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India Business Journal

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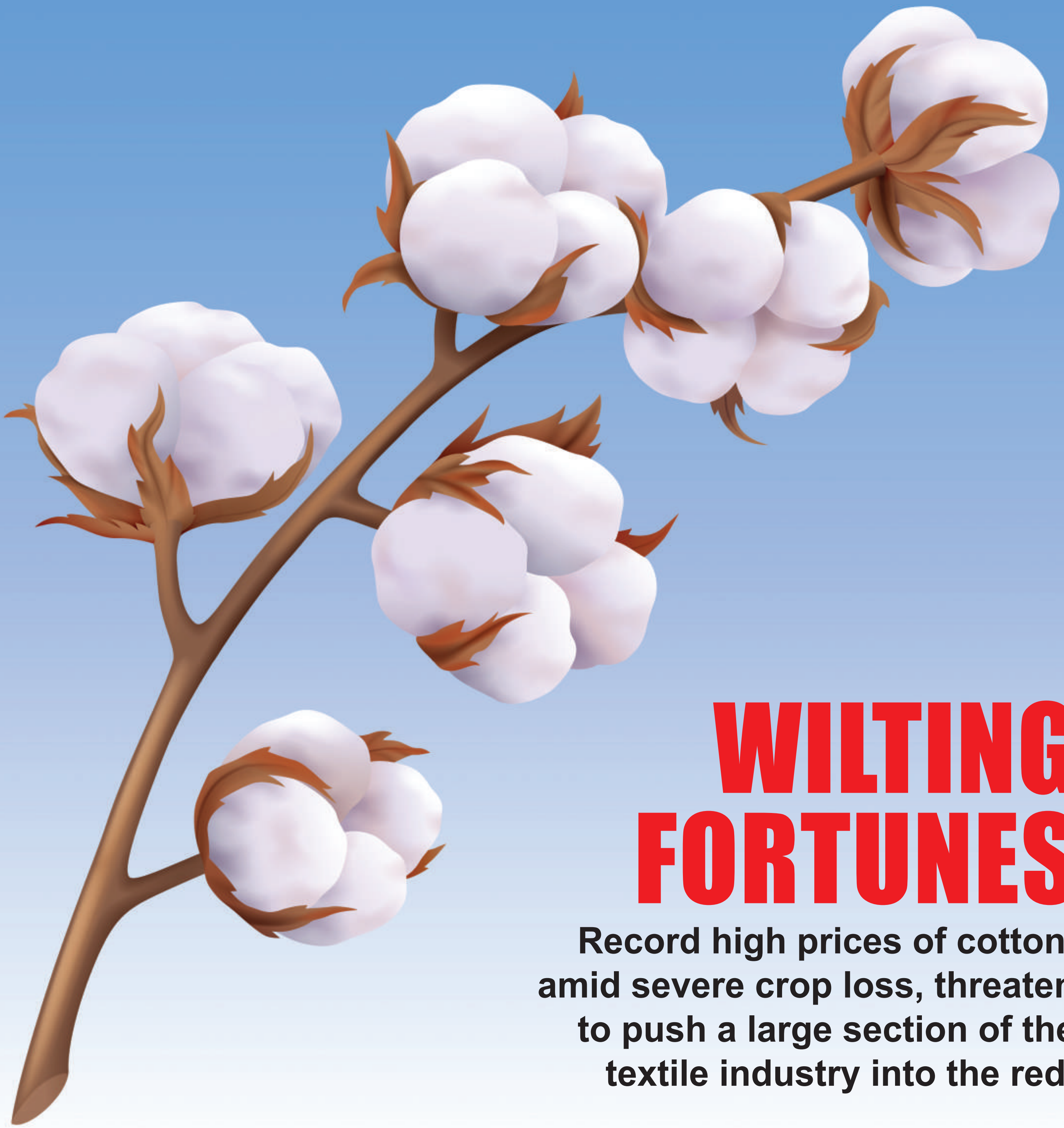

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At 13.5%, Q1 GDP figures were lower than the forecasts put out by many analysts.

Beyond The Q1 GDP Numbers

Economic growth numbers for the first quarter (Q1) of 2022-23 were quite disappointing. At 13.5 per cent, the Q1 Gross Domestic Product (GDP) figures were lower than the median forecast of 14.5 per cent. The numbers were woefully lower than the Reserve Bank of India's estimate of 16.2 per cent. That the growth statistics sagged despite a favourable base effect – growth in the year-ago quarter (Q1 of 2021-22) was muted by the Omicron impact – portends a sharper slowdown in quarters to come.

Yet, the dark cloud of GDP had a few silver linings. The Q1 growth in absolute numbers of Rs 36.85 lakh crore got a big boost from 4.5 per cent y-o-y growth in agriculture. The farm sector seemed to have shrugged off the impact of heat wave to stage a promising performance.

There was good news on the private consumption and private investments front too. Private Final Consumption expenditure, which accounts for a sizeable chunk of demand-side GDP, grew by 26 per cent and accounted for a whopping 59.9 per cent of the Q1 GDP. Investments too put up a good show after several quarters of gloom. The share of Gross Fixed Capital Formation or investments in the economy rose to 34.7 per cent in the quarter in question. The numbers are highly significant, given that share of investments had slumped to below 30 per cent in the past many quarters.

But going past the silver linings, the GDP cloud got intensely darker. Manufacturing grew at a disappointing 4.8 per cent. Construction – one of the largest job-generating sectors – expanded by 14.7 per cent, thanks again to the helpful base effect. However, growth remained anaemic when compared to the sector's pre-pandemic level. Among the services sector, trade, hotels, transport and communication continued to be points of concern, with growth remaining well below their pre-pandemic levels.

This was the last quarter of favourable base effect. GDP growth will begin to moderate henceforth as the base effect normalises in coming quarters. In its recent update, the RBI has also alluded to this trend. Moreover, there are considerable downside risks to growth in upcoming quarters. As central banks across the world continue to battle inflation, interest rates will remain elevated amid tight liquidity conditions. Global demand will weaken and impact exports. Back home, consumption may be constrained as wage growth slows and high inflation erodes purchasing power of people, especially in the lower rungs of society.

The pain in rural and unorganised sectors is quite acute. Flat rural wages and increased demand for MGNREGA work confirm this. Declining sale of FMCG goods, entry-level automobiles and two-wheelers prove beyond doubt that there is severe distress among lower-income groups.

If one cares to go beyond the GDP numbers, there is a whole lot of disturbing data pointing to dismal state of affairs among marginalised sections of society. The latest report of the National Crime Records Bureau reveals that the share of suicides by daily-wage earners among total suicides in the country in 2021 rose to 25.6 per cent. In absolute terms, 42,004 daily-wage earners ended their lives among 1,64,033 total suicides in the country last year. And daily-wage earners do not include farmers and farm labourers, who have been separately classified – 10,881 or 6.6 per cent of the total suicides.

These suicides are not mere statistics. In fact, many of them are sole earning members of their respective families, and their passing away plunges a large number of their dependents into dire poverty. Under such circumstances, relentless chest-thumping of India being the world's fastest-growing economy is boorish behaviour, to put it politely. ■

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Pursuing Refreshed Business Theme

BSE(535958)- and NSE(ESSENTIA)-listed Integra Essentia Limited has received orders amounting to around Rs 12 crore for supplying steel ingots to prestigious infrastructural (TOR &TMT) steel manufacturers in north India. Integra has been tirelessly working on strengthening its supply chain and has lined up the requisite sourcing and servicing of these orders from Rourkela, the Steel City of Odisha. The company is set to start supplies to the buyers soon and plans to complete the despatches within the current quarter (September quarter of FY23).

Integra also recently bagged orders in excess of Rs 11 crore for supplying premium dry fruits. The orders, which are expected to be complete in the next couple of fortnights, will help the company in exceeding the targeted sales for the Q2 of the current financial year.

Commenting on the development, Integra Essentia MD Vishesh Gupta said: "While pursuing a refreshed business theme, viz "Life Essentials", we are committed and focused on developing a robust business in all the targeted segments in the next 15-30 months. The management of the company is very happy with the current status of the order book, particularly for agro-products and is contemplating similar growth numbers from the infrastructural materials business very soon."

Mr Gupta further added: "We are proactively exploring various options to venture into processing of many newer agro-products, including organic agro-products and a wide range of health foods and nutrient-rich products and supplements, starting with dry fruits, which have a humongous business potential embedded therein."

Integra had recently announced having acquired an operational rice processing facility with substantial stake-holding through a joint-venture agreement with existing stakeholders. This rice manufacturing unit, situated in the rice bowl of north India, has an installed capacity of 21,000 tonnes of export-quality rice per annum. The company is targeting backward integration and deeper reach in the supply chain of life-essential items via acquisitions and joint ventures eying better control over the quality along with better economies. This will help it to be in a stronger position to tap into the potentials in domestic and international markets.

Integra Essentia is a Delhi-based company engaged in the business of life essentials, i.e. food (agro-products), clothing (textile and garments), infrastructure (materials and services for construction and infrastructure development) and energy (materials, products and services for the renewable energy equipment and projects) and many more products and services required to sustain modern life.

The company is promoted and managed by a core team of experts of diverse experience relevant to the company's businesses.

Q1FY23 Net Sales At Rs 56 Crore

Integra Essentia has a substantial role to play both in creating and providing effective basic services needed to maintain minimum acceptable living standards – spanning nutrition, water, sanitation and healthcare. The sudden emergence and rapid spread of pandemic has thrown up numerous social and economic challenges. There is universal concern of boosting healthcare systems as well as better availability of food items containing rich elements of energy a1nd embedded immunity.

Integra has great potential to serve society, nation and global requirement by exploring and utilising its available resources, deliverable at minimum cost to end users. The company's diverse talent pool of empowered professionals and entrepreneurs has formulated strategic, long-term plans that are under active implementation.

MISCELLANEOUS

Setback to WhatsApp, Facebook in CCI case The Delhi High Court has rejected pleas filed by WhatsApp and Facebook to stop the Competition Commission of India (CCI) from probing them regarding a 2021 privacy policy update. The CCI can now continue to probe the social media platforms. The Delhi High Court has upheld the single-judge bench order, which had ruled that the CCI had the jurisdiction to proceed with the probe. In January 2021, WhatsApp had introduced a revised privacy policy. In March of that year, the CCI had taken cognisance and initiated a probe on possible abuse of a dominant position. Facebook and WhatsApp had challenged this, but a single-judge bench of the court had rejected the plea in June 2021.

Longest train *Super Vasuki* chugs along Indian Railways conducted a test run of the 3.5-km-long freight train, Super Vasuki, with 295 loaded wagons carrying over 27,000 tonnes of coal between Korba and Bhilai in Chhattisgarh on August 15 as a part of the *Azadi Ka Amrit Mahotsav* celebrations. The trial run by the South East Central Railway left Korba at 13:50 and took 11.20 hours to cover the distance of 267 km. This was the longest and heaviest freight train ever run by Indian Railways, the national transporter said, adding that the train took about four minutes to cross a station. The amount of coal carried by *Super Vasuki* was enough to fire 3,000 mw of power plant for one full day.

Loan defaulters need NoC to invest abroad The Finance Ministry has made it tougher for loan defaulters and those facing probe by investigative agencies to invest in overseas entities. They will now have to secure a no-objection certificate (NoC) from their lenders or the regulators or probe agencies concerned before making overseas investments, according to new norms notified by the Department of Economic Affairs. This NoC will be mandatory for any person who has a bank account classified as a non-performing asset or is labelled a wilful defaulter by any bank or is under investigation by a financial services regulator, the Enforcement Directorate or the Central Board of Investigation.

PM Modi's *Panch-Pran* target for 2047 Prime Minister Narendra Modi set a *Panch-Pran* (five resolves) target to make India a developed nation in 25 years. Addressing the nation on the 75th Independence Day celebrations last month, Mr Modi spelt out the five pledges as a resolve for a developed India; removing any trace of the colonial mindset; taking pride in our legacy; our strength of unity; and fulfilling the duties of citizens.

RBI lifts curbs on American Express The RBI has lifted restrictions on American Express Banking Corporation, allowing it to restart on-boarding new domestic customers on its card network. The central bank had put the curbs on American Express in May 2021 for not complying with a circular it had issued on storage of payments data in 2018. The RBI had in June lifted similar restrictions on Mastercard after 11 months. The order had not impacted customers of American Express who had been on-boarded prior to the ban, which was imposed by the RBI under Section 17 of the Payment and Settlement Systems Act, 2007.

States' FY23 revenue may grow by 9%: CRISIL

Buoyant Goods and Services Tax (GST) collections and Central tax devolution will be revenue growth drivers for States in the current financial year, even as Value-Added Tax (VAT) on petroleum products will likely remain flat, according to CRISIL.

Overall revenue of India's top 17 States, which account for around 90 per cent of aggregate Gross State Domestic Product (GSDP), is likely to grow at a moderate pace of about 9 per cent in FY23 after gallopping about 25 per cent in FY22, the rating agency has said in a report.

OBITUARY

ABHIJIT SEN (1950-2022)

Economist Abhijit Sen, a former Planning Commission member and one of the country's foremost experts on rural economy, died of heart attack last month. He was 72. In a career spanning more than four decades, Mr Sen had taught economics at New Delhi's Jawaharlal Nehru University and held several important government positions, including the chair of the Commission of Agricultural Cost and Prices. He was a member of the Planning Commission from 2004 to 2014, when Manmohan Singh was the prime minister. Mr Sen had headed a committee which had put out a landmark report and proposed that comprehensive 'C2' costs be considered while fixing prices of farm products. The committee had also called for a universal Public Distribution System.

APPOINTMENTS

Senior electrochemical scientist **Nallathamby Kalaiselvi** has taken over as the first woman director general of the Council of Scientific and Industrial Research, a consortium of 38 State-run research institutes across the country.

Revenue Secretary **Tarun Bajaj** has been given additional charge of secretary in the Ministry of Corporate Affairs after former secretary Rajesh Verma was made secretary to President Droupadi Murmu.

Distinguished scientist Samir V Kamat has been appointed secretary of the Department of Defence Research and Development and chairman of the Defence Research and Development Organisation (DRDO). Prior to this appointment, Mr Kamat was director General of naval systems and materials at the DRDO.

Krishnamurthy Subramanian, the former chief economic adviser, will take over as the next executive director (India) of the International Monetary Fund (IMF) with effect from November 1, 2022.

Verbatim...

"It is possible to imagine India striking out into the next decade with a growth rate of 11%. If this is achieved, India will become the second-largest economy in the world not by 2048 as shown earlier, but by 2031."

Michael Patra
DEPUTY GOVERNOR, RBI

"There is a difference between merit transfer payment and non-merit freebies, especially those which are done beyond the fiscal capability of any government. State governments should not dole out non-merit freebies, such as gifts and consumer durables, beyond their fiscal capabilities."

Rajiv Kumar
V-C, NITI AAYOG

"There is a lot of chatter about people moonlighting in the tech industry. This is cheating — plain and simple."

Rishad Premji,
CHAIRMAN, WIPRO

"Time is the most important thing in construction. Time is the biggest capital. The biggest problem is the government is not taking decisions on time."

Nitin Gadkari
UNION HIGHWAYS MINISTER

FINANCE

Razorpay buys Ezetap for $200 million Tech unicorn Razorpay has acquired Ezetap, India's leading offline point-of-sale (PoS) company, which was founded with the aim of simplifying the in-person offline payments experience. The value of the transaction is around $200 million, according to sources. The acquisition enables Bengaluru-based Razorpay's foray into offline payments. With this acquisition, Razorpay will be one of the few companies across the world with a significant online and offline presence in payments. This marks Razorpay's sixth and biggest acquisition thus far. With a $80-billion total payment volume as of April 2022, Razorpay is eyeing about 1.2 crore merchant base by next year.

BoB raises Rs 1,000 cr via housing bonds Bank of Baroda (BoB) has raised Rs 1,000 crore through long-term bonds for financing infrastructure and affordable housing. The bank in June had approved raising funds of up to Rs 5,000 crore in multiple tranches during FY23 via affordable housing bonds. The bank received total bids of Rs 4,714.40 crore against the issue size of Rs 1,000 crore, the lender has said in a statement. The bank has set a coupon of 7.39 per cent with the bonds having a fixed maturity of seven years.

"PSBs' divestment could impact credit profile" The government's ceding of ownership and control of public sector banks (PSBs) could have significant implications for their credit profile, rating agency India Ratings and Research has

SBI sells Mahanadi NPA at 58% discount SBI has sold non-performing loan asset (NPA) account of KSK Mahanadi Power Company to Aditya Birla ARC for Rs 1,622 crore, accepting a haircut of almost 58 per cent against the total outstanding. KSK Mahanadi Power Company had total loan outstanding of Rs 3,815.04 crore towards SBI as of April 2022. "SBI initiated open offer e-auction towards sale of fund-based exposure of KSK Mahanadi Power Co on 100 per cent cash basis on April 20, 2022, for a reserve price of Rs 1,544.08 crore," SBI has said in a regualtory filing. The State-owned lender had received a total of 15 EoIs.

said. In the event of government ceding control of State-owned banks, the agency will re-assess the government's support stance. "The agency opines PSBs' credit profile benefits significantly on account of their majority government ownership and control and believes it has significant bearing on its expectation of government support for their liabilities, if required," India Ratings adds.

PSBs' profit up by 9.2% to Rs 15,306 cr All the 12 public sector banks (PSBs) earned a cumulative profit of about Rs 15,306 crore in first quarter (Q1) of FY22, registering a 9.2 per cent growth annually. This was despite poor showing by large lenders, like SBI and PNB. During the April-June period of the previous financial year, State-owned banks had recorded a total profit of Rs 14,013 crore. Of the total 12, three lenders – SBI, PNB and Bank of India (BoI) – had reported a fall in their profits ranging from 7 to 70 per cent. Decline in profit by these lenders has been attributed to mark-to-market losses due to hardening of bond yields.

APPOINTMENTS

Deepak Kumar Lalla, a veteran SBI banker, has taken charge of SBICAP Securities as its MD and CEO.

Banks step up fund mop-up via CDs Banks have increased their fund-raising activity through issue of certificates of deposits (CDs) as funding in the banking system continues to contract. "Banks are not raising deposit rates as they are able to get funds easily from money market by issuing CDs, and that too cheaply, and they may continue to opt for this route of fund-raising for next few weeks," notes Raju Sharma, the head of fixed income at IDBI Mutual Fund. Private and State-run banks have raised around Rs 30,000 crore through two-month to one-year CDs in the two weeks to August 19, sharply higher than roughly Rs 5,000 crore in the previous two weeks.

"Central banks must solely focus on inflation" Rising inflation globally has brought central banks under sharp scrutiny with many experts pointing to their failure in reading the exact nature of price pressures last year. Former RBI Governor Raghuram Rajan has said that central banks will do a far more effective job, if they focus only on controlling inflation. He adds that issues like climate change and job creation, though peripheral to the central bank mandate, can better be dealt with by direct policymaking. "You can, maybe, criticise them a little bit for being a little late on reacting to inflation, but it's hard to say that they have got it completely wrong," Mr Rajan adds.

Kotak Bank for standard fraud reporting Kotak Mahindra Bank has pitched at the RBI for a standardisation in fraud reporting after data showed that the private sector lender had been witnessing huge number of such cases. The appeal from Kotak Mahindra Bank came days after reports citing official data said that the lender had reported 5,278 cases of fraud in the first quarter of FY23 as against only nine for the nation's largest lender, SBI. The bank has clarified that 97 per cent of the overall 5,000 incidents of fraud were due to customers unwittingly compromising their credentials by clicking on unknown links, or giving access to their devices. ■

IDBI stake sale EoI likely in September With regulators willing to provide required flexibility in norms, the government is set to float an expression of interest (EoI) for strategic disinvestment of IDBI Bank in September, according to a senior government official, who wished to be anonymous. The RBI and the SEBI are understood to have agreed to provide a flexible glide path to reduce the promoter's (acquirer's) stake in the bank once the transaction is over. Currently, LIC (49.24%) and the government (45.48%) hold a 94.78 per cent stake worth about Rs 41,000 crore in IDBI Bank at the current market price.

IOCL lines up Rs 2 l cr for net-zero goal IOCL, the country's biggest refiner, is planning to spend Rs 2,00,000 crore to achieve carbon neutrality by 2046. The company will target Scope 1 and 2 emissions under its net-zero aim, IOCL Chairman Shrikant Madhav Vaidya has disclosed. The State-owned refiner-cum-fuel retailer is looking at achieving 60 per cent of the goal through mitigation and the rest via offsets, including buying carbon credits, Mr Vaidya adds. Overall emissions at its refineries and petrochemical units will start falling after 2030, Mr Vaidya has said. Indian State-run energy companies have been working on plans to switch to low-carbon operations with investments planned in hydrogen and clean-and-green energy.

PSBs need autonomy to deal with frauds Public sector banks (PSBs) need greater autonomy so that they can quickly react to frauds, effectively manage any internal and external shock and improve their governance structures, according to a study conducted by RBI. The success of the consolidation of PSBs hinges on how larger banks improve their governance structures, the study adds. Large-scale bank frauds, cases of money laundering and unusual exposure to credit risk have raised concerns over inadequacies of governance structure and its impact on the industry. The banking sector registered 6,801 frauds to the tune of Rs 71,543 crore in FY19, 53 per cent of which were related to lending.

CPCL-IOCL JV plans Rs 31,580-crore refinery Chennai Petroleum Corporation (CPCL) has formed a joint venture with its parent company, Indian Oil Corporation (IOCL) and others to build a 9-mtpa refinery at Rs 31,580 crore in Tamil Nadu. CPCL, in which National Iranian Oil Company has about 15 per cent stake, operates a small refinery in the Cauvery basin in Nagapattinam, where the new plant will be located. The new refinery will come up after dismantling the existing 1-mtpa refinery and will produce liquefied petroleum gas, BS-VI quality petrol, diesel and aviation turbine fuel. CPCL will hold 25 per cent stake in the new refinery, while IOCL and others will hold the remaining stake.

TIE-UPS

Power Finance Corporation (PFC) has signed an MoU with **Mahatma Phule Renewable Energy and Infrastructure Technology** for funding solar projects in Maharashtra.

State insurers' health business in the red State-run general insurance companies did not comply with Finance Ministry's guidelines on underwriting of group policies and witnessed huge losses on account of their health cover business, the Comptroller and Auditor General (CAG) has revealed in its latest report. The combined ratio (claims paid plus expenses divided by premium earned) of group health insurance segments of all the four public sector general insurers – New India Assurance Company, United India Insurance Company, Oriental Insurance Company and National Insurance Company – ranged from 125 to 165 per cent between FY17 and FY21, way above the ceiling of 100 per cent stipulated by the Finance Ministry, the CAG has pointed out.

ONGC, ExxonMobil tie up for exploration Oil and Natural Gas Corporation (ONGC) has signed a Heads of Agreement (HoA) with global petroleum giant ExxonMobil for deepwater exploration in the east and the west coasts of India. The HoA document was signed in the Ministry of Petroleum and Natural Gas by Rajesh Kumar Srivastava, the director (exploration), ONGC, and Monte K Dobson, the CEO and Lead Country Manager, ExxonMobil India, in the presence of Pankaj Jain, the secretary in the Ministry of Petroleum and Natural Gas. The collaboration areas will focus on Krishna-Godavari and Cauvery basins in the eastern offshore and the Kutch-Mumbai region in the western offshore.

Pawan Hans, CEL stake sale scrapped The Centre has decided not to proceed with privatisation of Pawan Hans and Central Electronics (CEL) due to questions raised on the integrity of the winning bidders. Star9 Mobility, a consortium led by Almas Global Opportunity Fund, had won the bid by quoting Rs 211 crore for the government's 51% stake in the loss-making helicopter company. In April, the NCLT had passed an order against Almas Global for failing to honour its winning bid to acquire EMC, a Kolkata-based power system solutions company. In January, the government had put on hold the sale of CEL to Nandal Finance and Leasing following allegations of undervaluation by the employees' association.

CORPORATE

Ola to make electric cars in 2024 Ola Electric plans to start producing electric cars in India in 2024 with a range of up to 500 km, according to its Chief Executive Bhavish Aggarwal. The ride-hailing firm, which is backed by Japan's Softbank Group and currently makes e-scooters, has not given an investment figure or production target. Mr Aggarwal has said that while companies like Tesla are leading the way in building electric vehicles more suited for Western markets, India can lead in the area of small cars, scooters and motorbikes for which global demand is higher.

SBI takes Bajaj Hindusthan to NCLT State Bank of India (SBI) has filed an insolvency petition in the Allahabad bench of National Company Law Tribunal (NCLT) against Bajaj Hindusthan Sugar under the Insolvency and Bankruptcy Code, 2016. According to media reports, Bajaj Hindusthan Sugar owes nearly Rs 4,800 crore to banks like SBI, Punjab National Bank, Indian Bank and Central Bank of India. Bajaj Hindusthan is a sugar and ethanol manufacturing company, which is a part of the Bajaj Group and headquartered in Mumbai. The company has 14 sugar plants – all of them in Uttar Pradesh – and six distilleries.

Separate heads for Tata Sons & Tata Trusts Tata Sons' shareholders have approved a resolution to have separate chairpersons for the company and its largest shareholder – Tata Trusts. An amendment to the Articles of Association (AoA) of Tata Sons, which sought to prevent a single person from heading Tata Sons as well as Tata Trusts simultaneously, was passed at the company's annual general meeting (AGM) last month. With the special resolution being passed with requisite majority of 75 per cent at the AGM, it will now be legally binding for Tata Sons and Tata Trusts to have separate chairpersons.

Adani snaps up DB Power for Rs 7,017 cr Adani Power will be acquiring DB Power, which owns and operates a 2 x 600 mw thermal power plant in Janjgir Champa district in Chhattisgarh, at an enterprise value of Rs 7,017 crore for cash. DB Power had long- and medium-term power purchase agreements for 923.5 mw of its capacity, backed by fuel supply agreements with Coal India, and had been operating its facilities profitably, Adani Power has said. The acquisition will help Adani Power expand its offers and operations in the thermal power sector in Chhattisgarh. DB Power had clocked turnover of Rs 3,488 crore in 2021-22.

India Inc to offer 10% pay hike in 2023 Companies in India will hand out a 10 per cent median salary hike in 2023, according to global advisory firm Willis Towers Watson's salary budget planning report. The report notes that this will translate to an average salary increase of 9.8 per cent compared with the actual 9.5 per cent increase in 2022. Financial services, banking and technology, media and gaming sectors are expected to see the highest salary increases. At 10 per cent, salary increases in India will continue to be the highest in the Asia-Pacific region.

OBITUARY

Rakesh Jhunjhunwala (1960-2022)

Veteran stock market investor Rakesh Jhunjhunwala died last month after he suffered a cardiac arrest. He was 62 and was suffering from kidney ailments. Both a trader and chartered accountant and one of the richest men in the country, he was known as the Big Bull of Dalal Street. He was a co-founder of Akasa Air, India's newest airline which began commercial operations last month.

Mr Jhunjhunwala had successfully invested in Titan, CRISIL, Sesa Goa, Praj Industries, Aurobindo Pharma and NCC over the years. He was chairman of Hungama Media and Aptech as well as a director on the boards of many companies.

Bharti Airtel clears four-year 5G dues Bharti Airtel has paid Rs 8,312.4 crore to the Department of elecommunications (DoT) towards spectrum dues acquired in the recently-concluded 5G auctions. With this payment, the company has paid spectrum dues of four years of 2022 upfront. The telecom company had an option to pay Rs 3,848.88 crore upfront and the rest in 19 annual instalments. While Bharti has paid four years' instalments in one go, Reliance Jio and Vodafone Idea have paid only their first year due. Accordingly, Jio has made a payment of Rs 7,864 crore and Vodafone Idea of Rs 1,680 crore.

UltraTech's output set to hit 159.25 mtpa UltraTech Cement expects its production capacity to rise to 159.25 mtpa following completion of its ongoing expansion plans. On the economic front, India appears to be well placed to ride through this uncertain global economic environment, UltraTech Cement Chairman Kumar Mangalam Birla has said. The country's largest cement producer is adding another 22.6 mtpa of capacity through a mix of brownfield and greenfield expansion plans, for which it had earlier approved a capital infusion of Rs 12,886 crore. The company has already commissioned 3.2 mtpa of production capacity at Patliputra Cement Works in Bihar, Dankuni Cement

Works in West Bengal and Line II of its Bara Grinding Unit in Uttar Pradesh.

Akasa to induct 72 aircraft in 5 years: CEO
Akasa Air has said that it will keep adding one new aircraft every two weeks. The carrier received its third aircraft last month, and it will be used for flights on the Mumbai-Bengaluru route shortly. The airline, which was co-founded by the late Rakesh Jhunjhunwala, Aditya Ghosh and Vinay Dube – who is the airline's CEO – began commercial operations last month on the Mumbai-Ahmedabad route. The airline is well capitalised to induct 72 aircraft over the next five years, Mr Dube has said. The airline had placed an order for 72 Boeing 737 MAX jets last November.

SpiceJet open to Rs 2,000-cr stake sale
SpiceJet is exploring several options, including a stake sale to other carriers, to raise up to Rs 2,000 crore, its largest shareholder and Chairman Ajay Singh has said. Since July 27, the Directorate General of Civil Aviation has restricted the embattled airline's operations to 50 per cent of its schedule. The aviation regulator will give the green light for an increase in flights only if the airline can prove to have "sufficient technical support and financial resource to safely and efficiently undertake enhanced capacity." Recently, the airline has faced turbulence, particularly with many of its flights suffering technical glitches.

Delhivery to hire over 75,000 for festive rush
Logistics firm Delhivery will be hiring over 75,000 staff for seasonal jobs over the next one-and-a-half months and expand its parcel-sorting capacity by 15 lakh shipments per day. Of these, over 10,000 people will be off-roll employees across Delhivery's gateways, warehouses and last-mile delivery, the company has said. The hiring is aimed at meeting the expected higher volumes in both parcels and express part-truck load business during the festive season. The company's fully-automated mega gateway, which is equipped with automated parcel and hub-sorting facility in Tauru became operational in April this year.

Essar, ArcelorMittal ink Rs 19,000-crore deal The Essar Group has signed a $2.4-billion (Rs 19,000 crore) pact to sell certain ports and power infrastructure assets to ArcelorMittal Nippon Steel (AM/NS). These assets are captive to the operations of the Hazira steel plant in Gujarat. The steel unit, which belonged to Essar, was taken over by AM/NS in 2019 through the bankruptcy route. The Ruias-led company has said that the deal also envisages a 50-50 joint venture between Essar and AM/NS for building a 4-mtpa LNG import terminal in Hazira. Separately, AM/NS India has said in a statement that the deal also covers port assets in Gujarat, Andhra Pradesh and Odisha.

Tatas Motors buys Ford India's Sanand plant Tata Motors' subsidiary Tata Passenger Electric Mobility (TPEML) has signed an agreement to buy Ford India's manufacturing plant in Sanand, Gujarat, for Rs 726 crore. The deal will strengthen the Tatas' leadership position in the electric vehicle segment. And it covers land, assets and all eligible employees. Tata Motors has said that Sanand plant's acquisition will unlock a manufacturing capacity of 3,00,000 units per year that could increase by 40 per cent to 4,20,000 units. Ford India will continue to operate its powertrain manufacturing facility by leasing back the land and buildings from the Tatas.

APPOINTMENTS

Mohit Burman, the former non-executive vice-chairman of Dabur India, has assumed charge as non-executive chairman of the company.

Shareholders of One97 Communications, which operates under the Paytm brand, have approved the re-appointment of **Vijay Shekhar Sharma** as managing director and chief executive officer of the company.

Bajaj Electricals has elevated its Executive Director **Anuj Poddar** to managing director and CEO of the consumer durable products company.

Japanese automaker Nissan has appointed **Keerthi Prakash**, the former deputy managing director of Renault Nissan Automotive India, as the company's managing director.

Mercedes drives in most costly electric car
Mercedes-Benz has launched its most-expensive electric car in India, priced upwards of Rs 2.45 crore (ex-showroom) for the powerful AMG version. Mercedes-AMG EQS 53 4MATIC+ is the first of the three new luxury electric vehicles lined up for Indian market debut in 2022. The German luxury carmaker expects 25 per cent of its total India sales to come from electric cars in the next five years. The AMG EQS will be followed by launch of the locally-assembled EQS 580 next month. The third electric car by Mercedes will be a seven-seater SUV – EQB – to go on sale around November.

Apr-July Corporate Tax mop-up rises 34% The Income Tax Department has said that Corporate Tax collections in the first four months of the current financial year have grown by 34 per cent over the year-ago period. During 2021-22, Corporate Tax collections stood at Rs 7.23 lakh crore, 58 per cent growth over the mop-up in 2020-21. Even when compared to collections of 2018-19, the collections of 2021-22 were higher by over 9 per cent, the I-T Department has tweeted.

Welcome Norms

The RBI's regulatory framework fosters the right ecosystem for digital lending even while checking its unbridled growth.

IBJ BUREAU

The Reserve Bank of India (RBI) has finally cracked the whip on digital lending. Although the central bank has not banned online lending, it has rightly sought to regulate the fast-growing business. The RBI has issued a regulatory framework, aimed at bringing transparency in the digital lending market.

The central bank's regulatory norms are based on the inputs of a working group on digital lending that it had set up in January 2021. The norms boldly underline the crucial principle of regulation. They mandate that lending business can be carried out only by entities that are either regulated by the central bank or by entities permitted to do so under any other law.

The framework includes all forms of loans disbursed and recovered through web platforms or mobile apps as digital lending. The stakeholders in the online lending business are clearly defined as RBI-regulated entities (REs) – including banks, non-banking financial companies (NBFCs) and other entities that are monitored by the RBI – digital lending apps (DLAs) – innumerable financial services apps that are engaged in lending – and lending service providers (LSPs) – many new-age financial-technology (fintech) entities.

At the heart of the digital lending market is the collaboration of DLAs and LSPs with REs. It is a winning combination that enables REs, who have access to cash, to join hands with technology-savvy and consumer-focused DLAs and LSPs to advance loans, especially to people at the bottom of the economic pyramid. With very little paperwork, speedy disbursal and lower cost of operation, digital lending has emerged as a popular platform to provide credit to a vast section of people who have been out of the formal credit market.

No wonder then that digital lending has picked up pace in recent times. However, presence of a large number of unregulated entities, such as DLAs and LSPs, has sometimes led to reckless practices of lending beyond borrowers' repayment capacity. There are also concerns over misselling to customers, unethical business conduct, exorbitant interest rates and excessive engagement of third parties, leading to genuine fears of possibility of a large buildup of non-performing assets (NPAs) in digital lending. The RBI's recent regulatory framework is aimed at addressing these issues.

"The RBI's regulatory framework has been long-awaited and much-needed directions that will help support orderly growth of credit delivery via digital lending methods revolutionised by India's fintech players. Most directives have a direct customer impact and do much to secure customer interests," stresses BankBazaar.com CEO Adhil Shetty.

New rules

The central bank mandates that all loan disbursals and repayments are required to be executed only between bank accounts of borrowers and the REs. It has strictly prohibited loan amount from getting transferred from any pass-through or pooled accounts of LSPs or any other third party.

All fees and charges payable to LSPs will have to be paid by banks and non-banks and not by borrowers. All-inclusive costs of digital loans will have to be disclosed to borrowers. Entities will have to provide a cooling-off period, during which borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty.

REs will have to ensure that all LSPs engaged by them will have a suitable nodal grievance redress officer to deal with digital lending-related complaints. Banks and non-banks will have to ensure that DLAs on-boarded by them prominently display information relating to product features, loan limit and costs involved.

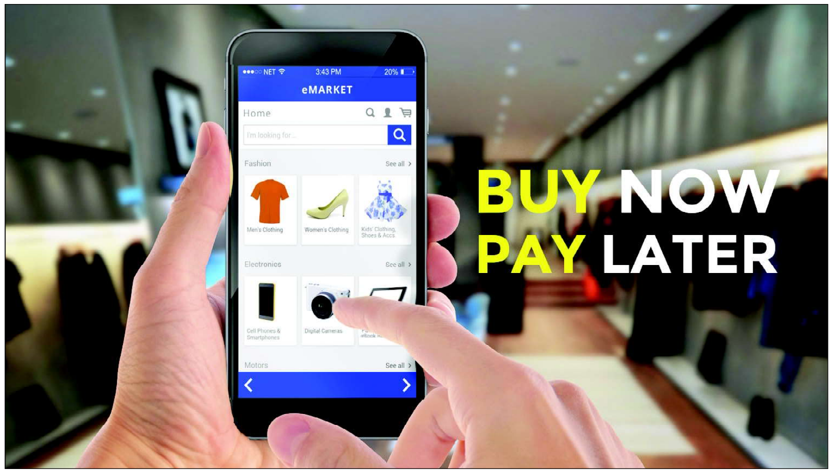
It is prohibited to increase credit limit automatically without explicit consent of borrowers. If any complaint lodged by borrowers is not resolved by REs within the stipulated period (currently 30 days), borrowers can seek redress under the RBI's Integrated Ombudsman Scheme.

Data collected by DLAs have to be need based, should have clear audit trails and should only be done with prior explicit consent of borrowers. An option must be provided to borrowers to accept or deny consent for use of specific data, including the option to revoke previously-granted consent.

REs are required to provide Key Fact Statement (KFS) to borrowers before execution of contract in standardised format for all digital lending products. Any fees and charges not mentioned in the KFS cannot be charged by REs to borrowers at any stage during the term of the loan. The RBI has also mandated that information on loans of all tenures, including very short ones, has to be reported to credit bureaus.

Orderly growth

The RBI's new norms will shake up the online lending business for the better. They will have a direct bearing on the fast-growing Buy Now, Pay Later (BNPL) market. The regulatory framework mandates REs to ensure that fund flow occurs directly between RE and borrowers' bank account. The digital lending regulations indicate that exceptions will be considered for statutory or regulatory reasons and for co-lending. However, it is unclear whether an exception will be made for BNPL products, where the consumer loan amount is credited directly by the BNPL service provider into the account of the merchant. If not, the fund flow underlying these products will need to be re-worked.



The new norms will have a direct bearing on the fast-growing BNPL market.

"The RBI's regulatory framework has been long-awaited and much-needed directions that will help support orderly growth of credit delivery via digital lending methods revolutionised by India's fintech players."

ADHIL SHETTY
CEO, BankBazaar.com

Incidentally, BNPL and many other popular digital lending products are based on the First Loss Default Guarantee (FLDG) model. The FLDG is an arrangement, where a third party – an LSP or a DLA – compensates a lender if a borrower defaults. In other words, in an FLDG setup, credit risk is borne by an LSP or a DLA without maintaining any regulatory capital. With the new norms, the focus now turns to the manner in which the FLDG model will be regulated. The good news is that FLDG has not been entirely junked. On the contrary, the central bank has indicated that the regulation of FLDGs is still under consideration. A likely possibility is that only entities regulated by at least one financial services regulator – NBFCs – may become eligible to issue FLDGs.

There is also the question of allowing fintech entities to continue with their innovation and product development. The relationship between REs and the fintech players (DLAs and LSPs) envisioned in the regulatory framework provides a supervisory role for the REs over the fintech entities. This may allow fintech players to power product development under the REs supervision. Such an arrangement is very necessary for product innovation by fintech players, which have helped bring a large section of people within the formal credit system.

"DLAs, powered by fintechs and REs, have brought in innovation in the financial system. The RBI's guidelines demarcate the roles and responsibilities of REs and LSPs and will help the overall industry grow in an orderly fashion even as they encourage innovation," points out Zaggle Chief Business Officer Saurabh Puri. The RBI's norms have come at the appropriate time to check unbridled growth and foster the right ecosystem for digital lending. ■

The RIL Blueprint

With clear-cut businesses and definite succession plan, Reliance looks set to disrupt and thrive.

IBJ BUREAU

Billionaire Mukesh Ambani has set the Diwali date for launch of 5G mobile services. Addressing shareholders at the Reliance Industries' (RIL) 45th annual general meeting (AGM) late last month, the RIL chairman and managing director disclosed that Reliance Jio Infocomm (Jio), the conglomerate's telecom subsidiary, would invest over Rs 2,00,000 crore to start 5G mobile services. The oil-to-retail-to-telecom conglomerate also charted out a Rs 75,000-crore plan to add capacity in the core oil and chemical business and foray into fast-moving consumer goods (FMCG) sector.

Mr Ambani added that a "robust architecture" was being created to ensure that Reliance "remains a united, well-integrated and secure institution". The 65-year-old magnate foresaw the RIL Group more than doubling its value by the end of its Golden Decade of 2027.

Big-bang launches

Jio will deploy a standalone 5G version, which will not be dependent on the previous 4G network, to deliver ultra-fast internet connectivity. The 5G services will first be available in the four metropolitan cities by this Diwali. It will then be extended across the entire country by December 2023.

Reliance is partnering with Qualcomm to provide cloud-based 5G network solutions for businesses. It will join hands with Meta Platform to integrate the group's online shopping platform, JioMart, on WhatsApp. This is aimed at allowing users to browse and purchase groceries and other household products without leaving the popular messaging app.

Jio, which was the biggest buyer in this year's spectrum auctions, has also announced a foray into private 5G networks. "Jio 5G service will connect everyone, every place and everything with the highest quality and most affordable data. It will be the world's largest and most advanced 5G network," claimed Mr Ambani, without disclosing any details on the pricing.

RIL AGM: Key Takeaways

- Rs 2,00,000 crore set aside for 5G services
- Four metropolitan cities first to get 5G services by this Diwali
- 5G services to be extended across India by December 2023
- Tie-ups with Qualcomm and Meta Platform for seamless browsing online as well as for etail business
- Jio to set up private 5G networks
- Reliance Retail set to foray into FMCG sector
- Looking to transforming private labels into consumer brands with improved quality
- RIL to add a fifth giga factory of power electronics
- RIL to set up a PTA plant and expand polyester capacity

Reliance Retail, which will be foraying into the FMCG sector, will take on rival Gautam Adani. Mr Adani, who has in recent months raced past Mr Ambani to become the nation's richest man, has turned his Adani Wilmar into the country's largest FMCG company. It has been quite an achievement for Adani Wilmar, which manufactures edible oil, packaged food items and other FMCG products, to expand at a brisk pace and even race past Hindustan Unilever, which had long been the leader in the Indian FMCG sector. It will be interesting to see how Reliance Retail, the country's largest retailer with 15,196 stores, will compete with Adani Wilmar, the country's largest FMCG company.

"Reliance Retail is looking to develop and deliver high-quality, affordable products, which solve every Indian's daily needs," said Isha Ambani, the daughter of Mr Ambani, who is in charge of the group's retail business. In the first phase, Reliance Retail will be working with some of the strong heritage brands in the FMCG domain, including staples, food and beverages, home and personal care and beauty categories. This will provide the company an opportunity to scale up its business across India and globally too.

Analysts opine that the company will forge strategic partnerships with FMCG companies through tie-ups and acquisitions. This will reduce time to market, help build manufacturing capabilities and facilitate expansion and penetration of distribution. Reliance is also looking at transforming its private labels into consumer brands with improved quality, packaging and communication through a focused approach.

RIL will be adding a fifth giga factory of power electronics in addition to the four giga factories for solar pan-

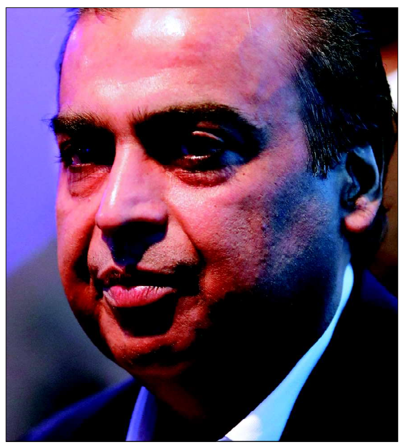
RIL has transformed from an oil company to a dynamic conglomerate straddling energy, retail, telecom and high-end technology.

els, energy storage, electrolysers and fuel cells announced last year. Announcing the new giga factory for power electronics, Mr Ambani said: "One of the key components linking the entire value chain of green energy is affordable and reliable power electronics."

Power electronics are the components and equipment necessary to convert electrical current from one form into another (from DC to AC or *vice versa*) in usable form to meet specific customer application requirements using static power semiconductors. They typically include inverters, converters and rectifiers of different capacities, sizes and shapes. In the core oil and petrochemical business, Reliance will be setting up a PTA plant, expanding polyester capacity, tripling capacity of vinyl chain and a chemical unit in the UAE in the next five years.

Diversification & disruption

Mr Ambani, who built Reliance into India's largest company by market value, has been steering the powerhouse conglomerate beyond its fossil fuel-led businesses. In fact, he has brilliantly transformed RIL from an oil-and-petrochemical company to a dynamic conglomerate straddling energy, retail, telecom and high-end technology.



"A robust architecture is being created to ensure that Reliance remains united and well integrated and more than doubles its value by the end of its Golden Decade of 2027.

MUKESH AMBANI
CMD, RIL

Diversification, in fact, has been ingrained in RIL's DNA since its inception in 1966. Begun as a yarn-trading company by Dhirubhai Ambani – the father of Mukesh and Anil Ambani – the late Dhirubhai turned Reliance into a textile company, and its brand, Vimal, soon became a household name. Through a series of backward integration, Reliance ventured into manufacturing of polyester yarn and then oil refining and petrochemicals.

And Mukesh Ambani is his father's son when it comes to RIL's expansion after Dhirubhai's demise in 2002. The RIL chief has kept inventing and reinventing the business conglomerate. Over the years, Reliance has replicated its growth strategy – identifying potential sectors, deploying disruptive technologies and undertaking aggressive expansion – across sectors quite successfully.

Adept at spotting trends, Mr Ambani had way back in 2012 flagged declining revenues of the petroleum sector in a meeting with his top executives. The meeting had brainstormed and decided to enter telecom and other high-end technology sector. Six years earlier, RIL had already entered the retail segment.

With the new businesses thriving, Mr Ambani aptly disclosed the succession plan at the 45th AGM. He revealed that his twins Akash and Isha would head telecom and retail segments respectively and added that the conglomerate's new energy business would be under his youngest son Anant. Mr Ambani, however, insisted that he was not retiring yet and would continue to provide hands-on leadership. With clear-cut businesses and definite succession plan, Reliance looks set to disrupt and thrive. ■

Back To Square One

Faced with numerous amendments, the government junks Data Protection Bill, 2021, which was widely flayed, and promises to bring a new law.

IBJ BUREAU

Early last month, the Centre scrapped the Data Protection Bill, 2021. Minister for Electronics and Information Technology Ashwini Vaishnaw informed the Parliament that the Joint Committee of Parliament (JCP), which had deliberated on the legislation, had proposed 81 amendments and 12 recommendations to the Bill.

"Considering the report of the JCP, a comprehensive legal framework is being worked upon. Hence, it is proposed to withdraw the Data Protection Bill, 2021 and present a new Bill that fits into the comprehensive legal framework." Mr Vaishnaw disclosed.

The Bill was in the making for nearly five years now. It was originally mooted in 2017 following the Supreme Court's historic verdict in Justice K S Puttaswamy and others Vs the Union of India. The nine-judge bench had unanimously ruled in August 2017 that privacy was a constitutionally-protected right that emerged from the right to life and personal liberty which was enshrined in Article 21 of the Constitution. Mr Puttaswamy had challenged the Centre over infringement of privacy in the use of Aadhaar in multiple contexts. The Supreme Court had, however, clarified that like most other fundamental rights, the right to privacy was not an "absolute right". It had added that a person's privacy interests could be overridden by competing State and individual interests.

The Personal Data Protection Bill, 2019 – drafted by the Srikrishna Committee – was tabled in the Parliament in 2019. The legislation was referred to the JCP, which held wide consultations with several stakeholders, discussed the Bill, came up with 81 amendments and submitted a revised draft Bill to the government in November 2021. The JCP had incorporated many other issues into the revised Bill, including non-personal data. Hence the Bill was renamed as Data Protection Bill, 2021 – after dropping "personal" from the original Bill – and tabled in the Parliament.

The Bill was aimed at ensuring that there was a framework to abide by when it came to handling of personal data by institutions and big-tech companies. Companies were supposed to inform consumers about how they would utilise their data and take consent from them. The Bill had given consumers the right to withdraw consent whenever they wanted and companies had to oblige and provide a mechanism to enable it.

Personal data was divided into three categories: sensitive personal data (like health, sexual orientation and finances, etc), critical personal data (left to be defined by the government) and basic personal data. The revised Bill also dealt with monetisation of non-personal data. The scrapped law called for setting up a Data Protection Authority to deal with data privacy, its infringement and other related issues.

What Ailed Data Protection Law?

- Many exemptions from the law for State agencies
- Private entities overburdened with needless compliances, resulting in surging costs
- Technology companies peeved by data localisation requirement
- Unrelated provisions unnecessarily crammed into a single law

Many drawbacks

The withdrawn data protection legislation had attracted sustained criticism from several stakeholders, including social and rights activists as well as big-tech companies. The Bill was modelled on the European Union's (EU) data protection law but was flawed on many counts.

The EU's data law is quite stringent on individual privacy, and it mandates both government and private (big-tech companies) agencies to formulate safeguards to protect individual data and its privacy. On the other hand, the US' data protection law is quite lenient with the private sector. It allows self-regulation of big-tech companies. However, the US' law is more concerned about misuse of data by government agencies, and it puts many restrictions on the government's use of individuals' data. While the EU's law increases compliance and cost of operation, the US' law requires lower compliance and keeps the operational cost down.

Though India modelled its law on the EU's legislation, it exempted State-owned entities from the provisions of the data protection law. On the contrary, the private sector was required to comply with all the provisions.

This lacuna in the Indian law has been roundly criticised by both big-tech companies as well as social activists. In fact, Justice B N Srikrishna – whose committee had drafted the first data protection law of 2019 – was severely critical of the new Bill of 2021 and went so far as to say that the Bill could turn India into an "Orwellian State".

The technology companies had particularly questioned a proposed provision in the Bill called data localisation. Under this provision, it would have been mandatory for companies to store a copy of certain sensitive personal data within India. They saw these provisions further increasing their compliance burden and adding to higher costs. Moreover, many experts saw the futility of cramming various unrelated provisions – such as inclusion of non-personal data, treating social media as publishers and the like – in a single law.

Experts have voiced grave concern that India, one of the world's largest internet markets, still does not have a basic framework to protect people's privacy. "The withdrawal of the Data Protection Bill, 2021 is concerning, for a belated regulation is being junked. It's not about getting a perfect law but a law at this point," stresses Apar Gupta, the executive director of Internet Freedom Foundation.

"Considering the report of the JCP, it is proposed to withdraw the Data Protection Bill, 2021 and present a new Bill that fits into the comprehensive legal framework."

ASHWINI VAISHNAW
Minister for IT

"The withdrawal of the Data Protection Bill, 2021 is concerning, for a belated regulation is being junked. It's not about getting a perfect law but a law at this point."

APAR GUPTA ED,
Internet Freedom Foundation

"The Data Protection Bill, 2021 did have imperfections which need to be reconsidered. We hope that the government will re-look at all the aspects of data governance in the new Bill and arrive at progressive principles to govern India's digital ecosystem."

KAZIM RIZVI
Founder, The Dialogue

Right balance

Every success or innovation brings with it challenges that need balanced solutions. The internet revolution has resulted in volumes of information being created and consumed daily across the world. Data is undoubtedly the modern oil or perhaps more precious than the black gold. There are genuine concerns over how businesses may use millions of terabytes of data generated daily for their own commercial interests. There could be dire consequences if vital personal information falls into wrong hands. Data privacy and data protection assume significance in this context.

Technology companies have been providing information and entertainment on a very large scale free of cost. But as there are no free lunches, huge data generated in consuming information and entertainment is monetised, most often without the knowledge and consent of data consumers. Data protection law seeks to prevent consumers from being short-changed. It makes them aware of the specific value of their data and enables them to have control over how their data is used.

"The Data Protection Bill, 2021 did have imperfections which need to be reconsidered. We hope that the government will re-look at all the aspects of data governance in the new Bill, and arrive at progressive principles to govern India's digital ecosystem," notes Kazim Rizvi, the founder of policy think-tank The Dialogue.

A new data protection Bill provides better opportunities for policymakers to engage with larger sections of stakeholders and incorporate provisions that reflect the sea changes unfolding in the modern digital world. The new data law should strike a right balance between privacy of individuals, sovereignty of the State and commercial interests of businesses. A lot of time has already been frittered away. India cannot afford to lose more time and be without a data protection law. ■


Tax Litigation: Clogging Courts
Monetising Infra: Tall Order
Reforms: Three Decades & After
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India Business Journal
TELEVISION IN TRANSITION
The Sony-Zee deal – if it goes through – will set off a chain of consolidation and hasten exciting changes unfolding in the Indian television industry.
Maharashtra: Lighthouse Of India's Industrial Dream

WILTING FORTUNES

Record high prices of cotton, amid severe crop loss, threaten to push a large section of the textile industry into the red.

IBJ BUREAU

Extreme weather is wreaking havoc upon virtually all of the world's largest cotton suppliers. In India – which at times is the world's largest producer of the fibre and sometimes trails China – heavy rains and pests have cut into cotton crops so much that the nation is importing supplies. A heat wave in China is raising concerns about the upcoming harvest there.

In the US, the largest exporter of the commodity, a worsening drought is ravaging farms and is set to drag production to the lowest level in more than a decade. And now Brazil, the second-largest exporter of the commodity, is battling extreme heat and drought that have already cut yields by nearly 30 per cent.

The world is facing a severe supply constraint of cotton despite a projection of a minor rise in its production. An average of estimates put out by various global organisations for the ongoing cotton marketing year 2021-22 (the cotton marketing season spans between October and September) pegs the production at 20.434 mt. This projection accounts for a 7.51 per cent rise over the production of 19.006 mt in 2020-21.

However, a worrying factor is the projected rise in consumption of 21.165 mt for the ongoing year (2021-22). There are genuine concerns that the carryover stock (the opening stock of cotton from the previous year) pegged at 15.079 mt for 2021-22 may be inadequate to cater to the rising demand for the fibre. Moreover, with another month to go for the current year to end, experts opine that inclement weather could turn the projections upside down and lead to a further short supply of the vital commodity.

This confluence of extreme weather events brought on by climate change and imminent plunge in production has sent prices of various grades of

World's Major Cotton Producers

(*Million Tonnes*)

5.879	CHINA
5.334	INDIA
3.815	US
2.678	BRAZIL
1.306	PAKISTAN

Cotton production figures for cotton marketing year 2021-22

cotton soaring by as much as 30 per cent. In some countries, especially India, the prices almost tripled in the past one year, fraying the Indian cotton textile industry.

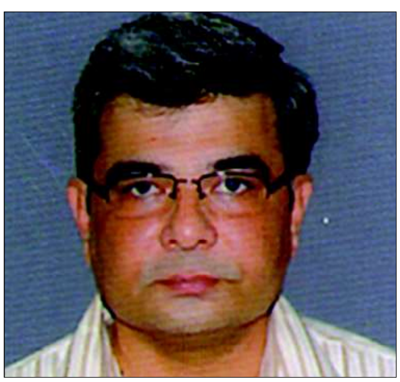
Tough times

It was an unusually-uncomfortable summer for the Indian textile industry in May this year. Apart from the usual sweltering heat, domestic yarn and fabric manufacturers burnt their fingers as the price of Shankar-6 cotton topped Rs 1,10,000 per candy (355.62 kg) in May. The price of the benchmark cotton for exports had almost tripled in the past one year from around Rs 37,000 to over Rs 1,10,000 per candy.

Shankar-6 has since cooled down and is ruling at around Rs 96,000 per candy. But prices are still at uncomfortably-elevated levels following a washout of the output in the past two years. Trade body Cotton Association of India (CAI) estimates the output to wilt by 11 per cent to 5.334 mt in 2021-22. This comes on the back of a lower production of 5.992 mt in 2020-21.

Yarn spinners have had to bear the brunt of surging prices. If the price of Shankar-6 has expanded by over 197 per cent in the last one year, prices of yarn have risen by a mere 45 per cent during the same period. This has eroded yarn-makers' profits and left them struggling for working capital. Many of the small and medium spinning units across the country, especially in Gujarat, Maharashtra and Tamil Nadu, are working only thrice a week. Some others have temporarily shut down and expect to re-open during Diwali in the hope of a better harvest after October stabilising the prices.

"Rise in cotton prices in the inter-



"While we are happy that farmers get high prices for their produce, spinners alone cannot carry the burden of price rise."

RIPPLE PATEL
V-P, SAG

Spinning units' profits are eroded amid 197% spurt in cotton prices and a mere 45% rise in yarn prices in the last one year.

Why is cotton surging?

- Crop losses the world over, hit by heavy, unseasonal rains and pest attacks
- US and Brazil, accounting for half of the world's total exports, staring at record-low crop
- Little respite from 7.51% rise in global output estimate at 20.434 mt for crop season 2021-22
- Projected rise in global consumption at 21.165 mt for 2021-22 a worrying factor
- Global carryover stock at 15.079 mt for 2021-22 inadequate to cater to rising demand
- Growing fears of likely inclement weather pulling down output
- 11% drop in Indian output estimate at 5.334 mt in 2021-22 adding to the gloom

national market and low domestic and international demand is worrying spinning mills. While we are happy that farmers get high prices for their produce, we hope that the price surge in input cost is distributed across the value chain. The spinners alone cannot carry the burden of price rise," notes Ripple Patel, the vice-president of Spinners' Association of Gujarat (SAG).

Fabric and garment manufacturers too are at their wits' end as cotton prices go through the roof. Indian garment companies were, in fact, gearing up to cash in on exports following the space vacated by China amid COVID-induced lockdown there. But all their hopes have crashed with cotton prices heating up. Many small and medium fabric-making units in the country have suspended operation briefly like their peers in the yarn industry, anticipating that prices would correct in coming days.

The government has tried to support the textile sector by scrapping the 10 per cent Customs Duty on cotton imports in April. This decision, aimed at stabilising the prices by facilitating cheaper imports into the country, has had little effect on the prices, which still are ruling at very high levels.

"Volume of cotton imports has been lower despite removal of Customs Duty till October. Rupee depreciation and logistical issues are the main cause for lower-than-expected imports," points out Ravindra Rao, the vice-president of commodity research of Kotak Securities. Besides, severe shortage of the fibre in the world's largest exporters of the US and Brazil has led to lower shipments into India.

The current crisis in the domestic cotton market was triggered by heavy rain, flash floods and pest attacks during last October and November in the top, cotton-growing States of Gujarat and Maharashtra, which together account for nearly half of the country's production. Heavy rains had also lashed other major, cotton-producing States, like Telangana, Karnataka and Andhra Pradesh, during the same period.

"Volume of cotton imports has been lower despite removal of Customs Duty till October because of rupee depreciation and other logistical issues."

RAVINDRA RAO
V-P, Kotak Securities

"With prices much above the MSP, CCI did not need to intervene this year. The prices are good for farmers where private traders and millers are ensuring good remuneration for cotton."

PRADEEP KUMAR AGARWAL
Chairman, CCI

Tamil Nadu Spinning Mills' Association (TASMA) Chief Adviser K Venkatachalam cites another reason for high cotton prices. "Farmers sold their produce to traders at higher prices and stayed away from Cotton Corporation of India (CCI), whose minimum support price (MSP) was much lower than the prevailing market rates. So, CCI did not buy any cotton during this year. CCI does not have any quality cotton that can be released in the market." He further adds: "Traders and multinational companies have started stocking cotton and are creating an artificial shortage in the market, which is pushing prices up."

CCI Chairman and Managing Director Pradeep Kumar Agarwal points out: "With prices much above the MSP, CCI did not need to intervene this year. The prices are good for farmers where private traders and millers are ensuring good remuneration for cotton." Besides, Mr Agarwal has a word of advice for the textile industry. "Textile mills can cover their cotton requirement on a regular basis according to their yarn sale pattern instead of waiting for cotton prices to fall. Mills can also cover their cotton requirement under lock-in period facility of CCI or may utilise other hedging mechanisms and thus mitigate the risks of wide fluctuation in prices."

Prolonged pain

The textile industry may be fretting over high cotton prices. However, cotton farmers are pleased with handsome returns. Moreover, sustained high prices have signalled them of better returns for a longer term. Accordingly, acreage of cotton under cultivation has topped the last year's 121.3 lakh hectares as of the end of August.

"Area planted under cotton could rise as much as 15 per cent over that of last year by the end of this year, taking the total acreage to around 138 lakh hectares," notes CAI President Atul Ganatra. If all goes well and there are no unseasonal rains, there could be a bumper crop in 2022-23, opine experts.

However, there could be little respite from high prices of the fibre, the experts add. Despite the increased acreage of cotton across the country, prices are unlikely to go below Rs 70,000 per candy. Prices may remain inflated even after fresh cotton will arrive after Diwali as there would be extremely-low carryover stock for the upcoming cotton season. The situation remains dire as CCI did not procure any cotton in the current season. Besides, severe crop losses in major cotton-growing countries of China, the US and Brazil are set to leave the cotton market constrained, the experts point out.

Increased prices of cotton will put a stress on working capital and liquidity of small and medium yarn, fabric and garment manufacturers through most part of FY23, notes India Ratings and Research (Ind-Ra). The ratings firm adds that large, integrated textile players are likely to remain unaffected with access to high liquidity and deleveraged balance sheets.

Almost all analysts and experts concur that there could be light at the end of the tunnel only towards the last quarter of current financial year. The recovery would be aided by higher arrivals in the market, leading to a correction in cotton prices. However, there is a vital caveat. All assumptions and predictions of better times hinge on the absence of unseasonal rains.

Many small textile units have suspended operation briefly with surging prices turning their business unviable.

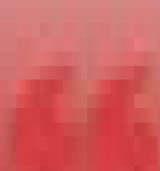
"Farmers stayed away from CCI, whose MSP was much lower than the prevailing market rates. So, CCI does not have any quality cotton that can be released in the market."

K VENKATACHALAM
Chief Adviser, TASMA

"Area planted under cotton could rise as much as 15 per cent over that of last year by the end of this year, taking the total acreage to around 138 lakh hectares."

ATUL GANATRA
President, CAI

"Keep Trying"



The best managers are the ones who like to get their hands dirty occasionally and can lead by example. Don't run after degrees, but earn some experience as an executive while moving to management.

When an engineer employs principles of management in his business, the result will often turn out to be a grand success. An engineer is trained to think and act logically and innovate intelligently. If an engineer adds the best management practices to his logical thinking and innovative engineering, chances are high that his business will scale greater heights.

Piyush Raj Akhouri is doing just that. A seasoned enterprise sales professional-turned-entrepreneur, the co-founder of Bridgentech Consulting has over years of experience across digital products, banking, financial services and insurance (BFSI), retail and manufacturing sectors.

An alumnus of premier institutions in India, like MIT, Manipal (Mechanical Engineering), SPJIMR, Mumbai (MBA), ESB Reutlingen, Germany and TU Munich, Germany, Mr Akhouri has travelled across the globe, primarily working in Western Europe, US and Indian subcontinent markets. He has built, managed and led teams towards business growth and success. Mr Akhouri is interested in new ideas and business plans worth investing.

When not engaged in business, the Bridgentech chief also likes to sing and write. He is a trained singer and published author and counts UI/UX design, business planning, music, coaching and strategy as some of his passionate hobbies. In an interesting interview with ***Sharmila Chand.***

What, according to you, are five of your management *mantras*?

- It's Ok to try and lose. It's not Ok Not to try and lose.
- Customer is the king as long as he behaves like one.
- Respect Seasonality, but continue to focus on improvement.
- 'No' mostly means 'not now' in sales. Don't give up.
- Your real competition should always be with You of tomorrow.

Do you play any game which helps you in your career?

I play chess for strategic focus. It often helps me not to lose focus on forecasting, planning and real-time betterment of execution. It teaches that patience and aggressiveness can both go hand in hand, and it also teaches that competition is always going to be offensive, if you don't focus on attacking and defending. It also teaches that while your game improves with experiences, competition can always throw in a new challenge.

Would you share with us the turning point in your life related to your career?

I was working as a management consultant for a firm recently and was trying to build my startup on the side. My heart was more towards the startup, but it was also important not to burden my own startup and therefore work for a living. When I first got infected with COVID, it was a mild infection, and I still had to finish tasks while being locked into home quarantine. Over the next few days, I noticed that the management was trying to replace my work with someone else, asking me for a handover, even though I was delivering my work. It was hugely dependent on my skills, but they still wanted someone else to be up-skilled quickly in case of my passing away. The word is polite cold-shoulder. That very moment I understood that anybody can be replaceable in any job, and life is really short to work on something you don't like doing. Soon after I recovered, I left the job and started to focus on revving my startup to newer heights.

What is the secret of your success?

The secret of my success lies in my ability to learn, unlearn and share the learning.

What is your philosophy of work?
Hard work and preparation are as much important as opportunity.

Is there any particular person you admire who has inspired you?
I highly admire Ratan Tata for a couple of obvious reasons. I strongly support and abide by his philosophy that motivates entrepreneurs to take risks without any hesitation and take criticism sportingly and positively, along with the spirit of taking the team together. There are more such ideologies that inspire and motivate me to become a better leader and person as a whole.

PIYUSH RAJ AKHOURI
Co-Founder, Bridgentech Consulting

> I play chess for strategic focus. It often helps me not to lose focus on forecasting, planning and real-time betterment of execution. It teaches that patience and aggressiveness can both go hand in hand.

What is the best advice that you have got?
You can't do everything all by yourself. Even if you can, grow a tribe of like-minded people.

What is your sounding board?
My blog, articles and LinkedIn are my sounding boards.

Would you share with us some of your favourite books and reason out why you like them?
I like *Strategy and the Business Landscape* by Pankaj Ghemawat for its ability to break down problems into elements. Scott Adams' *The Dilbert Principle* is dear to me because it shows how serious things can also be explained with humour and practicality. I also admire Ethan M Rasiel's *The McKinsey Mind.*

What message on management would you like to give to youngsters?
The best managers are the ones who like to get their hands dirty occasionally and can lead by example. Don't run after degrees, but earn some experience as an executive while moving to management.

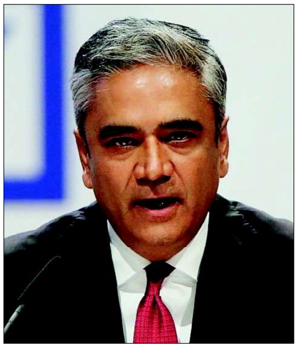
How do you keep yourself fit?
I am far from fit but working hard to get back in shape. Mental calmness can be achieved by meditation.

What are your five *mantras* for success in business?
- Keep trying.
- Learn from mistakes, and keep checks and balances.
- Delegate responsibly, and attach your self to what you really love doing.
- Spend time wisely in work.
- Respect everyone to earn some back.

How would you define yourself in one sentence?
I am a complete outsider trying to adapt to new business cultures. I fix the gaps through people, answers and ideas.

Write to us at chand.sharmila@gmail.com

Deutsche Bank ex-CEO Jain dies



Anshu Jain, Deutsche Bank's former India-born co-Chief Executive Officer, has died after a nearly five-year battle with cancer. Born in Jaipur, Mr Jain received his bachelor's degree in economics with honours from University of Delhi and his MBA in finance from University of Massachusetts Amherst. Mr Jain started his career at Wall Street, working at financial major Merrill Lynch. He was among the growing number of Indian-origin executives assuming leadership roles at global corporations when he became the Co-CEO of Deutsche Bank in 2012. Having joined the German bank in 1995, he built the lender's nascent markets business.

Chinese developers get $29-bn lifeline

China will offer $29.3 billion in special loans to ensure stalled housing projects are delivered to buyers. This comes as huge relief to realty developers who have been struggling to fund the beleaguered property sector. The previously-unreported size of the lending programme, which was announced with scant details by China's Housing Ministry, Finance Ministry and the central bank late last month, will make it the biggest financial commitment yet from Beijing to contain a property crisis that sees home prices slump and real estate sales plummet.

Ford Motor plans 3,000 job cuts

About 3,000 white-collar workers at Ford Motor Co will lose their jobs. The job losses come amid Ford's cost-cutting plans designed to help make the company make a long transition from internal combustion vehicles to those powered by batteries. The Dearborn, Michigan-based automaker has announced in a companywide email that 2,000 full-time salaried workers will be let go along with another 1,000 contract workers. The cuts represent about 6 per cent of the 31,000 full-time salaried workforce in the US and Canada. Ford's 56,000 union factory workers are not affected. Some workers may also lose jobs in India.

Adidas CEO to hang up his boots

Sportswear giant Adidas is to part ways with its Chief Executive Kasper Rorsted next year, seeking a "restart" after a gruelling pandemic that has cast serious doubts over its business model. The group has said that the decision was the result of a mutual agreement, adding that Mr Rorsted will stay in office until it appoints a successor. Mr Rorsted had overseen a big improvement in the German company's fortune in the three years before the pandemic. However, the company has been badly caught out by its dependence on supply chains in Asia, which have been severely disrupted by factory closures during the pandemic.

US enacts sweeping climate change law

US President Joe Biden has signed a $700-billion Bill that aims to fight climate change and healthcare costs while raising taxes mainly on the rich. The final version is more modest in scope than the $3.5-trillion package first envisaged by the Democrats. Mr Biden hailed the Bill as the "final piece" of his domestic agenda. The package invests $375 billion to fight climate change – the most significant federal investment in history in the issue. An analysis by scientists of the Climate Action Tracker says that the Bill will reduce future global warming by "not a lot, but not insignificantly either".

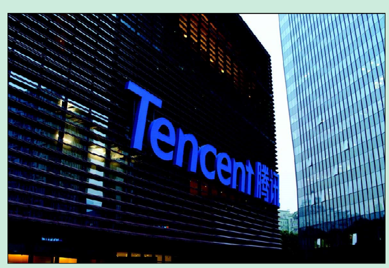
Leadership overhaul at Credit Suisse

Credit Suisse has hired Deutsche Bank's Dixit Joshi as chief financial officer (CFO) and promoted Francesca McDonagh to chief operating officer (COO) as the Swiss lender's new boss overhauls the top ranks. Ulrich Koerner, the latest in a string of chief executives at Credit Suisse, is trying to put the bank back on track after

Five Chinese cos to delist from NYSE

Five State-owned Chinese companies, including the country's leading energy and chemical company, have chosen to delist from the New York Stock Exchange (NYSE). In separate statements issued last month, China Life Insurance, PetroChina, Sinopec, Aluminum Corporation of China and Sinopec Shanghai Petrochemical have said that they have notified the NYSE and applied for "voluntary delisting", reports the *CNN*. The companies have cited "low turnover in the US" and "high administrative burden and costs" as their reason for the departure.

Tencent to sell its $24-bn Meituan stake



China's Tencent Holdings plans to sell all or a bulk of its $24 billion stake in food delivery firm Meituan to placate domestic regulators and monetise an eight-year-old investment. Tencent, which owns 17 per cent of Meituan, has been engaging with financial advisers in recent months to work out how to execute a potentially-large sale of its Meituan stake. The planned sale comes against the backdrop of China's sweeping regulatory crackdown since late 2020 on technology heavyweights that took aim at their empire building via stake acquisitions and domestic concentration of market power.

years of scandal and losses. Under the reshuffle, Mr Joshi, who was group treasurer of Deutsche Bank, will join the Swiss bank on October 1. McDonagh, already announced as CEO of the EMEA region, will, as COO, support Mr Koerner in the strategic development of Credit Suisse.

Ex-USSR President Gorbachev dies

Mikhail Gorbachev, the last president of the Soviet Union and one of the most influential leaders of his time, died in Moscow aged 91 last month. Mr Gorbachev, in power between 1985 and 1991, helped bring US-Soviet relations out of a deep freeze. He played a vital role in ending the Cold War between the US and the USSR. Mr Gorbachev's reforms brought an end to communism in the erstwhile USSR. However, he was unable to prevent the slow collapse of the USSR. Many Russians blame him for the years of turmoil that followed the disintegration of the USSR.

Bangladesh cuts school, office hours

Schools in Bangladesh will close an additional day each week and government offices and banks will shorten their work days by an hour to reduce electricity usage amid concerns over rising fuel prices and the impact of the Ukraine war. In Bangladesh, most schools are closed on Fridays, but now will also close on Saturdays. Government offices and banks will cut their workdays to seven hours from eight hours, but private offices will be allowed to set their own schedules. Supply disruptions caused by the Ukraine war have led to soaring world prices of energy and food.

Europe faces its worst drought in 500 years

Europe is facing its worst drought in 500 years, with two-thirds of the continent under a "warning" or "alert", a study by the European Commission has discovered. Across Europe, hot, dry conditions have threatened livestock and increased crop failure. According to the report, grain yields are expected to fall 16 per cent below the average for the past five years. Forecasts for soybean and sunflower yields are also set to fall by 15 and 12 per cent respectively. Sections of Germany's River Rhine have completely dried up, disrupting shipping in the country's most important inland waterway.

Laxman Narasimhan is Starbucks CEO

Laxman Narasimhan has been named the CEO of coffee-making company Starbucks. Mr Narasimhan, who worked with Reckitt before being named as the Starbucks CEO, will replace Howard Schultz on October 1, 2022, Mr Narasimhan joins a growing cohort of Indian-origin business leaders at the helm of global corporations. The new chief of Starbucks was born on April 15, 1967, in Pune, and earned a degree in mechanical engineering from the College of Engineering Pune. Subsequently, he earned an MA in German and International Studies from The Lauder Institute and an MBA in Finance from The Wharton School. Mr Narasimhan has worked with leading global companies, like McKinsey and PepsiCo.

IEA, OPEC differ on oil demand in 2022

The International Energy Agency (IEA) has raised its oil demand growth forecast for this year as soaring natural gas prices have led some consumers to switch to oil. "Natural gas and electricity prices have soared to new records, incentivising gas-to-oil switching in some countries," the Paris-based agency has said in its monthly oil report, in which it raised its outlook for 2022 demand by 380,000 barrels per day (bpd). By contrast, the Organization of the Petroleum Exporting Countries (OPEC) has cut its 2022 forecast for demand for oil, citing economic impact of Russia's invasion of Ukraine and high inflation. ■

Credit Suisse faces delays in China

The Credit Suisse Group is facing a further delay in getting approvals for some of its China operations after a flurry of senior management departures, according to people familiar with the matter. The Swiss bank has lost nearly half of the senior management personnel at its China securities ventures in recent months. As a consequence of the departures, the China Securities Regulatory Commission has told the lender that it will postpone any on-site inspection until those positions are filled. The inspection is the final step needed before Credit Suisse is allowed to start building out its wealth management business onshore.

Apple Watch to be made in Vietnam

Apple's suppliers are in talks to produce Apple Watch and MacBook in Vietnam for the first time. Apple's Chinese suppliers Luxshare Precision Industry and iPhone assembler Foxconn have started test production of Apple Watch and MacBook in northern Vietnam. Apple has been shifting some areas of iPhone production from China to other markets, including India, where it started manufacturing iPhone 13 this year. It is also planning to assemble iPad tablets. India and other countries such as Mexico and Vietnam are becoming increasingly important to contract manufacturers supplying American brands.

Murky World Of Commodity Trade

Two leading journalists lift the lid on the workings of billionaire commodity traders who buy, hoard and sell the earth's resources.

The modern world is built on commodities – from the oil that fuels our cars to the metals that power our smartphones. We rarely stop to consider where they have come from. But we should. In this book, two leading journalists lift the lid on one of the least-scrutinised corners of the world economy: the workings of the billionaire commodity traders who buy, hoard and sell the earth's resources.

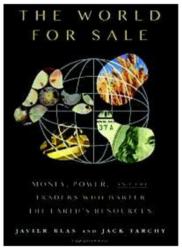
It is the story of how a handful of swashbuckling businessmen became indispensable cogs in global markets, enabling an enormous expansion in international trade and connecting resource-rich countries – no matter how corrupt or war-torn – with the world's financial centres.

And it is the story of how some traders acquired untold political power, right under the noses of Western regulators and politicians – helping Saddam Hussein to sell his oil, fuelling the Libyan rebel army during the Arab Spring and funnelling cash to Vladimir Putin's Kremlin in spite of Western sanctions.

"As journalists covering natural resources over the past two decades, we have been struck by the power and influence that is concentrated in just a few commodity traders' hands and equally surprised by how little is known about them," write Messrs Blas and Farchy. The authors have interviewed more than 100 active and retired commodity traders, including key figures at major global trading houses, like Glencore, Trafigura and Vitol.

"It is an extraordinary cast of characters manically hard

THE WORLD FOR SALE



Authors
JAVIER BLAS & JACK FARCHY

Publisher
OXFORD UNIVERSITY PRESS

Pages: 410

Price: Rs 2,049

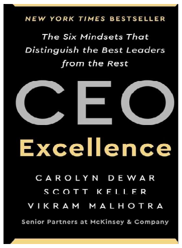
Formula For Success

McKinsey senior partners Carolyn Dewar, Scott Keller and Vikram Malhotra deliver a unique and timely business book. It draws on 25 years of research and interviews with top leaders of some of the world's most-respected companies. The authors demonstrate that while the role of CEO is unique within every organisation, it is surprisingly similar across companies even in disparate industries. Furthermore, the best CEOs approach their role with distinct mindsets and practices.

The authors interview around 67 of corporate leaders from a pool of 2,400 companies that had been scanned. The CEOs interviewed include the heads of Sony, Microsoft, JP Morgan, Netflix and their like. The authors believe that there are six responsibilities of CEOs that sort of make or break them. The book focuses on these six areas of responsibility for CEOs – such as setting the direction for the company; aligning the organisation to these objectives and strategies; identifying leaders; engaging with the board of directors; connecting with stakeholders, which can range from shareholders and clients or customers to employees; and finally, managing personal effectiveness.

The book argues that CEOs who deliver on these six responsibilities or at least most of them end up taking their companies to greater heights. This is an interesting book that lists what a CEO should do to

CEO EXCELLENCE



Authors
CAROLYN DEWAR, SCOTT KELLER & VIKRAM MALHOTRA

Publisher
NICHOLAS BREALEY PUBLISHING

Pages: 384

Price: Rs 807

About the authors
Carolyn Dewar *founded and co-leads McKinsey's CEO and board excellence work, coaching many Fortune-100 CEOs to maximise their effectiveness in the role.* ***Scott Keller*** *co-leads McKinsey's CEO and board excellence work on behalf of the strategy and corporate finance practice.* ***Vikram Malhotra*** *is McKinsey's chairman of the Americas. In the past, he has led McKinsey's Northeast Office (New York, Boston, & Stamford) as well as other practices.*

working, fiercely smart, disarmingly personable and singularly focused on making money," the authors point out. Notably, none of them is a woman. The authors note that "the commodity trading companies make Wall Street banks look progressive on gender diversity". Apparently, some of the largest commodity traders do not have a single woman among the top executives.

Commodity traders play a big role in the politics of various countries, especially those that have low economic credibility. They remain in the background most of the time and make money on sale of commodities that they often purchase at lower prices from countries shunned by the world for clandestine operations of their dictatorial leaders. The trading houses provide loans to such distressed nations that are considered outsiders by the global financial system and are thus able to procure precious natural resources from them at lower prices.

A large share of the world's traded resources is handled by just a few companies, many of them owned by just a few people, notes the book. In fact, the five largest oil trading houses handle 24 million barrels per day, almost a quarter of the world's petroleum demand. The seven leading agricultural traders handle just under half of the world's grains and oilseeds. Glencore, the largest metals trader, accounts for a third of the world supply of cobalt, a crucial raw material for electric vehicles.

The book is fast moving and could read like a novel as the authors take readers through various case studies. It will also set readers thinking on the present situation in Russia, with an embargo on trading with the country.

Wielding power often seems entwined with corrupt practices. Corruption is something that has plagued the commodity industry. There is a lot of skeletons and most of them will never be surfaced. This book is an eye-opening tour through the wildest frontiers of the global economy as well as a revelatory guide to how capitalism really works.

About the authors
Javier Blas and Jack Farchy *are two of the best-known journalists, covering energy, commodities and trading houses. Today, they both work for the* Bloomberg News*, where Mr Blas is Chief Energy Correspondent and Mr Farchy is a Senior Reporter, covering natural resources. They have an extensive network of contacts among executives, financiers, investors, government officials and civil society.*

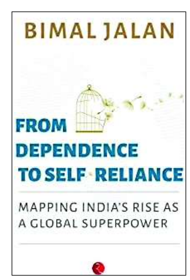
The Rise Of India

With a single-party majority in the Parliament, the political profile of the government has undergone a major change. The government, elected with a full majority, is now in a position to launch political reforms on its own without relying on the discretionary powers of members belonging to other parties.

Authored by Bimal Jalan, a former governor of the Reserve Bank of India (RBI), this book is based on extensive research and data and provides a way forward to developing India as an economic stronghold. Mr Jalan traces the rise of the services sector in the economy and the difference here is that the ascent has been of skill-based services that provide a comparative advantage to any economy. This revolution has been brought about by unprecedented and unforeseen advances in computer and communication technology in the past four decades.

It is divided into three sections: Economy, Governance and Politics. It covers a gamut of changes that have taken place since India gained independence and how these changes have had a groundbreaking impact on the development of the nation. It is a must-read to gain an in-depth understanding of India's rise to power in the realm of economy, politics and technology.

FROM DEPENDENCE TO SELF-RELIANCE



Author
BIMAL JALAN

Publisher
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Pages: 184

Price: Rs 695

About the author
Bimal Jalan *is a former governor of the RBI. He has previously held several positions in the government, including those of finance secretary and chairman of the Economic Advisory Council to the Prime Minister. He has also represented India on the boards of the International Monetary Fund and the World Bank.*

GaneshaSpeaks.com
Your friend, astrologer & guide
FOR ASTROLOGY DIAL 55181*

ARIES
Mar 21-Apr 20

You need to be cautious about saving and spending this month since your savings may not be as much as you aimed for. Get a health insurance policy in case you incur unexpected medical expenses. Planetary transits indicate that health expenditures are a probability. You may have to pay for legal services you hadn't budgeted for. With passage of the Sun and the Mercury, you are likely to be able to spend money on religious activities. Be careful while making a large investment in the stock market.

TAURUS
Apr 21-May 21

This month may most likely be a hit in terms of your financial situation. Though you may have a lot of expenses at the start of the month, they may eventually decrease. When Mars transits your zodiac sign, and the Sun transits the fifth house in the latter part of the month, there are strong odds that your income could skyrocket. This may help you overcome your financial difficulties and succeed. This is a terrific month for those of you who have been looking for ways to diversify your income.

GEMINI
May 22-Jun 21

This month is likely to bring unanticipated health expenses as well as interior improvements or repairs. Short-distance travel may occur unexpectedly, resulting in unforeseen expenses. You may visit a religious site, which may cost you money. This is not a good month to make a large land or property investment. Those in fashion or creative industries may face unexpected costs in their projects and businesses. Try to plan ahead of time so that you don't run into any financial difficulties.

CANCER
Jun 22-Jul 22

This month may deliver mixed outcomes on the financial front. There may be some difficulties, but you may be able to conquer them with ease. Success may take longer than expected, but it may not be denied. Continue to put in the effort, and you may see positive results by the end of the month. There could be a minor rise in money inflow. There's a good probability that you may get your portion of the ancestral property this time. You may build economic strength in this manner. New sources of money may be available from distant places, adds Ganesha.

LEO
Jul 23-Aug 23

Your financial situation can be thrown out of gear by a sudden and unexpected spike in your monthly spending. If you're going on a long journey this month, keep an eye on your bags; else, your belongings may get stolen. A majority of you can also use your money to renovate your homes. On the other side, expecting a promotion at work may be frustrated if the process is halted for some reason. If you had lent money to someone, you may be able to receive it back this month. Stick to a proper budget plan.

VIRGO
Aug 24-Sep 23

As the month begins, a financial gain may assist you in improving your financial situation. Simultaneously, you may be able to boost family provisions; you may do so freely. You may also resolve any outstanding concerns, and your astute decisions may enable you to save more money for the future. During the middle of this month, the stars may be in your favour for the majority of the days. You may now take advantage of opportunities to increase your earnings and build wealth. There may be plenty of planetary assistance to help you fulfil your obligations while bolstering your financial strength.

LIBRA
Sep 24-Oct 23

This month's planets may present you with some promising fruits to increase your revenue. Your investments are expected to yield exceptionally large returns in the future. So, don't let this opportunity pass you by. This may be an excellent time to invest in fixed assets, land or residential homes. Near the middle of the month, some excellent news about a coming financial issue may lift your emotions. Some fantastic earning opportunities may present themselves in the second half of this month, allowing you to increase your savings potential. Take advantage of fresh prospects and strengthen your financial position.

SCORPIO
Oct 24-Nov 22

The month may be very regular for you in terms of finances. However, in the second half of the month, the odds of making a profit increase dramatically. However, in order to keep your finances under control, you'll need to keep track of your expenses. This month, some of you may be planning to renovate your home. This is a fantastic time to invest in stocks and shares as long as you're mindful of the markets' changing tendencies. There's a chance that you'll buy a new house or a new vehicle. Investments made in the past may pay off in the future.

Growth set to exert upward pressure on the rupee

The value of the rupee is increasingly being dictated by market forces, rising when capital inflows increase and falling when foreign money decreases. Ganesha analyses various planetary positions to understand what is in store for the Indian currency.

Astrological analysis

The current symbol of the rupee was launched on July 15, 2010. A closer look at the solar charts of India and the new rupee launch shows that the timing of introduction of the new symbol was not so favourable.

Looking to the rupee Kundali, the Lagna sign Gemini's ruling planet, Mercury, is situated in the second house. The Sun is also situated with Ketu in the first house.

Overall, the rupee may try to hold its place strongly, but some volatility may still be there.

The lord of finances and economy, Moon, is situated in the Magha Nakshatra in the third house.

Overall, the rupee may try to hold its place strongly, but some volatility may still be there upto September 19, 2022. The Indian currency may trade in a narrow range, and this creates a confusing pattern in the slot because here, the market will be in a volatile mode.

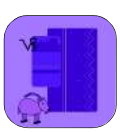
The government may take some actions, which can have a positive effect on the rupee. But this time is critical, and long-term effects have to be considered between January 27, 2023, and March 6, 2023. The period between March 9, 2023, and April 10, 2023, can be considered a risky, highly volatile and anything-can-happen time slot. Therefore, you are advised to better go in for delivery-based trade, or else there may be some problems awaiting you.

All in all, growth and development in India, accompanied by good capital inflows, will surely put upward pressure on the rupee. ■

SAGITTARIUS
Nov 23-Dec 21

Planetary influence on most of you may not be favourable to your financial situation. You may make financial gains, but you should improve your financial management skills. Make an effort to cut costs and save money for future needs. Single residents have a decent possibility of finding their ideal companions during this romantic month. This is an excellent time for your financial situation to improve steadily. Make sure your money isn't being wasted on bad investments. This should be avoided because it can have negative long-term consequences. It is critical that you exercise caution with your funds when investing in jewellery.

CAPRICORN
Dec 22-Jan 20



This month is ideal for singles as well as couples in a relationship. You may be able to spend more time with your lover than normal. Your monthly forecasts advise you to show your lover how much you care for him or her. It's a good idea to stay out of fights with your partner. This is not the month to put your money into risky ventures. Choose an investment strategy that may allow you to increase your profits over time. This is also the period when you may be pleased with the results that you may receive.

AQUARIUS
Jan 21-Feb 18

Your monthly horoscope predicts that your financial situation may improve dramatically this month. Some careful financial preparation would be beneficial because there are some unavoidable expenses in the first half of the month. Organising your budget and sketching out your finances may help you better manage your money, and the results may be apparent immediately. Budgeting can also help you expand your bank account over time. If there is a loss, it is simply because you have mismanaged your revenue and profits. Businesspeople may have good projects for a long time. You have to now strike the appropriate agreement.

PISCES
Feb 19-Mar 20

In general, this month may be a mix of spending and saving. As a result, it may be up to you to have a prior strategy based on priorities of expenditure for this month. With Jupiter's blessings, you may see excellent results from family and savings this month, but you should exercise prudence or seek professional counsel before making significant investments. There's a good chance that you'll have a quarrel with your siblings, and it's also a good idea not to get into a fight because it could cost you money. Changes in residence have the potential to cost you money.

AT THE HELM

ASHISHKUMAR CHAUHAN

It was homecoming for Ashishkumar Chauhan when he took over as MD and CEO of National Stock Exchange (NSE) in late July. The former MD and CEO of Bombay Stock Exchange (BSE) was, in fact, a part of a core team that had set up NSE in the early 1990s. He had played a vital role in building NSE as the country's premier, modern stock exchange.

A go-getter technocrat, Mr Chauhan is a mechanical engineer from IIT Bombay and an alumnus of IIM Calcutta. Young Chauhan began his career as a banker when Industrial Development Bank of India (now IDBI Bank) recruited him from the IIM Calcutta campus in 1991.

Two years later, his career took a significant turn, when he was included in the core team that set up NSE. The Mumbai-based stock exchange – which was set up after a major securities scam rocked the stock market in 1992 – was planned to be a modern, screen-based, online trading platform as an alternative to BSE, the then predominant bourse. Mr Chauhan and his core team went about working intricately and setting up systems and practices that would herald a new age of modern trading as we know it today.

Mr Chauhan was instrumental in setting up initial information technology infrastructure at NSE, which replaced open, outcry trading with online, screen-based trading. He helped create the Nifty-50, the most-tracked stock index of NSE. A commercial satellite telecom network was set up in the country for NSE, which enabled stock trading on computer screens in the cool confines of homes and offices across the country.

The core team involving Mr Chauhan played a vital role in setting up modern, exchange-traded financial derivatives. Since then, NSE has been the undisputed leader in the Indian derivatives market. National Securities Clearing Corporation and National Securities Depository – the two organisations that have contributed immensely in cementing transparent, online trading and swift settlement of trades – owe their existence to the untiring efforts of Mr Chaihan's team. The team also went on to set up a metric to measure liquidity in stocks, which is a standard practice in stock trading today.

In 2001, Mr Chauhan left NSE to begin his entrepreneurial venture, financed by the Reliance Group. Later, he began working for Reliance

FACTS FOR YOU

DAVEMAOITE

Last November, davemaoite became the latest mineral to be discovered by scientists. What makes this discovery all the more fascinating is that researches had a theoretical knowledge of davemaoite, but they had never thought that they would see this mineral on the surface of the earth.

Scientists at the University of Nevada, Las Vegas, were surprised to see a deep-earth mineral, like davemaoite, in November 2021. Their utter surprise stemmed from the fact that davemaoite, like other deep-earth minerals, cannot survive on the earth's surface. It is nestled deep in the earth's mantle and held together by extremely-high pressure. But this davemaoite did make its over 410-mile journey to the earth's surface and also did survive as it was trapped inside a diamond. The strength of the precious stone held the deep-earth mineral together and prevented it from disintegrating.

The new mineral opens a new window and provides a better understanding of deep-earth chemistry.

The diamond-encased mineral was mined in Botswana before a gem dealer sold it to a mineralogist at the California Institute of Technology in Pasadena. The scientists spotted tiny inclusions or specks within the diamond and were in utter joy when they realised that the tiny specks were the never-seen-before deep-earth mineral. They decided to call it davemaoite in honour of Ho-kwang 'Dave' Mao, a renowned, retired experimental geophysicist.

Most diamonds are formed 120 to 250 km underground. But those of the super-deep variety are born in the

Infocomm, becoming its chief information officer (CIO) and thereafter getting elevated as CIO of the Reliance Group.

Mr returned to the world of stock exchange in 2009, this time joining rival BSE as its deputy CEO and then taking charge as its MD and CEO in 2012. His long stint at BSE witnessed Asia's oldest stock exchange diversifying into new areas, including currencies, commodities, equity derivatives, SMEs, startups, distribution of mutual funds and insurance policies, spot markets and power trading. He is also credited with the successful initial public offer (IPO) of BSE – the first stock market in the country to go public.

Now back at NSE, Mr Chauhan faces an uphill task of steering the once-premier stock exchange back to its glorious days. NSE's image today is badly tarnished. Besides, NSE is pinning its hopes on Mr Chauhan to set the ball rolling on its long-pending IPO. The new NSE chief certainly has his plate full as he returns to the stock exchange he set up almost three decades ago. ■

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earth's lower mantle, which begins 660 km below the surface. The diamond from Botwsana, which is now at the Natural History Museum of Los Angeles County in California, is a super-deep diamond, and scientists are closely studying what this new mineral can tell us about the deep interiors of the earth.

The new mineral opens a new window and provides a better understanding of deep-earth chemistry. Scientists believe that deep-earth minerals, like davemaoite, play a key role in generating heat flow in the earth's mantle. This in turn drives processes such as plate tectonics that reshape the earth's landmasses. It would be a matter of time before scientists discover new applications of davemaoite, which could charge up the resources-hungry world. ■

SPIRITUAL CORNER

Penance, Renunciation And Fasting

Questioner: *Are penance* (tapa)*, vows* (vrat) *and disciplined rituals* (niyam) *necessary, or are they unnecessary?*

Dadashri: *All the medicines that are available in a pharmacy are all necessary, but they are necessary for other people, and you only have to take the medicine that you need. In the same way, penance, fasting, renunciation, vows, etc, are all necessary. There is nothing false or wrong in this world. There is nothing wrong with fasting, penance or chanting. Everything is correct according to each individual's viewpoint and expectation.*

Questioner: *So, is it necessary to do* japa-tapa *(chanting and penance)?*

Dadashri: *No. Is it necessary for you to take all the medicines that are in a drugstore? You take the medicine according to the illness that you have, and you will only need a couple of bottles of it. If you took all the bottles, it would kill you! If you are fond of* japa-tapa*, then you should do it.*

Questioner: *Does one bind karma by doing* japa-tapa*?*

Dadashri: *Of course, you bind karma in it! You bind* karma *in everything. Even when you sleep at night, you bind* karma*. And with chanting (japa) and penance* (tapa)*, however, there is considerable binding of karma. But that will be* karma *of merit* (punya)*, which in the next life, will bring one happiness and material wealth.*

This entire path of the vitarag *is a path of* labhalabha *(gain and loss). Do not expend even five cents on religion, if you can help it. A person fasts, and then goes around bragging about how many days he fasted, but when his son comes along, he starts quarrelling with him: 'Why were you not at the shop this morning?!' For goodness sakes, why bring the shop into this? Why don't you just get on with your fasting! When the son replies: 'I could not go to the shop today', he has a row with him. While in the other room sits the mother, who has also been fasting, and when she hears the sound of breaking glass, she yells: 'What happened? What just broke?' Dear old lady, it is your soul that just broke! Just one glass breaks, and her chit is out there! They are all suffering nothing but loss.*

Penance That Presents Naturally

In this day and age, people do not need to go out in search of penance (tapa)*. People have been told to do penance that presents itself naturally. This is because, in this* Kaliyug *(current era of the time cycle characterised by lack of unity in mind, speech and conduct), people are already suffering, be it at home, in the bedroom or at the temple; they are already in torment. What is the point of making someone do penance* (tapa)*, when he is already suffering (natural penance)? It is like putting a turban over your combed hair. There is no point to it.*

Do penance if a glass smashes. If your son does not go to work, you do penance. When the prakruti *(the relative self) starts acting up during adverse circumstances, it creates a lot of inner turmoil, and that is when you have to do penance* (tapa)*. In this age, you need to do the penances that just present themselves to you on their own.*

For more information on Dadashri's spiritual science, visit dadabhagwan.org

A Foodie & Techie Too

Food and travel are Harsha Parbat's passions in life. No wonder then that the versatile founder and CEO of AllFive has turned these passions into her career. Her company AllFive is a discovery and booking platform that allows customers to locate unique artisanal food and travel experiences while enabling hosts to craft and serve them. With a master's degree in Computer Science from California, US, Ms Parbat has built her career in the startup industry in the Silicon Valley over the last 15 years. A coder-turned-business head, she has helped over five companies build products from the ground up. In an enchanting chat with **Sharmila Chand***, Ms Parbat spells out that she is super passionate about finding real-world problems and building tech solutions for them.*

How do you define yourself?
A ball of energy

What is your philosophy of life?
Find your purpose, and work towards it.

What is your passion in life?
Food and travel are my first love and my passion.

What is your management *mantra*?
Lead from the front.

What is your work philosophy?
Avoid burnouts.

What is your fitness regime?
Doing 30-45 minutes of workouts four to five times a week

A business leader you admire the most…
Steve Jobs – he is hands down one of the legends in the world of innovation.

You are a tough, serious boss or…
I am a boss who is your co-worker, your friend, but who also gets tough when needed.

How do you de-stress?
I meditate, I journal, I talk to my confidants, I exercise and sometimes just wander off because sitting with your thoughts and processing them helps a lot.

Your *mantra* for success…
There are going to be great days, and there are going to be bad days, but just keep moving forward however slow or fast. Don't give up.

Your dream…
Building a successful startup where we can serve millions of people around the world

Ten years from now, where do we see you?
I see myself with a beautiful, healthy family of my own and as a leader of a startup that serves millions of people around the world. I also want to create a non-profit organisation for women empowerment.

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