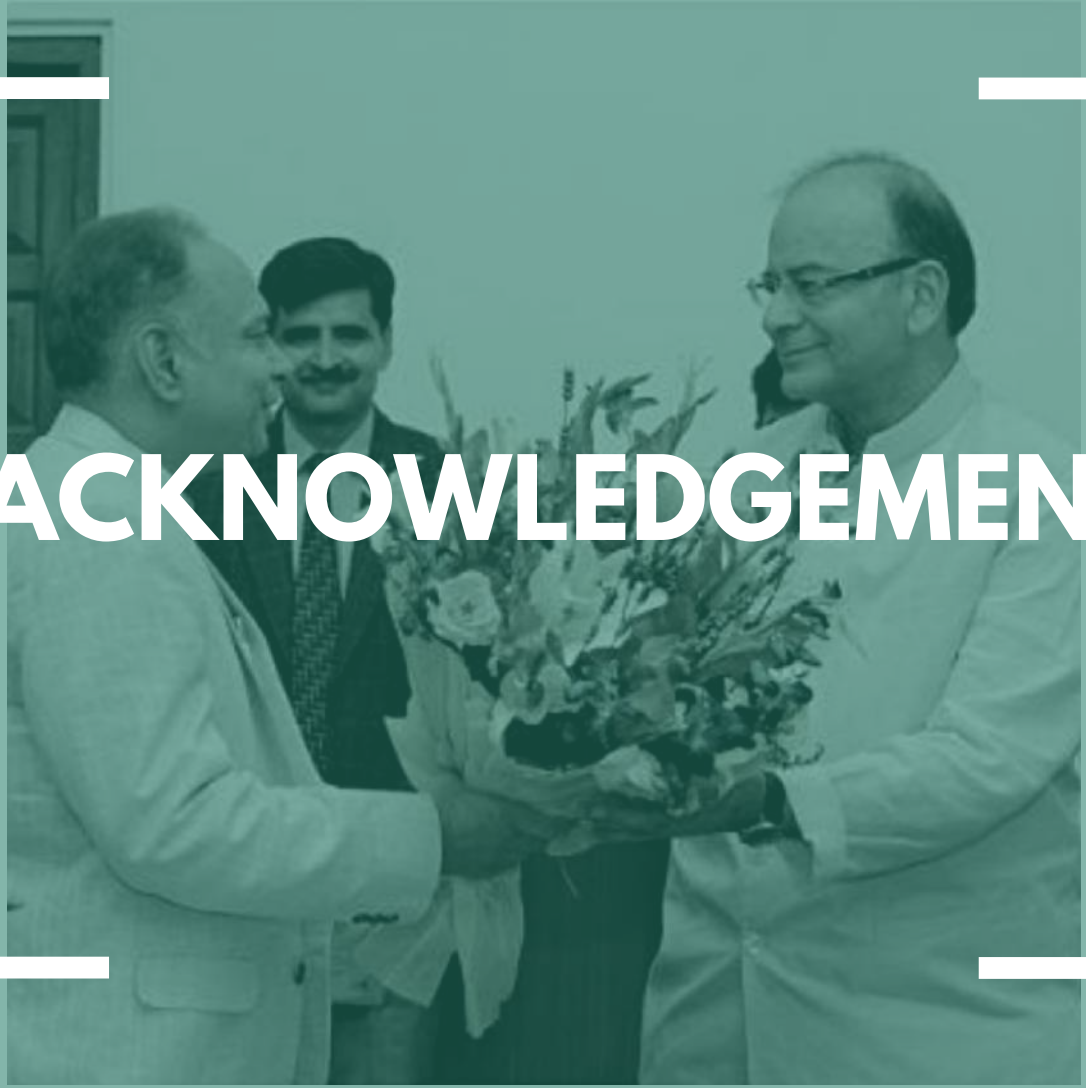
VITTSHALA

THE FINANCIAL LITERACY CELL

presents

VITTKOSH

2020-21



ACKNOWLEDGEMENT

Inaugurated by Late Shri. Arun Jaitley, Hon'ble Minister of Finance, Government of India on October 17, 2016, **Vittshala - The Financial Literacy Cell,** Shri Ram College of Commerce feels proud to launch the first edition of its annual magazine, VITTKOSH. The journey of creating this magazine proved to be a holistic learning experience and enabled each member to grow personally and professionally. We hope that the magazine will substantiate the progress we have made as a team and will further our vision to make India financially inclusive by disseminating financial literacy, spreading awareness, and sharing knowledge.

The society would like to extend its sincere gratitude to all the people who were associated with the development of this magazine, directly or indirectly, for their continuous and unfaltering support and guidance.

We are sincerely thankful to all the authors and experts for taking out time and sending over their valuable contributions to the magazine. The content and tech team have also put in a lot of efforts to make this magazine a self-explanatory, educative source. The creation of this magazine was a collective effort of several teams and individuals and the society would be always indebted to them.

We would also like to thank our teacher convenor Dr. Anil Kumar and faculty advisor Mr. Ashwani Kumar and Mrs. Renu Bansal, for guiding and motivating us at every step, without whom this endeavour would not have been successful.

PRINCIPAL'S NOTE

PROF. SIMRIT KAUR

Inaugurated in 2016, Vittshala- The Financial Literacy Cell, Shri Ram College of Commerce, is imparting financial literacy among various sections of the society across the country. Vittshala's exemplary initiative of uplifting the underprivileged people through the powerful tool of financial literacy is praiseworthy. Following its vision of achieving a financially inclusive India, Vittshala has launched several projects such as Project Sahay, Asha, Umeed, Khushhali, Uttara and Neev. These projects work towards reaching out to the needy and equipping them with sufficient financial knowledge to lead a financially secure life. It gives immense pleasure to see my students dedicatedly working for such a noble cause, thereby shaping themselves as socially responsible citizens.

With the immense support and guidance of Convener, Prof. Anil Kumar and faculty advisors, Mr. Ashwani Kumar and Ms. Renu Bansal, the Cell has been successful in achieving yet another milestone by launching its first-ever annual magazine, "Vittkosh". I whole-heartedly congratulate the entire team on their new accomplishment. Vittkosh covers a wide blend of contemporary topics in the domains of Finance, Economics, Policy, and Technology. It also captures the impactful journey of the Cell over the last four years, and inspires us to contribute towards the betterment of society.

Best wishes to the team for their ongoing and future endeavours!

TEACHER'S NOTE

DR. ANIL KUMAR

Financial literacy is an integral part of financial inclusion as it provides awareness about financial products and services. As part of the Jan Dhan-Aadhaar-Mobile trinity unleashed in 2014, financial inclusion schemes viz. PM Jan Dhan Yojna, PM Jeewan Suraksha Yojna, Atal Pension Scheme, MUDRA Yojna have been launched by our Hon'ble Prime Minister Mr Narender Modi in 2014 with the objective of ensuring access to various financial services like basic savings bank account, need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections and low income groups. Financial literacy programmes are the integral part of these schemes which have been a huge success.

Vittshala- the Financial Literacy Cell, SRCC was launched in 2016 to take forward the National Mission on Financial Inclusion 2014. The programs and activities of Vittshala have always been innovative to reach the weaker sections of the society especially in the remote and rural areas. It has made sincere efforts to expand and enhance its operations through the united team efforts of the students under the guidance of teachers of the college. The team has always done its best to come up with relevant and effective ways to achieve their vision of a financially literate nation. The launch of the annual publication-'Vittkosh' of Vittshala is the latest addition to dedicated efforts of the Team Vittshala to showcase its programmes and activities.

On this noteworthy occasion, I would like to wholeheartedly congratulate the team for putting forward their best efforts despite all the odds of the COVID -19 pandemic to introduce the first ever annual publication that presents a broad spectrum of financial literacy. Through the course of the magazine, influential speaker sessions, interesting articles, discussions over thought provoking topics truly holds the grip of audience's attention and opens doors to several diverse perspectives. This magazine is an outcome of some certainly dedicated bright minds that stand for a crucial cause for the nation and I would like to convey my best wishes to the society for achieving this landmark.

Best Regards
Dr. Anil Kumar
Faculty Convenor

EDITOR'S NOTE

If I had to describe the entire journey of making Vittkosh in a single sentence, then it would surely be "It always seems impossible until it's done". Vittkosh is nothing but a dream come true. A dream nurtured by the vision, creativity, hard work, and teamwork of my juniors.

It was indeed a challenging experience to curate the first-ever annual magazine for Vittshala. Despite the fact that I am not an avid reader or writer, the entire experience has been full of learning and personal development by leaps and bounds.

From ideating the structure, brainstorming ideas, doing in-depth research, creating content, reviewing articles, to inviting dignitaries for E-Baithaks on crucial agendas, Vittkosh gave us boundless opportunities to explore our true potential. Designing the magazine was altogether no less than a roller coaster ride, pushing our creativity every day to newer heights.

I am deeply indebted from the bottom of my heart to all the stakeholders ranging from the content team, technical team, our teacher convenor Dr. Anil Kumar, teacher faculty advisor Mr. Ashwani Kumar and Mrs. Renu Bansal, my seniors, contributors, and all those people who were directly or indirectly involved with the launch and making of Vittkosh. A special thanks to the juniors of Vittshala associated with the making of Vittkosh who not only understood and helped me achieve the vision but also played an instrumental role in helping me grow as a leader and a person. Kudos to the entire team.

I hope Vittkosh becomes a legacy of Vittshala-The Financial Literacy Cell and refines itself in the years to come. I wish Vittkosh a huge success and look forward to hearing critical feedback from our audience.

Happy Reading!!

Warm Regards
Anjali Lalchandani
Editor-in-Chief

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TIMELINE

2020 POLITICS & CONTROVERSIES

POLITICS & CONTROVERSIES

- Chavi Verma

Migrant Crisis

MARCH

During the period of COVID-19 Lockdown, Millions of Migrant workers had to walk home over extremely long distances as there was no other means of transport. They had lost their jobs, had no source of income in the cities in which they were previously employed. They had no other option but to return to their villages.

Palghar Mob Lynching

16 APRIL

On 16 April, In the Gadchinchale Village, Palghar District, Maharashtra, two Sadhus and their driver were attacked and killed by a group of villagers who thought they were kidnapping children. The incident arose because of false rumours spread on whatsapp during the nationwide coronavirus lockdown period.

Killing of George Floyd

25 MAY

George Floyd, an African American was killed by police officers in Minneapolis, United States for allegedly using a fake bill. This brought worldwide attention to the serious issues of Police brutality and racisms. After his death, protests took place across the United States and internationally as well. In some cities, the protests became violent with looting, riots, and skirmishes with police.

POLITICS & CONTROVERSIES

SSR Case

14 JUNE

Actor Sushant Singh Rajput was found dead hanging from the fan at his house in Bandra, Mumbai on 14th June. This caused nationwide speculation on how a budding, talented actor could commit suicide. Incidents occurring in the days before his death were also suspicious and many people could have been involved.

India-China Clash

15 JUNE

20 Indian soldiers were killed and 76 injured after a clash with the Chinese forces that began at night on 15th June in the disputed Galwan Valley. This caused heightened tension between the two countries. BJP was accused by opposition parties of succumbing to the Chinese Government.

Vikas Dubey Case

10 JULY

Vikas Dubey, a Kanpur based gangster with over 60 criminal charges against him including those for Murder was killed in an encounter on 10 July after the police vehicle carrying him overturned and he reportedly tried to escape. Prior to this he and his gang killed 8 policemen on 3rd July after they tried to arrest them.

Ram Mandir

5 AUGUST

Narendra Modi performed a Bhoomi Pooja on 5th August after which the construction of Ram Mandir, Ayodhya started once again after a temporary suspension due to the COVID-19 Lockdown. 40 kg of silver bricks were laid as the foundation stone by the Prime Minister ahead of the Pooja.

POLITICS & CONTROVERSIES

Farmers Protests

AUGUST

After 3 farms acts were passed by the Parliament of India in September, lakhs of farmers and their supporters have since been protesting for their repeal. The protests have generally been peaceful, however, they did become violent on few occasions such as on the Republic day. Some stand in favour of the farmers whereas others feel this a conspiracy plotted by parties opposing BJP, anti-nationals and has received foreign funding.

Kangana Ranaut VS Shiv Sena

SEPT

Actress Kangana Ranaut had made some statements against Shiv Sena after Mumbai Police's handling of the Sushant Rajput Case. At one point she compared Mumbai with Pakistan occupied Kashmir. After this Shiv Sena led Birhanmumbai Muncipal Corporation destructed parts of her Mumbai office. This further escalated the tussle between the two.

Killing of Samuel Patty

16 SEPT

Samuel Patty who was a French Middle School teacher was beheaded on 16 September with a cleaver by an 18-year-old Muslim boy Abdoullakh Anzorov. Anzorav was later shot dead by the Police. Mr Patty had shown the naked cartoon pictures of Prophet Muhammad in a freedom of expression class which triggered an Islamist group.

Cremation of Hathras Rape Victim

29 SEPT

The Hathras gang rape and murder victim who was raped by 4 so called upper caste men was cremated late at night on 29th September by the UP police without the presence of victim's family. This received widespread attention. Many criticised the Yogi Adityanath Government in their handling of the case.

POLITICS & CONTROVERSIES

Bihar Elections

NOV

In November, NDA won the Bihar Assembly elections with a majority of 125 seats. Nitish Kumar was elected as the leader of NDA and was once again appointed as the Chief Minister of Bihar having served the role 5 times previously. It is reported Nitish Kumar wanted someone else from BJP to become the Chief Minister, however on the insistence of BJP he accepted the designation.

Love-Jihad Laws

28 NOV

The Yogi Adityanath government, on November 28th, approved the Prohibition of Unlawful Religious Conversion Ordinance, unofficially referred to as the “love jihad law”, in Uttar Pradesh. The law prescribes up to 10 years of punishment for religious convertor offences undertaken unlawfully. Love Jihad is a conspiracy theory that Muslim men forcibly convert Hindu women to Islam using illicit means.

2021 POLITICS & CONTROVERSIES

POLITICS & CONTROVERSIES

Storming of US Capitol

6 JAN

Trump supporters marched into the United States Capitol on 6th January while a Congress session was going on as part of 2020-2021 election protests. It caused 5 deaths and more than 150 people were injured. Trump was blamed by many for inducing the attack by making false claims and encouraging violence during his speeches.

Arrest of Alexei Navalny

17 JAN

Alexei Navalny, Russian Kremlin critic, and outspoken corruption, activist as well as leader of the opposition, was detained as soon as he landed at Moscow's Sheremetyevo airport on 17th January. "The man that Putin fears the most" was returning from Germany where he was medically evacuated to for treatment after he was poisoned. After the detention and release of a video "Putin's Palace" massive protests took place all over the country.

Myanmar Coup d'état

1 FEB

On 1st February, 2021, The Myanmar military returned to power after a coup overthrew the democratically elected National League for Democracy (NLD). Aung San Suu Kyi, who famously led the party to victory, has reportedly been detained along with other leaders. Anti-military rallies and protests took place widely all over the country shortly after the coup. As of April, more than 700 people have been killed and over 3000 detained by the military.

- Divya Singh

Nov 17, 2019 : First case of corona virus in world

First case of covid 19 can be traced back to November 17, 2019 in Wuhan, the capital of Hubei, as per the report of The South China Morning Post. Wuhan was epicenter of epidemic that has caused havoc all over the world. It is firmly believed by health experts that the strain of corona virus originated in bats and pangolins.

Jan 27, 2020 : Spread of covid 19 in India

The first case of corona virus in India, the second most populated country in the world, was reported in Thrissur Kerala, on 27 January 2020. Transmission grew faster in March with the people and their contacts who had travel history to affected countries. Tablighi jamaat, Hazur sahib pilgrims and Sikh festival, these religious events emerged as super spreader of covid in India.

March 22, 2020 : Covid 19 Lockdown

Owing to spike in covid 19 cases, government of different countries imposed lockdown to maintain social distancing. China's Hubei province was the first country to announce lockdown in January followed by Italy in March and continued by many countries throughout the world. On 22 march 2020, government of India ordered lockdown of 21 days natior wide.

INT'L VACCINE

'Sputnik v' was announced as the first covid 19 vaccine by President of Russia, Vladimir Putin. As of February 2021, ten vaccines are authorized by national regulatory authority out of which two are RNA vaccines, four conventional inactivated vaccines, three viral vector vaccines and one peptide vaccine. The united state of America is leading the race with its operation warpspeed. Johnson & Johnson and Novavax and others are still in development .

Feb 12, 2021 : Confirmed cases, deaths and recovery

As on 21 April 2021, globally the confirmed cases of covid-19 have reached over 141 million with more than 3.01 million deaths and 80.4 million recoveries. The US leads the world in confirmed cases with over 31.8 million confirmed cases while India and Brazil follow the suit with 15.3 million and 14 million respectively.
These countries are followed by the France, Russia, UK, Turkey and Italy in that order.

Jan 16, 2021 : Vaccines in India

Seven vaccines developed in India for corona has been approved by WHO. With COVAXIN developed by Bharat biotech and covishield (AstraZenca vaccine) India began vaccination drive against covid 19 from January 16, 2021. In the first phase of vaccination 30 million health workers were vaccinated, second phase started on March 1 , 2021 for people above 60 years of age and 45 years of age with comorbidities. But in order to ramp the vaccination process Government announced "liberalised and accelerated" strategy of vaccination for people above 18 years of age from May 1, 2021.

CHANGES AFTER COVID

- Divya Singh

Adversely Affected Academics

Outbreak of COVID-19 afflicted educational system worldwide, leading to closure of schools and universities. It completely changed the way of learning that created lots of hardship for students and teachers, who were not ready for this. According to lamb's study students who missed classroom teaching for two terms could fall six weeks behind in numeracy skills and four week behind in reading skills.

Rise of Self Sufficient Economy

COVID- 19 hardships will spark an era of self sufficient economies. Corona virus crises could persuade government to frame policies which are aimed at self sufficiency in the different sectors that are of strategic importance, including defense, agriculture, pharmaceuticals medical equipment &others. This will indeed shape the future development and structure of our economies globally.

A Fragile Economy

Lockdown has caused severe global economic crises. The crises turned out to be the worst global economic crises beginning with 2020 stock market crash followed by collapse of tourism, price of oil, destabilization of energy industry, and increase in government debt and so on. By September 2020, both advanced and emerging economies had fallen into recession.

Health Awareness

After pandemic, Health awareness has undergone a startling change. People are much concerned and have started consulting doctors even for small issues. Government has also become active in the sector, in the budget 2020-21 69000 crore has been allocated for health sector which is an increase by 137% .

Climate Revolution

Behind the economic crises and hardships, COVID -19 has impacted the environment in an intriguing manner. It has been estimated that emission of CO_2 will reduce by 8% in 2020 due to slowdown caused by corona in world's economy. Level of nitrogen dioxide reduced by 30-40% in the atmosphere, making air much cleaner and safer.

Life Lessons From Covid

- Divya Singh

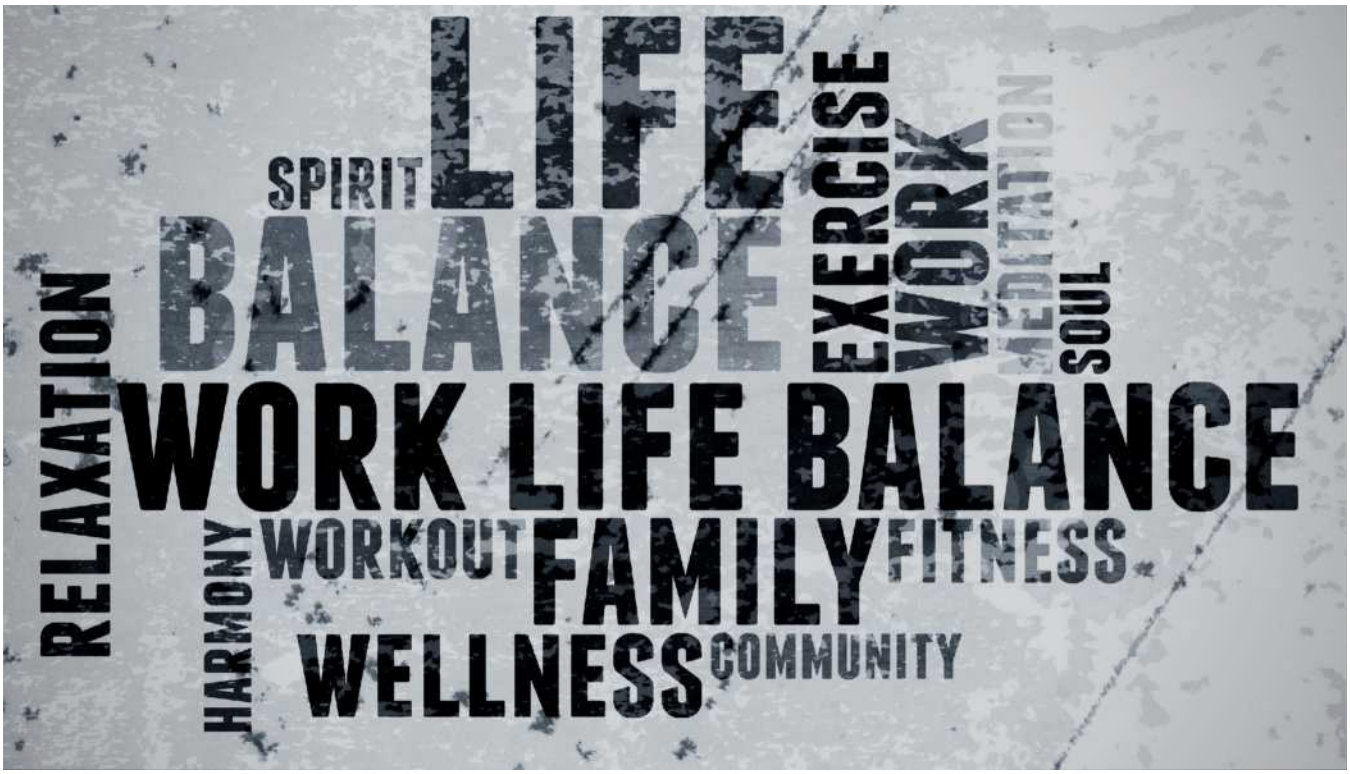
> It's Already More Than a YEAR!
> Don't let anything waste your TIME!

Importance of Health Insurance

Covid 19 has immensely impacted people's thought about health. In India COVID 19 test initially cost around 7000 after subsidizing and per day hospital charges are also very high. Without adequate health insurance it would not be possible for majority of people to bear the expenses. It is a kind of life lesson for all of us to take sufficient health policies to secure our lives.

Prioritizing Family Relationships

Prioritizing our family and friends relation is an important life lesson. Our nearer and dearer deserve our attention and time. COVID-19 pandemic has brought us together with enough time to spend with each other. It was an opportunity to understand that for us our families are most important and rest are secondary things.



Short Term Financial Decisions Hurt During Crises

The COVID-19 pandemic has brought the trend where markets are thrown into ticklish swings and the entities lose their values portfolio shrink. Investors who were on bullish has seen downfall due to crash of markets. This shows the future's uncertainty and also shows that investment for long term are of much importance so that slight dip in present should not affect you and force to take rash decisions .

Importance of Savings

As we all know, nowadays everyone either spend the money or invest them in market leaving a little proportion in the bank account as savings. COVID-19 has highlighted the importance of underrated savings or emergency funds. These funds can be used in the time of emergency like pandemic or in case of job loss. One should maintain a minimum amount in saving accounts.

LAWS & AMENDMENTS

- Abhishek Yadav

Amendments in the SC/ST Act

After a smaller bench modified some mandatory provisions of Scheduled Castes & Tribes (Prevention of Atrocities) Act. A three judge bench affirmed the Central Government's Amendments to restore the original provisions of the law. Also, no prior approval of appointing authorities or a senior police officer is required before registration of an FIR. Further, there cannot be anticipatory bill in these cases until a court is satisfied that no case under the SC/ST Act prima facie made.

SC squashes restriction on Cryptocurrency

In 2018, RBI imposed a restriction on Cryptocurrencies & Bitcoins. Supreme Court removed the restriction stating that the RBI was not able to prove that any harm was caused to Banks due to virtual currency trading. It revived the sentiments of Cryptocurrency in India allowing many to invest in the emerging markets of Bitcoins and Ethereum.

2020

Non Fundamental Right to Reservation

The Supreme Court ruled that there is no fundamental right to claim reservation in public jobs. It added in its judgement that no court could ask a state government to provide reservation. It clarified that the constitutional mandate on providing reservation is within the absolute discretion of a State Government to decide, however there is no obligation on the state.

Permanent Commission for Women in Armed Forces

In a historic judgement delivered in August 2020, Supreme Court directed Permanent Commission to all women who have completed 14 years of service. The court rejected all the arguments of the Central Government to declare women officers biologically and psychologically unfit for leading forces in rough terrains.

LAWS & AMENDMENTS

Banking Regulation (Amendment) Bill, 2020

The Bill empowers the Central Bank to initiate a scheme for reconstruction or amalgamation of a bank without placing it under moratorium. In September 2020, Union Cabinet has approved to bring 1482 urban & 58 Multi-state cooperative banks under the supervision of Central Bank.They will be allowed to issue equity,preference or special shares on face value or at a premium to its member or to any other person residing within their operation. However,a prior approval from RBI is mandatory for such issue.

Farmers Produce Trade & Commerce Bill,2020

The bill aims for deregulation of Agricultural Produce Marketing Committees APMCs by allowing intra-state & inter-state trade of farmers produce.It even prohibits state governments from levying any market fee,cess or levy on transactions conducted in outside trade areas. The new law permits the electronic trading of farm products through digital platforms like e-NAM.

SEPTE

Essential Commodities (Amendment) Bill, 2020

The 1955 Act was designed to prevent hoarding & black marketing of essential food items during the era of scarcity. However, it did not provide any price trigger for imposing stock limits. The new law provides for the same. A 100% increase in retail price of Horticulture produce and 50% increase for Non-perishable foodstuffs over the preceding 12 months or over the average retail price of last 5 years whichever is lower, will be the price trigger. The Central government may regulate the supply of food items only under extraordinary circumstances including war, famines, calamities and abnormal price rise.

Epidemic Disea (Amendment),

Epidemic Diseases A the hour during the C amends the 1897 powers of Central Gov the spread of protection for the h making offences agai and non-bailable.It re President on 28th Sep

LAWS & AMENDMENTS

Companies Amendment Act,2020

The Amendment Act got assent of Hon'ble President on 28th September 2020. The major emphasis of this act lies on decriminalization of the Companies Act, 2013 & lightening the rigor of penalties. It also provides for relaxation of CSR law, remuneration to non-executive directors in case of inadequate profits, producercompanies, periodic financial results by non-listed companies has been provided.

Farmers Agreement on Price Assurance & Farm Services Bill, 2020

A major step towards reforming the markets for agricultural products, the ordinance provides for a farming agreement between a farmer and its buyer prior to the production of any produce.The farm laws enacted in September, 2020 tends to create a framework which guarantees farmers a minimum price and buyers an assured supply making APMCs more efficient in providing cost-effective marketing services. Also, a three tier dispute settlement mechanism will come into existence after its enactment.

EMBER

ases Act 2020

ct was the need of Covid-19 pandemic. It Act expanding the vernment to prevent diseases.It ensures ealthcare personnel nst them cognizable ceived the assent of tember, 2020.

Contempt Petition Against Noted Lawyer Prashant Bhushan and Re 1 Fine

The top court initiated criminal contempt petition against activist lawyer Prashant Bhushan, anguished at his tweets targeting the former CJIs. Bhushan did not apologize and stood firm on his assertions. In August, he was finally held guilty of the contempt only to be sentenced to a fine of Re 1. He deposited the fine but also sought a right of intra-court appeal to challenge this order.

LAWS & AMENDMENTS

The Government of National Capital Territory of Delhi

The GNCTD Bill got the assent of President in March 2021. It clarified the ambiguities over the meaning of the word Government in Section 239 of the original Act. From now, the Government would signify the Lieutenant Governor of Delhi. All important decisions taken by the Council of Ministers shall get approval of LG before getting executed bringing the Capital Territory under the control of Central Government

2021

> Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often a real loser -- in fees, expenses, and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man. There will still be business enough.

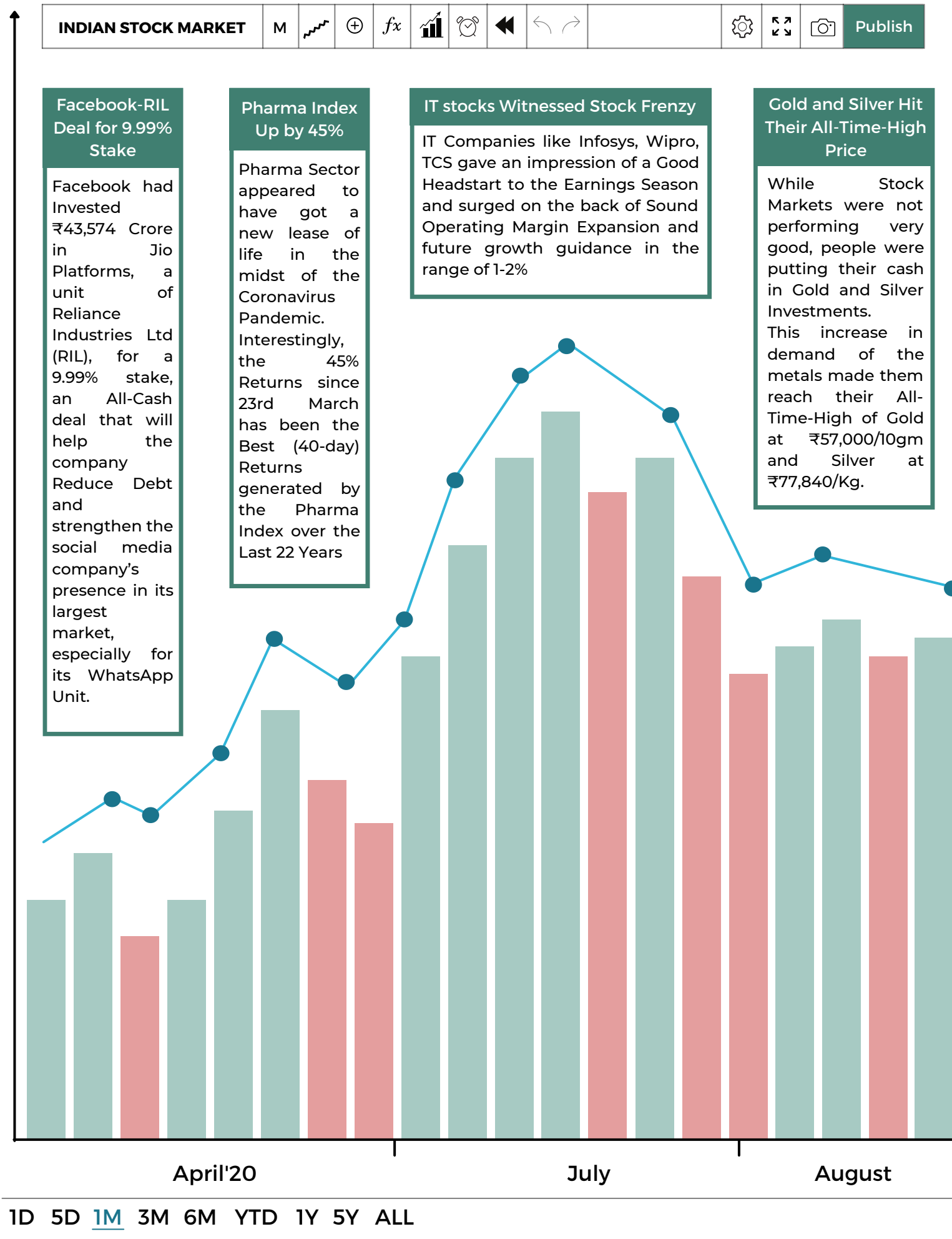
STOCK MARKET

- Mayank

FY20-21 at a Glance!

After the Lockdown was announced, Stock Market remained Bearish for a span of about 2 Months. Later after that, several relief measures by the Govt., development of Vaccines, Global Support and High Recovery Rate built up the confidence and the Market started to recover and at the end of year reached at:

A Surge in the number of cases of Coronavirus and the Nation-wide Lockdown on the evening of 24 March, 2020 hit the sentiments of the Indian Stock Market and the Fear of Life created a Selling Pressure in the Market due to which both the Indices fell sharply making new Lows.


INDIAN STOCK MARKET
M
Publish
Facebook-RIL Deal for 9.99% Stake
Facebook had Invested ₹43,574 Crore in Jio Platforms, a unit of Reliance Industries Ltd (RIL), for a 9.99% stake, an All-Cash deal that will help the company Reduce Debt and strengthen the social media company's presence in its largest market, especially for its WhatsApp Unit.
Pharma Index Up by 45%
Pharma Sector appeared to have got a new lease of life in the midst of the Coronavirus Pandemic. Interestingly, the 45% Returns since 23rd March has been the Best (40-day) Returns generated by the Pharma Index over the Last 22 Years
IT stocks Witnessed Stock Frenzy
IT Companies like Infosys, Wipro, TCS gave an impression of a Good Headstart to the Earnings Season and surged on the back of Sound Operating Margin Expansion and future growth guidance in the range of 1-2%
Gold and Silver Hit Their All-Time-High Price
While Stock Markets were not performing very good, people were putting their cash in Gold and Silver Investments.
This increase in demand of the metals made them reach their All-Time-High of Gold at ₹57,000/10gm and Silver at ₹77,840/Kg.
April'20
July
August
1D 5D 1M 3M 6M YTD 1Y 5Y ALL

Relief Measures Announced by the Centre and the RBI for Fighting with Coronavirus

The government and the central bank have announced wide-ranging measures since March to help the poor, farmers, as well as businesses to tide over the covid-19 crisis.

The third stimulus package, termed as Aatmanirbhar Bharat 3.0, includes ₹1.45 trillion production-linked incentives for 10 sectors.

Total relief measures announced by the Centre and the RBI for fighting with coronavirus till now amounts to ₹29.87 Trillion or 15% of GDP

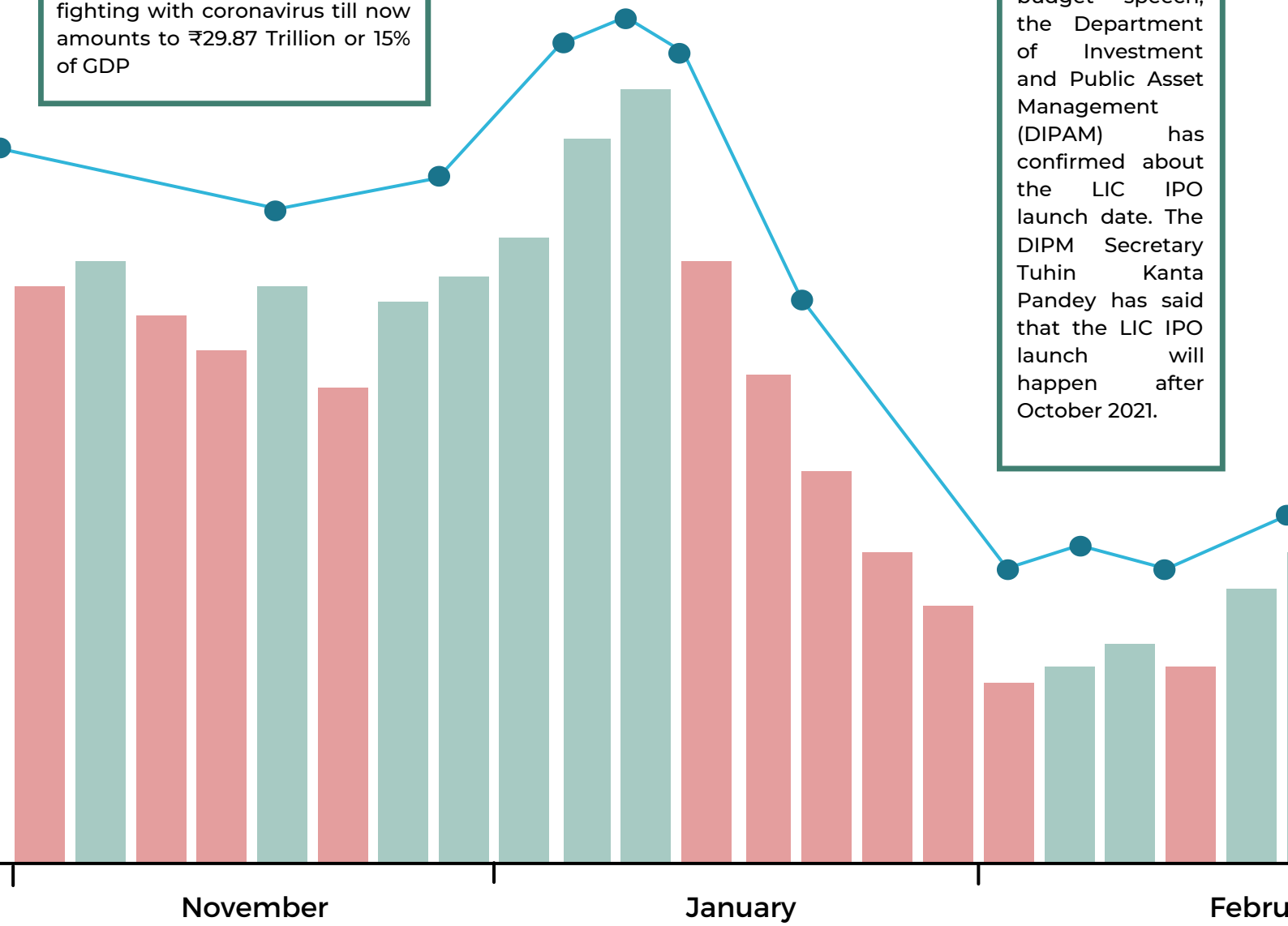
Nifty and Sensex hit their All-Time-Highs

On a historical note, the Indian benchmark indices Sensex crossed the 50,000 mark (High of 50,180 pts) and Nifty 14,700 mark (High of 14,750 pts) for the First Time Ever amid a global stock market rally as Joe Biden's Swearing in triggers a cheer in Stock Markets.

Announcement of LIC IPO in the Govt. Budget

Finance Minister Nirmala Sitharaman had announced in her Budget 2021 speech that LIC IPO will be launched in FY 2021-22.

Though FM did not reveal the date of the IPO during her budget speech, the Department of Investment and Public Asset Management (DIPAM) has confirmed about the LIC IPO launch date. The DIPM Secretary Tuhin Kanta Pandey has said that the LIC IPO launch will happen after October 2021.



1D 5D 1M 3M 6M YTD 1Y 5Y ALL

Indigo Paints IPO listed at 75% Premium on Issue Price

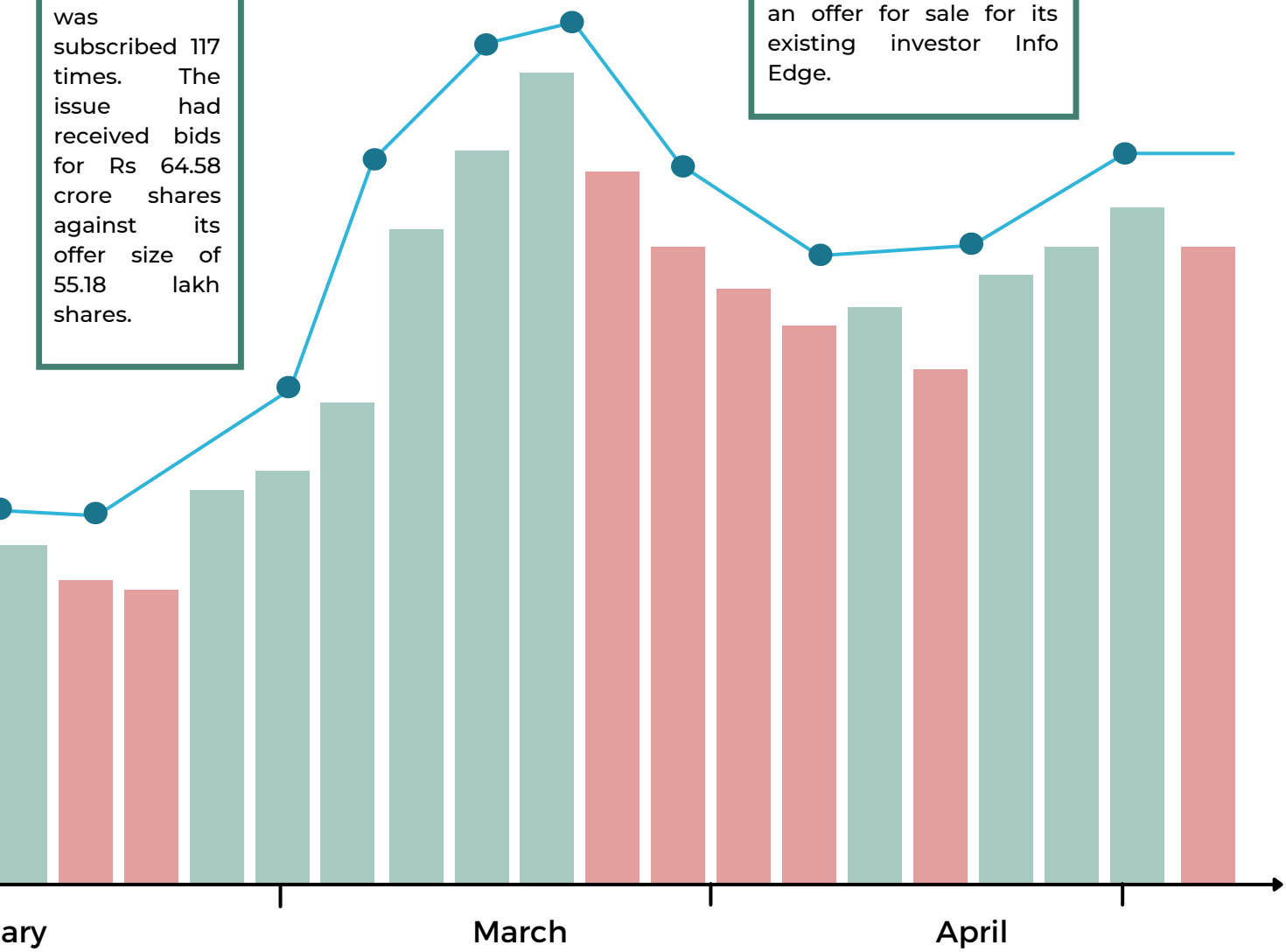
Indigo Paints made a strong debut on the bourses, listing at a 75% premium (₹2607) over its issue price of Rs 1,490. The IPO, which closed on January 22, was subscribed 117 times. The issue had received bids for Rs 64.58 crore shares against its offer size of 55.18 lakh shares.

Bears Dominate the Market Indices

Due to the second wave of corona virus approaching in global economies, the global benchmark indices in the US, Europe, Asia; all showed a correction. Owing to an uncertainty of renewed lockdowns, bulls preferred to remain on the sidelines.

Food Delivery Giant files DRHP For IPO

Zomato has filed its Draft Red Herring Prospectus (DRHP) with the market regulator on April 28, kicking off India's one of the most awaited IPOs.
As per DRHP filed by Zomato, the company will offer equity shares aggregating up to Rs 8,250 crore (nearly $1.1 Billion). Of this, Rs 7,500 crore will be fresh issue, while Rs 750 crore will be an offer for sale for its existing investor Info Edge.



1D 5D 1M 3M 6M YTD 1Y 5Y ALL

EDUCATION

- Sehaj Gambhir

Impact of COVID-19 Pandemic

April'20

Because of the unprecedented situation of COVID-19 pandemic, more than 32 crore Indian students were affected. There was a shift to online mode of education. This created a digital divide and many students had to give up their education because of lack of resources. While some national level exams had to be cancelled, others were postponed.

Common Eligibility Test

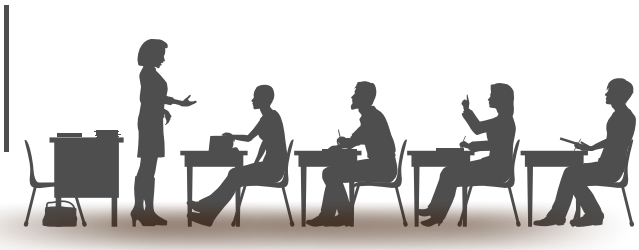
Aug'20

Indian government set up National Recruitment Agency, a central agency for conducting a Common Eligibility Test (CET) for all competitive examinations for selection to government jobs. The exams to be conducted through CET are Institute of Banking Personnel Selection (IBPS), Railway Recruitment Board (RRB), Staff Selection Commission (SSC), Group B and Group C and clerical posts in the government.

Joint Entrance Examination 21

Dec'20

For the purpose of providing more flexibility and ensuring that no inconvenience is caused to the students because of clash with dates of the other exams, from 2021, JEE-Mains exam will be held in four sessions in a year. The eligibility criterion of 75% is scrapped for JEE-Mains 2021.



New Education Policy

July'20

NEP was approved by the union cabinet on July 29, 2020. Under this, several major changes were announced in the education sector. The policy aims at ensuring the holistic development of the student by laying more focus on critical thinking, creativity and innovation and doing away with the prevalent system of rote-learning.

Admission of Girls in Sainik schools

Nov'20

From the academic session 2021-22 onwards, girls too can take admission into Sainik schools. For the first time girls can appear in the All India Sainik Schools Entrance Examination (AISSEE) in 6th grade, an exam conducted by the National Testing Agency (NTA) for admission into Sainik Schools.

Education in Budget 2021-22

Feb'21

Total funds allocated to the education sector for the financial year 2021-22 were Rs. 93,224. This expenditure was dropped by 6.13% as compared to the financial year 2020-2021. The government also announced setting up of 100 new Sainik Schools across India in partnership with NGOs and private schools and a Central University in Leh.

MERGERS & ACQUISITIONS

- Kamendra Rundla

> As reported in Budget 2021, tax benefit on depreciation has been withdrawn by the Government which means now the companies involving in Mergers and Acquisitions. This would lead to slight increase in the transaction cost.

March 4 2020

zomato

Zomato has acquired the Indian operations of Uber Eats for estimated amount of $350 million. With the acquisition, the combined entity of Zomato and Uber Eats India cornered more than a 50-55% market, pulling it ahead of Swiggy. In south India Ubber eats had a stronger footfall with major 30% market share. Zomato will not take on board Uber Eat employees, either they'll be absorbed in Uber's other verticals or they may face lay-off.

Uber Eats

April 14 2020

HINDALCO

The acquisition took place at a value of $2.8 billion. With this Hindalco-Novelis enters into high-end aerospace segment. This is a "long term strategic bet" quoted by Kumar Mangalam Birla. After this action Hindalco has become world's largest aluminium company. And it will also lead to better market penetration and product mix of the holding company.

Aleris International, Inc.

MERGERS AND ACQUISITIONS

April 2020

Some major amalgamations took place in the month of April, 2020 which included Punjab national bank amalgamating with Oriental Bank of Commerce and United Bank of India to form the nation's second-largest lender. Syndicate Bank was taken over by Canara Bank; Union Bank amalgamated with Andhra Bank and Corporation Bank.

August 2020

During the pandemic future groups retail business has suffered heavy losses as quoted by Kishore Biyani. In order to acquire future group Amazon and Reliance Industries had a tug of war but at the end Reliance Industries struck a $3.4-billion asset sale deal. Amazon also reached out to NCLT in order to stop the meeting of future group shareholders from occurring where creditors will approve RIL deal.

MERGERS AND ACQUISITIONS

Aug 26 2020

During the fall of August Mahindra & Mahindra signed a pact with Tel Aviv-based REE Automotive of Israel to produce commercial EVs. This will contribute to the global reach of REE Automotive and also help Mahindra to increase its presence globally with its well established Design and resource availability.

Sep 7 2020

From a long time we have seen Vodafone and Idea struggling to survive mostly after entry of Jio in telecom market. But now both companies have come together in order to increase their customer base and boost their revenue per customer to stand up again and back up their positions.

MERGERS AND ACQUISITIONS

Nov 19

In order to create a mega tower company, merger between Bharti Infratel and Indus Towers completed in the month of November. The combined entity would be renamed as Indus Towers Limited.

2020

Due to little overlap in operations the merger will offer limited synergies in operating expenditure which will also result in saving of Administrative overheads. In merged entity holding of Bharti Airtel will limit to 36.7%.

April 5

BYJU'S has secured a deal for acquiring Aakash Educational Services Ltd which was backed by Blackstone at valuation of $1Billion. It's one of the largest acquisitions in edtech sector. Akash completely exited from the

2021

company while blackstone swaped a portion of its 37.5% stake in consideration for Byju's stake. This deal is going to benefit byju's a lot in long term as Akash has more than 200 physical centers across country and more than 2500000 students.

SCIENCE & TECH.

- Sehaj Gambhir

Sep'20 Plastic-Eating Super Enzymes

Scientists have developed plastic eating super enzymes that can break down a common type of plastic called polyethylene terephthalate which is used in bottles and clothing and carpets in days. This 'super enzyme' eats plastic bottles six times faster. This development can help in solving some of the major environmental problems.

Oct'20 Water On the Surface Of the Moon

NASA confirmed the existence of H2O molecule on the sunlit side of the moon. Water molecules were detected in the Clavius Crater, which is situated in the southern hemisphere of the moon and is the largest crater visible from the earth.

Oct'20 Self-Driving Robotaxis

Waymo, the self-driving vehicle technology unit of Alphabet, became the first company to launch fully driverless robotaxis in the Phoenix city of the United States. Earlier, it was available to only a few people but now, anyone in the Phoenix city can access the ride by downloading its smartphone app.

Dec'20 Chang'e-5

In December 2020, China's Chang'e-5 probe, a part of Chinese National Space Administration's Chang'e Lunar exploration program, successfully returned to the earth after gathering 1,731 grams of sample from the moon. These samples were further used for the purpose of scientific study and research.

Jul'20 Mars 2020 Space Mission

Mars 2020, a Mars rover mission by NASA's Mars Exploration Program was launched on July 30, 2020. The purpose of the mission was to figure out if life ever existed on mars, characterize the climate and geology of Mars, and prepare for human exploration.

Feb'21 FinTech

India beats China to become Asia's biggest destination for FinTech deals. In quarter ending June, 2020, India witnessed 33 deals valued at over 647 million dollars in the FinTech segment. Bengaluru and Mumbai become the top two headquartered cities for FinTech companies. There has been a 60% increase in investment in H12020 as compared to H12019.

SPORTS

- Aditya Ahlawat

Brief:

The year 2020 had a splendid series of sports events lined up which would prove to be exciting and full of thrill, however plans did not quite work out. Most of them were either abandoned or postponed indefinitely and such was the scope of things initially because of the pandemic. The coronavirus pandemic hit the world running hard during March, when the denizens of the globe were sceptic and afraid, only gradually has the situation started to brighten up and give hope of resumption of activities. Games of different sports being played without spectators and in a safe bio-bubble with constant covid checks ensuring that the pandemic isn't spreading.

2020 Tokyo Olympics

By far the biggest sporting spectacle on the planet occurring quadrennially is the Olympics. The 32nd edition of the sport was to be held in Tokyo from 24th July to 9th August of 2020 which was postponed to 23rd July to 8th August of 2021. There are 206 expected nations to participate in the games as well as a staggering 11,000 participants and 339 events planned in 33 different sports.

Football

In a hard hit year for football, domestic competitions still took place. The much awaited Euro 2020 as well as women's Euro 2021 were postponed. Copa America was also postponed to 2021 and the U-17 and U-20 Women's World Cup were cancelled. Liverpool were crowned the premier league champions and Bayern caught the biggest attention winning the 'Sextuple'. They won the German League, the two domestic club competitions, champions league, super league and the club world cup.

Men's T20 World Cup 2020

The cricket world cup for the limited overs setting for the year 2020 was postponed to 2021, it was meant to be played in Australia with 16 teams participating and 45 total matches to be played. It was to be held from 18th October to 15th of November, however now the event is to be played in India during October.

Cricket World Test Championship (2019-21)

This is the premier edition of test cricket world championship which is a 5-day affair. The longest format of the game will see its final be to be played on 18 June, 2021 between India and New Zealand.

Archery World Cup 2020

The archery world cup which is held in 4 different countries each year was cancelled for the year 2020 due to the pandemic. Both the men's and the women's events were put on hold however, the competition is said to take place in 2021 with due precaution.

Tennis

We had Novak Djokovic and Sofia ken as the Australian Open winners, Dominic Thiem and Naomi Osaka as the US open winners. We had Rafael Nadal and Iga Swiatek the winners of the French open. Unfortunately Wimbledon was cancelled this year. The Davis cup and the Fed Cup were postponed to November of 2021.

Badminton

The China masters was postponed, China and Hong Kong withdrew from the Asian Team Championship, the German open was cancelled, the Asian Championships was suspended. Similarly the Indian open, Swiss open, Malaysia open as well as the Singapore open was suspended. Though amidst all this the BWF world tour did take place, being its 3rd edition to be played from 7th Jan of 2020 to 31st Jan of 2021.

IPL 2020

The fourteenth edition of the Indian Premiere League began in India on 9th April 2021. However, on 4th May, the BCCI announced that the tournament would be postponed indefinitely after rise in the number covid positive cases in the bio bubbles. BCCI then announced on 29th May the remaining matches will be completed in the United Arab Emirates in September and October.

Basketball

The NBA had its 74th season, it started on 22nd October 2019 and it was supposed to end by 15th April, however the games were suspended from 11th March after the outbreak of the virus. Giannis Antetokounmpo of the Milwaukee Bucks was adjudged the MVP of the season. Lebron James and Anthony Davis leading the pack, drove the Los Angeles Lakers to their 17th title.

Formula One Racing

As many as 8 Grand Prixs were cancelled in the 2020 Formula one season. Australian, Vietnamese, Chinese, Monaco, Azerbaijan, Canadian, French and the Dutch were the ones that suffered the ill fate. The British, Lewis Hamilton from the Mercedes team won the championship that year.

" NEVER SAY NEVER BECAUSE LIMITS, LIKE FEARS, ARE OFTEN JUST ILLUSIONS! "

- Michael Jordan

DISASTERS

- Chavi Verma

May'20 : Cyclone Amphan

In May 2020, Super Cyclone Amphan hit the eastern India and Bangladesh causing 118 deaths and extensive damage in thousands of crores. It is the most powerful cyclone to form in the Bay of Bengal till date. The coastal villages were destroyed, and the entire region was flooded. Millions of people were evacuated mainly in Odisha and West Bengal.

May'20 : Assam Floods

Lakhs of people all over the state of Assam have been affected by the Floods which started in May due to flooding of the Brahmaputra river caused by heavy rainfall. 123 people lost their live and 26 have died because of the landslides. Lakhs of hectares of crops have been damaged. The floods are ongoing.

May'20 : Assam Gas Leak

Well number 5 in Oil India Limited's Baghjan Oilfield in Assam had started leaking natural gas and caught fire after a massive blowout. This resulted in 2 deaths and the nearby areas had to be entirely evacuated. The area was burning even in November.

May'20 : Locust Attack

During the months of May and June millions of locusts swarmed the regions of Rajasthan, Madhya Pradesh in May, and Delhi NCR in June. Pictures surfaced over the internet where the sky looked like a sandstorm. The locusts had come to India from Iran and Pakistan in 2019. Due to Preventive and timely measures no great losses happened.

Jun'20 : Cyclone Nisagra

The cyclone which originated in the Arabian Sea hit the Western States of India in the beginning of June, majorly affecting Maharashtra. 6 deaths In Mumbai were reported and more than Rs 6000 crores of damage was caused. Tens and thousands of people were evacuated in the city of Mumbai.

Aug'20 : Beirut Explosion

On 4th August ammonium nitrate stored in the seaport of Beirut exploded, leaving over 200 people dead and thousands of people injured and homeless. After this a two-week state of emergency was declared. It is reported the highly explosive material was stored in the warehouse for 6 years without adequate precautions.

Aug'20 : Air India Flight Crash

16 people were killed and more than 150 were injured, on 7 August, after Air India Express flight 1344 the skidded off a tabletop runway during heavy rain. The flight took off from Dubai as part of the Vande Bharat Mission to bring back Indian nationals who were stranded amidst the Covid Pandemic.

Aug'20 : Kerala Floods

The heavy monsoon downpour caused severe flooding in the Kerala region in the month of August. In response, A red alert for 3 districts was issued. At least 22 people lost their lives and over Rs 19000 crore in damages was reported. The rains also caused the Air India plane to crash after it skid on the runway.

Oct'20 : Hyderabad Floods

Flash floods in October caused severe damage and destruction in the Southwestern states. 50 people lost their lives in Telangana and 27 people were found dead in Maharashtra. 2 people dies in Vijayawada. More than Rs 5000 crores in damages was caused.

Nov'20 : Cyclone Nivar

In the end of November, Cyclone Nivar hit the Sothern parts of India, mainly Tamil Nadu, Andhra Pradesh, and Puducherry. Heavy showers and thunderstorms were reported in Sri Lanka. It claimed the lives of 8 people in Andhra Pradesh. More than 1 lakh people had to bear the damages and excess of Rs 4000 crores in damages was caused.

Feb'21 : Uttarakhand Flood

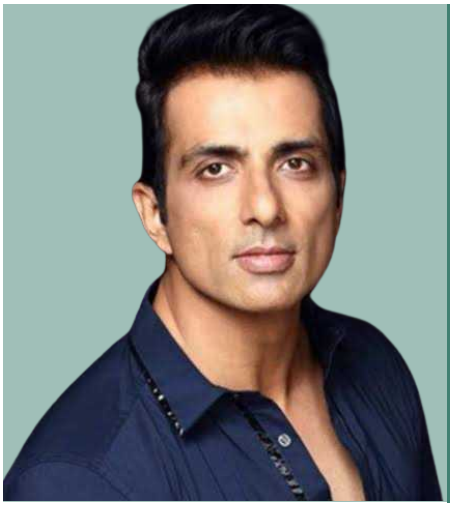
A part of Nanda Devi Glacier broke off on 7th February causing a flash flood in the Chamoli District of Uttarakhand. At least 72 people have died. The National Disaster Response force have since been undertaking rescue missions.

Mar'21 : Mumbai Hospital Fire

On 26th March, a fire broke out in Dreams Mall in Bhandup Mumbai after starting from a shop and it reached the top floor which was converted into a hospital for covid-19 patients. 78 patients were being treated at the time. 9 of them lost their lives due suffocation caused by the fire.

NEWSMAKERS

- Abhishek Yadav



Sonu Sood

In the aftermath of declaration of lockdown, millions found themselves jobless. Many even faced problems in getting a square meal. As the transport services were suspended across the country migrant labourers were forced to walk thousands of kilometers to their villages. At that time, Sonu Sood took the initiative to distribute food packets and arranging buses for these helpless people. Since then social media handles have been bursting with hashtag sonu sood, has emerged as a actor who did not limited himself to the screen but stepping out to bring a change in condition of people in society.

Elon Musk

Elon Musk, ranked as the Second Richest Person in the world having a net worth of 185 Billion. He is known for his innovative ventures to revolutionize transportation both on earth through Tesla and in space through Space X. In year 2020 Space-x became the first private company to send humans to the orbit. In January 2021 it launched 143 spacecrafts in a single mission creating a record. Musk also conceptualized Human-Brain-computer interface technology developing implantable brain–machine interfaces (BMIs).

Kamala Harris

Kamala Harris is the United States' first female Vice President, the highest-ranking female official in U.S. history, and the first African American vice president. Her strong career as a prosecutor led her to be the Attorney General of California since 2010 to 2016. She distinguished herself by getting a $25-billion settlement for California homeowners, defending climate law, healthcare and fighting cross-border drug trafficking.

Jack Ma

He is the co- founder of world's largest e-commerce business Ali Baba. He went missing in October 2020 when Chinese Government halted the $37 billion stock debut of Alibaba owned Ant group in Shanghai and Hongkong. He had made statements against the Government over its regulatory changes.His reappearance in January ended the speculations over Chinese Government's role in this case.

Anthony Fauci

Dr. Anthony Fauci is currently the director of National Institute of Allergy & Infectious Diseases and America's leading medical expert on infectious diseases.He has also been the medical advisor to President of USA. His commitment to scientific facts endeared him to millions of Americans but during the year 2020 there was a false campaign against him accusing him of inventing the virus and being part of a secret conspiracy. The former president Trump had a major role in leading these conspiracy theories.

Xi Jinping

He is the president of world's largest population China. In March 2020, China's parliament amended its Constitution broadening Xi's power & scrapping term limits. He is widely credited for his 'Chinese Dream'. Under his leadership China was able to control the deadly outbreak in Wuhaan. He was at the top of the Forbes Most Powerful People List.

Donald Trump

The year 2020 marks an unsuccessful re-election campaign for Mr.Donald Trump who remained in news for a plethora of reasons whether it was his controversial statements about Covid-19, immigration policy or America's military involvement in foreign lands. After losing the race for White House,he refused to accept the Election results. He is being put on trial by lawmakers for allegedly inciting a riot at the US Capitol on 6th January,2021.

Roshni Nadar

Roshni Nadar is an Indian businesswoman, the chairperson of HCL Technologies and first woman to lead a listed IT company in India. IN 2020, she ranked 55th on Forbes World's 100 Most powerful Women. On the humanitarian front she is working for the education of economically underprivileged students and has also set up 'The habitats' trust that aims at protecting India's natural habitats & conserve sustainable ecosystems.

Randeep Guleria

One of the key people involved in India's struggle against Covid-19, Dr. Randeep Guleria is an Pulmonologist. He is presently the Director of All India Institute of Medical Sciences. In 2015 he was honoured with Padma Shri by government of India. He also co-authored the book Till We Win: India's Fight against the Covid-19 pandemic. This book has detailed useful information on Covid-19 vaccines and therapies.

Harshvardhan

Dr. Harshvardhan is the current Minister of Science & Technology, Health & Family Welfare & Minister of Earth sciences. He was elected as the Chairperson of Executive Board of World Health Organization in May 22, 2020. WHO is anspecialized agency of UN responsible for international public health. He is currently at the forefront of global efforts towards containing the moved coronavirus pandemic.

Ratan Tata

One of the business tycoons of India who is also known for his humanitarian approach towards business. He is the Chairman Emeritus of the $100 Billion conglomerate Tata Group. 2020 saw a popular campaign on social media for awarding Bharat Ratna, India's highest civilian honour to Ratan Tata. He asked the social media users to stop the campaign saying that he considers himself fortunate to be an Indian and was happy to contribute to the growth & prosperity of the country.

OBITUARIES

- Mayank

(Aug 23, 1978 - Jan 26, 2020)

Kobe Bean Bryant

Bryant was a professional Basketball Player. He spent his entire career with Los Angeles Lakers in the National Basketball Association.
He won many awards like NBA Champion, NBA Most Valuable Player, All-NBA First Team, NBA Scoring Champion and many more.
He was well-known with the nickname **'Black Mamba'** which he gave himself in the mid 2000s.
He died at the age of 41 in a helicopter crash along with his 13-year-old daughter Gianna which sent shockwaves throughout the globe.

(7 Jan 1967 – 29 April 2020)

Irfan Ali Khan

Khan was an Indian film actor, known for his work in Hindi cinema, British and Hollywood movies.
His career in cinema was for about **3 Decades** and during the period, he earned many awards namely National Film Award, Asian Film Award and Four Filmfare Awards. Also, he was awarded with **Padma Shri Award** in the year 2011.
He was admitted to Mumbai's Kokilaben Dhirubhai Ambani Hospital on 28 April 2020, where he started receiving treatment for a Colon Infection. He died from the infection just 4 days after his Mother's death Saeeda Begum.

(Aug 23, 1978 - Jan 26, 2020)

Rishi Raj Kapoor

(4 September 1952 – 30 April 2020)
Kapoor was an Indian actor who worked in Hindi films.
He was one of the most successful actors in Indian cinema. He won a National Film Award, four Filmfare Awards and three Zee Cine Awards.
His debut was in the film **'Mera Naam Joker'** directed by his father in the year 1970 and won the National Film Award for **'Best Child Artist'**
His first lead role was with Dimple Kapadia in the movie 'Bobby' in the year 1973 and won the Filmfare Award for 'Best Actor' for the same.
He was admitted to Sir H.N. Reliance Foundation Hospital on April 29, 2020 due to breathing difficulties and died of **Leukaemia** on April 30, 2020.

The more I learn about things, I realise how wrong I was before.
- SSR

(21 Jan, 1986 – 14 June, 2020)

Sushant S. Rajput

SSR was an Indian Actor, best known for his work in Hindi Cinema. He dropped out of Delhi College of Engineering to start his career in the cinema. He made his debut with the film **'Kai Po Che'** in the year 2013 which was a commercial success.

He was also a co-founder of a technology-based start-up **Innsaei Ventures Pvt. Ltd** and a NPO **Front India for World Org.**
He died by co
mmitting Suicide at his home in Bandra, Mumbai on 14 June, 2020.His last film **'Dil Bechara'** was released on the streaming platform Hotstar after his death on 24 July, 2020.

(Born Nirmala Nagpal), Khan was an Indian Choreographer in Hindi cinema. With the title of **First Female Choreographer** in Bollywood, She was best known for her dance style **'Mujra'**. She choreographed more than **3000 songs** during her career of about **40 years.**

Watching the excellent choreography to her song **"Ek Do Teen"** from Tezaab, Filmfare instituted Filmfare Best Choreography Award and she became the First Winner of the award. She had a **Winning Streak of 3 years** for Filmfare Awards from the year 1989 to 1991. She died of Cardiac Arrest on 3 July, 2020 at Guru Nanak Hospital Bandra, Mumbai.

(22 Nov 1948 – 3 July 2020)

Saroj Khan

(1 Jan, 1950 – Aug 11, 2020)

Rahat Indori

Indori was an Indian Bollywood Lyricist, Urdu poet, a Painter, and also a former professor of Urdu language. He performed in Mushaira and Kavi Sammelan for 40 – 45 years. His couplet Bulati Hai Magar Jaane Ka Nahi became viral and started trending on Facebook, Twitter and Instagram during 2020 Valentines week.

In 2016, a book on Rahat Indori 'Mere Baad' was released at the Oxford Bookstore in Connaught Place, Delhi. This book is a compilation of his Ghazals and Shayari.

On 10 August, 2020 he tested positive for COVID-19 and was admitted to Aurobindo Hospital in Indore. He died of cardiac arrest on 11 August 2020.

There is no humiliation more abusive than hunger.
- Pranab Mukherjee

(11 Dec 1935 – 31 Aug 2020)

Pranab Mukherjee

Mukherjee was an Indian Statesman who served as the **13th President** of India from 2012 until 2017.
He had a career in politics for a span of about **50 years** and was a senior leader in the Congress party. He had held many ministerial portfolios as well.
He was the **Union Finance Minister** from year 2009 to 2012.
He was awarded the **Bharat Ratna,** India's highest Civilian Honour in 2019, by the President of India, Ram Nath Kovind. His son Abhijit Mukherjee via twitter, confirmed his death on 31 August, 2020 due to Lung Cancer.

Sripathi Panditaradhyula Balasubrahmanyam was an Indian Musician, Playback Singer, TV Anchor, Music Director, Actor, Dubbing Artist, and Film Producer.
Balasubrahmanyam made his debut as a **Playback Singer** on 15 December 1966 with Sri Sri Sri Maryada Ramanna, a Telugu film scored by his mentor, S. P. Kodandapani.
He had recorded **21 songs in Kannada** for the composer Upendra Kumar in Bangalore from **9:00 am to 9:00 pm** on **8 February 1981 and 19 songs in Tamil, 16 songs in Hindi in a day.**
He held the **Guinness World Record** for recording the highest number of songs by a singer with over **40,000 songs**.
He died on 25th Sep, 2020 from complications due to COVID-19.

(June 4, 1946 – Sep 25, 2020)

S. P. Balasubrahmanyam

(April 28, 1929 – Oct 15, 2020)

Bhanu Athaiya

Athaiya was an Indian Costume Designer, known to have worked in **over 100 films** with Indian filmmakers such as Guru Dutt, Yash Chopra, B.R. Chopra, Raj Kapoor, Vijay Anand, and Ashutosh Gowariker; and international directors such as Conrad Rooks and Richard Attenborough.
She made her debut as a **Film Costume Designer** with the film **C.I.D. in 1956** and followed it up with other Guru Dutt films such as Pyaasa (1957), Chaudhvin Ka Chand (1960) and Sahib Bibi Aur Ghulam (1962).
She was the **First Indian** to win an **Academy Award (for Costume Design** in Gandhi film in 1982). She died on October 15, 2020 due to Brain Cancer; at a medical centre in South Mumbai.

An enterprise's most vital assets lie in its design and other creative capabilities.

- Lee-Kun-Hee

(Jan 9, 1942 – Oct 25, 2020)

Lee-Kun-Hee

Hee was the **Chairman of the Samsung Group** from 1987 to 2008 and from 2010 to 2020. He is attributed for having transformed Samsung into the World's Largest Manufacturer of Smartphones, Televisions, and Memory Chips.

He was holding the title of the **Richest Person in South Korea** since 2007.

In May 2014, Lee suffered a heart attack and had been in a coma since then, until his Death on October 25, 2020 (aged 78). At the time of his death, his Net Worth was estimated at **21 Billion USD.**

Patel was a Member of Parliament from the **Indian National Congress.** He was the **Political Secretary** to Congress President Sonia Gandhi.

Patel has **represented Gujarat** for Eight Terms in the Parliament of India; Three Times in the Lower House or Lok Sabha (1977–1989) and Five Times in the Upper House or Rajya Sabha (1993–2020).

He was also the **Treasurer of the All-India Congress Committee (2018–2020).** He was known to keep a low profile and rarely interacted with the media.

He died on 25 November 2020, due to Multiple Organ Failure arising from COVID-19.

(Aug 21, 1949 – Nov 25, 2020)

Ahmed Patel

(Oct 30, 1960 - Nov 25, 2020)

Diego Armando Maradona

Maradona was an Argentine Professional Football Player. Renowned for his **ability to control the ball** and create scoring opportunities for himself and others.

On 20 October 1976, Maradona made his **professional debut** for **Argentinos Juniors**, 10 days before his 16th birthday vs. Talleres de Córdoba. He entered to the pitch wearing the **Number 16 Jersey**, and became the Youngest Player in the history of the Argentine Primera División.

He was one of the two **Joint Winners of the FIFA Player of the 20th Century Award**. Maradona became the coach of Argentina's National Football Team in November 2008. He died of cardiac arrest on 25 Nov, 2020.

(Oct 16, 1940 – Jan 22, 2021)

Narendra Chanchal

Chanchal was an Indian Singer who exclusively sang **Religious Songs and Hymns.**
After years of struggle, Chanchal sang a Bollywood song Beshak Mandir Masjid for the 1973 film Bobby and won **Filmfare Best Male Playback Award.**
He gave many Iconic Bhajans to India, like: Chalo Bulawa Aaya Hai, Tune Mujhe Bulaya Sherawaliye, Ambe Tu Hai Jagadambe Kali, Hanuman Chalisa, Sankat Mochan Naam Tiharo, Ram Se Bada Ram Ka Naam, and many more.
He died on 22nd Jan, 2020 at the age of 80 due to age – related illness.

(April 5, 1953 – Feb 23, 2021)

Rahul Khullar

Khullar was an **IAS Officer** of the **1975 Batch**. He also served as a **Chairman of the Telecom Regulatory Authority of India (TRAI)** from 2012-2015. He completed his graduation from **St. Stepehen's College, Delhi**; and his post – graduation from Delhi School of Economics.
He was the **Secretary of the Ministry of Commerce and Trade** prior to his selection as Chairman of TRAI by the Appointments Committee of the Cabinet. In recent years, he had been teaching Economics and Mathematics at Vasant Valley School in New Delhi, India. Khullar died on 23rd Feb, 2021 due to long illness.

(Nov 2, 1949 – Mar 5, 2021)

MG George Muthoot

Muthoot was an **Indian Entrepreneur**, who served as the **Chairman of the Muthoot Group**. He was the **44th Richest Person** in India according to Forbes' India's Richest list 2019. As per the Forbes' Rich List 2020, he was the **Richest Man in the Kerala.**
He was also a member of the National Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Chairman of the FICCI Kerala State Council.
He died on 5th March, 2021 at the age of 71 in Delhi, by falling from the fourth floor of his house; as the reports said.


What's News
Business & Finance
World-Wid
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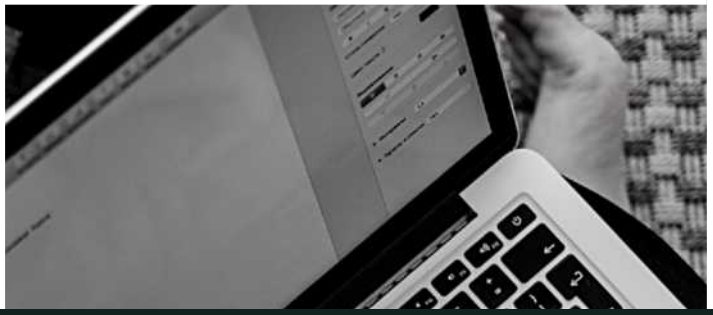


ARTICLES


Coronavirus

NEOIMPERIALISM

Aditya Ahlawat

"So long as there is imperialism in the world, a permanent peace is impossible." – Hassan Nasrallah, third and current Secretary-General of the Lebanese political party. So why is imperialism or rather in the contemporary context, neo-imperialism such a threat?

When asked several history teachers in the United States whether they thought that the war on Iraq was a war of 'choice' or of 'necessity', a profuse number inclined to the former. Then why was it caused, what was its impact? The entire basis of the 'Cold War' between two global superpowers: the US and the USSR. The psychological warfare, espionage, propaganda, the space race, and rivalry at sports were all means to overpower the other. The overwhelming British hegemony of the 19th century is one of the biggest empires to exist, along with the Portuguese, Dutch and French occupations showcasing the need to have more control. When we consider post world war 2 imperialist practices of nations we talk about neo-imperialism. So, let's dive straight into it:

Why are such nations staunch proponents of imperialism? Let me break it down into five simple reasons. Firstly **economic**, resources, and the ability of free-flowing trade at the crux of their operations, enable the imperialist a market to satiate and a hub for acquiring raw materials.

Secondly **political**, all the nations competing with each other for ultimate supremacy, getting global recognition, prestige, and power. In other words, you had to occupy before the others did.

Thirdly **military**, naturally any nation would be anxious about its national security, wanting to gain military advantage over its competitors.

Fourthly **social**, the concept of 'Social Darwinism' comes into play here, the Europeans being naturally superior and hence as humanitarians their need to enlighten and uplift the backward people. Lastly **religious**, the inherent desire of a religious nation to propagate its beliefs and show religious dominance.

The American Angle – Cold war, Latin America, Gulf nations

What kickstarted American imperialism? Well, America since its inception has had the traits of an empire seeking and wilfully participating in acts of imperialism.

During the period of their civil war, not many considered foreign policy of legitimate importance, however after the math, coinciding with an excess of industrial and agricultural output (due to the industrial revolution), the businessmen decided to plunder foreign markets. In the midst of all that, the annexation of Hawaii took place and it is considered part of U.S territory from 1898 along with several other islands enabled the U.S to create bases for military and trade activities.

Now, let us look at the Cuban missile crises. Why is this important, it is because we need to understand how the cold war shaped a huge defining moment for neo-imperialism. When Fidel Castro established a socialist state overthrowing the then president, who was supported by the U.S, he started to strengthen relations with the soviets. Fidel hiked taxes on U.S imports and agreed trade deals with the soviets, U.S responded with full trade embargos, freezing of all Cuban assets, and cutting off diplomatic ties. After the end of a 13-day stand-off, the soviets and the Americans on the brink of a nuclear war decided to withdraw their ammunition and resort to tranquillity. This portrayed the lengths to which the nations would go, to display sheer dominance over the other.

The influence of the U.S in Latin America, beginning in the mid-19th century is monumental. The United States proclaiming itself as the 'official protector' of the Western hemisphere, though their vested interests lay in launching a new imperialist strategy over the Latins. The many nations that comprised the Caribbean and Latin America were in constant political conflicts as well as unendearingly poverty-ridden states. Hence, serving as the perfect opportunity for the U.S to strike. So, they did.

The US-Venezuela ties were not always antagonistic, they were linked by oil, the U.S needed oil, Venezuela supplied it. U.S oil companies were granted concessions by the then-dictator of Venezuela, this being their primary economic activity. The 1958 coup establishing democracy further drew the countries together however the turning point would be the Hugo Chavez visit to Cuba.

His close ties with Cuba sent the US relations on a Collison course, there was another coup due to Chavez's attempt to get more control of their oil industries. The attempt failed and the president blamed the USA and the CIA for being involved and gathered the support of fellow Latin nations to lead a coalition in the United Nations.

INFLATION TARGETING MONETARY POLICY: BOON OR BANE

Ajita Ranade

> *What is inflation? "Inflation is taxation without legislation" – Milton Friedman*

The above quote succinctly summarizes the concept of inflation. Inflation is intimately related to the purchasing power of money. It is a phenomenon marked by a steady increase in the price level of all the goods and services, increasing the cost of living. Inflation essentially reduces the purchasing power of money, which means the same amount of money will buy fewer goods as time passes. On the other hand, when there is a decrease in the price of goods and services it is called deflation.

In India, inflation is measured with the help of two indices –

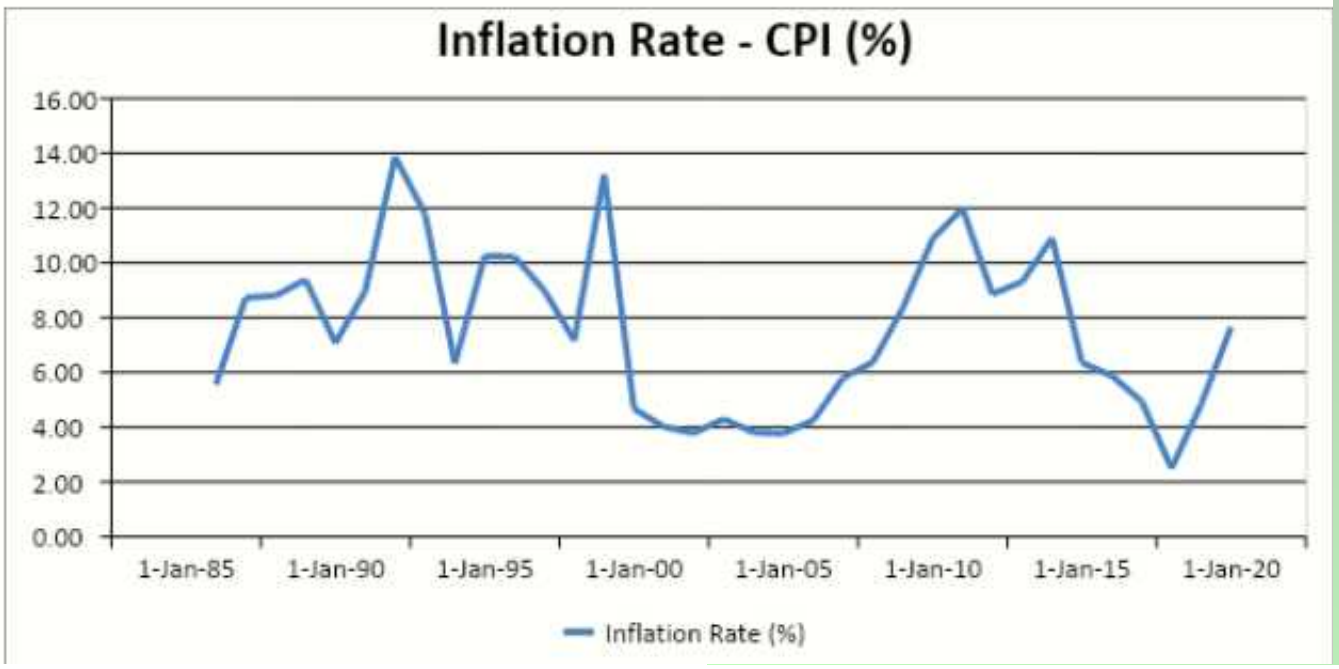
- **Wholesale Price Index (WPI)**
- **Consumer Price Index (CPI)**

Wholesale Price Index (WPI) – The WPI is calculated based on a representative basket of 697 items, having different weights and composed of Manufactured Products (65% weightage), Primary Articles like food, etc. (20.1%), and Fuel and Power (14.9%). This index measures prices on a wholesale level and does not include services. The Reserve Bank of India (RBI) used the WPI index till 2014 to formulate its monetary policy.

Consumer Price Index (CPI) – The CPI, on the other hand, is the weighted average of a basket of essential consumer goods and services. Changes in the CPI indicate the change in the cost of living. The RBI adopted CPI as the key measure for inflation in 2014.

Need for targeting inflation

Inflation in an economy, when unchecked causes currency to become devalued and lose its worth very soon. On an economic level, it hampers businesses, drives up unemployment, and finally, the cost-of-living increases by leaps and bounds, triggering political instability. For example, Venezuela entered hyperinflation in the year 2016. Inflation rate was 274% in 2016, 863% in 2017, 130,060% in 2018 and 9,586% in 2019. As a result, the citizens lost savings, unemployment increased and many citizens fled to nearby countries. Hence, inflation targeting continues to remain at the core of the monetary policy of many nations.



The following chart depicts movement of CPI inflation rates in India from 1985.

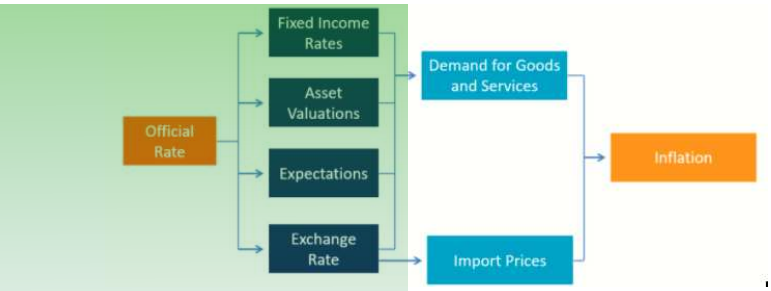
Source - https://www.macrotrends.net/countries/IND/india/inflation-rate-cpi

What is inflation targeting monetary policy?

Monetary policy, in general aims at promoting price stability (and inflation by implication), promoting maximum employment, and moderating interest rates. Tools of monetary policy are adjusting interest rates, change in reserve requirements, and open market operations (OMOs). Inflation targeting monetary policy, by definition, uses the tools named above to achieve the pre-decided rate of inflation over a given time period. This rate is communicated to the general public which indicates that the focus of the Central Bank is targeting inflation and has taken precedence over all other objectives of monetary policy. After that, a model or methodology is set up which uses a host of indicators to forecast future inflation rates. The Central Bank then designs a forward-looking procedure to use the monetary policy tools at hand which is adjusted to meet the inflation target.

Transmission mechanism of monetary policy

The following chart shows the transmission mechanism of the monetary policy decisions in the economy.



Source- https://corporatefinanceinstitute.com/resources/knowledge/economics/monetary-transmission-mechanism/

If the Central Bank increases the official interest rate, the bond yields increase, directly affecting the cost of borrowing for businesses as a result. An increase in the interest rate will cause the lending rate and rate on savings to increase. As a result, households will notice a decline in disposable income after the servicing of debt. This, in turn, reduces their ability to spend and invest. Thus, other things being equal, an increase in interest rates reduces individuals' and businesses' spending and consumption.

Similarly, an increase in interest rate increases the cost of financing real estate, which helps to curb demand and the rise in housing prices. An increase in interest rates also increases the firms' cost of capital thereby reducing profits. Demand for bonds increases due to higher interest rates, causing the valuation of equity to reduce. This makes it expensive to issue new share capital for development projects. Monetary policy interest rates pave the way for expectations and interpretations about how the Central Bank views the economy and the direction it is going in.

An increase in the rate would mean that the Central Bank is using an interest rate transmission mechanism to bring the inflation down to the desired level. These expectations affect the behaviour of financial markets and business decisions with respect to fundraising and expansion plans. The effectiveness of the monetary policy largely depends on the expectations of the public and confidence of the financial system in the Central Bank.

If the interest rate is increased by the Central Bank, then the domestic securities are more attractive for foreign investors. An increase in interest rates is bound to attract foreign investment, leading to an appreciation of the currency. The currency appreciation results in lower import costs, directing demand outside the economy. When this happens, domestic production demand contracts resulting in lower inflation.

Research has shown that in general effects of monetary policy actions are felt in six months with respect to the domestic demand and the majority of the impact is felt after about a year.

Inflation targeting – A history

New Zealand was the first nation to explicitly model targeting inflation as a part of its monetary policy, which was followed by Canada in 1991. At that time, the Central Bank's decision to announce the inflation number was a radical idea, nonetheless. When the inflation target was announced by the Central Bank, it gave the Bank independent authority to reach that goal. The graph below shows the inflation rate from 1985-2020

The United Kingdom followed suit in 1992 and since then many European countries have actively adopted inflation targeting as a part of their monetary policy framework.

However, there are also a few advanced economies such as the US and the ECB that do not officially target inflation. They have, however, adopted the main elements of inflation targeting and continue to formulate policies around it.

Advantages of inflation targeting

Increased central bank accountability and transparency- Publishing a target or a range for inflation by the Central Bank outs the onus on the central bank for achieving the target. Inflation targeting offers transparency of policy. The Central Bank's expectations are declared to the public, which reduces guesstimates about the stance of the central bank about the state of the economy. The inflation targeting policy can also help the Central Bank to reduce political pressures w.r.t. pursuing an inflation-led monetary policy.

Anchor for sustainable growth – Inflation, if unchecked can prove disastrous for an economy and rising costs impact the lives of the common man in every nation. By having a monetary policy that focuses on keeping inflation in check, it helps to keep periods of unsubstantiated growth in check and their bursting down the line. High inflation leads to loss of competitiveness, increases the risk of flight of foreign investment, reduced value of savings among many other things.

Source - https://www.statista.com/statistics/375265/inflation-rate-in-new-zealand/

Increased ability to respond to demand shocks – In inflation targeting monetary policy regime, the demand shock that caused GDP to contract can be tackled by increasing inflation through easy monetary policy, thereby increasing economic activity.

Disadvantages of inflation targeting

Ignoring other pressing problems – Opponents of the inflation targeting system argue that the targeting of inflation may take focus away from other pressing problems, for example rising unemployment.

Heavy reliance on forecasts – As the monetary policy frameworks are forward-looking, the forecast of inflation and the state of the economy and various variables at play is a complex web. If inaccurate forecasts using faulty/outdated methods are made, it increases the chances of monetary policy not having the desired effect, resulting in people losing confidence in the Central Bank.

Very low inflation target may push the economy into deflation – Another danger of setting the inflation target too low is the danger of the economy slipping into deflation. In such a case, the persistent deflation may result in economic contraction.

Conclusion

As per statistical data, inflation targeting has been successfully practiced in a number of countries across the world in the past 20 years. None of the countries that have resorted to inflation targeting have gone back to their earlier policies. Inflation targeting has successfully helped economies and nations survive many shocks to the economy, including the global economic crisis. However, while adopting the inflation targeting monetary policy, a thorough assessment needs to be carried out to determine if the policy is suitable for the country or can be tailored in more ways than one to suit the policies.

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GREEN BUSINESS ENVIRONMENT

HOW START-UPS CAN HELP SAVE OUR ENVIRONMENT

Shourya Shrivastava

Renowned Israeli historian, Yuval Noah Harari said: "Many call his process 'the destruction of nature'. But it's not destruction, it's change. Nature cannot be destroyed". In this incognizant world, to people, it seems that life is just like a cauldron of self-benefits. A cauldron, wherein garbage disposal by setting it ablaze is considered a cakewalk and hence practiced, and where houses and factories are built by mercilessly shattering what once was home to millions of creatures. These toxic elements are stirred together with several other ingredients as they sizzle incessantly, while we humans fail to realize that this cauldron is gradually outpouring, and once it's spilled, all of us will disappear. There is little doubt that mankind and indeed the entire planet is facing an environmental crisis. Whether it is global warming, ozone depletion, acid rain, tropical deforestation, or topsoil erosion; their hazardous effects, impact everyone. It is undeniable that climate change has catastrophic consequences.

We've all seen heart-breaking viral news: a starving polar bear, whales washed up on beaches with pieces of the cars in their stomachs, California history's deadliest wildfires. The developed world has been careless and reckless in its treatment of the earth and has benefitted significantly from this negligence. It is clear; that our current methods of production are having a seriously adverse effect on the environment. Our world is fragile and human activity is pushing it to a point of no return where it is difficult to reverse climate change, where it is impossible to recover endangered animals, and where people are left without a future home. If these processes remain unchecked, the ecosystem, which we all believe, in the due course of time would be gravely damaged. It is therefore important for businesses, individuals, organisations, and local communities to band together and push change at the grassroots level. Sustainability is the word one needs to understand. Development, as said by many theorists should not cost us our resources and environment. We have been taught in school about the importance of preserving and nurturing nature, but as we grow, we forget to put our education to real use.

In recent times we've witnessed that there is a growing demand by consumers to be more environment-friendly. Fighting climate change is a pivotal issue that requires interference not only from the government but also from various business mandates. Social entrepreneurship creates a green industry that, through the creation of innovative solutions, helps solve environmental issues. Many businesses go green either to mitigate environmental damage or to win customer support. We've been tutored that business enterprises are leading creators of wealth, employment, trade, and technology. They manage enormous financial, physical and human capital as well. However, it is often difficult to determine business activities that contribute to or harm the sustainability of the earth due to their complexity.

The investments and innovations of business have driven economic process and satisfying consumer demand but, due to the resources consumed and therefore the side effects of waste and pollution, they have become unfortunately the most contributors to environmental destruction. This has created numerous business activities which promote environmental friendliness. Many businesses are doing their part by focusing on green products and innovations, as well as using organic materials, with environmental issues like climate change, resource scarcity, and pollution taking centre stage. They are referred to as '*green entrepreneurs*' and aim to change the mindset of consumers by raising awareness and educating people about environmentally friendly activities. Green businesses strive to possess a positive impact on the environment and the community. A sustainable business whips up profit while ameliorating societal and environmental conditions.

For businesses, going green can help promote growth because it is pretty evident that sustainability and profitability are intrinsically linked. Growing awareness of the environmental effects of modern lifestyles puts pressure on all to follow ways of living and working that are more environmentally friendly. According to an international survey, more than 80% of people respect companies and brands that adopt eco-friendly practices. It also found out that "virtually" all consumers are worried about at least one of the other environmental issues, however, their eco-friendly concerns are not always manifested in their shopping behaviours.

Becoming eco-friendly has a few different advantages for organizations. These incorporate- tax credits, improved productivity, better work environments, and cost economizing – for example by printing less, turning lights off in unused rooms, and topping off ink cartridges. Reusing things likewise lessens squander from plastic bundling. Greening the company is a smart way to decrease operating costs. It is beneficial for a business to manage operating costs because it benefits bottom-line profits, offers a degree of protection against seasonal volatility, and some flexibility to fall prices to stay competitive.

Companies that invest in equipment for high-performance and eco-friendly processes have a range of advantages that go beyond lower energy bills. Energy-efficient facilities have greater reliability and efficiency, while at the same time maintaining lower maintenance costs and less waste.

Talking about start-ups, in India, entrepreneurship has expanded dramatically and start-ups are beginning to have a dramatic effect not only on the economy but also on the environment. The economy is closely linked to environmental conditions, and without keeping in mind the environment in which we live, we cannot talk about the business ecosystem. The start-up ecosystem has entered the core stage of India's economic operation today. When the government entered the mission with programs such as Start-up India, Stand up India, Digital India, and Vocal for Local, the revolution was taken to the next level. In partnership with start-ups, every initiative by the Government of India to address existing challenges in sectors such as environment, healthcare, rural digitisation, education, etc. was path-breaking.

Various companies have felt the effort to go green, as corporations are starting to understand how their practices affect the climate. From using recycled or renewable resources to energy use and waste, India's businesses and start-ups seem to be making a universal effort to safeguard our world and do what we can to live a healthy lifestyle.

The growing consumer demand to combat climate change is embodied by numerous innovative start-ups that are passionate about influencing change. Fortunately, leading companies have a tremendous influence and impact on reducing key drivers that contribute to climate change, whether through their procurement of raw materials, supply chain inputs, choice of suppliers, or influence on customers and consumer preferences.

With India's start-up boom rising exponentially, there are numerous ways that these new ventures have a positive impact on the world. Such start-ups will further benefit the world with the assistance of technology, while also reducing costs at the same time. By going digital, office paper and supplies may be avoided. With the aid of automation that switches off appliances when not in use or needed, electrical waste can be avoided. To help reduce carbon footprints and unnecessary waste, these small steps go a long way

Some extraordinary examples of such start-ups could be Waste Ventures India which prevents up to 90% of dumpsite waste and creates organic compost that is rich in nutrients. The Banyan Nation- collects and recycles plastic waste from industries for further use in the same. SayTrees is a professionally run organisation of individuals who are not only committed to conserving the environment by themselves, but also by sensitising others to the value of protecting the environment and motivating them to engage in tree-planting campaigns. ZunRoof is a home-tech start-up offering homeowners smart and renewable energy options. The start-up helps by making use of unused rooftops to produce electricity by solar energy. Ahmedabad-based EcoRight sells eco-friendly bags with a focus on a style. In the office room, the start-up which sells eco-friendly jute bags is also environmentally conscious. In-office space, workers should not use any plastics and use biodegradable bags instead.

A few ways in which aspiring entrepreneurs can go green, maximize natural resources, and ensure sustainability is-strive to reduce single-use plastic, recycle waste products, up-cycled furniture, developing green apps and consulting services, etc. In some way, everybody impacts the sustainability of the marketplace and the world. For consumers, investors, and the environment, sustainable development within an organisation will generate value. A sustainable company must fulfil the needs of consumers while treating the environment well at the same time. Innovative proposals are being put forward by pioneers to secure our mother Earth. From the recycling of floral waste to the manufacture of herbal clothing and the provision of solar energy in the household, with the aid of their skill set, various entrepreneurs have found the choice to protect nature and turn this potential into capital.

THE CRYPTO COIN

WILL THE WORLD REPLACE IT AS THE GLOBAL RESERVE?

Nishant Kumar Satyam
Vasu Golyan

"I just think for Fed policy, it's going to be a dollar economy as far as the eye can see"
"Bitcoin does not present a serious threat to U.S. dollar's status as the world's reserve currency"

The US Federal Reserve President, James Bullard, made these statements in strong conviction. However, the rest of the world does not seem to share the same enthusiasm for the US Dollar as him.

HOW DID WE GET HERE?

Summer, 1944. The world was in chaos. The Bretton Woods' Mount Washington Hotel was abuzz with over 700 delegates from 44 nations as they deliberated over a new financial-world order - The Bretton Woods System. The system made sense, at least at the time--pegging the US dollar as the global reserve currency, fixing it to gold at a sweet 35 dollar/ounce. Things changed in 1971 when the conversion of the dollar to its equivalent gold value was suspended, supposedly temporarily.

Post that, the exorbitant American privilege, as the French like to put it, has repeatedly come into problems. Be it something as old as the Vietnam War, or something as magnanimous as the Great Financial Crisis, or even something as fresh as China's challenge to US Hegemony.

One thing is clear, the Dollar's term as the global reserve currency might be nearing its end. What, however, is not so clear is whether bitcoin or any decentralized currency, for that matter, is going to be taking its place?

WHY THE HYPE?

The global crisis of '08 was followed by innovation in the domain of value-currencies, both from foreign powers as well as *'cypherpunks'*. While the motives of foreign powers like Russia were to induce a global shift in power, the *cypherpunks-programmers* merely wanted to rid fiat currency from the control of a constantly changing government. That's where the disruptive idea of cryptocurrency germinated and gained traction.

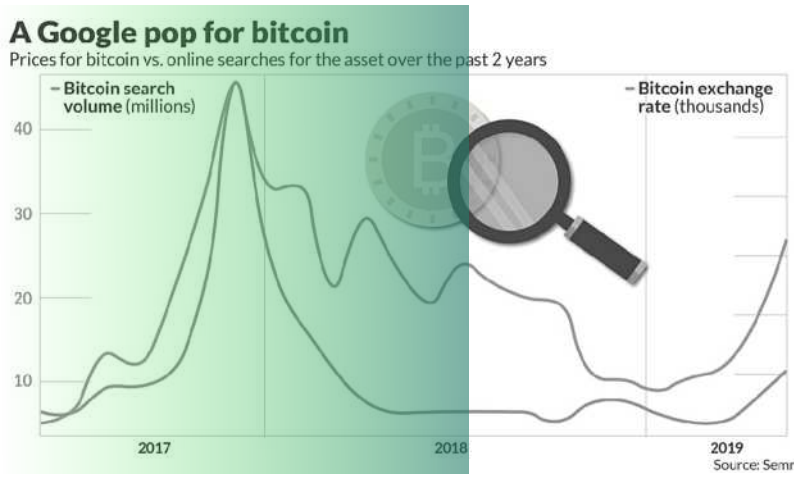
The whole issue discussed here emerges from the grassroots of the FinTech revolution, where the necessity of centralized authority in deciding the value of a citizen's private money came into question. In a world where hyper-adaptability is the feature that every entity is eyeing, cryptocurrency provides a dynamic process in a relatively static industry.

Lastly, and probably most importantly, in this context, cryptocurrency helps make money less intimidating and serious, and more acceptable for the ordinary citizen. It assures its users of privacy and protection against prying eyes, be it from delinquents or the elected government.

WHAT IS THE COIN?

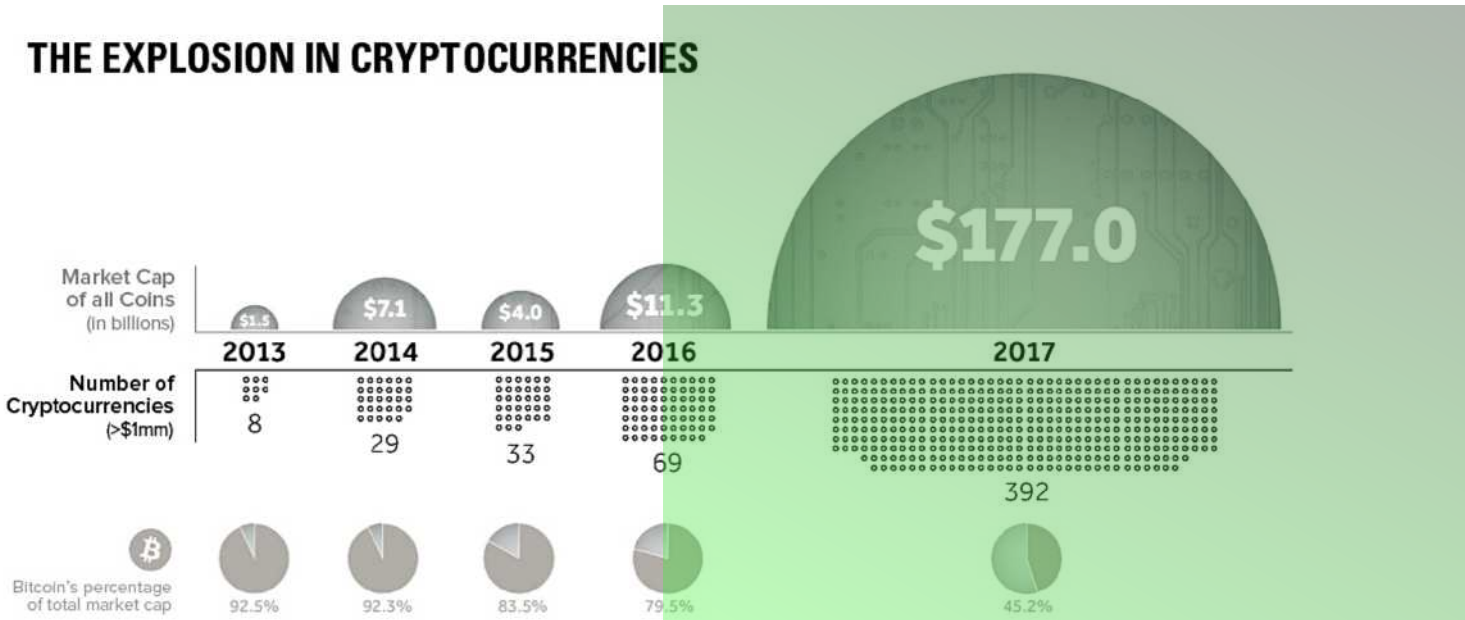
Cryptocurrency essentially is decentralized digital money, with no single individual/organization/country having any control over it. They are based on a technology called Blockchain. There are currently over 6,700 cryptocurrencies globally, with Bitcoin and Ethereum being the most popular ones. The total market cap of all cryptocurrencies combined today is about $ 1.7 Trillion, out of which Bitcoin alone has a market cap of $1 Billion. In comparison, China's Foreign Exchange Reserves alone are $3.15 Trillion.

When we talk about the possibility of cryptocurrency becoming a reserve currency globally, we primarily refer to Bitcoin, as it's the most widely accepted and traded cryptocurrency. The post-pandemic times have seen Bitcoin prices soar to record heights and have reignited the debate about its legitimacy as a financial instrument.



WHO IS ACCEPTING THE COINS?

What was initiated as a mere peer-to-peer cross-payment platform, used by a small niche of internet users from the dark corners of the web, today has peeked the interests of buyers, institutional investors, and corporate giants.



We have Elon Musk publicly researching bitcoins and then purchasing large chunks of the same. PayPal, the payment giant, allowing bitcoin payments signalled the world's acceptability of the coin. Even the Fed itself has rubber-stamped their digital bank's holding of crypto. Moves by macro-investors like Bill Miller & Paul Tudor Jones and institutions like MassMutual & MicroStrategy Incorporated towards crypto-investment have only reinforced the market sentiments towards decentralized value currencies.

IS THE COIN, INCONVENIENT?

A very institutional and repeated argument against cryptocurrency and, in general, concerning the dollar's replacement as the reserve currency has been that the public desires consistency. When one stands in a long queue at the start of the day for their first coffee, they are faced with an overwhelming choice of options there. On top of that, they do not want to decide between paying with Bitcoins, or Dogecoins, or Ethereum, or whatever new currency a self-taught *cypherpunk* has created in their basement. The dollar makes things simple, and people argue that simplicity is something that needs not and cannot be replaced.

While this argument may sound compelling at first glance, and the non-uniformity of currency might come off as real displeasure, we can't ignore the fact that we already live amidst an intense currency competition. It's not some intricately engineered phenomenon but the simple working of markets. Investors desire a safe haven, a currency that offers them consistent and stable value. The currency that the masses think offers them these features in the most accessible format trumps all others.

In such a context, we see a two-sided argument unfold. On the one hand, it might be difficult for any other government-controlled currency to out-bid the Dollar in terms of stability and literal 'value-for-money, which proves that the Dollar indeed is the best candidate for being a global reserve currency. But on the other hand, the very fact that cryptocurrencies do not have a centralized authority overlooking them shows them with this assurance of independence from governmental interventions and manipulations.

Hence, the very argument that strengthened the Dollar's case for being the global reserve amongst all other fiat-currencies is the one that diminishes its case against bitcoins.

WHAT ARE THE PROBLEMS FOR THE COIN?

Amongst the many problems that cryptocurrencies face in displacing the dollar as the reserve currency of the world, the most pressing ones are as follows:

- **A Lack of Uniformity**

  As stated earlier, with over 6,700 different types of cryptocurrencies available and each one having different dollar values, it is impossible to reach a mandate so as to which country adopts which cryptocurrency. This non-uniformity is one of the prime reasons why it cannot become the uniform reserve currency of the world.

- **Inadequate Size and volatility**

  With a combined market cap of $ 1.7 Trillion, it comes nowhere close to the combined foreign exchange reserves of all the countries. The only way this vast gap will be bridged would be by a further appreciation of the already heated prices of many cryptocurrencies. All of this points towards a price bubble being formed right before our eyes. The past volatility in these assets' prices is all the more reason why countries and central banks worldwide will shy away from making it a reserve currency, which, by definition, stands for reliability and stability.

- **Safety Concerns**

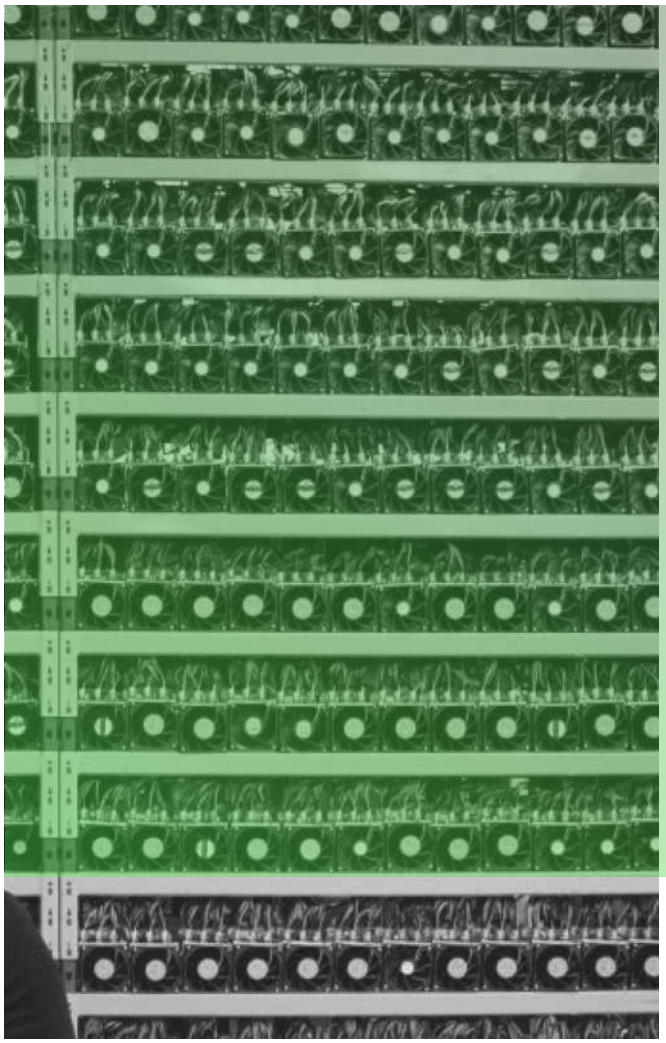
  Despite the high levels of technology and safety checks built into these cryptocurrencies, theft of digital currencies is a regular occurrence. In 2018, a total of $1.1 Billion worth of cryptocurrency was stolen in the first six months itself. Such incidents have continued, and as technology gets more and more sophisticated, so will the ransomware designed to dupe it. This threat of theft will keep central banks, the most conservative of financial institutions, from adopting cryptocurrencies as a reserve currency for decades to come.

In the end, the plain argument of the current reserve currency of the US Dollar, being visible, tangible, and backed by the most powerful country in the world, will always hold power over the potential challenger - cryptocurrencies, which are digital assets, vulnerable to cybercrime, data-corruption, volatility, and are devoid of any ethos, essentially being distributed over thousands of private computers across multiple countries.

When we talk about the possibility of cryptocurrency becoming a reserve currency globally, we primarily refer to Bitcoin, as it's the most widely accepted and traded cryptocurrency. The post-pandemic times have seen Bitcoin prices soar to record heights and have reignited the debate about its legitimacy as a financial instrument.

SO, IS THERE A NEW WORLD ORDER IN THE MAKING?

However, much we strengthen the case for the coin, we can't objectively deny the level of dominance that the US Dollar has over all other forms of currency, even, rather, especially cryptocurrencies. This is best displayed by the fact that the prices of Bitcoin even today are reflected in USD terms, but seldom is the USD quoted in terms of Bitcoin. And there are more than just mathematical factors at play here. A decade of breakneck technological change and one twitter-ready entrepreneur cannot change nearly two centuries of global trade and economic inertia that the USD commands.



In the end, we must ask ourselves this question: "Is it the Coin that is increasing in value against the Global Reserve Currency, or is it that the Dollar is plummeting against the coin?" While the apparent cyclicity of this question might trivialize its essence, we must note that the real value of Bitcoin is unknown. For the US dollar, we have consumption baskets and inflation-accounting measures in place. For Bitcoin, we have no such benchmark in place. However, this doesn't mean that crypto-value is a mere speculative value.

The recent unfolding of events in the United States, both at the federal and civil front, has highlighted the uncertainty associated even with the gold-like dollar. Continued geopolitical unrest and building debt crises might plunge the world into a scenario where the dollar becomes the volatile store and bitcoin, the stable one.

In the end, we must take inspiration from Elon Musk's quote:

> *"You know, what is money? Money is an entry in a database."*

and, this database is innovating. The exponential curve of technology has plunged the currency-marked innovation into overdrive, and quite possibly, we might be staring down the face of a new Bretton Woods system- one that doesn't involve economists and governments of the world, but a bunch of programmers and cryptographers, 'mining' from the comfort of their homes.

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THE EXPLODING USE OF AI IN THE INVESTMENT AND BANKING SECTOR

Abhimanyu Mukherjee

Artificial Intelligence (AI) is impressive, charismatic, and game-changing. AI is a wide-ranging segment of software engineering associated with developing smart devices suitable for accomplishing tasks that generally require human Intelligence. AI is an interdisciplinary science that includes various strategies. However, progressions in machine learning and deep learning make a change in perspective in essentially each section of tech marketing. The supreme trait of artificial Intelligence is its capacity to justify and make moves that have the most apparent opportunity of accomplishing a specific objective (Biswas, Carson, Chung & Singh, 2020).

Whenever people hear the term Artificial Intelligence, the main thing that comes to their minds is robots. The principle behind AI is that human Intelligence can be portrayed such that a machine can imitate it quickly and perform both simple and complicated tasks (Donepudi, 2017). The fundamental goals of AI are - reasoning, perception, and learning. A cross-disciplinary approach based upon arithmetic, software engineering, psychology, and more is employed to wire the machines.

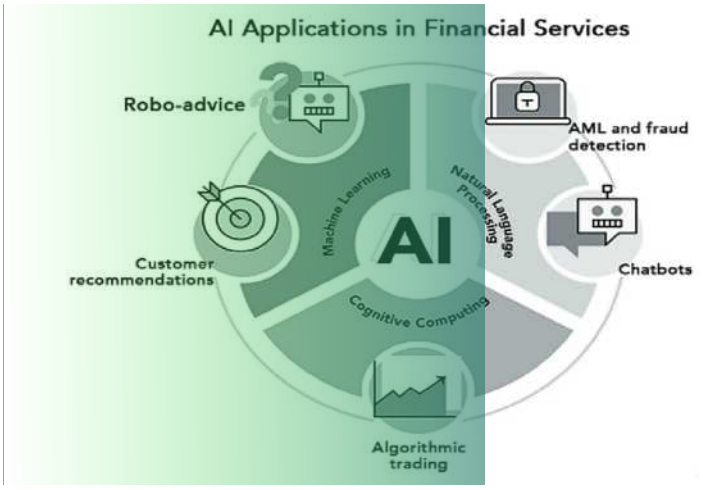
Artificial Intelligence is broadly categorized into Weak AI and Strong AI. Weak artificial Intelligence exemplifies a system intended to complete one specific work like- Video games or personal assistance software like Alexa or Siri. You ask it a question, and they provide you the answer. Strong artificial intelligence systems execute human-like tasks (Vedapradha, & Ravi, 2018). They are more complicated systems and are modified to deal with circumstances without having an individual intercede. These applications are found in Automated vehicles and Operation Theatres of hospitals.

Artificial Intelligence is continually developing to assist a wide range of businesses. This article will reflect the exploding use of Artificial Intelligence in the investment and banking sectors.

Use of Artificial Intelligence in The Investment and Banking Sectors

Digital disruption re-establishing business standards and changing how business organizations work. Each sector is evaluating options and embracing approaches to create value in the world of technology and innovation. The banking sector is seeing pivotal changes: the principal being the ascent in client centricity.

Customers today are tech-savvy. As they are presented with high-level and trend-setting technological innovations in their everyday lives, they presume that banks provide seamless and streamlined experiences. To satisfy customer requirements and expectations, banks have extended their industry to retail, IT, and telecom to empower services like e-banking, mobile banking, and real-time transactions. On the one hand, these progressions have authorized customers to access several different financial services instantly; on the other, it has raised the banking sector's expenses (Donepudi, 2017).



In the realm of high-stakes investment banking, AI can be used in an investment bank's securities department for purposes like- clearing corporation functions and equity trading desks. At the same time, AI is employed for upgrading performances and skills in divisions of core investment banking, which carry-corporate and institutional counselling products and services, capital markets, and merchant banking (Vedapradha, & Ravi, 2018).

Operations that can be thoroughly synchronized to expedite human decisions empowered by Artificial Intelligence takes into consideration sub-divisions within those operations, such as- technology operations, judicial and compliance functions, human resources, back-office services, risk management operations, treasury, and finance operations, and significantly more (Khurshid, 2018).

There have been a few usages of AI over the wide range of investment banking as of now. Besides, rapid appropriation of AI allows greater effectiveness in practically all departments and operations (Mou, 2019). It is no lie to say that AI is capable of changing the competitive dynamics, basically due to its essentiality in investment banking. Investment banks will embrace AI if even one of their rivals accepts it, much like a chain reaction (Smith & Nobanee, 2020).

The process will continue until every one of them depends on AI's efficiency and accuracy in their everyday transaction and investment decisions. Investment banking faces serious competition within its business landscape, and intelligent devices can expand each aspect, like simulating economic circumstances to encourage critical and quick decision-making, trade processing, explaining structure products, predicting returns on capital, and improving the consumer experience. Artificial Intelligence will upgrade the back-office operations and make sure that the settlement procedures are quick and easy with minimum human mistakes.

Investment organizations have been depending on computers and data researchers to anticipate future trends in the industry. The field of investment and trading depends hugely upon the capability to foresee future meticulously. Machines can perform this task as they can process and evaluate an immense amount of data in a brief time. Similarly, machines can be developed to scrutinize past data trends and foretell how these might replicate eventually. While variations, such as the 2008 economic crisis, are found in the data records, a machine can be instructed to examine the information to discover 'triggers' for these oddities and prepare for them in later planning (Biswas, Carson, Chung & Singh, 2020).

Furthermore, contingent upon individual willingness to take risks, AI can recommend portfolio solutions to fulfill every individual's need. An individual with a higher endurance to risk-taking may depend on AI for choices on when to purchase, hold, and sell the stock. One with a lower endurance to risk-taking can get alarms when the market is suspected of falling and would thus be able to settle on whether to remain invested in the market or move out (Kaya et al., 2019).

Finance management is an extremely difficult task for many people in this materialistic world. Artificial Intelligence helps manage finances as well. A recent advancement regarding AI-based wallet is PFM (personal financial management). The thought behind this concept is very simplistic- it employs AI to fabricate algorithms to help the buyers make savvy choices about their cash when they are spending it. It just aggregates all the information from your digital footprint and makes your spending chart. Supporters of privacy breaching on the web may think that it is hostile yet, perhaps be this is the thing that lies in the future. Consequently, it must be the favored personal financial management to spare time from making long spreadsheets. From a little investment to an enormous one, AI resolves to be a future guardian for finance management (Walch, 2020).

The future of modern banking is Artificial Intelligence. It amalgamates high-level data analytics and technological innovations to contend fraudulent businesses, raise compliance, and provide consistent security. AI algorithm fulfills anti-money laundering actions in a couple of moments, which in any case take hours and days (Khurshid, 2018). Furthermore, Artificial Intelligence also facilitates the banking sector to handle gigantic volumes of data at the speed of light to acquire relevant insights. Features of AI like - Biometric fraud detection mechanisms and online payment advisers are employed to recognize and flag fraudulent activity in the banking and finance industry, such as unusual debit card usage and large account deposits (Khurshid, 2018). These innovations help the bank's scam division operating and support delivering a higher quality of services to a more extensive client base. This means increased profits, diminished expenses, and higher turnovers (Smith & Nobanee, 2020).

Artificial Intelligence is fortifying the competitiveness of the banking industry in several ways. Cognitive process automation empowers automation of a number of data-sensitive, expensive, error-prone, and complex banking operations like claims management. This makes sure about ROI, decreases costs, and guarantees precise and fast processing of the operations sequentially. Cognitive process automation generally mechanizes many errands that ad-lib upon their past repetition through constant machine learning (Khurshid, 2018).

Besides, cognitive systems that analyze and respond like human specialists give ideal solutions dependent on accessible information in real-time. These systems keep a depository of master data in their database, known as a knowledge database. Often, bankers employ these cognitive systems to settle on critical strategic decisions (Walch, 2020).

The banking sector is also hoping to improve the client, and the banking experience is upgrading real-time digital conversations with intelligent software. That implies comprehending language patterns and trying to build up a conversational AI model that can associate with the clients and assist them with reaching their financial objectives in that manner too.

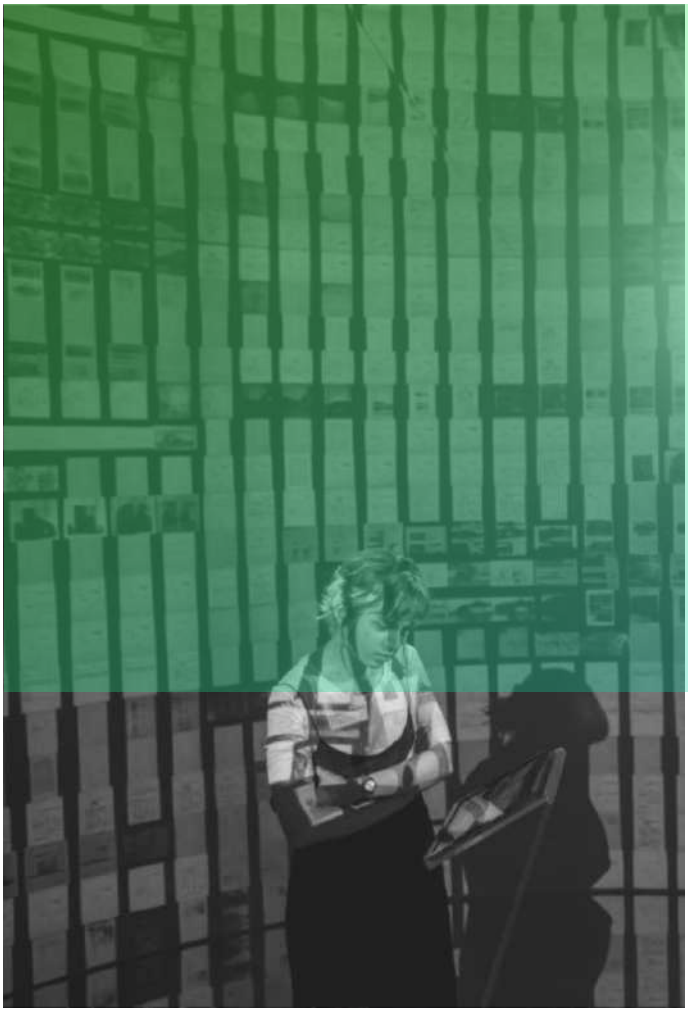
Automated chatbots recognize the setting and emotions in the chats' text content and react to it in the most suitable manner. These cognitive machines empower banks to spare time and improve effectiveness, yet in addition, assist saving money because of aggregated cost savings (Biswas, Carson, Chung & Singh, 2020).

As of now, numerous banks have AI-empowered chatbots to assist their clients with a plethora of banking operations. Chatbots are active 24/7, ensuring complete engagement and effective interaction with customers. Chatbots have eventually dismissed the concept of conventional banking hours. This is significant when it comes to serving global clients. Today, customers are well accustomed to communicating with the chatbots for several things- making it a legitimate investment for the banks(Mo, 2019). This has driven them into sorting out how they can personalize and customize every client's online experience.

CONCLUSION

Artificial Intelligence has just become a zealot in investment banking, and the business is craving AI savvy investment brokers with the tech fortitude to become wildly successful. Since the speed at which it is making reformist strides towards making the clients' financial processes simpler, it is soon to supplant people and give quicker and substantially more proficient solutions. Bots are steadily developing as advancements are being in the AI area. Gigantic investments are being made by the organizations that are considering this to be a cost-cutting investment in the long run. It helps the organizations save expenses of recruiting people and maintaining a strategic distance from human blunders in this process.

Despite the fact that it is as yet in its beginning stage the speed at which it is advancing to develop the investment and banking sector, it is safe to say that the possibilities will prompt minor losses, smarter trading, and first-class client experience.



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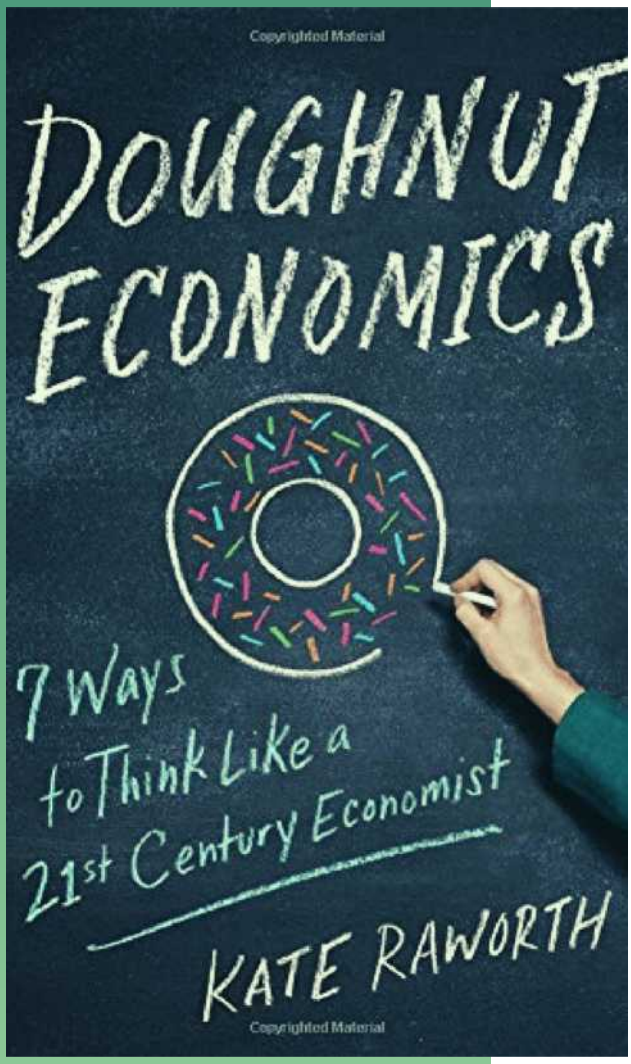
REIMAGINING GROWTH, DEMYSTIFYING DOUGHNUT ECONOMICS

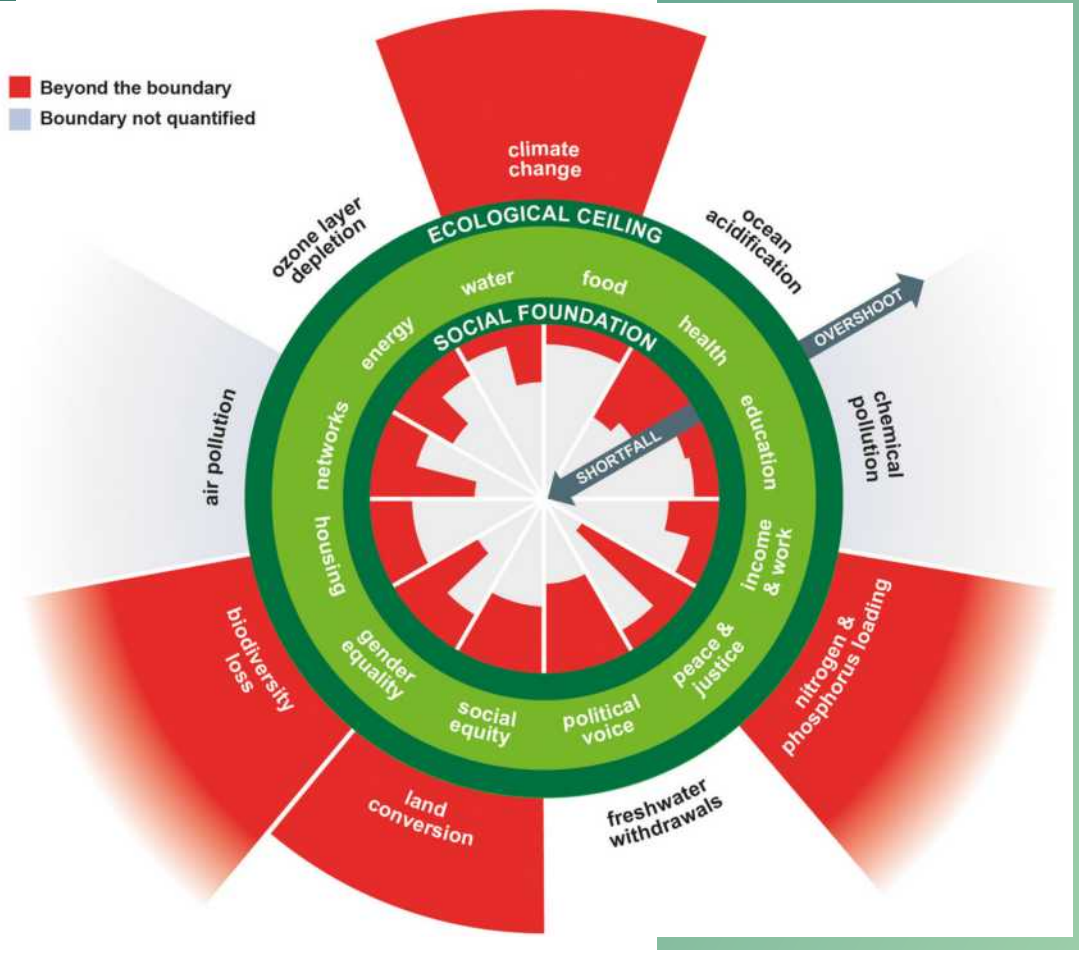
Parineet Kaur Chowdhury



In an age of rising sea levels, inequality, and unemployment, the only 'growth' that current economic thought promises are further complications of reality to justify baseless assumptions. Lucas's idea of involuntary unemployment is as far from reality as current economic and political thought. The world is at the brink of existence, with climate degradation and species extinction being as close to reality as economists' obsession with growth (mainly GDP, an indicator which is extremely flawed and built for the 17th century) and technology.

Hence, I'll begin with a fundamental question: What is Economics? Is it the efficient allocation of resources and its management? If so, then we have miserably failed. This allocation of resources is realized only when it comes to the rich, while economists continue to celebrate the all-encompassing GDP maximization. Therefore, is economics an understanding of how economies across the world function? Because if so, we would have understood that as countries become richer, all individuals do not benefit (some do, of course). If so, we would have understood that the traditional understanding of growth is a framework under which the lies of the capitalist world thrive. Or is economics just an accumulation of theories created under controlled assumptions to produce models that justify growth as the only means of equitable distribution of resources, which ultimately become tools of exploitation and marginalization of individuals already suppressed?

When I began this article, I spoke about growth economics as the fundamental theorization of economic understanding and dominating narrative of economic discourse. Thus, economics is a way of thinking. Its giving importance to the creation of a narrative and forming models around it, understanding its implications, and enforcing its results. A majority of economics is how well we model our resources and establish links between different factors to understand our core priorities. Till date, the goal of economics has been growth, with limited understanding of the components of growth and no justification of who grows and why.



The question however remains: Why is growth bad? The fundamental answer to this question is that although growth, as an idea, isn't flawed, its characterization and glorification are harmful in a world where it disproportionately harms the disadvantaged. Growth economics has led us to a situation wherein overproduction has led to the current global environmental crisis.

Growth economics is increasingly becoming growth of the rich and marginalization is increasing at the same rate as the bank accounts of those at the top. Progress has become a synonym for a tool of exploitation while communities continue to be disproportionately targeted, women continue to be systematically oppressed and minorities continue to get smaller shares of the increasing pie.

Therefore, coming back to the initial question: What is Economics? It is a way of thinking. What is the current stream of economic thought? Growth. Having established the need of rethinking economics, let's talk about a model that does so: Doughnut Economics.

This framework developed by Kate Raworth, author of 'Doughnut Economics: Seven Ways to Think Like a 21st Century Economist' essentially rethinks our core priorities, creating a 'safe space' within which economies should exist. The safe space (the doughnut) lies between the social foundations (basic standard of living and conditions that need to be met to create a fair and equal world) or the inner ring and the ecological boundaries (the planetary constraints that exist and natural ecosystem specific limits, such as greenhouse gas concentrations and ocean acidification) or the outer ring.

Sketched out as a donut, this model essentially establishes a balance between sociological systems and gives importance to uplifting one, without damaging the other (those who do not have access to basic resources and the environment respectively).

Having laid down the basic definition, let's understand why we need it. For years, we have been told that prioritizing the environment will harm our economy. The binary of economy vs environment has been used by Governments to justify the neglect of policies aimed at environmental protection. Failure to identify rising inequality and the neoliberal glorification of the Efficient Market Hypothesis has led to a lack of resources for those who fall in the hole of the doughnut. Moreover, the pandemic presents a unique challenge of a potentially vicious cycle of "continued environmental degradation, biodiversity loss, and further zoonotic infectious disease outbreaks". The road to recovery has to address concerns of systematic marginalization, continued job losses, environmental threats, and rising economic and social inequality.

Having understood this, let's now analyse the practical applicability of the said model. On April 8, 2020, Amsterdam adopted the model of Doughnut Economics to restructure its economy. It created a five-year circular economic strategy wherein the businesses, municipalities, and people have to adhere to the said structure. It plans to focus first on what they can do on a city level to ensure people's basic needs are being met, and how to stay within the planetary boundaries that are currently being overshot. On the inner ring, 88%of the population falls into the inner hole while on the outer ring, since 1990 Amsterdam has increased its carbon emissions by 31%. This thus proves a pressing need for adoption of the system and adequate restructuring of the economy. Thus, as Amsterdam's endeavour has taken reality, we will soon be able to see the effectiveness of such a model.

The pandemic offers an even more pressing need for the adoption of such a structure. With world economies forced into lockdown and falling growth figures alongside rising ecological destruction, the world has never more been sensitized to the core issues addressed by the Doughnut model. It has made us realize that alongside a sustained increase in growth, we also need to reconsider the structures that inherently harm certain individuals and the environment at large. The inherent inconsistency in healthcare systems (systematic denial of medical assistance to disadvantaged communities) and the growing realization that nurturing the ecology is of prime concern makes this Covid-19 pandemic one of the most important in history, capable of restructuring historically untouched theories.

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DISTRESS INVESTING

Ankur Tulsyan

INTRODUCTION

Man earns money. He spends a part of it while saves the rest. This savings is invested by the man in the market either by himself or through any third party so that he can generate income on his investment. Now here's the catch. The investment climate is seldom predictable and the complexity of it is further exacerbated by any unnatural event (e.g., pandemic) or sudden actions (e.g., Musk's tweets) resulting in surging up or plumping down of a company's stock, thus earning profits from a company doing well and encountering losses from a company in distress. But what if there was a way to earn money from those distressed companies?

CONCEPT & DYNAMICS

It is plausible for investors to earn a significant number of returns, even from the company in financial trouble by distressed investing. Distressed investing refers to the practice of deliberately purchasing the stake of a troubled company (who have either filed for bankruptcy or are likely to do so in near future), often at a steep discount. Investors can earn a huge profit (if the company gets back on its feet), get back what they invested, or walk away with nothing at all depending on the manner of investment in such companies.

The only rationale for any investor (individual or institutional) wanting to make such an investment is the greater the risk one undertakes, the higher the potential return one earns.

If investors purchase the equity share of such companies which would be available at a low price in the market owing to the company's position, then they could earn humongous profits should the company gets back on its feet or lose their entire investment in case the company goes bankrupt.

On the other hand, if investors purchase the bonds of such companies, they can retain some value even if the turnaround does not happen i.e., they are still able to get back their quantum of investment if not more even if the company goes bankrupt. And obviously, they earn a significant number of profits if a turnaround happens, since they buy debt at a steep discount, whose value is further compounded owing to the company's well-being.

It is surprising to know that some World-leading Companies like Apple, General Motors, Marvel Entertainment among many others filed for Bankruptcy during times of financial turmoil but they got back on their feet, greatly benefitting the distressed investors which helped them in times of their need. On the Other hand, there are also companies like Enron, Worldcom, and LehmanBrothers who filed for Bankruptcy and went ahead with it.

Why Distressed Debt is preferred over Equity?

Distressed Debt Investing is more popular than equity, which is why the same is held by major investment firms, hedge funds, and non-traditional investment funds (e.g., Business Development Companies). This happens primarily because of two reasons:

1) Restructuring during bankruptcy can even result in distressed debt investors becoming part owners of the troubled company. So, entities like hedge funds buy large quantities of distressed debt by often negotiating terms that allow them to take an active role with the troubled company which can also lead to ownership of a company allowing them to make huge chunks of profit if they can turn the company's finances around.

2) Due to liquidation preference, Debt takes precedence over equity in terms of repayment. Furthermore, if a company declares Chapter 11 bankruptcy, a court will usually determine the priority order of repayment and those involved in distressed debt are often some of the first people paid back, ahead of shareholders, and even employees.

HEDGE FUNDS AND DISTRESS INVESTING

Now that we have already established Hedge Funds to invest in Distressed Debt over equity, let's try to gain clarity on questions revolving around it. There are several avenues available to a Hedge fund or any other institutional investor to access distressed debt of various companies or firms which are enunciated below:

Bond Markets

The easiest and simplest way to acquire Distressed Debt is through Bond Markets. This is due to regulations concerning mutual fund holdings. Mutual funds are generally prohibited from holding securities that have defaulted. Consequently, a large supply of debt is available shortly after firm defaults.

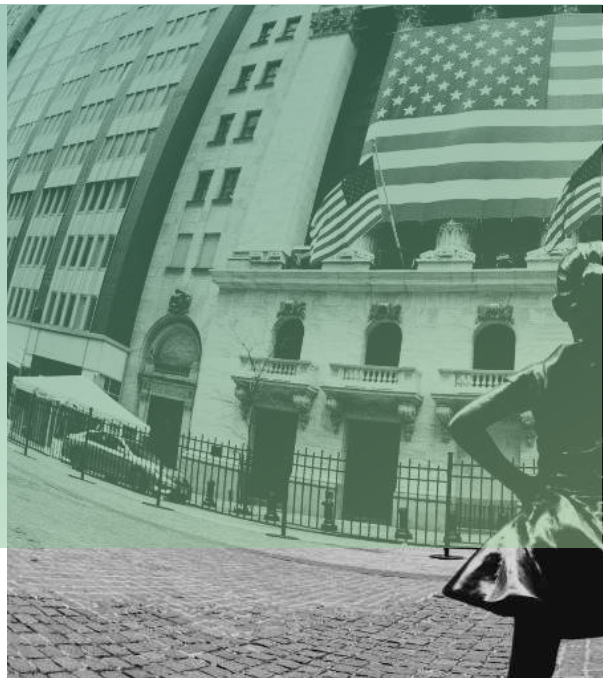
Mutual Funds

Hedge funds can adopt a mutually benefitting approach by deciding to buy distressed debt directly from mutual funds. In a single transaction, Hedge funds can buy larger volumes of debt and mutual funds can sell the same without paying exchange-generated commissions, relieved of how such large transactions will affect market prices.

Distressed Firms

This option involves directly approaching the Distressed firms to extend credit on behalf of the fund. By having more control over their investment, the hedge funds involved can improve their chances of success. Hedge funds often negotiate to take on active participation in management with the distressed firm. This can affect the firm in a number of ways. Hedge Funds can provide valuable advice to management regarding the functioning of its operations, alter the terms of repayment to ensure the flow of funds into necessary operations providing the company with much-needed flexibility to function, thus driving the firm towards profitability.

Generally, a number of hedge funds join hands together to mitigate the risk of investing in the Distressed firm, collectively capitalizing on the resources to ensure the turning around of distressed firm's finances.



Individual Investors and Distressed Investing

As far as Individual Investors are concerned, they are not going to be involved in distressed debt much because although distressed debt promises a high level of returns, they are accompanied by high risks

Individuals are better off investing in standard bonds or shares with specified levels of risks. If at all any investor wants to invest in Distressed Investing, they can do so through mutual funds. Some companies offer mutual funds that invest in distressed debt or include distressed debt as part of a portfolio. Examples of such firms are Oak Tree Capital and Franklin Templeton Investments (Franklin Mutual Quest Fund).

Multiple investments in distressed debt likely represent a much higher percentage of an individual portfolio than of a hedge fund portfolio. This can be offset by exercising more discretion in choosing securities, such as taking on higher-rated distressed debt that may pose less default risk yet still provide potentially large returns. It's helpful for investors to understand the possibilities that distressed debt offers, but it rarely makes sense in a typical investment or retirement portfolio. Sticking with stocks, mutual funds, and investment-grade bonds is a safer and more sensible path to wealth for most people.

CONCLUSION

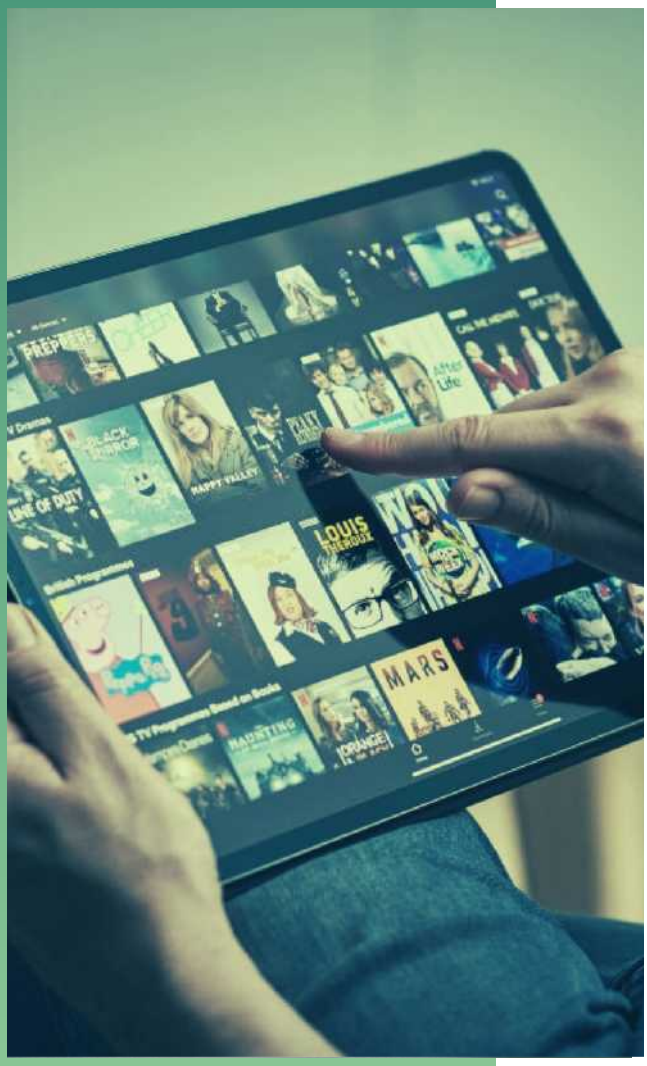
One can never be sure of the potential return on his investment. Every investment in the market is accompanied by risks, some more some less. The degree of risk is directly proportional to the degree of returns for any investment. Distressed Investments are accompanied by high risks but also promise higher returns. Investors who are likely to invest in distressed firms should perform robust risk analyses taking into account various macro-economic forces and the state of the business environment with the help of various modelling and test scenarios to get an idea of which distressed firms are investable and the degree of potential returns, they can generate. The world of distressed debt has both uphill and downhill. Potential and adventurous investors have much to gain by assuming the risk potential and managing these risks coherently but at the same time, they can walk away with nothing and lose everything. The only question you need to ask yourself is 'Are you willing to take the risk'?

OTT LAWS

Jaskaran Singh

Govt. frames new rules to hold social media and OTT accountable for content. Is it too much of a regulation or a much-needed step?

> *'Soul of India resides in pluralism and tolerance. This plurality came with the assimilation of ideas over centuries.' – Pranab Mukherjee*



FAKE NEWS, HATE SPEECH, MISINFORMATION, POLITICAL AGENDAS, PSYOPS, RELIGIOUS INTOLERANCE. No, this is not an article about a country's election campaign tactics but it's about the marketplace of outrage that has taken roots in our country. It's about the potential misuse of a platform to change behaviors, to influence minds, to entertain limitlessly. In a country where comedians are subject to jail time for their misconstrued words, where filmmakers are subject to cuts to accommodate for a sense of offense their content might portray, raises a question to the government- Is it ok if it's legal? Is breaking the law breaking the industry's code of conduct or betraying consumer feelings and trust?

India currently has close to 40 OTT applications providing digital media to various extents. India is currently the 6th fastest growing market for the OTT industry and has ushered in a new era of digital entertainment. With the deeper penetration of faster internet services and mobile data service technologies in India, the industry is bound to grow even further.

Currently, the OTT's have been able to provide localized content that caters to vast masses in India where the language changes every few kilometers just like the taste of water and like everything else on the internet, OTT's generate is vast amounts of data points combined with demographics to form consumer profiles that are used for targeted ads or better watch list recommendations. As Prime Minister Modi once said, 'Data is the new oil, the new gold and with a population of 1.3 billion people, the possibilities are limitless.

Premier films with high-profile actors, edgy content, and pushing the creative boundaries of digital content- all these have led to an exponential growth in popularity of these platforms. While the unfiltered content has been great from a business and a viewer's standpoint, it has led to governments being concerned about the impact the content has at an individual, society, and national level.

Contrary to the West, India still has a concept of watching TV as a family and to that extent, the government is justified to give users of these OTT platforms and social media tools a platform for problem resolution and grievance redressal in a time-bound manner and in a way that respects the context of plurality in the Indian subcontinent. The concept to classify content under five different age categories is coming from the right place to put in parental controls and forms a necessity today to protect young gullible minds from hateful and edgy content that is being produced. In a country with political and religious majoritarianism, where the wisdom of crowds can quickly turn into mob madness over a sense of outrage and hurt over any issue, the mechanism put in place might just well serve its purpose of controlling the content that drives these sentiments.

On the flip side, the growing symptoms of censorship we see around us will drive down the operations of smaller digital media ventures in the news space and will further jeopardize the financially strained ventures in the digital news media space

The very controls on the content will force creators to think about what is appropriate thus stifling creativity, reducing content localization, and disinterest media houses to invest beyond a certain limit. The need for regulation in the OTT and social media industry is largely to create a level playing field for both the online and offline modes of media, the latter of which already adheres to strict guidelines set by the government. The OTT content market being in a very nascent stage, the government merely wants to fill a void, which the OTT players weren't able to solve by coming up with a regulation on their own and thus protecting its citizens from harmful and misleading content in the process.

The three-tier process whereby a grievance is first addressed by the portal itself, and if the result is not satisfactory, the grievance moves on the regulatory body of the sector and if there is still room for correction, the grievance moves to an inter-ministerial committee of the central government, which places the government at the apex of the three-tier pyramid. While the process on paper seems to give ample freedom to the content creators to be able to regulate themselves but it takes little thought to notice the irony of freedom that the system sets.

By not mentioning an external arbiter with no conflict of interest to monitor a situation and by placing itself as the final decision-making authority in case of any dispute, the government seems to have set up a system wherein it ridicules the concept of self-regulation. The notification allows the government to block content that is even remotely problematic and the process of self-regulation keeps repeating itself till the government feels gratified with the final product.

At a time when viewers across India have diversified tastes related to the content they consume, India is all set to join the likes of Singapore, Saudi Arabia, and many other countries that have regulatory controls on digital media. A move like this without completely understanding what the consumer needs and how best to address them will lead to a reversal in the growth that has made India one of the fastest-growing OTT markets in the world. With regulation, there will be little room left for critical reporting or scrutinizing government action and instead will lead to furthering of ruling party agendas. With even stricter laws like the sedition law and the unlawful activities protection act(UAPA), which the government exercises with little reluctance, it is remained to see the extent of control that the government will further exercise. Will India become the culprit to a Jamal Khashoggi incident itself? Will the controls and regulations in India reach such a level that journalists writing about press freedom might just be writing their death sentence?

AGRICULTURAL SECTOR
CAUSES OF DISTRESS AND WAYS FOR REVIVAL

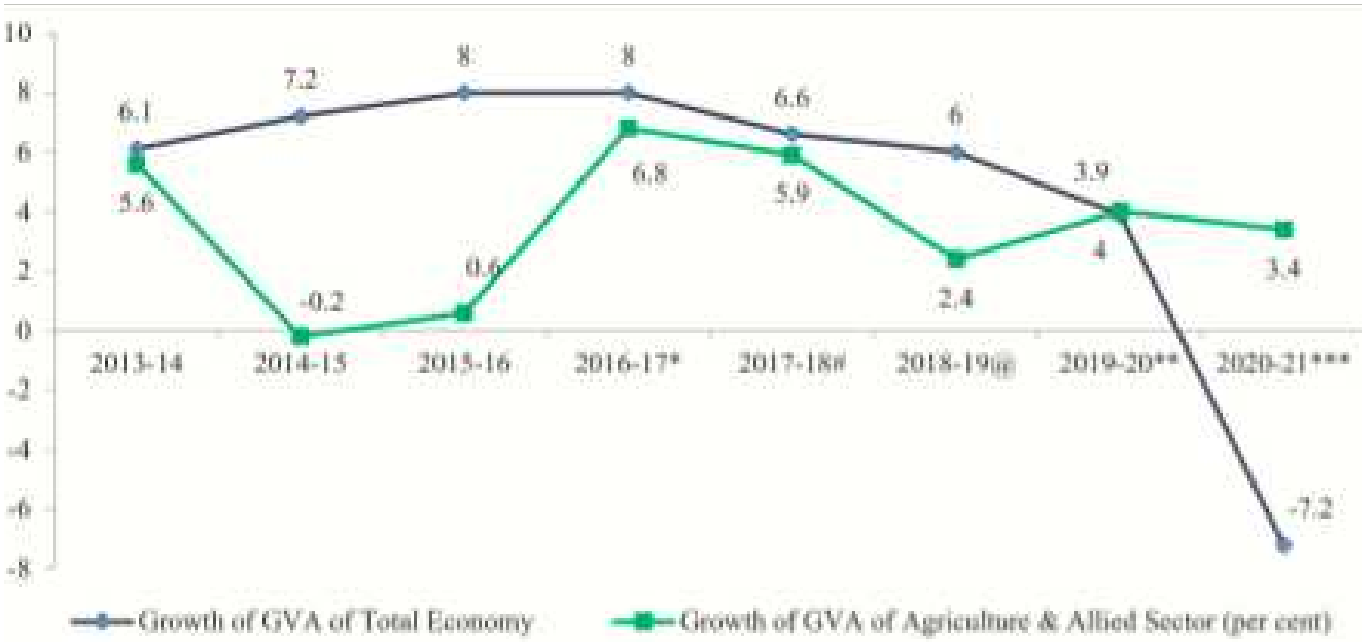
Amrit Mohapatra

Introduction

India's agriculture sector contributes nearly 18% to India's gross value addition, with the employment of 43% of India's labour force. This sector has forward and backward linkages with other sectors such as retail, consumer packaged goods, chemicals and e-commerce, which makes it a key growth driver of the Indian economy. After the COVID-19 pandemic outbreak and the lockdowns, while the other sector suffered heavy losses and no economic activity, the agriculture sector still maintained a positive growth rate of 3.4%, in contrast to the contraction of the entire economy by 7% (Figure I). It can thus be said that agriculture somewhat played a role in arresting the contraction of the economy even further.

This sector is also complex as it is prone to external factors such as seasonal and climate influences, diversity in trends in consumption patterns across different regions of India, information asymmetry (or lack of information, at all) regarding price, production and supply.

Figure I: Growth of GVA of Economy and Agriculture and Allied Sectors at Constant (2011-12) Prices (%)



Source: Economic Survey 2021

Agrarian Distress

Often the blame for causing agrarian distress is put on the reluctance of formal lenders to lend to farmers, but it needs to be understood that one factor alone cannot decide the outcome of an entire value chain. The assessment of the root causes of agrarian distress requires a fundamental analysis of the pain points in the entire value chain of agriculture. Some of these factors are as follows:

1. **Fluctuations in input prices and improper input selection:** Due to lack of digitization, many farmers do not get access to real time data on supply-demand dynamics of inputs which also results in high price volatility. Another pertinent problem for farmers lies on the overdependence on retailers for the choice of pesticides, seeds and fertilizers, making them more prone to their excessive and suboptimal use.

2. **Limited use of tech in farming process**: Farmers do not get enough data on crop yield, soil productivity which can cause myopic planning and farming. Due to lack of technology upgradation, farmers tend to rely on traditional techniques that affect the soil quality and make them less fertile.

3. **Skewed distribution of quality testing and lack of scalability:** Traditional quality assessment models are slower and do not offer quick insights on product and process offerings. Food processing companies often face bottlenecks in quality testing and mapping farm produce to quality which affects their export performance.

4. **Operational inefficiencies in supply chain logistics:** Farmers often receive abysmal returns on their inputs due to uncertainty in demand for their produce which in turn leads to erratic cropping cycles. In addition, the presence of intermediaries throughout the value chain increases cost of procurement for retailers. The absence of cold storage facilities and agri-warehousing leads to crop wastage.

5. **The Unbanked Farmer:** Both demand and supply side factors play a key role in preventing farmers from participating in formal credit channels to finance their raw materials and capital assets. Banks and financial institutions see farm loans as risky due to lack of credit history data of farmers and collateral. On the other hand, farmers face high transaction costs and remain unaware of the benefits of formal lending which makes seem seek solace in informal lenders, making them prone to exploitation. To make matters worse, farm loan waivers also impact credit culture and put pressure on the balance sheets of banks and weaken state finances. Lack of digitization prevents banks and FIs to lend to small and marginal farmers.

Policy Push

Reforms in Agricultural Marketing: In the past few years, policy makers brought much needed reforms in agri-marketing by amending the APMC (Agriculture Produce and Market Committee) Act, initiating e-National Agricultural Markets (e-NAM), opening the sector to private players to set up APMCs and encouraging development of Farmer Producer Organizations (FPOs) with sustainable farming practices.

Boosting Infrastructure: The government, as part of Agricultural Marketing Infrastructure Scheme (2018) and Aatmanirbhar Bharat Scheme in 2020 pushed for the development of farm gate infrastructure to facilitate direct marketing. These initiatives also focus on reducing bottlenecks in storage, quality assessment, logistics enhancement and primary processing and storage.

Budget 2021 announcements: The Hon'ble Finance Minister, Ms. Sitharaman in her 2020-21 budget speech announced few key measures to boost the agricultural sector, such as:

- Coordination among the central and state governments to expand the e-National Agriculture Market and benefit farmers.
- Krishi Udaan and Kisan Rail scheme to leverage airways and railways to reduce transportation costs, especially for perishable farm produce.

Table I: Supply and Demand side factors affecting formal credit inclusion for farmers

Supply Side Factors	Demand Side Factors
Persons are un-bankable according to bankers	High Transaction costs for clients e.g. travel
Small loan amounts	Documentation
Long distance for services/branches	Lack of awareness
High transaction costs	Lack of social capital
Lack of collateral	Non-availability of special products
Information asymmetry	Convenience of informal lending
Human resource constraints	Prior rejection by formal banking system

Source: IIM B

- Expanding the PM-KUSUM scheme to enable more farmers to adopt solar pumps and reduce dependence on grid power.
- Provide funds to set up warehouses and address viability gaps.
- Production Linked Incentive Scheme for Food Processing Industry to boost exports and improve processed food quality.

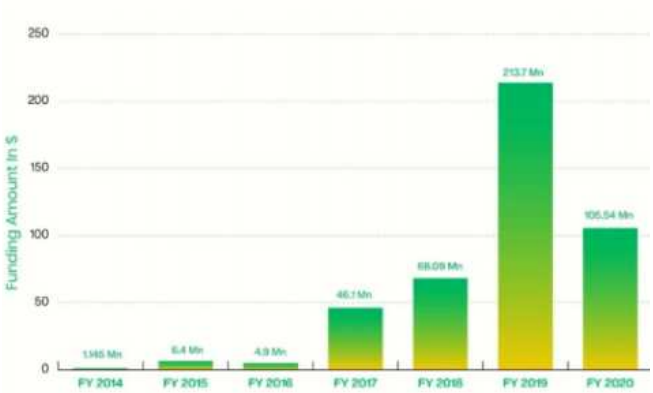
Opportunities Ahead

Rise of Agri-tech & Farm Management Services: Many young agri-tech start-ups have grown with sustainable business ideas to enhance the value chain of agricultural sector and are seeing considerable growth in securing funding in the past 2-3 years (See Figure II).

These startups provide a variety of services, such as market linkage, precision agriculture and automation, farm inputs(seeds & fertilizers), farming as a service (renting of capital assets such as tractors) & fintech based credit and insurance facilities.

Agri-tech has the potential to revamp the value chain entirely but it requires support from its stakeholders (government, investors, venture capitalists, farmers, etc.) to facilitate the same.

Figure II: Trends in Investment in AgriTech Startups in India (2014-2020)



Source: Inc42

SCM and Contract Farming: Notwithstanding the recent politics surrounding contract farming, it is a key component to ensure sustained supply of farm produce. Through training and skill development of farmers, contract farming can enable higher wages and reduce wastage, as procurement will have an expert oversight to it. In addition, food park and private warehousing development can play roles to improve supply chain management.

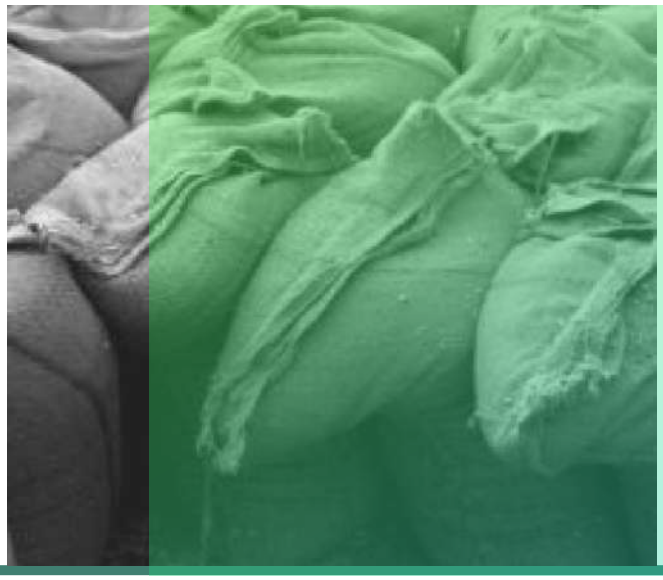
Integration of Production and Intelligence Systems: A market intelligence system helps in information transfer at a faster pace and lead to effective price realization at the trade centres, thereby enhancing market efficiency.

Encouraging growth of e-NAM and other e-trading platforms: Although e-NAM mandis are operating in many states, there should be greater focus on improving their implementation. E-Trading platforms should be expanded outside the mandis to enable direct connect between farmers, farmer producer organisation and buyers. In addition, platforms such as spot commodity exchange markets with guidelines for risk management for these platforms will also enable bulk trading and effective price discovery.

Development of farm produce standards: Presently, trading in agri markets focusses on "Fair Average Quality" norms to assess grading, which creates confusion and disputes among farmers and traders regarding quality. Grades-based quality guidelines need to be developed to enable effective marketing of farm produce.

Leveraging Derivative Markets to ensure sanctity of MSP: Derivative markets in finance enable firms to hedge their market position. This concept can be extended to agri-markets by connecting physical trading with commodity derivative instruments, such as forwards and options. To quote an example, a marginal farmer can buy a put option and pay a minimum sum amount of the contract. The writer (or seller) of the contract can be a government agency or FCI who may sell it at a strike price (price of underlying commodity) equal to the MSP. The farmer will have the right (but not the obligation) to either sell to the government agency or in an open market based upon the prevailing prices after the harvest.

The quality of the produce can be assessed by certified third parties and derivative service providers (exchanges), leading to an efficient procurement system. This can also add flexibility to procurement agencies to purchase the produce to avoid increase in transportation costs by choosing only those particulars that can stored near consumption centres.



Formal Inclusion into Banking Systems: The access to formal credit in farm sector is limited and highly skewed in favour of owner farmers. The small and marginal farmers need to be facilitated through the use of agri-tech. Here, FPOs can play a role as a business correspondent and facilitate loans to its members with appropriate risk management techniques.

Conclusion

Despite seeing success stories in a few clusters, the government's policy push alone cannot help in the recovery of the farm sector. It is high time for India to depart from the clamours of farm waivers and intermediaries and work towards improving market efficiency. Since 86% of India's farm holdings are owned by small and marginal farmers, the solutions should be inclusive to their needs on a priority basis. The government, as a regulator also needs to allay the fears of the farmers and ensure effective change management practices and enable farmers to adopt newer technologies and see them in a positive light. Lastly, decentralization should be allowed to ensure freedom to frame policies at the local level, thereby fostering a inclusive development

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FINANCE SIMPLIFIED

Derivatives and Futures

By Rakshita Janjire

The price and quantity of a packet of bread remains roughly the same throughout but the price of it's main ingredient, wheat, can change daily. Why does the cost of processed food generally stay quite stable, even though the crops that go into them have prices that fluctuate? It's partly thanks to the futures market, a kind of derivative market.

A derivative is a financial instrument which derives its value from an underlying asset. The underlying asset can be a commodity, currency, stock, bond, or even an index like NIFTY. The derivative derives its price from the fluctuations in the underlying asset and it is a contract between two or more parties.

For example, points in a payback card increase when spending through a debit or credit card increases. Here, the payback card is a derivative and the debit or credit card is an underlying asset.

Derivatives are used for-

1. Speculation, predicting the market trend to earn profits.
2. Hedging, entering into a position to reduce or compensate for losses.

There are mainly 4 kinds of derivatives - Forwards, Futures, options and swaps. Swaptions are also considered a type of derivative. However, only futures and options form a part of trading.

In Indian stock market, more than 90% turnover happens in derivatives and NSE is the largest derivative exchange in the world. NIFTY futures, in particular, are the most traded contracts in the world. So what are futures exactly?

Future

Futures are derivative financial contracts which obligate the parties to transact an asset at a predetermined future date and price. If a person feels that the price of the asset will rise, he will buy the future contract, and if a person feels that the value of the asset will decrease, he will sell the future contract. Unlike stocks, futures have an expiry date and are purchased in lots, i.e., the minimum quantity that a person needs to buy.

Future : An Example

If X wants to buy the future of SBI at Rs. 200, he would need to buy a lot having say, 2000 shares. This makes the amount (Rs.400,000) quite a lot for a normal person to invest. But X is not required to pay the full amount, just some part of it like 5-10%. This is called margin money. Hence, X only pays Rs. 40,000 to enter into a contract of futures worth Rs. 400,000.

Now, if X wants to buy a future on 30 May, he would be having 3 options.

The June future (the nearest month) is called near month.

The July future (the second month) is called next month.

And the August future (third month) is called the far month.

Three live series are always present in the market. These months signify the expiry date of the futures contract. In India, the futures contract expires on the last thursday of the month, and wednesday in case thursday is a holiday. A person can sell the contract anytime before the expiry and avail the profit or loss as per the market price at that time. There is no minimum period to hold the contract.

Suppose X buys the 1 lot of SBI stock futures of 2000 shares at Rs.200. Before the expiry, the stock is trading at Rs. 210. X's profit will be equal to (210-200) times the lot size, i.e., 2000.

Hence, his profit would be 10*2000=Rs.20,000.

The same Rs.20000 will be the loss for the seller, but he cannot back out from the contract.

Both the buyers and sellers need to honour the contract even in case of losses.

Going back to our processed food example, let's analyse a biscuit factory and wheat farmer's contract. The wheat farmer is always looking for a higher price for his wheat, while the biscuit factory wants the least price for wheat. Since, all the wheat gets harvested in a single go and many other wheat farmers harvest wheat together, the price of wheat reduces till it reaches the market owing to the increased supply. This reduced price is not enough for the biscuit factory as it doesn't want to purchase the whole stock in one go because among other reasons, it would have to bear the storage costs.

Fortunately, wheat can be stored and hence sold throughout the year. But instead of buying and selling wheat, the farmer and biscuit factory buy and sell contracts. The futures contract provides a hedge against the change in prices. The farmer sells a future contract (even before sowing) of some part of her anticipated crop on a certain date in the future. She sells only that part of the harvest which will assure her that a low price at harvest won't affect her business.

The biscuit factory buys the contract to protect against the high prices later. Contracts will gain or lose money in the futures market. If the prices go high, the farmer loses money on that futures contract as she has to oblige it. But now, she can sell the rest of her wheat at a higher price in the market! This offsets her loss in the futures market. If at harvest time, the price of wheat goes down, that's exactly why she took the futures contract as she can sell her wheat at a higher price (mentioned in the contract) than the market. The profit shields her from the loss she will incur due to the market's low price now.

The biscuit factory does not like those higher prices and hence they have a futures contract to buy. They make money on it as they can buy at a lower price and can use that profit to cover the higher price of the corn they now need to buy from the market. Hence, the futures market balances the price and helps the price of your biscuit packet remain stable.

In the financial market, the settlement of future contracts can be either cash based settlement or delivery based settlement. Under cash based settlement, the profit is transferred to the bank/margin or the loss is taken from the bank/margin. The real delivery of shares never takes place.

However, under the delivery based system, if the buyer does not square off his position, he gets the delivery of the shares and he has to sell them in the market to earn the profit or recover the loss. Brokers do not encourage delivery based systems as it increases the risk of default and losses. They ask the clients to square off his position before the expiry date only. If still the client does not do so, they increase the margin requirement to be paid by the investor.

DOW THEORY

By Ikshit Ahuja

Dow theory is a popular financial theory, which states that if one of the market averages attains a new important high, followed by a similar advancement in another average, the market can be safely assumed to be in an upward trend and vice versa. This seems one of the most difficult definitions, but it can be simplified through the following example:

Say, that in a family of 7 people (which consists of a couple, their married son, an unmarried daughter and the son's two children) the grandfather is a lawyer. His children follow the same suit into becoming lawyers. It is very common for their neighbors to assume (and also highly probable) that his grandchildren would also end up becoming lawyers. Similarly, if one average in uptrend is followed by another, the market as a whole is assumed by the investors (and the traders) to be in uptrend and vice versa (Remember that the converse in this case also holds true).

But this simple definition doesn't put an end to our theory (I mean Charles H. Dow's theory). Very few things in this world are unconditional and DOW Theory is certainly not one of them. There are SIX important conditions (or components) to this theory. This doesn't mean that these conditions are rigid or uniform. You will understand this as we proceed further. We shall now talk about our six components.

1. MARKETS DISCOUNT EVERYTHING:

A person's upbringing, his nature, his mood, type of peers etc. is reflected by his day-to-day activities. Similarly, a company's stock price is attributable to its performance, promoters, recent news, industry average etc. This means that every large and small factor relating to the stock is discounted into its price. Positive factors lead to a rise in prices and vice versa.

2. THERE ARE THREE TYPES OF MARKET TRENDS:

a) PRIMARY TRENDS:
- These are long term trends.
- These usually last for more than a year.

b) SECONDARY TRENDS:
- These are medium term trends.
- The last for three weeks to three months.

c) MINOR TRENDS:
- These are short term trends.
- They last for less than three weeks.
- They are also called NOISE.

3. PRIMARY TRENDS HAVE THREE PHASES:

This tenet reflects Mob mentality at its best. A trend usually starts with some daredevils trying to reverse the previous trend. These daredevils start buying(selling) securities in the hope of bringing a revolution in the market during what is called the **Accumulation Phase** (distribution phase in case of a bearish market). Usually, the price volatility is not much because our daredevils only absorb the already prevailing price movement. The trading volumes of these daredevils is not as high as that of the present trend.

Time passes adding to the number of investors following our daredevils into buying(selling) the securities. Be it trend followers or technical analysts, long term investors or swing traders, every investor (or trader) follows and contribute to pushing up (or pulling down) the stock prices during the period known as **Public Participation Phase.** Our daredevils succeed and the trend is established.

Sky has no limit, but stocks prices do! As the rally (or pullback) continues, investors start to lose confidence in the trend. Some foresee the company to be overvalued while others, putting a full stop to their greed (or hopes) start booking profits (or stopping losses). This results in weakening of the trend. This is known as the **Distribution phase**. Certain other daredevils take the first mover advantage of this weakening trend and are all set to reverse it.

4. VOLUMES MUST CONFIRM THE TREND:

"The more, the merrier." But here, more is must. When prices move to follow the trend, volumes must increase. These increased volumes show investors' solidarity with the trend. These indicate that the investors are confident that the trend would follow and engage into excessive buying (or selling). Trading volumes are generally low during minor pullbacks (or rallies) which contradict the trend. Investors (or traders) should be cautious if volumes don't confirm the trend. It may indicate diminishing investor confidence. Also, high volumes during pullbacks (or rallies) are leading indicators of trend reversal.

5. INDICES MUST CONFIRM EACH OTHER:

The basic foundation of our theory. It is important for two or more averages to confirm to each other in order to establish a trend.

Say, during a month, Jackets are in high demand. This can be due to the onset of winter, or a new fashion, or even off-season discounts. Here, winter is only one of the factors behind the spike in demand for jackets. It cannot be confirmed that "Winter is coming" (for all those GOT fans out there) Likewise, if one average, say NIFTY bank is in uptrend but this uptrend is not confirmed by a related average such as NIFTY consumption, which is in downtrend. In such a case a trend cannot be established and it cannot be confirmed that the trend will be sustainable.

Now, assume that along with the spike of demand in jackets, there is a similar rise in demand of room heaters. It is confirmed that "Winter is coming".

6. TRENDS PERSIST UNTIL A CLEAR REVERSAL OCCURS:

"Consensus at idem." This element is not at all present between the investors when it comes to this tenet.

There are always minor noises which result in the prices going against the trend. So how can one not believe that a trend is on a verge of reversal? According to Dow, the benefit of this doubt should always be given to the trend. Until there is a strong signal that the trend is going to be reversed, it can be safely assumed that it will persist.

What are these strong indicators? There is no single answer to this question. Different analysts may have different approaches and interpretations to the given information. As mentioned earlier, there is no Consensus at idem.

This is the complexity of markets, or appropriately the beauty of markets. Some things are better left complex. If they are simplified, the results can be hazardous, in our case it would lead to Cartelization.

According to Dow, another clear indicator of a trend is that the price line makes higher highs and higher lows in an uptrend and lower highs and lower lows in a downtrend.

> *The stock market is filled with individuals who know the price of everything, but the value of nothing*
>
> *~Philip Fisher*

DOW theory, although being more than a century old, still forms the basis of modern technical analysis. Technical analysis is an attempt to give rise to Mob mentality. What you see, the others see. What you interpret, the others interpret. DOW theory and technical analysis can sometimes prove wrong due to the presence of numerous externalities. One should, however not turn a blind eye to even the smallest piece of market information. It should be kept in mind that stock markets are an avenue for investing surplus funds and not money minting machines. You gain what others lose and vice versa.

ANCHOR INVESTORS:

By Ikshit Ahuja

Have you ever been in a queue at the local RTO office? If the answer is affirmative, you may have observed some people getting their files signed before anyone in your queue gets their turn. It may be irritating for most of you waiting in the queue, but it cannot be ruled out that VIP culture is quite normal in our country. The case is somewhat the same with Anchor Investors. Now these people may seem to be really lucky at the first glance. After all, they enjoy numerous benefits which cannot be availed by you and me. But are these benefits attractive enough for these investors to be considered as blessed? Let us first have a look at some of these stimulants:

Number 1, they get guaranteed allotment. In times where IPOs are heavily oversubscribed, who would not want a guarantee of their allotment?

Secondly, they don't have to wait for their shares. Usually, an investor has to wait for two working days after their order in case of already listed securities and about a week in case of an IPO for shares to be transferred to their DEMAT accounts. But these VIPs get their shares on the same day of application.
Lastly, they are the priority group. They get their allotment a day before the IPO goes live.

So many benefits, huh? But things are not that simple in the world we live in. There are certain limitations and obstacles in the way for our VIPs as well.

Anchor investors must retain their shares for at least 30 days after the listing. This means that they cannot enjoy listing day profits. Say, for example, the issue price of a particular share is Rs. 100. It gets heavily oversubscribed and lists on the exchanges at Rs. 150.

You and me can easily pocket the profits by selling these shares on the listing day itself. But our VIPs are unlucky in this scenario due to their obligation to hold the shares for at least 30 days. No-one knows at what price these shares would be trading after 30 days!
Moreover, you need a lot of money to become a VIP. Rs. 10 crores. That's the minimum worth of shares that an anchor investor is required to apply for. Benefits generally accrue to the rich!

Some other features include one-third of the issued shares under this category being reserved for domestic Mutual funds. Also, if qualified institutional buyers apply under both anchor investor category as well as non-anchor investor category, these may not be considered as different applications.
One of the recent IPOs which invited applications under this category of shares is Indian Railway Finance Corporation (IRFC).

Venture Capitalism

By Ishita Maran

Consider how many of us would have heard the name of Byju's, Flipkart, Paytm, Book My Show, eBay. Well, the answer would be most of us would have but how many of us have heard the name of Sequoia Capital India, Accel Partners, Inventus Capital Partners, SAIF Partners, Benchmark? Clearly, not as many. The reason could be that the first set of companies provides services that are used by the common man but the second set has entrepreneurs as its customers.

What exactly are these companies which cater to entrepreneurs and how? These are Venture Capitalist firms. A Venture Capitalist is a private equity investor that provides capital to companies exhibiting high growth potential in exchange for an equity stake. This idea of investing in high-risk, high reward avenues gained popularity in the United States post second world war with the establishment of the American Research and Development Corporation by Georges Doriot (Father of Venture Capitalism).

So how do the Venture Capitalist firms get funds? What is the structure of a typical firm?
A venture capital firm is usually structured as Limited Partnership. Investors are Limited Partners. The Partners which make investment decisions and manage funds are General Partners.

A venture capitalist not only provides much required finance to the entrepreneur but it also provides technical expertise, strategic partnership, marketing and managerial skills. They help to develop the talent of the founding team and participate in business operations. Venture capitalists are experienced people, they help the entrepreneur anticipate the problems and find feasible solutions.

Venture Capital primarily invests money in exchange for equity. Banks and other institutions shy away from investing in such enterprises due to high risk. Venture capitalists receive high returns on such high-risk projects but it also must be remembered that many of these investments fail. So, all is not gold in the Venture market but the Gold found is 24 Carats as it compensates for the failed investment and provides overwhelming profits.

The Venture Capital Industry has shown significant growth over the past years. To ensure success one must carefully select a venture capitalist for her startup. Various factors must be taken into consideration while selecting a Venture Capitalist

Look for a Venture Capitalist firm that invests in the kind of deal you are offering in terms of industry and product. Venture capitalists invest in different stages of the lifecycle of a start-up. They provide seed capital for converting an idea to a feasible business. They invest in startup capital for starting business operations and provides additional capital for increasing production. They may also invest in later stages of enterprise and provide the capital required for expanding business. The choice of Venture Capitalist is also affected by the stage of financing in which you are raising money. So, it is important to know the stage of financing you are in and the firm which invests at that stage. For example, the investment criteria for Hummer Winblad Venture Partners identifies and focuses on first institutional investments in "disruptive," "emerging" software companies. If you have an early-stage company developing a software product, HWVP could be the right investment partner. Sequoia Capital funded WhatsApp at all stages of financing before it was bought by Facebook. A venture capitalist has decision making power in the enterprise. You should know about a company's history and its current investments as it can give you a basic idea about the time Venture Capitalist would be able to give to your enterprise. You don't want an overbearing investor or an investor which is not involved at all. So be upfront about it. The fund viability and liquidity of venture capital should also be taken into consideration. An entrepreneur must ensure that the Venture Capitalist has adequate liquid resources and committed backers and is not just looking to make quick profits.
Venture Capitalism is a good option to fund startups. Venture Capitalism helps to bridge the gap between investors and entrepreneurs and promotes innovation by encouraging startups. Various companies like Facebook, WhatsApp, Flipkart, Byju's, etc. were funded by venture capitalists in their initial stages and they also provided a very good return on investment to their investors.

In India, Venture Capitalism is in its nascent stage. In India, fintech, EdTech, health tech and other technological sectors emerged as investment avenues in recent years. Earlier there only used to be bank subsidiaries as venture capitalists but now there is a flow of foreign funds. The VC funds in India are governed mainly by SEBI [8] Act, 1992 and SEBI (Venture Capital Fund) Regulations, 1996.

In the recent past, Venture Capitalism has become a lottery. The investors in search of a unicorn encourage entrepreneur's undisciplined behavior. Soft Banker founder and CEO Masayoshi Son invested $18billion in Wework. At the end of the twentieth century, he gave billions of dollars to hundreds of tech firms, including twenty million dollars to a small Chinese online marketplace named Alibaba. While most of these investments failed, Alibaba was more than able to make for these failed investments as it is valued at more than six hundred billion dollars today. Masa was able to make profit because he was able to buy more lottery tickets than anyone else.

Venture Capitalism like any other investment vehicle has both pros and cons. If it is used properly then it can act as a nurse to innovation and if not, it can destroy economically sound competitors which would lead to economic loss and social disruptions.

The first step in Venture Capital Financing is a deal origination. The Venture Capitalist requires a huge number of deals to choose from. There are different sources of origin of a deal. One such source is the referral system. In the referral system, the deal is referred to the VC by their business partners, parent company, etc. The Venture Capitalist strives to choose the best project.

For this, he scrutinizes all the projects on the basis of their market scope, technology, product, size of investment and stage of financing. The entrepreneurs are required to submit a brief profile of their venture or are called for a meeting. After screening, a thorough examination of proposals is done. An enterprise's track record and various financial documents are examined. Not only this but the venture capitalist also tries to understand the abilities of the entrepreneur. If the Venture Capitalist finds the venture beneficial, then the capitalist and entrepreneur negotiate terms and conditions of the deal to make it mutually beneficial. The deal contains details like the amount of investment, profit-sharing arrangement, rights of the venture capitalist, etc. After the deal is done and the Venture Capitalist becomes a part of the enterprise and ensures that everything is done according to plan.

The Venture Capitalist becomes part of the Board of Directors and intervenes in business operations if necessary. After due time, the Venture Capitalist must make an exit plan to release his investment and makes profit.

The timing of the exit plan is very important. Competition, market condition, etc. determine the exit strategy. Merger and acquisition, IPO and Management Buyout are some of the exit options for Venture Capitalists.

SIP

By Hardik Agarwal

> *AMFI's Campaign ~ "Mutual Fund Sahi Hai."*

Investment in Mutual Funds can be made either with Lump-sum Investments or through SIP. So, Systematic Investment Plan (SIP) is basically a tool that helps us to invest in Mutual Fund Schemes. In this Investment method, investors are allowed to invest small amounts periodically instead of lump sums. Investors have to pay a certain sum of money at regular intervals (weekly, monthly, or quarterly).

So, if a person chooses to invest Rs 2000 per month in Mutual Fund, it is actually a form of Investment through SIP. Most Mutual Funds also start with minimum Rs 500 SIP. So, even people with low income can also invest in Mutual Funds through SIP. Since it is a small monthly instalment, one can increase, decrease, or stop the investment at any time. Thus, it is less risky compared to other forms of Investment. Investor can either submit physical post-dated cheques or give a bank mandate for auto-debit of the SIP instalment amount. A recurring payment can be set for SIP using Electronic Clearing Services (ECS).

The biggest advantage with SIP is that the timing while entering the market doesn't matter as much. SIPs allow to take the advantage of Rupee Cost Averaging i.e., when the same amount is invested in a fund at regular intervals over time, more units are bought when the price is lower. Therefore, if the markets go down in the future, one can buy more of the same fund at a discount. Yet, if the markets go up, you will not regret that you did not buy earlier. Thus, SIPs help in reducing the overall cost of acquisition by averaging your cost during volatility. So, with a sensible and long-term investment approach, SIPs help in smoothening out the market ups & downs; thus, reducing the risks of investing in Volatile Markets.

SIP is usually preferred by retail investors because it helps in Beating Inflation. Power of Compounding enables the investor to beat inflation and earn significant returns provided he is consistent and patient. Supposing Raman invests Rs 1000 every month in SIP providing return @1% p.m. for a period of 10 years. Let's see how much will he get in the end. The formula for calculating the amount is

$$A = P\left[\frac{[1+i]^n - 1}{i}\right](1+i)$$

where i = 1%, n = No. of months = 120, P = Monthly SIP = Rs1000. So, A = Rs 2,32,339, whereas total amount invested is just 1000*120 = 1,20,000. So, the return is Rs 1,12,339 (2,32,3390 – 1,20,000). This illustrates how with just a small investment of 1000 a month we can generate a wealth of more than 2,30,000. This is the power of compounding.
Step-Up SIP or Top-Up SIP allows the investor to increase the SIP amount at regular intervals. For Example, you start investing with Rs 5000 SIP in a Mutual Fund and instruct the Fund House to increase the SIP amount by Rs 1000 every quarter. Increasing the investment at regular intervals helps in accumulating a huge corpus.
XIRR or Extended Internal Rate of Return Method is used to calculate the returns on SIP. XIRR is that single rate of return, which when applied to every installment & redemptions would give the current value of the total investment. So, basically, XIRR is one's Personal Rate of Return. Though Manual Calculation is possible, XIRR can be easily calculated using Microsoft Excel.
However, investments in Mutual Funds are subject to market risk. So, the performance of Mutual Funds could be below par too if the Mutual Fund does not perform well. That is why Selecting a good Mutual Fund is very important. To make a wise decision, one should see its Past Performance (especially in cases of recession), CAGR provided, Expense Ratio (% of Investment charged by Mutual Fund), and Exit Load charges. But in most cases, investing in SIP for a long-term generates decent returns.
According to AMFI (Association of Mutual Funds in India), Mutual Fund SIP Accounts stood at 3.56 crores by January 2021! In Jan21, the total amount collected through SIP was Rs 8023 crores. Whereas, the total SIP Contribution during the FY 2019-20 was Rs 1,00,084 crores which had increased from Rs 43,921 crores during the FY 2016-17.

NPA

By Hardik Agarwal

NPA or Non-Performing Asset is a classification used by Banks & Financial Institutions for those Loans or Advances which are in default or in arrears. i.e., on which the principal is past due and no interest payments have been received for a period of time. So, a loan is classified as an NPA when interest payments are late or missed & the lender considers the loan agreement to be broken due to the inability of the borrower to meet his obligations. It results in the asset no longer generating income for the lender or bank because no interest is being paid by the borrower.

Loans, as addressed above, are classified as NPA only after a considerable period of non-payment has passed. It is not until the end of the grace period (typically, 90 days of non-payment) that the loan becomes an NPA. For Example, A businessman has taken a loan from ICICI Bank. His EMI falls due on the 15th of March. If the bank does not receive the EMI by 15th March, it will be classified as an overdue. If the instalment remains overdue for a period of more than 90 days, it becomes an NPA.

It is requisite for banks to classify NPAs into Sub-standard Assets, Doubtful Assets, and Loss Assets according to the duration for which the asset has been non-performing and the probability of repayment. A Sub-standard Asset is an asset that has remained as an NPA for a period less than or equal to 12 months. A Doubtful Asset is an asset that has been non-performing for more than 12 months. Loss Assets are loans with losses identified by the bank, internal or external auditor, or RBI inspection, the whole amount of which has not been written off, though it needs to be fully written off.

After a prolonged period of non-payment, the borrower is forced to liquidate assets that were pledged as part of the Debt Agreement. Banks attempt to recover the outstanding debt by foreclosing on whatever property or asset has been used to secure the loan. For example, if an individual takes out a second mortgage and that loan becomes an NPA, the bank will generally send notice of foreclosure on the home because it is being used as collateral for the loan. In case, no assets were pledged, the asset is written off as a bad debt and then sold at a discount to a collection agency.

NPAs place a financial burden on the lender; Banks & Financial institutions list NPAs on the Balance Sheet. If a bank carries a significant amount of NPAs on the balance sheet over a period of time, it is an indicator to regulators that the financial health of the bank is in jeopardy.
Risks of high NPA arise when under Political & corporate influence or Vested Interest, Borrower's profile is not completely verified or sufficient collateral is not obtained by the lender.

Both the borrower and the lender must differentiate between Performing & Non-Performing Assets. For the borrower, non-performing Assets and Non-Payment of interest payments can negatively affect their credit and growth possibilities.

The non-payment of interest or principal reduces the lender's cash flow, which can disrupt budgets. Lenders create Loan loss provisions & set aside funds to cover potential losses; it reduces the capital available to provide subsequent loans to other borrowers.

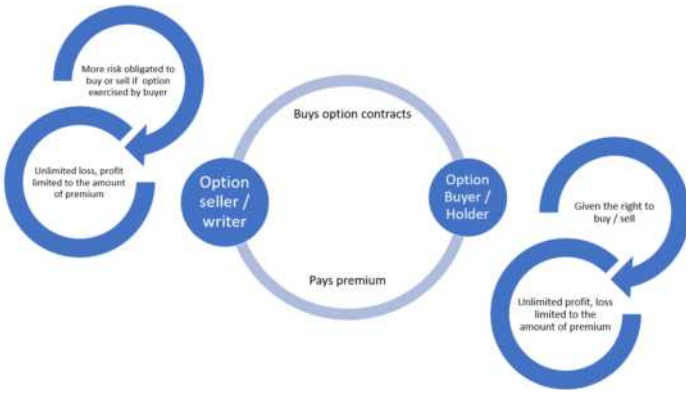
CARE Ratings

According to CARE Ratings, the 2nd largest Credit Rating Agency in India, on a list of countries with the Highest NPAs, India has been ranked 5th in the World and is on the top spot among the BRICS Nations. This is alarming for India because it clearly reflects gross irregularities in Indian Financial System. In the recent FSR (Financial Stability Report) released by RBI on 11th Jan 2021, it is projected that Public Sector Banks (PSBs) may see Gross NPAs rise from 9.7% in Sept 2020 to 16.2 % by Sept 21, whereas Private Banks may experience Gross NPAs rise from 4.6% in Sept'20 to 7.9% by Sept'21 and Foreign Banks from 2.5 to 5.4 %.

OPTIONS

By Rakshita Janjire

Dev is a businessman and he came to know that the government was going to set up some industry in his village due to which the land values will rise. The villagers had no knowledge about it so dev decided to make profit out of this situation. Dev had Rs. 10 lakh and the current value of land was Rs. 3 lakh per acre. So he could buy only 3 acres of land.But he was very intelligent; instead of buying 3 acres of land, he talked to some farmers and came into an agreement. He would buy the land from the farmers at the current rate by giving rs. 10,000 as token money per acre and would pay the remaining money within 6 months. So with the Rs. 10 lakh he has, he gave a token advance for 100 acres of land.



As he expected, the government established a sugarcane factory in the village and the land prices shot up to Rs. 5 lakh per acre. Now, he sold the land to buyers at Rs. 5 lakh per acre and paid the villagers Rs. 3 lakh per acre. Thus, he booked a profit of Rs. 2 lakh per acre.
100 acres *Rs. 2 lakh per acre= Rs. 2 crores per acre (total profit)
Now, if he had bought only 3 acres of land, he would have made the profit of only Rs. 6 lakh. But by giving the token amount he made a profit of Rs 2 crore.
Let us assume that the factory was not established for some reason, then either Dev would be having only 3 acres of land worth Rs. 3 lakh per acre, which made no difference to his net worth. Or, if he gave the token amounts, he would not have the money to pay to the villagers and he would have to forego the token money, that is Rs. 10,000 per acre and incur a loss of Rs 10 lakh. This is exactly the way call options work in the stock market.

An option is a contract which allows an investor to buy or sell an underlying instrument, like a stock or even an index, at a predetermined price over a certain period of time, and for that a premium is paid by the buyer to the seller. Premium is the token amount paid by the buyer to the seller to get the option. Options are financial derivatives that give the buyer the right (option), but not the obligation to buy or sell the underlying asset at an agreed-upon price and date (expiration date).

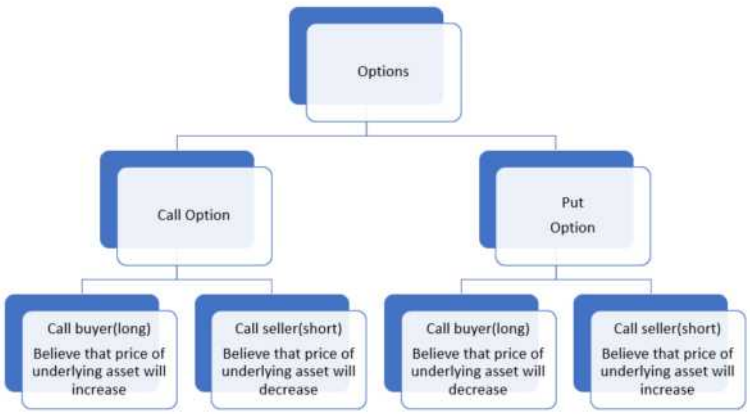
The agreed upon price at which the buyer sells or buys the st if he agrees to exercise the option is called strike price/ tar price/ exercise price. Exercising of an option contract is the of claiming your right to buy/sell the stock at the end of expiry. The expiration date is the date at which the contr becomes void. In the above example, strike price is Rs. 3 lakh a the expiry is 6 months.
In case of American options, the buyer can exercise the opt any time before the expiration date, while in European optio the option can be exercised on the expiration date only. In In we can get options for stocks, however, all index options European style options.

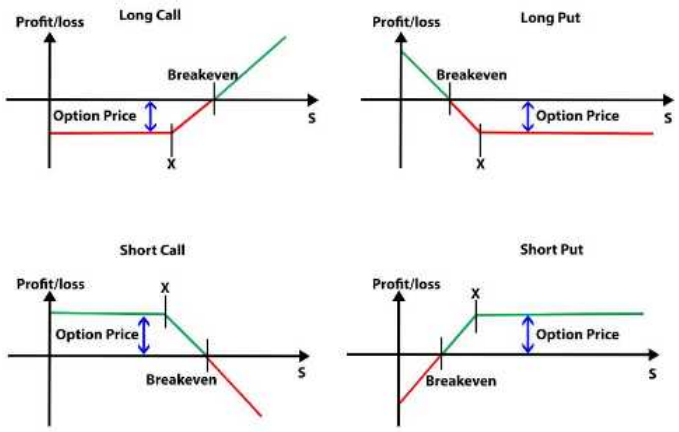
Also, options are bought in lots, which is the minimum quan

Now, there are two types of options- Call options and Put options.
Call options give the buyer the right to buy the underlying asset at the strike price mentioned in the contract. A person buys a call option when he thinks that the price of the underlying asset will increase. The buyer has the right, but not an obligation to buy the stock while the seller has the obligation to sell the stock if the buyer exercises his option.
Now suppose, Dev is an investor who thinks that the price of the stock of XYZ company valued at Rs.90 will increase in the near future, say 1 month. So, he will buy the 'Call option' of XYZ company for Rs.100. He pays a 'premium' of Rs.2 for every share option. Since he cannot buy a single share, he buys a lot of 2000 shares (fixed by the market).

After one month, if the price of XYZ company's share increases to Rs.120, Dev earns a profit! He will exercise his option, i.e., he will buy the shares and book a profit of Rs. 18 per share, i.e., Rs. 36000. But what if the share price falls to Rs.80 and he has to suffer a loss of Rs.20 per share + Rs. 2 for premium, i.e., Rs 44000. In this case, he will not exercise his option and give up his premium money- Rs. 2 in our case. For this very reason options are beneficial.

Not only does it provide the buyer with unlimited profits and limited losses but saves him from buying the entire shares. In the above example, if dev was buying 2000 shares for Rs. 90, he would have to pay Rs. 180,000, which is a huge amount and he might not have it. On the contrary he just has to pay Rs. 2 per share, i.e., Rs. 4000 for the options.
However, the premium amount can increase if the chances of the value of the underlying asset being increased is more, or will decrease if the chances of the value of the underlying asset being increased is less. Thus, the more the value of the underlying asset is perceived to appreciate, the higher the premium demanded by the market for that call option.
Call options can be further divided into long call and short call options. The call buyer uses the long call strategy, he expects the stocks to go up and assumes the position of option holder. The call seller uses the short call strategy, he expects the stock value to decrease and assumes the position of option writer. In the example, Dev uses long call strategy.





The other kind of options are Put options. Put options give the buyer the right to sell the underlying asset at the strike price mentioned in the contract. A person buys a put option when he thinks that the price of the underlying asset will increase. The buyer has the right, but not an obligation to sell the stock while the seller has the obligation to buy the stock if the buyer exercises his option.

Now let's assume that Ram owns a big car worth Rs. 10 lakhs. He is worried that his car might get damaged in an accident or get stolen. So, Ram decides to buy an insurance policy (put option) from Riya's Auto Insurance Co., for the full amount of Rs. 10 lakhs (strike price). Riya charges him Rs. 40,000 (premium) for one year policy (expiration date). Now 3 things could happen -
Case 1: Ram's car is not damaged or stolen. Riya keeps the Rs. 40000 and Dev is okay with losing the Rs. 40000 for the protection provided to him for the year.
Case 2: Ram's car meets with an accident and he incurs repair expenses of Rs. 2 lakhs. He is relieved that he bought the insurance policy. He files an insurance claim (or exercises his put option) to pay for his repairs and Riya pays Rs. 2 lakhs for the repairs as agreed.
Case 3: Ram's car gets stolen and he files a claim (exercises put option) for the whole value of Rs. 10 lakhs. Riya accepts his claim and gives him the full amount to buy a new car.

Ram is happy that he purchased the policy (put option) and Riya is also happy as she sold many such policies or put options to other drivers who never filed a claim or exercised their option, providing her a net profit overall.
In the above example, if Ram had a poor driving record, Riya would have charged more than Rs. 40000 from him (as premium) as it increases the risk of accident and risk for Riya as she has to bear the loss.

R On the other hand, if Dev was an exemplary driver, the premium amount would be less as the risk would be lower. Likewise, with put options, the higher the perceived risk, the higher the premium demanded by the market.

Put options again can be divided into long put and short put options. The put buyer uses the long-put strategy, he expects the stocks to go down and assumes the position of option holder. The put seller uses the short put strategy, he expects the stock value to increase and assumes the position of option writer. In the example, Ram uses long put strategy and Riya uses short put strategy.
Let's look into a financial example. If a stock is trading at Rs. 100 and Ram thinks it will go down till Rs. 80, he buys a put option of Rs. 90 at a premium of Rs.2 per share, from Riya who thinks the stock prices will go up. If the stock prices drop to Rs. 80, Ram can exercise his option and sell the option at Rs. 90, booking a profit of Rs. 8 per share, while Riya incurs the loss. However, if the stock prices remain same, i.e., Rs.100, Ram will not exercise his option and forgo the premium amount of Rs. 2, which will be Riya's profit.
Thus, the put buyer can have unlimited profits and limited losses using the Long-put strategy.

Now, the question arises why would a rational person use the short put or call strategies as they have limited profits but unlimited losses. Well, they earn profit by selling multiple calls and put options as not every option is exercised by the buyer. So, the accumulated premium becomes their profit (like how Riya earns profit by selling multiple insurance policies).
Another way to minimize losses in the short call and short put strategies is by using covered call and covered put strategies. A covered call refers to a financial transaction in which the investor selling call options owns an equivalent amount of the underlying security. Covered Put is the options trading strategy which involves shorting the underlying asset, along with selling a put option on the same number of shares.

BEHAVIOURAL

FINANCE

It happened quite long back

- Poorva Nagia

Hey, do you know about the first market crash in History? The bubble that burst and led to the French Revolution, too.

I mean, I understand that History can be quite boring at times but when it captures the essence of finance, economics, politics and sentiments, of course, then what you get is the perfect blend of a riveting drama delving into the comparable nature of economies of 300 years ago, to the fast paced technological driven ones today.

Let the curtains Roll

Characters : Mississippi Company, King Louis XV, John Law (company's director)
Setting : 1717 , France
Backdrop : Dutch have lost New York. The big question looms, who will become the next imperial engine France or Britain.

Scene 1: The Plan

In 1717, the ambitious Mississippi Company set out to establish New Orleans on the way while it was colonizing Lower Mississippi Valley. In order to finance its expedition, it tried to raise money from the public by trading its shares on the Paris Stock Exchange. Though in reality, the Mississippi Delta offered nothing more than swamps and alligators, yet the company spread its tales of riches, wealth and unlimited opportunities.
Their words spread like fire in the jungle partly also, because of the fact that they were backed by John Law, the governor of the Central Bank of France and controller-general of finances. French businessman and Aristocrats fell for these white lies and the share prices skyrocketed.

Scene 2: Unfolding

Initially shares were offered at 500 livres a piece. Shares were traded at 2,750 livres on 1 August, 1719. By 30 August they were worth 4,100 livres and on 4 September, the value reached 5,000 livres. Finally, on 2 December, the price of a Mississippi share crossed the threshold of 10,000 livres.

Euphoria swept the streets of Paris. People sold off possessions and took loans in order to buy the shares. Everyone thought they have discovered easiest way to riches.

Scene 3 : Realization

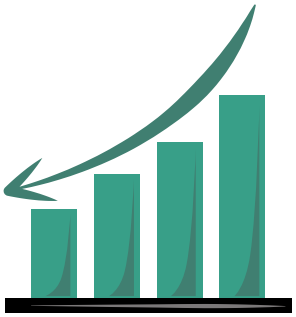
A few days later, panic gripped the market. People started to make sense of the scenarios. Some speculators realized that share prices were highly unrealistic and unsustainable. Easiest way to get out of the swamp was to sell the shares while stock prices were at their peak. As the supply rose, prices came down. Everyone wanted to sell. The share plummeted, and ultimately crashed.

Scene 4 : Decline

In order to contain the prices, John Law directed to print more cash so that government can purchase the shares to contain the crisis, but eventually the government, too, ran out of money. The entire Financial System was placed in a bubble, ready to burst when pricked. The price of Mississippi shares dropped from 10,000 livres to 1,000 livres and then collapsed completely. The Royal Treasury and the Central Bank owned a huge amount of worthless paper stock and had no money.

The Royal French system never fully recovered from the blow. People lost faith in the Financial Wisdom of the king and the French banking system. Raising credit was very difficult as the King had lost his credibility.

The Mississippi Bubble is one of the most spectacular crashes in the Economic History. France had difficulty securing loans and had to pay high interest on them. The King sought more and more debt at a high interest rate, to finance his debt.



Eventually in the 1780's Louis XVI ,who ascended the throne on his Granddad's death, realized that the major chunk of his annual budget was tied to servicing the interest on loans , and that the Royal Treasury was heading towards bankruptcy. Reluctantly in 1789, Louis XVI, the new Monarch, convened the Estates General, the French Parliament that had not met for a century and a half, in order to find a solution to the crisis. Thus began the French Revolution.

Too much information to grasp, right?

Well, no matter how the History unfolded and what led to what, the events that unfolded in France in 1780s are not very different from the circumstances that led to the Financial Crisis of 2008. So, even with all the technology and man going to moon and all, we are no better than our forefathers. But the phenomenon I want you to focus on is that of how the laws of Behavioural Finance are shaped and moulded by both these events.

John Law and his company weaved a beautiful tale to lure investors to chip their money in the company that can be better understood by the "Narrative Fallacy Bias" which causes investors to gravitate toward investments with a good story, even if they are overvalued or unrealistic. Furthermore, people followed the herding pattern and "herd mentality bias" which refers to investors' tendency to follow and copy what other investors are doing.

> *What we know about the global financial crisis is that we don't know very much.*
>
> *~Paul Samuelson*

Not doing their independent judgement and relying on the emotions and instincts of theirs as well as others. Intriguing, isn't it? Behavioural Finance, as an area of study focuses on how market outcomes can be influenced by psychological factors. It can be used in all the sectors and events to ascertain the dynamics behind different outcomes. One of its key aspects entails the influence of psychological biases. In the upcoming articles we'll be taking you through the History of BF to its real life applications and case studies.

Now just, grab a cup of coffee, sit back and Read !

Evolution of Behavioural Finance

-Sanskriti Sunderum

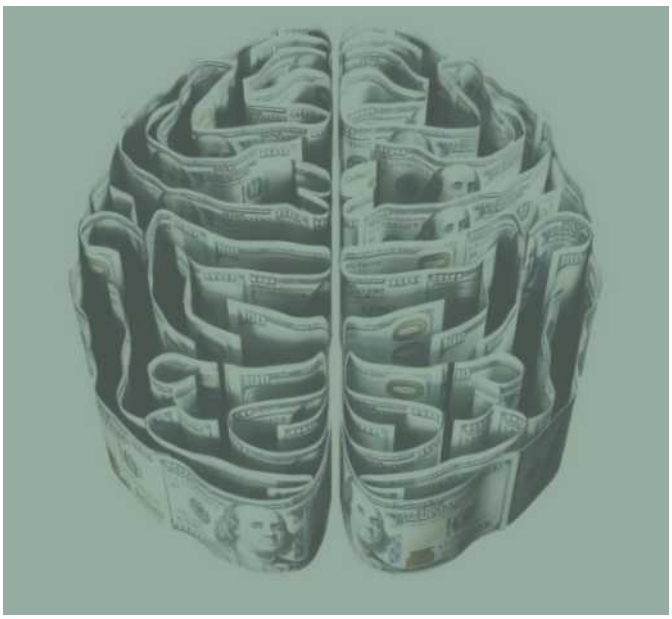
The concept of Behavioural Finance has been evolving for over 40 years now. In 1912, George Charles Selden's book, Psychology of The Stock Market, was the first book that directly applied the field of psychology to the stock market. It linked the emotional and psychological factors that affect the decisions of traders and investors. However, the book did not further develop the idea and the emergence of behavioural finance is usually dated back to the period of the 1950s to 1980s when the traditional financial theories faced criticism as they could not provide answers to various anomalies.

The traditional financial theory is dominated majorly by the Efficient Market Hypothesis (EMH), which proved to be a great theoretical and empirical success in the 1960s. In the 1970s, Eugene Fama, an American Economist, in his journal "Efficient Capital Markets: A Review of Theory and Empirical Work", put forward the idea that investors can't beat the market, i.e., generate alpha returns, as the stock will always be traded at its fair price.

This theory was based on many assumptions such as the information was widely available and accepted by all the investors alike. It also assumed that all the investors are rational. Such assumptions did not provide any room for the personal biases of the investors.

For example, if all investors were not perfectly rational, they will end up overestimating or underestimating the intrinsic value of assets which will create a gap between the prices and the intrinsic value of the assets. Such anomalies challenged the traditional state of finance and favoured the emergence of "behavioural solutions".

> *In 1979, Kahneman and Tversky developed the "Prospect Theory" which is a descriptive theory of choice based on the outcome of experimental psychological studies. It integrated psychological biases such as loss aversion, conservatism, or frame dependence, that led to the foundation of the behavioural approach in economics.*



Both of these situations paved the way for behavioural finance as many papers and books were written on behavioural finance which led to its emergence in the 1980s. In 1984, Fisher Black, the president of the American Finance Association, supported the development of behavioural finance by justifying its importance in his annual meetings. In the same year, two papers were published in the Journal of Finance which applied the "Prospect Theory" to market pricing, which led to the convergence of behavioural finance towards mainstream finance. All of these theoretical researches and works are mainly based on three themes that formed the initial base of Behavioural Finance as a study.

The **first one** being the existence of psychological biases in humans that influence their decision, that formed the basis for differentiating between theoretical rational behaviour and individual behaviours. Since cognitive psychology focuses on how people think, react, pay attention consciously or subconsciously, it helped in simplifying the reasons behind why investors used rules of thumb and heuristics while taking a decision.

The **second theme** elaborates on how humans have a frame of dependence when taking a decision. Most of our decisions are based on our understanding of the problem or situation by our perception and our choices are also dependent on it.

The **third theme** is the inefficiency hypothesis which is a counter to the efficient market hypothesis. Unlike efficient market hypothesis, this creates room for how the investors think and emphasize their bounded rationality.

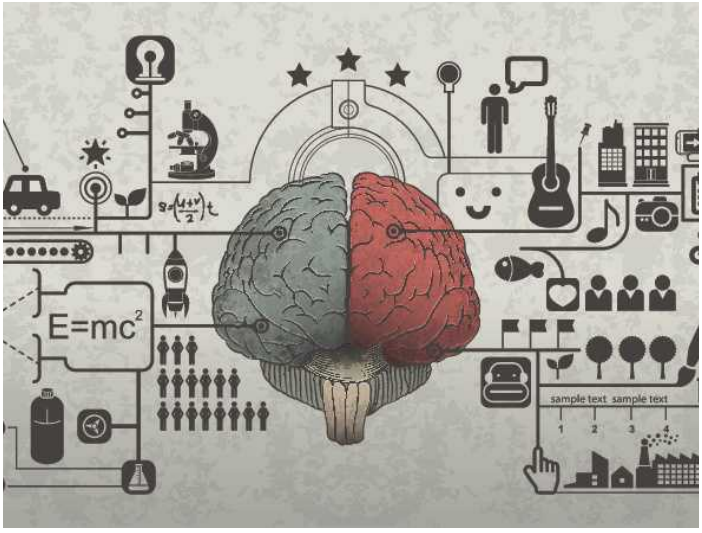
All of these themes amalgamated into behavioural finance and led to its emergence. Through the papers of scholars, it's evident that behavioural finance emerged as a convergence between two social sciences, financial economics, and cognitive psychology. Financial economics from a very initial stage included the behavioural aspects of consumers and investors in its theories whereas cognitive psychology laid the foundation for behavioural finance as it focused on breaking down the decision-making process of humans. Both of these studies helped in grasping the financial reality out of the clutches of preconceived notions and widen the scope of the study.

Even if behavioural finance has its roots since the 1980s, it still is a budding and evolving study. As mentioned before, in 1912, George Charles Seldon authored the book, Psychology of The Stock Market, which was the first book that linked psychology to the stock market; it still wasn't well developed and accurately defined. However, the financial origins of behavioural finance are traced back to the 20th century period as many authors such as Keynes, Graham, and Dodd, started taking into account the human behaviours in financial reality.

Keynes developed a framework that included the subjective dimensions of human behaviour, which were in line with the psychological biases affecting an investor. He called the investor's information as something subjective to their knowledge, which came to be known as the "Keynesian perspective."

Benjamin Graham who is called the father of value investing kept on emphasizing the psychological reasons which made the valuation process so complex.

All of these developments are rather new which makes behavioural finance a study that is constantly redefining itself. It is being evaluated, understood, and modified with time so that it can come up as a structured study. Before that behavioural finance has to face many challenges and critics.

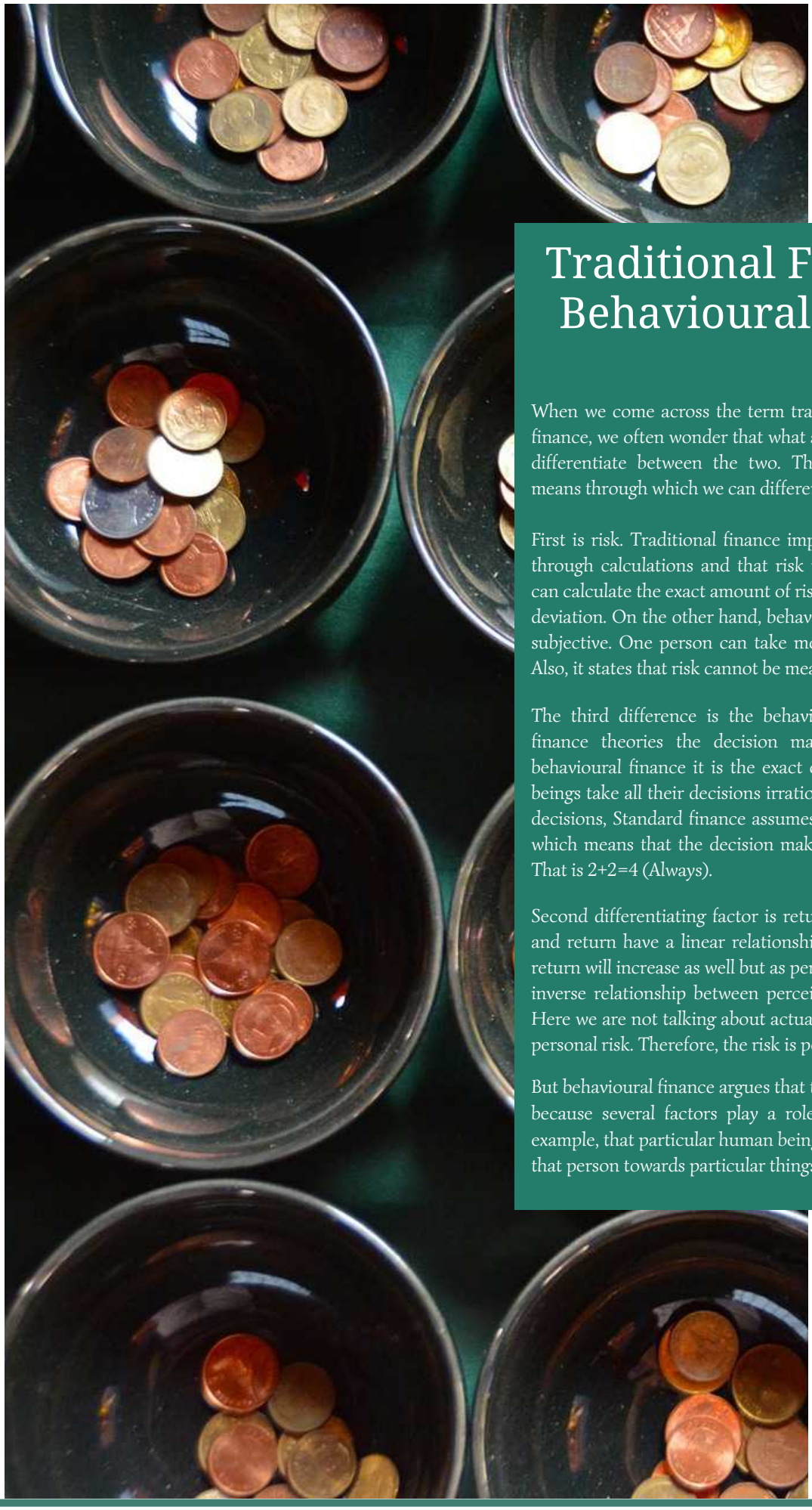


In its current state, behavioural finance can explore and expand itself in many areas. It can further research in the fields of wealth and management especially along the lines of what motivates the attitudes of investors, and their willingness to exploit the other participants. Behavioural finance also needs to develop along the tangent of social finance which could include social norms, morals, religious identities, as well as societal biases such as how people's certain stereotypes may affect their decisions that they take.

Many researchers have already conducted experiments under the same umbrella, for example, economists to know whether certain stereotypes lead to self-discrimination, conducted a math test for both female and male undergraduates. They were divided into two slots, in the first the test was conducted normally, but in the other slot, women's gender identity was linked with their test. We like to believe that the results would have been similar for both slots but that wasn't the case.

For the first slot, female graduates performed at par with the male graduates but for the other slot, their scores were worse off than their male counterparts. Such stereotypes that lead to self-discrimination can exist in finance as well which needs to be elaborated further.

As a field, Behavioural Finance needs to be explored further and be brought into a crystallized structure, by integrating various schools of thought, which provides room for various biases that help in answering the anomalies that existed in traditional finance.



Traditional Finance Vs Behavioural Finance

- Aakriti Jain

When we come across the term traditional finance or behavioural finance, we often wonder that what are the essential key points that differentiate between the two. There are diverse and different means through which we can differentiate between these two.

First is risk. Traditional finance implies that risk can be measured through calculations and that risk is objective. For example- You can calculate the exact amount of risk by using formulas of standard deviation. On the other hand, behavioural finance states that risk is subjective. One person can take more risk than the other person. Also, it states that risk cannot be measured through calculations.

The third difference is the behaviour. According to Traditional finance theories the decision maker is rational while as per behavioural finance it is the exact opposite as it says that human beings take all their decisions irrationally. As per the consistency of decisions, Standard finance assumes the decisions to be consistent which means that the decision maker's behaviour is also constant. That is 2+2=4 (Always).

Second differentiating factor is return. According to Standard risk and return have a linear relationship; that is, if risk increases, the return will increase as well but as per behavioural finance there is an inverse relationship between perceived risk and perceived return. Here we are not talking about actual risk and return, because it is a personal risk. Therefore, the risk is perceived, and so is the return.

But behavioural finance argues that the decision will be inconsistent because several factors play a role in affecting its decision. For example, that particular human being's personality or the attitude of that person towards particular things will affect his/her decision.

Like Mother Like Daughter

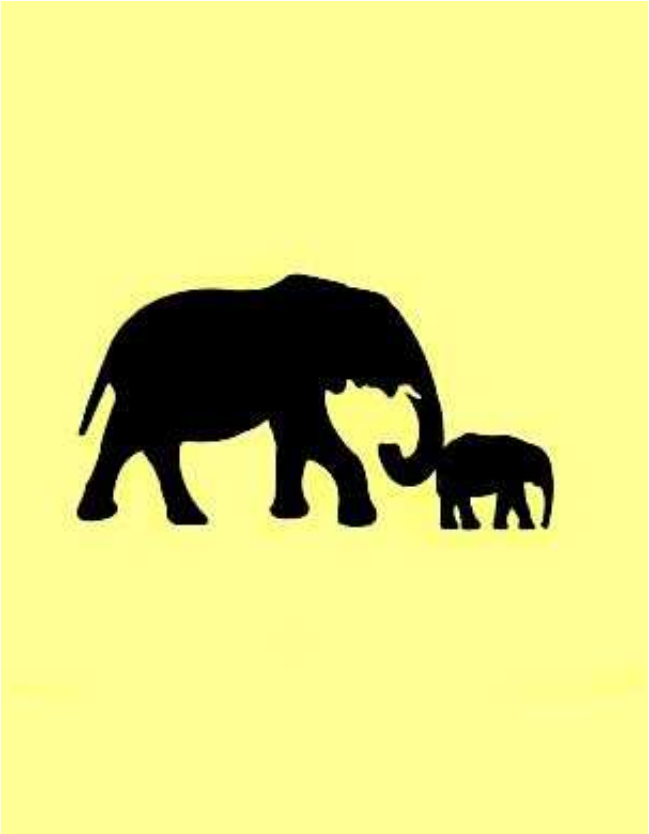
- Poorva Nagia

Have you heard the saying, 'like father, like son'? It means that the son resembles his Dad, or acts/behaves like him. The different version of this phrase is often said to be, 'like Mother, like Daughter'. Now, I trust, you will be able to draw the analysis on your own. But, don't let the title deceive you.

Mother refers to Behavioural Economics and the daughter, Behavioural Finance. It doesn't mean that Economics gave birth to Finance in any manner, it just implies that both of them act in very similar ways. Their patterns are largely alike and since Economics is a broader based subject, covering a gamut of things, I have put it on the pedestal of a Mother, with a beautiful yet naughty daughter as Behavioural Finance. Behavioural Finance, concerns itself with the ways decision making is affected by social and psychological factors, mainly in a Bulls and a Bears situation. Whereas, the Mom largely deals with the same 'non-rational' influences, while covering a plethora of decisions under its umbrella.

> *The definition of Behavioural Economics goes like this, It studies "the cognitive, emotional, cultural and social factors on the decisions of stakeholders like individuals and corporations and how those actions deviate from the classical economic theory".*

The definition is pretty long, right? Well basically, in simpler terms we all, ALL, are influenced by our emotions in our daily lives and are moved by incentives. The belief that man is rational, it's one its most irrational beliefs. The Behavioural Economics concept of "nudging" people's behaviour can be seen in architectural designs as well. Designing an office in such a way that the stairs are very dominant and visible, mostly straight through the entrance and the elevators hardly visible and difficult to find. In such a case people tend to choose the default option, Stairs. Odd but true. Behavioural economics is primarily concerned with the agents of rationality and incentives. It studies how market decisions are arrived at by integrating insights from psychology, neuroscience and microeconomic theory.



These incentives can be broadly categorized as, economic, moral (i.e., doing the "right thing"), and social (i.e., being praised or criticized by one's peers). You must have read the line, 'Objects in the mirror, are closer than they appear', in the rear-view mirror of a car. The line aptly holds true for the decreasing rate of crime in USA in the 1990's. Can you guess what the main influence was?

The 1973 Supreme Court Case, which made abortions legal in the states. Mind Boggling, isn't it? The crime rate decreased steadily throughout the 1990's. Major influences, which were thought of, were new policing strategies, capital punishment and new gun control laws. But the major reasons were increased incarceration, rise in the number of police officers and the influence of abortions. After the judgement of 1973, many unwed mothers from impoverished communities opted for abortions instead of having unwanted babies. And since the unwanted children have a high probability of becoming criminals, the law drastically reduced the number of new-born who would have otherwise grown up to become criminals. The effect was noticed in the 1990s as the post judgement generation entered its twenties.

Well, the daughter is no less than her mother. Behavioural Finance studies different kinds of biases and their combinations that can influence an investment decision. They are basically cognitive and psychological biases that are likely to affect decisions.

Even Twitter, is an influential factor to financial markets. The financial community behaves similar to a small-world network, moved by the sentiments on Twitter and their actions are significantly correlated with the returns of the major financial market indices.

At the forefront of escalating sentiments, Elon Musk, the outspoken entrepreneur, is instrumental in leveraging his influence on Twitter. It takes just a single word tweet from his side to make the whole Wall Street rethink their decision about a particular share. As he is one of the most admired leaders in the world, gaining respect for the ambitious nature of his activities, his viewpoints are taken quite seriously.

Against the backdrop of WhatsApp Privacy issues, Musk urged his followers to use encrypted messaging app Signal, which is operated by a non-profit organization. Keen to back the company, investors rushed to snap up shares in Signal, but many of them accidentally bought shares in a small components producer called Signal Advance, sending its stock up to 1,100%.

The aforementioned case can be better understood by the 'Herding Fallacy'. Herding basically entails that market participants are more likely to follow the behaviour of others than to follow their own path. When Musk tweets, several people blindly follow his advice, the market moves, and then the others follow suit. It covers the 'Fear of missing out' aspect as the investors don't want to lose out on anything.

As on 23 February the price-to-earnings ratio of Tesla is 1100, which is pretty high for a company. This can be summed up under the 'Narrative Fallacy Bias' which causes investors to gravitate towards investments with a good story, even if they are overvalued. Tesla, the electric car manufacturer, claims to curb the menace of climate change.

In fact, all the companies of Elon Musk are based on the ideologies that aim at making world a better place. That's why he is considered as a messiah that has come to show us the light of a better tomorrow. He and his stories are influential for the investors to shell out money for its shares. So, while human investors cannot function as robots i.e. cannot completely eliminate the influence of their emotions on their actions, they can at least, arm themselves with the knowledge of Behavioural Finance, try to reduce such influence and look for their probable signs in the market.

BEHAVIORAL INVESTORS TYPES

- Srishti Kalakoti

Behavioural finance is that the study of the influence of psychology on the behaviour of investors or financial analysts. It also includes the various subsequent effects on the market. This field of behavioural finance gives some types of behavioural investors to help in understanding the investor's behaviour in a better way and help in improving the financial capabilities of individuals. Also, people can earn better returns if they know what are the biases that are affecting their decision making and thus, they can make better decisions.

PRESERVER

The first kind of behavioural investor is the "preserver". The term in itself says a lot about the behaviour of the investor as a preserver is an investor who places a great deal of emphasis on preserving wealth and financial security, and maintains distance from taking risks to grow wealth. Such investors pay huge attention to their wealth and take losses pretty seriously.

Those being just too concerned for their wealth has some effects like they often deliberate in their decisions and sometimes struggle to take actions regarding their investments. The main reasons behind this behaviour can be attributed to the constant concerns in their heads that they may make a wrong decision or take too much risk. Thus, to avoid this entire situation most of them prefer to avoid any decisions and stick to the status quo (keeping things like they are presently). They also tend to obsess over their short-term performance in both up and down markets, mostly down markets and tend to worry about losing what they had previously.

This kind of behaviour possessed by preservers tends to be consistent with their work as well as their personal lives. Generally old investors behave in a way somehow aligned with preserver behavioural investor type. It is seen as quite natural because as we age our stored wealth becomes crucial as now wealth is channelized to take care of their families and future generations, especially funding education, medicines and buying homes. Thus, because preservers have their focus on financial security, preservers' biases tend to be dominated by emotions (relating to how they feel) rather than focusing on cognitive aspects (how they think).

The emotional biases that affect the decision making of several preservers include loss aversion, status quo and endowment bias.

FOLLOWER

Follower as the term suggests correctly follower investor is that kind of investor who lacks interest in his plans and has little aptitude for money or investing and normally tries to follow others. Moreover, follower investors do not possess their own ideas about investing. Rather they take the path of their friends, colleagues or whatever is the current popular investing fashion to come at their decisions.

Generally, for them the decisions they take to invest on something is not aligned with a long-term plan. Their decisions are generally casual and not properly planned. They sometimes may trick themselves into thinking that they are talented enough when an investment decision works out due to luck, which can lead to groundless risk seeking behaviour. As they are not so knowledgeable about the investments, they may react differently when presented with the same investment proposal more than once. The way it gets presented (framed) can make them think and act differently.

Followers usually fall in the trap of overestimating their risk tolerance and make investments influenced by many factors. Followers' biases tend to be cognitive, concerning how they think instead of emotional, concerning how they feel. Biases of followers are hindsight, regret aversion, framing and cognitive dissonance.

INDEPENDENT

An independent investor has one's own original ideas about investing and likes the investing game. Unlike the follower, independent gets quite engaged in the financial markets and may take unconventional views on investing.

This contrarian mindset however may cause independents not believing in following a long-term investment plan. With that said, many independents can and do stick to an investment plan to accomplish their financial goals.

The behaviour that makes up most independents includes being analytical, critical thinkers who make many decisions based on logic and their own gut instinct. Being confident on their own they are willing to take risks and act decisively when called upon to do so.

Independents knowing the markets well, tend to be thinkers and doers as opposed to followers and dreamers.

However, every coin has two sides to it so is the case with independents. Some of them may be prone to biases that may tamper with their abilities to reach their goals. For example, they may act too quickly, without learning as much as they can about their investments beforehand. For example, they may mistake reading an article in a business new publication for doing original research. Also, they are usually realistic in understanding that risky assets can, and do, go down. So, if this happens and they don't admit that they were wrong or made a mistake then this can cause breaks in their learning process.

All in all, the behavioural biases of independents are cognitive conservatism, availability, confirmation, representativeness and self-attribution.

ACCUMULATOR

The accumulator may be a quiet of investors who have an interest in accumulating wealth and are confident that they will be able to do so. They try to achieve this by often adjusting their portfolio allocations and holdings to market conditions and usually do not try to follow a particular plan. At their core, accumulators are risk takers and are firm believers that whatever path they choose is the proper one. Unlike preservers, they are completely into the race to win and win big. And unlike the followers they believe in themselves and need to be the one steering the ship.

As all other types of investors, even some accumulators are susceptible to biases that can limit their investment success. For instance, they may be too optimistic of their abilities. And this may lead them to think that they can control the outcome of the investment even though it may be full of unknown risks. Accumulators risk tolerance is quite high, but when things go the wrong way, this can cause some discomfort that can be high as well. This discomfort may arise not only from loss but also from the blow to their confidence and realization that they always can't control the outcomes of the investments. All in all, they are hands on and wish to be heavily involved in the investment decision making process. The behavioural biases of accumulators can include overconfidence bias, self-control bias, affinity, outcome and illusion of control.

DIFFERENT BIASES IN BEHAVIOURAL FINANCE

-Pulkit Aghi and Srishti Kalakoti

Behavioural finance has a lot of aspects that can play an important role in understanding how human psychology plays a role in our decision making in finance related matter. Some of the biases of behavioural finance are as follows which will give you a clear understanding of how different biases affect our decision making.

Mental Accounting

Mental Accounting is one of the biases of behavioural finance which we see quite frequently in our day-to-day life. Mental accounting means giving different values to the same amount of money. Have you ever seen yourself spending more when using your credit cards instead of cash payments or purchasing beyond your purchasing capacity just because you are getting something on credit? All these are examples of mental accounting. Studies have proved that people generally spend the money more aggressively which they were not expecting to receive like gifts or refunds.

Ask someone who is a taxpayer that how happy he is when he receives a tax refund. He is receiving the money which was already his but due to psychological impacts, he is more prone to over spend this money as he was not expecting it to receive.

Mental Accounting also takes place in investments in the stock market. People with inappropriate knowledge regarding the valuations of stocks generally give value to the stocks based on their emotional and psychological factors instead of the actual value of the stock. They tend to invest in a company which they feel is a renowned one without looking at the intrinsic value of the shares of the company and have to suffer huge losses.

Herd Behaviour

You must have heard of the saying "Never be a sheep and follow the crowd". This is what happens when behavioural finance shows its power. People generally tend to follow a trend that is prevailing in the market. When everyone is purchasing, they also start purchasing and when everyone is selling, they also start selling.

Herd Behaviour is the cause of the rallies and bearish trends which prevail in the market. Some people who are active and can anticipate the behaviour of mass investors generally end up taking advantage of herd behaviour while others end up losing their money. We can see the instances of herd behaviour not only in financial markets but also in common life. We see students opting for certain courses not because they have interest but because they see many people around them pursuing that. This shows how herd behaviour can affect the decision making of the people.

The case of misinterpretation of Elon Musk's Tweet of 'Use Signal' by the investors and following the crowd like a sheep is an apt example of herd behaviour. Elon Musk on 7th January, 2021 tweeted 'Use Signal' and by this tweet he meant that use Signal App instead of WhatsApp due to its new privacy policy.

However, the investors misinterpreted it and started investing in 'Signal Advance Inc', a small medical device company in USA. This led to a rise in prices of the shares of the company by the end of the day by sixfold. This was enough to give it a bullish trend and the share price increased by 5100% in three trading days. The company which had not filed its annual report with Securities and Exchange Commission since 2019 and had no revenue from 2014 to 2016 could see such a surge in its share prices was a bit apprehensive. But this is what herd mentality can do.

Disposition Bias

> *"Never Give Up" is a phrase we hear then and now and it is true that we should never give up, but sometimes, giving up is a better option than sticking with something that is giving you losses and is worsening your position.*

Disposition Bias is related to the same mentality of the people. Disposition bias occurs when the investor sticks to the loss-making investments (losers) and sell the profit-making investments (winners) when in need of money. The investor when requires liquidity generally tends to sell those investments that are profit giving and stick to those that are loss making.

This is because he cannot digest the fact that his analysis was wrong at the time of purchasing the asset which is now giving losses. He chooses to stick to the loss-making assets until the cost of the asset is not recovered. This approach of not ready to book losses and wait for the recovery can worsen the situation even more for the investor.

Overconfidence Bias

'Overconfidence', it is a word or a feeling all of us might have crossed paths with, in some point of our lives. Being confident is always a plus point, however if we just add one simple prefix like 'over' to the word to form the word 'overconfidence' then this can completely change one's personality. Overconfidence bias plays a crucial role in the field of behavioural finance. Overconfidence bias can be a tendency to carry a false and deceptive assessment of our skills, intellect or talent. In simple words having an inaccurate belief that we are better than we actually are.

In Finance:

In the world of finance, overconfidence is a common word. This tendency makes us less appropriately cautious towards our own financial decisions by giving us a little too optimistic view of our abilities.

Being able to understand where the market is going and so on is one of the important things in finance and investments. However, if one overestimates his/her abilities about the same then this can cause some problems as being mistakenly overconfident in our decisions interferes with our abilities to practice good risk management. This can often lead one to view one's investment decisions to be less risky than they are actually. To show this bias in real life James Montier, a top-rated strategist at Thomas Extel survey, in his research Behaving Badly conducted a survey of around 3000 professional fund managers asking if they believed they were above average in their ability. The results showed that some 74% of the respondents responded in affirmative. They truly believed that they were above average when it comes to investing.

Most of them supported their answers by commenting on the lines of "I know everyone thinks they are above average, but I really am". And about 26% of the respondents thought them to be average and only a little few, if any thought them to be below average. This shows how most people viewed their abilities.

In Real Life

There are some people who may be confident about their amount of savings at the initial days of the months. They think that they'll be able to save some amount at the end of each month and thus don't prioritise savings at first hand and stay in the illusion that they'll still be able to save money. However, as the month passes, them being casual about the savings spend without caring and at the end up not saving enough or maybe not all.

As students there might have been many times when we had got a little too optimistic or casual about our abilities to complete our syllabus or an assignment. We may have overestimated our skills and thus may end up doing not very well in our exams or assignments and regret afterwards.

Overconfidence is a pretty common term in the game of cricket, usually used when a player doesn't perform well. It is a bias some batsmen or even bowlers have to face. Like when a batsman faced with some continuous slower balls' hits boundary every single time, he may feel a little relaxed about the bowler. However, if the baller changes his strategy the next time and the batsman being confident about himself doesn't focus then the ball may hit the stumps and make the batsman walk towards the pavilion.

Overcome:

Being confident is often considered as strength in many situations, in investing however, it tends to be more frequently a weakness. Careful risk management is critical in successful investing. Overconfidence can give an individual an illusion that his estimates are correct and thus discourage him from checking for the risks related or other factors that may influence the investment. So, to overcome this bias a strategy of 'fear of being wrong' can be used, that is being humble to the situation and asking yourself that 'could I still be wrong?' can help you to recheck all the factors affecting the investment and make a better and secure decision.

Anchoring Bias

> *Anchoring or 'vocalism' is a cognitive bias where a person depends too heavily on an initial chunk of information offered (considered to be the anchor) to make subsequent judgements during decision making. It plays an important role in behavioural finance as once the anchor is set all future negotiations, arguments, estimates etc are discussed in relation to the anchor.*

In Finance:

Anchoring is a strong bias as this tends to set a standard in one's mind even before knowing all the information about a thing or a topic. An anchoring bias tends to challenge the decision-making skills of an investor or financial analyst as due to this they usually have an anchor in their minds which may or may not be accurate for their decisions but then also it is treated as a point of reference. Thus, it may sometimes lead an investor to buy an undervalued investment or an overvalued investment. It is pretty evidence while forecasting inputs such as sales, volume and commodity prices.

In Real Life

One example of anchoring bias can be when one goes shopping and sees a shirt for Rs 5000 then you glance at another shirt that's price is Rs 3000. Now what anchoring bias does is that it makes you prone to see the second shirt as cheap. Whereas if you would have just seen the second shirt priced at Rs 3000 then you'd probably not seen it as cheap. Here the anchor, that is the price of the first shirt unduly influenced your opinion and made the other shirt viewed as cheap even though it wasn't.

Anchoring can also be used by salesmen while trying to negotiate prices. Like when a customer goes to buy a car and the salesman states a price of $35,000 the customer may try to haggle and get a bargain for $27,000 and feel nice about his bargaining skills. However, little does the customer know that the salesman already wanted to sell the car for around $35,000. Thus, by just providing you with an anchor slightly above the preferable price he wants he gets around the price he wanted even after you haggle for the price.

Overcome:

To overcome this anchoring bias one can, try several practices one of them includes setting up an anchor of your own, for example, when going shopping or any other outing, make a mental estimate of how much you would pay for something. You can change the anchor as you explore things or as per the circumstances. Also acknowledging the anchoring bias can help in the first place, that is, you should take time over your decision. In doing so, you will be able to step back, acknowledge any anchoring bias and look at the bigger picture and be able to make a better decision.

Narrative Fallacy

Stories are an important part of all our lives. We are hard wired to them because they generally tend to have an emotional content that appeals to our subconscious or reflexive reasoning. Because of this quality of stories, they are usually very easy to remember. Even in behavioural finance they play a crucial role under the term 'narrative fallacy'. This relates to a tendency when investors or financial analysts make their decisions keeping in their minds some stories relating to the stocks or investments.

In Finance:

Narrative fallacy is one bias that can really play with our subconscious minds while making any financial decisions or even otherwise. The problem with narrative fallacy is that stories may negatively govern the way we think if presented in a false way. What's interesting within the financial markets is that investors often abandon evidence in favour of an honest story. Also, while falling prey to these bias individuals tend to incline more towards their emotional thinking rather than their practical thinking and making decisions while taking no notice of other factors that influences the investments.

In Real Life

Often, we have seen how teachers take help of stories to teach some topics during the classes. The reason behind it remains simple that students are more likely to retain and recall information contained in stories rather than simple explanations of the concepts thus, helping them understand concepts easily and in a creative way.

Narrative fallacy is one common tool that is used by mostly all the stockbrokers in the market. For years these stock brokers have taken advantage of the narrative fallacy, convincing clients to invest in a stock telling them a great story about the company.

Overcome:

Narrative fallacy usually becomes a tough bias to overcome as stories are usually taken as true beliefs, however not impossible. One such way to overcome this bias while taking final decisions can be simply setting the stories aside and thinking practically by looking at statistics and facts about the company. Even after hearing the story about some stocks, still considering all other factors affecting the investments equally important and just assuming stories as mere stories can help to overcome the bias and make one take his/her final decision in full consciousness and practicality.

Hindsight Bias

Hindsight bias is a psychological phenomenon that gives one a misconception that one 'always knew' that they were right. It gives them an untrue illusion that they possess some special insight or talent in predicting the outcomes of an investment or financial decisions. This can lead people to think that they can accurately predict other future events too. It is a common topic of study in behavioural finance as it is a common failing of individual investors.

'Hindsight bias is a common mistake done by many investors or financial analysts while taking financial decisions. As it gives individuals the illusion of predicting the right results of investing, it can make them overconfident about one's abilities to predict other future events as well even when the prediction may come true due to sheer luck.

'It can encourage one to take up several investment tasks without actually considering some important factors influencing the investments as it encourages the 'I knew it all' behaviour among individuals.

In Real Life

One real life example proving the bias can be the 2008 financial crisis or the dotcom bubble of the late 1990s as once the events had occurred there were many people who claimed that they knew the signs of it and knew it was coming. However, if you examine the history, you'd know that investment professionals or professionals who were screaming that there was a problem at the time weren't listened to, in fact, they were laughed at and their warnings were ignored.

Also, students can experience hindsight bias during the course of their studies. Like when a student has been waiting to prepare for an exam till the night before the exam and gives the paper he may once feel a little concerned about his final grades as he's not so sure of his performance. However, once the results are announced and he gets a grade above his expectation he may fall prey to hindsight bias and assume that he was sure he will be getting a good grade.

Overcome:

Hindsight bias can be checked upon through some practices, the most efficient one includes maintaining an investment diary. In this diary we can map the outcome of all the decisions we took and more importantly the reasons behind those decisions to learn from both our wins and our losses. An investment diary also helps mitigate against bias of self-deception, which again limits our ability to learn. As hindsight bias prevents us from recognizing and learning from our mistakes and accepting the positive results as our decisions so being humble towards the outcome of an investment and learning something new from every single outcome being it a profit or a loss can surely help us to become better investors or finance professionals.

SOCIO-DEMOGRAPHIC DETERMINANTS OF FINANCIAL BEHAVIOUR

- Vidhi Batra

To understand how social and demographic parameters such as – age, gender, occupation, education, household level of income, ownership of real estate etc. are relevant in determining the financial behaviour of an individual or social group, it is important to understand what financial behaviour actually is. Financial behaviour is defined as the human behaviour relevant to money management. It is the sum total of cash flow behaviour, credit behaviour, savings behaviour, investment behaviour and other financial experience. Financial behaviour of a person, to a large extent is dependent on the financial management of the person. Financial management refers to the strategic planning, organising, directing and controlling of everyday expenditure, saving, investment, financial assets, future financial goals etc.

Gender

Differences in gender have most often been regarded in context to differences in consumers' saving behaviour. Studies show that women are more likely than men to be satisfied with their savings level but dissatisfied with their current financial situation and their ability to meet long term goals.

In fact, primitive reports even suggest that most women in India, who still undertake secondary positions in households as home makers are less interested in financial matters and more anxious in terms of money related matters. This conclusion is drawn from the fact that women in many parts of the country are still not provided a holistic opportunity to step into the corporate world, earn incomes and share responsibility in financial management and investment decisions in the household.

The drawback of this social phenomenon has largely affected the behaviour of women, as a social group in the financial sphere. However, with attempts made towards equality and encouragement of women in the corporate, economic and financial sectors, women are now able to become financially independent as well as conscious investors of the market.

Age

Different studies provide a different purview on the age analysis of financial behaviour. While some surveys indicate that young people tend to save less, i.e., as the age increases, people would become more interested in financial matters.

Hence, they are less likely to be involved in excessive spending and are not easily influenced by special or lucrative offers. This analysis stems from the fact that at a later age, people start exploring more saving options in order to secure a financial future during retirement years, when there is more likely to be meagre or no growth in their income.

Consequently, older people are also seen to choose safer investments as compared to risky ones. Younger people have also reportedly been keener to exploit the benefits of the contrarian investing policy – the psychology of going against the crowd.

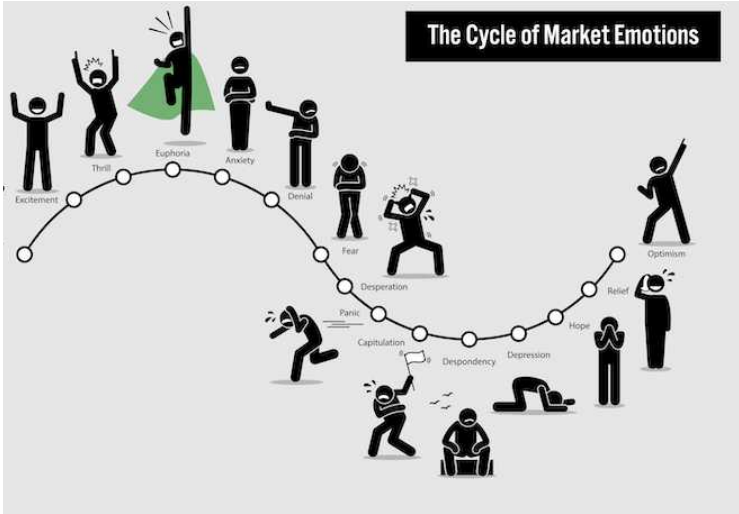
On the other hand, contrary studies reflect that younger families are more likely to use recommended financial management practices, making them more conscious investors and thus, concluding that age does not have a big effect on financial management.

Education

Records show that individuals with lower levels of education are more anxious and insecure. The people with university education are likely to be rational consumers and on an average are more interested in financial matters and are less anxious. Moreover, the consumers with higher levels of education have a positive correlation with total savings, and individuals having education beyond high school but less than a college degree had higher financial scores than other educational groups.

However, it must be noted that this conclusion cannot solely be drawn upon the educational degree or qualification of an individual. Most undergraduates in India, lack basic financial knowledge required to make smart investment decisions and fail to manage their expenditure and savings equitably.

It is, therefore, necessary to take into account that individuals with a basic understanding of financial literacy coupled with educational degrees tend to better understand, analyse and identify financial trends in investor markets and thus, also make well calculated and fruitful decisions.



Family Size - Number of Financially Dependent People

It is evident to see that the number of financial dependents has a negative relationship with financial behaviour of income earning members of the family. This is obvious due to increase in expenditure owing to large numbers of family members in contrast to limited income of few people.

Hence, research suggests that individuals with big family size have a negative outlook for savings. Therefore, it can be said that the size of family has an inverse impact on the financial behaviour towards household savings. However, certain studies also suggest positive correlation between elderly dependents and the total amount of savings.

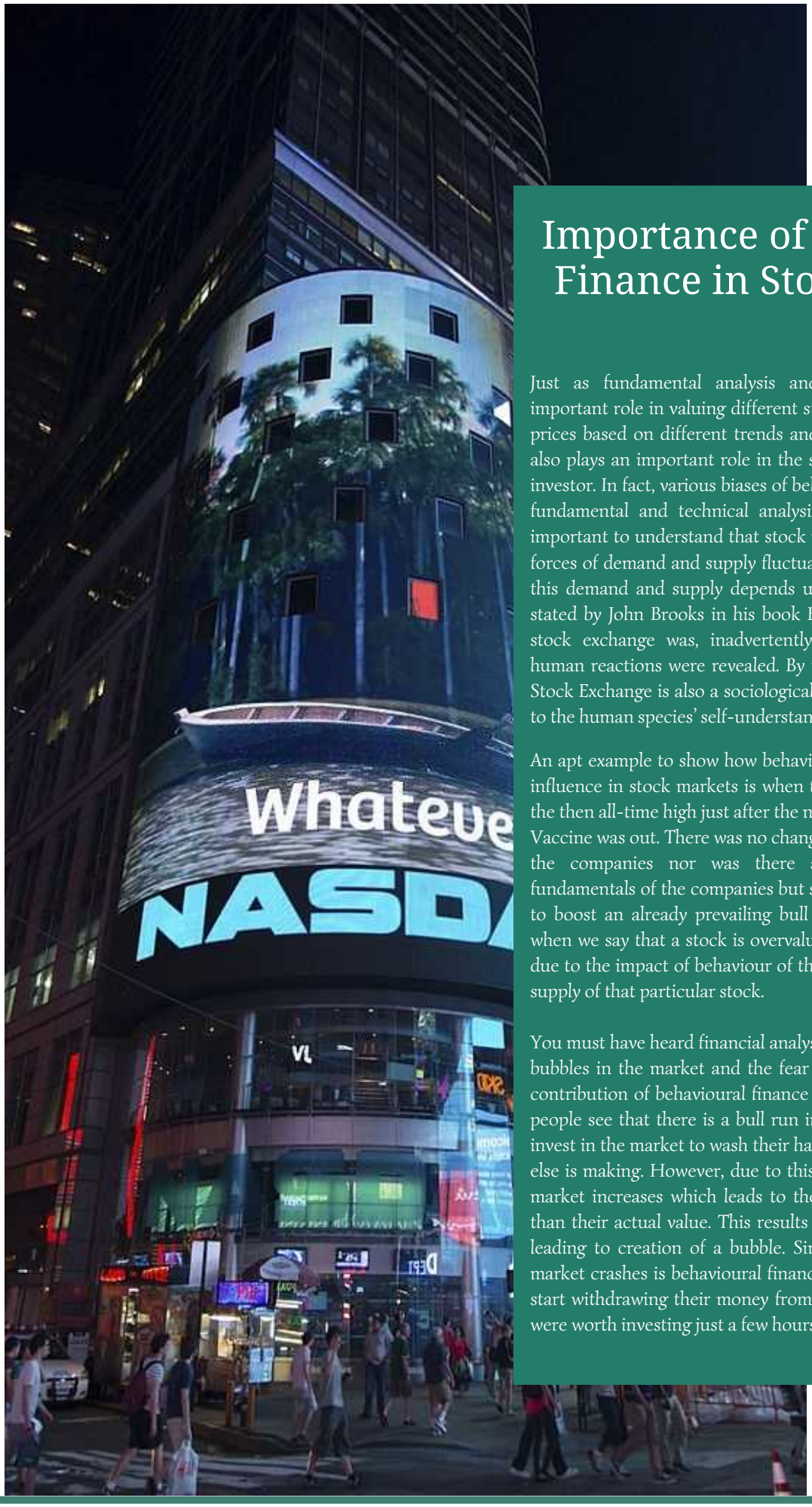
Individuals with limited income and elderly financial dependants tend to look at investor markets as an opportunity to increase their sources of income and save in case of contingency, making them both active investors as well as responsible savers. Such people tend to favour banking institutions over stock markets to ensure reliability and safety of invested funds.

Conclusion

In a nutshell, it can easily be seen that different studies and reports provide both complementary as well as contrary evidence to social behaviour affecting investor decisions. While some believe that financial behaviour is largely determined by social parameters, others believe that such parameters are secondary, and every individual makes a different decision, irrespective of being a part of any social group. This is because we cannot accurately define the implication of these parameters on a specified group of investors.

Even when such conclusions are drawn, they are only recommendatory in nature and not necessarily applicable to each individual. However, it would also not be right to completely ignore these determinants, seeing how they do define the societal roles, and hence the financial positions of different people in the economy. It is, therefore, useful to understand how these socio-demographic reasons may, at times, hold back people from participating in the financial sphere and use these studies, to analyse and solute such issues that persist.

Be it encouragement of women in corporate and business sectors, to ensure their financial independency, reliable insurance schemes for the elderly and financially dependent, new schemes such as 'The Jan Dhan Yojana' inducing low-income families to open bank accounts or rise in consultancy roles undertaken by experienced people; all are attempts to improve the financial role of different agents in the market, stemming from such analysis.



Importance of Behavioural Finance in Stock Markets

- Pulkit Aghi

Just as fundamental analysis and technical analysis play an important role in valuing different stocks and predicting the future prices based on different trends and patterns, behavioural finance also plays an important role in the success story of any prominent investor. In fact, various biases of behavioural finance can affect the fundamental and technical analysis that an investor uses. It is important to understand that stock market is a place where market forces of demand and supply fluctuates the prices of securities and this demand and supply depends upon the human psychology as stated by John Brooks in his book Business Adventures, "The first stock exchange was, inadvertently, a laboratory in which new human reactions were revealed. By the same token, the New York Stock Exchange is also a sociological test tube, forever contributing to the human species' self-understanding."

An apt example to show how behavioural finance has an important influence in stock markets is when the Nifty went up and touched the then all-time high just after the news of successful trials of Pfizer Vaccine was out. There was no change in the production capacity of the companies nor was there any positive change in the fundamentals of the companies but still a mere news was successful to boost an already prevailing bull run in the market. Moreover, when we say that a stock is overvalued or undervalued, that is also due to the impact of behaviour of the investors on the demand and supply of that particular stock.

You must have heard financial analysts talking about the creation of bubbles in the market and the fear of it bursting. So, is there any contribution of behavioural finance in it? The answer is yes. When people see that there is a bull run in the market, everyone tries to invest in the market to wash their hands of the profits that everyone else is making. However, due to this behaviour, the liquidity in the market increases which leads to the prices of shares to be higher than their actual value. This results in overvaluation of the market leading to creation of a bubble. Similarly, one of the reasons for market crashes is behavioural finance. Bad news comes and people start withdrawing their money from the companies which they felt were worth investing just a few hours back.

CASE STUDY

- Praveen Verma

Do you think if you have not invested in the finance sector that means you are safe?
Do you think having inadequate knowledge about behavioural finance is normal?
The answer is "NO".
Let me show you some events where behavioural finance played a great role.

GLOBAL FINANCIAL CRISIS 2008

> *"Sentiment is a thought, opinion, or idea based on a feeling about a situation".*

VIEWS, OPINIONS, DECISIONS

Have a great impact on the financial markets. 2008 crisis when the global economy was falling. Various small economies that were not a major part of this crisis still witnessed a drastic decline in their financial sector. This is because people were believing if the major economies are falling then, they will also fall. This led to massive fear among the investors and they started removing their money from their investments. This led to the massive increase in supply which resulted in a fall in the prices of investments.
We are witnessing a situation of a fall in the velocity of money after the 2008 crisis till date even though a lot of liquidity is being injected into the economy.

The US has introduced several liquidity tools like Quantitative easing which drastically increases the money supply but even after the increase in liquidity, the people are cautious when it comes to spending.

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COVID 19

Covid 19 is one of the most recent events where such a phenomenon was witnessed. It instilled a lot of fear among the population which further affected the financial market. But as soon as the lockdown restrictions were removed people felt that the economy will rise at a great pace and started investing back which created a massive demand for financial assets and their prices rose significantly.
At present, the prices of financial assets are sky high which includes cryptocurrencies as well. Whenever any financial crisis occurs the immediate steps that are taken are to save more and more of their money. To do so they start making their expenditure only on necessities. The demand for goods in the economy falls drastically just because of the fear that has been instilled in the mind of the people.

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DEMONETISATION

Due to demonetization, there has been a significant change in the investor's behaviour. These all kinds of uncertainty bring out the fear of losing the purchasing power or the net worth of an individual. But various things tend to remain constant.
People tend to have short memories and forget about history. All they want is transparent transactions. But if we talk about investing in the wider sense then we can conclude that "not investing due to fear of risk is taking more risk". We are losing our purchasing power continuously due to the massive consistent inflation.
Initially, people withdrew all their investments, and further, when the situation became normal, they went back on track. This is how it works and will continue to work no matter what. We just need to understand the psychology behind each policy and how people will react to it to become good investors. Moving with the crown won't make you different from the crowd.

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Similarly, just go through any crisis you will witness the same pattern everywhere.

Behavioural finance tricks to better your finances

> *Human beings have a tendency to think irrationally when it comes about money and certain decisions about investing.*

Here are some tricks which you can use to overcome your irrational decisions

Don't be overconfident

Studies reveal that almost every investor tends to think that he is above average which is not possible statistically. What does overconfidence do? It gets you to take risky investment decisions and mostly as a result of that you lose money.

Avoid anchoring bias

Anchoring bias means that an individual depends and focuses too heavily on an initial piece of information to make subsequent judgments during the time of decision making. The best defence against it is to start thinking from multiple perspectives and to decide evaluatively.

Do not take financial and investment decisions in haste or with your intuitions

Studies prove that when numbers are involved you should slow down for a bit, let your brain absorb the given situation and then take decisions. Also, it is proven that decisions which are taken with time and evaluation turn out to be quite rational.

The Ball is in your court

- Poorva Nagia

I'm sure that after reading all these articles you all might be thinking that it's better to just make decisions based on Algorithms and Mathematical models. And don't let the heart get in the way of our financial decisions.

To be honest its easier said than done, man is but a rational fool. We all are influenced and guided by our emotions and personal experiences. But yes, if you want you definitely can base your decisions on mathematical models and that's what was done by Jim Simons, worlds most famous Hedge Fund Manager with a net worth of $23.5 billion.

Jim is the founder of Renaissance Technologies, a quantitative hedge fund. He and his fund make gains from market inferences by using mathematical models and algorithms, they primarily are quantitative investors. They use mathematical, models to analyse and execute trades, around the world and use computer-based models to predict price changes in financial instruments. A lot of data is gathered, then non-random movements are looked at to make near-to accurate predictions.

One of the most special features of Renaissance is that it only employs specialists with non-financial backgrounds, including mathematicians, physicists, signal processing experts and statisticians. Medallion, the flagship fund of Renaissance Technologies', has an average annual return of 71.8% which approximately equals $100 billion.

Though, unfortunately, the Medallion fund is only available for its employees and family members. So, if you want to invest in Medallion Fund, it's advisable that you start preparing for your next Mathematics Exam wholeheartedly, because you'll also be supposed to get a PhD in it as well, as it's one of the most favoured degrees favoured by RT.

RT also manages three other funds - Renaissance Institutional Equities Fund (RIEF), Renaissance Institutional Diversified Alpha (RIDA) and Renaissance Institutional Diversified Global Equity Fund - which, as of April 2019, totalled approximately $55 billion in combined assets and is open to outside investors.

Just keep that heart steady, my child, lest you lose control of the head too. I know that most of you might be thinking that, well, Mathematics is not my cup of tea. Well, fret not, then also I've got you covered.

On the other side of the spectrum we have got, Oracle of Omaha, Warren Buffet, who started investing at the age of 11, pretty yearly, right? Not according to him though, Warren thinks that he was wasting his time till then.

Well anyways, when he was at Columbia, he was taught by Benjamin Graham, of whose value investing school, he belongs to. Value investing determines the intrinsic value of a share by understanding a company's financials especially official documents such as earnings and income statements rather focusing on technical indicators such as moving averages, volume or momentum indicators.

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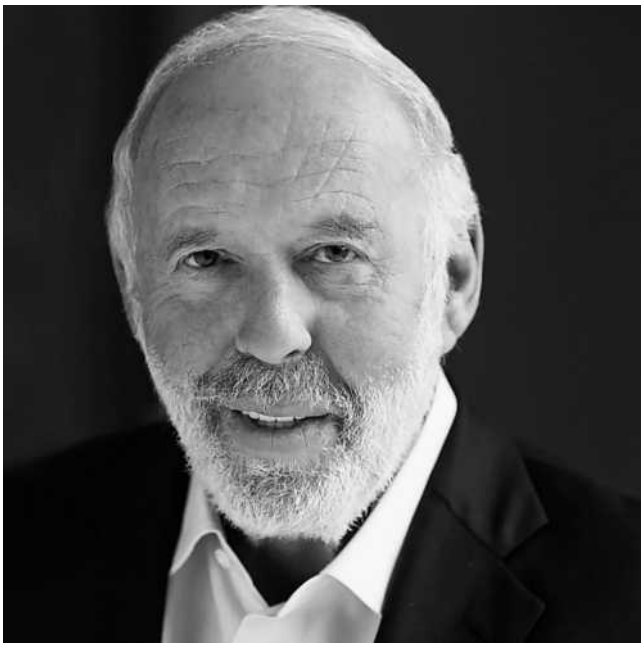

To guide him in his decisions, Buffett uses several key considerations to evaluate the attractiveness of a possible investment. The company should have consistent earning power, a good return on equity (ROE), capable management, and be sensibly-priced.

So, in the end, it all depends upon you to make the best investment decision, either using Algorithms or the Qualitative aspects of the company concerned. But whichever course you pick for yourself, just make sure that you remember, that you are being guided by your actions and incentives.

WHAT IF?

What if DU is Privatised?

-By Devang Jhunjhunwala

Did you ever think that one day privatization would become such an enthralling word? Today the term privatization has occupied every nook and corner of media coverage and indeed has forced us to have a closer look over this concept. Recently in the fiscal budget 2021-22, the government decided to privatize certain well-known PSUs like LIC, BPCL etc. which witnessed mixed reactions from the public and the critics. From the budget and the statements of government. officials, it is quite evident that the government has decided to step back from certain sectors to give better attention to the more important and urgent sectors. With all such things going around us, one may think that 'WHAT IF DELHI UNIVERSITY IS PRIVATISED?'. So, let's try to understand and answer this dilemma by delving deep into various aspects related to it and finally adding personal opinions on the same.

CONDITION OF TERTIARY EDUCATION IN INDIA AND IS PRIVATISATION THE NEED?

> *India is one of the world's most populous countries. A pessimistic approach towards this is to label the excess population as burden on the economy whereas an optimistic approach is to realize that people are not useless but they are used less.*

If we go by this optimistic approach, we must look forward to increase the efficiency of human resource so that each and every citizen can contribute towards the growth of the economy and for this, we need to rebuild India as a country with a strong tertiary education system. We all talk about that the education pyramid in India is highly problematic where very low number of students can afford and have access to tertiary education but fortunately the govt. is somewhere working on it by establishing more high schools, colleges, universities and research centers, etc. One such government institute that has established its legacy all over the world is the Delhi University which has produced numerous professionals and research scholars and is famous for its wide array of opportunities, highly qualified staff and also for its strong network. DU comes under the central government and receives 95% of its funds from UGC. Although being a government institute gives DU certain advantages, it also brings with it, certain demerits which are worth our attention. Sometimes it is alleged that the efficiency of the staff isn't utilized properly and also the infrastructure is quite outdated due to which some people believe that private players should undertake the education sector for its improvement. They believe that private players can bring that much needed push in the education sector which will change the fate of our country. However, this is just one side of the story and one must understand the negative impacts of privatization of the education sector as well for reaching a rational viewpoint.

DEMERITS OF PRIVATIZATION

Privatization of tertiary education system and that too DU in particular can bring with it, certain long-term problems. Currently, DU is one of the most affordable institutions in the entire country and giving it in the hands of private players will see a sudden hike in the fees which will make it difficult for many students to afford.

> *This will directly lead to increase in the gap between rich and poor and ultimately, the talented and hardworking students may have to suffer because of lack of resources.*

It will also witness lesser educational opportunities for girl child which again is not a good sign for the economy. Moreover, education should never be a business and thus if the government allows privatization of DU, it will indicate that the govt. has labelled the education sector as a profit-making sector and this will create a big question mark on the future of this country.

PERSONAL OPINION & THE ROAD AHEAD

We personally believe that privatization is not a sustainable solution for an economy because although it is believed that the government's business is not to do business, but still in a developing low-income country like India, the government must be in charge of certain sectors so as to promote social welfare.

The famous line 'When the nails grow, cut the nails and not the finger', clearly teaches us that even if the govt. enterprises are not efficient enough, still selling them to the private sector is not a feasible option and instead steps should be taken in order to increase the efficiency of such enterprises because we personally believe that there should be at least one leading govt. enterprise in every important sector and such an enterprise must establish certain ethical benchmark for other privately owned enterprises to function.

Thus, I would like to conclude by saying that if in future, DU is privatized, it will be a blunder and govt. should restrict itself from taking such steps.

What if There is No Income Tax?

- By Aayush Banka

United Arab Emirates, Qatar, The Bahamas, these countries have one thing in common and that is they don't have income tax levied on their individuals. Ever wondered why? The main reason behind this is that they have more than enough to survive. These islands have no production of their own. They are rich in natural resources like oil and their free trade zones that are open to foreign ownership and zero taxes make these countries popular destinations for global investments. They get more than enough (approx. 90% of total income) to effectively run their economy by selling crude oil and also have a huge amount of foreign investments. They have some indirect taxes but don't have any direct tax like income tax as such.

> *The hardest thing to understand in the world is income tax.*

Is It Possible?

Now, the question is whether the Indian economy would be able to survive without an income tax. Many things should be taken into consideration before reaching the final answer. First of all, like the above-mentioned countries, India doesn't have such a huge export base, i.e., Indian economy cannot be run by relying only on the export income. Secondly, will the Government of India be able to earn a sufficient amount without levying income tax?

Let's find out

In 2020, the government had a total revenue of Rs.22.46 trillion, of which around Rs.6.38 trillion was from income tax paid by the individuals of India. Also, the government had an expenditure of around Rs. 30.42 trillion. The government already has a deficit in their budget, and if they abolish the income tax then it will be a huge burden on them as it is their main source of income.

Let us assume if the government has removed the income tax, then they may require some other source to get that amount, so they will either have to increase the rates of indirect tax or impose some other new taxes.

Increasing indirect taxes and imposing new ones will create an unnecessary burden on the normal people of the country. Income tax is progressive i.e. as our income increases, our tax amount increases. Also, income tax is paid by the person whose income exceeds Rs. 2.5 lakhs. The rich pay more and this money is used for the development of the society, which includes the weaker section of the country.

Effects

Are there any benefits to the citizens if there is no income tax? Abolition of income tax on individuals will give them better spending power (purchasing power), this will also create additional demand for production, leading to more employment generation all over the country. No income tax also means a huge reduction in income. Per periphery income of the people in the country will also increase, their savings will increase.

It will allow investments in the productive purposes. No income tax will certainly create greater incentive to work. Corruption at times is born out socio-economic compulsions and will certainly get minimised as no income tax is payable, and ways of fund savings in tax will get eliminated. Now GST becomes the reality and this will also create transparency in all the transactions.

Is there a Substitute?

It was seen that many countries instead of levying income tax, use Bank Transaction Tax (BTT) and Automated payment tax (APT). BTT is a tax levied on debit and credit entries of the bank account and APT is a small uniform tax levied on all economic transactions. These are regressive and anti-poor. Implementing these would create a negative impact on weaker sections of the society. Government of India cannot levy these types of taxes because most of the people in our country are either poor or middle class. These taxes will lead to a sudden increase in their expenditure.

Conclusion

However, there is no doubt that eliminating income tax will rejuvenate the economy and reduce tax hassles at the level of the tax payer. Unlike promises of free water or cheap electricity, which can only increase corruption, the abolition of income tax is a reform that will actually make tax payers more honest and create incentive for them. It will eliminate corruption and falsehood while also serving as an economic stimulus. A country like India cannot abolish it because it will have a sudden and direct impact on its normal people. To abolish it from the market, the government needs to work in the field of exports and should increase its modes of earnings.

What if Business Rivalries didn't exist?

-By Paras Madaan

"Everything is fair in love and war."

These age-old words best apply to the business world as well. Rivalry and business goes hand in hand. There is a long history of intense business rivalries ranging from "COKE VS PEPSI", "MC DONALD'S VS BURGER KING", to the newly grounded rivalries in the telecom sector of India where companies are indulged in competitive pricing strategies, freebies, mergers and what not. History speaks that these rivalries have not just served consumers in the form of increased and better choices but have also helped increase the reach of both the parties involved as they gather attention both at local and global stage. In their quest to gain a competitive edge over rivals, many big companies openly criticise their competitor before the public eye. As a part of business strategy, business rivalries are sometimes part of a marketing gimmick aimed at keeping a company's name in the public eye.

COKE VS PEPSI

The rivalry between Coke and Pepsi in the decade of 80's intensified to such an extent that it popularly came to be known as Cola wars. Back then, both the companies were going for hardcore competitive marketing. The launching of new variant by Coke turned out to be a failed experiment, which helped its rival Pepsi to increase its sales. But Coke's response to the crisis offers a lesson in managing innovation gone wrong. The company officially apologized to the 4,00,000 customers who wrote letters of complaint, shipped its old formula to stores as "Coca Cola Classic", and gradually reduced New Coke's distribution. But now think what would have happened if there had been no Pepsi and no rivalry in the soft drinks industry. Would Coke have responded in a way it did then or would there have been an official apology letter from the company? Probably not. This shows us that the world would have been very different in the absence of business rivalries. The customers might not have as much choices as they have in a competitive environment and there would have been inefficient pricing and no incentive for product development for the companies.

MC DONALD'S VS BURGER KING

The decade of 80's not just witnessed the Cola wars but also a bitter rivalry in world's leading fast food chains- McDonald's and Burger king. Advertisements of both companies targeted each other. In fact, a very controversial commercial was when McDonald's came out with an ad which signified that customers can find a McDonald's outlet easily anywhere while Burger king has very few limited outlets. In response to that ad, Burger king also come up with an ad that made the rivalry between the companies very evident. The absence of competition and rivalry in this sector too would have led to an absence of efficient pricing and companies lacking incentive for innovating and experimenting newer flavors. The ultimate sufferers in any sense would have been consumers who would have limited choices and fewer flavors to choose from.

AIRTEL VS JIO

Similar results can be easily seen in the telecom sector of India where prices of data and calling facilities were much higher before the entry of Reliance Jio in the market. The freebies and competitive pricing strategies adopted by Reliance Jio had led to the reduction in the overall pricing in the telecom sector and not surprisingly the beneficiaries of these have been Indian consumers. If there would have been no entry of Jio in the market, the circumstances in the telecom sector would have been much different. Its absence might have huge long term impacts such as the number of people using internet facilities would have been much lower than they are today. Also, the volume of data used would have been significantly lower in the absence of such competitive pricing. This would have resulted in India still remaining backward on the front of digital transactions, digital education and much more.

Thus, we can see that if business rivalries would not have existed the products and choices available would have been lesser, pricing and allocation of resources would have been inefficient. In the long run, business rivalries help consumers in the form of increased and better choices. Thus, thinking of the world in the absence of business competition and rivalries makes us realise how behind we would have been from where we are currently.

What if There is No RBI?

-By Jeevan Jojo

Reserve Bank of India is India's central bank which is liable for the issue and supply of monetary standards in India. It is the controller of the Indian financial framework. It additionally deals with the country's principle installment frameworks and furthermore attempts to advance monetary improvement in the country.

WORKING PROCEDURE

RBI started its procedure on 1 April 1935 as per the Save Bank of India Act, 1934. Following India's freedom on 15 August 1947, the RBI was nationalized on 1 January 1949. The general heading of the RBI lies with the 21-part focal directorate, made out of: the lead representative; four agent lead representatives; two account service delegates (typically the Monetary Undertakings Secretary and the Monetary Administrations Secretary); ten government-selected chiefs; and four chiefs who address nearby sheets for Mumbai, Kolkata, Chennai, and Delhi. Every one of these nearby sheets comprises of five individuals who address provincial interests and the interests of co-employable and native banks.

DIFFERENT INSTANCES OF THE ABSENCE

> *Envision a classroom without an educator. The banks will resemble that classroom where there's everything helter-skelter. Banks will inflate profits for few years till they run out of luck and will close down abruptly.*

Yet, one more highlight to be noted is that the RBI is the nominee in boards of banks when banks especially government banks are doing reckless lending and blowing away the tax payers money. RBI does yearly review of banks but for what reason was it quiet when it was able to peruse the fundamental reports for offering advances to organizations like kingfisher and so forth?

Banks will fall and individuals will lose cash without RBI. Prior to 1950 there were more than 3600 banks in India. These little banks were shutting because of botch and awful credits. That was justification passing Financial Guideline Act, 1949 and making RBI Controller. Since more than 3600 banks were blended, some exchanged to cut down the number of banks to around 91. The way towards consolidating is as yet going on and the quality is likewise expanding relatively to the blending.

One of the essential targets of RBI is to embrace management on giving money notes and coins. Cash notes and coins given by the Reserve Bank are proclaimed limitless, legitimate, delicate all through the country. Non-attendance of the national bank will lead to awkwardness in notes issue, prompt inadequate condition of management, there will be no control and guideline on acknowledging in understanding for the necessities in the economy. It likewise brings about ill-advised appropriation of the money and coin dissemination everywhere in the country.

RBI goes about as the financier to the public authority. Non-appearance brings about irregularity of the public authority's store accounts. It will prompt to non-appearance in the assortment of receipts of assets which is made benefit of the public authority. It will also prompt the shortfall of portrayal for the Public authority of India in IMF and the World Bank.

RBI guarantees that worldwide prescribed procedures are trailed by banks in India. RBI guarantees that the best is given in the space of hazard the board, banking innovation, installment and settlement framework, money the executives and forex the executives. RBI's non-attendance will henceforth bring about absence of guidelines

Banks are not exactly straightforward in keeping up books and records, especially in giving valid and right image of NPAs. In addition, reviewers and CA firms don't have great record in uncovering terrible advances in banks. These banks will exploit if there is no controller and thus bring about monetary breakdown.

A plan called brief remedial activity guarantees early intercession by RBI to address the shortcoming of the bank at a beginning phase. Non-appearance brings about the absence of setting up the directions and advices to eliminate the early referenced shortcoming.

RBI manages and modifies execution of globally accepted procedures and shields own banks from worldwide principles, which may hurt our financial framework. Recollect execution of the liquidity and dissolvability rules.

RBI has been the pioneer in building up a portion of the easy to use stages like RTGS, NEFT, ECS and public monetary change to interface ATMs, everything being equal.

A great deal has been finished by RBI in improving client support of banks however that may not be sufficient yet. From Board level client council in banks to banking ombudsman, a great deal of amicability comes in the financial framework since you have RBI as guard dog.

Conclusion

At the point when every one of the nations was influenced in the worldwide emergency during the most recent long stretches of the main decade of the 21st century, India had the option to oppose the impact of worldwide emergency as far as possible. India during the worldwide emergency is as yet contemplated and explored allover the globe. This opposition was accomplished simply because of the activities and approaches of RBI. Without RBI, Indian economy would fall like the other significant economies.

Nobody can even consider the shortfall of RBI. It possesses a significant situation in the economy and each major monetary choice relating to the economy is chosen by the RBI. Along these lines, there is no option for RBI in the current situation.

POLICY INSIGHTS

THE NEW EDUCATION POLICY 2020

By Sarang Jain

The New Education Policy 2020 which was introduced on the 29th of July 2020 aims to revolutionize the whole education system in India. Apart from the other huge changes that the NEP aims to implement, the NEP has renamed the Ministry of Human Resource Development (MHRD) as the Ministry of Education. This shows that the policy aims to bring more focus to the education sector than ever before.

As the Prime Minister Shri Narendra Modi tweets, "NEP 2020 is based on the pillars of access, equity, quality, affordability and accountability.

In this era of knowledge, where learning, research and innovation are important, the NEP will transform India into a vibrant knowledge hub."

What changes will teachers face?

The NEP aims to create high levels of performance standards for teachers that clearly articulates the role of the teachers in the different levels of expertise and the skills required in a particular field. Teachers will also need to be digitally trained to meet digital learning processes.

Teachers will be provided with local, regional, state, national, and international workshops as well as online teacher development modules so that they are able to improve their skills and knowledge and they will be expected to participate in at least 50 hours of such continuous professional development opportunities in a year.

Reforms in School Education

- NEP changes the existing 10+2 structure of school education to a new 5+3+3+4 year structure, covering children from ages 3 to 18 years.
- This structure is as follows-
- -Three years of anganwadi or preschool + two years in primary school in grades 1 & 2 covering children between the ages 3 to 8 years
- -The 'preparatory stage' covering children between the ages 8 to 11 years or 3rd to 5th grades
- -The 'middle stage' covering children between the ages 11 to 14 years or 6th to 8th grades
- -The 'secondary stage' covering students between the ages 14 to 18 years in two phases – grades 9th -10th in the first and grades 11th -12th in the second.
- The NEP aims to reduce the syllabus to only the essential concepts so that the focus can be put on only the most important concepts. This would enable students to be more analytical and pragmatic in their thinking
- From grades 6 to 8, students will be taking a course which will provide them hands-on experience of a number of important vocational crafts.
- The policy proposes that students would take part in a 10-day bagless period during classes 6 to 8 where they work with local vocational experts like carpenters, gardeners, potters, artists, etc. as an intern.
- There would be no rigid separations between arts, commerce and sciences. The policy aims to bring a multidisciplinary approach which will allow flexibility.
- This approach would also continue at the college level allowing students to explore subjects from all the fields
- Board Exams are expected to be easier as they will be testing only the core competencies. Also, they will be held twice a year, one main exam and other improvement exams (which will be optional).

Digital Learning

The NEP has introduced a regulatory body, National Educational Alliance for Technology (NEAT) which will be established to create better educational outcomes through the use of technology. NEAT's objective is to make learning personalized according to the needs of the learner. For this purpose, it aims to create an alliance with all the EdTech companies.

Focus on the mother tongue and regional languages

As per the NEP , "the medium of education until at least 5th grade, but preferably till 8th grade and beyond, will be the home language/mother tongue/local language/regional language"

The policy aims to implement a three-language system, but with some flexibility and without imposing any language on a state. Students will learn three languages based on their choices. Provided that at least two of the three languages are native to India.

To ensure the preservation and growth of all Indian languages, NEP aims to set up an Indian Institute of Translation and Interpretation (IITI) and National Institute(s) for Pali, Persian and Prakrit.

There will be more focus on strengthening of Sanskrit.

Reforms in Higher Education

- The NEP aims to bring together all the fragmented higher education institutions into large multidisciplinary universities, colleges, and HEI clusters/knowledge hubs.
- The undergraduate programme will now have multiple exit options with appropriate certifications for those dropping out at a certain point in the course.
- The NEP has discontinued the M Phil programme.
- NEP is seeking to implement an "Academic Bank of Credit (ABC)", which digitally store academic grades and credits earned from various recognized Higher education institutions. This will be helpful in awarding degrees on the basis of the credits earned by a student.
- A regulatory body - The National Higher Education Regulatory Council (NHERC) will be established in order to function as a single regulatory unit for the higher education sector, including teacher education, but excluding medical and legal education.
- Common Entrance Exam (CEE) would be held for admission to universities and higher education institutions.

Gender Inclusion Fund

In order to promote gender equality Nep states that the government will constitute a 'Gender Inclusion Fund' to provide equitable quality education to all girls as well as transgender students

NATIONAL DIGITAL HEALTH MISSION 2020

By Srishti Kalakoti

The National Digital Health Mission (NDHM) was launched by Prime Minister Narendra Modi on 15th August 2020, on the occasion of 74th Independence Day of the nation. The scheme aims at modeling a complete digital health ecosystem in the country. It focuses on developing the backbone essential to assist the integrated digital health infrastructure of the nation. The scheme will be implemented by the National Health Authority, coming under the Ministry of Health and Family Welfare. The National Health Authority is the same apex body implementing 'Ayushman Bharat' as well.

OBJECTIVES

- Seeks to create national digital health ecosystem, supporting universal health coverage in accessible, efficient & safe manner.
- Provides wide range of data, information & services while ensuring privacy.
- Achieving health related Sustainable Development Goals (SDGs).
- Promoting private player's participation along with public authorities.
- Aims to make healthcare services portable nationally.

FEATURES

- NDHM plans at reducing the existing gap between various stakeholders like doctors, hospitals, pharmacies, insurance companies and citizens by connecting them in an integrated digital health infrastructure.
- 'Think big, start small, scale fast' approach is being followed that allows for accelerated and continuous learning based implementation.
- NDHM will unfold in stages comprising of the following digital systems, namely- Health ID, Digi- Doctor, Health Facility Registry, Personal Heath Records, e-Pharmacy and Tele medicines that will enable citizens to access timely, safe and affordable healthcare.
- All of the above digital products except the e-pharmacy and Tele medicines have been deployed and are up and running. Regulatory guidelines are being framed for them so that they can be brought into effect in the upcoming stages.

BUILDING BLOCKS OF THE SCHEME

There are five major building blocks of the scheme, the mission will be rolled out in phases and these primary systems shall be launched in the first phase.

Health IDs

Implementation of Unique Health IDs will standardize the process of identification of an individual. It will help to identify, authenticate and thread individuals based on their past health records. To create a wide and strong network of health records and data will also be shared with various stakeholders but only after getting an informed consent from the person.

Digi-Doctor

This feature would include a single, updated and repository of all the doctors registered with important details like name, qualifications, institution, specializations, years of experience and other essential details. The directory would be designed to be kept up-to-date, thus would be revised time to time and mapped with facilities those doctors are associated with.

Health Facility Register (HFR)

A single repository of all health facilities in the nation, the registry would be maintained and stored centrally. It would facilitate exchange of regulated data of public & private health facilities in India. The health facilities would be allowed to access their profile and update it periodically with the specialities and services they offer.

Personal Health Records (PHR)

An electronic record of a person containing all the health related information of an individual that can be drawn from multiple sources while being managed, shared and controlled by the individuals themselves. The most salient feature of the PHR that distinguishes it from EMR &HFR is that data it contains is under the control of the individual as they become the account holders in the situation.

Electronic Medical Records (EMR)

An app that contains the medical history of an individual. EMR is envisaged to be web based system that would contain comprehensive health related information of a person from a single health facility. The facility is meant to help the clinicians track their patient's data overtime, monitor their health and suggest preventive check-ups and screenings if required.

PROSPECTS FORWARD

Even though the scheme certainly aims at the creation of holistic and comprehensive health ecosystem by claiming it to be a citizen centric scheme and rooting for the health and well being of all, there might be some bottlenecks that may affect its implementation like one such possible challenges can be securing the health data of the citizens along with other personal information to avoid a breach of the right to privacy, leakages from the health repositories, profiteering etc. however, if all such leakages can be checked upon and its implementation is done smoothly then the scheme will be a huge step forward in the healthcare sector in India.

FACELESS INCOME TAX ASSESSMENT

By Dimple Agarwal
and Vaibhav Bansal

On 13th August 2020, The Central Government introduced the Faceless Assessment Scheme (E-assessment scheme 2019 renamed) to ensure transparency, accountability & efficiency in the system. The objectives behind this policy were to eliminate human interface between assessee and assessing officer during the course of proceedings. Before this the assessee had to visit the Income tax office, for any error identified in the return or any other similar case

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Why?

".....There was a lot of harassment from the previous DG income tax in the form of attaching our shares on two separate occasions to block our Mindtree deal and then taking possession of our Coffee Day shares, although the revised returns have been filed by us. This was very unfair and has led to a serious liquidity crunch."

These words were embraced on the suicide note of VG Siddhartha, founder of Cafe Coffee Day. Can we ever imagine that Indian tax authorities have been accused of an individual's suicide!

Structure Developed by the Government

For the purpose of faceless assessment, the CBDT has set up 2 'centers' and 4 'units' to facilitate the entire process:

1. A 'National e-Assessment Centre(NeAC)' to facilitate and centrally control the Faceless assessment.
2. 'Regional e-Assessment Centres' under the jurisdiction of the regional Principal Chief Commissioner for making assessment.
3. Assessment units: For identifying points, issues & material for the determination of any liability (including refunds), analyzing information, and such other functions.
4. Verification units: Conducting examination of books of accounts,enquiry, witness, cross verification, & such other functions.
5. Technical units: For technical assistance including any assistance or advice on legal, accounting, forensic, information technology, valuation, audit, transfer pricing, data analytics, management or any other technical matter.
6. Review units: For reviewing the draft assessment order to check whether the facts, relevant evidence and law and judicial decisions have been considered in the draft order.

All the communications between all the units will take place through the NeAC.

Scope of the scheme

1. A notice under section 143(2) would be issued by "NeAC" specifying the reasons for selection of taxpayer's case for assessment.
2. The taxpayer has to file his response within a period of 15 days.
3. The taxpayer's case gets assessed under Faceless assessment if a taxpayer furnishes income tax return:

- Voluntarily under section 139
- In response to notice under section 142(1) or 148(1) or 143(2)
- In response to a notice under section 142(1) issued for failure to furnish an income tax return
- Fails to furnish an Income tax return in response to a notice under section 148(1)

4. The assessment under section 143(3) (Scrutiny assessment) and assessment under section 144 (Best Judgement Assessment) will be through faceless mode from now.

The Procedure

1. In case a taxpayer fails to file a response to the notice, the NeAC will issue a notice under section 144 for making a "Best Judgment Assessment". However, if the taxpayer also does not file a response to the notice issued under section 144, the NeAC will inform the assessment unit.
2. After taking into account all the relevant material gathered, the 'Assessment Unit' will pass a "Draft Assessment Order" either:

- Accepting the returned income of the taxpayer or
- Modifying the returned income of the taxpayer and send a copy of such order to the NeAC

3. The NeAC shall examine the draft assessment order in accordance with CBDT Guidelines.
4. The Review Unit shall conduct review of the draft assessment order, referred to it by the NeAC, whereupon it may decide to concur with the draft assessment order or suggest such modification, as it may deem fit.
5. The NeAC shall, upon receiving a final draft assessment order from the assessment unit, will concur with it.
6. The taxpayer may, in a case where notice is issued for making submissions furnish his response to the NeAC on or before the date and time specified.
7. The NeAC shall finalize the assessment as per the "Draft Assessment Order" where no response to show-cause notice is received, or send the response received from the taxpayer to the assessment unit in all other cases.
8. The response furnished by the taxpayer shall be dealt by the NeAC and the "Draft Assessment Order" will be finalized.

Automated Allocation System

1)The NeAC will assign the selected case to a specific 'assessment unit' in any one 'Regional e-Assessment Centre' through an "Automated Allocation System"
2)Once a case is assigned to an assessment unit, it may make a request to the NeAC for:
A)Obtaining such further information, documents or evidence from the taxpayer or any other person, as may be required.
B)Conducting any sort of enquiry/verification by verification unit.
C)Seeking assistance like determination of arm's length price, valuation etc. from the technical unit.
3)In response to request being made by the assessment unit for any documents or evidence, the "NeAC" shall issue appropriate notice/requisition to the taxpayer or any other person for obtaining the information/documents/evidence requisitioned by the assessment unit.
4)Through an automated allocation system, the NeAC will assign the request:
A)For certain enquiry or verification: To a Verification unit
B)For seeking technical assistance: To a Technical unit in any one Regional e-Assessment Centres
5)The NeAC will send the report it receives from the verification unit or technical unit to the concerned assessment unit.

Dispute Resolution Panel

1. If the eligible assessee files his objections with the Dispute Resolution Panel, the NeAC shall forward such directions received from Dispute Resolution Panel to the concerned assessment unit.
2. The assessment unit shall prepare a Draft Assessment order in conformity with the directions issued by the Dispute Resolution Panel and send a copy of order to the NeAC.
3. The NeAC will transfer all the electronic records of the case to the Assessing Officer having jurisdiction over such action after completion of assessment.
4. At any stage of the assessment, NeAC may transfer the case to the Assessing Officer (if considered necessary) having jurisdiction over such case with Board's prior approval.

Thus, we can see following procedures have been made completely faceless:

1.Jurisdiction of income-tax authorities.
2. Collection of information
3. Inquiry or valuation
4. Assessment of income escaping assessment
5. Amendments, Rectification and issuance of notice/intimation
6. Collection and recovery of tax
7. Revision of orders
8.Effect of orders
9.Approval or registration
10.No Requirement by taxpayer to Appear before the center and units

ADVANTAGES

The system came as a sigh of relief for the honest taxpayers.

- Due to physical contact the assessing officer may require the assessee to pay a bribe for getting the transaction approved, thus eradicating the scope of bribery
- The Government machinery will no longer be a tool to harass innocent beings.
- This will save economic resources, time and will furnish ease of filing returns from the comfort of your chair.
- The entire process will be conducted with the art of Machine learning and Artificial Intelligence this indicating a move towards Digital India.
- It will ensure sustainable development by reducing the need of big paperback files
- The Government will be taking help of data analytics for verification of huge transactions made by an assessee.
- The assessment will not be single-handed, rather it would be team based so as to assure double protection.

DISADVANTAGES

The shortcomings of the scheme are as below:

- Traditional offices face difficulty in uploading voluminous documents on the portal.
- The most heard term nowadays ' technical glitch' cause delay in the submission process.
- The size of the file is restricted to 5 MB. And when it is suggested to break and then upload files, it adds on simply to burden.
- It seems difficult to explain and understand the subject of dispute in its entirety without physical demonstration.
- This results in making false conclusions by the officers in understanding the complex nature of business and policies leading to another delay in submission.
- The rural areas are not within the cent percent reach of the scheme, pertaining to digitalization barriers.
- The introduction of a taxpayer-friendly system has somewhere contributed to unemployment.

KNOW FROM

THE EXPERTS

MONIKA HALAN

Author- Let's Talk Money
Adjunct Professor at Indian Institute of Corporate Affairs

> ***"You need to struggle for learning good things whereas bad things are delivered at your doorstep"***

Ques: If someone wants to start investing, what is the best investment avenue you would recommend, especially for college students who have small savings and no immediate need for cash flow.

There is no one good investment as there is no one product which suits everybody. Let's unpack the fact that we are investors and not speculators. Speculators are people who watch CNBC and are day trading. You need speculators in the liquidity market but you have to decide whether you are a day trader or investor. The speculators' journey is very exciting, as we see in movies, whereas an investor has a very boring journey because you choose products according to certain principles and then you pretty much forget about it. You just keep adding to the product that you buy and you don't look at the markets at all, for a long time.

So, you're asking me, what is a good product? My answer to you is that you must have equity exposure to your money. So remember that you have different asset classes, you have debt, which is fixed deposits, provident fund anything, which is giving you a fixed return. It is safer and hence the returns are lower compared to inflation.

Then there is real estate, which is a very clunky, difficult asset. The minute I talk about Equity, people start thinking of direct stock investing or day trading. But there is another way for the retail long-term investors which is mutual funds, which are actually designed for the Indian investor to take money out of the product which means that the incentives or mis-selling have been reduced. So, mutual funds are a great product for retail investors. Now, you have money and you don't want it in the next seven years, but we want this growth that we are talking about in terms of equity. A good place for you to start is an index fund, which is nothing but a mutual fund that tracks either the Sensex or the NIfty50. The thing with index funds is that you are not exposed to what is called a fund manager risk.

So what is a mutual fund? It collects money from investors like us and there is a fund manager, who is an expert and he, or she goes out and buys stocks and bonds and gold. So when the fund manager is buying stocks, according to what he thinks is going, if his calls go wrong and the fund performs badly, you're not going to do that well. But if the fund manager is good at his job then you do exceedingly well, as compared to the average of the market, and what is the average of the market? It's the sensex or nifty. It's a broad market that tells you the overall health of the market, after meeting out pluses and minuses of 30 or 50 stocks, it tells you the average up or down value. So this is your average return. This is the least risky, least cost method of attempting to invest in the stock market through a mutual fund.

Why do we still buy managed funds in India? Because fund managers tend to do that very well and they have given you an extra return over the index. But remember, managed funds are more expensive as compared to an index fund so for the purpose of this discussion, if you don't understand these things, it's a great idea to start with resting long-term in an index fund. And you can just do a little bit of googling, which has a low expense ratio. So look at Value research online and Morningstar. So by two things you want to track, you're looking at a low expense ratio and low tracking error. Tracking error is how good is the fund in tracking the index; you don't want the index to outperform or underperform. A later conversation is about how do you build a portfolio as you grow your money in your life? How do you start investing in managed funds?

Ques: What are the key things that we should look at between the mutual funds and index funds while choosing one, so that we are able to compare them.

The problem with traditional insurance policies is you can't compare them. And the minute I speak about comparison, we are already into all more technical discussion on attributes of a financial product. Why is it so difficult to buy a financial product? If you're eating in a particular restaurant, if you don't like the food, you can choose not to go there the next time. The car when you're buying, you do your research, it's physical. You can see, you can sit on it, you can check the tires. You can change all these things without a long-term cost to you. But a financial product, a fixed deposit, an insurance policy, a mutual fund, a stock, and insurance, all of these are invisible until we don't know what they look like, they're not physical products.

Also, a pension product, when will you find out that the pension product has done well? When it's too late, 40 years later. Therefore it is so important to understand the product today, so that you can monitor it as you go along.

So what are the attributes of a financial product you have to think about? The first is, of course, do you understand the product price? What is it, that this product is buying up? If it's a bank that is taking your money and lending it to some other people. Why doesn't it worry you, what the bank is doing with your money because it's going to give you 5-6 percent interest, right? What does life insurance do?

A small part of the premium goes towards ensuring life and ninety percent of the premium goes into buying bonds and stocks. So, the life insurance policy is essentially buying government bonds, the return is going to be lower than a Government Bond, which you can buy yourself on Demat. Isn't it? So you have to find out what is it that this product is going to buy finally? I can't tell you what you're buying on crypto. So I'm very Warren Buffett in that ring. If I don't understand the product, I choose to stay safe rather than pump all of my money into a product that I don't know. If it is very strong, then five percent of your portfolio, you can fund it. And if it did well, don't regret it because if you put a lot and all of that goes then, you can't blame anyone. So it's important to understand the underlying.

Second is, What does it cost? Is there a cost of entry? For example, when you buy a mutual fund, if you invest in a hundred rupees, only 30 to 40 paisa goes to the government for stamp duty. When you buy a life insurance policy for Rs. 100, the agent takes 40 as his commission. Within the first year, the company can appropriate all of that money towards its costs. So if you don't pay your second premium you lose your 1st premium. If you don't pay your 4th premium, you lose 70% of your money. So you need to understand what it is costing to enter a product? What does it cost me to maintain the product? So mutual funds have expense ratios

Fixed Deposits have no running costs, other than your bank's overall costs. Gold when you buy it physically has possibly just the cost of locker in an indirect way but there is a cost of entry, maintenance, exit from the product. So if you exit a life insurance policy very quickly before the term, you lose a lot of money. If you exit a 5 year fixed deposit, mid-way they dock in half a percentage point of the interest. So there is an entry maintenance exit and there's taxation on the return that you got. And then there is the return itself. Bonds like for instance, your final return is coming to about 3% of average annual over 10 years then you have to ask the question that the public provident fund gives me seven and a half and similar tax breaks. Why am I in this 3% Return product? So then you're comparing asset classes and products.

Let's come to managed funds. When you start making a more sophisticated portfolio with mid-cap, small caps, focused funds, you know that there are different kinds of products in the market and you put them together and there are over 2,000 schemes.How are you going to compare?

So then you start looking at benchmarks and again, SEBI has done an excellent job in providing all of this information to the investors and forcing the funds to stick to all of this. So let's say that I buy a mid-cap fund. And the fund says, look in this year, I gave you a 50% return. I am very happy till I find out that the Benchmark index gave 55%. I did badly because the average, The Benchmark, which or a mid-cap will be constructed separately. Like, that's not going to be on Nifty or Sensex. Okay, so just as you have a broad market index, which is Sensex and Nifty, then you have a mid-cap index, which are third-party agencies, like Crystal, ICRA, all these S&P, these index providers. These are rating agencies, who create these indices which are not owned by the mutual funds. So that's one comparison. The second is in the mid-cap index investing space. They will say 20 schemes available. So that's the category. There will be a category average that you can see right? So what has been the return on an average in the mid-cap category? Has my scheme done better than the average category return? Or has it done worse? So this is what I mean when I say comparability of the product.

Ques: It feels like people out there are sitting to make money from our wrong decisions and our mistakes. So we clearly cannot rely on a broker or Banker to tell us what to do with our money. So apart from Reading good books, like "Let's Talk Money", what else can we do so that we are able to make informed financial decisions?

"Let's talk about money" is a starting point. I wrote the book simply because I thought that we get into very complicated conversations on derivatives and diamonds, and portfolio's, asset allocation without even understanding how to separate spending money from saving money. It's a good grounding for you to start the journey on. But then, Don't stop there, keep building on that. You are correct to say that consumer protection in finance is very, very poor in India.

So there are different regulators, IRDA for insurance, RBI for banks, SEBI for Capital Market, PFRD for pensions and in all the Regulators SEBI has been the most proactive for consumer rights and interest. But it's an intermingled market because the banker is also selling you insurance and mutual funds. And there's a lot of difficulty with the entire banking world because they are mis-selling a whole lot.

What you can do is only Empower yourself with more knowledge and information. Essentially, you have to educate yourself, in terms of figuring out what route you want to take and then finding the products to buy. So there's a lot of do-it-yourself out there which you can do. Some financial planners take fees from you and help you invest in what are called direct funds. So the same mutual fund scheme has two options.

One is a regular where there's commission embedded which the agent gets at the end of the year. And there are direct which you can buy directly from the fund house, which is cheaper. What is the broker/banker utility? He's going to maximize his profits unless there is a regulator or there's an incentive to do the right thing by you, and those incentives are only there in the mutual funds, they're not there in insurance, so they are maximizing their income and their bonuses. So you have to figure out, how to maximize your return, that your money gives, for which you will have to equip yourself.

There's a class of financial planners who take a fee from you whether it's a flat amount or a percentage of your portfolio and it doesn't take lakhs and lakhs to hire small amounts. Once you start earning in a couple of years, you'll be able to afford the fee and they put you into the direct plan, so that conflict of interest on that commission goes away. And the portfolio is built according to your needs, right?

There's a script box that does funds in a box. There are, you know, different Robo advisors who are giving you different options. So again when you get into it you will have to see what it is that they are offering, do you understand what they are offering? And then choose a product if you're wearing the Robo advisory way, if you're going the do-it-yourself by then you have to do all the work yourself, setup or MFU accounts.

A mutual fund utility is the way you can buy direct funds yourself. It's set up by all the funds coming together, it's called MFU online. It offers you both regular and direct. So that is your do-it-yourself route, there's a Robo advisory route and then there's a financial planner route. So you will have to figure out which route you want.

Even if you go the planner route, you still have to do the homework in terms of understanding your portfolio. Why is the planner giving you 70% equity and 30% debt today, why not the other way around?

So those Basics you will have to learn for yourself. At some point in your life and career, you will have to hire a planner because the decisions and the complications become more and more. An average household needs between 14 to 16 financial products, there's medical insurance, house insurance, car insurance, long-term cash flows, emergency funds. There are a lot of financial products you need, and they're supposed to solve your problems and not make them more difficult. So at some point in your life, you may end up feeling the need for a planner.

Ques: Households always suffer to balance between returns and risk. What should be the correct mindset to increase the return as an investor and be a good saver?

The first and foremost thing to understand is that there are different kinds of risk. The minute. We think of this, we think of the risk to the principle that we've invested. But there's also a risk of inflation, there's a risk of liquidity. So let's say that we will talk about real estate as an investment and all Indians love real estate but you know that was the time when other options were not available and therefore you people bought gold, real estate, and insurance. But now with the emergence of different Financial products. We don't have to buy real estate and the risk of real estate is diminishing like liquidity. Investment options like real estate possess very high costs along with risk. When we have the risk conversation then we don't just look at the principal at risk, We also look at risks of inflation.

So what kind of risk is associated with a fixed deposit? It is that inflation will make my money purchasing power shrink. What kind of risks are associated with real estate? What if somebody comes and occupies my house? The tenant doesn't leave. When I want to sell, I can't find a buyer immediately. It takes a long time. There's a transaction cost and there's an added core problem of black money in India. People with only tax-paid money find it difficult to buy real estate. Although I have to tell you, it's gotten better in the last 10 years. Or so, the market is beginning to turn white in a small slow way. It used to be almost 99 percent black. I would say that it's shifting to about 40 percent white and, which is a big thing in, you know, to happen in the last 10 years. when you want to evaluate your own risk, and now I'll come back to the risk of the principal.

It's all right that the principal is losing value but you need to remember that what we are really afraid of in the stock market is what we call volatility. The volatility is the up and down in the stock price, in a short period and stock markets are volatile in the short term, but if you look at the long-term trend line of the Indian stock market, it's been up and up, and that's not a magic carpet, but it's related to the growth of companies.

So, the stock market is a reflection of the growth and profitability of the listed companies on the market. So, when we think of risk, the risk of your portfolio having three stocks is very high because the three stocks could do worse. The risk of your portfolio having a scheme with 30 stocks is much lower because all 30 will not go down. This signifies the importance of the phrase "Never put all your apples in a single basket". An ideal number is between, you know, six to ten schemes, depending upon the sophistication of your portfolio.

However, no matter how dumb the fund manager is but he's unlikely to choose all 30 stocks which are lemons. To reduce the risk of one category underperforming. Okay, so all sensible investing is about mitigating risk while trying to get a return, Which is higher than inflation. So understand a portfolio asset allocation. I mean, it's a Hackneyed term, but the key role of that is to reduce your risk. And you can take asset allocation too far and have so many products that you finally get indexed returns. So we want higher returns and we manage our Risk by building a diversified portfolio.

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Ques: Can you please throw some light on having global stocks and instruments in your portfolio?

Global stocks and what you need to remember is that you should start understanding these products whether you know about them or not, domestic portfolio, start with the bottom of the index. Build your portfolio player and we'll add the overseas as a small slice for diversification and typically I recommend that we do that once in our portfolio of a certain size because you are entering into currencies and of overseas risks as well. So I would recommend that you should wait till your portfolio's of a certain size so that we are also possessing a good amount of the money to invest abroad. So it's a great idea, but with the adding it a bit later. Consolidate your portfolio and then start adding a file moving to 10, 15, or 20 % piece of an overseas PPF. Either Tech firm or abroad market us fun whichever again you can. You can invest in rupees in Indian funds and then invest abroad. So you don't have to find a broker and buy stocks. So directly you can buy an Indian fund which invests abroad. Gold is also one of the favourite investment options for investors. A part of diversification, we can invest in gold to Gold ETF.

RANVEER NAGAICH

Economist (Public Policy Consultant) at NITI Aayog

> *"Everyone should know how to swin and reach the shore"*

Ques: How does one really go about drafting a policy? What is the entire process?

It starts with problem identification so you work out where we are currently you see what the current situation is and you analyse do some data analysis perhaps if you're looking at trade Data but first you need to have a current overview of macro overview of where the sector lies currently and then you would do a lot of secondary research due to some stakeholder consultations and see where it is that we can be performing up to a potential or not so the problem identification is the first part and from there you derive a set of objectives.

Alright, we decided we want to intervene in this area what we want to achieve with these interventions so you define a set of objectives then you look at what the constraints are in achieving those objectives so for example let's take a policy I worked with an example that we want to increase the share of manufacturing in India's GDP to 25% that's our objective why because the problem was that we haven't created enough jobs in manufacturing to pull up our per capita income as fast as China is so effective in China in the 1990s and Indian in 1990s were at the same level of per capita income which is the GDP divided by the population now India as a $2,000 per capita China's $8000 that's a vast difference so that's because they did well in manufacturing.

So if you want to do the same so that the problem state. Then you identify what the constraints are you say one constraint in manufacturing is achieving size in scale so what are the problems in the earth and land acquisition,labour laws to identify what constraints are there in logistics, for example, you identify a set of constraints and based on those constraints you develop a set of policy recommendations that how do we undo these constraints example launched please production linked incentive schemes on output via giving incentive to the manufacturer is rather than before we will giving them benefits on inputs such as capital equipment so this will encourage more production to produce the more they'll be able to claim as an incentive this was the new policy shift that has come in just last year past 15-20 years we have been trying the traditional way but clearly it didn't work out so we trying something new now.

Ques: As a public policy consultant what is the biggest challenge that you ever faced in this job?

I think one of the biggest challenges was indeed the steep learning curve but once you get past it I think you're alright I need to put in the hard work and the hours and I think all of you here you already are used to that so I don't think it is any problem that so many people will just throw you off the deep end time you need to be know how to swim or at least make an attempt on to how to swim and soon enough you'll learn and find your way forward but I think it is that you need I think more than the biggest challenge was I think to believe in that you can do the something like this not believing that was something I can't do that is the biggest challenge that you need to overcome and that works across fields.

Ques: What is your greatest concern while providing inputs for long-term policies which strategically affect the economy of the country?

The biggest problem is the unpredictable nature of the global economy and things how they work and like past performance may not be the best indicator of future performance either and for example, vision document I think is the best example so we were trying to attempt to create long-term scenarios and we had done consulting for Academics based in and around the UK, the US some of my former professor so we are working on that, working on some growth models, working on some numbers and projections and then by March we had covid and then there was a nationwide lockdown and then what we had predicted to 2020 and everyone else that predicted plus 7% growth and suddenly -9 and then we don't even know what's going to happen this year. It's still going to expand but perhaps not at the same pace as we expected so the uncertainty is one big part that we have to consider in developing long-term policies because critically the funding then depends on it one of the big problems especially back in 2010 - 2012 the entire Genesis of the NPA.

Ques: How can one apply for an internship at Niti Aayog and what are the key traits required by a candidate?

Key traits are the same for any lateral and its same for an intern and the internship applications they open up from the 1st to 10th of every month to apply online and it's usually a good idea to get in touch with someone in the vertical that you want to work for it easier to process applications that way because a lot of application that if you show the initiative of reaching out to much more likely to get an internship than if you just simply apply and wait for an answer because it's a system and then people have to go into the system and then look at different applications so they likelier to look at applications are they've already seen and reviewed your CVs for.

So that's a usually good idea to apply online and then reached out to people within the verticals that you would like to work in or that are in your area of interest and try and reach out to them and maybe taken you can work out something with them

Ques: In these unprecedented challenges like covid 19 how do policymakers tackle the task of taking various inputs and draft the policy acceptable to all the sections? Is the process similar to normal times?

I don't think we are trying to bypass any steps. The steps are pretty similar it just happens in an expedited manner with everyone knows that time is of the essence and everyone's priority is covid then you are able to take out the time the thing is why policy-making sometimes takes time is because people are at the highest levels have a lot on the plate and even at our level sometimes it may take 2 or 3 days to respond to an email or respond to a note and at the highest level the workload is too much but once you all focused on a singular task and does a shared objective then decision making is much faster because everyone is focusing exclusively on that.

SIDHARTH SOGANI

CEO - CREBACO Global Inc. and Certified Bitcon Professional

ANAND MISHRA

Founder of HEDCO and Alien Interface

Q1. Sir, you have been mentioning again and again that blockchain is a network where there are many nodes connected to a centralized server, or is it different from a network?

Sidharth- No, I would say that it's a layer over the Internet, a validation layer over the Internet. If you have thousands of transactions taking place, you can validate your transaction without going to a third party. For example, a 100-rupee note is a debt instrument wherein the RBI gives it a legal tender. But in the case of Bitcoins, there is a peer-to-peer transaction, where the transaction can be of NFT validated by the network which of course runs because of the Internet.

Anand- Let us first see how does a transaction work. A transaction is requested and authenticated. In the second step, it goes to the block where the transaction is covered. Then the block is sent to all the nodes on the network which is broadcasted through the network. It checks the nodes where the transaction is available. A miner is working to validate that transaction. Then the block is added to the existing blockchain network. After this, the transaction gets completed

Q2. In the case of stocks, it's really easy to invest using trading accounts. But for Cryptocurrency, is considered very complex. Can you explain how its prices are determined and how it functions?

Sidharth- The price is affected by various factors. For instance, if we look at Metcalfe's Law of Telecommunication. It says that if I have a mobile phone and I'm the only person in this world possessing it, then it does not have any value but in case everyone is using it and a network enables us to connect. Now its value increases. The same analogy can be applied to Bitcoins. Nowadays people have increasingly started accepting digital currency as Tesla did. A lot of people are getting involved in the network.

Secondly, the basic principle of economics can be used to decipher the price movement as in the case of other securities.

Thirdly, speculation plays an important role in moving the prices of cryptocurrency. As seen with the tweets of Elon musk which have the potential to drive the markets. Bitcoin has done its Hussle since the time it came.

When Donald Trump came and said that Bitcoin isn't legit money, its prices fell. If I talk about Elon musk, he was one of the visionary leaders to support Bitcoins, but when he suddenly pulled his hand out from its support, its prices crashed.

Anand- I would like to make clear two points of difference between Stock markets and Cryptocurrency. Firstly, Cryptocurrency is more volatile and there is no time-bound trading. Secondly, cryptos have an International range whereas stock markets are functioning regionally. Also, stock markets are heavily regulated and centralized in comparison to cryptos markets. The chances of technical failure in crypto markets are high due to its decent mechanism. On the contrary, stock markets frequently crash and are sometimes forcibly closed.

Q.3 You mentioned crypto exchanges. Do the prices of cryptocurrency variate from one exchange to another? Can I buy at one exchange and sell at another? How are the prices between the two exchanges maintained?

Sidharth- Yes, you can buy at one exchange and sell at another. All have a varying number of users and simultaneously their liquidity is also different leading to differences in their prices. There are people who ion to complete whereas doing arbitrary transactions but usually, it's not feasible as it takes few minutes for a bitcoin transaction to complete but charges are huge

Q.4 Why is blockchain such a trusted approach because once a record enters a blockchain it's obviously validated and it stays there forever. It also said that it can be hacked. But considering the fact that a few years ago we even did not know about blockchain, how can it be assumed that it cannot be hacked? What if we completely move to this new process and suddenly someone hacks the system disrupting the system? Is there something preventing blockchain from being hacked by hackers or what actually it is?

Anand- If I use an analogy, hacking a blockchain network is like finding a needle from infinite needles. You cannot hack these networks using a virus or corrupted file.

Sidharth- On a lighter note consider hacking as Covid. Have all of us got Covid? If somebody wants to attack, they cannot do it, it is all about long codes. It's really difficult to identify whether someone is a minor or a node. Blockchain is a kind of ledger. If I'm writing 1000 rupees here and others are also doing the same. If I suddenly reverse the amount and make it 1 rupee, the other nodes will get to know that I'm up to something mischievous. They'll force me out of the network. So, the community will decide to throw me out. If you try to hack one node, the other guys will get to know that you're doing something wrong and they will get you removed from the network. Another example, if you look at Wikipedia, if you try to make a fake page, they will not validate and will not allow that page to get live.

Q5. What would be the future of Cryptocurrency? Whether it would be a compliment or completely wiped up. I want to know that it is like a bubble being formed that will burst. After seeing the popularity of cryptos, several countries are doing their research on coming out with their own cryptocurrency. If CBDCs come into the picture, how will they affect it?

Anand- Most people think of Bitcoins when talked about Cryptocurrency, but it's just a subset. This type of currency will definitely change the future of the country.

Sidharth- If you see history during the stone age, people started using stone tools as currency, then gold and silver were used, US Dollar occupied the role of a world leader. We can see that after every few hundred years there is an evolution in the way of transacting.
The government has the power to issue currency and when it printing excessive money, the economy goes into inflation which transforms into inflation. When any bubble bursts, it wipes out a lot of wealth. The generation knows that keeping printing is wrong. Many believe that the working of the economic system is flawed which leads to inflation because the government has unlimited power to issue money. But now we have an alternative. Answering your question, Cryptocurrency is going to be a compliment, it will not be a challenge to US Dollar. It will be used by those who need it.

Q6. We see that whatever CBDC is our talk is going on , it is same as your Gpay or the Paytm wallet so why is the discussion going or like it seems like at the end we are coming to a conclusion that there is no much benefit. The only benefit which I see is the remittance part and that too involves a lot of blockchain technology and that is still a question whether the migrant workers will be comfortable with the blockchain technology . so, what is your advice to the migrant workers that should they continue investing or should they fear the ban of the cryptocurrency?

Sidharth- See, cryptos like decentralized asset and a centralized asset and they are not even like apples and oranges , you can't compare them. Why the govt are working for CBDCs is because they want their currency to be used. If you travelled abroad , you know that you will always carry 500 U.S dollars with you. Even if you are going to Europe , you will keep U.S dollars with you. So, the U.S govts strategy is they want their currency to be accepted by the most countries. That is how they gain value. Now , the things are going digital . Now you are sending money somebody sitting in us . so, it's more like customer acquisition . If Indian govt comes out with Indian CBDC ,first people will start using it faster. China has already done its prototype and about 3 million have already started using the crypto.

So, it's more like customer acquisition , in few years , not far way you will start seeing the currency war . you will go in a forex office and you check the currency rates and you will select , which CBDC to transact. So, wherever a transaction takes place government can monitor it. If I give you a 100 rupee note, govt cannot monitor that but if I'm giving you from my wallet to your wallet , the govt can track that Sidharth have transferred to Vittshala. So govt have better control on it. So CBDC are going to make the bitcoin prices faster because people want anonymity . They don't want the government to know about it.

Q7. What is making the people to buy the virtual pictures for around 70 million dollars and the funny part is the owner who paid the amount only received a virtual image on his mobile or tablet. What is making these things so much valuable for the people? Is this just the act of some people who has excessive money to put in some place?

Sidharth-People are buying paintings for lakhs or millions. Monalisa's painting is in the louvre but still we have it as our wallpapers . You see it in the paper but the ownership ,we all knows that it belongs to the French govt ,so it's the same thing even those thousands of people may have a copy of that but the metadata owns to a wallet address which is owned by me, so I'm sorted and can sell the ownership . It's like whenever you are taking a photograph or a selfie or screenshot in your phone what happens is the text encryption of that photograph in the first few lines, it will show whom it was clicked , which phone was it clicked , phone's IMEI number and all the data pertaining to that photograph. When the photograph is forwarded , the data is also transferred . The metadata will remain the same .The ownership can be validated in the blockchain that this is owned by Anand . Also, the servers usually would not get destroyed and blockchains has validators over the world. Its like not in just in one place . Millions of people are mining the transaction , so it won't get destroyed

Q8.What is the scope of cryptocurrency in addition apart from only investing, what are the other career options like one can explore with the knowledge of cryptocurrency specifically in the academic area for research purposes for PhD . we want to know more about the career avenues in this field.

Anand-There are so many career opportunities in this cryptocurrency market. Some of them are turning into trading experts . Some are investment advisors in the cryptocurrencies , some are project advisors , some are ICO advisors. There are so many opportunities out there for students who are studying or working in this industry but one more thing is that just don't focus on the cryptocurrency part , focus on the internet 2.0 that is the blockchain . Everyone should focus on the blockchain part, not on the technical terms on the blockchain for business.

If you are from business or economics or some other background , study how blockchain can be beneficial for this industry or how the blockchain can be used in there and here so be a blockchain consultant not just a cryptocurrency consultant

Sidharth-You will see everyone in the world , including the banks ,the wealth managers , they will all move to crypto . Just imagine you want to buy a MRF share . MRF share is expensive as I can't buy one MRF share. But what if you tokenize it and split it into pieces and you can buy MRF share for 100 rupees also. So that would be called as an STO. Using crypto assets , it can really change the way we store transact . There is a report by world economic forum which says by 2025-2027 , 30% of worlds asset will be stored or transacted using blockchain technology. Blockchain technology should be decentralized in order to do that.
The total world asset value is approximately is 120 trillion dollars. The crypto industry is right now at 2 trillion dollars . Just imagine 30 percent of 120 trillion dollars moving into crypto. Somehow directly or indirectly , you are sitting on a rollercoaster which is just going up as of now. So don't miss an opportunity you must learn about the cryptocurrency, blockchain and fundamentals of economics . You need to learn bitcoin and revisit the fundamentals of economics ; you will realize that this thing is crazy . Alfred Marshal or Adam Smith they are not born for the if and you know they never wrote the thesis for the decentralized ecosystem and Keynes said inflation in the long term is good and all that nonsense and it's a bubble and the father of economics for the decentralized economics is not yet born.

STUDENT'S OPINION

STUDENTS' OPINION

EFFECTS OF COVID ON INDIAN ECONOMY

Question 1 – If we look at the ways the government has decided to handle the current situation, they have not been enough. Talking about the current situation in a country when there is a huge rise in cases, how do you see the government's efforts to curb the rising number of cases now and what measures can be taken to avoid such a situation in the future?

Student 1

I think that first and foremost, the crisis is so intense that even good measures could not have worked effectively. But one thing which remains important is showing that seriousness to the people that yes, we are doing something to protect you. This intent has been lacking by the government. Actions speak louder than words. At the very least, making the people feel protected would have prevented the havoc caused by mental stress. Moreover, announcing lockdowns with specific goals n mind, more effective vaccination drives and better oxygen availability planning are few steps that could have been done better.

Student 2

Health Priority is the keyword today and national subjects should be prioritized for express vaccination, a target already missed before the lethal second wave. A decentralised master plan with all states and political parties as stakeholders should be initiated and implemented.

A supplementary income assistance scheme to the daily wage earners needs to be continued. The supply of essentials needs to be monitored by the government to prevent illegal practices. The country should open doors to all vaccine manufacturers globally and permit express vaccination on a private basis also because saving lives is more important than the economic aspect.

Student 3

The government has tried its best to curb the current situation. However, that is not enough. The efforts of curbing should have been made even before the second wave started because multiple countries faced this and India could have been better equipped for the same. The relaxation in public gatherings and not enough efforts to improve the healthcare facilities are examples.

In the current situation, the approach should be twofold - Prevention and Cure. Cure means timely treatment of those who get infected. All the elements of the healthcare system should be in sync to ensure the same almond with the proper communication to the stakeholders involved. Prevention can be ensured in two forms: Quick and Efficient Vaccination and Educating the public about other preventive measures such as masks/sanitisers.

Student 4

In all due respect, we've always been late to the party. Be it digitalization, healthcare system efficiency, the infrastructure we have around, etc. And COVID laid down the domino effect in its truest sense, one thing falling after the other. We witnessed this second wave not because "it was going to happen regardless" but because of political rallies, the govt. not waking up to rise to the occasion. A YEAR after the outbreak, we are still running short of beds & medical resources. The best way out? The govt needs to have an arsenal ready for the worst-case situations. Because with India, it's always the worst way out.

Student 5

The grim situation where we are witnessing 3 lakh plus cases,3000 plus deaths every day and being marginally shy of the NO.1 position in the list of countries with the highest no. of coronavirus cases certainly proves that the government has failed miserably. The arrow has now left the bow and will halt only after claiming the lives of lakhs of innocent people of this nation.

So where did we go wrong? In my opinion, it was the government's overconfidence after the flattening of 1st wave which pulled Mother India into this dreadful situation where its citizen is gasping for oxygen, travelling miles for beds just to get disappointment. To avoid such catastrophe in future, pre-planning and proper implementation are of utmost importance.

Question 2 – India recently witnessed a huge spike in the unemployment rates during the COVID-19 pandemic which would have major consequences in long term. So, how do you think this will impact the youth or students of various fields who will be entering the market shortly to apply for various job opportunities and what would be your advice to them?

Student 1

I believe various sectors which have been affected directly by the pandemic, like manufacturing, will be hiring less. My advice to students will be to use this time to upskill themselves. The competition for jobs is going to become more intense. So, for students who are sure about their career path, taking time out for training, upskilling and gaining more knowledge in specific fields becomes important as well as more possible, given the lockdowns. Even for students still confused, exploration becomes more possible now. Online courses, remote internships and live projects are some great ways to gain relevant experience in both cases.

Student 2

The pandemic has pushed the youth of our nation into a long spell of unemployment and wilderness. Life ahead for them seems very uncertain and difficult as most employing sectors themselves are in doldrums manifesting a sinking ship falling prey to this pandemic catastrophe. Hence, the only logical option left for the youth, is to hone their available skills to their highest levels and strive for self-employment or entrepreneurship and creation of more ancillary sectors at any level. This step can lead to increased employment and guide our economy to safer shores and rebuild our lost glory.

Student 3

I think the job market is going to get very competitive with few jobs and more candidates. At the same time, India is witnessing a shift towards start-up culture. We have seen so many start-ups turn unicorn during the pandemic. So more job seekers would be open to working at start-ups now, more than ever before.
My advice to all the job seekers would be to build their skills and gain diverse experiences. Since the companies are cutting down on their budgets, they would search for a more diverse candidate, who would be willing to take more responsibilities and be adaptable to changes.

Student 4

The economy was in shatters, the majority of the MNC's were on a hiring freeze, people were losing their livelihood. The ethos backdates us to what the virus did to us, essentially, it strangled the economy. The youth for one is definitely on the unlucky end because of the consequences that will follow for years ahead. But in the status quo, people are getting hired, jobs are getting published & we are watching the services sector grow. In all honesty, the past year taught us that the fittest will survive. Look for unconventional ways to get jobs. Don't rely upon on-campus placements, network with people, be curious, build something of your own, work on side hustles, invest, freelance, just do whatever you can to become financially independent. Always have options for your short-term career.

Student 5

With Students resorting to Twitter trends "Modi rozgar do", "Modi Job do" to make deaf. Monologue loving government hear shows how critical the unemployment situation in India is. Witnessing a peak of 23.5% unemployment rate in April last year, Covid 19 has certainly given permanent wounds to the Indian Economy and with it to the employment opportunities. This can have severe long term effects like an increase in depression, worsening mental condition of our youth which to survive may resort to unethical means. With more supply and less demand for work, we may witness a noticeable increase in disguised employment and as a result drastic fall in per capita GDP contribution.

In these tough times, my advice to bright minds would be to make their life's biggest investment i:e work on themselves. In practical life, the skill one poses, the experience one has gained matters much more than academic results. This is the time to work on yourself, learn new skills and develop your body and mind because in this world "the fittest will survive and the rest will die"

Question 3 – While the vaccination drive has started the mission is deeply marked by some obstacles like poor coverage and availability, geographical disparities in coverage and bleak prospects for the future. So, what according to you can be done to ensure maximum coverage in such situation?

Student 1

Firstly, efficient demand estimation with realistic time estimates of covering the entire population is a starting point. Secondly, prioritising national requirements over international relations becomes important. Moreover, seeing the extensive coverage of the private sector, it should be leveraged effectively, while the maximum price of dosage continues to be regulated by the government. To ensure ease, walk-in vaccinations should be made more available in all cases with the Aadhar number being noted down during on-the-spot registration, doing away with the need to pre-register. Lastly, in India, influencer marketing is an important phenomenon to be considered. Continuing along with the success of the same during early lockdowns in 2020, popular appeal to all masses can be carried out for vaccinations as well.

Student 2

The vaccination drive in India took off albeit marked by many problems, most of which are central to the Indian ecosystem. The major problems are poor coverage and geographical disparities. The solutions could be:-

- Setting up at least 10 vaccination centers in every district, each with a capacity of 400 vaccinations a day.
- Schools and colleges should be used as vaccination centers.
- Regular public announcements as many people aren't comfortable with technology.
- Home vaccination drive by junior MBBS students after receiving both the doses of vaccine.
- Small vaccine camps should be set up in societies so that vaccination centers see lesser crowds.

Student 3

We need to understand the issue of a demand-supply gap here. When the vaccination was only open for 45+ age groups, the citizens were hesitant in getting vaccinated which led to higher supply than demand. In response, the government included the age group 18-44. However, the execution of this majorly lacked on two fronts: projection of numbers and coordination with state governments.

The solution lies in these problems themselves:

1.Increase the supply:

- Incentivising the companies to ramp up the production
- Boost up the R & D of other vaccines including the testing of other vaccines as well so that more options are available
- In the short run, asking other countries for help is another option

2.Better coordination with state governments:

- Study which states need maximum vaccine based on population, covid spread, and trends, and the front line workers
- Determine PoA individually with states along with the budget, and the way slots should be opened

Student 4

India is a country with 1400 million people, it isn't practical to get all of them vaccinated in & under a month, or even a quarter. Going back, the infrastructure is to blame. We've taken measures by distributing free vaccines, the CoWin app etc, but the problem lies in the scale of it all. We need to scale faster, supply of vaccines has to rise – but just imagine, if the world's biggest vaccine manufacturer is fleeing your own country owing to threats & extortion, how do you expect him to give his all to the country?

Student 5

The first issue is with vaccine production where we lack significantly. Though the largest vaccine producer, Serum Institute has production constraints and it cannot cater to the demand of India's humongous population. In such exceptional circumstances, the government should intervene and facilitate sharing of the vaccine production process with other renowned pharmaceutical companies capable of producing the COVID vaccine.

2nd issue is with the coverage. How can vaccines be administered to 1.4 billion people when we have one of the worst doctors per capita nos. On my visit to one of the vaccination centre, I witnessed doctors being overburdened with all the work from filling in records, registration to providing jab. Here we can make use of our government employees like teachers to look over all the non-skill work with regards to vaccination. This would certainly ramp up the number of jabs administered in a day by doctors and hence maximise coverage.

Question 4 - What is your one of the biggest takeaways from the pandemic both positive and negative?

Student 1

For me, being able to take time out for lawn tennis, cooking and my family have been some positives. Moreover, I got the opportunity to be a part of various learning experiences – internships, online courses, competitive exams – all during the lockdowns. These are things I could not have managed, as good as I did, had the lockdowns not been there. All of this has been possible because of one major takeaway – staying positive and adapting to the situation at hand. On the negative front, being denied the chance to enjoy the final and the most fun year of college with friends, on campus, has been disheartening.

Student 2

Positive Takeaway: I worship kindness and this whole pandemic has taught me to be kinder, more loving, more caring, and more compassionate. In short, it made me more human. It made me realize the difference between just 'existing' and 'living'.
Negative Takeaway: The negative part is I am writing all these learnings while sitting in my home and not on the front lawns of the college.

Student 3

Positive Takeaway: We should not take anything for granted. Not even the relationships and the bonds. As I mentioned earlier, the connections with whom we talk and let the emotions out in such a gloomy time are most important.
Negative Takeaway: The consequences of online setup had a negative impact on health- mental the much talked about and physical not so much focussed on. We witnessed/are witnessing issues from eyes to back. However, we hardly realised and did something for the same.

Student 4

Positive Takeaway: So much time to introspect, learn, give back to society, knowing myself, spending time with my family
Negative takeaway: Witnessing people feel helpless, losing their loved ones, mental health going for a toss, the anxiety around, staying alert every second outside, no free will

Student 5

COVID 19 has cost us our precious college life, one which every student cherish in his/her life. Depression and mental fatigue are hence inevitable but what we need to understand is that this is once in a lifetime extraordinary situation and surviving through this is your biggest accomplishment. Take some time away from all the negativity in the world and cherish the moments with your loved ones. Covid 19 has taught us how precious life is, so spend every moment as if it was your last. Take up new hobbies, cooking, reading, YouTuber, anything.
Remember this shall pass too!

Question 5 – In these times, the younger generation's actions and awareness towards the pandemic is very much influenced by various social media and digital platforms present nowadays. Every decision that they take is substantially influenced by various social media platforms that have both pros and cons attached with them, so what do you think is a correct way to strike a balance between the sides of it?

Student 1

Social media platforms have become indispensable these days. My advice would be to be an informed person as the very first step. A lot of content on social media is either fake, ambiguous, or hate speech. So, they must fact-check any news they come across from unverified accounts. Social media is a great source of entertainment otherwise. Moreover, in these situations, leveraging the platform to spread things that reinstate positivity becomes crucial. Following and engaging with accounts that are entertaining for them, be it memes, educational content, videos, TV shows, etc, does generate the positivity which people use social media for in the first place.

Student 2

We humans get easily influenced by the surroundings. If we see a trend on social media without even knowing it fully, we start posting stuff. Why? Just to portray ourselves as "Socially aware citizens". The whole concept is wrong. We should know what we are reading/listening to and why we are doing it. For a moment, it is acceptable if you are not aware of a particular thing. But, it is not at all acceptable if you are creating awareness about a particular thing of which you lack education. So, kindly don't believe in everything blindly.

Student 3

The equilibrium needs to be struck with respect to usage of social media and influencing by the norms of social media. One size does not fit all. So, it is quintessential to understand that what is served on social media might or might not for you.
Any decision based on social media should be evaluated on at least these four parameters:

- How much does the person/platform relate to you?
- How will the decision impact you and those around you?
- Is this something ethical, legal, and healthy for yourself and society?
- Is the decision feasible for you?

Student 4

Honestly, I'd say drop off from social media in its entirety, take a detox, because we really can't process a thousand opinions at once, in an ode to build your own, you need to read more, learn more – and there's more than one way to do this without being on social media. Don't engage in endless banter, always believe that for each, their own. Limit interaction with accounts that make you anxious, make you feel inferior, etc. Set app limits. More so, talk to people around you to learn, there are a thousand ways to learn about what's going around, and honestly, social media is just one of them. Biased opinions, half-knowledge and blindly following the herd are just some of the underlying problems, information overload, lack of authenticity during information transmission are just a few of them.

Student 5

"Social media has transformed lives". To prove this statement true 2020 is perfect example. From artists to dhaba owners, social media has truly been a boon for these people. Also at a time when the majority of Indian media failed to show the real picture and was preoccupied in the old religious debates, social media has done its part by bringing up what our Indian media didn't.
But at the same time we need to understand that social media posts does not hve any certification and may be false as witnessed by the various WhatsApp forwards. So, as a responsible youth, the onus is on us to verify the information from various platforms before acting upon them. Social media is a powerful tool to raise voice/issue but we must not take it as God's word and act plausible.

4 YEARS OF

VITTSHALA

About Us

Shri Ram College of Commerce is a premier institution in the field of commerce and economics education in the country. Since its inception, SRCC has not only achieved and sustained academic excellence, but has also laid keen emphasis on enriching local, national and international communities through research and skill-based learning.

We, at Vittshala are a community of students at Shri Ram College of Commerce working towards our vision to make the nation financially literate and unfold the true potential of our human resources by moving towards financial inclusion.
We work towards realising our mission to make India financially literate through four initiatives -

- Disseminate financial literacy to the underprivileged sections
- Facilitate the inclusion of the deprived sections into the mainstream banking and financial services industry
- Spread awareness and knowledge about insurance
- Work with the government and other agencies to provide basic financial products and services for the people

With the motto of "Engage, Educate, Empower" we began our journey on October 17, 2016 with the blessings of Mr. Arun Jaitley, and today we have initiated numerous projects and campaigns under our ambit, with an aim of reaching out to the needy and equipping them with sufficient financial knowledge to lead a better life

Vittshala-The Financial Literacy Cell, SRCC

OUR PROJECTS

Asha

It aims to spread awareness among the factory workers & domestic workers who're semi-skilled & unskilled about financial prudence & various government schemes vis-a-vis suggesting the ways in which they can multiply their earnings.

Sahay

Through Project Sahay, Vittshala plans to bring about a Positive Impact in the lives of the people through their kids, as a multiplicative engine. To reach out to the grassroots level, this project works for spreading Financial Awareness among the children: mostly the school-going kids of Government Schools, in and around Delhi. Children are made aware of Central and State Government Schemes, Scholarships vis-a-vis various Banking & Insurance topics.

Umeed

Project Umeed focuses on uplifting Grade IV workers in colleges of the Delhi University Campus. Vittshala's student interns interact with them on the problems faced, to tailor solutions in accordance to the unique problems. With the help of questionnaires, surveys taken reveal an absence of access to loans and lack of awareness about the basic financial services. Vittshala strives to provide what this group has long been denied.

Khushhali

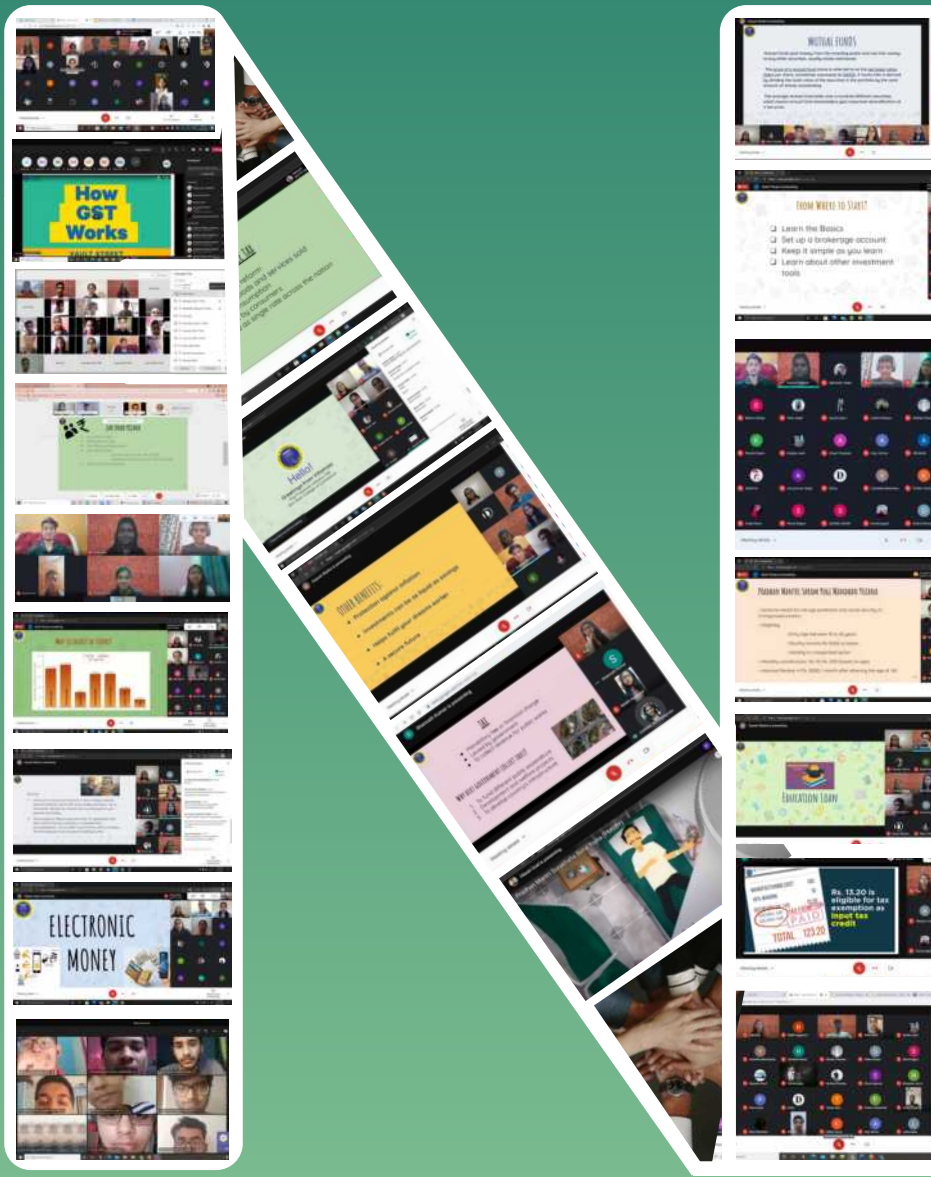
It aims at spreading happiness by motivating the villagers to transcend their financial boundaries.

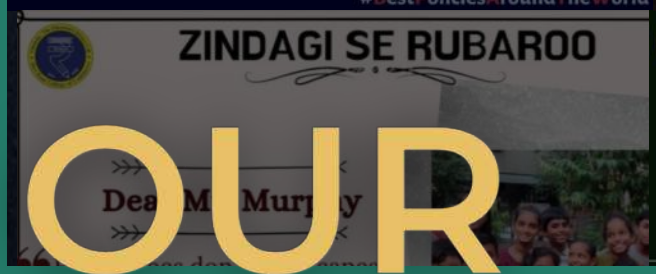
It focuses on facilitating the sustainable development of certain districts through financial literacy campaigns amongst the Himalayan regions.

Uttara

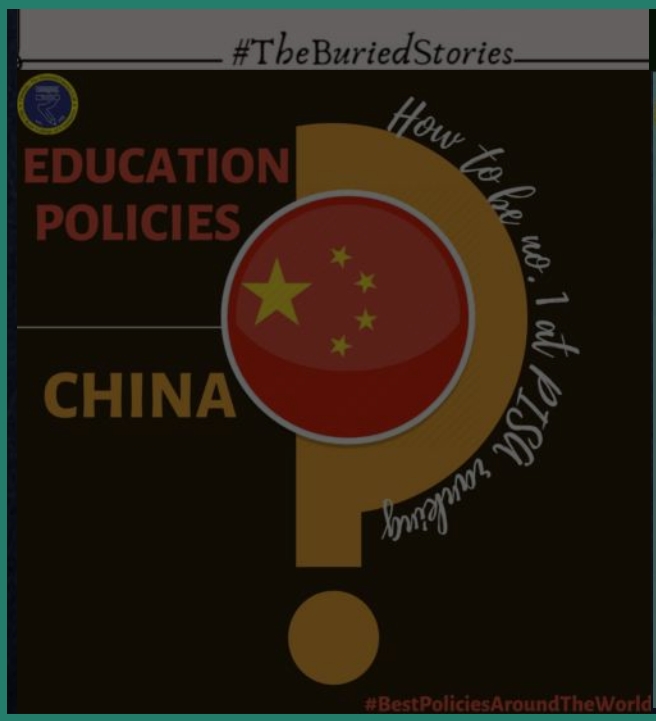
Neev

With the aim of imparting necessary financial knowledge to undergraduate students, Project Neev was initiated to make the youth of today better and well informed citizens on matters of finance, economy and government schemes.





OUR INITIATIVES



E-Baithaks

Live informative sessions by experts in finance on several ongoing events and issues to impart knowledge and perspective to students, so they can analyse and form well-informed opinions about ongoing issues

Ek Baat Roz Ki

AN INITIATIVE BY VITTSHALA WITH THE AIM OF "EDUCATE TO ELEVATE"

THIS INCLUDES A DAILY INFORMATION SERIES ABOUT THE FINANCIAL CURRENT AFFAIRS AND SCHEMES TO ENSURE

GREATER KNOWLEDGE AND AWARENESS OF ALL

The Financial Literacy

THE ANNUAL FEST HOSTED BY VITTSHALA, SRCC PROVIDES AN ENGAGING PLATFORM TO STUDENTS FROM ALL OVER INDIA TO DEVELOP THEIR INTELLECTUAL, INNOVATIVE AND CREATIVE SKILLS THROUGH VARIOUS COMPETITIONS, WORKSHOPS AND SEMINARS, PROVIDING A CUTTING EDGE ATMOSPHERE FOR COGNITIVE DEVELOPMENT AND INNOVATION.

Zindagi se Rubaroo

WITH THE AIM TO BRING LIGHT ON THE BURIED STORIES OF MANY COMMON PEOPLE, VITTSHALA TALKED TO PEOPLE WE ENGAGE WITH EVERY DAY, ON A DEEPER LEVEL TO FIND OUT THEIR JOURNEY AND EDUCATE THEM ABOUT THE FINANCIAL INCENTIVES REQUIRED TO LEAD BETTER LIFESTYLES

Mind Your Money

WE FIRMLY BELIEVE ALAN GREENSPAN WHEN HE SAID – "THE NUMBER ONE PROBLEM IN TODAY'S GENERATION AND ECONOMY IS THE LACK OF FINANCIAL LITERACY". FOR THIS PURPOSE, WE BEGAN OUR WEEKLY SERIES "MIND YOUR MONEY" TO SHED LIGHT ON SOME RIVETING FINANCIAL CONCEPTS

The Volunteership Program and Crowdfunding

OVER 40 VOLUNTEERS WERE RECRUITED PAN-INDIA FOR THE GROWTH AND EXPANSION OF OUR PROJRCTS AIMING AT FINANCIAL INCLUSION THROUGH RAINING AWARENESS. FURTHER, WE AS A STUDENT COMMUNITY MANAGED TO RAISE FUNDS OF 1.7 LAKHS FOR THE SAME, THROUGH CROWDFUNDING FOR THE SUCCESSFUL CONDUCT OF PROJECT KHUSHHALI AT LUDHIANA, PUNJAB (STANDS POSTPONED DUE TO COVID-19 PANDEMIC)

Policies around the world

NO MATTER THE COUNTRY OR THE REGION, EDUCATION AND HEALTHCARE IS OF PARAMOUNT IMPORTANCE TO SOCIETY AS WELL AS ITS PEOPLE. 50 YEARS FROM NOW, OUR EDUCATION AND HEALTH TODAY WILL IMPACT THE GOVERNANCE OF TOMORROW. IN LIGHT OF THIS, WE BEGAN A SERIES PROVIDING ANALYSIS OF BEST EDUCATION AND HEALTHCARE POLICIES AROUND THE WORLD.

COVID 19 : Innovate or Checkmate

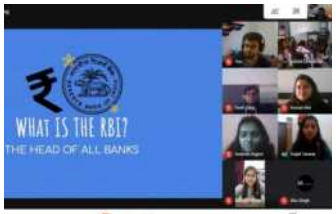
WITH STARTUPS AROUND THE WORLD STRUGGLING TO SURVIVE AMONG LOCKDOWNS AND RESTRICTIONS DURING THE PANDEMIC, VITTSHALA BEGAN A SERIES TO SHED LIGHT ON HOW SOME BUSINESSES CAME OUT WITH INNOVATIONS AND PRESENTED EXTRAORDINARY CAPABILITIES OF ADAPTATION TO THE TURBULENT SITUATIONS.

VITTPATRIKA

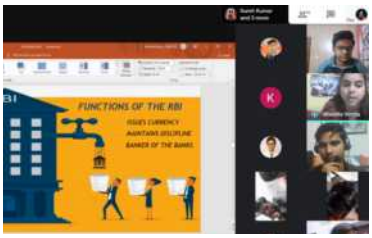
TO QUENCH THE THIRST FOR JUICY TABLOIDS, HUNGER FOR KNOWLEDGE AND CRAVING FOR FINANCIAL FACTS, VITTSHALA BEGAN ITS VERY OWN MONTHLY NEWSLETTER VITTPATRIKA – TO ENSURE STUDENTS NO LONGER REMAIN IGNORANT OF THE VASTLY GROWING FINANCIAL WORLD.

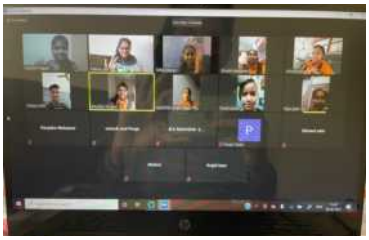
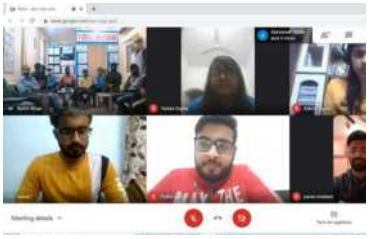
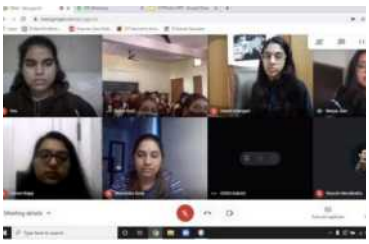
ANNUAL REPORT 2021

2021

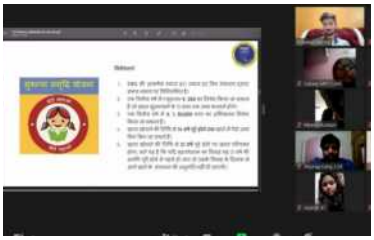
Date	Details of the activity	Picture of the activity	Number of beneficiaries
5th February, 2021	Chinar Kashmir Guru lane, Barzulla, Srinagar Age group : 6-16 yrs		19 Govt school children
6th February, 2021	Niveda foundation Uttar Pradesh Age group : 10-12 yrs		20 Govt school children
7th February, 2021	AAS, NGO Madhya Pradesh Age group: 10-12 yrs		17 Govt school children
11th February, 2021	Prakash Deep Trust Faridabad Age group : 16 to 20		45 Govt school children
11th February, 2021	Dr. Ambedkar Nagar Welfare Society Ludhiana Age group: 11-13 yrs		20 Govt school children
13th February, 2021	Apnelog NGO, Delhi Age group : 8-10 yrs		46 Govt school children

ANNUAL report 2021

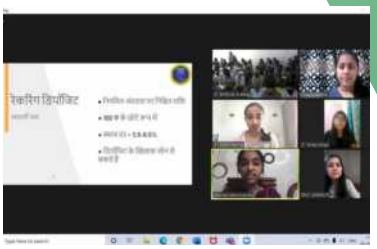
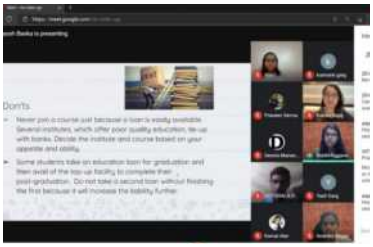
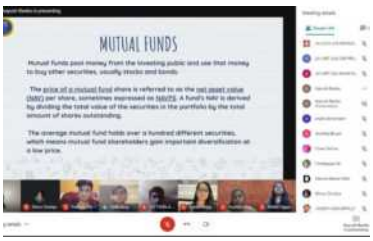
Date	Details of the activity	Picture of the activity	Number of beneficiaries
13th February, 2021	Vimukti Girls School, Jaipur, Rajasthan Age group : 10-13 yrs		35 Govt school children
13th February, 2021	Prayatan NGO, Gurugram Age group : yrs		15 Govt school children
15th February, 2021	Deepti Ashram Najafgarh, Delhi Age group: 10-17 yrs		10 Govt school children
17th February, 2021	Om Foundation, Delhi Age group : 14-18 yrs		30 Govt school children
19th February, 2021	Maxvision NGO, Gurugram, Haryana Age group: 18-22 yrs		50 Govt school children
19th February, 2021	Sparsha Foundation Banglore, Karnataka Age group : 18 yrs		30 Govt school children

Date	Details of the activity	Picture of the activity	Number of beneficiaries
20th February, 2021	Vimukti Girls School, Jaipur, Rajasthan, Age group : 13-14 yrs		40 Govt school children
20th February, 2021	Home of Compassion, Bangalore Age group : 7-13 yrs		21 Govt school children
21th February, 2021	Mcomponents, Delhi		15 Grade IV Workers
22nd February, 2021	Cherish Foundation Orphanage Hyderabad, Age group : 7-17yrs.		30 Govt school children
22nd February, 2021	Nanhi Kali NGO, Chandigarh Age group: 13-14 yrs		50 Govt school children
24th February, 2021	Kathbungla, Dehradun		15 Factory Workers

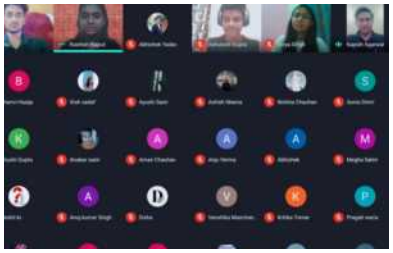
ANNUAL Report

Date	Details of the activity	Picture of the activity	Number of beneficiaries
25th February, 2021	Azad Foundation, Delhi		60 Grade IV Workers
27th February, 2021	Vimukti Girls School Jaipur, Rajasthan Age group : 17-18 yrs		35 Govt school children
28th February, 2021	Financial Inclusion workshop in Rajpur, Dehradun		25 Factory Workers
28th February, 2021	Awareness campaign in Daltonganj, Jharkhand		25 Factory Workers
1st March, 2021	Financial literacy campaign Azad Foundation, Delhi		25 Grade IV Workers
2nd March 2021	Financial Inclusion drive in Azad Foundation, Delhi		25 Factory Workers

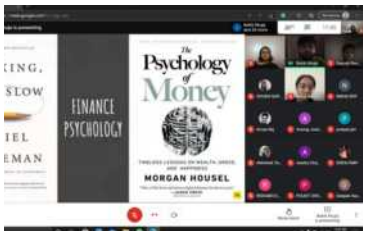
ANNUAL report

Date	Details of the activity	Picture of the activity	Number of beneficiaries
6th March, 2021	Financial Inclusive Workshop RPS School, Dharuhera, Haryana		65 Grade IV Workers
12th March 2021	Awareness campaign Alwar Public School, Rajasthan		35 Grade IV Workers
16th April, 2021	Loyola College, Chennai		30 undergraduate students
19th April, 2021	NSS, Miranda House, University of Delhi New Delhi		55 undergraduate students
20th April, 2021	NSS, Miranda House, University of Delhi New Delhi		35 undergraduate students
21st April, 2021	WDC, Hansraj College, University of Delhi, New Delhi		42 undergraduate students

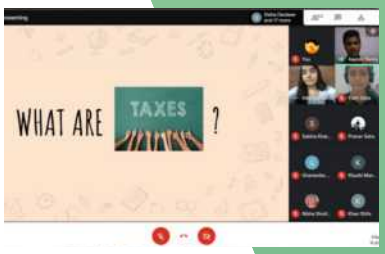
Annual Report 2021

Date	Details of the activity	Picture of the activity	Number of beneficiaries
21st April, 2021	NSS, Miranda House, University of Delhi New Delhi		36 undergraduate students
22nd April, 2021	WDC, Hansraj College, University of Delhi, New Delhi		20 undergraduate students
23rd April, 2021	WDC, Hansraj College, University of Delhi, New Delhi		25 undergraduate students
24th April, 2021	WDC, Hansraj College, University of Delhi, New Delhi		28 undergraduate students
26th April 2021	IHM Pusa, New Delhi		130 undergraduate students
27th April 2021	IHM Pusa, New Delhi		120 undergraduate students

Annual Report

Date	Details of the activity	Picture of the activity	Number of beneficiaries
28th April 2021	Keshav Mahavidyalaya , University of Delhi New Delhi		40 undergraduate students
29th April, 2021	Keshav Mahavidyalaya, University of Delhi New Delhi		40 undergraduate students
3rd May 2021	Bhopal School of Social Sciences BSSS, Bhopal		140 undergraduate students
3rd May 2021	Swami Shri Swaroopanand Saraswati Mahavidyalaya, Bhilai		55 undergraduate students
4th May 2021	Swami Shri Swaroopanand Saraswati Mahavidyalaya, Bhilai		47 undergraduate students
4th May 2021	Bhopal School of Social Sciences BSSS, Bhopal		100 undergraduate students

ANNUAL report

Date	Details of the activity	Picture of the activity	Number of beneficiaries
5th May 2021	Bhopal School of Social Sciences BSSS, Bhopal		75 undergraduate students
5th May 2021	Swami Shri Swaroopanand Saraswati Mahavidyalaya, Bhilai		38 undergraduate students
6th May 2021	Swami Shri Swaroopanand Saraswati Mahavidyalaya, Bhilai		27 undergraduate students
9th May 2021	180DC, Hindu College, University of Delhi		75 undergraduate students
14th May 2021	NSS- JDMC, NSUT, CBPACS, JCBUST Delhi		150 undergraduate students
15th May 2021	NSS- JDMC, NSUT, CBPACS, JCBUST Delhi		230 undergraduate students

Cabinet 2020-21

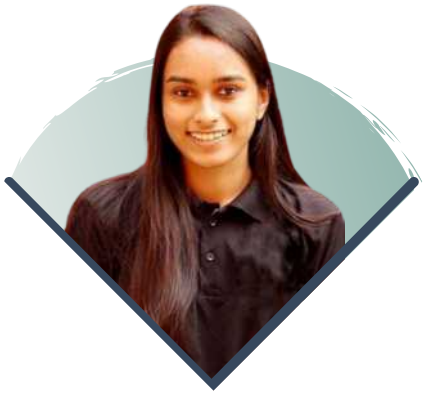
Palak Rajpal
Secretary

Runjhun Goel
Secretary

Prateek Agarwal
Chief Coordinator

Gunjan Soni
Project Asha Head

Mahika Chandra
Project Asha Head



Avanti Shroff
Project Sahay Head

Ekansh Mehndirata
Project Sahay Head

Nidhi Puniyani
Project Umeed Head

Cabinet 2020-21

Ridhi Gera
Project Umeed Head

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Corporate Comm. Head

Yagya Khera
Corporate Comm. Head

Anjali Lalchandani
Editorial Head

Yashvardhan Bajpai
Org. Development Head

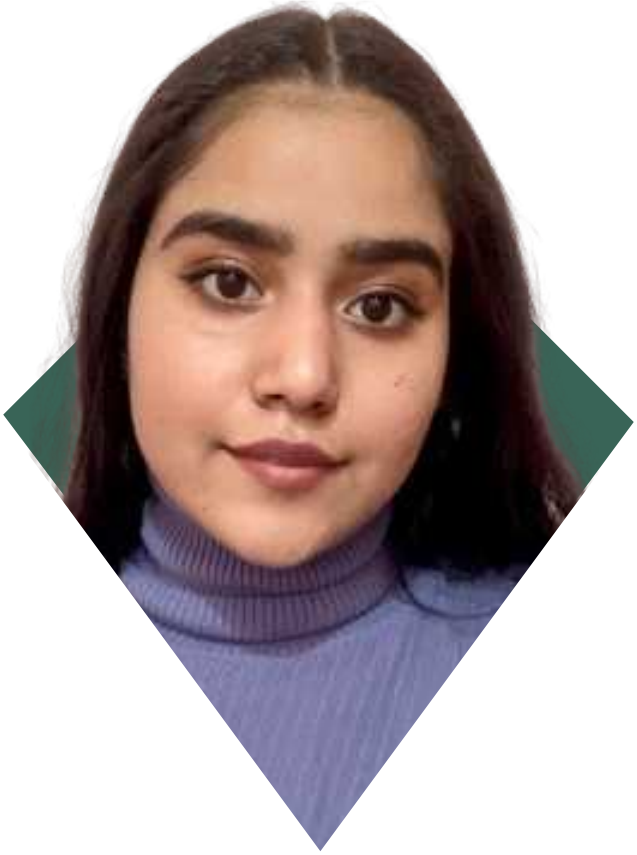
Vibhu Agarwal
Public Relations Head

Saumya Bardia
Research Head

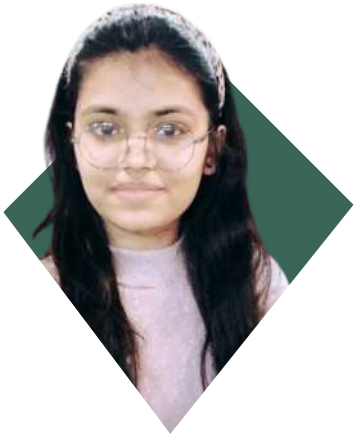
Tanveer Kaur
Technical & Project Khushhali Head

Technical TEAM

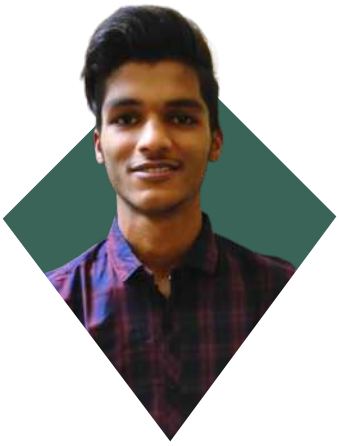
Mayank



Tanveer Kaur
Technical Head



Kashish



Aayush Banka

Sanskriti Sunderum

Arya

Kramank Garg

Content TEAM

Saumya Bardia

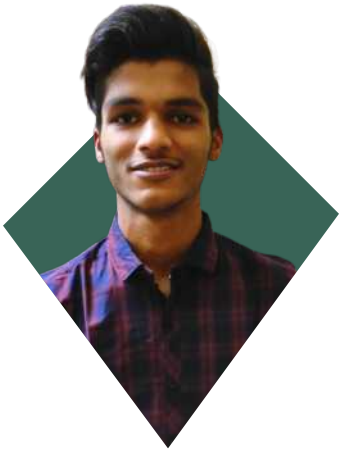
Research Head

Anjali Lalchandani

Editor in Chief

Mayank

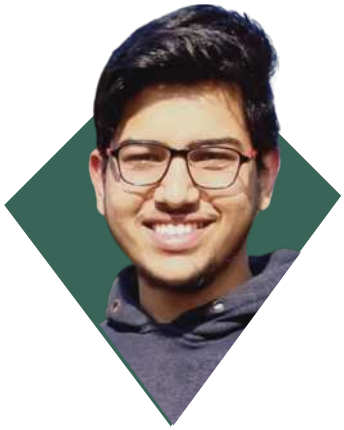
Chavi Verma



Aayush Banka

Abhishek Yadav

Sanskriti Sunderum



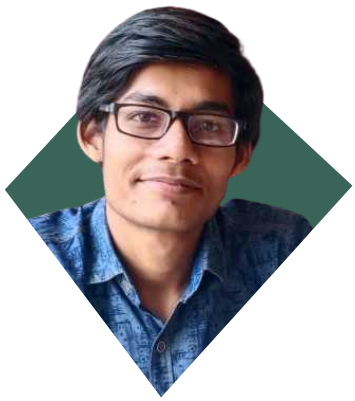
Kamendra Rundla

Praveen Verma

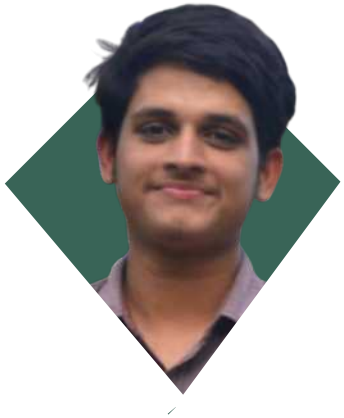
Rakshita Janjire

Paras Madaan

Pulkit Aghi



Hardik Agarwal



Jeevan Jojo

Poorva Nagia

Vidhi Batra

Ishita Maran

Divya

Sehaj Gambhir

STUDENT'S MESSAGE

Mayank

From researching on different topics to designing the magazine, everything was so enriching. It enhanced my creativity and knowledge and it helped me in realizing my potential.

Kashish

Working for our first annual magazine was a top-notch opportunity that we have been provided with. It helped me in boosting my creativity. We got to explore many new things.

Paras Madaan

It was an all new and enriching experience, learned a lot from it. Beginning from scratch was the best thing we got as a team.

Kramank Garg

It was really fruitful learning how to work in a team and reach the ultimate goal, tremendous experience that helped me increase my knowledge and express my opinions clearly.

Arya

Designing the first edition of Vittkosh has been a very challenging yet satisfying experience. I have learned a lot during this period.

Vidhi Batra

It was a wonderful learning experience to ideate and curate the first edition of Vittshala's magazine. I found a great space to explore my knowledge and express my opinions, for which I'm very grateful to have been a part of this journey.

STUDENT'S MESSAGE

Chavi Verma

It was definitely a new experience and taught us about all the different aspects involved in creating a magazine.

Ikshit

Got to explore an untouched side of mine! Never realised that writing can be that much fun. A great experience.

Srishti kalakoti

Have always been interested in researching new things and adding more perspectives to my knowledge, working on the magazine provided me with a perfect opportunity to do so. Was able to learn and realise many new things over the course of time.

Kamendra

This was a much needed opportunity because at this level we should know about these kind of topics and writing for magazine and reading for it beforehand, thinking really giving it a thought helped a lot and enriched me with lot of new knowledge.

Jeevan

I've found the real lessons that I've gained from working for the magazine are far broader than my expectations. Working in the magazine has taught me life skills and how to deal with people.

Poorva Nagia

Ideating and curating content for Vittshala's First ever Annual Magazine was a daunting yet exhilarating journey. Learned a lot.

STUDENT'S MESSAGE

Abhishek Yadav

It was a really unique opportunity to work for rolling out a first time magazine. Ideating everything from scratch, incites creativity and innovation.

Ishita Maran

Working for Vittkosh was an unmatched opportunity. It was a great learning experience where I got to use my creativity. There were challenges that made me realise my potential.

Aayush Banka

Never ever thought that I would have get this much. Not only it teaches me how to write an article, but also helped me in improving my communication skills as well as technical knowledge. Thank you for the opportunity.

Praveen Verma

It was really a very enriching opportunity and I learnt a lot during the research sessions. The most interesting part was the editing of the magazine where we were free to use our creativity and make it as engaging as possible.

Hardik Agarwal

I would say the best way of learning is by working on a magazine. Even a small contribution gave me immense pleasure that my ideas/work will be read by hundreds of students.

Divya singh

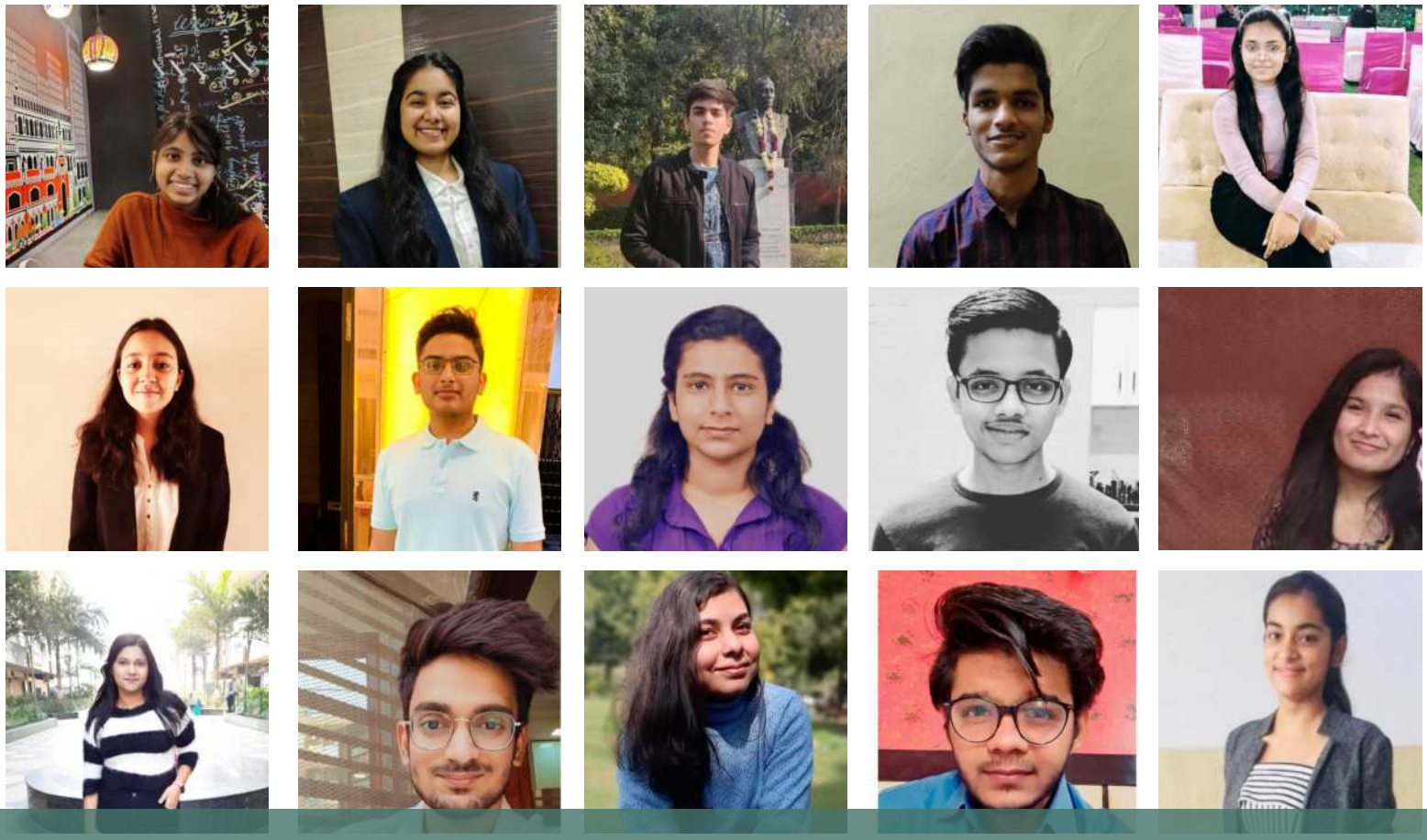
Working for Vittkosh provided me an exclusive opportunity to explore the different aspects of writing. It enhanced creativity in us.

Team 2016-17

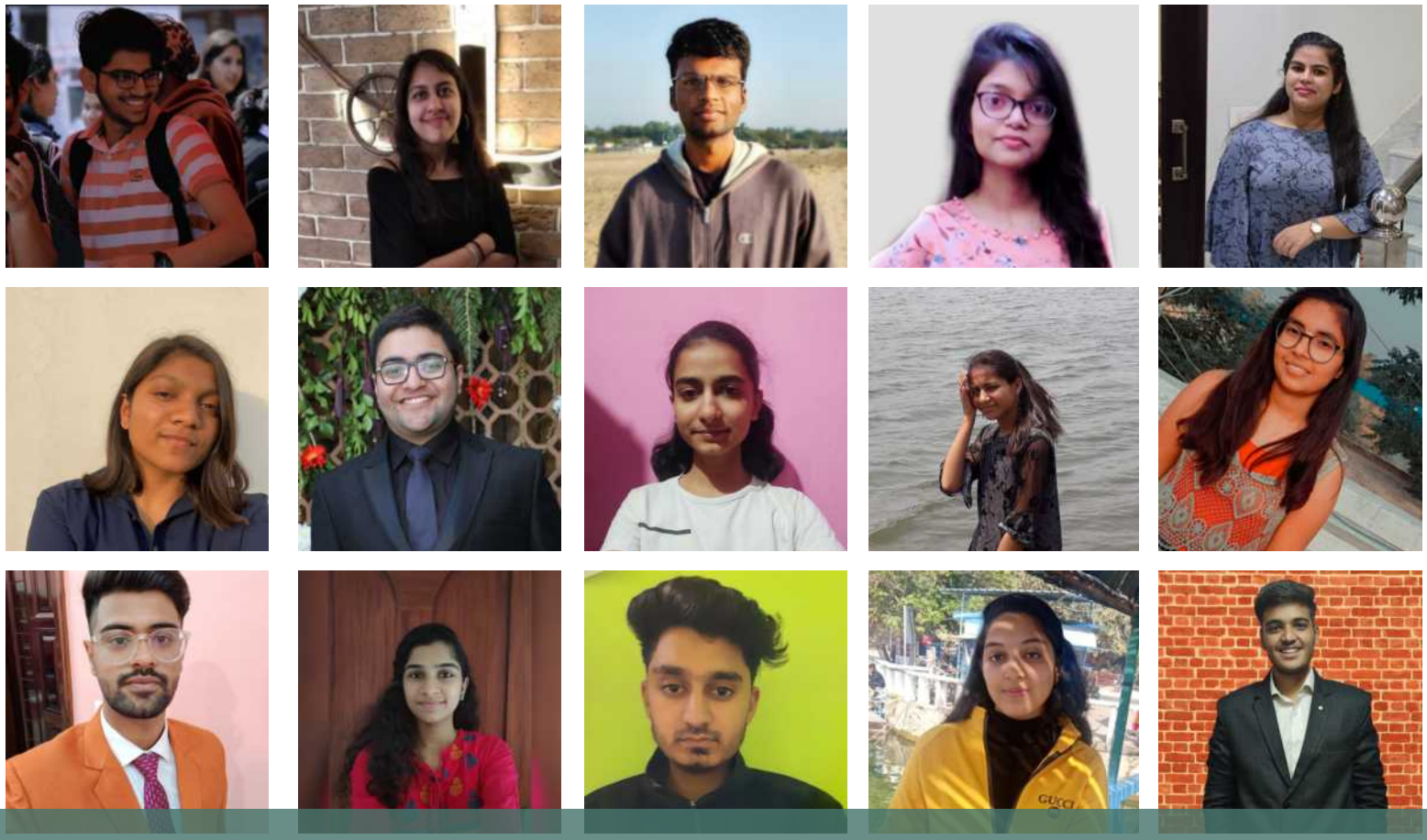
Team 2017-18

Team 2018-19

Team 2019-20



TEAM 2020-2021



TEAM 2020-2021

VITTSHALA

The Financial Literacy Cell

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