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Celebrating Winter: The IMT Way!

As we are on the last lap of the year 2015, IMT witnessed its campus buzzing with a plethora of events and activities. We had our esteemed alumnus, the renowned motivational speaker and ace marketer, Mr Chris Dhanam spellbound the students and faculties alike with his wit and wisdom. RACE organized a rather intriguing and innovative quizzing event, The Knowlexir. The week came to an end with the annual media conclave organized by MRRC, Communicon '15. With events like Vichaar Vimarsh, Big 10 and the rib tickling play 'Don't Dress for Dinner' the conclave turned out to be huge success. Kudos to MRRC!

Winter has finally set in, with all its guns blazing; and some of us are already finding it hard to keep ourselves warm even under those multiple layers of clothes. Amidst all this Club FinNiche brings to you the next edition of our fortnightly magazine FinXpress. We hope you are finding our new segment 'Startup Tracker' as useful as our other regular segments in satiating your need for news and knowledge.

Both our senior and junior batches are gearing up for the upcoming end term exams. We wish best of luck to all. Best wishes to all those seniors who will be leaving the campus after the term. We wish them all the success in their life ahead.

Merry Christmas and a Very Happy New Year, IMT!

Happy Reading!

Regards

The Editorial Team

Club FinNiche

SNIPPETS

Impact of FED Rate increase on India

On Wednesday, the US federal Reserve increased the range of the benchmark interest rate by 25 basis points to between 0.25 to 0.50%. The US Federal funds rate is “the interest rate” at which depository institutions (banks and credit unions) actively trade balance held at the Federal Reserve (called federal funds) with each other, usually overnight, on an uncollateralized basis. This has been the first rate hike since 2006 signifying the end of almost a decade of easing monetary policy of the US Federal Reserve; while also depicting the state of the world economy.

The 2007 global financial market crisis led to a severe economic downturn. In response, the US federal Reserve reduced the federal funds rate essentially to its lower bound of zero in December 2008, with the goal of stabilizing the economy. In the ensuing seven years, the Federal reserve continued to maintain near zero interest rates to stabilize inflation and increase employment rate.

The Impact of US Fed rate hike in India

In simplest of terms, an increase in Fed rate will raise the borrowing cost for carrying trade i.e. borrow from US and invest in India. Further, this may make US bonds and equities more attractive for investors looking for stable returns. This

eventually is likely to result in funds flow out of both debt and equity markets of India, and put the rupee under pressure.

RBI governor Raghuram Rajan has shown the confidence that Indian economy is prepared to deal with any eventuality arising out of the US Fed rate hike. The same sentiment has been reflected by many analyst. As evident from the market reaction on Thursday, there was a positive outlook and Sensex rose more than 100 points on opening trade, later on shrugging off due to the recent Delhi Court ruling on the bad on high end diesel cars.

Having improved its foreign exchange reserves India is currently at a better place than most of the emerging economies. Increasing the foreign exchange reserves by \$65 billion in the past one and half years to \$353 billion as of November 2015, the external balances has certainly improved which gives a cushion from the initial hiccups which may occur due to the US Fed rate hike. Another point in favor the third largest economy is that its dependency on commodity exports is less compared to the several of its peers. This helps in withstanding the global commodity prices rout in a better way. Thus if we look at the current monetary policy along with the efforts of the government, the Fed rate increase may actually turn out as a boon in the long run

SNIPPETS

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Alarming Pollution in Delhi

The level of the air pollution at Delhi is no longer a mystery to either the residents or the government. But the sheer negligence and the inaction on both the parties has led to the pollution hit a level so high that knee-jerk reactions and immediate actions are needed in order to improve the situation.

First let us look at few of the facts related to the Delhi air pollution -

- The allowable particulate matter in the PM10 range is 2.5ppm and last week the level was 10ppm,
- As many as 10000 people die each year prematurely because of the high pollution level .
- As of now, more than thousand new vehicles which run on diesel are added daily on the roads of Delhi.

Before going into the steps proposed to curb the menace of pollution, first lets understand the technicalities associated with it. PM10 basically represents particulate matter 10 micrometers and less in diameter.. It includes smoke, dust, particulate matter and mist. Similarly PM2.5 represents particulate matter with 2.5 micrometers or less in diameter. Both of these classes of matter are harmful to humans and other animals, being carcinogenic in nature and many other respiratory diseases.

To highlight the grave situation in Delhi, a

recent report by the University of British Columbia found that Delhi has 7 days of “healthy” air in 730 consecutive days, compared to Beijing’s 58 days. And Beijing has declared red alert twice in the past few weeks.

Therefore now is the time when some rapid and drastic actions are actually needed and recently Delhi Government has declared certain steps. One of the step which was covered immensely across the media is the odd even car rule, which basically means that cars with odd numbered registration plate can drive only on odd numbered dates and similarly for even. Some other steps declared are banning of diesel SUVs by Supreme court which have engines more than 2000cc, increasing green cess on the trucks and other heavy vehicles entering Delhi, converting all the registered taxis into CNG versions,, ban the burning of crops in and around Delhi and also questioning the operations of few power plants around Delhi which are causing a lot of air pollution.

While there has been a lot of debate going on the applicability of these steps and the effects on the common man, it should be taken into consideration that the levels of air pollutions in Delhi has reached such a worse level that immediate measures need to be taken.

INTERNATIONAL

BY RISHAV SIDDHARTH

Crisis at Burundi: AU plans to deploy peacekeepers

SNIPPETS

- The crisis began when the President Pierre Nkurunziza on April 25th declared that he his planning for his 3rd term in the office
- The Great Lakes region has been one of the most unstable in Africa in the last decades.
- The African Union has announced to send 5000 peacekeepers to protect civilians in Burundi

Burundi is a small country in central Africa where a deadly civil war has been mired for last 8 months in a deepening political crisis that the African Union fears could initiate a genocide.

The crisis began when the President Pierre Nkurunziza on April 25th declared that he his planning for his 3rd term in the office. He has been in office since 2005. The announcement sparked protest among those who were not in support of this like the civil society, the opposition, the Catholic Church and even some of his own supporters. The protest started on a daily basis which was then banned by the authority. Even after the protest, Nkurunziza was re-elected as the president in July in polls boycotted by the oppositions. The political crisis has worsened after that with daily clashed in the dark between the security forces and dissidents in opposition areas. On December 11th, there were attacks in three military barracks in the capital of Burundi, Bujumbura. A total of 87 died in the clash.

Arusha Accords was responsible for ending of 1993-2006 Civil War which was responsible for killing of around 300,000 people. Arusha deal was responsible for 10 years of peace in the country. But the oppositions say that Nkurunziza was violating constitution and Arusha Accord. 1993-2006 Civil War was a war between the Hutus and the Tutsis. Nkurunziza was leading the Hutu rebel army

which was fighting against the Tutsi dominated army. Hutus make up around 85% of Burundi's population whereas Tutsi make up 15%. Observers say that Nkurunziza was failing to tackle poverty and corruption and now Arusha Accord, the cornerstone of country's democracy is on stake.

The Great Lakes region has been one of the most unstable in Africa in the last decades, with two regional wars (1996-1997 and 1998-2003) involving up to seven African nations fighting on Congolese soil, and leaving over a million people dead. The tension in Burundi has raised fears of further deadly instability, and more than 200,000 people have already fled the country. The Crisis has already hurt ties with Rwanda, which has being openly accused by Bujumbura of whipping up tension. Burundi also borders Domestic Republic of Congo, where dozens of armed militants are at work.

Last week UN's advisor against genocide, Adama Dieng, accused both Government and the opposition of hate speech to heat up the Hutu-Tusti tension which was similar to genocide in Rwanda in 1994. The African Union has announced to send 5000 peacekeeper to protect civilians in Burundi. The proposal was approved by Peace and Security Council of African Union. African Union said that they will not allow genocide to take place in Burundi.

TRENDING NEWS

ISSUE 11

BY NISHANT RATHI

COMMODITIES

**GOLD 25082
INR/10 G**

**SILVER 33933
INR/KG**

**CRUDE OIL 2402
INR/BARREL**

EXCHANGE RATES

66.31 INR/ 1 USD

**72.06 INR/
1 EURO**

0.55 INR/ 1YEN

Brazil's finance minister Joaquim Levy resigns

Finance Minister Joaquim Levy resigned on 18th December sparking fears that an already ballooning budget deficit of Brazil will deteriorate further and prompting selling of its currency, the real. Nelson Barbosa, former planning minister of Brazil has replaced Mr. Levy.

BSE listed companies spent Rs.6,400 crore in 2014-15 on CSR

According to Confederation of Indian Industry (CII) report, Bombay Stock Exchange (BSE)-listed companies together spent Rs.6,400 crore towards corporate social responsibility (CSR) activities in 2014-15 fiscal year. Around 55% of that has been channeled to education, skills, livelihoods, health and sanitation. 87% of the eligible companies have actually spent on CSR but 52 percent shelled out less than two percent which has been mandated by Section 135. The reason for less spending vary from projects being multi-year, or the inability to find the right projects or implementing agencies.

Indian Railways have initiated Five Year Plan model for turnaround

Railway Ministry intends to synchronize investment cycle for railways with the country's Five Year Plans. This will make it critical that a proper lifecycle assessment of the project is done and the correct projects are identified for implementation. Currently the ministry has started working on the 110 actionable points raised in the 2015 budget while work has also started on the Rs.40,000 crore locomotive modernization contracts which were not announced in the budget.

Oil ends down for third week as U.S. rig count rises

Oil prices fell about half a percent after the U.S. oil rig count unexpectedly rose for the first time in five weeks, pressuring a market already at seven-year lows. Report from Baker Hughes Inc. showed 17 new rigs that brought the total to 541. After the release of this report, U.S. crude's West Texas Intermediate (WTI) hit \$34.29 a barrel, the lowest since February 2009.

MARKETS

NSE NIFTY

TOP 5 GAINERS

- ADANI PORTS
- IDEA
- POWERGRID
- ASIANPAINT
- AMBUJACEM

TOP 5 LOSERS

- VEDL
- ULTRACEMCO
- BAJAJ-AUTO
- SBIN
- INFY

The BSE index ended up with 0.5 percent decrease, while the NSE index closed 0.88 percent lower. Both indexes ended the week largely flat. For the month, the BSE index lost 3.10 percent, while the NSE index lost 0.7 percent.

	Open	High	Low	Close
SENSEX	25649.3	25823.04	24952.94	25519.22
NIFTY	7816.55	7850.20	7575.35	7761.95
BSE SENSEX				



CNX NIFTY



FIN-WORD

BY ABHISHEK GUPTA

Death Bond

A death bond is a security backed by life insurance which is derived by pooling together a number of transferable life insurance policies. The life insurance policies are pooled together and then repackaged into bonds to be sold to investors.

How it works?

A life settlement provider deals in such bonds. They purchase life insurance policies from people who no longer want the coverage and want to regain hold of their investments in the policies. The insured person receives cash in return for their insurance policies. The company then starts making premium payments on the behalf of the seller. The company thus creates a large pool of such policies and has claims over the death benefits of such policies. People insured with the policies will die at different times and thus the company ensures a stream of cash flows coming to it. Moreover, these cash flows are not related to the happenings in the market.

A life settlement provider can scrutinize the stream of cash flows over time by pooling the policies and issuing bonds to investors. The investors thus provide cash to the company for these bonds which the company uses for its business operations and buying more such policies.

Companies provide investors coupon payments over a period of time.

Why it's useful?

Death Bonds are less affected by standard financial risks. The only risk associated with these bonds lies with the underlying insured person. The controversial aspect of this bond is that the sooner the person dies, the more is the return over time for the investors.

These bonds also help the insurance holders who receive cash and can use it to fund their retirement and pay medical expenses while they are alive.

These bonds guarantee that the payments will come which is not the case with every kind of investment.

PERSONALITY

20 DEC 2015

The designer duo

SNIPPETS

- Keen on merging the arts and sciences, Gunjal opted for CEPT, Ahmedabad, to study architecture but later moved to NID to study industrial design.
- Suraksha Bhatia, the proud co-winner of an inventive hi-rise she designed with Sharan Sundar for the 2015 eVolo Skyscraper competition.

If Gayatri Gunjal had not found her calling in design and architecture, she would have been wielding a hockey stick or a badminton racquet. “In Class 10, I was a State-level badminton player and a National-level junior hockey player,” says Gunjal, who forfeited a career in sports and propelled by family concerns, pursued academics.

Keen on merging the arts and sciences, Gunjal opted for CEPT, Ahmedabad, to study architecture but later moved to NID to study industrial design. Later, while designing products for Kyocera in Bengaluru, Gunjal found the corporate approach cosmetic and aloof. “I wanted to get my hands messy and do something physically challenging and more personal.” She then moved to Domus, Milan, to study living design. Over there, she was exposed to diverse practitioners and imbibed the Italian predisposition for design. A chance to work with designer Ferragamo led to her collaborating on a successful hospitality endeavor.

Back in Chennai, after her first project for a neighbor's home making playful accoutrements for a child's room, Gunjal scored accolades for Old Madras Baking Company, jointly designed with two other architects. In 2013, she launched her own design firm — Yellow Sub — for



Suraksha Bhatia



Gayatri Gunjal

architecture and interiors. Her design for the Indian Type Foundry office in Ahmedabad, garnered wide appreciation.

Not enamored by overly opulent styles, Gunjan admires Chennai's diverse culture. She says, “I like clean lines and materials without fussy embellishments.” Her home is the perfect showcase for her design philosophy. She transformed a run-down penthouse apartment into a cosy living space introducing a split-level mezzanine with a library loft. She extended a pergola over the terrace and opened up the windows of the living room for a wide view of the sea. Gunjal's personalized style is evident in details of quirky shelving and a mirror resembling a pineapple wedge. Her passion for nature comes through in creating variegated textures as tiles interspersed with pebbles in the bathroom and generous use of wood and stone.

Driven by a love for the mountains and the outdoors, Gunjal is a resilient trekker. Her most recent trip was a 17,500 feet high climb to the Pin Parvati Pass. This need for challenge, meeting obstacles and setting directions has equally emerged in her designs.

Contemporary and minimal

"I was always interested in learning how designs on paper transform into living, breathing spaces", says architect Suraksha Bhatia, the proud co-winner of an inventive hi-rise she designed with Sharan Sundar for the 2015 eVolo Skyscraper competition. The 'Shanty-Scraper' they designed aims to provide a unique solution for the fishermen of Nochikuppam, and addresses the issue of relocation of slums.

Bhatia has always been at the cusp of design trends, pushing the building envelope. While in her final year in the School of Architecture and Planning, Chennai, she found herself researching ecological architecture. "I wanted to understand the science behind sustainability and the engineering behind architecture. How is energy consumed and water used in a building so people don't end up using air-conditioning more than necessary?"

Her postgraduate studies in Sustainable Environmental Design from the Architectural Association, School of Architecture, U.K. took her down this path, learning to quantify daylight, temperature and energy consumption, to actually rate these parameters with

analytical tools. Her inspiration is architect Ken Yeang 'father of tropical high-rise design', who was instrumental in developing the bioclimatic skyscraper. After almost three years in Singapore with a start-up firm, Bhatia returned to practice in Chennai. Her apartment designed in a plush and contemporary style speaks for itself. Bhatia opened up smaller windows to get as much natural light in. Her care for durable material choices show in details as the black window sections imported from Belgium. For the living room and bedroom walls, she selected wallpaper with intriguing 2D designs that appear 3D. Most of the furniture is designed by her and custom-made at a specialised set-up at Bangalore. Imported classic Barcelona chairs add a signature touch. The third bedroom is converted to a home theatre with windows acoustically sealed; floors are laid with laminate composite panels, which are anti-termite. The red recliner couches were specially ordered through cinema-furniture fabricators.

The entire interior is contemporary and minimal with a light and airy feel to it. Bhatia is in the process of setting up her firm, Midori Architects. She aims to combine her expertise in environmental architectural with design. "With all these ideas ingrained, buildings can be designed robustly to perform well for 100 years. At the end of the day design is a powerful tool to express yourself," she says.

START-UP TRACKER

BY ABHINEET AUGUSTINE

SNIPPETS

Founders: David Back (President) - Greg Moran (CEO)

Headcount: 50+

Industry: Personal transportation

ZOOMCAR

American duo David Back and Greg Moran, met while studying at the University of Pennsylvania, where both graduated from in 2007. While Back studied at Harvard Law School and Moran worked on energy financing projects. The pair also went on to business school with full scholarships, Moran at the University of Southern California and Back at the Judge Business School at Cambridge University.

Back and Moran both dropped out to move to India and pursue Zoom. Zoom officially launched operations in Bangalore in 2013. Zoom started with a fleet of seven cars. As of October 2014, Zoom operates more than 250 cars in Bangalore.

Zoom's Board of Directors include Graham Gullans, co-founder of Empire Angels. Zoom's Board of Advisors includes former United States Treasury Secretary and former Director of the United States National Economic Council, Larry Summers, and Chair of the UK's Pension Protection Fund and former US SEC Commissioner Lady Barbara Judge. Back met Summers at Harvard University, where Back was a teaching assistant to Summers.

Zoom has raised a total of ~\$3 million in equity capital. It raised a \$1.5M seed round led by New York investment network Empire Angels, with the proceeds going toward technology, hiring, and an expanding fleet. Investors included the San Francisco-based VC firm



Funders Club, Basset Investment Group and private angel investors.

Zoom partners with the auto manufacturers like Ford & Mahindra which allowed them to become the first car rental company in India to offer an electric vehicle (the Mahindra REVA E2O by Mahindra) and the Ford EcoSport "urban SUV by Ford" in 2013. Zoom also works with locally established real estate developers, universities, hotels, and corporate IT parks to secure parking for its vehicles and offer pick-up points to its members.

In November 2013, Zoom, Uber (a cab booking mobile app provider) and the Ashoka Foundation came together and launched a month-long campaign in Bangalore called RideSmartBLR to encourage car-rental and discourage drunk driving for its health, economical and environmental benefits.

Zoom was a member of Microsoft's Accelerator Plus program in Bangalore. This program is designed to provide more tailored assistance to later-stage start-ups as they scale their business and raise capital.

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