

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 - 144

INDEX

SENSEX	71,106.96
NIFTY 50	21,349.40
NASDAQ	14,963.87
DOW JONES	37,404.35

CURRENCY

USD/INR	₹ 83.13
GBP/INR	₹ 105.66
YEN/INR	₹ 0.58
EURO/INR	₹ 91.57

TOP GAINERS

<i>Securities</i>	<i>Previous Closing</i>	<i>Closing Price</i>	<i>Percentage increase</i>	<i>Low/High</i>
GAIL	140.70	151.50	7.68%	141.10/153.15
WIPRO	434.00	462.65	6.60%	434.00/466.30
SUNTV	693.85	725.55	4.57%	691.85/729.00
LAURUSLABS	397.15	414.55	4.38%	397.15/422.00

TOP LOSERS

<i>Securities</i>	<i>Previous Closing</i>	<i>Closing Price</i>	<i>Percentage increase</i>	<i>Low/High</i>
POLYCAB	5,619.30	5,359.30	-4.63%	5,305.65/5,633.00
AUOPHARMA	1,092.15	1,066.40	-2.36%	1,062.80/1,099.90
PVRINOX	1,739.15	1,700.80	-2.21%	1,694.55/1,764.00
DALBHARAT	2,239.80	2,194.20	-2.04%	2,188.00/2,245.80

Q2 RESULTS PUBLISHED COMPANIES

	DATE
Binny Ltd.	29/11/2023
Ask Automotive Ltd.	01/12/2023
Cranes Software Ltd.	02/12/2023
Diksh Greens Ltd.	07/12/2023
KK shah Ltd.	07/12/2023
JCT Ltd.	09/12/2023
Spicejet Ltd.	11/12/2023
Fedback Fiancial Sevices Ltd.	11/12/2023
Sharp India Ltd.	16/12/2023
Unitech Ltd.	21/12/2023
GEE Ltd.	23/12/2023

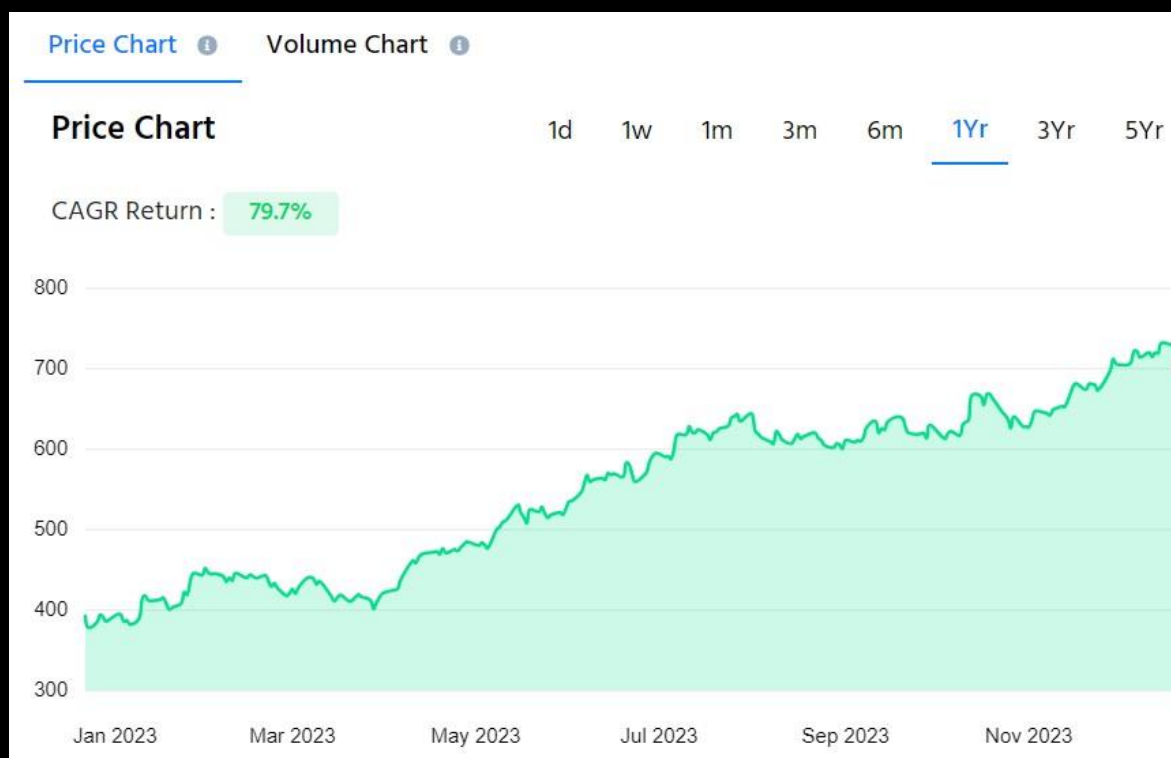
TATA MOTORS LTD.

Price Summary

Today's High	731.90	52 Week High	734.75
Today's Low	712.10	52 Week Low	375.20

Company Essentials

Market Cap	2,40,806.73 Cr.	Enterprise Value	3,29,451.65 Cr.
No. of Shares	332.28 Cr.	P/E	15.71
P/B	4.5	Face Value	2
Div. Yield	0.28%	Book Value (TTM)	161.16
Net Interest Income	7,232.16 Cr.	Debt	1,25,660.48 Cr.
Promoter Holding	46.38%	EPS	46.14
Sales Growth	24.25%	Profit Growth	120.95%
ROE	5.24%	ROCE	7.48%



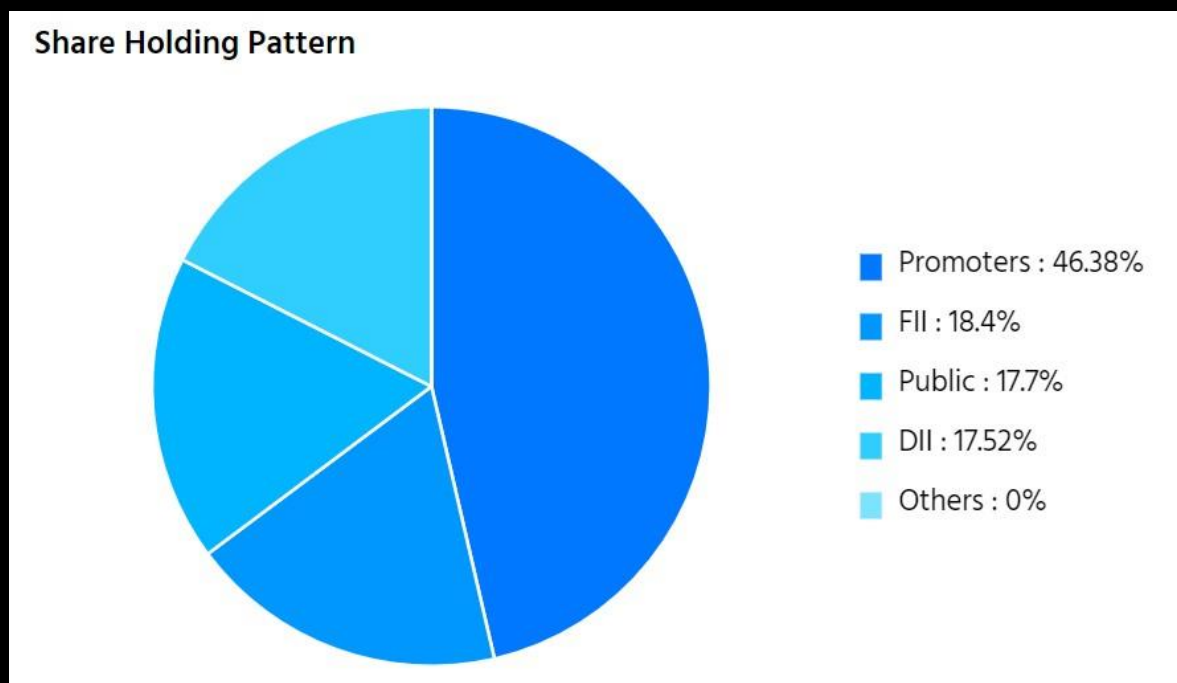
Strengths

- The company has shown a good profit growth of 30.34% for the past 3 years.
- The company has an efficient Cash Conversion cycle of -51.44 days.
- Company's PEG ratio is 0.13.
- Company has a strong degree of operating leverage , Average operating leverage stands at 10.04.

Limitations

- The company has shown a poor revenue growth of 9.84% for the past 3 years.
- Company has a poor ROE of -13.15% over the past 3 years.
- Company has a poor ROCE of 2.48% over the past 3 years

Peer Comparison



Company	MCAP Cr.	PE	PB	ROE	ROCE	EV/EBITDA
Tata Motors	2,40,806.73	15.71	4.50	5.24	7.48	5.65
Ashok Leyland	50,501.39	23.58	5.69	17.26	12.34	12.06
Olectra	10,088.54	130.14	11.56	8.27	13.30	57.83
Greentech						
Force Motors	4,417.14	15.05	2.18	7.38	12.07	7.71

IPO WATCH: AZAD ENGINEERING LTD.

About Azad Engineering Ltd IPO:

Established on September 14, 1983, Azad Engineering Limited specializes in producing highly engineered, intricate, and mission-critical components for original equipment manufacturers (OEMs) in the energy, aerospace, defense, and oil and gas industries. The company's clientele comprises renowned global OEMs such as General Electric, Honeywell International Inc., Mitsubishi Heavy Industries, Ltd., Siemens Energy, Eaton Aerospace, and MAN Energy Solutions SE. Since its inception, Azad Engineering Limited has supplied components to countries like the USA, China, Europe, the Middle East, and Japan. Azad Engineering Limited's product range encompasses 3D rotating airfoil/blade sections for turbine engines and other critical components for gas, nuclear, and thermal turbines used in industrial applications, energy generation, defense, civil aircraft, and spacecraft. In the energy sector, the company manufactures high-precision rotating and stationary 3D airfoils/blades, special machined parts, and combustion component assemblies for land-based turbines.

Azad Engineering Limited also produces airfoils/ blades and components for engines, auxiliary power units (APUs), hydraulics, actuating systems, flight controls, fuel and inerting sections of commercial and defense aircraft, and spacecraft. The company's portfolio also extends to various critical components for missiles and other defense systems.

Here are the key details about the Tata Technologies IPO:

Managing Director Name	Mr. Rakesh Chopdar		
Established on	1983		
Opening date	Dec 20, 2023	Closing Date	Dec 22, 2023
Allotment date	Dec 26, 2023	Listing Date	Dec 27, 2023
Lot Size	28	Issue Size	740 Cr
Listed on	NSE, BSE	Price Range	₹499-524 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	122.72	11.50	256.05
2021-22	194.47	29.46	404.32
2022-23	251.67	8.47	589.21

IPO WATCH: INNOVA CAPTAB LIMITED

About Innova Captab Limited IPO:

Innova Captab is a pharma company involved in research, development, manufacturing, drug distribution, marketing, and exports. The company started its journey by offering contract development and manufacturing organization (CDMO) services to various Indian pharmaceutical companies, alongside its domestic and international branded generics businesses. It has 2 manufacturing facilities in Baddi, Himachal Pradesh, and is planning for a new facility in Jammu.

Innova Captab has expanded its portfolio to over 600 diverse generic products, marketed under its own brands in India through a network of 5,000 distributors and 150,000 retail pharmacies. The company also brands generic products to numerous countries. Offering a range of products from oral solids to injectables and using new technologies like nano technology, Innova Captab caters to both acute and chronic therapeutic areas.

The company's customer base includes Cipla Limited, Glenmark Pharmaceuticals Limited, Wockhardt Limited, Corona Remedies Private Limited, Emcure Pharmaceuticals Limited, Lupin Limited, Intas Pharmaceuticals Limited, Leeford Healthcare Limited, Medley Pharmaceuticals Limited, Cachet Pharmaceuticals Limited, Eris Healthcare Private Limited, Indoco Remedies Limited, J. B. Chemicals and Pharmaceuticals Limited, Oaknet Healthcare Private Limited, Zuventus Healthcare Limited, Ajanta Pharma Limited, Mankind Pharma Limited and Smart Laboratories Private Limited.

As of October 31, 2023, the company has 200 active product registrations and 20 registrations pending renewal with international authorities. In addition, 218 new registration applications are being processed with international authorities

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

Managing Director Name	Mr. Vinay Kumar Lohariwala		
Established on	2005		
Opening date	Dec 21, 2023	Closing Date	Dec 26, 2023
Allotment Status	Dec 27, 2023	Listing Date	Dec 29, 2023
Lot Size	33	Issue Size	570 Cr
Listed on	NSE, BSE	Price Range	₹426-448 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	410.66	34.50	369.61
2021-22	800.52	63.95	575.47
2022-23	926.38	67.95	704.41

NFO WATCH

QUANT COMMODITIES FUND DIRECT - GROWTH – NFO

LAUNCH DATE8th December 2023**END DATE**22nd December 2023**ALLOTMENT DATE**27th December 2023**FUND TYPE**

Open Ended

RISK TYPE

Very High

FUND MANAGER

Vasav Sahgal, Ankit Pande

FUND HOUSE AND INVESTMENT OBJECTIVE

Total Asset Under Management	₹35,936.79 Cr (as on 30 Sep 2023)
Date of Incorporation	15 th April, 1996
Minimum for SIP	₹1000
Minimum for 1 st Investment	₹5000
Minimum for 2 st Investment	₹5000
Website	www.quantmutual.com
Email	compliance.mf@quant.in

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 objective of the scheme is to generate long-term capital appreciation by creating a portfolio that is invested predominantly in Equity and Equity related securities of companies engaged in commodity and commodity related sectors.

EXIT LOAD DETAILS

Exit load of 1% if redeemed within 15 days

CASE STUDY

E-commerce battle: Can Reliance and Tata beat Amazon in its own game?

Problem statement:

Amazon and Flipkart, the latter now being a Walmart-owned entity, have made substantial progress in India, collectively dominating almost 60% of the e-commerce market and steadily expanding their influence in the broader retail arena.

Amazon in India plays the role of the 800-pound gorilla, making life tough for small businesses. The pricing pressure and logistical hurdles act as a constant sword of Damocles, forcing smaller players to toe the line. Navigating the marketplace dynamics becomes a high-stakes poker game, with larger sellers holding most of the cards.

Not only that, Big Indian conglomerates like Tatas and Ambanis are having a tough time against Amazon and Flipkart. The big question is, can our Indian companies give them a good fight, or do Amazon and Flipkart hold an unbeatable edge?

The Indian e-commerce market

India has witnessed a surge in internet and smartphone usage in recent years, reaching over 800 million internet connections in 2023. Urban areas account for around 55% of these connections, with a staggering 97% being wireless. The smartphone user base is on the rise and is expected to hit 1 billion by 2026. This growth has fueled India's digital sector, projected to reach a substantial US\$ 1 trillion by 2030.

The rapid increase in internet users and smartphone adoption, combined with rising incomes, has catalyzed the expansion of India's e-commerce sector. This sector has revolutionized business practices across various segments, including business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C), and consumer-to-business (C2B). Notably, segments like D2C and B2B have witnessed remarkable growth, with India's D2C market expected to hit US\$ 60 billion by FY27.

The projected value of the E-commerce Market in India is approximately USD 92.95 billion in 2023, with an anticipated growth to USD 246.10 billion by 2028. This growth is forecasted to occur at a Compound Annual Growth Rate (CAGR) of 21.50% throughout the forecast period spanning from 2023 to 2028.

As per IBEF projections, online retail penetration is set to rise to 10.7% by 2024, a significant increase from the 4.7% recorded in 2019. Additionally, the number of internet buyers in India is expected to reach 220 million by 2025. According to a Payoneer report, India's e-commerce sector holds the 9th position globally for cross-border growth. Forecasts indicate that e-commerce's share of total retail sales in food and groceries, fashion, and consumer electronics in India will double from 4% in 2020 to 8% by 2025.

Why Indian Conglomerates are struggling?

One is known to have the largest retail store network in the country and the other enjoys the title of the only Indian brand with a valuation of over 25 billion dollar as of 2023. That's Reliance and Tata for you. Yet, both have still not garnered enough consumer traction on their e-commerce platforms to bring the competition to Amazon and Flipkart.

According to reports, among the leading e-commerce players in the country, Flipkart has the biggest market share of 48% in 2023. With the remaining 52% shared by other e-commerce players like Amazon, Meesho, Snapdeal and Nykaa.

Interestingly, Flipkart's growth surpassed the industry's growth in the last three quarters of FY2023. This was due to large selection of products and a better understanding of the shopper's needs especially across tier 2 and tier 3 markets.

Now, Tata and Reliance both are up-against two global giants. The fact that companies like Amazon and Flipkart have exceedingly great learnings from years of experience in the business. By virtue of being around for so long, they have cracked the local issues.

Jiomart managed to strengthen its market position through expanding beyond groceries and moving forward towards fashion and electronic among others. However, Jiomart witnessed its true success following its collaboration with Whatsapp in 2022. In September 2023, JioMart witnessed a seven fold increase in monthly orders compared to the same period last year. The company attributed its success to the collaboration with Whatsapp.

Experts are of the opinion that both Reliance and Tata offer seamless user interfaces and superior technology stacks for e-commerce apps like Ajio and Big Basket. But that's not the case with JioMart and Tata NEU.

JioMart and Tata NEU both need fixing in terms of user-interface and back-end processes.

Tata CLIQ represented by its parent Tata Unistore posted a 16% increase in net loss for the fiscal year 2022-23. The loss was attributed to the platform's exit from certain category of electronics like mobile phones, refrigerators and laptops. It said the losses extended on the back of continued investment in scaling up the business.

Moreover, Tata's super app, Tata NEU, launched in early 2022 offered choices limited to in-house brands leaving very little room for customer's to hunt for a good bargain.

Experts opine that India joined the super app bandwagon a little late after many such apps have already established their dominance in different market segments like Zomato, Uber, Ola, Amazon and Flipkart.

For a single app to be able to outpace the existing apps while ensuring better quality, best price and best choice is a challenging task. This could be one of the reasons why Tata NEU couldn't take off as it was expected to do.

Tata and Reliance, both are in an early stage of expanding their retail presence in e-commerce. Experts emphasise on the need to consolidate their diverse businesses into a unified e-commerce entity for optimal growth.

The big retail war

In the cutthroat arena of retail supremacy where giants like Amazon, Reliance, and Tata vie for dominance, consumers in India are witnessing a thrilling spectacle. The race to reshape the market has intensified, with Tata joining the fray through strategic acquisitions like a majority stake in IMG, setting the stage for a dynamic battle against Reliance's Netmeds acquisition and Amazon's digital pharmacy launch.

Tata's aggressive moves are evident, notably its acquisition of BigBasket in 2021, a strategic challenge to Reliance's JioMart and Amazon Pantry. The three contenders are not just acquiring

businesses but are also eyeing the development of a WeChat-inspired super app, aiming to redefine digital retail alongside their existing services.

At the forefront of this competition, Amazon and Reliance currently lead the pack. Amazon, with the world's largest online marketplace, had around 0.7 million sellers in late 2020, projecting an ambitious goal of surpassing 10 million by 2025. Reliance, boasting 45 subsidiaries such as Reliance Fresh and JioMart, exerts its dominance with over 11,000 stores scattered across rural India.

The epicenter of this corporate clash revolves around the Future Group deal. Reliance's acquisition significantly bolstered its retail arm, triggering Amazon's accusations of agreement breaches. Reliance's super app, challenging Amazon's comprehensive offerings, extends the battlefield to services like Jio GigaFiber, Jio HealthHub, and more, forming a collaborative ecosystem with tech giants like Facebook and Google.

In the midst of this heated rivalry, Tata emerges as a dark horse, silently expanding its retail presence through strategic acquisitions like BigBasket. Flourishing during the lockdown with a farmer-centric approach, BigBasket surpassed both Amazon and Grofers in handling orders.

While Amazon focuses on local kirana stores, Tata strategically plans to amalgamate various subsidiaries into a super app. With an impressive portfolio encompassing Tata CLIQ, StarQuik, and Croma, Tata aims to deliver a comprehensive digital experience. The staggering numbers underscore this narrative, with India's consumer spending reaching nearly \$290 billion in Q4 2020, and the online grocery market alone surging past \$3 billion.

As traditional retail wanes, organized retail and e-commerce ascend, marking a pronounced shift towards digital retail in this trillion-dollar market.

In the midst of this retail battleground, Walmart emerges as another formidable contender, gearing up to challenge the triumvirate for supremacy in a market of 1.3 billion people. Flipkart has strategically positioned itself for success against competitors like Amazon and others. Key to its advantage is Flipkart's in-depth understanding of the local market and cultural nuances, enabling the customization of services to meet diverse consumer preferences in India. The company's strong focus on mobile commerce aligns with the widespread use of smartphones, giving Flipkart a substantial edge in reaching a large and mobile-savvy consumer base. Strategic acquisitions, such as Myntra in fashion and PhonePe in digital payments, have diversified Flipkart's offerings and expanded its ecosystem. The company's efficient supply chain and logistics network contribute to reliable and fast deliveries, enhancing customer satisfaction.

Amazon's India issues

Amazon is definitely a behemoth giant in the e-commerce segment. It is continuously amplifying investments in India without getting to taste profit till date.

However, Indian conglomerates still have a chance. Amazon faces a lot of multi-dimensional challenges in India on which these companies can capitalise on.

Amazon faced setbacks in India, losing battles to Reliance in areas like Future Retail and Metro Cash & Carry. The company abandoned food delivery, edtech, and B2B wholesale distribution in November, signaling a retreat from competing with Flipkart Wholesale and Reliance's JioMart. Regulatory pressures, including allegations of favoritism and copying products, have added to Amazon's challenges. The closure of businesses in India coincides with global job cuts,

and Amazon's struggles against Reliance and new competitors like Meesho raise questions about its position in the Indian market amid regulatory scrutiny and evolving competition.

Both Reliance and Tata can benefit from these weaknesses of Amazon and can carve a path of their own in the e-commerce domain.

Conclusion

It will be interesting to see as to how these Indian giants could give a tough fight to the likes of Amazon and Flipkart. They have entered the race late but will they be able to last?

Questions:

- 1). What factors contribute to Amazon's dominance in the Indian e-commerce market, and how do these factors pose challenges for smaller businesses?
- 2). How do the growth projections for India's e-commerce market present both opportunities and challenges for Indian conglomerates in their competition against Amazon and Flipkart?
- 3). What are the key reasons behind the struggles of Indian conglomerates, specifically Tata and Reliance, in challenging the dominance of Amazon and Flipkart in the e-commerce sector?
- 4). How does the retail war in India, involving Amazon, Reliance, Tata, and Walmart-owned Flipkart, impact the market dynamics and shape the future of e-commerce in the country?
- 5). In the context of Amazon's challenges in India, what strategies can Indian conglomerates like Reliance and Tata employ to capitalize on weaknesses and potentially reshape the e-commerce landscape in the country?

THE THERANOS SCAM

The Theranos investment scam is a story of the once-famed biotech startup, founded by Stanford dropout Elizabeth Holmes. Elizabeth Holmes was born in Washington D.C, in 1984 and she had a pretty wealthy upbringing, her father being the vice president of the infamous Enron, an American electricity company. Enron went bankrupt in December of 2001. Holmes started Theranos as a start up when she was only 19 as ‘ Real-Time Cures’ in California. This company was backed by the idea that there must be another way to take blood for tests, her idea is to revolutionize healthcare by making blood-testing procedures cheaper and more convenient. Holmes wanted to drastically reduce the amount of blood that was required to perform standard tests. The goal was to carry out a range of different tests using just one drop of a patient's blood, rather than the vial-size amounts that are traditionally required. To do this, a machine called the Edison was used. Holmes claimed that this machine could run an array of tests for numerous diseases including STIs. By 2004, Holmes had already raised \$6.9 million from investor backing. Holmes was able to secure high-profile investors including Henry Kissinger, Betsy DeVos, and Rupert Murdoch. Just three years later, she'd raised another \$43.2 million. This increase in investor funding continued until the company was valued at \$1 billion in 2010. In July 2015 the Federal Drug Administration (FDA) approved Theranos one test used for the detection of herpes, however later that year Theranos came under scrutiny that only one test is approved by FDA so far. Things took a turn for Theranos after The Wall Street Journal published John Carreyrou's in-depth exposé on the company in the mid of October. In the piece, Carreyrou interviews ex-employees who claim management is incompetent, has exaggerated the capability of the technology, and is deceiving the public., by the end of October of 2015, the FDA released two partially-redacted Form 483 reports, both of which originated from their ongoing investigation into the legitimacy of Theranos. Just a year later, Holmes was officially banned from owning or operating in any sort of blood test service for two years. Next came the criminal charges. The U.S. Securities and Exchange Commission (SEC) charges Holmes and former Theranos president Ramesh “Sunny” Balwani, accusing them of “raising more than \$700 million from investors through an elaborate, years-long fraud in which they exaggerated or made false statements about the company's technology, business, and financial performance.” Holmes faced a criminal trial, which began in 2021 and stretched into 2022. She pleaded not guilty to charges of wire fraud and conspiracy to commit wire fraud and the legal battle is still going on. The Theranos scandal is a significant example of a high-profile Silicon Valley company that garnered enormous attention and investments but ultimately failed due to misleading claims and technology that didn't live up to its promises.

FINANCIAL NEWS - NATIONAL

- December 2023 proved to be a period of contrasting narratives for the Indian economy. While some sectors thrived on positive external cues and policy decisions, others grappled with ongoing challenges. Here's a closer look at the key financial developments that shaped India's last month:
- **Market Rally Fuelled by Dovish Fed:** The month started with a bang for the Indian stock markets. The **Sensex and Nifty** soared on the back of the U.S. Federal Reserve's dovish stance. With hopes of three rate cuts in the coming year, foreign investors pumped money into Indian equities, pushing both indices past historical highs. The Sensex breached the 70,000 marks for the first time ever, while the Nifty crossed 21,100.
- **Rupee Remains Wary:** Despite the equity market surge, the rupee's performance was relatively muted. While it appreciated marginally against the dollar, it lagged behind other Asian currencies that rallied post-Fed announcement. This was attributed to continued demand for dollars from importers and oil companies.
- **Government Pushes Infrastructure Spending:** Recognizing the need to boost economic growth, the government announced increased infrastructure spending in budget 2024. This, coupled with the launch of the National Infrastructure Pipeline, aims to attract private investment and create jobs. The focus lies on developing roads, railways, airports, and renewable energy projects.
- **FDI Inflows Show Mixed Picture:** Although Foreign Direct Investment (FDI) remained robust in December, it exhibited a sectoral disparity. While some sectors like pharmaceuticals and IT witnessed strong inflows, others like automobiles and real estate saw a decline. This could be attributed to ongoing global uncertainties and domestic challenges in specific industries.
- **Inflation Still a Concern:** While inflation eased slightly in December compared to November, it still remains above the Reserve Bank of India's (RBI) target of 4%. This is primarily driven by rising food prices and the ongoing global commodity price volatility. The RBI maintained its dovish stance in December, keeping repo rates unchanged, but may consider policy adjustments in the coming months depending on inflationary trends.
- **Challenges Remain:** Despite the positive developments, challenges persist for the Indian economy. High unemployment, particularly among youth, remains a

major concern. Additionally, growing trade deficit and geopolitical tensions pose potential risks.

- Overall, December 2023 presented a mixed bag for Indian finance. While some indicators displayed positive momentum, others highlighted underlying vulnerabilities. Navigating these contrasting currents will be critical for the Indian economy to maintain its growth trajectory in the coming year.

Find person of the month?

I am a financial trailblazer, a dropout who defied the norm, from selling phones to stock trading, my journey took a unique form. Co-founder of Zerodha, India's trading giant so grand, A billionaire at 37, with fortunes in my hand. I started with Kamath & Associates, a brokerage firm of my own, But Zerodha's revolution is where my success has shone. With daily transactions soaring, retail trading on the rise, I'm among India's wealthiest, a financial enterprise. Generosity flows in my veins, philanthropy is my creed, donating to causes, addressing climate change with speed. The 'WTF Fund' is my latest endeavour, supporting entrepreneurs, making dreams clever. Who am I, this entrepreneur with a tale so grand? A dropout turned billionaire, changing finance's command.

Go to page number 25 for the answer)

GLOBAL FINANCIAL AFFAIRS

Vans owner VF Corp. sees its stock plummet after warning that a cyberattack could disrupt holiday delivery.

Shares of VF Corp., which owns The North Face and Vans, fell after the firm announced that a cyberattack had hampered its ability to fulfill some orders ahead of the holidays. According to the corporation, hackers encrypted "some" systems and stole personal information. These are some of the characteristics of ransomware, in which attackers attempt to extort companies in exchange for a large sum of money. VF Corp. would to comment on whether the incident was the result of a ransomware attack. The stock dropped by more than 7% at the closing. The event was revealed by VF Corp. on the same day that the Securities and Exchange Commission's new cyber disclosure regulations went into effect. These requirements require corporations to notify their investors of "material cybersecurity incidents" within four days of deciding that a breach will have an impact on their bottom lines. VF Corp. initially spotted hackers in their system on December 13, 2023, indicating that the business identified the danger as substantial in a reasonably short period of time.

Citigroup employees who are worried about layoffs have been assured they can work remotely until the new year.

According to CNBC, Citigroup has informed the majority of its staff that they will be able to work remotely for the final two weeks of December. Employees can log in remotely from anywhere in their nation of employment from December 14 to December 29, a Friday, making this week the last in-person experience for many personnel this year, according to people familiar with the issue. According to the persons who declined to be identified, the regulation applies to hybrid workers, who make up the majority of the bank's 240,000 employees. Unlike last year, when the perk was introduced, staff are concerned about CEO Jane Fraser's broad company restructure, with some questioning whether their employment would be available next year. Citigroup has said that Fraser's review of the third-biggest U.S. bank by assets will be complete by the end of March.

Trevor Milton, the founder of Nikola, was sentenced to four years in prison for fraud.

Trevor Milton, the founder of Nikola, was sentenced to four years in prison for misleading investors in the company's troubled electric and hydrogen-powered trucks. Milton was also fined \$1 million and may have to relinquish property as part of his punishment. The sentence was significantly less than the 11 years sought by prosecutors at Milton's sentencing in U.S. District Court in Manhattan. However, it was significantly higher than the non-jail term of probation sought by Milton's attorneys. "I did not intend to harm anyone, and I did not commit those crimes levied against me," Milton told Judge Edgar Ramos before being jailed, according to Reuters.

The Bank of England is expected to retain interest rates as economists debate cuts in 2024.

The Bank of England is almost set to retain its main interest rate at 5.25% for a third consecutive meeting on December 14, 2023, although economists are divided on when the first cut would occur next year. According to LSEG, the market is pricing in an almost 100% possibility of a hold on December 14, with economic data since the Bank's last meeting proving mostly inconclusive. Real GDP remained flat in the third quarter, as expected by the Monetary Policy Committee, while inflation and wage growth fell short of expectations, and domestic demand was sluggish. In October, 2023, headline inflation in the United Kingdom decreased to 4.6% on an annual basis, the lowest level in two years.

The Fed has reduced its inflation prediction for 2024, with core PCE falling to 2.4%.

The Federal Reserve reduced its inflation forecasts, with its preferred measure falling to 2.4% in 2024. The central bank also forecasted that the core personal consumption expenditures price index will fall to 2.2% by 2025 before reaching its target of 2% in 2026. In October 2023, the index increased 3.5% year on year. These updated predictions indicate a milder inflation picture in the next two years than the September report. The Fed predicted that core PCE would reach 2.6% in 2024 and 2.3% in 2025. In the post-meeting statement released, the Federal Open Market Committee said inflation has "eased over the past year" while maintaining its description of prices as "elevated."

As markets bet on rate reduction, the European Central Bank will focus on decreasing its balance sheet.

The European Central Bank meets, and investors are watching to see when the Frankfurt institution will begin to lower interest rates. It is too early to declare victory in the struggle against inflation, but with inflation at a two-year low, the ECB's Governing Council now has breathing room to focus on another critical issue: its massive balance sheet. "Having reached its policy rate plateau at 4% deposit rate, the ECB can now shrink its balance sheet at a faster pace without risking too much of a blowout in yield spreads within the eurozone," wrote Berenberg analyst Holger Schmieding in a research note to clients.

Mortgage demand slips despite another drop in interest rates

According to the Mortgage Bankers Association's seasonally adjusted index, mortgage demand dropped on December 20 compared to the prior week. According to the organization, the average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less) fell to 6.83% from 7.07%, with points jumping to 0.60 from 0.59 (including the origination fee) for loans with a 20% down payment. Despite the current reduction, rates are still significantly higher than they were at the outset of the Covid epidemic.

Tesla cut EV prices in China more than BYD did for its flagship Han sedan this year, study finds

Tesla dropped pricing for its electric cars in China by more than BYD did for its flagship Han sedan, according to analysis by U.S.-based consultancy JL Warren Capital. Tesla decreased the price of its Model 3 by 6% compared to December 20,2022 last year, and the price of its Model Y by 11% during the same time period, according to JL Warren Capital CEO and Head of Research Junheng Li. According to BYD's Han, the price decrease was merely 5% throughout that time. The Han, the company's flagship electric sedan, costs more than 200,000 yuan (\$28,000) and is priced similarly to Tesla's vehicles. The majority of BYD's other vehicles are far less expensive.

Swiss regulator calls for more powers after Credit Suisse collapse

Following the collapse of Credit Suisse, Switzerland's banking regulator has appealed for increased legislative authorities and pledged to change its approach. After a spate of risk management failures and scandals sparked a client and investor exodus that drove it to the brink of insolvency, the 167-year-old bank was rescued by domestic rival UBS in March 2023 in a deal orchestrated by Swiss authorities. In a report, the Swiss Financial Market Supervisory Authority (FINMA) stated that, in collaboration with the government and the Swiss National Bank, it had achieved the goal of ensuring Credit Suisse's solvency and financial stability.

Researchers discover that GPT and other AI models cannot analyze an SEC report.

Large language models, similar to the one at the heart of ChatGPT, frequently fail to answer questions derived from Securities and Exchange Commission filings, researchers from a startup called Patronus AI found. Even the best-performing artificial intelligence model configuration they tested, OpenAI's GPT-4-Turbo, when armed with the ability to read nearly an entire filing alongside the question, only got 79% of answers right on Patronus AI's new test, the company's founders told CNBC. Oftentimes, the so-called large language models would refuse to answer, or would "hallucinate" figures and facts that weren't in the SEC filings. "That type of performance rate is just absolutely unacceptable," Patronus AI co-founder Anand Kannappan said. "It has to be much higher for it to really work in an automated and production-ready way." The findings highlight some of the challenges facing AI models as big companies, especially in regulated industries like finance, seek to incorporate cutting-edge technology into their operations, whether for customer service or research.

Improbable, a SoftBank-backed metaverse business, has sold a significant gaming venture for \$97 million.

Metaverse company Improbable has sold one of its key gaming ventures to London-listed video game developer Keywords Studios for £76.5 million (\$97.1 million). The company closed the deal to sell The Multiplayer Group (MPG), a multiplayer game services firm, to Keywords, an Improbable spokesperson told CNBC.

QUIZ -CURRENT AFFAIRS

1 Which Indian company has recently (in Dec '23) joined the World Economic Forum's (WEF) Global Lighthouse Network (GLN) as "Factory Lighthouse"?

- 1) Cipla Limited
- 2) Sun Pharmaceutical Industries
- 3) ACG Associated Capsules
- 4) Alkem Laboratories
- 5) Glenmark Pharmaceuticals

2. Which bank has recently (in Dec '23) entered into a corporate agency arrangement with HDFC Life to offer life insurance products to customers?

- 1) South Indian Bank
- 2) Karur Vysya Bank
- 3) Axis Bank
- 4) IDFC FIRST Bank
- 5) RBL Bank

3. Which company has recently (in Dec '23) partnered with the NSDL Payments Bank and the National Payments Corporation of India (NPCI) to launch One Nation Corporate Card?

- 1) Paycraft Solutions
- 2) CCAvenue
- 3) Cashfree Payments
- 4) Razorpay Solutions
- 5) Instamojo

4. . In December 2023, U GRO Capital raised USD _____ through Non-Convertible Debentures

(NCDs) from Hague, the Netherlands based FMO.

- 1) 90 million
- 2) 70 million
- 3) 60 million
- 4) 80 million
- 5) 30 million

5. Name the Life Insurance that has recently (in Dec '23) entered into a bancassurance partnership with the IDFC First Bank Limited to offer insurance solutions to the bank's customers.

- 1) HDFC Life Insurance Limited
- 2) Aditya Birla Sun Life Insurance Limited
- 3) TATA AIA Life Insurance Limited
- 4) SBI Life Insurance Limited
- 5) Bajaj Allianz Life Insurance Limited

6. . In December 2023, European Investment Bank (EIB) announced the investment of up to USD

_____ in the private equity fund Amicus Capital Partners Fund II managed by Amicus

India Capital Partners.

- 1) 40 million
- 2) 80 million
- 3) 50 million
- 4) 70 million
- 5) 60 million

7. Name the bank that has recently (in Dec '23) partnered with the National E-Governance Services Limited (NeSL) to issue its electronic Bank Guarantee (e-BG) products.

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

8. Which of the following companies does not receive the Reserve Bank of India (RBI) approval

to operate as a Payment Aggregator (PA) in December 2023?

- 1) Easebuzz Private Limited
- 2) Razorpay Software Private Limited
- 3) Cashfree Payments India Private Limited
- 4) Open Financial Technologies Private Limited
- 5) Nehat Tech Solutions Private Limited

9. Which bank has recently (in Dec '23) received authorisation to collect revenue on electronic Government Receipt Accounting System (e-GRAS) from the Government of Assam?

- 1) Kotak Mahindra Bank
- 2) Bandhan Bank
- 3) IndusInd Bank
- 4) Bank of Baroda
- 5) IDFC FIRST Bank

10. Which bank has recently (in Dec '23) sold its entire 2.86% of paid-up share capital in Nippon Life India Asset Management Limited (NAM-INDIA) for Rs 795.27 crore?

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

Answers

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

EMERGING TRENDS IN FINANCE

Digital Transformation in Financial Reporting: Companies were increasingly adopting digital tools and technologies to streamline financial reporting processes. Automation, data analytics, and cloud-based solutions were being utilized to enhance efficiency and accuracy in financial reporting.

Integrated Financial Planning and Analysis (FP&A): The integration of financial planning and analysis functions was becoming more common. Companies were seeking to align strategic planning with financial analysis to make more informed decisions and drive business performance.

Evolving Role of Chief Financial Officers (CFOs): CFOs were taking on a more strategic role within organizations, participating in decision-making beyond traditional finance functions. This included involvement in areas such as risk management, technology adoption, and sustainability initiatives.

Sustainability Reporting: The focus on environmental, social, and governance (ESG) factors in corporate finance was growing. Companies were incorporating sustainability metrics into their financial reporting to meet the increasing demand from investors and stakeholders for transparent ESG information.

Risk Management and Resilience Planning: The COVID-19 pandemic highlighted the importance of robust risk management and resilience planning. Companies were reassessing their risk management strategies and implementing measures to enhance business continuity and adaptability.

Alternative Financing Strategies: Companies were exploring alternative financing options beyond traditional bank loans, including private equity, venture capital, and various debt instruments. This allowed for greater flexibility in capital structures and fundraising.

Mergers and Acquisitions (M&A) Activity: M&A activity was expected to continue, driven by the pursuit of strategic synergies, market consolidation, and access to new technologies. The integration of M&A due diligence with financial analysis was becoming crucial for successful transactions.

Employee Financial Wellness Programs: Companies were increasingly recognizing the importance of supporting employee financial wellness. Corporate finance departments were

involved in designing and implementing financial wellness programs to enhance employee productivity and satisfaction.

Data Security and Privacy in Financial Operations: With the increasing reliance on digital technologies, companies were prioritizing data security and privacy in financial operations. Compliance with data protection regulations and the implementation of secure financial technologies were key considerations.

Remote Work and Technology Adoption: The shift to remote work during the pandemic accelerated the adoption of digital technologies in corporate finance. Virtual collaboration tools, cloud-based financial systems, and digital payment solutions were increasingly prevalent.

Cash Flow Optimization: The management and optimization of cash flow were critical, especially in times of economic uncertainty. Companies were focusing on working capital management, efficient cash conversion cycles, and liquidity planning.

Corporate bond market: The corporate bond market is a place where corporates can raise funds, borrow money, or invest in bonds. Bonds are debt securities that entitle the issuer (the borrower) to interest payments over time and repay the principal at maturity. They're issued by companies or governments around the world in order to finance projects like infrastructure, equipment purchases, etc. They're typically not fixed-rate securities because their value depends on how much investors believe they'll sell for at maturity.

Private Equity: Private equity is a form of investment in which the investor does not have any control over the management of the company. Private equity firms are large and dynamic entities that provide financial resources to help companies expand their operations or acquire other companies and franchises. They also offer management services to help their portfolio companies operate more efficiently through their expertise in finance, accounting, human resources, and general management.

FPOs: FPOs are used to finance a company's growth. They can be used to bridge the gap between the company's existing debt and equity, and they allow for additional capital to be raised without diluting ownership or control of your assets. FPOs typically have a longer maturity period than traditional debt instruments, so you're able to use them as long-term financing solutions for projects with low-risk profiles.

THE FORTHCOMING ECONOMIC BOOM IN INDIA

India's economy is currently expanding at the fastest rate in the world, with average GDP growth of 5.5% during the last ten years. Three major trends—global offshore, digitization, and the energy transition—are currently paving the way for the nation of over a billion people to experience historic economic growth.

According to Ridham Desai, Chief Equity Strategist for Morgan Stanley in India, "we believe India is set to surpass Japan and Germany to become the world's third-largest economy by 2027 and will have the third-largest stock market by the end of this decade." As a result, India is becoming more powerful in the global order. These peculiar developments, in our opinion, signal a once-in-a-generation revolution and present a chance for businesses and investors.



In all, India's GDP may more than double from its current level of \$3.5 trillion to reach \$7.5 trillion by 2031. During that time, its proportion of world exports might treble, and the Bombay Stock Exchange could increase at a rate of 11% year to reach \$10 trillion in market capitalization in the next ten years. In a recent Morgan Stanley Research Bluepaper, analysts from a variety of industries examine the potentially profound changes that could result from this new phase of economic growth, including an increase in India's manufacturing share of global trade, greater access to credit, the creation of new companies, an improvement in living standards, and a surge in consumer spending.

Global Offshoring Generates a Global Workforce

Since the early days of the Internet, businesses from all over the world have been outsourcing services to India, including software development, customer care, and business process outsourcing. Currently, meanwhile, the notion of India serving as the global back office is gaining fresh impetus due to more competitive global labour markets and the rise of remote work patterns.

India's Digital Transformation

India's digital revolution is in full swing, and it's having a major impact on the lives of consumers. Aadhaar, the country's unique biometric identification system, has been a key driver of this change. Aadhaar has made it easier for people to open bank accounts, access government services, and make digital payments.

As a result of these changes, Indian consumers are now more likely to have disposable income. In fact, India's income distribution is expected to flip over the next decade, with the greatest gains going to middle-class and upper-middle-class households. This is expected to lead to a surge in consumption, with overall spending more than doubling from \$2 trillion in 2022 to \$4.9 trillion by 2030. The biggest growth is expected to come in non-essential retail categories, such as apparel and accessories, leisure and recreation, and household goods and services. This is good news for businesses in these sectors, as it presents a significant opportunity for growth.

Overall, India's digital transformation is creating a more prosperous and consumer-driven economy. This is a positive development for the country, and it is sure to have a lasting impact on the lives of millions of people.

Energy Access and Transition

Access to energy is crucial for economic development, exerting a profound influence on various aspects such as education, productivity, communication, commerce, and overall quality of life. Recent upgrades in transmission and distribution have ensured that all of India's 600,000-plus villages now have access to electricity. This significant improvement is expected to contribute to a potential 60% increase in India's daily energy consumption over the next decade.

While India acknowledges the necessity of utilizing fossil fuels to meet its escalating energy demands, a notable shift towards renewables is anticipated. Approximately two-thirds of the country's new energy consumption is projected to be met by sources like biogas, ethanol, hydrogen, wind, solar, and hydroelectric power. Embracing these renewable options holds the promise of diminishing India's dependence on imported energy and addressing the alarming pollution levels in the country, which currently houses 14 of the world's 20 most polluted cities. Moreover, this transition opens up opportunities for the adoption of electric solutions such as vehicles, bikes, and green hydrogen-powered trucks and buses, further contributing to sustainable living conditions.

Embarking on a Long-Term Investment Journey in India

Committing to investments in India involves embracing a prolonged perspective, accompanied by a set of risks. These risks encompass enduring global recessions, unfavourable geopolitical shifts, alterations in domestic policies, shortages of skilled labour, energy deficits, and fluctuations in commodity markets.

Despite the unique trajectory of India's development and economic growth when compared to China, several investment trends mirror those witnessed or currently unfolding in China. Notably, sectors such as financial services, industrials, and consumer goods are experiencing a surge, establishing a parallel momentum in India's economic landscape.

MERGERS AND ACQUISITIONS IN INDIA

➤ **Adani Enterprises' subsidiary AMG Media Networks acquired majority stake in IANS**

Adani group announced on December 15, 2023, that it has acquired a 50.5 per cent stake in newswire agency, IANS India Pvt Ltd for ₹5.1 lakh, further consolidating its presence in the media sector, according to a regulatory filing. Adani Enterprises -- the firm that holds the group's media interest -- said its subsidiary AMG Media Networks Ltd has bought a 50.50 per cent stake constituting equity shares of IANS India Pvt Ltd.

➤ **Reliance Retail Ventures acquired majority stake in Ed-a-Mamma**

Reliance Retail Ventures Ltd (RRVL) finalised a joint venture agreement to acquire a 51 per cent stake in Ed-a-Mamma, a kid and maternity-wear brand founded by actor Alia Bhatt, in September 2023. This strategic partnership aims to expand the brand into new categories, including personal care, baby furniture, children's storybooks, and an animated series.

➤ **CarTrade Tech acquired of Sobek Auto India**

CarTrade Tech has entered into a share purchase agreement with Sobek Auto India Private Limited and OLX India BV, acquiring a 100 per cent stake in Sobek for ₹537.43 crore in July 2023. The transaction, outlined in a regulatory filing, underscores CarTrade Tech's strategic moves in the automotive sector.

➤ **Saregama acquired majority stake in Pocket Aces Pictures**

Music label Saregama, under RP-Sanjiv Goenka Group, has acquired a majority stake of 51.8% in digital entertainment company Pocket Aces Pictures Pvt Ltd for ₹174 crore, in September 2023. The deal includes a provision for Saregama to acquire an additional 41 per cent stake in the next 15 months, solidifying its presence in the digital entertainment landscape.

➤ **Liberty Global acquired stakes in Vodafone**

Liberty Global has invested 1.2 billion euros to acquire 1,355 million shares, representing 4.92 per cent of the outstanding share capital of UK-based telecoms giant Vodafone Group, according to a report by the Economic Times, on February 14, 2023. Liberty Global clarified that it won't seek board representation and emphasised its diverse investment portfolio across content, technology, and infrastructure.

➤ **Kotak Mahindra's acquisition of Sonata Finance**

Kotak Mahindra received approval from the Reserve Bank of India to acquire Sonata Finance for ₹537 crore, in October 2023. With the completion of the transaction, Sonata Finance will become a wholly owned subsidiary of the bank, marking a strategic move in the non-banking finance sector.

PERSON OF THE MONTH

Inspirational Success Story of Nikhil Kamath, Founder of Zerodha

Nikhil Kamath's career in finance and entrepreneurship is nothing short of legendary. His journey from school dropout to co-founder of India's largest stockbroker, Zerodha, and the country's youngest billionaire is a monument to the power of determination, timing, and the pursuit of ambitions. Let's take a look at Nikhil Kamath's inspirational path.



Nikhil's journey to success was anything but typical. He openly acknowledged to hating school, and as a teenager, much to his mother's chagrin, he chose to sell phones. Because of his lack of interest in education, his school denied him the opportunity to sit for the class 10 board examinations, forcing him to drop out. His unconventional decisions continued as he moved in with his fiancée and began working at a contact centre in the evenings, earning 8,000 rupees per month. Away from the family ecology and societal censure, he dabbled in trading, self-education, and polishing his abilities in the mornings. In 2006, Nikhil had a fateful encounter with an American man who entrusted him with the responsibility of managing his money. This experience served as a stepping stone for Nikhil, leading him to establish a brokerage firm named "Kamath & Associates." However, it was in 2010 that Nikhil took a monumental leap and founded Zerodha, a disruptive trading platform. Shortly after, he was joined by his elder brother, Nithin Kamath, in this ambitious endeavour.

Zerodha's Revolution

Zerodha was formed with the goal of making retail trading easier for average investors, and the timing couldn't have been better. With a remarkable daily transaction of more than \$10 billion, Zerodha currently accounts for around 15% of India's total retail trading activity. The platform's ease of use, discounts, and user-friendly layout drew millions of users, and it thrived, particularly during the pandemic. Nikhil Kamath became the youngest billionaire in India at the age of 37 as a result of the success of Zerodha. According to Forbes' most recent rankings, his combined net worth with his brother Nithin now totals \$5.5 billion, placing him 40th among India's wealthiest individuals. Nikhil Kamath has vowed to donate 25% of his money to charitable causes and \$100 million to address climate change, emulating Warren Buffett's generosity.

Giving back and future endeavours

He recently introduced the 'WTF Fund' project, an innovative effort to help aspiring entrepreneurs to prosper in the fashion, beauty, and home brands industries. Kishore Biyani, the founder of Future Group, Ananth Narayanan, the brains behind Mensa Brands, and Raj Shamani, a content developer known for his House of X and the Figuring Out Podcast, have all contributed to this endeavour.

'The aim is to shift the core focus away from doing well for oneself, to becoming a more meaningful part of the numerous communities I am a part of; enterprises that are not just for profit but have an impact element,' he said in an interview with South China Morning Post (SCMP).

Nikhil Kamath's ascension is a story of financial success as well as an inspiring tale of perseverance, risk-taking, and the value of timing in entrepreneurship. His path acts as a light of hope and motivation for budding entrepreneurs, demonstrating that ambitions can be realized with perseverance and the willingness to deviate from the norm.

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