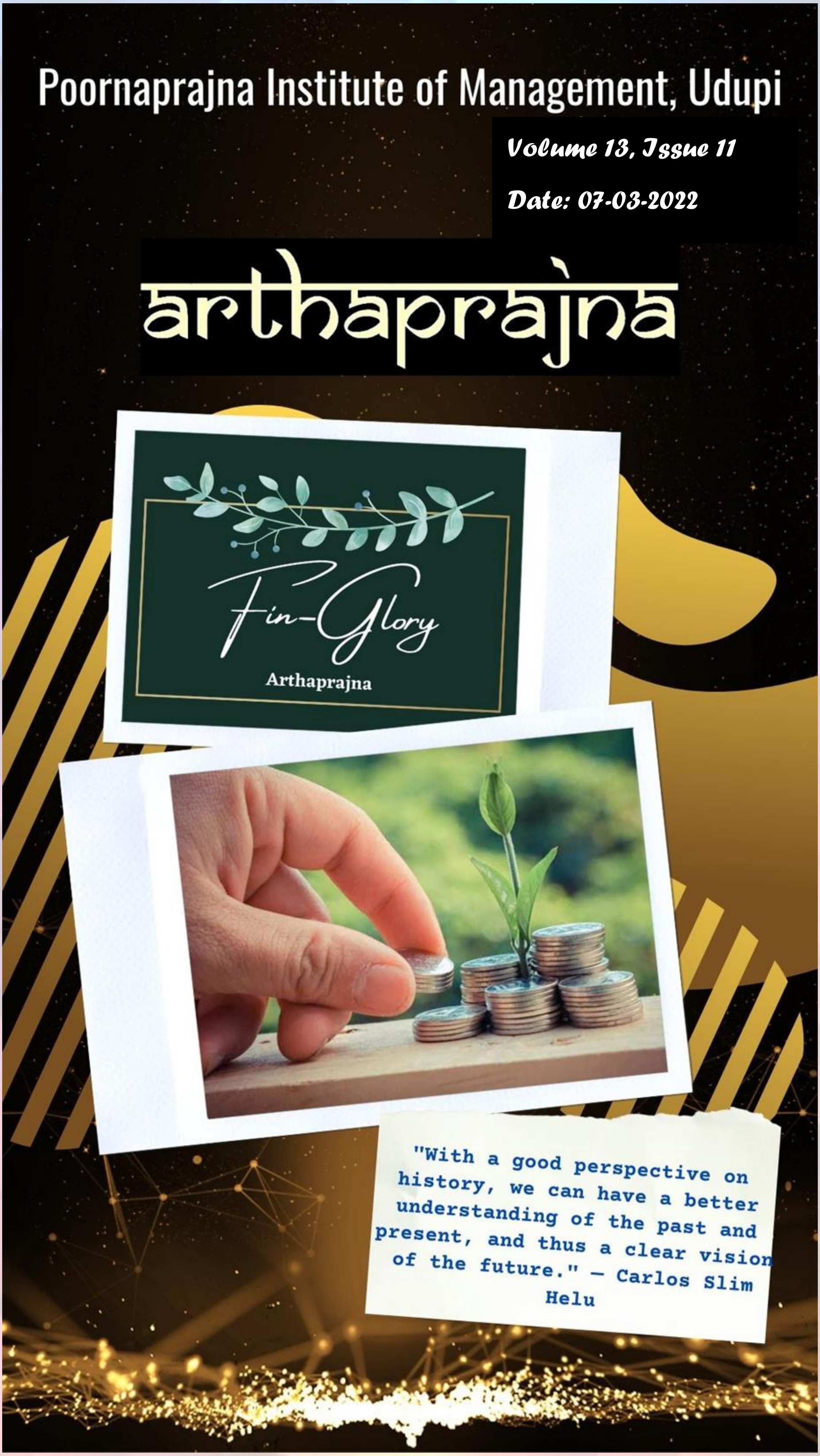
Poornaprajna Institute of Management, Udupi
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arthaprajna
Fin-Glory
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"With a good perspective on history, we can have a better understanding of the past and present, and thus a clear vision of the future." – Carlos Slim Helu

Fin-Glory

FROM THE EDITORS DESK...

Greetings from PIM Family...!

"You cannot escape the responsibility of tomorrow by evading it today."

-Abraham Lincoln

We the members of the finance forum "FINGLORY" extend you all a warm welcome the 11th issue of ARTHAPRAJNA (13).

Fin Unit of this issue discusses the importance of expected risk and return on investment decision making, while the fin-wing column involves analysis of the impact of Russia-Ukraine conflict on Indian Economy.

Legendary American football coach Vince Lombardi once said: "Leaders aren't born; they are made". Fin-Personality unfurls the abilities of one such leader Mr. N.R. Narayana Murthy, the founder of Infosys.

Fin-trend explores the FII, where investors usually include hedge funds, mutual funds, insurance companies and investment banks among others.

At the end we have Fin-Quiz for you to solve and win prizes.

We look forward for your valuable feedback and suggestions at

arthaprajna@pim.ac.in

Warm Regards,

Naveen R.Bhat.

FIN-UNIT

FINANCIAL INVESTMENT

Financial investment refers to putting aside a fixed amount of money and expecting some kind of gain out of it within a stipulated time frame. Planning plays a pivotal role in financial investment. Its careful analysis and focused approach are mandatory before investing. Explore all the investment plans available in the market and assess risk factors carefully before finalizing the plan. Financial investment ensures all dreams turn real to the fullest without actually worrying about the future.

Both individual and companies make financial investment with an intent of maximizing income or earning profit. These investments are held for a specific interval of time called a time horizon. A financial investment is a financial product like a stock that is bought with the goal of making money. Each investment has specific risks, advantages and disadvantages that will determine how and when investors buy or sell them.

Generally speaking, the higher the risk, the higher the reward. As part of the investment strategy investors must determine their risk tolerance by evaluating the different types of investment.

Source: Investopedia

By:

Geetha
2nd MBA

FIN- PERSONALITY

N. R. Narayan Murthy

N. R. Narayan Murthy was born on August 20, 1946, in a middle-class Kannada Brahmin family in Sidlaghatta, Kingdom of Mysore. He proceeded to the National Institute of Engineering after finishing high school and graduated with a degree in electrical engineering in 1967. He graduated from the Indian Institute of Technology Kanpur with a master's degree in 1969.

Murthy worked as a Research Associate for a faculty member at IIM Ahmedabad before becoming the principal systems programmer. He built and implemented a BASIC interpreter for Electronics Corporation of India Limited while working on India's first time-sharing computer system. Softronics is the name of the company he founded. He joined Patni Computer Systems in Pune after the firm failed after roughly a year and a half.

N.R. Narayan Murthy was transformed from a "confused socialist" to a "compassionate capitalist" after a traumatic incident aboard a train in Ni, a border town between what is now Serbia and Bulgaria, in 1974. Infosys was formed in 1981 by Murthy and six software engineers with an initial capital commitment of Rs.10, 000. Murthy and his six software professionals launched Infosys in 1981 with Rs.10, 000 start-up capital investment from his wife Sudha Murthy. Murthy led Infosys as CEO for 21 years, from 1981 to 2002, until being succeeded by co-founder Nandan Nilekani. He conceived, designed, and implemented the Global Delivery Model for outsourcing IT services from India at Infosys. From 2002 until 2006, he served as the board's chairman, following which he became the chief mentor. He left the corporation in August 2011 and was given the title chairman Emeritus.

Murthy serves on the corporate board of HSBC as an independent director and has previously served on the boards of DBS Bank, Unilever, ICICI Bank, and NDTV. He also serves on the advisory boards and councils of several educational and philanthropic organisations, including Cornell University, INSEAD, ESSEC, Ford Foundation, UN Foundation, Indo-British Partnership, Asian Institute of Management, and as a trustee of the Infosys Prize, Princeton Institute for Advanced Study, and the Rhodes Trust. He is a member of British Telecommunications' Asia Pacific advisory board. He co-chaired the Davos World Economic Forum in 2005.

Murthy re-joined Infosys as executive chairman and a director in June 2013. He stepped down as an executive chairman in June 2014 and served as a non-executive chairman until October, when he became chairman emeritus.

Murthy is also a member of the strategic board, which advises Cyril Amar Chand Mangaldas, a national legal firm. He also serves on the International Advisory Board at IESE (IAB). Murthy spoke with Harvard Business Review Ascend in 2016 about "How to Be a Better Manager," sharing lessons learnt from his own experiences.

Fortune magazine has named Murthy one of the top 12 entrepreneurs of all time. For his contributions to outsourcing in India, Time magazine and CNBC have dubbed him the "Father of the Indian IT Sector." Murthy has received the Padma Vibhushan and Padma Shri awards for his achievements. Rishi Sunak, a British Member of Parliament (MP) and Chancellor of the Exchequer, is his son-in-law.

Source: Wikipedia

By:

Sandhya
2nd MBA

FIN- WINGS

IMPACT OF RUSSIA-UKRAINE CONFLICT ON INDIAN ECONOMY

Recently Russia and Ukraine began a conflict that had an influence on the Indian economy. India refrained from voting at a UN meeting. In the UN meeting, India has taken a neutral posture. Moving on let's go through few crucial aspects in the Russia-Ukraine crisis and their impact on India's economy.

- As conflict erupted, the Sensex was down by 2700 points due to panic selling and investor nervousness, wiping out ₹7.5 lakh crores from the stock market. The Russian stock market was down by half, having a greater impact on other Asian stock markets. According to the SBI assessment, India has limited financial and corporate sector connections with both nations, therefore the impact on these areas is minimum.

- Due to the dispute, a number of non-Russian firms operating in Russia ceased operations, the bulk of which were from or associated to the United States, such as PayPal, McDonald's, Disney and so on.

- The fighting also sparked a surge in crude oil prices, Russia is one of the largest crude oil producers in the World and crude oil prices are expected to rise further because of the sanctions imposed by the US on Russia.

India imports about 2% of its oil needs and $1 billion worth of coal from Russia per year. Indian oil companies have multibillion dollars investment in Russian oil fields, which is still relatively small compared to India's oil requirements. The fuel and food prices have a cascading effect on the economy as they push up costs at every stage of agriculture and industrial production.

- Gold prices also spiked to $2000 per ounces. During the conflict the equity market was so volatile that most of the investors were shifted front equity market to hold investment as they considered gold as a safer investment avenue during such situations. Such market sentiment was also one of the factors that lead to an increase in gold prices and fall in equity and other markets.

- In 2022 India was expected to grow at 6.7%, but UNCTAD has cut down that forecast to 4.6% mainly due to change in oil price assumptions.

- The key assumption behind the GDP growth in the Economic Survey of India last year was that oil prices would be $70-$75 per barrel instead of $100 and more.

The impact not only had negatives towards India but also had positive aspects towards India like opportunity to grow in certain areas like agriculture.

- As the Russia-Ukraine conflict unfolds, the world has been looking for Indian wheat to fill the huge stocks in the supply chain originating from Russia and Ukraine, have a 25% share in the global market. There are more opportunities for Indian exporters of nuts, confectionery, fruits and pulses because of a ban on freight from Russia. It opens up new markets to Indian farmers and trades as the process of those commodities reaching new highs.

However, Russia-Ukraine affected India in many of the ways especially in the matter of crude oil. A little increase in food and fuel price may have immediate impact majorly on poorest people in developing countries, causing hunger and suffering for families that spend the majority of their money on these items.

Source: Investopedia

By:

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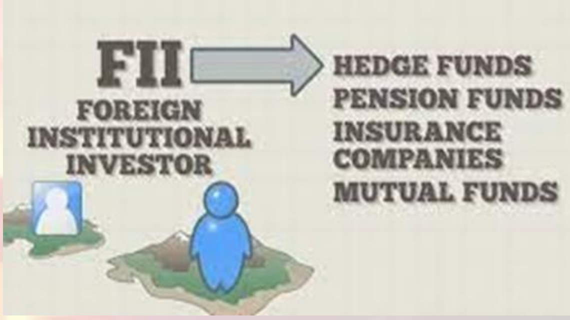
FIN- TREND

FOREIGN INSTITUTIONAL INVESTORS IN INDIA

A foreign institutional investor (FII) is a person or company that invests in a country other than the one in which it is registered or headquartered. Foreign institutional investors are most typically used in India to refer to outside entities investing in the country's financial markets.

FIIs include hedge funds, insurance companies, pension funds, investment banks, and mutual funds. FIIs are very important sources of capital in the emerging economies, but many developing countries like India, have established limitations on the overall value of assets and the number of equities shares a FII can buy, particularly in one firm.



Some of the nations with the most foreign institutional investments include those with growing economies, which usually offer investors greater development potential than established economies. This is one of the reasons FIIs are widespread in India, which has a fast-growing economy and interesting individual enterprises to invest in. To engage in the market, all FIIs in India must register with the Securities and Exchange Board of India (SEBI).

Regulations on investing in Indian companies:

Only under the country's portfolio investment programme FIIs are permitted to engage in India's primary and secondary capital markets. This plan permits FIIs to acquire Indian company shares and debentures on the country's public markets.

There are, nevertheless, several rules. For example, FIIs are normally restricted to investing up to 24% of the paid-up capital of the Indian firm receiving the investment. FIIs, on the other hand, can invest more than 24% provided the investment is approved by the company's board of directors and a special resolution is enacted. The maximum amount that FIIs can invest in Indian public-sector banks is just 20% of the institutions' paid-up capital.

Source: Investopedia

Divya
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FIN- TECH

DIGITAL FINANCING

Digital financing is the term used to describe the impact on new technologies on the financial service industry. It includes a variety of products, application and processes and business model that have transformed the traditional way of providing banking and service sectors.

While innovation is not new in the financial sector and new technologies increased in past few years, the new technology can be mainly seen in banking sector. We make payment of money, transfer of money, and make investment using variety of new tools that are existed in few years ago. Artificial intelligence, social networks, machine learning, mobile application, cloud computing, these have given rise to new services.

All the technology benefits both customer and the organisation by enabling the greater access to financial services. They can also contribute to bringing down national barriers and competition in areas such as:

- Online banking, online payment and transfer services.
- Peer to peer lending.
- Personal investment advice and services.

Digital finance package

The package includes a digital finance strategy and legislative proposals on crypto assets. The digital financial services can play an important role in modernising the European economy across sectors turning Europe into global digital players. It is more digital and safer for the customers. The commission aims to exploit synergies between high innovative start-ups and established firms in the financial sector while addressing associated risks.

Digital Euro

The digital euro, a digital form of central bank of money, would offer great choice to customers and businesses in situations where physical cash cannot be used. However, the digital euro would be a complement to cash, which would remain widely available and useable. The digital euro also increases the international role of the euro and support the EU's open strategic autonomy.

Source: ec.europa.eu

By:

Namitha
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FIN- TOON

Buy the fear sell the greed

Shreesha Aithal

By:

WINNER

Vidhyabushan

2nd MBA

FIN-QUIZ

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TO ANSWER

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