



Why Should Financial Planning Start at an Early Age?

From The Editor's Desk

Dear Reader,

Starting your financial journey early gives you a head start in achieving your long-term financial goals by capitalizing on the power of compounding returns and allowing small investments to grow significantly over time. Early financial planning also helps you cultivate good financial habits which provides a safety net for unexpected events. Additionally, starting early provides flexibility to adjust your investments as life circumstances change. Ultimately, an early start means greater financial control of your prosperous future. With a proactive approach, you minimize rushed decisions, stay on track toward financial goals, and enjoy greater peace of mind, knowing that your financial future is well-planned.

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Regards,
NSDL – Your Depository

Why Should Financial Planning Start at an Early Age?

Financial planning is essential for a secure and stable future; it's not just an option but a necessity. While many people recognize its importance, they may not understand the value of starting early. Beginning financial planning sooner provides greater control over your future and offers immense benefits that can significantly contribute to achieving financial freedom.

What is Financial Planning?

Financial planning is a proactive approach to creating a clear and achievable roadmap for reaching your financial goals throughout your investment journey. It empowers you to craft tailored investment strategies for each financial objective through disciplined saving, smart investing, and effective estate planning. A comprehensive financial plan considers important factors like income, expenses, assets, liabilities, and risk tolerance while equipping you to handle unexpected events. These steps allow you to confidently navigate your financial future and work towards long-term stability and success.

Here are the benefits of taking up this all-important exercise early in life.

Develop a Habit of Adequate Savings and Budgeting

Savings and budgeting are vital tools in your arsenal that can help you accomplish goals and easily navigate choppy waters. As a young adult, you may not have many responsibilities to meet. However, as you advance in your career and life, responsibilities will come your way. Marriage and having kids are the common ones most of us are likely to encounter in our lives.

Starting financial planning by imbibing the habit of savings and budgeting can help you meet financial goals easily. While budgeting enables you to prioritize spending and keep discretionary expenses on the back burner, savings hold you in good stead during rainy days. By adopting these practices, you'll be well-equipped to face the future with confidence and resilience.

Take Extra Risk with Your Investments

While risk tolerance differs across individuals, you tend to have a higher risk appetite when you are young. As you age, your risk tolerance comes down. Early financial planning allows you to have an aggressive outlook and invest in relatively riskier asset classes like equities. Investment in equities is needed to gain inflation-beating returns in the long run, which is significant in accomplishing long-term goals like retirement.

An early start also allows your equity investment to ride the market's ups and downs more effectively compared to the short period. In other words, you can better navigate market volatility and ride out fluctuations.

Harness the Power of Compounding

Albert Einstein famously dubbed it the world's eighth wonder for good reason: the power of compounding. This concept is summed up in the formula: $\text{Principal} \times (1 + \text{Rate of Return})^{\text{Number of Months/Years (Time)}}$. It teaches important lessons to investors. Among the three key variables—principal, rate of return, and time—only the principal amount and the time are within an investor's control. While returns can be estimated, they ultimately lie outside direct control. Ironically, many investors often find themselves fixated on chasing returns instead of giving priority to principal and time. If this focus were shifted, the chances of achieving investment success could improve significantly.

Compounding accelerates wealth creation, and starting early gives you the time required to harness the power of compounding. Let's see how. Suppose you are 25 and start investing ₹ 5,000 per month in a mutual fund through SIP, offering a return of 10% p.a. for 35 years. At 60, the value of your corpus will be approximately ₹1.90 crore.

If you delay your plan and start investing at 30, the corpus drops to ₹1.13 crore. A delay of 5 years reduces it to ₹66.34 lakhs. Early financial planning and subsequent investments are essential to accumulate funds for long-term goals like retirement through compounding.

Avoid the Cost of Delay

You may not want to sacrifice a goal simply because you didn't plan it early. Yet there are many instances in life where we have made such sacrifices simply because we didn't have the right amount of money at the right time. Kickstarting your financial planning early can help avoid the cost of delay. The cost of delay is the additional amount of money you need to pay when you delay or postpone your investments. Let's understand it with an example.

Suppose you want to accumulate ₹1 crore as your retirement corpus. You are 25 now and wish to hang up your boots by the time you turn 60. To accomplish this corpus, you plan to invest via mutual fund SIPs. If you plan early and start investment at 25, a modest monthly SIP amount of a little over ₹2,600 in a fund offering a return of 10% p.a. for 35 years can help you accumulate the corpus.

If you delay your investments by 5 years, the monthly SIP amount jumps to over ₹4,400. A delay of 10 years pushes up this amount to over ₹7,500. As is evident, every delay adds to the cost of investment, ultimately putting strain on your finances.

Make the Necessary Adjustments and Tweaks

Unexpected life events such as a job loss or a medical contingency may warrant a shift in your financial priorities. Similarly, it's natural for markets to rise and fall, and your earnings may fluctuate.

An early start gives you more time to assess your goals, track progress, and tweak your strategies if needed. It ensures you are not caught off guard in the event of these changes. It gives you the flexibility to modify your savings, investment allocations, and even your budget to ensure you are on track to achieving your goals. Whether rejigging your investments during a market downturn or increasing your savings with extra financial responsibilities, early planning gives you the control and the foresight required to adapt.

Avoid Making Rushed Decisions

Remember the email you receive from HR every January or February asking for investment proof for tax planning? Many of us tend to make tax-saving investment decisions only after receiving this email, often in a rush, without considering whether these choices align with our financial goals. As a result, these investment decisions frequently fall short of meeting our expectations. By the time we recognize our mistakes, it can be too late. We may end up investing in products that do not align with our goals or that require long-term commitments.

However, financial planning helps mitigate the risk of rushed decisions and getting caught in the wrong product. For instance, when you start tax planning at the beginning of the financial year, you can figure out which tax-saving instruments serve your purpose better. With the luxury of time, you can better analyse where and how much to invest.

Minimise Debt

Debt has become an integral part of our lives. That said, not all forms of debt are bad. Debt taken to learn a new skill that can give you a kicker in your career or higher education is a good debt. That said, even this debt needs to be paid on time, failing which can hurt your credit score. However, with proper financial planning, you can minimise debt and keep the bad ones at bay. Not only can you plan for big-ticket expenses but also reduce your reliance on loans. Also, you get ample time to focus on debt repayment strategies to help you pay your debts on time. This enables you to become debt-free soon.

Aids in Course Correction

Human beings are prone to mistakes. All of us make it at some point or other in our lives. What's important is to learn from them and ensure not to repeat them. Early financial planning allows you to rectify your wrongs if you happen to make them.

Be it overspending, recurring debt, or flawed investment choices, being an early bird helps you course correct before things spiral out of control. The period of correction ensures that temporary errors don't derail your larger objectives.

Ensures Peace of Mind

Early financial planning offers an invaluable benefit: peace of mind. When you have a clear and detailed roadmap for your financial future, you can tackle challenges with confidence and ease. This proactive approach not only alleviates anxiety and stress but also empowers you to navigate life's hurdles with assurance. You're not just prepared; you're in control of your financial destiny.

Wrapping it Up

Whether leveraging the power of compounding, developing the habits of savings, minimising debt, or making the necessary tweaks and adjustments, early planning helps you stay ahead. Remember, it's never too early to begin, but delaying can come with a cost. So, take charge of your financial future today and lay the groundwork for a prosperous life.



**The article is written by Mr. Rahul Jain,
President & Head, Nuvama Wealth**

The Freeze and Unfreeze Adventure: A Journey with NSDL Cool Guru

Anita, a working professional, had always been diligent about her investments. Having opened her Demat account years ago, she carefully monitors her stock portfolio, ensuring everything is in order. However, as her work schedule became busier, managing her investments with a hectic lifestyle has become a fine balancing act. One morning, she noticed a video on NSDL social media handles on Freeze and unfreeze of demat account. This piqued Anita's curiosity.

A Call for Clarity

As she sat at her desk at work, Anita thought it is best to contact relationship manager – Mr. Amit Verma from her Depository Participant, where she maintains her demat account.

"Hello, Mr. Amit! Can you explain the freeze and unfreeze

facility in the NSDL depository system?" Anita asked eagerly.

Amit responded with his usual enthusiastic and informative tone. "Of course, Anita. The freeze and unfreeze feature allow Demat account holders like yourself to temporarily restrict some or all transactions in their accounts. This feature provides additional security for investors.

"Is there some danger of misuse?" asked Anita, a little taken aback.

"Oh no, it's just an extra layer of protection for those who want to safeguard their investments," Amit assured, giving her an example. "Imagine you're travelling abroad for an extended period and won't have regular access to your investment accounts. Freezing your Demat account ensures that your assets are safe. This feature provides additional security".

Anita's thoughts immediately went to her upcoming trip to Europe. "That's really useful. I'll definitely keep this in mind. But how do I freeze my Demat account if I need to?"

Freezing and Unfreezing Process

Amit continued, "Freezing your Demat account is simple. You can submit a physical instruction slip, duly signed, to your Depository Participant (DP), who manages your account. Alternatively, you can use the NSDL's Speed e-facility, which is an online service that allows you to freeze or unfreeze your account using an e-token. This gives you the flexibility to secure your account anytime and from anywhere, even from the comfort of your home."

Impressed by the convenience, Anita asked, "And how do I unfreeze the account if I need to undertake a transaction?"

"Good question!" Amit replied. "You can unfreeze your account the same way you have frozen it by submitting instruction to your Depository Participant. Further, if you have used the Speed e-facility to freeze your account, you'll need to use the same mode to unfreeze it. This ensures that your account remains secure, and only you can control when it's unfrozen."

Ongoing Access

"But what if I need to check my account or make updates while it's frozen?" Anita asked.

Amit reassured her. "You can still access your Demat account through the NSDL's Speed e-mobile app even if it's frozen. This means you can continue to view your holdings, update demographic details like your KYC information, or change your nomination details".

e-CAS, Auto Corporate Actions and e-Voting

Amit explained some more features of freeze and unfreeze executed by Anita. You will receive NSDL e-CAS as per the set interval and mode of receiving CAS, in case your account is frozen. Further, securities arising of such auto corporate actions like sub-division, bonus etc. will be credited into your demat account. You can also cast e-Voting in respect of the securities held in your demat account.

"That's good to know!" Anita replied. "So, are you saying that there are different types or levels to which I can freeze my account?"

Types of Freezes: Tailored to Your Needs

"That's exactly what I was going to tell you about," said Amit smiling, "Yes, there are! NSDL offers several types of freezes depending on your needs. He began to explain:

1. Client-level freeze (suspended for both debit and credit) – This prevents any transactions from happening in your account, including debits and credits.

2. Client-level freeze (suspended for debit only) – This type of freeze allows you to receive securities into your account i.e., credits but blocks any debits, so you can't transfer your securities.

3. ISIN-level freeze (suspended for debit and credit) – This type applies to specific securities identified by their ISIN (International Securities Identification Number) and prevents both debits and credits for those particular securities/ISIN.

4. ISIN-level freeze (suspended for debit only) – Similar to the client-level freeze, this allows only credit but not debit but applies to only specific ISIN which you choose to freeze.

5. Quantity-level freeze – You can freeze specific quantities of a security in your account. For instance, if you own 100 shares of a company, you can freeze 50 shares and leave the remaining 50 shares available for transactions.

"Wow," Anita marvelled. "This allows me to customize the level of security I need."

Anita had one last question. "What about pledging securities if my account is frozen?"

"It depends on the type of freeze," Amit explained. "For example, if your account has a client-level freeze or an ISIN-level freeze suspended for debit, pledging won't be allowed. However, if the freeze is limited to quantity-level, you can still pledge the unfrozen portion of your securities or other securities that are not frozen."

A Secure Path Forward

Anita leaned back, satisfied with all she had learned. The freeze and unfreeze facility offered by NSDL was much more than she had imagined—it provided a tailored, flexible way to protect her assets while giving her the freedom to access and manage her account as needed.

Before ending the call, Amit reminded her, “Remember, Anita, freezing your Demat account is an optional feature that adds an extra layer of safety. It’s particularly helpful for investors who want to prevent any unauthorized transactions when they’re unable to keep a close eye on their accounts. Whenever you’re ready, just reach out to your DP or use NSDL’s Speed e-facility as an e-token to activate this feature.”

“Thanks, Amit,” Anita said with a smile, feeling more confident and secure in her investment journey, knowing that the freeze and unfreeze facility was available to her whenever she needed it.



The article is written by Mr. Narayan Venkat,
Vice President,
National Securities Depository Limited

Key Information for Investors

Investor Grievance Redressal Mechanism

1. SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022.

Investors can access the master circular with the below link.

[SEBI | Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System \(SCORES\) platform.](#)

2. We encourage investors to Read ‘**Investor Charter**’ at https://nsdl.co.in/publications/investor_charter.php

3. **Online web-based complaints redressal system** of NSDL can be accessed via link <https://nsdl.co.in/nsdlnews/investors.php> (Post your complaints/queries to NSDL)

4. Lodge your complaint with SEBI at <https://scores.sebi.gov.in/> or SEBI Mobile App - SCORES

• **SEBI Toll free helpline** - 18002667575 / 1800227575

• **NSDL email for grievance** - relations@nsdl.com

• **NSDL helpline** - 022-48867000

• **NSDL email for other information** - info@nsdl.com

Resolve your disputes in Securities Market online using **SMART ODR** Portal.

Visit <https://smartodr.in/login>

5. SEBI Master Circular on Online Resolution of Disputes in the Indian Securities Market

SEBI has issued Master Circular on Online Resolution of Disputes in the Indian Securities Market vide its Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023.

For more information, Investors may refer the SEBI Circular https://www.sebi.gov.in/legal/master-circulars/aug-2023/online-resolution-of-disputes-in-the-indian-securities-market_75220.html

Visit SMART ODR website <https://smartodr.in/login>

6. SEBI Circular on Comprehensive guidelines for Investor Protection Fund and Investor Services Fund

SEBI has issued revised Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories vide its Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/81 dated May 30, 2023.

For more information, Investors may refer the SEBI Circular in the following link:

https://www.sebi.gov.in/legal/circulars/may-2023/comprehensive-guidelines-for-investor-protection-fund-and-investor-services-fund-at-stock-exchanges-and-depositories_71925.html

7. Claiming Unclaimed Shares and Dividends

All dividends and shares which remain unpaid or unclaimed for seven consecutive years, are transferred by respective companies to Investor Education and Protection Fund Authority.

Investors can submit claim to IEPF Authority to receive unpaid dividend and/or unclaimed shares by visiting

<https://www.iepf.gov.in>

8. Facility to investors of voluntary freezing/de-freezing of Demat Accounts through Depository Participants (DP) or SPEED-e facility

If you wish to temporarily freeze/de-freeze your Demat Account for any reason, you can avail the facility of freezing your demat account by choosing Account level, ISIN level or Quantity level freeze anytime, anywhere by submitting a written request in the prescribed form to your Depository Participant (DP) or by subscribing to SPEED-e facility as e-Token User. You can freeze your account for 'Suspending for debit' or 'Suspending for debit and credit'. Freeze request executed by you through SPEED-e cannot be unfrozen by your DP. If your demat account is 'Suspending for debit and credit', no transactions are permitted in the demat account till the account is de-frozen. A frozen account can be de-frozen or re-activated on submission of written instruction by the demat account holder, in prescribed form to the DP or through NSDL's SPEED-e facility.

9. Awareness on careful preservation of Delivery Instruction Slip (DIS)

Beneficial Owners (BOs) should accept the Delivery Instruction Slip (DIS) from the Depository Participants (DPs) only if serial number is pre printed and Client ID is pre stamped or pre printed. BOs should keep the DIS in safe custody and should not to leave it "blank or signed" with the Depository Participants (DPs) or any other person/entity when not in use.

10. Online Closure of demat accounts

Online closure of demat accounts is made available for clients who have opened their accounts offline or online, by the DPs that provide various Depository related services in online mode. Those DPs which do not provide any services online and do not open accounts online may not be required to offer online closure of demat accounts.

11. Lodge complaints for Unsolicited Communication and fraudulent activities using telecom resources

In case of Unsolicited Communication and fraudulent activities using telecom resources, you can lodge complaints as follows:

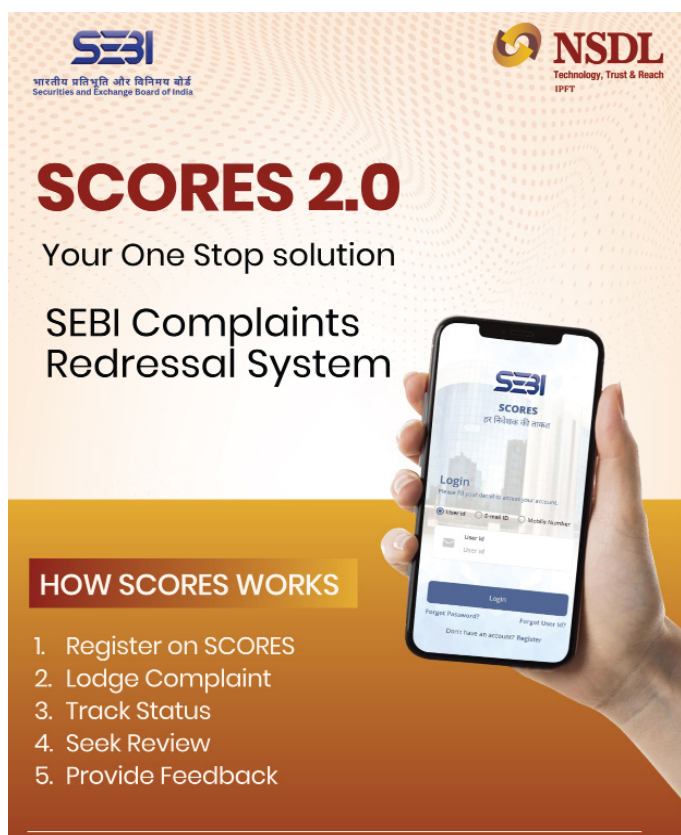
- In case of receiving spam or commercial communication make “DND” complaint at respective Telecom Service Provider’s App/Website, TRAI DND App, or Call/SMS to 1909
- In case of receiving suspected fraud communication, report the same to “Chakshu Platform” of DoT (<https://sancharsaathi.gov.in/sfc/Home/sfc-complaint.jsp>)
- In case fraud has already happened Report the same to Cyber Crime helpline number 1930 or website (<https://www.cybercrime.gov.in>)

12. SEBI circular regarding Monitoring Shareholding of Market Infrastructure Institutions (MIIs)

SEBI has issued framework for monitoring of the shareholding norms of MIIs vide its Circular No. SEBI/HO/MRD/MRD-PoD-3/P/ CIR/2024/139, dated October 14, 2024.

For more information Investors may refer the SEBI Circular in the following link: <https://www.sebi.gov.in/legal/circulars/oct-2024/monitoring-shareholding-of-market-infrastructure-institutions-miis-87535.html>

SEBI Complaints Redressal System - SCORES 2.0



SCORES 2.0
Your One Stop solution
SEBI Complaints Redressal System

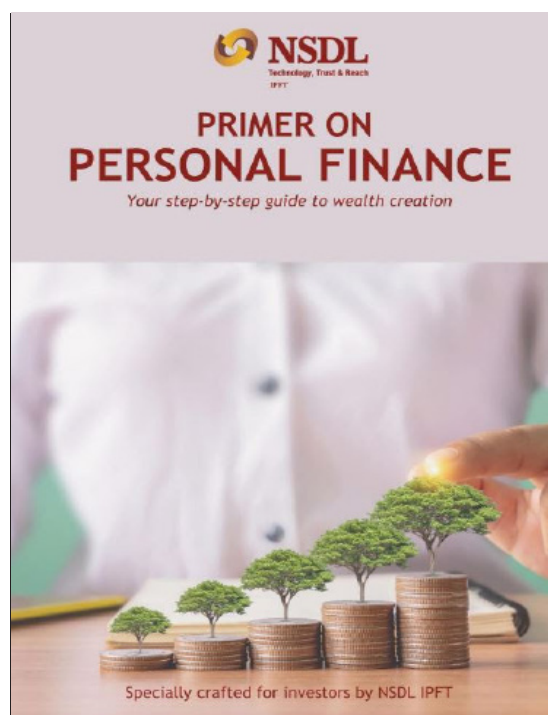
HOW SCORES WORKS

1. Register on SCORES
2. Lodge Complaint
3. Track Status
4. Seek Review
5. Provide Feedback

For more information, visit

<https://scores.sebi.gov.in/scores-home>

NSDL Primer on Personal Finance - Your step-by-step guide to wealth creation



Discover the essential tools to take control of your financial future with NSDL’s Primer on Personal Finance book. The book has been crafted with essentials of personal finance and comprise topics such as The Need for Savings, Wealth Creation, Asset Allocation, Insurance Fundas, Prepare for Retirement, Handing Over Your Legacy, How to Start Investing and How to Build and Monitor a Portfolio. So why wait? Start your journey to financial independence today! Visit https://nsdl.co.in/downloadables/pdf/NSDL_Primer_on_Personal_Finance_181024_v5.pdf

Be Alert, Be Cautious, Be Smart!



Learn to Manage Your Money For Financial Well-being



For more information related to investments in securities market, please visit SEBI Investor Website <https://investor.sebi.gov.in>

SEBI Launches Free Online Investor Certification Examination



Enhance your investment knowledge and test your skills with this voluntary certification program. Learn about markets, investing, and risk management. Empower your investment journey with digital financial education. Details about the certification are available on the SEBI Investor Website (<https://investor.sebi.gov.in/>) and the NISM website (<https://www.nism.ac.in/sebi-investor-certification-examination/>).

Be a Prudent Investor



Secure your investments and protect your peace of mind by choosing only

SEBI REGISTERED INTERMEDIARIES

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SCORES 2.0
Your One Stop solution

SEBI Complaints Redressal System




HOW SCORES WORKS

1. Register on SCORES
2. Lodge Complaint
3. Track Status
4. Seek Review
5. Provide Feedback



In case of receiving suspected fraud communication, report to Chakshu Platform of Department of Telecommunications

<https://sancharsaathi.gov.in/sfc/Home/sfc-complaint.jsp>



In case of receiving spam or UCC, Make DND complaint at respective TSP's app/website

TRA I DND APP, OR CALL/SMS TO 1909




In case fraud has already happened, report the same to Cyber Crime

Helpline 1930


Website www.cybercrime.gov.in

Nominate your loved ones Today !!


Opting-in or opting-out of nomination is mandatory in your Demat account.



SCAN TO NOMINATE ONLINE



*Applicable to single demat account holders (resident individuals) who have not opted in or opted out of nomination in their demat account.




ATTENTION

Stay vigilant and protect yourself from potential scams on social media, particularly involving any payment requests or subscriptions.

Conduct extensive research and exercise due diligence to protect your money

Online Closure of Demat Account



If your DP is offering you an online account opening facility, you also have the facility to close your account online.

Resolve your queries @ ISC of Stock Exchanges

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Securities and Exchange Board of India

NSE **BSE** **NSDL** **CDSL**

Resolve your queries, grievances,
complaints related to Capital Market at

**Investor Service Centres of
Stock Exchanges**



For more information
Visit: https://investor.sebi.gov.in/iscs_contacts.html

Scan the
QR Code



SEBI launches Saaṛṛthi 2.0 Mobile App on Personal Finance for Investors

**SEBI Launches Saaṛṛthi 2.0 Mobile App on
Personal Finance for Investors**

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Har Investor Ki Taakat

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Empower yourself in the world of investing



For more information related to
investments in the securities market,
please visit the SEBI Investor Website
<https://investor.sebi.gov.in/> and the SEBI Saaṛṛthi Mobile App.

Be Vigilant! Invest through a SEBI registered Intermediary

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**Proceed
with Caution**



stay away from fraudulent
schemes/Apps promising
unrealistic returns

Know more about SMART ODR


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What is SMARTODR Portal?

An online platform created by
exchanges and depositories



for easy filing and resolution of
securities market disputes.





Investors are advised to stay away from fraudulent schemes/Apps promising unrealistic returns. Beware of impersonators !! For more information on NSDL Depository Participants registered with SEBI, visit https://nsdl.co.in/direct_search.php on NSDL website.

Nominate Your Loved Ones in your Demat account Today!!


**Nominate Karo - Surakshit, Samajhdaar,
aur Atmanirbhar Niveshak Bano !**

NOMINATE YOUR LOVED ONES TODAY!!
Opt-in/Opt-out of Nomination in your demat account for
ensuring smooth transmission of securities and to prevent
accumulation of unclaimed assets in securities market.










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*Applicable to single demat account holder (Resident Individual) who
have not opted-in/opted-out for Nomination in their demat account.


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Join our Investor Awareness Programs

NSDL conducts Investor Awareness Programs (IAPs) to help investors to be aware of different aspects of investing. These programs are conducted on different topics of interest to investors and in different languages. The schedule of the forthcoming programs/webinars is published online at <https://nsdl.co.in/Investor-Awareness-Programmes.php>. We invite you to participate in these programs. We shall be happy to conduct an awareness program for your employees, staff, students, or members. Please write to us at info@nsdl.com if you want any such program to be conducted.

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