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FIN-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 -125

TOP GAINERS

INDEX		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
SENSEX	58,098.92	DIVISLAB	3580.10	3650.00	1.95%	3700.00/3571.15
NIFTY 50	17,327.35	SUNPHARMA	908.00	919.05	1.22%	926.70/902.60
NASDAQ	10,845.04	CIPLA	1061.90	1071.50	.70%	1093.00/1063.25
DOW JONES	29,527.48	TATA STEEL	103.60	104.40	.77%	107.90/104.40
		ITC	345.05	347.00	.57%	349.55/343.30

TOP LOSERS

CURRENCY		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
• USD/INR	₹ 81.14	POWER GRID	220.10	202.35	-8.06%	219.75/198.10
• GBP/INR	₹ 88.44	HINDALCO	412.10	395.50	-4.03%	412.70/395.50
• YEN/INR	₹ 00.57	APOLLO HOSP	4608.90	4424.00	-4.01%	4719.00/4382.85
• EURO/INR	₹ 78.85	ADANI PORTS	946.65	912.70	-3.59%	950.80/910.15
		NTPC	168.65	163.55	-3.02%	168.50/162.65

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	STOP LOSS
MARICO LTD	Buy	547.00	610.00	500.00
KFC INTERNATIONAL	Buy	434.00	506.00	399
DIVI'S LABORATORIES	Buy	3600	4000	3400

Market Watch

- LIC hits lowest level since listing; shares down 32% from issue price.
- Infosys jots 52 week low, slips 14% in month amid growth worries
- Swiggy Zomato make it to top 10 global online food delivery firms

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.

FINANCIAL NEWS -NATIONAL

In the June quarter, the microfinance industry grew by 24% to Rs 2.93 lakh crore.

According to the Microfinance Institutions Network (MFIN), the microfinance industry grew 24% year over year to Rs 2.93 lakh crore, with banks maintaining their dominant position with 38.4% of the market. The amount of microloan disbursements for the June quarter increased significantly to Rs 45,830 crore from Rs 25,503 crore during the same period last year. In comparison to 71 lakhs in the same period, 1.16 crore loans were disbursed. Through 11.8 crore loan accounts, the sector provides service to 6 crore distinct borrowers. The largest portion of the micro loan portfolio is held by Bandhan Bank and 11 other banks, with a combined sum of loans outstanding of Rs. 1.13 lakh billion. With Rs 1.03 crore in outstanding loans, NBFC-MFIs are the second-largest microlender, making up 35% of the industry's entire portfolio.

Decarbonization and fintechs to fuel India's growth: Jayant Sinha

According to Jayant Sinha, MP (Lok Sabha) & Chairperson, Parliamentary Standing Committee on Finance, India must decarbonize significant portions of its economy, including as transportation, power, and real estate, in order to achieve net zero by 2070—a goal shared by our Prime Minister Narendra Modi. On the final day of the Global Fintech Fest 2022 at the Jio Convention Centre in Mumbai, a speaker told the crowd, "Digitalization will be the driving force behind our country's progress in the future. Decarbonization is a crucial component that will develop throughout the upcoming years. "Investments have a lot of room to grow as a result of decarbonization, and fintechs are essential to this process," "added Sinha. We have attained macroeconomic stability and are in an excellent geopolitical position, Sinha remarked when expressing his opinions on the present geopolitical situation around the world. "Countries are looking for alternatives to China and trying to enhance their supply chains. India has a fantastic chance to participate in the global supply chain at this point" he added.

India plans to invest \$30 billion for widespread 4G and 5G connectivity.

Ashwini Vaishnaw, India's telecom minister, announced at the Global Fintech Fest on Thursday that his country will spend \$30 billion to ensure that every hamlet has access to 4G and 5G services for the final mile. "We are spending close to \$30 billion to make sure that every hamlet in the nation has access to 4G and 5G last-mile networks. Over 1.5 lakh gramme panchayats have so far been reached by us. In order to bring high-quality, fast broadband connectivity to every village in the nation and involve them in the growth process, we are now building a highway by fostering an entire ecosystem of village entrepreneurs.

National Logistics Policy for 2022

Key Points

- One of the seven departments whose 30 different systems will be digitally connected as part of the IDS is the ministry of commerce. The others are the ministries of roads, rails, customs, aviation, and international trade.
- Easy cargo transfer will be facilitated by ULIP, or the Unified Logistics Interface Platform and it will be shorter.
- Ease of Logistics (ELOG) will be present. The policy will be implemented in order to streamline the rules and assist the logistics sector.
- It is the responsibility of the System Improvement Group (SIG) to review all logistics-related initiatives on a regular basis and remove any barriers.
- The policy's objective is to provide young people with the opportunity to gain employment and develop their skills.

Aim of the Policy

- Process re-engineering, digitisation, and multi-modal transportation would be the main focuses of this National Logistics Policy 2022, which was judged required due to India's higher logistics costs than those of other industrialised countries.
- If India wants to increase the competitiveness of its exports and domestic products it has to dramatically reduce its logistical expenses. Logistical costs have an impact on how competitive domestic products are on the international market.
- The aim of lower logistics costs is intended to boost economic efficiency, enabling value addition and business.
- In an effort to address complaints about high costs and inefficiencies, the policy lays out a comprehensive multidisciplinary, cross-sectoral, and multijurisdictional framework for the expansion of the whole logistics ecosystem.

History of Policy

- Nirmala Sitharaman, the finance minister, first brought up the national logistics policy in 2020 in her address regarding the budget.
- According to the government, efforts are being made to put into place an integrated and technologically advanced approach to logistics operations that will be efficient throughout the whole process and be helpful in reducing logistics costs in the country from the present levels of 13–14% of GDP.
- Export-import logistics, facilitation of the development of logistics platform, standardisation of physical assets and benchmarking service quality standards, state engagement, human resource development and capacity building, were all important components of the newly introduced national logistics policy.

GLOBAL FINANCIAL AFFAIRS

Sri Lanka experiences its greatest economic crisis ever as inflation soars to 70.2%.

As the island nation struggles with the greatest economic crisis, Sri Lanka's inflation rate increased to 70.2% in August from 66.7% a month earlier, according to government figures released on Thursday. In August, the National Consumer Price Index (NCPI), which measures how much consumers spend on a particular basket of goods and services, increased by 2.5%, with food costs increasing by 1.7% and non-food prices increasing by 3.2%. Due to a significant increase in electricity prices, the non-food inflation rate increased to 57.1% in August from 52.4% in July. However, from 6.7% in July, the monthly prices decreased to 3.2%. Core prices, which exclude volatile goods like food, energy, and transportation, increased in August to 60.5% from 57.3% in July. According to official data, the cost of food has increased by 84.6%, up from 82.5% in July, but the monthly fluctuation in prices has slowed to 1.7% from 4.6% in July.

The increase in the national index of consumer prices for August was brought on by the revision to the power tariff earlier this month as well as the skyrocketing food prices. Tax experts predict that the 2.5% Social Security Contribution Levy and the 15% Value Added Tax will result in further price rises of at least 22%. The Central Bank of Sri Lanka stated last month that if the price of global commodities remained consistent, the prices may peak in September before beginning to decline after that. Due to the currency crisis, Sri Lanka declared its default on its international debt in mid-April. The nation has a foreign debt of USD 51 billion, of which USD 28 billion must be repaid by 2027.

Fed announces its third consecutive significant rise and anticipates additional price hikes

Officials from the Federal Reserve increased interest rates for the third time in a row by 75 basis points and predicted that they would reach 4.6% in 2023, intensifying their efforts to stave off inflation that has persisted at or around the highest levels since the 1980s. Following a two-day meeting in Washington, the Federal Open Market Committee reiterated that it "is particularly sensitive to inflation risks" in a statement released on Wednesday. Additionally, the central bank reaffirmed its "anticipation that ongoing hikes in the target range will be acceptable" and "strong commitment" to getting inflation back to its 2% aim.

The decision, which was made unanimously, raises the goal range for the benchmark federal funds rate from near zero at the beginning of this year to 3% to 3.25%, which is the highest level since before the 2008 financial crisis. According to the US consumer price index's 12-month change, inflation reached a peak in June at 9.1%. But despite what Fed officials had hoped, it hasn't decreased as swiftly lately: It was still 8.3% in August. Meanwhile, job creation has been strong, and the unemployment rate—at 3.7%—remains below what most Fed officials believe to be sustainable over the long term.

What is Neo-Bank

Neo banks are online-only Financial institutions that are similar to banks. Neo-bank is a financial technology firm that offers internet-only financial services and lacks physical branches. neo bank appeals to tech-savvy consumers who don't mind doing most of their money management through a mobile app the offerings of a neo-bank are usually limited compared to traditional sometimes no more than a simple checking and saving account, the slim-down model often allows neo-bank to enjoy fewer fees and higher than an average interest rate.



How a new bank works, from a customer's perspective a neo-bank might amount to nothing more than an app used to manage your money and make decisions for those who are comfortable with technology neo-bank accounts are easy to quickly set up. Some neo-bank allows linking a traditional bank account to the neo-bank so can enjoy the best of both worlds. Neo-bank offerings are similar to those of traditional banks and credit unions. Neo-bank generally includes checking and saving accounts, payment, and money transfer services, and Financial education tools including budgeting help however some neo-bank lend loans to individuals and businesses through partner banks and credit unions. However, customers should check for federal insurance. Big Banks have recognized the demand for the neo-banking product and have begun rolling out similar offerings to compete, these products are meant to appeal to mobile tech-savvy consumer base as well as underbanked populations. For example, Bank of America offers an artificial intelligence-driven virtual financial assistant dub erica in its mobile app.

Pros of Neo-bank :

Low cost fewer regulations and the absence of credit risk allows neo banks to keep their cost low. Products are typically inexpensive with no monthly maintenance fees. Convenient neo-bank allows doing the majority if not the entirety of your banking through a smartphone app, in addition to basic banking tasks. Quick processing time- these tech-savvy institutions allow customers to quickly set up accounts and process requests.

Cons of Neo-Bank:

Require comfort with technology, if someone doesn't like keeping up with technology trends they might want to avoid banking with cutting-edge institutions like neo-banks. Less regulated than traditional banks, since neo-bank aren't legally considered banks, might not have any legal recourse or well-defined process to follow if there's a problem with an app service With no physical bank branches, it's becoming increasingly easy to do everything online and neo-banks often maintain partnerships with ATM networks. But some people want to ability to visit a branch and person this is especially true when it comes to the complex transaction.

Neo-banks are online-only financial institutions, neo-banks usually offer fewer products and services than traditional banks which helps them reduce both institutional risk and customer cost, and lastly, some banks are chartered banks in and of themselves many neo-banks partners with larger chartered financial institutions to ensure deposit accounts.

Image Sources- <https://www.financemagnates.com>

IPO WATCH : Emcure Pharmaceuticals IPO



Founded in 1983, Emcure Pharmaceuticals manufactures and globally markets a wide variety of pharmaceutical products. It has filed its draft red herring prospectus (DRHP) with the Securities Exchange Board of India (SEBI) to raise funds through an IPO (initial public offering). The company is aiming to raise ₹4,000 crores through this IPO.

The Pune-based company is the 12th largest pharmaceutical company in India. As per the CRISIL report FY21, Emcure Pharmaceutical Limited is a leader (as per sales numbers) in three therapeutic areas: gynecology, blood-related, and HIV antivirals.

The company is acknowledged for its diverse product portfolio, including injectables, orals, and biologics. The company also has a Messenger RNA (mRNA) platform, which is currently developing a COVID-19 vaccine.

With a globally diversified empire, including 19 subsidiaries, 500 scientists, and 11,000 employees, the pharma giant IPO aims to encash the growing potential of the pharmaceutical sector.

Offer details

- Fresh issue: ₹ 1,100 crore
- Offer for sale: Not announced
- Emcure Pharma IPO Size: ₹4,000-₹5,000 crore
- Emcure Pharma Dates: Not announced
- Emcure Pharma Price band: Not announced
- Emcure Pharma Lot size: Not announced

Reportedly, the offer for sale shares will include shares of existing shareholders, promoters, promoter groups, and other investors. Promoters, namely Satish Mehta and Sunil Mehta, who cumulatively currently own a 48.5% stake in the company, will sell 20.30 lakh and 2.5 lakh shares, respectively. Private equity investor Bain Capital, which holds a 13.09% stake in the company, will sell 99.5 lakh shares. Other shareholders are likely to sell 22 lakh shares.

The company shares will be listed at BSE (Bombay Stock Exchange) and NSE (National Stock Exchange).

QIB (Qualified Institutional Buyers)	50%
Non-institutional investors	15%
Retail investors	35%
Investor category-wise break-up	

Financial Information

Particulars	FY21 (₹ crore)	FY20 (₹ crore)	FY19 (₹ crore)
Total revenue	6,092	5,131	4,812
Net profits	418.50	101	210

SYSTEMICALLY IMPORTANT FINANCIAL INSTITUTION

Few Financial Institutions (Banks and NBFC) assume systemic importance due to their size cross-jurisdictional activities, complexity, lack of substitutability, and interconnectedness. The disorderly failure of these financial institutions has the propensity to cause significant disruption to the essential services provided by these institutions, and in turn, to the overall economic activity.

These financial institutions are considered systemically Important Banks (SIBs) or Systemically Important NBFCs as their continued functioning is critical for the uninterrupted availability of financial services to the real economy. They are also called “ Too Big To Fail “ which means they are so big/important that the Government/economy can’t afford their failure.

Such perception and the expectation of government support (sometimes govt. come to the rescue as they don’t want these institutions to fail because of their importance) may increase risk-taking, reduce market discipline, create competitive distortions and increase the possibility of distress in the future. These institutions are also subjected to additional regulatory/supervisory measures like capital requirements. Banks are regulated by RBI and NBFCs are regulated by RBI/SEBI/IRDI. So, all these regulatory bodies declare Systemically Important Institutions.



- RBI declares those banks which can have an asset size of more than 2% of GDP as Domestically Systemically Important Banks. It declares the list of DSIB annually and right now SBI, HDFC & ICICI are classified as DSIB.
- Similarly, RBI also declares Domestic Systemically Important NBFCs if their asset size is more than Rs.500 crore.
- Similarly, IRDAI also declares Domestic Systemically Important Insurers (D-SII) based on the value of assets under management and premium underwritten (received). For 2020-2021, IRDAI has declared LIC/FIC. NIAC as D-SII.
- Similarly SEBI also declares Domestically Systemically Important Finance Market Infrastructures like commodity exchanges MCX/NCDEX.



AN UPSURGE OF FINTECH APPS IN INDIA

India's economy has transformed significantly from one that was heavily dependent on cash to one that now has the second-highest rate of fintech adoption worldwide. In the early 1990s, we began employing technology to manage money, starting with FETs. The country is responding well to the adoption of fintech thanks to the rise of personal loan apps supplied by some of the best loan apps in India. India is seeing development in the consumer credit sector as a result of the fintech industry's expanding adoption. Growth in unsecured lending categories like personal loans, credit cards, and consumer durable loans supports the Indian consumer credit sector. As a result, the consumer credit industry is growing together with the fintech sector.

In a nation the size of India, the consumption base is enormous besides a market that is completely untapped. Financial inclusion levels are low, despite the fact that up to 80% of Indians now have a bank account and a similar percentage have access to a mobile phone.

Fintech businesses, including some of the finest loan apps in India, provide a range of services to assist users in obtaining credit from financial institutions. Through personal loan applications, numerous businesses are breaking into the lending market and competing with one another for an RBI license. The MSME market has a lot of room to expand over the next couple of years. Using cutting-edge technologies like Data Science and Machine Learning, fintech personal loan apps provide lending services at the B2B and B2C levels. Some of the top lending apps in India make use of payment cycles, ML algorithms, social media analysis, and buying patterns to boost productivity and expand credit availability.

The amount of traffic on payment apps and virtual wallets in the nation skyrocketed. On online payment networks, the average wallet balance rose significantly. It's interesting to note that nearly immediately following the announcement, digital transactions significantly increased. Within less than 18 hours of the announcement, the number of fintech apps downloaded increased by an unprecedented amount. Additionally, the transactional services that fintech companies offered saw a considerable change as a result of the advent of UPI. The nation went digital thanks to the use of digital tools and services for financial management. The use of fintech transactional apps also brought a reduction in tax evasion and money laundering.

Due to a lack of financial knowledge, India has consistently lagged behind other nations in using fintech apps to make investments. When it comes to adoption, the majority of middle- and lower-income groups haven't embraced fintech for investments. However, major businesses in the industry are venturing into the fintech investing market due to the fintech sector's greater development possibilities. Intriguingly, many people in India are purchasing gold through fintech apps.

Due to India's fintech industry's versatility, it has had to deal with concerns like user security awareness and regulatory challenges. The industry is dealing with regulatory policy inconsistencies, with data localization forms and payment policies being the major problems. Industry insiders believe that, unlike the e-commerce sector, financial apps and services may not experience the same level of upheaval. However, with more people using digital financial services, the fintech industry is poised to grow steadily over the coming years. Banks, NBFCs, and AMCs will all play significant roles in the development of fintech apps and services.

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