendatory. RSL is a IRDA registered Corporate Agent (Composite) RSL has arrangement with RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED (formerly known as Reliance Life Insurance Company Limited), Birla Sun Life Insurance Company Limited and Reliance General Insurance Co. Ltd for solicit, procure and service their insurance products. Insurance is subject matter of solicitation. For detailed insurance disclaimer kindly visit <https://www.reliancesmartmoney.com/disclaimer>. Registered Office: Reliance Securities Limited, 11th Floor, R-Tech IT Park, Western Express Highway, Goregaon (East), Mumbai - 400063. Tel: +91 22 3320 1212, CIN: U65990MH2005PLC154052. SEBI Registration Nos.:- Stock Broker: INZ000172433, Depository Participant: CDSL - IN-DP-257-2016 NSDL - IN-DP-NSDL-363-2013, Research Analyst: INH000002384. Mutual Funds: AMFI ARN No.29889. IRDA Corporate Agent (Composite) Registration Number: CA0195 (valid till 31-Mar-2019).

Give wing to your dream

NAITIK SHAH
Business partner,
Reliance Securities

A dream remains a dream—unless you wake up and work towards turning it into reality. Born in a middle class family in Bhavnagar, I could have chosen to carry forward our small family business and be complacent in my own little world. But I wanted to accomplish something on my own. My entrepreneurial dreams took wing and brought me to Mumbai in 2007. It was at that time that I came across Reliance Securities. Though I was completely raw and unaware about the true potential of the stock market, I decided to take the plunge. That, I would say, was the turning point of my life.

Within a short span of time, I learnt the nitty-gritty of the stock market and started guiding clients independently. The backing of Reliance Securities and my dogged determination and hard work soon paid rich dividends—I opened 70 accounts. It was a huge learning experience, with unexpected challenges being thrown up while acquiring demat accounts in rural areas. Besides the general lack of awareness regarding the stock market, there were huge discrepancies in documents submitted for account opening. From educating the client to finally opening the account, it would take me no less than 15 days! And though the penetration of the stock market in my area was low, I knew things would fall in place going forward.

The launch of various demat and trading account schemes by Reliance Securities kept me going year after year. However, the real game changer was the launch of digital account opening in 2016—for the first time in the broking industry, an account could

be opened in less than 30 minutes! We grabbed the opportunity and started building a team to acquire more accounts. Now, we are able to open thrice the number of accounts with less effort in the same time. The launch of the TICK mobile application for trading further eased our job, with customer trading experience and client servicing becoming seamless.

Today, Shah Investment Consultants boasts 7,000 accounts. We train our customers to trade online and conduct regular sessions on the TICK PRO app, helping us increase our revenue manifold. Our business runs on client acquisition, servicing and guidance. From 70 to 7,000 accounts, we have come a long way indeed! And I couldn't have done this without the relentless support of Reliance Securities for the past 12 years. It's a great honour and privilege to be the part of such an amazing channel team and wonderful management.

“

The real game changer was the launch of digital account opening in 2016! We grabbed the opportunity and started building a team to acquire more accounts



**EVERYTHING ORDINARY
WILL BE LEFT BEHIND.**

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