

## Borrowing money to invest

You should not borrow funds to stay invested in the stock market. It is a highly risky act and can leave you bankrupt.



**INVESTMENT MATTERS**  
Sajjad Bazaz

**I**ncredible! But true. A Kashmiri investor after hearing stories of over hyped profits earned in stock market, became a victim of his own greed. He invested in stock market only to see almost his capital amount lost in the stock market. But he capitalized on his mistakes which he committed as an investor in the market and is today considered as one of the trustworthy market analysts in India.

Some time back I had an opportunity to talk to this reputed market analyst. Being an authority on the subject, he narrated his own tale of losses, which he suffered in the market. He ventured into the stock market when he saw some of his friends multiplying their money while investing in some shares of companies. To make quick bucks in the same stream, he obtained a cash loan of Rs.50,000 from Citibank and invested it in the stock market. It was to his delight when only after six months his half a lakh rupees investment appreciated and stood at Rs.2 lakh. He started calculating appreciation on his investment at the same pace and without any planning and knowhow of the market sentiments; he reinvested the money in some other stocks with an objective to gain more and more. But after some time, he was shocked to see that the value of his portfolio of stocks had gone down considerably. He had even lost 50% of his original investment of Rs.50,000.

Even as he was shocked and surprised, he kept cool and thoroughly tried to understand the market. After some time, he was able to hold the grip on the tricks of trade and is today a leading analyst in India on stock market. Not only this, he became country head (equities) and is one of the leadership members of a reputed new generation private sector bank in India. Today, he counsels the investors by way of his expert comments on the movement of the stock market on various reputed television channels.

**I**nvestors use different ways to borrow money to pay for stocks. They take a personal loan or pledge their property or gold. They count on friends, borrow funds from them and invest in stocks. In this case, they don't have to pay interest or any other charge. Brokerage firms have kept borrowing facilities at the disposal of their clients.

But the same story is not true about other Kashmiri investors, as most of them have turned up losers in the market. The investor scenario in J&K state as compared to the rest of the India such as markets in Mumbai and New Delhi is continues to be quite primitive. The investors are often unaware of the investor opportunities there in the market vis-a-vis their quality. After having easy access to the capital market, most of the local investors exercise investment options freely without properly assessing the quality of the options and the quantum of risk that they may face.

We don't have financial clinics for wealth management services here. Most of our investors are more into the business of trading. And borrowing money for trading is a passion catching up fast among these investors. If local market players are to be believed, most of these traders end up losers. Most of them don't analyse their mistakes and consider investing in the stock market as a part time activity. They have turned themselves as a rudderless boat.

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Why investors borrow money to stay invested in the stock market? I have come across investors who resort to borrowing after working out some calculations on paper. They work out handsome gap between the return on investment in stocks and interest payable on loan amount. Calculations on paper may look that it is practical. But in reality, borrowing money to pay for stocks is extremely a risky strategy. This strategy simply multiplies risk of losing money, which means peace of mind is not guaranteed.

Let's have a look at the facility made available by brokers where an investor can borrow money to pay for stocks. This debt trap is extended by the brokers under a sweet name "margin". This margin facility, of course, increases the purchasing power of the investors, but simultaneously exposes them to the potential for higher losses. Before taking route of margin to maximize returns on investment, investors first need to understand its operational mechanism.

Primarily, margin facility is not suitable for everyone. An investor can lose money in the market than he has invested. The downside to using margin is that if the stock price decreases, substantial losses can mount quickly. For example, your stock which you bought for Rs.100 falls to Rs.50. If you fully paid for the stock, you'll lose 50 percent of your money. But if you bought on margin, you'll lose 100 percent, and you still have to come up with the interest you owe on the loan.

In case of loss, investor whose portfolio consists of stocks bought on margins shall be asked by the broker to deposit additional cash or securities in his account that too on short notice to cover the losses. Brokerage firms even may sell some or all stock without consulting the investor to pay off the loan, extended in the shape of margin.

However, you can bank on margin facility for a temporary purpose. For example—in case you are looking for a particular stock and that stock is now at the price where you want to enter. You have money in your bank, but you're not in a position to transfer it now. Here you can avail margin facility from your broker and pay it back immediately.

Precisely, you should not borrow funds to pay for the stocks. It is a highly risky act and can leave you bankrupt.

(The views are of the author & not the institution he works for. Feedback at sajjadbazaz@greaterkashmir.com)



A roadside vendor in Srinagar's Lal Chowk market sells handmade wooden items including Quran stands which pick up great demand during Ramadhan, the fasting month for Muslims across the world. AMAN FAROOQ/GK

## HDFC Bank opens trade desk at Srinagar

GK NEWS NETWORK

**Srinagar, July 7:** HDFC Bank has started its Trade Desk at Srinagar for processing the trade documents of its customers across the Valley. Earlier, these documents were being processed from outside J&K.

A Kashmir Chamber of Commerce & Industry delegation in a meeting with Bank's MD Dr Aditya Puri last month at Srinagar had requested for this facility which was instantly approved by MD.

The trade desk has already started operations and "it reflects Bank's commitment to provide most efficient and professional services to its trade clients," the bank in a statement said.

Zubair Iqbal, Vice President said that HDFC Bank is the only bank to offer Multi Currency Forex Card which can be loaded with 18 currencies including Saudi Riyal to its customers travelling abroad.

"This card carries a host of other unique features and is very useful for pilgrims going for Hajj and Umrah," it said.

The card is available at all branches of the bank in J&K.

He also added that for the convenience of Hajjis in addition to the Multi Currency Forex Card, "we will continue to offer Saudi Riyal Exchange Facility at our branches."

## Yatra medical arrangements reviewed

**Srinagar, July 7:** Directorate of Health Services Kashmir and Mission Director NRRHM reviewed the healthcare services being provided to Amarnath pilgrims.

The DHS and Director NRRHM accompanied by Nodal Officer Yatra (Ganderal) and Nodal Officer Yatra (DHSC) visited various camps including MAC Nilgrath, base camp Baltal, MAC Sangam Top, Base Camp Panjarni, etc.

# Year on, 172 LPG outlets for rural areas nowhere in sight

Oil companies sit on verification process

GK NEWS NETWORK

**Jammu, July 7:** Despite lapse of one year, the proposal for opening of 172 outlets for rural areas has failed to materialize primarily due to lack of coordination between the oil companies and state Consumer Affairs and Public Distribution (CA&PD) department.

Sources said that the CAPD department has failed to pursue the proposal that envisaged opening of 55 gas agencies under regular dealership and 117 under the Rajiv Gandhi Grameen LPG Vitral Scheme (RGLGV). The CAPD department had moved the proposal following public outcry over acute deficiency of the refilling stations of Liquefied Petroleum Gas (LPG) in rural areas.



Sources said that the main reason behind the delay is failure of the state government to ensure that the oil companies expedited the verification process of the new connections on the basis of which it could seek opening of a new agency in a particular area. The verification process for the new connections, sources said, was started last year after the centre government, besides putting a cap on subsidized domestic cylinders per connection, introduced many other measures to check black-marketing of LPG cylinders.

"As the Oil companies are taking lot of time to complete the verification process for new connections, the proposal for opening of the new agencies

lingers on in absence of exact number of the LPG connection seekers in a particular area", sources said

It is only after the connections are issued by the Oil Companies that the CAPD department, as an enforcement agency for consumer rights, can regulate and monitor supply and force the former to make available LPG at the doorsteps of every consumer, they added

When contacted, Reyaz Ahmad Malik, Deputy Secretary CAPD said that main reason behind delay in the implementation of the proposal was failure of oil companies in expediting the process of verification.

He added that if the companies go like this it will take many more months to complete the process.

He said opening of the new gas agencies would become possible only after the verification process is completed by the oil companies.

**HOUSE FOR RENT**  
Two storeyed house with parking facility at Bulbul bagh Near Barzulla bridge  
CALL: 9419031827 9858488327

**NAME CHANGE**  
I want to change the name of my daughter from Shah Mushbat Inam to Shah Barira Fatima Inam in the school records. Objections if any in this regard may be conveyed to the Principal Presentation Convent Rajbagh within 7 days.  
Shah Inam-ul-Haq  
F/o Shah Barira Fatima Inam  
R/o Dalgate

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**UNIVERSITY OF KASHMIR**  
**OFFICE OF THE DEAN ACADEMIC AFFAIRS**  
**ADMISSION NOTIFICATION No.10**  
For **Master's in Craft Management and Entrepreneurship (MCME) (Session 2014)**  
On-line Applications are invited from eligible candidates for admission to the Master of Craft Management and Entrepreneurship (MCME) programme for the academic session 2014. The candidates are advised to peruse the MCME Prospectus-2014 available on University website thoroughly and check eligibility/other details before submitting their application forms.

**I) IMPORTANT DATES:**  
Issuance of Prospectus/Submission of On-line Forms: From July 08, 2014  
Last date of submission of On-line Application Forms and hard Copy: July 18, 2014

**II) ELIGIBILITY**  
Bachelors Degree in any discipline under 10+2+3 pattern or any other qualification recognized by the University of Kashmir as equivalent qualification, with 50% marks in aggregate under Open Merit Category and 45% in Reserved Category.

**III) MODE OF SELECTION:**  
Candidates shall be admitted to the Programme on the basis of their performance in two tests (Management Aptitude Test & Design Aptitude Test) to be conducted by the University of Kashmir and Personal Interview. The weightage of the components for final selection of the candidates shall be Management Aptitude Test (50%), Design Aptitude Test (35%) and Interview (15%).  
The candidates to be called for appearing in Design Aptitude Test shall be triple the number of available seats in order of merit obtained by them in Management Aptitude Test and the number of candidates to be called for Personal Interview shall be double the number of available seats in order of merit obtained by candidates in Design Aptitude Test, under open merit as well as reserved categories.

**V) SUBMISSION OF ON-LINE APPLICATION FORMS:**  
The candidates are advised to follow the below steps for filling their On-Line Application Forms.  
Step-1: Visit <http://www.kashmiruniversity.net> and click on Link Admissions 2014.  
Step-2: Enter Registration Number and Click Search. Students registered with University of Kashmir from 2006 onwards can get their particulars automatically extracted from the database, otherwise enter all details yourself.  
Step-3: Upload your latest passport size photograph with specimen signature at the bottom of the photograph and other details.  
Step-4: Preview the Form displayed on the screen. If details are correct, click on Submit. If there is any variation go to Edit, make corrections and then Submit. Get a printout of the Form and note the ID for future reference.  
Step-5: Deposit the Fee of Rs.500/- (plus Rs. 10/- Bank charges) against the Pay-in-Slip generated with the Application Form in any of the branches of the J&K Bank Ltd. across the Country.

**VI) SUBMISSION OF DOWNLOADED APPLICATION FORMS (HARD COPY):**  
After submitting their On-Line Application Forms the candidates must submit the downloaded Form (hard copy) with the following documents in the office of the Dean, Faculty of Commerce & Management Studies, Naseembagh Campus and obtain a receipt for record.  
i) Marks Certificate of the examinations passed;  
ii) State Subject Certificate;  
iii) Original Copy of the cash receipt obtained against purchase of Prospectus;  
iv) Receipt of fee Rs. 500/- deposited in J&K Bank (University Copy);  
v) Reserved Category Certificate (if claiming admission under Reserved Category);

**IV) ADDITIONAL INFORMATION:**  
Number of Seats, eligibility conditions and other details related to Admission Policy are reflected in University Prospectus-2014, available on University Website.  
The candidates must check the status of their application after five days. In case, acceptance of Form is not uploaded, the candidate should contact the concerned Department where they have deposited the Form.  
For any further query/information the candidates are welcome to contact University on following numbers:  
EPABX Nos. 0194-2415078, 2415870, 2415152, 2415346 Ext.: 2006, 2007, 2016, 2322, 2223  
Office of the Dean Academic Affairs: 0194-2415976 (Direct)  
Craft Development Institute, Srinagar: 2411430, 2411772  
ET-216  
Dated: 07-07-2014

SD/- Muzamil Masood Mattoo  
Assistant Registrar, (Academic Affairs)

**GOVERNMENT OF JAMMU AND KASHMIR**  
**Industrial Training Institute, Budgam ( K M R )**  
**Subject: Engagement of Academic arrangement in ITI Budgam for the academic session 2014-15 under PPP Mode.**  
**ADVERTISEMENT NOTIFICATION**  
Applications are invited from eligible candidates for temporary engagement in academic arrangement in ITI Budgam under PPP Mode for "Data Entry Operator" trade on a monthly honorarium of Rs. 6000/- per month for Degree Holders and Rs. 5500/- per month for Diploma Holders/ITI/CTI for the academic session 2014 or till the post is created and regular arrangement is made with the rules on the recommendations of J&K service selection Board whichever is earlier. The qualification required for the trade is given as under:

S.No.	Name of the trade	No. of candidates required	Prescribed qualification for appointment.
1	Data Entry Operator	01	<b>Technical:</b> Degree in Engineering from recognized University or three years Diploma from Recognized Board/ Institution in appropriate Branch of trade concerned or National Apprenticeship Certificate or National Trade certificate in relevant trade. <b>Experience:</b> One year for Degree Holder, two year for Diploma Holder and three year for NAC/NTC Holders. <b>Desirable:</b> Preference to be given CIC ( Craft Instructor certificate) holders.

Applications on prescribed format forming annexure "A" to this advertisement notice shall be submitted in the office of the undersigned by or before **11-07-2014** during office hours along with the following certificates:  
 Academic/Technical Qualification certificate/ Marks certificate.  
 Age and Health certificate  
 Permanent residence certificate  
 Character certificate  
 Experience certificate if any.

Selection of the candidate for temporary engagement under PPP Mode in the academic arrangement shall be made from amongst the eligible candidates purely on merit basis and the selected candidate shall be placed in the ITI Budgam and preference will be given to the candidates belongs to District Budgam to ensure smooth functioning of the newly introduced trade by the Institute Management Committee, ITI Budgam.

Incomplete application or application not with supported by relevant documents shall be rejected without any notice to the candidate. The candidate having higher qualification, teaching experience shall be given preference.  
Selected candidate shall have to execute an agreement with the IMC, ITI Budgam on prescribed format duly attested by the "A" class Judicial Magistrate to the effect that he/she shall have no claim for permanent absorption in the ITI Budgam/ Department on the sole ground of the temporary engagement in the academic arrangement for the specific period.  
**The candidature of only such candidates will be entertained who have undergone regular classroom courses to attain the basic essential qualification for the post.**  
Temporary engagement of the selected candidate in the academic arrangement shall not entitle him/her for regular appointment under normal process of selection to be made by the designated recruiting agency after the post is created for the said trade.  
Temporary engagement of the selected candidate shall last on expiry of specified term as would be indicated in the formal engagement letter and extension if required in the event of delay in finalizing the selection by the IMC, ITI Budgam, shall be granted for another specific term subject to satisfactory performance of the candidate.  
Selected candidate has to work at the particular place in the academic arrangement on specific terms and conditions and shall not ordinarily transferred to any other place.  
In the matter of age, qualification, discipline, conduct and other allied matter, the relevant service rules governing the appointments in the Civil services, shall apply while making the temporary engagement of the selected candidate in academic arrangement or the specific period by the IMC, ITI Budgam.  
In the event of post is created for the designated trade, the candidate engaged in academic arrangement shall have no right to continue in the arrangement after post is filled up the J&K Service selection board.  
DIPK- 3197  
SD/- (Nazar-ul-Islam) Principal

**ANNEXURE TO ADVERTISEMENT NOTIFICATION NO. ITI/BDG/2014/PPP MODE/-----DATED: 07-2014**  
**APPLICATION FORM FOR ACADEMIC ARRANGEMENT IN ITI BUDGAM UNDER PPP MODE FOR THE TRADE**  
S.No. \_\_\_\_\_

1) Name of the Applicant	_____
2) Parentage	_____
3) Address	_____
4) Date of Birth	_____
5) QUALIFICATION	_____
Academic	_____
Technical	_____
6) Contact Number	_____
7) Email ID	_____

S.No	Examination Passed	Year of Passing	Name of the Institute / University/ Board	Total Marks	Marks tained	ob-	%age of marks

**8) Experience (Teaching/ Field) if any** \_\_\_\_\_  
Signature of the Applicant \_\_\_\_\_

**NOTE:**  
Photostat/ authenticated copies of all academic/ technical qualification certificates and experience certificates shall be enclosed with the application