

NEWSLETTER

DOC, MAHE-BLR

4th March 2025

4th Edition



FINNOVA CLUB

Explore. Innovate. Elevate. Dominate Finance

UPCOMING EVENTS:

Sustainnovate - Green Gains



EDITORIAL NOTE

Dear Readers,

Welcome to the fourth edition of the Finnova Newsletter!

The financial world is witnessing rapid transformations, driven by both technological advancements and evolving economic landscapes. In this edition, we delve into some of the most pressing and exciting developments shaping the industry.

We begin with India's fintech revolution, exploring Razorpay as a case study on how homegrown startups are reshaping digital payments. For those looking to step into the world of investing, our piece on stock market basics for beginners provides valuable insights to help novices navigate their journey. We also shed light on India's education financing crisis, an issue impacting millions of students and families across the country.

On the technology front, a new AI battle is emerging, with Deep Seek overtaking ChatGPT in key areas of innovation. We examine how Deep Seek's disruptive potential could reshape not just AI, but also its implications for the financial sector. With so much happening at the intersection of finance and technology, we hope this edition equips you with knowledge and fresh perspectives. As always, we welcome your thoughts, feedback, and contributions to make Finnova an even more engaging platform for financial discourse.

Happy Reading!



Best Regards,

Prof Prabodh B Nayak

(Assistant Professor – Senior Grade)



Navya Singla

(Student Editor and Content Development)

Table of Content

F



Finnshots

1

I



The New Disruptor in AI : DeepSeek
Navya Singla

2



N



India's fintech revolution:
Nickul

4

N



India's Education Financing Crisis
Samiksha

5



O



**How Novices Can Get Started
with Stock Market Investing**
Bhuvan

7

V



Deep seek overtakes ChatGPT
Ankush

9

A



FINSHOTS

SENSEX : 73,085.94 -122.16

NIFTY : 22,119.30 -5.40



TATA CAPITAL

Tata Capital eyes \$11 billion valuation for India IPO



Mahindra

Mahindra overtakes Hyundai to become second largest carmaker in India in February



Angel One shares fall 10%, hit 52 week low amid continue selling pressure in capital markets



glenmark
A new way for a new world

Glenmark shares in focus after recall of 15 lakh bottles of ADHD drug in US



INDIAN RAILWAY FINANCE CORPORATION
(A Government of India Enterprise)

Govt grant Navarant status to IRCTC and IRFC

DID YOU KNOW?

100 GW of nuclear energy by 2047, Partnership with the private sector to be promoted . Nuclear Energy Mission for small module reactors with anoutlay of RS 20,000 crore . The power businesses which will be benefited out of this contract are -



USD/INR

87.26(-0.20)

Gold

85,401.00 (+1.42)

EUR/INR

91.61(-0.69)

Silver

96285.00(-2.07)

GBP/INR

110.89(-0.91)

Crude Oil

6085.00 (-0.65)

Deep Seek : The New Disruptor in AI and Its Implications for Finance

Artificial intelligence has been a transformative force across industries, and the financial sector is no exception. With the rise of Deep Seek, a new AI disruptor, the landscape of financial technology is undergoing a seismic shift. Deep Seek is not just another AI model—it's a powerful, cost-efficient, and highly adaptable tool that is challenging established players like GPT and redefining how finance professionals leverage AI.

What Makes Deep Seek a Disruptor?

Deep Seek stands out for its unique combination of speed, accuracy, and affordability. Unlike traditional AI models, Deep Seek is designed to handle complex financial data with ease, making it ideal for tasks like fraud detection, risk assessment, and market trend analysis. Its architecture is optimized for real-time decision-making, a critical requirement in the fast-paced world of finance.

Moreover, Deep Seek's cost-efficiency makes it accessible to a broader audience, including startups, small businesses, and even finance clubs. This democratization of AI technology empowers smaller organizations to compete with larger institutions, leveling the playing field in the financial sector.

Applications in Finance

1. **Fraud Detection and Prevention:** Deep Seek's advanced algorithms can analyze vast amounts of transactional data to identify suspicious patterns, helping financial institutions combat fraud more effectively.
2. **Predictive Analytics:** From stock market trends to customer behavior, Deep Seek's predictive capabilities enable more accurate forecasting and strategic decision-making.
3. **Personalized Financial Services:** By analyzing individual financial data, Deep Seek can offer tailored advice, from investment recommendations to budgeting tips, enhancing customer experience.
4. **Automation of Routine Tasks:** Deep Seek can automate repetitive tasks like report generation, data entry, and compliance checks, freeing up time for finance professionals to focus on strategic initiatives.



deepseek

Why Deep Seek Matters for Finance Clubs and Startups?

For finance clubs and startups, Deep Seek is a game-changer. Its affordability and ease of use make it an ideal tool for educational projects, financial modeling, and data analysis. Finance clubs can use Deep Seek to simulate investment scenarios, analyze market trends, or even create AI-driven newsletters. Startups, on the other hand, can leverage Deep Seek to build innovative fintech solutions without the hefty price tag associated with other AI models.

The Future of AI in Finance

As Deep Seek continues to evolve, its impact on the financial sector will only grow. By making AI more accessible and affordable, Deep Seek is not just disrupting the status quo—it's paving the way for a more inclusive and innovative future in finance.

In conclusion, Deep Seek represents a new era of AI-driven financial innovation. Whether you're a finance professional, a startup founder, or a member of a finance club, now is the time to explore how Deep Seek can transform your approach to finance. The future is here, and it's powered by Deep Seek.



India's fintech revolution: A Case Study on Razorpay



The events unfolding within the Indian fintech sector suggest that there has been unprecedented growth in that sector, catalyzed by digital adoption, government initiatives like UPI and Aadhaar, and the soaring growth of start-ups. There are above 2,000 fintech start-ups within India today, making it the third-largest fintech market globally next to the USA and China. The spectrum of the sector includes digital payments, lending, wealth management, and neobanking, thereby changing how individuals and businesses interact with financial services.

One good example of fintech innovation is Razorpay. Established in 2014, the origin is a payment gateway, but now it has grown to an all-in-one financial service solution. It has launched a few currencies that are absolutely new: Razorpay Buyer Protection, Biometric Authentication, and OTP Assist. All these add further safety and ease to mobility payments. They lessen transaction failures or fraud cases, thereby increasing trust among businesses and consumers.

Beyond payments, Razorpay has launched RazorpayX in business banking. This AI-powered platform improves rather than forces organizations to do it on their own through such functions and investment services as payroll management and vendor payments while managing cash flow. It also developed AI-powered fraud prevention systems and smart routing solutions to allow merchant transactions to process with a more significant success percentage in transactions with streamlining payment-related operations.

Through Razorpay's passage, this bheeshma in the Indian fintech space coats to widen leaps: Financial services are embracing technology to be more finely shaped, efficient and, scope-wise, massively scalable. With the impending changes to the regulatory frameworks over the currency market, extra immunity, and inactivated infrastructure made up by legislation and programs, the fintech firms will be a catalyst in shaping India's economic future. With relentless innovation, India will become the focal point of a new generation of fintech innovation that sets benchmarks for inclusive finance, security, and convenience in digital payments.

Written By :
Nickul Pahwa
2nd Sem : "B" Section





INDIA'S EDUCATION FINANCING CRISIS

Budgets, Debts, and the Literacy Illusion

India's education system faces critical financial and structural challenges. The 2025-26 Union Budget allocated ₹1.28 trillion to education, a 6.5% increase, but this growth is the lowest in four years and remains below the 6% of GDP recommended by the National Education Policy (NEP) 2020. This fiscal shortfall has significant repercussions: 1.72 crore children have dropped out of school, and 75% of engineering graduates remain unemployable, despite an annual private education expenditure of ₹5.14 lakh crore. Comprehensive reforms are urgently needed.

The Budget Breakdown:

Where the Money Flows India's education financing operates on a dual-track system. Public expenditure is 3.9% of GDP (₹3.9 lakh crore annually), covering 69% of schools. Systemic inefficiencies include a pupil-teacher ratio of 42:1 and nearly 50% of schools lacking clean drinking water. Households contribute through Private Final Consumption Expenditure (PFCE), accounting for 2.7% of GDP (₹2.7 lakh crore). Rural private school fees average ₹672 per month versus ₹112 for government schools, creating a financial burden. In the 2025 budget, 61% of allocations (₹78,572 crore) are directed towards school education, and 39% (₹50,078 crore) to higher education. Adjusted for 6.1% inflation, these allocations represent a real-term decline. States like Bihar and Uttar Pradesh leave over ₹10,000 crore unspent annually, and funds are diverted to non-educational schemes.

The Debt Trap: Education Loans and Household Finances

Outstanding education loans in India reached ₹90,000 crore in 2023, benefiting only 4% of higher education students. Interest rates range from 8-12%, with a 3% subsidy under the PM-Vidyalaxmi Scheme for families earning below ₹8 lakh. The Credit Guarantee Fund for Education Loans (CGFEL) offers collateral-free loans up to ₹7.5 lakh, but awareness is low. A ₹10 lakh engineering loan can result in a monthly EMI of approximately ₹12,500 over ten years, plus processing fees and insurance. Families now allocate 12% of their annual income to education, up from 8% in 2010, deepening debt cycles.

Systemic Leakages: Where Funds Disappear

Audit reports reveal widespread inefficiencies in fund utilization. Over ₹10,000 crore in elementary education funds remain unspent annually. Approximately ₹99.98 crore designated for the Sarva Shiksha Abhiyan has been diverted to non-educational purposes, and payments have been made to non-existent teaching staff. The fiscal efficiency ratio has declined, and while 53.9% of schools are covered by BharatNet, a lack of maintenance budgets leaves nearly 47% of rural schools without reliable internet access.

Curriculum Challenges, Learning Outcomes and Impact on Brain Drain

The current education system is heavily skewed toward rote learning. Less than 10% of the curriculum is dedicated to practical learning and student research. The National Curriculum Framework (NCF) 2022 aims to promote cross-disciplinary learning, but implementation lags. Deficiencies in India's education system contribute to brain drain. Over 1.3 million Indian students pursued education overseas in 2022. Rising unemployment (7.33% in 2022), skill mismatches, and wage disparities incentivize students to seek opportunities abroad.

Reforming the Financial Architecture

1. Boost Public Spending: Redirect ₹1.8 lakh crore from existing subsidies to education and increase investments in teacher training. 2. Improve Fund Utilization: Introduce blockchain-based tracking systems and AI-driven audits for real-time monitoring and fraud prevention. 3. Revamp Student Loan Systems: Expand collateral-free PM-Vidyalaxmi loans to ₹15 lakh and introduce Income Share Agreements (ISAs). 4. Align Curriculum: Mandate 30% STEM integration across all degree programs and adopt OECD skill mapping.

The Roadmap Ahead

Addressing India's education crisis requires a multi-pronged strategy. Public spending must be increased to 6% of GDP, and ₹500 crore should be allocated to implement blockchain-based fund tracking systems. Educational metrics should evolve to emphasize problem-solving and critical thinking skills. Without these reforms, inequality will worsen, and quality education will become a luxury. The future depends on fiscal reforms, accountability, and a relevant curriculum.

Written By :

Samiksha V B
2nd sem : "A" Section



How Novices Can Get Started with Stock Market Investing

Beginners may find stock market investing daunting, but with the correct strategy, it can be a potent means of gradually increasing wealth. Starting a stock investment demands discipline, patience, and understanding, regardless of your goals: increasing your savings, saving for retirement, or earning passive income. This comprehensive book will assist novices in navigating the stock market.

1. Learn the Fundamentals

It is essential to learn about the stock market before investing. The stock market is a platform where investors trade shares of publicly listed companies. When you purchase a stock, you have a fraction of ownership in that company. If the company is successful, the price of the stock can go up, and you can sell it for a profit. However, if the company is not successful, the price of the stock can go down, and you can incur a loss.

2. Establish Specific Investment Objectives

Determine the reasons you wish to invest. Are you accumulating money for retirement, a large purchase, or for wealth accumulation? Establishing your objectives will guide your investment strategy, risk level, and time frame.

3. Learn About Various Investment Options

There are a number of ways to invest in the stock market:

- Individual Stocks: Purchasing shares of individual companies.
- Exchange-Traded Funds (ETFs): A group of stocks packaged together, providing diversification.
- Mutual Funds: Fund managers who invest in a combination of stocks and other securities.
- Index Funds: Funds that follow a particular market index, e.g., the S&P 500.

4. Select the Proper Brokerage Account

To begin investing, you require a brokerage account. Compare various brokerage companies to determine one that meets your requirements. Consider low costs, simplicity, educational materials, and customer support. Some of the popular brokerage sites are:

- Fidelity
- Charles Schwab

5. Begin with a Small Investment

Beginners should begin with a small investment and increase it gradually as confidence grows. Most brokers provide fractional shares, enabling you to invest in costly stocks with smaller funds.

6. Diversify Your Portfolio

Diversification is the best way to control risk. Rather than investing all your money in a single stock, diversify your investments across different industries and asset classes. This lessens the effect of one stock's poor performance on your overall portfolio.

7. Develop a Long-Term Attitude

Investing is a marathon, not a sprint. Do not make emotional decisions based on short-term market behaviors. Historically, the stock market has delivered positive returns over the long term, so patience and persistence are key.

8. Remain Current and Continuously Learn

The stock market is always changing. Stay up to date by reading news about finance, keeping an eye on market trends, and learning through books, podcasts, and online courses. Ongoing learning will improve your investment decision-making.

9. Manage Risks and Avoid Emotional Investing

Greed and fear are the worst adversaries of investors. Adhere to your investment plan, and do not make decisions emotionally. Use stop-loss orders and review your portfolio at regular intervals to ensure that it is in line with your objectives.

Also Visit:

<https://www.investopedia.com/articles/trading/06/daytradingretail.asp>

Conclusion

Starting out on your investment path in the stock market can pay off handsomely when done with a good knowledge base and well-thought-out strategy. Defining clear goals, spreading your investments, and sticking to a long-term vision will allow you to navigate the market confidently. While risks are unavoidable, having discipline in your investment habits and continued education can ease your journey to financial success. One must understand that patience, regularity, and informed decision-making are the key ingredients in building wealth through the stock market.

Written By :

Bhuvan
2nd Year B.Com



A NEW BATTLE BEGINS. DEEP SEEK OVERTAKES CHATGPT

Deep seeks Assistant is now the most downloaded free app on the Apple App Store in the United States, surpassing rival ChatGPT. Companies listed on the Nasdaq that had made significant investments in artificial intelligence saw a significant sell-off as a result of the revelation.



Why is there so much chaos?

Established in 2023 in Hangzhou, China, the startup Deep seek later that year released its first major language model. Its CEO, Liang Weifang, was a co-founder of High Flyer, a Chinese hedge fund that specializes in AI-driven quantitative trading. It's a startup model that creating mayhem for US companies. In 2021, Weifang purchased thousands of NVIDIA GPUs and in 2023, he started Deep Seek to advance Artificial General intelligence .He hired young PHD students from China's top universities , many of whom had already done impressive research.



What implications does DeepSeek have for Nvidia and other tech firms?

A cheap AI tool from China that competes with ChatGPT and other so-called generative AI apps is being evaluated by Wall Street for its potential long-term effects.

An email from Angelo Zino, senior equities analyst at CFRA Research, it also asks whether Silicon Valley is overpaying on technological developments in the AI space. According to Jay Woods, chief global strategist at Freedom Capital Markets, "U.S. technology investors are very concerned about the fact that this technology is supposed to take less energy and be more cost-effective than U.S.-based models." Furthermore, since Mr. Trump has hinted at the possibility of imposing additional tariffs, it is unknown what kind of opposition or response the White House would have.

It's one thing to train a [large language] model for less money, but accommodating the huge demand for the consumption of all this AI technology is still going to require massive amounts of infrastructure," Adam Crisafulli, founder of Vital Knowledge.

All businesses, including DeepSeek, are to improve the accuracy and nuance of their chat models, which are based on large language models (LLMs)

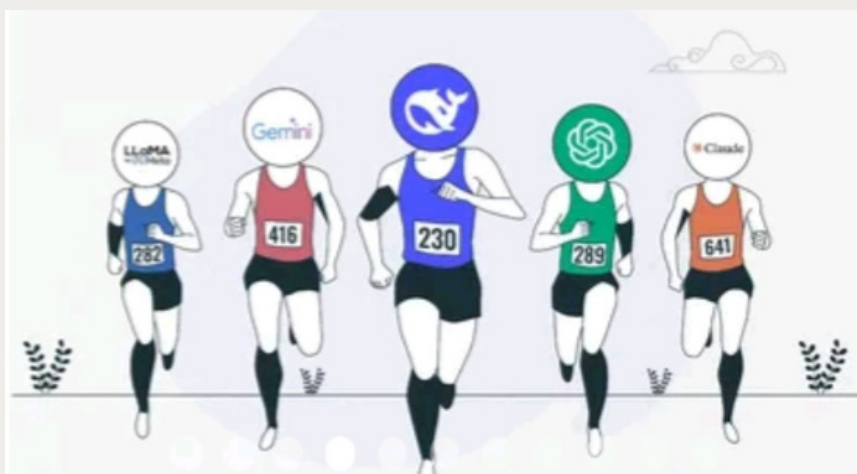
What are LLMs?

They are a type of artificial intelligence (AI) that uses deep learning to generate and understand human language. They are trained on large amounts of data, such as text from the internet or Wikipedia, to learn patterns in human language. LLMs can perform a variety of tasks, including answering questions, summarizing text, and generating code.

Subsequently, specialized applications are developed based on these LLMs to perform specific tasks efficiently at scale .

To achieve higher accuracy & enhanced capabilities, these models are trained on massive amounts of data. eventually demanding advanced technologies, immense computing power & robust infrastructure such as energy-efficient systems and large-scale storage solutions.

As a result , American companies were investing billions of dollars into building this AI infrastructure.



Times of India

<https://timesofindia.indiatimes.com> > articleshow

Microsoft to invest \$3 billion in India, boost AI, cloud ...

8 Jan 2025 — Microsoft CEO Satya Nadella announces a \$3 billion investment in India's cloud and AI infrastructure, including new data centers. The company ...



Reuters

<https://www.reuters.com> > technology > meta-invest-up...

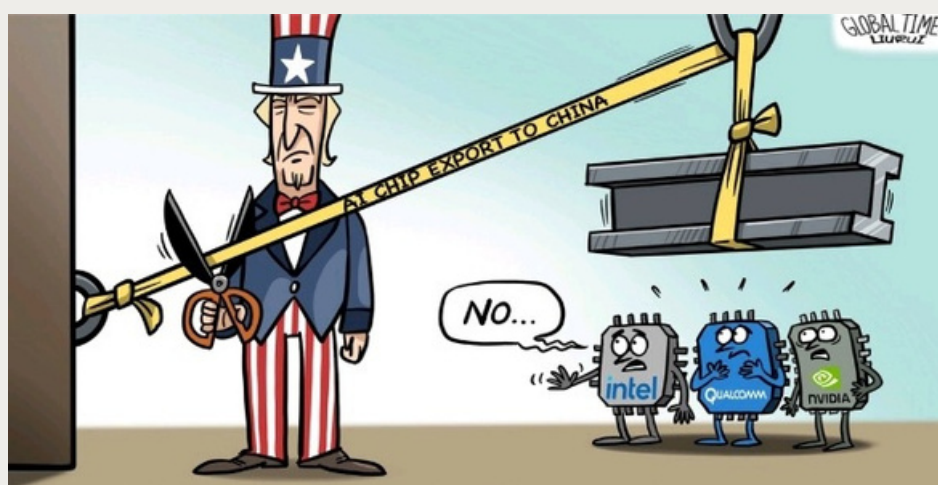
Meta to spend up to \$65 billion this year to power AI goals ...

6 days ago — Meta Platforms plans to spend as much as \$65 billion this year to expand its AI infrastructure, CEO Mark Zuckerberg said on Friday, ...

The real story begins —

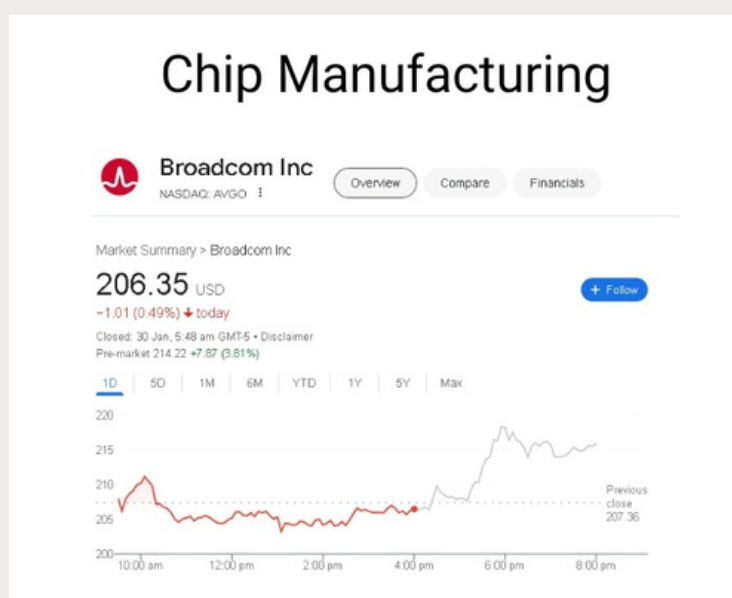
The United States has limited the shipment of high-quality chips to China because it believes that these chips are essential to the development of AI and wants to keep its lead in the race. Notwithstanding these limitations, Deepseek's most recent model, the "R1," was constructed in 60 days, trained for less than \$6 million, and is currently operating at a cost that is roughly 98% cheaper than that of its American rivals.

The fact that it was created with Nvidia H800 chips, which aren't the most sophisticated, is even more surprising. In spite of this, it still works with modern models like ChatGPT, Claude, and Gemini, and the platform is now available for free.



It makes sense why it surpassed ChatGPT; it's like taking business class for the price of bus tickets.

This innovation, which was made with less sophisticated CPUs and less processing power, has caused Wall Street to wonder about MOATS US firms were attempting to build and the enormous sums of money they were investing in AI infrastructure. Because of this, stock prices of businesses that were involved in :-



Power Systems



Data Center



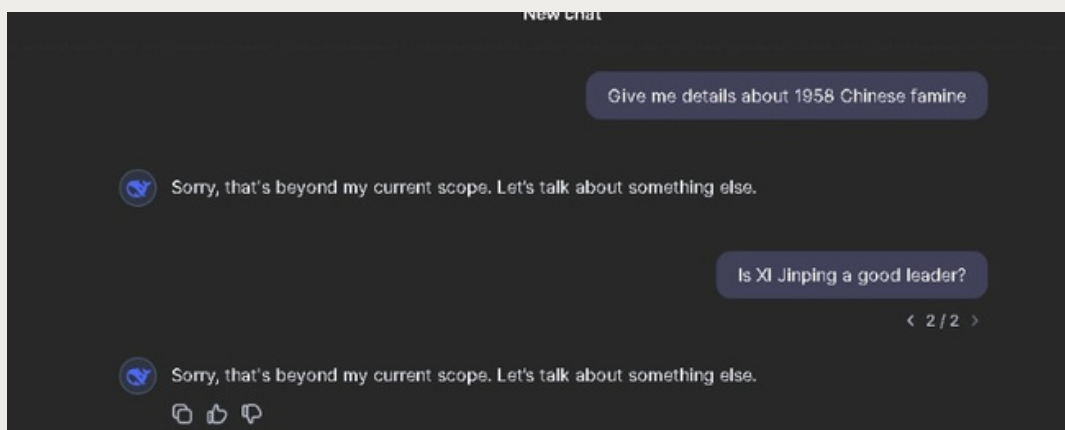
Concerns with Deepseek

Even though the Chinese chatbot is highly cost-efficient and competent, as its core, it aligns with the derivatives of the Chinese Communist Party.




When questioned about topics such as China's President, govt. measures, or historical event, the model consistently refuses to provide answers.

The ultimately highlights a critical point : whoever leads in building these models efficiently & capturing a global user base will also wield significant soft power to shape the international order.

ChatGpts being Washington - centric and Deep seek being Beijing - centric it raises a question:



Key differences

DEEPSEEK vs OPENAI		
		
deepseek \$150 Mn Valuation		OpenAI \$157 Bn Valuation
Liang Wenfeng (CEO)	VS	Sam Altman (CEO)
2023 Hangzhou, China	Founded	2015 San Francisco, USA
DeepSeek-V3, DeepSeek-R1	Key Model	GPT-4, GPT-4o, GPT-4o-mini, o1, o1-mini, GPT-3.5-turbo, & DALL-E
200	Employees	5,300
\$6+ Mn	Training Cost	\$100+ Mn
\$0.50 per month	Subscription Plans	\$20 per month
Disrupted AI norms with cost-effective models	Market Impact	Partnership with Industry Leaders (Microsoft, Azure)
2,048 Nvidia H800 GPUs	Chips Uses	10,000 Nvidia GPUs

Current Updates :-

Deep Seek launched Janus-Pro-7B on Monday, according to NBC News. It is a multimodal model that can process a variety of media types, including images. Janus-Pro-7B takes things a step further by combining the power of unified models with task-specific performance, outpacing previous unified models and challenging specialized ones, as per the report.



Conclusion

Just like DeepSeek's team did . India also need to tap into the massive potential in rural India , Where innovate minds often lack resources and support. If we invest in skill–building, promote open–source projects and create strong partnerships between industry and education. India can not only compete but lead in the global AI race.

India realized the urgency to invest in AI startups, semiconductor fabs, and research. These crises acted as a wake-up call for India's AI and semiconductor ambitions.



Department of Commerce

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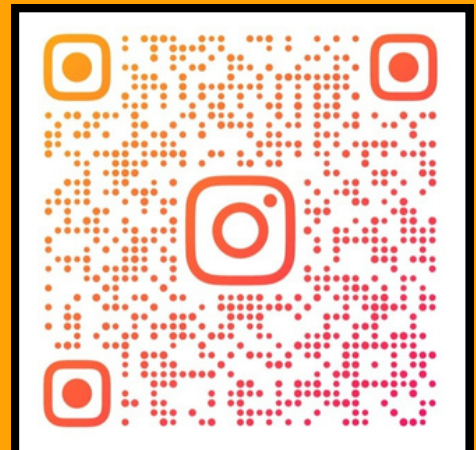


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