



CHRIST
(DEEMED TO BE UNIVERSITY)
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CHAANAKYA

**SCHOOL OF BUSINESS
AND MANAGEMENT**
MBA - FINANCE SPECIALIZATION

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EDITOR'S NOTE

Greetings readers!

It is our pleasure to bring you the MBA Finance Students' contributions for **October 2021**. This issue is presented by **Team Infinity**, a group of students under the mentorship of **Dr. Sreelakshmi P** from the MBA Finance Specialization. This is a special issue focusing on **Taliban Takes over Afghanistan: Impacts and Repercussions**. The writers have expressed their opinions on a range of finance-related topics. The section titled “Creative Corner” showcases the passion students have for art and content writing. We hope that the Newsletter will help the readers get an overview of the recent financial news. Along with every article, a “Snapshot” has been provided, which summarizes the entire article.

Team Chaanakya expresses sincere gratitude to our Dean Dr Jain Mathew and the entire leadership team, Head of Department, Prof. Krishna M.C., Head of Specialization, Dr Mareena Mathew, Coordinator - Finance Specialisation, Dr Srikanth P, Faculty Coordinator of Chaanakya, Dr V. Harshitha Moulya, our expert specialization mentors, and all the contributors for their cooperation and active participation.

Wishing our readers, A happy reading

Best wishes,
Team Chaanakya



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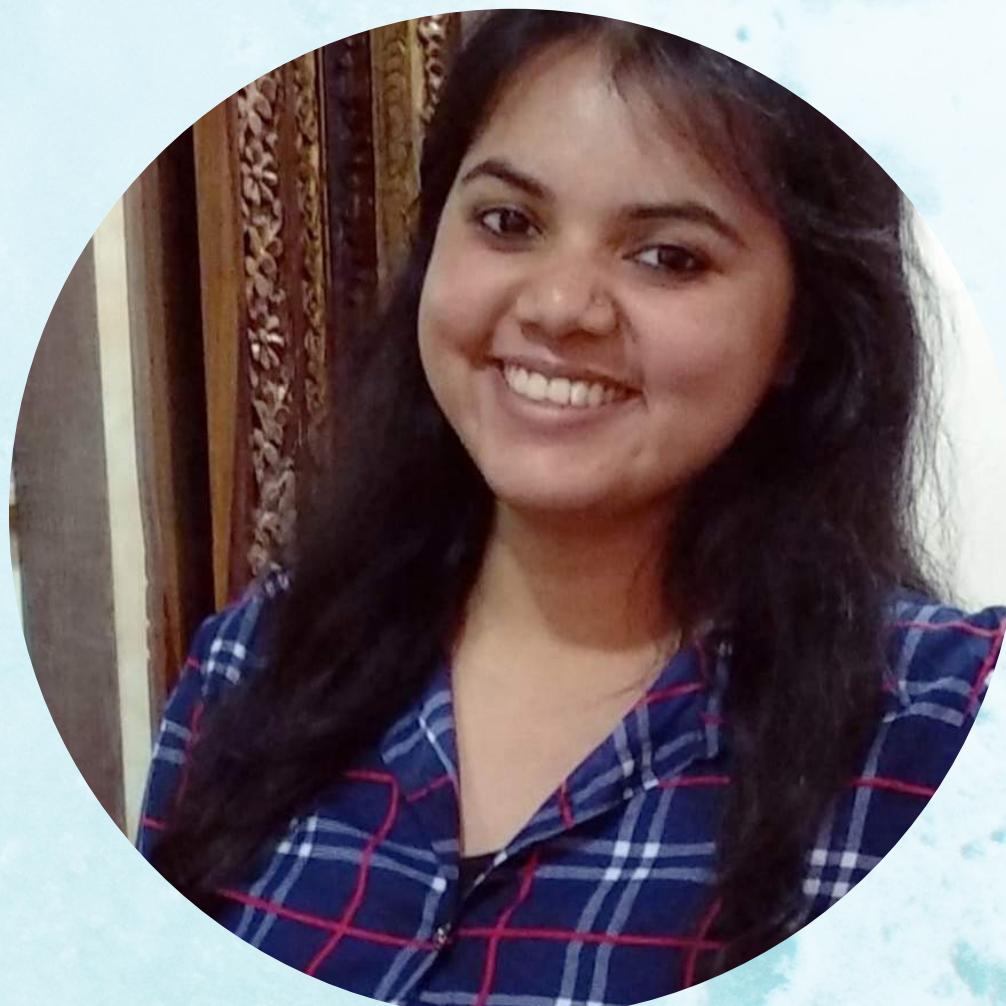
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OUR DISTINGUISHED SBMA ALUMNI – **MS SOUMYA VS**

Ms Soumya VS, Alumni of SBMA, CHRIST (Deemed to be University) from 2016 - 2018. She currently works as an Enterprise Testing Associate in Wells Fargo, India.



Ms. Soumya VS

INTERVIEW WITH MS SOUMYA VS

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Q1. What are your views on the Afghan Economy's future after the Taliban takeover?

Afghanistan (Afghan) is a developing economy, with agriculture being the primary source of income. Afghan is already one of the world's poorest countries (World Bank data indicated that only six countries worldwide have a lower GDP per head than Afghan), and the Taliban's rise to power is making things worse for Afghan. Restoration of the Taliban's previous ban on allowing women to work may pose as one of the biggest single obstacles to economic growth in future.

After agriculture, the key source of income for Afghans is known to be overseas aid which constituted 75% of Afghan government spending. However, due to the political climate, foreign aid was also falling apart in recent years. One can only expect the foreign flow of liberty to almost completely dry up now that the Taliban have seized control.

Given that Afghan is known for its mineral resources, if strong safety/security measures are ensured, China can be a potential ray of hope (considering they are already the biggest foreign investor for Afghan) to explore and exploit the mineral resources.

Q2. What political and economic changes we can see in the neighbouring countries due to this takeover?

As they say, "No one is rich enough to do without a neighbour", all the action happening in Afghan will have a rippling effect on its neighbouring countries. The substantial economic implications would be the millions of refugees escaping to Pakistan, Uzbekistan, and Turkmenistan. Another major political concern would be Afghan becoming a haven for terrorist activities.

Needless to say, due to constraints on resources, infrastructure, trade, and commercial activities take a hit impacting the import and export between neighbouring countries.

Q3. Will the Indian economy get affected by the changes in Afghanistan? For what terms we are dependent on them.

From my point of view, India's concern is more on the Taliban's traditional anti-India group belief impacting the civilian relationship maintained with the Afghan government. India's strategic interest has been limited in Afghan.

In the short term, the trade relationship with Afghan might be impacted. Indian trade worth \$1.5 billion is currently at stake. India majorly imports dry fruits and exports garments, pharmaceuticals, medical equipment's, computers, hardware materials, cement sugar and synthetic fibre.

Q4. How did the Soviet-Afghan War impact the world, and what were the outcomes of the Afghanistan invasion?

The Soviet Union ceased to exist 12 years after the war with Afghan. One of the major reasons for the largest country to put down its flags was a key military factor attributed to millions of people who died, economic resources drained. The war is infamously referred to as an equivalent of the Vietnam war for the US, both in terms of economic stress and social discontent it caused.

FACULTY SPEAK



INTERVIEW WITH PROF KRISHNA MC

Q1. How is Afghanistan shaping as an economy after this incident? With economic fundings being cut off by several world organisations, how do you think Afghanistan will cope?

These are too early days, and we only have very little information to comment objectively here. We may have to wait for a few months or so to see the data. There are countries in the world that do not want to recognise the Taliban rule, there are some who are keen, and there are some who are waiting to see how this geopolitical issue takes shape. Some of these countries might provide financial support to the Taliban Govt. In today's multipolar world, we might see different approaches taken by other countries. Some might see this as an opportunity and many as a challenge. From Afghanistan's perspective, they seem to have a few friendly nations that are already helping them.

Q2. Why couldn't the Afghan forces better resist the Taliban despite all the US' training and assistance?

There are different media reports on this. Some say there was an explicit agreement in Doha that the takeover at Kabul would be smooth. Some reports say that the forces were not equipped/trained well to face the Taliban.

Q3. Given that most portions of Afghanistan's reserves were frozen recently, what would be the most optimal/ethical way of meeting their financial challenges and source of revenue for the government? And would there be any challenge faced through these means as well?

Global financial institutions seem to believe that the Taliban Govt would take steps to recognise women's rights and the minorities in that country if financial sanctions are imposed like freezing of reserves, etc. While on the face of it, these measures look fine, such actions often create trouble for the people instead of the new rulers. So, this has to be carefully handled. Global diplomacy has to take up initiatives to address these issues.

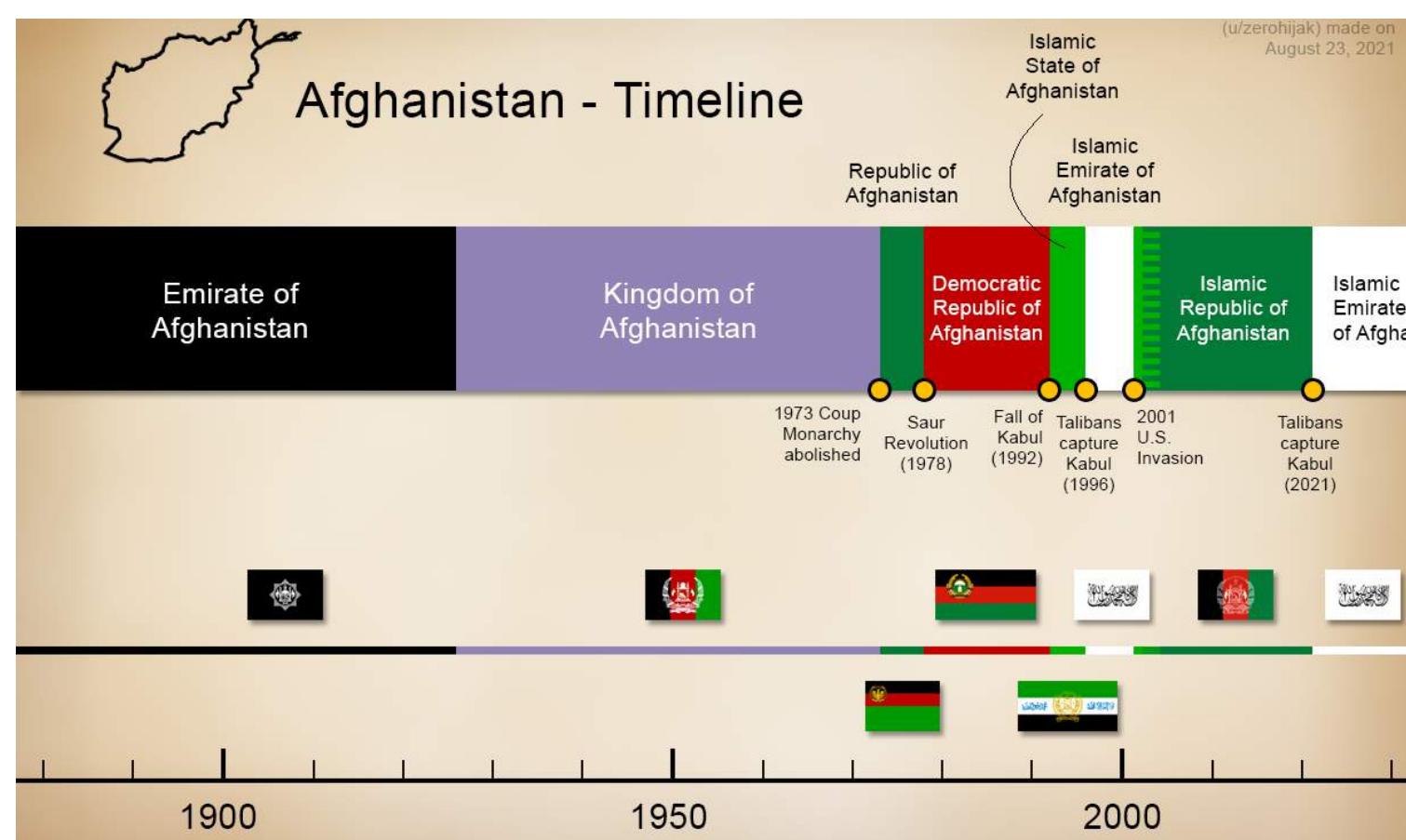


through dialogue. So, I feel these measures across the world would be calibrated and not sudden and immense.

Q4. Private sector development and diversification are constrained by insecurity and political instability. Afghanistan was ranked 173rd of 190 countries in the 2020 Ease of Doing Business Index. Do you think that the Taliban's takeover would worsen the present situation? What could be the significant set of mitigation strategies that India may adopt to protect her investments which had been made till now?

I do not think one should be looking at these rankings in the current situation. Also, 173 is as good as 190. A few ranks here and there would not make much of a difference. So, the ranking is not a matter of concern. In the last 20 years, the US-supported Govt seemed to provide governance, which many members of the UN-recognised. Many countries, including India (about \$3 bn), have invested heavily in Afghanistan. Therefore, governments around the world would not want to lose their investments. In terms of approach, there are no easy or correct answers in these kinds of situations. Efforts to negotiate some way of recovering the lost ground would be taking place through diplomatic channels. There would be a lot of giving and taking from both sides. One would hope that things do not get too bad and that such investments have to be written off. We have only to wait and watch.

A TIMELINE OF AFGHANISTAN



Foreign conquerors have historically dominated the land of Afghanistan. From Mahmud of Ghani in the 11th Century to Genghis Khan in the 13th Century.

By the 1800s, the area was invaded by Arab conquerors, and Islam took its roots.

In 1933 – Zahir shah became the king and ruled for 40 years. In 1953 – Gen. Mohammed Daoud Khan became the Prime minister who introduced social reforms to allow women a more public presence. They were encouraged to attend University and join the workforce. In 1978 – Gen. Mohammed was killed in a communist coup, and the Afghan Communist party rose to power. During this time, conservative Islamic and ethnic leaders objected to social changes and started arm revolts in the countryside. In 1979 – the US cut off the assistance to Afghanistan as American Ambassador Adolph Dubs was killed. In this same year, the USSR invaded Afghanistan. In the 1980s – the Mujahideen rebels form unity against Soviet invaders and the USSR-backed Afghan army. 1989 – Afghanistan, Pakistan, US & Soviet Union sign treaty in Geneva. In the early 1990s, Mujahideen and other rebels continue storming the capital region, Kabul. In 1995 – the Taliban, a new Islamic militia, rose to power. Islamic laws are enforced through public executions, and women's rights are curtailed.

In 2000 – The US demanded Bin Laden be handed over for bombing American embassies in Africa, but the Taliban denied the request.

Since 9/11, the Taliban has been associated as a terror group. America is a dominant world power that wants to bring peace and safety to its people and has been tracking them with the help of its intelligence and military bases there in Afghanistan. Taliban wants to occupy most of its home country's land from a foreign military basis. In the presidency of Barack Obama, America was able to track Osama bin Laden, who was considered as the head of the Al-Qaeda. But it did not bend the ways they were still occupying the Afghanistan land and imposing strict Islamic rule on the population. Which now has to lead to them occupying all of the land and the final deployment of the American military basis.

President Donald Trump decided to withdraw all American military forces from the land, which has always been at the expense of the American Taxpayers.

From foreign conquerors to the British takeovers, eventually leading to the rise of the Taliban, has created a disturbing ground for the people of Afghanistan. With the recent act of the US withdrawal, the Taliban has taken control of Afghanistan.

Neha Kapoor
2027144



WILL THE TALIBAN'S TAKEOVER FREEZE THE IRANIAN ECONOMY?

Iran and Afghanistan are more intertwined than most people realize.

Afghanistan has been a critical wellspring of hard cash for Iran as of late. Specific reports indicate that the two countries' daily hard currency trade is as much as \$5 million. Since the US Treasury ceased dollar deliveries to Afghanistan and the Biden administration has stated unequivocally that the Taliban will have no access to the reserves held by Afghanistan in the US, Iran will have a more challenging time meeting domestic demand for the US dollar. This might create upward pressure on currency rates in Iran.

The cessation of dollar delivery will lead to an increase in inflation in Afghanistan which will indirectly impact Iran as well. In recent years, Afghanistan has emerged as one of Iran's most important non-oil export markets. Due to the rise in inflation, Afghan firms and people will be forced to reduce demand, notably for Iranian items. As a result, the exports to Afghanistan will largely be impacted.

Not only this, Afghanistan's economy had benefited significantly from international aid. Aid flows fell to 42% of GDP by 2020, a worrying reduction in a country where grants fund around three-quarters of government spending and the private sector is minimal. Higher inflation and decreased salaries would result in lower demand from consumers and businesses. This is bad news for Iran's non-oil exports, which primarily consist of consumer and agricultural commodities.

Long-term prospects for Iran's economic development will be bleaker if Afghanistan's political and economic situation remains unstable. Iran, which cannot access



development funds, because of US sanctions, had hoped to benefit indirectly from improvements to Afghan infrastructure, mainly if those improvements were made to achieve regional connectivity. Following the Taliban's recent takeover over Afghanistan, the objective of regional connectivity appears to be in jeopardy.

Iran has long been subjected to a policy of imposed economic isolation. The Taliban's ascent will only exacerbate its economic isolation. Iran will be cut off from the foreign governments and international organizations with a large presence in Afghanistan and the enormous financial flows that have bolstered the Afghan economy.

As long as Afghanistan's political and economic picture is uncertain, the long-term prospects for Iran's economic development remain dim. The importance of Afghanistan in Iranian currency markets and its prominence as the main destination for Iranian non-oil exports indicate that Iran will pay a financial price for the Taliban's success.

Stella Mathews
2027451



INDIAN TRADERS TAKE A TOLL!

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In August 2021, the Islamic fundamentalist Taliban retook control in Afghanistan, fighting an insurgency against the US-backed Kabul government and deposing it after 20 years. The war-torn country's political unrest, which has obscured an already grim path to economic recovery, has also dealt a body blow to Indian traders and small enterprises who have been doing business with Afghanistan for years.

Dry fruits and spices have been Afghanistan's main exports to India. According to Trading Economics, the greatest export value in 2019 was nuts, melons, resins, spices, coffee, tea, and so on, while major imports from India were electronic equipment, sugar and sugar confectionery, iron and steel items, pharma products, and so on.

The Confederation of All India Dealers (CAIT), which represents approximately 8 crore traders, stated that the change in Afghanistan's regime would have a negative impact on bilateral trade with India and result in losses for traders. According to Indian government figures, bilateral trade between the two nations exceeded \$1.5 billion in the fiscal year 2019-2020, with exports to Afghanistan exceeding \$1 billion and imports from Afghanistan totalling roughly \$530 million. In fact, between FY16 and FY20, India's exports increased by more than 89 percent, while imports increased by 72 percent.

Afghanistan imports have been arriving over land borders. Pakistan has prevented easy and reliable land connectivity between India and Afghanistan throughout the years, according to an Indian government commercial brief on India-Afghanistan trade relations. To address this issue, an Air-Freight Corridor connecting India and Afghanistan was constructed in June 2017. Until FY20, about 500 planes used the route, transporting nearly 7000 tons of goods worth more than \$200 million. India's exports



to Afghanistan increased by 39.43% in FY20, while imports from Afghanistan increased by 21.68%.

There has also been no announcement from the Indian government on any commercial restrictions with Afghanistan. While the Taliban first halted exports and imports for a few days, they were later restarted. Any pricing impact was more due to the possibility of a lack of commodities than any actual impact, according to the Federation of Indian Exports Organization (FIEO). The problem began when Pakistan closed its border with Afghanistan, only to reopen it later.

The problem is that Afghanistan lacks the financial means to pay for India's products. Because India has a duty-free agreement with Afghanistan, there may be a modest increase in the price of items if Afghan exports are impacted soon. In contrast to traders' opinions, India's largest trade organization, the Confederation of All India Traders (CAIT), claims that payments for exporters are stalled because of the trade blockade, contributing to the financial crisis. The group has now urged the government to enact a temporary policy to assist traders with financing and alternative sourcing of Afghan-made goods.

With the Taliban takeover of Afghanistan, many of our Indian traders have taken a toll. The CIAT predicts that approximately 8 crores traders would be affected by the change in government structure in Afghanistan.

R Abhijith Menon
2027123



AFGHANISTAN'S DESTABILIZATION: CAUSES AND CONSEQUENCES

Pakistan held talks with Taliban delegates concerning the multibillion-dollar China-Pakistan Economic Corridor (CPEC) infrastructure project. China has planned infrastructure of Peshawar-Kabul motorway which of CPEC in Afghanistan.

China-Pakistan Economic Corridor:

The CPEC is a bilateral project between Pakistan and China. It was proposed to encourage connectivity across Pakistan with a network of highways, railways, and pipelines by energy, other infrastructure development projects, and industrial. Its purpose is to link the Western part of China (Xinjiang province) to the Gwadar Port in Balochistan, Pakistan, via Khunjerab Pass in the Northern Parts of Pakistan.

It will give China access to the Middle East and Africa from Gwadar Port, enabling China to access the Indian Ocean. CPEC is a part of the Belt and Road Initiative. The BRI, launched in 2013, aims to link Southeast Asia, Central Asia, the Gulf region, Africa, and Europe with a network of land and sea routes. India has been severely critical of the CPEC, as it passes through Pakistan occupied Kashmir, which has been a disputed territory for a long time between India and Pakistan. Trilateral that gives Afghanistan access to the sea through Chabahar port.

Weakening of India's Economic Influence:

The Attempts to extend CPEC to Afghanistan may undermine India's position as an economic, security, and strategic partner of Afghanistan. India has been the most prominent regional donor to Afghanistan, committing more than US\$2 billion for the developmental work that includes the construction of roads, power plants, dams, parliament building, rural development, education, infrastructure, and much more. With the Extension of CPEC, China will start playing.

Further, Afghanistan's inclusion in the CPEC will help in economic development. It will also help Pakistan have the strategic advantage in Afghanistan at the cost of India. In this situation, Pakistan may augment the use of terrorism against India.

Strategic Control:

Air Base: India will be wary of China's likelihood of taking over the Bagram air force base in Afghanistan. The Bagram airport is well-equipped.

The exploitation of Rare Earth Minerals: With the extension of CPEC, China is also looking to adventure Afghanistan's rich minerals and highly profitable rare-earth mines. Rare-earth metals, which are critical components for a host of advanced electronic technologies and hi-tech missile guidance systems.

It becomes imperative for China to stabilize the security situation in the region. Improved infrastructure and security situation in Afghanistan may help India conduct its economic and trade activities more smoothly.

The Attempts to extend CPEC to Afghanistan may undermine India's position as an economic, security, and strategic partner of Afghanistan.

Prashant Chandrakar

2027107



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TALIBAN'S CONTROL MAY COMPLICATE INDIA'S CHOICES

Indeed, even by the most sceptical anticipations of the circumstance, the fall of significant Afghan urban communities and areas to the Taliban has been quick. The effect on India's inclinations is coming plainly into the centre. The Taliban's advances are probably not going to stop. At the same time, Pakistan proceeds with provisions, backing and places of refuge on the ground. The global-local area keeps on drawing in Taliban moderators in Doha without making a truce the condition for talks. For New Delhi, previously countering threats at the LAC with China and the LoC with Pakistan, a threatening government in Kabul can confound its essential choices.

Securing Indians:

The main concern is for Indian negotiators, personnel and residents situated in Afghanistan. Over the previous year, since unmistakably the US troops would leave the country, India has pared down its calming presence there. In April 2020, the public authority flew home all Indian staff at its missions in Herat and Jalalabad, given the security and Coronavirus concerns. In the previous month, offices in Kandahar and Mazar have also been shut. The Kabul International haven, the primary working mission, has given harsh warnings telling all Indian residents they should take business trips out soon.

Strategic concerns:

With the Taliban in power in a lot of Afghanistan, India has different worries too. One concern is that gatherings, for example, the Lashkar-e-Taiba and the Jaish-e-Mohammad, kept bases and prepared grounds along with the southern territories that line Pakistan, could now have more ungoverned spaces to do assaults against India. The Taliban's control will likewise mean a more significant hand for the Pakistani military and insight offices to impact results for the country, which will command a much more modest job for Indian turn of events and foundation work that has prevailed upon its generosity over the past 20 years.

Furthermore, exchange through Afghanistan under a Taliban system would be directed through Karachi and Gwadar, and the Indian interest in the Chabahar port, intended to bypass Pakistan, may become unviable. Thus, both the US and China have effectively focused their availability projects from Focal Asia through Pakistan, with the recently reported US-Uzbekistan-Afghanistan-Pakistan Quadrilateral. The Chinese intend to connect the China-Pakistan Monetary Corridor (CPEC) with the Trans-Afghanistan railroad and Belt and Street Projects. The Indian-fabricated activities, including the generally assembled Zaranj-Delaram Interstate and Salma Dam, are now under Taliban control. A cloud looms over those under development, including check-dams, schools, and metropolitan areas undertakings.

In 2015, Narendra Modi introduced the new Afghan Parliament house, worked by India at the expense of \$90 million, portraying it as his country's recognition for popular government in Afghanistan. The following year, Modi uncovered the remodelled nineteenth century Stor Royal residence in Kabul, home to Afghan Lord Amanullah Khan during his reign during the 1920s. In 2016, he initiated the Salma Dam, a critical foundation undertaking in the western city of Herat that permits water admittance to the encompassing regions and the water system of thousands of hectares of land. With its interests in other parkways and building projects altogether, India has placed around \$3 billion into Afghanistan, making it one of the biggest territorial benefactors to the country. While the outright sum may not be an immense total contrasted with India's \$1.4 trillion homegrown framework guarantee this month or even the many billions of dollars in misfortunes from the wavering financial framework that citizens have needed to swallow, it isn't easy to perceive what the strategy accomplished as pictures of the Taliban inside the parliament become a web sensation.

India's speculation hasn't set it in a place to deal with this danger, however, on the grounds that New Delhi neglected to make the essential traction it severely needs in Afghanistan. While Modi's organisation has since a long time ago said such strategy isn't about correspondence, actually as Afghanistan falls into confusion, India doesn't have any influence to guarantee the nation doesn't become a much more significant security danger across South and Central Asia.

Threat of radicalisation

Moreover, there is the danger of developing radicalisation and space for dish Islamic dread gatherings in India's area. This was found in South Asia the fallout of the last pull-out by unfamiliar soldiers in Afghanistan when the US-supported mujahideen crushed the Soviet Armed forces during the 1980s, yet additionally the ascent of al-Qaeda and are after the US battles in Iraq, and afterwards ensuing pull-out from West Asia, particularly after 2011. Finally, India is concerned about the effect on Afghanistan itself, given the Taliban's previous record in power, of disintegration in ladies' and minority freedoms, the toppling of a vote-based framework and the burden of the Taliban's severe type of equity.

India has four options:

- The primary choice is to adhere to its guideline of moving just an equitably chosen government in Kabul and offering political and compassionate help while that keeps going.
- The second is to go further and supply the ANDSF with military supplies, including ammo and airpower, perhaps employing the Iranian course. In a meeting with NDTV, Taliban representative Suhail Shaheen undermined ramifications for India if it did that, notwithstanding.
- The third is to speed up contacts with the Taliban. In any case, this is probably not going to give India much influence, given the Pakistan factor, just as all local and contributor nations have done as such.

- At last, India could pause and watch until the chaos of contention uncovers a triumphant side and gauge its choices appropriately. This choice appears convenient, yet it likewise denies India significance at the "high table" where Afghanistan's future is examined. This was obvious when the Modi government acknowledged the Qatari greeting to join "territorial discussions" with the Taliban and Doha. However, the MEA assignment ended up cut out of the initial meeting that incorporated the US, China, Pakistan, Uzbekistan and the UK, just as the Carriage In addition to discusses Russia-U.S.- China-Pakistan and was rather remembered for the meeting with Germany, Norway, Turkmenistan, Tajikistan and Turkey.

With the Taliban gain, it would appear that India is at a strategic disadvantage. Amid the growing concerns, India looks to create options, which aims to address the general concerns.

**Omkar
2027033**



HUMAN RIGHTS VIOLATION TAKES A TOLL ON AFGHANISTAN'S ECONOMY

With all current ground activities in Afghanistan, it is difficult to see them grow through the economic front. These are not the signs of an economically productive country. The other nations are currently reluctant in investing their money as they have seen the cruelty of the Taliban towards its people, so they are concerned about how they will be treated. It has tarnished the image of Afghanistan in front of an international audience and will directly impact the nation's economy as many sanctions have been imposed upon them. This has severely impacted the economy of Afghanistan.

Donor governments are reluctant about providing assistance and funding to Afghanistan under the Taliban, given their terrible rights record and newly emerging abuses. Afghanistan is facing a major economic collapse. Prices for food and other essential things have risen, and the UN has reported limited access to cash and food shortages. Before the Taliban takeover, more than 30% of the country faced acute food insecurity; now, it is over 40%.

The Taliban have banned women from working outside. They follow sharia law in which many restrictions are there for women. This will indeed affect the economy as, before the Taliban reign, women were independent to study and do work outside. But now, all of that has stopped. In 1977, women comprised over 15% of Afghanistan's highest legislative body. In the 1990s, 70% of schoolteachers, 50% of government workers and university students, and 40% of doctors in Kabul were women. Afghan women were active in humanitarian relief organizations until the Taliban imposed severe restrictions on their ability to work. These professional women provide a pool of talent and expertise that can be used to construct a prosperous Afghanistan, but now everything has changed. They are oppressed and forced to wear burka all the time. They were



constantly working in a manner that would have made Afghanistan a strong economy. They were in contact with foreign officials and helped in bringing sufficient investment to the nation.

The IMF has stated that Afghanistan will no longer access the lender's resources after seeing the human rights violations. They have suspended Afghanistan's access to IMF resources, including \$440 million in new monetary reserves. These all are the result of human rights violations in Afghanistan. it has impacted them financially and economically

Human rights violation is a severe issue, and no one in their right mind should take it lightly. International bodies have strongly opposed and condemned the Taliban govt, and it has given the Taliban a message that everything is linked to each other. They cant torture their people and wish for a better future with a good economy.

**Sahil Thakur
2027308**



WHAT ARE THE TALIBAN'S SOURCES OF INCOME?

The Taliban is the wealthiest insurgent organization. The C.I.A. has revealed that the Taliban is a local insurgent group and has a vast financial network.

Their primary earn money from four sources:

- Opium is the first source of income. Afghanistan produces the most opium in the world. In addition, opium is utilized to make heroin. Over 15 million people worldwide are addicted to heroin. The illegal heroin market in the globe is worth 65 billion dollars. Apart from heroin, opium is also used to make morphine, a very effective medication. This is a substance that is used to block pain signals. Afghanistan produces over 85 percent of the world's opium. The top two countries for heroin demand are Russia and China. Every year, Afghanistan earns USD 3 billion only by exporting opium, of which \$400 million is the Taliban's share.
- Taxation is the second source of revenue. They were taxing landowners and businesspeople. They have imposed a tax on development and infrastructure projects, such as roads, schools, and clinics, which the West primarily funds. When travelling through territories controlled by the Taliban, Afghan businesspeople were asked to pay taxes on different items such as fuel and construction materials, etc. They even used to extort money from farmers and grocers passing through the area they controlled.
- The third source of income is mines and minerals. Afghanistan's mining industry earns \$1 billion every year. There are so many lithium reserves in Afghanistan that the U.S. Department of defence calls Afghanistan the Saudi Arabia of Lithium. The next revolution will be in electric vehicles, and we are all aware that Lithium is the main raw material of E.V. batteries. The other metal is copper, and Afghanistan has around 60 million metric tons of copper. They have natural gas reserves as well. Lapis Lazuli, an expensive gemstone, is found in Afghanistan.
- The country has around 1.4 million tons of rare earth minerals used in all types of military equipment and in the electronic equipment that we use. The previous Afghan government admitted that the Taliban took control of mining sites and local miner operations by force. According to U.N. analytical support and sanctions monitoring team, there are around 25-30 small mining operations, and the Taliban generate \$10 million from them every year.
- The fourth source of income is foreign donations. Few country names were mentioned by the Afghan government and U.S. officials, which includes Pakistan, Russia, and Iran, and they believe that these countries used to give them financial aid. Recently in a classified report, the C.I.A. estimated that the Taliban got \$106 million in one year from foreign donors and mostly from gulf countries. And according to American intelligence, Pakistan intelligence has a significant role in giving Taliban financial aid.

Before the Taliban came to power, their primary sources of income were from the production of opium, taxation, mines and minerals, and donations from foreign countries, which was happening illegally. As they came into power, now everything will happen legally, and they can generate more revenue from these sources.

K F Prince

2027120



FINANCIAL INCLUSION IN AFGHANISTAN

Financial inclusion is built around the concept of having equal opportunities and access to financial services. Typical examples would be insurance, loans, and banking products/services.

In Afghanistan, however, before the hostile takeover, financial inclusion was a notion not particularly widespread. Over eighty-five percent of the adult population did not even own an account! This was the exact opposite of inclusion; one could go ahead and say that Afghanistan has more financial exclusion than inclusion.

To understand the reasons behind this, one would have to look at the country from an economic point of view. The country lacks financial services required by its population, prices its services at a high rate to make up for income, and has extremely low access points, couple this with security concerns, cultural and religious conflicts, and most importantly, financial literacy or lack of it thereof gives one a perfect recipe for financial exclusion.

To offset this, the 'Da Afghanistan bank' and the Ministry of finance had initiated a strategy to promote financial inclusion and contribute to the country's economic growth. Their primary aim was to reduce the financial exclusion levels by expanding the access points to both men and women, boosting their MSME sector, providing them ample access to finance, and promoting access to digital financial services.

Things were moving in the right direction for the country as they began to crawl forward. The statistical figures rose, and by 2021, the country had 4.37 million depositors, the deposits had grown by almost 11%, and bank deposits reached 292.6 afghani billion, which equates to nearly 20% of the entire country's GDP.

Better said than done was the case due to the tragic turn of events. With the recent takeover from the Taliban, financial inclusion in Afghanistan has seemed to take a back seat.

The Taliban takeover has resulted in the entire operation and attempt made by the government going further back than before. The Afghan currency fell to an all-time low, the Afghan united bank stopped publishing afghani exchange rates, and there was a huge rush of cash withdrawals. Since the takeover, banks have remained shut, and there is no practical way of sending or receiving money, given the pathetic state of financial inclusion.

The middle and poor-income people would be affected the most, and now the banks themselves seem to be running out of cash. The Taliban can turn the situation around by building on what the previous government had laid; the key route would be digitization and providing access to the individuals in rural areas as most of the country's population still resides in rural areas. Merging banks, ATMs and providing cash exchanges at local posts would be a bonus measure that the Taliban could incorporate. Improving the financial literacy of both men and women and minimizing cultural and religious conflicts would ensure that financial inclusion increases.

Financial inclusion is very much a necessity, especially in a developing nation. Despite the change in government, Afghanistan should aim to focus on building their financial inclusion. This could pave the way for new opportunities and help the development of the underprivileged in the nation grow drastically.

**Kevin Joel
2027211**



AFGHANISTAN'S ECONOMY POST-TALIBAN

"The Taliban has won the war, and a looming economic crisis may be their prize."

For the first time in two decades, the Taliban are in control of Afghanistan. But the country now faces an economy on the brink of collapse. In 2020, more than 47% of the country's individuals already lived below the poverty line, and 34.3% of people with jobs live on less than \$1.90 per day. The economy was already extremely fragile, with about 40% of its GDP being internationally aided. Accelerated inflation was observed in the first two quarters of 2021. Prices for essential household goods (including food and fuel) increased substantially as the Taliban captured border posts and critical transit hubs, disrupting supply chains.

Western powers, including the US and Germany, have suspended the foreign aids. Payments from the World Bank and the IMF have since halted.

Foreign reserves of the country's central bank held in the United States amounting to approximately USD 9 billion have also been frozen.

Another source of revenue for the country was foreign remittance, amounting to approximately 4% of the GDP. But with the new militant government takeover, international transfer agencies like Western Union have suspended their services. As a result, this has significantly impacted the countries income sources.

As of 15 August 2021, the country's banking sector has halted. As a result, there is no hard cash access to the countries citizens. The liquidity of both commercial banks and the central bank were substantially eroded in the lead-up to the Taliban takeover due to a high volume of cash withdrawals from commercial banks and intensified US dollar auctions.



The value of Afghanistan's currency, the Afghani, plunged to the lowest in the past months. Concerns regarding food insecurity are on the rise, which will further disrupt the countries economy. Without the ability to exchange or the backing of dollars flowing into the country, the value of the Afghan currency could collapse most certainly.

It is of the world opinion that the international world partners navigate carefully or risk making a dire economic situation worse for the fellow nation.

With the Taliban taking control of the country, there lies the possibility of the country's looming faith – a collapse. With aids suspended, currency weakening, rising inflation and distress in the country's banking sector, the country's doom is almost inevitable unless the world powers jointly come tighter to aid the people of Afghanistan.

John Jacob

2027213



AFGHANISTAN'S NEIGHBOURS WORRY ABOUT THE TALIBAN TAKEOVER?

Afghanistan's neighbours are scrambling to figure out how to respond to a changed geopolitical outlook following the Taliban's quick return to power after two decades. According to political risk consultant Eurasia Group, bordering nations are concerned about political instability, potential refugee inflows, and the possibility of Afghanistan becoming a shelter for terrorist activity again.

Pakistan

According to Eurasia Group researchers, Pakistan had substantial control and influence over the Taliban in the past. When the organization was in power, one of the few countries recognized them as a legitimate government. Pakistan has also long been accused of providing support to the Taliban in Afghanistan, denying an allegation. Pakistan's influence has decreased in recent years, and the country is likely to be wary of potential violence on its borders. According to reports, the Taliban's return to Afghanistan could boost terror groups in Pakistan, especially the Pakistani Taliban, posing a security threat to the country. In general, Pakistan will view the Taliban's growth as a major setback for its arch-rival India, and hence as a desirable consequence.

On Twitter, Pakistan's foreign minister, Shah Mahmood Qureshi, urged the international community to "stay constructively engaged and involved in Afghanistan."

India

Over the last two decades, India has had a solid relationship with the Afghan civilian government, offering development support to the latter. Still, the change in power has put New Delhi in a difficult strategic position. Not only has the Taliban, a historically anti-India party, acquired power in Afghanistan, but India's Chinese and Pakistani adversaries are also prepared to expand their presence in the country. According to Eurasia Group experts, India has attempted to engage with the Taliban but has effectively shut down most diplomatic missions in Afghanistan. India is particularly concerned because the Taliban housed pro-Pakistani militants during their previous reign.

of terror. "An emboldened Pakistan may take this as a chance to strike India," New Delhi fears, "raising the risk of a broader India-Pakistan conflict." In a statement, India's foreign ministry said it had recommended Indian nationals in Afghanistan to return home immediately.

China

China chose to leave its embassy in Kabul open. It does, however, advise Chinese citizens to remain indoors. Hua Chunying, a spokesperson for China's foreign ministry, said Beijing expected a smooth transition of power and asked for crime and terrorism to be contained. According to Kugelman, China will be in a strong position to seek Taliban collaboration to further its two primary objectives in Afghanistan: ensuring a secure environment for Chinese infrastructure projects and isolating Uyghur extremists.

Russia

Russia, like China, kept its embassy in Kabul open, but it is rumoured that some of its staff will be relocated. Russia's Foreign Minister Sergei Lavrov stated that the Taliban are not legitimate authorities in Afghanistan and advocated for an inclusive administration. According to Harsh V Pant, head of the Observer Research Foundation's strategic studies program, both China and Russia have reasons to be concerned about the Taliban's return to power in Afghanistan. One of Russia's main tasks, according to experts, would be to reduce the likelihood of spillover fighting or organized extremist groups moving into Central Asian states along Afghanistan's northern border.

The neighbouring region stands to gain or lose a lot, depending on what occurs in Afghanistan. In the globalized world, a continuance of the Afghan war, in whatever form it takes, will not be restricted to Afghanistan but will most likely spread and engulf the entire region.

Ayushi Sinha
2027243



IMPACT OF TALIBAN ON CRYPTO

The UN and USA have been the major contributor in terms of money for Afghanistan. Every year, it amounts to billions of dollars, with the UN contributing approximately \$1.3 billion and the US contributing another \$600 million or more (excluding military aid). With the Taliban in control, the US, UN, and IMF are likely to turn off the taps. It will damage Afghans.

In this aftermath, China may become emboldened to strike against other US interests and friends. If this takes the form of an invasion of Taiwan, since China believes (probably correctly) that the United States would be reluctant or unable to retaliate, the world's greatest source of high-speed microchips will become unavailable for all of our mining rigs and computers. This may completely destabilize crypto!

The US looks to be on the verge of becoming a far more totalitarian state, with digital behemoths collaborating with the government to limit and control political discourse, effectively cancelling anyone with whom they disagree. This trend is likely to be exacerbated by the setback in Afghanistan. As a result, we may expect more crypto-related legislation from the US Treasury as they scramble to find funds from any source to cover Covid's expenditures. The second option is that the internal polarization and tensions we've seen in America over the previous several years would be exacerbated by the failure in Afghanistan, to the point where the country may split completely like the USSR did when they withdrew from Afghanistan.

Although China is also aggressively controlling crypto, one possible good effect is that America's friends (particularly the UK and other NATO members) seriously doubt the US's reliability and credibility. This will likely lead to a reduced readiness to accept US efforts to turn national laws into global rules, implying that nations will no longer mindlessly follow the US-led crypto legislation.



In five years, the US dollar is unlikely to be the primary global reserve currency. Russia has sold all of its US dollar assets, while China has stated that the Yuan would eventually replace the dollar as the world's reserve currency. A US crackdown on cryptocurrency may be viewed as a tremendous opportunity for other countries. El Salvador will not be the only country to make Bitcoin a national currency! Bitcoin (or perhaps Eth) will most certainly become reserve money for governments that desire to remain neutral, as well as an effective reserve currency for people who do not want their wealth to be tied to the fortunes of a single country. Encrypted blockchains might be effective instruments for avoiding data collection (and perhaps outright cyber-warfare) by the Chinese government and US tech companies.

China is one of the nations that has benefited from the departure of US powers from Afghanistan. The next few years will be unpredictable and critical as the United States and China compete for global dominance. Crypto and blockchain technology, on the other hand, are going to provide valuable instruments in assisting ordinary people and entire countries in navigating the collision between the two superpowers.

**Sansriti
2027241**



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MOVIE REVIEW: MONEYBALL

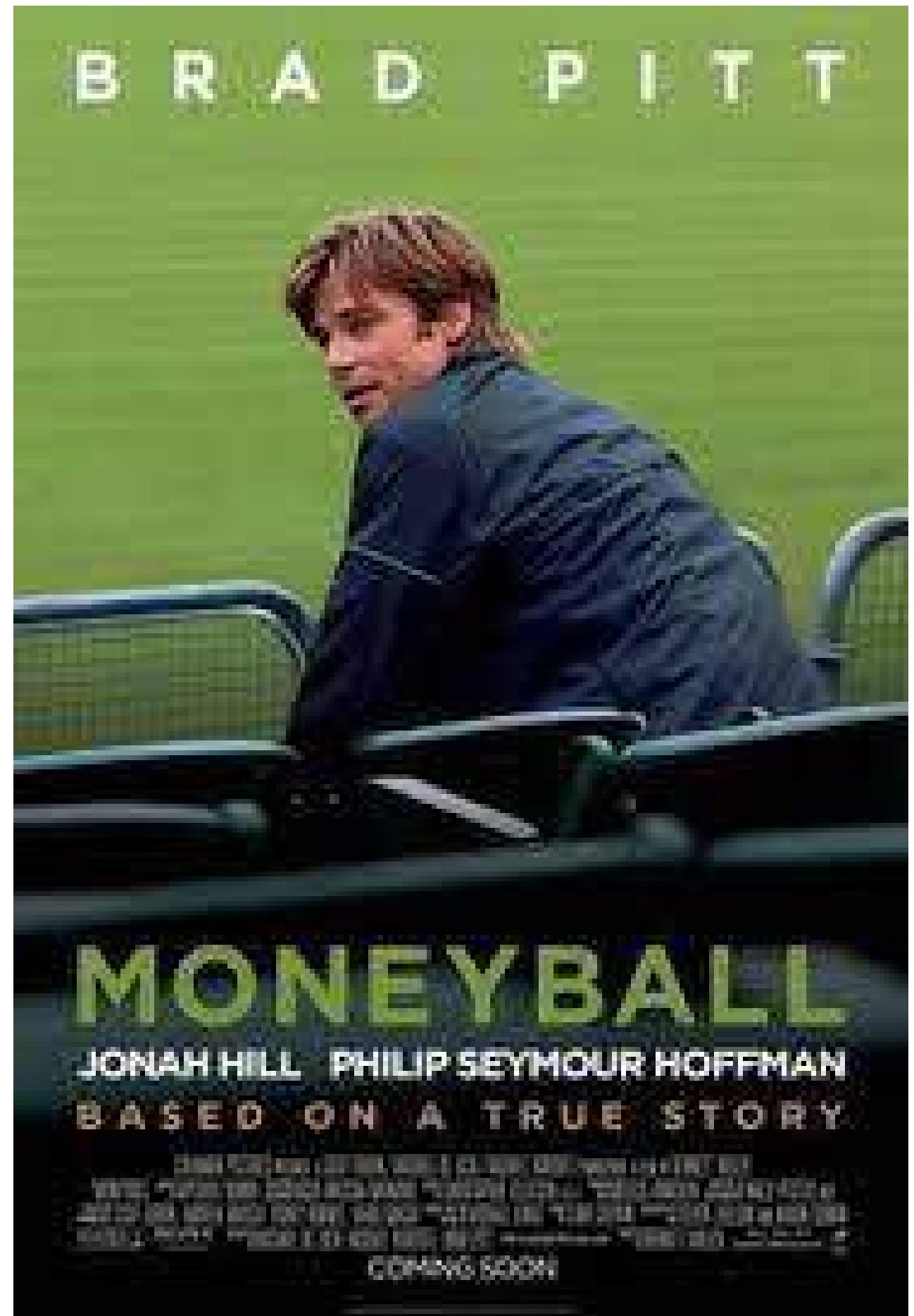
Baseball, as we know, is the heart and soul of American Sports and a centre stage theme for various Hollywood movies.

Moneyball is a game, like all major sports, which has its own charm, traditions and ways to balance sports and business for the benefit of the players and everyone involved.

With time various movies have shown different plots and themes of baseball. Moneyball has brought out the essence of the game and the business behind it using technology and numbers.

The movie's main lead is Brad Pitt, delivering one of his best performances in this role is playing Billy Beane, aged 44, who used to be a baseball player himself but didn't really excel in it. He used to play for the New York Mets in his time, and currently, as the movie story was based in 2001, he is the coach for Oakland Athletics of San Francisco Bay.

The team had various issues; a few of them were the low funding, then post that the major issue was their best players were taken away by other teams with wealthy funding. However, amidst all this, he comes across this intelligent guy working for the Cleveland Indians. That person is Peter Brand (Jonah Hill), 24 Years old, who doesn't play but acts as an advisor to the team. He mainly works on statistics and believes that a winning team isn't made of good players but different players who contribute to all the runs for the team. Such a strategy works on the idea that these players are cheaper to buy, easy to handle, and offload.



Post this; Billy hires Peter to rearrange Oakland's team and work on this strategy. The movie works very well on the Game of Numbers, Statistics, the games' dynamics and strategies.

Billy faces backlash from the team, previous coaches and management, but continues with his obsession.

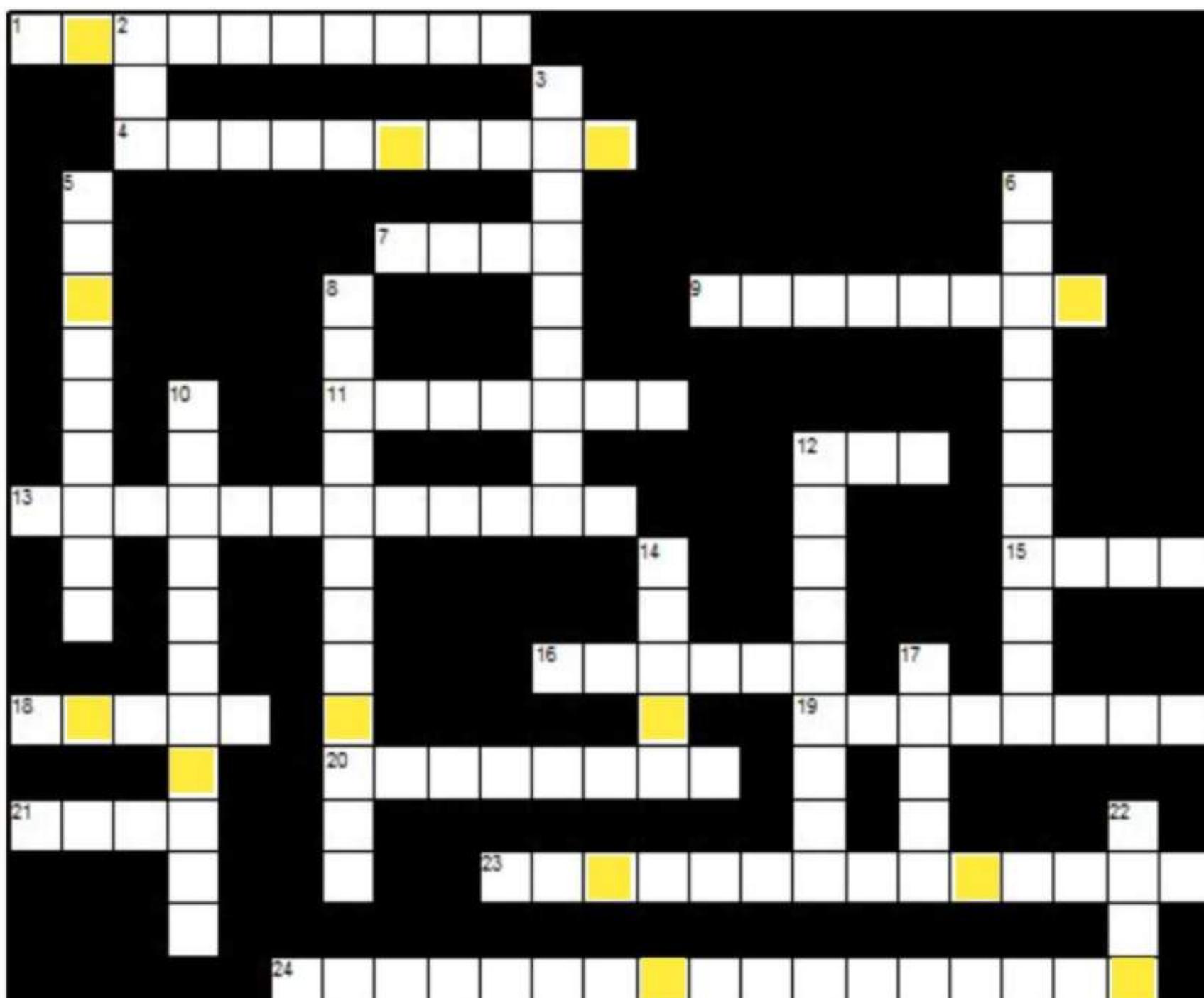
The team wins at the end, though not in the planned manner, Billy's life changed positively at the end.

Divyanshu

2027104



CROSSWORD



ACROSS

1. Term used for a physical deformity
4. Repaying your loan before its due date week.
7. Returns after reducing taxes and inflation
9. Term used to describe a stock market that is not stable
11. What is paid to an insurance company by the policyholder to continue his insurance policy
12. First offer made by a company of its shares to the public (acronym)
13. A mutual fund scheme that invests in debt and equity in nearly equal proportion
15. Possibility of loss
16. Flagship index of Bombay Stock Exchange
18. Not a liability.
19. Interest rate that is not fixed throughout the term of the loan
20. What is paid by a borrower to the lender
21. Regulatory authority of capital markets in India (acronym)
23. Amount received on cancelling an insurance policy
24. Converting shares back to paper form

DOWN

2. Investing a fixed sum at regular intervals (acronym)
3. Term used for rising in prices
5. Not primary market
6. Wall street of India
8. Fall in value of an asset over time
10. Extra days offered by an insurance company to the policyholder to pay a premium
12. Mutual fund scheme that invests in shares forming an index
14. Shares offered by a company to its shareholders for free
17. Protection offered by an insurance company to its policyholders
22. China's currency

Answers



Sandeep
2027209



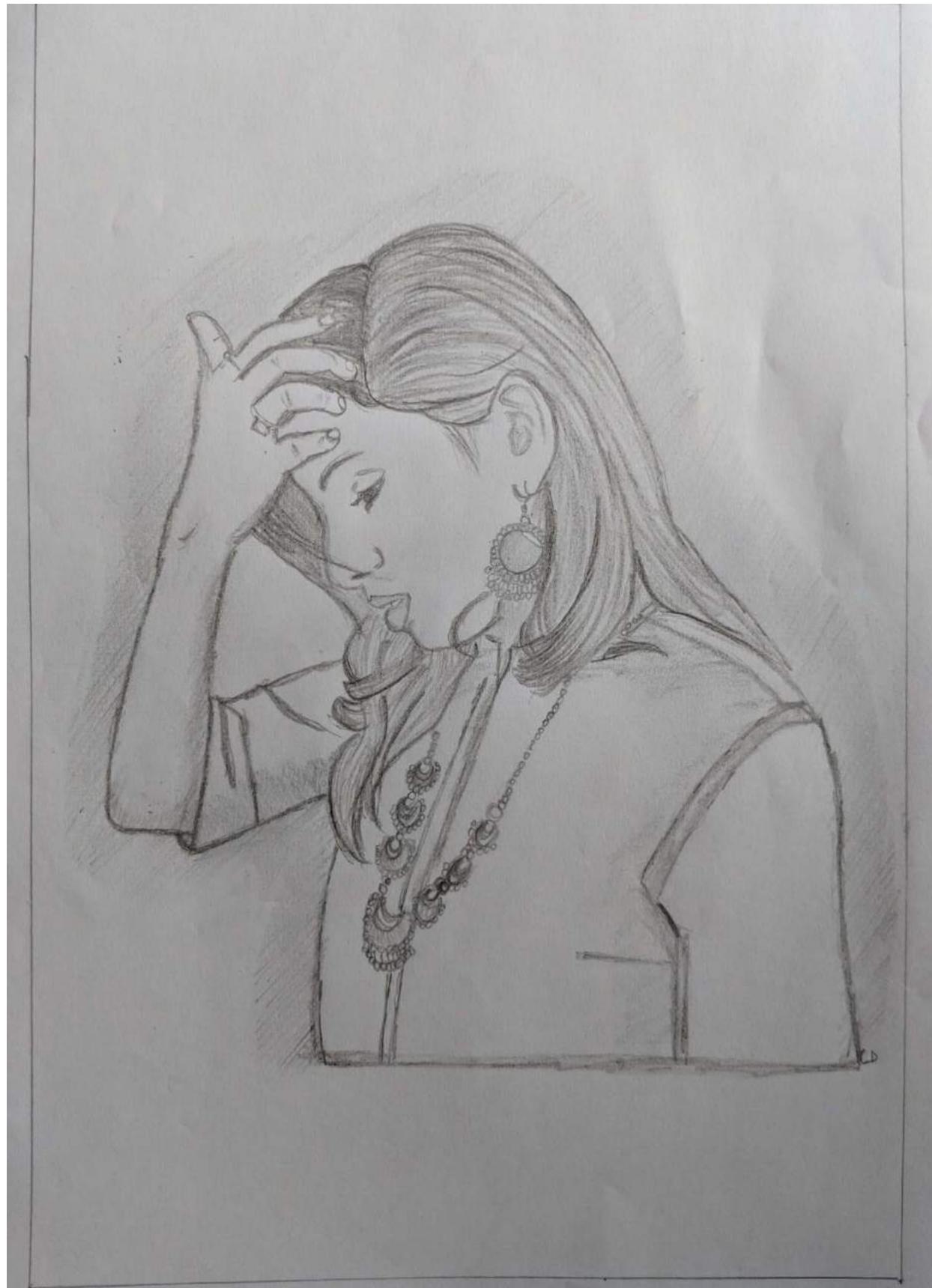
CREATIVE CORNER



A WALKTHROUGH OF SANDEEP'S ART GALLERY



"Human rights are women's rights, and women's rights are human rights, once and for all." -
Hillary Clinton



"Women's freedom is the sign of social freedom." -
Rosa Luxemburg

Sandeep
2027209



C H A N A N A K Y A

HOLD ON TO YOURSELF!



When I was a child, I hoped that I could grow up faster. To become a protagonist and create wonders. But when I grew up, I found out that I am just an ordinary person. But being normal is not gloomy. There will be many people whom we need to face every day. They are like different seasons. There will be monsoon, spring, winter, summer, autumn. Every person has one favourite season, which they expect every year. But is it possible to retain in the same season? NO!!!!!!! The person has to experience all the seasons.

Only when we experience different seasons will we understand how beautiful our favourite season is. One thing is for sure; whichever the season maybe, one person will enjoy it. And will be obtaining much strength from it.

In our life we always have dreams. I'm not saying dreaming is terrible, but sometimes we forget about the present and the very precious moments.

How many times do we have struggled to forge ahead? Hope we can outrun the time, can see the ones you have missed in your life.

There will be many moments that will break your heart. Will be a time where you can't hold anymore but Hold on!!!!!!! It's going to be worth it.

No matter what kind of moment it is when you look back, it has passed. So keep going. What really fascinates maybe not the achievements but the memories we hold.....

Akhila K Sunil

2027350



THE EDITORIAL TEAM



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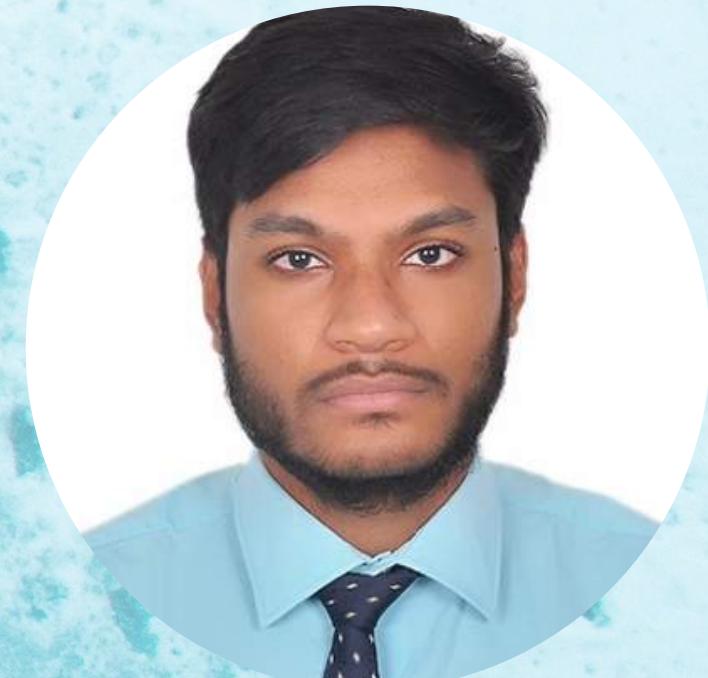
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