Newsletter

Abhyutthana Group

ABHYUTTHANA FINANCIAL LEARNING CENTRE

ABHYUTTHANA FOUNDATION CHARITABLE TRUST

(Institutions to Promote Financial Education)

News Letter : Issue No 20 Bhubaneswar May-Aug - 2023

ABHYUTTHANA FLASH

REGIONAL SEMINAR ON SECURITIES MARKET AT GEETA GOVIND SADAN, BHUBANESWAR ON 29 JULY 2023

The Trust organised a "Regional Seminar on Securities Market"on 29 July 2023 (10.30 AM -1.00 PM) at Geeta Govind Sadan, Bhubaneswar. Shri Ashwani Bhatia, Whole Time Member, SEBI graced as Chief Guest and inaugurated the Seminar. Shri GP Garg, Executive Director, SEBI was the Chief Speaker. Shri C S Sharma CGM, SBI , LHO Bhubaneswar was Guest of Honour and Prof D V Ramana, Professor of Commerce, XIM University Bhubaneswar was Special Invitee.

Shri Siladitya Choudhury Vice Chairman of the Trust welcomed the guests/ participants. Shri D Mishra, Founder and Chairman introduced the guests.

All the speaker spoke eloquently, explained the significance of savings and investment , various avenues for investment; investment for wealth creation and building the nation.

The seminar was well attended with participation 101 students, professional and senior citizens (Members of APURBA , SEBAFOR and members of Depositors and Investor Group) and 39 Media representatives.

A Special Issue (Select ESSAYS on Securities Market) was released on the occasion.

Shri Suresh Sarangi, former General Manager, Bank of India proposed Vote of Thanks.

Please visit : http://odishapostepaper.com/m/211269/64c5757311288

HIGHLIGHTS OF THE SEMINAR PRSENTATIONS BY SEBI EXCUTIVES.

Whole Time Member Shri Bhatia mentioned that wealth creation requires start investing from an early age. And investments made in equity/ Mutual Funds brings highest gains.
He presented data for youth btwn 20-29 yrs on their financial - literacy, knowledge, attitude and behavior which compared very poorly with those obtained for higher age groups. This attributes are not conducive for wealth creation. Investment is required to be made and at an early age. Initial investment become larger, in percentage terms, longer the investment is held. The rise manifolds from operation of Compounding Effect, he high lighted.

Among various investment avenues rise of BSE Index has been the highest over PPF, Gold, FDs, Silver etc. And in the BSE, (i) returns on equity / Mutual Funds (MF) have been remarkable. (ii) MFs scores over similar products like Company Deposits, PPF etc. in terms of parameters such as for their Liquidity, low complexity, STCG at 15% - that too interest earned upto Rs.1 lac exempted, unlike applicable SLAB rate for other products. (iii) ELSS - an variant of MF is helpful for tax planning while ensuring wealth creation.
He put forth the role SEBI plays for the securities market are :- to develop, regulate and protect the interest of the investor class. He had a word of caution for the investor class before investing to study the fundamentals, apply due diligence, stick to long term investment and rely only on regulated entities for their exposures and desist from overtrading / borrow to invest.

Executive Director Shri. Garg stated that the necessity for investments arise from consideration of achieving financial security, beat inflation and realising financial goals. He listed Investment products are many to chose from viz.ETF, stocks, indices, bonds, commodity etc. Investment in them must pass through the three pillars of investment ie. Safety, Growth and Liquidity conditions. It is known fact that Risks and Return go together. In order to achieve a balance between the two, diversification of individual portfolio is recommended given high risk for equity to low risk for debt products..

EDITORIAL

In the second half of the current year AFCT was preoccupied primarily with investment. Investment for wealth creation. A fitting curtain raiser was provided by executives from top rung of the SEBI in our annual Seminar held in July 2023. Lucid presentation and a strong case was demonstrated for mutual fund investments. It was a persuasive and informative session for attending audience drawn from different segments in our community.

A article. featuring in the inside pages, appear to be very timely under the caption Understanding Securities Market which itself is revealing. A broad view of the Securities market is essential for any potential investors. The author adequately covered required areas and taken up enumerating/explaining types of market players, products, tools, inherent risks which one encounters as one delve into this highly attractive market. Market participation by investors at present constitute a low of 3% compared to high of 50% in USA is lamentable

Yet another article inside, titled India @2047, sees the scope in the stock/equity market for funding future investment for capital formation. It has to, after all other sources combined leaves behind big shortfall of funds over the next 2 decades vis-à-vis increased investment requirements. It is visualized growth engine would be accelerated by domestic conducive factors which would prompt high investment demand. Enhanced investment demand could depend on funding from swelled up equity market resulting in higher market capitalisation to tap.

In the midst of the high profile arrangements for the seminar on securities market, AFLC had not allowed to break its commitment to spreading financial literacy by engaging its committed teams of resource persons. Teams held couple of rural workshop for the farmers community and small borrowers under MSME scheme. The borrowers were explained to adhere to repayment schedule, join govt. pension plans, and in addition a broad idea provided to them on fast growing digital medium for transactions as also precaution required for staying away from fraudsters traps. Financial literacy was imparted to at a urban school for students from unprivileged community. This selection was made consciously as they become ideal carrier, apart from their own knowledge, for disseminating financial tit bits for their less educated parents, relations and community they reside to benefit.

S.Choudhury
Editor

Understanding the Securities Market

Subash Chandra Misra

My friend was advised by a stock adviser on phone to buy a particular share. He bought it and within a month the price went up. He made a good money in the deal and spoke to the adviser for more tips. He got the tips, but he lost in the next two deals and the entire profit he made earlier was gone. He felt that the stock market is a place for gambling. You gain or lose depending on your luck and to know whether your luck is good or bad we must consult an astrologer or a sadhu baba. This takes us to the issue of understanding our securities market.

In the past, people did not have many options for investing their money. Investment was not on the radar of the average person. Their main concern was safety of their money from fire and burglary. They were keeping their money in the neighbourhood post office and the interest earning was a bonus. In our village, people used to consider such people as rich who had put money in the post office. The account holder used to keep this secret. The bank was miles away and if some body had a bank account he was considered as super rich. Today people have several options to invest surplus money. In addition to post offices and banks, one can, from the comfort of his home, invest in equity, mutual funds, debt instruments like debentures or government securities. But instead of taking tips from the on-phone-stock-adviser or the astrologer, authorities advise that the investor should have some basic knowledge of the markets and the instruments where investment is made and the investors should understand the risks involved in the investment.

An investor can buy securities either from the primary market or the secondary market. Primary market also called the "New Issue Market" is the place where the issuer issues the securities and the investors buy the same. Companies issue shares or debentures to the investors directly in the primary market. A company that issues shares or debentures invites applications and after the specified date for receipt of application is over the shares or debentures are allotted to the applicants. Payment is taken from the applicants from their banks accounts when the shares are allotted. After the shares or debentures are issued these are listed in the stock exchanges after which the holders can sell the same to another investor. The stock exchange is the secondary market where one investors sells his shares or debentures to another investor. At present, the National Stock Exchange of India Ltd (NSE), the Bombay Stock Exchange Ltd (BSE) and the Metropolitan Stock Exchange of India Ltd (MSE) transact in equity, debt, equity derivatives and currency derivatives. BSE, NSE, Multi-commodity Exchange of India Ltd and National Commodity and Derivatives Exchange Ltd trade in commodity derivatives. The BSE founded in 1875 is the oldest stock exchange in India. In June this year , there were 5409 stocks listed in BSE with a market cap of Rs. 296 trillion. BSE had a gross turn over of Rs.25 tn in equity and derivatives in June 2023. NSE which is comparatively young commenced operations in 1994. It had 2232 listed companies with a market cap of Rs294 trillion and a turnover of Rs 5467 tn in equity and derivatives in June 23. The stock exchanges in India are regulated by the Securities and Exchange Board of India(SEBI). During the last one year, the daily turnover in equity segment in BSE was between Rs 3000 to Rs 5000 crore while in NSE it was Rs.50000-60000 crore. Settlement of trades in BSE and NSE is done on T+1 basis. On the settlement day, the security is credited to the demat account of the buyer and the settlement amount is credited to the account of the seller.

There are several players in the securities market. In the stock market, there are brokers who are registered trading members of the stock exchanges. They accept applications for new issuances and put through sell-purchase transactions in the exchanges. Merchant bankers help the issuers of new securities in the issuance process. Underwriters commit to pick up the unsubscribed portion of new issues. Credit rating agencies evaluate debt securities and give a rating which indicates the ability of the issuer to repay the interest and principal value on maturity. Asset Management Companies or Portfolio Managers are specialists who manage the money collected from investors in a pool. Investment Advisers give expert advice to investors and help them in selection of securities for investment.

Government issues various types of securities like dated securities, treasury bills, zero coupon bonds, floating rate bonds, inflation indexed bonds and sovereign gold bonds etc. Reserve Bank of India also controls the money markets segment of the market which covers commercial papers, treasury bills of Government of India, certificate of deposits, Repo / Reverse Repo and Collateralised Borrowing and Lending Obligation (CBLO). RBI issues the securities on behalf of the Central and state Governments by conducting auction through its Core Banking Solution system (E-Kuber) for which RBI issues press release inviting bids. The Press Release contains information like the details of securities to be auctioned, notified amount and the date of submission of bids by banks and Primary Dealers. An amount equal to 5% of the notified amount is kept separately for non-competitive bidders like individuals, RRBs and state governments. Bids are submitted online and results are announced by the RBI on the same day through press releases. Securities are issued by means of Uniform Price Method or Multiple Price Method as mentioned in the auction notification.

Investors should familiarize themselves with the basic concepts of investing. For investing in bonds or debentures, one should understand the concepts relating to time value of money, yield to maturity, modified duration, convertible and non convertible debentures, etc. For investing in shares and if one intends to trade in shares, one should understand the concepts like Initial Public Offer (IPO), Follow up Public Offer (FPO), rights issue, bonus issue etc. Investors in mutual funds should familiarize themselves with terms like Equity oriented funds, Debt oriented funds, hybrid funds, Liquid funds, Large Cap, Mid Cap and Small cap funds, Net Asset Value etc.

In USA 55% of the population invests in stock market, 33% in UK, 13% in china and only 3% in India. But the younger generation which is tech savvy is coming forward more and more for investing in stock market. But one should understand the risk in investing in equity, bonds and mutual funds and after making a through analysis of the risk, she should decide whether to invest in stock market and the companies in which she should invest. Two common risks that an investor encounters are credit risk and market risk. Credit risk or the default risk is the risk of failure of the company or the issuer to pay its obligation on maturity. If a company becomes bankrupt or closes down after the investors purchases the share or debenture, this becomes the outcome of credit risk. This happens often with start-ups or companies involved in fraudulent transactions. Investors often follow a general guidance that large cap companies are safer than mid cap or small cap companies though small cap companies tend to give better return than large cap companies. Companies having a market capital of Rs 20,000 crore or above are called Large cap companies. The market capital of mid-cap companies is between Rs 5,000 crore and less than Rs 20,000 crore while the small-cap companies have a market capital less than Rs. 5,000 crore. Market risk involves interest rate risk and exchange rate risk. The interest rate risk affects investors as the market price of bonds or debentures go up or down when market interest rates go down or go up. Mutual fund investors should also check whether the fund is an equity fund, a debt fund or a hybrid fund and the companies in which the mutual fund is investing. She should also check the performance history of the fund before investing in the scheme. Mutual funds publish the Net Asset Value (NAV) of their investment schemes on a daily basis and while investing the investors pays some extra over the NAV which is called “Entry Load” and while exiting receives slightly less than the NAV due to “Exit Load”. Market risk in equity means gain or loss of stocks depending on movement of the market as a whole or the movement of a particular stock based on its quarterly or annual performance or due to a specific event regarding the company. When a stock price moves with the market due to reasons related to economic event like inflation, recession or geopolitical events like war, earthquake or election the risk is called systematic risk. When the price movement is specific to a stock or industry it is called unsystematic risk. Systematic risk can be managed by having a mix of various types of assets like equity, debt, real estate and gold in the portfolio. Unsystematic risk can be managed by diversification i.e. having a mixture of stocks of different industries. One measure of risk of equity is the beta of a stock. A stock with a beta greater than one is likely to move in a greater proportion than the market index and a stock with beta lower than one moves proportionately less than the market index. A stock with a negative beta moves in the opposite direction of the market index. A portfolio with a mixture of 5-7 stock with various betas including negative beta can give a reasonable diversification and reduction of risk.

The upward or downward of movement of the market is captured by an index which is compiled by combining a group of stocks. The NIFTY 50 is the primary index of NSE and Sensex comprising 30 of the largest and most actively traded stocks on the BSE is the primary index of the BSE. NSE and BSE also has several other sectoral indices. The movement of these indices are displayed online on real time basis during the trading hours of the stock exchanges.

Investors in the stock market are of two types-long term investors and short term investors. Long term investors are basically buy and hold type investors. Short term investors prefer to buy and sell within a short period to book profit depending on movement of the market. Some of the short term investors carry on day to day trading activity also. They need to open a trading account with one of the brokers of the exchange. The trading account is linked with the bank account and the demat account of the trader. When the trader buys a stock her bank account is debited and the stock is credited to the demat account of the trader. When the trader sells the stock her demat account is debited and the proceeds are credited to her bank account.

While making an investment, an investor has to go by his risk appetite. While the risk averse investor may decide to go for investment in bank deposit or government securities, investors with moderate risk appetite may opt for mutual funds and investors with higher risk appetite may opt for equity investment. One can also have a mixture of all to reduce the risk. While debentures or bonds give the return in form of interest and appreciation due to change in interest rate, equity gives return in the form of dividend and appreciation of the stock. NAV of Equity based mutual funds go up or down based on the dividend receipt and appreciation/ depreciation of stocks held by the fund. Equity and equity based mutual funds provide certain tax benefits. Gains from equity or equity based mutual funds held for more than one year are reckoned as long term capital gain and taxed at a lower rate of 10% for gains above Rs 1 lakh.

The investors are required to hold the securities in dematerialized form. For this, the investor has to open a Demat account with a Depository Participant (DP). The DP in turn holds these securities with National Securities Depository Ltd (NSDL) or Central Securities Depository Ltd(CDSL). Securities which are held in physical form continue to earn dividend but can not be sold unless they are dematerialized. Government securities are held in SGL (Subsidiary General Ledger) Account or CSGL (Constituents' SGL) Account and for investors under Retail Direct Scheme of RBI, these are held in RDG (Retail Direct Gilt) Account. In addition to specific application forms, the KYC documents like Aadhar card, PAN card and address proof are required for opening the Demat accounts.

The author is a Retired Chief General Manager of Reserve Bank of India, Mumbai.

Shifting Tides:
Growing Influence of Non-Bank Investors in G-Sec Market in India

In the backdrop of rising sovereign debt coupled with the increasing participation of non-banks in the ownership of G-Secs, this study assesses the impact of diversification of investor base for G-Secs on the sovereign's cost of borrowing. Although the average ownership of banks has been historically higher compared to other investor groups, lately there has been an increasing uptake of government securities by non-bank investors. This trend was amplified during the Covid-19 period. The study finds that as compared to banks, nonbank investors are more sensitive to changes in G-Sec yields – for a 1 percentage point increase in yields, domestic banks increase their debt holdings by 9.8 to 10.2 per cent, while non-banks exhibit a higher response, increasing their holdings by 10.8 to 11.1 per cent. Different regulatory directions, idiosyncratic ARTICLE 76 RBI Bulletin August 2023 Shifting Tides: Growing Influence of Non-Bank Investors in G-Sec Market in India business models and distinctive holding objectives are probable reasons for such deviation. The study finds that a one per cent increase in supply of new debt would lead to a 9.5 to 10 basis points increase in the G-Sec yield. Further, while conducting a scenario analysis to understand the impact of changing ownership pattern on cost of borrowing, it is observed that when all the new debt is absorbed by banks, the increase in yield, is on average 8.1 per cent higher compared to the scenario where all the debt is assumed to be absorbed by non-banks. These findings highlight that the Reserve Bank's sustained measures aimed at diversifying the investor pool for G-Secs are well calibrated and aligned with debt management objectives of cost optimisation, risk mitigation and market development.

(**Excerpts from an article by Amit Pawar, Mayank Gupta, AbhinandanBorad, Subrat Kumar Seet and Deba Prasad Rath**)

Source ;Reserve Bank Bulletin : August 2023

www.rbi.org.in

Financial Literacy Camp in village Khalor of Cuttack district -

6 May 2023

Abhyutthana Foundation organised a Financial Literacy camp at village Khalor of Cuttack district with participation of Local Youth, Farmers, on 6 May 2023.

Our Resource Person Shri Khirod Kumar Patra , formerly Indian Bank conducted the event. Manager and Officers from Indian Bank and BCs lent support.

Basics of banking and saving habits were discussed. Significance of Nomination in Bank account were explained. Pass book of all the participant were verified. Almost all the pass book indicated lack of nomination. Nomination forms were filled in on the spot and handed over to bank officials. Discussions held on social security Schemes of the Government of India: PMJDY, PMSBY, PM JJBY and Atal Pension Yojana. In all 35 persons participated.

ସମ୍ବାଦ

ବ୍ୟାଙ୍କ ଜମାକାରୀ ସଚେତନତା ଶିବିର

ଫୁଲନଖରା, ୧୧।୫ (ଇମିସ): ବ୍ୟାଙ୍କ ଜମାକାରୀଙ୍କ ନିମନ୍ତେ ଏକ ସଚେତନତା କାର୍ଯ୍ୟକ୍ରମ ସଦର ଥାନା ଖଲୋରଠାରେ ଅନୁଷ୍ଠିତ ହୋଇଛି। ଅଭ୍ୟୁତଥାନ ଫାଉଣ୍ଡେସନ ଚାରିଟେବଲ ଟ୍ରଷ୍ଟ ଆନୁକୂଲ୍ୟରେ ଆୟୋଜିତ ଏହି କାର୍ଯ୍ୟକ୍ରମରେ ଭାରତୀୟ ରିଜର୍ଭ ବ୍ୟାଙ୍କ ପୂର୍ବତନ ସିଜିଏମ ଦାଶରଥି ମିଶ୍ର ଅଧ୍ୟକ୍ଷତା କରିଥିଲେ। ଇଣ୍ଡିଆନ ବ୍ୟାଙ୍କ ଅବସରପ୍ରାପ୍ତ ମୁଖ୍ୟ ପରିଚାଳକ ତଥା ସମାଜସେବୀ କ୍ଷୀରୋଦଚନ୍ଦ୍ର ପାତ୍ର ବ୍ୟାଙ୍କ ଖାତାରେ ନୋମିନିଙ୍କ ଆବଶ୍ୟକତା, ଡିଜିଟାଲ ବ୍ୟାଙ୍କିଙ୍ଗ, ଅଟଳ ପେନସନ ଯୋଜନା ଓ ପ୍ରଧାନମନ୍ତ୍ରୀ ଜୀବନ ଜ୍ୟୋତି ଯୋଜନା ବିଷୟରେ ଆଲୋକପାତ କରିବା ସହିତ ବ୍ୟାଙ୍କ- ଆର୍ଥିକ ସୁରକ୍ଷା ସମ୍ପର୍କରେ ଅବଗତ କରାଇଥିଲେ। ଅନ୍ୟମାନଙ୍କ ମଧ୍ୟରେ ଇଣ୍ଡିଆନ ବ୍ୟାଙ୍କ ପରିଚାଳକ ଓ ଅନ୍ୟ ଅଧିକାରୀମାନେ ଉପସ୍ଥିତ ରହି ବ୍ୟାଙ୍କିଙ୍ଗ କ୍ଷେତ୍ରରେ ସୁରକ୍ଷିତ ନିବେଶ ଓ ଜମା ସଂକ୍ରାନ୍ତ ବିଭିନ୍ନ ଗୁରୁତ୍ୱପୂର୍ଣ୍ଣ ତଥ୍ୟ ଉପସ୍ଥାପନ କରିଥିଲେ। ଏହି କାର୍ଯ୍ୟକ୍ରମରେ ହରିଅନ୍ତା ପଞ୍ଚାୟତ ଅଞ୍ଚଳର ୩୫ ଜଣ ଯୁବ ଚାଷୀ ଉପସ୍ଥିତ ଥିଲେ।

CUTTACK Edition
Page No.14 May 12, 2023

Workshop on financial literacy for the villagers and SHG members in Pratap Nagar, Cuttack on 10 July 2023

The Trust organised a workshop on financial literacy for the villagers and SHG members in Pratap Nagar, Cuttack on 10 July 2023. Shri Debaraj Mishra , former AGM, State Bank of India, Shri Khirod Patra , former Chief Manager, Indian Bank and Shri P K Swain former Senior Manager, SBI and -(our resoruce persons) explained basics of banking, loan products, nomination facilities, mutual funds , micro insurance products.

In all, 37 women entrepeneurs took active participation.

The trust is thankful to Shri Khirod Patra for organising and coordinating the event

Investor Education Gateway

IOSCO has a major commitment to improving and promoting investor education and has been organizing World Investor Week (WIW) since 2017. WIW, generally organized in the first week of October, is a global campaign, which aims to promote investor education and investor protection, highlighting the various initiatives of securities regulators and other stakeholders in these two critical areas.

During WIW, IOSCO members provide, in their jurisdictions, a wide variety of activities such as launching publications or services, promoting contests and organizing workshops, conferences and other events. Many members leverage the event to organize further investor education activities throughout the year. The dedicated campaign website www.worldinvestorweek.org provides details on the various participating authorities and the international organizations supporting this effort.

https://www.iosco.org/investor_protection

Workshop on Financial Literacy at OMFED Training Centre at Jagannathpur, Dt Khordha on 22 July 2023.

The Trust conducted a Workshop on Financial Literacy at OMFED Training Centre at Jagannathpur, DtKhordha on 22 July 2023. Shri Khirod Patra, Former Chief Manager , Indian Bank and Shri P K Swain former Senior Manager, SBI conducted the workshop. The officer incharge of the training centre was present . The workshop focussed on basics of microinsurance schemes, digital banking and preventing cyber frauds.

In all, 47 (including 45 trainees) participated ,

Workshop on Financial Literacy at Joharimall High School, Cuttack, 23 August 2023

The Trust organised a Workshop on Financial Literacy at Joharimall High School, Cuttack , on 23 August 2023 . Shri Siladitya Choudhury and Shri Debaraja Mishra - our Resource Persons conducted the workshop impressively.

At the outset, Dr Pradhan , Principal of the High School welcomed the guests. Secretary Shri Agrawal in his introductory talk spoke about the School. He emphasised the need for financial literacy in schools. He said the school caters to the needs of the children of Lower Income Group.

Shri S Choudhury explained savings, investments, concepts of Inflation, Time Vale odf Money, compounding of Interest , Rule of 72, Asset Allocation and Risk vs Return. He then outlined role of Reserve Bank as Monetary authority, Banking/ NBFC Regulator, Forex Management , grievance redressal and Role of Ombudsman.

Shri Debaraja Mishra explained saving related products, KYC process, Types of Bank accounts, Digital banking, Customer Liability for unauthorised banking transactions. He also briefly explained Mutual Funds, SIP - the capital market saving vehicles.

The Sessions followed by a QA session

Both the speakers conducted a Financial Quiz. Prizes were distributed to 10 winners of the Quiz. Books published by SEBI on Financial Education were distributed to all.

Shri Sandip Ghosh, Chartered Accountant explained certain aspects of securities market in his intervention

The book " **Financial Education for School Children"** published by SEBI was distributed to all participants. In All 87 (including 81 students and teaching staff) persons participated.

Workshop on Financial Literacy at Nachhipur village
30 August 2023

The Trust conducted a workshop on Financial Literacy at Nachhipur village of Cuttack district on 30 Aug 2023.

Shri Khirod Patra, former Chief Manager, Indian Bank along with the officials from Punjab National Bank, UCO Bank conducted the programme. The basics of banking, micro insurance schemes were explained. Main discussion was on MSME loans and particularly, the Scheme of Prime Minister Employment Generation Programme (PMEGP) was discussed and explained by the speakers. The participants included 13 persons who had availed of loans under PMEGP. All the doubts on loan disbursement and recovery/repayment were clarified by the experts.   In all, 51 entrepreneurs participated in the programme.

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THE SAKALA
Cuttack - 31 Aug 2023 - Page 7

ଋଣ ସମ୍ବନ୍ଧୀୟ ସଚେତନତା କାର୍ଯ୍ୟକ୍ରମ

ଫୁଲନଖରା,୩୦।୮ (ସମିସ): କଟକ ସଦର ଥାନା ଅନ୍ତର୍ଗତ ନଛିପୁର ଗ୍ରାମ ଶ୍ରୀଶ୍ରୀ କେଦାରେଶ୍ୱର ମନ୍ଦିର ପ୍ରାଙ୍ଗଣରେ ଅଭ୍ୟୁତ୍ଥାନ ଫାଉଣ୍ଡେସନ୍ ଚାରିଟେବୁଲ୍ ଟ୍ରଷ୍ଟ ପକ୍ଷରୁ ଋଣ ସମ୍ବନ୍ଧୀୟ ଆର୍ଥିକ ସଚେତନତା କାର୍ଯ୍ୟକ୍ରମ ଅନୁଷ୍ଠିତ ହୋଇଛି। କାର୍ଯ୍ୟକ୍ରମରେ ଜିଲ୍ଲା ଅଗ୍ରଣୀ ବ୍ୟାଙ୍କ ପରିଚାଳକ ରାଜେଶ ବେହେରା ମୁଖ୍ୟଅତିଥି, ଫୁଲନଖରା ୟୁକୋ ବ୍ୟାଙ୍କ ଶାଖା ପରିଚାଳକ ଅବିନାଶ ସେଠୀ, ପିଏନ୍‌ବି ଶାଖା ପରିଚାଳକ ଏ. ସ୍ୱାତୀ, ଜିଲ୍ଲା ସାକ୍ଷରତା କେନ୍ଦ୍ର ସଂଯୋଜକ ସତ୍ୟନାରାୟଣ ରାଉତ ଓ କଟକ ଜିଲ୍ଲା ଶିଳ୍ପକେନ୍ଦ୍ର ସହ ପରିଚାଳକ ପ୍ରତାପ କୁମାର ସେଠୀ ପ୍ରମୁଖ ସମ୍ମାନିତ ଅତିଥି ଭାବରେ ଯୋଗଦେଇ ପିଏମ୍‌ଇଜିପି ଋଣ ବାବଦ ସବିଶେଷ ବିବରଣୀ ପ୍ରଦାନ କରିଥିଲେ। ପିଏମ୍‌ଇଜିପି ଋଣ ପ୍ରାପ୍ତ ୧୩ ଓ ଉକ୍ତ ଋଣ ପାଇବାକୁ ଥିବା ୯ଜଣ କାର୍ଯ୍ୟକ୍ରମରେ ଯୋଗଦେଇ ଋଣ ନେଲାପରେ କିପରି ବ୍ୟାଙ୍କ ଋଣ ପରିଶୋଧ କରିବେ ସେ ବିଷୟରେ ଉପସ୍ଥିତ ବ୍ୟାଙ୍କ ଅଧିକାରୀଙ୍କ ସହିତ ଆଲୋଚନା କରିଥିଲେ। ୟୁକୋ ବ୍ୟାଙ୍କ ଫୁଲନଖରା ଶାଖା ତରଫରୁ ବିୟୁଟି ପାର୍ଲର ପାଇଁ ରେଖା ବେହେରାଙ୍କୁ ୪ଲକ୍ଷ ୭୫ ହଜାର ଟଙ୍କା ଋଣ ମଞ୍ଜୁର କରାଯାଇଛି। କାର୍ଯ୍ୟକ୍ରମରେ ନଛିପୁର ଯୁବ ସଂଗଠନ ସହଯୋଗ କରିଥିବା ବେଳେ ଯତୀନ୍ଦ୍ର ନାଥ ସାହୁ ଧନ୍ୟବାଦ ଅର୍ପଣ କରିଥିଲେ।

INDIA@2047: ENVSIONING A DEVELOPED ECONOMY

Raghunath Mahapatra

A research report by PricewaterhouseCoopers reveals that coming twenty five years from now on, India could exceed a per capita income of USD 26,000, almost 13 times the current level. Within these years it'salso estimated and projected that India is well placed to become the world's third largest economy in terms of the GDP by 2027, surpassing Japan and Germany, and have the third largest stock market by 2030. Some international investment firms like Morgan Stanley, Deutsche Bank including the CEA (Chief Economic Advisor) of the country has assumed that the country will achieve this height within the stipulated time frame.

Since independence, the world's largest democracy has traversed aheadfrom virtually a penniless economy to a resourceful economy. Within this period, it has successfully transformed itself to a service sector economy (which contributes over 50% of GDP) from primarily one agrarian economy in which agriculture contributes 56% of the GDP. Within the last 75 years, the nation has also strengthened its physical and social infrastructure to a great extent. This transformation has resulted in an increasing life expectancy (to 69.4 years from 32.1 years) and an improved maternal mortality rates, from 1.03 from as high as 20,and infant mortality rate (to 30 from 133)respectively.

In this post independence journey, the country has set up a large domestic consumption base being the seventh-highest final consumption expenditure in the world. In the country, both the private and government consumption comprises of over 70% of the Gross Domestic Product. As per the World Economic Forum's report on the Future of Consumption (2019), India will add around 140 million middle-income and 21 million high-income households by 2030. Also, it's projected that the upper middle-income and high-income households will drive 61% of the consumption in 2030 compared to a meager 37% in 2018.Though, some deviations can't be ruled out but its reported that the trajectory is likely to be similar.The median age of the Indian population is projected to be 31 in 2030 compared to 42 in China and 40 in the US, thereby making India a country with the largest working-age population in the world. Also it's estimated that ninety million new households will be headed by millennial by 2030 in our country. With growing per capita incomes, India@2047 will be comparable to current day economies such as Spain and Portugal. The digital natives will have a vastly different approach to consumption and expectations regarding service delivery by both the Government and private sectors in the country.

Both the Government of India and India Inc. could aspire to achieve the economic and social outcomes for India @2047 by de-stressing the economic and social fault lines and reimagining the future of a committed India. To harvest the gains from the natural economic gains of the increasing population, higher working-age population and growing consumption demand, India needs to focus some key areas that demand both investments and policy interventions. The major areas to be focused and improved upon are 1) skill upgradation of the millions of our working-age youth nationwide, 2) scope of education for the increasing mass, 3) labor Force Participation 4) inefficiencies in the logistics chain, 5) manufacturing Sector, 6) ease of doing business or the regulatory frameworks prevailing in the country.

No doubt, these measures will require significant financial resources from the Government and its financing arms, the banking sector and the private sector which also includes the foreign flow of investments via direct channels and via the stock market. Of course, over the years the tax-to-GDP ratio for the country has inched up to around 12%, whereas New OECD data in the annual Revenue Statistics 2022 publication show that, on an average, tax revenues as a percentage of GDP (i.e. the tax-to-GDP ratio) for the world were 34.1% in 2021. The urgent need of the hour in the years to come is the progressive formalization and digitalization of the Indian economy to provide buoyancy in the tax revenues, and the Government should have adequate resources to finance India's journey towards becoming a developed country.

In this direction the measures like asset monetization scheme to mobilize resources and subsequently enhance Governments ability to advance infrastructure investments, consideration towards removing the logistics jam through infrastructure projects having cash flows and securitizing those future cash flows will help to reduce the high fiscal deficit much to the satisfaction of sovereign ratings agencies. A higher allocation towards the capital expenditure in the budget of 2022-23 demonstrates the commitment of the government to move forward.

In the last Seventy Five years, the Indian economy, with its natural shock absorbers, has created strong fundamentals which are highly resilient and also proved time and again. It owes its financial markets resilience to the growth of domestic institutional investors (DIIs) that stepped in when foreign institutional investors (FIIs) began exiting due to some external and internal imbalances and speculative forecasts. It also owes its tax revenue resilience to the increasing digitalization and formalization of the economy. India's energy resilience emanates from the growth of renewable and ethanol in the energy mix. And last but not the least; its demand resilience arises from the large consumer base responsible for making India's medium- and long-term economic outlook very strong. All these factors, including the initiatives taken up by the Indian government will result in higher and higher financial flows to the economy through government sources, private formal and informal sources. Its evident that the investment through the stock market will play a significant role in the coming years.

Already richly valued Indian stock market indices are projected to scale new highs this year with some exceptions. It was estimated to add another 2.6% to reach 65,974 by mid-2024, according to the median forecast in the May 10-23 Reuters poll. AS per a report of Associated Chamber of Commerce and Industry of India, country's equity market capitalization needs to grow to $80 trillion if its gross domestic product (GDP) is to reach $40 trillion in 2047 which will put India at the number two spot in the world. To achieve this gigantic height the country needs a fundamentally strong and clean investment scenario.

The investment scenario may be applied to a market, an industry or a country for calculating the profitability of the already invested and the investment demand for the future. The investment scenario analysis helps the companies/corporate world or the internal and external agencies to determine the financial strength of a particular country. In modern days, along with the conventional investment sources, investment through stock market has gained wider acceptability. The health of the stock market has become a key indicator to rate the economy and soundness of the investment portfolios.

In India the history of stock market can be traced back to 1920 AD when the Madras Stock Exchange took shape. BSE was the first stock exchange to be recognized by the Government of India under the Securities Contracts Regulation Act in the year 1957. Further, the SENSEX was launched in 1986, followed by the BSE National Index in 1989.

The stock price and the volumes in the market are the dependent variables of a stock market. The independent variables are the mix of systemic and unsystematic factors which include macro factors like inflation, growth rate, lockdowns, interest rates etc. Along with the established and estimable variable the health of the stock market also depends upon some speculative aspects which needs to be regulated and watched very closely to weed out the unwanted speculative events and unscrupulous trading behaviors that may put a significant impact.

With the intention of checking and weeding out the undesirable speculative events, the Government of India has established the Securities and Exchange Board (SEBI) as a non-statutory in 1987. Its primary goal was to curb malpractices and promote transparency in the Indian financial markets. In the year 1992, SEBI was granted statutory powers by the Government of India through the SEBI Act, 1992. Since then SEBI is empowered to take up various responsibilities in the financial market and financial system along with the foremost responsibility of protecting investors' interests and improving awareness among the investors. It regulates the market intermediaries, formulates rules and regulations for the securities market in India, formulates guidelines for mergers and acquisitions, and keeps a hawk eye on market activities with stringent regulations to prevent market manipulation and insider trading. In addition to these functions SEBI also plays a vital role in fostering innovation and growth in the Indian capital market. Besides these, it also works to enhance the market participation of the people of the country which is an important indicator of a healthy investment scenario.

It seems that the India of today is at an inflexion point and hereon, it can only accelerate its journey to the top. This aspiration can only be possible if all stakeholders come together as a community of solvers to put their might behind it. Along with the investment partners the Reserve Bank of India (RBI), the master-in charge of the monetary framework and the SEBI needs to take all necessary steps to keep the financial system clean and upward bounding.India@2047 can firmly glide through the expressway of a developed economy.

Writer is former Senior Project Associate
HSS Department, IIT Kanpur

(Views expressed are personal)

Governor's Statement : 6 October 2023
(Excerpts)

Para 1: Kautilya in his Arthashastra more than two thousand years ago, had said: "stability enables a state not only to share its wealth equitably but also augment it".1 These words are relevant even today. In fact, they have eternal validity.

Macroeconomic stability and inclusive growth are the fundamental principles underlying a country's progress. The policy mix that we have pursued during the recent years of multiple and unparalleled shocks has fostered macroeconomic and financial stability. The external sector also remains eminently manageable.

The twin balance sheet stress that was encountered a decade ago has now been replaced by a twin balance sheet advantage with healthier balance sheets of both banks and corporates. India is poised to become the new growth engine of the world.

Para 3: The Monetary Policy Committee (MPC) decided unanimously to keep the policy repo rate unchanged at 6.50 per cent. Consequently, the standing deposit facility (SDF) rate remains at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.

The MPC also decided by a majority of 5 out of 6 members to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

SEBI Complaints Redress System (SCORES)

What is SCORES?

SCORES is an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies and SEBI registered intermediaries. All complaints received by SEBI against listed companies and SEBI registered intermediaries are dealt through SCORES.

Which are the complaints that come under the purview of SEBI?

Complaints arising out of issues that are covered under SEBI Act, Securities Contract Regulation Act, Depositories Act and rules and regulation made there under and relevant provisions of Companies Act, 2013.

What mandatory information is required for lodging investor's complaints on SCORES?

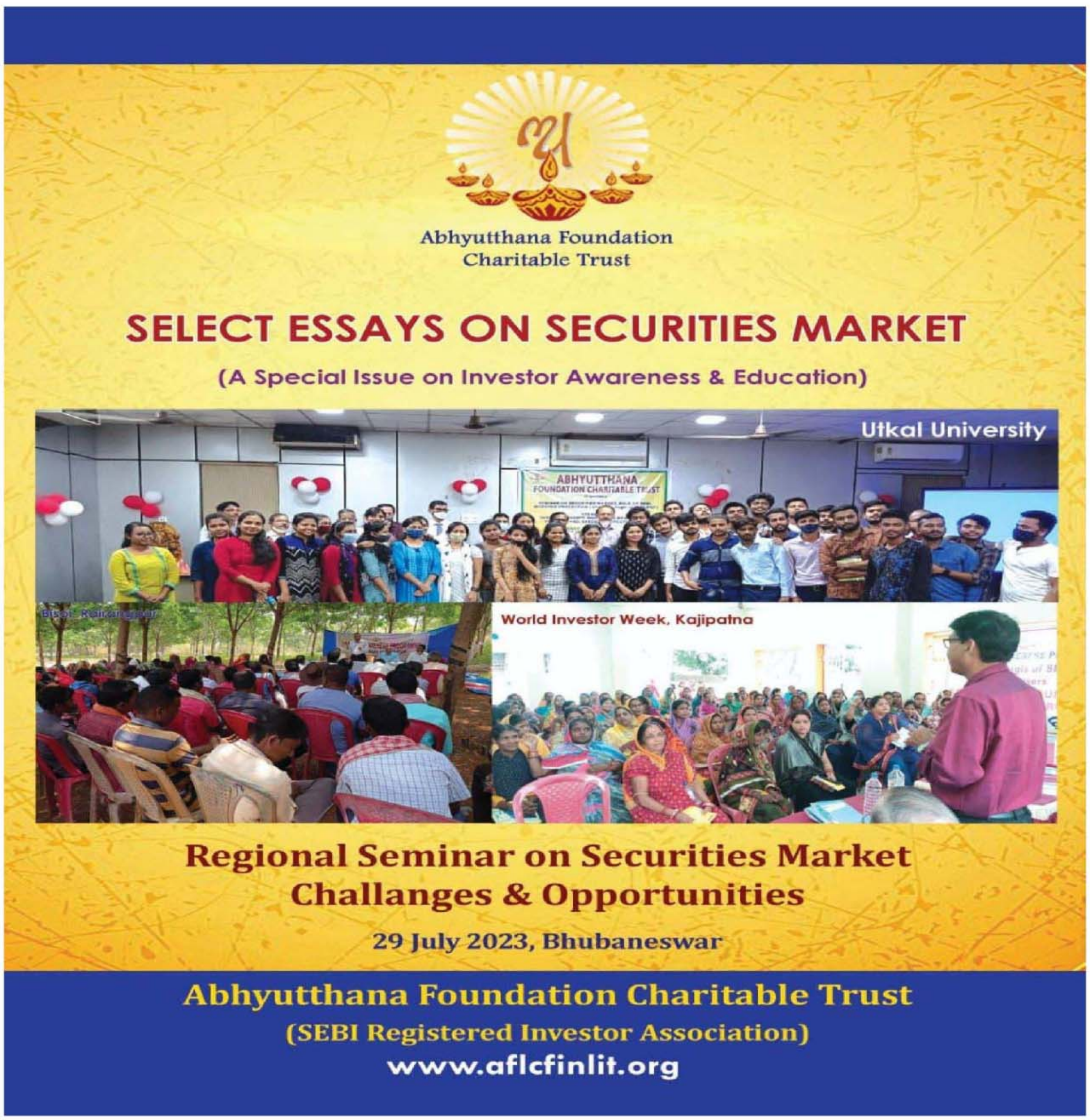
For lodging a complaint on SCORES, the following personal information has to be mandatorily provided by investors/complainants: a. Name b. Address c. E-mail Address d. PAN and e. Mobile Number If any of the above information is not provided by the investor, the investor shall not be able to lodge a complaint on SCORES.

SELECT ESSAYS ON SECURITIES MARKET

The Trust brought out a special issue titled "Select Essays on Securities Market" to mark the occasion of "Regional Seminar on Securities Market", which was organised at GeetagovindSadan, (State Information Centre), Bhubaneswar, on 29 July 2023.

The Special issue contains articles contributed by eminent bankers and experienced persons in the field of finance, securities market. The topics include Capital market in India, Capital asset Pricing mechanism (CAPM), Demystifying stock Market, Foreign Portfolio Investment, Investments in Government Securities, Mutual funds in India, gold as vehicle of investment, Financial inclusion –the way Forward.

(For a Soft copy please contact : abhyutthana@gmail.com)



OUR FOCUS

The Trust has conducted a good number of Investor Awareness Programmes empowering youth and women. In the Programmes our Resource Persons highlight need for saving and investment in good products and avoiding Ponzi Schemes. The participants are sensitised against cyber risks .

Readers' Corner

Readers are encouraged to mail their comments, Feedback, views to Editor:

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Published by

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