

BIZ & BEYOND

Breaking News

The Campus Grapevine

- Non-Performing Assets (NPA) Article by Maya Tripathi
- SANKALP 2024

Global Market Watch: A Snapshot in Time

- **Sensex:** Closed at 81,224.75, down 0.19%. This decline indicates ongoing pressure in the Indian equity market, likely influenced by rising inflation and foreign institutional selling.
- **Gold:** Priced at \$2,721.43, up 2.43%, reflecting a safe-haven demand amid economic uncertainties.
- **Silver:** Increased to \$33.71, up 6.85%, which could be attributed to its dual role as both an industrial metal and an investment asset.
- **Overall,** while U.S. indices show positive movement, Indian markets are experiencing downward pressure due to inflation concerns and foreign selling activities. Commodity prices reflect a complex interplay of supply-demand dynamics and investor sentiment, particularly with gold and silver gaining traction as safe-haven assets amidst economic uncertainty. The cryptocurrency market appears robust with significant gains in major currencies like Bitcoin and Ethereum, indicating a potential shift in investor focus towards digital assets amidst traditional market volatility.

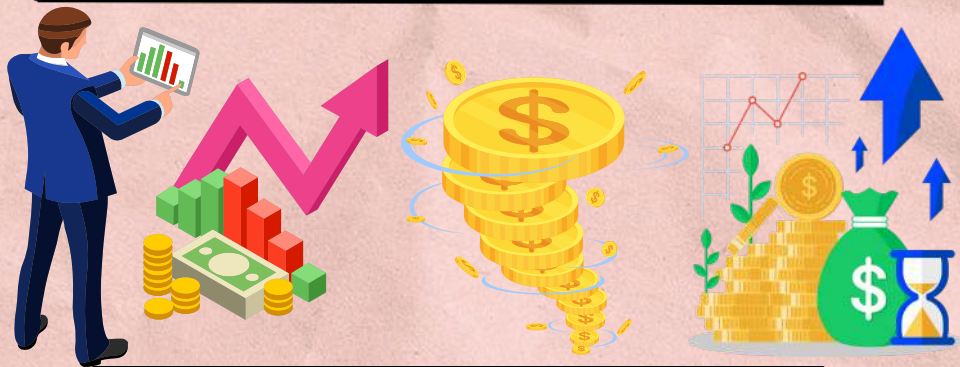
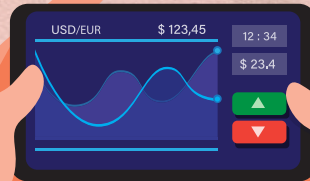
Index	Change
Sensex	81,224.75 ▼ -0.19%
Nifty50	24,863.40 ▼ -0.40%
S&P 500	5,864.67 ▲ 0.85%
NASDAQ	18,489.55 ▲ 0.80%

Currency	Change
JPY/INR	0.56 ▲ 0.00%
EUR/INR	91.37 ▼ -0.77%
USD/INR	84.07 ▼ -0.08%
GBP/INR	109.73 ▼ -0.21%



Commodity	Change
Gold(US\$/OZ)	2,721.43 ▲ 2.43%
Silver(US\$/OZ)	33.71 ▲ 6.85%
WTI Crude Oil	69.31 ▼ -8.19%
Natural Gas	2.26 ▼ -14.07%

Crypto	Change
BTC	68,429.67 ▲ 9.05%
ETH	2,641.94 ▲ 8.24%
U\$DT	1.00 ▲ 0.00%
BNB	599.11 ▲ 4.55%

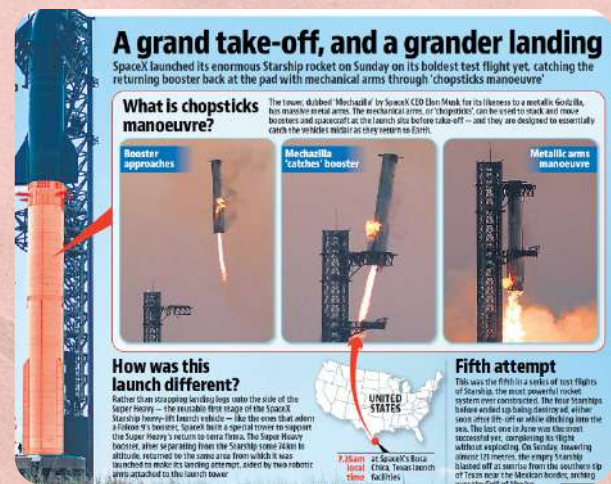


In a first, SpaceX successfully 'catches' megarocket booster after test flight



This marks a groundbreaking achievement in rapid reusability for rockets.

SpaceX achieved a historic milestone by successfully "catching" the first-stage booster of its Starship megarocket after a test flight. This is the first time a rocket booster of this size has been caught upon return, marking a significant advancement in reusable rocket technology. This successful test brings SpaceX closer to its goal of fully reusable rockets, potentially revolutionizing space travel by significantly reducing Costs.



KEY POINTS

- **Successful Catch:** The "Super Heavy" booster performed a controlled return to the launchpad in Texas after separating from the Starship upper stage.
- **"Chopsticks" Capture:** Giant mechanical arms, nicknamed "chopsticks," extended from the launch tower to secure the descending booster.

More
Specifically



Geopolitical Crisis & Network Concerns Hinder India's Tech Momentum

FPIs take out Rs 58,711 cr from equities in Oct on geopolitical crisis

Foreign portfolio investors (FPIs) have withdrawn Rs 58,711 crore from Indian equities in the first 11 days of October, reversing the positive trend seen in September. This outflow is attributed to several factors: Geopolitical Tensions: The escalating conflict between Israel and Iran has increased market uncertainty and risk aversion among global investors, leading them to pull money out of emerging market.



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Specifically



Network issue: India still lags US and China in 5G rollout, shows data.

India ranks 33rd out of 39 countries in the GSMA Intelligence 5G Connectivity Index for Q2 2024, lagging behind nations like the US and China in 5G rollout. While India excels in areas like 5G revenue growth, data affordability, and video quality, it faces challenges in infrastructure and device affordability. While data is affordable, the lack of budget-friendly 5G phones hinders wider adoption and migration from 2G/4G.

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UAE to address India's concerns over rise in silver, platinum alloy imports



The UAE has agreed to address India's concerns regarding a surge in imports of silver products, platinum alloy, and dry dates under the India-UAE trade agreement. India suspects these increased imports are exploiting lower tariffs under the pact while potentially circumventing rules of origin and value-addition norms.

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India raised concerns about the surge in imports of specific goods, urging the UAE to verify compliance with rules of origin to prevent circumvention. Both countries discussed achieving a \$100 billion non-oil trade target before 2030. Both sides agreed to establish a technical expert group for seamless trade data exchange to better analyze and understand bilateral trade patterns.



This discussion highlights the importance of ensuring fair trade practices under the CEPA and the ongoing efforts to strengthen the economic partnership between India and the UAE. India's focus on verifying compliance suggests a proactive approach to preventing misuse of the trade agreement.



Striking gold: I-bankers earn record Rs 493 cr from Hyundai Motor India IPO

Striking gold: I-bankers earn record Rs 493 cr from Hyundai Motor India IPO

Hyundai Motor India Limited (HMIL) launched a record ₹27,870 crore IPO, resulting in the highest-ever fee payout of ₹493 crore to investment banks managing the sale. Although the IPO saw only moderate retail subscription levels, it achieved a total subscription of 236% by the final day, driven by institutional investors.



This year, fees from equity share sales have surpassed ₹3,000 crore, setting the stage for significant bonuses for banking executives. HMIL's offering highlights a growing trend in IPO activity for 2024, with several major listings expected.

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Indian Conglomerates Plan Massive Investments as Ola Revamps Refund Policy

Tata, Reliance, Adani may lead \$800 billion investment wave—What's in store?

Indian conglomerates plan a USD 800 billion investment over the next decade, with major focuses on green hydrogen, clean energy, EVs, and semiconductors. Around USD 350 billion will target new sectors, while established groups like Birla and Mahindra will invest heavily in core businesses.



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Ola refunds and auto bills will have to see a big route change

CCPA has ordered Ola to let customers choose between a bank account refund and a ride coupon. Providing only a coupon was deemed unfair. Ola must now offer invoices for auto rides. The changes include improved grievance redressal, clear cancellation policies, fare breakdowns, proper driver instructions, and prompt payment to drivers.



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Cred Expands Financial Services with New Payment Features



Cred, a Bengaluru-based fintech firm with over 14 million users, is expanding its financial services to strengthen its position in the digital payments landscape. Key developments include the introduction of a prepaid wallet that allows seamless transactions at popular merchants, eliminating the need for PINs or OTPs after KYC completion.

Additionally, Cred has enhanced its rewards program, offering increased incentives for users and merchants through partnerships with brands like Swiggy and ixigo, providing vouchers and cashback. A strategic partnership with Visa aims to improve payment security and convenience through device tokenization, allowing users to save card details for easy transactions. Furthermore, Cred has broadened its ecosystem by launching products such as Cred Money for personal finance management and Cred Garage for vehicle services, along with the acquisition of Kuvera for wealth management. By focusing on innovation and user experience, Cred is positioning itself as a competitive player in the fintech sector, aiming to create a comprehensive financial ecosystem for its users.



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Non-Performing Assets (NPA): A Quick Overview

Article by Maya Tripathi

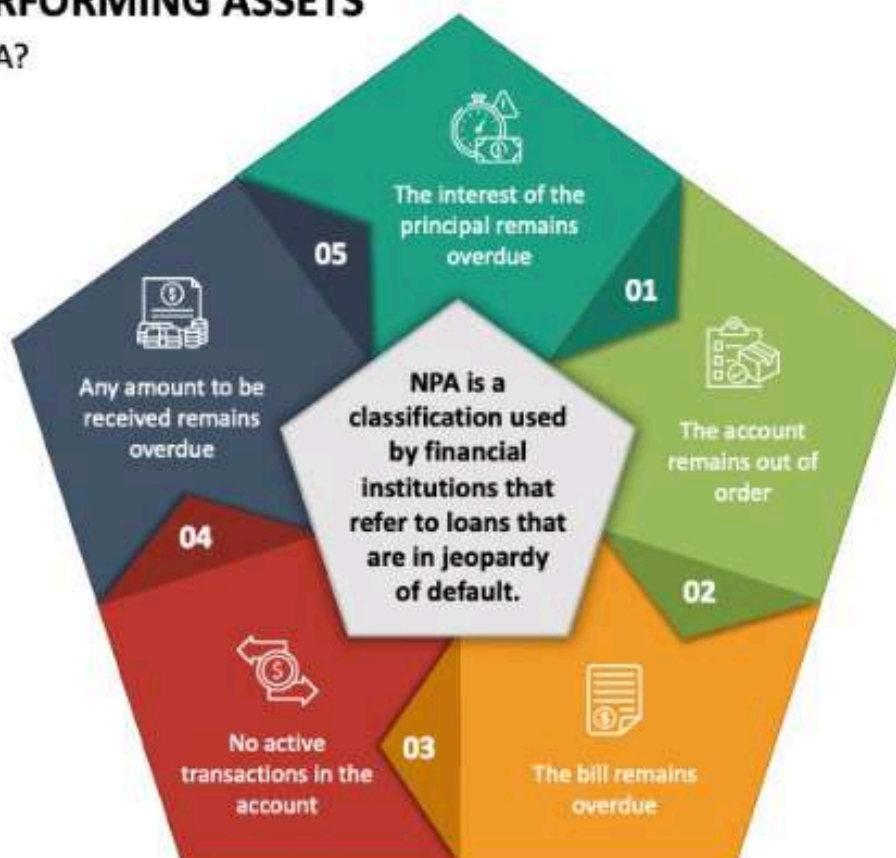
MBA FinTech-DB 2023-25 Batch

Introduction

A Non-Performing Asset (NPA) is a loan that a borrower is unable to repay on time. When a borrower fails to pay either the interest or principal for more than 90 days, the loan is classified as an NPA. This is a problem for banks because they lose out on the interest they would earn and may not recover the money lent out, hurting their financial health.

NON-PERFORMING ASSETS

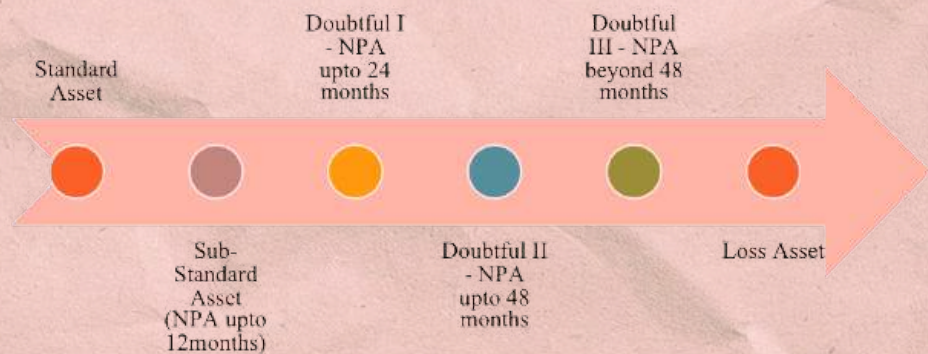
What is NPA?



Non-Performing Assets (NPA): A Quick Overview

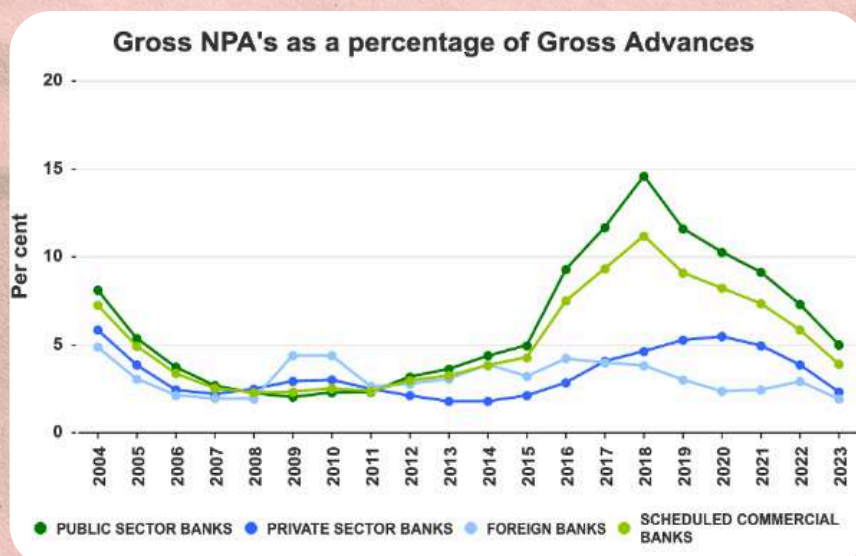
Asset Classification Stages:

A loan is an asset to the bank. The moment it becomes a non-performing asset, bank classifies the asset from standard to substandard. The asset classification goes through various stages depending on the time the asset is NPA. These stages define the provisions (money to be set aside) by the banks to cover the NPA.



Current Scenario

The Gross NPA levels in India sharply increased from 2016 to 2021. However, the trend is to reduce Gross NPAs year on year, improving banks' balance sheets.



Source: Reserve Bank of India

Non-Performing Assets

(NPA): A Quick Overview

Current Example: SREI Infrastructure Finance Ltd.

In 2023, SREI Infrastructure Finance Ltd. became a significant NPA case in India. SREI, which finances infrastructure projects like roads and bridges, faced major difficulties due to poor management and unfavorable market conditions. The company borrowed large sums from banks to lend to businesses but couldn't recover the loans they had given out. As a result, they couldn't repay their own loans to the banks.

The total defaulted amount was nearly ₹29,000 crore, with major banks like State Bank of India (SBI) and Punjab National Bank (PNB) being significantly affected. SBI had given about ₹3,000 crore to SREI, while PNB had an exposure of ₹2,000 crore. This turned into a huge financial stress for these banks, reducing their profits and lending capacity.

Tackling the Problem

To address this issue, the banks turned to legal solutions and the Insolvency and Bankruptcy Code (IBC), which allows creditors to take defaulters to court. This law provides a process to either recover the money by selling off the company's assets or restructuring the business to make it viable again. In SREI's case, the banks decided to take control of the company's assets and look for new buyers who could revive the business and repay part of the loans.

Additionally, the Reserve Bank of India (RBI) stepped in to ensure that the NPA issue was handled carefully without causing panic in the banking system. The goal is to ensure that SREI's assets are sold, and the banks recover as much of their money as possible.

Non-Performing Assets (NPA): A Quick Overview

Conclusion

The case of SREI Infrastructure shows how large-scale NPAs can severely impact banks and the economy. While NPAs are a common risk in lending, swift legal action and effective asset management can help recover losses. It's important for banks to closely monitor their loans and ensure strong risk management practices to prevent such situations from becoming too frequent or damaging.

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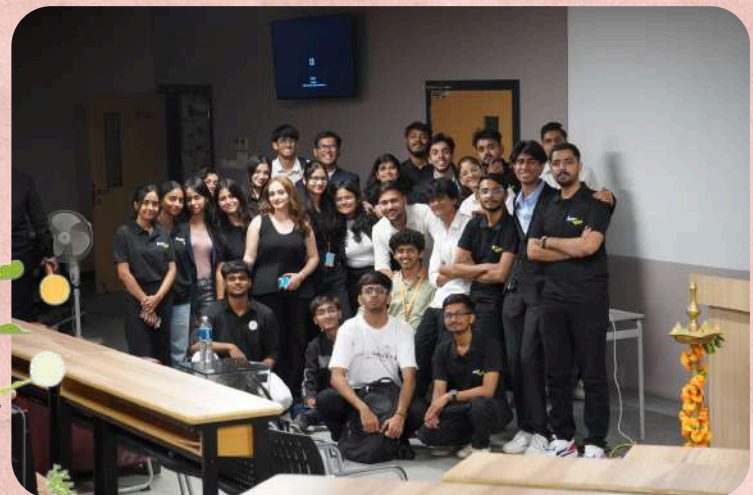
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Day 1

संकल्प



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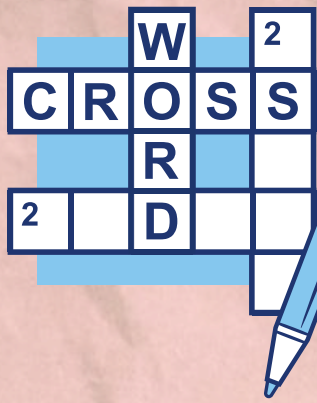


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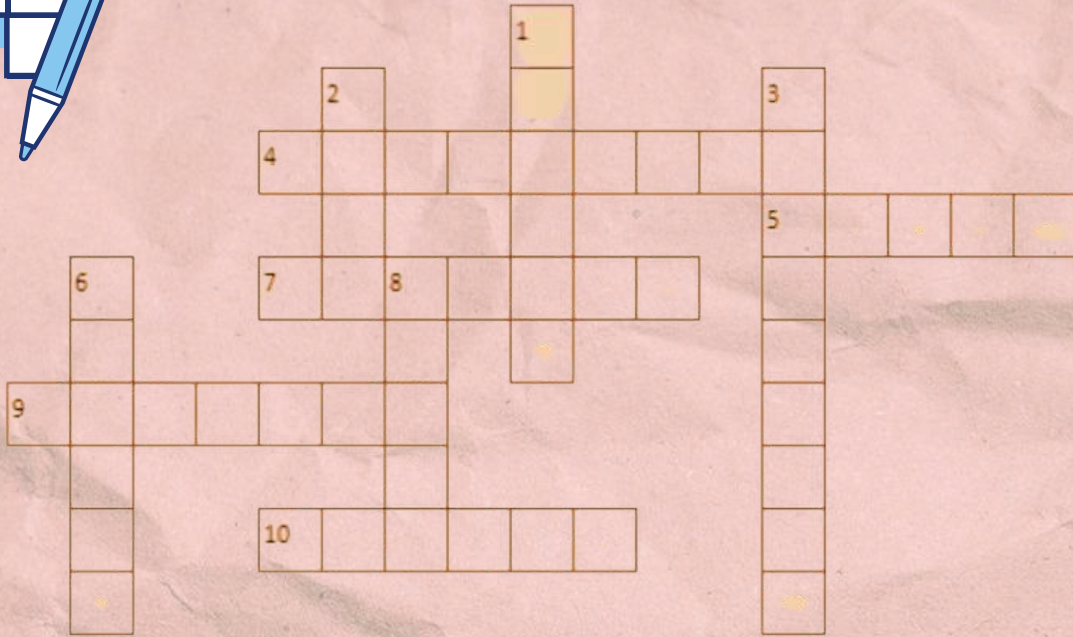


Day 2





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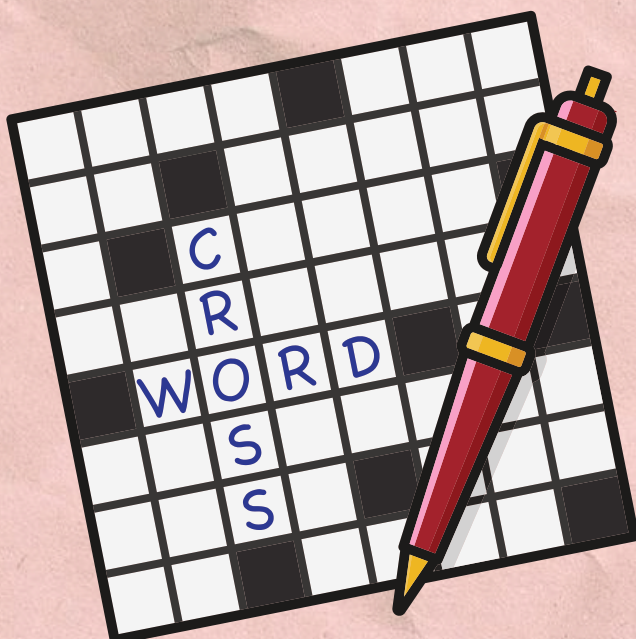
Across

4. Software giant known for Windows
5. Smartphone manufacturer based in Cupertino
7. Entertainment streaming service with a red "N" logo
9. German engineering and technology company specializing in industrial automation
10. Giant online retailer founded by Jeff Bezos

Down

1. Search engine giant, also a verb
2. Sportswear giant with a swoosh logo
3. Coffeehouse chain with a green mermaid logo
6. Pharmaceutical giant that developed Lipitor
8. Electric car manufacturer led by Elon Musk

Submit the solution



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