

# WEALTH 360

OPULENCE WEALTH 

BY OPULENCE WEALTH

EDITION 03 | APR 2022

UNDERSTANDING  
NATIONAL PENSION  
SYSTEM (NPS)

PUMP AND  
DUMP SCAMS >>

RUCHI SOYA FPO  
BIDS WITHDRAWAL

MUTUAL  
FUNDS  
VS.  
CRYPTOS



Wealth360 April

[WWW.OPULENCEWEALTH.COM](http://WWW.OPULENCEWEALTH.COM)



# TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE NO.</b>
Pump and Dump Scams	<b>03</b>
Understanding National Pension System (NPS)	<b>05</b>
Ruchi Soya FPO Withdrawal:	<b>07</b>
Mutual Funds vs. Cryptocurrencies	<b>09</b>
Historical Data and Performance	<b>10</b>
Opulence Corner	<b>11</b>
Contact	<b>12</b>



# PUMP AND DUMP SCAMS

*How does a Pump and Dump Scam take place?*



Pump-and-dump is a type of activity that attempts to boost the price of a stock or any virtual asset through recommendations based on false, misleading or greatly exaggerated statements. There are two parts to this method.

## **How does a Pump and Dump Scam take place?**

It involves a large group of people working at different levels with each level receiving different levels of profit. The levels consist of the 'Organizers', 'Inner Circle', 'Outer Rim' and 'Final Participants'.

The Core group within this system are the Organizers and Inner Circle which is divided into the further two sections called 'Paid Inner Circle' and the other being 'Inner Circle'. This also applies with the 'Outer Rim' Level with 'Paid Outer Rim' and 'Outer Rim' Respectively.

The asset which will be pumped is decided by the Organizers or at times collectively with the members of the Inner Circle. The information of the same is shared with the lower levels of the group through discreet mediums. In recent times, Telegram and Discord are used by these groups.

Aggressive Buying starts to take place between the Organizers and Inner Circle members to increase the value of the stock in advance of the 'Pump' to avoid traces from authorities.

After the asset is 'pre-pumped', the information of the same is relayed to the lower levels in their channels. The frequency of the pump within the group varies from several times in a day or week. A countdown is set for the same to be done along with the details on the exchange where the activity will take place.

The Participants prepare themselves for the purchase in order to look out for any possible technical issues during the event.

In the Pump Phases, the purchases start to take place from the highest level to the lower levels and eventually by outsiders who are not involved with the group incase they notice the spike in the exchange.

Once the price goes up, the Organizers sell their assets to the lower levels who buy the assets due to the spike. New investors then lose their money if the prices drop dramatically after the traders sell their assets especially those who buy the assets at the final stages of the 'Pump'.

Example - On 10 June 2015, Surana Solar shares jumped 18% after it was reported that 'Rakesh Jhunjhunwala' purchased 250,000 odd shares & then it crashed to its lower circuit next day, as the true identity of the investor was revealed. As soon as the news was made public, there was frenzy amongst the punters to grab the stock. This sent the stock price surging to an all-time high of Rs. 63. At this stage, the operator dumped his holding of the stock, leading to abnormally high volumes on the exchanges. Later, when news leaked that the "Rakesh Jhunjhunwala" who had bought the stock in the first place is not the ace investor 'Rakesh Jhunjhunwala' but a namesake, the stock price plunged to a low of Rs. 32.

It appears that nobody wanted to miss out on a stock that Rakesh Jhunjhunwala had invested in, and everybody from traders to analysts and even journalists assumed that the investment was done by Rakesh Jhunjhunwala. It looked like this was planned, as on 8 June 2015 too, the namesake investor had bought 250,000 shares, but squared off on the same day. This did not seem to get any attention, but when the long position was taken on 9 June, that was when the other investors caught on.



Source :CNBC-TV18

Later on SEBI (Securities & Exchange Board of India) came to rescue, as BSE issued a circular dated 12th June 2015 directing its members not to effect any payout to their clients (both funds and securities) for the trading done in Surana Solar on June 10, 2015 and June 11, 2015.

CNBC's Varinder Bansal broke the news that the "Rakesh Jhunjhunwala" who bought the stock is not the ace investor but a namesake based in Kolkata. Varinder Bansal speculated in his report that the entire episode appears to be a carefully orchestrated 'pump and dump' scheme'.

# UNDERSTANDING NATIONAL PENSION SYSTEM (NPS)

## Features, Tax Benefits & Rules

National Pension System Trust (NPS Trust) is a specialised division of Pension Fund Regulatory and Development Authority which is under the jurisdiction of Ministry of Finance of the Government of India. The National Pension System (NPS) is a voluntary defined contribution pension system in India. National Pension System, like PPF and EPF is an EEE (Exempt-Exempt-Exempt) instrument in India where the entire corpus escapes tax at maturity and entire pension withdrawal amount is tax-free.

On 10 December 2018, the Government of India made NPS an entirely tax-free instrument in India where the entire corpus escapes tax at maturity; the 40% annuity also became tax-free.[9] Any individual who is Subscriber of NPS can claim tax benefit for Tier-I account under Sec 80 CCD (1) with in the overall ceiling of Rs. 1.5 lac under Sec 80 C of Income Tax Act. 1961. An additional deduction for investment up to Rs. 50,000 in NPS (Tier I account) is available exclusively to NPS subscribers under subsection 80CCD (1B).The changes in NPS was notified through changes in The Income-tax Act, 1961, during the 2019 Union budget of India.There is no tax benefit on investment towards Tier II NPS Account. NPS is limited EEE, to the extent of 60%.40% has to be compulsorily used to purchase an annuity, which is taxable at the applicable tax slab.

Contributions to NPS receive tax exemptions under Section 80C, Section 80CCC and Section 80CCD(1) of Income Tax Act. Starting from 2016, an additional tax benefit of Rs 50,000 under Section 80CCD(1b) is provided under NPS, which is over the Rs 1.5 lakh exemption of Section 80C.Private fund managers are important parts of NPS.NPS is considered one of the best tax saving instruments, after 40% of the corpus was made tax-free at the time of maturity and it is ranked just below equity-linked savings scheme (ELSS).

## Types of NPS Account

Particulars	NPS Tier-I Account	NPS Tier-II Account
Status	Default	Voluntary
Withdrawals	Not permitted	Permitted
Tax exemption	Up to Rs 2 lakh p.a.(Under 80C and 80CCD)	1.5 lakh for government employees Other employees-None
Minimum NPS contribution	Rs 500 or Rs 500 or Rs 1,000 p.a.	Rs 250
Maximum NPS contribution	No limit	No limit

# IS NPS A GOOD INVESTMENT?

*NPS is an ideal investment for those looking to accumulate a corpus for retirement as well as to fulfill various long-term goals.*



## NPS



### Eligibility

Indian citizen in the 18-60 age bracket



### Lock-in Period

Matures at 60



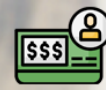
### Partial Withdrawal

Upto 25% after 3 years of account opening



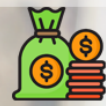
### Asset Classes

Equity (E), Government Bond (G), Corporate Bond (C), Alternative Investment (A)



### NPS Account

Can be opened online at NSDL



### Cost

Low Cost, Fund Management Fee capped at 0.01%



### Investment Choice

Active (Subscriber allocates), Auto An per life cycle fund

# RUCHI SOYA FPO BIDS WITHDRAWAL:

## *SEBI Allows Investors to Withdraw FPO Bids*

The Securities and Exchange Board of India (SEBI) has issued a directive on Ruchi Soya's FPO (follow on public offer). As per SEBI's statement, investors who had participated in Ruchi Soya's Rs 4,300 crore FPO can withdraw their bids.

Ruchi Soya, a part of the Patanjali Group, launched a Follow-on Public Offer (FPO) that was initially open between March 24 and 28, 2022.

Under regular circumstances, investors are allowed to cancel their IPO application during the bidding tenure. However, for Ruchi Soya, a special window was allowed which was open till March 30, 2022 for the withdrawal of bids.

The FPO of Ruchi Soya was subscribed 3.60 times the reserved portion and Retail Individual Investors (RIIs) bid for the issue 0.90 times.

### *Why was this necessary?*

SEBI came out with this directive on Ruchi Soya due to Misleading SMSes.

During the FPO subscription period, there was a "circulation of unsolicited SMSes advertising the issue", SEBI noted. As per various media reports, unsolicited messages were being sent to Patanjali Ayurved's users to invest in the said offer.

The messages seen in media reports read: "Great news for all beloved members of Patanjali Parivar. A good investment opportunity in Patanjali Group. Patanjali Group company—Ruchi Soya"



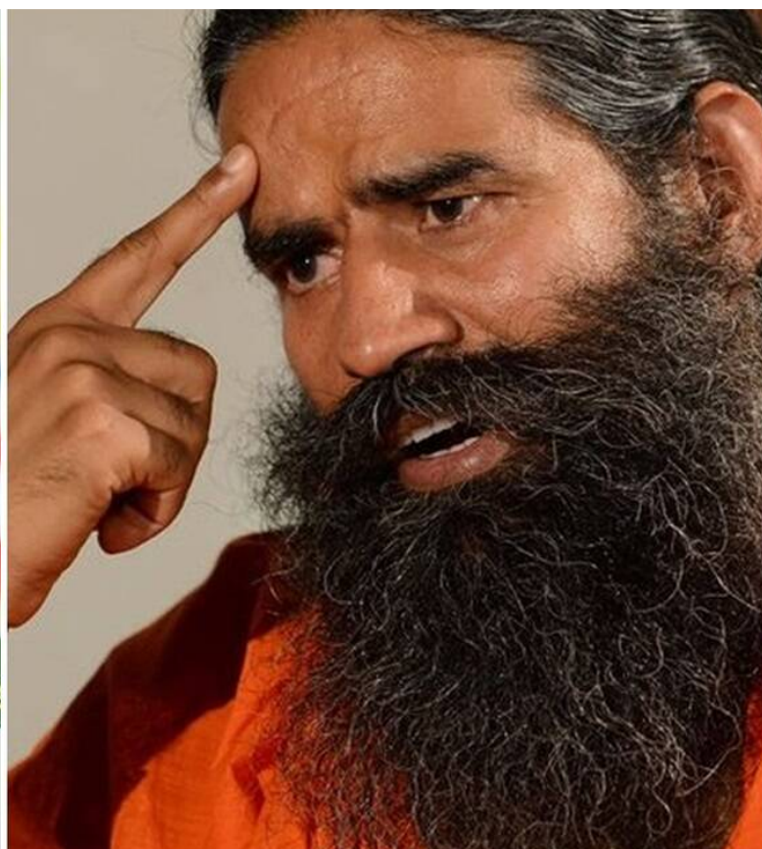
# RUCHI SOYA FPO BIDS WITHDRAWAL:

## *SEBI Allows Investors to Withdraw FPO Bids*

"Great news for all beloved members of Patanjali Parivar. A good investment opportunity in Patanjali Group. Patanjali Group company—Ruchi Soya Industries Ltd—has opened the follow-on public offer (FPO) for retail investors...."

### **Action by SEBI**

SEBI mentioned that the content of the SMS appeared to be "misleading/fraudulent" and directed the lead banking managers to the FPO to issue a notice to all investors in the form of newspaper advertisements, cautioning them about the circulation of such messages.



SEBI directed Ruchi Soya to give the investors who participated in its FPO the option to withdraw their bids.

An SMS was sent to all the applicants whose bids have been received, informing them about the additional window provided to withdraw their bids.

### **Extended Dates**

Following the actions, the FPO dates have been extended till March 30, 2022. This is only for accepting the withdrawal bids. The window for withdrawal was available on March 28, March 29, and March 30, 2022. All investors/bidders (except anchor book participants) were given an option to withdraw their bids on these dates.











# MUTUAL FUNDS VS. CRYPTOCURRENCIES

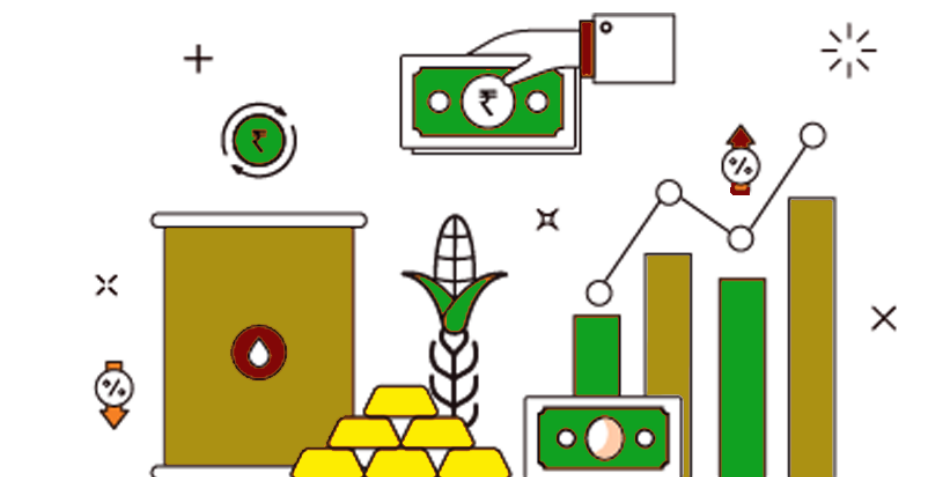
Point of difference	Mutual funds	Cryptocurrencies
Method of operation	Money is pooled from investors and invested in securities.	A person can invest in desired cryptocurrencies through an online wallet.
Operated by	Fund houses or Asset Management Companies	Creators of the cryptocurrencies and management tasks are broadly distributed amongst investors.
Reason for investing	Usually, to gain returns on surplus income or for long-term gains.	Some people invest to take advantage of price fluctuations. Others believe that it is a convenient investment for long-term gains without deflationary pressures.
Year of introduction	1963	Cryptocurrencies were first invented in 2008 as a result of the global financial crisis. They began gaining popularity in India in the mid-2010s.
Government's stance	The Government encourages investment in mutual funds, and there are a few state-owned mutual funds as well.	The Government plans to regulate investment in cryptocurrencies rather than ban it by introducing a crypto bill.
Minimum and maximum value	Systematic Investment Plans (SIPs) start from as low as Rs.500. Usually, there is no maximum value.	Minimum and maximum values change depending on the digital wallet.
Rate of return	It is not fixed and is based on market performance and the fund manager's strategy.	Different cryptocurrencies have different rates of returns.
Level of risk	Varying levels of risks for different funds. They are also are subject to market risk.	Extremely risky
Maturity Period	No specific date or tenure. Investors can exit the fund at any time. Investors can choose to invest for short, medium, or long term.	A person can stay invested for as long as they wish and for as long as the crypto is still functional.
Level of Liquidity	Relatively high level of liquidity. There exist mutual funds where investors can withdraw their money even after one day. Usually, AMCs charge a fee called the "exit load" if an investor wishes to withdraw their funds before a stipulated period of time.	Cryptocurrencies with large market caps like Bitcoin and Ethereum are some of the most liquid assets.
Tax Efficiency	Different mutual funds (depending on if they are equity-based or debt-based, or hybrid) have different tax rates	Tax of income from the sale of cryptocurrencies is charged at 30% individual.

# HISTORICAL DATA & CHANGES

Month- March

INDEXES & COMMODITIES	VALUE/PRICE 02 MARCH 2022	VALUE/PRICE 31 MARCH 2022	CHANGE%
 <b>BSE SENSEX</b>	55468.90	58568.52	+5.58%
 <b>NIFTY 50</b>	16606.00	17464.80	+5.17%
 <b>BSE MID CAP</b>	23316.56	24107.97	+3.39%
 <b>BSE SMALL CAP</b>	26631.33	28215.65	+5.94%
 <b>GOLD ₹/10GM</b>	51,750.00	51,141.00	-1.17%
 <b>SILVER ₹/01KG</b>	66,910.00	67,001.00	+0.13%
 <b>USD/INR</b>	1/75.71	1/75.79	+0.10%
 <b>BRENT CRUDE (₹/BARREL)</b>	8,265	7,673.00	-7.16%

Note: for general information only and not meant to serve as a professional guide/ investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units.



# MUTUAL FUND OFFER

NFOs March 2022

Offer Closing date

Name (NFOs)

11-04-2022-

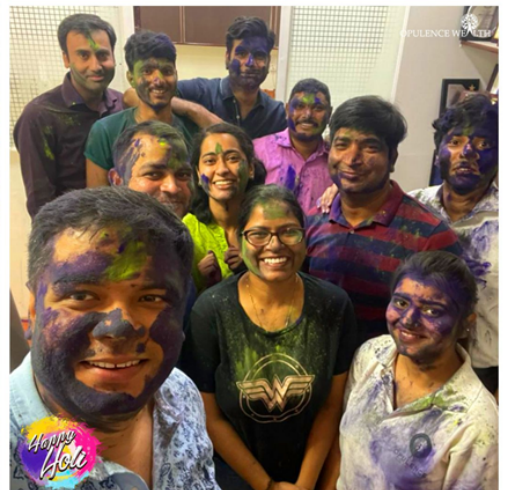
ICICI Prudential Housing Opportunities Fund

04-04-2022-

NJ Overnight Fund Direct Growth

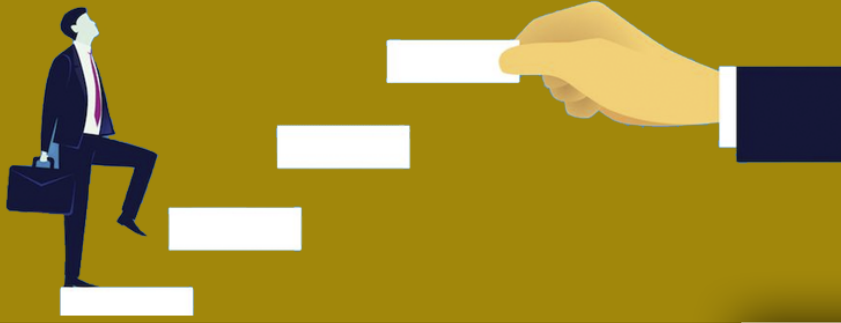
# OPULENCE CORNER

Holi celebration at Opulence Wealth.



# CONTACT US

Details & More



*"The first step towards getting somewhere is to decide you're not going to stay where you are."*  
-J.P Morgan



Do you know anyone who could benefit from our services? Your trust and REFERRALS are greatly appreciated!

[Click to Share](#)



What would you say about your experience?

[Submit Enquiry](#)

## Our App

Tech that matters, Service you deserve.



C-78, Sector 63, Noida : 201301

+91-9953551177

[info@opulencewealth.com](mailto:info@opulencewealth.com)

[www.opulencewealth.com](http://www.opulencewealth.com)

