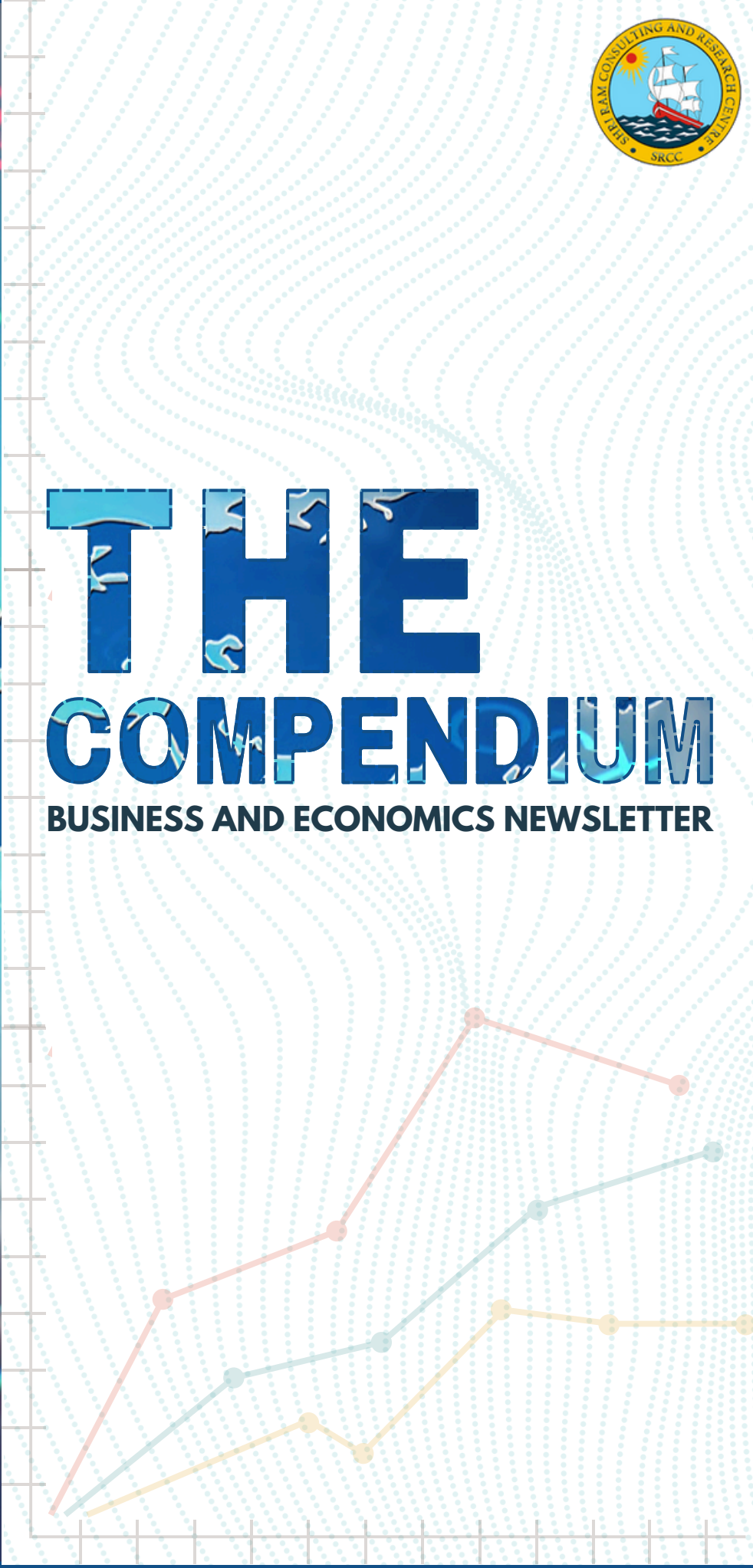




THE COMPENDIUM

BUSINESS AND ECONOMICS NEWSLETTER



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SOUTH KOREA DECLARES MARTIAL LAW: A RED ALERT

South Korea declared emergency martial law on **December 3, 2024**, following rising tensions with North Korea and increasing internal political unrest. The declaration was primarily concerned with national security and political divisions, marking a critical moment in the nation's history.

South Korea has long been in a state of tension due to the looming threat of North Korea, with political disagreements over national security intensifying in recent years. The emergency martial law followed a **North Korean missile breach** and a cyberattack on critical infrastructure. President Yoon Suk-yeol invoked the measure, accusing opposition figures of sympathizing with North Korea and increasing military preparedness and control over civil activities.

The declaration has raised several concerns, including the disturbance of civil rights and democratic processes, the risk of escalating aggression from North Korea, and growing internal political polarization. Balancing national security with fundamental rights, maintaining international relations, and addressing the widening political divide are among the key challenges facing South Korea. **The purpose of the declaration was to address national security threats and assert the nation's resolve against North Korea** while tightening internal control amid rising political instability.

Domestically, the declaration has sparked public backlash over concerns of democracy erosion. Internationally, it has strained relations with **North Korea, China, and Russia**, drawing global attention to South Korea's stability. Key events include opposition budget cuts, North Korean missile activity, and diplomatic efforts with China. Benefits include enhanced national defense, increased public awareness of security risks, and stronger cooperation with the U.S. and Japan. In conclusion, while martial law addresses security threats, the government must balance these measures with democratic principles to avoid further destabilization. Long-term stability depends on diplomatic dialogue and balancing security with freedoms.





INDIA-BANGLADESH RELATIONS AMID POLITICAL TURMOIL

Bangladesh is grappling with political and communal unrest, straining ties with India. The situation is further complicated by Bangladesh's request for the extradition of former Prime Minister **Sheikh Hasina**.

India and Bangladesh share strong historical ties, bolstered by Sheikh Hasina's leadership. However, growing instability under interim leader **Muhammad Yunus**, marked by violence against Hindus and political unrest, has strained relations. India faces a delicate task of maintaining regional stability while addressing Bangladesh's extradition request for Hasina.

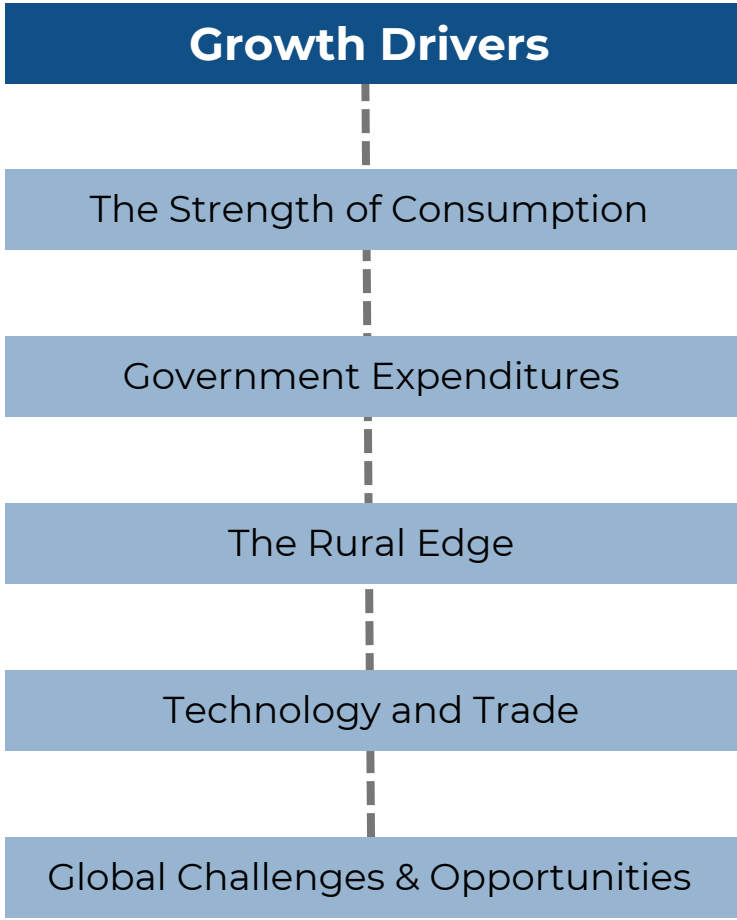


The key challenges of political instability, minority violence, and the extradition demand threaten regional stability and India-Bangladesh ties, requiring India to carefully balance sovereignty, minority protection, and diplomacy while fostering dialogue to maintain mutual trust and cooperation, and ensuring that the actions taken do not escalate tensions or hinder long-term stability in the region.

The ongoing unrest in Bangladesh has negatively impacted bilateral trade, disrupting economic cooperation and mutual growth opportunities between the two nations. Additionally, the rising tensions and political instability have contributed to growing anti-India sentiments within Bangladesh, complicating the diplomatic relationship and potentially undermining decades of goodwill. To navigate these challenges, India must advocate for a peaceful resolution to the crisis by promoting dialogue and constructive engagement. This approach will not only help stabilize the region but also reinforce mutual trust and cooperation, paving the way for stronger economic ties and a more harmonious partnership in the long term.

INDIA'S ECONOMIC ENGINE: DRIVING TOWARD 6.5% GROWTH IN FY25

The economy is bouncing back in **Q3**, supported by festive activities and rural demand, according to the RBI. India is poised to achieve a strong **6.5% GDP growth** in the financial year **2024-25 (FY25)**, highlighting its resilience amid global uncertainties. The nation's growth narrative is powered by robust domestic consumption, strategic measures by the government, and a consistent increase in agricultural and industrial production. Although the data appears encouraging, obstacles such as inflation and global challenges still loom ahead.



Impact and Future Outlook

India's economic path is remarkable, though it comes with its own set of challenges. Inflation has posed difficulties, but with a reduction in food prices and effective policies, there is a sense of cautious optimism. Concurrently, sectors such as manufacturing, agriculture, and technology are projected to fuel growth in the forthcoming years. Looking forward, analysts anticipate that the economy will sustain its pace in FY25 and beyond, with **growth rates likely hovering around 6.5%**. By emphasizing infrastructure, digital advancements, and sustainability, India is setting the stage for a promising future—focused not just on numerical growth but also on enhancing the living standards of its populace.

KEY OUTCOMES OF THE 55TH GST COUNCIL MEETING



The **55th GST Council meeting**, chaired by Union **Finance Minister Nirmala Sitharaman**, took place on **December 21, 2024**, in Jaisalmer, Rajasthan. The Council announced several important modifications to GST rates and regulations, with the objectives of enhancing trade, simplifying compliance, and alleviating tax burdens.

Major Changes Made

- **Reduction in GST on Fortified Rice Kernels (FRK):** The GST rate on FRK has been lowered to 5%, promoting nutritional initiatives and benefiting marginalized communities.
- **Exemption for Gene Therapy:** Services related to gene therapy are now exempt from GST, making advanced medical treatments more affordable and widely accessible.
- **Changes in Sponsorship Services:** Sponsorship services offered by corporate entities have now shifted to the Forward Charge Mechanism, easing the tax compliance responsibilities for recipients.
- **Hotel Accommodation and Restaurant Services:** Starting April 1, 2025, the GST on these services will be determined based on the actual value of supply, clarifying uncertainties around tax applicability.
- **IGST Exemption for IAEA Imports:** Vital equipment and supplies imported for the advancement of atomic energy have been granted an IGST exemption, promoting scientific development.



SOCIAL ENTREPRENEURSHIP: DRIVER OF CHANGE

Social entrepreneurship is a global phenomenon with India offering a fertile ground for such ventures due to its significant social challenges and supportive business ecosystem. The **Young FICCI Ladies Organisation (YFLO)** Delhi, in collaboration with the M3M Foundation, successfully hosted **Triveni Awards** on 19th December 2024 at the Vishwa Yuvak Kendra, New Delhi.

Supported by Thinkthrough Consulting (TTC), CSR Universe and DOCC-SPJIMR as valued collaborators, the event marked a significant milestone in **empowering entrepreneurship** and uplifting social innovators, particularly **women entrepreneurs** across India.



Triveni Awards 2024 aimed to recognize and support social entrepreneurs addressing **critical challenges** in their communities, including agrarian issues, employment generation, and sustainability. Through tailored grants ranging from **INR 5 to 10 Lakhs**, the initiative provided essential resources and visibility for innovators to scale their ventures. Among the 200+ applications received, the event witnessed participation from 35+ outstanding social enterprises, out of which 10 finalists were shortlisted and given the opportunity to present their elevator pitches to the esteemed jury during the final presentations.

The finalists comprised Navbodhi Agri Solutions LLP, Krishi Solutions LLP, Social Asset Foundation, Krishikala, Farmer's Aura, Sinchan, Ladakhi Women's Travel Company, Pride Business Network Foundation, and Prem Samriddhi Foundation. Following an intensive Q&A session conducted by a distinguished nine-member jury, three enterprises—**Farmer's Aura, Krishikala, and Prem Samriddhi Foundation**—were declared winners, each awarded INR 7 Lakhs to advance their meaningful initiatives.





BRIDGING THE GENDER GAP IN THE START-UP SPACE

India has witnessed exponential growth in the entrepreneurial sector, with gender or age no longer being barriers to innovation and success. Witnessing this, the Government has launched several initiatives including **Startup India and Atal Innovation Mission (AIM)** to support founders.

As on 25th December, India now has 73,000 startups with a woman director. This is an overwhelmingly positive development, owing to previous years' figures showing a dismal percentage of female representation in this space.



Atal Innovation Mission



This news goes to show that Indian women are actively involved in breaking the glass ceiling and driving change in entrepreneurship and innovation. The Ministry of Commerce and Industry, in a release, highlighted that this represents nearly **half of the 1,57,066 startups supported by the government**, underscoring the crucial role women play in driving innovation and economic growth.

However, despite this, Women representation in the top management of India Inc has been quite low despite regulatory provisions regarding appointment of women directors. The Companies Act, 2013 mandates listed firms to have at least one woman on their board. The proportion of women in the boards of listed companies is less than 20% in India against the global average of around 33%- representing the need for further improvement.



SANTA CLAUS RALLY ON THE HORIZON: INDIAN MARKET REOPEN WITH OPTIMISM!

As Indian stock markets reopened on December 26, 2024, following the Christmas holiday, investors were filled with optimism, anticipating a potential "Santa Claus rally." The benchmark **BSE Sensex settled at 78,472.48**, down slightly by 0.39 points, while the **Nifty 50 edged up to 23,750.20**, reflecting a modest gain of 22.55 points. This mixed performance sets the stage for a festive trading atmosphere, as analysts believe that the **holiday spirit could drive upward momentum** in the coming days.

The concept of a Santa Claus rally refers to the tendency for stock prices to rise in the last week of December and into the early days of January. This year, GIFT Nifty futures indicated a positive start, trading at around 23,800, suggesting that investor sentiment remains buoyant. With a unique equity investor base nearing 110 million, just months after surpassing 100 million in August, the excitement is palpable as traders look to capitalize on year-end trends and potential gains across various sectors.

Sector-wise, **auto and pharma stocks showed resilience**, with several companies reporting gains amid a generally flat market. However, concerns linger regarding foreign institutional investor (**FII**) **outflows and the depreciating rupee** against a strengthening US dollar. These factors may impact market dynamics as we approach the new year.

Experts suggest that despite some selling pressure from FIIs, **domestic investors are stepping in to support the market**. As we head into the final trading sessions of 2024, traders are hopeful for a year-end rally that could provide a strong finish to what has been a volatile year. With expectations of fiscal and monetary stimulus on the horizon, the Indian stock market is **poised for an exciting conclusion to 2024**.





SMALL-CAP STOCKS OUTPERFORM: A YEAR-END SURGE

In a surprising turn of events, **small-cap and mid-cap stocks have significantly outperformed their large-cap counterparts in December 2024**, marking a notable shift in investor sentiment. As of December 24, the Nifty **Small-Cap 100** Index delivered an impressive **23.55%** return, while the Nifty **Mid-Cap** Index posted an even more remarkable **23.70%** return. This surge reflects a growing interest among investors in these segments, driven by rising consumer demand and supportive government policies aimed at bolstering economic growth.



The performance of small-cap and mid-cap stocks stands in stark contrast to the struggles faced by larger companies. While large-cap stocks have been under pressure from foreign institutional investors (FIIs) engaging in profit-booking due to **high valuations**, domestic investors are increasingly turning their attention to smaller stocks. This shift indicates a potential change in market dynamics as traders seek **higher returns from undervalued segments of the market**.



Several factors contribute to this trend. Analysts point to **robust domestic consumption**, ongoing **infrastructure** projects, and government reforms as key drivers for the growth of small-cap and mid-cap companies. These sectors are heavily represented in the smaller indices and have benefitted from favorable market conditions and policy support.

Moreover, the BSE Small-Cap gauge reached a lifetime high of 57,827.69 on December 12, while the Mid-Cap index surged to 49,701.15 on September 24, showcasing their strong performance throughout the year. Despite global economic uncertainties, **India's domestic factors have ensured resilience in capital markets.**

As we approach 2025, market experts remain **optimistic** about the continued growth of small-cap and mid-cap stocks, suggesting that they will likely remain attractive options for investors seeking opportunities in a recovering economy. With increasing **retail participation and record inflows into mutual funds** focused on these segments, small-cap and mid-cap stocks are poised to capture significant attention in the new year.



IAS ARUNISH CHAWLA APPOINTED AS THE NEW REVENUE SECRETARY

Arunish Chawla, a **senior IAS officer of the 1992 batch from the Bihar cadre**, was appointed as the new Revenue Secretary in the Ministry of Finance on December 25, 2024. Prior to this role, Chawla served as the Secretary of the Department of Pharmaceuticals in the Ministry of Chemicals and Fertilizers.

In addition to his new responsibilities, he will also hold the **additional charge of Secretary of the Ministry of Culture** until a regular incumbent is appointed. This appointment follows the vacancy left by Sanjay Malhotra, who recently became the Governor of the Reserve Bank of India.



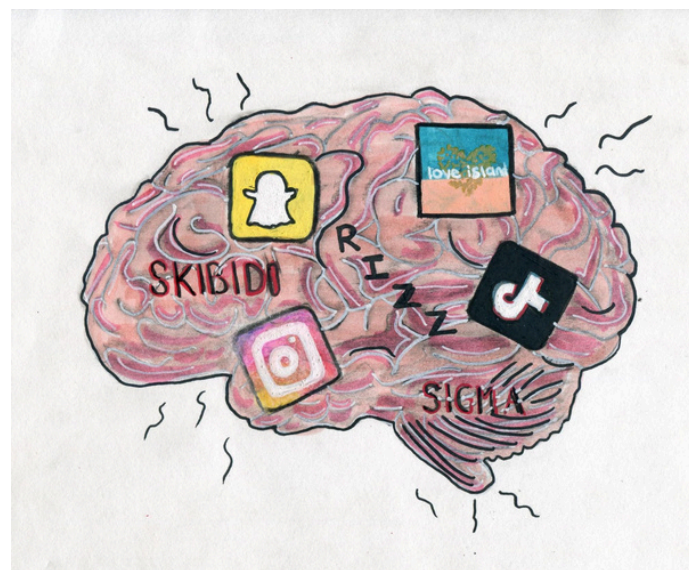
As part of a broader reorganization of top bureaucratic positions, Amit Agrawal, the CEO of the Unique Identification Authority of India, will replace Chawla as the new Pharmaceuticals Secretary. Chawla's extensive experience in various administrative roles positions him well to lead the Revenue Department.

Chawla's appointment is seen as a strategic move to bring his administrative acumen to the forefront of revenue management. His expertise in fiscal policies and governance is expected to significantly enhance the efficiency and effectiveness of the Revenue Department, ensuring robust fiscal management and policy implementation.



'BRAIN ROT' NAMED OXFORD WORD OF THE YEAR 2024

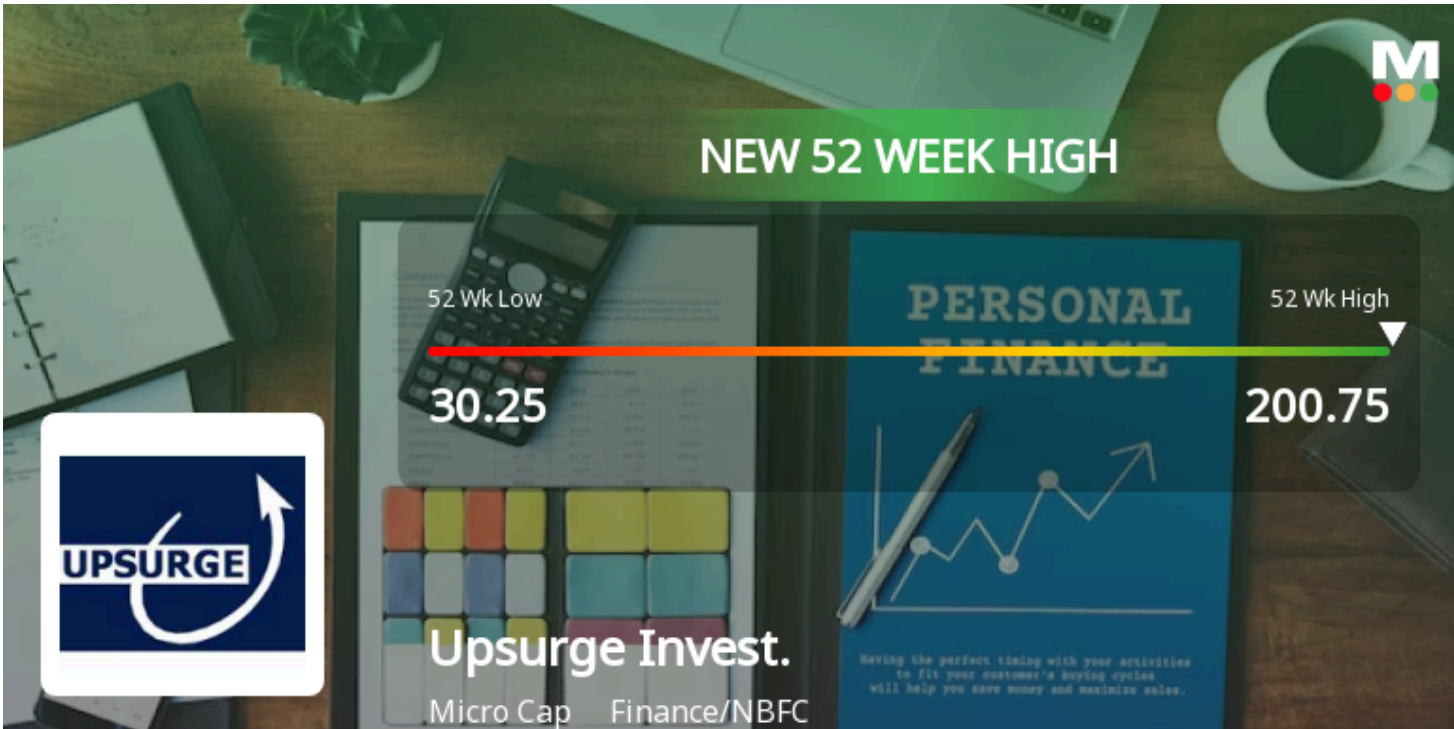
Oxford University Press, on December 3, 2024, announced "brain rot" as the Word of the Year for 2024. The term has seen a significant increase in usage, growing by 230% between 2023 and 2024, and refers to the supposed deterioration of a person's mental or intellectual state due to overconsumption of low-quality online content, especially on social media.



On December 3, 2024, Oxford University Press announced "brain rot" as the Word of the Year for 2024, reflecting the growing cultural dialogue about the effects of digital media. The term, which has seen a remarkable 230% surge in usage between 2023 and 2024, describes the perceived decline in a person's mental or intellectual state resulting from excessive consumption of low-quality online content, particularly on social media platforms. This selection underscores concerns about the pervasive influence of digital content on mental well-being and intellectual engagement in modern society.

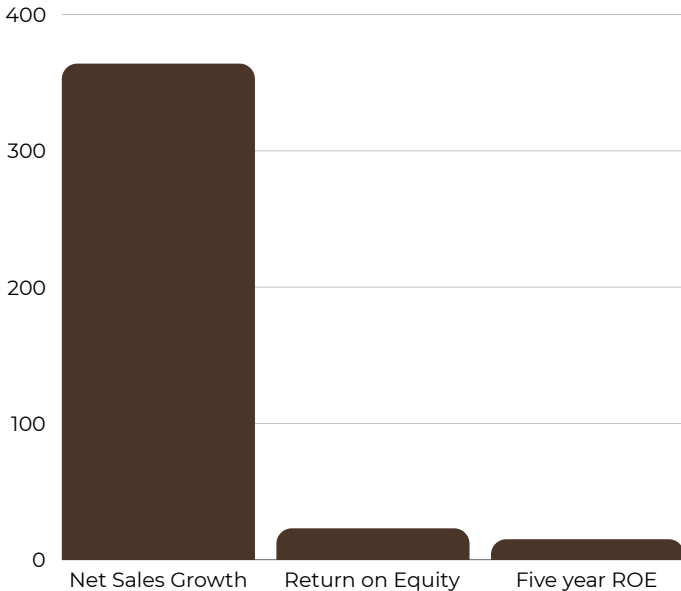
On December 3, 2024, Oxford University Press officially announced "brain rot" as the Word of the Year for 2024, reflecting a growing societal concern about the effects of digital consumption. The term, which experienced a dramatic 230% increase in usage between 2023 and 2024, is used to describe the perceived decline in an individual's mental or intellectual acuity as a result of prolonged exposure to and overconsumption of low-quality online content, particularly on social media platforms. This choice highlights the broader conversation around the impact of technology on cognitive health and cultural habits in the digital age.

UPSURGE INVESTMENT & FINANCE HITS NEW HEIGHTS!



On December 26, 2024, **UPSURGE INVESTMENT AND BANKING Ltd.** celebrated a significant milestone by reaching an all-time high of **₹200.75 per share**. This achievement marks a remarkable journey for the microcap finance company, which has consistently outperformed its sector and the broader market. Over the past year, Upsurge has delivered an astonishing return of **508.33%**, dwarfing the Sensex's modest increase of **10.01%** during the same timeframe. The stock's recent surge can be attributed to several factors, including strong financial performance and positive investor sentiment. In the days leading up to this peak, Upsurge experienced three consecutive days of gains, culminating in a total return of 5.94%. The stock is currently trading above its 5-day, 20-day, 50-day, 100-day, and 200-day moving averages, indicating a robust upward trend and solid market confidence.

Financially, Upsurge has shown impressive growth with net sales skyrocketing by **364.23%** year-over-year as of September 2024. Investors are particularly drawn to the company's **low debt profile and high return on equity (ROE) of 23.61%**, which significantly outperforms its five-year average of 15.28%. As it continues to gain traction in the finance sector, Upsurge Investment & Finance stands out as a compelling investment opportunity for those looking to capitalize on growth in this dynamic market.



SBFC FINANCE GETS A BOOST WITH 'BUY' RATING UPGRADE!



In another exciting development within the finance sector, **SBFC Finance** has recently received a **'Buy' rating upgrade** from analysts, reflecting its strong fundamentals and promising long-term outlook. This upgrade comes at a crucial time as investors are keenly watching market trends and potential growth opportunities heading into 2025. SBFC Finance has demonstrated **resilience and adaptability** in a competitive landscape, positioning itself well for future growth. The upgrade signals confidence in the company's strategy and ability to navigate market challenges effectively. As investors look for reliable options in the finance sector, SBFC's positive outlook adds to the excitement surrounding financial stocks this December.



Together, these developments highlight a **vibrant finance sector** in India as we approach year-end, with companies like Upsurge Investment & Finance and SBFC Finance drawing attention for their impressive performances and bright futures. Investors are poised to watch how these stocks will shape market dynamics as we transition into the new year

TRUMP ADMINISTRATION AND ITS IMPLICATIONS FOR THE TIK-TOK BAN

On **16th December**, TikTok made a last-ditch effort to continue operating in the United States, asking the Supreme Court to temporarily block a law intended to force **ByteDance**, its China-based parent company, to **divest the short-video app by Jan. 19** or face a ban. The ban focuses on the intersection of three key segments- cybersecurity, data privacy and the freedom of speech. Byte Dance has positioned itself as a champion of free speech in the American cyberspace, ardently and vehemently denying allegations of selling American users' data to Chinese firms. The US court of appeals for the District of Columbia circuit in Washington on 6 December **rejected TikTok's arguments** that the law violates free speech protections under the US constitution's first amendment.



In their filing to the supreme court, TikTok and ByteDance said: "If Americans, duly informed of the alleged risks of 'covert' content manipulation, choose to continue viewing content on TikTok with their eyes wide open, the first amendment entrusts them with making that choice, free from the government's censorship."

The President-elect, **Donald Trump's** views on the same have been contradictory; Trump, who unsuccessfully **tried to ban TikTok during his first term in 2020**, reversed his stance and **promised during the presidential race** this year that he would try **to save TikTok**. However, Trump takes office on Jan. 20, the day after the TikTok deadline under the law. Given the court hearings in December, the offer by billionaire Frank McCourt to buy the app, the future of Tik Tok in the United States seems dicey at best. December marked **conflict** between **ByteDance and the Supreme Court** and with further delays in the pipeline, ByteDance is eagerly strategising to retain its base in the United States.

GENERATIVE AI, SUPERCOMPUTERS AND NVIDIA



The new **NVIDIA Jetson Orin Nano Super Developer Kit**, which fits in the palm of a hand, provides everyone from commercial AI developers to hobbyists and students, gains in generative AI capabilities and performance. And the **price is now \$249, down from \$499**.

Available today, it delivers as much as a **1.7x leap in generative AI** inference performance, a **70% increase in performance** to 67 INT8 TOPS, and a **50% increase in memory bandwidth to 102GB/s** compared with its predecessor. While introducing the Jetson Orin Nano Super, Nvidia **CEO Jensen Huang** said that one could run **Cuda, CudNN, and TensorRT** and can be used to create an agentic AI that reasons and plans. The launch of this product is a harbinger for further change in the industry, and its release marks a major inflection point in the field of AI and ML.

The AI revolution is driven by spectacular increases in computing speeds. Semiconductors are therefore an important element in the AI value chain, along with other innovations applied in supercomputers. Notable developments in this field are the Nvidia and, more recently, AMD accelerator cards (GPUs), which include extremely fast processors. These have provided the necessary computer power to be able to calculate the latest AI models. A rule of thumb for technological innovation in the semiconductor industry is **Moore's Law**, which states that the number of **transistors on a microchip (providing computing power) doubles every two years**.



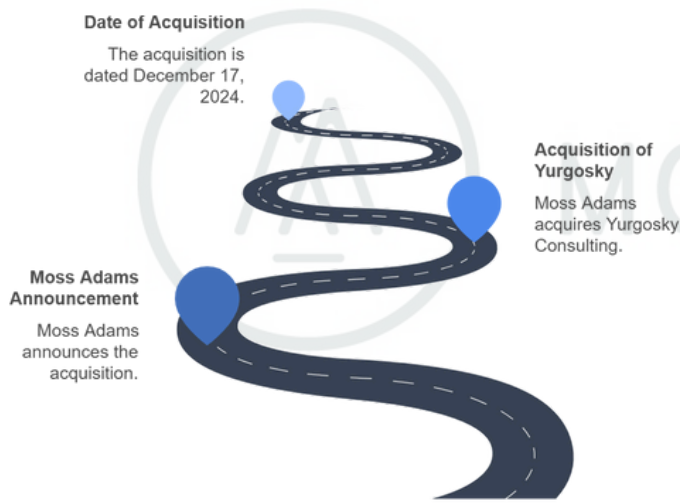
Keeping in line with innovations as per the Moore's Law Scale, on 17th December, NVIDIA took the wraps off a new compact generative AI supercomputer, offering increased performance at a lower price with a software upgrade.

MOSS ADAMS ACQUIRES YURGOSKY CONSULTING, ENTERS THE SALESFORCE CONSULTING MARKET

Moss Adams, a leading accounting, consulting, and wealth management firm, announced its **acquisition of Yurgosky Consulting Limited, LLC**, on December 17, 2024. This strategic move marks Moss Adams' entry into the Salesforce consultancy marketplace, enhancing its technological capabilities and client service offerings. Founded in 2012, **Yurgosky Consulting** is known for its innovative technology solutions, particularly within the Salesforce environment.



Their notable applications, such as YES (an enrollment accelerator) and Loom (an application for uncovering organizational relationships), have set them apart in the consultancy space. **Patrick Yurgosky**, the founder and president, will join Moss Adams as a partner, leading Salesforce-related services. This integration leverages Yurgosky Consulting's **technical expertise** and **innovative solutions** within Moss Adams' broader service portfolio, creating new growth opportunities. The acquisition allows Moss Adams to offer a more comprehensive suite of technological solutions to its clients.



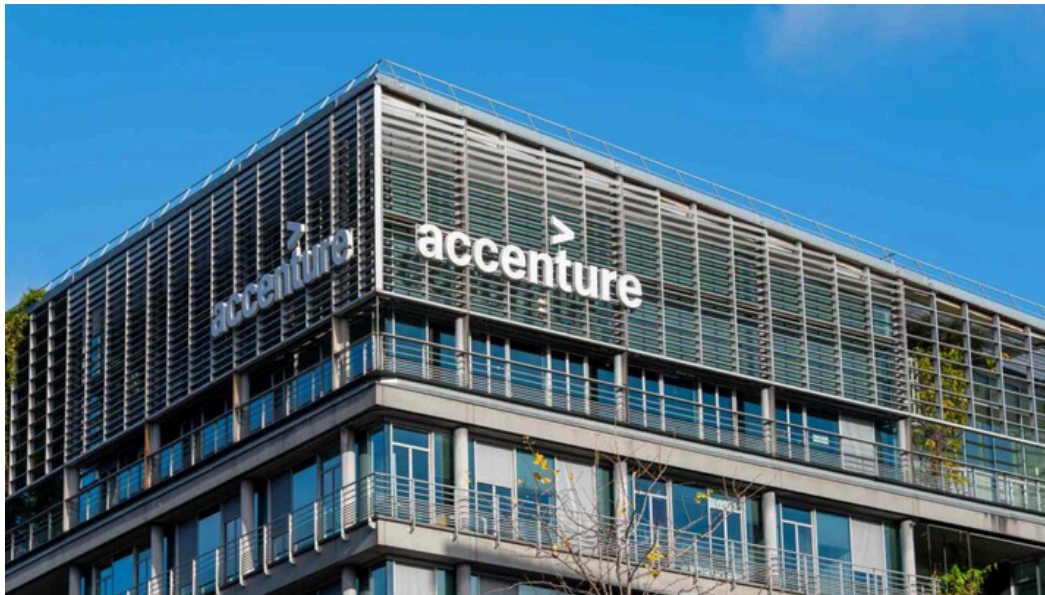
By incorporating Yurgosky Consulting's capabilities, Moss Adams is well-positioned to address market demand for integrated, technology-driven business strategies.

UPWARD

Discover how we can help plan for what's next.



ACCENTURE TO ACQUIRE IQT GROUP, STRENGTHENING ITS CAPABILITIES FOR NET-ZERO INFRASTRUCTURE PROJECTS



ACCENTURE



IQT GROUP

Accenture has agreed to acquire IQT Group, an Italian provider of engineering managed services for large infrastructure projects, based in Rovigo, Italy. This acquisition, announced on December 18, 2024, aims to strengthen Accenture's capabilities in planning, executing, and managing net-zero infrastructure projects.



IQT Group specializes in designing and supervising **net-zero infrastructure** projects for electricity generation and transmission. Their expertise will complement Accenture's generative AI and digital capabilities, helping clients build a lower-carbon energy system. The acquisition will see IQT Group's more than **450 engineers and consultants** join Accenture's infrastructure and capital projects practice within its Industry X digital transformation unit in Italy.

Teodoro Lio, CEO of Accenture Italy, stated that this acquisition will enhance their engineering expertise and services related to strategic net-zero infrastructure projects. **Andrea Cavecchia, CEO of IQT Group,** added that combining their engineering services with Accenture's global reach and digital capabilities will allow them to expand their services and offer greater value to clients. This move is part of Accenture's broader strategy to support public and private companies in the utilities, energy, and telecommunications sectors with digital tools to make their projects more efficient and productive.