

NEWSLETTER

Volume No: 23 | November 2023

From Director's Desk

Two recent decisions of the Ministry of Corporate Affairs, if implemented in spirit, may have far-reaching implications on the governance landscape of the Indian corporate sector. They are i) [reporting of beneficial interest for limited liability partnership](#) ii) [dematerialisation of the securities of private companies](#). Though the media has reported these notifications, there are no substantive analysis of the implications of these important new measures, in public domain.

Ever since the enactment of LLP Act in 2008, LLP has become probably the most preferred legal entity form of business in India. As on 31st August, 2022, there were 2.52 lacs LLPs registered in India. Juxtaposing an average monthly number of 20000, based on additional registrations of 82628 LLP approvals during April-July, 2023, total number of LLPs could be around 5 lacs as on date. This is a big number and monitoring their compliance itself is a huge task for the Registrar of Companies [RoC].

Monitoring compliance [within 18 months] of dematerialization of the securities of private companies which are about 1.5 million is an equally onerous task. Even if 'small companies' as defined under section 2(85) of the Companies Act, 2013 [which are about 3.3 lac] are excluded as provided for, more than 1.15 million companies have to dematerialise their securities. The exact provision under the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 reads: "9B. Issue of securities in dematerialised form by private companies:- (1) Every private company, other than a small company, shall within the period referred to in sub-rule (2) - (a) issue the securities only in dematerialised form; and (b) facilitate dematerialisation of all its securities, in accordance with provisions of the Depositories Act, 1996 (22 of 1996) and regulations made thereunder".

Both the above stated decisions are important milestones for promoting transparency and governance in the corporate sector. They assume greater significance in the context of governance concerns by large unlisted companies and other forms of business entities. However, mandating greater disclosures or dematerialisation and other tasks is only the first step. Monitoring and ensuring compliance is the next step. Further, beneficial ownership of LLPs and their linkages with the corporate-financial sector needs to be analysed in-depth, which needs considerable regulatory capability and dexterity. That is where the regulators [in the instant case the RoC] get tested. For reaching the desired goals considerable scaling up of the regulatory capacity and capability of the RoC is essential.

Dr. CKG Nair
Director, NISM

India: Macro-finance Data

				% Chg in last 1 yr	% Chg in last 3 yr
As On	31-10-2023	31-10-2022	30-10-2020		
Nifty	19079.6	18012.2	11642.4	5.9	63.9
Sensex	63874.9	60746.6	39614.1	5.1	61.2
Nifty P/E	20.6	21.7	25.3		
Sensex P/E	21.4	22.9	25.7		
RBI Rate (%)	6.5	5.9	4		
10 Yr G Sec (GoI) %	7.35	7.44	5.88		
INR USD	83.2	82.7	74.1	-0.57	-12.33
GST Collection (Rs lakh crore)	1.72	1.51	0.95	13.2	81.1
GDP growth rate %	7.82	6.2	-5.72		
Export growth rate %, yoy	-2.62	-16.64	5.9		
Import growth rate %, yoy	-15.04	5.7	-19.04		
CPI (Consumer Price Index) %	5.02	6.77	7.27		
WPI (Wholesale Price Index) %	-0.26	8.67	1.32		
BSE Mkt Cap Rs Lac Cr	311	279	157	11.3	97.2
NSE Mkt Cap Rs Lac Cr	308	277	155	11.2	98.1

Source: Bloomberg

Win attractive prizes by answering simple Quiz.

Details in inside pages....

Congratulation to the Lucky Winners of NISM Newsletter Quiz October 2023:

- Prajakata Patil
- Ankita Gupta
- Rajnikant Gajjar

India's Q2 GDP number will surprise everyone: RBI Governor

RBI Governor Shaktikanta Das said the growth momentum in the economy continues to be strong, and that the GDP [number](#) for the second quarter will surprise everyone on the upside. Das said that geopolitical uncertainty is the biggest risk to global [growth](#) but mentioned that India is better placed to deal with any potentially risky situation.

India recorded [GDP](#) growth of 7.8% during the April-June period of 2023-24, the highest in the past four quarters, on the back of double-digit expansion in the services sector, retaining its position as the world's fastest-growing major economy.

The Gross Domestic Product (GDP) recorded a growth of 13.1 per cent in the first quarter (Q1) of 2022-23, 6.2 per cent in the second, 4.5 per cent in the third and 6.1 per cent in the last quarter. The expansion in 'financial, real estate and professional services' GVA was 12.2 per cent, up from 8.5 per cent in the year-ago quarter.

1. India's eight core sectors' output grows 8.1% in September 2023

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The index of eight core industries (ICI) in India saw a growth of 8.1% in September 2023 on an annual basis. The index had grown 12.1 per cent in August 2023. The production of coal, steel, electricity, natural gas, refinery products, cement and fertilizers recorded positive growth in September 2023 over the corresponding month of last year.

2. GST collection in October rises 13% to Rs 1.72 lakh crore

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At Rs 1.72 lakh crore, the Goods and Services Tax (GST) collection in October 2023 was second highest ever. The GST collection in October rose 13% on an annual basis. Average gross monthly GST collection in FY24 now stands at Rs 1.66 lakh crore, 11% higher YoY.

3. India's Manufacturing PMI was at 55.5 in October 2023

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The India Manufacturing Purchasing Managers' Index stood at 55.5 in October. A print above 50 means expansion, while a reading below 50 indicates contraction. Output continued to increase in October, stretching the current sequence of expansion to over two years.

4. WPI inflation stays in the negative in September 2023

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India's Wholesale Price Index (WPI) inflation rose in September but remained negative for the sixth consecutive month. But at -0.26%, it is now close to positive territory, thanks to fuel, power and manufactured product prices.

5. India's UPI transactions scale new high in Oct; clock Rs 17.2 tr. in value

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Unified Payments Interface (UPI) transactions saw their highest-ever value in October, touching Rs 17.16 trillion, up 9 per cent compared to Rs 15.8 trillion in September. In volume terms, too, transactions touched a new high at 11.41 billion, up 8 per cent compared to 10.56 billion in September.

6. India's fiscal deficit for April-Sept at ₹7.02 lakh crore, widens to 39.3% of FY24 target

India's fiscal deficit for the first six months of this fiscal year through September stood at ₹7.02 lakh crore, or 39.3% of annual estimates. It was ₹6.19 lakh crore during the corresponding period of last fiscal.

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CORPORATE WORLD

1. MCA enforces beneficial interest reporting regime for LLPs

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The Corporate Affairs Ministry (MCA) has amended the LLP rules to make it mandatory for every person holding or acquiring a 'beneficial interest' in the contribution of partner (to an LLP) to declare such interest to the LLP, who in turn has to file a return with the Registrar of Companies (RoCs) on this front.

2. Govt to extend 25% public float exemption for LIC much beyond current 5 years

The government is planning to extend the exemption given to LIC from meeting the 25% public shareholding norm, much beyond the five years given by SEBI to large cap companies. Companies also have to meet 10% of the MPS norm within two years of listing, despite the overall five-year exemption. With LIC offloading 3.5% stake in May last year and one and a half years already gone since the listing, it is impossible for the company to dilute another 6.5% stake by May 2024.

[Read more](#)

3. Remuneration to a director for providing corporate guarantee to be taxed under GST

Remuneration or consideration received, directly/indirectly by a serving or separated director, for providing corporate guarantee will be treated as taxable value for GST. The parent company's corporate guarantee to its subsidiary for a bank loan will also attract 18% GST. However, there will be no GST if a director provides a personal guarantee for a loan from a bank or any financial institution to own company.

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4. MCA's big reform mandates dematerialisation for private companies

India has taken another giant stride in enhancing the integrity of its financial markets with the Corporate Affairs Ministry (MCA) now mandating private companies to go in for dematerialisation of their securities.

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REGULATORY DEVELOPMENTS

1. SEBI eases norms for mandatory bond issuances, announces incentives for surplus

LCs that have a shortfall will be disincentivized by being asked to pay an additional contribution to the Core Settlement Fund. SEBI has been trying to deepen the corporate bond market, and this circular is in line with that effort, to ease the framework for fundraising by issuing debt securities by LCs.

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2. SEBI revamps format of offer documents of mutual fund schemes

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To streamline the dissemination of relevant information to investors, the Securities and Exchange Board of India (SEBI) has revised the format used by asset management companies (AMCs) for filing offer documents of mutual fund schemes. Notable changes are in the section, 'summary of the scheme' where the AMC needs to highlight the name of the benchmark of the scheme and provide justification (specific to the scheme objective) for the use of benchmark index with which the performance of the scheme can be compared with.

[Read more](#)

3. SEBI expands the scope of achieving minimum public unitholding requirement in InvITs

Sebi has recently revised a manner of achieving minimum public unitholding requirements for infrastructure investment trusts (InvITs). There are already nine different methods to achieve minimum public unitholding requirement for infra investment trusts which were prescribed in a master circular dated July 6, 2023.

4. SEBI releases fresh set of guidelines for Anti-money laundering

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SEBI released a set of amendments on anti-money laundering standards and combating the financing of terrorism. These guidelines relate to the rules framed under the prevention of money laundering Act 2002.

5. RBI initiates pilot run to test e-rupee for inter-bank borrowing

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The pilot is believed to have been introduced via the nine banks already part of the g-sec pilot. I the retail CBDC target of touching 10 lakh transactions per day by December 2023 is under way. RBI had launched the wholesale CBDC pilot for settlement in the secondary government securities market in November 2022, and later the retail CBDC pilot for P2P and P2M transactions in December 2022.

6. SEBI speeds up NFO approval process, move to boost new players

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Industry players said the pendency of applications has reduced drastically compared to 2022. In several cases, NFOs have managed to obtain regulatory clearances in less than a month. The SEBI has sped up the process of clearing applications for raising funds via mutual funds (MFs) new fund offers (NFOs).

7. Investor protection: AMFI prescribes norms for mutual fund ads

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The AMFI has made it mandatory for mutual funds to display only the 10-year compounded annual rolling returns prescribed by it in non-scheme related pamphlets and advertisements.

8. IBBI proposes new measures to improve corporate insolvency process efficiency

IBBI has come up with slew of proposals to ensure timely resolution and higher realizations in corporate insolvency resolution process (CIRP). The measures outlined in a new IBBI discussion paper include seeking CoC approval for operational expenses, holding regular CoC meetings, etc.

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9. RBI to oversee all cross-border payment services

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RBI has brought under its direct regulation all entities facilitating cross-border payments for import and export of goods and services. Such entities will be termed as Payment Aggregator-Cross Border (PA-CB)

10. PFRDA makes 'penny drop' verification mandatory for NPS fund withdrawal

The validity of the account is verified by making a 'test transaction' by dropping a small amount into the beneficiary's bank account and matching the name based on the penny drop response

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DEVELOPMENTS IN RELATED AREAS

1. Net FDI, FPI and FII data (2022-2023)

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FDI, FPI and FII data are out for ready reference in RBI Bulletin for October 2023 with estimates of latest months along with debt transactions of FDI enterprises – point 34 under Foreign Investment Inflows.

2. Foreign Portfolio Investors pull out over \$5 billion from India's equity markets in two months

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In line with the global trends and surging US bond yields have prompted foreign portfolio investors (FPIs) to cut their exposure further in October. After withdrawing \$2.3 billion in September, FPIs have sold domestic shares worth about \$2.6 billion in October, taking the two-month outflow to \$5 billion.

3. Premiums of general insurance companies rise 13.65% in October 2023

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Aided by healthy growth across segments, the monthly premiums of non-life insurance companies grew by 13.65% in October this year to Rs 23,814.64 crore, up from Rs 20,954.89 crore in the same period in 2022.

4. Oil imports decline 29% in April-September 2023

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The average cost of imported oil fell about 20.6% to \$82.34 a barrel in the six months to September from \$103.68 in the same period in 2022. India's crude oil imports fell 29% year-on-year to \$63.4 billion in the first half of 2023-24, with a declining trend in the average monthly oil import bill.

GLOBAL FINANCIAL DEVELOPMENTS

Fed keeps rates unchanged, hedges on possible end of tightening campaign

The Federal Reserve [held](#) interest rates steady as policymakers struggled to determine whether financial conditions may be tight enough already to control inflation, or whether an [economy](#) that continues to outperform expectations may need still more restraint.

The situation remained something of a riddle, with U.S. central bank officials willing to raise rates again if progress on [inflation](#) stalls, wary that a rise in market-based interest rates may begin to weigh on the economy in a significant way, and trying not to disrupt, any more than necessary, an ongoing dynamic of steady job and wage growth.

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1. U.S. GDP grew at a 4.9% annual pace in the third quarter, better than expected

Gross domestic product, a measure of all goods and services produced in the U.S., rose at a 4.9% annualized pace in the third quarter, ahead of the 4.7% estimate. The sharp increase came due to contributions from consumer spending, increased inventories, exports, residential investment and government spending.

2. European Central Bank holds interest rates steady after 10 consecutive hikes

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The European Central Bank's key interest rate will remain at 4% as it opted to pause in October 2023 after 10 consecutive hikes. The ECB repeated that rates at current levels would help bring inflation to target if maintained for a sufficiently long duration.

3. Japan compiles \$113 billion package to cushion inflation

[Read more](#)

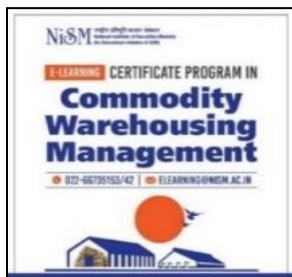
Japan's government compiled a package of measures to cushion the economic blow from inflation that will involve spending of more than 17 trillion yen (\$113 billion), a move that could worsen the country's already tattered finances. To fund part of the spending, the government will compile a supplementary budget for the current fiscal year of 13.1 trillion yen, according to the plan approved by the cabinet.

4. China's Economy Shows Fresh Signs of Slowing

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China's economy suffered a setback as factory orders shrank and construction activity slowed, reigniting growth concerns just as activity appeared to be stabilizing. The closely watched surveys show the world's second-largest economy isn't out of the woods as it contends with challenges including a slowdown in growth overseas and a drawn-out property bust at home.

NISM PROGRAMS



Certificate Program in Commodity Warehousing Management: This e-learning program aims to train the participants with the best practices in the warehousing management industry. The course would enable passionate professionals to handle all functions related to warehousing right from good practices in the commodity eco-system such as storage, price stabilization, minimization of risk, financing, grading and packing.

[Read more](#)

NISM Series-XX: Taxation in Securities Markets Certification Examination:

This certification examination seeks to create knowledge amongst market participants about the different taxation aspects in the Securities Markets. The certification provides insights on the basics of the Indian Securities Market-Structure, products and features.

The Certification covers various concepts and definition of tax as per the Income Tax Act, taxation of various products and intermediaries in the Securities Markets, Tax aspects in IFSC, etc.



NISM & CRISIL certified e-learning programme

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NISM & CRISIL Certified Credit Underwriter Programme and Wealth Manager is designed to hone skills to shape critical financial outcomes. The course has been tailored with the perfect balance of conceptual learning, case studies, data trends and examples resulting in a practitioner-oriented approach to learning.

Registration open - The Fourth Annual International Capital Markets Conference 2023



NISM along with the Systemic Risk Centre (SRC) of the **London School of Economics (LSE)** is organizing the Fourth Annual International Capital Markets Conference 2023 on “Securities Market: Governance, Instruments and Regulations for Sustainable Development”. The conference, sponsored by State Bank of India, will be held in Mumbai at the NISM campus on 14-15 December, 2023. [Read more](#)

Call for Papers - 5th SEBI-NISM Research Conference



SEBI and NISM are glad to invite academicians, researchers, policymakers, regulators, students and other stakeholders to participate in the Fifth SEBI-NISM Research Conference on “Sustained Capital Formation – The Way Forward”. The conference is to be held during March 14-15, 2024 in physical mode at NISM Campus, Patalganga. [Read more](#)

Online Certificate Course in Investment Management (Advanced Level)

The banner features the NISM logo on the left, the CCIM logo in the center, and a piggy bank with a hand dropping a coin on the right. A red starburst graphic contains the text 'Advanced Level' and 'Last date to apply: Sept. 28, 2023'. A QR code is located on the right side. The text 'Online Certificate Course in INVESTMENT MANAGEMENT' is prominently displayed in the center. Below the main text, it says '(With Exclusive Hands on Trading in Algo and Trading Analytics Lab)'. The URL 'https://www.nism.ac.in/ccim/' is at the bottom right.

The CCIM Advanced course is designed to provide participants with advanced knowledge and skills in investment decision-making, focusing on equities and equity derivatives. It is an online weekend program with instructor-led sessions and hands-on experience in live markets. Eligibility criteria include prior completion of the Basic Level or one of the relevant NISM Certifications. The course covers stock selection, technical analysis, derivatives trading strategies, and more, preparing participants for success in dynamic investment environments. The Advanced Level course fee is ₹20,000 plus 18% GST, with admissions open until November 30, 2023. [Read more](#)

AML – Professional in Securities Markets (APSM)

The banner features the NISM logo on the left, the APSM logo in the center, and a globe with a magnifying glass on the right. A QR code is located on the right side. The text 'AML Professional in Securities Markets (APSM)' is prominently displayed in the center. The URL 'bit.ly/aml-apsm' is at the bottom right.

Money laundering poses a significant threat to the integrity and stability of the global financial system. It involves the process of concealing the origins of illicitly obtained funds and making them appear legitimate. The Anti Money Laundering Professional in Securities Market course is structured to provide a holistic view of the AML landscape, focusing specifically on the securities market. Whether one is an industry professional looking to enhance knowledge and skills or a student aspiring to build a career in this field, this course has the expertise required to fulfil the crucial role of an AML professional.

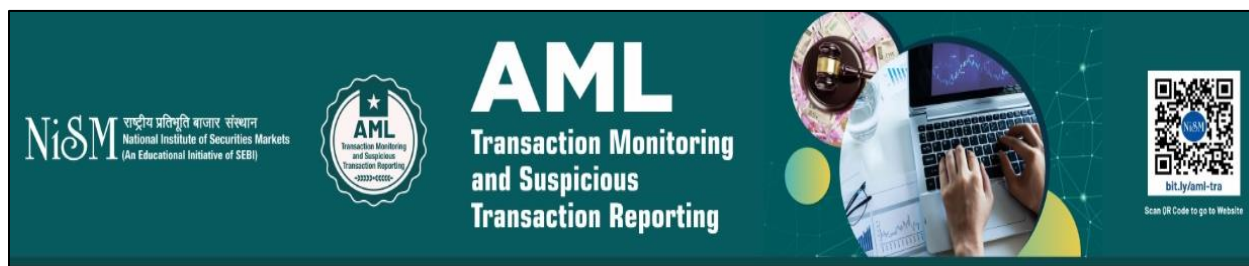
AML – KYC and Customer Due Diligence

The banner features the NISM logo on the left, the KYC and Customer Due Diligence logo in the center, and a magnifying glass over a document on the right. A QR code is located on the right side. The text 'AML KYC and Customer Due Diligence' is prominently displayed in the center. The URL 'bit.ly/aml-kyc' is at the bottom right.

Know Your Clients (KYC) and Customer Due Diligence (CDD) forms the edifice on which the entire structure of AML Framework stands. The purpose of AML deals with identifying those customers who resort to illegitimate process of cleansing the ill-gotten wealth. The Course on KYC and Customer Due Diligence offers a comprehensive curriculum that explores the regulatory requirements and best practices

for establishing robust KYC processes. Throughout this course, one will learn the essential components of an effective KYC program, including customer identification, verification procedures, risk assessment, and ongoing monitoring. One will understand the significance of accurate record-keeping, proper documentation, and adherence to anti-money laundering (AML) regulations in the KYC process.

AML – Transaction Monitoring and Suspicious Transaction Reporting



Transaction Monitoring and Suspicious Transaction Reporting eLearning course, developed by the NISM, is comprehensively designed to equip one with the knowledge and skills necessary to effectively monitor transactions and report suspicious activities in the securities market. The Transaction Monitoring and Suspicious Transaction Reporting course offers a deep dive into the principles, methodologies, and best practices involved in monitoring transactions effectively. It provides insights into the regulatory framework and guidelines governing transaction monitoring and reporting in the securities market. [Read more](#)

NISM's Hands-on MDPs on Technical Analysis and Derivative Strategies: This course will help participants unleash their full potential in stock market investing and trading. It will help discover powerful insights from industry experts, elevate their financial knowledge, and equip them for future challenges. Whether the participants are seasoned traders or new to the world of financial markets, this program will provide them with valuable knowledge and practical skills. Join us to unlock the potential and make informed trading decisions in today's dynamic financial landscape. Now offered in Hybrid Mode - with offline training at NISM - Navi Mumbai. Seats are limited, so secure your spot now! [Read more](#)



FDP on Fast Evolving Indian Securities Markets



NISM present a comprehensive refresher program designed to equip participants with the essential skills and knowledge needed to navigate the rapidly evolving landscape of the Indian Securities Markets. This refresher program covers understanding the market, managing money smartly, dealing with personal finance, and making wise investments. It also explains how to manage risks, plan for retirement, so you can be ready to make smart decisions for your financial future. [Read more](#)

Personal Finance Lessons from Ramayana

The ancient Indian epic, the Ramayana, offers profound insights that can be applied to personal finance and money management. While the Ramayana primarily focuses on themes of righteousness, dharma, and the battle between good and evil, there are valuable lessons related to personal finance that can be derived from its narratives:

1. **Financial Planning and Prudence:** Like how King Dasharatha's decision to pass on his kingdom to Rama was a planned succession, individuals should engage in financial planning. Planning ahead, setting financial goals, and making prudent decisions can secure one's financial future.
2. **Importance of Contingency Planning** – Despite being the heir apparent to Ayodhya kingdom, Rama had to undergo exile. Always plan for financial contingencies.
3. **Duty and Responsibility:** Rama's unwavering commitment to fulfill his duty despite the challenges reflects the importance of responsibility in personal finance. Meeting financial obligations, paying off debts, and managing finances responsibly is crucial for stability and growth.
4. **Secure your life** – Lord Hanuman helped to revive Laxmana by bringing Sanjeevani in time. Always take enough health and life insurance as your Sanjeevani for hard times.
5. **Wealth Management and Moderation:** Ravana's downfall despite his immense wealth signifies that wealth alone doesn't guarantee happiness. The lessons here relate to the importance of managing wealth wisely, avoiding unnecessary greed, and practicing moderation in spending and investing.
6. **Value of Allies and Advisors:** Rama's reliance on allies like Hanuman and Sugriva demonstrates the significance of seeking support. In personal finance, seeking advice from financial advisors or mentors can provide valuable insights for making sound financial decisions. Always seek advice from registered financial advisors.
7. **Consequences of Impulsive Decisions:** The events surrounding the abduction of Sita due to Ravana's impulsive actions signify the repercussions of impulsive decision-making. Likewise, in personal finance, impulsive spending or investment decisions can lead to financial troubles.

The Ramayana's stories and characters offer deep wisdom and insights applicable to various aspects of life, including personal finance. Applying these lessons can help in making informed financial decisions, managing money prudently, and maintaining a balanced and prosperous financial life.

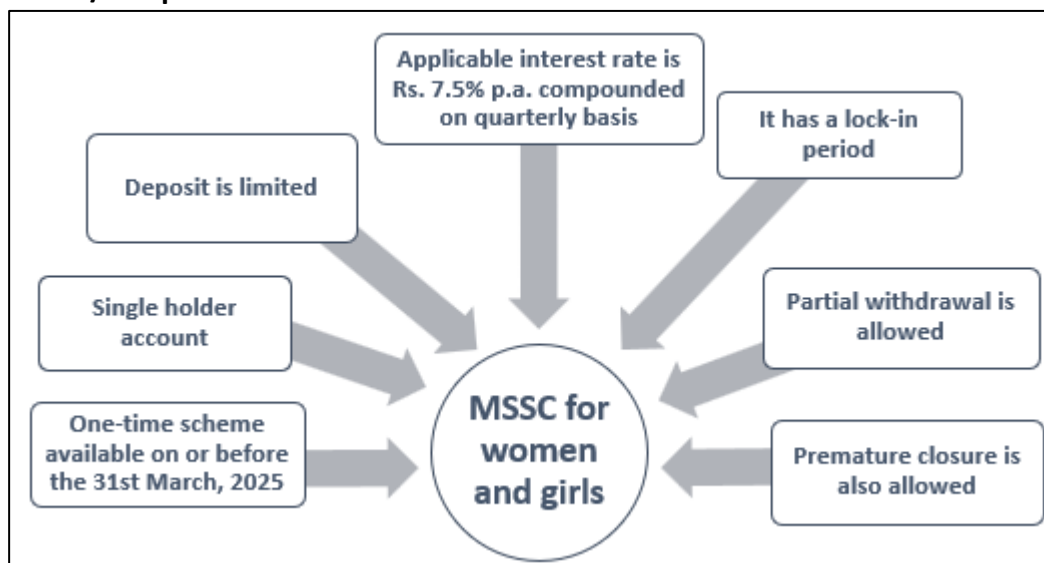
-Contributed by Mr. Kuldeep Thareja, NISM

Mahila Samman Saving Certificate Scheme

Under the Government Savings Promotion Act, 1873, the Government of India (GOI) has introduced the Mahila Samman Savings Certificate (MSSC), 2023 in Union Budget 2023-24. The MSSC scheme is in force since April 01, 2023 through the Department of Post. However, the Department of Economic Affairs, Ministry of Finance, GOI, through an e-gazette notification issued on June 27, 2023, permitted all Public Sector Banks and eligible Private Sector Banks to implement and operationalise the MSSC, 2023. These banks are known as Authorised Banks.

The principal aim of this scheme is to increase participation of women in investments and provide them financial security.

Key features/components of the scheme



1. **Deposit amount** under this scheme is limited. The minimum limit of Rs. 1000 in multiples of rupees one hundred and Maximum of Rs. 2 Lakhs is permitted for investment in the scheme.
2. **The Maturity period/Lock-in period** of the scheme is 2 years from the date of opening of the account. However, the account holder can withdraw up to 40% of the account balance after one year from the account opening date as partial withdrawal.
3. MSSC is a **government-supported scheme** which offers a guaranteed rate of return i.e. 7.5% p.a. compounded on quarterly basis and credited to the account, hence it is safe from the market risk/credit risk.
4. There is a **provision of multiple account opening** under this scheme with a condition that a woman can open a second MSSC account after a minimum gap of three months from the opening of the existing account.
5. **Premature closure** of an account may be permitted, any time after the completion of 6 months from the date of opening of an Account on an application in Form-4 for any reason other than the following:
 - on the death of the account holder
 - in cases of extreme compassionate grounds such as:
 - medical support in life-threatening diseases of the account holder or;
 - death of the guardian, that the operation or continuation of the account is causing undue hardship to the account holderIn such circumstances, the interest on principal amount will be payable at the rate applicable to the Scheme. On the other side, in the former case i.e. on premature closure after completion of 6 month, the interest rate will be reduced by 2% and payable will be 5.5%.
6. **How to avail this scheme:** The account opening application shall be made by a woman for herself, or by the guardian on behalf of a minor girl through any of the following entities:
 - i. India Post: Apply by filing the Form-I at any Post office.
 - ii. Authorised Banks: Currently following banks are offering the MSSC Scheme:
 - Bank of Baroda
 - Canara Bank
 - Bank of India

- Punjab National Bank
- Union Bank of India
- Central Bank of India

7. List of documents required for opening MSSC account:

- Mahila Samman Savings Certificate Account Opening Form
- KYC documents (Aadhaar and PAN card)
- KYC form for the new account holder
- Following are valid documents for the purpose of identification and address proof
 - o Passport
 - o Driving License
 - o Voter's ID Card
 - o Job card issued by NREGA signed by the State Government officer
 - o Letter issued by the National Population Register containing details of name and address

8. **Agency Charges:** The following agency charges will be payable to Department of Posts and Authorised Banks for operation of this scheme:

Sl. No.	Type of transaction	Charges payable (in rupees)
1	Receipt Physical Mode	40
2	Receipt e-mode	9
3	Payments	6.5 paise per Rs. 100 turnovers

As on October 2023, 18,08,710 accounts amounting to Rs. 11546 Crores have been opened across the country (PIB). For more details of the MSSC scheme, [click here](#).

-Contributed by Ms. Kiranjit Kaur Kalsi, NISM

Saving early, spending thriftily, and investing quickly!

Saving is not possible with the Little Income. Why should I save? Money has wings. Nobody knows that I will live or die tomorrow. People will have diabetes, high blood pressure, etc. That's why it is better to live today than worry about the future. Whatever you do, you cannot hold money for a longer time period. Money is all about Luck. You must have heard so many thoughts regarding savings.

Saving is not dependent on your income. On the other hand, expenditure is dependent on your income. Generally, if you earn ₹1,000 or ₹1,00,000, your savings can't be more but expenditure will be more because you want to feel the richness of your hard work then and there. You would want to do all the activities that the rich people do. Standard of Living will be upgraded like the mouth of *Surasa* in the *Ramayana*. You will buy a two-wheeler or four-wheeler rather than using public transport, start eating at restaurants rather than homemade food, go to the mall at least once a week rather than using local stores as per your need, watch the first-day first show of most of the movies in theatres rather than waiting for few specific movies on free online platforms, buy big home near to posh area rather than using rented house in average locality, holiday trips to all possible places in the world than visiting the nearby similar places of your interest. Yeah! Your mind made you believe that you are rich now with these show-offs. Are you actually rich in terms of money or happiness? You may be feeling rich or happy because of the likes and praises of pics and clips by your relatives, friends, colleagues or the people whom you either don't admire or are not admired by you.

By and large, you earned this temporary richness by sacrificing the money that can be used for the bigger work. For example, expenditure on retirement planning, medical emergency, unforeseen contingency, higher education of your progenies, etc. and last but not the least upgrading your standard of living in a gradual manner by creating multiple sources of income or assets. Kindly inculcate this statement in your

mind that the real rich people create assets and reap the benefits from the profits gained by those assets in the long term rather than spending salary to feel the temporary richness. How will I have money to make assets?

The very first thing you should understand is that Saving is a habit. To read the newspaper daily, you need to practice it by picking the newspaper and starting with the first page headings then all page's headings the next day then the first page first article the next day and so on. You may miss reading sometimes but you have to order your mind to read again. After some days, weeks, months, or years, you will be restless without reading the Newspaper. It is your habit now. Similarly, you have to learn the art of saving to make it your habit. At first, you should allocate a fixed percentage of income for saving after getting the salary then think about expenditure. In reality, most of us have big planning of expenditures for our upcoming salary. We have to mend our bad habits.

In earlier days, our grandmother used to save some small packets of poly sugar bags in the gaps or narrow holes in walls. Whenever the guest comes all of a sudden, those reputation-saving small sugar bags provide the extra sweetness to tea. I mean to say that saving can't be done in the form of money only, saving can be done in the form of commodities also. Buy the items as per your requirement, don't waste anything, and manage your household expenditures properly. But how will we manage those expenditures? We can't remember our six months' expenditure.

You must have remembered the mutilated diary of your grandfather. He used to write all the expenditure daily after coming from the market. Noting small expenditures like ₹1 for chocolates, ₹2 for tea and ₹5 for vegetables, etc. in the ripped and soiled pages of the diary. You can start from here. It will help you to rid of extra spending which you may not think about.

-Contributed by Mr. Ashutosh Kumar, NISM

NISM NEWS



Address by Hon'ble Justice B. N. Srikrishna for Students & Faculty Members of NISM:

Justice B. N. Srikrishna, Former Judge, Supreme Court of India addressed NISM students and faculty members on November 08, 2023. The main theme of his address was convergence of financial regulations & technology with special emphasis on data privacy.

Address by Ravi Varanasi for Students & Faculty Members of NISM



Mr. Ravi Varanasi, Former SVP, NSE addressed NISM students and faculty members on November 09, 2023. The topic of the session was Market micro-structure theory – The global perspective.

10th Convocation of NISM



NISM organised its 10th Convocation on Monday, October 23, 2023 at NISM main campus, at Patalganga. The Chief Guest for the Convocation was **Shri K.V. Kamath**, Chairman, National Bank for Financing Infrastructure and Development (NaBFID) and Jio Financial Services. Ms. **Madhabi Puri Buch**, Chairperson, NISM Board and Securities and Exchange Board of India (SEBI), presided over the ceremony. Director, NISM Dr. CKG Nair and Registrar of NISM, Shri Sunil Kadam also wished the graduating students on the occasion. Shri G.P. Garg, ED SEBI, faculty members and other officials of NISM, dignitaries from SBI, Canara Bank, officials from SEBI and several other guests were present on the occasion.

Answer questions of the quiz to win attractive prizes.

NISM Newsletter Quiz

Three lucky winners who give all correct answers will be given complimentary subscription to NISM's e-learning module on Securities Market Primer.

▪ Last date to participate is November 30, 2023

#Terms and condition apply.

FOOD FOR THOUGHT – FROM NISM BRAINS

- **Dr. CKG Nair & Dr. M. S. Sahoo:** “When the regulated become the regulator” featured in Business Standard on October 25, 2023. [Read more](#)

Effectively involving the regulated entities in the regulation-making process and crowd-sourcing ideas help create a better-governed market economy. The regulator should periodically examine proposals coming from stakeholders and publicly comment on those proposals, similar to how public comments on draft regulations are sought by the regulator.

- **Dr. Rachana Baid:** “Passive fund Investments: Tracking the divergence in risk versus return” featured in Mint on October 04, 2023. [Read more](#)

For long-term investments, Tracking Difference is likely to be more important than the Tracking Error. In case of short-term investments, Tracking Error could be more relevant; when not sure on the investment horizon, investors will be better off making decision on the basis of Tracking Difference.

- **Dr. Jinesh Panchali:** “Beyond the arm of the law” featured in Financial Express on November 03, 2023. [Read more](#)

If stake consolidation by company in its unlisted subsidiary happens at extreme valuation, there may be need for greater scrutiny than what law provides for. Good governance suggests adequate and material disclosure to justify such pricing. It is recommended that transactions committing significant corporate resources should pass through shareholders’ scrutiny even when not mandated by law.

- **Dr. V. Shunmugam:** “Leverage derivative markets to ensure MSP delivery to farmers” featured in Money Control on October 03, 2023. [Read more](#)

Leveraging derivative markets to deliver the MSP to Indian farmers is a transformative approach that can potentially mitigate the challenges associated with price volatility and income stability in the agricultural sector.

- **Ms. Rasmeet Kohli:** “Time for Indian securities markets to embrace the digital asset era” featured in Mint on November 01, 2023. [Read more](#)

The author talks about the transformation in securities markets through adoption of digital assets. This transformation is enabled through tokenization which deploys software codes to convert ownership rights into digital tokens. These records are stored and managed through blockchain technology or distributed ledger technology (DLT) where ownership records are securely maintained. A four-pronged approach to facilitate establishment of a digital asset regime includes DLT, tokenization, central bank digital currency (for payment aspect of security settlement on DLT-based trading venues) and potential players. India already possesses the necessary technology, what is needed is its effective utilisation. The progression of digital currency initiative is already underway, making this transition viable and a multitude of fintech players are available to help realize this potential. Addressing regulatory amendments is another essential area of focus to pave the way for digital assets to become a reality in India.

- **Ms. Rasmeet Kohli:** “The Atomic Edge: Is the Indian equity market ready to move to T+0 settlement?” featured in Money Control on October 30, 2023. [Read more](#)

The Indian markets are contemplating to move to one-hour settlement, and subsequently, to instantaneous settlement, also referred to as atomic settlement. India has the required tech chops, and is contemplating implementation of ASBA in the secondary market. This, along with UPI, can perhaps make T+0 settlement a reality. But there may be challenges as well.

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