

# akshara

NEWSLETTER

Vol. IX | Issue.5 | May 2019



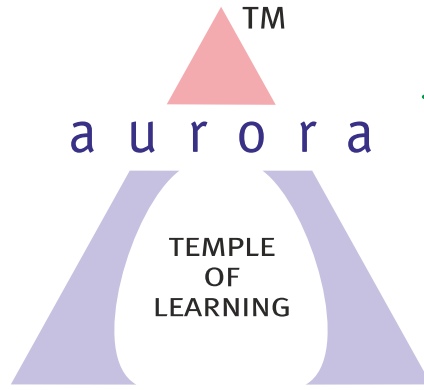
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**2019**



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## FROM THE DIRECTOR'S DESK

**Dr. Raghu Naga Prabhakar**  
Director  
AURORA'S BUSINESS SCHOOL

Dear reader,

I am delighted to release May 2019 issue of the newsletter covering achievements and memorable events that took place at the Aurora's Business School. The book review appearing in the issue is thought provoking. I congratulate the students who are placed with Kotak Mahindra Bank, ICICI Bank, US Tech Solutions. I wish them well in their careers with the companies they have chosen to join.

With warm wishes to all.

# Business NEWS

**May, 2019**

## **Sebi levies Rs 36 lakh fine on 7 entities for fraudulent trade practices**

Markets regulator Sebi imposed a total penalty of Rs 36 lakh on seven entities for indulging in manipulative and fraudulent trade practices in illiquid stock options of BSE. The Securities and Exchange Board of India (Sebi) conducted an investigation into the trading activity in illiquid stock options on BSE from April 2014 to September 2015 after observing large-scale reversal of trades in the bourse's stock options segment. During the probe, Sebi observed that a total of 2.91 lakh trades, comprising more than 80 per cent of all the trades executed in stock options of the exchange, were non-genuine and the firms were among the entities that had indulged in executing non-genuine trades.

## **Bharti, Voda in talks with KKR for stake sale in tower venture**

Bharti Airtel NSE -1.78 % and the Vodafone Group Plc are in talks with a consortium led by private equity firm KKR to slash their stakes by over half in the company that will be created by the imminent merger of Bharti Infratel and Indus Towers. This could lead to a change in management at the merged entity, which will be among the world's largest tower companies. "The combined entity is being valued at \$12-13 billion and once Bharti Infratel and Indus Towers merge, Bharti Airtel and Vodafone Group are aiming to bring their stakes down to around 13% each," a person with knowledge of the development told ET.

## **Share market update: Nifty Financial Services index up; Indiabulls Ventures jumps 4%**

The Nifty Financial Services index was up with most of its components trading mixed in Thursday's afternoon session. Shares of Indiabulls Ventures (up 4.40 per cent), Bajaj HoldingsNSE 0.16 % & Investment (up 3.69 per cent), HDFC LifeNSE -1.18 % Insurance Company (up 2.77 per cent), and ICICI Prudential Life Insurance Company (up 1.81 per cent) were the top gainers in the index. Edelweiss Financial Services (down 4.13 per cent), Cholamandalam Investment & Finance Company (down 3.66 per cent), REC (down 2.61 per cent) and ICICI Bank (down 2.01 per cent) were trading with losses. The Nifty Financial Services index was trading 0.54 per cent up at 12,622.95. Benchmark NSE Nifty50 index was up 15.90 points at 11,764.05 while the BSE Sensex was up 77 points at 39,108.55. Among the 50 stocks in the Nifty index, 29 were trading in the green, while 21 were in the red.

## **HUL's March quarter show may be tepid on muted spending**

After five consecutive quarters of doubledigit volume growth, Hindustan UnileverNSE -0.68 % (HUL) the fast-moving consumer goods bellwether is expected to report subdued performance for the March quarter on back of weak consumer demand. With valuations stretching at 64 times its earnings, the Street would welcome a correction in the stock price following the Q4 results. The Street seems to have picked up the earliest signs of the impending weakness soon after company posted its December quarter performance. The HUL stock price has remained range bound despite the company posting a strong performance in the December quarter.

## **Ecommerce on agenda at Delhi WTO meet**

E-commerce negotiations at the multilateral level will be a key area of talks at the informal World Trade Organization (WTO) ministerial meeting which will take place in Delhi later this month. At the informal ministerial, at least 20 developing countries and least developed countries will discuss how realistic it is to assume that they can "effectively and meaningfully influence" the outcome of negotiations on free flow of data across borders, server localisation and source code disclosure.

## **IT sector will see job cuts with cloud migration, automation: Gartner expert**

IT services companies should focus more on skill management in the wake of increased automation across businesses, said Milind Govekar, Chief of Gartner's Infrastructure & Operations Research.

With more businesses shifting operations to the cloud and seeking faster application development, creating a “skills lifecycle management programme” is as important as having technology strategy, said the expert at IT research firm.

### **Brokerages up targets on Federal Bank, hold ratings**

Top brokerages have raised their price targets on Federal Bank in a range spanning 4 per cent to 30 per cent after the lender’s better-than-expected performance in the March quarter. While maintaining their ratings on the stock, analysts

said the bank’s improving asset quality will drive its business in the near future. Brokerage Investec, which has raised its price target on the bank by the maximum of 30 per cent, said valuations are at 1.3 times FY20 estimated Price to Book (P/B) seem attractive.

### **India to add 11.5 lakh jobs in first half of FY20: Report**

India will witness an addition of 11.5 lakh jobs in the first half of 2019-20, led by travel, hospitality and BPO/ITeS, according to a report. "The positive outlook created by the stock market rally and increased investments seems to be having a corresponding impact on the employment outlook. It has revived the net employment outlook which had witnessed a drop of 2 percent in the last half year to a 3 percent rise in the current half year," TeamLease Services executive vice president Rituparna Chakraborty said. The buoyancy witnessed will also translate positively on the job creation front and, in fact, around 11.5 lakh new jobs will be created in the formal sector, Chakraborty said quoting 'Employment Outlook' report.

### **Sebi allows FPI investment in municipal bonds**

Foreign portfolio investors can now invest in municipal bonds, markets regulator Sebi said in a circular. The circular comes almost two weeks after the Reserve Bank of India permitted FPIs to invest in municipal bonds as a measure to broaden access of non-resident investors to debt instruments in the country. As per the RBI, foreign investment in municipal bonds should be within the limits set for FPI investment in State Development Loans (SDLs). The limits for FPI investment in SDLs is 2 per cent of outstanding stock of securities.

### **Indian data issues: Economists are now creating their own benchmarks**

Economists and investors are increasingly showing that they have little or no confidence in India's official economic data - presenting whoever is elected as the next prime minister with an immediate problem. There have been questions for many years about whether Indian government statistics were telling the full story but two recent controversies over revisions and delays of crucial numbers have taken those concerns to new heights.

### **World’s rich put a third of funds into cash as trade war simmers**

Wealthy investors around the world are holding a relatively high level of cash, and perhaps they’ve become too cautious, according to UBS. The world’s largest wealth manager said 32% of high-net-worth portfolios are in cash, in a survey released on May 7. In Asia and Latin America, the portion was 36%, compared with 31% in Switzerland and 35% in the rest of Europe. The outlier: the US at just 23%. “Cash is a safe asset for a liquidity strategy but a risky one for longevity,” Paula Polito, client strategy officer at the Swiss bank’s Global Wealth Management unit, said.

### **Walmart graft check: Flipkart hires KPMG to vet its vendors**

Flipkart has hired KPMG to conduct due diligence of vendors as part of parent company Walmart’s global anti-bribery compliance programme that has been now extended to India’s largest ecommerce company. The initiative is similar to Walmart’s screening of vendors at its wholesale venture in India — through KPMG since 2012 — as part of the American retail giant’s efforts to comply with a law prohibiting US-listed corporations from indulging in corrupt practices in any foreign country. Flipkart has started giving new detailed forms to

some vendors, according to two people familiar with the development. The ecommerce company is also seeking consent for Flipkart-appointed independent auditors to review the accounts of the suppliers to wholesale and large sellers on its marketplace.

### **What to do if your mutual fund scheme earns more return than your investment**

Are the returns shown in your mutual fund account statement same as the returns delivered by your fund? It is quite likely that you might have earned less than your fund. Take, for instance, L&T India Value Fund. It has delivered a return of 21.1% over the past five years. An average investor in the same scheme, however, earned just 6.9%, according to an ET Wealth study. Similarly, ICICI Pru Value Discovery Fund has generated 24.3% over the past 10 years while its investors earned just 13.1%. A recent study by Axis Mutual Fund found similar differences in fund and investor returns. While equity funds clocked 20.7% annualised return in the 15-year period between 2003 and 2018, the fund investors generated just 14.9%. For both lump sum and SIP investments and, even for shorter time periods, investor returns were much lower than fund returns, the Axis study revealed.

### **Flipkart plans offline grocery stores across India**

Walmart-controlled online retailer Flipkart is planning to open brick-and-mortar stores in India to sell food items. While foreign investors are not allowed into the retail space, Flipkart is looking to tap the “food retail” business where 100% FDI is allowed and lets the investor open physical stores. The move comes after the company opened its fifth online grocery store, Supermart in Mumbai.

# BOOK REVIEW: “WHAT THE ECONOMY NEEDS NOW ?”

Written by: Abhijit Banerjee, Gita Gopinath, Raghuram Rajan and Mihir S. Sharma  
Publisher: Juggernaut

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The book, recently published by Juggernaut, is a collection of essays on Indian Economy. It contains many familiar problems and well-known solutions in the field concerned. It suggests an effective road map to the government which is eager to bring out some constructive reforms, hinting even at their effective implementation. “What the Economy Needs Now” is a comprehensive book covering a wide range of subjects like health care, education, welfare reform, exports, banking reform, finance, land management, power sector, women empowerment and environment. It reveals the challenges to be faced by the government which is inclined to take up some crucial reforms. Every essay is neatly sub divided by sub-headings, contributing to quick understanding by readers.

The essay on health care written by Abhijit Banerjee contains valuable suggestions. He aims that, the Pradhan Mantri Jan Arogya Yojana, the flag ship health insurance scheme launched last year could solve the health problems of millions. But it is a fact that there are a large number of malnourished people in the country. Diseases like Diabetes and Cancer are rampant. Dr. Raghuram Rajan needs little introduction to the readers. He proved his mettle as the Governor of the Reserve Bank of India. In his essay he maintains that the National Company Law Tribunal Process should be exclusively meant for big cases, whereas the rest of minor cases can be dealt with a simple out of court process. He suggests that reforms have to be taken up in public sector banks. He proposes some changes in their governance. He even goes to the extent of privatizing some medium-sized public sector banks.

Mr. Karthik Muralidharan in his thought provoking essay “Fixing Schools” gives constructive directions to those who are at the helms of affairs in the government. He suggests ‘actions’, analyzing them clearly, as to how they have to be implemented. He says that by the year 2022, universal functional literacy for all children under seven must be ensured by those who formulate the education policy for the country. He suggests a 3 tier formula, universal preschool education, supplemental remedial teaching for the slow learners and independent assessment of those goals. Then education would take a better shape.

The Indian state, as Mr. Arvind Subramaniam pointed out, has limited band width to deliver. The book stresses this point, as a basic hindrance for progress. Hence it is the duty of the government to build state capability to deliver by bringing in talent from outside the civil service. International best practices should be tried in this regard. Our policy makers and executives are no doubt intelligent, committed and hard working. But unfortunately, they have little time for arriving at the best practices solution. Instead, they depend more on what the great and the good think. Quick choices end in futility because they are suboptimal. The chapter on fixing school “brings in what we can learn from global best practices. Banerjee and Rajan succeeded to some extent in this regard.

The most desirable thing is indicating the solution clearly; that too feasible solutions. Of Course, problems as well as solutions are familiar to all. But the implementation of the solution is very important. This book offers such ways in each of the 14 areas it covers. It is to be emphasised that the reports of the committees constituted by the government must be implemented scrupulously and if not strict measures for their implementations should be taken up. “Fixing Schools” is a thought provoking one in this collection, as it enumerates the potential in this approach. Children’s literacy by grade three is focused at large. We must achieve it by deliberation. It brings in international best practice on how to achieve it. It explains how we can bring about this change in very clear terms.

To conclude, the book “What The Economy Needs Now” enlightens the students of management education as to how economic reforms should be undertaken by governments. It develops their insight into various burning economic and social problems faced by the nation.



**News & Events@  
 Aurora's Business School - May, 2019**

S. No.	Date	Event
1	01.05.2019	Commencement of Two month long Summer Internship Programme (SIP) at 45 different companies.
2	03.05.2019	US Tech Solutions campus placement drive held for PGDM - All specialisations for the position of US IT Recruiter.
3	07.05.2019	Kotak Mahindra Bank campus placement drive held for PGDM - All specialisations for the position of Assistant Manager.
4	13.05.2019	ICICI Bank campus placement drive held for PGDM - All specialisations with a CTC of Rs. 4.12 lacs per annum for the position of Relationship Manager.
5	14.05.2019	Dr. K. Raghu Naga Prabhakar, Director, Aurora's Business School attended the meeting of Editors and Writers of Text Books on Management at the Dr B R Ambedkar Open University, Hyderabad. He was appointed as the author of Two text-books of Dr B R Ambedkar Open University viz.,  1. Human Resource Management  2. Financial & Materials Management
6	14.05.2019	Dr G. Sreenivas Reddy, Dean, Aurora's Business School attended the meeting of Editors and Writers of text books on Management at the Dr B R Ambedkar Open University, Hyderabad. He was appointed as Editor of the following text books on Management  1. Office Management  2. Human Resource Management  3. Financial & Marketing Management
7	17.05.2019	RBL Bank campus placement drive held for PGDM - All specialisations for the position of Relationship Manager.

## **EDUCATION HAS TO BE ENRICHED BY SKILL-BUILDING**

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EQUIP (Education quality Upgradation and Inclusion Programme) embarked on the herculean task of redoing, into the higher education landscape in India, into an altogether new shape. Accordingly, the secretary of Department of higher education in Government of India took the initiative to select seventy people from the LBSNAA (Lal Bahadur Sastry National Academy of Administration), Mussorie. They were brainstormed for three days on restructuring the strategies of higher education in India.

It is a fact that India has been striving to rise from the sixth place to the fifth, among the largest economies of the world. Our country proudly possesses 14 crore population of young citizens in the age group of 18 to 23. These enthusiastic people are generally to be found to be pursuing different courses in various educational institutions, academic and technical. But unfortunately, only 3.66 crore youngsters are pursuing education, which is considered as GER (Gross Enrollment Rate) of 26%. If we compare the GER of India with those of Russia and China, It is lagging behind, with Russia at 81% and China at 51%, as GER. Even in the most advanced countries of North America and Europe, the GER is more than 80%. Though our GER has doubled in the last ten years, it will take at least another decade to reach the mark, on par with other countries. As far as scheduled castes and scheduled tribes are concerned, it is as low as 21.8% 15.9% respectively.

To aim at doubling our GER in five years will of course be ideal, but it is not feasible, nor it is desirable. More than 80% of the students passing out of class twelve enter higher education every year. Unless we raise the GER at higher secondary level, we cannot make it up at the level of higher education. It is saddening to note that the programmes offered to our students are not able to make them employable. Let us go into the various programmes pursued by 81% of the students of higher education.

S. No.	Course	Percentage
1	Arts stream	26.4
2	BA (honors)	4.13
3	Post graduation in Arts	4.38
4	Bachelor of sciences	13.38
5	Bachelor of commerce	11.14
6	Engineering (Tech)	5.89
7	BE	5.05
8	Polytechnic	5.92
9	Bachelor of Education	2.89
10	Master of Sciences	1.97
11	Agriculture	Less than 1%

It is interesting to learn that although 50% of the population depends on Agriculture only less than 1% are studying agriculture. There is a wide gap between the skill-recruitments of Indian Economy and the supply of graduates. Students from arts group are not able to contribute to the needs of the economy. We have a number of graduates and postgraduates, unemployed, failing to get economic returns from their education and getting social frustration. Hence it is useless to increase the number of students, for its own sake, without the providing reorientation to the entire higher education system, by bringing in vocational and skill education in every degree programme. To achieve this constructive outcome, to give a boost to the field of higher education, it is essential to increase the public expenditure on education by 25% more in one year and 40 % on the consecutive year, to reach the target of 6% Gross National Product (GDP). As per the reports of RBI, the expenditure incurred by all state governments on education, during 2017-18 was only 2.8% and it is 3.5%, if the central governments expenditure is added to it. TO fulfill the needs of economy, 20 to 35% of the course content of all degree courses should be vocational. It is not difficult to do so. The MOOC (Massive Open Online Courses) vocational modules can be used effectively, utilizing the teaching services of the local artisans or experts, on contractual basis. The quality and relevance of courses have to be improved considerably so that GER gets a big boost. Another less expensive and quick way is using technology and strengthening the Open and Distance Learning (ODL) in the open universities and traditional universities. But a systematic assessment and quality certification is a must in this regard. Then the notion that ODL graduate is inferior will disappear.

A net work of MODC delivery centers are to be spread by the government, throughout the country, functioning as study centers of universities. They can be upgraded with IT and internet facilities. The MOOCs can be translated into regional languages to enable the students learn easily. The NSQF (National Skill Qualification Framework) levels are to be taken into account in recruitment process by all government agencies. It will make the qualifications job ready, incentivising young pass outs from school to choose NSGF courses. Thus Education with skill building can face the challenge of unemployment.

**Source: "Business Standard": Hasmukh Adhia:  
"Future expansion of higher education in India".**



## **Dear May Born, Happy B'Day to You All !**

1	NikhithaAravelly	03/05/1995
2	Prasanna Varala	04/05/1995
3	Bhargav Raj Goud Pathuri	04/05/1995
4	Shailender CN	10/05/1994
5	DeekshithaMedavarapu	11/05/1995
5	Navya Madhuri Vemula	14/05/1997
6	Rajesh Yadav Konda	19/05/1994
7	Jaya Sai PrudhviMaddimsetti	20/05/1996
8	Md. Owaisuddin	21/05/1996
9	Arun Reddy K	23/05/1989
10	Mayank Kumar Jain	25/05/1996
11	Rohit Bajaj	30/05/1997

