

COMER₹CIO

The Bi-Annual E-Magazine



**Issued by
Department of Commerce
Kirori Mal College**



Message from Principal's Desk

Kirorimal College has been an edifice of knowledge for 65 years now and takes pride in the galaxy of students who have walked through its portal. Nurturing creativity and inspiring innovation are two of the key elements of a successful education and a college magazine is the perfect amalgamation of both. It is the desire to share knowledge, concerns and special insights with fellow beings that has made this magazine possible. Hence, it gives me great pleasure to announce the publication of the 3d issue of the Bi-Annual magazine 'Comércio'. The magazine harnesses the creative energies of the academic community and distils the essence of their inspired imagination in a brilliant way. I appreciate and applaud the editorial team for their tireless efforts that have come to fruition in the form of this magazine.

It is indeed a matter of great pride that our students have soared high and brought glory to their professions and the world.

Dr. Vibha Singh Chauhan
Principal
Kirorimal College



Message from Teacher In Charge

*“Coming together is a beginning Keeping together is progress Work-
ing together is success”*

Apropos the editorial series initiated by the faculty of Commerce, Kirori Mal College the Department proudly announces the release of its third issue of ‘Comércio’. The current issue of e-magazine encompasses key themes such as Global Economic Crisis of 2007-2008, Account Aggregators, Influencer Marketing, Mutual Funds, Women in Indian Corporates, Growth and Development with reference to “Sagarmala Programme”, and Indian Stock Market in a Slowing Economy. I am convinced that browsing through the leaves of this issue will certainly be a thought provoking and stimulating journey for the stakeholders and readers. Human heart is a corsage of emotions, thereby making it imperative to lay due emphasis on the issues revolving around the society’s economic fabric. I congratulate the hardworking and diligent team members who have gone beyond the call of duty to beautifully collaborate towards the collation of this editorial.

Best Wishes
Nidhi Sharma
Teacher-in-Charge
Commerce Department
Kirori Mal College
University of Delhi



Message from Convener

I extend my heartfelt greetings to all the members of the editorial board of Comércio for bringing up the current issue in a much more holistic and concrete manner. It is truly a gratifying and humbling experience to mentor a vibrant platoon of students who is so eager to learn new things and to work as a team for a common purpose of learning and disseminating knowledge.

When we began this journey a year before, we just had one objective in mind, and that is to increase our reading and writing habits. We were guided by the adage that ‘READERS ARE LEADERS and LEADERS ARE READERS’. Today, I can feel and proudly say that our students are following the above adage both in letter and spirit.

Despite the fear that the pandemic Coronavirus has brought-in and halted the regular class-room teaching-learning process, our students worked hard from their respective home and hostels and proved that no pandemic can stop them from working and learning more. Once again, my special appreciation to the entire team of Comércio for bringing the current issue within the stipulated period of time. I am sure the readers would enjoy reading the 3rd issue of Comércio published by the Department of Commerce, Kirori Mal College to the hilt.

My best wishes to one and all.

Dr. Sameer Lama
Convener – Comércio

Founders of the Magazine



Since the day we decided to bring up an e-magazine, everyday taught us something new. What a privilege it is to be a part of such an amazing foundation and such an amazing people!!

-Kashish Bhatia

The magazine is the greatest initiative of my college life meant to share knowledge, experiences and ideas. I learnt to lead taking my people along. It warms my heart to know that I am a part of such a wonderful foundation.

-Nikita



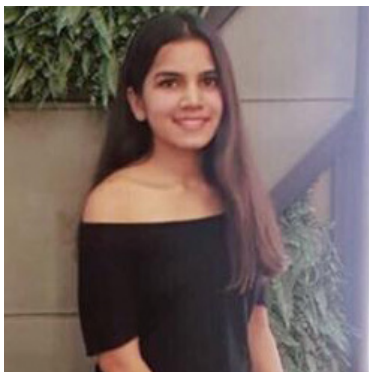
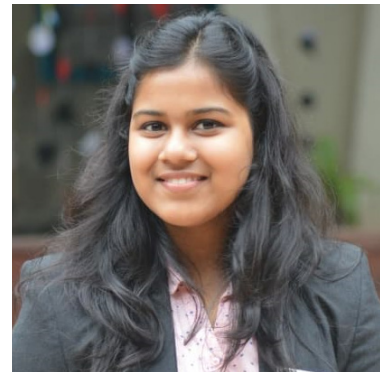
We learn each and every day, how great it would be to share the learning with everyone! This idea is what we strive for.

-Gouri Gupta



The idea for this magazine was came to us on our first day of college. It was hence, the best begining of our college life and I plan to make it an amazing experience for everyone who becomes a part of it.
-Mudit Sharma

This magazine has broadened our mental horizon giving us the opportunity to implement all our ideas and visions. Independence of thought and action is the keystone of this magazine.
-Ishika Agarwal



Once I came across this beautiful quote, ‘Somewhere, something incredible is waiting to be known.’ The notion of the e-magazine suitably braced the quote, and here we are.
- Kanishka Jain



Knowledge is something which increases every time we share it with others. This was the idea behind this E-Magazine's initiative and I'm glad to be a part of it.
- Hemant Kumar

Comércio has been a real-life experience that proves the saying true- "Coming together is a beginning, keeping together is progress, working together is success". It is an altogether new learning experience adding value to our lives.
-Chhavi



Had to design a magazine, designed it, glad now that I was a part of it. Seemed so lame to put in all those efforts until there it was, all ready, it became the most beautiful magazine I've ever seen.
-Eshan Sharma

Student Editorial Board

Success in any endeavour is highly dependent on providing and managing the independence of various segments and functions. It is a journey that calls for focus on integrated ideas and information in various aspects of life especially of business and how they can influence and be influenced by the environment they operate in. In the present world of globalisation and liberalisation of economies along with the auxiliary advancement in technology, business strategies and methods, corporate social responsibilities, there is a significant need for the students of commerce to understand and analyse these business dynamics and face the challenges and opportunities originating from them. With the aim to inform, engage, inspire and entertain a diverse readership and also equip them with rapid advancement in this world, the Department of Commerce, Kirori Mal College releases its 3rd issue of Comércio.



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Academic Erudite

The Department of Commerce is one of the most dynamic department of Kirori Mal College, University of Delhi. This premier department has worked hard in providing an environment rich in knowledge and supportive of their extracurricular interests, with highly qualified academicians imparting education in different fields. Our dedicated faculty members are committed to academic excellence and all around development of the students. The department runs two prominent courses

B.com(H) and B.com(P) which attracts intelligent young minds meeting cutoffs of 97%{approx). The department encourages a quest for knowledge that rooted in an ethical understanding of the world that we inhabit and this passion for learning along with keen desire to evolve into a socially responsible beings is reflected not only in academic atmosphere but also visible in the field of extracurricular activities. It works towards developing young minds by targeting practical knowledge along with theoretical knowledge. This department aims at providing comprehensive insight in law finance accounting, taxation and management which plays an Important role in today's dynamic business environment.

The department also runs two active societies- The Commerce Society and The Finance and Investment cell (FIC) at Kirori Mal College. 'Comércio' the Bi-annual E magazine is an initiative of students of Department of Commerce under the guidance of the teacher incharge Ms. Nidhi Sharma and faculty convener Dr. Sameer Lama.

Comércio is an attempt to disseminate various issues and challenges that the contemporary business environment is engulfed with.

Writer's Column

CAPITAL FLOWS IN INDIA AND MONETARY TRILEMMA



Neha Verma
Assistant Professor
Department of Economics

The global economy is witnessing downside risks with rise in trade tensions, monetary policy normalizations in the advanced economies and escalating geopolitical concerns, which can affect the financial stability in the medium term. The global financial system faces rising vulnerability stemming from rising corporate debt burdens, increased holding of riskier and illiquid assets and greater reliance on external borrowing by emerging and frontier economies (IMF, 2019). The advanced economies (AEs) and Emerging Markets and Developing Economies (EMDEs) witnessed a downgrade in growth projections symmetrically buffeted by series of shocks in 2018 and 2019 (RBI, 2019). The Indian economy, with the

passing of an eventful year, observes a moderation in the growth of Gross Domestic Product (GDP), with rising domestic inflation. Moreover, with growing interconnectivity between banks and nonbanks with respect to intermediation of credit, cautious policy measures are required. Fiscal consolidation along with management of capital flows gain importance in the aftermath of the global financial crisis (GFC) of 2008-09 as India remains a relatively high debt and high deficit country among comparable countries. The current macroeconomic regime entails simultaneous fiscal, financial and monetary stability. The global factors such as contagions and global financial risks are associated with extreme capital flows

episodes like sudden influx or reversal and sound capital account management policies are required.

Financial Globalization & India

The present era of financial globalization has pushed the economies towards the constraints dictated by the Mundell's monetary trilemma (Stanley, 2018). It is a term which refers to the impossibility of simultaneously achieving the triple contradictory, but desirable, goals of having an independent monetary policy (for achieving domestic monetary policy goals) and maintaining a fixed exchange rate (to facilitate stable trade and growth) while simultaneously freeing up the capital flows in and out of the country (free capital mobility for optimal allocation of resources). The response of the economies to the impossible trinity depends of various factors like degree of capital mobility, stage of development of financial markets, strength of financial and fiscal institutions, structural rigidities in the factor and product markets and so on (Kohli, 2010). The Indian economy has been following a moderate path wherein the capital mar-

ket is restricted with controls in place, fairly stable exchange rate with timely monetary policy adjustments by the central bank. The partial opening of capital account can solve the trilemma as noted in Obstfeld (2009) with India and China being cited as examples for the same. The capital account liberalization has been a slow and sequential procedure in the case of Indian economy with long term inflows given precedence over short term, equity flows liberalized before debt flows and corporate flows being opened up before the banking system to avoid the rise in volatility. This cautious approach in capital account opening has helped Indian economy sail through the GFC of 2008-09 with lesser repercussions than the comparable emerging economies. The capital inflows affect the foreign exchange reserves, real exchange rate and money supply of the country with indirect effects percolating to macroeconomic variables like inflation, trade flows, stock flows and investment. India has a managed floating exchange rate rather than a fully flexible one. Therefore, central bank plays an active role in minimizing vol-

atility in foreign exchange market in response to capital inflows. The data reveals high correlation between capital inflows and foreign exchange reserves thereby suggesting an active role played by RBI in foreign exchange market (Masood, 2009). An interesting aspect of Indian economy is the countercyclical liberalization of the capital account. With the onset of liberalization policies in 1991, the capital account opening was handled cautiously with incremental liberalization being conditional on the capital flows cycle in the economy. The pace of liberalization of inflows was slowed down in the capital surge of 2003-07 while they were vigorously liberalized during reversal of capital in 2008-09 and in 2013. The capital account liberalization though is credited with benefits of cheaper credit and increasing investments but these (benefits) are believed to be circumscribed by too many conditionalities which are unlikely of fulfillment in many EMEs and LDCs. Therefore, the approach towards capital management holds ground for a country like India. The term capital management is a comprehen-

sive term embracing both capital controls and prudential measures for domestic financial institutions.

Global Financial Crisis & India

The bankruptcy of Lehman Brothers on 15th September 2008 raised global risk concerns and started off a worldwide financial turbulence. It became understood that mis-selling of financial products to consumers can create risks for the entire financial system. The risk was created when banks started giving out loans to sub-prime borrowers in real estate amounting to the entire value of the house purchased, assuming that the prices of houses will pick up. However, with the bursting of housing bubble, the borrowers started defaulting on the loans and ballooning up of such defaulters created problems for the entire banking system. These loans were packaged into derivative products which were sold to many other financial institutions, in US and globally, the risks were created for the entire global financial system. The Indian financial system, in comparison to other emerging economies being hit by GFC was less developed and diversified.

The sophisticated derivative products being packaged from the subprime loans and sold worldwide were restricted in Indian economy. The restrictive policies of RBI helped Indian economy sail through the crisis time. The crisis hit the Indian economy through three channels: real, financial and confidence (Stanley, 2018). The sudden outflow of foreign capital from the Indian financial market paved way for sharp depreciation of Indian rupee against the US dollar and RBI provided dollar liquidity to cushion to effect in foreign exchange market. The local Indian stock market was hit due to the fall in confidence post GFC. However, the effect of GFC permeated in the Indian economy through fall in exports in subsequent years as advanced economies were experiencing low aggregate demand and trade imbalances grew significantly. The current account deficit (CAD) of India increased from 1.7 percent of GDP in Q4 2008-09 to 3.7 percent in Q4 2009-10 and to 4.2 percent in 2011-12. The CAD was affected because of appreciation of exchange rate followed by massive inflow of portfolio investments in 2010 and the

excessive imports of gold as people preferred it as store of value. During the period of global financial crisis, India witnessed an outflow of capital mostly from the equity segment. However, in the phase of financial market turbulence caused by the taper talk in 2013, the outflows from India were mainly from the debt markets. The monetary authorities countered the low aggregate demand post GFC with the three objectives of exchange rate stability, monetary liquidity and credit supply (Stanley, 2018). With active monetary policies, the portfolio investments were back with massive inflow in 2009-10.

Capital Inflows in India: Trends & Management

The capital inflows in a country affect various macroeconomic variables like exchange rate, foreign exchange reserves, money supply, inflation and current account balance. The composition of such inflows in terms of speculation and stability along with its intermediation in the domestic financial system are important factors in assessing their impact. The Indian financial globalization has been

a gradual and slow evolving process with capital controls in place for ensuring financial stability. The financial liberalization in Indian capital market encouraged equity inflows of FPIs over debt inflows with the rationale that though equity flows are volatile but they are risk sharing whereas debt outflows can be burdensome in case of downturns. In the times of crisis, the currency depreciates and asset values fall leading to sudden reversal of short term debt. The data reveals that equity flows dominated over debt flows till 2010-11. However, with the pressure to finance the high current account deficit post 2011, various restrictions on debt inflows were lifted. The debt flows flooded in the Indian capital market reaping the twin gains of higher interest rates and currency appreciation. The intermediation of these excess debt inflows was costly for RBI as it inflicted a quasi-fiscal cost. Moreover, they failed to provide a stable source for financing the current account deficit because of their volatile nature and sudden stops and outflows. There was massive outflow of debt capital during the taper talk of 2013 in

US. The recent data by RBI (2019) reveals that the systemic risk on the economy arising from the capital flows has fallen overtime. The capital flow management techniques are primarily to prevent banking or currency crisis in the economy. The various types of capital controls include Tobin tax on capital inflows, unremunerated reserve requirement (URR) wherein a certain percentage of inflows are to be deposited to the central bank for a lock in period, taxes on ECBs, sectoral regulation on FDI, restriction on the domestic spending of NRI deposits etc. There are controls on capital outflows as well like restrictions on domestic institutions for extending credit to non-residents, graduated exit levies proportional to the length of stay of the investment in the economy, repatriation waiting periods etc. Prudential financial regulations are also significant in managing capital inflow and outflows. These measures are designed to guide the ability of the domestic financial institutions to provide credit or capital for investment or consumption and the prices at which such capital or credit will be available (Na-

chane, 2010). The recent improvements in ease of doing business along with liberalization in FDI policies by RBI are expected to attract higher inflows to the country.

Concluding Remarks

The recent upheavals in the global financial markets are indicative of cautious policy framework for capital account liberalization. In light of the above discussion of the trends in Indian capital market and its effects on macroeconomic indicators, the pace of capital account liberalization in India should be in accordance with global financial conditions. In an emerging economy like India which has substantial segments of vulnerable population, the need is to focus on variety of other objectives in addition to commodity inflation targeting, like financial stability, availability of credit and equity in growth. The debt inflows should be restricted and managed so as to ensure stability of the financial market. The long term investments should be encouraged in comparison to short term to avoid speculative flows and should be channelized in productive utility expansion of the country. A sustained flow of

short term capital in an economy increases the risks of asset price bubbles, exchange rate overvaluation and high inflation which complicate the monetary management of funds (Kohli, 2010). The real effective exchange rate appreciation post 2014 has been affecting the export competitiveness of the Indian economy and it cannot be ignored when the trade deficit is large. The current account deficit (CAD) to GDP fell to a twelve year low in 2016-17 after having increased precariously to 4.8 percent in 2012-13. However, CAD widened to a four year high in 2017-18 driven by merchandise trade deficit. In the current scenario of trade disputes, steps should be taken to correct trade imbalances and CAD financing should be from a stable source of foreign capital. Promotion of labour intensive exports can solve the twin problems of unemployment and current account deficit. The massive outflow of foreign portfolio investments in recent times has presented the Indian economy with the alternatives to choose from the various combinations of the impossible trinity. In a similar situation in 2013, RBI

imposed partial capital controls to stem the depreciation of the rupee. However, an alternative policy could be to increase interest rates to raise the value of rupee but it will imply giving up the monetary independence for gain of capital mobility and stable exchange rate. The economy of China will be a major challenge in the future. As Chinese yuan has officially joined the SDR basket of IMF in October 2016 and has become a foreign exchange reserves currency for IMF along with others, this has increased the investors' confidence in Chinese currency. Moreover, over the past ten years Chinese economy's current account surplus has been sharply decreasing and thus consequently, China has started opening up its domestic debt market for capital flows. So, there is expected to be an intense competition for funds among the emerging economies which India will have to cope with. The global financial cycle is largely driven by the monetary policy stance of US and banking condition in UK, Euro area and other advanced economies. Therefore, in order to counter the volatility inflicted by such cross bor-

der flows, the Indian economy should pursue the path of capital flow management tools and flexible exchange rate. The policy tool used to counter the capital flows and its duration should be in accordance with the current macroeconomic situation of the economy to achieve a cost-effective strategy and avoid adverse outcomes of any particular policy response for a prolonged time.

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Industrialists

INDIAN CORPORATE SECTOR - MY EXPERIENCE



Dr. Akhil Prasad

*B.Com (H), LL.B, LL.M, LL.D, FCS, FCIS(UK), PhD,
Solicitor – England & Wales (Non Practicing)
LL.M (Hons – Northwestern University School of
Law), Certificate in Business Administration (Instituto
de Empressa),
Wharton Advanced Management Program*

Knowledge is wealth, keep adding your wealth, which ensures success at the workplace.

I have been fortunate that my professional career coincided with the opening of the Indian economy. My first experience in the corporate world started, after completing B.Com(H), started as a practical trainee with Essar Gujarat group at Mumbai, which has been one of the leading industrial houses in India Inc. This was in 1989 when: the economic liberalization had not started; the industry was dominated largely by Indian industrial houses and very few multinational organizations; utilization of foreign exchange and its violations were dreaded

and draconian; Coke and Pepsi were not allowed to sell; no McDs or KFCs; 100cc were superbikes; no digitalization or automation; very few or no computerization; no Twitters, WhattsApps or Messengers;.... the foreign exchange inflows as project financing were limited, India Inc was restricted on funding either through internal accruals, inter-corporate deposits or bank finance;...foreign direct investment was still highly restricted and controlled... Reliance Industries ruled stock markets and the quantum of funds they could raise from the bourses, was completely unheard of and I was fortunate to participate in one such “mega” issue of Rs 580 crores public issue of convertible debentures for Essar. I

was a commerce student till then and got interested in the Company Secretary profession because, Essar's then Company Secretary was the "go-to person" as he managed and controlled all activities related to the "mega" public issue. As a trainee, I got a lot of "hands-on" experience dealing with Merchant Bankers, Banks, Controller of Capital Issues (SEBI's previous avatar), Stock Exchanges (there were about 27 then, there was no inter-connectivity, so listing agreements had to be signed with each one of them to ensure trading of securities)...yet my best experience was cleaning a Can-Fina office at Fort, Mumbai (Canara Bank's Merchant Banking division, which managed Essar's issue) of issue proceeds, which I had to load on my back and put in trucks, alongwith other laborers... that journey in the truck made me think about the value of education (which still hasn't ebbed!!)... one labourer in the truck asked me (since I was a graduate), how much money do I make, I said Rs 800 a month, he smiled and said "I make Rs 1000 and have studied upto 8th standard"...the quest for education inside me grew

stronger. Next morning, I enrolled for Company Secretary program, this was in the year 1990.

I returned to Delhi in 1991, when the then Prime Minister PV Narasimha Rao and the then Finance Minister Dr Manmohan Singh ushered economic reforms (at a time when India had gold reserves, worth a value of only a few weeks' imports). I did not realise then what it meant but recall a warm welcome of the reforms by both domestic and international business community. As happens, with any new initiative, there were some scepticism about the fact that opening of the economy to foreign investment would lead to competition, where Indian industry would suffer at the hands of foreign players...well the players in the Industry may have changed but thankfully in most of the businesses, where Indian owned businesses had to face competition from foreign players, Indian businesses have become as large as the foreign players (Tata, Birla, Ambani, Mahindra...have even acquired businesses overseas), this has been a significant achievement of opening up of the

Indian economy thanks to India's huge captive market. Simultaneous to the opening of the Indian economy in 1991, the services sectors, IT telecommunications and BPO, came about to take over the manufacturing and trading community. Airtel, Vodafone, Reliance, Hutch ran neck to neck for dominance alongwith MTNL and BSNL, with private sector standing out in terms of the subscriber base!!! Infosys, Wipro shook up the entire nation and also international community for the low cost, high end services that India would provide, which prompted companies like IBM, Accenture, GE to take advantage of "young, skilled and affordable manpower and a back-office to the world", the process of brain drain was poised to reverse. Food majors like Coke, Pepsi, McDs, KFCs started with their franchise expansions and so did Haldiram and Bikanerwala, giving their best to the Indian consumer...Due to rapid business growth, the demand for a Corporate Counsel grew and I focussed my attention to be become a Corporate Lawyer, in addition to the Company Secretary. During 1993 to 2000, I worked for Modicorp,

where I was exposed to work for Xerox and Graphtech. These two companies focussed on technology innovations like colour photocopiers, fax machines and computers. Modicorp had other joint-ventures, as was the norm in those days that a foreign partner would tie up with Indian business house with a 50:50 partnership. Modicorp was among the pioneers to tie up with Telstra, to provide cellular operations in India. The peak call rate was Rs 32/minute, which saw regulatory authorities like TRAI and DoT come up to make telephony much affordable for Indian consumers, which now is the cheapest in the world. By 2000, in addition to Company Secretary, I completed LL.B and LL.M from Indian university.

As the Government opened more sectors in manufacturing and services to foreign direct investment, the consumer durables markets boomed. White goods like frost free refrigerators, high end air conditioning, dish-washers, flat screen televisions, Nokia mobile phones, started to capture fancy of the consumers. Samsung, LG, Whirlpool, Electrolux, Carrier multinationals

... in tandem with home grown Godrej, Voltas, BPL, Videocon ... made automated products appealing to the Indian consumer. In 2000, I joined Electrolux as its General Counsel. Electrolux had a joint-venture with an Indian partner Maharaja Whiteline, when the forex and FDI controls eased, saw Electrolux acquire it 100%, also Electrolux acquired white goods business of Voltas. For me it was a truly multinational experience, got integrated with the “International Law team”, as global team member and suddenly the organization appeared taller. Then in 2003, came General Motors and my exposure to a world class organization, which has been a Fortune 500 company since 1955, despite its bankruptcy. In GM (in addition to Electrolux), I learnt the importance of brands. GM was migrating from “Opel” to “Chevrolet”, which saw a complete change in the vendor selection, sourcing, car models, manufacturing that exposed me with all kinds of business and legal issues in the Asia Pacific region, negotiating with Korean, Chinese and Thai suppliers. The Indian Auto industry, in those days feared competition in manufac-

turing from Thailand but thanks to the ongoing reforms in manufacturing and tax rationalization, almost all international brands in the automotive sector have started to manufacture in India, auto industry and markets continue to grow due to large Indian consumption and export markets. The automobile market is dominated by foreign players, Suzuki (was half Indian for a very long time), Hyundai, Toyota... and Tata, Mahindra, Ashok Leyland, on the other...the two wheeler segment dominated by both Indian and foreign manufacturers...Bajaj, Hero, TVS...Honda, Suzuki...others... sadly Hindustan Motors and Premier Padmini for brands like Ambassador and Fiat, perished due to competition. Thanks to the initiatives by the Government of India, auto manufacturing in India has been world class both in terms of scale and quality. The automobile eco-system is strong with auto-ancillaries, being among the largest in the world. By 2005, I had added more educational competencies: PhD in Commerce, Solicitor of England and Wales and Company Secretary of England and Wales.

Indian economy saw a lot of potential in opening up of Media and Entertainment business. The dominance of Doordarshan and film industry had to give way to entertainment at home, so cable TV, satellite TV provided the desired replacement. With smart phones getting better and superior, Nokia faced immense competition from Samsung and Apple, which brought about growth in the smartphones due to the entertainment content that the consumers were exposed to on the smarter devices that the latter offered. In 2005 I got an opportunity to work for The Walt Disney Company at Mumbai, which has one of the most recognized characters like the Mickey Mouse; studios like the Pixar (and now Marvel and perhaps Fox). All major international organizations are great at adapting to the local markets, so did Disney to commence production in India and acquire UTV Pictures. Disney also expanded its television business by starting to downlink two kids channels; consumer apparel business by opening stores across in India; publishing its comics and distribution of its content on mobile. In addition Disney started

its film distribution through various tie-ups. This was a fantastic experience, as I was exposed to licensing of intellectual property and help set up its business in India, including acquisition of UTV. Then in 2007 (till 2013), I got another wonderful opportunity to work with Fidelity, which is known globally for its mutual fund and private equity business. In India too, Fidelity started its Mutual Fund and Private Equity business and expanded its IT and BPO network to cater to its worldwide customer base. By this time the Indian economy had completed its major reforms by opening almost every business sector possible and help create an eco-system, which not many countries can boast of that local and global corporations leading in same line of business. The level playing field that was bargained for, was no longer an issue. The only restricted sector that was looking to open up was Defense and I got this opportunity in 2013 to work for The Boeing Company, world's leading corporation in aerospace, aviation and defense. It was during this phase I completed my second Doctorate (in Law) and completed Master of

Laws and Business Administration from Northwestern University, USA and Instituto de Empresa, Spain. Also I got very keen on learning new skills especially on leadership, so in 2019 did the Advanced Management Program with The Wharton School, University of Pennsylvania, USA.

I have been very fortunate to start my career, when the India's economic liberalization started. The generations before us had limited opportunities and we are fortunate to witness growth all around and in every sphere of business activity, whether in manufacturing or services. India's growth story and future potential is immense and everyone of us should try and make the best of it. The future is immensely exciting, as e-commerce, digital economy, artificial intelligence, autonomous vehicles and platforms, Startups bring out more ideas and opportunities for everyone to reap rich benefits. The story has just begun and all of us have a great role to play in making India better, richer and prosperous than ever before.

Dr. Akhil Prasad

F-702, La Lagune, Sun City, Sector 54, Gurgaon – 122011, India



-Sajal Katiyar

The Importance of Oil and Gas in today's economy

"We aren't addicted to oil, but our cars are."

-R. James Woolsey, Jr.

It is not difficult to understand why oil and gas are so important in our lives. Usage of oil and gas is not just limited to transport, heating and electricity. Apart from being a crucial energy source, these are widely used in pharmaceuticals, fertilizers, solvents and plastics. World's economy as well as its survival are totally dependent on the production and consumption of these two commodities.

Production of petrol, diesel or LPG is a very complex process and involves different stages. The oil and gas industry can be segmented into upstream, midstream and downstream. Upstream involves exploration, drilling and production of crude oil. It is the most capital intensive stage. Mid-

stream involves transportation and storage of crude oil. Downstream activities primarily involve refining of crude oil and marketing of the finished products like petrol, diesel, kerosene, jet fuel, asphalt, LPG, LNG, etc.

Although oil and gas has been used for more than 5000 years now but large scale production of it began in 19th century. From first modern oil well drilled by Edwin Drake in 1859 (Pennsylvania, USA), there are more than 70,000 oil and gas wells spread across the globe today. Crude oil production is 80 million barrels per day, a substantial increase from 5 million barrels produced in 1930. Top three producers are USA, Saudi Arabia and Russia. India is 25th in this list and produces 0.8 million barrels of crude oil per day, which is 18% of total crude oil consumption in India. India relies heavily

on oil and gas imports, with 82% dependency for crude oil and 45% for natural gas. This makes India third biggest oil importer after USA and China.

Oil and gas industry has always been very volatile. Within one year, oil prices have fallen more than 50%. Reason for high volatility can be attributed to low responsiveness or “inelasticity” of both supply and demand to price changes. These price changes can be caused by multiple events that can affect the flow of oil and products to market, including geo-political events, natural disasters or worldwide pandemics like the one caused by Covid-19. Oil production capacity and consumption of petroleum products almost remain fixed in the near term. It takes a lot of time and money to add new production blocks and similarly, consumers find it very difficult to switch to alternate sources of energy. Major oil production comes from a group of countries known as Organisation of the Petroleum Exporting Countries (OPEC). OPEC was founded on 14 September 1960 in Baghdad, Iraq and although their stated mission is to work towards stabilization of oil

markets but many economists cite it to be textbook example of cartel.

Oil and Gas are two important drivers of Indian economy. Indian dependency on oil and gas imports has adversely affected forex reserves. India produces only 35 million tons of petroleum products against total consumption of around 200 million tons. Similarly, India generates around 30 billion cubic metres of natural gas against total consumption of 57 billion cubic metres. Net foreign exchange outgo due to oil and gas imports was around USD 111.9 billion in the FY 2018-19. This is expected to increase over the next few years as domestic output has continued to fall. India's crude oil output fell from 36.9 million tons in 2015-16 to 34.2 million tons in 2018-19.

Indian government has been trying to reduce dependency on oil and gas imports. PM Modi while speaking at ‘Urja Sangam’ conference in 2015 had said that India needs to bring down the oil import dependence to 67% by 2022 when India will celebrate its 75th year of independence. New Exploration Licensing Policy (NELP) has

been changed to Hydrocarbon Exploration and Licensing Policy (HELP) with focus on pricing and marketing freedom. HELP has brought in open acreage licensing policy (OALP) which gives companies the freedom to choose areas that they want to explore.

International Energy Agency (IEA) has predicted that oil and gas will continue to play a pivotal role in meeting world's primary energy demands for at least next 25 years. In spite of increased focus on alternate sources like Nuclear Energy, Wind and Solar Energy, it will be very difficult to replace oil and gas in the short term. India and world need to keep focusing on exploring new oil and gas reserves and sustain production from existing reserves by using Enhanced Oil Recovery methods like Polymer Injection or Alkali Surfactant Polymer (ASP) injection. Enhanced Oil Recovery Methods come under tertiary recovery methods and help extract crude oil from an oil field that cannot be extracted otherwise.

This article has been written by Sajal Katiyar, who works as Senior Associate in Supply Chain

Management team of Cairn Oil and Gas. He has done his MBA from IIM Indore. You can reach out to him at katiyarsajal@gmail.com.

New Products, Risk Management & Investors' protection in Commodity Derivatives Market In India

-Saurabh Agarwal



Dr. Saurabh Agarwal while speaking at the 17th Commodity Derivative Market Summit by ASSOCHAM on November 29th, 2019 at Hotel Taj Mahal urged the government to reduce the commodity transaction tax from 0.01 per cent levied on non-agricultural commodity futures trading to 0.003 percent. He said the imposition of Commodity transaction tax has destroyed the parity with International commodity futures exchanges like Comex, LME etc. Prof. Agarwal also cited an article by Sehgal and Agrawal (2019) which has shown that after imposition of CTT liquidity has declined

and volatility has increased and the annual net tax revenue loss is of INR 30 billion.

Prof. Agarwal feels that the recent notification of introduction of option on spot commodities will add significant volume to the commodities market. He also urged the regulators and financial institutions to regularly track the innovative products being introduced by China, Europe and America for advancing the product sophistication in commodities market. China is taking a lead by introducing first stainless steel futures, iron ore physical settlements to a brand based system etc. Launch of mutual funds which invest in commodities would also add depth to the market. The year to date returns for Gold has been 18.90%, Nickel has been 72.76%, Crude oil has been 22.40% and Cardamom has been

97.60% is attracting the attention of those interested in making profit from trading in commodity derivatives market. He also highlighted his research paper Singh, Agarwal and Harilal (2008) which had shown that high return portfolio can be created using commodities future. He appreciated the new measures in pipeline like futures in commodity indices, derivatives contracts based on intangibles such as weather or freight, exchange traded funds (ETFs) on metals and tradeable futures contracts on recently launched AGRI-DEX. He urged the government and financial institutions to expedite their presence in Commodity Derivative markets.

If Reserve Bank of India (RBI) insists borrowers that they should hedge their commodity risk on commodity exchanges, then this will reduce the risk of banks on one hand and increase trading volume in commodities market. Depth and breadth of commodity futures market may also increase in case Securities and exchange board of India liberalises the norms for issuing offshore derivative instruments and Participatory notes with derivatives. Lastly,

Prof. Agarwal stressed on the need to strengthen the role of Farmer Producer Organisations (FPOs) in India. A target of 10,000 FPOs in next five years has been outlined i.e. by 2024. Prof. Agarwal laid stress on the fact that even existing FPOs have done little to bring farmers to trade and hedge their risk in commodity futures market. Citing one of the working papers by Chatterjee, Raghunathan and Gulati (2019), Prof. Agarwal said that between April 2016 to May 2018 only 0.004 percent of the overall agri-futures trade at NC-DEX was through FPOs. Hence, we must work on creating larger number of FPOs so that our farmers can easily learn and trade in commodity futures market. Also, the trading activity of existing FPOs needs to increase.

THE NEXT GENERATION FUEL



-Divya Gupta

Indian Oil Corporation Ltd.

Sr. Operations Officer

The crude oil price has been fluctuating in the world market. Such fluctuations are straining various economies around the world, particularly those of the developing countries. Indian economy is widely dependent on the Oil & Gas sector. Road transport sector accounts for 6.7% of India's Gross Domestic Product (GDP).

India is the third largest oil importer after the United States and China and is highly dependent on import of crude oil. State-owned Oil and Natural Gas Corp's (ONGC) output fell to 19.6 million tonnes in 2018-19 from 20.8 million tonnes in the previous year. With growing consumption and domestic output remaining stagnant, India's oil import dependence has risen from 82.9 per cent in 2017-18 to 83.7

per cent in 2018-19, according to the oil ministry's Petroleum Planning and Analysis Cell (PPAC).

In order to bring down the dependence on imported crude oil to 67% by 2022, the Government is focusing on measures for promoting the use of biofuels.

Biofuels are produced directly or indirectly from organic material – biomass. The most widely used liquid biofuels for transport are ethanol and biodiesel.

1) Ethanol is a type of alcohol that can be produced using any feedstock containing significant amounts of sugar. Ethanol can be blended with petrol or burned in nearly pure form in slightly modified spark-ignition engines. A litre of ethanol contains approximately two thirds of the energy provided by a litre of petrol. However, when mixed with petrol, it improves the combustion performance and low-

ers the emissions of carbon monoxide and sulphur oxide.

2) Biodiesel is produced by combining vegetable oil or animal fat with an alcohol. Biodiesel can be blended with traditional diesel fuel or burned in its pure form in compression ignition engines. Its energy content is somewhat less than that of diesel (88 to 95%). Diesel engines can also run on vegetable oils and animal fats, for instance used cooking oils from restaurants and fat from meat processing industries.

Use of biofuels will assist in reducing our crude import bill. It is noteworthy that India meets more than 80 per cent of its oil needs through imports. The domestic crude oil production is able to meet only about 17% of the demand, while the rest is met from imported crude. India is the largest consumer of vegetable oil and has a potential to recover 220 crore litre of Used Cooking Oil (UCO) for the production of biodiesel by the year 2022 through coordinated action.

India could meet the every growing energy need through biofuels creating a positive

impact on energy economy of the country.

through a coherent and responsible policy and technological initiative,

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impact on energy economy of the country.

Biofuels assume immense importance due to growing energy security and environmental concerns. Through a coherent initiative, India could meet the ever growing energy need through biofuels creating a positive impact on the energy economy of the country

Students



Mutual Funds

-Nikita Menghani

“It’s not how much money you make, but how much money you keep, how hard it works for you and how many generations you keep it for.”

With time changing so fast, it is needless to highlight the importance of investing. The people who have started investing at an early age for purposes including children’s education, marriage, retirement, etc., are relatively reaping better benefits than others. An investment in knowledge pays the best interest. It’s not hard to find or do investments but what kind you choose and how efficiently you handle them is what changes the game. Participation in larger markets, professional guidance, convenience, transparency and access to savings whenever required are what investors usually expect. With all this in mind, the concept of Mutual Funds is worth recognising.

What is Mutual Fund? A mutual fund is made up of money that is pooled together by a large number of investors. Their money is given to a professional (referred as Fund manager) to invest in a basket of stocks and/or other financial instruments such as bonds/commodities. The objective of every Mutual Fund scheme is clearly defined and explicitly mentioned by a Mutual Fund company i.e. Asset Management Company (AMC). In simple words, one can think of a Mutual Fund as a company that brings together a group and invests their money in stocks, bonds and other securities. Each investor owns units, which represent a portion of the Fund based on the amount invested by the respective investor. Now with so many options available for investing, why should one choose Mutual Fund? As the concept suggests, our funds are handled by a professional who has done sound research and holds expertise in managing funds with a clear un-

derstanding of the ongoing trends. Further, we are aware of the statement ‘Do not keep all your eggs in one basket’. The implied meaning is not to invest in a single basket but diversify. This helps to cover up the loss of a particular investment as the value of others might go up. Mutual Funds prepares a diversified investment basket as it invests in various securities thus increasing security and reducing risk. It further lowers the risk by initially considering the risk factor and then the returns associated with different securities. Availability of funds when required is as important as high returns. Mutual Funds provides liquidity i.e. makes funds accessible whenever required. When so many people pool their savings, Mutual Fund gets power of bargaining and thus this reduces overall transaction cost that we would have to bear if we would have done it ourselves. Also Mutual Fund provides great variety of schemes depending on objective and time period of investment. Know what you own and know why you own it. Transparency and safety are among the most important features and benefits of

Mutual Fund. Due to transparent system we know where our savings are being invested and how much of it is invested, etc. In case we are not satisfied we are free to withdraw our savings. Adding to the benefits, Mutual Fund provides flexibility to invest and withdraw according to one’s income flow and requirement respectively, thus making it a preferable option. I would like to end with the influential statement given by an American businessman and Radio host Dave Ramsey- “Financial peace isn’t the acquisition of stuff. It’s learning to live on less than you make, so you can give money back and have money to invest. You can’t win until you do this.”

NIKITA MENGHANI
KIRORI MAL COLLEGE



Impossible Trinity

-Mohak Shah

INTRODUCTION

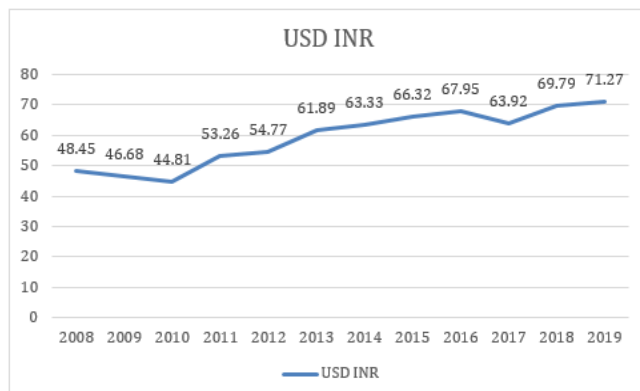
Central Banks like to be in control, however, there are certain things that are beyond their control. One such concept is that of “The Impossible Trinity”. As dilemma has two goals, trilemma has three goals. However, the issue is that not all the three goals can be achieved as they are mutually exclusive and selecting either of them would imply losing the other. A concept developed by Fleming and Mundell “The Impossible Trinity” or the “Trilemma” is a concept of economics which deals with three goals that an economy wishes to achieve. Exchange rate stability, free capital movement between countries and domestic monetary policy autonomy are the three important goals of any economy which are impossible to achieve simultaneously. For any country and its monetary plan-

ners, at max, only 2 of these three options can be chosen. Any economy which wants to stimulate would want to increase its money supply but the moment the money supply is increased, the domestic rate of interest would fall. When the domestic rate of interest falls below the foreign rate of interest, capital starts outflowing (Free Capital Movement) from the economy. The reason for the outflow of capital would be to get better returns in the foreign market. For example, when foreign investors invest in a host country, in order to get better returns on their investment they would be selling dollars, and in exchange would be buying their local currency. However, it is imperative for the central bank to maintain the stability of the exchange rate. With the increase in the demand of local

currency, the central bank has to buy dollars to give local currency in return. Soon it may have excess of dollar reserves and will see appreciation of the domestic currency. The moment there is excessive appreciation, the goal of Exchange rate stability is disturbed.

THE INDIAN SCENARIO EXCHANGE RATE STABILITY

Exchange rate basically means how much your currency is worth when you trade it for another country's currency. A country that has a current account surplus usually sees its currency appreciate over time, and vice versa. In India, RBI has the responsibility to keep a stable rupee exchange rate. But the rupee doesn't have a fixed rate of exchange and the RBI cannot interfere too frequently to fix it. The only major option available is to buy and sell dollars to take care of the fluctuations.



(Source: RBI)

FREE CAPITAL MOVEMENT

As the exchange rate of currency isn't stable, any foreign investment made would impact the rupee. When we buy dollars and sell rupee in return, to make foreign investments, there is a fall in the rupee. Similarly, a foreign investment leads to the rise in the value of the rupee. So, a free capital movement affects the exchange rate of the rupee. Moreover, countries like India, which face Current Account Deficit, need higher capital inflow so as to fund the deficit in the balance of payments. However, due to the slowdown of the Indian economy and comparative robustness of the US economy India has been witnessing reduced inflows of capital.

MONETARY POLICY AUTONOMY

Since RBI doesn't have the autonomy to fix the exchange rate nor the capital movement, then it's quite unlikely that it has the independence from the external factors to set interest rates. Having Control of one of the above factors is a pre-

requisite to be able to have autonomy in setting the monetary policy. In the era of globalization to stay relevant to other developed western economies, India too has chosen to go for autonomy in monetary policies. It fluctuates between fixing exchange rates and the free flow of capital but mostly goes with the first one. However, looking at the present scenario, the need of the hour is to allow the free flow of capital considering the increasing deficit in trade. India saw a deficit of \$14.3 billion in Q1 of 2019-20, which is about 2.4% of the GDP. Though this number is encouraging compared to the previous years, being in deficit is a matter of concern. Moreover, with the rise in crude oil prices on the wake of US-Iran Tensions and the impact of Corona Virus outbreak along with increasing gold and other capital goods inflow, India has been staring at an increased import bill. The trade deficit is a subset of the bigger problem called Current Account Deficit (CAD). The increasing CAD, which is 2.4% of the GDP now.

Conclusion

Considering the state of the Indian economy and the mutually exclusiveness of the options available in the “Impossible Trinity” the RBI has been time and again recalibrating its policies in the best interest of the economy.

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Mohak Shah

MMS 2018-20

KJ Somaiya Institute of Management Studies & Research

GLOBAL ECONOMIC CRISIS OF 2007-08



Jayesh Tiwari
B.Com (Hons.)
2nd Year

2007-08 global financial crisis was taken to be one of the most severe worldwide economic crisis since the Great Depression of the 1930s. It marked the starting of the period when Recession was announced in the US which in turn caused an economic slowdown in the overall world economy. It began in 2007 with the identification of housing bubble in the subprime mortgage market in the US. Subprime Mortgage includes the loan to people who may have difficulty in maintaining the repayment schedule. Historically, subprime borrowers were defined as having FICO scores below 600, although this threshold has varied over time. The housing bubble, which later burst and caused a liquidity squeeze, and can be seen as the product of following broad factors

mainly the availability of cheap credit and due to decline in the lending standards. It was a result of the usage of **Originate to Distribute model** by the banks as against its traditional approach. An originate-to-distribute (OTD) model of lending is, where the originator of a loan sells it to various third parties, was a popular method of mortgage lending before the onset of the subprime mortgage crisis. The process of Asset securitization led the foundation for the starting of the subprime mortgage crisis in the US. The banks instead of retaining the loans and carrying the risk of default of borrowers, begun to transfer this risk to investors through securitization. Banks developed structured products [e.g. Collateralized Debt Obligation (CDOs)] based on an underlying

pool of mortgages, bonds, and other loans. The portfolio of underlying assets is sliced into various tranches which offers a mix of risk and return tradeoffs; this process in turn is called Asset securitization. With the development of such process, banks started following the OTD model emphasizing more on people whose loans can be sold to the SPVs rather than focusing on the repayment of the loans. SPVs (Special purpose Vehicles) are bodies created to be the purchaser of these loans who in turn raises money by selling out securities backed by these loans [mainly MBSs (Mortgage Backed Securities) & ABSs (Asset Backed Securities)]. Though these securities were backed by Subprime loans (Bad quality Loans), they were given AAA rating by notable rating agencies like the Moody's and S&P due to a fictitious boom in the Housing Market of the US. This Housing Bubble was being identified by some of the Active fund managers as well as by some of the intelligent investors who wanted to take advantage of the situation and viewed the scenario as an opportunity of minting money. They purchased a special finan-

cially engineered product known as a CDS (Credit default Swaps) from the notable investment banks like Goldman Sachs, AIG (American International group), Lehmann Brothers etc. Credit Default Swaps are insurance contracts that pay off when some reference instrument (such as a bond or a CDO tranche) defaults. The buyer of a CDS pays a fixed periodic fee for protection and in return receives a payment in event of default. The holder can use it as a protection against such default. These CDSs were taken against the defaults of the CDOs backed against subprime mortgages. The subprime mortgage crisis, which emerged in February 2007 was the main trigger of the worldwide financial crisis. But an although more important factor which had put the final nail in the coffin was the Credit & Liquidity Crunch in the market which was due to collapse of the housing market of the US. As delinquencies and foreclosures started to rise and housing prices began to fall, the cost of CDSs increased significantly. All these events had a negative impact on the prices of mortgage related securities. Fac-

ing huge losses, the owners of these CDOs were forced to liquidate their securities at depressed prices which in turn resulted in the formation of loss spiral adding to liquidity and credit crunch. It was in September 2008 when the fourth largest investment bank of the US, The Lehmann Brothers filed bankruptcy which was considered as the tipping point in the financial crisis. It was an official indicator of collapse of the US economy marking the entry of recession in US. The downfall of Lehmann was its large exposure to subprime mortgages in the form of owning companies that underwrote the mortgages and in issuing MBSs that contained subprime mortgages. It eroded confidence in financial institutions and caused a run on money market mutual funds. This lack of confidence spread across markets and countries, resulted in banks holding onto cash, thereby amplifying losses in the subprime mortgage market.



Growth & Development: A Policy Implementation

“Sagarmala Programme”

Parul Mehta
MDI, Gurgaon

India is the 2nd biggest country on the planet with a population of 1.3 billion plus, responsible for nearly 18% worldwide human population. The Government of India constantly addressing the gaps and improvising the new growth opportunities to support the backbone of the Indian economy.

The World Bank has released Doing Business Report 2019 wherein India is placed now at 77th rank among 190 countries against its rank of 100 in 2017.

The conception of Sagarmala project was approved by the Union Cabinet on 25th March 2015 and dedicated towards the growth of the coastal areas & port development of India. To enhance the hinterland connectivity, bridging the infrastructure deficit of India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and to take advantage of

strategic location in the globe.

Mode of Transportation	Transportation Cost (Rs/Ton-Km)
Road	2.0-3.0
Rail	1.2-1.5
Waterways	0.2-0.3
Pipelines	0.1-0.15

Ports act as an important interface connecting ocean transport and land transport. India, continuously emerging fast in the Marine sector, has 12 major ports viz. Kolkata (including Dock complex at Haldia), Paradip, Vishakhapatnam, Chennai, Ennore, Tuticorin, Cochin, New Mangalore, Mormugao, Jawaharlal Nehru at Nhava, Mumbai, and Kandla, and 187 minor ports, utilizing the opportunities gifted with as the long coastal line (7,500 km).

Sagarmala Project is strongly in-

tegrating four basic pillars:

- Port Modernisation
- Port Connectivity
- Port-linked Industrialisation
- Coastal Community Development

Need for the Sagarmala Project Initiation:

- Dwell time issue
- Weak infrastructure at seaports and connectivity with roads & rails
- In-efficient transport & logistics modes
- Hinterland inland linkages
- Support growing needs for trade:

India had a fleet strength of 1,400 vessels with gross registered tonnage (GRT) of 12.68 million in 2018, as compared to fleet strength of 1,371 vessels with 12.35 million GRT at the end of December 2017. The ongoing projects include diverse infrastructure projects, coastal berth development, fishery harbours, and skill development projects.

Current Status & Impact of the Sagarmala Project:

Reference to the information disseminated by Ministry of Ship-

ping, GOI, Government Of India, a total of 334 projects (May, 2019) have been taken up under the Project Sagarmala and out of which 91 have been completed itself in the year 2019. This also includes the development of National six greenfield projects, 111 water-ways, heavy rail corridors to link industrial clusters with seaports, 10 expressways corridors, and 80 connectivity projects.

14 new Coastal economic zones have been identified with an aim to construct infrastructure building. The rest of the projects are in various stages of implementation and completion. The total estimated cost of these projects is Rs 70,000 crores.

This has dramatically impacted the international trading on the key international maritime trade routes. There has been recorded an increase of 54 percent in the cargo & logistics transported or carried through coastal shipping and navigable waterways since the beginning of the Sagarmala initiative. The cutback in the transport time and related costs has helped the exporters to offer better pric-

es to their international clients.

Indian Ports are now handling around 90 percent of EXIM Cargo by volume and 70 percent by value, efficiently.

The Sagarmala Project emphasised and concentrates on the port operational efficiency improvement, capacity expansion of existing ports and new port development.

These efforts have drastically impacted and reduced the time consumption at ports for customs clearance and documentation i.e. the dwell time.

The ambitious Sagarmala Project has not only contributed to the growing GDP of Indian Economy but practically generated 10000+ jobs during the last three years.

In regard to the above, Sagarmala Project is constantly quantifying the achievements and growth of the Indian economy and integrating all sectors like Petroleum, chemical, transportation, logistics, cargo, and exporters. All the stakeholders in India associated with the EXIM is getting benefitted by this project.

The presence of information on the schemes and the program as a part of Digital India program has enlightened the desires to move ahead and helps in breaking the internal and external barriers related to financial support, knowledge gaining, industrial implementation.

In view of the above, the Indian Exporters may able to differentiate them on the basis of the cost-leadership strategy i.e. offering better price to the International buyers and also:

- Better affordable prices to the Farmers, Distributors, & Retailers.
- Discounts on bulk buying
- Achieving economies of scale
- Implementation of State of Art Technology
- Maintaining relationships with customers and serving fast repeat orders
- Expanding and Focusing on the emerging rural markets.

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-Aparna Pathak

Why is Indian stock market at an all-time high despite a slowing economy?



-Samyak Suyal

Indian Investors are facing a paradoxical situation: The market is touching new highs despite a slowing economy. Bombay Stock Exchange's (BSE's) Sensex touched the 41,000 mark for the first time ever on 28th November 2019 and again a high of 41,681 on 20th December 2019 and National Stock Exchange's (NSE's) Nifty surpassed the 12,100 mark on 13th December, at a time when primary economic indicators are at odds with the market's elation. Despite the fact that India's economic growth hit an over six-year low of 4.5 per cent during July-September, the stock market is growing. Analysts say expectations from the government to take appropriate measures to speed up the economic recovery have been the prime market driver. But this is not the only driving force for the sudden surge in the market indices. The US economy has been per-

forming better than expected in the last three quarters of 2019 and has maintained its average GDP growth rate of 2+%. This has caused the US market to touch its all-time high. For e.g. Dow Jones Industrial Average touched the highest mark of 28,868.80 and NASDAQ 100 touched the all-time high mark of 8952.53 on 2nd January 2020. If the past ten-year data is considered, all the major indices of the world either have touched their all-time high or are performing fairly well. For instance, Singapore Stock Exchange (STI). The following chart shows that:



Dow Jones has achieved 18% gain in 2019 while S&P 500 has gained

approximately 23%. Even small-cap Russell 2000 has gained more than 18%. One of the possible reasons could be the fading signs of recession and the positive sentiment of big investors for the market. On the other hand, Chinese economy has seen a steep fall with a decrease in the GDP growth rate. In 2010, China's economic growth began to gradually decline. The GDP growth rate dropped from 9.3% in 2011 to 7.4% in 2014 and the rate continued to decline in 2018 as well. This has affected the Chinese market as the SSE Composite Index is at 3092.29 which is around 40% down than the all-time high. The slowdown in the economy of China will bring negative impacts on the markets which are closely related to this economy, one of them being the US.



The stock market is at the clemency of headlines related to the U.S.-China trade talks. It began in 2018 and has a direct impact on stocks as they are sensitive to its developments which

are making headlines since October this year after Washington and Beijing indicated that they are on talks and working towards a partial deal aimed at resolving long pending issues including U.S. tariffs on Chinese imports. Countries by GDP: The key players of the global economy remain almost the same. The GDP of the top 10 economies contributes to about 66% of the world's economy, while that of the top 20 economies adds up to almost 79%. The rest of the 173 countries together constitute less than one-fourth to the world's economy.

Impact on the Indian Economy: With the rise in globalization, the world has become a single economy with the financial markets across the globe working in accordance. In the last few years, the Indian market has observed large fund inflows from across the world. Most of these foreign funds come from seasoned players and their activities in the market have a direct impact on the stock markets. Indian Economy is closely related with the US and Chinese market. There could be a possibility of an upcoming recession owing

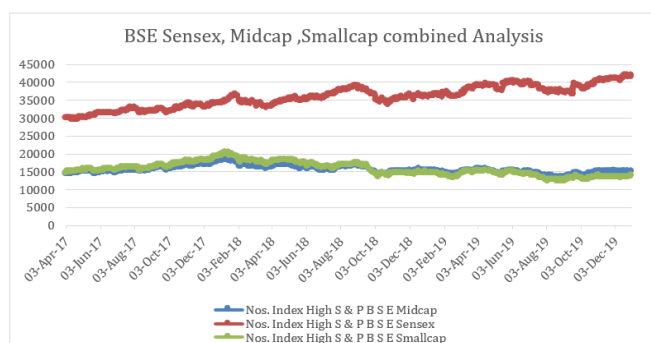
to economic slowdown. India's economic growth hit an over six-year low of 4.5 per cent during July-September this year. The previous lowest recorded was 4.3 per cent during the January-March period of 2012-13. The GDP growth was registered at 7 per cent in the corresponding quarter of 2018-19. The Indian economy grew 4.8 per cent as against 7.5 per cent in the same period a year ago during April-September 2019.



India's GDP Growth Rate

Despite this, the Indian stock market continues to climb and has reached its all-time high.

The Indian Market



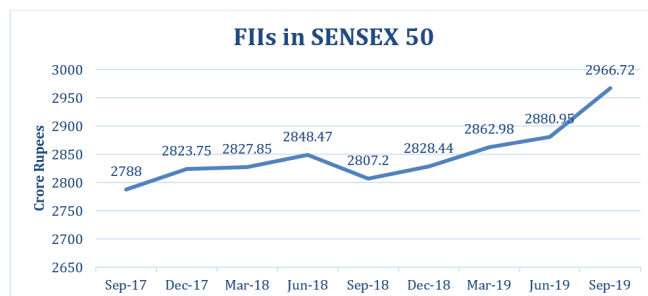
If we see the comprehensive market, only a limited band of stocks

are rallying in the market. The market appears to be doing well as only the index level and a narrow list of stocks pushing the indices up. The graph above clearly shows that BSE midcap and small cap indices have fallen and only SENSEX 50 is pushing the stock market up.

Possible Reasons Behind the Market Trend
 1. Foreign Institutional Investors (FIIs)

The leading reason behind this sudden jump in the SENSEX 50 can be FII's. The interest rates in the US and Europe are at their record low levels. Investors who wish to gain a comparatively higher returns on their investments or capital are not left with any other option than to invest in the stock markets. They borrow at a very low interest rate and invest in stock markets rather than going for fixed income instruments. Another reason for stock market going up is the incumbent government. The investors believe that they can steer the economy in the right direction and generate growth and job together. The US market has also touched record highs because of low interest rates. It can be seen that much of stock markets movements is not

determined by the fundamentals but what the US central bank does. Ideally, there needs to be a market collapse or correction so that the stock prices return to normal levels in order to reflect the fundamentals and real economic growth.

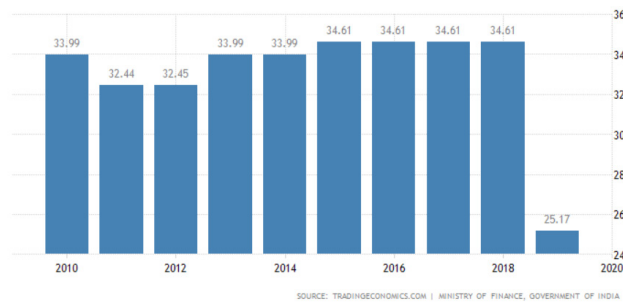


2. Investor's Optimism
Market is up in the hope of a better future. And this dissonance between the market and economic numbers naturally causes confusion in the minds of an observer. It's another matter that there is nothing on the ground to support the optimism. Currently, people are bullish due to a stable government and FIIs are expecting India to snap out of policy paralysis and shift gears. Stock market is a vague indicator of economic fundamentals in short run, while in long run, stock market has reasonable linkage with economic growth. In short run, expectations (collective sentiments and wisdom) drives markets.

3. Equity Owner-

ship/ Stock Buyback
One of the reasons could be stock buybacks. According to Deutsche Bank statistics, corporate stock buybacks are the major driver of the epic ten-year stock market bull run since 2009. Companies like Apple, Microsoft etc. are buying more equities than domestic and foreign investors and they're buying back their own stocks at a record pace, which in turn, blows up share price value. For example, Microsoft just announced a \$40 billion share buyback program.

4. Corporate Tax Reductions and Investments
For domestic companies, Centre slashed effective corporate tax to 25.17 per cent, inclusive of all cess and surcharges. New domestic manufacturing companies which are incorporated after October 1, can pay income tax at a rate of 15 per cent without any incentives which means effective tax rate for new manufacturing companies will be 17.01 per cent inclusive of all surcharge and cess, comparable with the lowest tax rates in South Asian region and in South East Asia.



Also, the government has been heavily investing into the infrastructure and plans to be consistent in doing so. The government intends to invest 100 crore rupees in the infrastructure through a public-private partnerships (PPPs) model. This would attract private players and will bring in huge investments. Due to the contribution of higher profit margins and the investments in infrastructure, Indian stock markets have been on course for the biggest quarterly exodus since at least 1999, with a net \$4.9 billion worth of stocks dumped by foreign funds since June this year. Hence, GDP is not the only factor that drives a market. There are multiple factors like FIIs, equity ownership and investor's optimism. Also, the US economy is the largest economy in the world. Any positive or negative news triggered from the US market has a straight effect on the global mar-

ket. Being one of the major players of the global market, it works as a lifter of the emerging economies like India, contributing to the reason that the stock market is high despite an economic slowdown. The other major contributors to the rise in stock markets are the higher profit margins of companies and government's planned investments in infrastructure.

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WOMEN IN INDIAN CORPORATE

-Navya Kaul

Even if you live under a rock, you cannot dodge the uproar in the Indian market every 8th of March. Come women's day, the Indian media floods with the advertisement of companies advocating the need for gender equality, feminism and every other lingo that has crept into our lexicon in the wake of feminism.

However, more often than not, the preach is limited only to the media, thus making the stand of corporate as "feminist when convenient". Hence, through this article, the condition of working women in the Indian corporate sector can be understood through a few parameters, along with the prospective course of action.

To start with, we need to look at the number of women in leadership positions. Out of the top 100 CEOs and managing directors of companies listed on the Nation-

al Stock Exchange, only about three are women, according to the data shared by The Economic Times. Out of the total 1,814, only 67, or 3.69% were women as on March 6, 2019, and both these percentages have been stagnant ever since 2014. If even with the increasing number of women entering the workforce every year, we have not been able to get rid of at-least the stagnant percentage, it can be inferred that more talk than action is in practice.

Furthermore, the situation has deeper problems- Gender pay parity and Gender-based occupational stereotype. Women in India earn 19% less than men, reflecting the high gender pay gap in the country, according to the latest Monster Salary Index survey. The gap has narrowed merely by 1% in 2018 from 20% in 2017 and spans across key industries. IT/ITES ser-

vices showed a sharp pay gap of 26 percent in favour of men, while in the manufacturing sector, men earn 24 percent more than women. Surprisingly, even in sectors like healthcare, caring services, and social work, men earn 21 percent more than women, even as notionally these sectors are more identified with women.

Similarly, the preference of male employees over females is evident. According to an HBS study “When there was only one woman or minority candidate in a pool of four finalists, their odds of being hired were statistically zero.” Moreover, one out of every three employment advertisements comes with “male candidates preferred” or the like and this gap is broader as one ascends to advance positions on the corporate ladder.

One can also experience the ingrained stereotype of male as a dominant gender through the terminology used in these ads and job descriptions with profiles named such as “Chairman”, “Workmen Compensation” instead of more gender-neutral terms “Chairperson” or “Worker’s Compensation”.

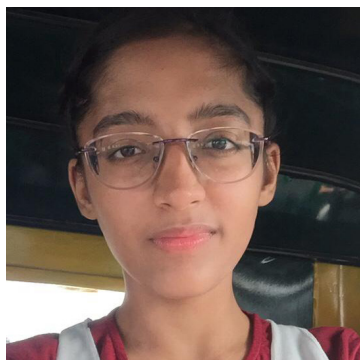
So, can anything be done to change the faux-feminism scenario?

In my opinion, firstly, women need to start taking charge of their money. Financial management is to be prioritized as much as financial independence. Unless they start projecting that their money is as important to them as to a man, they will continue to be the preys of biased notion-based negotiations. Women also need to go a step ahead and undertake financial planning and make strict financial contributions in the household.

Secondly, they need to treat themselves as equals. Women, especially after marriage, become lenient and take a backfoot by designating themselves as the secondary bread earners. This is where the process of inequality starts, with self. Irrespective of the milestones in life like marriage and children, women should be planning to bounce back to work just the way men do after having a child or after getting married. Ab initio, both men and women go through the same life events but one goes ahead with their professional life while the other decides to give up on their years of invest-

ment by virtue of society's unwritten rules for the female folk. Inclusive workspaces, women development programs that multiple corporates wish to work on are all institutionalized on the belief that women understand their worth as human capital and not voluntarily give in to what the conventional notions dictate. Problems at home, issues with children were never the responsibility of one gender.

Unless women demonstrate that they are in charge of their money, career decisions, skill sets, and actions, they will not be taken seriously.



Account Aggregators: The next big revolution in fintech

-Harjas Kaur

“Software innovation, like almost every other kind of innovation, requires the ability to collaborate and share ideas with other people, and to sit down and talk with customers and get their feedback and understand their needs.”

-Bill Gates

The fintech space is gearing up for a revolution that will revamp the way you store financial data. The contention here is to set up Account Aggregators { AAs } which are a special type of NBFCs regulated by RBI. The premise here is simple : to bring together the financial entities like banks, insurance companies or any other institution that has your financial record through an agreement where they agree to share your data with each other or any other Financial Information User [FIUs] upon your consent. The financial information users here could be

your investment consultants or private lenders who can Access your data to chalk out a sound investment strategy or examine your financial stability to lend you respectively. The accounting aggregators will not be able to store, make changes or view any of your data but will only act as an intermediary between the entities that are acting as source and user of your financial information. AAs are a secure, regulated and convenient channel for sharing your financial information with others. The reason they're such a big revolution is because earlier it was very complex to access and share your financial data with others as the data was locked up safely with separate entities for e.g. your bank has access to your savings account information while your insurance company has access to data related to your financial payments. There was no definite way

you could bring your data together. Also, if you wished to share your bank details with a lender you'd be required to get your pass book printed or share PDFs or OCRs with the fear of tampering always looming over. Hence, AAs helped solving out this problem in true sense. The fact that the AAs framework has backing of major institutions like Ministry of Finance and RBI is what makes it something to watch out for. So far there is information regarding 7 entities who have been given approval to set-up AAs. These are: Finvu [a startup], Onemoney [a startup], CAMS, NESL, MyUniverse, Reliance Jio, Yodlee. The business model is to charge money from financial information users for providing them data. Thus, the AAs must aim to capture more and more FIUs. Some of the drawbacks related to this model are: confusion around the privacy of the data once it has reached FIU, concerns that having RBI as the main regulator may be problematic, will the public and private sectors organisations actually adopt this etc. For now, we can only wait and watch how the things unfold and what new avenues these AAs open up.



INFLUENCER MARKETING – RISE AND FALL

*-Isha Adate
(SCMS Pune)*

Influencer Marketing is a hybrid of old and new marketing tools which includes taking the idea of the celebrity endorsement and placing it into a modern day content-driven marketing campaign. The main differentiator in the case of influencer marketing is that the results of the campaign are collaborations between the brands and influencers. Some people use word-of-mouth marketing and influencer marketing interchangeably but there's a real difference between the two disciplines. Whereas influencer marketing is the concept of engaging key individuals to leverage their influence among friends and family and word-of-mouth marketing is the actual avenue by which this communication takes place. So, almost all influencer marketing includes word-of-mouth marketing activities by its nature, but not all word-of-mouth marketing is driven by the influencer cam-

paigns. Social media influencers represent a new type of independent, third-party endorsers who shape an audience's attitudes through blogs, tweets, and the use of other social media channels. Through sites like Instagram, YouTube, Twitter, Tik Tok and Facebook, social media influencers create content, promoting certain brands with the goal of obtaining a following and brand recognition.

Brands always focus on targeting their consumers' wants and needs. The image a brand gains from its social media influencers helps build direct relationships with its key consumers and encourages brand loyalty. While a brand does not have total control over its online conversation, the direct voice of an influencer and trust that consumers have for this individual is instilled in the brand through the two-way conversation that is established for the product via so-

cial media outlets. Brands want influencers promoting their products who are confident in themselves. When influencers express confidence in themselves, it also promotes confidence in the brand. This brand confidence leaves a lasting impression on followers and causes them to consider becoming a consumer of the product.

In the US, a popular Instagram blogger with 1,00,000 followers could earn up to \$5,000 for a single advertisement publication. Everyone wanted to become a social media influencer. Bloomberg said that one-third of British children aged 6-17 wanted to become a YouTuber, which was three times as many as those who wanted to become a doctor or an engineer. But everyone seems to get tired of the social media influencers lately. Hotels around the world suffer from the invasion of Instagram influencers willing to stay there for exposure, usually for free. A luxury boutique hotel in Ireland even banned all YouTubers and Instagram influencers after getting a suchlike request from a 22-year-old. After spending €7 billion on marketing, Unilever, one of the

world's largest advertisers decided to trim the budget and stopped working with the social media influencers for a while. This created a huge gulf between trend setters and wanna-be stars, craving for the popularity and money by having a huge following. And while the former continued monetizing their influence, the latter had to spend a fortune to promote their accounts by turning themselves either into unpaid interns or by spending a lot of money to gain new followers. From the beginning, YouTube and Instagram were a free version of lifestyle magazines, where an average person took media stories to the heart.

YouTube and Instagram brought a transformation to what we saw in more traditional magazines, blogs and news stories. The ordinary people watched and commented on other ordinary people's video. Viewers became content makers whenever they wanted, and video qualities or bloggers professionalism were not a criterion of success anymore. The social media influencers made the transition from enthusiastic amateur to professional content producer, a

kind of media market clerks. For too long, influencer marketing has been focused on the wrong influencers. Today's largest group of consumers - Millennials and Gen Z - prioritize authenticity while choosing which brands to support, and their trust in traditional influencers is at an all-time low.

A crossroads has been reached and it's make or break time for influencer marketing – much the same as it was for programmatic advertising a few years ago when levels of viewability and fraud were exposed. If the online ad industry can solve these problems then the influencer market – estimated to be worth \$2 billion in 2017 and set to reach \$10 billion by the 2020 – will continue to see more growth in the industry and become an efficient marketplace. Brands that get influencer marketing rights will realise long-term benefits through association with influencers that will increase the brand's credibility and reputation, and drive sales as well.

Extravaganza

Appulse 2020

The Commerce Society, Kirori Mal College, University of Delhi with huge grandeur and excitement organised its flagship event APPULSE'20 on 11th and 12th of February, 2020. Appulse - the two-day event of the Commerce Society, stands to be evidence of the overwhelming responses shown by the students across the university.

The first day was kick-started with the speaker session, ASPIRATIONS – A Congregation of Perspectives which witnessed speakers from all walks of life, who set a new wave of motivation and enthusiasm among the audience. The session aimed at bringing under one roof, people with diverse life experiences, so that they share their stories and enlighten us with their experiences.

The event commenced with the lighting of the ceremonial lamp by the chief guest, Mr. Rajiv Sikka, CEO of Indian Oil. He is a tremendously energetic person with

an abundance of experience. The session was followed by the arrival of Mr. Sandeep Kochhar, founder of BlewMinds Consulting. Mr. Sandeep Kochhar entwined the audience with his mesmerizing and unique stories and experiences. He share his knowledge with the audience and his sayings acted as “words of wisdom” to the audience. The session was followed by the a panel discussion with Mr. Vilen, a famous YouTuber, and owner of the YouTube channel “Darks Music Company”; along with other members of the company. The discussion completely engaged the audience and also gave everyone an insight on how Youtube is turning out to be a silver screen for new artists. He even sang some lines of his most loved song “Ek Raat”. This was followed by the last but highly awaited speaker Mr. Navin Gulia, An Ex-Army Officer and a World Record Holder in Adventure Sports, Navin Gulia is a recipient of a number of prestigious awards such as ‘The President’s Role Model Award’.

He is an epitome of courage and resilience. His session was an eye opener for many and gave the audience an insight into his mind.

Apart from the speaker session, the first day also witnessed two major competitions being organised. One being CRYPTOKNIGHTS 2.0, wherein the participants were engaged in a gruelling algorithm creation and decrypting activity along with negotiating deals with the other teams to maximise their portfolio. The other event WHIZIFIED, the skill development and case study competition was organised in the Academic Auditorium. It involved participants to strategy on the tenets of game theory for the tasks and to later on build their case studies and present solutions to the judges.

The second day was fully stacked with innovative and intriguing events. On the second day, the society organised LYONS RANGE 7.0 - The Mockstock Competition. The 7th edition of the mockstock competition saw participation from students across the DU circuit and introduced concepts such

as Options trading, stock lot auctions etc. CONQUEST - Offence is the best defence, was designed to engage students in challenging strategizing and alliance creation activities with the ultimate aim of maximising their resources and strengthening their empire. BATTLE OF HOGWARTS - Are you the chosen one?, involved trading, negotiating, bartering and creating the most optimum combination of the given resources with the twist of Harry Potter infused into the competition. The events were marked by the huge participation of the students who were also dumbstruck by the smooth conducts of the competitions.

The second day ended on a good note, thus concluding the 2020 edition of The Annual Commerce Fest of the Commerce Society, Kirori Mal College – APPULSE 2020. The fest gathered great response from the participants and the society members concluded the event, with a promise to return with even better events in the future.





Mulya 2020

MULYA, the annual fest of The Finance and Investment Cell of Kirori Mal College, Delhi University was orchestrated on 3rd & 4th February, 2020 (Monday & Tuesday) with profuse and extravagant competitions and events.

On the first day, CORPORATE MEET- a board meeting play-down with a crisis to solve and a panel to satisfy was judged by Dr. Sameer Lama and Ms. Nidhi Sharma and witnessed whopping response from students of different colleges and courses. Another event for the day was CRYPTOMINE- a trading and strategy based frolic involving crypto currencies and block chains, experienced pronounced footfall and became an engrossing activity for everyone who participated. The treasure hunt EYE SPY made the students test their fishing expedition skills and was a huge success. With various pastimes like WHISPER CHALLENGE and PICTIO-NARY, the first day ended with supreme gratification.

The second day embarked with

STOCK BEAST- a mock stock competition in fully digital format. A horde of students from different colleges were enthralled by the exposure and intricately designed challenges. Another event complementing the former was PITCH PLEASE- a competition of thinking, innovating, pitching and winning was judged by Mr. Aman Verma and Ms. Sandhya and made students be creative and excruciatingly extraordinary with their ideas.

MULYA'20 has epitomized the ultimate array of interesting activities on a single platform. The two day event moving from one to other showed the diversity and diligently organized proceedings. The events left their everlasting and impeccable impact on the minds of everyone.





Cover Page Designing Competition

“What keeps life fascinating is the constant creativity of the soul”

To unleash artistic intelligence of all the budding artists, Team Comércio of The Department of Commerce, Kirori Mal College, University of Delhi conducted an online ‘Cover Page Designing Competition’ which revolved around the themes of Corporate World, International Market and World Economy.

There are three responses to a piece of design - yes, no, and WOW!
Wow is the one we aim for.

The victorious cover page design was decided to be the flyleaf of third edition of Comércio.

The artists bagging wow reactions were:

1. Karan Galhotra

B.A. (H) Economics
3rd Year
Kirori Mal College



2. Soumya Kesharwani

BBA (H)
2nd Year
Christ (Deemed to be
University), Bangalore



3. Shreeya Saxena

B.Com (H)

3rd Year

Lucknow University



Essay Writing Competition

“Words are the lens to focus one’s mind.”

Team Comércio of The Department of Commerce , Kirori Mal College , University of Delhi organised an essay writing competition open for all aspiring writers. This offline competition was extended to online mode as well so that distance does not become hindrance for those who wanted to showcase their eloquent writings. The competition revolved around the following themes:

- Critical appraisal of Budget’2020 from citizens’ eyes.
- Is a 5 trillion economy near to us?
- Coronavirus: A threat not only to humans but to economies world wide
- Gender/sex discrimination: A hidden cause to slow GDP growth.
- Brexit: End of Britain’s economic problems or the beginning of it’s worst downfall.

The competition witnessed an astounding response from writers exhibiting their cognizance through writings.

The best of the bunch was selected and the participants who secured the top three positions were :

1. *Yashika (1st position),*
2. *Kriti Arora (2nd position) and*
3. *Deepshikha Mahana (3rd position).*

Coronavirus: A threat not only to humans but to economies worldwide.



*-Yashika
B.A.(H) Economics
1st Year
Position 1st
Kirorimal College*

The global economy is heading towards a slowdown or worse, recession thanks to the second wave of coronavirus which has reached countries like New Zealand, Nigeria etc. Coronavirus is a large family of viruses with some causing less severe common cold to more severe diseases such as SARS, MERS etc. In early December SARS (Severe Acute Respiratory Syndrome) like pneumonia patients were observed in city of Wuhan, China. By the end of the month, China reported WHO (World Health Organisation) about the outbreak of this new disease. Doctors could not find a name for this hence named it novel-coronavirus. Novel means new. Disease caused by n-cov is called

COVID-19.

It is so much infectious that on January 23, Wuhan suspended all transportation facilities including train and airways. Moreover, in the following days restrictions were imposed on neighbouring cities as well. According to WHO, there are around 89,000 confirmed cases from 65 countries as on March 2, 2020. Outlets in China such as Cairin, Caijing, the Beijing news etc. helped to know the ground reality of n-cov. The Chinese New Year began on 24th January and normally it marks a week long holiday and reunions of families and celebration. But this time deserted roads with a sight of 24x7 ambulance ready for a call explained that how devastating the

situation has become. The virus is so infectious that only in 6 weeks around 63,000 cases were reported as compared to SARS which infected 8000 people in 8 months. The spread of the virus is becoming alarming that in India 24 cases have been reported. The fatality rate of this virus is less than 2% all over the world except Iran.

The WHO studies show that no country is adequately prepared for coronavirus. It assesses 195 countries across six categories- prevention, rapid response, early detection, health system quality, standards and risk environment. India ranks 57th, China 51st and USA 1st. Conditions in India are far from satisfactory. Health expenditure of Government of India is 1.5% of Gross domestic product which is low for a middle income country. Acc. To WHO, India has only 80 doctors per 1, 00,000 people.

This new virus is not only a threat to our human capital but also to the economics worldwide. As china accounts 23% of the global trade, this virus outbreak in china has seriously impacted the supply chains. To the worse, it is

also serious for industries such as pharmaceuticals, electronics and automobiles. The virus has crippled global supply chains, convulsed markets and hit markets. It means all set to adversely impact one of the major economic engine i.e. USA. This is happening when another economic engine i.e. China is already in deep trouble due to the impact of virus. Normally around 15,000 containers were exported each day. Wuhan itself is a hub of biotech industries. Movement of tourists and economic activities (hotel industries, tourism, transportation, manufacturing etc.) are restricted. The US markets experienced their worst week since the global finance crisis of 2008. Companies like Apple and Nvidia to Procter and Gamble and Adidas are in difficulty because of their large exposure to the Chinese market or their reliance from their supply from china.

For India the situation could not have been worsened when there are some tentative signs of a return to growth. Many see their outbreak as golden opportunity for India. But why India could not get a significant benefit in Ameri-

ca – Japan trade war? It is a golden time when India should look for the arenas where India has comparative advantages. But we can't deny the fact that small industries are majorly impacted due to Corona virus. And there is a cost associated if we try to substitute China in the market. Unfortunately, we are also not reliable suppliers in the world market.

The global GDP Q1 of this calendar year is 0.8% less than the previous year. Situation can come back to normal if there is a change in large scale behaviour. Companies should provide more employment to work from home, expansive leave policies for sick and for those under quarantine, reinforcing workplace hygiene, health information protocols etc. it is worthwhile to remember that Ebola was brought under due to large scale change in practices of people and not just by people in hazmat suits treating patients in temporary hospitals. Though media shows people in hazmats more than people washing hands properly, it is latter which pays an equal if not bigger role.

Also the Nipah virus in Kerala in 2018 was controlled only because of cooperation of local people and proper facilities.

Gender Discrimination- A hidden cause of slow GDP Growth



Kriti Arora

B.Com(H)

1st Year

Position IInd

Kirorimal College

If you are born as a girl, you will have to fight for your rights. Women earn about 63% less than men, even when they spend 3 times as men on labor hours.

Inequalities, small or large, keep them away from joining the labor market in equal footing to men. This results in economic loss which is tremendous. This takes us back to more than a century, when respect and opportunities to women were strikingly unnoticed leading to harassment, violence, unfair laws and discrimination which tantamount to underemployment and underpaid. Unfair and injustice results in marginalization of women and hinder their participation as productive individuals who can contribute to economy and world as a whole.

As a girl, we are brought up with a belief that nothing is impossible and that the barriers are insurmountable. But for most of them reality does not really match up the aspirations. They have to struggle a lot to meet up the relative middle class opinion to which the lion's share belong.

Women make up about half of the world's working population of nearly 5 billion people. But only 50% of women participate in the labour market as against 80% of men. Not only the women participation in labor market is lower, but also the women who earn are unproportionately employed in the informal sector in which the employers are not really subject to high potential and leaving jobs are vulnerable to lower wages and

job losses. Also women undertaking jobs that require high level of knowledge but in those jobs too they end up earning less than men.

IS A FIVE TRILLION ECONOMY NEAR TO US ?



Deepshikha Mahana

B.Com (H)

2nd Year

Position 3rd

Indraprastha College for Women

“It is really possible to take a leap from 4.5-5% rate of growth to around 8% rate (in real terms) and 12% (in real terms)?”

I Deepshikha Mahara, 2nd Year student of B.com(H) got this wonderful opportunity to express my viewpoints on the buzzing topic, “Is a five trillion economy near to us.”

When the modi government assumed office in May,2014 the economy seemed shaddy- the fiscal deficits were even higher than the targets set by FRBM and the inflation was skyrocketing.

The government performed fairly well in its 1st phase but to the dismay, today, the economy seems as if a super fast train has been

wrecked;
fiscal deficits and CPI are rising exponentially, exports have been contracted and GDP growth is at 6years low, unemployment is in years high and manufacturing sector is showing its first slowdown since the financial crisis of 2008.

The government set a target of achieving 5 trillion economy by 2015, which eventually triggered high hopes and expectations among millions of entrepreneurs, students and the so called ‘hoi polloi’.

Gradually all such silver wings of aspirational India have become doggy, if not completely vanished.

While several fundamental and pioneering steps have been taken

up by the government in recent years, which includes insolvency and bankruptcy code, Goods and Service tax and Demonetisation to boost economic growth, eradicate corruption and foster ease of doing business. But unfortunately a lot more needs to be done to espire for an idle country.

We are currently experiencing a growth rate, which is closer to the so called, 'Hindu rate of growth' rather than the double digit growth rate.

Friends we have to wait considerably longer to revive the economy. As they say, 'Not every good thing comes from a comfort zone', we will have to struggle for a number of years before bouncing back.

For this, we need to bridge the gap between 5% growth rate and 8% growth rate (in real terms) and 12% (in nominal terms). This is a need for a credible plan, rather than a verbose one.

For this to be accomplished, investments need to be picked up, mainly through short-term government stimulus. This is because decrease

in investments lead to plunged consumption, which thereby lead to decrease consumption, causing a never ending vicious cycle.

Moreover, labour laws need to be reformed. As we all know data serves as a fuel for growth so it should be made accessible as fairly as possible.

Concludingly, at this point of time optimism is dangerous and achieving a 5 trillion economy by 2025 is highly unrealistic, if not completely impossible.

From Dreamers to Achievers

CA AIRs



My Journey to CA rank!

Hi,

This is Yugal Khandelwal and I got ALL INDIA RANK 21 in Chartered Accountants Foundation Level Examination. Chartered Accountancy course in itself is a very difficult course to pursue but with planning, interest and hard work you can crack it.

To be successful as I have learnt from my present experience requires these 3 things:

1. Interest and Ability to do: You must have interest in what you are doing. But you might wonder on how to find your interest? It can be from the way you are doing a thing. If you do it freely i.e. when you do not feel a compulsion while doing it then you can say that this is your interest area.

Ability to do or work in your interest area is also very important. However, this trait is very secondary as once you developed your

interest in something your ability to do that will also develop on its own.

2. Moral and Guiding support: Once you chose where your interest you then require someone guiding you through. Such a guiding is very important for you. Your parents, cousins and any other general person can act as your guide. Every person has a guide with him only need is to identify him and seek him as your guide.

For moral support you require your family. Moral support is required when you go through hard times, when you are messed up with your things and confused. At such times you need someone to tackle such pressure and irritation which this field naturally proposes for you.

3. Plan: Once you find your interest and through your guider you have decided how to work upon

your interest then you require a plan for execution and to get results thereof. Plan is very important. You decide when, what and how much to do. Everything must be well planned and decided. It will help you not to mess up with things and will definitely reduce your pressure altogether. Not just planning sticking to plans and completely targets is complementary with planning.

Now let see how I got this;

My journey began when i decided to take up commerce stream in class 11th to build my expertise and career in. Then after giving exams for my class 12th I started with my preparations. (Yes I did began way back in April itself). Though it seemed very easy to me when I began as I saw the syllabus quite similar with +2. But when I continued, I realized it was not as easy as I thought it would be.

This level contained 4 subjects:

1. Accounts
2. Law with English
3. Mathematics with logical reasoning
4. And; Economics with business knowledge

Accounts and Mathematics were my strong subjects and law which

I prioritized while starting with the syllabus. Law posed a lot of problems for me as in the beginning I couldn't understand how to study this new subject. But then with the help of my brother's suggestions of regular reading, law became easy for me.

Accounts is almost the same what we studied for +2 exams except a few chapters which are completely new and needs special attention to understand and practice. I basically focused on continuous practice for this subject.

For law, I relied on regular revisions of all the topics and writing the answers of all the past year papers. This subject needs special attention as with being new its way of attempting the answers is completely new and different.

For Mathematics, as everybody already know, requires practice and practice. However, I had a plus point by having Mathematics in +2. This subject may pose a few problems if we don't have mathematics in +2 then this subject needs more attention and negative markings in this paper makes it more difficult. Some say that if they don't have mathematics in +2 they won't be able to do

attempt this. This is completely a false statement with practice you can do better in this than in any other subject.

And the final subject Economics with Business and Commercial Knowledge requires a good level of retention skills of key terms and concepts. This subject however is very practical and thus requires less efforts in comparison.

Thus, I may conclude:

My interest was in accounts and law and so did I choose this course to work on with. And my guide was always my brother.

My “Mantra” for study has always been “REGULARITY”. I suggest instead of studying just before the exams and just mugging up things we should study on regular basis. I think if you study regularly 3-4 hours you can easily cover the syllabus and in-fact by heart each and everything. And we should take more rests during the time of our exams and chill while giving them.

Thank You

Yugal Khandelwal

B.Com (H) 1st Year



By God grace, I got AIR-1 in CA-Foundation, at that time, I was just working for clearing the exams. I started my journey of CA-Intermediate with lot of questions in my mind and specially fearing for rank. But such a wonderful results in CA-Foundation motivated me to give my best further. Patience and revisions are the key to success in CA exams. Due to vast and diversified syllabus, everyone started feeling depressed during studies which happens with me as well. But due to clear goal in my mind, i kept on doing by ignoring all negative thoughts and distractions. Self motivation and my father's dreams always drives me to work for Rank. Infact 15 days before exams, I felt like I will not be able to get rank again. But I shared this with my father and he advised me to give my best and focus on clearing my

exams. I followed the same and today I really feel every festival which I left had paid me off. Make your own strategy and schedule for each and every subject, give more focus on self-study as this is the stage where there is no teacher who can give you homework and take tests to analyse your performance. You need to be self motivated for it. Always keep in mind "Rank always makes a difference".

Thanks

Swati

B.Com (P) 3rd Year



Hi guys, this is Abhinav Bairoliya. I recently cleared my CA Foundation examination and managed to score AIR 50. I started preparing for my CA Foundation examinations in the month of June. At first I was a little unsure about pursuing CA and about my preparations for the same, but now I'm determined enough and I know how to proceed further for my CA Exams. One of the many things that encouraged me to clear my CA foundation exams with a good score were my friends and family. Mostly, there remained a subconscious thought that what if I couldn't manage to clear my exams; but my friends and family believed in me and motivated me throughout my preparation phase. They kept reminding me that even if I didn't, there are a large number of opportunities waiting for me. This gave me a sense of self-assurance and made me undaunted.

Another key to escape from the last minute pressure is to follow a routine. According to my point of view, preparing for CA exams doesn't require 8-9 hours of studying rigorously, rather it requires a constant study pattern. I followed a routine, where, after coming back from the college I studied for at least two hours which helped me in the same, and didn't cause any distress in the last few days left before the exam. I do accept that studying for college as well as CA can be tiresome, due to which I often went out with my friends and took some time off from studies, because it is very necessary. Nobody can study continuously and not get bored of it. It also helps in escaping from the pressure of studies for a little while, and then start again with a fresh mind. Many people might think it would be difficult to manage societies with CA, but I would recommend everyone to be a part of the societies. Time can easily be managed once you figure out a pattern or a routine that suits you. Even during the preparation for the CA exams, I was a part of two societies.

Lastly, another thing that helped me was having an Amazing Men-

tor, who has already gone through his journey of pursuing CA, and who guided me and motivated me for my exams whenever I was in need of a little push or guidance. There's a saying that everybody must have heard, which goes like, "As you sow, shall you reap." The efforts never go in vain. The only thing you have to do is put in all your efforts, honestly. Your results wouldn't disappoint the efforts that you'll put in for the same.

Figure out a pattern, put in your efforts, take out time and chase what you actually enjoy.

All the very best for your exams!

Abhinav Bairoliya

B.Com (H) 1st Year

3rd Semester Toppers



"The harder you work for something, the greater you'll feel when you achieve it."

And that's what I felt after knowing that my efforts have been very well put up and led me to become the topper of the third semester in the college. But in my opinion, success cannot be achieved just by

the effort of a single person. There are many involved who, though, in the background but play an equal part in your success. And that's what teachers do for students. One looks back with appreciation to the brilliant teachers, but with gratitude to those who touched our human feelings. The curriculum is so much necessary raw material, but warmth is the vital element for the growing plant and for the soul of the students. So, special thanks to the teachers.

In the end, all that matters is efforts you do and not the results because remember one thing and keep reminding it - "One day, all your hard work will pay off"

Harshit

B.Com (Hons.) 3rd Year

5th Semester Toppers

I was very anxious about moving to a bigger city, but Kirori Mal College groomed me so well. It leads me to play different roles in its different societies and, above all being its class topper.

While joining college, I was a bit nervous as now I was to compete with more or less all the school toppers. But as soon as the classes commenced, my confidence boosted due to the amazing competitive and learning environment that this college provides, along with the most compassionate faculty. I would like to thank the faculty members for being there always, be it a doubt solving session, an assignment, or during the semester exams.

Grisha Agarwal



College graduation is one of the most exciting experiences of life. Kirori Mal College gave me an opportunity to explore different paths and grow as a person. Both academics and extracurricular are important to prepare for a better future ahead. The key to achieving good marks is con-

sistent and determined. Studying past year's papers to determine the paper pattern and discussing important questions with friends helps a lot. Focus on understanding and not memorizing theory subjects. Practice practical questions in advance to reduce errors in exams. Internal exams are as important as the finals and make a huge impact on your overall score. Strategize well in advance and use time judiciously while writing answer sheets to complete paper on time.

Utsav

Creation for Nation



INTERVIEW REPORT

youthshed startup

Founder: Manan Gupta

Profile

With an aim to make sure that my talents have the requisite skills to facilitate my entrepreneurial dreams, I engaged myself in activities ranging from working in startups, college societies, and social projects to team-building and event management while pursuing B.com (Hons) from Kirori Mal College, Delhi University.

As a member of Enactus, I was actively involved in building community relations, conducting surveys, research, marketing, sales, etc. which sensitized me towards the needs of the backward communities.

Under my tenure as President of the Commerce Society, the team recorded the highest footfall received by the society in 'Advent' and started new initiatives like reaching out to alumni.

I was the Marketing Head of a startup called 'Metvy', backed by Mr. Alok Jain, Ex-Wipro Vice-President and funded by the Delhi Government. The startup had a successful launch with 7000 downloads of its Android application at zero cost marketing.

I launched my own startup, Youthshed, in the fourth semester of my graduation which aims to review, brand and restructure existing accommodation spaces to standardize the quality of service

About Youthshed

1. What is the name of your start-up? What does the name signify? Who are the founders, main key members and stakeholders?

- The startup's name is youthshed.
- youthshed consists of two parts. Youth signifies India's young population, the torchbearers of our country and also the target market of the startup and shed means the shelter or house.
- The founder is Manan Gupta, with Sir Pushpender as their mentor and there is a core team of three members, of which two are from KMC and one from Miranda. It also includes a team of 60 people ranging from colleges across DU.

2. Tell me briefly about the idea behind the startup and the big problem it tries to solve.

- It seeks to standardize the experience of students living in PGs and also provide platform for promotion of small and marginal PGs operating across delhi and assist them in their management to make sure they are able to counter the competition faced by big corporations like Oxford, Stanza living etc. It will also help in branding of these PGs. The startup also helps in providing reviews about the living conditions, the atmosphere, services etc to the prospective tenant and prevent the students from being taken advantage of by big PGs who fail to comply with same standard throughout the contract throughout the contract period.

3. What is the market viability of the startup and current situation of market competition?

- There is a huge market for coliving. Currently, there are 10 lacs students who move to metro cities every year. So, there is an opportunity for everyone to flourish in this market segment as, there is only so much that big MNCs could do.
- The major challenge the startup has to face is how fast they can grow against various other competitors such as in Bangalore there is nestaway, in pune there is zololiving , in delhi there is stanza living etc. So , there are currently two options, either start from a small city or to capture an area in a metro city and grow exponentially in volume to ensure success.

4. What steps have you taken to finance this start-up?

- The startup is yet to be funded, due to upcoming recession , the general funding and investments have slowed down but the starup has got its revenue model ready and they will be pitching for finance most probably this month or the next.

5. What marketing technique the company has as of right now?

- Posters, facebook promotions, digital marketing and also a unique strategy of employing interns from various colleges in order to facilitate faster spread of knowledge about youthshed.

6. What advice would you give to someone trying to launch his own start-up?

- As advise, the first and foremost thing you should ensure that there is a sufficient amount of professionalism in the management of the startup and not get swayed by emotions and friends and it is not necessary to have only friends in your team. On the contrary, the lesser there are friends the more efficient is the working of the team.
- Also, there is no need for funding, if you can maintain a sustain-

able financial model just like how the founder was able to earn Rs. 25,000 in one month without spending anything.

- Work on your ideas , research on them and try to make it successful, even if you fail you would have learnt a valuable lesson. At-least you wont have regrets in future that you never tried.

The Eternal Valuables



Anshuman Singla

Batch 2019

B.Com(P)

Q. Are you currently doing a job or a business or pursuing further studies?

Ans: Yes, presently I'm working at Camaraderie HSBC OBC Life Insurance company along with that I'm also pursuing my studies.

Q. How did your experience at Kirori Mal College help you find your first position after graduation?

Ans: My life at Kirori Mal College has completely transformed my life. It made me self-reliant and allowed me to come out of my comfort zone. At KMC, I gained a lot of exposure apart from the academics.

I got to know about the job requirements of the corporate world which finally helped me to land

my first off-campus job at Canara HSBC Bank after graduation.

Q. What would you look if you were in a position to hire new graduates from KMC?

Ans: If I were to hire new graduates from KMC, I would definitely look at their potential for growth technical skills in accordance with the job profile, their soft skills such as the way they interact and express themselves, their communication skills and their knowledge to get a task done in addition to their academic scores.

Q. What are the qualities that are required I a student to secure a good position in companies like 'Big Four'?

Ans: In order to score a good position in big companies such as

‘Big 4, one needs to have a strong knowledge base about the course they are pursuing,

These companies look for applicants who have good soft skills, technical skills such as Ms Excel, Ms Word, Ms Access, etc.

Moreover, they would look for candidates who have a good track record at college, have participated in extracurricular activities in college, have done an internship. If you are pursuing a professional course such as CA, CFA, that adds to your knowledge base as well.

Q. What was your best memory of college?

Ans: My best memory of college is when I used to participate in various inter college fests. Best part of being at DU, especially at North Campus is that all the colleges such as KMC, Hansraj, SRCC, Hindu, Stephens, Ramjas, SGTB Khalsa are interconnected to each other. You can easily visit each college. Moreover, students in KMC (also in other colleges in North Campus) get free cycles

from DMRC to roam around in the campus area.

This makes one physically fit and helps to keep the environment clean.

Q. How far did the societies and internships help you? What according to you is more important being part of societies or doing as many internships as you can?

Ans: Being part of a society and doing summer and winter internships does help in building your profile.

I would say that one should maintain a balance between both. One should at least try to be a part of a society in college as it adds to your social life.

You get to make new friends and learn new things. If you don't like the experience, you can always leave.

But you should always try to do a summer internship and also in winter, if possible. Doing an internship will give you exposure

of how an organisation works and is a must for students looking to get placed in college.

This will even help you later in life after you graduate from college and looking for a full time job or starting your own venture.

Q. What more qualities do you think that college should be including which can make students even more productive?

Ans: In order to make students more productive, the College Administration should focus on imparting work-based skills in students.

Eg: Giving research based projects to students.

Q. If you could go back in time and change one thing about our institution, what would you choose and why ?

Ans: If I would like to change one thing about our institution, I would ask to open an incubator for students to come forward with their business ideas at the college level.

Q13.Can you please describe one of your typical work days?

Ans: One of my typical work days is when my manager told me to make a hell lot of presentations and then present it to the clients. It was such a hectic day for me.



Mohit Jain

*Batch 2019
B.Com(H)*

Q. Are you currently doing a job or a business or pursuing further studies?

Ans: Working at ZS Associates as a Data Analytics Associate, Gurugram.

Q. How did your experience at Kirori Mal College help you find your first position after graduation?

Ans: It was a wonderful opportunity at Kirori Mal College to explore your work interests with the experience in curricular activities.

Q. What would you look if you were in a position to hire new graduates from KMC?

Ans: Attention to details, Aptitude & Positive Outlook, Commit-

ment.

Q. What are the qualities that are required by a student to secure a good position in companies like 'Big Four'?

Ans: Communication skills, Attention to details, Aptitude & Positive Outlook, Personality

Q. What was your best memory of college?

Ans: The Commerce Representative Students' Union Election 2016 Winner

Q. How far did the societies and internships help you? What according to you is more important-being part of societies or doing as many internships as you can?

Both are important. Keeping the role of work in the mind is the key.

Internship in the area for the future career plans would help. The leadership position in the society will help you learning leadership skills,

Q. What more qualities do you think that college should be including which can make students even more productive?

Ans: Industry & Business visits, Entrepreneurship and ideas Classes.

Q12.If you could go back in time and change one thing about our institution, what would you choose and why?

Ans: Sometimes, administration is slow. It would be better if there is a policy and timeline regarding that.

Q13.Can you please describe one of your typical workday?

Ans: 10am to 6pm Monday to Friday 'Data Analytics'



Isha Singla

*Batch 2019
B.Com(H)*

Q. Are you currently doing a job or a business or pursuing further studies?

Ans: Job at ZS Associates as an Operation Delivery Associate, Gurugram.

Q. How did your experience at Kirori Mal College help you find your first position after graduation?

Ans: Through Placement Cell of KMC.

Q. What would you look if you were in a position to hire new graduates from KMC?

Ans: Skills, calibre and their attitude towards life and goals

Q. What are the qualities that are required by a student to

secure a good position in companies like “Big Four?”

Ans: Excellent academics and positive attitude

Q. What was your best memory of college?

Ans: Fests ofcourse!

Q. How far did the societies and internships help you? What according to you is more important-being part of societies or doing as many internships as you can?

Ans: Placement cell helped me in getting my job so I can say societies are really important. Also, do as many internships as you can!

Q. What more qualities do you

think that college should be including which can make students even more productive?

Ans: Strictness through attendance will help everyone in being productive.

Q. If you could go back in time and change one thing about our institution, what would you choose and why?

Ans: Will probably create a girl's hostel. Convenience should be provided to girls too.

Q. Can you please describe one of your typical workday?

Ans: Getting up at 7, exercising, cab pick up at 8.30 am and I reach office by 10.30 am. Breakfast served by office, lot of work waits for me and in between we also have a lunch break. Best thing is that food is absolutely free. We get points and if not redeemed, we can purchase equivalent worth things from cafeteria and bring it to home. Usually office gets over around 7:30pm but sometimes we have to stay a little longer depending on the

workload. On coming back home, sleep is much needed after such a hectic schedule.

Work life is knowledge based in ZS Associates. Knowledge is the key.

Culture is knowledge driven.

Magazine Committee



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Teacher In Charge: Nidhi Sharma

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