



# YOUR FINANCIAL GUIDE

*Your simple, trusted guide to take control of every  
step of your financial journey.*



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## Dos and Don'ts for Financial Awareness and Security

### Dos

1. Be aware and understand the schemes/ entitlements provided by the governments (Central and State governments).
2. ALWAYS have a nominee registered in all your investments- banks, deposits, mutual funds, lands and property (read the importance of nominee).
3. Remember that the decision should be yours in any of the investments irrespective of whoever guides you.
4. Before signing any form, remember to check the investor name, nominee name etc. Insist on a statement after making the investment and verify the names.
5. Have financial goals which will be valid for the next 5 to 10 years
6. Also ask yourself if your financial goals will be inclined with your children's goals.
7. Before investing, ensure you know what the purpose or goal of investing is and accordingly choose the time horizon. You can use our smart goals sheet.
8. If you are investing in co-operative banks, the maximum amount should not exceed Rs 5 lakhs (5 lakh is insured by the govt if the bank fails).
9. While buying land/property/home etc, think about who will look after or take care of that in your absence.

### Don'ts

1. Do not sign any document without checking the contents of the same.
2. Do not leave any cheque blank, signed and/or without payee name unattended.
3. Do not share the ATM cards and PINs with anyone (be it anyone from your family even or close friends)
4. DO not share any OTPs with anyone (especially strangers calling abruptly and no matter who says what on the phone)
5. Do not allow children to access your accounts without your permissions or without your knowledge
6. Do not allow your children/ family/ friends/ to by-pass you for any kind of bank transactions



7. Do not delegate the transactions or documentations to your relatives, brokers, middlemen etc. while purchasing land/property/home or any such assets
8. Never encourage cash transactions, especially lending/ deposits.
9. Never invest in schemes and policies that you do not understand. Eg. Shares, mutual funds, insurance, term policy etc.
10. Do not get carried away by schemes that project unrealistic promises of doubling your money or quick returns in a short period or any such scams. Greed for 2% or 3% extra income should not ruin your investments
11. If you are willing to invest, do not transfer the money to middlemen. Let the investments directly happen from your account to the bank or firms where you are investing

### Tips for Financial Safety

1. Always give 'Account Payee' cheques so that the transactions could be tracked
2. Learn and remember ways to change the ATM PIN and block the ATM card in case of misuse.
3. Keep bank customer care number handy and learn how to call for issues immediately
4. Block your phone SIMs and all cards in case of theft/loss of phone and/or cards
5. Keep your phone IMEI number noted in another place in case of need to locate the phone



## Importance of Nomination

Nomination is simple way to ensure a smooth and hassle-free transfer of assets to your desired individual(s). Nominating someone for your assets (bank accounts, deposits, mutual funds, demat accounts) can save a lot of trouble and give peace of mind. It ensures financial security for the nominee and makes asset transfer smooth, avoiding family disputes.

### Benefits of Nomination

- *Effortless Access:* The nominated beneficiary enjoys quick and hassle-free access to the designated financial assets, eliminating unnecessary delays, which can be especially vital during challenging times.
- *Financial Security:* Nomination offers financial security and stability to the beneficiary, assuring them they are the rightful recipient of the assets. This knowledge brings security and peace of mind.
- *Asset Protection:* Nomination ensures a clear, straightforward transfer of assets to the nominated beneficiary, reducing the likelihood of family conflicts or legal disputes.

### Example

Take the example of Mr. Solanki, who invested a lot but didn't nominate anyone. When he passed away suddenly, his family had no clue about his investments. This led to a lot of legal hassle and stress. If he had just used the Samarth Lakshmi Financial Organiser and nominated a family member, it would have saved them a lot of trouble and provided financial security during a tough time.

### How to Nominate?

It's easy:

- Get the nomination forms from your bank or financial institution.
- Fill them out accurately with the nominee's details and their share.
- Submit the forms back to the institution and make sure you get an acknowledgment.



## Responsible Usage of Loans

Loans are an essential part of life and can often like a danger, but not all debt is bad. By borrowing responsibly, you can use debt to enhance your life.

Taking loan for education increases your marketability and earning potential - Good. Borrowing to purchase a house will likely increase your net worth by adding an asset to your portfolio - Not Bad. Borrowing to buy a new mobile phone / TV doesn't add to your income – Undesirable.

Hence, borrowing decisions needs to be carefully thought. Here are some practical tips that can help us in responsible borrowing.

- **Assess Your Needs:** Before deciding to borrow funds, you should first evaluate your financial requirements as it will help you choose the type of loan. Is it for essential expenses, medical emergencies, or optional spending?
- **Budgeting and Planning:** Create a budget that highlights your income, expenses, and debt. A well-structured budget helps you identify how much you can afford to borrow and repay comfortably. Plan how you will repay the loan. Discuss with family how all the members can help in the repayment via more income or lesser expenses.
- **Researching Loan Options:** Explore various borrowing options, checking the loan terms, applicable interest rates and charges, and eligibility conditions.
- **Understanding Interest Rates:** Take the time to understand the interest rates available on various loan options. Knowing the interest rates and the payment/accrual frequency (monthly/ annual) on your loan would help you make a better decision.
- **Reading the Agreement:** It is important to understand the terms and conditions, including fees, penalties, and repayment schedules carefully to ensure you borrow responsibly. If you are taking loans from friends/ family, clarify the terms beforehand and agree to them in writing.
- **Avoid Overborrowing:** Only borrow what you genuinely need to prevent excessive debt.
- **Repayment Strategy:** Always prepay the costliest loan (highest interest rate) first, while being mindful of any prepayment penalties. For e.g. credit card loans are one of the most expensive loans, if the bill is not paid on time. Any loan taken for emergency would be a high cost one – repay it first. This consideration will help you save monthly outflow, allowing you to save money.
- **Emergency Fund:** Ensure you have some funds in place to manage emergency expenses.



## Importance of Health Insurance

Medical emergencies often occur unexpectedly and can lead to significant financial strain. A reliable health insurance plan is essential to manage these unforeseen situations and the increasing medical costs effectively. Health insurance serves as a safeguard, enabling you to receive necessary medical treatment without worrying about high expenses.

### Benefits of Health Insurance

- **Lifestyle Diseases:** Our modern lifestyles bring a lot of health issues like diabetes and heart conditions. Health insurance helps cover the costs of managing these.
- **Rising Medical Costs:** Medical treatments are getting pricier. Health insurance helps you handle these increasing costs without burning a hole in your pocket.
- **Quality Healthcare:** With insurance, you can access top-notch medical services without worrying about the bills.
- **Family Protection:** It covers your whole family, including kids and elderly parents, against unexpected health problems.
- **Medical Emergencies:** Insurance provides the necessary financial support during emergencies, ensuring no delays in treatment.
- **Broad Coverage:** Policies often cover hospitalization, doctor's visits, medications, tests, surgeries, and even post-treatment care.

### Ayushman Bharat PM-JAY

We recommend registering for the free health insurance provided by the Indian Government, Ayushman Bharat PM-JAY (AB PM-JAY), to eligible citizens. It is the largest health assurance scheme in the world which aims at providing a health cover of Rs. 5 lakhs per family per year for secondary and tertiary care hospitalization to over 12 crores poor and vulnerable families (approximately 55 crore beneficiaries) that form the bottom 40% of the Indian population.

### Features

- **Coverage:** Offers Rs. 5 lakhs per family per year for hospitalization costs.
- **Cashless Access:** You don't need to pay upfront at any empanelled hospitals.
- **Pre and Post Hospitalization:** Covers costs for up to 3 days before and 15 days after hospitalization, including tests and medicines.
- **No Restrictions:** No limits on family size, age, or gender.
- **Nationwide:** Benefits are portable across India, so you can get treatment anywhere in the country.
- **Comprehensive:** Covers 1,929 procedures, including all treatment-related costs.



## Registering for Pradhan Mantri Ayushman Bharat Yojana

- - Visit the official website.
- - Enter your mobile number and captcha code, then hit 'Generate OTP'.
- - Use the OTP sent to your phone to verify and log in.
- - Select your state and choose your eligibility criteria (Mobile Number, Name, Ration Card, or RSBY URN number).
- - If eligible, your name will appear on the right side of the page. You can also check for beneficiary details under the 'Family Members' tab.

## Importance of Life Insurance

The primary motive of a life insurance policy is to provide financial security. Term Insurance Plans are the simplest and most affordable form of Life Insurance. Term insurance plans promise to pay a benefit only if the insured dies during the term of the policy. There is, usually, no maturity benefit payable under the plan.

Term insurance is crucial in India for providing financial security to families, especially in the event of the policyholder's untimely death, offering affordable coverage and potential tax benefits. Term insurance provides the following benefits to families:

- **Securing the Future:** Term insurance provides a lump sum payment to the family in case of the policyholder's death, ensuring their financial stability and ability to meet their needs.
- **Meeting Financial Obligations:** The payout can be used to cover debts, mortgages, education expenses, and other financial obligations, preventing financial hardship for the family. We suggest that term insurance amount should at least be more than the loans taken to provide security in case of loss of life of the earning member.
- **Peace of Mind:** Knowing that your family's financial future is secured in your absence provides peace of mind and reduces stress.
- **Eligible for Tax Relief:** Premiums paid towards term insurance policies are eligible for tax deductions under Section 80C of the Income Tax Act, up to a certain limit.
- **Tax-Free Payouts:** The payout received by the beneficiaries is also tax-free, ensuring that the full amount is available to meet the family's needs.





## List of Government Schemes for Individuals in India

The Union Government launches several schemes for the citizens of India from time to time. They are launched for the purpose of improving the livelihood of the people and providing security for leading a better life. We have listed such schemes below.

Scheme Name	Current Interest Rate	Lock-in Period	Min. Investment	Max. Investment	Eligibility
<b>Atal Pension Yojana (APY)</b>	8.00%	Till age 60	₹1,000/year	Varies by pension amount	All
<b>Post Office Monthly Income Scheme (POMIS)</b>	7.40%	5 years	₹1,000	Varies by account type	All
<b>Kisan Vikas Patra (KVP)</b>	7.50%	115 months (approx.)	₹1,000	No limit	All
<b>National Pension Scheme (NPS)</b>	9-15% (market-linked)	Till retirement	₹500/month	No limit	All
<b>National Savings Certificate (NSC)</b>	7.70%	5 years	₹1,000	No limit	All
<b>Public Provident Fund (PPF)</b>	7.10%	15 years	₹500/year	₹1.5 lakh/year	All
<b>Employees' Provident Fund (EPF)</b>	8.25%	Till retirement	Varies	No limit	All employed citizens of India
<b>Senior Citizens Savings Scheme (SCSS)</b>	8.20%	5 years	₹1,000	₹15 lakh	All citizens above 60 years of age
<b>Sukanya Samriddhi Yojana (SSY)</b>	8.20%	Till girl's marriage/21 yrs	₹250/year	₹1.5 lakh/year	For all girl child below 18 years
<b>National Savings Recurring Deposit (RD)</b>	6.70%	Varies (min. 6 months)	₹100/month	No limit	All
<b>National Savings Time Deposit (TD)</b>	6.90%-7.50% (by tenure)	1-5 years	₹1,000	No limit	All
<b>RBI Floating Rate Saving Bonds</b>	7.25%	7 years	₹1,000	No limit	All



### **Pradhan Mantri Jan Dhan Yojana**

The objective of this scheme is to ensure financial inclusion of every individual by providing access to financial services, i.e. Banking/Savings and Deposit Accounts, Credit, Remittance, Pension and Insurance in an affordable manner. An individual can open an account under this scheme with any bank branch with zero balance.

## **Government Insurance Schemes**

### **Ayushman Bharat Yojana (PM-JAY)**

Under this scheme, insurance coverage of up to Rs.5 lakh on a family floater basis is provided to the beneficiaries every year. The poor deprived rural families and identified occupational category of urban workers' families are eligible to avail this scheme as beneficiaries.

### **Pradhan Mantri Suraksha Bima Yojana**

This scheme offers a one-year accidental death and disability cover, which is renewed every year. The individual bank account holders of the age group between 18 and 70 are eligible to apply for this scheme. The risk coverage provided under this scheme is for accidental death and full disability is Rs.2 lakh. It also provides a cover of Rs.1 lakh for partial disability.

### **Pradhan Mantri Jeevan Jyoti Bima Yojana**

It is a life insurance scheme which provides insurance on the sudden demise of the policyholder. Any individual who has a savings bank account of the age group between 18 and 50 are eligible for this scheme. The life cover under this scheme is Rs.2 lakh to the beneficiary of the policyholder, in case of his demise.

### **Atal Pension Yojana**

This scheme provides options for getting a fixed pension starting from Rs.1000 to Rs.5000 on attaining the age of 60 years. The individuals who can avail this scheme must be between the age of 18 and 40 and should contribute for a minimum of 20 years.

## **Government Support Schemes**

### **Pradhan Mantri Gramin Awaas Yojana**

This scheme aims to provide a pucca house which has all the necessary amenities to the houseless and to the households living in kutcha and dilapidated houses. The beneficiaries under this scheme are all the houseless and households living in zero, one



or two-room houses with kutcha hall and kutcha roof as per SECC (Socio-Economic and Caste Census) data.

### Pradhan Mantri Ujjwala Yojana

This scheme aims to envisage a smoke-free Rural India by providing LPG connections to any adult woman belonging to a low-income family who does not have an LPG connection in her household.

In addition, there are some schemes offered by the state government which provide regular income to eligible women members of the family. Please speak to the SamarthSakhi in your community for details of such schemes.

### UJALA

This scheme enables the price-sensitive customers to buy LEDs at affordable rates. This scheme aims to promote every household to have LED-powered appliances. Every domestic household in the country can obtain the benefits under this scheme if they have a metered connection from their respective Electricity Distribution Company.

Scheme Name	Eligibility
Atal pension yojna	All between age 18-40 years
Pradhan Mantri Jan Dhan Yojana	All
Pradhan Mantri Ayushman Bharat Yojana (PM-JAY)	Poor deprived rural families and identified occupational category of urban workers' families
Pradhan Mantri Suraksha Bima Yojana	individual bank account holders of the age group between 18 and 70 years
Pradhan Mantri Jeevan Jyoti Bima Yojana	Any individual who has a savings bank account of the age group between 18 and 50 years
Atal Pension Yojana	All between the age of 18 and 40 years
Pradhan Mantri Gramin Awaas Yojana	All the houseless and households living in zero, one or two-room houses with kutcha house
Pradhan Mantri Ujjwala Yojana	Any adult woman belonging to a low-income family who does not have an LPG connection
Ladki Bahin Yojana	Maharashtra women 21-65 yrs old from low income family
UJALA	All households with electricity meter connection