



Institute of
Management Technology
Ghaziabad

FinNiche
The Finance Club of IMT-G

FinXpress

November 22nd , 2015 | A FinNiche Initiative

EDITORIAL

ISSUE 9

NOVEMBER 22, 2015

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What's in the store for this year's Diwali?

Club FinNiche congratulates all the finalists, winners and runners of the national risk management conclave - Riscon 2015. As a part of Riscon event, we arranged a speaker session from the Director of Economic and Policy Research, Reserve Bank of India, Dr. Tulasi Gopinath. The session clearly identified the infinite growth possibilities in India and their benefits to the Indian economy.

Followed by a Diwali vacation, our campus witnessed many Day minus companies for final placements. We congratulate all the candidates who got the pre-placement offers and the placement offers. We also wish a very good luck to all the candidates appearing for the final placements. This year most of the companies seem to be on a hiring spree.

We also wish good luck to all the teams participating in the MarkUp event "Marketing World Cup" after the splendid launch. May the odds be ever in your favor.

As always we are ready with insightful national and international articles and much more at your disposal.

Club FinNiche welcomes any comments, suggestions or criticism regarding the magazine. Please do write to us and share your ideas.

Happy Reading!

Regards

The Editorial Team

Club FinNiche

Delhi Government clears Jan Lokpal Bill

SNIPPETS

- **A system is implemented where in a person found guilty will go to jail within two years of the complaint being filed and his entire ill wealth will also be confiscated.**
- **Under this Bill, people can directly file complaints against any politicians and bureaucrats and imprison the corrupt under the court of law.**

The long awaited Jan Lokpal Bill has been passed by Delhi government on 18th Nov which is likely to be presented in the Assembly by the next week. All the investigations and trials has to be done within a period of six months. The Lokpal Bill has been cleared by Chief Minister Arvind Kejriwal and his cabinet ministers as the Winter session of the Assembly opened on Wednesday.

A special Cabinet meeting was held for clearing the Bill at the cabinet meeting room in the Old Secretariat so as to make the moment special as said by Deputy Chief Minister Manish Sisodia in a public gathering.

Under the draft Bill, a system is implemented where in a person found guilty will go to jail within two years of the complaint being filed and his entire ill wealth will also be confiscated. With this bill, Jan Lokpal can prosecute politicians without any permission from the government. It is also empowered with CAG audit cases.

This Bill has been drafted on the same lines of the Lokpal Bill of Uttarakhand which was earlier drafted in 2011 by Arvind Kejriwal and Manish Sisodia. It is like an independent body by the activists involving the investigation and trial within a proper time frame. Under this Bill, people can

directly file complaints against any politicians and bureaucrats and imprison the corrupt under the court of law.



Manish Sisodia soon after the Bill was cleared tweeted : "The historic Delhi Jan Lokpal Bill is passed by Delhi Cabinet. Congrats to all who have spent days and nights for it.

Congrats delhi...#hereislokalpal. Jo kaha so kiya."

Since the bill was not listed in the winter session, sources said that the Bill was cleared in hurry. Despite the majority of Aam Aadmi Party in the Assembly, the question raised by BJP was that why was it not being passed. The Bill has been cleared second time by AAP. In February 2014 the Bill was cleared by the government but was not sent to the Lieutenant—Governor.

CCI bids to stop cartelization in Air Cargo

SNIPPETS

- **Spice Jet, Indigo and Jet Airways Fined**
- **Total fine of Rs. 258 crores**
- **Air India and GoAir escape penalty**

Competition Commission of India (CCI) has imposed a fine of Rs.151 Crore on Jet Airways, Rs.63 Crore on Indigo Airlines and Rs.42 Crore on Spice Jet finding them guilty of colluding in fixing of fuel surcharge on air cargo. CCI in its statement has said that the act of these three companies was harming the economic development of the country and was detrimental to consumer's interest.

The order was passed in response to a complaint filed by Express Industry Council of India, a body representing companies including Blue Dart, Fedex and DHL, among others. The regulator did not impose any penalty on Air India and GoAir, which were also named in the complaint, as the commission did not find any contraventions against the two.

What is CCI?

Competition Commission of India was established on 14 October 2003 as a Government body for enforcing the Competition Act 2002 through India. This act prohibits mergers and acquisitions which can cause an adverse effect on competition in India. The commission protects the interests of customers and ensures freedom of trade in the market. Though CCI was established in October

2003, it became fully functional only in May 2009 with Dhanendra Kumar as its first chairman. CCI has previously imposed a fine of Rs.63.07 Billion on 11 cement companies in 2012 for fixing prices, controlling market share and holding back supply to earn illegal profits.

CCI also fined BCCI in February 2013 for Rs.522 Million after finding out that the IPL Team ownership agreements were unfair and discriminatory leaving franchises with no say in the contract.

Seeing the precarious position of Airline industry in India, CCI imposed a penalty at 1% of the average turnover of the respective companies for the last three years though Competition Commission of India is empowered to impose fines up to 10% of the average turnover of the past three years.

As per CCI spokesperson, The basic concern in the present case is the overcharging of cargo freight, in the garb of fuel surcharge. It is important for the growth of the market that these cartels be broken and more transparency be brought in price fixing by the airlines. Else, the fuel surcharge, which was essentially introduced to mitigate the fuel price volatility, will continue to be used as a pricing tool to the detriment of the users

who include express companies, freight forwarders and ultimately the end users. The CCI added that the complainant had demanded the fuel surcharge be benchmarked to an index, which can help in making logical transparency. However, this suggestion was ignored by the airlines which took undue advantage of their dominant position and have continued the practice of Fuel Surcharge uniformly, with No correlation to the increase/decrease of fuel prices. The CCI directed the airlines from desisting from such anti-competitive practices.

Airlines plans legal action

Competition Act, 2002. Supporting Indigo Airlines, SpiceJet in its statement to the BSE said that they would like to clarify that the investigation conducted by the DG in the matter concluded that the airlines did not indulge in anti-competitive activities. The company is examining the order and shall be taking such steps, including challenging the order in appropriate forum as may be advised and deemed necessary to defend the company's position.

Air India and GoAir was not fined by CCI as according to them as Air India's conduct was not found to be parallel



In a separate filing with the Bombay Stock Exchange, InterGlobe Aviation said it is studying the CCI order and will take legal steps to challenge it in the appropriate forum. The company has been legally advised that it is not in contravention of the provisions of the

with other airlines. On the other hand, GoAir was exempted from the penalty as it gave its cargo belly space to third-party vendors with no control on any part of commercial/economic aspects of cargo operations done by vendors, including imposition of FSC.

INTERNATIONAL

BY HERSH BANU

Paris attacks cause more trouble for Eurozone economy

SNIPPETS

- **Mario Draghi has signaled fresh help for the struggling Eurozone economy.**
- **ECB will increase its quantitative easing programme from €60bn to €80bn a month, with a major possibility of cuts in interest rates.**

European Central Bank expected to increase quantitative easing.

Only a month back, the French economy was at the epicenter of the global debate about how far one can push the limits of state size and control in a capitalist democracy, and now post the terrorist attacks on 13th November the President of European Central Bank, Mario Draghi has signaled fresh help for the struggling Eurozone economy.



Mario Draghi

Immediate effects of the attack include large-scale tourist cancellations and a huge drop in consumption. The big Paris department stores, have fewer footfall, down by between 30% and 50%, amidst the Eurozone crisis lower consumption in France is a nightmare for Draghi, who confirmed ECB would step up its efforts to stimulate growth and lower unemployment.

Didier Chenet, president of the national union of hoteliers, restaurateurs and cafe-owners, told Le Figaro that “an avalanche of cancellations” since Saturday. Paris hotels in particular have been badly hit: “They are spending their days picking up the phone to hear customers saying they are no longer coming.”

Tourism and travel accounts for nearly 10% of French GDP. There were 58-million passengers commuting through Paris in 2014. Most of the business infrastructure in and around Paris is focused to cater to the needs of these tourists. Georges Panayotis of the specialist MKG Group consultancy said: “Things are going to be very difficult for the tourism industry in the coming days and weeks. The sector is going to suffer. I think it could be worse than after Charlie Hebdo. What happened is huge; the whole world’s eyes are on Paris.”

Analysts believe that post the attacks on Paris, the central bank would now surely act on 3rd December, which was doubtful only weeks ago. There have been signs leading to the possibility of Draghi announcing the ECB will increase its quantitative easing programme from €60bn to €80bn a month, with a major possibility of cuts in interest rates.

A survey conducted between October and November indicated healthy rise in

consumer confidence, but it was almost complete before the Paris attacks. Draghi mentioned in a banking conference in Frankfurt that the recovery in the Eurozone was the weakest since 1998, a year before the single currency was launched. In the crises of 1970's, 80's and 90's, it took 5 to 8 quarters to recover to the pre recession level of real output for the countries now making up the Eurozone. But it is estimated that it will take until 2016 early quarters before the

countries returned to the output levels before 2008 crisis.

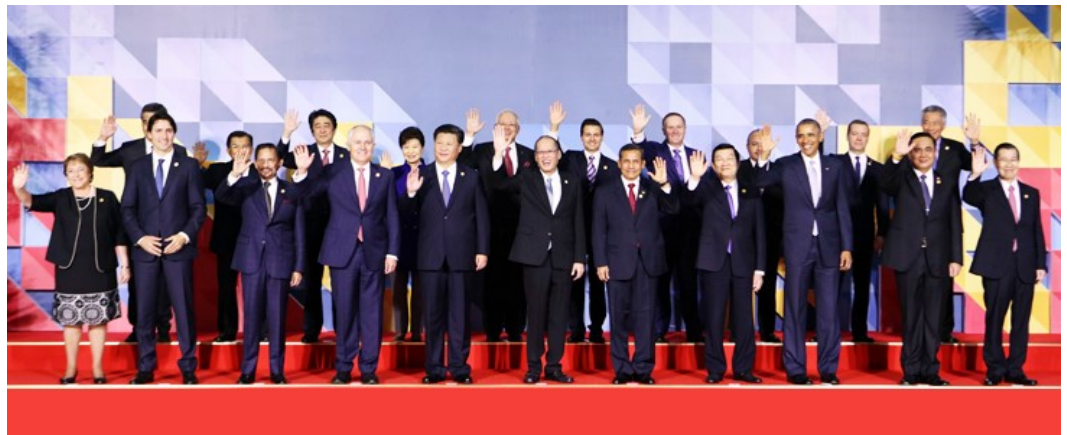
Amongst the optimistic views people harbored was the hope that a healthy French economy could do wonders to help lift the Eurozone out of its malaise. It could also provide an example to countries everywhere of how inclusive capitalism can work, but these hopes lived only to encounter the unfortunate blow by the attacks.

INTERNATIONAL

BY TULIKA

Asia Pacific Economic Cooperation Summit 2015

- 23rd APEC meeting
- Building Inclusive Economies
- Building a better World
- Focus on China-Backed FTAAP
- Widespread protests outside the meeting



The 23rd APEC Economic Leaders' Declaration - ***Building Inclusive Economies, Building a better World: A vision for an Asia-Pacific Community.***

Leaders from 21 countries and self-governing territories met in Manila to discuss and issue declaration to denounce and combat terrorism and vow for united efforts to eradicate its root causes. The meeting concluded on Thursday; Nov 19, 2015 with a declaration reaffirming commitment to the china-proposed Free Trade Area of Asia-Pacific (FTAAP). The mood was somber at the APEC summit this year after last Friday's killing spree by ISIS in Paris and this overshadowed the annual meeting's usual focus on growth, trade and development issues.

World leaders including Japanese PM Shinzo Abe, US President Barak Obama, Chinese

President Xi Jinping attended the summit and discussions ranged from combating terrorism keeping the backdrop of the recent Paris attacks in mind to fighting poverty, climate change and encouraging trade relations among the member nations. Some of the key points discussed in the summit are as follows:

- Efforts to eradicate poverty should be more intensive as it hampers the growth of the nations. Financial inclusion and literacy are thus a must to achieve this and ensure that people get access to cheaper capital and financing.
- Rule based, non-discriminatory, open, transparent and multilateral trading system must be strengthened.
- Welcoming of the Cebu Action Plan (CAP) to ensure a financially integrated, transparent, connected and resilient APAC

- The Free Trade Areas of the Asia-Pacific should be pursued as a comprehensive free trade agreement.
- A balanced, fair and dynamic agreement on climate change at COP21 should be achieved.
- Encouragement to member nations to fully implement the APEC Consolidated Counter Terrorism and Secure Trade Strategy to keep infrastructure, travel, financial systems and supply chain secure against terrorist activities and anti-national elements.

The main highlight of the meeting this time was the role of portrayal of the new China-backed FTAAP (Free Trade Area of the Asia-Pacific). It is being highlighted as the main force to promote regional integration. Through this agreement Beijing is trying to counter US' progress in forming the Trans-Pacific Partnership that excludes China by this alternate mega FTAAP. In last year's meeting, APEC leaders had unanimously endorsed the "Beijing Roadmap for APEC's Contribution to the Realization of FTAAP".

The roadmap entails in itself a collective strategic study on issues related to the realization of the FTAAP which is expected to be concluded by the end of 2016. The study provides the

cost-benefit analysis of the various options and challenges that'll come up in the creation of the FTA and if implemented successfully will add approx. \$2.4 trillion to the global economy as disclosed in a survey by Pacific Economic Cooperation Council (PECC).

The issue of the newly formed Asian Infrastructure Investment Bank was also taken up and it is expected that the same will be formally established by the end of this year.

If the Asia-Pacific FTA succeeds in materializing, it is expected that it'll bring US and China finally into an agreement after more than a decade of failed talks and deepen trade liberalization among the two nations.

On a related note, protests erupted outside the APEC meeting venue and police took to the use of water cannons to disperse the crowd gathered around. The main contention of the protestors was that :

The APEC has over the years worsened the condition of poverty and inequality while strengthening corporate power.

APEC has done little for the member nations at grass root levels. It does not cater to the needs of the farmers, workers, and the indigenous people.

APEC economic doctrine promotes exploitation of resources and leads to destruction of environment by enabling massive corporate sell-offs of land, etc.

TRENDING NEWS

ISSUE 9

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MAJOR NEWS:

- **OLA REACHES \$5 BILLION VALUATION**
- **UNSC PASSES RESOLUTION TO COMBAT THE ISLAMIC STATE**

SBI declares KFA, benefactor Vijay Mallya as willful defaulters

After United Bank of India, IDBI and Punjab National Bank; State Bank of India – the biggest lender (Rs 1600 crore) of KFA has labelled Vijay Mallya and United breweries Holdings as “willful defaulters”. What it means is that with this tag, no bank will lend to any business associated with a ‘willful’ defaulter.

Although the Calcutta High Court gave the ruling in favor of KFA and rejected the “willful defaulter” tagging done by United Bank of India purely on the basis of technical grounds, the bank can reinstate the process. Moreover, with the Enforcement Directorate (ED) about to initiate a money laundering inquiry against Mallya and KFA, the timing of SBI declaration couldn't have been worse.

Delhi HC orders probe against 21 e-commerce firms

With the festive season nearing its end, business of many brick-and-mortar stores were below expectations due to the huge discounts offered by the e-commerce giants. Retailers, demanding a clear demarcation on the FDI norms and the business model applied by these online firms, wanted a level playing field. On August 2015, The Retailers Association of India and All India Footwear Manufacturers and retailers Association (AIFMRA) thus took the step and filed a case against the e-commerce players-accusing them of

‘circumventing’ FDI laws by declaring them as marketplaces. The Delhi HC declined to pass any interim order and has asked Enforcement directorate (ED) to initiate a probe and submit a probe against 21 e-commerce firms which include giants like Flipkart and Snapdeal.

OLA reaches \$5 billion valuation

OlaCabs - a Mumbai based out of Mumbai and one of the fastest growing online cab hailing firms in India has recently raised \$500 million in funding, thus reaching a net valuation of \$5 billion. The latest round of investments were led by new investor Baillie Gifford and existing backers Didi Kuaidi – China’s largest cab service, Tiger Global, Softbank and DST global .

Founded by Ankit Bhati and Bhavish Aggarwal on 3rd December 2010, OlaCabs has also got Ratan Tata as an investor who has taken stakes in his individual capacity.

Ola expanded its business from 10 cities to 100 cities over the last one year, getting an average of 1,50,000 booking per day, commanding 60% of the market share in India.

Ola Cabs also made a partnership with MapmyIndia– which provides services like digital mapping, navigation tracking, getting a multi-year licensing to enhance its mobility business. With the recently launched OlaMoney –the standalone mobile wallet app, OlaCabs plans aggressive market growth in the near future.

CCI imposes fine on Jet, SpiceJet, IndiGo

With a motive to restrain cartelization over fixing fuel surcharge price on air cargo, the Competition Commission of India (CCI) has imposed a fine of Rs 258 crore on three airlines– Jet Airways (151.69 crore), IndiGo Airlines (Rs 63.74 crores) and SpiceJet (Rs 42.48 crore).

Established in October 2003 as a Government of India body, CCI has the duty to protect the interests of the customers and ensure freedom of trade in the market. Express Industry Council of India (EICI) had filed a complaint against 5 airline companies alleging cartelization which was in violation of section 3 of the Competition Act, out of which two– GoAir and Indian Airlines were not fined as their conduct was in alignment with the act.

Stating that the overpricing of cargo freight under the grab of fuel surcharge not only violated the industry but also hurts the economy of the nation, CCI added that the insecure financial of the aforementioned companies were considered while imposing the fines.

The three airline companies have the option of challenging the verdict in court.

UNSC unanimously passes resolution to combat Islamic State

As an aftermath of the recent terror

attacks by ISIS in Paris, global leaders have united to fight and bring down the threat of the Islamic State.

Though the French resolution doesn't constitute an authorization of military action against IS as it is not drafted under Chapter 7 of the UN Charter which is the only way the UN can authorize use of military force, however, Russia has initiated the process of drafting a resolution which bids for UN approval of military action against IS. Syria's UN Ambassador Bashar Ja'afari hailed the UN Security Council's decision of increasing efforts against the IS, saying, "welcome to everybody who finally woke up and joined the club of combating terrorists".

Madame Tussauds to come to India

The world famous Madame Tussauds – a wax museum founded by Marie Tussaud in 1835, would soon open a centre at New Delhi.

It would be opened in 2017 as a part of the India-UK Year of Culture, as announced by the British Prime Minister David Cameron. The parent group of Madame Tussauds– Merlin would invest 50 million pounds in India over 10 years. More than 500 million people have visited Madame Tussauds museum worldwide, since the original attraction was established in London.

MARKETS

TOP GAINERS

- GAIL
- WIPRO
- BANK
BARODA
- AMBUJACEM
- DRREDDY

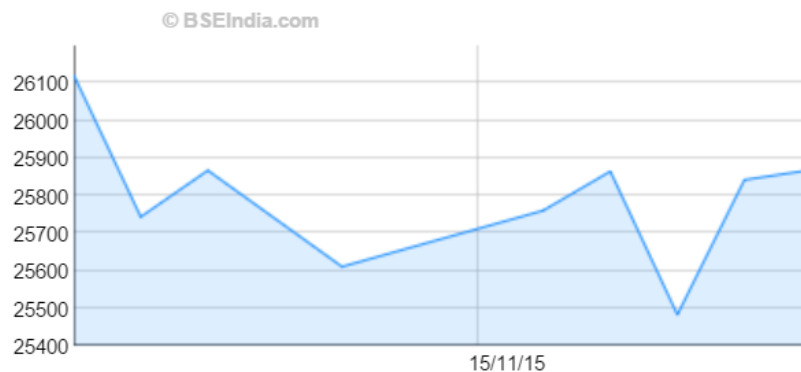
TOP LOSERS

- ITC
- SUNPHARMA
- HINDALCO
- HCLTECH
- BOSCHLTD

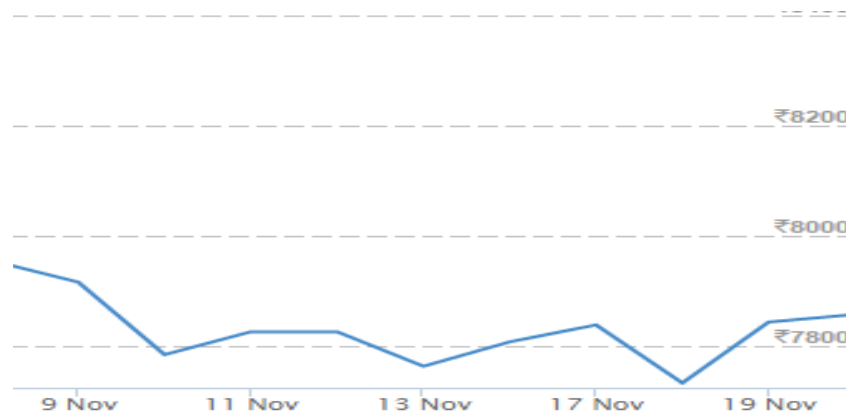
Indian shares ended more than 0.40 percent higher on Friday, led by low market price buying. The BSE index ended up 1.48 percent, while the NSE index closed 1.20 percent higher. Both indexes ended the week largely flat. For the month, the BSE index lost 5.30 percent, while the NSE index lost 4.90 percent as FPIs withdraw around \$1 billion in November due to low quarterly earning and a possible rate hike by US federal reserve.

	Open	High	Low	Close
SENSEX	26121.4	26121.4	25482.52	25868.49
NIFTY	7820	7954	7790	7851.60

BSE SENSEX



CNX NIFTY



FIN-WORD

BY ABHINEET AUGUSTINE

Yield to Maturity (YTM)

The total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Calculations of yield to maturity assume that all coupon payments are reinvested at the same rate as the bond's current yield, and take into account the bond's current market price, par value, coupon interest rate and term to maturity. YTM is a complex but accurate calculation of a bond's return that can help investors compare bonds with different maturities and coupons.

It is often difficult to calculate a precise YTM value. Instead, one can approximate YTM by using a bond yield table. Because of the price value of a basis point, yields decrease as a bond's price increases, and vice versa. For this reason, yield to maturity may only be calculated through trial-and-error, by using a business or financial calculator.

Though yield to maturity represents

an annualized rate of return on a bond, coupon payments are often made on semiannual basis, so YTM is often calculated on a six-month basis as well. Yield to maturity is also often known as "book yield" or "redemption yield." Yield to maturity is very similar to current yield, which divides annual cash inflows from holding a bond by the market price of that bond, to determine how much money one would make by buying a bond and holding it for one year. Yet, unlike current yield, YTM accounts for the present value of a bond's future coupon payments. In other words, it factors in the time value of money, whereas a simple current yield calculation does not. As such, it is often considered a more thorough means of calculating the return from a bond.

Yield to maturity can be quite useful for estimating whether or not buying a bond is a good investment. An investor will often determine a required yield, or the return on a bond that will make the bond worthwhile, which may vary from investor to investor. Once an investor has determined the YTM of a bond he or she is considering buying, the investor can compare the YTM with the required yield to determine if the bond is a good buy.

PERSONALITY

BY ARNAB JANA

Justice Tirath Singh Thakur

SNIPPETS

- **Acting Chief Justice of Delhi High Court**
- **Chief Justice of Punjab and Haryana High Court**
- **Overhauling BCCI**
- **Saradha Chit-fund Scam**

Justice T.S. Thakur has been appointed as the next Chief Justice of India by the President Of India. He will be the 43rd CJI and will replace the incumbent CJI H.L. Dattu., who retires on December 2, 2015. H.L. Dattu had recommended Justice Thakur's name for this top most post of Indian Judiciary, as he was senior-most judge of the apex court.

Born on January 4, 1952, Justice Thakur is the son of D.D. Thakur, an eminent advocate who became judge in the Jammu and Kashmir High Court and later union minister.

Justice Thakur started his legal practice in his father's chambers in the Jammu and Kashmir High Court and went on to represent as Pleader in a variety of cases cutting across all branches of law.

He practiced in Civil, Criminal, Constitutional, Taxation and Service matters in the High Court of Jammu & Kashmir, was designated a senior advocate in 1990 and was invited to the Bench as an additional judge of the J&K High Court.

He also served as judge in the High Courts of Karnataka and Delhi, and went onto be appointed as acting Chief Justice of Delhi High Court in 2008. He was serving as

Chief Justice of the Punjab and Haryana High Court at the time of his elevation to the Supreme Court in November 2009.



Justice Thakur has been known for his patient, detailed and fair hearing of cases. During his practice he has presided upon several noteworthy cases. It was him, who adjudged that no office-bearer of the BCCI should have any commercial interests in the game.

Justice Thakur also heads the bench hearing the Sahara-SEBI dispute. He also heads the bench monitoring the Saradha chit fund scam and the multi-crore NRHM scam.

Always a pithy observant, Justice Thakur is going to hold his office till January 3, 2017. We wish him a glorious tenure as he assumes the highest position of the judicial system of the country.