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CHAANAKYA

SCHOOL OF BUSINESS AND MANAGEMENT

MBA - FINANCE SPECIALIZATION

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EDITOR'S NOTE

Greetings readers!

It is our pleasure to bring to you the MBA Finance Students' contributions for February 2022. This issue is presented by **Team Fortuna**, which is a group of students under the mentorship of **Dr. Nisha Shankar** from the MBA Finance Specialization. In this issue, the writers have explored a wide range of contemporary developments in the world of finance. The section titled "Creative Corner" showcases the passion students have for art and poetry. We hope that the Newsletter will help the readers get an overview of the recent financial news. Along with every article, a "Snapshot" has been provided, which summarizes the entire article.

Team Chaanakya expresses sincere gratitude to our Dean Dr. Jain Mathew and the entire leadership team, Head of Specialization, Dr. Mareena Mathew, Faculty Coordinator of Chaanakya, Dr. Nisha Shankar, our expert specialization mentors, and all the contributors for their cooperation and active participation.

Wishing our readers, A happy reading

Best wishes, Team Chaanakya



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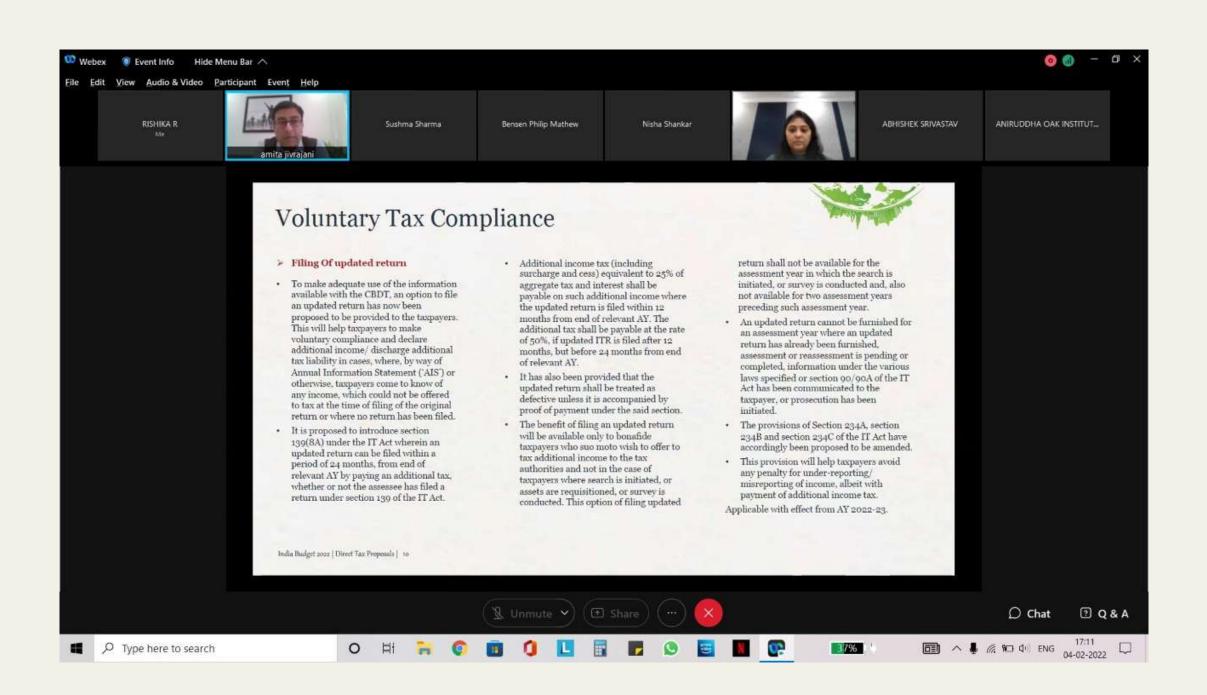
Priyanka Reddy



CLUB ACTIVITIES - FEBUARY 2022

UNION BUDGET ANALYSIS

Arthasutra, the MBA Finance Club organized a session on the Union Budget, for the MBA Finance students on 04th February 2022. The distinguished speakers invited to the event were Sandeep Jhunjunwala, Partner, Nangia Andersen LLP, and Amita Jivrajani, Associate Director, Nangia Andersen LLP. The speakers provided the students with a different view on how to analyze the Union Budget 2022-23. The discussion was thought-provoking, and helped the viewers compare the economic situation around the world with that of the nation.



CLUB ACTIVITIES - FEBUARY 2022

STOCKATHON

The Finance club of BKC conducted a club activity on 22 December 2021 at - 4.00 PM at 'Open Auditorium'. It was an event where the students imitated floor trading of financial products. The MBA Finance students actively participated in it and it was an enlightening hands-on experience for all.



CLUB ACTIVITIES - FEBUARY 2022

ICE-BREAKING SESSION

The ice-breaking session was held on 25th February 2022 as an inclassroom activity-based program led by the seniors to welcome fellow juniors into the Finance specialization. Various activities were conducted where juniors participated in groups of 5. A major highlight of the session was the finance quiz where each group was shown certain visuals by which they were required to identify the relevant finance term or organization. This was followed by the dumb charades event where students had to portray the finance term or organization to their respective groups. The session kickstarted the set of events awaiting the students of Finance.





OUR DISTINGUISHED SBM ALUMNI – RITESH MISHRA



Mr. Ritesh Mishra is an alumnus of SBM, Christ (Deemed to be University) from the 2005-07 batch. He started his career as a Management trainee (MISE Training) in Maersk India Pvt Ltd and handled various analyst roles like business process improvement and credit controller in the Global Service Centre of Maersk. Currently, he is the Finance Director at Boehringer Ingelheim, Indonesia, and has been working with the company for the past 10 years. Boehringer Ingelheim is one of the world's largest pharmaceutical companies based in Germany.



INTERVIEW WITH MR. RITESH **MISHRA**

Q1. With a corporate experience of over 15 years, currently you are heading the finance department of one of the leading pharmaceutical companies in the world, what do you think about the role played by Christ University in shaping your career?

I was fortunate enough to have studied at Christ University. Along with academics, the focuses University personality on development which helped me build a rewarding career. The knowledge and discipline we get from this University are phenomenal which helps you to succeed in all endeavors. I am a proud Alumnus of Christ University and sincerely thank my University for giving me a platform for all-round development.

Q2. Often students end up choosing a career and forgo their passion just to meet their ends or pay their bills. When given a decision should be taken?

Doing what you're passionate about doesn't mean you have to do it professionally but staying connected with your passion is what's important otherwise at some point in life you'll regret it.

Have you Q3. come across arduous challenges during your corporate journey? If so, according to you what are the key elements for success?

It was always my dream to have international career and experience different cultures and countries. I am fortunate enough to live that dream with over 9 years of successful international experience across 5 countries. However, with this exciting unique set of journey comes its own challenges and obstacles in leading multicultural team such as language barriers, cultural differences, style of communication, and perception of motivation of the team amongst other things. The key elements of success in a multicultural environment that I follow and helped me through this journey, are spending time to understand the local cultural norms, learning the basics of the local language, being sensitive, discovering what motivates them, understanding how they choice between passion and career, what perceive assertiveness, and communicating appropriately.

Q4. From your past experiences, do you think financial strategic decision-making is the real mercenary business?

In my view, financial strategic decision-making is a subset of overall company strategy and company long-term vision. In hindsight, financial strategic management ensures that the company creates sustainable long-term profits to maintain its existence and enables it to provide reasonable returns on investment to various stakeholders.

Q5. What developments on the horizon could affect the future business opportunities in the pharmaceuticals industry?

The pharma industry has taken a big step into digital transformation, several new technologies are emerging such as robotics, artificial intelligence and precision medicine are disrupting the pharmaceutical industry. Preparing for the future will require reimagining business models by embracing digital health, renewing systems and ensuring that employees are equipped to make the most of shifts in the delivery of healthcare.

Q6. You started your journey as a management trainee. Years down, you are a true inspiration for all of us. At this moment what is that one piece of advice you would like to give us the budding managers; your juniors?

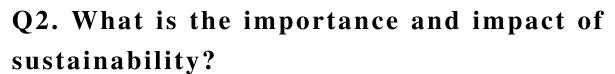
Right from the early days of my career I never bound myself by job description or the position title, I always strive to add value to the organization by having an intrapreneur mindset. My advice to the budding managers would be to never be afraid to take a calculated risk – sometimes you need to take the risk or lose the chance, challenge yourself and get out of your comfort zone – that's where real development happens, never stop learning - in work and in life — never stop deliberately continuing to learn and improve oneself.



Q1. What is sustainable finance, and how is it changing the world?

Investors have a central role in seeing that the financial system operates sustainably and go beyond ESG (Environmental/Social & Governance risks and opportunities) integration in their investment decisions. Sustainable finance is, in my view, addressed through understanding "How your business impacts the environment and social domain?" and seeing that the investment aligns with these considerations.

Sustainable finance has a crucial role to play in the world's transition to net-zero by 2050/2060 by channeling private money into carbon-neutral projects to meet the goals of the Paris Accord, which otherwise can threaten the very existence of humanity if global temperatures go beyond 2 degrees centigrade by the end of this century.



Sustainability is a concept related to the development of products, goods, and services that involve meeting our present needs without compromising the ability of future generations to fulfill their own needs. Sustainability as a concept recognizes that the environment is an exhaustible resource. Therefore, it is essential to use the environment and its resources rationally and protect it for the good of the Earth, our environment, humanity, & all living things.

This concept was first highlighted by the Brundtland Commission Report in 1987 Brundtland Report, also called "Our Common Future," a publication released in 1987 by the World Commission on Environment and Development (WCED) that introduced the concept of sustainable development and described how it could be achieved.



Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations. In the corporate world, sustainability is associated with an organization's holistic approach, taking into account everything,

from manufacturing to logistics to customer service and beyond towards extended producer responsibility or post-consumer waste.

Therefore the responsibility is not only of Governments but all individuals and the corporate world to leave the world a better place than what they inherited from the previous generation.

Q3. What Are Some Benefits of Corporate Sustainability?

The benefits of corporate sustainability go much beyond altruistic reasons. Research and evidence prove that there is a compelling business case for pursuing sustainability in terms of the triple bottom line approach that not only looks at economic (profit) but also social (people) and environment (planet) factors. It focuses on making "Doing Well by Doing Good" the credo ensuring inclusive and equitable growth for all concerned parties, as demonstrated by corporate leaders like Unilever.

N K Y

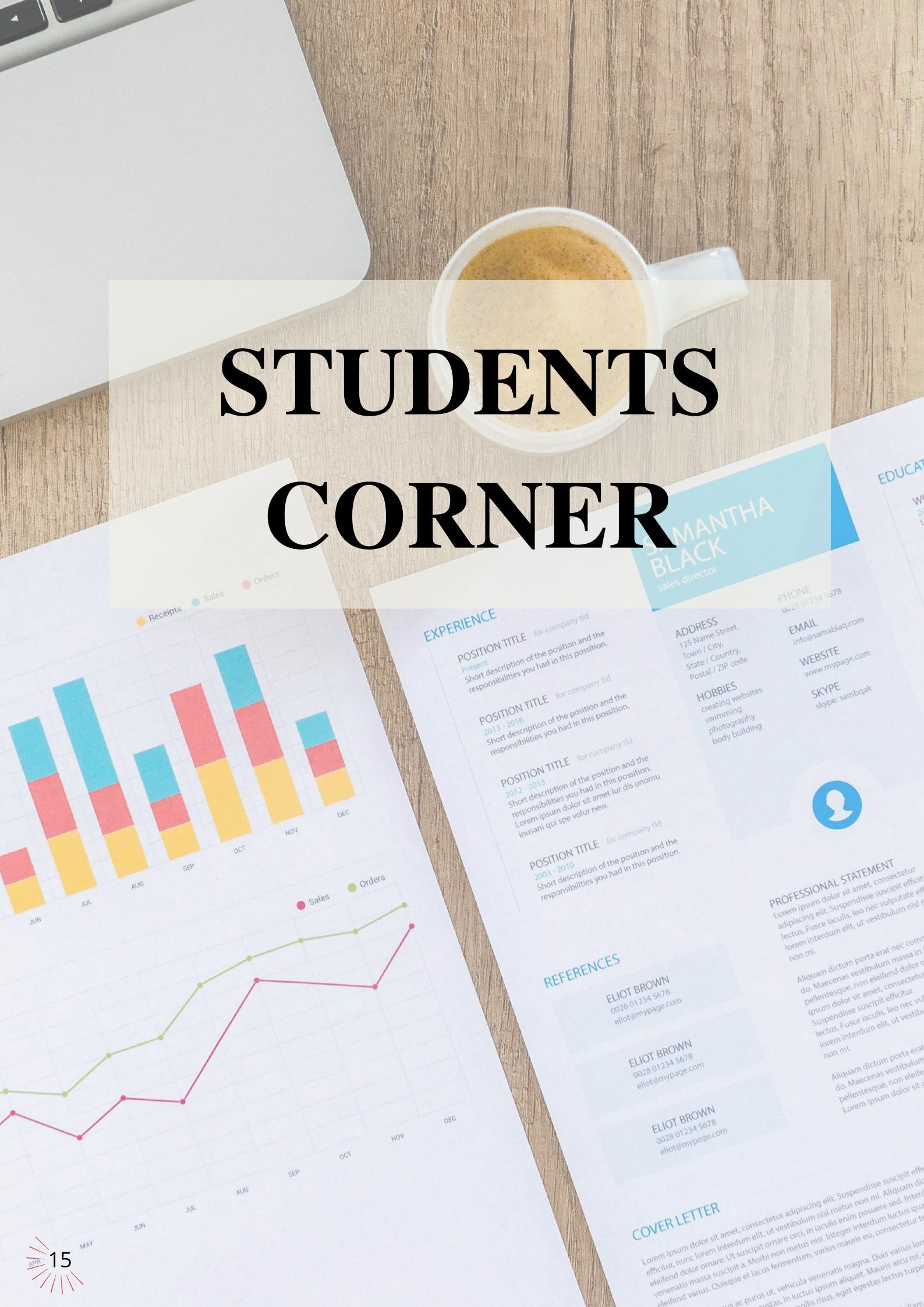
INTERVIEW WITH PROF. AMIT GUPTA

The benefits are genuinely sustainable since it builds a good reputation and trust with current and future consumers. It also facilitates brand visibility and recognition, sales and customer loyalty, operational cost savings across the supply chain, attracting and retention of talent, lower cost of capital from ESG funds and Socially responsible Investors (SRI funds), reportedly running into USD 50 Trillion by 2025 (Source: Bloomberg) thus giving the corporate sustainable competitive advantage and there better financial performance over the long run.

The corporate world has learned this the hard way in the last 25 years when global cases like Enron, Worldcom, Tyco, and Volkswagon "Dieselgate" hit the headlines. The Indian cases starting from Harshad Mehta, CRB,Satyam to more recently Kingfisher Airlines, ILFS,DHFL,PMC Bank, Yes Bank and NSE scam are wake up calls to improve corporate governance standards to ensure not only investor and shareholder interests but more importantly sustainability of companies through better risk management practices and disclosure norms

Q4. How Does Sustainability Affect Corporate Governance?

In my view, Good corporate governance built on the fundamental pillars accountability, transparency, responsibility and fairness is a sine qua non for sustainability. Adequate disclosures, adhering to reporting frameworks regulators like SEBI Listing rules or voluntary reporting standards like GRI, best practices of accounting standards like IFRS or Value Reporting Foundation-SASB (Sustainability accounting Standards Board) and many other requirements in terms of business ethics are institutionalized in corporate governance code, Board and Auditor duties and responsibilities to mitigate risks like "conflict of interest" and "insider trading" to name a few.



YOU NEED A BUDGET



In order to make better financial decisions, knowledge of basic financial principles is a must. As per a survey, most of the students don't know much even about personal finances, which involves their lack of potential to use even the fundamental arithmetic that they require in their day-to-day life, such as how to calculate interest rates on loans and investments., how to make a cost effective decision?

Set Financial Objectives

To attain any financial goal the first step is always about setting your objective towards the goal. It always gives you an upper hand whenever there is a requirement to create a budget. Creating budget which fulfils all your requirements and paying all your bills on time is a cumbersome task. To attain your objective it is important that you set a goal that you can accomplish and not something which you can't accomplish and demotivated get later and compartmentalize the types of goals that you wish to achieve.

It is not a sustainable idea to stop spending on any of your necessary area as it won't go for a longer period of time. Catherine and her husband Charles didn't earn a lot of money, but with their proper planning, they managed to pay off their debt of \$200,000 within a period of seven years. Catherine borrowed \$200K for the small business that she had started and there was a lot of pressure on them to repay the loan.

She planned her expenses properly and was able to pay off the company's debt slowly and steadily. Then Charles also started supporting his wife Catherine and helped her in making a proper budget and contributing towards it.

Instead of squeezing money from every area they dedicated their concentration on using their energy in the right direction and figured out various ways to pay off their debt and attain their goal.

Teach them young?

The students in high school should be indulged in real life financing activities like the parents can make them a part of making a budget of daily household requirements. They should be taught the art of saving and the importance of return on investments and how they should be careful about making any purchase decisions. It should not be taught as a financial concept but making them realise its requirement.

Prioritizing what's important, knowing how you're driven, and devising a strategy that works for you is all part of good budgeting. Budgeting does not have to be a stranglehold. It promotes liberty.

MEGHA ANAND 2127746





N K Y

NEO-BANKS: HOW DOES IT CHANGE THE INDIAN BANKING SYSTEM?

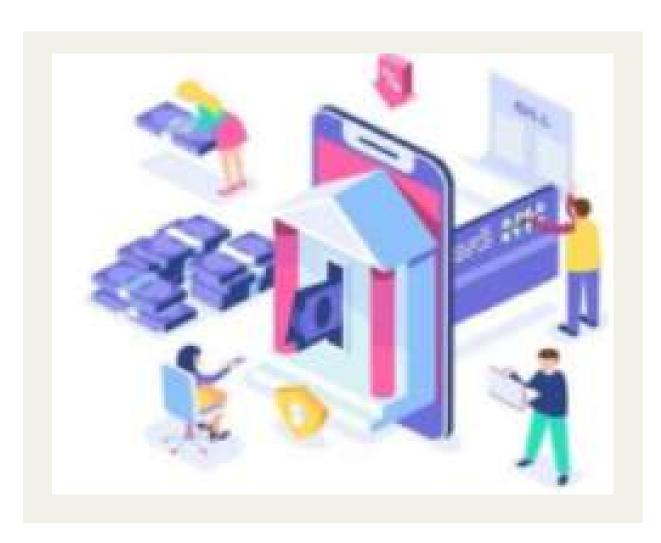
Neo-banks are purely virtual financial institutions that provide banking services without having a physical branch. This model of banking has helped to bridge the traditional between banking gap and customers that are digital millennials. The most known partnership is Federal Bank and Fi neo-bank. This concept gained momentum demonetization during and pandemic, wherein, it became critical to have paperless banking and to perform banking services without having to visit one.

Unlike traditional banks, they are simple and inexpensive, charge minimal or no transaction fees, and are borderless. From opening of bank accounts, money transfers, card and insurance services, loan or credit facilities, investment advisory services, vendor payment management etc, neo banks offer a variety of services to retail and business especially SMEs consumers.

In India, neo-banks have not received specific licenses or regulatory approval. Therefore, they are FinTech companies that are not directly regulated by the Reserve Bank of India (RBI). Partnering with licensed banks, NBFCs, and other financial institutions, they offer financial services via their digital platforms.

Some of the top neo-banks in India are Jupiter, Niyo, FI Money, North Loop and RazorpayX.

Neo-banks have been changing the Indian banking industry by reducing turnaround time.



Through this, seamless services are provided at a lower cost. Though they are not regulated by the RBI, they can complement the banking industry. Even though they cannot lend more than a certain amount, they can increase capital by partnering with banks.

A recent report shows that India's neo-bank start-ups have raised over \$230 million in 2020. Online banking is used by 68% of Indians, and though 80% of residents have access to at least one bank account, the financial inclusion levels are still low, signaling great potential for mobile neo banking.

The Indian market for Neo-banks is growing rapidly. Through a proper regulatory framework from RBI and with advanced technology at aid, Neo banks can help ease the banking processes all the while achieving their potential within the Indian Banking System.





LIBOR RATE: THE RISE AND THE FALL IN THE INDIAN MARKET

The London Interbank Offered Rate (LIBOR) is the interest rate at which London's large banks lend money to one another. This rate, which is quoted on dollar-denominated loans, has become the European money market's preferred short-term interest rate and is used as a reference rate for various transactions.

LIBOR's interest rates may be linked to currencies other than the US dollar like British pounds, yen, euros, and others. It is calculated by the Intercontinental Exchange (ICE) based on submissions made by the panel banks using the available transaction data. It serves seven different maturities: overnight/spot next, 1 week, 1 month, 2 months, 3 months, 6 months, and 12 months. It's a significant benchmark for various interest rate derivatives, bonds, loans, securitizations, deposits, and other financial instruments.

The Indian financial system uses wide range of benchmarks. In 2013, RBI constituted a Committee on Financial Benchmarks to review the systems governing financial benchmarks in India in the context of manipulation of LIBOR.

The Reserve Bank of India drives the LIBOR transition process in India to a large extent. The effect of LIBOR cessation on the Indian market was measured by a working group formed by Indian Bank's Association (IBA). The RBI has also advised banks and other regulated entities to stop signing new financial contracts that consider LIBOR its benchmark.

A combination of global authorities, trade associations, and financial institutions is driving the transformation. The transition from LIBOR to accepted alternative reference rates (ARRs) developed in various jurisdictions is significant, and it requires careful planning to manage potential customer protection, reputational, and litigation risks, as well as avoid disruptions to financial institutions' safety and resilience, as well as the economy's overall financial stability.

The London Interbank Offered Rate (LIBOR) is the interest rate at which large banks in London are willing to lend money to one another. The article talks about LIBOR's aspects and the reason for the transition to alternative reference rates in India.



MIDHUN KRISHNA V 2127915

DOES IPL AFFECT STOCK MARKET PERFORMANCE?

The largest sports festival in India has begun. In a country where cricket has surpassed religion as the most popular sport, it is reasonable to believe it will impact market performance.

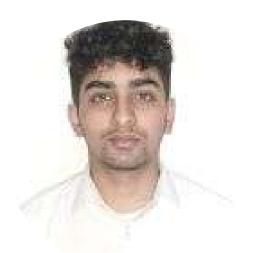
As a result, experts-initiated research to study the impact of the IPL on the stock market.

Or can the IPL influence investor sentiment It is a common misconception that share trading takes a back seat during the IPL season. However, considering the event's corporate domination, it is safe to anticipate that there will be plenty to watch in the financial market throughout the IPL months. Why do experts think IPL has an impact on market performance? They did, however, point out that emotion plays a significant part determining investment decisions. in Furthermore, as in the IPL, the emotions associated with cricket events can catalyse investor sentiments.

According to data from ESPN Sports and the National Stock Exchange of India, the mean daily returns are more significant than the annual mean daily returns during the IPL are more significant than the annual mean daily returns. During the IPL, the stocks of the IPL teams' sponsors performed better than during other periods.

Furthermore, the team that wins the IPL title in a season impacts the market returns of the sponsor's stock.

Experts have discovered that emotion influences financial decisions just as much as logic. The IPL has a viewership of over 730 million and has a huge emotional component. So, will the IPL 2022 have an impact on the stock market?



KESHAV SHARMA 2128259

What Does the Past Data Indicate?

When looking at historical IPL and stock market performance data, the analysts could not find a strong enough link to connect the two events. For example, during the 2009 IPL season, SENSEX returned a whopping 26 percent. However, the effect of the UPA-II government's win may have been a more important determining factor. Similarly, the SENSEX's mediocre performance in 2011 can be attributed to the year's high inflation rate. However, we cannot entirely dismiss that the IPL influences the stock market. It impacts investors' perceptions and investing decisions; for example, stocks of the winning team's sponsor firm often perform well.

According to data, matches are beneficial to businesses in the following ways: During the IPL season, sponsors of IPL teams perform well in the market. Winning also improves investors' spirits and shifts their preference toward the winning team sponsor. As observed, DCHL stocks surged 42 percent after the team Deccan Chargers won the championship in 2009. One might also look at the stocks of Reliance Industries Ltd as an example. When Mumbai Indians won the title in 2013, Reliance stocks increased. Before the victory, Reliance's stock was in a bearish run for three years in a row.

According to a data study, the impact of the IPL on the average daily return is as follows: Market returns after a win are more significant than standard mean returns on other days. Following a loss, however, the market's performance decreases.

The main lesson is that traders cannot disregard sentiment when making investment decisions. Emotion becomes a deciding factor in investment at some point. Although we cannot say there is a direct correlation between the IPL and the stock market, there is undoubtedly one.



A PERSPECTIVE OF INVESTMENT RISK AND RETURN IN IPO

They An Initial Public Offering also called IPO is the sale of securities to the general public on the primary market. If you are an informed investor, investing in an IPO may be a very profitable move. However, not every prospective IPO is a good investment. Benefits and hazards are inextricably linked.

Why IPOs are considered risky?

IPOs can be a risky investment. Because there is usually inadequate historical data with which to examine the company, it is difficult for an individual investor to forecast what the stock will do on its first day of trade and in the coming months. The prospectus contains information on the first offer of shares, however, the prospectus is a lengthy document that people often neglect to read in detail.

The majority of IPOs are of firms in the midst of a rapid growth phase, which adds to the uncertainty around their future worth. Analysis of both the fundamentals and technicals of an IPO issuance can be tough. Investors will read the news headlines, but the prospectus should be the primary source of information. Some initial public offerings (IPOs) may be overhyped by investment banks, resulting in losses.

The Return Perspective of IPOs

The preponderance of initial public offerings (IPOs) is due to the potentially lucrative returns it offers in short-term trading upon release to the public. IPOs are also known for having erratic first-day returns, which might draw investors wanting to take advantage of the discounts. The IPO price tends to be higher than the stock price on the first day of trading if the company is very promising. This allows traders to make a quick buck by selling the shares.



IPOs are popular with investors because they induce volatile price swings on the day of the IPO and for a short period of time afterward. This could either result in enormous gains, or incur large losses. Many companies use the proceeds from their initial public offering to pay current shareholders. Co-owners have taken money from the IPO in a number of circumstances..IPOs are popular with investors because they induce volatile price swings on the day of the IPO and for a short period of time afterward. This can sometimes result in enormous gains, but it can also result in large losses. Many companies use the proceeds from their initial public offering to pay current shareholders. Co-owners have taken money from the IPO in a number of circumstances.

Retail investors, who think of IPOs as a quick way to make money, are easily swayed by IPO news. They should not be influenced by media hype and news coverage while investing in an IPO. An IPO is similar to any other investment in which investors should do their due diligence before committing any funds.



SHAKTI PUROHIT 2128226



INVESTMENT ARBITRAGE: OPPORTUNITIES, GROWTH AND VALUE

Investment traders with extensive market knowledge take advantage of investing in the same asset securities across multiple markets. As a result, investors profit significantly more from the different prices of assets in various markets. When there is an apparent mismatch in the prices of these assets, the arbitrage strategy appeals more because it allows investors to lock in risk-free returns.

Under this strategy, the assets are purchased at lower prices in the cash market and sold at higher prices in the futures market. Arbitrage is the difference in profit earned by the investor.

Effective asset pricing models direct arbitrage capital toward risk-adjusted returns on investments. However, these returns are constrained by various industry frictions that have developed over time due to the market's recent growth.

Because the securities are traded immediately, i.e., short-term, the risk associated with the arbitrage investment is very low. Investors can align their financial objectives with low-risk investments. The arbitrage funds tend to perform well in volatile markets because of uncertain spots and future prices. Another benefit of arbitrage investing is that it is taxed similarly to equity mutual funds, with short-term capital gains taxed at 15% and long-term capital gains taxed at 10%.

Some of the top arbitrage investment options available in India include - Tata Arbitrage Fund, Edelweiss Arbitrage Fund, Nippon India Arbitrage Fund, etc.

Miguel Herschberg states that one of the risks of exploiting arbitrage is - that "whatever investor sentiment is causing one share to be undervalued relative to the other could also cause the share to become even more undervalued in the short term". Persistent investment arbitrage opportunities are influenced by the trader's sentiments and during portfolio rebalancing, consequently leading to 'noise' trading.

The article provides a bird's eye view of investment arbitrage: the purchase and sale of the same asset simultaneously, but in different markets, so as to gain from the differences in the listed price of the asset.



K SUDHA MOHAN 2127547

RETHINKING THE CONCEPT OF MONEY



"Money is a tool. Used properly it makes something beautiful; used wrong, it makes a mess!"

- Bradley Vinson

In the seemingly possible future of finance, anarchy reigns supreme, by decentralizing the power of banks and, in certain situations, the state. But the central question of the period is whether the cryptocurrencies and the underlying blockchains would solve our financial problems or exacerbate existing imbalances. People get skeptical whenever someone comes up with a unique way to handle the existing environment. When Marco Polo returned from the East, his reports of people in China adopting paper money instead of metal were dismissed as sorcery. How could a chicken be equated to paper slips?

Long until the 17th century, the European world resisted representational money. It took time for later forms of derivative money, which were moved electronically through wires and computer networks, to be understood and accepted. Perhaps it is unsurprising that the rise of cryptocurrencies has sparked equal amounts of interest and cynicism. Thus, these packets of cryptographically protected data seem to the most recent type of value representation the 21st Century's equivalent of fragile paper money.

Blockchain technology allows us to view our data as a scarce digital asset that can be owned, rented, and sold in new ways. As our money becomes data, our data also becomes money. We may not be able to halt the development of the robots, but at we could establish a mutually agreeable system at the very least: a fair day's salary for a fair day's data. Markets based on data kept stored in personal digital vaults, referenced via blockchain-tracked tokens, and financed through cryptocurrency microtransactions, might make Data Farmer and Digital Day Traderprofitable vocations of the future.

The Future of Money, like all attempts to describe an uncertain future, leaves many questions unanswered. Wise decisions are to be made by analyzing the various trade-offs involved. Hence, to phase out currency, a fully digital society would be required, with broad and dependable infrastructure, ubiquitous access gadgets, to and individuals who feel comfortable leaving digital footprints.

Although the pandemic has accelerated digital payments, everyone always wishes to have some cash in hand. The digital era of currency is still in its introductory stages and would be something worth watching as it unfolds and grows.

This article questions whether history is repeating itself with the advent of digital currency and blockchain. The introduction of representational money and how it changed the world forever is compared with the disruptive innovation that is happening today.

DENITTA DAVIS 2128137





ECONOMIC CRISIS IN SRI LANKA

Sri Lanka has been gripped by its worst economic crisis in the past 70 years. The country's severe shortage of US currency has driven up the price of basic necessities such as rice and milk, which are required for regular meals and food businesses. The country is dealing with a double whammy of rising prices and high external debt. In March 2022, spontaneous and organized protests by both political parties and non-partisan groups were reported from a variety of locations in response to the government's mismanagement of the economy. The political opposition staged several protests demanding that the current administration solve the financial crisis and resign immediately in the aftermath of the broader economic crisis.

CAUSES FOR THE CRISIS

The crisis has been exacerbated by a number of interconnected factors, including tax cuts, money creation, a nationwide policy shift toward organic or biological farming, and events such as the Easter bombings in 2019 and the pandemic. Economists believe Sri Lanka's debt was already unsustainable before the pandemic dried up tourism funds. Sri Lanka's government, led by President Gotabaya Rajapaksa, implemented large tax cuts that impacted government revenue and fiscal policies, causing budget deficits to skyrocket. These cuts included raising taxfree thresholds, which resulted in a 33.5 % drop in registered taxpayers, lowering VAT to 8%, and eliminating the Pay as You Earn (PAYE) tax. Between 2010 and 2020, Sri Lanka's foreign debt more than doubled. While foreign debt was approximately 42 % of GDP in 2019, it is expected to rise to 119 % of GDP in 2021. The country is expected to pay US\$4 billion to debtors by the end of 2022, while government reserves stood at US\$2.3 billion in April 2022. The tourism industry in Sri Lanka accounted for more than a tenth of the country's GDP.



The sector was harmed by the 2019 Easter bombings, and the COVID-19 pandemic hampered recovery. The consequences of the ongoing tense situation between Ukraine and Russia as a result of the Russo-Ukrainian War are being felt in Sri Lanka's already sluggish economic conditions.

IMPACT OF THE CRISIS

Since March 7, the rupee has dropped by more than 60%, while the cost of living has skyrocketed. The inflation rate increased up to 17%. Faced with an acute economic and energy crisis caused by a shortage of foreign currency and fuel, tens of thousands of people in Sri Lanka have been forced to wait for several hours outside petrol pumps. People are also subjected to lengthy power outages on a daily basis. All scheduled surgeries at Peradeniya Teaching Hospital were canceled on March 29 due to a shortage of medication.

Sri Lanka is in the midst of its worst economic crisis in 70 years. Factors contributing to this are tax cuts, money creation, a nationwide policy shift toward organic or biological farming, events such as the Easter bombings in 2019, and the pandemic. Their rupee has tanked by 60%, while the cost of living has skyrocketed. Sri Lanka will now receive its 17th IMF loan to assist it in overcoming the current crisis, which will be subject to new conditions.

NOEL FRANCIS 2128019





FINANCE BUZZWORDS

Open Banking

Open banking is a practice that enables interoperability in the banking industry, especially in the UK and Europe. This is done by allowing third-party developers to build applications and services around the financial institution. It allows developers to create new banking services, banking-business models, and new banking capabilities. Open banking offers more choices, better service, and seamless banking to the customers. The Open Banking initiative has two key elements AISPs and PISPs which come under the PSD2 regulation in the UK.

Account Information Service Provider (AISP)

Account Information Service Providers (AISPs) are third-party financial service providers that grant access to the financial information of the users by consolidating and aggregating account information held in other financial institutions, provided the account holder has given permission to do so. They connect to users' bank accounts and compile read-only financial data to provide services such as credit scoring, lending, budgeting, etc. They can't initiate any transactions, rather they are collecting data and presenting it to the service user.

Payment Initiation Service Provider (PISP)

Payment Initiation Service Providers (PISPs) are service providers who can execute payment transactions on behalf of customers. That is, they act as intermediaries who can withdraw money from your account and make payment without entering the whole bank details provided you have given the consent to do so. PISP has allowed for a wider range of payment options to be made available to customers. in obtaining consent, addition to payment companies must also provide information on the nature of the service, how they will use your data, and whether or not this data will be shared with any other third parties.

RegTech

RegTech Regulatory also known astechnology is the use ofinformation technology within the Fintech industry for the regulatory process. It is being used for regulatory and compliance checks within the financial service industry. It helps identify fraud, payments associated with money laundering, reporting, and regulatory monitoring amongst others. RegTechcloudofcompanies using consists computing to help comply with financial regulations in a more cost-effective and efficient way.

Initial Coin Offering (ICO)

Initial coin offering is a method of fundraising that uses cryptocurrency. It's the cryptocurrency industry's equivalent of an initial public offering. A company (cryptocurrency project) in need of funds will create a new coin or 'token' for investors in exchange for money with the hope that the token will have more value in the future. The coin or 'token' may represent some utility related to the product or service of the company or stake in the company. It is an unregulated market, therefore investors are taking a higher risk.



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MOVIE REVIEW: THE CHINA HUSTLE



Movie: The China Hustle

Writer/ Director: Jed Rothstein

Cast: Dan David, Alexandra Stevenson,

Wesley Clark.

"Capitalism rewards those who work hard, but it also rewards those who take advantage of others"

- The China Hustle

Corruption is a phrase that is linked with both the Chinese government and the American stock exchange, and director Jed Rothstein shows how catastrophic it can be when two corrupt systems collide in "The China Hustle". The video belongs to the financial widespread corruption documentary subgenre that has grown in popularity after the 2008 housing crisis. "The China Hustle," which is slick and accurate in its explanations of financial phenomena, lets its numerous participants narrate the story through interviews about their dubious involvement, their faces framed by cold, austere lights. These are con artists, lawyers, and people in business who have turned activists; some are forthright and honest, while others are evasive and defensive.

The documentary begins with Dan David, a hedge-fund manager whose firm was wiped out by the financial crisis of 2008. For businesses like David's and stock trading firms like Roth Capital Partners and Rodman & Renshaw, incorporating Chinese companies onto American stock exchange created a fresh fork in the road. A system flaw known as a reverse allowed inexpensive merger stock from practically defunct American companies to masquerade as proxies for Chinese firms.

The unsurprising revelation that these foreign investments were vastly inflated is detailed in "The China Hustle."

Following the reveal, American businessmen, like Muddy Waters' founder Carson Block, sneakily survey the physical grounds of paper other mills and companies. These companies/plants appeared deserted and had a deficient volume of production. Instead of the billions of dollars claimed on the company's American financial receipts, one had a vast decomposing stretch cardboard. The of ramifications of these revelations pushed the more responsible crew members, such as David, to depart the ship immediately away. They did not want to follow the regulations, so they sold their expensive stocks.

At this point, Rothstein's attempts to interview the increasingly hostile retired general Wesley Clark, whose firm Rodman & Renshaw continued to benefit from the fraud, run out of steam, and the doc's flamboyant energy begins to fade.

In the case of "The China Hustle," Rothstein acknowledges that he will have to write postscripts on the billions of dollars that insider stockbrokers have been able to get away. Great. Is there anything the American public can do to assist David in his fight against the system? "The China Hustle" is not interested in giving viewers a glimmer of optimism, allowing the frustration it will undoubtedly elicit to fade into apathy as the credits roll.

RAHUL SAI2128106



UNSCRAMBLE!

Welcome to the world of Finance Terms!!!

- 1. udtcamaluce
- 2. dnhsegduef
- 3. eeeibralvc
- 4. ksrlaodop
- 5. eieidapcnrto
- 6. isioriutiadqytl
- 7. ucarlca
- 8. ovtwleialw
- 9. cruveho
- 10. rrrocido
- 11. ybualsocacatnple
- 12. oaartpr
- 13.redefred
- 14. igolwodl
- 15. raticanlbela

Note: Few of the scrambled terms contain two words.

CLUES

- 1. An asset's book value is its cost minus its _____ depreciation.
- 2. A pooled investment fund that trades in relatively liquid assets to maximize investor returns and eliminate risk.
- 3. Under the accrual method, the account that is debited at the time of a sale on credit is accounts?
- 4. Private exchanges for trading securities that are not accessible by the investing public.
- 5. This is an allocation process (not a valuation process) associated with equipment and other plant assets.
- 6. Used to measure a company's ability to pay short-term debt obligations.
- 7. Type of accounting where expenses & revenue is recorded when they are incurred not when cash is exchanged.
- 8. A theory in technical analysis used to describe price movements in the financial market.
- 9. Document giving details about the transaction and its approval within the firm.
- 10. A combination of two interest rate caps.
- 11. Department within accounting which deals with recording of vendor invoices & vendor payments.
- 12. Latin term used to describe a proportionate allocation.
- 13. A term used generally to delay recognizing certain expenses or income on the income statement at a later date.
- 14. This is the benefit of reputation & links of the businesses, an attractive force that brings in customers.
- 15. Summary of all ledger balances.

SCAN TO VIEW THE ANSWERS

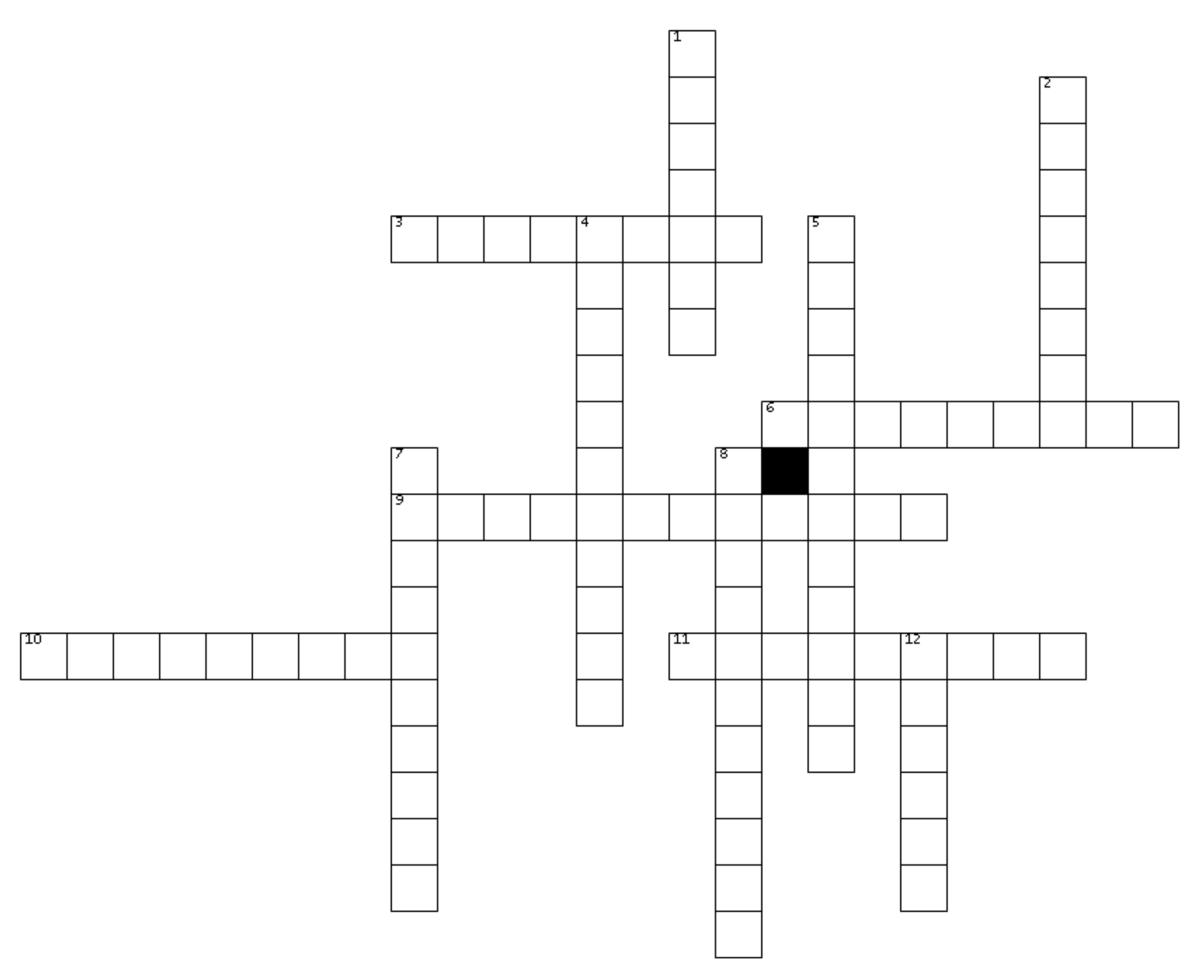


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CROSSWORD PUZZLE



Across

- 3. A term used to refer to companies whose stock is considered a solid investment.
- 6. A loan status that allows you to pause payments on your student loans temporarily.
- 9. The process by which the amount due on a loan is reduced over time.
- 10. A third party, engaged by a renter, who agrees to pay the landlord if the renter is unable to pay rent.
- 11. The payouts companies make on a recurring basis to the investors who own their shares.

Down

- 1. A financial instrument, typically offered through an insurance company, that guarantees a certain payout, either in a lump sum or in increments.
- 2. The lowest dollar amount the seller of a security will accept in exchange for that security.
- 4. The state of a credit account that is far enough past due that the creditor sent it to a debt collector.
- 5. An increase in the value of a particular asset over time.
- 7. A legal proceeding that gives a person or business who can no longer pay their debts
- 8. A legal directive to reduce someone's wages in order to pay taxes, child support, or other debt.
- 12. An account used to set aside money for larger and/or periodic expenses, like property taxes

SCAN TO VIEW THE ANSWERS



BARATH 2127609





STOCK OF THE MONTH



PVR Ltd owns and operates multiplexes in 21 states and union territories around the country, with 860 screens (including nine in Colombo) and more than 1,80,000 seating capacity. Box office, Food & Beverage (F&B) and advertisements are the primary income segments for the company.

For Q3 FY22, PVR reported revenue of ₹ 614Cr (410% QoQ) from core operations supported by solid quality content and the operation of cinemas across most of the states. Average Ticket Price (ATP) grew by 18% QoQ, 46% YoY, and touched ₹ 239, while Spend Per Head (SPH) remained the same on a QoQ basis but grew 35% on average on a YoY basis. The third pandemic wave is dragging the company's business recovery as certain states re-impose restrictions and several blockbuster contents deferring release. However, the impact from the third wave is anticipated to ease sooner. PVR's total screen count increased to 860 from 855 in Q2FY22. Management plans to increase screens in luxury formats and aims to have 20% of its total screens under the luxury segment.

PVR maintains high liquidity levels on the balance sheet with the total amount of over ₹ 740 Crore as of December 2021. As per management, a discussion on rental waivers/discounts for the second wave has concluded. Management saved 57% rent expenses from 97% of its properties over the nine months ending December 2021. Once the business normalizes, management plans to recommence the Capex plan and resume adding 80-100 screens per year. Admissions growth in the east and south regions reported 107% and 106%, respectively. December 2021 SPH and ATP are 20% and 22% higher than the December 2019 level while net food & beverage income still reports 8% lower and advertisement income 52% less than December 2019. Priyanka Reddy

Management is confident in the recovery of the business, considering the strong pipeline of upcoming content available for release over the next four quarters.

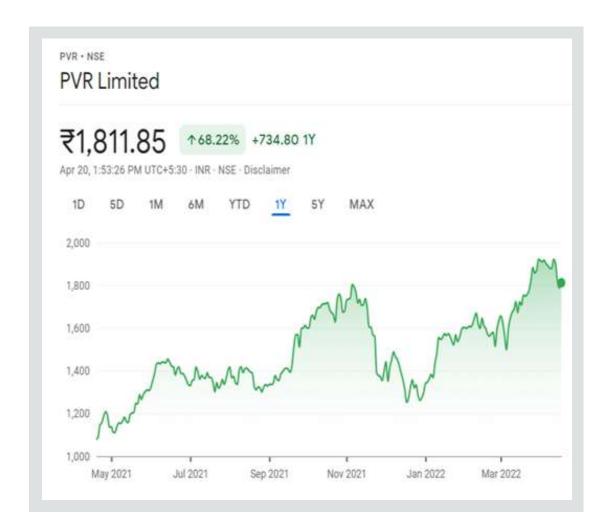
In the last two weeks of the Q3FY22 reported 112% of pre-pandemic admission levels supported by solid content like "Spiderman- No way home" and "Pushpa- the rise". OTT release window for Hollywood movies is four weeks currently, which management expects to revert to eight weeks once the situation normalizes.

Considering strong content pipeline, rising average ticket price and spend per head, the success of vaccination drives and government initiatives for vaccinating 15-18 age population. One can expect a quick recovery in PVR's business as the government further relax capacity restrictions.

PVR and Inox Leisure, two of India's largest cinema businesses, recently announced their merger.

Following the news, the stock prices of both firms soared as investors applauded.

These companies were the top gainers on 28 March 2022. The share price of PVR and Inox surged 10% and 20% respectively.



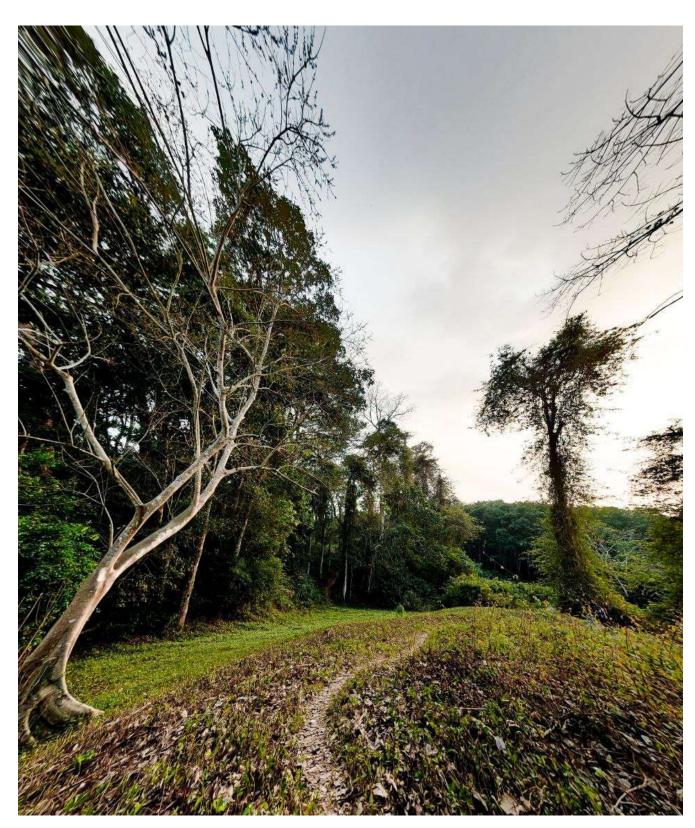
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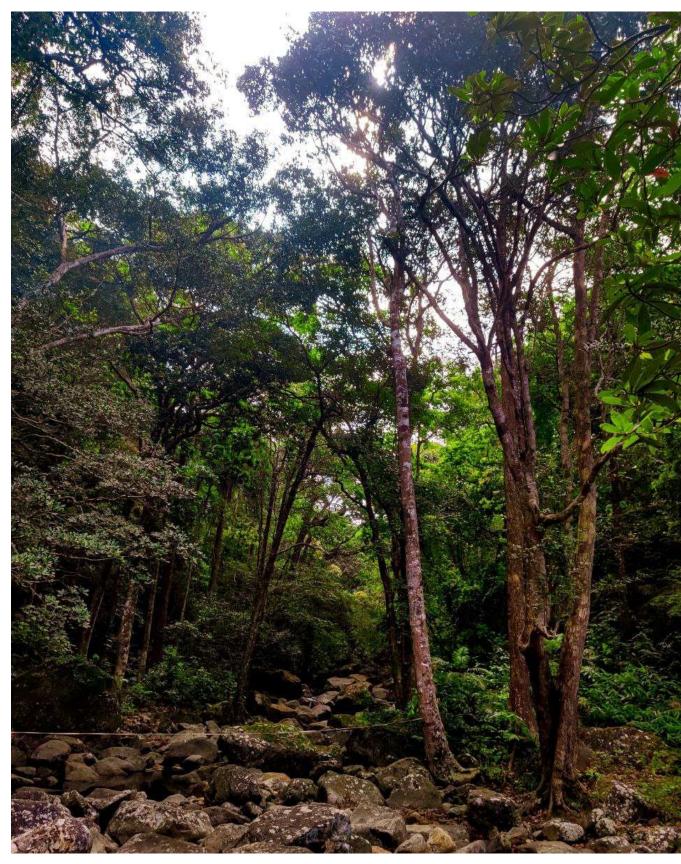






SUNSHINE, FOREST AND A LITTLE FREEDOM (PHOTOGRAPHY)







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H A A

ONE FACE TWO ART FORMS (PAINTING)



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