MDI MURSHIDABAD | Management Development Institute

FINODATE

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 - 145

INDEX	
SENSEX	70,370.55
NIFTY 50	21,238.80
NASDAQ	15,360.87
DOW JONES	38,001.35

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

TOP GAINERS

Securities	Previous Closing	Closing Price	Percentage increase	Low/HIgh
CIPLA	1,316.25	1,409.00	7.05%	1,425.10/1,368.70
PETRONET	246.80	259.90	5.31%	266.30/253.75
PERSISTENT	7,921.55	8,254.40	4.20%	8,713.70/8,120.05
SUNPHARMA	1,316.00	1,394.60	3.93%	1,394.60/1,316.00

TOP LOSERS

Securities	Previous Closing	Closing Price	Percentage increase	Low/High
ZEEL	231.40	155.95	-32.61%	208.30/152.50
OBEROI	1,504.20	1,369.75	-8.94%	1,450.00/1,353.90
IRCTC	1,027.00	935.35	-8.92%	1,046.90/926.65
GMRAIRPORTS	81.90	75.50	-7.81%	83.00/74.25

Q3 RESULTS PUBLISHED

COMPANIES	DATE
Delta Corp Ltd.	09/01/2024
Infosys Ltd.	11/01/2024
TCS Ltd.	11/01/2024
HCL Ltd.	12/01/2024
Wipro Ltd.	12/01/2024
HDFC Life Insurance Ltd.	12/01/2024
Avenue Supermarts Ltd.	13/01/2024
HDFC Bank Ltd.	16/01/2024
Asian Paints Ltd.	17/01/2024
Hindustan Unilever Ltd.	19/01/2024
Reliance Industries Ltd.	19/01/2024

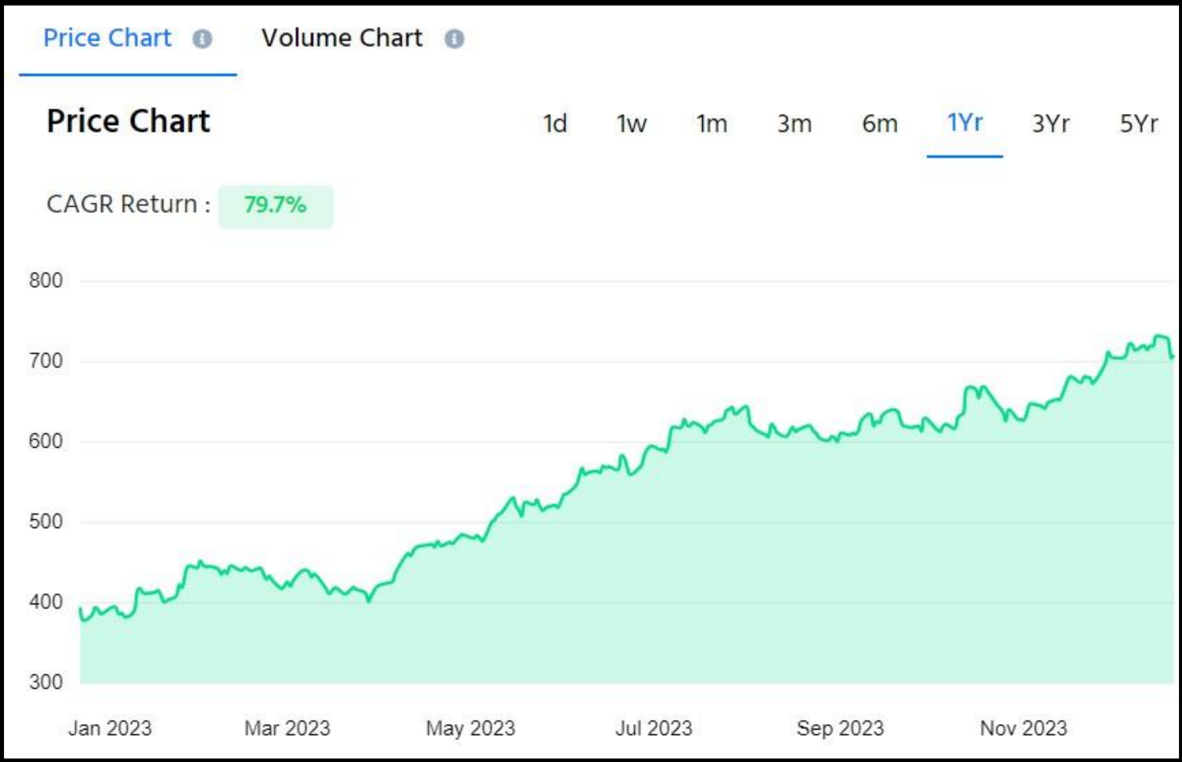
TATA MOTORS LTD.

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%



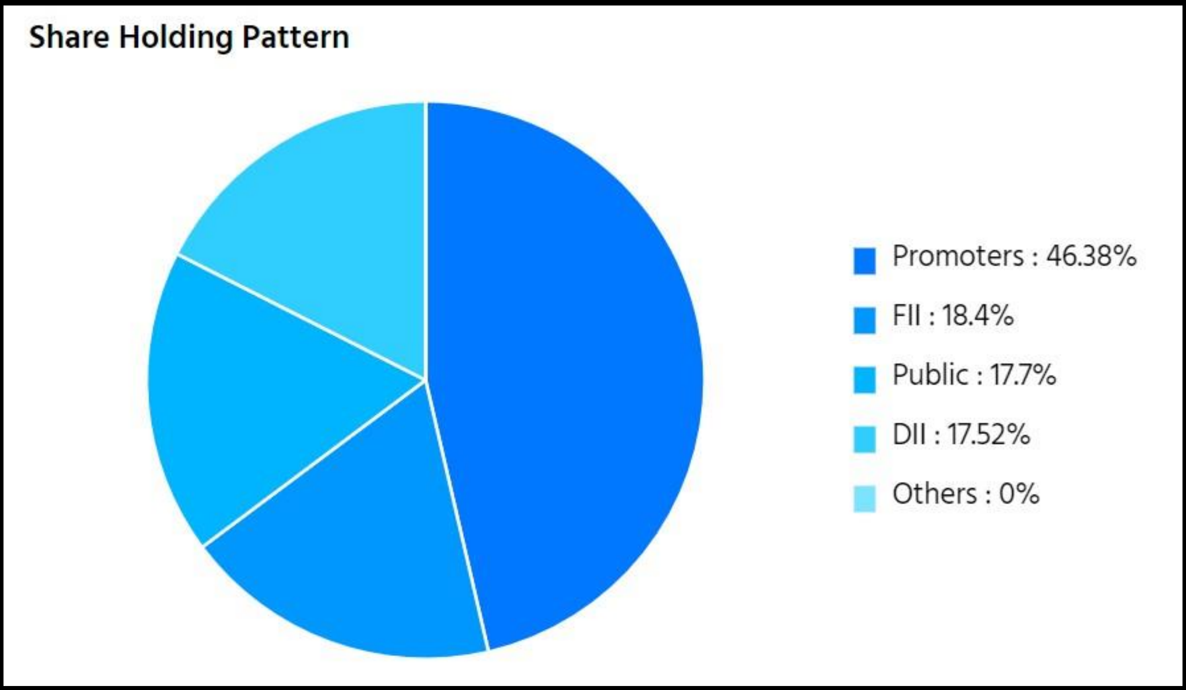
Strengths

- 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 Greentech	10,088.54	130.14	11.56	8.27	13.30	57.83
Force Motors	4,417.14	15.05	2.18	7.38	12.07	7.71

IPO WATCH: EPACK DURABLE LIMITED

About EPACK Durable Limited IPO:

EPACK Durable Limited is a room air conditioner (RAC) design and manufacturing company. They initially served as an OEM (Original equipment manufacturer) for RAC brands, and then the company transitioned into an ODM (Original design manufacturer) partner for RACs, producing components like sheet metal, injection-molded parts, cross-flow fans, and PCBA components crucial in RAC manufacturing. Apart from air conditioners, EPACK Durable Limited is involved in the small domestic appliances sector. They design and manufacture induction cooktops, mixer grinders, and water dispensers.

The company operates research and development centers in Greater Noida, Bhiwadi, and Dehradun, equipped with endurance test labs for RACs and SDAs (Small domestic appliance), induction coil-automatic voltage testers, induction coil-breakdown testers, needle flame testers, and customized glow wire testers. With advanced vertically integrated manufacturing operations, EPACK Durable Limited is able to achieve backward integration for RACs at a single location in India. Their facilities contribute to their efficient logistics management and control over operational costs. EPACK Durable Limited's technical expertise in plastic, metallurgy, electronic engineering, and refrigerants, combined with a dedicated R&D team, positions the company to achieve cost efficiencies while maintaining product quality.

Here are the key details about the EPACK Durables IPO:

Managing Director Name	**Mr. Ajay DD Singhania**		
Established on	**2019**		
Opening date	Jan 19, 2024	Closing Date	Jan 24, 2024
Allotment date	Jan 25, 2023	Listing Date	Jan 30, 2024
Lot Size	33	Issue Size	640 Cr
Listed on	NSE, BSE	Price Range	₹218-230 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	736.24	7.80	520.36
2021-22	924.16	17.43	1076.67
2022-23	1538.83	31.97	1464.15

IPO WATCH: NOVA AGRITECH LIMITED

About Nova AgritechLimited IPO:

Nova Agritech Solutions is an agri-input manufacturer, products aimed at enhancing soil health, crop nutrition, and crop protection. The company focuses on technology-based solutions that prioritize ecological sustainability and nutritional balance, stemming from extensive Research and Development. The company's product portfolio includes soil health management products, crop nutrition and biostimulant products, bio pesticides, Integrated Pest Management products, and advanced crop protection technologies.

Their subsidiary, Nova Agri Sciences Private Limited, manufactures the crop protection products. Nova Agritech Solutions has a robust dealer network, comprising approximately 11,722 dealers across 16 Indian states and two regions in Nepal, with plans to expand to Bangladesh, Sri Lanka, and Vietnam. The company primarily generates revenue from Andhra Pradesh, Karnataka, and Telangana.

Nova Agritech Solutions offers solutions for diverse agricultural needs. Their product range covers soil health management, crop nutrition, bio stimulants, bio pesticides, Integrated Pest Management, and crop protection. The company had 720 product registrations as of November 2023. The company has a widespread distribution network, comprising approximately 11,722 dealers across 16 Indian states and in Nepal. This enables timely delivery of products, crucial in the seasonal agricultural industry. It has also expanded into international markets like Bangladesh, Sri Lanka, and Vietnam. The company adopts technology for product development and market analysis, thereby creating products that can cater to current market demands and farmer needs.Here are the key details about the Committed Cargo Care IPO:

Managing Director Name **Kiran Kumar Atukuri**

Established on **2007**

Opening date	Jan 23, 2024	Closing Date	Jan 25, 2024
Allotment Status	Jan 29, 2023	Listing Date	Jan 31, 2024
Lot Size	365	Issue Size	143.81 Cr
Listed on	NSE, BSE	Price Range	₹39-41 per share

Financial Snapshot:

Year	Total Revenue (Rs. Crores)	Net Profit (Rs. crores)	Total Assets (Rs. Crores)
2020-21	160.57	6.30	196.37
2021-22	186.56	13.69	160.30
2022-23	210.55	20.49	147.44

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 it's 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 battlefront 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?

NFO WATCH

MOTILAL OSWAL LARGE CAP FUND DIRECT - GROWTH – NFO

LAUNCH DATE	**END DATE**
17th January 2024	31st January 2023

ALLOTMENT DATE	**FUND TYPE**
6th February 2024	Open Ended

RISK TYPE	**FUND MANAGER**
Very High	Niket Shah, Ankush Sood

FUND HOUSE AND INVESTMENT OBJECTIVE

Total Asset Under Management	₹47,315.18 Cr (as on 31 Dec 2023)
Date of Incorporation	29th December,2009
Minimum for SIP	₹500
Minimum for 1st Investment	₹500
Minimum for 2st Investment	₹500
Website	**www.motilaloswalmf.com**
Email	mfservice@motilaloswal.com

STAMP DUTY

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

INVESTMENT OBJECTIVE

To achieve long term capital appreciation by predominantly investing in equity and equity related instruments of large cap companies.

EXIT LOAD DETAILS
0.01% of sell value, if sold before 15 days.

TYCO CORPORATE SCANDAL

The Tyco corporate scandal of 2002 was a significant financial scandal that involved Tyco International, a multinational conglomerate. The scandal unfolded when it was revealed that top executives of Tyco, including CEO Dennis Kozlowski and CFO Mark Swartz, were engaged in widespread corporate fraud. Tyco International’s corporate scandal of 2002 involved systemic issues and ineffectiveness linked to unethical and illegal business practices. This business case considers how ethical problems have the potential to bring down an entire organization. Tyco International was a large security systems organization that grew through numerous acquisitions. The company’s case shows that the main problem was the unethical business practices of some of its top-ranking officers, especially CEO Dennis Kozlowski. Kozlowski was involved in questionable financial transactions that were not included in the company’s financial reports. He enlisted the help of other Tyco officers and lower ranking employees to cover up for illegal financial transactions which included giving themselves interest-free or very low interest loans, selling their company stock without telling investors etc. In 1999 the SEC began an investigation after an analyst reported questionable accounting practices. This investigation took place from 1999 to 2000 and centered on accounting practices for the company's many acquisitions. In January 2002, the accuracy of Tyco's bookkeeping and accounting again came under question after a tip drew attention to a $20 million payment made to Tyco director Frank Walsh, Jr. That payment was later explained as a finder's fee for the Tyco acquisition of CIT. In June 2002, Kozlowski was being investigated for tax evasion because he failed to pay sales tax on $13 million in artwork that he had purchased in New York with company funds. The revelations led to a sharp decline in Tyco's stock price, significant shareholder losses, and eroded public trust in corporate governance. Kozlowski and Swartz were subsequently indicted on multiple charges, including grand larceny, securities fraud, and conspiracy. Kozlowski and Swartz were found guilty in 2005 of taking bonuses worth more than $120 million without the approval of Tyco's directors, abusing an employee loan program, and misrepresenting the company's financial condition to investors to boost the stock price, while selling $575 million in stock. Both are serving 8 1/3-to-25-year prison sentences.

The Tyco scandal highlighted the need for enhanced corporate governance and regulatory oversight to prevent such fraudulent activities in the corporate world. It also contributed to the implementation of reforms, such as the Sarbanes-Oxley Act, aimed at improving transparency and accountability in financial reporting by publicly traded companies.

FINANCIAL NEWS - NATIONAL

1. Modest Tax Revenue Target Likely: Estimates suggest a cautious approach with lower tax revenue projections in the upcoming budget.

2. Food & Fertiliser Subsidies Upward Trend: Allocation for critical subsidies likely to increase to Rs 4 lakh crore for FY25.

3. Industry & Common Man Expectations: From infrastructure push to tax relief, various sectors and individuals eagerly await the budget announcements.

4. States' Loan Guarantees Soar: Guarantees provided by states for infrastructure projects tripling since FY17, reaching Rs 9.4 lakh crore in FY23.

5. Pension Fund Corpus Crosses Rs 11 Lakh Crore: Total corpus under pension funds showcases significant growth, highlighting a focus on retirement security.

6. Easing Borrowing Costs for States: Borrowing costs for states starting to decline, providing potential relief for infrastructure and development projects.

7. Sensex Plunge & Reasons: Recent market crash with over 1,000 points loss attributed to various factors like global cues and FII outflow.

8. Potential China Investment Ease: Possibility of relaxing investment restrictions on Chinese companies if border tensions continue to ease.

9. RBI Notes Exchange Window Closed: Facility for exchanging or depositing Rs 2,000 notes temporarily unavailable on January 22nd.

10. Equity Mutual Fund Inflows Dip: Equity mutual funds witnessing a significant drop in inflows compared to November 2023.

11. Byju's Revenue & Losses: FY22 revenue for education company Byju's reaches Rs 5,014 crore, but losses also surge to Rs 8,245 crore.

12. StanChart Predicts Stable Government Borrowing: Standard Chartered Bank expects the government's net borrowing to remain unchanged in FY25.

GLOBAL FINANCIAL AFFAIRS

Goldman Sachs beats revenue projections with better-than-expected asset management results.

Goldman Sachs' fourth-quarter results, released on January 16, 2024, exceeded analysts' forecasts with higher asset and wealth management revenue. Here's what the company reported against what Wall Street analysts surveyed by LSEG (previously Refinitiv) expected:

Earnings: $5.48 per share; it was unclear whether this was equal to the $3.51 estimate of analysts polled by LSEG.

Revenue: $11.32 billion, compared to $10.8 billion predicted, according to LSEG.

Goldman said earnings for the quarter increased 51% to $2.01 billion, or $5.48 per share, compared to a year ago, when the bank was knocked down by loan loss provisions and rising costs. Revenue increased 7% to $11.32 billion, driven by growth in the asset and wealth management and platform solutions sectors.

Spirit Airlines shares fall 20% in the second day of losses as a judge denies JetBlue's acquisition.

Spirit Airlines shares plunged around 22% on January 17, 2024, marking the stock's second day of double-digit losses, after a judge banned the budget carrier's proposed merger with JetBlue Airways. Spirit is down about 60% since the decision to prohibit JetBlue's $3.8 billion takeover on January 16th, claiming less competition. The merger would have resulted in the country's sixth largest airline. "JetBlue plans to convert Spirit's planes to the JetBlue layout and charge JetBlue's higher average fares to its customers," U.S. District Court Judge William Young wrote in his conclusion. "The elimination of Spirit would harm cost-conscious travelers who rely on Spirit's low fares."

China has launched a security review of Shein. Here's what it implies for the IPO.

China’s powerful internet regulator is conducting a security review of Shein as the fast-fashion giant gears up for its highly anticipated U.S. initial public offering, CNBC has learned. The Cyberspace Administration of China is reviewing Shein’s supply chain presence in the country, where the bulk of its manufacturers and suppliers are located, a person familiar with the matter told CNBC. The review focuses on how Shein handles information about its employees, partners and suppliers in the region, The Wall Street Journal reported. The CAC is also examining whether Shein can ensure that data doesn’t get leaked overseas, according to the Journal. CNBC reached out to the Cyberspace Administration of China and Shein, but has yet to hear back.

Birkenstock shares fall as shoe company worries about profit projections in first report since IPO.

Birkenstock's shares fell 7% on January 18, 2024, following a warning regarding its 2024 outlook in its first earnings report since its IPO. The German shoe brand recorded a quarterly loss of approximately 28.3 million euros, or $30.8 million, with an adjusted EBITDA margin of more than 30% for the previous fiscal year. Company officials also warned that margins in 2024 will likely encounter a "modest headwind" as the company invests more money to build up operations — while forecasting revenue growth of 17% to 18%. In its financial report, Birkenstock stated that it plans to significantly develop and invest almost 150 million euros in retail store growth and production capacity by 2024. Birkenstock CEO Oliver Reichert stated in a statement that last year was the brand's most successful year yet, and he is certain the company will continue to thrive in 2024. Reichert stated that he intends to pursue "significant" regional and production expansion provided the company is "undeterred" by the broader financial environment.

New Morgan Stanley CEO is 'super bullish' on hitting financial targets

On January 18, 2024, Morgan Stanley's new CEO, Ted Pick, expressed confidence that the bank will meet its financial targets of $10 trillion in client assets and 20% return. Pick, a three-decade Morgan Stanley veteran who took over this month, said he has three priorities: adhering to the plan laid down by predecessor James Gorman, retaining the bank's culture, and meeting targets. "Ten trillion in wealth and asset management dollars will be coming," Pick said in a CNBC interview from the World Economic Forum in Davos, Switzerland. "We'll get there and achieve 20% returns. That's it: ten and twenty. It will take some time, but I'm quite optimistic."

Wayfair shares surge after home goods retailer announces 1,650 job cuts, 13% of workforce

Wayfair is cutting 13% of its global workforce as the digital home goods retailer continues its efforts to trim down its structure, cut out layers of management and reduce costs after going "overboard" with corporate hiring during the Covid pandemic, it announced on 19th january,2024. The company plans to lay off around 1,650 employees, including 19% of its corporate team, with a focus on people in management and leadership positions, Wayfair said. The restructuring – the third Wayfair has implemented since summer 2022 – is expected to save the company about $280 million, it said. The layoffs come after Hasbro, Etsy and Macy's all announced cuts to their workforces as retailers contend with slowing demand and an uncertain economy. At the height of the holiday shopping season in mid-December, Hasbro and Etsy announced staff reductions of 1,100 and 225 workers, respectively. Macy's said it plans to cut more than 2,300 employees, or 3.5% of its workforce. The department store retailer also has plans to close five stores.

Spot bitcoin ETFs are taking Wall Street by storm. Experts say options are next

Exchange-traded fund experts anticipate spot bitcoin ETFs to spark a new wave of crypto products. Cboe Global Markets' Catherine Clay believes options are a natural progression for bitcoin ETFs. "We believe that the utility of the options, what they provide to the end investor in terms of downside hedging, risk-defined exposures into bitcoin, really would help the end investor and the ecosystem," the firm's global head of derivatives told CNBC's "ETF Edge". The Cboe, the largest U.S. options exchange, filed with the SEC on Jan. 5 to offer options linked to bitcoin exchange-traded products. It expects those options to begin trading later this year, per its news release. According to Dave Nadig, financial futurist at VettaFi, options on the crypto funds could appeal to institutional investors, who have been more reluctant to invest in the digital asset class.

Circle confidentially files for IPO following banner year for crypto stocks

Circle, the issuer of the USDC stablecoin, has confidentially filed for an initial public offering with the U.S. Securities and Exchange Commission, a little more than a year after terminating a deal to go public via a special purpose acquisition company. The public listing is expected to take place once the SEC finishes its review, "subject to market and other conditions," Circle said in the two-paragraph press release. The tech IPO market has been largely dormant for two years after a record year in 2021, as investors turned away from risk due to rising interest rates. However, crypto shares soared last year, producing some of the best gains across the U.S. stock market, bolstered by a 150% jump in the price of bitcoin. Founded in 2013, Circle is best known as the issuer of USD Coin, the world's second-biggest U.S. dollar pegged stablecoin, which was launched in 2018. USDC has a market capitalization of more than $25.2 billion. Tether is its biggest stablecoin rival with a collective value of more than $94.6 billion.

Moody's is negative on Asia's sovereign creditworthiness in 2024 as China growth slows

Moody's Investors Service has a negative outlook for sovereign creditworthiness in Asia-Pacific this year, due to China's slower economic growth as well as tight funding and geopolitical risks. China's rebound from the Covid-19 pandemic wasn't as fast as several economists had expected at the start of 2023. The country's GDP for the last three months of 2023 rose by 5.2%, according to the National Bureau of Statistics, missing estimates of 5.3% in a Reuters poll. In a Jan. 15 report, Moody's predicted China's real GDP growth would slow to 4% this year and next, from an average of 6% between 2014 and 2023. The credit rating agency said the slowdown in China's growth "significantly influences" APAC economies because of its strong integration in global supply chains. Goldman Sachs and Morgan Stanley, among other major international investment banks, predict China's economy to grow at a slower pace of 4.6% in 2024, down from 5.2% expected for 2023. On top of the "lackluster situation in China," tight funding conditions will also weigh on Asia-Pacific sovereigns, Christian De Guzman, senior vice president at Moody's Investors Service, told CNBC.

EMERGING TRENDS IN FINANCE

Increased Retail Participation: The rise of retail investors, often facilitated by commission-free trading platforms and social media, has been a notable trend. Online forums and social media platforms have played a significant role in influencing stock prices and creating a more democratized trading environment.

SPACs (Special Purpose Acquisition Companies): SPACs continued to be a popular way for companies to go public. These blank-check companies raise funds through an IPO and then acquire an existing company, allowing it to go public more quickly than a traditional IPO.

Green and Sustainable Investing: Environmental, Social, and Governance (ESG) considerations have gained prominence. Investors are increasingly looking for companies with strong sustainability practices, and there's a growing demand for ESG-focused investment products.

Technology and Innovation Stocks: Technology-driven sectors, including artificial intelligence, cloud computing, and electric vehicles, have been significant contributors to market performance. Investors have been keen on companies with strong growth potential in these areas.

Remote Work and Digital Transformation Stocks: The acceleration of remote work trends has led to increased interest in companies involved in digital collaboration tools, cybersecurity, and cloud-based services.

Cryptocurrencies and Blockchain Technology: The cryptocurrency market has been a source of both interest and volatility. Institutional adoption of cryptocurrencies and the exploration of blockchain technology's potential applications continue to be noteworthy.

Fintech Disruption: Financial technology (fintech) companies are disrupting traditional financial services. This includes companies offering digital payment solutions, robo-advisors, and other innovative financial products.

Rise of Niche and IPO Stocks: Investors have shown interest in niche markets and industries. Additionally, Initial Public Offerings (IPOs) have been a focal point, with many companies choosing to go public to take advantage of market conditions.

Inflation Concerns: Inflation concerns and expectations of interest rate hikes by central banks can influence stock market dynamics. Investors often adjust their portfolios based on inflation expectations and potential impacts on company earnings.

Global Economic Recovery: As economies recover from the effects of the COVID-19 pandemic, investors have been monitoring global economic indicators and adjusting their portfolios based on expectations of economic growth or potential risks.

Decentralized Finance (DeFi): The rise of decentralized finance on blockchain platforms has introduced new investment opportunities and financial instruments outside traditional banking systems. DeFi projects aim to recreate and improve upon traditional financial services, such as lending and trading, using blockchain technology.

Quantitative Easing and Monetary Policy Impact: Central bank policies, particularly those related to quantitative easing and low-interest rates, continue to influence stock markets. Investors closely monitor central bank statements and actions for signals regarding monetary policy and its potential impact on asset prices.

Meme Stocks and Social Media Influence: The phenomenon of "meme stocks," driven by social media forums and online communities, has continued to capture attention. Stocks experiencing heightened social media attention can see significant price volatility.

Biotech and Healthcare Innovation: The ongoing focus on health and biotechnology has led to increased interest in healthcare stocks, particularly those involved in vaccine development, gene therapy, and other innovative medical technologies.

Renewable Energy and Clean Tech: The global push toward renewable energy and sustainable practices has led to increased investment in clean energy stocks. Companies involved in solar energy, electric vehicles, and other environmentally friendly technologies have attracted attention.

NFTs (Non-Fungible Tokens): The emergence of non-fungible tokens, which represent unique digital assets on blockchain platforms, has created new opportunities for investment and speculation. NFTs are often associated with digital art, collectibles, and gaming.

Supply Chain Disruptions: Disruptions in global supply chains, whether due to geopolitical events, natural disasters, or other factors, can impact certain sectors and industries. Investors may adjust their portfolios in response to supply chain challenges.

Earnings Reports and Corporate Guidance: Quarterly earnings reports and corporate guidance continue to be critical factors influencing stock prices. Investors closely analyze company performance and outlook to make informed investment decisions.

Remote Collaboration Technologies: Companies providing technologies that facilitate remote work, video conferencing, and collaboration tools remain in focus as businesses continue to adapt to hybrid work models.

FINANCIAL PARADIGM

Ayodhya Ram Mandir's $10 Billion Transformation Expected to Draw 5 Crore Tourists Annually, Predicts Jefferies

Jefferies, a global brokerage firm, reports that Ayodhya's Ram Temple is set to make a significant economic impact, emerging as a major tourist attraction with a potential annual influx of over 5 crore visitors. The grand opening of the Ram temple at Ayodhya by PM Modi on Jan 22nd is a big religious event. It also comes with a large economic impact as India gets a new tourist spot which could attract 50m+ tourists/year. A US$10bn makeover (new airport, revamped railway station, township, improved road connectivity etc) will likely drive a multiplier effect with new hotels & other economic activities. It can also set a template for infra-driven growth for tourism," said Jefferies in a report.

Amid the inauguration of the newly constructed Ram Mandir in Ayodhya, Jefferies anticipates a notable uptick in tourism, fostering both economic growth and an increase in religious migration to the town. Various sectors, including hotels, airlines, hospitality, FMCG, travel ancillaries, cement, etc., are poised to experience positive impacts as a result of this surge in activity.

Tourism contributed $194bn to FY19 (pre-COVID) GDP and is expected to grow at an 8% CAGR to US$$443bn by FY33. Tourism to GDP ratio in India at 6.8% of GDP, puts it below most of the large Emerging / Developed economies.

The brokerage firm also highlighted that religious tourism is still the biggest segment of tourism in India. Several popular religious centres attract annual tourist traffic of 1-3 crore despite the existing infrastructural bottlenecks. Hence, the creation of a new religious tourist centre (Ayodhya) with improved connectivity and infrastructure can create a meaningfully large economic impact.

Religious and pilgrimage sites like Ayodhya, the Golden Temple, Vaishno Devi, etc. present significant captive markets offering a strategic first-mover advantage. QSR chains such as Restaurant Brands Asia (RBA), Devyani International, and Jubilant Foods are either in discussions to set up outlets or have already begun setting up outlets. Burger King has set up one store in the city centre in H1 of 2023.

Within the realm of travel service providers, Indigo announced Ayodhya as its 86th domestic destination with direct flights from Delhi, Ahmedabad & Mumbai. Air India, announced direct flights from Bengaluru, Kolkata & Delhi. Spicejet and Akasa Air also announced flights connecting Ayodhya with multiple cities. IRCTC announced tour packages to Ayodhya.

From Hotel and Hospitality service provider, "IHCL, Marriott International, Wyndham, etc. have already signed deals for hotels. IHCL has signed contracts for two new properties in Ayodhya (operational in 2027). ITC Hotels exploring opportunities in Ayodhya. OYO to add 1000 hotel rooms in Ayodhya.

MERGERS AND ACQUISITIONS IN INDIA

- **Adani Group acquired Ambuja Cements and ACC**

In February 2023, Adani Group acquired controlling stakes in both Ambuja Cements and ACC from Holcim for a combined value of $10.5 billion. This single transaction catapulted them to become the second-largest cement producer in India. The Group has now become the second-largest cement player in the country. Holcim closed the deal with Adani Group by selling its entire stake in Ambuja Cements at ₹385 per share and in ACC at ₹2,300 per share. The cash proceeds aggregated to $6.4 billion for Holcim.

- **National Investment and Infrastructure Fund's stake acquisition in Hindustan Ports**

The Competition Commission of India (CCI) approved the acquisition of up to 25 per cent stake in Hindustan Ports Pvt Ltd (HPPL) by the National Investment and Infrastructure Fund (NIIF), in February 2023. The regulatory approval also included the merger of Hindustan Infralog Pvt Ltd (HIPL) into HPPL, marking a strategic move in the infrastructure sector.

- **HDFC Bank sold stake in Softcell Technologies**

HDFC Bank has executed an agreement to sell its entire 9.95 per cent equity stake in Softcell Technologies Global Private Limited for ₹9.94 crore. The transaction, set for completion by February-end, is part of HDFC Bank's strategic realignment of its investment portfolio.

- **PVR and Inox Leisure Merge, rebranded as PVR INOX Pictures**

PVR Pictures, the leading multiplex operator, underwent a significant transformation, merging with Inox Leisure and adopting the new identity, PVR INOX Pictures in May 2023. The merger, following the closure of certain cinema screens, positions the combined entity with 361 cinemas and 1,689 screens across 115 cities in India and Sri Lanka.

- **Chemicals major PCBL plans to acquire Pune-based Aquapharm Chemicals for ₹3,800 crore**

PCBL Ltd, which is one of the leading players in carbon black and specialty chemicals, that it plans to acquire a full 100% stake in Aquapharm Chemicals Pvt Ltd (ACPL) for a total consideration of ₹3,800 crore. The financing for this acquisition, contingent upon the agreed adjustment, will be sourced from a combination of internal accruals and external fundraising by the company and its affiliates, the company said in an exchange filing.

QUIZ -CURRENT AFFAIRS

1. The World Bank (WB) released its ‘January, 2024 Global Economic Prospects‘ (GEP) report projected the third consecutive year of slowdown for global Gross Domestic Product (GDP) growth with a decrease to ___________ in 2024.

1) 2.6%

2) 2.4%

3) 2.9%

4) 3.1%

5) 3.5%

2. What is India’s rank in the MSCI Emerging Markets (EM) index released in January 2024?

1) 4th

2) 3rd

3) 6th

4) 5th

5) 2nd

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. Name the Payments Bank that has recently (in Jan ‘24) signed an MoU with Hindustan Zinc Limited (HZL) to transform the financial landscape of rural Rajasthan.

1) Fino Payments Bank

2) India Post Payments Bank

3) Paytm Payments Bank

4) Jio payment bank

5) Airtel Payments Bank

5. Name the bank that has recently (in Jan ‘24) signed an MoU with the Ministry of Rural Development (MoRD) to provide loans to rural Self-Help Groups (SHGs).

1) Union Bank of India

2) State Bank of India

3) Indian Bank

4) Canara Bank

5) Bank of Baroda

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 Jan ‘24) launched a special Fixed Deposit (FD) scheme to mobilise funds for environment-friendly projects and initiatives.

1) Punjab National Bank

2) Bank of India

3) State Bank of India

4) Indian Bank

5) Bank of Maharashtra

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 Jan ‘24) collaborated with the National Payments Corporation

of India (NPCI) to launch the Unified Payments Interface (UPI)-enabled Samman RuPay Credit

Card for government sector employees?

1) YES Bank

2) HDFC Bank

3) ICICI Bank

4) Axis Bank

5) IndusInd Bank

10. Which Insurance company has recently (in Jan ‘24) excluded the Red Sea shipping route

from standard marine insurance?

1) Aditya Birla General Insurance

2) Tata AIG General Insurance

3) Bajaj Allianz General Insurance

4) Star Health and Allied Insurance

5) Edelweiss General Insurance

Answers

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

PERSON OF THE MONTH

Success Story of Piyush Bansal

Peyush Bansal is the co-founder of Lenskart, one of India's leading online retailers for eyewear. He is a self-made man who, against all odds, managed to build a successful company from the ground up. Starting a business is never easy, but Peyush and his team persevered, and today Lenskart is a multi-million-dollar business. In this article, we'll look at the success story of Peyush Bansal and how he went from a program manager at Microsoft to a successful entrepreneur.

Early Life & Education

On April 26, 1985, Peyush Bansal was born in New Delhi, India. Bansal has an Electrical Engineering degree from McGill University in Canada. He began working for Microsoft after receiving his degree. Bansal had long looked up to Bill Gates as an example. His dream job was to work for his business.

Peyush Bansal worked on MS Office at Microsoft and developed concepts that may enhance the user's experience. Bansal decided to leave Microsoft in 2007 and return to his native place, India. He worked with a few highly successful firms between 2007 and 2009. The Indian Institute of Management, Bangalore, also awarded him a management degree upon graduation.

Lenskart – How Does it Begin?

Because of his entrepreneurial itch, Peyush left his high-paying job at Microsoft. Peyush spoke with many people seeking a new company to cater to a variety of needs. Peyush Bansal launched the first project website, "searchmycampus.com," in January 2008 with an initial investment of 25 lakhs after speaking with a few students of Delhi University.

He started SearchMyCampus while working on his post-graduate degree. The website answers many of the issues students confront, including housing, internships, part-time employment, and many others. He observed that major eCommerce companies were ignoring the eyeglasses sector during this time, which inspired him to take further action and address more significant issues.

With this in mind, he started Flyrr.com in the US, and after seeing success there, he chose to expand the platform to India. That's how Lenskart was launched in India in 2010. Peyush founded Lenskart along with Amit Chaudhary and Sumeet Kapahi. They initially only sold contact lenses on prescription. The online store for Lenskart began selling sunglasses and eyeglasses in March 2011.

Peyush bansal story

Bansal claimed in an interview that the goal of founding Lenskart was to provide vision correction assistance to people throughout India. Second, the business conducts about 15,000 eye exams daily to increase awareness of the importance of eye health. Finally, it offers its clients eyewear that is reasonably priced, fashionable, and of high quality. Bansal added that they work hard to comprehend their clients' needs and delight them with novel experiences. This is what contributed to Lenskart's success.

At present, around 4000 employees are working at Lenskart. Additionally, the business has more than 500 locations around the nation. With a $1.5 billion valuation, Lenskart joined the unicorn club in 2019. The company doubled its sales in March 2020, going from ₹486 crores to ₹1,000 crores. Additionally, the business outperformed Titan Eyewear, its major rival.

Lenskart achieved new heights because of Peyush's perseverance and hard work. His business consistently prioritizes the consumer's needs and strives to offer the greatest service.

Piyush said, "It's about breaking your standards every time and bringing an element of joy to the lives of your customers and employees."

Peyush Bansal in Shark Tank

Being one of the most successful entrepreneurs in India at just 36, Peyush became one of the judges of the business reality show Shark Tank India – Season 1 and Season 2. He became quite popular among the audiences, and budding entrepreneurs and people loved his thoughtfulness, empathy, and knowledge of business & technology.

"Talent is not only what we see shuffling in the so-called unicorns of India, but it is sitting multi levels below, but we never reach them because our recruitment processes are largely designed to look for people working with brand names, we all see on TV, and not necessarily searching for potential."

These words from the CEO of Lenskart sum up all that is wrong, particularly with our nation. Due to his easygoing and supportive attitude, Peyush Bansal has become a hero to many Indians amidst the enormous popularity of Shark Tank India.

TEAM

FINARTHA

HARSHIT VISHWAKARMA

SANSKAR SHUKLA

YADU KRISHNA MR

ANUNAY CHOUDHARY

ELIZABETH REJI

PRAGASH RUPAN

RAGHBENDRA JHA

PANKAJ KUMAR

NAVNEET

SHIVAM KHANNA

NABEEL.K

PARTH KHANDELWAL

TAPASHREE BHATTACHARYYA

VIVEK KUMAR

FINODATE