



◆ Presidential Communique



Life Watch

Fortnightly bulletin

Rotary Club of
Cochin Downtown

Vol 10, Issue 10 Nov-15-30,2008



ROTARY FOUNDATION MONTH

[DREAM LIFE
SAVE LIVES]



THE WINNER TAKES IT ALL

The Club lifted the Bobby Hormis Overall Championship for yet another consecutive year by winning three prizes out of four events.

Three Cheers to Rotary Club of Cochin Downtown President Rtn.PHF.Ar.M.A Sebastian & his Team.

Thanks to Rotary Club of Cochin Midtown for hosting such a Great show!!!

HIP HIP HOORAY !!!!!



Nov 30: Vocational Excellence Award of Cochin Downtown was received by famous Painting Contractor Mr.P.K. Viswambharan from Rtn.Ar.L. Gopakumar, President of Rotary Club of Cochin Global. The Award presentation ceremony was inaugurated by ESSS Director, Rev. Fr. Mathew Kallinkal. President Rtn. Ar.M.A.Sebastian presided over the meeting. Ar. Gopakumar, Mr. Babu Thannikot, Rtn. Vivek Govind, Mr. Martin Panakal and Mr.. Legi Paul, Secretary, Kerala Painting contractors Association spoke on the occasion.



Highlights

- **SRUTHILAYAM 2008-Bobby Hormis Overall Championship for the Club**
- **Inauguration of PakalVeedu - a Day care centre for Old Age People**
- **Donation of Cradles to Santhwanam Orphanage**
- **Vocational Excellence Award Ceremony**
- **Inauguration of Jeevan Samagra Arogya Paripalana Programme**
- **Presidents & Secretaries Meeting**
- **Review meeting of Snehagamam Projects**
- **Activities at Proficiency Vocational School**
- **Classification Talk by Rtn. Reji Varghese**
- **Weekly Meetings**

EVERY
ROTARIAN
EVERY
YEAR

- ▶ Support The Rotary Foundation of Rotary International
- ▶ Become part of the Every Rotary Every Year Campaign
- ▶ Pledge \$100 to the Foundation each Year!

Working with the youth

RI Dist. 3201

Special Touch

Rotary Club of Cochin Downtown

&

Snehanilayam Special School

Kakkanad

Invite you to the

Exhibition Cum Sale

On Sunday Dec.14th 2008 at 10.15am

at the School Premises.



Well, its Celebration time again for the Downtowners .How we love the Limelight!!! (Just Joking) . A Huge Applause for the all the participants . WELL DONE and looking forward for many more such victories.

As the Editor I am so privileged to write and design this edition of our victory . The job is much easier when there is so much to write about our activities Its gives me immense joy to be part of such a Great Vibrant Family Club.

I am really touched by the response of the members when it comes to contributing to the LifeWatch. Thanks to Rtn. PHF. Dr. Ramesh Nair for his articles on Smoking which was concluded in the last issue . This edition we have Rtn. PHF. Akhilesh Agarwal sharing his views on the Global Financial Meltdown , a topic which is of much concern today and worth reading .

So, Enjoy Reading

God Bless You

Rtn. Major Donor J. Paul Raj

Editor



The Global Financial Meltdown & its Future



By Rtn.PHF. Akhilesh Agarwal
Stock Broker
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One of the most common things you read or talk about these days, at parties or at meetings, at marriages or when you go to your friends place, is about the way the Financial Markets across the globe have crashed, & how much money has been lost etc, etc..

To actually understand why the world seems to be crashing, it is important that we understand what caused the boom in the first place, & the factors that turned the world upside down in a matter of months. Let me take you through the Story of Greed that threatens to take the world down with it.

Traditionally large Financial Institutions like Banks, Funds, etc invest in Bonds issued by the US principally because they offer safety & reasonable returns. These amounts run into Hundreds of Billions of Dollars every year. Few years back to boost up the economy, the US Federal Reserve started reducing interest rates which made the bonds unattractive & institutions started looking for alternate investment avenues. To these hundreds of Billions of Dollars & the booming housing sector appeared as one of the attractive investment opportunities.

The Housing sector in the US was booming & the prices were appreciating. Typically banks finance 80% of the value of property for which the clients pay EMIs. With the boom, banks assumed that even if the client defaulted they would still be able to recover their money. In India, most banks do not buy loans of other banks or finance companies. But in the US it is common practise to sell loans to larger banks who in turn sell them to bigger banks & so on. This helps smaller banks to give more loans. To top this, confident owing to the booming property prices, some smart guys designed new products that converted these home loans to Funds in which institutions could invest their money. In summary what they did was package these loans to smaller packets depending on the tenure, value, etc, gave fancy names & sold them as shares to institutions. To convince larger institutions, they pulled in companies like AIG (who saw it as a way to earn quick, big & risk free money) to insure these funds & Credit Rating Companies (to earn big fees) to give high ratings to these funds. They issued cheques to the institutions based on the EMIs commitments received from the clients. Finally you had a

Fund insured by likes of AIG, rated by the best agencies, supposedly safe & offering better returns compared to US Bonds. Every one forgot that these funds actually depend on the repayment by the clients who took the loans in the first place & continuation of the property market boom.

The huge demand for such funds encouraged banks to loan even more aggressively. Competition first led banks to lend up to 100% of the property value, then allow existing clients top up their loans at market prices, then give further loans to furnish the property etc. As demand outstripped supply Greed took over Ethics & they started compromising on safety; i.e. lent to people without proper income, job, documents, etc. In short to people not credit worthy (sub prime). It was the start of the Sub Prime Crisis. The logic was to give loans to anyone who would take them, since most pay their EMIs & even if a few default, banks can realise their money by selling the property at the appreciated price. It came to such a situation that a person sub prime could get a housing loan of \$ 100,000/-!! People both prime & sub prime began to borrow all the money they could to buy properties. Increasing prices led to speculative buying backed by easy loans which further pushed prices up which in turn increased the demand for houses & so started a vicious cycle which gradually began to form into a Giant Bubble. A bubble which every one believed would never break. All got involved into this bubble & even established conservative institutions having a history of more than 100 years started leveraging. Originally many worked on commissions by doing deals for others, but finally greed took over & they too got into the game of leveraging. (Normally if you have deposits of 100 at 8%, you lend say Rs 80/- at 12%, the difference being your profit. When you leverage, after you have lend Rs 80/-, you borrow 1000 at 10% to further lend at 12% to earn the extra 2% on the borrowed money). In India, most banks seldom leverage more than 0.8-1.5 times their deposits, but in US in this frenzy to earn large profits, leverages went up to 50-80 times their deposits! (Against a deposit of 100, they borrowed & lend 5000- 8000!) And loans changed multiple hands from one to other.

And then finally one day it happened. The bubble began to crack.

..To be contd.



PAKAL VEEDU INAUGURATION

Nov. 16: "PAKAL VEEDU" was inaugurated by our President Rtn. PHF. Ar. M.A. Sebastian at Karikkattuthuruth. "PAKALVEEDU" is a Day Care Centre for Old Age People above the age of sixty. The project was jointly sponsored by Rotary club of Cochin Downtown, RCC and Bharat Vikas Parishat. The Inaugural meeting commenced at 10.30am. RCC president, Secretary Sri. Shelju and Rtn. PHF Antony Thomas spoke on the occasion.



Rtn. Dr. Ajaikumar



Rtn. Ar. L. Gopakumar



Ar. John Kuruvila

PROFICIENCE VOCATIONAL TRAINING PROGRAMME

Nov 16 : In the Proficiency-Vocational Training programme for construction workers the first session was on Attitude & Personality Development which was conducted by an eminent Human Resources and Management Consultant Rtn. Dr. Ajaikumar. The next session was a Technical session on "Testing of Cement" which was led by Er. Sebin Jose of Zuari Cement.

Nov. 23: Rtn. Er. Anilkumar G. conducted a Personality Development Workshop on Communicative Skills for the construction workers which was very informative and effective. The second session saw Mr. Vinod from Habitat Technology Group, give a Technical Presentation on Cost Effective construction methods to prevent Earth Quakes. Rtn. PHF Er. Anil Nair from the Habitat Group attended the sessions too.

Nov. 30th : Rtn. Ar. L. Gopakumar, spoke on How to prepare Quotations and how to enter into an Agreement for construction works. The talk was highly informative and appreciated by all the workers.



Er. Sebin Jose



Mr. Vinod



Rtn. Er. Anilkumar G.

CLASSIFICATION TALK & SPECIAL WEEKLY MEETING

Nov. 21: A Classification Talk on "Automobile Maintenance" was organized during the weekly meeting. The talk was given by our new member Rtn. Reji Varghese which was very informative and well received by our members.

Nov. 28: A Special weekly meeting along with families was conducted at Wytefort Hotel. November being Rotary Foundation Month, President Rtn. M.A. Sebastian appraised the members about the importance of Rotary Foundation and urged the members to make generous contributions towards the great cause of the Rotary Foundation.



Rtn. Reji Varghese

PRESIDENT & SECRETARIES MEETING

Nov. 18: President Rtn Ar M.A. Sebastian, Secretary Rtn Vivek Govind and GGR Rtn Madhav Chandran attended the Presidents & Secretaries Meeting at Rotary East Hall, Kochi. During the meeting the DG Rtn. MPHFB Baby Joseph and GGR Rtn. PHF R. Madhav Chandran spoke on the Dist. Youth festival which is scheduled to be on Jan 17th 2009 at Gokulam Convention Centre, Ernakulam and will be sponsored by Cochin Downtown. Arts and Cultural competitions for the Youth Festival will be conducted during the day followed by the District Fellowship meet in the evening. Asst. Governors, GGRs, Other District officials and Presidents and Secretaries of the Region attended the meeting.

SNEHA GRAMAM PROJECTS

Nov. 24: A Meeting was organized with Lourdes Hospital, Kristu Jayanthi Hospital and ESSS to review the Cochin Downtown "Sneha gramam" Projects at Kadamakkudy and Vypeen. President Rtn. M.A. Sebastian presided over the meeting. Dr. Sr. Roslin Colasso, Dr. Somu Abraham, Rev. Fr. Mathew Kallinkal, Fr. Jaison Vadassery, Fr. Sheljen, Sr. Alice, doctors and social workers who are involved in the seven clinics attended the meeting.

CRADLES DONATION : Santhwanam Orphanage

Nov. 19: Rotary Club of Cochin Downtown donated two cradles to the Santhwanam Orphanage near Elamakkara. Thanks to our Rtn. PHF. Dr. Ramesh Nair and Rtnne Prasanna Nair. It was because of their initiativeness and support we could make this possible..

JEEVAN-Samagra Aarogya Paripalana Programme

Nov. 24: President Ar M.A. Sebastian inaugurated the Twelve day Training Programme for the Volunteers of "Jeevan-Samagra Aarogya Paripalana Programme" conducted by Ernakulam Social Service Society at the ESSS Hall.

EVENTS For the Next Fortnight

Dec 06 : "Road safety week" Meeting with the Dy. Commissioner and RTO's.
Dec 06 : Special family celebration, Talk on 'family'

Dec 07 : Proficiency - Vocational training programme at ESSS Hall.
Dec 12 : Weekly meeting, Talk on "Parenting"
Dec 14 : Special Touch-2008 X'mas sale and exhibition at Snehaniyaya Special School, Chembumukku and Community Service Award presentation to Sr. Catherine and Sr. Rosario.
Dec 14 : Proficiency - Vocational training programme at ESSS Hall.

Life Watch

Sruthilayam 2008

Nov 29

Sruthilayam-The Inter Club Musical and Dance festival conducted by the Rotary Club of Cochin Midtown saw Cochin Down town proving its caliber once again, through its versatility and dexterity of talents by winning the **Bobby Hormis Overall Championship** for "Shruthilayam 2008". *The club bagged the first prize for Group Dance & second prize for Group Music & Musical Quiz*. It was sheer Perseverance and untiring efforts of our Anns, Annets and Rotarians that won us this prestigious Championship. A Very Special mention of our Club service Director Padmaraj and his charming Rtnne. Kala who excelled in co-ordinating all the rehearsals meticulously. The Group Dance by our club left behind a speechless audience with their bright & colorful costumes & electrifying performance Our heart throbbing dancers of our club included *Rtn. Sreevidya Rajkumar, Rtnne Ann Thomas, Rtnne. Sujatha Madhav, Rtnne Kala, Rtnne Mary Jason, Annet Ann Thomas Joseph, & Annet Mallika Krishnan*. The group music team which included *GGR Rtn Madhav Chandran, PP Rtn Thomas Joseph, Rtn. Benny Zac, Rtnne Dr. Nandini, Rtnne Susie Paul, Rtnne Moly Thomas and Annet Sandya John* captured the audience. The solo song by *Annet Sandya John* was enchanting and was appreciated by most of the audience.

The musical quiz which had Rtnne Dr. Nandini and GGR Rtn Madhav Chandran representing Cochin Downtown needs a huge applause. *Their effort is really worth mentioning!!!*



BIRTHDAYS



Dec 1	:	Ruby Benny	:	Dec 14	:	Lucy
Dec 4	:	Susan Viju, Mary Jaison	:	Dec 15	:	Smitha Salil Gupta
Dec 9	:	John George	:		:	Amal Jaison
Dec 11	:	Sac Mathew	:		:	



Dec. 1-15



Property Developers
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