What is money?

- Money is something people accept in exchange for goods & services.

- Money is Not wealth (itself)
- Money is system that helps people trade value.

- wealth : jo kamai jaati hai – wo Dimaag se.
- Income shorir se kamai jaati hai, Agar tum bimaar padh gaye to income ruk jayegi

Before money ~~there~~ there was batter system.

- Problem with barter system :-
  - I must have what you want, & You must want what I have at same time.
- No Common measure of Value :-
  - How much rice equals one goat?
- No Easy savings :- Rice can rot, milk can spoil,
- Hard to divide - goat cannot be divided into small pieces.

So human Created this 'Money' which Solve this problem.

- Money is Not
- Wealth
- Profit
- income
- hapiness
- freedom or security by itself.

Money can help with all these things, but it is not the same thing.

Money is Not Wealth –
- If you have cash, that is money.
- If you have a factory, land, shares, a business or productive assets, That is Wealth.

Money is Not income
- Income is flow of money coming in. (Income matlab money ka flow)
- Money itself is just medium. (Medium of exchange)

Money is not Profit:-
- Profit is ~~use~~ what remains after costs.
- Money is just used to ~~measure~~ measure it.

Money is not happiness.
- A person can have money and still ~~felt~~ feel em[pty]

"kamate nhi paisa to, Mard ho tum kaise"

Money is Not freedom
- Money can buy choices, but freedom also needs Dicipline, knowledge health & Control.

Money is Not Security

- If you hold money but spend it carelessly, You can still became insecure.

"So financially Literate Person does not Worship Money.

They Understand Money as a tool."

Real function of Money

- Money does not just help You buy things.
- Money Changes Your relationship with ~~time~~ life.

Without Money	With Money
• Survival is hard	• You can Solve Problems faster
• Time is limited	• You can save time,
• Choices are fewer,	• You can choose better health care
• Stress is higher	• You can Learn more,
	• You can invest more,
	• You can Plan future.

- So money is a tool that converts efforts into options.

To hamne money kamane me efforts lagaye to hame itne sare options mile.

- When You Work & earn,
  You Convert Your labour into money
  Later, Your money converts into goods, Serices and opportunities.

Income Vs Wealth

This is one of the most imp ideas in all finance.

- Most people work for income.
- Wealthy people build assets.

Income

- Income is money You recieves regularly

eg- Salary, Business revenue, frelance payment, rent, interest.

Income is Usually a flow.

It comes over a time:

- Per day, per week, per month or per Year.

Weath

Wealth is conect You own that has Value & ~~gen~~ can generate more value. like YT channel.

eg - house, land, Shares, business, bonds, gold
(Productive skills.

Wealth is usually a Stock (stock means Pehle se, like stored, collected)

eg - • income = how much water (water) is flowing into bucket every minutes

• Wealth = how much water is already ~~Stored~~ Stored in bucket.

Why this distinction matters?

• A person may earn a lot but still be poor if they spend everything.
• Another person may earn less but build assets slowly & become wealthy.

eg - Person A earns ₹10000/month but spends ₹10000/month

Person B earns ₹30000/mont but Invest & build assets

After Years, Person B may richer than Person A.

So btw :- Income can make You Comfortable, but wealth makes you powerful.

☆ Income help you live
☆ Wealth helps You Stay free.

Why high income alone can fail

This reality many people learn late.

- High income is good but, it can be dangerous if-
- Spending is too high,
- debt is too high,
- lifestyle is inflated
- investing is ignored.

A person can earn a lot & still live paycheck to pay check.

That happens becoz money enters fast & Exit fast
This called - high income, low retention.

- The ~~It~~ Problem is not Just earning.
- The Problem is keeping & growing what You earn.

☆ "So financial literacy is Not Just about earning More.
☆ Its about Converting Income into Wealth"

Time Value of Money

- This is one of the greatest ideas in finance.
- This idea alone can change how a person thinks about saving, spending, investing, & debt, & retirement.

Time Value of Money Means:-

* Money today is worth more than the same amount of money in future.

Why would ₹100 today be worth more than ₹100 Next Year?

Because You Can do three things:-
1. It can be spent now.
2. It can be invested & grow
3. It can protect You from future uncertainty.

Also, inflation make future money weaker in buying Power.

So ₹100 today & ₹100 after 5 Years are Not equals in real term.

Why time matters:-
If You recieve money today, You can:-
invest it, save it, use it, or earn return on it.

If You Recieves it later, You lose those possibilities.

"So Present has More financial Power than future".

Example:-

- If You get ₹10000 today, You can invest it today
- If You get ₹10,000 after 5 Years, You lose 5 Years of growth.

That ~~&~~ lost growth is called opportunity cost.

Main forces behind time Value of Money:

1. Opportunity
   - money today can be used now.
2. Compounding
   - Money can grow over time.
3. Inflation.
   - Money loses purchasing power over time.
4. Risk
   - future money is never fully certain.

Compounding - The heart of time value.

You earn ~~money~~ return not only on Your money but also on the return Your money already ~~ea~~ earned.

This is why Compounding is so imp. & Powerful.

Tum sirf apne paise par return nhi kamate balki jo return pehle kama liya tha us par bhi kamate ho.

eg- Year 1 — ₹ 100 → ₹ 110

then next year You will earn returns on 110 not on invested ₹ 100

Year 2 → ₹ 110 → ₹ 121

Year 3 — ₹ 121 — ₹ 133.10

That means Growth begins slowly, then became faster, then became explosive.

Compounding needs :

- Time
- Patience
- Consistency.

} Without Time Compounding is Weak. with time Compounding becames Power ful.

Inflation :- the Silent Enemy of Money

Prices rises Over time, So money buys less than before.

Inflation does not always mean Your money disappears.
It means your money becomes weaker in buying things.

So financially literate Person does NOT Just ask "How much money do I have"?

They ask:
"What can that money buy in the future?

Why financially illiterate People Stay Confused About Money

- A financially illiterate person often makes these mistake:-

→

- Think money is wealth
- think Salary means Security
- Think spending means Succes
- think saving is enough
- think future will take care of itself.

- Ignores inflation
- Ignores compounding
- ignores Asset building

But Real Game is:-

earn,
Keep,
Grow — and Protect Money.

Money literacy begins when a person understand:-

→ money is a tool, income is a flow, Wealth is ownership & time changes everything.

As Warren Buffet said—
Spend what is left after saving.

Budgeting & Cash flow

This is the Point where most people either
- Stay broke forever or Slowly become financially Strong

• Because income doesn't decide your future —
Cash flow does.

• Cash flow matlab

- Money coming in (inflow)
- Money going out (outflow)

formula:-
Cash flow = Income − Expenses.

Types of Cash flow

1. Positive Cash flow

• You earn more than You Spend
→ Money is left over

2. Negative Cash flow
You spend more than You earn
→ You go into debt

3. Neutral Cash flow

You earn = You spend
– No growth, No saving.

★

Most people focus ~~on~~ on
→ How can I earn more?

But financially Smart people focus ~~on~~ on:
→ " How is my money is flowing"?

Because
- High income + bad cash flow = Broke
(Negative cash flow.)

- Average income + good cash flow = wealthy
(Positive cash flow)

Why Cash flow is more imp than income

basic term - Surplus - an amount of something left over when requirements have been met; an excess of production or supply.
earned - 10k, Spend - 7k, Saved - 3k
This 3k is Surplus (Bachat)

& let's compare.

Person A
- Income = ₹ 1,00,000
- Expenses = ₹ 1,00,000
- Savings = ₹ 0.

Person B
- Income = ₹ 40,000
- Expenses = ₹ 25,000
- Savings = ₹ 15,000

Person B is better

Because
- They have control
- They ~~are~~ are building & Surplus
- They can invest.

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- Wealth Starts when Surplus begins.

No Surplus = No investing = No wealth.

Budgeting

Simple meaning – Planing Your money before You Spend it.

Wrong way
Earn → spend → Save (if anything left)

Right way

Earn → Save / Invest → Spend what remains.

Budget is not restriction
Budget is direction

- It tells you money – where to go

- Instead of Asking where it gone.

- Types of Expenses
- All expenses are not equal

1 fixed Expenses

Same every month
- Rent, EMI, Fees.

2 Variable Expenses
Changes ~~every~~ every month
- food, travel, shopping

★ Apko maluum hona chahiye ke apka ek-ek rupayya kaha jaatha hai.

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3. Optional Expenses (Discretionary Expenses)
- entertainment, Eating out, ~~Subst Substcription~~ Subscriptions.

4. Invisible expenses (Most Dangerous)

Small but repeated.
- Daily Snacks
- Online small spends
- Impulse buying.

★ • "People Don't go broke because of big expenses, They go broke because of unnoticed small leaks.

• The 50/30/20 Rule

Simple budgeting system

- 50% — Needs (rent, food, basics)
- 30% — wants (lifestyle, fun)
- 20% — Savings / investing.

This is just starting ~~out~~ rule
Real goal is

~~Increasive~~ Increasing Saving rate over time.

• The Real budgeting Philosophy.

Budgetting is not about cutting expenses only.

It is about:-

1. Controlling money
2. Creating surplus
3. Allocating money intelligently.

- Biggest Budgetting mistake

People think:

~~"I sa~~ "I will save what is left"

But reality:
Nothing is left.

Correct mindset:-
→ I will spend what is left after saving.

- Cash flow pattern of different people

— Poor mindset:

Income → Expenses → No assets

— Middle-class mindset:

Income → Expenses → liabilities (EMI, loans)

— Rich Mindset:

Income → Investments → Assets → More income

** Your future depends on:

Where your money flows.

1. Controlling money
2. Creating surplus
3. Allocating money intelligently.

- Biggest Budgetting mistake

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** Your future depends on:

Where your money flows.

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- Why budgeting feels hard

Because
- It requires discipline
- It delays gratification
- It exposes bad habits.

But once mastered
- It gives Control
- It reduces Stress
- it builds confidence.

Jab tumhare pass 5 lakh ki savings hogi to tumhare pass ek confidence hoga ki koi problem aaye to tumhe pagal ki tarha logo ke saamne hat (hand) pehlana nhi ~~p~~ padega.

Cash Flow is Movement of money, & budgeting is the System that ~~cont~~ Controls that movement to ~~or~~ Create Surplus & build wealth.

Saving

Means — Keeping a part of your income instead of spending it.

Deep defination:

Saving = delaying consumption to create future security & opportunity.

(aaj ka ~~karch~~ kharcha delay karke future secure banana)

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- Imp truth
Saving is not about money
Saving is about behavior: (~~Habbit~~) (Habit)

Because
- Everyone earns money, But not Everyone keeps money

Why Saving is IMP

1. Survival (Protection)

Life is uncertain:-
- ~~Job loss~~ Job loss
- Medical emergency
- Unexpected expenses.

Saving acts as a sheild.

2. Stability (Peace of Mind)
If You have savings:
Stress is lower, decisions are better, You don't Panic

3. Opportunity (Growth)
Savings give you Chance to invest, chance to Start something, Chance to take risks.

Truth
No savings = No options.
More savings = more control over life.

Savings VS Investing.

Saving :-
- Safe, Low return, High liquidity (easy to use)

Investing
- Risky, Higher return, long-term growth.

Deep insight

Saving protect money
Investing grows money
You need both.

See You save 20% from salary
Now you ~~hand~~ have to divide that 20% also In eg- 3 parts risky, Med & Savings (low returns like bonds - less risk)

You can go - 10% Risk
5% ~~medium~~ Medium Risk
5% Safe (like in bonds etc)
we can change % as we want.

- Types of Savings.

1) Emergency Saving	2) Short-term Saving	3) long term Saving (Investment bas
for unexpected Situation Goal - 3-6 months of expenses.	for goal within 1-3years like for Phone, travel, course	for retirement, Wealth building.

- Most IMP Rule of Saving.

→ Pay Yourself first

This means.

Before Paying:
- rent
- bills
- shopping.

You Save first

Why because — if you save last — Nothing left.

- Saving rate

In starting 20% of salary.

Deep truth:

Your wealth depends more on saving rate ~~than~~ than income.

- ~~Saving~~ Why Most People Fail at Saving.

1. lifestyle inflation

Income badhta hai — expenses bhi ~~ba~~ badhte hain.

(~~Salary~~ 20-30 hazaar ki salary aayi & ~~lagich~~ lagich iphone EMI pay)

2. Instant Gratification

Short-term pleasure > longterm benefit
(Instant pleasure chahiye).

3. No System

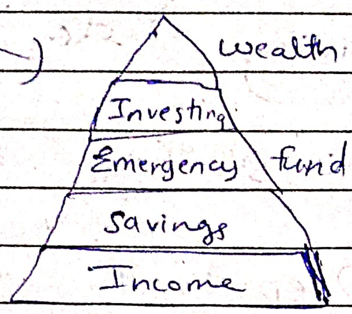
No budgeting, no planning.

4. Emotional Spending.

Stress = Spending
happiness = spending.

(Emotion pe ~~ka~~ kharcha karte hain)

Saving Pyramid



Saving Pyramid =
Step by step of handling money.

If a single step missed
every thing collaps.

level 1 → Income (base) [Starting Point]
Money comes from
- Job, business, freelance

No Income = Nothing to manage.

[If level 1 completed then You can go to level 2]

level 2 – Savings (Most IMP)

from income – You keep some money aside

- This is where most people fails....

If You Not save

- No ~~inco~~ Emergency, No backup
- No investment.
- No growth

Then level 3.— Emergency Fund.

Now your savings are & used to ~~make~~ build

Emergency fund = 3-6 months expenses.

eg- If monthly expense = ₹ 20k
Emergency fund = ₹ 60k - ₹ 1.2 lakhs.

Why needed?

Because life is unpredictable
• Job loss, medical issues, sudden expenses.

Then level 4 → InVesting. (Growth layer)

After Emergency fund
Now you invest
Why?
- To grow money
- To beat inflation
- To build wealth.

Then level 5 - Wealth (Top level)

This is the result.
- Asset generate income.
• - Money works for you.

Why Pyramid.

Because
Each level depends on the one below it.

If you skip saving
- No Emergency fund
- No investment
- No growth.

Saving pyramid means

first saving (Protecting) yourself, then grow money.

**

financially Illiterate
- "Direct invest karna hai"

financially smart
- Pehle Base strong banana hai.

- Saving alone is Not enough because inflation reduces value. So investning is imp.

- ~~Sa~~ Psychological side of Saving.

Saving is a mental game.

You need:
- dicipline
- delayed gratification
- clarity of goals.

- Saving is Choosing - future freedom over present comfort.

"Saving is the habit of keeping money to protect your present, prepare for uncertainty & create future opportunities."

Banking System (How money actually Moves in the economy)

A bank is — A financial institute that
- takes money from people (deposit),
- gives money to people (loans).

• Deep reality.

Bank is not just a "safe Place"
> Bank is a middle man of money

It connects :-
People who have extra Money with People who needs money.

functⁿ
- ~~Bank~~ You deposite money — bank stores it
- Bank lends that money (10-12% interest) → earn interest.
- Bank shares small interest with you (4-6%)

How Bank Actually Make Money.

Bank earns from interest difference.

eg- • You deposit ₹100
• Bank lends that money to other with 10-12% interest
• Bank gives you 2-5% interest
• Then bank keeps the difference (6-8%)

- Your money is not sitting idle (or stored at (safe (locker))
- Your money is working for the bank.

- Fractional Reserve banking.
  (Explained before in economy video).

- Types of Bank Accounts.

1. Savings Acc.	2. current Acc.	3. fixed deposit (FD)
- for normal people	- for business.	- lock money for time
- Earns small interest	- No interest	- Higher interest
- Easy access	- High transaction	- less flexibility.

4. ~~Reccured~~ Recurring deposit (RD)
   Save monthly
   fixed return.

Interest.

Interest = ~~&~~ cost of money.
(Paisa Use karne ka cost)

- If you borrow — You pay interest
- If you save — You earn interest.

2 Types

Simple Interest

Interest only on original amount

Compound interest (Most Powerful)

Interest on original amount + ~~perio~~ previous interest.

- Why bank feel safe (But Are Not Perfect).

Bank feels safe because:
regulated by govt. & insured), ~~tir~~ trusted system.

But deep truth
Bank is not risk-free:
- Inflation risk.
- low returns
- system risk (rare but possible).

- IMP insight.

Bank = safety + liquidity
Not = Wealth creation

{ Bank safety ke liye hai
wealth ke liye nhi }

- Role of Central bank.
In India — RBI ~~Bnk of Ind~~.
Reserve Bnk of India.

Central BNK Controls.
- Interest rate, money supply, inflation.

functⁿ
- Print money, Controls banks, manages economy stability.

Central bank decides:- How expensive money is

let understand it

- First Understand Price of money

Money also has a price.

That price is called interest rate.

- If interest is High → Money is expensive
- If interest is Low → Money is cheap.

- How RBI Controls this

RBI Sets something called:-

<u>Repo Rate</u> :- This is the rate at which RBI gives money to banks.

Flow of money

1. RBI gives money to banks
2. Banks gives money to people. (loans)

- If RBI increases repo rate
  - BNK get money at higher cost
  - BNK give loans at higher interest
  - Loans become expensive

- If RBI decreases repo rate:
  - BNK ~~get~~ get money Cheap
  - BNK gives loans Cheaper
  - Loans become ~~ap~~ affordable.

Eg Case 1: High interest (Money expensive)
- Home loan = 10%
- EMI = high
- log ghar ~~s~~ kharidna delay karte hai
- Economy slow ho jati hai.

Case 2 : Low interest (Money cheap)

- Home lone = 6%
- EMI ↓ = low
- Log zyada Kharidte

Economy fast grow karti hai
(give real life practical, recognizable example. [Every person should understand it])

- Truth

Central bank directly tumhe control nhi karta wooh system control karta hai,
Aur system tumhe affect karta hai

- Central bank control how easy or difficult it is to borrow money.
(central bnk decide karta hai, loan lena easy hoga ya difficult)

- Interest Rate = Price of money
- RBI controls interest
- So RBI controls money's price.

Interest Rate = Economy ka accelator ~~bkr~~ & Brake hai.

The Real Role of BNK in Your life

Use bnk for:-
Safety, transactions, emergency storage.

Not for long-term wealth building.

Banks move, lend, & multiply money, but they are designed for safety & liquidity not for building wealth.

financially illiterate
→ "Bank mein paisa safe hai, bas enough hai."

financially literate
→ "Bank safety ke liye hai, Growth ke liye nhi."

Debt & Credit:

- Same tool can make you rich or destroy you.

Debt means :- You use someone's else money now & promise to return it later with extra interest.

— Debt = future income already spent today.

- Credit?

— Your ability to borrow money.
It depends on:-
Your history, your behaviour, your trust level.

eg - Bank ask:
"Can we trust you to repay?"

- Interest :—

Interest = Cost of borrowing money
(loan lene ka cost)

Truth :- Debt ~~also~~ always Grows if not controlled.

eg - You take ₹ 10000 loan
Interest 10%
Yo repay = ₹ 11,000

- EMI (How debt traps people).

EMI = Equated Monthly Installment.
(Small montly Payments)

Why it feels easy:-
- ₹50,000 looks big
- ₹ 2000/month feels Small

But ~~Ra~~ Reality:-
- long time & high total payment

eg:- Phone ₹ 50,000
EMI → ₹ 2500/month
Total paid = ₹ 60,000 +

Deep insight -
EMI hides the real cost

Good Debt & Bad Debt

Good ~~de~~ B Debt
Helps You earn more money

eg - education loan, business loan, asset purchasing (rent generating)

Bad ~~be~~ debt:-
Take's money from your Pocket.

eg:- Credit card Shopping, expensive lifestyle, unnecessary.

A —

- If debt creates income — good
- If debt create expense → bad

The Debt trap (How people Get stuck)

Step by Step trap:-

1. low saving
2. Lifestyle ~~in~~ spending
3. Credit card use
4. EMI - increases
5. Income not enough
6. New loan to payold loan.

— Cycle starts —

$ Savings low hoti hai lekin life style par spend karna hota hai, Credit card lene hota hai, EMI increases, Income Enough nhi hoti loan pay karne ke liye to New loan lena padta Pichle loan ko Bharne ke liye.

Truth
- Debt gives short-term comfort
- But long-term pressure.

Credit card.

Credit card is — Borrowing without feeling Borrowing

(loan jo loan jaisa feel nhi hota)

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Why dangerous:-
- Easy swipe
- No immediate pain
- high interest (30-40% yearly)

- Credit Card remove the pain of paying

- Ajj ke time par online payments ke wajah se lagta hi nhi ki ham paisa ~~ka~~ kharch kar rahe hai means pehle wallet me notes hote the, jab bhi ~~karcha~~ kharcha karte, to lagta tha ki ha, paise kam horahe hai wallet me, to insan kam karta tha khaich, kharch karne se phele sochta that, lekin online payments ki wajh se lagta hi nhi ke paise gaye mehsoos hi nhi hota

Credit Score: (Your financial Reputation)

Credit Score = Numbers that shows your trust level.

High score
- easy loan
- low interest

High score tab benega jab Jyada loan loge & unhe time par wapas doge

low scores:-
- difficult loan
- high interest

Leverage (How Rich people Use & debt)

This is how the rich bend money, time & System in their favor.

Leverage =
Using Something Small to control Something Big.

In finance:-
Using borrowed money to control bigger assets.

Defination.
Leverage —
Using Others people's money (OPM) to increase your returns without increasing your own effort proportionally.

Core idea billionaires Understand.

Poor People think:
- "I need money to make money".

Rich people think:
- I need control of assets, Not ownership with my own money.
[Mujhe assets control karna hai, chahe mera ~~paas~~ paisa kam ho]

eg:- House buying
Poor way:-

You Save ₹50 lakhs
Buy house fully with your money.
— You own it

Rich way:-
You put ₹10 lakh.
Bank gives ₹40 lakh.

You control the same ₹50 lakh house.

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Key difference
Poor - full ownership, Slow growth
Rich - partial money, full control, fast growth

- Control = You get the benefit of the asset
- Ownership = You paid fully for it.

A- Real meaning

Rich people don't care.
"Maine pura pay kiya ya nhi"

They care
"Kya yeh asset mere liye paisa bana raha hai?".

Explanation —
"Loan liya to interest bhi dena padega... phir profit kaise?

So leverage only works when:
Assets earns MORE than loan cost.

Agar earnings interest se zyada hai — Profit
Agar earnings interest se kam hai — loss.

eg- Property price = 50 lakhs.

You do =
₹ 10 lakh → Your money
₹ 40 lakh → bank loan.

So Monthly

Loan EMI → ₹ 30,000/month

Rental Income = 35,000/month

What happens?

Rent = ₹ 35,000

EMI = ₹ 30,000

Profit = ₹ 5,000/month.

Most IMP

Property Value also increases Overtime

Eg –

₹ 50 lakh → ₹ 65 lakh

Gain → ₹ 15 lakh.

eg – SRK bough Mannat ~~@~~ in 2001 for 13 cr.

(fictional)

So, SRK take loan of 10.4 cr

& Own money 2.6 cr.

Step 1: Buying house.

- House Price in 2001 = ₹ 13 cr.
- SRK's Own money (20%) = ₹ 2.6 cr.
- Bnk loan (80%) = ₹ 10.4 ~~crore~~ crore

So SRK controls a ₹ 13 crore assets by putting ~~Thee~~ in only ₹ 2.6 crore.

Step 2: Rent Covers loans

Monthy loan interest (example) = ₹ 8 lakhs.

Monthy ~~loa~~ rent income = ₹ 10 lakhs.

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& Profit = ~~&~~ ₹2lakh per month.

Here, the property itself is paying off the loan. SRK earns profit without spending extra from his pocket.

Step 3: ~~property~~. To 20 saal me yani
2021 tak loan paid ho jayega & SRK will own 100% of house (Mannat)

Step 3: Property Value Growth.

- Value in 2001: 13 cr.
- Value in 2026 :- ₹ 200 + cr.

So: initially SRK's initial ₹2.6 cr investment grew into ownership of a ₹ 200 cr property

Aise returns & ke liye SRK jaisa dimaag & vision chahiye — jaise SRK ne 2007 mein KKR ka majority stakes almost ₹300 cr mein liye the, aur aaj KKR ki valuation ₹ 9000 cr se zyada hai. [because SRK spotted cricket is big business in long term]

Now go to old example
50 lakh house.
So in 10 lakh you control same asset
So putting 50 lakh in single ~~asset~~ ~~assets~~ asset you can buy 5 properties (10lakh each) & let rent pays the loan & property value ~~in~~ gives ~~exemp~~ exceptional returns.

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Leverage Works when:-
— Assets pays for loan AND grows in value.

But You can fall in leverage trap

if — ~~Rent~~ EMI = ₹ 30,000
Rent = ₹ 20,000.
loss = ₹ 10,000/month

So you had to Pay ₹10K per month from Your own pocket
this is Negative cash flow.

Plus - Problem Property Price falls.

₹ 50 lakhs → ₹ 40 lakh.
loss = ₹ 10 lakhs.

[Isiliye Maine kaha " dimag our vision chahiye"]

Truth.
leverage doesn't fail
Bad decision ~~faith~~ fails.

• Why Rich Still Use leverage Safety.
Because of 3 Checks.

Rule 1 — Positive Cash flow
Rent is more than EMI

Rule 2 - Margin of safety.
Even if price drop they survive.

Rule 3 — Backup. Money.
Emergency fund ready

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financialy illiterate

"Loan ~~lelo~~ like Cheez lelo"

financially literate:

"Loan ~~lelo~~ tab lo jab asset paisa de".

How leverage Actually works

- Without leverage
You buy property
for 50 lakh (own money)
Value becomes ₹ 60 lakh
Profit = ₹ 10 lakh

- with leverage
You invest ₹ 10 lakh
Bnk gives ₹ 40 lakh
Total property = ₹ 50 lakh
value becomes ₹ 60 lakh
Profit = ₹10 lakh
But you invested only 10 lakh
Return 100%

• Leverage return ko multiply karta.

Types of leverage

1 financial leverage
using debt (loans.

2. Time leverage
- Using other people times (Employ, teams)

Skill leverage, network & techology leverage

- Rich people use Multiple leverage

Billionare Strategy.

Here's what top 1% do.

Step 1:
Borrow money at low interest

Step2:: Invest in high return assets.

Step 3:
Keep difference.

eg:- Borrow at 6% [Interest]
Invest at 15%.
profit 9% spread

This is called spread game. (same like bank)

3 Rules Billinior follow.

Rule1:
Never use leverage without cash flow.

Rule 2:
Always calculate downside Risk.

Rule 3:
Use leverage only on productive assets.

Mindset Shift

Poor — "loan is danger"

Rich — "Uncontrolled loan is danger, controlled leverage is power".

Simple one line:

leverage is using other people resources to amplify (Multiply) returns, but without

Control it can destroy you faster than it can build you.

Infinite Banking trick.

- Basic idea

Don't sell your asset, take loan using that asset.

- & You buy an asset
eg - You buy stock worth ₹10 lakhs
After some time → value becomes ₹ 20 lakh
You needed money to buy other asset or anything other

- Here normal people -
Sell stock & get ₹20 lakh

But
- Pay tax on Profit
- Asset gone (No future growth).

- Here Rich people -
Does Not sell
instead -
Goes to bank & say
"Take my stock as gaurantee & give me loan" (like pledging).

Here bank gives loan
- Asset value remains ₹ 20 lakh same,
- Bank gives loan (as req.) eg - ₹10 lakhs

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- here You still own that ₹20 lakh asset (Stocks)
- you got cash also (10 lakh)

Double benifit

Why this is powerful.

1. No selling = No Tax

Tax mostly comes when you sell.

No selling → no tax.

Your ₹20 lakh asset keep growing & may became ₹30 lakh.

after You Pay back than 10 lakh loan + interest ~~bank~~ bank & hand over that Stock — which you were pledge.

here you saved tax, & get new ~~e~~ investment also

But ~~imp~~ Imp.

loan ~~replay~~ repay karna ~~Padega~~ padega.

- your asset which You are Pleding should Strong
- You have Income to repay it.

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Investing fundamentals. [where money Actually starts growing]

Simple means — using your money to make more money

Deep define
Investing = Putting money into assets that can grow or generate income over time.

Investing is imp for—
- To beat inflation
- for Wealth Creation [salary alone cannot make you rich — only assets can]
- financial free dom

Investing create passive income, & independence.

Types of Investments

1. Stock (Equity)
Ownership in company (company ke chote hissedar)

2. Bonds.
Loan to government /company

3. Real Estate
- Property investment

4. Gold (Store of Value)

5. Mutual ~~investment~~ funds
It is managed by professionals, they will invest your money wherever they want, they have a diversified portfolio.

Risk VS Return.

Higher return = Higher risk.
Lower risk = Lower return

eg - fd - safe, low return
Stocks - risky, high returns.

There is No - high return + No risk.
(free me high return nhi milta)

You should take calculated Risk.

- Compounding

Money earns money, then that money earns more money
eg -
₹10,000 → grows → ₹20000 → grows → ₹40000

Deep truth
Time + compounding = wealth.

In Compounding time is more imp. than money

Practical → Grow have compounding Calculator (Sip calculat
Use it to show returns over year.

- Diversification. (Risk control)

Don't put all money in one stock

eg - If all eggs in one basket if that ~~pa~~ basket falls that each and every egg ~~be~~ spoils so diversify.

If one fails → other survive.

eg – stocks, gold, real estate

- Longterm – vs – short term.

Short term	Long-term
• quick profit	• stable growth
• high risk	• compounding works.

Truth – is wealth is built slowly.

Emotional Control

Biggest Enemy in investing is
Your Emotions

- fear – sell early
- greed – buy wrong

Truth – market is not the problem
Behaviour is.

[It will be controlled with experience & dicipline]

Goal of investing is Not Just money growth But freedom

Goal = freedom.

no stress No dependency, Choises in life.

financial Smart people →
"Make money work for me"

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from this page next video ~~will be~~ topics.

Basic of Stock Market?
[where ownership + compounding + leverage of busi meets

Retirement Planning. [How to never depend on anyone in Future

It is - preparing today so you don't need to work for money in future.

Rich Planning:-
When your money works for you [Not you working for money].

• Real Meaning of Retirement
Retirement does not means old age / sitting idle.

It means.

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It means:-
Financial indipendence
- You can work if you want
- Not because you need money.

Retirement Planing if imp because:

1. Income Stops.
   Job → ends
But expenses continue's

2. Life is long
You may live 20-30 year after retirement

3. Inflation increases Cost.
   future expenses will be higher.

A:- So, if You don't Plan → You will depend on others or you have to work until death.

Retairement formula

Passive income should more that or equal to expenses (Passive income ≥ Expenses)

eg:- If your monthly expenses = ~~₹20k~~ ₹25k.
you need ₹ 20k from: investment, rent, dividents.

Source of Retirement income.

: Rental income, dividents, interests, pension, business Income.

And as we see before the person who will start first will win easily.

Person A – starts at ~~aga~~ age → 25
Person B – Starts at age → 35
~~Per~~ Person A – wins easily.
Because More time more compounding.

~~App Aap ye~~ si Inflation.

~~Aap ye~~ Ajj ke 50k future ke ~~8~~ 1-2 lakh ke barabar hoge.

Retirement Strategy

Retirement strategy.

Step 1 = Save regularly.
Step 2 = Invest -long term.
Step 3 = Build multiple income sources.
Step 4 = Control Expenses.

How much you need – basic idea.

Rule: 20-25 saal ke expenses (After retire)

eg – ₹6 lakh / year (kharcha)
→ you need ≃ ₹1.2 - 1.5 cr.

from this you will get freedom – No stress, Low dependency, no pressure.

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- (Behavioral finance!
(How your mind controls your money decisions)

How your emotion & psychology affect your mony decisions.

Loss investment se nhi decisions se hota hai.

- Fear makes you sell low.
- Greed makes you buy high.

Common Psychological Biases.

1. Herd mentality.
"Sab kar rahe hain, main bhi karunga"

2. Overconfidence
"Mujhe sab pata hai"

3. Loss Aversion
Loss ka pain jyada hai profit ke happiness se.

4. ~~Recency~~ Recency Bais.
(Recent trend ko future samajhna
(Jo abhi ho raha hai woh hamesha hoga)

5. Confirmation bias.
Sirf wahi information dekna jo humko shi lage."

"Market punishes emotional People".

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How Smart people (investor) Control behavior

1. follow System, not emotions.
2. Think long-term
3. Ignore noise
4. Stay diciplined

Rule follow karte hai — Emotions nahi

- Delayed gratification (Secret weapon)
  Control Short-term desire
  for long term gain

Decipline more imp than intelligence.

- You don't need to be very smart
- You need to be consistent.

Game MRKT ka nhi mindset ka hai

"Tumhara dimag hi tumhe rich ya poor banata hai".

~~Poor~~ financially illiterate → Market ne loss kar diya

financially literate → ~~Mark~~ "Maine galat decision liya.