XPRESSIONS

FROM THE CORRIDORS OF ISBS…….

VOL- XIth

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EDITORIAL PAGE :

Hello everyone!!

The editorial team of Xpressions presents to you its XIth edition.

We would like to take this opportunity and thank all the contributors for the overwhelming response that we have received.

We hope to continue this association in future also.

ISBS had a rocking celebration for Christmas, with Santa clause visiting all the classes and distributing chocolates and gifts.

Now it's time to bid goodbye to year 2011 and welcome with great enthusiasm and positivity 2012!!!

Xpressions wishes all of you A Happy, Prosperous, Healthy & Wealthy New Year!!!!

Njoy reading!!!

Regards,

Editorial Team

YOU MADE US PROUD…….

Congratulations to below mentioned faculty members for qualifying the UGC NET Exams:

1) Dr. Mahesh Mangaonkar

2) Prof. Deeksha Johri

3) Prof. Zohra Zabeen

Congratulations to PRADEEP SINGH – DIVISION "B" and ABHISHEK GAURAV - DIVISON "C"!!!!!!!

Both of them have Played for Indira Group of Institutes (BASKETBALL team) and won the tournament (INVITATIONAL TOURNAMENT) organized by ISB&M college.

They were part of the team which played three matches with MIT, STALIONS and ISB&M.

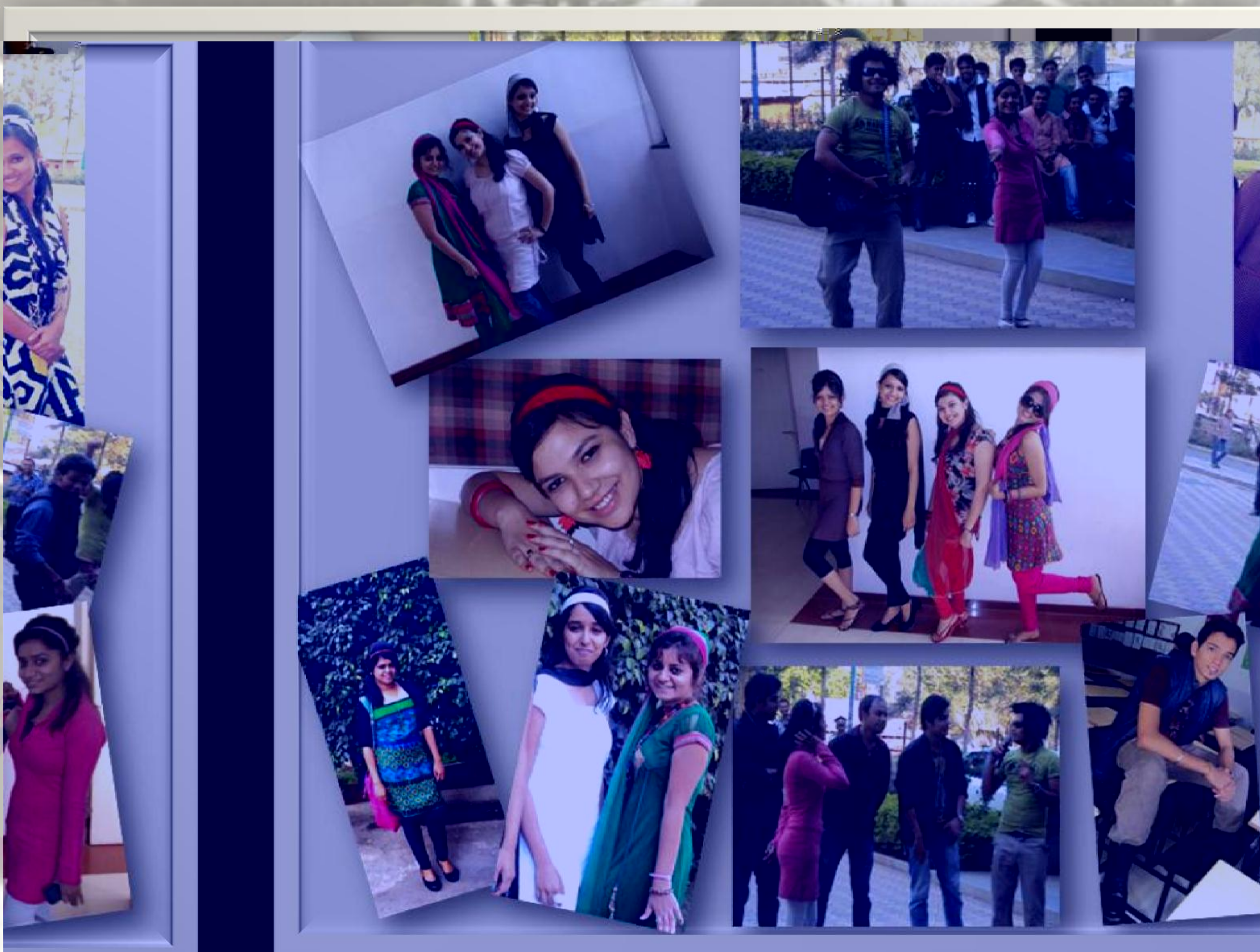
Total team participated in TOURNAMENT were 8.

"Winner of the tournament was INDIRA GROUP OF INSTITUTES."

INITIATIVES AT ISBS

X-MAS DAY Celebration at ISBS on 23rd December 2011

NEW YEAR Celebration at ISBS:



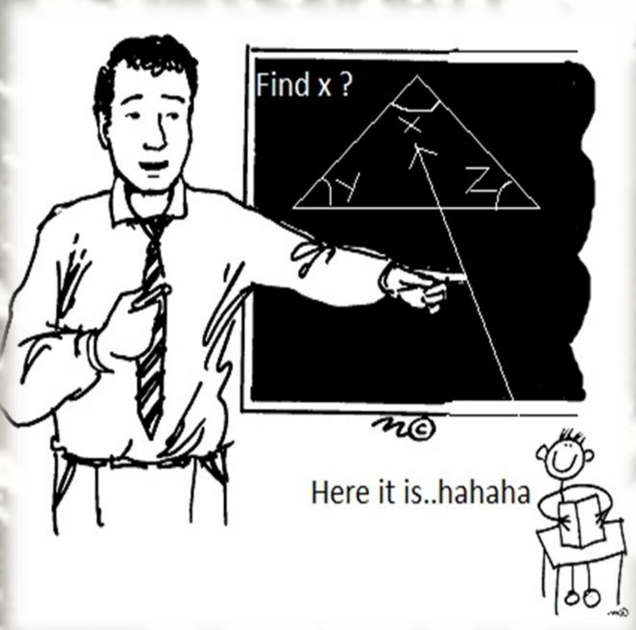
DDV: 30TH DECEMBER, 2011, ISBS Staircase

STUDENTS PLACED

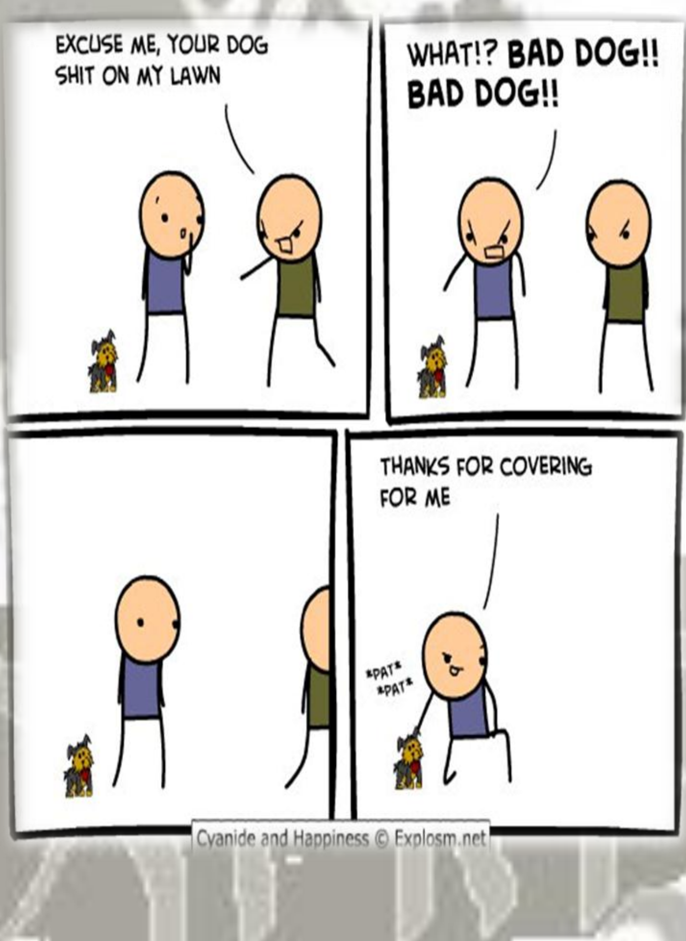
S. No	NAME	SPECIALIZATION	COMPANY
1	Karan Kapoor	Mkt.	Pantloon
2	Debashree Das	Hr	Saurat Auto Tech. Pvt. Ltd.
3	Tapas Sharm	Mkt.	Deloitte
4	Bidoura Chakraborty	Hr	Deloitte
5	Siddesh Surve	Mkt.	Deloitte
6	Premani Chirag Jayesh	Mkt.	Eclerx
7	Areez Riaz Madraswalla	Mkt.	Brahma Corporation
8	Amog Vaidya	Mkt.	Sharp
9	Rajashri Patil	Mkt.	Cybage
10	Taha Batilwala	Finance	Tata Technologies 49
11	Rohit Chhabra	Finance	NOMURA.
12	Sonal Bhambri	Finance	NOMURA.
13	Bhavesh Mathur	Finance	NOMURA.
14	Singh Suraj Bhrigunath	Mkt.	Sharp
15	Snehashis De	Mkt.	Sharp
16	Karnawat Gajendra Motilal	Mkt.	Metal Link Alloys Limited
17	Parvez Mohammed	Mkt.	Mahindra & Mahindra
18	Pooja Kashiramka	Finance	Darashaw
19	Piyush Gupta	Finance	Darashaw
20	Vivek Singh	Mkt.	Nestle
21	Manish Kumar	Mkt.	Nestle
22	Abhinav Agrawal	Mkt.	Mahamaya Spong Iron Pvt. Ltd.

23	Debolina Roy	Mkt.	Indus Ind Bank
24	Heena shekhawat	Mkt.	Indus Ind Bank
25	Pranay Shah	Finance	Deloitte
26	Ajiynka Chopkar	Finance	Deloitte
27	Satendra Kumar	Finance	Deloitte
28	Vandana jain	Finance	Deloitte
29	Mallika Chawla	Finance	Deloitte
30	Sweta	Finance	Deloitte
31	Nikita Chourasia	Finance	Deloitte
32	Isha Kumari	Finance	Deloitte
33	Ratna Gupta	Finance	Deloitte
34	Kirti Chandnani	Finance	Deloitte
35	Ishwari shah	Hr	Syntel
36	Shoib Ahmed	Mkt.	Foundation Engineers.
37	Avinash pratap singh	Mkt.	Foundation Engineers.
38	Jitendra Pratap Singh	Mkt.	Prop Tiger Reality Pvt. Ltd.
39	Agarwal Abhijeet Pradeep	Finance	Standard Chartered Bank
40	Ghatge Madhav Sunil	Finance	CRISIL
41	Kabra Ritesh Suresh	Finance	CRISIL
42	Ashit Kumar	Marketing	ICICI Securities
43	Nandini	Marketing	Naukri.com
44	Ranjanjyoti Bora	Marketing	Universal Construction
45	Gaurav Parashar	Marketing	Bajaj Allianz
46	Asif Shah	Marketing	Bajaj Allianz
47	Samir Dhuri	Marketing	Thought Work

48	Kanti Kumar Mishra	Marketing	Mother Dairy
49	Udit Tuteja	Finance	Maersk Global service center Pvt. Ltd
50	Shrey Rawat	Finance	Maersk Global service center Pvt. Ltd
51	Prasad Lahoti	Finance	Maersk Global service center Pvt. Ltd
52	Abhijeet Kumar	Marketing	MTS
53	Karan Kanoo	Marketing	Eldeco Industries Pvt. Ltd
54	Sweta Anand	Marketing	Northron
55	Amrita Khamparia	Marketing	Dreamgains Financials india Pvt.ltd
56	Yashwardhan	Marketing	Kotak Mahindra Bank
57	Umang Sharma	Marketing	Neeyamo
58	Piyush Bhatkar	Marketing	Neeyamo
59	Abhishek sahadevan	Marketing	Xebec
60	Ketan Jani	Marketing	Zenith Rubber
61	Maulik Sauheli Sujit Kumar	Marketing	Kolte Patil
62	Kamlesh Mahajan	Marketing	Indusind Bank
63	Ashish Bansal	Marketing	ITC
64	Swapnil Malpathak	Marketing	ITC
65	Varun Mehta	Marketing	ITC
66	Gourav Kumar	Marketing	GBIM


Find x ?
x
y
z
Here it is..hahaha

GURU- VANI


EXCUSE ME, YOUR DOG SHIT ON MY LAWN
WHAT!? BAD DOG!! BAD DOG!!
THANKS FOR COVERING FOR ME
PAT *PAT*
Cyanide and Happiness © Explosm.net

Just Tee-off Entrepreneurship

India's education is the integral part of India's newness which is quite refreshing & quite vibrant.

Education is empowering so many Indians in its own way & there is a lot of enthusiasm & vibrancy in this empowerment & being empowered in many unique ways.

From here let me straight away jump to the state of entrepreneurship in India. Well as I write this term "entrepreneurship" I can clearly feel the uncomfort almost instantly & then I can imagine the uncomfortable feel of those who may read this talk on entrepreneurship.

Very uncomfortable …yes, this is how a novice usually feels on the talk about entrepreneurship ……. He feels entrepreneurship is all about being uncomfortable, it is all about coming out of the comfort zones , it is all about landing in the uncomfort zones, it is tough & it is all that you can think of the state of uncomfortable situations. However , at the end of the day is it all true ….yes… maybe… maybe no if you try it out which is preferred if not for all then surely for a few ….is it a must ….no…is it preferred…yes…

Now leave being uncomfortable & then envisage that you have "no choice/ no option" but to be an entrepreneur……..

Just imagine a hypothetical market where there is no option but to be an entrepreneur. Then you must do this. Right.

Then you have to simply do it & become an entrepreneur. So you see as you read this you already become one…right & the uncomfortable feel seems to go away the instance you are faced with this "no choice" other than work like this in this hypothetical market. So, you already become one, how? By no choice than work like this in this hypothetical market & be an entrepreneur in this hypothetical market of no choice.

Now, come out of this hypothetical market & in the normal market. You have options here & that is all the difference which makes you uncomfortable of this unexplored thing called entrepreneurship. So, next time when you choose to become uncomfortable with entrepreneurship & how will you go about this , just imagine that "no option" but the unexplored entrepreneurship situation & that will make you confident & this "no option" will actually make you believe about doing this uncomfortable thing called entrepreneurship.

So, in a nut shell …just imagine the "no option" situation & try entrepreneurship, Hence, you must do entrepreneurship & add business value & create new opportunities because today there is an environment in India to do entrepreneurship. There is a clear, open, comfortable space for doing business in India & people should choose to become entrepreneurs & the young should come of age & come out of their puzzled look & uncomfortable zone on entrepreneurship & do entrepreneurship.

The choice of the same will be yours to make & hence add business value through entrepreneurship…. & hence choose to do entrepreneurship, you should, no, you can, yes.

Add business value through entrepreneurship. & Just tee-off entrepreneurship…..a yes….??

BY: Prof. Hemant Purohit

SACHINOMICS

What should you do in case of a fund merger?

There is a dramatic increase in mutual fund mergers, accounting for tie-ups involving over 38 funds. The five years from 2006-10 had seen only 58 fund mergers and about 64% of these had taken place from 2008-10. "This was due to the SEBI observation that there are several schemes with overlapping mandates, which are confusing investors," says Jayant Pai, vice-president, Parag Parikh Financial Advisory Services. In fact, the regulator had stopped approving new fund offers (NFOs), whose investment objectives were similar to the existing schemes in a particular AMC portfolio.

On the face, there is no harm in consolidation, especially if one considers the large number of mutual fund schemes operating in the country. According to the data sourced from Accord Fintech, the 41 fund houses in the country are managing 4,173 schemes, of which 69% are open-ended and 54% are handled by the top 10 fund houses. Though the most common reason for mergers as cited by fund houses is consolidation, this is not always the case. The motives are more complicated and wide-ranging, be it underperformance, asset retention or fear of redemption. So what should you do if the fund you have invested in is merged into another? Your reaction should depend on the reason for the merger. Let us consider some of these.

Underperformance:

"One big reason for mergers is the sustained underperformance of a fund," says Maneesh Kumar, MD, Burgeon Wealth Advisors. "With SEBI's directive that the performance of all schemes managed by the same manager should be publicized in the promotional material, bad performance of funds cannot be hidden as easily as could be done earlier," says Pai. Experts explain that usually a scheme that is performing poorly is merged with a better performing one. Hence, investors may benefit from such mergers. However, the extent to which this holds true is debatable as every such merger doesn't yield good returns for investors. For instance, JM Financial Asset Management merged its funds, JM Agri & Infra Fund and JM HI FI Fund, into JM Basic Fund, which has delivered negative returns of over 18% and 6% over the past three and five years, respectively.

"Underperformance by a few schemes from the same stable could render the good performance of the flagship scheme useless. Hence, the mergers become imperative," says Joseph Thomas, head, investment advisory & financial planning, Aditya Birla Money.

However, Kumar says that refurbishing the flagship fund can also be the reason for a merger. "If the performance of the flagship scheme begins to falter, it may decide to pump up the performance by merging another, better performing, smaller fund into it," says Kumar.

What you should do:

If your fund is being merged because it's not performing well, you must find out about the scheme in which it is being merged. Nothing can be worse than letting your money flow from one bad option to another. If, however, you are satisfied with your fund's returns and feel that the underperformance of the AMC's flagship scheme is the reason for the merger, then it's better to opt out of the scheme.

Cost rationalization:

Almost every investment strategy works in a rising market. When the markets are on a roll, so is the investor sentiment. They look for something different and are curious to try out funds with fancy names and objectives. As a result, the fund houses get an opportunity to increase their assets under management by floating new fund offers. In fact, the mutual fund industry witnessed the launch of over 83 new funds from 2005-7.

The opposite is true in slack markets. Investors want to stick to the tried and tested large-cap and diversified equity funds and stay away from novelty. However, AMC's have fixed and variable costs carried over from the market heyday, but which they probably can't afford to bear anymore. "One shouldn't forget that after the mass redemptions in 2008, the outflows weren't adequately replenished later. These schemes were most likely no longer capable of carrying the load of an entire fund management team," says Kumar.

Clearly, amalgamation of schemes is an easy option to trim down the costs. "Mergers economise the administrative costs and those of servicing the customers. The time and resources spent on managing the portfolio also reduce," says Thomas. "Taking advantage of SEBI's observation, AMCs that are saddled with a plethora of schemes launched during the NFO mania have chosen to merge them," says Pai.

What you should do:

If your fund has been doing well, opt out of the merger. This is because a fund house that tries to reduce its costs at the investor's expense by forcing redemption in a volatile market doesn't have your interests at heart.

Redemption fears:

In a choppy market, the fear of redemption pressure exists and is likely to be more challenging for a small fund. "The fund manager could end up selling his jewels at fire-sale prices," says Kumar. To prevent such a misfortune, the AMCs decide to merge funds. So, if a redemption request needs to be serviced, it can be done from a much larger set of stocks that are more liquid. In fact, a large number of schemes that have been merged did not have any significant assets under management. "Even the funds that are performing well are merged due to their smaller AUMs. Very small funds can cost more to manage than they generate in fees," says Ashwinder Raj Singh, head of wealth management, Fullerton Securities. Besides, the AMC's focus is on the flagship schemes, not the small ones.

What you should do:

If the redemption is from a well-performing fund due to the panic of conservative investors and this is the main reason for a merger, you can remain invested in the fund.

Retaining assets:

Another reason that fuels scheme mergers is the bid to retain assets. This can happen when a star fund manager leaves an AMC, leaving a void that is hard to be filled. "Savvy investors follow such changes. In order to retain the assets, the AMC may decide to merge the funds managed by him with another fund that has won the confidence of investors over a period of time," says Kumar. The same reason spurs the merger of closed-ended schemes with open-ended ones. For instance, ICICI Prudential merged its ICICI Fusion, a closed-ended fund with ICICI Opportunities, an open-ended fund, after the maturity of the former in arch 2011. "Instead of liquidating the assets, the fund manager decided to open the fund and retain a significant portion of the assets," says Singh.

What you should do:

If asset retention is the reason for a merger, staying with it is a matter of investor's discretion.

Merger of unlikes:

Over 30% of the funds that have been merged this year are thematic or sectoral. While the regulator encourages merger of funds, it should primarily be across funds with similar investment objectives. For instance, the merger of FMCG fund with one is having consumption as its theme makes sense. However, there is little logic in merging a pharma and an FMCG fund into a large-and mid-cap fund, as was done recently by Franklin Templeton.

It merged its Franklin Pharma and Franklin FMCG unto Franklin India Prima Plus. Experts offer more insight on the reasons and rationality of this trend. “The current valuations are attractive in all sectors. Instead of restricting to a particular sector, fund managers want to take advantage of the correction in all sectors,” says Singh.

Besides, sectorial and thematic funds have performance cycles and deliver returns in spurts. So, while pharma sector has rallied in the past two years, it was an extremely indifferent performer in 2006-8. “These funds carry greater risk compared to a diversified scheme and hence, the movement away from sectorial and thematic ideas,” says Thomas.

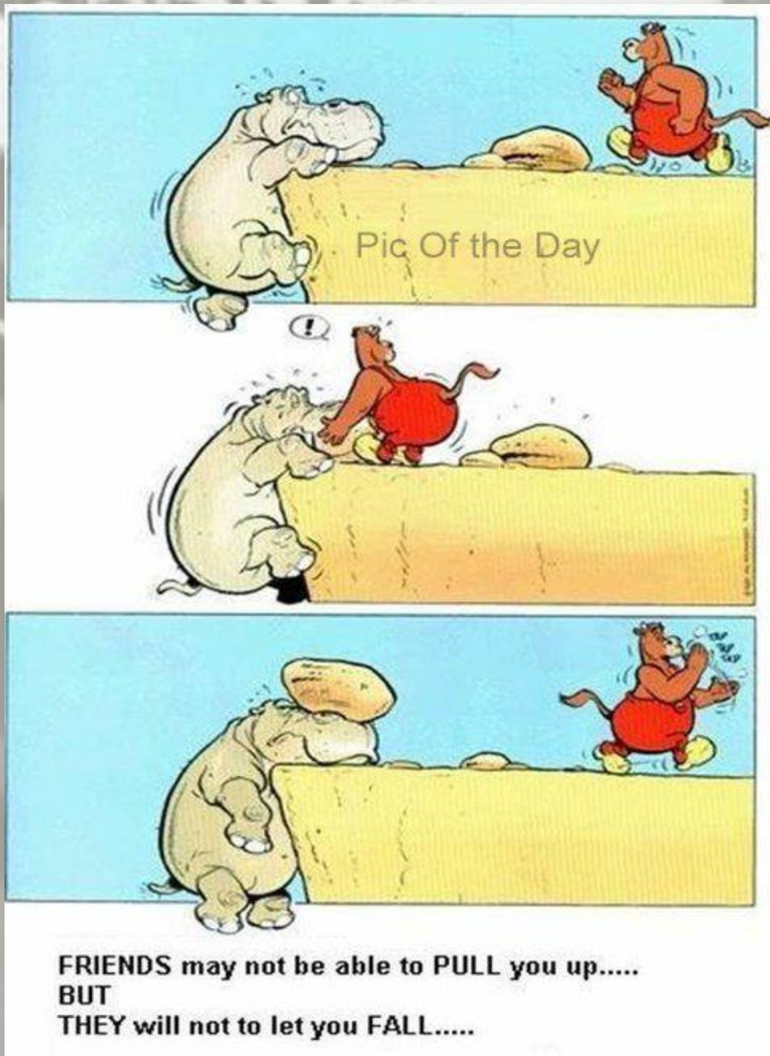
It is also because a particular sector/theme does not play out as was anticipated. This happened with infrastructure, power and IT, among others. “If an investor has taken a call on a particular sector/theme, such mergers defeat the purpose,” says Pai.

What you should do:

If you have a strong, positive view regarding the performance of the sector/theme, you should redeem your money and redeploy the corpus to some other well-performing fund, having the same sector/theme.

To conclude, while scheme mergers are advantageous for the fund houses, their impact on investors is not definitive and depends on the reason for the merger. Besides, a merger can force an investor to redeem his money and the current, uncertain market may not be the most appropriate time for doing so. This is because it could result in a serious investment mistake of buying high and selling low.

BY Prof. Sachin Napate



STUDENT CHIT-CHAT

Something very essential is missing –

World is moving at rapid rate and there is no room for halts, everything is moving at speed of light, people are trying to get best jobs, best education, best relationships, best of everything they can get out of this fast moving world but in between all of this aren't we forgetting one essential element that actually shapes our destiny, it is what defines our everyday choices, thoughts and actions. People are trying to succeed in every possible way they can by compromising that essential element.

Yes I am talking about **character** which is the primary factor in man's success and also lack of which causes failure in long run. Why it is that humans are craving for everything permanent in this temporary life? And why it is that they do not understand that background of character is the discipline of desire? People had forgotten about the basic essence of success and peaceful life, they had forgotten about the actual traits which shape the destiny regardless of how much skillful you are.

The word humanity is now becoming vanished from lives of people and they are also forgetting that we all will be answerable to god one day for all deeds. Kindness and tenderness are perceived as weak points by people but actually they are the resolution of strengths, I think time has come to look back again at the basics and fix that essential element

SHREY SHRIVASTAVA

PGDM-B

Imagine the Earth without "Earth"....!

BY SURUCHI SINHA

PGDM-B

IF I had to raise all over again:

If I had to raise all over again,
I'd build self-esteem first, and the house later.

I'd finger paint more, and point the finger less.

I would do less correcting and more connecting.

I'd take my eyes off my watch, and watch with my eyes.

I would care to know less and know to care more.

I'd take more hikes and fly more kites.
I'd stop playing serious, and seriously play.
I would run through more fields and gaze at more stars,

I'd do more hugging and less tugging.
I'd see the oak tree in the acorn more often,

I would be firm less often, and affirm much more.

I'd model less about the love of power,
And more about the power of love.

As compiled by Gunjan Mahajan

PGDM- A

The year is going to let him go; Ring out the false, ring in 'Ring Out the gold and the ring in the new, Ring Happy bells in the snow. People welcome the New Year with great zeal and open hand and also make a great effort to enter new phase of their life with new beginnings. In addition, it also asked them to kick off their bad habit and give a new dimension to their lives by adopting new habits different.

As compiled by TAUSEEF AHMED

PGDM-F

Have you ever seen Donald duck Bowling...?

By Priyanka Notaney

PGDM-B

Future

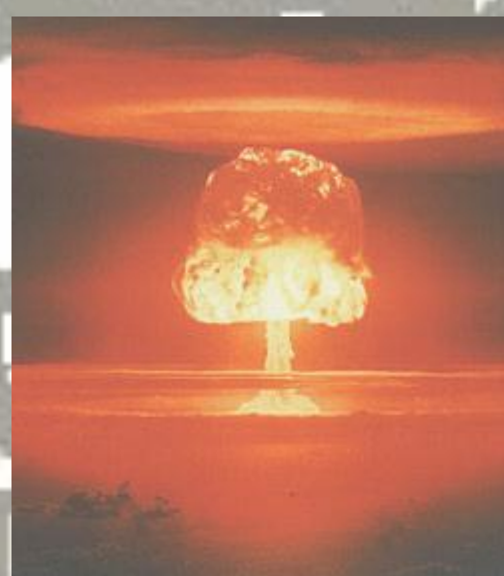
Future Navigation

Scenario: World War III

Eastern Powers

- Russia
- China
- Pakistan
- North Korea
- Middle East
- North Africa (except for Libya)
- Southeast Asia(except the Philippines)
- Eurasia
- Cuba
- Venezuela
- Iran
- Myanmar

- United States
- India
- Britain
- France
- Germany
- Israel
- Sweden
- Japan
- South Korea



- Canada
- Australia
- Mexico, Brazil, Chile, Argentina
- South Africa
- Bangladesh
- Turkey
- EU

In 2020, growing India and Pakistan finally flared into war. While India possessed a higher population and greater resources than their smaller neighbor, Pakistan was better prepared and made significant advances during the opening clashes of the war. India though had developed an air force ages ahead of the Pakistani air force; daring tactical bombing raids disabled the vaunted Pakistani "first strike" armored and artillery brigades and stopped them in their path only 30km past the Indian border. The front quickly stabilized, both sides poured in reinforcements, and all hopes for a swift resolution began to wane, forcing both countries to call upon their allies for support. The United Nations once again proved unable to exert any influence of significance beyond a 700 man peacekeeping force in Kashmir.

At the end of the first year, no less than twelve different nations were involved in the hostilities in one form or another. Pakistan was at the forefront of a powerful trade alliance between many of the former Russian states that earned independence after the breakup of the Soviet Union in the late 20th Century. The countries - Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan, and Azerbaijan, with the notable exception of Georgia - began to

send troops and equipment into Pakistan to replace losses that nation's industry could not quickly construct. While individually their military power was limited, they proved quite effective when united. In response, India called upon its friends in Bangladesh and Nepal to join the fight, and began to put pressure on the Chinese to intervene.

To this end, China began pouring troops across the Pakistani border in early 2022, predicating their advances with barrages of literally thousands of missiles upon the fortified villages in their path. Pakistan had no chance to stop these advancing armies - if they pulled troops away from the Indian front, that line would shatter and all would be lost. In desperation, and indeed with no other choice available to them, Pakistani aircraft dropped three low-yield nuclear bombs atop the advancing Chinese spearheads.

Reaction from the world was one of immediate outrage and panic. Global stock markets were severely damaged as the threat of nuclear annihilation loomed. Fearing further strikes on Chinese territory, the government in Beijing ordered the launch of twelve nuclear missiles into Pakistan, but these never reached their targets. Instead, all of them mysteriously exploded at the highest point of their ballistic trajectory. A second strike also failed, as did a counterattack by Pakistan's few existing ballistic missiles.

Although long-range attacks were somehow rendered impotent, cruise missiles and tactical artillery shells were successfully exchanged, leaving the border between Pakistan and China a devastated wasteland. Limited nuclear strikes also occurred within India itself, on or near the front lines, but both sides resisted the temptation to start destroying each other's cities.

Within the United Nations, the use of nuclear weapons by the warring powers was the object of heated debate. The Security Council produced a resolution condemning further use of such weapons, but this was summarily ignored. In response, Canadamerica, Britain, and Russia unilaterally cut off all trade and financial support to the entire area.

Once again intercontinental nuclear missiles were launched, but not a single one ever struck any target. It was at this point that Canadamerica revealed a previously unknown array of automated global defense satellites capable of tracking and knocking down any ballistic missile within minutes of launch. This system, known as Earth Shield, put the United Nations into an uproar. Every country, with the exception of Britain and Australia, argued bitterly. It was their contention that the use of such a system against active military forces was an act of war. Canadamerica argued that had they not utilized Earth Shield, most of Pakistan, India, and China, if not the whole of Asia, would be a devastated radioactive zone. In response, Russia and China withdrew from the United Nations, effectively causing that organization to cease to exist. In a daring bid, Chinese "Jade Dragon" mobile fighting platforms launched lower orbital raids upon key Earth Shield components, reducing the system to under 60% capability. Over the course of the ensuing year, the ongoing war spread throughout Asia. Chinese armies rampaged through eastern Russia, but stalled as they approached Moscow, as Russians deployed their experimental Super Tank units. The Super Tank’s feared EMP rail guns proved effective; literally whole cleaving Chinese armored divisions. The winter of that year, heightened by nuclear-driven dust in the upper atmosphere, was one of the worst on record. Millions of Chinese and Russians died on the steppes. Korea, Vietnam, Laos, and Cambodia all became involved in the fighting to one degree or another. Canadamercia and European Union, suffering economically under the collapse of the world's stock markets, sent in a combined 450,000 soldier, multi-national task force to try to halt the fighting. The task force managed to secure much of South East Asia, but as they approached northward, they were fired upon by the very people they were trying to help and opted to halt their advance. In the end, the military might of the two superpowers remained idle, waiting in offshore task forces or within neutral countries for the fighting to die down.

World War III, as it was now known, did not officially end until 2024, although scattered fighting continued between India and Pakistan until the middle of 2025.The Indian defense, working as a unit with its intelligence proved to be too big a hindrance for invading Pakistani troops, who eventually began retreating despite orders to continue attacking. Much of the Pakistani region was devastated or entirely destroyed. The world markets gradually stabilized as China's armies retreated and resumed the goal of suppressing the revolution. Most of Pakistan's allies, their resources depleted by punishing Indian air strikes, pulled out of the war one by one. India seemed to be emerging as the clear winner admits all the chaos having suffered least damage on its land. India eventually drove Pakistan back to its own border, but made no effort to advance further, fearing additional nuclear bombardment or, more likely, the United States, which was by then threatening to begin bombing both sides if the war did not come to an immediate halt. This perhaps a precautionary measure by Canadamerica fearing India's eminent rise as a dominant super power. When all was said and done, very few borders changed, but over a dozen nations were left in ruins. Many of the world's emerging powers were stuck down. The world would never be the same.

As compiled by:

Dhaval Sheth

Batch 2010-12 (Mktg)

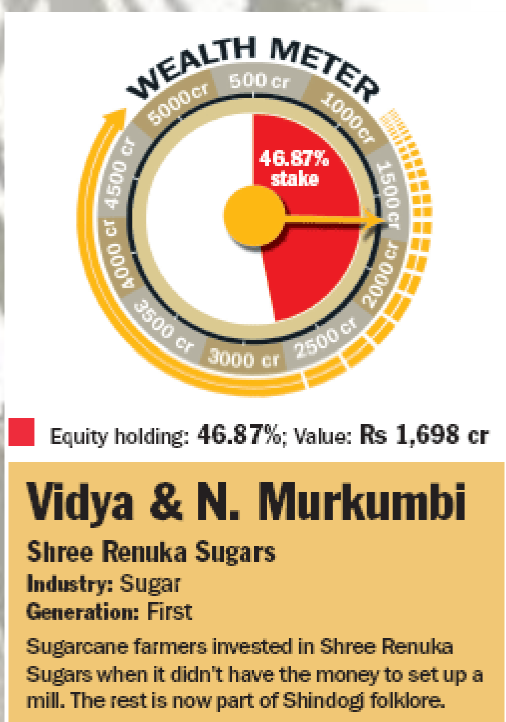
SOURCE:

http://future.wikia.com/wiki/Scenario:_World_War_III

NARENDRA MURKUMBI – *an emerging tycoon*

Brief Information:

Mr. Narendra Madhusudan Murkumbi is a promoter of Murkumbi Bioagro Pvt. Ltd. Mr. Murkumbi is the Co-founder of Shree Renuka Sugars Limited and serves as its Managing Director.He serves as the Chief Executive Officer of Renuka Commodities DMCC. He has rich experience in small-scale industry, the agriculture sector and the rural economy. He serves as Chairman of the Board at KBK Chem-Engineering Pvt. Ltd. He serves as the Vice Chairman of Shree Renuka Sugars Limited . He serves as a Director of National Commodity And Derivatives Exchange Limited,Shree Renuka Sugars Limited, Murkumbi Bioagro Pvt. Ltd.,Murkumbi Industries Private Limited, Renuka Commodities DMCC, KBK Chem Engineering Pvt Ltd., J. P. Mukherji & Associates Private Limited and Shree Renuka Infraprojects Limited.



The Fortune in The Farms

This is a rags-to-riches story with a twist. Narendra Murkumbi became a billionaire all right. But he also created wealth for thousands of cane farmers .

Shindogi, in the Belgaum district of Karnataka, is like any other Indian village. Most of the inhabitants are farmers. Here they grow sugarcane and their incomes rise and fall with crop prices. It is the last place one would expect people to track stock prices. But they do. Through the pages of Kannada daily Usha Kiran, they keep a close watch on the fortunes of Shree Renuka Sugars (SRS). After all, 9,900 farmers in the region own the stock and their combined shareholding is worth around Rs 350 crore. "When we see the share price, we are happy because this is more than we expected even in our dreams," says Gurappa Sidappa Kanapanaure, one of the farmer investors.

The farmers had bought the stock at face value. A Rs 5,000 investment in the late 1990s was worth Rs 7.61 lakh on 31 March 2006. Each investor holds at least 500 shares, with some, like Raiappa Mallapa Shetty, holding as many as 2,500. His holding was worth Rs 3.8 lakh on 31 March 2006.

When SRS listed on the BSE in October 2005, one of the farmers rang the customary bell to kick off trading in the stock. On that day, the combined wealth of these farmers was Rs 129 crore. By April 2006, that number had grown to Rs 811 crore.

The tale would not have been told, but for Narendra Murkumbi, the managing director of Shree Renuka Sugars. He was born in

Belgaum, not too far from Shindogi. His father was a distributor for Tata Tea and Tata Chemicals. With him, Murkumbi travelled a lot. He saw the tea gardens of Assam and the wheat fields of Punjab. In 1994, when he graduated from IIM, Ahmedabad, he wanted to start his own agri-business. He dabbled in bio-pesticides, but soon his interest shifted to sugar.

Having lived in Belgaum for most of his life, Murkumbi was familiar with the business. But he did not have the Rs 100 crore needed to set up a mill. At that time, the Andhra Pradesh (AP) government was selling a sugar unit for Rs 55 crore. He wanted to buy it and bring it to Belgaum, which grew lots of high-yield cane. But he did not have the cash to do even that.

With great difficulty, he convinced IDBI to lend up to 60 per cent of that cost. He also got the Sugar Development Fund to contribute another 15 per cent of the project cost as equity. He then went about raising the remaining 25 per cent. But, after exhausting his options, he was still about Rs 5 crore short. He recalls: “Then, the stockmarket was indifferent to the sugar industry. So an IPO was ruled out.” That’s when he turned to the farmers.

Says Murkumbi: “They were used to a culture of investing because of the co-operative mills. Though our model was different, we figured it could work.” His mother, Vidya Murkumbi, chairperson of SRS, visited 80 villages to talk to the farmers. Her pitch was simple. There was oversupply of sugarcane in the district. Farmers were travelling 60-70 km to sell their produce in Raibaga. There were payment delays and defaults. By setting up a plant in Belgaum, SRS would step up cane offtake and make prompt payments. In return, each farmer would have to buy at least 500 SRS shares at Rs 10 each. Not everyone was convinced. Most invested only after they saw the mill coming up. In the end, 9,900 farmers bought the story and the stock.

Now, the Murkumbis' 46.87 per cent stake in SRS is worth about Rs 1,698 crore. But that hasn't changed their lifestyle much. Vidya still lives in Belgaum, Narendra in rented quarters in Worli Seaface, Mumbai. He was trying to buy a flat in south Mumbai, but settled for one in Prabhadevi instead. "Prices are much too high," he says. He is distinctly uncomfortable talking about his wealth. "I look at my stock prices every day, but I am not the kind who will sit with a spreadsheet trying to figure out my wealth," he says. "SRS now buys over Rs 2 crore worth of cane every day from 50,000 farmers," he says, proud of his contribution.

The farmers, however, have been careful with their new found wealth. No flashy cars or clothes for them. Most have used the money to increase their land holdings, build bigger houses, educate their children (even send them abroad) and buy better irrigation systems. They say that if they knew that the shares would be worth this much today, they would have bought more of them.

Courtesy Business world dated Sep 2 2006

Gathered by-

Mandar S. Bilolikar

Division: C

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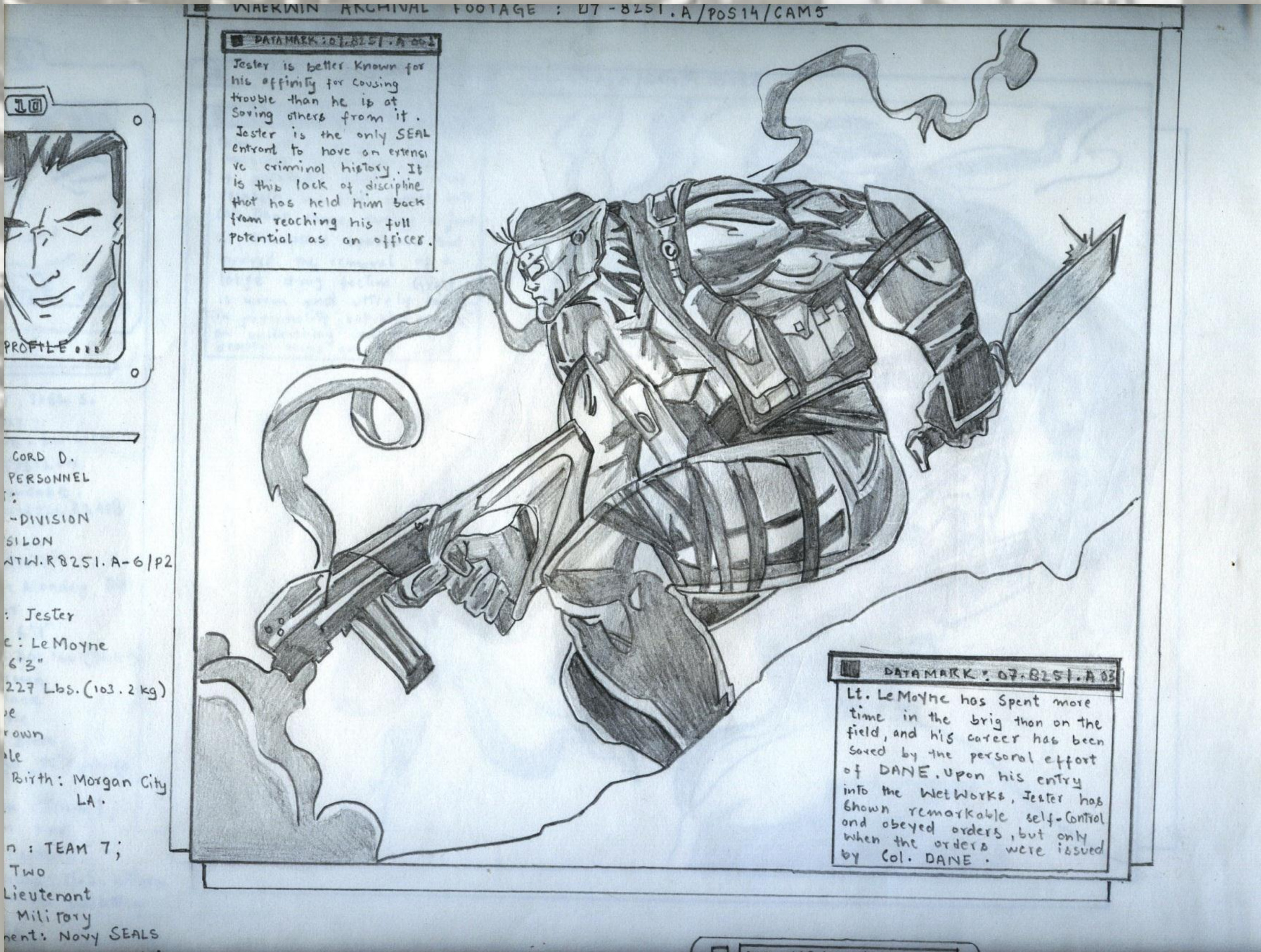

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If you're like most people, you've probably experienced the sudden burst of motivation that comes in early January , as holiday indulgences make their way to the waistline and New Year's resolutions force a new look at the figure we see in the mirror.

"This is the year," so the resolution goes, "that I vow to lose ten pounds and keep it off." Other common variations include goals to get the highest placement, to complete MBA with first class etc…..

And worthy resolutions they are. Sadly, New Year's resolutions are notoriously short-lived, if not completely forgotten by February.

In this light the theme for next edition is ***"New Year Resolutions"*** & the commitment that each one of you will make to yourself to keep up to it.

We request you to send in your entries to
xpressions@indiraisbs.ac
Latest by **20th January 2012**.