



A Promise

Nayan Bhowmick

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Email : nayanbhowmicklic@gmail.com

Website: www.keytowealth.org

“When learning is purposeful, creativity blossoms. When the creativity blossoms, thinking emanates. When thinking emanates, knowledge is fully lit. when knowledge lit, economy flourishes.”- Dr. A.P.J. Abdul Kalam.

Proper, purposeful education is Fundamental to Development and Growth. Proper education facilitates quality learning all through the life among people of any age group, cast, creed, religion, and region. It is the process of achieving knowledge, values, skills, beliefs and moral habits.

Real education is that which enables one to stand on one's own legs. According to **Swami Vivekananda** **“Education is not the amount of information that we put into our brain and runs a riot there, undigested, all our life. We must have life building, man making and character making assimilation of ideas.”**

According to Dr. A.P.J. Abdul Kalam, the education system has a tremendous responsibility to transform a child in to a leader – the transforming from ‘what can I do for me’ to ‘what can I do for you?’ The most important part of education is inculcating in the students the spirit of ‘we can do it’. Real education enhances the dignity of human being and increases his – or her self-respect and universal brotherhood in the true sense becomes the sheet anchor for such education.

Therefore, according to me proper, consistent education is fundamental to development and growth. The human mind makes possible all development achievements, from health advances, industrial and agricultural innovations to efficient public administrations and private sector growth. For our countries or for our states to reap these benefits fully we need to unleash the potential of the human mind. And there is no better tool for doing so than education.

In two core areas we can emphasize-

First, foundational skills acquired early in childhood make possible a lifetime of learning. The science of brain development shows that learning needs to be encouraged early and often both inside and outside of the formal schooling system. Adolescence is also a period of high potential for learning, but many teenagers leave school at this point, lured by the prospect of a job, they need to help their families, or turned away by the cost of schooling. For those who drop out too early, second-chance and nonformal learning opportunities are essential to ensure that all youth can acquire skills.

Second, learning for all means ensuring that all students, and not just the most privileged or gifted, acquire the knowledge and skills that they need. Without confronting equity issues, it will be impossible to achieve the objective of learning for all.

Achieving learning for all is challenging, but it is the knowledge and skills that every citizen specially children and youth acquire today will drive their productivity and well being in the decades to come and that will ensure our Motherlands thrive.

Our best wishes to all our readers and associates for a Happy and Prosperous New Year.



Nayan Bhowmick

Nayan Bhowmick

QPFPA

Recruiter of Insurance Advisers.

Senior Business Associates, LIC of India, Shillong

nayanbhowmicklic@gmail.com

www.keytowealth.org



Gopinath Radhakrishnan
 Gopast Centre For Learning Pvt. Ltd.
 Former MD/CEO at LIC Lanka
 gopinathr@go-past.com

Forecasting - The Truths and the Myths

Part - 1

There has always been a desire to know about our future. From age old days this nature has been there in humans. They use various methods like planetary positions, Birth days, moles on the body, Horoscopes, Palm reading, and many many other ways.

We keep listening to weather forecasting. We use various media to know about the weather. Internet, Radio, TV, Social media, Apps etc. These weather forecasts are made for various time frames. For the day, week, month, for the season, for the year and sometimes for longer periods.

We can expect a good monsoon this year.
 This month the temperatures is expected in the range of,
 Snow fall is expected to be at a level of..
 A cyclonic storm is expected to cross the coast at
 Atlantic ice melting rate to come down
 The spring this year could be longer
 We can expect early rains
 and so on

Why should we know in advance about the forthcoming weather conditions? We can anyway not change them. If it has to happen it will happen, then why know about it?

Can bad weather be stopped? No it can not be stopped. Then why know about it in advance?

Can Good weather be advanced? No it can not be advanced or lengthened. Then why know about it in advance?

Knowing about an impending bad weather is very important. Even though we can not avoid or stop a bad weather, if we are well prepared for it then the bad effects of the bad weather can be minimised or even nullified.

Same way knowing about a forthcoming good weather is very important. Even though we can not advance a good weather or lengthen it, if we are well prepared for it then the good effects of the good weather can be multiplied.

If a news reader reads out a forecast of a very bad weather, we do not call him an inauspicious person. We don't title him as a negative thinker. We don't tell him "Be optimistic man".

But many times we say this to a financial planner, Insurance advisor, financial analysts..

If weather forecast is required for all, then financial forecasting is also required for all.

Corporate bodies with more than 1000Cr wealth (10B) also do financial forecasting, so much so that they have different periods forecasts like 5 year rolling plan, 3 year, This year forecast, monthly and even fortnight plans. All these plans incorporate in them the likely risks in that period.

Even start-ups need such forecasting and professionally managed start-ups do it scientifically and systematically.

Even companies which are undergoing crises currently also get financial forecasting done with the help of professionals.



If corporate bodies wherein hundreds of workers contribute to its economics need financial forecasting, wherein the absence of one or two of them may not significantly affect the economics of the company, how important it is do a financial forecasting for families wherein only one person (in many cases) or two persons contribute to the economics of this family?

For any type of forecast, whether it is a weather forecasting or financial forecasting these 4 elements are necessary:

- 1) A Professional
- 2) Appropriate Tools
- 3) Historical Data

4) Defined objectives for the forecasting

- 1) A professional can give a scientific estimates, others can only do a guess work. If somebody asks me about how the weather is likely to be in Chenna, ut-the-most i can make a guess. But a professional meteorologist can provide scientific estimates. Some part of any science is a matter of common sense. But a major portion of that is in the purview of experts. How to define professionals then? 1) They are qualified for that profession. Meaning that they carry some sort of accreditation from a professional body. and 2) They are authorised to practise that profession, meaning they carry a licence or an appointment order from the competent authority. Then how correct it is to take advice from our friends and relatives on matters related to finance. How wrong it is to follow the suggestions or recommendations of our friends or relatives in making investment decisions? Their intentions might be good in making those recommendations. But it is only a guess work that they are attempting.
- 2) Without tools how can anybody make scientific estimates? When we go to a doctor he asks us to get some tests at a diagnostic centre. Because he does not have the tools to get that tests done. When it comes to Financial forecasting there are quite a number of tools that are required to make correct estimates. There are so many tools to arrive at these tools that it might take a normal person a study of 3 to 4 years to learn how to use those tools.
- 3) Suppose we request a meteorologist from Europe to forecast about the behaviour of the Indian ocean, its currents and shifts, he will say that he has to study the past 10 years data, before he can venture into forecasting. But when it comes to financial forecasting if we are unwilling to share our data with the advisor then how at all can he make a reasonably correct forecast?
- 4) All forecasting are based on the objectives defined. According to the set objectives the tools and the metrics will be selected. For example in a weather forecasting if the objective is to advice fishermen about fishing the tools and the metrics will be a particular set, but it were to be for a farmer to decide on crops then the tools and the metrics could be different. Same way for financial forecasting also.

In the next issue of inscriptions let me explain the 4 most important objectives of financial forecasting for families and also explain some basic tools that professionals use to estimate the needs of the future.

In summation let me tell this:

Some part of any science is a matter of common sense. But a major portion of that is in the purview of experts.

If we are fully prepared then the bad effects of the bad weather can be minimised or even nullified and if we are fully prepared then the good effects of the good weather can be multiplied.



National Pension Scheme



Mr. Ankur Shah
Wealth Management Advisor
Recruiter & Mentor at
Life Insurance Corporation of India
AWF CII UK

National Pension Scheme (NPS) is a pension scheme run by government and regulated by PFRDA for individuals, government employees, private firm employees, organized sector and non-organized sector to accumulate required corpus to purchase annuity (pension) on retirement. It has certain benefits such as low-cost fund, certain tax benefits. It also offers flexibility to choose & change your Pension Fund Manager (PFM).

Accumulating corpus for retirement requires contribution for long durations. The long durations savings/investment require more inflation proofing compared to short duration goals. The choice of asset backed investment options under NPS provide inflation proofing necessary for such a long duration goal though with some short time volatility.

Post retirement one will need adequate guaranteed predictable monthly pension income which will remain inflation proof as long as one is alive. Providing for one's retirement income is one of the most important real needs of any individual. But generally, people give importance to short term needs which are perceived needs and not the real need. One must give retirement goal as importance as to child education or protection of income or any other must have financial goal. Since the topic is NPS I will not go in to details of financial planning need for retirement but let's discuss one of the best options NPS to accumulate corpus for retirement need.

Let me explain in very simple steps how NPS works

- Open NPS account (One can open online ENPS)
- Chose tier 1 (only tier 1 offers tax benefit)
- Choose your PFM (Pension Fund Manager)
- Make investment choice (Auto/Active)
- In case of Active choice chose asset allocation
- Make initial contribution as low as Rs 500
- Make contributions till age 60 (lock in period)
- Your contributions over the year would have grown in sizable corpus
- Utilize at least 40% of your corpus to purchase immediate annuity from any approved life insurance company at a prevailing rate at that time.

Now let's understand the features, technical details, Pension Fund Managers, Past returns of different schemes PFM wise, FAQs, Procedure to open online ENPS account. There are two types on NPS accounts Tier 1 & Tier 2, in this article I would be discussing Tier 1 only.

Age limits

18 yrs to 70 yrs

Who can open

Any individual citizen of India (both resident and Non-resident)

NRI can open an NPS account. Contributions made by NRI are subject to regulatory requirements as prescribed by RBI and FEMA from time to time.

However, OCI (Overseas Citizens of India) and PIO (Person of Indian Origin) card holders and HUFs are not eligible for opening of NPS account.

Minimum Contributions Tier 1

Minimum amount per contribution - Rs. 500

Minimum contribution per FY - Rs. 1,000

Minimum number of contributions in a FY - 1

Lock in Period

Up to age 60

Max Maturity Age

Age 75

Tax Benefit:

On Contributions

Any individual who is Subscriber of NPS can claim tax benefit under Sec 80 CCD (1) with in the overall ceiling of Rs. 1.5 lac under Sec 80 CCE.

An additional deduction for investment up to Rs. 50,000 in NPS (Tier I account) is available exclusively to NPS subscribers under subsection 80CCD (1B). This is over and above the deduction of Rs. 1.5 lakh available under section 80C of Income Tax Act. 1961. Thus making it total Rs 2 lakhs.

On withdrawal

Up on the completion of age 60 max corpus that can be withdrawn is 60%. 40% of corpus withdrawn in tax free.

Scheme Change

Scheme can be changed max 4 times in a Financial Year & PFM can be changed 1 times in a FY

List of Pension Fund Managers (PFM)

Birla Sunlife Pension Management Limited
HDFC Pension Management Company Limited
ICICI Prudential Pension Funds Mgmt. Co. Ltd.
Kotak Mahindra Pension Fund Limited



LIC Pension Fund Limited
 SBI Pension Funds Private Limited
 UTI Retirement Solutions Limited

Types of Asset Class

There are four Asset Classes (Equity, Corporate debt, Government Bonds and Alternative Investment Funds) from which the allocation is to be specified under single PFM.

Choices for Investment (Refer to charts at the end of article)

- Active
- Auto
 - LC75
 - LC50
 - LC25

Subscription Limits for Active Choice among 4 asset classes E, C, G & A

Subscriber can select multiple Asset Class under a single PFM as mentioned below:

Upto 50 years of age, the maximum permitted Equity Investment is 75% of the total asset allocation.

From 51 years and above, maximum permitted Equity Investment will be as per the equity allocation matrix provided below. The tapering off of equity allocation will be carried out as per the matrix on date of birth of Subscriber.

Percentage contribution value cannot exceed 5% for Alternative Investment Funds.

The total allocation across E, C, G and A asset classes must be equal to 100

Exit Options

Upon Superannuation

When a subscriber reaches the age of Superannuation/attaining 60 years of age, he or she will have to use at least 40% of accumulated pension corpus to purchase an annuity that would provide a regular monthly pension. The remaining funds can be withdrawn as lump sum.

If the total accumulated pension corpus is less than or equal to Rs. 5 lakh, Subscriber can opt for 100% lump sum withdrawal.

Pre-mature Exit

In case of pre-mature exit (exit before attaining the age of superannuation/attaining 60 years of age) from NPS, at least 80% of the accumulated pension corpus of the Subscriber has to be utilized for purchase of an Annuity that would provide a regular monthly pension. The remaining funds can be withdrawn as lump sum. However, you can exit from NPS only after completion of 5 years.

If the total corpus is less than or equal to Rs. 2.5 lakh, Subscriber can opt for 100% lump sum withdrawal.

Upon Death of Subscriber

The entire accumulated pension corpus (100%) would be paid to the nominee/legal heir of the subscriber.

Partial Withdrawal

- Following are the conditions of Conditional Withdrawal
- Subscriber should be in NPS at least for 3 years
- Withdrawal amount will not exceed 25% of the contributions made by the Subscriber
- Withdrawal can happen maximum of three times during the entire tenure of subscription
- Withdrawal is allowed only against the specified reasons, for example:
 - Higher education of children
 - Marriage of children
 - For the purchase/construction of residential house (in specified conditions)
 - For treatment of Critical Illness

National Pension Scheme

1.	Asset class E	Equity and related instruments
2.	Asset class C	Corporate debt and related instruments
3.	Asset class G	Government Bonds and related instruments
4.	Asset Class A	Alternative Investment Funds including instruments like CMBS, MBS, REITS, AIFs, Invlts etc

Available options at age 60

Subscriber can decide to remain invested in NPS (Up to 75 years) or can exit from NPS.

Following options are available to NPS Subscribers:

Continuation of NPS account

Subscriber can continue to contribute to NPS account beyond the age of 60 years/superannuation (Up to 75 years).

This contribution beyond 60 is also eligible for exclusive tax benefits under NPS.

Deferment (Annuity as well as Lump sum amount)

Subscriber can defer Withdrawal and stay invested in NPS up to 75 years of age. Subscriber can defer only lump sum Withdrawal, defer only Annuity or defer both lump sum as well as Annuity.

Start your Pension

If Subscriber does not wish to continue/defer NPS account, he/she can exit from NPS. He/she can initiate exit request online and as per NPS exit guidelines start receiving pension.

National Pension Scheme
Relevant Data of NPS



Active Choice	
Equity Allocation Matrix	
Age in Years	Max. Equity Allocation
Upto 50	75.00 %
51	72.50 %
52	70.00 %
53	67.50 %
54	65.00 %
55	62.50 %
56	60.00 %
57	57.50 %
58	55.00 %
59	52.50 %
60 & above	50.00 %

Auto Choice			
LC75			
Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	75	10	15
36 years	71	11	18
37 years	67	12	21
38 years	63	13	24
39 years	59	14	27
40 years	55	15	30
41 years	51	16	33
42 years	47	17	36
43 years	43	18	39
44 years	39	19	42
45 years	35	20	45
46 years	32	20	48
47 years	29	20	51
48 years	26	20	54
49 years	23	20	57
50 years	20	20	60
51 years	19	18	63
52 years	18	16	66
53 years	17	14	69
54 years	16	12	72
55 years & above	15	10	75

Auto Choice			
LC50			
Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	50	30	20

36 years	48	29	23
37 years	46	28	26
38 years	44	27	29
39 years	42	26	32
40 years	40	25	35
41 years	38	24	38
42 years	36	23	41
43 years	34	22	44
44 years	32	21	47
45 years	30	20	50
46 years	28	19	53
47 years	26	18	56
48 years	24	17	59
49 years	22	16	62
50 years	20	15	65
51 years	18	14	68
52 years	16	13	71
53 years	14	12	74
54 years	12	11	77
55 years & above	10	10	80

Auto Choice			
LC25			
Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	25	45	30
36 years	24	43	33
37 years	23	41	36
38 years	22	39	39
39 years	21	37	42
40 years	20	35	45
41 years	19	33	48
42 years	18	31	51
43 years	17	29	54
44 years	16	27	57
45 years	15	25	60
46 years	14	23	63
47 years	13	21	66
48 years	12	19	69
49 years	11	17	72
50 years	10	15	75
51 years	9	13	78
52 years	8	11	81
53 years	7	9	84
54 years	6	7	87
55 years & above	5	5	90



5 VITAMIN Cs AND SUCCESSFUL AGING



Nayan Bhowmick

When I look around, I see the spirit and attitude playing roles in translating the concept of being old in reality. I know some people who are 75- year-olds who act like they are 35. I know some young people who are 40-years-olds and act like they are 80. I am affirming the attitudinal and spiritual sources of that which separates those who are aging from those who are not.

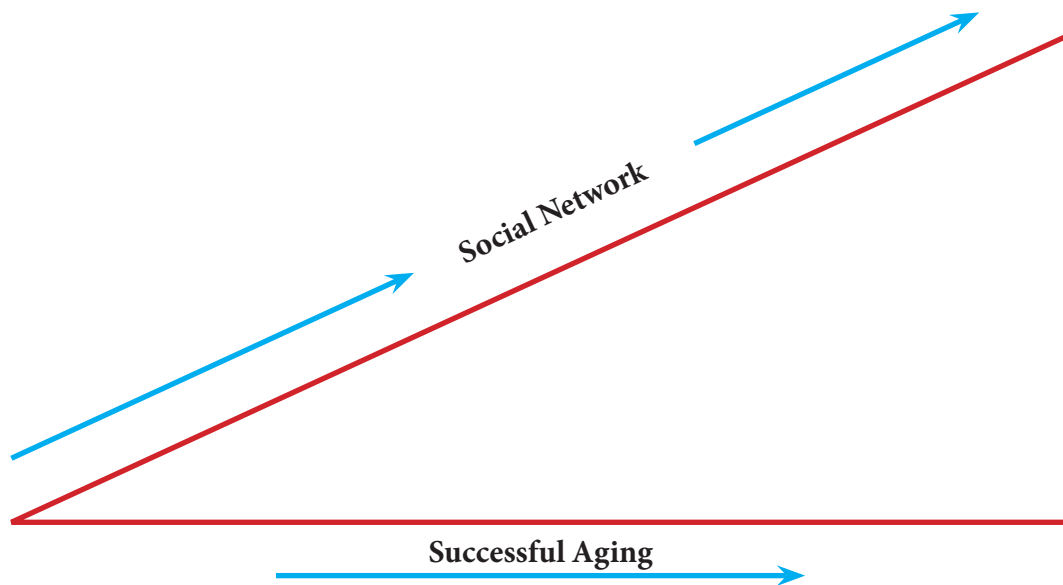
Jack A. Mckon, nicknamed “Trader Jack” is an American former Major League Baseball manager and front-office Executive, in 2003, at age 72, he won a World Series as manager of the Florid Marlins.

The concept of anti-aging is described in Ayurveda as RASAYANA, which aims at maintaining excellent physical and mental health in mature age through a combination of nourishing diet, wholesome activities, and gentle herbs. The word Rasayana means clearing the channels for the natural flow of matter and energy. Vitamin C has a role against aging.

In observing the forever young, forever passionate and forever engaged, I have come across five internal focuses and patterns that constitute what I refer to as the attitude instrument- that which steers our lives safely through the existential seas day by day of fulfilled and pleasurable living. These focuses are Vitamin Cs of successful aging. They are

- Connectivity- Vitamin C1
- Challenge- Vitamin C2
- Curiosity - Vitamin C3
- Creativity- Vitamin C4
- Charity - Vitamin C5
- Vitamin C1- Connectivity

A study conducted at University of Michigan found that in retirement, psychological well-being increases for some individuals and decreases for others. The researchers annualized variables of physical health, income level, traumatic life experiences in recent years, age, gender and other factors that might affect the psychological well-being of an individual. They found that the most powerful predictor of life satisfaction right after retirement were not health or wealth but the breadth of a person’s social network.



Vitamin C2 – Challenge

The latest Alzheimer research demonstrates that being intellectually challenged and having predictable taxation on our mental acuity literally have the effect of a finger in the dike, holding back the degenerative processes leading to both Alzheimer and Dementia.

The Alzheimer research also concluded that as we hit our 50s and beyond, there is an exigency on ensuring that we have riddles to ponder, problems to solve and things to fix.



Our brain is a muscle that atrophies without use. One gentleman told that after six months of his retirement, he could literally sense the dulling in his cerebral muscle with signs of slowed thinking and sluggish articulation.

Vitamin C3 – Curiosity

On a recent plane ride, I flew next to a physicist from an University. In his late 70s, he is still teaching and researching. I asked the gentleman why he was not retired, as was expected of a man his age. His answer was “there are so much yet to learn,” he enthusiastically began describing his latest upper atmospheric research project. When I saw the sparkle in his eyes as he spoke. I realized how good it would be if more seniors had their heads in the clouds of higher learning.

Curiosity guarantees a pulse in the brain and a reason to keep our bodies healthy. Once a person reaches a point where they no longer want to learn or grow, it is time to order the tomb-stone.

Rigorous mental functions help both to facilitate productivity in later years and to strengthen our need and desire to be active factors that in turn affect our physical well-being.

Vitamin C4 – Creativity

I have long been enthralled by elderly people in their 70s and 80s who seem as keen and perspicacious as people half their age.

A creative soul looks at the shoreline and sees something new every day. This might help explain why Peter Drucker was able to write a business best seller in his 90s. Of course, we don't have to be renowned to be creative and to keep the powers of observation working. We just have to be curious, intrigued, expressive and intentional.

Vitamin C5- Charity

Different studies continue to surface around the alternative effects of charitable living on quality and longevity of life. Those who think about helping others often talk about how such charitable pre-occupations lessen the degenerative effects of stress associated with worrying.

Thus, while doing a plan for successful aging period, if we take sufficient care on these 5 Vitamin Cs, we can lead a leading productive worry-free retirement life.

An effort is a reward by itself

Teodoro T. Gultiano Jr.

An effort is a reward by itself. This statement may seem counterintuitive at first, as we are often taught that rewards come in the form of external validation and tangible benefits. However, upon closer examination, it becomes clear that the act of making an effort itself can be incredibly rewarding.

First and foremost, the act of making an effort requires us to engage with a task or challenge in a proactive and committed manner. This act of engagement can be incredibly rewarding in itself, as it allows us to fully immerse ourselves in the present moment and to focus on something that we find meaningful or challenging. In this way, making an effort can provide a sense of purpose and fulfillment that goes beyond any external reward or recognition.

Furthermore, the process of making an effort often involves learning and personal growth. As we tackle a difficult task or challenge, we are forced to stretch ourselves and to develop new skills and knowledge. This process of growth can be incredibly rewarding, as it allows us to expand our capabilities and to become more capable and confident individuals.

Additionally, making an effort often leads to a sense of accomplishment and pride. When we successfully complete

a challenging task or overcome an obstacle, we feel a sense of satisfaction and pride in our own abilities. This sense of accomplishment can be incredibly rewarding, as it provides us with a sense of self-worth and confidence that goes beyond any external validation or reward.

Finally, the act of making an effort can also be rewarding because it allows us to contribute to something larger than ourselves. When we put forth our best effort, we are not only benefiting ourselves, but also those around us and the broader community or cause that we are working towards. This sense of contribution and service can be incredibly rewarding, as it allows us to feel connected and fulfilled in a way that goes beyond our own personal gain.

Overall, it is clear that making an effort is a reward by itself. Through the process of engagement, learning, accomplishment, and contribution, the act of making an effort provides us with a sense of fulfillment and satisfaction that goes beyond any external reward or recognition. As such, it is important to recognize and value the rewards of making an effort, even in the absence of external validation or tangible benefits.