



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

# Financial Literacy & Awareness Workshop

Presented & Prepared by Sushil Alewa  
+919540008689, +91 8368025252



# **SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)**

**Toll free no : 1800227575,18002667575**

**Website : [www.sebi.gov.in](http://www.sebi.gov.in)**

**Complaint : [www.score.sebi.gov.in](http://www.score.sebi.gov.in)**

**Education : [www.nism.ac.in](http://www.nism.ac.in)**

**Head office : Mumbai Maharashtra**

**Head : Ajay Tayagi**

# **COURSE OUTLINE**

- 1. Why to save money and Indian scenario**
- 2. Introduction of financial planning and its process**
- 3. How inflation effect our life**
- 4. Risk taking ability**
- 5. Common saving product and its analysis**
- 6. Modern Investment Products**
- 7. How to understand Indian Securities Market**
- 8. What is Mutual Fund and how its work**
- 9. How to start Investment**
- 10. Complaints & Grievance Handling**

**Home**



**Vehicle**



**Your or  
your  
Child's  
Marriage**



**World Tours**



**Children's  
Education**

**Comfortable  
Retirement**



**Investments**

# IS JUST SAVING IS ENOUGH



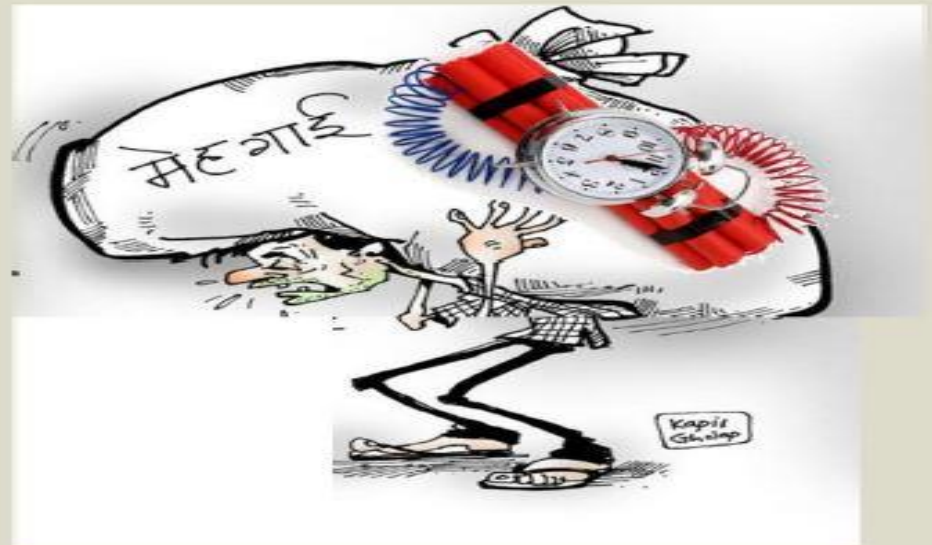
**Taxes**



**Increase in monthly  
bills for payment**









# IS YOUR INVESTMENT CAN BEAT THE INFLATION

INFLATION  
A TIME BOMB





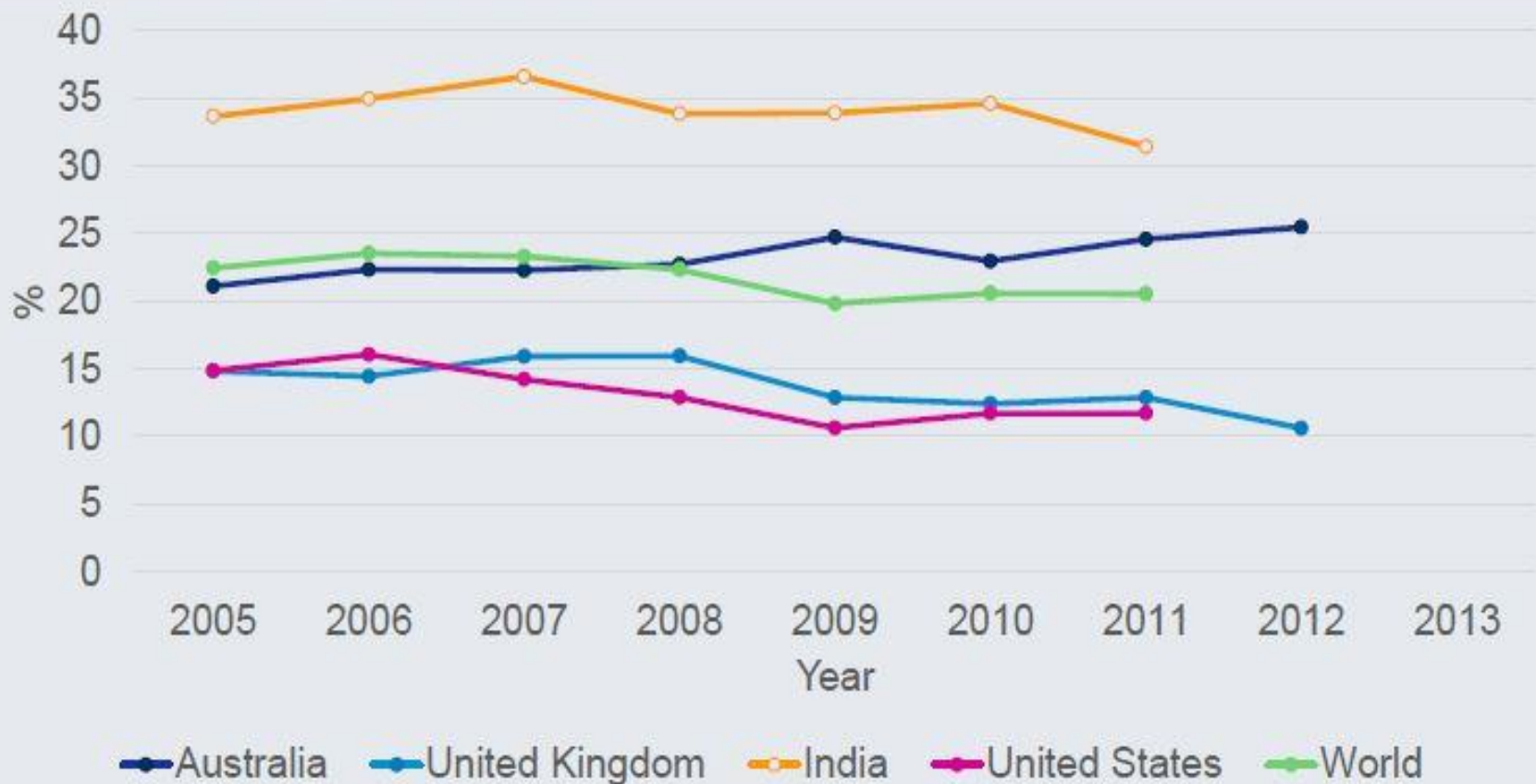
## Inflation is Eroding your Money

Rs. 500	Rs. 50	Rs. 50,000	Rs. 50,000
			
500 % ↑	400 % ↑	900 % ↑	900 % ↑
			
Rs. 3000	Rs. 250	Rs. 5,00,000	Rs. 5,00,000

# WE ARE A NATION OF SAVERS

India has the highest saving rate of over 30% GDP

Saving Rates Across the World





**WHAT WE NEED  
TODAY**

# FINANCIAL PLANNING

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# **WHAT IS FINANCIAL PLANNING ?**

**Financial planning is the process of successfully meeting financial needs of life through the proper management of finances.**

**It is your roadmap to Financial Health, & Sustainable Wealth creation.**

# WHAT IS THE PROCESS ?

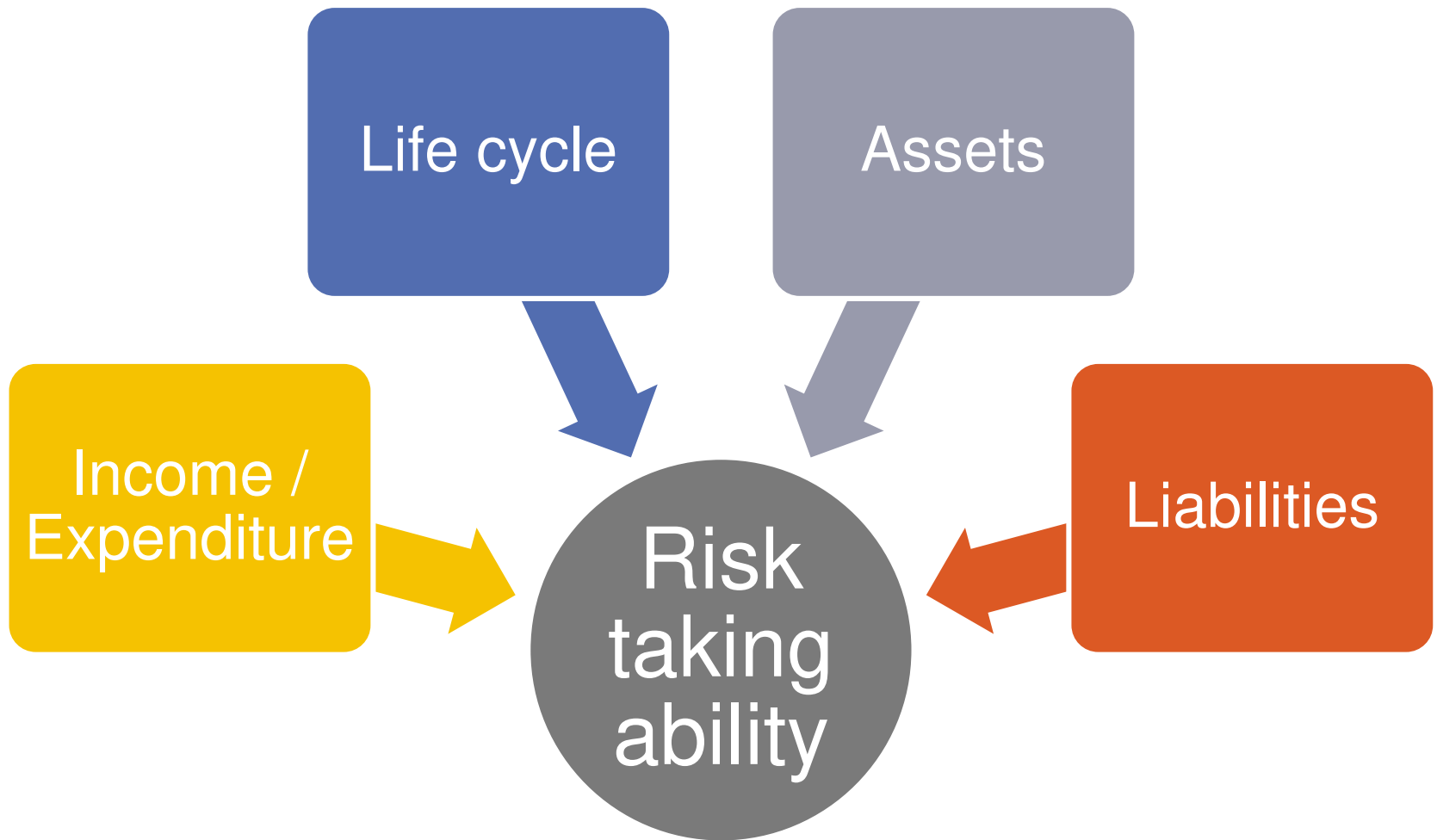
The financial planning process



# INDIA PEOPLE ARE CONFUSED WHAT TO DO ?



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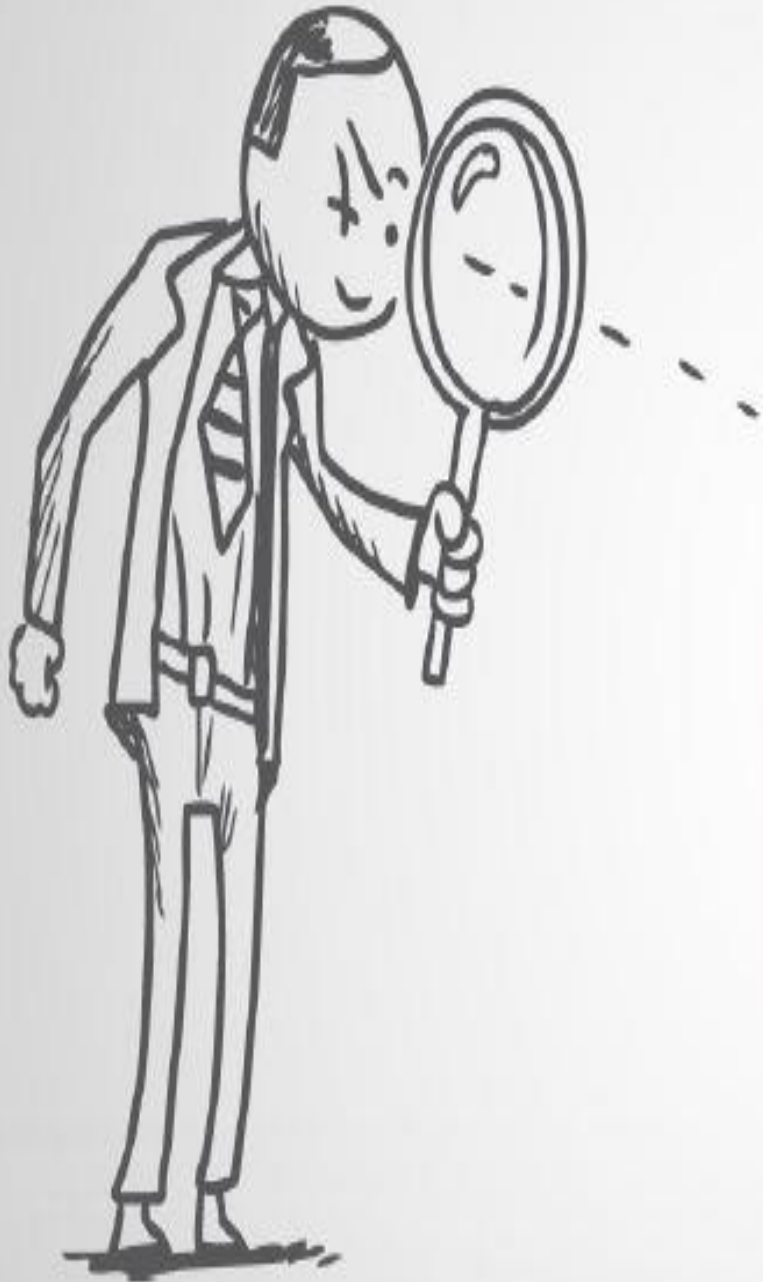


# **THREE TYPES OF LEVEL RISK**

**Conservative ( Never take Risk in their life )**

**Moderate ( Medium risk taker people )**

**Aggressive ( High risk taking people )**



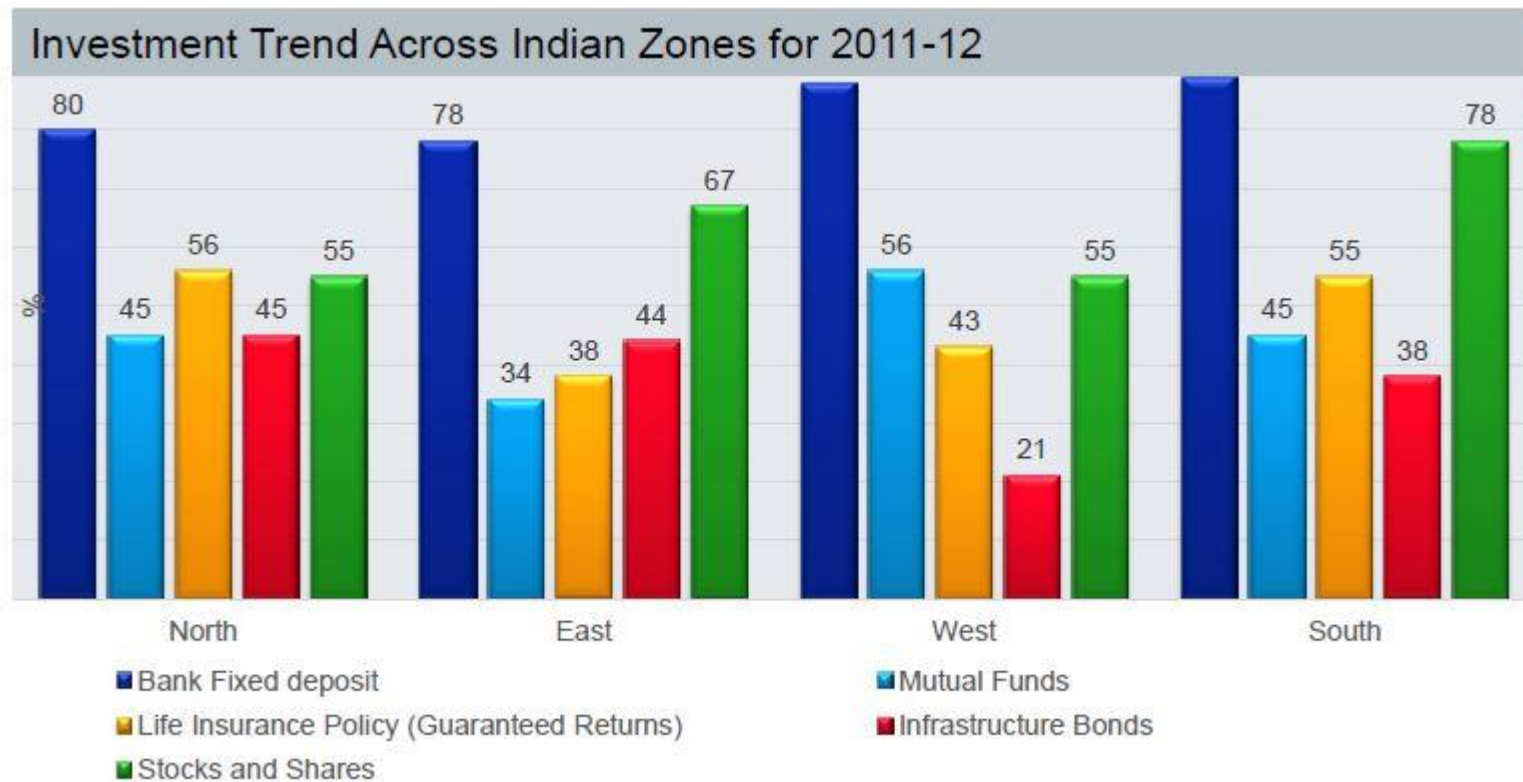
**ARE YOU CHOOSING  
THE RIGHT ASSETS**

# **COMMON SAVING & INVESTMENT PRODUCTS**

<b>Name of Product</b>	<b>Expected / Nominal Return</b>	<b>Method</b>	<b>Competent to Inflation (10%)</b>
Saving Bank A/c	4 %	Traditional	Not
Gold	20 %	Physical	Yes
Insurance	6 %	Traditional	Not
Real Estate	15-20 % (unexpected)	Traditional	Yes
Post office Scheme	6-8 %	Traditional	Not
New Pension System	12-13 %	Modern	yes

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# WHERE DO WE INVEST



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# **MODERN SAVING AND TRADING PRODUCTS**

## **Current trend of younger's investment**

- 1. Equity market**
- 2. Commodities market**
- 3. Fixed Return Product ( Bond / debenture )**
- 4. SIP/STP/SWP**
- 5. Mutual fund**
- 6. Fixed deposit and R.D**
- 7. Chit fund companies**



# INDIAN SECURITIES MARKET

*The Battlefield to Understand*

## **WHAT IS SECURITIES MARKET?**

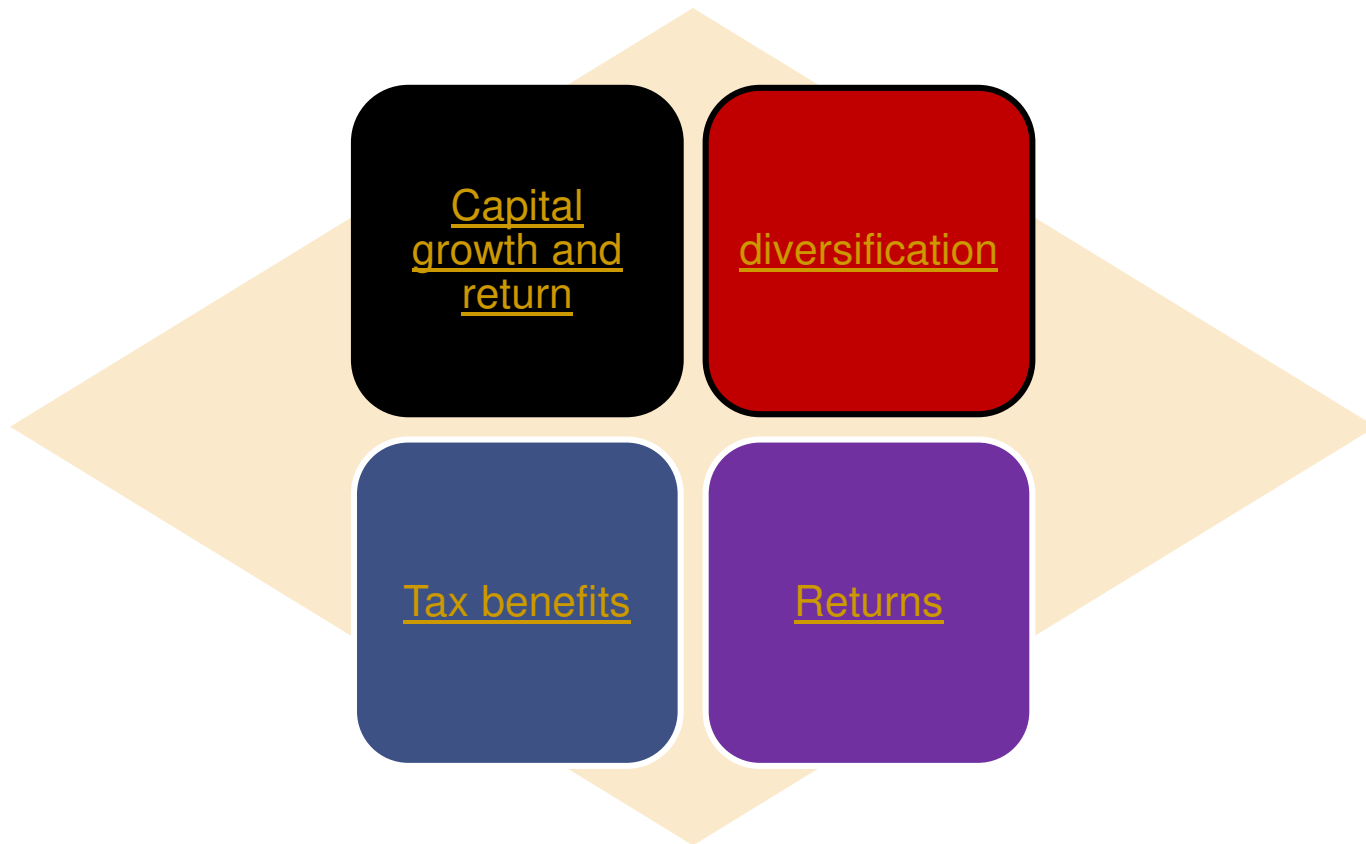
**Market is a place where things are bought and sold- a local market, a shopping mall or even online websites**

**Securities market is a market where securities are bought and sold.**

**There are various participants / agents/ entities and products in the securities market**

**Regulated by Securities and Exchange Board of India**

# WHY TO INVEST IN SECURITIES MARKET ?



## For Capital growth and return

**• INVESTMENT SHOULD BEAT INFLATION I.E. IT SHOULD HAVE CAPITAL GROWTH OTHERWISE YOUR MONEY WILL BUY LESS THAN IT DOES NOW**

**ILLUSTRATION : MR. X IS A PERSON WHO HAS SAVINGS IN HIS BANK ACCOUNT AND HE IS IN 30% TAX BRACKET**

Money in savings account	1,00,000
Interest earned in 1 year (@4 per annum)	4,000
	1,04,000
Tax on Interest (@30.9%)	(1,236)
Impact of Inflation (@8% per annum)	(8,000)
Value at the end of year 1	94,764

• Hence , it is important that the return on investment should be higher than the rate of inflation and tax component

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Buy Bullet in 2000 = ₹55000  
Value in 2017 = ₹5000



Invested in Eicher Motors Shares  
(Manufacturer of Bullet)  
In 2000 Year = ₹55000  
Value in 2017 = ₹5Crore



**EICHER**



**= MRF =**

Madras Rubber Factory  
Share Price in 2001 = ₹500  
Share Price in 2017 = ₹74000  
Growth in 16 Years = 14000%  
Amount Growth = 148 Times



Invested in Wipro 1980 = ₹10000  
Share Value in 2015 = ₹535 Crores

**THE POWER OF EQUITY MARKET**



# Power of Equity

- *If you have subscribed in 100 shares of \_\_\_\_\_ company with a face value of Rs. 100 in 1980...*
- In 1981 company declared 1:1 bonus = you have **200** shares
- In 1985 company declared 1:1 bonus = you have **400** shares
- In 1986 company split the share to Rs. 10 = you have **4,000** shares
- In 1987 company declared 1:1 bonus = you have **8,000** shares
- In 1989 company declared 1:1 bonus = you have **16,000** shares
- In 1992 company declared 1:1 bonus = you have **32,000** shares
- In 1995 company declared 1:1 bonus = you have **64,000** shares
- In 1997 company declared 1:2 bonus = you have **1,92,000** shares
- In 1999 company split the share to Rs. 2 = you have **9,60,000** shares
- In 2004 company declared 1:2 bonus = you have **28,80,000** shares
- In 2005 company declared 1:1 bonus = you have **57,60,000** shares
- In 2010 company declared 2:3 bonus= you have **96,00,000** shares

**At the end of 2010...**

**You have 96,00,000 shares of the  
company**

**Any guess about the company ?  
(Hint : Its an Indian company)**

**Any guess about the present valuation ?**

## The result of '*Power of Compounding*'

Your present  
valuation

Rs. 416 Cr.+  
(Dividends)

&

The company is

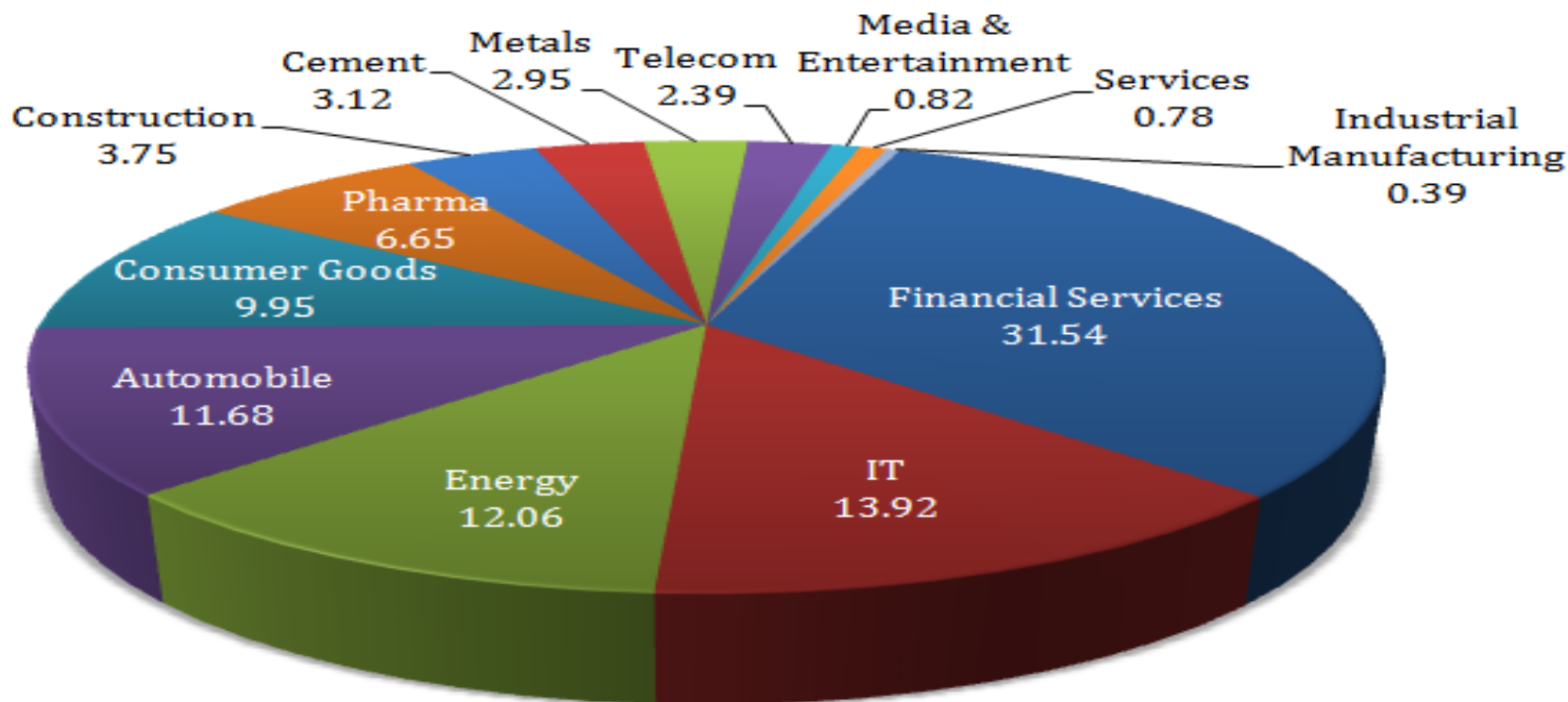
**'WIPRO'**



**Current level : 12248**  
**No. of listed co : 1450**  
**Timing : 9:00 am to 3.30 pm**  
**Duration : Monday to Friday**  
**PE Ratio : 22.66 (24/01/2020)**  
**Market cap : 88 T**  
**52 week H / L : 12430: 10583**  
**Website : [www.nseindia.com](http://www.nseindia.com)**

# NIFTY - 50

**Nifty 50 Companies - Sectorwise Weightage (%)**





**Current level** : 41613  
**No. of listed co** : 4400  
**Timing** : 9:00 am to 3.30 pm  
**Duration** : Monday to Friday  
**PE Ratio** : 28 (17/11/2019)  
**Market cap** : 72 T  
**52 Week H/L** : 42273 / 35287  
**Website** : [www.bseindia.com](http://www.bseindia.com)

# ADVANCES ARE PERMANENT DECLINES ARE TEMPORARY





# MUTUAL FUND

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**+919540008689, +91 8368025252**

# **MUTUAL FUND**

**A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal.**

**Anybody with an investible surplus of as little as a few thousand rupees can invest in Mutual Funds.**

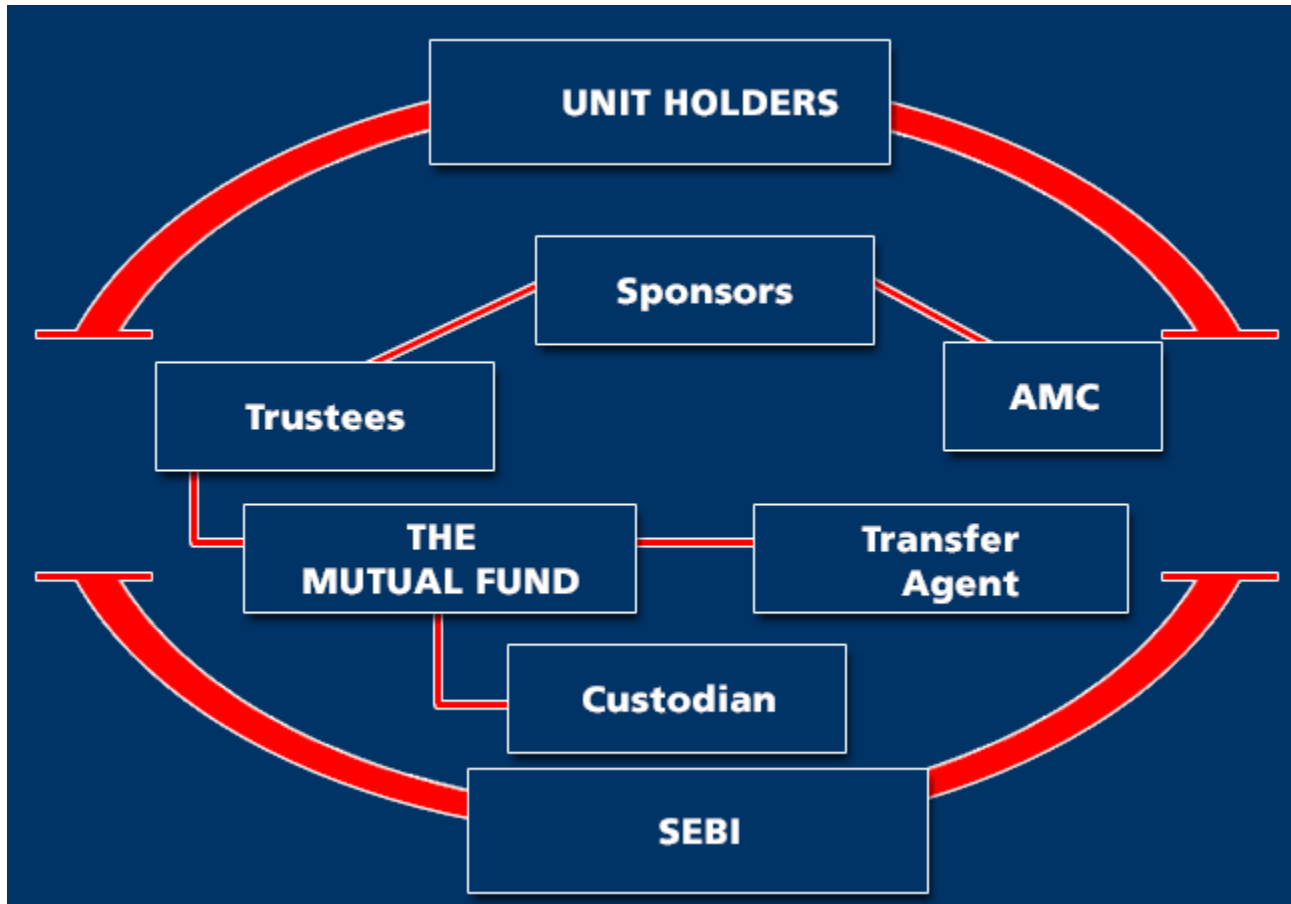
**These investors buy units of a particular Mutual Fund scheme that has a defined investment objective and strategy.**

**The money collected is invested by the fund manager in different types of securities. These could range from shares to debentures to money market instruments, depending upon the scheme's stated objectives.**

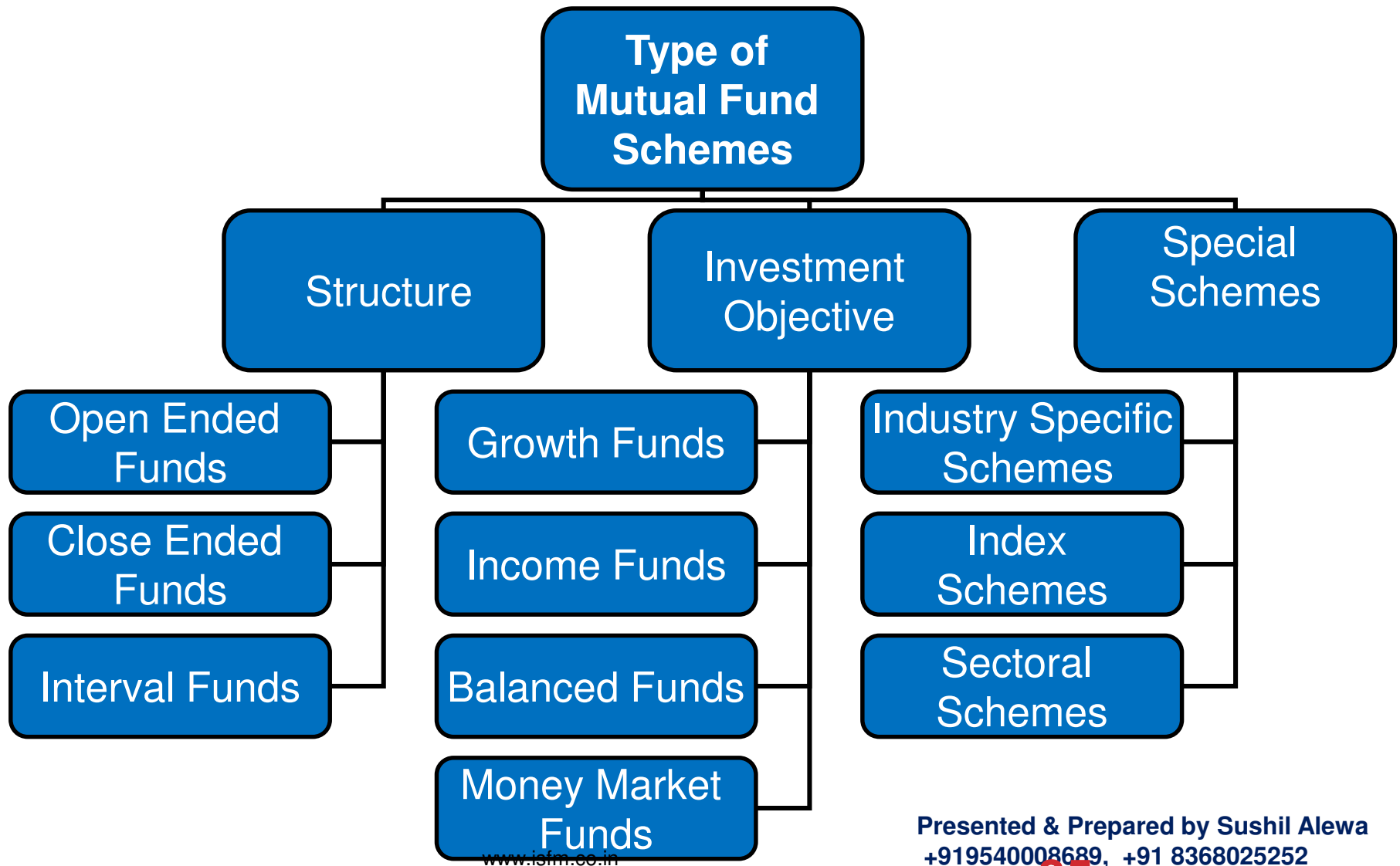
**The income earned through these investments and the capital appreciation realized by the scheme are shared by its unit holders in proportion to the number of units owned by them.**



# ORGANIZATION OF A MUTUAL FUND



# TYPES OF MUTUAL FUNDS



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## CATEGORIES OF SCHEMES, SCHEME CHARACTERISTICS AND TYPE OF SCHEME (UNIFORM DESCRIPTION OF SCHEMES):

The Schemes would be broadly classified in the following groups:

- a. Equity Schemes
- b. Debt Schemes
- c. Hybrid Schemes
- d. Solution Oriented Schemes
- e. Other Schemes

For More details click below :-

[SEBI MF classification](#)

## DEFINITION OF LARGE CAP, MID CAP AND SMALL CAP:

In order to ensure uniformity in respect of the investment universe for equity schemes, it has been decided to define large cap, mid cap and small cap as follows:

1. Large Cap: 1st -100th company in terms of full market capitalization
2. Mid Cap: 101st -250th company in terms of full market capitalization
3. Small Cap: 251st company onwards in terms of full market capitalization

### **Categorization and rationalization of schemes:**

Only one scheme per category would be permitted, except:

- i. Index Funds/ ETFs replicating/ tracking different indices;
- ii. Fund of Funds having different underlying schemes; and
- iii. Sectoral/ thematic funds investing in different sectors/ themes

# MODE OF ENTRY IN MUTUAL FUND



**Lump Sum  
(One time)**



**Systematic Investment Plans  
(SIP)**



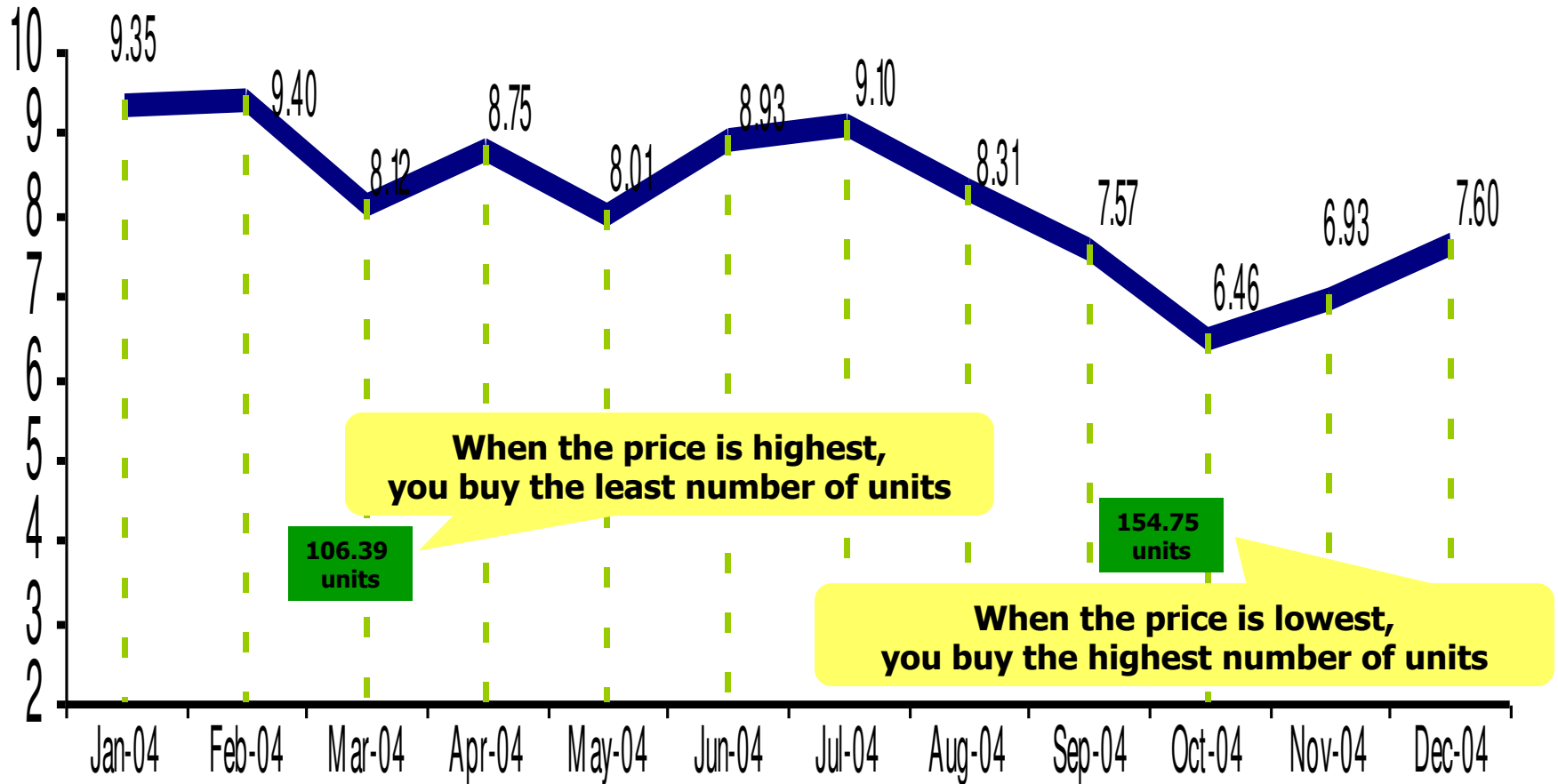
# WHAT IS A SYSTEMATIC INVESTMENT PLAN?

An investment plan to invest a fixed amount regularly at a specified frequency say, monthly or quarterly.



*SIP is a simple method of investing used across the world as a means to creating wealth*

# SYSTEMATIC INVESTING, AN EXAMPLE





**RS. 1CR. V/S RE. 1**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30		Total: 30 Crores		

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## RS. 1CR. V/S RE. 1

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Rs. 1	2 Rs. 2	3 Rs. 4	4 Rs. 8	5 Rs. 16	6 Rs. 32
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

# SIP OF RS. 500/MONTH

No. of Years	Total Investment	Rate of Return per Year			
		8%	12%	15%	20%
5	30,000	36,738	40,834	44,287	50,879
10	60,000	91,473	1,15,019	1,37,609	1,88,048
15	90,000	1,73,019	2,49,790	3,34,253	5,57,850
20	1,20,000	2,94,510	4,94,628	7,48,620	15,54,826
25	1,50,000	4,75,513	9,39,423	16,21,765	42,42,643
30	1,80,000	7,45,180	17,47,482	34,61,640	1,14,88,919
35	2,10,000	11,46,941	32,15,480	73,38,590	3,10,24,661

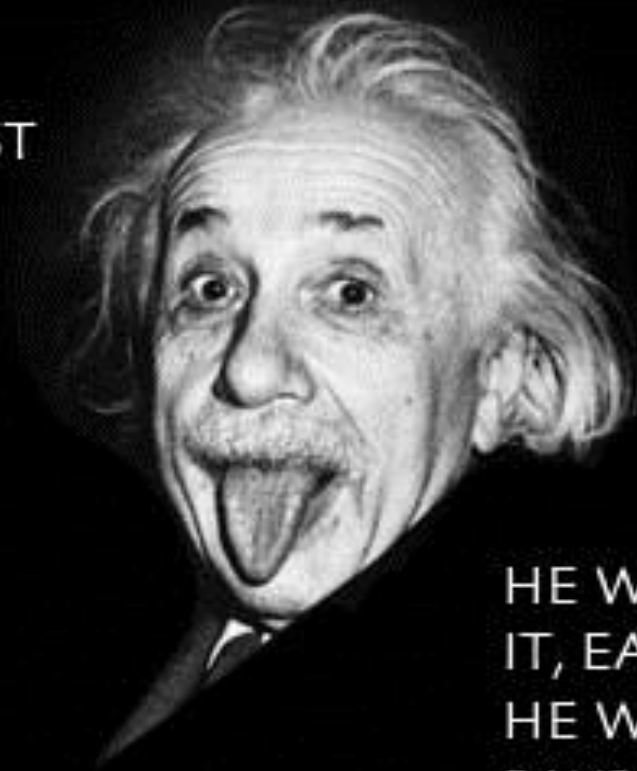
# INR 2,000/- (SIP every month)

No. of Years	Total Investment	Debt 8%	Balanced 12%	Equity 18%
5	1,20,000	1,46,954	1,63,339	1,92,429
10	2,40,000	3,65,892	4,60,077	6,62,576
15	3,60,000	6,92,076	9,99,160	18.1 Lakhs
20	4,80,000	11.8 Lakhs	19.8 Lakhs	46.1 Lakhs
25	6,00,000	19 Lakhs	37.6 Lakhs	1.14 Crs
30	7,20,000	29.8 Lakhs	69.8 Lakhs	2.82 Crs
35	8,40,000	45.8 Lakhs	1.28 Crs	6.91 Crs

**POWER  
COMPOUNDING**



"COMPOUND INTEREST  
IS THE 8TH WONDER  
OF THE WORLD...



HE WHO UNDERSTANDS  
IT, EARNS IT ...  
HE WHO DOESN'T ...  
PAYS IT"--ALBERT EINSTEIN

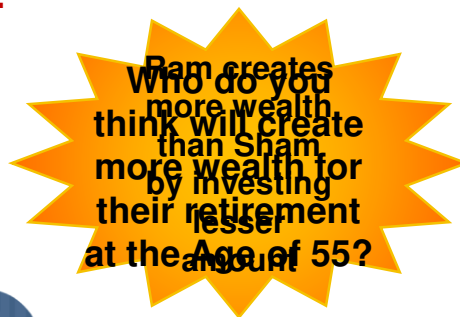


## Benefit of starting early :



Ram

Ram Creates Wealth of  
Rs. 1.84 Crores  
by Investing Rs.36 Lacs



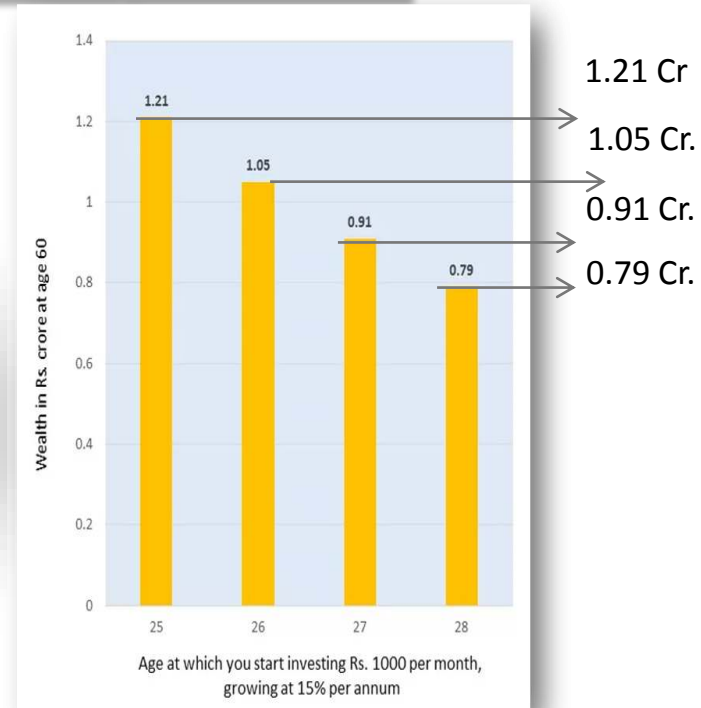
Sham

Sham Creates Wealth of  
Rs. 95 Lacs  
by Investing Rs. 45 Lacs

want to  
tment f

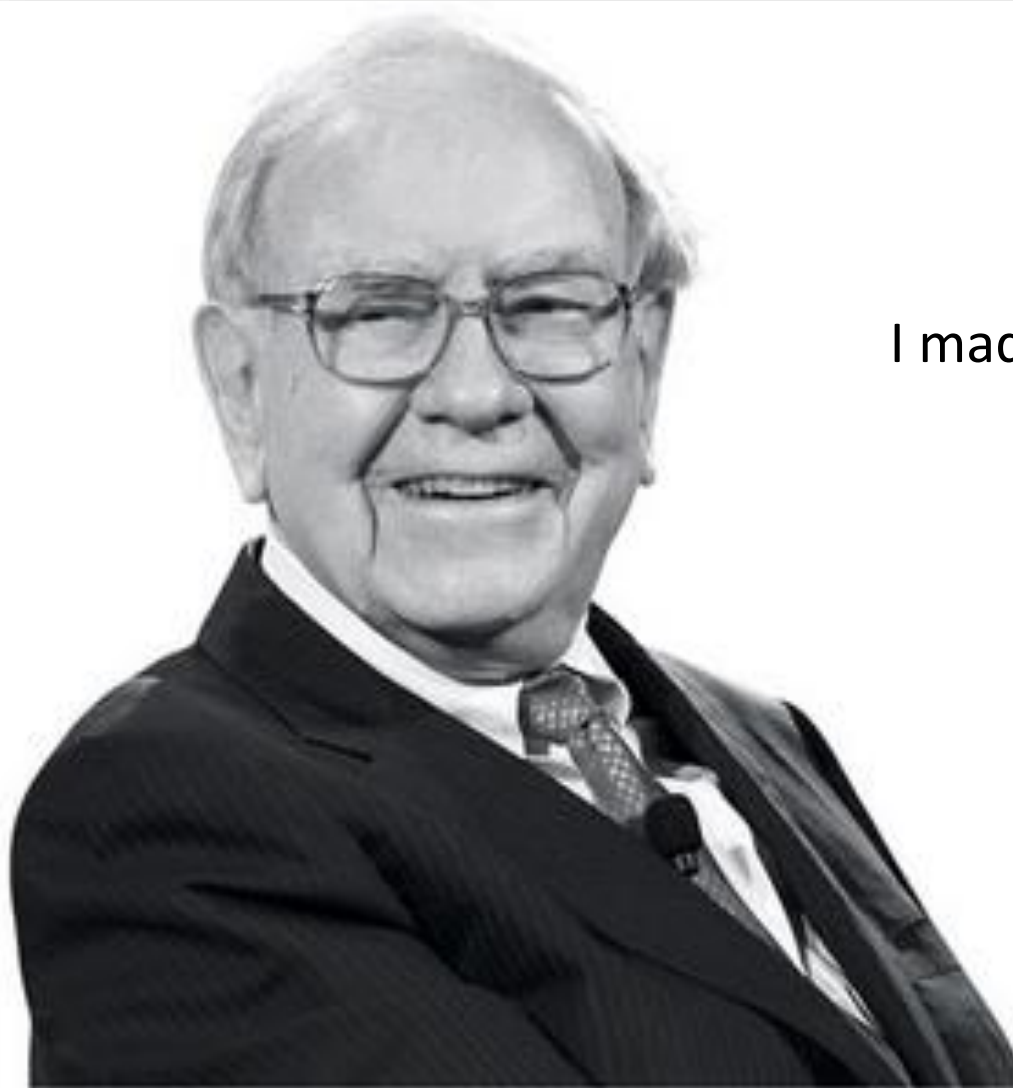
Longer the term, higher the compounding effect

Start investing today!



Disclaimer : This calculation is for illustration purpose only. The return shown are XIRR returns. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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I made my first investment at the age  
of 11

I was LATE!

Warren Buffet (Net worth of \$65  
billion)

# **STEPS TO BECOME SECURITIES MARKET INVESTOR**

- Know Your Client (KYC) form and documents
  - PAN Card
  - Personal identification proof
  - Address proof
- Demat accounts & trading accounts required for equity investing
- For investing in MF, Demat is optional

# **SOME DO'S AND DON'TS**

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# DO'S

**Always deal with the SEBI registered brokers.**

- ✓Collect photocopies of all documents executed for registration as a client, immediately on execution.**
- ✓Give clear instructions to your broker and insist on contract notes from your broker.**
- ✓Check credentials of the companies, its management, fundamentals and recent announcements made by them.**
- ✓Adopt trading / investment strategies commensurate with your risk-bearing capacity**
- ✓There are no guaranteed returns on investment in the stock market .**
- ✓Always keep copies of all investment documentation**

# **DON'TS :**

**Don't deal based on rumours or 'tips' and fall prey to promises of guaranteed returns.**

**✓ Don't get swayed by promises of high returns.**

**✓ Don't leave the custody of your Demat Transaction slip book in the hands of any intermediary.**

**✓ Don't blindly follow media reports on corporate developments, as some of these could be misleading.**

**✓ Don't forget to take note of the risks involved in an investment.**

**✓ Don't hesitate to approach appropriate authorities in case of complaint.**



# **COMPLAINTS & GRIEVANCE HANDLING AT SEBI**



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+919540008689, +91 8368025252



# FINANCIAL REGULATORS



Securities  
Market



Banking



Insurance



Pension



Commodities  
derivatives



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# Whom to approach and How to lodge an investor complaint?



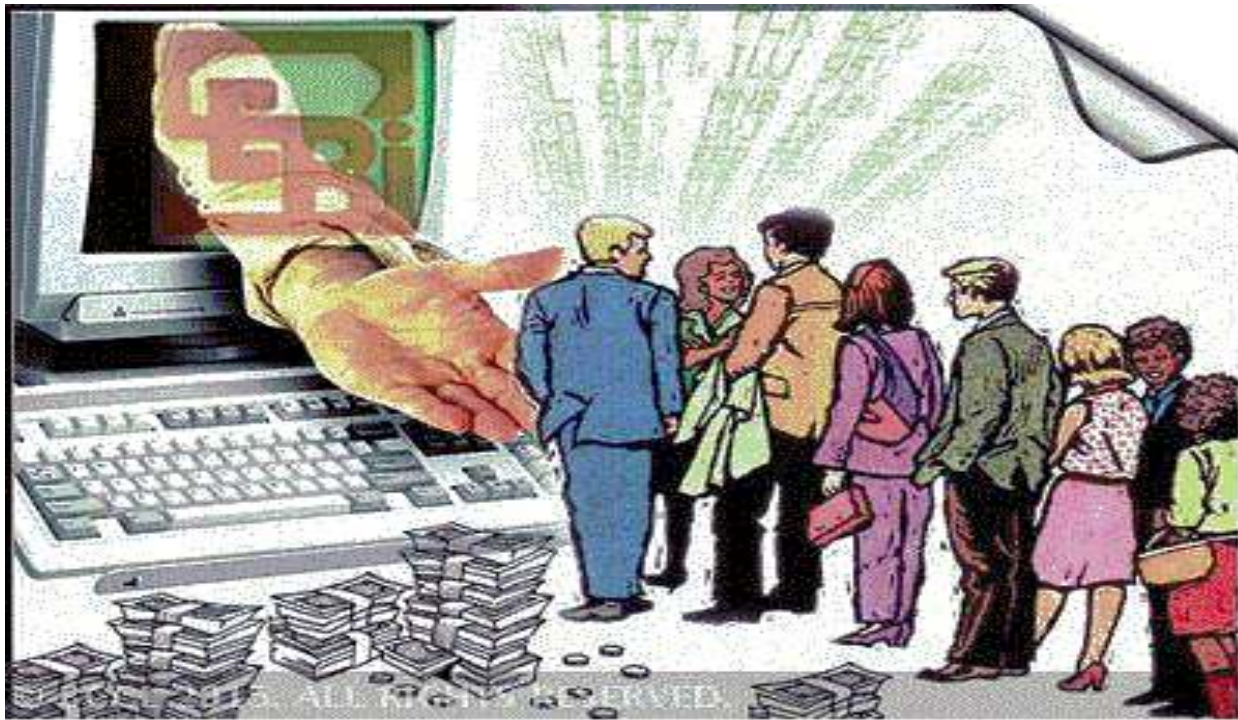
# **SEBI TOLL-FREE HELPLINE SERVICE FOR INVESTORS**

**1 800 22 7575**  
**1 800 266 7575**



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**+919540008689, +91 8368025252**

**ON JUNE 8, 2011, SEBI HAD  
COMMENCED A NEW WEB-BASED  
CENTRALISED GRIEVANCE REDRESS  
SYSTEM CALLED AS SCORES**



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# SCORES

Lodge  
Complaints  
Online

Track &  
Monitor the  
status of  
the  
complaint

Receive  
final  
outcome of  
the  
complaint  
online

Presented by Sushil Alewa  
+919540..., +91 8368025252

# **INVESTOR GRIEVANCES AND REDRESSAL MECHANISM OF REGULATORS**

- **Securities and Exchange Board of India :**  
[www.Score.sebi.gov.in](http://www.Score.sebi.gov.in)
- **Insurance Regulating and Development Authority of India**  
: [www.igms.irda.gov.in](http://www.igms.irda.gov.in)
- **New Pension System (NPS )**  
[www.cgms.gov.in](http://www.cgms.gov.in)  
[www.nsdl.com](http://www.nsdl.com)



# THANK YOU



**Reg. office :**

Plot No-152-P, Sec-38, Medicity Road,  
Near Bakhtawar Singh Chowk, Gurgaon  
– 122001, Haryana, India  
Contact no. : 0124 – 2200689  
+918287630833

**Branch Office:**

Plot No-20-A, Sec-18, Old Delhi Road,  
Near Maruti gate no. 1 Gurgaon –  
122001, Haryana, India  
Contact no. : +919953147497,  
+918168573253

**Presented & Prepared by Sushil Alewa**  
**+919540008689, +91 8368025252**