



CHRIST
(DEEMED TO BE UNIVERSITY)
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CHAANAKYA

**SCHOOL OF BUSINESS
AND MANAGEMENT**
MBA - FINANCE SPECIALIZATION

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EDITOR'S NOTE

It is better late than never...

Greetings readers!

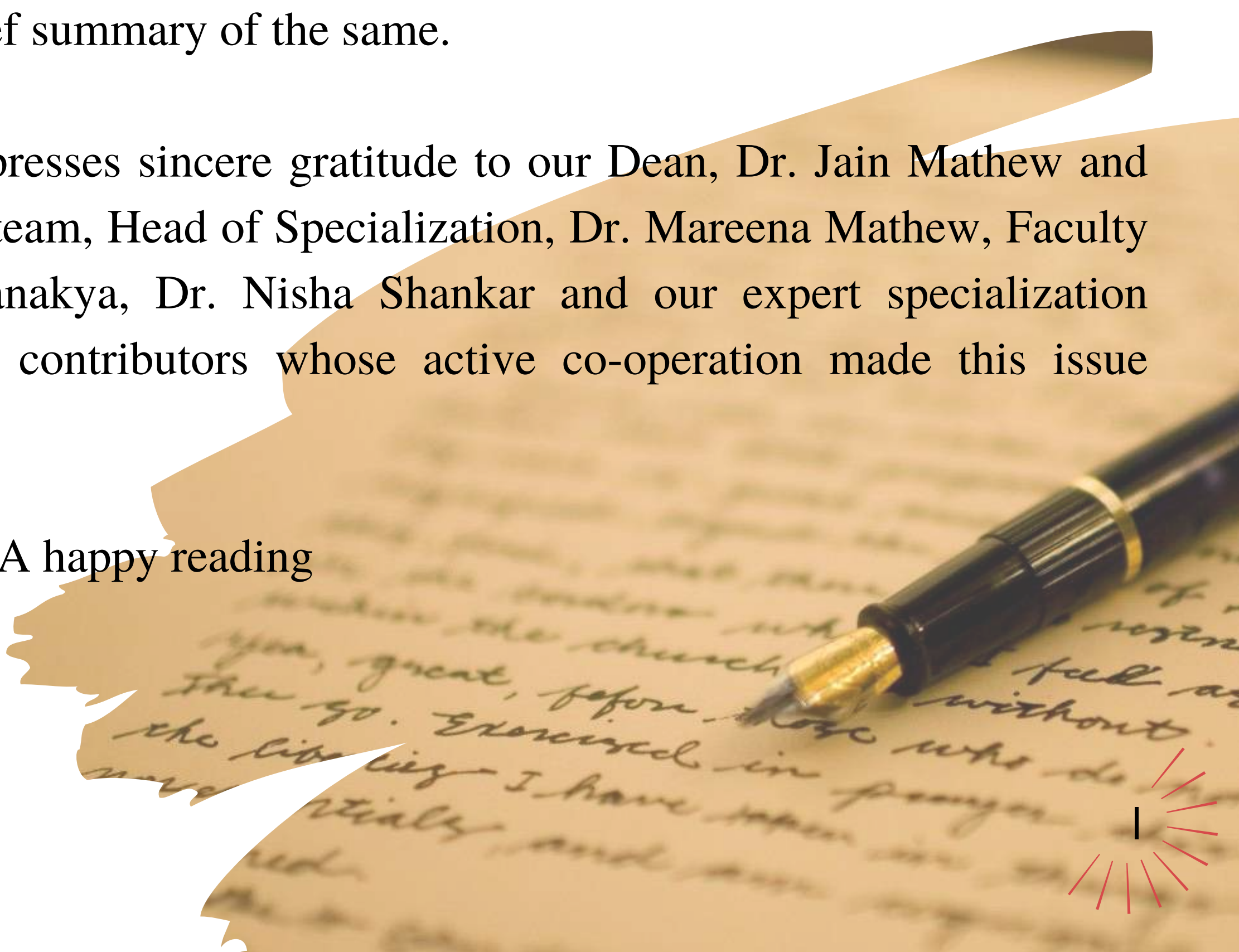
It is our pleasure to bring to you the contributions of the MBA Finance student writers for the month of May 2020. The Pandemic had taken its toll leading to a delay in publishing this issue. However, we have embraced the Christite Spirit by bringing our efforts back on track and not cancelling the issue. We will be releasing the remaining issues in the coming weeks.

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. The writers have put in their effort on different topics and put forth a variety of content ranging from highlighting the achievements of financial leaders and companies to noting the recent financial innovations and economic numbers in wake of COVID-19. This newsletter also covers "Creative Corner" wherein students have showcased their passion for writing their hearts out. We believe that this Newsletter will provide you with a quick and balanced insight into the recent financial activity. This issue also includes "Snapshot" at the end of every article covering a brief summary of the same.

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 and our expert specialization mentors and all the contributors whose active co-operation made this issue possible and fruitful.

Wishing our readers, A happy reading

Best wishes,
Team Chaanakya



This issue is presented by team

FORTUNA



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ALUMNI SPEAK



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COVER LETTER

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swimming
photography
body building

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OUR DISTINGUISHED SBMA ALUMNI – MR. RISHAV GOEL

Mr. Rishav Goel is currently working as a Project Manager at IBM India Pvt. Ltd. He is a certified Scrum Master and belongs to the MBA 2015-17 batch at School of Business and Management, CHRIST (Deemed to be University), Bangalore. He is also a very active member of the SBM - Alumni Committee and contributes time from his busy schedule for the same.



Mr. RISHAV GOEL

INTERVIEW WITH MR. RISHAV GOEL

1. Describe a bit about your life at Christ.

I come from a small town in Jharkhand with very limited exposure to the fast world that I was introduced to after joining Christ. But right from the time, we enrol for MBA in Christ, we are assigned a task, i.e. Organizational Structure Training (OST). OST helped me to come out of the graduation mode and get ready to live in MBA. It was a rigorous 45 days work that I did at Bill Forge Pvt. Ltd. That gave me my first corporate experience even before starting the first trimester at Christ. Once the classes commenced, we had to present our OST to faculties and there was a competition for best OST among the new batch and this way Christ wastes no time in bringing one up to pace with competitive activities.

2. What is the credit that you would like to give Christ for the successful person you're today?

The sense of professionalism that Christ imbibes in students from day 1 that goes a long way. I remember the deadlines we used to have for our CIAs, that kept me on my toes and that helps me today in my corporate life as we have deadlines that just can't be missed. In corporate, what I have learned is that one must deliver within the timelines they have committed and that creates the sense of trust among your stakeholders.

3) What was the most beautiful thing about the pedagogy in Christ?

In Christ, the focus is on holistic development on an individual. The curriculum is structured in a way that provides exposure in all aspects (academics, sports, cultural fests, etc.). The approach of education in Christ is to connect theories to practical aspects and that has been

something that I have loved as a master's student. Each concept that we were taught was linked to real-life examples and that helped me understand the concepts rather than Mug it up. We had our, then, Head of Specialization for Finance, Prof. T S Ramachandran whose one of the favourite quotes was "Connect the Dots" – i.e. connecting the concepts with real-life examples.

4) How much of the life at Christ can you relate with the Corporate Life?

I am sure I cannot put a % around that, but the life at Christ and Corporate is pretty much similar. We have our deliverables, timelines, dependencies, expectations, etc. in Christ as well as in corporate world. The one major difference that one can have is the care and interest a faculty takes in you that is something that might not always be the case in your job. Luckily for me, I had my mentor in Christ Dr. Bikramaditya Ghosh who guided me throughout my journey in Christ, especially in the 2nd year. I was fortunate to have Prof. Joseph Fernandez and Prof. T S Ramachandran to guide me and motivate me. Also, I was a mentee of Dr. Ganesh L, in my first year at Christ, who gave me the freedom and courage that helped me hone my soft skills. I owe my career growth to them and to all other faculties.

I have been fortunate that I have got very supportive managers in a job at IBM and that's why for me the life at Christ and corporate is very similar. There is only 1 thing that I would I say I miss and that is friends. My advice to all the students would be to enjoy your time at Christ, enjoy the friendships with keeping an eye on your career.

INTERVIEW WITH MR. RISHAV GOEL

5) Is there any special IT Skill that we as Finance students should acquire which the job market is searching for?

As we know the world is moving towards techno-functional roles, it becomes essential that we as managers have held on technical aspects as well. There are many skills but from a project management perspective, I would focus on a few. Having an Agile mindset would help students as project management is now all about Agile methodologies. Also, one of the emerging markets in the IT industry is Hybrid cloud. Students can learn about cloud and do certification either in Amazon Web Service (AWS) or MS Azure, this will provide students edge over others while appearing for placements. Apart from IT Skills, I would say students should focus on their soft skills. In corporate world, you will have to interact with people day in day out and your communication and people management skills will come into play big time.

6) The stock market was hit badly during the lockdown phase, but currently, it is in a reviving phase. Though research says that many non-investing people have started showing interest in the stock market during the Pandemic, what in your opinion can be the probable reason for this hike?

I can attribute the growth in a number of people who have started investing due to multiple reasons:

- India is a developing nation with a huge base of a young workforce, around 35% in the age bracket of 20 – 45 years. The thought process of this generation has changed from saving the money in their bank accounts to now investing it in the stock market, be it equity or mutual funds
- With the digital world taking over, access to investment has become very convenient.

- There are many new investment platforms that now offers mock trading/investment so that an investor can take a feel of the market before investing their money.
- Another major trigger I feel has been the crash in the stock market which was the effect of Coronavirus and the nation-wide lockdown. People knew that this downfall is temporary and is only because of an external factor (Covid-19) and not because of any issue in the fundamentals of the companies.

These reasons worked as a catalyst in bringing more investors to the table and I believe that this is just the start. India is going to see a much larger base of investors in the next decade, as people get more comfortable with the markets, clearer in understanding their goals, it will bring huge opportunity in the wealth management industry.

7) How important do you think is Networking to build professional or business relationships over time?

There is a saying that “Networking is an essential part of building wealth”. I totally agree with this statement. As individuals, we think that networking will benefit us in the short term or at least our expectation is that our networks would benefit us in short term itself, but the reality is that it’s a long-term investment. We need to be patient in our efforts to reap the benefits of networking, both in the professional and business environment. A common error people make while starting networking is that they start calculating each move as to how it’s going to benefit them rather than thinking how the relationship can be mutually beneficial for the other person as well. Networking is about showing authentic interest in others. We need to be selfless in provide support to

INTERVIEW WITH MR. RISHAV GOEL

our networks when they need it. These small things go a long way in establishing a strong and trustworthy network rather than just having huge numbers in your social media.

8) Being a Project Manager, you would know how to prioritize tasks on a project. How important do you feel this is for any working professional to prioritize tasks on a daily basis?

Being organized in any activity we do makes a difference in how we carry ourselves. It not only increases productivity but also it helps in having a peaceful mind. Any job we do has a certain set of fixed activities and then there are variable activities. One cannot always plan for the variable activities but if we have our fixed activities organized it gives us the flexibility to handle ad-hoc jobs that comes our way. Being organized is not just for our professional work but also in our personal life.

9) Since, we are all stuck in this Pandemic and are living in the Virtual World, what are some of the tips that you would like us to keep in mind before we sit for our placements?

- Have a positive mindset for your placements. The way jobs are being performed now has changed as all the teams are working virtually. Employer will look for a happy go person to be in their team rather than someone who likes to be more reserved.
- Work on your inter-personnel skills.
- Identify the job roles that you would want to have a career in. The focus should be on job role rather than the salary offered.
- Don't stress too much over the placements, just focus on your strengths and work on honing the skills.

10) Any advice you would like to give the students before they graduate and step into the corporate world?

The only advice I would give the students is to enjoy their time in Christ and have a free approach towards corporate life. This doesn't mean that they should be carefree of their career but rather they should have an open mind while joining their organizations. All of us are going through tough times and having mental peace is as important as having physical health. Students should take time-offs in their daily activities and should not over-burden themselves for a longer stretch of time. The last but not the least, Stay Home – Stay Safe.

OUR DISTINGUISHED CHRIST ALUMNI – MR. ANAND RAMACHANDRAN

Mr. Anand Ramachandran is presently working as a Senior Executive in a Forex Firm in Canada. Prior to this assignment, he was in Tata Consultancy Services (TCS) Forex Treasury for five years, managing the global forex flows of TCS.



Mr. ANAND RAMACHANDRAN

INTERVIEW WITH MR. ANAND RAMACHANDRAN

1. As novice investors, what will be your suggestion on how to start trading in the forex market?

Successful trading is a calculated guess, executed with a well thought out plan. Works in FX and every other asset class. To start, like any game, one should understand the rules of the game, the players involved, and the structure of the game, the risks involved and your constraints. FX as a market has many moving parts, with currency moves being driven by present and future expectations of different performance measures. Balance of trade, the relative performance of economies, monetary and fiscal policy, debt levels, the performance of equity, debt and commodity markets, relative behaviour during uncertainty etc.; Know that it takes a while to get a hang of things and stick to your trading plan. Beware of leverage, especially in FX. Finally, understand your returns on a risk-adjusted basis and use your mistakes and successes to understand your edge in the market. A successful trader need not predict the market accurately at all times, just accurately during the times that they trade.

2. Are there any specific places we should look out for? Like, some particular currency or commodity?

Start with what you know and build on your knowledge base. Keeping track of changing political and macroeconomic landscapes in the key to understanding FX. Broad categories to research would be the G10 and Emerging markets as separate groups that correlate within themselves. Risk on risk-off is a strategy worth understanding to gain a perspective that most pro traders use as a rule of thumb. Certain commodities affect prices of certain currencies if their economies are dependent on importing/ exporting them as major trade goods. Watch out for these correlations.

3. There are huge opportunities in the forex market, but still investors are quite reluctant to invest in the same. In your opinion why should one trade in the forex market?

You needn't as an investment. However, high liquidity and transparency compared to other markets, makes it an even playing ground for all. FX is highly leveraged and is not precisely an investment product. It is primarily present to facilitate trade between countries and hedge exposures for corporations. Speculation can be lucrative in FX but it comes with its own risks. Large organizations/banks/central banks/ funds drive market movements. With 6 trillion dollars in daily volume, even large market participants are at risk of heavy losses because the market is too large to control for one/ a given set of players. This accelerates moves when views are wrong or stop losses get triggered. Profits can wipe out in a matter of minutes. That being said, there are ways to mitigate risk and that comes over time with experience.

4. What is your opinion on gold becoming the apex currency in the forex market in future?

Very unlikely. The basic flaw in the gold standard is that it fails to account for extreme situations, where skews in economic performance could lead to quicker recessions/depressions. As an extreme example, if there are only 100 gold coins in the whole world and they are the only means of barter, over time, it could lead to situations where gold is concentrated in the hands of a few economies, leading to catastrophes in others.

We are in a world where the complexity of the economic system and a constantly changing

INTERVIEW WITH MR. ANAND RAMACHANDRAN

the landscape of credit conditions makes it impossible to understand/ pinpoint the true value of a currency's intrinsic value. This allows people to focus on their day to day lives without larger concerns of recessions/depressions. This is likely to continue as a practice. Digital currency might become a reality and our primary means of transaction in the future.

5. How to identify a trending market apart from a few famous currency pairs?

In technical terms, an upward trending market is represented by higher highs and higher lows, while a down-trending market is represented by lower highs and lower lows.

6. We have seen a tendency of investors regarding USD as a stable currency, despite Trump’s leadership has resulted in various challenges imposed on the US economy but still, it has been regarded as a safe-haven currency. What are your opinions in this regard?

USD is a unique currency. Its value is driven, as much by the performance of the US economy, as it is driven by the global demand for it. Major commodities like oil and gold, primarily transact in US dollars. As long as this remains the status quo, political uncertainty/challenges will not derail the currency's relative value. The US, irrespective of whether it is run by democrats/ republicans, prefer a stronger dollar as it allows their central bank to maintain easy credit conditions, leading to economic expansion.

7. Would you recommend the use of divergence in forex trading?

Yes. Divergence is a technical strategy can be handy. However, as with any technical signal,

trade after the break of the trend line that the divergence is going against.

8. Sir, lastly, we would like to conclude with the current scenario of the forex market. According to you, how will the forex market react to the 2020 elections?

US elections? Uncertainly, low liquidity, knee-jerk reactions with short term dollar weakness; long term US dollar strength. Other significant macros are the contagion and its relative effect on economies and Brexit.

FACULTY INTERVIEW



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EXPERIENCE	POSITION TITLE	for company tid
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INTERVIEW WITH PROF. KRISHNA MC



1. Earnings of a company determines how much return a shareholder gets (EPS). There are various kinds of EPS mentioned by a company like Basic EPS, dilutive EPS and anti-dilutive EPS. What is the difference between the three?

Answer: Basic EPS is purely the current earnings (Net Income or PAT) divided by currently valid and outstanding equity shares. Dilutive EPS or Diluted EPS (in the Indian context) is applicable when there are instruments which would get converted into Equity and they are eligible for a share of profits. Thus the EPS gets diluted as the current shareholders' stake in the company would get reduced (or diluted) when the conversion happens... e.g. Convertible Bonds or Debentures or stock options Anti-dilutive instruments are securities which have features of equity, excepting that they would not dilute the ownership rights or other privileges of the primary equity owner. These are not generally issued to the public. However, some institutions might own them and they get traded mostly as OTC instruments. Closest example for these in the Indian context could be Tier 2 or Tier 3 capitals in financial institutions. These are typically anti-dilutive. In addition, an anti-dilutive phrase is also used when some of the instruments are retired or withdrawn. This can in fact increase the EPS, in very rare cases.

2. While reading an article, I came across the term "Securitized Bond". Are these the basic Government bond or are these some kind of special bonds?

Answer: Securitized bonds are instruments issued with another underlying instrument. Typically, financial institutions issue such instruments based on some already existing bonds. They are not direct borrowings. Governments do not issue such bonds normally.

3. What are clean and dirty bonds?

Answer: It is not clean or dirty bonds, but the clean or dirty price of bonds. When bonds are sold in the secondary market and in between two payments of coupon interests, they can be sold at a price, which includes accrued interest or without it. When the price does not include the accrued interest it is called clean price and when the price includes accrued interest, it is called dirty price.

4. What should be done to maintain strong cash and working capital reserves amidst declining by a company?

Answer: This is a very open-ended question. If the company is not doing well in its operations, the first impact will be on its working capital. Its operating cycle will get affected, as you can face multiple issues.

- The first step would be to reduce discretionary costs
- Customers buy less or even if they buy they look for very favourable terms like price and payment terms etc. This is the first thing that needs to be discussed so that you are able to keep the customer in good humour at the same time reduce the operating cycle. This is the most important challenge
- Companies do try to improve productivity and quality without any increase in the cost of production etc.

5. What in your opinion will be the strategic effect in India if Trump is not reelected as the President?

Answer: I am not an expert on international relationships. However, being two democracies and facing similar challenges from countries like China, the relationship would not change much. The political

INTERVIEW WITH PROF. KRISHNA MC

narrative and rhetoric on TV and social media will change. Rest of it in my opinion will be business as usual.

6. What is meant by a Notion Proxy and what is its importance in a meeting?

Answer: I am not sure of the phrase ‘Notion Proxy’. But I can explain what is Proxy in the context of meetings. Normally in most of the meetings (especially the company’s annual general meetings), shareholders have the right to vote on a decision. When the shareholders may not be able to participate and vote in a meeting, they give the right to vote to another person/shareholder on his behalf in absentia.

7. What are the possible outcomes of the Government having so many loss-making companies under it? For example, Air India, BSNL or even the increasing pressure on LIC.

Answer: In my view, all three are very valuable companies. The pressure is more owing to fiscal deficit and the need for disinvestment. LIC sits on huge premium money and its investment division makes huge profits which many times more than covers excess expenses over revenue. In the end, each of these companies is likely to have a fabulous valuation whenever they are put up for sale. The loss-making is a function of the overheads that they carry. That will have to be first managed if the Government would like to hold on to these companies.

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STUDENTS CORNER



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sales director

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AARTI DRUGS ON THE BULL RUN

The price of Aarti Drugs surged 38.06% in May 2020. FIIs are bringing in money to the market in the hopes of recovery in specific segments.

On the 15th of May, the company posted the Q4 results. March quarter consolidated profit was Rs. 239.9 million vs Rs. 219.7 million a year ago. Revenue rose from Rs. 3.2 billion to Rs. 3.31 billion. Promoters held 61.44 per cent stake in the company as of March 31, 2020, while FIIs held 1.07 per cent, DIIs 4.82 per cent and public and others 32.67 per cent.

So, what is so special about this Company? We have seen the panic in the market from mid-march due to the COVID-19 situation and also DIIs and FIIs leaving the market taking away their share. Amidst all this chaos, a glimmer of hope is seen through the Pharmaceutical companies as well as the chemical speciality companies.

The API (Active Pharmaceutical Ingredients) companies like Aarti Drugs have benefited significantly, beating market expectations. The company attributed the API segment's performance to both volume growth and good realization in selling prices. Aarti Drugs saw good demand for APIs for antibiotic drugs such as ciprofloxacin, ofloxacin and norfloxacin.

Unlike Divis Laboratories, Aarti Drugs gets much of its business from domestic Pharmaceutical companies. Another factor that has added to the optimism of API manufacturers is an expected increase in demand due to import substitution. However, this trend is not expected to reap any rewards in the next few quarters, but could likely play out in the long run if local firms can indeed cut costs.

Analysts expect the company to benefit from new capacity and higher realizations, going forward.



Key financials (YE Mar)	FY19	FY20	FY21e	FY22e	FY23e
Sales (₹ m)	15,609	18,061	22,371	26,183	30,339
Net profit (₹ m)	872	1,380	2,373	2,619	3,355
EPS (₹)	37.0	59.2	101.9	112.4	144.0
PE (x)	47.3	29.5	17.2	15.5	12.1
EV / EBITDA (x)	22.1	17.0	10.9	9.8	7.5
PBV (x)	7.5	6.2	4.6	3.6	2.8
RoE (%)	17.5	23.1	31.0	26.1	26.0
RoCE (%)	10.3	14.5	21.8	20.6	21.8
Dividend yield (%)	0.1	0.1	0.2	0.3	0.3
Net debt / equity (x)	0.9	0.6	0.3	BCCL	-0.1

Source: Company, Anand Rathi Research

Panic from the march has not decreased due to the Pandemic breakout. The market is at its most vulnerable rate. Having said that it's not all hopeless, Pharmaceutical stocks are reaching their new 52-week highs-API's to be more specific. The stock that has the spotlight this month is Aarti Drugs Ltd. and we will discuss more about it and the factors affected and affecting its abnormal growth.

Penumalli Sri Harsha
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DIGITAL PAYMENTS - THE NEW NORMAL

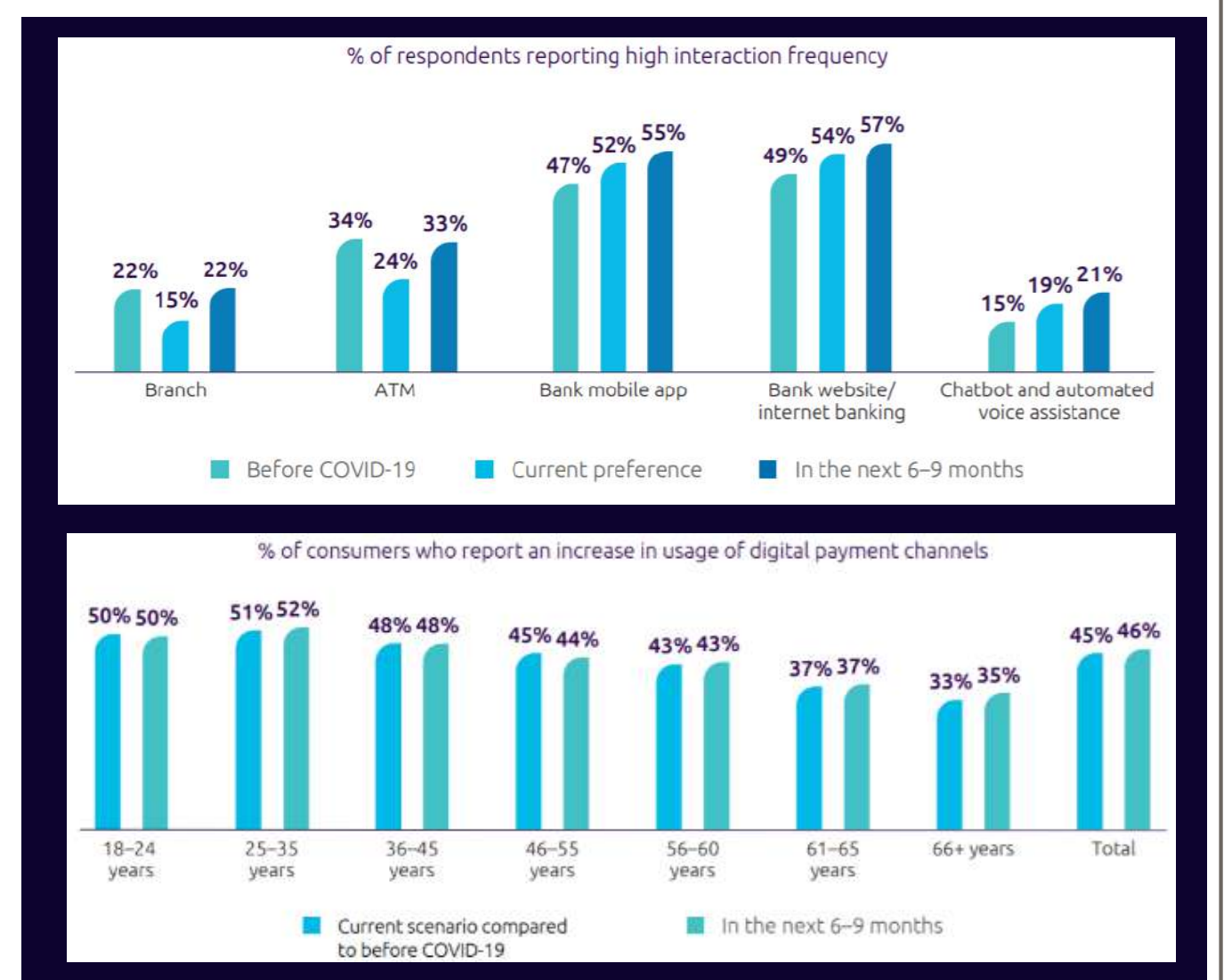
Digital payments which were once a convenience have become a necessity these days. The current pandemic has crippled the economies, brought a major change in the lifestyle of the people and led to a decline in cash transactions. Even though the digital payments were already increasing before the pandemic, the current health crisis gave further push to adopt digital payments.

Many looked on COVID-19 as the demonetization moment for the digital service industry in India. In a survey conducted by Capgemini on financial services consumer behaviour in April, it was observed that usage of digital payments post-COVID period would be highest among Indians- 75%, followed by China- 63%, then Italy- 19%.

In India, the shift to digital payments is especially striking when consumer behaviour among older generations was considered. It was observed that 80% of them (between the age group of 56-60 years) made the switch to digital payments which were greater than the global mark. This switch was due to the current pandemic which led to unlearning the old system and change to a new process. There were some notable findings - 85% of consumers are willing to save more in 6 to 9 months compared to the current and pre-Covid situation and 83% of Indian consumers opted for an increase in life insurance coverage. In the current situation, many clients were looking for a new normal but not everything will be transformed into remote mode. Banks in various countries started developing contactless approaches for

onboarding customers, and various other transactions but certain essential services will remain face-to-face, said CTO consulting firm's global financial services business.

In the next 6 to 9 months, 74% of the Indian consumers will use mobile apps as digital touch-points and globally this will be 55%. And the usage of voice assistants and chatbots were preferred more as digital touch-points for banking and will increase to 59% in the next 6-9 months. Although digital payments are gaining traction, most people still depend on cash and enjoy the touch and feel of cash.



Global pandemic and the lockdown have crippled the economy and transformed the way people are leading their lives. It has impacted the transactions and the way they happen. With the increase in adoption, digital payment platforms are booming. And digital transactions are becoming the new normal.

Sneha Cherukuri
1927852



INDIAN FINTECH POST COVID

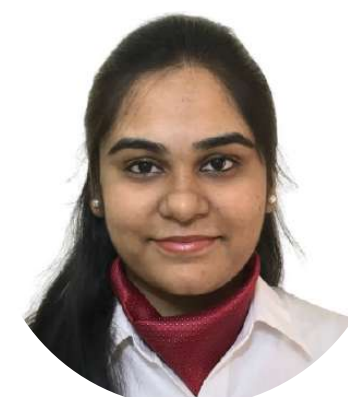
India is one of the world's fastest-growing fin-tech markets. As of March 2020, of all emerging markets in the world, India accounted for the highest FinTech adoption rate (87 percent), alongside China. The average global adoption rate, on the other hand, stood at 64%.

Increased Internet adoption and enhanced digital infrastructure along with government's initiatives like Digital India, Jan Dhan Yojana are driving India's fintech market. In addition, the sector is seeing expanded use of artificial intelligence (AI) and Big Data to boost customized offerings. The Indian FinTech industry is expected to revolutionize new business models such as neobanks. However, the global economic slowdown due to the COVID-19 crisis in India has had a negative impact across industries, and this impact has not spared FinTechs. Liquidity crunches have been identified and it has been difficult for smaller, early-stage players to continue operations. Nevertheless, looking at the larger picture, the Indian FinTech ecosystem has seen an upward trend in funding, amid a slowdown in consumption and a fall in FinTech investment patterns globally. The reason is that amidst the lockdown in order to meet one's financial obligations, people relied on online payments as digital-based fintech platforms prohibit users from participating in the exchange of cash that can serve as a possible Covid-19 carrier in line with the minimization of one's physical communication environment. It is no wonder, considering these advantages, that fintech is the key to unlocking a safer and more financially inclusive future in the post-pandemic landscape.

In 2019, USD 2.6 billion was raised by Indian FinTech start-ups in 180 capital raising rounds. India's digital payment transactions are projected to rise by 20.2 per cent at a compound annual growth rate (CAGR) by 2023. In India, the rising number of mobile subscribers (1.18 billion), internet users (540 million) and mobile internet users (520 million) enables FinTech to reach our customers via digital channels. The increase of FinTech penetration and adoption across multiple sectors has had a positive impact on the Indian economy. Companies need a blend of scalable on-demand infrastructure, remotely accessible software, digital collaborative methodologies and responsive culture to ensure a swift and decisive response to a crisis to facilitate the smooth transition to remote operations. Access to protected data methodology and managing privacy and cyber threat requirements will play a key role in ensuring smooth operations and decision making, along with a digital environment.



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NAO, LAKSHMI AND PEPPER IN BANKING

The banking and financial services (BFS) field is being revolutionized by a group of humanoid robots and Chatbots such as Nao, Lakshmi and Pepper. This form of technology is introduced by banks around the world as a prelude to a future that is increasingly powered by technology, a future characterized by instant payments; services everywhere, individualized goods, and virtual currencies, and maybe operated by invisible banks.

A look at some of the key developments that re-shaped the BFS industry makes it easier to grasp the changes that financial institutions are making in order to remain competitive in the future. The ongoing digital revolution, the rise of FinTech firms, the growing role of Artificial Intelligence (AI) and robotics, and the rethinking of the concept of money are among these phenomena.

Trend 1:- Accelerating focus on Digital Transformation

The industry is experiencing a sustained and aggressive emphasis on digitization and the introduction of new and evolving technologies to deliver operational efficiencies, speed-to-market and superior customer experience.

Trend 2:- Emergence of FinTech Companies

Many banks are looking to take advantage of the opportunities provided by digital technology, either by using in-house innovations or by collaborating with FinTech companies. These businesses were initially seen as rivals taking advantage of the vacuum created by the incapacity of the BFS industry to keep up with technological breakthroughs.

Trend 3:- Establish a Cognitive Side to the Business

While consumer demands and competitive forces require banks to embrace full-fledged digitization, lenders are pressured by performance pressures to reduce costs and retain healthy operating margins. Emerging technologies such as AI and robotics are helping banks to address these constraints effectively as new regulatory requirements and data protection laws put additional strain on already-stretched resources.

Transform: Key to the Future of the industry

BFS companies should shed their non-core practices, keeping only those companies that provide clients with true differentiation.

- The banking and financial services industry is shifting its attention on innovation to prepare for a future that will increasingly be powered by technology.
- Continuing digital transformation, partnership with FinTech, and the growing role of artificial intelligence and robotics are main trends driving these developments.
- As customer preferences, demographics and behaviours change, banks and financial institutions should re-define themselves as agile technology companies.

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THE IBC AMENDMENTS IN WAKE OF COVID19

Introduction:

The Insolvency & Bankruptcy Code, 2016 (IBC) was implemented to fix and put under one umbrella, the disturbing flaws in current phased insolvency laws in India and are set up to face a challenge and equally monumental demands. Insolvency is a situation in which persons or firms are unable to repay their outstanding debt. Bankruptcy, on the other hand, is a condition whereby a person or other company has been declared insolvent by a court of competent jurisdiction, having given appropriate orders to resolve it and to protect the interests of the creditors. It is a formal assertion of one's inability to pay off debts. In 2016, the IBC was introduced to replace a host of laws with the aim of simplifying and accelerating the resolution process of failed businesses.

In order to prevent companies to be dragged into insolvency under the Insolvency and Bankruptcy Code, 2016 due to the present pandemic, certain amendments were made by the Government under the Code. Following are the announcements made:

- Section 10A: Suspension of initiation of corporate insolvency resolution process which means no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed for any default arising on or after 25th March 2020 for a period of six months or such further period, not exceeding one year from such date.
- The threshold for invoking insolvency proceedings was raised from Rs. 1 lakh to Rs.1 crore on 24th March 2020

- The IBC Amendment Ordinance, 2020 – A Covid-19 a relief package which means it looks to provide some relief to those corporate debtors who are directly affected due to the COVID-19 pandemic. Thus giving them a breather in which to recoup and resuscitate their business.
- The Ordinance also suspends filing of an application by the resolution professional under Section 66(2) of the Code against directors or partners of corporate debtors in respect of such default against which initiation of corporate insolvency resolution process would be suspended so as to use their best endeavours to continue trading during this unprecedented market situation, without the threat of personal liability, if at all the company goes into insolvency.

Recent ongoing cases of Insolvency under IBC Board in 2020:

1. Gupshup Technology India Pvt. Ltd. v. Exclusife Technologies Pvt. Ltd.
2. Fomra Electronics Ltd. v. Base Electrical & Electronics Soln Ltd.
3. Magnum Steels Ltd. v. Collage Group Infrastructure Pvt. Ltd.
4. Raaj Unocal Lubricants v. Swastik Pipe Ltd.
5. Mykind Vacations Pvt. Ltd. v. Dion Global Solutions Ltd.

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SUSTAINABILITY INDICES

These days the term sustainability seems to cover everything, and financial institutions are adapting to this new way of understanding the economy. Sustainability indexes are instruments to measure the responsibility of a certain company in social and environmental areas. The more they accept these angles into account as they build up their business, the higher the score they will acquire. Nowadays, stakeholders are making investment decisions not based on just profit but also the environment as a major aspect. Increasing investment in sustainable business leads to the creation of sustainable investment indexes that are rational and reliable to monitor the profitability of their sustainable investments. Instead of asking investors questions such as the interest it offers and the promise of return, they ask questions about where my money goes or what it is used for, or what I spend my money in. As today, it is not just about the finances of businesses to make certain strategic decisions, but the analysts want to know everything possible about the company and the Sustainability Index allows them to get such information about the company behind the curtain.

Various Sustainability Indices around the world are:

Dow Jones Sustainability Index: It consists of more than 300 companies that are leading sustainability companies out of 2500 companies in the Dow Jones world index.

Standard and Poor ESG Index: The main criteria for constituent eligibility and selection in the S&P ESG Index Family are the S&P DJI ESG Scores. The scores contain a total company-level ESG score for

a financial year, comprising individual environmental (E), Social (S), and Governance (G) as key indicators.

Various Indian Companies on Such Index are:

- Mahindra & Mahindra
- Tata Motors
- Havells India
- Infosys and Wipro



In today's World, every company is concerned about societal development and contributing back to the society. There are various Sustainability Indices used by various top companies in the World to identify their contribution to the society in different ways.

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FACTS ABOUT CRYPTOCURRENCY

The size of the global Cryptocurrency market is \$1 Billion. India's share in global crypto trading volume is 1%. As of now \$70-80 million of daily trade being carried out on Indian crypto exchanges as compared to \$3-5 million in January 2020. It means there have been 15-20 X growth in user base at Indian Crypto exchanges since March 2020.

In India 20% Capital gain tax has been levied on crypto earnings.

On 1st Oct 2020 Bitcoin was trading at \$ 10,738.62 compared to \$19,300 in 2017.

The Indian government is sitting on the draft Banning of cryptocurrency and Regulation of Official Digital Currency Bill, 2019.

The Bill proposes a complete ban on cryptocurrency exchanges. It also proposes criminalizing dealing in crypto and fine up to Rs.25 Crores.

Types of Cryptocurrencies:

- Ethereum (ETH)
- Ripple (XRP)
- Litecoin (LTC)
- Tehter (USDT)
- Bitcoin Cash (BCH)
- Libra (LIBRA)
- Monero (XMR)
- EOS(EOS)
- Bitcoin SV (BSV)
- Binance Coin (BNB)



- The size of the global cryptocurrency is \$1 Billion.
- India's share is 1% of global trading volume.
- There are different types of cryptocurrencies like Ethereum, Ripple, Litecoin, Bitcoin etc.
- Bitcoin has 68% of market share globally

KARTHIK SHETTY
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MOVIE REVIEW – THE BIG SHORT

The Big Short is primarily based on Michael Lewis' The Big Short: Inside the Doomsday Machine. The director, Adam McKay along with the cast members Christian Bale, Steve Carell, Brad Pitt, and Ryan Gosling portrays a true story of a group of Wall Street analysts who go through a collapse of the housing market in 2007-08 which on further investigation stumbles upon the corruption and flaws in the financial system, majorly subprime mortgages. The movie depicts how the analysts react and seek help from big banks who refuse to help. Some of the hedge fund managers made huge profits by predicting the collapse and shorting on housing bonds. Adam McKay showcased the details of the event and dialled down on the usage of heavy financial terms so that the flow of events is easily understandable by those who are not financially fluent. Although the theme around the movie may initially not be attractive to non-financial background people, the excellent portrayal of the characters and along with a well-written script manages to keep the audience enraptured for the next two hours.

About the cast, Michael Burry (Christian Bale) represents a character who is an expert at number crunching and only seeing numbers, Burry anticipates that the market is going to collapse, so, he starts alerting a few banks about the upcoming scenario, suggesting that they create a different financial tool. Along with this, he strategically shorts the housing bonds market and earns a lot of profit. On the other hand, Mark Baum (Steve Carell) is showcased as a very short-tempered hedge fund manager (but, only for justifiable reasons). He gets angrier after finding out about the corruption of the banks. Burry

and Baum, the most powerful characters in the entire movie hold together the whole plot and keep things interesting.

Ben Rickert (Brad Pitt) is an ex-Wall Street investor and continues advising young investors though he has left the lane long back.

Jared Vennett (Ryan Gosling) is a scheming trader in the movie and a comically flattering character. Apart from the cast, some Celebrity cameos were also one of the reasons that kept the audience interested.

Overall, the movie was beautifully portrayed, but the flaw was that it was more like a documentary rather than a movie since there were many scenes where the characters were talking directly to the audience explaining terms or critical scenarios. There were a few critiques who rightly suggested the title to be changed to "American Horror Story" since it showcases a real-life incident with surprising accuracy.



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STOCK MARKET ANALOGY WITH ANTARCTICA



“No Gold Glitters Always”: In past Antarctica was a rainforest hosting a large number of ancient species which is now a ‘desert’. Likewise, the demand for gold which seems to glitter at the moment will not glitter always. Gold tends to gain when interest rates are low and political and economic uncertainties are high, and the safe-haven nature also attracts investments.

Water, Water, Everywhere, though not a drop to drink...! - About 2% of the world's water supply is found in Antarctica but contributes 70% of Earth's freshwater. The Indian stock market has the potential to become World's number 1. There is an increase in the number of investors in the stock market especially during the Covid19 pandemic, currently, there are just around 20 million active traders from a 1.35 billion population. The

White Walkers Await - The Antarctic landmass holds more than 100 volcanoes beneath the ice sheets. If activated altogether, it's enough to melt the ice sheets further leading to a 60-70 meters rise in seawater levels. Similarly, the underlying risks involved in the stock market are always unknown. Liquidity, market, regulatory, inflationary, interest rates, business-related risks, etc. are among the few risks involved.

Hero Next Door – Being a landmass on planet earth, Antarctica was discovered (1820) after the discovery of planet Uranus (1781). The Antarctic ice plays a

vital role in climate regulation, limiting the absorption of solar energy at the surface through its high reflectivity. There would be many stocks that perform once in a blue moon, but as an investor, it's crucial to find the ‘right-stocks’ that should be acquired, also your position as an investor (short-term or long-term investor).

How windy can it get? – Antarctica on average; is one of the windiest places on earth, with wind-speeds that have reached up to 200 miles/hour. The Stock markets react sturdily towards any news that flows in. Decisions made upon these without proper understanding and analysis can doom the portfolio one holds. Portals offering fake news and stock tips are reported and the resulting losses are never less than billions of dollars annually. Overconfidence and lack of patience is something to be taken care of.



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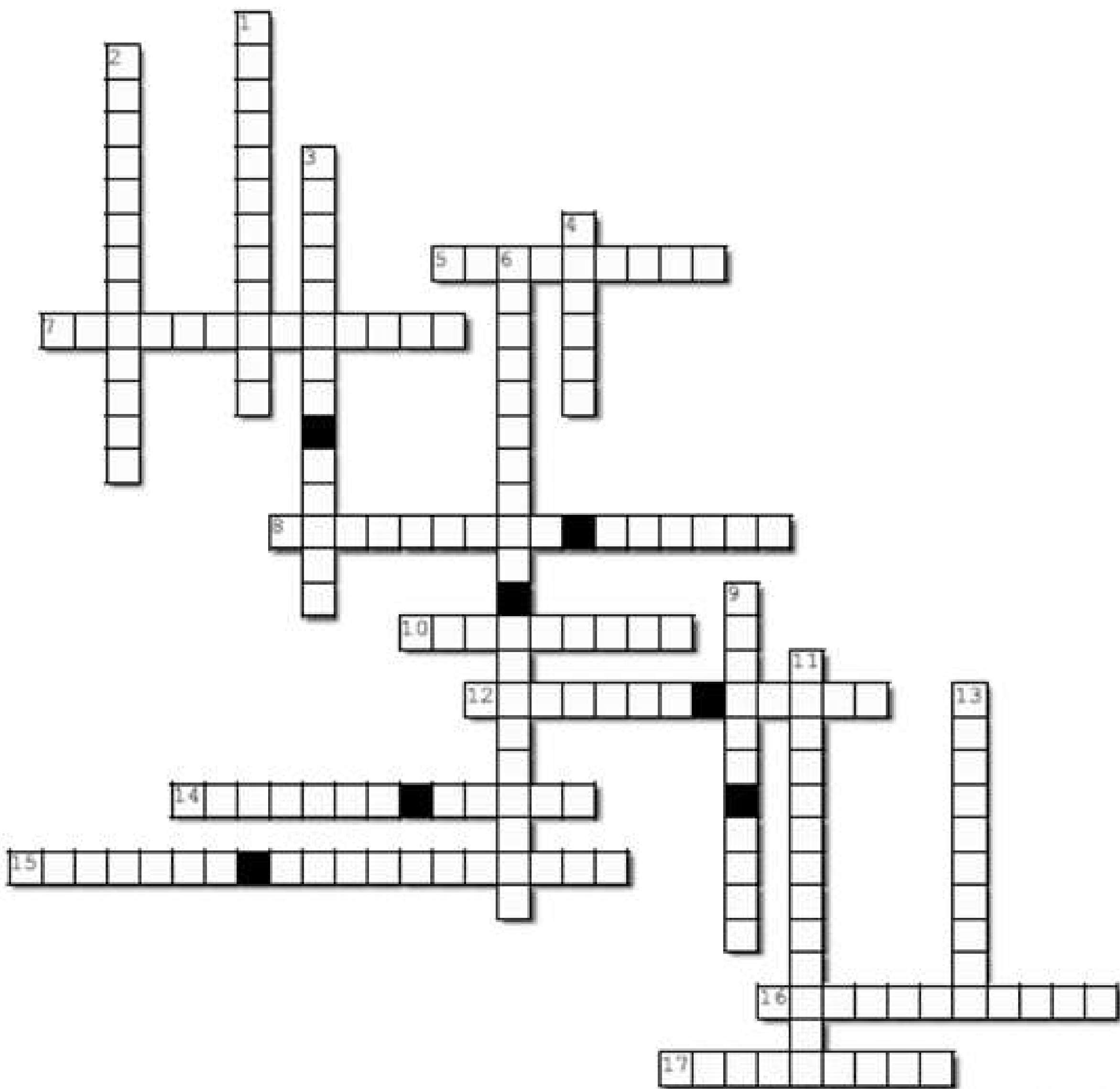
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FINANCE CROSSWORD



Across

5. A number used by banks and other financial institutions to measure a borrower's credit worthiness.
7. When a person gives a bank authority to sell the goods which has been pledged as security for a loan.
8. With this type of insurance policy, it pays out a lump sum on a fixed date in future
10. Compensation for employment, service or holding office.
12. The increase in the value of an asset or investment — like a stock or real estate — above its original purchase price.
14. Estimate of amount to be recovered at the end of an asset's useful life
15. If you spend money buying or improving fixed assets
16. The process of buying or selling securities over time in order to maintain your desired asset allocation.
17. This is borrowing money to lend out again at a higher rate of interest.

Down

1. Act of paying out money and includes the actual delivery of funds from a bank account or other funds.
2. Using own money to finance the start-up and growth of the small business.
3. Bank which deals in FOREX and advice large companies on mergers, takeovers, raising capital and so on.
4. Use of third party, who holds an asset or funds before they are transferred from one party to another.
6. This is money which might be owed if a particular event happens.
9. It shows details of the investments the broker has bought for the client, including the price paid & any commissions
11. The action of government selling or liquidating an asset or subsidiary
13. It means paying off all the money borrowed under an agreement.

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FINANCIAL JARGONS

1. Subprime mortgages – These are the borrowings which have a very low credit rating. These are often bought by borrowers who face problems in maintaining the repayment schedule. In other words, subprime loans are granted to people who have a really low credit score, which basically means that the chances of getting back the loan amount are very low. There are investors who are willing to take up the risk, but during the Great Recession, there were many defaulters due to which the whole market crashed and the value of the assets (majorly, houses) fell a lot.

There are 3 types of subprime mortgages:

- **Fixed-Rate Mortgages** - In this, the loans are provided for a very long period of time over 30 years, which reduces the borrower's monthly payments.
- **Adjustable-Rate Mortgages** - It starts as a fixed interest rate but later on becomes a floating interest rate. For example, in 5/25 ARM, the interest rate is fixed for the first 5 years and then for the 25 years, it will have a floating rate of interest.
- **Interest-Only Mortgages** - The initial 5, 10 or 15 years the principal amount is postponed and the borrowers are only charged the interest amount, though he can choose to pay the principal amount, it is not mandatory.

2. Syndicate – There are a number of individuals or groups who form to make a bigger group for managing a large transaction and dividing the risk pertaining to it. For example, there is a huge project that needs to be funded and it is very difficult for a single investor, so

this investor may involve a group of investors who will invest in each portion of the project, some can invest in the infrastructure, some of the technology and so on.

3. Codicil – These are like appendices attached at the end of a will which can be altered or removed from the clauses of a will. After a Will is prepared, any additional detail that is put, explaining, altering and adding to the existing information is called a Codicil. For example, you have created a Will stating that you own 50% of your forefather's property and the rest is owned by your sibling. Later on, you add on a clause stating that out of the 50% of the property you own you want to provide 50% to your spouse. This additional information is called a Codicil.

4. 51% Attacks – This is a term used mostly in the Bitcoins market. It alludes to a group of miners who have access to more than 50% of the mining hash rates. When the attackers have more than 50% of the stake, the network prevents other miners from completing their blocks.

SHILPI DAN
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TRAVEL CORNER



EXPERIENCE

POSITION TITLE for company tld
Present
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company tld
2013 - 2016
Short description of the position and the responsibilities you had in this position.

POSITION TITLE for company tld
2012 - 2013
Short description of the position and the responsibilities you had in this position.
Lorem ipsum dolor sit amet lur dis onomu inusani qui spe volur new.

POSITION TITLE for company tld
2003 - 2010
Short description of the position and the responsibilities you had in this position.

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COVER LETTER

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SAMANTHA BLACK
sales director

ADDRESS
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Town / City,
State / Country,
Postal / ZIP code

HOBBIES
creating websites
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photography
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MY TRIP TO THE TEARDROP

Remember that little teardrop-shaped island country in the Indian Ocean? After my Instagram was swamped with pictures of my friends travelling all around the world, I took some interest in this beautiful country which survived everything from the civil war to the recent terrorist attacks. Right, Sri Lanka. I finally decided to visit this country which marked my first foreign trip (it's outside India) in November 2019 (good old pre corona times).

Temples and Forts

Our first stop was Kandy, a scenic hill station that is best known for its religious importance. We visited the sacred temple of the tooth, preserving the tooth relic of Buddha, and right outside the temple is the grandeur Royal complex, where the King's palace is now the Museum of Archaeology department. Our next stop was Dambulla Cave temple which dates back to the first century BCE. The walls portray colourful images of Lord Buddha and the Bodhisattvas. Now a break from the temples, we found ourselves in the Galle Fort, the Dutch Fort which is 423 years old still kept intact by the Sri Lankan Government. This UNESCO listed world heritage site offers a splendid view of European architecture with a hint of South Asian touch.

For the love of beaches

It's always a good time to visit a beach and get some tan, Bentota has the best beach resorts where you can see the wildlife so free (beware you might step on a gecko) and you can immerse yourself in

the sun daze. So, is Mirissa beach with its whale watching and best known for its nightlife, giving away mini Goa feels in Sri Lanka?

Now the capital city

After getting enough of Vitamin Sea, we headed to Colombo, the cleanest and well-planned city I have come across (this gave me the feeling of a foreign trip). You won't find any honking, any speeding, and people so courteous who stop their car if you are crossing.

The road with no change of expression in their face. Now, this is just a wild dream in Bangalore that will never be true. Here we visited Gangaramaya temple which is also a centre of learning, a vocational home, and an orphanage. Now the special attraction of the city. Lotus tower, which is the tallest structure in South Asia offers a splendid view of the capital city.

Saved the best for the last

What's the best part of any trip? Getting to taste the local cuisines of the place. Sri Lankan cuisine can slightly remind you of Kerala and Tamil Nadu but they have their style of spicing up things. Oh! Did I forget to mention the spice trade with Dutch? One should try the Achcharu (Sri Lankan pickle), Kothu parotta, Jackfruit curry, Eggplant pickle (quite an exotic right). Watalappam takes special mention, the coconut custard pudding made of coconut milk or condensed milk, jaggery, cashew nuts, eggs, various

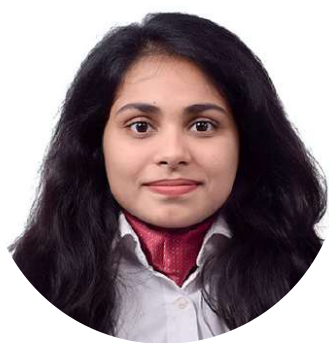
spices, including cardamom, cloves, and nutmeg.

The most famous street food is Prawn Vadai, which is in its most intact form without any peeling, Sri Lankans love their seafood as much as they love their spices and coconut. We visited butter boutique, which makes the most delicious cakes and Colombo’s best coffee and, F.R.I.E.N.D.S cafe! I got my iconic lavender door pictures in this beautiful city which made me put on four kgs weight by the time we bid our goodbye.

This is my trip to the country of spices, rich heritage and diversity, war relics, and a biodiversity hotspot, all embedded in a precious teardrop.



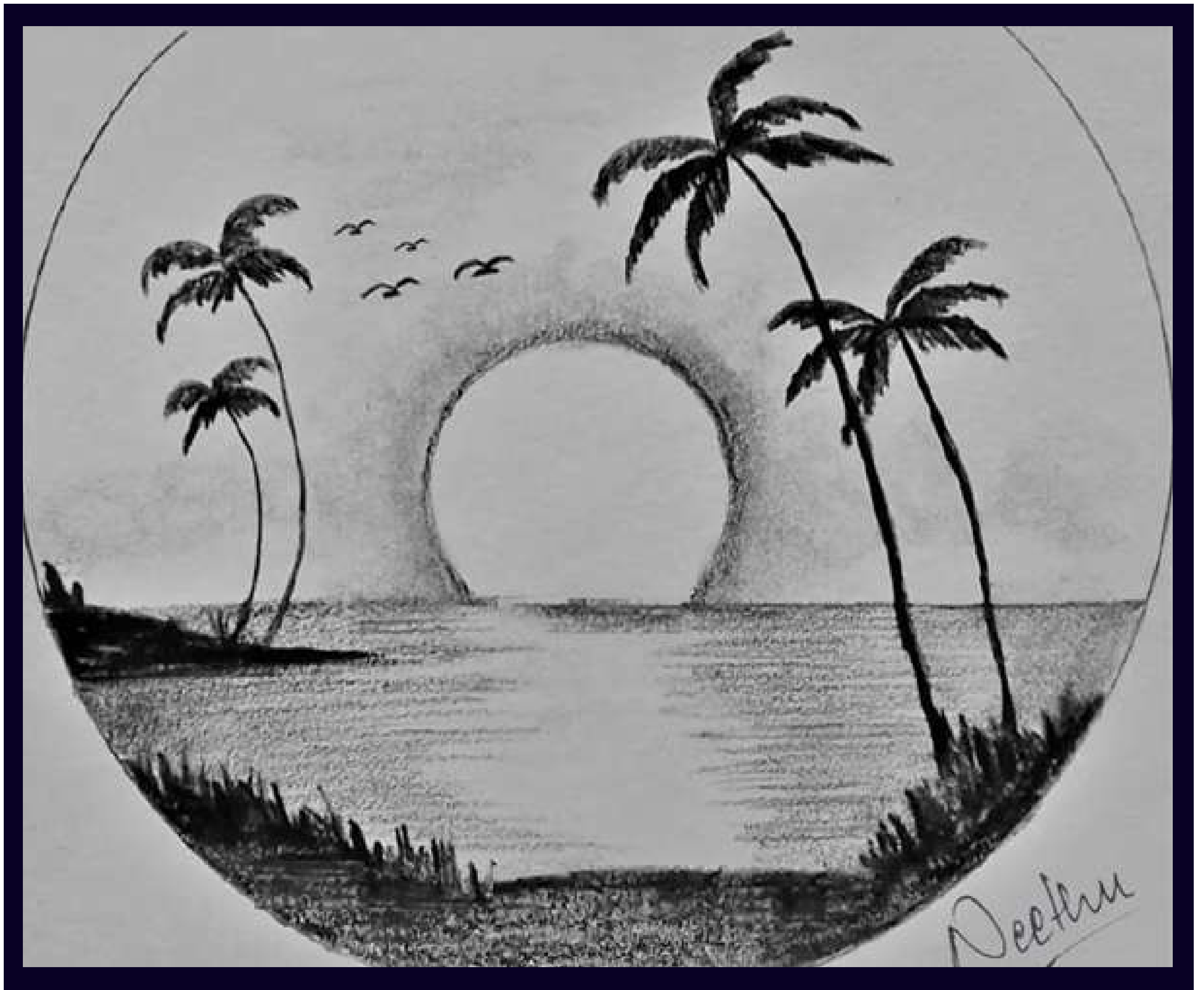
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CREATIVE CORNER



CHARCOAL SKETCHING



I am not an artist but I always loved to sketch as a pastime. And during this uncertain time, one of the things that kept me distracted from the stresses of Covid-19 has to be Sketching. This particular sketch was done using Willow charcoal and Charcoal Pencils and took about an hour to make, and was my first attempt at Charcoal sketching.

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