

THE COMSOC GAZETTE



FINANCE AND INVESTMENT

STOCK MARKET

STARTUPS

ECONOMY

GEO POLITICS

SCIENCE AND TECH

COMSOG GENIE

MARCH 2024

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FINANCIAL FORESIGHTS

01 STOCKS IN FOCUS: PAYTM, VEDANTA, IIFL FINANCE, RIL, BLUE STAR

Thursday saw a strong rebound for bulls after Wednesday's sell-off, notably in broader markets facing recent pressures. Key stocks driving attention today are Paytm, gaining NPCI approval as a TPAP on UPI infrastructure. Vedanta's demerger plans may encounter resistance from minority shareholders and creditors, as indicated by a Fitch Solutions report. IIFL Finance faces a 'Rating Watch Negative' following RBI's directive to halt new gold-backed lending. Blue Star announced a significant Rs 250 crore investment for expanding AC manufacturing at its Sri City facility in Andhra Pradesh. RailTel secured a substantial Rs 113.46 crore work order from Odisha Computer Application Centre. Biocon witnessed its CFO's resignation. Additionally, Eris Lifesciences finalized the acquisition of commercial rights to Biocon Biologics' India Branded Formulations business, setting the stage for a long-term collaboration aimed at broadening patient access to essential healthcare products across India.

02 SENSEX SINKS 454 POINTS ON BROAD-BASED SELLING, NIFTY NEAR 22,000

Indian equity indices closed lower on Friday, dragged by financial, auto and IT stocks on concerns about delays in US rate cuts, while small and midcap stocks declined as stress test results of mutual funds trickled in. The 30-share BSE benchmark Sensex declined 454 points or 0.62% to settle at 72,643. The broader NSE Nifty dropped 123 points or 0.56% to end at 22,023.

Small and midcap stocks logged their worst week in 15 months on rising concerns of froth in the segments and as stress test results indicated a disparity in the durations that funds would take to liquefy their portfolios. From the Sensex pack, M&M, Tata Motors, NTPC and HCL Tech were the top laggards, falling 2-5%. On the other hand, only Bharti Airtel, Bajaj Finance, Bajaj Finserv, IndusInd Bank and TCS ended with gains. Nifty IT index declined 0.5% following a hotter-than-expected U.S. inflation reading, which fuelled worries over the Federal Reserve's future rate trajectory. IT companies earn a major share of their revenue from the U.S

03 SEBI AMENDS REGULATIONS TO EASE THE IPO PROCESS FOR COMPANIES

SEBI has approved significant amendments to regulations to enhance the ease of doing business for companies seeking IPOs or fundraising. The requirement of a 1% security deposit in public/rights issues of equity shares has been eliminated. Promoter group entities and non-individual shareholders holding over 5% of post-offer equity share capital can now contribute to the minimum promoters' contribution without being identified as promoters. Equity shares resulting from the conversion of compulsorily convertible securities held for a year before filing the DRHP will count towards the MPC requirement. Adjusting the size of an OFS has been simplified, now based on either the issue size in rupees or the number of shares disclosed in the draft offer document.

01 MARKET MULTIBAGGER: TECH TRIUMPH

Dixon Technologies (India) Ltd has emerged as a standout in the Indian stock market, witnessing a remarkable ascent in recent years. With over 1300% growth in the past five years and a staggering 150% increase in the last year alone, Dixon has caught the attention of both mutual funds and insurance giant LIC. Despite market volatility, its share price has shown resilience, surging 10% in the past month and 40% in the last six months. Notably, an investment of ₹1 lakh in Dixon shares a year ago would now be valued at ₹2.50 lakh, showcasing its multibagger potential. Mutual funds hold a significant stake, with HDFC Mutual Fund and Nippon Life India Trustee among the top holders. LIC, too, holds a notable portion of the company's shares.

02 STOCK MARKET SWINGS AMID GROWTH UPSURGE

On March 15, the Indian stock market, represented by the Nifty 50 and the Sensex, faced notable declines amidst investor caution over lofty valuations and global uncertainties. The anticipation of the upcoming Fed meeting added to market jitters, although India's promising macroeconomic outlook continued to attract long-term investors. Fitch Ratings revised India's GDP growth estimates upward for FY24 and FY25, citing domestic demand and confidence improvements. The Nifty 50 closed at 22,023.35, down 123 points, while the Sensex ended at 72,643.43, marking a loss of 454 points. Top gainers included UPL, Bharti Airtel, and HDFC

Life Insurance Company, whereas Mahindra and Mahindra, BPCL, and Coal India were among the top losers. Sectoral indices mostly ended negatively, with Nifty Oil & Gas and Auto indices leading the losses. Analysts foresee consolidation in the market, with opportunities emerging in select mid and small-cap stocks amidst a gradual decline until key levels are reclaimed.

03 INDIAN MARKET BOOMS: \$1.7B INFLUX FROM FTSE INDEX

The March FTSE Index rejig is set to drive over \$1.7 billion in passive inflows into the Indian stock market, primarily targeting BFSI stocks like HDFC Bank, ICICI Bank, Kotak Mahindra Bank, and Sundaram Finance, according to Nuvama Institutional Equities. FTSE's semi-annual review includes 16 Indian companies in its main index, with 66 stocks expecting inflows and 14 facing outflows. Notably, HDFC Bank leads with \$511 million in inflows, followed by ICICI Bank with \$381 million, Kotak Mahindra Bank and Sundaram Finance with \$149 million and \$113 million respectively. Conversely, Reliance Industries anticipates an outflow of \$42 million. BSE's S&P BSE Indices will also see changes effective March 18, though Nuvama Equities regards the Sensex rejig as a minor event, with Maruti Suzuki expecting the highest inflow of \$15 million, and Larsen & Toubro facing the highest outflow of \$23 million, alongside other adjustments.



01 DELHIVERY: NAVIGATING THE E-COMMERCE EXPRESSWAY

Delhivery, an Indian logistics and supply chain powerhouse with its headquarters in Gurgaon, was founded in 2011 by Sahil Barua, Mohit Tandon, Bhavesh Mangalani, Sooraj Saharan, and Kapil Bharti and it boasts of extensive infrastructure, company has over 85 fulfilment centres, 38 automated sort centres, 160 hubs, and operates with a network of 7,500+ partner centres and 3,500+ direct distribution centres by 2021. Primarily, Delhivery revenue is fueled by providing close to three-team logistics and distribution services from e-commerce firms, accounting for about two-thirds of revenue.

Initially launched in May 2011 as SSN Logistics Ltd, Delhivery began its journey as a hyperlocal express delivery service offering offline stores offering local delivery items like flowers and groceries in Gurugram but a growing landscape of online retail and e-commerce in India founders Barua and Tandon, caught the attention of Bain & Company's former advisors, who saw the huge potential of the project. Seeing the shift in consumer behaviour, Delhivery soon shifted its focus to products to foreign affairs services for e-commerce businesses. By June 2011, Delhivery signed its first major contract with online fashion and beauty retailer Urban Touch, beginning its transformation into a major logistics player. Months later, the company completely shifted to meeting the logistics needs of many e-commerce companies. Delhivery's journey of growth and success has been fueled by significant capital investments, including an impressive injection

of ₹2,347 crore (US\$290 million) from 64 anchor investors ahead of its much-awaited initial public offering (IPO) in May 2022.

02 NYKAA IN THE SPOTLIGHT

Headquartered in Mumbai, Indian e-commerce giant Nykaa is a beacon of success in the beauty, wellness, and fashion industry. Falguni Nair, of Kotak Mahindra Capital Co., founded by the executive director, in April 2012, Nykaa immediately rose to prominence as the go-to destination for more beauty and fitness products. It encapsulates the mission perfectly having transitioned from an online-only platform to an omnichannel model in 2015, Nykaa expanded its offerings beyond beauty, unveiling over 2,000 products by 2020 and over 200,000 products such as Unicorn Lady The First Leadership.

The company's journey reached new heights with its historic initial public offering (IPO) in October 2021, raising ₹5,352 crore (US\$670 million) at a valuation of US\$7.4 billion. In November 2021, Nykaa rose to the top surprise in its first IPO on NSE and BSE, where its price rose to around US\$1.13 billion on opening day, propelling founder Falguni Nair's 53.5% stake to the summit as India's richest female billionaire. With its blend of innovation, integration, and entrepreneurial spirit, Nykaa continues to shine in the Indian business landscape, attracting customers both online and offline with diversity and an unwavering commitment to excellence.

01

UNICORNS TO ADD \$1 TRILLION TO THE ECONOMY BY 2030, GENERATE 50 MILLION JOBS: CII STUDY

According to a report released by the Confederation of Indian Industry (CII), the Indian economy, which is expected to achieve the remarkable feat of \$7 trillion by 2030, will benefit exponentially from Unicorns as they are expected to contribute \$1 trillion to the economy thereby creating 50 million new jobs. The report, 'Unicorn 2.0: Adding the Next Trillion' has been prepared with McKinsey & Company as the knowledge partner. Remarkably, the first unicorn was witnessed in India in 2011 and after a decade, India has surpassed the mark of 100 unicorns. Notably, as of January 2024, the total valuation of 113 unicorns is \$350 billion. According to the findings of the CII report, India's 100-plus unicorns and about 100,000 startups have contributed a significant 10 to 15 per cent to GDP growth between 2016 and 2023.



Confederation of Indian Industry

02

INDIA'S FEBRUARY TRADE DEFICIT WIDENS TO \$18.71 BILLION, EXPORTS AT AN 11-MONTH HIGH

The Commerce Ministry stated that India's merchandise trade deficit widened to \$18.71 billion in February from \$17.49 billion in January. Although the trade deficit widened in February, exports rose by 11.9 per cent from the year-ago period to \$41.40 billion and imports were up 12.2 per cent at \$60.11 billion. Astonishingly, imports were at a four-month high. At \$41.40 billion, India's merchandise exports in February were the highest in 11 months surpassing their previous peak of \$41.96 billion in March 2023. Commerce Secretary Sunil Barthwal told the media, "Despite the Ukraine war, Suez Canal, tight monetary policies in the Western world and fall in commodity prices, February trade data has surpassed all our expectations, with highest export growth achieved in both goods and services in the last 11 months," Overall trade deficit for April-February 2023-24 (goods and services) is estimated at \$72.24 billion as compared to the deficit of \$116.13 billion during the same period in 2022-23, registering a decline of 37.80 per cent.

03

Q3 GDP NUMBERS ABSOLUTELY MYSTIFYING, DIFFICULT TO COMPREHEND, SAYS FORMER CEA ARVIND SUBRAMANIAN

In a shocking turn of events, Former chief economic adviser Arvind Subramanian said India's latest GDP numbers are 'absolutely mystifying' and difficult to comprehend. Remarkably, India's economy has grown rapidly, at the fastest pace in 1.5 years, by 8.4% in the last 3 months of 2023. The NSO has also revised GDP estimates for the first and second quarters of this fiscal to 8.2 percent and 8.1 percent from 7.8 percent and 7.6 percent, respectively. Delving further, he stated that although the implied inflation is merely 1 to 1.5 %, the actual inflation in the economy is between 3 and 5%. He astutely pointed out that the economy is growing at an exceptional rate of 7.5% even though private consumption is at 3%. He also marvelled at the fact that errors and omissions, in the latest data, which are not accounted for are 4.3 percentage points out of the estimated 7.6% growth of FY24

THE GLOBAL CHESSBOARD

01 NETANYAHU GIVES NOD TO RAFAH ASSAULT AMID CEASEFIRE TALKS

Israeli Prime Minister Benjamin Netanyahu, on Saturday approved the plans to invade Rafah, Gaza's southernmost City. Rafah is currently the refuge for 1.4 million displaced Palestinians who have sought shelter after fleeing the northern part during the first phase of the war. This comes amid the ceasefire proposal presented by Hamas on Friday, which was rejected by Israel. Israel's allies and critics warned Netanyahu against the invasion of Rafah fearing mass civilian casualties, but the Israeli government claims that the area in southern Gaza is one of the last strongholds of Hamas which it has pledged to eliminate.



02 BIDEN VS TRUMP AGAIN!

In a political rematch of historic proportions, Donald Trump and Joe Biden are set to square off once more in the 2024 presidential race. Both have secured their respective parties' nominations setting the stage for a déjà vu moment in American politics, amidst vigorous campaigns and polarising political landscape.

Trump continues to galvanise his base with his populist appeal, promises to 'Make America Great Again' and his claims about the 2020 election being rigged. On the other hand, Biden aims to leverage his experience and promise progressive reforms as well as to heal the divisions in the country. With the stakes being high for both the US and the world order, the 2024 election promises to be a tumultuous one.

03 RUSSIA STRIKES ODESA

A Russian ballistic missile attack devastated a residential area in Ukraine's Odesa, killing over 20 and injuring more than 70. President Zelenskiy vowed a "fair response," condemning the assault as "vile." Two Iskander-M missiles from Russian-occupied Crimea caused significant damage to infrastructure and utility lines. Among the casualties were a medic, rescuer, senior police officers, and a former deputy mayor. The attack intensified the city's daily bombardments, with residents facing gas and electricity shortages. Zelenskiy pledged Ukrainian forces would retaliate. Blood donations surged as locals rushed to aid the injured. Saturday was declared a day of mourning in Odesa.



01 SWEDISH RESEARCHERS PIONEER BREAKTHROUGH IN 2D MATERIALS

Researchers at Linköping University in Sweden have made a significant breakthrough in the creation of incredibly thin materials with amazing capabilities. These materials are only a few atoms thick. The large surface area that these two-dimensional materials provide in relation to their size allows for a wide range of applications, including fuel production, water purification, and energy storage. The group studied MXenes, a noteworthy family of 2D materials made from exfoliated MAX phases, under the direction of Professor Johanna Rosén. By using forecast techniques, they were able to identify 119 possible 3D materials that could be transformed into 2D shapes. They successfully synthesised Ru₂Si₆O₁₃, a unique 2D material, through rigorous testing, which was confirmed by cutting-edge microscopy. This discovery raises the possibility of a wide range of unexplored 2D materials with revolutionary potential, ranging from water treatment to carbon capture. Professor Rosén highlights the limitless potential of two-dimensional materials and the necessity of sustainable synthesis techniques to increase their production for real-world uses.

02 ICECUBE OBSERVATORY DETECTS ASTROPHYSICAL NEUTRINOS

Scientists at the IceCube Neutrino Observatory have discovered evidence for astrophysical tau neutrinos, elusive subatomic particles originating from the distant universe. Using over 5,150 digital optical modules embedded deep within Antarctic ice, they detected seven candidate tau neutrino events in a decade of data. These particles, among the high-energy astrophysical neutrinos, are notoriously difficult to observe due to their minimal interaction with matter, earning them the nickname "ghost particles." By training convolutional neural networks to distinguish between tau neutrino signatures and background processes, researchers confirmed the presence of these elusive particles, providing further validation of IceCube's earlier discovery of the diffuse astrophysical neutrino flux. This breakthrough opens new avenues for understanding the universe's most remote phenomena.

03 ENGINEERS DEVELOP DNA-BASED BIOCOMPUTER

Engineers from RIT and the University of Minnesota have developed a method to process data stored in DNA. Their "microfluidic integrated circuit" utilizes artificial neural network computations on DNA-stored data. Amlan Ganguly, the co-author of the study in PLOS One, highlights the unsustainability of traditional data centres, urging the exploration of alternative storage solutions. DNA, efficient at information storage, offers compactness and durability. Researchers aim to manipulate DNA molecules for computing operations, potentially revolutionizing storage and processing. This approach enhances forensics, and biomedical applications, and promises robust storage systems for improved data retrieval. The microfluidic system acts as a sensor and computer, employing nanotech sensors in channels for processing liquid sample molecules, and merging DNA storage with computational operations.

MOVIE RECOMMENDATION

EQUITY (2016)

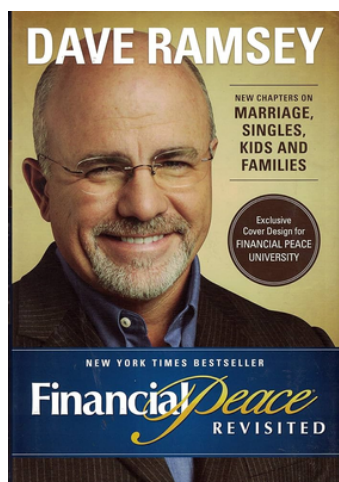
"Equity" is a financial thriller from 2016, directed by Meera Menon, set in Wall Street. It explores power, ambition, and gender dynamics in investment banking, starring Anna Gunn, Alysia Reiner, and Sarah Megan Thomas. The film follows a senior investment banker navigating career challenges. With sharp dialogue and plot twists, "Equity" offers insight into ambition and integrity in finance.



BOOK RECOMMENDATION

FINANCIAL PEACE REVISITED

Financial Peace Revisited revisits Dave Ramsey's journey from financial success to bankruptcy and back, emphasizing the concept of financial peace, having enough money to meet needs and wants without stress. Ramsey introduces the Seven Baby Steps, outlining a roadmap to financial stability. Steps include establishing an emergency fund, paying off debt with the debt snowball method, saving 3-6 months of expenses, investing into retirement, funding children's college, paying off the home early, and building wealth while giving generously. Ramsey emphasizes prudent money management over income level for achieving financial peace.



PODCAST RECOMMENDATION

BIGGERPOCKETS PODCAST

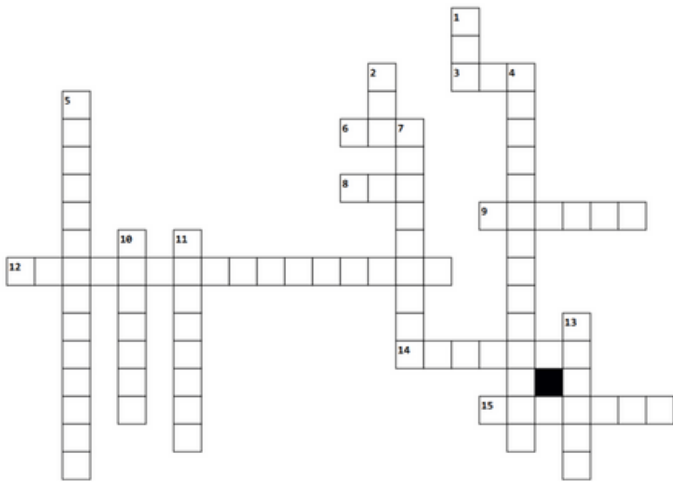
The BiggerPockets Podcast, launched in 2013 by hosts Joshua Dorkin and Brandon Turner, offers practical advice and insights from real estate experts in over 500 episodes. Covering property flipping, rental properties, and passive income strategies, it's a valuable resource for investors. With an engaging format, it has become a go-to platform for aspiring real estate entrepreneurs.



STOCK PICKS

ITC Limited is a versatile conglomerate with a strong foothold in FMCG, agri-business, hotels, and IT sectors. Leveraging innovation and sustainability, ITC thrives amidst urbanization and rising incomes in India. Its commitment to quality and social responsibility fosters a loyal customer base. With a focus on diversification and innovation, ITC emerges as an underdog stock with promising growth potential in the Indian market, making it a compelling investment opportunity.

CROSSWORD



DOWN

1. Short for "free on board"
2. Technique for optimizing search engine rankings
4. Store with a physical location
5. Evaluating a product's potential success, competition, consumer needs and preferences etc
7. A person who delivers goods to customers
10. Online reviews left by customers
11. reduction in MRP to attract customers
13. Holding purchased items until payment is received

ACROSS

3. Short for "business-to-business"
6. Short for "cash on delivery"
8. Secure payment gateway for online transactions
9. Digital wallet for online transactions
12. A person who oversees a company's marketing efforts
14. Process of returning unwanted items
15. Company that provides shipping and logistics services

ANSWER IN THE NEXT EDITION

Answers for previous edition

Across

1. NYSE
6. NAFTA
7. Deficit
8. WTO
9. Japan
12. Eurozone
13. Devaluation
14. Export

Down

2. Exchange
3. Laissez faire
4. Stock Index
5. Law of Demand
10. Yen
11. GDP

VOCABULARY

1. SCOURGE- Something causing misery or death
2. REVERIE An abstracted state of absorption
3. REPERCUSSION- A remote or indirect consequence of some action
4. SOLILOQUY- Speech you make to yourself
5. MEA CULPA- An acknowledgement of your error or guilt
6. MACHETE- A large knife used as a weapon or for cutting vegetation
7. TEMERITY- Fearless daring
8. DISTRAIT- Having the attention diverted especially because of anxiety
9. DISTRAUGHT- Deeply agitated especially from emotion
10. PROTEAN- Taking on different forms
11. LANGUID- Lacking spirit or liveliness



JARGONS DECODED

Brick-and-Mortar

This refers to a physical store that you can visit in person to browse and purchase products. As opposed to online stores, brick-and-mortar stores offer a tangible shopping experience where customers can touch, feel, and try on items before buying.

Just-in-Time (JIT)

This is an inventory management system where companies aim to minimise the amount of inventory they hold. JIT helps to reduce storage costs, minimizes the risk of obsolescence, and ensures a steady flow of materials for production. However, it requires efficient supply chain management and strong relationships with suppliers.

Omnichannel

This refers to a retail strategy that provides a seamless customer experience across all channels, whether online, mobile app, or physical stores. Omnichannel strategies ensure that customers can easily research products online, and then purchase them in-store or vice versa.

Disruptive Innovation

This describes a new product or service that significantly alters how an industry functions. For example, the rise of e-commerce disrupted traditional brick-and-mortar retail by offering a more convenient and accessible way for consumers to shop. Disruptive innovations can create new markets, displace existing businesses, and force established players to adapt.

MYTH BUSTERS

Friends make great business partners

It cannot be guaranteed that friends will excel as business partners. In the realm of business partnerships, it's crucial to express viewpoints assertively, even if it means addressing each other's shortcomings or questionable decisions. Can your friendship withstand such challenges? Moreover, the involvement of money can significantly alter people's behaviour, particularly if they feel shortchanged. If you do opt to enter into a business venture with a friend, it's imperative to ensure that all agreements are legally airtight.

Customers will come to you

The notion that customers will naturally gravitate towards your business is a misconception. Even in markets where customers actively seek out products, the sheer volume of competition and information creates a cacophony that can obscure any clear path for consumers. It's essential to actively engage with potential customers and articulate why your company and products stand out. This is precisely where effective marketing strategies come into play. Neglecting to target relevant audiences with your marketing efforts can result in difficulties generating sales, ultimately impeding your ability to turn a profit.

FORTUNE'S FABLES

In 1978, Ben Cohen and Jerry Greenfield launched their ice cream business with tight funds, pooling \$8,000 and taking out a \$4,000 loan. Cohen's limited sense of smell led them to create intensely flavoured ice cream, which gained popularity. Despite their limited business education, they marketed indulgence with a relatable image. Facing competition from Pillsbury's Haagen-Dazs, they ran a successful campaign against Pillsbury's attempts to squash their market share. Ben & Jerry's rapid growth led to a lucrative sale in 2000, allowing Cohen and Greenfield to step down while the company continued to thrive as a global ice cream powerhouse.

“When everything seems to be going against you, remember that the aeroplane takes off against the wind, not with it” - Henry Ford

Thank you for reading!

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

