

# FIN-O-DATE

THE FINANCIAL GAZETTE OF MDIM



**MDI**  
MURSHIDABAD

Management  
Development  
Institute



**FINAROMA**

THE FINANCE CLUB OF MDIM

WEEKLY  
FINANCIAL  
MAGAZINE  
FOR THE  
STUDENTS  
OF  
MDIM



**LET BUSINESSES OWN THE WORLD  
YOU BE THE RULER**

# ABOUT US



Finartha, the finance club of Management Development Institute Murshidabad formed with the ambitions of bridging the gap between the academic and professional worlds. As a student-run organization, the club brings together students with a shared interest in Finance to enjoy presentations from industry professionals, competitions, quizzes, finance-related discussions, casual and formal networking events as well as a variety of social events. It provides the platform for interactive discussions and orients oneself towards the world of business and commerce. The club plans to get into media through social as well as print media to update the students, academic professionals and industry veterans about its various activities. It thrives on providing the students with additional resources needed to develop themselves into strong candidates for the prospective job market. If one is zealous enough for the activities which go into finance and its substrates then 'Finartha' is the platform to quench that zeal.

**Dr. PINKU PAUL**

**Assistant Professor, Accounting & Finance**

**Mentor FINARTHA**



Dr. Pinku Paul is MBA, M.Com, PhD. in Business Administration. She is UGC NET qualified. She has over 11 years of teaching and research experience. Her research interest is in the area of behavioral finance, financial services, banking and insurance industry. She has authored several papers, which have been published, in national and international journals. She has also worked as Management Trainer in the World Bank Second India Development Market-Place (IDM) 2007 project on "Capacity Building of Rural Women on Production and Marketing of Cashew Apple Juice".



**TOP GAINERS**

**INDEX**

- **BSE** 40979.62
- **NSE** 12031.50
- **NASDAQ** 9520.51
- **DOWJONES** 29102.51

**CURRENCY**

- **USD/INR** ₹ 71.35
- **GBP/INR** ₹ 92.22
- **YEN/INR** ₹ 0.65
- **EURO/INR** ₹ 78.13

Latest By FEB 10th, 2020

Securities	Prev closing	Closing Price	Percentage increase	High/Low
UPL	542.95	573.50	5.63%	579.60/555.70
Bajaj Finance	4650.05	4720.30	1.51%	4734.00/4640.00
TCS	2136.70	2162.35	1.20%	2166.95/2119.80
Kotak Mahindra	1652.70	1669.85	1.04%	1674.30/1646.000
Asian Paints	1857.55	1870.35	0.69%	1872.40/1838.40

**TOP LOSERS**

Securities	Prev closing	Closing price	Percentage decrease	High/Low
Zee Entertain	249.75	230.50	7.71%	249.75/228.10
M&M	568.80	528.40	7.16%	567.00/526.05
Tata Steel	470.95	443.65	5.80%	463.25/440.00
Grasim	787.30	758.95	3.60%	789.70/752.00
Eicher Motors	19736.10	19100.00	3.22%	19855.0/18790.0

**Top market news**

- Aditya Birla Group company Grasim Industries on February 10 reported a 69.6 percent YoY fall in standalone profit at Rs 185 crore for the quarter ended December 31, 2019.
- Auto ancillary and defence company Bharat Forge on February 10 registered a massive 58.7 percent YoY decline in profit due to weak demand both in domestic and international markets.
- Shares of Steel Authority of India (SAIL) cracked nearly 6 percent in intraday trade on February 10 after reported emerged that the government is planning to sell a 5 percent stake in the company through an offer for sale (OFS).
- Share price of Motherson Sumi Systems fell over 6 percent intraday on February 10 after the company reported 38.6 percent decline in its consolidated profit at Rs 340.32 crore for the quarter ended December 31, 2019.
- Britannia Industries had reported decent quarterly numbers, however, they failed to impress the market as the shares of the continued trading in the negative territory and looked on course to extend their losing run into the third consecutive session on February 10.



# Are you a TRADER? Get hold of these

## **EUR/USD falls to take out the November low**

The reaction to the Federal Open Market Committee (FOMC) interest rate decision leaves EUR/USD exposed to a near-term correction as the exchange rate snaps the series of lower highs and lows from earlier this week. EUR/USD fails to take out the November low (1.0981) even though the Federal Reserve sticks to the status quo, and the exchange rate may consolidate over the remainder of the week as 'the Committee judges that the current stance of monetary policy is appropriate to support sustained expansion of economic activity, strong labor market conditions, and inflation returning to the Committee's symmetric 2 percent objective.'

---



## **NZD/JPY Uptrend at Risk?**

In the immediate sense, a sudden disruption in the world's second-largest economy as the government restricts regional travel poses as a risk for future revenues. That the Wuhan Virus is also occurring during the Lunar New Year exacerbates this concern. Softer-than-expected Chinese manufacturing PMI could further dent market sentiment on Friday as the data will be reported during the outbreak's growing momentum.

Down the road, fears around the coronavirus could be contained as governments step up efforts to prevent further outbreaks and a greater insight about mortality rates are known. The risk for sentiment is that a deepening selloff in equities triggers other sector vulnerabilities. These include corporate debt in the United States or uncertainty about future progress in trade talks during a presidential election year.

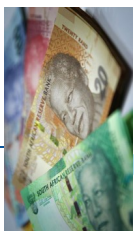
---



## **USD/ZAR**

Dialing in on the 4-hr time-frame, further strengthening the case for shorts is the breaking of a rising wedge formation that developed since the January 2 low. The choppy, narrowing price action points to an expansion in volatility that should begin to develop with the underside trend-line having just broken overnight.

There is some support around the 14.35 line to watch, but there might not be a lot of support on a downswing until several trend-lines are met that are running through the 14.08/13.97 vicinity. The distance from here to support offers up a good amount of potential profit for shorts, while the stop-out point (above yesterday's high at 14.5972) is close enough to make risk/reward favorable with a ratio in excess of 1:2.



## **US Dollar, Dow & Gold Performance**

The latest FOMC interest rate decision is slated to cross the wires today, January 29 at

---

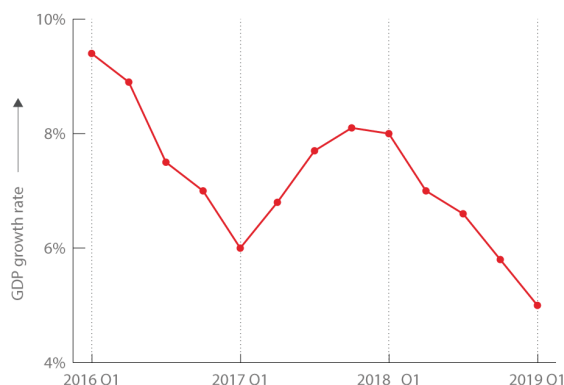
## **Steepest India yield curve in nine years is set to rise further:**

India's yield curve rose to its steepest in nine years as bets mounted on further monetary easing and fiscal stimulus following the country's deepening economic slowdown.

The yield spread between the most-traded 10-year notes to two-year debt is at its highest since 2010 on concerns the government will expand record bond sales. Firststrand Bank Ltd. expects the difference to widen by as much 20 basis points from Monday's 115.



GDP growth rate from 2016 onwards



### **MEASURES:**

Policy makers have taken multiple measures to arrest the slowdown in recent months, while leaving much of the stimulus burden to the Reserve Bank of India. Authorities now have to make the difficult choice between slipping on the deficit target of 3.3% of GDP this fiscal year to boost growth or prolong the pain by cutting expenditure.

Data on Friday evening showed gross domestic product grew 4.5% in the September quarter from a year earlier, the first time it's been below 5% since 2013. The weak GDP print will likely pave the way for a sixth interest-rate cut of the year later this week, helping to anchor yields on the short-end of the curve.

Meanwhile, growing skepticism about the government meeting its budget targets means long-tenor bonds are under pressure despite and more than ₹2 trillion (\$28 billion) of excess liquidity in the banking system. The yield on 10-year notes was little changed at 6.47% on Monday.

### A long slowdown



Source: Goldman Sachs

## **Continuous engagement with the business & Industry is the need of this hour: FM Sitharaman**

Union Finance Minister Nirmala Sitharaman on Sunday said that the government wants continuous engagement with industries and businesses and will act as a facilitator for hassle-free payments of taxes.

She was interacting with the members of trade and industries here, a week after presenting the Union Budget for 2020-21 in Parliament on February 1.

"The broad message which is apparent is that the government wants continuous engagement with industry and business. And my presence here is not in response to what is happening inside (country) and outside," Sitharaman said.

She said the Centre has introduced some features in the budget like "faceless appeals and sorting out of problems while imparting tax administration".



Sitharaman said this will be made possible only with the help of new technology.

"Over the years, we had to remove all the dead wood gathered with a pincer. This will help the government to fulfil its commitments made in the budget," she said.

Referring to issues relating to GST, the finance minister said it is not the Centre to initiate steps for reduction of rates, the state ministers should also represent cases so that a synergy could be built.

Responding to Tea Board chairman P K Bezbaruah's remarks on the scarcity of ATMs in the tea belts of Assam and West Bengal for which "cashless wage payments are becoming a problem", the finance minister said the government is willing to set up ATMs in pockets where there are none.

"I know that number of ATMs is miniscule in the tea growing regions. The government is ready to set up such facilities in these areas," she said.

Finance secretary Rajiv Kumar said that "there is a need for credit offtake to pick up for genuine businesses.

"Commercial lending has to go up. The Central Vigilance Commission (CVC) has already appointed a committee to differentiate between genuine business failure and a fraud," he added.

SOURCE: [BUSINESSTODAY.IN](https://www.businesstoday.in)

## Does the economy requires a smaller and simpler tax regime?

1 According to a general belief income tax are best levied in slabs, because higher income earners should pay more than lower income earners. In reality, higher income earners are able to use the services of qualified accountants to save taxes.



2 assumption is that indirect taxes are bad and inequitable. If taxes are levied at a flat rate, those earning a lower income pay a larger proportion of income as tax. Therefore, taxes on goods and services, and anything that is indirectly levied needs to be small and not be a burden, or better still not be levied at all on goods that the poor consume.

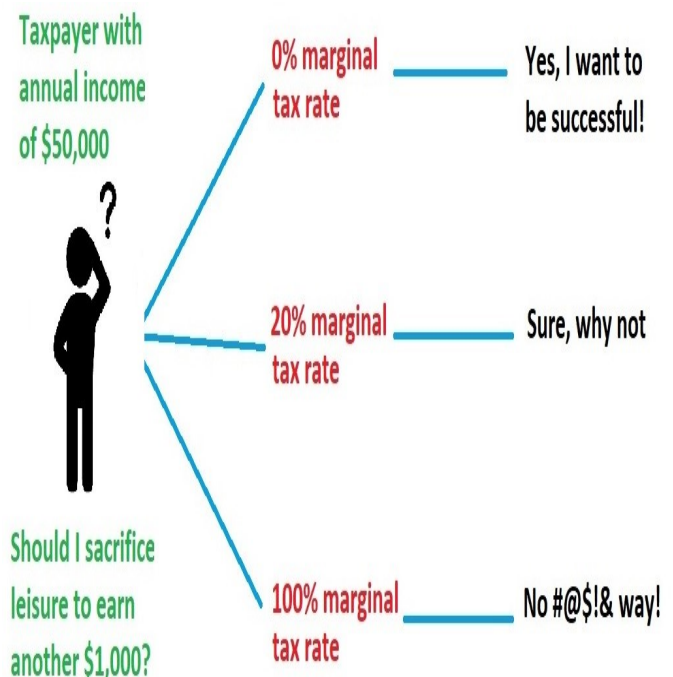
What we need is an easy deal that lets people keep most of what they earn, while paying a small token amount to the government.

3 assumption that underlies most of what governments try to do, is that making the rich poor is a good way to address inequality, and that posturing to be tough with the wealthy is a good stance. On the contrary, People know they can find their way towards making a better income, and they look around for inspiration and ideas.

In a free country, where the rule of law is weak, but relationships and networks get most work done, people have figured how to create their own little fiefdoms.



If we work with just these three assumptions, what do we get? A tax regime that levies a small rate of direct tax; an even smaller rate of indirect GST; and recognizes enterprise at every level as the country's biggest strength. What comes in the way? Vested interests and rent seekers. Every large profitable proposition in the economy has a bunch of squatters without competence, making money. A complex tax regime won't bother them. A simpler one has the power to create an alternate force. If we tried.





## **International Investment Bank**

International Investment Bank is a multilateral development bank established in 1970 by come can in order to promote economic development and cooperation of the member and states. The Bank carries out its activities based on an inter-governmental Agreement establishing the bank, registered with the United Nations Secretariat. In 2014, for the first time in its history the bank entered debt capital markets. So far, the Bank has issued bonds in Russia, Slovakia and Romania. In 2018, its headquarter moved to Budapest, Hungary.

### **FIN-FACTS**

Trading on the Bombay Stock Exchange was conducted under the Banyan Tree in 1955. Today, the stock exchange building or Jeejeebhoy Towers has become a landmark in the City of Mumbai and the street housing the exchange is still called Dalal street.

### **Functions:**

⇒ The bank's mission is to promote social and economic development, increased prosperity, and economic cooperation between its member states, with a focus on small and medium-sized enterprises. The bank grants loans primarily through national financial institutions, development banks and export-import banks and agencies, and it also participates in co-financing and syndications with other international and national financial institutions.

⇒ On the daily basis the Bank is managed by the IIB Board. The Chairman of the Board is Nikolay Kosov (appointed in September 2012). As the Bank is an international financial institution, it is strategically guided and supervised by the IIB Council, where each member state, represented by a high-level official, has one vote, disregarding the countries' shares in IIB's capital.

⇒ The IIB's key objective at that time was granting long-term and medium-term loans for implementation of joint investment projects and development programs and providing financing to construct facilities contributing to development of the national economies of the IIB member states. During the 'Soviet' period of its history, the Bank financed projects in the amount exceeding EUR 7 billion .

⇒ The authorized capital of the Bank is EUR 2 billion and paid-in capital of the Bank is EUR 329.61 million whereas its assets weigh in as EUR 1276 million.



**INTERNATIONAL  
INVESTMENT  
BANK**

## **UNDERWRITER**

An investment bank, that takes the risk of buying the newly issued securities from the issuer, and then reselling them to investors or to dealers, thus guaranteeing the sale of the securities at the offering price negotiated with the issuer.





# OUR TEAM

---

ISSUE NO. 57

JANUARY-FEBRUARY

---

**FINARTHA  
CLUB**

## **Senior Members**

**Salil Mishra - Club Secretary**  
**Arif Jamal**  
**Subhodip Kundu**  
**Nishu Gupta**  
**Prerna**

## **Junior Members**

**Jitender Kumar**  
**Abhishek Satpathy**  
**Devansh Chokhani**  
**Neha Kedia**  
**Puneet Agrawal**

---

