



MDI

MURSHIDABAD

Management
Development
Institute

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 -128

TOP GAINERS

INDEX		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
SENSEX	57919.97	INFY	1419.90	1477.00	4.02%	1494.00/1467.25
NIFTY 50	17,185.70	HDFC BANK	1393.60	1446.00	3.76%	1447.00/1415.25
NASDAQ	10,356.70	HDFC	2283.25	2349.80	2.91%	2359.00/2305.00
DOW JONES	29,616.06	HCLTECH	982.10	1003.40	2.17%	1023.00/994.00
		ICICIBANK	853.60	872.00	2.16%	883.80/868.55

TOP LOSERS

CURRENCY		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
• USD/INR	₹ 82.38	ONGC	129.85	127.65	-1.69%	132.80/127.05
• GBP/INR	₹ 91.94	JSWSTEEL	648.35	639.75	-1.33%	659.50/639.00
• YEN/INR	₹ 00.55	M&M	1248.20	1232.50	-1.26%	1272.00/1228.00
• EURO/INR	₹ 80.07	BAJAJ-AUTO	3604.80	3564.00	-1.13%	3663.00/3552.15
		ADANIEN	3233.65	3201.00	-1.01%	3305.00/3194.85

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	STOP LOSS
LARSEN & TOUBRO LTD	Buy	1900	2280	1710
RELIANCE INDUSTRIES	Buy	2450	2800	2150
MARICO LTD	Buy	500	600	450

Market Watch

- Zee shareholders approve merger with sony.
- Bajaj auto crosses Rs 10,000- crore revenue mark in Q2 as local sales double.

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 FINANCE NEWS

India will be crucial in the construction of 20 unicorns in the UAE by 2031.

By 2031, the United Arab Emirates (UAE) wants to create 20 unicorn startups, or companies valued at \$1 billion or more. India is anticipated to play a significant part in this endeavour. The Entrepreneurial Nation 2.0 concept was introduced on Friday at GITEX GLOBAL 2022, the region's yearly premier technology exhibition, by Abdullah bin Touq Al Marri, Minister of Economy of the United Arab Emirates. The programme aims to support 8,000 small and medium-sized businesses (SMEs) and produce 20 unicorns in the area. In order to promote the potential of UAE startups and SMEs on the international scene, the UAE will collaborate with India as well as other nations including Saudi Arabia, South Korea, and Latvia under this initiative, according to Al Marri. Based on the largest public-private sector partnerships of its kind, this second phase of the Entrepreneurial Nation project is anticipated to open new channels for entrepreneurs to access more opportunities, facilitating the growth of startups and SMEs and their business expansion from the UAE to various other global markets.

Gold investment is becoming more popular as awareness grows: according to Axis My India, 53% prefer to invest in gold.

A total of 65% of Indians like to invest some of their income, and among all the investment options, gold has emerged as the most preferred option. In the Axis My India survey, it was found that 53% of respondents favoured gold as an investment option, 35% were aware of digital gold, and 10% had previously made a purchase. Age-wise, 15% of those between the ages of 18 and 24 expressed interest in investing in digital gold. According to the report, social media is the primary source of public knowledge of digital gold, followed by traditional media (TV, print, outdoor), families, and friends. According to the poll, "85% of the people recognised that digital gold is a new era investment instrument that allows you to invest in 24 Karat Gold, 73% knew that it could be redeemed for real gold, and 64% knew that it can be acquired for Re 1 through their phones." The trust aspect was also important when investing in gold, as 76% of people stated they would only buy gold from a reputable company, and another 54% said they would feel more at ease investing in digital gold if the government of India supported the company. Saving taxes and increasing profits were the other factors, but safety and security was the main driver behind individuals investing. "India's largest cities have experienced rapid digitalization, and its effects may be seen in how people invest their money. One must establish a supporting infrastructure in terms of digital literacy and handle safety issues as digital forms of investing catch up, according to Chairman Pradeep Gupta.

The Transformation Of NABARD And Its Contributions.

NABARD is a development bank that mostly works with the nation's rural areas. It is the primary banking organisation for financing agricultural and rural development. It is a statutory body established in 1982 under Parliamentary Act-National Bank for Agriculture and Rural Development Act, 1981. The NABARD's role is basically a continuation of the RBI role in the sphere of Agriculture and Rural Development. The Reserve Bank of India is the nation's central bank and has the exclusive authority to control the banking sector and oversee the numerous institutions and banks, including NABARD as stated under the 1949 Banking Regulation Act. Regarding the issuance of licences to cooperative banks, the establishment of new branches by state cooperative banks, and regional rural banks, NABARD makes recommendations to the Reserve Bank of India.

Increase in capital of NABARD: With the passage of the NABARD (Amendment) Bill, 2017, the Union Government was able to raise the authorised capital of NABARD from Rs. 5,000 crore to Rs. 30,000 crore. NABARD's capital may be increased, and the 1981 Act allows for a 100 crore rupee. In consultation with the Reserve Bank of India, the central government may further boost this capital to Rs 5,000 crore.

Transfer of the RBI's share to the central government: According to the 1981 Act, the central government and the RBI must jointly own at least 51% of the NABARD share capital. The central government receives capital worth 20 crore rupees from the RBI. The RBI will receive a similar sum from the central government.

Micro, small and medium enterprises (MSME): According to the 1981 Act, NABARD was in charge of giving credit and other facilities to businesses that had made up to Rs 20 lakh in machinery and other equipment. The Bill expands this to apply to enterprises with up to Rs. 10 crores in manufacturing sector and Rs. 5 crores in services sector. Experts from small-scale industries are represented on the NABARD Board of Directors and Advisory Council in accordance with the 1981 Act. Additionally, banks that lend to smaller, decentralised, small-scale enterprises are entitled to get financial support from NABARD. These provisions are made applicable to micro, small, and medium-sized enterprises by the Bill.

The NABARD has touched almost every aspect of rural economy in terms of Financial, Developmental and Supervision functions. Financial Contributions include refinance of short-term loans, crop loans, long term loans, Rural Infrastructure Development Fund (RIDF), Long-Term Irrigation Fund (LTIF), Pradhan Mantri Awaas Yojana - Grameen (PMAY-G), NABARD Infrastructure Development Assistance (NIDA), Warehouse Infrastructure Fund (WIF), Food Processing Fund, direct Lending to Cooperative Banks, Credit Facility to Marketing Federations (CFF), Producer Organizations Development Fund (PODF) for POs & PACS. Developmental Contribution include Kisan Credit Card Scheme for Farmers, RuPayKisan Cards (RKC)s, Tribal Development, Umbrella Programme on Natural Resource Management (UPNRM), Microfinance Sector, EShakti, Skill Development and Marketing Initiatives.

GLOBAL FINANCIAL AFFAIRS

Portugal's inflation rate increased to 9.3% in September, the highest in 30 years.

According to the National Statistics Institute, Portugal's inflation rate surged to 9.3 percent in September, the highest since October 1992.

According to the statistics office, the result reflects a 0.4 percentage point increase over the previous month. The annual core inflation rate, which excludes energy and unprocessed food products, increased to 6.9 percent in September, up from 6.5 percent in August.

Consumer prices grew 1.2 percent on a monthly basis in September, up from 0.9 percent in August.

The British Prime Minister fires Kwarteng as finance minister following a disagreement over the country's economic strategy.

Embattled British Prime Minister Liz Truss fired her Treasury head and reversed direction on massive tax cuts on Friday, attempting to save her job following weeks of market turbulence.

This comes as backbenchers in the UK's ruling Conservative Party are alleged to be preparing to replace Truss as party leader and Prime Minister with a so-called "unity" joint ticket team led by erstwhile leadership opponent Rishi Sunak.

Truss stated at a hurriedly organized news conference that she was moving to "reassure the markets of our fiscal discipline" by maintaining a planned increase in company tax that she earlier stated she would lower. She also sacked Treasury Secretary Kwasi Kwarteng, replacing him with former Cabinet minister Jeremy. Truss is attempting to restore order following three weeks of upheaval caused by the government's tax-cutting "mini budget." The Bank of England (BoE) intervened to prevent a bigger economic disaster after the September 23 statement brought the pound to historic lows versus the dollar. However, it may not be so straightforward. "I am extremely determined to see through what I have pledged," Truss said when asked if she should resign. Her brief conference, though, is unlikely to have satisfied her party that she is in command. Following Truss' statement, the pound plummeted by about 1% against the dollar.

Sweden's inflation rate reaches 9.7% in September, the highest level in 30 years.

Inflation keeps breaking records in Sweden, with the CPIF (Consumer Price Index with fixed interest rate) 12-month inflation hitting 9.7 percent in September, the highest level in three decades, Statistics Sweden said. "Higher electricity prices and higher prices for food and non-alcoholic beverages contributed to the high inflation in September," Caroline Neander, a price statistician, said in a statement on Thursday.

Prices for home repair and maintenance, furniture and domestic equipment, restaurant visits, lodging services, and other miscellaneous items and services have also risen. Analysts believe that the struggle against rising inflation is far from done. The Riksbank, the country's central bank, has adopted a string of policy rate rises to today's 1.75 percent in order to keep inflation at its objective of 2%. The combination of inflation and rising interest rates will lead to stagnation, according to research released at the end of September by the National Institute of Economic Research (NIER).

(DeFi) – Decentralized Finance



Imagine a world where we can make trades, deposit into a saving account, or buy insurance without going through an intermediary like a bank. That's the promise of **DeFi**, a term for a range of financial products developed around the blockchain.

DeFi services have attracted billions of dollars in funds, and proponents of the trend believe that it will become an even bigger industry rivaling the mainstream financial institutions we're familiar with today. But the crypto winter of 2022 has exposed cracks in the DeFi space. Billion-dollar projects went belly up, and investors lost hundreds of millions of dollars to cybercriminals exploiting weaknesses in various DeFi platforms. So what is DeFi exactly?

The term Decentralized Finance was first coined in a group chat on the messaging app Telegram in 2018. It was born out of a brainstorm amongst software developers who were searching for a name for an envisioned network of financial services built on blockchains.

In the land of DeFi, new infrastructure is being built that takes these banks and institutions out of the equation. Anyone with a computer can create some software and launch their finances on a blockchain, meaning the barrier to entry is much lower than in traditional banking. One of the most popular applications of DeFi is in lending. Users can lend out their crypto just like a traditional lender does with government-issued currency and earn interest or they can borrow funds by putting their tokens up as collateral. Rates on these decentralized lending platforms are adjusted by an algorithm based on how much demand there is for the loans. All these exchanges are managed by a piece of code called **Smart Contracts**. In DeFi, there's no central authority sitting in the middle of each transaction. Blockchain is the motorway, the smart contract is like cars. The real value of the crypto coins that are associated with each of the blockchains is that they're like fuel.



DeFi didn't truly take off as an industry until 2020. That year, the sector saw exponential growth, with the total value deposited into DeFi products climbing 30-fold. But DeFi protocols aren't covered by consumer protection law, making them riskier than products from regulated institutions. As the value of the DeFi market has risen, the number of criminals seeking to exploit it has also grown. According to the report from elliptic, overall losses caused by DeFi scams and thefts totaled \$12 billion in 2021.

Take blockchain bridges, for example- these are tools that allow people to transfer tokens from one crypto network to another at a fraction of the cost it typically takes to make an on-chain transaction. Insurance of sloppy programming and software bugs has meant such bridges are becoming increasingly vulnerable to attacks. More than \$1 Billion worth of crypto has been lost to bridge exploits so far in 2022. Still, now the industry is very much in its infancy. Mistakes are being made, and scams remain a common sight. But investment is being made to improve the security of DeFi platforms and governments are expected to usher in new regulations to wipe out bad actors and ensure better protections for investors.

Image sources - [DeFi image](#)

IPO Watch: Tracxn Technologies Limited



When Neha Singh was working with Sequoia Capital, she realised that the private markets were becoming larger and important to track. She wished that a platform existed which could track the data in the private markets. Hence, in 2012, she co-founded Tracxn Technologies, a market intelligence provider which keeps track of private companies' data.

Cut to 2022, Tracxn Technologies is one of the major players in the private market data service providers space. The company tracks more than 18 lakh companies with approximately 1,200 companies added every day to its repository. It also covers over 2,000 feeds across industries, sectors, sub-sectors, geographies, affiliations and networks globally.

From deal sourcing and identifying M&A targets to deal diligence, analysis and tracking emerging themes – the company offers various services through its subscription-based platform Tracxn.

Now this software as a service-based platform is launching the Tracxn Technologies IPO. The Tracxn Technologies IPO Ltd is completely an offer for sale.

Here are the key details about the Tracxn Technologies IPO:

Company Name	Tracxn Technologies Limited	Company Type	Private
Founder's Name	Neha Singh & Abhishek Goyal	Company Established On	2012
Opening Date	10 October 2022	Closing Date	12 October 2022
Allotment Status	17 October 2022	Credit of Shares to the Demat Account	19 October 2022
Listing Date	20 October 2022	Face Value	Rs. 1 per share
Lot Size	185 shares	Issue Size	₹ 309 Crores
To be Listed on	BSE, NSE	Price band	₹ 75-₹80 per share

Financial snapshot

<u>Particulars</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
Revenue	₹ 37.3 crore	₹ 43.7 crore	₹ 63.4 crore
Net Profit	₹ -54.0 crore	₹ -5.3 crore	₹ -4.8 crore

(Source- Upstox & Google)

DIGITAL TAX

Digital tax is a tax levied on digital goods and services. It is a form of Direct tax. India was one of the first countries to introduce a 6 percent equalization levy (Digital tax) on nonresident digital companies like Google and Facebook that was restricted to online advertisement services. In the year 2020, the Indian Income-Tax Act expanded the reach of equalization levy as per the Finance Act 2020. It is now called Equalization Levy 2.0 or EL 2.0. The Equalization Levy 2.0 was made effective on 1st April 2020. This now includes a 2 percent Digital Service Tax on trade and services of foreign e-commerce companies such as Amazon and Flipkart. Such e-commerce should have annual turnover of 2 crore or more. It is aimed to ensure companies pay their fair share of tax from the revenue generated from Indian Digital Market.



There is a rationale behind the implementation of digital tax. Firstly with the changing international economic order, countries such as India which has potential market for digital companies. This will help in proliferation of digital taxes. It will provide level playing to both resident and non resident entities in India. It will also ensure fair competition and will help the Indian government to tax the business which conducts digital operations in India. Digital companies should also be charged where it carries its economic activities. This was also framed under OECD's base erosion and shifting programme.

But there are also some challenges associated with the implementation of digital tax. There is always a scope for the companies to transfer its taxes to customers. This will increase burden on the customers. Also the countries where these companies are based may impose retaliatory tariffs against the other countries. This has the propensity to initiate a digital war among many countries. Data used by the digital companies is huge and assigning a value to it is a complex process. The way forward for the implementation of digital tax is to create a new model of tax applicable worldwide. There is need of coordination among many countries to develop mechanism related to it and increase their tax revenue as well.

IMPORTANCE OF FPI CAPITAL FLOW TO INDIA

The share of cash market turnover held by various firms on the Indian stock market has undergone a tectonic upheaval. Money from elusive retail investors that have been stashed in the securities market as mutual funds and other products has recently gained significance. It is impressive how well retail investors can absorb shocks and how much they contribute to the stability of the Indian stock market in the face of a substantial outflow of foreign portfolio investment. Compared to 0.512 trillion in 2020, net inflows by retail investors in the NSE cash market segment increased to 1.405 trillion in 2021. 32 million new investor accounts were created in 2021. These characteristics indicate that the Indian securities market has evolved into a developed securities market.

In 2010–11, around 15% of all cash market transactions on Indian stock exchanges were made by foreign portfolio investors (FPIs). In 2021–2022, this dropped to 12%. FPIs have withdrawn a net \$1.2 trillion in 2021–22, surpassing the \$0.84 trillion in total withdrawals for the three years that experienced net FPI outflows during the previous ten years: 2015–16, 2018–19, and 2019–20. Despite unquestionably significant outflows, FPIs continue to have faith in the Indian stocks sector.



The current FPI outflows are mostly a result of external events like war, geopolitical tensions, and variations in the price of crude oil, among others, as well as their normal manner of operating when they withdraw money in a situation when interest rates are rising. FPI outflows are not just an Indian economy phenomenon; they are also seen in other emerging economies.

According to the Reserve Bank of India's Annual Report 2021–22, FPIs kept their investment interest in the primary market segment, and during the period of November–December 2021, when expensive initial public offerings (IPOs) hit the Indian capital market, a sizable portion of flows was diverted by FPIs from the secondary to the primary market.

Additionally, FPIs are responsible for pushing large-scale investments in Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts in India, which are newer types of investment products (REITs). Given their significance, it was decided to allow FPI investment in debt instruments issued by InvITs and REITs in the Budget of 2021–22. This was done in an effort to increase capital and liquidity, which would encourage both domestic and international investors to participate more widely.

An FPI push is also necessary for the market for corporate bonds, which is currently between 19 and 20 percent. FPIs are crucial to the Indian economy, as a result. The focus of policy changes has always been on switching capital flows from flows that create debt to flows that don't create debt, like FPIs and FDI. Although unrestricted FDI has seen significant success, given India's substantial capital needs, we cannot let up on the FPI flow watch.

Image credit: HT

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