



M.L.Dahanukar College of Commerce

The BAF Times

Volume II
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FOREWORD



Idea Behind This Weekly Newsletter

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 in-depth knowledge. Make it a point to read each and every article in this issue and stay updated so that you don't get outdated.

- DR. D. M. Doke
Principal

MIRRORING THE FUTURE OF WEALTH

Dr. Sudha Subramaniam

Core Faculty, M.L.Dahanukar College of Commerce

**The BAF
Times**

Five years ago, HSBC had shuttered its private banking business in India and had cut its branches to half. However, the latest headlines proclaim that the Hongkong and Shanghai Banking Corp Ltd (HSBC), with close to \$3 trillion in assets, is planning to foray with its retail business in India. The Bank is planning to tap the increasing NRI segment and the affluent class. India CEO Surendra Rosha expressed the viewpoint that the Bank will enhance its product capabilities and invest in digitisation.

Upgraded Playstations, iPad Pro, Fitness Bands, Upgraded Playstation Controllers, Smartshoes, a variety of Apps like Angry Birds Space, Google Currents, Airtel Pocket TV app, Google Maps for Android and many more are illuminating the techno-zone and are all poised to capture markets. Definitely, new technology-based products will be in increasing demand to address the needs of Indian youth. The immense potential that India harbours must be identified segment-wise, so that the key to the creation of wealth unlocks the bountiful reservoir that is gushing with vibrancy.

The HNWI (High Networth Individual) population in India is increasing and this predicts futuristic expansion of investable wealth. NRI clientele also comprise a lucrative segment for the Indian Wealth Management Industry. The global number of NRI and People of India Origin (PIO) is estimated at 29 million. Increasing remittances to India as well as increased regulatory scrutiny has definitely been a major focus area. The inward money flow from legitimate channels will boost the spiral of wealth and its further creation in the form of infrastructure and IT-enabled services. Consolidating investments and long-term planning will augur a healthy climate for efficient wealth management.

One area that needs to be addressed is compliance. Transparency in dealings and minimising scams will definitely go a long way in ensuring a steadfast climb. Wealth Management organisations must necessarily have an automated wealth compliance platform.

Simultaneously, operational inefficiencies, human error, inconsistent processes and misplaced documents will detract from performance and drive costs up. Therefore, a judicious compliance policy and framework of operating procedures must be in existence and in operation.

The borderless regime must permeate and just like overseas investors span international markets, Indian investors must also make allocations towards procuring global assets. This will increase dollar inflow and thereby result in increased absolute return.

All said and done, the reservoir of wealth will determine the flow of income.

In the words of Warren Buffet, "If you aren't willing to own a stock for ten years, don't even think about owning it for ten minutes. Put together a portfolio of companies whose aggregate earnings march upward over the years, and so will the portfolio's market value."

“YOUR SUCCESS IS OUR SUCCESS. TOGETHER WE CAN AND WE WILL”

Ms. Manasi Mule,
Placement Coordinator

Dear Young Talents,

You have finally reached the last year of college life. This year always has mixture of feelings as you would be soon parting away from your friends who have been good supporters of you while bunking lectures, celebrating birthdays and different college days. Also, you would miss your teachers who were guiding you throughout the three years of college. I take this opportunity to welcome you all in the phase where after your TY you will get a chance to implement your skills in real life. You will gain fame by showcasing your skills outside the college and win a proud moment for your teachers and mentors. It is said by Henry James, “It’s time to start living life we’ve imagined.”

Going by words of Henry James it is the placement cell who will try to give you opportunities to showcase the skills, talents to the outside world. The placement cell will prepare you from the basic resume making skills to how to prepare for your first interview. It always tries to get companies where the students can get good exposure and experience the corporate world. We have been placing students in Asian Paints, TCS, Wipro, TJSB, Motilal Oswal, M.P.Chitale and the list goes on.

We completely believe in: “Taking small steps every day for your better future.”

FAQ:

1. Who handles Placement?

Manasi Mule

1. How to connect to her?

Email id: mansim@mldc.edu.in

Contact no: 9833691223

Whenever you approach a bank for a loan or a credit card, the first thing banks check is your Credit score, also commonly called as a CIBIL score after the credit rating agency, CIBIL (Credit Information Bureau (India) Limited). A bank may decide whether to approve or reject the loan and also the interest rate based on your score.

Let's understand what exactly a CIBIL Credit score is. Credit score is a three-digit number, ranging from 300 to 900, which acts as a measure of your credit worthiness. The score is derived after taking into consideration your credit history and other financial details.

The closer you are to a credit score of 900, the better are your chances of getting easy approval on your loan. A score closer to 300 is considered poor and hurts your chances of availing finance. For most banks, the minimum CIBIL score required to approve a personal loan is around 750.

There could be many reasons for an individual having a low score. Some of them include:

1. Poor Payment Track Record

Your payment history is one of the key factors that affect your CIBIL score. Repeatedly delayed or missed EMI/credit card payments will decrease your score. Having a default in your credit report can have an even worse impact

2. Having a High Credit Utilization Ratio

Credit Utilization Ratio is calculated by dividing the total credit utilised by the total available credit limit across all credit card and loan accounts (usually on a monthly basis). A high credit utilization ratio (such as higher than 30%) indicates a higher dependence on credit and a potentially high repayment burden.

3. Submitting Multiple Applications for New Credit Simultaneously

Submitting multiple applications for new loans and credit cards with several lenders within a short time results in an increase in the number of hard enquiries. All of these hard enquiries get recorded on your CIBIL credit report and show you to be a "credit hungry" borrower who is potentially at a higher risk of default.

4. High Exposure to Unsecured Credit

Having too much outstanding unsecured debt through credit cards and personal loans can adversely affect your CIBIL score as it is often interpreted as a sign of mismanagement of personal finances.

5. Outstanding Credit Card Balance

Not paying credit card bills every month or only paying the minimum amount due leaves an outstanding balance on the cards. This can reduce the credit score.

6. Errors in your CIBIL Report

Errors in your CIBIL Report such as an incorrect mention of default in repayments, errors in active loans/credit cards reported, etc. may adversely affect your CIBIL Score. Ideally you should regularly check your credit report and raise a CIBIL dispute to rectify errors, if any at the earliest.

Only having a high Credit score is not enough. You also need to maintain your score. Here are few ways that help maintain a high CIBIL Credit score.

1. Pay Credit Card Dues and loan EMIs on time: Paying your EMIs and credit card dues in full and on time indicates responsible credit behaviour.
2. Maintain Low Credit Utilization Ratio: Maintaining a low credit utilization ratio (usually 30% or lower of your total available credit limit) hints at a lower dependence on credit and thus, a lower burden of repayments.
3. Maintain a Balance between secured and unsecured credit: You should therefore ideally maintain a balance between secured credit (such as home loan, car loan, etc.) and unsecured credit (credit card, personal loan, etc.) to maintain a high score.
4. Review and Monitor your Credit Report Frequently: Monitor your credit report frequently for administrative errors and possible fraudulent usage.
5. Be Judicious When you apply for New Credit: Avoid applying for new credit unless you actually need it.

6. Settle Your Debts only as a last resort: settling your debts instead of paying them in full it indicates an inability to handle your finances judiciously
7. Avoid Closure of Older Accounts: Older accounts show your long-term association and connection with the lending institutions, which is considered good by the credit bureaus.
8. Don't keep applying for credit if rejected: If you have applied for a loan or a credit card and your application has been rejected, the information will be recorded in your credit report.
9. Watch out for joint applicants: If you are the joint applicant for a loan someone else has taken, and they have defaulted on payments then you too will lose out in your credit score as it will reflect in your report as well.
10. Opt for credit card: A credit card debt is known as revolving credit which helps build a good credit score faster (provided payments are made on a regular basis) compared to a loan.

To check your CIBIL score, you can visit <https://www.cibil.com/freecibilscore>. Create an account and enter your personal details like PAN and Aadhaar number. Then, verify your identity with OTP to view your Credit score.

EL SALVADOR BECOMES THE FIRST COUNTRY IN THE WORLD TO PERMIT LEGAL TENDER STATUS TO BITCOIN!!!

Ms. Dipti Jadhav

SYBAF

The EL Salvador is now the first ever country to make Bitcoin legal tender. Its adoption as legal tender will go into law in 90 days.

Nowadays, there has been trend for bitcoin all around the world. While, somewhere in the Central America, El Salvador country has passed the tender to legalize the bitcoin.

On 9th June the President Nayib Bukele came with a move to approve a bill making the world's largest cryptocurrency, bitcoin as legal. The adoption of the tender will go to the laws for 90 days. While he stated this would generate jobs in the short term and provide financial addition to thousands outside the formal economy, he also added that the proposed bill will transform the remittance-dependent economy where 70 percent of the population does not have a bank account and works in the informal economy. It was simplified that the use of US Dollar will be continued as legal tender and use of bitcoin will be optional, it would not bring risk to the users. The Government will guarantee the convertibility to the exact value in dollars at the moment of transactions. After this change it can be said that "El Salvador will turn into a financial power house of future."

Meanwhile, on 9th June the global cryptocurrency market cap is \$1.50 trillion. Bitcoin's current price is \$32,987.02 and its dominance is by 41.34% with an increase of 0.39% everyday.

GOVT AIMS TO RAISE DOMESTIC GAS PRODUCTION BY 75% IN THREE YEARS

Ms. Akshata Khandekar
TYBAF

Domestic natural gas production in FY21 was 28.6 BCM, while 30.5 MT of crude oil was produced in the country in the fiscal. Indigenous natural gas production caters to about 51% of the country's requirements, while around 85% of the country's crude oil is imported.

Oil and gas exploration and production operators and national oil companies are working to attain a production level of 50 billion cubic metres (BCM) of gas and 40 million tonne (MT) of crude oil by FY24, the Union Ministry of Petroleum and Natural Gas said in a social media post.

The Ministry said on Twitter that Union Petroleum Minister Dharmendra Pradhan reviewed a presentation by the director general of Hydrocarbons on "Exploration & Production Action Plan 2023-24" where these production targets were mentioned. The Minister encouraged the industry "to accelerate exploration and production activities by greater use of technology and geo-scientific data" and has "also assured all support to the operators in boosting domestic production of oil and gas for a secure energy future," the post added.

Domestic natural gas output had fallen 2.8% year-on-year to 31.2 BCM in FY20, reversing the growth trend recorded since FY18. However, natural gas production increased 22.7% y-o-y to 2.7 BCM in April, mainly due to higher production from Reliance Industries and BP's ultra-deep-water field in the KG D6 Block of the Krishna Godavari basin on the east coast. Commencement of gas production at the neighbouring field owned by Oil and Natural Gas Corporation (ONGC) is also expected soon.

The current price for gas produced from local nominated fields has been revised to an all-time low of \$1.79/ million British Thermal Units(mBtu) by the Government, which is much below the breakeven point for most fields, deterring gas producers from aggressively increasing production or getting into new high-risk projects. For ultra-deep-water gas fields like the Krishna Godavari basin, which have higher pricing and marketing freedom, the current price cap is set at \$3.62/mBtu.

CRYPTO: A LEGAL TENDER

Ms. Isvarya Rajagopalan
SYBAF

While Indian Parliament is considering to classify cryptocurrencies as a substitute asset, El Salvador, a country in South America, became the only country in the world to officially accept cryptocurrency as legal tender. This was sanctioned by President Nayib Bukele.

El Salvador does not have its own currency and the U.S. dollar will remain El Salvador's main currency. The lawmakers have favored the move to create a law to adopt bitcoin. The Government aims to set up a \$150 million trust at El Salvador's Development Bank that will allow citizens to convert bitcoin into U.S. dollars.

But the exchange rate is not yet determined. The law includes payment of tax in bitcoin. It also says, bitcoin must be accepted by firms when offered as payment for goods and services though goods and services are to be priced in U.S. dollars, rather than bitcoin, which tends to highly fluctuate and involve long strands of decimals.

Mr Bukele claimed that they have an idea to build bitcoin mining hub with El Salvador's volcanoic mountains which could be used as a renewable source of geothermal energy.

According to Mr Bukele "It will bring financial inclusion, investment, tourism, innovation and economic development for our country". He also stated that the use of bitcoin for its potential is to help Salvadorans living abroad to send remittances back home.

However, the use of bitcoin will be optional for individuals and would not bring risks to users.

Mr. Bukele informed that he will meet the IMF to discuss the bitcoin law, among other issues related to it.

AN INSIGHT INTO CRYPTO CURRENCIES

Ms. Isha Amdaskar
SYBAF

Crypto currency, crypto-currency or crypto is digital asset designed to work as a medium of exchange where in individual coin ownership records are stored in a Ledger existing in the form of computerized database using strong cryptography to secure transactions record, to control the creation of additional coins, to verify the transfer of coin ownership. It typically does not exist in physical form (like paper money) and is typically not issued by central authority. Crypto currencies typically use decentralized control as opposed to centralized digital currency and central banking system when a currency is minted or created prior to issuance or issued by any single issuer, it is generally considered centralized. When implemented with decentralized control, each cryptocurrency works through distributed Ledger technology, typically a block chain, that serves as a public financial transaction database.

Bitcoin, first released as open-source software in 2009, is the first decentralized cryptocurrency. Since the release of Bitcoin, other cryptocurrencies have been created. Bitcoin was initially created to be used a digital payment system but experts say it is still too volatile to be used for that.

Ethereum is cryptocurrency of the Ethereum network, an open source blockchain upon which developers can build apps and other cryptocurrencies. It is also the second largest cryptocurrency by the market cap behind Bitcoin. Either's value has risen sharply since its creation in 2013, to nearly \$3000.00 for one token, as of late May 2021, but still lags well behind bitcoin's value of nearly \$40,000 per coin .

XRP is the current cryptocurrency of ripple digital payment network. Built for digital payments, XRP touts itself as faster and more efficient way to power global payments. Ripple and XRP also allows third party development on other uses of XRP.

Tether is fiat currency tied to US Dollar. This keeps its value more stable amid high volatility with other cryptocurrencies. Tether value hovers around \$1 on account of its tie up to US Dollar.

Cardona uses technology called ouroboros, a peer -reviewed blockchain protocol. It describes itself as a more secure and scalable way to maintain decentralization.

Chainlink uses 'real world data-off chain computation' while maintaining security and reliability.

Dogecoin started as a joke and is literally classified as "meme coin ". It is currently worth over \$93.38 Billion Dollars.

INDIA'S FOREX RESERVE CROSS \$600 BILLION MARK FOR THE FIRST TIME

Ms. Aproz Bismi
TYBAF

India's foreign exchange reserve crossed \$ 600 billion mark for the first time after increasing by \$6.842 billion in the week ended June 4 as per RBI data. The reserve surged to record \$605.008 billion in the reporting week, which was helped by a rise in Foreign Currency Assets (FCA) which act as a major component of overall reserves.

In the previous week ended May 28, 2021, the reserve has swelled by \$5.271 billion to \$598.165 billion. In the reporting week, FCA has jumped by \$7.362 billion to \$560.890 billion.

Gold reserve declined by USD 502 million to USD 37.604 billion, the Special Drawing Rights (SDR) with the IMF dipped USD 1 million to USD 1.513 billion. The current foreign exchange reserve with the country is enough to cover nearly 16 months of imports.

ASIAN PAINTS LIMITED - SUPPLY CHAIN DURING THE COVID-19 PANDEMIC

Ms. Gauri Vaidya

Alumni

M.L.Dahanukar College of Commerce

When we think of painting and redecorating our houses with unique high-quality paints, the company that pops into our head is none other than Asian Paints. Asian Paints is a huge company and covers over 41-42% of market share in the industry. Berger Paints India Ltd and Kansai Nerolac Paints, the competitors, cover over 13-14% each.

Asian Paints is a small company started in the garage in Gaiwadi, Girgaum, Mumbai by four friends namely Champaklal Choksey, Chimanlal Choksi, Suryakant Dani and Arvind Vakil. Asian Paints was started during the world war period during the Quit India Movement of 1942 when there was a temporary ban on paint imposed by the British. During this period, these four friends took advantage of the opportunity and started a company called The Asian Oil & Paint Company, a name that they picked randomly from a telephone directory. They started selling their paint in the big cities but didn't receive much success and hence decided to sell their paints in the interior rural areas of the country. Asian Paints took up the market and reported an annual turnover of ₹23 crore in 1952 but with only 2% PBT margin. By 1967, it became the leading paints manufacturer in the country.

K.B.S. Anand is currently the managing director and CEO of Asian Paints while Amit Syngle is the Chief Operating Officer. Jayesh Merchant is the CFO & Company Secretary.

Asian Paints has continued to be the number one reputed company and it has come a long way. Currently, the Asian Paints share stands as high as Rs. 3035. The company along with its subsidiaries have 26 manufacturing facilities across 15 countries serving customer globally in over 60 countries.

Asian Paints supply chain plays a crucial role. Its supply chain plays an important role right from sourcing of raw materials from a wide supplier base spread all over the world to end product through wide distribution network to a large customer base spread across the country.

The Covid-19 pandemic has been challenging for supply chain around the globe. The Asian Paints' supply chain was able to remain adaptive, turning the pandemic into new opportunities for expanded services and new products.

The Covid-19 pandemic has been a nightmare for all the companies and has affected the business globally. Asian Paints was no exception to this situation. But how did the company cope with the situation and still retained its position as the top paint company in the Fast-Growing Consumer Industry?

Well, the supply chain at Asian Paints is adaptive and resilient. It changes the model of the chain and can adapt to various situations. Mr. Harish Lade, the Vice President of Supply Chain at Asian Paints has pointed out about the new opportunities that arose because of the pandemic, and how Asian Paints was able to retool the business model to remain profitable.

The business model is to supply paint directly to close to 75000 hardware stores in India. The reason the company sells to stores is because in India there are not big box stores that sell hardware; instead, everything is sold through these roadside stores. Asian Paints has 8 factories and 143 company warehouses, which directly ship paint to hardware stores.

Mr. Lade pointed out that Asian paints needs a strong demand and Sales Operations Planning process because they are not operating through a large distributor. Mr. Lade added that paint is more associated with festivities and celebrations. As a culturally diverse country, there are different festivals in different regions at different times. For example, in October / November, Diwali is celebrated in the North and West of the country.

No matter what, the product has to be available on the shelf of the dealer. The Asian Paints network ensures that in larger cities and towns, if a dealer orders items in the morning, they will get a delivery the same day. When the economy started to open, Mr. Lade said that the first question people would ask was “why would someone want to paint in this situation?”

People that used to go for work were now working from home. They wanted to make that space more appealing, and this drove demand. Asian Paints had to ramp up production requirements and plan out a way that the factory workers were safe while meeting increase demand. Even though the lockdown had been partially lifted, there were still micro containment zones. In some cases, dealer shops were open but the warehouses that supplied them were in a containment zone. So, Asian paints shifted to a different model, where they could supply the dealer directly from a factory. A large number of the dealers latched on to this new model and the company was able to scale and expand. New product lines were not just limited to paint. There was a shortage of sanitizer in India. Asian Paints already had some of the raw materials, so it jumped into the health and hygiene space and started making sanitizer.

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**Designed by:
Bhavya Bhat, TYBAF**

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

All Articles in this issue are the personal views of the authors and the college does not necessarily subscribe to the personal views of the authors.

Editor-in-Chief
CS Swapnil Shenvi, Coordinator –B.Com.(A&F)
M.L.Dahanukar College of Commerce