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**GOMSOG GENIE**

## THE COMMERCE SOCIETY, SRCC



# 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



## 01 RBI TO BOOST GOVERNMENT SPENDING WITH ₹1 LAKH CRORE TRANSFER

The Reserve Bank of India is likely to transfer a significant sum, around ₹1 lakh crore (\$12.3 billion USD), to the government in the next fiscal year (FY25). This infusion of funds is expected to provide a much-needed boost to government spending on infrastructure development projects, with an estimated allocation of ₹40,000 crore (\$4.9 billion USD) planned.

Additionally, the remaining funds could be directed towards social programs and other initiatives. This increased spending is projected to stimulate economic growth by creating an estimated 2 million new jobs and boosting demand for goods and services by up to 7%. However, it's crucial to ensure efficient utilization of these funds to maximize their impact on the economy.

## 02 RETAIL INFLATION DIPS IN INDIA

India's retail inflation rate, as measured by the Consumer Price Index (CPI), dipped to a near one-year low of 4.8% in April 2024. This marks a significant drop from the 6.2% recorded in March 2024. The easing of price pressures could allow the Reserve Bank of India (RBI) to maintain its current accommodative monetary policy stance.

This, in turn, could lead to lower interest rates for borrowers, potentially stimulating investment and consumer spending by as much as 5 % in the

coming quarters. However, the RBI will need to monitor inflation closely to ensure it remains within its target range of 4-6%.



## 03 ROBUST GOVERNMENT SPENDING FUELS OPTIMISM FOR INDIAN GROWTH

There's optimism about India's economic growth, fueled by factors like robust government capital expenditure (capex) on infrastructure development. The government has budgeted a record ₹8 lakh crore (\$98.4 billion USD) for capex in FY25, a 20% increase from the previous year. This increased spending on roads, bridges, and other infrastructure projects is expected to create jobs in the construction sector, with an estimated addition of 1 million new jobs.

Additionally, this investment can stimulate related industries like steel and cement, potentially leading to a 10% increase in production. Coupled with improving business confidence, this surge in government spending could lead to a positive outlook for the Indian economy in the near future, with GDP growth projected to reach 7% in FY25.

## 01 HINDUSTAN AERONAUTICS STOCK HITS NEW HIGH AS UBS PREDICTS 28% GROWTH

Shares of Hindustan Aeronautics Limited (HAL) reached a new 52-week high, climbing over 3 percent to Rs 4,064 per share on May 14, 2024, following a favourable evaluation from global brokerage firm UBS. UBS upgraded their target price for HAL from Rs 3,600 to Rs 5,200, suggesting a potential 28 percent increase from the current level. This optimistic forecast is based on several factors: an increase in the scale of HAL's order book, reduced competition, and enhanced opportunities in exports. These developments contributed to UBS's decision to maintain a 'buy' call on HAL stocks. So far this year, HAL's shares have significantly outperformed the Nifty 50, with a rise of over 33 percent compared to the Nifty's 2 percent increase during the same period.

## 02 JUPITER LIFE LINE SHARES SURGE ON STRONG FINANCIAL PERFORMANCE AND EXPANSION PLANS

Shares of Jupiter Life Line Hospitals experienced a significant rise of nearly 7% following robust financial results for the fourth quarter ending March 2024. The company reported a substantial 187% increase in consolidated net profit for Q4FY24, reaching Rs 45.3 crore, while total income for the quarter rose by 20% to Rs 291.4 crore. For the full year, Jupiter Life Line's net profit surged 142% year-on-year to Rs 176.6 crore, with annual total income also increasing by 20%

to Rs 1,073.4 crore. In addition to its strong financial performance, Jupiter Life Line announced plans to double its capacity to 2,500 beds in Western India over the next five years by adding approximately 1,300 beds across three new hospitals. This growth strategy contributed to the company's stock price increase, which has climbed 30% over the past six months, outperforming the Nifty 50's 13% gain during the same period.

## 03 ZOMATO STOCK DECLINES AMID RISING ESOP COSTS AND NEW STOCK OPTION PLAN

Zomato's stock experienced a decline of up to 6% on May 14 due to anticipated increases in the costs associated with its Employee Stock Ownership Plan (ESOP). The ESOP cost for Zomato nearly doubled in the March quarter, jumping from Rs 84 crore the previous year to Rs 161 crore. This rise is set to continue into FY25, particularly as Zomato plans to issue ESOPs to the leadership team of Blinkit and other senior employees. Concurrently, Zomato has proposed a new ESOP scheme involving 18.2 crore shares valued at over Rs 3,500 crore. This plan, pending shareholder approval, aims to gradually distribute shares to employees over the coming years. Despite the growing ESOP expenses, Zomato reported a substantial improvement in its financial performance for the fourth quarter (Q4FY24), with a net profit of Rs 175 crore compared to a net loss of Rs 188 crore in the same quarter last year, and a 73 percent increase in revenue to Rs 3,562 crore.

## 01 HOW DID GROWW GROW?

Groww was founded by four former Flipkart employees. In 2017, Lalit Keshre along with three friends from Flipkart, Harsh Jain, Neeraj Singh, and Ishan Bansal, started Groww as a direct mutual fund distribution platform. Keshre, an IIT graduate had earlier built an edtech startup before shutting it down.



Groww began by raising an undisclosed seed round in January 2018, led by CureFit founders Mukesh Bansal and Ankit Nagori along with Y Combinator. The next—pre-Series A of \$1.1 million—happened in six months. Next year again, there were two quick rounds. Series A of \$6.2 million in January 2019, and Series B of \$21.4 million in September. The pandemic year (2020) saw just one round of \$30 million in September, and then came the unicorn round in April 2021 when the company raised \$83 million in a round led by Tiger Global. By October 2021, Groww raised Series E funding of \$251 million at

a valuation of \$3 billion, led by ICONIQ Growth along with other investors, including Alkeon, Lone Pine Capital and Steadfast. All that has meant that Groww is flush with funds to acquire customers.

Currently, Fintech company Groww announced that it finished the transmission of its headquarters from the US back to India in March this year.

## 02 FINSHOTS BECOMING BIG SHOTS?

It all started when Pawan, Bhanu & Shrehith were still in their second year of MBA at IIM-Ahmedabad, they conceived the idea for Finshots, a ‘three-minute daily newsletter’ encompassing everything about business and finance in a language that a layman could easily comprehend.

Well, that, and the desire to not become a part of the corporate culture and traditional 9-to-5 jobs. Drawing a blueprint of their potential problems and challenges, doing their market research, and experimenting with ideas for Finshots during college, they dreamt of building a source that didn’t headline or sensationalise the news but helped its readers understand the backdrop of a particular financial headline. They were later joined by Bhanu’s brother, Lokesh, who now looks after building technology at Finshots.

Currently, Finshots is trying to become the go-to newsletter for all the groups with it picking up pace with today’s youth.

## 01 ROBIN HOOD ECONOMICS CANNOT WORK ANYMORE: SITHARAMAN SLAMS CONGRESS

The Congress idea of wealth redistribution was nothing but robbing Peter to pay Paul, something that was not only an outdated approach but also an irresponsible one, Union Finance Minister Nirmala Sitharaman told Financial Express in an exclusive interview. "These are not the days of Robin Hood," she said. "The methodology Congress has been adopting is very insidious. They have been constantly talking about carrying out X-rays of wealth and caste census. They say their poll manifesto doesn't talk about wealth redistribution, but their leaders are saying the same thing again and again," Sitharaman said.

## 02 IMF ISSUES WARNING OF SIGNIFICANT DOWNSIDE RISKS FOR PAKISTAN'S ECONOMY

The International Monetary Fund (IMF) has issued a stark warning about Pakistan's economic future, highlighting exceptionally high downside risks in its latest report. The report, released ahead of talks between the Pakistani government and the IMF on a new long-term programme, underscores concerns about the country's stability and the challenges it faces, Dawn reported. According to the IMF staff report, "Downside risks remain exceptionally high. While the new government has indicated its intention to continue the SBAs (standby arrangement) policies, political uncertainty remains significant."

## 03 514 MILLION PERSON-YEARS EMPLOYMENT CREATED DURING 2014-24

A SKOCH report on Monday claimed that 51.40 crore person years of employment was generated between 2014 and 2024 during the Modi government regime. A man-year or person-year is a unit of measurement for the amount of work done by an individual throughout the entire year expressed in hours. The report titled, Employment Generative Impact of ModiNomics: The Paradigm Shifts, is based on 80 case studies covering borrowers who took multiple loans and data of various government schemes. "Over a period between 2014-24, a total of 51.40 crore employment has been generated. Out of which 19.79 crore employment has been generated by governance-led interventions. The rest, 31.61 crore, has been contributed by credit-led interventions," a release said.





# THE GLOBAL CHESSBOARD

05

## 01 MALDIVES GETS IMF DEBT WARNING AS MORE CHINESE LOANS LOOM

On Monday, the IMF warned the Maldives of potential "debt distress" as the nation plans to increase borrowing from China. President Mohamed Muizzu, since taking office last year, has shifted the Maldives' foreign policy away from traditional ally India towards Beijing. This realignment comes as the strategically located tourist destination, famous for its luxury beach resorts, faces mounting debt concerns. The IMF's caution highlights the risks associated with the Maldives' growing dependence on Chinese loans, emphasizing the financial challenges that could arise from this increased borrowing.



## 02 MELINDA FRENCH GATES RESIGNS AS GATES FOUNDATION CO-CHAIR

On May 13, Melinda French Gates announced her resignation as co-chair of the Bill & Melinda Gates Foundation, which she co-founded with Bill Gates. In a statement on the X platform, she expressed pride in the foundation's work but felt it was time to focus on her philanthropic efforts through Pivotal Ventures. The foundation will be renamed the Gates Foundation, with Bill Gates as the sole chair. French Gates will receive \$12.5 billion from Bill Gates for her future philanthropic endeavours. CEO Mark Suzman praised her contributions, especially in gender equity, as she plans to concentrate on women's rights.



## 03 BIDEN BLOCKS CHINESE-BACKED CRYPTO MINING FIRM FROM LAND OWNERSHIP NEAR WYOMING MISSILE BASE

On May 13, President Joe Biden ordered the Chinese-backed cryptocurrency mining firm MineOne Partners Ltd. to divest its property near Wyoming's Francis E. Warren Air Force Base, citing national security concerns. The order, enforced by the U.S. Committee on Foreign Investment, requires MineOne to remove equipment from the site within 90 days and sell the land within 120 days. The Treasury Department highlighted risks related to foreign-sourced equipment potentially enabling surveillance. This move aligns with upcoming U.S. tariffs on Chinese imports and signals a bipartisan commitment to addressing security threats from China.



## 01 NASA DISCOVERS REASON BEHIND SUN'S SUPERHEATED ATMOSPHERE

NASA, led by an Indian astronomer, revealed findings on the solar corona's extreme heat. Like moss on wet rocks, plasma structures form on the Sun's surface. These 'moss' regions, linked to lower atmospheres, reach 550,000°C, driven by chromospheric jets and magnetic fields. NASA's Hi-C and IRIS missions studied this phenomenon, uncovering electrical currents' role in heating. Strong magnetic fields in sunspots influence this process, tangling magnetic lines and generating currents. This research sheds light on solar dynamics, crucial for understanding space weather's impact on Earth. Future studies aim to delve deeper into this fascinating area.

## 02 SOLAR STORM MAKES AURORA BOREALIS VISIBLE AROUND THE WORLD

The Aurora Borealis, usually seen in northern regions, graces skies over North America and parts of India due to a colossal solar storm. Triggered by solar flares, the phenomenon results from charged particles colliding with Earth's atmosphere, creating vibrant hues. The recent storm, classified as G4, disrupts Elon Musk's Starlink satellites and poses risks to power and communication systems. Solar flares induce magnetic field fluctuations, potentially damaging hardware and causing network outages. Similar events in 2003 caused chaos in Sweden. With ongoing sunspot activity, experts anticipate

continued aurora displays. This unusual occurrence highlights both the beauty and disruptive potential of space weather.

## 03 U.S. RESTORATIONIST RECONSTRUCTS DINOSAUR FOSSILS

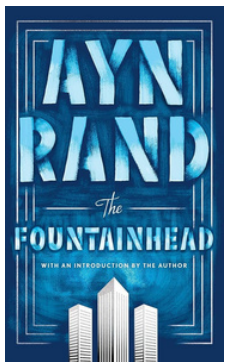
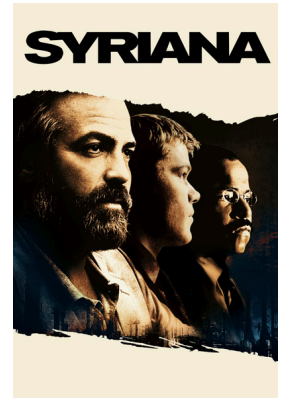
Lauren McClain, a restorationist based in Texas, meticulously reconstructs dinosaur fossils, likening the process to assembling a giant 3D puzzle. Working from her home workshop, she delicately cleans dirt from ancient remains and fills in missing pieces using her expertise and a dentist-like drill. Despite not being fond of puzzles, McClain finds joy in bringing dinosaurs back to life through her work. With a childhood passion for dinosaurs nurtured by "Jurassic Park," she transitioned from graphic design to full-time fossil restoration. Her dedication shines as she collaborates with palaeontologists to ensure accuracy, employing patience and keen observation in every restoration project.



## MOVIE RECOMMENDATION

### SYRIANA

"Syriana," directed by Stephen Gaghan in 2005, is a complex political thriller delving into the nexus of oil, politics, and power in the Middle East. Through intertwining storylines involving CIA operatives, oil industry executives, and Middle Eastern leaders, the film exposes the intricate web of interests and conflicts shaping global geopolitics. With stellar performances by actors like George Clooney and Matt Damon, "Syriana" provides a thought-provoking examination of the complexities and consequences of international relations.



## BOOK RECOMMENDATION

### THE FOUNTAINHEAD

This novel explores themes of individualism, innovation, and entrepreneurship through the story of an uncompromising architect named Howard Roark. The book offers insightful perspectives on the nature of creativity, integrity, and success in the business world. "The Fountainhead" is celebrated for its thought-provoking narrative and rich character development, making it a compelling read for anyone interested in exploring the intersections of commerce and personal values.

## PODCAST RECOMMENDATION

### MACRO VOICES

"Macro Voices," hosted by hedge fund manager Erik Townsend, is a top-rated podcast offering in-depth analysis on global macroeconomic trends, financial markets, and geopolitical developments. With interviews featuring leading experts, analysts, and investors, the podcast provides valuable insights into how geopolitical events influence financial markets. Whether you're an investor or interested in finance and geopolitics, "Macro Voices" delivers valuable weekly insights.

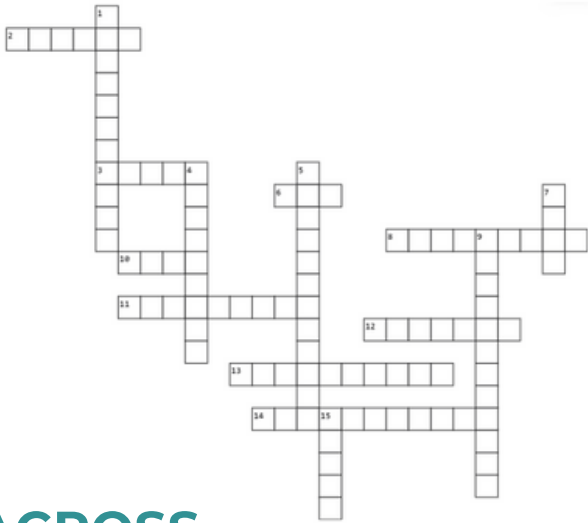


## STOCK PICKS

### PROCTER&GAMBLE CO.

P&G operates in several business segments, including Fabric & Home Care, Baby, Feminine & Family Care, Beauty, Healthcare, and Grooming. The company's revenues and earnings have shown resilience even during economic downturns, thanks to its focus on essential consumer goods and brand strength. P&G is considered a "dividend aristocrat," a designation for companies that have consistently increased their dividends for at least 25 consecutive years. Overall, P&G stock is considered a stable and reliable investment option, suitable for investors looking for a blue-chip stock with consistent dividends and long-term growth potential. However, as with any investment, it's essential to conduct thorough research and consider your own investment objectives and risk tolerance before investing in P&G or any other stock.

## CROSSWORD



## ACROSS

2. An estimate of income and expenditure for a set period of time.
3. The exchange of goods and services between countries.
6. An organization that facilitates international monetary cooperation and provides financial stability.
8. The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.
10. The rate at which central bank lends money to commercial banks
11. Political and economic theory advocating for collective or government ownership and administration of the means of production and distribution of goods.
12. An economic system characterized by a central authority that makes most of the major economic decisions.
13. Economic system characterized by private ownership of the means of production.
14. The process of making, acquiring, and using goods and services to satisfy human wants and needs.

## DOWN

1. The study of the way in which countries of the world interact with each other, politically and economically.
4. Study of production, distribution, and consumption of goods and services.
5. The process of two companies merging and becoming one unit
7. A financial institution that accepts deposits from the public and creates credit.
9. A person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so.
15. A type of tax levied on goods and services at the point of consumption.

## ANSWERS IN THE NEXT EDITION

### Answers of the previous edition

#### Across:

3. Tariff
7. Liquidation
9. Appreciation
11. GDP
13. Money Supply
14. Stock
15. Economics

#### Down:

1. Barter
2. Profit
4. Monopoly
5. Fiscal Policy
6. Banking
8. Inflation
10. Perfect
12. Bond

## VOCABULARY

1. **Conundrum:** A difficult problem
2. **Coquette:** Talk or behave amorously, without serious intentions.
3. **Philistine:** A person who is uninterested in intellectual pursuits.
4. **Pulverished:** Consisting of fine particles.
5. **Ostensible:** Appearing as such but not necessarily so.



## JARGONS DECODED

### Basket Building

Basket building refers to the strategy of encouraging customers to build their virtual shopping cart. The more items a customer checks out with, the lower are typically the relative shipping and handling costs to fulfil the order.

### Employee Value Proposition (EVP)

An employee value proposition is the unique value you offer as an employer to your employees in return for their skills, experience, and commitment to your company. This includes components like salary, benefits, rewards, career development, and work-life balance, as well as your values, mission, social purpose, and organisational culture.

### SaaS

SAAS, or Software as a Service, describes the delivery of a service over the Internet on a hosted application. In other words, the e-commerce software runs on the servers of the provider. You rent the use of an app for your organisation, and your users connect to it over the Internet, usually with a web browser. This way, users don't have to download, install and maintain the (ecommerce) software themselves. Common examples are email, calendaring, and office tools (such as Microsoft Office 365).

## MYTH BUSTERS

### All Debt is bad

Not all debt is created equal. While high-interest consumer debt, such as credit card debt, can be detrimental to financial health, low-interest debt used for productive purposes, such as investing in education or starting a business, can be considered as strategic debt. It's important to distinguish between "good" debt that can generate future returns and "bad" debt that incurs high-interest costs without providing long-term benefits.

### Passive Investing Always Outperforms Active Investing

The debate between passive and active investing has been ongoing for years, with proponents on both sides touting the superiority of their approach. While passive investing strategies such as index funds and ETFs offer low fees, broad market exposure, and simplicity, active investing involves actively selecting and managing investments in an attempt to outperform the market. There are times when active managers may outperform the market through skilful stock selection, market timing, or risk management. Ultimately, the choice between passive and active investing depends on individual preferences, risk tolerance, and investment goals.

## FORTUNE'S FABLES

### THE JOURNEY FROM DREAM TO MIRACLE

Kiran Mazumdar Shaw is a visionary based in Mumbai and was driven by determination. Equipped with a degree in fermentation science and brewing, she set out to start India's first biotech business. Overcoming doubts in a field dominated by men, Kiran was persistent in her efforts which led to the opening of Biocon Limited in the year 1978 in her garage. She led Biocon to become a worldwide leader in biopharmaceuticals via ingenuity and tenacity, paving the way for accessible medical treatments and serving as an inspiration to future generations of business owners. Kiran's narrative serves as an example of the ability of enthusiasm and tenacity to break the shackles of stereotypes and leave an indelible impression.



1. “People begin to become successful the minute they decide to be.”  
– Harvey Mackay

*Thank you for reading!*

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

