



THE COMMERCE SOCIETY
SHRI RAM COLLEGE OF COMMERCE



THE COMSOC GAZETTE



FEBRUARY 2023

Date of Issue: 15th February 2023

TABLE OF CONTENTS



- 01** **FINANCE & INVESTMENT**

- 02** **SCIENCE & TECHNOLOGY**

- 03** **GEOPOLITICAL**

- 04** **STOCK MARKET & TREND ANALYSIS**

- 05** **ECONOMY**

- 06** **METAVVERSE**

- 07** **RESOURCE GUIDE**

- 08** **COMSOC GENIE**

- 09** **BUDGET SESSION REPORT**

FINANCE & INVESTMENT

01 ADANI GROUP PREPAYS \$1.1 BN LOANS, RELEASES PLEDGED SHARES IN 3 COMPANIES

In response to a collapse in the value of the Adani group's stocks following a report by US short seller Hindenburg Research alleging fraud and manipulation against the promoter, the promoter of Adani group companies will prepay \$1.11 billion in loans before their maturity and release pledged shares in three companies.

168.27 million shares of Adani Ports & Special Economic Zone Ltd, 11.77 million shares of Adani Transmission Ltd, and 27.56 million shares of Adani Green Energy Ltd will all be released as a result of the promoter's early payment, the company reported.

Adani Transmission and Adani Green remained trapped at the 10% and 5% lower circuits, while Adani Ports increased by about 9% to close at a provisional price of 541.90 on the National Stock Exchange.

02 ONGC TO REVERSE OIL, GAS OUTPUT DECLINE; SEES 18% JUMP IN PRODUCTION IN FY25

According to a top corporate executive, ONGC, the largest oil and gas producer in India, will reverse years of production drop this year and progressively increase output going forward as it invests billions to produce from more recent discoveries. Oil and Natural Gas Corporation (ONGC) produced 21.707 million metric tonnes of crude oil in the fiscal year 2021–2022; this crude oil is refined to make petroleum products like gasoline and diesel; and 21.68 billion cubic meters (bcm) of natural gas, which is used to generate electricity, make fertilizer, and fuel compressed natural gas (CNG) vehicles.

Production of gas and crude oil are expected to increase in the current fiscal year (2022-23) to 22.099 bcm and 22.823 million tonnes, respectively. Oil production will increase to 24.636 million tonnes in the following fiscal year and to 25.689 million tonnes in 2024–25.

Since more than a decade ago, ONGC, which makes up about 71% of domestic production in India, has recorded a steady fall in output, mostly because its fields are old and ageing.

03 NEW TAX ON DISTRIBUTION INCOME, A BUDGET DAMPER FOR REITS, INVITS

Up until this point, they were seen as a wise investment option that belonged in your portfolio. But it was before to the budget's presentation on February 1 by the finance minister. Investors appear to be avoiding publicly traded infrastructure investment trusts and real estate investment trusts (Reits) following the budget (InvITs). In contrast to the Nifty 50's (the broad market index) 1% rise thus far, their stock prices have decreased by 1-8%.

The market regulator Sebi requires Reits and InvITs, which invest in income-producing commercial real estate holdings and infrastructural assets, respectively, to disperse at least 90% of the cash available to unitholders. As a result, a sizeable portion of the return from these trusts is made up of distribution income, which can take the form of a dividend, interest, rental revenue, or loan payback to unitholders. The post-tax distribution yield from these trusts will decrease by 100 basis points if the budget proposal is implemented. One tenth of a percentage point is referred to as a basis point.

A reasonable indication of the profits one might anticipate from their investments is provided by the distribution yield, which is computed by dividing the annual dispersed income by the current market price. Currently, these trusts' dividend yields have ranged between 6.7 and 7.5%.

01 NASA IS HELPING IN RESCUE OPERATIONS IN EARTHQUAKE-HIT TURKEY AND SYRIA

NASA is using its synthetic aperture radar (SAR) which can watch the earth in all weather conditions day and night. It is used to measure how the ground moves and built landscape changes after an earthquake. A team of scientists, at the Earth Observatory of Singapore and NASA's Jet Propulsion Laboratory collected images before and after the earthquake and created a 'damage proxy map' for Turkey. This showed how dramatically the landscape had changed after the tragedy. They made these maps available to various state commissions and relief agencies. Moreover, the World Central Kitchen has used the information to provide food to the people displaced.



02 SCIENTISTS DEVELOP TEST THAT CAN IDENTIFY RESPIRATORY VIRUSES WITHIN FIVE MINUTES

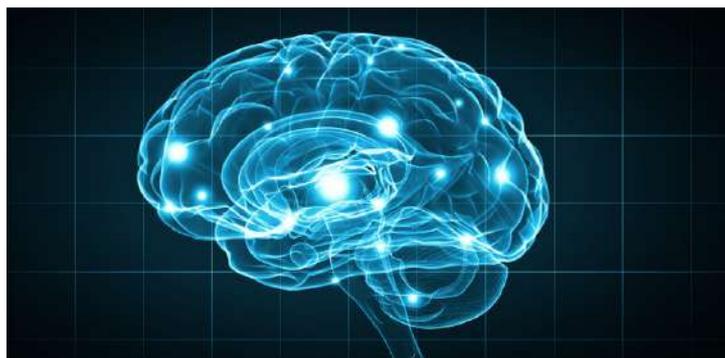
Scientists have developed a world-first diagnostic test, powered by artificial intelligence, that can identify known respiratory viruses within five minutes from just one nasal or throat swab. This will replace tests which are limited to only certain viruses and are less accurate and more time-consuming. Nicolas Shiaelis (DPhil student) and Dr. Robb (professor, University of Warwick) with the John Radcliffe Hospital validated the new method that uses AI software

to identify viruses. The ground-breaking testing technology combines molecular labeling, computer vision and machine learning to create such an imaging platform that looks directly at a patient sample and can identify which pathogen is present in a matter of seconds. This invention is much like facial recognition software, but for germs.



03 BIASES IN JURIES?

A recent paper published in *Social Cognitive and Affective Neuroscience* considers the overlap between social cognitive processes such as cultural and racial stereotyping and brain activity associated with bias against defendants accused of severe crimes. Using mock trials, and an imaging technique, they noticed which parts of the brain were activated when a judge heard a case. Although these were not related to moral judgment, they were influenced by culture, similar to how we feel biased towards racial groups external to ours.



01 US-CHINA RELATIONS ARE EMERGING AS A KEY DRIVER OF GLOBAL GEOPOLITICS

Although the two are mutually antagonistic, they are closely linked with each other economically and have a long history of mutual accommodation, at least since the seventies. Decoupling is not straightforward or entirely possible. The key issue is how far can the two countries work and cooperate to avoid tensions. Taiwan is likely to emerge as a flashpoint which could spell global instability. Accidents and misunderstandings can lead to escalation of tensions and even conflict.

02 SEVERAL FLASHPOINTS EXIST IN THE INDO PACIFIC - SOUTH CHINA SEA, EAST CHINA SEA, TAIWAN, FIRST AND SECOND ISLAND CHAINS

Maritime spaces are being militarised. High-level naval exercises are becoming common. The Code of Conduct between China and ASEAN is likely to miss the 2022 deadline. ASEAN is concerned about its centrality as China-US competition heats up. Linked economically with China and with the US for security, many of the ASEAN countries are feeling the pressure of managing the competition between the two giants



03 RUSSIA IS SEEKING WESTERN GRANTEES AGAINST NATO EXPANSION INTO UKRAINE AND THE STATIONING OF WEAPONS IN UKRAINE AND THE RUSSIAN NEIGHBOURHOOD

The west, deeply suspicious of Russia, is unlikely to provide these guarantees. Russia will never reconcile to Ukraine being pulled in NATO. Russia is seeking China's diplomatic support for its demand for security guarantees from the west.



STOCK MARKET & TREND ANALYSIS

SENSEX AND NIFTY

"The budget was a comprehensive one which caters to the needs of all the sections in the society", according to Modi government. But what will be the potential impacts on the stock market was something which every investor was curious about. Indian indicators opened on a bright note ahead of the budget advertisement and the band was continued throughout the session, and eventually Sensex jumped over 1000 points after Finance Minister Nirmala Sitharaman concluded the donation of Union Budget 2023- 24. Still, after the original jump, both Sensex and Nifty fell with Bajaj Finserv, SBI and Sun Pharma leading the dip. At close, BSE Sensex was trading 158.18 points up at 59,708.08 and Nifty50 was trading 39.95 points down at 17,622.20.

It was no different on the Budget day as markets once again were extremely volatile and Sensex gyrated nearly 2,000 points intra-day. However, at one point during the Budget presentation, benchmark index had vaulted nearly 1200 points but a rout in the Adani group stocks and nervousness ahead of the important Federal Reserve meet on interest rate punctured the rally and saw the index end mixed.

POST BUDGET OUTLOOK

The market is expected to rise post budget on the back of high capital expenditure (capex) announced by the Government. "In the short term, we expect the markets to move higher on the back of pro-growth measures announced in the budget and less fear of the government crowding out private investments due to fiscal prudence shown by the government," said B Gopkumar, MD and CEO, Axis Securities. While some stocks like the Adani group plummeted, but overall the market is expected to stay balanced. The depreciation of rupee against the might dollar will also play a significant role in driving the market forward.

STOCKS TO WATCH OUT FOR- RELIANCE INDUSTRIES LIMITED

Billionaire Reliance Industries Ltd and UK supermajor BP are nearing start of production from their giant MJ deep-water project in the KG-D6 block, which will significantly boost gas output from the prized east coast asset, a top official said. Reliance has been one of the favourite companies for investors who wish stable earnings, no doubt it is regarded as one of the best blue-chip stocks. In the past, the company has been successful to live up to the expectations of their investors. The company is expected to come up with 3 different projects, aimed at rejuvenating gas production from the offshore asset.

01 OLD VS NEW TAX REGIME

In Budget 2023, Finance Minister Nirmala Sitharaman has announced a new Income Tax Slab. Under this, no tax is going to be levied on the total income of 7 lakhs. At the same time, a maximum of 30 percent tax will be charged on income above Rs 15 lakh. As of now the income tax rebate limit, allowed under Section 87A of the Income Tax Act, for both the old and new tax regimes, was ₹ 5 lakh. This meant that those with annual income up to ₹ 5 lakh were not required to pay any tax. The old tax regime had a higher tax rate but provided exemptions. The new tax regime, meanwhile, had a lower tax rate but one could not claim any exemptions. Now, the tax-free ceiling has been increased to ₹ 7 lakh but only for those who choose the new tax regime.

According to Finance Minister Nirmala Sitharaman, "The personal income tax has had substantial changes (in the Budget) which will benefit the middle class. The new taxation regime has now got greater traction and incentive so that people can now unhesitatingly move to the new regime from old".

Old Tax Regime

tax is paid under the old tax slab all over India. In this, no tax has to be paid on income up to Rs 2.50 lakh. At the same time, in the tax slab introduced in the Union Budget, there is tax exemption on income up to three lakhs. The slabs that come under this tax regime are as follows- Income up to Rs 2.5 lakh is exempt from personal income tax.

5% tax on income between Rs 2.5 lakh and Rs 5 lakh, 20 percent tax on income between Rs 5 lakh and Rs 10 lakh, Income above Rs 10 lakh is taxed at 30.

New Tax Regime

The tax slab introduced in the Union Budget is not a separate option, rather it will replace the old system after March 31. Tax slabs coming in Income from Rs 0 to Rs 3 lakh is exempt from personal income tax.

- 5% tax on income between Rs 3 lakh and Rs 6 lakh
- 10% tax on income between Rs 6 lakh and Rs 9 lakh
- 15% tax on income from Rs 9 lakh to Rs 12 lakh
- 20% tax on income between Rs 12 lakh and Rs 15 lakh
- Income above Rs 15 lakh is taxed at 30 per cent.

Further, standard deduction of Rs 50,000 was also allowed to the taxpayers where the assessee cannot claim deduction or exemption on his investment. However, on opting for this option, the taxpayer cannot claim any exemption. That is, it cannot be claimed for the exemptions available under 80C.

Moreover With the inception of the new tax regime taxpayers, in the new financial year, will have to specify if they want to opt for the old tax regime. Otherwise, the tax will be calculated as per the proposed new income tax regime for everyone.

Budget estimates of 2022-23 as compared to revised estimates of 2021-22

▪ Total Expenditure: The government is estimated to spend Rs 39,44,909 crore during 2022-23. This is an increase of 4.6% over the revised estimate of 2021-22. Out of the total expenditure, revenue expenditure is estimated to be Rs 31,94,663 crore (0.9% increase) and capital expenditure is estimated to be Rs 7,50,246 crore (24.5% increase). The increase in capital expenditure is mainly due to a substantial increase in loans and advances to state governments. Loans And advances by the central government are estimated to be Rs 1,40,057 crore in 2022-23, an increase of 153% over the revised estimates for 2021-22.

Total Receipts: Government receipts (excluding borrowings) are estimated to be Rs 22,83,713 crore, an increase of 4.8% over the revised estimates of 2021-22. The gap between these receipts and the expenditure will be plugged by borrowings, budgeted to be Rs 16,61,196 crore, an increase of 4.4% over the revised estimate of 2021-22..

Deficits: Revenue deficit in 2022-23 is targeted at 3.8% of GDP, which is lower than the revised estimate of 4.7% in 2021-22. Fiscal deficit in 2022-23 is targeted at 6.4% of GDP, lower than the revised estimate of 6.9% of GDP in 2021-22 (marginally higher than the budget estimate of 6.8% of GDP). Interest expenditure at Rs 9,40,651 crore is estimated to be 43% of revenue receipts. Graph showing fiscal Deficit of India over the years

GDP: The government has estimated a nominal Gross domestic Product growth rate of 11.1% in 2022-23 (i.e., real growth plus inflation).

Extra Budgetary Resources (EBR): After a number of years, the budget has not relied on EBR or loans from National Small Savings Fund.

Ministry allocations: Among the top 13 ministries with the highest allocations, in 2022-23, the highest percentage increase in allocation is observed in the Ministry of Communications (93%), followed by the Ministry of Road Transport and Highways (52%), and the Ministry of Jal Shakti (25%)

02 BUDGET 2023: WHO GAINED AND WHO LOST!



KEY WINNERS

Agriculture

In the budget, it has been announced to increase spending on the Agriculture sector which is about 19 percent of the Indian economy. The government has announced a budget of Rs 22 billion for agriculture. In this, funds will be given to horticulture firms and government will set up an agriculture accelerator fund to finance farm startups

Tourism

The government has set a target to develop 50 locations to promote domestic tourism. For this, the government will create an app, which will provide information about food streets to tourists, safety and security and physical and virtual connectivity. Ticketing companies and hotels such as IRCTC., Thomas Cook Indian Hotels and EIH Ltd. will be benefited by this initiatives

Infrastructure

To boost the connectivity it has been announced to build 50 new airports, heliports and aerodromes In the budget The government has announced a record budget of Rs 2.4 trillion to improve railway infrastructure.

airport operators such as Adani Airport Holdings Ltd., GMR Airports Infrastructure Ltd., GVK Airport Developers Ltd., and construction companies like Larsen & Toubro Ltd. and Bharat Heavy Electricals Ltd will be beneficiaries

EV sector

Customs duty has been exempted on import of capital goods required for the manufacture of electric vehicle lithium-ion cells. This can cut the price of electric vehicles. This will give a boost to the electric vehicle industry.

Green Energy

The government aims to provide financial assistance for the construction of 4,000 megawatt-hour battery power storage systems. 350 billion rupees will be spent to achieve the target of carbon emissions.

Metal/Cement

Higher capital expenditure and investments for housing, infrastructure, railways announced in the budget are positive for

steel mills and cement makers such as Tata Steel Ltd., JSW Steel Ltd and Jindal Steel & Power Ltd

KEY LOSERS

The government raises the National Calamity Contingent Duty (NCCD) on cigarettes by 16%. NCCD accounts for about 10% of overall taxes on cigarettes.

Due to this the net tax on cigarettes would increase by 0.07-0.12% a stick, which would require a 1-3% hike in the prices of cigarettes across different categories. An increase in taxes will impact the financials of cigarette manufacturers like Indian Tobacco Company ITC and Godfrey Phillips India.

Jewellers

The government a increased the import tax on silver. Moreover, the government has left the import taxes on gold unchanged despite demand from the bullion industry to reverse the hike announced in July. A higher tax increases the cost for consumers as the country imports almost all the bullion it consumes. The benchmark gold futures in Mumbai rose as much as 1.3% to an all-time high of 57,950 rupees per 10 grams. Key losers would be Kalyan Jewellers, Titan Co. and PC Jewellers

Oil and Gas Companies

Government didn't announce any compensation toward losses on keeping a check on diesel and gasoline prices. There have been demands from the companies and the oil ministry to partly cover the losses via a budgetary support. this will O&G firms like Indian oil, Bharat petroleum and Hindustan petroleum

Foreign Carmakers

Government has increased custom duty on imported cars and Electric vehicles price above \$40000 from 60 to 70% Car manufacturers firms like Mercedes BMW BYD will be at disadvantage due to this step



METAVVERSE

01 DISNEY STAR TO ROLL OUT METAVVERSE PLATFORM IN INDIA

After months of proof of concept testing, Disney Star, the India division of American media giant Walt Disney Corporate, is ready to launch its metaverse platform Starverse, according to a top company executive.

The 2023 season of the Indian Premier League (IPL) is when Starverse debuts.

Due to enormous second-screen engagement when watching live sports, the metaverse platform will allow Disney Star to enable its digital experience for sports fans.

This platform will be accessible via mobile web to maintain the widest user base possible.



02 VAN HEUSEN PARTNERS WITH PAYTM INSIDER TO BRING 'WHEN CHAI MET TOAST' MUSICAL BAND IN METAVVERSE

On February 2nd, 2023, Van Heusen from Aditya Birla Fashion Ltd. Paytm Insider hosted a live performance called "Van Heusen MetaPlay" on PartyNite Metaverse, featuring the "When Chai Met Toast." The company added that Van Heusan intended to promote the idea of a virtual Van Heusen clothing line throughout the metaverse activity so that the brand could keep up with the changing interests of its customers.



03 HOW METAVVERSE WILL REVOLUTIZE EDUCATION

Education in the metaverse has the potential to revolutionize the way we approach learning and teaching. The immersive and interactive nature of virtual and augmented reality environments can create more engaging and personalized learning experiences for students.

In the metaverse, students can interact with digital content and with each other in real-time, regardless of their physical location. This opens up new opportunities for collaboration and experiential learning, such as virtual field trips and simulations.

Moreover, the metaverse can make education more accessible to people who might not be able to attend in-person classes, such as those with disabilities or those who live in remote areas. This has the potential to break down barriers to education and increase access to knowledge and skills.

However, it's important to note that while the metaverse has the potential to transform education, it is still in the early stages of development and there are many challenges to overcome. These include the cost of creating and maintaining virtual environments, the need for specialized hardware and software, and the need to ensure equitable access to these new forms of learning. Overall, the future of education in the metaverse is exciting and holds great promise for improving the way we approach learning and teaching.

RESOURCE GUIDE

01 QUANTS UNLOCKED

Shortcuts in simple arithmetic problems of LCM AND HCF

- (i) For two numbers a and b if $a < b$, then L.C.M. of a and b is more than or equal to b.
- (ii) If ratio between two numbers is $a : b$ and their H.C.F. is x, then their L.C.M. = abx .
- (iii) If ratio between two numbers is $a : b$ and their L.C.M. is x, then their H.C.F. = x/ab
- (iv) The smallest number which is divisible by x, y and z is L.C.M. of x, y and z.
- (v) The smallest number which is divided by x, y and z give remainder a, b and c, but $(x - a) = (y - b) = (z - c) = k$, then number is (L.C.M. of (x, y and z) – k).
- (vi) The smallest number which is divided by x, y and z give remainder k in each case, then number is (L.C.M. of x, y and z) + k.
- (vii) L.C.M. of a/b and c/d and $e/f = \text{L.C.M. of } (a, c, e) / \text{H.C.F. of } (b, d, f)$
- (viii) For two numbers a and b – $\text{LCM} \times \text{HCF} = a \times b$
- (ix) If a is the H.C.F. of each pair from n numbers and L is L.C.M., then product of n numbers = $a^{n-1} \times L$

02 STATIC GK

BIMSTEC

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional intergovernmental organization of seven countries in South Asia and Southeast Asia, located in the basin of the Bay of Bengal. BIMSTEC was established in 1997 and its member countries are: Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, and Nepal.

The main objectives of BIMSTEC are to promote economic and technical cooperation among its member states, to foster greater interaction and understanding among the people of the region, and to strengthen regional cooperation in areas such as trade, investment, transportation, and communication. BIMSTEC also aims to enhance cooperation in areas such as agriculture, tourism, science and technology, and environmental protection.

SAARC

SAARC stands for South Asian Association for Regional Cooperation. It is an intergovernmental organization made up of eight countries in South Asia: Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. It was established in 1985. The goal of SAARC is to promote regional cooperation and integration in various fields, such as trade, culture, and security, among its member countries.

03 VOCAB-O-PEDIA

1. Short selling

It is a trading strategy used by investors to profit from the declining price of a stock. The idea behind short selling is to sell shares of a stock that the investor believes will decrease in value, and then buy back the same number of shares at a lower price in order to make a profit.

It is a high-risk, high-reward strategy that can be used to hedge against market downturns or to profit from the decline of a specific stock. However, it is also a controversial practice, as some view it as a way for investors to profit from the misfortunes of a company or the economy as a whole. Additionally, there is potential for unlimited losses if the stock price increases rather than decreases.

2. Lower circuit

A lower circuit is a mechanism used in stock markets to control excessive price movements in a stock, either up or down. The lower circuit is specifically the maximum price decline that is allowed in a single trading day for a particular stock. When a stock reaches its lower circuit limit, trading in that stock is temporarily suspended to prevent further price decline and potential panic selling. The recent fall in Adani shares because of the Hindenburg Report can be an example of how a lower circuit can be triggered. If the shares of Adani were trading at a high price and then suddenly fell significantly because of the report, it's possible that the lower circuit was triggered, causing trading in the shares to be automatically halted. This is done to give investors and the market time to absorb the news and prevent excessive panic selling that can result in further declines in the stock price.

04 DIY CORNER

Q. A can run one full round of a circular track in 6 minutes and B can run the same in 8 minutes. If both of them start simultaneously from the same starting point, then how many times will they meet at the starting point in 4 hours?



MOVIE RECOMMENDATION

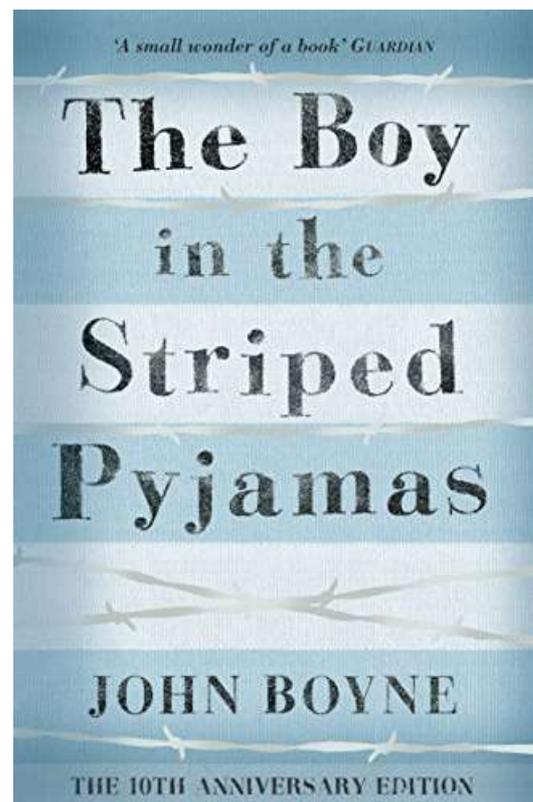
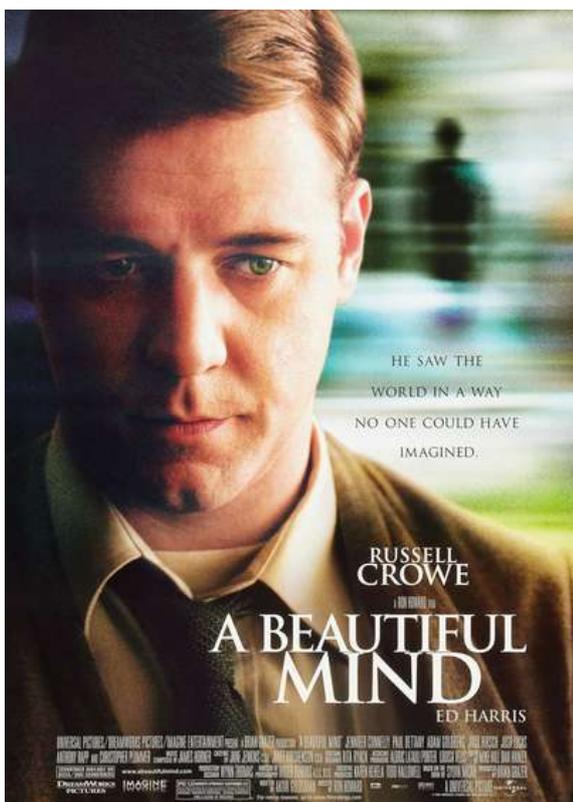
A BEAUTIFUL MIND:

“A Beautiful Mind”, brings tears to one’s eyes and talks about the story of a man who is one of the greatest mathematicians, and a victim of schizophrenia. His mind was of enormous service to humanity while at the same time betrayed him with frightening delusions. Crowe, the actor, brings the character to life by sidestepping sensationalism and building with small behavioral details. He shows a man who descends into madness and then, unexpectedly, regains the ability to function in the academic world.

BOOK RECOMMENDATION

The Boy in the Striped Pyjamas, written by John Boyne in 2006, is a historical dramatic novel which is set during the Second World War when Hitler, the Fuehrer, dominated Germany and created concentration camps all over Europe to exterminate Jews, considered inferior to the rest of the human beings. In other words, this clearly is a book on the victims of the Holocaust, which uses imaginary people to represent the atrocities that happened during the Second World War, by showing the reader two points of view (a Jewish one and a German one). This historical novel is a very good book for everyone to read because it is simple so even children can easily understand it.

Even if it uses a simple story, it expresses deep meanings.



A GLANCE AT BUSINESS TERMINOLOGIES

- **Burn**

It is the speed at which a company spends the money that is available to it when it begins trading.

- **Hard Opening**

It is an occasion when a business is opened to the public for the first time, not just to a limited number of people, in a way that is intended to attract a lot of attention.

- **Offshoring**

The practice of basing a business or part of a business in a different country, usually because this involves paying less tax or other costs.



- **Vertical Integration**

A process in business where a company buys another company that supplies it with goods or that buys goods from it in order to control all the processes of production.

- **Virement**

It is the process of moving money from one financial account or part of a budget (a plan for how the money will be spent) to a different one. For example, within the Government where one department underspends and another department needs more funding, the funds can be procured through virement.

- **Uberization**

Uberization is replacing middlemen in business with high-tech, such as mobile apps or platforms where you can find a supplier for your demand. The platform facilitates interaction between a customer and the service provider and monitors service quality. The first aggregator company to take over the role of a middleman between customers and contractors was Airbnb. This service allows you to rent out accommodation for a short time.

COMSOC GENIE

MYTH BUSTER

01 "BIGGER IS ALWAYS BETTER"

The myth that "bigger is always better" in business is just that - a myth. While growing a business can be a good thing, it's not always the right approach. In some cases, bigger businesses can suffer from decreased agility, inflexibility, and bureaucracy, which can prevent them from adapting quickly to changes in the market or consumer preferences.

In contrast, smaller businesses often have the advantage of being more nimble, flexible, and able to pivot quickly to take advantage of new opportunities. They may also have stronger relationships with customers and a more personal touch in their approach to business, which can give them a competitive edge.

Ultimately, the size of a business should be determined by its goals, resources, and market opportunities, and not solely based on the belief that bigger is always better. Some businesses are more successful by staying small and focused on their niche, rather than trying to become the next big thing



02 "SPEND MONEY TO MAKE MONEY"

You need to "spend money to make money" in business is based on the idea that investing in your business, such as advertising, marketing, or equipment, will ultimately lead to increased profits. While it's true that investing in your business can help you reach your goals, it's not always the case that spending more money will lead to more money.

In fact, many successful businesses have achieved their goals through smart spending, focusing on efficient and effective uses of their resources. They often prioritize spending on areas that will have the biggest impact on their bottom line, rather than just blindly spending money in the hope that it will lead to profits. In short, the idea that you need to spend money to make money is a myth. While investing in your business can be a good thing, it's important to approach spending strategically and focus on where your resources will have the greatest impact

START-UP CULTURE

01 ZOMATO EXITS 225 SMALLER CITIES DUE TO “NOT VERY ENCOURAGING” PERFORMANCE IN RECENT QUARTERS

Indian Food-delivery giant platform Zomato pulled out of around 225 smaller cities last month, the company said in its December-quarter earnings report.

Zomato chief financial officer Akshant Goyal said in the company's shareholders letter that Recently in the month of January, the company has exited around 225 smaller cities which contributed less than 0.3% of the company's GOV (gross order value) in Q3FY23 (October-December)

As “Performance of these (225) cities was not very encouraging in the past few quarters and we did not feel the payback period on their investments in these cities was acceptable,” said the CFO.

Recently Zomato reported that its consolidated revenue grew 75% to Rs 1,948 crore in the October-December quarter, even as its loss jumped five times to Rs 346 crore. This includes the numbers for its quick-commerce business Blinkit and new B2B vertical Hyperpure.

On a year-on-year basis, the company's adjusted food delivery revenue for the three-month period ended December 31 saw a 30% increase but witnessed a decline on a sequential basis.

In the December quarter, Zomato clocked adjusted revenue for food delivery at Rs 1,565 crore, compared to Rs 1,581 crore in the September quarter, and Rs 1,200 crore in the quarter-ended December 2021. The company defines adjusted revenue for the food business as revenue from operations as per the financials plus customer delivery charges.

Zomato's GOV (gross order value)– the total monetary value of orders including taxes, customer delivery charges, gross of all discounts, excluding tips – for its food delivery business was almost flat growing only 0.7% quarter-on-quarter to Rs 6,680 crore for the December quarter

02 ALIBABA SOLD THEIR ENTIRE STAKE IN PAYTM, STOCK SLUMPS 9%



Recently China's Alibaba Group has sold 3.3% stake in Paytm parent company One97 Communications through the open market for Rs 1,378 crore. Alibaba Singapore E-Commerce Pvt Ltd sold 2,14,31,822 shares at Rs 642.74 apiece. This was at a large discount of 9% to Thursday's closing price of the stock. Shares of the Paytm ended nearly 8% lower at Rs 650.55 on the National Stock Exchange , The stake sale saw the stock snapping its 4-day winning streak after Paytm announced operating profitability in the December quarter.

In the last 4 trading sessions, the stock has rallied close to 35%. This may have prompted Alibaba to book some profits.

Alibaba had sold 3% stake in January too, which reaped Rs 1,031 crore. Through this affiliate, Alibaba held 6.3% stake as of December. It is close to 25% stake in the Paytm parent through another affiliate Antfin (Netherlands) Holding B.V.

ANI had reported that Alibaba has exited the company by selling over 3% stake in One97 Communications. In 2017, Paytm parent had raised \$177 million by selling over 36% stake to Alibaba group.

Alibaba has been offloading stakes in listed new-age technology companies in India amid a sharp erosion in the value of its investments. Alibaba had also offloaded a 3% stake in online food delivery Giant Zomato earlier in November month.

BUDGET SESSION REPORT

“Without leaps of imagination or dreaming, we lose the excitement of possibilities. Dreaming, after all, is a form of planning.”

The **Commerce Society of Shri Ram College of Commerce** hosted the live telecast of the Union Budget FY 2023-2024 in the seminar room. The event was organized to provide insights into the budget as well as a platform for the attendees for representing their respective views on the budget. The esteemed faculty of SRCC along with the enthusiastic students graced the occasion with their presence.

The event commenced with the members of The Commerce Society briefing the audience about the significance of the Union Budget FY 2023-2024, being the first budget of Amrit Kaal. The wait was finally over when the live telecast of our respected Finance Minister Ms. Nirmala Sitharaman presenting the union budget in the Lok Sabha, was played on the big screen of the seminar room. An air of sincerity and prudence filled the room as pin-drop silence prevailed, the moment our Finance Minister took to the podium. This budget was indeed a much-awaited one and assumed immense significance not only because it came on the backheel of the revival of the economy after the pandemic but also because it came in the midst of fears of global deflation and the politically important general elections to be held next year. This budget was presented amidst a lot of expectations to help insulate India among geopolitical uncertainties while sticking to public welfare and fiscal consolidations.

As presented, the Part A of the budget was structured around the 7 guiding pillars-Saptarishis, which included 'Inclusive Development', 'Reaching the Last Mile', 'Infrastructure and Investment', 'Unleashing the Potential', 'Green Growth', 'Youth Power' and the 'Financial Sector'. For the primary sector, digital public infrastructure for agriculture, Agriculture Accelerator Fund, and Atmanirbhar Horticulture Clean Plant Program were promised. Other major announcements included- the National Digital Library for children and adolescents, expansion of Eklavya Model Residential Schools and PM Awas Yojana, support for poor prisoners, development of Centres of Excellence for Artificial Intelligence, simplification of the KYC process, promotion of 5G services, Green Hydrogen Mission, Unity Mall, credit guarantee for MSMEs and a special emphasis on digital payment mechanism.

Hon'ble Finance Minister Smt Nirmala Sitharaman began with the Part B of the Budget speech with the main focus on Indirect and Direct Taxes. The Hon'ble Finance Minister proposed to reduce the number of basic customs duty rates on goods, other than textiles and agriculture, from 21 to 13. Smt Nirmala Sitharaman presented direct tax proposals with the main aim to maintain continuity and stability of taxation, further simplify and rationalize various provisions to reduce the compliance burden, promote the entrepreneurial spirit, and provide tax relief to citizens..

The much-awaited Personal Income Tax proposals were announced with 5 major announcements primarily benefiting the hard-working middle class. The Budget Session by Hon'ble Finance Minister Smt Nirmala Sitharaman came to an end.

The Commerce Society conducted a discussion on the Union Budget FY 2023-24 where the Members of the Core Cabinet and Faculty-In-Charge presented their views on the budget. Master Mritunjay Menaria, the President of the Commerce Society expressed his views on Part A of the Budget speech by comparing it with the last year's budget and talked about the education sector, the new nursing colleges, sickle cell anemia elimination, and teachers' training. He further talked about the 7 key priorities of the budget and about the various new proposals including the highest capital ever outlay for railways of ₹2.40 lakh crore. He enforced the key highlights which included a focus on wide-ranging reforms and sound policies, to empower women, focus on green growth and youth power, promote tourism, and strengthen macro-economic stability. Master Manan Gupta expressed his views regarding the Part B of the budget and talked about the effect of the Budget on the Sensex. He expressed his view regarding the new Personal Income Tax proposals and the various new slabs introduced under the new tax regime. He talked about the key highlights of the Direct Tax proposal- MSMEs and Professionals, Start-Ups, the cooperative sector, Better targeting of tax concessions, and Rationalisation. He also highlighted that the main aim of the Indirect Tax Proposal was to promote exports, boost domestic manufacturing and enhance domestic value addition.

The event was concluded with a speech by Mr. Alok Kumar, Teacher-in-charge of The Commerce Society, SRCC. He beautifully explained to the students the importance of expanding their knowledge base and keeping track of various economic, political, and financial news. His views were based on the Educational sector and highlighted that the budget had no mention regarding allocations made for higher education under New Educational Policy. The Commerce Society delivered a vote of thanks to the Principal Ms. Simrit Kaur, Mr. Alok Kumar-Teacher-in-charge, Faculty Members, and the audience. Finally, The event provided everyone with a multitude of perspectives and awakened the Youth of India into action. As apprehended by many, the union budget of FY 2023-2034 was a comprehensive and diverse one.



Thank you for reading!

**Hope you enjoyed the content.
Stay tuned for the next edition!**