



MDI
MURSHIDABAD

Management
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FIN-O-DATE

THE FINANCIAL GAZETTE OF
MDIM



Weekly financial magazine
for the students of MDIM

FINODATE

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.



Issue - 123

TOP GAINERS

INDEX

SENSEX	59,793.14
NIFTY 50	7,833.35
NASDAQ	12,112.31
DOW JONES	32,151.71

Securities	Previous Closing	Closing Price	Percentage increase	High/Low
TECHM	1089.60	1127.00	3.43%	1132.35/1086.25
ADANI PORTS	885.05	909.00	2.71%	925.00/887.00
INFY	1475.90	1512.00	2.45%	1520.00/1480.00
INDUSIND BANK	1108.30	1134.00	2.32%	1149.55/1116.55
HCLTECH	931.05	950.10	2.05%	953.00/934.30

TOP LOSERS

CURRENCY

- USD/INR ₹ 79.66
- GBP/INR ₹ 92.41
- YEN/INR ₹ 0.56
- EURO/INR ₹ 80.87

Securities	Previous Closing	Closing Price	Percentage increase	High/Low
ULTRACEMCO	6919.15	6787.90	-1.90%	7029.00/6764.15
SBILIFE	1317.70	1297.10	-1.51%	1326.95/1291.30
M&M	1321.90	1302.00	-1.51%	1338.00/1294.05
HDFCLIFE	584.35	575.60	-1.50%	588.90/575.00
GRASIM	1769.85	1747.00	-1.29%	1797.80/1742.25

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	STOP LOSS
FIRST SOURCE SOLUTION	Buy	110.0	125.00	98.00
DIXON TECHNOLOGICAL LTD	Buy	4180.00	4700.00	3795.00
BHARAT PETROLEUM	Buy	330.00	380.00	300.00

Market Watch

- Reliance Jio going with Nokia, Ericsson to roll out 5G network in October.
- Creditsight finds 'Errors' in its report on Adani companies debt.

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 .

NATIONAL FINANCIAL NEWS

Indian currency reserves drop to their lowest level in 23 months.

According to the most recent data from the central bank, the Reserve Bank of India's (RBI) headline foreign exchange reserves fell by \$7.9 billion to \$553.11 billion in the week ending September. According to the RBI data, reserves are at their lowest level since October 9, 2020. One of the causes of the decline in reserves, according to analysts, was the RBI's defense of the rupee by dollar sales during a time when the dollar was growing globally. The dip in foreign currency assets, which decreased by \$6.5 billion to \$492.12 billion in the week ending September 2, was substantially responsible for the decline in foreign exchange reserves. "The RBI has consistently intervened in the foreign exchange market to guard against any abrupt devaluation of the rupee. The rupee held up well compared to its Asian counterparts and improved to become the median performer in August alone, according to HDFC Securities research analyst Dilip Parmar, who spoke to Business Standard.

As the government cracks down on unlawful loan applications, the Reserve Bank of India will compile a "whitelist."

The Reserve Bank of India (RBI) will create a "whitelist" of all the legal apps, and the Ministry of Electronics & Information Technology (MeitY) will make sure that only these "Whitelist" Apps are hosted on App Stores in an effort to control illegal loan apps outside of the regular banking channels. This comes as Finance Minister Nirmala Sitharaman on Thursday held in-depth discussions with representatives from the finance ministry, corporate affairs, electronics & information technology, and RBI regarding the legal, procedural, and technical elements of issues linked to illegal Loan Apps. The decision to monitor "mule/rented" accounts that could be used for money laundering and to examine or close dormant non-banking financing firms (NBFCs) was made, according to a statement from the finance ministry.

India restricts rice exports, which could fuel food inflation

India, the world's largest exporter of the grain, tried to increase supplies and stabilize local prices on Thursday after planting was hampered by below-average monsoon rainfall by banning the sale of broken rice and imposing a 20% levy on exports of various grades of the grain. More than 150 countries rely on India's supply of rice, so any decrease in those shipments would put additional upward pressure on food prices, which are already rising as a result of the drought, heat waves, and Russia's invasion of Ukraine. The new tax will probably deter customers from buying from India and lead them to rivals Thailand and Vietnam instead, which have been battling to boost shipments and raise costs. Basmati and parboiled rice are exempt from the export tariff, which will take effect on September 9. Additionally, New Delhi outlawed the export of 100% broken rice, which a few underdeveloped African nations purchase for human consumption despite the fact that it is primarily used for animal feed.

Privatisation May Make Bank More Efficient But Will Compromise On Social Objectives.

Public sector banks (PSBs) have been required to make profit compromises in order to advance social objectives such, for example, financial inclusion and lending to microenterprises, whereas private banks have focused almost solely on profit maximisation. If so, there will be two ways that privatisation will have an effect. First, because PSBs will also become profit-oriented, the banking system will function more efficiently overall. Second, some social goals may be compromised. In order to be subject to uniform RBI regulation, the government should also consider corporatizing public sector banks. Because they are not permitted to access capital markets like their counterparts in the west, Indian banks are nearly entirely dependent on short-term customer deposits for funding.

The trend inflation of 6% suggests that the repo rate should be 7% so that it is positive in real terms. The RBI's licencing regulations give NBFCs a path to becoming banks. As opposed to non-NBFC applicants for bank licences, NBFCs also have the chance to build a reputation in the finance industry. The RBI should avoid conveying the impression that being an NBFC is a prerequisite for obtaining a bank licence when implementing its licencing policy. Dealing with inflation has been a major area of concern recently, in addition to bank privatisation. In an interview, RBI Governor Shaktikanta Das said that during the next two years, inflation may drop to 4%. Only the first line of defence against inflation is tighter monetary policy. To support such effort, fiscal and exchange rate measures are necessary.

The question is to what extent should the exchange rate be used as a shock absorber. In the face of significant trade imbalance and high current account deficit, a weaker rupee can help restore balance. But a weaker rupee will also be inflationary. The primary balancing is maintaining recovery while battling inflation. We should be aware that, while having the "fastest growing big economy in the world," our output (GDP) is still below trend, meaning that it is still lower than it would have been in the absence of the epidemic. In that regard, output has permanently decreased. The RBI will need to adjust its financial restraint in order to manage this tension, giving priority to price stability, which is its main duty. The second conundrum involves the currency rate, which has been under pressure to decline. The issue is how much of a shock absorber the exchange rate should be. A weaker rupee can aid in restoring balance in the face of a substantial trade deficit and big current account deficit. But inflation will also increase if the rupee declines. The third conundrum has to do with fiscal policy. Despite larger than anticipated pledges to spend on food and fertiliser subsidies, it's critical that the government adhere to the 6.4% of GDP fiscal deficit target. The government's glide path to the FRBM budget deficit objective of 3% of GDP will also be determined by this year's fiscal performance, which will likewise undermine fiscal credibility and increase inflation.

GLOBAL FINANCIAL AFFAIRS

China's oil demand may decline for the first time since 2002 as a result of Covid limits.

This year, China's oil demand may decline for the first time in two decades as Beijing's zero-Covid policy discourages travel during the forthcoming holidays and lowers petroleum use. Lockdowns in important areas, including the financial centre Shanghai, has reduced China's oil demand in the second quarter, and a slow recovery is predicted for the rest of the year as the country adheres to its zero-Covid policy. The biggest crude oil importer in the world might be forced to reduce its intake, which would lower oil prices globally.

China's crude oil imports have fallen by 4.7% so far this year, marking the first decrease for the eight-month period since at least 2004.

As opposed to our previous assumption of Q4 22, Sun stated that "we believe imports would only climb substantially in early Q1 23 when China begins to source crude for the Lunar New Year." While independent refiners, which make up a fifth of China's crude imports, are reducing operations due to a tax investigation, state refineries are increasing output, he added.

Pakistan estimates flood losses at \$30 billion, and the UN chief requests "huge" aid.

While in Pakistan on Friday, UN Secretary-General Antonio Guterres appealed for "huge" international assistance for the country, which has been devastated by floods. Islamabad estimated the cost of flood-related damage at \$30 billion.

Floods caused by unprecedented monsoon rains and glacier melt in the northern mountains have destroyed more than 1,400 homes, as well as roads, bridges, railroad tracks, cattle, and crops.

Numerous large regions of the nation are underwater, and thousands of people have been evicted from their homes. According to the government, almost 33 million people's lives have been affected. Both the administration and Guterres have cited climate change as the cause of the disaster.

Smart Contract

The term Smart contract was first used by Nick Szabo in 1997, long before Bitcoin was created. He is a computer scientist, law scholar, and cryptographer. In simple terms, Nick wanted to use a distributed ledger to store contracts. Well, Smart contracts are just like a contract in the real world, the only difference is that they are completely digital. A smart contract is a tiny computer program that is stored inside a blockchain.

How does smart contract work: This may be easy with an example- so probably we are familiar with Kickstarter it is nothing but the large fundraising Platform. The product team can



go to Kickstarter, create a project set a funding goal, and start collecting money from others who believe in the ideas. Kickstarter is essentially a third party that sits between product teams and supporters. This means both of them to need to trust Kickstarter to handle their money correctly. If the project gets successfully funded, then

the project team expects Kickstarter to give them the money. On the other hand, supporters want their money to go to the project if it was funded or to get a refund when it hasn't reached its goals. With smart contracts, we can build a similar system that doesn't require a third party like Kickstarter.

How the smart contract was created: We can program the smart contract so that it holds all the received funds until a certain goal is reached. The supporters of the project can now transfer their money to the smart contract. If the project gets fully funded then the contract automatically passes the money to the creator of the project. And if the project fails to meet the goal, then the money automatically goes back to the supporters. This is because, smart contracts are stored on a blockchain, and everything is completely distributed with this no one is in control of the money.

Why one should trust a smart contract? Well, smart contracts are stored on a blockchain they inherit some interesting properties. They are immutable and they are distributed. Immutable means that once a smart contract is created it can never be changed again. So no one can go behind your back and tamper with the code of your contract. Distributed means that the output of your contract is validated by everyone on the network. A single person cannot force the contract to release the funds because other people on the network will spot this attempt and mark it as invalid. Tampering with smart contracts becomes almost impossible.

Banks could use it to issue loans or to offer automatic payments. Insurance companies could use it to process certain claims. Postal companies could use it for payment on delivery and so on. Right now there are a handful of blockchains that support smart contracts, the biggest one is Ethereum. Ethereum was specifically created and designed to support smart contracts. The smart contract can be programmed in a special programming language called solidity. This language was specifically created for Ethereum and uses a syntax that resembles Javascript. It's worth noting that bitcoin also has support for smart contracts although it's a lot more limited compared to Ethereum.

Sources - token-information.com

IPO WATCH : MobiKwik IPO



About MobiKwik IPO

Founded in 2009 – when India’s digital payments space was at its nascent stage – MobiKwik started as a mobile wallet. The idea behind this was to help users load money into a mobile wallet and use it to pay their utility bills in a single click. Since then the fintech company, founded by the husband-wife duo, has grown multifold.

From e-commerce shopping and food delivery to petrol pumps, large retail chains, and pharmacies, the MobiKwik wallet can be used at various points to make payments. This fintech player’s platform also enables peer-to-peer payments via a unified payment interface (UPI).

The company’s business activities can be divided into three segments — buy now, pay later (Zip EMI and MobiKwik Zip), consumer payments (MobiKwik Wallet), and payment gateway (Zaakpay). As of March 2021, it had over 10 crore registered users and more than 34 lakh e-commerce, physical retail, and biller partners. Now, One MobiKwik Systems, which is the parent company, is all set to launch the IPO and raise capital. The One MobiKwik IPO will consist of an offer of sale as well as a fresh issue. The money raised through the fresh issue will be used by the company for various purposes such as acquiring and retaining users and merchants, investing in data science, products and technology, cash collateral for Buy Now Pay Later (BNPL) partners and funding inorganic growth.

Here are key MobiKwik IPO details:

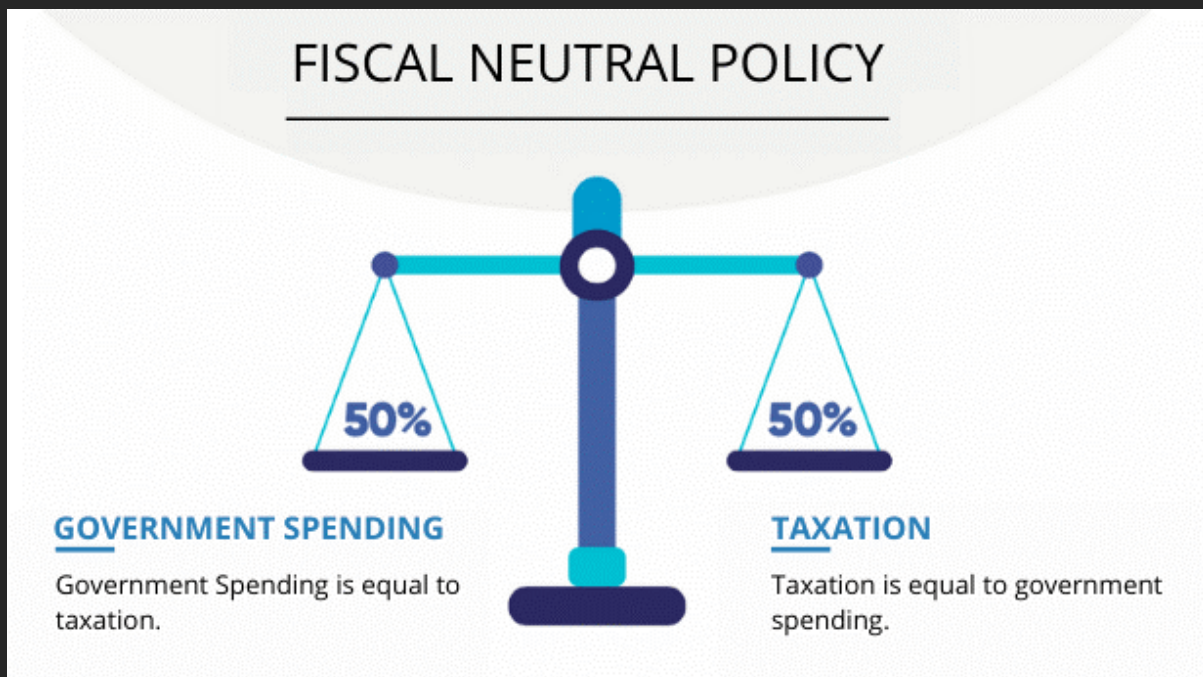
Company Name	One MobiKwik Systems Limited	Company Type	Private
Founder's Name	Bipin Preet Singh and Upasana Taku	Company Established	On April 2009
Opening Date	TBA	Closing Date	TBA
Allotment Status	TBA	Credit of Shares to the Demat Account	TBA
Listing Date	TBA	Face Value	Rs. 2 per share
Lot Size	TBA	Issue Size	TBA
To be Listed on	BSE, NSE	Price band	TBA

Financial snapshot

Particulars	FY 19	FY 20	FY 21
Revenue	₹ 148.4 crore	₹ 355.6 crore	₹ 288.5 crore
Net Loss	₹ -147.9 crore	₹ -99.9 crore	₹ -111.3 crore

FISCAL POLICY

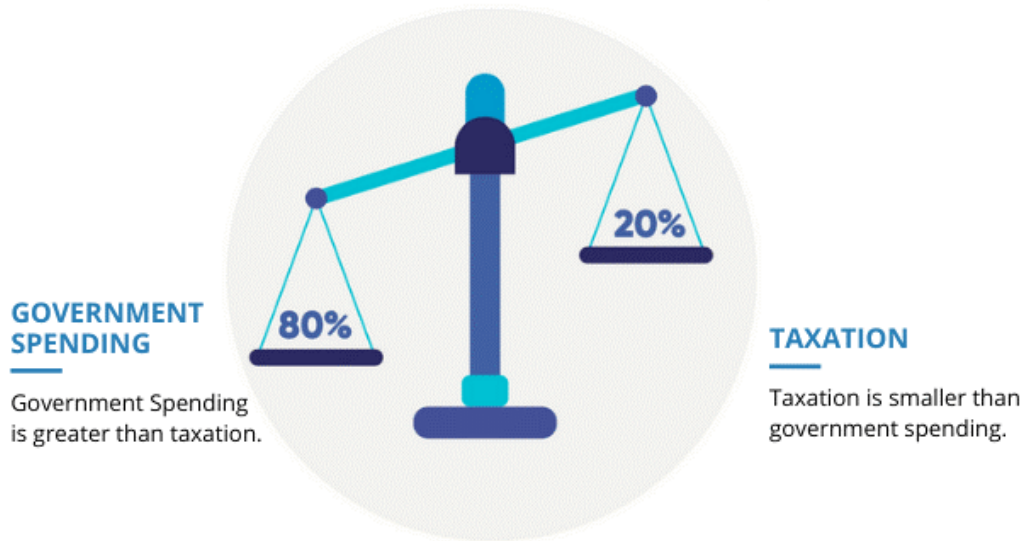
The government releases an Annual Financial statement year every year. In releasing this statement in parliament the government relates to two important issues. Firstly, the items on which government is going to spend. Secondly, how government is going to raise capital to finance its expenditure. These two issues entails the priority of the government in terms of economic, social and other issues of the country. The government also has to raise resources to finance. The government take taxation and borrowing like things into consideration. The fiscal policy of the government in nutshell has two things. Firstly to generate revenue and secondly to increase the expenditure. The major fiscal measures taken by government are public expenditure, taxation, public borrowing. The government spends money on things like education and health as well as other welfare schemes. To fund the expenditure of government, it imposes different taxes and set slabs for it. The government also raises money through public borrowing like National Saving Certificates, Kisan Vikas Patra, increase production of goods and services, price control etc. According to prevailing economic conditions in the country the governments different type of fiscal policy. It could be neutral, expansionary or contractionary fiscal policy.



Neutral Fiscal policy has a balanced budget. It means that government expenditure is funded by taxation and its has neutral effect on the economic pursuits.

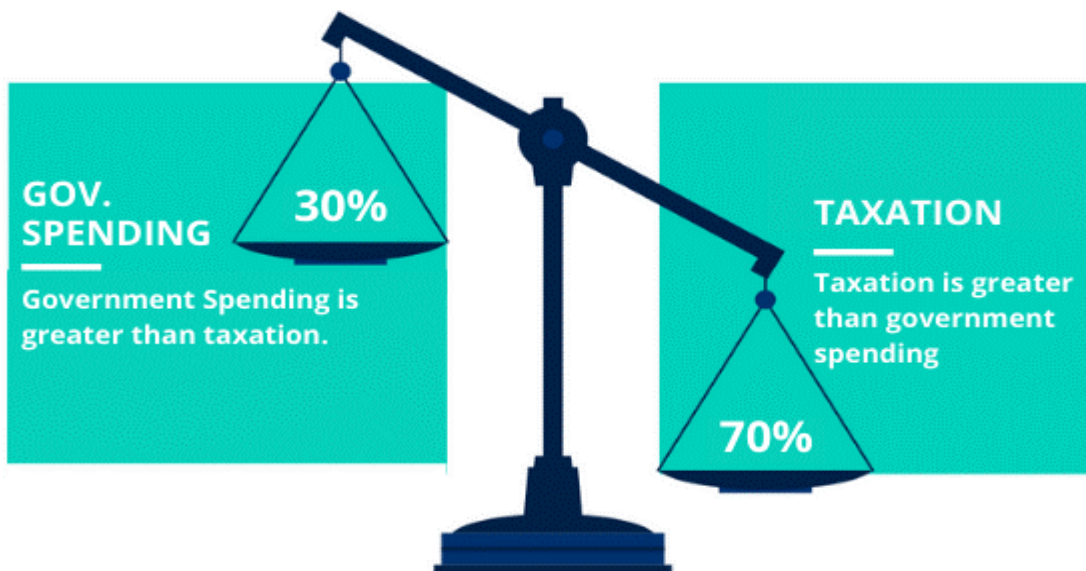
On the other hand an expansionary fiscal policy is used by the government to give stimulus to economy. It is mostly used when unemployment levels are high or the economy is going through recession. It is done to ensure the purchasing power of the consumer doesn't get reduced. The government cut down the tax rates. But this fiscal policy may also leads to budget deficit and may hamper the country's aspiration to achieve fiscal prudence.

EXPANSIONARY FISCAL POLICY



The third type of fiscal policy is contractionary fiscal policy. It is implemented to slow the growth in times high inflation by cutting aggregate demand. This policy raises tax and cut expenditure.

CONTRACTIONARY FISCAL POLICY



(Source of Infographic : freepik)

SRILANKA CRISIS: A LESSON FOR INDIA TOO?

Sri Lankan President Gotabaya Rajapaksa had resigned after months of criticism of his administration over the greatest economic crisis in the nation's history. Everything began with the tourism sector, which was severely impacted both by the coronavirus outbreak the next year and the attacks carried out by Islamic extremists in 2019 that targeted hotels and churches. In 2018, tourism receipts made up 5.6% of Sri Lanka's GDP, but by 2020, they had decreased to barely 0.8%. India as a nation is also reliant on tourism, with this industry contributing 9.3% of India's GDP in 2019. The coronavirus epidemic has caused problems for the Indian tourism industry as well, which must be managed to avoid losing the source of income.

The Pay As You Earn (PAYE) tax and the "nation-building tax," which were both designed to finance infrastructure upgrades, were all reduced to 8% under Rajapaksa's administration in Sri Lanka. The corporation tax rate was also lowered from 28% to 24%. All of these factors had a part in the 33.5% drop in taxpayer registrations. India is also in the midst of modernizing its tax system with the implementation of the Goods and Services Tax (GST), a lower corporate tax rate, and the exemption of individual taxpayers with taxable income up to Rs 500,000 by granting a 100% tax rebate. With these advancements, it's crucial to move cautiously.

The Institute of Policy Studies of Sri Lanka highlighted hot money, uncomfortable borrowing patterns, flimsy and superficial quick fixes, and a monopoly of foreign direct investment flow into the hotel industry in its 2014 State of the Economy Report. Between 2005 and 2020, Sri Lanka's foreign debt more than doubled, rising to \$56.3 billion. The country's foreign debt increased, rising from more than 42% of GDP in 2019 to 119% of GDP in 2021. The nation's debt reached \$4 billion by the end of 2022, yet as of April 2022, the government's foreign exchange reserves were just \$2.3 billion.

According to data from the Reserve Bank of India, India's external debt was estimated at \$ 620.7 billion at the end of March 2022, an increase of \$ 47.1 billion from the end of March 2021. A recent RBI review classified five Indian states as having a high level of debt. To avoid default, India must keep its debt to GDP ratio under control.

India as a nation is struggling with a particular set of economic issues that must be properly addressed to prevent a crisis in the future. First off, India possesses 74 days' worth of oil reserves, but this needs to be augmented in light of the ongoing fuel crisis that the Russia-Ukraine war has caused around the world. Second, given the persistent coal shortage and the fact that more than 60% of the country's electricity is produced by fossil fuels, India appears to be on the verge of a power crisis. Third, the Indian rupee will lose 5.9% of its value in 2022, which will cause a further decline in foreign exchange reserves, which have already fallen to their lowest level ever over the past 15 months. Fourth, Indian inflation has spiked to 7.79%, which must to be avoided at all costs after enraged protesters in Sri Lanka broke into official buildings to voice their indignation over rising prices. Last but not least, in order to meet the government's goal of producing goods worth \$1 trillion by 2025, industrial production should be increased. At the same time, exports should be increased in order to generate enough foreign exchange reserves to cover debt obligations and the rising cost of imports as a result of the unstable global environment surrounding fuel and food.

TEAM FINARTHA

THE FINANCE CLUB OF MDIM

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BATCH 2021-23 & 2022-2024



SHREYAS TEWARI



MOHAMMAD TABISH



SHUBH TANEJA



SHIVANI TRIPATHI



ADARSHA NAMAN



CHIRAG SHARMA



ELIZABETH REJI



YADUKRISHNA MR



PRAGASH RUPAN



RAGHBENDRA JHA



ANUNAY CHOUDHARY



HARSHIT VIISHWAKARMA