CHRIST
(DEEMED TO BE UNIVERSITY)
BANGALORE · INDIA

SPECIAL ISSUE - FEBRUARY 2021 I VOLUME 21 I ISSUE 4

# CHAANAKYA

## SCHOOL OF BUSINESS AND MANAGEMENT
MBA - FINANCE SPECIALIZATION

Published by
THE FINANCE CLUB

# TABLE OF CONTENTS

# EDITOR'S NOTE

Greetings readers!

It is our pleasure to bring to you the MBA Finance Students' (Batch of 2020-22) contributions for February 2021, Special Issue. With the change in guard having taken place, this will be the second special issue by the new Newsletter Committee. We strive to provide you with quality content and the best reading experience in the coming months.

This issue is presented by **Team Avyay**, a group of students under the mentorship of **Dr. Sangeetha Mehrolia** from the MBA Finance Specialization. The writers have expressed their views and opinions on **Union Budget**. The section titled "Creative Corner" showcases the passion the students have for photography and art. We hope that the Newsletter will help the readers get an overview of the recent financial news. Along with every article, a "Snapshot" has been provided, which summarizes the entire article.

Team Chaanakya expresses sincere gratitude to our Dean Dr. Jain Mathew, Associate Dean Dr. Jeevananda and the entire leadership team, Head of Department, Prof. Krishna M.C., Head of Specialization, Dr. Mareena Mathew, Coordinator - Finance Specialization, Dr. Srikanth P, Faculty Coordinator of Chaanakya, Dr. V. Harshitha Moulya, our expert specialization mentors, and all the contributors for their cooperation and active participation.

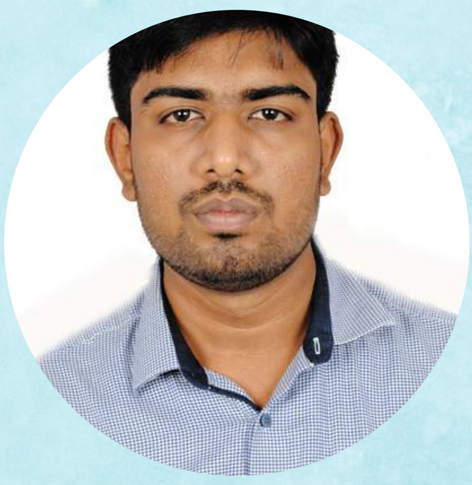
Wishing our readers, A happy reading

Best wishes,
Team Chaanakya

# This issue is presented by team

# AVYAY

Dr. Sangeetha Mehrolia



KiranKumar R

Kumar Sanu

Sheshadri Subramanian

Kriti Jain

Sourav mittal

Shivangi Bansal

Abhigyan Shrivastava

Chaitra S

Jisha Mary M Joy

Yogesh. L

Linson Jacob

Dinesh Kumar N

Someswara Varma S

Sneha Ashwath


# ALUMNI SPEAK

# OUR DISTINGUISHED SBMA ALUMNI – PALLAV SARASWAT

**Director, Spicepot Food ventures Pvt Ltd, Managing Partner, Dhanmantra Investment Solutions LLP, 10+ years experience in Investment and Banking, MBA Fin. from Christ College in 2009.**

**Mr. Pallav Saraswat**

# INTERVIEW WITH MR PALLAV SARASWAT

**Q1. What is your opinion about the current year's Union Budget-2021?**

“A Budget is more than just a series of numbers on a page; it is an embodiment of our values.”- Barack Obama, 44th USA President.

This Union Budget 2021 truly reflects (the intention) what the government wants to build- without raising the tax burden on the ordinary person, the government is seeking to raise resources and improve healthcare facilities (35% higher allocation than 2020BE), increase infrastructure spending (34.5% higher percentage than 2020BE), support farmers income, build defence capabilities and focus on growth-oriented reforms.

**Q2. Do you think this budget will help India to come out of recession?**

We might be in a technical recessionary phase with de-growth until Q2/Q3; however, not in a structural recession- which means as consumption picks up, the investment cycle shall revive- thereby boosting the economy was witnessed over Q4. The budget focuses on building a structurally sound economy and at a core of ‘Atmanirbhar Bharat’- however, the key to development shall be its timely execution abilities.

**Q3. Does the budget enable ease of doing business for aspiring entrepreneurs in small towns?**

With development and self-reliance catching up as a theme for nation-building, both businesses and government converge to monetize it. For example, Honourable PM Narendra Modi inaugurated India’s 1st Toy Story Fair via digital medium- not only giving global playground to entrepreneurs but also acknowledging more than 5000 years legacy of Indian toy-making.

**Q4. Will the allocated funds and the proposed plans strengthen towards a self-reliant India?**

Atmanirbhar Bharat is an ideology that needs to find its way across every nook and corner of the nation. Government has a clear intention to build its manufacturing capabilities, strengthen its services and boost its agri-system. The focus on the defence sector is showing the results. E.g., LnT has just delivered a K9 Vajra Howitzer gun to our army. This year 4.78 lakh crore is allocated to defence. And we might see exports also increasing in this sector soon.

**Q5. Is the government aggressively pursuing the pro-business title with the minimum-government-maximum-governance approach?**

The government is focused on reducing government interference while truly empowering people and making them partners in the development journey. Red tape and harassment by the middle man, a significant hurdle for people in small towns and villages, is curtailed. People, especially farmers had to travel long distances, but can now avail easy access to services through the ATVT ((Apno Taluko Vibrant Taluko)- It was launched to empower people locally to guide the growth process through a sub-district citizen-centric approach where governance and development are activated at the grass-root level. This approach is innovative, proactive, and in tune with the region’s needs and has defined villagers’ socio-economic life. The decentralization of administration has made growth speedier, more effective, transparent, and citizen-centric.

**Q6. How would an increase in tax rate affect the business during the covid revival period.?**

# INTERVIEW WITH MR PALLAV SARASWAT

Any change in the tax rate, either positive or negative, reflects two-ways on the economy. Any hike in tax rate increases the burden on taxpayers while improving revenues for the government. However, in the long-term it carries a larger effect- as lower disposable income leads to lower consumption, thereby creating a downward impact on aggregate demand, thereby reducing production and investment in the economy, thus lowering tax collections for the government at an overall level- this concept is called Laffer Curve.

**Q7. Divestment and Privatisation are two highlights of this union budget. Do you think the government's action of privatization of a few government's Banks is the right decision?**

The government is elected for its administration and governance and not to operate businesses. Thus, the government moving back to its primary role is the right approach and let market forces of demand and supply work with free-hand. However, PSUs have been critical to nation-building due to their huge capacities, branch networks, and presence in essential sectors. PSBs, in particular, has been plagued by inefficiencies, political risks and interference, intense competition, and bureaucracy to operate and monetize on opportunities in the long run- nevertheless, they have played an essential role in financial inclusion and market stability. The government shall need to balance socialist as well as capitalist motives of the economy.


# FACULTY SPEAK

# INTERVIEW WITH DR RAMANATHA H R

**1.What is your opinion on this year's 2021 budget?**

The focus of the budget is to revive the growth, which is the need of the situation. Given the conditions that we are in, revenue projection seems to be conservative. The most notable development appears to be the announcement of setting up an Asset Reconstruction Company and (ARC) an Asset Management Company to clean up Non-performing Assets in the banking sector. There are adequate provisions made for health, agriculture, education, MSME, and start-ups. Debt financing for Real Asset Investment Trusts and Infrastructure Investment Trusts is expected to attract more investment for the sectors.

**2. Does the budget 2021 prove to be the booster shot India needs?**

Yes indeed. The budget mainly focuses on six key areas of growth: health and well-being, infrastructure, inclusive growth, human capital, R& D, and maximum governance. The major highlights are: (1) more economic corridors are announced in Tamil Nadu, Kerala, West Bengal, and Assam, (2) Seven mega textile parks to be launched in the next three years. (3) Jal Jeevan Mission for universal water coverage (4) Allocation for Rural Infrastructure Development Fund to be enhanced from ₹ 30,000 crores to ₹ 40,000 crores (5) Reduction of Custom duty on steel products to 7.5% (6) Agricultural Infrastructure Fund made available to APMCs for augmenting their infrastructure facilities. There are many such proposals in this budget to provide the necessary push required by our economy.

**3. Will this budget help India to recover from last year's setback?**

It is expected that the global economic activity will return to normal in fiscal Q2. The initiatives taken by the government will certainly contribute to the rapid growth of the economy.

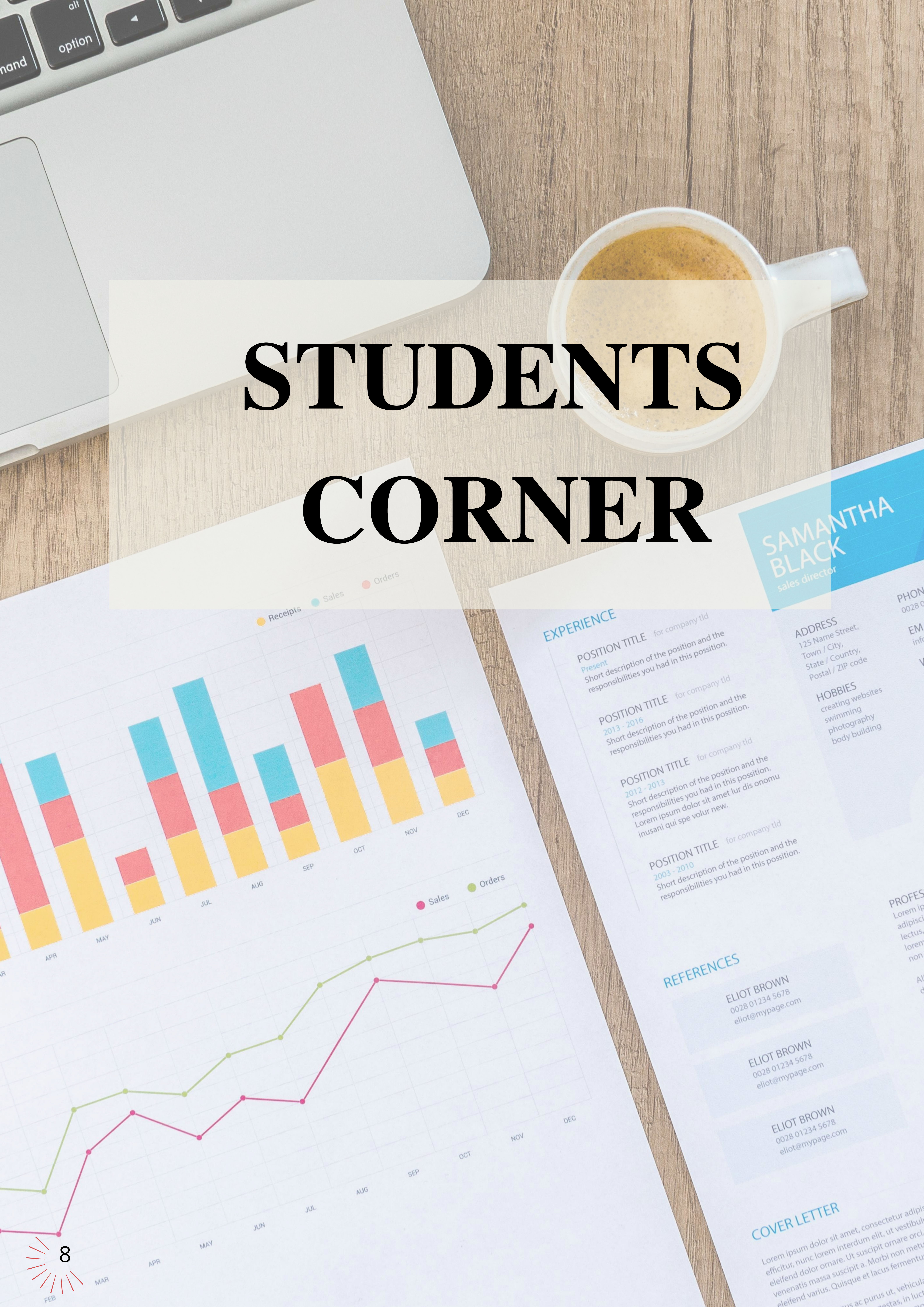
The government has assured that they will continue to spend money for the nation's development, as growth is the only way to come out of recent setbacks. Therefore, it is evident that the economy will recover soon.

**4. Would there be a push for the digitalization and employment rate in the country?**

The budget calls for greater investment in technology, R&D, and Innovation. The promise of 'minimum government, maximum governance, lays the roadmap for greater digitization in governance. This initiative will certainly pave the way to serve the citizens through technology seamlessly. Also, the budget focuses on developing infrastructure and skills, which will have both short-term and long-term benefits to our economy and people at large. The plan for developing digital infrastructure, education, and skill enhancement indicates human capital development. All these initiatives certainly will enhance the rate of employment in the country.

**5. Divestment and Privatization are two tools the government used in this budget. What is your opinion about these two tools.?**

As I understand from the budget, the government is thinking of privatization in the banking sector. Barring four strategic sectors, the government plans to divest the public sector companies in other sectors. This move is expected to contribute to economic growth and new jobs in the country.




# STUDENTS CORNER

# BOOST FOR MSME

The overall spread of the Covid-19 infection has created new standards for our general public, like isolation, lockdowns, and social distancing. The retail industry has been one of the worst affected sectors and has borne the pandemic's brunt. Even though it confronted a mishap as far as monetary limitations to endure the emergency, the retail area, which incorporates the enormous section of MSMEs and new businesses, had the option to support during the pandemic's peak and serve customers.

The Union Budget (2021-2022) presented by our Honourable Finance Minister Nirmala Sitharaman has doubled the allocation to micro, small and medium enterprises (MSMEs) to Rs. 15,700 crore for the next financial year. The majority of the allocation is for the Emergency Credit Line Guarantee Scheme (ECLGS).

Nirmala Sitharaman also announced that Data Analytics and AI framework would be launched for MSME under the National Company Law Tribunal(NCLT) Framework. There were also proposed changes to help MSMEs concerning customs – khadi, leather, gemstones, etc., to encourage domestic processing. The Government will also raise custom duties on cotton, silk to benefit farmers.

Industry Sources brought up that the Government had reported the plan to assist MSMEs to revive when the lockdown limitations were relaxed, and a few MSMEs had benefited from it. Among the significant portions, Entrepreneurship and ability advancement programs for the MSMEs would witness higher designation. Additionally, the Government has proposed to allot Rs.300 Crore towards innovation centres for the MSME units.

Engaging MSMEs through online platforms will help counter the limitations of physical outlets and make creative collaborations for the local ecosystem to profit by; one such change which significantly supported MSMEs' support of their organizations has been the utilization of online commercial centres. Admittance to merchandise and services through an electronic medium has been a need today.

The Central Government's support of MSMEs onboarding onto advanced stages would create a win-win situation. Enabling MSMEs through online stages will help counter the constraints of physical outlets and make creative, cooperative synergies for the more extensive biological system to profit by.

For India to stand tall in the post – Covid world, it needs to reinforce its MSMEs, which is also considered the backbone of the economy by empowering digitalization and paving the way for imaginative action plans e-retail to flourish. The Marketing Assistance Scheme is being executed through National Small Industries Corporation Limited(NSIC), and it's, for the most part, a PSU.

MSME has emerged as the growth engine economy with a vast network of about 6.33 crore enterprises contributing 30 per cent of our Nominal Gross Domestic Product (GDP) and 48 per cent to exports.

Thus, the MSME Sector has regularly been named the 'driving force of development ' for creating economies. Help from a public authority is needed to limit the exchange expenses of innovation upgradation, market penetration, and infrastructure modernisation. Generally, it significantly helps the country for promoting equitable development.

**KIRAN KUMAR**
**2027031**



,

# REFORMS IN AGRICULTURE

The Budget was introduced in unusual situations as the world emerged from the Covid-19 pandemic. The goal is to boost the growth of the nation and the well-being of people. Farmers will benefit from a 25% rise in the Rural Infrastructure Development Fund's allocation, from Rs 30,000 crore to Rs 40,000 crore, due to the low losses and improved customer value. This money will be used to help APMCs develop their facilities. The decision to give state-run Agricultural Produce Marketing Committees (APMCs) access to the 1 lakh crore Agriculture Infrastructure Fund (AIF) was highlighted in the budget. The Department of Agriculture's annual Budget, Cooperation, and Farmers' Welfare were cut by 8.5 per cent in 2021-22. The main PM-KISAN project, which was planned to provide income protection to farmers, saw a 13 per cent decrease in its spending, 10,000 crores less than the previous Budget last year.

The budget proposals in the agricultural sector, introduced with optimism and intent, should facilitate diversification, attract investment and increase farmers' incomes. The most important aspect of the Budget for the agricultural sector is its expanded investment and supporting infrastructure. The strategy is expected to encourage agricultural reinvestment into the economically viable and value-added agriculture, farming, and fisheries sectors, which are all the more relevant to consumers in the post-Covid-19 world. The Finance Minister raised the agricultural credit target to Rs 16.5 lakh crore in FY22 in the Union Budget 2021 that provides sufficient credit to our farmers.

The Green Operation is now expanded from TOP (tomato, onion, and potato) to 22 other essential goods to encourage horticultural products. That was in the aftermath of the earlier declaration made during the lockdown; all fruit and vegetables had been included in the system for six months. The program’s fundamental purpose is to shield fruit and vegetable vendors from selling their products off in a panic. Because of the transportation subsidy, the supply chain of fruits and vegetables will be improved, and costs will be stabilized by encouraging storage as prices collapse due to surplus production. The initiative would also help to stabilize the wages of fruit and vegetable farmers while improving efficiency. The Budget includes plans to strengthen 1,000 additional Mandis and link them to e-NAM. During the pandemic, the Government's investments in four primary crops led to the rapid demand from rural areas. The Centre has reaffirmed its pledge to an MSP of 1.5 times the output cost for all commodities.

The union budget for the year 2021-22 has brought in many changes in the Agriculture sector. Animal husbandry, dairy, and fishing will be the focus areas for agricultural credit in FY22, with a target of Rs. 16.5 lakh crore. Investing in the development of modern fishing harbour’s and fish landing centres, both in the home and overseas. Ensured that the MSP for all goods is at least 1.5 times the cost of production. Payments to farmers increased as procurement increased steadily

**SOURAV MITAL**
**2027207**

# EPF VS NPS

Employees in the private sector who do not receive pension payments from their employer after retirement depends on a PPF, the EPF (Employees' Provident Fund), the NPS (National Pension Scheme), or mutual funds to establish a pension entity. While PPF, EPF, and NPS are the most widely used retirement saving avenues, they only provide tax-free returns for PPF and EPF. The proceeds from NPS maturity are partly tax-free. However, for PPF, no more than Rs 1.5 lakh may be invested in one year. The two other options left to investors are EPF and NPS.

EPF and NPS are both good retirement options but are worthwhile and have their value. NPS allows only 60% of the maturity proceeds as a tax-free component to be withdrawn and the remaining amount to be used to buy a taxable annuity. However, maturity earnings are entirely tax-free in the case of an EPF.

The Government proposed to tax the EPF interest in one year in the Union budget 2021-22 beyond Rs 2.5 lakh. After this rule comes into force, the EPF will be less attractive for higher incomes since post-tax returns from the EPF are 5.80%, provided that the current interest rate is unchanged at 8.5%.

It should be noted that the EPF guarantees returns, that do not apply to NPS even though NPS is likely to generate a more significant return than the EPF. Corporate debt, Equity, government bond, and alternative equity investors choose from four investment options, whilst EPF investors have no choice and are predominantly investing in debt products that yield a lower return than NPS, with higher equity exposure. Maximum exposure to NPS equity capital of 75 per cent can be taken.

**What Should We Do?**

Since both NPS and EPF have their own merits and repercussions, experts say investors can invest in both schemes. One can invest Rs 50,000 every year in NPS with higher equity exposure and up to Rs 1.5 lakh in EPF so that they get an income tax deduction of up to Rs 2 lakh (Rs 1.5 lakh under Section 80C for EPF investment and Rs 50,000 under Section 80CCD (2) on NPS investment) and higher return as well.

**Contribution To EPF**

The minimum contribution to EPF is at 12% of PF salary, which is the sum of basic salary, cash value of food concession, dearness allowance, and retaining allowance.

**Contribution To NPS**

NPS is considered to be a voluntary contribution scheme with only a minimum contribution of INR 500 in Tier I and INR 1,000 in Tier-II accounts. There is a choice of equity, corporate debt, and government bonds, depending on the investor's risk preference. An individual can be an NPS member through his employer or join as an independent member and participate in this scheme.

**Returns and Pensions**

The PF returns are fixed with the interest rate announced by the Government annually. However, NPS's return depends on the NAV of the underline scripts, which may rise or fall. Thus, while PF offers security and guarantees returns, NPS offers high risk and high returns. Therefore, for the common person, both options offer tax advantages and good returns.

EPF and NPS are retirement options offered in the country, with both having their fair share of pros and cons. With a minimum contribution of 12% of PF, EPS guarantees returns. On the other hand, with a minimum contribution of INR 500 and INR 1000, NPS is likely to generate a more significant return.

**JISHA MARY M JOY**
**2027348**

# DISINVESTMENT - BOON OR BANE?

India's game plan post-independence was to showcase it as a capitalist economy, but there weren't any private players, and hence India decided to be a mixed economy. At present, the unprecedented covid-19 has disrupted almost all the economies across the world.

No country has been spared of its ill effects; the world economic market witnessed a big shift, and share markets fell sharply day by day. India faced a significant decline in government revenues. The fiscal deficit for the current fiscal year is expected to jump 9.5% of GDP, which is nearly thrice the Government's target, which was 3.5%. Mrs Nirmala Sitharaman, in the Budget, announced a disinvestment target of 1.75 lakh crore; Disinvestment is a strategy where the Government liquidates its holdings in the public sector enterprise partially or entirely; the proceeds from these disinvestments are used to bridge fiscal deficit and to develop infrastructure projects.

The performance of PSUs has been very low. The average ROCE was 3.4% against 8.6% average cost of borrowing. Profit after tax (PAT) has never exceeded 5% of sales or 6% of capital employed. Lack of autonomy, political interference, nepotism, and corruption further deteriorated the situation. Hence, the Government decided on a big move of Disinvestment in PSUs. Disinvestment reduces the government's fiscal burden, infuses private capital, increases competition as new firms enter, and improves its growth prospects. On the other hand, some cons would be loss of public interest, fear of foreign control, workers' issues, and fewer bidders.

Disinvestment acts as a source of income for the Government and improves this sector's efficiency, and relieves the Government from the public sectors' governance, thus enabling them to concentrate more on other essential aspects like defence and healthcare. Disinvestment is what the country looks for, but there aren't many private players in the current situation; hence, it leads to monopoly. Disinvestment alongside healthy competition would be beneficial for tackling the problems related to the above-discussed topic.

The poor performance of the PSUs, covid-19, has disrupted the Indian economy. To bridge the fiscal deficit and to fund infrastructure products, the Government came up with disinvestment plans. Few private players created a monopoly.

The poor performance of the PSUs, covid-19, has disrupted the Indian economy. To bridge the fiscal deficit and to fund infrastructure products, the Government came up with disinvestment plans. Few private players created a monopoly.

**SOMESWARA VARMA**
**2027433**

# AUTOMOBILE SCRAPPAGE

**What is scrap?**

The recycling and reuse of age-old materials can neither be used nor replaced with better materials/gadgets known as scrap.

**Auto scrap policy of India**

The main aim of the Indian auto-scrappage policy announced in the union budget of 2021-2022 is to weed out highly polluting vehicles and, at the same, to provide a boost in the automobile industry's yearly turnover in the coming years.

The highlight of scrappage policy:-

**Fitness Test**

Every private vehicle over 20 years of age and commercial vehicle over 15 years of age should undergo a fitness test to prove its worth.

**Automated test facilities**

The fitness test facilities are fully automated under a private-public partnership [PPP] between the state government and private players, decreasing the chance of human errors.

**Penalties**

Those who are still using/driving vehicles over the specified age limit without a test certificate will be heavily fined, and the vehicle could also be impounded.

**Green Tax**

A tax amount of 10% to 25% of the road tax will be charged on the vehicles with a fitness certificate that is more than eight years old at the time of renewal.

**Benefits**

- Those who opt for voluntary scrapping of old vehicles will be given benefits when buying a new vehicle.
- Around one crore old vehicles are set to be scrapped once the policy comes to force.

**Pros**

- The new policy is devised to promote new vehicles' sales with improved fuel efficiency and low pollution levels.
- It is expected to decrease the 10 lakh crore crude import of India.
- Expected to generate 50000 new jobs and 10000 crore investment.
- Spare parts will be available much cheaper in scrap yards leading to scrap owners earning money legally.
- Air pollution is expected to drop by 25% in the new policy's effect, ultimately helping in the Indian environment and climate change goals.

**Cons**

- Drop-in used car markets
- Lack of infrastructure to handle the scraping of crores of vehicle
- Needs strong government incentives to encourage people to scrap their old automobiles.

The life-shortening air pollution of Indian cities is addressed through this new policy. Special incentives by the Government, but to succeed, much support to encourage auto owners is essential. Once the shortcomings are addressed, this policy can re-map and push the Indian economy and environmental goals.

A voluntary vehicle scrappage policy to phase out unfit and old vehicles is announced in the union budget of 2021-2022. The main objective of this policy is to boost sales in the automobile sector and to control pollution. This policy provides a lot of employment opportunities in the automobile sector.

**DINESH KUMAR N**
**2027429**

# MIXED BUDGET FOR TAXPAYERS

Finance Minister Nirmala Sitharaman, in her union budget for 2021-22, announced a few changes in the rules of taxation that aimed to reduce taxpayer's compliance obligations and streamline the tax filing process. The Income Tax Return form for the financial year 2021-22 will provide more pre-filled information like details of capital gains, dividend income, interest from banks and post offices to ease the tax filing process. It has also amended the rules for reopening assessment against tax defaulters from six years to three years. The last date to file a revised income-tax return voluntarily will now be December 31 after the financial year's close instead of March 31, 2022.

Although there were no reductions made in the income tax slabs during these difficult times, it is a relief that the Indian Government, unlike many other countries, did not levy additional taxes to manage the country's expenses. The Budget of 2021 came as a relief for senior citizens. Senior citizens above 75 years of age, whose only income source is pension and interest from the bank, need not file for income tax returns.

The Government has come up with proposals that will help them get money from the society's earning and able sector and distribute it among the industries that require more support. The interest in the employee's share of contribution to the Employees' Provident Fund (EPF) will be taxable at the stage of withdrawal if it exceeds ₹2.5 lakh.

Due to the pandemic, real estate and other businesses in India have suffered a lot of losses. To promote the business sector's growth and the real estate industry, the Government has proposed to exempt the dividend paid to Real estate investment trusts and infrastructure investment trusts from being taxed at the source.


The Budget proposes introducing a new section in the Income Tax Act according to which individuals who are liable to pay TDS or TCS within the past two years and have failed to file for income tax return will be charged double the specific rate or 5%, whichever is higher. This will encourage people to pay the taxes on time without default.

These amendments and schemes of the Government aim to boost the economy after the pandemic and bring it back to normal.

The union budget for the year 2021-22 has brought in many changes in taxation. The ITR forms will be more prefilled to ease the filing process. Although there were no reductions made in the income tax slabs, the budget of 2021 came as a relief for senior citizens above 75 years of age, depending on pension and interest from the bank, will now be exempted from the income tax return. The interest in employee's share of contribution to the EPF will be taxable.

**SNEHA ASHWATH**
**2027447**

C H A N A K Y A

# NEW PILLAR FOR INNOVATION AND R&D

The Union Budget 2021-22 featured a pillar devoted to Innovation and R&D for the first time. In the year 2019, it was announced that a National Research Foundation (NRF) would be created. Budget 2021-22 allocated Rs 50,000 crore over five years to the NRF. It will ensure that the country's overall research environment is improved.

A new initiative on the National Language Translation Mission (NLTM) was announced. NLTM also seeks to make opportunities and advances in science and technology available to everyone in their native language, removing the obstacle of a high English proficiency standard.

A budget of more than Rs. Four thousand crores over five years were allocated for the Deep Ocean Mission to enhance our understanding of Oceans and the blue frontier.

A proposed extension in the eligibility for claiming a tax holiday for start-ups by one year and capital gains exemption for investment in start-ups until March 31, 2022, to generate more opportunities and incentivize start-ups was announced in the new Budget.

The Budget has announced that a Hydrogen Energy Mission will be launched in 2021-22 to produce hydrogen from renewable energy sources. This mission will help to attain energy security and reduce the carbon footprint of the country.

The Jal Jeevan Mission is a new mission launched by the Budget. With 2.86 crore household tap connections, this mission aims to provide universal water supply in all 4,378 Urban Local Bodies.

Urban Swachh Bharat Mission 2.0 has been allocated Rs. 1,41,678 crores for the next five years. The main aim of the mission is to move India towards a zero-waste nation.

There are many cities with various research institutes and universities; the Union budget plans to have better synergy among these institutions by setting up a Glue Grant for a formal structure. Bengaluru, Bhubaneswar, Delhi, Hyderabad, Jodhpur, and Pune are among the cities where city clusters have been developed under PSA's Office.

The union budget 2021 had a new pillar introduced in innovation and R&D, and about ₹ 50,000cr has been allocated for the same. Funds have been allocated for various research works in the deep ocean fields, hydrogen energy Swachh Bharat to name a few.

**SHESHADRI SUBRAMANIAN**
**2027128**

# ROAD TO THE NEW INDIA

Budget 2021-22 has a positive response in the market in the problematic scenario of COVID-19. This Budget aims towards growth and investment of the economy and is covering almost all the economic sectors. As of February 1, 2021, nearly all the sectors were in the green mark between 3-6% expected growth. Sectors such as insurance, PSUs, cement, private sector banks were more benefitted while industries such as automobile and pharma have to set back. It is also expected that 11% of economic growth can also be seen from April 1, 2021.

The real GDP target is set at 10% and the nominal GDP growth rate at 14.4%. An upward movement in the economy is expected after the economic growth contraction in the year 2020.

The Budget seeks privatization and asset monetization, which can help in boosting economic growth. Also, it was noticed that it is aiming for significant growth in sectors such as infrastructure, health care, and agriculture, and Rural India. The particular focus is on MSME and Start-Ups. As the new Budget is growth-focused, development in start-ups will help kickstart "New India" growth.

On Budget Day, the Indian stock market showed a growth of around 5-6% as BSE ended at about 2314 points higher at 48600 and NSE Nifty 50 gained 646 points at 14281. The banking stocks are expected to set off the NPAs with the asset reconstructing company. This news raised the stock price of banks such as SBI, HDFC which is over 5%. There is a call for divestment in two public PSU banks and one insurance which can be the most significant share sale on Dalal Street.

There is an increase in the FDI limit in the insurance sector from 49% to 74%, which is a huge increment. Such an increase in FDI will formulate more human resources and global markets, which will help domestic firms' development.

This will help the insurance companies ensure that the funds are raised significantly to maintain their solvency and have required capital requirements, reducing the burden on banks(maybe) as per the growing business needs. Such a huge increment will involve more foreign companies viewing India from a long-term perspective. The aim is to bring down deficit levels by reducing the loan amount for the NBFC sector by improving credit discipline among borrowers.

Scrapping policy for the Automobile sector rose the shares up to 6%. However, at the same time, import bills can be slashed as the vehicles will be more environmentally friendly and fuel-efficient, and the use of chemical fuels will be low subsequently. Hence this "New India" believes in sustainability and investment-led growth.

Inclusive development for aspirational India is one of the pillars of the budget. This area has shown positive changes in the economy, which will happen after the budget. From the GDP changes to the changes in the FDI, it is expected that there can be an upwards movement after the 2020 pandemic.

**SHIVANGI BANSAL**
**2027238**

# D-STREET WELCOMES BUDGET

With the Budget's announcement, the equity market index ended 5% higher on the post-budget day rally.

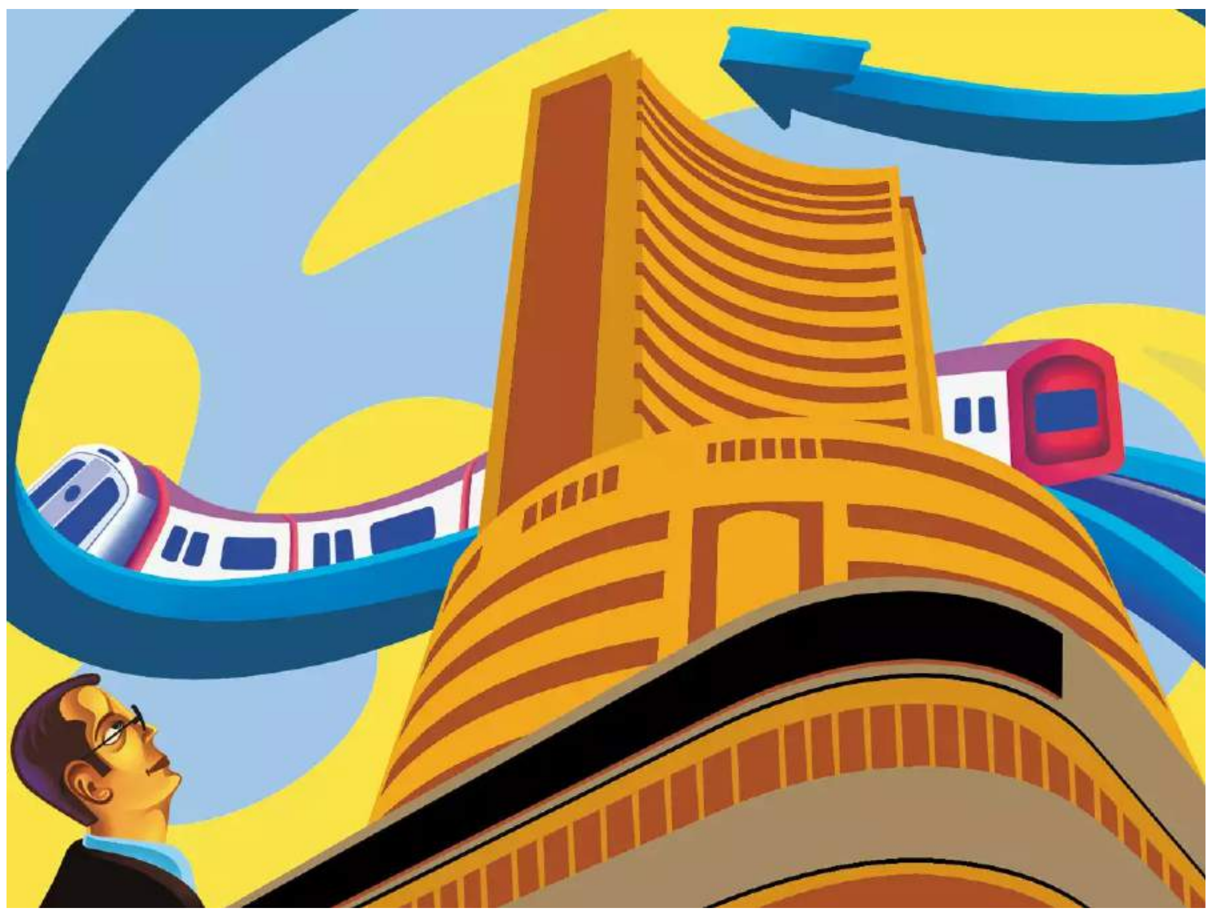
The FM minister has delivered a budget that will give thrust to GDP growth. The absence of any negative news was the most significant positive for the stock market as there was no increase in income tax, and privatization of two banks along with monetization of assets are positives for the market.

The rise in FDI from 49% to 74% in the insurance sector was welcomed as insurance companies' stocks rose by 2-6% in a day. The Government has increased CapEx by 34% compared to the previous year, which is always appreciated by the stock market because it will have a multiplier effect in the long term as these expenses are used in developing infrastructure, which will positively impact many companies and creation of new jobs.

With the provision to boost the demand for affordable housing, interest reduction will help home buyers purchase properties. Housing finance companies' stocks showed an uptick by this news as Indiabulls stocks rose by 24% within a few weeks.

Nifty Bank index rose by 10% on post-budget day rally as FM announced PSU recapitalization, construction of bad banks, and privatization of two PSBs.

The stocks of three retail and commercial banks hit a 52-week high, including HDFC, ICICI, and IDFC first bank.



The vehicle scrapping policy comes as a booster for the auto sector; thus, new vehicles' demand will be increased. With this announcement, the Nifty Auto index increased by 4.2% on the same day. The Budget by the finance minister was bold & pragmatic, so the market cheered it.

The FM minister has delivered a budget that will give thrust to GDP growth. The absence of any negative news was the most significant positive for the stock market as there was no increase in income tax, and privatization of two banks and monetization of assets are positives for the market.

**KUMAR SANU**
**2027106**

# TECHNICAL JARGONS

**Annual Financial Statement:**
In most cases, the annual financial statement is a 10-page white paper. There are three sections: the consolidated budget, the contingency fund, and the public account. The government must submit a statement of revenues and expenditures for each of these funds.

**Consolidated Fund:**
Except for extraordinary things met from the Contingency Fund or the Public Account, all government expenditures are paid from this fund. Importantly, no money can be taken out of this fund without the consent of Parliament.

**Revenue Receipt or Expenditure**
Taxes will be the most relevant revenue stream in terms of receipts. Anything that does not result in the production of assets is classified as revenue expenditure. Revenue expenses include wages, subsidies, and interest payments, to name a few.

**Fringe Benefit Tax:**
It is the taxation of perquisites (or fringe benefits) offered by an employer to his workers in addition to the cash compensation or wages received.

**Securities Transaction Tax (STT):**
Any asset (stocks, real estate) may be sold for a profit or a loss. Profits and losses are classified as long-term or short-term capital gain/loss, depending on how long the asset has been owned. It's a form of turnover tax in which the investor must pay a small percentage of the overall consideration paid or earned in a share transaction.

**Banking Cash Transaction Tax:**
The BCTT is a small tax imposed on cash withdrawals from banks that meet a certain limit in a single day. The basic concept is to combat the underground economy and keep track of large cash transactions.

**ABHIGYAN SHRIVASTAVA**
**2027306**

**LINSON JACOB**
**2027414**

# MOVIE REVIEW: DARK WATERS

Cast: Mark Ruffalo, Anne Hathaway, Tim Robbins, Bill Camp, Mare Winningham
Director: Todd Haynes

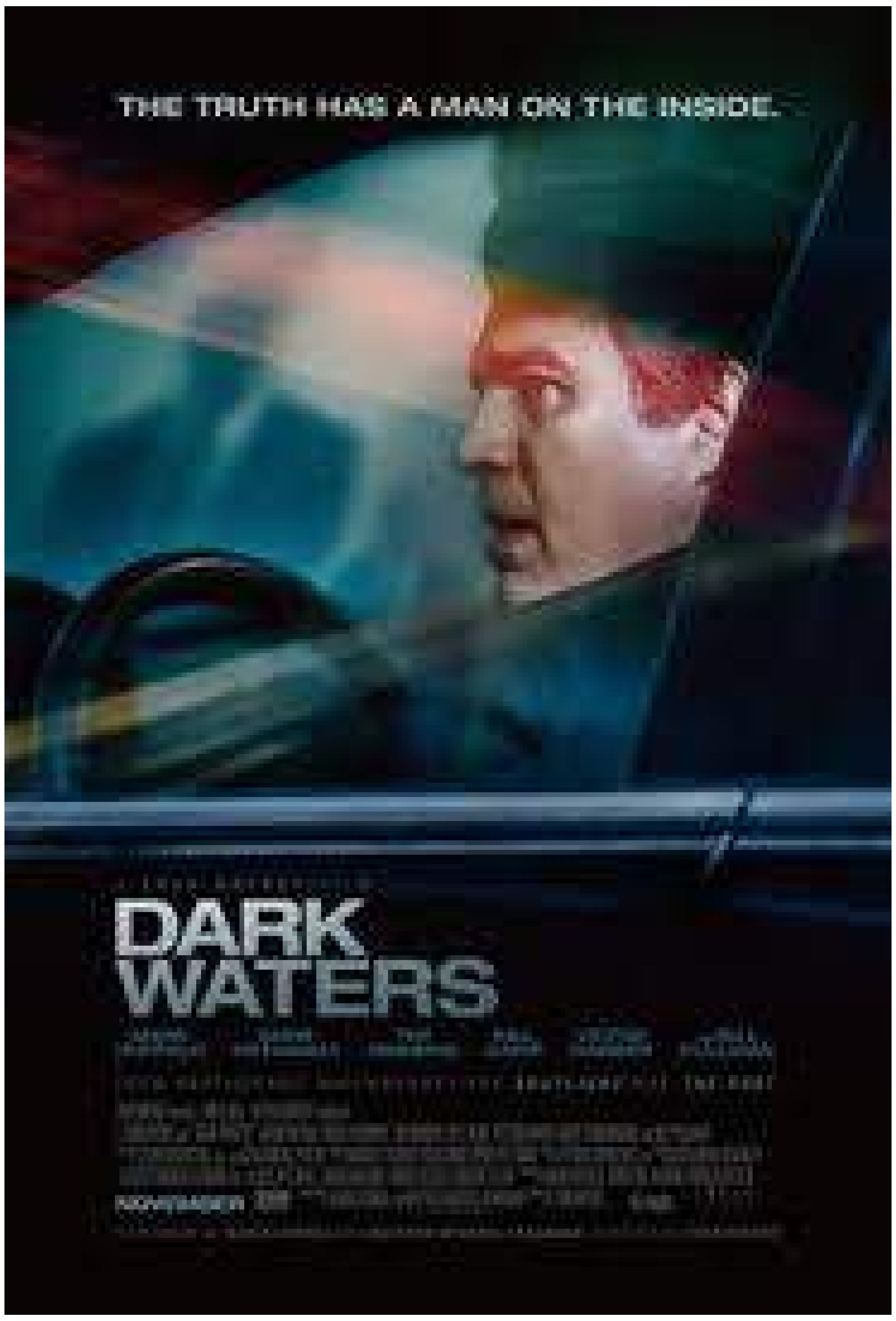
'Dark waters' is a 2019 American legal thriller based on an actual event. This movie revolves around DuPont, one of the major chemical corporations accused of contaminating a town in West Virginia with unregulated chemicals, mainly C8, led by Robert Bilott.

On a recommendation of someone, a farmer named Wilbur Tennant approached a corporate defence lawyer named Robert Bilott to investigate the sudden death of his 190 cows with unusual medical conditions like blackened teeth and bloated organs. The farmer himself was able to connect these deaths to a chemical manufacturing company – DuPont. To gain information about the chemicals dumped on the site, Robert filed a small case. But soon, he realized that the EPA might not regulate the chemicals used. DuPont company sent thousands of boxes as evidence to bury the evidence; from those, Robert came across a PFOA term, a chemical with no references in the medical books. Soon he discovered that PFOA is perfluorooctanoic acid used in various products like carpets, raincoats, and even non-stick pans by DuPont called Teflon. After sending the adequate proof, EPA fined DuPont $16.5 million.

The most heartbreaking part is that after running a series of tests on the effect of PFOA by DuPont and finding that it causes cancer and congenital disabilities, instead of making this information public, the company kept on producing the chemicals, which led to more cancer cases for their employees. They kept on dumping the toxic sludge and waste into the landfill next to Tennant's farm. This movie shows the struggles and battles faced by the attorney Robert Bilott who fought for 15 years against DuPont company to help a stranger and spread awareness to save the community's lives where his grandmother lived.

He risked his whole career, fighting against what he believed was right.

This movie highlights the corruption of big companies, how DuPont was able to hide the effects of C8 for 40 years, how it refused to a take stand and accountability for its mistakes, how it kept on declining the fact that C8 harms human lives despite the Scientist Panel giving the verdict that it causes six significant categories of illness and has affected 3,635 people till then. This movie teaches one never to give up and fight till the end for what one believes is right, and it opens one's eyes regarding these big corporations




**KRITI JAIN 2027142**

# GUESS THE TERM

1.A short-term boost in the earnings of the acquirer company when it merges with the target company
_ _ _ TS _ R_A_   E _ _ E _ T

2. An offshore investment fund, typically formed as a private limited partnership that engages in speculation using a credit or borrowed capital.
H _ _ _ E  F _ _ _.

3. A consolidation where the combined net assets of two or more companies form a new company.
M _ _ G _ _

4. A mutual fund scheme that invests in debt and equity in nearly equal proportion.
_ _ _ A _ C _  F _ _ _ _ _ N G

5. Inability to pay all debts
I _ _ _ L _ _ _ T

6. The generic term for the securities industry firms that buy, sell, and underwrite securities.
W_ _ L  _T_E_ _

7. Non-convertible paper money.
_ _ A_ _O_E_

8. Companies that continue operation while they await merger or closure, even though they are insolvent and bankrupt.
_O_ _ _E_

9. The length of time it takes to recover the initial cost of a project, without regard to the time value of money.
_ _Y_ _ C_

10. Creating a more or less standard investment instrument such as the mortgage pass-through security by pooling assets to back the instrument.
S_ _ _R_ _ _Z _ _ _ _ _

**CHAITRA**
**2027345**

**SHIVANGI**
**2027238**


# CREATIVE CORNER

# ALONE, NOT LONELY

In this moonlight
I walk the paths,
Feeling Unwanted
- **Not Your Fault**

I wish myself
Good night,
For your messages stopped
- **Not Your Fault**

I look forward to your hopes.
Which don't exist
They ended the same day.
- **Not Your Fault**

You entered inside,
Not physically alone
But mentally
- **Not Your Fault**

In own circle of love
Landslides hit
Of love and hatred
- **Not Your Fault**

Your Presence, I cherished
Your absence,
I try to cherish
- **Not Your Fault**

Emotions war within me
Your name brings
Turmoil, I shatter
- **Not Your Fault**

Your love,
Was my fullness
Your hatred,
It's not my fault
**But Yours!!!!!**

**YOGESH**
**2027410**

# THE EDITORIAL TEAM

Finance Specialization
Coordinator
Dr. Srikanth P

Faculty Co-ordinator
Dr. V. Harshitha
Moulya

Akshitha Reddy

John Jacob

Siddharth Sivaraman