DELTA

ENVISIONING CHANGE

A Magazine by Finance Forum

Volume 26 | 2022-23

N. L. Dalmia®
Institute of Management Studies and Research
(A School of Excellence of N. L. Dalmia Educational Society)

All you need to know about

Investing and Saving

Concept of money: Will physical money disappear?

Analysis of IPO/NFO

ESG Investing in India

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Delta | Volume 26 2022-23

Editorial

"What is coming is better than what is gone" this quote truly justifies the current scenario. This edition showcases the creative thoughts and ideas of the students specially curated with their articles & artwork.

The increasing interest and curiosity emerging in the minds of the people about Anaylsis of IPO, ESG Investing and whether the Physical money will disappear is beautifully explained by the students of NLDISMR.

We want to express our sincerest gratitude to all those who have contributed to develop the 26th Edition of DELTA. The young and brilliant students, respected faculty members and Marketing Team.

We, as a team would like to extend our gratitude towards the institute, Prof. Dr. Maqsood Khan and CEO Prof. Dr. Seema Saini to provide us with Delta as a representative platform along with Prof. Dr. Jyoti Nair and our Faculty-In-Charge, Prof. Dr. Pushkar Parulekar for his constant encouragement and guidance throughout in making this magazine a success.

This magazine is all about knowledge that upcoming leaders in the finance industry should read. We hope that the readers find this interesting and enriching. We have tried to give importance to each and every category respectfully. We strive to live up to our expectation each and every time.

The N. L. Dalmia Educational Society (NLDES) was established by the Founder Chairman Late Shri Niranjanlal Dalmia. In the year 1995, N. L. Dalmia Institute of Management Studies and Research (NLDIMSR) was established. The Institute is approved by AICTE, New Delhi and is also affiliated to University of Mumbai.

NLDIMSR is accredited with NBA(PGDM), an 'A' grade by NAAC, accredited 'Premier Status' by ASIC (Accreditation Services for Schools & Colleges), UK and rated by CRISIL 'A-Triple Star' at State level and 'A-Double Star' rated at National level for its PGDM program. The Institute is also an ISO 9001:2015 certified by UKAS, United Kingdom Accredited Services & SGS.

The N. L. Dalmia Educational Society emphasizes on service to mankind. With globalization and a diverse workforce, the nation requires leaders that can direct companies with people from different cultures. NLDIMSR's vision is not merely to develop skills in its students for leading the global workforce but also to create socially and ethically responsible leaders by empowering and helping them attain integral development.

NLDIMSR offers three autonomous Programs approved by AICTE- PGDM, PGDM (Finance) and PGDM (Business Analytics).

With a mission to advance Quality Management Education through accreditation, memberships and value-added services, the Institute has associations with prestigious professional bodies such as, Advance Collegiate School of Business (AACSB), USA, European Foundation for Management Development (EFMD), Association of Management Development Institutes of South Asia (AMDISA), Belgium and European Foundation for Management Development Global Network (EFMDGN), Belgium.

The Institute also has prestigious memberships with professional bodies like Bombay Management Association (BMA), Institute of Management Consultants of India (IMCI), Indian Merchant Chambers of Commerce and Industry (IMC), Confederation of Indian Industry (CII), All India Management Association (AIMA), Association of Indian Management Schools (AIMS). NLDIMSR is an institutional member of Indian Finance Association (IFA).

N. L. Dalmia Institute of Management Studies and Research takes pride of its professionally qualified faculty team, virtuously blended with industry and academic experience. The course curriculum is contemporary and provides holistic perspective of new thinking, a key to add ethical values in today's rapidly changing and competitive environment. The faculty members have published their research papers in journals listed in ABDC category, Scopus and with UGC Care.

The Institute has the best, state-of-the-art infrastructure that provides a conducive environment for learning which comprises of South Asia's second largest 24 Terminals Bloomberg Lab and one of the largest financial labs in Academia in the country. Additionally, the institute also has an Experiential Learning Partner (ELP) Bloomberg Programme.

The profound commitment to management education, balanced with social responsibility ensures that students realize and comprehend the challenges faced by the economy at large. In order to imbibe a sense of social responsibility among the students, the institute has introduced 'My Social Responsibility,' (MSR). This is a significant annex of the institute which enables the students to be empathetic towards mankind and understand their duties toward responsible business. The Institute has adopted Kondgaon Village (Palghar district).

In-order to strengthen the global collaborations, the Institute has academic tie-ups in the area of collaborative research projects with national and international Institutions of excellence. To name a few, NLDIMSR has signed a MOU with University of Wisconsin-Parkside, USA, SELC, Canada. The MOU facilitates joint research projects and student as well as faculty exchange.

The Institute has successfully completed six research projects for Maharashtra Police in the jurisdiction of Mira Bhayander area and regularly conducts Management Development Program for the Indian Navy (INS HAMLA) for its Long Logistics and Management Course (LLMC). Additionally, other Consultancy and MDP projects were also conducted in the area of Finance, Marketing and HR.

NLDIMSR has a brilliant placement record. Every year, leading MNCs and blue-chip companies visit the campus for placements. All students are provided with equal opportunity of placement assistance.

Alumni base of NLDIMSR is strong and enthusiastic with approximately 7700 plus connected on the institute alumni portal, often they get involved in institute's academic and placement activities.

The institute strives to impart the best quality education that commensurate with the needs of the ever-evolving business world of business by engaging industry leaders regularly in the form of guest lecture sessions, workshops and conclaves to supplement the curriculum with their experiential business acumen.

By adopting various global teaching learning practices the institute has strengthened its policies and practices towards positioning itself in nationally as well as globally via tie ups with international universities, collaborative research projects and international accreditations.

Welcome to the world of finance students!

Delta magazine is out with yet another edition to bring you greater insights into the field of finance!

The theme of this year, 'Personal Finance' is of immense importance in each of our lives.

I wish you great learnings as you read the articles written by your peers giving their views on the topic. This environment of mutual learnings will definitely be of great help enhancing you with varied viewpoints, concepts, practices, all to add to your knowledge.

It will also give you information regarding the achievements of your peers and a glimpse of their creativity through the students artwork session.

Lastly, I would like to congratulate the Faculty and student teams including the volunteers for their wholehearted contributions in making all these happen with great aplomb! You will learn more about them in the pages that follow in Delta.

Happy Reading! Best wishes,

Prof. Dr. M. A. Khan
Professor & Director
(NLDIMSR)

Technology has changed the way we use money and attach trust to the value of money. Digitalisation of money has transformed the landscape of financial sector. There is a tremendous increase in trust by people in digital money transactions. It will not be very wrong to expect that digital money in the form of apps, digital wallets, online banking, cards or even crypto currencies will replace physical money in near future. Digital money is here to stay, to say the least. It will enable a faster transfer of money whether domestic or international. What is required now is a regulatory framework to harness value of money and provide security to financial transactions done digitally. Banking authorities in every country are laying down policies for these. A centralised framework globally is the need of the hour. Though the last couple of years have seen exciting developments in the finance sector, we are also witnessing a global gloom with high inflationary trends and slowdown in GDP growth. The Russia - Ukraine war has pushed the world, which was slowly recovering from Covid-19 pandemic, to despair. Appreciation of US Dollar, weakening property sector in China have added further woes to global macroeconomic stability.Governments have to manage a fine balance between fiscal and monetary policy to ensure price stability.

Sustainable and Responsible business will be next game changer with climate change crisis looming large. ESG investing or Responsible investing is the new mantra for value investors.

This edition of DELTA focuses on Digital Money and Sustainable Investments, and it is a pleasure presenting our students thoughts and views on these contemporary topics.

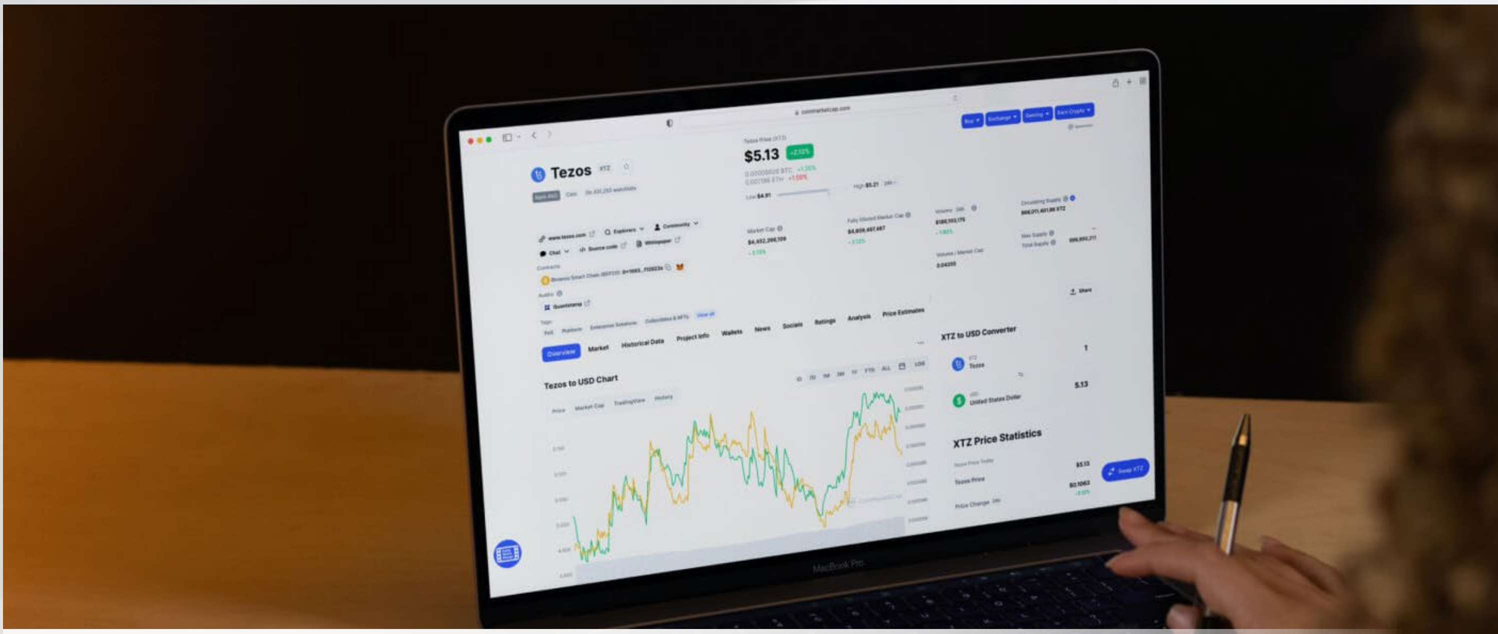
Prof. Dr. Jyoti Nair

Ph.D., FCA, M.Com, B.Com

HOD – Finance, NLDIMSR

FEATURED ARTICLES

Pic Credit: Dikshi Jain



"Mastering the Art of Money and Wealth Creation"

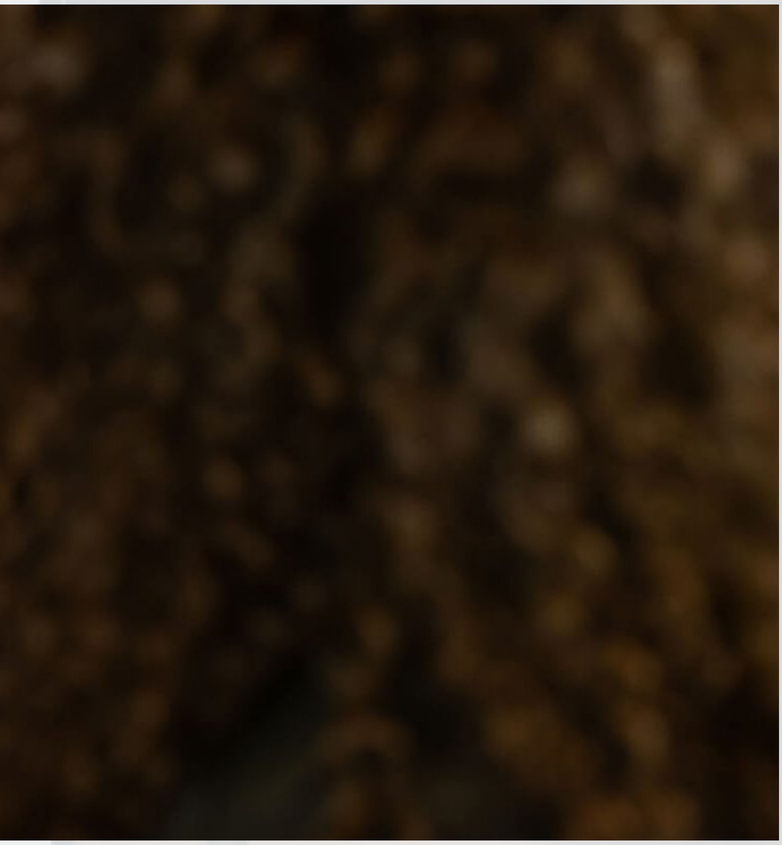
PARI RAJPUT
PGDM 2021-23 (FINANCE)

Following the note ban in 2016, the digital transaction has experienced rapid development. In fact, we might claim that the introduction of the digital era was signalled by demonetisation. Not only that, but the Pandemic represented a new era of cashless transactions. Today, immediate payments may be made from anywhere in the globe, which wasn't feasible with paper notes. How about money? From a distance, it is obvious that cash is becoming less and less useful. However, notes have been used for many human lifetimes. Cash is untraceable, therefore it's the greatest option if you want to make a purchase without anyone being able to track you down.

Many businesses, including shops, cafés, and restaurants, no longer accept cash. Banks are implementing reliable technologies to ensure smooth transactions and protect client data. The Bank's physical and paper work are now available online. India is currently the second-largest Internet market in the world with over 560 million users. According to statistics, India was responsible for 48 billion real-time transactions worldwide in 2021. It's interesting to note that 80% of transactions start in tier 2 and higher cities, including tier 3 and tier 4.

As of September 6, 2018, 46.40 billion people had accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY), which was introduced in 2014. Thanks to this programme, millions of low-income people now have access to banks. Let's suppose at this point that over the following several years, even the impoverished will begin to become accustomed to online payments.

However, the downside of digital payment is also the rise in security and theft concerns. Some of the possible hazards associated with UPI payments include fraudulent UPI handles, phishing schemes, screen monitoring by fraudsters, and unauthorised payment connections. Even some establishments no longer take payments other than cash because of false payments from clients.



As a result, both cash and digital payments have advantages and disadvantages. Back then, carrying an excessive amount of liquid currency heightened the risk of theft or mismanagement. Although it's simple to make digital payments nowadays, cyber security is growing in importance. Despite the fact that currency is growing smaller nowadays, it still has a function. Therefore, it won't ever go gone.

Now imagine a scenario in which you could put your money to work in a portfolio that not only generates solid profits but also benefits the environment and society over the long run. investments that maximise profitability without compromising social impact. Isn't that a win-win situation? Sustainable investment can help with it. A sustainable investment plan takes into account environmental, social, and governance (ESG) considerations. It addresses the wider picture and goes beyond quarterly results.

ESG integration into investing processes is not just the morally correct thing to do, but also a wise financial decision, according to many astute investors. In fact, businesses that actively manage ESG risks are likely to make better investments because they will experience fewer business interruptions, have more public trust,

and provide more consistent financial outcomes over time. For shareholders, this implies less danger of losing money. In further articles of magazine, you will be able to understand how a person can invest in ESG.

A growing amount of academic research is beginning to point to direct connections between thorough ESG reporting and pre-IPO success. The dynamics of supply and demand determine value. Newly issued stocks don't deviate from this general norm; they sell for whatever a buyer is prepared to pay. The finest analysts that do this are stock assessment specialists who assess a stock's value and take advantage of the market to buy shares if the stock is trading at a discount (below what they think it is worth).

On IPO value and finance, there are contrasting views. Some people say there is a purchasing opportunity given by the absence of prior share price performance, while others argue that because the market has not yet evaluated and investigated IPOs, they are much riskier than stocks.

IPO analysis may be done in a variety of ways which will be explained in further articles of this magazine.

Analysis of IPO

KRISHNA DARAK
PGDM 2022-24 (FINANCE)

IPO is one among the few market acronyms that almost everyone is familiar with. Before an IPO, a corporation is privately owned; usually by its founders and maybe the family members who lent them money to get up and running. However, because their shares don't trade on an open market, those private owners' stakes within the company are hard to value. A privately held company's value is mostly a guess, depending on its income, assets, revenue, growth, etc. While those are certainly much of the identical criteria that go into valuing a public company, a soon-to-be-listed company doesn't have any feedback in the form of a buyer willing to immediately purchase its shares at a particular price.

The IPO process works with a private firm contacting a merchant bank that will facilitate the IPO. The bank values the firm through financial analysis and comes up with a valuation, share price, a date for the IPO, and an enormous amount of other information. A business that plans an IPO must register with the exchanges and the SEBI to make sure it meets all criteria.

Since they need not have been traded on the stock exchange previously, there's no historical performance data available which is usually used for predicting current stability and future growth. Therefore, now let us examine some of the key parameters to be considered before making your decision. Some believe the storage of a historical share price performance provides a buying opportunity, while others think that IPOs are considerably riskier than stocks because they had not yet been analysed and scrutinized by the market.

Several methods can be used in analyzing IPOs; because these stocks lack a demonstrated past performance, analyzing them using conventional means is hard.

If you're an investor who doesn't get the first right to buy new issues, there's still a chance to make money, but it involves substantial work analyzing the issuing companies. Here are some points to consider when analyzing IPOs to buy:

• Why has the corporate elected to go public?

It is done mostly to raise capital but also to have price transparency, value assessment and enhanced credibility.

• What will the company be doing with the money raised by the IPO?

Whether the money will be invested in expansion of the company or will be used to pay off current debts or settlements or just meeting working capital requirements

• What's the competitive landscape in the market for the business's products or services and what is the company's position in this landscape?

Check the overview of the market and macroeconomic trends and gain industry specific knowledge

• What are the company's growth prospects?

Gauge the future growth potential of the industry in which the company operates and assess the possible market share of the company in the coming years.

• What level of profitability does the company expect to achieve?

Profitability impacts whether a corporation can secure financing from a bank, attract investors to fund its operations and grow its business

• What's management like? Do the people involved have previous experience running a publicly traded company?

One can always research the track record of the management team. This is often important to gauge whether it is capable enough to steer the helm of the company and the direction they are expected to take. It's important to understand how much interest the promoters or the management holds in the company before investing in an IPO.

This information and more should be available on the company's Draft Red Herring Prospectus (DRHP) which is required reading for an IPO analyst and can be found on SEBI's or company website. After reading the company's DRHP, an analyst will understand the characteristics of the business and hence the operations. Given these characteristics, the analyst can determine a reasonable valuation for the company as it is important to check whether the IPO is fairly valued or not. One should also check the ratings given to the corporate by credit rating agencies. Other valuation strategies include comparing the new issue to similar companies already listed on an exchange to decide whether the IPO price is justified.

There is no replacement for informed decisions backed by thorough insights. The investor must be careful to not get swayed by marketing tactics of companies and retain focus on verifiable facts. Another mistake to be avoided, as per most experts, is to refrain from investing with the first intent of deriving listing gains. While the IPO could be the talk of the town now and oversubscribed multiple times over, it doesn't necessarily guarantee proportional gains the moment it is listed.

Is India Ready for ESG Investing

HARSH GORASIA
PGDM 2022-24 (FINANCE)

ESG Investing (known as Environment, Social and Governance Investing) is a structure designed to be in sync with organization's strategy to create value and avoid the sustainability related risks. With the growing pace of number of industries as well as growing realization for climate change and Covid-19 implications, there is growing demand for the ESG Investing in India. As per KPMG 2022 CEO Outlook, the downside of failing to meet ESG expectations are difficulty in raising finance (25%), recruitment challenges (22%), competitors gaining an edge (21%), threat to continued tenure (17%), disengaged employees (10%) and loss of customers (5%).

Before October 2020, Indian investors had few options for ESG funds, but since then, more asset management firms have launched ESG-focused fund strategies. Currently India has 10 ESG funds and each of them have different qualities. These are SBI Magnum Equity ESG Fund, Axis ESG Equity Fund, Quantum India ESG Equity Fund, Aditya Birla Sun Life ESG Fund, ICICI Prudential ESG Fund, Invesco India ESG Equity Fund, Kotak ESG Opportunities Fund, Mirae Asset ESG Sectors Leaders Fund-of-Fund, Quant ESG Equity Fund and HSBC Global Equity Climate Change Fund. There have been numerous instances where businesses and companies have been shut down or penalized for failing to abide by these standards, making it very clear that serious consequences will ensue. In addition, a significant number of international institutional and independent investors are heavily investing in businesses that adhere to ESG standards and sustainable business strategies. These alluring incentives have encouraged numerous businesses to abide by rules, and the likelihood of Foreign Direct Investment (FDI) has strengthened ESG investing in India. According to Nifty reports, ESG indexes are more successful in the post-Covid time than in the pre-Covid period. India has a high potential for growth in sustainable investing with an opportunity to mobilize $1 trillion towards ESG.

The benefits of a strong corporate ESG program are apparent, but creating one is difficult for Indian enterprises. The questions or challenges faced are, Whether Indian companies identifying the appropriate material issues that are most relevant to their stakeholders? Are Indian companies able to collect data required to report on key material topics? Can small and mid-size Indian businesses absorb ESG-related costs, especially after the pandemic? Do Indian companies have access to the right set of skilled ESG professionals?

ESG has fared extraordinarily well in India, but compared to other countries, we can conclude that we still have a long way to go. Despite this, India is making progress down this path. With increasing regulations, standards to comply ESG is increasing day by day. It is important for the firm to follow these regulations and be on the safer side to avoid repercussions. Also, due to growing consumer awareness and non-compliant competitors battling to meet standards and pass the bar, ESG compliant companies in India will see a considerable increase in market share. This will increase the company's reputation and credibility and will also attract investors due to a sustainable future.

Concept of Money: Journey from Shell to Shiba

SHREY DOSHI
PGDM 2022-24 (FINANCE)

From the commencement of human civilization, trade was a common activity which was vital for our livelihood. Trade is an exchange of goods or services in return for the value agreed upon by the seller and buyer. In the start, the trade was initiated using a barter system, but that had many setbacks. The major limitation of the barter system was the lack of common measurable value. It led to major confusion as there was no means to evaluate the true value of the commodity. Due to its inherent limitations, the concept of money was introduced. From then Money has been considered as an important part of our life to satisfy our needs and wants.

Initially, Money was invented as an exchange medium but its advantages have evolved over a span of time. Unlike earlier times money is not only used to buy goods, but also to generate indirect income by investing in securities. The methodology of using physical objects as a mode of exchange has become extinct. The transition of money from paper money to plastic money has led to ease in performing varied transactions. Plastic money like credit cards and debit cards has replaced the need of carrying physical money and helps in conducting transactions on a real-time basis. We can see that it has caused a decline in the use of physical money but there is also a theory that states that paper money can be replaced but it's hard to completely remove it from the system. Money is not biased to race, caste, class, or sex, so removing paper money can cause economical disturbance in society, as a major part of the population is not tech savvy and the rest of them still prefer to carry physical money. This is because of the stereotype attached to digital payment that it can lead to fraud which might affect their lifetime's savings.

The adaptation of digital money by an economic system in day-to-day life by using various electronic modes like UPI, Net Banking, Google pay (GPay), Paytm, etc. There has been long speculation that Cryptocurrency, Decentralized digital money will be used as money in future. Irrespective of regional boundaries crypto coins can be used in various parts of the world without any conversion and interference by a government body of the respective country.

As we see a decline in the use of physical money and a rise in digital money, this will help society and nation majorly. With the advancement in technology, more people are resorting to digital money as it causes ease in the transaction and helps the government to regulate the money in the economy. This will be helpful to map tax that is payable by citizens as every transaction will have a record. Another motivating factor to resort towards digital modes is the hassle that can be avoided of doing everything manually and carrying physical cash everywhere. This will also decrease the risk of theft. And people using digital methods are granted cashback and vouchers which attracts the customer to use the mode repeatedly.

As every change has two effects digital money has setbacks too:

People belonging to Rural areas, senior citizens and economically weaker people that are not tech-driven will find it difficult to carry out transactions digitally and this will lead them to be demotivated to perform transactions as it's hard for them to understand and use smartphones which will cause inequality and injustice towards them.

No matter how many times money evolves it can never be replaced, as money is the only instrument that not only uses for a transaction but also it is the base of a nation's economy. Modernization and Globalization can only be possible due to Money.

ESG- Investing with an Impact

SHLOKA ADARSH
PGDM 2022-24 (FINANCE)

Ethics and investing are two words you probably won't find together. From scandals to pollution to greedy businessmen to human rights violations, corporations have carried out many environmental and social harms over the years in the name of profits. It's something that leaves many investors in a tough spot. On the one hand there is a need to invest to maximise our wealth and help us accomplish our financial objectives, but on the other hand Investing can enable these organizations to carry out grave wrongdoings.

Until now all investment models have focused exclusively on monetary factors. Because of this, regulations have been introduced over time to ensure that corporations who tended to focus mostly on profitability operated in a way that aligned with the interests of other stakeholders as well. These rules can prevent blatantly harmful actions imposed by investors but there are many gray areas that regulations simply don't address. With the rise of ESG investing we're seeing an approach that considers not only the financial gain component but also the direct & indirect effects that a business has on the wellbeing of others.

As the newer generation have become more aware, educated and active on social and environmental issues they have started taking initiatives on their own to support only those companies whose values align with their own. This is one of the reasons organisations may choose to switch towards sustainable practices. ESG practices also help an organisation in maintaining credibility & reputation.

Elements

There are certain factors that are considered when trying to determine the ethics of a firm's operations.

• Environmental factors include pollution and animal welfare.

• Social factors include human rights, employee compensation and community engagement.

• Corporate governance refers to diversity and how a company manages those at the top.

ESG investing involves analysing these three considerations so that a firm is run ethically alongside with its profitability.

Screening

While there's no standardized approach to the practice there are few strategies that are used to screen companies.

Negative screening for example involves removing companies from the group of stocks that needs to be invested based on certain traits the investor is looking to avoid, these may include tobacco products, firearms manufacturing and gambling.

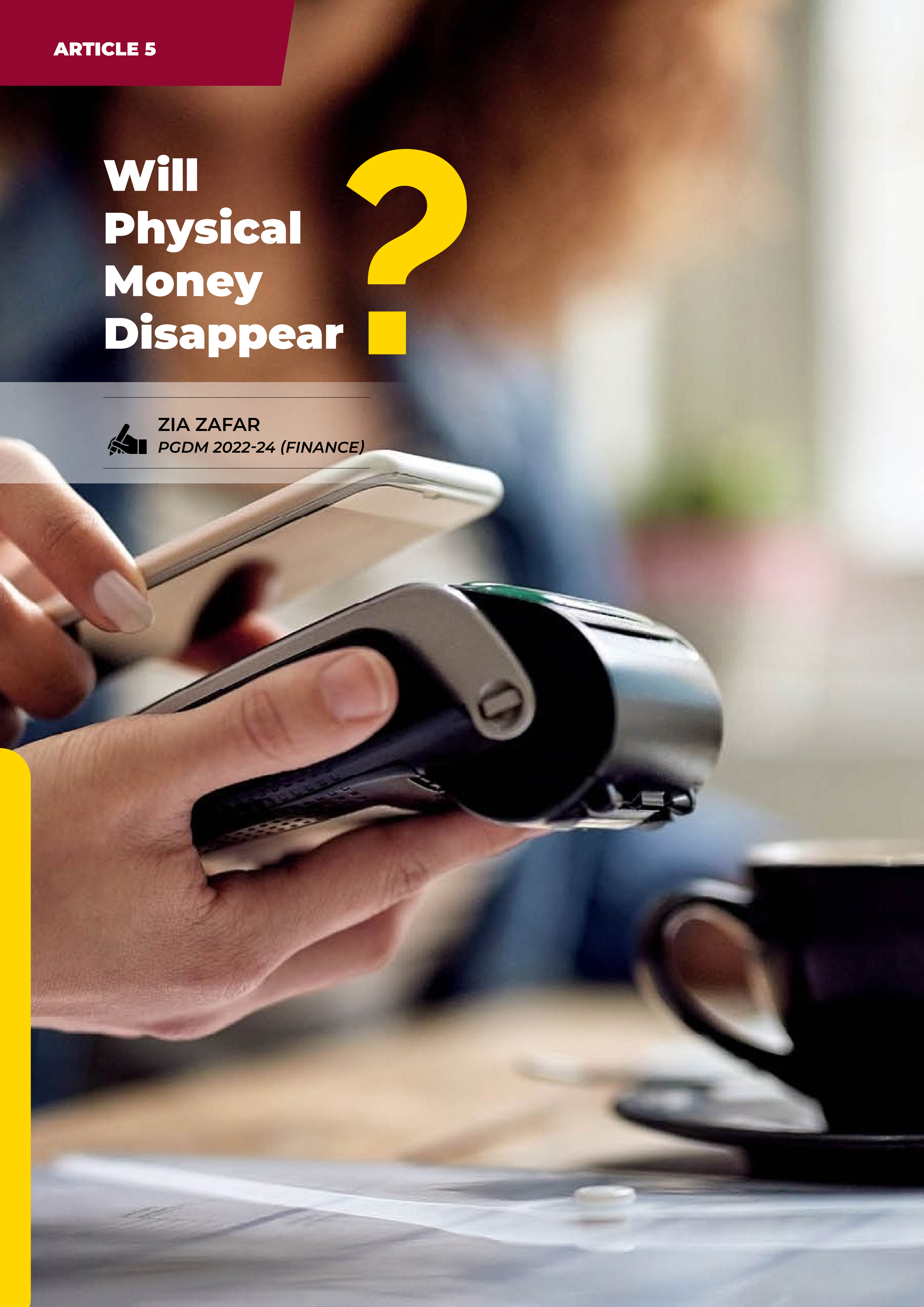
Positive screening on the other hand involves investing in companies that are actively benefiting or supporting positive initiatives while operating their business, this includes renewable or green investing as well as investing in companies with more equal opportunity employment practices and diverse management teams.

Way Forward

These days most companies will include in their filings, all the social and environmental impact of their operations. Through one can choose to invest and support those companies whose values align with their own. In the company's annual report they often include an ESG section where you can screen for issues you care about. ESG in today's world is being applied to all forms of businesses. This has led to many companies realising its contribution. This modern method of evaluating companies and investing accordingly is catching up rapidly & changing the way businesses operate. As such companies should keep these factors in mind while conducting their operations. This would eventually help the business community and everyone else.

Will Physical Money Disappear?

ZIA ZAFAR
PGDM 2022-24 (FINANCE)



As real currency around the world is progressively phased out, the period where "cash is king" looks to be coming to an end. Others are starting to explore digital blockchains for their central banks, while nations like India and South Korea have decided to limit access to physical currency.

Technological advances make it less and less necessary for us to carry cash and coins in our wallet. Cryptocurrencies, ATM cards, UPI or credit cards make it easy for us to make payments and transfer funds without having to use physical cash. Does this mean that there will be a time when physical cash will completely disappear?

The introduction in our society of applications such as Paytm, Google Pay or the acceptance of payments in companies and businesses with cryptocurrencies is encouraging us to leave behind the use of cash. All the talks about when cash will disappear have been accelerated by the global pandemic of Covid-19, since it has motivated many users who did not use to buy online to have started to do so more regularly. Electronic money has become widespread, and it is increasingly common to pay for a coffee or sandwich using UPI or some other contactless payment system.

After COVID-19 started to spread rapidly throughout the world, people started to refrain from touching things that someone else had touched. And money being circulated around at such speed in our society was the perfect germ carrying tool.
Businesses quickly concluded that they didn't want their cashiers handling money from every other consumer who walked into the store. To stop the spread of diseases, they began pushing for cashless transactions using just cards or UPI.

The Covid-19 pandemic not only advanced the transition to digital and contactless payments, but it has also resulted in a wider acceptance of alternatives to traditional forms of payment like cryptocurrency that will likely stay for the upcoming future. Putting all this aside, the downside of this modern method of payment is that it is complex in nature. Even though a sizable portion of the population still does not utilize mobile banking as their primary method of access, it is the sole option when using cryptocurrencies. Modern technology and a constant internet connection are required for the system.

What is evident is that our world is constantly changing towards one that is more and more digital. In ten years, who knows if the physical money will still be there. Studies and statistics indicate that it might be feasible, but the date when cash totally vanishes will be determined by how society's purchasing patterns develop in the ensuing years.

"Physical Money possesses greater risk than Electronic Money or Gold."

IPO Analysis
Made Easy

ATHARVA MISAL
PGDM 2022-24 (FINANCE)

Introduction

Initial public offer commonly known as IPO has become a trending topic among budding investors in India. IPO is the initial offer where shares of a company are sold to institutional and retail investors and the company changes from a private limited company to a public limited company. IPOs are typically underwritten by underwriters which in many cases are investment banks that make sure the shares are being listed on one or more stock exchanges.

Evaluating an IPO

There are generally two purposes for which the investors invest in an IPO and both of these require a different evaluation process, the process is as follows:

Value investing: Investors invest in stocks that they think are undervalued compared to the intrinsic value (book value) of the company expecting that in the near future the company's share will reach its full valuation and the investors will earn profit. For evaluating IPO for value investing the following factors are considered:

Fundamental analysis: In order to determine the company's intrinsic value, that is to determine whether the shares are undervalued, the company's financial performance is evaluated through the use of financial statements. Various metrics are used for the same purpose like:

• Price to book ratio helps in determining the valuation of the stock against its book value.

• Price to earning ratio helps determine how much a company earns with respect to its market value of the share.

• Debt to equity ratio which helps in determining the amount of debt in the company with respect to its equity.

• Free cash flow means the cash and cash equivalents with a company after charging operating expenses.

These are a few factors that help in determining the financial performance of the company.

Sustainability and Relevance: Sustainability is the ability to survive in the long run as value investing is a long-term process. To be sustainable the company must have some elements and attributes that are hard to replicate which helps it keep its unique selling point through which the company earns and sustains its profits while staying relevant in the long run.

Listing gains:

It is the profit that an investor earns when the company is listed on the stock exchange. Listing gains help investors make the most of the IPO by taking away profits; this is possible through technical analysis. Things to consider while investing for listing gains: (demand and supply).

Demand: The demand for the IPO can be identified by the gray market price of the share, gray markets are unofficial markets of securities where trading occurs when new securities are bought and sold before official trading, if the gray market price is at a premium the listing price will probably be at a premium. The subscription data of the IPO is also considered as it provides information about the demand for the share. The IPO should be subscribed at around 100 times or more with institutional investors having a keen interest in the offering will ensure a positive listing as there will be 100 people wanting 1 share hence increasing its price when listed in the market.

Supply: The supply of the share means the total amount of the shares the company is willing to issue and the total amount the company is willing to raise through the issue, it may also include the price band and the value offered by the company through the share. If the supply is limited and the price band is offered at an attractive value, the company's share is likely to attract more and more investors increasing the demand and hence the price of the share.

Conclusion:

Considering both these factors and the utility and need of the investors the strategies should be followed and researched accordingly.

Future of ESG Investing in India

DEVENDRA PATIL
PGDM 2022-24 (FINANCE)

ESG stands for Environmental, Social and Governance. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risk and growth opportunities. A socially conscious investor will use ESG as screener of company's behaviour before making a potential investment.

Environment criteria shows how a company is safeguarding the climate also their corporate policies towards the environment.

Social criteria examine the relationship managed by the company towards its employees, clients, suppliers and where it conducts its business.

Governance shows companies leadership, executive pay, internal control, audits, shareholders right and many more things.

ESG in India

Regulators

In May 2021, the Reserve Bank of India established a sustainable finance group to formulate the ESG lending in India which are set to impact the borrowers. The laws on ESG in India are currently evolving. As being the new form investment completely there are not any strong reforms yet in India. Voluntary guidelines for compliance of ESG has been issued by the Ministry of Corporate Affairs. Also, for the top 1000 listed companies the Securities and Exchange Board of India (SEBI) has mandated ESG related disclosure. As most Indian companies are not subject to ESG requirements many investors have to rely on third party ESG rating providers (ERP) to know the ESG compliance by portfolio companies.

Impact Investing via ESG

Higher profits can be expected from the companies which follow good and ethical practices. Tata Group can be a great example of responsible company in India.

A company which wants to be sustainable establishment needs to follow ESG standards for long term. This is the reason ESG investing is also called as sustainable investing. If any company initiates something ethical or good step towards the society, it can generate great profits. For instance, Tata group provided accommodation to healthcare workers and other frontline workers at Taj hotels during the initial days of COVID-19. Such acts can be proved effective when considering investments as it will increase profits and brand loyalty.

ESG Funds in India

Below is the list of ESG funds available for investment in India.

1. Aditya Birla Sun Life ESG fund

2. Axis ESG Fund

3. ICICI Prudential ESG fund

4. Kotak ESG Opportunities fund

5. Mirae Asset ESG sector leaders ETF

6. Quantum India ESG Equity fund

7. SBI Magnum Equity ESG Fund

Challenges

1. Lack of quality data:

For an investor the data available about company's ESG is hard to find and sometimes can be inaccurate. This data is mostly provided by an analyst or fund manager. The authenticity of this available data cannot be measured.

2. Absence of measurement standards:

For future growth of ESG in India there is a need of standardization in data collection, measurement standards and methodology used while reporting.

3. Traditional mindset:

Many investors and fund managers find ESG to be additional expense and not essential.

4. Limited history record of ESG data:

ESG funds have been started in India from 2-3 years. Hence, there is lack of data to rely on before investing.

5. No awareness:

ESG is currently gaining the popularity but due to lack of awareness amongst many is still stagnating the fast growth of ESG investing.

Conclusion

ESG rating providers (ERP) are not yet regulated also they do not use uniform criteria to assess and use different weightage to environmental, social and governance indicators. With more investors, shareholders, employees, clients, and regulators push for greater transparency ESG investing is becoming necessary.

> **“Sustainability is no longer about doing less harm. It's about doing more good.**
>
> **— Jochen Zeitz, President and CEO of Harley-Davidson”**

Digital Currency
The Beginning of New Age

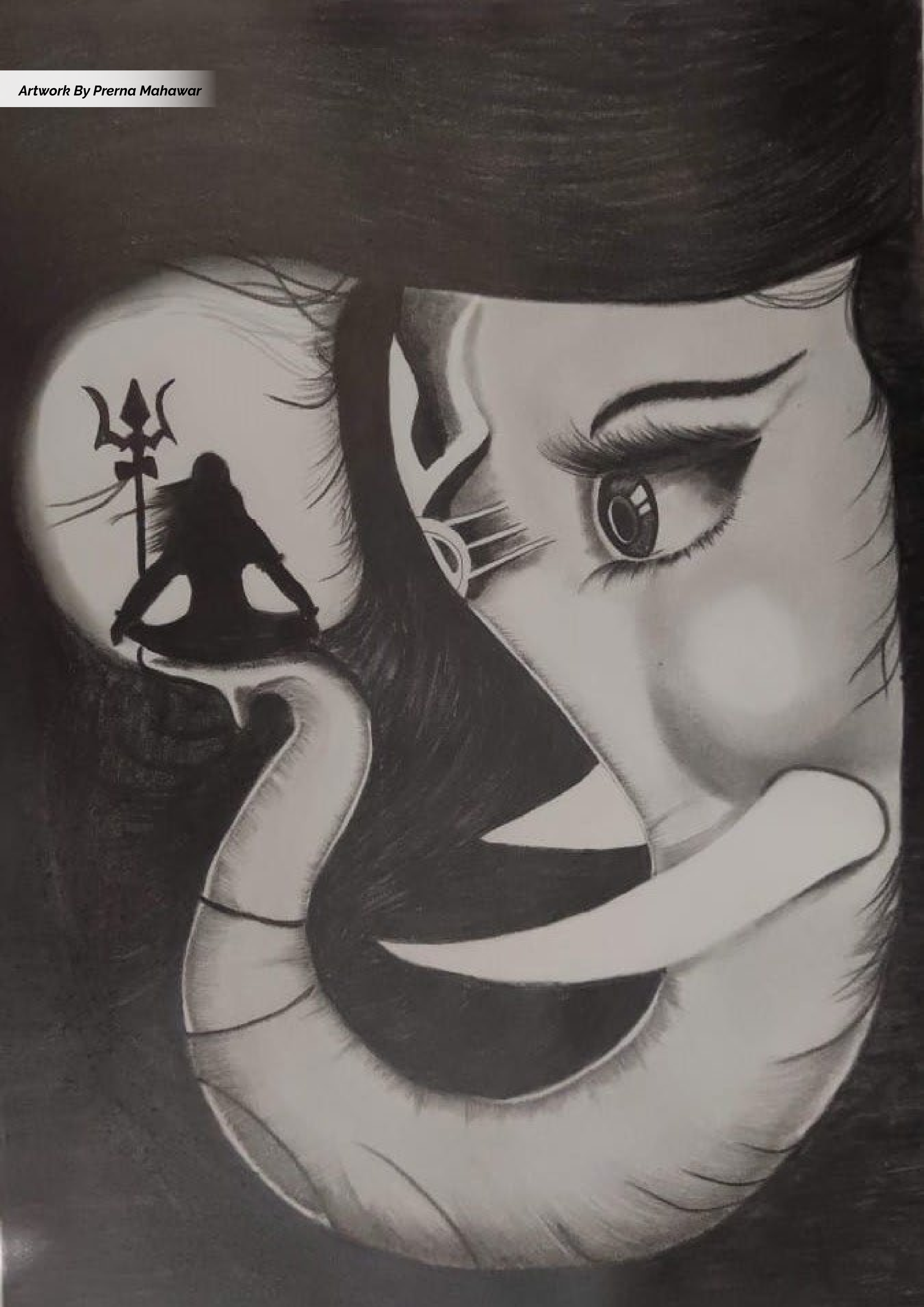
ADWAIT GAWDE
PGDM 2022-24 (FINANCE)

The future of cash has become an ongoing debate, mostly among economists. For the average person, it's a moot point, since we have access to a variety of forms of payment, there's no conflict. Money is a commodity accepted widely across the globe as a medium of economic exchange. It is the principal measure of wealth that circulates from person to person, organization to organization and nation to nation, facilitating exchange of physical goods and/or services. The first money ever used were commodities. Gradually, there was a shift to currency. Hard cash, also known as paper/metal money is the most used type of money. Using money facilitates the buyers and sellers to pay less, when it comes to transaction costs, compared to barter trading. Today, with the advancement in mobile applications and technology, people are able to make payments just with one click. This concept is termed as Digital Money. Even in the developing nations like India, small vendors, right from street hawkers to shop owners, have adapted this concept. Youngsters can go on for months, making cash totally obsolete. It's simply too convenient to make payments electronically, particularly with the Internet, as well as the fact that merchants and vendors can now be hundreds or thousands of miles away.

Frequent usage of cash has historically been connected to crime, especially drug-related crimes. Cashless transactions could significantly reduce criminal behaviour. Theft is the other problem. Many people today are reluctant to carry cash, especially in big quantities. Cash is lost forever once it is gone, unlike debit and credit cards, which can be blocked and replaced if they are stolen. If you have too much cash on you, you can become a target. There is little doubt that banks, credit unions, and other financial institutions would be able to reduce employees if currency were no longer used. After all, handling cash transactions requires additional personnel. In contrast, electronic payment methods are entirely digital. The process can be managed by a lot fewer individuals. There is a little doubt that banks, credit unions, and other financial institutions would be able to reduce employees if currency were no longer used. After all, handling cash transactions requires additional personnel. In contrast, electronic payment methods are entirely digital. The process can be managed by a lot fewer individuals.

On the other hand, the poor continue to be disproportionately reliant on cash, notwithstanding the prevalence of electronic payment systems among middle-class and affluent households. Cash is the best remedy for identity theft. One of the crimes that are expanding most quickly is identity theft. As electronic payment methods are increasingly used and financial data is being stored online, it seems sense that this issue is intimately related to both of these issues. Paying in cash offers the best defence against identity theft in some financial transactions, and possibly even with some companies.

The trend away from cash is gaining momentum as electronic mode is more widely accepted as a payment method. India, along with US and other economies is a well-positioned country among those moving towards cashless transactions on a global scale. Physical currency would eventually be replaced by technological forms of payment, few years down the line.



Artwork By Prerna Mahawar

Congratulations

Dalmian's Students for Acheiving the Milestone

Investor Gesture – Portfolio Designing Competition | **3rd Position**

- A Finance and Investment Competition organised by National Institute of Bank Management, Pune.
  Ashita Sharma (PGDM 2021-2023), Suraj Singh (PGDM 2021-2023), Hrishikesh Pandit (PGDM 2021-2023)

Vit Tark 2022 A Quiz and Debate Competition | **3rd Position**

- Organized by Arthashastra: Economics Club of IIM Bodh Gaya
  Jugal Wadhwani (PGDM 2021-2023)

Research Paper - Digital Rupee is this the future of money | **Runner Up**

- Organised by - N.L Dalmia Institute of Management Studies and Research
  Ayush Soni (PGDM 2021-2023)

Finance Triathlon Competition | **Winner**

- Hosted by SIES College of Management Studies.
  Tanvi Mitbander (PGDM 2021-2023)

Top 20 – Gits Stock Exchange

- Organised by Gogte Institute of Technology (Belgaum)
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ENVISIONING CHANGE

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