



# THE COMMERCE SOCIETY

SHRI RAM COLLEGE OF COMMERCE



# लुपवेरा

THE ANNUAL MAGAZINE  
VOLUME IV





***EXPERIENCE TRADITION,  
CHASE SUCCESS.***

# ACKNOWLEDGEMENT

As one of the oldest and most esteemed societies at the University of Delhi, the Commerce Society at Shri Ram College Of Commerce has a profound legacy of providing its members with unparalleled opportunities to enhance their skills and abilities. At the heart of the society's vision lies a commitment to fostering an environment of excellence, where individuals are encouraged to nurture their intellectual curiosity and explore their passions.

We are deeply committed to upholding this legacy and to promoting a culture of continuous learning and growth. With the unwavering support of our dedicated team of young and dynamic individuals, we strive to provide our members with a diverse range of learning experiences and platforms to showcase their talents.

Our society is backed by the college authorities, who have always extended their unwavering support to us, helping us organize some of the largest commerce festivals, such as the Shri Ram Commerce Summit and Bizstreet. As a forum for intellectual discourse and exchange of ideas, we hold panel discussions with distinguished personalities from various industries. In particular, this year, we hosted a panel discussion on India's G20 Presidency, which presented a unique opportunity for our members to engage in insightful conversations with industry leaders and experts.

At the core of our society's mission is the belief that by experiencing tradition and chasing success, we can equip each of our members with a perspicacious approach. We strive to create an environment that fosters creativity, innovation, and excellence, enabling our members to become the best version of themselves.

The Commerce Society at Shri Ram College Of Commerce is a vibrant and dynamic community of individuals who are committed to achieving excellence in every aspect of their lives. We are proud to uphold its legacy of providing individuals with unparalleled opportunities to enhance their skills and abilities.

# ABOUT THE SOCIETY

As we reflect upon the completion of yet another successful year, we, the Commerce Society of Shri Ram College of Commerce, are filled with immense pride and joy as we celebrate our 53 years of establishment. The launch of the fourth edition of the annual magazine, Mudra, has further strengthened our commitment to uphold the legacy of excellence and growth that our esteemed institution stands for.

The process of creating this magazine has been an all-encompassing experience, one that has enriched our knowledge and skills, and taught us invaluable lessons about teamwork and perseverance. We would like to take this opportunity to extend our heartfelt gratitude to all those who have supported us throughout this journey.

Firstly, we extend our sincere thanks to the writers and researchers who have dedicated their time and effort to contribute significantly to the success of this magazine. It is through their insightful articles, thought-provoking essays, and creative ideas that we were able to bring to life a magazine that is truly representative of our institution's ethos.

Moreover, we would like to express our appreciation for the corporations who participated in our interview section. Their valuable insights and experiences have added tremendous value to the magazine and helped us to present a diverse and dynamic perspective on various topics.

We must also acknowledge the invaluable contributions of our dedicated team, who worked tirelessly to bring this magazine to fruition. It is through their hard work, passion, and commitment that we were able to produce a magazine that we are proud to present to our readers.

Last but not least, we are deeply indebted to our teacher-in-charge, Mr. Alok Kumar, whose guidance and mentorship have been instrumental in our journey towards creating this magazine. His continual nurturing and support have been an immense source of inspiration for us, and we are truly grateful for his invaluable contribution to this project.

We would like to express our sincere appreciation to everyone who has supported us in our endeavors to produce a magazine that is truly reflective of our institution's spirit. We hope that our readers will find this magazine informative, engaging, and inspiring, and that it will serve as a testament to our commitment to excellence and growth.

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# PRINCIPAL'S NOTE

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**PROF. SIMRIT KAUR**

Endowed with a legacy spanning over more than 5 decades, The Commerce Society, Shri Ram College of Commerce, has consistently established and surpassed benchmarks of excellence and fervently endeavours to provide impeccable opportunities for those with a penchant for honing their skills and persona. With the steadfast support and assistance of Dr. Alok Kumar, Faculty Advisor, The Commerce Society, successfully conducted two national-level commerce festivals "Shri Ram Commerce Summit and their annual fest "BizStreet". With a profusion of multiple events spanning across various aspects of business and commerce, these fests provided a perfect platform for enthusiasts around the country to prove their mettle in the commerce priam. The Society held an insightful panel discussion on India's G20

presidency this year with panelists from Rajya Sabha, Ministry of External Affairs and more. The society also played an active role in organizing budget live followed by a budget discussion on NDTV. It also provided the brilliant minds of SRCC, an opportunity to put forward their views on the budget on national TV. The society has widened its horizon with these insightful sessions, well- written articles, publication of its fortnightly bulletin and MUDRA, the Annual Magazine of the Society. I extend my heartfelt felicitations to the Editorial Board for their laudable exertions and outstanding efforts in publishing the magazine with exceptional zeal and ardor. I extend my best wishes to all members of the society for their future endeavors.

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# FACULTY ADVISOR'S NOTE

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I extend my heartfelt congratulations to the entire team for the successful launch of the fourth edition of MUDRA. The magazine has admirably encapsulated well-researched and intellectually stimulating insights by students on a broad spectrum of topics ranging from business, commerce, finance, economics, and psychology. It is laudable to witness the students' tenacity in conducting interviews with founders of diverse startups and presenting their perspectives through this publication, which is poised to raise awareness and stimulate innovation in this sphere. I felicitate the team once again for their commendable efforts, which are eloquently reflected on the following pages. Here's wishing the society all the very best for a legacy that shall shine for decades to come!



**DR. ALOK KUMAR**

# EDITOR-IN-CHIEF NOTES

“Putting pen to paper is like striking a match; it sets the imagination ablaze with endless possibilities.”

After the resounding success of the previous editions, we are thrilled to present the highly-anticipated fourth edition of Mudra. This latest volume is a thought-provoking amalgamation of deep insights and diverse perspectives that is sure to captivate and engage our readers. Through Mudra, we have sought to shed light on some of the most relevant and yet unexplored topics, with the aim of inspiring our audience to embrace divergent thinking and ignite their curiosity and inquisitiveness. For our readers, this edition promises to be a unique and enriching experience, and for our team of makers, this magazine has been a beautiful journey. We have strived to present a diverse range of perspectives on complex issues, backed by rigorous research and insightful analysis. With Mudra, we hope to foster a community of curious, engaged, and intellectually curious readers who are eager to explore new ideas, challenge their assumptions, and broaden their horizons. With in-depth analyses, thought-provoking essays, and insightful interviews, Mudra offers a unique opportunity to explore the cutting edge of current affairs and delve into the complex issues shaping our world.

We have spared no effort in our pursuit of broadening and intensifying every facet of the organization, thereby propelling it to unprecedented heights and uncharted depths. Our team has painstakingly curated a selection of compelling topics that cover a wide range of fields, from finance and economics to business and management. Personally, Mudra holds a special place in our hearts due to the lifelong experiences and numerous opportunities it has provided us with. The entire journey, right from the initial ideation phase to mentoring juniors, managing various teams, and ultimately achieving the goal of publication has been the most uplifting and strenuous part of our lives. Through this incredible journey, we have learned invaluable skills such as leadership, teamwork, and perseverance that have helped us grow both professionally and personally.

We are immensely proud of the members of our society for their magnificent work in creating such a phenomenal piece. Their diligence and zeal have truly shone through, and we are profoundly grateful to have been given the opportunity to serve as the editors of Mudra. Whether you are a seasoned reader of Mudra or a newcomer to our pages, we invite you to join us on this exciting journey of discovery and enlightenment. So sit back, relax, and enjoy the latest edition of Mudra - the ultimate source of inspiration and insight for the discerning reader.



**Saharsh  
Jhunjhunwala**



**Taru  
Jain**

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**MARCH**

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**JULY**

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India's GDP (estimating)  
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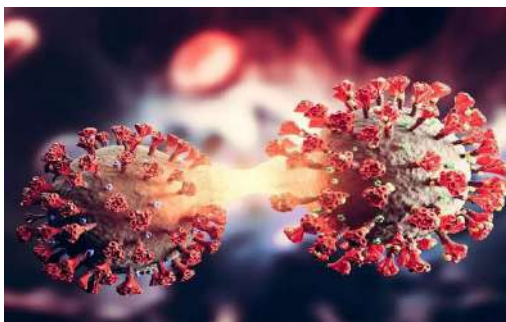
**FEBRUARY**

No food in supermarkets, used cars more expensive than luxury cars  
& home in Sri Lanka as the country nears bankruptcy

**APRIL**

UN humanitarian say \$4.3 billion is needed  
to halt 'worsening' Yemen Crisis

## New COVID strain 'Deltacron' found in Middle-east, combines both Delta and Omicron variants of virus



According to Leondios Kostrikis, professor of biological sciences at the University of Cyprus and director of the Laboratory of Biotechnology and Molecular Virology, a novel Covid-19 strain called "Deltacron" that combines delta and omicron was discovered in Cyprus. According to Dr. Kostrikis, there may be a link between the novel variation and hospitalizations because hospitalised individuals had a greater frequency of the mutation. Future research will determine whether this strain is more pathological, and communicable, or whether it will outcompete delta and omicron. But in his opinion, the more infectious omicron form will also replace this strain. Hadjipandelas said that the innovative studies and conclusions of Dr. Kostrikis' team inspire pride in our scientists. According to the Jerusalem Post, the minister also emphasised how this research places Cyprus on the map internationally in terms of health issues. The new Covid-19 type is not a cause for concern, according to Cyprus's Minister of Health Michalis Hadjipandelas on Saturday.

## The Maharaja is back home: TATA acquires Air India



Air India is currently a part of the Tata Group through its subsidiary Talace. The Department of Investment and Public Asset Management formally transferred control of the airline to the Tata group on Thursday (DIPAM). In October of 2021, the company successfully submitted a proposal of Rs 18,000 crore to acquire Air India. The Tata group now controls Air India, Air India Express, and Air India SATS Airport Services Pvt Ltd, according to a statement released on Thursday. N Chandrasekaran, chairman of Tata Sons, spoke to media on Thursday and stated, "In addition to being thrilled to having Air India back in the Tata group, we are dedicated to making it a premier airline. I'm excited to work with all of the Air India staff and extend a warm welcome to them." The government ended the airline's 21 Dreamliners' leases prior to the transfer. In the near term, this may mean reduced operations for the airline, but if the Tatas combine the operations of the three airlines they own—Vistara, Air Asia, and Air India—the situation might improve.

No food in supermarkets, used cars more expensive than luxury cars & home in Sri Lanka as the country nears bankruptcy



Despite empty supermarket shelves and closed restaurants, Sri Lanka's economic crisis is a boon for used car sellers because of a lack of available vehicles, which has driven prices higher than a house in a desirable neighbourhood. The 22 million-person island country is on the verge of bankruptcy, inflation is out of control, and the government has banned a number of imports it deems to be "non-essential" in order to conserve money for gasoline, food, and other necessities. Karnataka CM announces closure of all high schools and colleges in state to maintain peace amid 'Hijab Row'

## Redrawing map of Europe in blood: Russia invades Ukraine

Russia launches military strikes across Ukraine



Reports emerged of Russian troops and military equipment crossing the border into Ukraine. Ukrainian officials have accused Russia of launching a full-scale invasion, while Russia has denied any involvement in the conflict. The situation has prompted international condemnation, with the United States and other Western countries calling for Russia to withdraw its troops and respect Ukraine's territorial integrity. The United Nations Security Council has also held emergency meetings to discuss the situation. It remains unclear how the situation will be resolved, with fears that it could lead to a wider conflict involving other countries in the region.



## Under Putin, Russia has become world's most sanctioned country, surpasses Iran and North Korea

As of March 2022, Russia has become the world's most sanctioned country, surpassing Iran and North Korea under the leadership of President Vladimir Putin. The sanctions were imposed by the United States, European Union, and other Western countries over Russia's annexation of Crimea in 2014, its involvement in the conflict in eastern Ukraine, and allegations of election interference and human rights abuses. The sanctions have had a significant impact on Russia's economy, with restrictions on access to international finance, technology, and energy markets. Despite this, Putin has remained defiant, accusing the West of trying to contain Russia's power and influence.



## UN officially recognizes Taliban-ruled Afghanistan: Adopts resolution to secure a formal presence and establish ties

The United Nations General Assembly has officially recognized the Taliban as the ruling government of Afghanistan, following the group's takeover of the country in August 2021. The General Assembly adopted a resolution to secure a formal presence and establish ties with the Taliban-led government, despite concerns over the group's human rights record and treatment of women and minorities. The move comes as the international community seeks to engage with the Taliban in order to address the ongoing humanitarian crisis in Afghanistan and ensure the country does not become a safe haven for terrorists. However, many countries have expressed reservations about recognizing the Taliban government, and it remains to be seen how the situation will unfold.



## 26/11 mastermind Hafiz Saeed sentenced to 31 years in jail: He is a UN-designated terrorist and founder of Lashkar-e-Taiba



Hafiz Saeed, the founder of the Pakistani militant group Lashkar-e-Taiba and mastermind behind the 2008 Mumbai terror attacks, has been sentenced to 31 years in jail by a Pakistani court. Saeed, who is also a UN-designated terrorist, has been convicted on multiple charges related to terrorism financing. The sentencing marks a significant victory for Indian authorities, who have long sought to bring Saeed to justice for his role in the Mumbai attacks that killed 166 people. The attacks, which targeted multiple locations in Mumbai, were carried out by Lashkar-e-Taiba operatives who received support from Pakistan. However, some experts have raised concerns that Saeed's conviction may not lead to a significant change in Pakistan's approach to tackling terrorism, given the country's history of supporting militant groups.

## UN humanitarian say \$4.3 billion is needed to halt 'worsening' Yemen Crisis

UN humanitarian have warned that at least \$4.3 billion is needed to prevent the "worsening" humanitarian crisis in Yemen. The country has been devastated by a six-year conflict, with millions of people facing famine and disease due to the ongoing conflict and economic collapse. The UN has called on donors to provide urgent funding to address the crisis, which has been exacerbated by the COVID-19 pandemic. The funds will be used to provide food, water, and healthcare to millions of Yemenis in need. The situation in Yemen is widely regarded as one of the worst humanitarian crises in the world, with more than 20 million people in need of humanitarian assistance. The ongoing conflict has also led to the displacement of millions of people, with many forced to flee their homes and live in makeshift camps.



## India joins indo pacific economic framework



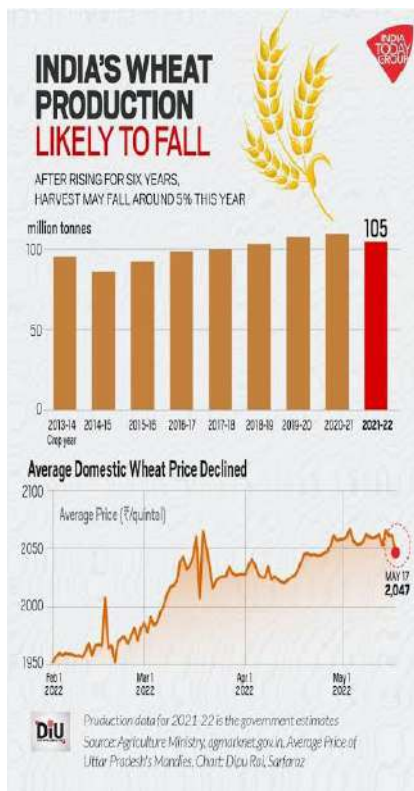
Prime minister Narendra Modi formalized India's entry into the Indo Pacific Economic plan led by US along with 11 other countries, to strengthen economic cooperation as a geostrategic counter to China's growing clout in the region. Together the partner countries constitute 40 percent of the world's gross domestic product. The joint statement released by the participating countries talked about four pillars: Trade; supply chains; clean energy, decarbonisation and infrastructure; tax and anti-corruption.



## Ban on India's wheat exports



India, the world's second largest wheat producer banned wheat exports with the government justifying the ban by quoting the soaring prices of wheat worldwide. The ban was also due to a decrease in wheat production due to a heatwave. The Food Corporation of India's failure to maintain adequate stocks also contributed to the shortage.



## Pakistan's economic crisis

Inflation in Pakistan rose to 21.3 % percent in June, the highest that the country had seen since December 2008. The inflation can be traced back to the year 2018 when the then Prime minister raised the prices of essential goods so as to repay Chinese loans. Also, in 2019, Imran Khan agreed to several terms and conditions for a loan from the IMF which caused inflation but the loan agreement talks stalled shortly after. In May 2022, in order to advance the bailout, the government raised electricity prices, ramped up tax collections. Also, the severe floods Pakistan faced contributed to the inflation.



## Introduction of agnipath scheme



Recently, the government has launched a new initiative called the "Agnipath Scheme," which aims to recruit soldiers through a tour of duty style scheme. This scheme is open to both male and female aspirants, who will be required to serve for a period of four years. At the end of the four-year stint, a rigorous screening process will be conducted, and 25% of the recruits will be selected to continue serving in the army. Unfortunately, the remaining 75% will have to discontinue without the benefit of a lifetime pension but will receive a lump sum payment. While this new scheme offers a unique opportunity for individuals to serve their country, it also comes with certain limitations that potential recruits need to consider carefully before making a decision.

## Shinzo Abe shot dead



Former prime minister of Japan, Shinzo Abe was shot dead from a close range while giving a campaign speech on a street. Shinzo Abe was Japan's longest-serving prime minister, holding office from 2006 to 2007 and again from 2012 to 2020, before resigning due to health reasons. 41 year old Tetsuya Yamagami, the convict revealed that he had shot Abe in relation to a grudge he held against the Unification Church (UC), to which Abe and his family had political ties.

## Noida twin towers razed

Supertech Twin Towers (Noida Twin Tower) were brought down with the help of over 3,700 kg of explosives. After 9 years of legal battle waged by the Residents Welfare Association (RWA) against Supertech Builders; the Noida Twin Towers, one of the highest buildings in the country, was brought to the ground in merely 9 seconds. The supreme court while delivering the judgment ordering the authorities to bring down the building observed that the stipulated norms were violated by the builder in collusion with Noida authorities.



## Draupadi Murmu appointed president



Former prime minister of Japan, Shinzo Abe was shot dead from a close range while giving a campaign speech on a street. Shinzo Abe was Japan's longest-serving prime minister, holding office from 2006 to 2007 and again from 2012 to 2020, before resigning due to health reasons. 41 year old Tetsuya Yamagami, the convict revealed that he had shot Abe in relation to a grudge he held against the Unification Church (UC), to which Abe and his family had political ties.

## Death of Rakesh Jhunjhunwala



The financial world was in shock when news broke that the Big Bull of Dalal Street, a veteran trader-cum-investor, had passed away due to a sudden cardiac arrest. This tragic event occurred just a week after the launch of his brainchild, Akasa Air. Throughout his illustrious career, the Big Bull had invested in over three dozen companies, with some of his largest holdings including Titan, Star Health, Tata Motors, and Metro Brands. Additionally, he held the position of chairman at both Hungama Media and Aptech. The sudden loss of such a prominent figure in the financial community is a great loss to the industry, and his legacy will undoubtedly be remembered for years to come.

## Crown laid to rest

On September 8, Queen Elizabeth passed away at Balmoral, aged 96, ruling over 15 countries in the Commonwealth and 14 additional overseas territories. Hundreds of thousands of mourners lined up to pay their respects, a testament to her role as a unifying figure, someone all Britons could look up to. Queen Elizabeth II, the longest-reigning monarch in Britain's history passed away on 8 September 2022 at Balmoral Castle, her summer residence in Scotland, after 70 years on the throne. She was 96. A towering presence on the world stage for seven decades, the queen reigned over a Britain that rebuilt from war and lost its empire; joined the European Union and then left it; and transformed from industrial powerhouse to uncertain 21st century society. She endured through 15 prime ministers, from Winston Churchill to Liz Truss, becoming an institution and an icon -- a fixed point and a reassuring presence even for those who ignored or loathed the monarchy. The impact of her loss will be huge and unpredictable, both for the nation and for the monarchy, an institution she helped stabilize and modernize across decades of huge social change and family scandals.



## Bodily Autonomy granted ! Supreme Court legalizes abortion in India

All women, married or unmarried, entitled to safe abortion under law. Single and unmarried women to have right to abort under Medical Termination of Pregnancy Act and rules till 24 weeks of pregnancy. India's Supreme Court ruled on 29 September that all women, regardless of marital status, can obtain abortions up to 24 weeks into their pregnancies. Previously, under India's abortion law, married women could have abortions up to 24 weeks into their pregnancies, but single women were limited to 20 weeks. On 29th, the court extended the 24-week period to all women. Abortion has been legal in India since 1971 under the Medical Termination Pregnancy Act. In 2021, the law was amended to allow certain categories of women – including married women who were divorced or widowed, minors, rape victims, or mentally ill women – to obtain abortions up to 24 weeks, raising it from the previous 20 weeks. But the changes did not include single women, causing many to question why the law differentiated on the basis of marital status. The latest ruling to allow all women their bodily autonomy irrespective of their marital status, came after an unmarried woman in a consensual relationship was denied an abortion by a lower court in July because she was past 20 weeks in her pregnancy. Later that month, the Supreme Court allowed her to get an abortion up to her 24th week of pregnancy.

## **TWITTER takeover** **Elon Musk buys Twitter**

Elon Musk completed the \$44 billion takeover of Twitter and terminated multiple top executives, including CEO Parag Agrawal and CFO Ned Segal. Musk orders company wide layoffs and introduces monetization of verified status (blue tick) on Twitter. After months of legal drama, bad memes and will-they-or-won't-they-chaos to put your favorite rom-com to shame, Elon Musk has closed his \$44 billion acquisition of Twitter. Musk sealed the deal on 28 October, taking Twitter private and ousting a handful of top executives — CEO Parag Agrawal included — in the process. The road to take Twitter private has been a rocky one. Musk first began flirting with the idea of owning Twitter in early April, when he bought 9.2% of the company for \$3 billion. But he didn't stop there. Less than 10 fateful days later, the Tesla and SpaceX CEO declared his intent to buy Twitter for \$44 billion. Twitter accepted, but Musk soon got cold feet and pulled out all the stops to get out of the deal, landing the parties in the Delaware Court of Chancery. After enduring some embarrassing pre-trial discovery and facing a swiftly approaching date for his deposition, Musk announced that he would follow through after all. We don't know what the future has in store for one of the world's biggest social networks but we do know that Musk has accomplished what once was unthinkable, taking control of Twitter for \$44 billion. But the conclusion to the monthslong saga is just the beginning of a new chapter of uncertainty at Twitter, raising a million questions about what the platform is actually worth, what it's for and what, exactly, he plans to do with it.

## **Indian origin man takes the highest seat at the UK parliament**

Rishi Sunak won the race to be leader of the Conservative Party and becomes first UK Prime Minister of Indian descent following the resignation of Liz Truss from the post after 45 days in office amid massive economic crisis. Rishi Sunak officially took over as Britain's 57th prime minister on 25 October, vowing to fix the mistakes made by his predecessor, Liz Truss, and quickly worked to form a cabinet with an emphasis on continuity and stability. Sunak addressed the nation outside 10 Downing Street after his appointment by King Charles III, capping the latest extraordinary twist in UK politics following Boris Johnson's demise in July. He now confronts the twin challenge of reunifying his fractured party and navigating Britain through its gravest economic crisis in a generation. "I will unite our country -- not with words, but with action," the PM said, pledging also unstinting support for Ukraine even while warning of "difficult" budget choices ahead. Sunak said a disastrous budget that felled Truss was motivated by a well-intentioned desire to kick-start growth, but its tax-cutting measures were "mistakes nonetheless".

## **Still Counting** **World population exceeds 8 billion**

The global population hits 8 billion. After China, India is currently the world's second most populous country, with about 1.4 billion people, nearly one-fifth of humanity. The milestone comes as questions are increasingly being raised about the measures needed to adapt to global warming, as well as about how humanity consumes Earth's resources. The world's population reached 8 billion on 15 November, growing by 1 billion in the last dozen years and reflecting the rapid population spike of the past few decades, with India projected to become the world's most populous country by next year, surpassing China. The world's population milestone of 8 billion people has long-term significance for both rich and poor countries. While it took hundreds of thousands of years for the world's population to reach 1 billion, the world grew from 7 billion to 8 billion just since 2010, a reflection of advancements in health. The world is expected to grow even more to over 10 billion during the next 60 years, as per UN. The U.N. warns that the challenges of feeding, housing and keeping that level of people from polluting the climate will be significant. On the bright side, the increase in global life expectancy grew to almost 73 years, and is expected to reach 77 years in 2050.

## Still Viral Massive protests rise in Beijing

Against Covid-19 restrictions, which feature mass testing and snap lockdowns, spread across China. Crowds took to the streets and university campuses in Beijing, Shanghai and elsewhere, venting their anger and frustrations on local officials and the Communist Party. Adding to the unrest are the protests by thousands of workers at the Foxconn factory in Zhengzhou over terrible living conditions and payment denials. Protests against strict Covid measures in China rise in all major cities with people breaking out of their sealed containment zones and locked houses, full of anger, and some even demanding the stepdown of president Xi Jinping. It is very unusual for people to publicly vent their anger at Communist Party leaders in China, where any direct government criticism can result in harsh penalties. Videos posted on social media appear to show hundreds of Wuhan residents taking to the streets, with some protesters pictured knocking down barricades and smashing metal gates. In Shanghai - China's biggest city and a global financial hub - police kept a heavy presence in the area of Wulumuqi Road, where a candlelight vigil the day before turned into protests. Earlier in Beijing's prestigious Tsinghua University, dozens held a peaceful protest and sung the national anthem.

## Democracy's Turn India assumes G20 presidency

India assumes the Presidency of the G20 or Group of 20 forum, which comprises of 19 countries and the European Union. The Presidency will be one-year-long and India's theme for the Presidency is "One Earth, One Family, One Future". PM Narendra Modi, while addressing G20 Summit in Bali said India's Presidency will be "ambitious" and "action-oriented". Following the presidency of Indonesia this year, India assumed the presidency for 2023 from 1st December 2022. India will host more than 200 meetings at over 50+ locations across the country. The Finance Track will focus on key issues such as financing for infrastructure, financing for health care, financial sector policy changes, and financing for sustainable growth under the eight working groups. The Sherpa Track will focus on thirteen issues like anti-corruption, agriculture, the digital economy, and climate change and two initiatives - G20 EMPOWER (This initiative aims to empower women and accelerate their leadership in the private sector by leveraging alliances between business leaders and G20 countries) and RIIG (Research and Innovation Initiative Gathering aims to enhance and strengthen research and innovation collaboration among the G20 member countries). Building on the idea propagated by India's age-old spiritual traditions, G20 presidency will function around the principles of the universal sense of one-ness – 'One Earth, One Family, One Future' – based on the adage Vasudhaiva Kutumbakam, meaning 'that all of the world, universe or reality is one'.

## Flip Flop Argentina Wins FIFA World Cup-2022



Argentina defeated two-time champions France 4-2 on penalties in 2022 FIFA World Cup final to win the quadrennial tournament for the first time after 36 years and the third time overall. The match was tied 3-3 after extra time, with Argentina's Lionel Messi scoring twice and France's Kylian Mbappé scoring a hat-trick. After a month of football, the 2022 FIFA Men's World Cup in Qatar concluded with Argentina beating France 4-2 in a penalty shootout after drawing 3-3. Record numbers of fans were present to watch the nail-biting final match at the Lusail Stadium just outside of the Qatari capital Doha. The tournament featured a highly competitive group stage, increased global representation in the knockout rounds, dramatic upsets and outstanding individual performances — highlighted by Argentina's great Lionel Messi and emerging superstar Kylian Mbappé of France.



# ARTICLES



## THE GREAT DECOUPLING



By: Ananya Chawla, Harsh Mittal

“An economic conundrum has been created by the instantaneous development of machine learning: although production is increasing, employment may not.”

It seems like machines can do practically anything that people can. Even self-driving automobiles are now being developed. What does that entail for jobs and business? Will there still be any work for people? Will machines replace high-skilled jobs as well as low-skilled ones? Which will make the decisions if a man and a machine operate side by side? As digital technologies revolutionize business, these are some of the questions that businesses, industries, and economies must address. Though technological advancement improves the world, it also concocts new quandaries.

### WHAT IS THE GREAT DECOUPLING?

Several highly skilled occupations that were formerly thought to be exclusively the purview of people are now increasingly being hauled out by computers as machine learning develops at exponential rates. This could be good or terrible, depending upon who you ask. Technologists and economists frequently gainsay, with the former believing that innovation will unravel all apprehensions and the latter fearing that prospered productivity will further polarise the wealthy and the poor.

Some economists refer to this economic dissociation of productivity, wages, jobs, and GDP growth as “The Great Decoupling.”

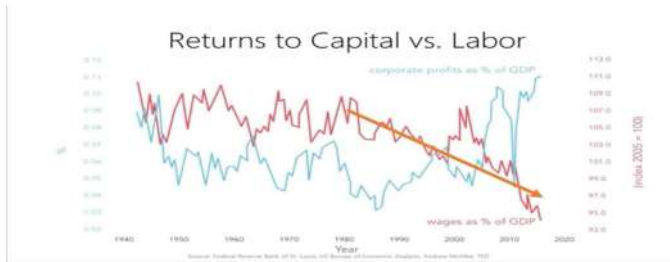
### HOW DID IT START ?

A great voyage is over. In the several decades after World War II, the economic statistics that counted most to us

all thrived concurrently as if they were intertwined. GDP has augmented and productivity has also increased our proficiency to get more than products from each worker. At the same time, the economy produced millions of jobs, and many of those job types entitle the average American worker, who doesn't have (and still doesn't have) a college degree, to benefit from a college degree—seniority and promotion to garner a standard of living. Although the productivity metamorphosis slowed in the 1970s a development we were very concerned about but accelerated into the 1990s and has remained strong for most of the years since. But as the chart below, first drawn by economist Jared Bernstein, shows, productivity growth and job growth began to decouple from each other by the end of the decade. Bernstein calls these gaps that have opened up “solid jaws,” and they show no sign of closing. We are creating jobs these days, but not enough. The employment-to-population ratio, or the percentage of working-age people who are employed, fell more than five points during the Great Recession and has improved only half a point in the nearly three-and-a-half years since the Great Recession. The Great Recession is over. When the snake's mouth opened, wages were affected even more than job growth.

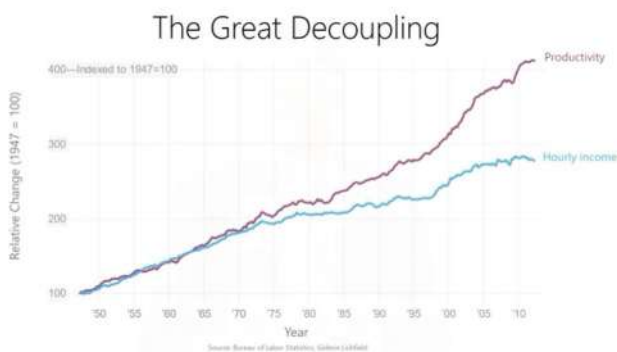
### WAGES FALLING

Adjusted for inflation, median U.S. household income is now lower than it was in 1997. Wages as a percentage of GDP are now at historic lows, even as corporate profits are now at an all-time high. The underlying market that provided workers with stability in increasing productivity has collapsed.



## REASONS

What's going on? Why are the statistics that workers care about - employment volume and wages - so decoupled from the rest of economic development? There are explanations for this, including financial and political changes as well as the impact of globalization and outsourcing. We agree that these are important, but we wanted to highlight another element of the "great decoupling" the changing nature of technological progress. As digital devices like computers and robots become more powerful and capable thanks to Moore's Law, they can do more than humans have ever done.



According to the traditional economic theory, a worker's wage is determined by their marginal productivity and an increase in productivity should translate into wage growth. But as we can see in the graph productivity has increased but the income has not increased to the same extent as the productivity.

## DIGITAL LABOUR V/S HUMAN LABOUR

In short, digital labor supersedes human labor. This transpires first with more routine (both physical and cognitive) jobs, which is the leading rationale for workers with less education to see their wages plunge the most in the past periodic years, as we descend deeper into the computer epoch. As we move forward, The Big Split will only accelerate, for two reasons. First, Moore's Law will continue to pertain to and computers will continue to become significantly shoddier over time. Digital labor will become cheaper than human labor, not only in the United States and other rich countries but also in places like China and India. In short, outsourcing is just one step on the road to automation.

Second, technologies will proceed to become more powerful and competent, while gaining more advanced

skills and capabilities. They were able to drive cars in traffic, understand and produce natural human speech, write clear prose, and beat the best Jeopardy of man! player. Just a few years ago, most proficient would have assumed these tasks were intermittent – the kind that computers weren't supposed to be good at. Recently, digital advancements have away laid many people and we have yet to see much more powerful computers, smart programmers, and big data that are a powerful combination and they are far from over. The impact of the workforce on their jobs was well summed up by venture capitalist Marc Andreessen, who stated that "the ubiquity of computers and the internet will categorize jobs into two categories: people who tell computers what to do and people who are told what to do". Only one of these two types of jobs will pay well.

## CONCLUSION

The Great Decoupling will not ricochet, for the simple reason that advances in digital technology will not cease. We believe they are accelerating. And our firm belief is that this will be great news for our society and our lives. Digital advancement is lowering prices, improving quality, expanding choice, and transporting us to a world where abundance, rather than scarcity, often becomes the norm. But there is no economic rule that suggests digital progress will benefit everyone equally. As technology advances, it can leave many workers behind. In the short term, we can dramatically improve their prospects by investing in infrastructure, reforming education at all levels, and encouraging entrepreneurs to invent products and services. and new industries will create new jobs.

In doing this, however, we must also begin to prepare for an economy fueled by technology that is increasingly productive but may not require as much human labor. Designing a healthy society to support such an economy will be a great challenge and a great opportunity for the next generation. We need to realize that the old cycle of tightly coupled stats is over and start thinking about what we want the new style to look like.

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# FINANCIAL ANALYSIS WITH ESG INTEGRATION



By: Roshan Jha

ESG Integration is the practice of formally and methodically incorporating environmental, social, and governance issues into decisions regarding capital allocation. It includes substantial ESG aspects into financial models to alter predictions or values based on how successfully a firm addresses material ESG concerns in its business model (or does not).

The intended outcome of the ESG Integration is to help analysts to strive for a complete grasp of a business's financial situation and risk. The corporates adjust their forecasts, predict future cash flows and reach a new valuation considering the ESG impact. The asset managers take in all the assumptions and inputs, re-estimate R&D, labour, interest rates, and CAPEX, and recalculate new Discount rates and WACC. ESG integration helps creditors analyse creditworthiness, and capacity to meet obligations and assess ESG issues with risk ratings.

## AUM OF DOMESTIC ESG FUNDS AT THE END OF JUNE 2021

	AUM (₹ billion)
SBI Magnum Equity Fund*	39.2
Axis ESG Fund	19.2
ICICI Prudential ESG Fund	18.4
Kotak ESG Opportunities Fund	17.0
Aditya Birla Sun Life ESG Fund	9.7
Invesco Equity ESG Fund	6.7
Mirae Asset ESG Sector Leaders ETF	1.5
Quantum India ESG Fund	0.4
Quant ESG Equity Fund	0.2
Avendus India ESG Equity Fund**	NA

\*recategorised as ESG thematic scheme in May 2018; \*\*AUM data not available  
Source: Accord Fintech Database, Kotak Institutional Equities

\*Source: ESG integration in business will help create long-term value: EY India | Business Standard News

ESG Integration focuses on a company's materiality performance and monetary worth (for both), identifying, researching, and assessing ESG issues in the financial community and corporations), variables that might have a favourable or unfavourable impact affect sales, profits, and risk-taking into account all relevant ESG elements or efforts in addition to financial analysis and its possible repercussions. ESG Integration does not imply ignoring less crucial or fewer material concerns in an investment decision, treating all issuers equally and prohibiting the inclusion of specific sectors, countries, or companies, or preceding portfolio returns (for investors) or IRR (for corporations) by simply incorporating ESG factors into financial analysis.

Business valuation considering the ESG factors is standard these days. For example, in discounted cash flow (DCF), one method for incorporating ESG is to change the discount rate. As a result, firms that score poorly on ESG indicators will have a more significant risk profile on average. One may argue for employing a more substantial discount rate (resulting in a lower valuation) in the DCF for such companies. The opposite is true for organisations that perform well in ESG indicators.

Although this form of ESG integration is widely employed in the industry, it must be fixed. The first challenge is the size of the modification. Because research in this sector is still restricted and there are no definite results, the modification size is still an arbitrary judgement. The second issue is the possibility of duplicate counting. Suppose a firm has a more excellent risk profile due to relatively weak ESG characteristics, and this risk is already generally recognised in the market. In that case, one might argue that it is already represented in its discount rate (via a higher company beta, provided the capital asset pricing

model is correct). In this situation, reducing the discount rate for ESG variables again might be interpreted as double counting, resulting in an unreasonably low fair value for the firm. Integrating ESG elements by modifying the discount rate is only effective if the ESG aspects, such as some governance concerns, are challenging to convert into financials and have yet to be reflected in more or less volatile stock prices.

A better technique to incorporate ESG considerations into the DCF is to alter a company's future cash flows. The ESG factors impact future cash flows, which may and should be accounted for in the DCF. The main advantage of this strategy is that it pushes the investor to convert the company's ESG aspects into future cash flows, allowing them to focus on essential material concerns. However, estimating the cash flow effect of low-probability, high-impact catastrophes, such as an oil spill, is naturally challenging, as is attempting to give monetary value to ESG elements for which there is no market, such as governance considerations.

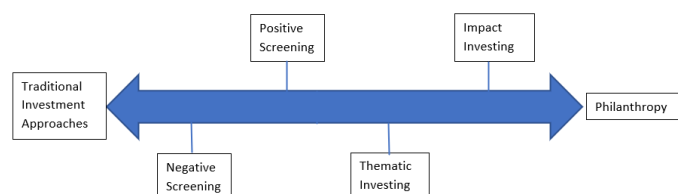
## ESG INVESTING

ESG investing refers to integrating attention to ESG problems to structure or satisfy specific investment mandates. ESG factors and third-party ratings are used to look for possibilities in publicly listed stocks. These ESG factors are Climate-related Risks, Labour Relations, Community Impact and Business Continuity Risks. The portfolio managers on the buy side and the other asset management companies may decide to include ESG elements within their financial models. Therefore, ESG investment and ESG integration are somewhat different.

Businesses that deliberately exploit market opportunities connected to ESG might expand more rapidly than their competitors and shape stakeholder expectations instead of simply reacting to them in the future. Investors increasingly use non-financial elements as an element of their analytical process to uncover significant hazards and growth prospects. Although ESG measures are not frequently included in statutory financial reporting, corporations are progressive, including them in the annual report. Several institutions are collaborating to create guidelines and define materiality to integrate these indicators into the investment decision further.

and Philanthropy (in this order only). Traditional investment strategies are exclusively driven by financial returns, with little or no consideration of ESG integration in the research process. The impact is often minimal, and financial return objectives are paramount. Exclusion due to negative Screening of ESG Criteria is used to screen out companies or industries that do not satisfy the necessary degree of ESG or sustainability criteria. It avoids businesses whose business strategies are based on the unsustainable or unpleasant exclusion and may also apply to enterprises that manufacture or sell contentious goods or services. Firms having a past of human rights breaches or sanctions are often barred from consideration for investment activities. Positive Screening selects top performers compared to other investment options based on ESG indicators or third-party reviews. Opportunities for public debt and equity are prevalent, but they might also include private enterprises, projects supported, or alternative assets. Positive and negative Screening is frequently used in tandem.

Thematic investing focuses on long-term macroeconomic patterns; corporations purposefully deploy money in industries that drive macroeconomic developments. Investing in firms or sectors whose commercial operations or products help achieve long-term development goals. Blackrock has led the charge in naming the top five "megatrends" that the company anticipates will affect the planet's future. Among them are rapid urbanisation, climate change and resource scarcity, shifting economic power, demographic and social transformation, and technological advancement. Impact investing creates beneficial and verifiable environmental and social consequences before generating financial rewards. The essential qualities are conception, gain expectations, range of return expectations, and potential for value creation. The critical difference between thematic investing and impact investing is that thematic investing concentrates on specific topics or trends, while impact investing concerns the effect or outcome to be obtained. Philanthropy is entirely motivated by the desire to generate a social return, typically shown in direct money transfers to non-profit organisations. There is no demand for a financial return whenever it comes to charity. Following due diligence, firms may utilise any investment strategy and use ESG integration initiatives.



*The spectrum of investment strategy*

There is a whole spectrum of ESG investing ranging from Traditional Investment Strategies, Positive Screening, Negative Screening, Thematic Investing, Impact Investing

TERMS

### PONZI/PYRAMID SCHEMES

Named after Charles Ponzi, these are fraudulent investment schemes which promise high returns and low risk. Promoters typically pay early investors by using money collected from newer investors. All Ponzi schemes eventually collapse because the number of new investors needed to pay earlier investors becomes unachievable, thus later investors typically lose all of their money.

## DECENTRALISING COMMERCE WITH ONDC

By: Girish Kumar



### INTRODUCTION

ONDC or the Open network for Digital Commerce was a proposal of The Department for Promotion of Industry and Internal Trade (DPIIT), which is administered by the commerce ministry. After the proposal, DPIIT took the initiative to incorporate ONDC as non-profit section 8 company led by the private sector.

The ONDC aims to upend the existing e-commerce industry. The existing approach relies on an aggregator or direct supplier who dictates options and conditions available to a consumer (or a retailer in the case of an aggregator). The DPIIT wishes to decentralize the e-commerce sector by restructuring a digital transaction, allowing customers and retailers to utilize the options available to them at each stage. The Unified Payment Interface or the UPI, which has democratized electronic payment services, is the model that ONDC seeks to emulate by transforming digital commerce from a platform-based framework to an open network.

### THE FUNCTIONING OF ONDC

ONDC offers various alternative to the Indian consumers. This can be illustrated from the functioning of the ONDC. The Beckn Protocol, a collection of open and interoperable specifications, was used to build it. With the help of The Beckn Protocol, a standard online purchase on the ONDC involves a customer looking for a product on a related app. The products advertised across interconnected apps and vendors is directed to the buyers. As soon as the buyer chooses the app or vendor to execute the order, the register will again start looking for delivery partners. The buyer can then select one of these partners and carry

out the purchase by selecting the best alternative. While online browsers like Google Shopping do allow users to evaluate costs between different online retailers, they typically focus on large e-commerce organizations with the resources and expertise to maintain intricate data of their inventory systems and list their products. If it is fully implemented (that is, if all e-commerce companies are willing) customers will be put in an unheard-of position: Amazon will compete with Flipkart on the Snapdeal app. This demonstrates the flexibility that ONDC will bring in e-commerce.



According to the makers of ONDC, this increases alternatives for all stakeholders involved in the process and prevents one firm from exerting unwarranted influence. The strategy, according to its creators, can be applied to

a variety of industries, including manufacturing, finance, travel, telecom, transportation, healthcare, and utilities. All these industries will benefit from platform organizations.

## WHY IS DPIIT SUPPORTING ONDC?

Three fundamental reasons that are influencing India's developing digital economy are crucial to understand why DPIIT is pushing for ONDC:

Firstly, the drive for independence and growing aversion towards tech giants. India is one of many nations making a stand against the expanding dominance of powerful digital firms. This is mainly caused by the many worldwide examples that highlight how some firms may influence a nation's social, economic, and political environment. Nearly every multinational tech company has come under the surveillance of Indian authorities, including Mastercard, Meta, Amazon, and Twitter.

Secondly, Backlash against huge, foreign-owned e-commerce enterprises' allegedly anticompetitive actions. The government's persistent opposition to the two biggest international retailers, Walmart (Flipkart's parent organization) and Amazon, is a major driving force behind the ONDC. Amazon and Flipkart presently command well over 60% of the Indian e-commerce sector, according to Reuters.



Thirdly, the acceptance of transparent digital initiatives in phased manner across important sectors. The prior success of such efforts is the primary driver of the expansion efforts by the government for the ONDC. India has effectively implemented Aadhaar, the largest identity verification system in the world. The administration of public services in India has undergone a significant transformation because of Aadhaar. Originally intended to serve as a basic identity proof, it now serves as the basis for numerous government projects, welfare programs, and revenue collection. Following the introduction of Aadhaar, the UPI revolutionized financial transactions. Economical and quick real-time digital payments have been transformed by the UPI. Similar systems are in varying levels of implementation in other areas like healthcare and agriculture.

## THE OTHER SIDE OF THE COIN

All is not promising for the platform as it comes with its own set of problems and threats. Regardless of whether it is successful, the results might not be as desired. A large, well-financed adoption effort will be necessary to attract the millions of the existing brick and mortar stores (the Kirana stores) to the platform. Due to their ability to negotiate lower costs, Flipkart and Amazon's duopoly will keep benefiting from economies of scale. Any measure to limit trade that raises prices will provoke customers; ironically, the companies might end up reaping most of the advantages of ONDC. Taking the example of UPI, Google Pay and PhonePe have seized the lion's share of electronic transactions in the UPI, which had been created to offer an open platform for such transactions. The authorities are looking for ways to increase competition but doing so without limiting user behavior is difficult.

## CONCLUSION

On the other hand, the combination of both these platforms (UPI and ONDC) might lower barriers to entry. The platforms will be able to create an even more competitive environment by enabling new competitors to easily challenge stalwarts of the e-commerce sector. ONDC gives corporations and authorities a sneak peek at what really an open retailing experience entails. Everybody will eventually profit from accelerated e-commerce penetration including consumers, retailers, and even major institutions.

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## THE EMERGENCE OF THE DIGITAL RUPEE AND ITS IMPACT ON FINTECHS



By: Bhavikka Dhamija

Global economies have been redefined and shaped in significant ways as a result of digitalization. Central banks around the world are experimenting with the concept of issuing their very own kind of digital currency as the world around us becomes increasingly hyperconnected. The Central Bank Digital Currency (CBDC) trend has recently attracted India. The proposal to introduce a digital currency by the Reserve Bank of India (RBI) utilising blockchain technology was made by the minister of finance, Nirmala Sitharam, and must have been one of the most significant statements in the previous year's Union Budget address.

The Finance Minister recommended the introduction of the digital rupee, or e-rupee (e), which is India's equivalent of the Central Bank Digital Currency, in an effort to support the expanding digital economy.

### SO WHAT EXACTLY IS A CBDC?

Central Bank Digital Currencies are legal tender digitally created by a nation's central bank. Its use will be the same as the cash in your hand today. The only difference would be that CBDC is digital.

As per the RBI website, its value will be exchangeable and at par with cash.

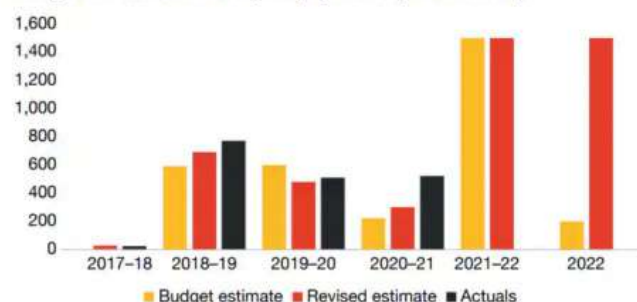
### Why digital rupee

Over the past few years, many people have joined the bandwagon of investing in private currencies like Bitcoin and Ethereum. While they claim promising returns, they're just as volatile. The government, scared of higher risks, wants to meet the public need of owning digital currencies, without the adverse consequences inherent

to the private currencies. Introducing a center-backed currency means more stability. Since the digital rupee will be backed by reserves, just like the fiat currency today, it wouldn't be as risky. Additionally, this is a huge step towards the government's vision of reducing dependence on paper currency and pushing the economy towards digital platforms. While the introduction of UPI did propel the country considerably towards the digital banking world, it is yet to seep in fully. Experts also say that this will be a significant boost to the Indian economy since it would mean efficient and cheaper currency management.

According to a survey back in Dec '18-Jan '19 by the RBI, individuals' retail payment habits in six cities, cash is the most used for small-value transactions. While it may not seem like a big deal, it does have some repercussions, which can be covered by digital currency.

Budget allocations for digital payments (in INR crore)



Source: India budget expenditure profile

### DIGITAL RUPEE: THE CURRENT STATE OF AFFAIRS

Many nations have already implemented CBDCs. The

CBDC has been implemented in the economies of ten nations, including the Bahamas and Nigeria, and approximately 17 more are in the pilot stage and preparing to debut soon. The RBI rolled out the first pilot of the digital rupee for the wholesale sector on November 1st, 2022. This was unquestionably a pivotal time in the development of money. Nine prestigious Indian banks, including the State Bank of India, HDFC, ICICI Bank, and HSBC, have agreed to take part in this experimental project. The digital rupee will be used by these banks to settle interbank transactions. 48 transactions were made on the first day of the launch between the nine selected banks amounting to Rs. 275 crores.

The retail version of the digital rupee was set to go live in a few areas in December 2022, and many companies are anticipating it in the hopes that it would boost productivity, democratise access to finance, and lower the cost of currency in the nation. Concerns concerning the emergence of cryptocurrencies that operate in a decentralised fashion have been voiced by central banks all over the world. On the other hand, the digital rupee will be governed by the RBI, making it a valid and recognised form of money.

A significant step in India's digital transformation has been made with the introduction of the digital currency. The e-rupee is anticipated to grow the Fintech industry and improve the security of online transactions. The digital rupee, which is supported by blockchain technology, will streamline corporate transactions and strengthen India's expanding digital payments infrastructure.

## WILL THE DIGITAL RUPEE BE A BOON FOR INDIA'S FINTECH SECTOR?

The transition to the digital rupee occurs at a time of significant disruption in the Fintech industry. With the start of the epidemic, there has been an increase in demand for Fintechs' quicker and more customised payment experiences. Because of this, Indian Fintech companies have had great success in raising money aggressively during the previous two years, which has caused their overall valuations to soar.

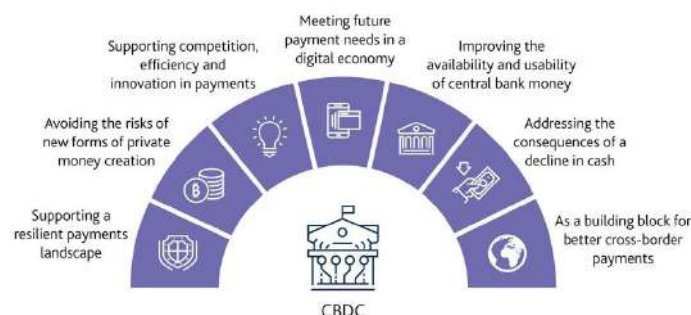
The introduction of the digital rupee will be a game-changer for the whole Fintech industry as cash usage declines internationally. The digital rupee will increase prospects for growing Fintech businesses by minimising reliance on physical cash in addition to facilitating quicker payments. By eliminating the inconveniences associated with handling, printing, and keeping cash, it improves convenience while also strengthening the security and resilience of the overall payments system.

## THE IMPACT OF THE DIGITAL RUPEE ON THE FINTECHS

In addition to easing the hassles associated with managing cash, the digital rupee is anticipated to improve efficiency in the financial services industry. The following are some

significant changes that the digital rupee will bring about in the Fintech sector:

- The digital rupee is backed by the RBI curbing the risk of volatility.
- There is also no risk of theft, fraud, or damage to the digital currency, unlike the physical notes which are subject to wear and tear while in circulation.
- It will streamline cross-border payments. By considerably reducing the time and costs involved in making payments across the globe, the use of the digital rupee will ensure that cross-border payments are faster.
- It secures online payments. Since the digital rupee is backed by blockchain technology it is more resilient against cyber breaches and threats.
- Experts are also of the opinion that the digital rupee will improve transparency in the financial services ecosystem.



## THE NEW FRONTIER IN PAYMENTS

The introduction of the digital rupee was a momentous event since it fundamentally altered how transactions are conducted. The introduction of the e-rupee is anticipated to gain early acceptability and commercialization following the epidemic, when there will be a greater emphasis on digital payments. The digital tokens allow for quicker disbursements and increase the security of digital payments and online financial transfers, so the Fintech industry has a lot to look forward to. Players in the financial services industry need to be well-prepared for this new asset class because it is thought that the digital rupee would significantly affect client value propositions.

FACTS

**It costs more than one Rupee to make a one rupee coin**

The average cost of manufacturing a single one rupee coin is ₹1.11, which is more than its own value, the Reserve Bank of India (RBI) revealed in response to an RTI query. To mint a ₹2 coin, the government spends ₹1.28, it added. Furthermore, the cost of manufacturing ₹5 and ₹10 coins is ₹3.69 and ₹5.54 respectively, the RBI said.

## THE RISE OF SULA WINERY



By: Devansh Jain

The Indian wine industry in its current Avatar, came into being in the mid-1980s through the pioneering efforts of the late Shamrao Chougule, followed by Madhav Rao More, and Kanwal Grover in the 1990s and has gone through several ups and downs. Yet most of it is still struggling with some even being forced to shut shop except Sula Vineyards currently being run by Rajeev Samant, the founder, and CEO. Sula winery recently issued shares to the public, so what does the winemaker going public really indicate, let's dive deep & find out!

Going public refers to offering shares of a private corporation to the public for the first time, technically this process is known as an initial public offering (IPO). In the Indian subcontinent when a company decides to go public via the IPO route it has to go through a lot of legal formalities & typically publish a mammoth 500-page long report called the draft red herring prospectus (DRHP) highlighting the company's financials, risk factors & industry dynamics. More often than not it is a cumbersome process to read the report but sometimes it has a silver lining, you get to know some cool facts like how Indians aren't oenophiles & how the share of wine as alcohol is less than 1% in India. In other words, each Indian drinks just 40 ml of wine each year whereas the world average lingers around 5.45 liters!!

This leaves a lot of room for the winemakers to expand their presence & it is the primary reason why the Indian wine market is set to grow at an expected pace of 14.4% per year for the next three years with domestic players dominating volumes. But there's a reason why Indians don't love wine- we can point fingers at colonization. A brief background- Alcohol consumption is divided into three major product categories including spirits, beer, and wine. When the French and Portuguese started entering India they brought wine into the country as well but a few centuries

later the British came & brought along their love for spirits as well. Indians in a bid to look elite tried to replicate the Brits and started consuming whiskey & gin but after they left we just couldn't get rid of the colonial hangover. Then came the 1990s when companies like Grover Zampa & Sula Vineyards came around & decided to change India's drinking habits. From the face of it, one would think that a measly 1% share in 2 decades amounts to nothing but it's better than 0, right? The main reason for the transition is that back in 2000 95% of consumption took place in 5-star hotels only but today the picture's different. 84% of the wine is grown domestically & just 25% of the wine is consumed at fancy places.

Surely, some part of it can be attributed to the fact that imported wines are costlier & are charged a 150% tariff but credit can't be taken from companies like Sula which has established itself in the top 10 wineries in the world in terms of an online presence. They've made wine cool & it can be proven by the fact that while globally 65% of wine drinkers are over the age of 45, India is very different, industry research firm Wine Intelligence found that over 50% of Indian wine drinkers are millennials, that means, 37 years and below. Sula was smart, it realized quickly the uniqueness of Indian markets & understood the fact that millennials love experiences. So they decided to tap into this segment & started their wine tourism business in India which includes a wine tasting room that they launched in 2005, they also created a music festival and called it the SulaFest in 2008 then they capitalized on the knowledge that folks liked to travel & thus began wine tourism in 2008 too. Now all of this translates to a healthy chunk of revenue for Sula.

All of this simply translates to the fact that out of the 40 ml we drink, 20 ml is most probably Sula's

wine. With patience & good business acumen, this company has risen to the top in just 23 years. But one shouldn't underestimate the fact that alcohol is a tricky space to navigate in India. There are various laws governing the industry & it varies from state to state. And Maharashtra provided that push in 2001. The state examined its alcohol laws and decided to handle wine differently. After all, grapes are the source of it.

If you think about it, it is rather "agricultural" in nature. So wine received excise tax and sales tax refunds. But it wasn't only that; with regulation changes, vineyards now had for the first time access to bank-funded operating capital. It was crucial because growing grapes, aging them, and bottling them all require time. Entrepreneurs require short-term funding to maintain their companies. And that was a big help. And now, Maharashtra is leading the way once more with a new Wine Policy that is bringing about significant improvements. Sales of wines will be allowed at supermarkets and grocery stores of more than 1000 sq ft. That alone could lead to an uptick of 20% in sales of wines. At least that's what industry experts seem to think. Sula, on the other hand, does not have everything going for it. The company's revenue growth hasn't been stellar and they are doing an offer for sale (OFS). That is, current investors are selling their interest for money, and the IPO revenues will not be used to build the firm. So, while the Indian wine sector may have a recovery, the road ahead won't be easy for sula.

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## TERMS

### LINE OF CREDIT

Line of credit refers to a users' borrowing limit for a certain product/service. They can use their credit without having to repay it back until the limit is reached. Once they pay off their limit, they can start using their line of credit again. This is negotiated between the borrower and a financial institution, usually a bank. While this is very helpful for short-term convenience, this perk comes with its downsides.

### PERPETUITY

Perpetuity is also known as endless annuity. It refers to an endless cash flow stream where payments are made indefinitely. This is important in valuation for calculating a business's expenses. Taking it into account helps analysts understand a company's present and future value in terms of cash flow.

### STOCK SPLIT

A stock split occurs when a corporation increases the number of its outstanding shares by distributing more shares to current stockholders. By splitting existing shares into multiple new shares, the stock becomes more affordable.

## THE ROTHSCHILD BANKING DYNASTY

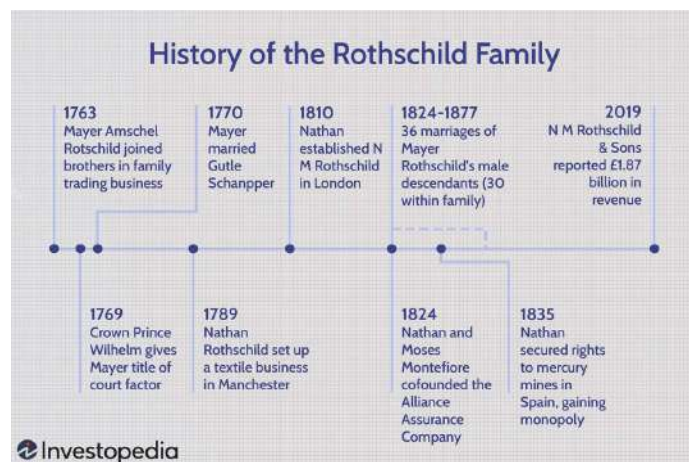


By: Khushi Sharma

“A single Jewish family empire so influential and powerful that it has the power to control the global economy, manipulate the weather and profit from international politics and war.”

Who is this taciturn dynasty with an unknown family wealth that has been associated with a plethora of conspiracy theories and controversies since the late 19th century? The Rothschild family is one of the most famous banking dynasties in history. Founded in the 18th century by Mayer Amschel Rothschild, the Rothschild banking dynasty has been behind some of the biggest financial deals and crises in history. Today, the Rothschild family controls a vast financial empire with interests in everything from banking and finance to real estate and wine.

It is rumored that the family is worth \$500 billion as of today and has a hold on more than 3/4th of the world's wealth. However, these claims lack credibility. At present, the aggregate financial wealth of the dynasty is estimated approximately around \$450 billion. Perhaps the most intriguing thing about this family is that no one knows their family wealth in exact figures but only the fact that they are one of the richest in the world. This mysterious and secretive reputation has led to multiple claims by people including that the family controls global financial markets and has unduly influenced international politics by funding the government during wars. These claims are generally not supported by evidence and have been widely dismissed as baseless. Despite these controversies, the Rothschild family remains one of the most influential and well-known families in the world.



### INCEPTION: THE BEGINNING

Mayer Amschel Rothschild (1744- 1812) was born in Frankfurt, Germany and started learning business at an early age. His father, Amschel Moses Rothschild, dealt in silk cloth and exchanged currency. One of Mayer's first jobs was sorting coins acquired through Frankfurt's semi-annual trade fairs, which attracted buyers and sellers throughout the region. When Mayer was twelve, his parents passed away from smallpox. He resided with relatives, who sent him to apprentice at the renowned Jewish banking firm Simon Wolf Oppenheimer in Hannover. There, Mayer was exposed to international business and finance and gained knowledge of rare coins from the Byzantine Empire, ancient Rome, and Persia. Princes and other wealthy men were the coin collectors. The Jewish men who did business with them were referred to as "court Jews" or "court factors," which indicates that

they dealt with nobility.

At the age of 19, Mayer Rothschild traveled back to Frankfurt, Germany and joined his brothers in the family-run trading company. Mayer, whose father had also purchased coins from Mayer, became a rare coin dealer and gained the support of Crown Prince Wilhelm of Hesse. This was a crucial business partnership for Mayer because it allowed him to connect with other nobles and expanded to include other financial services. The title Wilhelm IX, Landgrave of Hesse-Kassel, was later bestowed upon Crown Prince Wilhelm, who was the heir to enormous wealth.

In 1769, Rothschild requested the position of court factor, or crown agent, from Wilhelm. The honorary title indicated that Mayer had served the aristocracy, and it allowed him to prominently advertise this fact by having a shield bearing the Hesse and Hanau coat of arms hung from his home. Mayer wed Gutle Schanpper, a court factor and money changer's daughter, in 1770. She gave birth to all ten of the couple's kids. They had five daughters and five sons. Rothschild sent each of his five sons to establish banking systems in different parts of Europe. The Rothschild family built a reputation for its wealth and influence as a result of these banks growing to be some of the most prosperous and influential financial institutions in the world. Through a variety of investments, including real estate and art collections, the Rothschild family continued to grow its business interests and amass new wealth. The Rothschild family has also been active in philanthropy and politics.

## THE RISE OF THE ROTHSCHILD EMPIRE

Since its establishment, the Rothschild Empire has grown to practically every continent in the world, including Europe, Asia, America, and Australia. The heritage of intergenerational harmony and a well-protected culture may be the foundation for this rapid expansion. Indeed, while in charge of the company, Mayer Rothschild instituted a secrecy culture that allowed the bank to acquire a large sum of money by misleading the taxman and the auditor. Additionally, the Rothschilds have used one of their business concepts to prevail even against the immovable in the political, economic, and social spheres, which has helped them grow to be quite powerful. They have consolidated their empire using a variety of strategies over the years, including significant investment in the Bank of England, participation in World War I, affiliation with the Opium of Trade, and brokering the First City Properties deal in America. All of these activities had a significant role in strengthening the Rothschild Empire.

The Rothschild family has made significant investments in the financial industry, particularly in high end financial behemoths. When England lost the Battle of Waterloo in 1812, Nathan Rothschild put off the deadliest misinformation campaign. This resulted in the destabilization of the stock market, which he used to his advantage to grow his investment in the Bank of England by up to 6500 times. He had the chance to converse with the faithful family and other well known figures in England and Europe thanks to this. The Rothschilds were able to manoeuvre their way to

power by fomenting panic whenever laws did not go their way through the Bank of England, which had a significant impact on the growth of both the European community and the

United States of America. For instance, Nathan Rothschild threatened war against Americans when the American government denied the Rothschild bank's request for a charter renewal, saying "either the application for a charter renewal is granted or the United States will find itself involved in the most devastating conflict". They attempted to use the enormous influence they held in Britain to persuade the British to declare war on America.

The Rothschild dynasty's history of trickery is interesting and intriguing since they made use of every opportunity available to make money. For instance, in the 1930s, they made a lot of money by posing as agents for disarmament while actually planning to arm the nations they controlled with new weapons. As a result, they came to be known as the merchants of war. The Rothschild family has a reputation for being philanthropic and supporting numerous charitable causes. They have given generously to a variety of institutions and causes, including healthcare, the arts, education, and environmental preservation. A variety of initiatives in these fields are supported by The Rothschild Foundation, a philanthropic organization founded by Rothschild family members, including grants for programs in research, education, and culture. Members of the Rothschild family have engaged in politics and public service in addition to their philanthropy.

## WHAT DO THE ROTHSCHILDS DO TODAY?

The Rothschild Empire now controls one of the world's largest family-owned banks, with operations in approximately 34 countries. The family unity notion is still the driving force behind the bank's success with industriousness and innovation strengthening the foundation that was laid by the former Rothschilds. The company's core business is to provide financial solutions through its wide range of products that include corporate banking, retail banking, investment banking and asset management. In addition, the company has been able to diversify its operations to include non-bank related activities such as wine making and philanthropy.

Despite the bank's recent decision to stop trading in gold, the foundation laid by the bank's forefathers is overwhelmingly solid. The bank's culture demands that it encourage innovation and strive to always be one step ahead in all matters affecting the market and financial environment. The bank can be credited with founding modern banking and the use of credit and debit cards when it oversaw communication between its important branches in Europe and the Bank of England.

# INFLATION EXPLAINED BY BREAD



By: Aakriti Goel

“Inflation is as violent as a mugger, as frightening as an armed robber, and as deadly as a hit man”- Ronald Reagan. A cost-of-living catastrophe is looming for many people throughout the world as inflation is increasing. People are really squished between the hammer and the anvil. Permacrisis, a time of instability and unpredictability, has been named the Collins English Dictionary’s word of the year for 2022. It perfectly captures the state of the world now. A more significant than anticipated decline in global economic activity is currently taking place, and inflation is at its highest level in many years. More harm is caused by the current global recession than by the COVID-19 shock of 2020 and the financial crisis of 2008.

## WHERE IS INFLATION COMING FROM?

What caused inflation has been a topic of discussion among people all over the world. The turmoil that has suddenly rocked the entire planet is the result of several interconnected elements. It started with the pandemic hitting the world. Moreover, Russia’s invasion of Ukraine has led to the biggest land war in Europe since 1945, the most serious risk of nuclear escalation since the Cuban missile crisis, and the most far-reaching sanctions regime since the 1930s.

Tightening financial conditions contributed to the problem. Additionally, it was sparked by the very high demand for products in 2021 when nations came out of lockdowns, stores opened, and people were able to go shopping with money they had saved up through extended periods of economic inactivity. Due to an equally amazing increase in supply, we also had an extraordinary increase in demand for commodities, which has pulled inflation down. But because the demand for items was so out of the ordinary, it

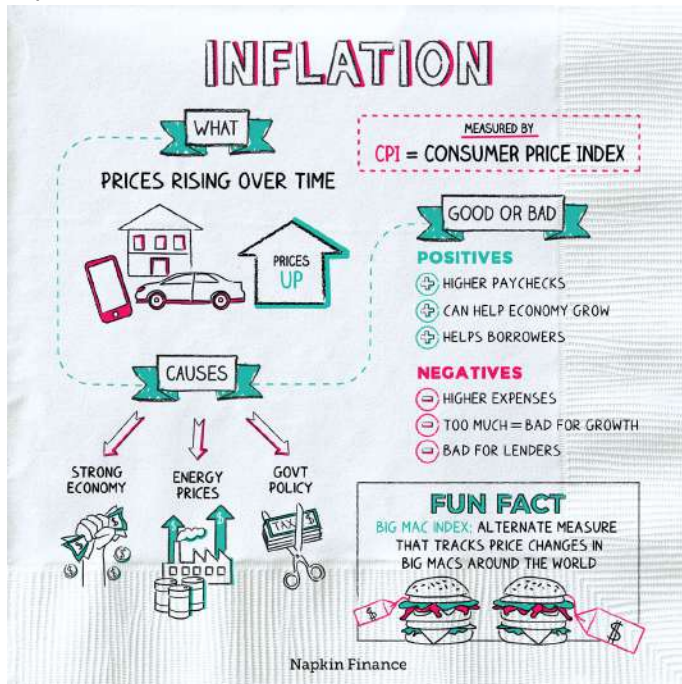
outpaced the supply, and when that happens, either there are shortages or prices go up. Both were mixed up in what we had, although part of the increased demand resulted in higher costs. Now, that began to fade since the demand was decreasing because consumers’ savings stocks had vanished by the end of last year in a number of nations.

People start to notice inflation when it affects the items they often purchase since it frequently has the most impact on consumer confidence. In many nations, inflation has reached its greatest levels since the 1980s as a result of rising food and energy prices. Because of this, the price of bread has reached sticker shock levels. Due to the rising popularity of gluten-free diets, the almost \$50 billion US bread sector was already threatened by changing customer preferences; now, they must also contend with the pinch of inflation. Prices of bread are expected to reach \$10 per loaf in 2023. News Bites

The FAO Cereal Price Index averaged 147.3 points in February, down fractionally (0.1 percent) from January and 2.0 points (1.4 percent) above its level one year ago. After falling for three consecutive months, international wheat prices rose marginally (0.3 percent) in February. The slightly firmer tone mostly reflected ongoing concerns over dry conditions in key production areas of Hard Red Winter wheat in the United States of America, and robust demand for supplies from Australia, while strong competition among exporters helped to cap price gains. People notice a price increase in bread immediately. The most hit are the nations that are closest to the war, like Hungary, where the price of a basic loaf increased by 77% in September from a year earlier, according to Eurostat. Bread costs have increased by over 30% in Croatia, Estonia, Latvia, Lithuania, Poland, and Slovakia.

## REASONS FOR THE INCREASE IN THE PRICE OF BREAD

Global prices of grains, wheat, maize, oilseeds (particularly sunflowers), and fertilizers increased due to export disruptions from Ukraine, which is one of the world's largest exporters of these materials. Because of heat stress, failing harvests, and decreased agricultural yields, there is less food on the market, which increases the cost of food. Bread has just a few ingredients — wheat, water, yeast, salt, maybe. It's the components not listed on the ingredients label that is driving up the price of bread. The other costs baked into the price of a loaf include things like packaging, labour, energy, and transportation are more expensive now.



By encouraging workers to seek greater compensation as their living expenses rise, inflation also drives up operating costs for businesses. The bill for the electricity needed to run the mill has tripled. Even the cost of the paper used to make flour bags has skyrocketed.

Moving wheat, flour, and bread from the field to the store shelf is more expensive because to rising petrol and fuel rates. Food makers are passing along fuel surcharges to customers to offset those costs, forcing retailers to pass on increased prices to consumers. As power prices rise, it becomes more expensive to keep the lights on, the ovens hot, and the buildings cool in factories and warehouses. Natural gas is a vital component of synthetic fertilisers, thus when its price rises, so do the expenditures incurred on farms that must be recovered.

Energy costs for businesses increased by 45%, according to the Bureau of Labor Statistics. The cost of transporting freight across the country, or even just across town, has skyrocketed in recent years due to concerns with labour and energy. According to the Bureau of Labor Statistics, the cost of long-distance trucking has increased by a startling 70% over the last two years after growing by a total of 35% during the preceding 20 years.

## CONSEQUENCES

The most vulnerable seem to be the worst impacted; 61% of those in the most impoverished regions reported buying less food than they did the previous year, compared to 44% in the least impoverished. Since March 2009, several nations have had their widest inflation disparity between low- and high-income consumers. Customers typically reduce their purchases of discretionary things when they are concerned about their money, and this is what is happening right now.

By bargaining with suppliers over the price of ingredients and energy, large supermarkets that sell enormous amounts of bread have attempted to artificially keep costs down to entice customers. But because of inflexibly high expenses, many had to raise their pricing.

These increases may have a deleterious impact on people's diets and raise the incidence of new born and child mortality. Therefore, the rising cost of basic foods like bread is a significant problems.

Some shoppers have already omitted bread from their shopping carts as a result of rising pricing. This year, unit sales of bread products have decreased by 2.7%. In order to cover increased costs, several bakeries have had to raise their pricing.

That La La Land era of low inflation and low-interest rates is now over. Due to the wide-character of inflation, policymakers and economists are growing more concerned that price increases are hardening and will be harder to manage. Necessities have become the new luxury- thanks to inflation.

### TERMS

#### BUBBLE

A bubble describes a moment in an economic cycle where an industry or company does not realize that it might be overvalued and over-inflated. When a "tech bubble" bursts, it means that a lot of startups go bust and investors lose their money.

#### 4% RULE

The 4% Rule is a practical rule of thumb that may be used by retirees to decide how much they should withdraw from their retirement funds each year. The 4% rule states that you should be able to comfortably live off of 4% of your money in investments in your first year of retirement, then slightly increase or decrease that amount to account for inflation each subsequent year.

# GEOGRAPHY AS DESTINY

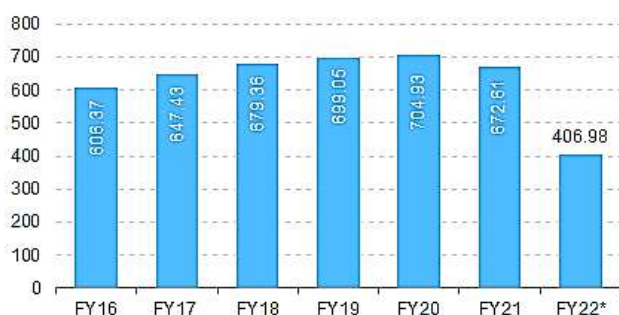
BY: S Vasudevan



On our beloved planet earth, some geographies have better access to sufficient water, air, resources and all other vital gifts of Mother Nature, but the distribution of resources is completely skewed in favour of some countries and unfavourable to some. This gives some countries an unfair advantage and an inherent disadvantage to some countries. Therefore, let us elaborate on the fact that, how a better geographic location helps in long-term development with an example, say China and India, both these countries constitute almost 1/3 rd. of the global population, and due to a favourable geographical position, both nations are expected to drive the global economies for centuries to come. India is strategically located at the “mouth” of the Indian Ocean and it connects West Asia, Europe, and West Africa from the western coast and Southeast and East Asia from the eastern coast. Similarly, China is strategically located in the eastern part of India with a huge coastline which it has capitalised on to develop many ports, giving rise to many coastal cities that drive their economy.

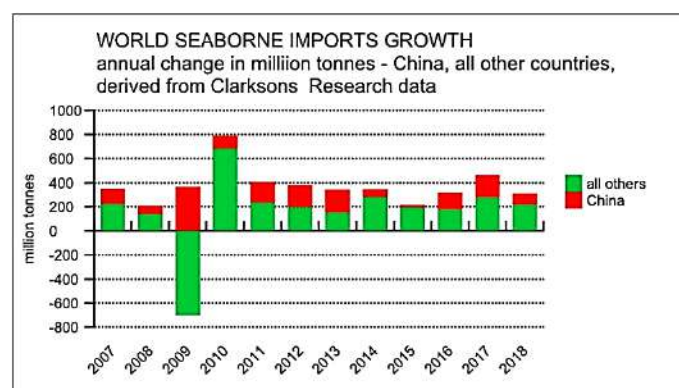
**Picture 1:** The traffic of cargo in major ports of India

**Cargo traffic at major ports FY22 (million tonnes)**



\*Source: Indian Brand Equity foundation

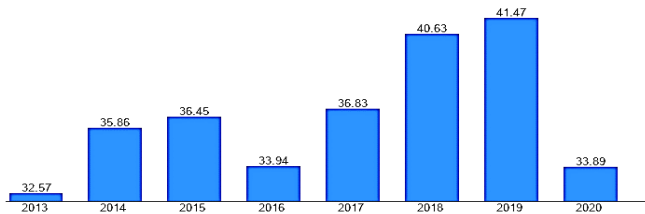
**Picture 2:** Share of seaborne trade in China v/s the world



\*Source:Clarkson's Research Data

Both the pictures (Picture 1&2) presented above are an example of, how beneficial can it be to a country when it has access to its waters. But when it comes to a landlocked country, say Nepal, it has to depend on its neighbours to cater to the very basic needs of its people. They often have to bear huge import costs since they do not have access to their ports. At times countries have to compromise their sovereignty and rightful claim as a country to meet their needs, and they are always in a disadvantaged position.

**Picture 3:** Graph depicting the import percentage of goods and services as a percentage of Nepal's GDP



Source: The Global economy.com

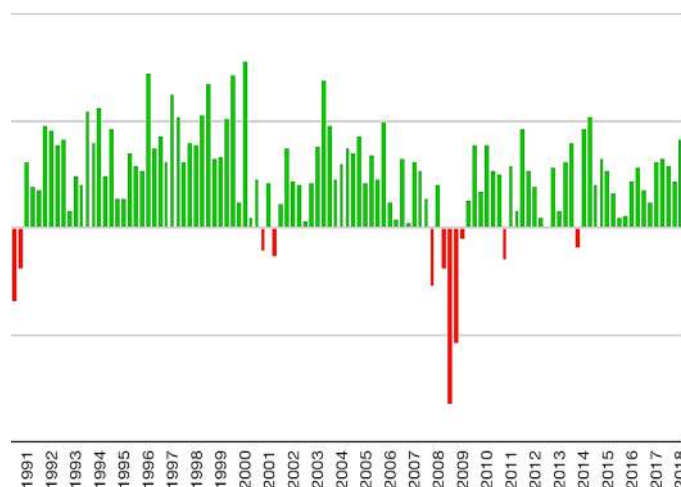
The figures depicted in the image (Picture 3) indicate the expenditure Nepal undertakes to run its country.

Landlocked countries normally end up spending almost 24 % of their GDP on average to meet their import bills. Since we have seen the impact of geographical location on a country's long-term development, let us see the economic benefits it offers to a country if it is located in a favourable location. The best example is the United States of America. A country with a vast coastline of about 95000 miles, it can ward off any threat through its waters. Its fate changed positively since it brought unprecedented development to its economy.

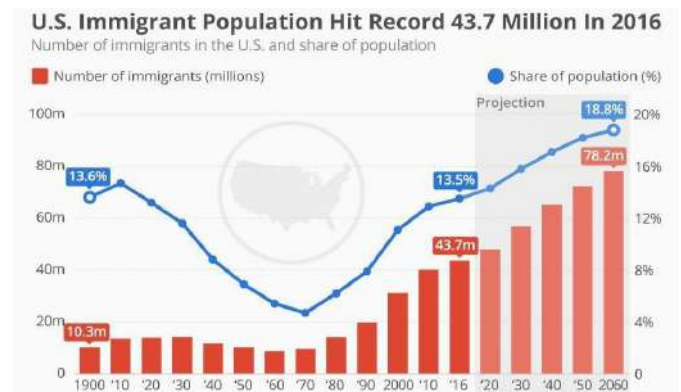
In the beginning, the agricultural sector benefitted from favourable weather conditions; after which the people started migrating to the US since the demand for jobs increased due to rapid industrialisation. With a strong population and skilled workforce, the country grew rapidly for almost 2 centuries and became the "Economic powerhouse".

All this was possible only due to its favourable geographical location. With location comes, the migration of people, with migration comes talent and with talent comes employment and wealth. The country remains a magnet for talent and skills in the world.

**Picture 4:** Growth of the US economy from 1991-2018



**Picture 5:** Graph depicting the growth of the Immigrant population in the United States



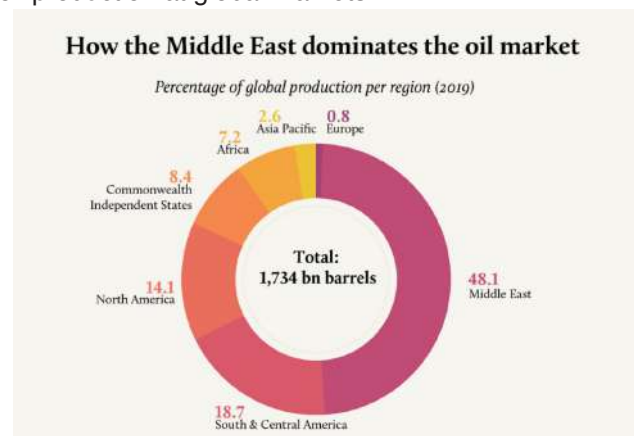
\*Source: Forbes

The pictures (Picture 4&5) mentioned above indicate the power of a favourable location in a country's economy. Barring the financial crisis in the year 2008, the growth of the USA has been positive making it the dominant player in global economics. Also, by 2060 it is evident that immigrants will form 1/5th of the country's population making it more powerful and resilient to meet its demand for years to come.

But, let us analyse the same situation from a different perspective, what if the climatic conditions of a country are extreme due to which migration or free movement of people from one place to another is virtually impossible but still becomes one of the fastest growing economies?

There is an answer here as well, with climatic conditions not in favour, inhabitants in the middle east found it almost impossible to even afford food until the early 1980s, but with the exploration of its massive oil reserves in the region, development came pouring in, it was in the form of aid, grant or technical assistance since they had something under their ground that "drives" the world. With "Liquid gold" called Petroleum, middle eastern countries like the UAE saw growth taking place in massive numbers. Due to this, UAE and Saudi Arabia are consistently ranked among fast-developing economies. With oil, the fate of these countries changed. Extreme weather considered a disadvantage, outweighed a huge merit called "OIL".

**Picture 6:** Pie-chart depicting huge share of Middle east in oil production at global markets



\*Source: Middle east eye

From the picture(Picture 6), it is evident that middle eastern countries have a whopping 50% share in oil production, oil served as a “shield” to these countries and helped them alter their growth positively.

Therefore, in a nutshell, geographic factors play a very important role in the development of a country, it is only because of a better location that the Netherlands could develop spectacularly on all fronts and the Republic of Chad (A country in Central Africa) having a similar population to that of the Netherlands remained deprived despite having the potential to prosper.

Also, we must acknowledge the fact that “Global Warming” has been silently killing our earth and poses a grave threat to the existence of mankind, so as global citizens it is our duty to address this fact so that the main theme of this topic is restricted to fewer countries and the curse of improper geographies is eradicated.

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## TERMS

### CHURN RATE

Churn rate is the rate at which customers stop using a business’s products/services. Instead of a gross number, this value is determined through a percentage. This applies more readily to subscription-based products/services. Otherwise, it can be difficult to determine how many unique users actually continue/stop using a product/service.

### CROWDFUNDING

It isn’t a conventional financing option. But when a startup needs a little extra cash to start production, they may start a crowdfunding campaign. A crowdfunding campaign is meant to prompt large number of potential customers to donate money to a venture. This way, they continue production and put out the products/services they need to start earning profit.

# THE SYMPHONY OF LAYOFFS: ECLECTIC AND DRAMATIC



By: Garv Vijhani

## INTRODUCTION

Layoffs are a tough event for organizations as it involves cutting jobs and letting go of employees. It can be due to various reasons such as financial constraints, industry changes or restructuring. Layoffs can be unsettling and emotional for both employees and employers. They can lead to anxiety and uncertainty among the remaining workforce. Hence, it is important for organizations to handle layoffs sensitively to minimize the impact on employees leaving and those who remain. Approaching layoffs with empathy and compassion can help organizations navigate through this difficult situation while maintaining trust and loyalty among employees.

## DIFFERENCE BETWEEN BEING LAID OFF AND GETTING FIRED

Getting fired generally refers to the termination of employment due to an individual's actions, performance or failure to meet the company owner's expectations, or office theft. While being laid off typically refers to the temporary or permanent loss of a job due to economic conditions or company restructuring. The main distinction between being laid off and being fired is that whereas firings happen as a result of employee error, layoffs are the responsibility of the company. The majority of layoffs occur as a result of cost-cutting efforts by the business, employee reductions, or mergers and acquisitions.

## NEED OF LAYOFFS

Organizations often resort to layoffs to ensure their long-term survival, despite the inherent risks involved. Layoffs can lead to cost-cutting and improved efficiency,

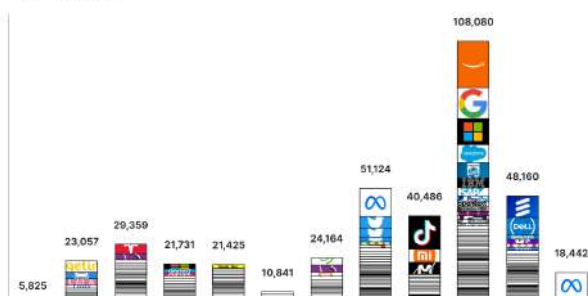
but they may be necessary for a variety of reasons such as financial challenges, restructuring, technological advancements, mergers and acquisitions, and cost-saving measures. Financial constraints, competition, and increasing expenses may force organizations to reduce their workforce. Restructuring operations, including layoffs, may be required for businesses to become more efficient. Technological advancements may also result in job losses as certain operations become automated. In the event of a merger or acquisition, personnel redundancies may occur. While layoffs can result in cost savings, it is important to ensure that only non-contributing employees or those with less than a year's tenure are let go to avoid additional payouts.

## RECENT LAYOFF TRENDS

In the post-pandemic era, businesses are grappling with fresh challenges like overstaffing, financial constraints, and cost pressures. The trend of layoffs, which started last year, is still ongoing in 2023 and is predicted to escalate in the upcoming months, with specific job roles being more susceptible than others. India, too, is not exempt from these layoffs, as Amazon India has kicked off the 2023 layoff season by terminating 1000 jobs. It is estimated that around 20,000 jobs will be cut in the next six months. As per layoffs.fyi, a website that tracks layoffs worldwide, approximately 139,000 employees were laid off globally in 2022. However, the number of layoffs has already reached 103,000 by February 20, 2023, accounting for almost 75% of last year's total. In the first 51 days of 2023, 38% of layoffs were reported from the San Francisco Bay Area, where companies like Google and Salesforce had announced significant layoffs. Seattle followed with 17%, where companies such as Amazon and Microsoft

are located. In the first 51 days of 2023, the consumer segment, which is dominated by companies like Google and Yahoo, contributed 14.13% to the total number of layoffs. At 12.33 percent, the retail sector finished in second, largely due to businesses like Amazon, Wayfair, Groupon, and eBay. Large-scale layoffs were seen in the consumer (13.33%) market in 2022 from companies including Meta, Twitter, and Snap, among others. The retail sector, with Amazon and Shopify as the main contributors, came next. The Covid-19 pandemic caused a significant increase in layoffs, particularly in the transportation sector, which saw companies like Uber, Lyft, and Ola leading the list with 20.41% of total layoffs in 2020. The travel sector was the second most affected, accounting for 19.39% of total layoffs, with companies like TripAdvisor, Airbnb, Agoda, and Booking.com experiencing significant layoffs that year. In 2023, there were 642 layoffs at tech companies, impacting 174,682 people, which is equivalent to an average of 2,361 people per day. In 2022, there were 1,535 layoffs at tech companies, affecting 241,176 people.

# of Tech Employees Let Go  
as of March 15, 2023



## IMPACT OF LAYOFFS ON SOCIETY, EMPLOYEES AND COMPANIES

Layoffs may have a significant impact on society, the workforce, and the business. To reduce the detrimental effects of layoffs, it is important to comprehend these implications.

**SOCIETY:** Layoffs can lead to higher crime rates and harm the local economy, as people may resort to criminal activities and reduce their spending, leading to declines in property values and an increase in foreclosures. This can lead to increased poverty, homelessness, and financial strain on the government. Companies must consider these broader societal impacts and take steps to minimize them.

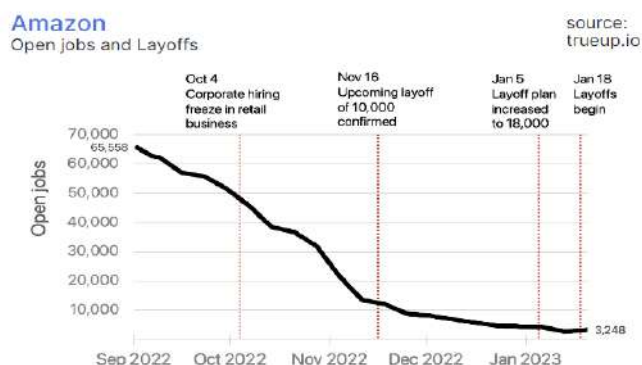
**EMPLOYEES:** Layoffs have undeniable negative consequences, causing financial struggles and emotional turmoil for affected employees, as well as insecurity and unease for those who remain employed. This ripple effect can lead to increased stress, disrupted workplace dynamics, and decreased productivity. Therefore, organizations should take a thoughtful and empathetic approach to layoffs and explore alternative measures before resorting to such drastic actions. Support and assistance should be provided to those who have lost their

jobs to mitigate the negative impacts. The effects of layoffs extend beyond the individual employee, and can have a significant impact on the overall morale and productivity of the workplace.

**COMPANY:** Layoffs can have various effects on a company, both positive and negative. While they can reduce expenses and increase productivity, they can also lead to a loss of expertise, damage the company's reputation, and lower employee morale. Layoffs can create anxiety and mistrust among remaining staff, harming workplace culture and customer retention. The delivery of goods and services may also be delayed with fewer employees. It's crucial for employers to explore all options before resorting to layoffs and take steps to minimize their negative impacts.

## THE BIG GIANTS

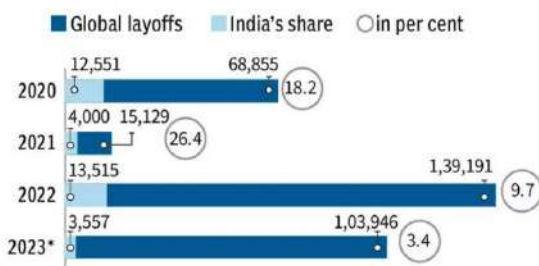
Google India recently laid off more than 450 employees, as part of the company's global plan to eliminate 12,000 positions. Yahoo plans to let go of 1,600 employees, about 20% of its workforce, in 2023 to increase profitability and invest in successful endeavors. The Walt Disney Company aims to reduce its workforce by 4%, which would result in approximately 7,000 job cuts, to save expenses and streamline its movie and television departments. Zoom also plans to lay off 1,300 employees, or 15% of its staff, as part of cost-cutting measures. Due to a decline in the market for personal computers, Dell Technologies plans to cut around 5%, or 6,650 employees, from its global workforce. During the preceding year, more than 95,000 people have already been let go by a number of online giants, including Google, Amazon, and Meta. Facebook's parent company, Meta Platforms, has confirmed a second round of layoffs that would affect 10,000 employees. Meta Platforms has become the first among major tech companies to announce a second wave of mass layoffs as the industry prepares for a severe economic downturn. Microsoft recently executed its third round of layoffs, affecting roles in the supply chain, artificial intelligence, and the internet of things (IoT), which included Indian employees in the US. This resulted in 10,000 workers being laid off. In January 2023, Amazon initiated its largest workforce reduction in its 28-year history, cutting over 18,000 employees mainly in its human resources and stores divisions. Amazon, which had hired aggressively during the pandemic, has now reduced its global headcount from over 1.6 million by the end of 2021 to 798,000 in Q4 of 2019. Meanwhile, under Elon Musk's



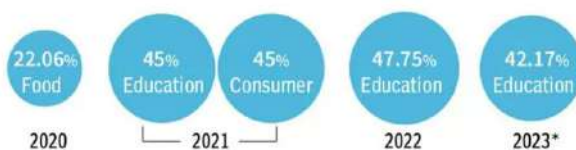
## INDIA'S SCENARIO

In the last 12-13 months in India, reports indicate that there have been more than 22,000 layoffs, with the edtech, fintech, ecommerce, online pharmacy, and related tech platforms sectors seeing the highest number of layoffs. According to TeamLease, a leading employment services provider, the Q4 (2023) Employment Outlook Report shows a 0.46 percent increase in attrition across industries, with an average of 7.81 percent in Q2 rising to 8.27 percent in Q3. Among manufacturing startups, the attrition rate was particularly high, reaching 26 percent. In India, there has been a 0.46% increase in attrition across industries from Q2 to Q3 in 2023, with an average of 8.27% in Q3. Startups in the manufacturing industry had an alarming attrition rate of 26%. The report noted that the services sector saw higher attrition rates in industries such as information technology (27.19%), educational services (18.02%), ecommerce & allied startups (15.13%), knowledge process outsourcing (13.79%), and telecommunications (12.05%). Attrition is the gradual reduction of staff numbers resulting from employees retiring or resigning without being replaced. Human resources professionals commonly use this term to describe the natural decline in a company's workforce due to employee departures. A report by TeamLease Services reveals that the attrition rate has increased across various industries due to several factors, including upcoming appraisals, economic turbulence, and migration to other industries. According to Ajoy Thomas, Vice President and Business Head of TeamLease Services, new opportunities in emerging fields have also played a role in the higher attrition rate. While India's share in global layoffs decreased to 9.71% in 2022, there have been significant layoffs worldwide in the first 51 days of 2023, with India accounting for around 3.42% of those layoffs.

### Firing spree



### Segment leading layoffs in India



Source: layoffs.fyi; \*till Feb 20 2023

Layoffs in India have been most prevalent in the education sector, accounting for 42.17% of layoffs until February 20, 2023, according to layoffs.fyi. The food and consumer sectors closely followed at 14.05% each. The website tracks companies in cities such as Ahmedabad, Bengaluru, Mumbai, New Delhi, Gurugram, and Noida. India accounted for 26.44% of global layoffs in 2021 and 18.23% in 2020. Twitter has shut down its Delhi and Mumbai offices, instructing employees to work from home as part of a cost-cutting strategy to make the social media platform profitable. Byju's, a leading player in the ed-tech sector, laid off around 1,500 employees from design, engineering, and production verticals after laying off 2,500 workers in October 2022.

## CONCLUSION

Layoffs may seem like a quick solution to reduce costs and streamline operations, but they should be approached with caution and empathy. The consequences of layoffs can ripple throughout society and affect not just employees but also the reputation and future success of the organization. Therefore, it is crucial for companies to handle layoffs thoughtfully and with compassion for those impacted. However, the ultimate goal should be to avoid layoffs altogether by staying competitive, innovative, and financially stable. By prioritizing the long-term viability of the organization, companies can ensure their employees' job security and contribute to a thriving society.

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## TERMS

### DEBT CONSOLIDATION

It is a process that lets you combine multiple loans into a single loan. The advantages are possibly reducing the interest rates on the borrowed funds as well as lowering the total amount you repay each month. Businesses use this tool to help improve cash flow.

## SUSTAINABLE OPERATIONS MANAGEMENT



By: Vikrant Bharti

Sustainability is a topic that has garnered significant attention in recent decades. The major pillars of this unprecedented concern have been climate change, well-being of workers and other social demands. One of the most interesting and explorable subsection of sustainability is Sustainable operations management (SOM).

According to World commission on environment and development (WCED), SOM is defined as a set of skills and concepts that allows a company to structure and manage its business process in order to obtain competitive returns on its capital assets without sacrificing the needs of stakeholders and with regard for the impact of its operations on people and environment. SOM has an intrinsic potential to provide solutions for the complex sustainability challenges confronted by many organisations. The researchers and practitioners worldwide recognize the importance of SOM as a key strategic component in the development of cost effective and sustainable global supply chains to meet the ever-increasing need of customers. Since 2001, out of all articles published by International Journal of Operations and Production management (IJOPM), only 3.3% are sustainability articles. Out of these, 64% focusses on environmental issues, an emerging trend can be seen in social articles and finally we have articles that address the triple bottom line.

### ASPECTS OF SOM

**1) Social issues:** The prime objective is to maintain corporate harmony with employee satisfaction, enabling effective division of labour and eventually having an impact on long term profits.

**Addressing internal firm sustainability – Human factors and OM**

Humans are part of operation systems, both as decision makers and system operators. One discipline that could give a realistic human input to OM is Human factors (HF). HF can be defined as a discipline concerned with understanding the interaction among humans and other elements of system, in order to optimize human well-being and overall system performance. From the societal standpoint, it's very important that HF go hand-in-hand with OM.

Let us examine the reasons for separation of HF from OM in society

- Separation of HF literature from OM literature: HF publications mainly appear in journals focussing on human well-being and rarely in business and management journals. A survey in Ireland found that over 36% of companies claim no knowledge of human factors and the same figure in developing nations rises to 88%. This knowledge gap is limiting firms' ability to profit from application of HF principles in their OS designs.
- Misinterpretation of HF as strictly a Health and Safety (H&S) tool: HF is viewed by management as a means to prevent injuries and providing no ROI. This mentality hides the potential of HF applications to improve labour efficiency and reduce the cost of production.
- Gradual shift of Management research from its original ideas of serving firms and society to exclusive focus on firm's profitability. CSR is frequently discussed in terms of profit in OM literature. Ethics and social agenda issues have lost credibility within the management and research community.

These 3 reasons have led HF to offer almost nothing in helping organizations reach their strategic goals.

## Addressing between firm sustainability

Adapting right social practices can do wonders. It can lead a company to achieve economic benefits by reducing costs, increasing productivity and profits, enhancing corporate image and reputation. This can be prudently achieved by adhering to the following:

- Formation of socially responsible supply chain management (SCM): In modern business, SCM is a comprehensive activity for managing all incoming and outgoing flows of company resources. Implementation of SCM on principles of social responsibility is only possible by striking a right balance of 4 components. **Finance** – level of profitability; turnover growth; reuse of materials and assessment of their value etc. **Customers** – Percentage of customer refusal from cooperation; percentage of regular customers etc. **Personnel** – the volume and share of expenses for employees, their personal development and stimulating activities. **Internal business processes** – Accelerated service operations; Reduction of spoilage or waste; Reduction of repair and maintenance cost; reduction of time and cost of transportation; use of alternative energy sources etc.
- Value based management (VBM) as a guiding principle of SCM: VBM is playing a significant role in shaping corporate strategies. As we know the prime objective of SCM is to develop and deploy effective solution to enable flawless execution of corporate strategies, there is no harm in saying that it should adopt a VBM perspective. VBM based SCM has two interwind dimensions as depicted in fig (a).

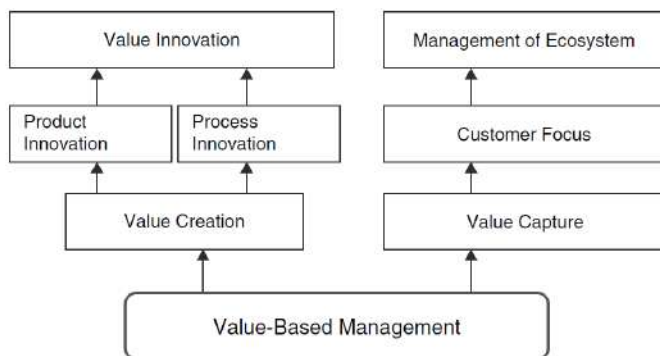


Fig (a). VBM as the guiding principle of SCM

- On one hand VBM should enable value creation through product/process innovation, which should drive a customer's willingness to pay. Process innovation may lead to new business models which can be unbiasedly counted as a key role in differentiating a firm from its competitors. But the fact to be noted here is value creation does not ensure value capture by a firm. For example, Air travel provides a significant amount of value for business and leisure travellers. Aircraft manufacturers and airport operators captures a lion's share of value, still the airline companies across the world are struggling to survive in the face of stiff competition from low-cost carriers. VBM based SCM should therefore also focus on value capture by building and managing a healthy relationship with the

partners within the firm's ecosystem.

- Avoiding unethical buyer supplier practices: Companies that are ethical and take social responsibilities see more success in the long run. They build strong relationships with their customers and establish good reputation. They also avoid any future legal implications which encourages investments from socially responsible investors and benefits all the stakeholders. Some actions that can be taken to avoid unethical supply chain practices :- **Transparency**: it allows us to detect any unethical behaviour. **Mapping out the supply chain**: sometimes it's very important to know, where your suppliers are getting resources from. This way ethical practices can be ensured beyond the direct supplier. **Auditing**: Ensures that the suppliers are operating ethically and compliant with the company goals. **Reward suppliers**: Rewarding suppliers for operating ethically can be a required demonstration to current and future suppliers about company's seriousness on being ethical.

**2) Environmental issues:** The management of natural environment is becoming increasingly important within OM as all the stakeholders demand for minimizing the negative environmental effects of products and operations. Managers play a crucial role in determining the environmental impact of operations through choices of raw materials used, energy consumed, pollutants emitted and wastes generated. Integration of Environmental management (EM) with OM along with strategic uphold is the need of the hour.

## Addressing internal firm sustainability – Environmental productions and Environmental management systems (EMS)

- An environmentally compatible production pursues several independent individual goals:
- Avoidance of harmful emissions.
- Efficient use of energy and resources.
- Switching to renewable energies.
- Use of sustainably produced resources.
- Waste avoidance.
- Creation of material cycles and recycling.
- Restoring and maintaining the biological diversity of ecosystems.

An EMS is a system developed in compliance with ISO 14001 standard as part of an organization's strategy to implement its environmental strategy and address government regulations. An EMS focusses on meeting the organizational commitments which could include reducing/eliminating negative environmental impacts of products, services and activities OR increasing their positive effects.

Primary components of EMS :-

- Core processes, their outputs and the identification of significant environmental aspects and impacts.
- Maintaining awareness of legal requirements.
- Monitoring and evaluating environmental performance.
- Management system supporting processes – Document control, record control and internal auditing.

## ADDRESSING BETWEEN FIRM SUSTAINABILITY – ENVIRONMENTAL SCM

The world has successfully implemented SCM. Now the time has come to make this SCM environment friendly. Along with working on their own environmental ethics, the companies have to involve their suppliers as well in the environmental initiatives. This is done by monitoring the suppliers for environmental performance, working collaboratively with them on green design initiatives and providing training and information to build suppliers' environmental management capacity. Suppliers audit on environmental issues are an absolute must to keep a track of quality assurance. The alignment of suppliers' capabilities with firm's environmental goals is critical in achieving long-term objectives. This alignment can be achieved through an organizational and informational framework and the benchmarking of performance with environmental, quality and cost parameters. The cross-functional relevance of environmental SCM is ensured by its direct impact on the supplier selection and management processes.

**3) Triple bottom line (TBL):** In economics, TBL perpetuates that companies should focus on environmental and social concerns in the same manner they do on profits. TBL consists of 3 elements i.e., profit, people and plant [see fig (b)].

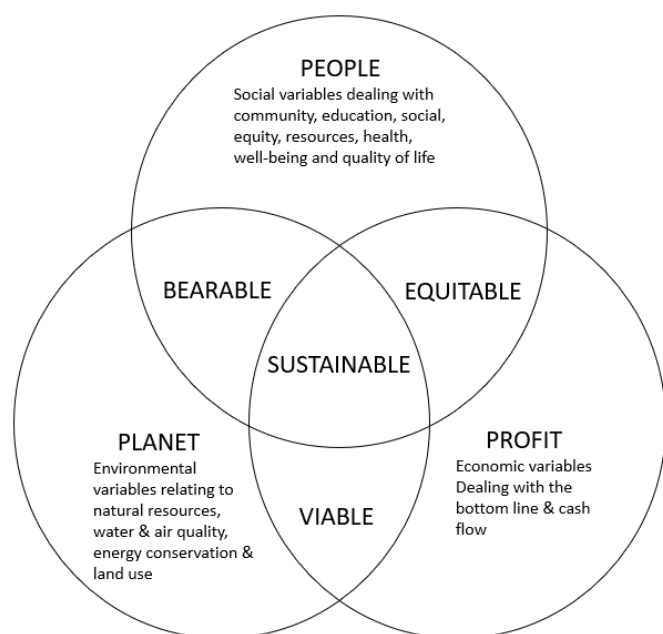


Fig (b). Triple Bottom Line

Ignorance of people and planet can have adverse impact on the sustainability goals as well as on company's future endeavours. All the three elements are equally important for smooth operations.

The TBL concept is slowly being merged with OM. By promoting TBL, a firm indicates to its shareholders, stakeholders and SC partners that their prime focus is not just hitting economic targets but also adhering to environmental and social concerns. This kind of orientation has its own set of advantages. For instance, consumers are more inclined towards sustainable products and in response the competitors are also compelled to modify their strategies to achieve non-economic targets.

The TBL-OM collaboration is a two-stage process :

- Stage 1: The firm implements internal environmental management to reduce the impact of internal processes & activities, optimize their own environmental targets along with conforming to the legal obligations. This internal development of green activities makes a firm eligible to collaborate with suppliers and customers in joint environmental programs.
- Stage 2: In this stage the firms leverage the capability and credibility, developed during stage 1, to cooperate with their SC partners aimed at greening all stages of SC. This coordination conforming to both internal and external environmental management practices deliver a positive impact on environment, which is compounded by customer concentration. Furthermore, firms investing in green programs will be reluctant to partner with non-green suppliers/partners. When all firms in a SC are practicing green, establishing collaborative green practices becomes easier.

Some green practices that can be adopted by firms:

- Green manufacturing
- Appropriate technology
- Sustainable transport
- Green products
- Green computing (Reduce Reuse Recycle)
- Green Architecture

In this ever changing and fast-moving business environment, absolute sustainability is unachievable. However, our duty is to try harder and reach as near as possible.

### FACTS

#### A Lake Formed By Meteor

A 4-hour journey away from Aurangabad and popular as Maharashtra's best-kept secret, Lonar lake was created about 52,000 years ago by a plummeting meteor. Travel buffs and space heads should not miss this astronomical marvel and the intricate temples around it.

# RESEARCH PAPER



## A DEEP DIVE INTO THE IMPLICATIONS OF THE RUSSO-UKRAINIAN WAR

By  
**Arnav Parikh**

*-Ambedkar  
University, Delhi.*

“In today’s world, where we live, there is no longer someone else’s war. None of you can feel safe when there is a war in Ukraine, when there is a war in Europe.”

### ABSTRACT

Throughout the course of human history, the one thing that has consistently occurred is war and conflict. War and conflict have been present in almost all societies and cultures, and have been an ever-present and destructive force throughout the ages. It almost seems that disagreement, rivalry, discord, and hostility with fellow humans are inevitable. This eventually results in two or more groups of organized men picking up arms with the intent to eliminate men from other groups. War and conflict have been ingrained in the human psyche, a trend that continues to this day. In retrospect, we humans have a love-hate relationship with war. It appeals to us for obvious reasons, such as power projection, asserting dominance, eliminating competition, annexing large areas, settling disputes, securing natural resources, etc. But on the flip side war causes unfathomable loss of human life, destruction of infrastructure and property, anguish, grief, recession, displacement of people, rise in debts, shortages, inflation, etc. War might seem the solution to many of our problems, yet its consequences are often too damaging to justify the short-term gains. This truth remains valid even in modern times, where the effects of war and conflict continue to be felt by many people around the world.

This paper examines the economic implications of war and conflict in the light of the Russian invasion of Ukraine.



## INTRODUCTION

The Russian Federation began a massive buildup of its military forces on the Russia-Ukraine and Belarus-Ukraine borders in October 2021. Many observers, including the United States, viewed this as a sign of an impending invasion of Ukraine, similar to what happened in 2014 when Russian forces swiftly invaded and annexed the Crimean peninsula. The Kremlin dismissed the accusations and justified them as planned combat exercises. They asserted that they had the right to move their military forces wherever they deemed necessary within their borders. However, by December, Russia started to make certain demands:

1. No further expansion of NATO membership, particularly to Ukraine.
2. An end to NATO military activity in eastern Europe, including Ukraine, the Caucasus and Central Asia.
3. An agreement that parties do not consider each other as adversaries and will resolve disputes peacefully.

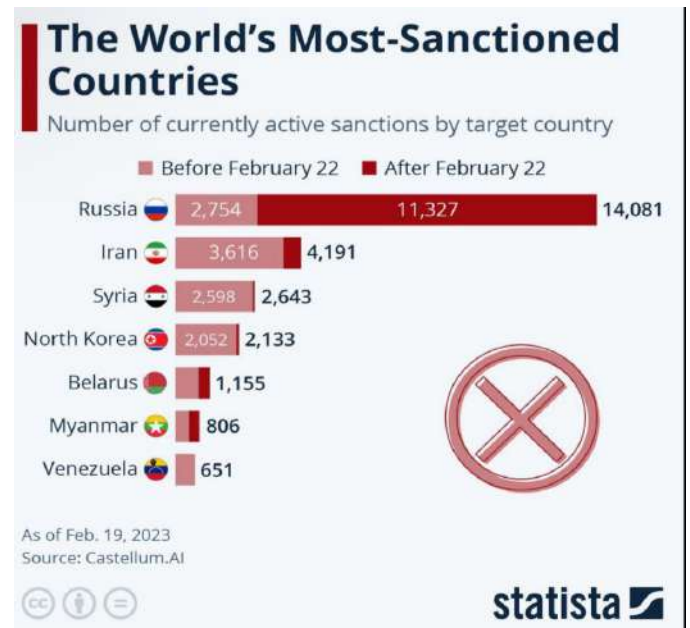


When none of these demands were fulfilled by the western allies tensions increased. And on the morning of 24th February 2022 the incumbent Russian president Vladimir Putin announced a special military operation to denazify and demilitarize Ukraine. Thus transforming a seemingly insignificant and low-intensity military conflict between Ukraine and Russia into a full-scale war. As a result, 150000-200000 troops crossed the border, creating the largest armed conflict in European history since World War II. Russia relied on its superior military strength which outnumbered and outclassed the Ukrainian military in every aspect. In the Kremlin, military planners were hoping conduct a blitzkrieg (the German word for lightning-fast warfare) which aimed to use the military advantage to overpower the Ukrainian military, capture the capital Kyiv,

force the current Ukrainian government into exile, and install a pro-Russian regime in Kyiv. Ironically the same strategy was used by the Germans in their campaign against the soviets during World war 2. And as fate would have it the Russians would run into similar troubles as the Germans did in 1942. The invasion spectacularly backfired for Russia as the Ukrainian armed forces prevailed even in the face of overwhelming odds. All Ukraine had in its favour were familiar terrain, easier logistics, higher morale and some western arms and ammunition. The Russian forces initially succeeded in capturing several towns but then stalled. Then came a Ukrainian counteroffensive that reclaimed a significant amount of previously lost territory. Russian objectives of a swift invasion did not materialize and much of the conflict has shifted to a slow and grinding offensive concentrating on the eastern Donbas region. It has been almost a year since the war began with no end in sight.

## THE ECONOMIC WAR

The invasion of Ukraine by Russia was met with widespread condemnation and criticism from the international community.



In retaliation to Russian aggression toward Ukraine, the collective west led by the G-7 announced a war on Russia. A war that was not going to be fought with weapons and troops but rather with sanctions, laws, restrictions, penalties, and policies that seek to inflict economic pain. The objective of this economic war was to cripple the Russian economy and therefore limit its ability to wage war in the future. All the G7 countries, along with Switzerland, Australia, New Zealand, Taiwan, and South Korea imposed an unprecedented sanctions package on Russia. As a result, Russia became the world's most-sanctioned nation surpassing Iran, Syria and North Korea. To put things in perspective, Russia currently faces 14,081 sanctions, five times more than Iran, the previous top position holder did previously. Sanctions were broadly divided into two categories:

- Trade sanctions.
- Financial sanctions.

## FINANCIAL SANCTIONS

Financial sanctions refer to the targeted asset freezes, seizures, and restrictions on a wide variety of financial



markets, individuals and services. Where the financial sanction is an asset freeze, it is generally prohibited to deal with the frozen funds held by a designated person or entity. Funds are defined to include financial assets of every kind: cash, cheques, money orders, credit, debts, stocks and shares, interest, dividends or any other income from or generated by assets.

A part of the financial sanctions included disconnecting selected Russian banks from the SWIFT (society of worldwide international financial telecommunications) payments system. SWIFT is a network used by banks to send secure messages about transfers of money and other transactions. Created in 1973 and based in Belgium, more than 11,000 financial institutions around the world use SWIFT, making it the backbone of the international financial transfer system. It sends more than 40 million messages a day, as trillions of dollars change hands between companies and governments. More than 1% of those messages were thought to involve Russian payments. Removing Russian banks from SWIFT will increase the complexity and cost of financial transactions. Only one country had previously been blocked from SWIFT that is Iran. Consequently, it lost a third of its foreign trade. In conjunction with the SWIFT ban the G7 announced sanctions on the Russian central bank which banned transactions with the Russian central bank and froze their foreign reserve assets situated in G7 territories. Currently, the Russian Federation has \$604bn as reserves but not all of these reserves are within Russia some of these reserves are overseas. More than \$350bn of Russia's \$604bn foreign currency reserves are now unavailable to the regime.

In addition, sanctions were imposed on Russian oligarchs, a small but powerful group of wealthy and powerful Russians. Oligarchs in the context of Russia refers to businesspeople, officials and industrialists who gained immense power and wealth after the collapse of the soviet union. A targeted set of sanctions was imposed on oligarchs' western assets like yachts, private jets, football clubs, villas were seized. The measures were also extended to some of the family members of the Russian

oligarchs.

Financial sanctions imposed on Russia severely limited the ability of Russia's state, central bank, private banks, and individuals to hold, transfer, invest, and borrow money in and from the global financial system.

## TRADE SANCTIONS

Trade sanctions are legal restrictions on trade with a country. They can be in the form of embargoes, export restrictions, and import restrictions.

Despite the sanctions that were imposed on Russia for its invasion and annexation of Crimea in 2014, there was still a heavy dependence on Russian trade. The EU had the tightest integration with the Russian economy. With Russia being the European Union's 5th largest trading partner. Raw materials like fuel, energy, metals, chemicals agricultural produce, and timber from Russia moved into the west. Manufactured products like industrial machinery, pieces of equipment, pharmaceutical products, consumer electronics, and appliances moved east into Russia.

Natural gas, fuels, advanced microchips, and machinery were the most important trade items between the west and Russia. Fuel and energy exports account for 53.8% of total export by Russia. At the same time, imports of microchips and advanced equipment are needed by Russia to maintain its military and to extract oil and gas.

But all this changed after the invasion of Ukraine. Russia was hit with a barrage of trade sanctions. These included export restrictions that prohibited:

- cutting-edge technology (e.g. quantum computers and advanced semiconductors, electronic components and software)
- certain types of machinery and transportation equipment
- specific goods and technology needed for oil refining
- energy industry equipment, technology and services
- aviation and space industry goods and technology (e.g. aircraft, aircraft engines, spare parts or any kind of equipment for planes and helicopters, jet fuel)
- maritime navigation goods and radio communication technology
- a number of dual-use goods (goods that could be used for both civil and military purposes), such as civilian firearms and other army materials, drones and software for drones or encryption devices
- Luxury goods (e.g. luxury cars, watches, jewellery)

In a major blow to Russia, Germany halted the Nord Stream 2 gas pipeline project, it was hailed as Europe's most divisive energy project, worth \$11 billion, and was designed to double the flow of Russian gas direct to Germany. Further import restrictions were levied on Russia which restricted the exports of select commodities from the Russian Federation to the west. Starving Russia of significant financial resources to fund its military campaign in Ukraine.

## THE EXODUS OF MULTI-NATIONAL COMPANIES FROM RUSSIA

It has been estimated that at the time of the military incursion into Ukraine, 2,405 subsidiaries owned by 1,404 European and G-7 companies had been operating in Russia.

In the wake of the Russo-Ukraine war over 1000 companies announced that they would immediately suspend their operations and exit Russia completely. This decision was driven in part by as corporations were under enormous pressure from their shareholders, stakeholders and the public. A second reason was the fear of falling victim to Western sanctions against Russia, which were expanding in number. For many organizations, distancing themselves from Russia, will not have a lasting negative impact on a company's broader operations. Others will find it financially and logistically challenging. But the initial commitments by the thousands of multinational corporations on ceasing their operations in Russia have not materialized. According to a database maintained by the Kyiv School of Economics, as of November 6, 2022, 1,187 companies have stayed in Russia, 498 have scaled down, 140 have paused their activity, and only 133 have completely withdrawn from Russia.

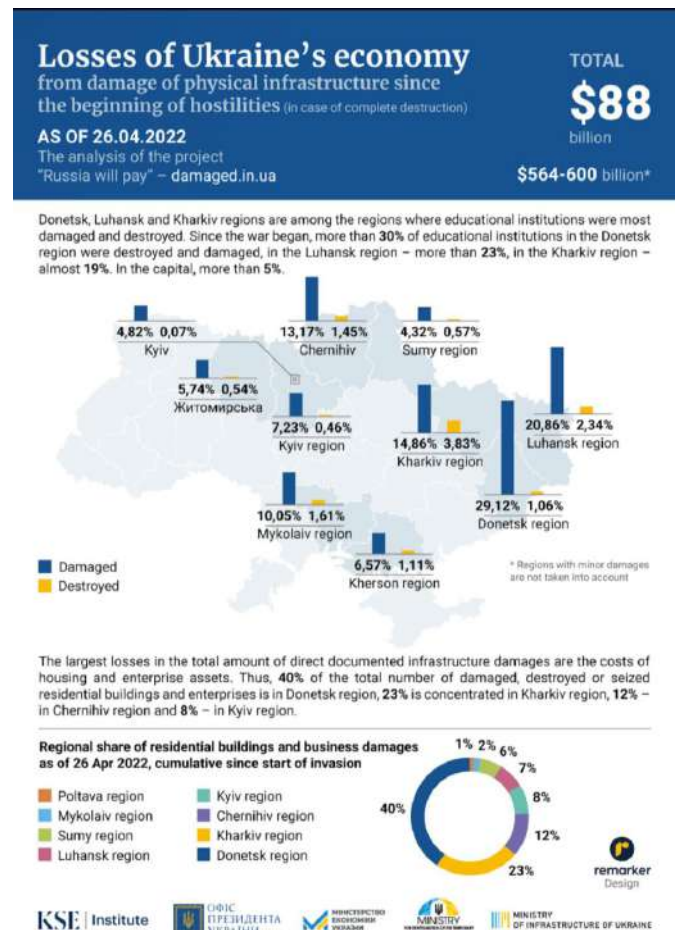
## DEVASTATION OF THE UKRAINIAN ECONOMY

Ukraine inherited a command economy when it became an independent country in 1991 after the collapse of the soviet union. A command economy is an economy in which a central governmental authority dictates the permissible



production levels and the prices that may be charged for goods and services. Most industries were publicly owned. With the central governmental authority being in Moscow, and with that gone the Ukrainian economy was in shambles, and everything had to be set up from scratch. Gross domestic product plunged by over 60% in the early 1990s, there was no financial system to facilitate business and trade, and inflation skyrocketed to more than 10,000%

For ordinary Ukrainians, this collapse meant massive poverty and hardship: Approximately 54% of households were affected by absolute poverty. Things started to change for Ukraine in the 2000s as it was able to export



natural resources and agricultural produce to Europe and beyond, Ukraine had eliminated absolute poverty, enjoyed cheap import of fuel from Russia, and became the fastest growing economy in Europe. As of 2020 Ukraine had a GDP of \$150 billion and a population of 44 million which gave it a per-capita GDP of \$3700. Even before Ukraine was involuntarily dragged into a conflict it was the poorest and the second-most corrupt country in all of Europe. The Russo-Ukraine war will have numerous and profound consequences for every country around the world but no other country will experience more severe consequences than Ukraine itself. As it is Ukraine that is getting invaded, annexed, bombed, and destroyed. Wars interrupt and disrupt the day-to-day functioning of an economy as the primary focus shifts from producing consumer goods to the production of military goods. Ukraine's economy shrank by more than 35% in 2022 around 8 million people, mostly women and children have been externally displaced (moved out of Ukraine) and nearly as many have been internally displaced to escape the conflict. A general mobilization was announced on the day of the invasion to swell up the ranks of the armed forces of Ukraine, which essentially leads to labour shortage as most men are enlisted in the army. The annual inflation rate has shot up from 10.7 in February 2022 to 26% in January 2023. In March 2023, Russia occupies a fifth of Ukraine, primarily industrial and resource-rich areas. The capabilities of Ukraine's industries have been significantly degraded and is now substantially dependent on Western aid. As per the Kyiv school of economics the total amount of damage caused to Ukraine's infrastructure as on December 2022 amounts to almost \$138 billion and is increasing every

day as Russia continues to conduct a massive barrage of strikes on critical infrastructure within Ukraine. The cost of rebuilding Ukraine has been approximated at \$349 billion, an amount which is more than one and a half times Ukraine's pre-war GDP.

## IMPACT ON THE AVIATION INDUSTRY

The aviation sector which was still recovering after weathering multiple waves of the recurring covid-19 pandemic was hit with further challenges arising from the conflict in Ukraine. Immediately after the war began, the aviation industry was turned upside down with Sanctions, counter-sanctions, air space restrictions, flight cancelations, suspension of licenses, and more. The European Union, Canada, UK, and the USA shut off their airspace for Russian airlines and airliners as part of their sanctions package on Russia. Effectively, Russia's state-owned carrier Aeroflot had to cancel all its international flights except to Minsk, Belarus. In a tit-for-tat move, Russia has also closed its airspace for 36 unfriendly countries which includes 27 European countries, the United States, the UK, France, Japan, Canada, etc. Such airspace restrictions and counter-restrictions created cascading effects of implications for the aviation industry. The closure of Russian airspace posed a myriad of challenges for western airlines as hundreds of flights that used to cross Russian airspace had to be diverted and operated on alternative courses. Avoiding the airspace of the largest country on earth comes at a cost as Russian airspace due to its geography provides a connection between Europe and Asia. Utilizing Russian airspace airlines saved huge amounts of money and time which is no longer feasible. Another outcome of the Russo-Ukraine war is higher oil prices. Rising oil prices will have a drastic impact on the aviation sector as fuel costs account for a major chunk of the operating expenses of an airline and airspace closures which essentially translates into more flying hours will further compound the problem of already high fuel prices.

## THE ENSUING GLOBAL FOOD INSECURITY CRISIS

The global food system was rattled by climate change and Covid-19-induced extreme weather patterns, shutdowns, supply chain disruptions, and export controls. Even before the war began food commodity prices were already at a

10-year high because of the aforementioned reasons.

The number of people with access to food so poor that their lives or livelihoods were at immediate risk had risen from 108m to 193m over the past five years, according to the United Nation's World Food Programme as the pandemic eroded the past gains made on education, healthcare, and poverty and pushed millions of people around the world into poverty. The already bad situation was further worsened by the commencement of the war in Ukraine. Ukraine and Russia are blessed with an abundance of some of the richest and most fertile black soil found on Earth making them the top agricultural powerhouses for centuries. Ukraine ranks 5th in wheat exports, 3rd in barley exports, 3rd in corn exports, and 1st in oil seeds exports. While Russia is the largest exporter of wheat, 2nd largest in oil seeds exports, 4th largest in barley exports, and The Russian Federation plays an instrumental role in the supply of fertilizers occupying the top position in the export of nitrogen fertilizers, 2nd in potassium fertilizers and the 3rd in phosphorus fertilizers. Russia and Ukraine combined supply 30% of the globally traded wheat, 20% of globally traded corn, 75% of globally traded sunflower oil, and 1/8 of all the globally traded calories and are thus known as the breadbasket of Europe. Some 50 countries depend on Russia-Ukraine for their food supply, the majority of these countries are poor and are located in Asia and Africa. Most of the wheat-growing regions in Ukraine were occupied by Russia, or were part of an active conflict zone that crippled the ability of Ukraine to produce and harvest their crops. To make matters worse the Russian navy blockaded and Ukraine's defensive mining of its waters stopped all shipments from the Ukrainian coastline which included Odesa, and Mykolaiv which combined, handled more than 70% of Ukraine's exports before the war.

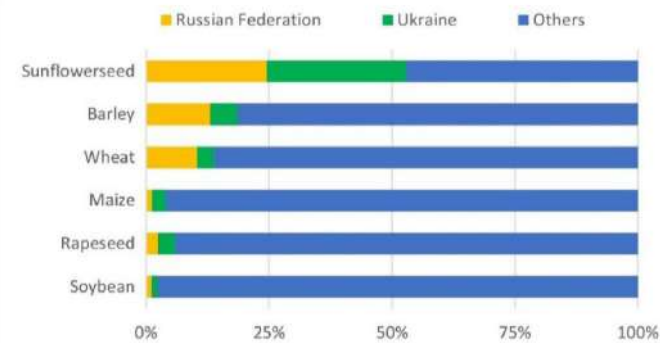
The damage to Ukraine's road network and food distribution infrastructure has led to the seizure of the country's food supply chain. All these factors combined had created a void in the global food supply thus causing a sharp rise in the already inflated food prices. The food price index increased 10.9% year on year in July 2022. Another factor responsible for the rise in food prices was the soaring prices of fertilizers and fuel. The already grim situation was further exacerbated by the western sanctions on Russia, which in theory had carve-outs for agricultural produce and various crop nutrients, but in practice hampered trade with Russia as businesses feared falling foul to the sanctions. Much to the world's relief, on July 2022 a landmark grain deal was signed by both Russia and Ukraine which aims to prevent famine by injecting more wheat, sunflower oil, fertilizer, and other products into world markets. This deal eased the global food crisis and brought down food prices.

## GLOBAL ENERGY CRISIS

As the world came out of the Covid-19-induced pandemic and subsequent shutdowns, early 2021 witnessed a steep climb in demand for energy owing to the rapid post-pandemic economic rebound which soon outpaced the supply and overwhelmed the stakeholders in the



Figure 1: Share in global production of selected crops  
(2016/17-2020/21 Avg.)



energy sector. Oil-producing states and companies were caught by surprise by the surge in demand as they had cut production and stopped spending on new capacities due to the historic plunge in global energy consumption in the early months of the Covid-19 crisis which had driven the prices of many fuels to their lowest levels in decades. The demand-supply mismatch, accompanied by several weather-related factors led to higher energy consumption and lower contribution of renewables in the energy mix. All these factors combined led to a steep rise in energy prices.

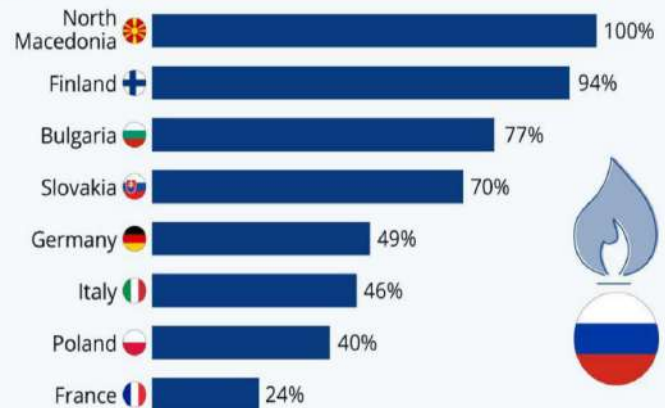
The already dire circumstances were further amplified by the invasion of Ukraine. Russia is a vital player in the energy markets. It is one of the world's top three crude oil producers and the second largest producer of natural gas, it is the second largest producer of natural gas in the world with largest gas reserves, making it the largest gas and oil exporter as well. Europe is the largest importer of natural gas in the world and the largest share (41%) of this natural gas comes from Russia. For Europe natural gas is the lifeblood of its economy- it is the fuel that powers Europe's industries, lights its cities, and heats homes. Western countries slapped heavy sanctions on Moscow for the unprovoked war, and Russia responded in kind by reducing the flow of natural gas to Europe triggering major global supply chain disruptions in the energy sector and driving up energy prices. This created two key problems:

1. An affordability crisis caused by record-high energy bills.
2. An energy supply crisis owing to the shortage of fuels and power.

The spiraling energy prices had a considerable impact on inflation which hit its highest level in the past 25 years, with an annual inflation rate in the EU countries of 9.8 percent in July.

## Which European Countries Depend On Russian Gas?

Share of gas supply from Russia in selected European countries (2020 or latest available)



## CONCLUSION

Our world has been forever changed in unfathomable ways by the war between Russia and Ukraine. It is a widely accepted fact that the consequences of war and conflict are far-reaching and devastating, in the from the physical destruction of infrastructure, collapse of economies, to the psychological and emotional devastation of the people directly affected, but the timing of this conflict could not have been any worse as it commenced just when the world was recovering from covid-19 which had brought to a screeching halt. A 21st-century iron curtain has descended on Russia in the form of western sanctions which aim to make Russia a pariah state. The reputational damage to Russia is immense as it will be seen as a hostile and unreliable for years to come. Ukraine on the other hand will be left dealing with the scars of this conflict for generations. Russia and Ukraine both are insignificant players in the global economy, but both these nations are indispensable suppliers of raw materials to the world. The war has disrupted the global supply chain of energy, agricultural produce and rare metals like titanium, nickel, and palladium.

The reverberations arising from this conflict will be felt for decades by the whole world.

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# IMPACT OF LPG REFORMS ON VARIOUS ECONOMIC FACTORS OF INDIA

By  
**Manan  
Chaudhary**

*-Hindu College,  
Delhi University*

“I think, overall,  
India is today  
on the move.  
The economic  
reforms that our  
salvation lies in-  
operating an open  
society, political  
and economic  
system- that  
has widespread  
support.”  
*-Manmohan Singh*

## ABSTRACT

The financial system of India had gone through enormous policy shifts at the start of the 1990s. This new mannequin of monetary reforms is typically recognized as the LPG or Liberalization, Privatization and Globalization model. The principal objective of this model was once to make the economy of India the fastest developing economy in the globe with competencies that assist it in shaping up with the biggest economies of the world.

LPG reforms of 1991 is a strategic shift in the Indian economy which changed the very nature of Indian reality today. This topic forms the foundation for the Indian Economy today.

This resource guide is created to help us understand globalisation, its history, the elements it comprises, its earlier and then after consequences on trade and the cutting-edge trends. Global integration, driven by technology, transportation, and global cooperation, has resulted in our present-day interconnected world.

The current labour market panorama reflects our deep monetary interconnections. While our interconnections encompass nearly every element of life this information focuses on the economic factors of globalization, often trade economic markets, migration and labour markets, and technological progress. We did encompass sources on the function of globalization in spreading pandemics in mild of the devastation the COVID-19 pandemic has brought about throughout the globe in human lives and the economy.

## INTRODUCTION

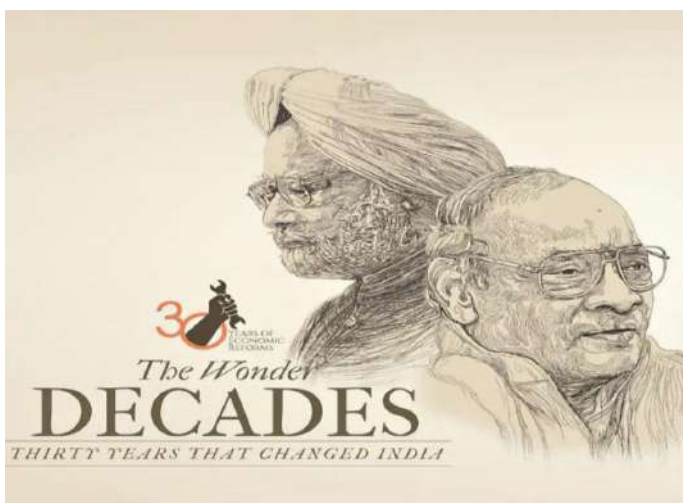
**Globalization** refers to the growing interdependence of international locations ensuing from the increasing integration of trade, finance, people, and ideas in one global marketplace. International alternate and cross-

border investment flows are the predominant elements of this global integration.

**Liberalization** implies the gradual reduction or elimination of cross-border barriers, including tariff and non-tariff measures, with the aim to promote the free flow of capital, goods, and services as well as technology and human resources. Today, the world is a place where barriers to cross-border trade and investment are tumbling; perceived distance is shrinking due to advances in transportation and telecommunications technology.

**Privatization** takes place when a government-owned business, operation, or property will become owned via a private, non-government party.

It may also additionally describe a transition that takes a business enterprise from being publicly traded to turning into privately held. This is referred to as corporate privatization. Privatization describes the technique with the aid of which a piece of property or enterprise goes from being owned via the government to being privately owned. It normally helps governments retail cash and amplify efficiency, where non-public businesses can pass items faster and with greater efficiency.



## LITERATURE REVIEW

The study revealed that the “Impact of LPG (Liberalisation, Privatisation and Globalisation) In India on various Sectors in Trade and FDI (Foreign Direct Investment)” was extremely helpful for understanding the impact of LPG on the Indian Economy and on the Indian people.

The LPG has invited the FDI with quantum jump and improved the trade in all sectors specially in Agriculture sector and has given immense benefit to Indian industry and to the Government of India.

The study was based on secondary sources collected from published articles, various journals, newspapers, reports, books & official websites and Ministry of Commerce and Industry, Government of India. The study further claimed that the LPG has given impressive boost to Agriculture

sector, Manufacturing sector and IT sector with regard to eradication of unemployment and financial upliftment of people of India and improving the Indian economy.

IBEF (Indian Brand Equity Foundation) and ISID (Institute for Studies in Industrial Development) in their articles and various studies have shared various details and data which have helped to prepare the detailed report and the case study of the present impact of LPG. The study further highlighted the benefits of overall trade after LPG in India. The IBEF & ISID data has helped in the study of the recent trends & financial inclusion in India with special reference to Liberalisation, Privatisation and Globalisation and highlighting its key areas and suggested strategies for maximum financial inclusion. The study further concluded with the financial impact on various industries and sectors and the credit of policies made by the Indian Government

## OBJECTIVES OF THE STUDY

- To study the present scenario on Primary Sectors in India after LPG (Liberalisation, Privatisation and Globalisation).
- To study the actual overall progress made by LPG (progress report) in Agriculture sector, Forex reserves, Employment and various other important sectors.
- To study financial aspect on Agriculture Sector before and after LPG
- Contribution of Agriculture on Indian economy and GDP of India.
- Understand Various mechanisms and schemes of Indian Government for improving the Trade and FDI in India.
- To study the challenges for India in Future.

## RESEARCH METHODOLOGY AND DATA COLLECTION

The present study is descriptive in nature and is primarily based on secondary sources of data, wherein the information and data for the research has been collected from published articles, government publications, books and newspapers, journals, reports, and the official websites of Ministry of Commerce and Industry Department, Government of India.

The purpose of this study is to highlight the present scenario of Trade and FDI in India along with the special benefits promised by the government to improve the trade and FDI in India under the Ministry of commerce and Industry and Ministry of Finance, Government of India. It studies financial details of the trade FDI and its detailed progress. The study also focuses on the monitoring mechanisms, roles of major stakeholders, and the challenges faced and challenges ahead.

## LPG REFORMS IMPACT ON PRIMARY SECTOR

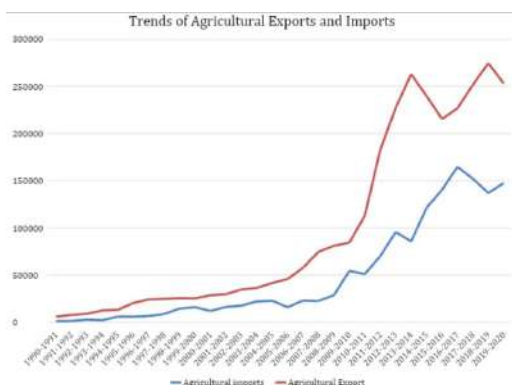
The agriculture sector and allied activities in the primary sector is essential to a nation's economic development and plays a major role in the economy. Its growth is attributed to an overall inclusive growth of the economy as a significant number of people are engaged in agriculture.

An important trend related with the policy reforms is the increasing volume of agricultural trade both exports and imports in absolute value reaching unprecedented value in quantity and in monetary terms as well. Partly because of increased productivity due to more availability of fertilizers (a major component of India's import), increased access to world market presenting opportunities as well as challenges from increased competition and fluctuation in world prices impacting farmers incomes.

- The overall value of India's exports of agricultural products and allied goods has climbed from Rs. 6,012.76 crore in 1990-1991 to Rs. 252976.06 crore in 2019-20, representing 4107% rise in export value (in current prices).
- We can see from the data set that India in recent times has focused more on agricultural exports and the gap between agricultural exports and imports has widened.

Growth of Agricultural Exports from 1990 to 2020	
1990-91	6012.76
2019-20	252976.06
% Change	4107%

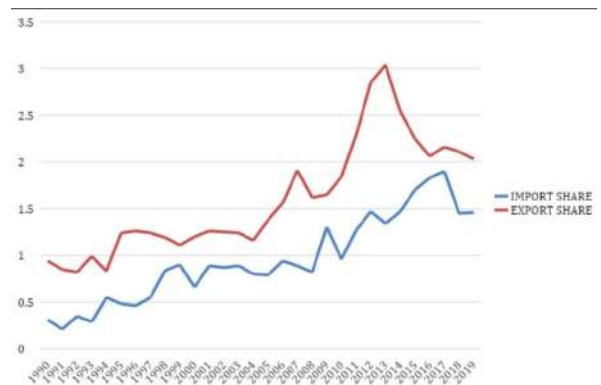
- The growth of Agro-exports can be attributed to globalization as the prices of agricultural goods are higher in the international market than in Indian markets.



- Also, after LPG reforms, there was an increase in the availability of modern Agro-based technologies helping farmers to achieve higher output growth and subsequently greater productivity.

## TRACING AGRICULTURE SECTION SHARE IN WORLD TRADE

Liberalising the economy and removing the trade barriers not just by India but many economies around the time facing the forex reserve crisis enabled more free trade and integration into the global economy as evident by the rising share of trade participation in world trade in agricultural commodities.



- Before 1990 India share in export and import in world trade in Agricultural commodities was less than 0.4 % and there were irregularities reflected in the data before 1990.
- After 1990 India export grew tremendously which is shown in the datasets collected from NABARD and analysed herewith which show steady rise in percentage share of exports of agricultural commodities in world trade of India since 1990 .
- At the same time , import of agricultural commodities has shown tremendous rise as well.
- India's total export contribution to global commerce climbed from 0.52 percent in 1990 to 1.71 percent in 2019, expanding at a CAGR(Compounded annual growth rate) of 12.39 percent compared to the global average export growth total of 7.03 percent only.
- In \$\$ terms , it grew at a steady pace from 0.94 % in 1991 as evident from the graph plotted herewith.
- Compared to global imports which grew at 6.28 percent, Agri-imports grew at a far higher CAGR of 10.41 percent as was the case with exports. The study also showed that India's Agri-imports have increased at a faster rate than the country's overall imports
- Coefficient of variation (= Standard Deviation/ Mean) shows the variability of data around mean. Nabard data suggest high coefficient of variation indicating greater variability indicated by the standard deviation relative to mean since 1990 to 2018 in both export and import with a value of 83.74% and 88.76%.

World trade share of India in Export and Import	
AGRI EXPORTS (in Billion \$)	
	12.6791
STANDARD DEVIATION	5
MEAN	15.1406
CV (Coefficient of Variation)	0.83742
	3

## AGRI IMPORTS (In Billion \$)

	8.59341
STANDARD DEVIATION	7
MEAN	9.681
CV (Coefficient of Variation)	0.88765
	8

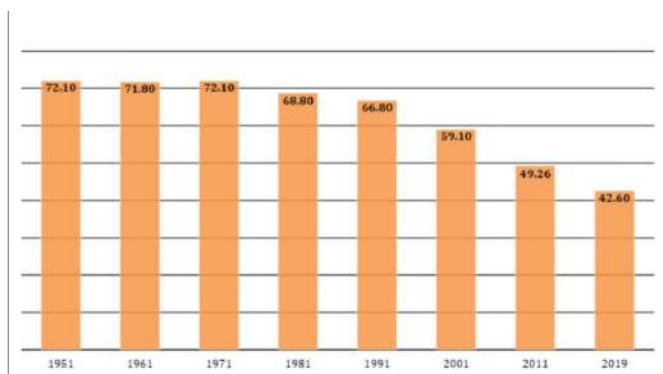
Final concluding:-

The coefficient of variation of world export and import showed around 30% less variability than Indian exports and imports as shown in the analysis performed in the excel sheet "Data 3" attached herewith. Along with that rise in the trade share of India as well and tremendous growth in primary sector.

## AGRICULTURE AND ITS PERCENTAGE SHARE IN EMPLOYMENT

The Indian economy has historically relied heavily on the agriculture sector, and it still does so today. The majority of people relied on agriculture during the 1950s; it was their main source of income. In the 1990s, the agricultural industry provided significant employment seeing data still in 1991 around 66.8% of people were involved. More or less the analysis which we devise is that from 1951 to 1991 the agriculture sector was the bread earner for the majority of people but post LPG reforms we have seen a major downtrend the numbers declining from 66.8 to 59.10 in 2001 to 49.26 in 2011 to 42.60 in 2019.

This is overall better for the economy as the other sectors like manufacturing, IT, services, and tertiary sector is growing to help in the transition from underdeveloped to developing and eventually to a developed country.



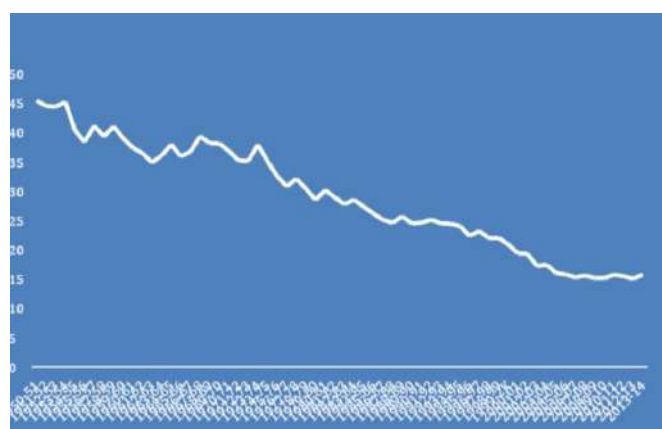
## AGRICULTURE'S CONTRIBUTION TO GDP OVER THE YEARS

We can notice a very interesting pattern and see a slight contradiction if we look at the data set, we can clearly devise that post-LPG reforms India's agricultural share in the world trade has increased, its exports numbers have

clearly shown an upward trend whereas when we look at the agriculture sector contribution to India's GDP then it has clearly declined over the years. The following graph shows how the agriculture share in GDP dropped from 45.48% in the year 1950-51 to 24.65% in 1990-91 to 15.395 in 2013-14.

A possible explanation is that as India has shown growth and the transition from an underdeveloped to a developing country then the economy moves from an agriculture-based to focusing more on the manufacturing and service sector.

Somewhere or the other it also shows that Indian agriculture efficiency has increased to some extent leading to an increase in agriculture trade both in percentage terms and absolute numbers.



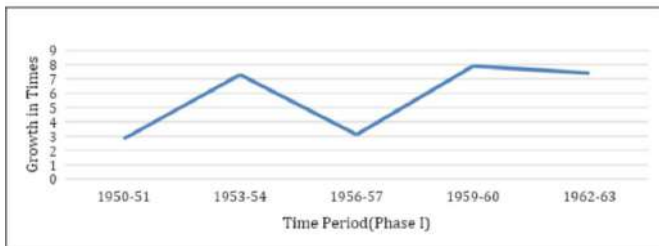
## CONTRIBUTION OF THE MANUFACTURING SECTOR BEFORE AND AFTER LPG

A well-developed manufacturing sector is needed to provide the basic needs of the population. Similarly, to lead to an increasingly diversified economy and to give rise to social psychology and institutional changes manufacturing sector is a principal indicator of the economic development of a nation. Identifying the need for a well-developed industrial sector, in 1951 India's Prime Minister Jawaharlal Nehru announced that India had to become industrialised as fast as possible. While the policymakers did everything, they could to improve the state of the manufacturing sector in India. However major policies including formulating Soviet-like planning policies, to industrialise the country were not successful. India failed to become a manufacturing powerhouse.

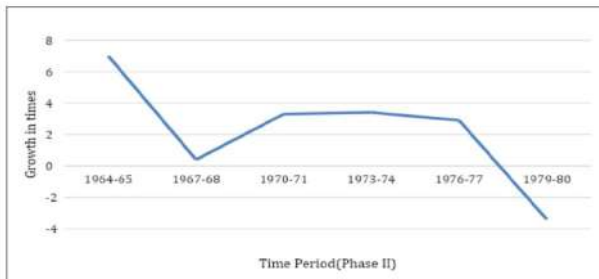
Phase	Period	Major Industries contributing in Trades
Phase I	1950-1965	Sugar, vegetable oils, cotton textiles, jute textiles, iron and steel smelting, chemicals, petroleum, non-metallic mineral products, basic metals, manufacturers of metal products and machinery
Phase II	1965-1980	Basic goods, capital goods, high technology industries, ferrous metal, construction material and mechanical engineering industries.
Phase III	1980-1991	Consumer durables, export-oriented industries, modern technology-based industries, petroleum products, non-electric machinery, food and beverages, intermediate goods

## BEFORE 1991

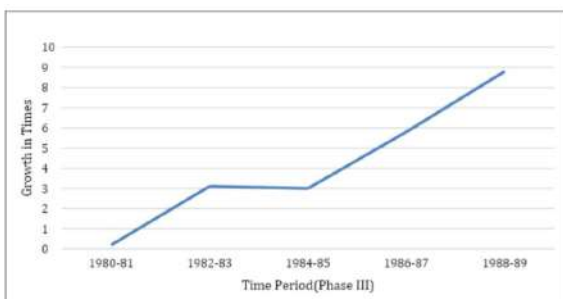
The period between 1951 and 1965 witnessed an increase in industrial production by 2.8 times, whereas the period 1966–80 saw an increase by only 1.8 times compared to the previous phase although there was an increase in the trades between these periods. The complimentary character of the public and private investment was a major contributing factor of high industrial growth in the phase-1. Also, it was a period when the prices in general were stable.



The phase- 2 of the Indian industries was essentially stagnant which can be attributed to a number of factors including the rigid governmental controls, political instability and wars of 1965 and 1971. Similarly, the general neglect of the infrastructural development paved way for the infrastructural constraints for the manufacturing sector.



Finally, the period from 1980-90 saw a total growth of the manufacturing sector in India as 7.4 percent. Growth in this period was not only due to loosening of the controls but also because of the increased public, private and foreign investment in the manufacturing sector in India.



## POLICIES THAT CHANGED THE FACE OF THE INDIAN ECONOMY

Post-1980 the key strategy for developing the manufacturing sector in India was to develop large and heavy industries through central planning. The strategy also included import substitution, price controls and restrictions on private sector

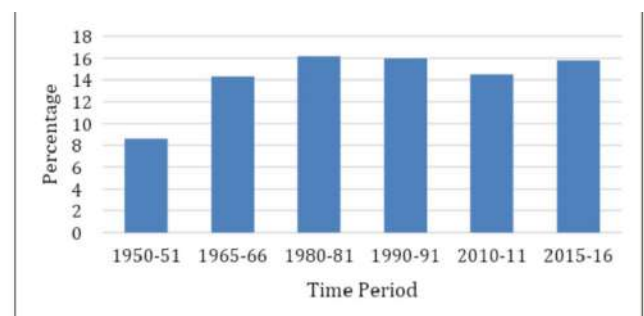
through severe licensing. Also, the controls on the foreign investment limited the growth of the manufacturing sector in India. Rigid controls led to widespread incompetence in resource utilization, as reflected in the poor growth rate of the manufacturing sector. The despondent state of the manufacturing sector was further accentuated by the Gulf oil crisis and agriculture supply shocks in the late 1970s' together with political uncertainty which plagued the Indian economy throughout its development process.

After 1991, however, the licensing of industries was abolished and movement of international capital was liberalised. Previously only 40 percent FDI was allowed in selective large and heavy industries.

INDUSTRY	FDI ALLOWANCE	ENTRY ROUTE
Alcohol	100%	Automatic
Coffee & Rubber Processing and warehousing	100%	Automatic
Defence Production	26%	FIPB
Hazardous Chemicals	100%	Automatic
Industrial Explosives	100%	Automatic
Drugs & Pharmaceuticals	100%	Automatic
Power Generation, Transmission & Distribution	100%	Automatic

## FDI limits for the manufacturing sector post 1991

The contribution of the manufacturing sector to GDP just after India gained independence was not substantial. During 1950-51, the manufacturing sector in India contributed only 8.98% to the GDP. However, by 1965-66, it had increased to 14.23%, at the start of 1980 this figure further increased to 16.18% but it remained constant in that decade until 1990-91. This slight dip stems from the growth of the service sector and its increased contribution to the GDP of the country. During the fiscal year 2014 -15 the manufacturing sector contributed about 16% to the GDP.



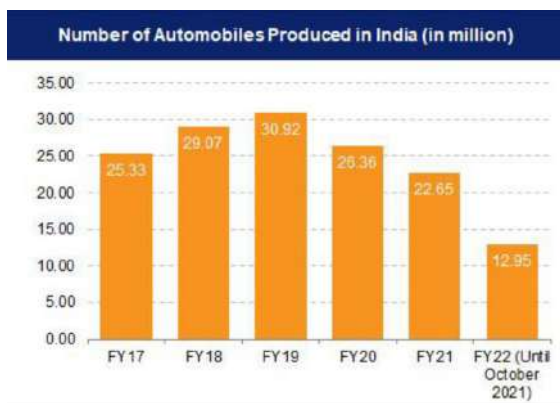
## AFTER 1991

The main objective behind the industrial policy statement was to bring about efficiency in India's industrial sector. It paved way for the growth of various industries whose bane was enjoyed by both the Indian consumer as well as the conglomerates.

## THE AUTOMOTIVE SECTOR

With the introduction of this policy, the automotive sector thrived after the liberalisation policy introduced in 1991. To analyse the growth prospects after the policy, let's have a graphical representation of the quantitative aspects.

The data shows the growth in the number of vehicles bought in each category. There has been significant growth and comparing it with the pre-liberalisation era, the data serves as testimony to growth of the automotive industry.



### Small towns set new pace for PVs

Passenger vehicle sales in India grew 7.89% in 2017-18, touching a record high of almost 3.3 million units, driven by demand from smaller towns and the increasing popularity of utility vehicles.

Segment	Year-on-year change in %
Passenger cars	3.3
Utility vehicles	20.9
Vans	5.7
<b>Total PVs*</b>	<b>7.89</b>
Total CVs	19.94
Total 3-wheelers	24.19
Total 2-wheelers	14.8

The growth seen in demand for vehicles in small towns of the Indian sub-continent has aided in the growth of the automotive industry and has increased the interconnectedness between north-south and east-west. This growth has certainly benefitted the Indian economy.

## THE COMPUTER HARDWARE INDUSTRY

The computer hardware industry has also seen tremendous growth because of FDI inflow that has not only made India an attractive proposition for foreign investors for their investment because of low manufacturing cost but has also nestled the growth of domestic industries through healthy competition. The data available for such is not reliable with varied data sets on different sites but the current position of India serves as an example of the good state of the computer hardware sector.

## SERVICE SECTOR IN INDIA

- Ranging from communications to transport, finance,

education, and tourism, the services sector has become the backbone of the global economy and the most dynamic component of international trade.

- The services account for around 55 percent of the total size of the economy, about 38 percent of total exports, and two-thirds of total FDI inflows into India.
- The services sector has been the largest recipient of FDI in India with an inflow of US\$ 83.14 billion between April 2000 and June 2020.
- NITI Aayog in partnership with the Institute of Competitiveness released the Export Preparedness Index (EPI) report 2020- India's merchandise exports have witnessed growth from USD 275.9 billion in 2016-17 to USD 331.0 billion in 2019-20.
- Composition of service sector: Trade, hotels and restaurants, Transport, storage and communication, Financing, Insurance, Real Estate and Business Services, Community, Social and Personal Services, Environmental services- Sewage services, sanitation, etc., Educational services. Tourism and travel-related services, Financial services, Recreational, cultural, and sporting services, and Health-related and social services.

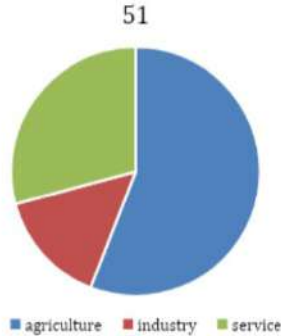
## ECONOMY BEFORE 1991

Indian economic policy after independence was influenced by the colonial experience (which was seen by Indian leaders as exploitative in nature) and by those leaders' exposure to Fabian socialism. Nehru, and other leaders of independent India, sought an alternative to the extreme variations of capitalism and socialism. In this system, India would be a socialist society with a strong public sector but also with private property and democracy. As part of it, India adopted a centralized planning approach.

This policy tended towards protectionism, with a strong emphasis on import substitution, industrialization under state monitoring, and state intervention at the micro level in all businesses, especially in labor and financial markets, a large public sector, and business regulation. Drawbacks of Pre-1991 economic policy: 1. Licence raj: The "Licence Raj" or "Permit Raj" was the elaborate system of licenses, regulations, and accompanying red tape that were required to set up and run businesses in India between 1947 and 1990. 2. Import substitution: Import substitution industrialization (ISI) is a trade and economic policy that advocates replacing imports with domestic production. ISI is based on the premise that a country should attempt to reduce its foreign dependency through the local production of industrialized products and was intended to promote self-reliance. But this meant the monopoly of Indian industries and a lack of incentive for them to improve the quality of products which hampered consumer interests. "Before the process of reform began in 1991, the government attempted to close the Indian economy to the outside world. The Indian currency, the rupee, was inconvertible and

high tariffs and import licensing prevented foreign goods from reaching the market. The labyrinthine bureaucracy often led to absurd restrictions—up to 80 agencies had to be satisfied before a firm could be granted a license to produce and the state would decide what was produced, how much, at what price, and what sources of capital were used.” - BBC on the Pre-1991 economic policy.

the pie chart on sectoral contribution to GDP during 1950-



## SERVICE SECTOR BEFORE LPG REFORMS

The growth of the service sector in India before economic reforms was slow due to the lack of opportunities for entrepreneurs.

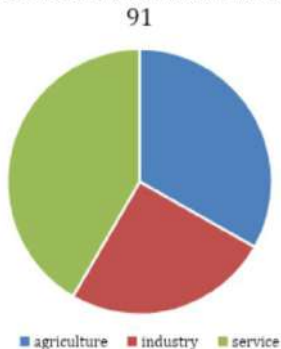
Poor infrastructure: lack of basic infrastructure never incentivized the service sector to grow in the country

Lack of technological advancement is one of the major reasons why the pre-1991 period did not prove to be a success in the growth of the service sector in the country

Inward-looking trade policies state protectionist policies also hurt the overall growth of the sector .

Unskilled manpower: the major population in the country at the time was unskilled which was also the reason.

the pie chart on sectorial contribution to GDP during 1990-

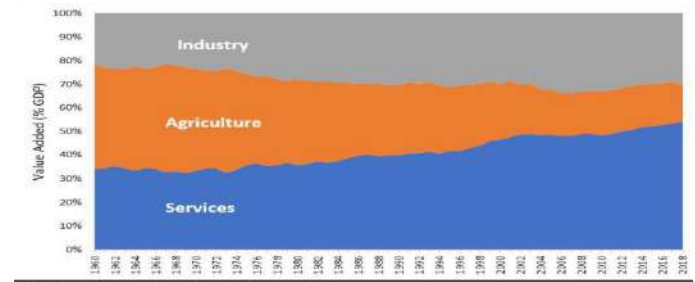


## ROLE OF ECONOMIC REFORMS IN THE SERVICE SECTOR

The growth in the service sector in India has been linked to the reforms in 1991 the service sector started to grow in the mid-1980s but the growth accelerated after the economic reforms in 1991.

Reforms in the service sector led to privatization the removal Of FDI restrictions and streamlining of approval procedures among others. With economic growth and the rise in per capita income, the demand changed from

necessary to discretionary consumption and propelled the growth of services. The elasticity of demand for services at high incomes has contributed to the growth of the sector as per the income of the people increased the demand for services like tourism retailing and catering and elite education has increased.



## OTHER FACTORS CONTRIBUTED TO THE GROWTH OF THE SERVICE SECTOR

- Rise in demand
- Technological and structural change
- Alternative ecosystem
- Skilled manpower
- Improved productivity
- Global tech hub
- Cheap and cost-effective labor

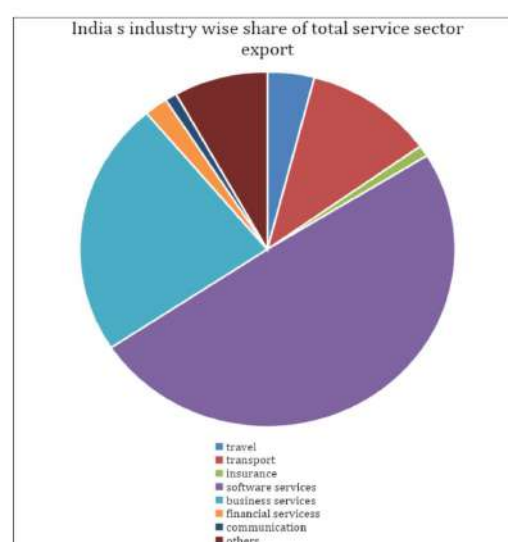
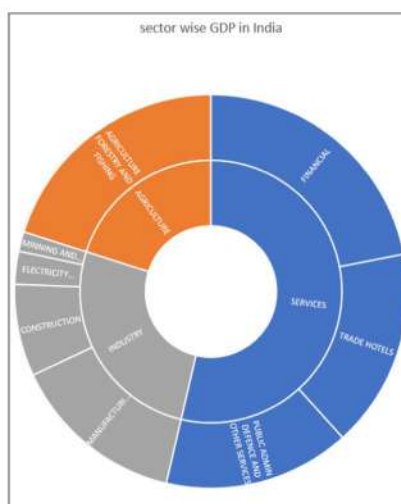
## ENGINE OF GROWTH

The service sector has shown consistent growth rate as compared to other sectors of the economy over the past three decades.

Sector	1980-91	1992-2001	2002-07	2007-12	2012-13	2013-14	2014-15
Agriculture	3.6	3.3	2.3	3.2	1.5	4.2	-0.2
Industry	7.1	6.5	9.4	7.4	3.6	5	7.0
Service	6.7	8.2	7.8	10	8.1	7.8	9.8
Total	5.6	6.4	7.8	8.2	5.6	6.6	7.4

## THE MOST DOMINANT SECTOR IN TERMS OF GDP CONTRIBUTION

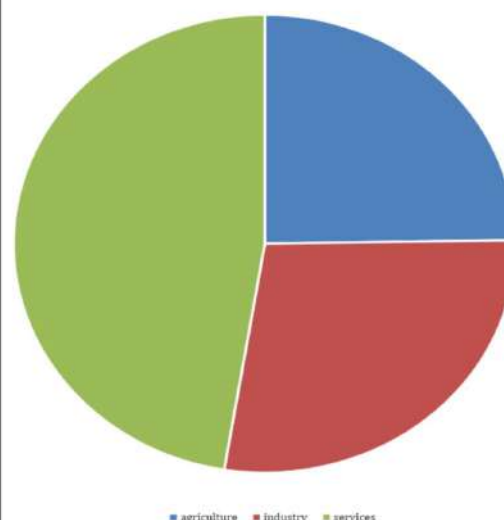
The service sector has been a major contributor to India's GDP with approx. (53%) share of the overall GDP.



## SECTOR

PRIMARY	74.3	68.6	64	48.9	44.6
SECONDARY	10.9	11.5	16	24.3	24.4
SERVICES	14.8	16.9	201	26.8	31.0
TOTAL	100.0	100.0	100.0	100.0	100.0

SECTORAL CONTRIBUTION OF GSVA at the basic current price for the year 2017-18



## Employment provider

The service sector is one of the major employment providers in the country but still, the major employment provider in the country is the agriculture sector.

## A major contributor to exports

According to WTO India's service export market share improved from 3% in 2010 to 3.5% in 2019 and 4% in 2020 and 2021. The government has set the target of export services of US \$ 350 billion in FY 2022-23, which is 37% higher than US \$ 255 billion exports in 2021-22.

## Contribution in GVA

The service sector of India remains the engine of growth for India's economy and contributed 47% to India's gross value added in the year 2017-18.

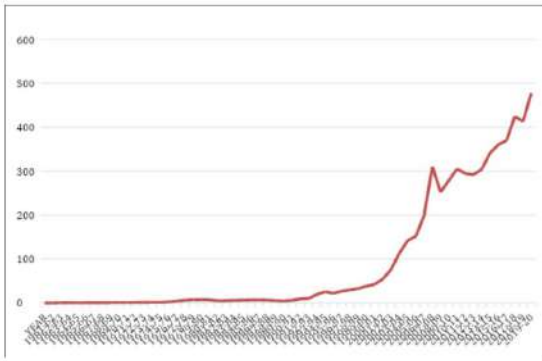
## Helpful in FDI

The service sector in India was the largest recipient of FDI inflows worth us\$ 94.19 billion between April 2000-march2022 the service sector ranked 1st in FDI inflow as per data released by the department for the promotion of industry and internal trade (DPI).

## IMPACT OF LPG REFORMS ON FOREX RESERVES

The main reason behind the LPG reforms was the BoP crisis. In India, there were more foreign exchange outflows than inflows. India had scant foreign exchange reserves due to its massive foreign debt. It is difficult to recall a

moment in the early 1990s when India had only two weeks' worth of import cover left. In fact, the 1991 Forex crisis continues to haunt everyone who lived through that time. Even before the LPG reforms, the forex reserves were more or less stagnant showing a very less growth rate. The LPG reforms were the only way out and seeing the data we can comprehend that indeed the reforms had a major impact on the reserve numbers, we can see the climbing growth and the graph portraying the jump in reserves from a mere \$5.83 billion in 1991 to \$42.28 billion in 2000-01 all the way up to \$477.807 billion in 2019-2020.



## FUTURE PROSPECTS

Upcoming sectors are expected to contribute to the rapid expansion of services in India.

By 2025 healthcare industry is expected to reach US\$372 billion India's digital economy is estimated to reach us\$ 1 trillion by 2025 by the end of 2023 India's IT and business service sector is expected to reach 14.3 billion \$ with 8% growth Artificial intelligence AI is expected to boost India annual growth rate by 1.3% by 2035 according to a discussion paper of Niti Ayaog.

The implementation of GST has created a common national market and reduced the overall tax burden on goods it is expected to reduce costs in the long run on account of the availability of GST input credit which will result in the reduction of the prices of the services India's software industry is expected to reach US\$ 1 trillion by 2030.

## CONCLUSION

The service sector is India's largest and fastest expanding industry. It has the highest labor productivity and is expected to increase rapidly in the future the proportion of services in overall commerce in India is greater than the worldwide average by increasing investment creating jobs and human capital and improving infrastructure the service sector will be able to contribute to inclusive growth .

It is critical for a developing country like in India which has a huge young population to create quality jobs and climb up the value chain the government must provide stable and transparent policy environment along with incentives on the line of the manufacturing sector to further enhance the contribution of the service sector in India.

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## ASCERTAINING THE NATURE OF INFLATION IN INDIA AND OPINING ON THE REFORMATORY MEASURES

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“The way to crush the bourgeoisie is to grind them between the milestones of taxation and inflation.”

### ABSTRACT

It is safe to state inflation being a ubiquitous predicament faced by every economy of the post-pandemic world. India is no exception with CPI levels touching multi-year highs. It is imperative to ascertain the nature of inflation and determine the required corrective measures that can be implemented to maintain price stability. To find out the significance that factors of inflation have on the overall readings, a regression and correlation model is used. The property of stickiness of inflation is also explored and its existence is verified. The findings of this study can assist in determining the inflation-causing factors for which optimal monetary and fiscal reforms can be deployed.

### INTRODUCTION

Rampant price increases in all spheres of life have led to severe financial hardships for plebeians, with CPI inflation reaching an 8-year high of 7.79% in April 2022. Their finances have already been stretched, and any further increase in general prices in the economy would be detrimental to the masses. The Indian Central Government in 2016 provided a statutory basis for keeping inflation under control with a specific target framework. Retail inflation in India has remained above the upper mandated tolerance of 6% for three consecutive quarters in a row surging to 7.41 per cent in September 2022, the panel at RBI is even required to submit an explanation to the central government for failing to keep general prices in check.

The RBI and the monetary policy committee have been entrusted to facilitate growth in the economy while ensuring price stability by deploying monetary tools. At the same time, fiscal measures are taken by the government to assist in the same. This makes it imperative to ascertain the underlying nature of inflation in India.

In a nutshell, inflation is caused by the disequilibrium of the demand and supply in an economy. It can be broadly classified as being either Demand-Pull or Cost-Push

Inflation. Both have disparate factors for existence and remedial measures. Each class of inflation has a definitive set of corrective measures; with this research paper, we intend to ascertain the nature of current inflation in India, its stickiness and comment on the efficacy of the reformatory measures introduced by the government to get inflation back to RBI's long-term target of around 4%.

## LITERATURE REVIEW

Amrendra and Jagadish tried to establish a relationship between fiscal policy initiatives and inflation in India using historical data from 1991–2015. In 2008-09, just before the mortgage crisis, the government was already incurring a lot of expenditure on NAREGA, 2005, and the Sixth Pay Commission Crisis, and with the crisis hitting the economy, both the fiscal deficit and GDP increased from 2008-10. The fiscal deficit increased by 24% while WPI doubled. Using the VEC Model, they found that there's a 0.43 elasticity of relationship between government expenditure and WPI, suggesting that if government expenditure increases by 1%, WPI increases by 43 basis points. In the end, they concluded by noting that there's a strong long-term relationship between fiscal policy and WPI, i.e., if there's any increase in government expenditure, representing fiscal policy, the effect of it is adjusted in WPI in the coming years.

The paper written by the professors of GGS, IPU tried to study inflation during the period of COVID-19. The COVID-19 pandemic hampered the growth of various developing countries, including India. Despite the lockdown being imposed, there was high inflation.

While the core inflation rate was the highest in the past 30 years, it peaked in January 2022 with a rate of 7.59%. The main reasons responsible for this rate were rising transportation and communication charges and personal care. Apart from these factors, food inflation also rose due to seasonal and flood-induced shortages. Additionally, the prices of petrol and diesel increased due to the increased excise duty on them, as the government was dependent on taxes. Lastly, various measures like slower growth of aggregate demand, fiscal policy, a decrease in government spending, and an increase in taxes were suggested to control inflation. The paper has been written to ascertain the flow of inflation in the pandemic years. Also, the factors which majorly contribute to the computation of CPI have been analysed.

## INFLATION

Inflation is a quantitative economic indicator of the rate of change in prices of particular products and services over time. Inflation indicates how much the average price for the chosen basket of goods and services has changed. A rise in inflation signals a drop in the economy's purchasing power. Inflation can be broadly classified under three categories, cost-push, demand-pull and built-in. Two of which we will be discussing in this paper.

## COST- PUSH INFLATION

Firstly, cost-push inflation, also known as wage-push inflation, occurs when overall prices increase due to increases in the cost of wages and raw materials. Higher costs of production can decrease the aggregate supply (the amount of total production) in the economy. Since the demand for goods hasn't changed, producers raise the price to the consumer to cover the increasing cost of production to preserve profit margins and keep up with anticipated demand. Other factors can be accredited to events like natural disasters, wage inflation, monopolies, government regulations, and taxation policies along with interest rates.

Direct control measures are used by the government to curb cost-push inflation. These include measures like reducing taxes, rationing, quotas, and setting price caps on key inputs like energy, coal, steel, etc. These actions can reduce the amount of inflation, but they are not long-term solutions. The greatest method to stop inflation, in the end, is to find out what causes it. Increasing imports to supplement domestic market supplies of commodities or increasing domestic production are two other options.

## DEMAND- PULL INFLATION

Secondly, Demand-pull Inflation, it is a general rise in the price of goods in an economy. It causes upward pressure on prices due to shortages in supply, a condition that economists describe as "too many dollars chasing too few goods." Usual causes of this type of inflation include - a booming economy, as this results in low unemployment rates along with high wages which are in turn spent, thus driving up the demand in the market; rapid increase in money supply, as a rapid influx of liquidity in the market, can act as a flip for overall demand; inflation expectations, as the rate at which people expect prices to rise in most cases, reflect in the real rate of inflation too; and lastly, government policies, as reckless stimulus and tax cuts increases the disposable income of the population.

Intervention using monetary tools is the textbook solution for demand-pull inflation. Altering the repo rate, reverse repo rate, marginal standing facility rate, cash reserve ratio, et cetera affect the availability of credit and liquidity in the market which further reduces or increases demand for goods accordingly.

## MAJOR FACTORS

After analyzing the weights and components of the CPI and WPI indexes along with ascertaining the significance and effect of each commodity/factor on a consumer's life, we narrowed down our research to those commodities that have a significant contribution in bringing Indian inflation rate to its current standings.

### Crude Oil

Conventionally, the price of crude oil is directly related to the rate of inflation, meaning that when the price of crude oil rises, so does inflation and vice versa. Presently, the weight of crude oil and related products in the retail (CPI) and wholesale (WPI) inflation rates is 4.4% and 10.3%,

respectively. As of 14th September 2022, crude oil is being traded at ~\$87/barrel. Pertaining to global events like the Russia-Ukraine war, this year oil prices soared exponentially even reaching a 10-year high of ~\$121/barrel in June of 2022. India imports 1.5 billion barrels of crude oil each year, this comes up to around 86% of its annual crude oil requirement. Looking at these statistics we can get a sense of the impact fluctuations in crude prices can have on the Indian Economy.

## Food Inflation

States the habit of an individual to accept information that aligns with the existing beliefs of the investor. It arises because investors find it difficult to accept ideas that contradict their beliefs and hurt their self-esteem, due to which they try to find facts supporting their viewpoint. This hence may lead to an investor making a wrong investor decision.

## Wheat

India is the world's 2nd largest producer of wheat and the largest consumer of it. In an effort to curb food inflation, the Indian government has tried every technique in the book, but due to rising wheat prices, their efforts have been unsuccessful. From an already high 9.59% in April, the retail inflation rate for wheat nearly doubled to 17.61% in October. Due to the scorching heat waves and Russia-Ukraine war, the global supply of wheat took a hit creating a huge gap between demand and supply. The effect can be witnessed in the state stocks which at the beginning of October totalled 22.7 million tonnes, down from 46.9 million tonnes a year earlier. The government even banned wheat exports in May 2022 to control local prices yet on November 10th, 2022, prices soared to a record 26,500 rupees (\$324.18) per tonne, up roughly 27% since the prohibition.

## Rice

Upward trends in rice prices too added to the inflationary pressures already present in the weakening economy. The production of rice in India for the 2021–22 crop year, which concluded in June, reached a record 130.29 million tonnes (MT), up from 124.37 MT the year before. The Kharif season, which accounts for 85% of the nation's total rice production, is expected to see a 6-7 MT decrease in rice production this year. The Indian government took action by prohibiting the export of broken rice and imposing a 20 percent levy on the export of non-basmati and non-par boiled rice in an effort to stop the escalating trend seen last year. According to the most recent CPI data, rice inflation in August 2022 was 6.94 percent as opposed to minus 1.2 percent in the same month last year.

## Soybean

Ukraine is one of the world's leading producers of agricultural products, including sunflower seeds and their derivatives. Before the war halted planting, the USDA estimated that Ukraine would produce 17.5 million metric tons of sunflower seeds, 6.45 million tons of sunflower oil,

and 6.2 million tons of sunflower meal this year. Because of the shortage of Ukrainian oilseed exports, other significant exporters had to temporarily halt their shipments. Prices for soy products have also been impacted by the pressure on oilseeds globally, with soybean oil prices hitting an all-time high of \$17.69 per bushel on 9th June 2022, surpassing the previous record of \$17.68 established in September 2012.

## Supply Chain Disruption

Commodity demand has expanded faster than ever in the age of the internet and e-commerce, nearly exceeding the country's manufacturing capabilities. The COVID pandemic impacted the production and distribution of "non-essential products and services". The roaring economy of 2019 was a well-oiled machine. Manufacturers, farmers, restaurants, and retailers relied on getting what they needed "just in time." They got exactly what they needed, exactly when they wanted it, which kept their inventory expenses low and the economic machine running as efficiently as possible. The lockdown economy of 2020 began with frantic purchases of milk, toilet paper, and other necessities. The above-mentioned demand shifts caused economic imbalances, leaving businesses with the incorrect inventory mix to fulfil the new demands. The well-tuned machine was leaning.

## Russia-Ukraine War

Russia supplies around 2% of India's oil demand and \$1 billion in coal each year. Indian oil corporations have made multibillion-dollar investments in Russian oil resources, which are still minor in comparison to India's oil needs. On the other hand, Russian oil giant Rosneft owns a majority share in India's Nayara Energy, which produces 20 million metric tonnes per year. The crisis has also increased the cost of imported fertilizers into India, particularly urea and potash from Russia. This threatens to boost the government's agriculture fertilizer subsidy bill by nearly \$1.3 billion, and state and federal governments will have to modify their budgets to match these cost increases. The geopolitical turmoil brought on by Russia's invasion of Ukraine is responsible for such setbacks in terms of export of these raw materials to India.

## Monetary Policies

RBI's Monetary Policy Committee headed by Shaktikanta Das holds four meetings in a year where they take prominent decisions on whether to hike or slash the key benchmark rates in an attempt to stay within RBI's mandated Inflation rate of 4% with a margin of 2% on either side. These include repo rate, reverse repo rate, cash reserve ratio, statutory liquidity ratio, etc.

## Repo Rate

RBI had already increased the repo rate by 140 basis points from 4% to 5.4% this year before its 4th MPC meeting held on 30th September 2022 and even further raised it by 50 bps to bring repo to its current standing of 5.90%. Since the beginning of the war between Russia and Ukraine in February, the increases have been continually declared.

Experts predict that the RBI would further raise the repo rate by 50 basis points as inflation still remains high.

## Reverse Repo Rate

The market's liquidity is absorbed by the reverse repo rate, which limits investors' ability to borrow money. The RBI raises the reverse repo when the economy experiences high levels of inflation. It encourages banks to deposit more money with the RBI in order to receive better returns on their excess cash. Less money is available for banks to lend to and borrow from consumers. As of 29th Nov, 2022, the Reverse Repo Rate is set at 3.35%.

## Cash Reserve Ratio (CRR)

During high inflationary pressure, RBI increases the CRR to lower the amount of cash available to banks for loan approvals. It restricts the economy's ability to move money, which lowers investments and inflation. In Jan of 2020, during the pandemic period, RBI slashed the cash reserve ratio (CRR) of all banks by 100 bps to 3 percent of net demand and time liabilities (NDTL) for a period of one year releasing primary liquidity of about Rs 1.37 lakh crore uniformly across the banking system. Whereas this year, CRR was raised by 50 bps, from 4% to its current standings at 4.5%.

## Statutory Liquidity Ratio (SLR)

The RBI is also in charge of controlling the movement of money and maintaining price stability. For this RBI used SLR, Statutory Liquidity Ratio is instrumental in ensuring the solvency of the banks and cash flow in the economy. With an authority to raise SLR by up to 40%, RBI has currently fixed the rate at 18%.

## Falling Rupee

The rupee hit a new low of 83.02 against the US dollar in Oct 2022 because of soaring crude oil prices, a strong foreign currency, and outflows of foreign capital. Investors are fleeing risky Indian assets in favor of safe greenbacks as a result of a stronger dollar and dim local development expectations. Given that India imports more than 80% of its crude oil, inflation is the main effect of the rupee's decline. The Indian central bank stated in its April monetary policy report that it expects the rupee to trade at roughly 76 to the dollar during FY23, adding that a 5% depreciation from this would result in an increase in inflation of 20 basis points. The rupee has already lost almost 2% of its value since this assumption, indicating that future inflation will be higher. The pass-through of imported inflation rises as a result of the depreciation of the rupee. Additionally, when global crude prices reach historic highs, this will contribute to domestic retail inflation by driving up the cost of gasoline and diesel, which will ultimately lead to a rise in the final price of the product.

## RESEARCH METHODOLOGY

This is a secondary data research paper. As this study is focused on the pandemic-induced inflation, data studied was taken from January 2017 to September 2022. To make the research more targeted, out of the myriad of factors affecting general prices in an economy, a few factors were

chosen. These factors were chosen on the basis of their weightage in the inflation indexes along with their primary importance as these have spillover effects in the Indian economy. CPI inflation data was juxtaposed along with the historical prices of these factors and relevant statistical tools were deployed to determine the increase or decrease each factor causes in the prices. CPI data was extracted from RBI's online database. Historical prices for all factors were taken from trusted websites and their validity was cross-checked. Necessary plug-ins were installed in Microsoft Excel to perform all the statistical analysis.

## MODEL SPECIFICATION

Crude Oil, Rice, Soybean, Iron Ore, and value of Rupee with respect to Dollar were chosen as the factors on which analysis was conducted. The Double Log Regression Model was applied to determine mathematical relation that these independent factors have on inflation numbers. Absolute international prices for all commodities along with index values of inflation were fed into the model as the model did not yield accurate and reliable results when percentage changes in year-on-year prices were used instead of absolute prices. Using the logarithm of one or more variables improves the fit of the model by making the original skewed data more normal and establishing linearity between our dependent and independent variables. Logarithmic price scales are also better than linear price scales at showing less severe price increases or decreases. Considering the property of stickiness of inflation, time lags of 3,6,9, and 12 Months of independent variables were also taken in the study to account for the delay in impact on inflation due to a change in prices of independent variables.

## LIMITATIONS

A mathematical model cannot predict the inflation that actually occurs. This is due to the fact that a variety of other factors, in addition to inflation and the pricing of goods like rice, wheat, & other commodities, affect how much inflation a country experiences. Additionally, the components are not always based on historical data but rather on a variety of hypotheses that are interconnected. Even after using 5 years of data to perform regression, the size of the data set has been reduced due to the lack of daily inflation data. Most significantly, there is a significant time lag before changes in the prices of various commodities have an impact on inflation. This time lag is distinct for all factors & can range from a few months to a few years as well.

## ANALYSIS

### Regression Analysis Results

The Double Log Regression model was used and regression analysis was conducted for different time lags to account for the stickiness of inflation. All results were juxtaposed to determine the mathematically suitable time lag and choose those values to base further findings. Data from 69 consecutive months was used. To account for time lag, data points of inflation were compared with relatively past prices of the factors chosen.

## No Lag

Regression Statistics	
Multiple R	0.952341015
R Square	0.906953408
Adjusted R Square	0.899568758
Standard Error	0.027234395
Observations	69

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.487036669	0.328493828	1.482635678	0.143156561
Crude	0.022775255	0.019106867	1.191993176	0.237734731
Rice	-0.005918309	0.053528525	-0.110563657	0.912313838
Soybean	0.095271262	0.034235809	2.782795716	0.00710369
Iron Ore	0.056797446	0.014639156	3.879830715	0.000252532
Currency	0.849813339	0.074836597	11.355585	6.95943E-17

## 3 Months Lag

Regression Statistics	
Multiple R	0.941504562
R Square	0.886430841
Adjusted R Square	0.877417416
Standard Error	0.030088303
Observations	69

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.302762773	0.381852221	0.792879435	0.430823941
Crude	0.055388389	0.019473895	2.844237847	0.005996603
Rice	0.116011171	0.053022516	2.187960509	0.032389537
Soybean	0.03728545	0.037381547	0.997429288	0.322371884
Iron Ore	0.077764667	0.017273422	4.501983719	2.97021E-05
Currency	0.749313192	0.091712605	8.170231229	1.79819E-11

## 6 Months Lag

Regression Statistics	
Multiple R	0.934394978
R Square	0.873093975
Adjusted R Square	0.863022068
Standard Error	0.031805968
Observations	69

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.39752101	0.443453231	0.896421	0.37344
Crude	0.0549884	0.020980792	2.620893	0.010979
Rice	0.113193857	0.055871972	2.025951	0.04701
Soybean	0.016816427	0.036735243	0.457774	0.64869
Iron Ore	0.096169019	0.017924739	5.365156	1.23E-06
Currency	0.743149183	0.100830342	7.370293	4.51E-10

## 9 Months Lag

Regression Statistics	
Multiple R	0.937667881
R Square	0.879221054
Adjusted R Square	0.869635424
Standard Error	0.031028666
Observations	69

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.676194591	0.443239849	1.525573	0.132121
Crude	0.05765328	0.020222067	2.851008	0.005885
Rice	0.071600667	0.054503643	1.313686	0.193716
Soybean	-0.032447915	0.035636363	-0.91053	0.366015
Iron Ore	0.116621186	0.016577165	7.03505	1.74E-09
Currency	0.784319275	0.100421019	7.81031	7.66E-11

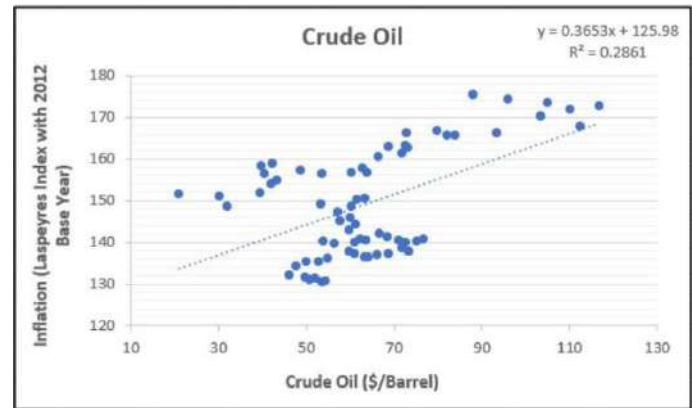
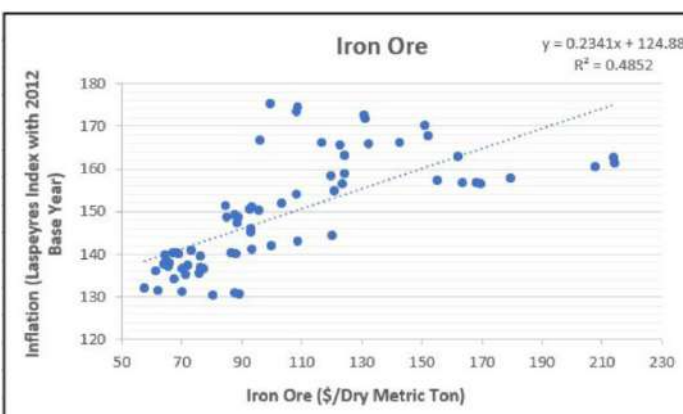
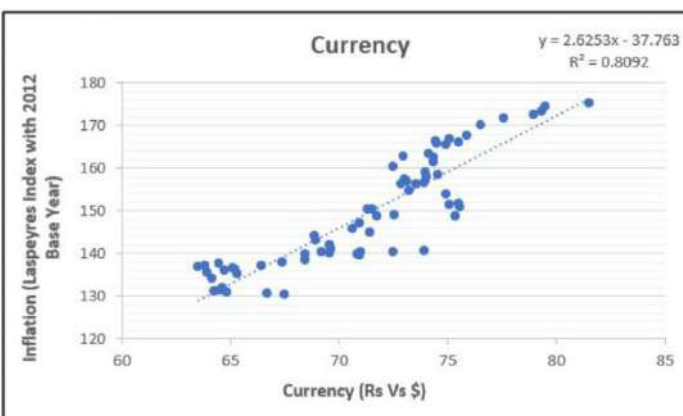
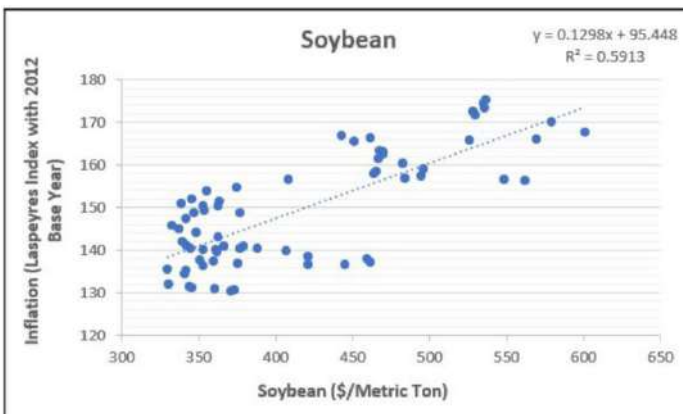
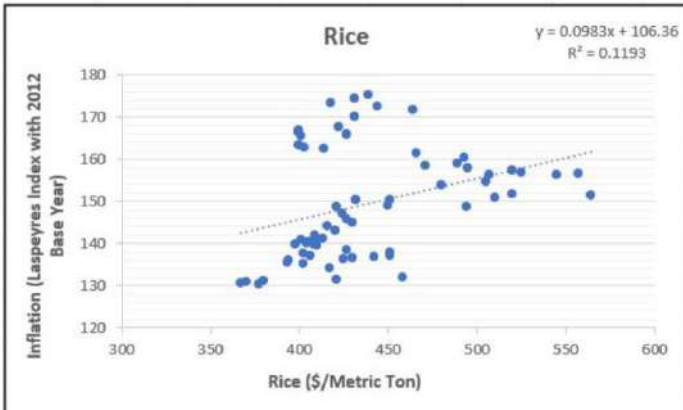
## 1 Year Lag

Regression Statistics	
Multiple R	0.960276038
R Square	0.922130069
Adjusted R Square	0.915949916
Standard Error	0.024914512
Observations	69

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.936231949	0.367002134	2.551026	0.013182
Crude	0.048461399	0.0147745	3.28007	0.001693
Rice	0.132729191	0.04304232	3.08369	0.003033
Soybean	-0.070151582	0.028988592	-2.41997	0.018418
Iron Ore	0.124969996	0.013373269	9.34476	1.65E-13
Currency	0.690678084	0.086505728	7.984189	3.8E-11

	No Lag	3 Months	6 Months	9 Months	1 Year	Sparkline
Crude	0.022775255	0.055388389	0.0549884	0.05765328	0.048461399	
Rice	-0.005918309	0.116011171	0.113193857	0.071600667	0.132729191	
Soybean	0.095271262	0.03728545	0.016816427	-0.032447915	-0.07015158	
Iron Ore	0.056797446	0.077764667	0.096169019	0.116621186	0.124969996	
Currency	0.849813339	0.749313192	0.743149183	0.784319275	0.690678084	

After a meticulous analysis of all of the results, we chose 1 year as the most relevant time lag and the final results will be based on the values obtained by incorporating a 1 year lag. It has the best R square and Multiple R values being 0.92213 and 0.96027 respectively. All of the 5 cases we took in our model had an R square value above 0.8 and a Multiple R value above 0.93 which indicates the statistical validity of our model.



## EXPLANATION

There exists a definite relation between the major factors of inflation we chose and inflation itself. Crude Oil which has substantial spillover effects on the economy had a very low coefficient of regression of just 0.022775 when its immediate effect was considered. Although when a time lag of 1 year was accounted for, the coefficient value doubled to 0.048461. This value in itself is not substantial considering the importance crude and its derivatives hold in today's world. This can be partly explained by the nature CPI is calculated and the government's intervention. Retail Petrol and Diesel prices are considered while calculating CPI but a major part of the retail price of fuel also consists of central and state taxes, the government often increases or decreases its tax on fuels to protect the general population from the volatility in international crude prices.

Rice prices did also not produce immediate inflationary pressures. From the 3-month lag onwards, its coefficient averaged above 0.1, it also fits in the 1-year lag analysis satisfactorily. Soybean was observed showing decreasing affinity with inflation as time lag was considered.

Iron Ore exhibited the same behavior as Rice but its increasing coefficients point to a stronger relation between time lag and an increase in Iron Ore prices. This is explained by the delayed effect basic building blocks of the economy such as iron and steel have.

The price of the Indian Rupee with respect to the US Dollar displayed a very strong and immediate correlation with inflation. It had a coefficient of 0.8498 when no time lag was considered which points to the importance of the strength of a country's currency holds. This number gradually comes down to 0.6906 which is still a significant value. As India imports enormous goods and commodities from outside its borders, this strong correlation can be understood. Thus, RBI also occasionally intervenes by using its forex reserves to reduce excess volatility in the currency prices.

It is safe to deduce the prime importance government institutions have in shielding their citizens from the volatility in international prices. Inflation is not an exhaustive phenomenon and neither can be its factors studied exclusively. The economy is a complex interaction of innumerable factors and it can not be conclusively said that the current inflation in India is either Demand-Pull or Cost-Push. Monetary Policies, commodity prices, wage growth,

credit demand, etc all play their part in either increasing or decreasing inflationary pressures in the Indian economy.

The responsibility to tackle inflation can not be given to a single institution and the RBI, central government, finance ministry, state governments, and the private sector all have their respective roles to perform. Only if there is a coordinated effort can record levels of inflation be contained.

## RECOMMENDATIONS TO CONTAIN INFLATIONARY PRESSURE

Import policy consistency is vital because it sends the market the proper signals early on. Tariffs on imports are a better approach to interfering than quotas, which cause greater welfare losses. Using Geographical Information System (GIS) techniques and satellite remote sensing to produce more exact crop projections that can forecast shortfalls and surpluses ahead of time The CPI increased. Food inflation, which reached 7.57% in August, drove inflation. Food and beverages account for 54% of the CPI. There is an urgent need to limit this by enforcing budgetary measures. In the case of vegetables, where inflation escalated to 13.23% in August, extra incentives, quotas, rationing, and incentives can be provided along the supply chain to alleviate inflationary pressures. The government should reduce reliance on indirect taxes by increasing the proportions of direct and corporate taxes in the gross.

## CONCLUSION

Inflation in India shows traits of both Cost-Push, as well as Demand-Pull inflation as factors of both the types are observed to have an effect on the economy. There is a need for fiscal as well as monetary reforms to be implemented in tandem to curb inflationary pressures. After performing the double log regression and correlation analysis, there is conclusive and mathematical evidence that all of the factors we chose had a positive relationship with CPI, though with varying intensities. A time lag of 1 year was statistically the most relevant as most factors fit in the model relatively well and the R square and Multiple R values were excellent. Currency value had a very strong and immediate effect on inflation. Rice and Iron Ore prices exhibited compelling coefficient numbers and the presence of a 1-year lag was observed. Crude Oil also showcased a lagged effect but a very pronounced effect could not be seen partly due to government interference and the way retail fuel prices are composed as a major part consists of government and state taxes. The presence of a time lag between the change in prices of independent variables and inflation was observed albeit, efforts to quantitatively determine the exact stickiness of inflation lies beyond the scope of this study.

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An illustration featuring a red fast-food cup with a straw, a green dollar sign, and a ruler with numbers 47 to 53. The ruler is positioned horizontally across the middle of the illustration.

# OBESITY AND ECONOMICS

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“More die in  
United States  
of too much  
food than of too  
little.”

## ABSTRACT

For as long as humanity has prevailed, the shortage of food and water has been a cause for concern across the planet. But as time went by, the human race became more and more superior, another polar issue became a global problem - Obesity. Triggered by excessive consumerism and industrial lifestyles in the modern era, people across subcontinents have witnessed elevated rates of obesity. This issue affects all, ranging from children to adults.

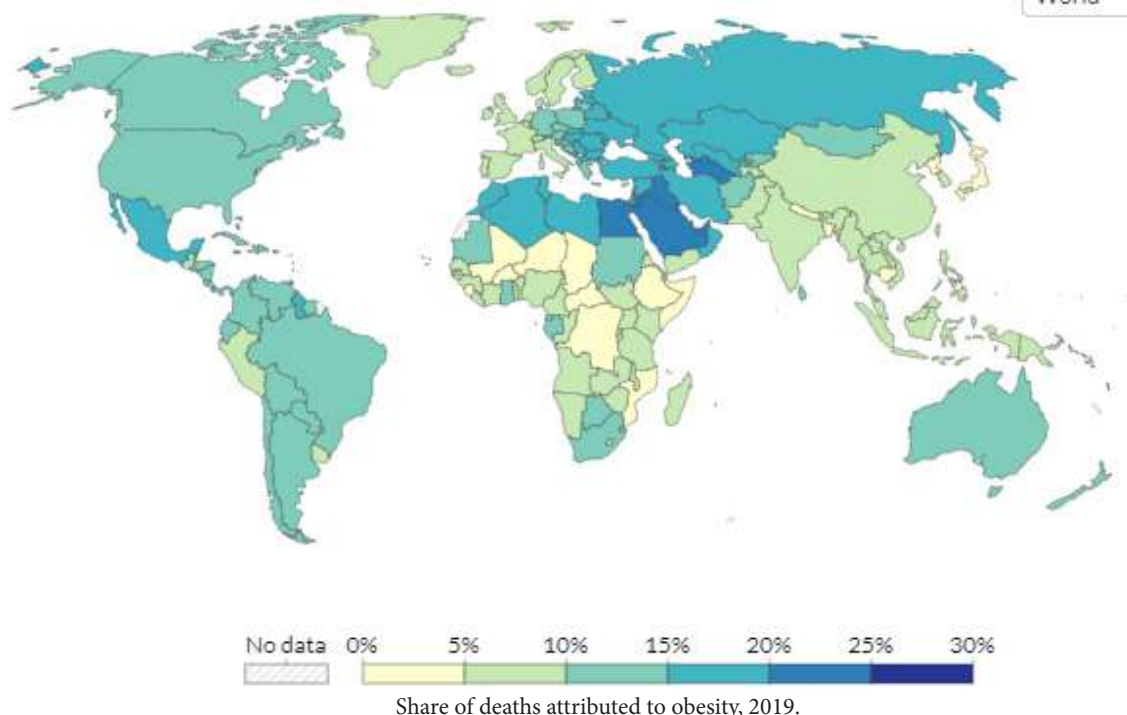
Obesity is often attributed only to a country's medical and social customs, overlooking its economic aspects. This paper aims to shed light on the perception of obesity from an economic angle. It explores the economic landscapes that feed obesity amongst citizens and discusses the countermeasures to overcome this epidemic while analysing the costs of the same on an economy.

## INTRODUCTION

Obesity is a complex disease involving an excessive amount of body fat. A body mass index (BMI) beyond 25 is classified as overweight, and over 30 as obese. Obesity is more than just a cosmetic concern. It is a medical issue that increases the risk of other diseases and health concerns, such as - heart disease, diabetes, high blood pressure, and multiple cancers. It usually results from- inherited, physiological, and environmental factors combined with diet, physical activity, and exercise choices.

According to the global burden of disease, this issue has grown to epidemic proportions, with over 4 million people dying each year due to being overweight or obese in 2017.

The prevalence of overweight and obesity in both adults and children is rising. Globally, the prevalence of excess weight or obesity among children and adolescents aged 5 to 19 more than quadrupled from 4% to 18% between 1975



and 2016. In every continent, except for sub Saharan Africa and Asia, more people are obese than underweight today, which is one side of the double burden of malnutrition.

Like most of health problems, obesity has an uneven impact on different facets of society. Previously thought to be an issue exclusively in high-income nations, they are rapidly spreading throughout low- and middle-income nations, especially in urban areas. Less educated people experience greater rates than better-educated people. Beyond North America, there are just a few places with consistently low obesity rates, including sections of Africa and Asia, South and Central America, the Western Pacific, and Europe.

The worldwide spread of obesity and the resulting increase in rates of chronic disease and other severe conditions threatens health systems, economies, and individual lives. It will take comprehensive national and international measures to get the issue under control.

## ECONOMIC ANGLE

Apart from the medical and social costs linked to obesity, economic costs are also a growing concern. These include:

- Growing food consumption- One of the basic tenets of economics is the inverse relationship between price and quantity demanded. As prices decrease, quantity demand is expected to increase. Food demand is not an exception. Food costs have steadily decreased during the last few decades. High-calorie foods have become much cheaper due to technological advancements in the food industry. They disproportionately impact processed foods, and are mostly to blame for the decline in relative pricing. Generous subsidies for corn and soy-based products, the primary ingredients of many energy-dense foods,

have also contributed to the decrease. Whatever the reason, consumers have started consuming more of these calorie dense, fattening meals as they become more affordable than their healthier counterparts. Snacking and shopping have both been fueled by this. Technology has reduced the time and energy required for food preparation while lowering the cost of doing so. Consumption is anticipated to rise as non-monetary costs decline. With the advent of microwavable and pre-packaged food products, the time taken to obtain a hearty meal has reduced substantially. A decrease in the acquisition cost of food is also supported by the sheer volume of restaurants, cafeterias, snack bars, vending machines, and other locations where pre-packaged foods can be purchased at low prices and with minimal preparation time. A few decades ago, these options were not readily available.



- **Low Energy Exclusion-** With the growing movement towards a digital lifestyle and work culture, there has been a considerable decline in people's energy expenditure with the advent of industrial production. As workplaces advance towards technology-driven environments, even the most blue-collar occupations have been automated to the point where employees burn very few calories in the workplace. One study suggests that after 18 years, an average male worker would weigh 25 pounds more if he worked in the lowest fitness-demanding jobs than if he had worked in the highest fitness-demanding jobs. Engaging in physical activity requires taking a break from technology, which many people are unwilling to do. As a result, leisure-time physical activity levels remain low.
- **Advances in the health sector-** The negative effects of being obese have diminished as a result of advancements in medical technology. The cost of obesity, which includes its effects on health, may not be as high as it formerly was. This is due to enormous growth in medical, pharmaceutical, and surgical therapies for the risk factors and diseases that obesity has promoted during the past few decades. The relatively generous insurance coverage offered in many nations is one of the main reasons for the quick adoption of new medical technologies. This coverage encourages the development of innovative medical technology and offers some certainty that these treatments will be financially feasible. In addition, through the decrease in the out-of-pocket costs of treatment, health insurance may also decrease an individual's motivation to engage in obesity-prevention efforts. Ironically, health insurance may have an unintended consequence of reducing people's willingness to participate in obesity-prevention activities by directly lowering out-of-pocket expenses of treatments for obesity-related ailments and indirectly supporting new technologies that effectively treat these conditions.

## CASE STUDY: AMERICA

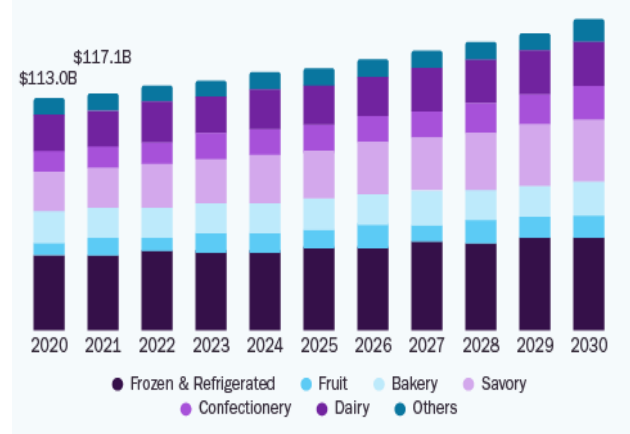
Obesity has become a serious health problem in the United States. Nearly 35% of Americans have obesity. The costs of obesity lie between about USD 86 and USD 147 billion a year, which is quite a bit and is very important as we think about healthcare cost savings and the current concern over the explosion of healthcare costs. Those costs have roughly doubled over the last decade. 9.4% of national healthcare spending in the United States is directly related to obesity and inactivity.

Americans' energy expenditure habits have been static over the period. Data demonstrating the same trends among recent immigrants in the United States suggest that there is no strong cultural force behind obesity. Hence cultural shifts cannot be the cause. It cannot be fast food restaurants' "super-sized" bundles as there has been no discernible increase in calories per meal. It cannot be poverty since there is a decreasing gap between obesity rates of different socioeconomic population segments

over the period, with much of the remaining gap attributing to varying genetic predispositions to obesity associated with race.

A litany of studies has shown that Americans have fundamentally increased their caloric intake over the past quarter century. This increase fully accounts for America's ballooning obesity rate. This increase is due to a positive incline in meals per day. Since 1975, the average number of snacks per day has increased by 60%. Furthermore, the calories and nutritional value of these snacks are significantly higher.

**U.S. Snacks Market**  
size, by product, 2020 - 2030 (USD Billion)



Second, research shows that kids adopt their parents' eating and activity routines. Therefore, preventing obesity through generational development is insufficient. Obese people not only have difficulty changing their condition, but as time goes on, obesity breeds more obesity.

Two aspects of market failure have fuelled obesity in America. Firstly, the detrimental externalities of obesity are manifest. Obese citizens pay little of the total cost of their obesity. Because much of the cost is passed on to private hospitals, the government, and businesses, citizens become more obese than they are willing to pay for. The resulting societal determinants burden each individual in the economy.

Secondly, people's precarious tendency to buy more than the socially optimal level is compounded by their failure to allocate adequately between the present and the future. The efficiency of food production in terms of both time and financial investment significantly increased starting in the late 1970s thanks to several technological advancements in food preparation. This led to the widespread development of processed foods and major time savings in food preparation. For instance, "the average time mothers spend preparing meals at home has declined by more than 50 percent in the last two decades."

While these developments may seem beneficial, the vastly lowered costs of eating have combined with widespread hyperbolic discounting to increase caloric intake. This is because people engage in hyperbolic discounting, or adopting a short-run discount rate higher than a long-run

discount rate, deviating “from the conventional standard rational choice models of uniform discount rates.” As a result, overconsumption occurs when food is easily accessible to people and the high marginal utility of eating is improperly matched to the long-term costs of higher intake.

The underlying blame for increased calorie intake as a result of widespread snack consumption is evident if the intriguing but ultimately misleading putative causes of obesity in America are taken out of the equation. The need for government involvement is further made evident when the negative externalities of obesity and the propensity of contemporary food systems to amplify people’s behavioural propensity to ignore exaggeration, are taken into account.

Moreover, the cost of obesity can take a huge toll on the economy. Direct costs include those that result from inpatient and outpatient medical services. Indirect costs have been defined as “resources forgone as a result of a health condition,” and fall into various categories:

- **Value of lost work-** Days missed from work come at a cost to both employees and employers. Employees who are obese tend to miss more days from work than employees who are not obese due to short-term absences, long-term disabilities, and early mortality. They also engage in presenteeism, defined as working below capability.
- **Insurance-** Employers with obese employees pay higher life insurance premiums and more workers’ compensation benefits than employers who do not.
- **Salaries-** According to some studies, obesity is linked to reduced household income and wages. It is likely greater and more urgent programs to prevent and treat obesity will likely be inspired by a fuller grasp of its costs. These programs should be a part of coordinated local and national efforts by governmental, health, and non-profit agencies, food businesses, advertisers, and individuals to promote healthy lifestyles. The initiatives must include:
  - **Taxation-** From an economic perspective, tax can make consumers pay the full social cost of unhealthy food and provide an incentive to switch to alternatives. Taxes on high-sugar, high fat food also incentivize firms to produce healthier foods with lower sugar/fat and therefore avoid the tax. In 2018, the UK government placed a tax on sugary drinks, depending on the sugar levels in the drink. Researchers discovered a definite trend of declining demand for high-sugar drinks after two years. But, they also noticed a marked shift of producers reducing sugar levels in drinks to avoid the tax. Another benefit of the sugar tax is that any tax revenue raised can be earmarked for spending on health care and treating obesity. Whilst there is a reluctance to pay new taxes, if consumers are told that tax revenue will be earmarked for better health care, it tends to be more acceptable.



- **Restriction on sale-** A more straightforward policy is to ban the sale of unhealthy food in certain locations. For instance, Chile has made it illegal to sell sugary beverages in schools. This is a straightforward strategy to reduce the accessibility of sugary drinks, a major contributor to childhood obesity. The policy requires the participation of workplaces and schools to be effective. Public schools may be subject to restrictions set by the government, as has begun to happen in nations like Canada and Mexico. This has proven to be highly helpful in lowering consumption in some places and with a specific focus on children’s consumption, but is insufficient on its own to alter eating patterns significantly.
- **Restrictions on advertising-** In addition to sales laws, a government could impose stringent restrictions on advertising, prohibiting businesses from targeting youngsters. Apart from restrictions placed by the government in terms of sales and advertising, the government stands in a position to take legal and legislative action in the form of health warnings on food labels. This involves using cautionary language on food labels regarding the potential health risks. In the UK, small labels are shown the percentage (%) of the recommended daily allowance. So if you look at the biscuit label, you will see fat and sugar content as well as the daily portion recommendation. However, these labels are small and easy to ignore. Such reforms show that the nature of labels and food packaging is very important. When customers buy food, it is often habitual. Even small nudges can steer consumer behaviour. Having simple, clear labels on food has changed the behaviour of many consumers. Even more significant is its impact on farmers, who now have a strong incentive to produce healthier food. Little research suggests that customers currently want food with added sugar. Any policy’s effectiveness also depends on how it is put into practice. A change in food culture may result from the introduction of food labels and levies coupled with modifications to workplace and educational policies. If a policy is introduced in

isolation, it may be ignored. Thus, a combination of orthodox and heterodox methods give optimal results, leading to an overall decrease in obesity.

## CONCLUSION

With the elaboration of the growing concerns of obesity in the aforementioned paragraphs, it becomes very clear that there is a need for intervention to bring necessary changes in obesity patterns across various demographics.

Obesity mainly stems from overconsumption and lack of physical activity as a consequence of our digital lives and consumerism in the current world economy. If the problem is not tackled fast enough it can, directly and indirectly affect the economy in the form of growing medical costs, depleting the value of work, insurance, and lower wages. Multiple efforts can be undertaken in an economy to counter the same. These range from taxation to banning the sale of certain products. By shifting the marginal private cost of being obese toward the true marginal social cost, the taxes would rein in obesity to its decidedly much lower socially optimal level of equilibrium. In the end, these policies would serve to better maximize utility in the economy and therefore constitute the optimal economic decision considering the growing worldwide epidemic.

In addition to making efforts to prevent obesity, policymakers should revisit past policies to determine whether they may be doing more harm than good when it comes to obesity. One instance in the United States involves large subsidies for corn and soy that drive down the cost of goods containing these ingredients below market rates. These incentives encourage manufacturers and consumers to utilize these products more extensively than would be the case in a market that is genuinely competitive. They might therefore share some of the blame for the rise in obesity rates. Other factors that might unintentionally

encourage obesity include zoning regulations and other transportation laws that discourage walking and bicycling and the subsidy for employers to provide health insurance that restricts the availability of other insurance models that might place a greater emphasis on prevention. These are just a few examples, but there are many others.

Given our contention that obesity results from market forces and technological advances that lower the costs of behaviours that promote obesity, successful efforts to prevent obesity will need to do just the opposite: make it easier and cheaper to engage in a healthy diet and regular physical activity. This will require policy and environmental changes that extend beyond. This can be achieved through changes in healthcare financing and delivery. It will not be an easy feat, but anything short of that is unlikely to have a significant effect.

However, if we view the epidemic from a different looking glass, obesity can benefit the economy. This is in terms of the growing demand for high-calorie cheap food and the faster adaptation of a digital economy. This adds to consumerism and increases the revenue of FMCGs, which in turn increases the revenue of the producers of raw materials. Additionally, it also adds to the industrialization of workspaces. Although it contributes to obesity, they lead to an increase in the income accruing to the medical sector, thereby increasing the country's GDP.

Weighing the costs and benefits of obesity, one can conclude that the social, and medical economic costs outweigh the benefits it provides. So, there is an urgent need to curtail this epidemic legally, socially, and through legislative action.

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## TRADE AGREEMENTS AND TRADE POLICIES

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“Trade agreements influence the standards, protections and regulations that shape the kind of society we live in.”

### ABSTRACT

Trade policies were initially done away, but globalization now has begun to haunt world governments and many argue that the voracious market forces are gradually making compassionate governments face a difficult time in shielding their people from the literal beasts of prey that lie in wait across their national borders. Others have argued that such market forces are not predatory and play positive roles in preventing greedy governments from cheating their citizens. Although both these sides view the issue from different perceptions, they have arrived at a common conclusion in the context of the fact that omnipotent markets imply the presence of ineffective political systems. Most governments are now less effective than they were in the past, even though this idea has become cliched in modern society. The biggest debate is whether globalization implies that the nation-state is doomed by definition and in actuality.

**Keywords:** Globalization, Fixed cost, Marginal cost, Protectionism, Free Trade.

### INTRODUCTION

A strong relationship exists between commerce and industrial development during the globalization process, and this tie is only growing stronger. Third-world nations must now abandon their old trading practices and rely less on the export of semi-processed goods and raw materials. Less reliance on the traditional relative advantages of unskilled labor and raw commodities is required. The main area of focus for transforming economies and establishing a healthy economic structure is industrialization. Industrialization essentially catalyzes to shift of the economy from low-value projects to high-productivity activities that can grow the economy and increase returns (Barshefsky, 2006).

The majority of nations develop trade policies that preserve domestic businesses and workers. Such a nation also liberalizes some industries that were able to achieve high-performance standards in global competition while yet providing selective protection through exchange controls, quotas, and tariffs (McCormick, 2003).

The speed and scope of the processes used to promote liberalization in African nations are what are most at risk. Providing solutions to address market inefficiencies and other intervention tactics that will be necessary to successfully restructure and utilize various parameters are equally crucial. Economic reforms have so far been ineffective in addressing the talent gaps affecting Africa's sectors' ability to operate efficiently. However, if they can raise the standard of their workforce abilities, many industries could become more competitive. As a result, the restructuring strategy must incorporate training and education as integral components to increase key competencies. Due to past experiences, the industrial sector has amassed a sizable number of capabilities, which must be preserved and maintained to prevent further deindustrialization and the loss of priceless expertise (Nau, 2010).

## FREE TRADE

A free trade paradigm enables the free flow of products and services inside and between nations without governmental constraints, which results in increased costs. The ideal trade policy among countries, according to economists, is viewed with skepticism by some people who believe that international competition might undermine national industry and the economy as a whole. To persuade free trade's detractors that it is a viable tool for advancing the global economy, this essay examines some of its economic characteristics. A key component of growing the global economy is free commerce, especially when it can be carried out on an even playing field. Free trade is crucial for advancing the world economy. This is mostly because of the comparative advantage that is linked to it.

Many people oppose it by only taking things at face value. They don't investigate the benefits of free trade in greater detail. For instance, some worry that doing business with a nation like China, which manufactures items at a low cost, will cause unemployment since their workers won't be able to compete favorably with Chinese labor's lower wages. Focusing on the items whose manufacturing offers the greatest cost advantages to a nation can be advantageous. For instance, even if China may produce items at a low cost, it is unable to meet all of its wants and must rely on other nations for these goods, which will encourage commerce and the global economy. Because of this, free trade enables nations to specialize in industries that are best for them, increasing production and boosting revenues. According to David Ricardo's law of comparative advantage, this is the case.

Free trade is important for fostering economies of scale that benefit participating nations. The reason for this is that nations frequently specialize in producing items where

they have a greater comparative advantage (Friedman, 1997; Blinder, 2007). They create the products in greater quantities while benefiting from economies of scale and lower average costs. This frequently occurs in sectors with high fixed costs or those demanding significant levels of investment. The value of economies of scale is that they can eventually bring down the cost of goods and services (WTO, 2000).

Free trade forces businesses to incorporate additional cost-cutting and efficiency-boosting incentives since it boosts competitiveness. Such a strategy might deter domestic monopolies from charging exorbitant pricing. On the other hand, businesses in the respective nations can profit from the plentiful raw materials found elsewhere. For instance, the Middle Eastern nations cannot profit from their substantial oil deposits without commerce. In a similar vein, raw materials are scarce but Japanese manufacturers are good. So long as commerce did not damage their economy, their manufacturing capacity would remain dormant.

Since free trade plays a key role in advancing the global economy, governments must step in and introduce policies that support it. Taxes and tariffs, subsidies, and non-tariff obstacles like quotas and regulatory law are all examples of interventions. The governments may also try to create trade pacts between themselves. Governments should generally work to end all protectionist trade (Ryan, 2006).

Businesses that participate in free trade take into account some microeconomics-related aspects, such as manufacturing costs, profit maximization, and attention to various market configurations. Businesses provide goods and services intending to increase their profits. They must assess the output level that yields the highest earnings if they want to increase their profits (Samuelson, 1967). For instance, production expenses have a big impact on how much is produced. Both fixed and variable costs are included in the manufacturing costs. Fixed expenditures, like rent and insurance fees, are expenses that don't change regardless of the volume of output.

Contrarily, variable costs are expenses like raw materials and salaries that change depending on the output level. As a result, fixed costs plus variable costs equal the cost of manufacturing (total cost). The term "marginal cost" refers to yet another category of expense. The cost incurred while creating an additional unit of production, or the marginal cost, helps establish the level at which profits can be maximized (Samuelson, 1967). It estimates the change in overall cost brought on by a change in the amount produced. It aids businesses in selecting whether or not to generate more products.

A key element in advancing the global economy is free commerce. Making use of economies of scale and improved market organizations enables countries to gain significant economic benefits from the commodities they produce. In particular, free trade aims to combat protectionist commerce, in which governments impose trade restrictions. Free trade should, however, be done in

a setting where all participants are treated equally to reap the greatest benefits.

## PROTECTIONISM

Because of outsourcing and the migration of jobs elsewhere, protectionism is frequently defended by citizens in industrialized nations. Due to foreign wages being significantly lower abroad, outsourcing has recently gained credibility. As a result of the shift in employment trends, domestic occupations are lost. The forces of globalization today advocate free trade, and protectionism is the antithesis of that worldview (Hoeven and Van Der Kraaij, 2004).

Economic protectionism advocates limiting the movement of goods internationally and supports a strong state involvement in regulating economic policy. Protectionism conduct includes tariffs and quotas that are restrictive, and this idea has origins in the mercantilist beliefs that were popular in the early years of US Independence. Protectionism, which aims to discourage imports and stop foreign goods from oversaturating domestic markets, contrasts sharply with free trade and the economic liberalization policies of the day.

National protectionist policies are used to establish barriers to international trade, and this phenomenon has acquired more traction in the anti-globalization age. Import Substitution Industrialization (ISI), a kind of protectionism, was used by important Asian nations like South Korea before the modern phenomenon of globalization to insulate home producers from international competition. The need for tariffs and other regulatory measures to shield indigenous industries and employment from foreign takeover is growing in the current global economic environment. Although there are opponents, as seen above, many economists support robust international trade to foster competition and boost home producers (Ralph, 2003).

## FUTURE ECONOMIC OUTLOOK

The ability of sectors to cooperate is the biggest obstacle to globalization in emerging countries. This is implausible for some nations and even certain regions inside nations. This is because certain countries lack foreign investment, cash, and capital. This leads to a vicious circle because these nations' incapacity to become economically viable on a global scale would further harm them (Schmukler, 2004; Shaw, 2003).

To lessen the likelihood of economic crises, developing countries must implement particular macroeconomic policies. To ensure fair financial distribution, this also includes regulating currency and banking operations. Due to the high likelihood that these regions may experience a financial catastrophe, this is of special concern. Reduced severe fiscal deficits and public debt would be another macroeconomic policy because they hinder a country's

ability to handle a catastrophe. A country must steer clear of significant account deficits, and currency mismatches, and tighten up on regulations to manage a crisis. (Schlte, 2005; Schmukler, 2004)

Isolationism, in the opinion of individuals who oppose globalization, is very unlikely to help developing countries. This is especially true for countries that are already welcoming to foreign investors because they will be able to work around these limitations. Additionally, if there are insufficient reserves, high levels of risk, and little capital inflows, the abrupt loss of open markets may harm the financial industry. Although there are international financial organizations to economically aid developing countries, such as external liquidity mobilization and international financial agreements in the event of a crisis, globalization increases international interest rates and prices on domestic economies as well as controls the economic situation. (2004) Schmukler

## CONCLUSION

It is hypothesized that developing countries are significantly impacted by the whims of affluent countries as a result of increased global trade. This is especially true of the cosmopolitan theory of globalization, which promotes the idea that this phenomenon creates a global community that encourages the development of democratic nations, high tariffs on the agricultural products of developing nations, heterogeneity, financial risks, and macroeconomic difficulties. Indeed, there will always be drawbacks to every policy, particularly when applied globally. The benefits of globalization, however, are sufficient to positively affect and advance the economic standing of emerging countries. This includes utilizing foreign investments and enforcing exchange controls, promoting environmental protection laws, developing the banking sector, lowering capital costs, and expanding financial prospects (Shaw, 2007).

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## ORGANISING THE INDIAN HANDLOOM INDUSTRY

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“A handloom  
which weaves  
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### ABSTRACT

This study will follow a mixture of both the theoretical as well as empirical approach from an economic point of view besides socio-cultural and political to prove India's Handloom Industry as the epitome of its self-sufficiency with the help of certain statistical data and figures officially available Industry through the macroeconomic variables of employment, income, output and per capita income. The study will empower the idea of: “How the Cooperative Societies, in collaboration with MSMEs” can become the helping hand to deal with the problems and challenges of the Indian artisans to become one of the main revenue-generating components for the Indian Government's treasury and to establish proper communication channels with major stakeholders like Government, artisans, corporate sector to maintain the smooth flow of supply chain of these products. This will be followed by the Data Analytical tools to portray positive linkages through data and figures.

Then, the study will underline the barriers in front of this gigantic industry, and the Indian government(s) at various levels has covered a veil of ignorance towards the procrastination in preparing a blueprint of the upliftment of the Indian handlooms. And then this study will enter into the most exciting and informative part- “How to prepare a strategic roadmap towards the growth of India's Handloom Industry for the next upcoming 25 years of “Amrit Kaal”. And finally, the study will conclude with a positive message cum reminder for all the major stakeholders to stop ignoring the darkness of the Handloom Industry and revive the India's pride.

**Keywords:** Handloom Industry, self-sufficiency, Cooperative Societies, macroeconomic variables, barriers, veil of ignorance, MSMEs, stakeholders, supply chain, Data Analytical tools

## INTRODUCTION

India's handloom industry dates back to ancient times, becoming a "historic subsector". From parts of Egypt, the very first Indian handloom fragment was found. Mohenjodaro (Indus Valley Civilization) was the next location where finely woven and dyed cotton fabrics were discovered. Vedic literature also makes reference of the weaving technique used in India. The Indian handloom business, which uses a variety of designs, printing techniques, weaving techniques, and materials, is the foundation of Indian culture and tradition. The enchantment of Indian handloom has spread around the world. Phulkar from Punjab, Chanderi from Madhya Pradesh, Ikats from Andhra Pradesh, Tie and Die from Rajasthan and Gujarat, Daccai from West Bengal, Brocade from Banaras, and Jacquard from Uttar Pradesh are just a few of the gems that have mesmerised people all over the world. Indian handloom has long been a representation of the country's rich culture and pride in its traditions.

One of the richest and most vibrant aspects of Indian culture is handloom weaving, which employs 35.22 lakh weavers and allied workers in direct and indirect ways. The sector has the advantages of not requiring as much capital, using as little power as possible, being environmentally friendly, being adaptable to small production, being open to new ideas, and meeting the needs of the market. It is a cottage tradition and a natural resource that has been sustained and grown through skill transfer from one generation to the next.

The handloom industry is largely decentralized, and the majority of weavers come from vulnerable and weaker social groups. They weave for their own household needs and also help make textiles. This industry's weavers are preserving state-specific traditional crafts. It is common knowledge that traditional and customary handloom serve as the foundation for all advancements. The new mechanism was developed to meet the increasing requirements of contemporary styles. The artists were motivated by this to create fusion dresses with prints on them. According to current perceptions, Indian handicraft has established itself as a global leader. This sector has significantly contributed to bringing the world closer to Indian culture.

## LITERATURE REVIEW

The handloom industry literature is extensive and covers a diverse range of topics. A few pieces of writing on the subject are presented here:

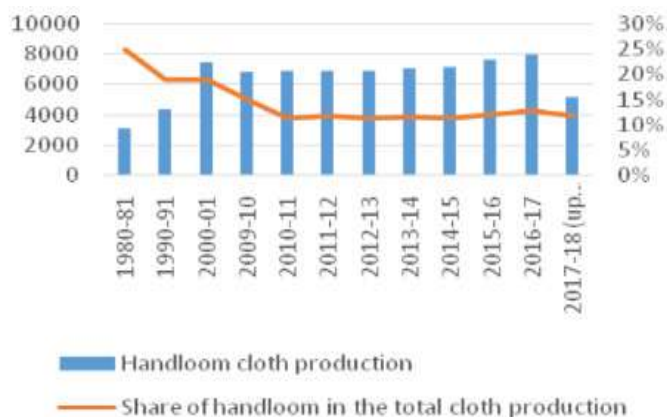
**Sahai Biswambhar (1956)** asserts that the rivalry from power looms and mills is the cause of the difficulties handlooms confront. He believed that the government ought to establish weaving training facilities in places with a concentration of weavers, generate materials like design books and related tools, and apply cutting-edge production and design techniques. The high costs of raw materials, according to **Chakaraborthy S.M. (1982)**, had a negative effect on the handloom items' quality. Customers prefer

clothing produced by factories, therefore the weavers' community has lost its source of income. The government should offer raw resources at reduced costs, in good condition, and at the appropriate time in order to remedy this issue.

Under the research project titled "Management in the Handloom Industry: A Study of the Production and Marketing of Handloom for Exports", **Rajmani Singha (1992)** investigated the nation's production of handicrafts and the problems that surround it, as well as the major hindrances to domestic marketing in terms of productivity and export trends. The government must recognise the value of the handicrafts industry to the long-term prosperity of the nation, claims **D.Narasimha Reddy (2008)**. Despite challenging circumstances, the handloom sector is nevertheless thriving because of growing customer support and the fact that it provides a means of subsistence for millions of weavers. Similarly, according to study by **Dr. Usha N. Patil (2012)**, the handloom industry is a blessing for India's economy. It employs 65 lakh people, accounts for 30% of export revenue, and accounts for 14% of all pre-industrial output. It is India's largest industry, together with handlooms, contemporary textile mills, power looms, and clothing.

**Dr. Rachana Goswami and Ruby Jain (2014)** examined the problems the handicraft business is having, including low sales, a lack of funding, inadequate infrastructure, a lack of rigorous market research, and others. because they didn't employ the appropriate tactics for various activities. In order to maximise the potential of the Make in India programme, **Dr. Sabiha Khatoon's (2016)** study proposed a number of strategies for the growth of the handloom industry, including showcasing the beauty of products to customers abroad and entering the international market, putting skill development programmes into place, reviving traditional handloom, and providing access to markets.

**Dharam C. Jain, Ritu Gera (2017), Manish Bhati and Dr. Vinod Dave (2019)** investigated the factors that contributed to its decline and looked into financial issues and how they affect the performance of handloom industries. By using the following graphics, **Gunti Amaravathi and K. Bhavana Raj (2019)** provided a thorough analysis of the export and import of handloom products in India as well as a census-based examination of the key components of the Indian handloom business:-



**GRAPH 1:** Trend of Handloom Cloth Production in India (Million Square Meters)

(SOURCE: Ministry of Textile Commission, Government of India) international market, putting skill development programmes into place, reviving traditional handloom, and providing access to markets.

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**GRAPH 2:** Handloom products export trend in India during the period 2009-2018 (Figures in US\$ Millions)  
(SOURCE: The Handloom Export Promotion Council)

And, later on, Shruti Mishra and A.K Mohapatra (2021) researched on how the Indian artisans have persevered and kept this great craft alive despite such hardship. Over the course of many centuries, handlooms have come to symbolize the highest level of fabric artistry in India. Designs and fabrics were influenced by a region's social, religious, and geographical norms. Various regions of India have produced distinct fashions. Indian handloom designs and weaves are famous all over the world, so it's important to keep our cultural heritage alive.

## RESEARCH QUESTION

All the studies mentioned in the previous section lacked to portray an economic significance of the linkage between the growth of the Indian Handloom Industry and the effect of that growth on the macroeconomic variables cum foundations, as well as the channelizing and smoothening the flow of supply chain through the co-operation of two major stakeholders which have a well-established communication system of the "target population" in the form of the 70% rural population, which is going to be the main focus of this study-THE COOPERATIVE SOCIETIES and THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs).

Thus, this study at the fullest will try to answer the three most important questions:

- (1) Will Cooperative Societies and MSMEs serve as an engine to the declining Indian Handloom Sector despite their own significance being undermined and declining in recent times?
- (2) Is there a proper linkage between the growth of this diverse and vibrant industry to the growth of the Indian Economy through its macroeconomic variables, which are unable to show proper signs of a growing economy in today's times?
- (3) Can the Government of India at various levels of administration overcome the visible barriers in front of this industry by preparing a roadmap, constituting its proper planning and implementation at the grassroots level?

With these three questions and their answers as the point of focus of this research, the next section will outline a blueprint in the form of "METHODOLOGY", highlighting the answers to these research questions.

## METHODOLOGY

The Methodology which will be carried out in this analysis is as follows:

Firstly, the study will undergo a critical evaluation cum analysis of the importance of the Cooperative Societies and Micro, Small and Medium Enterprises (MSMEs) and how it can act as a boost for the growth of the Indian Handloom Industry.

Secondly, the Macroeconomic Variables will come into the limelight, through which this study will try to establish a proper linkage between the importance of the growth of the Indian Handloom Industry with crucial variables of employment, income, real GDP, exports as well as the imports and will be portrayed through a series of graphs and tables via Data Analysis.

Thirdly, to carry out the discussion a bit further, it is unavoidable to not discuss about the Barriers lying in front of this industry which has swallowed up this sector entirely to the extent that its revival could not happen within a flash of light.

Then, this study will make a positive attempt to prepare an approximate roadmap for the growth of this industry in the next 25 years, keeping in mind the active participation of the major stakeholders in all aspects.

And finally, this entire study will conclude with a hope that the Indian Handloom Industry can once again become the pride and the face of Indian heritage across the world, for which the designated Government Ministries must stand out.

## COOPERATIVE SOCIETIES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs): THE NEED OF THE HOUR

Almost every reader has the knowledge of the drastic growth of the milk production in various parts of our country since 1951 to the extent that the period from 1970s to 2000s was termed as the “White Revolution”. The most obvious and self-explanatory answer to the immense expansion of the Dairy Sector in India is primarily because of the Cooperative Societies which were established at the right time. Thus, here comes our first research question to be put under the scrutiny. Can this same idea be applied to the Handloom Industry?

There is a bigger possibility that the introduction of Cooperative Societies as a major stakeholder can improve the status of the Handloom Industry by making it more focus-oriented, just like in the case of the Dairy Industry. As a result, the previous two decades saw the opening of certain Cooperative Societies dedicated towards the Handloom Industry like: All India Handloom Apparels Private Limited, Handloom Export Promotion Council, The Handicraft and Handloom Export Corporation of India Limited and National Handloom Development Corporation.

But, in recent times, this industry garnered no support from these Cooperative Societies. The major drawback with these Cooperative Societies is that the Government of India under the newly-established Ministry of Cooperation does not recognize these societies and these societies are not able to gather the guiding support from the Ministry. So, to establish the strong foundation, it needs to enter into a long-term partnership with the Micro, Small and Medium Enterprises, famously known as MSMEs.

The investment and annual turnover of the businesses determine whether they fall under the micro, small, or medium enterprise category. For example, to qualify as a micro firm, an investment of less than Rs. 1 crore and an annual turnover of less than Rs. 5 crores are required. Similar requirements include less than Rs. 10 crores in investment and up to Rs. 50 crores in revenue for small businesses, and less than Rs. 20 crores in investment and up to Rs. 100 crore in revenue for medium-sized businesses. So, by looking into the criterias, the Cooperative Societies must have a plan-wise strategy to press their impressions in the eyes of the Ministry of Cooperation by first aligning with the Micro Enterprises because these enterprises are actually connected with the handloom working population at the grassroot level. Thus, making a positive attempt to answer the first research question, the next two sections will broadly answer the second research question of this study, where the study will enter into the Macroeconomic Foundations and Data Analysis to establish some sort of macroeconomic modelling in order to better analyze the growth of the Indian Handloom Industry through figures rather than theoretically.

## MACROECONOMIC VARIABLES

This study is useless without providing the linkage and the importance of the Indian Handloom Industry with the most commonly used macroeconomic variables like the employment growth rate, income, contribution to real GDP

and most importantly the sales (revenue) and the net profit generated by the Indian Handloom Industry in the recent times to prove its self-sufficiency. This serves as a base to shift the focus to the second research question of this study, where the answer to this question will be dealt under the two sections-“MACROECONOMIC VARIABLES” AND “DATA ANALYSIS”.

Firstly, let's discuss the linkages of the Handloom Sector in terms of employment, income and contribution to real GDP. It is quite surprising to hear the fact that the Handloom Industry is the second largest source of employment after the Primary Agricultural Sector. However, there has been a decline in the number of newly added weavers in contrast to being the second largest employment provider. From the above fact, it is completely clear that newer employment opportunities through the support of the Cooperative Societies and MSMEs will create a new spark of horizon and energy in this sector, but at the same time, the negligent and the procrastinating attitude shown by the Government of India last decade forced the weavers to move out of their comfortable profession and transfer their employment status of “Self-employed” to “Casual Worker”, which is not a positive sign for the sector's growth.

The Indian handloom industry generates 2% of GDP, 12% of export revenue, and 5% of world trade, according to the most recent data. A total of 4.5 billion people are employed by the textile industry, including 35.22 lakh handloom workers. The industry generates 35% of gross export revenues and accounts for 4% of the GDP, directly employing an estimated 35 million people. This industry contributes 14% of the value added to the manufacturing sector. But, the unfortunate aspect is the highly chaotic nature of the industry. There is so more work to be done in order to realise the inherent potential and power that this sector possesses, despite the strong positive relationships that the handloom industry holds with each of the aforementioned macroeconomically significant elements.

## DATA ANALYSIS

Before establishing the correlation between the two mentioned variables and their analysis and interpretation, the study will be summarizing the figures of the sales and net profit by dividing the period before 2014 as “Before Make in India” period and “After Make in India” for 2014 year onwards. Note that the Make in India will be specifically mentioned in the proposed strategic roadmap 2027 as one of the crucial factors for the growth of this sector.



## DATA 1: FINANCIAL PERFORMANCE OF HANDLOOM INDUSTRY IN TERM OF PROFITABILITY

Year	Industry Figures (In Million INR- Indian Rupee)	
	SALES	NET PROFIT
2008-09	3428.901	58.268
2009-10	3810.290	192.445
2010-11	4709.039	234.468
2011-12	5233.178	73.814
2012-13	6224.407	105.419
2013-14	6652.504	-9.645
2014-15	6557.646	-113.819
2015-16	6182.121	-166.495
2016-17	6478.452	268.678
2017-18	6765.918	516.333
2018-19	7595.250	1621.820
2019-20	7080.582	1119.220
2020-21	6834.625	963.150
Growth Rate before Make in India	206.692	-107.263
Growth Rate after Make in India	170.348	1826.284

SOURCE: Centre for Monitoring Indian Economy (CMIE) Database, India

Keeping Data 1 as the base, the statistical modelling between SALES and NET PROFIT is as follows:

$$\text{Growth Rate (GR)} = (Y_{t13} - Y_{t1} / Y_{t1}) * 100$$

----- Eq (1)

$$\text{Growth before Make in India} = (Y_{t6} - Y_{t1} / Y_{t1}) * 100$$

----- Eq (2)

$$\text{Growth after Make in India} = (Y_{t13} - Y_{t6} / Y_{t6}) * 100$$

----- Eq (3)

Where,  $V_{t13}$ =Value for the period 2020-21,  $V_{t6}$ =Value for the period 2013-14 and  $V_{t1}$ =Value for the period 2008-09. In addition to the above statistical modelling, Year to Year growth can be calculated to compare the sales growth and net profit growth as follows:

$$\text{Year to Year Growth} = (Y_{\text{present}} - Y_{\text{past}} / Y_{\text{past}}) * 100$$

----- Eq (4)

**CORRELATION COEFFICIENT(r):** The correlation coefficient(r) which is going to be formed will be used to establish the degree of association between sales growths from year to year and net profit growth from year to year of the Indian Handloom Industry:

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}$$

----- Eq (5)

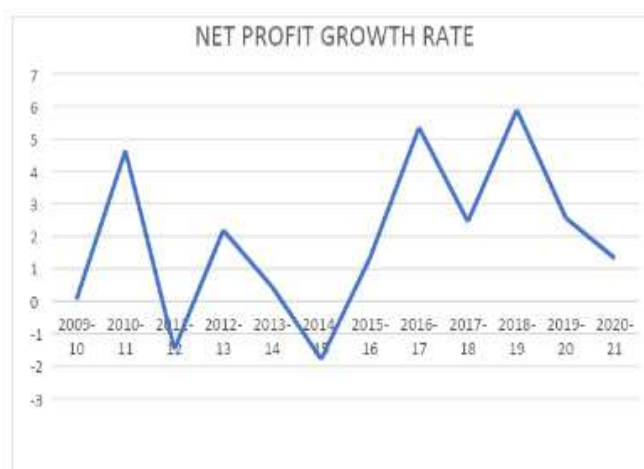
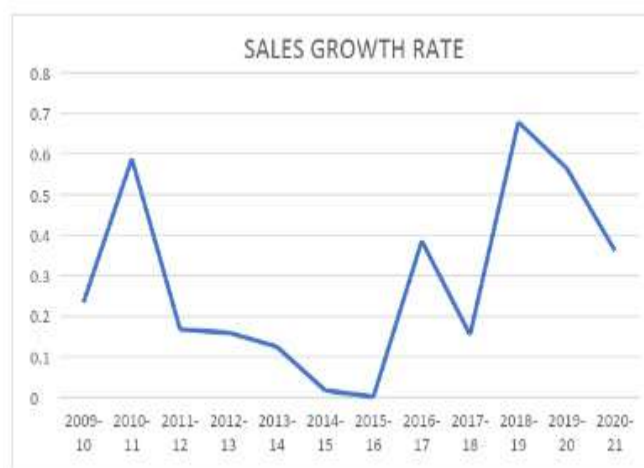
Where, X =Sales Growth Rate and Y =Net Profit Growth Rate

DATA 2: SALES GROWTH AND PROFIT GROWTH FROM 2009-10 TO 2020-21

INDIAN HANDLOOM INDUSTRY GROWTH		
YEAR	SALES GROWTH (X)	NET PROFIT GROWTH (Y)
2009-10	0.23439	0.05477
2010-11	0.58770	4.63012
2011-12	0.16735	-1.4767
2012-13	0.15987	2.18295
2013-14	0.12524	0.43975
2014-15	0.01769	-1.7859
2015-16	0.00132	1.34112
2016-17	0.38567	5.3478
2017-18	0.15423	2.4560
2018-19	0.67850	5.8978
2019-20	0.56480	2.5634
2020-21	0.36123	1.3240
CORRELATION COEFFICIENT r =	0.752088	

(SOURCE: CENTRE FOR MONITORING INDIAN ECONOMY (CMIE) DATABASE, INDIA)

The graphical representation of the respective growth variables can be shown below:



SOURCE: AUTHOR'S CONSTRUCTION FROM THE CMIE DATABASE

**ANALYSIS AND INTERPRETATION:** Sales and profit after taxes give a general indication of a company's profitability position in its financial performance. The sales and net profit of the Indian Handloom Industry from 2008–2009 to 2020–21 have been compared in this study. Data 1 shows that the handloom industry's net profit climbed by 332.387 percent while sales increased by 185.007 percent. However, when we divide the growth era into two sections, namely before and after the adoption of Make in India, we found that the growth rate before to the program's launch was less than ideal.

## BARRIERS

In order to ensure the "Smooth Seas", there are challenges cum hurdles cum barriers in front of this industry, which requires immediate attention and action from all major stakeholders mentioned in the Cooperative Societies and MSMEs section.

The gigantic barriers in front of this industry to be overcome are as mentioned below:

- **LACK OF ADEQUATE AND AUTHENTIC DATA:** Planning and policymaking for the handloom industry are complicated by a dearth of trustworthy data on

the number of craftspeople in our nation. Without data, there is no way to compare different industries, which prevents the handloom sector from expanding. For such a big industry that encompasses numerous parts and also sub-sections within these segments, it is exceedingly difficult for the Ministry of Textiles, Ministry of Culture, and the recently formed Ministry of Cooperation to compile and collect data. This further increases their challenges.

- **RAW MATERIAL:** The Handloom Industry's main problem at the moment is the lack of high-quality yarn at reasonable prices. The bulk of weavers hail from low-income families and have little access to markets where they can buy yarn of superior quality. Because weavers cannot afford to keep raw materials on hand, most yarn is bought on the open market. As a result of the scarcity of materials and their rising prices, they have small profit margins and are unable to increase their revenue.
- **FINANCIAL CRISIS:** The handloom sector, which is highly dependent on financing for success, has significant problems due to a shortage of credit facilities. Due to their lack of financial understanding, weavers encounter extra challenges when applying for financing. Due to financial restrictions, weavers are hesitant to urge the next generation to take up weaving in the current climate, as evidenced by the fact that the number of weavers under the age of 35 has declined from 26.13 million in 2009–10 to 16.07 million in 2019–20.
- **LOW INCOME AND REACH OF CREDIT FACILITIES:** According to the minimum wage rules, a handloom worker must be able to make at least \$6,275 a month. Still, there are 27,48,445 weavers (or 67% of handloom workers) who make less than \$5,000 a month. In urban regions, where weavers make up 87% of the population, they only make up 20%. A whopping 76% of weavers do not have access to banking services, let alone the capacity to get loans from banks, as indicated by the meagre 23.3% total banking penetration rate.
- **LACK OF PROPER INFRASTRUCTURE AND FORMAL EDUCATION AND TRAINING:** Because of the inadequate availability of infrastructure, the handloom industry becomes less competitive. Even the most basic conveniences like power, running water, and toilets are absent. In our official education systems, teaching, training, and skill development for the handloom sector have not been commonplace activity. Due to their typically limited financial means, weaver families are left to take the initiative to develop new designs and methods.

## ROADMAP

After carefully analyzing the Barriers in front of this Gigantic Industry, it creates a growing importance that the concerned ministries like Ministry of Textiles, Ministry of Culture and Ministry of Cooperation must prepare a

roadmap explaining, planning and implementing the future vision of enhancing the growth of the Indian Handloom Industry in the next 25 years. Here comes the third and the final research question to be discussed in great detail. The proposed “2027 Strategic Roadmap for Indian Handloom Industry” which should be considered by the Government of India to fulfil the vision of “Amrit Kaal” by 2047 is as follows:

- The proposed Strategic Roadmap for India is based on the six most crucial pillars- Made in India, Digitalization and Artificial Intelligence, Automation, Upholding the Indian Design, Customized Engineering Services, and Circular Economy.
- Under the MADE IN INDIA pillar, the concerned ministries, in collaboration with the Cooperative Societies and Micro, Small and Medium Enterprises (MSMEs) must increase the production capacity for the whole handloom portfolio, which has the potential to achieve the full increment of 40 percent growth in this sector as well as to optimize the services required to generate consumer support and interest to purchase them.
- With respect to the DIGITALIZATION AND ARTIFICIAL INTELLIGENCE, the Indian Government can support customers by portraying the advanced remote services and training activities undertaken in the Handloom Sector to contribute to this mission through their grants and donations and purchase the handloom products on a massive scale. For this, newly-initiated startups like the Yarn Bazaar can collaborate with the Government of India and help in accelerating the digital transformation processes and culture by creating a platform where the buyers and the sellers can trade with each other by eliminating the middlemen in between them.
- When it comes to the AUTOMATION pillar, which is directly connected with digitisation and AI, a user-friendly platform is necessary to be created to standardise quality and improve performances and productivity. The capability to fit an advanced automation system to the existing ecosystem, improving workplace conditions and workers' engagement, while reducing wearing and alienating tasks, is a tailor-made approach which needs to be promoted as standard operating procedures for the development of this sector.
- Taking into consideration the tough international competition from across the globe, the INDIAN DESIGN needs to be groomed to capture the attraction of a larger audience from both the domestic and the international arenas. For this pillar to be accomplished, the Cooperative Societies and MSMEs must pursue big corporate houses for their guidance in establishing few brands to promote this sector exponentially to represent the fineness of the Indian design.

- One of the most crucial components of the 2027 Strategic Roadmap is CUSTOMIZED ENGINEERING SERVICES, which serves as the fifth pillar. These services can be offered by anticipating and comprehending new trends, collaborating closely with customers, research institutes, competence centers, and technological suppliers, and carefully engineering and networking to generate value. As a result, Indian Handloom Industry will function as an open house for its customers, allowing members of various ecosystems to meet and exchange concepts for novel solutions.
- And finally comes the sixth pillar of this Strategic Roadmap in the form of CIRCULAR ECONOMY. The Government of India needs to aim at promoting a synergic supply chain that is able to realize full industrial projects for the regeneration of valuable fibres from post-industrial and post-consumer fabrics through the connections and networks of the Cooperative Societies. The demand from the consumers can only be generated if a well-established supply chain is present to cater to their needs, thereby forming a sort of a circular economy with demand and supply moving continuously as two dots in a circle.
- With the help of this proposed Strategic Roadmap from next 2022-2027, it expands the answer of the second research question in terms of growing employment, income and real GDP contribution in terms of sales and net profit, which is expected to grow in the next five years, if this proposed roadmap is

adequately followed.

## CONCLUSION

This study gives a holistic overall view and approach for the avid thinkers to understand and realize the fact that the Indian Handloom Industry is perhaps the most important entity to become that factor of India's uniqueness which makes our country completely stand out from all other countries across the globe. It is important to realize the bitter truth that major stakeholders like the Government of India, the concerned ministries, Cooperative Societies, MSMEs and Big Corporate Houses are not the sole responsible to implement the roadmap for the Handloom Sector's growth, rather there is one more major stakeholder which remained entirely hidden throughout this paper, yet the most important among all - The INDIAN CONSUMERS. If there will be no consumers to purchase the gems of the Handloom Sector, then this industry will vanish within no time. Thus, the paper ends with a quote, summarizing the entire study- "A Handloom which weaves the identity of a nation shapes the entire outlook of a nation to act as an epitome in front of the whole world".

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## APPENDICES

### APPENDIX I

COMPARATIVE STATISTICS OF THE EXPORT PROMOTION FROM 2018-2022 (VALUES IN USD)

#### **COMPARATIVE STATISTICS OF THE EXPORT PROMOTION FROM 2018-2022** **(VALUES IN USD)**

Year/ Description	2018-19	2019-20	2020-21	CAGR	2020-21 (Apr-Dec)	2021-22 (Apr-Dec) (Provisional)	% Change
India Textile & Apparel	36,558	33,379	29,872	-9.6%	20,011	30,450	52%
Handlooms	3,804	3,564	3,443	-4.9%	2377	3323	40%
Total T&A including Handlooms	40,362	36,943	33,315	-9.1%	22,388	32,029	43%
India's overall exports	3,30,078	3,13,361	2,91,808	-6.0%	2,01,380	3,05,046	51%
%T&C Exports of overall exports	12.2%	11.8%	11.4%	-	11.1%	10.5%	-

### APPENDIX II

COMPARATIVE STATISTICS OF THE IMPORTS FROM 2018-2022 (VALUES IN USD)

Year/ Description	2018-19	2019-20	2020-21 (Apr-Dec)	2021-22 (Apr-Dec) (Provisional)
T&A Imports including handlooms	7,549	8262	5,873	6,006
Change over same period in previous year	8.2%	9.4%	-29%	53%

(SOURCE: ANNUAL REPORT 2021-22, MINISTRY OF TEXTILES, GOVERNMENT OF INDIA)



## INNOVATION IMPACTING LAST MILE DELIVERY

By  
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*- Shri Ram College  
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“Last mile delivery is the key battleground for e-commerce companies, and innovation is the weapon of choice. Those who can leverage technology to optimize delivery routes, reduce costs, and improve the customer experience will come out on top.”

### ABSTRACT

Due to the pandemic, almost all companies experienced disruptions in their supply chains. According to one study, up to 97% of businesses witnessed at least minor effects, with 63% reporting major effects. One aspect of the supply chain that companies are paying close attention to is last-mile delivery. The last mile has historically been ineffective, expensive, unreliable, and unable to adapt to shifting demands. In actuality, this element alone is responsible for 41% of supply chain expenses. Businesses, however, cannot afford to have subpar last-mile delivery options as consumers expect faster shipping times. In May 2022, nearly one-third of shoppers ordered retail goods online and had them shipped the same day. If they can get delivery in two days or less, nearly 80% of consumers say they are more likely to make a purchase. For same-day delivery, 30% of customers are ready to pay more, and 65% are willing to pay more for shipping that arrives in 1-2 days. In response to the growing demand for faster and more efficient last-mile delivery, logistics companies are turning to innovative solutions to overcome the challenges posed by traditional methods. This research paper analyzes the impact of innovation on last-mile delivery and examines the latest trends and innovations in the logistics industry. It also discusses the challenges faced by logistics companies in implementing these innovations and offers recommendations for addressing them. The paper concludes that, despite the challenges, embracing innovation in last-mile delivery is critical for businesses to remain competitive and meet the evolving needs of their customers.

### INTRODUCTION

A supply chain converts unfinished goods into finished goods that are distributed to customers. It is made up of an intricate web of businesses and activities, including distributors, makers, retailers, and raw material suppliers. The coordination of these networks, which include the

buying, managing, and storing of raw materials for manufacturing as well as the moving, delivering, and storing of finished goods and after-market services in order to achieve maximum efficiency, reduced costs, and net value, is known as supply chain management.

The importance of supply chain management can be seen in the reduced costs and improved productivity that come from an optimised supply network. Companies work to enhance their supply networks in order to lower costs and maintain competitiveness. Producers, vendors, warehouses, transportation firms, distribution centers, and retailers are among the organisations engaged in the supply chain. When a company receives a client order, the supply chain gets going. Product development, marketing, operations, distribution networks, finance, and customer support are thus among its core duties. Effective supply chain management can reduce a company's overall expenses and increase profitability. It can be expensive and have an impact on the remainder of the chain if one link breaks.

## LITERATURE REVIEW

A study conducted by de Koster et al. in 2016 argued that innovations in delivery technology, such as drones and autonomous vehicles, can significantly reduce the delivery time and cost. The authors analysed various last mile delivery models and their associated costs and benefits, and suggested that a shift towards more sustainable delivery methods, such as the use of electric vehicles and delivery consolidation, can mitigate negative impacts and improve overall efficiency.

Another study by Lu et al. (2019) examined the impact of innovative delivery models, such as crowdsourcing and shared delivery, on the efficiency of last mile delivery. Similarly, Richey et al. (2019) found that innovation in delivery routing and scheduling can greatly enhance the accuracy and speed of last mile delivery. The study suggested the utility of optimization algorithms by businesses to improve routing and scheduling and reduce the delivery time. Moreover, the employment of real-time tracking and monitoring systems can enable businesses to provide customers with accurate delivery information leading to improved business processes and greater customer satisfaction. In addition, research by Ha et al. (2020) highlighted the importance of customer-centric innovation in last mile delivery. It concluded that businesses should focus on developing innovative solutions that meet the unique needs and preferences of their customers. This can include personalised delivery options and flexible delivery times. Furthermore, a study by Chen et al. (2020) examined the impact of innovation in packaging on last mile delivery. The study focused on the use of eco-friendly packaging materials to improve the sustainability of last mile delivery and reduce the environmental impact.

## INNOVATIONS IN LAST MILE DELIVERY

Last mile delivery is the final step in the supply chain, which involves delivering goods to the end customer. Innovations

in last mile delivery have become increasingly important in recent years as more consumers are shopping online, and there is a growing demand for faster and more efficient delivery options.



**Delivery Drones:** Unmanned aerial vehicles (UAVs) or drones can be used for delivering packages to customers, especially in hard-to-reach locations. Companies like Amazon and Google are testing the use of drones for last mile delivery. According to a report by ResearchAndMarkets, the global market for drone delivery services is expected to grow from \$528 million in 2020 to \$4.5 billion by 2027, at a CAGR of 38.2% during the forecast period.

**Autonomous Vehicles:** Self-driving vehicles, including trucks and drones, can be used to deliver packages without a human driver. Companies like UPS, DHL, and FedEx are testing autonomous delivery vehicles. A report by Grand View Research estimates that the global autonomous last mile delivery market size is expected to reach \$84.5 billion by 2030, growing at a CAGR of 32.4% from 2021 to 2030.

**Micro-fulfillment Centers:** These are small, automated warehouses located close to urban areas, which can process online orders and provide faster delivery to customers. A report by CBRE suggests that the number of micro-fulfillment centers is expected to grow from 200 in 2020 to over 1,000 by 2025, as retailers and logistics providers seek to improve the speed and efficiency of last-mile delivery.

**Delivery Robots:** Autonomous robots can be used to deliver packages to customers in densely populated areas. Companies like Starship Technologies and Amazon are testing the use of delivery robots.

**Crowdshipping:** This involves utilizing the existing infrastructure of commuters or local delivery agents to deliver packages. Companies like Grab and Uber have launched crowdshipping services in some countries.

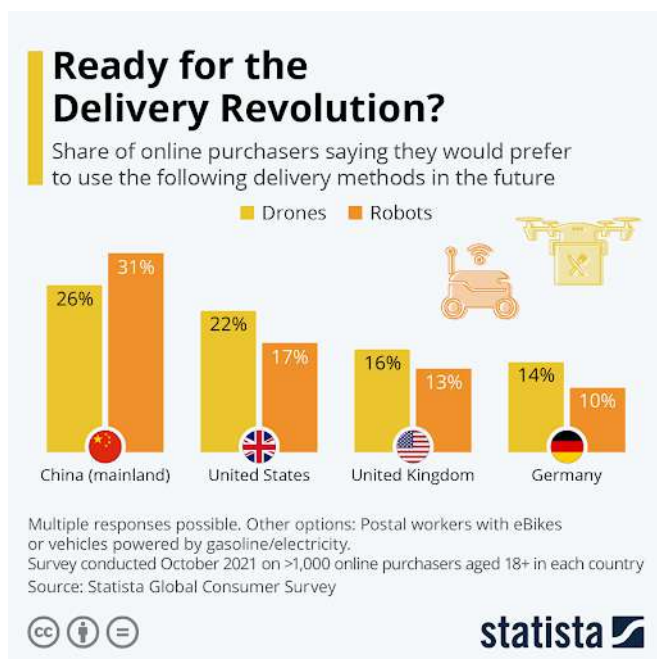
**Locker Systems:** These are self-service lockers located in convenient locations such as shopping centers, train stations, and airports, where customers can pick up their packages at their own convenience.

**Contactless Delivery:** With the outbreak of the COVID-19 pandemic, many companies have introduced contactless delivery options, which allow customers to receive their packages without any physical contact with the delivery personnel.

## BENEFITS OF INNOVATION IN LAST MILE DELIVERY

**Faster Delivery Times:** With innovations such as delivery drones, autonomous vehicles, and micro-fulfillment centers, packages can be delivered faster, reducing the time between when the customer places an order and when they receive their package.

**Cost Savings:** Innovations in last mile delivery can also help reduce delivery costs. For example, using delivery drones or autonomous vehicles can reduce labor costs, while micro-fulfillment centers can help reduce transportation costs.



**Improved Customer Experience:** Faster delivery times and more convenient delivery options, such as locker systems and contactless delivery, can improve the overall customer experience, leading to increased customer satisfaction and loyalty.

**Increased Efficiency:** Innovations such as delivery robots and crowdshipping can help improve delivery efficiency, reducing the time and resources required for last mile delivery.

**Environmental Sustainability:** Innovations such as delivery drones and autonomous vehicles can also help reduce carbon emissions, as they use less fuel and produce fewer emissions than traditional delivery methods. A survey by PwC found that 79% of consumers are willing to pay more for environmentally friendly last-mile delivery options, such as electric vehicles or bicycles.

**Improved Delivery Accuracy:** With the use of technology such as GPS tracking and real-time updates, innovations in last mile delivery can help improve delivery accuracy, reducing the chances of missed or delayed deliveries.

## CHALLENGES

### Reverse Logistics

Reverse logistics is the process of returning products from buyers to sellers or producers. For effective product returns, business will need to create a return shipping system.

Reverse logistics isn't just meant to help the client. Business should be able to recover some worth from the returned goods with the aid of reverse logistics.

### Outdated technology

Even when companies modernize, last-mile transportation is frequently disregarded for some reason. The upgrades typically concentrate on warehouse optimisation or international shipping.

However, last-mile delivery can benefit greatly from even small changes. There is really no excuse when an individual take into account the advancements in shipping and transportation and the variety of contemporary solutions at a command. One can even watch and optimise deliveries in real-time by equipping drivers with GPS devices and tracking software.

### Real Time visibilities

Probably one of the greatest difficulties in last-mile delivery is a lack of visibility. Fortunately, it's also one of the easiest problems to fix. One can use visibility tools to interact with chauffeurs in real time. Customers will also value being able to follow their shipments in real time rather than depending on outdated tracking numbers.

### Inefficient routes

One of the best methods to lower the operating costs for last-mile delivery is to optimise routes. Additionally, this has the advantage of speeding up delivery and raising client satisfaction. Of course, companies without a transportation or logistics background may find it difficult to take into account the various factors that affect route planning.

### Delays

Late deliveries and missed delivery deadlines can rapidly get very expensive. Delays in international shipping are typically cheaper to deal with but also simpler to predict. But when it comes to last-mile distribution, careful route planning and delay avoidance via a distributed delivery network and real-time communication are your best bets. Extremely late deliveries may result in purchases being unsuccessful. It would presumably be best to cancel delivery orders as one can foresee failed orders. This may spare you the trouble of dealing with a convoluted returns procedure. A person will nevertheless have to deal with client standards and fines for late deliveries.

### Increase in cost

Although the last mile of the delivery process is the shortest, it is also the most costly for both the customer and the company sending the goods. It can be expensive to integrate new infrastructure to handle a rise in demand. Additionally, there might be unanticipated costs associated with delivery, like delays or purchase cancellations.

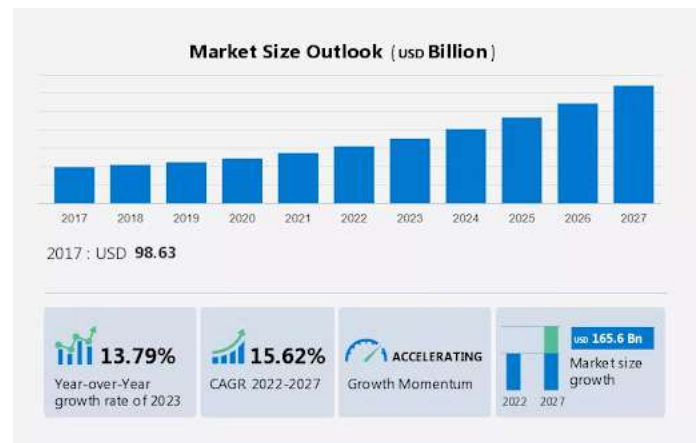
Unfortunately, it might not be a good plan to pass these costs onto the customer. If there are any unexpected costs, customers are likely to abandon their purchasing carts. Your best course of action would therefore be to spread out and minimise these expenses.

### NEED FOR INNOVATIONS IN LAST MILE DELIVERY

According to eMarketer, global e-commerce sales are projected to reach \$6.4 trillion by 2024, up from \$3.5 trillion in 2019. This growth in online shopping has led to a corresponding increase in demand for last mile delivery services. A survey by MetaPack found that 96% of consumers consider delivery time to be an important factor in their online shopping experience, with 61% expecting delivery within three days or less. Further as urbanization increases, last mile delivery becomes more challenging due to factors such as traffic congestion and limited parking. According to a report by McKinsey, up to 30% of urban delivery costs are attributable to the last mile.

According to a report by Accenture, last mile delivery can account for up to 53% of total delivery costs, due to factors such as increased fuel costs and the need for more drivers and vehicles. The last mile delivery industry is seeing a significant amount of innovation, including the use of drones, autonomous vehicles, and micro-fulfillment centers to improve efficiency and reduce costs. Lastly, The COVID-19 pandemic has led to a surge in e-commerce sales and increased demand for last mile delivery services, as more consumers shop online and avoid physical stores.

mile delivery services can gain a competitive advantage. By offering better delivery options than their competitors, companies can attract and retain customers. Last mile delivery can be a significant cost for businesses, accounting for up to 53% of total shipping costs. By optimizing last mile delivery routes, using more efficient delivery options, and reducing delivery times, businesses can lower their overall shipping costs. Efficient last mile delivery can help reduce inventory holding costs by ensuring that products are delivered to the end customer as quickly as possible. This can help businesses manage their inventory levels more effectively and reduce the risk of stockouts. In today's digital age, customers expect real-time visibility into the delivery process. Providing customers with accurate tracking information can help build trust and improve the overall customer experience. Last mile delivery can have a significant impact on the environment, with delivery vehicles contributing to air pollution and congestion. By optimizing delivery routes, using more sustainable delivery options, and reducing delivery times, businesses can help reduce their environmental footprint.



### ECOMMERCE IMPACT ON LAST MILE DELIVERY

E-commerce has had a significant impact on the last mile delivery industry, as it has led to an increase in the volume of packages being delivered and a shift towards faster and more frequent deliveries. Here are some of the key ways that e-commerce has impacted last mile delivery:

**Increased demand:** E-commerce has led to a significant increase in the number of packages being delivered, which has put pressure on last mile delivery companies to handle more volume.

**Faster delivery times:** E-commerce companies are competing on speed, with many offering next-day or even same-day delivery options. This has put pressure on last mile delivery companies to deliver packages more quickly, which can be challenging and expensive.

**More frequent deliveries:** E-commerce companies often offer free shipping on orders over a certain amount, which has led to a shift towards more frequent deliveries. This has put pressure on last mile delivery companies to be more efficient and to optimize their delivery routes.



### IMPORTANCE OF LAST MILE DELIVERY IN SUPPLY CHAIN MANAGEMENT

Last mile delivery is the final touchpoint in the customer's buying journey, and it can have a significant impact on customer satisfaction. A smooth and timely delivery can leave a positive impression on the customer, leading to repeat business and positive word-of-mouth recommendations. In today's competitive market, companies that can provide faster and more efficient last

**Changing customer expectations:** E-commerce has led to a shift in customer expectations, with customers expecting more convenient and flexible delivery options. This has led to the development of new delivery models such as click-and-collect, where customers can pick up their packages from a designated location, and same-day delivery.

**Innovation:** E-commerce has driven innovation in the last mile delivery industry, with companies investing in new technologies such as delivery drones, autonomous vehicles, and delivery robots to improve efficiency and reduce costs.

Overall, e-commerce has had a significant impact on the last mile delivery industry, and has led to new challenges and opportunities for companies operating in this space. As e-commerce continues to grow, last mile delivery companies will need to continue innovating to meet the changing demands of customers and businesses.

## CASE STUDIES

In recent years, several companies have introduced innovative solutions to optimize last mile delivery and improve customer experience. Given below are some instances of innovation adopted by modern companies making their last mile delivery seamless and efficient.

**Amazon Prime Air** is an innovative drone delivery system introduced by Amazon in 2013. The service aims to deliver packages to customers within 30 minutes or less using autonomous drones. The drones can travel up to 15 miles and carry packages weighing up to five pounds. The system is still in its testing phase, but Amazon hopes to use it to deliver packages to customers in remote areas and reduce delivery times in congested urban areas.

### Innovative approaches to physical deliveries.



#### Personal Delivery

Peer-to-peer and crowdsourced delivery networks. Perfect for businesses who rely on fast, accurate final mile delivery to maintain customer satisfaction.



POSTMATES

#### Locker Delivery

Self-service pick up stations that simplify delivery for companies while meeting the consumer's demand for convenience.



amazon

**Walmart** is another major retailer that has been experimenting with drone delivery. In 2019, the company partnered with drone delivery provider Flytrex to launch a pilot program in Fayetteville, North Carolina. The program aimed to deliver groceries and other household items to customers' homes using drones. The program received positive feedback from customers, and Walmart plans to expand its drone delivery services in the future.

**Alibaba's Cainiao Network** is a logistics platform that uses artificial intelligence (AI) and big data to optimize last mile delivery. The platform provides real-time tracking and tracing of packages and uses machine learning algorithms to predict delivery times accurately. The system also uses facial recognition technology to verify the identities of customers when delivering packages.

**DHL's Parcelcopter** is a drone delivery system used to transport medical supplies and other essential items to remote areas. The system was first tested in Germany in 2014 and has since been used to deliver packages to customers in difficult-to-reach areas, such as the Bavarian Alps. The drones are capable of flying up to 40 miles per hour and can carry packages weighing up to 6.6 pounds.

**Postmates' Urban Logistics Platform** is a delivery platform that uses a network of couriers, robots, and drones to deliver packages to customers in urban areas. The platform uses machine learning algorithms to optimize delivery routes and reduce delivery times. The platform also uses electric bikes and scooters to deliver packages, reducing carbon emissions and traffic congestion in urban areas.

## CONCLUSION

The advancements in technology, logistics, and transportation have provided numerous opportunities to improve the efficiency, speed, and reliability of the last mile delivery process. This study looked at the popular last-mile delivery strategies from the viewpoints of business and operations research. From the use of drones and autonomous vehicles to real-time tracking and predictive analytics, the innovations have transformed the delivery landscape. However, in addition to the unfathomable benefits that these solutions have provided to the businesses and consumers, there is no denying that there still remain some challenges that need to be addressed. These challenges include regulatory and policy issues, as well as concerns about the environmental impact of last mile delivery. As such, it is imperative that stakeholders work collaboratively to address these challenges and ensure that innovation in last mile delivery is sustainable and equitable. Overall, this study has highlighted the tremendous potential of innovation in transforming last mile delivery, and underscored the importance of continued investment and research in this area. With a focus on addressing the challenges and leveraging the opportunities presented by emerging technologies, it is possible to create a last mile delivery system that is efficient, sustainable, and accessible to all.

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# ENTERPRISE EVOLUTION





## AMAZON

### *The Commerce Colossus*

*By Priyanshi Bansal*

'Online Shopping' - a word considered 'Untrusted' a few years back has become the 'Trend Of Today' now-a-days. The credit goes to many things, to mention a few - increase in income, accessible and cheap internet facilities, etc. But the most significant rationale would be - Commendable Services provided by the E-Commerce Sites. There are many e-commerce websites but a trusted and close-to-heart site would be - Amazon.

Amazon was founded in 1994 by Jeff Bezos in his garage in Bellevue, Washington as an outcome of 'Regret Minimization Framework' as put by Bezos. It commenced with the name Cadabra Inc. originally an online marketplace for books. Later, it was rechristened as 'Amazon' and expanded into a multitude of product lines becoming - 'The Everything Store'. But how did this garage-founded site become the sensation of e-commerce today, is the real question. The answer to this question can be found in Amazon's unique strategies which it uses to tap existing and potential customers.

These strategies are in play at every step of customer experience on its official e-com website. According to a 2015 Microsoft study, on average, websites only get 8 seconds to grab customers' attention or they can lose a potential customer. Effective utilisation of these 8 seconds is made by its 3Cs Strategy. 3Cs Strategy stands for - Clear, Concise and Catchy. 3Cs is what Amazon uses to define its product headlines. Such as ' Fuzzy Bunny Slippers', 'Vintage Digital Rosegold', 'Eco Fluffy Flips', etc.

The headlines are made :

- Clear - Specific enough to deliver the product offered.
- Concise - Only relevant words are picked to grab attention quickly
- Catchy - Allows customers to make a connection with the product offered.

Further, the description of the product is explained using bullet points to give full details in a crisp manner. 3Cs has been proven very potent in tapping customers on e-commerce websites.

Apart from the above, the corporate strategies of Amazon are well-regarded in the E-Commerce Industry.

The generic Corporate Strategy of Amazon can be best outlined as 'Concentric Diversification'. Put in best words it can be described as leveraging technological capabilities for business success by following a cost leadership approach aimed at providing the maximum value for its customers at the lowest price in addition to taking its business around the customers so that they find Amazon to be the ultimate portal for their online shopping needs.

Amazon takes into account 'Big Data Analytics' as a mechanism to understand consumer behavior. Anyone who has used Amazon finds a list of similar products that are picked according to the browsing history and the mapping of their purchases with that of possible snaps in the future. This signifies that Amazon can predict and apprehend what consumers want and adapt its strategies as it is. Amazon's on-going strategy is also built around the 'Ease' aspect wherein customers can avoid travelling

to a physical store or even wait for their packages to arrive late with introduction to '1-Day Delivery' in many countries. In comparison, eBay is known for offering unique and rare products that are not easily found elsewhere.

eBay also has a bidding system that allows buyers to compete for items, which can lead to lower price, on the other hand, Walmart offers a wide range of products at competitive prices, and it also has a fast delivery service. However, these websites are not as user-friendly as Amazon's, and the selection of products is not as extensive. Alibaba offers a vast selection of products at competitive prices and a strong focus on wholesale and bulk orders.

However, Alibaba is primarily focused on the Chinese market, and it can be challenging for international buyers to navigate the website and communicate with sellers. Etsy, on the other hand, is a unique e-commerce website that specializes in handmade and vintage products. Etsy has a strong community of sellers and buyers and provides a more personalized shopping experience. But these have no comparison to Amazon when it comes to being consumer-centric.

Amazon defines its supreme motto as - "To be known as the most customer-friendly company on the planet." Amazon's brand is built on customer satisfaction.

It won't be an exaggeration to say that Amazon has

almost achieved its motto. As a 2019 survey of 20000 US customers showed at about 90% of them were more likely to choose Amazon than any other e-commerce website for purchasing. In the words of Kiri Masters in one Forbes edition - "Two-thirds of respondents (66%) typically start their search for new products on Amazon, compared with one-fifth (20%) who start on a search engine such as Google...and when consumers are ready to buy a specific product, 74% go directly to Amazon."

Amazon has reigned the "One-Click" selling era wherein customers can buy all the things that is for sale on its portal with just single mouse click. Judging by the rate at which Amazon is growing, it can be said with certainty that its business model is "clicking" with its customers.

Having given the above, the need of the hour for Amazon is to preserve its growth rates and maintain the momentum. Finally, Amazon needs to dwell upon a Global approach in its international markets so as to adapt its Global business model with that of its Local delivery and logistics supply chain. This would indeed create a globalized business value chain wherein anyone anywhere can buy products anytime and every time.

In conclusion, the future seems vibrant for Amazon and if it paces to focus on its core values at the same time expanding its global value chain, there would be no reason why it cannot continue with its market leadership.





## APPLE

### *The Tech Titan*

*By Girish S. Kumar*

#### THE INCEPTION

Apple was formerly known as the Apple Computer Company. It was founded on April 1, 1976, as a partnership between Steve Jobs, Steve Wozniak, and Ronald Wayne. The notion that Apple was founded in a garage has widespread appeal. But it is partly correct. In actuality, the business began in a bedroom of a house that belonged to Jobs' adoptive parents. But the bedroom lacked space and wasn't enough for expanding operations. Eventually, the business shifted to a garage.

The first product, Apple 1, was a computer entirely designed by Wozniak. To fund the computer Jobs had to sell his Volkswagen bus and Wozniak his cherished HP calculator. Paul Jay Terrell, owner of The Byte Shop, probably the country's first chain of retail computer stores, was impressed by their computer. He gave them an order for 50 computers.

Apple successfully completed the order, earning a profit of about \$8000. This fuelled Jobs' ambition to further expand the company which ultimately led to the incorporation of Apple Computer, Inc. on January 3, 1977. Markkula, a millionaire, helped with the necessary funds and business expertise. Shortly after, Wayne, apprehensive of the financial position of Apple, formally left, selling his stake in the company for \$800.

#### OVERNIGHT MILLIONAIRES

The IPO for Apple took place on December 12, 1980. On

December 12, 1980, the stock opened at \$22 a share and settled at \$29. About 40 employees who left Apple as ordinary workers on December 11 returned to work the following day as millionaires.

#### INNOVATION & SIMPLICITY – A CENTRAL TENET

The corporate culture of Apple is known for defying the stereotype of the stiff, stoic professional carrying a briefcase and wearing a suit. When other major corporations maintained a formal corporate dress code that mirrored school uniforms, Apple allowed casual attire.

For Apple's millions of followers, the business is the technological counterpart to Wonka's factory: a mysterious, magical realm that cranks out fantastic goods. That description is accurate, but Apple also functions as a harsh and unforgiving workplace where accountability is firmly upheld, decisions are made quickly, and top-down communication is apparent. To gain insight on the reality of life within Apple, Fortune conducted numerous interviews with former Apple workers. Due to the fear of retaliation, few volunteered to go on the record. The former employees, however, depict an image of a corporation that repeatedly snubs contemporary corporate practices. This allows it to function more as a sophisticated start-up than the established tech company it is.

Apple's triumphs aren't the result of pure luck or chance. Although these factors undoubtedly contribute, Apple has spent the previous ten years honing a complex approach

that results in a flawless combination of hardware, software, and services. Apple products succeed in their mission to be efficient and simple to use. They empower users to be creative without getting in the way because they are unobtrusive and welcoming. Apple elevates design to a different extreme, every aspect of the experience (including the packaging, the box, the accessories, and the cables) is meticulously planned and crafted in Cupertino even before a consumer receives the box.

## A SUBTLE REVOLUTION

The Apple of today is the culmination of various business decisions. The following is a quick overview of such decisions:

**Vertical Integration:** Apple has a competitive edge due to its ownership of chipmakers, control over manufacturing, rigorous adherence to software requirements, and operation within a confined ecosystem of a few retail locations worldwide. These benefits provide Apple with greater control over both its supply chain and, more notably, its material costs.

**Customer Service:** The higher likelihood of customers remaining with Apple is a result of Apple's deliberate focus on offering the highest quality of service to its customers. This has made it possible for Apple to stand out from its competitors and build brand loyalty.

**The Ecosystem:** When integrated with other Apple devices, accessories, and services, Apple goods perform at their optimum capacity. Apple-exclusive software, such as iTunes, can only be used on Apple devices. Apple's ecosystem consciously nudges consumers to buy more of the products and services offered by the company.

**Simple and innovative advertising:** This is evident by its well-known "1984" television commercial, "Think Different," and "I'm a Mac" campaigns. Its commercials are perceptive, humorous, and intriguing.

**Decoy pricing:** Apple follows this approach by presenting product variations and numerous products within a specific category. The cheapest items (the iPhone SE) are used as ruses to get buyers to buy their more expensive equivalents (the Pro and the Pro Max). The costliest products might also act as a decoy for the lesser-priced ones.

## THE RETURN OF STEVE JOBS – A TURNING POINT

A pivotal moment in the history of Apple was the time when Jobs resigned and moved on to found NeXT. This was because of a power struggle between him and Sculley, the then CEO of Apple. This episode changed the course of the business for the worse. From being a competitor to the likes of IBM and Commodore, Apple was on the verge of bankruptcy.

In 1997, Jobs returned to Apple, after Apple had purchased NeXT. He swiftly changed the trajectory of the company

by discontinuing unprofitable product lines, terminating agreements with other companies, and reducing Apple's product offerings to two categories, professional and consumer. Ever since, Apple has been a textbook case of one of the most memorable and fascinating business comebacks in recorded history. Moreover, when Jobs rejoined Apple, the business had a typical setup for one with its scale and complexity. It was broken up into different departments, with their own P&L responsibilities. In a single day, Jobs fired the top executives of every department, brought the whole firm under one P&L because he thought that traditional leadership had hampered innovation. Even though Apple has grown sizably and is a much more intricate organisation as compared to 1997, it still maintains this structure, which is typical for small companies. The credit for the current identity of Apple belongs to Steve Jobs. He not only saved Apple at the eleventh hour but also radically changed Apple for the better.

## THE AMBITIOUS EXPANSION IN INDIA

Apple's plans to boost production in India is a significant move that highlights the company's growing commitment to the Indian market. According to reports, Apple wants India to account for up to 25% of its production, up from about 5-7% currently. This move comes as part of Apple's efforts to redesign its manufacturing and supply chains to become more resilient to future shocks.

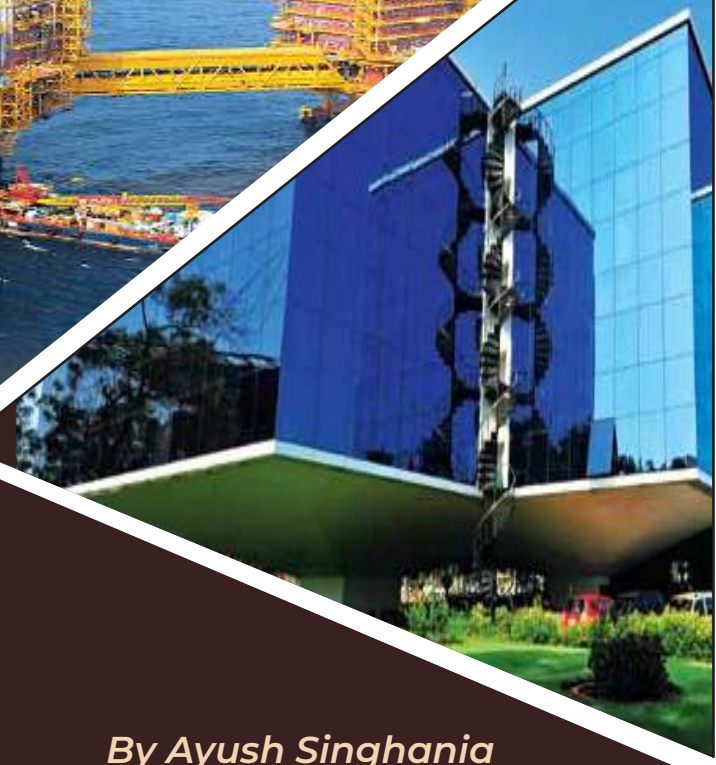
India's large consumer base and growing middle class make it an attractive market for Apple to expand its presence in. Moreover, the Indian government's Make in India initiative and the availability of a skilled workforce have been instrumental in boosting Apple's manufacturing presence in the country. However, the lack of infrastructure and supply chain capabilities remain a challenge for companies looking to expand their presence in India. Despite this, Apple's ambitious expansion plans in India show that the company is committed to tapping into the country's vast market potential.

## THE OUTLOOK

Apple has come a long way since its incorporation. The company has experienced periods of growth and decline. The achievements of Apple are noteworthy. Apple grew from two employees to an employee base of over 1,60,000 in 2022, with worldwide revenues of more than \$390 billion and net income of \$99 billion.

Music consumption and distribution (iTunes Store), formerly believed to be the sole purview of major record labels, are now significantly influenced by Apple. After branching out into television and movies (Apple TV+), Apple doesn't appear to be slowing down.

Apple's forays into portable media players (iPod) have given it the freedom to take chances and effectively diversify into smart wearables (Apple Watch) and mobile phones (iPhone), two industries that were previously considered to be outside the purview of a traditional computer maker.



## LARSEN & TOUBRO

### *Shaping the Landscape*

*By Ayush Singhania*

“Machinery may be there, building may be there...but without people, its all nothing. People are our only assets!”  
— Henning Holck-Larsen

#### **BASIC INTRODUCTION**

Larsen & Toubro commonly known as L&T is an Indian conglomerate company headquartered in Mumbai. The company is prominently divided into the fields of engineering, construction, manufacturing, technology, information technology and financial services.

#### **HISTORY OF INCORPORATION, PERFORMANCE AND RULE**

Before the rinderpest, two Danish engineers, Henning Holck-Larsen and Soren Kristian Toubro arrived in India in 1938 to set up a small office to represent dairy and allied equipment. The outbreak of the second world war in the year 1939 led to various import restrictions which ultimately forced them to wind up their business.

Instead of giving up, the Danish duo grabbed the opportunity to fix and repair damaged ships which in turn led to opening up of 2 fabrication and repair shops. The company also successfully built up a soda ash plant for the Tata group in 1940. Since then there was no going back for the Danish brothers and the reputation they gained has not left the company till now.

Furthermore, the company went on to sign various deals and collaborations with foreign countries, specifically the US and Britain. L&T then became a public company in the

year 1950 with a paid up capital of Rs.20 lakhs.

The journey of L&T as an organization was not at all easy and it came up with various twists and turns. Both the founders left their corporate journey mid way as Toubro retired in 1962 and Larsen as chairman in 1978. Prominent leaders such as S.R. Subramanian, N.M. Desai and U.V. Rao came up to foster the journey of L&T and make it the largest and one of the most renowned engineering and construction firms across the globe.

Naik came as a redeemer for the company as a junior engineer in 1965. He repeatedly evolved and upgraded himself to a better individual from junior engineer to GM to managing director to CEO and lastly served the company as chairman from the year 2003. He was also named as the 32nd best performing CEO in the world in 2013 by 'The harvard business review'.

#### **AGREEMENTS AND PROJECTS**

L&T in its long golden historical career joined hands with various organizations and companies to leave an impact of their capabilities. Some of them include Amul Dairy in Anand, blast furnaces at rourkela steel plant, manufacturing partner at ISRO, large airport project in Abu Dhabi, design and development programmes with DRDO and many more.

There are various high scale projects which changed the fortune of the company as the outcomes were highly remarkable. These include mumbai international airport, new delhi airport, lotus temple, mumbai-ahmedabad bullet train project, riyadh metro, statue of unity, motera stadium, western dedicated freight corridor, sinter plants for tata

steel limited in jamshedpur and kalinganagar and many more.

## REVENUE OF L&T IN A FINANCIAL YEAR BY SEGMENT

- Infrastructure : - 619.62 Bn rs
- It and ites : - 256.19 Bn rs
- Hydrocarbons : - 169.64 Bn rs
- Financial services : - 134.04 Bn rs
- Development projects : - 36.21 Bn rs
- Defense : - 34.1 Bn rs
- Power : - 31.93 Bn rs
- Heavy engineering : - 30.19 Bn rs

## YEAR AT A GLANCE (2021-2022)

- Order book : - rs 3.575,948 Mn (up by 9%)
- Eps : - rs 61.71
- Operational profit after tax : - rs 85,274 mn (up by 23%)
- Pbdit : - rs 182,173 mn (up by 17%)
- Debt equity ratio : - 0.30:1
- Group turnover : - rs 1,565,212 mn (up by 15%)

## MAJOR SUBSIDIARIES OF L&T

- L&T Construction
- L&T Power
- L&T Infrastructure
- L&T Defence
- L&T Powercarbon
- L&T Technology Services
- L&T Financial Services

These are some of the major subsidiaries of Larsen & Toubro which have wide market reach, huge customer base and fairly good reputation in the global market. L&T has created a positive image in the minds of the public as a brand that focuses on technology leadership and offers services at reasonable prices that too best in the market. This signifies the ultimate reason for L&T leading the global market and successfully building an empire.

Recent developments during the pandemic shows that L&T have started two platforms that are L&T Edutech and L&T Sufin. The first is an E-learning platform that offers training courses specifically in the engineering domain. The course is led by the own native engineers of the company to train the individuals regarding welding, masonry and electrical work. The company aims to develop new skill sets among the trainees to evolve them into a future fit which is highly required in this dynamic economy. L&T Sufin is an integrated B2B platform for exchange of industrial and construction products and services. This aims to create a conducive environment to help small and medium sized businesses and enterprises.

## THE VISION OF L&T STATES

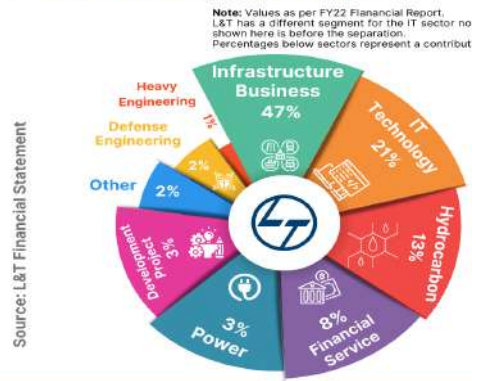
L&T shall be professionally-managed Indian multinational, committed to total customer satisfaction and enhancing shareholder value.

- L&T-ites shall be an innovative, entrepreneurial and empowered team constantly creating value and

attaining global benchmarks.

- L&T shall foster a culture of caring, trust and continuous learning while meeting expectations of employees, stakeholders and society.

## L&T ₹1,56,521 CR REVENUE BREAKUP!



## ACHIEVEMENTS AND RECOGNITIONS:-

- Ranked among top 10 by linkedin in the category of 25 best workplaces in India.
- Company of the year Title by business standard in the year 2020.
- Adjudged as world's best employers by forbes in 2018.
- Bagged 9th spot in global ranking of world's most innovative companies.
- L&T power won the golden peacock national quality award in 2013.

## STRENGTHS AND KEY FEATURES OF L&T

- Innovative technologies, frequent upgradation, strong financial position, experienced workforce, product uniqueness are some key features which helped L&T to build a strong empire.
- Continuous Strategic partnerships and joint ventures with globally recognised firms and organizations over the time has affected the company positively.
- Successful completion of large projects worldwide has created a brand image and customer loyalty in the global market.

## TERMS

### COLLATERALIZED DEBT OBLIGATION (CDO)

A type of structured asset-backed security that pools together various types of debt obligations and then sells them to investors.



## NESTLE'S *Recipe for Innovation*

*By Tamanna Khurana*

### HISTORY

Nestle is an international food and drink company headquartered in Switzerland and positioned as the largest food company in the world. It is a world leader in nutrition, health and wellness and for decades has been considered a touchstone of commercial stability around the world. It has been ruling the food industry for the last 150 years.

It was founded in 1905 by a merger between the Anglo-Swiss Milk Company, established in 1866 by brothers George and Charles Page, and Farine Lactee Henri Nestle, founded by Henri Nestle. The company grew significantly during the First World War and again in the Second World War, expanding its offerings beyond its early condensed milk and infant formula products and presently includes Nespresso, Nescafe, Kit Kat, Smarties, Nesquik, Stouffer's, Vittel, and Maggi.

Nestle has the tagline of Good Food, Good Life which is also a promise it makes to its customers and always delivers on. The company has a skill in meeting and anticipating consumers' changing needs in context to the specific socio-economic and cultural environment they are operating in.

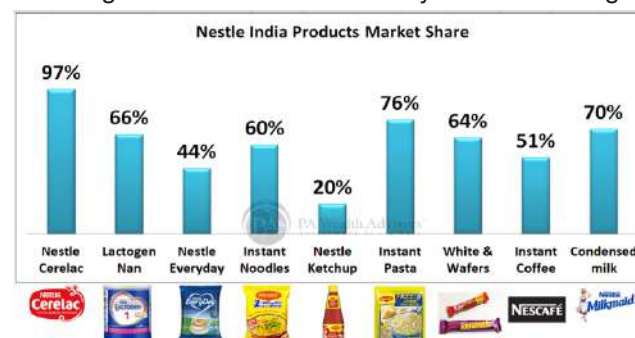
### NESTLE'S GROWTH OVER THE YEARS

Nestle entered the Indian market in 1912 and has since become one of the most trusted and loved brands in the country. Nestle India has a strong portfolio of products,

including Maggi noodles, KitKat, Nescafe, and Cerelac. In recent years, Nestle India has experienced significant growth in the Indian market. In 2020, the company reported a revenue of INR 13,141 crore (approximately USD 1.8 billion), which is a growth of 10.17% over the previous year. The growth was primarily driven by a strong performance in its food and beverage segments, particularly in its Maggi noodles and Nescafe coffee brands.

Nestle India has also been focusing on expanding its product portfolio in the country. In 2019, the company launched its first organic food brand, Organix, which offers a range of cereals and snacks for children. Nestle India has also been investing in research and development to create products that cater to the changing tastes and preferences of Indian consumers.

As of March 2023, Nestle India's market capitalization is around INR 1.7 lakh crore (approximately USD 23 billion). Nestle India's shares are listed on the National Stock Exchange of India and the Bombay Stock Exchange, and



## WHAT SETS NESTLE APART- TWO CALCULATED RISKS THAT PAID OFF!

Nestle as a company has had a history of entering into new markets oblivious to their products' taste and preference, and building a massive demand for it from scratch; be it coffee in Japan or Instant noodles in India. The company is known to undertake extensive research and surveys to find their niche consumer base, advertisements that are memorable for tugging at your heartstrings and eventually going on to becoming a market leader in a country which had no competitors waiting.

### HOW NESTLE WON JAPAN OVER

- Nestle had introduced their coffee brand in Japan during the times of post World War II expecting to capture the market with a first mover advantage; they did all things right
- Developed a good product
- Ensured affordability
- Taste tested the product with its intended audiences

But the sales never bore fruit to any of these efforts even when combined with the best of advertising, promotions and sampling.

The problem you see, was that Japan was a tea-drinking nation, with no sense of familiarity to coffee, and no fondness for its taste which led to almost no demand for Nestle's product in the market, leaving the managers in a fix.

This is when Nestle decided to rope in the famous French psychoanalyst, Clotaire Rapaille, in 1975. He was well known for his research on the emotional bonds humans form with objects in their culture. He conducted several experiments with social groups to come to the verdict that Nestle could never succeed in the Japanese markets until and unless the Japanese people had an emotional bond to the drink, which at the time was missing as they only ever drank tea; had been doing so for thousands of years. Coffee was a recent foreign phenomenon which did not resonate with any accumulated repository of their past memories.

From hereon the long term solution Nestlé engaged in was ingenious: It started with sweet, coffee-flavored products for kids. "We started, for example, with a dessert for children with a taste of coffee. We created an imprint of the taste of coffee," Rappaille told PBS. Those early, coffee-flavored treats likely became embedded in the minds of children as they started associating happy memories with the taste of coffee. By the time the same young consumers had attained an age when they could constitute the demand side for coffee Nestlé coffee was ready for them.

By 2014, the coffee market was hitting record highs in Japan, according to The Japan Times. Japan is now the 3rd largest importer of coffee and Nestle leads the market share, all thanks to the new imprinted with coffee generation.

## NESTLE'S INDIA HERO : MAGGI

If there were ever a time in India where we had to unanimously vote for a national snack, it would undoubtedly be Maggi!

For decades now, people of all ages, regardless of their economic background, have seen Maggi as their go-to snack. In fact, in India, instant noodles are synonymous with Maggi, such is the craze and connection that the brand has with its customers.

Maggi entered India in 1983, and following its Swiss strategy chose working women in India as their target audience. But, unfortunately, that strategy backfired as the percentage of working women in India during the 80s was fairly low and it was almost impossible to convince them to switch from their healthy staple food made of wheat to flour based instant noodles which were also completely alien to their taste palates. So, initially, Maggi could not win over Indians and Nestle had to think of a different way to penetrate the Indian market.

Here's how Maggi repositioned themselves and emerged a clear winner, eventually establishing a monopoly in the Indian market:

- Narrowed down their TA — Instead of targeting the adult population, Nestle sold Maggi as an after school snack for children. Advertisements were infused either with family stories or cartoons and run on the television during evening time.
- Understood the pain points of consumers — Nestle recognized that working women and homemakers alike always struggled to make evening, after-school snacks for kids that were both filling and tasty. Nestle presented Maggi as a solution.
- Uncomplicate the recipe — Since this was a mid-meal snack, the preparation had to be quick and simple! Hence the "2-min Maggi" formula which means you can make Maggi in just 2 mins.

This positioning was the winning recipe that quickly:

- Gave rise to a whole new market for instant noodles in India
- Naturally won Maggi a 90% market share, which persisted for 25 years despite strong competition from big players like ITC, Marico, the original instant ramen giant Nissin.

Nestle truly demonstrates that Good brands sell products, but Great ones sell emotions and to be a winner in the longer run we need brands that tell a better story rather than ones that make big bucks in the shorter run.



## INDIGO

### *Cruising to Excellence*

*By Gautam Arora*

#### INTRODUCTION

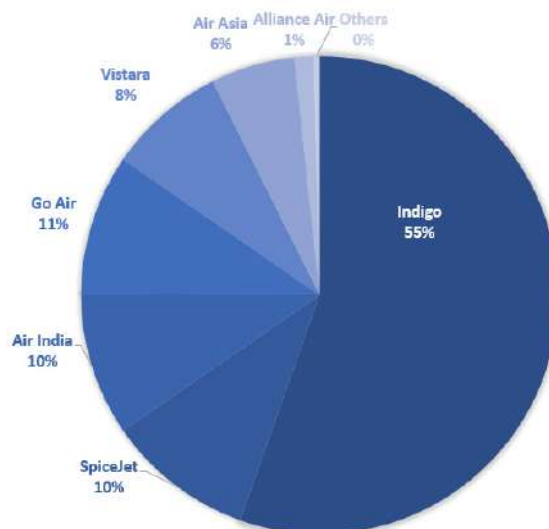
Indigo is the largest domestic passenger airline with a total share of more than 50%. It started as a merger between Inter-Globe company and investor, Rakesh Gangwal. The company primarily focuses on three pillars- offering low fares, being on time, and delivering a courteous and hassle-free experience.

While Indigo entered the market in 2006 amid the presence of great competitors like Deccan Air, Jet Airways, and Air India, it was able to steer away from being a small player to becoming a monopoly. Further, one aspect of studying Indigo's success can be a comparison between Kingfisher Airlines and Indigo as Kingfisher its commercial operation in 2005, close to Indigo.

Before we understand the strategies adopted by Indigo airlines, we must understand the aircraft industry. Certain features of the Indian Aviation Industry are:

- 1) This industry might be referred to as a graveyard. It is a very capital-intensive industry, susceptible to oil costs (30-50% of operation cost), and numerous charges and regulations of airports, for ex, high parking fees, taxes, etc.
- 2) Indian people are willing to have the best features, but fares play a more important role than the features for the majority of the population. Thus, the ticket price has to remain within the budget.
- 3) Due to above mentioned reasons, earning profit is extremely difficult, and is possible only via reducing cost. Thus, companies must have efficient functioning at every stage possible.
- 4) India's air traffic is extremely low, given the large size

of the population. As of 2020, India's Domestic Air traffic stood only at 274 million.



MARKET SHARE

#### HOW INDIGO MANAGED TO MAKE A PROFIT FOR 10 CONSECUTIVE YEARS?

Indigo combined one of the best business strategies, explained below to ensure profitability, good cash flow, and happy customers.

##### 1) Bulk purchase of aircraft from airbus:

In the first year of operation (2005), Indigo ordered more than 100 A320 Airbus aircraft, billing more than \$6 billion. This order was the highest ever received at the Paris Air

Show (2005). This shocked the complete industry, but it helped Indigo in the following ways:

a) In the 2000s, Airbus was losing its share of the Indian market as a result of a series of Airbus aircraft accidents in 1988, 1990, and 1992. As a result, to compete with Boeing, Airbus was desperate to increase its share in the Indian market. Indigo capitalized on this and ordered the aircraft, which as per some sources saved them almost 50% of the purchase cost due to the deep discount received.

b) Airbus aircraft are more economical than Boeing, saving up to 3% of the fuel cost.

c) Further, to reduce the operating cost, Indigo contracted with Airbus to repair the faults as soon as they happened.

## 2) Sales and leaseback model:

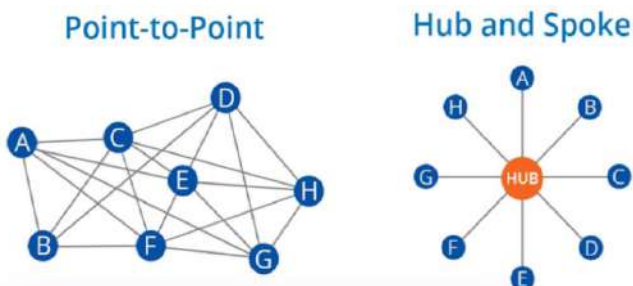
Indigo did not maintain its assets with itself. Instead, it sold the aircraft (purchased at a deep discount) to a leasing corporation at a slightly higher price.

As illustrated in the picture, through this model, Indigo manages to make a straight profit of \$5 million. As a result, it can solve its cash burn problem. Further, Indigo leases these aircraft from the same leasing company, giving ABC Aviation benefits in the form of low-cost aircraft and a ready-made customer base for these aircraft.



## 3) Giving basic facilities to the customers:

As mentioned earlier, a fundamental truth about the Indian Aviation Industry is the low-paying capacity of the customers. Indigo, unlike Kingfisher and Jet Airways, provided only basic facilities to the customers, which lowered their operating costs and thus, their ticket prices, which attracted customers more.



## 4) Hub and Spoke model of operation:

Indigo was the first Indian airline to use the Hub and Spoke model, whereas other airlines used the Point to Point model of operation. In the point-to-point model, each destination point is connected to another destination point using a separate aircraft. For 6 points, a company required 15 planes to operate.

On the other hand, Indigo used the Hub and Spoke model, wherein, a centre point is used as a HUB for connecting flights to each point. As a result, for 6 destination points, an airline would require only 6 planes.

The benefits of the Hub and Spoke Model:

- a) Reduced number of aircraft, thus less fuel cost.
- b) Same number of passengers, thus, planes are more occupied.
- c) The network can be expanded easily, as for another point, we require only 1 more plane connected to the HUB,

whereas, the point-to-point model would require another 6 planes for connecting the new destination to all other points.

As per the data, Kingfisher thus, was able to cater to 19% of its market share with 66 aircraft whereas Indigo was able to cater to its 17.6 % market share with just 38 aircraft.

## 5) Taking benefit of situations:

While other airlines were doing cash burn and incurring losses due to increasing fuel costs, Indigo has been able to take advantage of the situation. As it remained profitable and cash-rich, it poached pilots from its competitors, thus reducing the training cost for these pilots and staff. Further, Indigo had steady management which helped in the long term.

## CHALLENGES IN FRONT OF INDIGO

### 1) Effects of Covid and geopolitical conditions:

Covid-19 has impacted the whole industry, given reduced traffic, increasing cost of oil barrels, and weakening rupee. For Ex, the company's aircraft fuel expenses jumped 68 percent to Rs 3,220 crore from Rs 1,914 crore in the quarter ended March 2022. This point is very crucial as after the demand rebounded after the opening up of the economy, the company's revenue and customer size increased, but the profitability was reduced.

### 2) Increasing competition:

While Indigo has been able to achieve a competitive position in terms of domestic air traffic market share, it faces competition from Jet Airways renewing its operation, launch of Akasa Air, and transfer of ownership of Air India to the TATAs. As per brokerage firm Motilal Oswal, its share is bound to reduce in the coming future.

### 3) Challenges in top management and unsatisfied employees:

The business strategies owing credit to Indigo's success were steady and stable management and satisfied employees. But, as soon as the Indian skies opened, CEO Ronojoy Dutta stepped down. Further, the feud between the cofounders- Rahul Bhatia and Rakesh Gangwal came out in public in 2019. Gangwal has been reducing his share in the company and also stepped down from Indigo's Board in February 2022.

There are also some unofficial reports of employees' quitting the organization, given new opportunities entering the market.

## CONCLUSION

Now, there are certain things to look at-

- a) Indigo's position with high market share but it has been incurring losses for the last 4 years.
- b) Increasing competition in the industry.
- c) Opening up of the economy after a long wait of 2 years.

Indigo is currently facing a lot of fundamental challenges, which were essential to its success. The company needs to manage these very carefully and devise new strategies going forward, to maintain its growth and profitability in the long run.



# TATA

## *The Steel Backbone*

*By Dhruv Gupta*

Started as a trading company by Jamsetji Tata, the TATA Group today is one of the largest conglomerate companies in the world. Headquartered in Mumbai, the group consists of over 30 companies across 10 verticals. It operates in 100 countries across 6 continents. Started with a meager capital of Rs.21000 in 1968, the total market value of all the Tata Group firms today is over Rs. 20.8 lakh crores. The success of Tata Group is not an overnight success. Being in business for more than 150 years, they have excelled in nearly every field they have entered.

### THE JOURNEY

Let us have an insight into the lives of pioneers of TATA Group whose legacies continue to guide the future of the conglomerate.

**Nusserwanji tata:** He was the father of Jamsetji Tata, the real founder of the TATA Group. He was an ambitious person who, at 20 years of age, left his village, came to Bombay, and started a cotton business. He used the revenues to finance his son's education and sent him to Hong Kong in 1859 for business expansion. However, it does not seem to be, but was very bold to be done in 1859 even before the advent of air travel.

**Jamsetji tata:** In 65 years of his life, apart from building a fabulous business, he left behind a tremendous legacy of principles and ethics. Even in the preindustrial era, he rose above the commonly accepted practices of business and used long-term humane solutions to handle business problems. He built the prestigious Taj Mahal Palace in Mumbai.

**Dorabji tata:** He gave shape to the vision of his father, Jamsetji Tata. He took TATA Group forward by establishing TATA Steel while also supporting sports. Sir Dorabji Tata Trust was also built by him aimed at continuing the TATA tradition of philanthropy.

**Jehangir ratanji dadabhoy tata:** Popularly known as JRD Tata, was very ambitious and passionate about the aviation industry. He himself was a pilot, and he loved flying. He established India's first airline, the Tata Airlines (later Air India). He diversified TATA Group into different business lines. He developed the first product of locomotive engines for TATA Motors in 1945 and founded TCS. He guided the destiny of the TATA Group for more than half a century.

**Ratan n. Tata:** He is popularly known for his philanthropic activities, passion for work, and genius business strategies. His brilliant leadership took the Tata Group global through acquisitions such as Tetley Tea, Corus Group, Jaguar, Land Rover among many more. He went on to acquire as many as 36 companies in just 9 years. A legend, he is one of the most loved and admired personalities in India.

### HOW BIG IS TATA GROUP?

The vastness and diversity of companies under TATA Group is such that it is difficult to think of a sector where the Tata Group doesn't operate. What makes you lick your fingertips, it's TATA Salt; What gives a foundation to your dreams, it's TATA Finance; what makes you punctual, it's Titan watches; what protects you from diseases, it's TATA Pharma; what helps you commute, it's Air India, Vistara; what comforts you outside your home, it's Taj Hotels and the list continues. TATA Groups gives employment to nearly

9 lakh people, which is equal to the population of Bhutan and is the second largest employer in India after Railways. Infact, the valuation of TATA Consultancy Services (TCS) is more than the GDP of 128 countries and also bigger than the total market capitalization of all the stocks listed on the Pakistan Stock Exchange.

## WHAT MAKES TATA GROUP SO SUCCESSFUL?

While most of us know about the philanthropic contributions of the Tatas, hardly any of us know about their business strategies that make them win every battle of business. Let us look into their topmost strategies that set them apart.

**First mover advantage:** the TATA Group had a pioneering spirit right from the beginning. It established India's first steel plant, first power mill, first five-star hotel, first IT services company (TCS), first airline, the list goes long. It was the TATA group which introduced branded salt and branded jewelry in India. Running alone in a race is a sure win, so the Tata Group managed to get hold of a number of businesses as they established themselves before the competition could arrive.

**Trustworthy brand:** TATA Group is highly respected and admired in India. It is constantly ranked as India's no.1 brand by many surveys. When people buy a Tata product, they not only buy it for its functional utility but also for the trust that comes with the name 'TATA'. There is a lot of history and emotions associated with the Tata brand across several generations. This brand value puts the TATA Group above its competitors.

**Innovation:** The Tata Group has made innovation and excellence an integral part of its culture. Tata companies welcome innovative ideas from employees and reward them. For example, TATA Motors spends huge amounts on research and development. Launching Tata Nano was itself a breakthrough. Tata Motors has a lion share of 88% in the EV market as it is rapidly adopting change and switching to electric cars. They had even launched a campaign in which they rewarded small failures to curate ideas and inculcate an innovative spirit. Ratan Tata used to say "Lead, Never follow" in board meetings.

**Socially responsible, ethical and patriotic brand:** Needless to mention, the TATA Group of companies is known for its values and ethics. It prioritizes nation building to profit making. The social awareness campaigns, philanthropic activities, delivering quality products, working with communities, contributing in disaster management, all these activities polish the image of Tata Brand.

**Excellent human resource management:** Well, who does not want to work in TCS, Tata Motors or any other Tata company? We all do. This kind of image of the Tata group has been made because of their 'tough mind, gentle hand' approach with their employees. Tata employees are so loyal and dedicated that they usually don't leave even for higher salaries. For example, during the terrorist attack on Taj hotel, Taj employees didn't escape. They didn't care about their lives for the sake of their customers' safety. This invaluable loyalty of the Taj employees is what the company has earned. This is because of the encouraging work environment and efficient management

**Bold decisions:** TATA Group is known for its intrepid, innovative, and prominent decisions. An airline which, for years, was marked by debts and delays - delays in landing, delays in cabin upgrade, delays in flights, delays in privatisation; the Air India was, once the pride of this country, and had held the title of the most prestigious airlines in the world. TATA Sons acquired Air India and its low-cost carrier, Air India Express for 18000 cr, bagging the boldest ever deal in the airline industry. In the last 10 years, the Government of India spent around 1 Lakh crore to keep Air India running, almost double the amount of the whole Rafale deal (59000 cr). Acquiring a company in such deep losses is itself audacious. Just after months of acquiring Air India, it has sealed the world's biggest ever aviation deal, the purchase of 220 planes from Boeing for \$34 billion, with an option to buy 70 more aircraft that could take the total transaction value to \$45.9 billion.

**Backbone of indian industry:** After the deep analysis into the Giant Conglomerate, it will be no exaggeration to say that the TATA Group is the Backbone of the Indian Industry and a testimony to the talent of Indians. It is near impossible to find a person, at least in India, who does not know or have not heard of the TATA Group. Since the inception of the TATA Group, it has played a silent, but crucial role in India's growth. It is TCS which has designed the software to run the Bombay Stock exchange and the National Stock Exchange digitally. The RTGS platform of RBI, the Surveillance system of SEBI and the Core Banking System of SBI are also supported by TCS. Tata Steel fulfills 70% of the steel requirements of our nation. Nearly every passenger car, metro networks, trains and airplanes are built using the steel supplied by Tata. Today, TATA operates the world's largest and wholly owned and most advanced subsea fibre network carrying 30% of the world's internet routes. TATA Group has made more than 13000 transmission lines in India connecting even regions like Leh and Kargil. Even in the defense sector, the TATA Group has not lagged behind. It is increasingly manufacturing defense equipment in India to achieve the goal of Atmanirbhar Bharat and reduce dependency on foreign countries. Tata Group is also behind India's space missions. It not only contributed to the launch vehicle, but also helped in the design and fabrication of the data control hardware of the Mangalyaan. Tata has also helped ISRO in developing PSLV integration facility. The Tata run Passport Seva Kendras have reduced the average issuance time from 60 days to just 6.

Building a business empire is not by chance or luck, but it requires passion, patience, commitment, ambitions, courage and hard work to climb the ladder of success. TATA Group is an inspiration to all the aspirants of the business world. Its journey encourages the youth and makes them face challenges. It is the vision and values of the founders that still guide the course of action for the TATA group. It is INDIA's PRIDE. By the success of most of its companies, it has delivered a message that business can make profits while serving society and being ethical. Hope this conglomerate gets bigger and sticks to its values in future.



## RELIANCE

### *Fueling Progress Ahead*

*By Harman Kaur Babbar*

"The future belongs to those who believe in the beauty of their dreams."

-Eleanor Roosevelt

If you are reading this piece in India, chances are that the petrol in your car, the bag on your back, the clothes over your body, the network on your device, and your device itself, fall under the umbrella of Reliance Industries Ltd. It is a universally acknowledged statement that prominent global brands extensively influence their home country, but none ever had the same level of influence as Reliance Industries Ltd. has had over India. The journey of assuming such a paramount position in the economy of an entire nation was, without the shadow of any doubt, not easy. It all started from a not more than 500 sq. ft. office in Mumbai and today has a pan-India presence with thousands of acres of land. This very transformation is an open testimonial to 'believing in the beauty of dreams.' Growing and learning to grow is life as aptly brought up in the very slogan of Reliance Industries Ltd.

#### THE HISTORIC MAKING OF THE HISTORY

After working as a clerk and making his first fortune in A. Besse & Co. in Aden, now Yemen, Dhirubhai Ambani returned to India with 300 US Dollars in his pocket and a billion-dollar dream in his eyes. He had acquired the necessary business knowledge and was betting on his Yemen connections to set up an Import-Export business back in India, specifically the import of polyester and export of Indian spices. He initially established it with

his cousin under the name of Reliance Commercial Corporation, eventually, the business pair didn't work out and they had to part ways. While Dhirubhai was focusing on the manufacturing of synthetic textiles in India, he had his first breakthrough with the success of 'Vimal'- a brand of affordable clothing. Then there was no looking back, he diversified his business into petrochemicals, plastics, and power generation. After nationalized banks refused to finance his business, Ambani launched an IPO in which he, unlike anybody before him, invited the average Indian investors to come and invest in the company. This is said to be the beginning of the equity cult in India. Interestingly, the annual general meetings of Reliance under Dhirubhai Ambani took place in sports stadiums and were even telecasted on television. To date, Reliance Industries Ltd. has thousands of shareholders. Mukesh, his elder son took over as the chairman of Reliance Commercial Corporation, and Anil, as the Vice-Chairman upon the death of their father in 2002. But both didn't see eye to eye on major business decisions.

#### THE FAMILY FEUD

The fight grew so tense and so did its effect on the Indian Stock Market that the then Finance Minister of India had to step in and request early settlement. Dhirubhai had no will, thus, as a mutual settlement and as per the decision of Mrs. Dhirubhai Ambani, Mukesh got control of the oil & gas subsidiaries under the name of Reliance Industries Ltd. & Anil led the communications, finance, and infrastructure subsidiaries under the label of Reliance Group. Things

didn't go pretty well down the line, soon there was a rivalry between the brothers since Anil expected oil & gas at subsidized rates from Mukesh. Soon, there was an unsaid competition between the two and as the world knows, Mukesh Ambani emerged as the sole winner. Anil Ambani had to sell Reliance Communications to Mukesh Ambani in order to avoid insolvency.

## THE BRANCHES OF THIS VITRAYA RAMUNONG

The current market cap of Reliance Industries Limited stands at 16.4 trillion INR. Reliance Industries Ltd. is one of the most diversified private corporations in the world.

Let's have a look at its subsidiaries:

- Refining and Marketing: Reliance Aviation, Reliance Petroleum Retail & Reliance Gas
- Petrochemicals: REPOL, Recron.
- Organized Retail: Reliance digital, Reliance fresh, Trends, AJIO, etc.
- Digital Services: JIO
- Media and Entertainment: moneycontrol, Voot, colors, Network18, Eros Productions, etc.
- Others: Reliance Solar, Reliance Clinical Research Services, Reliance Logistics, Reliance Life Science, etc.



## THE BRICKS OF THE CASTLE

Let us have a look at the greatest business decisions of Reliance Industries Limited (RIL) which have brought it to the position that it enjoys today.

1. **Demergers-** The one distinguishing factor of RIL has been, indulging in timely demergers and not dragging the new ventures synonymously with the parent company. It aids in judging the new venture independently and thus, offers a better picture that would act as a basis for future decisions. I, personally, call it the 'Hydra Budding' concept.
2. **Planned diversification-** From a bird's eye view, we might believe that RIL has tried its hand at almost everything but a deeper study would make us aware of how planned all its diversification decisions were. For instance- Its massive entry into the telecom sector with JIO was a decision based on rigorous market analysis and global developments in this industry. It, thus, took

the first mover advantage and introduced 4G in India.

3. **Backward integration-** Reliance has ensured supply chain efficiency, cost saving, and increased revenues for itself by following the concept of backward integration. For instance- Reliance's backward integration into the energy sector has boosted its petrochemical margins. It owns the world's largest refinery in Jamnagar. It has provided them not just a competitive advantage but has also acted as a check on the entry of new industry entrants.
4. **Price slashing-** Reliance's telecommunications breakthrough: JIO was so successful that it added a record 16 million subscribers within one month of its conception on September 5, 2016. It owes a very large share of its success to the price-slashing strategy. It sent shockwaves in the network market space when it announced three months of free 4G mobile services. It helped it to expand its market share which is at present the highest among others, at around 35%. It's currently pursuing a competitive pricing strategy.
5. **The roller-coaster ride-** The Rafale deal between India and France involved the procurement of 36 fighter jets by the Indian government. However, the deal was mired in controversy due to allegations of corruption and favoritism. The Indian government faced criticism for not adhering to proper procurement procedures and not disclosing the final price of the deal. Another bone of contention was the involvement of Reliance Company, as one of the offset partners in the deal. Critics questioned why the Reliance Company, which had no prior experience in manufacturing fighter jets, was chosen as a partner over other more experienced companies. These allegations sparked a political firestorm in India, and the issue became a subject of intense debate and scrutiny. Despite the controversy, the Indian government maintained that the deal was necessary to strengthen the country's defense capabilities.

## THE GRASSY TRAIL

Perhaps the article you read has no end at least not a near one, the story isn't over. Reliance Industries Limited has still got a long way to go. Its future has got to offer a plethora of opportunities and threats. It may move ahead by calculatingly tapping into the untouched industries. It may move ahead by acquiring startups that align with its own operations. In addition, RIL is ready to exploit CBM as an unconventional natural gas resource. But all is not easy on this trail. The climate change that the world is facing is a significant threat for companies, especially for a company like Reliance which derives more than 50% of its revenue from oil & petrochemicals. Thus, if Reliance fails to pass the test of sustainability in near future, it may perhaps fail to pass the test of its very existence.

Every story has a lesson to teach while the corporate world learns from the big decisions of Reliance Industries Limited, an ordinary man may derive some crucial life lessons from the same. Every road has a bent in the undergrowth, we can never predict where life could take us, we may start with nothing and literally end up 'building an empire'.



## SPACEX

### *A Space Odyssey*

*By Prisha Gupta*

#### INTRODUCTION

A rocket and spacecraft manufacturer, Space Exploration Technologies Corporation commonly known to the public as SpaceX is an American spacecraft manufacturer, launcher and a satellite communications corporation headquartered in Hawthorne, California in the United States which also serves as its primary manufacturing plant. It was founded on March 14, 2002; around 20 years ago in El Segundo, California, United States. It's a private company founded by Elon Musk belonging to the space and communications industry. It was founded under the belief that a future where humanity is out exploring the stars is fundamentally more thrilling than one where we are not. The main idea behind establishment of SpaceX was reducing space transportation costs to enable the colonization of Mars. It caters services like orbital rocket launch and satellite internet and serves customers internationally. SpaceX designs, manufactures and launches the world's most advanced rockets and spacecraft to revolutionize space transportation, with the ultimate aim of making life multi planetary.

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It is an equal opportunity employer offering competitive salaries, comprehensive health benefits and equity packages to around 12,000 employees.

#### HISTORY

The origin of space exploration can be circled back to the early 2000s when in 2001 Musk traveled to the lands of Russia to purchase a Russian rocket at a reasonable price for his dream exploration of the planet Mars by sending some plants and mice into their atmosphere and ensuring their safe return.

The deal being preposterous, Musk had the motivation to design the rockets himself at a lower cost which could be reused more than once proving to be a breakthrough in space technologies and hence giving birth to SpaceX. To make this idea come to life, Musk teamed up with aerospace engineer Tom Mueller towards setting up Falcon 1. Hitting bumps on the way, the Falcon 1 finally succeeded in its venture into space in 2008. Excelling forward in 2010, the Falcon 9 was established as the primary private space shuttle for traveling to and from Earth orbit.

#### PAST VENTURES

SpaceX ordinarily flies two versions of its Falcon 9 rockets, one to carry NASA cargo to international space station and one to lift satellites into Earth's orbit. To give a brief about the launches which set records and were the talk of the time since the foundation, the first launch could be dated back to 2006 of the Falcon 1 which went disastrous and resulted in a failure. The result remained same for the upcoming launches as well till 28 September 2008 when the company was in a grave financial distress, The Falcon 1

swore to heights towards its first successful launch turning around the financials and saving the life of the company. With the first success, Musk's company was able to live through the times by turning up its financials coming in the form of contracts from NASA. With the correct technique learned, SpaceX now focused on using company resources towards the development of a larger orbital rocket, the Falcon 9. The Falcon 9 took its first jump to the space in June 2010 and then again in December 2010 and safely returned to earth after two orbits completing all its mission objectives. Also not to forget, with the full development of the dragon spacecraft, the Dragon C2+ became the first commercial aircraft to deliver cargo to the International Space Station in 2012. SpaceX rising through the charts made several commercial launches and had rapid growth in the period of 2013-2015 while in 2016, the company made history by landing SpaceX's Falcon 9 in the middle of the sea on its drone ship. Since then SpaceX has been the leading global launch provider and has been growing with no intention to stop anytime soon.



## ACHIEVEMENTS

SpaceX has made a handful of achievements in space exploration. These comprise setting up of the first privately developed liquid-propellant rocket that made to the orbit and also being the first private company to launch, orbit, and recover a spacecraft, and most importantly to send a spacecraft to the International Space Station. Moreover, it is the first to achieve vertical propulsive landing of an orbital rocket booster, and on the top of it reuse such a booster, and the first private company to send astronauts to orbit and to the International Space Station. In addition to all this stated above, SpaceX's Falcon 9 rockets has been flown and landed over a hundred times.

## CHANGE IN FATE

The metamorphic instances which brought SpaceX to the rise were its reusable engines making it cost-effective which can be seen in the Falcon 9's design, developing it such as to make its first stage reusable and its usage of the drone ships for rocket stage landings in the middle of the sea to conserve its rockets integrity and ensure safety. This revolutionized the decades-long structure of one-shot use rockets and kept up the financials by increased savings.

Also, the success of the dragon capsule making history on May 25 2012 becoming the first commercial spacecraft to dock with ISS and successfully delivering cargo opened the company's way towards being the commercialized entity for providing services of delivery of goods and also received contracts for the transportation of astronauts into space by NASA.

Both of these instances were successful launches of the company towards growth and success.

## CONTROVERSIES SPACEX GOT INVOLVED IN

SpaceX, the private aerospace company founded by entrepreneur Elon Musk, has been involved in several controversies over the years. Some of the notable controversies include:

**1. Environmental concerns:** In 2014, SpaceX proposed to build a launch facility in South Texas that would require the destruction of several hundred acres of environmentally sensitive land. Environmental groups raised concerns about the impact the construction would have on the nearby wildlife and habitats, as well as the potential for pollution from rocket launches. After a legal battle, SpaceX was eventually granted permission to build the facility.

**2. Workplace safety:** In 2016, a SpaceX employee was killed during a routine test of a Falcon 9 rocket. The incident prompted an investigation by the Occupational Safety and Health Administration (OSHA), which found that SpaceX had violated several safety regulations. SpaceX was fined \$88,000 for the violations.

**3. Intellectual property disputes:** In 2020, a former employee of SpaceX filed a lawsuit claiming that the company had stolen his designs for a landing platform for reusable rockets. SpaceX denied the allegations, and the case is ongoing.

**4. Starlink satellite controversy:** SpaceX's Starlink satellite internet service has faced criticism for potential impacts on astronomical research and the night sky. The large number of satellites in the Starlink constellation could create visual pollution, interfere with radio telescopes, and potentially pose a hazard to other spacecraft. Astronomers have also expressed concerns about the impact of the satellites on their ability to observe the night sky.

**5. National security concerns:** SpaceX's close ties to the US military and government have raised concerns about the potential for conflicts of interest and national security risks. Some have questioned whether SpaceX's contracts with the government are subject to sufficient oversight and accountability.



# FRICTION ACROSS THE GLOBE



## INDIA'S CHANGING NAVY STRATEGY

*By Mayank Mittal*



As tensions continue to rise between India and China, both countries are upping their military game. While India's army and air force are also making advancements, it is the Indian navy that has taken center stage in the country's efforts to counter China's aggressive moves. So, what exactly is India doing to revamp its naval strategy? Let's dive in. As rightly said by Alfred Thayer "Whoever conquers the Indian Ocean will dominate the whole of Asia".

Having this said let's understand why the Indian Ocean plays such an important role in geopolitics. While having a look at the world map, you will get to know that the Indian Ocean region consists of 28 countries spanning over 3 continents. It holds 17.5 percent of the Global land area, and 35% of the world's population (2.8 Billion USD). 21 of these 28 countries are a part of the IORA (Indian ocean rim association). These include significant nations such as Australia, Bangladesh, India, Iran, Kenya, Indonesia, Malaysia, Oman, Singapore, South Africa, Thailand, UAE, Sri Lanka, and Yemen. 7 countries that are not a part of this association include Pakistan, Myanmar, Vietnam, Cambodia, Maldives, etc. Most of the countries in this region are among the fastest-growing countries in the world.

It is also one of the most strategically important areas in the globe because it is where international trade meets. It links the Asia-Pacific area to the global economies in the north Atlantic. The vast majority of global maritime traffic travels along this route—80%. The Strait of Hormuz, the

Strait of Malacca, and the Bab-el Mandeb are the three main straits. These are also referred to as choke points because if these points are shut, the main sea trade will come to a standstill.

So what's driving India's newfound focus on its navy? Is it just a reaction to China's growing naval power? Or is there more to it?

Well, a big part of it certainly is China's increasing assertiveness in the Indo-Pacific region, including the disputed South China Sea. China has been building up its naval capabilities in the region for years now, and its actions have been causing alarm bells to ring in New Delhi. In response, India has been gradually increasing its presence in the region, both through bilateral agreements with other countries and through the expansion of its own navy.

### SO, HOW IS INDIA'S NAVY CHANGING TO COUNTER CHINA?

#### 1. Fleet expansion

One of the key ways in which India is countering China's naval power is by expanding its own fleet. The Indian navy currently has over 140 ships, including aircraft carriers, submarines, and destroyers. However, the navy is looking to add even more vessels to its fleet, including advanced stealth frigates and submarines. By the end of this decade,

the Indian navy aims to have a 200-ship fleet, with a majority of these being advanced and highly capable vessels.

## 2. Advanced weaponry

The Indian navy is not just expanding its fleet, it's also upgrading its weaponry. The navy is acquiring new, state-of-the-art weapons systems, including the BrahMos supersonic cruise missiles and the Barak 8 air defense systems. These weapons will give India a significant boost in its ability to defend against China's naval power.

## 3. Strategic partnerships

Another way in which India is countering China is by forming strategic partnerships with other countries in the Indo-Pacific region. India has been building strong relationships with countries like the United States, Japan, and Australia, to counter China's influence in the region. These partnerships not only provide India with access to advanced military technology, but also give it a stronger voice in regional affairs.

## 4. Presence in the indo-pacific region

Finally, India is expanding its presence in the Indo-Pacific region by setting up military bases and conducting joint military exercises with other countries. India is setting up a military base in the Andaman and Nicobar Islands, which will provide it with a strategic location to monitor Chinese naval activities in the region. Additionally, India is also conducting joint military exercises with countries like the United States and Japan, to show its commitment to maintaining stability in the region.

So, there you have it, folks! India is certainly not sitting idly by as China expands its naval power in the Indo-Pacific region. With a combination of fleet expansion, advanced weaponry, strategic partnerships, and increased presence in the region, India is making sure that it is well prepared to face any challenges from its neighbor to the north.

Is India's changing navy strategy enough to counter China's growing naval power?

Only time will tell, but one thing's for sure, the Indian navy is ready to rise to the challenge.

## TERMS

### FRIENDSHORING

The New York Times defines it as "the practice of relocating supply chains to countries where the risk of disruption from political chaos is low," whereas Bloomberg calls it "encouraging companies to shift manufacturing away from authoritarian states and toward allies."

### SPORTSWASHING

A public relations attempt to use sports to cover up a country's ills. The obvious 2022 example comes from Qatar, which is hosting the World Cup. Thousands of migrant workers have died in that country since naming Qatar the host a decade ago. We tune in to watch the games anyway.

### POLYCRISIS

A polycrisis, according to Tooze, involves multiple and compounding risks that, when they bump into one another, could escalate matters, creating greater threats than any single risk individually poses.

### YELLOW VESTS

A French grassroots movement where protesters called for economic justice for the working and middle classes, for issues like higher minimum wages and wealth taxes.

## MIDDLE EAST CONFLICTS

*By Aryan Gupta*



### INTRODUCTION

The middle east is a loosely defined geopolitical region commonly encompassing the areas of western Asia and northeastern Africa which is home to around 435 million people. It is home to several ethnic groups including Arabs, Turks, Persian, Kurds and Jews. Religion also plays a significant role in the region, with Islam being the dominant faith, followed by Christianity and Judaism. The Middle East has been a region plagued by conflicts for decades. Many of these conflicts have their roots in religious, ethnic, and territorial disputes, as well as competition for resources and power. These conflicts have resulted in significant social, political and economic instability, affecting the lives of millions of people and creating regional and global ripples. According to the UNHCR, as of the end of 2020, there were 8.5 million refugees and 17.3 million IDPs (Internally displaced people) in the Middle East, with the majority of them coming from Syria, Yemen, and Palestine. The geographical advantage of the area and the natural resource, particularly oil have been the root causes due to which the major European powers and the United States have competed to colonise it. Some of the most significant conflicts in the region include the Israeli-Palestinian conflict, the ongoing war in Syria, and the tension between Iran and the United States and its allies. Despite the challenges, the Middle East has also made significant contributions to the world in areas such as mathematics, science, and architecture. Its rich cultural heritage, including art, music, and cuisine, has also influenced and enriched the world.

### SYRIAN CIVIL WAR

The Syrian civil war is a complex and devastating ongoing conflict that began in 2011 as a peaceful protest movement calling for political and economic reforms, but it soon escalated into an armed rebellion between the government headed by President Bashar al-Assad and opposition forces seeking to overthrow him. The war has resulted in the destruction of infrastructure, violation of basic human rights, serious impact on the education and health sector, mass displacement and a staggering death toll of over 6,06,000 people. More than 13 million people have become refugees or IDPs because of this war, being one of the largest displacement crises in the world. Children have been particularly affected by the Syrian civil war. According to UNICEF, an estimated 12 million Syrian children need humanitarian assistance, and over 2.4 million children have been forced to flee Syria as refugees. The war has had a significant economic impact on the country. According to the World Bank, Syria's GDP declined by an estimated 53% between 2010 and 2019, and the poverty rate increased from 12.3% in 2010 to 90% in 2020. The war has been prolonged because of the unnecessary involvement of international powers like the US, Russia, Iran, and Turkey who have backed up different sides due to which the issues have not been resolved. It is high time that the political situation is bettered to stop the violence so that Syria and its people can have a good future.

## ISRAELI-PALESTINIAN CONFLICT

The Israeli-Palestinian conflict is one of the longest-standing and most deeply rooted conflicts in modern history over issues such as borders and the right of Palestinian refugees to return to their homes. It centres around the question of who has the right to the land that is currently Israel, the Gaza Strip, and the West Bank. The Gaza Strip has been under an Israeli blockade since 2007. According to the UN, more than 2 million people in Gaza are in need of humanitarian assistance, and the blockade has severely limited the movement of goods and people into and out of the territory. The status of Jerusalem, which both Israelis and Palestinians claim as their capital has also been unclear. The conflict began in the early 20th century when Jewish immigrants began to settle in Palestine, then a territory under Ottoman rule. The Jewish immigrants, many of whom were fleeing persecution in Europe, faced resistance from the Arab population, who saw the Jewish settlements as a threat to their land and way of life. The situation escalated in 1948 when Israel declared its independence and was immediately recognised by the United States and the Soviet Union. This led to the first Arab-Israeli war, in which Israel was able to defeat the combined Arab armies and gain control of much of the territory that had been Palestine. Since then, there have been multiple wars and acts of violence between Israel and the Palestinian people, with no end in sight. The presence of various armed groups, such as Hamas and Hezbollah, who are involved in the conflict has further complicated the issue. As a result of the conflict more than 10,000 Palestinians and around 1,200 Israelis have been killed, more than 1.5 million children in Gaza and the West Bank are in need of humanitarian assistance and the unemployment rate is exceeding more than 30% in both territories. The need for a lasting peace settlement that addresses the underlying issues is more pressing than ever.

## IRAN-IRAQ WAR

The Iran- Iraq war was one of the most gruesome and brutal conflicts fought between the countries of Iran and Iraq that lasted from 1980 to 1988. However, the resumption of normal diplomatic relations and the withdrawal of troops did not take place until the signing of a formal peace agreement on August 16, 1990. After the Iranian Revolution of 1978-79, border clashes started happening between the two countries. The leaders of Iran's Islamic republic wanted to export the concept of revolution to foreign neighbouring countries. The conflict began in September 1980, when Iraq invaded Iran, sparking an eight-year war that resulted in hundreds of thousands of casualties and significant destruction. The war was marked by brutal trench warfare, the use of chemical weapons, and the indiscriminate bombing of cities. Both Iran and Iraq used chemical weapons during the war, with devastating consequences. According to the United Nations, Iraq used mustard gas and nerve agents in at least 10 major offensives during the conflict, causing tens of thousands of casualties. Both sides used landmines extensively during the war, and many of these mines remain in place today,

causing ongoing casualties. According to the Landmine and Cluster Munition Monitor, as of 2020 there were still an estimated 4.5 million landmines in Iran, and 1.6 million in Iraq. Tens of thousands of prisoners of war were taken during the war, and many suffered brutal treatment and torture. According to the International Committee of the Red Cross, as of 2021, there were still 2,000 Iranians and 600 Iraqis unaccounted for from the war. The Iran-Iraq War was fought with support from various international actors, including the United States and the Soviet Union, who supplied weapons and other resources to both sides. The war had significant regional and global consequences, including the spread of weapons of mass destruction and the rise of extremist groups. The war had a profound impact on both countries and the region. More than a million casualties and the destruction of infrastructure had serious economic and social consequences, and both countries faced long-term problems such as inflation and unemployment. According to the World Bank, Iraq's economy contracted by an average of 6.3% per year between 1980 and 1988, while Iran's economy shrank by 5.5% per year. While none of the sides gained any meaningful victory, Iraq agreed to Iranian terms for the settlement of the war: the withdrawal of Iraqi troops from occupied Iranian territory, division of sovereignty over the Shatt Al-Arab waterway, and a prisoner-of-war exchange. The final exchange of prisoners was not completed until March 2003.

## CONCLUSION

The conflicts in the Middle East are complex and multifaceted, with deep historical and cultural roots. They have had a profound impact on the lives of millions of people in the region and beyond. They are fueled by a combination of religious, ethnic, and territorial disputes, competition for resources and power, and the involvement of outside countries. The conflicts have resulted in significant social, political, and economic instability, and they have strained relationships between different communities and nations. Division of the middle east by foreign powers and the spread of Wahhabism from Saudi Arabia after the discovery of oil there added fuel to fire. "Education is the most powerful weapon which you can use to change the world." — Nelson Mandela, According to UNESCO, the Middle East and North Africa region has made significant progress in improving access to education in recent years, but still lags behind other regions in terms of enrollment and completion rates. In 2019, the region's net enrollment rate for primary education was 86%, compared to a global average of 91%. The search for a resolution to these conflicts remains a major challenge, and it requires sustained efforts from all parties involved, as well as the international community, to work towards peace and stability in the region.

## NORTH KOREA NUCLEAR PROGRAM

*By Ayush Singhania*



Nuclear weapons are the most dangerous weapons on earth. One can destroy a whole city, potentially killing millions, and jeopardizing the natural environment and lives of future generations through its long-term catastrophic effects. The dangers from such weapons arise from their very existence. Although nuclear weapons have only been used twice in warfare—in the bombings of Hiroshima and Nagasaki in 1945—about 13,400 reportedly remain in our world today and there have been over 2,000 nuclear tests conducted to date. Disarmament is the best protection against such dangers, but achieving this goal has been a tremendously difficult challenge.

North Korea, a country in East Asia that occupies the northern portion of the Korean peninsula, covers about 55 percent of the peninsula's land area. The country is bordered by China and Russia to the north and by the Republic of Korea to the south. North Korea is also said to have a pool of rich mineral cover in the peninsula. Various abundant minerals found include iron, coal, gold, magnesite, lead, zinc, tungsten, graphite, barite, etc.

North Korea, led by the unpredictable leader Kim Jong Un, has a pile of small but dangerous 35 nuclear weapons and a growing arsenal of ballistic missiles. In late August 1998, North Korea fired a multistage, long-range missile eastward over Japanese airspace which caused shock worldwide and major global controversy. It was revealed in 2002 that North Korea was working toward producing highly enriched uranium, which could be used to make

nuclear weapons. In January 2003 North Korea opted itself out of the Nuclear Non-proliferation Treaty. Furthermore, in 2005 North Korea claimed to have nuclear weapons capability.

The country has made significant changes in creating a nuclear weapon arsenal over the past two decades. It has detonated six nuclear devices- one with a yield of over 100 kilotons-and test-flown a variety of new ballistic missiles, several of which may be capable of delivering a nuclear warhead to targets in northeast Asia and potentially in the United States and Europe.

Less than three years ago, the Korean peninsula stood on the brink of a war that threatened to turn nuclear. The danger of nuclear conflict between the United States and North Korea was increasing as both sides exchanged belligerent rhetoric. In a dramatic development however, a North Korean leader met a sitting US President for the first time in history in 2018. This has since been followed by another meeting between Kim Jong-un and Donald Trump, although de-nuclearization negotiations seem to have stalled.

### SINGAPORE SUMMIT

The US Defence Intelligence Agency reported in 2017 that Pyongyang may have managed to put nuclear warheads on its intercontinental ballistic missiles. The summit in Singapore in June 2018 seemed to provide

the long-awaited breakthrough however. With negligible advance discussions, Trump met Kim for historic talks which ended in a joint agreement that the two countries would cooperate towards new relations with the US providing security guarantees to North Korea which in turn commits to denuclearisation.

The summit produced a joint statement that was signed by both leaders and pledged four basic items: (1) the United States and the Democratic People's Republic of Korea (DPRK) will establish new relations; (2) the United States and DPRK will make efforts to build a peace regime on the Korean peninsula; (3) the DPRK will work toward complete denuclearization of the Korean peninsula and reaffirm the April 27, 2018, Panmunjom Declaration; and (4) the United States and DPRK will commit to the recovery and repatriation of the remains of American prisoners of war and soldiers missing in action in North Korea.

It is wholly assumed that the country has operational nuclear warheads for its short-range and medium-range missiles. It is evident from its development efforts and public statements that North Korea ultimately intends to field an operational nuclear arsenal capable of holding regional and US targets at risk.



## THE INCREASING NUMBER OF NUCLEAR WARHEADS

- North Korea's ballistic missiles can carry nuclear warheads, and the country conducted six increasingly sophisticated underground nuclear tests between 2006 and 2017.
- The country single-handedly carried out 34 weapons tests in the year 2022, involving about 88 ballistic and cruise missiles.
- Its last and most powerful nuclear test was conducted in September 2017, when it claimed to have detonated a thermonuclear, or hydrogen, bomb.
- According to an estimate by the Arms Control Association, in the year 2021, North Korea had enough fissile material for 40 to 50 nuclear warheads and could produce enough for 6 or 7 bombs a year.
- In January 2016, North Korea claimed to have conducted its first hydrogen bomb test.

When the country resumed missile tests in 2019 after the collapse of the Kim- Trump talks, the tests exposed three new weapons, namely KN-23, KN-24, and KN-25. The major differentiating factor in these three particular weapons was the usage of solid fuel rather than liquid fuel (old ones). The new solid-fuel weapons, mounted on mobile launchers, are easier to transport and hide and take less time to prepare side by side. And also, two of them namely KN-23 and KN-24 could perform low-altitude maneuvers easily which makes them harder to intercept. In September 2021, North Korea also test-launched "long-range cruise missiles". The alternative name for it was kept as "strategic weapon" indicating that it would arm the new missile with nuclear warheads. Also in the same year, it began testing what it called a ballistic missile with a detachable "hypersonic" gliding warhead.

North Korea's nuclear development is a topic of serious concern to the global community that not only threatens the peace, harmony, and security of the Korean peninsula and the international community but also undermines the foundation of the international non-proliferation regime.

### TERMS

#### GROUND ZERO

The point on the surface of the Earth directly above or below where a nuclear explosion has happened

#### MUSHROOM CLOUD

A large cloud that forms in the air in the shape of a mushroom as a result of an explosion, especially from a nuclear bomb

#### WEAPONS OF MASS DESTRUCTION

Weapons that can cause great damage to very large areas, including nuclear weapons, chemical weapons, and biological weapons. They are often simply referred to as WMD.

#### NUCLEAR PROLIFERATION

The spread of nuclear weapons-related components, technology or expertise to nations or groups without an existing capability.

#### FALLOUT

Nuclear fallout is the residual radioactive material propelled into the upper atmosphere following a nuclear blast.

## TERRITORIAL DISPUTES IN THE SOUTH CHINA SEA

*By Suhani Jain*



The South China Sea is a semi-enclosed sea that covers an area of about 3.5 million square kilometres and borders China, Taiwan, Vietnam, the Philippines, Malaysia, Brunei, and Indonesia. It is rich in natural resources, such as fish, oil, gas, and minerals, and strategic for trade, navigation, and security. However, it is also a hotspot of territorial disputes, as several countries claim overlapping sovereignty and jurisdiction over various islands, reefs, rocks, and waters in the sea. These disputes have historical, legal, political, and economic dimensions and pose challenges for regional stability and international law.

The main sources of the disputes are the Paracel Islands, the Spratly Islands, the Scarborough Shoal, and the maritime boundaries in the sea. The Paracel Islands are a group of about 130 small islands and reefs in the northwestern part of the sea, claimed by China, Taiwan, and Vietnam. China occupies and controls most of the islands since 1974, when it defeated South Vietnam in a naval battle. Vietnam, however, maintains its historical and legal claims based on its continuous presence and administration of the islands since the 17th century. Taiwan, as the successor of the Republic of China, also asserts its sovereignty over the islands based on its inheritance of the Chinese claims.

The Spratly Islands are a group of about 250 islands, reefs, shoals, and cays in the southern part of the sea, claimed by China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei. The claims are based on various grounds,

such as historical discovery, occupation, effective control, proximity, continental shelf, and exclusive economic zone (EEZ). China and Taiwan claim the entire Spratly Islands based on their historical rights and the nine-dash line, a vague demarcation that encompasses most of the sea. Vietnam claims the entire Spratly Islands based on its historical presence and continuity of sovereignty. The Philippines claims part of the Spratly Islands based on its discovery, occupation, and proximity. Malaysia and Brunei claim part of the Spratly Islands based on their continental shelf and EEZ. The claimants have occupied and built military and civilian facilities on some of the islands and reefs, creating a complex and tense situation.

The Scarborough Shoal is a triangular-shaped reef in the northeastern part of the sea, claimed by China, Taiwan, and the Philippines. The reef is about 120 nautical miles from the Philippine coast and about 500 nautical miles from the Chinese coast. The Philippines claims the reef based on its proximity, historical usage, and EEZ. China and Taiwan claim the reef based on their historical rights and the nine-dash line. The dispute escalated in 2012, when a standoff between Chinese and Philippine vessels occurred near the reef. Since then, China has maintained effective control of the reef and prevented the Philippines from accessing it.

The maritime boundaries in the sea are another source of dispute, as the claimants have different interpretations and applications of the United Nations Convention on the

Law of the Sea (UNCLOS), which regulates the rights and obligations of states in the sea. UNCLOS provides for various maritime zones, such as territorial sea, contiguous zone, EEZ, and continental shelf, and defines their extent and scope.

However, UNCLOS does not resolve the disputes over sovereignty and jurisdiction, and leaves room for ambiguity and controversy. For example, the claimants disagree on the legal status and entitlements of the islands, reefs, and rocks in the sea, whether they are capable of generating maritime zones or not. The claimants also disagree on the delimitation of their overlapping maritime zones, whether they should be based on equitable principles or historical rights.

The territorial disputes in the South China Sea have implications for regional and international security, cooperation, and order. The disputes have led to incidents and tensions between the claimants, such as naval clashes, fishing conflicts, diplomatic protests, and legal actions. The disputes have also attracted the involvement and interest of external powers, such as the United States, Japan, Australia, and India, who have strategic and economic stakes in the sea and support the freedom of navigation and the rule of law.

The disputes have also challenged the regional mechanisms and norms, such as the Association of Southeast Asian Nations (ASEAN), the Declaration on the Conduct of Parties in the South China Sea (DOC), and the Code of Conduct in the South China Sea (COC), which aim to promote dialogue, confidence-building, and peaceful resolution of the disputes.



The territorial disputes in the South China Sea are complex and enduring, and require political will, legal clarity, and diplomatic creativity to manage and resolve. The claimants and the stakeholders should respect and comply with the international law, especially UNCLOS, and the relevant arbitration and judicial decisions, such as the 2016 award of the Permanent Court of Arbitration (PCA) in the case between the Philippines and China, which invalidated the nine-dash line and clarified the legal status and entitlements of the features in the sea.

The claimants and the stakeholders should also enhance their communication and cooperation and avoid actions that would escalate the disputes or undermine the stability and order in the sea. The claimants and the stakeholders should also pursue joint development and conservation of the resources in the sea and foster a culture of mutual respect and trust.

## FACTS

### A SKYSCRAPER EVERY 5 DAYS

According to the published research, China builds a skyscraper every five days. China has more than 200 skyscrapers that are over 150 meters tall under construction. In the next 5 years, China plans to build more than 800 skyscrapers.

### INTERNATIONAL BORDERS

China is the 4th largest country in the world with a small coastline and landlocked on most area shares border with 14 countries

### RAILWAY LINES

China's railway lines can loop around the world thrice. The total length of railway lines of China is more than 146,000 kilometers (90,000 miles) long, which is the second longest railway network in the world.

### CORAL REEFS

The South China Sea is rich in marine life. Approximately 30 percent of the entire world's coral reef is located in this sea.

### SHIPPING LANES

The South China Sea contains some of the world's most important shipping lanes. The main route to and from Pacific and Indian ocean ports is through the Strait of Malacca and the South China Sea.

## THE DIGITAL WARFRONT

*By Girish S. Kumar*



### INTRODUCTION

Our increasing dependence on technology has made it an essential part of our daily lives. However, with technological progress the risks associated with it also increase. Cyber warfare and espionage have become major concerns for nations and organisations globally.

### A GLIMPSE INTO THE PAST

The concept of cyber warfare has evolved significantly over the past several decades. It all began in the early 1980s, when the world was just beginning to realise the potential of computer networks and the internet. At that time, the main concern was with hacking and the theft of information, which was seen as a nuisance but not a serious threat. However, as technology advanced and the world became increasingly interconnected, the potential for cyber attacks to cause real-world harm became increasingly clear.

One of the earliest recorded instances of cyber warfare occurred in the late 1980s, when a hacker broke into the computer systems of the U.S. Department of Defense. This was a wake-up call for the government, which realised the potential for cyber attacks to cause real harm and quickly established a number of initiatives to enhance cybersecurity.

This was followed by the ILOVEYOU virus in 2000, which spread quickly and caused significant damage to computer networks around the world. The "ILOVEYOU" virus was a computer worm that spread through email attachments in

May 2000. It was one of the most destructive computer viruses in history, infecting millions of computers worldwide and causing an estimated \$10 billion in damages. The virus was created by two Filipino computer programmers, Reonel Ramones and Onel de Guzman, and was named after the subject line of the email that it was attached to, which read "ILOVEYOU".



Cyber warfare has been around for decades, but it wasn't until the 21st century that it became a major concern. One of the first instances of a nation-state using cyber-attacks to achieve political objectives was in 2007, when Russia launched a cyber-attack against Estonia. The attack caused widespread disruption to the country's infrastructure and set a precedent for future cyber warfare. In 2010, the United States suffered a major cyber-attack known as Stuxnet. The attack, which is believed to have been launched by Israel and the United States, targeted Iran's nuclear program. The attack seriously damaged the nation's nuclear facilities and significantly delayed their development by several years. This was a turning point in the use of cyber-attacks for military objectives.

## THE TACTICS OF CYBER WARFARE - UNDERSTANDING THE METHODS OF THE ENEMY

Cyber warfare can take many forms, but the most common tactics include Distributed Denial of Service (DDoS) attacks, Phishing, Malware, Ransomware, and Advanced Persistent Threats (APTs).

DDoS attacks entail flooding a server or website with traffic to render it unavailable to users. Another tactic is Phishing.

- **Phishing** is when a cyber attacker sends an email or message posing as having come from a trustworthy source in an effort to dupe the receiver into disclosing personal information.
- **Malware**, meanwhile, is a type of malicious software that infects a computer or network and can be used to steal information or disrupt operations.
- **Ransomware** is a specific type of Malware that encrypts a victim's files and demands a ransom in exchange for the decryption key.
- **APT attacks** are targeted attacks against a specific organisation or individual, utilising a range of strategies to obtain sensitive information.

These are just some examples of the tactics that cyber attackers use to gain access to sensitive information and disrupt operations.

## THE DAWN OF DIGITAL WARFARE

The first recorded instance of cyber espionage occurred in the mid-1970s, when the Soviet Union used a Trojan horse program to steal U.S. military secrets.

## THE PRICE OF DIGITAL BATTLES

Cyber warfare and espionage can have serious consequences for nations and organisations. One of the most severe consequences is economic damage as cyber-attacks can disrupt operations and cause financial losses for businesses and organisations. Another severe consequence is the loss of sensitive information, such as trade secrets or military secrets, which can have a major impact on national security and competitiveness. Disruption of critical infrastructure is also a consequence, as cyber-attacks can disrupt essential services such

as power grids, transportation systems, and healthcare facilities, putting lives at risk. Cyber espionage can lead to the theft of intellectual property and trade secrets, which can have a major impact on a company's competitiveness. Additionally, cyber espionage can also lead to the manipulation of information, which can be used to influence political and economic decisions.

## COMBATTING THE THREAT

Governments and organisations around the world are taking steps to combat cyber warfare and espionage. This includes implementing cybersecurity regulations, providing cybersecurity training to employees, purchasing cybersecurity insurance, forming cybersecurity partnerships, and cooperating internationally to combat cybercrime and cyber espionage. These measures are essential in protecting against cyber threats and ensuring that nations and organisations can continue to operate in a digital age.

## CONCLUSION

Cyber warfare and espionage are major concerns for governments and organisations around the world. These threats can cause significant economic damage, disrupt critical infrastructure, and steal sensitive information. As technology continues to evolve, it is important that we stay vigilant and continue to adapt to the ever-changing digital battlefield.

### FACTS

#### PHISHING EMAILS

There's no doubt that phishing emails are still the world's most common cyber attack method. Plus, it is getting more dangerous day by day. As per the Phishing Benchmark Global Report, 1 in every 5 email recipients are prone to clicking on a malicious link. Also, 3 billion phishing emails are sent every day to hack sensitive information.

#### GOOGLE PLAY STORE

More than 200,000 malicious programs have been detected on the Google Play Store alone. That's a huge number and to think that Google has a great security team is amazing! But still, that means that most people won't get any protection at all as there exist more dangerous apps than those listed in this article. It's best to follow the instructions and only install trusted applications that will be installed by default or through an update mechanism.

## TEHRIK-E-TALIBAN ATTACK ON PAKISTAN

*By Gautam Arora*



### INTRODUCTION- PAKISTAN'S VULNERABLE STATE

Pakistan has been an unstable economy for a long time. While the regime is not fixed. The changing reign has brought great issues, leading to underdevelopment and poverty. While Pakistan has been affected by several reasons listed down, the country stands on the brink of an economic crisis. It is clear from the soaring rate of inflation, the highest in the previous 48 years, and the depreciating Pakistani Rupee, which has depreciated by more than 50% in the previous 1 year.

### THE REASONS FOR THE FALL IN PAKISTAN'S ECONOMY

**POLITICAL INSTABILITY:** Notably, no Pakistani PM has completed a full five-year term in office. We know, every government has a long-term vision, which it tries to achieve through its policy measures. But, whenever, there is a change in the ruling party, mostly there is a change in ideologies, and thus, government policies. This has also happened in Pakistan. Political Instability poses a threat in front of foreign and institutional investors, causing a lack of confidence.

**DEBT-TRAP:** Due to the investment crunch, Pakistan has always tried to obtain debt bilaterally, i.e., from other countries. It is essential to note, out of Pakistan's \$27 billion in bilateral debt, around \$23 billion is made up of

Chinese loans. This further has led to an attack on the sovereignty of the country in its policies.

### LOW FOREIGN EXCHANGE RESERVES

Pakistan's central bank said, that its foreign exchange reserves have dropped by 16.1 percent to USD 3.09 billion, the lowest in nearly 10 years. Financial analysts believe that the foreign exchange reserves held by the State Bank of Pakistan would cover just around three weeks of imports. With such lowering reserves and the effect on crop production due to the flood, the country is facing a shortage of necessary goods and fuel, causing inflation to soar high, in double digits.

### TALIBAN'S THREAT TO PAKISTAN

When in 2021, the Taliban took over Afghanistan, the Tehrik-I-Taliban (TTP) increased the violence in Pakistan. The terror group is mostly targeting security forces in the erstwhile Federally Administered Tribal Areas (FATA) and other parts of Khyber Pakhtunkhwa (KP) province. According to the annual report of the Centre for Research and Security Studies (CRSS), Pakistan witnessed as many as 376 terror attacks in 2022 and KP province experienced an exponential rise in violence whereby "the fatalities there went up by 108 percent.

The situation is so much worse, that On Saturday

(December 31), the Islamist terror outfit Tehreek-e-Taliban Pakistan (TTP) challenged the sovereignty of the Pakistani State and declared the formation of its new parallel government for the country. TTP has now announced its own Cabinet of Ministers, ranging from Defence to Education. Reportedly, the terror organization has ministries for political affairs, fatwas, Intelligence, and even construction. But how this militant group became so powerful that it challenges a government in power, and even the government of a nuclear country, is willing to get into negotiations. Let's study this deeply by reading about the history of the Taliban.

## **HISTORY OF TALIBAN**

The TTP was a by-product of the United States' invasion of Afghanistan in 2001. The TTP claims that its armed struggle intends to build an Islamic political regime in Pakistan based on the group's interpretation of Sharia, a job it argues was the principal goal of establishing Pakistan in 1947.

In the 1980s, when the USSR was trying to capture Afghanistan, the USA to obtain an edge, trained some militants with the help of Pakistan, to fight and wipe off USSR's soldiers from Afghanistan. Sending such mujahedin to fight instead of their soldiers, benefitted the USA, in the following ways: It was a cheaper option for the Country. The government did not have any responsibility for the mujahedins being killed, or if they violated any human rights.

These Mujahedins were further led to form the militant group as we call it the "Taliban". Even after this, the USA and Pakistan Governments continued funding and supporting such groups to keep control of Afghanistan with themselves. But, after this one such militant group Al-Qaeda carried out 9/11 Attacks in the USA, which further led to USA's military operation in Afghanistan. Such a rule of the USA, which involved the spending of trillions of dollars, ended in 2021, after 20 years. But such a rule was in vain, because of the following reasons they were unable to vandalize the Taliban and all other terror groups and form a democratic government in 2 decades. When USA's troops flew from Afghanistan, they left behind \$7 billion worth of military equipment in hands of the Taliban. Further, we may understand that they have power, but going against a government and carrying out attacks requires money. How is the Taliban getting this money? We all know that Afghanistan is the world's largest producer of Opium. Opium is used to produce one of the most addictive drugs- Heroin, which can trade in Pakistan. According to BBC, the Taliban's income was as much as \$1.5 billion in 2018.

## **HOW TEHRIK-I-TALIBAN IS ATTACKING PAKISTAN**

Before understanding how TTP is attacking or planning to attack Pakistan, we need to analyse the significance of the geography between Afghanistan and Pakistan. When we see the major tribes of Afghanistan, we see the Pashtuns

were the major tribe of Afghanistan. Further, there is the borderline between Afghanistan and Pakistan, called the Durand Line. This line, although recognized by international bodies, is not recognized by locals of Afghanistan, especially, the Pashtuns, as it divided them in Afghanistan and Pakistan. This borderline was fenced just in 2016, and prior to this, the Pashtuns could easily travel between the 2 countries. In fact, this border was even used by the Afghan Taliban, during the US military operation, for food, arms, and safe shelter. This fencing was one of the initial points of the tussle between the Taliban and Pakistan. When the Afghan Taliban took control over Afghanistan, thousands of detained TTP members were released, and they gathered in the FATA (Federal Administered Tribal Areas). It consists of multiple tribes, such as Arab, Punjabi, Uzbek, Afghan, etc. This area provides a strategic advantage to the TTP, to carry out attacks in Pakistan. Further, they use the same borderline to get money, men, and arms, from Afghanistan, just as the Afghan Taliban did earlier.

In 2018, the Pakistani government called for the merger of the FATA region with the province of Khyber Pakhtunkhwa, to neutralize the terrorists in this region. But when Afghan Taliban took over in 2021, it powered TTP, with their count increasing up to 10,000 members in this area.



This is why the Pakistani Government is willing to enter into negotiations with the Taliban Group, despite itself, recognizing it to be a terrorist group. This shows the power of the militant group today. Further, it is also because the government now faces challenges from all sides, to boost the economy, meet the conditions of the IMF, reverse the effects of the flood, and further deal with this situation.

Further, in the negotiation between the TTP and the government, the TTP has put forward 2 major demands, i.e., to reverse the merger of FATA, and draw back the army troops from the same region. While Pakistani negotiators indicate being open to a reduction of military forces in FATA, the merger reversal demand appears a bridge too far. For its part, the TTP insists that the FATA merger reversal is non-negotiable.

Through this ongoing situation, there is nothing we can actually predict. As the future unwinds, we will see these geopolitical conditions, affecting not just Pakistan but other nations too.



# BIRD'S EYE VIEW



## Streaming the Future Today

By Harman Kaur Babbar

### TELECOM

#### INTRODUCTION

The telecommunication sector includes all those companies which make communication possible and provide internet services providers. India is the second largest telecom market with a subscriber base of 1.16B and has seen exponential growth in the past decade. The FDI inflow stood at US\$ 39.02 billion between April 2000-September 2022. This industry can be categorised into several distinct subsectors, including but not limited to: Infrastructure, Equipment, Mobile Virtual Network Operators (MNVOs), White Space Spectrum, 5G, Telephone Service Providers, and Broadband.

#### KEY PLAYERS

The Indian telecom industry is a complex ecosystem, with several key players vying for a dominant position. It's a chessboard where each move can make or break the game for the players. Some of the major companies in the industry are like knights, with their agility and quick decision-making skills. These companies include Bharti Airtel, Vodafone Idea, and Reliance Jio. They are constantly innovating and adapting to stay ahead of the competition, like knights on a battlefield, strategically planning their moves. On the other hand, there are companies that are like rooks, providing strong and stable support to the industry. These companies, such as Tata Communications and BSNL, have been around for a

long time and have established a reputation for reliability and consistency. They are the backbone of the industry, always there to provide support and guidance. Then there are companies that are like pawns, fighting hard to make their mark in the industry. These companies, such as JioFiber and ACT Fibernet, are relatively new players but have quickly gained popularity by offering innovative solutions and disrupting the market. They are like pawns on a chessboard, moving forward step by step, hoping to eventually reach the other side and become a dominant force in the industry. Overall, the telecom industry in India is a dynamic and constantly evolving landscape, with each player contributing in a unique way. It's a game of strategy, where each move counts, and the companies that can adapt and innovate will emerge victorious.

#### THE BUMPS IN THE ROAD

**Right-of-way issue:** Right-of-way has been a contentious issue for the Indian telecom industry due to complex state-specific legal procedures, inconsistent fees and approvals from the Ministry of Forests, Railways and the National Highways Authority. The delay in this process has affected several national processes for planning and deploying towers and fibre optics.

**Landline Penetration is Insufficient:** While most developed countries have high landline penetration (telephone lines connected to the national telephone

network by metal wires or optical fibres), the Indian network has very little landline coverage. While more than 70% of towers in developed countries are connected to optical networks, less than 25% of towers are connected in India. For 5G networks to work, towers must be connected to high-speed systems. Current radio systems are unable to achieve these high speeds.

**Lack of effective e-waste disposal:** The telecommunications industry affects the environment in many ways, including the generation of e-waste. In India, more than 95% of e-waste is disposed of illegally.

**Lack of rural connectivity:** Adequate television density has been achieved in India, but there is a wide disparity between penetration in urban (55.42%) and rural (44.58%) areas. Reaching semi-rural and rural areas is challenging for service providers due to huge initial fixed costs.

## IMPACT OF COVID-19

The pandemic had mixed effects on the telecom industry in India. Nationwide lockdowns and work from home policies caused a significant surge in demand for data and internet services. Wireless and internet subscribers increased in March 2021 by 1.2 million and 19.8 million, respectively. However, the pandemic disrupted the supply chain and manufacturing of telecom equipment, leading to delays in 5G rollout and other infrastructure projects. Closure of physical retail stores and service centres resulted in decreased sales of devices and revenue for telecom companies. Also, the pandemic caused a decline in revenue from roaming and international calls due to travel restrictions and border closures.

## RECENT DEVELOPMENTS & THE ROAD AHEAD

According to the GSM Association, India is on track to become the second-largest smartphone market globally by 2025, with approximately 1 billion installed devices and an estimated 920 million unique mobile subscribers, including 88 million 5G connections, by the same year. The GSMA also estimates that 5G technology will contribute approximately \$450 billion to the Indian economy between 2023 and 2040. Over the past decade, India has added over 500 million new smartphone users, and by 2026, it is expected to have 850 million smartphone users, representing around 55% of the total population. The Department of Telecommunications is targeting a combination of 100% broadband connectivity in villages. By December 2024, the DoT aims to achieve 70% fiberization of towers, average broadband speeds of 50 Mbps, and 50 lakh kms of optic fibre rollouts at a pan-India level. India has climbed six spots in the Network Readiness Index 2022, placing 61st globally. India has secured the 2nd rank in "Mobile broadband internet traffic within the country" and "International Internet bandwidth," and the 3rd rank in "Annual investment in telecommunication services" and "Domestic market size." As of 31st January 2023, 5G

services have been initiated in 238 cities distributed across all licence service areas. Moreover, India has jumped ten spots in median mobile speeds globally from 79th in December to 69th in January 2023.

## GOVERNMENT'S ROLE

The government oversees and regulates the telecom sector to ensure fair competition and access to communication services. The Atmanirbhar Bharat Abhiyan offers incentives for local manufacturing of telecom products, and structural reforms have been implemented to enhance liquidity. The BharatNet Project aims to revolutionise rural connectivity. The PM-WANI initiative provides public Wi-Fi services to expand broadband internet access. These efforts demonstrate the government's commitment to fostering growth and innovation in the telecom industry and promoting digital empowerment in India.

## TELECOM IN UNION BUDGET 2023-24

India's Union Budget for fiscal year 2023-2024 allocates INR 97,579.05 crores to the telecom sector, falling short of industry expectations due to unchanged regulatory levies. However, the budget includes initiatives such as 100 labs for 5G application development, with potential for innovation, employment, and enabling smart technology. Funding for critical initiatives has substantially increased, such as INR 2 crores for defence networks and INR 550 crores for the Centre for Development of Telematics.

## PUTTING IT SIMPLY

The telecom industry has witnessed tremendous growth over the past few decades, becoming an essential component of the global economy. The Telecom sector is the 3rd largest sector in terms of FDI inflows, contributing 6.24% of total FDI inflow, and contributes directly to 2.2 Mn employment and indirectly to 1.8 Mn jobs. 100% Foreign Direct Investment (FDI) has now been allowed in the Telecom sector under the automatic route. However, with technological advancements, the industry is facing increasingly sophisticated challenges. From network security threats to the high cost of infrastructure, telecom companies are navigating complex issues that require innovative solutions. Furthermore, with the proliferation of new devices and emerging technologies, telecom companies are challenged to provide seamless and efficient connectivity to their customers. In this dynamic environment, the telecom industry must remain agile and adapt to meet the evolving needs of its customers while also addressing the challenges presented by new technologies and global competition.

## Pioneering pathways to wellness

By Aryan Gupta

### PHARMA- CEUTICALS

#### INTRODUCTION

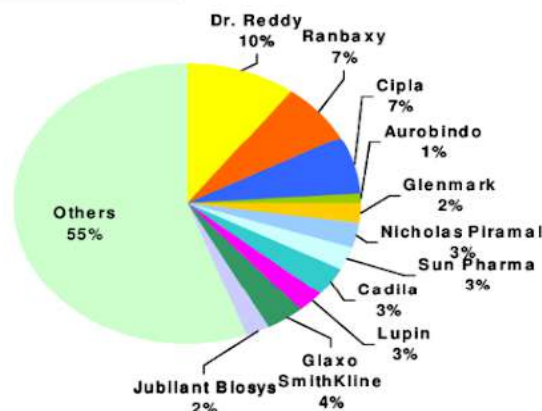
The pharmaceuticals or the pharma industry has anything and everything to do with the manufacture, sale, research and development, and marketing of drugs. Pharma companies deal in generic or brand medications and medical devices.

The market size of the global pharmaceutical industry is estimated to cross the 1 trillion USD mark by 2023. It is expected to register a compounded annual growth rate (CAGR) of 10.70%, over the forecast period (2022-2027).

#### PARTICIPANTS AND CHALLENGES

The key players in the Indian pharma sector are:

- Sun Pharmaceuticals Industries Ltd.
- Serum Institute of India (Private)
- Cipla
- Divi's Laboratories
- Dr. Reddy's Laboratories
- Torrent Pharmaceuticals
- Abbott India
- Ranbaxy
- Glaxo SmithKline



Issues such as high R&D costs, challenging regulatory approval processes, intellectual property obstacles, supply chain disruptions, the need for qualified professionals, collection and analysis of large volumes of data, resistance to change, and data security make it increasingly difficult for new companies to enter this competitive market. Indian pharma companies generally prefer imitation over innovation as they seek immediate profits and avoid radical innovation. The lack of a stable policy environment and a defined pricing regime for pharmaceutical products in India discourages critical third-party investments.

## COVID-19

The recent covid 19 pandemic negatively impacted almost all industries but it came as a boon to the pharma industry. Although some parts of the pharmaceutical business were affected, Covid-19 has led to a positive growth rate for the industry since 2020. The Domestic pharma exports had achieved a healthy growth of 24% in FY21, driven by Covid-19-induced demand for critical drugs and other supplies made to over 150 countries. Further, cumulative FDI in the pharma sector crossed the \$20-billion mark in September 2022. In order to reduce the dependence on Chinese deliveries after the supply chain disruptions caused in 2020, Indian drug producers intend to increase local production of Active Pharmaceutical Ingredients (API). This year led to an abundant number of vaccine rollouts and by the end of 2022 more than 220 crores of vaccines have been delivered in India. India is the largest vaccine manufacturer in the world according to the WHO. Globally more than 13 billion vaccine doses have been delivered. The industry was primarily focused on covid vaccines in 2020 but the focus shifted back to other diseases in 2022.

## KEY HIGHLIGHTS

- India's finance minister Nirmala Sitharaman, while presenting the annual budget for 2022 set forth the plan for setting up a National tele-mental health program to provide quality mental health services and counselling across the country.
- Government cited plans to establish additional 157 medical colleges in the coming years and to end sickle cell anaemia in the country by 2047.
- The pharma industry has hailed Finance Minister Nirmala Sitharaman's budgetary proposal to promote research and innovation in the sector but is disappointed that APIs, the vital ingredient of drugs, have been overlooked in the Budget 2023-24.
- The Indian Pharmaceutical Alliance (IPA) cleared the makers of Dolo 650, Micro Labs of the charge that it bribed doctors with 1000 crore freebies to promote its medicine.
- This year everyone aged 12 and above was eligible for covid 19 vaccines resulting in 95.20 crore citizens of India being fully vaccinated by the end of 2022.
- The FDI inflows in the Drug and pharmaceuticals sector reached approximately \$20 billion by June 2022.
- The makers of medical syrup Dok-1 max, Marion biotech private limited were under scrutiny after the death of 18 Uzbek children.

## CONSUMER BEHAVIOUR

These days people are conscious of what they buy. Even after a doctor prescribes certain medicine, the consumer looks up on the internet for more information regarding the medicine before consuming it. Different consumers have different perceptions of various kinds of drugs. Multiple instances regarding the same can be thought of such as, people rejecting to inject the covid 19 vaccine (be it famous celebrities such as Novak Djokovic or ordinary people) because of certain reasons about the same. People in India still buy over-the-counter (otc) drugs and medications which can hamper their health since little knowledge can be very dangerous at times. India has just 5 beds for every 10000 people and this shortage invited attention at the time of the second covid 19 wave in 2021. Rich people even with mild symptoms occupied these beds due to which the poor ones who had severe symptoms were left with no choice but to suffer or die.

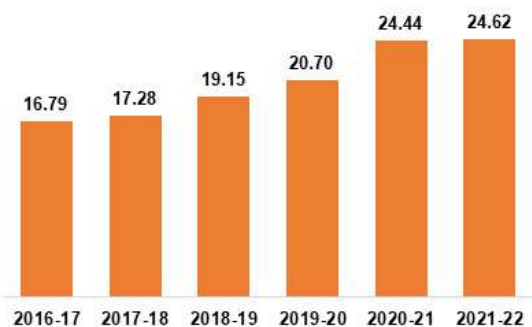
## PHARMACY OF WORLD MEDICAL TOURISM

Travel for obtaining medical treatment or healthcare services to another country is termed as medical tourism or wellness tourism. Approximately 2 million people from 78 countries visit India each year for wellness, medical and IVF treatments. It resulted in generating approximately \$7 billion in 2022 and is expected to reach \$42 billion by 2032. Every year Indian panchakarma clinics are visited by foreigners in large numbers for overall body detoxification. Due to the low-cost treatments even frugal or budget-conscious patients can earn first-class services and luxury treatments.

## EXPORTS

India is the 12th largest exporter of medical goods in the world. India exports drugs to more than 200 countries around the globe keeping its title of 'The pharmacy of the world'. India is the largest producer of generic medicines globally as it accounts for 20% of the global export. In the financial year 2022, the value of drug and pharmaceutical exports stood tall at \$24.6 billion.

India's drug and pharmaceutical export trend (US\$ billion)



## GOVERNMENT'S ROLE

The pharma sector has a huge potential in the near future and thus government intervention to get rid of the challenges faced by the industry is necessary. A major allocation to the healthcare sector in the annual budget is the need of the hour. INR 89,155 crores were allocated to the Department of Health and Family Welfare in the annual budget for FY 2023-24 nearly a 3,000 cr increase compared to the budget of INR 86,200 cr in 2022-23. The recent support of the Ayush ministry has helped boost the use of ayurvedic and other alternative medicines. Subsidies for various products such as sanitary napkins, and drugs that help in quitting addiction of cigarettes, alcohol, etc. should be provided whereas taxes must be charged on luxury pharma products. Public-private partnerships can also result beneficial in various aspects of the industry. Concerns relating to ease of doing business in India, tax and financial incentives, challenging regulatory approval processes, intellectual property obstacles, etc. must be solved as soon as possible.

## CONCLUSION

Due to the lucrative potential of the pharmaceutical industry, it holds an essential position in the nation's foreign trade and foreign investments. Indian pharma industry adheres to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA). Moreover, inexpensive generic medications and affordable yet world-class health services in India attract millions of people from around the world. India is set to become part of the top 10 nations in terms of medicinal spending in the coming years. Amidst all achievements, it must be taken into account that the sector is supervised with adequate efficiency so that people's health is not sacrificed.

## THE ROAD AHEAD

Going forward, companies need to focus on aligning their product portfolio with chronic therapies for diseases like cardiovascular, anti-diabetes, antidepressants, and anti-cancers in order to boost their sales. These diseases are on the rise and require long-term treatment, making them a lucrative market. The Indian Government has implemented various measures to reduce healthcare expenses, such as the National Health Protection Scheme, which aims to provide universal healthcare and the introduction of inexpensive generic medications in government pharmacies. These initiatives, along with the growing ageing population and prevalence of chronic diseases, are expected to boost the Indian pharmaceutical industry. The rapid introduction of generic drugs into the market has been a key focus and is expected to benefit Indian pharmaceutical companies. Additionally, the emphasis on rural health programs, life-saving drugs, and preventive vaccines bodes well for the industry.

### FACTS

Warren Buffett, considered as the world's most successful investor, made 99.6% of his \$87.5 billion fortune after the age of 52. As much as \$72 billion of his wealth came after he turned 65. He started investing at a tender age of 11 and filed his taxes for the first time when he was 13.

### TERMS

#### LINE OF CREDIT

Line of credit refers to a users' borrowing limit for a certain product/service. They can use their credit without having to repay it back until the limit is reached. Once they pay off their limit, they can start using their line of credit again.

#### MONOPSONY

A monopsony is a market condition in which there is only one buyer. As there is only one buyer for a good/service, the buyer sets the demand, and controls the price.

#### LIEN

This business finance term and definition is a creditor's legal claim to the collateral pledged as security for a loan is called a lien.

# Journey to new horizons

By Aryan Gupta

## TOURISM

### INTRODUCTION

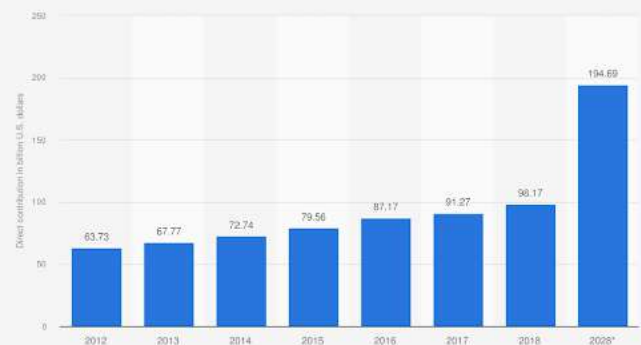
Tourism involves travelling to a different location away from the home environment for pleasure or work purposes. In the present world full of hodophiles, the tourism industry is flourishing. According to the World Tourism Organization (WTO), "Tourism is a social, cultural, and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes." The global travel and tourism industry is projected to hit the mark of \$9.6 trillion in 2023 returning back to its pre-pandemic levels. It is expected to register an annual average growth rate of 5.8%, over the forecast period (2022-2032). Tourism sector is estimated to contribute USD 200 billion to India's GDP by 2025. This is an impressive stat when compared with various leading countries such as the United Kingdom (275 billion USD), Germany (150 billion USD), Singapore (16.8 billion USD) and the United States (4,340 billion USD).

#### TERMS

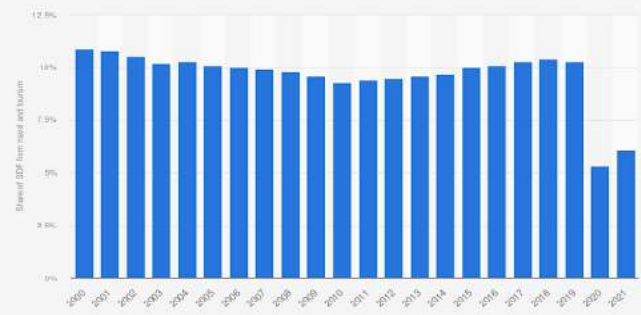
#### DEBT CONSOLIDATION

It is a process that lets you combine multiple loans into a single loan. The advantages are possibly reducing the interest rates on the borrowed funds as well as lowering the total amount you repay each month.

Direct contribution of travel and tourism to GDP in India from 2012 to 2018, with an estimate for 2028 (in billion U.S. dollars)



Share of the total gross domestic product (GDP) generated by travel and tourism worldwide from 2000 to 2021





## PARTICIPANTS AND CHALLENGES

The key stakeholders in the tourism industry are:

- Government
- Tourists
- Host population
- Tourism organisations and operators
- Infrastructure and utilities
- Transportation

Lack of proper infrastructure facilities, taxation issues, cross-border regulations, inaccessibility, inflation and increasing travelling costs, geopolitical disruptions, fluctuation in currency exchange rates, and security issues are some of the major challenges confronting the industry.

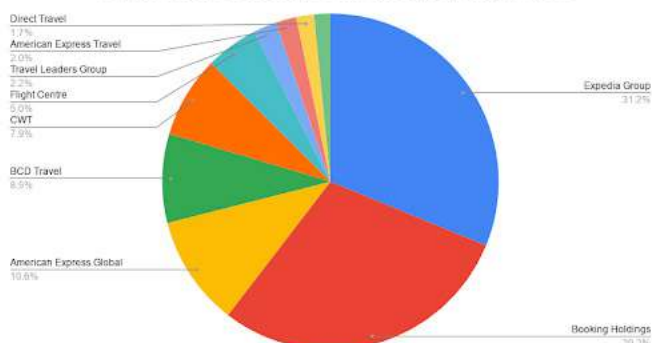
## COVID-19

The tourism and travel industry is arguably the most affected industry by the pandemic. This industry accounted for about one-tenth of the global GDP and employment prior to the pandemic. The coronavirus led to a massive decline in the demand for hotels, travel, tourist agencies, etc. leading to a devastating 62 million job losses. 167 of the 217 worldwide destinations completely terminated international tourism by April 2022, which resulted in a 70% decline in global travel in 2020 as reported by WTO.

## KEY HIGHLIGHTS

- China's persistent lockdowns and a non 'zero covid' policy are halting the bouncing back of the tourism sector.
- Russia's invasion of Ukraine is also another geopolitical factor that has led to a loss to the industry because of economic sanctions, airspace, flight bans, closures, etc.
- Hotel bookings peaked at 100% in December 2022, as domestic tourism reverted to pre covid times.
- The union ministry of tourism announced to wind up its seven overseas offices, tasked with the promotion of tourism by March 2023.
- The newly laid Katra-Udhampur railway track and the control of terror activities have helped boost spiritual tourism in Vaishno Devi Shrine (J&K).
- The big bull of Indian stock market, the late Rakesh Jhunjhunwala launched Akasa Airlines in August 2022.

Top Travel Companies in the World by Sales



## TYPES OF TOURISM

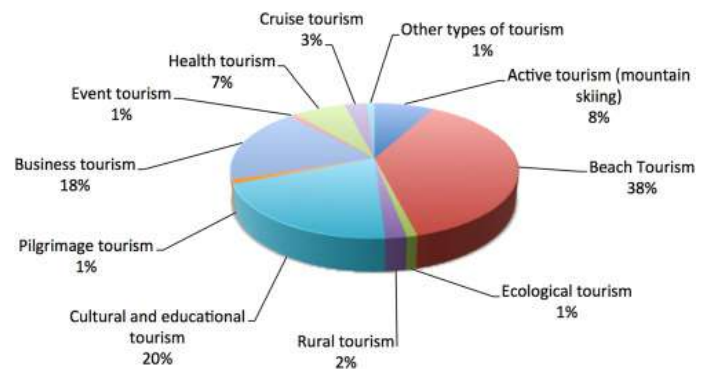
**Medical tourism:** Travel for obtaining medical treatment or healthcare services to another country is termed as medical tourism or wellness tourism. Every year about 2 million people visit India for wellness tourism, 45% of which are lured by Chennai (Tamil Nadu). Budget-conscious patients can also find world-class healthcare services in India.

**Religious tourism:** Spiritual or religious tourism involves either travelling for pilgrimage or viewing religious monuments. India, where culture echoes, tradition speaks, beauty enthrals, and diversity delights has myriads of sacred destinations. Kumbh Mela is the largest gathering for religious purposes worldwide.

**Sustainable tourism:** Tourism that takes into account the need for safeguarding the environment along with addressing the needs of tourists and host communities is known as sustainable tourism. In the words of the UN Secretary-General António Guterres, “There is no time to waste. Let us rethink and reinvent tourism and together deliver a more sustainable, prosperous, and resilient future for all.” The tourism industry is responsible for more than 8% of global greenhouse gas emissions. Thus, for future generations to enjoy the astounding northern lights, the marvellous seven wonders of the world, the blue lagoon, and the never ending list of the gifts of nature, we have to move towards the future in a sustainable manner.

**Educational tourism:** The need for practical knowledge facilitates tourism as it forces students to explore the world outside the classrooms. Educational tourism is centred around the student exchange programs of various universities, study tours, and travel to learn about another country’s culture and traditions. The University Grants Commission (UGC) identified 100 tourist destinations for the purpose of educational tourism in the country in 2021.

**Wildlife tourism:** Wildlife tourism relates to interactions with the flora and fauna of a country. The UNESCO world heritage sites and the rich wildlife of countries like South Africa, India, Maldives, Australia, Indonesia, Sri Lanka, etc. contribute to 7% of world tourism. It includes wildlife safaris and photography. The sustainable approach in this sector is extremely important considering a plethora of species of plants and animals are getting extinct.



## GOVERNMENT’S ROLE

The lucrative potential of the tourism and hospitality industry has been realised by the government. INR 2400 crores were allocated to the Ministry of Tourism in the annual budget for FY 2022-23, nearly an 18.42% percent increase compared to the budget of 2021-22. Multiple programs such as Incredible India (2002), Atithi Devo Bhava (2005), and Incredible India 2.0 (2017) have been launched by the Central Government to assist the industry. INR 235 crores were allocated under the Pilgrimage Rejuvenation and Spiritual and Heritage Augmentation Drive (PRASHAD) Scheme. Further steps with utmost care must be taken to efficiently realise the potential of this sector and to tackle the challenges faced by this industry.

## CONCLUSION

In the words of Zurab Pololikashvili, UNWTO Secretary-General we must “Work together to build a tourism sector that works for everyone, where sustainability and innovation are part of everything we do.” One in every ten people is employed in this sector. Now, in the post-pandemic time, the industry is set to jump back to its \$9.6 trillion mark. The opulent temples, mosques, churches, placid monasteries, shrines, bustling wildlife sanctuaries and national parks, scenic tourist spots, major hotel chains, etc. aim to give the Indian tourism and hospitality Industry a prospective future.

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## TERMS

### BRIDGE LOAN

A bridge loan is a short-term loan — usually covering two weeks to three years — that helps a startup access money in between rounds of funding.

## Forging a path forward

By Harman Kaur Babbar

### INFRA

#### INTRODUCTION

Infrastructure is the heart and soul of a country's development. It does the work of providing employment opportunities, increasing the productivity of factors of production, and improving the quality of life. Infrastructure includes everything from roads, railways, and ports to telecommunication, clean drinking water facility, and gas pipelines.

#### KEY DEVELOPMENTS

One of the major infrastructural developments includes the electrification of eighty percent of Indian railways. It has led to huge savings in fuel expenditure which is more than Rs.150 crores and we opted for a more renewable source of energy. The Central Organisation for Railway Electrification along with other organizations has planned to electrify Indian Railways by December 2022. The preceding year also witnessed the completion of Pragati Maidan which had been set to complete in 2019 but it is now finally built after six missed deadlines, it gave a hassle-free and signal-free route to all commuters. This year, the government also focused on building many expressways like the Trans Haryana Expressway, Bundelkhand Expressway, Rewari Narnaul Expressway, and the Sohna elevated corridor. Bangalore witnessed the opening of terminal-2 in the Kempegowda International Airport, it is said to be among the best in the country.

The project is founded on four pillars: technological leadership, the idea of a terminal in a garden, environmental and ecological stewardship, and a celebration of Karnataka's rich heritage and culture. The government of India launched the Vande Bharat train which is a semi-high-speed electrical unit launched by the Indian railways, the government plans on launching 75 such trains by 2023. Ahmedabad Metro inaugurated its phase 1 in the October of this year, this has reduced the pollution levels and decreased the cost of transportation in Gujarat. In august 2022, the foundation stone of six NH projects was laid in Indore, Madhya Pradesh. In June 2022, 15 national highway projects were inaugurated in Bihar. The FDI in construction development stood at a massive US\$ 28.64 billion.

In FY22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM), and fast pace of asset monetization to boost road construction. To encourage the use of solar energy, the Ministry of New and Renewable energy is undertaking Rooftop Solar Programme Phase II, which aims to install an RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.

#### BUDGETARY ALLOCATIONS

The Union Budget 2022-23 saw a massive push towards infrastructural developments. The government

has allocated Rs.10 lakh crore towards infrastructure development, allocated Rs.134.025 to the National Highway Authority Of India (NHAI), announced an outlay of Rs.60,000 crores for the Ministry of Road Transport and Highway, announced Rs. 76,549 crores (US\$ 9.85 billion) to the Ministry of Housing and Urban Affairs. allocated Rs. 84,587 crores (US\$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.

The total revenue expenditure by Railways is projected to be Rs. 234,640 crores (US\$ 30.48 billion). 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over the next three years. Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones.

Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.



## THE VIRTUOUS CYCLE

Investing in infrastructure in India can set in motion a virtuous cycle of growth and development, akin to the roots of a tree nourishing the entire tree and enabling it to bear fruit. Just as a tree requires a strong foundation of roots to sustain it and promote its growth, India needs a robust infrastructure network to foster economic growth and prosperity.

When investment is made in infrastructure, it creates a ripple effect that can generate positive spillover effects across multiple sectors of the economy. For instance, a well-built highway can lead to the faster and more efficient transportation of goods and people, spurring economic activity and job creation in the surrounding areas. This, in turn, can attract more investment and create a virtuous cycle of growth. Moreover, the virtuous cycle can help to break down traditional barriers and create new opportunities. For example, rural areas that were once isolated and cut off from major urban centers can be connected through the construction of new roads and highways, providing access to markets, education, and healthcare. This can lead to the development of new

industries and opportunities that were once unimaginable. In short, investing in infrastructure in India can set in motion a virtuous cycle of growth and development that benefits all.

It is an investment in the future, much like planting a seed that will grow into a towering tree, providing shelter and nourishment to all who seek it.

## TO SUM UP

In conclusion, infrastructure is the backbone of any economy, and India is no exception. It is essential to ensure that the country's infrastructure is built and maintained to the highest standards, enabling India to compete on a global stage and attract foreign investment.

Investing in infrastructure is not just about building roads, bridges, and buildings. It is about building a better future for all Indians, creating jobs, and promoting economic growth and development. It is about creating opportunities where there were none, fostering innovation and creativity, and driving progress and prosperity. India has come a long way in terms of infrastructure development, but there is still much work to be done.

With the right investments and policies, India can continue to build a robust infrastructure network that will drive growth and development for generations to come. In short, infrastructure is not just a means to an end. It is an investment in the future and one that India cannot afford to ignore.

### TERMS

#### BACKWARD INTEGRATION

Backward integration is a form of vertical integration in which a company expands its role to fulfill tasks formerly completed by businesses up the supply chain. In other words, backward integration is when a company buys another company that supplies the products or services needed for production.

## Warmth beyond the welcome

By Dejasvini K.

### HOSPITALITY

#### INTRODUCTION

India has a diverse ecology, geography, and sites of natural beauty distributed throughout its 3,287,263 sq. km. total territory, which stretches from the snow-covered Himalayan heights to the tropical rain forests in the south.

International visitors are predicted to total 30.5 billion by 2028, bringing in more than US\$ 59 billion in income. Multinational hotel brands are expanding their operations there, and in 2022, they will host 50% of all visitors. 3,263,219 FTAs were issued from January to August 2022. Bangladesh accounted for the highest percentage of foreign tourist arrivals in India among the top 5 source nations, followed by the USA (16.93%), UK (10.74%), Australia (3.77%), and Canada (3.44%).

By implementing a variety of changes, including streamlining operations and the delivery of services, integrating technology and digital services, diversifying revenue streams, expanding into the workcation, staycation, and leisure segments, clustering roles, and training line staff in multiple skills, businesses have overcome one of the most challenging periods in history. These adjustments have helped the industry not only survive but also speed up its recovery, which will ultimately be advantageous to the business. The revival of India's hospitality industry has unquestionably been fueled by domestic travel. Tourism has increased in popular domestic locations, but it has also increased in less well-known regions of the country. Even with the return of foreign carriers, domestic travel

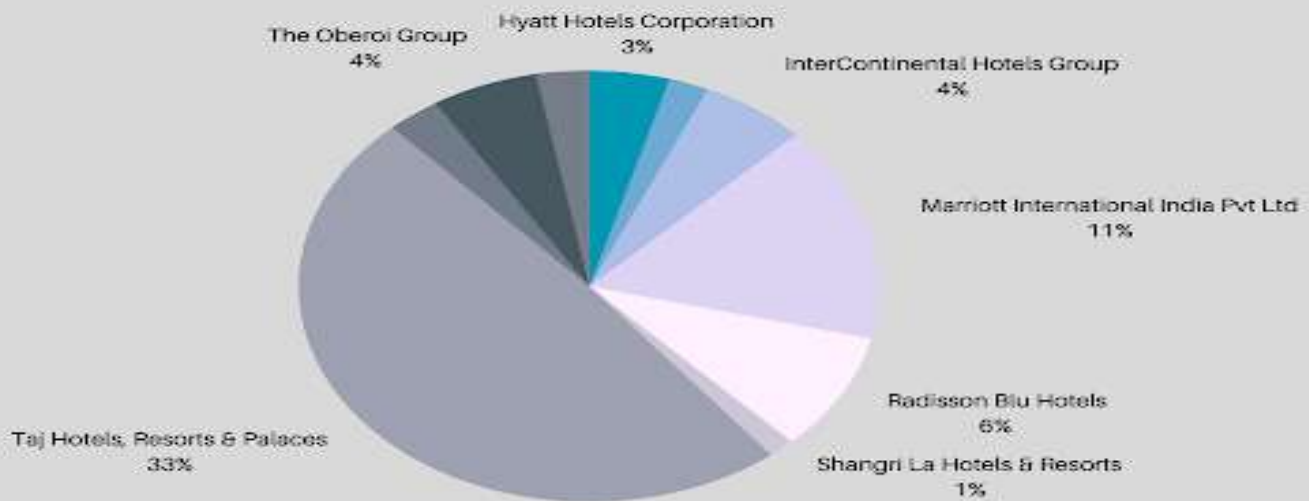
remains the preferred option for tourists from India. The industry has been able to surpass the 50% mark in terms of overall occupancy in 2021/22 thanks to the national average room rate, which is just under INR 5,000. Notwithstanding the industry's average rates' slower rate of improvement, these are encouraging trends.

The organised supply had strong RevPAR growth of 55% in 2021–2022 despite having a depleted basis. This year, the number of branded hotel rooms has topped 1.5 lakh, a significant achievement for the Indian tourism sector.

#### MARKET SEGMENTATION



## Major Players and their Market Share



### January:

Marriott International and the Prestige group and DB Realty signed a joint venture agreement in January to build two additional hotels.

### February:

The Ministry of Tourism has received Rs. 2,400 crores from the Union Budget for FY 2022–23, an increase of 18.42% over the amount for FY 2021–22.

### May:

In May 2022, hospitality upstart OYO paid US\$ 5.5 million to buy Direct Booker, a vacation rental business with headquarters in Europe.

### June:

A 12-part webinar series called “Azadi Ka Amrit Mahotsav” (AKAM) was launched in June by the Ministry of Tourism and Associations of Indian Universities (AIU) in an effort to engage and introduce our nation’s young people to its rich and varied heritage. In June 2022, it also introduced the National Plan for Sustainable Tourism and the Campaign for Responsible Travel. From April through June 2022, FDI inflows into the tourism and hospitality sector were US\$16.48 billion.

### August:

As part of the Swadesh Darshan Programme, the Ministry of Tourism approved 76 projects totaling Rs. 5,399.15 crores (US\$ 678.39 million) for the improvement of the nation’s tourism infrastructure.

### September:

The Ministry of Tourism has planned a total of 155 Dekho Apna Desh webinars till the end of September 2022. In the National Integrated Database of Hospitality Industry

(NIDHI) site, a total of 48,775 lodging units (both classified and unclassified) have been recorded. As of September 2022, 11,220 of those units have self-certified for SAATHI standards.

### October:

Indian Hotels Company (IHCL) announced the opening of Loya, a new Indian-themed restaurant brand, in October 2022. Loya, which made its debut at the Taj Palace in New Delhi, embodies the culinary spirit of North India’s varied geography.

## Key Hotel Market Performance

Cities	Q3 2022		
	Change over same period last year		
	RevPAR change(%)	ADR change(pp)	ADR change(%)
Bengaluru	↑ 241.4	↑ 33.3	↑ 80.2
Chennai	↑ 123.6	↑ 23.1	↑ 50.3
Delhi	↑ 303.6	↑ 17.3	↑ 54.9
Goa	↑ 75.7	↑ 16.6	↑ 24.9
Hyderabad	↑ 140.9	↑ 20.2	↑ 71.1
Mumbai	↑ 114.4	↑ 11.8	↑ 80.0

Source: STR | RevPAR: ↑ Increase | ▬ Stable | ↓ Decrease

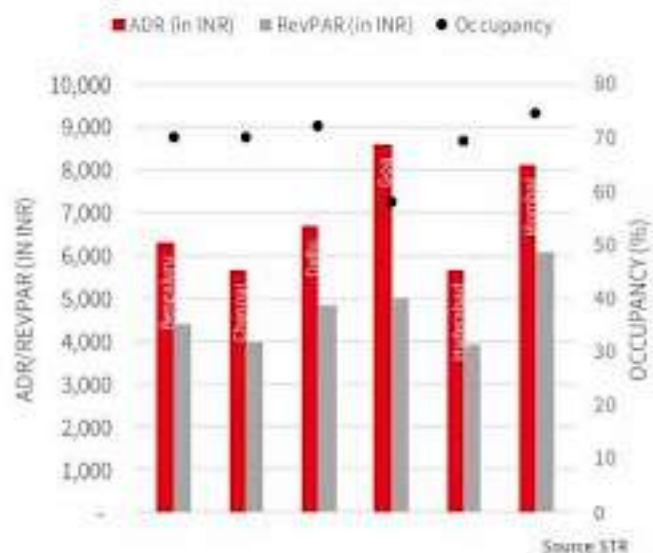
Due to the similar low base of the previous year and travel limitations during the second wave of the pandemic, all six main markets had considerable growth in RevPAR levels in Q3 2022 as compared to Q3 2021. Bangalore, with a growth of 241.4% over Q3 2021, took the lead in RevPAR increase in Q3 2022, followed by Hyderabad and Chennai with growths of 140.9% and 123.6%, respectively.

## CONCLUSION

Staycations, where guests stay in opulent hotels to decompress, are thought to be an emerging trend. Major hotel chains like Marriott International, IHG Hotels & Resorts, and Oberoi Hotels are launching staycation deals that allow visitors to select from a variety of personalised experiences inside the hotel to meet these demands. The travel and tourism sector in India has tremendous growth potential. The sector anticipates the growth of the e-Visa programme, which is anticipated to treble foreign tourist arrivals in India. The travel and tourism sector in India has the potential to grow by 2.5%. It encourages environmental protection, defends different cultural heritage, and supports world peace. India's tourism and hospitality industry is anticipated to generate US\$50.9 billion in tourist exports by 2028.

All six key markets witnessed strong growth in RevPAR levels in Q3 2022 as compared to Q3 2021, due to the comparable low base of last year amidst travel restrictions post the second wave of the pandemic. Bengaluru emerged as the RevPAR growth leader in Q3 2022 registering a growth of 241.4% over Q3 2021, followed by Hyderabad and Chennai with a growth of 140.9% and 123.6% respectively.

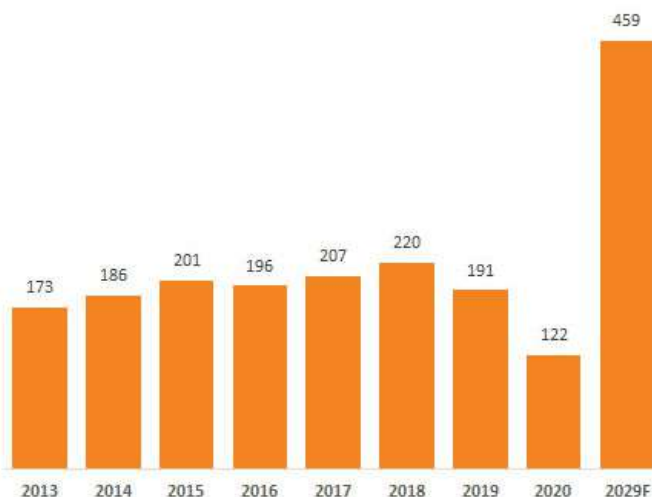
Q3 2022 Performance Trend Chart



## ACQUISITIONS AND MERGERS

- Easemytrip announced that it had purchased the hospitality management firm Spree Hospitality.
- Sayaji Hotels, a BSE-listed business, has purchased the majority of Intellistay Hotels.
- For \$98 million, Reliance Industries purchased a 73.37% share in Mandarin Oriental New York.

Total Contribution of Travel and Tourism to GDP at Real 2019 Prices (US\$ billion)



## TERMS

### BANK RUN

A bank run occurs when a large number of customers of a bank or other financial institution withdraw their deposits simultaneously over concerns of the bank's solvency. As more people withdraw their funds, the probability of default increases, prompting more people to withdraw their deposits. In extreme cases, the bank's reserves may not be sufficient to cover the withdrawals.

### SPOT MARKET

The spot market is where financial instruments, such as commodities, currencies, and securities, are traded for immediate delivery. Delivery is the exchange of cash for a financial instrument. A futures contract, on the other hand, is based on the delivery of the underlying asset at a future date.

# The currency of trust

By Suhani Jain

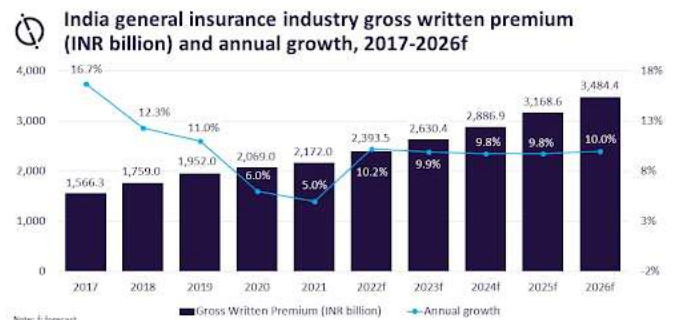
## FINANCIAL SERVICES

### INTRODUCTION

The financial sector comprises NBFCs, mutual funds, pension funds, commercial banks, co-operatives, insurance companies and other smaller financial entities. India's diversified financial sector is expanding rapidly, both in terms of providing new services and enhancing existing ones. Recently the financial regulator has allowed Payment Banks to function in the country, increasing the types of financial entities the country has. Still, it is predominantly a banking sector with commercial banks accounting for 64 percent of the assets in the financial sector.

### MARKET SIZE

As of October 2022, the Assets Under Management with mutual fund companies stood at INR 39.50 trillion and the total number of accounts was 139.1 million. Insurance is another crucial industry in this sector. At present, it is growing at a fast pace. In FY22 the premium received by life insurance companies reached \$ 40.1 billion. Non-life insurance sector premiums reached US \$ 4.68 billion until May 2022 in FY 23. The number of listed companies on the NSE increased to 2,012 in FY22 from 195 in 1995. NSE emerged as the largest derivatives exchange in the world in terms of the number of contracts traded. It can be derived from the data that the market for financial services is significant and is expanding overtime. The graphs below trends in the insurance sector and assets under management.



## UPI Now 85% Of Digital Transactions

UPI transactions have nearly doubled—in volume and value—since last year. PhonePe, Google Pay and Paytm are the three most used apps for financial transactions.



### FACTORS DRIVING ITS GROWTH

- Growing Demand**  
 Rising income is leading to rising demand for financial services across various income brackets. India is positioned to become one of the largest digital markets with the expansion of mobiles and the internet and with the operation of more than 2,100 fin-tech companies in the country. By 2025 investment in insurance corpus might rise to US \$ 1 trillion.
- Innovation**  
 The existence of cross-utilisation channels benefits India and helps in the expansion of Financial Services. In the Budget for FY23, the Government announced the plan to introduce Central bank Digital Currency. New investment options are emerging like digital gold.
- Policy Support**  
 The government is undertaking policy initiatives to encourage investment in Financial Services. The FDI limit in the insurance sector to 74% from the earlier 49%.
- Growth Penetration**  
 Insurance, Credit and Investment penetration in the country is rising, especially in rural areas. The participation of Higher Net Worth Individuals is increasing in the wealth management segment. The Government of India announced the launch of Central Bank Digital Currency from FY 2022-23 onwards in the Union Budget placed in the Parliament on February 01, 2022. The launch of a centrally backed digital currency will fuel this growth in the financial service sector in the country.

The Unified Payments Interface records a total of 7.30 billion transactions with a combined worth of US \$ 148.63 billion. India's Private Equity and Venture Capital investments increased by 62 per cent to reach US \$ 77 billion in 2021. Transactions through IMPS (Immediate Payment Services) amounted to INR 4.66 trillion in value and 482.46 million by volume. The budget for FY23 proposed several policy changes, introduction of the digital rupee, the setting up of digital banks and the proposal to replace the Special Economic Zones Act with a separate legislation.

### A CLOSER LOOK AT SOME SERVICES

- Insurance**  
 The life insurance industry witnessed a double digit growth year on year basis with a growth of 38 per cent in new business premiums and 19 percent in regular premiums. The impact of Covid can still be seen on insurance premiums, which were hiked by 45 per cent when the Pandemic hit the country. The rates were hiked on the basis of global reinsurance companies raising their rates.
- Banking**  
 Bank assets across various sectors increase. In 2022, the total value of bank asset stood at US \$ 2.67 trillion. Revenues for the companies in the banking sector has risen over 17 per cent over the year. The earnings have increased by 47 percent in past three years for the companies in this sector. However it is predicted that the long term internet rates in this sector would be lower than what they have been historically.

### THE WAY FORWARD

Financial Services in the country is rapidly expanding and the momentum is expected to be maintained in the coming years. The relaxation of investment rules in recent

### RECENT DEVELOPMENTS

## FUTURE OF THE BANKING AND INSURANCE INDUSTRY

years has seen a positive response from the insurance and banking sector, and such policy support will in the future further encourage growth in the sector. Private wealth management services would have huge potential in the future with the growing number of higher net-worth individuals in India. Fintech, another expanding sector within this domain, would further fuel this growth. The mobile wallet industry is expected to grow at a CAGR of 150 per cent. As per the prediction made by Goldman Sachs, investments in India are expected to surpass \$5 trillion in 2024 making India the fifth-largest stock market globally.

### TERMS

#### FICO SCORE

A FICO score is a type of credit score used by potential lenders for evaluating the wisdom of entering a contract with you and your business. FICO scores comprise a substantial part of the credit report that lenders use to assess credit risk.

#### SEED FUNDING

The funding that a company gets is yet to start generating revenue. Generally, the companies get funding in the ideation stage or the very initial stage.

#### QSR

QSR is an abbreviation for Quick Service Restaurant. Quick service restaurants can deliver food in minimum time all thanks to standardization. Generally, they are takeaways or offer food delivery at home.

## Minds that move mountains

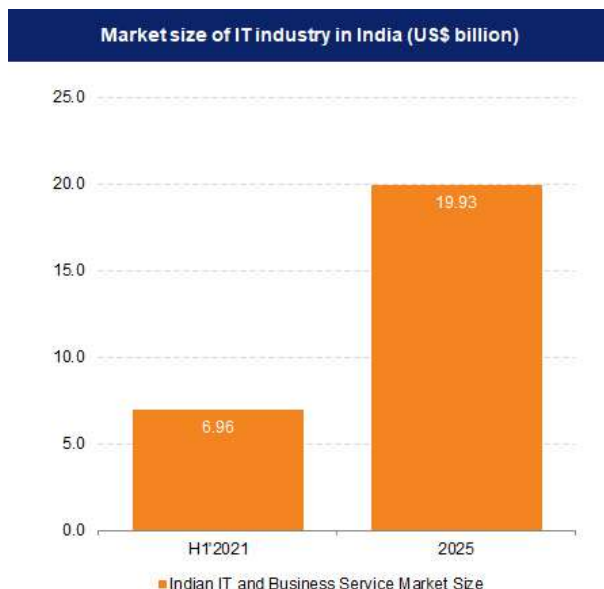
By Suhani Jain

### SCIENCE AND TECH

#### INTRODUCTION TO SCIENCE AND TECH

In the 21st century, India is focusing strongly on its science and tech field, realising its importance for economic growth. India ranks third in the world amongst the most attractive countries for investment in technology. The sector has been experiencing an uptrend in investment with more and more multinationals setting up their R&D in India. For instance the

The IT sector is expected to grow thrice its size by 2025.



India is among the top countries in the field of scientific exploration, with fifth rank globally in the field of space exploration. India's gross expenditure on Research and Development has been consistently increasing over the years because of the government's multiple policies to develop India as a science and technology powerhouse. In 2020 the 5th National Innovation Policy was rolled out to enable decentralised, expert-driven, evidence-informed and inclusive growth.



#### FACTORS ENABLING GROWTH IN THE SECTOR

- 1. Robust Demand-** India's gross expenditure on R&D stood at 0.66% of the GDP as per the Economic Survey of 2022. The demand for technologically advanced products is driven by the expanding middle class and the increasing affordability of newer technologies.

- 2. Attractive Opportunities-** India ranks third amongst all countries in the number of peer-reviewed science and engineering publications. India has the third-largest pharma sector and a fast-growing contract research segment. It is also one of the top exporters of IT products.
- 3. Rising Private Activity-** There has been increasing investment by private players in the R&D segment. Setting up of a Centre of excellence in various areas and taking up Public-Private Partnerships under the New Millennium Indian Technology Leadership Initiative.
- 4. Policy Support-** The government is taking policy initiatives to increase research in these fields, eg. in September 2021, India published amended Patent Rules and reduced the fees by 80% for educational institutions.

## MAJOR DEVELOPMENTS

The allocation under the 2022-23 Budget to the Ministry of Science and Technology was US \$1.86 billion, to the Ministry of Earth Sciences US \$347.45 million, to the Department of Science and Technology US \$ 785.64 million and to the Department of Atomic Energy US \$2.97 billion. The centre has allocated \$1.97 billion for FY 24 for the Department of Science and technology. Four new supercomputers were installed in July 2021, on each in IIT Kanpur, IIT Hyderabad, NABI Mohali and CDAC Bangalore, to further India with High performance Computing power. TCS, Wipro, Tech Mahindra, Infosys and HCL, India's top 5 IT firms added more 1,22,000 employees in the first six months of FY22, nearly close to the 138,000 employees hired in the entire FY21. In March 2022 Toyota launched its hydrogen fuel cell car in India. T- Hub a technology incubator launched the semiconductor companion programme to develop entrepreneurship and innovation across semiconductor startups. In November 2022 the Centre for Science and Environment and the department of Science and Technology decided to work together to set up a platform for the development and promotion of Electric Vehicles.

## A CLOSER LOOK AT CERTAIN SEGMENTS

### Information Technology

During the first quarter of FY 23 the tech companies went on a hiring spree owing to the increased demand for digital services. The Indian IT companies added approximately 70,000 jobs at the beginning of the fiscal year. But as we are approaching the end of the year, things look grim, especially for the tech giants. In the grip of severe slowdowns tech companies including Meta, Twitter, Amazon and Google are skating off employees, having laid off around 50,000 till October. This is affecting India as well in terms of jobs.

### ITES Sector

The growth of Information Technology enabled services augured well for the small and medium enterprises as it

accounted for 20- 40 % of the sector's revenue. In FY22 the ITES sector experienced the growth of around 15%. Government backed projects such as Digital India and demand from healthcare are expected to aid growth of 7-10% on YoY basis this fiscal year.

### Space Technology

India's space sector soared to new heights this year and is expecting \$300 million investment in 2023. Implementation of new space policy is also expected, which could further enhance the growth in this segment. 2022 was a landmark year for space tech, we witnessed the launch of the first Indian made satellite authorised by IN-SPACe and the establishment of the first privately owned launchpad by Agnikula Cosmos.

## ROAD AHEAD

India has active bilateral cooperation programmes in Science and Tech with over 45 countries and it plans to develop this sector with the help of such collaborations. India is striving to establish itself as a leader in industrialization and technological development, with innovations and developments being done in nanotechnology, agriculture, pharmaceutical industry, nuclear energy and much more. Constant Investment in research and partnerships with other countries and private entities would surely aid in achieving the goal.

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## Empowering innovation through

By Dejasvini K.

### INFO TECH

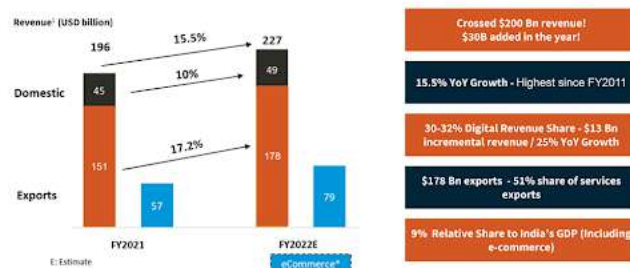
#### INTRODUCTION

Technology served as the magic pellet for both transnational and Indian end-stoner enterprises, allowing businesses to not only keep the lights on but also pivot their business models to online mode, acclimatize products and services to changing consumer demands, and foster collaboration in a distributed work model.

As a result, FY2022 has been an astral time for India's technology sector, which registered the loftiest-ever increase of 15.5 to reach \$ 227 Bn in proPt. Platformization and XaaS were pivotal in adding tech relinquishment. It was also the time of the launch-ups when Tech launch-ups jumped into scale-up mode. The assiduity-winning formula was a combination of digital and creativity.

According to International Data Corporation, the country's request for IT and business services was estimated to be worth \$7.15 a billion between January and June 2022. The Prst half of 2022 saw an increase of 8.1. Despite the dragged global proPtale extremity and the conflict in Russia and Ukraine, the Indian IT services assiduity recorded signiPcant growth as businesses continued to raise their IT service investments to ameliorate resiliency, increase client satisfaction, and expedite product development.

**FY 2022: Strong Growth –\$227 Bn revenue, \$30 Bn Incremental Revenue in the Year**



#### TERMS

##### RULE OF 72

The Rule of 72 is a quick, useful formula that is popularly used to estimate the number of years required to double the invested money at a given annual rate of return. By dividing 72 by the annual rate of return, investors obtain a rough estimate of how many years it will take for the initial investment to duplicate itself.

## TIMELINE

**January:** To advance India's digital ecosystem, Google blazoned intentions to invest \$ 1 billion in India's Bharti Airtel Ltd.

**February:** Hasura, a software establishment that provides tool support for inventors, raised \$100 million in a new investment round led by Greenoaks Capital, making it a unicorn.

**March:** In an are-IPO investment round, Byju's raised \$800 million in the capital, valuing the Bengaluru- grounded business at roughly \$22 billion. CredAvenue, a debt business, raised US\$ 137 million in a round led by Insight mates, B Capital Group, and Dragoneer Investment Group, bringing its valuation to \$1.3 billion.

**May:** To give simple access to sanctioned documents, the government has revealed that Indians can now use Whatsapp to subscribe to Digilocker services.

**June:** To promote the uptake of pall computing in India, Redington India, an IT company, and Amazon Web Services( AWS) have inked a multi-year strategic cooperation.

**July:** In collaboration with Tech Mahindra, the Union Bank of India( UBI) unveiled a Metaverse Virtual Lounge and Open Banking Sandbox terrain.

**August:** The development of a banking super app was revealed by Network People Services Technologies( NPST). A comprehensive, intelligent app will include all banking, fiscal, and transactional services on the high-end platform, which can be utilized by banks, fintech enterprises, and other BFSI players. To strengthen network adaptability, the Indian Computer Emergency Response Team(CERT-In) and the Cybersecurity Agency of Singapore( CSA) successfully prepared and executed the "Community" Cyber Security Exercise for 13 countries.

**November:** The AWS Asia Pacific( Hyderabad) Area, the alternate AWS structure region to launch in India, was blazoned by Amazon Web Services. The region is anticipated to sustain more than 48,000 full-time jobs yearly by 2030 due to investments in India reaching further than US\$4.4 a billion. Through its Google Cloud business, Google partnered with the youthful gaming establishment SuperGaming.

**December:** As of December 8, 2022, 52 Indian startups had requested the departure of an aggregate of 17,989 workers. These startups included several unicorns, similar to BYJU'S, ChargeBee, Cars24, LEAD, Ola, Meesho, MPL, Innovaccer, Udaan, Unacademy, and Vedantu, in addition to the intimately traded food tech Zomato. The worst lawbreaker in India is edtech, which is also followed by consumer services and e-commerce businesses. About nine out of every ten workers of Indian startups that were laid off in 2022 worked in one of these three areas, which

together accounted for 15,424 layoffs.

## GOVERNMENT SCHEMES

In past years, the government of India introduced many schemes to develop the Indian IT sector. Some of the important schemes which are a major impact are listed below:

### Software Technology Parks of India (STP) Scheme:

The Software Technology Park programme is a 100% export-oriented unit (EOU) programme for software creation and export through a data connection, physical media, or on-site consulting.

### Advantages and Features of the STP Scheme:

- In the one-window clearance programme, approvals are granted.
- Everywhere in India is a viable location for a corporation to establish an STP operation.
- Foreign ownership is allowed to reach 100%.
- Hardware and software imports are duty-free in STP units.
- Capital products can also be imported, used and exported again.
- It is possible to import any necessary products and equipment, even used ones.

### National Policy on Software Products-2019:

The National Policy on Software Products, 2019 (referred to as "the Policy") was published by the Ministry of Electronics and Information Technology to enhance India's ecosystem for software products. The policy seeks to make India a hub for innovative software products on a global scale. It also intends to facilitate the smooth operation of start-ups dealing with software products in India.

### A few crucial missions are:

- By 2025, India's contribution to the global software product sector will have increased tenfold.
- 10,000 innovative businesses, including 1000 in smaller cities and towns, would be nurtured, creating 3.5 million new jobs by 2025.
- A million IT professionals could be "upskilled," 100,000 students could be inspired, and 10,000 Indian industry leaders could be created.
- Establishing 20 clusters in critical locations to provide ICT infrastructure, R&D, and mentoring support for software product companies.

### Next Generation Incubation Scheme (NGIS):

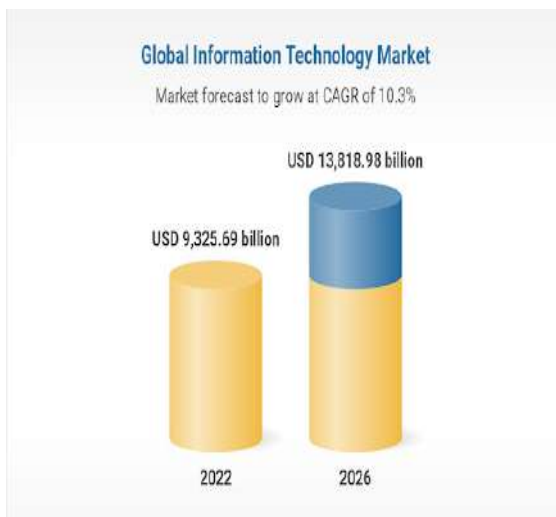
- Technology start-ups from various STPI incubation sites across India can receive full assistance and services through NGIS, a cutting-edge incubator programme.
- The 12 STPI Centres, Agartala, Bhilai, Bhopal, Bhubaneswar, Dehradun, Guwahati, Jaipur, Lucknow, Prayagraj, Mohali, Patna, and Vijayawada are where

the NGIS is operationalized

- Via seminars, workshops, and training, NGIS offers benefits including a pan-India mentor pool, knowledge sharing, co-learning and networking, and ongoing capacity building and skill enhancement. Participation in the “All India Start-up Challenges and Hackathons” gives access to gain benefits of NGIS.

## MERGERS AND ACQUISITIONS

- The major deals in the IT sector last time included Wipro’s Capco accession for USD 1.5 billion and Byju’s Great Learning( USD 600 million) and Epic( USD 500 million) purchases.
- Reliance Diligence Limited spent USD 132 million to pick up a 54 stake in Addverb Technologies, an Indian robotics incipency. The Noida- grounded incipency focuses on erecting robotization and robotics results for storage and manufactories.
- HCL Technologies has acquired a maturity stake( 51) in the German IT consulting establishment Gesellschaft for Banksysteme GmbH( GBS). Infosys has inked a definitive agreement to acquire oddity, a German digital marketing, experience, and commerce agency.
- The move will support Infosys ’ creative, branding and experience design capabilities and demonstrates its uninterrupted commitment to co-create with guests and help them navigate their digital metamorphosis trip.
- Tech Mahindra has acquired Mumbai- grounded enterprise operations startup Thirdware in an each-cash deal worth USD 42 million.



According to IDC’s Worldwide Semi-annual Services Tracker, the IT and business services assiduity will expand at a composite periodic growth rate( CAGR) of 8.3 between 2021 and 2026, reaching a valuation of \$20.5 billion by the end of 2026. The Indian IT sector grew 15.5% in 2022 over the former time, which is the loftiest ever, and the earnings clocked to\$ 227 billion.

## CONCLUSION

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both- reinforcement and- reinforcement services to global guests, arising technologies now offer an entirely new diapason of openings for top IT enterprises in India.

The Indian IT & business services assiduity is anticipated to grow toUS\$19.93 billion by 2025. Spending on information technology in India is anticipated to reach US\$ 144 billion in 2023. By 2026, wide pall utilization can give employment openings to 14 million people and add US\$ 380 billion to India’s GDP.

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## FACTS

### A lake formed by meteor

A 4-hour journey away from Aurangabad and popular as Maharashtra’s best-kept secret, Lonar lake was created about 52.000 years ago by a plummeting meteor. Travel buffs and space heads should not miss this astronomical marvel and the intricate temples around it.

### A village without doors

This village in Maharashtra attracts over 40,000 devotees each day because of 300-years old legend that features establishments without any doors and locks. The residents of this village sleep without any worry as they believe Lord Shani to be their guardian.

### Driest place on earth

Ironically, the driest place in the world - the Atacama Desert in northern Chile is next to thebiggestbodyofwater, thePacificOcean.

# DEMYSTIFYING TECH





## AI AND CHAT-GPT *The Language Alchemist*

*By Dhruv and Priyanshi*

### WHAT IS AI?

“AI is going to be the new electricity”, “I think there is a world market for maybe five computers”, “AI is a fundamental risk to the existence of human civilisation”, headlines about AI make news every day and everywhere nowadays.

AI is being called the ‘New Future’ these days. Is it really a danger or a new hope towards a more civilized future? AI is still a mystery to most of us. How this mystery will unfold is what the future holds.

Artificial Intelligence (AI) is a field of computer science that focuses on developing machines that can perform tasks that typically require human intelligence. AI has the potential to revolutionize various industries, including healthcare, finance, and transportation. AI is expected to contribute about \$15.7 Billion to the global economy by 2023.

There are two main branches of AI: narrow AI and general AI. Narrow AI is designed to perform specific tasks, such as image recognition, natural language processing, and decision-making. General AI, on the other hand, refers to machines that have human-like intelligence and can perform any intellectual task that a human can.

Some of the key technologies in AI include machine learning, deep learning, and computer vision. Machine learning algorithms allow computers to learn from data and improve their performance over time. Deep understanding involves using neural networks to analyze large amounts of data and make predictions based on that data. Computer

vision refers to the ability of machines to interpret and understand visual information, such as images and videos.

The benefits of AI are numerous, but it also raises ethical and societal concerns. For example, AI has the potential to automate jobs, which could result in unemployment for many workers. It is also essential to ensure that AI is developed and used in a way that does not harm society or violate privacy and ethical principles.

### CHAT-GPT

Elaborating on one of the most commonly used examples of AI - Chat GPT. Chat GPT, a chatbot created by Open AI, which was opened for public testing on November 22, has been setting records. It is a large language model (LLM) of the GPT-3 series, which has been trained using supervised fine-tuning and Reinforcement Learning from Human Feedback (RLHF). It is the largest learned language model in the human history of artificial intelligence, with about 175 billion ML parameters. In January 2023, it was averaging about 13 million visitors a day. It has quickly gathered mass attention for its detailed answers and articulate responses across many domains of knowledge. From the horse’s mouth, Chat GPT defines itself as a large language model capable of understanding and generating text, answering a wide range of questions, and generating creative writing and text summaries. It uses a transformer algorithm wherein it is first fed with a large dataset of texts, which it uses to analyze the pattern and structure of language and then generate its text based on a given prompt. The maker of Chat GPT, Open AI has big backers like Microsoft, LinkedIn co-founders, and Elon Musk.

Chat GPT is a mimic of human conversationalists which can transform our lives in more ways than we can imagine. It can write your essays and emails, do your math worksheet, clear an MBA exam, play your teacher, and become your lawyer, the possibilities seem endless. Unlike the previous decade's chatbots like Alexa, Siri, etc., the performance of Chat GPT is astounding. Chat GPT, being a generative AI, unlike other AI, can not only search data but also create brand-new, original content. The content can be text like a news article or poetry, a video, audio like music, or even graphics. You prompt the program with a word, a sentence, a phrase, or a question, you'll get the answer within seconds. Further Chat GPT has such a simple interface that you get a straightforward answer to your question instead of links that come up on Google. It can also answer follow-up questions, challenge incorrect premises and even reject inappropriate queries. You might have a better interaction with this chatbot than with a real person.

## VIEWS ON CHAT-GPT

Chat GPT may be the quickest, but it is not always accurate. This program cannot be relied upon completely and needs human intervention to maintain the accuracy of facts. In some cases, it writes plausible-sounding but incorrect or nonsensical answers. As a language model, this program does not have its experiences or beliefs, it can only base its responses on the information it is fed with. Additionally, Chat GPT has limited knowledge of the events that occurred after 2021, so it is not up to date. It can do little with current affairs. Since students can easily plagiarize their homework and assignments using Chat GPT, experts have warned against its use by students. Many schools and universities have banned the use of Chat GPT across the globe. Chat GPT also poses a threat in situations where a high degree of accuracy is needed like medical treatments. Its inaccuracy may come at the cost of the lives of people.

Seeing Chat-GPT as an opportunity or as a threat depends upon the way and purpose of using it. Sometimes we tend to appreciate the conversational abilities of ChatGPT, especially its ability to generate natural language responses that can mimic human-like responses. Many people have also found ChatGPT to be a useful tool for various applications, including customer service chatbots, language learning, and writing assistance.

On the other hand, we too may have expressed concerns about the ethical implications of using AI language models like ChatGPT, particularly in terms of privacy, bias, and the potential for misuse. Some critics argue that the use of AI language models may lead to the loss of jobs in certain industries, while others worry about the potential for these models to be used for malicious purposes.

## RISING ALTERNATIVES TO CHAT-GPT

Chat GPT can surely answer the questions but the reliability of those answers remain questioned. This norm has given rise to numerous alternatives to Chat-GPT which tend to correct this shortcoming, as claimed.

- **Google BERT:** BERT (Bidirectional Encoder Representations from Transformers) is a powerful language model developed by Google that can be used for tasks such as question answering and text classification. Hugging Face Transformers: This is a library of pre-trained models for natural language processing tasks, including chatbot development.
- **Microsoft DialoGPT:** This is a conversational language model developed by Microsoft that can generate responses to user queries. Rasa: This is an open-source conversational AI framework that allows developers to build custom chatbots using machine learning algorithms.
- **Botpress:** This is an open-source platform for building chatbots using a visual interface and customizable components.

Each of these alternatives has its own strengths and weaknesses, and the choice of which one to use will depend on the specific needs of the user.

## CONCLUSION

AI is a rapidly developing field that holds immense potential for improving our lives and solving complex problems. As AI continues to advance, it will be essential to carefully consider its impact and to develop and use it in a responsible and ethical manner.

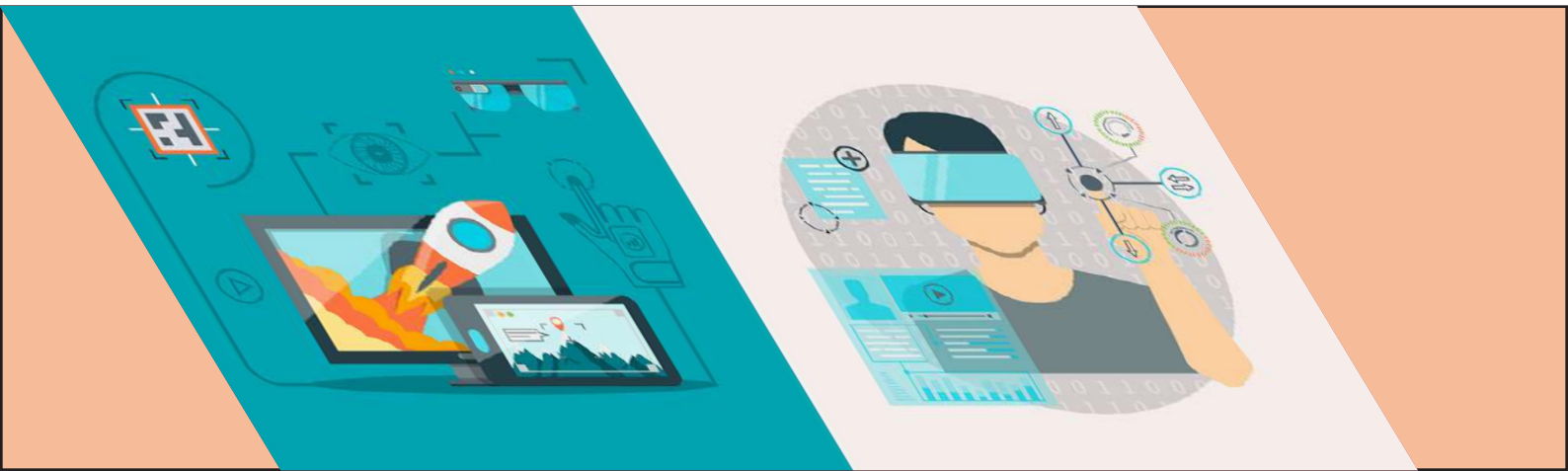
### FACTS

**There are parts of Africa in all four hemispheres.**

For people whose education was largely focused on the Western world, it may be surprising to find out exactly how huge the continent of Africa is. For instance, it spans all four hemispheres and covers nearly 12 million square miles.

**Dentistry is the oldest profession in the world.**

One study found evidence of teeth being drilled in skulls that dates from 7,500 to 9,000 years ago. The holes were likely made using a prehistoric bow-drill. Other biting research conducted by the University of Bologna, Italy on a 14,000-year-old skull found that "one rotten tooth in the jaw had been deliberately scoured and scraped with a tool," according to the BBC.



## AUGMENTED REALITY VS VIRTUAL REALITY *The Tangible Mirage* *By Prisha and Somesh*

### INTRODUCTION

Augmented and Virtual Reality (AR and VR) are rapidly advancing technologies that are transforming the way we interact with the world around us. From enhancing our gaming experiences to revolutionizing the way we work and learn, AR and VR are changing the very fabric of our lives. With the increasing popularity of these technologies, the lines between the physical and digital realms are becoming increasingly blurred. This article will delve into the fascinating world of AR and VR, their current applications, and future potential.

### AUGMENTED REALITY

Augmented reality blends digital information with real-time surroundings, changing natural environments and providing additional information to users. This software overlays visual, sound, and sensory information onto the captured environment through devices like glasses and smartphones. Its ability to integrate digital and three-dimensional components alters real-time perception of the environment, and it has been used commercially for decades in industries such as healthcare and tourism.

The technology of Augmented Reality requires hardware components like sensors, processor, display and input device. Most smartphones have these hardware components along with sensors like camera, GPS and accelerometers, making AR software easily accessible to users. The software uses GPS to locate the user and the

device's compass to determine its orientation. Advanced AR devices used in the military may include machine vision and gesture recognition.

### VIRTUAL REALITY

How about having a source to visualize and explore various parts of the world at the ease of laying in your bed only? Well, Virtual Reality is the perfect aid for that. It is created using computer hardware and software, and users may require specialized helmets or goggles to enter the virtual world. With VR gadgets blocking out physical surroundings, users can deeply immerse themselves in the virtual environment, accepting it as real. The VR industry is still evolving but has promising potential for business use in various industries.

To understand its several types, VR system can vaguely be differentiated in three categories:

- Non-immersive VR can be accessed through a computer screen and provides control through hardware like keyboard and mouse. Examples of non-immersive VR include video games.
- Semi-immersive VR offers a partial experience and can be accessed through screens, glasses, or headsets. It primarily focuses on visual experience and does not incorporate physical movement. Examples include flight simulators.
- Fully immersive VR provides a complete and utter experience of the 3D environment with full immersion in the virtual world. It incorporates sight, sound, touch, and even smell, and requires special gadgets like

helmets, glasses, and gloves. Fully immersive VR has made great impacts in the gaming and healthcare industries.

An interesting concept known as Collaborative reality is cited as a type of virtual reality where users in different locations come together in a virtual environment to interact with each other by entering through projected 3D characters. They may communicate through microphone and headsets.

The uses may be multiple for VR technology but is currently associated with the gaming industry and working as their forefront. Other than gaming, the VR technology has been growing interest in a number of areas such as healthcare, training pilots in simulations, education and mainly for entertainment purposes.

## APPLICATIONS OF AUGMENTED REALITY AND VIRTUAL REALITY

Augmented reality (AR) and virtual reality (VR) have diverse applications that aim to enhance user experiences and deliver value to consumers across different fields. The technology's ability to provide real-time information and engagement through a simulated experience holds tremendous potential to transform daily activities. AR and VR have already impacted our lives, and will continue to do so in the future. As we move forward, it is important to take note of some important applications of AR and VR that have changed and will change our lives for the better.

- **Training** - To prepare their new hires for the job, certain industries require prior knowledge of procedures. AR and VR can help employers create an accurate simulation of the workplace, providing step-by-step instructions for complex tasks, minimizing the need for hands-on training. As a result, this approach ensures that the learning stage does not have any negative consequences for the company.
- **Medicare** - AR and VR play a significant role in healthcare by aiding in patient diagnosis, treatment, and rehabilitation. Surgeons use AR to overlay CT scans on patients during surgery, improving surgical precision and reducing complications. VR exercises can also be created for patients undergoing rehabilitation. Furthermore, AR and VR can improve telemedicine consultations and aid in mental health treatment by exposing patients to virtual environments that simulate their fears, promoting mental well-being.
- **Retail and e-commerce** - Virtual stores created using AR and VR technology provide an immersive shopping experience for consumers. Additionally, these technologies are being used extensively to enable try-on experiences, such as the ability to see how spectacles would look on an individual before purchasing. Moreover, product visualization assists in visualizing how a product would appear in a personal space before making a purchase.

- **Real estate and architecture** - AR and VR combined can create virtual tours of building designs and properties, offering potential buyers and architects a realistic visualization before construction. This technology facilitates remote collaboration, irrespective of the participants' location, enabling all parties involved to gain a comprehensive understanding of the building's scale and architecture.
- **Gaming and entertainment** - As gaming becomes more popular not only as a hobby but also as a serious profession, the role of AR and VR is crucial to create immersive experiences for the players. Apart from gaming, AR and VR can be used to change the way sports are broadcasted.
- **Manufacturing and industries** - AR and VR find diverse applications in industries, including inventory management for real-time visualization, enhancing accuracy and efficiency. Manufacturers can utilize them for design and prototyping to test new products before manufacturing.

Apart from the above-mentioned usages, the technologies can be used in the education sector, agriculture, advertising and marketing, travel and tourism, military and defense, transportation and logistics, and the list will further lengthen as time passes by.

## FUTURE OF AR AND VR

The future of AR and VR is promising, with enormous possibilities beyond what is currently evident. As technology improves and device costs decrease, these technologies will become more accessible, expanding their potential uses. Integration with 5G and Edge computing will make AR and VR more responsive and immersive. IoT and AI integration will enable accurate and efficient systems, expanding the possibilities of AR and VR further.





## BLOCKCHAIN *The Immutable Puzzle*

*By Manya and Sneha*

### WHAT IS BLOCKCHAIN?

Blockchain is an innovative distributed ledger technology which was first introduced in the design and development of cryptocurrency, Bitcoin in 2009 by Satoshi Nakamoto. Additionally, this technology is mostly connected to banking and financial companies. We make notes on various transactions, including details of credit and debit, and we refer to these notes as records. This is the manual record-keeping process, and the manual records are represented by the ledger. Blockchain is the technology used to describe the practise of keeping a record of information and data in the form of databases that are electronically saved on computer systems. Another way to think of it is as a digital ledger.

Blockchain is a mechanism for encrypting data and storing it such that it cannot be changed or compromised. Access to the data and information stored in the Blockchain is available to all computers linked to this system. It is decentralised rather than being governed and controlled by a single entity or authority. The technology is hence sometimes referred to as the distributed ledger system.

### HISTORY

Early in the 1990s, when academics first began looking at the possibility of employing cryptographic methods to safeguard digital transactions, blockchain technology was initially developed. But it wasn't until 2009 that blockchain technology, which serves as the foundation for the virtual currency Bitcoin, was first made public.

Under the pseudonym Satoshi Nakamoto, a person or group of persons invented Bitcoin. A decentralised digital currency that could be used to safely and transparently transfer money over the internet without the necessity of middlemen was outlined by Satoshi in a white paper that was released in 2008. In order to do this, Satoshi suggested utilising a blockchain to securely and openly record and verify transactions.

The Bitcoin blockchain's first block was produced in January 2009, and since then it has expanded to become the biggest and safest blockchain in the world. Voting systems, supply chain management, digital identification, and other uses have all embraced blockchain technology throughout the years.

The usage of blockchain technology has increased recently, and several businesses and governments all over the world have begun investigating its potential for use in a variety of fields. The future of blockchain technology is bright despite certain difficulties, such as scalability and interoperability, and it is expected to become more significant in many aspects of our life in the years to come.

### LIMITATIONS IN CURRENT BANKING SYSTEM

- Banks being Intermediaries, thus charge fees for their services.
- Mediating costs increase transaction costs.
- System is opaque & lacks transparency and fairness, thus leading to frauds.
- Certain inefficiencies in making speedy transactions

thus making it less trustworthy, maybe caused due to their system maintenance activities, sometimes due to their policies.

## WHY BLOCKCHAIN GAINED POPULARITY?

Blockchain technology has become increasingly popular for several reasons:

- **Decentralization:** Blockchain eliminates the need for intermediaries to verify and validate transactions, making it a highly secure and transparent platform for recording transactions.
- **Security:** The decentralized nature of blockchain technology makes it almost impossible to alter or manipulate the ledger without the consensus of the network, providing a secure and tamper-proof record of transactions.
- **Transparency:** All transactions recorded on the blockchain are public and transparent, providing greater visibility into the movement of goods and assets and making it easier to track and audit transactions.
- **Efficiency:** Transactions on a blockchain can be verified and processed faster and at a lower cost compared to traditional centralized systems, reducing the time and cost of transactions.
- **Immutability:** Once a block of transactions has been verified and added to the chain, it cannot be altered or deleted, providing a permanent and tamper-proof record of transactions.
- **Potential for new and innovative applications:** The decentralized and secure nature of blockchain technology has opened up new possibilities for various applications, such as digital identity, voting systems, and supply chain management.
- **Growing interest from the financial industry:** Many financial institutions and banks are exploring the potential of blockchain technology for improving their operations, reducing costs, and increasing efficiency.



## CLASSIFICATIONS OF BLOCKCHAIN TECHNOLOGY

The four types of networks that make up the blockchain

technology network are listed below and may be roughly categorised as follows:

- **Public Blockchain:** A chain of information with open access is known as the public blockchain. No authorization is required for any user within the network to examine the Blockchain's history or conduct any sort of transaction. On this kind of Blockchain network, information may simply be moved and viewed by anyone all over the world without any previous authorization. A public blockchain is exemplified by the Bitcoin blockchain.
- **Private blockchain networks** require authorization in order to access information. Without the owner's consent, no one may join this kind of Blockchain network. Only the trustworthy members of this form of Blockchain have access to the digital ledger. This kind of network is typically run by several businesses and organisations.
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- The network of blockchains known as "sidechains" operates concurrently with the main blockchain. The secondary blockchains operate independently of the main blockchain.

## LIMITATIONS OF BLOCKCHAIN

- **Scalability:** As the number of users and transactions on the network grows, the decentralised nature of blockchain technology may lead to longer transaction times and greater costs.
- **Interoperability:** Since different blockchain systems adhere to various protocols and standards, integrating and exchanging data and assets across them can be difficult.
- **Regulation:** The legal framework surrounding blockchain technology is still developing, and it's not yet clear how different countries will control its usage in the future.
- **Adoption:** Some businesses and people may find it difficult to adopt blockchain technology since it demands a mental shift and a willingness to accept novel, cutting-edge technologies. Energy use: There have been concerns raised regarding the environmental effect of blockchain technology due to the proof-of-work consensus technique, which is employed by many blockchain systems.
- **Complexity:** Due to the technical nature of blockchain technology, it may be difficult for non-technical individuals to comprehend and properly use the system.

- **Limitations on use cases:** Although blockchain technology offers a wide range of possible applications, many of these use cases are still in the early phases of development and may take some time to catch on.

Although these drawbacks pose obstacles to the broad adoption of blockchain technology, in the long term, the advantages of this technology are expected to exceed the drawbacks.

## NATIONAL SCENARIO ON BLOCKCHAIN TECHNOLOGY IN VARIOUS DOMAINS IN INDIA

- Reserve Bank of India (RBI) has launched the Digital Rupee, E-RUPEE.
- Mahindra and IBM collaboration.
- MeitY has supported a project titled Distributed Centre of Excellence in Blockchain Tech. with C-DAC, IDRBT and VJTI as executing agencies.
- SBI has associated with commercial banks and financial institutions for Blockchain based application pilot.
- As per Blockchain Report 2019 of NASSCOM Avasant India, different states across India have initiated Blockchain based use cases. Land registry, Farm insurance and Digital Certificates are the top three use cases.
- ConsenSys, a blockchain software firm, is closely working with NITI Aayog for the implementation of its blockchain technology.
- Yes Bank, Axis Bank and ICICI Bank are also adopting Blockchain in their banking business.

## BLOCKCHAIN BUSINESS VALUE, WORLDWIDE 2017-2030

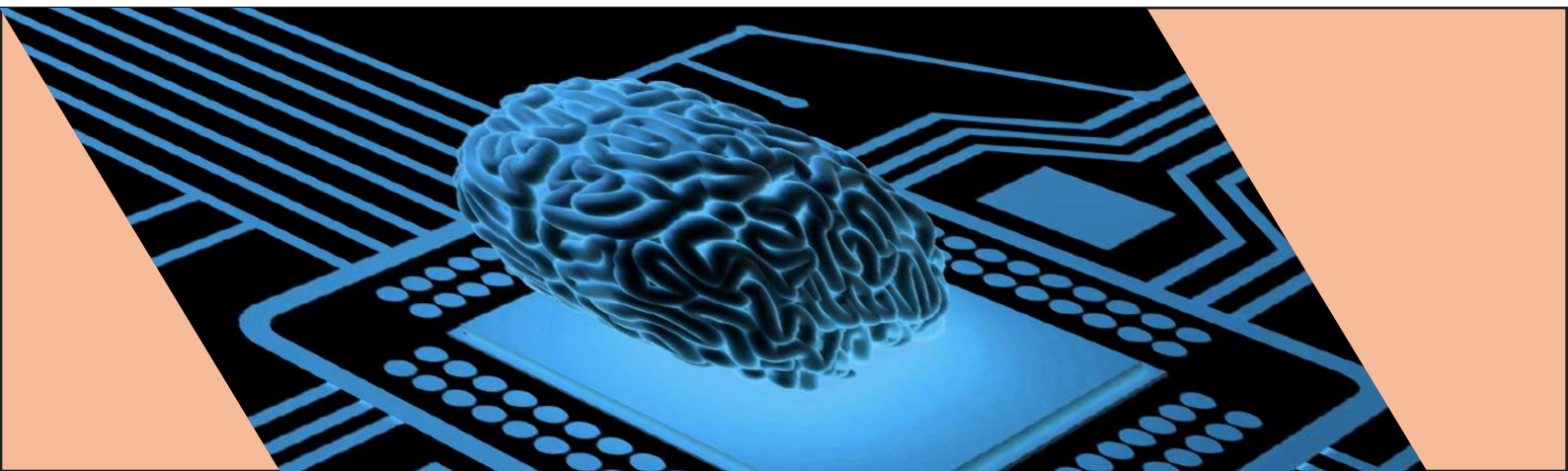
- By 2025, Blockchain would add a business value that will grow to over \$176 billion. This would increase further to \$3.1 trillion by 2030.
- By 2030, Blockchain would be used as a foundational technology for 30% of the global customer base which will be used for conducting commercial activities.

## CASE STUDY: E-RUPEE

- E-RUPEE is a cashless & contactless instrument for digital payment that will play a significant role in making direct benefit transfer (DBT) more effective.
- It is a Central Bank Digital Currency (CBDC).
- Digitally equivalent of physical currency.
- It is NOT a crypto currency.
- E-RUPI pilot launched in 4 cities (Mumbai, Delhi, Bhubaneswar & Bengaluru).
- SBI, ICICI, Yes Bank & IDFC took part in this pilot launch.
- This included closed user groups mainly merchants & customers.

## POPULAR BLOCKCHAIN PLATFORMS THAT OFFER BLOCKCHAIN BASED DIGITAL TRANSACTION

- Hyperledger is an open source global collaboration under Linux Foundation to work on enterprise grade Blockchain technologies.
- Cosmos, Polkadot, Aion, Ark, Wanchain, Atomic Swap & Chainlink are some of the global research initiatives in blockchain interoperability.
- Redbelly, Ethereum, R3Corda, Ripple, Stellar, Quorum, OpenChain & Hedera Hashgraph, are some of the platforms that are being used by organisations.



# BRAIN MAPPING

## *See what you think*

### *By Harman and Divyansh*

“Patterns cannot be weighed or measured. Patterns must be mapped.”

- Fritjof Capra

The human brain is often described as the most complex structure in the known universe, containing billions of neurons and trillions of synapses that work in concert to produce our thoughts, emotions, and behaviours. Despite the incredible advancements in our understanding of the brain, much of its complexity remains a mystery, leaving scientists and researchers to wonder: how does the brain work?

Enter brain mapping, a revolutionary technique that seeks to create a detailed map of the brain's neural connections and functions. By unraveling the complex network of neurons and synapses in the brain, brain mapping holds the potential to unlock the secrets of human consciousness and transform our understanding of the human mind.

In this article, we will delve into the intricacies of brain mapping, exploring its history, methodology, and potential implications for the future of neuroscience.

## KNOW THE ROPES

Imagine being able to hear what people are saying to one another while viewing Earth from the space. That's approximately how difficult it is to comprehend how the brain functions.

Brain mapping, also known as neuroimaging, is the process of creating images of the brain to understand its structure

and function. These images are used to study the brain in various conditions, such as during illness, injury, or while performing various tasks. Brain mapping is used in various fields, including neuroscience, neurology, psychology, and psychiatry, to better understand the brain and its role in behavior and cognition. A careful review of each image, comparing it to the normal anatomy, and looking for any deviations, abnormalities, or lesions.

There are several techniques used to map the brain, including:

- **Computed Tomography (CT)**  
A CT (Computed Tomography) scan is a type of medical imaging test that uses X-rays and computer technology to produce detailed images of the inside of the body, including the human brain. It provides a cross-sectional view of the body, which can help to diagnose and monitor a variety of medical conditions, such as tumors, internal injuries, and infections. During a CT scan, the patient lies on a table that moves through a circular machine that takes multiple X-ray images from different angles. The images are then processed by a computer to create a detailed, 3D representation of the inside of the body.
- **Magnetic Resonance Imaging (MRI)**  
Magnetic Resonance Imaging (MRI) is a medical imaging technique that uses a magnetic field and radio waves to produce detailed images of the body's internal structures, specifically our brain. It is commonly used to diagnose medical conditions and monitor treatment progress. Unlike X-rays and CT scans, MRI does

not use ionizing radiation, making it a safe option for imaging.

- **Positron Emission Tomography (PET)**

PET is a type of medical imaging that shows the activity of tissues and organs in the body. A small amount of radioactive material is injected into the body, and a special camera detects the emission of positively charged particles to create detailed 3D images of the body's internal functions. It helps in the diagnosis and assessment of various diseases and conditions, such as cancer, heart problems, and brain disorders.

- **Electroencephalography (EEG)**

It is a technique used to measure electrical activity in the brain. It records the brain's electrical signals through electrodes placed on the scalp. This information can then be used to diagnose conditions such as epilepsy, sleep disorders, and even some forms of dementia.

Each method has its own strengths and weaknesses, and each provides unique information about the brain.

## WHAT IT BRINGS TO THE TABLE

Brain mapping helps to understand how different areas of the brain are responsible for specific functions, such as language, memory, and movement. It can help detect brain disorders, such as Alzheimer's and Parkinson's, at an early stage, allowing for earlier treatment and a better prognosis. It can be used in surgical planning, helping neurosurgeons determine the best way to approach the brain during procedures, and minimizing the risk of damage to vital areas. Also, it can be used in the rehabilitation of patients with brain injuries or disorders, providing a roadmap for therapists to target specific areas of the brain to improve function. In addition to these advantages, it can also be used to monitor the effectiveness of treatments, such as medication and therapy, allowing for more personalized and effective care.

## THE LOOMING PITFALLS

The debate surrounding brain mapping and the potential negatives refers to the concerns and criticisms about the use of brain mapping technology and its applications. One challenge is the limited resolution of current neuroimaging techniques. Another challenge is that neuroimaging provides only indirect information about the brain, so interpretation can be difficult. Some of the potential negatives include ethical concerns such as privacy and the potential misuse of the information gathered, the accuracy and reliability of the data, and the potential for the technology to be used for nefarious purposes such as mind control or manipulation. Collection and analysis of brain data can potentially reveal sensitive information about an individual's thoughts, emotions, and habits, raising concerns about ethical implications. Brain data can be used to make decisions about employment, education, or medical treatment based on implicit stereotypes,

leading to discrimination. Brain imaging results can be misinterpreted or misused, leading to incorrect conclusions or inappropriate actions. This is still a relatively new field, and some applications, such as lie detection or mind reading, are not scientifically validated and may lead to false conclusions. Additionally, there are also concerns about the cost and accessibility of the technology, as well as the potential for it to perpetuate existing biases and reinforce societal inequalities. The debate highlights the need for careful consideration and regulation of the development and use of brain mapping technology to ensure its benefits are realized while minimizing its potential harms.

## KNOW WHERE WE STAND

We are all aware of how India is one of the most famous destinations in the world for medical tourism because of the cheap and high-quality treatment available in the country. Although brain mapping in medical treatment is not that prevalent in India, when it comes to the study of the subject and its uses in other fields, India is at the forefront. Indian companies like Neurosynaptic Communications and Neurable are developing BCI (Brain- Computer Interface) devices that can be used to map the human brain and study its functions. Even there are established research centers such as National Brain Research Centre (NBRC) which are developing new technologies for brain mapping. In the area of criminal investigations, brain mapping, also known as the P300 waves test or brain fingerprinting, is widely used to determine if a person has knowledge of a specific piece of information by measuring brain activity in response to selected stimuli. The P300 wave is produced 300 milliseconds after the presentation of images or words related to the case. The subject is presented with statements, images, and events related to the case, and the P300 wave is generated if the person has previously viewed them. No questions are asked during the test.

When it comes to the role of brain mapping in hospitals, IBS (Institute of Brain & Spine) became the first hospital in India to introduce brain mapping in treatments. This technology can make treatment for brain tumors and other brain surgeries much safer, and due to the accuracy, damage to important brain areas can be avoided. However, the number of hospitals actually using this technology is very low, brain mapping is gaining serious traction in India, and will be hospitals are gradually introducing this technology.

## UNTANGLED

In conclusion, brain mapping is a powerful tool for studying the brain and advancing our understanding of how it works. Although there are challenges, continued research and development in this field will help us to overcome these limitations and gain even more insight into the workings of the human brain. It is important to ensure that the development and application of brain mapping technology are guided by ethical considerations and used in ways that respect individuals' rights and dignity.



# METaverse

## *The Multiverse's Digital Cousin*

*By Dejasvini and Tamanna*

### HISTORY OF METAVERSE

In science fiction, the “metaverse” is a hypothetical iteration of the Internet as a single, universal, and immersive virtual world that is facilitated by the use of virtual reality (VR) and augmented reality (AR) headsets. In recent times, a “metaverse” has come to be known as a network of 3D virtual worlds focused on social connection.

- Assets like cryptocurrency and NFTs
- Holograms
- Video calls
- Avatars
- Digital and augmented reality concerts
- Public blockchains
- Photogrammetry – the process of creating digital 3D objects out of photos or video (e.g., Capturing Reality)

### METAVERSE AS OF NOW

Today, the metaverse as we now understand it — a virtual world that replaces our current idea of the internet — feels closer than ever. But it isn't here yet. Many factors remain uncertain, including, of no small importance, the demand for such a technology. However, we're at a pivotal point in metaverse history. Enormous tech corporations are pouring resources into its development. While the metaverse isn't a new idea, it still represents a new internet, and new ways of interacting with others, both professionally and personally.

However, there are several types of tech that currently fall under the umbrella term. These include, but are not limited to, the following:

- Extended reality (ER) – another umbrella term encompassing virtual reality (VR), augmented reality (AR) and mixed reality (MR)
- Virtual worlds created by metaverse users (e.g., Decentraland)
- Massively multiplayer online games (MMOs), like Fortnite or Roblox
- Decentralized autonomous organizations (DAOs)

### THE FUTURE OF METAVERSE

The world we live in is always changing because of new ideas. Almost none of us could have predicted how much social media would change the world just a few years ago. Blockchain has opened up a new way for innovations to happen in many different fields. Imagine talking to brands and avatars and being able to buy and sell any kind of product at any time and from anywhere.

The future of the metaverse mainly depends on how well it can meet the two basic needs of all people: to connect with other people, and to make things. It is always being improved, and in the near future, eCommerce, sales and marketing, decentralized finance, crypto businesses, etc., should be able to use the metaverse. People can buy, sell, and make their own products in this 3D world. This eCommerce experience is much more immersive than anything else that can be found on the internet.

### HOW BRANDS CAN USE METAVERSE TO THEIR ADVANTAGE ?

A handful of businesses are already shaping the landscape, with entertainment and gaming companies leading the way. Major console and PC gaming titles, such as Fortnite, from Epic Games, have normalized playing and socializing with people in virtual settings. Newer gaming platforms, such as Roblox, allow people to create and play across immersive worlds created, and often monetized, by users. Decentraland is an entire 3D virtual world owned by its users, allowing them to create virtual structures — from theme parks to galleries — and then charge users to visit them, all powered by Ethereum blockchain technology.

## FEW EXAMPLES OF BRANDS WHO HAVE JOINED THE METAVERSE

### GUCCI

Gucci's clothing isn't the only part of the brand that's fashion-forward. The luxury fashion house has done several activations in the metaverse over the past two years. In early 2021, the brand released the Gucci Virtual 25, a digital sneaker that can be worn in AR or through apps like Roblox and VRChat. The sneaker release was followed by Gucci Garden on Roblox, where players purchased exclusive designer pieces, like the Gucci Dionysus Bag with Bee. The virtual garden was a complement to a real-world installation called the Gucci Garden Archetypes, located in Florence, Italy. The brand launched its latest metaverse activation, Gucci Town, in June. Gucci Town is a permanent space in Roblox where players can learn more about the brand, and express their style through virtual outfits. From a marketing perspective, Gucci is sending a message about their brand: They are trendsetters in every sense of the word. They're unafraid to reach audiences, experimenting with new ways to meet customers in every space they interact. Gucci is just one of many fashion brands taking advantage of the metaverse. The first virtual fashion week took place in early 2022.

### DOLCE & GABBANA

Along with Gucci, Dolce & Gabbana is one of the many fashion brands taking advantage of the metaverse. The fashion brand has a partnership with UNXD, an NFT marketplace for digital luxury and culture. In March 2022, Dolce and UNXD announced the highly anticipated launch of the DGFamily NFT community. Members receive digital, physical and experiential perks, such as exclusive wearable drops. The boxes were sold blind, so buyers did not know which box they received until after the NFT was minted. Although this idea of a two-dimensional membership and blind purchasing may seem absurd at first, the online hype illustrates a clear interest. According to data from Sprout's Advanced Listening tool, from January 1, 2022 to June 30, 2022, the DGFamily NFT community earned 98% positive sentiment and over 848,000 total engagements on Twitter. Dolce is yet another example of how creative industries will take up space within the metaverse.

## METAVERSE IN CRYPTOCURRENCIES

The cryptocurrency industry has been embracing the

concept of the metaverse. It is a virtual setting that makes use of blockchain technology and it is a network of interconnected nodes that can be used to store, access, and share digital assets. In the metaverse, users can transact with one another safely and anonymously. As more people begin to use the metaverse, the options will expand. This might lead to the creation of brand-new online stores, services, and programmes that would be helpful to the cryptocurrency industry as a whole.

## TOP METAVERSE COINS

Cryptocurrencies with a market cap of more than \$500 million.

- **ApeCoin (APE)** : - Market cap: \$1.4 billion. ApeCoin is not only one of the largest metaverse coins on the market, but also one of the newest. It was developed to support the growing ecosystem around the popular Bored Ape Yacht Club.
- **Internet Computer (ICP)** : - Market Capitalization: \$1.1 billion. Internet Computer was developed by the Swiss non-profit organization Dfinity Foundation. ICP's goal is ambitious: to replace the centralized Internet as we know it today with a decentralized alternative.
- **Theta Network (THETA)** : - Market cap: \$730 million. The Theta Network is designed so that when video content is consumed, a portion of computer power and free bandwidth is used to forward those videos to other users on the network. In return, THETA tokens are earned. The more people on the network, the higher the quality and speed of streaming.
- **Axie Infinity (AXS)** : - Market cap: \$645 million. Axie Infinity took the crypto world by storm during the Covid 19 pandemic, becoming the largest play-to-earn game that paved the way for companies like Sandbox and Decentraland.



## ROLE OF METAVERSE IN NFTS

The role of the metaverse in Non-Fungible Tokens (NFTs) is expanding in significance as the technology gains more traction. Due to their non-fungibility, NFTs cannot be exchanged for tangible objects, money, or other digital assets. It also acts as a platform for a variety of NFTs due to their ability to be listed and exchanged inside the metaverse. Making video games and other types of material can be a lucrative niche. This enables them

to make money off of their creations, reward their fans, and develop new revenue streams. It can also be used to create digital land and structures that can be used in virtual worlds. Additionally, NFTs can be utilised to create unique digital identities and avatars that can be used in the metaverse.

## NFT APPLICATIONS IN THE METAVERSE

- **Virtual Marketplace:**

Sellers can easily provide links and previews to assets on the web or coin assets directly in the VR landscape. VR and NFT marketplaces can be interesting for many brands in different industries, and Nike is a good example. Nike is already diving into the metaverse with its own virtual “Nikeland” and has now acquired a studio (RTFKT) known for producing NFTs of products.

- **Art Gallery:**

VR is perhaps the best possible platform to view art. We can view it up close, with every detail and from every angle. This type of solution is different from a marketplace because the prices are already fixed, the assets are all of one type, and the atmosphere is much more relaxed. For example, many museums are currently placing NFT artworks in metaverses like Cryptovoxels powered by the Ethereum blockchain.

- **Virtual Real Estate:**

Real estate can be quite a lucrative industry in the physical world, and the same could be true for the Metaverse. These are digital lands and territories that are sold in whole or in part for further user development. In the case of Decentraland, a virtual territory where land can be sold as NFTs, everything is represented in 3-D. This “land” has its own cryptocurrency and is expected to enter the metaverse.

## HOW METAVERSE WILL CHANGE THE ENTERTAINMENT SPACE?

The entertainment industry is on the verge of a revolution thanks to the metaverse. The Metaverse offers a lot of potential for entertainment and blends artificial intelligence, augmented reality and virtual reality. It will allow people to interact with each other in ways never before possible, explore new areas, and engage in activities not normally possible in the real world. Imagine being able to host a virtual game show, watch movies in a virtual theatre, or go on a virtual adventure together. There are truly endless alternatives available. The global metaverse in entertainment market size was valued at \$13.8 billion in 2021, and is projected to reach \$221.7 billion by 2031, growing at a CAGR of 32.3% from 2022 to 2031.

## METAVERTEINMENT:- TRANSFORMING EXPERIENCES : INFLUENCING LIVES

- **Virtual Concerts:**

We can now use augmented and virtual reality to create effects like holograms that add incredible immersive

experiences to concerts. In the meantime, online game platforms like Fortnite and Roblox are already hosting their own virtual concerts, featuring artists like Twenty One Pilots, Ariana Grande, and Travis Scott. These virtual experiences have already attracted millions of viewers, and we are likely to see a lot more of these metaverse performances.

- **VR And AR Theme Parks:**

Walt Disney has announced their intention to build a theme park in the metaverse in the next few years, and we already have amusement park rides that are enhanced by AR and VR. Universal Studios Hollywood will also import a Mario Kart-themed ride from Japan that uses augmented reality to create the illusion that the user is interacting with virtual characters and objects.

- **Immersive Movie Experience:**

Innovative directors and producers are already using AR and VR to make the movie-watching experience more immersive. Directors can film 360-degree footage to help viewers feel like they are really part of the action. This is a great way to help transport people into virtual locations all over the world and let them experience what it's like to be there in person.

- **E-Sports:**

There is a projection that in 2023, there will be over 46 million people watching ESports events. Currently, most of these events are streamed online on streaming platforms like YouTube and Twitch. These platforms do not provide the experience of being there live to watch your favourite players. The Metaverse provides you the opportunity to be in a virtual audience, at a virtual venue as a member of the audience.

## CONCLUSION:

The future of the metaverse depends on how well it can meet the two basic needs of all people: to connect with other people, and to make things. Virtual event management primarily benefits attendees by making events more convenient to attend. People can buy, sell, and make their own products in this 3D world.

### TERMS

#### THRIFT INSTITUTION

A general term encompassing savings banks, savings and loan associations, and credit unions. These institutions primarily accept consumer deposits and make home mortgages.



# START-UP DECODED





# FUNDING

*By Manya Goel*



“Ideas are easy. Implementation is hard”, rightly said by Guy Kawasaki, co-founder of AllTop. The talk of the town these days is startups, and as fancy as it sounds, in its true sense, it is an extremely tough assignment.

To go by the definition, a “startup” is a venture whose foundation is laid down by its founders and revolves around a potential idea that might have an immense number of opportunities and the ability to create a strong impact on society. It involves gauging whether it is worth building a dedicated and goal-oriented team to work on the idea or the problem statement, thereby making the shared vision a reality. The main goal of the founders is to form a dream team that is capable enough to approve and validate the crux of the problem statement, be solution-oriented, and make their prototype marketable before scaling the business.

Despite the fact that “startup” is a well-established term, it still causes confusion when used. To trace its origins, this term came into use in the late 1970s in various parts of the US. Literally, “startup,” sometimes also called “upstarts,” is used to define those companies that are in their early stages or have higher growth projections due to the constant discoveries of inventions and new technologies. The fundamental difference between a startup and a regular business is the amount of time the entrepreneur invests in the initial stages of the business. For regular businesses, we expect to lose a bit of money in the beginning as we invest in the business, but we quickly move forward to making money, or else its survival would become very difficult. However, a startup is an extreme version of a regular business in which we expect to invest and lose massive amounts of money before we reach the break-even point. After reaching the break-even point, the line for growth, profit, and revenue is much steeper as compared to a regular business. This is seen by the

potential startups from a different angle, the loss at the beginning is seen as an investment, and later, when the profit comes into play, it is the return on investment for them. The phase in which startups incur significant losses is known as “The Valley of Death,” so named because a significant number of startups perish during this period.

### **The Fundamental Types of Funding**

There are two financing options for startups: one that involves equity and one that uses debt. A third type—grants and gifts—is also available, although it is less typical for organizations that aspire to make a profit.

Debt is a type of finance that many of us are all too acquainted with. It refers to funds that you must repay with interest over a certain period of time. This can take the shape of a bank loan or simply running up large credit card balances. The latter is most likely the quickest and simplest method to raise some cash, but there is a reason it is not a good idea.

The majority of the time, rates are exorbitant, and if you don't have a lot of cash flow, you can find yourself carrying that weight for years. Small company loans are one of the more common sources of finance, but they are frequently only available to those who have some kind of collateral to put up or who have a steady cash flow. Conversely, equity refers to a portion of your company's ownership that is exchanged for cash at market value. Grants are significantly more prevalent for projects like non-profits, social businesses, and charities. Though it takes effort to gain a grant maker's attention, funding frequently comes with strict guidelines and scrutiny.

As a result of projected decreased revenues, entrepreneurs frequently seek to cut back on the equity they distribute. This poses a danger since selling more than 50% of a company's shares might result in the loss of control.

### **Using personal funds or bootstrapping**

In fact, prospective investors will probably want to see that you have some “skin in the game” as many entrepreneurs begin with some amount of self-funding (also known as bootstrapping). Even if you can only provide a small amount, it is worthwhile to think about the advantages. For instance, you don't need to worry about pleasing investors. You can also keep more of your earnings for yourself. As an alternative to counting on later funding rounds, you might utilize your initial proceeds to bootstrap future growth.

### **Friends/ Family**

When starting a business, it's wise to start by reaching out to your friends and family before expanding when it comes time to sell. In other words, start asking your family and friends for financial support for your company. People that are close to you are far more likely to take a wager on you and your initiative in good faith, offer you money at a low-interest rate or perhaps without interest, and possibly even want less equity. When you get money from friends or family, you are much more motivated to succeed and provide them with a good return. There is a greater likelihood that, unlike other investors, your friends

and family will support you while maintaining adequate distance.

### **Crowdfunding**

Crowdfunding is the technique of using small donations from a large no. of people to finance a business without using the usual channels. These businesses can start up or start new initiatives by getting the essential boost to cash flow. The majority of these campaigns take place on online platforms, have predetermined deadlines for when money may be raised, and specify precise financial objectives. While crowdfunding cannot ensure a project's success or a business's sustainability, it can assist many entrepreneurs in building their network and gaining experience in the business world.

### **Accelerators/Incubators**

Groups of startups are often given workspace, business guidance and training, and prospective investment by incubators and accelerators. They are frequently supported by academic institutions, business associations, or particular corporations. Additionally, these accelerators frequently give entrepreneurs excellent chances to connect with other startups and business mentors. It's important to note that accelerators frequently place a lot more emphasis on strengthening the founding teams or entrepreneurs themselves than they do on a company's proposition.

### **Angel Investors**

Angel investors are the high-net-worth individuals who invest in businesses with relatively small sums of money—often between a few thousand and a million dollars. Angel investors are a crucial component of the ecosystem for raising equity since they are frequently one of the more easily available sources of early-stage finance for an entrepreneur. The fact that an angel investor may frequently make an investment choice on their own is the main advantage of partnering with one. This is the core need of startups during their initial stages.

### **Angel tax**

There may be certain businesses that are operating incredibly well, and investors wait impatiently to purchase the shares of these businesses when the first shares are released. In this case, the company may issue shares at a price far higher than what a comparable stock could be awarded at in the market since it is mindful of the worth of its brand and market expectations. Unlisted corporations in a situation are required to pay income tax on the funds earned through such an issuance. Money raised in excess of fair market value is recognised as income and subject to taxation. What is now known as the angel tax was created as a result of the 2012 introduction of Section 56 (2) (viib) of the Income Tax Act, a financial reform intended to stop money laundering activities. Any unlisted firm in this situation (often a new business) that receives investment beyond fair value must report the excess cash as “revenue from other sources,” which will be recognised and taxed. It became known as a “angel tax” because it had a significant tax impact on angel investors, or those who invest in businesses.

## Angel Investor Exit

An angel investor exit refers to the process of an angel investor selling their equity stake in a startup company in order to realize a return on their investment. Exit strategies allows them to recoup their investment and potentially realize a profit. There are several ways in which an angel investor can exit their investment, including an initial public offering (IPO), acquisition, secondary market sale, or buyback. The exit strategy will depend on various factors, such as the size and maturity of the startup, the amount of investment, and market conditions. It is important for angel investors to have a clear exit plan in mind when making an investment as this helps them to ensure that their investment is profitable and successful.

## Venture Capitalists

Professional investors known as venture capitalists make investments in young and expanding businesses. They are therefore a receptive group to present to while searching for investment. A venture capital investment aims to generate a very high return for the venture capital company, typically in the form of the startup being acquired or going public. Additionally, venture capitalists desire and frequently wield significant influence over a firm. You might not be a good fit for venture investors if you wish to pursue your own idea.

## Venture Capitalist Exit

Venture capital exit refers to the process by which a venture capitalist sells their shares in a company that they had previously invested in. This is an important step in the investment process as it allows the venture capitalist to realize their return on investment and distribute profits to their investors. There are several ways in which venture capitalists can exit their investments, including:

**Initial Public Offering (IPO):** This is when a company goes public and its shares are traded on a stock exchange. Venture capitalists can sell their shares as part of the IPO process.

**Merger or Acquisition:** When a company is acquired by another company, the venture capitalists can sell their shares as part of the acquisition. This can be a strategic move by the acquiring company to gain access to new technology, talent, or market share.

**Secondary Sale:** A venture capitalist can also sell their shares to another investor in a secondary sale. This can occur when the venture capitalist wants to exit their investment but the company is not ready for an IPO or acquisition. The exit of a venture capitalist is an important milestone for both the investor and the company. It represents a successful outcome for the investor and provides the company with access to new resources and opportunities for growth.

## Seed Funding

The first institutional money made available to a corporation is called seed funding. A startup receives seed financing from an outside source in its early stages in return for

stock in the business. In the tech field, seed funding is very common. The advantage of seed capital is that it enables immediate access to greater sums of money, which enables you to build and grow a firm more quickly and achieve more foothold. These investments often come from friends and family at the seed stage. Seed round investors often get a convertible note because the firm doesn't yet have a clear valuation. In place of interest or shares, a convertible note offers equity as repayment. Having a unique company concept that can be marketed is essential for raising seed money. The investor-facing pitch is just as important as the concept itself. The company looking for funding should have a thorough business plan that details its target market segment, market potential, current and potential rivals, and its financial predictions for the next several years.

Startup funding rounds are constructed in a way that gives investors a stake in the company. As a result, the investor gains from both the startup's short-term financial success as well as its future market value. The promoters, their close family members or their friends typically pool in the money. Pre-seed capital assists in the startup of the company and is utilized to pay for the startup expenses associated with initializing the business.

## Investor Pitch Deck:

An investor pitch deck is a presentation created by entrepreneurs seeking funding from investors. It's a key tool used to persuade potential investors to invest in their company or idea. A well-designed and well-prepared pitch deck can make a significant impact on an investor and can be the difference between securing funding or not.

Here are some common components of an investor pitch deck:

**Introduction:** A brief introduction of the company or idea, including its name, industry, and mission statement.

**Problem:** A description of the problem that the company or idea is solving. This should be a clear and concise explanation of the pain points that the target customers are experiencing.

**Solution:** A detailed explanation of the company or idea's solution to the problem. This should clearly demonstrate how the solution is unique and better than existing solutions.

**Market:** A description of the target market, including the size, growth potential, and target customers.

**Competition:** An analysis of the competition, including a comparison of the company or idea's solution with the competitors' solutions.

**Business Model:** An explanation of how the company or idea generates revenue, including pricing, distribution channels, and customer acquisition strategies.

**Team:** An introduction to the key members of the team and their qualifications and experiences.

**Financials:** An overview of the company or idea's financials, including projections and milestones.

**Ask:** A clear and concise ask for funding, including the amount of funding needed, the use of the funds, and the potential return on investment.

A successful investor pitch deck should be concise, visually appealing, and demonstrate a deep understanding of the market and the target customers. It should also clearly articulate the value proposition and the potential for growth and profitability.

Types of Funding Rounds for your Startup				
Funding Round	Pre-Seed	Series A	Series B	Series C
Stage Focus	Proof of concept/ Prototype	Revenue Growth	Growth	Large scale expansions
Common Elements of Growth	Hiring	Development, Operations, Branding & Marketing	Hiring, Market expansion, Buying Businesses	Acquiring businesses, International markets
Amount of Investment	\$10K-\$1MM	\$10MM	\$15-25MM	~\$50MM

**Seed Round:** The seed round is the initial round of funding that a startup receives from angel investors, friends, or family. This round helps the company to develop a product or service, conduct market research, and build a team. Typically, seed funding ranges from a few thousand to a few hundred thousand dollars.

**Series A:** The Series A round is the first significant round of funding a startup receives from venture capitalists (VCs). At this stage, the company has already developed a product, and the investors are willing to fund the startup's growth and expansion plans. The funding amount can range from a few million dollars to tens of millions.

**Series B:** The Series B round is typically raised when a startup has gained significant traction and is ready to expand further. At this stage, the company has a proven business model and a growing customer base. The funding amount for this round can range from tens of millions to hundreds of millions of dollars.

**Series C:** The Series C round is raised when a startup has achieved substantial growth and is now looking to scale its operations. This round is used to finance the startup's expansion into new markets, development of new products, and hiring of additional staff. The funding amount for this round can range from hundreds of millions to billions of dollars.

**Series D and beyond:** These rounds are for companies that have achieved significant scale and are looking to go public or be acquired. The funding amount for these rounds can be in the billions of dollars.

Overall, series rounds provide startups with the capital needed to achieve their growth goals, and they offer investors the potential for significant returns. However, these rounds also come with the risk of failure, and not all startups will be successful in raising funds or achieving their goals.

### Business Loans for Startups in India

Anybody in India who needs money to establish their own business or expand an existing one can obtain Business Loans for Startups from banks and other financial organizations. The amount and duration of the loan determine the interest rates that the banks charge. Right now, it ranges from 2.54% to 7.02%.

### Provisions for Small Loans Provided by the India Government

Now, over 40,000 Indian businesses have access to bank funding and private equity. It is challenging to obtain money in the beginning if the enterprise is only a concept. In addition, the Indian government has decided to put into place a new business credit programme for MSMEs and startups because the MSME (SME) sector has limited access to institutional finance.

India's Small Industrial Development Bank (SIDBI) has begun giving startups and MSMEs direct finance rather than via banks. These loans have interest rates that are nearly 300 basis points lower than those offered by the banks.

### Facilities by Government of India for Startups Businesses and MSMEs:

#### PMMY (Pradhan Mantri Mudra Yojana)

This Yojana, which was established in 2015, is run by MUDRA (Micro Units Development and Refinance Agency) and offers loans for a variety of projects in the manufacturing, retail, and service sectors. The programme offers loans in three categories: Kishor, Tarun, and Shishu, with amounts ranging from 50,000 to 100,000. Craftsmen, store owners, repair companies, vegetable vendors, machine operators, etc. all can apply for mudra loans.

#### Bank Credit Facilitation Scheme

The National Small Industries Corporation (NSIC), which is in charge of this programme, aims to meet the financial requirements of MSME units. To help small enterprises obtain financing, NSIC has partnered with a variety of organizations. The payback period for the programme is 5 to 7 years.

#### CGS – Credit Guarantee Scheme

Nevertheless, it is not available to educational institutions, agricultural, retail, self-help groups (SHG), or other organizations of a like kind. This form of loan is offered to new and existing MSMEs involved in service or

manufacturing operations. You may borrow up to Rs. 2 crore through this programme, which is administered by the (CGTMSE) Credit Guarantee Fund Trust for Small and Medium Businesses.

## Standup India

Manufacturing, commerce, and service businesses can get finance through this project, which was launched in April 2016 and is overseen by SIDBI. Loan amounts under this programme range from ten lakh to one crore rupees. Loans earned through this programme have a 7-year repayment requirement with a maximum 18-month grace period.

## Sustainable Finance Scheme

This programme, which intends to finance companies that deal in green energy, renewable energy, technological hardware, and nonrenewable energy, is likewise supervised by SIDBI. The government developed this programme to promote projects for sustainable development, energy efficiency, and clean manufacturing along the whole value chain.

## Psbloansin59minutes.com

If you want to establish a business, you may use this internet platform to apply for a loan. Based on eligibility requirements and other factors, a loan amount of up to 10 lakh rupees for the Mudra loan scheme and up to 5 crores for the MSME credit programme is available. Furthermore accessible are personal loans up to Rs. 20 lakh, mortgages up to Rs. 10 crore, and auto loans up to Rs. 1 crore.

There are private institutions as well providing loans to startups however their interest rates are slightly higher. These rates can be looked upon in the table given below.

Name of the lender	Interest Rate
HDFC Bank Bank	15.75% annually onwards
TATA Capital Bank	19% annually onwards
Kotak Mahindra Bank	17% annually onwards
Fullerton India Bank	17% to 21% annually

The Indian government has been actively encouraging new business owners by creating a number of financing packages that are simple to apply for and reasonably priced. If a startup wants to take advantage of any of the above-discussed schemes, it should create a thorough business strategy that includes an overview of predicted growth and profits. Submitting a clear plan with your application will create a strong impression and help you raise maximum funds for the venture.

## Startup Valuation

Startup valuation is the process of determining the worth of a newly established business. This process is important for both the founders and the investors, as it helps in setting the terms of investment, fundraising, and ownership stakes.

There are several methods to value a startup, such as the cost approach, market approach, and income approach. The cost approach involves calculating the cost of creating the startup, while the market approach compares the startup's value to similar businesses in the market. The income approach focuses on the startup's potential future earnings. However, valuing a startup can be challenging due to its uncertain future, limited financial history, and dependence on external funding. As a result, startup valuations often rely on assumptions and projections, making them more of an art than a science.

It's important to note that startup valuation is not just about the numbers, but also the potential and vision of the business. A higher valuation doesn't always mean a better investment opportunity, and a lower valuation doesn't necessarily mean a less promising venture. Investors should consider various factors, such as the team, market, competition, and growth potential, before making an investment decision.

In conclusion, securing funding for a startup can be a challenging and time-consuming process, but it is crucial for success. Startups can consider different funding options, such as bootstrapping, crowdfunding, angel investors, venture capital, or government grants, depending on their business model, stage of development, and financial needs.

To increase their chances of securing funding, startups should have a solid business plan, a clear value proposition, a scalable business model, and a competent team. They should also prepare a compelling pitch deck, conduct market research, build a prototype or MVP, and network with potential investors or mentors.

Overall, the key to successful startup funding is to balance ambition with realism, communicate effectively with stakeholders, and maintain a long-term vision for growth and impact.



# DECISION MAKING

*By Somesh Reddy*



With the funding raised and commencement of operations of a start-up, there are many decisions which need to be taken regarding decision making and functioning. This is as critical to the start up as the decision making in the present times will determine the growth and sustainability of the start up in the future, i.e., when it is no longer a start-up.

As we move forward let us delve deeper and try to get into what all thinking goes behind making a decision.

**1. Strategy** – Here, the word strategy means deciding how business operations are intended to be run and envisioning how the company intends to move forward. It is both ironical and logical that strategy influences future decisions whereas choosing a particular strategy is by itself one of the biggest decisions.

**2. Reversibility of a decision** – Once a particular strategy has been chosen, there could be many options to achieve the goals envisioned by the strategy. There are some decisions which can easily be reversed without actually having much of an adverse impact on the business. But then there are also decisions which cannot be reversed and even if they can be reversed, they come with a huge cost. One example of an irreversible decision would be spending a large amount on bringing on board a film star for the promotion of the good or service or irrational spending on marketing.

A prime example of this in India is the case of **Stayzilla**, a startup that offered online booking of homestays and other alternative accommodations. In 2016, the company launched a massive advertising campaign that included TV ads and billboards in major Indian cities. However, the campaign did not yield the desired results and the

company was unable to generate enough revenue to sustain its operations. Eventually, Stayzilla had to shut down its operations and its founders cited overspending on advertising as one of the reasons for their failure.

Another example is the case of e-commerce startup **AskMe**, which spent heavily on advertising and promotional activities to compete with established players like Flipkart and Amazon. However, the company was unable to generate enough revenue to sustain its operations and had to shut down in 2016, leaving thousands of employees and vendors unpaid.

In both these cases, the startups made irreversible decisions by spending too much money on advertising without a clear strategy or understanding of their target audience. When they realized that their decisions were not yielding the desired results, they were unable to reverse course and had to shut down their operations. This highlights the importance of considering reversibility when making decisions and taking a measured approach to spending and growth.

**3.Trade-offs** – There are many business opportunities which could arise in the business environment but it is not possible to capitalize on all the opportunities. This is because of the scarce resources which are available. The various opportunities need to be weighed against each other and suitable ones be chosen which would reap maximum benefits.

Among the various tradeoffs comes the question of sustainability coupled with strategic growth and with it comes the process of **sustainable strategic management**. It is the process of developing and implementing business strategies that not only create value for the company and its stakeholders, but also ensure long-term sustainability of the business by minimizing negative impacts on the environment and society. It involves considering **environmental, social, and governance (ESG) factors** in decision-making and integrating sustainability into the core business strategy. Sustainable strategic management also involves regularly monitoring and evaluating the effectiveness of the sustainability strategy, and making adjustments as needed to ensure continued progress towards sustainability goals.

**4. Fast V/S Right** – Business opportunities should be capitalised on as and when they occur. But, at the same time the time left to capitalize could be very short and decision making needs to be quick in such cases. But hasty decisions are rarely right. But taking right decisions necessitates proper background knowledge which takes a considerable amount of time. This implies that the start-up should already be acquainted with all the situations beforehand and have the knowledge to deal with them as and when they come.

One of the most talked about tools with regards to this is the **urgent important decision matrix**. It is a tool for prioritizing tasks and decisions based on their urgency and

importance. It is named after former U.S. President Dwight D. Eisenhower, who famously said, “I have two kinds of problems: the urgent and the important. The urgent are not important, and the important are never urgent.”

The matrix categorizes tasks and decisions into four quadrants based on their urgency and importance:

- **Urgent and important:** Tasks or decisions that are both urgent and important should be done immediately, without delay.
- **Important but not urgent:** Tasks or decisions that are important but not urgent should be scheduled and planned for in the near future, but not necessarily done immediately.
- **Urgent but not important:** Tasks or decisions that are urgent but not important should be delegated to someone else or postponed, if possible.
- **Not urgent and not important:** Tasks or decisions that are neither urgent nor important should be eliminated or postponed indefinitely.

**5. Profitability V/S growth** – In at least the initial stages of every start up this is one question which troubles all the decision makers. Focussing on profitability means that growth will be compromised whereas focussing on growth would bring down profits. The decisions taken should bear in mind that both are equally important and effective balance should be brought between both. This is where profitable growth comes into the picture which emphasises that both be mutually achieved.

In the context of this, it is very important to understand burning. Burning typically refers to the practice of spending money at a faster rate than the business is generating revenue. This is often done intentionally in the early stages of the startup's development, with the aim of investing in growth and scaling the business quickly.

Startups may burn cash to fund various activities such as product development, marketing and advertising, hiring new staff, or expanding to new markets. This practice is often seen as a necessary evil in the startup world, as many businesses need to invest heavily in order to gain a foothold in their industry and attract customers.

However, burning through cash too quickly without a solid plan for generating revenue can lead to financial instability and failure. Ultimately, it depends on the specific circumstances of the startup and its overall strategy for growth and sustainability.

Now that we have seen the various factors that go into the decision making, let us delve into the functioning of a start-up. There are numerous tasks that must be completed in order for the start-up to achieve its goals.

- **Idea generation and validation:** This function involves brainstorming and refining ideas for a startup, and validating them through market research and customer feedback. It's crucial to ensure that the idea is feasible, meets a market need, and has potential for growth.

- **Market research and analysis:** Conducting market research helps identify target audiences, assess demand for products/services, and understand competitors. It involves gathering data from primary and secondary sources to inform business decisions.
- **Business planning and strategy development:** Developing a business plan and strategy involves defining the mission, vision, goals, and objectives of a startup, and outlining the steps needed to achieve them. This function involves considering the internal and external environment, and developing a plan to optimize resources and generate revenue.
- **Product development and design:** This function involves designing, developing, and testing products/services that meet customer needs and solve problems. It includes researching and assessing customer needs and feedback, creating prototypes, and testing them before launching the final product.
- **Prototyping and testing:** Prototyping and testing help refine the product design and improve its functionality. It involves creating a minimum viable product (MVP) and testing it with target audiences to gather feedback and make necessary improvements.
- **Branding and marketing:** This function involves developing a unique brand identity and marketing strategy to promote the product/service to potential customers. It includes creating brand messaging, designing logos and visual elements, and developing a marketing plan.
- **Sales and customer acquisition:** This function involves identifying and reaching out to potential customers, understanding their needs, and converting them into paying customers. It includes developing sales strategies, nurturing leads, and providing excellent customer service.
- **Operations and supply chain management:** This function involves managing the day-to-day operations of the business, such as logistics, inventory management, and quality control. It includes ensuring that the supply chain is efficient and cost-effective, and that the business is meeting customer needs.
- **Financial management and accounting:** This function involves managing the financial aspects of the business, including bookkeeping, financial forecasting, and budgeting. It includes tracking expenses, managing cash flow, and ensuring that the business is profitable.
- **Legal compliance and governance:** This function involves ensuring that the business is operating in compliance with relevant laws and regulations. It includes managing contracts, intellectual property, and other legal aspects of the business.
- **Partnerships and collaborations:** This function involves identifying and developing partnerships and collaborations to support the growth and success of the business. It includes identifying potential partners, negotiating contracts, and managing relationships.

reviewed regularly and decisions are taken where and when necessary.

## TERMS

### KEOGH PLAN

A Keogh plan is a tax-deferred pension plan available to self-employed individuals or unincorporated businesses for retirement purposes. A Keogh plan can be set up as either a defined-benefit plan or a defined-contribution plan, though most plans are set as the latter. Contributions are generally tax-deductible up to a certain percentage of annual income, with applicable absolute limits in U.S. dollar terms, which the Internal Revenue Service (IRS) can change from year to year.

### KURTOSIS

Kurtosis is a statistical measure used to describe a characteristic of a dataset. When normally distributed data is plotted on a graph, it generally takes the form of an upside down bell. This is called the bell curve. The plotted data that are furthest from the mean of the data usually form the tails on each side of the curve. Kurtosis indicates how much data resides in the tails.

### DRAGON

A dragon is a rare startup that raises \$1 billion in a single round of funding. Uber is an example of a dragon startup.

It is to be kept in mind that even though decision making is performed first, decision making and functioning complement each other. Decisions taken influence how the start-ups function and functioning of the start-up is



## STARTUP STATUS

*By Divyansh Nagpuri*



A prancing mythical creature occupied the minds of all Indians in 2021 when more than \$ 42 billion was received in funding from Indian startups, and India minted 44 new unicorns with a combined valuation of \$ 93 billion. This begs the question of what actually is a Unicorn and how a startup achieves this status.

So, the term unicorn was coined by venture capitalist Aileen Lee, founder of Cowboy ventures, in 2013 he went through 60,000 software and internet companies that got funding (2003 -2013) he found out that at that time only 39 companies were worth \$1 billion. Thus the name “unicorn” because at that time such ventures were of rarity.

But there are a lot of steps a start-up needs to cross for the badges of honours like Minicorn, unicorn, unicorn,decacorn, and lastly hectocorn. One thing to keep in mind is that these statuses are only awarded to private limited companies and not companies that are publicly

traded on the stock exchange.

### • **Minicorn**

Starting a business is an exciting and challenging journey, and it takes a lot of courage to take that first step. For many entrepreneurs, starting a new business can be a rollercoaster ride of emotions, from excitement to fear, from hope to despair.

Minicorns are the new kids on the block, but they have a lot of potential. These startups are often founded by passionate and driven individuals who believe in their vision and are willing to take risks to turn it into a reality. They may not have a lot of revenue yet, but they have a great idea, a solid business plan, and a team of talented individuals who are dedicated to making it work.

The road ahead for a minicorn is not an easy one. There will be obstacles and challenges along the way, and funding

can be a major issue. But with the right strategy and support, a minicorn can grow into a successful business and become a unicorn in its own right.

Every entrepreneur has their own unique journey. Starting a business requires research, advice from experts, and be prepared to work hard and take risks. And remember, even the biggest companies in the world started out as small minicorns!

- **Soonicorn**

Soonicorns or soon-to-be-unicorns are the startups that are growing at a very fast pace and are soon poised to join the Unicorn club. Their valuation can be anywhere between \$ 200 million- \$ 1 billion.

Soon-to-be-unicorns are a rare breed, and they represent the cream of the crop in the startup world. These companies are growing at an incredible rate, with revenue that is increasing by leaps and bounds every year. They have attracted the attention of private investors, venture capitalists, and large corporations who are eager to invest in their success.

Becoming a soonicorn requires a combination of factors, including a solid business plan, a talented and dedicated team, and a product or service that is in high demand. It also requires a certain level of risk-taking, as these companies are often pushing the boundaries of what is possible in their respective industries.

As per the latest reports, India has more than 100 startups waiting to enter the unicorn club.

Some prominent names in these include **Ather** (\$ 80 million), and **Zepto**(\$900 Million).

- **Unicorn**

In the world of startups, unicorns catch the most attention, because these are the startups that have achieved a valuation of < \$1Billion, proving that the business is a legitimate enterprise that has made its mark on society and is here to stay.

As of December 2022, India currently has more than 85 unicorns with more than \$ 300 billion in combined valuation. Recent reports by the venture capital firm, Iron Pillar suggests that India will have more than 250 unicorns by the year 2025.

Some of the prominent unicorns in India are **Boat**(\$1.2Billion), **Cred**(\$6.4 Billion).

- **Decacorns**

The status of decacorn is achieved by the startup when it achieves a valuation of \$ 10 billion or more. A decacorn is a more evolved and more stable version of a unicorn.

For a startup to achieve this status is very hard as the startup has to prove that it not only has a revenue base of hundreds of millions but it also has to prove that it can grow at a much faster rate than other unicorns.

Some prominent Indian decacorns include **National Stock Exchange, Byjus, and Swiggy**.

- **Hectocorn**

Hectocorns are generally financial or technology companies that have achieved a valuation of \$ 100 billion or more. These companies are not considered startups but some of the biggest and largest established businesses in the world.

After being valued at over \$100 billion in May 2020, ByteDance, Tik Tok's parent company, wrote the history and became the first hectocorn, in October 2021, SpaceX, Elon Musk's company, became the second, and in April 2022, Shein, the Chinese e-commerce giant became the third company to enter this list.

## FACTS

### **Pound sterling is the oldest existing currency**

The pound sterling is the official currency of the United Kingdom, with the first pound appearing in 1489 under the reign of Henry VIII. While the majority of Europe adopted the Euro as a single currency around the beginning of the 21st Century, the pound sterling survived as an independent currency.

### **Only 8% of the world's currency is in cash**

The vast majority of the world's currency exists in electronic form. Economists estimate that coins and banknotes make up just 8% of the world's currency. The rest sits on a computer hard drive in electric bank accounts all over the world. Because of the worldwide acceptance of the internet and online payments, people are making and spending money without actually touching it.

### **Bollywood is the largest film industry in the world**

We Indians love movies and entertainment. India's Bollywood industry is the largest film industry in the world. The facts say that 14 million people in India go to watch movies in a day which is 60% of Australia's population.



## STARTUPS FAILURE

*By Mayank Mittal*



### **As rightly stated Vision without execution is a daydream and Execution without vision is a nightmare**

In this India where revenue has become a major factor for the valuation of a company, we have witnessed a huge rise in start-ups. Start-ups such as ed-tech, fin-tech, med-tech, etc. in totality received 41.4 billion dollars in funding in 2021 alone. India produced 42 new unicorns in 2021. Every other day, we get news about a new up-and-coming unicorn. Yet, countless other start-ups keep failing. Why is it that only a select few can be successful out of the countless many who create their own start-ups?

### **Over Planning, Under Planning, and failure in execution**

There are a lot of fundamental factors at play. The most common reason for such failure is the huge deviation between what has been envisaged (Vision) and what is actually done (Execution). Most start-ups are not able to execute the ambitious plans they set for themselves. -

They over-plan and have very high expectations and do not go into the specifics of the plan. They fail to focus on the unit economics while leads them into a problem during execution. In fact, at the same time, they over-plan as well as under-plan by not focusing on the how to achieve the targets- Over planning by setting high expectations and under-planning because of a lack of research. They fail to delegate the authority efficiently as a result of which the communications channels develop loopholes and their mistakes go unnoticed for a long period of time and at the time of realization of the same it is already too late.

### **Improper feasibility and market research**

They fail to check the feasibility and compatibility of their product in their particular target market. Improper feasibility study of their plans and very often overestimating their targets without having a check on the market demand and flaws in their product leads to a series of gathered

problems which when struck is at a level where the solution seems impossible. An immense lack of familiarity with what the market wants is present. Most start-ups do not undertake proper market research and pay the price of absent demand for their launched product or service. Just following the passion by being unrealistic and impractical without taking into consideration profit generation leads them to a place where a bread earner who could have stayed content is now suffering due to improper planning and execution.

### **Preferring growth and valuation over profitability**

However, in recent times, the most common reason behind the failure of start-ups is attitude. Start-ups are not focussing towards profitability, but rather a valuation. This is a very short-sighted vision as the start-ups don't focus on their unit economics and just focus on raising more money by showing fancy presentations and providing discounts to customers. **"PROFITABILITY IS THE LIFEblood OF THE BUSINESS"** and having said so a business that relies on external funds for the smooth conduct of the business can never sustain itself. There is no fundamental business plan in the real sense. This diverted sense of attitude is increasingly becoming a major cause of the failure of start-ups in recent times. Profitability is the long-term measure of success and a short-sighted approach towards an increased valuation just because of increased revenue is impractical. Also, to get an increase in sales they end up offering a lot of discounts and impressive deals just to pull the attention of prospective customers. It also implies that at a time when they decrease the offers, their revenue fall is very high. A start-up that focuses on internal funding by revenue and profits is more likely to have an established marketplace and consistent growth rather than creating sales just to get a valuation.

### **Founders aiming to leave after selling their share of equity**

A lot of start-up founders try to focus on showing fancy numbers so as to get a better valuation. At a point where the valuation pleases the founder, they sell their share and make an exit to have a healthy and stress-free lifestyle and not be accountable to the loss-making startup anymore. As a result, the new investors try to repeat the same thing and it eventually ends up in a loop where one set of people fools another set, and then hoping to fool another set of investors. It is a vicious cycle and companies such as **NYKAA** and **ZOMATO** are prime examples of the same. Similarly, two companies that paid attention to profitability and unit economics are Zerodha and Zoho.

### **Pressure from the investors on profitability and reducing costs:**

When a new start-up is established they take up funding from investors. These investors expect massive returns and as a result when their expectations are not met they pressurize the startup and their founders. Here too it is a valuation game. Increased sales result in increased valuation and the investors then try to sell off their stake resulting in a fall in the share price.

## TERMS

### **J CURVE**

A J-curve is a trendline that shows an initial loss immediately followed by a dramatic gain. In a chart, this pattern of activity would follow the shape of a capital "J". The J-curve effect is often cited in economics to describe, for instance, the way that a country's balance of trade initially worsens following a devaluation of its currency, then quickly recovers and finally surpasses its previous performance.

### **BOTTOM LINE**

The term "bottom line" is often used in business to refer to a company's net income or profit. It represents the final figure on a company's income statement, after all revenue and expenses have been accounted for. The bottom line is an important metric for companies, as it represents the amount of money the company has earned or lost over a specific period of time, such as a fiscal quarter or year.

### **ESCROW**

Escrow is a legal concept describing a financial agreement whereby an asset or money is held by a third party on behalf of two other parties that are in the process of completing a transaction.



# FOUNDERS' INSIGHTS



IN CONVERSATION WITH

**MOHIT  
MALHOTRA**

CEO of Dabur



*“ Work pressures will always be there... there will always be new challenges knocking on your doors or new obstacles to clear, but your family and your personal health – both mental and physical – are equally important. “*

*“ As an entrepreneur, you have to believe in your ideas, have faith in your work, learn to work with your team and keep a finger on the pulse of your consumer. Make your team a part of your vision and believe in them, and you will taste success. “*

*“ Innovation is the lifeline of any business. Innovation, coupled with listening to what the consumer needs and being nimble footed enough to change rapidly to meet the changing needs and aspirations of our consumers are things that a budding entrepreneur should consider and imbibe.”*

**Interviewed by  
Harman and Mayank**

Mr. Mohit Malhotra is a prominent figure in the FMCG industry. Having done his Business Management Masters from the United States and United Kingdom, he had joined Dabur in 1994 as a Manager and is now the CEO of Dabur.

Mr Mohit has seen the journey of Dabur from an unestablished company in the Indian market to becoming the market leader today, from a private company to a listed entity and a topline of more than a billion dollars. His highly competitive and planning skills, he who has experienced multiple job positions at Dabur assures the fact that he is commendable personnel.

Dabur is one of India's leading FMCG brands. It manufactures authentic natural consumer goods in various FMCG segments. It aims to globalize and contemporise Ayurveda. With extensive experience and expertise in Marketing, Strategizing and Business operations, Mr. Mohit has set an exemplary example for the rest to follow. He has played a significant role in the growth and sustenance of Dabur. His immense belief in Dabur being associated with the same for about 30 years now is nothing short of a mark of a true leader. His insights on the Indian business landscape and consumer mindsets are truly valuable.

**Q. What was it like to see a company, to see Dabur, grow from a child to getting listed & to witness it become a company of thousands of crores; what has your experience been in this journey?**

When I joined the company, Dabur was already an adult in the manner of speaking. It was already a century old enterprise. Dabur was established in 1884 and had grown to become a company which was held in great respect by the industry and consumers. It was being run by the Promoters and we managers got to learn all about thinking like an entrepreneur from them. The Burman family decided to step away from executive roles in 1998 and professionalized the company. Since then, the company has grown leaps and bounds to cross Rs 10,000 crore Revenue with strong profitability today.

My personal experience has been amazing and enriching. I started as a Brand Manager and was part of the team that launched the now iconic Vatika Hair Oil, Dabur Red Toothpaste and Real Juices. Then I shifted base and joined International Business, where I became the CEO after a few years. It used to be a small trading business and we decided to set up a local manufacturing and supply chain there to create products targeting the local populace.

Today, this business has grown to become an over Rs 2,500 crore enterprise. In 2018, I came back to India as Head of the India Business and was given the responsibility of CEO of global business in 2019. The last 4 years have been exciting and tumultuous in equal measures with externalities like Covid, high inflation and geopolitical circumstances impacting not just the business, but the very way we lived. Despite these challenges, we have registered strong double-digit CAGR in our revenues. I am looking forward to taking Dabur to the next level and beyond in the future.

**Q. With changing times, it seems evident that people in the corporate world tend to become disloyal to the company they are working in and frequently switch jobs. But considering your case, you have been a part of Dabur for around 30 years. What is it that you believe should be essentially incorporated, both in a company and an employee's character that frequent turnovers could be avoided? And what was your personal anchor to Dabur?**

Both the company and the employee should be trusting of each other, which is very visible in Dabur's culture and heritage. Most of the people at Dabur spend most of their corporate career in the company only. The principles of the organization have to be in line with that of the employees. My personal anchor has been Dabur's principles (ownership, passion for winning, consumer focus, innovation, teamwork, people development and integrity) and the people I work with.

At Dabur, we believe that our organisational culture must foster an environment that enables everyone to perform consistently and deliver their best. We believe that rewarding and celebrating the hard work of our employees is a great way to improve motivation levels and by extension, increase employee engagement. As a People Centric organization, we had decided that we will not undertake any salary cuts, furlough and layoffs when COVID hit us. This decision was taken to create a secure working environment. On the contrary, we announced a 200% variable pay-out that year as a recognition of the superlative efforts put in by all our employees during a tough year, which has helped Dabur report best in class growth numbers.

**Q. As all of us know that FMCG as a space is very competitive and crowded. Still making sure of the top line growth and rewarding the investors as usual with great returns is incredible. How have you all managed to keep pace with the same?**

Competition has always been a part of the landscape that we operate in and is nothing new for us. But what has helped us outperform the competition has been our strategic pillars, our execution and our people. In fact, despite the entry of new players in our key categories, we have only seen Dabur's market share grow. Dabur is one of the very few players in the Ayurvedic and Herbal space today. The entry of newer players in this category has helped grow the market size and bring in new consumers. Dabur has the advantage of being the early mover in this category. We maintain an edge over our competitors with our 138-year-old herbal and Ayurvedic heritage. We remain true to our heritage and are continuously working to update our portfolio in line with changing consumer demands and aspirations.

Dabur has highly differentiated brands in the market, and all our products are based on natural and Ayurvedic ingredients. While a lot of companies today offer herbal or Ayurvedic products, Dabur enjoys the consumer's trust because of its Ayurvedic heritage. Consumers understand

that if a product comes from the House of Dabur, it is truly natural, and of the best quality at the right price.

We have transformed ourselves as an organisation, become more aggressive and fearless. We have also enhanced our risk-taking ability, encouraging our employees to become more entrepreneurial. To support this attitude, trusting people and accepting failures is also important – which is what we are doing.

Innovation is critical to our sustained success and we will continue to introduce new products to strengthen our portfolio. We are launching a range of new products to increase our addressable market, which is the long-term strategy for Dabur. To support this, we have not only increased our R&D spends but are also ensuring that innovations are targeted and quick to market. Today, new products contribute to 4-5% of our Sales. In addition, being operationally efficient and sustainable is also a key factor that has helped us to grow our topline and provide great returns to the investors.

**Q. So, when we consider the FMCG industry, it's so huge so impeccable that it has a lion's share in the general market space, and that calls for it to be diversified. Dabur for instance has over 1000 SKU's & managing them all as the CEO does cost blood & sweat, could you please shed a little light over how is it that Dabur has been able to put its best foot forward in almost all these SKU's and move forward as a giant tree carrying its numerous branches proudly as a crown?**

I cannot take the entire credit for it. The credit, in fact, goes to the entire Dabur family, our 7,000-plus employees across the globe who help Dabur deliver on its promise of being dedicated to the health and well-being of every household. With a legacy of more than 138 years, brand Dabur has become an epitome of goodness and health for its consumers. At Dabur, we have been marrying ancient traditional knowledge of Ayurveda with modern-day science to create products that offer a holistic approach to a healthy lifestyle and are in tune with the evolving needs of consumers across geographies and generations.

Our brands are our strategic assets; we make sure these brands connect with our consumers not only rationally but also emotionally and deliver exceptional experiences to our consumers. We have identified 9 Power Brands that together account for 70% of our Total Sales. These include 8 brands in India and one in the overseas markets. Most of our Power Brands operate in the Healthcare space, a category where Dabur has the natural right to win, given its 138-year heritage. This is also in line with the Company's vision of being dedicated to every household's health & well-being.

We confidently and continuously invest behind our Power Brands to make them more visible, enhance distribution, and drive innovation through new product variants and

format launches while growing their salience among millennials and Gen-Z. This has also resulted in higher growth for the Power Brands than the rest of the portfolio. We will continue to stay the course on our strategy and invest firmly behind our business, brands and infrastructure, besides building flanker brands for our Power Brands. We have started this flanker brand rollout with Dabur Amla and will extend it to other Power Brands.

Leveraging Digital transformation to flare growth and innovation has helped us enhance our agility, reach, and data-driven decisions. Dabur is riding high on the digital revolution by pursuing aggressive e-commerce and digital marketing strategy to tap the growing segment market size of millennials and Gen Z. To target the youth, we run specialised campaigns on various digital platforms and complement these with enhanced and easy availability of products on e-commerce and online marketplaces.

And finally, enhancing our rural focus. Rural markets in India have grown significantly, and these consumers are now more aware and conscious of their buying decisions and habits. This market is one of the key strategic focus areas for Dabur. Rural India accounts for nearly 47% of Dabur's domestic market sales, amongst the highest in the FMCG industry in India. At Dabur, we have been concentrating on increasing our direct reach to villages across the country to tap into this growing consumer base. We have increased our distribution infrastructure and reached around 1.3 million outlets and over 100,000 villages.

**Q. FMCG sales depend on a lot of things. The supply chain needs to be efficient; the expiry of the products needs to be taken into consideration, the consumer attitude, price of the relative items and most importantly trust building. What are some of the pointers that you would give for a budding entrepreneur who hopes to break into this sort of industry?**

Innovation is the lifeline of any business. Innovation, coupled with listening to what the consumer needs and being nimble footed enough to change rapidly to meet the changing needs and aspirations of our consumers are things that a budding entrepreneur should consider and imbibe. As an entrepreneur, you have to believe in your ideas, have faith in your work, learn to work with your team and keep a finger on the pulse of your consumer. Make your team a part of your vision and believe in them, and you will taste success.

**Q. What are the key pointers you take into consideration while setting targets, policy making and framing rules and regulations for employees?**

One of our strongest assets is our HR Business Partnering (HRBP) framework. A formal methodology of assessing the business environment, designing HR strategy, ensuring the strategy reflects to all the business stakeholders, have the right people capabilities and metrics in place for execution as

per the strategy, and consistent communication of strategy at all levels in the function. We have separate Business Partners for Sales, Finance & Commercial, Marketing, Supply chain, Packaging etc. The key responsibility of HRBP is to implement and manage HR deliverables for the respective function. The HRBP in Dabur is a business driver and not only a business support. HRBP is involved in business decisions and assess its impact on People, their engagement & morale and alignment with short and long-term HR strategy.

**Q. Before launching a new product what are some of the things you all look into?**

We identify the consumer need, the size of the opportunity, our right to win and a sustainable profitable growth are some of the key considerations before launching a new product.

**Q. What are your latest product launches and how have they been performing?**

Innovation, as I mentioned earlier, is a key strategic pillar for us. New product launches contribute to 4-5% of our revenue today vs less than 1% 5 years ago. Some of the key product launches of the last 2 years have been Real Drinks, Health Juices, Vatika Ayurvedic Shampoo, Herbal Toothpaste, Health Drops, Hajmola Limcola and Chatcola, Badam Amla Hair Oil, Real Milkshakes and Hommades entry into pickles, chutneys. In addition, we have also launched a range of Digital First brands that have also scaled up and some of them are being taken to MT and GT, which include Apple Cider Vinegar, Baby Care Range, Pure Herbs Range, Vedic Suraksha Tea and Dabur Cold Pressed Edible Oils.

**Q. Your revenue had seen a 17 percent rise during COVID pandemic. Considering the fact that you all cater to the needs of consumers in the health segment, what are your opinions on DABUR being a health brand in the eyes of its consumers?**

The name Dabur evokes the feeling of Trust in the minds of our consumers. Our unwavering focus on developing products that are based on the age-old traditions of Ayurveda but with a modern look and feel have helped us build this trust. At Dabur, we are committed to our motto of being dedicated to Health & Well-Being of every household. We have continued to invest behind our brands and rolled out a host of new products that not just contemporized our portfolio by making it more youthful, but also helped establish Dabur as the custodian of traditional Ayurvedic knowledge. We have been investing behind validating the benefits of Ayurveda and Ayurvedic ingredients and products through a series of scientific interventions. Cutting-edge science has been infused into this traditional knowledge to suit the needs and aspirations of the modern-day consumer.

**Q. What are views on Dabur acquiring a key stake in Badshah Masala? What all strategies work in the background to take such crucial decisions?**

Spices was a white space in our portfolio and the acquisition of Badshah plugs that gap. Branded spices is a Rs 25,000 crore opportunity and we believe that the trust that Dabur brand brings in will help to expand the Badshah brand in the future. We are always on the lookout for brands that are a strategic fit to our business. It helps to add to the growth through the inorganic route and also helps to expand the total addressable market of our portfolio.

**Q. There's a common saying in the corporate world that- 'CEOs are always on, and there is always more to be done.' With authority comes responsibility and the progress that your company has made is an open testimonial to the sheer hard work and dedication you and your team has put behind it. With so much work in hand, how are you able to strike the work-life balance?**

I sincerely feel that we should always take some 'Me Time' out and pursue your interests. It can be anything, from snowboarding to bungee jumping or even just doing Yoga or cooking... whatever excites you, whatever helps you rejuvenate or recharge your batteries. And never ever cut back on your time with your family. Work pressures will always be there... there will always be new challenges knocking on your doors or new obstacles to clear, but your family and your personal health – both mental and physical – are equally important.

I was an avid yoga practitioner and had done a couple of courses and certifications in yoga. Now, I have settled into a good routine where I practice yoga in the morning every day. I have two young kids – a 17-year-old daughter and an 8-year-old son – taking out time for them is a must as a father also, which I try to do as much as possible. We go out for movies and dinner together as a family and enjoy that very much. So, a balance is required but it comes by keeping a disciplined routine. This has given me the strength and keeps me fresh the whole day.

**Q. Where do you see Dabur five years down the line?**

As one of the leading Indian FMCG companies, we want to not only continue to deliver sustainable profitable growth but we also want to become a truly Green Enterprise. In line with that, we have established a new factory in Indore which encapsulates energy conservation in both its design and operation. Last year, we became the first India FMCG company to become 100% plastic waste neutral. And by this March, we will become the first Plastic Waste Positive company.

At Dabur, we introduced the country's first paper carton-free toothpaste packs and have also introduced refill packs for shampoos. Every effort or initiative we take is towards creating a sustainable future. Today, 51% of our energy consumed comes from renewable sources. Our product portfolio is also evolving, we have launched many products which have no nasties. So, five years down the line I want Dabur to be delivering a strong triple bottom line – in terms of profits, people and planet.

IN CONVERSATION WITH

**MAYANK  
GUPTA**

CFO of CarDekho



*"I was a member of the commerce society as well at that time. So it was déjà vu for me when I heard about the commerce society."*

*"I hope to see a few unicorns coming up from SRCC founders. That is my dream."*

Interviewed by  
Prisha and Mayank

Mr. Mayank Gupta is a prominent figure in the automotive industry, currently serving as the Chief Financial Officer (CFO) of CarDekho, one of India's leading online car marketplaces. With extensive experience in finance and management, he has played a significant role in the growth and success of CarDekho. He is an alumnus of Shri Ram College of Commerce (SRCC), Delhi, where he obtained his Bachelor's degree in Commerce.

Having been a CFO for more than 12 years and having had the experience of the same in 4 different companies, Mr. Mayank Gupta, CFO of Car Dekho and an angel investor has always had the zeal for building a successful career in the financial domain. Having done chartered accountancy and working with industry giants such as Maruti, Ecom express, Tata 1mg, and now Cardekho, he finally let his true self help him build a great personality. Disrupting the tech-auto industry and having a topline of more than 150 million dollars is admirable and exceptional.

He joined CarDekho in 2021 as the Group CFO. Under his leadership, CarDekho has achieved remarkable success, with a steady growth rate and several acquisitions of various businesses. His expertise in financial management, strategic planning, and risk assessment has been instrumental in the company's financial stability and growth. Disrupting the tech-auto industry and having a topline of more than 150 million dollars is admirable and exceptional. His contribution to CarDekho and the automotive industry has been significant, and his strong educational background from SRCC has undoubtedly played a crucial role in shaping his career trajectory.

**Q. In your abiding experience for the past 12 years, how would you describe the best and the worst parts of being a CFO?**

As with any field of finance, our aspiration is to lead the finance function. I was lucky to become a CFO at an early age. In my last 12-13 years as a CFO, it has generally been a very good experience. The best thing about being a CFO is being a co-pilot with the CEO, driving the company's journey. I love the ability to make a change and be a strategic thought partner with the leadership team, driving towards fulfilling the company's vision. This involves not only monthly and quarterly financial tasks, but also understanding the customer, the problem statements being solved, and the unique stage of each company.

In an established company with a proven business model and profitability, the CFO's role is to continuously drive growth while maintaining governance and competence. However, in early-stage companies where profitability is yet to be proven, the CFO's role is to figure out a long-term growth path and work towards becoming profitable. In startups, the CFO's role is to drive growth with profitability. When a company becomes profitable, it's a wonderful feeling. Running the full spectrum of growth, profitability, and investor value unlocking through an IPO process is enjoyable, along with managing the core finance processes, payments, collections, and taxations.

Identifying and hiring great talent, nurturing them, motivating them, and watching them grow is something I enjoy in the long term. After a point in time, it's not just your own success or your company's success, but the success of the people around you that matters most. Unfortunately, there isn't a "worst part" of the job that I've experienced. However, it can be challenging to make tough decisions during an economic downturn or in an environment where finance functions are more control-based. In any situation where boundaries are crossed, yet need to be maintained, we must act tough as a control function. But that's just part and parcel of the job.

**Q. How do you make sure that apart from having a busy schedule you give time to your family and maintain a perfect personal life?**

It's always an evolving journey. I would say the first 10 years of my career were more focused on learning work ethics and starting as an individual contributor. For me, the first 10 years were mainly focused on work, with a little bit of focus on family to keep them satisfied. However, over time, I realised that I had to carry everybody along. Personally, it has worked well for me because I really love my job and I don't feel stressed. When I go back home, I am generally pretty light-hearted because it's not just a job for me. Some tips that I generally follow are to keep Sundays for family and take day trips or long drives once a month or once every two months. I also try to take 1 or 2 vacations every year to explore a new city or country and bring my family along. I share stories with my family and make them part of my key decisions so they understand what I do. I also make it clear to my colleagues and team that family comes first, followed by personal needs, and then the company and team. Balancing everything is an art. Sometimes work demands your full attention and there's nothing you can do about it. The core remains planning around it, so you can take vacations during downtimes. For example, during audit times or month-end closing, board meetings, or end-of-period planning, you can't take a vacation. But there will always be some schedules and times when you can balance work and family. There's no magic formula; whatever keeps you and your family sane is the best approach. I encourage my family members to visit my office and meet my work colleagues so they can put a face to what I do. Work from home has helped maintain balance in the last 2-3 years, but in general, balancing work and family is an evolving art that we must continue to settle into.

**Q. What are your competitors? How do you differ from them? What would be your USPs?**

We are a leading auto tech ecosystem player in the country, with various competitors in respective segments because our company is built around the ecosystem of mobility needs. Our ecosystem begins with research of a car, includes buying and selling cars, and extends to financing and insuring the car. Each segment has different and unique competitors for us. Our USPs include building a company based on the problem statement of a user, recognizing mobility as a fundamental human need, and

offering an ecosystem where customers can research, buy, sell, finance, insure, and soon access additional services for their cars. We map the entire lifecycle of a car user. Our company is built on core values, such as being cost-conscious, having sound business models and unit economics, and having a deep, humble talent pool. We strive to be a solid company at the base, offering the best thing for the customer with technology as our core principle. We have developed over 40 in-house apps across businesses, which customers can use to access our technology. As a fintech and insure tech, along with auto tech, we extend our auto core ecosystem.

**Q. As there has been an increase of 81% in your revenue from FY21 to FY22, how did you manage this exponential growth over the years? Where do you think the company will stand in the upcoming scenario?**

If you look at our company's 15-year journey, you will see that one year is not a sufficient metric to evaluate our performance. As Jeff Bezos famously said, what we did in the last quarter or year is inconsequential, as our performance is determined by our decisions from two or three years ago. Throughout our history, we have maintained a growth rate of around 71-72 percent, with some fluctuations due to external factors such as the COVID-19 pandemic. However, our long-term growth range has been between 50-80 percent.

We have achieved this growth through a combination of factors. Firstly, India is significantly underpenetrated in terms of car ownership, with only 22 cars per 1000 people. Compared to countries like the US, which has around 850 cars per 1000 people, or China, which has 250 cars per 1000 people, there is immense potential for growth in the Indian auto industry. Additionally, the availability of highways, roads, and infrastructure has improved significantly in India over the last 20-30 years. However, the disposable income in India is still relatively low, at around 2000-2500 dollars per capita. Studies have shown that once a country's per capita income reaches 4000-4500 dollars, there is a significant increase in disposable income, which often goes towards purchasing cars. This indicates that auto will be a growing factor for us for at least the next 2-4 decades.

We have achieved growth by constantly exploring new business segments every 3-4 years. All our segments are in exponentially growing businesses, such as insurance and financing for used cars, which are underpenetrated in India. We have added technology to modernise and automate these industries, which has helped us achieve spectacular growth across all our business segments. We have also expanded our international business and become major players in countries like Indonesia, Malaysia, and the Philippines. In conclusion, the average growth rate of any BSE 500 stock is around 14-15 percent per annum, while we are aiming for a long-term growth rate of at least 50-80 percent.

**Q. What would you say the mission and vision of the company are?**

Our vision is to address all mobility needs of the average Indian. That is the core purpose of our existence. We have translated this vision by making buying, selling, and owning vehicles delightful. As leaders in the car and bike ecosystems, all our businesses and approaches revolve around the auto user at the core. We build solutions for the people's requirements, which is our core innovation to help achieve mobility for the general Indian population.

**Q. What would be some of the changes that you would want to incorporate in the company and how would you enforce these changes?**

We are a 15-year-old startup on the verge of becoming profitable and entering a listed environment. Therefore, we anticipate several changes. Firstly, we aim to achieve a path to profitability, which we are confident of attaining in the next few quarters. We are working hard on various initiatives, such as re-evaluating businesses that burn a lot of money without any long-term solutions and finding ways to drive corporate leverage wherever we have achieved scale. Secondly, we are preparing for an IPO. When a private company becomes a listed company, several changes are required. Firstly, there are statutory changes, and secondly, there is a significant shift in thinking. As a private company, you can do whatever you want, but when you become public and take retail money, a lot of responsibility comes with it. As they say, 'with great power comes great responsibility.' These changes involve building faster MIRs, conducting quarterly audits, building an independent board, making ESG core principles of the company, building predictability into our financials and businesses, enhancing our outreach and communication, and providing transparency of information to all our stakeholders. Therefore, I believe that the key to making these changes successful is to get support from the sales and initiative team, founders, board, and all employees and colleagues in the company. If we start with a clear understanding of why we are making these changes and get everyone on board, any change becomes more comfortable to implement. Of course, making changes requires a lot of effort, but being proactive and tracking and measuring progress can help us to drive changes.

**Q. What was so intriguing about the tech-automobile industry that made you want to work here?**

I believe that achieving this goal is entirely personal. Fortunately, the first company I joined in my career after graduating from SRCC and obtaining my CA was an auto company - Maruti Suzuki, where I have been working for the past 21-22 years. During my time at Maruti, I was sent on a training to a dealer in Delhi, where I ended up selling some cars to consumers. Witnessing people buy their first cars, putting the key in the ignition and turning on the engine, was a significant milestone. In India, owning a car is a major life event. Even today, any student, upon completing their graduation or post-graduation

and starting their first job, typically purchases a vehicle. Supporting India in moving forward in this area feels like a social cause to me. When you combine technology with traditional business, it can make a substantial impact. Our team is exceptional, and all of the sectors we work in are effectively making a difference. I consider myself fortunate to have had the opportunity to work in all of these sectors, and that's what attracted me to this field.

**Q. What are the challenges that the company faces and how do you tackle with them? It would be great if you could give us some examples.**

I wouldn't say we faced any major challenges, but whenever you try to make a change, there is bound to be some resistance. The areas we are working in deal with problems faced by the average Indian citizen. Our initial challenge was to make information about cars easily accessible. In the past, only 2-3 cars were available, and if you didn't have any information about them, you couldn't make an objective decision. In the Internet age, people need a reliable partner who can analyze information for them in a transparent, objective, and easy way. That was the starting point of the problems and challenges we faced. We were the first to digitize all auto-related information and became the leaders in this field. Along the way, we discovered that most industries were still manual. For example, in the past, getting a used car loan could take up to 30-40 days, but we reduced it to around 12 days. We continued to work on improving performance, focusing on factors like the value of the car and individual ranking criteria for the bank. Eventually, we were able to reduce the loan processing time to just 2-6 days. The challenges we face in each segment and sector are different. Our focus is to apply technology to help our country move forward, as what we do has a significant impact on the nation. Although we do not manufacture cars, we make it easier for the public in our country to buy and sell them.

**Q. As the company has pledged to become a carbon neutral company by 2050 what are the steps that you would follow to achieve the same.**

We are the first startup in the country to achieve unicorn status in the sales industry, and we have set a target for carbon neutrality. The United Nations has set a goal for carbon neutrality by 2050, which we have adopted as our own target. However, our internal target is even more ambitious, and we aim to achieve carbon neutrality by 2030-35. We recognize that this will require a lot of effort. The first step is to start measuring our carbon footprint so that we become aware of it. For example, we computed the carbon footprint of a promoter's family, which helped us understand the impact of different modes of transport. Our next step is to develop a monitoring process to measure our carbon footprint and take small steps towards reducing it. For instance, when travelling from Delhi to Jaipur, we encourage sustainable modes of transport like trains instead of flights. We also encourage sustainable consumption and lifestyle choices. We are still on this journey, and it is a long-term issue. We aim to identify our carbon footprint and take steps to reduce it continually,

while also encouraging others to do the same.

For example, if we sell a more polluting vehicle, like a diesel car, we offset its impact by planting a tree for each car sold. These are some of the initiatives we are working on. We have only adopted this goal in the last 1-2 quarters, and we see being sustainable as a necessity. This is just the beginning, and we are committed to making our organisation sustainable in the longer term.

**Q. What are the key pointers you take into consideration while setting benchmarks, policy-making, and framing rules and regulations for employees?**

There are 2-3 guiding principles that depend on the case at hand. We are a people-first company, and our primary capital is human capital. We are a people-centric organization and have been certified as such. Although we are not at the same level as top startups like Google and Amazon, we believe that taking care of our employees is our starting point. Employees prefer flexibility and engagement, and therefore, the policies and rules we create begin with whether they are effective and feasible. The second principle we follow is benchmarking globally and within the country. Within the country, we look at all the leading startups and companies. The third principle we focus on is sustainability and cost-efficiency. We do not want to start anything that we do not think is sustainable in the long term because every company goes through ups and downs. The best thing about our company for our employees is our environment, an environment that encourages growth, challenges, and self-development. We strive to limit bureaucracy and create self-paced models.

**Q. How do you make sure to cater to the needs and wants of your customers and provide them with the utmost level of satisfaction?**

Firstly, we conduct thorough market research and analyze common statements before starting any venture. We aim to build a company that caters to the needs of customers, rather than building a company and then adjusting to the customers' needs. This approach helps us identify problems and conduct in-depth studies. Secondly, we execute our ideas after studying the problem statement, which includes designing and implementing policies. The third and most crucial step is to establish a reverse feedback mechanism. We have strict policies around MPS and track MPS for every sector and segment, with a target to remain above 60 MPS. One important feature that our company strictly adheres to is seeking customer feedback. It provides valuable insights into the customers' needs and wants. In our business meetings, we prioritise customer requirements so that they can be a part of the decision-making process. Ultimately, it's all about satisfying both customers and employees. When we keep our employees satisfied, they are motivated to take care of the customers and treat them with hospitality. These are the steps we take to stay aligned with our customers, and we have been successful in doing so thus far.

## **Q. When can we expect CarDekho to go public?**

We are working diligently towards it. Currently, we operate like a listed company internally, conducting shareholder calls every quarter, and we will soon start our quarterly audits. Our engagement and investor interest are increasing significantly. We have built the required committees for a listed company, including governance, internal audit, ethics, and ESG teams. We aim to go public by the end of this year. Our key milestone is profitability, and we are focusing on it with utmost dedication. Loss-making startups have lost appeal globally, and with increasing interest rates, valuations of startups have reduced. However, for us, it has always been good.

As a CFO, it's an interesting journey, similar to a boy turning into a man, graduating from college, or taking his first job. With the responsibility that comes with retail money, we need to be very careful, and the role of CFO is fiduciary-driven. We need to be accountable and responsible to keep that money safe. We will focus on governance, profitability, and growth, and we are on track to achieve our goals.

## **Q. As an alumnus of SRCC, could you give us a synopsis of your experiences during your three years in college?**

It's an interesting question. Those three years were one of the most perception and confidence-building days of my life. I went to a small school in Delhi, where I was probably one of the top two students. But when I came to SRCC, everybody was at the zenith, and it was amazing to be among the best. We had access to the best professors in the country, probably in the world. SRCC provides a platform to get the best peer group, who are charged and want to do something in life. Students from SRCC get access to any event happening anywhere in the country or probably in the world.

Academically, I was average, and my aim was to prepare for Chartered Accountancy while gaining perspective and building knowledge. During those years, I attended talks by eminent personalities like Amartya Sen. I made great friends, and we are still in touch after 22 years of graduation. SRCC had a great cricket field and canteen. We had great professors who encouraged us, and the college was tied up with the best colleges like IIT Bombay, IIT Delhi, BITS Pilani, and IIMs. I was a member of the commerce society as well at that time. So it was déjà vu for me when I heard about the commerce society.

I believe SRCC is a great platform, and I have seen its alumni sitting in top positions worldwide. It's a solid institution, and I am proud to be a part of it.

## **Q. Many of our cousins and juniors ask us what sets apart SRCC. We tell them that over the three years in SRCC, they will end up learning a lot because of the company they keep. What are your thoughts about it sir?**

It's up to us. I'd love to see the entrepreneurship ecosystem evolve in SRCC. Yesterday, there was an episode of Shark Tank featuring a girl from SRCC, and Amit invested in her business. I was happy to see someone from SRCC, especially from economics honours. What she did was something bold. I felt proud. I encourage everyone in college to try something new. Capital investment is not a problem now. Your entrepreneurial passion and drive are all that matter. All options are available now. I hope to see a few unicorns coming up from SRCC founders. That is my dream.

## **Q. When considering customer trust, which revenue source - such as ad placements, loan commissions, or sale of car accessories - would be the most effective in increasing earnings?**

We don't differentiate revenue by nature or kind. We have a group of businesses, each with unique characteristics and unit economics, that are growing and will be profitable. Our focus is on the bottom line more than revenue. Revenue drives the bottom line. Some segments will be more profitable than others. As an investor, what matters is how you can compound your EPS year on year. We're focusing on that. We want to grow all our segments. Whatever is successful and profitable, we want to continue launching in international markets. We've already launched in South Asian markets. Once we're stable and successful, we'll consider other markets.

## **Q. Sir, you're a storehouse of knowledge and have held various respectable positions in different companies. What's the one piece of advice you'd give to the younger generation?**

I'd say a few things. First, if possible, start something on your own. Take an entrepreneurial role because in the early stages, you have energy and passion, even if you don't have experience or money. India is a land of opportunities. If entrepreneurship isn't an option, join a startup, a company, or a group that you identify with in terms of thought process or purpose. Look for companies with a social purpose embedded in them. Use your job and career to drive social good, which will fulfill you and impact society. Choose startups that challenge you the most. Once you're in a company, take on the toughest job and the toughest boss because that's where you'll learn the most and grow the fastest. Work hard but also take breaks, have fun, and stay connected with friends and family. Stay connected because it's an ecosystem and everyone is going through a journey. Share your experiences and have fun. Do as much work as possible. If you're not yet smart or don't have a skillset, but have a learning mentality, you can be successful. If you keep learning, work hard, and become a learning machine, you'll be unbeatable. That's what I realized when I hired people. Many people focus on their current jobs but not on what they want to do next. Take the toughest jobs in the toughest companies and environments, do your best, and everything else will follow automatically.

**IN CONVERSATION WITH**

# **SAHIL PRUTHI**

**Founder of Livofy**



*“ Shark Tank India helped us grow our business and was a great experience. ”*

*“ Before the pitch, I was in Mumbai film city, having just returned from a solo trip during which my mother underwent brain surgery. It was a nostalgic feeling to return to the same place four years later and pitch my business. ”*

*“I would encourage all people listening to this or reading about this maybe, to really invest some of your time in doing or engaging yourself in some creative pursuits.”*

*“People should not pursue entrepreneurship as a job but only if they believe that the solution they have to the problem is meaningful enough.”*

**Interviewed by  
Dejasvini and Gautam**

Sahil Pruthi is the founder at Livofy, one of India's largest Nutrition Consulting Company. He left his career as a product manager at one of India's largest healthcare Tech to start off Livofy. He realised that food isn't just about the calories that we intake but it's also about the micro and macronutrients that we get from it and ultimately, the hormonal impact that it has on your body.

His team at Livofy aims to solve the chronic issues like Weight gain, diabetes, PCOS, and Thyroid which are faced by a huge part of India's population. With a clientbase of over 10,000 from 16 states in India and 25 countries across the globe, his team is on a mission to not only help people lose significant weight but also help reverse PCOS, diabetes and thyroid keeping in mind people's hectic lifestyles, their travel schedules and their work timings.

Completed his bachelor's of engineering, from Netaji Subhash Institute of Technology, Delhi. With a perfect combination of business and technological acumen, he has worked as a software developer and product manager in the corporate world for around 4 years. He also shared a keen interest in trying new things and following his passions, which led him to discover his entrepreneurial side. When there's a will, there's a way. True to this quote, Mr. Sahil had the courage to leave his high-paying job to venture onto his successful journey of building this brand, which was featured in shark tank India season 1.

**Q. Sir, being an engineer, you worked for some time in the private sector before starting your own start-up, KETO INDIA, which is primarily related to the medical side. What really evoked your desire of starting something of your own and something not related to your field of study?**

I think that's a good question. I come from a computer science engineering background and I worked as a developer with companies like Samsung, and Research India Bangalore. After that I was working with startups like Travel Triangle and Innovacer, where I was working as a product manager but I think it was in September 2017 where my mom had major brain surgery so that was the point in time where I had to take a break from my work Community to take care of her and I started reading about nutrition, supplementation to take right care of my mom. So I was off my job for a good 9 months to take care of her and during that duration I realised the power of integrative care. Integrative care means combining medication with nutrition, and supplementation in the management of various lifestyle diseases like Type II Diabetes, PCOS, and Thyroid in people right now and that is a very large problem. That was a very organic move for me and after I realised this problem, I started an Instagram Page as a hobby that started to pick up in terms of attraction. I just had to open it up for sales and luckily enough we got a couple of initial people buying the plans that we had to offer right, then I kind of moved on and thought that I would regret it if I do not give it a genuine try and that is why I moved full time into building the business. It was a very organic shift for me, never really having an interest in healthcare myself,

but my problem became an opportunity for me.

**Q. Is there any specific reason why you changed the company's name from Keto India to Livofy?**

What happened was that we were getting very good traction under the brand name Keto India but we began to realise that you know like people wanted more than a low carb or a ketogenic lifestyle to manage their lifestyle diseases and I think the name was becoming limiting in terms of the things we were offering. We also wanted the name to express something that is larger than what it implies. So, Livofy's full form is Live for Yourself, and the deeper reason for that is we want people to live for themselves and not spend all their time fixing just the ailments, that should not be the centre of their life, but to focus on their work, their friends and family, and their chronic ailments should get their way through us. The idea was to become a little larger than just a brand that just does a low-carb, ketogenic lifestyle. So now it kind of implies that we are a very personalised integrative platform.

**Q. Can you please elaborate on the Business model of Livofy for our audience?**

We are an end-to-end platform that helps people in integrative care which means that we help people with personalised nutrition supplementation and blood tests and consultations with doctors to help patients manage their chronic ailments such as diabetes, thyroid, PCOS, and obesity. So we provide everything that a patient needs to manage such ailments. We have an AI technology that personalises the care protocol which means the right-hand nutrition and supplementation that a patient needs to have and we've trained our technology through the data that we have collated and that is used to provide the services.

**Q. Usually when it comes to consultations regarding diet and weight loss people prefer the offline consultation. Why did you think that you wanted to go online and why was that the best for your company?**

I think telemedicine has picked up over the past few years and people's adoption of online consultations is beginning to increase with especially COVID coming, people became more adaptive to online consultations so that was the major reason and there was a very organic need to do so. I believe the adoption has been fairly high and secondly and more importantly we wanted to be leveraged in the business and the online consultations give us that leverage. We are not only present in India but also in 25 countries outside of India. Being on a telemedicine portal gives us that scalability opportunity and clients are fairly open to it contrary to the intuitive belief.

**Q. Sir we believe that the brand Livofy is serving a particular class of society. was this your vision or you wanted to be a brand that could serve the lower middle-class section as well for treating their chronic ailments?**

The initial thesis was that people who have very busy and hectic lifestyles, end up having lifestyle issues in terms of poor exercise or nutrition and that aggravates further to chronic ailments, they do have a paying propensity as well. So the growth loop kind of happened from a point where people had some certain paying propensity and that is the target segment that is generating a significant chunk of the revenue for us even today. But as we have learned that people in tier two tier 3 cities or states are also facing such issues because of the lack of knowledge around nutrition and supplementation, they do have a lower paying propensity. So we can say a large attraction but a small ticket size and that is something we would love to explore going forward and we see that as an opportunity as well.

**Q. Sir it is very nice to hear that you want to target tier two and tier 3 cities as well but as we went through your website we saw prices such as ₹8,999 for 3 monthly programs so we have a question how do you fit the Indian consumer within such price band and what you and your company have understood regarding the Indian consumer psychology from this?**

A 9000 price effectively ends up being 3,000 a month for an Indian person, so people typically above 25 or 26 years of age are comfortable in paying that kind of a price and the kind of people that come to us are those who have tried multiple things but they have not worked for them and now they want to have an expert so they become comfortable to pay that price and because we featured on Shark Tank India, people have started building trust around our brand and are ready to pay that price for the service that we provide.

**Q. We read that you want to build a company which runs without you. Why do you think it is important for an entrepreneur to build a stable and self-sustaining company?**

Yeah that is very important, also recently I have been a part of the Stanford Seed program. Last week I was reading about strategy and Leadership in the same program. The professor also articulated something similar and I didn't know there was a term for it and it's called post-heroic leadership. It is about how entrepreneurs always feel that they are at the centre; they should lead the company, doing everything but that business will never scale. The right way to build and scale a company is that your employees and colleagues are the heroes where they focus on the battle and you are out of the battle so that you can focus on what the next big thing is and you should focus on the things that are important and unforeseen, that requires thinking and that is one fundamental principle that I have applied and learned with time, even from my employers at Innovacer and Travel Triangle. The fundamental idea is that the company can run without you so that you can focus on the strategies. The employee should have the execution in hand and you should focus on the next big move.

**Q. Can you tell us more about the Stanford seed program and your experience with it?**

Yes, absolutely. The program has been fantastic. I was actively seeking to learn more about leadership and wanted to be part of a cohort of entrepreneurs facing similar problems to myself. Stanford Seed provided the perfect opportunity to learn from leading professors while still running my business. The program is very hands-on and structured, and has been a great fit for me. I started the program in November and recently attended the first week of the cohort in Chennai, which was a fantastic experience. I have learned so much about various aspects of entrepreneurship beyond what I had previously learned on my own.

**Q. Sir, I believe a lot of your success came from the events that you participated in college. If possible, can you tell us how you got into business competitions in college?**

In my second year of college, I was hosting a street dancing competition for a college fest when a batchmate approached me with a business plan he had prepared but was struggling to present effectively. He asked me to sell it for him, and I agreed. We participated in many business plan competitions in India, winning a lot of them, which gave me exposure to senior entrepreneurs and allowed me to learn a lot about presenting and thinking about a business. This experience contributed to my love for building early-stage companies.

**Q. You were on Shark Tank India and secured a deal for around 1.6 crores. How has life been after the show and how did it help your business grow?**

Shark Tank was fantastic, and it combined my love for pitching, entrepreneurship, and writing a pitch on TV. The sharks were welcoming and warm, and the pitch aired received a lot of love from people, which was overwhelming. The show got a lot of traction in the early stages, resulting in a lot of investor inbounds and significant traction. While we were not able to take the deal due to valuation issues, we were able to raise 4.5 crores in funding after the show. This has helped us grow our business and has been a great experience.

**Q. Sir, it's great to hear that Shark Tank was instrumental in building your business. However, I'm curious to know if you found the experience intimidating. Can you tell us about your thoughts and feelings before and after the pitch?**

Of course, my episode aired on episode 19 of Shark Tank. As the third founder pitching on charting, I was part of the first batch of founders to pitch on the show. It was a new experience for both the sharks and myself. We had no idea what to expect, and it was exciting yet uncertain. Before the pitch, I was in Mumbai film city, having just returned from a solo trip during which my mother underwent brain surgery. It was a nostalgic feeling to return to the same place four years later and pitch my business. I felt a sense of achievement, excitement, and uncertainty all wrapped up into one. After the pitch, I felt relieved that I was able to express myself well and that it went reasonably well. Once

the episode aired, the outpouring of love and support we received was overwhelming and made me happy that the hard work we put into the pitch paid off.

**Q. That's nice to hear, sir. Now that your company is moving away from the phase where you were just referred to as a startup to a phase where you are established, we would like to know what the strategies for your company are moving forward. These could be either short term, say the next 2-3 years, or long term, say the next 10 years.**

I think there are multiple aspects to it. First thing from a psychological standpoint is that a startup is like a baby to every entrepreneur. The first thing that I want to do is psychologically evolve myself to realise that the startup is not a baby because market dynamics change so fast that you have to be okay with the fact that things can go right and wrong. If you get very attached to the idea of your company, it is very easy to mentally burn out during the process. And if things don't go your way, it can really affect you a lot, right? So it is important to be attached to the process but not to be too invested in the success or failure of the company. It is a function of a lot of varying parameters, right? One thing that I want to fundamentally evolve myself into is an entrepreneur who is very detached from the process and looks at things objectively. In terms of the next 2-3 years, we are looking to scale in terms of D2C (direct to customer), where we're trying to find deeper inroads into the PCOS, diabetes, and thyroid markets. We're also partnering with doctors and companies to help them manage their patients in terms of chronic care ailments. In the next 10 years, we want to be the top platform that helps people with everything they need regarding the management of their chronic ailments. Even if they don't work with us, we want to provide free value so they can use the platform on an end-to-end basis. So that is something that we would like to evolve into as a platform in the long term.

**Q. It's evident that you have a passion for writing, especially on LinkedIn. Can you share with us how you discovered this passion and what inspired you to start writing?**

I never used to write much until I was around 21 years old. However, during my fourth year of college, I wrote my first post on Quora about the 10 things to do in college life, and it gained a lot of traction. That experience sparked my interest in writing, and I began to write about topics such as product management, entrepreneurship, humour, poetry, and life in general. I used to perform my written pieces at open mics from the age of 22 to 26 1/2, as I found that writing allowed me to express myself in ways that other art forms didn't. Since then, writing has become a natural outlet for me, and it has been a great way for me to share my observations and thoughts with others. I have been receiving a lot of positive feedback for the content I post on various platforms, and I am grateful for the opportunity to express myself through writing.

**Q. We saw that you mentioned somewhere that you**

**left your job in Samsung because you didn't feel that you work created an impact and now that you are an entrepreneur and you own a company how do you make sure that you are employees don't feel the same and they contribute effectively towards creating a balance between their work life situation.**

I think it is very important to reverse engineer what your employees want, what your colleagues want that is very important. I or the manager spend a lot of time to understand what the employees are really looking for from the company. And once you understand that and then give them the kind of work, they stay very excited. Some people say I am ok with a little lack of balance but I want to learn a lot, so you reverse engineer that and give them a lot of work.

Some people are extreme high performers and they are ok with stress in their early years but they are hungry to learn, which is why they come in a startup in the first place. Some people say ok I want to do my work, it's a job for me, so you give them the work which gives them the balance. Everything has its goods and bads, extreme work will give you extremely high learning but will not give you enough balance, people who are looking for balance nothing wrong or right with it but you know that you can't give them work in volumes, so it is important to understand what is it that the colleague is looking for and then give them that. This is what really gets them excited and really caring for them, that is what matters a lot right.

Typically in a startup there is a large volume of work that needs to be done, so they already know that each of the colleague has a lot of responsibility that they have to live up to. They know that for a fact and that is an expectation that is set early on as well, so we have taken feedback from the employees that they really enjoy creating impact and working on zero to one problem statement.

**Q. Nice to hear that sir! What is the differentiator between a Startup culture and corporate cultural and that is very much entailed in an employee?**

I have seen both sides of the story, I have worked with several large companies like Samsung. I worked with Travel Triangle at a stage when they had just raised their Series A and then with Innovacer when they have just raised their series B. I think fundamental difference is that you are a part of a large machinery in a company and there is nothing wrong with it you can learn the right way to scale a very large business, you learn process, system, structure in these companies and the other side of the story is that in companies like Travel Triangle and Innovacer where I had to build zero to one kind of products, things change very fast and they are not very tied down to process. Obviously every company from being a startup matures to be a large business but in that startup phase things tend to be a little fast, a little volatile and things are very agile. So the nature of startup is that speed is non-negotiable and you have to change as per that. I got a good taste of how systems are built in large companies but I realised that in my 20s,

I would rather want to spend my time in startup so that's where I moved, but there is nothing right or wrong you can take a call in terms of a large business setup with process and system or you thrive in a fast paced environment.

**Q. I would like to take you to one of the points that you really enjoyed in the college that is the event hosting and when you are in theatres, how do you think those activities apart from your work and studies have helped you become a better person and an entrepreneur?**

I think it plays a very crucial role and I would encourage all people listening to this or reading about this maybe, to really invest some of your time in doing or engaging yourself in some creative pursuits because it helps you build empathy and you realise that you are not the centre of the world and you can kind of understand people in terms of what they want and express.

In the early days of college I expressed through art and then through business in B Plan events. But that empathy came to me through theatre, debating, and hosting events. When I soared in B plan competitions I realised that having an ability to express or understanding what the judge would want really kind of helped to know me what is it that I need to say. Now that I am in business myself I know that because I have learned empathy in general, I know what my employees would want to listen in terms of what would get them excited and I know what an investor would want to know in terms of what would get them excited about investing the company and what a leader would want to hear with respect to investing.

That empathy really helps you out in terms of getting the right people and getting them excited. Most importantly it really gets the customer excited because you can reverse engineer and empathise in terms of what the untold pains of a customer are and how you can provide them the right solutions. Being a creative person really gives you an edge over others, reflecting in the kinds of products that you build or the campaigns that you launch. Irrespective of whether you are an employer or an entrepreneur you should have something creative that you should do.

In terms of how it has helped me as a person, it has been very therapeutic for me. The fact that you are obviously always learning, and in addition to it spending a considerable amount of time in art, just expressing it makes you feel lighter. Even just articulating all the things happening around you makes you feel lighter in the head, which helps me to lighten myself as entrepreneurship is a high pressure job.

**Q. I totally agree with your point that entrepreneurship is a high pressure job. With respect to the same, how do you tell youngsters of today about the efforts involved in the same.**

People should not pursue entrepreneurship as a job but only if they believe that the solution they have to the problem is meaningful enough and also, not because they would want to feature on Shark Tank India. I think entrepreneurship is treated as something that is glamorised a lot. It is very

painful, involves a lot of sacrifices and also you will find your friendships taking a hit and also you will find yourself spending a lot less time with your family.

Eventually, you will learn to balance it out but the initial stages are very very difficult. You will only get through that phase only if you know that the solution you are providing is good enough or you think that you really want to get into the business of building a big business.

The volatility that entrepreneurship brings with it makes me more suggest to people only to enter into entrepreneurship only because it is glamorous but rather because you have a solution to a problem.

## FACTS

### World's first stock exchange

The world's first stock exchange was established in Amsterdam in 1602. It was called the Amsterdam Stock Exchange (now known as Euronext Amsterdam) and was created to trade shares of the Dutch East India Company.

### Only 8% of the world's currency is in cash

The vast majority of the world's currency exists in electronic form. Economists estimate that coins and banknotes make up just 8% of the world's currency. The rest sits on a computer hard drive in electric bank accounts all over the world. Because of the worldwide acceptance of the internet and online payments, people are making and spending money without actually touching it.

### Largest film industry

India's Bollywood industry is the largest film industry in the world. The facts say that 14 million people in India go to watch movies in a day which is 60% of Australia's population.

IN CONVERSATION WITH

## ZUBIN SAXENA

MD & VP of  
Radisson Hotel  
Group



*“ I believe that education is the bedrock on which you build your life, and it goes beyond the degree structure we have at schools and colleges. As you grow, it branches into learnings which remain constant throughout.”*

*“ Either you can work hard during this crucial period of your life and enjoy the next phase or enjoy these formative years and work even harder for the rest of the years - the choice is yours to make! “*

*“ Keep yourselves open to different experiences and opportunities, learn from them, and grow. Also, there is no substitute for hard work, hence it's important for the young generation to work hard, persevere, and always have an excellence-driven mindset. “*

Interviewed by  
Harman and Girish

Radisson Hotel Group is one of the world's largest hotel groups with nine distinctive hotel brands, and more than 1,400 hotels in operation and under development in 120 countries. Radisson Hotel Group portfolio includes Radisson Collection, Radisson Blu, Radisson, Radisson RED, Radisson Individuals, Park Plaza, Park Inn by Radisson, Country Inn & Suites by Radisson, and Prizeotel, brought together under one commercial umbrella brand Radisson Hotels.

Managing this big organization is Mr. Zubin Saxena, Managing Director and Senior Area VP, South Asia at Radisson Hotel Group. After completing his bachelors in hotel management from National Council for Hotel Management he started his journey in hotel management by working as a management trainee at one of the top hospitality chains in India. Post which he completed his masters and worked his way up to become the MD of Radisson Group.

Radisson Hotel Group has a signature service philosophy of Every Moment Matters. Radisson Hotel Group is among the fastest growing hospitality chains in India with 150 hotels in operations and pipeline. It continues to expand and strive towards achieving cultural excellence.

**Q. Would you walk us through your professional journey in the hospitality industry and how it led to your current role as Managing Director and Area Senior Vice President of South Asia for Radisson Hotel Group?**

My journey as a hospitality professional started nearly 20 years ago. Throughout this time, I had the opportunity to work with the best talent in the industry and gained immense learning. I had my fair share of working with global hospitality chains and consulting firms in New York. This gave me a comprehensive view of the industry.

At Radisson Hotel Group, I started as the Head of Development and was responsible for growing and strengthening the Group's portfolio in India. This was a brilliant opportunity for me to engage with multiple stakeholders including asset owners, financial institutions, and my own teams across functions. No two hotels are the same and I was exposed to a different set of learnings and problem-solving approaches. Later, I was given the responsibility of managing the Group's Operations in the country and for me, this transition brought my journey to a full circle - from signing hotels to making these structures functional and operational to deliver a quality experience to guests.

Backed by a team of hard-working and talented individuals, I have been able to turn my learnings into functional programs like 'India Unification Plan' - a master blueprint to drive excellence and create value for stakeholders, 'WOW' for delivering an exceptional guest experience among others.

**Q. Would you tell us about your educational background?**

I believe that education is the bedrock on which you build your life, and it goes beyond the degree structure we have at schools and colleges. As you grow, it branches into learnings which remain constant throughout and I believe I am an eternal learner.

I hold a bachelor's degree in hotel management from the National Council for Hotel Management post which I was selected as a Management Trainee to work at one of the top hospitality chains in India. This was a big achievement for me and an opportunity to put my learnings to work. During this time, I had the growing realization that I need to strengthen my arsenal and extend my skill set beyond just hospitality which led me to the University of Glasgow (United Kingdom) where I studied Business Administration and earned my Master's degree, with Distinction.

Even during my time in New York while I was working, I enrolled myself in courses that helped me understand real estate finance, business trends, and practices in a better way. Currently, I serve as an active member and advisor to several professional organizations, which has aided me in developing portfolio planning strategies for the Group.

**Q. In your position, what are your primary goals and strategies for the South Asian region and how do you plan to achieve them?**

Our vision is to drive the core values of Radisson Hotel Group and create an impact that we can be proud of in the long run. This impact will come only if we work as an organization together towards a path of cultural excellence that flows well across 14,000+ of our colleagues. We are firm believers in 'We are many minds, with one mindset' and our unified goals have led to strategies being developed that fit perfectly for the business. Our teams come together with their problem-solving streak to see how best we can provide the best-class experience to our consumers and growth opportunities.

It's only because of these combined efforts, today, Radisson Hotel Group is among the fastest growing hospitality chains in India with 150 hotels in operations and pipeline. Our next phase of growth will be to expand our domestic network and open hotels across new leisure destinations in tier-2 to 5 markets. The development of these locations and strategic centers remains core to our growth strategy in India.

We remain the largest hotel operator in tier-1 markets like Delhi NCR and at the same time, nearly half of our portfolio is concentrated in tier-2 and tier-3 markets, where we have benefited from being the first movers. Towns like Gorakhpur, Ranchi, Guwahati, Nagpur, and Bhopal had Radisson Hotels well ahead of time, integrating us into their cultural fabric with local roads named after the brand.

Our playbook for Indian hospitality has made a significant impact in the industry and as we move ahead from strength

to strength, we will continue enhancing our brand portfolio by adding newer brands such as Park Inn & Suites by Radisson, Radisson RED, and Radisson Individuals along with its extension of Radisson Individuals Retreats. As a group, we are driven by the collective vision of adding value to the experience of our stakeholders, including guests and partners while being the employer of choice for our employees.

**Q. Could you elaborate on your emphasis on operational excellence and the specific tactics you have implemented to enhance the guest experience and drive growth for Radisson Hotel Group in South Asia?**

At the height of the pandemic, we restructured our operations in the Indian market and rolled out the India Unification Plan in 2020 to derive excellence and create value for our stakeholders. There are about 20 initiatives across operations, guest experience, F&B, people, and procurement. For the business, we restructured the country into six clusters which resulted in cost-savings and tighter control across India's 100+ hotels. To achieve operational excellence, all hotels report and participate in the Centre of Excellence Key Parameter Indicator (KPI program). It brings out an excellence-oriented culture in the organization, recognizes high-performing managers and hotels as well as identified hotels to champion cluster initiatives.

In this process, we have unlocked economies of scale within our management and the ability to deliver higher ROI for our owners. Guests remain at the heart of all we do and today, our diverse portfolio caters to the requirements of the discerning traveler - be it for leisure travel with family or friends or for business. We recently introduced the 'WOW' program across our portfolio to elevate our guest experience. We have #Radisson Cares, which enables us to keep in touch with guests constantly and give them expert advice on a range of services to enhance their stay, to further strengthen guest loyalty. With our concentration on customer touchpoints, we have maintained our path and had exceptional growth rates.

Our guests also benefit from the newly enhanced Radisson Rewards Program with special advantages across a variety of our hotels and locations ensuring unforgettable experiences. These initiatives have strengthened our offerings and ensured that we go above and beyond to satisfy even the most fundamental needs of our guests. Having an operational focus and a constant pursuit of excellence has immensely helped us.

**Q. How do you intend to further establish and grow the Radisson brand within the South Asian market, and what unique value does the brand bring to the region?**

Radisson Hotel Group is a 25-year-young brand in India and all these years of operations, we have been focused on strengthening our brand architecture across segments, including upper upscale, upscale, upper midscale, and

midscale. We continue to explore opportunities for bringing our Luxury brand Radisson Collection to India.

Our focus remains on operational excellence, strategic development, and team building to strengthen the brand's future journey in India. It's a diverse country and has aspects that are unique to each location. Our strategy is to weave our product into the societal fabric of the location and provide consumers with a localized experience, keeping up with global standards.

Our attention to detail has played an important part in our 25 years journey in India. From the quality of rooms to the amenities, our customer service to our food offerings, we have always been a global brand with an Indian heart. Our organization has been founded on the principle of providing unforgettable experiences every day, everywhere, and every time. This vision is supported by our own teams and strategic partners. For instance, we recently joined forces with Ruptub Solutions to develop a network of 150+ hotels under the Park Inn & Suites by Radisson brand. Our affiliate brand Radisson Individuals has received an overwhelming response from independent hotels, and this gave us the confidence to launch its extension Radisson Individuals Retreats which is spearheading the evolution of experiential hospitality in India.

**Q. You have a wealth of experience in building and maintaining strong relationships with hotel owners. How does this play a role in your current position and how do you plan to continue to foster these relationships in the future?**

Our partners are a source of great strength for us, and an integral part of my role is to build and strengthen these relations. This is in line with our philosophy of true commitment toward maximizing the owners' value proposition. We have a commitment-driven mindset that goes beyond the simple contracts and the real partnership which we have solidified with our partners, has proven its merit, especially during a time like the pandemic when the entire hospitality industry came to a standstill.

I am proud to say that we maintain nearly 100% renewal rates and many of our partners have multiple properties with us and continue to grow. We are at a crucial stage in our brand-building process and in meeting the expanding demand from Indian tourists. We have a robust pipeline for the future. In 2022, we signed 12 hotels across brands in key leisure and business destinations and our predictions for 2023 look strong. In Q1 2023, we have signed four hotels in locations like Ujjain, Raipur, and Bangalore and we are focused on continuing this performance throughout the year. This has only been possible because of the trust and commitment of our partners. We have always come together to create new opportunities for growth and success, and we are looking forward to continued collaboration for creating commercially profitable opportunities for our partners.

**Q. With the ongoing global travel industry challenges and opportunities, what measures do you plan to take or have taken to ensure the success and growth of Radisson Hotel Group in South Asia?**

Radisson Hotel Group as an organization is extremely agile and has always kept up with the changing trends in the industry. As technology penetrates further into the deeper markets of the country, we as an organization, have adapted to the change and adopted its excellence. Our focus is towards the continued investment in technology with EMMA – a unified system designed to encompass revenue management, property management, business analytics, and more, and utilizing the business forecasting tools, and automation. With metaverse, AI, and ML entering the hospitality business, we are optimistic that we have a long and exciting path ahead with technology.

We are observing a positive rise in both business and leisure travel reservations. There has been an increase in bookings for in-person conferences, weddings, and corporate events throughout leisure locations, especially in tier I and tier II cities, because of relaxed travel restrictions and the return of physical work methods. While it will take the industry 3-5 years to return to pre-pandemic levels, the leisure segment, along with some hotels, has demonstrated the strongest recovery. In the next five to ten years, there will likely be a considerable number of new destination openings, particularly in tier III, IV, and V cities and leisure areas. We have also witnessed a strong boost from Social MICE across Tier II and Tier III cities like Bangalore, Pune, Mumbai, Goa, and Chennai.

These trends are backed by our innovative approach to delivering a quality experience to our guests. With concepts like Meetha, a premium offering of curated Indian sweets, Farmer's Millet Brunch, and offering local cuisines at our hotels, we are working towards introducing market-relevant offerings.

We believe hospitality will be a sunrise industry in India, and the next five to 10 years will see a significant number of new destinations emerging, especially in tier III, IV, and V cities and leisure markets. We see exponential demand for high-quality lodging accommodation in India, driven by the vast infrastructural development planned across the country and young, discerning travelers looking for unique experiences. At Radisson Hotel Group, we are fully prepared with our strategies to take on this exciting future growth opportunity that India has to offer.

**Q. As a leader in the industry, how did you cultivate a culture of teamwork and development within the Radisson Hotel Group in South Asia?**

Radisson Hotel Group is a global talent hub and we have created structured programs which can provide opportunities for individuals from India to work well and have global careers. Many initiatives introduced by the brand include the Future Leadership Program, and Training and Excellence Program for the selection of managers among others. Today's generation is fueled by passion

in whatever they do. Hospitality in itself is a passionate industry where our relentless commitment to guest satisfaction and creating value for all our stakeholders drive us. I strongly believe that there are synergies where these two visions meet and create significant opportunities for the current generation with diverse interests to become a part of India's hospitality ecosystem. Some of our best General Managers are from backgrounds other than the hospitality industry. Moving forward also, I believe that the best minds in hospitality will come out of non-hotel backgrounds.

At our core, we believe that "We are Many Minds with One Mindset," and we respect and value the individual differences and life experiences that our team members bring to the table. Our unique backgrounds help us make memorable experiences for all who walk through our doors.

Our people are at the core of our business success and future. We are committed to growing and promoting talent and this continues to be a priority for us. At RHG, we imbibe an excellence-driven mindset and share a collective vision of success - every colleague has equal ownership of this vision.

With our new manning blueprint, we are nurturing a future-ready organization that delivers efficiencies with a structured approach, led by a quality-driven mindset. We continue to invest in our talent through multiple initiatives, including talent exchange programs, the Radisson Future Leaders program which offers cross-exposure training, corporate office exposure, participation in General Manager engagement workshops, and pre-opening operations exposure.

**Q. Lastly, as someone who has been recognized as a leader in the industry, what advice would you give to young professionals looking to make a career in the hospitality industry?**

During my graduation days, my father gave me some advice that has stayed with me throughout these years. He mentioned that either you can work hard during this crucial period of your life and enjoy the next phase or enjoy these formative years and work even harder for the rest of the years - the choice is yours to make!

As I look back now, there is a strong realization that commitments translate into vigorous involvement and that this involvement takes time. Keep yourselves open to different experiences and opportunities, learn from them, and grow. Also, there is no substitute for hard work hence it's important for the young generation to work hard, persevere, and always have an excellence-driven mindset.

At Radisson Hotel Group, from day one, our yardstick to measure success has been internal and we are only pitting against ourselves. And in this exploration, aiming to be the better version of what we were yesterday. We have learned, evolved, and persevered and our journey of excellence continues!

IN CONVERSATION WITH

## MR. PRABAL BASU ROY

Member and Board of  
Director of Intellect  
Payments



**intellect**<sup>®</sup>  
■■■ Design for Digital

*“ This is what I suggest  
- see the cycles and  
get off the dance floor  
while everyone else is  
intoxicated and dancing.  
If you follow this you will  
never lose your money. ”*

*“ If you do not understand  
something, do not get  
into it and just move on  
to another as there are  
enough opportunities.  
Do what you understand,  
leave the rest. ”*

*“ Knowledge is an  
asset which keeps on  
compounding over  
time. So never stop  
learning. Cross  
functional knowledge is  
important. Connecting  
the dots to the big  
ideas across disciplines  
will help you make  
good decisions ”*

**Interviewed by  
Manya and Dhruv**

Mr. Prabal Basu Roy is a Sloan Fellow from the London Business School & a Chartered Accountant: he presently is a director & advisor to Chairman of corporate boards including a listed entity. Formerly he has been a Director & Group CFO in various companies in India and abroad, as well as the shareholder nominee on the management and Boards of companies, including international JVs with major MNCs.

In a twin track career spanning over three decades, his core expertise is in managing strategic, but operationally complex, roles in finance, law, business, institutional investors, strategic alliances in large corporations on one hand, along with managing money / risk capital as a professional hedge fund manager on the other.

He now uses this uncommon diversity of experience to advise corporates at the Board level in the crucial area of providing management oversight and institutional investor engagement. He has advised start ups on strategy, execution and financing, selectively provides leadership guidance to young managers, CEOs and CXOs in some companies and manages/advises corporate M&A transactions/ Management Buyouts & Buyins.

**Q. A very basic question ,sir, why pursue C.A. After completing Bachelors in Physics from a very reputed college, what were the factors that resulted in you changing your career path after graduation? Sure many of those who scroll through your educational qualifications have the same question.**

Yes many have this question. Thank You so much for inviting me here. As I told, the least I can do for my alma mater which is Delhi university, Shri Ram I know very well, still I know it very well.

So that is a question that all of us have. So I'll tell you how I thought about it; it is a very personal thing but gives an indication of the process. So after 12th grade, I had two options. Science was my first love, especially physics, and then there was this glitzy world of finance, which I had seen a lot of my relatives in. I had no clue about finance at that point in time; we didn't have commerce in the stream I had taken. The way I thought about it was to let me go after my first love, which most of us do, and then because of its physics, it keeps all these options open. We could go to virtually any field because physics is something that is logical and involves reasoning faculties, and so on and so forth. If I had taken Bcom at that stage, which was also possible, then I would have done only CA and nothing else. So this was my thinking process in 1996, when I passed out, and that's how I went into physics. After doing 3 years at St. Stephen's, which had a very good faculty, as you all know, there was another decision point as I realized my interest was in hard core physics, especially in the area of what is called super thermal physics," and in India there weren't many opportunities. You had to go to the US or somewhere else, and I wasn't sure I wanted to go to the US or could have gone to the US at that point in general, so I said, That was a point when I had to take a call, and I said let's go back to what the original thinking was." So I left this

physics class at that point and started CA.

**Q. And that was indeed a rollercoaster journey. Following up the same I would like to ask you that How did your alma mater's (DU) resources and opportunities shape your career path? Can you discuss any extracurricular activities or clubs you were involved in during your time at your alma mater and how they have benefited you?**

Ya, so you know, in our time also, at least in Stephens as I saw it, it had immense opportunities, and I would say when I joined Stephens I was quite an introvert; it was quite a culture shock for me as I entered, but when I left after 3 years as a resident in that college, which was basically a hostel, I was a totally changed person and became very confident about facing the world in more ways, and that was the biggest takeaway from DU in general and St. Stephens in particular. And in terms of societies, as you asked, there were many, but the one that sought to shape my thinking and later on in life, as you now see, was the debating society, which I found very useful as it allowed one to think on one's feet, you know, taking on different points of view that were thrown at you and doing some lateral thinking. Also, if you are trying to get a consensus, then you are trying to do what is the biggest challenge of us all, which is conflict management.

**Q. How did your time at London Business School contribute to your personal growth and development? How do you implement those in your daily life? Are there any particular skills or knowledge you gained from your time at your alma mater that you still use in your current profession?**

I need to give a bit of history for that, but there was immense change, and the story of how I got there was very interesting, and I tell this to my daughter all the time. These are the sorts of things that have brought them up immense change, and the story of how I got there was very interesting, and I tell this to my daughter all the time. These are the sorts of things that have brought them up. So, I left college in 1979 and went on to do CA, which was a completely different course. I did reasonably well, got a good job, and I always wanted to do an MBA because I thought two qualifications were helpful: one as a base qualification and one as an additional qualification. This is not always true, but it is something that is useful to have. MBA was something I was very interested in doing because we had no corporate So that is how the story started. I remember I was in Jakarta and I started looking; there was no internet at that time. It was the very early stages of the internet in 1990. I needed a program that was necessary for our experience and not a normal MBA, so I looked around and found that there were three MBA programs around the world that were serious enough, whereas others were very feel-good programs where you go for one week or three weeks for an MBA at Harvard, all of which were not much use. I wanted to do something substantial. So I found three programs. There was a small program at MIT, so I said, "Let's do that," because Sloan is a great program for senior executives. So I applied there, and after

a long process again, I had to sit for the GMAT, so I did all of that, and when I got to the admissions committee, I was asked, "Why do you want to come to Sloan and MIT?" So I explained my reasons, and they replied, "No, your background is not in technology at that time because you are not an engineer," and they added that we teach Sloan and three other schools. Then there is MIT, where you have applied; then there is Stanford, which is focused on entrepreneurship; and then there is the London Business School, which is focused on general management of large corporations, which is what you are doing, so they give me the admission. It happened afterwards that the whole area that seemed interesting to all of you in the second was private equity and venture capital, which nobody had even heard of at that point in time in India; it was not known until 1999. No one knew it or what is called entrepreneurial finance. So these were three critical areas in which I had a lot of things to take in and actually learn in the classroom, but the biggest learning comes from learning from each other's experiences and those of the people who come. There are very few people who come there—nearly 50 people. So learning from each other's experience across geographies, cultures, and skill sets is extremely important, and since this program was focused on managing large corporations, they actually set us up in small functional groups, say five people, to do group work and assignments. You put a French guy and a Brit in one group and throw in a German and a Chinese, and you should see the fun that happens in group assignments. This whole area was a huge learning experience, and later on when I joined companies and we had cross-functionality in managing, this was the reality when a German and a French guy were fighting with a British guy in between managing them, and how you brought them to a consensus or a closure was the task. So these are the sorts of things that you learn in those environments that I did not learn before and will never learn in any of the institutes, and for a senior manager who was already a finance director at that time, skills that were very much needed that you really realize after going there.

**Q. Leaving Wharton had a great opportunity cost, but as it is said that there is right time for every thing so you ended up being in London business school, which is an accomplishment and it self where you gained so many experiences which is very astounding to hear saying that you have been in various domains be in business, financial and now that we have come across Sir, based on the several columns that you have written for the BusinessWorld, as well as your LinkedIn posts, one develops an idea of you being- A man deeply invested in Philosophy, how necessary do you think it is for a professional to keep alive within himself/herself the innate philosophy to have a fulfilling career?**

You know, from all my interviews, and I have given lots of them over the last many years in the public domain and elsewhere. No one has asked me this question, and I must congratulate you for asking me this question. In the interest of the students who will hear this interview over

time, let me take a little time on this. This is the sort of stuff that is at the core of our upbringing. Actually, my daughters have been totally grilled about this since they were very young. They are now both working. So let me take a little time on this because this is really really important. So right from my childhood, we are influenced and guided by the environment we find ourselves in: our parents, siblings, cousins, friends, extended family, teachers, and this environment is extremely important. And the culture we live in is reflected in the books we read, the books to which we are exposed, the films we see, and all of this has a great influence later on in life. While we are through the process, we actually don't realize it, but it happens, so why this becomes important is that whoever or whatever we are, we need a polestar in our lives to keep on guiding us otherwise this world is so big and vast and pulls out in so many directions that without that polestar we actually get lost to a large extent. I think the current problems of society are due to the lack of this aspect. Consciously, we have never been told or inculcated with all of this. What is that polestar that helps in making our choices and handling the entire approach to problem-solving as we go on in our lives? That's why I said this question is actually so good. Most people ignore this in the hurly-burly of life, especially in the corporate world, where philosophical understanding and spirituality are almost everywhere now. At least the spiritual underpinnings are an absolute must in my mind to keep our morals alive. When we travel through life in high conflict zones, I mean corporate business, police. Bureaucracy etc.. After you complete college, you will realize you have entered the real world. It is a conflict-ridden world, so keeping this polestar in sight as one moves through life is critical. When it directly affects us, it is mostly at the time of decision-making or the decisions we need to take. The second is not getting swayed by either success or failure. I see this all the time nowadays, and I hope my daughters have learned it, which I hope they have because they have had success early in life and are handling it well from what I can see. The key challenge of life is how to handle the success or failure of it. I'm not sticking to the definition, and that's why it is called successful call failure.

These days, so many successful people suffer from depression. This is because they either want more or think they are neglected, whichever reason applies, or they end up developing an unwarranted sense of arrogance. I think this is extremely important for us, the third aspect, that is, the realization that in the cosmic scheme of things, all of us are actually really irrelevant. We might think of ourselves as God's answers to mankind, but that is not true. So there is no need to feel excessively proud of our successes or too bad about our failures. This is even mentioned in our ancient texts—not only the Hindu texts but also texts such as the Bible, by and large the principles are similar. The essential thing they teach us is to basically just try our best and not be attached to the results. This is a key thing now. In MNCs and corporations, you can't say this because your performance is always linked with the outcomes of whatever you are doing, but while you are actually performing those duties, you should not be too attached to the results. This is the basic principle of the Gita to be put

into practice in our lives. We are merely the instruments through which the divine will is executed.

**Q. It is well said that never take success to your head and failure to your heart. Simply keep putting your best foot forward and know that you have given everyday your best and made a tangible impact towards society. It would be great to hear you talk about any such real life examples.**

One person I can talk about in the public domain, from my personal and professional experience is Nandan Nilekani, Co founder of Infosys and creator of Aadhar. I have known him for years. He is the one guy I can say this about, he has achieved so much in life and continues to do so and he has still remained exactly the same, as far as interaction with people is concerned. I knew him many many years ago, as later the gap between us increased. But I can certainly say there has been no change whatsoever in his dealings with friends like me. While this is not the case elsewhere, I can give 100s of examples where this has not been the case. As you rightly mentioned, contribution to society, he has done for the country but all so quietly, being the aadhar backbone, UPI - it is people like him who keep societal contribution in mind as they move forward in life.

**Q. How do you think a company's management structure should be designed to promote transparency and effective decision making?**

That is an interesting question. This is a multi-layered question and since most of you or at least some I am sure will go ahead to building careers in corporations I would like to answer in detail. You see this whole thing starts from the top, I have worked in small companies, large ones and very large ones and it is the same everywhere. It is a function of what the top management believes, and the culture and values they would like to establish in the organization. Transparency is a part of this. The culture and values - these are the two that guide every decision. In terms of company, at the top is the Board of Directors and promoters - they are the ones who set the tone. How do you see this as an outsider? You see it in aspects like the composition of the Board of Directors and the executive management team, whether it has family and friends or has it got real good professionals who can stand up and say no. I mean saying no in the Indian context is actually very difficult. Therefore you need people like that. Second is how day to day decisions are taken - how orders are taken from the market, how customers are sold a product, how you win orders, how customer service issues are resolved and conflicts are resolved - how employee integrity issues are handled, for instance if your star employee is accused of harassment or insider trading, do you sack him or look the other way? It depicts your organization culture. The whole organization watches you, how you resolve these things. The third aspect is, which is very important for you as well as me, is who will be in charge of finances. How is financial decision making taking place. That is the biggest area where this whole issue of decision making, transparency, culture and values comes into the picture. The CFO needs to be extremely strong. These

are decisions like how capital allocation is made, how investments are made, how related party transactions are done, how inter corporate loans are handled - there are many many aspects of this which you will learn in future. The fourth aspect is laid down policies - how you lay down policies for external shareholders, political parties and donations etc. Then lastly the quality of disclosures you make to the external world - why does Infosys get so much valuation from the stock markets whereas most other companies don't? It's because of the quality of disclosures. They are so transparent, they disclose everything. If you see their balance sheets you will realize - what you see is what you get. Nothing hidden there - capital allocations, minutes of the meetings, how decisions are taken, these are things which are part of a management structure that promote transparency. And as capital markets are becoming more and more efficient, such companies get higher evaluations in the stock market - Infosys and Wipro being the case in point.

**Q. How do you evaluate the financial health and potential of a company before investing, how do you determine your entry and exit points for investments and how do you approach risk management in your portfolio?**

This really is a topic which will take hours, I will give you some aspects just to tingle your curiosity. I am not sure whether this is taught in colleges or not but this is a very interesting area in the field that you guys have chosen for yourselves. This is a very large topic that you would learn at the likes of London Business School or IIMA but I'll give you a flavor of it. The first thing that I look for is how is the governance of the company, what is the management team all about, how is the board and how are the auditors - you have to evaluate them. The second thing you use for evaluation is taking customer inputs, I actually do that before recommending any big investments. The company will always say good things, you will never hear that the future of the company is not bright. Therefore the customer inputs become important, the product who are they selling to, you go and meet those customers, if they are selling to big brands - go and meet those brands. That will give you a very good picture, as financial metrics are equally important but that is something which can be manipulated. You have to see the real facts behind the numbers. Another thing we all look for before investing, is to not be taken away by stories, these are stories of say Paytm, Zomato, I have written articles in Economic Times why retail investors should not invest in such companies. They have lost 90% of their value but at the time people did invest. So the key for investors while making a decision would be growth on one hand, profitability on the other and low capital intensity as their third criteria. If these 3 things are managed well in a company then generally speaking, you can't go wrong as ultimately these 3 balanced would lead to a good operating cash flow which matters and you would not lose your money in this scenario until and unless you overpay which happens in the boom and bust cycles of the market. This is what I suggest - see the cycles and get off the dance floor while everyone else is intoxicated and dancing. If you follow this you will never lose your money. Of course you

have to make some mistakes in the market to learn your way but these principles generally will not go wrong.

**Q. Diving deep into the fact that you actively participated in the stock market, how did you handle the ups and downs in the stock market and how did you survive in times of hardships when people suffered losses.**

Without losing money in the markets, you will actually never learn. Whatever I tell you today is after losing some money in the stock market. Ultimately these were the basic principles that I earlier mentioned, it's completely up to you how you use them. The basic bottom line is do your own work and don't blindly follow anybody because this is what happens when you become an investment banker, you are essentially trying to give your ideas to somebody and those ideas are not understood by people because they are not acquainted with the complex finance world. So essentially you have to do your own work and don't blindly follow people and focus on good businesses which are growing cash and not burning. Burning for some time is okay but there must be a model to show when they'll start generating cash. The third lesson is if you do not understand something, do not get into it and just move on to another as there are enough opportunities to make money in the market. Do what you understand, leave the rest. Do risk mitigation- not buying at the peaks, not selling at the crucks and diversifying your portfolio, don't put all your eggs in one basket and all those usuals.

**Q. As it is said that your network is your net worth, how do you approach networking and building professional relationships?**

There are many ways of doing it. I generally do not run after people just because I can get something from them, I generally don't do that. I like to mix with people who are on the same plane and they may or may not be of use to me professionally or otherwise but this is the way I have made it but most people are not like that. If you are doing well, hundreds of people will come to you. I keep my networks alive. I have made networks through corporate alumni and educational institutions as I have worked with various companies across the globe and I have studied from India, UK and the US. I do a lot of work with them and stay in touch with them. The second thing that I have done, which anyone would do, is industry association with CII, Mass Com, Chartered Accountant institutions, etc. Thirdly is through my visibility into the media through writing my views, articles, etc. That is one way I have made a lot of friends. I respond to every mail which comes to me. I have learned this from Mr. Prem Ji when I was very young and Mr. Narayana Murthy Ji for that matter. And I do it without expectations, and this is where the philosophical stuff comes in.

**Q. Keeping in mind that you have written a number of articles in the newspapers like Hindustan Times, Economic times, etc. I would like to ask what is your overall outlook at the current state of the economy**

**and future economic developments.**

The crisis which the world is facing today in 2023 is very different from the prior bubbles which hit us like the 2008 global recession. 2008 is not very far away. In 2008 there was a subprime crisis in the U.S. which brought down the entire world. Before that was the year 2000 in which we faced a technology bubble which affected India along with the whole world. Before that in 1998, was the Russian Debt crisis. In 1997, was the Asian financial crises, the countries were just going down. Crisis keep on coming and hitting us but this crisis which is happening now is very different from all of this because they were all focussed on one aspect whether it be housing, technology, currency or whatever. But this time, there is a confluence of so many factors and I'll explain to you why I am saying this. I have not seen this in my lifetime. The confluence of various factors which are economic, monetary and financial makes the situation so complex. I'll give you an example: inflation and recession at the same time, high inflation in Europe and recessionary fears in Asia and Africa. Secondly there is a withdrawal of liquidity by all the central banks. Thirdly there is a contraction in the balance sheet of the federal reserves. Therefore all these asset bubbles which were created out of cheap money, essentially free money, from 2008 to 2021, will burst. The first will be cryptos, that has already happened. Private equity, venture capital related funds have already seen bursting of all sorts of start-ups all over the world. Real estate is already a question mark. Stocks, already happening, NASDAQ is down 35%. Then there are massive supply chain disruptions because of the war in Ukraine. Then, very importantly, shifting geopolitics is another great trend which is currently taking place. The prosperity which we have seen in the last 30 years is essentially because of globalization. India has been a major beneficiary of globalization. Today, even globalization is taking a back seat. More nationalism is napping. Many countries are adopting tariff barriers including India. This will lead to trade wars and currency wars. If you have seen politics, it will also give rise to authoritative regimes globally. Liberal democracy which was formed in the last 60-70 years, is at a threat. It will take different shapes in different countries but essentially it will be a concentration of power. On top of all these, is the pandemic which distinguishes the current crises with the previous ones. The pandemic related disruptions and the inflation it has created, has today led to huge huge disparities of income. The rich are getting extremely rich and the poor are getting poorer. This again gave rise to an authoritative regime. And then of course, the mother of all of them is the climate crisis which no one is doing anything about. So the confluence of so many factors make the situation very very complex. I would suggest you people to read economic history as these are all cycles and trends which repeat itself. Interestingly the world today, as it is, looks more like Europe in the post-world war-I period. It seems to be just a carbon copy of that. In 1940, the very first attempt of unifying Europe ended on a very hard note, leading to world war-I, so the first attempt of globalization happened in the 1940s and with the fall of Russia, it ended. Similar is the trend today. Later in the

1990s, came the Spanish flu, covid also hit us at the same time. Then came rampant stock market excesses. Stock markets were going up, year after year and then suddenly, the stock market crash of 1929 came, which led to great depression that led to hyperinflation, trade wars and finally the world war. Today at the war front, after many decades, the threat of war is not something which can be ignored. The China vs US thing has to be monitored with utmost care, especially on the Taiwan issue. China vs India is also getting serious. Russia vs the West, the Russia-China block against the West. Iran vs Israel, both have nuclear bombs which may be very catastrophic. So the threat of war while shifting geopolitics is a very serious thing which is happening today. So the point is that these are things which look exactly the same to what happened a century ago. So a lot of change is happening and how you deal with changes will distinguish you from others. Having said this, India is in a better place than the West. The level of uncertainty in the US for Indians and people who work in the US, is going up. The US laws are going so much against them. Like the unemployed have to either get a job in 2 months or come back. So India is still in a better position because of the technology talent, demography, big local markets, etc. The whole approach we have taken as a country, be it in the economic front, or the geopolitical stance, the performance of India is quite commendable.

**Q. At last, what is that one advice you would enlighten the young generation with?**

I would suggest you to do what is right and not what is expected. And whatever you do, do that well. Secondly, maintain a balance in your decision making. Being humble and being fair must be the cornerstone in your decision making. Third, knowledge is an asset which keeps on compounding over time. So never stop learning and cross functional knowledge is important. Connecting the dots to the big ideas across disciplines will help you make good decisions. Also be a good human being. The last I would say, spend time daily on introspection. 15 minutes of daily introspection is good enough. Make a balance sheet of what did go wrong or what went well. It will improve the qualities of your decisions. That is all I have to say.

## TERMS

### EPS

Earnings per share (EPS) is a financial metric that measures the profitability of a company in terms of the amount of profit per share of its common stock. It is calculated by dividing the company's total earnings by the number of shares outstanding.

### Venture Capital

Venture capital (VC) refers to a type of private equity investment in which capital is invested in early-stage or high-growth companies that have the potential for rapid expansion and significant returns. Venture capital firms typically invest in companies with innovative technologies or business models, often in sectors such as biotech, fintech, or software.

### Contagion

Contagion is the spread of an economic crisis from one market, sector, or region to another and can occur at both a domestic or international level. Contagion can occur because many of the same goods and services, especially labor and capital goods, can be used across many different markets and because virtually all markets are connected through monetary and financial systems.

### Burn Rate

Burn rate is the rate at which a startup is spending money and how quickly it is consuming its available cash.

IN CONVERSATION WITH

**MS. MEETA**

Founder of Shumee



*"Shumee and play to be synonymous is what I would want our brand to become."*

*"Really believing in your mission is what will keep you going in the long run and that's definitely required before you take this journey of entrepreneurship."*

*"I have never thought of myself as being limited because I am a woman or as a mom even."*

*"In my view what we try to aim for is that we don't just want to be a toy brand but we want to be a partner in the parents' journey, understanding their psychology because it's very overwhelming to become a parent."*

**Interviewed by  
Divyansh and Suhani**

Founded in the year 2014, this Indian toy brand is committed to creating toys that are both safe for children and environmentally friendly. Their focus is on producing wooden toys, games, and activity sets that encourage imaginative and open-ended play for children aged 0 to 6. The brand employs local artisans to handcraft each toy using natural materials and non-toxic colours. They believe that the majority of the value in playtime comes from the child's creativity and imagination, rather than just the toy itself.

Upon her return to India from the United States in 2012, Meeta started searching for toys that her two-year-old son could safely play with and enjoy. However, she quickly discovered that most of the toys on the Indian market were either made of plastic or contained numerous electronic components. With the increasing popularity of toys made from potentially unsafe materials and with a high likelihood of breaking quickly, it has become difficult to find classic toys that are not a danger to children.

**Q. What motivated an IIT Delhi Graduate, Post graduate from the University of Southern California, and a doctorate from the prestigious Harvard university to not take up a secure well paying job but rather invest herself in a startup?**

It was something unplanned, I wanted to become a researcher primarily but when I came back to India I was shocked to see that in India I could not trust a brand for toys and play for my little ones and having seen and being exposed to this in US I felt like there is a need for a brand that gives the child the right kind of play because play is their superpower, play is through which kids learn at that particular age and most of the toys in India were Made In China through low-quality plastics not focusing on the core which is play and so this is how the journey started and I decided to venture into this uncharted territory because I really believed in it and wanted to build a startup around it.

**Q. You started Shumee when you were already a mother, breaking the social taboo of a mother staying at home doing only household chores, winning on both fronts I believe would have been a tough task for you, Could you please highlight some of the challenges that you faced along the way and how did you overcome it?**

Right from the start, going to IIT in a very minority setup being there, it was a different kind of experience, making my place there doing P.h.d, I have never thought of myself as being limited because I am a woman or as a mom even, I am really grateful for strong family support that I always had, they helped me pursue my dream to the fullest of my potential. It was never something I faced ahead, having my kids by my side was also something that really motivated me in the entrepreneurial journey.

The only challenge for any entrepreneur is maintaining a work-life balance and that is something that we really need to prioritize, more so for a woman but I feel that if you are really passionate about something then eventually you find that balance and make it work.

**Q. Even today, IITs are majorly male-dominated, so how hard was it for you to get into IIT and what was that landscape like?**

The male dominance really strikes you when you reach IIT, before that when you're preparing for it, it's like any other exam. It's when you reach there that you realize that there are only a few of you, at that time there were only 10 girls out of a batch of 400. But soon you also realize that you are there and you have the capability to be there and you're no less than anyone else who's there and you have all equal opportunity. Although it was a stark difference that I saw it was overall a really great experience.

**Q. For any brand, getting that first customer on board is a very big achievement and a tedious task at the same time, could you share your memories of getting your first customer?**

I distinctly remember getting my first order and it is a really strange story because we had not even launched at that point, we were just thinking of going on Hopscotch which was a toys marketplace at that time, and I get an email from someone saying that they want to visit us in Bangalore and buy our products even before we were live on Hopscotch. I was surprised, how did the person find out about us but he was a keen parent who wanted the best for his kids and it's so strange that he ended up being in our neighbouring apartment. So I hand-delivered the product to his house and they appreciated the quality of the product and it was something really special for me and really a surreal experience because he ordered from us even before we were live.

I have learned to understand that it is very important to listen to your customer's feedback at different points in time because it also gives you validation, that what you're doing is resonating with people at some level, and that they are also valuing what you're doing.

**Q. As you mentioned, shumee produces safe and sustainable toys, and these do come at an added cost in the toys market, a large number of competitors exist who offer these products at a comparatively cheaper rate, was this a considerable challenge faced by your brand?**

Toys is a very fragmented and unbranded market in which consumers are very price sensitive. It's flooded with low-quality cheap products that are made in China, so definitely it has been an uphill battle for us but over the years we have realized that there is a tribe of people who believe in giving their kids the best. Sustainability is becoming a lot more prevalent these days and people do understand that if you go for sustainable products, they do come at an added cost. So we are not a mass-market brand because of the price premiums that we have associated with our products but we do have a certain group of parents who believe in us, and this group is growing because of our continued efforts of making parents aware as to why they should not let their kids play with plastic toys. There is a lot of awareness building that we as a brand have been doing to get that customer base. We have also reconciled to the

fact that we are not fighting the price war because it is not something that we can fight. So, we're focused on building a brand ethos.

**Q. Could you walk us through your day at the company as a CEO, what task you do in hand, and how you are able to keep the entire staff motivated throughout the day?**

I am very blessed to have a great team behind Shumee. Our team truly believes in what we are trying to build. We are a small team of 10, but each one of us is very excited about what we're trying to build and really believes in each and every product that comes out of Shumee. Every first order that we get for a launch is a celebration in the office. We do celebrate small moments of wins and losses as well because as we know it is not a happy journey every time. There are times when things go wrong, but we always stick together. So first of all I am very happy to have a strong team behind Shumee. It is a very dynamic day that I have. Some days can be full of firefighting, when some things go wrong and we need to fix those, it can be peaceful as well. For me, in the morning I just have a round-up with each one just to understand where we stand and if there is anything I need to be a part of to solve but my team knows very well what they need to do so that's a steady state most of the days. Once a week, we also think about different marketing ideas, the social media integrations that we want to do, and new products with the product design team. Amazon is a strong marketplace for us so deciding the Amazon marketing strategies and brainstorming with each team at different points through the week is usually how my day and the week go by.

**Q. We all know that the Waves of COVID-19 were very devastating for the corporate world, so what measures did your business adopt to survive these waves?**

So it was a very uncertain time, with a lot of personal challenges as well that were there for everyone across the board, and in the first lockdown, some of the team members were lucky enough to get back home just before the lockdown happened but some were still here in Bangalore and that time each team member kept engaging with each other, we still used to have a team catch up though, in the lockdown, no sales were happening but we still used to think about the new product lines. That is what we focused on with the product teams at that time. We really focused on the things that we always wanted to do but were never able to do as manufacturing was also shut down and we had time to think about the things that we had earlier pushed off. The social media and marketing team also thought of engaging with the customers at that point of time because everyone was at home and people were looking at how to engage their kids. So we took that opportunity to build our social media presence and talk about different things like how to keep kids engaged, also organised some live sessions with experts, so that's how we kept our customers engaged with us.

The thing that worked for us during that time is that we

were completely an online platform and we organised our sales only through our website and Amazon so we asked our customers to keep ordering and build the trust that we will be shipping out their products as soon as the operations team comes back to the office. So we were never at zero revenue. We were at half revenue because Amazon was not taking orders for non-essentials. Our only website sustain the revenue for us and as soon as we were able to get the passes to get into the office from the authorities, the operations team started packing the orders and shipping out the orders that we were getting, and as soon as Amazon opened for non Essentials we saw a big boom in the revenue as well. Also, our manufacturing was not carried out smoothly so we were a little short in supply but we did a lot of planning to go ahead and we survived it and it also helped us to understand our core strengths and how we want to position ourselves. Post lockdown, we have also decided to go offline because people were up and about in the markets, so we are present in Hamleys across the country as well.

**Q. As you mentioned that you had started selling your products in Hamleys as well post lockdown, which is one of the biggest toy retail outlets, how was that experience?**

Hamleys had earlier approached us to provide them with the products for selling in the retail outlets but as I mentioned that we were short on manufacturing due to the lockdown so we didn't go ahead at that time, however after we got back on track with better supply we approached them back and started slowly with them supplying our bestsellers to their 25 stores, and it was a learning experience as we were not retail-ready because as I mentioned that we were completely an online platform and there are a lot of things like packaging, presentation etc that go in retail selling and that is what our team also worked on and we were very excited and slowly we have grown to more than 80 stores across India, Further it has helped us guide customers better for a quick purchase as well.

**Q. The toy industry in India is an unorganised one, so how are you able to make sure that your products gain traction considering they fall in the premium category?**

As I mentioned, we have been very focused on social media awareness, also our journey itself started with making our customers aware of the different brand philosophies that we follow and that's how the parents started discovering us and understanding what our brand means and slowly we have become a brand that also connected parents with meaningful content. In my view what we also try to aim for is that we don't just want to be a toy brand but we want to be a partner in the parents' journey, understanding their psychology because it's very overwhelming to become a parent. We try to add value to the life of parents by helping them in the journey so by focusing on that area we gain the trust of the customers and this also has led to a very healthy repeat rate on our websites for the sales.

**Q. Ma'am, we have seen that toy imports have been continuously reducing and exports are increasing so**

### **how has Shumee been able to capitalise on that?**

Yes, there has been a strong push by the government of India to make India a term manufacturing hub with some steps like increasing import duties and making BIS licensing mandatory for toy manufacturers to sell toys in India so these are some things that are making this industry a bit more regulated and better structured unlike before. Exports have been a good market for us and we are slowly building the export market through the USA, UAE, and hopefully Europe soon. The products that are built by us already have a readiness in the Global market so we are currently leveraging Amazon to reach and understand these markets and we would like to have a stronger and better distribution channel going forward.

### **Q. Ma'am as you mentioned that you have a global presence through the USA and UAE, so how are the toy markets there different from India?**

The UAE market is somewhat similar to India's market as many Indians are living there. We see that some of the best sellers in India are also bestsellers in UAE because consumer psychology and behaviour is somewhere similar. Talking about the USA there are some products that we didn't think would become major products but have become bestsellers in the US markets because of the design and quality differentiation that we have. So we believe that the US customers are better willing to pay for the sustainability and design of our toys than maybe a UAE or Indian customer. UAE customers would be more focused on what is the value for the money that they are getting through the toys, somewhat similar to the Indian customer. Also, we started marketing our products in the US markets first because we thought we would be able to understand the UAE markets very easily, so we wanted to invest more time in the US Markets. Also, after the USA, we are trying to focus on European markets as we feel that it is the next Big shot for us.

### **Q. Are there any distribution challenges or constraints that you face while going global or in any market outside India and if yes then how do you navigate through them?**

As I mentioned that we are on Amazon so we first try to utilise the Amazon channels, honestly, we haven't tried any other distribution channels as of now in any of the markets but as we say that the export of toys is increasing so there are going to be more complexities that we are going to face in the future for sure.

### **Q. Can you shed some light on the competitive landscape in your sector and how Shumee is able to navigate through that and make sure that Shumee thrives as it is doing now?**

The competitive landscape has been growing right now which is also very good because many more brands are showing interest, and building their markets. And it's also good to have competitors because it keeps Shumee on its

toes every time and helps us keep thinking, and building strategies on what we should be doing next. There have been multiple brands that have been focusing on Montessori toys and also some brands focusing on education and learning using wooden toys that are also getting to the schools for the many German and US companies importing their toys to India. But that is a very small portfolio because it's not easy to import the toys to an Indian market and also sell them at a reasonable price and obviously the unbranded Chinese products are always there in the Indian markets in abundance that provide us stiff competition. The way we think is that we should continue the things we are currently doing, and we understand what play means. We try to remain excited and deliver our best, and see how the consumer reacts.

### **Q. Do you want to share your experience as to how you got Dia Mirza as your brand ambassador and even as an investor in your startup?**

We had initially reached out to her team regarding this collaboration and we instantly got a call back from her team saying that Dia wants to connect. We explained to her what we were doing and she really liked the idea and wanted to become an ambassador and an investor in Shumee. That's how this lovely journey started and Dia also pitches us with certain ideas that we could implement recently we launched a board game for a little older kids on the solar theme which is very close to Dia and here we want to bring out the importance of planet earth.

### **Q. What are the most important habits to being a successful entrepreneur?**

I am not really a person of habits but prioritizing is definitely very important because at any given point you will have multiple battles to fight and it's a very unpredictable journey, you don't know when something is going to come up. So, to be resilient and prioritize on the stuff that needs your attention the most is definitely very important. I think if you really believe in what you're working towards, then you're able to face challenges because it's not a rosy journey, there are so many ups and downs, but really believing in your mission is what will keep you going in the long run and that's definitely required before you take this journey of entrepreneurship.

### **Q. What are your expectations from Shumee in the future and how do you plan to achieve them?**

I have always wanted Shumee to be a Made in India global brand in the toy industry because I believe what we're working towards is not really restricted to being an Indian brand but also a global brand. Because I believe that the way we have designed our brand is not really restricted to the Indian consumers but also has wider acceptability in the global markets as well. Shumee and play to be synonymous is what I would want our brand to become.

IN CONVERSATION WITH

## MR. NIKHIL TANEJA

CEO, Co-Founder of  
Yuva



*"I feel like there is so much that young people have to say in our country but there are very few people that are willing to listen"*

*"Telling people your stories and listening to theirs is the most vulnerable and honest thing you can do."*

*"I always felt safest in the world of movies and TV shows."*

*"Growing up, I was a 'Rebel without Cause', but Gen-Zs today are 'Rebel with Cause', they have reasons to voice for."*

**Interviewed by  
Mayank and Priyanshi**

Empowering young people to create positive change in their communities through advocacy and action with a belief that young people have a unique perspective and voice that can make a real difference in this world - defines the motive of YUVA. It is a purpose-driven youth media, research and impact organisation that hopes to start meaningful conversations among and about India's youth, particularly Gen Z.

From working with Yashraj Films to being a part of Gates Foundation, Mr. Nikhil Taneja as Founder and CEO of YUVA, has dedicated a huge part of his life in empowering youth and advocating their voice. Most of his work has been in and around urgent issues like youth empowerment, sex education, and gender equality.

Organising roadshows and campaigns, creating online or offline content and raising every urgent issue, he has worked in touching lives of thousands and the number is still rising.

**Q. What inspired you to work for these issues, with the Gen-Z for the Gen-Z ?**

My whole career has been around youth. Even in my school years, I had this restlessness to do something new and different. I was very fortunate to see Internet grow in front of me. I have seen 'Digital India' happening in front of me. I have also seen a world without internet which made me appreciate it even more.

So, when I got internet during my teen years, it opened a world of opportunities for me. As a young person, I got to do things I always wanted to do. I got the choice of trying things, the earlier generations could not do. I realised I had this 'Miracle Device' in front of me which gave me pinnacle of opportunities. In my middle teen years, I grew up in Bahrain (Middle East) and started writing for a youth magazine called 'Young Times' which happened because I got a new computer and found their email and wanted to try something new.

I sent them few samples and they took me onboard. Growing up I saw a time when the older generation realised that it's okay to give youngsters a chance to do things on their own. I was working since a young age, and have always been the youngest in the room so there was always a struggle to convince those older generation that my views, writings, voice matters. This gave me empathy for all youngster who are striving to grab their moments. In college too, I worked with my juniors on a magazine 'Grafitti', started a club for public speaking, began a cohort of interns at Hindustan Times and taught many kids. All in all, throughout my career, I have tried to do what I wish was done for me.

**Q. As you also work with the Gates Foundation to help shape the direction of goalkeepers and the mission of advancing towards the Sustainable development goals. How is that experience and how does that work relate to the work of Yuva?**

It has been phenomenal and I feel greatly privileged to get all these opportunities. I got associated with them through YashRaj films for a webseries 'Man's World'. Then they required advisors for their new community called 'Goalkeepers'. I applied and was the first asian to get selected. I got to work with great personalities from all over the world.

There always are some aspects I try to incorporate in every job I take - Advocating voice of young people, bringing them into the conversation and ensuring gender equality. And even at YUVA, we tend to find the bridge between important and interesting. We always try to figure out how to make important things interesting through medium of any content we create, mass-media or any campaign we undertake. It is because unless we start doing that maybe interesting things only will become important and rest remains unnoticed.

And as a part of goalkeepers, I am privileged to get a chance to talk about and advocate such things under my role as an advisor. I will continue doing such work with them.

**Q. As stated, more than 50% of your workforce is under the age of 25 years, what interesting stories have you come across working with the youth? Any particular one you wish to share with us today?**

Yes, I sure do work with a lot of youth and that has shaped my perspective in many ways. I think that the overall what I feel about Young India, Gen-Zs in particular, it is the first generation to have something in common with each other. When you think about it, no generations before Gen-Z had anything in common, everyone had a different colour, language, caste, creed or even geographical roots. With our diversity, I'd say no two Indians are similar to each other apart from the fact that they are Indians. But because of the technology, the literal 'Mobile Revolution' in our country, the Gen-Zs got to be born in the world to have internet/mobile common to all. This has actually democratized expression, sharing of knowledge and awareness that earlier generations didn't have. Even growing up, I was a 'Rebel without Cause', but Gen-Zs today are 'Rebel with Cause', they have reasons to voice for. Young people struggle to realise who they are in this society and even their homes. For them, the biggest fear is to disappoint their parents or not being able to live upto their expectations. Gen-Zs are progressive but in a society that is still figuring out to accept unconventional norms. And that has made them to use dank humour or memes to talk about their feelings out. I believe, they are lonely but they don't wish to show it and end up dressing it as memes or humour. So at YUVA we try to create a safe space for them to help them realise that they are not lonely. Hence, all the stuff or content, my team comes up with are their lived experiences only.

**Q. Your first short film Tasalli se has been awarded the best short film by the DC South Asian film festival. How does it feel to have such well received recognition for your work?**

I am very grateful. The aim of what we are doing at Yuva originals, which is where we make short films, we are making films and TV shows also now that will hopefully release in the next couple of years, the aim of all of this is to have meaningful conversations. I believe that there is a lot of anger in the right now, there is just a lot of polarisation as there are a lot of folks who are not able to talk to each other because we have reduced people's stories into labels and identities. People are judged entirely for their identity, say, from what part of India they are from, for their name or surname, for their marks, clothes, colour of their skin, height, qualifications etc. There is a certain kind of judgement that we people who have now gotten used to the internet and social media formulate that reduces them to literally the smallest thing you see of them. The internet and social media reduce people to literally handles that one is seeing. The society has progressed because there have been a lot more conversations but I feel like that discourse is ending because social media is so reductive of getting people to be the simplest and most judgemental part of their identities. So we are trying to tell stories where we look at people beyond their labels and look at them as human beings. How can we have meaningful conversations but through entertainment? How can we tell stories that bring people together? That's always going to be the work we try to do at Yuva where unlike the internet Yuva is trying to invite people into conversations. I feel like if you have empathy you have a perspective of looking at the world that others may not have, but if you are sitting at a moral high ground and telling people that they are not educated and intelligent enough so you do not want to talk to them, that is not true empathy. I feel like if people do not know enough it is the responsibility of those who know to invite them into the conversations otherwise how will people know. The algorithm also plays an important part in this as it formulates the media diet one is shown which is responsible for the world view one has. So, in a world like this it is very important not to shut people out who have different points of views but to include them into conversations. That's what Tasalli se and Grey (another Yuva film) are about. I am very fortunate that they are getting a lot of recognition, love and awards. That's the kind of work we want to continue doing at Yuva.

**Q. Sir you used to review international TV shows for the awesome TV show on film companion. How was your experience doing that and how did you manage to review so many shows?**

I am obsessed with TV shows and international television. I have been watching these for a very long time, being from an engineering background we used to pirate movies and stuff into hard disks and circulate them in the entire hostel. In a world where social media wasn't there, when you were staying away from your family and home and had a lot of time, and access to a computer then you were just watching these international movies and shows and just getting obsessed by them day by day. But for me, I always sort of felt safest in the world of movies and TV shows. It kind of opened my mind to see so many stories and so many different perspectives, all kinds of characters

and possibilities. Till a certain point of time you are not travelling enough but movies and shows help you to travel to different places without even having to step out of your home. You are getting to be in different people's shoes, that's just taught me so much about life. My first perspectives started forming because of the TV shows and the movies I used to watch. My sense of humour, my dialogues and the stuff I used to talk to my friends about was also influenced by that. As a huge Friends fan I feel like Chandler used to be my TV version of a soul mate. I have seen the final episodes of friends and how I met your mother on the day they aired. These ended up defining who I would end up being. It opened my mind to so many different conversations that we don't have in the Indian set up and a certain kind of aspirational life where friendship and going after things that one loves is important. We created Yuva to make people less alone as movies and TV shows made me feel less alone. I got the opportunity with film companion to host the show back in the day. I was such a voracious consumer of TV shows that did it for about a couple of years. I used to be a critic on radio as well for about 5 years at Drive Mumbai at 94.3 FM giving TV recommendations. Now, I am just trying to be a little more mindful of what I consume because I feel like the amount of content available is so much that your mind is constantly occupied with noise. I feel like everything is important and I might be missing out on things. I want to take a step away from this ecosystem.

**Q. Your world of kindness is adorned by various kinds of creators, writers and poets like Mr. Vijay Maurya, Mrs. Swastika Rajput, Mr. Rakesh Tiwari and many more. What constitutes your experience while working with such amazing personalities?**

I have not personally got to work with most of these folks. These are folks that Yuva works with. I feel like at Yuva we try to find common grounds and the most wholesome ways of communicating. I think so many kinds of conversations are very surface level, we try to work slightly deeper. We try to find common ground and what it is about these folks that resonates not just with us but the larger world and how do we bridge that gap. How do we bridge the gap between someone who has something wise or beautiful or wholesome to offer and a bunch of young people across the country who would benefit from this wisdom or love or empathy and we try very hard to be the bridge. It has always been wonderful to work with all kinds of incredible folks at Yuva. We feel very fortunate that we have now been able to create a brand where people get attracted to themselves. I feel like it is empathy because of which people want to associate with us. As I said, we are very fortunate that in a world where people are very angry and shouting into the void we are trying to have slightly sweeter and deeper conversations.

**Q. Sir from reviewing the TV shows to making films, how has the transition been working for you?**

I was actually making shows before I started reviewing the foreign shows. This is why I never started reviewing Indian

TV shows because I was making them. I feel like from a very young age I have always wanted to be a storyteller. I feel like stories are the most beautiful and meaningful relationships that people can have with each other. I feel like telling people your stories and listening to theirs is the most vulnerable and honest thing you can do. I have always felt that stories have great power and we have grown up on all kinds of stories whether it is historical or mythological or cinema or films or TV shows. I have always believed in making audiences in different parts of the country and world feel specific that you feel at a certain point of time. It is a privilege that if you are going through something and you are able to tell a story about it because of which someone somewhere is able to feel exactly that emotion that you want them to feel. Back in 1996 I saw DDLJ in theatres when it was released in Bahrain. I got smitten and wanted to do that in my life. After doing engineering and Hindustan Times, I ended up at Yash Raj films making shows and movies. I am very grateful that I get to be in a place where I get to tell stories and I hope that the stories that I tell resonate with people in a way that the stories that I grew up with resonated with me. Every emotion we feel correlates with several kinds of stories that are being told online. I think it is such a cool and amazing thing to be able to do, to be able to tell stories and to be able to construct stories that others can watch.

**Q. What advice would you give your readers about being the 'Best Yuva'**

Everyone has so much inside of them that is unique to you. You should just lean into that. You should just be the best version of yourself that you can be. Whatever that version be, Find out your life, have your own experiences, Make your own mistakes, Have your own failures, have your own successes. There is one thing I feel about this generation is like everyone is in hurry to get to places about who I am, What to do I want, What job do I want to do, How much money do I want to make, How much followers do I want etc. I feel there is a lot of time, give yourself time to discover things about yourself. Impatience is good in some ways but in many ways it isn't. I would just say that take your time to come into yourself, take your time in finding out who you are. The societal pressure of anticipating things and fixing them as targets, I feel like it's a very unfair thing we put on young people and I feel like you as a generation should fight against that. Take your time, Don't just agree to what the world is asking you to be and what the world has set expectations from you. Set your own expectations for yourself. Enjoy every single day, take one day at a time and have all the experiences possible.

**Q. Your flagship program 'YUVAA Roadshow' has been a huge success. What were your emotions during and after it?**

It was incredible, because of the pandemic for two years obviously we couldn't do it but for the first two years we did it and this year again we are doing it. In fact this year we are doing it with 'navyananda' so it will be very exciting. Even before I started YUVAA I kind of had a vision for

YUVAA where I was like we don't want to be a company that says we talk to young india we understand young india without actually stepping out of Bombay. I feel like there is so much that young people have to say in our country but there are very few people that are willing to listen and so few platforms that want to listen. At YUVAA we wanted to change what we said if we wish to set up a platform for young people so we must really go and hear them out first. I feel like when you give the young people the respect of being heard then they are honest and authentic with you. It was incredible, it was just so beautiful and cathartic. Whenever we created that space of expressing without judgement, people would speak, the kind of stories I heard across India of all kinds from love to friendship to deep issues about loneliness, harassment but always ending with hope and it would break my heart to hear the tough times that everyone in our country has faced. I feel like when you are young you end up feeling things for the first time like when you are older you have X number of variations of variations of the same feeling that you had when you were young. When you are young you are falling in love for the first time, you are heartbroken for the first time and when you fail you are failing for the first time so every bit of those emotions are such a deep feeling. It was a great honour to be able to listen to those stories. I feel like sharing what you are going through gives you a sense of hope because you are able to believe that there is someone who is willing to listen which means you are not alone in what you are going through and the moment you feel there is a community around you everything feels easier. It was the most incredible experience of my life, I don't think there is anything that I can do that will come close to the ROADSHOW.

**TERMS**

**Acqui-hired**

This startup term means that a small (and likely failing) business is purchased for its workforce. A larger company might buy out another company and do away with the product — simply buying the organization to poach its talented employees.

**Cliff**

The cliff for vesting is a period of time required before employees can claim percentages of their shares. The cliff is typically one year, and it's meant to keep employees — particularly CEOs — around through the early stages rather than taking the benefits and leaving.

IN CONVERSATION WITH

## MR. RAJAT JAIN

Founder and Managing  
Director of Sunfox Tech



SUNFOX

*"When you are at that milestone like I want to impact the first thousand people, then when you achieve these first thousand, your destination again changes, say I want to impact ten thousand and so on, maybe ten million. These things actually keep changing and it looks like a journey, only it's never about the destination. That's what we all know, we are a river and our work is to flow, so we are also flowing."*

*I feel that entrepreneurship is one field where you have the liberty to take any day off but the work is so rewarding, personal and enjoyable that you never take any days off.*

Interviewed by  
Aryan and Tamanna

Rajat Jain is an incubation manager turned social entrepreneur, coming from a very humble background, born and brought up in a small remote village in Uttar-Pradesh. From completing his entrepreneurial studies at Texas University at Austin and then building his leadership acumen at Wharton Executive Education, Mr. Rajat Jain, co-founder and managing director of Sunfox Technologies, which is a Med-Tech R&D Lab based out of foothills of Himalayas in Dehradun, has always strived for the best. After getting an engineering degree, he started Sunfox Technologies in Dehradun with the aim to build frugal medical devices which will help people in real life-threatening situations at the grass-root level.

Mr. Rajat Jain started his career as a Mechanical Engineer but after losing his close friend due to cardiac arrest, he along with his friends went ahead to develop Spandan, a portable ECG device. He was also appreciated by the Prime Minister of India for his innovation Spandan which is a matchbox-size tool to diagnose heart attacks on smartphones for less cost than a cup of tea. The startup was amongst the very few to get all five Shark deals on Shark Tank India season one. What started as an Indian problem and Indian solution, Spandan went ahead to become a global solution saving lives globally by exporting it to 11 countries.

Building Sunfox, a Medtech R&D lab, focused to develop portable, affordable, minimalistic and frugal medical devices for Cardiac Health, that can create an impact on the last mile users. Building Sunfox with a vision to impact the next billion people with accessible healthcare solutions which can save lives anytime anywhere. Emerging as the frugal and lean hardware technologies company to bring the high-end technologies to a common man's pocket with ease. He believes in democratization of primary healthcare and monitoring solutions.

Failure never left him and success never got the best of him. He is also a member of the global Shapers Community, an initiative in the World Economic Forum led by young people who are exceptional in their potential, achievements and drive to make a contribution to their communities. His addressable domain is to prevent the life-threatening stages in patients at the remotest locations by early monitoring cost-effectively with most simple devices. His team is trying to bridge the gap between the available monitoring equipment in the emergency and last-mile doctors, availability of digital equipment to bridge the routine monitoring gap, telehealth hardware devices needs to fill this gap at clinics.

**Q. Calling this tragic and sad demise of your close ally due to cardiac arrest, you made it your vision that there should be no death going to happen because of a shortage of medical equipment. You went on to invent the revolutionary product, Spandan. Where do you think emotion should be placed in a business? How do you see emotions as a factor behind the urge of creating a revolution?**

So, what I feel is that emotions, especially when you're

driving your social impact business, help you to find out a problem where you see a lot of people suffering and that's where you can actually relate very much with the problem. You can also feel the pain which is actually required to be solved and that actually, drives impactful businesses. So emotional connection is very much important in the identification of the problem, and how you can solve it if you are the person who is going to be the customer of the same solution. So, all of these things play a vital role and I think if you're committed to your business emotionally then the main requirement is living, breathing and eating your business all the time, at least for five years.

**Q. What do you believe sets you ahead of multi-utility digital watches that have an ECG monitor?**

That is actually a technological difference. We place ourselves as a point-of-care device in the same way you see thermometers. Secondly, the nature of the disease, it's entirely different. You don't carry your thermometer always in your pocket or you don't wear them around because that won't provide you with any significant data. Only when I'm feeling a little different, like feverish, I need it. Similarly, the design ideology of the watches that provide ECG is to monitor the heartbeats so that you can relate to them. That's a medical condition which is called arrhythmias. So, there are two types of things, in this particular domain of cardiovascular disease. One is called arrhythmias. Another one is called myocardial infarction, which we commonly call a heart attack. So, these watches are not built to detect heart attacks. These watches detect arrhythmias, specifically Atrial fibrillation. So, if you use any of these watches you will find a clear disclaimer over there that we don't check for heart attacks. But we do check for heart attacks. To explain further, imagine you have a pump at home, which pumps the water to the terrace. The supply can be stopped in 2 ways. It can be stopped by just switching off the motor. Another way could be to block the pipe so that the motor in the pump is working but you're not getting the supply. The vascular or flow-related conditions create heart attack conditions which we commonly analyze and check for that. Electrical-related issues or Rhythm-related conditions are called arrhythmias. So, they check for arrhythmia-related issues. We check for arrhythmias and vascular-related issues.

**Q. So, would you also like to inform our readers about the other products / Projects taken up by Sunfox technologies, except for Spandan?**

We started as a medical device company and the idea was to solve grassroots-level problems and provide portable and affordable technologies. So, we're carrying the same thing forward. So, Spandan is one of our verticals which is the flagship product. Apart from this one, we have multiple variants coming very soon in the market. Along with that, we started looking for other areas, how we can create impact and difference in specific systems to manage the disease. So, you can call it disease management systems. How you can do the ILD diagnosis of multiple other diseases. So, we work in the cardiorespiratory and cardiac segments, which are the major segments. So, we have

about 10 products coming very soon and better versions than Spandan.

**Q. We have seen in Shark Tank Season 1 and some of your interviews, you measure the success of your product by the number of lives impacted rather than the top line or bottom line. What does it take to have such an ideology? We preach that money is external and happiness is helping the poor, and you have actually proven the very meaning of this phrase. How have you developed your mindset to such a level that you have risen above numbers?**

I feel that this is not something which you can develop. It comes from within. All of the founders you find currently work in this way and this is how impactful businesses are driven. And if you're running an impact company, the origin is because you have that emotional connection you feel for society. Only then can you go and step into this kind of business.

**Q. Now as a follow up question I would like to ask how does it feel like to be the man behind so many lives being saved?**

I am not the man behind all of this, I am just a face which you can see. There is a big team who is responsible for making this big impact. I am the face which is talking about all of the good work my team is doing. I am just doing my job which is to communicate with the world. My core founding team of 5 people and other amazing champs that we have at Sunflox are the people who are driving the real impact.

**Q. Sir would you also like to share how it was to be appreciated by the prime minister of the country? How it felt and what were your thoughts at that moment?**

When I had that interaction, I was not really aware about what was going to happen actually and what we are going to do. When we reached there, we got to know that it was going to be a live telecast and what was going to happen. It was absolutely amazing to see the prime minister talking to you. I think that made a significant difference in our life because the kind of friction which all of the founder were getting from the family side or a lot of stakeholders got reduced as it was a kind of validation that if the prime minister is appreciating what we are doing so this is something that is not wrong and worth pursuing. So that friction and resistance got reduced and helped change the mindset of family, parents and a lot of closed ones, as we started getting their support.

**Q. Surely the matchbox sized magical product that we have in hands today has taken years of hard work, commitment and many sleepless nights. Could you please explain the young entrepreneurs and the readers of our magazine with the technicalities behind building such a successful company. Could you please share some incidents of the situations which challenged your capabilities but your tenacious spirit**

**made you rise above them?**

So, when you start building a company you really don't know how the things will be going. I really feel that you are not God as the things really don't go as per your plans or I think things never go as per your plans. It's mostly about the journey and not about the destination, just go with the flow. You actually have that broad vision that you want to build something like this but you really don't know how the road maps look like or what kind of challenges you will be having or what are the hurdles you will face. It happens when you are in the process, you find out about all of those challenges, good and bad things, emotional fluctuations, everything comes when you are in the process. You have the short milestones, say, when I am building the product, everything I am thinking about is that this product should work but when you are done with the product your next destination is to validate the product. It should be as good as the normal machines. When you are at that milestone like I want to impact the first thousand people, then when you achieve these first thousand your destination again changes, say I want to impact ten thousand and so on, maybe ten million. These things actually keep changing and it looks like a journey, only it's never about the destination. That's what we all know, we are a river and our work is to flow, so we are also flowing.

**Q. Sir your brand deals with the technology and in this era of ever-growing technological progress. Do you also feel pressured with the constant need to innovate and build new gadgets each day and how do you deal with it as ideas do not generate overnight?**

It's not the problem but actually the need. You have to keep innovating. Innovation is the key here. If I stop innovating today, somebody else will come and build something better than what I have built. If you look at the market on any of these disruptive solutions, you can't stop disruptive solutions to come out and change the world. I think you have to do that and you can't excuse that process at all.

**Q. You were also one of the few startups that were able to bag an All-Sharks on-board deal, so how has your experience been working with all the sharks and how have they added value to your program?**

First and foremost, I feel even getting an opportunity to be on Shark Tank is a big deal and it brings you the visibility that you deserve and can support your company in changing the world. Secondly, when you get the sharks on board, that gives you access to people who have been involved in the process of building their own huge companies. They come and guide you and give you advice that helps you learn from their mistakes as well as your own. It's a beneficial experience of learning from other people's mistakes - it helps you avoid ones that could even prove to be extremely expensive. The sharks are all very helpful and approachable and share their experiences. That has impacted our company in a big way to increase our reach and scale up our strategies and even increase capital amongst many other aspects.

**Q. If you could share any of the instances with one of the sharks which was a major learning, it would be great to hear that.**

I have many instances with Peyush Bansal, Namita and even Anupam. I remember vividly this one instance with Peyush - we were struggling with our sales - they were a little slowed down. At the time, he was the one who would text me and follow up on what are the steps you are taking, what are the plans - let's work on them together and things like let's meet for dinner and discuss how things can be scaled. So that was a positive influence which one needs and is something that keeps you going.

Another one would be when I was doing a nonprofit campaign in Kedarnath, Namita offered to help us out. We sat together, she helped us out with the strategy and even supported it financially.

**Q. You have mentioned that being on Shark Tank boosted your visibility, so can you please share an insight into how that affected your marketing and what other marketing steps you are currently taking for your product?**

We currently don't have a marketing team so we don't do marketing as of now. We have a small team that keeps the content in place and few efforts are put towards keeping up with marketplaces. I believe we have not done any physical marketing campaigns as such. All of our current business comes from word-of-mouth. One of our founders himself is leading marketing from the front. We only do digital campaigns. As of now, it is too early for us to get into marketing, but in the future sure we would definitely like to venture into marketing in physical spaces as well.

**Q. Being on Shark Tank and accomplishing everything you have so far, how do you feel about the road ahead for Spandan and the company as a whole.**

I feel like we have just scratched the surface of the market, we really don't think we have established anything so far in the market. We are more passionate and energetic to scale up our business and are working tirelessly to do that. The idea is to add multiple products in our portfolio and have deeper penetration at the grassroot level. We are also eyeing international expansion of Spandan. These are the few avenues we will be exploring in the future.

**Q. Any advice or learnings you would like to share with students and commerce graduates as a co-founder and someone who has seen a business grow from scratch and up to the level you are at now?**

I will talk about my personal journey, as I was doing my graduation, I had plans to get a high paying job but I landed into this profession because of multiple reasons. I feel that entrepreneurship is one field where you have the liberty to take any day off but the work is so rewarding, personal and enjoyable that you never take any days off. I started my entrepreneurial journey in college so I feel if I can make it without any fancy degree or backings, then

anyone can make it. As a student, I see there is a lot of push to be entrepreneurs and job creators in recent times. I say whether you become a job creator or not, at least create some value for yourself, that is most important.

**Q. That's so inspiring to hear your views sir. With this we are done with the questions and if you have any questions for us, please feel free to ask.**

I don't have questions but yes, we work with a lot of students and aspiring entrepreneurs so if anyone of you or at the college want to taste this entrepreneurial journey so yes, we are open, do join us, let's change the world together.

## FACTS

### Overnight Millionaires

The IPO for Apple took place on December 12, 1980. On December 12, 1980, the stock opened at \$22 a share and settled at \$29. About 40 employees who left Apple as ordinary workers on December 11 returned to work the following day as millionaires.

### The Cupertino Connection

Cupertino is a city located in Santa Clara County in California, United States. Apple has had its headquarters in Cupertino since 1993, when it moved to its current campus at 1 Infinite Loop. The campus has since expanded and has become a symbol of Apple's success and innovation. Cupertino's connection with Apple is significant, and the city has become synonymous with the company's success and innovation.

### The Infosys Technologies IPO was undersubscribed

The Infosys IPO that came out in June 1993 and priced its shares at Rs 95 apiece was undersubscribed. Morgan Stanley bailed it out by picking up 13% of the equity. The stock listed at Rs 145, a listing gain of over 52%. Rs 9,500 invested in the IPO is now worth over Rs 2 crore along with almost Rs 20 lakh in dividends.

IN CONVERSATION WITH

## MR. KRISHNAN SUNDERARAJAN

Founder of Loka



X LOKA

*“ Life is a constant process of elimination. You do something, you realize that you don’t want to do this. You do something else and you realize you want a part of this, but not the major part of this. ”*

*“ I realized that anything you build in life has no meaning if a lot of people don’t love and use it. For them to use your product, you need to speak the language they love and the language everybody loves is localization. ”*

*“ One thing that will always help you is keep having the habit of failing. I have been very fortunate to fail many times in my life because what it does is- if you have already failed many times, you don’t fear failing anymore and just look forward to succeeding. ”*

**Interviewed by  
Dejasvini and Somesh**

Metaverse refers to a virtual universe that is created by the convergence of multiple virtual worlds, augmented reality, and virtual reality experiences. It is a collective virtual shared space that is created by the convergence of various digital technologies, and it enables users to interact with a computer-generated environment and with each other in a virtual world. The concept of the metaverse is still in its infancy, but it has the potential to revolutionize the way we interact with technology, work, socialize, and consume entertainment.

It is no longer an infant though, for Mr. Krishnan Sunderrajan, the dynamic and visionary founder of LOKA, India's first Metaverse app. With a fascinating blend of North and South Indian traditions, Mr. Sunderrajan's entrepreneurial journey has been nothing short of remarkable. From his humble beginnings in Chennai to his corporate stint at Zomato, he has always been driven by a passion for creating innovative solutions to complex problems.

Mr. Sunderrajan's foray into the world of entrepreneurship began with Foodebaba, which he successfully launched and grew into a thriving business. However, it was his love for video games that eventually led him to develop LOKA, a revolutionary app that has taken the Indian tech scene by storm.

**Q. We see that your love for video games started from a very early age from GTA Punjab and we also know that you're an engineer. How were you as a student in school and college?**

See it's actually been a very roller coaster of a ride where you realize that, I mean, studies are important. I used to be a good student back in school and then sort of started playing a little too many games in college so had to sacrifice it, though I don't regret it because now that I'm working in this field, I guess gaming is what was important back then as well. But yes, I was a good and average student in college. But I'm glad I get to do what I love in life, which is playing games and now making them.

**Q. What is one valuable thing that you learned in college that helped you a lot in your career as an entrepreneur?**

You won't realize this once you're in college. You realize it much after you've graduated and you're doing something in life, which is that college was never about studies. College is never about getting good grades because when you're in your 50s and you've done something in life, people will never go back and ask what was your grade, or CGPA in college. So, what is important here is, at least in engineering colleges, you learn more about life skills than anything else, which is how to talk to people, how to convince them to be in your team, how to convince teachers that you really deserve 75% attendance despite not attending college. Secondly, it's about networking. It's about getting to know people, understanding them, and being friends with as many people. Because when you're 40 or 32 as I am, you realize you need a lot of help and the help is just around the corner, just around a phone call

away. And it's only a phone call away if you made those networks in college. So, college is about networks, much about life skills and a little bit about studies, but not a lot.

**Q. We also see that you were selected for the UPSC interview on the first attempt. Why did you give that up and become an entrepreneur?**

I realized after and like most engineers, after doing engineering that I didn't want to do engineering. And I did it because I didn't know what else to do. So, after completing it I realized that the army or IAS or IPS civil services is what I wanted to do in life and I wanted to give everything to it at some point. And I used to study like there was nothing else to look for in life. And when I did, I got selected in my first CSAT paper and mains. But I didn't get through the interview. I realized back then, that all of this is great, but is life about the position? Is life about great money or is it about great impact? Like I believe most people in life are motivated by either power, money or fame and somewhere a gray area in between as well. But I realized that just after giving that paper and not getting selected, that power is something that I seek but it's the impact that I seek more. And I wanted to do something that had more impact than anything else in life. And I believe politics is probably right up there. But the second-best thing to do right then would be business. It would be to create something that's so revolutionary that each and every person in the world gets affected by it. And that's the kind of power, that's the kind of impact I wanted to create and when I didn't get selected, I thought "It's too much handwork" and I would like better people, much smarter, much more hard-working people than me do this and I would just be average but be a good gamer and build a game out of this.

**Q. So from that point, how did you know that Loka was what you wanted to do?**

I didn't know, actually. I realized that life is a constant process of elimination. You do something, you realize that you don't want to do this. You do something else and you realize you want a part of this, but not the major part of this. So, you take what you like, leave the rest, and keep trying until you realize that this is something that you would like to dedicate your life to, and when you find that, you put your life into chasing the tree and making it into something real.

**Q. Why did you want your brand name to be LOKA, like why specific LOKA and not any other name?**

Actually, the word LOK or LOKA in Sanskrit doesn't have a definition in English. It could be vaguely called worlds or dimensions. Lok in Sanskrit essentially means a world where everything works in a certain way, in the sense that physics will work in a certain way, time will work in a certain way, gravity will work in a certain way and Earth is one such LOK. But there could be multiple LOKs that could be created like Brahma Lok, Shiv Lok, and Vishnu Lok where time and physics work very differently than what it does on Earth. So, I wanted to create a parallel universe where everything worked very differently. But it also relates to

how you live your daily life. So, I wanted to create a virtual world that behaves like the real world but is much different from it as well.

**Q. You wanted your game to work on an entry-level device and be localized (very Indian). How did you get the idea that it should be localized when there is generally a notion that games should have a very Foreign vibe attached to them?**

That is why I wanted it to be Indian because usually, we have a foreign vibe associated with games. Growing up in a middle-class family, I used to drive a Wagon-R, traveled in metros, and did all the middle-class things which I still love doing. I realized that anything you build in life has no meaning if a lot of people don't love and use it. For them to use your product, you need to speak the language they love and the language everybody loves is localization. So, if you're in Chennai, you would rather speak in Tamil, if you are in Gujarat you will speak in Gujarati and be extremely attached to that culture. Wherever you are, you're extremely attached to that culture, that tradition, those songs, those dresses, everything. So, I wanted to create something that represents everybody in this country, hence localization. I wanted to put Hindi because I started from Delhi, I wanted to put Indian dances, Bollywood dresses, gestures, and songs because when you hear that, game stops being a game and it starts being magic and I wanted to create that magic and hence I started with localization at the core of what I'm building.

**Q. How has life changed after shark tank? Especially working with Peyush Bansal, Aman Gupta and Anupam Mittal?**

When I applied for Shark Tank, I actually applied an hour before the deadline. My product hadn't been released in the market then and I didn't know if they would ever select a pre-product, pre-launch, pre-revenue company. But I decided to apply anyway and then there were multiple rounds of screening and I realized, as an engineer, you know that you don't know anything but you still have to make something out of it. So, you're really good at story making and story creation and believe me as gimmicky as that seems, one of the most important traits in life is storytelling. My story told my way to the sets of Shark Tank. I remember that around 10 pitches happened on the first day and mine was firstly the fourth pitch, then they got rescheduled to around the 7th or 8th and I realized that all seven people on the day of my pitch got rejected. I was the 8th guy there. I was very nervous. I didn't know if I was good enough to be there because there were brilliant founders making amazing products there and the door opened. I realized that I am not here for myself. It's not about me. It's about all the people who worked so hard that I could be here, all the people who will be with me after seeing this, and all the people who are thinking of starting something and if I just missed this shot just because I'm nervous, I'm feeling weak in the knees, it's just not worth it and I said I'm going to go out there, just be myself. In fact, I forgot a lot of my pitch because that's the only part

that's scripted in the show and I screwed that one thing up. I realized when things go wrong, you just have to be yourself and I started being myself. And it was a good day, a fortunate day, and I had been working with three amazing people. Without a doubt, one of my favorite ones would probably be Aman and Peyush and no hard feelings for Anupam either, but these guys have been there, talked to me, guided me through some roadblocks that could have happened and it's been a dream of a year.

**Q. Really loved it when the sharks asked how technically sound people who are better than you are working with you and you said you are better at convincing them. How do you think convincing and having a strong conviction is important for an entrepreneur?**

Everything matters when you're going somewhere, right from the dress you're wearing, if you've trimmed your beard, to the tone you're using, to your background, your vibe. Everything matters. And, when you really mean what you say that reflects in the way you're saying it and gets conveyed to the person in front of you and that affects them in making a yes or a no to you. That's one skill that I keep sharpening now and then with different talents by putting myself in awkward situations where I could be embarrassed but more often than not, I come out of it learning something more valuable than losing it. One of the primary things about convincing people is constantly trying to be in their shoes, trying to feel what they are feeling, live what they live and know what affects them so that you can create that effect on them.

**Q. I know you must have been asked this many times but it's kind of essential where do you see Loka in the next 10 years or what do you want to make out of it in next 10 years?**

It might sound sci-fi but I don't want people to keep visiting the Metaverse, I want people to live in it. I want them to wake up in it, work in it, meet the love of their life, get married there, watch movies, play games and do all kinds of stuff that they do in their real life. That's the vision I see in the next 5-10 years.

**Q. Can you tell us more about your first start-up FoodieBaba, we couldn't find much about it.**

I started, I was fresh out of Zomato, and the one thing that happened in Zomato was that Deepender who is the founder was somebody I wanted to be. He used to know about everything and I have never seen him fret or frustrated about anything. I learnt a few things about food and food industry there and I said I want to start a food company but soon I realized that seeing somebody from the sideline and being that guy actually are two very different things and you have to manage multiple things when you start a company like getting an office, to pay the rent, to Wi-Fi, to hiring, to paying taxes on time, to making a product, multiple things and it was a very steep learning curve for me. I had a few early start-ups and I also went

on a show back then in 2016 called The Vault on Times Now and raised my first round there with that company and realized two things: One is ,never trust your personal instinct, never think you are the customer and the only way to know who your customer is to keep interviewing them and get feedbacks even if you are getting abused at. Second, never stop learning. These are the two valuable lessons I learnt there and I am trying to apply them while also making new mistakes with Loka and learning from them as well in the process and getting better.

**Q. We have this question that how have you been able to maintain the level of confidence that you have because even though we know that it is very important for anything that we do, we still find it difficult to maintain that level of confidence in our colleges?**

One thing that will always help you is keep having the habit of failing. I have been very fortunate to fail many times in my life because what it does is- if you have already failed many times, you don't fear failing anymore and just look forward to succeeding. Because it will just be the 1001th time that you will fail, so it doesn't matter. And the only way you will fail and learn is by putting yourself in difficult situations. Secondly, somebody told me this, that has helped me and will probably help others as well, which is that people generally see life as a limited game theory like a football game for 90 minutes, and either of the two teams will win or a draw will happen. Or, it is a cricket match where there will be an outcome in a limited period of time. But life on the other hand is an infinite game theory, which means there is no time to winning or succeeding. If you have won now you may fail again later or if you have lost now you may win again later. It is an infinite cycle that goes on for a very long period of time. And there's a very important thing in this infinite theory that is survival- to survive at whatever you do till the time you are successful. It is pretty much like a game of PUBG. That's what has helped me. So, just survive all the difficulties that come on the way.

**Q. We saw that you run 2000-2500 kms every year. How things like these helped you to grow as a person?**

To feel like a champion, you have to keep reminding yourself that you are one. Sometimes things are not going right, stress at work or college or even in personal life and you don't feel like a winner. You have to keep reminding yourself and your body that you are a winner. Running has worked for me. When I run for 15 kms and tell myself that only 1% of the people I know can do this, I am reminded that I must be special. And when I do stand-up comedy and get laughed at in my few initial attempts, I remind myself that these people are laughing but none of them would dare to come on the stage and do what I am doing. See, nobody is special in this world but everybody can be special and to be that special person, you have to instill in yourself that feeling that you are special.

**Q. What is the most difficult decision that you have ever taken and how has that impacted you?**

See, you have to constantly take difficult decisions otherwise you are not moving forward and initially as a

founder one of the most difficult decisions is related to finance. You don't have money or even if you do have money you have to pay your employees before you pay yourself so you could be going to an office where everybody calls you sir but have the lowest amount of money in your bank account and your employees or the people you may work with might buy new bikes, go to holidays, buy a new car and get married, but you cannot afford these luxuries because you have to pay the salaries, the rent and rest everything. Even getting, hiring and firing people is a very tough decision sometimes or telling a co-founder that I don't want to work with you anymore is very tough itself. The only way to deal with them is not to postpone them, just doing it today rather than tomorrow and despite the probable pain, hurt, you will survive.

**Q. What is something that you tell to your younger self at this point?**

The only thing I would like to tell my younger self is that you are failing a little less. You need to fail more, learn more. The only thing I keep telling people is that there is a difference between losing and giving up. Giving up is like the end of the game. It's like saying exit and losing on the other hand is just saying let's restart. So, I would tell my younger self to fail more and to put myself in tough situations. Because when you come out of these tough situations you go from level 3 to level 4 to level 5. You will know you have lost but you are leveling up. And when you level up, believe me, it shows in your character, it shows in your vibe. When you go to a place, people talk to you and they know that you have a substance and that substance comes out of extreme agony, pain, sorrow, defeat and standing up again.

**Q. What would you like to say to our readers who might want to be an entrepreneur and to students like us, who still have an apprehension towards entrepreneurship?**

As I said that big things start with small efforts and this is very important, everybody wants to be at level 100 before they have been to level 2. Sometimes being successful is a long, difficult, boring, frustrating and thankless journey but it is worth it. The toughest climbs lead to the most beautiful views. And I want you to listen to this very carefully because it is also something that I tell my younger self which is when people are succeeding ,it is great, when they are failing ,it is also great because in both the scenarios you know that you are doing something and there's an outcome to it. But many times, in your life you are in between where you don't know if you will succeed or fail. You don't know why you are doing it; you don't know if it will be worth it, you don't know what you are doing. Sometimes the toughest thing to do is knowing what to do and to keep yourself motivated in this whole process. So, when you are in between, neither successfully nor failing, how you find the inner strength to keep yourself motivated, disciplined and have the grit to keep continuing without thinking of an outcome is what matters and will take you from zero to where you need to be.

IN CONVERSATION WITH

## MR. VINEET NAYAR

Former CEO  
HCL Technologies



**SAMPARK**  
FOUNDATION  
creating a million Smiles

*"I have defied the conventional wisdom that companies must put customers first. I believe that since employees are the closest interface with the customer, they are the new value zone for companies."*

*"Our education system is not focused on producing leaders who think beyond the obvious. As our new generation, you must think and act differently from our generation and not let this opportunity pass."*

*"Like a good teacher, a good leader needs to respect the human mind and inspire it to do the impossible rather than believe in the "use and throw policy" that you see today, especially in few start-up organisations that are built to sell rather than built to last"*

**Interviewed by  
Manya and Aryan**

Vineet Nayar, the former CEO of HCL Technologies and founder of Sampark Foundation, is a highly regarded management visionary and author of the widely acclaimed management book “Employees First, Customers Second: Turning Conventional Management Upside Down.” He is a well-known Indian business executive, author, and philanthropist.

Nayar joined HCL Corporation in 1985, after completing his MBA from XLRI. Under Vineet’s leadership, HCLT underwent a radical transformation from a \$0.7 billion technology services company in 2005 to a \$4.7 billion global enterprise with over 85,000 employees across 32 countries in 2013. This transformation earned HCLT recognition from Fortune as “the world’s most modern management” and BusinessWeek as “one of the world’s most influential companies.” Vineet has also been selected by Fortune Magazine for its inaugural global “Executive Dream Team” in 2012, and he was included in the elite “Thinkers 50 List” in 2011-12, which recognises the world’s top 50 business thinkers.

In 2005, he established the Sampark Foundation to promote large-scale innovation in education, which earned him a place in Forbes magazine’s prestigious “48 Heroes of Philanthropy List 2016.”

**Q. You serve as a mentor to multiple technology start-ups today; as such, what are your thoughts about the current state of the Indian IT industry, especially as we are in the midst of a digital revolution?**

Revolutions are what change the status quo. We call them positive disruptions, where what you do or how you do it changes dramatically. Technology is the key driver of this change, and you see this in robots being used for surgery or reading scans to diagnose the disease which miss the naked eye or use Bots to solve customer problems, create music and art and many more. Technology-led disruption will accelerate, a massive opportunity for the Indian IT industry. However, our education system is not focused on producing leaders who think beyond the obvious. Thus, Indian IT is more known for executing someone’s vision ( Outsourcing) instead of creating its products and services, which would change the world. As our new generation, you must think and act differently from our generation and not let this opportunity pass.

**Q. In many of your public speeches and conversations and of course in your book, you have mentioned that employees come before customers. Entrepreneurs usually believe in this but never implement it, for example, the recent mass layoffs. What is your take on this?**

The most beautiful and complex machine in the world is a human being. It can climb mount Everest each day or sleep through the day depending on the level of motivation. Incredible organisations and great leaders understand the value of a motivated human mind like a great teacher understands it very well. Authentic leadership is the ability to inspire people and help them find their purpose in life.

Unfortunately, the pursuit of wealth and short-term wins has made leaders forget this lesson, and they end up cutting out the roots of their organisation and slowly but surely killing it. Like a good teacher, a good leader needs to respect the human mind and inspire it to do the impossible rather than believe in the “use and throw policy” that you see today, especially in few start-up organisations that are “built to sell” rather than “built to last”.

**Q. How did this transition from being the CEO of HCL to entering the social sector with Sampark take place for you? What was your motivation behind doing the same?**

Life should have a purpose which is more significant than yourself. There will come a time in your life when you feel financially secure and have achieved enough recognition. At that time, you seek more happiness by engaging in a purpose-led life. That will only happen if you are willing to give up your pursuit of wealth and recognition. At that moment, you discover your passion for helping others become as fortunate as you were, giving you joy and satisfaction 100 times more than you ever had. When I turned 50, I made that transition and today work with one cr children across 1 lac schools, and I am happier than I ever was. I did this for myself and not for the children with whom I work. It is they who give me joy each day, and it’s not me who gives them much. Your Nani or Dadi, and I am sure your mother, understands this more than anyone else; talk to them and understand the joy in selfless life.

**Q. Do you think there’s anything missing in the entrepreneurship ecosystem in India? If yes, what and how can it be provided for?**

Yes, a lot needs to be included. First, our education system teaches us to follow and not think beyond the obvious. Second, our misplaced belief in copying and shortcuts as a way to succeed is a virus that kills originality and creativity. Lastly, the risk capital to back imaginative ideas is in short supply. Thus, we have many entrepreneurs; however, only a few success stories are inspiring. We need more risk-takers who think and act differently and want to create something, not just to get rich quickly.

**Q. Any message you would like to convey to us?**

You belong to a generation that has massive opportunities ahead of you. First aim high as you will underperform your aspiration. Second invest in yourself, as no one else will do that for you, be an original and not a copy of someone. Third, learn from everybody, including the maid at home and guard in college -everyone has a life lesson that can change your life. Lastly, think ethically about society and humanity -find your purpose beyond pursuing wealth, titles and brands. You are fortunate to be born into a progressive and supportive family, and now you are part of a good college. So the question is -what are you going to do about that? Make it count and be a butterfly or be an ant-like million others? Mr Nayar has changed the questions a bit.

**Q. How do you approach creating a culture of transparency and accountability at Sampark foundation?**

The best decisions I have taken are those where I invited others to decide what is best for our organisation, resisting the temptation to take decisions myself. As a leader, it is easy to fall into the trap of assuming that you're the only guy who can take the right decision.

**Q. Since you are the author of the bestseller “Employees First, Customers Second: Turning Conventional Management Upside Down” could you please provide insights regarding balancing the needs of employees and shareholders in decision-making?**

I have defied the conventional wisdom that companies must put customers first. I believe that since employees are the closest interface with the customer, they are the new value zone for companies: the place where value is truly created for customers therefore organizational accountability should lie first with the employees, and not the other way around.

**Q. Can you discuss your philosophy on leadership and how you have implemented it in your professional career?**

I believe that turbulent times need “managers” to transform themselves into “Inspirational Leaders”. Those who inspire are trusted, and respected and deliver results others will find difficult to even think of as possible. Inspirational leaders are unconventional, bold, fearless, honest, passionate, and caring and most importantly they know their teams will climb Everest if that is what is needed today.

I believe leadership cannot be cultivated. Leaders just need fair and equal opportunities and they grab these opportunities and earn the trust and respect of the people whom they lead. True leaders are those who lead with their ideas -- and not their position.

**Q. How did you foster innovation and creativity at Sampark Foundation?**

Innovation is everybody's business. Innovation isn't something you do after you get your work done. It's how you do your work.

From an organizational perspective too, we cannot afford to allow the pipeline of new ideas to dry up. No amount of cost-cutting or optimization of resources will work if we do not actively encourage new ideas through innovation and creativity. We cannot rest on past laurels. We have to keep innovating or we run the risk of becoming a 'calcified and bureaucratic' organization. In Sampark, we create innovative solutions for classrooms every day.

## TERMS

### Revenue Run Rate

Revenue Run Rate will give you the projected annual revenue of a company based on current revenue information of a few months/quarter. It uses an assumption that business and market will remain constant throughout the year. That means, there will be no changes in market conditions or how the business is doing, no growth no decline.

### Horizontal integration

It is the acquisition of a business operating at the same level of the value chain in the same industry—that is, they make or offer similar goods or services. This is in contrast to vertical integration, where firms expand into upstream or downstream activities, which are at different stages of production.

### Stock Split

A stock split occurs when a corporation increases the number of its outstanding shares by distributing more shares to current stockholders. By splitting existing shares into multiple new shares, the stock becomes more affordable.

### Spot Market

The spot market is where financial instruments, such as commodities, currencies, and securities, are traded for immediate delivery. Delivery is the exchange of cash for a financial instrument. A futures contract, on the other hand, is based on the delivery of the underlying asset at a future date.

# OUR JOURNEY



## Wealthfolio

A Strategic Asset Management Competition

## Rises In Crisis

A Crisis Management Competition

## Case Convolute

A Case Study Competition

## DR. AMITABH RAJAN

Chairman RBI Service Board

## HIM-EESH MADAN

International Motivational speaker and Business Coach

## MR. YATINDER SINGH

Mr Asia 2018; Mr.World 2015; 3 Times Mr.India; Mr Asia Champion of cha

## PANEL DISCUSSION

Of Managing Director & Chairman of Accenture, Deloitte, Ernst & Young Finance Bank & Department of Science and Technology

Events

Speakers



# DECEMBER

# NOVEMBER

# JANUARY



ARTICLE  
WRITING  
COMPETITION

## Mr.Ashwani Kumar,IAS

Honorary Advisor Brics Chamber of Commerce & Industry(CCI)

Topic: Analysing choice of government services W.R.T private sector as a career in fulfilling one's professional and personal goals in life.

## Mr.Dhruv Shringi

Co-Founder & Ceo at Yatra.com

Topic: Envisioning Entrepreneurship as a career choice; Traditionalistics versus modern views

## Mrs. Tripti Shinghal

Ted X Speaker,MSME success coach,Founder & CEO-KCS Advisors,Womenovator

Topic: Women entrepreneurship& Development of the economy

SRCS



## MR. YOGE

Former ambassa and security issue

## MR. RAJIT

Secretary, Rajya S

## MR. ABHI

IAS Project Direc

## MR. ASHIS

Joint Secretary O

## MS. MRINA

IPS Director G20

## MS. JIVISH

Deputy Secretary

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Bizstreet

**Case Blitz**  
A Strategic Case Study Competition

**Barrato**  
The Ultimate Trading Simulation

**Genesis**  
Shri Ram Incubator Challenge

**Dynasty Doom**  
A Treasure Trove Competition

**NDTV**

**LIVE BUDGET  
DISCUSSION**



**FEBRUARY**

**APRIL**

**MARCH**



presents  
**INDIA'S G20 PRESIDENCY**

**PANEL DISCUSSION**



G 20 Presidency

**YOGENDRA KUMAR**  
Former ambassador and author/commentator on geopolitics, Indian foreign policy issues

**RAJIT PUNHANI, IAS**  
Secretary, Rajya Sabha Secretariat, Parliament of India

**ABHINAV CHANDRA**  
JIS Project Director and Team Head of ASIAN DEVELOPMENT BANK Funded Project

**ASHISH SINHA**  
Joint Secretary, G20, Ministry of External Affairs

**MRINALINI SHRIVASTAVA**  
IPS, Director G20 National Disaster Management Authority, Ministry of Home Affairs

**JIVISHA JOSHI GANGOPADHYAY**  
Deputy Secretary in Logistic Division (Department for Promotion of Industry and Internal Trade in Ministry of Commerce)

**Ye Jo  
DILLI  
Hai**



# ANNUAL FLAGSHIP EVENT BIZSTREET'23

**Dynasty Doom** was a mystery hunt event under Bizstreet'23 to the ingenious hawkshaw inside participants. Clues and mystery, imagination and facts, altogether to turn into a mysterious treasure hunt is what was offered in this 'Old but Gold' game of Treasure hunt. The event received 1200+ registrations.

**Barrato**- The Ultimate Trade Simulation competition under Bizstreet'23 witnessed more than 1100 participants from top tier institutions across India with a cumulative reach of 65000+. The highlight of the competition was its final round, The Trade Simulation Showdown, wherein the finalists experienced the business world in an entirely different environment.



**Genesis**- The Incubator Challenge of Bizstreet'22 truly resonated with its tagline, "IDEATE. IMPLEMENT. CONQUER". It offered a golden chance to its 1000+ participants to push through all the hurdles and pitch their startup ideas to top leaders and get some valuable insights. It had 3 rounds under its ambit- War of Wit, Synopsis and Showdown.

This mind-boggling challenge "**Case Blitz**" consisted of a diverse set of problems aiming to check the business acumen and logical thinking of participants. It had over 1700 registrations and a cumulative reach of 45000+. It provided the participants with an opportunity to come up with the most innovative solutions and unleash their creativity.

# **SHRI RAM COMMERCE SUMMIT**



SRCS-the Semi Annual Fest of the Commerce Society, SRCC offers a platform for all to test their analytical, interpretational, finance and managerial acumen. It is the ideal place for all the business enthusiasts, case acers, finance fanatics and problem solvers to be at. With the 3 national level competitions coupled with eloquent speaker sessions, SRCS takes the participants on a roller coaster filled with learning opportunities.



## **CASE CONVOLUTE**

A case study competition focusing on harnessing the ability of individuals to solve, negotiate, and deliberate dynamic situations arising in an organization.



## **WEALTHFOLIO**

Wealthfolio, a one-of-its-kind trading simulation that tests the decision-making and negotiation skills of participants.



## **RISE IN CRISIS**

Rise in Crisis is the place for testing one's foresight, decision making and presentation of consistent and revolutionary plans to avert the crisis.

## SOCIETY HIGHLIGHTS

# G20 SUMMIT PANEL DISCUSSION

VASUDHAIVA KUTUMBAKAM



The Commerce Society of Shri Ram College of Commerce organized The G20 Panel Discussion on 18th January 2023. The event was first of its kind university-connect series with G20 hosted by The Commerce Society, SRCC. The event was held in the Sridhar Shriram Auditorium with a footfall of more than 400 students from different colleges around Delhi.

#### ESTEEMED PANELISTS :

Mr. Yogendra Kumar (Former ambassador and author)

Mr. Rajit Punhani (Secretary, Rajya Sabha Secretariat)

Mr. Abhinav Chandra (Project director and team head of Asian Development Bank funded project)

Mr. Ashish Sinha (Joint secretary G20, Ministry of External Affairs)

Ms. Mrinalini Shrivastava (IPS, Director G20 NDMA)

Ms. Jivisha Joshi Gangopadhyay (Deputy secretary in logistic division)



# NDTV

## LIVE BUDGET DISCUSSION

### Decoding Budget 2023 with Genz

On 1st February 2023, a few hours after the crucial Union Budget FY 2023-2024 was presented by Sh.Nirmala Sitharaman, one of the nation's most viewed news channels, NDTV and NDTV India was on the grounds of the Shri Ram College of Commerce. The society conducted live telecast of the union budget FY 2023-24, followed by a detailed analysis of every aspect of the budget. The students of the college had taken up a research analysis of the budget under the guidance of the esteemed faculty and with the resources provided by the Commerce Society, SRCC. The live interview took place in a knowledge-conducive environment where the students got the opportunities to get their apprehensions about the budget solved by the learned special guests who were also joined by the respected Principal, SRCC.

Media Coverage of over 1 Lakh has been witnessed.

# YE JO DILLI HAI

## SOCIETY HIGHLIGHTS



Delhi, the national capital of India, is a vibrant city of contrasts. Our first stop was **Paharganj**, a neighborhood that derives its name from its proximity to Raisina Hill, the current site of the Rashtrapati Bhavan. During the Mughal era, it was a thriving marketplace. Unfortunately, during our visit, we discovered that Paharganj has lost its former grandeur and has become a disadvantaged area of Delhi. Widespread poverty, pollution, and crime prevail here, and basic necessities such as water supply, drainage, sewage, electricity, and garbage disposal are scarce. The market structure of Paharganj embodies the complexity of Delhi as a city, with a collision between history and modernity, diversity and conflict, opportunity

and exploitation. The area attracts and repels people simultaneously, highlighting the need for development and improvement to make it a safe and liveable place for its residents and visitors.

Our second visit was **Majnu ka Tila**, a bustling Tibetan market and colony situated near the North Campus. Majnu ka Tila's market structure is an amalgamation of the old and the new, the traditional and the modern, the local and the global. This vibrant marketplace caters to both domestic and international tourists, particularly backpackers and low-budget travelers. The market is a kaleidoscope of languages, cultures, and cuisines from around the world, where people, vehicles, and animals jostle for space. The colorful narrow streets, with fluttering prayer flags in the breeze, add to the market's charm.

Visiting Majnu ka Tila provides a fascinating insight into the lives and spirits of Tibetans living in exile. It is a place that embodies their resilience, creativity, and harmony. The market encourages visitors to learn and appreciate other cultures and perspectives.

## THE BIGGER PICTURE



The world of podcasting is ever-changing and full of new and exciting content. In February of 2023, The Commerce Society of SRCC also came up with a brand new podcast, 'The Bigger Picture' which is dedicated to exploring the neoteric trends around the globe. Hosted by two members of our society, this podcast offers insightful conversations and engaging stories. We discuss topics such as finance education, new technologies, and the intersection of commerce and business. We guarantee to bring you fresh insights, inspiring stories, and thought-provoking conversations which helps the listeners at home reimagine their world and reshape their future.

# FRAMING MEMORIES









# COVER NOTES



**MRITUNJAY MENARIA**  
**PRESIDENT**

As the President of the Commerce Society, my primary goal is to create a platform that inspires creativity and innovation while promoting leadership and management skills. Our society, which has a rich history spanning more than 50 years, continues to reach greater heights. This year, we organized national-level competitions, semi-annual and annual fests, speaker sessions, and more, with the goal of fostering social and intellectual activity among students. We have created a supportive and engaging environment, providing our members with lifelong memories and valuable experiences. I, hereby acknowledge and thank our faculty advisor, Mr Alok Kumar, whose unwavering belief and guidance have encouraged us to strive for excellence and go beyond our limits. I have had the opportunity to lead the society and make decisions that impact our members and the wider community. My journey has been transformative, characterized by personal and professional growth, and a deep commitment to society's vision. We've been able to achieve great success as a society, from hosting successful events to launching innovative initiatives. I am excited to see where the future takes us and look forward to continuing to contribute to the society's growth.

The Commerce Society of SRCC has been an integral part of my college journey. Since my very first society interview as a junior executive member to leading the number 1 ranked Commerce society in Delhi university has been nothing more than a dream come true. Our accomplishments were collective and our struggles reaped immeasurable rewards. From conducting market surveys, giving interviews on national television, hosting pan india competitions, speaker sessions and concerts, our domain has expanded tenfold. Words fall short of describing the lifelong memories we've shared together as a team. I cannot envision rowing past this journey and it goes without saying the relentless efforts of my whole team that has helped us pull through all our initiatives in the best way possible. I am so proud to have had the opportunity of leading the brightest minds in India to accomplish feats beyond my wildest imagination.



**SHON KIPGEN**  
**GENERAL SECRETARY**

I came to college with a dream and a vision, little did I know that these red bricks would open up an endless realm of opportunities for me. Undoubtedly, My experience as a Chief Coordinator at the Commerce Society has been absolutely incredible. From frantically running across the college to get things done, to planning and organizing every fest and working together hand in hand to do the best, we all have come a long way. I got the chance to peep into my inner strength by serving as a binding force and a bridge for my teammates, which made the goal-setting and implementation process simpler. ComSoc, which is at the heart of SRCC, is a life-altering event that allows you to develop into and outgrow so much more. Throughout our tenure we have witnessed everything. The good and the bad. But as it is said 'Problems are not stop signs, they are guidelines', we used to summon the fortitude, only to end up making everything a tremendous triumph. ComSoc has taught us all, The lesson of patience, perseverance, hard work, team spirit, and true friendships. It has been the most wonderful place to be during times of happiness and the source of greatest learning during testing times, but through thick and thin, it has been there as a home away from home. To endless memories and a lifelong place in my heart, Thank you Comsoc.



**MANAUTI GUPTA**  
**CHIEF COORDINATOR**

# COVER NOTES



**ANANYA CHAWLA**  
**TECHNICAL DIRECTOR**

Being a part of The Commerce Society provided me with some of my best memories of college and the best team I worked with. The journey from being recruited as a junior member to getting into the cabinet has been a long roller coaster ride for me. Deliberating over various things till late at night, initiating new initiatives, to witnessing the successful outcomes were the fulfilling experiences of my journey. Working on my laptop sitting in the corridor of the college, having meets till 3 a.m. in the morning, and celebrating the successful completion of our events with the team are some of my unforgettable memories made in the society. Comsoc not only helped me to grow as an individual but also taken my technical skills to a next level and always motivated me to bring out the best in me. The canvas of knowledge with a perfect blend of fun and responsibilities is how I describe my experience at Comsoc. With the most beautiful bonds to remember, ComSoc became a second home and all I can say is that this journey has left an everlasting impression on my mind that will always be remembered. I will always feel grateful to have been associated with The Commerce Society and getting the chance to live the legacy. I hope this revolution grows in all glory, each day, each year.

As I reflect on my time in the Commerce Society, a sense of sweet nostalgia washes over me, filling my heart with gratitude and pride. When I first joined the society, I had no idea that embarking on this journey would turn out to be one of the most fulfilling decisions of my life. The countless brainstorming sessions, late-night meetings - and finally seeing the events come to life - the journey had been nothing short of exhilarating. The memories of the events, the people, and the experiences we shared will always hold a special place in my heart. Comsoc became a second home, and the people here were no less than a family that worked tirelessly to make possible the phenomenal growth we once dreamed of. Being a part of Comsoc was more than just organising events. It was a transformative journey of learning and unforgettable experiences. I am truly grateful to have been a part of such a wonderful legacy, and hope for this legacy to continue to flourish and serve as a testament to the perseverance and dedication of its members, both present and future.



**JANVI BIST**  
**TECHNICAL DIRECTOR**



**GIANA RANJAN**  
**TECHNICAL DIRECTOR**

It is an undeniable fact that my college life would have been very dull without Comsoc. The time I've spent as a part of this society is something I'm immensely grateful for, and fond of. The learnings I have gained, both as a junior member and as part of the Cabinet are highly invaluable. Working late nights, pulling off large-scale events successfully, and managing a myriad of tasks simultaneously, although overwhelming at times, are now some of my fondest memories of college. Comsoc has always helped me push myself and realise my potential. I am extremely proud to be a part of this great legacy, and will always be. The Commerce Society is much more than an ordinary society to me. It has grown to be an unforgettable part of my college life. I am extremely thankful to have been a part of this legacy, and I am sure it will continue to grow in the coming years.

# COVER NOTES



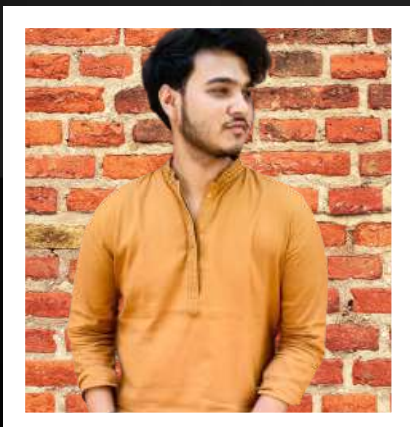
**DEVANSH MITTAL**  
**EMCC DIRECTOR**

My journey as the EMCC Director of the Commerce Society is one of the most memorable and cherished experiences of my life. While giving my interview for The Commerce Society in my first year, I had no idea that this journey was going to be so long. But, now at the end of it, I can proudly say that working for society has always been a great fun and learning experience for me. It was a rollercoaster ride filled with many ups and downs. There were new learning opportunities and new experiences at every step of the way. The time that has been invested in the organisation has led to fruitful development of my personality and candidature. The society provided me an opportunity and a platform to showcase as well as polish my skills. I will always cherish my time at Comsoc and wish best of luck to the juniors who will carry on the legacy from Strength to strength.

My journey in the organisation is one of the most memorable and cherished experiences of my life. The time that has been invested in the organisation has led to fruitful development of my personality and candidature. The kind of growth and boosted confidence I have witnessed in my personality is exceptional and quite special. From meetings, raising sponsorship, ideating competitions to organising events and successfully comprehending everything one can offer, this learning experience was in itself phenomenal. It added on my courage to trust my gut, solely take the decisions and be accountable for them. It gave me a chance to prove myself as a worthy leader and I think there won't be any better platform to do the same. Apart from that, it helped me build connections which will be cherished forever. ComSoc was truly more than just a society for me, it has embraced me in ways I had never imagined, thus making my college life more bearable, exciting, unforgettable and worthy.



**TEJAS SONAR**  
**EMCC DIRECTOR**



**AMITESH JHA**  
**RESEARCH DIRECTOR**

The Comsoc has given me the best memories in college. The journey from being just a junior executive member to being the Research Director of the society has been a total roller coaster ride with lots of ups and downs. From giving interviews to sitting on the other side of the table, the journey has moulded me into a better person. The Commerce Society has given me several opportunities including working on various research reports, organizing fests, hosting eminent personalities, and many more. Still, the most valuable thing which I got from the Commerce Society is true friends which are not less than family. I could have never asked for a better cabinet. It's always amazing and exciting to work with them. I cannot imagine my college life without the Commerce Society. I wish I could always be part of this amazing society but as Robert Frost said, "The woods are lovely, dark, and deep. But I have promises to keep and miles to go before I sleep".

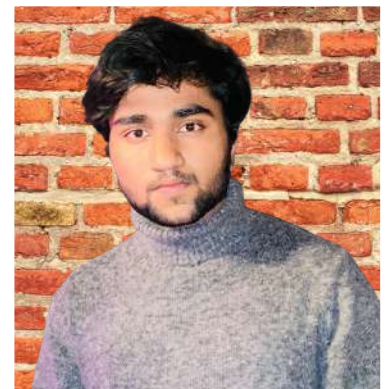
# COVER NOTES



**ADITYA GUPTA**  
**RESEARCH DIRECTOR**

It has been an amazing experience being a part of Comsoc. I enjoyed each and every little moment of my tenure. Every person I met in this society has a special place in my heart. I was worried in my junior tenure about how I would cope with my teammates, but everyone, from my seniors to batchmates, has been supportive from the beginning itself. Everyone here is so supportive, kind, and friendly. Comsoc has given me precious memories that I will cherish for my lifetime, like organising events, meetings, networking, ideating competitions, raising sponsorships, and managing work as a research director. This tenure was full of initiatives for the betterment of society. Comsoc has been like a family to me, and this society helped me discover my area of interest in the research field. Further, it provided me with an opportunity to exhibit my leadership skills by leading a team of juniors.

When the legacy was officially passed on to us, I was thrilled to be a part of the cabinet. In a matter of seconds, I envisioned the enormous amount of knowledge, experience, and memories we would create during the next year. We achieved seemingly impossible feats, hosted grand events, and embarked on an unfathomable journey. Every day presented new challenges and experiences, and we fought through it all as a cohesive team. From being featured on national television, to organizing a concert and launching our own podcast, we accomplished things I had only dreamed of. Though words fail to capture the full essence of my journey, I can confidently say that the Commerce Society holds a special place in my heart. It has reshaped my personality and provided lifelong lessons. The memories and people I have met will be the most valuable takeaway from this endeavor. As this chapter comes to a close, I express my heartfelt gratitude for the opportunity to be a part of this phenomenal journey. I am confident that Comsoc will continue to thrive and reach even greater heights in the future. With a heavy heart but zero regrets, I sign off.



**MANAN GUPTA**  
**PR MARKETING DIRECTOR**



**PARUL KHARE**  
**PR MARKETING DIRECTOR**

The Commerce Society, SRCC will always remain an indispensable part of my college life. The myriad learning experiences, new opportunities and intriguing challenges that crossed my path as a PR & Marketing Director have altogether provided a wholesome development for me as an individual. It felt immensely proud to be a part of a 50 years old legacy and contribute our bit to make comsoc reach even greater heights. The sense of responsibility and team-work that comsoc taught me would stay with me for a life-long. Leading a team of juniors was an experience like never before where along with guiding them I got a chance to explore dynamic perspectives. The best part was being a part of the social initiatives of the society and being able to contribute our bit towards the betterment of humanity. The memories with the comsoc family are gonna stay in my heart forever. Grateful for being a part of something so extraordinary, an experience I would treasure for life.



**TITLE SPONSOR**

**BIZSTREET'23**



Established in 1969 by the Australian Government, IDP has more than 50 years' experience helping students achieve their international education goals. As an Australian listed company, we have operations in more than 65 countries and our websites attract 100 million visits a year.

#### **About IDP Student Placement:**

IDP partners with more than 800 quality universities and institutions across Australia, Canada, Ireland, New Zealand, the UK, and the US. IDP has more than 170 offices based in over 30 countries. More than 1,600 expert education counsellors around the world. Our highly trained counsellors are by our students' side from the first course search until day one in the classroom, and beyond. All of them are experts in ensuring students can submit quality, verified applications, resulting in a world-class education for our students.

#### **About IELTS:**

In August 2021, IDP acquired British Council's IELTS business in India. IELTS (the International English Language Testing System) is the world's most popular English language test for work, study and migration. IELTS is the only high-stakes language test recognised for migration across Australia, Canada, New Zealand and the UK. IDP has more than 2,000 test locations across 62 countries.

# By Indians, For Indians.

EVENT PARTNER

Ambrane is a homegrown lifestyle consumer electronics brand on a mission to empower Indian consumers with smart electronic gadgets since 2012. With their major breakthrough of being the first brand to launch a powerbank in India, they started their contribution to the 'Make in India' initiative super early. They stand firm on the three core values that set them apart - Modern, Reliable and Indian; Therefore, making them the preferred and proud choice of the nation. Over the years, they now have a strong nationwide presence with multiple products in their portfolio ranging from Smart Wearables, Powerbanks, Charging Solutions, Audio, Mobile Accessories, Grooming, and other Smart Gadgets.

 **ambrane**

Do what powers you

## THEIR PRODUCT OFFERINGS

Ambrane offers a diverse portfolio of lifestyle consumer electronics, such as power banks, smart wearables, mobile accessories, audio devices, grooming products, charging solutions, IT accessories, and other smart gadgets. The brand is committed to constantly evolving and innovating its product range to meet the latest technology trends. Ambrane aims to maintain its "Make-in-India" tradition by producing all its products in India. The company has already started this process and is actively working on developing new technologies to strengthen its "Made in India" products.

## ABOUT THE #AMBRANEALLY

Ambrane values its customers and considers their satisfaction a top priority. They have over 30 million happy customers across the nation and are always available to help with any queries or issues regarding their products. They have a strong social media presence and operate over 400 service centers all over India to stay connected with their customers and provide them with the best assistance.

## WHERE YOU CAN FIND AMBRANE

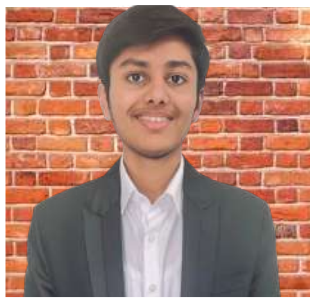
Ambrane products are available both online and offline platforms, like its own website - [www.ambraneindia.com](http://www.ambraneindia.com) and various e-commerce engines like Amazon, Flipkart, Nykaa, and more. For those who prefer to buy in-store, Ambrane products are available in several retail stores such as Croma, Walmart, Reliance Retail, Sangeeta, Go Mobile, Spencers and more.

## THEIR CORE BELIEFS

Today, technology has become an essential part of people's lives, and the two important factors to consider are good quality and affordability. Ambrane believes in powering up the nation with the latest technology and stands firm on three core values that set it apart - Modern, Reliable and Indian. The company's vision is to power everyday lives and to deliver reliability, affordability and authenticity to Indian consumers, making Ambrane their first choice.

You may follow them on social media @AmbraneIndia

# CONTENT & DESIGN TEAM



**ARYAN GUPTA**



**PRISHA GUPTA**



**MANYA GOEL**



**MAYANK  
MITTAL**



**DHRUV GUPTA**



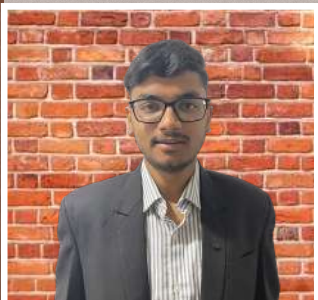
**DEJASVINI K**



**HARMAN KAUR  
BABBAR**



**GAUTAM  
ARORA**



**AYUSH  
SINGHANIA**



**SOMESH REDDY**

## CONTENT TEAM



**TAMANNA  
KHURANA**



**SUHANI JAIN**



**DIVYANSH**



**PRIYANSHI  
BANSAL**



**GIRISH KUMAR**

# DESIGN TEAM



**ANANYA  
CHAWLA**



**JANVI  
BIST**



**TARU  
JAIN**



**BHAVIKKA  
DHAMIJA**



**HARSHINI  
AGARWAL**



**GUNGUN  
AGARWAL**



**MUDIT  
LAKHOTIA**



**PANAV GUPTA**



**PRASHANT  
JAISWAL**



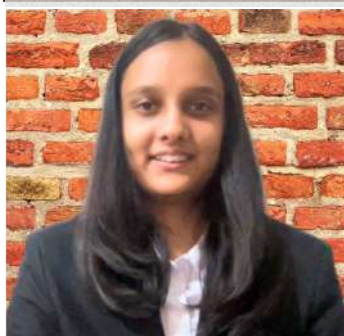
**VISHAKHA  
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