

FIN-O-DATE

THE FINANCIAL GAZETTE OF MDIM



FINARITHA

THE FINANCE CLUB OF MDIM

WEEKLY
FINANCIAL
MAGAZINE
FOR THE
STUDENTS
OF
MDIM



**LET BUSINESSES OWN THE WORLD
YOU BE THE RULER**

ABOUT US



Finartha, the finance club of Management Development Institute Murshidabad formed with the ambitions of bridging the gap between the academic and professional worlds. As a student—run organization, the club brings together students with a shared interest in Finance to enjoy presentations from industry professionals, competitions, quizzes, finance-related discussions, casual and formal networking events as well as a variety of social events. It provides the platform for interactive discussions and orients oneself towards the world of business and commerce. The club plans to get into media through social as well as print media to update the students, academic professionals and industry veterans about its various activities. It thrives on providing the students with additional resources needed to develop themselves into strong candidates for the prospective job market. If one is zealous enough for the activities which go into finance and its substrates then 'Finartha' is the platform to quench that zeal.



FINARATHA



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FIN-O-DATE THE FINANCE MAGAZINE

DECEMBER 26, 2021

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INDEX

- SENSEX **57124.31**
- NIFTY 50 **17003.75**
- NASDAQ **15653.37**
- DOWJONES **35950.56**

CURRENCY

- USD/INR **₹ 75.02**
- GBP/INR **₹ 100.60**
- YEN/INR **₹ 0.66**
- EURO/INR **₹ 84.91**

LATEST BY:
Dec 26, 2021

TOP GAINERS

Securities	Prev closing	Closing Price	Percentage increase	High/Low
HCL Tech	1227.45	1262.60	2.86	1283.80/1246.15
Tech M	1683.35	1724.00	2.39	1735.20/1680.35
SBI Life	1125.45	1148.00	2.00	1153.65/1126.00
Asian Paint	3267.90	3285.00	0.52	3300.00/3261.00
Wipro	694.55	697.65	0.45	702.40/690.15

TOP LOSERS

Securities	Prev closing	Closing Price	Percentage decrease	High/Low
Grasim	1659.60	1611.00	2.93	1668.00/1595.25
NTPC	124.55	121.40	2.53	124.80/125.00
Eicher Motors	2480.25	2435.35	1.81	2504.75/2432.25
ONGC	140.50	138.15	1.67	141.60/137.20
M&M	826.855	813.10	1.66	832.05/808.00

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	TARGET 2	STOP LOSS
IndusInd Bank	BUY	808	850	860	798
I BULLS HFS	BUY	207	240	252	200
IRCTC	BUY	800	1000	1200	750

Market Watch

- Any up move will be sell on rise as it would be short covering.
- Sentiments of India market is Bearish as Central Banks might raise interest rates.
- Low Volume might be seen in this week.
- NIFTY BANK could be Bearish for the upcoming week.

Disclaimer: Futures, stocks and options trading involves substantial risk of loss and is not suitable for every investor. You are responsible for all the risks and financial resources you use and for the chosen trading system. You should not engage in trading unless you fully understand the nature of the transactions you are entering into .



WHAT'S BREWING IN THE MARKET?

Monetary policy is financially inclusive

India's monetary policy is by design financially inclusive, the evidence of which is still coalescing, and increased inclusion will over time enhance policy effectiveness by fostering societal intolerance to inflation, said Reserve Bank of India (RBI) Deputy Governor Michael D. Patra.

"Although it is empirically observed that there is a two way relationship between monetary policy and financial inclusion, it is unambiguous that financial inclusion is able to dampen inflation and output volatility," he said, addressing a meet on financial inclusion on Friday.

"This is achieved by smoothing consumption by enabling people to draw down financial savings in difficult times for everyday needs. In the process, it makes people interest-sensitive. Moreover, inflation targeting monetary policy ensures that even those at the fringe of financial inclusion are secured from adverse income shocks that hit them when prices rise unconscionably," Dr.Patra added.

Observing that financial inclusion appeared to have increased with the level of the RBI's financial inclusion index rising from 49.9 in March 2019, to 53.1 in March 2020, and further to 53.9 in March 2021, he said: "The evidence is still forming and strong conclusions from its analysis may be premature, but India's monetary policy is by design" inclusive.

Financial inclusion appeared to be the lowest in rural, agriculture-dependent areas where food was the main source of income.

Canara Bank issue nets 2500 cr.

Canara Bank has raised 2,500 crore via Basel III compliant Tier II bonds, at a coupon rate of 7.09%, the bank said on Friday.

The issue saw an over whelming response from investors with bids received for more than 9,374 crore.

The base issue size was, 1,000 crore with a green shoe option of 1,500 crore. The bonds, issued with a tenor of 15 years, can be called back by the issuer after 10 years or any anniversary date thereafter. In Q3 2021-22, the bank had raised Basel III-compliant additional tier bonds worth 3,000 crore

'GDP to grow 8.2% in FY23 with more downside risks'

Warning that the New Year I would be riskier than the previous two in terms of growth, inflation and the perils of monetary policy normalisation on consumption demand in particular, along with other external risks, a Wall Street brokerage has pencilled in an 8.2% GDP growth next fiscal, with more downside risks to the projection.

Consumption demand

The biggest risk to the projection is a derailed consumption demand that has been the main growth driver in the past many years, said the Bank of America Securities India house economists who still believe that consumption demand will remain the key driver of growth next fiscal as well.

The economists expect higher growth next fiscal on the back of higher overall gross value add (GVA) growth due to the lower out go on subsidies, along with stable agriculture sector growth at about 4% and robust services growth, adding up to an overall GVA growth of 7%, down from a likely 8.5% in FY22. FY23 GDP growth is seen at 8.2% down from 9.3% in FY22.

Indian shares rise for a third day as Omicron fears recede

Shares rose for a third straight session on Thursday, led by gains in information technology and energy stocks on improved investor sentiment after a study showed Omicron's risk was lower compared with the Delta corona virus variant.

The NSE Nifty 50 index edged up 0.69% to 17,072.60 and the benchmark S&P BSE Sensex gained 0.68% to close at 57,315.28.

Protection, U.K. data

Two vaccine manufacturers said their shots offered protection against Omicron, as U.K. data suggested it may cause proportionally fewer hospitalisations than the Delta variant, supporting conclusions reached in South Africa.

Indian markets hit a near four-month low and tumbled as much as 3% on Monday on fears over a surge in Omicron cases across the globe and associated lockdowns.

dip. Indian stocks, however, are still almost 8% off from their October peak.

“Future Contracts and Commodities”

One of the most burning stories spurring the newspapers is SEBI’s decision of banning the Future Contracts for 1 year on seven selected agriculture commodities. The major question that comes to our minds is whether this step would really be helpful in curbing the inflationary winds surrounding the food commodities or would just give a big setback to Commodity Derivative Trading in India. Trading in seven commodities including paddy (non-basmati), wheat, chana, mustard seeds and its derivatives, soya bean and its derivatives, crude palm oil and moong will remain suspended till further orders. The reason for the ban is the retail inflation 4.9% which is closer to the upper limit of RBI (2%-6%). Amidst all future speculations, there are concerns that whether the decision can insulate India from the global scenarios and influences with respect to commodities.

What is Future Contract?

A futures contract is a standardized legal agreement between two parties where both parties agree to buy and sell a particular asset of specific quantity and at a predetermined price, at a specified date in future. The transacting asset in a futures contract could be commodities, stocks, currencies, interest rates and bond. The futures contract is held at a recognized stock exchange. Thus it acts as a mediator and facilitator between the parties. As prices volatile and are bound to change every day, the differences in prices are settled on daily basis from the margin. If the margin is used up, the contractee has to replenish the margin back in the account. This process is called marking to market. However the essential function that future contract does is hedge against risk or help in speculating the prices.

We can understand this with the help of an example. Suppose I am a trader and the present ONION prices are ruling at Rs. 20/kg. Now, if because of my experience of the market, I feel that in future the onion prices will go up then rather than purchasing the onions right now and selling it latter, I sign a contract with a farmer/trader that I will purchase 1 Tonne of onions after 30 days (lets say on 23rd Jan 2022). So, I got a signed paper (future contract) and I paid farmer the price @Rs. 20/kg X 1 Tonne. = Rs. 20,000 (Rs. 20K) After 15 days from now, if the prices of onions started increasing in the physical market and people think that prices of onion will further increase in future then I can sell this paper (future contract) to another trader at a higher price than Rs. 20K. This is because whoever will be holding this paper (future contract) can get the 1 Tonne onions from the farmer on 23rd Jan 2022.

So, the price of the future contract will depend on the demand and supply situation of the agri commodities in the physical market. And sometimes the price of the future contract also influences the price of the commodities in the physical market. Sometimes traders in the physical market uses the future contract price as the reference price for doing trade. So, both impact each other.

While the Government feel that allowing the trade of these papers (future contracts) leads to speculation in prices and thus banning the future trade may cool down prices. However we cannot ignore the statistics which states that post ban, the prices are pushed higher than it were before the ban. The prices of chana dalproducts (banned from future contracts in August) in retail markets did not go down; they were in fact slightly higher in the following months. In the case of mustard (October), the retail price of oil and seed remained elevated post the ban. The reason is very evident, the global price rise in the food commodities since the unlocking has been started post the pandemic situation..

The direct impact is faced by the farmers who are prevented from getting better prices. The exchanges along with SEBI have managed to involve farmers at the micro level which gets vitiated now. Second, corporates hedging their price risk will now suddenly be at a loss, especially for oils, given it is an international phenomenon and hedging was the only way out.

The impact of earlier bans this year

	Mustard ₹/qtl	Mustard oil Retail ₹/kg	Gram dal Retail price/kg
Jun-21	6,196	161	69.1
Jul-21	6,356	160.4	67.2
Aug-21	6,742	162.5	66.8
Sep-21	7,236	169.2	67.9
Oct-21	7,336	173.9	68.1
Nov-21	7,348	175.1	67.8

Source: Department of Consumer Affairs for retail prices and CME for mustard

Change in international price (% y-o-y)

	Nov 21. over Nov 20
Soy oil	47.8
Crude palm oil	46.9
Mustard oil	76.4

Source: World Bank

Retail prices of banned commodities

₹/kg	Rice	Atta	Moong dal
Jun '21	30.6	25	95.4
Jul '21	30.6	24.9	92.5
Aug '21	30.4	25.1	90.9
Sep '21	30.4	25.2	91.2
Oct '21	30.6	25.4	91.2
Nov '21	30.6	25.8	92



IPO WATCH: INSPIRA ENTERPRISE

ABOUT THE COMPANY

Inspira Enterprise is a major digital transformation firm in India, with a focus on cyber security and a global presence in a variety of industries. It offers customers cyber security and digital transformation services, and it has completed big cyber security transformation projects, as well as infrastructure and digital transformation projects, for a variety of Indian organizations. Through their immediate and step-down subsidiaries, it has expanded its activities to different geographies throughout time, and as of March 31, 2021, it was present in six nations, including India, the United States, Southeast Asia, the Middle East, and Africa.

MSSP Alert has put Inspira Enterprise among the top 250 MSSP providers in the world for 2020, while Forrester's Now Tech: Managed Security Services in Asia Pacific, Q4 2020 study lists Inspira Enterprise among the top 35 MSSP providers. It has skills covering the digital lifecycle of services, from consulting, architecture, solution design, and implementation, to monitoring and delivering managed services, thanks to its diverse offers across numerous sectors and locations. For example, it has previously offered consultancy and design services to a bank, as well as constructing a full G-SOC, reworking its IT infrastructure to boost advanced banking products and strengthening its IT security architecture to increase compliance with applicable requirements.



FINANCIAL HIGHLIGHTS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL ASSETS	6736.64	6461.00	4924.54
TOTAL REVENUE	8138.98	7681.35	6284.55
PROFIT AFTER TAX	361.49	197.08	42.61

All values are in Rs. Cr.

IPO DETAILS:

On August 13, Inspira Enterprise India filed draft documents with the capital markets regulator SEBI to begin its initial public offering (IPO). Prakash Jain, Manjula Jain Family Trust, and Prakash Jain Family Trust seek to collect Rs 800 crore through a public offering that includes a fresh issuance of Rs 300 crore and a sale of Rs 500 crore by promoters Prakash Jain, Manjula Jain Family Trust, and Prakash Jain Family Trust.. Prakash Jain will sell equity shares worth up to Rs 131.08 crore, Manjula Jain Family Trust will sell up to Rs 91.77 crore, and Prakash Jain Family Trust will sell the remaining shares for Rs 277.15 crore. Employees of the firm will be able to reserve shares as part of the offer. In discussions with merchant bankers, the business may contemplate a Rs 75 crore pre-IPO placement. According to the DRHP submitted with the SEBI, once finalized, the fresh issue size would be lowered appropriately. The issue's book running lead managers are Axis Capital, JM Financial, Nomura Financial Advisory and Securities (India), SBI Capital Markets, and YES Securities. The lot size, IPO launch, allotment and listing dates are to declared later.

OBJECTIVES OF THE IPO:

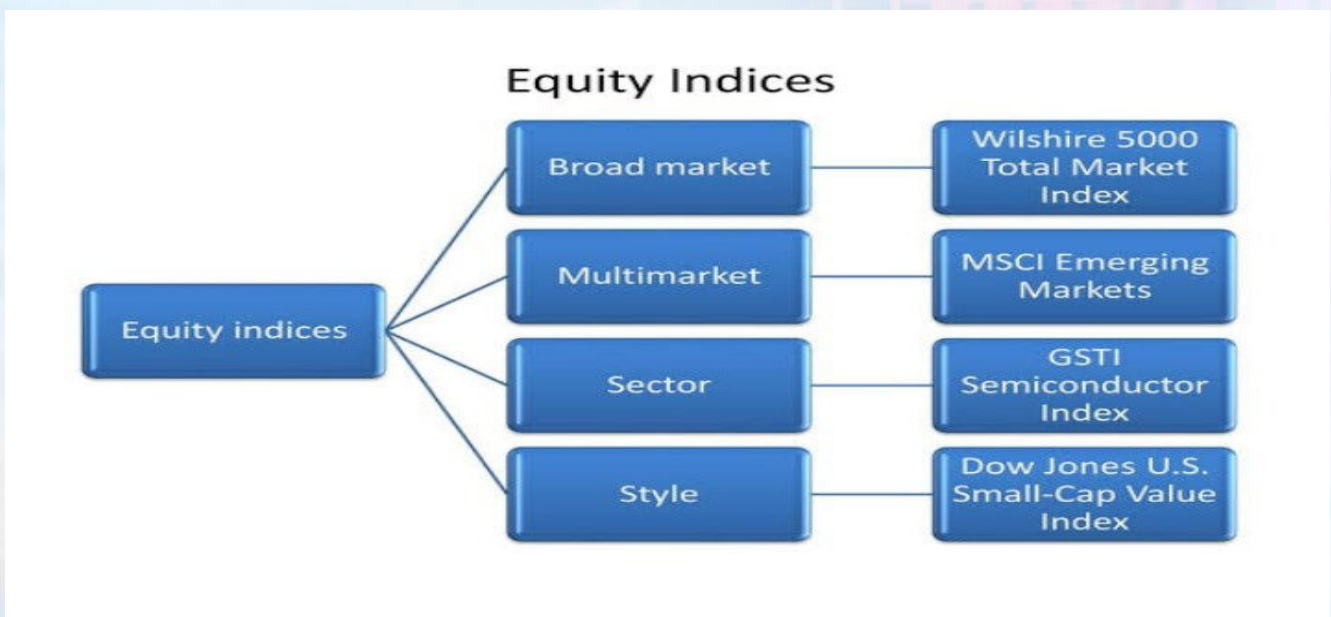
The net proceeds from the fresh issue will be utilised working capital requirements (Rs 109.63 crore), repayment of debt (Rs 115.37 crore) and general corporate purposes.

Type of Equity Indices

Investors can use a variety of equity market indexes. These equity indexes can be classified as follows:

Broad market index. Provides a measure of a market's overall performance and usually contains more than 90% of the market's total value. For example, the Wilshire 5000 Index contains more than 6,000 equity securities and is, therefore, a good representation of the overall performance of the U.S. equity market.

Multi-market index. Typically constructed from the indexes of markets in several countries and is used to measure the equity returns of a geographic region (e.g., Latin America indexes), markets based on their stage of economic development (e.g., emerging markets indexes), or the entire world (e.g., MSCI World Index).



Multi-market index with fundamental weighting. Uses market capitalization-weighting for the country indexes but then weights the country index returns in the global index by a fundamental factor (e.g., GDP). This prevents a country with previously high stock returns from being overweighted in a multi-market index.

Sector index. Measures the returns for an industry sector such as health care, financial, or consumer goods firms. Investors can use these indexes in cyclical analysis because some sectors do better than others in various phases of the business cycle. Sector indexes can be for a particular country or global. These indexes are used to evaluate portfolio managers and to construct index portfolios.

Style index. Measures the returns to market capitalization and value or growth strategies. Some indexes reflect a combination of the two (e.g., small-cap value fund). Because there is no widely accepted definition of large-cap, mid-cap, or small-cap stocks, different indexes use different definitions. These definitions may be specified values of market capitalization or relative definitions, such as defining large-cap stocks as the largest 500 firms in a given market. In constructing value stock and growth stock indexes, price-to-earnings ratios or dividend yields are often used to identify value and growth stocks. Over time, stocks can migrate from one classification to another. For example, a successful small-cap company might grow to become a mid-cap or largecap company. This causes style indexes to typically have higher turnover of constituent firms than broad market indexes.



GREEN INVESTING

Green investing aims to encourage company practises that have a positive environmental impact. Green investments, which are frequently grouped with socially responsible investing (SRI) or environmental, social, and governance (ESG) criteria, focus on companies or projects that are committed to natural resource conservation, pollution reduction, or other environmentally conscious business practises. Although green investments fall within the SRI umbrella, they are more particular.

Green investments that generate all or most of their revenue and profits from green business operations are known as pure-play green investments. Green investments can also refer to businesses that have other lines of business but specialise on green projects or product lines. Businesses that want to help the environment have a variety of options. Some green businesses are working on renewable energy research or developing environmentally acceptable plastic and other material replacements. Others may strive to reduce pollution or other negative environmental effects from their manufacturing processes.

Investing in "green" companies can be riskier than other equity strategies because many of these businesses are still in development, with low revenues and high earnings valuations. Green investment, on the other hand, can be an appealing method to put money to work for investors who care about supporting eco-friendly enterprises. The term "green" is defined differently by different investors. Companies involved in the natural gas or oil industries are included in several "green" funds. Despite the fact that these corporations may be exploring renewable energy technology, some investors may be hesitant to invest in a fund linked to fossil fuel companies. Prospective investors could study the prospectus of a fund or the annual filings of a stock to see if it meets their definition of "green."



Companies and workplaces are moving swiftly to capitalise on the requirements of investors and consumers looking for ways to use their money to fight climate change. Ford and GM, the two major manufacturers in the United States, have both committed to having all-electric fleets by 2035, following the lead of successful green energy startups like Tesla. Ford's stock has increased by more than 120 percent year to far, while GM's stock has increased by about 35 percent and Tesla's stock has increased by approximately 26 percent. On the regulatory front, look for activity on the Department of Labor's new proposed rule in early 2022, which should make it easier for employees to include more ESG investing options in their workplace retirement plans. More investment managers may include ESG risks as part of their endeavour to maximise long-term risk adjusted returns if the rule is implemented.

ESG accounting and reporting rules are currently insufficient. In comparison to traditional financial reporting, corporate reporting of ESG variables is still in its infancy, especially because there is currently no legal duty to do so. Stakeholder Capitalism Metrics, a project of the World Economic Forum, aimed to address the multitude of ESG reporting requirements. The approach, which is being viewed as a stepping stone for businesses to adopt right now, is gaining traction as part of the newly formed International Sustainability Standards Board's efforts to provide a global solution. This isn't to argue that ESG data and ratings should be entirely standardised; there will be opportunity for different approaches, and there should be. Comparing a portfolio over a basic set of indicators, on the other hand, should be possible.

TEAM FINARTHA

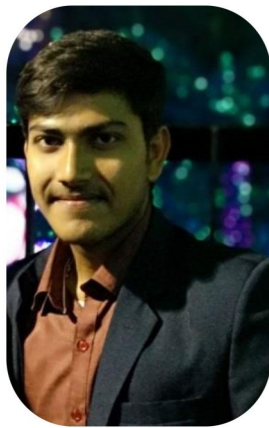
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BATCH 2020-22 & 2021-23

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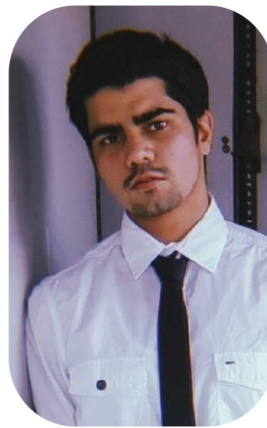
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Megha Poddar



**Rahul
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**SHREYAS
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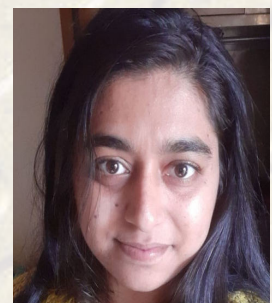
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