



*M. L. Dahanukar College Of Commerce*

# THE BAF TIMES

**Sin Tax  
On Bitcoin**

FDI In Computer  
Hardware And  
Software

**THE VI  
MERGER**

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 Make it a point to read each and every article in this issue and stay updated so that you don't get outdated.

**~DR. D. M. DOKE  
PRINCIPAL**

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# THE **VI**™ MERGER



Ms. Gauri Vaidya  
TYBAF

On 20 March 2017, Idea and Vodafone India announced that their respective boards had approved a merger of the two companies. This Vodafone-Idea merger became a hot topic and everyone was interested to know about the deal and functioning of both the companies. The big question was why did the companies have to merge? How is the Vi Company's performance after the merger?

India is the second largest customer base in terms of telecommunication market and is also the third largest in terms of number of Internet using customers across the globe. Indian telecom sector has a great potential of serving people and improving services day by day. Well, before talking about the merged Vi company, let's talk about the elephant in the room which is none other than Reliance Jio.

The Inclination of the Customer to leave the services of one service provider in lieu of services offered by other is termed as churn and that is what has happened in recent past after the introduction of Reliance Jio in Indian telecom Industry. Reliance Jio started its operation on 1st September 2016, with Mukesh Ambani, CEO and Managing director of Reliance Industries officially announcing launch of Reliance Jio and launched its services through internet using 4G (Fourth-Generation) technology to transfer voice and data services. The effect of Reliance Jio on Indian telecom sector started showing from that day only as Bharti Airtel which was Number 1 telecom operator in India before Vi merger, lost its share price by 6.4% on Bombay Stock Exchange. Idea cellular also saw share prices falling on Bombay stock exchange by 10.5%.

Price is a key factor in developing and emerging markets like telecom sector market in India. Reliance Jio started providing its services at a very cheap rate which led Vodafone, Idea lose their customers to Reliance Jio. Reliance Jio had shaken the market and other telecom companies were not only losing their customers but also their revenue started declining due to which no expansion of services was possible. Rumours were Reliance Jio might become the monopolist in the telecom industries.

Days later, telecom giants Idea Cellular and Vodafone India announced details of the merger between the two companies to create the biggest telecom company in India. While the announcement created an interest among investors, details of the deal announced on March 20, 2017, resulted in a sharp fall in the Idea Cellular share price. This is because investors were not clear about the deal despite a detailed announcement. Vodafone India and the Aditya Birla Group decided to have a joint control of this combined company. The merged entity became the biggest telecom company in India.



It had nearly 40 crore customers, 35% customer market share and 41% revenue market share. The entry of Reliance Jio in the market had disrupted the operations of other service providers. Every Idea share you hold will be exchanged with a new share in the merged company. This suggests that operationally, it is a merger of two equals. However, an independent valuation of the two businesses suggests Vodafone's business is worth more. The assessment suggests Vodafone India's business is worth Rs 82,800 crore, while Idea's business is valued at Rs 72,200 crore. While Kumarmangalam Birla has been named the chairman of the merged entity, to maintain an equal partnership, Vodafone will have 45.1% stake in the combined company. This is after transferring a 4.9% stake at Rs 110 per share to Aditya Birla Group for Rs 3,900 crore in cash. Aditya Birla Group will then own 26% of the combined company. The remaining 28.9% will be owned by Idea shareholders. The Birla Group will have the right to buy additional 9.5% stake from Vodafone over the next 4 years.

## **ACCORDING TO DoT, VI OWES ₹58,254 CRORE IN AGR DUES, INCLUDING PRICIPAL, INTEREST, PENALTY AND INTEREST ON PENALTY**

However, according to the telco's self-assessment, it owes the government ₹21,533 crore. Vi has so far paid ₹7,854 crore. AGR is a fee-sharing mechanism between Government and the tele companies who shifted to 'revenue-sharing fee' model in 1999, from the 'fixed license fee' model. In this course, tele companies are supposed to share a percentage of AGR with the Government.

It has indeed been a rough journey for Vodafone Idea Limited Company, from facing the low tariff rates offered by the Reliance Jio to the Governments AGR fee dues, the path ahead is not easy as they still face Jio's aggressive pricing strategies. The company might have lost market share, the trust of its users but the rebranding of Vi shows that the company wants to regain its lost glory. For that, the company should be able to raise funding privately as Reliance Jio did and have strategic partners that will ensure expansion. Apart from paying the AGR dues, they will have to heavily invest in the 5G services or else Jio will grab even high value customers from the company. However, if Vodafone Idea gets strategic investors on board and brilliant ideas, then it can see a turnaround. Vi indeed has a long way to go.

**This merger was a strategic response to Jio's significant move, as per analysts quoted in various media reports. The two companies agreed to merge their operations with a swap ratio of 1:1.**

**Vi headquarters based in Mumbai and Gandhinagar, as of 31 December 2020, has a subscriber base of 284.26 million, making it third largest mobile telecommunications network in India and sixth largest mobile telecommunications network in the world. Vi company took the top spot in the Indian telecom company dethroning the Bharti Airtel for the first time in 15 years.**



# FDI IN COMPUTER SOFTWARE AND HARDWARE JUMPS 4 TIMES TO \$24.4 BILLION

Ms Aproz Bismi  
SYBAF



*Foreign Direct Investment in the computer hardware and software sector jumped nearly four times to \$ 24.4 billion during April-December 2020-2021 according to the latest data of Department for Promotion of Industry and Internal Trade.*

As we all know that how COVID-19 pandemic has affected the entire livelihood of human beings how drastic it's impact was and how we have taken different steps to overcome that situation which is still going on. It has accelerated a lot of digitalization and increased the use of artificial intelligence among various corporate companies (work from home), educational sector (online teaching) etc which have resulted in huge demand and opportunity for computer hardware and software sectors. With the increasing use of high- end technology during the pandemic, the focus of global investors has moved to IT and telecommunication sector, also the government has introduced various make in India scheme for different sectors which has resulted in accelerated growth and more FDI inflows.

While a year ago, the sector received \$6.4 billion FDI. The entire 2019-2020 saw overseas investment of \$7.7 billion the DPIIT data showed. The other sectors which has recorded a significant growth in the foreign inflows during nine month period of 2020-2021 includes construction (7.2 billions), pharmaceuticals (1.24 billions) etc. Overall FDI equity inflows into the country jumped 40% to \$ 51.74 billions

# After SBI, Kotak Reduces It's Loan Rates To 6.65%

MS DIPTI JADHAV  
FYBAF.

There was a race within the banks in leading the place for the home loan making it as possible as low. After, SBI leading its first place in the home loan with its interest rate at 6.7%. While now, Kotak made its interest rate at 6.65%. SBI offers home loans of up to Rs 75 lakh for as low as 6.7% (to women salaried borrowers). Now, Kotak also made its interest rate to 6.65% for both new purchases and balance transfer.

It has a much smaller distribution footprint compared to the country's largest bank and is a relatively smaller player in home loans. As per the statement of Saloni Narayan (SBI Deputy MD), "A person with a credit score of 775 will get home loans at 6.8%. If they source the loan through YONO, there is a further 5bps (Basis point) discount. If the borrower is a woman, the rate will be a further 5bps lower at 6.7%.

The bank's lowest home loan rates for various bank's are Kotak bank 6.65%, SBI 6.7%, Axis bank 6.75%, Citibank 6.75%, HDFC 6.8%, ICICI Bank 6.8%, Bank of Baroda 6.85%, DSB Bank 7.3%, PNB Hsg Fin 7.35%.



# Sin Tax On Bitcoin

**Ms. Noopur Naik**  
**TYBFM**

Before applying any taxation on Bitcoin or cryptocurrency, first government needs to classify it as currency, commodity or a new asset class. This will decide the base for taxation on bitcoin. According to Central Economic Intelligence Bureau (a branch of Union Finance Ministry) which has conducted a study on levy of GST on cryptocurrency, they have suggested to Finance Ministry that bitcoin can be categorised under 'intangible asset' class and GST could be imposed on all the transactions. However, Finance Ministry is yet to decide. Government is considering 18% GST on bitcoin as well as 28% sin tax could also be levied considering it's nefarious status.

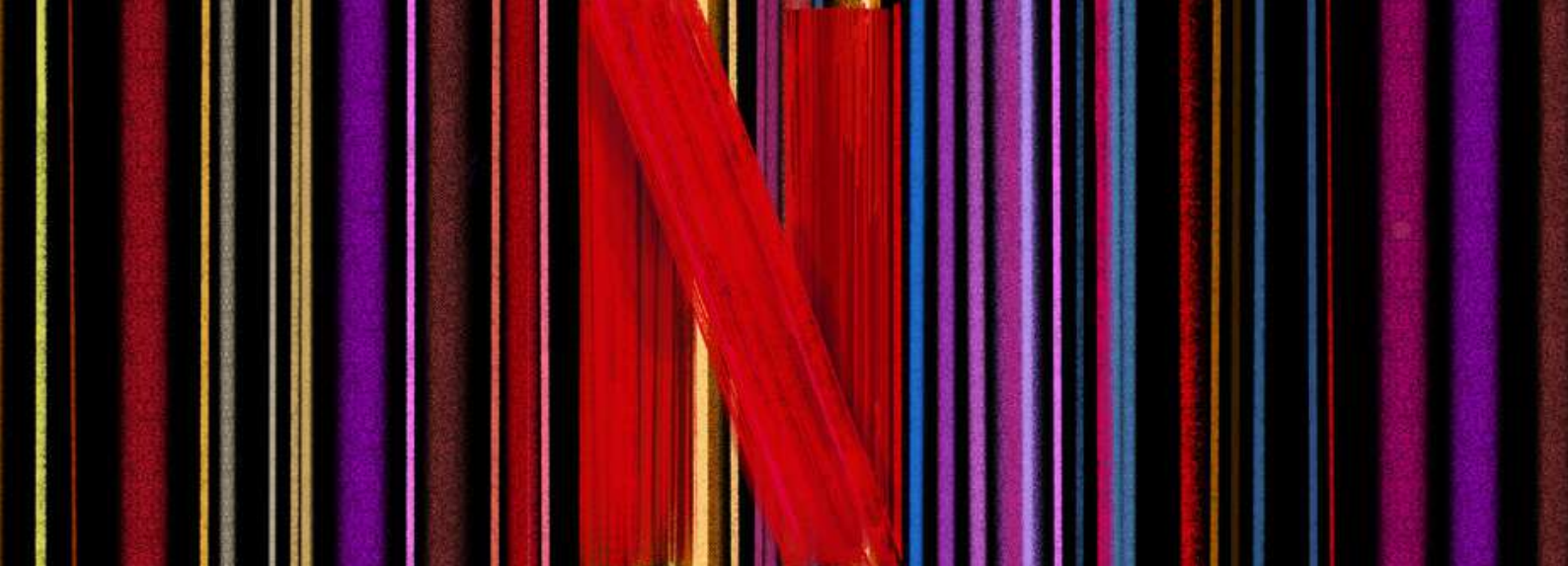
# NETFLIX UNVEILED THEIR NEW #ABMENUMEINSABNEW PLAN FOR 2021

# NETFLIX

Ms. Samruddhi Zende  
TYBFM

On March 03, 2021, the American streaming service Netflix India announced that it is going to release more than 40 Netflix originals in India in the year 2021 which includes 13 movies, 15 television series, 4 documentaries, 3 reality TV series and 6 most popular stand-up comedy specials. Their line up for the year has new titles and new seasons of the existing titles. The streaming giant unveiled the complete list for the year 2021 through a tweet that wrote, "Drama series chahiye? Comedy series chahiye? Thriller? Suspense? Horror? Family? Menu pe sab kuch hai! Netflix recently completed 5 years of launch and over the years it has attained 4.3 million paying subscribers in India. In India, Netflix competes with other players such as Amazon prime video, MX player, ZEE5, SonyLIV, ALTBalaji and Disney + Hotstar who are eyeing over 25 million users in India, Netflix has a relatively lower user base because they majorly rely on International content which is rich, breaking out and being dubbed into Hindi and other local languages but it is the local Indian content that is the go-to choice for most viewers in the country.





In order to strengthen their content programming over the past years to attract the Indian audience, the OTT platform through its #AbMenuMeinSabNew campaign is looking forward to expand its slate by nearly three times as compared to 2020 across languages and genres. This is the largest investment made by the company in original programming outside the United States. The upcoming fresh slate of original films, series, comedy specials, reality series and documentaries includes films like 'Dhamaka', 'The Disciple', 'Milestone', 'Navarasa', 'Aranyak' and many other movies; it also includes new seasons of its India originals such as 'Delhi Crime', 'Jamtara', 'Mismatched', 'She', and 'Little Things' along with this TVF is also debuting the second season of 'Kota Factory'

The Reality TV series section includes second seasons of Fabulous Lives of Bollywood Wives and The Big Day and a new show called 'Social Currency'. New Documentaries like 'Crime Stories: India Detectives', 'House of Secrets', 'Indian Predator' and 'Searching for Sheela' and some unnamed comedy shows are set to release this year.

Netflix however, made a smart move by announcing the lineup right on time as the Indian Government is now tightening its grip on the content of video streaming platforms by framing a new set of guidelines under the Information Technology (Guidelines for Intermediaries and Digital Media Ethics Code) Rules, 2021. All the platforms along with Netflix will have to comply with the new three-tier self-regulatory complaint redressal system, with the information and broadcasting ministry who will exercise complete control over the process. The regulatory also holds the power to warn, censure, admonish or reprimand OTT platforms for their content.



# 2021 BIGGEST CYBER THREAT- DIGITAL EXTORTION



Mr. Sandesh Ajgekar  
TYBScIT

Digital extortion has become billion-dollar business over time as data is now becoming new currency in this newly advanced world. For this hacker uses ransomware, it is malicious software that is deployed into the victim's system directly, indirectly, or by the means of social engineering. Once inside the victim's system, the software infects the computer and compromises sensitive data, providing the attacker an authority of the system.

The attacker then demands ransom which is usually in form of cryptocurrency for the victim's system to work properly again. Prices have been kept relatively low - an amount companies can usually afford to pay on short notice. Many organizations seem to start doing a cost-benefit analysis, weighing the price of the ransom against the value of the encrypted data and ends with paying. These attacks usually never get revealed because of the organizations public trust and reputation. There are many ways to deploy ransomware, but it usually gets deployed through malicious email links or misleading advertisements on websites.

A LOOK AT THIS ISSUE:

NEW HOUSE IDEAS  
NEWS AND VIDEOS

# How to prevent?

## 1. Back Up

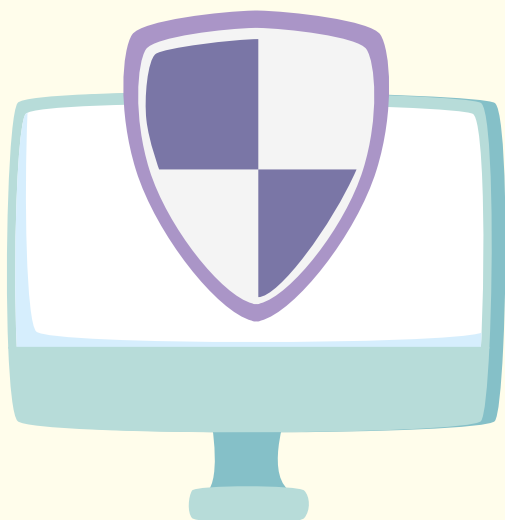
Take offline backup of your critical data to secure off-site location

## 2. Get Patched

Making sure your system is fully patched is a great way to prevent any malware from infecting your computer. But see if they are the real patches from the real vendors. Fake patches often contain ransomware.

## 3. Don't Get Tricked

Don't let yourself get socially engineered. Don't click or install anything sent to you in email or offered to you when visiting a website. Never visit website to install another vendor's software.



## 4. Use Anti-Malware software

Ransomware is malware. Antimalware software can stop the majority of its variants before they hit.

## 5. Use a whitelisting program

Also called as application control programs are best for stopping any unauthorized program from executing. They are usually heavyweight software but worth rather paying ransom.

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# What If You Are Locked Up?



Do not pay the ransom because there is no assurance that the ransomware creators will give access to your data. Even if you pay and get back your access, your data might be out for sale on dark web.

## Step 1:

If all your critical data is backed up and safe, then you'll be able to be back in business in a few hours of work.

## Step 2:

If there are no backups, you can try decrypting the data locked by using the ransomware decryption tools freely available on internet.

These tools might help -

CRYPTO SHERIFF

ID RANSOMWARE

## Step 3:

There is no assurance to fully get back your data in ransomware attack. Therefore, prevention remains the best option.



# IF YOU THINK NO ONE IS INTERESTED IN YOUR PERSONAL INFORMATION, THINK AGAIN

Ms. Gauri Borhade  
TYBCom

You have access to almost anything on internet, from entertainment, financial services to products from every corner of the world. While the internet affords a certain level of anonymity, there are increasing ways in which your personal information can be at risk.

What tempts you to reveal private details online?

“When you see a statement that says your LinkedIn profile is incomplete and 70 % of your connections have completed their profiles, it’s a cue that triggers your need to follow others” - Shyam Sunder, co-director of Media Effects Research Lab.

The Bandwagon effect/cue causes people to think or act a certain way if they believe that others are doing the same.

To an identify thief, personal information can provide instant access to financial accounts, credit records and other information.

If you think no one is interested in your personal information think again .







Hacker's get personal information online by lying about who they are, by convincing people to share Account number, passwords and other information. This scam is called "PHISHING". Hacker send E-mail, text, pop-up messages that appear to come from Banks, Government agency or another organisation with which you do business. The message asks you to click on a website or call a phone number to update your account information or claim a prize or benefit. It might suggest something bad will happen if you don't respond quickly with your personal information. In reality, legitimate businesses should never use E-mail , pop-ups or text messages to ask for your personal information .

Stay safe online –

- Don't reply to emails, text messages, pop-ups that ask for personal information.
- Only disclose personal information to trusted or secure websites
- Change your passwords regularly.





# NEW AGE ECONOMICS

Dr.Sudha Subramaniam  
Core Faculty, M.L.Dahanukar College of Commerce

India seems all set to upgrade with the Expenditure Multiplier Effect but to what extent that will serve to boost our economy remains a wait and watch policy. As an unsaturated economy we definitely have a key role to play in halting the global economic slowdown and breathing life into the global revival spiral. However, the Economics of the seventies and eighties no longer holds its regime. The advent of consumerism has rendered the 'Law of Diminishing Marginal Utility' redundant. 'More and more a person has of a thing less and less he wants more of it' does not apply to the thirst for more and neither does it hold relevance in times where affluence is a distinctive hallmark. Many lists, including the Forbes List of the world's richest would never have been in continuous making if the old-age economics were to hold good. The very fact of India being one of the world's greatest marketplaces post liberalisation has resulted in the reverse multiplier effect as far as the Indian Economy and intrinsic value of the rupee is concerned. The demand for overseas goods sets in motion the money multiplier effect in those economies and the rupee stands as a mere representation of the mouse saving the tiger.

Making India a self-reliant USD \$5 Trillion economy is definitely a grand vision but the pinch of salt that is definitely permeating the water is not about visions or visionaries. It is about the 'Rupee' sign not present on the keyboards of economic upswings. An anticipation of 'Make in India' is not just the need for 'Be Indian Buy Indian' but more importantly, the need for Indian goods to generate global demand. Generating greater internal demand would require elevating rural lives and simultaneously focusing on the increasing purchasing power being channelised to 'Made in India' goods. But the tipping point in the tight-rope walk has long been elusive and highly gestational. A pole-vault with collaborations and tie-ups could provide the necessary spring-board. However, as a cash-starved economy with abundant human resource increasing funds outgo as a result of collaboration with high-value currency economies could spell doomsday. Upskilling to bring in the inflow through service sector performance is a formidable way forward. Commanding high-value currency inflows that circulate within our economy is the only silver lining in reining in the economy. However distant, this could be a necessary focus because the equilibrium point can never be met without demand. Since we command the marketplace dynamics, it is high time we strategized and took the plunge.



# Tax holiday for setting up the Aircraft Operating Lease Units in India

*Mr. Sandesh Dubey*  
TYBCom

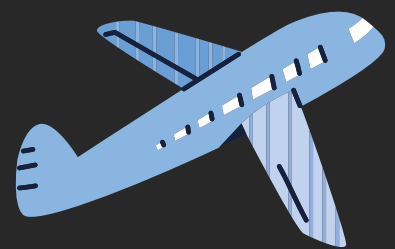


In India, like across the world, Aircraft leasing is quite prevalent as it helps them to differ the huge cost over a number of period along with other benefits like Maintenance, Repairs and Overhaul (MRO) expenses are born by lessor in many of the cases. However for leasing an aircraft from a foreign lessor attracts the fulfillment of additional guidelines of FEMA and RBI along with regular DCGA, Income Tax, SEBI and MCA guidelines. There is also additional risk of foreign exchange fluctuations as the leases are for long term.

The cost of purchasing an aircraft can be restrictive to an airline which wants to embark on or expand its fleet. Leasing enables the cost to be spread across many years and allows the operator to fly at a relatively economical price.

As per reports and research, Aircraft leasing cost are among top five costs that an airline has to incur. The pandemic had already harmed the aviation sector to a great extent. In order to provide some relief and give growth opportunity to Indian aviation sector, government has taken few major steps from past year.

In order to promote aircraft leasing business in India, and to move a step in "Atmanirbhar Bharat" the Central Government, in October 2020, had notified 'aircraft lease' as one of the 'financial product' under International Financial Services Centre Authority Act, 2019 (IFSCAA 2019). Subsequently, in order to provide a framework for aircraft leasing business to be conducted from International Financial Services Centre (IFSC), the International Financial Services Centre Authority (IFSCA), in December 2020, released the draft regulations for aircraft leasing business to be carried out from IFSC for public comments. Considering the inputs received from various stakeholders, IFSCA on 19 February 2021, released the final framework on aircraft operating lease for enabling and facilitating aircraft leasing entities to set-up their office in IFSC Gujarat International Finance Tec-City (GIFT) in India. In order to attract the aircraft leasing industries in India, Finance Minister in Union Budget of 2021 had announced an income tax holiday on capital gains and rental income earned by aircraft leasing companies set up in an IFSC if they will complete their setup before 31 March 2024.



Given the tax exemption the airline industry can ask their overseas lessor to set-up their units in IFSC GIFT, this will also help in lowering the operating cost of Indian Airlines.



# Notice Section

• Guest Lecture on  
Resume Making and  
Interview Skills  
By  
Dr. Shreya Govind  
13th March 2021  
11.30 AM to 01.00 PM  
For details, contact  
Ms. Manasi Mule  
9833691223

# TERMINOLOGY OF THE WEEK

## Seed Capital

Seed Capital refers to preliminary fund which is important for starting up the company. There is a huge risk as the company has no track record or past history to evaluate its performance. Much of the seed capital is raised from sources close to the founders such as family, friends etc.

Seed Capital is the first of found funding stages



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**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.**