SSE TIMES


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SSE WRITES

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Mansi Setia (M Sc)

I woke up to her voice I was dreaming maybe... ***read more***

Modi Trumps Donald
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Epilogue
BSc

Dear Sister

Mansi Setia (M Sc)

Dear sister,

Did you see my white off shoulder dress?
Clichéd good morning texts from lovers are overrated,

I woke up to her voice I was dreaming maybe about my lover (drooling maybe).

How beautiful it is, when another human being listens to all your banter and handles the tantrums you throw at them.

My sister, the pudding of joy, how I look like her when I am smiling, how my lover shamed me,

when anxiety was just another attack away, sadness murmuring bitter sour tales of shame, guilt and built up anger...

I asked my sister the other day, why do you love me? Questions I only asked my ex-lover, questions that lingered on my tongue, tasteless.

It appeared she had always been waiting for this very specific query, unfolding the mystery around it, dusting it

She chides when I psychobabble, it's not crazy talk I assure her.

She looks at me with a smile knowing the hate in my heart and bones, how melancholic my soul is, wildfire is not just a metaphor now, it is me, burning the home I adorned with love,

And no handsome prince is on a rescue mission to save me from myself.

Elsa too saved Anna from the cold heart,

He maybe droolworthy but he does not understand my affliction.

My sister looks at me, all curious, what's cooking, why did you ask me that question? I know the air around the question, she knows I have been thinking about my man, the man who would know a thing or two about my despair, *though he could never match the comfort my sister offers me every day*

I know my friends who have charming men in their life, let me Break the stereotype here, I have my sister handsome and gorgeous, strong and brave , honest and protective, she has set some unrealistic standards for the man in my life,
thank you my darling sister, for being the woman in my life, doing the job you do with utmost grace .

With Love,
Your puddle of happiness

Modi Trumps Donald

Rajas Kolhatkar (B Sc SY)

A firebrand right wing populist leader, active social media user, a charismatic orator and the leader of one of the largest democracies in the world. Confused? You should be. These terms can equally be applied to both Donald Trump and Narendra Modi.

I was surprised with the shock with which Indians reacted to Trump's election. We cried out that America had elected a controversial leader whose policies were for the lack of a more respectful term, revolutionary. But hadn't we done the same a couple of years ago?

Critics will argue that Narendra Modi was an experienced politician who won based on his stellar governance record while Trump was an outsider who obnoxiously barged his way into the presidential election. A "great" business man whose companies have declared bankruptcy multiple times. A hugely successful tycoon whose only real business was licensing his famously popular name to companies for a royalty fee. A magnate who constructed one of educations finest scams-Trump University. A hugely successful man with tiny hands. Okay, that one was just for fun.

But looking beyond all this, let's see how much our honorable Prime Minister Modi and Donald Trump have in common. Both men have a flair for making grandiose promises. While one of the two at least tries to deliver on them, the other asks Mexico to pay for it. Trump and Modi both are masters of the art of public speaking. These two men have a blast at rallies-a gathering of some of their most devout supporters. Screaming from the top of a podium seems to make themforget that-they are both officially senior citizens. The striking similarity between "Acche din wapas aayenge" and "Make America great again" sends a chill down my spine.

While Modiji came to power riding on top of the tsunami we now refer to as the Modi wave, Trump assumed power even after losing the popular vote. Trump was confident in his victory from the very beginning. Similarly, even Mr. Modi never wavered his belief that he was going to be the next prime minister of India and the same could be seen from his speeches.

Moving on, let's look at some of the hurdles in their paths. Both men have been embroiled in their fair share of controversies. While the Gujarat riots remain a blemish on Mr. Modis otherwise transformative rule in Gujarat, Trump's sexist, xenophobic and quintessential redneck comments supposedly alienated him from half the working population. The fact that Donald Trump was able to snag a victory even after the "Grab them by the p***y" scandal has stunned even the most experienced political analysts. Ironically, as we compare the two men we forget that our prime minister was banned from traveling to the USA until he came to power. By then, USA was ready to welcome him with open arms.

Another striking similarity between the two was the ability of both men to generate negative press coverage for their respective opponents. While the methods employed may have been different, the result was the same. While Mr. Trump resorted to downright name calling, tweet- blasting and other below the belt tactics, Modiji used his prospective opponent's inexperience against him. Everyone remembers the torrent of Chota Bheem memes that were spread in the media. Do you really expect us to believe that this was not a crucial missile in the political arsenal of Mr. Modi?

Did these jokes about the man who was portrayed to be more idiotic than a court jester really spread all by themselves? Did they not have a bit of a push or a nudge from a powerful political party to speed them along the way?

These tactics allowed them to undermine their opponents in the public eye. Emasculating Jeb Bush seemed to a hobby of Donald Trump. He did it so effortlessly that the man was forced to ally with the devil incarnate Ted Cruz, himself.

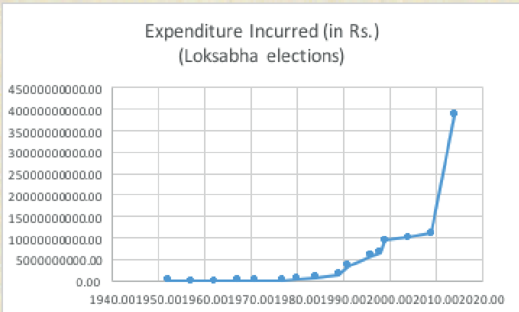
After coming to power, both men implemented major changes in foreign policy. Both have implemented radical changes such as demonetization and protectionist trade policies. One promises to build a literal wall while the other promises to tear down walls of communal disharmony. One might suggest that one behaves like a toddler in an unfriendly environment while the other enacts Machievellan cabinet changes. One is continuously butting heads with his own party while the other has broken decade old friendships (cough cough Shiv Sena cough cough). One has antagonized more than half the world's leaders while the other is rarely found in his own country. A simple joke sends one into a tweeting frenzy against the media while the other remains the medias' darling.

But jokes aside, Donald Trump and Narendra Modi are now occupying two of the most powerful chairs in the world. Their decisions cause ripples in the entire world. It is not up to us to judge their decisions but to merely be silent spectators to the after effects.

Does India really want the simultaneous elections?

One nation, one tax and now one election. There are various rumors that in 2019, India might witness the simultaneous elections at national and state level. Debates are going on. Let's examine the fact.

Argument for One nation one election –
It will reduce the expenditure spending on elections. And this makes sense. The expenditure on election is increasing continuously. It was 104500000 Rs. in 1952 while it is increased to 38703456024 Rs and this is only for LokSabha elections.



Source – Election Commission of India

If we include the expenditure on the state election, then it will go beyond our imagination. The cost of bearing the democracy is really high. This can be reduced by having simultaneous elections as there will be one time setup cost.

Another argument for simultaneous election is to have more time for productive work. Now due to consecutive election, state government along with central government has to give special attention to the given state. This results to higher spending and more wastage of time.

Niti Ayog suggests that the simultaneous election will reduce the burden of expenditure. It will also reduce corruption and expenditure of political parties, which is uncertain. It will be childish to say that parties will spend less if we have simultaneous election. In simultaneous election, one voter holds a right to vote for two seats, one for parliament and one for legislative assembly (For now, ignore the election of Municipal Corporation and Panchayat Raj). It means now one voter himself/herself knows that his/her value is doubled. He/she will definitely be more demanding. And parties will definitely spend more, more than double as they know that once they attract the voter, they will either get two vote or nothing. In separate election, there is uncertainty, as person who votes for LokSabha might not vote for legislative assembly at the same price. So in simultaneous election, parties have an incentive to spend more.

Argument against One nation one election –

The main argument that goes against simultaneous election is the federal structure and Indian Constitution. Till 1967, we had simultaneous election. But at that time our political system wasn't diverse. Although there were different political views but these views existed under the umbrella of few political parties. But now we are living in a coalition era.

One single party can provide stable government neither at center nor at state. So if government fails to complete five years at center or at state then what should be done? We can't have a president rule for the remaining years. Although this is democratic under given conditions but this will restrict the basic principle of the democracy – more participation.

We know that the problems at state level and national level are different. But under simultaneous election, the common set of problems will be highlighted. Therefore, voter might think only about the local issues or only national issues. Therefore one issue might overshadow another issue. This further leads to the contraction of the regional parties as they are unable to stand for national issues and hence the voters might ignore these parties. With that, the inter-state problems like Kavari issue, Belgum issue will not be addressed by any political party. The manifesto has to be formed in such a way so that it highlights the common problems.

Simultaneous election seems good in theory but is it feasible? We had a discussion with few teachers at primary and secondary schools, as they are the ones who handle the situation at the ground level. They are an important element as they take the most important responsibility of implementation. They said that it is simply impossible. One teacher from Kuchi village, in Sangli district shared one incident. His colleague got a heart attack at the voting booth while completing the process of voting. They told that he had tremendous stress and if simultaneous elections are implemented then more manpower is required which is not available. Therefore the stress will be increased. The same concept applies to the Police. Therefore it seems unfeasible as far as implementation and administration are concerned.

The simultaneous election seems good in monetary terms but there are some other factors, which can't be quantified in monetary terms but will affect the economy and political system and most importantly the main principles of the democracy.

These factors should be considered before taking any steps.

A Glimpse into The Rural Life in Pune

By Kamakshi Sirpal, Pavan Kumar T & Savanah Lobo (B Sc TY)

As part of the Macroeconomics III course, a field trip was organised for the BSc Economics (Hons) batch of 2016-19 to various underdeveloped areas in Maharashtra. The batch was split into groups of 5-6 people and was allocated six different themes with each team getting a set questionnaire related to their topic. They were given the choice of going on 5th and 12th of August to different villages outside Pune to interview farmers and conduct surveys on various aspects ranging from access to banking, sanitation, crop insurance and farming risks to investments in farming.

The first batch, consisting of 90 students, travelled on the 5 th of August and visited the villages of Gherapurandar and Kaldari in the Purandar Taluka. The 3 buses departed at around 9:30 a.m., and halted midway for breakfast and quick snacks before reaching Gherapurandar which was situated on a hilly tract at 12 p.m. The first thing observed was that there were hardly any mobile network signals in the area indicating that the place needed much more connectivity. The students were lead by a group of children who took them to the local government-run school where they came to find that the school had hardly any teachers and that the village was very small in population of only around 600-700 people. The occupational structure of the village was predominantly agriculture, and most were small cultivators not owning more than 4-5 acres of farmland. Not many had cattle in large amounts; some of the people interviewed did not have any livestock in the first place and hence undertook manual farming. Another distinguishing factor that everyone observed was that the farms were located on hills while most resided down the hill which brought about various challenges in terms of finding respondents and avoiding duplication of surveys.

The students though finding it difficult to trek up the hill due to sloshy and muddy paths, did so despite all odds and went on to survey with their teams. Some of the villagers informed that motorable roads were constructed in the village only recently! This gave us all a field level picture of development in rural towns and villages and a practical example of difficulties faced in such small places.

After concluding their visit to Gherapurandar around 4 PM, the students set off to the other village named Kaldari which was at 8-10 km distance from the former. They reached the latter at around 4:45p.m. and decided to avoid the problem of responses by clubbing two groups with different themes with an interpreter. This village was much bigger and had comparatively much better access to roads and sanitation and had a larger population. However, the occupational profile didn't change as many were engaged in cultivation. Obtaining responses were relatively easier here thanks to better pathways and interpreters from MSc and non-staff who did a splendid job.

After completing their task of surveying around 6:00 PM, the students bade goodbye to the villagers who helped them immensely and took a group photograph. They started off to Pune around half past six, reached SB road around half past nine and dispersed home loaded with pictures, memories and a never-ending confusion about data entries.

Following the success of the first outbound trip on 5 th August, there was much anticipation amongst the students as to what the next trip held in store for them.

The itinerary of the second field trip included visiting the villages of Dhalewadi, Ranamala and Newalwadi which are situated in the Purandar Taluka. The designated reporting time for the students was at 7:30 a.m. at the SB road campus where the three buses departed at around 9 a.m. After a quick breakfast stop, students arrived at the first village, Dhalewadi, at 12 pm where they were given a formal induction as to how to go about collecting data and the formalities to follow.

They were then subsequently given an hour to disperse and collect primary data on their respective ILC themes. Each group consisted of around 5 members and 1-2 Marathi speaking volunteers who helped in translating the crux of the questionnaires and recording the answers. The villagers were extremely cooperative throughout the survey process and their keenness toward answering the questionnaires allowed for a lot of interesting interactions and learning opportunities. Despite the language barrier, the students were able to collect a variety of opinions regarding living conditions, market conditions, scope of employment and education. The villagers were extremely warm and welcoming and were thrilled to see new faces amidst their mundane routines. To say they were just 'kind' would be a blatant underestimation of their overwhelming hospitality and convivial nature.

The second village, Ranamala, showcased a smaller population of 725 people but the quality of infrastructure mimicked that of the first village. It lacked paved roads and properly constructed buildings and had a larger abundance of livestock. The students were familiarized with the Marathi speaking volunteers and set about the task immediately without any formal induction by the professors. There did not seem to be many vehicles or visible amenities for sanitation, however, considering the students were able to keep in contact with each other through mobile phones indicated good connectivity infrastructure.

The respondents from this village were just as enthusiastic in answering the students' questionnaires and were kind enough to send them back with different kinds of foodstuff. It was quite eye opening to see the progressive mindsets among the villagers especially as many of them have invested in their grandchildren's education in hopes of a better life and future for their descendants.

As the third village, Nawalewadi, was the largest in terms of population (approximately 300 households), the students were able to obtain the majority of sample points from this village. The buses arrived at Nawalewadi at 6 pm, and by this time the students had become accustomed to the procedure involved in data collection.

In terms of the level of development, a comparative analysis of the five villages visited reveals that Nawalewadi was at the forefront. Most of the households had some form of electricity, and several of them had a personal vehicle and proper amenities for sanitation purposes. To make the task of conducting interviews easier, Professor Varun Miglani took to the village loudspeaker and made an announcement requesting the residents to assemble at a common venue of the community, an open-air temple. Soon after, the residents (mostly males) gathered at the said venue and students began with the interviews. It was discovered that the respondents were highly educated in comparison to the residents of other villages and many were employed in sectors other than agriculture. One respondent, for instance, was involved in working for a charitable organization and it was refreshing to hear him describe the nature of his work with fervent passion.

After the data collection by all the groups was complete, the community members offered to make tea for the students, professors and non-faculty members. Thus, a long day of field work by the students was rewarded with a warm cup of tea post sunset in the scenic surroundings of Nawalewadi. To wrap up the proceedings, the faculty in charge of the trip, Dr. Deepika Chawlaapprised the students of three key facts about the village.

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EPILOGUE

Diamond is built under pressure

And last I checked,

keeping up with this hasn't been any lesser,

every successful experiment is a mistake,

every successful experiment is a mistake,

we have been circling around our flaws for a long time now..

where is our solution, where is our effect?

how do I tell you,

god how do I explain

If this is love at all,

when I moulded myself for you,

changed my identity

why do you still ask 'where is the electricity?'

You can't change the way I think,

so whenever you tell me 'we are not happening'

give me some time

at least let it sink?

they don't let me sleep, my demons

I can't be happy,

my feelings don't change with the season.

By Richa Patro

EPILOGUE

ये जो पेड़ देखते हो, जो कद में तुमसे 10 गुना हैं

क्यों ये तुमसे दस गुना हैं?

ये जो पहाड़ हैं, जिनको तुम चींटी से दीखते हो,

क्यों? इन मौसमों, हवाओं से भी पुराने हैं.

और आज भी यूँ सीना ताने खड़े हैं.

बात छोटी सी है

बात नींव की है

कद हमारे छोटे, और दिल भी कुछ छोटे ही हैं.

कह तो देते की बढ़ गए हैं,

मगर हकीकत में बढ़ते नहीं हम.

बस दिल को और सिकोड़ लेते हैं.

और उस खली जगह में गुरूर को भर लेते हैं.

इसी लिए उम्र भी हमारी छोटी रह जाती है

कह तो देते हैं की लालच में खुश हैं,

मगर हकीकत में खुश होते नहीं हम.

बस इसी लिए इन पहाड़ों और पेड़ों से नीचे रहते हैं

बात छोटी सी है

बात नींव की है

ये इमारतें जो हमने ही खड़ी की हैं

ये हमसे ज्यादा जीती हैं

इनके खुद के नाम, खुद की पहचान हैं,

यूँ कह तो देते की नाम हमने भी बना लिया है,

मगर हकीकत में पहचाने जाते नहीं हम

बस इसी लिए हम ईमारत से छोटे रह जाते हैं

इमारतों की नींव तो गहरी डालते हैं

मगर खुदकी जड़ो को काट बेजड़ हो जाते हैं,

बस जड़ो की अहमियत समझते नहीं हम.

शायद इसी लिए पहचानने इतनी छोटी रह जाती है.

बात छोटी सी है,

बात नींव की है.

ज़मीन पर लकीर खींच बाँट तो देते हैं

मगर मिट्टी की खुशबू सूँघ पाते नहीं हम

शायद इसी लिए तुमको इतने बेकीमत नज़र आते हैं

मिट्टी यूँ तो पैरों तले रौंद देते हैं

इज्ज़त ज़मीं की करते नहीं हम

यूँ मिट्टी बेच तो देते हैं,

मगर कीमत इसकी समझ पाते नहीं हम,

शायद इसी लिए आखिर में इसी मिट्टी में मिल जाते हैं.

बात छोटी सी है.

बात नींव की है.

By Paritosh Joshi

EPILOGUE

Terrified as you were,

Looking for an ardour,

Speaking through your nerves,

Waiting for the night to get darker,

Hopes that you perceived

In the pretentious skies,

Memories that you lived

Through the comforting lies,

To be assured of sanity

Would mean situations disguised,

And to defy gravity

Would leave bodies intertwined,

Trust me darling

With all that you have gone through,

Seeking vengeance

Stutters the image that you drew,

So let the lies impersonate you

Or there will be oceans of desolation,

Now restore your breath,

And savour it all,

For there will be lies,

All along,all along,all along

-By Praneet Basannavar

SSE EVENTS

A Decade of Excellence: Foundation Day 2018

Apara Kale and Suchismita Panda

This milestone was marked by SSE's 10th Foundation Day celebrations in the Vishwabhavan Auditorium at 11.00 am.... read more

SIU Sports: Highlights so far

Insights from the AIIB Conference

Vikramsinh Patil

The scholarly atmosphere felt almost palpable when this reporter reached the venue-.... read more

PITCHING THE MOTIVATION

Swastik Routray and Lipi Gandhi

A mixed pallet of students pursuing their bachelors and masters was present to attend the brainstorming session..... read more

Gusty Waves: SIU Swimming Tournament 2018

Riten Dhawan (SY B Sc)i

The way the team rose up to meet the challenge, was admirable, at the very least... read more

A Decade of Excellence: Foundation Day 2018

Apara Kale and Suchismita Panda (FY B Sc)

They say that one's school is one's second home and on the 1st of August 2018, Symbiosis School of Economics, completed its 10 years. SSE has a foundation of quality education and excellence, brickwork of its esteemed faculty and hard-working students and is cemented with ambition and intellect.

This milestone was marked by SSE's 10th Foundation Day celebrations in the Vishwabhavan Auditorium at 11.00 am. The Foundation Day began with the arrival of the Director of SSE, Dr. Jyoti Chandiramani, the Deputy Director, Dr. Debdulal Thakur and the teaching and non-teaching staff at SSE, who were greeted with enthusiasm and vigour by the crowded auditorium.

The program was inaugurated by the M.Sc Student Council President, Apoorva Mahendru and General Secretary, Shiboni Sundar, followed by our comperers, Vikram and Ratnam, inviting our respected Director, Dr. Jyoti Chandiramani, to deliver the first and most awaited speech of the day. Her vivacious and lively nature is bound to make an impact on each person who has an opportunity to interact with her. She initiated by thanking everyone in the Symbiosis family, from teaching and non-teaching staff to supporters and every student, for making Symbiosis School of Economics a huge success and for completing 10 years of its journey.

The Director is strongly influenced by Edward De Bone, the Father of lateral thinking. She strongly believes in his ideas and perceptions, and the principles of what is right and wrong. With this view in mind and with her vision as a guide, Symbiosis School of Economics is home to thousands of international as well as national students. There are thousands of alumni who have successfully completed their graduation and are at the peak of their careers. Everything at SSE is so 'RIGOROUS' that every individual develops an all-round personality and team spirit. As the end of 3 years, one is perfectly ready to venture into new and unexplored areas once he/she passes out. A unique concept, that came out of this speech was ARPIE where 'A' stands for Academics, 'R' for Research, 'P' for Placements, 'I' for Internationalization and 'E' for Enhanced Engagement.

The Founder and President of Symbiosis International University, Dr. S.B. Mujumdar, has always been of the view that one must 'Keep the DNA of Symbiosis alive'. It is because of these ideals that SSE is at this position. Before ending, the Director very keenly highlighted a truth of life, which says "The process is going to be messy, but the outcome will surely be positive".

This was followed by a speech from the Deputy Director, Dr. Debdulal Thakur, who spoke about Mr. Sergey Bubka who always answered the most asked question to any athlete, 'Who is your competitor?', by saying, 'I, myself'. Every year, he broke his own record. Dr. Debdulal Thakur ended on the note that one needs healthy debates for positive outcomes and thanked the director for her constant support.

Shortly afterwards, the Lamp Lighting Ceremony (the seeking of blessings from the eternal fire) took place.

The BSc. And MSc. Student Council Presidents, Chirag Dash and Apoorva Mahendru respectively, joined the Director, the Deputy Director, the BSc. and MSc. Program in- charges and other non-teaching staff to light the lamp. The Investiture ceremony of the 65 new Student Council Members, the 17 MSc. Club heads, 18 BSc. Club heads and 18 BSc. Class Representatives, 4 BSc. Sports Council members, 5 and 3 Core Council members of the MSc and BSc. respectively and their oath taking took place.

To represent the plethora of memories associated with SSE, the Film Society presented a montage on the journey of the institute. It documented the Director's message, academic events, guest lecturers, students' achievements and activities, staff at SSE and what the teachers had to say. The artistic and touching way in which the club put up the short clip brought a smile on everyone's faces. The winners of the Kalakriti (Art club) Poster Making Competition were announced as well.

The next performance was presented by the Music Club at SSE, Raaga. Their enchanting tunes and instruments brought out boundless energy in every person in the auditorium. It commenced-with a classical song presentation by the MSc students, who one could just not take their ears off from. From "Arziyaan" to "Kun Faaya Kun" and the chanting of "Ali Maula", the entire gathering was humming the tunes. The musical aura ended with a First-Year student, Abhigyan, singing solo "Don't look back in anger". The love for music could be felt vibrating in the entire auditorium. The Epilogue club members recited heartfelt poems in Hindi and English that made the audience think about who they are and how they should be. Streetlights, the theatre club put up a production- a political satire, highlighting the problem of the educated class with no jobs and what this situation makes of humans. The accents, the emotion and the power and voice that each actor gave to his/her character were truly remarkable and appreciable. An alumnus, Devduti Nag also addressed the August gathering.

One of the most anticipated performances was put up by the talented members of the Synergy-Club and consequently marked the end of the cultural programme. To add a tinge of excitement, the first performance was blindfold free style dancing. This was followed by Bollywood style dancing on songs like "Let's Nacho" and "Shaam Shandaar", presented by the MSc students. A spectacular performance by the BSc students, on songs like "Ganesh Vandana", 'Ghoomar" and "Zingat" followed next. Their energy and enthusiasm left the entire room bustling and booming cheerfully. Their hard work and dedication reflected in the way they presented the dance.

An announcement about the Digital Newsletter that SSE is going to have from this year was made by Assistant General Secretary Aneeta George, Kamakshi Sirpal and Aaryamann Arora, who talked about the various segments that would be a part of the Newsletter.

The celebrations ended with a vote of thanks by the BSc. Student Council President, Chirag Dash and the BSc. General Secretary Tejasvi Kamboj. They thanked the Director, Deputy Director, Program heads, Staff, the Administrative department for their continuous support and guidance and last but not the least, the energetic audience.

Hence, a day at SSE was truly well-spent, commemorating the achievements of the past, enjoying the present and having high hopes for the future.

Highlights so far

Tournaments from July end to August end: Badminton, Table Tennis, Chess, Swimming andSquash tournaments, and Fitness for Freedom marathon.

Swimming:

Uma Parasuram (SY-A) bagged a bronze in 50 m breast stroke along with **Paritosh Joshi (SY-B)** securing a second place in 25 m freestyle.

Table tennis:

Boys team qualified for semifinals in table tennis.

Squash:

Supria Borbaruah (TY-C) qualified for quarter finals, raising the bar for the squash team this year.

Fitness for Freedom run:

Adithya Kurian (FY) put on an inspiring performance in the 3km General category marathon on the 15th of August. He placed 2nd amongst a huge number of participants from across Symbiosis institutes. We also had **Arjun Sunil (SY)** and **Harshvardhan Saharan (FY)** who came in the top ten.

Insights from the AIIB Conference

Vikramsinh Patil (B Sc SY)

Centered on the theme of 'Mobilizing Finance for Infrastructure: Innovation and Collaboration', the 3rd Annual General Meet of the newly founded Asian Infrastructure Investment Bank (or AIIB for short) concluded on the 26th of June, after a round of highly informative seminars and workshops. With India playing host this year, the Oberoi at Mumbai served as the site for this conference, which officially commenced its deliberations on the 24th of June.

The scholarly atmosphere felt almost palpable when this reporter reached the venue- distinguished academics and business personnel huddled in small groups across the lobby, deep in the throes of animated discussions. Indeed, the conference promised to be a melting pot of eminent personalities from around the world, deliberating at length on issues such as rural infrastructure, environmental protection, transportation and energy-some of the key focus areas of the AIIB.

The proceedings of the day kicked off with a persuasive speech from the Honorable Prime Minister of India, Mr. Narendra Modi who threw down a challenge to the AIIB- to increase investments in India from the current $4 billion to $40 billion by 2020 and $100 billion by 2025. With that, the 'Asian Infrastructure Forum' was formally promulgated.

The first academic session scheduled for the day was the 'Bank Seminar-Institutional Finance for Infrastructure'. The gap in infrastructure financing for emerging Asian economies and the role of private capital in bridging that gap, was at the core of this session. 'Private capital' here would mean funds from institutional investors-financial companies that park funds provided by their customers into various capital and forex markets.

The moderator for the discussion-Mr. Alan S.MacDonald, Vice Chairman at Citibank laid the groundwork by elaborating on how infrastructure assets could be perfect investment vehicles for such pension funds and insurance companies, thereby posing the central question that was to permeate the rest of the discourse- 'Why were institutional investors not investing enough in emerging Asian markets?'

The distinguished panelists proceeded to lucidly put forth their views on the matter in the form of responses to questions, providing certain vital insights, a few of which are enumerated below-

Former Prime Minister of Pakistan, Mr. Shaukat Aziz of Pakistan clarified that allowing private capital into a country's economy was not the equivalent of a government 'abdicating' its authority. The government and development banks would always be an integral part of a country's growth narrative. Recognizing their importance as well as allowing private involvement through quality deregulation is the recipe for success.

Dr. Ngozi Okonjo Iweala, Finance Minister of Nigeria explained that keeping aside regulatory, political and security risks, the greatest obstacles to private investment were 'information asymmetries'.

There is simply a dearth of reliable information regarding the ground realities which result in an over-estimation of risks. These exaggerated perceptions result in myths being created around the reliability of developing markets.

Mr. Donald P.Kapenak, Chairman of Eastspring Investments remarked that the major institutional investors of the world were victims of 'historical inertia'. Being situated in developed countries, these companies were content with staying in their home turfs. While this scenario is slowly changing, it is imperative that national pension and insurance markets in developing countries be strengthened.

Ms. Anita Marangoly George-Executive Vice-President for Growth Markets at CPDQ explained that 'inconsistency of regulations' and 'heavy taxation on dividends and cash flows' in emerging countries were two of the biggest deterrents for institutional investors. Development banks and multi-lateral agencies could, therefore, serve as risk buffers and attract private investors.

Post-lunch, the Plenary Session of the Asian Infrastructure Forum was in full swing at the neighboring Tata Theatre. The highlight of this seminar had to be hearing Mr. Amitabh Kant,-CEO of the NITI Aayog expertly field prickly questions posed by Dr. D.J Pandian-Vice President and Chief Investment Officer of the AIIB.

It was akin to witnessing a tennis match of sorts- a volley of intelligent answers and questions laced with humor and sublime wit. Amidst the chuckles, however, Mr. Kant made two key-points-

The Make-In-India initiative, he maintained, was not a protectionist policy. Liberalization of FDI regimes in a multitude of sectors, elimination of excessive regulations and new Intellectual Property Rights policies are some of the defining pillars of the Make-In-India program-ingredients to make India open to the world at a time when other major players are shutting themselves away.

Commercial banks have to keep track of matches between their assets and liabilities. Rather than relying on them, it would be better to develop domestic bond markets to fund infrastructure assets. Further, such infra projects need to be 'de-risked' and complete predictability needs to be established.

Mr. Pierre Gramegna, the Finance Minister of Luxembourg who was also present at the Plenary Session elucidated on the power of fintech and underscored the importance of blockchain technology and biometric databases to promote financial inclusion.

The final event of the day was the Host Country Seminar on 'Building Resilient and Quality Infrastructure'. Chaired by Mr. Hardeep Singh Puri, the Minister of Housing and Urban Affairs (Independent Charge), the discussion was meant to revolve around the themes of regional connectivity, climate risk mitigation, renewable energy and smart cities.

It was a vibrant and a thoroughly engaging session, to say the least, since it covered such a broad spectrum of topics. Mr. Puri opened the floor by commenting on the criminal neglect that urban infrastructure in the country had faced over the years and how ill-designed technology was to be blamed for 40-45% of our domestic carbon footprint.

It was particularly intriguing to hear Mr. Kamal Kishore of the National Disaster Management Authority who presented the contrasts in the cu rent scene of disaster mitigation efforts- while mortality rates from disasters were declining, economic losses from damage to infrastructure were going up. Making our cities more disaster resilient however need not be a cost-intensive process provided things are done right the first time itself!

Due to a paucity of time, this reporter had to leave midsession to catch the bus back home. On the return journey, amidst the yawns of fatigue and drowsiness, the full impact of the day's proceedings gradually began to crystallize.

The day had been one of tremendous learning. Had it really been the former Prime Minister of Pakistan or the CEO of NITI Aayog who were talking so eloquently some time back? Indeed, it was hard to get over it. It had truly been a very pleasant and memorable day.

PITCHING THE MOTIVATION

Swastik Routray and Lipi Gandhi (B Sc FY)

Prof. Maitreesh Ghatak says that he increasingly finds himself rooted to India; thus bringing him to the 5 th Suresh Tendulkar Memorial Lecture. An acclaimed professor at London School of Economics, an applied microeconomic theorist and an alma mater of Harvard University, Prof. Ghatak is an expert in the domain of Development Economics. He has contributed immensely to the Sphere of Economics by being part of numerous renowned institutions. Following Prof. Ghatak's lecture on "Persistence of Poverty" in the Symbiosis Vishwabhavan auditorium on 16 th August 2018, he was kind enough to sit for a separate student interaction session the next day. The interaction, enlightening indeed, witnessed the awakening of discerning and insightful concepts. A mixed pallet of students pursuing their bachelors and masters was present to attend the brainstorming session. A wide range of issues encompassing poverty were discussed and debated on during the session. Prof. Ghatak considered every possibility that originated in a student's mind and cleared doubts with utmost sincerity.

Here are some excerpts from the invaluable Q&A session:

Q. Is microfinance a viable alternative compared to asset transfers?

Ans. Theoretically, microfinance is a good idea but when tested the results prove to be modest. Evidence to this is the plethora of development policies that showed little effect as people who already possessed some assets were the only ones who benefitted from them. Microfinance isn't transformative enough, it's merely sustainable. If poverty needs to be fought there should be numerous asset redistribution programs and prime focus should be placed on market forces. It is the government's call thereafter, to do what it deems right to bring out the results.

Q. Is foreign aid an efficacious recourse from India's perspective?

Ans. Despite the vast amount of foreign aid spent annually to address the poverty of millions, very little headway has been made. Moreover "cross country regressions are hopeless" given their generalist approach and because there is no presumption that the policy and development parameters are comparable in any way. Therefore, foreign aid is "just another racket", or to put it crudely, nothing but muddy water.

The faces grew more inquisitive as Prof. Ghatak proceeded with the session, occasionally using a white board to explain the curves and equations.

Q. On the S curve of growth, even after an individual reaches the threshold point, how is he going to survive the competition? And what happens if the S curve is not like the way it is?

Ans. Every model has a set of assumptions. Just like "Ramayana had the assumption that Rama would be god". Functionality of models is essential. It can be said that there are only appropriate models, no accurate models. Even if the S curve is differently shaped, it would still produce the same results. Moreover the movement along the S curve is guided by the implicit assumption that there are two steady states and threshold level of income is needed. For example without assumptions, the PPF in the market economy will be linearized. So the change in the models will change the theories, therefore the workability of models is necessary.

Q. Is there a deliberate attempt being made to sustain poverty in our living system using weapons like caste and race-based politics?

Ans. Yes, and obvious catastrophic ramifications because of it. Policies in India and across the globe are made to pander to a certain section of the living system. So naturally in order to succeed at it, one must and has to upset various other sections. Except it's not so evident, thanks to the oratory skills of the policymakers, excellent at brainwashing the audience. What can be done is the diagnosis of the political process and an unwavering attempt at formulation of unbiased policies. While it's true that no policy can advocate perfect solutions, it's important that the communication should be kept sensitive and transparent.

As the long drawn discussion drew to a close, Prof. Ghatak showed us that there is a touch of generosity to his ingenuity. Upon being questioned about the structure of research papers, he gladly offered us some insight by skimming us through the slides.

Q. What must be kept in mind while choosing and structuring the research paper?

Ans. "Research papers can never be read like thrillers, I know this because in 30 days I have to go through 110 research papers", therefore reading the introduction and conclusion is the best method to know that what exactly a research paper consists of

If the paper is empirical then the main data set and table should be analyzed. The title of the research paper should be informative in itself. Beginning of the paper should be some gripping line, some anecdote or a seeming puzzle. The writing should be captivating, furthermore the style of persuasion plays a major role. The bottom line is What's New in the research.

From the series of question and answers that followed, it was made clear that big problems need big solutions. The economic perspective behind the quote given by Leo Tolstoy –"Happy families are all alike; every unhappy family is unhappy in its own way" was explained elaborately with a neat sense of purpose. This corroborated the belief held by many that economics isn't just equations bound by numbers; it's an intricate study of the people's lives and decisions.

Director Dr Jyoti Chandiramani thanked Prof. Maitreesh Ghatak for his invaluable time and mentioned how his becoming a professor at the age of 36 has inspired both students and faculty members. She expressed her gratitude for finding a mentor who can be reached out to by the faculty members. Prof. Ghatak vivaciously replied to Director's vote of thanks by saying that he was really inspired by the kind of environment in the institution. In the end he concluded by saying "one should never lose one's core ambition, the world will conspire you to compromise, go with the shortcuts, follow the beaten track; but it depends on you that how much are you affected by the chaos. A consensus to make a difference as individuals will take you to a path of excellence. All that is needed is the motivation to have a great story".

Gusty Waves:
SIU Swimming Tournament 2018

Riten Dhawan (SY B Sc)

A new captain, a new year, and a new team. Uma Parasuram, a member of the SIU swimming contingent last year, was tasked with leading a swimming team that would have to undergo changes and rebuild post the departure of multiple members of last year's team, which included Captain Kunal Sawant. It would have been a challenging task on its own, but the earlier dates set for SIU, nearly a month before when it was held last year, only made the task harder. The chaos of a new year, incorporating the First years, along with the incessant rains added further obstacles to what was already a daunting task.

The way the team rose up to meet the challenge, was admirable, at the very least. Despite having the opportunity to hold only a week's worth of proper practice, the team returned with two medals from an SIU tournament that is witness to swimmers of a very high level. Paritosh Joshi brought home silver in 25m freestyle, whereas as the captain herself secured a bronze in 50m breast stroke. It does not take much to know how proud Uma is of her team when you speak to her.

She beams when she talks about the dedication of the team. Be it the FYs putting in a spirited effort or seniors such as Paritosh and Arighna taking a lot of initiative regarding personal and overall improvement, she has high hopes for a team that is likely to stay together for another year and a half. Described as 'an amazing leader' by every swimmer in SSE, Uma is one that likes to lead by example, not just expecting her team to work hard by themselves but stepping into the battlefield herself. A great leader is one who knows how to get the best out of her troops, and Uma is certainly adept at doing so with a team that greatly respects her leadership. Overall Improvement, not just from the team, but also from members outside it, is her goal. She wants SSE Swimming to be the best around, a lofty goal indeed, but one that she is determined to achieve.

The other end of the coin happens to be Paritosh Joshi, a second-place holder in 25m freestyle at SIU. His story is a remarkable one all on its own. Less than a year ago, he was nothing more than a bull in a china shop every time he stepped into the pool. A nine-day period followed in which he learned how to swim. Despite not being part of the SSE team for SIU last year, Paritosh, or Pari as those close to him call him, was still one of the most dedicated swimmers. He is one who has constantly been to the pool, looking to improve every single day. Athletes like to take rest after major tournaments, recharging their batteries and picking up the slack when the next tournament arrives. Paritosh chose to go down a different path, diving into the depths, when most others were resting. Great athletes are identified, not just by their extraordinary skills, but also by the amount of work they are willing to put in.

Paritosh, with all the effort he continues to put in, is certainly enroute to establishing himself as a great athlete if he continues on his current path. He cannot help but smile as he holds his medal while speaking to me, but just like Uma, he wants further improvement. He wants to improve himself while simultaneously helping the entire team improve.

It would be folly to not talk about the rest of the team, however. Each of them went in and put in their greatest effort. Victory or not, it is the heart that matters, and this team went in with ounces of it. Be it Dibyadeep, with his effortless calm, Arshia and Alisha, with their immense dedication to the sport, or Arighna Mukherjee with his joyous nature, it was a great collective effort from everyone. Aradhita Biswas and Samarth Arora, the new members of the college and by proxy, the team, were inspiring in their own way, displaying poise and confidence, normally associated with veterans. Samarth, as it turns out ended up swimming in his event despite suffering from a cramp.

The swimming team has a great future ahead of it. An inspiring leader like Uma accompanied by such a dedicated team, and hardworking individuals waiting on the edges of the team, certainly does not bode well for future competitors of the team.

EPILOGUE

Diamond is built under pressure
And last I checked,
keeping up with this hasn't been any lesser,
every successful experiment is a mistake,
every successful experiment is a mistake,
we have been circling around our flaws for a long time now..
where is our solution, where is our effect?
how do I tell you,
god how do I explain
If this is love at all,
when I moulded myself for you,
changed my identity
why do you still ask 'where is the electricity?'
You can't change the way I think,
so whenever you tell me 'we are not happening'
give me some time
at least let it sink?
they don't let me sleep, my demons
I can't be happy,
my feelings don't change with the season.

-Richa Parto

EPILOGUE

बात छोटी सी है,
बात नीव की है

ये जो पेड़ देखते हो, जो कद में तुमसे 10 गुना हैं
क्यों ये तुमसे दस गुना हैं?
ये जो पहाड़ हैं, जिनको तुम चींटी से दीखते हो,
क्यों? इन मौसमों, हवाओं से भी पुराने हैं.
और आज भी यु सीना ताने खड़े हैं.
बात छोटी सी है
बात नीव की है
कद हमारे छोटे, और दिल भी कुछ छोटे ही हैं .
कह तो देते की बढ़ गए हैं,
मगर हक़ीक़त में बढ़ते नहीं हम.
बस दिल को और सिकोड़ लेते हैं.
और उस खली जगह में गुरूर को भर लेते हैं
इसी लिए उम्र भी हमारी छोटी रह जाती है
कह तो देते हैं की लालच में खुश हैं,
मगर हक़ीक़त में खुश होते नहीं हम.
बस इसी लिए इन पहाड़ों और पेड़ों से नीचे रहते हैं
बात छोटी सी है
बात नीव की है
ये इमारतें जो हमने ही खड़ी की हैं
ये हमसे ज्यादा जीती हैं
इनके खुद के नाम, खुद की पहचान हैं,
यु कह तो देते की नाम हमने भी बना लिया है,
मगर हक़ीक़त में पहचाने जाते नहीं हम
बस इसी लिए हम ईमारत से छोटे रह जाते है
इमारतों की नीव तो गहरी डालते हैं
मगर खुदकी जड़ो को काट बेजड़ हो जाते हैं,
बस जड़ो की अहमियत समझते नहीं हम.
शायद इसी लिए पहचानने इतनी छोटी रह जाती है.
बात छोटी सी है,
बात नीव की है.
ज़मीन पर लकीर खींच बाँट तो देते हैं
मगर मिट्टी की खुशबू सूँघ पाते नहीं हम
शायद इसी लिए तुमको इतने बेक़ीमत नज़र आते हैं
मिट्टी यूँ तो पैरों तले रौंद देते हैं
इज़्ज़त ज़मीं की करते नहीं हम
यु मिट्टी बेच तो देते हैं,
मगर कीमत इसकी समझ पाते नहीं हम,
शायद इसी लिए आखिर में इसी मिट्टी में मिल जाते हैं.
बात छोटी सी है.
बात नीव की है.

By Paritosh Joshi

EPILOGUE

Terrified as you were,

Looking for an ardour,

Speaking through your nerves,

Waiting for the night to get darker,

Hopes that you perceived

In the pretentious skies,

Memories that you lived

Through the comforting lies,

To be assured of sanity

Would mean situations disguised,

And to defy gravity

Would leave bodies intertwined,

Trust me darling

With all that you have gone through,

Seeking vengeance

Stutters the image that you drew,

So let the lies impersonate you

Or there will be oceans of desolation,

Now restore your breath,

And savour it all,

For there will be lies,

All along,all along,all along

-By Praneet Basannavar

CAMPUS DIARIES

IPOs: Should you flip it or keep it?
- Jay Sharma

Every IPO is different and each factor carries a different weight in an IPO... ***read more***

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-Rohan Desai

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IPOs: Should you flip it or keep it?

Jay Sharma
BSc TY

An IPO is short for Initial Public Offering; it is the very first sale of stock issued by a company to the public. Until a company's stock is offered for sale to the public, the public is unable to invest in it. You can potentially approach the owners of a private company about investing, but they're not obligated to sell you anything. Public companies, on the other hand, have sold at least a portion of their shares to the public to be traded on a stock exchange. This is why an IPO is also referred to as " going public."

A company has two options when thinking about raising capital. Either it can take a loan, known as debt or it can dilute its equity through an IPO. What makes the IPO an interesting proposition for a company is that there is no need to pay back the money it has raised. However a company is expected to pay dividend to its shareholders and dilute some control from the management. For any company to go public in India, it has to go to through a process by the Securities and Exchange Board of India (SEBI). In this process the said company has to disclose why does it needs the extra funds and pay SEBI a sum of 10 crores commonly known as paid up equity capital. Apart from all this, a company has to submit a red herring prospectus containing the companies balance sheets through which the investor can judge the health of the company and compare it with other companies of similar sector. However it does not have details of either price or number of shares being offered, or the amount of issue. This means that in case price is not disclosed, the number of shares and the upper and lower price bands are disclosed. It is disclosed later once the book building process is complete.

An investor should decide what his purpose is before even thinking about investing in an IPO, Does he want to flip it for an instant profit or keep it for long term returns. There are several things that make or break an IPO. An investor should look at all of them as every IPO is different and each factor carries a different weight in an IPO. Some important factors to look at are the financials of the company, where does it rank in its peer comparison, its subscription rate and most importantly the market's sentiment towards it. Market's sentiment plays a huge role in deciding the fate of the stock, a positive market can give a sizeable jump to the company while a negative market can reduce the valuations to an extent where 2-3 good quarters are required to get the price to a respectable level.

A few examples of the success and failures of IPO listings are given below.

Stars over the past 2 years

Company	Issue Price	Listing Price	Current Price	Year
Apex Frozen foods	175	200	455	2017
Avenue Supermarts	299	600	1560	2017
HDFC AMC	1100	1730	1896.9	2018
Bandhan Bank	375	499	675	2018
Rites Ltd	175	213	311	2018
Astron Paper	50	115	114	2017
Shankara Buildcon	460	555	1550	2017

Duds over the past 2 years

Company	Issue Price	Listing Price	Current Price	Year
ICICI Securities	520	431	322	2018
Hindustan Aeronautics	1225	1152	892.5	2018
GIC	912	850	332	2017
Shalby Hospitals	248	239	154	2017
Matrimony	985	980	586	2017
S Chand	670	676	326	2017
CL Educate	502	402	140	2017

Investing in any IPO is a tricky game, a good IPO like Avenue Supermarts can get you multifold returns in a matter of few days whereas a bad IPO like Career Launcher can block and erode your wealth or force you to sell at a loss. Investors should make a decision about flipping or keeping once they get the allotment, one should look at all the factors like the stability of the market, the health of the company, the subscription rate and the market sentiment before coming to a decision about whether to keep or to flip. There is not a formula which can get the correct answer in IPO investing or any investing for that matter. In the stock market no listing is same as the other.

Technical Analysis - 5 basic Candlestick Formations for Trading

Rohan Desai
(Club Head - Investors Club | Bsc Hons.)

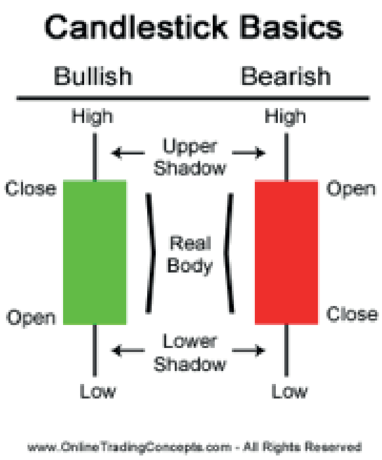
The Candlesticks are a charting concept by the Japanese to display much more information than a line graph while using lesser space & in a more interactive form. They are also known as Japanese Candlesticks and as the name suggests, display data in the shape of candles.
The major difference between candlesticks and line charts.

Line charts - It plots a line based on the closing price(C)|of a stock for the given time period.

Candlesticks - It plots a sequence of candles showing the Open(O),High(H),Low(L),Close(C) aka OHLC of the stock price movements for the time period.

Dissecting a candlestick -

Before proceeding to study the patterns in candlesticks, one should understand how to read the open, high, low and close of candlesticks.
Ever candle is a body and the body has parts.
We'll call them,
1)Real body
2)Shadow
3) OHLC (Open-High-Low-Close)



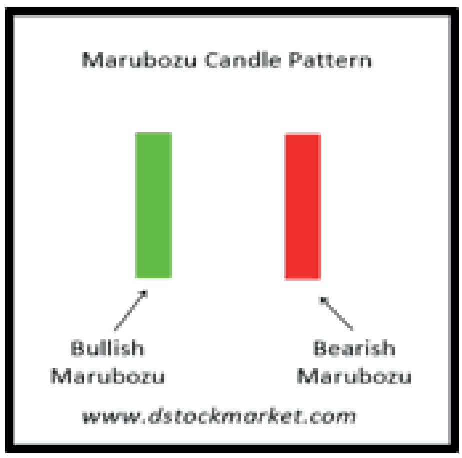
As a simple rule, we ll colour code the bullish candle as green indicate a rising price interest and bearish candle as red indicating a declining price interest. Bullish indicates positive sentiment and Bearish indicates negative sentiment.

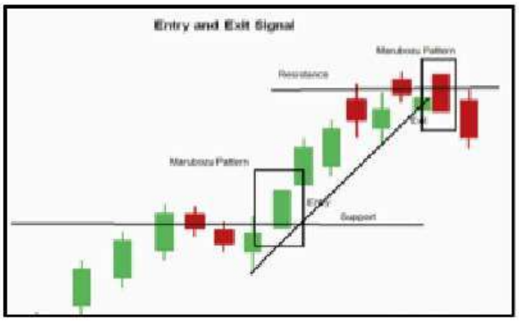
The real body signifies the open and close price for the particular time period.The shadow/skeleton are sticks that indicate the high and low price of the stock price in the given time frame. So hence we see 4 data points in a candle formation. The Open(O), High(H) , Low(L), Close(C) or the OHLC.

Candlesticks have been used and manipulated in identifying Entry/Exit points in a stock, identifying stop loss(the price below which one would cut their losses and exit the on going trade) and most importantly trend analysis for trading.

There are a plethora of patterns being applied in the markets, listed below are the basic 5 and easy to understand patterns I would recommend for newcomers

1. Bullish Marubozu/ Bearish Marubozu -



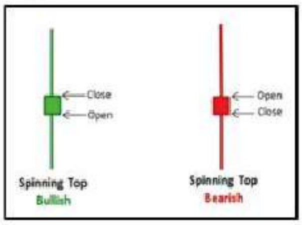


Marubozu is a japanese term meaning bald person. This is one of the simplest patterns in technical analysis. It's a pattern with no shadows and the entire candle is the real body i.e. it shows only the open and close price as shown in the diagram. The open=low and close=high. If this pattern takes place on a green candle it's called bullish marubozu and a red candle would indicate bearish marubozu. A bullish marubozu(green) indicates the there is heavy demand for the stock since the price for the given period hasn't fallen below the the open and the close is exactly at highest price point for the time period indicated strong buying momentum.

A bearish marubozu as shown in the figure would mean exactly the opposite. The sentiment is negative and selling the stock would be a smart idea.

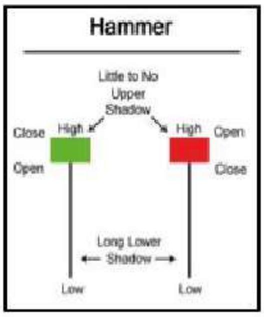
2. Doji or Spinning Top-

Doji is the Japanese term for spinning top. This pattern in line with its name is nothing but a spinning top like structure formed by the candle. As shown in the figure it has a small body(open and close are close to each other) and long shadows.(Low and high of the period are spaced out). This pattern indicates uncertainty due to the wide movement of the stock price. A doji pattern formation usually indicates a trend reversal when appeared at the bottom of a downtrend or at the top of an uptrend. One must exit the existing position since a reversal is likely.



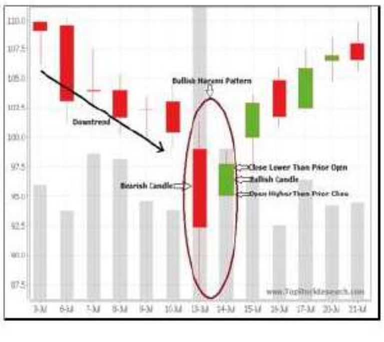
3. Bullish hammer / Bearish hammer-

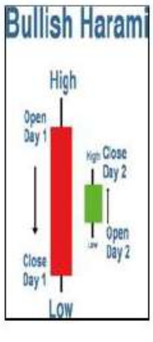
As the name indicates this candlestick is shaped like a hammer. It has a long bottom shadow like the handle, and a small real body forming a hammer like pattern. A hammer formation appearing at the bottom of a down trend indicates the end of the trend and at the top of an uptrend indicates the ned of an uptrend. A bullish hammer(green) is when the closing price(C) is higher than the Opening Price(P). A bearish hammer(red) is exactly the opposite. The closing price(C) is lower than the opening price(O).



4. Bullish Harami/ Bearish Harami -

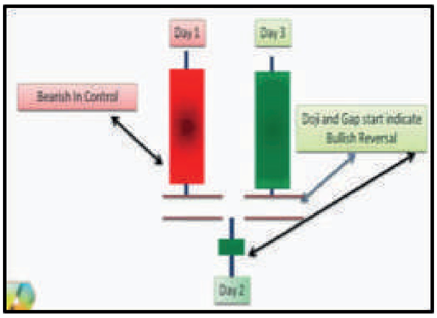
Harami in Japanese stands for a Pregnant woman. This pattern is a combination of two candlesticks. The 2 candlesticks are so formed to look like a pregnant lady. The real body(Open to Close) is engulfed by the body of the preceding candle to look like a baby when seen together. A bullish harami is when the preceding candle is a bearish candle(Red) and the smaller candle is the bullish candle(green). The story this pattern tells is the newer sall candle although not able to breakthrough from the previous candle has shown strength by closing above its opening price. This indicates strong intent to rise higher from this point on. Below is an example of the same.

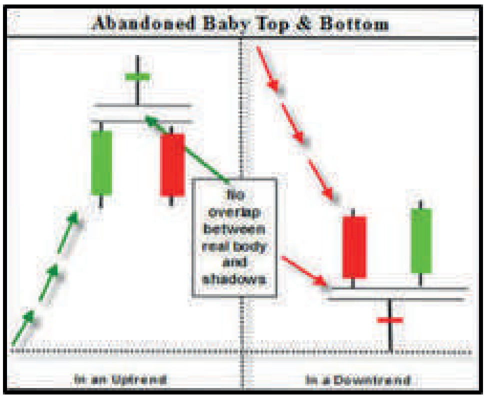




5. Abandoned Baby-

This is a relatively difficult pattern to identify. It is formed by the combination of 3 candles. A bullish candle (green) , a spinning top (green/red) , a bearish candle. This pattern appears at the top of an uptrend. The 1st candle is a bullish candle. The 2nd candle is a spinning top which opens above the high price(H1) of the previous candle as shown in the figure and forms a spinning top pattern and the 3rd candle is a bearish candle opening below the low price (L2) of the spinning top. The top above is suspended like an abandoned baby, hence the name. This too indicates a trend reversal and once can use this opportunity to exit or short sell a stock at this level. The inverted pattern is possible at the end of a downtrend indicating reversal. An example isshown below.





STOCK PICKING 101

Abhishek Purushottam Date
(Club Head - Stock Market Club | Msc)

All of us are fascinated with stock markets. You would have certainly heard of the successful investors and their stories about stock-picking skills. For example, Rakesh Jhunjhunwala spotting anopportunity in Titan or Warren Buffet's Berkshire Hathway fairytale. The obvious question is, how do they pick these stocks? And how do they do it at the right time and make the most out of them? Well, here are 5 tips that I've learned over time. These tips don't involve a fundamental or a technical analysis but are simply based on vigilance and curiousity.

General Observation

This may sound rudimentary, but believe me, this is one of the best ways to develop an idea about stocks. All you need to do is keep your eyes and ears open, and observe the economic activities around you. Look around and see what people are buying and selling, see what products are being consumed, keep your ears open for what people are talking about, their likings and more importantly what fits in their budget and what does not. I have personally used this method to pick some of my own investments such as Jubilant Foodworks Ltd, Edelweiss Financial Services and HEG. Now, the story of Jubilant Foodworks is very simple. Jubilant Foodworks is an Indian Company which holds franchise for Domino's Pizza and Dunkin Donuts. Frankly, I would any day prefer Pizza Hut over Domino's but Domino's has a better outreach than Pizza Hut. Also I thought about who prefers to eat Domino's Pizza- well, the answer was very upfront – the elite class doesn't prefer to eat it because it is not niche and the lower middle class doesn't consume Dominos that frequently because it is way out of their budget. It's the middle class and the upper middle class who consume it the most. This class forms a major component of India's population. So I monitored this stock over a week and in the June of 2017 I bought Jubilant Foodworks for 920 a share. Jubilant Food went to as high as Rs 2600 and the company issued a 1:1 Bonus so I also got bonus shares. By far, Jubilant Foodwork has been by most successful stock. Once you identify stocks based on "general observation" you will have to investigate further to ensure whether it qualifies as a key investment in your portfolio..

Competitive Analysis

The next part to work on is to do a Competitive Analysis of a stock. This analysis is simply based on finding the competitors of your stock. Competitive Analysis can be best used to identify which sectors you should invest in and which sector you shouldn't. Lately, due to a massive wave of Pantanjali Products, FMCG Sector has taken a massive hit. In general, by a mere observation one can figure out that people are choosing Pantanjali over any product. Colgate Toothpaste, Dabur Honey and Parachute Hair Oil are simply being replaced by Patanjali products. Patanjali is not listed on Stock Market, so you definitely cannot buy a Patanjali stock but what you can do is minimize your exposure towards FMCG Sector. The same logic can be applied for Telecommunication sector. Anyone can figure out that by introduction of Reliance Jio, life is miserable for telecom companies and Bharti Airtel has suffered the most. A simple chart can help you figure out that Bharti Airtel hasn't had its best days, same goes for Vodafone and Idea. Idea's days are numbered since the introduction of Jio, thus it decided to have a merger with

Vodafone in order to continue its operations. For sure, this war is going to take someone down and it is best to stay out of telecom sector for now

.

Profitability

When I say profitability, it means the amount of profit a company can generate by selling a single product. As an investor, you should definitely be aware of this. Profitability margin behind every sector is important to analyse before investing. As of now, Aviation sector is not having the best days. Increasing crude oil prices and cut throat competition is damaging every aviations stock and its profit margin. I once read a report on aviation industry that expressly stated that Boeing 737-700 costs around US $3,958.00 per hour of flight, where its average speed in the first hour of flight is 720 km/h. A Boeing 747-8i or Airbus A380 costs around 30% less per hour of flight per passenger but flies longer haul routes. Convert this into Rupees and you will figure out how difficult it is to make money for an airline company. This is enough to prove why Kingfisher Airlines, Air India and now Jet Airways (on the verge of a breakdown) have failed time and time again. Hence, it is better to choose a sector which does not have a cut throat competiton and good, composed profit margin**.**

Special Situation

This is a slightly complicated way of generating a stock idea. One has to follow companies, company-related news, company events etc. to generate an idea based on a special situation. The example that I distinctly remember is that of Infosys. On 18 th August, 2017 Vishal Sikka resigned as MD and CEO of Infosys, citing 'continuous distractions' as the reason for his resignation. On 17 th August, a day before resignation, Infosys closed at Rs. 1020. Once the resignation news was out, the stock took a deep plummet and by 21 st August it was trading at Rs. 873 a share. Well, one could have easily 'shorted' the stock in derivatives market and earned a buckload.

Circle of Friends

This is where you discuss and identify stock ideas with friends. This method requires you to identify stocks within the circle of your friends and closed ones. Talking with them, gauging the business and organizational growth can give you an edge over others. For example, when my uncle became a pharmacist, a simple casual talk about his business gave me a deep insight about pharma companies. How Cipla is tackling the problem of Smoking with the manufacture of 'Nicotex' or a casual talk about Sun Pharma's Strong Lobby in the local druggist. All these inside updates can greatly help you in Stock Picking.

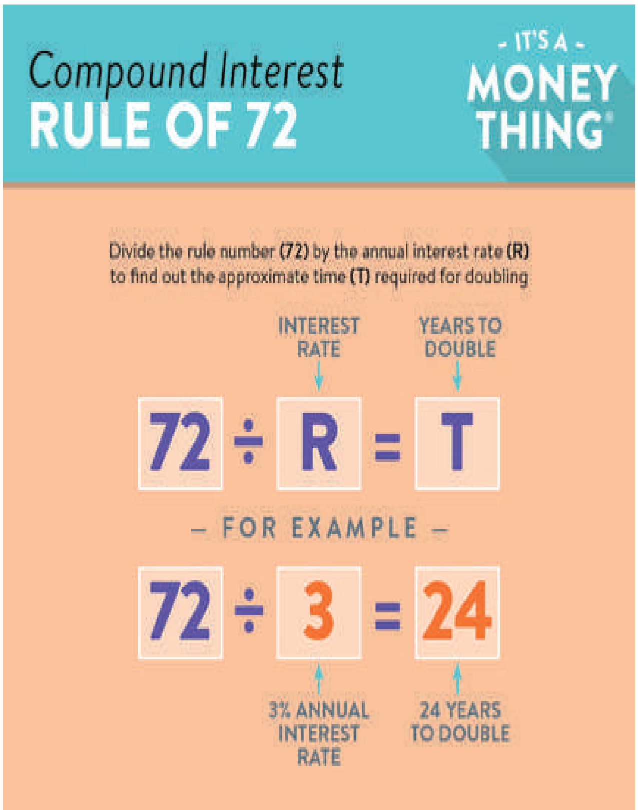
All of the above methods are great if you combine them with Fundamental and Technical Analysis of a Stock. The point is that the trigger for investigating stocks may come from any source. In fact, as and when you feel that a particular stock looks interesting, just add it to your watch list and keep evaluating the same for investment opportunities. To conclude, I can vouch that Stock Picking is a Beautiful Art, but very difficult to Master!

Term of the Month - The Rule of 72 | Know when your Money Doubles in Value |

Aishik Das

Wanna know when your money doubles? All you need to do is apply the Rule of 72

The “Rule of 72” is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual rate of return, investors can get a rough estimate of how many years it will take for the initial investment to duplicate itself.



When dealing with low rates of return, the Rule of 72 is fairly accurate. The following chart shows us the different investment rates given by the rule of 72 and the actual number of years it takes an investment to double.

Rule of 72				
Investment Rate	x	Number of Years Invested	=	72
1	x	72.00	=	72
2	x	36.00	=	72
3	x	24.00	=	72
4	x	18.00	=	72
5	x	14.40	=	72
6	x	12.00	=	72
7	x	10.29	=	72
8	x	9.00	=	72
9	x	8.00	=	72
10	x	7.20	=	72
11	x	6.55	=	72
12	x	6.00	=	72
13	x	5.54	=	72
14	x	5.14	=	72
15	x	4.80	=	72
16	x	4.50	=	72
17	x	4.24	=	72
18	x	4.00	=	72
19	x	3.79	=	72
20	x	3.60	=	72

Rule of 72 and Natural Logs

To understand how the rule of 72 allows you to estimate compounding periods, you have to understand natural logarithms. In mathematics, the logarithm is the opposite concept of a power; for example, the opposite of 10^3 is log base 10 of 1000. The rule of 72 uses the natural log, sometimes called the inverse of e.
where ln (base e) = 1 and reverse is e1 = 2.718281828. The natural logarithm can be generally understood as the amount of time needed to reach a certain level of growth with continuous compounding. A time value of money (TVM) formula is normally written as: FV = PV x (1 + interest rate)number of time periods. To see how long it will take an investment to double, you can state the future value as 2 and the present value as 1. 2 = 1 x (1 + interest rate)number of time periods.

How to Adjust the Rule of 72 for Higher Accuracy?

The rule of 72 can be made more accurate by adjusting it back to more closely resembling the compound interest formula – effectively transforming the rule of 72 into the rule of 69.3.

With the aid of a calculator, there isn't really any reason to substitute 72 in for 69.3. In fact, many investors prefer to use the rule of 69 rather than the rule of 72. For maximum accuracy – especially for continuous compounding interest rate instruments – use the rule of 69.3.

So guys this is pretty easy, right?
Go ahead, Invest your savings, Do the calculations on your own and Double up your money!!

Financial Resolution and Deposit Insurance Bill: Arrived and Left, but Never Stayed

Sushma Nayak
Visiting Faculty, Symbiosis School of Economics
Doctoral Scholar, Symbiosis International (Deemed University)

Deposit insurance is extensively offered by numerous countries as an element of fiscal safety net to enhance stability (Angine Demirgüç-Kunt & Zhu, 2014). In India, the current practice of deposit insurance, channeled through Deposit Insurance and Credit Guarantee Corporation (DICGC) — a subsidiary of Reserve Bank of India (RBI) — works to compensate depositors up to Rs. 1 lakh in the event of bank failure. This implies depositors holding deposits more than a lakh with a failing bank would lose the residual amount. However, depositors can niftily diversify their deposit holdings with the same bank in different right, different capacity, or across diverse banks to enjoy the optimum deposit insurance cover. Depositors, who are well educated, are more inclined to diversify deposits across accounts corresponding to the insurance cap, thus signifying that financial sophistication is allied to stronger responses (Iyer, Jensen & Johannesen, 2016). This, though, is further contingent upon information accessibility and financial literacy of the depositors.

To replace the existing underprovided deposit insurance system with the intent of making it more depositor-friendly, the Indian government tabled the Financial Resolution and Deposit Insurance (FRDI) Bill in the lower house of the Parliament in August 2017. The main statement of the bill spelled out: "An Act to establish a framework to carry out the resolution of certain categories of financial service providers in distress, to provide deposit insurance to consumers of certain categories of financial services and for designation of Systemically Important Financial Institutions by the Central Government for resolution; and whereas it is necessary to establish a corporation with the objective of protecting consumers of covered service providers and public funds to the extent possible thereby contributing to the stability and resilience of the financial system; and for matters connected therewith or incidental thereto" (Department of Economic Affairs, Government of India, 2016). The primary objective was to broaden the coverage of regulatory command and control for the entire financial system, rather than merely keeping it confined to the banking sector. Its major emphasis was on resolution mechanism to identify and discipline the weaker institutions, way before they land themselves in a situation of virtual collapse. Towards this end, a Resolution Corporation (RC) would be set up with the responsibility of classifying banks and other financial service providers — insurance companies, non-banking financial companies, stock exchanges, and payment systems — on the basis of risk exposure ranging from low, moderate, material, imminent, and critical risk to viability (Halan, 2017). Once a financial institution would come into the material risk or imminent risk category, it would be required to propose a restoration strategy to the regulating body and a resolution tactic to the RC within a span of 90 days of identification (Bose, 2017). Such an institution would then be supervised by RC and its performance would be periodically assessed to scrutinize if it violates the critical risk to viability criteria. If a financial institution would land itself in the 'critical risk' category, it could be an alarming sign for the RC to immediately take over.

It would assume control over the administration of that firm and might deploy any one or more of the five options to deal with the quandary:

1. transfer the assets and liabilities of the vulnerable firm to a stronger firm;

2. facilitate merger or acquisition of the firm;
3. create a bridge entity to take possession of the firm's assets, liabilities and management;
4. bring into action the bail-in provision of converting creditors' (including depositors') debt into equity; or lastly,
5. liquidate the firm altogether.

Although the proposed arrangement was deemed to be a farsighted step to safeguard the stability of the entire financial system, it had its own share of controversies and debates following mass hysteria over the proposed bail-in clause, which resulted in apprehensions among people that deposits being liabilities would be written down in case of a default. However, bail-in could be realized only if depositors gave away consent to the bank by agreeing to do so through signing deposit forms, an aspect which either failed to reach out clearly to the masses or missed the mark in its accurate interpretation by the latter. The RC was also supposed to be empowered to insure bank deposits by setting a ceiling in consultation with the RBI. Nevertheless, a major snag of the FRDI Bill was the omission of explicit declaration of maximum deposit insurance amount.

The loopholes in the bill were widely censured because they defeated the very purpose for which it was introduced — restoring public confidence and maintaining financial stability in times of risk and uncertainty. The bill in reality led to bank runs. "As per Reserve Bank of India (RBI) data, aggregate deposits of all scheduled commercial banks fell from Rs. 116.84 lakh crore in April 2018 to Rs. 116.52 lakh crore by end of May 2018. The demand and time deposits also fell from Rs. 1,53,000 crore to Rs. 1,52,100 crore. While all this cannot be attributed entirely to fears over the FRDI Bill, it could still point to a trend" (Sridhar, 2018). The bill was finally dropped in July 2018, out of government's fear of far-reaching nihilism among the public, need to appease edgy investors, and eschew any widespread backlash prior to the 2019 general elections.

One argument cited for its abandonment is the 'fallacy and misapprehension' that battered public trust and resulted in panic withdrawal of cash by depositors. This was heralded by experts as an aperture in the legal make-up for resolution, alongside liquidation, of financial firms in the country — a matter that the Centre would have to take up at a later date. However, it must be ensured that any policy, if rolled out, is done smoothly, and sufficient clarification regarding all the provisions is provided in advance. It must come out as a mechanism which builds trust and stability in the financial system and not otherwise.

THE RATIONAL INVESTOR

Kartikeya Vasisht

In India, understanding oneself lies in the experience of 'Na Iti' i.e. I know that which I am not. The Greeks refer to it as 'via negativa'. This process applied to investing can best be understood by what iconic investor Warren Buffet writes about himself and his partner Charlie Munger : " Charlie and I have not learned how to solve difficult business problems. What we have learned is how to avoid them."

We may or may not know what makes us successful. However we can know with full certaintywhat will destroy our success. Applying negative knowledge (what not to do) is much more useful than applying positive knowledge (what to do). To the layman with no knowledge of how to invest , such an approach is positively potent. Knowing how to observe irrational behavior in oneself (and avoid it) will reap great fruit in terms of return on investment.

1. Compounding: If a piece of paper is folded in half and then in half again and so on , how thick will it be in 50 folds...the average person would never imagine that the answer to this problem is a little over 70 million miles. The bias responsible for not being able to answer this question is that human beings are hardwired to think linearly- not in exponential terms. This is why most people hesitate to invest as they do not see the potency of their money exploding in value when compounded over the long term.

2. Price: If one sees a group of people looking up at the sky, one is inclined to do the same...if one person claps at a concert we feel inclined to clap along(even if the singer's performance is terrible)...these are examples of Social Proof - a cognitive bias that leads to herd mentality. It is the reason behind asset bubbles and stock market panic. As price is salient in the minds of a lot of investors, investors are drawn to bidding up of prices and join in anyway, not asking themselves if the stock has real value or not. Value comes first , price...last.

3. Quality: Why don't investors let go of stocks if they perform horribly for a long period of time. This is due to the Endowment effect- a cognitive bias that makes one value a possession greater than it actually is just because one owns it. This emotional marriage to the stock skews an investor's perception. Quality of stocks should not be thought to rise just because of ownership.

Thus, one can see that rational thinking through avoidance of biases can guide the average investor to make intelligent decisions and secure oneself a brighter financial future.The Pope asked Michelangelo : " Tell me the secret of your genius.How have you created the statue of David, the masterpiece of all masterpieces?" ... Michelangelo replied : "It's simple. I removed everything that wasn't David".

Why are women better investors than men?

INVESTING WITH CARE

Khushi Mishra and Gurpalak Bedi

“Men regard their stock picks as a sport that comes with bragging rights, and that is what gets them into trouble,”said George Gagliardi, a financial planner in Lexington, Massachusetts.
Women invest DIFFERENTLY and get better results than men. Sorry guys!! Women make better investors than men, here’s why??

Women are believed to follow two rules ,
1)Never lose money
2)Never forget rule number 1

Men engage in investment more frequently than women, thus ending up on a lot of fees which eat up their portfolios.

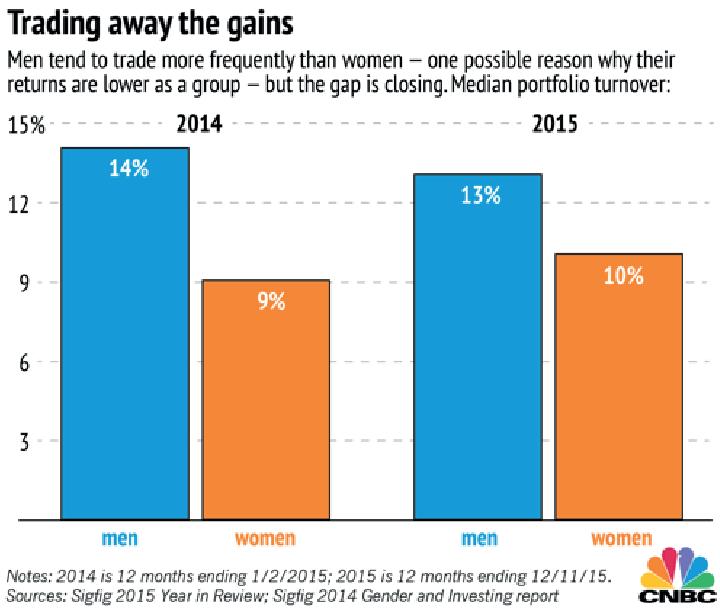
Women are risk averters as compared to men. Hence, they indulge in an investment after proper research and gather detailed information about the investment going to be made. According to HSBC, 17 percent of women, compared to 13 percent of men, spend more than a month researching investment options.

Women tend to be more patient and calm while investing their money. They do not invest their money for immediate returns but have long term plans. They do not completely invest in equities but also in target – date funds. The resulting gender outperformance gibes with a study by academics Terrance Odean (University of California, Berkeley) and Brad Barber (University of California, Davis), who also found that women outperform men, by roughly 1 percent a year.

Financial editor and writer LouAnna Lofton, who studied the habits of Warren Buffett and compared them to research about gender and investing, has also found that women match their investments more closely to their goals and remain calmer during market turbulence. During a downturn, she says ,“Investment portfolios weather the storm far better than male ones.”

If you want to invest like a wonder woman, that means shifting to a long-term focus, saving more up front and giving up on trying to time the market with brilliant trades.Women’s high power of perception and inquisitiveness help them not to be involved in regrettable investments while men indulge more in new investments frequently.

They generally invest for a reason, be it for funding education or even for a social cause. It has been seen that majority of the women invest and use the money so collected for social causes. Also they use their money rationally and do not indulge in speculation, they have a bigger picture in mind.



DIVERSITY IS GOOD FOR BUSINESS

A widely circulated study undertaken by McKinsey & Company found that companies in the top quartile for gender diversity on their executive teams were 21 percent more likely to experience above-average profitability. And in February this year, it was discovered that funds managed by mixed gender teams attracted 6 percent more inflows than those run solely by men or women over three years. Diversity, it’s clear, is good for business.

WOMEN : FEW INVESTORS, MORE RETURNS

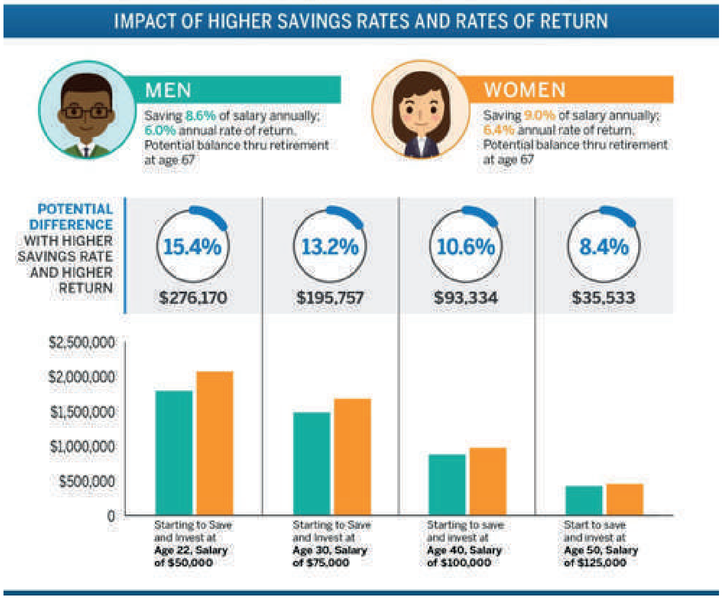
New numbers show women tend to outperform men when it comes to investing, even though they generally feel less confident. The study — by the Wells Fargo Investment Institute — showed women achieved higher returns for the five-year period between 2010 and 2015, and women achieved even higher average returns over men when adjusting for risk. Nevertheless, 19% of women said felt they had little investment experience, compared to only 12% of men, and only 43% of women said they felt they had a high amount of experience, compared to 60 percent of men.

An average man clings to volatile impulses while investing while an average woman have the ability to think more about the long-term than the short-term.

Lou Cannataro, partner at Cannataro Park Avenue Financial in New York, said another reason women tend to make better planners and investors is they are better savers.

2017: The year of 'Financial Feminism'

Terrance Odean, a professor at Berkeley's Haas School of Business, who has spent his career studying investor trends, found that men traded 45% more than women in the 1990s. He blamed it on male overconfidence.
Women, in contrast, tend to be "buy and hold" investors. It's exactly the advice famous money gurus like Warren Buffett and Jack Bogle give people: Put your money into cheap index funds and then don't touch it for years -- or decades.
"Women have long-term goals, and they stick with the plan," says Murphy. They focus on saving and investing for retirement or a kid's college fund, not on outsmarting the market.



FRAGILE CONFIDENCE OF WOMEN INVESTORS

But here's where women still mess up: They tend to be great savers, but they are often fearful of the stock market. They lack confidence about investing, despite a growing body of evidence that women are gifted at it. Former Wall Street power woman Sallie Krawcheck is on a mission to empower women to be financially savvy. She's declared 2017 the "year of financial feminism."

As if we needed confirmation, the latest data suggests the gender pay gap is as striking. Information filed in recent weeks by fund managers in line with new rules requiring them to publish pay gap figures suggests that women working in asset management receive salaries that are 40 per cent lower than those earned by men; the bonuses received by women are a whacking 72 per cent lower. The headline figures are bad enough, but what makes the gap even more indefensible is the compelling evidence that women fund managers so often do a better job than their male counterparts -dominated hedge fund industry itself.

One explanation for this was originally men tended to be much more confident in their own abilities to invest successfully than women – they were therefore likely to trade much more frequently, racking up costs in the process and often miss-timing the market.

Over the period studied, men traded 45 per cent more frequently than women and earned annual risk-adjusted returns that were worth 1.4 per cent less. When it comes to industries, Wall Street is about as male-dominated as they come. So many people just assume that men are better investors and they are wrong.

According to new data from financial services giant Fidelity Investments, women are actually superior investors. In sifting through more than 8 million investment accounts, Fidelity discovered that women not only save more than men, 0.4 percent, their investments earn more annually, also 0.4 percent.

"The myth that men are better investors is just that - a myth."

Those differences may seem slight at first. But extrapolated over a lifetime of saving and investing, the disparity at retirement age is anything but minor. For a 22-year-old starting out with a salary of $50,000 a year, a woman investor will outpace her male counterpart by more than $250,000.

Even more revealing about general attitudes is Fidelity's companion "Women and Money" survey, which asked participants which gender was better at investing its money. The outcome: Barely 9 percent of people said women.

What is it, exactly, that makes women better investors? One factor, Fidelity said, is that men are 35 percent more likely to make trades, which means that trading fees eat away at their portfolios more than they do women's.

Another advantage: Women assume less risk, such as not loading up entirely on equities. They also invest more in vehicles like target-date funds, whose automatic allocations make for smarter diversification, Fidelity said.

It's not just professional female fund managers who tend to outperform

The financial adviser Hargreaves Lansdown has just published data on its own clients in a repeat of the research carried out at the University of California 20 years ago. It found that over the three years from August 2014 to August last year, its female clients outperformed their male counterparts by an average of 0.81 per cent. Over 30 years, Hargreaves Lansdown says, that would mean the women ending up with a portfolio worth 25 per cent more.

Hargreaves Lansdown pinpoints several reasons for the superior performance of its female clients. It found women were more likely to hold well-diversified portfolios, rather than to concentrate risk in one area; they were also less likely to choose more risky investments in the first place. Like the Californian study, Hargreaves Lansdown also reveals women tend to trade less frequently, pursuing a buy and hold investment strategy.

As recent observations from ClearTax on the financial approach and discipline of their women customers shows, women are close to beating men at this investment game.

The changes in the financial services industry have improved financial inclusion among Indian women

Indian women do not take their financial independence for granted, and make sure to start saving at an early age. When we look at the investment patterns on our report it becomes clear that the number of women investors from small towns in India are more when compared to men. Over 60% of the investments made by women on cleartax portal are from tier 2, 3 and 4 cities such as Daltonganj, Karaikal, and Shillong! And they are not just sticking to low-risk plans, but are making smart investment decisions that can deliver them inflation-beating returns.

Archit Gupta, the CEO and Founder of ClearTax, says that this can be attributed to the simplicity of their products. "We want women to take charge of their investing and tax saving and we have seen results on our platform. Women are moving away from sitting on cash to making it work via tax-saving mutual funds.

They find it easy to invest on the ClearTax Save platform given the easy-to-use dashboard, best performing mutual fund picks, and the 100% paperless process. Our experts are also readily available to help them out with their queries.”

Women invest with care. They are conscious about the sector where their money is being invested in . Female investors are highly motivated to become responsible investors and make the world a better place by contributing to the positive societal and environmental changes. According to a survey by moxie future, women care about poverty and income inequality(59%),the access to healthcare(53%) and climate change(49%).However what keeps women less into investing? According to the survey, the lack of time,trust and understanding are the key reasons. What can be done to improve the situation? The global financial industry needs to understand the need of the hour and the importance of female investors and offer better tools, solutions and products and advice them to invest freely with their beliefs and values.

Women have different investment priorities than men do. Through their research, they found that women are much more likely to focus on long-term goals and want their money to go toward helping companies that combine profitability with social responsibility. Fidelity also found that women prefer working collaboratively to support companies whose modus operandi is to create win-win relationships in every aspect of their business.

GO GIRLS! THE ECONOMY NEEDS YOU!
INVEST LIKE A WOMAN BECAUSE MONEY IS POWER
NEED OF THE HOUR: RESPONSIBLE INVESTORS

Industry Research | Real Estate |

-Msc Investors Club

INTRODUCTION

The real estate sector is one of the most globally recognised sectors. In India, it is the second largest employer after Agriculture and is slated to grow at 30% over the next decade. The real estate comprises four – housing, retail, hospitality and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space, as well as urban and semi-urban accommodations. The construction industry ranks third among 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more NRI investments. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Chennai, Dehradun, Delhi, Goa and Pune. India's Rank in the Global House Price Index has jumped 13 spots to reach the ninth position among 55 international markets, on the back of increasing prices in mainstream residential sector).

MARKET SIZE

The India Real Estate Market is expected to touch USD $180 billion by 2020. Housing sector is expected to contribute around 11% to India's GDP by 2020. Retail, hospitality and commercial real estate are also growing significantly, providing much needed infrastructure for India's growing real estate needs. New housing launches across top 7 cities increased 27% y-o-y during January-March 2018. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have make the market more transparent. Sectors such as IT, retail, consulting and e-commerce have registered high demand for office space in recent times.

INVESTMENTS AND DEVELOPMENTS

Private equity investments in real estate are estimated to grow to USD $100 billion by 2026. According to the Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received FDI inflows to the tune of USD $24.67 billion between April 2000 and December 2017. Some major developments in this sector are as follows:

- In May 2018, Blackstone Group acquired One Indiabulls in Chennai from Indiabulls Real Estate for around USD $136.9 million.
- In February 2018, DLF bought 11.76 acres of land for USD 231.7 million in Gurgaon, Haryana.
- In the same month, Japanese conglomerate Sumitomo Corporation announced a USD $2 billion partnership with Krishna Group to develop real estate in the country.
- KKR India Asset Finance Private Limited has invested over USD $500 million in residential real estate projects in 2017.

ROAD AHEAD

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the real estate market. It would create an opportunity worth USD $19.65 billion in the Indian market over the years. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring professionals in areas like project management, architecture and engineering. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

Key Drivers	• Rapid growth in service sectors: IT, BFSI (Banking, Financial Services and Insurance) and Telecom • Rising demand from MNCs • Demand for office space in Tier 2 cities
Notable Trends	• Mumbai, NCR and Bengaluru account for 60% of total office space demand in India as of 2017 • Office space absorption in 2016 across top 8 cities amounted to 34 million feet^2 with Bengaluru recording the highest net absorption during the year • Business activity shifting from CBDs to SBDs, and Tier 1 to Tier 2 cities
Scenario	• Retail accounts for a small portion of the Indian real estate market • Organised retailers are few and the organised retail space is mostly developed by residential/office space developers

REVENUE DRIVERS

1.Government Policies/Subsidies: Legislation is important factor that can have impact on property's demand and prices. Suppose government gives Subsidies to big businesses to open the plants and factories at particular place because of which business will produce more output hence there would require huge manpower. People would choose resides nearer to the company. This makes property rates high in this area. Second point is, Tax. If government increases tax rates and if you earn more you will have to pay more tax and people want to earn more. Many people believe that, Investment in house properties is a smart tax saving plan. While creating asset in long term view. So, this is how government Subsidies and tax affect revenue of real estate.

2.Interest Rates: There is an inverse relationship between interest rates and consumers demand for residual properties. For instance, Lower interest rate, lower will be the cost for mortgage to buy a house, which will increase the demand for real estate further pushes prices up and vice versa.

3.Economy: The third factor is economy as a whole. GDP, Unemployment rate, manufacturing growth, prices of goods and services are the key economic indicators that tells us about the health of the economy whether the economy is growing or not. If the economy is sluggish or poor then the real estate sector will be sluggish as well. And if economy is growing then people will be encourage to invest in properties. For example, if there is inflation in an economy and unemployment rate is high then it discourage people to invest in property. But, there will be certain property in real estate that will not be affected. For ex, Office Leases. They are a form of property that is least for a longer period of time and their rates cannot be changed in the middle of an economic downturn.

COST DRIVERS

1.Interest Rates: Most of the homebuyers take mortgage to buy their new home. There exists an inverse relationship between interest rates & consumer's demand for residential property. As the rate of interest increases the prices of mortgage increases therefore reduction in consumer demand for residential property.

2.Government Policies: The main objective of the Government is to protect the interest of the consumer. The policies of the Government safeguards the interest of the consumer & in the process they generate revenue. For instance, the introduction of RERA (Real Estate Regulatory Authority) Act in India has stopped the delay in delivery of flat caused due to builder using the funds of one project for another project. Some basic tools used by the government to regulate & generate revenue from real estate sector are Taxes (Stamp duty, GST, etc) & a statutory act (RERA, etc) Taxes increases the cost of the flats therefore reduces the demand for it.

3.Economy: Another key factor that affects the value of real estate is the overall health of the economy. This is generally measured by economic indicators such as the GDP, employment data, manufacturing activity, the prices of goods, etc. Broadly speaking, when the economy is sluggish, so is real estate. Interdependence of real estate sector on other sectors like Iron & Steel, Paints, etc also drives the cost of real estate sector, an increase in the prices of Iron & steel, Paints increases the cost of property.

4.Location: Location is the most important factor that drives the cost of real estate market. Location is defined ideal if: a) Availability of quality schools in proximity for parents who have children of school going age. b) Proximity to local employment opportunities for work-age group. .

c) Proximity to social recreational sector or shopping malls for young buyers. The price of the property is very high if it fulfils all the 3 factors (generally).

5.Fiscal Inflation: Excess money supply in the economy increases the input prices of the raw materials required for construction therefore leads to increase in cost of the property.

REAL ESTATE REGULATION ACT

The Real Estate (Regulation and Development) Act, 2016 (RERA) is an Act passed by the Indian Parliament. The RERA seeks to protect the interests of home buyers and also boost investments in the real estate sector. The Rajya Sabha passed the RERA bill on March 10, 2016, followed by the Lok Sabha on March 15, 2016 and it came into force from May 1, 2016. Under the Act, the central and state governments, are required to notify their own rules under the Act, six months, on the basis of the model rules framed under the central Act. For long, home buyers have complained that real estate transactions were lopsided and heavily in favour of the developers. RERA and the government's model code, aimed to create a more equitable and fair transaction between the seller and the buyer of properties, especially in the primary market. RERA, has been hoped to make real estate purchase simpler, by bringing in better accountability and transparency, provided that states do not dilute the provisions and the spirit of the central act. The RERA gives the Indian real estate industry its first regulator. The Real Estate Act makes it mandatory for each state and union territory, to form its own regulator and frame the rules that will govern the functioning of the regulator.

Some of the important compliances are:

1. Informing allottees about any minor addition or alteration.
2. Consent of 2/3rd allottees about any other addition or alteration.
3. No launch or advertisement before registration with RERA.
4. Consent of 2/3rd allottees for transferring majority rights to 3rd party.
5. Sharing information project plan, layout, government approvals, land title status, subcontractors.
6. Increased assertion on the timely completion of projects and delivery to the consumer.
7. An increase in the quality of construction due to a defect liability period of five years.
8. Formation of RWA within specified time or 3 months after majority of units have been sold.

The most positive aspect of this Act is that it provides a unified legal regime for the purchase of flats, apartments, etc., and seeks to standardise the practice across the country.

IMPACTS

The implementation of RERA brought structural changes that had both positive and negative impact since developers were not ready; the economy itself was not ready to transition into the new regime. There was no regulation in the real estate industry and its malpractices. There simply was no process

2017: RERA has resulted in the rationalisation of prices in cities such as Delhi NCR, Bangalore and select markets in Mumbai in the first quarter of 2017. One year later, the slowdown in sales and unsold inventory is gradually improving. RERA has deterred developers to jump into new launches unlike the past which resulted in incomplete projects with buyers having to wait for long durations for occupancy. RERA has ensured that real estate developers cut down on new launches and focus on completing existing projects and clearing unsold inventory.

2018: With regards to demand and supply, there is still pent-up demand. The sales may still be subdued due to the regulatory changes, but supply is gradually reducing and the new launches are almost nil this year. The near future will see the supply dry up due to negligible launches, and demand side picking up, coupled with inflation in the next 6 months or a year.

IMPACT OF DEMONETISATION ON REAL ESTATE

A sudden ban on the existing Rs. 500 and Rs. 1000 currency notes shook the Indian economy and real estate sector which was evident after the third quarter of the financial year 2016-17. The announcement of demonetization and implementation of the Benami Properties Act for unregulated properties took place in the same year. Economists predicted the growth rate of the real estate sector to slow down more than ever as a result. The sector has been ridden with many challenges for the past few decades owing to lack of a uniform framework.

Demonetization brought about many challenges but also alleviated some of these issues. For instance, the industry was predicted to face losses of up to Rs. 1 billion during the year, but the demand has been surprisingly steady due to many factors. This article is an attempt to review some of the benefits and challenges faced by India's real estate sector due to demonetization.

ELIMINATION OF UNSECURED CASH TRANSACTIONS

The paper or market value of most properties in India until recently was very less as compared to the cash or 'black' value. Since cash transactions were unregulated and unrecorded, it was almost impossible for the government to levy taxes on them. Real estate had become a heaven for people to park their unaccounted cash. However, a shift towards the cashless economy has brought transparency in the valuation system as people could no longer buy property using cash. Property prices which were skyrocketing earlier stabilized considerably. Moreover, it enabled the government to detect frauds more easily because it now kept a track of extremely large cashless transactions. All these factors led to a boost in consumer confidence after the initial shock subsided. Post demonetization, there has been an increased transparency in the purchase and payment system of property.

LOW HOME LOAN INTERESTS

The immediate effect of demonetization was increase in cash deposits in banks. Banks which earlier encouraged customers to invest in deposit accounts suddenly found themselves in a huge influx. The next problem was to dispense the cash through various instruments. To encourage loans, the apex bank RBI to cut the interest rate on home loans to attract masses towards real estate investment. This resulted in increased demand for real estate in India. Also the lower interest rate scheme benefited property builders in resuming their projects which were discontinued due to lack of funds.

One of the segments which benefited most from the demonetization drive is the affordable housing segment. Affordable housing came with lower EMIs due to various subsidies and became even cheaper after demonetization.

IMPROVED STOCK MARKET PERFORMANCE AND FDI

The Indian real estate sector attracted all time high foreign investment of US $ 5.7 billion in 2016, despite demonetization (The Economic Times, 2017). Also the performance of real estate firms on the stock market Bombay Stock Exchange (BSE) improved by 50% during 2016-17, dispelling fears of ill effects of demonetization.

The country is on track to becoming the fourth largest economy in the world with a growth rate of 7.5% by the end of 2022. A further increase in private equity from foreign and local investors and other institutional investments in the sector are certainly going to push for more transactions. The outlook for the real estate sector is thus positive.

SLOW PURCHASES DUE TO CONTRACTION IN CASH

Post demonetization there was a severe unanticipated cash crunch in the economy and liquid cash became dearer. The demonetized currency .

constituted a total of 85% of the total money circulated in India at the time of demonetization. As people were forced to deposit these notes in their bank accounts all cash was flushed out of the system. This restricted the number of transactions they could perform in cash, hence purchase of property slowed down. Purchase of new property fell by up to 40% in major cities, while new project announcements fell by 11% immediately after demonetization. However the effect lasted only for a short while as buyers only deferred their purchase decision and not discard it.

SLOWDOWN IN CONSTRUCTION WORK

The liquidity crunch hit real estate from all sides, even the supply. Construction firms which dealt in cash until then suddenly found themselves unable to meet their operational expenses like wages and raw materials. Wages were until then paid only in cash as most construction workers did not have a bank account. The reform removed cash entirely form the system, therefore constructors also could not meet their expenses (Radhakrishnan, Selvan & Senthil Kumar, 2017). Also they were reluctant to borrow money due to uncertainty in the market. Consequently, most of the under-constructions projects came to a standstill. Metros such as Delhi, Mumbai and Chennai were the worst affected after demonetization.

LOW RENTAL YIELD

Demonetization also left a huge impact on rental yields in India. This is because of the fall in prices of properties in general and the effect lasted only a few months.

CURRENT SCENARIO OF LAUNCHED AND ABSORPTION OF INDIA'S REAL ESTATE

As discussed, demonetization impacted the real estate sector negatively only in the short run. During the first quarter of FY 2017-18, demand picked up again, resulting in reduction of unsold inventories. This is exhibited in the table below.

	New Launches	Unit Absorbed	Wt. Average Price (Unsold Units)	Unsold Stock (Units)
Q1 2017-18	22,897	28,131	6,185	471,855
Q4 2016-17	28,428	28,472	6,290	487,043

Demand and supply of Real Estate in India for FY 2016-17 and 2017-18 (Source: Tandon, 2015).

GST AND REAL ESTATE

The GST Bill was approved in the Lok Sabha on March 29, 2017 with four supplementary legislations- The Central GST Bill, 2017; The Integrated GST Bill, 2017; The GST (Compensation to States) Bill, 2017; and The Union Territory GST Bill, 2017.

IMPACT OF GST ON REAL ESTATE

The construction of a complex building, civil structure or a part thereof, intended for sale to a buyer, wholly or partly, is subject to 12 per cent tax with full input tax credit (ITC), subject to no refund in case of overflow of ITC. In other words, residential construction services, will invite GST at the rate of 12 per cent, which will apply to developers selling residential units before completion of construction to the home buyers.
According to the JM Financial report on GST, for states with non-composite VAT (Karnataka, Tamil Nadu, Andhra Pradesh), the transaction value changes marginally from 10-11% to 12% under the new regime. With input cost credits available, developers in these regions may witness improvement in margins in case no price revision takes place (subject to the anti-profiteering clause).
Abhishek Anand, assistant vice-president (Equity Research), JM Financial Ltd, explains: "In the current regime, states with composite VAT require developers to pay lower VAT rates on the total property value without any input tax benefit (Maharashtra, Haryana) or partial benefit (intra state offset- Bangalore). Under this regime, developers pass on the transaction cost – VAT (1%) and service tax (4-5%) to buyers (total 5-6%). Developers get offset for only the input service tax component. In the GST regime, the transaction cost increases to 12%, with input

credit available on both, services and material. Property transaction costs will increase by 6%, in case no input credit is passed on by developers. If developers pass on the input credit to buyers, the property price increase could be restricted to 1-2%.” If the developers pass on the credits completely and bring down the base prices, then, home buyers may marginally benefit under the GST regime.

Nevertheless, stamp duty will continue to be applicable, irrespective of whether the property is under-construction or constructed, in the pre-GST and post-GST regime

WILL GST HELP HOME BUYERS?

Shrikant Paranjape, president of CREDAI Pune Metro, maintains that “The impact of the GST on property prices, will be difficult to gauge at this stage because of the lack of clarity on abatement for land value. In a product, where the major raw material is not covered by the GST and the completed unit is also not covered by the GST, the tax input benefit will be hard to calculate or justify. Only the market forces, the ready reckoner rates and time, will decide whether and how much benefit will be passed on by the developers to the purchasers.”

Moreover, the prices of input materials can also be volatile. Cement and steel prices can soar, without warning. Similarly, sand is always in short supply and not available in the monsoons. Hence, it is likely that these industries may not pass on the entire benefit of tax credit.

GST ON UNDER-CONSTRUCTION PROPERTY – AFFORDABLE HOUSING

It is important to note that if GST exemption is extended to affordable housing projects (affordable housing is currently exempted from service tax and a clarification is expected from the government for exemption from GST), then, affordable homes may become cheaper under the GST regime.

GOVERNMENT DIRECTS BUILDERS TO NOT CHARGE GST ON AFFORDABLE HOUSING

The government, on February 7, 2018, asked builders not to charge any Goods and Services Tax (GST) from home buyers, as the effective GST rate on almost all affordable housing projects is eight percent, which can be adjusted against the input credit. It said builders can levy GST on buyers of affordable housing projects, only if they reduce the apartment prices after factoring in the credit claimed on inputs.

In its last meeting on January 18, 2018, the GST Council had extended the concessional rate of 12 per cent GST, for construction of houses under the Credit-Linked Subsidy Scheme (CLSS) to promote affordable housing, which has been given infrastructure status in 2017-18 Budget. The effective GST rate, however, comes down to eight per cent, after deducting one-third of the amount charged for the house/flat, towards land cost. This provision was effective from January 25, 2018.

IMPACT OF GST ON PROPERTY PRICES – LUXURY SEGMENT

In the case of premium properties, while the basic construction cost may come down a little, but as the input tax credit is limited to 12 per cent, it will not be sufficient to bring down the fresh tax liability to nil because of the taxes paid on other expenditures.

GST ON READY PROPERTIES

If the OC for the project has been received, then, no GST will be applicable. A CRISIL report points out that at present, a developer pays excise tax and VAT, on inputs like cement and steel, at 27.7 per cent and 18.1 per cent, respectively, which vary from state to state. Now, under the GST regime, cement and steel will be taxed at 28 per cent and 18 per cent, respectively, while other inputs like paint and white goods, will be taxed at 28 per cent.The final product – the housing unit – will be taxed at 12 per cent, with credit for taxes paid on inputs.

The final product – the housing unit – will be taxed at 12 per cent, with credit for taxes paid on inputs.As the tax levied on the entire cost including the land will be 12 per cent, the amount would be sufficient to provide for the input credit for developers. Hence, a buyer opting for a ready-to-move-in apartment, is saved from the tax burden.

However, the tax calculations under the GST regime, for the real estate market, are not so simple. For example, the GST on under-construction projects will be charged to home buyers on the sale price but the credit can be availed by the developers, only on the cost of construction. As the builder will have to pay the GST on the full project and the input availed is only on the construction cost, there may be a gap that is no less than 30 per cent. Consequently, whether you opt for an under construction property or ready-to-move-in unit, the developer will hike the prices in that proportion, to make sure this gap is bridged.

WILL GST MAKE HOME LOANS EXPENSIVE?

Before evaluating the likely impact of the GST on home loan costs, it is important to understand the components that will be impacted by the increased rates under the GST. The main cost of taking a home loan, is the interest payment on the money. This cost will not change, as there is no service tax or GST on it. Similarly, any stamp duty charged in connection with the documentation of the home loan, will not change with the GST, as stamp duty is not subsumed under the GST.

However, there are various charges that are levied by lenders on home loans. First and foremost is the processing fee that is paid at the time of taking the home loan. At present, it is 15 per cent but it will go up by 3 per cent under the GST, to 18 per cent. This is generally a one-time cost and its overall impact on your home loan tenure, will be insignificant. The banks may also recover other charges like advocate fees, valuation charges, etc., in connection with the home loan, which will go up proportionately.

Like the processing fee paid at the time of application, you may have to pay prepayment charges, in case you decide to prepay the home loan before the completion of its tenure or shift the home loan to another lender. This is generally payable, in case the home loan is taken under a fixed rate of interest. For floating rate home loans, banks cannot levy any prepayment charges. Housing finance companies can, however, levy the prepayment charges, if you decide to shift the home loan to another lender. However, for payment of the home loan from your own resources, the housing finance companies cannot levy any prepayment charges.

The lenders can also charge you for any EMI default, either due to return of the cheque or ECS return, on which the GST rates will go up. So, it is practically on all the charges that are recovered by the lenders that the GST rates will go up by 3 per cent.

Signs of the Next Global Recession are Here

Ayush Lalwani
E CELL HEAD

ACCORDING to Microsoft co-founder Bill Gates, America could be headed for another financial crisis on the scale of the 2008 Great Recession. During a Reddit "Ask Me Anything" last week, Gates was asked if he thought America would see another major financial crisis. He said: "Yes. It is hard to say when but this is a certainty."

The financial crisis of 2007—2008, originated with a crisis in the subprime mortgage market in the US, but grew into the Great Recession. Its effects were felt globally for several years and many economists consider it to be the worst financial crisis since the Great Depression. The 2008 financial crisis cost the world millions of jobs with many still feeling the after-effects. A decade after the recession, an estimated one in three have not financially recovered.

All good things must come to an end, and the post-crisis recovery has been tightly controlled, but by April 2018, the US economic cycle will be in its 106th month, the second longest in history. We don't want to revisit 2008, yet in economics the inflection points are generally quicker, say one recession each seven years. Now we are at ten years.

The global economy is more deeply indebted than before the financial crisis and countries need to take immediate action to improve their finances before the next downturn, the International Monetary Fund has said. The IMF said a prolonged period of low interest rates had stimulated a build-up of debt worth 225% of world GDP in 2016, 12 points above the previous record level reached in 2009. Signs of a global trade war, Tech stock volatility and stock market sell-offs could foreshadow the next recession and some analysts believe it could happen in 2018, if not in 2019. 2018 is in a sense a time of watching for economic red flags, and some of them have already started to appear in 2018. The uncertainty over NAFTA, Brexit, populist sentiment in Europe and the POTUS's relationship with China all create tension that could trigger quick changes in the markets.

The proverbial dead canaries in a coal mine are coming, and 2018 could be a time of reckoning. Slashing taxes and raising spending a la Trump could make the U.S. overheat itself and the possible inflationary impacts of a trade war could spell disaster. Trump's fondness for the tariff path could hurt China, but hurting China could also impact the global economy as a whole. Even someone like me, not versed in economics can get it, the added cost to imported goods pushes up consumer prices, and thus slows down consumption and derails economic momentum.

In 2018, after years of slow growth and recovery aided by unprecedented easy-money policies, economies and markets around the world are riding high —very high. U.S. markets have notched repeated all-time records, corporate earnings growth is back in a big way and economic policy is marked by tax cuts and regulatory streamlining. This flourish comes after another record was set last year: the run off the lows of March 2009 is now the second-longest bull market in U.S. history, and talk of an inevitable recession is often met with "this time is different" arguments.