Editorial

Dear Reader,

Welcome to the December 2024 issue of A₹tha! This peer-reviewed e-journal, published by the Finance Research and Trading Laboratory at IIM Calcutta, remains dedicated to sharing insightful perspectives from both academia and industry. With a core focus on Accounting, Finance, and Governance, A₹tha seeks to enhance understanding of key advancements in these dynamic fields. We deeply appreciate the continued support of our readers. In this edition, we are pleased to feature six thought-provoking articles covering diverse aspects of Accounting, Finance, and Governance. We hope you find them engaging and valuable.

In the first article, *"Corporates Performance on Troika of ESG"* the author emphasizes the growing significance of Environmental, Social, and Governance (ESG) parameters in corporate performance, reflecting investor, consumer, and regulatory priorities. Through analysis of ESG ratings of several companies across sectors, it highlights advancements in environmental initiatives, social equity, and governance frameworks. While the study provides valuable insights, it acknowledges ESG as an expansive domain, requiring further exploration to uncover deeper dimensions of corporate sustainability.

The second article, *"Inheritance Tax"* delves into the concept of inheritance tax, a controversial fiscal policy aimed at redistributing wealth and reducing economic inequality. The article highlights its resurgence in India, where it was abolished in 1985 due to double taxation and inequity concerns. The piece critically examines inheritance tax's implications on fairness and sustainability, sparking debate over its feasibility in today's economy.

In the third article, *"A Literature Review of Strategic Cryptocurrency Portfolio Optimization leveraging Deep Learning Models"* the author provides comprehensive literature evolving around the financial blockchain. This article also explores cryptocurrency portfolio optimization using advanced deep learning models, specifically Long Short-Term Memory (LSTM) networks enhanced with the ADAM optimizer. The research highlights the potential of LSTM models for addressing cryptocurrency market complexities.

The next article, *"India's Most Expensive Stock Elicid Investment Ltd."* explores the unprecedented leap of Elcid Investments Ltd., which became India's most expensive stock after a dramatic surge from ₹3 to ₹2,36,250 on October 28, 2024. This transformation was driven by SEBI's introduction of a special call auction mechanism, addressing mispricing in investment companies. With a market cap of ₹4,531 crores and a book value per share of ₹6,85,220, Elcid's valuation aligns more closely with its intrinsic worth. It seems that regulatory interventions improved market transparency, though liquidity remains a challenge due to tightly held shares.

The fifth article, *"Understanding the Opportunity Size and the Profit Pools in the Indian Health Insurance Landscape"* examines the burgeoning Indian health insurance sector, highlighting its steady growth trajectory and structural dynamics. With low retail health insurance penetration (~4%) and high out-of-pocket healthcare expenditure (~50%), the sector is poised for high-teen CAGR growth, reaching ₹2 trillion by FY29. Key drivers include rising financial literacy, government initiatives like PM-JAY, and expanding digital access. The study identifies retail health insurance as the most profitable segment due to lower claims ratios (~70%), high renewal rates (85%), and granular distribution via individual agents.

The last article *"Deciphering the Interconnectedness of Spot and Future Prices in the Indian Derivatives Market with Special Emphasis on Banknifty"* explores the intricate relationship between Bank Nifty spot and futures prices in the Indian derivatives market. The findings reveal a strong positive correlation and a long-term equilibrium relationship between the two, indicating they converge over time. Granger causality analysis shows that futures prices significantly influence spot prices, emphasizing the futures market's role in price discovery. The study highlights the practical implications for traders and investors in enhancing trading strategies, risk management, and portfolio optimization.

We hope you enjoy reading the diverse articles in this issue and extend our heartfelt thanks to the authors for their valuable contributions. We warmly encourage you to consider A₹tha as a platform for sharing your own work. Please send your submissions and feedback to *artha@iimcal.ac.in*. We look forward to your continued support and active participation in the future.

Vivek Rajvanshi
Chief Editor