# INDIAN STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS

Stock Market Outlook

Stock To Bet On

Assets Under Management (AUM) In Mutual Funds In India

Tax Savings Schemes For Financial Assets In India

India's Own ChatGPT BharatGPT To Launch Soon

Green Financing In India

## WHAT IS ARBITRAGE TRADING?

How Does It Work In India? Is It Legal In India?

From The

# Founder's Desk


**INDIAN STOCK MARKET JOURNAL**

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Dear Readers,

With the beginning of a new financial year and a plethora of things happening nationwide, a mega consortium backed by Reliance Industries Limited (RIL) and led by the Indian Institute of Technology has announced launching nation's very own ChatGPT.

This edition of ISMJ has brought you the latest tax savings schemes for financial assets and help you navigate the intricate details of income tax. This edition will also help you understand what is arbitrage trading and the risks associated with it.

Also, in the edition, we will also help you understand what is green financing and then benefits associated with it. Along with all the topics, we also bring you a complete guide to help you understand what is asset under management in Mutual Funds and the factors influencing it.

We want to thank you for appreciating our previous editions with your kind words. We would love to have your continuous feedback to improve our work. Please feel free to write to us at support@equitypandit.com.

Happy Investing!

Abhishek Parakh

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# Stock Market Outlook

## NIFTY

Nifty has clearly respected the rising trend line and was not able to breach this. Nifty is currently trying to sustain a strong resistance level of 22500, recently closed above the super trend on the daily chart. The short-term 11 EMA also crossed over 21 EMA, which signals a bullish momentum. If we look at the RSI divergence on the daily

chart, the long-term divergence is still there, but the short-term divergence has been wiped out.

Nifty is now on the edge of forming a harmonic pattern of bearish three drives, which will complete around 22750. This level is also a 127% Fibonacci level of the previous swing, and any bearish candle may signal a top reversal in the index. **Short-term momentum is expected only if Nifty sustains above 22750; the next Fibonacci resistance of 161.8% is expected to be around 23023.** If we look at the weekly chart, the index has formed three consecutive green candles and recovered almost 1000 points from 21710 to 22666. Nifty holds support of 55 EMA on weekly chart around 22150.

**Nifty holds strong support around 22300 as it was the lowest low of the recent consolidation range on a daily chart, a low of hanging man candle.** If we look at the index movers, HDFC Bank jumped 100 points in the previous week and is now trading near the resistance of 1550; the next resistance lies around 1595. Reliance Industries consolidated in a range of bullish momentum, which is expected to be only above 3000. The fourth quarter and annual result session have started, and a volatile month is expected ahead.

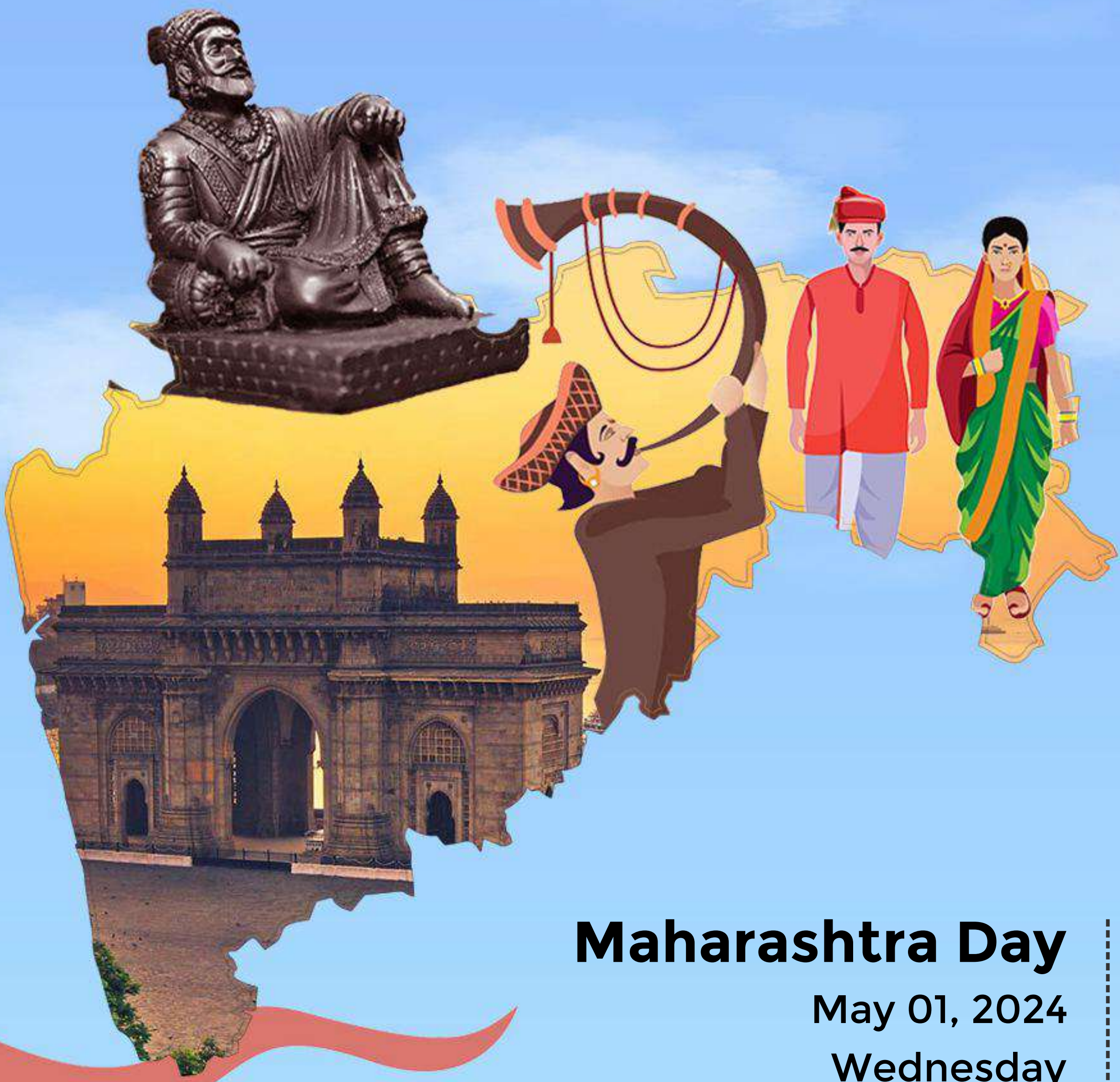
## BANK NIFTY


Bank Nifty is now trading at a time-high level, strongly sustained above the 48500 level. It has been forming higher highs since December 2022. The last rejection happened in December 2023, around 48600. In the month of March, Bank Nifty bounced back from the support of 45800 and 21 EMA on the weekly chart. Before that, Bank Nifty held support at a super trend near 44400. Bank Nifty tries to sustain above the 4-month consolidation range and resistance of 48600.

On the Daily Chart RSI crossed 70 and on the Weekly chart it is above 60 and indicates a short term momentum. We can see a divergence on the weekly chart but if the momentum sustains in the index it wipes out the weekly divergence and we can expect that bank nifty may cross the 50000 mark. **The Fibonacci resistance of 127% of the previous swing is around 49770, and 161.8% is around 51250. These levels act as a key resistance in the upcoming weeks.** The key weekly and monthly support lies in the range of 47700 and 46200.

If we look at the index movers other than HDFC Bank, the ICICI Bank looks strong, and SBI may also give a weekly breakout above 775. Axis Bank may trade sideways. Federal Bank may steal the show as the stock is on a monthly breakout if it is sustained above 160. PNB is expected to trade higher and may approach 145 to 150. **Overall, we can expect banks to trade in bullish momentum, though volatility is expected on earnings announcements by banking stocks.** HDFC Bank's result is expected to be announced on the 20th of April, and ICICI Bank's on the 27th of April.

# Upcoming Trading Holiday



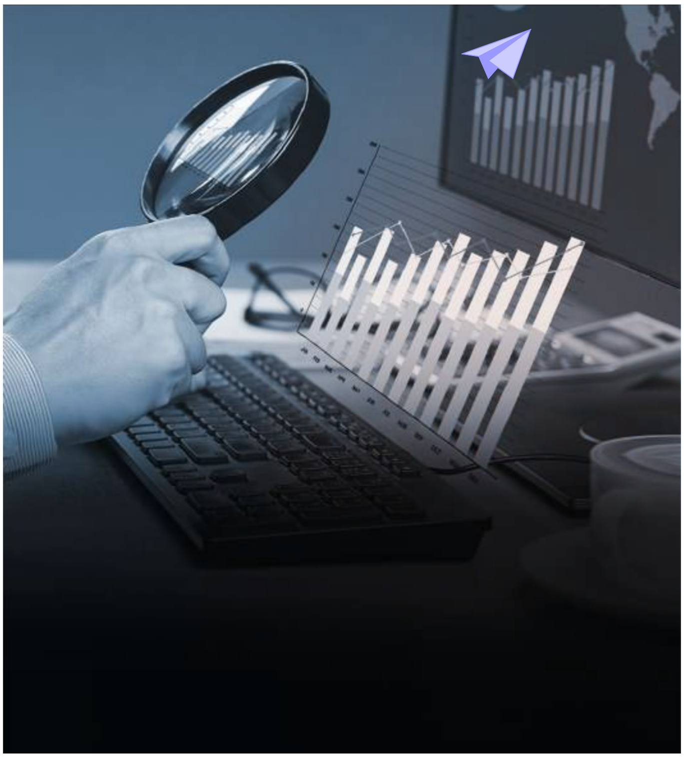
## Maharashtra Day

May 01, 2024

Wednesday

# Assets Under Management (AUM) In Mutual Funds In India

# Introduction



AUM stands for assets under management, while AMC stands for asset management company. An AMC or fund house is a company that manages investments on behalf of investors. The total value of assets managed by the AMC on behalf of its investors is known as the total AUM managed by the company.

In the upcoming sections, we will discuss the key features of mutual fund AUM. This will include its full form, meaning, calculation method, and its potential impact on mutual fund returns.

# What Is AUM's Full Form And Definition?

AUM stands for Assets Under Management, which refers to the total market value of all investments held by a mutual fund in its portfolio, including stocks, bonds, money market instruments, cash, and cash equivalents. As the value of these mutual fund investments changes whenever securities are traded on equity, bond, or money markets, the AUM of a mutual fund is liable to change in real-time.

The value of stocks and bonds can fluctuate throughout the day, but the calculation of assets under management (AUM) for a mutual fund is only done at the end of each trading day. This means that the AUM of a mutual fund will only change once per day, based on the closing price of the investments held in its portfolio.

# How Is AUM In Mutual Funds Calculated?

For financial institutions and investment organizations, calculating AUM is a critical step in figuring out the entire value of the assets they oversee on behalf of their clients. AUM (assets under management) is crucial in understanding the size and performance of financial institutions. For example, a mutual fund buying 10 shares of Company 'ABC' at Rs.200 each on March 31, 2022, helps explain AUM calculation in mutual funds.

So, the initial investment by the mutual fund is Rs. 2000 on 31 March 2022.

Say, on 31st March 2023, at the time of market closing, the price of each share increased to Rs. 300. So, the market value of the 10 shares held by the mutual fund at the end of the trading day on 31 March 2023 will be Rs. 3000.

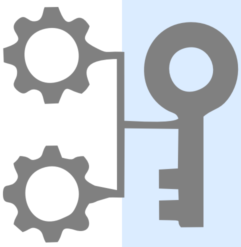
It has been stated that since the mutual fund has only made one investment, the

total assets under management (AUM) of the scheme will be Rs. 3000 on 31 March 2023. However, it is important to keep in mind that in reality, mutual funds can hold hundreds and thousands of stocks and bonds from various companies in their portfolio. As a result, their AUM can easily reach crores. Despite this, the AUM calculation formula remains the same and can be represented as:

AUM = (Market value of Instrument at the End of the Trading Day) + (Cash Holdings / Sale proceeds) + (Fund Inflows) – (Redemption Outflows) – (Dividend Pay-outs)

The formula mentioned above considers different inflows and outflows of capital in a mutual fund portfolio to determine the Asset Under Management (AUM) value of the fund. This AUM value is then utilized to calculate the Net Asset Value (NAV) of the Mutual Fund.

## Factors Influencing AUM In Mutual Funds



Based on the above formula for calculating AUM in mutual funds, 5 key factors can influence the assets under management of a fund. These are:

### Fund Inflows

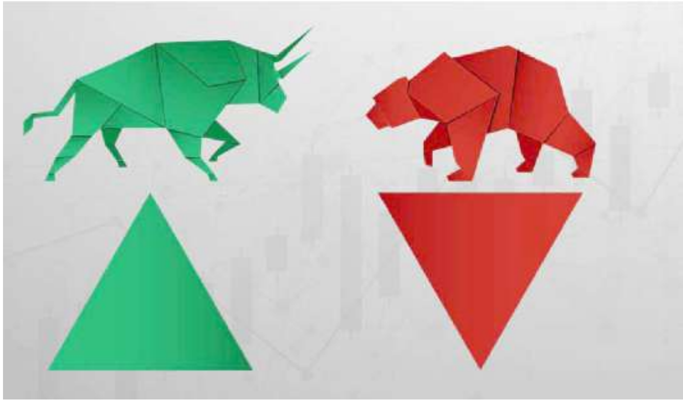
New inflows from investors into a mutual fund initially show up as cash holdings of the scheme. This increases the assets under management of the fund.

## Performance Of Investments

If the investments of a mutual fund perform well, the market value of the investments in the scheme's portfolio increases. This leads to an increase in the value of the investments and the assets under management of the mutual fund increases. Similarly, if the investments perform poorly, their value will decrease and lead to a reduction in AUM.

## Sales Proceeds

If the sale of existing investments of the mutual fund occurs at a price that is higher than the original investment, it will have a positive impact on the AUM of the fund. On the other hand, if existing investments are sold at a loss, the AUM of the scheme will decrease.



## Redemption Payouts

Redemption outflows or payouts are made when existing investors redeem their mutual fund units. These payouts decrease the cash holdings of the fund and result in a decline in AUM.

## Dividend Payouts

When a mutual fund payout declares dividends, the amount is paid out from the available profits of the scheme. This decreases the value of holdings of the fund and leads to a decline in the mutual fund's assets under management.

# What Is The Relationship Between The Assets Under Management (AUM) Of A Mutual Fund And The Fees Charged By It?

The expense ratio is the fee a mutual fund provider charges for its services. The expense ratio includes both the operational expenses and the management fees. These are reliant on the fund's overall size. AUM is a significant factor that determines the fee charged by a mutual fund provider. As the AUM of a mutual fund increases, the fee charged by the fund house decreases, as the cost of managing the fund gets distributed over a larger pool of assets. Conversely, if the AUM of the mutual fund decreases, the expense ratio of the fund goes up.

# Tax Savings Schemes For Financial Assets In India


Indian income tax rules provide multiple ways to reduce taxable income, but most taxpayers only use the Rs 1.5 lakh deduction under Section 80C. Due to a lack of awareness, many fail to utilize other tax-saving options. By understanding the various opportunities available, each taxpayer can reduce their tax burden, as a penny saved is a penny earned. In this article, we list all the ways to save tax, under section 80C of the Indian Income Tax Act and sections beyond 80C.

# Tax Savings Schemes Under Section 80 C In India

| Investment Source | Lock-in Period |
|---|---|
| 5-Year Bank Fixed Deposit | 5 years |
| Public Provident Fund (PPF) | 15 years |
| National Savings Certificate | 5 years |
| National Pension System (NPS) | Till Retirement |
| ELSS(Equity Linked Saving Schemes) Funds (Mutual Funds) | 3 years |
| Unit Linked Insurance Plan (ULIP) | 5 years |
| Sukanya Samriddhi Yojana (SSY) | N/A |
| Senior Citizen Saving Scheme (SCSS) | 5 years |

The Indian government has implemented several programs to make housing more accessible to people. As part of this effort, various government-mandated schemes such as PMAY (Pradhan Mantri Awas Yojana) and DDR (Delhi Development Authority) Housing Scheme have been introduced. Additionally, Sections 80C and 24(b) of the Income Tax Act provide tax benefits, which minimize the monetary liability through lower tax burdens.

Under Section 80C of the Income Tax Act, individuals can claim deductions up to Rs 1.5 lakh on the annual income spent on repayment of the principal borrowed amount when purchasing a home loan.

Investing in government schemes such as Senior Citizen Savings Scheme (SCSS), Sukanya Samriddhi Yojana (SSY), National Pension Scheme (NPS), Public Provident Fund (PPF), and National Pension Scheme (NPS) can offer high returns on total investments along with tax waivers. Under Section 80C of the Income Tax Act, individuals can claim tax waivers on up to Rs 1.5 lakh spent on such investments.

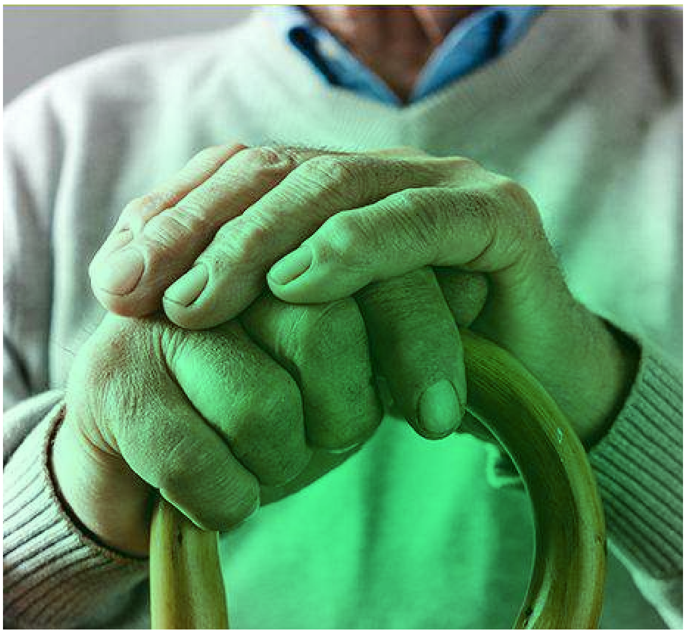
Life insurance plans can also provide tax benefits. Under Section 80C of the Income Tax Act, individuals can claim tax benefits of up to Rs 1.5 lakh paid on annual premiums. If the policy was purchased before April 1, 2012, claims under Section 80C can be filed as long as the total premium payments do not exceed 20% of the sum guaranteed. Life insurance coverage acquisition or renewal and annuity payments on such plans made through monthly salary are eligible for tax exemptions of up to Rs 1.5 lakh under Section 80CCC. Only certain pension funds under section 23AAB are eligible for exemptions of up to Rs 1.5 lakh under section 80CCD(1)

## Section 80CCD

| Deduction For - Contributions to National Pension Schemes (NPS) | Deduction Limit - Rs 50,000 |
|---|---|

Contributions made by an employee, employer, or voluntary self-contribution are eligible for deduction. Section 80C allows an overall deduction of Rs 1,50,000 lakh plus an additional deduction of Rs 50,000 for self-contributions to NPS or Atal Pension Yojana under Section 80CCD(1b).

These are among the most popular tax-saving options available to individuals and HUFs in India.



### Summary of Tax Deductions Available under Section 80D to 80U (as in the table below)

One of the most sought-after tax-saving options is Section 80C, which provides various investment avenues to help taxpayers reduce their tax liability. The section provides an extensive list of tax-free investment options. It includes life insurance premiums, PPF contributions, 5-year term deposits, and ELSS schemes, among others.

The maximum exemption you can claim

through Section 80C investments is Rs 1,50,000. However, you can claim an additional Rs 50,000 by investing in NPS (National Pension System) through Section 80CCD, which brings your total deduction to Rs 2 lakhs.

Apart from Section 80C, there are other tax-saving exemptions that you may qualify for. Some exemptions are under Section 80, while others are under different sections. Let's take a look at what they are.

Here is a complete list of tax-free deductions available apart from 80 C as below -

| Sections | What They Deal In | Exemption Limit |
|---|---|---|
| 80D | Health insurance premiums | • Up to Rs 25,000 for oneself + family (including spouse and child).<br>• Up to Rs 50,000 for oneself and family + parents<br>• Up to Rs 75,000 for Oneself and family (below 60 years) + Parents above 60 years of age<br>• Up to Rs1,00,000 for Oneself and family (with members above 60 years) + Senior Citizen Parents |
| 80DD | Expenses on a handicapped dependent | • Rs 75,000 for people with 40% to 80% disability<br>• Rs 1,25,000 for people with higher than 80% disability |
| 80DDB | Treatment of specified illnesses | • Rs 40,000 (Rs1,00,000 for senior citizens) |
| 80E | Education loan interest payment | • No limit |

| Sections | What They Deal In | Exemption Limit |
|---|---|---|
| 80EE | Home loan interest payment for first-time home-owners | • Up to Rs 50,000 |
| 80G | Donations to approved charitable institutes | • No limit |
| 80GG | Rent paid by employees not having HRA | Lower of the following – <br>• Rs 5000/month <br>• The total annual income of 25% <br>• 10% of the basic annual income. |
| 80GGA | Donations for Scientific Research and Rural Development | • No limit |
| 80GGB | Donations Made to an electoral trust or Political Parties. (Indian companies are eligible to claim benefits) | • No limit |
| 80GGC | Contributions made to a political party | • No limit |
| 80TTA and 80TTB | Saving account interest | • 80TTA – Up to Rs10, (individuals below 60 years) <br>• 80TTB – Up to Rs10,000 for senior citizen |
| 80U | Handicapped tax-payers can claim this deduction | • Rs 75,000 for 40% to 80% disability <br>• Rs 1,25,000 for higher than 80% disability |
| 80RRB | Royalty or patent income | • Up to Rs 3 lakhs |

## Section 24(b)

| Deduction For - Income from house property | Deduction Limit - Rs 2 lakhs |
| --- | --- |

Did you know that you can save on taxes by taking a home loan? According to Section 24(b), you can claim a deduction on the interest paid on your home loan of up to Rs2 lakhs per year, provided that the construction is completed within five years of the loan term.

Furthermore, if you rent out your newly purchased property, the entire interest component is exempt from annual income tax computations.

If you're planning to build a home, you can also take advantage of Section 24(b) as long as the construction is completed within five years. In addition, Section 80EEA allows for an extra deduction in the annual tax liability for first-time homeowners.

## Section 10(13A)

Employees who earn a salary may be eligible to receive a House Rent Allowance (HRA) as a part of their pay. If you are renting a home, you can claim an HRA exemption. The exemption is limited to the lower of the following amounts:

- The actual HRA received by you
- 50% of your salary if you reside in a metro city, or 40% if you live in a non-metro city
- Rent paid minus 10% of your annual salary.

# Other Exemptions

In addition to the exemption for House Rent Allowance (HRA), you can take advantage of tax exemptions on Leave Travel Allowance, meal coupons, conveyance allowance, medical allowance, and more.

The gifts received during a marriage whether from relatives or friends are exempted from tax.

# WHAT IS ARBITRAGE TRADING?

## HOW DOES IT WORK IN INDIA? IS IT LEGAL IN INDIA?

Arbitrage trading involves buying an asset from an exchange where it is listed at a lower price and selling the same asset on another exchange where it has a higher value. This process allows traders to leverage the price difference of an asset listed on different platforms.


Such opportunities arise due to discrepancies in the demand and supply of securities on various platforms. One can purchase assets like stocks, commodities, currencies, futures contracts, and more.
The profit of the arbitrageur, a term used for traders performing arbitrage, is the difference in the price of an asset in the two markets. Although this price difference may seem small, even the slightest profit margins can result in impressive profits when traded in large quantities.
For instance, if the International Telecom Ltd. stocks are trading at ₹ 218/share on the BSE and ₹ 222/share on the NSE, you can buy 1000 shares from the BSE and sell them on the NSE to take advantage of the price difference. This is called arbitrage trading.
While arbitrage trading is legal in India, there is a catch. SEBI (the Securities and Exchange Board of India) does not allow the buying and selling of the same company's stocks on the same day on different exchanges. Therefore, intraday arbitrage trading isn't allowed in India.
To perform arbitrage trading in India, you must first have the target stocks in your Demat account. If you spot a price difference on either of the stock exchanges, you can sell them to book profits. Then, you can buy back the shares

from the exchange at a lower price to facilitate their delivery. In this way, one can earn profits and adhere to SEBI's guidelines.

To sell shares intraday on the BSE, you need to either purchase them on the BSE or already have them in your demat account.

Suppose you notice a price difference for a particular stock between the NSE and BSE, with the stock trading at ₹105 on the NSE and ₹100 on the BSE.

Even though the opportunity to buy on the BSE and sell on the NSE may seem tempting, it is not possible due to regulatory restrictions. However, if the stock is already in your Demat account, you can sell it on the NSE for ₹105 and then buy it back on the BSE for ₹100.


Arbitrage trading is legal in India as long as you take delivery of shares. SEBI promotes such activities as it helps maintain the same prices of securities across different exchanges.

## Types Of Arbitrage

They include pure, futures, dividend, merger, and retail arbitrage.

**Pure arbitrage** involves simultaneously buying and selling the same security in different markets to take advantage of price differences.

**Futures arbitrage** is buying an asset in the cash market and selling its futures when the price of the asset in the futures market is greater than its price in the cash market.

**Dividend arbitrage** involves buying shares before the ex-dividend date, and buying puts in the appropriate proportions.

**Merger arbitrage** involves buying shares of the company being acquired and selling shares of the acquiring company.

**Retail arbitrage** involves buying goods from one merchant at a low price and selling them to another merchant at a higher price.

# What Are Arbitrage Funds?

Arbitrage funds are mutual funds that invest in both equity and debt assets. They aim to take advantage of price differences between assets on two exchanges or the cash and futures markets.

## Examples Of Arbitrage Funds In India

| Fund Name | AUM (In crore) | NAV (In lakh) | 5-Year Returns |
|---|---|---|---|
| Edelweiss Arbitrage Fund | Rs 8,768 | Rs 7.04 | 6.33% |
| Nippon India Arbitrage Fund | Rs 13,854 | Rs 7.02 | 6.20% |
| Invesco India Arbitrage Fund | Rs 14,593 | Rs7.06 | 6.42% |
| Kotak Equity Arbitrage Fund | Rs 39,099 | Rs 7.04 | 6.32% |
| Tata Arbitrage Fund | Rs 10,152 | Rs 7.03 | 6.29% |
| Axis Arbitrage Fund | Rs 3,966 | Rs 7.01 | 6.15% |
| Aditya Birla Sunlife Arbitrage Fund | Rs 10,668 | Rs 7 | 6.13% |
| HSBC Arbitrage Fund | Rs 2,012 | Rs 6.99 | 6.07% |
| ICICI Prudential Equity Arbitrage Fund | Rs 17,500 | Rs 6.99 | 6.07% |
| Bandhan Arbitrage Fund | Rs 5,768 | Rs 6.99 | 6.07% |

Source: etmoney

Above is the list of some of the best arbitrage funds in India; it's based on their 5-year annualised returns as of March 19, 2024.

# Arbitrage Funds Taxation In India

According to the tax laws in India, arbitrage funds are considered as equity schemes. This means that any profits you make from selling these fund units are subject to Capital Gains Tax.

If you sell the assets within one year from the date of purchase, you will have to pay Short Term Capital Gains (STCG) tax of 15%. However, if you hold the units for a year or more and then sell them, you will have to pay Long-Term Capital Gains (LTCG) tax. The tax rate for LTCG is 10% for profits exceeding Rs.1 lakh.


# Risks Involved With Arbitrage Trading In India

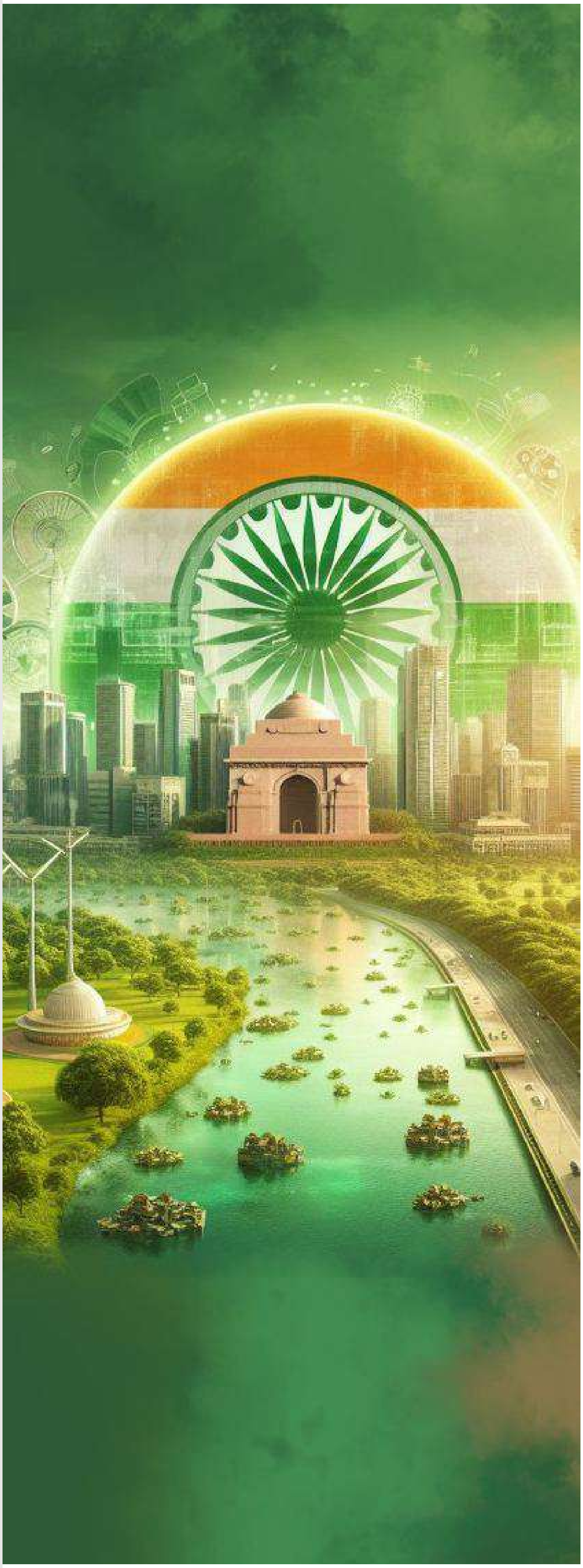
Arbitrage trading requires a large capital investment, which is often not feasible for retail investors. Even if the capital is available, high transaction fees can eat into profits. Additionally, finding arbitrage opportunities can be challenging for retail traders who lack advanced trading software. One must keep in consideration these factors while doing Arbitrage trading in India.

# Green Financing In India

India experienced its hottest February in 2023, and climate change is expected to make extreme weather events worse. As the world's most populous country, India's carbon intensity affects global emissions. It is the third-largest emitter after China and the United States. The Constitution mandates environmental protection, and the government launched the National Action Plan on Climate Change in 2008 to reduce emissions and improve energy efficiency.

India plans to reduce its emission intensity by 45% by 2030 and increase non-fossil fuel-based energy resources, the climate targets that India submitted under the Paris Agreement (Paris Climate Accords, 2015), to half of the installed capacity.

“To finance these and other commitments, the country needs around $170 billion per year in investments. However, with an average of $44 billion per year, estimated climate finance flows have fallen short”, according to a report by the World Bank, in the year 2023. Thus, necessitating financing solutions for no or low-carbon-emitting and environment-friendly projects.



# What is Green Financing?

According to the UN Environment Programme – "Green financing is to increase the level of financial flows (from banking, micro-credit, insurance, and investment) from the public, private and not-for-profit sectors to sustainable development priorities."

In layman's language it refers to, financial products and services that are designed to help address environmental factors and climate-related risks. This includes sustainable investments such as renewable energy, green bonds, green technologies, and energy-efficient infrastructure. The goal of green finance is to provide capital for projects that can help reduce carbon emissions and promote a more sustainable environment and economy.

# What Is ESG And The Difference Between ESG And Green Financing?


ESG, or environmental, social, and governance, is a framework for evaluating a company's sustainability and social impact. Sustainable finance, also known as ESG finance, considers these factors when making investment decisions. Investors can use ESG to evaluate a company's long-term sustainability and risk profile and can include investments in companies with strong environmental and social performance or sustainable development projects.

Although both green finance and ESG have a common focus on sustainability, they differ in their approaches. Green finance's primary aim is to provide financial assistance to sustainable projects and technologies. On the other hand, ESG assesses companies based on their corporate sustainability practices and governance structures.

Another difference between the two is that green finance is mainly concerned with environmental and climate-related risks, while ESG takes a more comprehensive approach and considers social and governance factors as well.

It is worth noting that there is some overlap between the two concepts. For instance, a company with strong ESG practices may be more likely to receive funding from green finance investors.

# What Are The Most Popular Types Of Green Financing In India?

1 Green Sovereign Bonds

2 Green Deposits

## Green Bonds And/Or Sovereign Green Bond


According to the World Bank, Green bonds are a type of debt security that is issued to raise funds for initiatives that are related to the environment or the climate. Governments, companies, and multilateral organisations issue green bonds to exclusively finance projects that have positive environmental or climate benefits, such as renewable energy, clean transportation, and green buildings. Investors receive fixed-income payments in return.

As part of the Indian government's market borrowings for 2022-23, sovereign Green Bonds will be issued to mobilise resources for green infrastructure. The proceeds from the same will be utilised in public sector projects that can help reduce the carbon intensity of the environment and economy.

National governments plan to issue sovereign green, social, and sustainability bonds worth a total of $111 billion by 2024.

Greenwashing refers to the act of making false or misleading statements about the environmental benefits of a product or practice. It can enable companies to continue or expand their polluting practices while taking advantage of consumers who prioritise sustainability.

# Green Deposits

Green deposits are a type of financial product that banks and financial institutions offer to promote environmentally sustainable initiatives and projects. These deposits are created to attract funds specifically for financing green and sustainable projects, such as renewable energy, energy efficiency, waste management, and other environmentally friendly initiatives.

There are several types of green deposits to choose from, including fixed deposits (FDs), savings deposits, recurring deposits, and certificates of deposits. Each of these deposits offers different features and benefits, enabling individuals and organisations to select the most appropriate option based on their investment objectives and personal preferences.

Banks that accept green deposits are required to inform the Reserve Bank of India (RBI) about how they will invest the funds. This increases transparency and ensures that the money goes towards its intended cause, thereby boosting investor confidence.

Green fixed deposits offer - assured returns and may vary in tenure from 18 months to 10 years.

They allow investors to earn fixed interest for a fixed period, with funds channelled toward projects focused on renewable energy, clean technology, or other environmentally beneficial initiatives.

These investments can include financing solar power projects, wind farms, organic farming, energy-efficient infrastructure, etc. Many financial institutions in India, including HSBC and HDFC, offer green FDs to both individuals and corporations. These FDs are focused on sectors such as renewable energy, clean transportation, pollution prevention, green construction, and sustainable water management.

Eligible depositors can get up to 7% or more interest rates. Green FDs are open to all individuals who meet the eligibility criteria set by the bank or the financial institution. The criteria for green deposits may differ among banks but usually include factors such as age, residency, and the ability to provide the required documentation. Premature withdrawal is permitted under specific terms, and deposits up to INR 5 lakhs are insured. Additionally, overdraft facilities can be availed against the green FDs, although they may be converted to regular FDs in such cases.

However, they may carry specific risks associated with the projects funded, such as regulatory changes or technological challenges. Before making an investment decision, it is important to carefully evaluate the terms, conditions, and interest rates.

# What Is The Green Credit's Programme?

The Green Credits Programme, launched by the Environment Ministry in October 2023, aims to create a market-based incentive for different kinds of environment-positive actions. The programme is not limited to carbon emissions reduction. Currently, Carbon credits have a market-based system at national and international levels. This system allows companies or nations to claim carbon credits if they take action to reduce their carbon footprint. These credits can be traded for money. Companies that are unable to achieve their emission standards buy these credits to improve their performance.

As a starting point, it is envisioned that private companies would buy these green credits as part of their Corporate Social Responsibility (CSR) obligations. Unlike the carbon credit markets, which focus more on industry and corporations, the Green Credits Programme can benefit individuals and communities as well.

# Challenges Associated With Green Financing In India

1

Data mining, collection, and analysis – This can be a task as there's a huge amount of data from various sources, especially when it comes to banks.

2

Issues related to compliance and reporting

3

Issues related to providing high-quality customer service

4

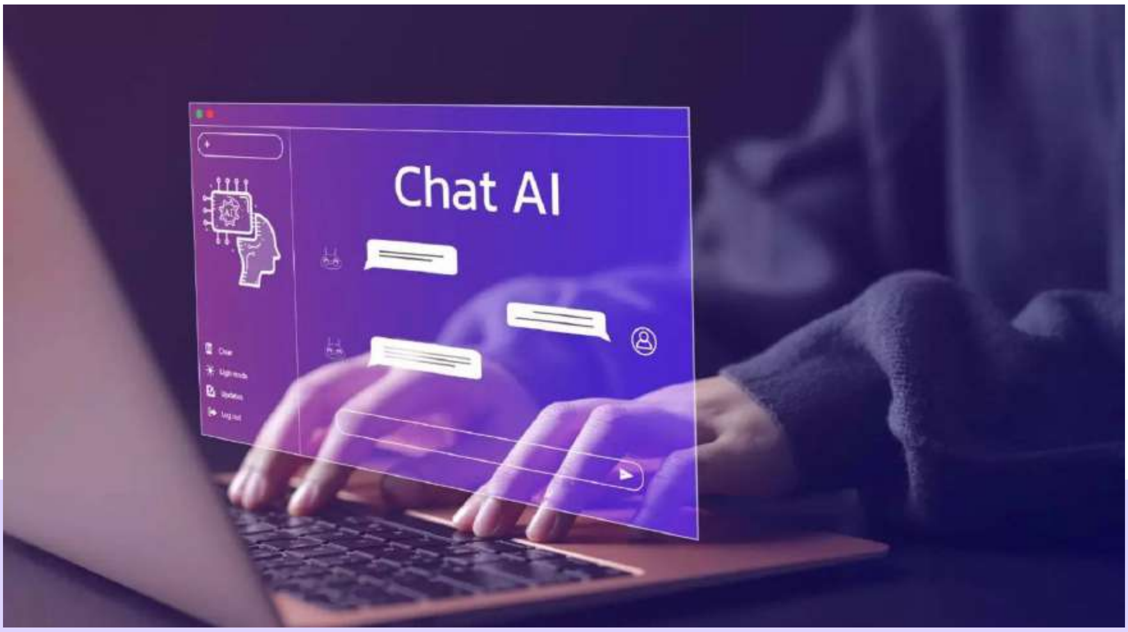
Issues related to streamlining the investment process

A platform for processing this data is required. Hence, such automation can be processed through Data Fabric technology, which is an emerging field that helps provide a unified view of the data. Thus, this process automation technology will help reduce time and manage resources efficiently.

# India's Own ChatGPT

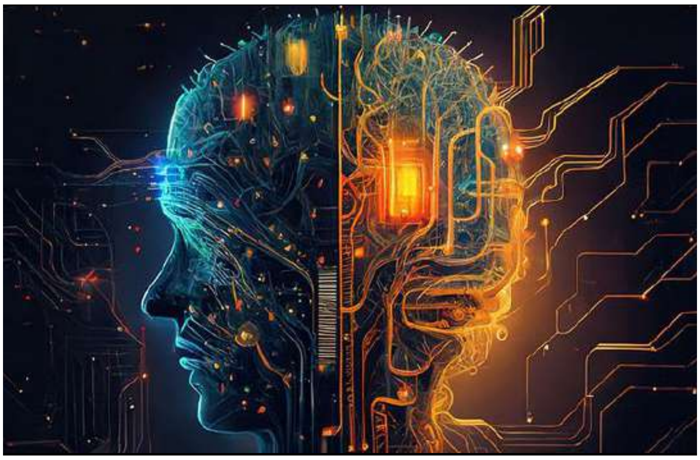
**BharatGPT To Launch Soon**

# Introduction



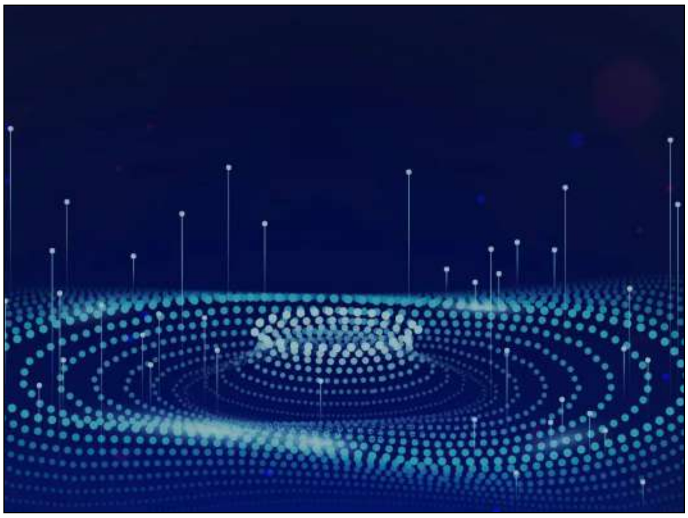

The BharatGPT group is a mega consortium backed by Reliance Industries Limited (RIL) and led by the Indian Institute of Technology (IIT) Bombay University along with seven other elite IITs. The group has announced that it will launch India's first owned Chat GPT, an Open Artificial Intelligence (AI) ChatBot with Generative AI features by March 2024. Upheld by Reliance Industries and the Department of Science and Technology, the group has built the 'Hanooman' series of Indic language models in collaboration with Seetha Mahalaxmi Healthcare (SML), as per the Times of India.

## What Is A Generative Ai Model?



Traditional AI primarily analyses historical data to make future numeric predictions, whereas generative AI produces new outputs that can be as good as human-generated content. The ability of Generative AI models to have conversations with humans and predict the next word or sentence is due to something known as the

Large Language Model (LLM). To grasp the science behind Chat GPT's efficiency, it's crucial to understand what an LLM is. It should be taken into consideration that not all Generative AI tools are built on LLMs. Being a broad and ever-expanding category or a type of AI, all LLM's are forms of Generative AI.



## What Is A Large Learning Model (LLM)?

Large Language models use deep learning techniques to process large amounts of text. They work by processing this large amount of text, understanding the structure and meaning, and learning from it.

LLMs, or Language Models, are computer programs that are designed to recognise and interpret meanings and relationships between words in human language. Essentially, LLMs are like super intelligent machines that can comprehend and generate text that is similar to what a human would produce. They are also tools that help computers understand and produce human language more effectively.

## What Is Hanooman, And How Will It Work?

According to the Times of India, BharatGPT's open AI model 'Hanooman' was unveiled at a Mumbai event and is set to launch in late March 2024. 'Hanooman' is a series of large language models (LLMs) that can respond in 11 Indian languages, including Hindi, Tamil, Marathi, etc., and plans to expand to all 22 official languages. Hanooman has been designed to work in four fields: healthcare, governance, financial services, and education. Notably, the series isn't just a chatbot; it's a multimodal AI tool that can generate text, speech, videos, and more in multiple Indian languages, according to BharatGPT. Further, 'Hanooman' is named after the Hindu God Hanuman. It was created to address concerns about accuracy and bias in LLMs developed by large tech giants.

This project aims to build AI capabilities for India, combining Indian linguistic and cultural heritage with technological innovation to cater to the large need for AI in India. Moreover, it aims to offer a closed-source model for enterprises that require on-premise solutions. One of the first customised versions is vizzhyGPT, an AI Model Implemented for healthcare using reams of medical data. This first version of the model is expected to launch in late March with 7 billion parameters.

## Are There Any Other Indian Language Models?

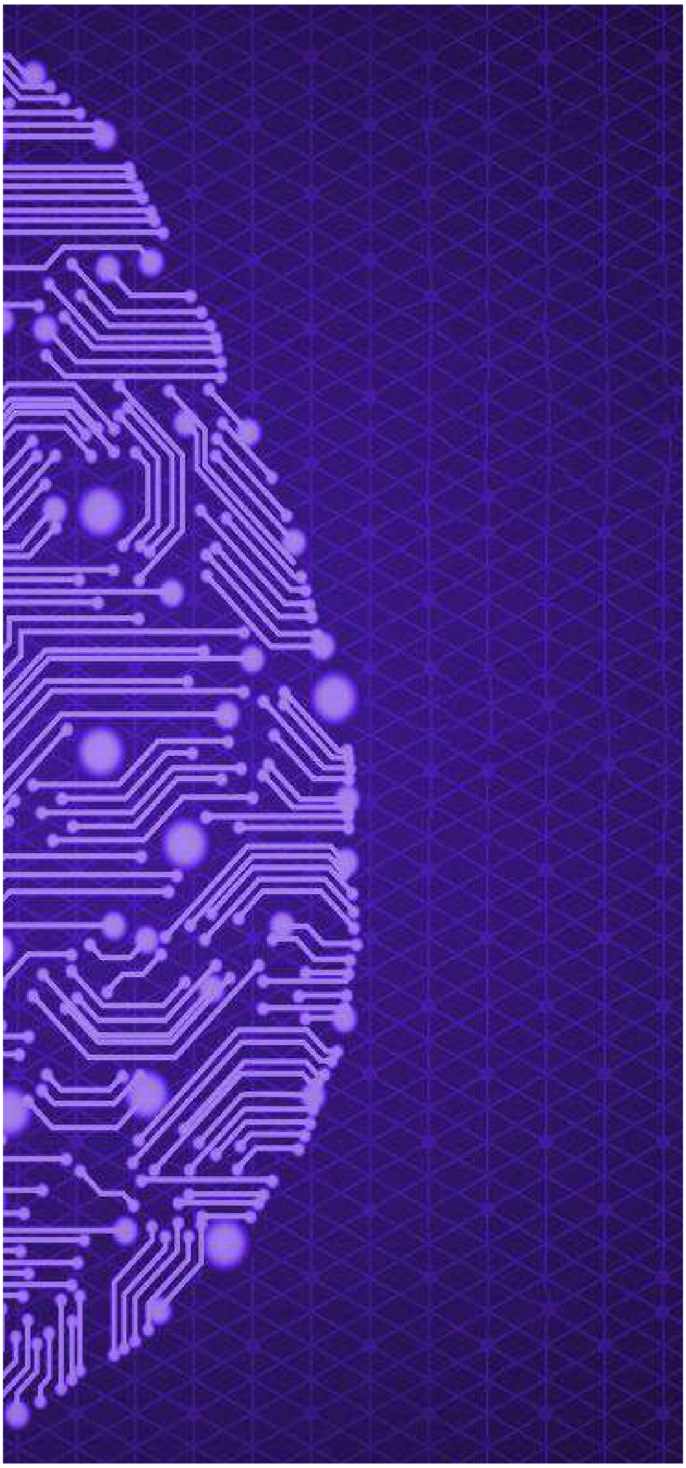
BharatGPT joins the Indic AI race with other language models such as Ola's Krutim, SaravamAI's OpenHathi, and IIT Madras's Airavata Model.

## What Is CoRover.ai, And How Is It Connected To BharatGPT?

According to CoRover.ai's website, BharatGPT will be launched by CoRover.ai. This Large Language Model will be available in over 12 Indian languages and over 120 foreign languages with text, voice, and video capabilities. CoRover, the world's first human-centric conversational AI platform, will add Generative AI to its features, offering organisations the ability to build and manage chatbots across communication channels.

CoRover.ai is currently offering AI Virtual Assistants to organisations like IRCTC, LIC, IGL, GRSE (Indian Navy), KSRTC, Max Life Insurance, Hero MotoCorp, Mahindra, NPCI, the Government of India, and many more, with over 1 billion users.

Unlike the other existing generative AI systems, BharatGPT is fine-tuned for Indian users and can add custom knowledge, integrate with ERP/CRM systems, and perform real-time transactions with inbuilt payment gateway integration and Aadhaar-based authentication. Securing privacy and security is how the data remains in India. With its consistently above 90% accurate responses, CoRover's BharatGPT is poised to revolutionise the AI industry in India.



## Some Of The Benefits Of BharatGPT

1. In line with the current government vision of "Make AI in India, Make AI work for India."
2. Data remains in India.

3 It also gives an option to integrate with any ERP/CRM system and APIs.

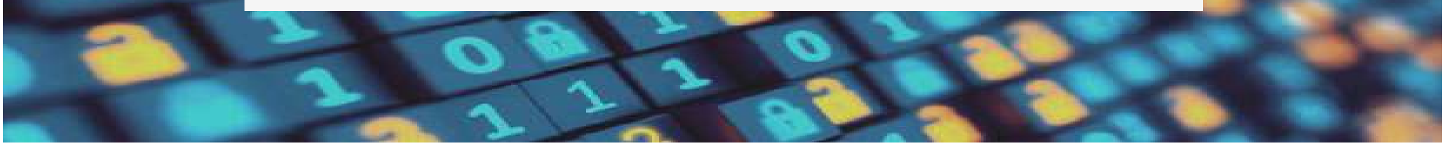
4 Option to add a custom knowledge base.

5 Inbuilt payment gateway for real-time transactions.

6 Dialogue/conversational management.

3 Omni-channel, multilingual (120+ languages), multi-format (text, voice, and video) capabilities.


Google has partnered with CoRover to expand BharatGPT, which is hosted in the Google Cloud Platform (GCP) to ensure data privacy, sovereignty, and security. Moreover, CoRover's Conversational AI platform is integrated with Vertex AI, enabling businesses to leverage Google's AI services.



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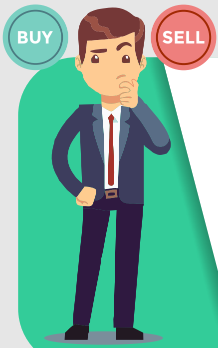


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