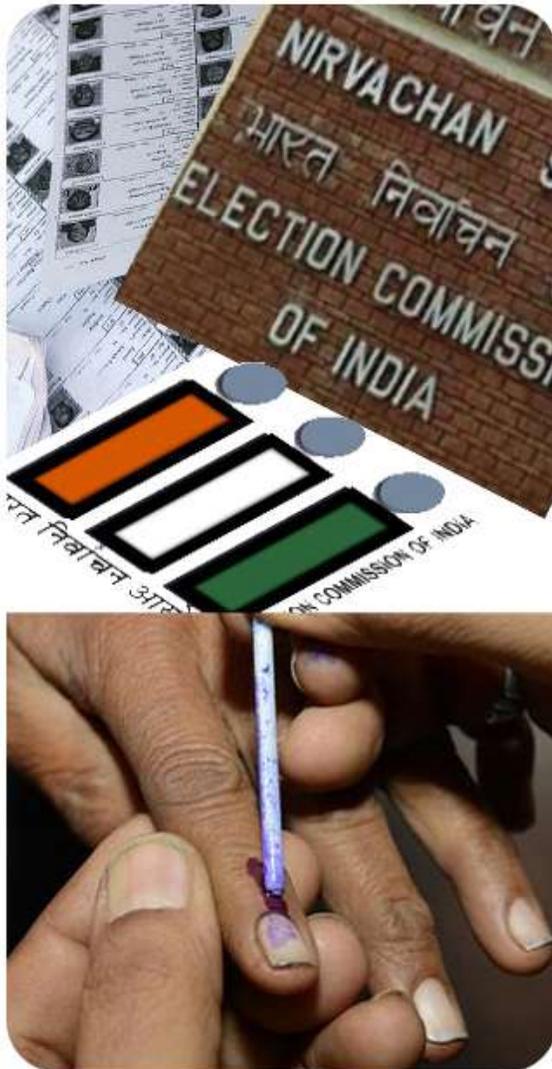


# PR SENSE

Spreading Positive Vibrations

Issue No 112 – Jun 2016  
Published by Prime Point Foundation

## Cover Story of the Month



**Electoral Reforms**

## In This Issue:

- P3 Editorial - REXIT**
- P5 Cover Story: Electoral Reforms**
- P7 Sansad Ratna Awards 2016**
- P11 Sansad Ratna Awards - Rules**
- P11 Launch of PSLV C34 by ISRO**
- P12 Prince cartoon**
- P13 BREXIT**
- P15 From the Archives: June 2010 - Credit cards**

## Contact

[www.corpezine.com](http://www.corpezine.com)

[editor@corpezine.com](mailto:editor@corpezine.com)



## From the Desk of Editor-in-Chief



We are pleased to release the 112th (June 2016) edition of your ezine PreSense. As the readers know, your ezine PreSense honours the outstanding Parliamentarians every year after the Budget session with Sansad Ratna Awards. 7th edition of Sansad Ratna Award function was held at IIT Madras on 11th June 2016 and six MPs were honoured. We have included a brief note on the Award event and also on the panel discussion on Electoral Reforms, held as part of the award function.

This edition's cover story focusses on the urgent need for the Electoral Reforms. We have included an article on the recent

launch of PSLV C 34 by ISRO. A story on the impact of BREXIT (UK leaving European Union), which has shocked the world, is also included.

Our Editorial deals with the much hyped Raghuram Rajan's exit from Reserve Bank of India. Besides, this edition contains usual cartoon, archive, etc. We are confident that you will continue to enjoy this edition. Please share your feedback with us.

*K. Srinivasan*

### Launch of PreSense100+ (Second edition)



Editorial Team after launch of PreSense 100+. Dr C Rangarajan (6th from left) and Dr Bhaskar Ramamurthy (7th from left)

Readers may be aware that a digest of select articles upto 100th edition titled PreSense100 was launched in June 2015. The second edition of the Digest including more articles up to 110th edition was launched on 11th June 2016 during Sansad Ratna 2016 Award function. The book titled 'PreSense100+' was launched by Dr Bhaskar Ramamurthy, Director of IIT Madras. The first copy was received by Dr C Rangarajan (Former Governor of Reserve Bank of India and Governor of Andhra Pradesh). The soft copy may be downloaded from the following link. Dr P Ganesan (Chairman, Sony Fireworks P Ltd and AAA College of Engineering and Technology, Sivakasi) has sponsored the printing of this second edition.

<https://goo.gl/03EIwO>



## Editorial

### Hysteria over REXIT (Raghuram Rajan Exit)



It is confirmed. The current RBI Governor, Dr Raghuram Rajan will move out in September 2016 after completing his three-year term. For emphasis, one must repeat that Dr Rajan is moving out only after completing his full three-year term as RBI Governor. He has not quit, has not walked out, is not dismissed, is not sacked during the currency of his tenure.

Dr Rajan took up the office as RBI Governor in September 2013 when the Indian economy was facing a major crisis. Since then, he has been doing his job in a very professional and visionary manner as is lauded by all who matter in the Indian and global economy. Incidentally, Dr Rajan is reported to have been recognised worldwide for his accurate prediction of the 2008 mortgage crisis in 2005 itself, three years before it actually happened. (It is a different story that the media missed S Gurumurthy, a well known Columnist and chartered accountant, who had predicted the impending crisis of 2008 in 2001 itself, probably because he was not of rock star material).

Dr Rajan's stint with India goes back even before 2013. Dr Rajan had been actively involved in the Indian economy even before he became the RBI Governor. Since 2008, he has played important roles, including that as the Honorary Economic Adviser to the Planning Commission as well as the Chief Economic Adviser to the Ministry of Finance. So he is no stranger to India.



Having stated all this to his credit and to the credit of those who had hired him, it does seem that it is time to move on. Lord Tennyson wrote in his famous poem, *The Idylls of the King*, "The old order changeth, yielding place to new....Lest one good custom should corrupt the world". These lines were said by the legendary British leader, King Arthur in his death bed in response to his courageous yet despondent knight, Bold Sir Bedivere who lamented, "**Ah! my Lord Arthur, whither shall I go? Where shall I hide my forehead and my eyes? For now I see the true old times are dead.**" And here lies the wisdom that India needs today as desperate bytes are sourced from seasoned economists and banking professionals about the doom that looms with the exit of Rajan.

Much is read into the impending REXIT. It is unfortunate that this is neither the first nor the second time that the Editorial must express concern about the misplaced hype by the media over issues that are really non-issues. And there are reasons for this concern again:

- It is the prerogative of the leader of the Indian Government to select the team that he is confident and comfortable with, to execute the policies approved by the Parliament. It could often mean a change of guard if it is in the best interest of the country. Let us provide for it.
- Dr Rajan is not the first Governor not to continue after his initial tenure in the Office. Even during the critical years when India was facing the balance of payments crisis and was moving towards liberalisation of the Indian economy, S. Venkitaramaman moved out of his office as RBI governor in 1992 after just 2 years in office. It was when the Harshad Mehta scam hit the markets. But that does not discount the eminence of S. Venkitaramaman as an outstanding economist and professional.
- Dr Rajan is moving on, after the completion of his tenure. So there need not be any reading between the lines.
- India has had eminent people in the past to take care of the Indian economy as RBI Governors, and India still has enough eminent people to take over from Dr Rajan.
- *And lastly, as Dr Rajan is quoted to have aptly put it across, "What is important is to not personalise this office. It will survive any Governor. It is bigger than any Governor."*

So, when the time comes in September 2016, let us bid a dignified farewell to Dr Rajan, as is befitting his high calibre and personality and for his contribution during his tenure. If this means ignoring some off-the-cuff comments and opinions, even if they are expressed by eminent public servants and Members of the Indian Parliament, so be it.

*By Susan Koshy, Editor*

### **Our grateful acknowledgement to**



**for their support to  
7th edition of Sansad Ratna Awards 2016**



## Cover Story

### Electoral Reforms - Is Political Will Lacking?

*PreSense advocates that a special Joint Parliamentary Committee be set up immediately to recommend proper legislations and constitutional amendments for Electoral Reforms. There should be a national debate on this subject.*

#### Present system

After every major election in the country, all the political parties talk about Electoral Reforms for some time before the subject and memory about it fades out. The Indian Parliamentary democracy is based on the Westminster (British) model. Members of the Parliament and the State Assemblies are elected through the First-Past-The-Post (FPTP) voting system. This means that whoever wins the highest number of votes stands elected. Under these circumstances, there are several instances where candidates with 15 to 20% of votes polled have been declared elected. Similarly, several candidates with a single digit margin have been defeated. For many parties, the seats secured in the Assemblies or the Parliament may not be proportional to the vote share percentage secured by them.

#### Anomaly in FPTP

If we analyse the percentage of votes secured by the top 3 parties in the General Elections 2014, we can understand the anomaly of FPTP. Elections were held in 2014 to elect 543 Members to the Lok Sabha.

Party	Vote share %	Seats secured	% of seats in the House	Actual seats as per vote share %
BJP	31.43	282	51.9	170
Congress	19.52	44	8.1	105
AIADMK	3.30	37	6.81	18

We can observe that BJP and AIADMK secured more seats than their vote share percentage. With a 31.41% vote share, BJP got 51.9% of seats. Congress won fewer seats. With a 19.52% vote share, Congress could get only 8.1% of seats. This anomaly happens in every election. Soon after every election, the losers will raise the topic of 'Electoral Reforms', seeking the 'Proportional Representation (PR) System' of voting and blaming the 'Electronic Voting Machines' for their defeat. After a couple of months, these complaints fade away. The winners do not raise this topic for debate. Neither the political parties nor the public are serious about Electoral Reforms, which would strengthen the democracy. This ritual continues till the results of the next elections. Both FPTP and PR systems have their own merits and demerits.

#### Need for Electoral Reforms

The recent Assembly elections in five states have re-opened this debate. The recent instances of 'Vote for cash' in the Assembly elections in Tamil Nadu and the Rajya Sabha elections in Karnataka have again strengthened the case for social activists to take up the issue of Electoral Reforms.



During the Sansad Ratna Awards 2016, initiated by your ezine PreSense, a panel discussion was held with the eminent panelists, Shri T S Krishna Murthy (Former Chief Election Commissioner of India), Shri Arjun Ram Meghwal (Chief Whip of BJP) and Shri T K Rangarajan (CPIM MP) on this important issue. Dr Anbumani Ramadoss, MP (Chief Ministerial candidate of PMK in Tamil Nadu Assembly elections) has already submitted a petition to the Parliamentary Standing Committee on the need for electoral reforms in order to curb money power in the elections. PreSense also intends to take up this issue through the MPs in the coming monsoon session, to impress upon the Government to initiate a debate in the Parliament and outside.

### **Committees in the Past**

There were several recommendations on Electoral Reforms in the past.

- The Goswami Committee on Electoral Reforms (1990)
- The Vohra Committee Report (1993)
- The Indrajit Gupta Committee on State Funding of Elections (1998)
- The Law Commission Report No 170 on Reform of the Electoral Laws (1999)
- The National Commission to Review the Working of the Constitution (2001)
- The ECI – Proposed Electoral Reforms (2004)
- The Second Administrative Reforms Commission (2008) (hereinafter (“ARC”).
- The Law Commission Report No 255 (March 2015)

When Shri T S Krishna Murthy was the Chief Election Commissioner of India, he submitted an official recommendation to the then Prime Minister in 2004.

[http://eci.nic.in/eci\\_main/PROPOSED\\_ELECTORAL\\_REFORMS.pdf](http://eci.nic.in/eci_main/PROPOSED_ELECTORAL_REFORMS.pdf)

In March 2015, the Law Commission headed by Justice A P Shah submitted its report to the Government of India recommending various legislations.

<http://lawcommissionofindia.nic.in/reports/Report255.pdf>

### **Suggestions by Law Commission**

The 255th Law Commission Report (March 2015) suggests Electoral Reforms in the following areas, with suitable amendments of the law and constitution. This report broadly suggests reforms in the following areas. (Details are available in the above link)

- Election Finance
- Regulation of Political Parties and Inner Party Democracy
- Proportional Representation
- Anti Defection Law in India
- Strengthening the office of the Election Commission of India
- Paid News and Political Advertisements
- Opinion Polls
- Election Petitions
- NOTA and the Right to Reject
- The Right to Recall
- Totaliser for Counting of Votes
- Restriction on Government Sponsored Advertisements
- Restriction on the Number of Seats from which a Candidate May Contest
- Independent Candidates
- Preparation and Use of Common Electoral Rolls



## Views of Former Chief Election Commissioner

In an exclusive interview to PreSense, T S Krishna Murthy, Former Chief Election Commissioner of India, who piloted the Electoral Reforms recommendations way back in 2004 itself, said that although political parties were raising and discussing this issue at frequent intervals, there was no political will to take it to the next level.

**THE PATH TO ELECTORAL REFORMS**

The Law Commission in its recent report has suggested an overhaul of the electoral process, from campaign finance to internal democracy in political parties. While several recommendations have been made by Law Commissions in the past, not all have been accepted. Also, since a look at some of the key proposals on electoral reforms made by Law Commissions and observations by the Supreme Court.

**PROPOSED REFORMS OVER THE YEARS**

- Wastani Committee on electoral reforms (1996)**
  - 1. First office should be the service for preparing and maintaining electoral rolls.
  - 2. Election Commission (EC) should be empowered to take strong action in the matter of returning officers, and to disqualify, at least in certain cases, the candidates on the basis of their conduct.
  - 3. There should be a system of voter registration based on the household.
  - 4. There should be a system of voter registration based on the household.
- Nand Lal Gupta Committee on state funding of elections (1996)**
  - 1. State funding of elections is fully justified.
  - 2. State funding to be confined only to parties registered with EC.
  - 3. State funding to be based on the amount of expenditure on EC.
  - 4. State funding should be subject to a cap.
- Law Commission report on reform of electoral laws (1999)**
  - 1. Introduction of a system of state funding of elections should be based on the amount of expenditure on EC.
  - 2. State funding should be subject to a cap.
  - 3. State funding should be based on the amount of expenditure on EC.
  - 4. State funding should be subject to a cap.
- National Commission to reform the working of the Constitution (2002)**
  - 1. EC should be empowered to take a discretionary power to disqualify any candidate for a particular election.
  - 2. Any person convicted for a crime under the Indian Penal Code, or any other law, or any person who is a member of a party which is a party to a corrupt election, should be disqualified from contesting in any election.
  - 3. Candidates should not be allowed to contest elections, if they have been convicted for a crime under the Indian Penal Code, or any other law, or any person who is a member of a party which is a party to a corrupt election.
- Electoral Commission of India - proposed electoral reforms (2004)**
  - 1. Proposed Commission for reform of electoral laws should be set up.
  - 2. Proposed EC to be empowered to disqualify any candidate for a particular election.
  - 3. Proposed EC to be empowered to disqualify any candidate for a particular election.
- National Administrative Reforms Commission (2005)**
  - 1. Proposed a system of central voter service.
  - 2. State a body to monitor the work of returning officers.
  - 3. Proposed an office of 'Chief Commissioner' to be established by each House of Parliament.
  - 4. Proposed a system of voter registration based on the household.
- Justice Verma Committee on amendments to electoral law (2002)**
  - 1. A candidate who fails to file a declaration in the prescribed form should be disqualified from contesting in any election.
  - 2. A candidate who fails to file a declaration in the prescribed form should be disqualified from contesting in any election.
  - 3. A candidate who fails to file a declaration in the prescribed form should be disqualified from contesting in any election.
- 2006 Law Commission on electoral Disqualification (2006)**
  - 1. A person convicted of a crime should be disqualified from contesting in any election.
  - 2. A person convicted of a crime should be disqualified from contesting in any election.
  - 3. A person convicted of a crime should be disqualified from contesting in any election.
- Law Commission 2008: report on electoral reforms (2008)**
  - 1. The President should appoint all election commissioners, including the Chief Election Commissioner, in consultation with a three-member panel consisting of the Prime Minister, the leader of the opposition in the Lok Sabha or the leader of his party, and a member of the panel to be nominated by the Chief Justice of India.
  - 2. The President should appoint all election commissioners, including the Chief Election Commissioner, in consultation with a three-member panel consisting of the Prime Minister, the leader of the opposition in the Lok Sabha or the leader of his party, and a member of the panel to be nominated by the Chief Justice of India.

**SUPREME COURT ON ELECTIONS**

- 13 Jan:** All information to be disclosed as affidavit filed with nomination papers. Candidates not doing so will be disqualified. The court has also directed the returning officers to maintain a list of candidates who have filed affidavits and nomination papers.
- 27 Sep:** Polling machines to have flame of the Bharat Shakti symbol. The machine to carry the Bharat Shakti symbol. The voter can check all available details.
- 8 Oct:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.
- 12 Mar:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.
- 20 Mar:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.
- 8 Feb:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.
- 27 Aug:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.
- 8 Feb:** Order to set a panel to investigate political parties of all states with a view to identify parties which are corrupt and to take steps to reform them.

Graphics courtesy: livemint.com

T S Krishna Murthy further added, "Presently, the political parties are not defined in any law other than 'Anti-Defection Law'. With the mushrooming of political parties, there is an urgent necessity for defining political parties, the registration process, financial management, internal democracy and de-recognition rules. Only with the intervention of the Supreme Court ruling, some reforms like affidavits, banning the convicted persons and NOTA were introduced.

Secondly, people are getting elected to Parliaments and Assemblies with 15 to 20% polled votes through the FPTP voting system. The stakeholders, which includes political parties, social workers and the civil society, should debate to find a suitable solution to ensure that the elected persons get at least one-third of the polled votes. Besides, criminalisation of politics and the flow of huge money into the elections are issues of deep concern.

There is no proper control or monitoring mechanism to check the money collected and spent by the political parties. A 'National Election Fund' can be set up by the Government with 100% tax exemption. Corporates and public may be asked to donate to this fund, instead of funding directly to the political parties. Political parties should be banned from spending money in the elections. The spending can be done from the National Election Fund, based on some norms

to be fixed after a detailed debate."

PreSense has already taken up the issue with some MPs, who are expected to raise this important matter in the ensuing monsoon session of Parliament. A separate Joint Parliamentary committee might be constituted to study the past recommendations and find a suitable solution.

By K. Srinivasan, Editor in Chief



## Sansad Ratna Awards 2016

National Seminar on Politics, Democracy and Governance (5th edition) and Sansad Ratna Awards 2016 (7th edition) was held at IIT Madras on 11th June 2016. Five Lok Sabha MPs and one retired Rajya Sabha MP were honoured with Sansad Ratna Award 2016 in the presence of galaxy of eminent people of Chennai. Dr C Rangarajan (Former Governor of Reserve Bank of India and Andhra Pradesh) presented the Awards. Dr Bhaksar Ramamurthy, Director of IIT Madras was also present.

Shri Shivaji Adhalrao Patil (Shiv Sena MP from Maharashtra), Shri P P Chaudhary (BJP MP from Rajasthan), Shri Shrirang Appa Barne (Shiv Sena MP from Maharashtra), Dr Heena Vijaykumar Gavit (BJP MP from Maharashtra), Shri Rajeev Shankarrao Satav (Congress MP from Maharashtra) and Shri P Rajeev (Retired Rajya Sabha MP from Kerala) were honoured with Sansad Ratna Awards.



L to R : Arjun Ram Meghwal MP, Dr Heena Gavit MP, Shrirang Appa Barne MP, Rajeeve Shankarrao Satav MP, P P Chaudhary MP, Dr C Rangarajan, Shivaji Adhalrao Patil MP, P Rajeev Ex MP, Dr Bhaskar Ramamurthy

The Sansad Ratna Awards was instituted by Prime Point Foundation and the eMagazine PreSense to honour top performing Parliamentarians on various parameters every year after the Budget Session. This Award was instituted as suggested by Dr Abdul Kalam, to honour the achievers. Incidentally, Dr Abdul Kalam devoted an entire chapter on the Sansad Ratna Awards in his last book, 'A Manifesto for Change'.

A selection committee headed by Shri Anandrao Adsul (fifth time MP), along with Shri Hansraj G Ahir (Minister of State and fourth time MP) and Shri Arjun Ram Meghwal (second time MP) selected the Award winners. The selection committee members, who are outstanding MPs themselves in terms of their performance in the Parliament, were honoured with the 'Sansad Maha Ratna' Awards for their contribution in the 15th Lok Sabha.

Website : [www.sansadratna.in](http://www.sansadratna.in)  
E-Mail : [sansadratna@gmail.com](mailto:sansadratna@gmail.com)





PR  BEBEBE

## National Seminar on Politics, Democracy and Governance - 5th Edition

&  
Sānsād Rātānā Awards 2016 - 7th Edition

**Please watch the proceedings of the day - 11 June 2016**

### **First Session - 10 am to 11 am**

Parliamentary Democracy at Global level - Dr Sudarshan Padmanabhan  
<https://www.youtube.com/watch?v=8ChSH59WLHc>

Indian Parliamentary system - B Srinivasa Prabhu, Director, Lok Sabha Secretariat  
<https://www.youtube.com/watch?v=ZOTzy8XmjyE>

### **Award ceremony - 11.30 am to 1 pm**

Welcome speech by Prime Point Srinivasan, Editor in Chief, PreSense  
<https://www.youtube.com/watch?v=3SdA5ftGxmw>

Key Note address by Dr Bhaskar Ramamurthy, Director, IIT Madras  
<https://www.youtube.com/watch?v=i53RmW5d-WA>

Presidential address by Arjun Ram Meghwal MP, Selection Committee Member  
<https://www.youtube.com/watch?v=FnKuy3fW7cc>

Presentation of Sansad Ratna Awards  
[https://www.youtube.com/watch?v=sCNxH\\_-yYIO](https://www.youtube.com/watch?v=sCNxH_-yYIO)

Awardees sharing their feelings  
<https://www.youtube.com/watch?v=kqusjKyUOsM>

Speech by Dr C Rangarajan, Former Governor of Reserve Bank of India  
<https://www.youtube.com/watch?v=dMSaHUxvHSG>

### **Panel discussions - 2 pm to 4.30 pm**

Panel Discussion I - Electoral Reforms  
<https://www.youtube.com/watch?v=m1P8USZFI30>

Panel Discussion II - Tamil Nadu State Assembly: Challenges and expectations  
(Tamil discussion)  
<https://www.youtube.com/watch?v=9LH7FaxhOac>



## Śaṅṣād Rātnā Awards 2016 - 7th edition 11 June 2016 @ IIT Madras



Registration



Audience



L to R: Prime Point Srinivasan, Arjun Ram Meghwal MP, Dr C Rangarajan, Dr Bhaskar Ramamurthy, Dr Sudarshan Padmanabhan, Bhawanesh Deora



Awardees with organising team - Hansraj G Ahir (Minister of State) at the centre

## Nation

### ISRO Makes Every Indian Proud Again

It was a major milestone for Indian Space Research Organisation (ISRO) when it launched the Cartosat 2 series satellite along with 19 co-passenger satellites in a single mission on 22nd June 2016 at the Satish Dhawan Space Centre, Sriharikota, India. The launch of the 20 satellites was via PSLV C34 which weighed 1288 kg overall, standing proudly at a height of 44 metres. It was the 36th flight of the PSLV.



PSLV-C34 launch

Out of the 19 satellites, 2 were student satellites -SATHYABAMASAT and SWAYAM, built with the involvement of students from the Sathyabama University, Chennai and the College Of Engineering, Pune, respectively. The remaining 17 co-passenger satellites were international customer satellites from Canada (2), Germany (1), Indonesia (1) and the United States (13). While congratulating ISRO for this achievement, Prime Minister Narendra Modi in his 'Mann ki baat', made a specific mention about the students, who included their Satellite in this Mission.

#### The Proud Moment

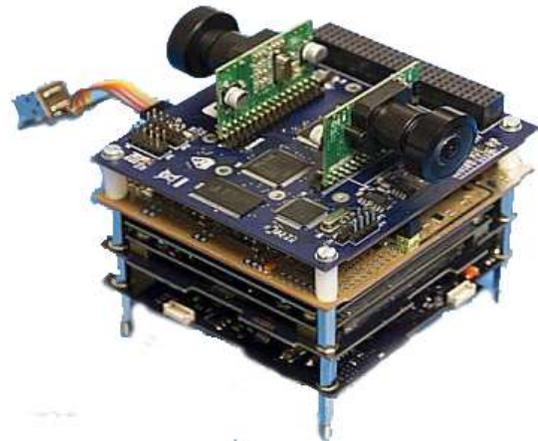
On 28th April 2008, with the launch of the 10 satellites on PSLV-C9 (PSLV-CA), Indian Space Research Organisation created a world record for the highest number of satellites

launched in a single mission. This record was broken by NASA in 2013 (by launching 29 satellites) and was further improved by the Russian space agency by deploying 33 satellites in a single mission. PSLV-C34 launch is the biggest launch (in terms of number of satellites) by ISRO and the third biggest in the world.

With the successful launch of PSLV C34, the total number of satellites launched by India's workhorse launch vehicle PSLV has reached 113, of which 39 were Indian and the remaining 74 were from abroad.

Kudos to the ISRO Team and the students!

*By Sukruti A. Vadula, Editorial Team*



Sathyabamasat developed by the students of Sathyabama University, Chennai





# PRince

By- Triambak Sharma



[www.cartoonwatchindia.com](http://www.cartoonwatchindia.com)

[cartoonwatch@gmail.com](mailto:cartoonwatch@gmail.com)

**I AM WORKING ON CORPORATE *AASAN* AND PR *AASAN* TO IMPROVE COMPANY'S HEALTH..**



## World

### Great Britain Shocks World – Quits EU after 41 years



It is the British Spring now after the Arab Spring of 2011. The world watches with much trepidation on what domino effect the British referendum on exiting the European Union will have on the world economy particularly for the US, European and Asian economies.

After joining the European Union (EU) in 1973, Britain which had steadfastly held against scrapping its Pound Sterling in favour of the Euro for 43 years, decided to break with the concomitant of 27 members of the EU. EU will now apply Article 50 of EU's Lisbon Treaty, for Britain to exit. This means Britain will abide by all its commitments to EU till departure but will have no right to the decision making in any of EU policies.

What David Cameron, the British Premier and leader of the 5<sup>th</sup> largest economy of the world, thought was a calculated risk boomeranged on his party and his leadership, with member states in the United Kingdom (UK) voting differently. The net result: "Leave EU" campaign led by Boris Johnson (also of the Conservative Party as David Cameron) won the game by 52% (17,410,742 votes) and "Remain in EU" policy led by Prime Minister David Cameron lost the gamble, mustering only 48% (16,141,241 votes). Surprisingly 64% in the 18-24 age group voted to remain as also 45% in the 25-49 age group, but the old guard from 50 years to 65 and above, voted to leave with 49% to 58% vote share. London, the financial capital of UK, voted to remain but to no avail.



A cartoon in British Media  
Source: <https://goo.gl/0PbTU9>

Cameron gracefully accepted defeat saying he would resign by October 2016, paving the way for a new Prime Minister to head the BRExit government. The immediate impact of the BRExit vote was that investors saw US\$ 2

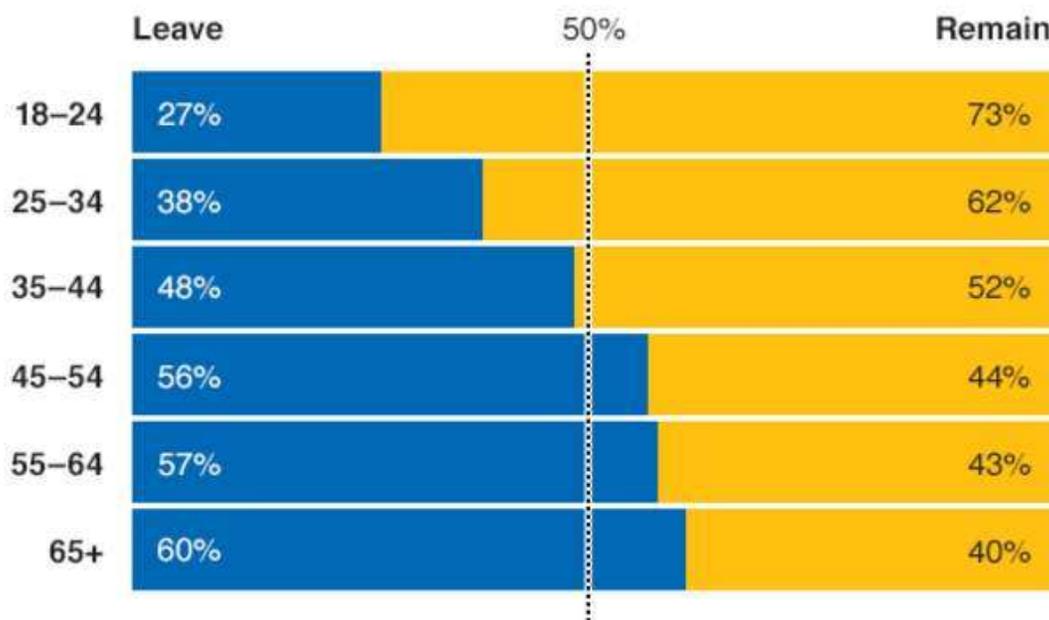
trillion being wiped out as indices in Europe's markets saw the sharpest one-day drop. Stock markets worldwide jolted. And Asian shares tumbled by 8%. India's own Dalal Street took a



beating of Rs 1.79 lakh crore as the benchmark sensex plummeted by nearly 1,000 points, fortunately recovering by the end of the trading day.

The market capital of 100 top UK firms was wiped out, the biggest fall for UK markets since the financial crisis of 2008, which was triggered by the collapse of Lehman Brothers. The shares of banks such as Barclays dropped 22%, Lloyds 18%, and Royal Bank of Scotland (RBS) 16%. Britain's 2.2 million financial industry workers face years of uncertainty and risk of thousands of job cuts. Britain's higher education programmes come under a cloud.

## How different age groups voted



Source: Lord Ashcroft Polls

BBC

The immediate impact of the BRExit referendum is that Scotland which voted vehemently to stay in EU, could demand another referendum to become an independent nation, severing its links with United Kingdom. Frustrated members in EU could go for a copycat referendum threatening unity and stability.

While RBI Governor, Raghuram Rajan hoped India would mitigate the shock, he feared that the battered free trade market place could be devastating for the world. Finance Minister, Arun Jaitley said India's macroeconomic fundamentals were strong with a comfortable external position and rock solid commitment to fiscal discipline. Arundhati Bhattacharya, Chairman & Managing Director of India's top bank, the State Bank of India, felt that with risk aversion setting in, triggering a financial markets decline, India would be impacted along with other nations.

*By T N Ashok, Editorial Advisor*



## From The Archives - June 2010

### Credit cards and debt trap

#### A respondent from Hosur reported:



A friend of mine used to purchase anything, only when he had enough money. He received a credit card from a bank. After receiving the card, he started buying everything, without planning for money. Using the card, he purchased a washing machine for Rs.21,000, but he could not repay the same within the stipulated time. He started paying the money in instalments. Finally, he had to pay Rs.45,000/- towards the principal and interest, after taking loan from another bank. Had he bought the washing machine under bank loan, he could have paid less.

**Debt Trap is a situation where you add on a new debt in order to pay an existing debt**



#### Caught by credit card debt – real story

On behalf of Pre-Sense, we spoke to a young person, who got trapped into credit card debts and got the first hand experience from him. (Identity of the person suppressed).

"I am a working professional with a salary of Rs.40,000 plus incentives per month. When I joined the company, I requested my banker to give me a credit card with a reasonable limit. I used the card properly and availed the credit period judiciously in the initial months. I used to clear the bill within the stipulated time.

I do not know, how other banks got my contact number. Many banks started calling me offering credit cards with huge limits. They told me that because of my prompt payment and loyalty, they were offering credit cards. Tempted by these offers, I secured 12 credit cards from different banks with varied huge limits. Afterwards, I started using my credit cards left and right to purchase tickets, jewellery, luxury items, etc. At one stage, my liability went upto 4 lakhs. I could not settle the bills within due date. I opted for minimum payment. After 6 months, due to various reasons, I could not pay even the minimum amount. Agencies started knocking at my door. Finally, I had to sell off my jewellery and some more valuable assets to clear the entire debt and huge interest.

After clearing the credit card debt, I surrendered all the cards, excepting one, that too with a reduced affordable limit. Now I have started using credit card very carefully. To learn this lesson, I paid a heavy price"



## Presenters of *PreSense*

---

### Editorial Team



**K. Srinivasan**  
Editor in Chief



**Susan Koshy**  
Editor



**V. Rajendran**



**Triambak  
Sharma**



**Kavi Priya**

### Editorial Advisors



**Dr R Jagannathan**



**T N Ashok**



**Sukruti Vadula  
Narayanan**



### Awards

Published by  
Prime Point Foundation

Feedback and sponsorship  
[editor@corpezine.com](mailto:editor@corpezine.com)

Past issues may be downloaded from  
[www.prpoint.com](http://www.prpoint.com)  
[www.primepointfoundation.org](http://www.primepointfoundation.org)  
[www.corpezine.com](http://www.corpezine.com)

Listen to India's first pod-magazine  
[www.poduniversal.com](http://www.poduniversal.com)  
One stop shop for podcasts on all subjects

To subscribe to this ezine  
[www.prpoint.com/PR-e-Sense](http://www.prpoint.com/PR-e-Sense)

