

FIN DATE



**MONTHLY FINANCIAL MAGAZINE FOR THE
STUDENTS OF MDIM**

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 - 141

INDEX

| | |
|-----------|-----------|
| SENSEX | 66,009.15 |
| NIFTY 50 | 19,674.25 |
| NASDAQ | 13,211.81 |
| DOW JONES | 33,963.84 |

CURRENCY

| | |
|----------|----------|
| USD/INR | ₹ 83.10 |
| GBP/INR | ₹ 101.72 |
| YEN/INR | ₹ 0.56 |
| EURO/INR | ₹ 88.69 |

TOP GAINERS

| Securities | Previous Closing | Closing Price | Percentage increase | High/Low |
|------------|------------------|---------------|---------------------|---------------|
| BERGEPAIN | 627.71 | 669.30 | 6.63% | 679.75/624.00 |
| CANBK | 364.45 | 382.95 | 5.08% | 386.00/368.50 |
| RECLTD | 270.90 | 259.10 | 4.55% | 272.00/259.35 |
| GRANULES | 323.20 | 336.80 | 4.21% | 338.55/320.80 |

| Securities | Previous Closing | Closing Price | Percentage increase | High/Low |
|------------|------------------|---------------|---------------------|-------------------|
| ZYDUSLIFE | 615.65 | 595.60 | -3.26% | 618.80/594.30 |
| NAUKRI | 4,439.95 | 4,300.35 | -3.14% | 4,455.00/4,272.00 |
| GLENMARK | 827.70 | 802.80 | -3.01% | 829.90/775.00 |
| ALKEM | 3,651.85 | 3,550.65 | -2.77% | 3,662.15/3,541.05 |

TOP LOSERS

Q1 RESULTS PUBLISHED COMPANIES

| COMPANIES | DATE |
|-------------------------------|------------|
| Bodhtree Consulting Ltd. | 25/08/2023 |
| Radha Madhav Corporation Ltd. | 28/08/2023 |
| Unitech Ltd. | 29/08/2023 |
| SBFC Finance Ltd. | 29/08/2023 |
| Trans India Real Estate Ltd. | 29/08/2023 |
| Polo Hostels Ltd. | 30/08/2023 |
| Balaji Amines Ltd. | 31/08/2023 |
| Ace Men Engg Works Ltd. | 13/09/2023 |
| Metalyst Forgings Ltd. | 14/09/2023 |
| Vikas WSP Ltd. | 19/09/2023 |
| MMTC Ltd. | 22/09/2023 |
| EKI Energy Services Ltd. | 23/09/2023 |

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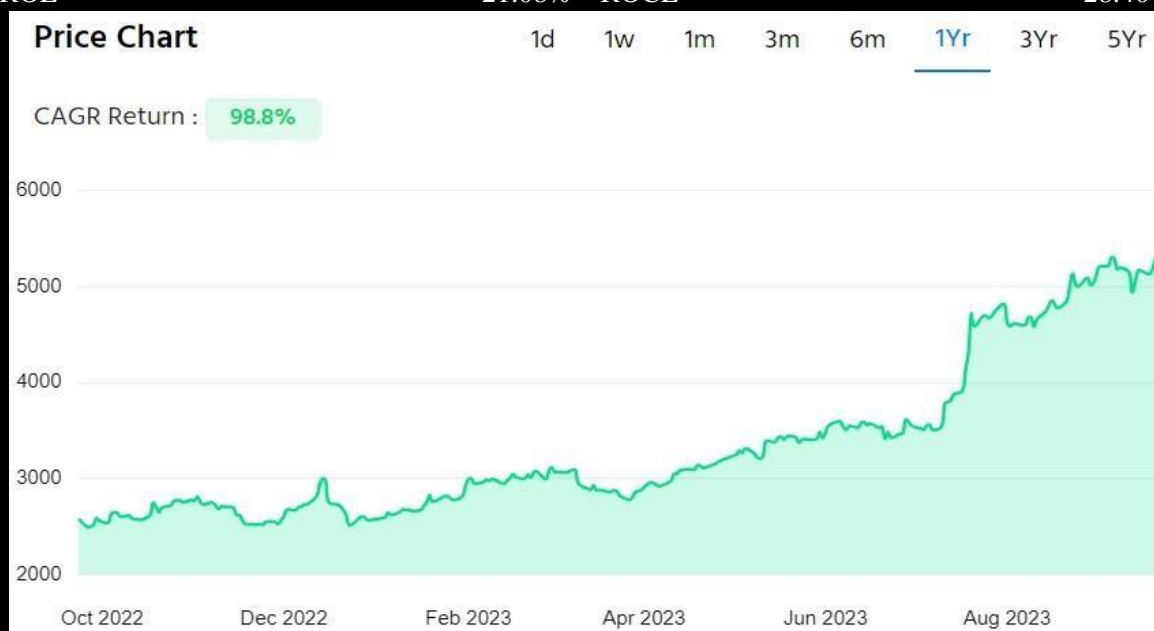
POLYCAB INDIA LTD: A FUNDAMENTAL ANALYSIS

Price Summary

| | | | |
|--------------|----------|--------------|----------|
| Today's High | 5,241.55 | 52 Week High | 5,358.55 |
| Today's Low | 5,085.00 | 52 Week Low | 2,451.10 |

Company Essentials

| | | | |
|------------------|---------------|------------------|---------------|
| Market Cap | 76,953.52 Cr. | Enterprise Value | 76,389.89 Cr. |
| No. of Shares | 15 Cr. | P/E | 52.83 |
| P/B | 11.02 | Face Value | 10 |
| Div. Yield | 0.39% | Book Value (TTM) | 465.40 |
| Cash | 645.76 Cr. | Debt | 83.12 Cr. |
| Promoter Holding | 65.99% | EPS | 97.11 |
| Sales Growth | 14.99% | Profit Growth | 36.54% |
| ROE | 21.08% | ROCE | 28.40% |



Strengths

- The company has shown a good profit growth of 18.67% for the past 3 years.
- The company has shown a good revenue growth of 16.46% for the past 3 years.
- Company has been maintaining healthy ROCE of 25.40% over the past 3 years.
- Company is virtually debt free.
- Company has a healthy interest coverage ratio of 31.12.
- The company has an efficient cash conversion cycle of 74.45 days.
- Company has a healthy liquidity position with current ratio of 2.70.
- The company has a good cash flow management; CFO/PAT stands at 1.06.
- The company has a high promoter holding of 65.99%.

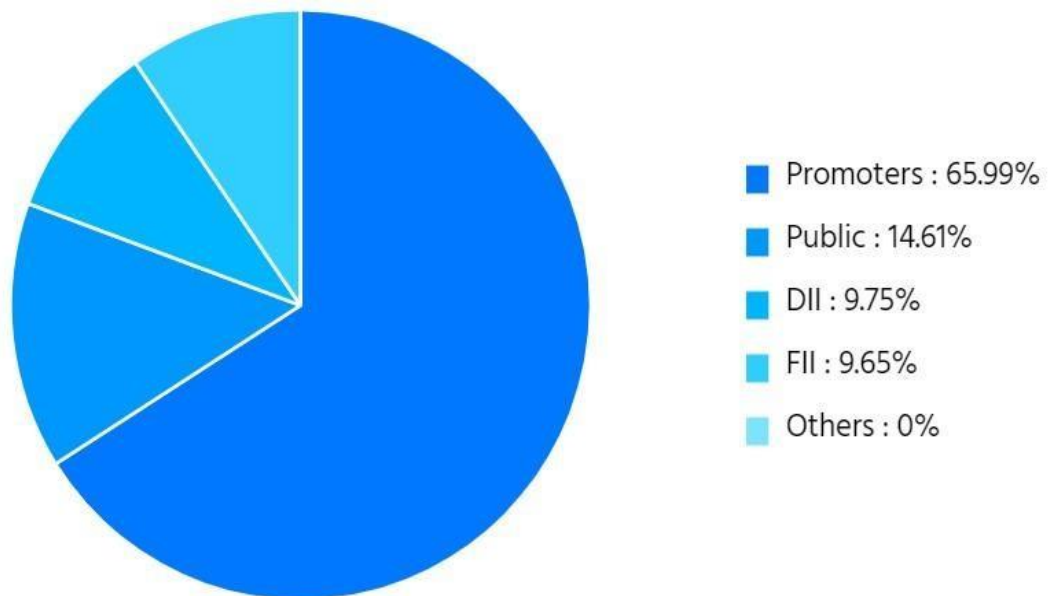
Limitations

- The company is trading at a high EV/EBITDA of 34.59.
- The company is trading at a high PE of 52.83.

Peer Comparison

| Company | MCAP Cr. | PE | PB | ROE | ROCE | EV/EBITDA |
|------------------|-----------|-------|-------|-------|-------|-----------|
| Polycab India | 79,317.63 | 54.45 | 11.36 | 21.08 | 28.40 | 35.52 |
| KEI Industries | 23,431.70 | 47.44 | 8.67 | 20.27 | 26.07 | 30.35 |
| Finolex Cables | 16,683.39 | 30.99 | 4.34 | 14.39 | 18.56 | 22.25 |
| Sterlite Tech. | 6,525.75 | 32.63 | 3.45 | 18.28 | 15.38 | 12.36 |
| Precision Wire | 2,210.87 | 37.34 | 4.74 | 14.60 | 26.75 | 16.51 |
| Universal Cables | 1,650.11 | 28.80 | 2.30 | 9.95 | 13.78 | 11.80 |

Share Holding Pattern



IPO WATCH: Manoj Vaibhav Gems ‘N’ Jewellers Ltd.

About Manoj Vaibhav Gems ‘N’ Jewellers Ltd IPO:

Manoj Vaibhav Gems is a regional jewellery brand situated in South India. With a foothold in the micro-markets of Andhra Pradesh and Telangana, the company operates 13 showrooms, inclusive of two franchisee establishments, spread across eight towns and two cities.

The company accounts for approximately 4% of the overall jewellery market in Andhra Pradesh and Telangana and a 10% share in the organized sector within these two states as of FY2023. The company's primary focus lies in exploring high-growth, untapped regions within the micro-markets of Andhra Pradesh and Telangana.

The company has an early mover advantage in Andhra Pradesh. It studies the market, surroundings, and consumer preferences before opening any retail showroom. It also estimates all the parameters to ensure positive business growth in the new location. As Urban India accounts for approximately 42% of gold jewellery demand, the company focuses on fortifying its business through Rural Market focus. The company follows the Go-To-Market (GTM) model, through which it has developed strong connections and built long-lasting relationships with its customers. This ensures repeat business for the company.

Here are the key details about the Manoj Vaibhav Gems ‘N’ Jewellers Ltd. IPO:

| | | | |
|-------------------------------|--|--------------|---------------|
| Managing Director Name | Bharata Malika Ratna Kumari Grandhi | | |
| Established on | 1989 | | |
| Opening date | Sept 22, 2023 | Closing Date | Sept 26, 2023 |
| Allotment date | Oct 3, 2023 | Listing Date | Oct 6, 2023 |
| Lot Size | 69 | Issue Size | 270.20 Cr |
| Listed on | NSE, BSE | Price Range | ₹204-21/share |

Financial Snapshot:

| Year | Total Revenue (Rs. Crores) | Net Profit (Rs. crores) | Total Assets (Rs. Crores) |
|---------|----------------------------|-------------------------|---------------------------|
| 2020-21 | 1,434 | 21 | 803 |
| 2021-22 | 1,694 | 44 | 900 |
| 2022-23 | 2,027 | 72 | 1,078 |

IPO WATCH: Signature Global India Ltd.

About Signature Global India Ltd IPO:

Signature Global, founded in 2000, is engaged in real estate development in NCR, Delhi and Gurugram. The company operates in the affordable housing and residential housing segment. It claims to be the largest and the fastest growing player in the region and the segment that it operates with a market share of 19% in the mid affordable housing segment. In Gurugram and Sohna region it has a 49% market share for the real estate units developed under Deen DayalJan Awas Yojana.

The company has replicated its business model across micro-markets in Delhi NCR, with a particular focus on Gurugram, Haryana, and has consistently grown its operations to leverage its robust brand presence. The company's ability to expand at a rapid pace can be attributed to its standardized design, technical specifications, and layout plans, which they also foresee enabling rapid future expansion. Signature Global's track record in execution and continued construction has been instrumental in their consistent sales and performance, despite challenging market conditions due to the COVID-19 pandemic.

Here are the key details about the Signature Global India Ltd. IPO:

| | | | |
|-------------------------------|--------------------------|--------------|--------------------|
| Managing Director Name | Mr. Ravi Aggarwal | | |
| Established on | 1993 | | |
| Opening date | Sept 20, 2023 | Closing Date | Sept 23, 2023 |
| Allotment Status | Sept 27, 2023 | Listing Date | Oct 4, 2023 |
| Lot Size | 38 | Issue Size | 730 Cr |
| Listed on | NSE, BSE | Price Range | ₹366-385 per share |

Financial Snapshot:

| Year | Total Revenue (Rs. Crores) | Net Profit (Rs. crores) | Total Assets (Rs. Crores) |
|---------|----------------------------|-------------------------|---------------------------|
| 2020-21 | 82 | -86 | 3,762 |
| 2021-22 | 901 | -116 | 4,431 |
| 2022-23 | 1,544 | -64 | 5,999 |

CASE STUDY OF THE MONTH

A case on why India's so-called 'Bad bank' has not really taken off

The problem statement:

India may not have had a full-fledged "Bad Bank" so far, but it has been working with the private sector to offload non-performing assets of banks to ARCS, or what we know as Asset Reconstruction Companies. However, the compared to the global average, the ARCS have not been as effective as they should be. We look at what is not right.

A Quick snapshot:

Karnam Sanker, the chairman of the National Asset Reconstruction Company Ltd (NARCL), has quit. Going by reports, his exit has something to do with a proposal to merge NARCL with its "twin", the India Debt Resolution Company Ltd (IDRCL). NARCL, the so-called "bad bank", was set up in July 2021 to buy legacy stressed loans from banks. It is an asset reconstruction company (ARC) that would buy the bad loans at a mutually agreed value and work to recover the debts or associated securities. IDRCL is an asset management company meant to work in tandem with NARCL to help clean up bad assets.

The planned action points:

It would be innovative to merge the two. The combined entity would consolidate and take over stressed debt from banks and manage and sell them to alternate investment funds and other potential investors. The target was for banks to sell INR 2 trillion worth of nonperforming assets (NPAs) to NARCL by 2021-22. Only 10 per cent of this has been executed.

The NARCL-IDRCL model, unlike private ARCS registered with the Reserve Bank of India (RBI), was backed by government funding. The Report of the Committee to Review the Working of ARCS (2021) has pointed out that of the 28 ARCS (private) in operation, the top five accounted for 70 per cent of the total assets under management as of 2020-21. Only three ARCS had net owned funds above INR 1,500 crore.

Ground reality:

In terms of the capital base of the sector, more than 54 per cent is held by the top three ARCS. ARCS have been in operation since 2003, but their management of stressed assets is still uneven. Data for the financial years between 2002-03 and 2012-13 shows banks and other investors could recover only 14.29 per cent of the amount owed by borrowers in respect of stressed assets sold to ARCS.

About 80 per cent of the recoveries by ARCS has come through deployment of measures of reconstruction that do not necessarily lead to revival of businesses. This pales in comparison to Securum of Sweden, which, during 1992-97, recovered close to 86 per cent of the stressed amounts involved. Danaharta of Malaysia squared 58 per cent of the stressed amounts (1998-2005). Globally, there have also been public-private partnerships: Spain created the 55:45 Sareb in 2012, and Ireland the 51:49 National Asset Management Agency in 2009. Given that recapitalisation of state-run banks could not go on forever due to financial constraints, it was felt that the NARCL-IDRCL model was the best bet, especially for large dud-credits.

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So, what happened along the way?

"Though NARCL did start with a focus on Mint Road's List 1 and 2 on bad loans (this was circulated among banks), the situation has changed a lot since. The prospects for bad assets resolution have faded due to their eroded values," says a senior banker, speaking on the condition of anonymity. A senior official with a private sector ARC says there are few corporate bad loans still on the books of banks that have any value left. Thus, the stock of transferable NPAs is small. Second, most of these NPAs are more than three or four years old and carry over 90 per cent provisions, in line with regulatory norms. There is little or no incentive for banks to offload these loans to ARCS. Over a period, lenders would opt to write them off their books while retaining the right for recovering dues from borrowers through legal process. Third, banks have already filed cases under the Insolvency and Bankruptcy framework for resolution. This may take a long time, but banks are fine by it as it is a court approved process. Last, there has been a change in priorities over a period in pricing preferences. Now, lenders want cash up front and have very little interest in getting part of the money in the form of security receipts (SRS) of 85 per cent. This has reduced the advantage of government guarantees for SRS that NARCL makes for bad loans. Now, the elephant in the room. The entire matter is within the State Bank of India group's domain, as key executives and directors in NARCL and IDRCL are drawn from the country's largest lender. That brings us to what RBI Deputy Governor M Rajeswar Rao said on April 30, 2022: "What is the average time taken between default by a borrower and the eventual filing of application for insolvency resolution by creditors?" The point is, if you are late in identifying the problem, you will be left with what is worthless. Rao was not speaking on ARCS, but an adjacent issue: Resolution of Stressed Assets and IBC (Insolvency and Bankruptcy Code). "It would also be interesting to see the relationship between such filing delays and the value deterioration that the creditors are required to recognise subsequently," he had said.

Conclusion:

There is another side to bad banks. "Bad banks, essentially formed to ease the burden off banks' balance sheets, may encourage further build-up of risky assets. Knowing that they have the bad bank option to fall back on, banks may become less vigilant in giving out loans, leading to the problem of moral hazard," said a paper by Snehal S Herwadkar, Arpita Agarwal and Sambhavi Dhingra from the Banking Research Division of the Department of Economic and Policy Research of the RBI in its monthly Bulletin of February 2022. That brings us to the same spot.

Questions:

- 1). What were the initial goals of the NARC-IDRCL model in terms of acquiring stressed debt from banks?
- 2). Why are private sector banks hesitant to offload their bad loans to ARCs like NARCL?
- 3). What concerns have been raised regarding the potential long-term consequences of using bad banks to manage non-performing assets?
- 4). What impact the change in pricing preferences had on the effectiveness of NARCL in acquiring bad loans?

**NFO WATCH:
HDFC Pharma and Health Care Fund -Direct-Growth-NFO**

LAUNCH DATE

14th September 2023

END DATE

28th September 2023

ALLOTMENT DATE

28th September 2023

FUND TYPE

Open Ended

RISK TYPE

Very High

FUND MANAGER

Nikhil Mathur

FUND HOUSE AND INVESTMENT OBJECTIVE

| | |
|--|--|
| Total Asset Under Management | ₹502,476.13 Cr (as on 30 Jun 2023) |
| Date of Incorporation | 10 th December, 1999 |
| Minimum for SIP | ₹100 |
| Minimum for 1 st Investment | ₹100 |
| Minimum for 2 nd Investment | ₹100 |
| Website | www.hdfcfund.com |
| Email | hello@hdfcfund.com |

STAMP DUTY

As per SEBI, 0.005% stamp duty will be levied on purchase of mutual funds, including lump sum, SIP, STP, and dividend reinvestment.

INVESTMENT OBJECTIVE

To provide long-term capital appreciation by investing predominantly in equity and equity related securities of Pharma and healthcare companies.

EXIT LOAD DETAILS

0.01% of sell value, if sold before 365 days.

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ENRON SCAM

The Enron Scandal, which involved the energy trading and utility corporation Enron Corporation, was one of the most infamous corporate scandals in American history. This incident, which surfaced in the early 2000s, exposed an intricate web of corporate malfeasance, accounting fraud, and financial manipulation. Enron was an energy-trading and utility company based in Houston, Texas, that extensively traded in energy derivatives markets. They dominated the market for natural-gas contracts, and the company started to generate huge profits on its trades. They hired top candidates from MBA programs around the country and created an intensely competitive environment within the company, but the focus of Enron was on closing as many cash-generating trades as possible in the shortest amount of time and the bull market of the 1990s helped to fuel Enron's ambitions and contributed to its rapid growth but as the boom years came to an end and as Enron faced increased competition in the energy-trading business, the company's profits shrank rapidly. Under pressure from shareholders, company executives began to rely on dubious accounting practices, including a technique known as "mark-to-market accounting", where Enron used a network of special-purpose entities (SPEs), often with names like LJM and Chewco, to hide its debt and losses from investors and regulators. These off-balance-sheet entities allowed Enron to keep massive amounts of debt and liabilities off its financial statements. Transferring those liabilities to SPEs meant that they were kept off Enron's books, making its losses look less severe than they really were. In addition to that top Enron officials, such as CEO Jeffrey Skilling and Chairman Kenneth Lay, sold their company stock at exorbitant prices while keeping the investors in the dark about the firm's financial difficulties. This sparked claim of insider trading and further damaged investor confidence. The severity of the situation began to become apparent in mid-2001 as a number of analysts began to dig into the details of Enron's publicly released financial statements. In October Enron shocked investors when it announced that it was going to post a \$638 million loss for the third quarter. Shortly thereafter Securities and Exchange Commission (SEC) began investigating on Enron's audit reports. As the details of the accounting frauds emerged, Enron went into free fall and the company's stock price plummeted from a high of \$90 per share in mid-2000 to less than \$12 by the beginning of November 2001. That month Enron attempted to avoid disaster by agreeing to be acquired by Dynegy. However, weeks later Dynegy backed out of the deal. The news caused Enron's stock to drop to under \$1 per share, taking with it the value of Enron employees' 401k worth pensions, which were mainly tied to the company stock. On December 2nd, 2001, Enron filed for bankruptcy. Many Enron executives faced legal consequences. CEO Jeffrey Skilling and Chairman Kenneth Lay were both convicted of multiple counts of fraud, conspiracy, and insider trading. They received lengthy prison sentences (though Lay died before serving time). Other Enron executives and employees also faced legal actions consequently the scandal resulted a wave of reforms in the US The Sarbanes-Oxley Act of 2002, one of the most significant pieces of financial regulation in decades, was enacted to enhance corporate governance, transparency, and the accuracy of financial reporting, it also imposed harsh penalties for destroying, altering, or fabricating financial records. The act also prohibited auditing firms from doing any concurrent consulting business for the same clients. The Enron scandal provided a sobering reminder of the risks posed by corporate greed, financial manipulation, and lax regulation. It sparked a new era of corporate accountability in the United States and intensified scrutiny of corporate financial practices.

CURRENT AFFAIRS-QUIZ

1. Which of the following is the world's first fully automated investment fund?
 - A. The Ad Astra Fund
 - B. PhonePe Share Market App
 - C. PNB GST Sahay App
 - D. NPCI Falcon Project
2. Which bank launched the PNB GST Sahay App to enable MSMEs access instant loans?
 - A. Indian Bank
 - B. State Bank of India
 - C. ICICI Bank
 - D. Punjab National Bank
3. Which company launched the Falcon Project, a blockchain-backed open-source project?
 - A. National Payments Corporation of India (NPCI)
 - B. ICICI Prudential Life
 - C. Mastercard
 - D. PhonePe
4. Which fintech company entered online stock broking with the Share.Market app?
 - A. PayNearby
 - B. Bajaj Auto Consumer Finance
 - C. PhonePe
 - D. Indian Bank

5. Which insurance company launched ICICI Pru GIFT Pro?

- A. LIC
- B. HDFC Life
- C. SBI Life
- D. ICICI Prudential Life

6. Which company launched ALT ID for enhanced online payment security at guest check-out?

- A. Visa
- B. American Express
- C. PayPal
- D. Mastercard

7. Which company received a certificate of registration from the RBI to start NBFC operations?

- A. PayNearby
- B. Grameen Foundation
- C. Bajaj Auto Consumer Finance
- D. Indian Bank

8. Which government agency was granted permission to invest in equities and related investments?

- A. Insurance Regulatory and Development Authority of India (IRDAI)
- B. Securities and Exchange Board of India (SEBI)
- C. Reserve Bank of India (RBI)
- D. Employees' Provident Fund Organisation (EPFO)

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9. Which two companies collaborated to upskill 1.50 lakh rural BCs?

- A. Indian Bank and VISA
- B. Bajaj Auto Consumer Finance and EPFO
- C. ICICI Prudential Life and Mastercard
- D. PayNearby and Grameen Foundation

10. Which bank launched a VISA co-branded metal credit card with OneCard?

- A. ICICI Bank
- B. HDFC Bank
- C. State Bank of India
- D. Indian Bank

Answers for the MCQs

1.A, 2.D, 3.A, 4.C, 5.D, 6.D, 7.C, 8.D, 9.D, 10.D

GUESS PERSON OF THE MONTH

"I'm a titan in finance, my journey's a tale, from a 300 sqft office, I set sail, Asia's wealthiest banker, my name's renowned, In the world of banking, I've firmly been crowned. Started in '85, in a closed economy's hold, Diversified portfolios, turning stories bold. In 2014, a merger, my fortune did swell, With ING Vysya, my bank's tale I did tell. Who am I, you must find, In India's banking, I've left my mark behind. From humble beginnings to success so grand, can you guess the name of this financial hand?"

(check page number 20 for the answer)

FINANCIAL NEWS - NATIONAL

The past month has seen significant shifts in India's financial landscape, moulding the nation's economic path. Key events from policy to markets have framed the scene:

- India's GDP grows at 7.8% in Q1 2023-24, beating estimates. This is the strongest GDP growth in India since Q4 2021-22. The growth was driven by strong performances in the manufacturing, construction, and services sectors.
- RBI raises interest rates by 50 basis points to 5.9%. This is the third consecutive rate hike by the RBI in an effort to combat rising inflation. The RBI also raised its inflation forecast for FY 2023-24 to 6.5%.
- Indian rupee hits all-time low against US dollar. The rupee fell to a record low of ₹83.03 against the US dollar on September 22, 2023. The fall was driven by a combination of factors, including rising global interest rates, a strong US dollar, and concerns about the Indian economy.
- Indian government announces ₹6.8 lakh crore stimulus package to boost the economy. The package includes a mix of tax cuts, spending increases, and loan guarantees. The government hopes that the package will help to create jobs and boost economic growth.
- Sensex and Nifty hit all-time highs. The Sensex and Nifty indices hit all-time highs on September 23, 2023, supported by strong corporate earnings and positive investor sentiment. The Sensex closed at 62,936.97 points, while the Nifty closed at 18,792.80 points.
- Global investment bank JP Morgan Chase and company on 21st September 2023 announced that it would be adding India to its emerging markets debt index with effect from June 28,2024.
- Advance tax collections in the first half of the fiscal year 2023-24 have increased by 20% compared to the previous year, reaching ₹3.54 lakh crore
- HDFC gets the approval from RBI to raise its stakes in Federal Bank as well as in Equitas Small Finance Bank to up to 9.5 per cent.

IMPACT OF CHANDRAYAAN 3 ON INDIAN ECONOMY

The triumphant soft landing of Chandrayaan-3's Vikram Lander on the moon on August 23rd is not just a remarkable scientific achievement but also a potential game-changer for India's economy and stock markets. The Indian Space Research Organisation (ISRO) and a number of publicly traded enterprises worked together to pull off this incredible feat, which could transform India's economic landscape like:

Creating Jobs in Space Technology

The Chandrayaan 3 mission's success has given India's space technology industry the boost it needs and attracted potential investors. Approximately 2.1% of the world's space economy is contributed by India, according to a study by IBEF that was published in December 2022. Its \$9.6 billion market share is around 0.4% of the nation's GDP.



Increased emphasis on space technology and infrastructure

The Chandrayaan 3 project required the creation of cutting-edge tools and technology in addition to scientific breakthroughs. Finally, the money spent on research and development for this mission has paid off. This mission has made India an essential global satellite launch market player. In 2020, the Indian Space Sector was valued at USD 9.6 billion and contributes 2%-3% of the global space economy. India's global space economy share could reach 4% at 9.2% CAGR (2022-2040).

Taking part in the Moon economy

The "moon or lunar economy" has been accessible to India thanks to the Chandrayaan 3 mission. By 2025, this sector is predicted to grow to a value of \$13 billion. India wants to increase its market share to 10% of the world economy by 2030. This might create a wealth of commercial opportunities, technological advancements, and priceless chances for lunar exploration. The Indian economy has been significantly impacted by the Chandrayaan 3 mission. It has strengthened the field of space technology and promoted learning, R&D, and innovation.

International Partnerships

India may be proud of the Chandrayaan 3 mission, which has raised its stature internationally. The achievement of this mission has helped India get recognized in the international space community, bringing in opportunities for international collaboration and partnerships. ISRO has signed six agreements with four countries for foreign satellite launches between 2021 and 2023. Commercially, these launches have the potential to generate USD 141 million in revenue.

RECENT MERGERS AND ACQUISITIONS IN INDIA

Reliance Retail Ventures acquires Majority Stake In Alia Bhatt's Ed-A-Mamma

Reliance Retail Ventures Limited (RRVL) has signed a joint venture with Alia Bhatt's Ed-a-Mamma, a conscious clothing brand for kids and maternity wear, for a 51% majority stake. Working closely with founder Alia Bhatt, RRVL will leverage the management strength of subsidiary Reliance Brands Limited to grow the brand and promote sustainable fashion for the younger generation.

Razorpay Acquires Mumbai-Based Digital Invoicing Startup Billme

Fintech unicorn Razor pay has acquired Billme, a Mumbai-based digital invoicing and customer engagement startup, to enhance its offline payments product suite. The Tiger Global-backed payment and banking solution provider marked its entry into offline payments last year July, with the acquisition of PoS (Point of Sale) device maker Ezetap for \$200 million. It now offers three variables in devices—Android Smart PoS, Android Smart Mini PoS, and a mobile device. The integration with BillMe's technology will allow Razorpay's device users/offline merchants to generate digital invoices, replacing paper bills. Businesses will be able to go live with digital invoicing in under 10 minutes as opposed to month-long processes, and with minimal tech involvement from the merchant's end.

Acquisition of Gujarat based Sanghi Industries by Ambuja Cement Limited

Ambuja Cements Limited (ACL) has acquired a 56.74% stake in Gujarat based Sanghi Industries (SIL) for Rs. 5000 crore. The acquisition was completed in August 2023. Ambuja Cements Ltd. is among the leading cement companies in India. It is a member of the Adani Group - the largest and fastest-growing portfolio of diversified sustainable businesses. Sanghi Industries is one of the leading cement manufacturers in western India. Sanghi Cement has a manufacturing unit at Sanghipuram in Gujarat's Kutch district, which is also connected with a captive jetty at Sanghipuram.

Acquisition of Ant Financial (Antfin) Netherlands by Paytm

Paytm has acquired a 10.3% stake in Ant Financial (Antfin) Netherlands for USD 628 Million based on Paytm's last closing price and will reduce the Chinese firm's ownership in the firm to 13.5%. The acquisition was completed in August 2023.

Mahindra & Mahindra acquired stake in RBL Bank

Mahindra & Mahindra (M&M) has acquired 3.53 per cent stake in private-sector lender RBL Bank for Rs 417 crore. Confirming the development in a stock exchange filing, the company added that it is open to acquiring as much as 9.9 per cent stake in the bank.

EMERGING TRENDS IN FINANCE

The financial industry is constantly evolving, with new trends emerging all the time. Here are some of the most notable emerging trends in finance in 2023:

- **Digital transformation:** Financial institutions are increasingly adopting digital technologies to improve their efficiency, customer service, and product offerings. This includes the use of cloud computing, artificial intelligence (AI), and machine learning (ML).
- **Open banking and embedded finance:** Open banking allows customers to share their financial data with third-party providers, such as FinTech companies. This has led to the rise of embedded finance, where financial services are integrated into non-financial products and services.
- **Cryptocurrencies and blockchain:** Cryptocurrencies are digital or virtual tokens that use cryptography to secure their transactions and to control the creation of new units. Blockchain is the underlying technology that powers cryptocurrencies. While cryptocurrencies are still in their early stages of development, they have the potential to revolutionize the financial industry.
- **Environmental, social, and governance (ESG) investing:** ESG investing is a type of investing that considers environmental, social, and governance factors in addition to financial factors. ESG investing is becoming increasingly popular as investors become more aware of the importance of sustainability.
- **Financial inclusion:** Financial inclusion refers to the ability of all individuals and businesses to access financial services. Emerging technologies, such as mobile banking and blockchain, are helping to expand financial inclusion to underserved populations.
- **Decentralized finance:** Decentralized finance is a peer-to-peer financial system that is built on blockchain technology. It allows users to access financial services without the need for intermediaries, such as banks.
- **Quantum computing:** Quantum computing is a new type of computing that has the potential to be much faster than traditional computing. Quantum computing could be used to develop new financial algorithms and trading strategies.
- **Artificial intelligence (AI) and machine learning (ML):** AI and ML are already being used in a variety of ways in the financial industry, such as fraud detection, risk management, and investment research. In the future, AI and ML are expected to play an even greater role in the financial industry.

GLOBAL FINANCIAL AFFAIRS

Bank of England deputy governor says impairments rising among UK lenders

The British banking sector is seeing a rise in impairments amid rising inflation and ensuing interest rate hikes, according to Bank of England Deputy Governor Sam Woods. In a bid to tame runaway inflation, the central bank has hiked its main interest rate from 0.1% in December 2021 to a 15-year high of 5.25% presently, and the market expects another hike later this week to 5.5%. The economy has proven surprisingly resilient, but Woods, also CEO of the Prudential Regulation Authority, said regulators are closely monitoring potential stresses in the banking sector.

10-year Treasury yield nears highest level since 2007

U.S. Treasury yields rose on September 19, helping the 10-year yield trade near a level not seen in about 16 years as investors awaited updates from the Federal Reserve's two-day September meeting. The yield on the 10-year Treasury rose just around 2 basis point at 4.339%, near its highest level since 2007. The 2-year Treasury yield added more than 1 basis point to 5.079%. Yields and prices move in opposite directions.

Asia markets fall as investors parse Australian central bank minutes

Asia-Pacific markets fell across the board as traders parsed minutes from the Reserve Bank of Australia for its policy meeting where the bank had said that inflation in the country is still "too high." In Australia, the S&P/ASX 200 fell 0.47% to close at 7,196.6, while both South Korea's Kospi and Kosdaq were down 0.6% and 0.83% to close at 2,559.21 and 883.89 respectively. Japan's Nikkei 225 slumped 0.87% to end at 33,242.59 upon its return from a public holiday. Hong Kong's Hang Seng index traded slightly higher at 0.37%. The CSI 300 lost 0.19%.

BP names Kate Thomson as interim CFO in post-Looney reshuffle

British petroleum company appointed Kate Thomson as interim chief financial officer to take the place of Murray Auchincloss who became interim CEO last week. The reshuffle follows the abrupt departure of CEO Bernard Looney after he did not fully disclose past relationships with colleagues. Thomson, who joined BP nearly 20 years ago, previously headed the finances of the energy giant's oil and gas production and operations division. She has been a member of the board of Aker BP for the past seven years and also serves on the boards of a number of BP group companies. "Kate's experience and skills make her ideally suited to take on the role of interim CFO. She brings deep technical knowledge together with a detailed understanding of BP," Auchincloss said in a statement. Auchincloss, 52, worked closely with Looney in devising BP's energy transition strategy and has advocated a focus on high-return assets to finance the transition, according to two company sources. BP's legacy oil and gas assets boosted profits to a record \$28 billion last year.

Instacart prices IPO at \$30 a share, valuing grocery-delivery company at about \$10 billion

Instacart, the grocery-delivery company that saw its business boom during the pandemic, priced its long-awaited IPO at \$30 a share on Sept 18, and will become the first notable venture-backed tech company to hit the U.S. public market since December 2021. The 11-year-old company, which delivers groceries from chains including Kroger, Costco and Wegmans, had to drop its stock price dramatically to make it appealing for public market investors. In early 2021, at the height of the Covid pandemic, Instacart raised money at a \$39 billion valuation, or \$125 a share, from prominent venture firms like Sequoia Capital and Andreessen Horowitz, along with big asset managers Fidelity and T. Rowe Price.

Risk of Global Recession in 2023 Rises Amid Simultaneous Rate Hikes

A World Bank study suggests that central banks worldwide are raising interest rates in response to inflation, potentially leading to a global recession in 2023 and a series of financial crises in emerging market and developing economies. The trend is expected to continue, but the current trajectory may not be enough to bring global inflation back to pre-pandemic levels. Investors expect central banks to raise global monetary policy rates to nearly 4% through 2023, an increase of over 2 percentage points over their 2021 average. Unless supply disruptions and labour-market pressures subside, the global core inflation rate could be about 5% in 2023, nearly double the five-year average before the pandemic. To cut global inflation to a consistent rate, central banks may need to raise interest rates by an additional 2 percentage points.

US inflation is expected to keep slowing. Here's why

US inflation has slowed from its four-decade peak in June, and is expected to cool further due to easing car prices and rents. The US job market could further reduce inflation. Core inflation, which excludes volatile food and energy prices, decelerated to a 4.3% annual rate in August, slower than July's 4.7%. Economists predict inflation will continue its slowdown in the coming months.

Tesla shares jump after Morgan Stanley predicts Dojo supercomputer could add \$500 billion in market value

Tesla's Dojo supercomputer could fuel a \$500 billion jump in the electric vehicle maker's market value, analysts at Morgan Stanley said in a note. Shares of Tesla jumped more than 6%, on the heels of the rosy prediction from Morgan Stanley's team about the automaker's supercomputing efforts. The Morgan Stanley team, led by longtime Tesla analyst Adam Jonas, predicted that the massive drive-in value could come from Dojo potentially unlocking new revenue streams through the wider adoption of robotaxis and software services.

Japan's Toshiba set to end 74-year stock market history

Toshiba, one of Japan's oldest and biggest firms, is set to end its 74-year stock market history as a group of investors have bought a majority stake. The company has announced that a consortium led by private equity firm Japan Industrial Partners (JIP) has purchased 78.65% of its shares. Owning more than two-thirds of the firm allows the group to complete a \$14bn (£11.4bn) deal to take it private. The firm's roots date back to 1875, as a maker of telegraph equipment. Under the deal its shares could be taken off the stock market as early as the end of this year. The company "will now take a major step toward a new future with a new shareholder," Toshiba's president and chief executive officer, Taro Shimada, said in a statement.

H&M starts charging shoppers for online returns

Fashion giant H&M has become the latest retailer to charge shoppers who return items bought online. Customers now must pay £1.99 to return parcels either in store or online, with the cost taken from their refund. However, returns are still free for H&M members. Rival retailers such as Zara, Boohoo, Uniqlo and Next already charge for online returns.

McDonald's to raise royalty fees for new franchised restaurants for first time in nearly 30 years

McDonald's franchisees who add new restaurants will soon have to pay higher royalty fees. The fast-food giant is raising those fees from 4% to 5%, starting Jan. 1. It's the first time in nearly three decades that McDonald's is hiking its royalty fees. The change will not affect existing franchisees who are maintaining their current footprint or who buy a franchised location from another operator. It will also not apply to rebuilt existing locations or restaurants transferred between family members. However, the higher rate will affect new franchisees, buyers of company-owned restaurants, relocated restaurants and other scenarios that involve the franchisor.

Foodpanda confirms layoffs, says it's in talks to sell part of Asia food delivery business

Singapore-headquartered food delivery service Foodpanda confirmed that it is conducting its latest round of layoffs as the need to be "more agile remains critical." "Our company priority right now is to become leaner, more efficient and even more agile. To do this, we need to streamline our operations so we can take on a more structured approach for the coming days," Jakob Sebastian Angele, APAC CEO of Foodpanda, said. He did not mention the number of employees impacted nor departments affected. This is Foodpanda's third round of layoffs since job cuts in February and September last year amid macroeconomic headwinds, according to media reports. Grab and Deliveroo have also reduced headcount this year. The layoffs come as Foodpanda parent Delivery Hero is in preliminary discussions with potential buyers to sell part of its Southeast Asian food delivery business, the Berlin-based company.

PERSON OF THE MONTH

Uday Kotak's Leadership Legacy

Kotak Mahindra Bank, India's largest bank, has announced that founder and CEO Uday Kotak is stepping down from his role as CEO. Kotak's journey began in the mid-1980s with the creation of Kotak Mahindra Finance, which expanded into various sectors such as distribution, brokerage, investment banking, bill discounting, stockbroking, life insurance, car finance, and mutual funds. In 2003, he secured a banking license from the central bank, marking a significant moment in the bank's transformation.



Under his leadership, Kotak Mahindra Bank evolved from a fledgling institution to India's third-largest private sector bank. His group also built an \$18 billion business in alternative assets and an asset management company. The Kotak Committee, constituted by SEBI and headed by Uday Kotak, played a significant role in strengthening corporate governance norms in India. As he steps out of the CEO role, he emphasizes the need for entrepreneurship to thrive and build regulatory trust through collaborative efforts from both sides of the aisle.

Uday Kotak's journey goes beyond financial success, offering profound insights into leadership, innovation, and the enduring impact of a leader. During the COVID-19 pandemic, he chose to accept a symbolic salary of just Rs 1 for the fiscal year 2022-23, while the bank's senior management took a 15% salary cut. Under his leadership, the bank generated over one lakh direct jobs and witnessed substantial growth, with an INR 10,000 investment in 1985 now worth ₹300 crore.

Product innovation was a hallmark of his leadership, with Kotak partnering with Bharti Airtel to start a small payments bank and ending the partnership with Goldman Sachs by acquiring a 25% stake in two subsidiaries in 2006. Uday's vision was evident in the introduction of Kodak 811, a zero-maintenance digital bank account tailored for younger generations.

In 2022, a survey revealed that 79% of Kotakites considered the bank a Great Place to Work, reflecting the bank's focus on process automation, employee wellness, engagement, and development. However, the talent attrition rate is higher than industry norms.

Uday Kotak's shift from CEO to Non-Executive Director and strategic shareholder signals a planned succession strategy, with a focus on talent development and inclusivity in the bank's future direction. His statement about prioritizing succession planning and his voluntary step-down aligns with corporate governance principles.

TEAM



FINARTHA



**HARSHIT
VISHWAKARMA**



**SANSKAR
SHUKLA**



YADU KRISHNA MR



**ANUNAY
CHOUDHARY**



ELIZABETH REJI



PRAGASH RUPAN



RAGHBENDRA JHA



PANKAJ KUMAR



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**FINODATE
PARTH
KHANDELWAL**



**TAPASHREE
BHATTACHARYYA**



VIVEK KUMAR