Volume 5 FOR PRIVATE CIRCULATION ONLY December 2014

KARVY PRIVATE WEALTH

India Wealth Report 2014

Reforming to Perform

Is your wealth favourably aligned to the overall Indian & Global Trends?

KARVY PRIVATE WEALTH

Foreword

Karvy Private Wealth's fifth annual edition of The India Wealth Report comes out at a time when there is optimism in the air, with domestic and global factors having come together to create a positive feel about the way forward. This edition however analyses the holdings of wealth with Indian Individuals as of March 31, 2014. Hence, we see only a small part of that positive flavour seeping in into the numbers shown here. As we go to press with this edition, we cannot but wait for the next year's Report, when hopefully, the numbers will be much stronger than those in the current fifth edition!

While the past five years constitute a phase of tough times for the national and the global economy, the economy of India has nevertheless been growing, albeit at a slower pace than in the 2003-08 phase. The savings from the growing economy have found their way into financial and physical assets, and wealth has indeed grown even in this seemingly despondent period. In fact, we see that the wealth in financial assets has indeed grown by 84% over the past five years, not a mean achievement in these times!

What is turning things around for India now, so much so as to start a new 5-year positive phase, is a happy confluence of a few factors – Crude Oil prices hurtling down by a phenomenal 37% over the past 12 months, the Chinese economy slowing down thereby making itself and other non-India emerging markets unattractive destinations for foreign inflows, and lastly our new Prime Minister, Mr Narendra Modi with his natural charm and his plank of development. The last factor has resulted in an Indian government with majority in Lok Sabha for the first time in past 30 years, a slew of reformist programs on the anvil, and a series of potentially fruitful relationships being established with other countries.

Some factors of the last year which were threatening to assume brobdingnagian proportions have been tackled spectacularly by the Reserve Bank of India, the new Government, some by the older one in it's last 6-9 months, all of these backed by fortunate tail-winds in the global economy. These factors which were foreboding an environment of doom not so long back, were an increasing Current Account Deficit, spiraling Inflation, High Fiscal Deficit, a sharply falling Rupee, a paralyzed government, and a deteriorating moral fabric caused by corruption seeping into the core of our society.

Today, suddenly, these things seem to be a bad dream from the past, and the next five years are ringed with optimism and hope.

The current edition of The India Wealth Report adds a few items to our ever-increasing list of assets covered – this time around, we have included Platinum, Diamond and Silver to the Physical Assets section. To the Financial Assets, we have added NRI deposits, Pension Funds and Current Deposits.

By March 2014, Direct Equities was starting to race at breakneck speed, and by now, should have overtaken Fixed Deposits as the single largest product class of wealth holding of Indian individuals. We expect this pace to continue over the next five years. Real estate investments will grow slower as compared to Equities; however, the love of Indians for this class will continue. The portion of household savings going into Financial assets will increase progressively to reach the 50% mark it had occupied way back in 2007-08.

Total wealth will double in five years, and Financial Assets in four years itself! It's time to tighten our seat-belts, and choose the right asset mix, which will give your wealth the best returns, while taking the minimum risk. The rising tide will no doubt, take all boats up, but the type of sail you put on your boat will decide how far and how quickly will you travel!

Happy Reading!!!

Sunil Mishra
Chief Executive Officer
Karvy Private Wealth
sunil.mishra@karvy.com

Contents

List of Tables

Executive Summary

India's economic growth picked up marginally from a decade low in the fiscal year ended March'14, but NDAs thumping victory in the recent general election has stoked optimism of an investment-led turnaround in the coming years. Asia's third-largest economy grew 4.7% in 2013-14, higher than 4.5% growth a year earlier. It marks the second straight year of sub-5% growth - the worst slowdown in more than a quarter of a century.

The last six months, however has been very eventful for the new majority government formed in 2014. It has undertaken many new initiatives to revive the Indian Economy & make it among the fastest growing economies in the world. Several new policy measures like Make in India, development of 100 Smart Cities, opening up of FDI in several sectors, Free pricing of Auto Fuels, Swachh Bharat Abhiyan, etc will go a long way in making India more competitive and productive.

India's vicious economic cycle between 2010-2013 of slowing growth, elevated twin deficits and skewed savings profile is coming to an end. It is believed that the positive sentiments prevalent will translate down into acceleration of GDP growth and improved profitability for corporate India in times to come. More and more domestic and international investors are getting convinced about the new business and market cycle in India.

The Indian economy is expected to reach a GDP growth rate of 7.5% by 2018. Due to macro-economic revival, we are seeing possibly the beginning of biggest bull runs in India. Direct Equity will become the single largest asset class contributing to individual wealth in India in year ending March 2015 and is likely to remain there. We expect a 25% CAGR on the equity markets and look at the Sensex touching 1,00,000 level by 2020!

The wealth held by individuals in financial assets has grown by 84% in the last 5 years at a CAGR of 13%. Considering the fact that the economy had not shown healthy growth in this period, this gives an indication of how wealth will grow when the Indian Economy does well in the next 5 years.

Overall Indian individual wealth is expected to grow at a CAGR of 14.86% and double over the next 5 years. Wealth held by individual in financial assets is expected to double in next 4 years at a CAGR of 18.25%. Wealth in physical asset is also expected to grow at a CAGR of 10.03% in the next five years. The ratio of Physical to Financial Savings had reached an all time low of 69% to 31% in 2011-12. With the turnaround coming about in the economy we expect this ratio to return to 50:50 in the next 5 years.

Global Individual Wealth

Global Private Financial Wealth stood at US $152 trillion, marking a growth by 14.9% as compared to 2012[1].In absolute terms North America stood at US $50.3 trillion followed by Western Europe at US $37.9 trillion and remained the wealthiest regions in the world. Asia-Pacific region excluding Japan stood closely to Western Europe at US $37.0 trillion[2].

The Asia-Pacific region represented the fastest growing region world-wide with the HNI population increasing by 17% and the wealth increasing by 18%, continuing the trend of high growth in the new world.

The global population of HNIs[3] expanded by 14.7% to 13.7 million, well above 12 million of 2012, while HNI wealth increased by 13.8% to US $52.62 trillion.

Individual Wealth in India

The amount of Individual Wealth in India is calculated by aggregating the private wealth in all asset classes in which investments are made by individuals. It does not consider government and institutional holdings. In this report, Financial assets and Physical assets where investments are made by individuals of India are considered.

The total Indian Individual wealth in Financial assets stands at ₹134.71 Lakh Crore in FY14, and Indian Individual Wealth in Physical Assets (Real Estate and Precious metals like Gold, Diamond, Silver and Platinum) stands at ₹122.70 Lakh Crore. Hence the total Indian Individual Wealth in FY14 is estimated to be at ₹257.41 Lakh Crore, an increase of 27.47% over FY13.

Financial wealth contributes about 52.33% and Physical wealth contributes about 47.67% to the total Indian Individual Wealth.

Table 1: Total Individual Wealth in India 2014

Asset Type	FY14 (₹ Cr.)	Proportion (%)
Financial	1,34,71,160	52.33
Physical	1,22,70,504	47.67
Total	**2,57,41,664**	**100.00**

In FY14, Physical assets have shown only a modest growth since import of gold was subdued on account of the curbs imposed on it.

1, 2 BCG World Wealth Report 2014.

3 HNIs are defined as those having investible assets of US $1 million or more excluding primary residence, collectibles, consumables and consumer durables

Table 2: Classification of Individual Wealth in India based on Financial Assets

Asset Type	Amount (₹ Cr.)	Proportion (%)
Fixed Deposits and Bonds	29,39,702	21.82
Direct Equity	26,66,202	19.79
Insurance	22,12,654	16.43
Savings Deposits	16,28,628	12.09
Cash	13,00,900	9.66
Provident Fund	7,36,096	5.46
NRI Deposits	6,22,337	4.62
Small Savings	5,78,851	4.30
Mutual Funds	3,93,140	2.92
Current Deposits	3,08,125	2.29
Pension Funds	48,136	0.36
Alternative Assets	23,727	0.18
International Financial Assets	12,659	0.09
Total	**1,34,71,160**	**100.00**

The total Individual wealth in financial assets has increased from ₹109.8 Lakh Crore to ₹134.7 Lakh Crore, which is growth of 22.6%.

Fixed Deposits and Bonds retained the top spot within financial assets closely followed by direct equity, which comes a close second attracting 19.79% of total Individual wealth in financial assets, followed by Insurance and Savings Deposits.

The high minimum ticket size needed for alternative investments keeps their proportion in the financial Assets pie very small. Pension Funds are relatively new in the market and are expected to grow at a rapid pace since they invest in both equity and government bonds and are thus expected to give higher returns than provident fund.

Figure 1: Asset-Wise Distribution of Individual Wealth in India (Financial Assets)

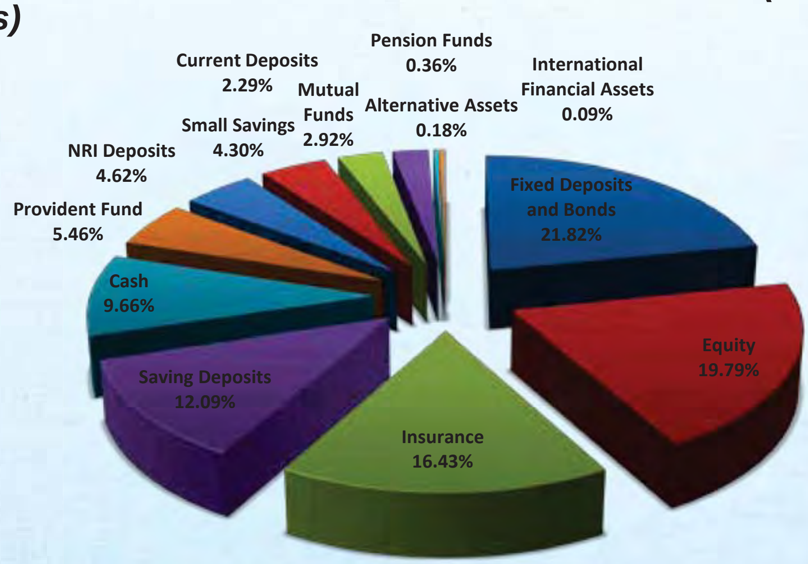
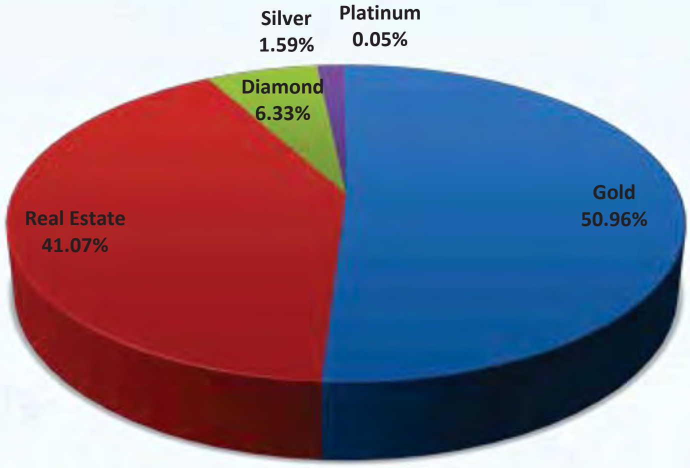


Table 3: Classification of Individual Wealth in India in Physical Assets

Asset Type	Amount (₹ Cr.)	Proportion (%)
Gold	62,53,263	50.96
Real Estate	50,38,978	41.07
Diamond	7,77,084	6.33
Silver	1,95,498	1.59
Platinum	5,678	0.05
Total	**1,22,70,501**	**100.00**

Figure 2: Assets Wise Distribution of Individual Wealth in India (Physical Assets)



Individual wealth in Physical Assets stands at ₹1.22 Lakh Crore. The individual wealth in gold stands at a whopping ₹62.53 Lakh Crore, showing India's affinity to yellow metal.

Investment in Real Estate stands at ₹50.38 Lakh Crore, excluding primary residence. Gold and Real Estate form a bulk of physical wealth in India i.e.92%. In this report we have also added the wealth held by Individuals in Diamond, Silver and Platinum.

Table 4: Classification of Individual Wealth in India in Key Asset Classes

Key Asset Classes	Amount (₹ Cr.)	Proportion (%)
Equity	33,76,216	13.12
Debt (including Cash)	1,00,58,558	39.08
Alternative Assets (including Gold and other precious metals and gems) in physical form	72,67,910	28.23
Real Estate	50,38,977	19.58
Total	**2,57,41,661**	**100.00**

Section 1:

Global Individual Wealth

Global Private Financial Wealth stood at US $152 trillion in 2013, marking a growth by 14.9% as compared to 2012. The rise was stronger than in 2012, when global wealth grew by 8.7%. In absolute terms the wealth held privately rose by US $19.3 trillion in 2013, nearly twice the increase of US $10.7 trillion seen in 2012. The key drivers of the increase in the wealth were performance of the equity markets and creation of wealth in the new world that is rapidly developing economies.

Asia-Pacific region represented the fastest growing region world-wide similar to 2012, continuing the trend of high growth in the new world[4]. However, it is also significant to note that a substantial double digit increase in the private wealth was also witnessed in the traditional, mature economies of the old world[5], particularly in North America. Double-digit growth was also seen in Eastern Europe, the Middle East and Africa and Latin America. Western Europe and Japan lagged behind with the growth rates in single digits.

In absolute terms North America stood at US $50.3 trillion followed by Western Europe at US $37.9 trillion and remained the wealthiest regions in the world. Asia-Pacific region excluding Japan stood closely to Western Europe at US $37.0 trillion. Globally equities grew by 28% as against 4.1% growth in bonds and 8.8% in cash and deposits. As a result asset allocation in equities shows a greater increase than bonds and deposits.

Looking ahead global wealth is projected to post a compound annual growth rate (CAGR) of 5.4%[6] over the next five years to reach an estimated US $198.2 trillion by the end of 2018.

Figure 3: Global Individual Financial Wealth

4 New World regions-RDEs-Rapidly Developing Economies include Asia-Pacific region excluding Japan, Eastern Europe, Latin America, Middle East & Africa as classified in the BCG World Wealth Report 2014.
5 Old World Economies include North America, Western Europe and Japan.
6 BCG World Wealth Report, 2014

The global population of HNIs expanded by 14.7% to 13.7 million, well above the nearly 12 million of 2012, while HNI wealth increased by 13.8% to US $52.62 trillion up from US $46.22 trillion. Asia-Pacific recorded the largest increase in HNI population (17.3%) and narrowed the gap on North America—the region with the largest HNI population at 4.33 million—to just 10000 individuals.

North America maintained its position as the wealthiest region (US $14.88 trillion), even though its strong growth rate of 17.1% was shy of Asia-Pacific's even stronger 18.2%. Asia-Pacific's US $14.20 trillion in investable wealth was followed by Europe with US $12.39 trillion and Latin America with US $7.70 trillion. Weak growth in Brazil and Mexico contributed to Latin America's low 2.1% growth.

Ultra High Net Worth Individuals (UHNIs)[7] numbered only 1,28,000[8] in 2013 and made up just 0.9% of the total HNI population, However, UHNIs held more than one-third (34.6%) of global HNI wealth in 2013. United States ranked first in the total number of HNIs by population in 2013, followed by Japan, Germany and China.

With 1,53,000 HNIs India ranked 16th in the world by the HNI population.[9]

Figure 4:

Number of HNIs Globally

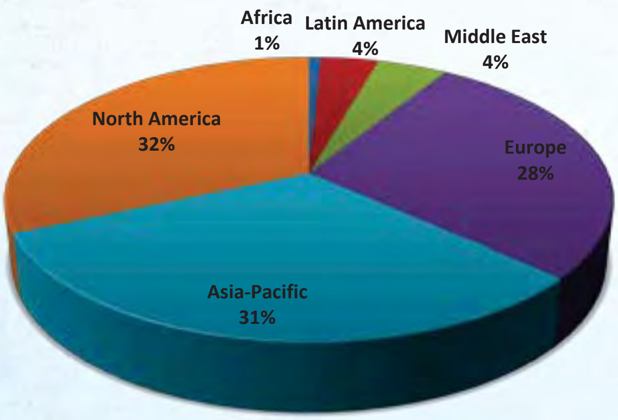
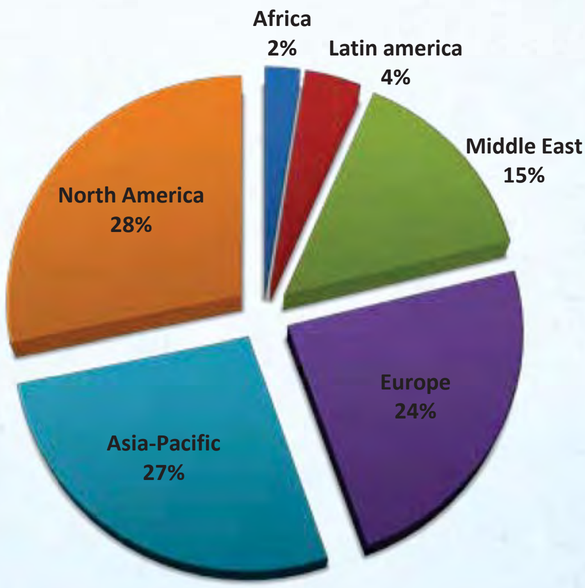


Figure 5:

Global HNI Wealth Allocation

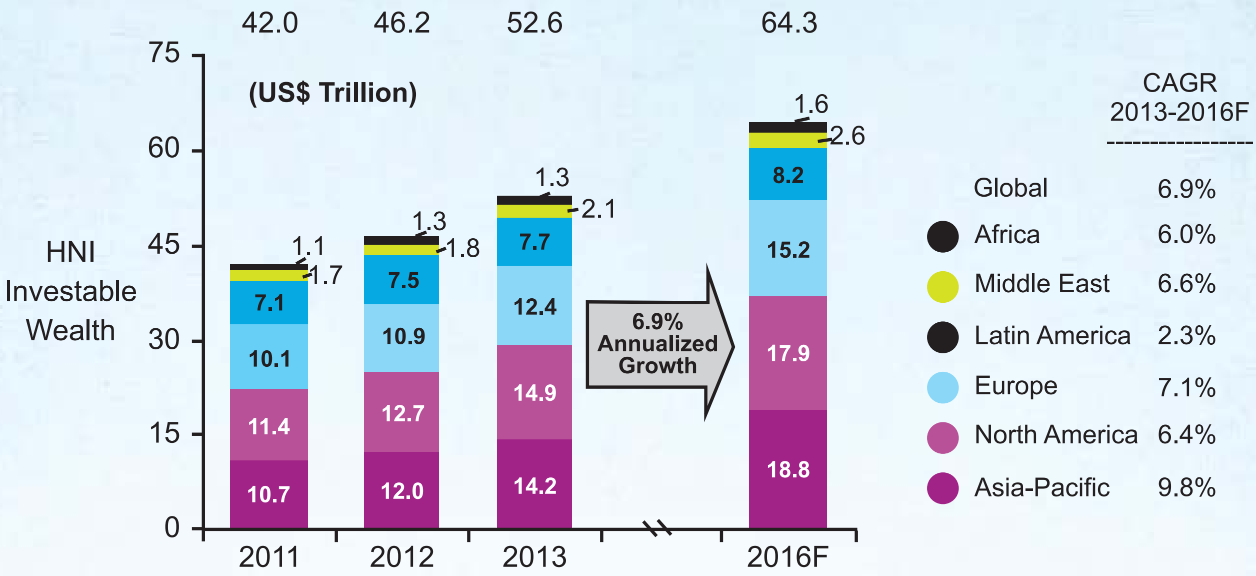


As per Capegemini and RBC Wealth Management World Wealth Report - 2014, Global HNI Financial wealth is forecast to grow 6.9% annually through 2016 to reach a new record high of US $64.3 trillion, with an additional US $11.7 trillion in HNI wealth created over the three year period of 2014-16. Every region except Latin America is expected to grow strongly and Asia-Pacific is likely to emerge as the clear leader with a 9.8% annual growth rate. Asia-Pacific's strong growth should allow it to overtake North America in HNI population by 2014 and HNI wealth by 2015.

7 UHNIs are defined as those having investible asset of US $30 million or more excluding primary residence, collectibles, consumables and consumer durables.

8, 9 World Wealth Report 2014, Page 6 & 7, Capgemini-RBC Wealth Management

Figure 6: Forecast of Global HNI Financial Wealth



Source: World Wealth Report 2014, Page 9, Figure 6, Capegemini and RBC Wealth Management

Table 5: Classification of Wealth Globally in Key Asset Classes

Key Asset Classes	Global (%)
Equity	24.80
Debt (including Cash)	43.00
Alternate Assets (including Gold and other precious metals and gems)	13.50
Real Estate	18.70
Total	**100.00**

The Global asset allocation in equities fell to 24.80% compared to 26.1% last year. Proportion of alternate assets grew to 13.50% as compared to 10% in 2013.

Section 2:

Indian Economic Scenario

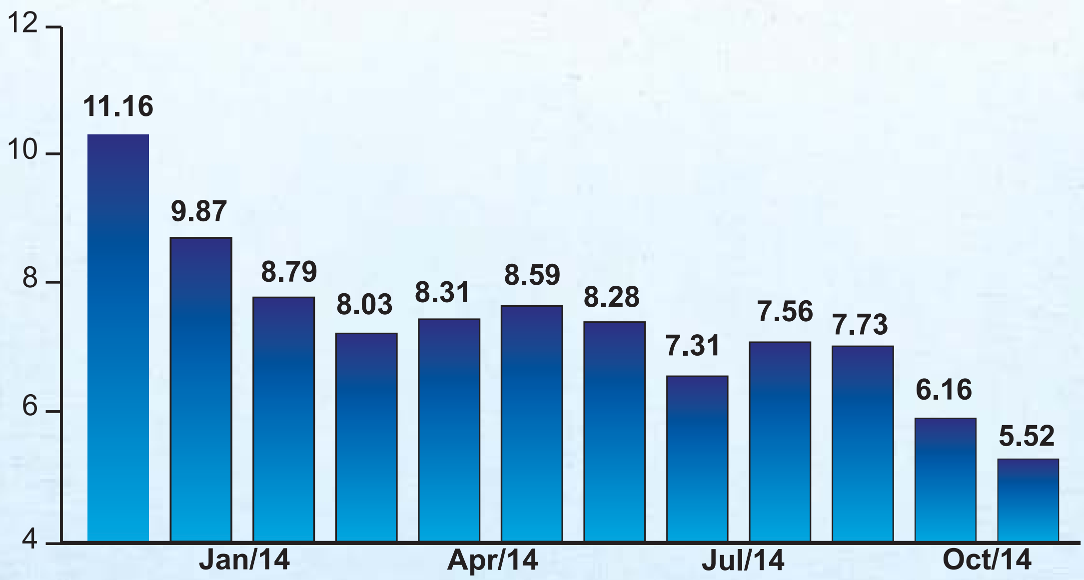
The General Election was the most influential factor affecting the Indian Stock markets in 2013–14. The expectations of a business friendly government coming to power in the centre boosted investor confidence which resulted in the Indian Stock Indices outperforming its Asian and Western counterparts.[10]

The Sensex might paint a rosy picture for the Indian economy, but at a fundamental level the economy is still recovering from the slowdown. The $1.8 trillion Indian economy suffered its worst slowdown till FY14 in over a decade with growth below 5% for four straight quarters, amid threats of a ratings downgrade. It grew by 4.8, 4.4, 4.8 and 4.7% during the four quarters of FY14, (average of 4.6), slowest since 2002. Persistent inflation and low investments due to policy inaction coupled with external factors like the speculation of quantitative easing, or roll back of stimulus, by the US Federal Reserve dampened growth and created macro-economic upheavals.

However, the first six months of the new government have been very eventful. We see a lot of new initiatives being undertaken to revive the Indian Economy. Several new policy measures like Make in India, Swachh Bharat Abhiyan, Free pricing of Auto Fuels, etc will go a long way in making India more competitive and productive. India's vicious economic cycle between 2010-2013 of slowing growth, elevated twin deficits and a skewed savings profile is coming to an end. We believe that the positive sentiment prevalent will translate down into acceleration of GDP growth and improved profitability for corporate India in the next few years.

We see the sensex growing exponentially to reach 1,00,000 by 2020.

Figure 7: India Inflation Rate



10 www.Tradingeconomics.com

CPI inflation which was a big concern for RBI is finally coming down (5.52% in October 2014)[11] which will help RBI in decreasing interest rates thus giving a much needed stimulus to the economy.

Another worrying factor for the economy in the past – IIP is also showing signs of revival (+3.4%[12] in May 2014) indicating that the manufacturing sector is on the path of revival.

India's Current Account Deficit (CAD) for the quarter ended March this year fell sharply to 0.2%of gross domestic product ($1.2 billion) from 3.6% ($18.1 billion) a year earlier, as the fall in imports was steeper than the drop in exports. However in FY15 with crude prices & prices of most commodities coming down globally the CAD is expected to be negligible.

Agriculture showed a growth of 4.7% in 2014, the best growth since 2010-11. Agriculture is the biggest contributor to India's Economic growth. Last year it grew by 1.9%.

Thus we can see that Indian Economy seems to have bottomed out in FY14 and is expected to be on a growth path from now on.

We expect GDP growth rate to reach 7.5% in the next 4 to 5 years.

11, 12 www.tradingeconomics.com

Section 3:

Individual Wealth in India

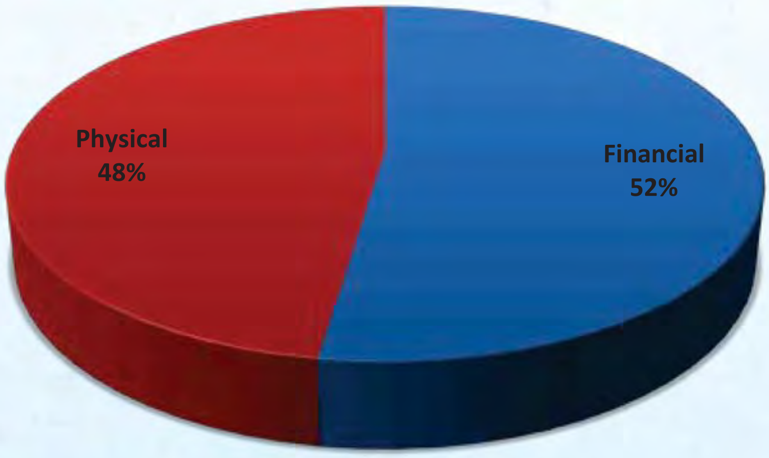
The total Indian Individual wealth in Financial Assets stands at ₹134.71 Lakh Crore as in FY14, whereas Indian Individual Wealth in Physical Assets (Real Estate and Precious metals like Gold, Diamond, Silver and Platinum) stands at ₹122.7 Lakh Crore. Hence the total Indian Individual wealth held in FY14 is estimated to be at ₹257.41 Lakh Crore.

Financial wealth contributes about 52.33% and Physical wealth contributes about 47.67% to the total Indian Individual wealth.

Table 6: Total Individual Wealth in India in 2014

Asset Type	FY14 (₹ Cr.)	Proportion (%)
Financial	1,34,71,160	52.33
Physical	1,22,70,501	47.67
Total	**2,57,41,661**	**100.00**

Figure 8: Compostion of Indian Individual Wealth



Due to the slowing down of the economy in the last few years during the tenure of the older government, the household savings rate was greatly skewed towards physical assets such as Real Estate and Gold.The ratio of physical to financial assets had reached an all time low of 69% to 31% in 2011-12. With the turnaround coming about in the economy we expect this to return to 50:50 in the next 5 years.

Section 4:

Asset wise break up of Individual Wealth held in Financial Assets

The total Individual wealth held in Financial Assets stands at ₹134.7 Lakh Crore marking a growth of 22.60% as compared to FY13. The following financial assets have been considered to arrive at Individual wealth:

- Fixed Deposits & Bonds
- Direct Equity
- Insurance
- Saving Deposits
- Cash
- Provident Fund
- NRI Deposits
- Small Savings
- Mutual Funds
- Current Deposits
- Pension Funds
- Alternative Assets
- International Financial Assets

4.1 Fixed Deposits & Bonds

Fixed deposits have always been considered as essential component of an optimum portfolio. A fixed deposit pays a fixed rate of interest until a given maturity date. Fixed deposits are also known as Term deposits and earn a higher return as compared to the interest rates offered by savings account. Fixed Deposits are one of the most traditional form of savings in India and hence form the largest component of Individual wealth.

Fixed Deposits (FDs) comprises of

- Bank Fixed Deposits
- Corporate Fixed Deposits
- Deposits with NBFCs (Deposit accepting Non banking financial companies) and RNBC (Residuary Non Banking Companies)

Bank Fixed Deposits:

Bank Fixed deposits have traditionally been one of the most popular investment tool used by a vast section of society across all economic zones. Bank Fixed Deposits comprises of Deposits with Schedule Commercial Banks and Schedule Cooperative Banks.

The total deposits with all schedule banks stood at ₹79.53 Lakh Crore amounting to an increase of 14.58% over the last year. The aggregate deposits with Schedule Commercial Banks also increased to 14.65% over the last year and stood at a total value of ₹77.39 Lakh Crore[13]. The increase in deposits is mainly due to a rising trend observed in the term deposits when the economy was not doing very well, considering that Bank FDs are comparatively very safe instruments. The household sector is the largest contributor to these deposits as compared to public and private sectors[14].

Individual Wealth held in Bank FDs stands at ₹27.91 Lakh Crore in FY14 and has grown by 17.14% as compare to FY13.

13, 14 RBI

Table 7: Composition of Individual Wealth in Bank Fixed Deposits

Bank Category	Amount (₹ Cr.)	YOY Change (%)
Schedule Commercial Banks	26,61,673	16.22
Schedule Cooperative Banks	1,29,583	39.87
Total	**27,91,256**	**17.14**

Corporate Fixed Deposits:

Corporate Fixed Deposits, also known as Company Fixed Deposits, are investment options offered by companies they earn a fixed rate of return over a period of time. The returns are generally higher than Bank FDs and thus Corporate FDs are considered as a lucrative investment option. However, these are considered a bit risky as an investor cannot easily recover his/her invested amount if the company defaults.

The Individual Wealth in Corporate Fixed Deposits in the FY14 is about ₹67,676 Crore a decline of 28.2% as compared to FY13. This sharp decline is due to the fact that many unrated companies, mostly manufacturing and real estate companies stopped accepting or renewing deposits after April 2013, after the provision of the New Companies Act came into force. According to the new act, companies will have to pass a resolution at their AGM, provide for security on their fixed deposits and get rated before they can start collecting money from investors.

NBFC Deposits:

Non-Banking Financial Companies (NBFCs) are engaged in providing a range of varied financial services as part of the Indian financial system. NBFCs are incorporated under the Companies Act, 1956. NBFCs can be classified into two broad categories, viz.,

(i) NBFCs accepting public deposit (NBFCs-D) and
(ii) NBFCs not accepting/holding public deposit (NBFCs-ND).

Residuary Non-Banking Companies (RNBCs) are another category of NBFCs whose principal business is acceptance of deposits and investing in approved securities.

Deposits with NBFC sectors comprise of investments in fixed deposits of deposits taking NBFCs and RNBCs.

Table 8: Composition of assets in NBFCs and RNBCs

Types of NBFCs	FY13 (₹ Cr.)	FY14 (₹ Cr.)
Deposit taking NBFC	7,085	10,730
RNBC	3,501	2,101
Total Individual Deposits	**10,586**	**12,831**

Public Deposits with Non-Banking Finance Companies (NBFCs) increased by 21.20% in FY14 as compared to that of FY13. This increase is mainly due to increase in the deposits taken by the deposit accepting NBFC. Besides offering attractive deposits as compared to that of the banks, the public confidence in NBFCs is increasing on account of strong Credit ratings and strong management backing these NBFCs. Deposits taken by RNBCs (Residuary Non Banking Companies) in the FY14 decreased as compared to FY13. This is because given the regulatory stipulations, RNBCs are in the process of migrating to other business models and these companies need to reduce their aggregate liabilities to the depositors to nil by June 2015 [15].

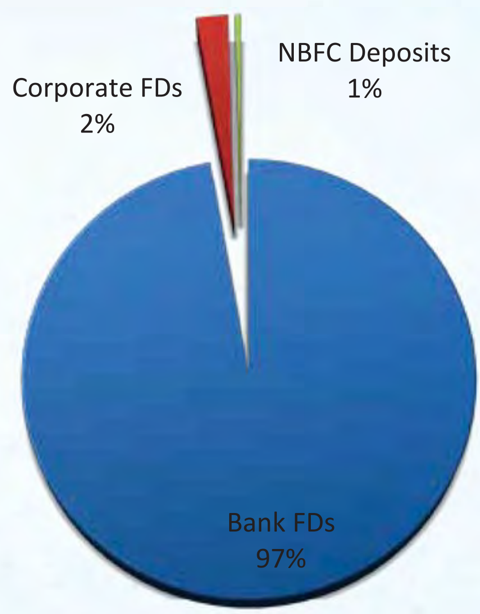
Bonds and Debentures:

The Debt market in India comprises of Government Debt Securities and Corporate Debt Securities. Government Debt Securities consists of treasury bills, Certificate of deposits, Commercial papers etc. Corporate can raise money by issuing a bond or a debenture publically or privately placing them to selected investors. While the participation in Government Debt securities and private placement of corporate debt is largely institutional, retail participation in public placement of the Corporate Debt Securities is increasing as bond or a debenture issue has a predetermined percentage for accepting investments through retail investors.

Public placement can be undertaken by the PSUs (Public Sector Undertaking) and these are known as PSU bonds or by private companies which are known as Corporate Bonds or Non Convertible Debentures.

In FY14 total 35 public issues were made as compared to 20 issues in FY13[16]. The issuing companies, mostly NBFCs are better rated and have strong management which increases the investor confidence.

Figure 9: Composition of Individual Wealth in Fixed Deposits



The total Asset Under Management of Bonds and Debentures as of 31st March 2014 stands at ₹1,08,439[17] Crore. **Out of this individual participation amounts to ₹67,938 Crore, an increase of 66.41% over the FY13.**

PSU Bonds: Issued by various Public Sector Undertakings, total Asset Under Management of PSU bonds is ₹89,063 Crore as of 31st March 2014. These PSU bonds include taxable and tax-free bonds. **The estimated individual wealth in these bonds is ₹54,300 Crore.**

Corporate Bonds: Issued by Non-PSU companies, total asset under management of Corporate Bonds is ₹19,375 Crore. **The estimated individual wealth in these non-convertible debentures is ₹13,637 Crore.**

15 RBI
16, 17 SEBI

स्वच्छ भारत
एक कदम स्वच्छता की ओर

Table 9: Composition of total and Individual Wealth in Bonds and Debentures

Sector	Individual Wealth in FY13 (₹ Cr.)	Individual Wealth in FY14 (₹ Cr.)	YOY Change (%)
PSU	31,003	54,300	75.14
Corporate	9,822	13,637	38.85
Total	**40,825**	**67,937**	**66.41**

4.2 Direct Equity

India was the only one among the BRIC nations to have a positive change in the stock indices. It buckled the global trend of declining stock markets. The single biggest factor impacting the stock markets this fiscal was the Indian General Elections – 2014. Nifty rose from 5697 on the 1st April 2013 and rallied to 6723 on 31st March 2014 which translated into a market capitalization increase of 16% (₹72.7 Lakh Crore from ₹62.3 Lakh crore).The bull market started with the NDA announcing Mr.Narendra Modi as their PM candidate on the 13th of September 2013, who is seen as a right wing person. The bull run has continued and the market capitalization has touched 100 Lakh Crore recently. Many New Initiatives like Make in India, Development of 100 Smart Cities, Opening of FDI in several sectors, Free pricing of Auto Fuels, Swachh Bharat Abhiyan has been launched by the new government. Hence more and more domestic and international investors are getting convinced about the India story. Looking at the current macro trends, cooling commodity prices, governance reforms and revival in growth, sensex is expected to reach 100,000 by 2020.

Individual wealth in FY14 equity increased by 9.7% which is 6 percentage points less than the 16% increase in market capitalization, indicating that despite the bull run individual investors were slow to the party and FII's enjoyed the bulk of the benefits. Individual wealth of resident Indians stood at ₹26.21 lakh cores. A Non-Resident Indian citizen (NRI)[18] can invest in India's stock market under PIS (Portfolio Investment Scheme) which is regulated by Reserve Bank of India. The wealth held by NRIs in Indian stock market stands at ₹45,129 Crore.

Table 10: Direct Equity Classification

Investors	% of Market Capitalization	Amount (₹ Cr.)
Promoter Holding	50	36,35,245
Institutions	33	23,71,505
Individual Investors	17	12,70,969
Total	**100**	**72,77,719**

The total individual wealth in equity investments stands at ₹26.6 Lakh Crore.

The total individual wealth is the sum of Direct Equities purchased by Individual Investors (₹12.7 Lakh Crore) and the promoter Holdings of Individual business.While Direct Equity forms the 2nd

18 NRI-Non Resident Indian is an Indian citizen residing outside India according to FEMA,1999.

largest asset class among the various individual asset classes, it looks to overtake Fixed Deposits & Bonds in FY15 to become the largest asset class. Direct Equity contributes 19.79% of the total Individual Wealth in financial assets and is the 2nd largest asset class after Fixed Deposits and Bonds.

4.3 Insurance

With 36[19] Crore policies, India's life insurance industry is the largest in the world. Despite this India continues to be underinsured. Life insurance penetration in the country, the ratio of premium underwritten in a year to the Gross Domestic Product (GDP), was just around 3.17%. It is forecast to grow at a Compounded Annual Growth Rate (CAGR) of 12-15% over the next five years. Assets Under Management (AUM) of life insurers will almost treble to $1[20] trillion (nearly ₹60 Lakh Crore) by 2020 from the current ₹22.02 Lakh Crore, according to projections by the Life Insurance Council.

Total Individual Wealth in Insurance stands at ₹22.12 Lakh Crore.

Table 11: Assets In Insurance

Type of Insurance	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
Life Insurance	20,06,867	17,25,317	16.32
Employees Pension Fund	1,93,102	1,58,890	21.53
Employees Deposit Linked Insurance Fund	12,684	9,560	32.68
Total Individual Wealth in Insurance	**22,12,654**	**18,93,767**	**16.84**

We can see from the table above that AUM in the Life Insurance has grown by 16.32% to ₹20.07 Lakh Crore.

Employees Pension Fund:

Employees Pension Fund is a retirement benefit scheme that is available to all salaried employees. It is a very important tool of retirement planning. The tax-free interest (compounding) at maturity ensures a good growth of money.

The total wealth in Employees Pension Fund stands at ₹1.9 Lakh crore up 21% from FY13.

Employees Deposit Linked Insurance Fund (EDIL) :

The purpose of this scheme is to provide life insurance benefits to the employees of establishments covered under EPF ACT 1952. The employer contributes 0.5% of Basic + DA and no contribution is mandatory for the employee but he /she can voluntarily contribute with a maximum limit of ₹6,500 on Basic + DA. The maximum benefit under this scheme is of ₹ 60,000.

The total wealth in Employees Deposit Linked Insurance Fund stands at ₹12,684 Crore. Insurance Constitutes 16.43% of Individual Financial Wealth in India in FY14.

19 IRDA
20 Life insurance council

4.4 Saving Deposits

Demand Deposits consist of Current and Savings Deposits. The Individual wealth in Demand Deposits stands at ₹19.37 Lakh Crore.

Savings Bank Deposits:

The Individual wealth in Savings Deposits stands at ₹16.28 Lakh Crore as on 31st March 2014, marking a growth of 7.96% over FY13. This increase is however less as compared to year on year increase in FY13 which was about 14% as compared to the FY12. As saving deposits offer lesser rate of interest than term deposits, the total investments in savings deposits of all Scheduled banks has remained constant over the years. The share of Saving deposits decline from 26.4% in 2006 to 23.7%[21] in 2007, increased somewhat to 25.5% in 2010 after which it has more or less remain constant.

Table 12: Composition of Individual Wealth in Bank Savings Deposits

Bank Category	Amount (₹ Cr.)
Schedule Commercial Banks	15,94,857
Schedule Cooperative Banks	33,770
Total	**16,28,627**

Current Bank Deposits:

In deposit terminology, the term Current Deposit refers to a deposit to a bank account or financial institution without a specified maturity date. **The Individual wealth in Current Deposits stands at ₹3.08 Lakh Crore. There is an increase of 3.42% in this as compared to FY13.**

Table 13: Composition of Individual Wealth in Current Bank Deposits

Bank Category	Amount (₹ Cr.)
Schedule Commercial Banks	2,98,643
Schedule Cooperative Banks	9,481
Total	3,08,124

Table 14: Composition of Individual Wealth in different types of Bank Deposits

Type of Deposits	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Change (%)
Term Deposits	27,91,256	23,82,859	17.14
Savings Deposits	16,28,627	15,08,599	7.96
Current Deposits	3,08,125	2,91,798	5.60

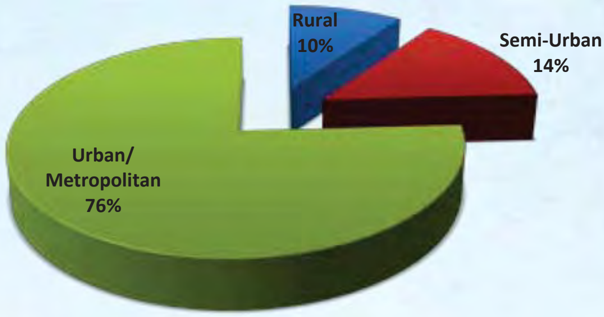
21 RBI

Regional Distribution of Individual Wealth held in Schedule Commercial Bank (SCB) Deposits (Current, Savings and Term Deposits)

Household sector with 59%[22] share was the largest contributor in total deposits as on 31st March 2014. Metropolitan branches followed by urban and semi-urban branches continued to lead deposit generation by Schedule Commercial Banks mainly in the form of term deposits. Savings deposits dominated in rural branches followed by term deposits. Metropolitan/Urban branches contributed about 76% of the total deposits, followed by Semi-urban (14%) and rural (10%) branches.

Figure 10:

Distribution of Deposits according to area



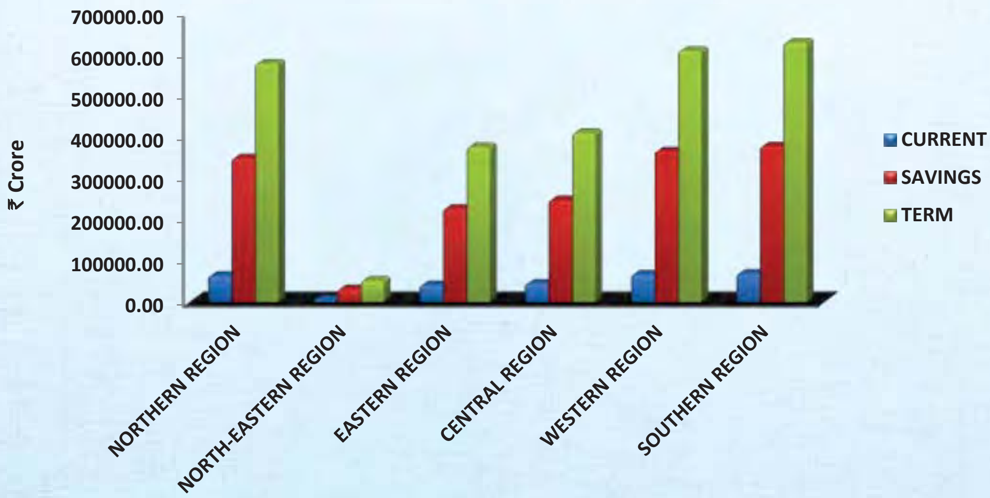
Region-wise Southern Region (24%) followed by Western Region (23%) contributed to half of the Individual wealth held in deposits with the SCBs. North-Eastern Region accounted just 2% of the total individual wealth in Deposits.

Table 15: Region-Wise Distribution of Individual Wealth held in Deposits with SCBs

Region	Amount (₹ Cr.)	Proportion (%)
South	10,72,010	24
North	9,86,398	22
Central	6,99,728	15
Eastern	6,41,721	14
West	1,03,847	23
North-East	88,841	2

As per the type of deposits, all the regions followed the same trend as most of the wealth was parked in Term Deposits, followed by Saving Deposits and Current Deposits.

Figure 11: Household Bank Deposits



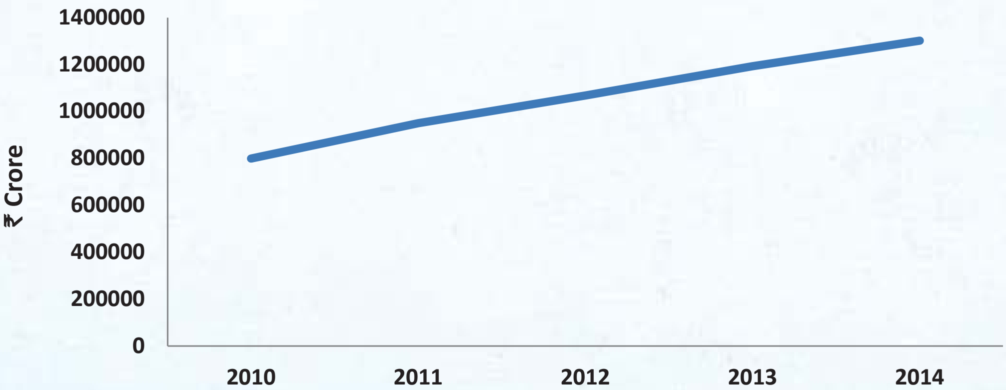
4.5 Cash

Cash is estimated using the currency in public circulation figures released by the RBI every week. It includes notes and coins. **The table shows that as on 31st March 2014, ₹13 Lakh Crore worth of cash is in the hands of public.** The persistent inflation since 2011-12 situation has resulted in the RBI taking liquidity control measures and infusing less cash in the system which explains the declining rate of currency increase.

Table 16: Individual Wealth in Cash

Year	Amount (₹ Cr.)	YOY Growth (%)
2014	1,300,900	9.10
2013	1,192,350	11.65
2012	1,067,890	12.45
2011	9496,60	18.77
2010	799,550	

Figure 12: Cash held by Individuals



4.6 Provident Fund

There are two types of provident fund existing in India- employees provident fund and public provident fund. Both are intended as a saving cum investment tool for long term and have low liquidity. People invest in these to build their retirement corpus.

Employees Provident Fund:

Employee Provident Fund is a mandatory retirement benefit applicable only to salaried employees. It is fund to which both the employee and employer contribute 12% of the former's basic salary amount each month. EPF accounts will now yield a return of 8.75% annually. In EPF, the amount is paid at the time of retirement or resignation, whichever occurs earlier. The amount invested in an Employees Provident Fund is exempt from tax under Section 80C of the Income Tax Act. It is administered by EPFO. **This fiscal saw a rise of 9% in the EPF which now stands at ₹4.74 Lakh Crore.**

Public Provident Fund :

This is a voluntary scheme administered by the National Savings Institute. Post offices and a specified list of banks is allowed to take deposits for this fund. The current rate of interest offered is 8.7% annually. Investment up to INR 1,00,000 per annum qualifies for IT Rebate under Section 80C of IT Act.

Table 17: Assets In Provident Fund

Composition of PF	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
Employee Provident Fund	4,74,446[23]	3,41,937	38.75
PPF with Post Office	47,633	40,321	18.13
PPF with Banks	2,14,017	1,42,042	50.67
Total	**7,36,096**	**5,24,300**	**40.39**

The convenience factor (online PPF account, easy reach etc) is responsible for banks having a larger share of PPF Deposits when compared to post offices. **The individual wealth in provident funds is ₹7.36 Lakh Crore with 40.39% YOY growth.** A major contributor to this increase is the 50.67% increase in Bank PPF Deposits.

4.7 NRI Deposits:

Non-Resident Indians can park their money with Indian Banks through various deposit schemes under the guidelines of Reserve Bank of India. NRI for the purpose of Bank Accounts is defined under FEMA. NRIs are permitted to open different types of bank accounts like NRO (Non-Resident Ordinary Account), NRE (Non-Resident External Account) and FCNR (B) (Foreign Currency Non Resident (Bank) Account). NRO and NRE accounts can be opened in the form of current, savings, recurring and fixed deposits accounts, whereas FCNR (B) accounts are only term deposits of 1 to 5 years.

The outstanding amount in the NRI deposits as on 31st March 2014 is ₹6,22,337[24] Crore. The NRI deposits increased by 61.89% as compared to FY13. To attract NRI remittances, the RBI had provided additional incentives to NRIs to invest in India under the FCNR deposit scheme by raising interest rates from the period of September 2013 to November 2013.

Table 18: Outstanding Amount held in NRI Deposits

Type	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
FCNR(B)	2,50,645	82,440	2,04.03
NRE	3,17,078	2,49,275	27.20
NRO	54,614	52,706	3.62
Total	**6,22,337**	**3,84,422**	**61.89**

23 Estimation based on AUM figures of EPFO
24 RBI

4.8 Small Savings

Fiscal 2012-13 saw the small savings category decline by 1%, as a result of the declining savings rate, 2012-13 saw a savings rate of 30.1% of GDP a fourth consecutive fall from the high of 38.1% in 2007-08. This year the small savings posted a 2.44% growth. Rural India accounts for 56% of the country's total income and 33 per cent of India's savings. People in villages and semi-urban areas are parking money in post office deposits and national savings certificates, instead of the usual practice of buying gold with their extra cash. Contribution of agriculture to GDP has increased from 2% last year to 5% this year.

The Individual Wealth in Small Savings stands at ₹5.78 Lakh Crore.

Table 19: Individual Wealth held in Small Savings

Type	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Change (%)
Post Office Monthly Income Scheme	2,04,540	2,01,787	1.36
Kisan Vikas Patra	1,08,266	1,28,375	-15.66
Post Office Recurring Deposit Account	82,663	67,962	21.63
NSC issues	74,396	64,719	14.95
Post Office Time Deposit Account	39,739	33,009	20.39
Post Office Savings Bank Accounts	39,112	37,850	3.33
Senior Citizens Saving Scheme	19,452	24,093	-19.26
Other Certificates	5,257	2,025	159.58
National Savings Scheme 87,92	4,533	4,289	5.68
Indira Vikas Patra	895	907	-1.30
Total	**5,78,851**	**5,65,016**	**2.45**

4.9 Mutual Funds

Assets Under Management (AUM) in Mutual Funds as a per cent of GDP for India is 6%, significantly lower than some other emerging economies, for example, 40% for Brazil and around 33% for South Africa. This indicates significant headroom for growth. But the current domestic and global economic conditions are acting as a deterrent to the growth. Though the AUM in the mutual funds has increased to 8.1[25] Lakh Crore an 18% YOY increase, but the decline in the number of folios continues unabated. The number of folios in the industry fell to around 3.96 Crore from 4.28[26] Crore – a decline of 33 Lakh accounts. The penetration of the Mutual Fund Industry remains low with corporate dominating the AUM - they enjoyed 49%[27] share in March 2014. HNIs were the second biggest contributor of AUM with 29% share followed by retail investors with 19%.

The equity category saw the maximum decline in the number of retail folios as investors chose to book profits after the recent steep rise in the segment and on expectations of volatility ahead. Similar trend can be seen in the HNI category as well. After rising almost three times in H1FY14, the number of folios held by high net worth individuals or HNIs (individuals investing ₹5 Lakh or more) declined by 5%[28] (or ₹1.5 Lakh) in the second half of FY14 as the segment chose to book profit.

25 - 28 AMFI

Gilt funds went out of flavor and the category witnessed 10% decline in overall folio count along with a 25%[29] decline in AUM. This was due to on-going uncertainty in interest rate environment amid persistent high inflation. Debt funds have been seeing a rise in investor accounts since March 2009 and FY14 was no different. 4.7[30] Lakh retail portfolios were added to this category resulting in a 10% increase in the AUM.

But, with the huge win of NDA in the general elections, confidence in the Indian industry has increased, which is reflected in the huge sales of Equity based Mutual funds in May-14 (1000 Cr.). This trend is expected to continue and retail investors will start investing more in equity based mutual funds. **The total Individual Wealth in Mutual Funds stood at ₹3.93 Lakh Crore up from ₹3.49 Lakh Crore in FY13.**

Debt based mutual funds have been in favour in FY14 owing to the extreme volatility in the stock markets. This is reflected in Debt fund growth far outstripping equity fund growth.

Table 20: Mutual Funds based on underlying Investment by Individual Investor

Type	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
Equity	183,748	181,407	1.29
Debt	2,09,392	168,342	24.38
Total	**3,93,140**	**349,749**	**12.40**

4.10 Pension Funds

This is a new category of investment included in this year's India Wealth Report. Under this we consider the AUM in the purview of PFRDA (Pension Fund Regulatory and Development Authority). It was established by the Government of India to promote old age income security by establishing, developing and regulating pension funds. PFRDA has established the institutional framework and infrastructure required for administering the 'National Pension System' (NPS) for government employees as well as other citizens of India. It is mandatory for Central Government Employees and voluntary for all other citizens of India. The system works similar to a mutual fund, wherein ones funds are invested into equity, fixed income and government securities based on the individuals risk appetite. The NPS was opened up for all citizens of India with effect from 1st May 2009. Presently the following Eight Pension Fund Managers are managing the funds of unorganized sector.

- SBI Pension Funds Private Limited UTI Retirement Solutions Limited
- ICICI Prudential Pension Funds ManagementCompany limited
- Kotak Mahindra Pension Fund Limited
- Reliance Capital Pension Fund Limited
- LIC Pension Fund Limited
- HDFC Pension Management Company Limited
- DSP Blackrock Pension Fund Managers Pvt. Ltd

As on 31st December 2013, NPS has 58.59 Lakh subscribers with an AUM (Assets under Management) of ₹48,136[31] Crore.

29, 30 AMFI
31 PFRDA

4.11 Alternative Assets

Alternative assets can bring significant benefits to investment portfolios through diversifying exposure away from traditional fixed income and equity assets. Now, what is considered as traditional may vary from country to country. Generally, investments in stocks or bonds or fixed deposits are considered as traditional investments. So wealth in alternative assets comprises of investments made directly in the asset such as Hedge Funds, Venture Capital Funds, Gold ETF etc. and investments made in funds registered under Alternative Investment Funds (AIFs).

AIFs are defined in Regulation 2(1)(b) of SEBI Regulations May 2012. These AIFs are categorized into the following three categories:

Category	Sub-Categories
Category 1	Infrastructure Funds, Venture Capital Funds SME Funds, Social Venture Funds
Category 2	Private Equity/Debt Funds
Category 3	Hedge Funds

Category-I is of funds which might have a spillover impact on the economy and are eligible for certain concessions. Category-II has no such concessions or incentives. Category-III includes those which can leverage their trades and have no specific concessions.

There are currently 100 registered AIFs under this regulation as on March 31st 2014. Alternate Investment funds raised around ₹4,569[32] Crore up by 61.2% as compared to previous quarter. The AIFs have garnered commitments of ₹13,465[33] Crore, up 20.4% over the December quarter. **The individual wealth in alternative assets including other assets along with AIFs is estimated to be ₹23,727 Crore in FY14.**

Table 21: Composition of Individual Wealth in Alternative Assets

Asset Class	Amount (₹ Cr.)	Proportion (%)
High Yield Debt	6,162	25.97
Private Equity	5,279	22.25
Gold ETF	4,448	18.74
Real Estate Funds	3,790	15.97
Structured Products	2,309	9.73
Hedge Funds	815	3.44
Film Funds	789	3.32
Infrastructure Funds	121	0.51
Venture Capital Funds	14	0.06
Total	**23,727**	**100.00**

32, 33 SEBI

High Yield Debt:

Real Estate NCDs continue to become popular among the High Networth Individuals as the BSE Realty is gaining with the rise in SENSEX and the returns from these NCDs are 18-22%[34] per year. What attracts the investors to this space is the interest or the coupon payment they receive at regular intervals. These NCDs are privately placed by the realty companies to the High Net Worth Individuals.

Mezzanine Debt is the middle layer of capital that falls between secured senior debt and equity. It is more expensive form of financing because of its positioning and inherently higher level of risk to the lender. Investors are attracted because it bears interest at a higher rate than secured loans and often gives the investor a stake in the equity of the company. **Individual wealth in Real Estate NCDs and Mezzanine Debt stands at ₹6,162 Crore.**

Private Equity Funds:

Private Equity Funds invest in private companies whose ownership shares or units are not traded publically. As against Venture Capital funds which target early-stage companies, Private Equity funds invest in more mature companies.

The total wealth in Private Equity Funds is about ₹26,395 Crore. This includes Private Equity Funds under the VCF regulations (1996) and AIF regulations (May 21, 2012) under category 2. Though the AIF regulations replace the VCF regulations, funds under VCF would be continued unless they are wound up. The Private Equity funds accounted here are from the sectors like Information Technology, Telecommunications, Pharmaceuticals, Biotechnology, Service sectors, Industrial product and others. **Individual Wealth in Private Equity funds is estimated at ₹5,279 Crore, an increase of 28.22% over FY13.**

The continuing interest of PE investors in India, despite negative investor and consumer sentiment amid the worst economic downturn in a decade, can be attributed to three factors: the country's long-term prospects, changes in the investment landscape and the expectations from the new government[35].

Gold ETF:

Gold Exchange Traded Funds are close ended funds that track the gold prices in India.Total wealth in Gold ETF stands at ₹8,676.32[36] Crore as compared to ₹11,648 Crore witnessing a decrease of 25.5%. Some of the factors that affected the gold ETF consumption in India are, Worldwide decrease in the demand for the Gold ETFs due to FED Tapering and Cyprus government sale of Gold, weak Indian Rupee and restrictions put on Gold import by the Indian Banks.

The Individual Wealth in Gold ETFs too decreased in FY14 by 16% and stood at ₹4,448[37] Crore as against ₹5,289 Crore recorded during FY13. It is expected that the investment in gold ETFs would be bolstered as it is speculated that the government may ease bullion import curbs in India.

Real Estate Funds:

Real Estate Funds invest directly in the Real Estate. Most of the Real Estate Funds are registered under the VCF guidelines and under the new norms, these funds would continue to be governed by them. The individual wealth in Real Estate Funds is estimated to be about ₹3,790 Crore an

---

34 Business Standard
35 Live Mint
36, 37 AMFI

increase of about 11% over FY13. Investors are being cautious and investing in only those funds which have done better in the past. As per the new norms of SEBI, upcoming realty funds would have to register themselves under AIF Regulation.

Structured Products:

Structured Products or market-linked debentures are products where majority of the money is invested in fixed-income securities and the smaller portion in derivatives linked to an asset such as equities.

Over the last few years, structured products have carved a definite niche in portfolios of most High Net Worth Individuals' (HNIs). The combination of yield, principal protection in most cases and participation in returns make these a popular choice among HNIs. The larger chunk of funds collected in structured products is invested in fixed-income instruments and the rest in derivatives where the underlying asset is the main return generator. Usually, these derivatives are equity, but some structures also use gold derivatives.

SEBI has mandated the minimum ticket size for subscription at ₹25 Lakh[38] for any issue. This will act as a deterrent for small investors, which is good, since these are products best positioned for investors who can take on all the underlying risks.

Total Individual Wealth in Structured Products is estimated to be ₹2,309 Crore

Hedge Funds:

Classified under Category 3 of Alternative Investment Funds as per SEBI AIF Regulations, Hedge funds are an aggressively managed portfolio of investments that uses advanced investment strategies such as leveraged, long, short and derivative positions in both domestic and international markets with the goal of generating high returns. About 18 Hedge funds are registered with SEBI as of March 2014. The total assets under management of Hedge Funds are ₹905.78[39] Crore. **The individual participation in these funds is estimated at ₹815 Crore, an increase of about 36% over FY13.** Hedge Funds in India outperformed many of their global peers in the January-March 2014 quarter as per the report from research firm Eurekahedge and such an increase was due to Government measure to stave off possible contradictions in the economy.

Film Funds:

Film Funds in India are a type of venture capital funds and exist for the purpose of seeking investments in the Indian Film Industry across various functions from pre production to distribution and marketing. The Film Funds tend to diversify the risk by investing in different films. **The individual wealth in these funds in the FY14 stands at ₹789 Crore a decrease of 12.73% as compared to FY13.** The decrease is possibly due to investor sentiments about the film segment, which according to investors is not professional and not organized. Also out of 4-5 Film funds, most of them are not SEBI registered. Also some of them failed to realize the returns as they did not resort to proper diversification.

However, new film funds like TCEF (Third Eye Cinema Fund) are expected to hit the market soon after registering under SEBI as Alternative Investment Fund.

38, 39 SEBI

Infrastructure Funds:

The Indian economy requires huge investments in developing infrastructure like roads and power. Infrastructure funds were introduced to channelize investments into these companies and thus make money for investors. Registered under Category 1 under the Alternate Investment fund regulation by SEBI in May 2012, Infrastructure Funds garnered a lion's share in AIF Category 1 in FY14. The total Asset Under Management of these funds is about ₹607 Crore an increase of 100% over FY13 as no funds were raised in this segment till 31st March 2013. Further these funds expect to increase exponentially as the commitments raised for them are about ₹5,619[40] Crore. **The individual wealth in these funds is expected to be approximately around ₹121 Crore.** The investment in these funds grew as order books for the infrastructure companies grew on account of the activities like reduction of debt, hiving of non-core operations and focusing on improving the cash flows were undertaken by them.[41]

Venture Capital Funds:

Venture Capital Fund is an investment fund that manages money from investors seeking private equity stakes in startup and small and medium-size enterprises with strong growth potential. These investments are generally characterized as high-risk/high-return opportunities.

Under the category 1 of the AIF regulation, total funds raised were ₹70.61 Crore and commitments raised were ₹264[42] Crore. **The individual wealth in these funds is estimated to be ₹14 Crore.**

4.12 International Assets

The sum of money invested by resident Indians in financial investments abroad under the Liberalized Remittance Scheme are termed as International Assets. These investments can be made a part of the diversification strategy by adding positions of foreign equities and debt. A annual cap of US $125,000 is kept by the RBI on investments made through this scheme.

Table 22: Individual Wealth in International Assets upto 2014

Type	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
Deposits	1,507	1,025	47.00
Equity / Debt	8,569	6,066	41.26
Funds of Funds Investing Overseas	2,583	1,760	46.70
Total	**12,659**	**8,851**	**43.02**

Individual wealth in International financial assests stands at ₹12,659 Crore which represents an increase of 43% over last years ₹8,851 Crore. This increase is majorly because of the big fall in rupee value, which increases the value of dollar denominated investments in rupee terms.

40, 42 SEBI
41 Business Standard

Section 5:

Asset wise Break-Up of Individual Wealth held in Physical Assets in India

Physical Assets considered to arrive at Individual wealth in this report are:

- Gold
- Real Estate
- Diamond
- Silver
- Platinum

5.1 Gold

Will Gold Ever lose its Glitter for Indians?

Over centuries and millennia, gold has become an inseparable part of the Indian society and fused into the psyche of an Indian. Indians see the metal as a symbol of purity, prosperity and good fortune.

People buy gold for a variety of reasons such as for its auspicious sentiment; as an investment (Gold continues to command long term value, a tag for being a safe haven); hedge against inflation; asset allocation, etc. Gold also carries a high perceived value and a high emotional quotient. It reinforces closeness of relationships. Gold coins in smaller denominations are also considered apt for corporate gifting and rewards for contests or for commemorative give aways.

Some of the important reasons why Indians buy gold are-it is considered as a status symbol, it has a high ornamental value since gold ornaments for Indian women never go out of fashion, it is considered to be equivalent to liquid cash which comes to rescue during emergency, it is considered to be an effective diversifier of one's portfolio risk, it is also a precious and worthy gift item and most importantly it has a great religious significance as it is considered as a symbol of Hindu goddess Lakshmi and considered highly auspicious.

Over the centuries, Indian households have piled up as much as ₹20,963[43] tonnes of gold till March 2014, worth around ₹62.5 Lakh Crore. Around 800-900 tonnes are added to this every year coupled with this there is about a large quantity of gold with the temples in India. According to World Gold Council, Gold in Indian temples is around 2240 tons, whereas US Bullion Depository Fort Nox says that as of 2013, present gold holdings by the temples in India are about 4603 tonnes. Indian Central Bank holds about 7.9% of the official Gold reserves amounting to 558 tonnes.[44.]

The Consumption of Gold is highest in South India and amounts up to 35% of the total consumption. This is followed by the western region (30%)[45], the northern region (20%) and the Eastern region (15%) Gold Investments by Individuals can be broadly divided into two categories: Physical Gold and Paper Gold. Paper Gold refers to Gold ETF which is accounted for in Alternative Assets. Physical Gold includes investments in Jewelry and Bars and Coins.

43, 44 World Gold Council
45 FICCI and AT & KERNEY Report on India Jwellery Review 2013

Table 23: Composition of Individual demand in terms of Jewelry and Bars and Coins Investment

Period	Jewelry	Bars and Coins	Total
Q1 FY14	188	122	310
Q2 FY14	104.7	43.5	148.2
Q3 FY14	150.7	68	218.7
Q4 FY14	145.6	44.7	190.3

Source: World Gold Council

Figure 13: Quarterly Demand of Jewelry and Bars and Coins Investment

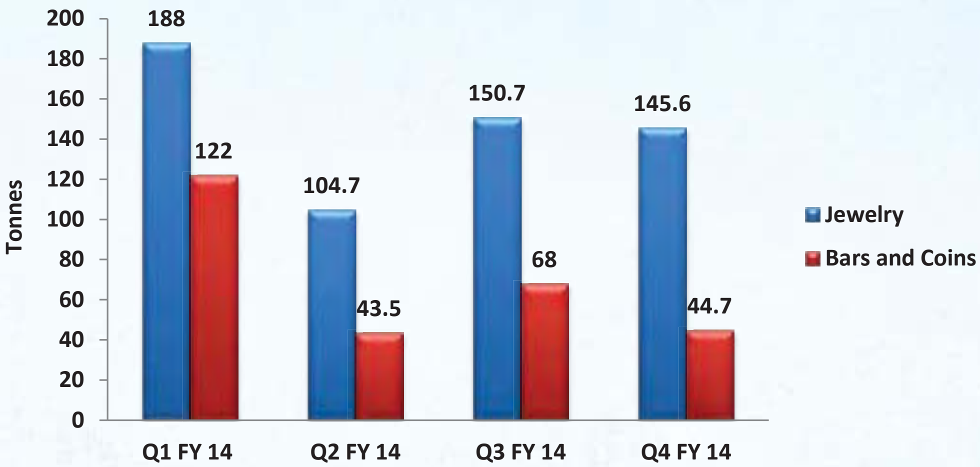


Table 24: Composition of Individual Demand in Gold (in tons)

Region	FY13	FY14	YOY Change (%)
India	918	867	-5.6
World	3,237	3,745	15.69

The demand for the physical gold in India decreased in FY14 as compared to the FY13 by 5.6%. This is due to a noticeable decrease in the demand for jewelry and Bars and Coins post May'14 when the RBI had imposed import restrictions on gold by banks. The current account deficit, which touched a record high of $87.8 billion in the 2012-13 fiscal year, eased to $32.4 billion in 2013-14 after a government crackdown on gold imports.

The RBI also imposed 80:20 scheme under which out of the total gold that is imported by the banks, 20% should be exported back. Indian consumers faced further obstacles as a result of country's government elections, particularly with respect to import curbs and whether they may be lifted in the rest of the year . This heavily impacted the demand for gold for this financial year. Against this the worldwide demand for jewelry especially countries like China, resulted in a steady growth in the total physical gold.

However import of Gold in India is expected to go up as Reserve Bank of India removed some curbs on imports of gold in May'14. **The total value of wealth in individual gold stands at ₹62.5 Lakh Crore up 3% from FY13.**

5.2 Real Estate

Overview and Market Size:

Real estate plays a crucial role in the Indian economy. It is the second largest employer after agriculture and is slated to grow at 30% over the next decade. The Indian real estate market size is expected to touch $180 billion by 2020[46]. The housing sector alone contributes to 5-6% of the country's GDP. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. According to a report by global Property Consultant CBRE, the contribution of real estate sector to Indian Economy in 2013 was about 6.3%[47] in absolute terms this is about 121[48] billion USD.

Investment through FDI route:

From April 2000 to February 2014, cumulative FDI of $23.1[49] billion has come into the realty sector, 11% of total inflows. Currently, 100% FDI is permitted through the automatic route in the sector, which cover townships, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional-level built-up infrastructure.

Segments of Real Estate Sector:

Real Estate Sector in India is fragmented into Residential Space, Commercial Space, Retail space, Hospitality Space and SEZs. The Residential Real Estate sector attracts the individual investors whereas other real estate spaces see the participation of institutional investors. The Residential Segment contributes about 80%[50] to the real estate sector and is expected to grow significantly in the next decade. However, the year 2013 was a dull year for the real estate sector. Absorption of residential units in most cities such as Mumbai, Delhi-NCR and Pune went down in the first three quarters of 2013. Slowing income growth, sustained weakness in the rupee, sky-rocketing inflation and high borrowing rates combined to make consumers vary of spending.[51]

According to a recent report, India Office Market View Q3 2014, by US-based CBRE, office space demand remained strong with around 8 million Sq. ft. of office space getting absorbed across the leading cities of the country.

Impact of the new government:

India's Real Estate sector has got an optimistic push from the new government led by Narendra Modi whose announcement on housing sector in 2014 budget has encouraged both buyers and developers.

The Prime Minister's performance, his policies and the sentiment continue to be broadly positive. The real estate industry has welcomed Narendra Modi's steps to boost the sector. Reduction in interest rates on home loans, lowering the size of FDI in real estate, announcement to develop 100 smart cities, formation of REITs are definite steps that will put the real estate industry on the positive track.

The introduction of REITs is a much-awaited, welcome move from the government. It is a step that will provide a new source of funding for cash-strapped developers that are struggling to reduce

46 CREDAI-Confederation of Real Estate Developers' Association of India
47 CBRE India
48, 50 KPMG Report on ' Indian Real Estate-Opening Doors 2014'
49 DIPP-Department of Industrial Policy and Promotion, Government of India.
51 Jones Lang LaSalle

debt. Reducing the minimum commercial real estate asset sizes from ₹1,000 Crore to ₹500 Crore for listing REITs in India is likely to encourage many mid-sized development firms to consider this avenue. It will enable developers to both unlock value and create liquidity. On the other hand, REITs will reduce individual speculation in real estate assets and allow for more professional investment and management in the sector. REITs will help buyers benefit from real estate price appreciation without any hassles associated with buying and maintaining properties.

With the government increasing the deduction limit for interest on loan for self-occupied properties from ₹1.5 Lakh to ₹2 Lakh. This will not only help home borrowers save more money but also boost the real estate sector, which in the last couple of years has seen a slump in demand. Depending on the tax slab, a person could save between ₹5,000 and ₹15,000 a year. This will tempt a lot of first-time buyers at the entry level.

Investment in Real Estate Abroad:

Apart from investing in India's property, individuals also invest in immovable property abroad. These investments made abroad come under the Liberalized Remittance Scheme governed by the RBI. Cumulative investments in FY14 made in real estate abroad stands at ₹2,507 Crore an increase of 29.71%

Investment in National Real Estate:

The Individual Wealth in National Real Estate is estimated to be about ₹50.36 Lakh Crore an approximate increase of 9.3% over the last year.

Table 25: Classification of Investment in Real Estate

Type	FY14 (₹ Cr.)	FY13 (₹ Cr.)	YOY Growth (%)
National	50,36,470	46,07,577	9.31
International	2,507	1,933	29.71
Total	**50,38,977**	**46,09,510**	**9.32**

Total wealth in Real Estate stands at ₹50.38 Lakh Crore.

5.3: Diamond

No place on earth has a longer or closer association with diamonds than India. The country is said to be the home of the first diamond mines, and the first written mention of commerce in diamonds appeared in Sanskrit some 3,000 years ago. India's Golconda mines produced some of the world's most famous diamonds, including the legendary Koh-I-Noor crystal and the Hope Diamond, which remain objects of popular fascination for their size, brilliance and colorful ownership histories. As recently as the 19th century, India was the principal source of diamonds, prior to the discovery of diamonds in Brazil and South Africa. Today, all but one Indian mine has been depleted, but the country remains the center of the cutting and polishing crafts. Approximately 90%[52] of the world's rough diamonds, representing more than 50% of their total value, are polished in India. As per the official statistics by the Gems

52 Bain and Company report on Global Diamond Industry

and Jewelry Export Promotion Council (GJEPC), India's polished diamond export increased by 25.47% at ₹1,18,870[53] Crore in 2013-14 compared to previous year. The growth in polished diamond exports was witnessed after September 2013 and the trend is still continuing. Much more recent is India's emergence as the world's third-largest market for diamond jewelry after United States and China. India surpassed Japan, the European Union and the Gulf region with annual retail sales of Diamond amounting up to $8.5 billion or about 12%[54] of the global demand in the year 2011.

Buoyed by surging demand for all kinds of jewelry-up 19% per year since 2005. Diamonds' share of the Indian jewelry market has grown from 24% in 2005 to 27% in 2011. In 2012, the country recorded retail diamond sale of $9.1 billion up by 2% as compared to previous year, while the world diamond retail sales was about $72.1[55] billion. **The Individual Wealth in Diamond is estimated at ₹7.8 Lakh Crore.**

5.4: Silver

The demand for silver in India comprises of demand for Jewelry and silverware, coins and medals and industrial silver used in electronics, alloys, photography and others. India hardly produces any silver and is a silver importing country. The country is one of the largest importers of the white metal in the world[56]. The three major silver producing states in India are Rajasthan, Gujarat & Jharkhand. Rajasthan is the leading silver producing state in India. Silver supply from imports amounts to 77.1%, 18.8% from secondary silver and 2.5% from Hindustan Zinc. Hindalco hold 1.7%[57] of market share.

Silver is considered as a hedge against inflation and also provides as an investment function. Far more affordable than gold, it is purchased by small families in the form of jewelry, while more wealthy farmers prefer bars, generally 15-30 kilos in size, which come from good delivery bars that have been chopped up. Farmers reportedly bury the silver bars in their fields along with the crops. After a bad monsoon, or if there is a crop failure, it is said that silver becomes the harvest. The demand for silver increased in India by 122%[58] as compared to last year as Indians flocked to silver on account of Indian restrictions in the gold trade. **The total household wealth that is channelized into silver is estimated to be ₹1.9 Lakh Crore.**

5.5: Platinum

Platinum jewelry is on the rise in India. It is eating into the traditional gold segment mainly because of changing consumer preferences. Indian men from upper middle class, who are in the age group of 25-40 years, are embracing platinum so much that men's jewelry today contributes to nearly 53% of the overall share of platinum jewellery sales.

Also price volatility and import curbs on Gold have boosted the sales of platinum jewelry in India. The Indian jewelry market has witnessed a staggering growth of 41[59] percent in the platinum jewelry segment in 2013-14.The price gap between gold and platinum has narrowed from 100% to 10-25% now. (Gold-₹2,849/gm, Platinum-₹3,054.5/gm). **The total Individual Wealth in the form of Platinum stands at ₹5,678 Crore up 63% from ₹3,466 Crore in FY13.**

53 Gems and Jwellery Export Promotion Council, India (GJEPC)
54, 55 Bain and Company report on Global Diamond Industry 2013
56, 57 Indian Commodity Exchange Ltd.
58 World Silver Survey 2014, produced by Thomson Reuters GFMS and published by the Silver Institute
59 Platinum Guild International

Section 6:

Individual Wealth-India versus World

Table below shows the proportion of investments in key asset classes by Individuals in India and globally. As it is evident from the table below, investments in debt instruments is highest among asset classes both globally and in India.

Table 26: Individual Wealth-India versus World

Key Asset Classes	India (%)	Global (%)
Equity	13	25
Debt (including Cash)	39	43
Alternate Asset (including Gold and other precious metals and gems)	28	13
Real Estate	20	19
Total	**100**	**100**

Indian's allocate a lot less of their wealth to equity as compared to global allocation, but this is projected to increase with more retail participation seen in the equity markets flocking to reap the benefits of the long term growth in India.

Investments in alternative assets form a larger portion in India as compared to that done globally primarily because of investments in gold, as Indian individuals prefer investing in gold higher as compared to other countries.

Section 7:

Survey on HNI Investment Behavior in India

Karvy Private Wealth conducted a primary research to gauge the investment behaviour of HNIs in India. HNIs were surveyed across regions and 8 cities[60] in India and their responses were recorded for a set of questions pertaining to investment patterns and behaviour.

Following insights were drawn from the research on Primary Source of Wealth

When asked about what is their Primary Source of wealth, 58% of the respondents said that their investable wealth comes from the accumulation of savings which they did while they were working. 31% of the respondents had their wealth created from Entrepreneurship, while the remaining 11% had their wealth from Inheritance.

Figure 14: Primary source of wealth

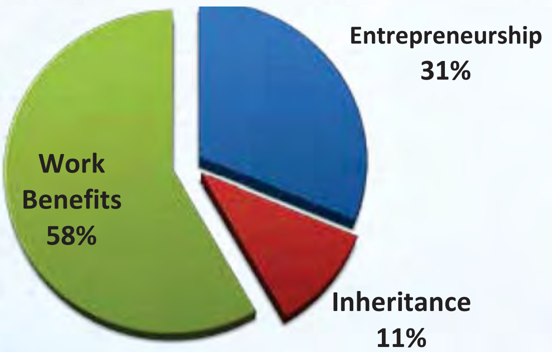
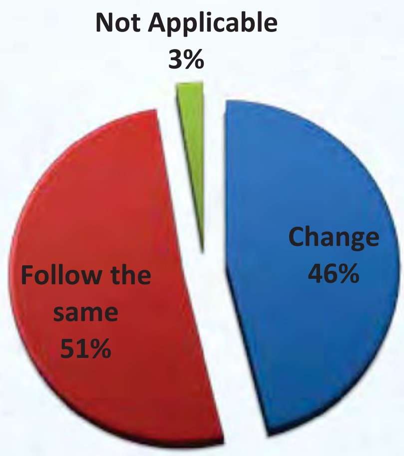


Figure 15: Asset Allocation Principal



Principle of Asset Allocation:

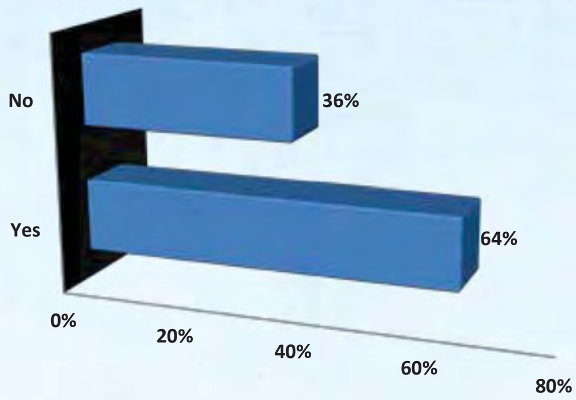
When asked whether they always follow their asset allocation principle or change according to the recent trends, 46% said that they change as per the recent trend, whereas 51% of them follow the same proportion of investing in different asset classes.

Investments in Real Estate:

Real Estate forms a major part of HNIs portfolio of Investment. When asked whether they owned a second home, 64% said that they have parked their money into real estate, whereas only 36% denied having such an investment. It was also observed that, real estate as a sector is gaining importance for HNIs as most of them also invested in other forms of real estate investments. Other than investing directly into Second homes, Real Estate NCDs are becoming popular among HNIs.

60 Cities surveyed were Mumbai, Pune, Delhi, Chennai, Hyderabad, Bangalore, Chandigarh and Kolkata.

Figure 16: Percentage of respondents having a Second Home

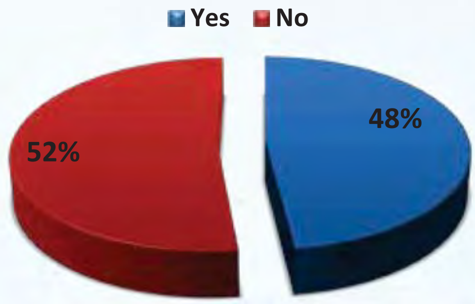


Trend in Corporate FDs Investment

Under the new Companies Act 2013, the companies are required to insure the deposits taken from the public. This was done basically to curb investment fraudulent schemes. However this somewhat impacted the once popular Company FDs among the HNIs. When asked whether they invested in Company FDs in FY14, 52% replied in negation.

Figure 17:

Trend on investing in Corporate FDs



Preference for Non-Traditional Asset Classes

Alternative Assets as well as International Equity are considered as non-traditional assets in India. Though Alternative Assets have carved their place in the portfolio of an Indian HNI Investor, International Equity is yet to find its charm among the investors with obvious reasons being lesser returns from the stable and developed equity markets. When asked whether their investments in Alternateive Assets have increased as compared to last year, 46% replied affirmatively, while 31% replied in negation and 23% said they never invested in them. When asked about investing in International Equity, 71% replied that they never invested in them and 29% said they have a small percent of investments into them.

Figure 18:

Investment in Alternative asset

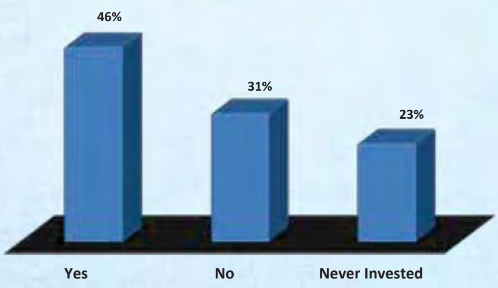
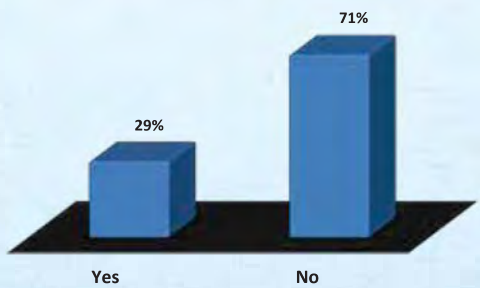


Figure 19:

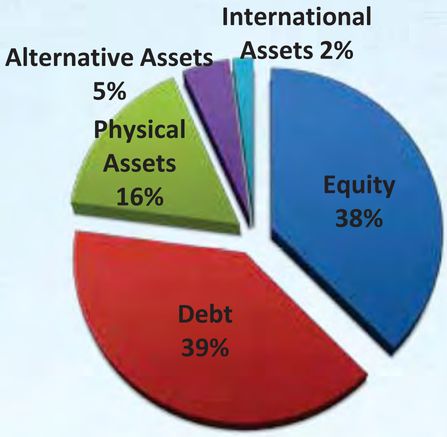
Investment in International Equity



Like a traditional investor, HNIs preferred to park their money in Debt and Equity. However, unlike a retail investor, the HNIs rated both the asset classes almost equally. Physical assets were preferred the 3rd best asset class for investment. Though non-traditional assets like Alternative Assets and International assets are gaining popularity among the HNIs, majority of the HNI section see these asset classes as riskier and therefore rated them as the least preferred asset class.

Figure 20:

Preference for Asset Classes in FY14

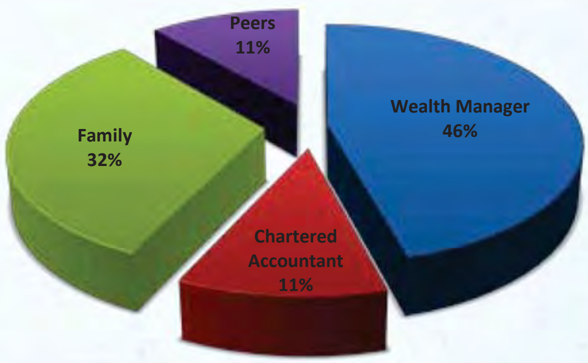


Investment Decision Influencer

In tandem with the HNIs all across the world as reported by the World Wealth Report 2014, HNIs in India rated the Wealth Managers to be the top decision influencers as far as investment decisions are concerned. 46% of them said that, their wealth manager's advice translated into investments, where as 32% said it is their family which influences such decisions. 11% each voted for Chartered Accountants and Peers as their investment decision influencers.

Figure 21:

Investment Decision Influencer



Section 8:

Future of Indian Individual Wealth

Optimism is back in the economy and many economic indicators show that the worst for the economy is now over (improved IIP, Services have started showing growth). The new government with no fear of the political chains of coalition can take bold decisions which will take the economy on a high growth path. Equity will reap the maximum benefits of this growth with the sensex expected to attain 100,000 levels by 2020.[61]

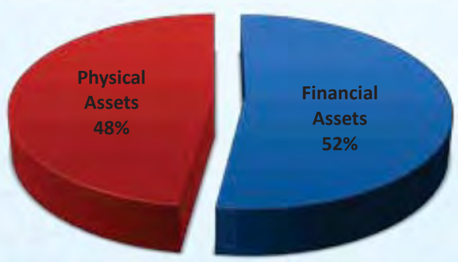
GDP growth rates of 6.5 to 7.5% are expected for the next five years taking the nominal GDP of FY19 to 3.2 Trillion USD from the current 1.8 levels. Also more of the household savings are expected to go to financial instruments and the financial to physical savings ratio is expected to return to the levels seen during the golden years of 2005-08 (45:55) from the current ratio of 36:64.

Total Individual Wealth is expected to reach ₹514 Lakh Crore in FY19 from ₹257 Lakh Crore in FY14 showing a CAGR of 14.86%. Financial Assets are seen posting a much faster growth than Physical Assets (high equity growth being a major reason for this) which is consistent with the economy embarking on a high growth path.

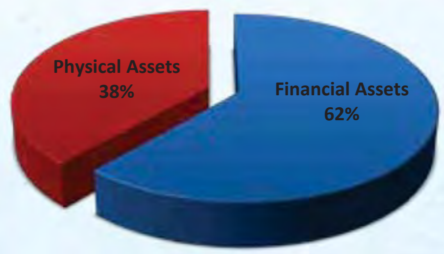
Table 27: Individual Wealth Forecast 2019

Asset Type	FY19 (₹ Cr.)	FY14 (₹ Cr.)	CAGR (%)
Financial	3,16,74,990	1,34,71,160	18.65
Physical	1,97,92,893	1,22,70,504	10.03
Total	**5,14,67,883**	**2,57,41,664**	**14.86**

Figure 22: Breakup of Financial and Phsical Assests in FY14 and FY19



FY14



FY19

Financial Assets are expected to grow to ₹316 Lakh Crore at a CAGR of 18.65% riding on the back of equity which is expected to show a CAGR of 33.16%. Equity is expected to increase it's share in financial assets from 19.79% to 35%. Fixed deposits are expected to lose share by 5.2% points. Insurance is expected to remain stable at 16.4%

Financial Assets are seen taking a bigger slice of the pie in FY19

Table 28: Projected Financial Wealth - Asset Class Wise Distribution in FY19

Asset Class	FY14 (₹ Cr.)	FY19 (₹ Cr.)	CAGR (%)
Direct Equity	26,66,202	1,11,61,434	33.16
Insurance	22,12,654	52,17,812	18.72
Fixed Deposits	28,71,764	50,94,547	12.15
Savings Deposits	16,28,628	24,07,439	8.13
Provident Fund	7,36,096	18,63,509	20.41
Cash	13,00,900	18,59,383	7.41
Mutual Funds	3,93,141	12,20,799	25.44
NRI Deposits	6,22,337	11,43,170	12.93
Small Savings	5,78,851	9,10,052	9.47
Current Deposits	3,08,125	3,85,549	4.59
Bonds	67,939	1,55,656	18.03
Pension Funds	48,136	1,19,319	19.91
Alternative Assets	23,728	96,150	32.29
International Assets	12,659	40,170	25.98
Total	**1,34,71,160**	**3,16,74,990**	**18.65**

Figure 23: Projected Financial Assets Class Wise Distribution in FY19

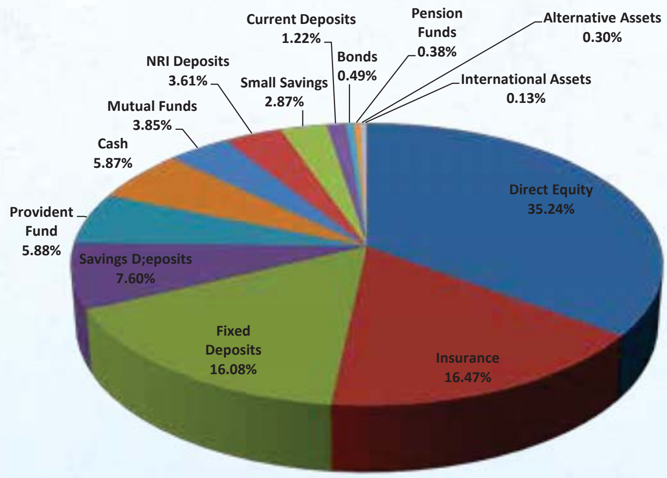


Table 29: Projected Physical Wealth- Asset Class Wise Distribution in FY19

Physical Assets are expected to grow at a CAGR of 10% to reach ₹197 Lakh Crore by FY19. Among the wealth held by individuals in Physical assets, wealth held in Platinum and Diamond are expected to grow faster than the traditional classes-Gold and Real Estate in the next Five Years.

Asset	FY19 (₹ Cr.)	FY14 (₹ Cr.)	CAGR (%)
Gold	1,00,48,964	62,53,263	10.0
Real Estate	77,27,275	50,38,981	8.9
Diamond	16,73,127	7,77,084	16.6
Silver	2,98,292	1,95,498	8.9
Platinum	45,236	5,678	51.4
Total	**1,97,92,893**	**1,22,70,504**	**10.0**

Future Trends

- The wealth held by individuals in financial assets has grown by 84% in the last 5 years at a CAGR of 13%. Considering the fact that the economy had not shown healthy growth in this period, this gives an indication of how wealth will grow when the Indian economy does well in the next 5 years.

- Overall Indian individual wealth is expected to grow at a CAGR of 14.86% and double over the next 5 years. Wealth held by individual in financial assets is expected to double in next 4 years at a CAGR of 18.25%. Wealth in physical asset is also expected to grow at a CAGR of 10.03% in the five years.

- The ratio of Physical to Financial Savings had reached an all time low of 69% to 31% in FY12. With the turnaround coming about in the economy we expect this to return to 50:50 in the next 5 years.

- The new government formed in May 2014 has undertaken a lot of initiatives to revive the Indian Economy & make it among the fastest growing economies in the world. Several new policy measures like Make in India, Development of 100 Smart Cities, opening of FDI in several sectors, Swachh Bharat Abhiyan, Free pricing of auto fuels, etc. will also go a long way in making India more competitive and productive.

- It is believed that the positive sentiments prevalent will translate down into acceleration of GDP growth and improved profitability for corporate India in times to come. The Indian economy is expected to reach a GDP growth rate of 7.5% by 2018.

- Due to macroeconomic revival, we are seeing possibly the beginning of biggest bull runs in India. Direct Equity will become the single largest asset class contributing to individual wealth in India in FY15 and is likely to remain there. We expect a 25% CAGR on the equity markets and look at the Sensex touching 1,00,000 level by 2020!

- Among the wealth held by individuals in physical assets wealth in Platinum and Diamond are expected to grow faster than the traditional classes – gold and real estate in the next 5 years.

- With the surge in equity markets & maturity levels of investors increasing, we expect PMS and Mutual Funds to grow at a rapid pace. On account of changes in the policy from new government invest. ments in Pension funds are also expected to gain importance in coming years.

- Efforts by the government in the space of financial inclusion by banking the unbanked will help a long way in increasing the savings rate of India, in moving surpluses from cash to financial assets and increasing the shift from physical assets to financial assets.

About Karvy

Founded in 1985, the KARVY Group has grown to become one of the leading financial groups in India. Our wide network spans more than 400 branches/offices across India, Dubai, New York, Singapore & more than 400 franchisees all over the country. The group operates multiple businesses – stock broking, IPO marketing, registry and transfer of shares, depository participants, mutual fund distribution and commodity broking among others – and is ranked among the top five in most of these businesses. The KARVY Group Services 60 million individual investors in various capacities, and provides investor services to over 400 corporates.

All this has been built upon the Group's unwavering commitment to integrity and transparency in all its dealings- a fact all our customers attest to. Out of this very culture of success has emerged Karvy Private Wealth, the wealth management arm of the KARVY Group.

Karvy Private Wealth focuses on providing wealth management solutions to High Net Worth Individuals and Business Families. Karvy Private Wealth provides a spectrum of innovative solutions to privileged individuals like you who need wealth management solutions to manage their hard earned fortunes efficiently.

At Karvy Private Wealth, we believe that expert wealth management is important to maintain the value of your wealth over a long period of time and to grow it to fulfill your aspirations and financial goals.

Disclaimer

The information and views presented here are prepared by Karvy Private Wealth or other Karvy Group companies. The information contained herein is based on our analysis and upon sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it.

The author, directors and other employees of Karvy and its affiliates may hold long or short positions in the various companies from time to time. Every employee of Karvy and its associated companies are required to disclose their individual stock holdings and details of trades, if any, that they undertake. The team rendering corporate analysis and investment recommendations are restricted in purchasing/selling of shares or other securities till such a time this recommendation has either been displayed or has been forwarded to clients of Karvy. All employees are further restricted to place orders only through Karvy Stock Broking Ltd.

The investments, if any, discussed or recommended here may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned here, investors may please note that neither Karvy nor any person connected with any associated companies of Karvy accepts any liability arising from the use of this information and views mentioned here.

The information given in this document on tax, if any, is for guidance only, and should not be construed as tax advice. Investors are advised to consult their respective tax advisers to understand the specific tax incidence applicable to them. We also expect significant changes in the tax laws once the new Direct Tax Code is in force – this could change the applicability and incidence of tax on investments.

Karvy Private Wealth (A division of Karvy Stock Broking Limited) operates from within India and is subject to Indian regulations.

Karvy Stock Broking Ltd. is a SEBI registered stock broker, depository participant having its offices at:

702, Hallmark Business plaza, Sant Dnyaneshwar Marg, Bandra (East), off Bandra Kurla Complex, Mumbai 400 051.

(Registered office Address: Karvy Stock Broking Limited, “KARVY HOUSE”, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034)

SEBI registration No’s:”NSE(CM):INB230770138, NSE(F&O): INF230770138, BSE: INB010770130, BSE(F&O):
INF010770131,NCDEX(00236, NSE(CDS):INE230770138, NSDL – SEBI Registration No: IN-DP-NSDL-247-2005, CSDL-SEBI
Registration No:IN-DP-CSDL-305-2005, PMS Registration No.: INP000001512”

KARVY PRIVATE WEALTH

A division of Karvy Stock Broking Limited

Office address : Karvy Private Wealth (A division of Karvy Stock Broking Limited),
702, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Bandra (East), off Bandra Kurla Complex, Mumbai 400 051.
Tel: +91-22-33055000, Fax: +91-22-33055033

Registered Office Address : Karvy Stock Broking Ltd., KARVY HOUSE 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.

SEBI Registration No's. : "NSE(CM) : INB230770138, NSE(F&O) : INF230770138, BSE : INB010770130,
BSE(F&O) : INF010770131, NCDEX : 00236, NSE(CDS) : INE230770138, SEBI Registration No. : IN-DP-NSDL-247-2005,
CSDL-SEBI Registration No. : IN-DP-CSDL-305-2005, PMS Registration No. : INP000001512"