

### Financial literacy is the key to financial freedom: Hemant Beniwal

In an interview with **FAAIDA**, **Hemant Beniwal, Director, Ark Financial Planners** says, “The onus of a successful financial advisory system lies in the hands of the people.”

**Can you tell us about ‘Ark Financial Planners’ and its mission & services? What services do you offer?**

Ark Financial Planners is a fee based financial planning firm which is serving Indian clients across the globe. Our more than 50% clients are NRIs. Our priority is to help clients achieve their goals. Not only fulfillment of their goals is our responsibility, but we also make sure that this entire process of managing wealth is independent, comprehensive and competent. We ensure that our clients get an understanding of the investments and use resources in such a way that they get the most from their life stressing over financial matters.

We focus upon comprehensive financial planning only as we believe that financial planning is the only way through which people can achieve their financial goals. But recently we received lot of queries about single element planning so we have extended our services to - basic financial plan, retirement planning, investment planning, estate planning, mutual fund portfolio reviews and consulting. At Ark, we ensure that whole process is very interactive & learning so that client feels involved.

**Can someone get hourly financial planning and tax advice to get a big picture? How do I know if the cost of financial planning is worth it for me?**

Hourly financial planning consultancy is a very new concept in India. We live in a country where people think advice is a free gift and the price is always built in the product. We have recently added the only consultation (fee only) in our services and we are getting very positive response. Investors are sharing their concerns and find it a very satisfactory experience.

Many investors who are using this service actually want a comprehensive financial planning service.

Cost of financial planning is definitely worth it; although it is a very big & subjective question. We are not dealing in tangible products so the client can't see the outcome now. The plans that we make are a road map for 40-50 years & don't provide any instant gratifications. For making people understand its worth, we always tell them the likely outcome & show sample plans so that they can decide whether they want to get involved in this process or not.

But a big problem in Indian context is that the term ‘financial planning’ & ‘financial planner’ has been misused to sell financial products. Till now the planning part is completely overlooked and that has added to confusion. Clients must be willing to pay the fees for impartial advice, just the way they pay doctors for diagnosis. The onus of a successful financial advisory system lies in the hands of the people.

**What information should one bring along to get maximum value for time spent with the planner?**

Financial planning is all about achievement of one's financial goals. So before a person reaches a planner he should ask himself: What are my financial and life goals? Where am I standing today in relation to my goals? How will I reach my goals from where I stand today? The best way I think is that he should write these questions and the answers on paper. He should also



carry the supportive documents. I think this can become the foundation of client - planner relationship.

**How many fund houses do you deal with? In which fund house do you have the maximum AUM (in terms of percentage)? Tell us your favorite all-time MF schemes and fund managers.**

We don't think this way. We deal with almost all mutual funds and financial products. But suggestion for product is according to the client's need. In mutual funds, we have some good fund houses with consistent fund management but as such there is no favorite kind of thing. We have designed our internal fund selection criteria and once it matches to client's objective we suggest a particular fund. For example, at times we say no to even Reliance Growth Fund - undoubtedly best performing fund till date, if it doesn't fit in our scheme selection criteria.

**What three books related to personal finance would you recommend every person read and why?**

I have read 100 plus books on personal finance & investments but there is no single book which I can recommend as 'Nirvana'. And the problem is you hardly will find a good Indian book on this subject. Still if I have to recommend 3 books first will be – "The Cash Flow Quadrant" by Robert Kiyosaki. This book tells about difference between assets & liabilities and also tells how to manage your cash flow which is very important for any person to achieve his financial goals. This is a must read for everyone and will change the perception about money. Second will be

- "The Rule of Wealth" by Richard Templar. This book talks about very simple but important concepts about money. Finally, here comes the investment bible – "The Intelligent Investor" by Benjamin Graham. Even Warren Buffett recommends this book by quoting, "By far the best book on investing ever written."

**How would you suggest a common investor ensure that their accounts are protected and not invested in dubious instruments?**

Mis-selling is making new peaks every year and for common investors it's very tough to identify what is right or what is wrong. With the agents, even manufacturers are trying to milk naive investors. Best way is one should have a written financial plan.

This helps in two ways. First is that your focus moves away from – "What is new in the market?" to "Will this product be helpful to achieve my goals?" Secondly, it will eliminate the risk of mis-selling as the advisor is giving recommendations in writing.

**Has the no-load regime affected your business?**

Yes it has; but in positive way. This was a path breaking decision by the SEBI. It was very much required. Clients now know they have to pay for the advice but how much, is still a general question. Earlier in India fees for advice was an unheard word for clients. Once a person knows he has to pay, he starts looking for advisor who can guide him in a right way.



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