राष्ट्रीय वित्तीय शिक्षा केन्द्र
National Centre for Financial Education

Promoted By :

Quarterly e-newsletter (April-June 2021)
4th Edition

संचय
'Towards a Better Financial Future'

IN FOCUS

- **Events, Appointments & Achievements**
- **Highlights of Financial Education Programmes**
- **Media Coverage**
- **Activities in Financial Sector**
  (Banking, Securities Market, Pension & Insurance Sectors)

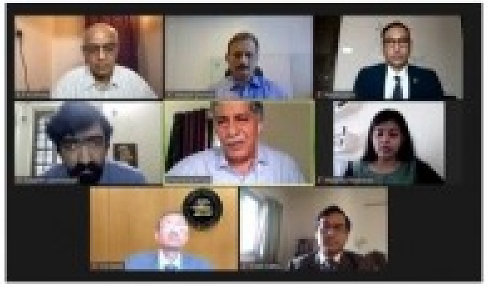
Appointment of Smt. Sonali Sengupta as Director

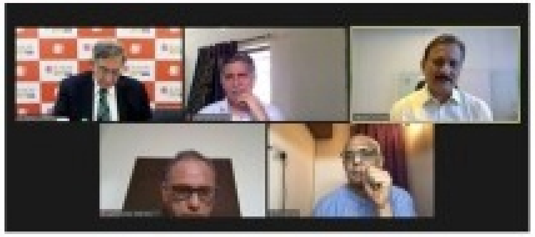
Smt. Sonali Sengupta, the Chief General Manager-in-charge, Financial Inclusion and Development Department (FIDD), RBI has been appointed as a new Director of NCFE.

Release of Annual Report 2020-21

Shri G P Garg, the Chairman, NCFE has released the First Annual Report 2020-21. The document is available on our website at
www.ncfe.org.in/index.php?option=com_content&view=article&layout=edit&id=181

Workshops on Investor Education and Protection in India's Banking Sector held on June 21 & 22, 2021





In continuation to the series of workshops on investor education in the financial sector, the 4th and 5th workshops were held on June 21 & 22, 2021 respectively. These two workshops focused on the **banking sector** and were held virtually.

The 4th workshop was chaired by **Shri T Rabi Sankar,** Deputy Governor, Reserve Bank of India. Overall Context Setting was provided by **Shri Satyajit Dwivedi,** CEO, NCFE**.** Opening Remarks were provided by **Shri K P Krishnan,** IEPF Chair Professor, NCAER & Closing Remarks were provided by the chairman **Shri T Rabi Sankar.**

Shri Sameer Nigam, **Founder & CEO, PhonePe**; **Shri Srikanth Lakshmanan**, **Founder, Cashless Consumer**; **Shri Navin Surya, Chairman Emeritus, Payment Council of India** and **Shri V G Sekar, Chief General Manager, RBI (Former Banking Ombudsman)** attended the programme.

The workshop focused on **the payment & settlement systems**. The discussion entailed on how technology is reshaping the payments and settlement ecosystem and its impact on consumers. The panel deliberations included the need for a **separate financial consumer protection law** in India, whether consumer protection should extend to price control, and the possibility of ex-ante market caps for addressing concentration in payments.

The 5th workshop was chaired by **Shri Anil Kumar Sharma,** Executive Director, Reserve Bank of India. Overall Context Presentation was provided by **Shri Satyajit Dwivedi,** CEO, NCFE**.** Opening Remarks were provided by **Shri K P Krishnan,** IEPF Chair Professor, NCAER & Closing Remarks were provided by the chairman **Shri Anil Kumar Sharma.** The government's viewpoint was presented by **Shri Pankaj Jain,** Additional Secretary, Department of Financial Services.

Shri Sanjiv Chadha, MD & CEO, Bank of Baroda; **Shri Arvind Vohra,** Head (Retail Branch Banking), HDFC Bank**; Shri Amol Kulkarni,** Director (Research), CUTS International **and Dr. Amitha Sehgal,** Honorary Secretary, All India Bank Depositors Association attended the programme.

The workshop focused on **banking and credit**. This included consumer advice in banking branches, quality of financial inclusion, systems of regulation and supervision and the future of banking and credit. The panel discussion focused on several challenges faced by depositors. These included falling rates of interest, KYC verification and lack of options to have multiple nominees for a bank account.

NCFE - FE PROGRAMMES

FEPA
Financial Education Programme for Adults

Identified Target Groups *

FACT
Financial Awareness and Consumer Training

College Students

FETP
Financial Education Training Programme

School Teachers

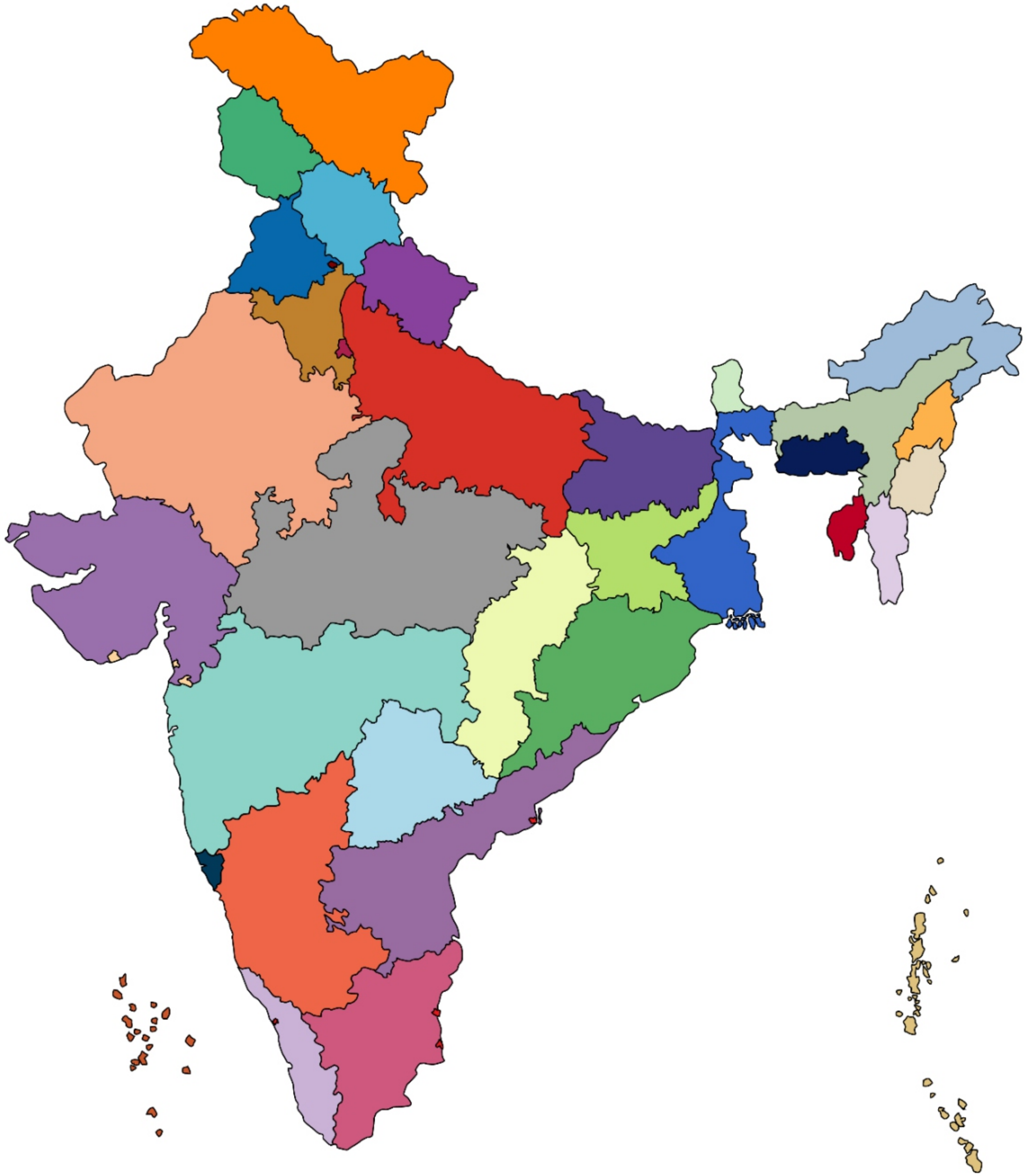
MSSP
Money Smart School Programme

School Students

* **SHG members, Asha & Anganwadi workers, Housewives, MGNREGA Beneficiaries, Rural Folks, Lower Income Group, Middle Income Group, MSMEs & Potential Entrepreneurs, Employees of any Organization, Industrial Workers, Farmers / FPOs, Senior Citizens etc.**

In spite of **Second Wave of COVID Pandemic and Consequential Lockdowns** imposed by each state and UT across the nation, NCFE has conducted **650+** Financial Education Programmes during April - June 2021 and reached **31,000+** beneficiaries through **1300+** training hours.

NUMBER OF FE PROGRAMMES CONDUCTED IN EACH STATE / UT



*** MAP NOT TO SCALE**

108	Jammu & Kashmir	04	Jharkhand
27	Himachal Pradesh	18	West Bengal
05	Punjab	06	Assam
03	Chandigarh	10	Nagaland
39	Haryana	04	Mizoram
14	Delhi	07	Tripura
21	Uttarakhand	10	Maharashtra
25	Rajasthan	62	Odisha
118	Uttar Pradesh	06	Telangana
76	Bihar	11	Andhra Pradesh
26	Gujarat	11	Karnataka
09	Madhya Pradesh	04	Kerala
05	Chhattisgarh	36	Tamil Nadu
		08	Puducherry

OUTREACH OF FE PROGRAMMES

Geographic Reach
States - 23
UT's - 04

Aspirational / LWE / Hilly Districts
300+ programmes conducted
and covered 11,580+ beneficiaries

School Teachers
1,400+ Trained and Certified
through FETP

School Students
7,200 + registered
through MSSP

College Students
7,800+ reached through
FACT

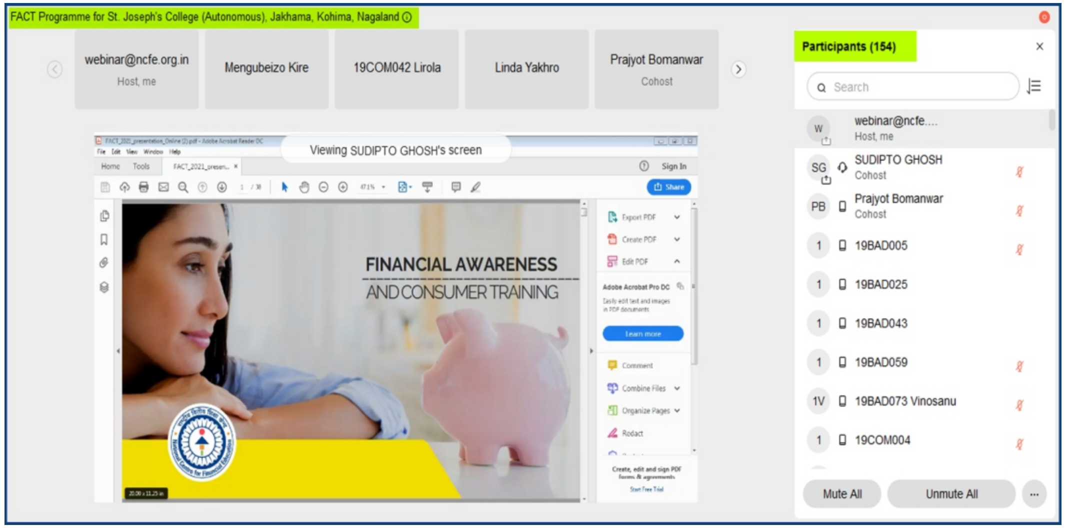
Women
5,700+ covered
through FEPA

Farmers / FPO's
5,200+ covered
through FEPA

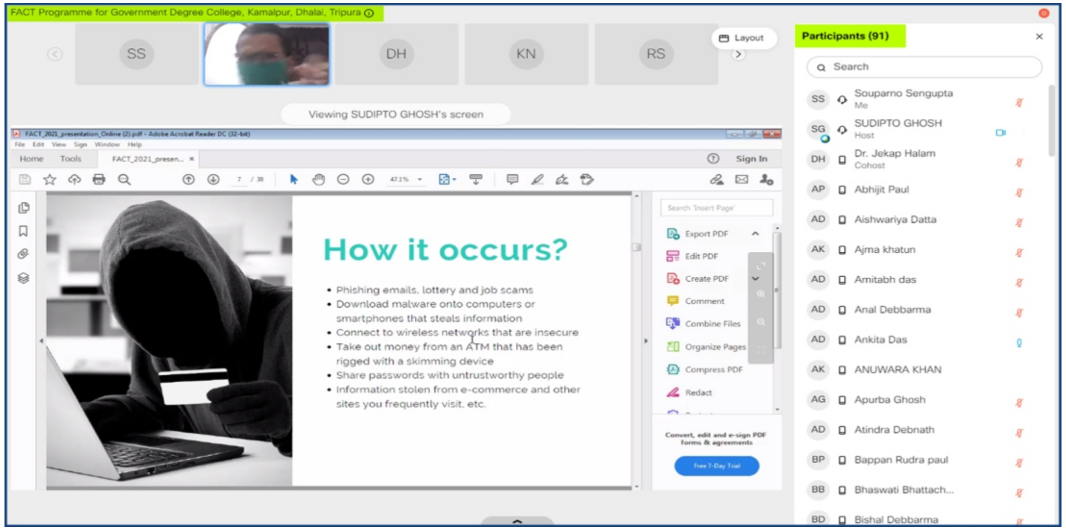
Migrant Labour
700+ covered
through FEPA

**Potential Entrepreneurs/
Industrial Workers**
1,400+ covered through FEPA

GLIMPSE OF FE PROGRAMMES



College Students, St. Joseph's College, Kohima - Nagaland



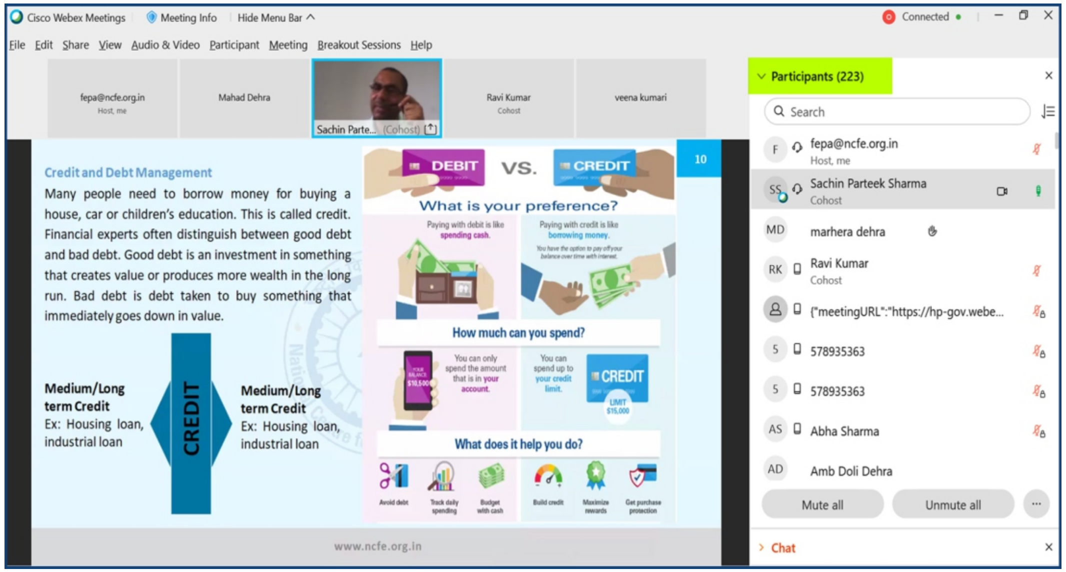
College Students, Government Degree College, Dhalai - Tripura

Skilled Trainees, PNB-RSETI, Hisar - Haryana

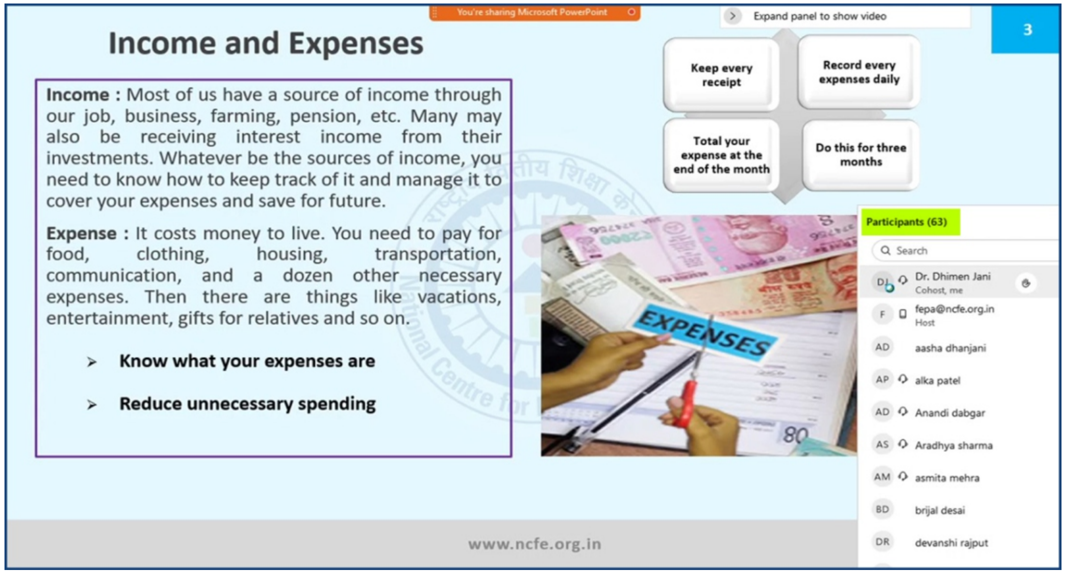
DDU-GKY Trainees, Udhampur - Jammu & Kashmir

Migrant Labour, Mangal Bricks Industries, Hisar - Haryana

Farmers, Chhindwara - Madhya Pradesh

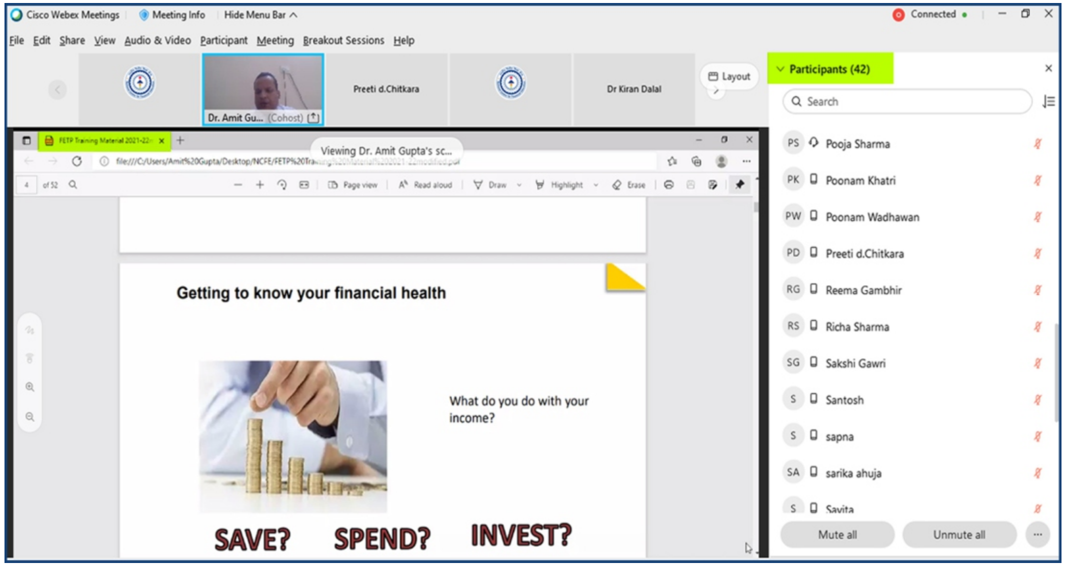


Anganwadi Workers, Supervisors & Office Staff, Kangra - Himachal Pradesh



Women Group, Godhra - Gujarat

Migrant Labour, Budgam - Jammu & Kashmir



School Teachers, Bright Scholar Senior Secondary School, Sonipat - Haryana

School Teachers, Carmel School, Hazaribagh - Jharkhand

Farmers, Rural Folks & MGNREGA Beneficiaries, Narmada - Gujarat

MEDIA COVERAGE

ITL, Dwarka, organises session on financial education

Under the able guidance of its principal Dr. Sudha Acharya, ITL Public School, Dwarka, in collaboration with National Centre for Financial Education (NCFE), organised an interactive session on financial education for its teachers to make them money smart.

The session was conducted by NCFE trainer Monica Sachdeva, who explained all the four pillars of financial management -- banking, investments, insurance and pensions -- with the minutest of details in a comprehensive manner.

In the course of the session, the resource person discussed the right way of using our credit options like credit cards and how one can prevent himself/herself from falling into credit trap.

Monica very systematically put forward the various components of stock markets including shares and different categories of mutual funds. She expounded their working and benefits. In addition, she also explained the tax exemption schemes.

She elucidated upon a variety of insurance and pension plans which could be availed across geographies and jobs. The key takeaways included the setting up of long-term and short-term goals for saving.

She also emphasized on starting to save early and the importance of spending, saving and investing correctly so that we may earn maximum returns on our investments and make our future safe.

She glossed over on a very basic formula for savings which was appreciated by all the attendees { (Salary – Needs) – savings = Wants } The session was very fruitful and informative as the teachers also asked a number of pertinent questions. The very aim of the session was achieved as all the teachers who participated in the session were empowered with the knowledge of how to handle the finances in the best possible manner.

An interactive session on financial education was organised for the school teachers under the guidance of principal Dr Sudha Acharya

वित्तीय शिक्षा जागरुकता अभियान के तहत ऑनलाइन कार्यशाला आयोजित

राष्ट्रीय पहल संवाददाता

प्रयागराज। जनपद मे आरती हरिचंद्र की अध्यक्षता में ऑनलाइन कार्यशाला तकनीकी और सामाजिक अनुसंधान अकादमी (टीएसआरए) वाराणसी-221005 (भारत) का आयोजन किया गया। कार्यशाला में शेखर ने अपनी महत्वपूर्ण भूमिका निभाई, जिसमे वाराणसी के कई लोग उपस्थित होकर ,भारत सरकार द्वारा चलाये जाने वाली योजना के अंतर्गत जानकारी हासिल की, जिसमे सेबी,आर.बी.आई,आई.आर.डी.ए, पी.एफ.आर.डी.ए की कार्य योजना को बताते हुये बैंक से जुडी सरकारी योजनाओं की जानकारी एवं इस कोरोना काल में चल रही धोखा -धडी को रोकने के लिए लोगों मे जागरुकता और बैंक के द्वारा एस.आई.पी म्यूचुअल फंड ,और शेयर बाजार से जुडी महत्वपूर्ण जानकारी प्राप्त हुई।

PART I

Financial literacy for kids

With the new age evolution, we are somehow coping up with the express pace of life but we might have missed some basic lessons to teach our kids that were introduced by our parents to us. Financial literacy is one such lesson. We can't blame our kids for lavishly spending when we did not introduce financial literacy in their foundational years. Having said that, it is never too late to start. Not only kids but many adults are still struggling to grasp this habit. Ready to teach the younger ones? Here are some interesting ways by which we may teach our kids to save some money to develop a habit or maybe for the unforeseen future.

TALK ABOUT THE IMPORTANCE OF SAVING MONEY: To teach something to the younger ones, one needs to first initiate talking about it. When the kids see a dialogue taking place in the house, they try to involve themselves. That's when you can tell them about effectively managing finances and how to build on them. Ask for their suggestions for the house's monthly budgeting plans. Always, try to keep the conversation near to reality and not just quote famous people from the relevant sector.

GO SLOW AND STEADY: When it comes to financial literacy, you need to begin with one topic at a time. Let the kids understand one topic before starting with the next one.

YOU MAKE REGULAR INVESTMENTS: Another way where you can speak about finance management is by setting an example. When the kids see you committed to financial goals, they too try to develop a similar inclination. Remember kids, learn from you and look up to you as an idol.

GIVE KIDS THE OPTIONS TO SAVE THEIR MONEY: Like a piggy bank, you gifted when the child was in foundational years, give them options to save their money. You may wish to open a bank account for them. This will not only smoothly introduce banking from a tender age but they will also learn its functioning at an early age.

JAYDEB KAR, CBSE Helpline counsellor

STUDENT EDITION
TUESDAY, JUNE 22, 2021
TIMES nie

PART II

Financial literacy for kids

Remember the colourful mud 'Gullack' (piggy bank) you were obsessed with when you were just 5years old? Or have fond memories of your mother making sure to save a few thousand bucks in her kitchen dabbas?

That's how the habit of saving and understanding the importance of regular investments was introduced to kids in the golden era.

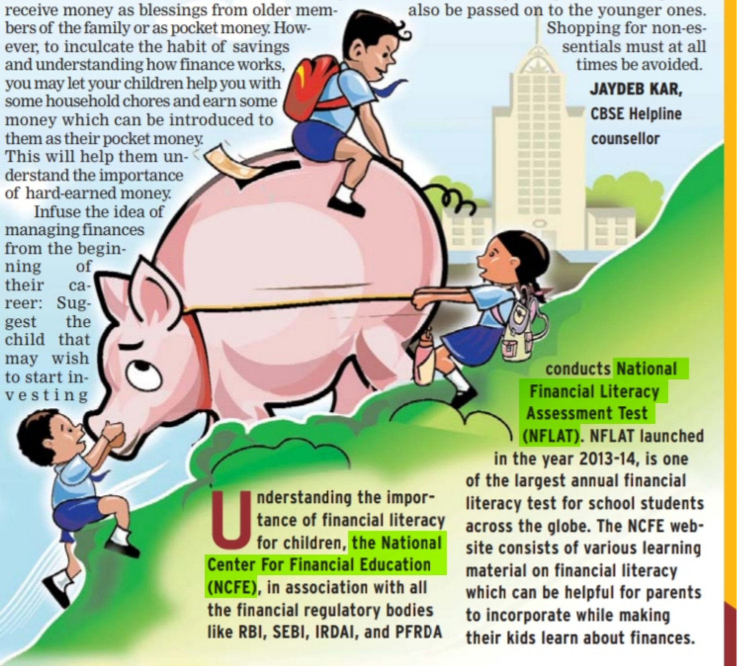
We know that habits are not developed overnight, one needs the willpower to be consistent but once developed, it will fetch you good results in the long run. Here are a few more tips you can choose from, to introduce financial literacy to your kids:

-Make them earn and save: Kids normally receive money as blessings from older members of the family or as pocket money. However, to inculcate the habit of savings and understanding how finance works, you may let your children help you with some household chores and earn some money which can be introduced to them as their pocket money. This will help them understand the importance of hard-earned money.

Infuse the idea of managing finances from the beginning of their career: Suggest the child that may wish to start investing with small amounts even if they have just started their career and are making some money for their survival. At the initial stage, they may opt for a 5% rule. Just save 5% of total earnings regularly and it may build money for the future. Say it with an example: Whatever you recommend to the child, support it with an example that worked in reality. It will be more relatable for them rather than plain words. When you give an example, it leaves a lasting impact on the kid's mind.

Essential shopping rule: With the recent lockdowns and frequent market shuts we learned to survive with only essentials and considered the same as a luxury. This golden learning must also be passed on to the younger ones. Shopping for non-essentials must at all times be avoided.

JAYDEB KAR, CBSE Helpline counsellor



Understanding the importance of financial literacy for children, the National Center For Financial Education (NCFE), in association with all the financial regulatory bodies like RBI, SEBI, IRDAI, and PFRDA conducts National Financial Literacy Assessment Test (NFLAT). NFLAT launched in the year 2013-14, is one of the largest annual financial literacy test for school students across the globe. The NCFE website consists of various learning material on financial literacy which can be helpful for parents to incorporate while making their kids learn about finances.

E-LMS
(E-Learning Management System)

Free E-learning Course on Basic Financial Education

For Registration, Please Visit :
https://ncfearthashiksha.in

NFLAT

Globally One of the Largest FREE Annual Financial Literacy Test For School Students of Class 6 to 12

For School Registration, Please Visit :
https://schoolexam.ncfe.org.in

Essence of Financial Planning

Employee Corner

Ram & Shyam, the two persons having the same age, skill set, education and financial background joined a factory in a similar position in 2015 on contractual basis with the same salary. They were not covered by any social security schemes and other benefits from the employer. Both were married and had dependent children.

Case1:

Ram used to spend the money as per his needs. In the remaining salary, he used to diversify the investments in **PPF, NPS,** Mutual Funds and some portion of his earnings in health insurance and other government schemes like APY, **PMSBY & PMJJBY.** In the year 2020, he constructed the house availing the benefits of **PMAY** & loan from a nationalised bank. He took 80% of amount loan from the bank and the rest of the amount, he managed through his savings and investments. He insured his loan amount that would cover his debt and pay off his financing institution in case any eventuality. His house was also insured against a wide range of perils, namely Fire, Natural Catastrophes, Impact Damage of any kind, Riot, Strike, Malicious Damages and Acts of terrorism etc.

Case 2:

Shyam used to save only a little amount of money. Because of lack of financial awareness, he did not plan for any kind of investments and insurance. In the same year 2020, he constructed the house (same cost as that of Ram) availing the loan of 100% amount from a money lender at higher rate of interest. He didn't insure his house (property insurance).

Due to natural disaster in the area, both the houses collapsed and Ram & Shyam died. But their dependent family members were safe.

The dependent family members of Ram availed life insurance benefits and they were not asked to pay the house loan **EMI** and also the insurance against the property was settled by the insurer. The dependent wife was provided **APY & NPS** benefits as per the rules. To some extent, the dependent family members availed the financial stability because of the financial planning of Ram.

Due to lack of financial awareness and nil financial planning of Shyam, the dependent family members could not avail the financial stability as those of Ram. They had to pay the installment to money lender on regular basis. Due to heavy damage of the house, they had to take a rented portion immediately leaving the house as such. Thus, the family had to face the high financial burden owing to this sudden eventuality.

Conclusion:

From the analysis of the above two cases, we can understand that one should know and practice the financial planning in his/her life and avail the financial stability such that even in his/her absence/death, his/her dependents should not suffer from any financial obligations.

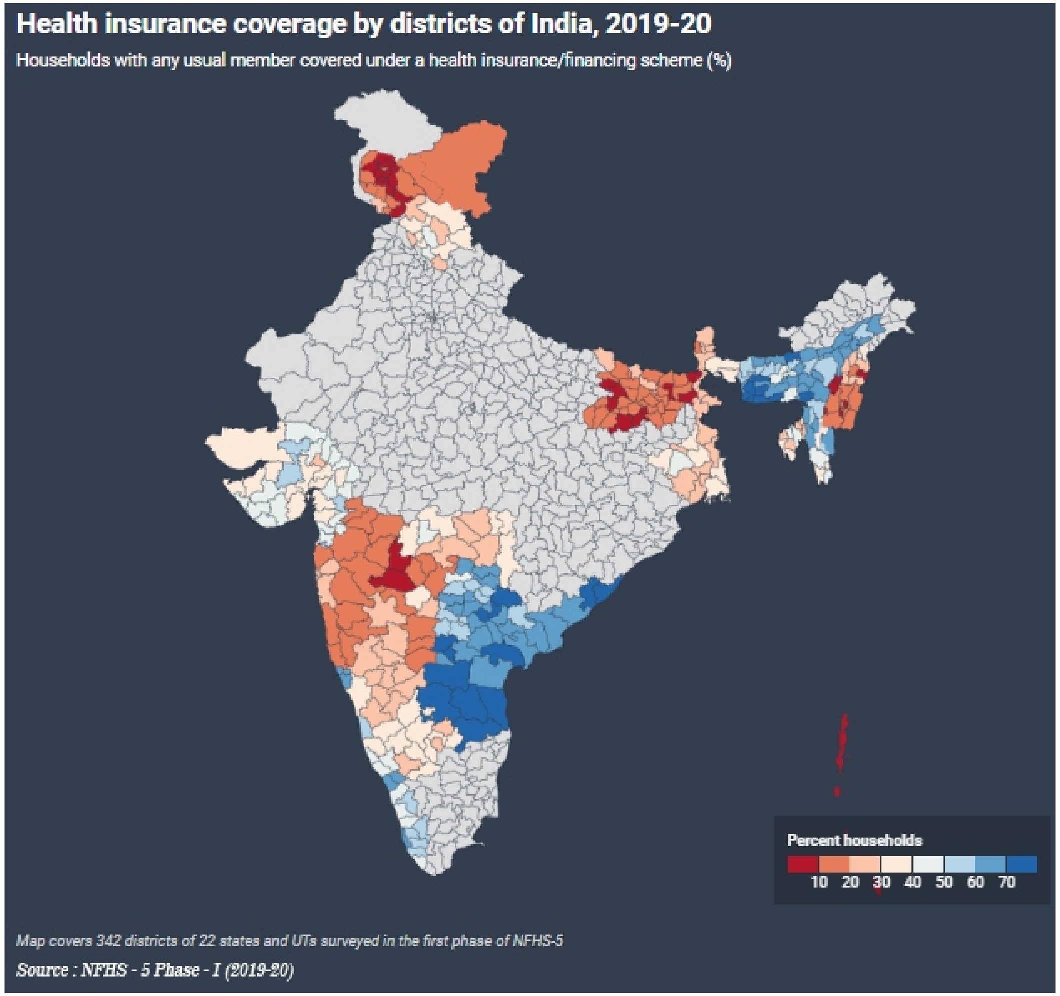
Glossary of Abbreviations used in this Article

APY	Atal Pension Yojana
EMI	Equated Monthly Installment
NPS	National Pension Scheme
PMAY	Pradhan Mantri Awas Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PPF	Public Provident Fund

Written by
Deshpande Abhishek,
Assistant Manager, NCFE

NECESSITY TO HAVE A HEALTH INSURANCE POLICY

Knowledge Corner



1. Health insurance coverage still remained well below half the population in most of the Indian states and union territories, according to the latest National Family Health Survey (NFHS-5).

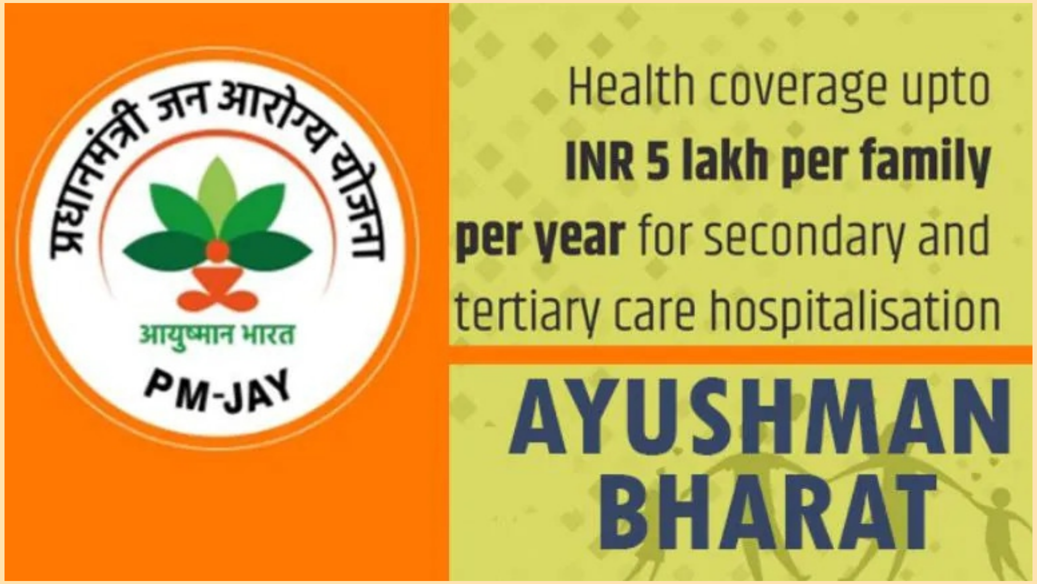
The COVID-19 pandemic made us realise that future is uncertain, and medical emergency can take place anytime. Health Insurance is must to protect us from any medical emergency.

We all are following social distancing and taking health precautions, measures but along with precautions, we need health insurance as well.

2. The health insurance policy holder/s get the benefits of pre and post hospitalisation coverage, reimbursement of hospitalisation expenses and in case of critical illnesses, the policy even pays out lumpsum benefits.

Further, cashless hospital facility is helpful at the time of emergencies so that the medical treatments would start immediately without delay and without getting stress in arranging money to make advance medical payments.

3. Ayushman Bharat, a flagship scheme of Government of India, was launched as recommended by the National Health Policy 2017, to achieve the vision of Universal Health Coverage (UHC).



Key Features of PM-JAY www.pmjay.gov.in

- PM-JAY is **the world's largest health insurance/ assurance scheme** fully financed by the government.
- It provides a cover of **Rs. 5 lakhs per family per year** for secondary and tertiary care hospitalization across public and private empanelled hospitals in India.
- Over 10.74 crore poor and vulnerable entitled families (approximately 50 crore beneficiaries) are eligible for these benefits.
- PM-JAY provides **cashless access to health care services** for the beneficiary at the point of service, that is, the hospital.
- PM-JAY envisions to help mitigate catastrophic expenditure on medical treatment which pushes nearly 6 crore Indians into poverty each year.
- It covers up to 3 days of pre-hospitalization and 15 days post-hospitalization expenses such as diagnostics and medicines.
- There is no restriction on the family size, age or gender.
- All pre–existing conditions are covered from day one.
- Benefits of the scheme are portable across the country i.e. a beneficiary can visit any empanelled public or private hospital in India to avail cashless treatment.
- Services include approximately 1,393 procedures covering all the costs related to treatment, including but not limited to drugs, supplies, diagnostic services, physician's fees, room charges, surgeon charges, OT and ICU charges etc.
- Public hospitals are reimbursed for the healthcare services at par with the private hospitals.

ACTIVITIES IN FINANCIAL SECTOR

Aadhaar based online e-KYC for NPS subscribers

The Aadhaar based online e-KYC authentication functionality has been enabled for subscriber registration in eNPS platform in addition to existing registration modes Aadhaar Offline e-KYC or through PAN & Bank Account.

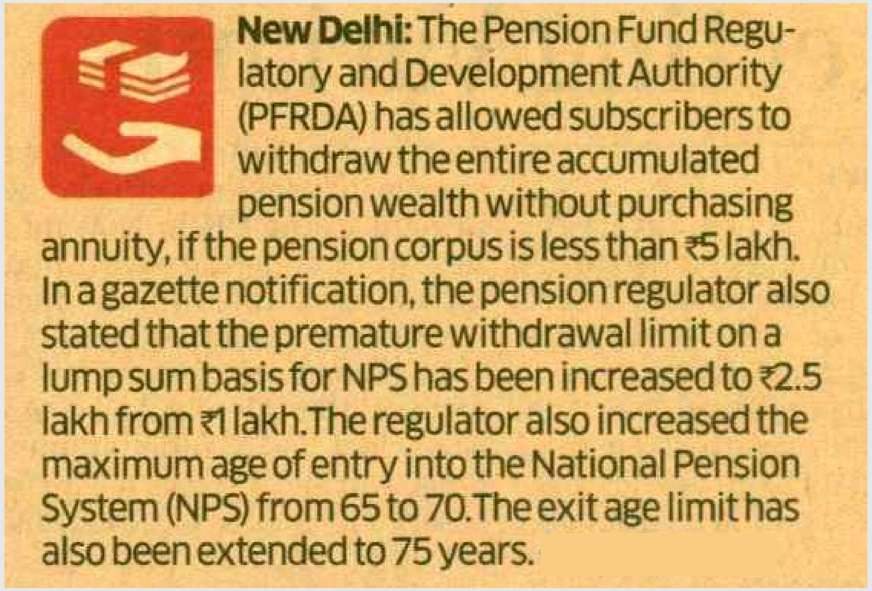
New NPS exit rules

The PFRDA has amended the premature exit rule for subscribers of the NPS Lite Swavalamban scheme. As per the amended rule, NPS Lite subscribers are not required to continue in the scheme for a minimum 25 years if their pension corpus is not more than Rs. 1 lakh and if they are not eligible for migrating to the Atal Pension Yojana (APY). The NPS subscribers can now register their withdrawal requests through digital means (the scanned and self-certified images of exit documents) to Points of Presence (POPs).

National Helpline for Preventing Financial Loss due to Cyber Fraud

The National Helpline **155260** and its Reporting Platform has been made operational (launched on 1st April, 2021) by the Indian Cyber Crime Coordination Centre (I4C) under the Ministry of Home Affairs, with active support and co-operation from the RBI, all major banks, Payment Banks, Wallets and Online Merchants for preventing financial loss due to cyber fraud.

No Annuity Rider for NPS Withdrawals Upto Rs. 5 Lakh



New Delhi: The Pension Fund Regulatory and Development Authority (PFRDA) has allowed subscribers to withdraw the entire accumulated pension wealth without purchasing annuity, if the pension corpus is less than ₹5 lakh. In a gazette notification, the pension regulator also stated that the premature withdrawal limit on a lump sum basis for NPS has been increased to ₹2.5 lakh from ₹1 lakh. The regulator also increased the maximum age of entry into the National Pension System (NPS) from 65 to 70. The exit age limit has also been extended to 75 years.

Source - PFRDA Official Twitter Page

RBI relaxed KYC (Know-Your-Customer) Norms till the end of 2021
RBI directed banks and other regulated financial entities not to impose any punitive action against customers for failure to update KYC till the end of 2021.

New Rules issued by RBI for the Prepaid Instruments
It shall be mandatory for PPI issuers to enable interoperability to the holder5s of full-KYC PPIs through authorised card networks & UPI **by 31st March, 2022**.

Loan Moratorium Rules Announced by RBI in 2021

New loan moratorium rules were announced by RBI in 2021. All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks); All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks; All India Financial Institutions; & All Non-Banking Financial Companies (including Housing Finance Companies) were permitted to allow their customers rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility, revisions in working capital sanctions, granting of moratorium etc. based on an assessment of income streams of the borrower.

The moratorium period may be for a maximum of two years. The extension of the residual tenor of the loan facilities may also be granted to borrowers, with or without payment moratorium. The overall cap on extension of residual tenor, inclusive of moratorium period, shall be two years.

To boost the insurance penetration in rural areas, IRDAI has mooted the concept of “Model Insurance Village”.

As part of this, 500 villages across the country are to be set up by the insurers in the first year and gradually scaled up to 1,000 villages in the subsequent two years

New Standard Travel Insurance Guidelines Introduced by IRDAI

Standard features of these plans will offer indemnity-based payment for hospitalisation expenses due to accident which will have range of sum insured per person from minimum Rs 1 lakh to maximum Rs 10 lakh and a benefit-based coverage for accidental death ranging from Rs 1 lakh to Rs 1 crore per person.

Guidelines on Policies and Claims Settlement of COVID 19 issued by IRDAI

IRDAI asked insurers to continue to renew & sell Corona Kavach and Corona Rakshak insurance policies (the special COVID-19 policies) launched in 2020 till 30th September, 2021

IRDAI advised insurers to communicate their cashless approvals to the concerned hospitals/establishments within a maximum time period of **30 to 60 minutes** so that there shall not be any delay in discharge of patients and hospital beds do not remain unoccupied. Also, the insurers were advised to ensure expeditious settlement of claims on cashless basis in accordance to the Service Level Agreements (SLAs) entered with hospitals, in case of "cashless claim" under a health insurance policy.

Credit Guarantee Scheme for Micro Finance Institutions

A new scheme to benefit the smallest of the borrowers who are served by the network of Micro Finance Institutions was announced by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. Guarantee will be provided to Scheduled Commercial Banks for loans to new or existing NBFC-MFIs or MFIs for on lending up to Rs 1.25 lakh to approximately 25 lakh small borrowers.

Investment advisers can't manage funds, securities on clients' behalf: SEBI

SEBI clarified that Investment advisers (IA) can't manage funds as well as securities on behalf of their clients and should not contemplate about asking power of attorney (PoA) in this regard. Such advisers can only provide investment advice to clients.

राष्ट्रीय वित्तीय शिक्षा केन्द्र

National Centre for Financial Education

Promoted By :

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This quarterly e-newsletter is a publication of NCFE, prepared & designed with the support and coordination of the Team NCFE.

The series of this publication are available on our website at www.ncfe.org.in/enewsletters

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