

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 - 142

INDEX

SENSEX	64,571.88
NIFTY 50	19,281.75
NASDAQ	13,047.90
DOW JONES	33,147.51

CURRENCY

USD/INR	₹ 83.08
GBP/INR	₹ 101.65
YEN/INR	₹ 0.55
EURO/INR	₹ 88.44

TOP GAINERS

<i>Securities</i>	<i>Previous Closing</i>	<i>Closing Price</i>	<i>Percentage increase</i>	<i>High/Low</i>
ICPALAB	935.90	998.80	6.72%	1009.00/958.05
UBL	1,610.65	1,629.05	1.14%	1,645.45/1,602.05
BALKRISIND	2,540.75	2,566.90	1.03%	2,590.70/2,488.90
AUROPHARMA	866.20	874.80	0.99%	884.95/859.05

TOP LOSERS

<i>Securities</i>	<i>Previous Closing</i>	<i>Closing Price</i>	<i>Percentage increase</i>	<i>High/Low</i>
LAURUSLABS	400.95	362.40	-9.61%	401.65/355.00
INDIABULLS	173.35	157.50	-9.14%	174.25/156.05
HINDCOPPER	154.00	142.10	-7.73%	156.50/141.10
INDIACEM	225.60	209.70	-7.05%	226.40/208.65

Q2 RESULTS PUBLISHED COMPANIES

	DATE
HCL Technologies Ltd.	11/10/2023
Infosys Ltd.	12/10/2023
HDFC Asset Management Company Ltd.	12/10/2023
Angel One Ltd.	12/10/2023
Aditya Birla Money Ltd.	12/10/2023
HDFC Life Insurance Company Ltd.	13/10/2023
Avenue Supermarts Ltd.	14/10/2023
HDFC Bank Ltd.	15/10/2023
Federal Bank Ltd.	16/10/2023
Bajaj Finance Ltd.	17/10/2023
Tata Elexi Ltd.	17/10/2023
Hindustan Unilever Ltd.	19/10/2023

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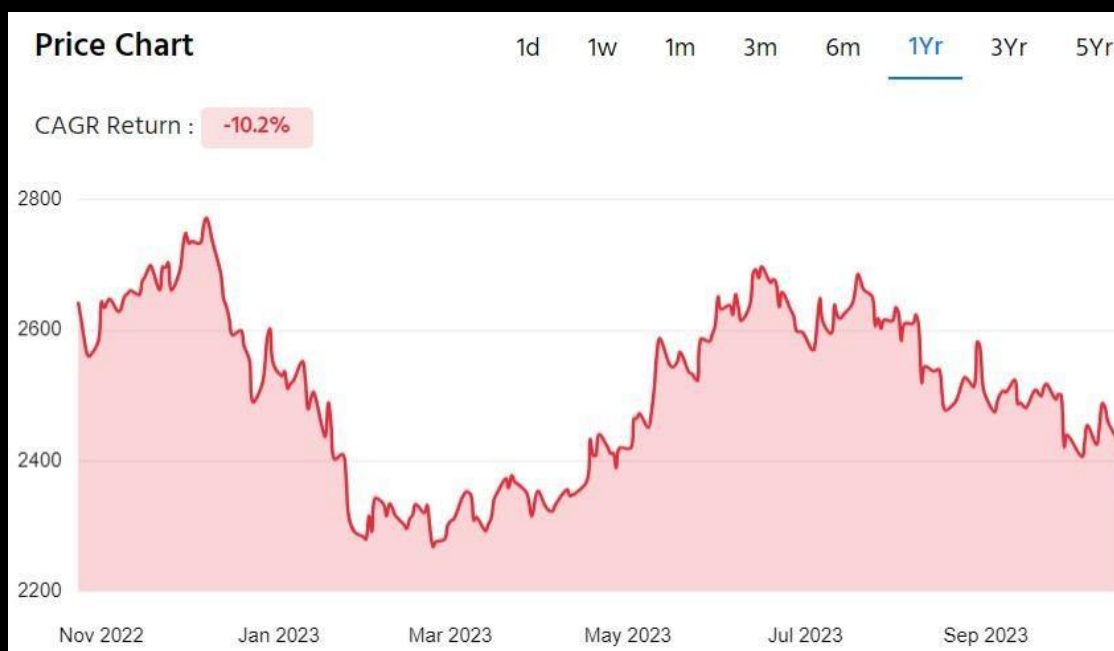
PIDILITE INDUSTRIES LTD:A Fundamental Analysis

Price Summary

Today's High	2,382.35	52 Week High	2,796.55
Today's Low	2,345.00	52 Week Low	2,250.10

Company Essentials

Market Cap	1,19,567.62 Cr.	Enterprise Value	1,19,411.57 Cr.
No. of Shares	50.86 Cr.	P/E	85.94
P/B	15.87	Face Value	1
Div. Yield	0.46%	Book Value (TTM)	148.10
Cash	156.05 Cr.	Debt	0 Cr.
Promoter Holding	68.86%	EPS	27.36
Sales Growth	19.13%	Profit Growth	5.52%
ROE	18.80%	ROCE	25.02%



Strengths

- The company has shown a good revenue growth of 18.72% for the past 3 years.
- The company has significantly decreased its debt by 105Cr.
- Company has been maintaining healthy ROE of 20.19% over the past 3 years.
- Company has been maintaining healthy ROCE of 27.03% over the past 3 years.
- Company is virtually debt free.
- Company has a healthy interest coverage ratio of 59.45.
- The company has an efficient average operating margins of 21.39% in the last 5 years.
- The Company has an efficient cash conversion cycle of 39.08 days.
- The company has a good cash flow management; CFO/PAT stands at 1.06.
- The company has a high promoter holding of 69.86%.

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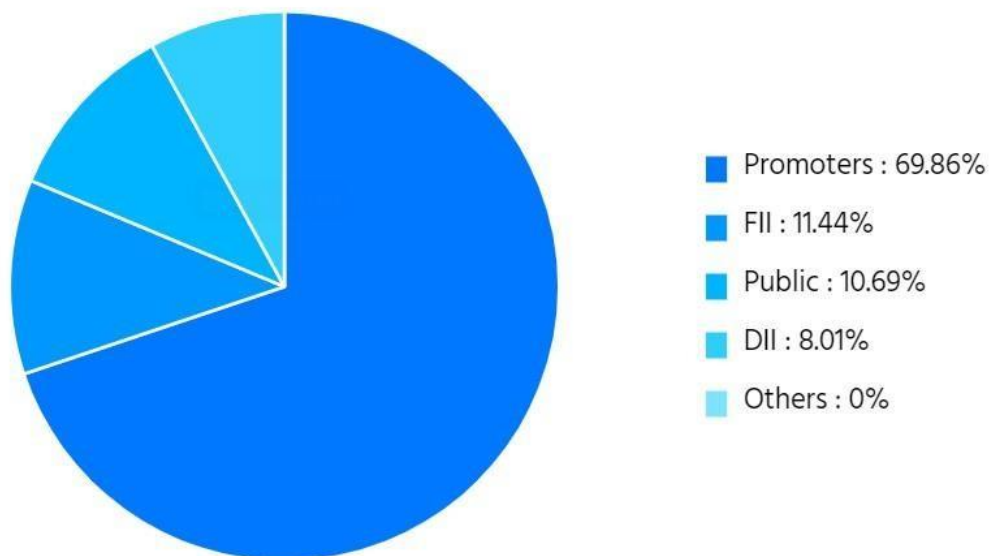
Limitations

- The company is trading at a high EV/EBITDA of 56.79.
- The company is trading at a high PE of 85.94
- The company has shown a poor profit growth of 4.50% for the past 3 years.

Peer Comparison

Company	MCAP Cr.	PE	PB	ROE	ROCE	EV/EBITDA
Pidilite Inds.	1,20,411.87	86.54	15.99	18.80	25.02	56.79
SRF	64,908.14	34.52	6.76	24.00	24.96	21.70
Solar Industries	46,891.95	93.24	24.62	28.43	33.85	61.36
Gujarat Fluoro	30,032.99	23.24	5.23	27.82	30.38	15.22
Deepak Nitrite	27,496.16	60.02	10.14	19.23	25.02	40.77
Tata Chemicals	25,246.35	25.92	1.55	6.56	8.24	17.27

Share Holding Pattern



IPO WATCH: IRM Energy

About IRM Energy IPO:

IRM Energy operates as a city gas distribution company based in India. They conduct their operations in various regions, including Banaskantha (Gujarat), Fatehgarh Sahib (Punjab), Diu & Gir Somnath (Union Territory of Daman and Diu/Gujarat), and Namakkal & Tiruchirappalli (Tamil Nadu). Their primary focus is establishing, constructing, managing, and extending natural gas distribution networks within urban and local areas. These networks serve various customers, including industrial, commercial, residential, and automotive sectors.

IRM Energy serves two main categories of customers: CNG (Compressed Natural Gas): This segment includes operators of public transport vehicles, such as taxis and auto-rickshaws, and private vehicles, like cars, buses, light goods vehicles, and heavy goods vehicles.

PNG (Piped Natural Gas): The PNG customer base is further divided into three segments, which consist of industrial PNG (small, medium, and large-sized businesses), commercial PNG (including hotels, restaurants, bakeries, hostels, and community halls), and domestic PNG primarily used for cooking purposes.

Here are the key details about the IPM Energy IPO:

Managing Director Name	Mr. Karan Kaushal		
Established on	2015		
Opening date	Oct 18, 2023	Closing Date	Oct 20, 2023
Allotment date	Oct 27, 2023	Listing Date	Oct 31, 2023
Lot Size	29	Issue Size	545.40 Cr
Listed on	NSE, BSE	Price Range	₹480-505 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	221	35	338
2021-22	546	128	555
2022-23	1,039	63	793

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IPO WATCH: Committed Cargo Care

About Committed Cargo Care IPO:

Incorporated in 1988, Committed Cargo Care offers specialized 3PL (Third Party Logistics) solutions. It focuses on handling import and export cargo and offering comprehensive services to its clients. The company has established its main centres in Delhi, Mumbai, Chennai, Jaipur, Ludhiana, and Agra. The company's range of services covers various aspects of integrated logistics. These include cargo management solutions, order management, international freight management, customs and cross-border movements, and heavy and over-dimensional cargo transportation. They can handle various tasks, such as packaging, warehousing, freight forwarding, and customs clearance for export and import cargo, including commercial and diplomatic consignments.

Additionally, they offer special services and forwarding solutions via air, courier, sea, and road, catering to clients' needs anywhere around the globe. The company serves clients from various industries across India, including automotive, heavy engineering, telecom, food and agro, FMCG, paint, handicrafts, ecommerce, garments, pharma, and dairy.

Here are the key details about the Committed Cargo Care IPO:

Managing Director Name	Mr. Rajeev Sharma		
Established on	1998		
Opening date	Oct 6, 2023	Closing Date	Oct 10, 2023
Allotment Status	Oct 13, 2023	Listing Date	Oct 18, 2023
Lot Size	1600	Issue Size	24.98 Cr
Listed on	NSE, BSE	Price Range	₹77 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	84	2	26
2021-22	114	2	30
2022-23	146	3	33

CASE STUDY

T+1 hr. and a case of India's supercharged stock market.

A case let in financial management:

The Problem Statement

The problem statement: In January 2023, India hit the ground running with the T+1 settlement cycle, meaning trades are squared away within a mere 24 hours of the deal going down, with T standing for the trade date. Following in China's footsteps, India now stands as the second country to roll out this speedy settlement cycle for top-listed securities. This shift has brought a host of benefits to the table, from ramped-up operational efficiency to lightning-fast funds transfers, and even slicker share deliveries. It's been a game-changer for everyone involved in the stock market.

However, the Securities and Exchange Board of India (SEBI) isn't resting on its laurels. They've announced their ambitious plan to kickstart One-hour Settlements by March 2024, showing their commitment to supercharging the efficiency of trade settlement processes. It is worth examining how SEBI would achieve this lightning-speed process, and yet, not run into challenges. It is a case on technology management as well as financial and process management.

Background

Settlement is like a two-way street where money and stocks are exchanged on a certain date. A trade settlement is considered done when the person buying the stocks gets them from the company and the person selling gets paid. The history of stock market trade settlement in India has undergone significant changes over time. In the early days, trades were settled manually, with all transactions recorded on paper. It would take weeks, and was in existence even when Bombay Stock Exchange came into being. Then came the Badla system -- a leveraged product (with some similarity to single stock futures with a two-week maturity), and in the absence of adequate margins or risk management, it often produced undesirable outcomes. The infamous Harshad Mehta Scam in 1992 intensified the demands for a ban on badla system. Hence, it was shut down in 1993.

The ban led to a significant drop in liquidity, adversely affecting market efficiency and increasing volatility. A year later, under a new chairman, SEBI appointed the GS Patel Committee to re-evaluate the situation. Following the committee's recommendations, a modified version of badla trading was reintroduced in January 1996. This revamped system mandated the use of automated software for margin calculations (to enhance risk management) and electronic trading platforms (to promote greater transparency). Consequently, within a short span of two years after its demise, badla trading experienced a resurgence akin to a phoenix rising from the ashes, only to face termination once again after another five years.

The stock markets saw tremendous change in these five years paving the way for the rolling system in 2001 wherein all trade settlements took T+3 days. In April 2003, India shifted to T+2 settlement system. Simultaneously, there was the move towards the process of dematerialization, replacing physical share certificates with electronic records. This shift was facilitated by the establishment of -

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depositories like the Central Depository Services Ltd (CDSL) and National Securities Depository Ltd (NSDL) in the late 1990s. These depositories played a crucial role in holding and transferring securities electronically, promoting transparency and security in the market.

The introduction of derivatives, including futures and options, in 2000 brought about new challenges in settlement processes. To accommodate these financial instruments, adjustments were made to existing settlement mechanisms.

In January 2023, India took the significant step of implementing a T+1 settlement cycle, settling trades within one day of the trade date. This move aimed to further streamline and expedite the settlement process.

Looking forward, SEBI has expressed its intent to introduce One-hour Settlements by March 2024, demonstrating its intent to further enhancing trade settlement efficiency. These developments in stock market trade settlement reflect India's ongoing efforts to modernize its financial markets, reduce risks, and increase efficiency for market participants.

Game-changer

Prima facie, the introduction of the T+1 Hour Settlement System brings a host of benefits to the forefront. Firstly, investors can expect a significant reduction in settlement times, facilitating swift access to both funds and securities. This accelerated process not only streamlines transactions but also amplifies the dynamism of trading activities. Moreover, the system's impact extends to market liquidity. The quicker settlement times mean that funds are made available for reinvestment at a faster pace, enhancing the overall liquidity of the market.

This surge in available capital can potentially translate into increased opportunities for investors to strategically deploy their resources. In addition to the advantages of speed and liquidity, the T+1 Hour Settlement System plays a crucial role in risk management. By curtailing the settlement period, there is a tangible reduction in counterparty and market risks.

This adjustment promises to bolster market dynamism as a whole, offering more investors the reason to enter the stock market and trade. This, in turn, cultivates a sense of confidence and trust within the market. Lastly, the system prioritizes investor convenience. The expedited access to funds and securities simplifies the entire trading process, making it more user-friendly. This enhanced convenience not only fosters a positive trading experience but also encourages greater participation in the market.

Now, the challenges

The implementation of the T+1 Hour Settlement System introduces several potential challenges. Firstly, the transition demands a heightened level of operational efficiency and technological preparedness across market participants. Brokers, clearing houses, and depositories must upgrade their systems to handle the increased frequency of settlements, which may pose a significant operational challenge.

Moreover, the accelerated settlement cycle may increase the risk of human errors or system glitches, potentially leading to incorrect trades or settlement discrepancies. Swift resolution procedures and robust error-handling mechanisms become paramount in such a high-paced environment that will also witness a surge in volume of trades. As settlement times shorten, investors may need to allocate larger amounts of margin capital to meet the accelerated deadlines, potentially impacting their liquidity and overall capital adequacy. This shift in margin

requirements necessitate careful consideration and strategic planning by market participants.

Additionally, the increased frequency of settlements may influence market volatility dynamics. Swift settlements may lead to amplified short-term market swings, potentially impacting trading strategies and risk management practices. This necessitates a re-evaluation of trading approaches in the context of the new settlement system.

Furthermore, various market entities, including custodians, regulators, and exchanges will need to adapt their processes and infrastructure to align with the T+1 Hour Settlement System. This adjustment period may bring about transitional challenges that require thoughtful management.

Market participants will also need to allocate resources for technology upgrades, training, and compliance measures to accommodate the new settlement system. These costs and investments should be carefully budgeted and managed to ensure a smooth transition. Finally, the compressed settlement timeline may increase the risk of settlement failures, particularly in cases of unforeseen events or technical issues. This potential for failures underscores the importance of robust contingency plans and risk management protocols.

Regulators must play a crucial role in carefully considering and addressing potential regulatory implications to ensure that the T+1 Hour Settlement System aligns with existing frameworks and adequately safeguards market integrity.

Navigating through the challenges

The adoption of the T+1 Hour Settlement System in India presents a transformative opportunity for the country's financial markets.

To ensure its successful implementation and to leverage it as a competitive edge, several key steps must be taken. Firstly, a significant emphasis should be placed on upgrading and strengthening the financial infrastructure. This involves substantial investments in advanced technological systems for stock exchanges, clearing houses, depositories, and brokerage firms, ensuring they can handle the increased frequency of settlements. Comprehensive market education and training programmes are crucial for all stakeholders, including traders, brokers, and investors.

These programmes will equip them with the necessary knowledge and skills to adapt to the faster settlement cycle, minimizing the risk of errors and maximizing the benefits of the system. Furthermore, robust risk management tools and procedures must be put in place to effectively handle the heightened frequency of settlements. Stress testing systems should be implemented to evaluate the impact of market volatility and potential settlement failures.

Collaboration with regulatory authorities is essential to align existing regulations with the new system. This ensures that regulatory frameworks are equipped to handle the increased pace while upholding market integrity and investor protection.

Transparency in reporting transactions and settlements should be prioritized, with stringent reporting standards enforced across all market participants. Continuous monitoring and evaluation mechanisms are vital to assess the performance of the T+1 Hour Settlement System.

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Regular assessments should be conducted to understand its impact on market liquidity, stability, and investor confidence. India should also seek international collaboration and integration with global markets to bolster its competitiveness and attractiveness to foreign investors.

Encouraging a conducive environment for fintech and innovation is crucial. This will for development of innovative financial products and services that can thrive in a high-speed environment. Additionally, effective communication of the benefits of the T+1 Hour Settlement, investors, both domestic and international, will help build and maintain investor confidence in the Indian financial market.

Conclusion

By leveraging its early adoption, India can position as a pioneer in the region, attracting international investors seeking fast and efficient markets. Finally, utilizing the accelerated settlement cycle as an opportunity to expand market hours will provide more flexibility and accessibility for global investors. But every coin has two faces. SEBI has to consider the potential threats of this superfast settlement system. Overall, by diligently executing these strategies, India can bring in a transformative change in the world of stock trading.

Questions

- 1). Considering India's transition to the T+1 Hour Settlement System, what are the key operational and technological challenges that market participants, including brokers and depositories, may face in adapting to this accelerated settlement cycle? How can these challenges be effectively addressed?
- 2). With the introduction of One-Hour Settlements by SEBI in the near future, what are the potential implications for market liquidity and volatility? How should investors and traders adjust their strategies to accommodate this higher frequency of settlements?
- 3). In the light of the T+1 Hour Settlement System, what are the potential benefits and drawbacks for foreign investors looking to participate in the Indian stock market? How might this impact India's attractiveness as an investment destination compared to other global markets?
- 4). From a risk management perspective, how might the compressed settlement timeline affect the margin requirements for investors? What strategies can market participants employ to ensure they have sufficient capital to meet the accelerated settlement deadlines?
- 5). Considering the potential for settlement failures in a compressed timeframe, what contingency plans and risk management protocols should market participants have in place to mitigate the impact of unforeseen events or technical issues? How can regulators work in tandem with market players to ensure market stability and investor protection?

NFO WATCH

Quantum Small Cap Fund -Direct-Growth-NFO

LAUNCH DATE

16th October 2023

END DATE

27th October 2023

ALLOTMENT DATE

3rd November 2023

FUND TYPE

Open Ended

RISK TYPE

Very High

FUND MANAGER

Abhilasha Satale, Chirag Mehta

FUND HOUSE AND INVESTMENT OBJECTIVE

Total Asset Under Management	₹2,300.56 Cr (as on 30 Sep 2023)
Date of Incorporation	19 th September,2005
Minimum for SIP	₹500
Minimum for 1 st Investment	₹500
Minimum for 2 st Investment	₹500
Website	www.QuantumAMC.com
Email	CustomerCare@QuantumAMC.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

The Investment Objective of the Scheme to generate capital appreciation by investing predominantly in Small Cap Stocks

EXIT LOAD DETAILS

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

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SATYAM COMPUTERS SCAM

In the annals of corporate fraud and financial malfeasance in India, the story of Satyam Computers stands out as one of the most notorious and shocking episodes. The Satyam Computers scam, which unfolded in the early 21st century, not only rocked the Indian corporate world but also sent shockwaves throughout the global business community. This is the tale of how one of India's largest and most prestigious IT companies was brought to the brink of collapse by the actions of its own founder and chairman, Ramalinga Raju. Satyam computer services ltd was started in 1987 at Hyderabad by the Raju brothers, Rama Raju and Ramalinga Raju. The company was quite successful. Hence, they went forward to get it listed. The company got listed in the Bombay stock exchange in 1991. At that time the shares of Satyam ltd were oversubscribed by 17 times. At the peak of its success, Satyam employed more than 50,000 employees and operated in 60+ countries. Satyam was now seen as the prime example of an Indian Success story. Its financials too were perfect. The firm was worth \$1 billion in 2003. Satyam soon went on to cross the \$2 billion mark in 2008. During this period the company had a CAGR of 40%, operating profits averaging 21% with a 300% increase in its stock price. Satyam was now an example to other companies as well. It was showered with accolades from MZ Consult for being a 'leader in Indian Corporate Governance and Accountability, the 'Golden Peacock Award' for Corporate Accountability in 2008. But things were not going well inside of Satyam, The Raju brothers conspired such a huge scam to increase their revenue fictitiously. Mr. Raju used his personal computer to create a number of bank statements in order to inflate the balance sheet with cash that simply did not exist. The company's global head for internal audit created fake customer identities and fake invoices in order to inflate the revenue. The Satyam brothers, who were the founders and promoters of Satyam companies used this opportunity and sold their holdings at a much higher price. They took a profit of 1200 crores through the sale. But this was not sufficient for Raju, he went on to create records for fake employees and would withdraw salaries on their behalf. He withdrew \$3 million every month as salaries on behalf of employees that did not exist. But one day Company director Krishna Palepu received anonymous emails from the alias Joseph Abraham. The mail exposed the fraud. Palepu forwarded it to another director and to S. Gopalkrishnan a partner at PwC – their auditor. Gopalkrishnan assured Palepu that there were no truths in the mail and a presentation would be held before the audit committee in order to assure him on 29th December. The date was later revised to 10th January 2009. After failing to acquire Maytas due to shareholders opposition, the company was subjected to answer numerous questions. The pressure started building up. Unable to find a new escape plan the brothers decided to confess the truth. On January 7, 2009, Raju sent a confessional email to the board of directors and the Securities and Exchange Board of India (SEBI). In this startling email, he admitted to manipulating the company's accounts, inflating profits to the tune of over a billion dollars. The scale of the fraud was unprecedented in India's corporate history. Two days after the confession was made Raju was arrested and charged with criminal conspiracy, breach of trust, and forgery. The shares fell to Rs.11.50 on that day compared to heights of Rs.544 in 2008. The CBI took charge of the case and started the investigation. The Raju brothers and the auditors were sentenced to prison and were charged a huge sum as a penalty. The company was taken over by Tech Mahindra. Following the scam, the Government and SEBI took various steps to tighten the grip on such perpetrators in the future. They brought several new regulations under the Companies Act of 2013, Now companies are obliged to change their auditors every 10 years. The Satyam scandal remains a defining moment in India's corporate history, an enduring lesson on the perils of corporate dishonesty and the resilience of an industry determined to rebuild trust.

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:

NFTs (Non-Fungible Tokens): NFTs are unique digital assets that represent ownership of a specific item or piece of content. They have gained popularity in the art, gaming, and entertainment industries, and their use cases in finance, such as digitizing ownership of real-world assets, are being explored.

Alternative Investments: Investors are increasingly diversifying into alternative assets such as private equity, venture capital, real estate, and even rare collectibles. These investments offer potential for higher returns and can act as a hedge against traditional market volatility.

Behavioural Finance: The application of behavioural psychology to finance is gaining traction. Understanding how individuals' emotions and cognitive biases impact their financial decisions is becoming increasingly important in asset management and financial planning.

Reg Tech (Regulatory Technology): Reg Tech solutions are being developed to help financial institutions comply with complex and evolving regulations more efficiently. These technologies assist with regulatory reporting, compliance monitoring, and risk management.

Cybersecurity and Data Privacy: With the increasing digitization of financial services, the need for robust cybersecurity measures and data protection has grown. The financial industry is continually investing in cybersecurity technologies and best practices.

Geopolitical Risks: Political and economic events on a global scale can significantly impact financial markets. Monitoring and managing geopolitical risks have become a critical aspect of financial decision-making.

Subscription and Membership Models: Some financial services, such as neo banks and investment platforms, are adopting subscription-based or membership-based pricing models to offer more personalized.

Financial Inclusion: Efforts to expand access to financial services for underserved populations are ongoing. FinTech and mobile banking solutions are playing a crucial role in increasing financial inclusion globally.

Impact Of India's Inclusion in JP Morgan Index on The Economy

Inclusion of India's sovereign bonds into JP Morgan's emerging markets bond Index is not just expected to bring billions of inflows into the country but also aid the government in its fiscal measures to influence the economy.

According to JP Morgan, India is expected to reach the maximum weight of 10 per cent in the Global Diversified Index (GBI-EM GD), and the inclusion will be staggered over a 10-month period from June 28, 2024 to March 31, 2025, which means an inclusion of 1 per cent per month.

India's addition to the index is expected to improve the rating of its sovereign debt as the index has \$236 billion in

assets bench-marked against it and is tracked globally. At present, S&P Global Ratings has given a BBB- rating to India's credit. Since a total of 23 Indian governments bonds with a cumulative value of \$330 billion will be included in the GBI-EM Global Index, the move is set to reduce the borrowing cost for the government.



Reduction In Borrowing Cost

Mukesh Kochar, National Head – Wealth at AUM Capital said the inclusion will reset the base rate for India and bring down the domestic bond yields sharply. Analysts see the price of the 10-year benchmark 7.26 per cent, 2033 government bond, which settled at Rs 100.63, or 7.17 per cent yield on Thursday, nearing 7.05 per cent by September end. Considering the cost reduction, the inclusion puts the Indian government at advantage as it plans to raise up to Rs 6.55 lakh crore through sale of bonds in the second half of 2023-24.

“India's cost of borrowing will come down. Since covid, the fiscal deficit in India has remained elevated due to higher borrowing. This event will ease borrowing pressure as a large part of the borrowing will be observed by this route,” Kochar said. India's fiscal deficit, which is expressed as a percentage of the country's GDP and difference between government's total expenditure and revenue, stood at 6.4 per cent in 2022-23, and 6.7 percent in 2021-22. As a result of government's heavy expenditure following the Covid outbreak in 2020, fiscal deficit for 2020-21 had reached to 9.3 per cent of the GDP.

Deeper Benefits

“Structurally, this will lower India's cost of funding; enhance the liquidity and ownership base of G-Secs (Government Securities) and help India finance its fiscal and CAD. This will also imply more accountable fiscal policy-making ahead,” said Madhavi Arora, Chief Economist, Emkay Global Financial Services.

RECENT MERGERS AND ACQUISITIONS IN INDIA

Thermo Fisher Scientific Acquires Olink

Thermo Fisher Scientific and Olink announced that their respective boards of directors have approved Thermo Fisher's proposal to acquire Olink for \$26.00 per common share in cash, representing \$26.00 per American Depositary Share (ADS) in cash. The transaction, which is expected to be finished by mid-2024, is valued at an estimated 3.1 billion which includes net cash of approximately \$143 million. The acquisition of Olink underscores the profound impact that proteomics is having as our customers continue to advance life science research and precision medicine.

Emerson to Acquire National Instruments

Emerson and National Instruments announced that they have entered into a definitive agreement under which Emerson will acquire NI for \$60 per share in cash at an equity value of \$8.2 billion. Emerson already owns approximately 2.3 million shares of NI, representing approximately 2% of shares outstanding, which were acquired at a weighted average price of \$36.84. As a result, Emerson's effective per share purchase price is \$59.61. NI provides software-connected automated test and measurement systems that enable enterprises to bring products to market faster and at a lower cost. NI's solutions help customers solve current and future test challenges and improve speed and efficiency in their product development cycles.

Blue Wolf Capital Partners to acquire LOGISTEC Corporation

B.C. Unlimited Liability Company ("BCULC"), an entity owned by certain funds managed by Blue Wolf Capital Partners LLC ("Blue Wolf"), announced its agreement to acquire all the issued and outstanding shares of LOGISTEC Corporation ("LOGISTEC") for C\$67.00 in cash per share, representing a total enterprise value of approximately C\$1.2 billion. The transaction will be implemented by way of a plan of arrangement under the Business Corporations Act (Québec) and is expected to close in the first quarter of 2024. Blue Wolf is funding its portion of the purchase price with capital it manages on behalf of its limited partners via private equity fund capital and other co-investors. LOGISTEC, headquartered in Montreal, Quebec, is a corporation that provides specialized services to the marine community and industrial companies in the areas of bulk, and container cargo in North America.

Atlassian to buy video messaging provider Loom

Atlassian to acquire privately held video messaging platform Loom for about \$975 million, beefing up its team collaboration tools to tap into resilient demand fueled by the adoption of hybrid work. Integration of Loom's technology into Atlassian software such as collaboration tools Jira and Confluence will help users use video in their workflows. The acquisition of Loom, which has more than 25 million users globally, will enable customers communicate and collaborate more effectively.

QUIZ -CURRENT AFFAIRS

1. According to the Economic Outlook Survey released by Federation of Indian Chambers of Commerce & Industry (FICCI) in October 2023, India's annual median Gross domestic product (GDP) growth rate is projected at _____ for the financial year 2023-24 (FY 2023-24).

- 1) 6.9%
- 2) 6.2%
- 3) 6.0%
- 4) 6.5%
- 5) 6.3%

2. In September 2023, the Asian Development Bank (ADB) has announced the approval of capital management reforms that unlocked USD _____ in fresh funding capacity over the next decades for financing projects in the Asia-Pacific region.

- 1) 500 billion
- 2) 300 billion
- 3) 100 billion
- 4) 400 billion
- 5) 200 billion

3. Name the company that has recently (in Oct '23) approved for joint ventures with EverEnviro Resource Management Pvt Ltd and GPS Renewables Pvt Ltd for setting up compressed biogas (CBG) plants.

- 1) Hindustan Petroleum Corporation Limited
- 2) Indian Oil Corporation Limited
- 3) Bharat Petroleum Corporation Limited
- 4) Oil India Limited
- 5) Mangalore Refinery and Petrochemicals Limited

4. According to the Controller General of Accounts (CGA) data released in October 2023, India's fiscal deficit for the tenure April to August of the financial year 2023-24 (FY24) is at Rs_,

36% of the FY24 target.

- 1) 4.90 trillion
- 2) 6.42 trillion
- 3) 4.62 trillion
- 4) 5.89 trillion
- 5) 5.24 trillion

5. Which bank has recently (in Sept '23) signed an MoU with Warehousing Development Regulatory Authority (WDRA) to fund against e-NWRs (electronic Negotiable Warehouse Receipt)?

- 1) State Bank of India
- 2) Bank of Baroda
- 3) Indian Bank
- 4) Punjab National Bank
- 5) Bank of India

6. In September 2023, SBI Life Insurance Company Limited signed a bancassurance pact with the State Bank of _____(state) to offer insurance solutions accessible.

- 1) Kerala
- 2) Karnataka
- 3) Sikkim
- 4) Tamil Nadu
- 5) Assam

7. In October 2023, the National Investment and Infrastructure Fund Limited (NIIFL) entered into a collaboration with the Japan Bank for International Cooperation (JBIC) to launch its first bi-lateral fund called India-Japan Fund (IJF) of Rs_.

- 1) 49 Billion
- 2) 35 Billion
- 3) 52 Billion
- 4) 67 Billion
- 5) 30 Billion

8. Name the company that has recently (in Oct '23) merged with the North East Small Finance Bank Limited (NESFBL) to become Small Finance Bank (SFB).

- 1) Zerodha
- 2) Slice
- 3) InCred
- 4) Zeta
- 5) MoneyTap

9. Name the bank that has recently (in Oct '23) launched a Mobile Handheld Device to provide banking services to financial inclusion customers.

- 1) Bank of Baroda
- 2) ICICI Bank
- 3) State Bank of India
- 4) HDFC Bank
- 5) Bank of India

10. Name the bank that has recently (in Oct '23) launched its digital banking proposition in the Open 2023 campaign.

- 1) IndusInd Bank
- 2) Axis Bank
- 3) ICICI Bank
- 4) YES Bank
- 5) HDFC Bank

Answers

1) 5 2) 3 3) 2 4) 2 5) 5 6) 3 7) 1 8) 2 9) 3 10) 2

FINANCIAL NEWS - NATIONAL

- **RBI Governor Shaktikanta Das says Rs 2,000 notes worth Rs 10,000 crore left in the system:** The Reserve Bank of India (RBI) Governor Shaktikanta Das revealed that there are still Rs 2,000 notes worth Rs 10,000 crore in circulation. This comes amid speculation that the central bank may discontinue the high-denomination note.
- **Finance Minister Nirmala Sitharaman aims to reduce India's debt burden:** Finance Minister Nirmala Sitharaman reiterated the government's commitment to reducing India's debt burden. She stated that the government is taking various measures to manage the debt and ensure fiscal sustainability.
- **GST officers detect Rs 1.36 lakh crore tax evasion in the current fiscal year:** The Directorate General of GST Intelligence (DGGI) has unearthed a massive tax evasion of Rs 1.36 lakh crore in the first half of the current fiscal year (FY24). This highlights the ongoing efforts to curb GST fraud and ensure tax compliance.
- **Taxpayers receive unexpected notices for old tax demands:** Several taxpayers have been surprised by notices from the Income Tax Department demanding payment of old tax dues.
- **Reserve Bank not considering tightening banks' unsecured lending norms:** The Reserve Bank of India (RBI) is reportedly not planning to tighten the norms for unsecured lending by banks. This comes as a relief to banks, as stricter norms could have impacted their credit growth.
- **Financial Services Secretary chairs review meeting with PSBs:** The Financial Services Secretary held a review meeting with heads of public sector banks (PSBs) to assess their performance and discuss various issues. The meeting focused on improving the financial health of PSBs and enhancing their lending capacity.
- **Countries like India need policies based on reliable data for sustainable growth:** World Bank's India Director Junaid Ahmad emphasized the importance of data-driven policies for sustainable economic growth. He urged countries like India to focus on collecting and utilizing reliable data for effective policymaking.

- in the first half of the current fiscal year (FY24). This highlights the ongoing efforts to curb GST fraud and ensure tax compliance.
- Stop routing foreign currency transactions via US to avoid fees: Consultants: Financial consultants have advised businesses to avoid routing foreign currency transactions through the US to minimize fees.
- Disney said to be nearing a multibillion-dollar India deal with Reliance: Reports suggest that Disney is close to finalizing a multibillion-dollar deal with Reliance Industries to expand its presence in India. The deal could involve merging Disney's Indian media assets with Reliance's media and entertainment businesses
- DGGI detects Rs 1.36 lakh crore tax evasion in H1 of FY24: The Directorate General of GST Intelligence (DGGI) has unearthed a massive tax evasion of Rs 1.36 lakh crore

Guess person of the month

"I'm fascinated by science, from brews to health, in my early days, I pursued knowledge with stealth. My father's inspiration, he truly believed, in my potential, and so I achieved. Down under in Australia, I did shine, Mastering brewing, a rare feat of mine. A trailblazer, the only woman in my class, Brewing expertise, I would amass. From Melbourne to Scotland, I did roam, In the business world, I found my home. A leader in biotech, breaking every glass ceiling, In my name, there's a legacy of great feeling. Who am I, with a career so grand, known for breaking barriers, you'll understand?"

Who is being described in this riddle?

(check page number 23 for the answer)

GLOBAL FINANCIAL AFFAIRS

Hispanic unemployment rate declines in September

The U.S. unemployment rate held steady in September, 2023 but ticked down among Hispanic workers, according to data released by the U.S. Department of Labor. September's nonfarm payrolls report showed a blockbuster month of higher numbers across the board. The economy added 336,000 jobs last month, blowing past the 170,000 estimates from economists polled by Dow Jones. The unemployment rate held steady at 3.8% and came in slightly ahead of a 3.7% forecast. Among Hispanic workers, the jobless rate decreased to 4.6% from 4.9%. Broken down, it dipped to 4.3% from 4.4% among Hispanic women and held steady at 4.3% for Hispanic men. Meanwhile, the labour force participation rate, which measures the percentage of people working or actively searching for employment in a population, rose to 67.3% from 67.1% in August.

IMF hikes U.S. growth forecast for 2023, leaves global outlook unchanged

The International Monetary Fund published its most recent World Economic Outlook. It increased its projection for U.S. growth while downgrading its assessment of the euro zone's development. In comparison to its July update, the IMF increased its forecast for U.S. growth this year by 0.3 percentage points to 2.1%. It increased the projection for next year by 0.5 percentage points, to 1.5%. Its growth projections for the euro area for 2023 and 2024 were both reduced by 0.2 and 0.3 percentage points, respectively, to 0.7% and 1.2%.

Prepare for 'stalling and divergent' global growth in 2024, UN trade arm warns

According to the UN's Trade and Development Report, global economic growth will increase slightly, from 2.4% in 2023 to 2.5% in 2024, but the global economy is still in a vulnerable position, UNCTAD Director of the Division on Globalization and Development Strategies Richard Kozul-Wright tells. "The global economy is pretty weak, and I consider the projection to be an optimistic call," he declared. However, Kozul-Wright noted that the UN forecasting team does predict substantial economic headwinds that will cause a downturn in the U.S. economy in the coming year.

African ambassador criticizes IMF, World Bank for not giving enough loans

The International Monetary Fund and the World Bank have come under fire from an African nation's ambassador to China for their stringent lending practices. At a gathering at Peking University, Senegal's ambassador Ibrahima Sory Sylla stated, "The issue is that the ratings we are making for the African [countries] should be different." Despite being the foundation for the IMF and World Bank's assessments of economic sustainability, he claimed that ratings from Fitch or Standard & Poor's do not take into consideration regional factors like food security.

Net worth surged 37% in pandemic era for the typical family, Fed finds

The Federal Reserve stated in its triennial Survey of Consumer Finances that the average family's net worth increased over the epidemic era, mostly as a result of higher housing and stock prices and government stimulus programs. After deducting liabilities, net worth is a measurement of a household's assets. After taking inflation into account, the median net worth increased to \$192,900, a 37% rise from 2019–22, according to the Fed.

Netflix profit beats expectations, ad-tier subscriptions rise

Due to attempts to tighten down on password sharing and increased interest in its new ad-supported tier, Netflix claimed an increase in subscriber growth. According to estimates by Street Account, the streaming behemoth said after the market closed on October 15, 2023 that it had attracted 8.76 million global members during the third quarter, more than the 5.49 million Wall Street had anticipated. Since adding 10.1 million members in the second quarter of 2020, when Covid limitations kept people at home, it is the company's largest quarterly net add total.

Here are the results:

- Earnings: \$3.73 vs \$3.49 per share expected, according to LSEG, formerly known as Refinitiv
- Revenue: \$8.54 billion vs \$8.54 billion expected, according to LSEG
- Total memberships expected: 247.15 million vs. 243.88 million expected, according to Street Account

Morgan Stanley shares fall over 6% as wealth management results disappoint

Morgan Stanley posted third-quarter results on October 15, 2023 that topped profit estimates on better-than-expected trading revenue.

Here's what the company reported:

- Earnings per share: \$1.38, vs. \$1.28 estimate from LSEG, formerly known as Refinitiv
- Revenue: \$13.27 billion, vs. expected \$13.23 billion

Profit fell 9% to \$2.41 billion, or \$1.38 a share, from a year ago, the New York-based bank said in a statement. Revenue grew 2% to \$13.27 billion, essentially matching expectations. The bank's shares closed more than 6% lower.

Pfizer to price Covid drug Paxlovid at \$1,390 per course

Pfizer will price a five-day course of its Covid antiviral drug Paxlovid at \$1,390 when the company starts to sell it on the commercial market later this year. A company spokesperson confirmed the price, which was first reported by the Wall Street Journal. But health insurance plans will likely pay much less than the nearly \$1,400 list price for Paxlovid, meaning patients will probably have small or no out-of-pocket costs.

Swiss pharma giant Roche agrees \$7.1 billion deal to buy Telavant Holdings

Swiss health care company Roche announced it would acquire Telavant Holdings in a \$7.1 billion transaction. Telavant produces drugs for people suffering from inflammatory and fibrotic diseases and is in the process of developing a “promising new therapy” for patients with Crohn’s disease, Roche said in a press release. The terms of the acquisition include a near-term milestone payment of \$150 million.

Asia markets extends sell-off, China CSI 300 sinks to lowest since February 2019

Asia-Pacific markets experienced a sell-off as investors awaited inflation reports and South Korea's Q3 GDP data. Singapore's September 2023 inflation slightly increased to 4.1%, aligning with expectations. The Australian S&P/ASX 200 dropped 0.82%, continuing a three-day decline. Japan's Nikkei 225 slipped 0.83%, closing below 31,000 for the third time this month. South Korea's Kospi marked its third consecutive day of losses, closing 0.76% lower, and the Kosdaq also saw a fourth consecutive daily loss. Hong Kong's markets were closed for a holiday, while China's CSI 300 index closed down 1.04%, reaching its lowest level since February 2019 at 3,474.24.

Apple supplier Foxconn says it will cooperate with Chinese authorities on tax, land use investigations

In response to a news that Chinese authorities are inspecting tax audits and looking into the land use of Foxconn companies, Apple supplier Foxconn, also known as Hon Hai, said it will work with them on investigations. According to unnamed sources cited by the state-run Global Times, numerous subsidiaries of Hon Hai in China have had their offices the subject of tax audits and on-site land use inquiries. The report didn't go into much detail on the inquiries. World's largest producer of contract electronics is Hon Hai Technology Group. Consumer goods like Apple's iPhones are assembled by the corporation.

As mortgage rates hit 8%, home ‘affordability is incredibly difficult,’ economist says

The average 30-year fixed mortgage rate just hit 8% for the first time since 2000, putting housing financing costs at historically high levels. Given high prices and high interest rates, homebuyers must earn \$114,627 to afford a median-priced house in the U.S., according to a recent report by Redfin, a real estate firm, which analysed median monthly mortgage payments in August 2023 and August 2022. The firm considers a monthly mortgage payment to be affordable if the homebuyer spends no more than 30% of their income on housing. At the time of the analysis, the average 30-year fixed mortgage was 7.07%.



PERSON OF THE MONTH

Biocon Chairperson Kiran Mazumdar Success Story.

Kiran Mazumdar-Shaw is a well-known businesswoman and self-made billionaire from India. She is the chairperson of Bangalore, India-based Biocon Limited and one of the wealthiest

women in India. A pioneer in developing advances in clinical research is Biocon. She is also the former chairperson of the Indian Institute of Management in Bangalore. As of January 2020, Kiran Mazumdar's Net worth is \$1.3 billion.

In 2019, she was ranked #65 on Forbes' list of the World's Most Powerful Women. She also serves on the board of governors of the Indian School of Business. She is also a past member of the Indian Institute of Technology's board of governors in Hyderabad. Furthermore, Kiran is a term member of the MIT, USA board of directors till 2023. She also serves as an independent director on the board of Infosys and is a member of the Maharashtra State Innovation Society's General Body. She is the first woman to lead the board of governors of the Indian Institute of Management in Bangalore, which promotes women's empowerment.

Kiran's interest in research began in her childhood. Her father worked as the head brewer for United Breweries. He believed in women's emancipation and advised her to study fermentation science and become a brewmaster. Mazumdar studied malting and brewing at Melbourne University in Australia, thanks to her father's encouragement. She eventually finished first in her class and was the only woman in the class. In 1975, she graduated as a master brewer. She later worked as a trainee brewer for Carlton and United Breweries. She also worked in Australia as a trainee master at Barret Brothers and Burston. She honed her abilities further while working as a trainee consultant at Jupiter Breweries Limited in Kolkata.

She wished to advance her career in Bangalore or Delhi, but faced criticism for being a female in the particular field. Not letting discouragement take over, she began to look for other opportunities outside India and was soon offered a position in Scotland. She met another Irish entrepreneur, Leslie Auchincloss, who was seeking for an Indian entrepreneur to set up an Indian subsidiary. He established Biocon Biochemicals Ltd. A manufacturer of enzymes for usage in brewing, textiles, and food packaging. Kiran found herself drawn to the chance on the condition that she be offered a job equivalent to the one she was leaving. She refers to herself as an "accidental entrepreneur" because she met another entrepreneur by chance. They started an enzyme manufacturing company together. Mazumdar stated in an interview that when you think about brewing, it is biotechnology. She stated that the basic technology was the same whether she fermented beer or enzymes.

She returned to India and established Biocon in the garage of her rented Bengaluru house with a capital of Rs. 10,000. At the time, Indian rules limited foreign ownership in a corporation to 30%, giving Mazumdar 70%. She later expanded the company to include the production of pharmaceuticals. When allowed to subsidize pharmaceutical drug research and production, enzyme sales brought substantial cash. She once stated that there was no venture investment in India at the time, forcing her to develop a business strategy based on revenues and profitability. Finally, a chance meeting with a banker at a social gathering enabled her to obtain her first financial backing. Her first worker was a retired garage mechanic, and her first factory was a 3000 square foot shed nearby. However, within a year, Biocon India became the first Indian business to be able to manufacture enzymes and ship them to the United States and Europe.

By the end of her first year, she used her Earnings to buy a 20-acre property to expand her business. She headed the evolution of Biocon from being an industrial enzyme manufacturing company to a completely integrated biopharmaceutical company with a research focus on diabetes, oncology and auto-immune diseases.

Soon, she established two subsidiaries called Syngene in 1994 and Clinigene in 2000. Syngene provides early research and development support services on a contract Basis and Clinigene focuses on clinical research trials and development of both generic and new medicines. Clinigene later merged with Syngene. It was listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in 2015. The current Market cap of the combination is Rs. 14.170 crores.

In 1997, Kiran's fiancé, John Shaw, personally raised \$2 million to purchase Biocon's outstanding shares from the Imperial Chemical Industries (ICI) after Biocon was sold to them by Unilever in 1997. The couple married in 1998. Shaw left his post as chairman at Madura Coats and joined Biocon in 2001 becoming the firm's first vice-chairman.

In 2004, Narayan Murthy advised Kiran to list Biocon in the stock market. Her intention remained to raise capital to develop Biocon's research programmes. Biocon became the first biotech company in India to issue an IPO, which was oversubscribed 33 times. It's the first day closed with a market value of \$1.1 billion and it became India's second company to cross the \$1 billion mark on the first day of being listed in the stock market.

TEAM



FINARTHA



**HARSHIT
VISHWAKARMA**



**SANSKAR
SHUKLA**



YADU KRISHNA MR



**ANUNAY
CHOUDHARY**



ELIZABETH REJI



PRAGASH RUPAN



RAGHBENDRA JHA



PANKAJ KUMAR



NAVNEET



SHIVAM KHANNA



NABEEL.K



**FINODATE
PARTH
KHANDELWAL**



**TAPASHREE
BHATTACHARYYA**



VIVEK KUMAR