

THE COMSOC GAZETTE



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FINANCE AND INVESTMENT

STOCK MARKET

STARTUPS

ECONOMY

GEO POLITICS

SCIENCE AND TECH

COMSOG GENIE



CONTENTS

TABLE OF



Financial Foresights

01

Market Spotlight

02

Corporate Odyssey

03

The Economic Lens

04

The Global Chessboard

05

Scientific Spectra

06

ComSoc Genie

07

FINANCIAL FORESIGHTS

01 RBI'S RISK WEIGHT HIKE ON CONSUMER CREDIT: SLOWING THE PARTY, NOT ENDING IT

The regulatory intervention by the RBI signifies a shift in the dynamics of the consumer loans landscape. Despite the punch bowl being withdrawn, the metaphorical party isn't over; the music plays on, and many continue to dance. The RBI's decision, to elevate risk weights on consumer credit to 125%, is a proactive move driven by concerns about the rapid surge in retail loans and increased lending to NBFCs. While the immediate impact may temper the lending enthusiasm, the long-term goal is damage containment and prevention of over-leveraging. The focus is on curbing the risks associated with the significant growth in unsecured loans, especially by NBFCs. This move aims to deter consumers from accumulating multiple loans and is a preemptive measure against potential NPAs. The regulatory adjustments are expected to prompt NBFCs to recalibrate their business strategies, potentially reducing lending supply for short-term consumer loans. The ripple effects extend to higher funding costs, impacting capital requirements, and fostering a more cautious financial system regarding unsecured loans.

02 BAN ON BAJAJ FINANCE PRODUCTS: WHAT IT MEANS

The Reserve Bank of India (RBI) has prohibited Bajaj Finance, India's leading consumer financier, from approving and disbursing loans for its 'eCOM' and 'Insta EMI Card' products due to non-issuance of key fact statements (KFS) to borrowers, violating digital lending guidelines.

A KFS contains crucial loan details, and RBI mandates its clear presentation to digital loan customers. Bajaj Finance asserts the RBI action won't significantly affect its finances, promising swift compliance. The timing is critical as Jio Financial, backed by Reliance Industries, enters the financial services sector, posing a potential challenge to Bajaj's dominance. The impact on Bajaj's stock remains uncertain, contingent on the company's swift resolution of regulatory concerns.

03 L&T FINANCE GETS \$125 MILLION LOAN TO SUPPORT MSMES, FARMERS

L&T Finance has entered a USD 125 million loan agreement with the Asian Development Bank (ADB) to bolster financing in rural and peri-urban regions of India, with a particular emphasis on empowering women borrowers. The funding includes a USD 125 million loan from ADB and an understanding to coordinate an additional USD 125 million co-financing from other development partners. Notably, 40% of the funds are earmarked for women borrowers, while the remainder will support farmers, micro, small, and medium-sized enterprises (MSMEs), as well as loans for new two-wheelers. Identified as segments with substantial growth potential in the medium term, microloans, farm equipment loans, two-wheeled vehicle loans, and MSME loans are central to the initiative. This strategic focus aligns with the Ministry of Rural Development's objectives, emphasizing lending in underserved states in India's rural and peri-urban areas.

01 ALIPAY DONE WITH ZOMATO

In a significant market move, Alipay Singapore Holding, an affiliate of Chinese e-commerce giant Alibaba, on 29 November, divested its 3.4% stake in Zomato for Rs 3,326.4 crore via open market transactions on the BSE. The deal constituted around 29.7 crore shares which were exchanged at a floor price of Rs 112 per share, marking a 1 percent discount to the previous day's closing price. Post the deal, shares of Zomato opened with marginal gains and rallied around 4% to hit the day's high at Rs 118.5 on BSE. This strategic move by Alipay Singapore Holding comes after recent stake shifts by firms like SoftBank and marks a significant development in the market dynamics.

02 TATA TECHNOLOGIES SPECTACULAR IPO DEBUT IGNITES MARKET FRENZY

In a remarkable turn of events, Tata Technologies experienced an outstanding IPO debut, listing at a 140 percent premium and later surging nearly three times its issue price. The stock, opening at Rs 1,200 on the NSE and Rs 1,199.95 on the BSE against its Rs 500 issue price, quickly reached Rs 1,400. Analysts attribute this success to overwhelming investor demand, solidifying the company's position in the market. With the Tata brand's enduring legacy and the significant attention garnered in the stock market, this IPO underscores the group's commitment to rewarding shareholders.

As the stock continues to make waves, it's worth keeping a keen eye on Tata Technologies' future growth trajectory.

03 A LEGEND SAYS GOODBYE

The investment world mourned the loss of a wall street legend as titan investor and long time vice chairman of Berkshire Hathaway passed away on 28 November at the age of 99. Munger led the investment group alongside Warren Buffet and was often referred to as his right hand man. Warren Buffet credited Munger with broadening his investment strategy, which is also Berkshire Hathaway's key investment philosophy. He summarizes it as " Instead of buying fair companies at wonderful prices, buy wonderful companies at fair prices." Charlie Munger's passing marks the end of an era in the investment world but his legacy lives on through his investment philosophies that will always continue to inspire investors across the globe.



01 DOUBTNUT NO LONGER?

Allen Career Institute has strategically entered India's competitive edtech sector by successfully acquiring DoubtNut, a prominent doubt-clearing edtech company. The acquisition, involving a combination of stock and cash, underscores DoubtNut's financial challenges post-Series B funding and is seen as a potential distress sale. Despite allocating Rs 194 crore for expenditures in FY22, DoubtNut generated Rs 26.6 crore in revenue for FY23, boasting investments from Peak XV Partners, Omidyar, and Waterbridge.



Simultaneously, Allen Career Institute is actively expanding its online presence through ALLEN Digital, introducing new websites and mobile applications catering to a diverse range of undergraduate and postgraduate courses. The recent appointment of Abha Maheshwari, a former Meta executive, as the CEO of Allen Digital reflects the institute's commitment to digital transformation and innovation in education.

As this strategic acquisition unfolds, it signifies a dynamic shift in India's edtech landscape. Allen is poised to capitalize on emerging opportunities, solidifying its position as a key player in the digital education space. The synergy between Allen Career Institute and DoubtNut is expected to pave the way for enhanced learning experiences and increased accessibility to quality education for students across the country.

02 VAH VAH FOUNDER'S NEW STARTUP DOES WOW WOW

Brightpoint Studios, founded by the minds behind Vah Vah, a Bengaluru-based vocational training venture, has secured a significant funding boost ahead of its public debut. Venture capital firms Peak XV and Nexus are leading the investment, injecting an estimated \$5-6 million for Brightpoint's early growth.

The startup, adopting a Thrasio model for gaming apps, has executed an acquisition and plans more assimilations. Co-founders Muthukaleeshwaran Subbiah and Shailesh Daxini faced challenges with Vah Vah, leading to its closure in July.

Brightpoint Studios aims to redefine digital entrepreneurship, with an imminent launch and support from Peak XV and Nexus reflecting confidence in its innovative model. The Bengaluru-based startup is set to carve a distinctive niche in the gaming app sector, promising to reshape the digital landscape.



01 FINANCE MINISTRY'S ECONOMIC REPORT : 'HOPES OF EASING GLOBAL RATES, CRUDE OIL BODE WELL'

The combination of rapid reversal of US rate hike expectations and the slide in the 10 year US treasury yield along with the decline in global oil prices is “good news” for India and other emerging markets, the finance ministry said in its monthly economic report released on 21 November. It also said India can look forward to a longer economic and financial cycle over the medium term than in the past, thanks to the sustained focus on public investment in infrastructure and advances in digital public infrastructure. But downside risks from price pressure persists, keeping both the Indian government and the central bank on high alert, the ministry said in its report for October, even as it acknowledged the moderation in October retail inflation to a four month low of 4.87% or within targeted band of 2.6%.

02 GOLDMAN SACHS SEES 6.5 % GROWTH IN 24-25 : PRIVATE INVESTMENT TO LEAD ECONOMIC GROWTH

India's economy is expected to grow 6.5% in 2024-25 faster than 6.2% projected for this financial year; driven by investment from the private sector, according to Goldman Sachs latest outlook. The US based investment bank said the first half of 2024 will be driven by consumption spending as India holds the next general election and the second half will see resumption of investment growth. “While we expect the government to continue its focus on capital spending, given the medium term fiscal consolidation path, the rate of growth in capex will likely decrease from next fiscal year,” said Goldman Sachs.



03 POWER DEMAND UP BY 16% IN AUG-OCT : PATCH MONSOON AND INDUSTRIAL ACTIVITY SEEN AS DEMAND DRIVERS

Higher than normal temperatures, a patchy and deficient monsoon and increased industrial activity led power demand to surge 16% year on year in the three months in October. October alone saw a 21% jump from a year ago. Demand is usually lower in these months than in the preceding summer months, but the deviation surprised the sector. August's electricity consumption was 9% higher than July and 12% higher than May. As per the central electricity authority's report in November 2022, peak demand for 2024-25 is likely to be 244.56 GW. However peak demand in 2023-24 so far has been 240 GW, against the authority's initial projection of 230.1 GW. The highest ever peak demand of 240 GW was met on September 1, against the anticipated peak of 229 GW for April.

THE GLOBAL CHESSBOARD

01 UNITED NATIONS CRUMBLING UNDER 21ST CENTURY GEOPOLITICAL SHIFTS: INDIA

The UN apparatus, especially the Security Council, is crumbling under the weight of 21st-century geopolitical realities, India has said, underlining that the General Assembly should take the lead in restoring the centrality of the United Nations to resolve transnational issues through multilateralism.

India has consistently advocated the view that the General Assembly can be revitalised only when its position as the chief deliberative, policy-making and representative organ of the United Nations is respected both in letter and in spirit, Counsellor in India's Permanent Mission to the UN Pratik Mathur said here Tuesday.

Nevertheless, as we speak, we see the UN apparatus, especially the Security Council crumbling under the weight of 21st century geopolitical realities, which consequently has turned some of the tide towards the General Assembly, giving us more facetime and traction, where the voice of the Global South is a formidable force unlike what is the case in the Security Council.

02 NITI AAYOG BEGINS PLANNING TO BRIDGE INDIA'S TRADE DEFICIT WITH CHINA

Government think-tank NITI Aayog has initiated a study to develop a comprehensive action plan to bridge India's trade deficit with China over time and align trading strategies with emerging geopolitical situation and potential risks to safeguard supply chains.

NITI Aayog has invited bids from consultants to lead the two studies in areas of reducing trade gap with China and boosting local manufacturing.

The centrality of China to India's supply chain in certain industries raises dependency and vulnerability of the Indian supply chains and production networks particularly during crisis situations such as the COVID-19 and geopolitical conflicts.

"The study would aim to develop a comprehensive action plan to bridge the trade deficit over time and align trading strategies with emerging geopolitical situation and potential risks to safeguard supply chains," NITI Aayog said in a notice posted on its website

03 ISRAEL'S PLAN FOR MORE SETTLEMENTS 'APPALLING', SAYS BORRELL

The European Union's (EU) top diplomat Josep Borrell has called the idea of Israel planning further illegal settlements in Occupied Palestinian Territories "appalling" and Israel's biggest security liability. He also called for an extension of the four day ceasefire due to expire after Monday (November 27).

Speaking at the Union for the Mediterranean conference in Barcelona on Monday (November 27), Mr Borrell referred to a figure of \$43 million that he said Israel planned to use for building new settlements.

The Foreign Minister said the "indiscriminate brutality" of Hamas's attack on Israel on October 7 could not be justified. However, he said the death toll in Gaza, which included more than 5,000 children, was "highly disproportionate".

01 SAM ALTMAN'S RETURN TO OPENAI

On November 17, the OpenAI board sacked Sam Altman, owing to his apparent lack of candid communications with the committee. However, he shocked everyone by returning as the chief executive of OpenAI late Tuesday. This was 5 days after he was fired, a chaotic period that highlighted deep tensions at the heart of the AI community. The OpenAI board that fired Sam Altman from his role as CEO of the ChatGPT creator has been almost entirely replaced following a rebellion by employees, cementing his position at the helm of the firm. The sole survivor in the boardroom in the new Altman era is Adam D'Angelo, the CEO of question-and-answer site Quora. He will be joined by ex-Salesforce co-CEO Bret Taylor and by former U.S. Treasury Secretary and president of Harvard University, Larry Summers.

02 FEMTOSECOND LASER: NOW CREATED ENTIRELY OUT OF GLASS

Scientists have created a compact femtosecond laser from glass, revolutionizing the alignment process and promising advancements in quantum optics and technology miniaturization. This innovative approach, funded by the European Research Council, is poised for commercialization. These lasers emit extremely short and consistent bursts of light and have applications in various fields such as laser eye surgery, non-linear microscopy, spectroscopy, and sustainable data storage.

Typically, commercial femtosecond lasers are constructed by mounting optical components on a substrate, like optical breadboards, necessitating meticulous alignment. While the previous lasers required going through the exercise of painful complex optical alignments, the latest glass based inventions are easy to carry and are so much more hassle free.

03 DEEPPAKE STOCK MARKET SCAMS: AI'S MISUSE TO TRICK INVESTORS

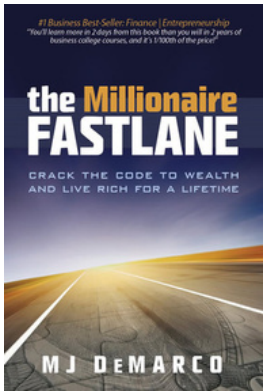
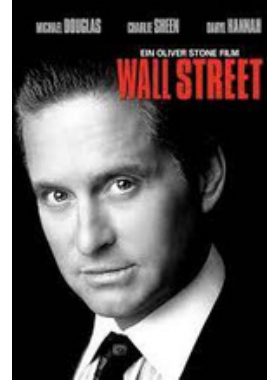
Deepfakes are artificially generated fake images, voices, and videos that are so convincing they can deceive individuals and businesses, leading to substantial personal, financial, and professional losses. The stock market is no exception and many unsuspecting victims unaware of deepfake technologies are falling prey to such scams. For instance, on November 22, Zerodha, a well-known stock market platform, reported an incident where a customer narrowly avoided a scam that could have cost them Rs 1.80 lakh. Nithin Kamath, the CEO of the company, warned that such fraudulent attacks are on the rise due to the surge of AI-powered apps capable of creating deepfakes. The sudden resurgence of these scams is because of the AI tools that are easily accessible to the public, including those with malicious intent.



MOVIE RECOMMENDATION

WALL STREET (1987)

Embark on a journey into the heart of Wall Street's intrigue with the cinematic masterpiece "Wall Street" (1987). Directed by the visionary Oliver Stone, this financial thriller takes you behind the glossy façade of the financial district, where fortunes are made and lost in the blink of an eye. As the narrative unfolds, it unveils a world of cutthroat ambition, where the line between right and wrong blurs amid the relentless pursuit of wealth. "Wall Street" is not just a movie; it's an enthralling exploration of power, greed, and the price one pays for playing the game.



BOOK RECOMMENDATION

THE MILLIONAIRE FASTLANE

"The Millionaire Fastlane," written by M. J. DeMarco, is a compelling guide that challenges conventional beliefs about wealth creation. In this thought-provoking narrative, DeMarco argues against the traditional slow-lane approach to financial success and advocates for a faster, entrepreneurial path. A must-read for those seeking unconventional and impactful strategies to achieve financial prosperity.

PODCAST RECOMMENDATION

AFFORD ANYTHING

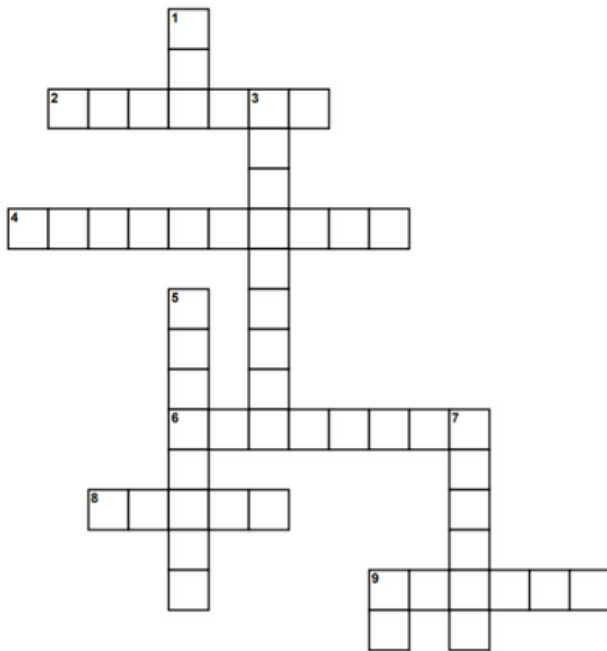
"Afford Anything" by Paula Pant is a must-listen podcast for anyone seeking financial empowerment and freedom. With a focus on the concept that you can afford anything but not everything, Paula Pant explores the intersection of money, work, and life. Through insightful interviews with experts and real-life success stories, the podcast provides actionable tips on building wealth, investing wisely, and designing a life aligned with your values.



STOCK PICKS

In recent weeks, the Indian stock market witnessed dynamic movements. Notably, Reliance Industries (RIL) soared on robust quarterly earnings, driven by its telecom and retail sectors. Conversely, Tata Motors faced a downturn due to supply chain challenges affecting production. Additionally, IT giant Infosys experienced a surge following positive global cues for the technology sector. Overall, the market displayed resilience amid diverse sectoral performances, with RIL, Tata Motors, and Infosys at the forefront of recent developments.

CROSSWORD



DOWN

1. What metric is commonly used to measure the efficiency or profitability of an investment in business or finance?
3. A persistent increase in the general price level of goods and services.
5. accounting principle states that expenses should be matched with revenues in the period they are incurred
7. A financial gain received from an investment.
9. A measure of the money supply that includes cash and checking deposits.

ACROSS

2. The excess of government spending over tax revenues.
4. A system of economic organization based on private ownership of the means of production and their operation for profit.
6. A person or entity that purchases goods or services for personal use.
8. The amount of money paid for goods or services.
9. A place where goods or services are sold.

ANSWER IN THE NEXT EDITION

Answers for previous edition

- | Across | Down |
|-----------------------|--------------------------------------|
| 1. Oligopoly | 2. Vertical Integration |
| 3. Random Walk Theory | 4. Progressive Tax |
| 5. Macroeconomics | 6. IMF (International Monetary Fund) |
| 7. Predatory Pricing | 8. FOB (Free On Board) |
| 9. Demand Curve | 10. Budget Deficit |
| 11. Liquidity Ratio | 12. Socialism |

VOCABULARY

1. ONOMATOPOEIA -formation of a word from a sound associated with what is named
2. CALAMITY - a great misfortune or disaster
3. BULBOUS - bulb-shaped (adjective)
4. IGNORAMUS - an extremely ignorant person (noun)
5. BEDLAM- a scene or state of wild uproar and confusion (noun)
6. GAMBIT -a scene or state of wild uproar and confusion (noun)
7. HAPHAZARD - characterized by lack of order or planning, by irregularity, or by randomness (adjective)

JARGONS DECODED

DTC

DTC sometimes D2C stands for direct to-consumer, which is a distribution model where by a business sells its products directly to its customers rather than relying on intermediaries such as wholesalers or retailers.

Core Competency

"Core competency" refers to a company's or individual's main skill or area of expertise.

Liquidity

This term refers to the ease with which an asset can be converted into cash without affecting its market price. It's a crucial aspect in finance and accounting to assess the financial health and stability of a business.

Depreciation

In accounting, depreciation refers to the decrease in the value of an asset over time due to wear and tear, obsolescence, or usage. It's an essential concept for businesses to accurately reflect the decrease in value of their assets over their useful life

MYTH BUSTERS

Debt increases the burden of a business owner

Debt can be cheaper for business owners because interest payments on debt are typically tax-deductible, reducing the effective cost of borrowing. Also, taking on debt doesn't dilute ownership or control of the company, unlike equity financing where selling shares can reduce the owner's stake in the business. However, the downside of debt is the obligation to repay it, regardless of the business's profitability, which can create financial pressure.

Entrepreneurship is for the Young and Tech-Savvy


Contrary to the stereotype of young, tech-savvy entrepreneurs dominating the startup scene, entrepreneurship knows no age limit or technological prerequisite. Successful businesses can be founded by those with industry experience, and traditional and niche ventures can thrive with a thoughtful approach. Entrepreneurship welcomes those willing to learn and adapt, regardless of when they start or their comfort with technology.

FORTUNE'S FABLES

AMUL SELLS WHEN OTHERS FAIL

During the COVID-19 pandemic, Amul, India's leading dairy cooperative, experienced a surge in sales due to changing consumer habits. As people stayed home and cooked more, the demand for Amul's dairy products like milk, butter, cheese, and yogurt rose. Their widespread distribution network ensured uninterrupted supply even during lockdowns. Embracing digital platforms for marketing and home deliveries catered to changing consumer preferences for contactless shopping. Amul's commitment to farmers and quality further strengthened consumer trust. By adapting swiftly and staying true to its values, Amul thrived amidst a challenging business landscape, emerging as a success story during the pandemic.





“Great things are done by a series of small things brought together.” – Vincent Van Gogh

Thank you for reading!

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

