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NISM



Financial Literacy for people newly inducted into the Financial System

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Module 1

Income, Expenses and Budgeting

Are you sometimes short of cash at the end of the month? Don't seem to be able to save for the things you really want?

You can learn to balance your income with your expenses – and even have some money left over for savings and extras. Let us show you how to manage your incoming and outgoing finances.

Setting priorities: Needs and Wants

It is very important to know the difference between your needs and your wants. This will help you set your priorities so that you know where to spend your money.

1. Need: A necessity, something required, something essential for life

2. Want: A desire, something wished for, something non-essential

Using these definitions, a roof over my head is a need. So are clothing, food, tools for work and medications. Watching movies in theatre is a want, and so are addictions like chewing paan, smoking and drinking.

A hand is shown holding a white sign with the word "EXPENSES" written in bold, black, capital letters. The background is a vibrant, busy outdoor market, likely a textile or fabric market, with many people, including women in colorful saris, and various fabrics and goods on display. The scene is brightly lit, suggesting a sunny day.

Income

Most of us have a source of income through our job, business, farming or other work. Many may also be receiving interest income from their investments.

Whatever the sources of income, you need to know how to keep track of it and manage it to cover your expenses and save for the future.

Expenses

It costs money to live. You need to pay for food, clothing, housing, transportation, communication, and a dozen other necessary expenses. Then there are things like vacations, entertainment, children's education and marriage, gifts for relatives and so on. If you want to reach your goals, there are two things you must do with your expenses:

1. Know what you spend.

2. Reduce unnecessary spending.

The first step in controlling your spending is to get in the habit of tracking your daily expenses so you know how much you spend and what you spend it on.

1 Keep every receipt.

2 Record every expense daily.

3 Total your expenses at the end of the month.

4 Do this for at least three months.

You will be surprised to know how much you spend and what you spent it on.



Budgeting

Now that you know your income and expenses, you need to put them together. This is called a budget. There's nothing difficult about a budget. It is simply a comparison of income and expenses.

Is the difference between your total income and total expenses a positive or a negative figure?



If it is positive, you have a surplus. Congratulations! With the extra money you must pay off any debt or loan you have. Otherwise you can increase your monthly savings or invest for future.



If it is negative, you have a deficit. You need to make changes to balance your budget. Reduce your expenses by focusing on your needs rather your wants.

Budgeting isn't a one-time thing. To make it work, you need to do it regularly. At first, do this weekly and once you are comfortable you can do it monthly.

Financial Goals

If you want to go somewhere, you need to know the road. It's the same with your money. To manage your money well, you need to know where you want to go.

S M A R T

Specific, Measurable, Attainable, Relevant, Time Based

For example, saving 50,000 rupees for a 100 cc motorbike within 10 months, is SMART. It's specific – you know exactly what you're saving for. It's measurable – you know how much you will need. It's achievable and realistic – you can break the total amount needed into smaller steps (saving 5,000 rupees a month) which is easier to do. And it's – time bound – you've set a deadline of 10 months.

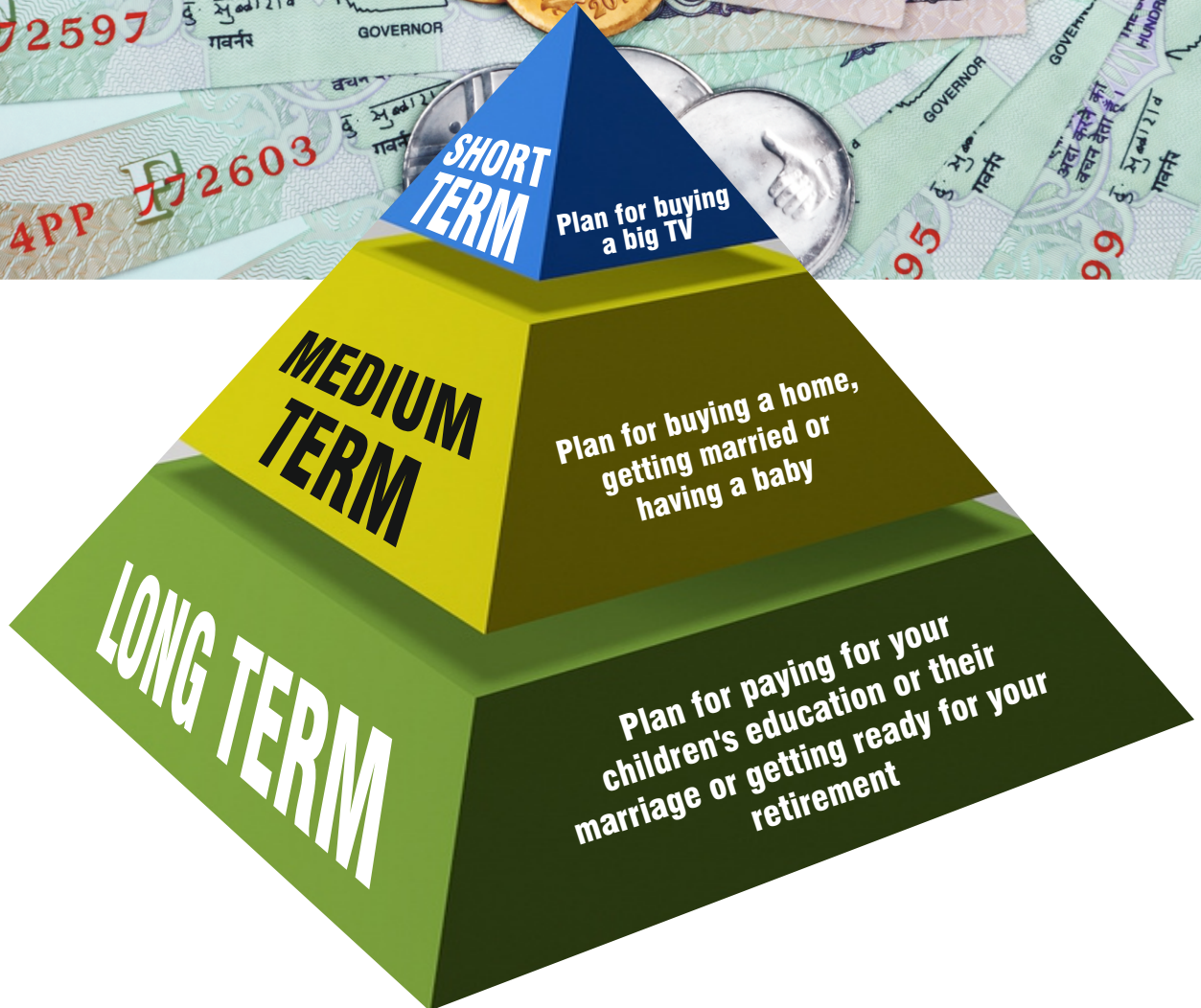
It's important to set short medium – and long-term financial goals.



Module 2 Saving

Why Save?

Saving is very important. It will help you to meet your goals and provide for your own future.



Without savings, when you want to purchase something, you have to borrow money. Borrowing is expensive, because not only do you have to pay it back, but you also pay interest, often at a high monthly rate. Saving lets you avoid the interest you have to pay to borrow money. Most people know the reasons to save, – but many don't do it consistently. Save now.

How to save?

Now that you've decided you want to save, how do you go about it? Keep these tips in mind:

Make a plan for your saving and spending. Reduce unnecessary expenses and put your savings into a separate account. Spend on things you need, but wisely.

It's usually best to clear up any high-interest debts before starting your savings, because they usually cost more than you can earn with a savings plan. Pay these debts first and then regularly put the money into a savings account.

Pay yourself first. Set aside money from your income before you spend on anything else. Use what's left after saving to spend on things. Also, if your income goes up, put some of the increase (most of it, if you can) into your savings. It will be easier to do this before you get used to spending the extra money.

Make a regular contribution towards your savings. To make it easy, set up an automatic monthly transfer to your savings account.

Make use of tax benefit schemes to maximize your savings. Schemes like, EPF, PPF, NSC, ELSS, SSY and NPS are a good way to reduce the taxes you pay on your savings.

Saving is a key step to make sure your future is financially secure. Start early to give your savings as much time as possible to grow.

Where to save?

You know you can save at least a little every month. What should you do with your savings to keep them safe? There are many options. It can be as simple as a savings account at a bank. It can be recurring or fixed deposits, or post office savings schemes.

Savings account

Savings accounts are handy for short-term savings. You can deposit money into a savings account at any bank. This will keep your savings safe and pay a little interest. You can take your money out whenever you need it.

Recurring deposits

Recurring deposits popularly known as RD, are best if you wish to create a fund for a special occasions such as buying a car. These are suitable for people who do not have a large amount of savings, but are ready to save a small amount every month. No withdrawals are allowed.

Fixed deposits

Commonly known as FD, this is where you can deposit a sum for a fixed period. The depositor is given a fixed deposit receipt, which the depositor has to produce at the time of maturity. Withdrawals are not allowed, however, in case of need, the depositor can ask for the fixed deposit account to be closed by paying a penalty.



Each type of Savings vehicle has costs and limitations. Check them carefully to be sure you understand the terms and whether they provide what you need.



What is a BC? How does a BC function?

Banks have been allowed to appoint local individual persons and others as business correspondents (BCs) to work as agents of the banks. The BC uses devices based on Information and Communication Technology (ICT) such as handheld machines, smartcard – based devices, mobile phones, etc. to carry out the banking transactions.

Is our money safe if we deposit it with a BC?

The BC is a way of providing banking service at our doorstep if the bank branch is far from our area. Depositing our money with the BC is as good as depositing it with a bank branch. The transactions are done through ICT – based devices and accounted in the books of the banks. Customers get immediate verification of their transactions because the BC issue a receipt on behalf of the bank.

Additionally, transactions because the BC issues a receipt on behalf of the bank. Additionally, transactions through BCs are based on our biometrics or a PIN number and no one else can do the transactions in our account.

What services are provided through BCs?

BCs help you open and make transactions in saving deposit accounts with in built overdraft, fixed deposits and recurring deposits. They also help us remit funds from our accounts and receive funds into our account. Besides, they provide credit for income – generating activities through Kisan Credit Cards for farming activities and General Credit Cards for non-farm activities.

Module 3

Credit and Debt Management

Loan?



Many people need to borrow money to buy a house or car or for their children's education. This is called credit. Borrowing money is neither good nor bad. But financial experts often distinguish between good debt and bad debt. Good debt is an investment in something that creates value or produces more wealth in the long run. Examples are a loan to buy a house or an education loan for your children to pursue higher education. Bad debt is money taken to buy something that immediately goes down in value or to buy something that you can't repay on time. Example are a loan to buy a large television or a loan to pay your monthly expenses.

It's easy to spend without realising how the debts are piling up. Sometimes, despite your best efforts, you find yourself with more debt than you can handle.

Although it may seem impossible, you can get out of debt. The first step in solving your financial problems is to admit that you have them and take control before they get out of hand.

Suppose you want to buy something and you don't have money. The phone rings or you receive an email, offering to get you a loan. Don't fall for such pitches. Make a plan to save enough money so that you can buy what you want.



MONEY LENDER

Why borrow within a limit?

When you borrow money, you have to pay interest on the borrowed amount.

Borrowing beyond your means will lead to a debt trap and it will be very difficult to get out of it.

When you borrow more than you can handle, you find it difficult to repay.

Borrowing within limits will help you build a good credit score, because you can repay your loans.

Paying interest on the loans you have taken is an expense. If you borrow more, your expenses grow.

Module 4 Insurance

No one plans to get in an accident or become seriously ill. The chances of these things happening to you may be very small. So we may put off buying the insurance we need. But these things do happen. It's only when the event occurs that we realise that we may not be as well protected as we would wish. Insurance is a way to protect yourself and your loved ones from financial hardship in case losses occur.

COMMON TYPES OF INSURANCE



LIFE INSURANCE



HEALTH INSURANCE



CAR INSURANCE

Life Insurance

When you buy a life insurance policy, you name a beneficiary. Life insurance provides a financial payment to your beneficiary upon your death.

It is generally recommended that you purchase insurance with coverage worth 7 to 10 times your annual income in order to protect your family.

Vehicle insurance

Auto or vehicle insurance is mandatory if you own a vehicle. Depending on your policy, it covers losses that your vehicle causes to other people and of your own medical expenses if you meet with an accident. It also covers the cost of repairing or replacing your vehicle due to other types of damage or loss, such as vandalism, fire or theft.





Health insurance

In the recent past the cost of treatment has increased enormously. A simple visit to a doctor now costs anywhere between 300 and 3000 rupees, depending on where you live. If your treatment requires you to stay in the hospital for a few days, you will end up with a huge medical bill that can severely impact your savings. To avoid such financial shocks, we must insure ourselves. Every insurance company offers a medical insurance plan that covers basic medical care, including doctor's visits and the costs of hospitalisation.

Making a claim

A disaster happens. Your bike is stolen. You have met with an accident. It's time to make a claim. When you make a claim, you are officially asking the insurance company to pay you for the loss you have suffered under the terms of your insurance policy.

Contact your insurance broker, agent or company as soon as possible, because most companies have time limits within which you must submit your claim. Also remember to provide all supporting documents when submitting your claim.

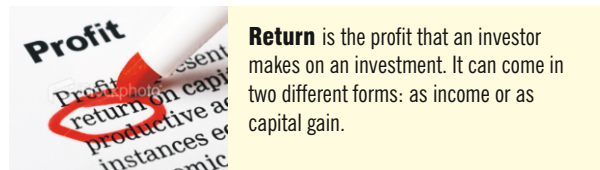


Module 5 Investment

Investing can be complex and it often has risks. But with knowledge, you can choose the level of complexity and risk that you are comfortable with.

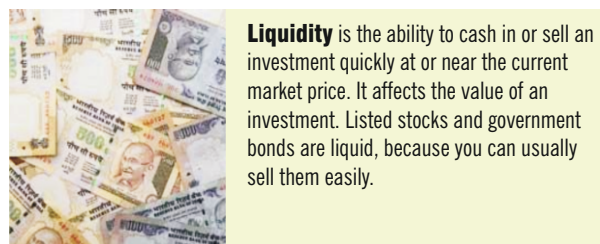
Key factors

You need to know at least three key factors about every investment: its return, the risk and liquidity.



Return is the profit that an investor makes on an investment. It can come in two different forms: as income or as capital gain.

Risk means uncertainty. You are not sure whether your investments will give high returns or you will lose your money. Risk and return go hand-in-hand which means that to get higher return on your investments you will be exposed to more risk.



Liquidity is the ability to cash in or sell an investment quickly at or near the current market price. It affects the value of an investment. Listed stocks and government bonds are liquid, because you can usually sell them easily.

Investing goals

What you want from your investments depends on who you are. Your investment goals will be different from those of other people, and they will change as you go through life. Usually, you have a variety of goals at the same time. You may be looking for long-term growth in value but also want a secure and flexible fund for emergencies. Each household will have a variety of objectives, and will need a different investment strategy for each one.

1. If your goal is to make as much money as you can, you have to be ready to take some risks. You are likely to choose shares in companies with a potential for growing rapidly.

2. If your goal is to keep your money safe, or to provide money to live on, you would choose different investments, such as guaranteed investments or bonds that pay a low but reliable return.

One easy way to see how personal factors affect investment choices is to think about your stage in life or, the phase of your life that you are in.

Stage 1



If you are young, you may be willing to take more risks because you are planning for the long term. If the value of your investments goes down, you'll have time to recover and your investments can grow over a long period of time.

Stage 2



If you are starting a new family, you want to provide security. You may still be planning for the long term, but you need to keep at least part of your money available to provide for shorter-term savings goals and emergencies, or to make major purchases such as a family home.

Stage 3



If your family is becoming more independent, you may have less need for short-term savings, and be able to save more for your retirement. You may be at the peak of your earning years, with cash available for investments, but unwilling to invest your money in anything risky.

Stage 4



Once you have retired, you may be relying on your investments to provide a regular, reliable income to add to benefits such as your public or private pensions.



Diversification

It is never a good idea to put all your eggs in one basket. If you put all your money in one investment, it may rise or fall depending on a wide range of unpredictable factors. If you put your money into a range of investments and one or two lose money, the others may gain money to balance your investments.

This is known as diversification. It is a way to reduce risk when you are making investments.

Equity

Equity is a part of a company, also known as stock or share. When you buy shares of a company, you basically own a part of that company and can expect to profit when the company profits. These shares are traded on stock exchanges, which facilitate the buying and selling of stocks, thus providing a marketplace.

Investing in equities is riskier and definitely demands more time than other investments. For beginners, it's better to invest in the share market via mutual funds which are professionally managed and are less expensive.

Mutual Funds

A mutual fund pools money from many investors and invests in stocks, bonds, short-term money market instruments, other securities or assets, or some combination of these investments. The combined holdings that the mutual fund owns are known as its portfolio. Each unit represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. Buying a mutual fund unit is simple and easy since these are sold by many banks, and the minimum investment amount is small.

Before investing, it's important to remember that if an offer is too good to be true, it probably is. Also, be sure that the product or company you are investing in is a registered entity engaged in legitimate business.

Why invest?

Invest, so that your money will grow because of compound interest.

If you keep your money with yourself, you risk losing purchasing power to inflation.

Investing helps you achieve your financial goals.

Invest so that you don't have to rely on anyone.





After a full and productive working life, you look forward to a healthy, active and secure retirement. Whether you retire early or work well into your senior years, you want to know that you will be financially secure in your later life. Will you have enough money for your retirement?

If you're like most Indians, your younger and middle years are filled with numerous demands on your time and finances: raising children, buying and maintaining a home, enjoying festivities. You may be too busy to think about retirement, or you may find it hard to put money aside now for later.

Retirement needs

It is important to know how much money you will need for retirement. It can vary with your individual circumstances. Life expectancy, inflation and your retirement age are some of the key factors to be taken into consideration while calculating your retirement needs.

Inflation is the rising cost of consumer goods and services. It affects your retirement needs in two ways. First the cost of goods that you buy increases, which means that to buy the same amount of goods you need to pay more. Second, due to inflation your retirement savings also lose value. All this must be taken into account when you are creating your retirement fund.

National Pension System

The national pension system is a pension plan by the Government of India to provide financial security and stability during old age when people don't have a regular source of income. It is open to all citizens of the country between the ages of 18 and 60 on a voluntary basis. You can subscribe to the NPS through which you will be able to save and invest systematically during your working life. A minimum saving of 500 rupees per year is required to subscribe to the scheme. When you retire, normally at age 60, you will get a part of your money and the remainder can be withdrawn on a monthly basis. Your savings in the NPS, up to a certain limit are also tax exempt.

When it comes to thinking about your retirement, do you plan ahead? Or do you tend to put it off? One thing is clear; to ensure that you have enough to meet your retirement needs, it's essential to start planning early – at the beginning of your working life. It is important to start saving regularly, even if it's just a small amount every month.

Module 7 Financial Planning



Many of us think that financial planning is only about investing for retirement. It is – but it's also much more. Whether you're a college graduate, a young person, a housewife or a senior person, financial planning is how you think ahead to make sure you achieve your goals. Your goal may be to get out of debt, to balance your budget or to retire in style and comfort; without a plan all you have to rely on is good luck. People who are well prepared usually have better luck.

Planning means that you try to choose the future you want instead of falling into a future you did not choose. Also, if you have a plan you can adjust it when changes occur in your life. Because you know you are taking steps to manage your future, you will save more and worry less.

Begin your financial planning by answering three key questions:

1. Where am I now?
2. Where do I want to go?
3. How do I get from here to there?



A financial plan can help you to:

1. Balance today's needs with your goals for the future
2. Make the best use of your financial resources
3. Adapt to change in your circumstances and needs
4. Save the money you need to achieve your goals
5. Prepare for unexpected emergencies
6. Protect what is most important to you
7. Prepare for retirement
8. Leave something for your family
9. Manage your taxes
10. Live your life with a sense of direction and security.



Pradhan Mantri Jan Dhan Yojana (PMJDY)

Opening a bank account under the PMJDY is simple and easy. It also offers a lot of benefits. Have you already opened an account? If not, visit the nearest bank branch or business correspondent (bank mitr) centre today and open your account. You do not need to put any money in this account? However, if you want a cheque book you will need to fulfill the minimum balance criteria of the bank. To open this account all you need is your Aadhaar card. If you do not have an Aadhaar card you need any one of the followings documents: Voter ID, NREGA? card, driving licence, PAN card or passport. If you do not have any of these documents, you still can open an account. Go to a Gazetted Officer and get a letter issued with your name, address and photograph on it. Remember that you do not have to pay any money to open this account.

When you open the account, you will be given a free RuPay debit card. This card can be used to withdraw money from your account at ATMs or can be used to make payments for purchases at stores and online. You must use this card at least once in 45 days; otherwise you will not get many other free benefits of the scheme. If you successfully operate the account for 6 months, you will be eligible for an overdraft facility i.e. you can borrow 5,000 rupees from the bank. And if you pay back the bank in time, you will be eligible to borrow 15,000 rupees the next time. This will save you all the problems of borrowing money from the local money lender and paying him an exorbitant interest. When you open this account, you will also get a life insurance cover of 30,000 rupees and accidental insurance cover of 1 lakh rupees, all for free.

By having a bank account you can now transfer money easily across the country. Also, government benefits such as old age pension or LPG subsidies will be directly paid into your bank account. Having this account will also give you access to various other insurance and pension products.





If you know someone who does not have a bank account, encourage him/her to open an account under the PMJDY and receive all the benefits, free of cost.

Pradhan Mantri Suraksha Bima Yojana

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

People who have a bank account can get benefits under this scheme. If you still do not have a bank account, go and open an account under the PMJDY. As you read in the previous section you do not need to put any money into this account? It is also very simple and easy. All you need is your Aadhaar card to open this account.

Once you have a bank account, and you are in the age group of 18 to 70, under the PMSBY you can get an accidental insurance cover of 2 lakh rupees by paying just 12 rupees per year. This will be automatically debited from your bank account once a year when you join the scheme. After joining the PMSBY if the policy holder meets with an accident amounting to death or disability, you or your family members will receive an amount of up to 2 lakh rupees as benefit.

Re-member that to join this scheme you need to have a bank account and agree to pay 12 rupees per year, which will be automatically debited from your account. So, go to your bank branch and avail of this scheme today.



Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

If you have a bank account and you are in the age group of 18 to 50 years, you can join this scheme. This scheme will



give you life insurance cover of 2 lakh rupees if you pay just 330 rupees per year. Like the PMSBY, to join this scheme you have to visit your bank branch and agree to pay 330 rupees, which will be automatically debited from your bank account. After joining the scheme if the policy holder dies due to any reason, his/her family members will receive an amount of 2 lakh rupees.

If you are the sole bread winner in your family, have you thought about what they will do if something happens to you? By joining this scheme you can ensure that they receive 2 lakh rupees. It will not take away their pain but it can help them a great deal. Ask your friends and if they have not yet joined the PMJJBY, ask them to do so.



Atal Pension Yojana (APY)

As the name suggests, this is a pension scheme under the National Pension System or NPS. Any one between the ages of 18 and 40 years can join the APY and will receive a guaranteed minimum pension of 1,000 to 5,000 rupees per month at the age of 60. Not only this, if you decide to join APY before 31st December 2015, the Government of India will also contribute 50% or 1,000 rupees per year for a period of 5 years.

To join the APY, you need to have a bank account. Do you see how having a bank account can give you so many benefits? Open a bank account now and ask others to do

the same.

If you join the scheme early, say at the age of 18, you will need to pay only 42 rupees every month and when you become 60 years old, you will receive a guaranteed pension of 1,000 rupees every month. To join this scheme visit your bank branch or the nearest banking correspondent (bank mitr) centre. When you join the APY, you are making sure that when old age comes you are prepared for it. You do not have to depend on your children for everything, because you will receive your own pension money each month. It is important to remember that if you join the scheme early you will need to pay less every month than if you join late. So stop waiting, go to your nearest bank branch today and ask them how to join the APY.

Module 9 Fraud protection

Financial fraud or scam is a growing problem in today's world. Every year we hear new stories about people losing all their money by investing in illegal schemes. But this has not stopped others from falling prey to these schemes. This is because criminals are very creative and they keep changing their tactics to find new victims. You can keep your money safe by being aware of these risks. Do you know someone who is a victim?

The first step in protecting yourself against fraud or scam is knowing what it is and how to recognise various types of fraud or scams.

Types of fraud or scams

Fraudsters and scammers target people in a variety of ways: through email and on the telephone, when victims are making investments or by stealing personal information.



MASS MARKETING FRAUD

You receive an email that looks like it comes from a legitimate company, asking you to click on a link, but it takes 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.



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.



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.

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.



AFFINITY FRAUD

Fraudsters can win your trust more easily if you're part of a group of people who share a common cause, such as a religious or social organisation. Scammers may ask investors to keep the matter quiet.

SPOT FRAUD STOP FRAUD

If you experience any of these red flags, do not participate in the investment. Inform the appropriate authorities and also tell your family and friends about the attempted fraud and warn them to be careful.

Don't be so cautious. Don't you trust me? You'll regret passing this up. You are made to feel guilty if you refuse to go along with the transaction.

It's complicated. You don't need to know the details. You are urged to invest without being given much information about the investment.

High returns with little or no risk – guaranteed. The offer is too good to be true.

You must act now. Tomorrow will be too late. You are pressured to make a decision fast or on the spot.



Very few people know about this. That's why it's such a hot tip. You are given "insider information" that others don't know about.

Don't tell anyone or this fantastic loophole will close. You are asked to keep the matters secret.

We just need to confirm your information. You are asked to give financial information (PINs, credit card numbers, passwords, banking account information, etc.) or personal information over the phone, by email or on a website you do not know.

ATM (Automated Teller Machine)

Through an Automated Teller Machine, bank customers can access their bank accounts for financial & non-financial transactions without having to go to their bank.

Customers should observe the following Do's and Don'ts to keep their transactions safe and secure at ATMs:

- Conduct all ATM transactions in complete privacy.
- Register your mobile number with the bank that issued the card. The bank will send you SMS alerts when an ATM transaction is made. If you find that an unauthorised transaction has been made, immediately report it to the bank.
- Beware of any extra devices attached to the ATM. These may be placed to capture customer's data. If you see such a device, immediately, inform the security guard or the bank entity maintaining the ATM.
- Be alert, Beware of strangers who try to make conversation with you or offer to help you operate the ATM.

Do's

- Never lend your card to anyone.
- Do not write your PIN on the card.
- Never share the PIN with anyone or seek help from somebody by handing over the card and revealing the PIN.
- Never let anyone see the PIN while you are entering it at the ATM.
- Never use a PIN that can be easily guessed, such as your birthday or telephone number.
- Never leave the card in the ATM.
- Remember that bank officials will never ask for card details or your PIN over the telephone - email. So, do not respond to any phone calls or emails from people claiming that they represent your bank. These are called vishing / phishing mails.

Don'ts

The security features in MG Series 2005 banknotes are as under:



See-through register:

On the left side of the note next to the watermark window, half the numeral of each denomination (10, 20, 50, 100, 500 and 1000) is printed on the (front) and half on the reverse. The accurate back-to-back registration makes the numeral appear as one when viewed against the light.

Watermark:

The portrait of Mahatma Gandhi, multi-directional lines and an electrolyte mark showing the denominational numeral 500 appear in this section and these can be viewed better when the bank note is held against the light.

Intaglio Printing:

The portrait of Mahatma Gandhi, Reserve Bank seal, guarantee and promise clause, the Ashoka Pillar emblem on the left, the RBI Governor's signature on the bank note and the identification mark for visually impaired persons are printed in intaglio, which can be felt by touch.

Security Thread:

The silver coloured machine-readable security thread is windowed on the front side and fully embedded on the reverse side. The security thread contains the words 'Bharat' in Devnagari script and 'RBI' appearing alternately.

Optically Variable Ink (OVI):

The colour of the numeral 500 appears green when the note is held flat, but appears to be blue when the note is held at an angle. The font size is reduced.

Fluorescence:

The number panels of the banknotes are printed in fluorescent ink. The banknotes also have dual coloured optical fibres. Both can be seen when the banknotes are seen under ultra-violet lamp.

Latent Image:

The vertical band contains a latent image showing the numeral 500 when the bank note is held horizontally at eye level.

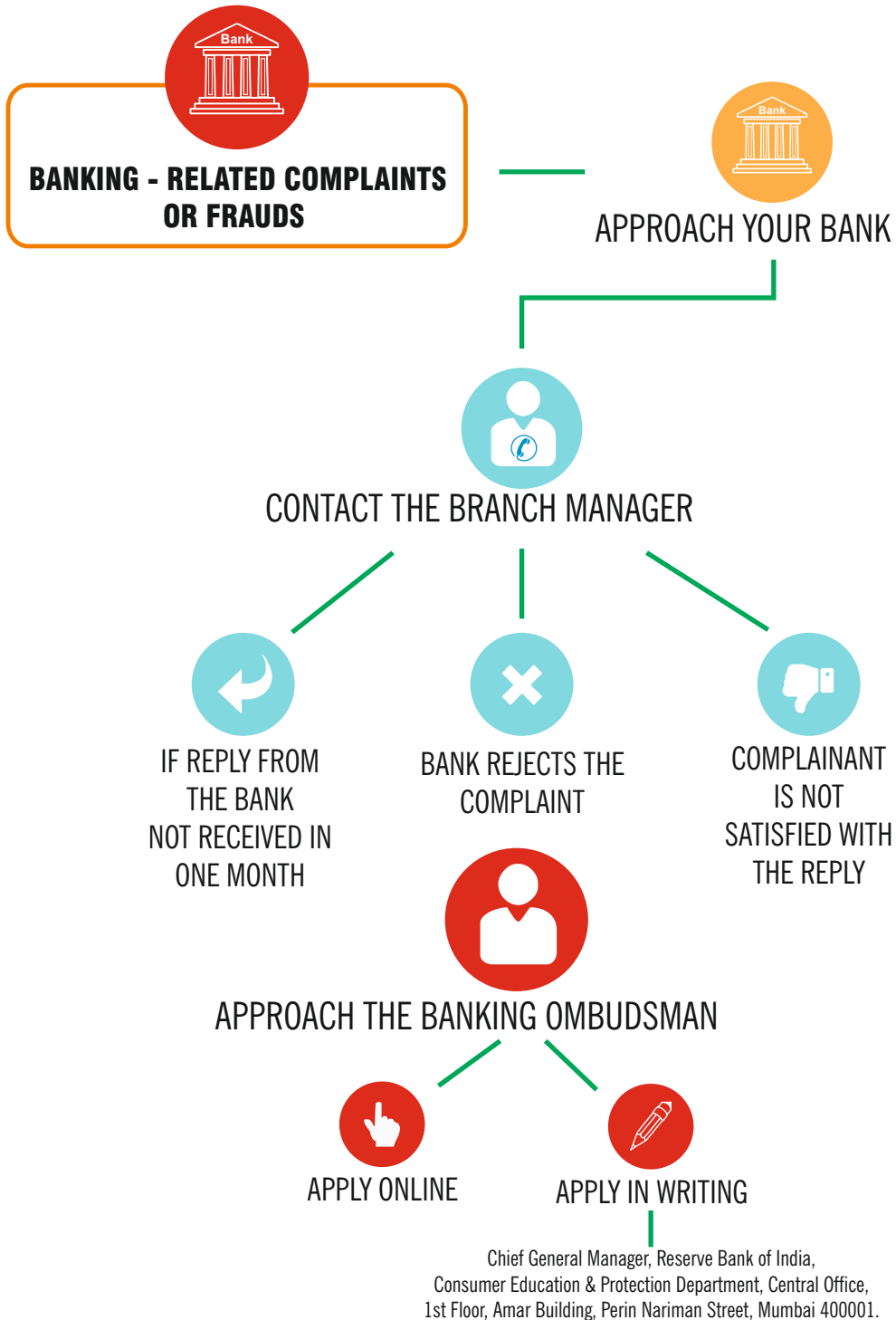
Micro letterings:

The letters "RBI" and the numeral 500 can be viewed with the help of a magnifying glass in the zone between the portrait of Mahatma Gandhi and the vertical band.

Identification mark:

A circle in intaglio print, i.e., raised print which can be felt by touch, helps the visually impaired to identify the denomination.

Module 10 Grievance Redressal



The Banking Ombudsman does not charge any fee for filing and resolving customers' complaints.



**SECURITIES
MARKET - RELATED
COMPLAINTS
OR FRAUD**

APPROACH THE
CONCERNED COMPANY



SATISFIED



NOT SATISFIED

LODGE ONLINE COMPLAINT
<http://scores.gov.in/>



APPROACH SEBI

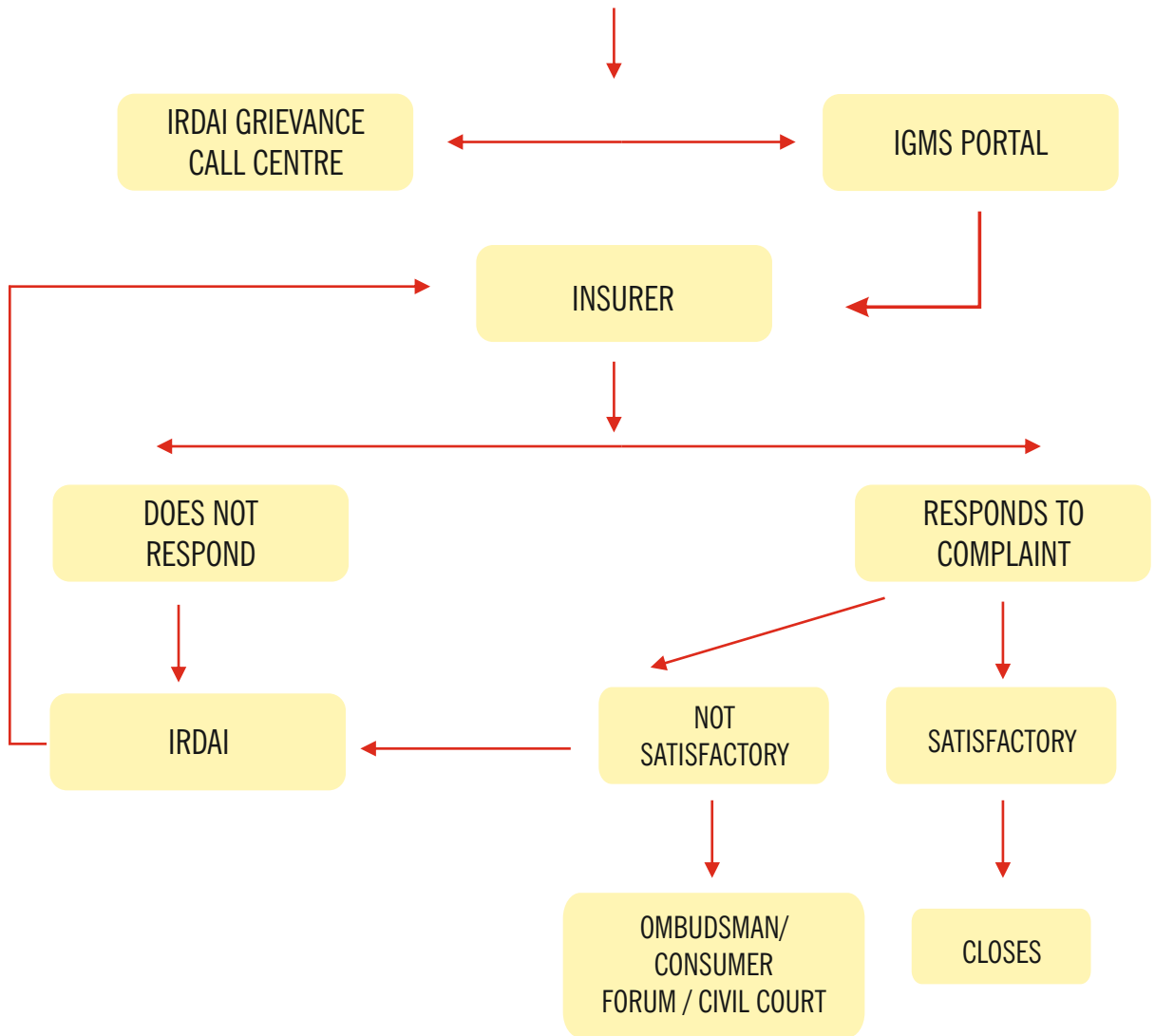


CALL TOLL FREE NUMBER
1800 266 7575 / 1800 22 7575



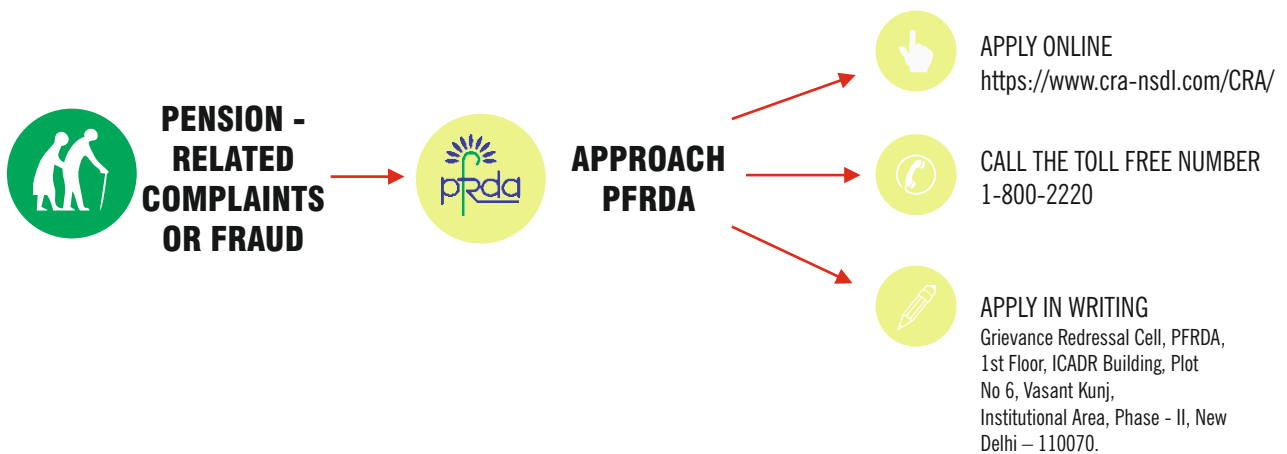


INSURANCE - RELATED COMPLAINTS OR FRAUDS



You can register your complaint online at www.igms.irda.gov.in or call the toll free number 155255 (or) 1800 4254 732.





What is Know Your Customer (KYC)?

KYC means “Know Your Customer”. It is a process by which banks obtain information about the identity and address of the customers. This process helps to ensure that the banks' services are not misused. Banks have to complete the KYC procedure while opening accounts and it has to be updated periodically. To open a bank account, one needs to submit 'proof of identity and proof of address together with a recent photograph. The Government of India has notified six documents as 'Officially Valid Documents (OVDs) as proof of identity. These six documents are Passport, Driving Licence, Voters' Identity Card, PAN Card, Aadhaar Card issued by UIDAI and NREGA Card. You need to submit any one of these documents as proof of identity. If these documents also contain your address, then it would be accepted as 'proof of address'. If the document you submit as proof of identity does not contain your address, then you will have to submit another officially valid document that contains your address.

If I do not have any of the documents listed above to show my 'proof of identity', can I still open a bank account?

Yes. You can still open a bank account known as 'Small Account' by submitting a recent photograph and putting your signature or thumb impression in the presence of a bank official 'Small Accounts' have certain limitations such as:

- balance in such accounts at any point of time should not exceed Rs.50,000
- total credits in one year should not exceed Rs.1,00,000
- total withdrawal and transfers should not exceed Rs.10,000 in a month.
- foreign remittances cannot be credited to such accounts.

DIFFERENT MODES OF USING YOUR BANK ACCOUNTS



Bank Branches

Business Correspondents



Automated Teller Machines

Mobile vans, Bank on wheels



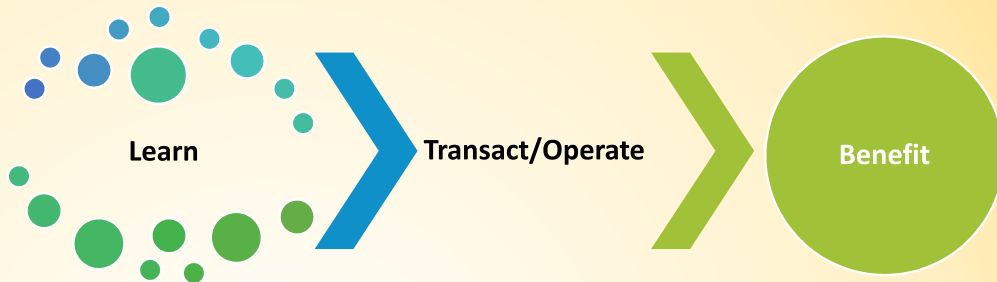


भारतीय रिज़र्व बैंक
Reserve Bank of India
India's Central Bank

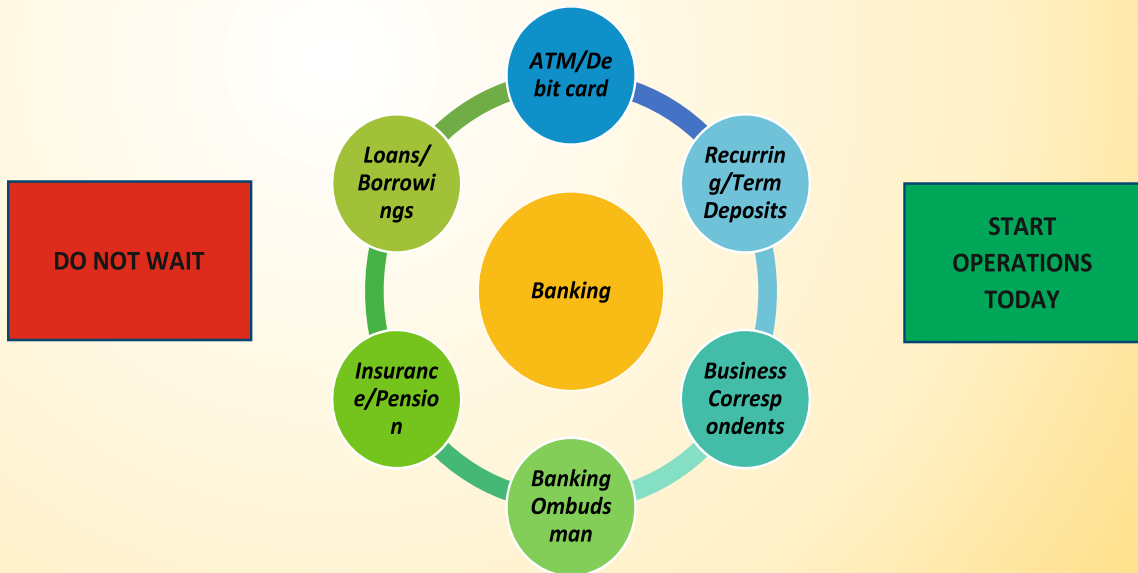
Having a Bank Account is not enough. The job is only half done.

Start using your bank account regularly and reap the associated benefits that come with it

Learn banking and its benefits and embark on the wonderful endless journey of banking!



WELCOME TO THE WORLD OF BANKING! ENJOY YOUR JOURNEY



Supported by



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<http://ncfeindia.org>