

**NSDL wishes You
Happy, Healthy &
Prosperous New Year**



From The Editor's Desk

Dear Reader,

NSDL wishes 'You and Your Family' a Happy, Healthy & Wealthy New Year. As we enter into 2019, we @ Team NSDL, renew our resolve to continue our efforts to help everybody to become not only an investor, but a **'Prudent Investor'**.

'Health' and 'Wealth' are two different words but there is a lot common in the two. Staying healthy is a long-term process and certainly not a one-time activity. It requires planning, ongoing efforts and most importantly personal commitment. Similarly, wealth accumulation is a process that requires investment, constant nurturing and personal discipline to be effective. Simply put, you may take guidance from a seasoned coach, but need to go for morning walk (or jogging) yourself if you want to remain healthy. Similarly, you can take guidance from investment advisers or professional consultants for your financial planning, but you need to act upon the advice given, periodically monitor the outcomes and realign the investment as per the needs.

'Health is Wealth' is an adage, all of us are familiar with, however, with the changing lifestyles and in the fast-paced life that we lead today it can be easy to lose track. Hence, the need to manage both effectively is absolutely imperative. This issue of 'The Financial Kaleidoscope' looks at some fundamentals of managing 'financial health' and how it can contribute to your overall well-being in the long-term.

We hope you find this newsletter informative and useful. Do share your feedback by writing to us at info@nsdl.co.in. All issues of this newsletter are available at <https://nsdl.co.in/publications/nest.php> for reading at your convenience.

Regards,
Team NSDL

Health and wealth are the pillars for a happy life. While good health ensures that you are physically able to live a good life, wealth provides the means for you to be able to do it, and having one without the other renders the exercise futile.

Let's understand some 'Mantras' applicable for both Good Health and Good Wealth

Start Early

The key to good health is starting early and maintaining the regime of exercise. Ignoring health and fitness at the young age could lead to early, onset of issues and complications as you grow older. Think of it as an investment for your physical well-being. Wealth accumulation too is a long-term process, which if started early, makes the journey of retirement much easier.

It is also very important to understand how your investments multiply over a period. In financial terms, it is known as the '**Power of Compounding**'. Early investments, no matter how small it is, can take you a long way in your journey towards financial prosperity. The compounding effect can generate even more earnings by way of interest, dividends and capital gains that accumulate - so your money can grow fast and faster as the years roll on.

Tailor-made

There is no such thing as a universal health and fitness regimen. It is something that needs to be tailor-made for every individual, based on a host of factors such as your current levels of fitness, goals and objectives, body-type, age, current diet and so on. Similarly financial planning is a process that takes into account multiple factors pertaining to your current financial health, life goals and risk appetite. Like good health, there is no 'one size fits all' formula for financial health either. What is good for one person, does not necessarily make it right for you. Financial planning is an individual exercise and needs to be tailored for every individual.

Balanced Approach

The secret to staying healthy is to eat well and having a well-balanced diet that comprises of all food groups that provide the requisite nutrition. Avoid certain foods that contain empty calories and don't do much for the body. Similarly a key aspect of a financial plan is a diversified portfolio that balances risks and returns based on an individual's financial objectives.

Discipline is Non-negotiable

Staying fit requires a lot of discipline and self-determination. It requires you to avoid eating unhealthy foods and binge eating, to go for morning walk or jogging regularly. Any deviation or break from it, may lead to waste all the efforts you may have put in upto that point. It is as much physical as it is mental, and staying on track is the only way forward. Managing money and investments too demand an equally high level of discipline and effort. An impulsive purchase or missing out investment commitments owing to a non-critical expenditure can severely hamper your financial health.

Stay Agile

Staying fit and healthy is a continuous process. You do not plan one regimen and stick to it for the rest of your life. The objective is to remain agile and aware throughout your journey of health and fitness. Similarly, wealth accumulation is not a one time exercise. For instance if you invest in stocks, it is important for you to track the markets and increase or decrease your investment in a particular stock or sector. Failing to do this could lead to an erosion of wealth you may have accumulated by then.

Never Too Late

The first few years of a person's life after college can be quite busy with work, taking care of aging parents, marriage, buying a home, having children and so on. Amidst all this, it is easy to lose track of financial planning or failing to do it all. And perhaps by the time you realise, it could be easy for you to fall into the 'it is too late now' trap. Remember, whether it is health or money, it is yours; your future depends on it and you are responsible for it. So no, it is never too late to start the journey for a good health and financial planning.

Avoid Investing in Stocks Based on 'Tips'

Very often we come across self-proclaimed 'experts' or 'well-wishers' who recommend certain investments based on information which they and only they claim to have. The golden rule is to avoid any investment based on tips, just as you must avoid taking medicines based on internet or other non-medical/unqualified persons. Just as quacks are not the ones who give good medical advice and we avoid quacks, there are quacks like ponzi schemes/telecalling scams which should be totally avoided.

Ponzi Schemes

Actually speaking, a ponzi scheme is nothing but a scheme to cheat. According to Wikipedia, the basic premise of a Ponzi scheme is "To rob Peter to pay Paul". Initially, the operator will pay high returns to attract investors and entice current investors to invest more money. When other investors begin to participate, a cascade effect begins. The "return" to the initial investors is paid by the investments of new participants, rather than from profits of the product. More than often, high returns encourage investors to leave their money in the scheme, so that the operator does not actually have to pay much to investors. The operator will simply send statements showing how much they have earned, which maintains the deception that the scheme is an investment with high returns. How long a Ponzi scheme manages to survive, depends on the operators 'skills'. By design, it is bound to die, leaving investors to loose their money, sooner or later.

So how do you identify a Ponzi scheme? Just visit SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and RBI's websites (https://www.rbi.org.in/Scripts/BS_NBFCList.aspx), to check if the scheme or the company offering it, is a SEBI registered Collective Investment Management Company or RBI registered NBFC or not. If not, just stay away. If you want to read more about various ponzi schemes, visit https://en.wikipedia.org/wiki/List_of_Ponzi_schemes

Phishing and Telecalling Scams

There is a huge rise in financial frauds through phishing and telecalling where fraudsters pretending to be authorized person or agent of bank calls you and make you to share details about your bank account, password and / or OTP. This information is then used to hack into your bank account and clearing it out. Please remember that no bank will ever ask for these details. If you get any such calls, just disconnect the call and block the number (if you want to disable it from calling your ever again). If you get any SMS, please do not reply with any information. Simply walk into your branch to check with the staff about such schemes.

Take Health Insurance

Despite your all efforts to stay healthy, sickness and medical emergencies are not completely avoidable. Many factors such as stress, increasing pollution, decreasing air quality etc. have lead to emergence of various lifestyle-related diseases and corresponding expenses. This category of expenditure increases with age, whether you like it or not. So medical or health insurance is a must and should be a critical component of your financial planning. Failure to do this could have an adverse impact on your personal as well as financial health. Having said this, while taking health insurance is important, even more important is to choose a right health coverage plan which suits 'your needs'. (We would cover this topic in detail in one of next issue of the newsletter).

Managing Health in a Busy Day and correlating it with Wealth

In the busy life that all of us lead today, health and well-being often tend to take a backseat. Most of us are ready with excuses and defences for not being able to do it. Below are some general tips and tricks for you to get around those excuses and doing something for your own well-being. These tips and tricks can be correlated to your financial well being too. We will see below how.

1. Eat Breakfast

Meals and the regularity with which we have them at work are usually the first casualties of a busy day at work. Eating a wholesome and filling breakfast not only helps you start your day with energy, but also allows you to eat a shorter and healthier lunch without making you feel hungry.

Start your investment early and in small amounts.

2. Stay Hydrated

Dehydration is root-cause of a lot of common issues such as headaches, body pain, drowsiness and feeling lethargic. These conditions not only harm your body, but also reduce productivity at work. In the cold air conditioned environment where many of us work in, the urge to drink water does not occur naturally. Ensure you hydrate yourself throughout the day with at least 8 - 9 glasses of water and / or fresh fruits and juices.

Review your portfolio of investments from time to time.

3. Cut Down the Caffeine

Tea / Coffee have increasingly become an inseparable part of work culture today. Because caffeine has a 'pick me up' effect on the body, it seems like a natural ally to combat all the stress and long hours at work. However, overdoing it can lead to dehydration, constipation and disturbed sleep. Control your daily caffeine intake by restricting the number of times you drink it and reducing the portion sizes. Doing this gradually will help you reduce your dependence and intake of caffeine over time.

Cut down on unwanted expenses. This will increase saving and in turn investment too.

4. Take Breaks

Sitting at a desk all day can make your body feel cramped, uneasy and mentally bogged down, especially under stress. One good way to address this is to take regular breaks by doing exercises at your workstation and / or taking a short walk. Use Google to learn some basic stretching exercises that you can perform at your desk. Washing your eyes regularly and performing eye exercises helps reduce dryness, irritation and eye strain.

Increased savings (profits) can be used for fulfilling dreams regularly. So enjoy your portfolio to some extent.

5. Maintain a Good Posture

People with desk jobs tend to spend hours sitting at a table and staring at a computer which adds an unnatural stress on your neck and back. This often results in a hunch that gradually becomes a part of your posture and may cause damage to your spine. To avoid this, make sure that the distance between your body and the computer is optimal and your eyes are level with the screen without needing to tilt your head too much.

Maintain a good balance of investments.

6. Manage Stress

Handling multiple roles and responsibilities at work, coupled with a hectic and fast paced life in a city can compound very quickly and cause unwarranted stress. This manifests itself in various forms including anger, anxiety and depression. The key lies in managing stress by balancing work and personal life. Try this - do not bring work stress home and vice versa. Nurture a hobby or interest and spend some time doing what you like.

Don't panic during lower market cycles. Stay invested and continue investing.

7. Get Adequate Sleep

Sleeping is a natural healing process for your body and mind. Long work hours, daily commute and social outings resulting in late nights and a repetition of this cycle day after day takes its toll on your sleep. This does not give your body enough time to heal, which further aggravates existing physical or mental issues. To avoid this, make sure you get 7 - 8 hours of undisturbed sleep every day.

Reflecting on your investments and regularly discussing with your advisor is always good.

Best Practices for Sound Financial Health

For Young Adults

1. Education Loans

An education loan is one of the first financial decisions a young adult is likely to take. Explore all options to understand factors such as inclusions and exclusions as well as repayment terms. Once you start working, make the repayment your top priority and ensure timely payment to avoid a poor credit score. Visit www.vidyalakshmi.co.in to get information about various loan schemes offered by different banks at one place.

2. Maintain Credit Discipline

Credit cards and personal loans generally attract heavy interest rates and if left unpaid can quickly spiral out of control leading you into a debt trap. Moreover, practices like withdrawing cash on credit cards or availing 'Payday Loan' or postponing credit card dues by just paying minimum amount, are best to be avoided as they involve exorbitant charges and could add tremendous stress to your financial health.

3. Understand Taxation

For many of us, Income tax and the nuances associated with it are quite intimidating and daunting. Busy young professional often tend to put them on the back-burner in life. However, paying due tax and filing income tax returns is not only mandated by law, but is also a critical part of your financial planning. Engage a qualified adviser or an accountant to understand the things and manage your finances better.

For Homemakers

1. Get Involved

Very often homemakers limit their involvement in financial planning to manage the household budget. They generally ignore looking at the larger picture and the overall financial planning for the family. For long term financial stability of the household, it is critical for you to have a good understanding of the current financial health. Get involved in the financial planning, understand the investments and liabilities and contribute by making informed choices.

2. Women-centric Products

In recent times a lot of financial service providers have realised the need for serving to the financial needs of homemakers. Some of these products include savings bank accounts that offer higher interest and benefits such as lower minimum balance requirement, home loans for women at reduced interest rates, health insurance plans that cover ailments common to women like breast cancer and cervical cancer, and other insurance plans for homemakers that cover a spouse's loss of employment due to disability or death.

3. Plan for Contingencies

Unplanned events such as loss of employment for the spouse due to an accident or death, or medical emergencies can cause havoc in one's life. The problem gets further compounded if you have kept yourself away from the household finances. Avoid these situations by discussing contingency plans with your spouse to understand the provisions made for such eventualities and the plan of action in such emergencies. This will not only equip you with the means to deal with the situation, but also go a long way in ensuring mental peace. Remember, emergencies are sudden. Best way to deal with them is to have a plan in place.

Senior Citizens

1. Plan for a Steady Income

Not having a monthly salary or a steady income from work is the biggest reality one needs to come to terms with after retiring. Failing to ensure a steady income can have a tremendous impact on your life and can have a cascading effect on your financial health during your old age. Planning for retirement means to start early based on your retirement goals. Remember the power of compounding. Earlier you start; better the returns will be in the long term.

2. Products for Senior Citizens

Now-a-days there are several financial products that cater to individuals over 60 years of age. They typically offer higher returns, lower risks and tax exemptions too. These include government schemes such as Senior Citizens Savings Scheme, Fixed Deposits with banks that offer higher interest rates and Annuity Plans offered by insurance companies and post offices. Choosing these products will allow you to manage your finances better and live a quality life without having to make compromises.

Blog

Health and Wealth

By Ashwini Damani,
CA, CFA

A friend of mine migrated from India to Singapore few years back and set up everything there from scratch. I met him during my visit there. We met at a local cafe and started discussing old times. He came to know that I am active in financial markets and replied with a sigh "This market and all doesn't suit me." He then proceeded to tell me about his misadventures with his finances. He said, he saved sufficient money, but since he does not understand financial markets, he thought gold was safe. Gold prices however tanked and he ended up suffering losses. He then hired a cheap online financial planner but ended up invested in the wrong stocks and suffered losses. He feels, the financial markets are just not cut out for him, and is scared of it. So now all his money lies idle or earns interest on fixed deposits kept with banks.



I patiently listened to him, not knowing how to remove his fear. He is young, earns and saves enough, but has got fed up of financial markets. After some thinking, I asked him about his early life in Singapore and how he managed to set up his life there, a virtually unknown city. He then happened to narrate an important incident.

During his early days in Singapore, he happened to fall ill. Now, normally when we fall ill, we know which doctor to go to, or at least we have parents or relatives or friends to guide. But he was in Singapore, an unknown city for him. So he did the next best logical thing. He headed out, found a local clinic nearby, found name of one doctor, went and consulted him.

Turns out, the doctor was not good and my friend kept suffering and had to miss office. He then asked his colleagues for suggestions. But as luck would have it, even this doctor could not find the real reason and he kept suffering in pain. Unable to bear the pain, he again headed out, went to another clinic, asked a few people and managed to find another doctor and told him all about his suffering. This doctor instinctively knew what the problem was, and suggested treatment to my friend. It hurt his pocket, but he was all well in a week. Since then my friend has made this doctor, his go-to-doctor.

I smiled after hearing this incident. I knew how to explain my friend now.

- As humans, we are ready to give our most precious body in hands of unknown doctors, but we are scared of unknown financial advisers.
- When we are ill, we go to the doctor and seek his advice. If his treatment does not work, we find another doctor and then another doctor. But we do not give up. After all we have to ensure that our body works fine and that the pain goes away. However, in case of our finances, we tend to give up easily - because the pain does not pinch us every day, except at retirement when we realise that we do not have sufficient money.
- We are ready to bear fees for a doctor - but want the financial advice free.

I told my friend, that just like we take it up on ourselves, to find the right doctor for our body, we should be striving hard enough to find the best financial adviser for us. It is after all our money. Go out, read books or study online, ask friends, family members or even go to seminars to find out the better financial adviser. And be ready to spend some money on advice (nothing comes free).

Luckily for me, my friend took the advice in the right way. He consulted few more financial advisers. He called them over to discuss about his needs and discuss their process and to judge whether they would suit him. He hired two advisers this time. Splitting his savings equally among the two.

2 years have passed since then. My friend has zeroed down on one of the two advisers, who is now his go-to-adviser, just like he has his go-to-doctor.

Transfer of securities only in demat form - Deadline extended till April 1, 2019

SEBI has extended the earlier deadline of December 5, 2018 for restriction on transfer of securities of listed companies in physical form to **April 1, 2019**. This means listed companies / their registrar and transfer agent can process the requests received from shareholders for transfer of shares etc. held in physical form till March 31, 2019. Accordingly, investors who are holding shares / other securities of any listed company in physical form and wish to transfer it to someone else, should submit their request for transfer well before March 31, 2019 to the company / its registrar and transfer agent. This timeline is not applicable for transmission and transposition requests.

Reference: Circular No. NSDL/POLICY/2018/0068 dated December 6, 2018, available on NSDL website: www.nsdl.co.in

Training Programmes for Participants

➤ NISM certification programme for Participants

To facilitate officials of Participants to prepare and appear for NISM - Series VI - Depository Operations Certification Examination (DOCE), NSDL conducted a training programme at Mumbai in November 2018.

➤ CPE Training Programme for Participants

NSDL, a NISM accredited Continuing Professional Education (CPE) Provider offers CPE training programmes in different modules for eligible associated persons. In November and December 2018, NSDL conducted 10 such training programmes at Ahmedabad, Chennai, Kolkata, Mumbai and New Delhi.

➤ Training Programme for Issuers and Registrar & Transfer Agents

NSDL conducted a two day training programme for Issuers and Registrar & Transfer Agents at Mumbai in November 2018.

Investor Education initiatives undertaken by NSDL



Joint Awareness Programme with Indian Merchant Banking Services Limited held at Chennai, Tamil Nadu on December 29, 2018.

NSDL conducts Investor Awareness Programmes (IAPs) throughout the country to ensure investors are aware of different aspects of investing. Till date, NSDL has conducted over 3,300 programmes which have been attended by more than 3.23 Lakh investors. Feedback received from investors during these IAPs is extremely encouraging. While schedule of these programs is published online at <https://nsdl.co.in/Investor-Awareness-Programmes.php>, we shall be happy to conduct an IAP for your company / organisation / institute or society. Help us in driving the investor education initiative further by writing to us at info@nsdl.co.in about such programme to be conducted.

"More the education, more the prudence".

Read and Win!

What is a ponzi scheme and how do you identify it?

Send your replies providing your name, address and contact no. with the subject 'Knowledge Wins Contest - November 2018' to info@nsdl.co.in

KNOWLEDGE WINS Contest

Terms and Conditions

- NSDL shall be solely responsible for the execution and administration of this Contest.
- This Contest is only open to Indian Citizens. (NSDL employees are not allowed to participate in this contest.)
- All personal details submitted must be accurate and complete and are subject to proof upon request by NSDL.
- NSDL reserves the right, at any time, to verify the validity of entries and entrants and to disqualify any entry not submitted in accordance with these Terms or which tampers with the entry process.
- NSDL reserves the right to discontinue the contest at any given point of time without prior intimation.
- All prize drawings will be made on a strictly random basis and the decision made by NSDL will be final

Lucky 25
Winners will
Win Free
Goodies



Your suggestions for newsletter are valuable to us.
Send in your suggestions mentioning your
name, address and contact number
with the subject
"Suggestions for the newsletter"
to info@nsdl.co.in

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