

Noida Institute of Engineering & Technology, Greater Noida

SCHOOL OF MANAGEMENT

25th July, 2023

FINANCE ACUMEN (Vol. 10)



FINANCE CLUB–FINZARD Management Bulletin



The first step to achieve wealth is building your inner strength, which is your ability to overcome your fear of failure and bounce back stronger than before.

RBI proposed New Rule in the Credit Card Sector

The Reserve Bank of India (RBI) has proposed new rules to promote competition between global card networks, while also promoting the use of India's domestic payments system, RuPay. Credit cards to be linked to UPI, starting with RuPay Cards.

The new proposal allows banks to issue credit and debit cards from more than one provider, giving consumers greater choice and breaking the dominance of a few large players.

Loosening grip of international card networks and gaining dominance of Rupay

GSTN will provide information to ED, FIU under PMLA

GSTN under PMLA to combat money laundering

Loosening grip of international card networks and gaining dominance of Rupay

SBI share gain on stake sale in NSDL and expected to give 40% return in long term

CIMS provide access of more data to public and online statistical analysis. Regulatory entities get benefitted by past data analysis and quality evaluation.

GSTN under PMLA to combat money laundering

The government has included the Goods and Services Tax Network on the list of entities mandated to share information with the Enforcement Directorate (ED) and the Financial Intelligence Unit (FIU) under the Prevention of Money Laundering Act.

With this, the GSTN is among those entities that have been mandated to share information with the Enforcement Directorate (ED) and the Financial Intelligence Unit (FIU) under the PMLA Act. These changes have been made under Section 66 of the PMLA, which provides for disclosure of information.

(source: The Economic Times)



Corporate

Insights

SBI is considering selling 2% of NSDL's Shares through an Offer for Sale before the Company gets mainstream

State Bank of India (SBI) and HDFC Bank both intend to sell 2% stakes in National Securities Depositories Limited (NSDL) through an initial public offering (IPO). Depository company called NSDL offers clearing and settlement services for securities and other financial instruments."

State Bank of India (SBI) intends to sell a 2% interest in NSDL by disposing of 40 lakh shares. SBI stated in a regulatory filing that the bank intended to take part in National Securities Depositories Limited's (NSDL) IPO.

SBI share gain on stake sale in NSDL and expected to give 40% return in long term

SBI currently has a 5% share in NSDL and plans to sell a 2% investment in the OFS, subject to the terms of the planned IPO.

Banks to start reporting on new CIMS: RBI Governor

Reserve Bank of India (RBI) Governor Shaktikanta Das launched the Centralised Information Management System (CIMS), the central bank's next-generation data warehouse. According to Mr Das, the new system will be deployed in urban cooperative banks and NBFCs as well.

CIMS provide access of more data to public and online statistical analysis. Regulatory entities get benefitted by past data analysis and quality evaluation.

He informed that the CIMS uses state-of-the-art technology to manage Big Data and will serve as a platform for power users to carry out data mining and analysis.

(indianexpress.com)

Financial Product

Alluring Investment

Where to Invest Money?

The appropriate portfolio for each investor will be determined by numerous variables such as age investment horizon goals and risk tolerance.

There is no such thing as a one-size-fits-all financial strategy.

Risk-taking capacity may be greater when you are young. As a result, investing in stocks and mutual funds may be a suitable idea. Older investors may afford less risks and, as a result, can invest in safer vehicles such as fixed deposits.



Shorter investing horizons limit risk-taking ability, favouring low-risk instruments. Longer time horizons provide more freedom to invest in equities and wait for profits. The sort of goal also matters, because non-negotiable goals like schooling necessitate more cautious investing.

Other factors such as disposable income, debt profile, and dependant duties can all have an impact.

Exchange Traded Funds

Exchange-traded funds are one of the popular and valuable products created for investors. An ETF is called an exchange-traded fund because it's traded on an exchange just like stocks are. Thus, ETF is a basket of securities that can be bought or sold on a stock exchange. ETFs operate more or less like mutual funds but tend to be more cost-effective and more liquid compared to mutual funds. ETFs typically have low expenses because they track an index.

ETFs have low expense ratio, access to a large number of stocks across various industries and it helps in reducing risk through diversification.

ETFs are considered to be an excellent passive investment avenue. In the case of actively managed ETFs the cost increases and if ETFs are Single-industry-focused then the advantage of diversification reduces. A few of the popular ETFs trading in India with the latest NAV are given in the table below

Schemes	Asset Size (crores)	Latest Nav
Nippon India ETF Nifty 50 BeEs	12652.85	212.64
SBI S&P BSE Sensex ETF	96039.35	703.1511
CPSE ETF	21173.93	44.4256
UTI Nifty 50 ETF	42252.14	2070.3078
Motilal Oswal Nasdaq 100 ETF (MOSSt Shares NASDAQ 100)	6424.0	121.5222
Nippon India ETF Nifty PSU Bank BeES	1252.99	49.3098

Financial

Data

AUM in Mutual Funds increased by 5% in FY23, with SBI expanding its Dominance

The Mutual Fund industry grew substantially slower in FY23 than it did in FY22, when AUM increased by more than 20% because to a robust market rally and record fresh investments. Among MF fund houses, SBI MF logged impressive growth in AUM, rising 11% to Rs 7.2 trillion in FY23 despite a huge base.

POSITIVITY ALL AROUND

Biggest jump in absolute AUM

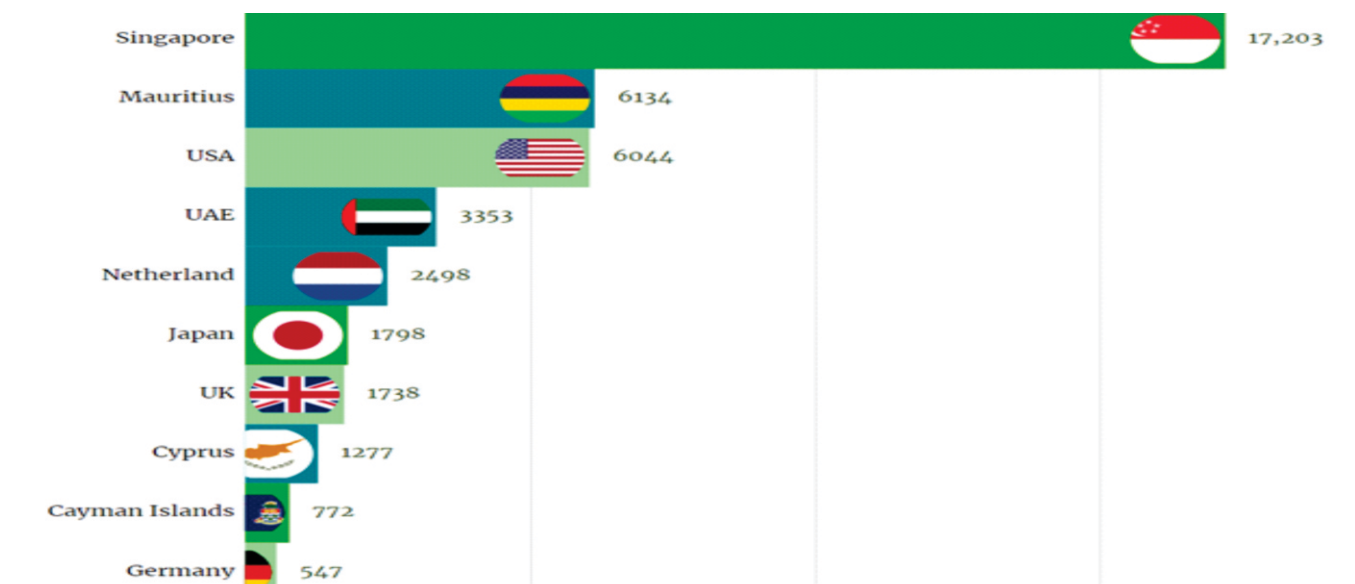
Fund house	AUM* (₹ trn)	Change (₹ cr)
SBI	7.17	70,094
ICICI Prudential	5.00	31,428
Edelweiss	1.01	21,951
HDFC	4.50	17,681
Mirae Asset	1.16	15,361
UTI	2.39	14,949
Canara Robeco	0.62	14,529
Quant	0.19	12,255
Tata	0.98	11,713
PPFAS	0.34	10,602

Biggest AUM jump (in %)

Fund house	AUM* (₹ cr)	Change (%)
Quant	18,761	188
PPFAS	33,716	46
Canara Robeco	62,485	30
PGIM India	21,437	30
Edelweiss	1,00,593	28
Union	10,011	23
Mirae Asset	1,16,270	15
Baroda BNP Paribas	24,507	15
Tata	98,426	14
SBI	7,17,161	11

Note: *Average AUM for March quarter; Universe: AMCs with at least ₹10,000 crore AUM
Source: Amfi

Top Countries Investing FDI Equity in India FY 2023 (US\$ Million)



Best Financial Magazines on the Planet



Beware of little expenses; a small leak will sink a great ship

Contributors

Dr. Sonia Munjal

Head of Department
SOM, NIET

Dr. Gurpreet Kaur

Dr. Taru Maheshwari

Mr. Manish Gurung

Dr. Riyazuddin

Dr. Manisha Seth

Mr. Harsh Awasthi

19, Knowledge Park - II, Institutional Area, Greater Noida (UP)-201306
M : +91-8010500700, 8448384611 | www.niet.co.in

