



राष्ट्रीय वित्तीय शिक्षा केन्द्र
National Centre for Financial Education
एक आर्थिक रूप से जागरूक और सशक्त भारत
A financially aware and empowered India

Promoted By :



Money Smart Teachers Programme (MSTP)

Creating a financially aware and empowered India.



National Centre for Financial Education (NCFE)

National Centre for Financial Education (NCFE) is a Section 8 (Not for Profit) Company promoted by Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA).

NCFE has been mandated to develop and implement the National strategy for Financial Inclusion (NSFI). This NSFI has been prepared for the period 2020-25

VISION

A financially aware and empowered India.

MISSION

To undertake massive Financial Education campaign to help people manage money more effectively to achieve financial well being by accessing appropriate financial products and services through regulated entities with fair and transparent machinery for consumer protection and grievance redressal.

More info on NCFE and its activities at www.ncfe.org.in



Sessions

- 1) Financial literacy Concepts
- 2) Banking and Digital Payments
- 3) Investment - Stocks, Bonds, Mutual Funds, etc.
- 4) Various Financial Inclusion Schemes, Pension Products
- 5) Insurance - Products and Services
- 6) Consumer Protection and Grievance Redressal
- 7) Financial Planning
- 8) Implementing Financial Literacy in Schools



1

Financial Literacy Concepts

Importance of financial literacy, Global and Indian scenario and Core concepts to improve your financial skills



Our Perspective

What is financial literacy?

A combination of **awareness, knowledge, skill, attitude and behavior** necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

Why financial literacy?

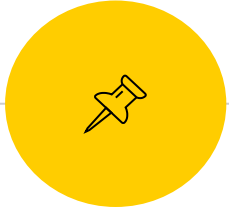
1. Participation of low income groups in the formal financial system
2. Increased life expectancy and withering joint family system
3. Shift in pension from defined benefit to defined contribution
4. Increase in number and complexity of financial products
5. Shifting from cash disbursement to Direct Benefit Transfer of social security schemes.



Financial Literacy

It is a combination of Financial Knowledge, Financial Behaviour, and Financial Attitude necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.





Misconceptions about money

1. Money is meant for spending.
2. Don't have enough income to save.
3. Insurance is an investment and Term policy is a waste.
4. Why bother about pension when my children are doing well.
5. Banks ask too many question and will not approve my loan.
6. Stock market is too complex for common people to make investment.
7. Don't have enough time to make a plan and invest.



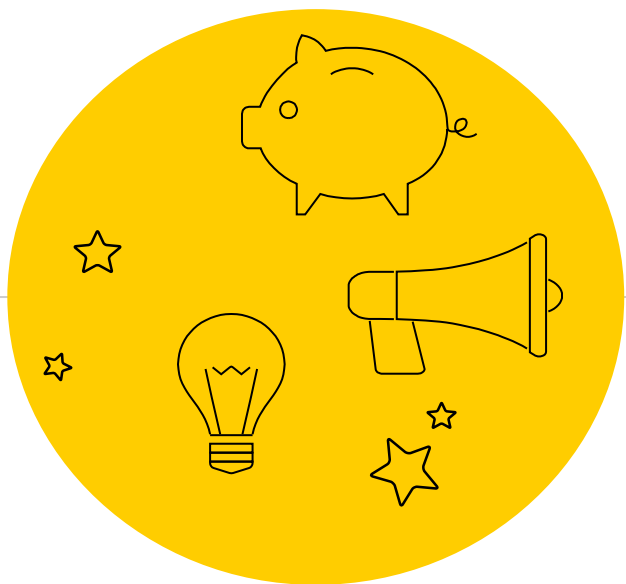
Financial Literacy



Financial Inclusion



Financial Freedom



Core Concepts

Financial Literacy

1. Saving and Investment
2. Three Pillars of Investment
3. Impact of Inflation
4. Need vs Want
5. Time value of money
6. Power of compounding
7. Price of procrastination
8. Rule of 72
9. Risk vs Return
10. Diversification



Saving and Investment

- Saving is putting aside current earnings
- Investment is putting your money to grow
- Both are not the same
- Saving is a pre-requisite to investment





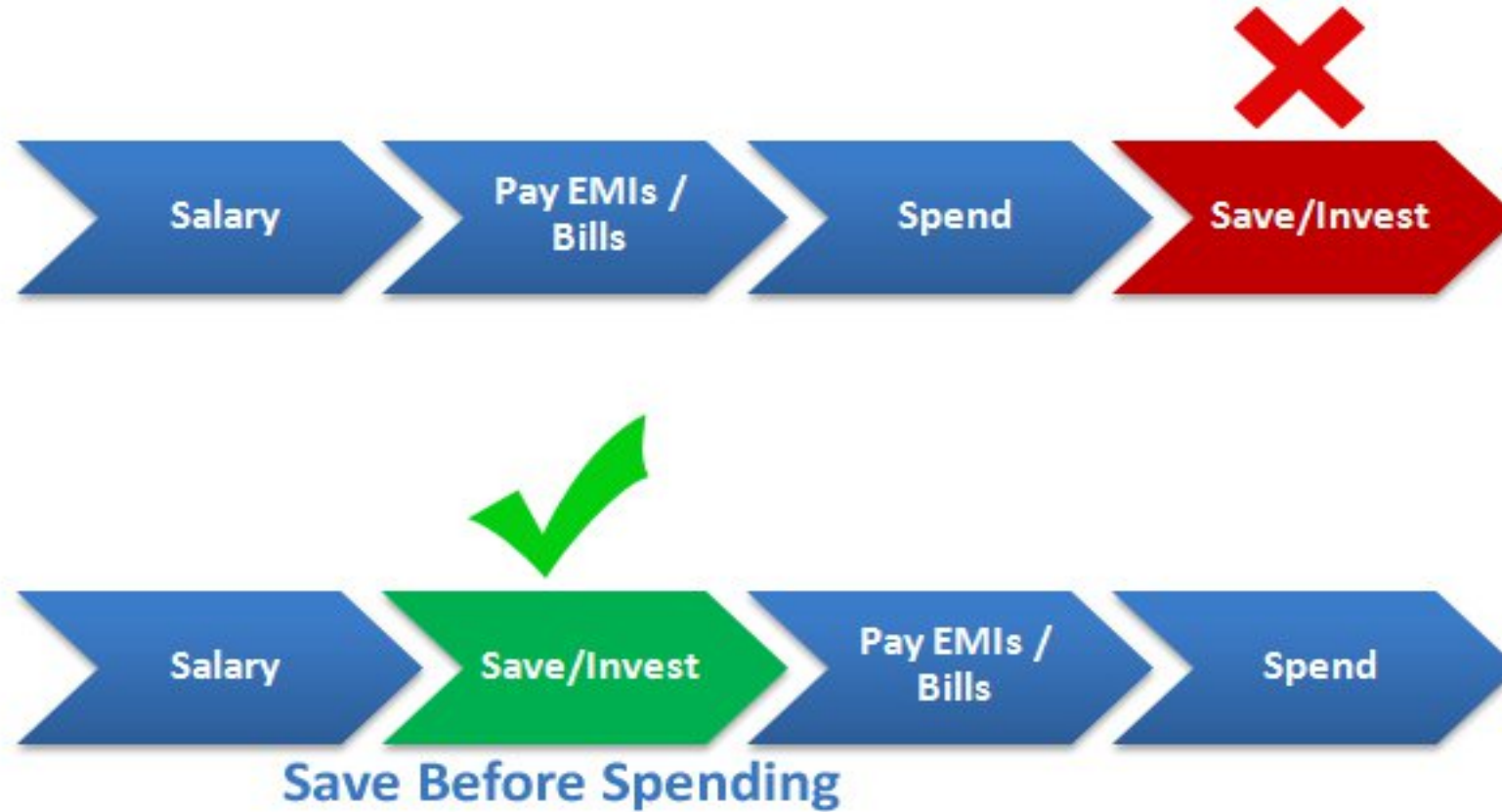
Useful tips on Saving



- Saving is not done once; save regularly
- Spend less to save more; record your expenses
- Pay yourself first; make a budget
- Save to avoid debt; save for emergency & special events
- Choose where to save; keep your savings safe
- Set savings goals; start saving now
- Encourage children to save; value of money
- Make saving easier; set auto transfer to/from account

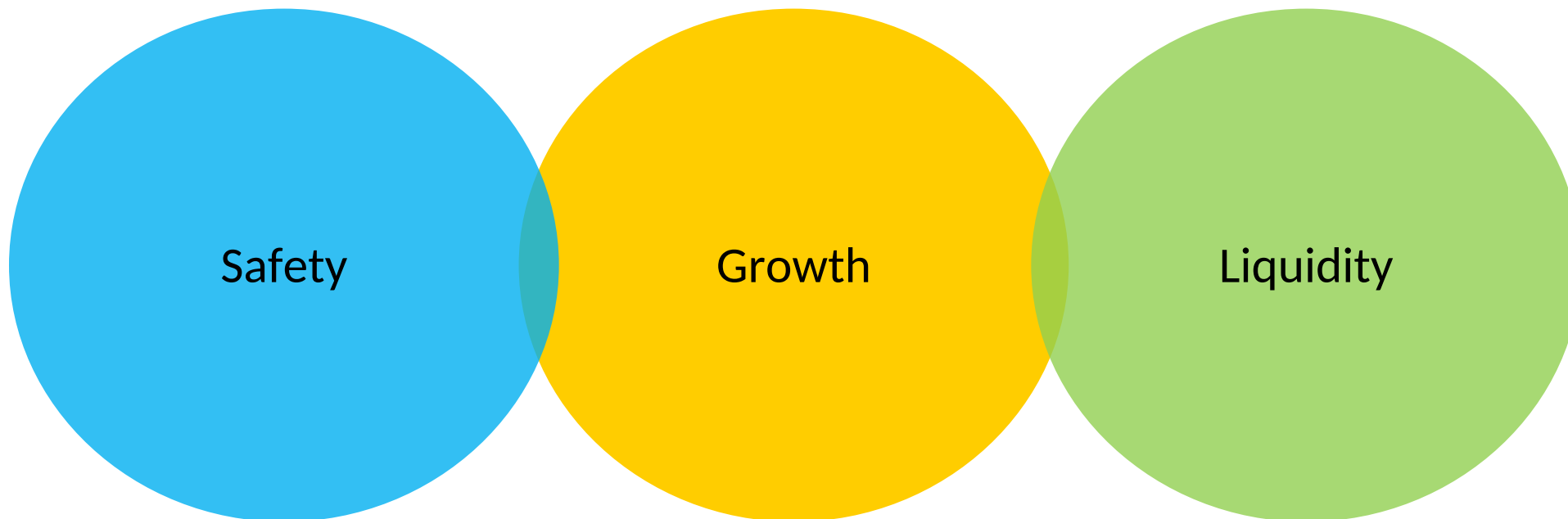


Pay Yourself First



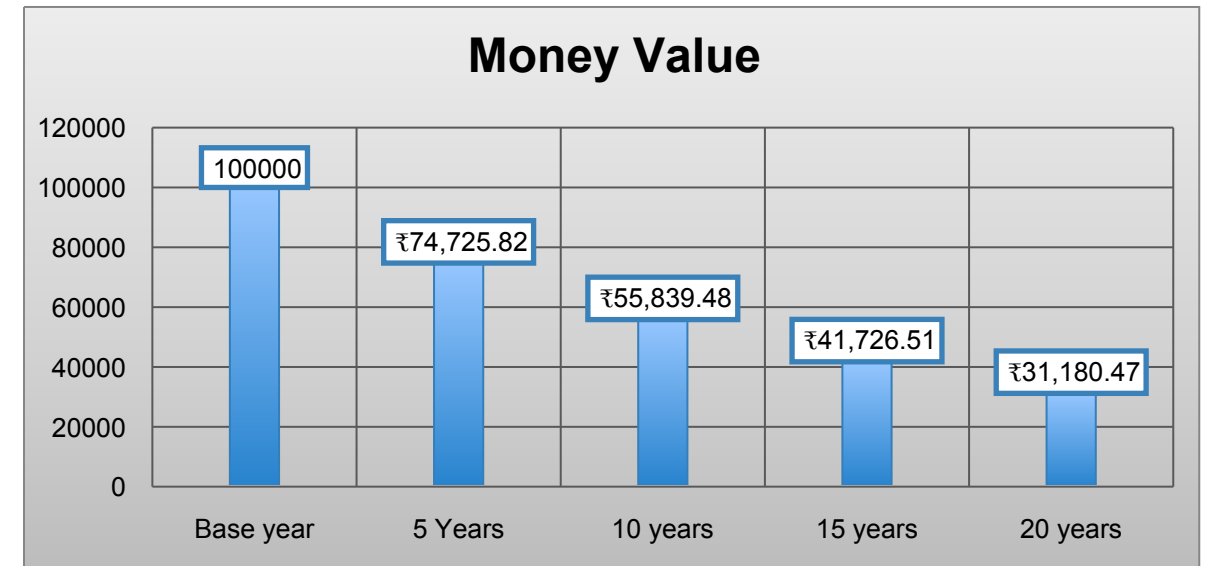


Three Pillars of Investment





Inflation & Its impact on savings



* ***Inflation @ 6% p.a.***

What we see in our passbook is called nominal rate of interest. An investor must look at real rate of interest (nominal-inflation).



Nominal vs Real return



- Nominal rate is reported or stated
- What you see is not necessarily what you get
- Nominal rate does not take inflation into account
- Real rate is (Nominal rate – Inflation)
- An investor must look at real rate of return



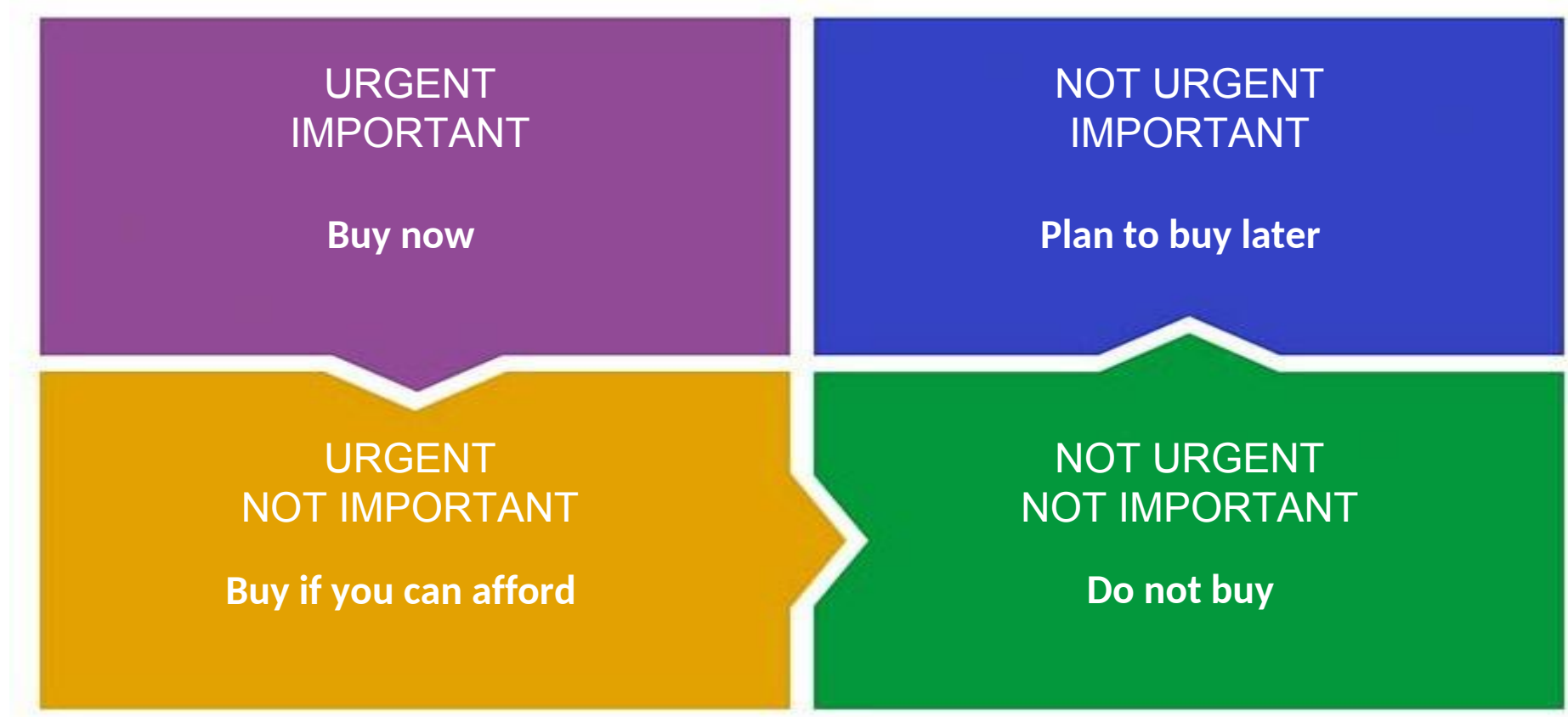
Need vs Want



- Identify things you don't need (track your spending)
- Before buying ask yourself if you need it
- Delay your wants until you can afford them



Need vs Want Matrix





Time Value of Money

A rupee today is worth more than a rupee tomorrow

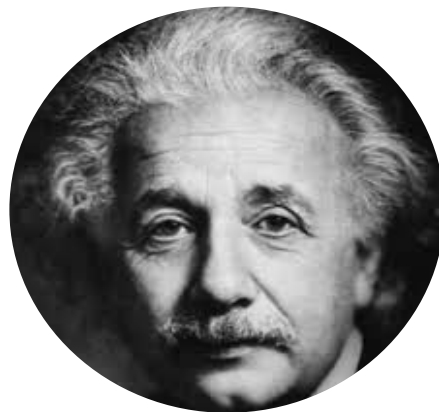
Inflation, Uncertainty and Opportunity cost

Present and Future Value are linked by a formula

$$FV = PV (1+r)^n$$



Example: Current monthly exp : 30000. assume inflation of 6% p.a.
20 years later it will be $Fv = 30000(1+0.6)^{20} = 96214$



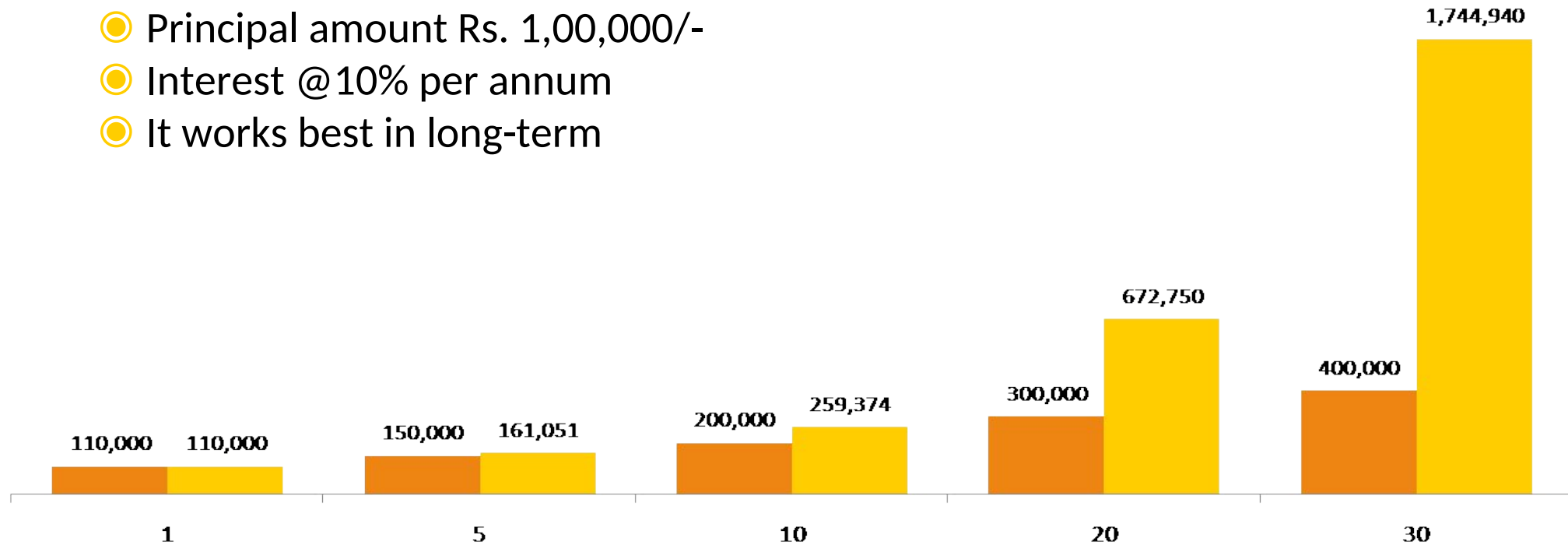
Compound interest is the eighth wonder of the world. Those who understand it, earn it; those who don't, pay it.

“



Power of Compounding

- Principal amount Rs. 1,00,000/-
- Interest @10% per annum
- It works best in long-term





Price of Procrastination

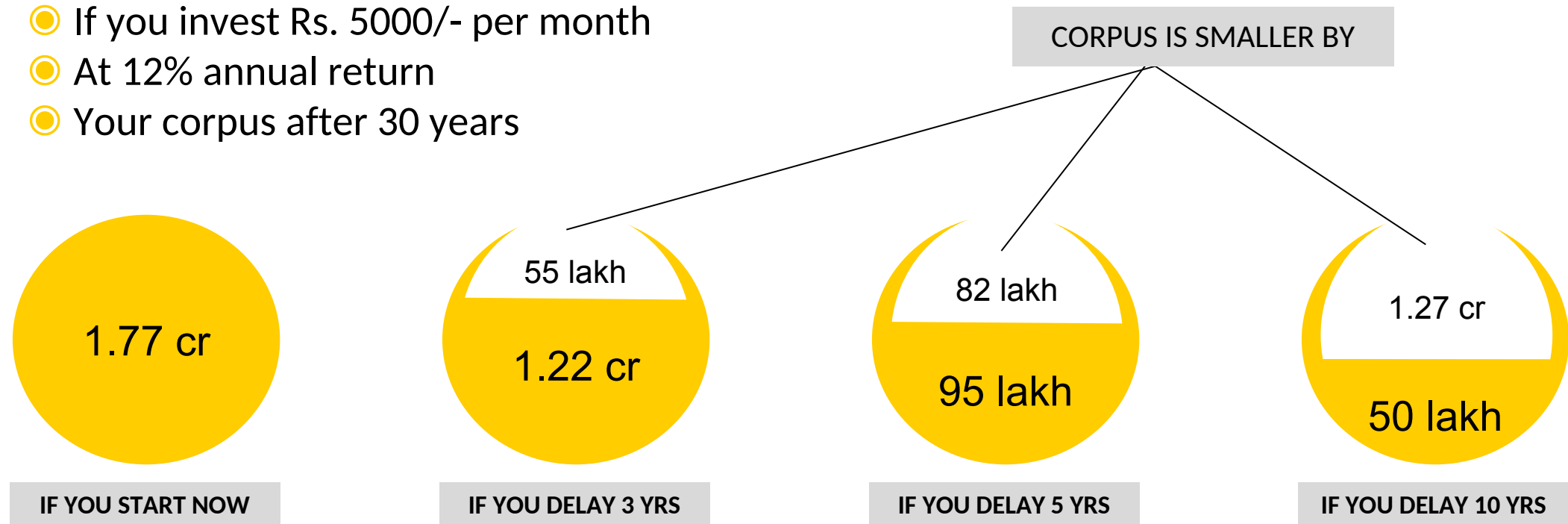


- ⦿ Delay in investing because your income is too low is a fallacy
- ⦿ Small amount of investment is more than made up by longer time period
- ⦿ Magic of compounding ensures that small sum grows into a bigger amount over long term



Delay in Investing can be Costly

- If you invest Rs. 5000/- per month
- At 12% annual return
- Your corpus after 30 years





Rule of 72

How many years it takes for money to double?

72

/

Rate of Interest

=

Number of Years

For Example:

72

/

8%

=

9 Years



Risk vs Return

No such thing as
risk free
investment.

Risk and return
relationship is a
tradeoff.

Risk can not be
eliminated, but
managed.

Manage your risk
through
diversification



Diversification



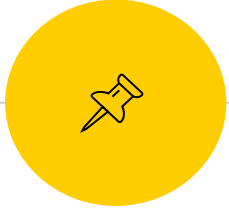
- ⦿ Don't put all eggs in one basket
- ⦿ Diversification is allocating investment in various financial instruments
- ⦿ Goal is to find an appropriate balance between risk and return
- ⦿ Systematic risk like inflation, exchange rate, political instability etc. are not diversifiable



2

Banking and Digital Payment

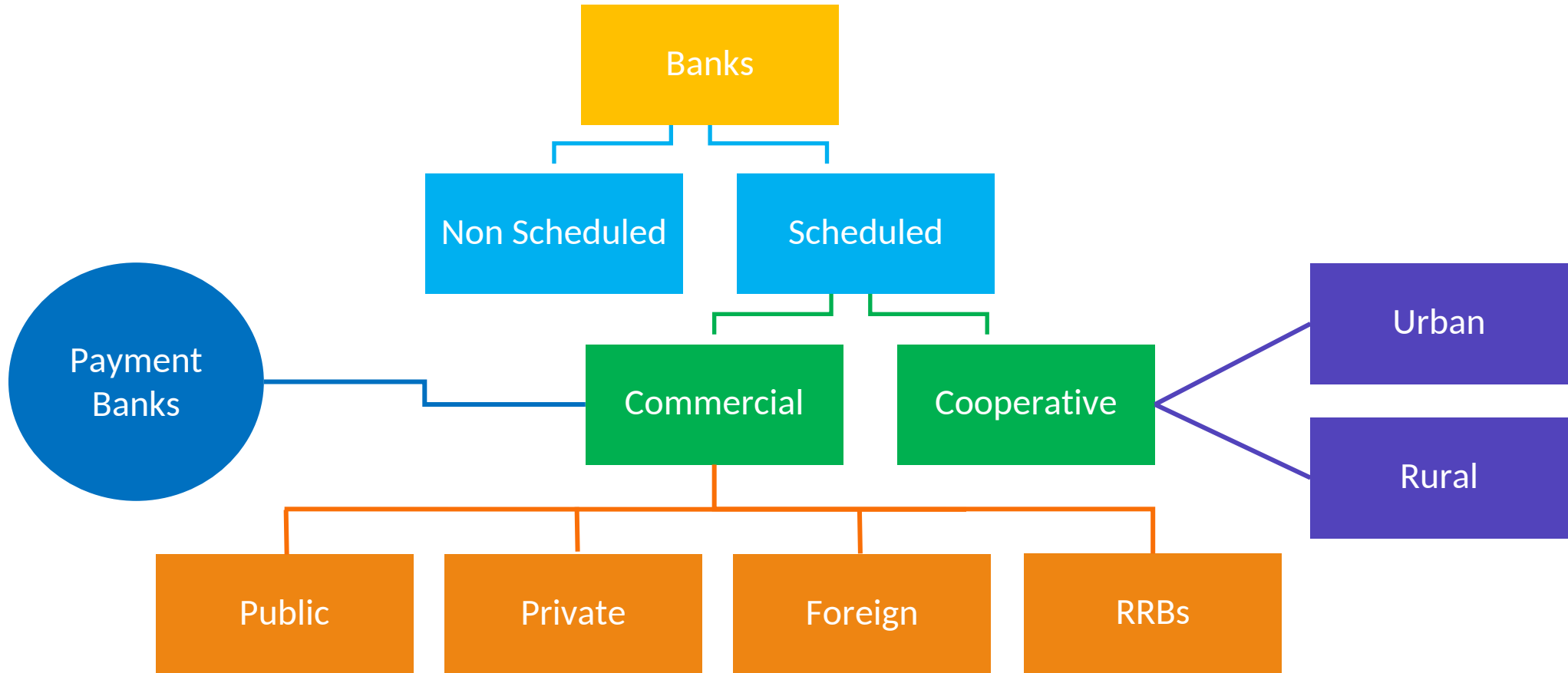
Saving, transaction and borrowing related products and services. Use of technology in the banking sector.



A Bank is a financial institution which accepts deposits, facilitates transfer of funds and also lends money to individuals and business firms that need it.



Types of Banks





Primary Functions

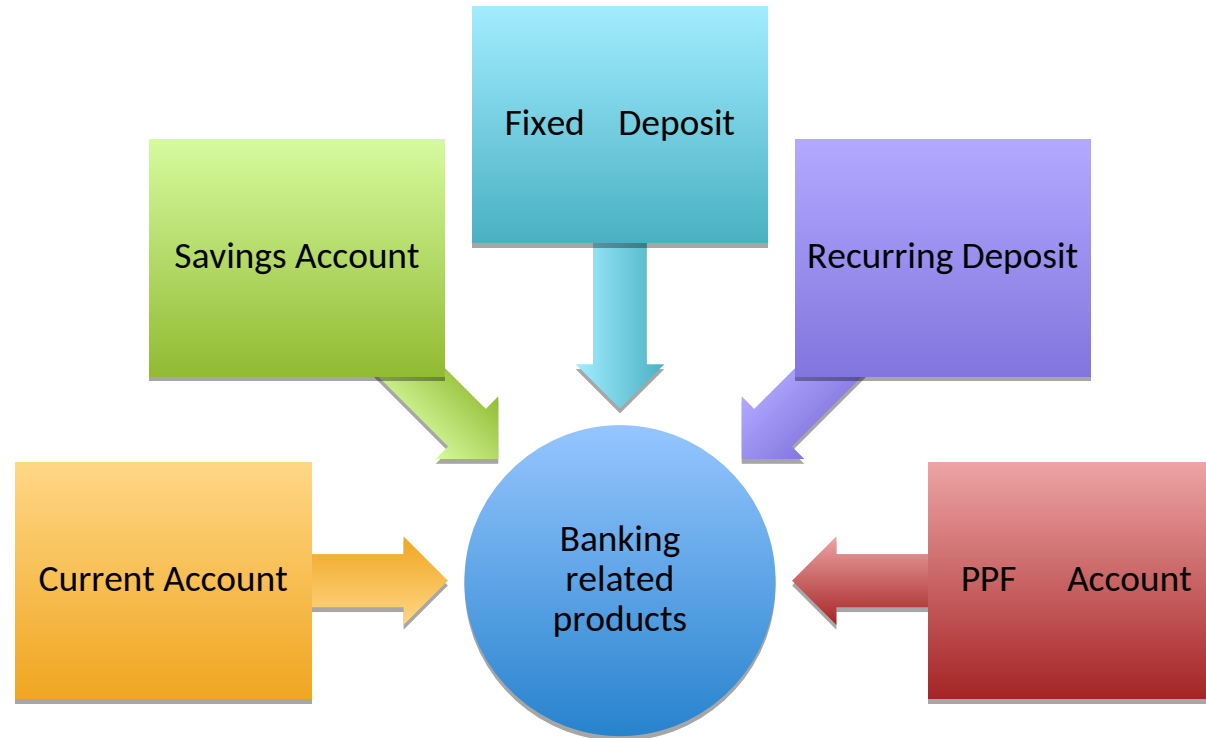
Accepting Deposits

Providing
Credit

Transferring
Money



Accepting Deposits





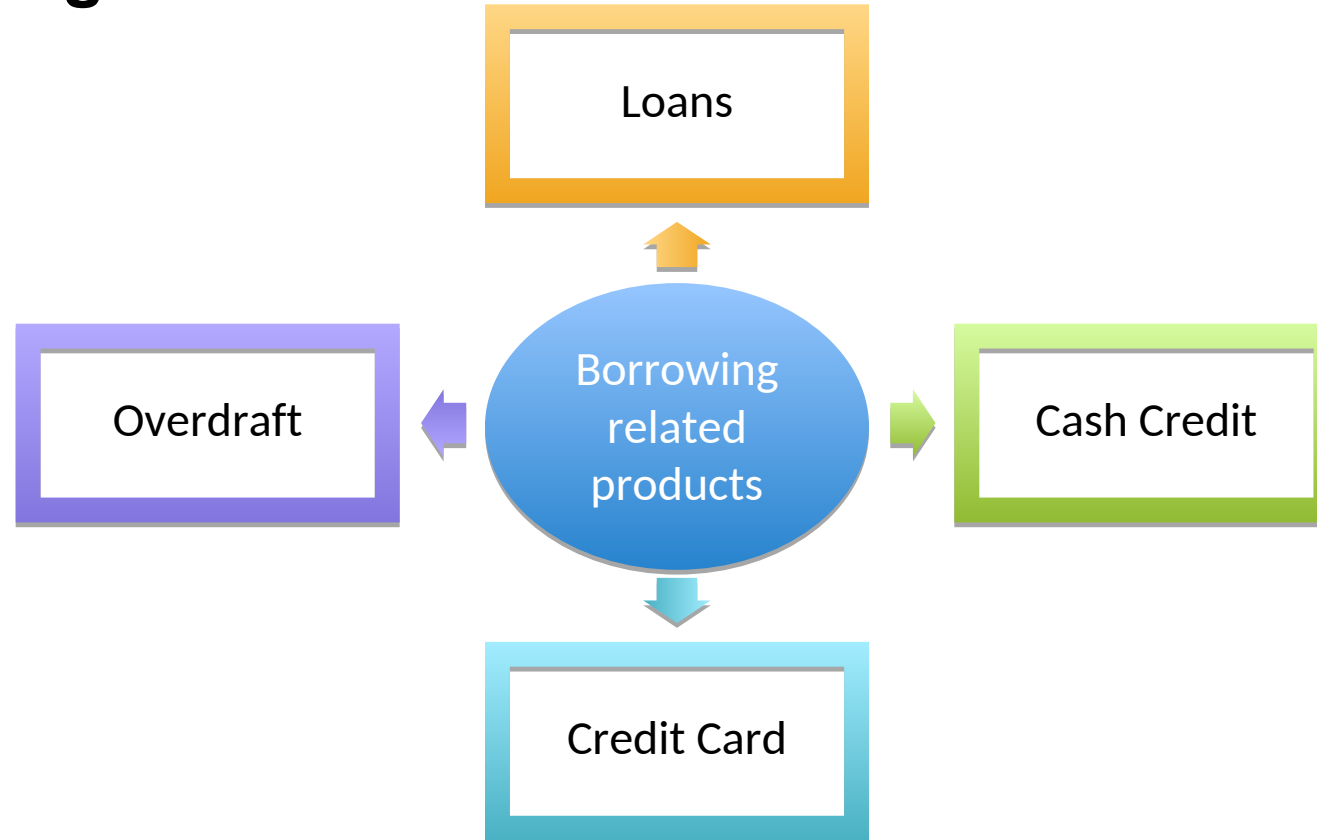
Bank account for Minors

- A savings /fixed / recurring bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian.
- Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire.





Providing Credit





Tranfering Money

Cheque

भारतीय स्टेट बैंक
State Bank Of India

(11724) KARAMANA
KAIRALI PLAZA, NH-47, KARAMANA
THIRUVANANTHPURAM-695002
IFS CODE: SBIN0011724

केवल 3 महीने के लिए वैध / VALID FOR 3 MONTHS ONLY

DDMMYY

PAY को या उनके आदेश पर OR ORDER

रुपये RUPEES अदा करें ₹

खा.सं. A/c No. VALID FOR Rs. 100000/- & UNDER

Prefix : 1515900002

MULTI-CITY CHEQUE Payable at Par at All Branches of SBI

Please sign above

950020 6950020321 002860 31

Demand Draft

भारतीय स्टेट बैंक
State Bank of India

आरी करने वाली शाखा
Issuing Branch: MADHAVADHARA BRANCH
खा.सं. / CODE No: 12639
Tel No. 0891-0891-27

मांगद्राफ्ट
DEMAND DRAFT

Key: TABKIS Sr. No: 384106

01022016

DDMMYY

या उनके आदेश पर OR ORDER

मांगे जाने पर CHIEF MINISTER OF DELHI

ON DEMAND PAY रुपये RUPEES Three Hundred and Sixty Four Only

अदा करें ₹ 364.00

IOI 000432596203 Key: TABKIS Sr. No: 384106 AMOUNT BELOW 365(3/3)

मूल्य प्राप्त / VALUE RECEIVED

2.11.16

भारतीय स्टेट बैंक
STATE BANK OF INDIA

अधिकारी शाखा / DRAWEE BRANCH: NEW DELHI MAIN BRANCH

खा.सं. / CODE No: 00691

596203 0000020001 0004321 16



Cheque and Demand Draft

Key Difference	Cheque	Demand Draft
Payment	Payable to Order or Bearer	Always payable to Order
Issuance	By A/c holders	By Bank
Bank Charges	No	Yes
Dishonour	Yes	No
Facility	Only to a/c holders	For all



Technology and Banking





3

Investment - Stocks, Bonds, Mutual Funds, etc.

Investment products and services. Stocks, Bonds, MFs, EPF, PPF etc.



Financial Market

Money market

- Highly liquid
- Short-term, under a year
- Usually, less risky
- High volume
- Institutional participation
- T-bills, CDs, CPs, etc.

Capital market

- Primary and Secondary
- Shares
- Bonds
- Debentures
- MFs and ETFs

Forex market

- Trading in currencies
- Largest in terms of volume
- Foreign trade
- Hedging



Stock Exchange

A stock exchange does not own shares. It provides a platform to both buyers and sellers of stocks (also known as shares) bonds and other securities. The prices are governed by the forces of demand and supply. It also facilitates issue and redemption of securities as well as payment of dividends.

A stock exchange provides companies with the facility to raise capital for expansion through selling of securities to the investing public.

Primary market

The Initial Public Offering (IPO) of stocks, bonds or other securities are done in this market.

Secondary market

After the IPO, subsequent trading of securities are done in this market.



What is investing?

- Investing means putting your money to work for you.
- This includes putting money into stocks, bonds, mutual funds, real estate, gold etc.
- Investing is not gambling
- Benefits of investing is reaped if you stay invested for longer term

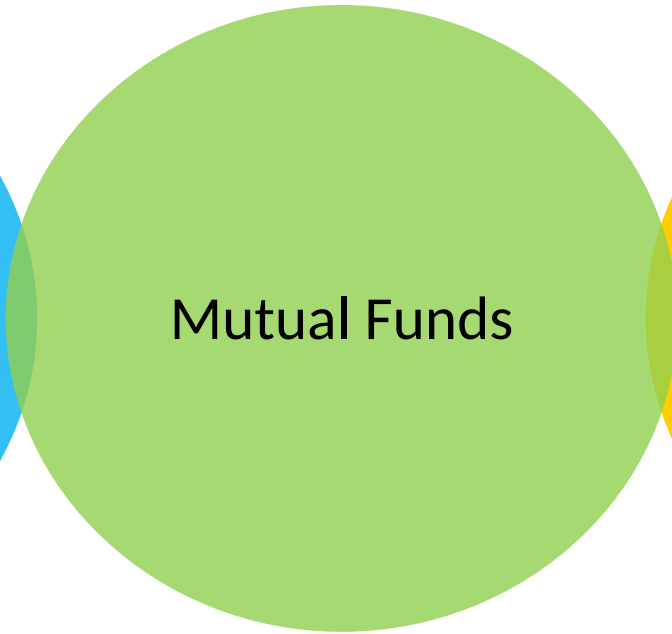




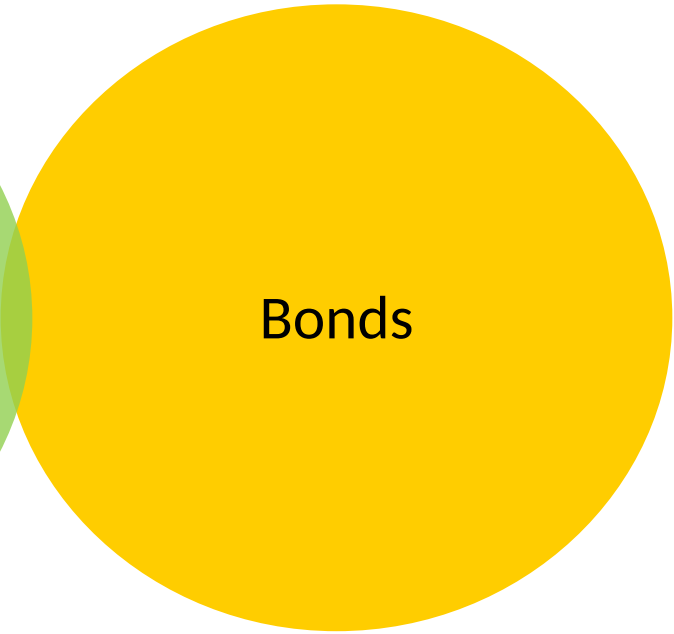
Investment Avenues



Stocks



Mutual Funds



Bonds



Stocks



- Also known as equity or a share
- Part ownership in the company
- Returns in the form of dividends or capital gain
- Potential for greater returns
- Risk of the company not doing well
- Price fluctuations (volatility) in short term



How a stock works?

- When you buy a stock, you're entitled to a small fraction of the assets of that company.
- The value of the stock is set by many people trading it in an open market—a stock exchange.
- The price of a stock fluctuates according to supply and demand, with many factors influencing these two.
- Because so many companies sell stock, the stock market is a very accessible way to invest.





Safeguards



- Diversify (company, sector, etc.)
- Evaluate and analyze to find a good stock
- Understand the stock you are investing in
- Take professional help
- Invest in stocks via Mutual Fund
- Invest with proper knowledge



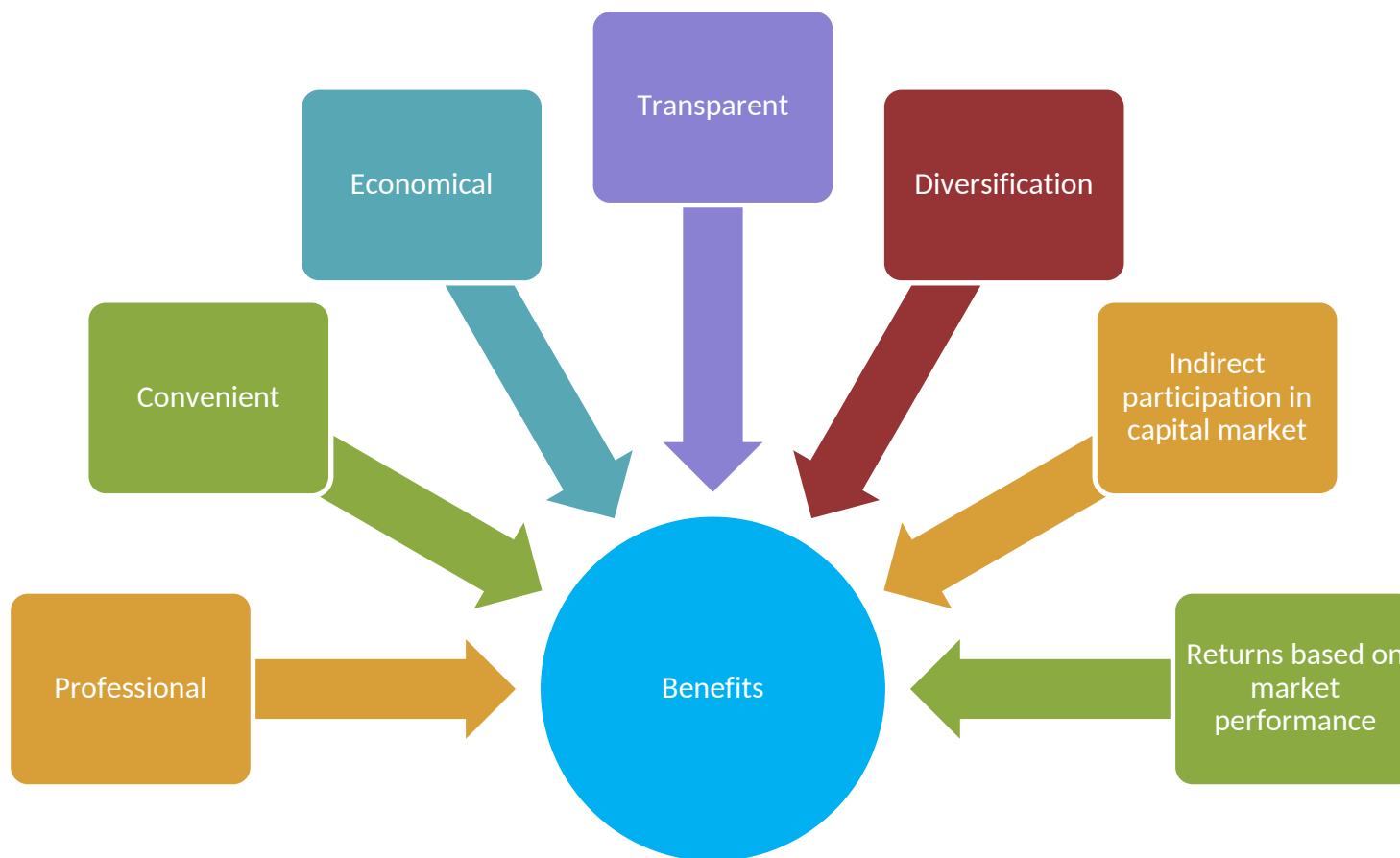
Mutual Fund



It is a convenient way through which one can invest in most types of assets like stocks, bonds, real estate, gold, etc.

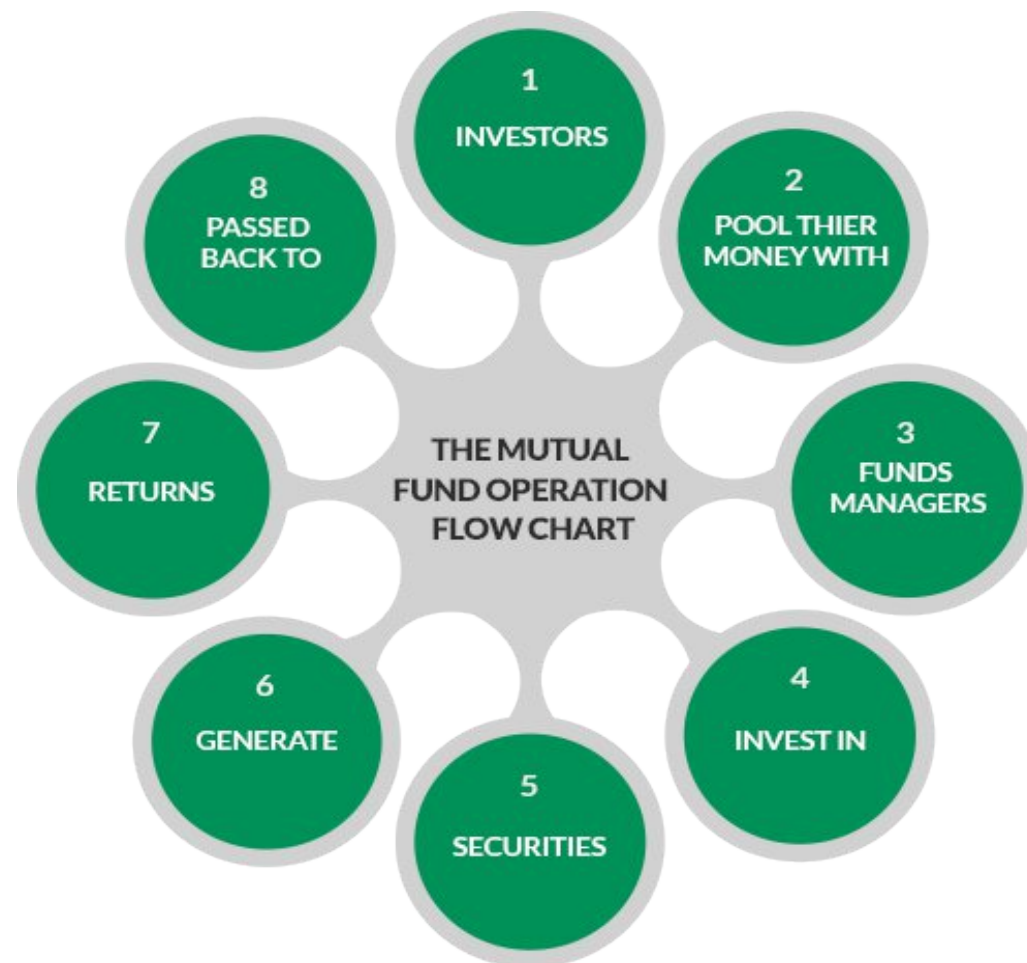


Why Mutual Funds?

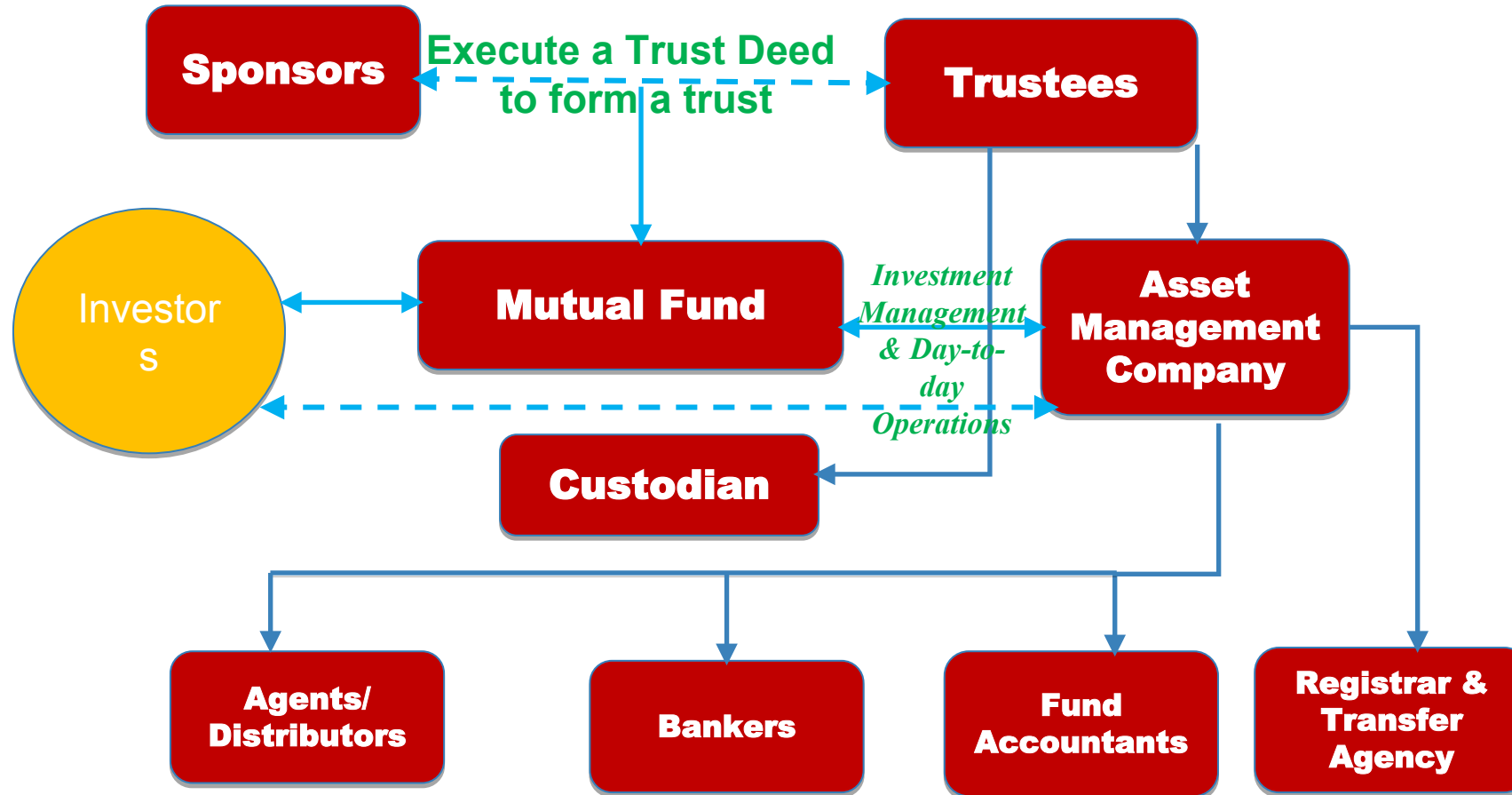




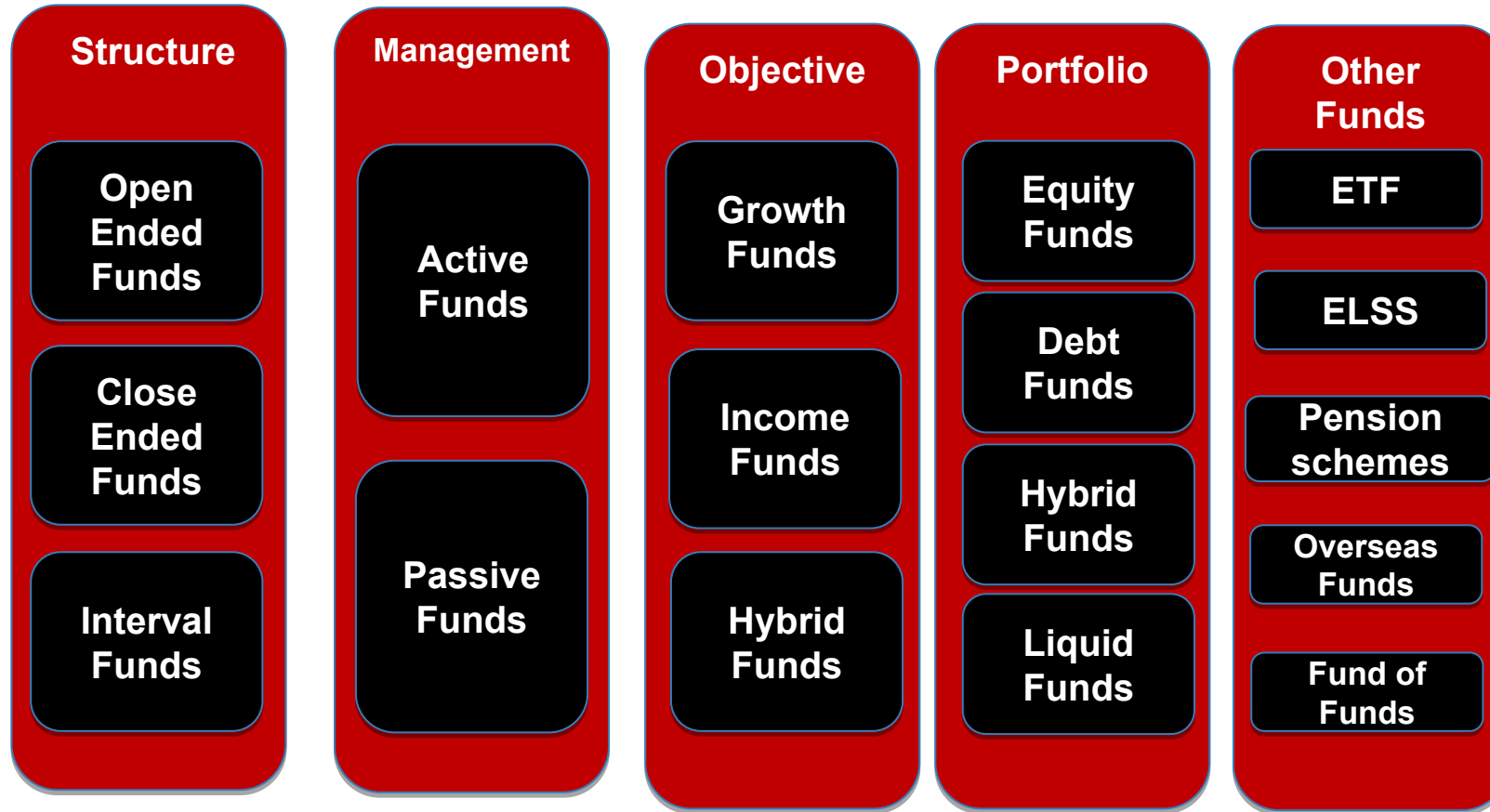
Mutual Fund Operations



How does a Mutual Fund work?

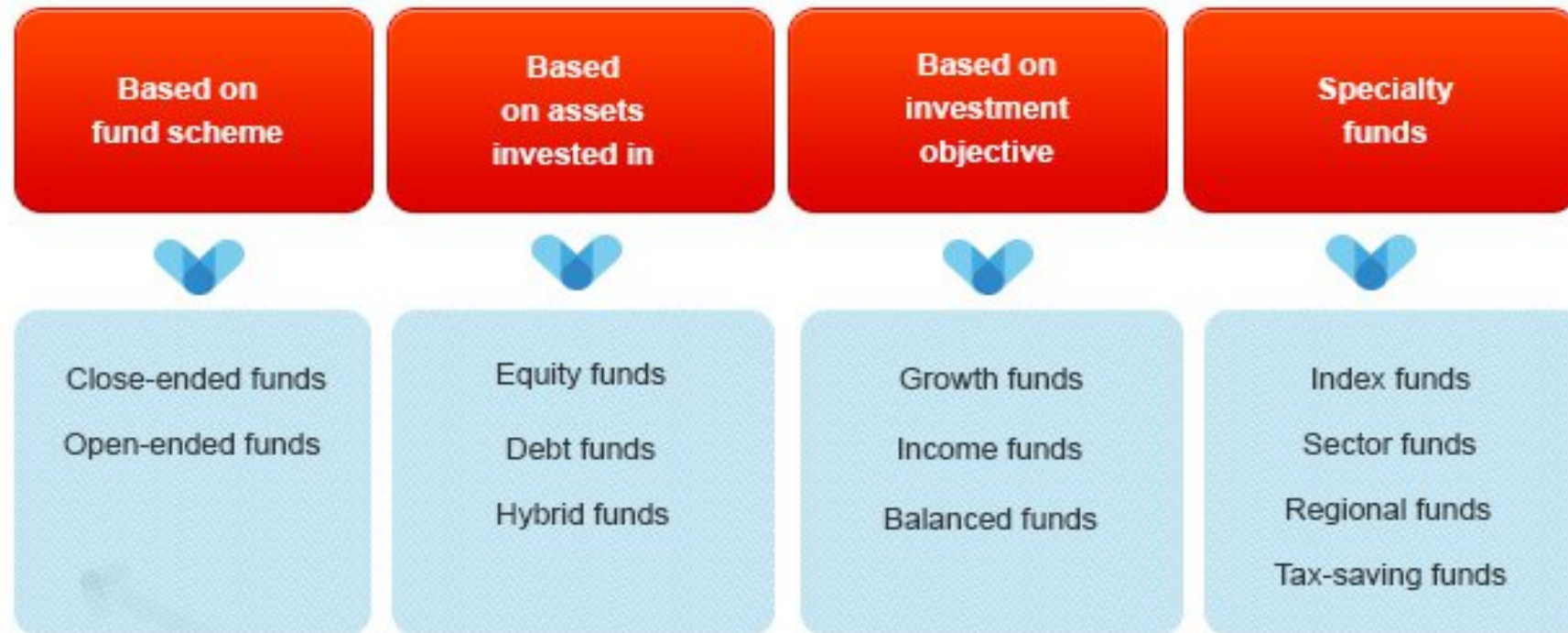


Types of Mutual Funds





Types of Mutual Funds



Equity Funds



Invests in equities and equity related instruments of companies



Seeking long term growth, but volatile in the short term



Suitable for investors with higher risk appetite and longer investment horizon

Equity Funds Categories

Multi Cap Fund*	• At least 65% investment in equity & equity related instruments
Large Cap Fund	• At least 80% investment in large cap stocks
Large & Mid Cap Fund	• At least 35% investment in large cap stocks and 35% in mid cap stocks
Mid Cap Fund	• At least 65% investment in mid cap stocks
Small cap Fund	• At least 65% investment in small cap stocks

* Also referred to as Diversified Equity Funds

Debt Funds



Invest in different types of fixed income securities



Aims to earn interest income and capital appreciation



Suitable for investors seeking income at moderate risk

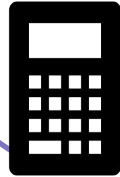
Debt Funds Categories

Overnight Fund	Overnight securities having maturity of 1 day
Liquid Fund	Instruments with upto 91 days maturity
Ultra-Short Duration Fund	Macaulay duration of the portfolio between 3 -6 months
Low Duration Fund	Macaulay duration portfolio between 6-12 months
Money Market Fund	Maturity up to 1 Year
Short Duration Fund	Macaulay duration of the portfolio between 1 year - 3 years

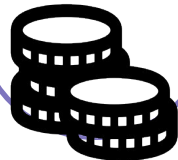
Hybrid Funds



Invest in a mix of equities and debt



Gain from a healthy dose of equities but the debt portion fortifies them against any downturn



Ideal for investors who are looking for a mixture of safety, income and modest capital appreciation



Equity Linked Savings Scheme



Systematic Transactions

SIP

Systematic Investment Plan is ideal for someone with a goal to accumulate funds for a future goal.

SWP

Systematic Withdrawal Plan is ideal for someone with a lump sum amount to invest for funding regular expenses.

STP

Systematic Transfer Plan is when an investor invests a lump sum amount in a fund and regularly transfer a fixed/variable amount into another fund.

Systematic Investment Plan (SIP)

- ❖ SIP is a method of investing a fixed sum, at a regular interval, in a mutual fund scheme
- ❖ Similar to monthly saving schemes like a recurring deposit
- ❖ Features
 - ❖ Enables regular investments without any additional paperwork
 - ❖ Convenient way to invest regularly through one time standing instruction
 - ❖ Rupee Cost Averaging Benefit to counter volatility
 - ❖ No timing the market!

SIP chart

SIP of Rs. 5000 MONTHLY @10% RETURN TILL 60.

AGE	AMOUNT	AT RETIREMENT
30	18 lakhs	1.13 Crs
40	12 lakhs	37.97 lakhs
45	9 lakhs	20.72 lakhs
50	6 lakhs	10.24 lakhs

<https://www.mutualfundssahihai.com/en/calculators>

POWER OF COMPOUNDING

Step up SIP chart

Monthly amount Rs.10000/- ; Step up 10% every year; ROI 8%

AGE	AMOUNT	AT RETIREMENT
30	1.97 crs	4.62 crs
40	68 lakhs	1.29 crs
45	38.12 lakhs	62 lakhs
50	19 lakhs	27 lakhs

POWER OF COMPOUNDING

<https://www.piggy.co.in/calculators/step-up-sip-calculator/>



Bonds



- Bond is a more umbrella term for any type of debt investment.
- When you buy a bond, you loan money to an entity; a company or government.
- They pay you back over a set period of time with a fixed interest rate.



Characterisitics of Bonds

Relatively safe
and stable

Preservation of
capital

Predictable
income

Low risk, Low
reward



Commodities Markets

is a place where trading in commodities takes place. It is similar to an equity market, but instead of buying or selling shares one can buy or sell commodities.



Types of Commodities



Purpose and Benefits



- Farmers taking advantage of price discovery on futures market
- Locking in prices to avoid fluctuations during harvest season
- No price manipulation; decided by forces of demand and supply



4

Insurance - Products and Services

Need, importance fundamental principles of insurance



Insurance is one of those things we all should have, but hope we will never need!



Need for Insurance

- To protect against loss of income due to accidental death or disability.
- To pay for your medical expenses in case of critical illness or unexpected health issues.
- To pay for the cost of replacement or repair of your vehicle if you meet with an accident.
- To pay for the cost of repair following damage or destruction of your home in fire or flood like incidents.
- Financial coverage when you are legally liable to pay for third party injury or damage due to accident.





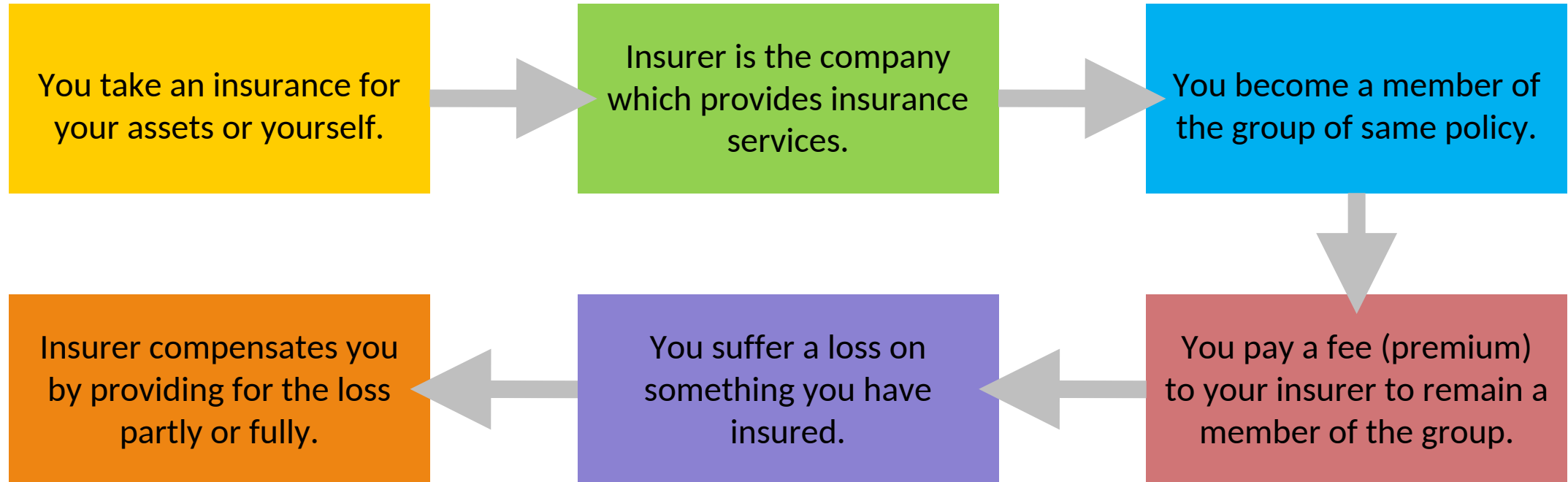
Concept of Insurance



- Group of same risk individuals, agree to share the loss.
- Risk is spread in bearable small losses.
- Occurrence is random or accidental and not deliberate.



How insurance works?



A photograph of a family of four sitting on a green lawn. A young girl in a green and white striped shirt is on the left, smiling. A man in a dark blue shirt is in the center, leaning forward and smiling. A woman in a light blue shirt is on the right, smiling. A young boy in an orange shirt is in the foreground, looking towards the camera and smiling. The background is a blurred green field with trees.

**Insurance is a
Risk Management tool.**



Fundamental Principles of Insurance

Nature of Contract

Contract between both insurer and insured, entered with free consent.

Insurable Interest

The insured must have an insurable interest in the subject.

Utmost Faith

Both parties should have faith over each other and disclose all information.

Indemnity

Insured would be compensated for the actual loss, not more.

Subrogation

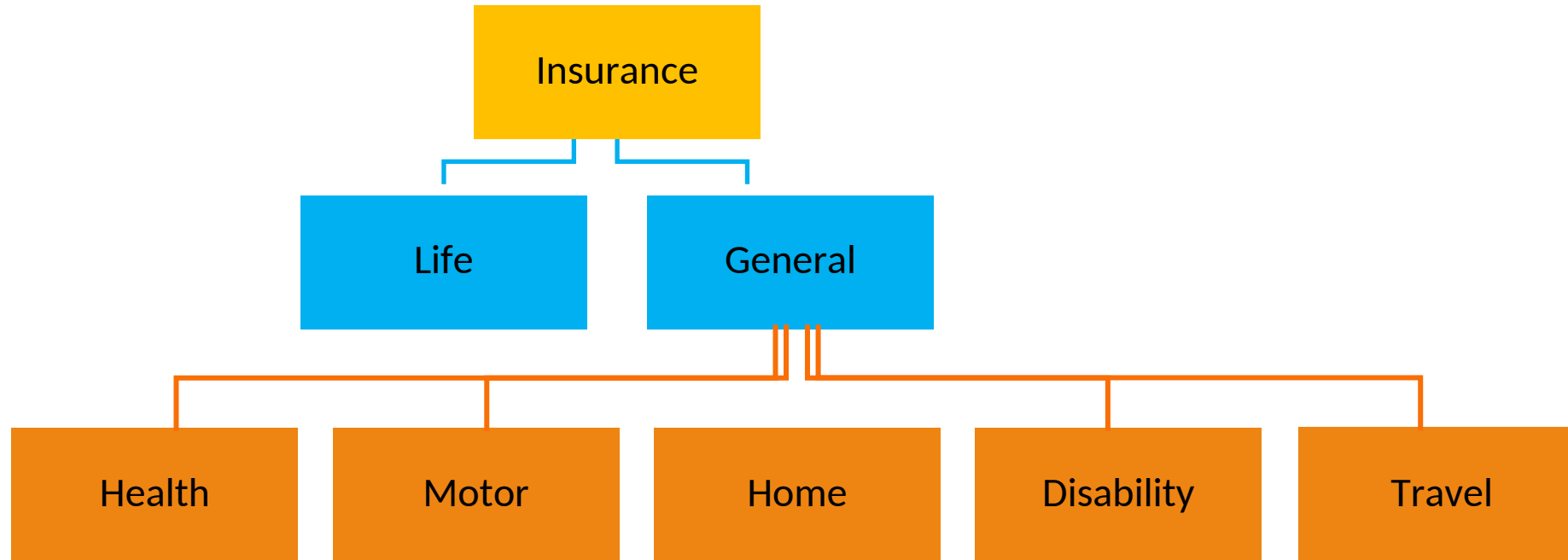
It enables the insurer to claim from third party responsible for loss.

Proximate Cause

When the loss is result of two or more causes, most dominant is considered.

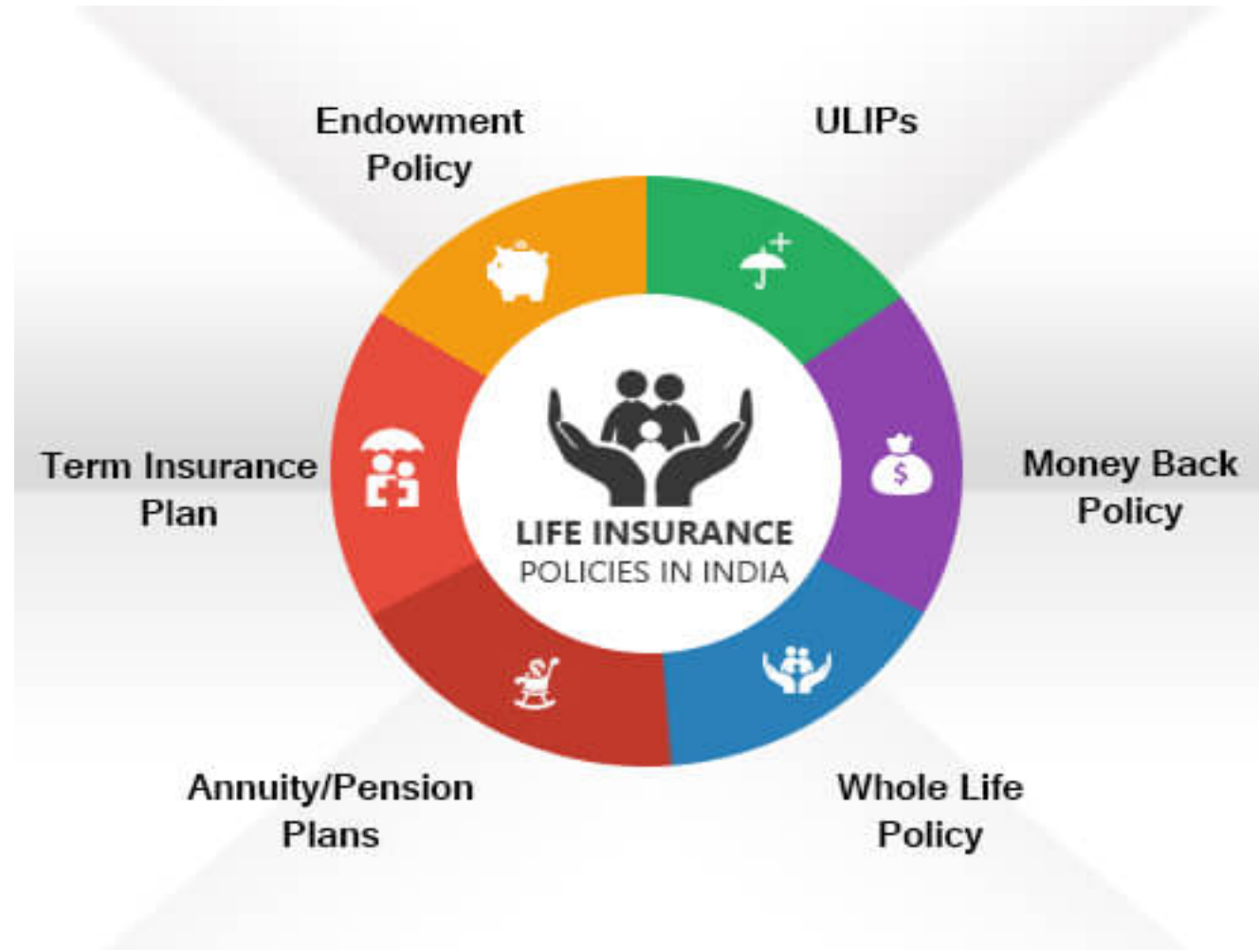


Common Types of Insurance





Types of Life Insurance Policies





Term Insurance Plan



- Term plans are the most basic form of life insurance.
- Provide life cover with no savings / profits component.
- Most affordable form of life insurance as premiums are cheaper.
- The sum assured is paid if the policyholder expires over the policy term.
- If the policyholder survives, there is no pay out.



Whole Life Policy

- Validity of the policy is as per the contract period ..
- Individual enjoys the life cover throughout his/her life.
- Policyholder pays regular premiums until death.
- Sum assured is paid out to the beneficiaries.
- The policy expires only in case of an eventuality.
- Premiums paid under the whole life policies are tax exempt.





Endowment Policy



- Endowment plans combine risk cover with financial savings.
- Pay out the sum assured and profits under both scenarios; death and survival.
- Charge higher premiums.
- The profits are an outcome of premiums being invested in asset markets; equities and debt.
- Premiums paid under the pure endowment policies are tax exempt.



ULIP

- ULIPs are market-linked life insurance products.
- Provide a combination of life cover and wealth creation options.
- Part of the premium goes toward providing life cover, while the rest is invested in equity and debt instruments.
- Individuals can choose the allocation for investments in stock/debt markets.
- Useful for achieving various long-term financial goals.





Money Back Policy



- It gives periodic payments over the policy term.
- A portion of the sum assured is paid out at regular intervals.
- If the policy holder survives the term, he/she gets the balance sum assured.
- In case of death over the policy term, the beneficiary gets the full sum assured.
- The premiums paid and the returns accumulated are tax exempt.



Annuity/ Pension Plans

- Financial stability during your old age.
- Protect against financial risks as well as provide money in the form of pension at periodic intervals.
- Most suited for senior citizens and those planning a secure future.
- Premium is to be paid in a lump sum.





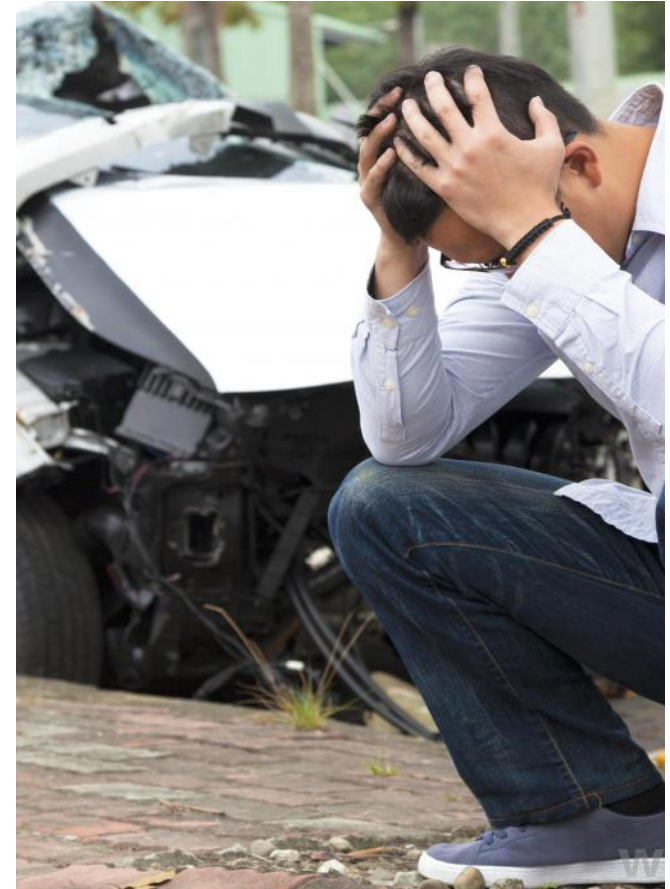
Other Important Aspects

- Death due to accidents can be covered for additional sum assured.
- Policies available exclusively for women & children.
- Premium payment options: monthly, quarterly, half yearly, yearly.
- Loans available on certain policies, subject to terms and conditions.
- Lapsed policies can be revived and also policies can be surrendered before maturity.
- The younger you are when you buy, the more cost effective it will likely be.



Motor Insurance

- Two types: Liability only and packaged policy.
- Packaged policy includes Owners damage along with third party liability.
- Third Party Insurance is a statutory requirement.
- Compulsory Personal accident cover for owner-driver is also included.
- Vehicle owner is legally liable for any injury or damage to third party life or property.
- Driving a motor vehicle without insurance in a public place is a punishable offence.





Health Insurance



Health Insurance Policies

Choose the right policy for yourself



Individual Health Insurance

One of the most favored health policies. It is the simplest health policy cover available in the market.



Family Floaters Plan

A policy that covers the entire family. This policy is a cheaper than individual policy.



Unit Linked Health Plan

ULHP plan is similar to a ULIP. A part of your premium is invested while the remaining for the health cover.

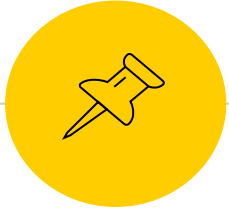




5

Various Financial Inclusion Schemes, Pension Products

Need and importance. Governemnt focus and the various financial inclusion schemes available for citizens.



Financial inclusion is linked to a country's economic and social development, and plays a role to connect people with financial services

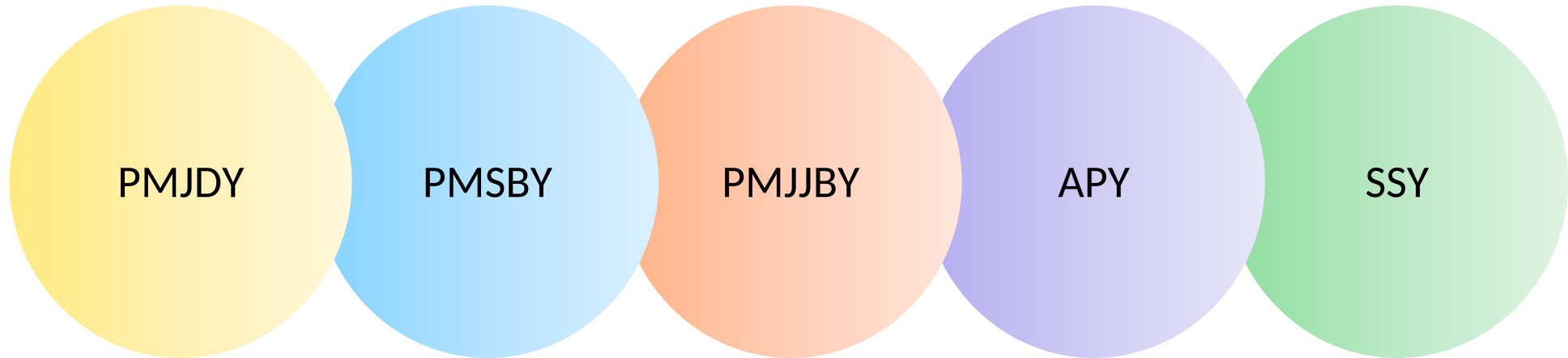


Being Included Helps

- Make day-to-day transactions, including sending and receiving money.
- Safeguard savings, which can help households manage cash flow.
- smooth consumption and build working capital.
- Finance small businesses or microenterprises.
- Plan and pay for recurring expenses, such as school fees.
- Mitigate risks and manage expenses related to unexpected events.
- Improve their overall financial well-being.



Govt. of India Schemes





Pradhan Mantri Jan Dhan Yojana



Key Features

- No minimum balance required.
- Accidental insurance cover of Rs.2.00 lakh
- Life insurance cover of Rs.30,000/-
- Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
- After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
- Can access to Pension, insurance products.
- Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
- Overdraft facility upto Rs.10000/- is available in only one account per household, preferably lady of the household.



Pradhan Mantri Suraksha Bima Yojana

Basic

Pradhan Mantri Suraksha Bima Yojana



Eligibility, Benefits & Termination

- People in the age group 18 to 70 years with a bank account can join
- Premium of Rs. 20/- per year.
- Should give a consent for auto-debit facility
- Rs.2 lakh for accidental death and permanent total disability
- Rs. 1 lakh for permanent partial disability
- Individuals who exit the scheme may re-join the scheme in future years
- Policy cover will terminate on attaining age 70 years



Pradhan Mantri Jeevan Jyoti Bima Yojana

Basic

Pradhan Mantri Jeevan Jyoti Bima Yojana



Eligibility, Benefits & Termination

- People in the age group 18 to 50 years with a bank account can join
- Premium of Rs. 436/- per year.
- Should give a consent for auto-debit facility
- Rs.2 lakh on policy holder's death due to any reason
- Individuals who exit the scheme may re-join the scheme in future years



Atal Pension Yojana



Eligibility, Benefits & Termination

- People in the age group 18 to 40 years with a bank account can join
- Defined benefit between Rs. 1000 to Rs. 5000
- Guaranteed minimum pension after the age of 60 years until death
- Spouse of the subscriber shall receive the same pension until death
- After the demise of both, nominee will receive the lump sum amount
- Should give a consent for auto-debit facility
- Subscribers of Swavalamban in the age group of 18-40 years shall be migrated to APY unless they opt-out
- Discontinuing contribution shall lead to account being Frozen, Deactivated and Closed after 3,12 and 24 months, respectively
- Premature withdrawal available only in exceptional cases
- Option to the spouse to continue contribution to APY on death of subscriber



Sukanya Samriddhi Yojana (SSY)



Key Features

- Account can be opened in the name of a girl child till she attains the age of 10 years
- accounts have a tenure of 21 years or until the girl child marries after the age of 18
- Only one account can be availed in the name of one girl child
- Min Rs. 250 and Max Rs.1.5 lakh can be deposited in a year
- Investments upto Rs. 1.5 lakh made in SSY are exempt u/s 80C
- The account can be opened by the parent or guardian of the girl child
- Once the girl child attains the age 18, partial withdrawals upto 50% are allowed
- Payment towards this scheme needs to be made for 14 years
- Account can be closed only when the girl child attains 21 years of age
- Any kind of withdrawal can be made only by the girl child

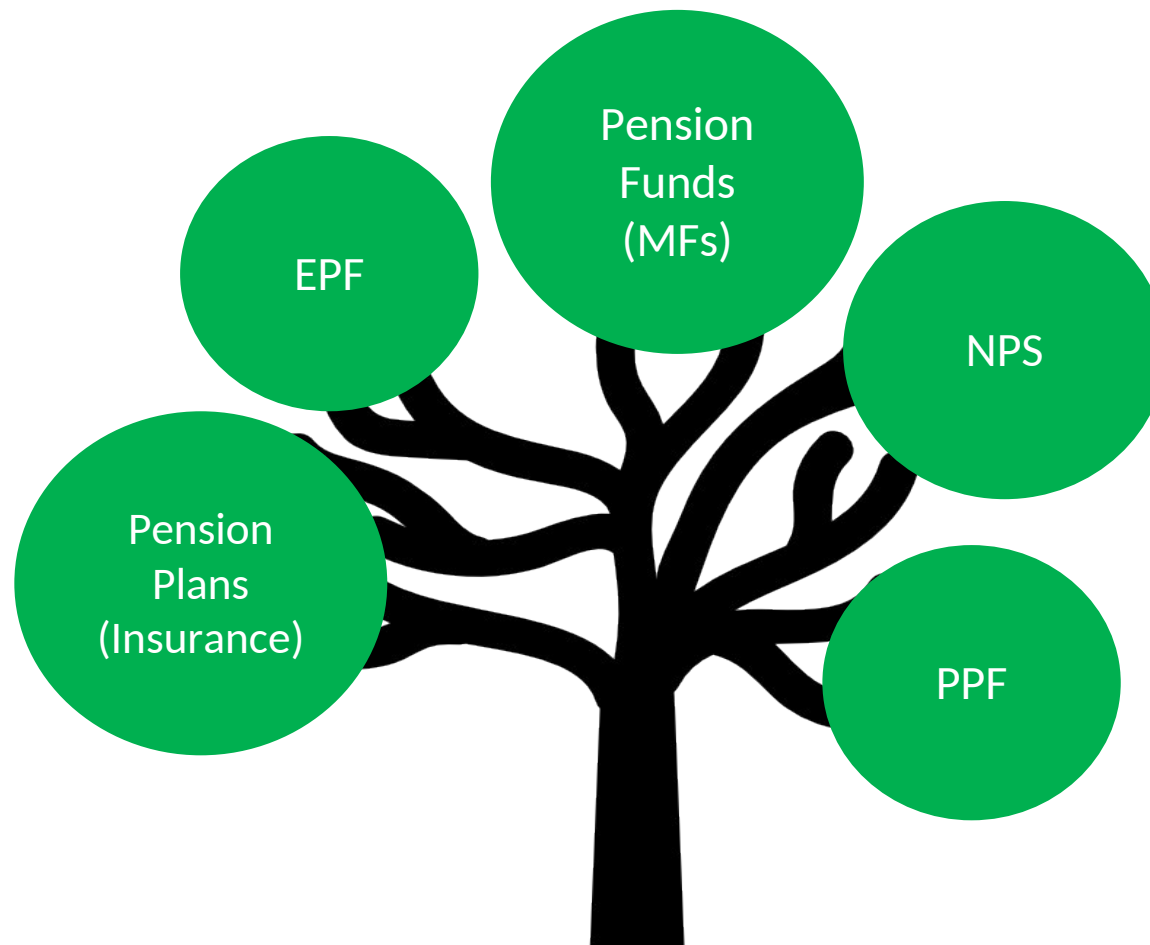
Source : <http://www.nsiindia.gov.in>



It's never too early to think about Retirement Planning



Pension Products





EPF vs PPF

Particulars	EPF	PPF
Eligibility	Salaried Employees	All Indians, Except NRIs
Interest Rate	8.10	7.10
Tax Benefit	Upto Rs. 1.5 Lakh u/s 80C	Upto Rs. 1.5 Lakh u/s 80C
Investment Period	Upto Retirement or Resignation	15 yrs, Extendable in 5 yrs block
Premature Withdrawal	Partial withdrawal available	Partial withdrawal available (after 5 years)
Tax on Returns	Tax Free	Tax Free
Loan Options	Yes, only in special cases	Yes, 25% from 3 rd yr onward
Minimum Investment	12% of Basic and DA	Rs. 500/-

Data updated as on 14th September 2021



Features of NPS



- All citizens between age 18-70 can open account
- Portable across geographies and employment
- Low cost, easy to operate
- Flexible investment options
- Tax benefit to employee and employer
- Regulated by PFRDA



NPS Account: Tier I & II

Particulars	Tier I (Pension Account)	Tier II (Investment Account)
Eligibility	All Indians (18-70 years)	Members of Tier I
Bank Account	Not mandatory	Mandatory
Min Contribution To Open	Rs. 500/-	NIL
Min. Contribution per year	Rs. 1000/-	Rs. 250/-
Liquidity	Conditional	Any time
Tax on Maturity	Yes, Conditional	Yes, for Debt Funds
Fund Transfer	Not Possible	From Tier II to I
Tax Benefit	Upto 2 Lakh u/s 80CCD (1 & B)	No



6

Consumer Protection and Grievance Redressal

Financial frauds and consumer awareness, Know the grievance redressal mechanism for different financial sectors.



Know Your Customer (KYC)

- KYC enables financial regulators and intermediaries to know their customers.
- Understand their financial dealings to be able to serve them better and manage its risks prudently.
- To verify the identity of the customer, his address and photograph.
- KYC is a regulatory and legal requirement.
- Without KYC you can still open a bank account known as 'Small Account'.





Be Aware: ATM/Debit Card



- Never lend his/her card to anyone.
- Do not write PIN on the card.
- Never share PIN with anyone or seek help from anybody by handing over the card and revealing the PIN.
- Never let anyone see the PIN while it is being entered at the ATM
- Never use a PIN that could be easily guessed. eg. his/her birthday, birthday of spouse or telephone number.
- Never leave card in the ATM.
- Remember that bank officials will never ask for card details or PIN over telephone / email. So, do not respond to any vishing / phishing mails from people indicating that they represent your bank.





Be Aware: Frauds and Scams



MASS MARKETING FRAUD

You receive a fraudulent email that looks like it comes from a legitimate company, asking you to click on a link that brings you to a fake website. To be safe, never invest, donate or make purchases on the phone unless you can validate the company's existence.

LOTTERY SCAM

"Congratulations! You've won the lottery/sweepstakes/big prize! All you have to do to claim your prize is send a small fee or tax payment."
Legitimate contests don't charge fees for you to collect your prize.





Be Aware: Frauds and Scams



INVESTMENT FRAUD

Someone recruits you to invest in a business or to buy merchandise to sell. You are expected to recruit new members. After a while, new people stop joining. That's when the promoters vanish, taking your money with them.

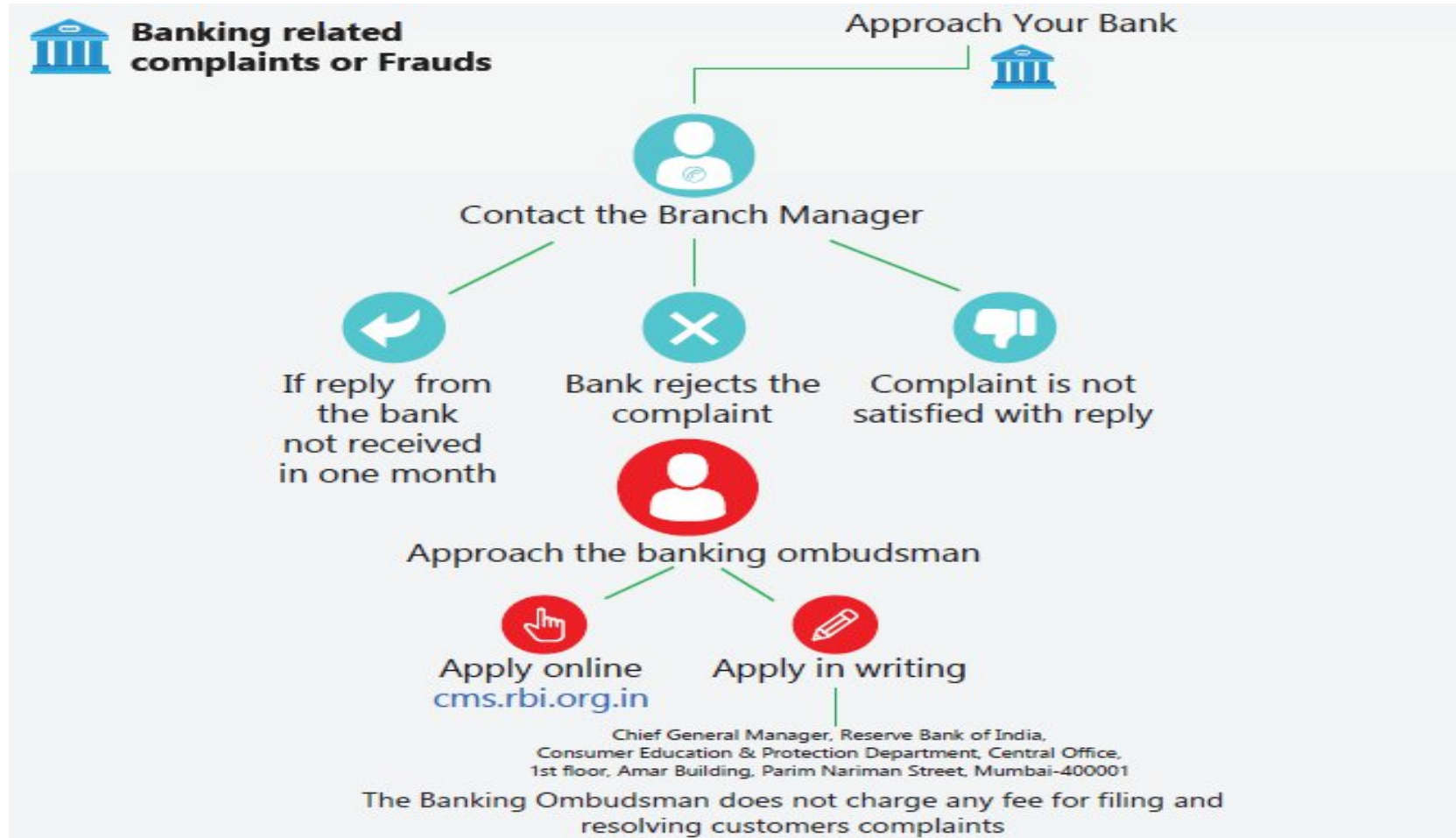
CREDIT AND DEBIT CARD FRAUD

Credit card and debit card fraud happen when someone uses your card, card information or personal identification number (PIN) without your permission. Never share your PIN with anyone.





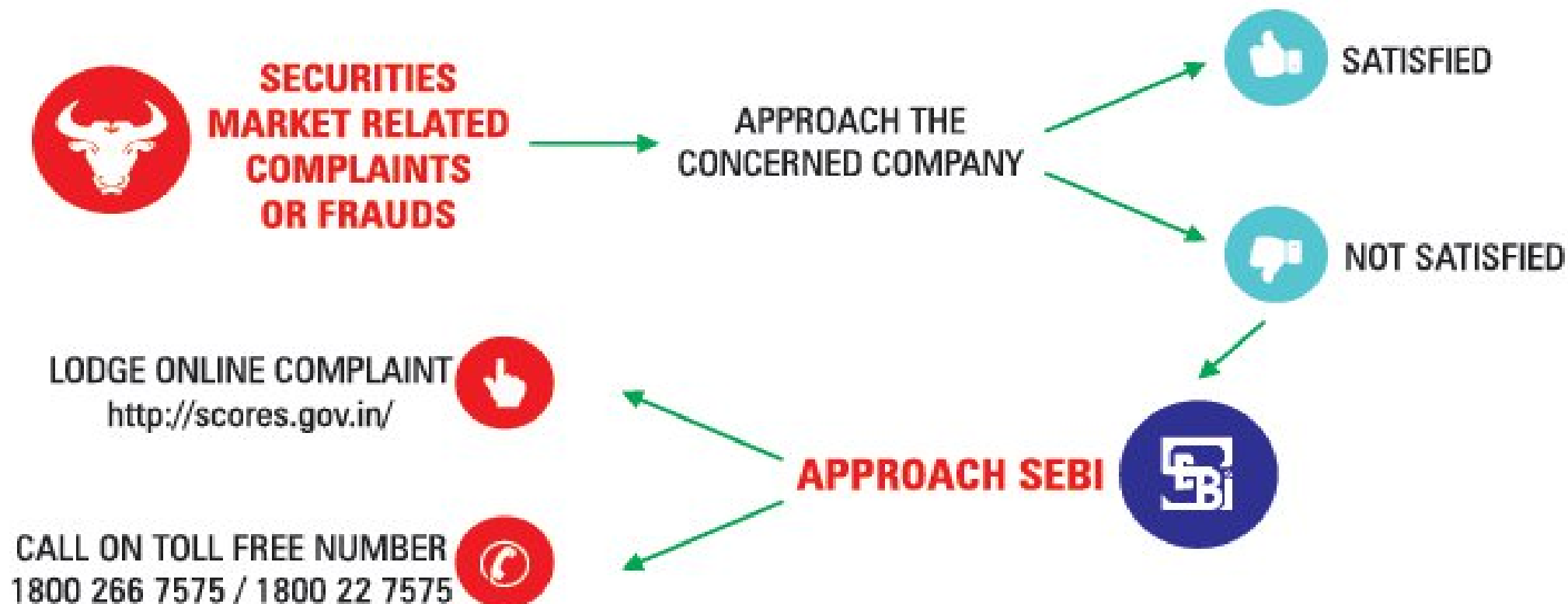
Grievance Redressal - Banking



CMS: Complaint Management System

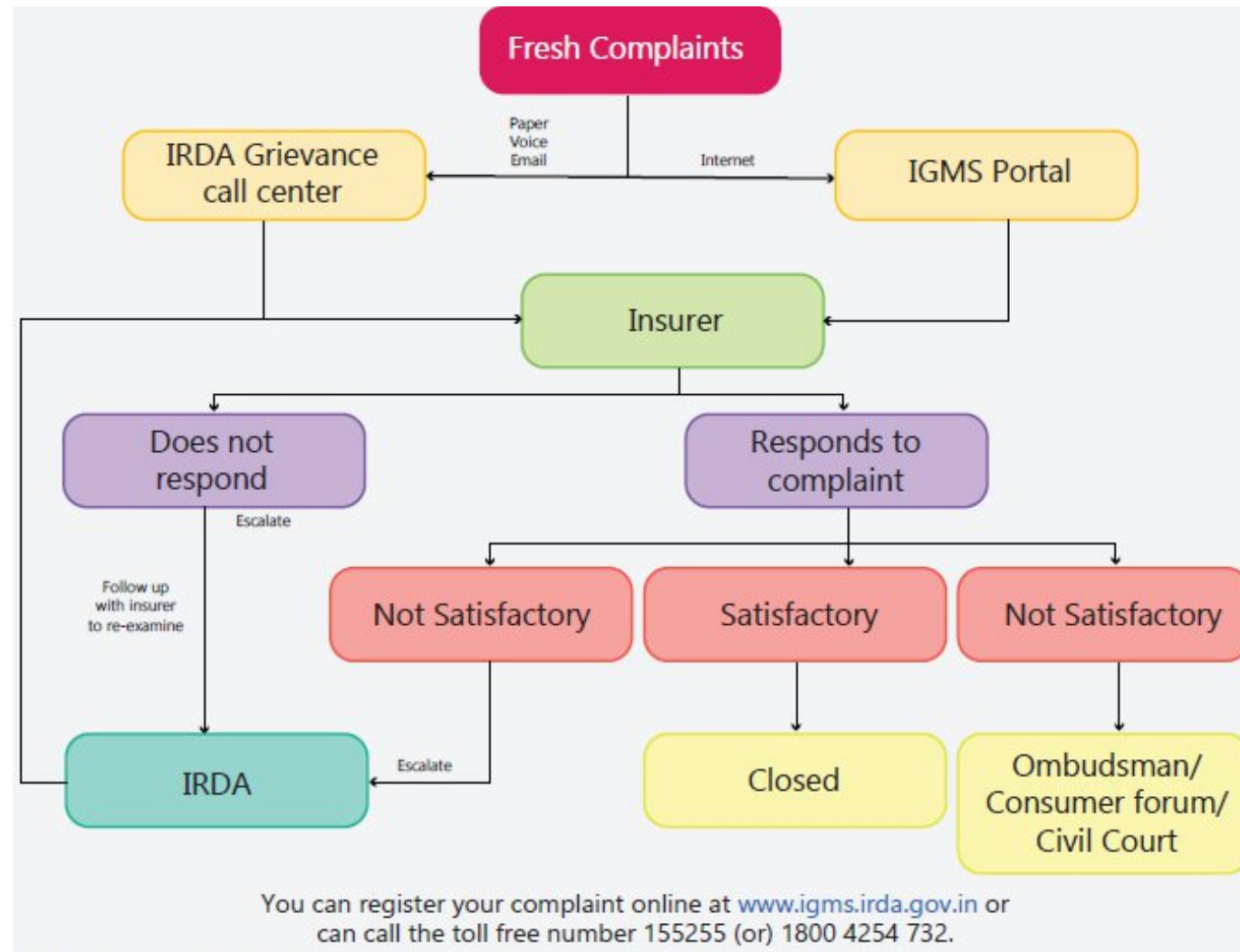


Grievance Redressal - Securities Markets





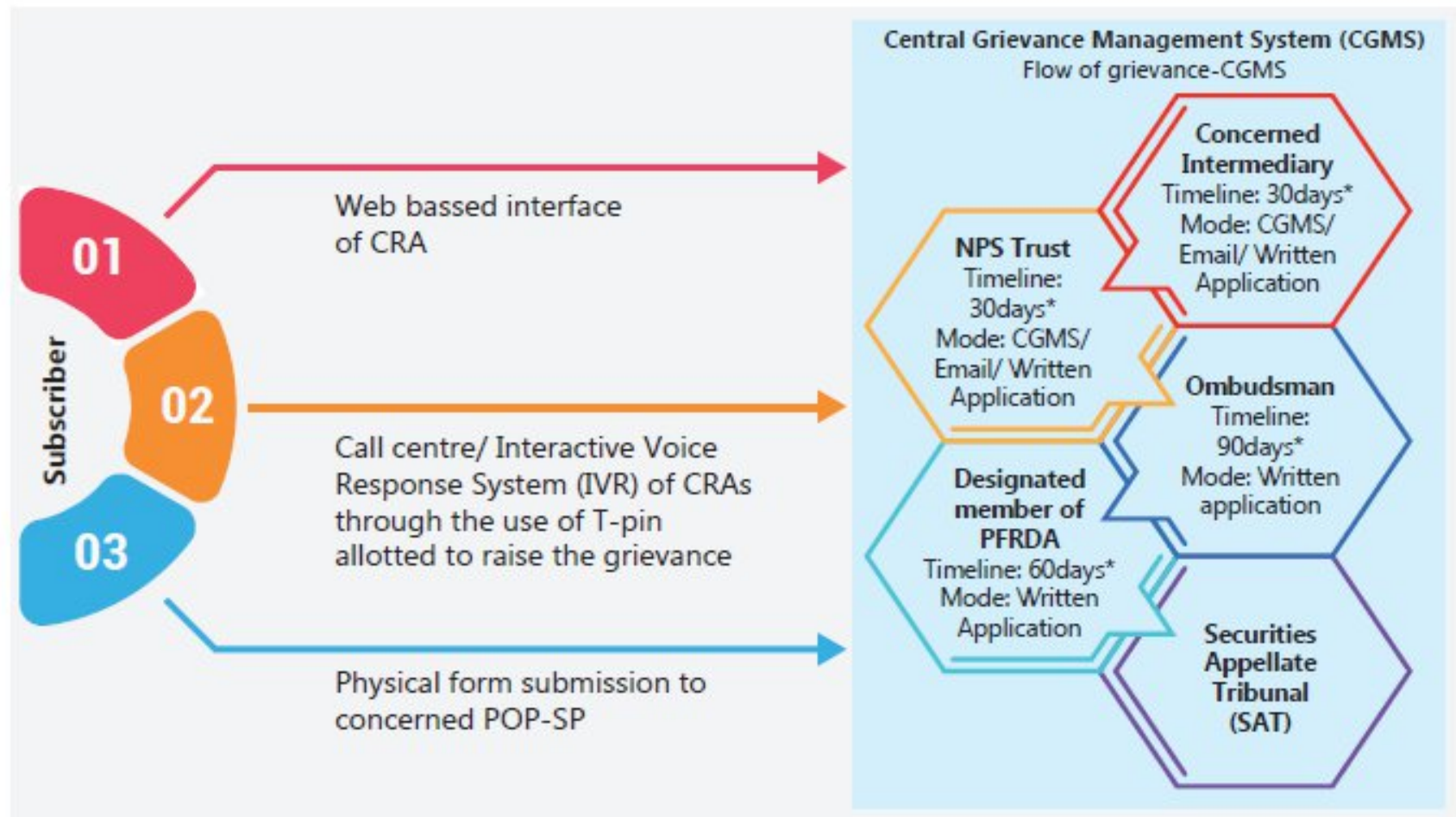
Grievance Redressal - Insurance



IGMS-Integrated Grievance Management System



Grievance Redressal - Pension



PFRDA – Central Grievance Management System



7

Financial Planning

An overview of the process involved. Case study for creating a retirement corpus. Inclusion of Financial Literacy in School Curriculum.



Financial Planning is very important to meet our life goals.



Financial Planning

- Financial Planning is the process of meeting your life goals.
- Our goals can be met through proper management of your finances.
- Life goals can include buying a house, saving for your child's higher education or planning for retirement.





Financial Planning Process

Begin your financial planning by answering 3 questions:

Where am I now?

Where do I want to go?

How do I get from here to there?





Financial Planning Process

1

Consider your skills, education, and interests. All this is tied to your future goals.

2

Identify and establish your financial goals for short, medium and long term.

3

Devise a plan how to achieve your goals. Evaluate alternate plan and select the best plan.

4

Implement the selected financial plan.

5

Re-evaluate your financial plan as your financial situation or goal may have changed.

6

Revise your financial plan as per your new objectives and goals.



SMART Goals

S



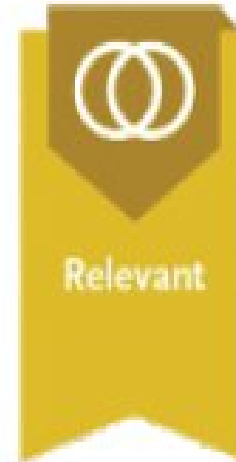
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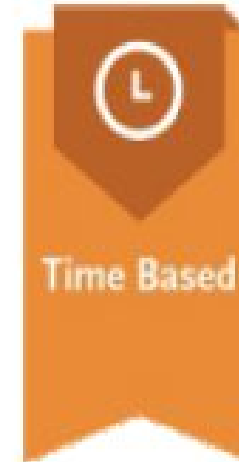
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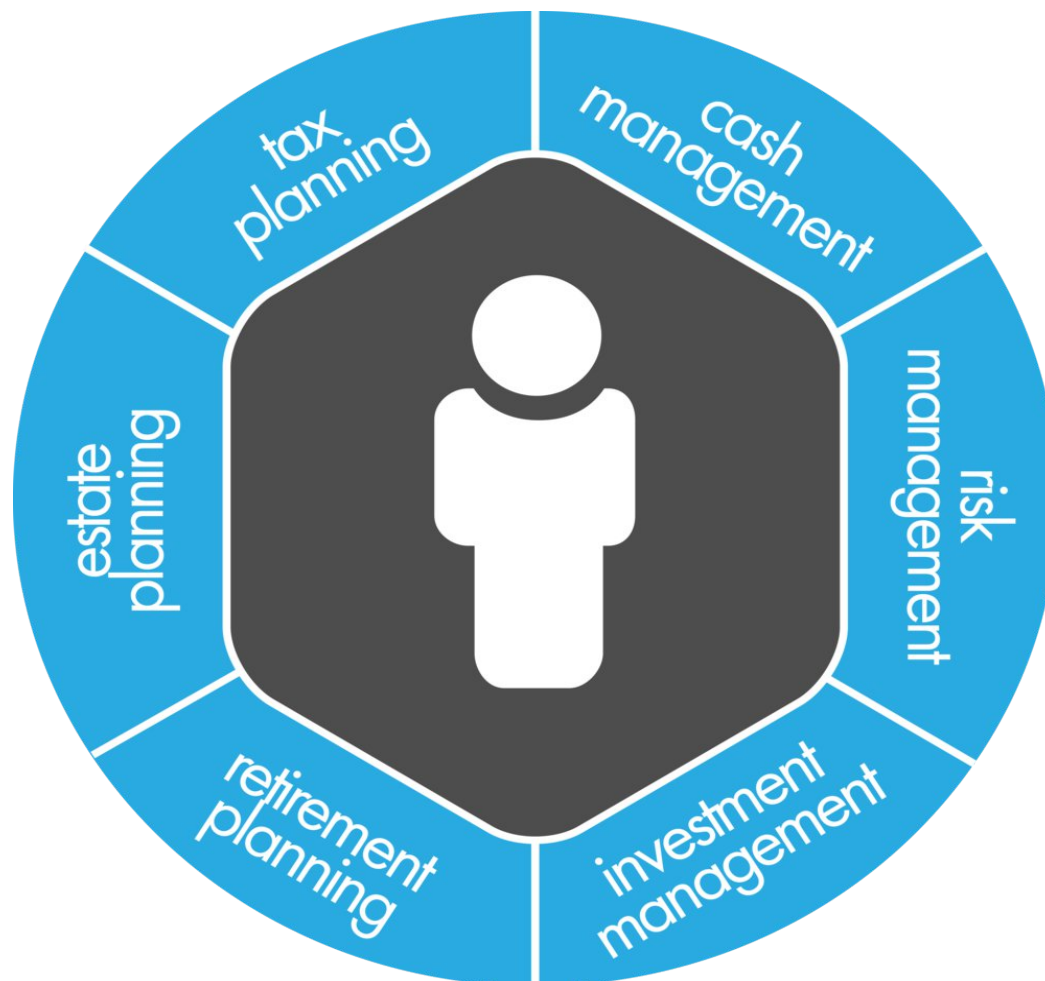


FINANCIAL GOALS

SHORT TERM (1-3 Years)	MEDIUM TERM (3-5 Years)	LONG TERM (5+ Years)
 Overseas Holiday	 Deposit on a House	 Children's Education
 Car	 Starting a Family	 Own a House
 Getting Married	 Taking a Break From work	 Retirement

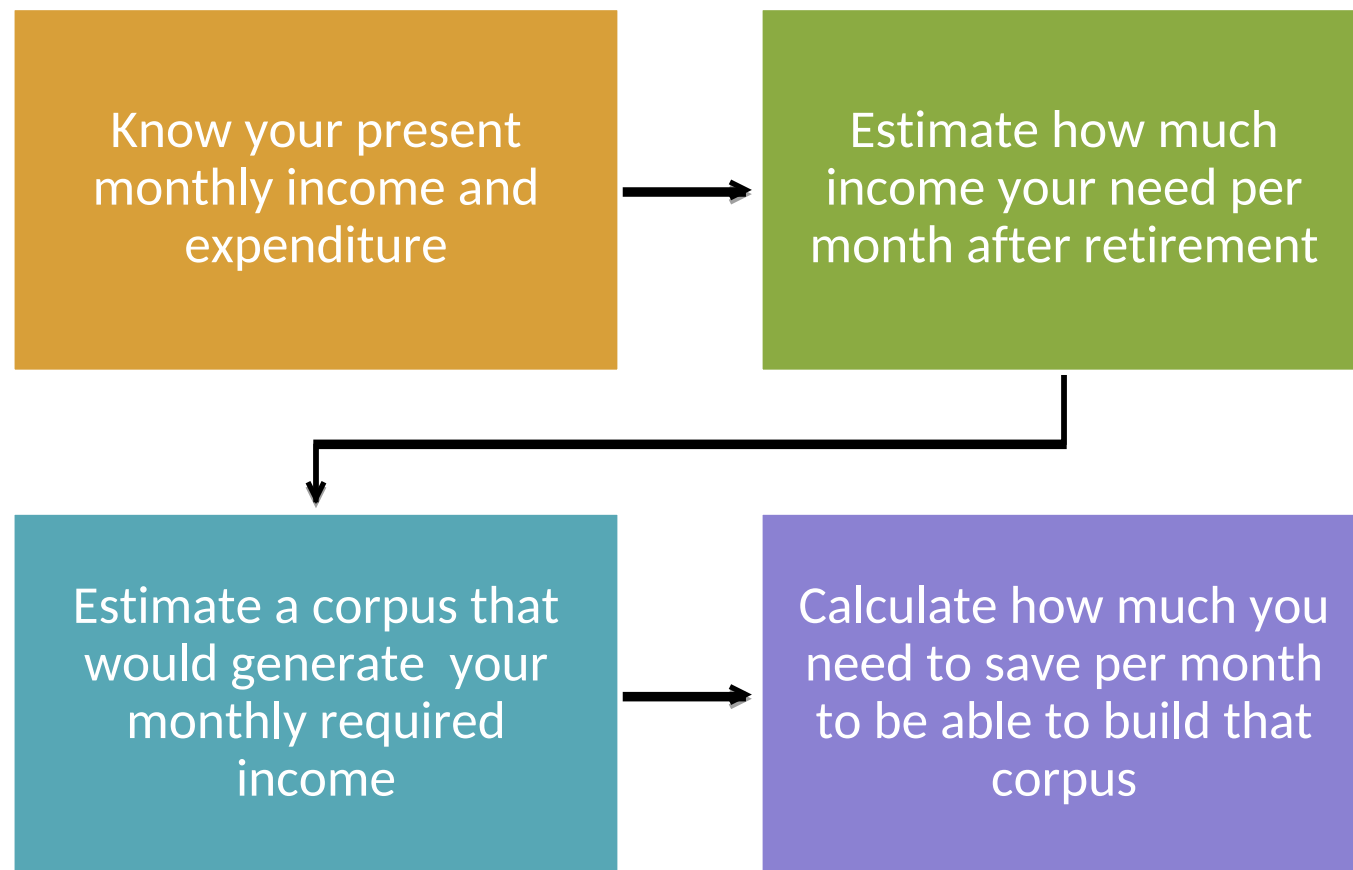


Areas of Financial Planning



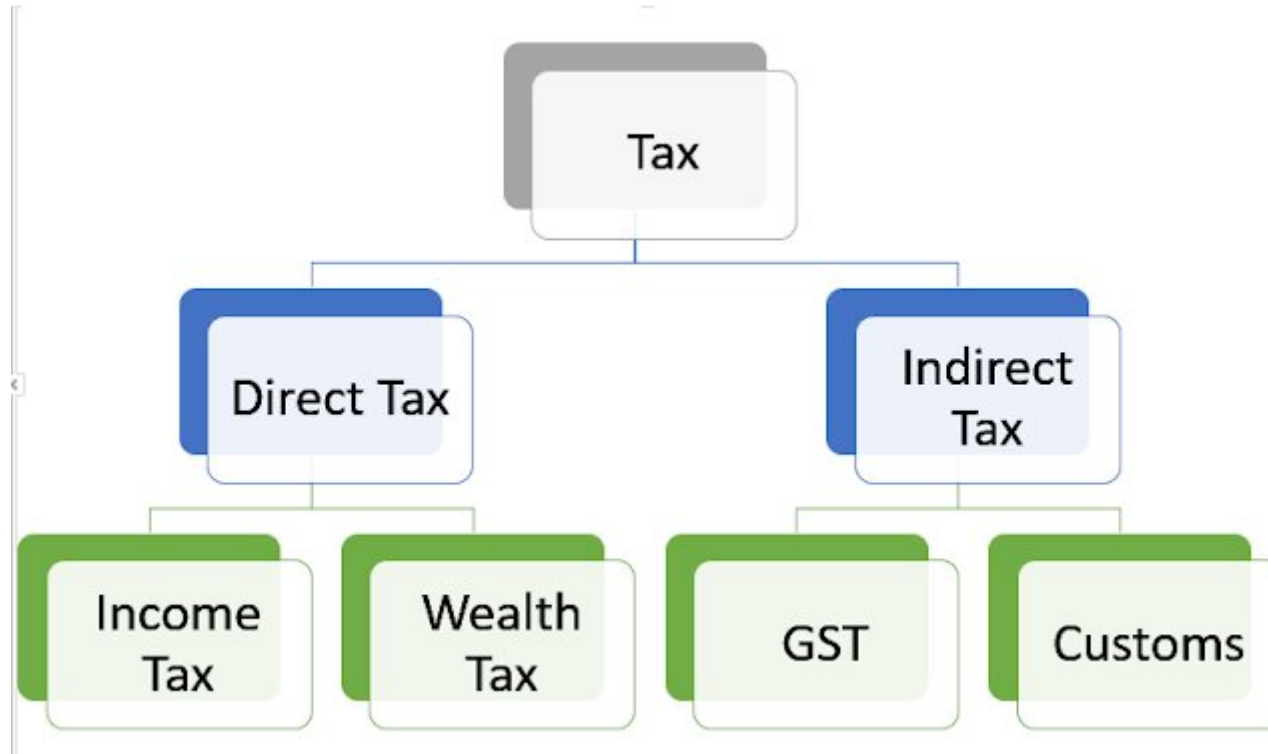


Estimation Process





Taxation





Income Tax Returns

Income tax returns are to be filed before 31st July every year. Tax returns for the financial year are to be filed for the financial year, which ends on 31st March. Following information is required for filing income tax returns

Form 16 – Issued by Employer

Form 16 A – Issued by entities who have deducted tax at source

Form 26 AS – Summary of All taxes that has been deducted and credited to PAN

Protect Yourself from FRAUD



Frequently check your financial accounts and credit reports for suspicious activity. A stolen credit card or hacked account can go unnoticed, so it pays to be vigilant.

Report Suspicious Activity - Be aware of the grievance redressal mechanisms. In case of any suspicious activities are found with your account report it to concerned authority

Assure your passwords are secure. Shoot for passwords that are 8-10 characters long with both upper and lowercase letters and at least one number and special character.

Utilize extreme caution when engaging with people online. Scammers like to frequent social media, dating websites etc., to reach potential targets. Be careful what you share online.

Do online searches. Type a company or product name into a search engine with words like "review", "complaint" or "scam". Or search for a phrase that describes your situation.

Protect Yourself from SCAMS



Stay calm. Scammers like to prey on people's emotions. They typically try to scare or trick you into believing something is scarce or a limited time offer using different tactics.

Consider all unsolicited emails, calls, texts and letters a scam. Banks don't ask for password or your personal information. Don't click on links or open attachments in unsolicited email.

Avoid sharing personal information with any person or business that you don't trust. This includes banking and credit card information, your DOB, Aadhar, PAN number & Password.

Make sure your online transactions are legitimate and secure. Scammers have gotten better at imitating company logos, official seals etc. Look for "https" in the URL and a small lock icon on the address bar.

Seek independent professional advice, if necessary. Before you provide personal information, send money or make an investment, talk to a financial adviser, accountant, or even the teller at your local bank.



8

Implementing Financial Literacy in Schools

NCFE provides unbiased financial education in schools for improving financial literacy which is an important life skill for the holistic development of each student.



Implementing Financial Literacy in Schools



Steps for Implementation

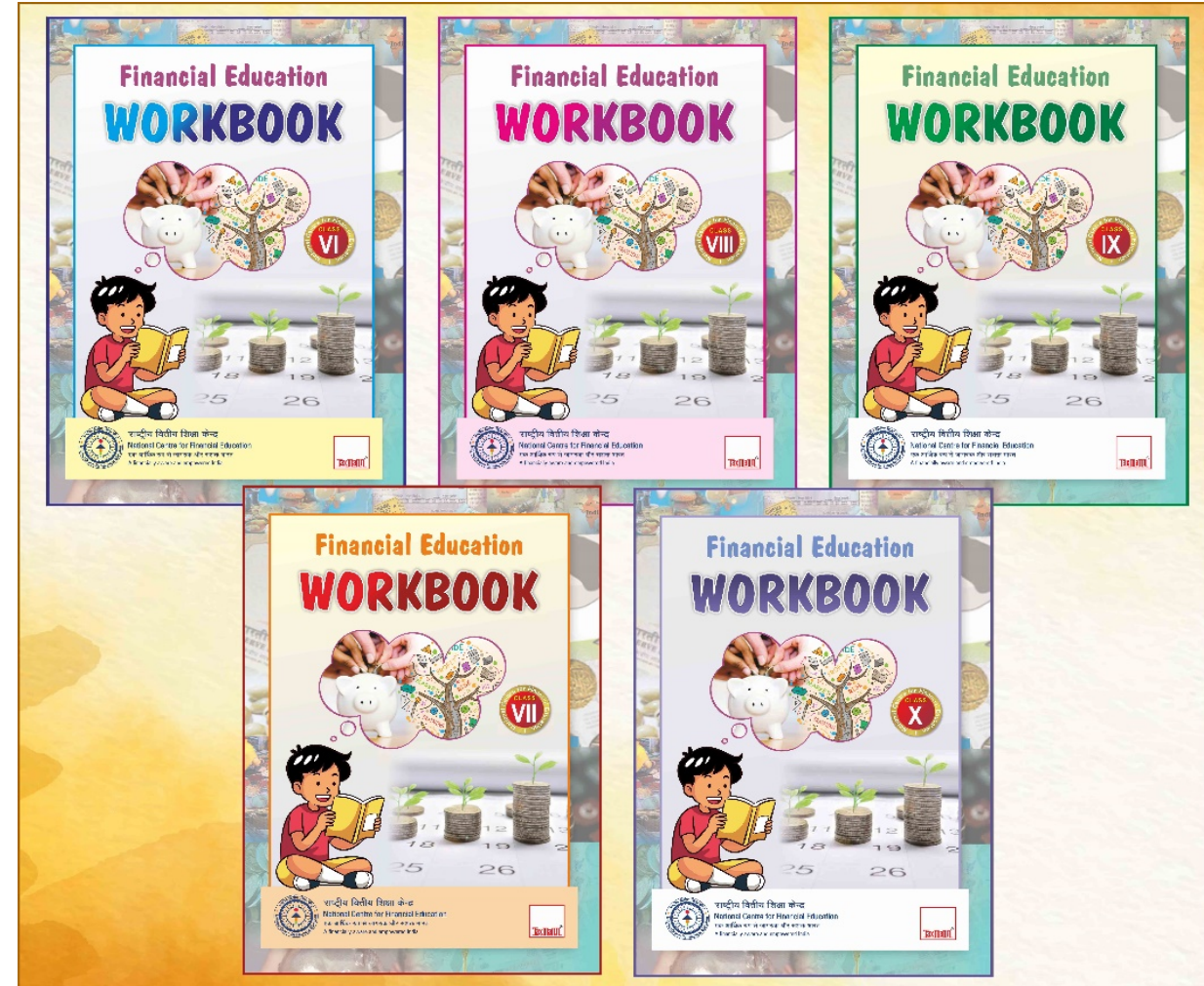
Money Smart
Teachers
Programme
(MSTP)

Money Smart
School
Programme
(MSSP)

National
Financial Literacy
Assessment Test
(NFLAT)

Financial Education for School Students(MSSP)

- Financial Education Workbooks (VI - X)
- Financial literacy curriculum integrated with the existing subjects for different classes.
- This program involve 20 session of 40 minutes each
- Certifying schools, as “Money Smart Schools” who voluntarily include NCFE’s financial literacy curriculum in their schools.
- School will also be rewarded with Money Smart E – Badge, MSSP Shield and Certificates
- Students also will get the certificates



Class VI - Workbook

Subjects	Topics
HISTORY	1. Barter System 2. Evolution of Money
CIVICS	1. Needs and Wants 2. Bills/Cash Memo
GEOGRAPHY	1. Trade 2. Benefits of Trade
ENGLISH	1. Radha and the Frog 2. Grandfather's Coins
MATHEMATICS	1. Taxation 2. Nurturing the Money Plant

Class VII - Workbook

Subjects	Topics
HISTORY	1. Need and Sources of Borrowing 2. Role and Functions of the RBI
CIVICS	1. Consumer Protection 2. Introduction to Banking
GEOGRAPHY	1. Banking: Types of Accounts 2. Banking: With New Technology
ENGLISH	1. Living within Means 2. The Poor Man's Wealth
MATHEMATICS	1. Go for Shopping 2. Simple Interest Rates

Class VIII - Workbook

Subjects	Topics
HISTORY	1. Introduction to Insurance 2. Types of Insurance
CIVICS	1. <i>Part I:</i> Types of Banks <i>Part II:</i> Cheque 2. Tax
GEOGRAPHY	1. <i>Part I:</i> Money in & Money out <i>Part II:</i> Demand Draft (DD)/Payment Order
ENGLISH	1. How to Open a Bank Account 2. Insurance: A Story
MATHEMATICS	2. <i>Part I:</i> Filling of Deposit and Withdrawal Slips <i>Part II:</i> Operating your Account

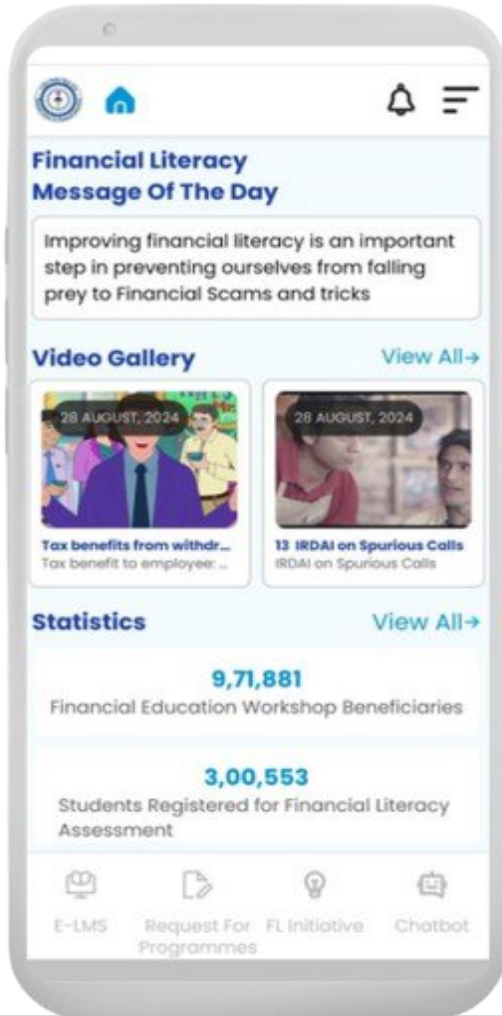
Class IX - Workbook

Subjects	Topics
HISTORY	- Part I: Investment Part II: Financial Sector Reforms and Insurance - Source of Funds
POLITICAL SCIENCE	- PAN Card and Aadhaar Card - Part I: Grievance Redressal Mechanism in Insurance Part II: Credit cards and Debit cards
ENGLISH	- Risk and Protection - Natural Disasters
ECONOMICS	- Part I: RBI: Central Bank Part II: Budgeting - Part I: Banks and Loans Part II: Inflation
MATHEMATICS	- Insurance Terminology Scramble - Introduction: Risk and Insurance

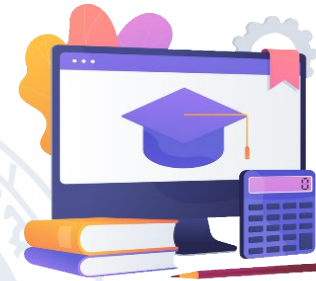
Class X - Workbook

Subjects	Topics
HISTORY	<i>Part I:</i> Electronic Commerce (e-Commerce) <i>Part II:</i> Beware! (e-Commerce) <i>Part I:</i> Information Technology in Insurance Sector <i>Part II:</i> Insurance Ombudsman
POLITICAL SCIENCE	- Commodity Futures Market <i>Part I:</i> Economic Depression <i>Part II:</i> Investing in Shares <i>Part III:</i> Initial Public Offering (IPO)
ECONOMICS	- Benefits of Insurance <i>Part I:</i> Learning to Trade <i>Part II:</i> Stock Exchange and Economy
MATHEMATICS	- Trading and Demat Account - SEBI Grievance Redressal
ENGLISH	- Pension - National Pension System (NPS) - Goods and Services Tax (GST)

E – LMS & Financial Literacy Mobile App of NCFE



- Free E-Certificate after complementing the course.
- Anywhere anytime learning at own space.
- Mobile friendly, E-LMS course is available in FL Mobile App
- Use of audio visual for easy understanding.
- Link for sample video:
<https://ncfe.org.in/program/e-lms>



Promoted By :



E-Learning Management System (E-LMS)

An Online Financial Education Course by NCFE

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GET IT ON
App Store

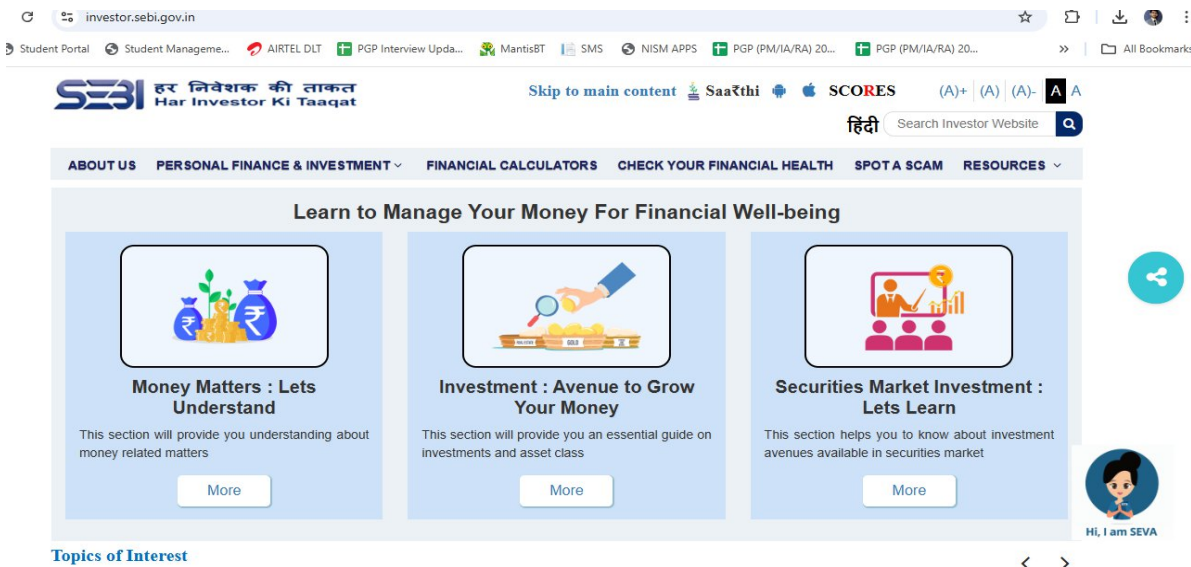


NCFE has launched e-learning course on basic Financial education covering topics from Banking, Insurance, Securities Markets and Pension related products. The course is of 5 hours consisting 20 modules. The portal is open for registration and it is free of cost.

For Registration please visit "<https://ncfearthashiksha.in>".
and for any further queries write to us at elms@ncfe.org.in



Initiatives of SEBI & NISM



Topics of Interest

For more details visit: <https://investor.sebi.gov.in/>



The app can be downloaded on: <https://play.google.com/store/apps/details?id=com.sebi.invapp>



For more details, visit:
[Click Here](https://www.nism.ac.in/nism-certifications-2/sebi-investor-certification-examination/)
(<https://www.nism.ac.in/nism-certifications-2/sebi-investor-certification-examination/>)



For more details, visit: [Click Here](https://online.nism.ac.in/module/Financial%20Literacy%20Course%20for%20Bharat.html)
(<https://online.nism.ac.in/module/Financial%20Literacy%20Course%20for%20Bharat.html>)



Thanks!

Any questions ?

You can reach us at

National Centre for Financial Education, NISM Bhavan, Plot No 82, Sector 17, Vashi, Navi Mumbai 400703



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