FEATURES:

- What India Needs?
- Threats to the World Economy
- What is Sustainability?
- Reaganomics
- Beyond Finance

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Climate Change: Let’s take a sincere note!
Asst. Prof. Arvind N Sinha,, Galgotias University

We live in a world where people are obsessed with their paraphernalia and

What is this green buzz all around? Is climate change for real? Is it really a question of sustainability? Are people seriously concerned and taking tangible actions to keep our planet healthy and livable? And what’s at stake if we do not take such actions? Can finance play a role in ensuring us a safe habitat? A million questions appear in our mind as we try to see through the hazy and translucent veil protecting the not so believable world of green initiatives and action plans. The haziness increases as we talk of green finance.

Today, half way through the 2016, we actually can no longer ignore or postpone environmental questions. We all are experiencing shifting climatic patterns, depleting water tables and even acute water shortages. These day-to-day problems of our lives are just the indications that environmental deterioration is reaching its peak and need our immediate and adequate action.

Consider some very recent news on climate:

- Mauna Lao – the last monitoring station at earth, at the South Pole recorded 400 parts per million (ppm) carbon dioxide. That’s the first time in last 4 million years.
- The Great Barrier Reef, the natural wonder in Australia, lost almost a quarter of coral to killing by bleaching caused by climate change.
- Last century saw a sea level rise of 17 cms, this century it is double of that.

There are many more vital signs. The danger is real, on the door and fatal. And our response is mostly delayed and grossly inadequate. The debate on climate change is on since last four decades. Very little of substance has been achieved. The biggest hurdle is the nature of the problem that the climatic wrongs committed by one nation impact the whole planet and stay in the planet eco-system for long. The problem is compounded many times by our need to develop and consumption patterns. There is a constant tug-of-war among developed and developing nations to bear the cost, consequences and responsibility of environmental damages.

Fortunately, last decade has seen a lot of effort to build consensus and take action. On September 25th, 2015 under the aegis of the United Nations, 193 countries came together and committed to 17 goals, now known as Sustainable Development Goals (SDGs) to eradicate extreme poverty, fight inequality
and injustice and fix climate change by 2030.

Out of the 17 SDGs, 8 are directly or indirectly relate to help fix the climate change.

1. SDG 6: Water and Sanitation - Ensure availability and sustainable management of water and sanitation for all.
2. SDG 7: Energy - Ensure access to affordable, reliable, sustainable and clean energy for all.
3. SDG 8: Economic Growth - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
5. SDG 12: Sustainable Consumption and Production - Ensure sustainable consumption and production patterns.
6. SDG 13: Climate Change - Take urgent action to combat climate change and its impacts.
7. SDG 14: Oceans - Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
8. SDG 15: Biodiversity, Forests, Deforestation - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

These goals would be achieved through multiple long term efforts by the local and national governments, international institutions and business organizations. The recent estimates show that USD 261 billion per year of spending to mitigate, adaption to climate change and other environmental goals. The total spending for all 17 goals is estimated to be around USD1.5 trillions per year. This is an unprecedented level of financing needed in the human history. Mobilizing this quantum of fund in a world which faces a wide rich-poor nation divided compounded by ever increasing geo-political instability is herculean challenge.

Experience with the MDGs financing has shown that the most reliable source of funding is government revenue. Government revenue spending in most of the countries is more stable, can fund reoccurring spending in a balanced way and is aligned to the priorities of the government. Therefore, one of the most important channels of funding the SDGs is increasing the government revenues world over. In recent past many nation governments have been able to increase their revenues but what SDGs need is much more than that – many countries governments, would need to increase
revenue by 5%-10% of their respective GDPs during the SDG period.

This needs to be supported by international community by honoring its Monterrey commitments for revenue mobilization by providing ‘enabling international environment’. This needs two pronged approach – first to increase the abysmally low level of aid to catalyze budget revenue which is a mere 0.2% of the total aid and second fundamental changes in global tax rules would be needed favoring revenue maximization for low income countries. These changes may include:

- Focusing on tracking and information sharing practices which ensure payment of tax in countries of source of the raw materials, the root of business profits rather than in the country of MNCs headquarters.
- Implementation of OECD/G20 initiatives on base erosion, profit sharing and information exchange in manner that it increases tax revenue for low and middle income countries.
- Revising international investment and tax treaties using ‘UN Model’ in a way that ensures tax payment at the source country.
- Substantially reducing the tax exemption that do not promote investments
- Strengthen audit to clamp down tax evasion and illicit financial flows by individuals.
- Increasing tax collection from MNCs especially in natural resources sector.

These are the options already explored at the number of international financing forums and some targets have been set. But the success of SDGs does not lie just in such global level institutional initiatives. The real action will happen when the ordinary citizen of the world gets sensitized to the urgency of the need to mitigate climate change and attempts in her small ways in day-to-day life to ensure that no action of her will deteriorate the climate any further. Remember that this planet is borrowed from the future generation and our default to make a return will certainly result in extinction of human race.

If everything was perfect, you would never learn and you would never grow.

- Beyonce
Sustainable finance- What’s the buzz?

- Nishtha Bhushan, B.Com. (Hons.), 2nd Semester, SFC, Galgotias University

Sustainability refers to the ability to be used without being destroyed or completely use up, i.e. continue or last for a longer period of time.

Sustainable finance is concerned with how environmental, social and governance issue might influence investment decision and asset valuations so that it will give long lasting benefit to the clients and public both at large. The two main and common aspects of the sustainable finance are:-

- To provide a long lasting benefit to public and clients
- Second is the relationship among environmental, social and governance criteria related to finance and adequate investment of it

Sustainable finance is not only about the amount of money, but it means how well and effectively money is to be invested so that the benefit are provided to stakeholders and the other related factors.

Activities that are categorized under this heading include sustainable fund, green bonds, impact investing, micro-finance, active ownership etc.

Now, we got a brief idea about sustainable finance but we have also heard about the term financial sustainability. We shall not confuse the two.

Financial sustainability is the potential to assure for stable and sufficient or enough long-term financial resources and to make them available on time and appropriately form to cover the full costs of protected areas (direct and indirect).

There are several well known ways to achieve to finance sustainability:

- To identify the best way for cost-effective courses of action.
- Start an adequate institutional framework.
- Address the issues of institutional capacity.
- Promote the achievement of goals.
- Development of plans in terms of finance.
- Measurement of fulfilment of fiscal objective.
- Implementation of financial plans.
- Evaluation of the administrative and financial system.
- Administrative reform and environment tax reform.
- Transparency and accountability.

The point to note here is that in today’s context achieving financial sustainability without sustainable finance is becoming increasingly difficult and may become impossible in very near future. This is easier said than done. Many governments, regulators, institutions, banks and companies have been trying since last several decades to bring ‘sustainability’ component in the financing of development and business projects. It is only since last fifteen years that
sustainable finance has actually started taking shape.

The rising concerns about economic, social and environmental performance of institutions and enterprise have brought many governments and regulators to be sensitized about building sustainability in the financing mechanism itself.

Initiatives for sustainable finance stem from the following action plans:

- Development of instruments, techniques and policies that help drive funds towards sustainable areas of economy.
- Identification of risks of investing in sustainable companies in comparison to those which ignore sustainability.
- Helping private and public organizations determine the financial costs and advantages of sustainability.
- Focus on the expanding market for tradable pollution rights, carbon-offsets and other environmental assets.

Both developed and developing nations are making their advances in sustainable finance. Nation governments and business, both are contributing at large to international development in the sustainable finance field through their innovative products and services. Switzerland has large economy and highly skilled labour.

Since last 10 years Swiss companies have developed a large number of innovative services which is related to field of sustainable finance. They have come up with a leading centre for sustainable finance. The broad membership of Swiss sustainability finance has now grown to 55 members and 9 networks partners till now. The growing number of founding members signifies the increase in importance of sustainable finance.

BANGLADESH is another example. It has developed a green banking system with green banking regulations, norms and policies including concessional green financing, various credit quotas related to green finance and guidance and requirements for environmental diligence.

Thus, Sustainable finance is the process of generating social and economic value with the help of various financial products, markets and models that are sustainable over time as it recognizes:-

- More value
- More types of return
- ESG as a risk-class
- Financial innovations that encourages greater sustainability

“There are moments, Jeeves, when one asks oneself, and ‘do trousers matter?’"
"The mood will pass, sir.”

— P.G. Wodehouse, the Code of the Wooster’s
Climate Finance Lab

Asst. Prof. Arvind N Sinha, SFC, Galgotia University

One of the most important issues for sustainability is climate change problem. It is a global issue. The recent fast pace development of China and India and also that of many smaller countries continues to add to it. Finance may be one the most important requirement to address and mitigate hazards of climate change. But mobilizing finance for a cause where returns are not immediate or may not be even directly visible is a humongous challenge.

In April 2013, The USA brought together the ministers of the donor countries to develop a structured approach to mobilize finance for climate. Among many approached discussed, one was to create a public-private platform for designing instruments to channelize climate finance.

Eight countries namely the USA, the UK, Germany, France, Denmark, Japan, Norway and the Netherland worked along with major development institution and financial intuitions and constituted an entity named as the Global Innovation Lab for Climate Finance. It aims to steer private investment of billions of dollars into climate finance projects for developing countries. The Climate Finance Lab provides for identifying, developing and piloting of new finance instruments to address climate change.

The lab made its first global call for ideas in May 2014 and received 90 proposals. The lab ensures that the instruments endorsed by it shall be actionable, innovative, catalytic and transformative. Two of the endorsed instruments for piloting are as mentioned below:

1. Energy Saving Insurance

Investment in energy saving equipment’s can help SMEs increase their profitability and may reduce their carbon footprint as well. But SMEs and the local banks many a time lack capabilities to assess capital intensive energy efficiency investment and have little confidence about their success and pay back and this squeezes the investment in such projects.

Image Source: www.climatefinancelab.org

The lab has endorsed a pilot instrument in Mexico with collaboration of Danish Energy Agency and Inter-American Development Bank. The Energy Saving Insurance will eliminate risk by paying out if the project energy savings are not achieved.

The instrument will operate through contractual guarantee of the technology solution provider. The instrument will use standardized contracts, third party verification and will provide credits through development banks.

2. Long –term Currency Swap

In countries with under-developed capital markets, the only viable option is to
finance the project in a foreign currency. But project revenues are received in local currencies. This is creates risk to make the revenues insufficient to pay the foreign currency debts in the event of the local currency losing its value. The longer duration of the project finance, higher becomes this risk. It is not uncommon that local currencies have lost more than 50% of their value over the duration of the projects. This can be disastrous for projects.

The Lab has endorsed a pilot project involving The Currency Exchange Fund (TCX) and International Finance Corporation (IFC). It is seeking a fund of USD 250 million to provide for loan guarantees for IFC and 200 million for backing TCX.

The pilot can support USD 1.5 billion in climate finance and potential reduction of 39 Mt of greenhouse gases emission over the lifetime of the financed assets. The lab has endorsed many such instruments and it is paving the way for much needed innovation in design of financial instruments. We await this happening on the Indian soil.

"I could see that, if not actually disgruntled, he was far from being grunted.”
— P.G. Wodehouse, The Code of the Woosters

Image Source: www.climatefinancelab.org

The other interlinked hurdle is interest rate risk. Very often developing countries provide loans with floating interest rates implying higher repayments in case of rise in interest rate. The changing interest rate impacts value of the currency and further compounds the risk. This uncertainty and risk discourages important investment which may be otherwise profitable and necessary to reduce environmental footprint.
Sustainability Initiatives in Financial Services

Sameeksha Negi, B.Com.(Hons), 2nd Semester, SFC, Galgotias University

Sustainable finance is creating economic, social and environmental value through finance models, products, services and markets that are sustainable over time. Finance is the act of assigning capital to individuals and businesses in the form of debt and equity from individual or group and in return to receive interest or dividends to make productive uses out of it. In short, finance creates social value. Finance services are the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accounting companies, consumer-finance companies, stock brokerages, investment funds. Example of financial service industries are as –
* Banks
* Insurance Companies
* Investment funds

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, we also need social and economic resources. Sustainability is not just environmental-ism. Sustainability is the ability to continue a defined behavior indefinitely. Sustainable Development in India is not only good for the environment but is also important for economic development of the nation. The environmental effects that it has are pretty amazing.

In the financial sector, a financial company does not exactly have the same impact on environment, as a manufacturing company. Many firms have made great strides in limiting the negative impact they have on the environment and they do this primarily by controlling energy waste and reducing disposable materials, both in their own offices, with their partners and through initiatives with their customers. Some noticeable green initiatives of major global financial services like American Express, BNY Mellon and Morgan Stanley are presented below:

American express- Community reinvestment
It recognizes the importance of giving back to their community as part of their charge to contribute to the sustainability of our society. American Express has taken initiatives to reduce its carbon footprint, optimization of its workplaces to enhance sustainability and has supported its customers, suppliers and employees in reducing their environmental footprints.
It has successfully reduced its carbon footprint between 2006 and 2013 by 33.5% that equates GHG emissions of 22030 passenger vehicles.

Amex has set a goal to reduce its carbon footprint by 10% from 2011 levels by end of 2016.

This year in January, American Express announced extension of its commitment to corporate social responsibility through United Nation’s Global Compact and Global Business Travel Association (GBTA)’s Project ICARUS.

Morgan Stanley

Morgan Stanley’s social finance effort leverages its core skills. It emphasis on social finance – community reinvestment, diversity of employees, higher education, financing and trading environmental products, financing of large scale alternate energy power projects (wind, solar, geothermal), managing environmental footprint, workplace energy conservation, recycling and reuse paperless work environment, green buildings (facilities), green building policies.

BNY Mellon

Since last 225 years, BNY Mellon has been using capital to impact social change. Recognizing social finance as US$ 22 trillion market, BNY Mellon is enabling investor capital to advance social finance.

To mobilize investor confidence and scale in social finance and, it has proposed five conditions i.e. accessibility, measurement, transparency, systemic change, collaboration and has supported these conditions with 12 specific actions to bring about those conditions. It is working closely with policy makers, issuers and intermediaries to implement these conditions.

Fidelity National Financial

Fidelity National Financial (FNF), Inc is one of the America’s largest title insurance companies. Pablo Wong of Fidelity National Financial, Inc Green Advisory Team states “our goal is to expand sustainability practice
and to play a bigger role in protecting our national resources”.
Since November 2009, FNF is running their Green Title and Settlement Program (GTSP). GTSP’s mission is to position FNF’s underwriters as the most eco-friendly title insurance company in the industry. It also plans to achieve its goals through educating it’s employees and the public to live eco-friendly at home and at work; to establish a program where their title and settlement offices can earn “certified green” designations ; and to develop sustainable title policy products, such as sustainable title insurance policy endorsement for commercial and residential buildings.

**TD Ameritrade**

TD Ameritrade Asset management has adopted a sustainable investing policy across its operations in Canada and the United States. TD Ameritrade finds it important to operate in a sustainable manner. TD’s fundamental belief is that in this rapidly changing global economy, companies that manage the risk & recognize the opportunities relating to environment and social factors will be winners. Its initiative in sustainable finance include reducing its own carbon footprint and enriching the knowledge base for sustainability practices by its various stakeholders through a series of discussion papers, research and publications.

It is safe to conclude that sustainability concerns now are becoming governance issue but the pace of change still remains slow. An increasing number of companies are engaging with stakeholders with focus on investors to precipitate sustainability. Companies are also making progress in greening their own operations. A small number of companies are able to capitalize on the business opportunities provided by sustainability concerns. But it still remains a long road with few walkers.

“He had just about enough intelligence to open his mouth when he wanted to eat, but certainly no more.”
— P.G. Wodehouse
SUSTAINABLE FINANCE:
WHAT INDIA NEEDS?
Asst Prof. Shashi Sawhney, Galgotias University

There has been a huge amount of domestic and international research on severity of India’s environmental problems. The December 2015 report of Greenpeace has put thirteen Indian cities in the world’s twenty most polluted cities and out of thirteen, five are from one state – Uttar Pradesh. The World Health Organization (WHO) reports that fine particles or Particulate Matter of less than 2.5 micrometres in diameter (PM2.5) should not exceed 10 micrograms per cubic metre. The annual average PM2.5 in Delhi is 153 micrograms, 149 in Patna, 100 in Ahmedabad and 96 in Lucknow. WHO has set an interim target of 25 micrograms for PM2.5, but many Indian cities have many times more PM2.5. The condition is equally bad for PM10. More than six hundred thousands of Indians die every year due to outdoor pollution.

These extremes of environmental degradation have its genesis in highly polluting nature of energy, industry and transport infrastructure. We need to ensure that not only the deployed energy, industry and transport infrastructure is upgraded to meet the challenges they pose to environment but also we must make certain that we definitely move towards an investment regime which guarantees protection of environment.

Companies in their attempt to outdo one another in their classical duty of profit maximization become oblivious of their other obligation of maximizing the return to society and fail to align the two. A recent Deloitte survey report on ‘Sustainable Finance: The risk and opportunities that CFOs (Some) are overlooking’ present some alarming findings – CFOs in many corporate do not see themselves as ‘fully involved’ in sustainability strategy and most do not see it changing over next two years. Many saw a ‘weak link’ between sustainability strategy and business performance.

Given the current state of general disinterest of the corporate bodies in issues related to environment and sustainability, strong and sustained efforts are required from the government, policy makers and other stakeholders. Three key policy measures are required from the government:

1. Enhancing the return on investments made in green projects by providing special tax exemptions, lowering interest rates and easing the availability of funds for environment friendly products and projects.
2. Discouraging investments in polluting projects by stricter compliance, imposing pollution tax and raising the cost of finance available to such projects and products.
3. Implement an intensive sensitization program to make
business and government executives more sensitive, responsive and responsible towards environment protection.

A host of economic mechanism may be developed to implement the above mentioned policy measures:

**Green Banks:** Special banks created with a credit policies favouring green investments, reducing the risk and cost associated for green projects.

**Green Bonds:** Special bonds with tax exemption to fund green projects on the lines of Railway Bonds

**Green Fund:** Financial institution may come with special large –size green funds to bring in economies of scale and reduce cost for green investments.

**Green IPO:** Corporate raising funds through IPOs for green projects may be given some exemptions from the lower their cost of fund raising and stock exchanges may provide some relaxation in listing and trading costs of such stocks.

**Green Ratings:** A professional green rating institutional structure may be set up to reveal environmental risk associated with business projects. All listed companies shall be mandated to communicate their green rating prominently.

**Carbon Market:** A domestic carbon market with a sound regulator may be promoted to reduce emissions through market mechanism.

**Green Insurance:** An insurance mechanism to protect the companies against any possible environmental damage caused by them

**Environmental Cost Database:** Creation of an Environmental Cost Database will help develop a more direct connect of companies with the extent of environmental damages. This will enhance environmental sensitivity and better appropriation of environmental costs for a given project.

**Lender Liability:** In case of environmental lapses, lenders to polluting projects shall attract heavy penalties. This would dissuade capital availability to polluting projects.

Many of these mechanisms are already in use in many developed countries. India may also use them to achieve development sans pollution.

“There is only one cure for grey hair. It was invented by a Frenchman. It is called the guillotine.”

― P.G. Wodehouse
Keeping the tradition of seeking guidance and motivation from the senior professionals, two B.Com (Hons.) 4th semester students, Dushyant Singh Rawat and Bhoomika Singh visited the Institute of Chartered Accountants of India (ICAI) and spent an insightful afternoon with two very seasoned professionals namely CA Deepak Garg, Chairman, Northern India Regional Council (NIRC) of ICAI and CA Rajendra Arora, Chairman, Northern India Chartered Accountants Students’ Association (NICASA) of ICAI.

Dushyant and Bhoomika discussed with them at length to understand nuances of professional finance. Though the discussion centred on sustainable finance, both Mr. Garg and Mr. Arora being academically inclined, keenly shared their knowledge and experience and discussed various topics like RBI role, angel investment and black money.

Dushyant: How Sustainable Finance is taking shape in India?

CA Deepak Garg (DG): Financing India’s goals for inclusive and sustainable growth requires the mobilization of additional low cost, long-term capital. Raising incomes for the 800 million people living on less than US$2 per day, generating livelihoods for the 12 million people entering the workforce every year and generating the natural resource base at a time of climate change require innovative approaches to the challenge of sustainable finance.

India has a comprehensive approach to reducing the resource and pollution intensity of growth and delivering clean energy and water. India is also taking the lead globally, for example, through the new International Solar Alliance.

CA Rajendra Arora (RA): Over the past decade, the pace of Indian innovation in sustainable finance has accelerated involving both a range of voluntary market-led initiatives as well as policy actions like launch of national voluntary guidelines for responsible financing by the Indian Banks Association, RBI decision social infrastructure and decentralized renewable energy within the Priority Sector Lending requirements for banks and the issuance by SEBI of requirements for the development of the green bond market.

Bhoomika: What are the major policy initiatives of the government to promote sustainable finance?

DG: There are several major initiatives taken by the government:

The first I would like to quote is - the National Voluntary Guidelines (NVGs), which are the product of an intensive multi-stakeholder collaboration spanning three years. These guidelines are constituted into nine core principles that
address different aspects of business responsibility and 48 core elements that are included alongside the core principles to help guide businesses in adopting and integrating the NVGs into their operations. The NVGs are a step towards creating a framework to ensure responsible investment behaviour.

Business Responsibility (BR) reports mandated by SEBI for the top 500 companies is a ‘comply or explain’ type corporate governance reporting policy. Considering the larger interest of public disclosure relating to steps taken by listed entities from an Environmental, Social and Governance (ESG) perspective, SEBI has mandated the inclusion of BR reports as part of the annual reports for the top 500 listed entities based on market capitalization at BSE and NSE as of 31 March 2012.

RA: ESG-related ratings for India are an example of how investors increasingly use sustainability-related indices to guide investment decisions in equity markets. Globally, many indices operate under the aegis of sustainability and most of them are used as signalling/rating tools. In order to be considered credible tools for allocating investments, they need to fulfil certain basic criteria including transparency, accountability, and objectivity.

Dushyant: What is the role of banks and financial institutions in sustainable finance?

DG: Banks are trying to pave the way for sustainable finance.

SBI was the first bank to venture into generation of green power by installing windmills for captive use and provided long term repayment plans with concessional rate of interests. It has financed more than US$818.33 million worth of projects in wind power.

The Bank has been extending project loans on concessionary interest rates to reduce greenhouse gas (GHG) emissions by adopting efficient manufacturing practices through acquisition of latest technology.

RA: SIDBI has funded various energy efficiency initiatives in the MSME sector through lines of credit in the form of loans and partial credit guarantees. These credit lines are targeted towards training programmes, knowledge sharing on new technologies, process changes and purchase of equipment to ensure energy savings and emission reduction etc.

Bhoomika: What measures are required to bring sustainable finance at centre stage of all financing done in India?

DG: There are several challenges to be met:

The first is related to the fact that India does not have substantial access to multilateral finance or grant funding for plugging the fiscal gap in sustainable development-related expenditure. The NitiAayog estimated that the country needs to spend close to US$1 trillion every five years on basic infrastructure whereas the total budget of the central government is close to US$250 billion.

The second challenge relates to the participation of the private sector. Again, the example of the infrastructure funding requirement is indicative of the size of the challenge: the government estimated that around half of the US$1 trillion
requirement would have to come from the private sector. Similarly, India spent about 1.9 per cent of GDP on health and 3.9 per cent of GDP on education in 2014 according to World Bank statistics. There is a large gap to fill, and private sector participation is currently limited, partly because of the limited banking credit available to finance long-term projects as well as the lack of institutional capacities to mitigate or manage political risk.

RA: Another challenge is instituting overarching political frameworks for focused bilateral and multilateral cooperation on the sustainable development agenda. Such cooperation where the government leads and the industry follows could become a global template for sustainable development-linked cooperation. For instance, at COP21, the Indian government took the lead in instituting the International Solar Alliance.

Bhoomika: What is Corporate Sustainability Reporting?

DG: Corporate Sustainability Report is a firm-issued general purpose, non-financial report that provides information to investors, stakeholders and the general public about the firm’s practices involving environmental, social and governance issues either as a stand-alone report or as part of an integrated report.

RA: Corporate sustainability reporting is an emerging discipline for which there is currently no universally agreed definition. GRI defines sustainability reporting as “a process that assists companies in setting goals, measuring performance and managing change towards a sustainable global economy – one that combines long term profitability with social responsibility and environmental care”.

Dushyant: What are the guiding principles of Sustainability Reporting?

DG: GRI has provided comprehensive guidelines and framework for sustainability reporting. Among many, the few I would like to mention are:

- Transparency and accountability - the main principles that underpin reporting;
- Linking reporting and action – in order to assess whether and to what extent reporting is helping Governments and others to meet their sustainability goals, specific links between reporting and national and international priorities and goals (such as the Sustainable Development Goals) may be developed.
- Stakeholder responsiveness – to recognise that an organisation’s relationships and engagement with its stakeholders are vital to developing and evaluating a sustainability strategy

Bhoomika: What role shall the educational institution play in promoting sustainable finance?

RA: The Educational Institutions should organise various seminars and trainings to aware the students about the sustainable finance. Also they can inculcate this topic in syllabus so as to give knowledge about its advantages to the society and environment to students. Students should be made aware about the various steps taken by the government and bank to
promote sustainable finance so that they can also give their contribution in the same.

Dushyant: What is your message for our readers and students?

DG: Sustainable, inclusive and equitable growth can alone guarantee a social atmosphere of peace and stability within a country and it can take environmental stewardship to new heights as the natural resources are then regarded as common property resources that should be conserved and utilized by all. Though such a growth pattern may seem like a distant dream for a rapidly growing economy like ours with multiple power centres, the growing concern towards environmental protection and inclusiveness cannot be ignored.

Indian companies are gaining worldwide recognition and are embracing sustainability, going beyond compliance to gain shared value and good reputation in the international business community. All this is basically voluntary in nature, since corporates realize the long-term benefits associated with this positive value creation. The government is laying a strong emphasis on sustainable development and its integration across the system.

It is not how much we have, but how much we enjoy, that makes happiness.

- Charles Spurgeon
COULD REAGANOMICS SAVE CHINA’S ECONOMY?

Sudeep Das, B.Com.(Hons.), 4th Semester, Galgotias University

China’s recent economic slowdown has pushed it to try a western capitalistic approach similar to “Reaganomics”. So what exactly is Reaganomics? And could it work in China?

Well Reaganomics refers to the 1980’s economic policy adopted by the then US president Ronald Reagan. During that time the U.S economy was going through “Stagflation”. Both Unemployment and Inflation were rising at the same time making it impossible to address either problem without leading to a downward economic spiral.

To combat the problem, President Reagan proposed four solutions.

The first was called, Supply Side Economics or the “Trickle-down Theory”. The basic premises was by giving massive tax cut for people who have massive amount of money to invest in the economy. Under Reagan the wealthy Americans went from paying from 70% in taxes to just 28% in tax.

The second idea was to deregulate government oversight in economic price fixing implemented by the previous presidents. Most notably, Reagan removed restrictions on the Banking industry leading to a situation mirrored by the 2008 financial crisis. Banks began to invest in risky, unbacked real estate and when these investments failed, it finally led to the famous 1989 savings and loan crisis(as in 2008 these banks were bailed out).

Reagan also deregulated government services particularly regulatory oversight agencies. This was done to offset the massive tax breaks and it might have worked if it worked as per Reagan’s fourth plan. From 1980 to 1986 the threat of the Soviet Union led Reagan to double defence budget. By 1989 it reached nearly to a quarter of US’s total Federal budget. So how did that all worked out?

Well, for the first two years of Reagan’s term the economy fell into recession, but as interest rates were adjusted and regulated Reaganomics came into play and the US saw a brief period of healthy growth. Americans had more money after tax cuts, the industries flourished without oversight and the military cemented the USA’s powerful position abroad. But the huge loss of tax revenue coupled with massive military spending increases led to the countries national debt jumping from 900 billion US$ in 1980 to more than 3 trillion US$ in 1990. Many of the Reagan’s policies were continued by the next two republican presidents (George H.W. Bush & his son George W. Bush) pushing the debt to 10 trillion US$ by the year 2008.

Today, after decades of Reaganomics many are pointing to the disappearing middle class, incredibly wealthy 1% of the population and overly powerful US military as being the result of those policies. For example, radical deregulation of the USA’s financial market by George W. Bush has been pointed as one of the greatest catalysts of the 2008 global economic crisis and despite a steady
recovery from that crisis only the wealthy Americans have seen any real growth as the wages are stagnant country wide.

As China grapples with its own economic crisis President Xi Jinping’s version of Reaganomics is also focused upon tax cuts and deregulations. But in fact, historical analysis shows that cutting taxes and deregulating the economy will no longer work.

So, what would happen to China if it went with Reaganomics? Well, at the initial stage the economy may show some signs of improvements same as it showed in the USA, it is likely that Reaganomics will make the richer grow more rich but unless China is able to effectively cut government spending such as subsidy for failing mines and factories it will be the China’s lower and middle class which will hold the China’s national debt.

If you want to be happy, be.

- Leo Tolstoy
Agri'culture’, is it the path of success for few?
Dushyant Singh Rawat, B.Com.(H), 4th Semester, Galgotias University

We live in a world where people are obsessed with their paraphernalia and economy demands mutual cooperation. Bread is a processed form of wheat and we need to understand the binary connection of these two here. India has shown a gamut of changes in the agricultural sector. It has suited to its own kind of system made by some economical changes and the concerned regulatory body.

Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product. As per estimates by the Central Statistics Office, the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added during 2015–16 at 2011–12 prices. The dramatic irony lies behind it because the farmer doesn’t know about the upcoming change, yet the ‘economic clan- government and prominent economist’ know the step ahead.

India has tremendous figures to show when it comes to agricultural sector. India is the largest producer, consumer and exporter of spices. India's fruit production has grown faster than vegetables, making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices set to a record of 283.5 million tons in 2014-15. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country’s exports and is the fourth-largest exported principal commodity. Our diverse subset of this sector has an enormous amount of potential but we are lacking behind in providing the right type of facilitation. There is no doubt that our farmers are giving their end to end services in related work but expectations from government are just piling up.

The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for the development of the agriculture sector in India. It manages several other bodies, such as the National Dairy Development Board, to develop other allied agricultural sectors. G. B Pant University of agriculture and technology has taken initiatives for right type of farming and right division of farming in the market. The problem is with the farmers who are losing control over their farm lands despite having sufficient amount of self sustaining resources. The environmental changes and geographical diversity are some prominent issues but the authority should be prepared for these changes. They are not restricted to every economic situation. The hardship of growing crops has sickened the enthusiasm of farmers and support laborers. The ‘mandi’ was the only platform for the business. Now, E-Nam (national agriculture market) provides a single window service for all APMC (agriculture produce market
committee) related information and services. This includes commodity arrivals & prices, buy & sell trade offers, provision to respond to trade offers. While material flow of agriculture produce continues to happen through mandis, an online market reduces transaction costs and information asymmetry. Accessibility of E-NAM to each and every farmer is still difficult especially for the low and pauperized farmers. Uttarakhand state has some segments of farms still not connected to the physical portal (mandi). It has become a challenge for the government to first develop a clear road map to the market. It was long back that Franklin D. Roosevelt said “prosperous farmers mean more employment, more prosperity for the workers and the business men of every industrial area in the whole country”. Many nation governments have tried their hand on implementing it.

Some of the initiatives taken by government of India for the agriculture sector are as follows:

- Budgetary allocation for Agriculture and Farmers welfare is 35,984 crore.

- ‘Pradhan Mantri Krishi Sinchai Yojana’ to be implemented and 28.5 lakh hectares of land will be brought under irrigation.

- The new crop insurance scheme for farmers 'Bhartiya Krishi Bima Yojana' aims to cover 50 per cent of the farmers under the scheme in the next two-three years.

- The National Dairy Development Board announced 42 dairy projects with a financial outlay of Rs 221 crore to boost milk output.

These changes are likely show an immense rise in the sector but relatively it will not increase the output figures. “Bachi Singh Rautela is a farmer in Nainital district of Uttarakhand who has two basic motives in life; save for the next day and do the same every day.” This is because he does not have access to the substantial degree of current agrarian changes and developments.

The pattern of developed and developing agriculture is scattered widely in India. We face drastic changes in various zones which are not well looked upon by the government. The willingness of growing the crops has created a skimping phase for this sector. When it comes to the implementation of various schemes and projects, our hierarchical level of workforce in the government makes it very difficult to follow the course. Sometimes panchayats are responsible for the wrong implementation of the programs.

In some villages of Uttarakhand the farmers sell their crops to ‘banjaras’ who act as middlemen and this makes the condition worse. The fluctuating market prices are sometimes subjected to this problem in the area. These middlemen hoard the crops and release it according to the favorable market conditions for them. The transition of Indian farmers from depriving culture to ease making culture has somewhat re-energized the hope which was lost.
The agriculture sector in India is expected to make a forward move due to investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, better fiscal benefits would contribute to the sector’s growth. The growing use of genetically modified crops will likely improve the yield for Indian farmers. We all are waiting for the results to be fruitful and make a memorable year for the farmers.

The unsupportive scenario seems to incline a saying that “a farmer is going to be rich only next year.” At last the farmer is burning his calories to fulfill the required calories for the folks.


If you want to be successful, you must respect one rule: never lie to yourself.

- Paulo Coelho
Beyond Finance: Smooth Apps
Sonali Jain, B.Com (Hons.), 2nd Semester, Galgotias University

“Need to manage your money in the best way possible?” This is a common question that every earner asks to himself at some point of time.

In today’s world, most of the people are not educated about managing their money properly. Whether it is about making good monthly budgets or paying taxes or managing their fixed monthly bills, they lack in some of the essential life skills. Those who do not manage their money will always work for those who do.

“Don’t tell me what you value, show me your budget and I’ll tell you what you value” - Joe Biden

Finance has come up with a new scope. It has transformed itself. Now, no one has to worry about learning those complicated calculations required for making a satisfactory budget. It is made possible only with the help of technology used in finance.

There is a wide range of apps that can help you out with what tax to pay, how much to invest, what to save and many more finance related questions.

Here is a glimpse of some of the apps rated as “best” by the users.

1. Mint

Managing finance is a stressful work to do. Mint is one of the best budget app which makes you the master of your money. You can connect your bank account with the mint app and it shows you the personalised budget. You can add your different debit and credit cards and can see your balance and transactions in just one place. It sums up all your financial information for a better understanding.

Mint categorises your information in real time. It shows you where your money is going and get ideas on how to stretch it farther. Regarding investments, mint allows you to trace about your asset allocation. As investment builds up a huge corner in your financial life it is necessary to know where your money is invested.

Mint helps you to know about every investment account like mutual funds, shares, brokerage account, etc. Because mint knows what’s going on with your money, it helps you to save by giving advices and tips along the way!
2. Pocketguard

As the picture shows, pocketguard is a user-friendly app which connects with your bank account and shows your balance and transactions.

Its best feature is the ability is showing your finance in very simple terms. On the home screen, you can see how much money you have in your pocket right now, where you have spent and your income.

It gives 128-bit SSL protection to your data. It creates only read only connection with your account. No one, not even you can move money through this app.

It is very convenient because each and every transaction is categorised and displayed on one page. You don’t have to hassle to look into where your money goes. This app works on android, ios and on the web. There is also an Apple Watch component which makes it the best!

3) Prosper Daily

"Our goal is to push money to the background of our lives," Level Money CEO Jake Fuentes tells Business Insider. "We shouldn't have to spend a lot of time managing our finances."

This app calls itself “Mobile money meter”. Once you connect the app with your bank account it shows your expenditure and savings weekly, monthly or yearly.

It also shows you an income that should be saved every month which gets deducted from your income and goes to your Savings Account. Any amount which remains unspent also goes to your savings account if you opt for “Auto-savings mode”, thereby helping you to get a good return of it.
It also has 128-bit encryption same as banks which provides protection to its users against fraudulent activities.

Managing your money is not fun and it takes proper concentration and care while making your monthly budget. Many lifetime goals which a person needs to fulfil like buying a house, having a car needs also plays an important role while managing finance. The life we live today is a result of someone’s hard work! Lack of money is the root of evil.

“It’s not your salary that makes you rich; it’s your spending habits.” - Charles A. Jaffe

There is a simple formula-
1-Make money.
2-Use that money to make more money
3-Repeat

It’s not the money that matters; it’s how you use it that determines its true value!

"Trust because you are willing to accept the risk, not because it's safe or certain."

--Anonymous
Indian Civil Services have remained a coveted career choice for many in this country. Counted amongst the best career option for aspirants, it presents unique opportunity for power, prestige and satisfaction in a long term career. No doubt every year hundreds of thousands of young and eligible Indian compete to get selected for Indian Civil Services. As there are generally less than a thousand selections every year, the competition to get selected becomes difficult and without proper preparation, one cannot get selected.

Civil services examinations are not conducted merely to test the knowledge of candidates. In fact these examinations are designed to test the originality of thinking, reasoning, conceptual understanding, the own point of view of candidates on subject, and suitability for the post. Indian Administrative Service is one of the most prestigious services because in this service you starts from heights and ends up to the greater heights. You can enjoy the diversity as apart this service. During your service period you may be appointed in different departments at top positions where you can enjoy your creativity, leadership capacity by executing authority and by proving yourself.

The civil services examination is basically a test to choose suitable administrators. It tests the candidate right from the stage when one starts the preparation. A candidate should have the right frame of mind and the will power to succeed in the exam. A proper action plan is needed for the preparation itself since he /she will be tested for some essential qualities like power of retention, clarity of concepts, ability to identify the correct alternatives with efficiency and accuracy. All this requires a quick decision making power. With the new pattern, more stress is on language skills and analysis and decision making capacities, so work on these on a consistent basis as these are skills that are developed over years and not just in a few months. It would be advised to start focusing on your problem solving and language skills as soon as you decide to take these exams.

The Indian Civil Services Examination is conducted by Union Public Service Commission (UPSC) annually and comprises two successive stages:
(i) Civil Services (Preliminary) Examination (Objective type) for the selection of candidates for the Main Examination;

(ii) Civil Services (Main) Examination (Written and Interview)

The Civil Services Aptitude Test (CSAT) is the qualifying paper of UPSC IAS Prelims Exam. CSAT tests the general aptitude of candidates where the minimum qualifying percentage is 33% of total marks. Often candidates are confused about syllabus and the preparations of aptitude test for IAS.

It must be pointed out here that unless one scores at least 33% marks in CSAT his/her GS paper would not be evaluated. Therefore, although this paper is of qualifying nature, its position assumes significance as it happens to act as a window to enter into the Mains stage of the examinations.

The syllabus for aptitude test for civil services is almost same as the syllabus of exams like CAT, NMAT, XAT, etc. but there is difference in difficulty levels.

CSAT exam consists of a 200 mark paper with a total of 80 questions where each correct answer is awarded 2.5 marks and 0.83 marks is deducted for every incorrect answer. Total time allotted for CSAT paper is 2 hours.

Reviewing previous years’ papers may give one a fair idea of his strengths and weaknesses with respect to the test. Like any other competitive exam, this also needs a focus on basics and regular study.

The attempt of writing exam should be divided into three rounds-

Round 1: These questions are easy to solve and can be solved within seconds.

Round 2: These questions are bit tricky and can be solved if the examinee can spend a little extra time on such questions after completing Round 1

Round 3: These are the difficult questions which a candidate should try if they have time after solving Round 1 and Round 2 questions.

One should understand that in order to attempt all the three rounds in a CSAT paper, one needs to be quick- Speed and accuracy is the key here which can be attained by applying short cut methods, Vedic mathematics for speedy calculations and speed multiplications.

The prelims exam is a multiple choice question test and needs a different preparation with a proper strategy. The first thing a candidate needs to bear in mind is that the examination is designed to evaluate certain qualities like a sharp memory and basic retention power. There are ways to increase one's memory like preparing charts. One gets confused when faced with mind boggling facts and figures. Important facts and figures can be simplified and represented on charts and they can be arranged in the form of tables or graphs. Another thing to remember is to make short and brief notes on each topic so that the entire syllabus can be revised a few days before the exam. It is better to use diagrams and link words which make it easier to
understand difficult concepts. One more technique to help in retaining information is the use of abbreviations. Since the syllabus involves exhaustive information abbreviations help you to remember it better.

Since the preliminary exam is an elimination round the candidate should also learn to focus only on the information needed and filter out the rest. It helps to discuss with friends and teachers but the most reliable way is to solve past years question papers. One should also keep abreast with current events and information related to them. An important thing to remember is that for this exam it is not just enough to remember information but to understand the concepts as well. Instead of memorizing facts and figures, conceptual clarity is needed. The questions asked are of 10+2 level. Therefore emphasis has to be on conceptual clarity. Any concept has to be understood with its origin, merits and de-merits, then it needs to be analyzed with other relevant topics and lastly it has to be correlated with the events that have taken place during the year.

Taking a mock test of a certain number of G.S. questions, mathematics and general ability questions would be a good practice work and help to pick out the most appropriate option. Each prelims paper is for two hours but a lot of time is wasted in signing attendance sheets etc., therefore there is a lot of need for effective Time Management is needed for the actual exam. It is not enough to know the right answer but it has to be marked correctly on the answer sheet. Speed and Accuracy are important, so solving model question papers on a regular basis would be a great help. A good presence of mind is needed to eliminate the least appropriate options and arrive at the right one. However beware of negative marking so it is better to mark only sure shot answers than making guesses. Throughout the preparation for the prelims exam, it is important to remember that any topic or concept should not be studied in isolation. It is better to understand and establish a correlation between related concepts from other subjects and current events and happenings.

After clearing the Civil Services Preliminary exams all that stands between you and an illustrious career are the Civil Services Main exams. From a total of 9 Papers 4 Papers are on General Studies, with a total of 1000 marks (4x250). The first paper includes Indian Heritage and Culture, History and Geography of the World and Society, the second includes Governance, Constitution, Polity, Social Justice and International relations, the third has Economic Development, Bio-diversity, Environment, Security and Disaster Management and the fourth GS paper is on Ethics, Integrity and Aptitude.

To prepare for main exam following tips may be useful.

- Current Affairs - A major portion of the General Studies exam comes from current affairs of the previous year.
- Language skills - It is essential to improve your language skills as the examination is a long answer type good language skills will go a long way in correctly presenting your knowledge.
Civil Examination Mains focuses on your thinking and analytical ability and everything depends on how you use language to express yourself.

- Write briefly, eloquently and within word limits.
- Study examples and case studies where applicable
- Plan out your answer before you write so your introductions are interesting, content logical and conclusions are effective.

The next part of the main exam includes optional subjects. Optional paper consists of two papers of 250 marks each. Group 1 There are 26 subjects in this group. The most opted subjects from the humanities and social sciences are Sociology, Anthropology, Public Administration, History, Hindi, Philosophy, Psychology etc. Similarly Mechanical Engineering, Civil Engineering, and Electrical Engineering are preferred by the aspirants from engineering background.

For Group 2, you can opt for the literatures of a language as an optional subject, only if you have graduated in the literature of that particular language as the main subject. The options available are Assamese, Bengali, Bodo, Dogri, Gujarati, Hindi, Kannada, Kashmiri, Konkani, Maithili, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanskrit, Santhali, Sindhi, Tamil, Telugu, Urdu, and English

The next part of the examination is Personality Test or Interview. It is different and needs different and unique type of preparation.

The interview assesses the personal suitability and mental caliber of the aspirant. The mental qualities to be assessed to finally judge one’s suitability are:

- Mental alertness: Means presence of mind, confidence and mental composer.
- Critical powers of assimilation: To assimilate means to understand or take in fully and grasp many dimensions of an issue.
- Clear and logical exposition: clarity of thoughts and expression.
- Balance of judgment: objectivity and optimism. No cynics needed.
- Variety and depth of interest: hobbies and passions.
- Intellectual and moral integrity: A synthesis of morality and intellect.
- Ability for social cohesion and leadership: Empathy to social problems and weaker sections.

Undeniably, UPSC preparation is a lengthy process, but you won’t find it easy if you don’t enjoy your preparation. Preparing for UPSC doesn’t mean that you have to sacrifice all your hobbies, make sure to keep abreast your hobbies as it will make your preparation more fun. Don’t give up music especially if you are a music lover and there are people who study while listening to music and if you are one among them then definitely you make your learning more interesting and enjoyable. If you are passionate about anything make sure to keep it abreast during your UPSC preparation as this will keep you lively.

“You can do anything, but not everything.”

--Anonymous
Is the Oil ‘spilling’ over India or empowering it?

Dushyant Singh Rawat, B.Com.(H), 4th Semester, Galgotias University

India’s oil demand increased by 12 percent in January 2016 compared to a year earlier, hitting 4.2 million barrels per day. India is now the world’s third largest oil consumer, recently transcending Japan. It now sits just behind China and the United States. Recently, India-Venezuela relations have moved beyond conventional oil transactions. State-owned ONGC Videsh, Indian Oil Corporation and Oil India have invested in Venezuela’s Carabobo and San Cristobal oil fields, where oil is already being produced and exported to India and other markets. Reliance Industries has also signed a 15 year contract with PDVSA, Venezuela’s State Oil Company, to import 400,000 barrels of oil per day. An astounding fact that Venezuelan economy is declining very rapidly making a negative impact on its prominent traders and of course making it more uncomfortable for India to hold its position in the state. All the characters that are employed in the oil trading are looking for the best suitable opportunity in making strategic reserves but financing the storage facility is a big problem, as we talk about Indian structure, the government is looking forward to make an accommodation for 90 million barrels of oil. Now our government has drafted to make enormous investments but we can’t change the demands, right?

The UAE has closed a mouth watering deal with India, benefiting both the nations with mutual integration. The UAE does not have enough space to lodge its extra oil barrel storage and India needs oil to meet the growing demand. Abu Dhabi National Oil Company will store some of its oil reserves in warehouse facilities of Mangaluru and Padur which are in their completion stage. In exchange for the space India will receive two-third of the stored oil. Well, India has the potential of creating an environment of world over trading relations but financing projects that are making huge diversification of resources is still a problem. Technological advancements also share a big portion in re-routing the way India is going, we can’t have the possibility that every individual in this nation is bottling the scanty resource and our government promises to avail what the lower segment does not even think off. Reliance Industries Ltd, owner of the world’s biggest refining complex, has also entered into a long-term deal to buy ‘Basra Heavy crude oil bourse’ from Iraq. The refining margin depends upon the cheap heavy, sour grades of crude oil from Iraq and Iran. “For a country like India where value of local currency is fluctuating and so are global oil markets, it’s better to go nearby markets for oil purchase than going for a parcel that takes up to two months to reach India,” said Ehsan Ul-Haq,
senior analyst at London based consultancy KBC Energy Economics.

India is in a dilemma of meeting demands and purchasing oil, in the course of this scenario maybe it is weakening our financial resource strength and is it correct for the environmental stats? I have seen a changing consumption pattern in the rural areas for last two decades, where the basic kerosene oil demands have increased adding some extra gallons of gasoline along with kerosene consumption, hence mocking the development and increasing the burden of deficit for rural areas. The problem is big enough surpassing the distribution inequality and concentration of power in fewer hands. The financial position is absorbed by importing crude oil and our huge portion of exchange is going into this, leaving behind emissions and black dust ultimately for the people to inhale it in transformed state. MR. Prime minister is helping the nation to improvise the ‘energy security’ but time will change its course where energy security will be replaced by ‘sustainable and renewable energy security’.

Environmental investment and sustainability should be the priority at least for major global powers and in this context an example can be understood, let us take a household of four adults in an urban sector and everyone is using their personal vehicles for work. The amount of emission created by this household alone will amount to the least possible environmental hazard but does it stop here? No! There are millions of household doing the same. Government has two fronts facing real problem and the self made problem, demands for gasoline is self created whereas in relation with the main stumbling block ‘environmental hazards’. The ratio of balancing both the factors relies on every individual, not only the consumption pattern needs to be taken care off but also the dependency on gasoline reserves to be shifted wisely. The captive power generation capacity (electricity) is 47,082 MW as on 31 March 2015. Where hydroelectricity has a percentage share of 0.17%. We are much more dependent on coal and oil for the generation of electricity, whereas the consumption pattern is almost changing but we cannot control the demand efficiently. The loss of appetite in an individual would not affect much as the loss of non-renewable source of energy.

India’s demand is growing quickly, making it one of the world’s most influential countries when it comes to energy markets. where will it take us, as I see it, consuming more and more crude oil will not only bring down the use of alternative energy but also make our country dependable on this particular energy source in a long run, I see potential in strategic petroleum reserve because it is the foresightness that our government has evolved for the benefit of this country but It will indirectly create opportunities for automobile and other vehicular activities including heavy machinery running on fuel, which will again demand more oil, so there is no end to our consumption limit, focus should be on the sustainability of what we are importing, so how is it even correct when the whole sentence is fueled by gasoline "consuming more crude oil". Rethink for tomorrow, where are we taking our nation? Have we set our priorities right? Is it enough to just meet
demands which are going to increase in coming future or are we going to invest on what is really needed in coming future (alternative source of energy)?

Iraq and UAE will make definitely choke our Air, water and land in a hysterical way and India will find accommodation for ‘strategic water reserves’ in the Himalayas beside Sadhu maharaj mahant, just for laugh gags.

“A melancholy-looking man, he had the appearance of one who has searched for the leak in life's gas-pipe with a lighted candle.”

— P.G. Wodehouse, The Man Upstairs and Other Stories
WHAT ARE THE BIGGEST CURRENT THREATS TO THE WORLD ECONOMY?

Sudeep Das, B.Com.(Hons.), 4th Semester, Galgotias University

The Economist intelligence Unit (EIU) have released a breakdown of their analysis of the biggest threats to the global economy. One of the top threats was actually the possible election of Donald Trump as president. They predict that his opposition to free trade and open criticism of China and Mexico, which are massive trade partners, poses significant risk to the economy. But Trump is only sixth of the list, so we wanted to know, what are the world’s biggest economic threats?

Well, the health of the economy is crucial to stability around the world. Several leading threats are centred around the European Union. The EIU notes that Greece’s ongoing debt crisis might be stemmed by the latest austerity measures and bailouts. However, the risks of Greece refusing to abide by the restrictions and eventually leaving the EU could create a world of trouble for the international markets. This “Grexit” is especially feared because it would destabilize the surrounding countries, leading to the third biggest threat: a breakup of the European Union.

In recent years, the EU has been struggling to maintain cohesion. With more than a million migrants arriving in Europe, a continued recession following the 2008 global banking crisis, and terror attacks in Paris, the EU is in trouble. Many parties are calling for a breakup of the EU or stricter border in the “free travel Schengen Zone” have been seen increased popularity. Even the United Kingdom is gearing for a referendum to leave the European Union, sparking fear that other countries may follow the same trend. A breakup of the EU would be disastrous for a huge number of trade agreements and established economic treaties. This could possibly plunge Europe into an even deeper financial crisis, thus destabilizing global markets.

The second biggest threat to the economy isn’t actually economic at all. Russia’s military intervention in Syria and the annexation of Crimea has many worried about a new cold war between the USA and Russia. This competitive political fight complicates a number of existing organizations like NATO and the G7, and implies an increase in defence spending on all sides. This takes away from goals like fighting ISIS and global warming, and could easily destabilize the global economy.

But according to EIU, the single greatest threat to the global economy is China. China has been growing at a massive and rapid pace, but in recent times the level of growth has been clearly called unsustainable. Despite efforts to manipulate their currency and markets, the
renminbi currency is still relatively weak, and their economy has a huge amount of unrecoverable debt. China’s role as a manufacturing and commodity trading leader means that a slump for them is a slump for consumers and businesses worldwide.

Although there are a lot of things to be afraid of, the EU, China and Russia pose the biggest threats to the stability of the world economy. What’s worse is that all of these scenarios are ranked highly because they are also most likely to occur.

By comparison, a Donald Trump presidency is only related as “moderately probable”. But if the EU falls apart, China’s economy keeps dropping (without the fast emergence of a stabilized-substitute-dependable economy such as of India) and a new cold war emerges, Trump may just be the least of anyone’s problems.

“I always advise people never to give advice.”
— P.G. Wodehouse
1. For the first time in recorded history, India will not face a power deficit this financial year, according to the data by the Central Electricity Authority of India. The electricity organisation said that there will be a surplus of 3.1% during peak hours, and a surplus of 1.1% during non-peak hours, beginning June.

2. The US Senate have rejected an amendment to recognise India as a "global strategic and defence partner". The amendment, if passed, would have helped India to acquire advanced military technology, participate in combined military planning, and be treated like US' "closest defence partners" for military sales. Earlier, US had recognised India as a "major defence partner" in a statement.

3. The Cabinet approved the merger of State Bank of India's five associate banks and Bharatiya Mahila Bank with the SBI, as part of the government's plan for consolidating public sector banks. The associate banks are State Bank of Bikaner and Jaipur, State Bank of Travancore, State Bank of Patiala, State Bank of Mysore and State Bank of Hyderabad.

4. Astronomers at NASA have discovered what is the largest planet so far to orbit around two suns. Named the Kepler-1647b, the Jupiter-like planet is almost 4.4 billion years old and lies in the Cygnus constellation, approximately 3,700 light-years away from the Earth. With a 1,107-day orbit, the planet has the longest period of any transiting exoplanet found so far.

5. India's industrial output contracted by 0.8% in April, the first decline in three months, due to a steep fall in capital goods production and manufacturing activities. The manufacturing sector, which constitutes over 75% of the Index of Industrial Production (IIP), contracted by 3.1% in April, while the capital goods output declined by 24.9% during the month.

6. An eBay auction for a private lunch with billionaire investor Warren Buffett was sold on Friday for $3,456,789. The bidder, who had wished to remain anonymous, ties for the 2012 bidder's record for highest bid on eBay for charity. The proceeds of the auction, held annually since 2000, will be sent to a San Francisco-based homeless charity.

7. Uttar Pradesh's Muzzafarnagar district has a village called 'Snapdeal.com Nagar', which was originally named Shiv Nagar. In 2011, Indian e-commerce company Snapdeal installed 15 hand pumps in the village so that the villagers need not walk long distances to fetch water. To express
their gratitude, the villagers voted to name their village after Snapdeal.

8. According to a decade-long study, a 2,100-year-old mechanical computer may be the world's oldest computer and may have been used to track celestial bodies including the sun and moon, and predict eclipses. The computer named Antikythera mechanism was discovered in 1901. The team found 3,500 characters of explanatory text on the computer that shows its working, according to a researcher.

9. US Congresswoman Nancy Pelosi has claimed that Apple's Co-founder Steve Jobs did not invent the iPhone. "Technology for the smartphone including the GPS, flatscreen, digital camera and others came from the federal investments in research," Pelosi said. "Steve Jobs did a good idea designing it and putting it together. Federal research invented it," she added.

10. Software giant Microsoft is buying business-oriented social networking service LinkedIn in an all-cash transaction valued at $26.2 billion, the company announced in a blog post on Monday. Jeff Weiner will remain the CEO of LinkedIn and will report to Microsoft CEO Satya Nadella. The transaction is expected to close this calendar year.

"Knowledge is being aware of what you can do. Wisdom is knowing when not to do it."

--Anonymous
### MARKET MOVEMENT - NSE NIFTY

**Weekly Analysis from 15 April 2016 to 13 June 2016**

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Source: [http://www.nseindia.com/products/content/equities/indices/historical_index_data.htm](http://www.nseindia.com/products/content/equities/indices/historical_index_data.htm)
### MARKET MOVEMENT - BSE SENSEX

#### BSE SENSEX
Weekly Analysis from 15 April 2016 to 13 June 2016

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#### Chart

**Market Rate**

- **High**
- **Low**

### USD Exchange Rate

**Weekly analysis from 15 April 2016 to 13 June 2016**

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**MARKET MOVEMENT - USD**

Source: [https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx](https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx)
BRAIN TEASER
Asst Prof. Shashi Sawhney, Galgotia University

Q1. Which of the following Indian city is not in the list of ‘20 most polluted cities in the world’?
   a. New Delhi
   b. Ahmadabad
   c. Lucknow
   d. Mumbai

Q2. The Sustainable Development Goals (SDGs) were adopted by 193 countries in September 2015 and came into effect on January 1, 2016. When are they supposed to expire?
   a. 2020
   b. 2025
   c. 2030
   d. 2040

Q3. 863 million people living in extreme poverty, as measured for Sustainable Development Goals adopted by the United Nations, are the people who live on less than:
   a. USD 0.85 per day
   b. USD 1.00 per day
   c. USD 1.25 per day
   d. USD 1.50 per day

Q4. What percentages of children under five years of age globally die because of poor nutrition?
   a. 15
   b. 25
   c. 35
   d. 45

Q5. SDGs are continuation of Millennium Development Goals (MDGs) adopted by the United Nations. Which of the MDGs was least successfully achieved?
   a. Halve, between 1990 and 2015, the proportion of people whose income is less than $1.25 a day
   b. Achieve, by 2015, universal access to reproductive health
   c. Eliminate gender disparity in primary and secondary education
   d. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

Q6. How many children die each day globally due to preventable water and sanitation-related diarrheal diseases?
   a. 500
   b. 1000
   c. 1500
   d. 2000

Q7. Which is the first country in the world to commit to zero deforestation?
   a. Switzerland
   b. France
c. Norway  
d. Finland

Q8. May 8, 2016 was a windy and sunny day thus causing high renewable energy generation that was more than the demand, so the grid enticed consumers by paying them. In which country this happened?

a. Great Britain  
b. Australia  
c. Germany  
d. USA

Q9. Name the proposed structure scheme announced in Union Budget 2016-17 to help Panchayat Raj institutions deliver the Sustainable Development Goals?

a. Rashtriya Gram Abhiyan  
b. National Model Self Governance Scheme  
c. Rashtriya Gram Swaraj Abhiyan  
d. Swashasan Abhiyan

Q10. The 17th SDG is about strengthening the “means of implementation” and revitalizing the “Global Partnership” for realizing all the other Goals. Which of the following is not part of Goal 17?

a. Mobilizing the financial resources necessary to achieve the Goals  
b. Creating international sports tournaments and festivals to promote the Goals  
c. Helping developing countries build the capacities they need in areas such as technology, public policy, and data for reporting on progress  
d. Enhancing trade, especially to help developing countries increase their exports and grow their economies

Answer: 1-d; 2-c; 3-c; 4-d; 5-b; 6-b; 7-c; 8-c; 9-c; 10-b

"Thinking should become your capital asset, no matter whatever ups and downs you come across in your life."  
--A.P.J. Abdul Kalam
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Contributors – June 2016

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