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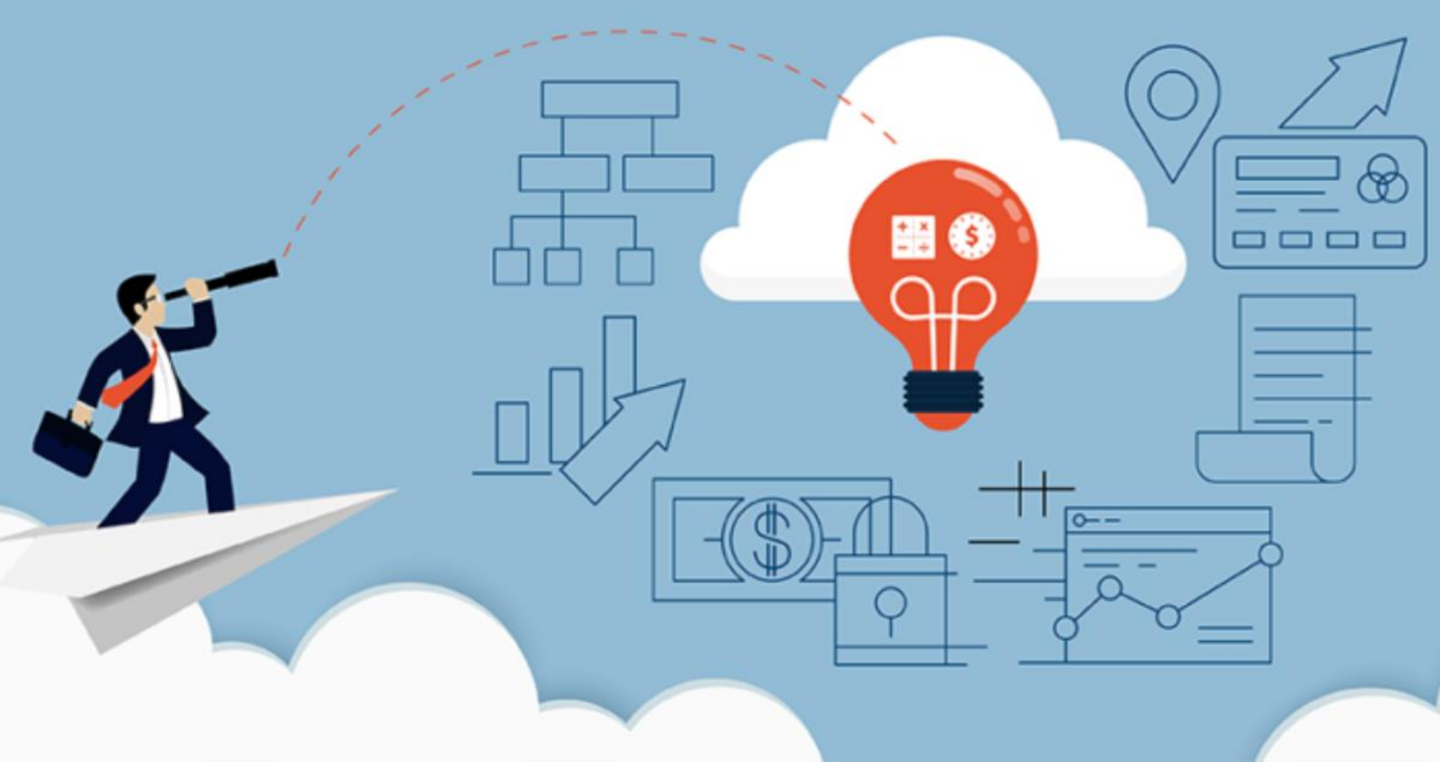
Finomenon The Finance Cell, NMIMS

JANUARY 2022

THE FINANCIAL

A BI-ANNUAL MAGAZINE

HOW IS INDIA GALLOPING TOWARDS NEW-AGE FINANCE



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Letter from Faculty Incharge

Dr. Sachin Mathur
Faculty -In –Charge
Finomenon

The Indian economy was one of the fastest growing major economies in 2021. This was a credible achievement, despite a particularly harsh second covid wave in the first half of the year. While a sharp recovery had been anticipated particularly during April-June 2021 quarter, the growth momentum sustained in the subsequent quarters. Scaling up of vaccine production and administration was a key success story helping India bring back the much-needed macro-economic stability.

In line with economic recovery, corporate profitability also consistently improved. But other concerns have emerged, including high inflation. In early 2022, the third wave of the pandemic is once again clouding the economic outlook for the short term. But long-term fundamentals of Indian economy remain strong. Not surprisingly the market indices are still near peak levels, reflecting the optimism.

The theme of this year's Illuminar is "India galloping towards the New Age Finance." The combined financial services and information technology expertise, both technical and managerial, and the vibrant start-up culture has enabled India to create one of the largest fintech ecosystems in the world. Apart from the fast-maturing digital payment segment, high growth is expected across segments such as investment-tech, digital lending, and insurance-tech.

I am glad to announce the release of a new issue of The Financial, the bi-annual magazine of the Finomenon cell, on the Illuminar's theme. In 2021, Finomenon launched several interesting research reports. The response to all the events including The Finance Mogul, the finance case study competition, Moolyankan, the investment valuation competition, and Seeking Alpha, the fund managers' competition, was very encouraging. I am sure that at Illuminar, we will all have enriching discussions and useful takeaways.

Letter from President

Ms. Varnika Bagaria
President
Finomenon

'Change is the only constant' and with the advent of technology in the finance industry, the overall sector has evolved immensely to give way to new ideas, innovation and products that would change how people pay, lend and invest in India. India's Fintech Industry is expected to grow at a CAGR of 22% by FY25 and this opens several doors for companies who are looking to bring disruptive products in the country to make use of this massive opportunity that would make us wonder- 'How is India galloping towards new-age finance?'.

With growing urbanisation, people are looking for quick solutions to their problems, convenience and several options to select from to cater for their different needs. Institutions these days have recognised this preference of the consumers and have developed products and services that have transformed the way people look at their finance. India which was primarily a cash-based economy is rapidly embracing digitalisation as the internet and the smartphone market continues to grow in the country along with a 15% CAGR in the number of online transactions. Banks have moved online and people are now considering new investment options like NFTs and cryptocurrency other than the traditional ones such as stocks and bonds. This along with fintech services such as peer to peer lending, buy now pay later options, Robo-advisory and many other choices would make emerging India the hotspot for new-age finance.

At Finomenon, the Finance Cell of SBM, NMIMS Mumbai, we constantly strive to provide a platform for finance enthusiasts to hone their skills. With our initiatives such as finsights, article of the month and our magazine along with the webinars and workshops organised by the committee, we share insightful articles and provide topics of discussion for the batch. This is our initiative to make finance more approachable and less intimidating to all. We like to share our enthusiasm in the form of our research reports published by our student-led investment fund- Samriddhi which gave annualised returns of 26.25%, against Nifty 200 in the past three months. Despite the academic year continuing in the online mode, we launched our competitions Moolyankan and The Finance Mogul with great excitement and conducted Seeking Alpha which we launched for the first time this year. We hope to continue with this legacy and to keep coming up with new initiatives that would help the students prepare for the industry and become future leaders.

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NEW-AGE FINANCE

INTRODUCTION

Connecting the finance industry with technology has resulted in a massive evolution of the sector in terms of increased awareness of various traditional and new-age financial instruments such as cryptocurrency, Non-Fungible Tokens (NFTs), and some fintech services such as peer-to-peer lending and Buy Now Pay Later (BNPL), etc. With people trapped in their homes due to the pandemic, the fintech industry received an unprecedented boost which resulted in adoption of new digital habits such as increase in online payments, investments through apps and new financial instruments.

FINTECH Fashion!

"TECHNOLOGY- THE HEART OF THE FINANCE INDUSTRY"

In 2016, India introduced the Unified Payment Interface (UPI), which allows users to access their bank accounts using registered apps (such as Google Pay) and conduct transactions with any other bank and after that with a combination of government regulations and market forces, open financial data expanded to universe of players—both financial and non-financial

In order to offer new products and services, customer accounts database became a goldmine for companies. Customers benefit from open financial data because it gives them more control over how their money is managed, such as increased account visibility and easier payment access.

In the last few years, India's banking environment has undergone significant changes in terms of service and product. It has shifted from an inside-out, product-centric approach to an outside-in, consumption-based approach. The Open Banking ecosystem, which was pioneered by BFSI firms such as Yes Bank, Kotak Bank, DCB Bank, and others, has now expanded to include NBFC and other IT businesses who have formed agreements within the system. The Indian financial services and fintech sector currently includes Open Banking. India has embraced a hybrid paradigm in which both the market and the government participate actively in the development of the ecosystem. The National Payments Council of India (NPCI) is bringing important initiatives to market, and the BFSI sector is transitioning into an API-based collaborative paradigm.

INDIA'S POSITION IN THIS RACE

> **"India is one of the most exciting fintech markets in the world"**
>
> Philip Aldis, Goldman Sachs

The new age financial trend is evolving in many ways all around the world. In order to foster competition, governments in the European Union, the United Kingdom, South Korea, Australia, and India have forced large banks to open up their vast troves of customer accounts to other enterprises. It is a market-led initiative in the United States and China, with corporations creating open-banking connections among themselves. Singapore employs a hybrid of the two approaches.

Level of adoption in country for regulator-led countries

Initial steps (eg, industry consultations, draft regulations)		Transpose to national law		Grant licenses[1]		
Nigeria	Indonesia	Hong Kong	Japan	UK	India	Australia
USA	Saudi Arabia	Brazil	Malaysia	Germany	Finland	Sweden
Canada		Mexico	Turkey	France	Ireland	Hungary
Colombia		Singapore[2]		Spain	Czech Republic	Denmark
				Italy	Norway	Belgium
				South Korea	Netherlands	

The Cosmos of New-Age Finance

Finance is undergoing a profound transformation. Digital technologies are reshaping payments, lending, insurance, wealth management and the like. As digital connectivity replaces physical interactions between consumers and providers, it has become even more important to see how economies, financial services providers, businesses, and individuals navigate the pandemic and the eventual post-COVID-19 world.

Mobile money, peer-to-peer (P2P) or marketplace lending, insurance technology (insurtech), and crypto-assets are examples of financial technology innovations that have evolved throughout the world. Fintech has already improved retail consumers' access to and convenience with financial services during the last decade. Meanwhile, AI, cloud services, and distributed ledger technology (DLT) are changing wholesale markets in sectors as varied as financial market trading and regulatory and supervisory technology. A slew of new companies have cropped up to address customer demand with new technology, and the majority of incumbents say digital transformation is a strategic goal.

Indeed, leading banks are rapidly eliminating gaps in the digitization of internal operations and customer offerings, to compete with fintech and the large technology (big tech) firms that have also entered the fray. These developments have the potential to make markets more dynamic, competitive, efficient, and inclusive. Innovation has introduced competition and increased financial inclusivity, particularly in emerging markets and developing economies. Fintech seems to have thrived particularly in markets where the financial system is still in the development stage.

The Investment Frenzy

From NFTs to cryptocurrencies with doge memes, everything has taken over the investment community.

An important dynamic that's emerged in the last year is around digital assets; the exploration of such opportunities across a range of different platforms.

Whether you're talking about stablecoins, central bank digital currencies, or NFTs; it calls into question the future of money and investing.

How are these things going to develop? Will they be able to coexist in the marketplace at some point? What roles will they play in the financial world?

We've even seen investment management businesses create products by bundling multiple currencies into separate funds, indicating that there are new investing possibilities as well. Digital assets are gaining traction from a regulatory perspective, as well as a business perspective.

Reshaping The Banks Of Today

Banks are at a make-or-break moment. The pandemic was the ultimate gut punch, putting banks' resilience to the ultimate test in unexpected ways.

To be successful, the bank of the future must embrace developing technologies, be adaptable to changing business models, and prioritize consumers in all of its strategies.

Although digital transformation is the buzzword of the day, it is crucial for banks to thrive in a rapidly changing business environment.

Technology will continue to be the driver of business growth and central to delivering a wide range of services through a strong customer experience. As mobile and internet banking become more popular among consumers, banks are cutting down on branch expenses in order to invest in self-service digital channels.
For example, Goldman Sachs' consumer banking application named Marcus has seen tremendous success.

Bank of America Merrill Lynch has leveraged Artificial intelligence and Machine learning algorithms to develop a virtual financial assistant for its customers named Erica.

Recently, partnerships between banks and FinTech companies have been more common in recent years, with the latter offering marketing, administration, loan servicing, and other services that enable banks to offer tech-enabled banking products. Other benefits of bank-fintech relationships are being explored by banks, such as access to assets and customers.
The gap between traditional banks and fintech companies is therefore becoming thinner with time.

As a result, these partnerships are beginning to reshape the financial services landscape. For example, Fintech company BharatPe is partnering with the NBFC, Centrum, to take over the troubled cooperative bank, Punjab and Maharashtra Cooperative (PMC) Bank, which marks the beginning of a new era in the financial services sector.

> "Banks are at a make-or-break moment"

Spiralling Winds of Change : Financial Services

Changing client tastes, technologically-enabled innovation, and new regulatory measures are all coming together to generate a wave of unprecedented changes in the banking industry.

“The disrupt or be disrupted notion” has become increasingly valid for the financial services industry in the current context.

The financial services industry is really at a pivotal point in its evolution. We believe that if implemented right, the financial services sector may operate as a catalyst for the development of new business models, business combinations, products, and services to tackle current societal and economic concerns.

TRENDS THAT ARE SHAPING THE FINANCIAL SERVICES INDUSTRY:

- FinTech and corporate behemoths are racing to build India's first comprehensive financial services platform called the Superapp
- Buy Now Pay Later is reinventing credit, allowing Indians to forego using a credit card and instead use digital credit while making purchases
- Neobanks are gaining traction by providing hyper-personalized banking services to previously underserved consumer categories
- During Covid, Wealthtech was a pleasant surprise. It has transformed the financial environment and attracted a large number of first-time stock investors.
- Digital lending has become the most funded business model in fintech with an increased focus on collections.
- The digital payment industry continues to attract significant funding and has the greatest number of companies in the IPO queue. The battleground has shifted from issuance to acquisition. With lower margins, players are seeking new methods to make revenue by cross-selling other financial products using payment as a hook.

The Designated Union: Fin+Tech

Fintech is a portmanteau for “financial technology.” Fintech is a technology that’s used to supplement, streamline, digitize or disrupt traditional financial services.

Technology and finance have always been interconnected, from the invention of the abacus to massive supercomputers that are used to run complex financial models today. The fintech industry was born out of that merger, and now a major chunk of financial activity is carried out through digital devices, enabling more people to have access to financial services.

Apart from increasing access, technology has ushered in a slew of significant changes in financial institutions throughout the world, upending whole industries in certain cases, such as mobile investing applications and stockbrokers.

The financial services sector isn’t usually synonymous with nimbleness. But in today’s era, adaptability and quick iteration is precisely what consumers and business owners expect and increasingly need.

India has undoubtedly emerged as one of the fastest-growing fintech hotspots in recent years. As an economy it has already incorporated concepts like smart contracts, mobile banking, secure payment gateways, mobile wallets and now is on its path of adopting central bank digital currency (CBDC).

In India, digital payment methods have seen widespread acceptance over the last two years, making basic financial services much more convenient to access. The increasing availability of smartphones, improved internet access, and high-speed connection have all aided the growth and spread of India's fintech ecosystem.

A research report published by BCG and FICCI indicates that the fintech industry would attain valuations of 150-200 billion US Dollars by 2025. According to this report titled 'India FinTech: A USD 100 Billion Opportunity,' India's FinTech sector would require a significant investment of $20-25 billion over the next several years to achieve this target.

Platforms such as PayTM, CRED and Zerodha have undeniably been the flag bearers of the Indian fintech market. Additionally, the recent IPO rush has shown that the investors have a positive sentiment towards the fintech startups.

> “Ignoring technological change in a financial system based upon technology is like a mouse starving to death because someone moved their cheese
>
> – Chris Skinner”

Fintech Going Strong In India

Despite being a vastly diversified and populated country, a huge portion of India remains underbanked, underserved, and susceptible to a constantly changing regulatory environment. This is where Fintech enters the equation, with its potential and power to fundamentally alter and transform India's financial and banking services sector.

FinTech's advent in India has been aided by growing alliances with traditional banking, insurance, and retail sectors, where they are actively adapting to evolving customer needs. All of these variables point to a favourable trend toward FinTech, which has huge growth potential as the country moves toward massive adoption.

THE NEXT NORMAL

Several years ago, the debate over whether blockchain technology and cryptocurrencies like Bitcoin and Ethereum were just a trend or if they were here to stay centred on whether these technological innovations were only a fad or if they were here to stay. Now that cryptocurrencies have surpassed a market value of $2 trillion, it's critical to understand how much of an impact they will have on consumer banking and the financial system as a whole.

Across the globe, major corporate and governmental organisations are implementing cryptocurrency or blockchain technology into their service offerings or utilising it as a supplement to what they already provide as a service.

NFT

In India, the NFT trend is gaining traction almost as quickly as the country's bitcoin business. In less than two months, three new marketplaces for selling non-fungible tokens (NFTs) have opened in the country, as crypto exchanges exploit the bear market to focus on other elements of their operations.

WazirX, India's most popular cryptocurrency exchange, was the first to venture into space. Its NFT marketplace debuted on June 1, but it already faces competitors. After its seed fundraising round on July 20th, another NFT marketplace, NFTically, followed suit, and a third, Wall.app, is set to start soon.

BNPL

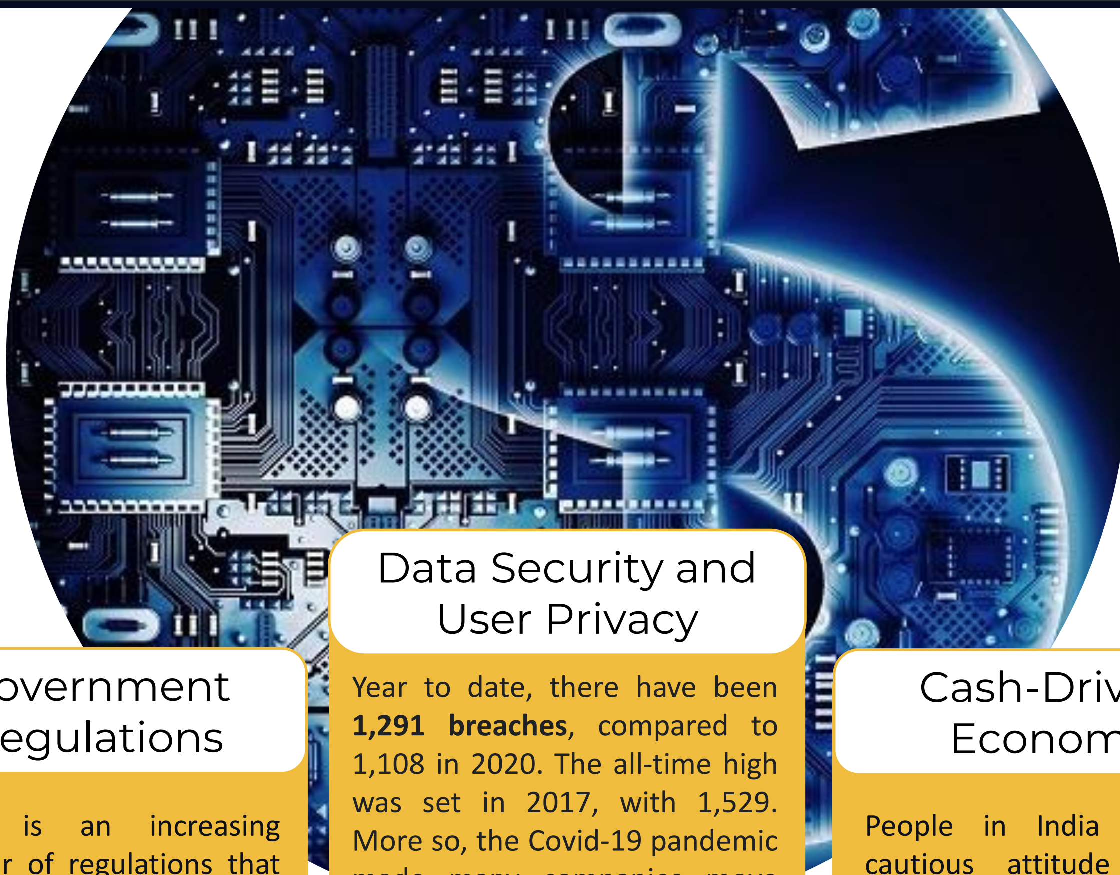
The buy-now-pay-later (BNPL) market in India is flourishing, with tens of millions of online buyers being drawn in by the promise of interest-free credit and fewer hassles. By 2026, India's BNPL market will have grown from $3-3.5 billion to $45-50 billion by 2026. The research firm also estimates that the number of BNPL users in the country may rise to 80-100 million customers by then, from 10-15 million, currently.

METAVERSE

"You can think about Metaverse as an embodied internet, where instead of just viewing content you're in it!", correctly quoted by Mark Zuckerberg.

More than 500,000 Indian users have shown their interest in NFTs and metaverse projects since the beginning of November, according to a report by DappRadar. According to a research by DappRadar, more than 500,000 Indian users have expressed interest in NFTs and metaverse projects since the beginning of November. The United States dominates the metaverse trend. However, Asia is becoming more visible, with India, Singapore, and Indonesia seeing a 500% increase in audience. In terms of interest in metaverse initiatives, India is rated fifth, behind the United States, Indonesia, Japan, and the Philippines. According to the report, around 100,000 Indian users have participated in metaverse initiatives such as Decentraland and Axie Infinity. These are games where gamers are rewarded with cryptocurrencies after completing various tasks in the game.

The STUMBLING BLOCKS to this CHAIN



Government Regulations

There is an increasing number of regulations that banks and credit unions must comply with, ranging from Basel's risk-weighted capital requirements to the Dodd-Frank Act, and from the Financial Account Standards Board's Current Expected Credit Loss (CECL) to the Allowance for Loan and Lease Losses (ALLL). Compliance may put a Fintech bank's resources under a lot of strain, and it's typically dependent on the capacity to connect data from many sources.

Data Security and User Privacy

Year to date, there have been **1,291 breaches**, compared to 1,108 in 2020. The all-time high was set in 2017, with 1,529. More so, the Covid-19 pandemic made many companies move deeper online, giving hackers the avenue to get more creative and use sophisticated tools to perpetuate their villainous acts. Global cyber attacks **increased by 29%**, as hackers continue to exploit the COVID-19 pandemic and the huge shift to remote work. When it comes to virtual security, things are not as simple as they appear. Vulnerabilities are more subtle and have the potential to have a greater impact on users, as not only their money is at risk, but also their personal information.

Cash-Driven Economy

People in India have a cautious attitude toward digital payments because the country has traditionally been a cash-based economy. Furthermore, many individuals are unaware of the convenience fintechs provide through their new products and services due to a lack of financial literacy.

APPLICATION OF BIG DATA AND ARTIFICIAL INTELLIGENCE

According to Accenture, 79% of bankers around the world believe AI will transform the way banks and other financial institutions obtain data and connect with consumers. Organizations can acquire personal information about customers using big data, which is critical for banks for determining credit ratings and providing other high-risk banking services. Fintech companies, on the other hand, confront numerous hurdles in integrating these technologies into their daily operations.

INTEGRATING BLOCKCHAIN TECHNOLOGY INTO FINANCE PRODUCTS AND SERVICES

The fintech industry could be made more trustworthy by incorporating blockchain since it allows you to examine and trace all steps of a transaction and prevent any alterations, allowing you to keep an eye on it at all times. Banks and other financial organizations, on the other hand, have been sluggish to catch on to the blockchain idea. Start-ups, on the other hand, are more likely to try to disrupt the Fintech industry.

> “HUMANS SHOULD BE WORRIED ABOUT THE THREAT POSTED BY ARTIFICIAL INTELLIGENCE.”
>
> - BILL GATES, MICROSOFT

Trends Driving The Finance Revolution In India

1

NEOBANKING

Payment gateways, payment processing, cash delivery, internet payments, and a variety of other banking services are being provided by Neo banks. Neobanks have emerged as the next big thing in the fintech market because of the convenience they give.

2

LENDING PLATFORMS

The traditional lending process has been disrupted by these platforms, making loans more accessible to the underserved and underbanked populations. These online lending services use technology to assess customers' creditworthiness and supply them with the funds they require.

3

RISE IN DIGITAL PAYMENTS

As online banking is becoming the new norm in India, UPI payments have risen at an exponential rate. UPI has grown from only 21 banks on board in 2016 to 216 banks today. According to the most recent data from the National Payments Corporation of India (NPCI), UPI payments saw a threefold growth in both the quantity and value of transactions during the previous fiscal year (2020-21).

4

INSURTECH

Insurtech companies are not only catering to specific segments, contextual, and new-age demands, but they are also adopting data-driven innovations throughout the value chain. Acquisition, claims assessment, customer service, personalization, and fraud detection are all areas where insurtech businesses are using analytics extensively and creatively to gain insights. Customers, channel partners, and insurers are increasingly using digital technology as a result of COVID-19.

5

INCREASED TECHNOLOGICAL ADOPTION

Insurtech companies are not only catering to specific segments, contextual, and new-age demands, but they are also adopting data-driven innovations throughout the value chain. Acquisition, claims assessment, customer service, personalization, and fraud detection are all areas where insurtech businesses are using analytics extensively and creatively to gain insights. Customers, channel partners, and insurers are increasingly using digital technology as a result of COVID-19.

MODERN FINANCE: 2022 AND BEYOND

Fintech adoption was increasing every two years before the epidemic, according to the Global Fintech Adoption Index 2019. The industry rose from 16% to 64%between 2015 and 2019. This expansion can be attributed to fintech's increased adaptability when compared to traditional financial institutions. When the world was ravaged by the COVID-19 epidemic, businesses turned to fintech to help them escape the chaos. Fintech's genuine power facilitated a swift shift to digital payments at a time when even doubters had no choice but to accept the new transaction method. In 2022, the financial industry's digital revolution is likely to accelerate and continue. If fintech adoption was the focus in 2021, innovation and development will be the focus in 2022 and beyond.

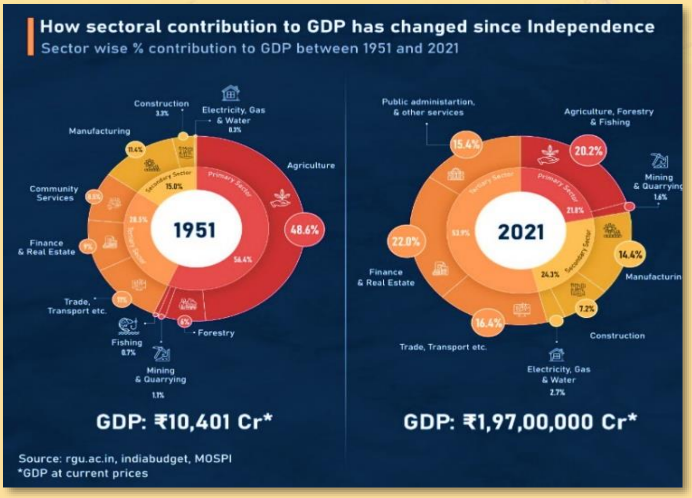
"We're witnessing the creative destruction of financial services, rearranging itself around the consumer. Who does this in the most relevant, exciting way using data and digital, WINS!"

Written by:
Ayush Jain, Priyanshi Jain & Aakriti Mittal

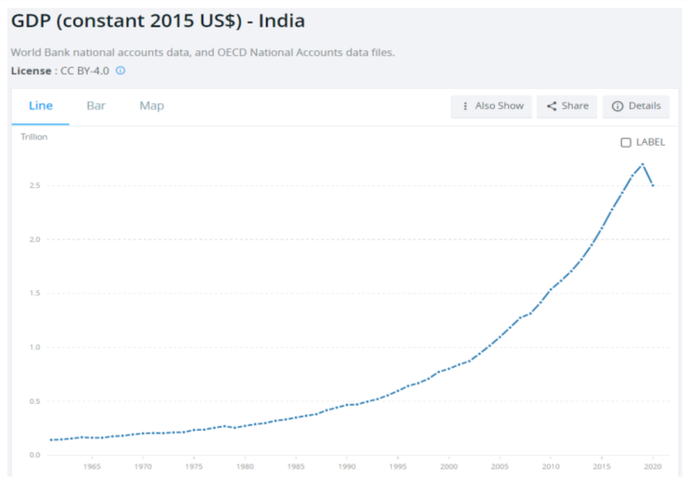
The Icarus Won't Fall

The Golden Bird

Often being referred to as 'The Golden Bird' until the British occupation, India has historically been one of the busiest and most productive trade and finance centres of the world. From 1 CE till the dark beginnings of the British Raj in the 17th Century, GDP of India alone contributed to 25% to 35% of World GDP. By the end of the occupation, India's GDP contribution dropped to 2%. Post-independence, India has been on a meteoric rise in terms of overall economic development.

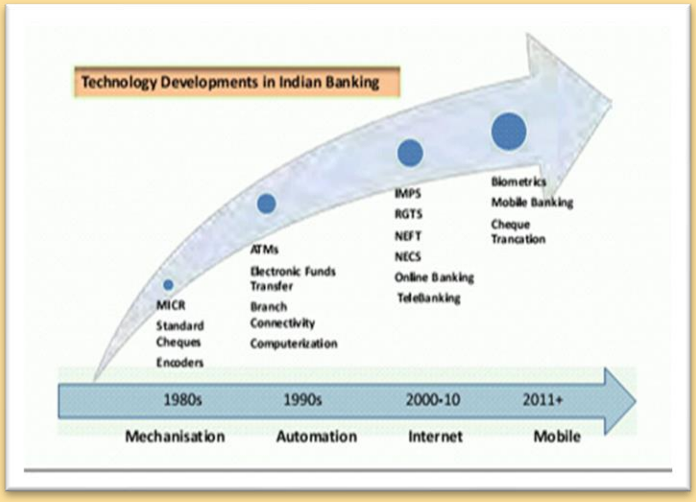


(Source- Finshots)



(Source: World Bank)

Indian economy 'opened up' to the world in 1991 through the liberalization reforms. One of the most important sectors of the economy- the banking sector, reaped huge benefits from these policy measures. With the introduction of technology, geopolitical fluctuations, and the wave of globalization, the landscape of the banking sector changed drastically. The LPG reforms of 1991 almost corresponded with the internet revolution, doubly impacting the banking sector. Core Banking Solution (CBS), modernization of payment services and settlements via Electronic Clearing Services (ECS), Real Time Gross Settlement System (RTGS), and National Electronic Funds Transfer (NEFT) were some of the landmark technological developments that occurred post 1991 (Fig.3).



(Source – Forbes India)

Seeds Of Distrust

The Global Financial Crisis of 2008 proved to be a fatal blow to the trust people had in the traditional financial system. Millions of people lost their jobs, homes, and means of income due to the recession that followed. Gen-Z and Millennials were quite vocal in showing the displeasure the crisis had caused. The traditional financial system started to get viewed as opaque, corrupt and highly centralized. This was in antithesis to what the Gen-Z and millennials represent – Democratization.

Around the same time, India launched the NPCI (National Payments Corporation of India) for handling the payments and settlements in the country. Further, NPCI went on to revolutionize the way the Indian payments sphere operated.

A Gallup survey conducted in USA in 2011 regarding the trust in the banking system showed a dismal fall post the Global Financial Crisis. Although India was relatively less hit, the feeling of distrust had started to spread globally (Fig.4).

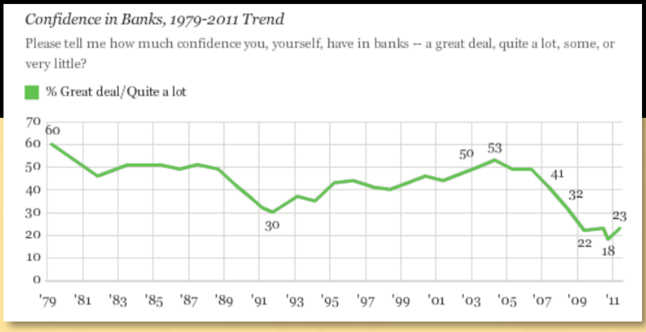
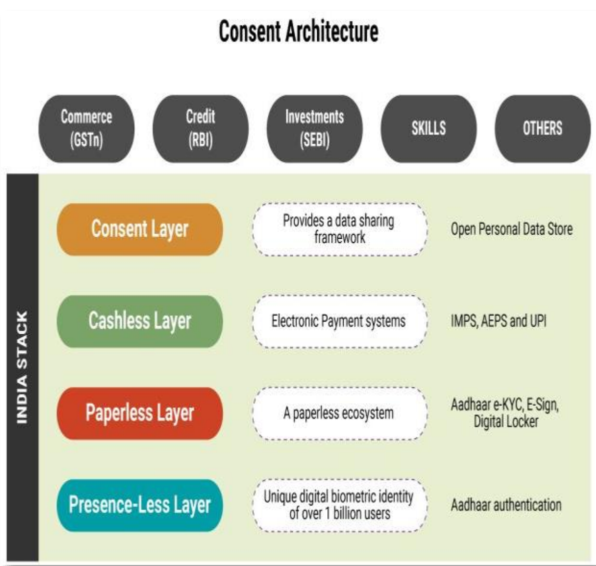
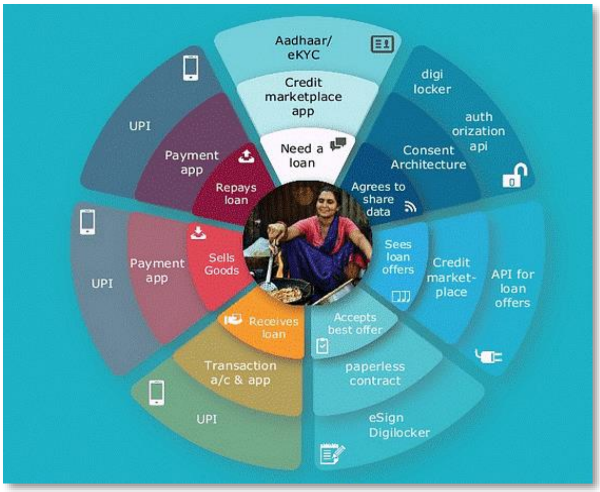


Fig.4: A Survey on People's Confidence in Banks in 2011 (Source- Gallup)

Nakamoto And The Magical White Paper

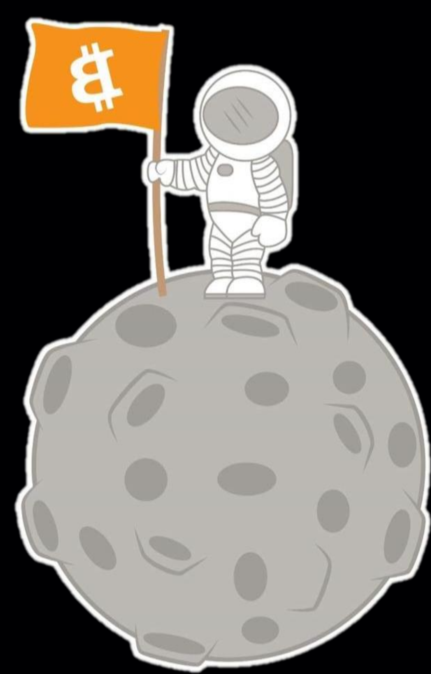
As notorious as it is, for the financial crisis, the year 2008 is famous for a revolutionary white paper on P2P transactions. The still unknown- Satoshi Nakamoto, published this paper on metzdowd.com's Cryptography mailing list in October of 2008. This paper introduced the idea of decentralized financial system, eliminating the need of intermediaries; and thus, Bitcoin was born. Nakamoto created world's first blockchain database, which led to subsequent cryptocurrency revolution.

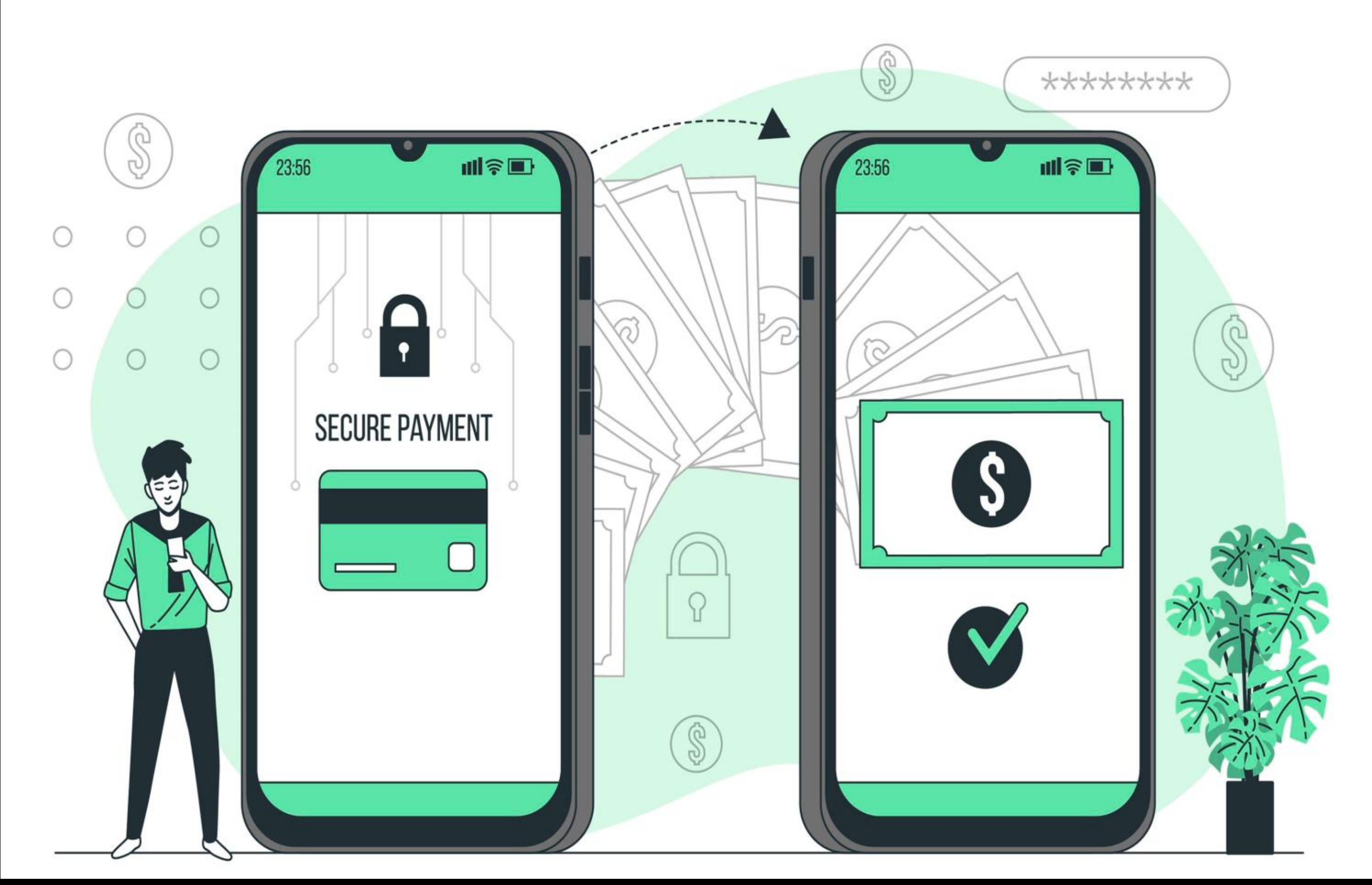




India Stack – A Recipe for Digital Magic

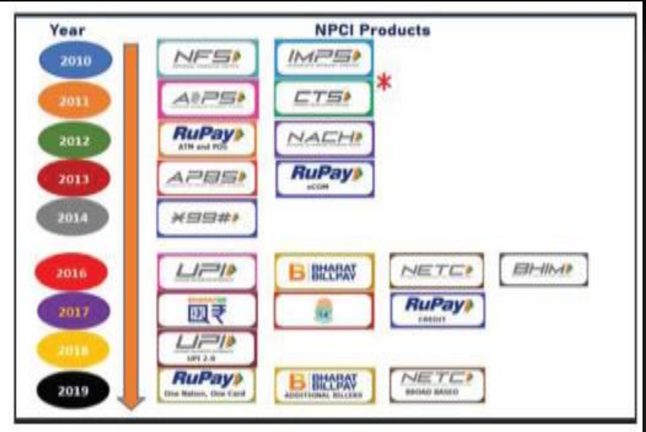
India Stack is a term used for describing a set of open APIs and digital public goods aimed at creating an interconnected environment of national identity, data, and payments at population scale. This revolutionary idea has changed the face of digital finance in the last decade domestically. India Stack pyramid comprises of four layers- presence-less, paperless, cashless, and consent- from bottom to top. Its contribution to promoting the goals of digital financial inclusion will be crucial as India moves towards becoming a cashless economy



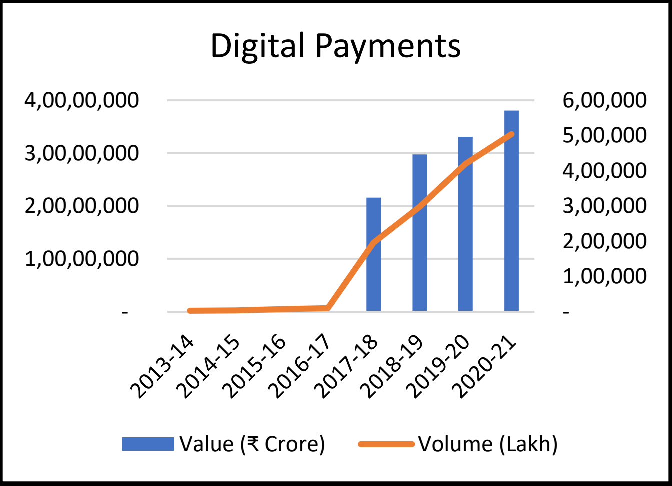


Power To The People- Stick It To The 'Past'

The Indian Banking and Finance ecosystem has witnessed a colossal shift with the advent of the technology revolution, gradually pushing India toward a portal of new-age finance. From the era of CBS, NEFT, RTGS systems, to seminal milestones with the establishment of the NPCI (Fig.8), the contrast can be drawn as more power has been bestowed in the hands of the common man as opposed to the monopoly and niche domination exercised by banks in the payments stratum and over people's financial activities at large. However, with the rapid progress of technology, this no longer appears to be the case, as the monopoly of banks in this area is gradually eroding. The culmination of differentiated banking models and alliances like Mobile Network Operators (MNOs), Payments Banks (like Airtel Payments Bank, Fino Payments Bank), Micro-Finance Institutions, Point of Sale systems like Retail Man (had R.K Laxman been alive today, we might have got lucky enough to witness 'The Common Retail Man'), Government schemes like Direct Benefit Transfer (DBT) have aided the proliferation of Digital Financial Inclusion in the country- the greater pie of progress being post Demonetization, further deepened by the pandemic.



Note - *CTS operations were handed over to NPCI in 2013



The Unstoppable Wave

The Rise of Fintech

India has unquestionably emerged as one of the fastest-growing FinTech hotspots in recent years, bringing innovation in various aspects of finance including loans, payments, and stock trading through concepts like paperless lending, mobile banking, secure payment gateways, mobile wallets, and others. This expansion has been aided by the growing availability of smartphones, increased access to high-speed connectivity and favourable government policies/actions like demonetisation and GST being the prima facie catalyst for this FinTech boom. Like a boon in disguise, the debilitating COVID-19 pandemic has further accelerated this digitalization, with contactless and cashless payments promoted to encourage social distancing.

The introduction of new payment interfaces like Immediate Payments Service (IMPS), Unified Payments Interface (UPI), Bharat Interface for Money (BHIM) etc., the government's "Make in India" and "Digital India" initiatives have played an outstanding role in accelerating the adoption of Fintech. The GoI along with SEBI (Securities and Exchange Board of India) and RBI (Reserve Bank of India) are aggressively supporting the ambition of the Indian economy to become a cashless digital economy.

With the advent of breakthrough platforms such as PayTM, PhonePe, MobiKwik, Google Pay, OLA Money, WhatsApp Pay etc., digital payment systems have undeniably been the flag bearers of the Indian FinTech market. Neo-Banks -synergizing with banks to enhance their output delivery- are attracting attention too with their 3 E's: Easy Electronic Experiences concerning banking for the unbanked sector. Collaborating with MSMEs and imminent merchants, companies like MSwipe, Capital Float and PineLabs have curtailed the gap between customers and their access to collateral-free loans and credit.

Fig.10: 8 out of 42 Indian Unicorns in 2021 Were from the FinTech Sector. (Source: Venture Intelligence)

The last five years have seen the emergence of 67% of the more than 2100 FinTechs in India today. But, is the boom here to stay and progressing in the right direction? Undeniably, yes. In fact, India is in a propitious position to attain a FinTech sphere valuation of $150 billion by 2025, implying a USD 100 billion in piecemeal value making potential. The maximum number of entrants in the Indian Unicorns Club in the year 2021 were from the FinTech sector (Fig.10), the notable ones being BharatPe, Digit Insurance, CoinDCX, Groww, MobiKwik and Cred. This trend is expected to continue in a sustainable manner

Every threat to the status quo is an opportunity in disguise

This Icarus Won't Fall

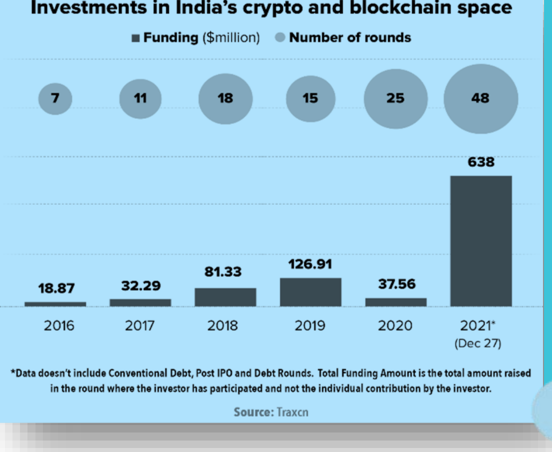
The New World

The disruption caused by digital currencies particularly holds a perfect analogy to this statement. Investing in cryptocurrencies like Bitcoin, Ethereum, Tether, Dogecoin etc. has gained momentum across the globe lately and India is no exception. Recent data suggests the world's second most populous nation is likely to be a giant in the global crypto market.

A novelty among the exuberant youth and millennials, majority of the traders are below 25 years of age. Can crypto have a way into the long haul or is it just a passing fad? Relatively easy to enter and safe- attractive attributes of decentralized finance mechanism- the crypto space is expected to grow and expand rapidly in 2022.

India's crypto market flourished by 641% from July 2020 to June 2021 (Fig.11), helping turn a region spanning central and southern Asia and Oceania into one of the world's fastest-growing cryptocurrency markets.

The government was twice set to introduce a crypto bill seeking a ban on "all private cryptocurrencies" before withdrawing it. RBI instead introduced a Central Bank Digital Currency (CBDC), aiming to provide a safe, robust, and convenient alternative to physical cash incorporating other benefits like liquidity, scalability, acceptance, ease of transactions with anonymity and faster settlement. Concurrently, demand for similar digital assets using Blockchain and Distributed Ledger Technology (DLT) like Non Fungible Tokens (NFTs) has detonated across the nation amid the pandemic, and especially in 2021.



All the innovations and regulations that have culminated into making India a digitally robust country do have their downsides. Former Coinbase CTO, Balaji Srinivasan recently opined on regulations to control technological innovation. He stated, "Every law imposes constraints on innovation. We live within a hypercube of permissible space. It is like a mental box and you can't see what can happen outside of that boundary."

With its wings of digital infrastructure, as India flies above the sea of digital stagnation, it risks flying too close to the sea and spiralling down due to heavy regulations; and it also risks flying too high, too close to the sun, where the heat of the innovation melts its wings, ultimately leading the to the fall.

Equipped with world-class hardworking minds and a hopeful spirit, it would not be irrational to predict, that the digital Indian Icarus won't fall, at least not anytime soon.

Written by:
Pushkar Mahale- NIBM, Pune

SAMRIDDHI REPORT

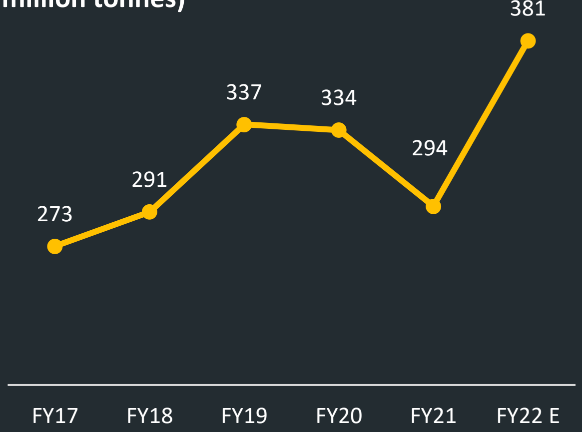
INDUSTRY OVERVIEW

India is the 2nd largest producer of cement in the world after China with a production of 294 million tonnes in FY 21 **(Exhibit 1).** Cement production capacity in India was 517 million tonnes in FY 2021 and accounted for around 8% of the world's installed capacity. As per a report by Crisil, there will be an addition of around 65 million tonnes of capacity by FY 24. The capacity utilization for Cement production has also been low and with capacity increasing every year, utilization is expected to remain low. Over the past few years, the demand for cement in India has been below the average historical demand. But looking at the government's thrust on infrastructure development and affordable housing, rapid urbanization, and a rising working-age population the demand for cement is expected to increase in the coming future.

India has a high rate of population migration from rural to urban areas. To accommodate this migrating population there has been an increase in the housing and real estate projects in urban cities. More than 50% of the cement is used for Housing and Real estate development **(Exhibit 2).**

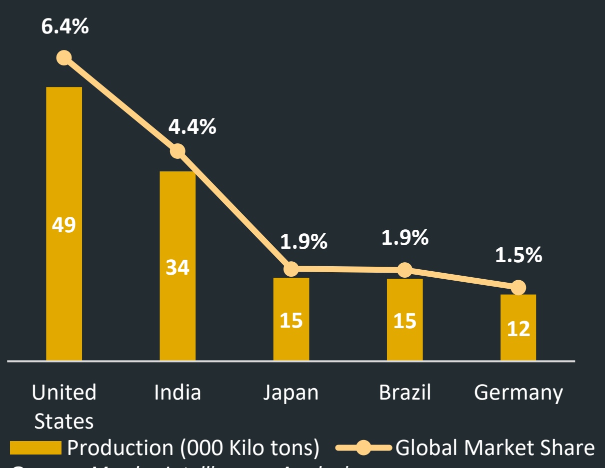
Infrastructure and Industrial development account for almost 30% of Cement demand in India. With the government's higher allocation to infrastructure spending in the Union Budget of 2021, we can expect to see a rise in the demand for cement in infrastructure in the near future.

Figure: Cement Production in India (in million tonnes)



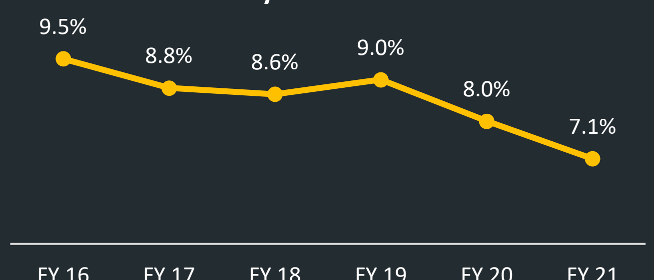
Source: Office of the Economic Adviser

Figure: India was third highest Lime producer in 2020, after China and USA



Source: Mordor Intelligence Analysis

Figure: Effective interest on home loans in India have decreased continuously from FY 19 to FY 21



Source: SBI home interest rates principal of Rs.30-Rs.75 lakhs taken for a period from 5 to 15 years

GROWTH DRIVERS

1

Abundant availability of good quality limestone: After China (4,75,000 Kilo ton), and USA, India was the third-largest producer of lime as of 2020 (34,000 Kilo ton) **(Exhibit 3).** Limestone can be extracted from most states in India with 86% concentrated in 8 states. Increased FDI in cement and gypsum product manufacturing of about $5.87 billion between 2020 and 2021 also increased the demand for lime production. India has immense potential to hold a significant position in cement manufacturing capacity, globally.

2

Government push to infrastructure projects: Infrastructure accounted for 22% of cement consumption in FY21. The government has announced key infrastructure projects like National highway projects in Nagaland, Rajasthan, Karnataka, and Telangana **(Exhibit 4).** The government also plans to set up five new smart cities and 100 more airports. All these initiatives will give a boost to the infrastructure and the cement industry in the medium to long term.

3

Opening up of economy: Phase-wise opening up of the economy has rekindled economic activity. An increase in GDP is correlated with construction demand and consequently cement consumption. Around 16% of the country's working population relies on construction for a living. The construction sector in India employs about 30 million people and generates over $200 billion in assets. It provides more than 5% of the country's GDP and 78% of its gross capital creation. Pent up demand for homes is expected to drive the growth of cement sector.

4

Capacity addition (organic and inorganic): There have been consistent capacity additions to gain market share, lower working capital requirements, lower Capex requirements for brownfield expansions vs greenfield capacities. However, these capacity additions have decreased the pricing power of the cement industry.

5

Urbanization: There is a 4% growth in urbanization over the previous decade, implying that people have moved away from rural regions in search of jobs and a way of life in cities. Nuclear family trends continue to break from rural areas and settle in urban areas. In 2020, approximately a third of the total population in India lived in cities. This has further increased the demand for homes and subsequently cement.

6

Industrial development: Industrial development like the plant, office construction, accounts for another 10% of demand. In June 2021, major players within the cement industry like ACC and Ambuja cement announced their plans to invest in Industry 4.0 under its ‘Plants of Tomorrow’ program, which aims to boost cement manufacturing through enhanced plant optimization, improved plant availability, and a safer operational environment.

7

Affordability of homes: The housing and real estate sector accounted for 55% of the cement consumption in FY21. Thus, cement demand is heavily dependent on the growth of the housing sector. With the working-age population expected to rise to 65% in 2036, coupled with low home interest that has decreased over the last 3 years **(Exhibit 5),** rising affordability, and flexible payment plans, the demand for homes has gone up. There is a significant increase in per capita income that increased at a CAGR of 9.8% between FY12-20 increasing affordability of houses.

COST DRIVERS

1

RAW MATERIALS COSTS

Raw Materials account for 25% of the cost of sales incurred and the major raw material used in cement production is limestone. Owing to limestone's bulky nature, cement plants are generally located near limestone quarries as it is not feasible to transport limestone over large distances. The major areas where limestone is found in India are Bilaspur, Gulbarga, Yerraguntla, Satna, Nalgonda, Chandrapur, Thiruchirapelli and Chanderia. Other major raw materials that are used in the manufacturing process are gypsum, fly ash and slag.

2

POWER & FUEL

The cement manufacturing process is a power-intensive one where power and fuel are major requirements in processes like firing the kiln and generating power for the grinding process. To fulfil the power requirements, the Indian cement industry uses three primary fuels like coal, pet coke and ignite. The increasing prices of coal from an initial $70-80 per tonne to $205 per tonne in 2021 puts immense pressure on the cement industry that transfers this increase in their cost of production directly to the consumers, thereby increasing the overall cement price by as high as Rs. 40 per bag **(Exhibit 6).**

Cement companies have been investing in alternate sources of energy like renewable energy in form on solar energy, wind energy and waste heat recovery system (WHRS). The renewable energy alternatives not only reduce the carbon footprint but also provide monetary benefits in terms of reducing costs. The cost for power generation in WHRS is Rs. 1.3-1.5/kWh as compared to Rs. 4.5-5/kWh for thermal power generation. A replacement of 20-25% WHRS power generation in total power capacity would provide cost savings of about 14-18% for cement companies.

3

SELLING & DISTRIBUTION COSTS

Cement is a low-cost product that is transported in high volumes. Therefore, freight costs form a signification portion of the total costs, at about 20-25%. Increase in fuel costs adds onto the freight costs directly impacting the overall cost of production. Increasing crude oil and coal prices significantly increase the distribution costs for cement manufacturers as 40% of the road freight costs are dependent on diesel and could increase the production cost per metric tonne by as much as Rs. 100-110. Cement industries strategically locate their plants in coastal areas in order to have easy access to the market in Gulf Countries for export. The plants are set up close to the customers and to the mines to minimise the transportation costs from the mines to the grinders.

4

OTHER EXPENSES

Other expenses are employee and administration expenses, maintenance costs all of which account for 15-20% of total costs. Global crude oil prices have a direct impact on packaging costs due to the plastic sacks used for packaging cement. The cement manufacturers pass on this cost burden to the consumers which increases the overall product price. Similarly, rise in polymer prices, a key element in packaging industry affects the cement packaging costs.

COVID IMPACT

The unprecedented COVID-19 pandemic hit India in the last quarter of FY 2019-20. To curb the growing infected numbers, the government of India announced a nationwide lockdown on 25th March. As a result of the lockdown, manufacturing activities in many sectors came to a halt. The impact on cement industry was two-fold.

SUPPLY SIDE IMPACT

1

- **Shutdown of cement plants** - Due to the lockdown restrictions, many cement companies like Ambuja cement, Ultratech cement and Shree cement shut down most of their production facilities. As a result, cement production fell by 86% in April 2020. The second wave also saw a similar shutdown with cement production falling from 33.1 million MT in March 2021 to 24 million MT in May 2021.
- **Mobility issues** - Due to the restrictions on transportation imposed on various state borders, the supply chain faced temporary disruptions in terms of labour and raw material mobility.
- **Decline in capacity utilisation** - Due to the plant shutdowns and supply chain disruptions, the capacity utilisation slid from the 65-70% pre covid to 40% in FY 2021.

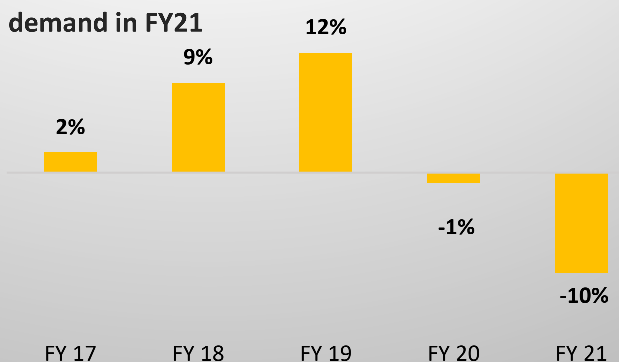
DEMAND SIDE IMPACT

2

The total cement demand declined by 10% in FY21 **(Exhibit 7)** due to the following reasons:-

- **Fall in construction activities –** The lockdown resulted in halt of construction projects and thus resulted in exodus of migrant workers from construction sites in urban and semi-urban areas to rural areas. Even when the government lifted the restrictions by the end of April 2020, the construction activities took time to resume as the migrant workers took time to come back to their respective place of work due to transportation restrictions. Thus, the Real Gross Value Added by the construction sector has shown a declining trend QoQ in FY21.
- **Fall in real estate demand -** The real estate sector which accounts for 55% of cement demand was adversely impacted due to the lack of housing demand. The first wave led to a decline in average area booked (in mm sq. feet) from 8.9 in Q4 FY20 to 4.5 in Q1 FY21.

Figure: Industry witnessed a De-Growth for cement demand in FY21



Source: CRISIL; Samriddhi research

IPOs AND DEALS

Nuvoco Vistas Corporation Limited IPO: Established in the year 1999, Nuvoco Vista Corporation Limited is among one of the largest cement producers and concrete manufacturers in the Indian economy. The organization aimed to raise Rs.5000 crores from the IPO. It received a weak response from the investors with under subscription in the retail category and a total subscription of 1.71 times.

Penna Cement Industries IPO: Penna Cement Industries which is based out of Hyderabad has received the nod of SEBI on 18th October 2021 to raise Rs.1300 crores via a fresh issue of equity shares and an offer for sale of Rs.250 crores by the Promoter Selling Shareholders aggregating to Rs.1550 crores.

Ultratech acquires Jaiprakash Associates: In 2017, Ultratech acquired 21.2 mtpa unit of Jaiprakash Associates for Rs. 16,189 crores. The move was primarily for geographical market expansions, which also led Ultratech to become the 4th largest cement producer globally at the time of acquisition.

Ultratech acquires Binani Cement: In early 2019, Ultratech acquired the debt ridden Binani Cements for around 7900 crores after the latter went under the insolvency process in 2017. The deal was financed by Ultratech using 60% debt and 40% equity. The deal facilitated Ultratech Cement's production capacity to go up to 94.75 mtpa from 88.5 mtpa before the acquisition, besides it also led to Ultratech becoming one of the strongest players in the northern market of India.

SAMRIDDHI JOURNEY

Samriddhi has completed almost 6 years and in this time, it has proved its mettle through the fund performance and publishing detailed research reports. It has provided returns to investors not only in the monetary term but also in terms of in-depth industry knowledge.

Team Samriddhi will also take this opportunity to express gratitude towards its investors. The investor base comprising of Students, Faculty and Administration of NMIMS Mumbai have stood with Samriddhi showering us with their support and faith. We believe our class of investors to be our biggest asset in our quest to materialize a vision of shared prosperity. We cannot overemphasize the impact of the investor's meetings and their feedback and we will continue to welcome the same.

At the outset, it is imperative to mention the Objective of the Fund **– to seek for and award prospects for 'Growth Sustenance' and 'Value Creation**' across only Equities forming part of the NSE200 Index. Samriddhi is to be categorized under Growth and Frontline Equity Funds which and we use a meticulous investment methodology that is governed with strict discipline. Our fund objective, along with the proprietary portfolio management technique helps us to avoid the trappings of speculative returns that are often ephemeral. We strategize the portfolio across carefully picked stocks which provide us reasonable assurance of capital growth.

The four pillars of our Investment methodology are as follows:

• **Quality**- Companies which maintain high standards in accounting and information disclosure and also boasts of the ability to sustain profitability on a cash flows basis.

• **Growth**- Unlike contemporary measures, we set our standards for Growth from the Economic moat perspective. We award value where we see growth to be above industry averages and sustained with distinguished businesses generating profitability and growth.

• **Risk**- A paramount component in our framework, our understanding of risk comes from the investment standpoint rather than the company standpoint, whether bad debt, non-core businesses or one-offs cushion real profitability issues, or when the company reverts further below the mean across mature industry life-cycle stages, among other aspects.

• **Profitability**- We look at profitability from the lens of Capital owners' return, viz. Return on Invested Capital (ROIC), Cash Flow Return on Investment (CFROI) as against insufficient PAT/EBITDA measures. This helps us filter value picks from wealth destroying companies.

Samriddhi also actively aims to distinguish itself via its proprietary research through three flagship publications: Samriddhi Intelligence Report (SIR), Samriddhi Equity Research Report (SERR) and Market Impact Report. Our research reflects our current views on investment ideas, sectoral attractiveness, market trends and developments and valuations. Team Samriddhi published a comprehensive SERR on Jubilant FoodWorks Ltd covering in depth various facets of the company's operations along with deep insights into the Indian QSR sector, an MIR covering our view on the Indian economy and financial markets and two SIRs on the Indian Fintech sector and the Indian Cement sector. Our research corroborates with and substantiates our investments to achieve returns in step with the risk we shoulder.

In our quest to a vision of shared prosperity for all our stakeholders, Team Samriddhi aims to continue with its endeavour to constantly challenge the conventional wisdom of value investing by striving to stay ahead of the curve. Our guiding principle of keeping our investor's expectation closest to our heart will allow us to stay true and strong.

Data as of January 13, 2022

Samriddhi Investor's Fund

Equity

Investment objective

To seek to generate long- term capital appreciation from a portfolio comprised entirely of Equity securities from the NSE200 Index.

Investment Methodology & Philosophy

Samriddhi focusses on the pursuit of investment opportunities in the Indian equity market from the universe of NSE 200 stocks to seek and award equity investment prospects on the principles of Growth, Sustenance and Value Creation

The fund seeks to invest in stocks with strong fundamentals strictly screened on robust parameters of Quality, Growth, Risk and Profitability that form the four pillars of the fund's investment philosophy.

Portfolio Managers:

Yogesh Shroff, Vanshika Bagaria, Nishit Betala, Veer Doshi, Chirag Kinger

Fund Facts

Inception	2016
Benchmark	NSE200 Index
NAV (as of 13-Jan 2022)	**₹ 737**
Total Number of Holdings	36
Subscription Frequency	Annual
Withdrawal Frequency	Annual

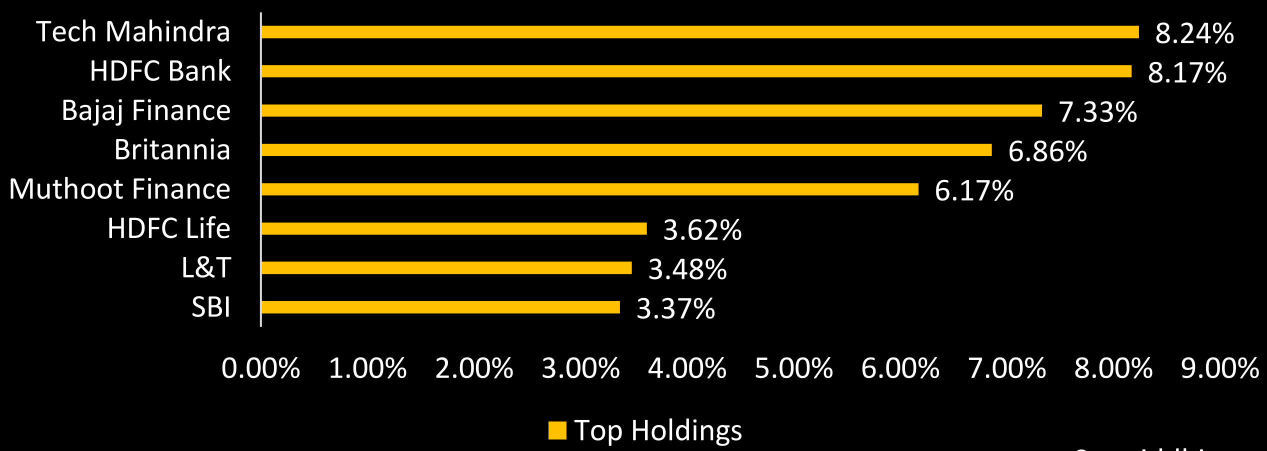
Fund Performance:

	Portfolio	NSE200
Beta	0.93	1
Std. Deviation	28.86%	27.92%
Return (3 month annualised)	26.25%	21.27%
P/E	46.90	24.63

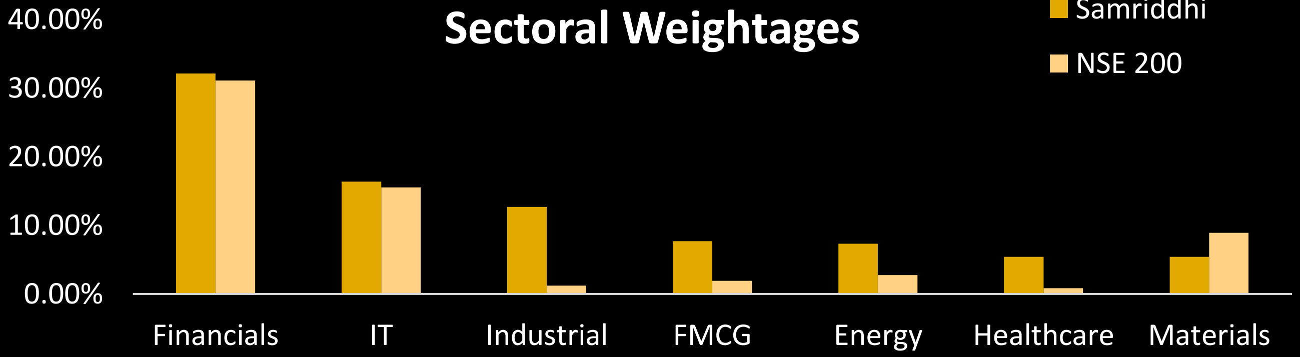
Market Cap%

Large Cap	82.32%
Mid Cap	16.37%
Cash	1.31%

Top Holdings



Sectoral Weightages



THE FINOMENONAL JOURNEY!

Bean Counters 2021

As a part of the intra-college fest, Parichay, Bean Counters served as an ice breaker for the first-year students. The event witnessed a huge turnout from the entire batch. Round 1 was an online quiz, followed by Finoquence (Sequence with a flavour of finance) with the grand finale "Stock Charades"!

It is our flagship Pan-India Equity research competition. It allows participants to gain knowledge on conducting equity research, stock valuation and assessing future scope of a stock.

Moolyankan 2021

B-Talks 2021

Business Talks is an initiative exclusively for Finomenon junior committee members, a boost for their Summer placements. They were allocated companies from Nifty 100 and were asked to analyze and present the MD&A report, giving the students a holistic idea.

This year TFM was in association with SBI Mutual Fund which allowed us to give the winners prizes worth Rs.1.2 Lakhs! A battle of wits and grit, It was an inter B-school Finance case study competition, with 3 thrilling rounds - online trading and quiz round, case study submission & final presentation to our judges.

The Finance Mogul '22

Even in this Virtual Setup,

Our exciting journey continues...

Summerthan 2021

In an effort to prepare the first-year students for summer internships, Finomenon shared Finance dossiers and Summerthan articles with the students. It spanned across topics like Fintech in Insurance, US-China economic & Trade Agreement etc.

Winterthan 2021

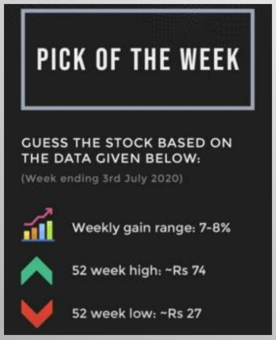
It is an initiative where Finomenon shares with final year students preparatory material for placements such as industry reports, and articles related to technical concepts in the domains of derivatives, fixed income, economics, M&A etc.

Seeking Alpha' 2021

Finomenon introduced Seeking Alpha' this year for all the student fund managers across B-Schools. It gave the fund managers of B-schools an enlightening opportunity to be part of an All-star get together where they competed against other B-school fund managers while doing what they do best- Pitch stocks.

Article-Writing Competition

Finomenon held a article writing competition on D2C to invite articles from teams across different B-School for its Bi-Annual Magazine 'The Financial'. Various teams submitted their articles on the theme, 'Ever-evolving VC Landscape in India' and the top three articles would be published in the magazine.



Our Weekly Ventures

Weekly ventures include daily, weekly as well as monthly activities that the committee undertakes. This includes Pick of the Week, Book-a-month and regular Finsights on various trending topics in the business environment enriching the knowledge of our readers and at the same time ensuring engagement through initiatives like stock Pick of the Week and Book-a-month.

It always seems impossible until it's done !

Illuminar 2022

Illuminar is an Annual Business Conclave of NMIMS, Mumbai which is hosted by Finomenon, the Finance cell. It gives the budding business leaders a glimpse into the dynamism across the global economy and empowers them to feel the pulse of the energetic atmosphere.

Decoding Finance

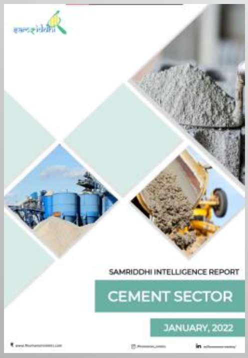
An interactive session conducted by Mr. Kunal Mehta, Mr. Manav Madaan, Mr. Manish Agarwall, Mr. Vaibhav Shah, Mr. Rohit Zende. The session shed light on the different roles in the Finance Sector. It addressed the fear of Finance, their doubts and debunk the myths related to the field of finance.

Finshodhan 2021

A competition exclusively for Finomenon Junior committee members, Finshodhan is a great opportunity to learn from and witness a competition analogous to CFA-RC. It covers research on multiple companies and valuation techniques.

Samriddhi Day

This year Samriddhi day celebrated the anniversary of the student led fund. It was celebrated with a session that hosted Mr. Harish Krishnan (Senior Executive Vice President, Kotak Mahindra AMC) . It was an insightful session with an opportunity of industry exposure.



Samriddhi Research Reports

Team Samriddhi released various SIRs, MIRs, SERRs focusing on recent performance of financial markets. These reports are in the mould of industry-standard Equity Research Reports, designed primarily to enhance learning. Some were - market update and impact of covid vaccines, cement industry, fintech industry and jubilant foodworks.

And many more coming soon...

Alumni Reconnect

1. How was your MBA journey at NMIMS?

When I joined MBA, my goal was to leave with a better knowledge base than I already had. NMIMS has offered me with not just that but it also gave me exposure to an amazing crowd. So, it helped me grow not only professionally but also personally. I have made great friends here who were there to encourage me when I won and chide me when I went wrong. The first few things that come to my mind while thinking of my MBA journey are Finomenon, case study competitions, and basketball. The journey had its own challenges but that is what created a great learning experience. It was an amazing 2 years with full of ups and downs

2. How was your experience leading Finomenon- the only finance cell of NMIMS?

At Finomenon, all 11 of us were leading the team and it was not just me. The juniors, alongside us, were always there to help the batch. I loved being a part of this coveted committee as it helped create an impact by eliminating the fear of finance. The knowledge capsules in the form of FinSights, Book review, dossiers etc. helped the batch tremendously and when it actually yielded results, it helped us strive for excellence. So, hands down Finomenon was the best association I made in my 2 years of SBM, NMIMS. And as we often said #FinoAboveAll

3. Having experienced both online and offline MBA, what would be your suggestion on how to make the best out of both scenarios?

Being diligent is of utmost importance, be it online or offline MBA. Prioritize academic projects, take part in case study competitions, be inquisitive and learn whatever you can get a hold of. I would like to iterate that a good team is as essential as taking part in competitions, you should have people you can rely on and who are good at areas where you are weak. This goes a long way and you would always have these people by your side.

Aditya Agarwal

President (2020-21)

Undergrad- B tech Jaypee University of Information Technology

Summer Internship- Aditya Birla Fashion and Retail Ltd

Current Position– Business Analyst, Indus Valley Partners

Alumni Reconnect

4. Can you tell us about how you carved your journey from being an engineer to an MBA graduate in finance?

Just like every other Engineer, my alternate career path was an MBA, and being mathematically competent, I planned to take up MBA in Finance. But funny how despite an MBA in Finance, I am working closely as a BA where my work is far from what we learned in college and actually closer to what I worked as an Engineer. However, I have really enjoyed the various concepts that I learned during the course and I tend to apply it in the real-world scenario. For me, it has always been about learning anything I can get my hands on and it helps me get my way through things.

5. How was your summer internship experience? Any advice for students on how to make the most out of the internship opportunities?

My summer internship was a great experience as I got to learn the nitty gritty of the retail sector. During my internship, I realized that technical knowledge, smart work, and networking, however cliched these may sound, are the most important things while working. The technical know-how of a subject is important and nothing can replace it, but being culturally fit is equally important in an organization. The culture is all about people, so how well you gel with the people matters.

6. Can you share the most memorable moments experienced throughout the 2 years of your MBA? (one in online and one in offline)?

To name one memorable moment would be challenging as there were many. So, for me, the best of moments would range from preparing for the placements (those late night zoom call preparation), planning Finomenon events to going on trips, house parties, and pulling out multiple pranks on juniors. We have had the best of time and words can't describe the memories we have made.

7. What are your key takeaways from your MBA journey?

MBA journey in itself is a major roller coaster ride, not only for me but for everyone (I am sure each of you would relate). It is that phase in one's life when 24 hours seem to be really less. But what I have learned is that everything is manageable (within those 24 hours, of course). All we need to do is take a stock of the situation and prioritize the tasks at hand and then move forward to the next task. Starting from academics to committee work; it all seemed a lot in the beginning but eventually it was manageable and so will it be in the corporate world or in life

Alumni Reconnect

1. How was your MBA journey at NMIMS?

It was transformational. From being an English Literature graduate with no work experience to bagging my first job at an IB, the journey was eventful. It was defined by the friends that I made, Finomenon and the memories that we all made together, both offline and online. I was lucky to find a diverse set of peers, seniors, and teammates who were not only fun to be around but also were serious individuals with eyes set on something to prove. We all participated in every competition that we could apply to, were among the few who took cases seriously and yet never missed a chance to party or ditch assignments for a midnight ride to Lonavala. It was a time where anything seemed possible and often times dreams did come true. It was about being in the mindset that NMIMS was the last of college life and making sure not to leave anything out before it got over.

2. How was your experience leading Finomenon, the only finance cell of NMIMS?

Finomenon has been a major part of my MBA journey. The journey which started from giving the first interview to actually leading the entire team as a VP has taught me a lot. Being a VP came with its own challenges but it wasn't without fun.
But at the core of it, it was about helping the entire batch. Each event that we organized to each workshop that we kept, our end goal was the enhancement of knowledge of our batchmates.

3. Having experienced both online and offline MBA, what would be your suggestion on how to make the best out of both scenarios?

My suggestion would be to build rigor and participate in every case study competition that is there on D2C. You will not only earn enough to sponsor your Goa trip but it would also give you an edge when you enter corporate. It keeps you busy in a productive way and earns you best friendships. Make the best use of your time. For people who think online MBA means tones of free time will face the most difficulty when offline transition happens.

Rajat Garg
Vice President (2020-21)

Undergrad- B.A Honours, English Literature, Ramjas College

Summer Internship- Investment Banking Summer Analyst, Nomura

Current Position- Strategy role at Director's Office, Future Consumer Limited

Alumni Reconnect

4. How was your summer internship experience? Any advice for students on how to make the most out of the internship opportunities?

Ask for work and be proactive as you will be competing with b-school students from the top institutes and will need to fight for your chance right from day 1. Reach out to Alums way before internship starts and make sure to upskill yourself in PPT and Excel to save time and give a good first impression.

If you feel like your internship is not ideal or you want something else, use the internship period smartly to make contacts and keep working on your courses/skills as those extra 6 weeks of prep can make a difference in finals.

5. Can you share the most memorable moments experienced throughout the 2 years of your MBA? (one in online and one in offline)?

Most memorable offline moments for me were always the competition finales; that adrenaline rush was unbeatable. One that stood out was when I got to represent India at EY YTPY Finals in Amsterdam. It was the first time I stepped out of India but the most memorable part of that entire episode was when my friends skipped their internal presentations to receive me at Mumbai airport when I returned.

For online, one of the best moments would be Finomenon JC selection. We used to start in the morning and all 11 of us used to stay up till 3-4 am, debating and ensuring that each applicant has been given extreme thought before a decision. We had our fair share of fun in the interviews as it was the first time interacting with the batch as a senior committee member. After pulling off the interviews for 250+ applicants over 3 rounds in just 3 days, we had the confidence that we will get through this virtual year after all.

6. What are your key takeaways from your MBA journey?

Your ambition is the only thing that can keep procrastination away and each second count. People come in all shapes and colors, and one should learn to connect with all (or find extrovert friends who you can outsource your socializing). The most difficult step of any challenge – be it winning competitions or getting the dream grade/job, is taking the first step. Don't overthink once you start. Things are usually simpler than they look.

7. Can you tell us about your journey from B.A (Hons) in English Literature to working in a finance role?

Like most non-finance, non-engineer people who enter MBA (yes, we are a rare, but existent species), the world of MBA seemed daunting to me at first. But luckily, I found Finomenon where my seniors used to proactively take lectures and were there at every step before every interview and competition round. This helped in taking away any fear of finance. I also found the right set of friends who not only teamed up for competitions which helped with my PPT skills but also believed in discussing new things that they learnt during prep sessions. This was true peer learning, as I would call it..

I was always proud of my diverse background and would encourage everyone to continue experimenting. Life's too short.

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