

# The BAF Times

An Initiative of M.L.Dahanukar College of Commerce

Volume 1, Issue 1

January 02, 2021

## Foreward by the Principal

*Idea behind this Weekly Newsletter*

### Dr. D.M.Doke

Principal

Being a Commerce College, students are expected to know the changes in the business world. This weekly newsletter will help the students get acquainted with a glimpse of what happened in the week gone by. It will also have insights into various business and commerce related updates which will help you gain indepth knowledge. Make it a point to read each and every article in this issue and stay updated so that you don't get outdated.

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## Brand Unicorn

### Dr. Sudha Subramaniam

Core Faculty, M.L.Dahanukar College of Commerce

A 'Unicorn' is a start-up valued at \$1 billion or more. Our kitty holds nine ventures who turned Unicorns in 2019 and eight in 2018. Blazing the success trail, India has recorded 11 Unicorns in 2020. Glance and Dailyhunt are the latest additions. As we step into 2021, with 2020 bearing the label of 'Year of the Pandemic', while thinkers are still ruminating over the aspect of the 'Black Swan' year and the 'New Normal of Uncertainty', India added feathers to her cap by witnessing the emergence of a transformational brigade of start-up entrepreneurs with a 'unicorn mindset' who went on to become unicorns!!

If planning, forecasting and growth are the stepping stones of a sustainable enterprise, the thorns of competition definitely create an oasis of uncertainty. Coupled with a horde of controllable and uncontrollable external forces that need focussed understanding, analysis and futuristic vision to make the right decisions and to abide by them, entrepreneurs and enterprises have to be ready for the challenging journey ahead.

In the red ocean of competition, we had the blue ocean strategy where the creation of a unique product for a unique market took the limelight in the creation of successful enterprises. As the voyage intensified with technology making its advent in a major way, simultaneously seeking to address the divides created by consistent change and the lag in adaptation, the world continues to move on in differential divides.

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Donning the identity of 'start-up', several ventures bludgeoned and blossomed, driven by the power of ideas. They made their presence felt, selling dreams beyond boundaries. Creating products and services and designing reach-out with skill, the need for Finance to provide the life-blood became a roaring chasm that created a new world of opportunities for able finance providers and finance solutions, who pitched in to deliver the need.

At the root of it all is the one glaring truth, 'Need'. Creating the need and capitalising on it, 'Immobi' became India's first Unicorn in 2012.

Pine Labs, one of the oldest merchant payment solution providers, became the first unicorn of 2020. Founded in 1998 by Lokvir Kapoor, Rajul Garg and Tarun Upadhyay was initially launched as a card-based payments and loyalty solutions provider, working up to carve its business model to PoS in 2012. Pine Labs raised an undisclosed amount from New York-based financial services major Mastercard at a valuation of approximately \$1.5 billion

Launched in 2010 as an online store for baby care products and toys, Pune-based firstcry.com, founded by Supam Maheshwari and Amitava Saha has emerged as an undisputed leader in the omnichannel baby and mother care products segment. In Feb 2020 it gained Unicorn status with \$150 million/Series E from Softbank Vision Fund. Dreaming big, selling your dream and translating them into reality is definitely the Unicorn way forward!

## **World's most popular cryptocurrency- Bitcoin's value rises**

*Even under current scenario, the value of bitcoin has been risen to Rs. 20 Lakh (\$27,075)*

**Ms. Sampatti Joshi**

TYBAF

After the crash in 2018, the world's popular cryptocurrency now is again in the news with its raised value, even when most of the currencies are

are suffering from the pandemic hit. The digital currency has managed to surge over 20 lakhs i.e., 200% in 2020.

Many of the bitcoin investors felt the coronavirus pandemic offered a favorable environment for the rise. Also, the traditional investment options' interest rate reduced, paving a way to invest in cryptocurrency. The sharp rise in the value has attracted the attention of the investors.

Even though Bitcoin is considered to be extremely volatile and unpredictable, the experts believe, that the digital currency will improve in 2021. The regulation of Bitcoin is still a challenge to be solved, the acceptance of the currency has started rooting. It has started to be seen as an alternative for retail investors.

## **Centre May Impose 18% GST On Bitcoin Trading**

*Plan to categorise Bitcoins as intangible assets*

**Ms. Aproz Bismi**

SYBAF

The Central Economic Intelligence Bureau (CEIB) has conducted a study on levying tax on bitcoin transactions and has put forward a proposal to impose 18% GST on each transaction. It was suggested that bitcoin will be treated as an "intangible asset" class and GST could be imposed accordingly.

Initially, according to the report, the total amount of bitcoin transaction in India stands around INR 40,000 crore. The Central Board of Indirect Tax & Customs reported that Government could earn INR 7200 crore annually on bitcoin trading.

## **Farmers at the mercy of corporates**

*Burning issue is now the bone of contention*

**Ms. Preeti Yadav**

TYBAF

The agriculture sector being the greatest contributor to our GDP contributes to almost 15% of the National GDP. It is the livelihood of an  
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overall 50% of the total Indian population. As per the reports, Gross Value Added by agriculture, forestry and fisheries are about Rs. 19.48 lakh crores in FY 2019-2020.

Our Parliament introduced new farm laws with the core intention to accelerate growth in the agriculture sector through private sector investments in building infrastructure, supply chains for farm produce in National and Global Markets, defeat the monopoly cartel at the APMC Mandi and sell the produce anywhere to anyone.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020, allows farmers to sell their harvest outside the notified Agricultural Produce Market Committee (APMC) Mandis without paying any State taxes or fees.

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020, facilitates contract farming and direct marketing.

The Essential Commodities (Amendment) Bill, 2020, deregulates the production, storage, movement, and sale of several major foodstuffs, including cereals, pulses, edible oils, and onion, except in the case of extraordinary circumstances.

Farmers named this Act as Anti Farmer Laws. They fear that the government is excusing them to pull off the MSP [It is the rate at which the government purchases from farmers at a minimum profit for their harvest to safeguard against the lesser price in the open market (which is lower) to the cost incurred] safe net from under their feet. They demand MSP while dealing with corporate sharks. They fear getting looted by the big companies in the contract farming deals.

## Gold Marginally Lower, Silver Gains

*Gold price down by Rs 16 and Silver price gain Rs 205 on just before year ended.*

**Ms. Khushi Upadhyay**

FYBAF

Gold was marginally down by ₹ 16 to ₹ 49,484 per 10 gram in the national capital on Wednesday, according to HDFC Securities. In the previous trade, the precious metal had closed at ₹ 49,500 per 10 gram. However, silver gained Rs 205 to Rs 67,673 per kilogram from its previous close of ₹ 67,468 per kilogram. The Rupee appreciated by 9 paise to 73.33 against the US dollar.

In the International Market, Gold was quoting marginally up at USD 1,879 per ounce, and silver was flat at USD 26.22 per ounce. "Gold prices gained as the dollar index fell from yesterday. Worries over economic recovery on pandemic fears have supported bullion prices to trade firm," according to Senior Analyst of HDFC Securities.

## SolarWinds Hack

*One Of The Largest Cyberattack On The US Government In Recent Years*

**Mr. Manuel Fernandes**

TYBAF

The cyber-attack has affected the US Treasury, Department of Homeland Security, Department of Commerce, parts of Pentagon and other private companies. It was discovered by private cyber security firm, FireEye. The hack began in March 2020. In this cyberattack, a malicious code was sneaked into updates of software Orion by SolarWinds, which monitors network of businesses and governments for outages. The malware gave hackers access to organization's networks. This attack is also called as 'Supply

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Chain' attack wherein the attacker instead of directly attacking the government or private organisation's network target a third-party vendor, which supplies software to them. SolarWinds CEO has said that they believe the attack is "result of a highly sophisticated, targeted and manual supply chain attack by a nation-state". The Cybersecurity and Infrastructure Security Agency has asked all to disconnect SolarWinds Orion products immediately as a counter measure. SolarWinds said that their total revenue from affected products is about \$343m or roughly 45% of its total revenue. We need to be alert and ready for these and various other cyber-attacks. Delhi police recently claimed that 62% cybercrime cases were linked to financial frauds in 2020.

## Going to ATM? Better know the balance

*Banks like ICICI, SBI, Kotak Mahindra Bank, Yes Bank, HDFC and others charge fee for failed ATM transaction*

**Ms. Sampatti Joshi**

TYBAF

Many of us are unaware about the fact that bank charges a fee for a failed transaction at any ATM. When a person tries to withdraw money from his/her account and if the amount exceeds the balance available, it may lead to failure in transacting.

The balance of the account can be checked through SMS system or even through a call. Ensuring we have sufficient balance in our account before withdrawing will help in avoiding payment of fees for failed transaction.

The fees range from Rs. 20 to Rs. 25 plus taxes, depending upon the banks. Therefore, it is better to know the balance beforehand, so as to avoid paying extra amount as penalty.

## New Scheme In The Works To Create More Entrepreneurs

*The Government of India plans to train more than 3,00,000 entrepreneurs over the next five years*

**Ms. Aproz Bismi**

SYBAF

The Government of India is launching this scheme to help the existing, upcoming entrepreneurs as well as young enterprise that are and were struggling as the COVID pandemic has destroyed the job market very drastically which in turns has created a higher rate of unemployment across the country .

The support is to be given under PM Umeed Scheme from 2021-2022 to 2025-2026. This scheme is totally based on giving loans to budding entrepreneurs and connects them to the appropriate market. So, the entrepreneurs can also become job providers. An official stated that this scheme is a demand driven scheme as the state will have to identify potential entrepreneurs and ventures that needs support.

This support will continue for 18 months after the completion of 2 month Entrepreneurship Development Training. Several other measures will also be considered like National Employment Policy, National Electronic Employment Exchange and building of skill based database. They will be linked to the market and credit institutions for raising funds and connect them to a digital aggregator platform.

This scheme will help 75% budding entrepreneurs and 25% existing entrepreneurs. This scheme will create an enabling ecosystem for new entrepreneurs so that the new business can absorb the rate of unemployment from the job market in the coming year.

## Looking Forward to 2021

*Rules implemented from 1st January, 2021*

**Ms. Krutika Surve**

SYBAF

### GST Registered Small Business

The centre has decided to introduce a quarterly filing of returns. Under this, GST assessee having annual aggregate turnover up to Rs 5 crores will be required to fill only 4 GSTR 3B forms instead of 12 now. Small traders whose turnover is less than Rs 5 crore will be allowed to file returns quarterly rather than monthly basis.

### NPCI Puts Cap On 3rd Party Apps

Users might be required to pay additional charges on transactions from Amazon Pay, Google Pay and Phone Pay. The National Payment Corporation of India (NPCI) which manages Unified Payment Interface (UPI) has decided to impose a 30 percent cap on 3rd party apps starting the New Year.

### Cheque Payment Rule

The Reserve Bank of India decided to introduce the "Positive Pay System" for cheque payment. Under this rule, re-confirmation of key details may be needed for payments above Rs 50,000.

### Contactless Card Transaction

Reserve Bank of India has raised the limit of contactless card transactions from Rs 2000 to Rs 5000. There will be no need of PIN for debit and credit card transactions in the amount of upto Rs 5000.

### Hike In Car Prices

Automobile companies have announced a hike in car prices from 1st January, 2021. The move was also made to raise the sales of the car in the last month of the calendar year 2020.

### Google Pay Web App

Google is all set to kill its web application Google Pay. Customers have been so far using the application and website for making transactions and managing payments. However, Google has said that the web app site will no longer work from 1st January, 2021.

### Life Insurance Companies To Offer Simplified Term Plan

"Saral Jeevan Bima" is a standardized term insurance plan. The Insurance Regulatory and Development Authority of India (IRDAI) has mandated all life insurance companies to provide standard individual term life insurance policy from 1st January, 2021.

## FDI up 21% in April-October: DPIIT

*Single Window by April 2021*

**Mr. Advait Gaikwad**

FYBAF

The Government on Thursday asseverated that Foreign Direct Investment (FDI) equity inflows into India grew 21 % to \$35.33 billion in the April – October period of financial year 2020-2021 from \$29.31 billion a year ago.

The Department for Promotion of Industry and Internal Trade (DPIIT) conveyed that 26 FDI applications marked were disposed off during the year. They stated that Investment Clearance Cell (ICC) will furnish facilitation and support to businesses through one stop digital platform. The central Single Window System is being elevated and the platform is contrived for launch with selected states by April 15, 2021.

# Everything you need to know about New Rules in Mutual Fund

Here are the four new modifications in the rule which will be effective from 1st January 2021

**Ms. Tanisha Singh**

TYBAF

Security Exchange Board of India (SEBI) has recently announced some new norms to make Mutual Fund more user friendly, safe, and transparent.

## Risk-o-meter Tool

SEBI has introduced a new risk-o-meter tool that will replace the old system measuring only schemes category without considering portfolio.

The Asset management company (AMCs) will not only be disclosing only the risk-o-meter (very high risk) but also the portfolio with all its schemes on its website. It will be evaluated on monthly basis within 10 days from the closing of each month. Furthermore, they also have to publish a history of risk-o-meter at the end of every year.

## Evaluation of Net Asset Value (NAV)

Currently, the NAV of the same day is considered, even if the money does not reach the AMC. This is only applicable to the purchase of investment of less than ₹ 2 lakhs.

But following the new modification, irrespective of the size of purchase of an investment, the NAV of the day will be considered when the money reaches AMC. This rule does not apply to liquid and overnight funds.

If you wish to contribute your articles to be featured in the next issue, please mail your articles on [swapnils@mldc.edu.in](mailto:swapnils@mldc.edu.in) or contact on 9987094858 by Thursday of every week and wait for the issue to be released on Saturday.

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## Portfolio allocation for multi-cap equity mutual funds

Presently the schemes invest up to 65% in Equities but as per the new rules for portfolio allocation, multi-cap mutual funds will have to invest at least 75% in Equities. Also, these schemes will have to invest at least 25% each in large capital, mid capital, and small capital stocks. SEBI has given time till 31st January for compliance with the above rules.

## Inter schemes transfer

Inter scheme transfer (ISTs) involves the transfer of debt papers and bonds from one scheme to another. In April, amid the COVID-19 crisis, many mutual funds opted for ISTs from riskier and illiquid categories into safer ones which put transferee schemes at excessive risk. At present, SEBI only requires that ISTs are to be allowed at market price and securities so transferred conform to the investment objective of the scheme. But SEBI has laid down some additional rules to safeguard schemes that are effective from January 2021, in which ISTs in close-ended funds are only allowed within 3 days of allotment of a scheme unit to an investor and not after that. Also, no ISTs shall be allowed if there is any negative news about securities in the previous 4 months.

## **Terminology of the Week**

### **Sun Outage**

A situation in which certain satellite signals are blocked (or altered) due to the position of the sun in between the satellite and the Earth. Therefore, in most situations when a sun outage is due to occur, trading at the affected stock exchanges is halted until the outage is over.

Editor-in-Chief

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